

[Translation]

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 15, 2025

Company Name Kakuyasu Group Co., Ltd.
Listing Tokyo Stock Exchange
Ticker Code 7686
URL <https://www.kakuyasu-group.co.jp/>
Representative Yoshiyuki Maegaichi, Representative Director and President
Inquiries Tsuyoshi Matsuki, Executive Officer Group Finance and Accounting Manager
Telephone +81-3-5959-3088
Scheduled date of annual general meeting of shareholders: June 24, 2025
Scheduled date to commence dividend payments: June 10, 2025
Scheduled date to file annual securities report: June 25, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For institutional investors and securities analysts)

(JPY amounts are rounded down to million, unless otherwise noted.)

1. Consolidated financial results for the Fiscal year ended March 31, 2025

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

| Fiscal year ended | Sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-------------|------|------------------|--------|-----------------|--------|---|--------|
| | JPY million | % | JPY million | % | JPY million | % | JPY million | % |
| March 31, 2025 | 134,514 | 3.9 | 1,781 | (37.9) | 1,815 | (36.9) | 536 | (66.4) |
| March 31, 2024 | 129,406 | 12.6 | 2,867 | 257.0 | 2,878 | 259.8 | 1,595 | 161.9 |

Note: Comprehensive income For the Fiscal year ended March 31, 2025: JPY 538 million [(66.7) %]
For the Fiscal year ended March 31, 2024: JPY 1,619 million [147.6%]

| Fiscal year ended | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|--|--|
| | JPY | JPY | % | % | % |
| March 31, 2025 | 18.79 | 18.37 | 12.9 | 5.2 | 1.3 |
| March 31, 2024 | 56.48 | 54.95 | 46.0 | 8.6 | 2.2 |

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025 — million

For the fiscal year ended March 31, 2024 — million

Note: The Company conducted a 3-for-1 share split of its common shares on October 1, 2024. The "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the stock split was carried out in the previous consolidated fiscal year.

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net asset per share |
|----------------|--------------|-------------|-----------------------|---------------------|
| As of | JPY million | JPY million | % | JPY |
| March 31, 2025 | 36,059 | 4,230 | 11.7 | 147.30 |
| March 31, 2024 | 33,953 | 4,116 | 12.1 | 144.71 |

Reference: Equity As of March 31, 2025 JPY 4,230 million

As of March 31, 2024 JPY 4,116 million

Note: The Company conducted a 3-for-1 share split of its common shares on October 1, 2024. The "Net asset per share" is calculated assuming that the stock split was carried out in the previous consolidated fiscal year.

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | JPY million | JPY million | JPY million | JPY million |
| March 31, 2025 | 2,585 | (3,002) | 74 | 2,809 |
| March 31, 2024 | 2,785 | (207) | (2,136) | 3,151 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|-----------------------------|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | JPY | JPY | JPY | JPY | JPY | JPY million | % | % |
| Fiscal year ended March 31, 2024 | — | 25.00 | — | 25.00 | 50.00 | 481 | 29.1 | 13.5 |
| Fiscal year ending March 31, 2025 | — | 30.00 | — | 10.00 | — | 580 | 106.4 | 13.7 |
| Fiscal year ending March 31, 2026 (Forecast) | — | 10.00 | — | 10.00 | 20.00 | | — | |

Note: 1. "Total cash dividends" includes the dividend paid to The Employee Stock Ownership Plan Trust (8 million yen for the fiscal year ending March 2025).

Note: 2 The Company conducted a 3-for-1 share split of its common shares on October 1, 2024. The Fiscal year-end dividend per share is the amount after taking into account the stock split. The total annual dividend is not stated because it is not possible to simply add up the second quarter end dividend and the fiscal year-end dividend. If the stock split is not taken into account, the final dividend per share for the fiscal year ending March 2025 will be 30.00 yen, and the total annual dividend will be 60.00 yen.

3. Consolidated financial results for the fiscal year ending March 31, 2026 (Forecast)

(%Percentages indicate year-on-year changes.)

| | Sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------------------------------|-------------|-----|------------------|--------|-----------------|--------|---|-------|--------------------|
| | JPY million | % | JPY million | % | JPY million | % | JPY million | % | JPY |
| Fiscal year ending March 31, 2026 | 142,000 | 5.6 | 1,440 | (19.2) | 1,400 | (22.9) | 500 | (6.9) | 17.20 |

※ Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Included: 1 company (Daiwa Express Co., Ltd.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|----------------------|-------------------|
| As of March 31, 2025 | 29,018,700 shares |
| As of March 31, 2024 | 28,953,900 shares |

(ii) Number of treasury shares at the end of the period

| | |
|----------------------|----------------|
| As of March 31, 2025 | 300,349 shares |
| As of March 31, 2024 | 510,711 shares |

(iii) Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 28,570,548 shares |
| Fiscal year ended March 31, 2024 | 28,250,251 shares |

Note: The number of treasury stock at the end of the period includes the Company's shares held by the ESOP Trust Account (510,300 shares as of March 31, 2024 and 299,800 shares as of March 31, 2025).

The Company conducted a 3-for-1 share split of its common shares on October 1, 2024. The "number of shares

issued at the end of the period," "number of treasury shares at the end of the period," and "average number of shares during the period" are calculated assuming that the stock split was carried out at the beginning of the previous fiscal year.

※ Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

※ Explanation of Appropriate Use of Earnings Forecasts and Other Special Instructions

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended as a guarantee that they will be achieved. Actual results may differ significantly due to various factors.

4. Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

(JPY million)

| | As of March 31, 2024 | As of March 31, 2025 |
|---------------------------------------|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,175 | 2,837 |
| Notes and accounts receivable - trade | 9,818 | 10,390 |
| Merchandise | 5,652 | 6,247 |
| Accounts receivable - others | 1,540 | 1,515 |
| Others | 1,325 | 1,340 |
| Allowance for doubtful accounts | (89) | (81) |
| Total current assets | 21,423 | 22,248 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,198 | 4,334 |
| Tools, furniture and fixtures, net | 325 | 367 |
| Land | 2,720 | 2,720 |
| Construction in progress | — | 332 |
| Others, net | 11 | 94 |
| Total property, plant and equipment | 7,255 | 7,848 |
| Intangible assets | | |
| Goodwill | 993 | 978 |
| Software | 640 | 785 |
| Software development in progress | 7 | 756 |
| Others | 3 | 2 |
| Total intangible assets | 1,710 | 2,523 |
| Investments and other assets | | |
| Investment securities | 361 | 380 |
| Deferred tax assets | 787 | 492 |
| Leasehold and guarantee deposits | 2,221 | 2,397 |
| Others | 314 | 262 |
| Allowance for doubtful accounts | (120) | (94) |
| Total investments and other assets | 3,564 | 3,438 |
| Total non-current assets | 12,530 | 13,811 |
| Total assets | 33,953 | 36,059 |

(JPY million)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 16,007 | 17,721 |
| Short-term borrowings | 6,382 | 6,021 |
| Lease liabilities | 1 | 19 |
| Income taxes payable | 249 | 255 |
| Provision for bonuses | 540 | 535 |
| Asset retirement obligations | 37 | — |
| Others | 2,896 | 2,449 |
| Total current liabilities | 26,116 | 27,003 |
| Non-current liabilities | | |
| Long-term borrowings | 2,231 | 3,081 |
| Lease liabilities | 2 | 67 |
| Deferred tax liabilities | 80 | 116 |
| Asset retirement obligations | 1,283 | 1,479 |
| Others | 123 | 80 |
| Total non-current liabilities | 3,721 | 4,825 |
| Total liabilities | 29,837 | 31,829 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 64 | 70 |
| Capital surplus | 3,572 | 3,578 |
| Retained earnings | 561 | 567 |
| Treasury shares | (230) | (135) |
| Total shareholders' equity | 3,969 | 4,081 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 146 | 148 |
| Total accumulated other comprehensive income | 146 | 148 |
| Total net assets | 4,116 | 4,230 |
| Total liabilities and net assets | 33,953 | 36,059 |

(2) Consolidated Statements of Income and Comprehensive Income

(JPY million)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Sales | 129,406 | 134,514 |
| Cost of sales | 99,872 | 103,449 |
| Gross profit | 29,533 | 31,065 |
| Selling, general and administrative expenses | 26,666 | 29,283 |
| Operating profit (loss) | 2,867 | 1,781 |
| Non-operating income | | |
| Interest income | 3 | 4 |
| Commission income | 11 | 6 |
| Insurance claim income | 23 | 16 |
| Guarantee commission income | 18 | 28 |
| Contract penalty income | — | 74 |
| Others | 32 | 17 |
| Total non-operating income | 91 | 148 |
| Non-operating expenses | | |
| Interest expenses | 46 | 65 |
| Loss on store closings | 24 | 29 |
| Others | 8 | 19 |
| Total non-operating expenses | 79 | 114 |
| Recurring profit (loss) | 2,878 | 1,815 |
| Extraordinary income | | |
| Gain on sale of investment securities | — | 0 |
| Gain on sale of non-current assets | 335 | 0 |
| Total extraordinary income | 335 | 0 |
| Extraordinary losses | | |
| Impairment losses | 432 | 611 |
| Others | 29 | 4 |
| Total extraordinary losses | 461 | 616 |
| Profit (loss) before income taxes | 2,753 | 1,199 |
| Income taxes - current | 289 | 341 |
| Income taxes - deferred | 868 | 321 |
| Total income taxes | 1,157 | 663 |
| Profit (loss) | 1,595 | 536 |
| Profit (loss) attributable to owners of parent | 1,595 | 536 |

(Interim Consolidated Statements of Comprehensive Income)

(JPY million)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Profit (loss) | 1,595 | 536 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 24 | 1 |
| Total other comprehensive income | 24 | 1 |
| Comprehensive income | 1,619 | 538 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | 1,619 | 538 |
| Comprehensive income attributable to non-controlling interests | — | — |

3. Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(JPY million)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 47 | 3,555 | (601) | (307) | 2,692 |
| Changes during period | | | | | |
| Issuance of new shares | 17 | 17 | — | — | 35 |
| Capital reduction | — | — | — | — | — |
| Dividends of surplus | — | — | (432) | — | (432) |
| Purchase of treasury shares | — | — | — | (0) | (0) |
| Disposal of treasury shares | — | — | — | 77 | 77 |
| Profit (loss) attributable to owners of parent | — | — | 1,595 | — | 1,595 |
| Net changes in items other than shareholders' equity | — | — | — | — | — |
| Total changes during period | 17 | 17 | 1,163 | 77 | 1,276 |
| Balance at end of period | 64 | 3,572 | 561 | (230) | 3,969 |

| | Accumulated other comprehensive income | | Total net assets |
|--|---|--|------------------|
| | Valuation difference on available-for-sale securities | Total accumulated other comprehensive income | |
| Balance at beginning of period | 122 | 122 | 2,815 |
| Changes during period | | | |
| Issuance of new shares | — | — | 35 |
| Capital reduction | — | — | — |
| Dividends of surplus | — | — | (432) |
| Purchase of treasury shares | — | — | (0) |
| Disposal of treasury shares | — | — | 77 |
| Profit (loss) attributable to owners of parent | — | — | 1,595 |
| Net changes in items other than shareholders' equity | 24 | 24 | 24 |
| Total changes during period | 24 | 24 | 1,300 |
| Balance at end of period | 146 | 146 | 4,116 |

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(JPY million)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 64 | 3,572 | 561 | (230) | 3,969 |
| Changes during period | | | | | |
| Issuance of new shares | 5 | 5 | — | — | 11 |
| Capital reduction | — | — | — | — | — |
| Dividends of surplus | — | — | (531) | — | (531) |
| Purchase of treasury shares | — | — | — | (0) | (0) |
| Disposal of treasury shares | — | — | — | 94 | 94 |
| Profit (loss) attributable to owners of parent | — | — | 536 | — | 536 |
| Net changes in items other than shareholders' equity | — | — | — | — | — |
| Total changes during period | 5 | 5 | 5 | 94 | 112 |
| Balance at end of period | 70 | 3,578 | 567 | (135) | 4,081 |

| | Accumulated other comprehensive income | | Total net assets |
|--|---|--|------------------|
| | Valuation difference on available-for-sale securities | Total accumulated other comprehensive income | |
| Balance at beginning of period | 146 | 146 | 4,116 |
| Changes during period | | | |
| Issuance of new shares | — | — | 11 |
| Capital reduction | — | — | — |
| Dividends of surplus | — | — | (531) |
| Purchase of treasury shares | — | — | (0) |
| Disposal of treasury shares | — | — | 94 |
| Profit (loss) attributable to owners of parent | — | — | 536 |
| Net changes in items other than shareholders' equity | 1 | 1 | 1 |
| Total changes during period | 1 | 1 | 114 |
| Balance at end of period | 148 | 148 | 4,230 |

4. Consolidated statement of cash flows

(JPY million)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit (loss) before income taxes | 2,753 | 1,199 |
| Depreciation | 736 | 892 |
| Amortization of goodwill | 157 | 163 |
| Impairment losses | 432 | 611 |
| Loss (gain) on sale of investment securities | — | (0) |
| Loss (gain) on sale of non-current assets | (335) | (0) |
| Increase (decrease) in allowance for doubtful accounts | 19 | (33) |
| Increase (decrease) in provision for bonuses | 144 | (5) |
| Interest income | (3) | (4) |
| Interest expenses | 46 | 65 |
| Decrease (increase) in trade receivables | (932) | (547) |
| Decrease (increase) in inventories | (464) | (591) |
| Decrease (increase) in accounts receivable - other | (186) | 25 |
| Increase (decrease) in trade payables | 482 | 1,759 |
| Increase (decrease) in accounts payable - other | 340 | (252) |
| Increase (decrease) in accrued consumption taxes | (24) | (305) |
| Others, net | (186) | 29 |
| Subtotal | 2,978 | 3,007 |
| Interest and dividends received | 3 | 5 |
| Interest paid | (46) | (65) |
| Income taxes refund | 11 | — |
| Income taxes paid | (161) | (361) |
| Net cash provided by (used in) operating activities | 2,785 | 2,585 |
| Cash flows from investing activities | | |
| Purchase of non-current assets | (1,209) | (2,531) |
| Proceeds from sale of non-current assets | 1,100 | 0 |
| Proceeds from sale of investment securities | — | 0 |
| Payments of leasehold and guarantee deposits | (281) | (289) |
| Proceeds from refund of leasehold and guarantee deposits | 219 | 114 |
| Payments for asset retirement obligations | (46) | (120) |
| Payments of acquisition of subsidiary | — | (156) |
| Others, net | 10 | (19) |
| Net cash provided by (used in) investing activities | (207) | (3,002) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (326) | (677) |
| Proceeds from long-term borrowings | — | 2,670 |
| Repayments of long-term borrowings | (1,525) | (1,520) |
| Proceeds from disposal of treasury shares | 77 | 94 |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 35 | 11 |
| Dividends paid | (394) | (501) |
| Others, net | (2) | (3) |
| Net cash provided by (used in) financing activities | (2,136) | 74 |
| Net increase (decrease) in cash and cash equivalents | 441 | (341) |
| Cash and cash equivalents at beginning of period | 2,709 | 3,151 |
| Cash and cash equivalents at end of period | 3,151 | 2,809 |

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