

[Translation]

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## Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

August 14, 2023

Company Name Kakuyasu Group Co., Ltd.  
Listing Tokyo Stock Exchange  
Ticker Code 7686  
URL <https://www.kakuyasu-group.co.jp/>  
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Scheduled date to file quarterly securities report: August 14, 2023  
Scheduled date to commence dividend payments: —  
Preparation of supplementary material on quarterly financial results: Yes  
Holding of quarterly financial results briefing: No

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

### 1. Consolidated financial results for the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

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

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Three months ended								
June 30, 2023	31,118	17.2	601	—	598	—	332	—
June 30, 2022	26,541	42.7	△186	—	△186	—	△150	—

Note: Comprehensive income For the three months ended June 30, 2023: JPY 357 million [—%]

For the three months ended June 30, 2022: JPY △125 million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	JPY	JPY
June 30, 2023	35.47	34.51
June 30, 2022	△16.14	—

Note: Diluted net income per share for the first quarter of the fiscal year ending March 31, 2023 is not stated as it is a quarterly net loss per share, although there are diluted shares.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	JPY million	JPY million	%
June 30, 2023	33,727	3,010	8.9
March 31, 2023	33,086	2,815	8.5

Reference: Equity As of June 30, 2023: JPY 3,010 million

As of March 31, 2023: JPY 2,815 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 31, 2023	—	10.00	—	20.00	30.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		25.00	—	25.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Regarding dividends for the fiscal year ending March 2024, please refer to the "Notice regarding revisions to consolidated business forecasts and dividend forecasts for the fiscal year ending March 2024" announced today.

## 3. Consolidated financial results for the fiscal year ending March 31, 2024 (Forecast) (From April 1, 2023 to March 31, 2024)

(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 September 30, 2023	63,300	17.7	1,190	—	1,180	—	690	—	73.65
Fiscal year ending March 31, 2024	130,600	13.6	3,000	273.4	2,900	262.3	1,700	178.8	181.46

Note: Revisions to the forecast of financial results most recently announced: Yes

Regarding the consolidated performance forecast, please refer to the "Notice regarding revision of consolidated performance forecast for the fiscal year ending March 2024 and dividend forecast" announced today.

### ※ Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations : No
  - (ii) Changes in accounting policies due to other reasons : No
  - (iii) Changes in accounting estimates : No
  - (iv) Restatement: No
- (4) Number of issued shares (common shares)
  - (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	9,597,000 shares
As of March 31, 2023	9,587,100 shares

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

As of June 30, 2023	210,210 shares
As of March 31, 2023	227,544 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	9,368,502 shares
Three months ended June 30, 2022	9,318,441 shares

Note: The number of treasury shares at the end of the fiscal year includes the Company's shares held by the employee stock ownership ESOP trust account (227,500 shares for the fiscal year ending March 2023, 210,100 shares for the first quarter of the fiscal year ending March 2024).

※ Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

※ Proper use of earnings forecasts, and other special matters

Statements regarding the future, such as business performance forecasts, contained in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and are based on the Company's commitment to achieving them. It's not a thing. In addition, actual results may differ significantly due to various factors.

#### 4. Quarterly consolidated financial statements and main notes

##### (1) Quarterly Consolidated Balance Sheets

(JPY million)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,727	3,210
Notes and accounts receivable - trade	8,884	8,894
Merchandise	5,191	5,086
Accounts receivable - others	1,356	1,727
Others	1,384	1,468
Allowance for doubtful accounts	△81	△80
<b>Total current assets</b>	<b>19,462</b>	<b>20,305</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,841	3,835
Tools, furniture and fixtures, net	257	285
Land	3,411	3,411
Others, net	0	0
<b>Total property, plant and equipment</b>	<b>7,511</b>	<b>7,533</b>
Intangible assets		
Goodwill	1,165	1,125
Software	589	581
Leased assets	2	1
Others	18	10
<b>Total intangible assets</b>	<b>1,777</b>	<b>1,719</b>
Investments and other assets		
Investment securities	324	363
Deferred tax assets	1,656	1,494
Leasehold and guarantee deposits	2,156	2,093
Others	307	318
Allowance for doubtful accounts	△108	△101
<b>Total investments and other assets</b>	<b>4,335</b>	<b>4,169</b>
<b>Total non-current assets</b>	<b>13,623</b>	<b>13,422</b>
<b>Total assets</b>	<b>33,086</b>	<b>33,727</b>

(JPY million)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	15,609	15,864
Short-term borrowings	7,205	7,438
Lease liabilities	2	1
Income taxes payable	121	73
Provision for bonuses	414	635
Asset retirement obligations	20	13
Others	2,436	2,473
Total current liabilities	25,810	26,499
Non-current liabilities		
Long-term borrowings	3,261	3,009
Lease liabilities	0	—
Deferred tax liabilities	68	81
Retirement benefit liability	104	97
Asset retirement obligations	893	911
Others	131	117
Total non-current liabilities	4,460	4,217
<b>Total liabilities</b>	<b>30,271</b>	<b>30,717</b>
Net assets		
Shareholders' equity		
Share capital	47	49
Capital surplus	3,555	3,557
Retained earnings	△601	△461
Treasury shares	△307	△284
Total shareholders' equity	2,692	2,862
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	122	148
Total accumulated other comprehensive income	122	148
<b>Total net assets</b>	<b>2,815</b>	<b>3,010</b>
<b>Total liabilities and net assets</b>	<b>33,086</b>	<b>33,727</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(First quarter consolidated cumulative period)

(JPY million)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Sales	26,541	31,118
Cost of sales	21,016	24,137
Gross profit	5,525	6,980
Selling, general and administrative expenses	5,711	6,379
Operating profit (loss)	△186	601
Non-operating income		
Subsidy income	4	—
Guarantee commission income	—	7
Others	11	10
Total non-operating income	15	18
Non-operating expenses		
Interest expenses	14	12
Loss on store closings	1	7
Others	0	0
Total non-operating expenses	16	21
Ordinary profit (loss)	△186	598
Extraordinary income		
Gain on sale of non-current assets	—	0
Total extraordinary income	—	0
Extraordinary losses		
Impairment losses	—	31
Others	—	0
Total extraordinary losses	—	31
Profit (loss) before income taxes	△186	567
Income taxes - current	21	73
Income taxes - deferred	△57	161
Total income taxes	△36	234
Profit (loss)	△150	332
Profit (loss) attributable to owners of parent	△150	332

(Quarterly Consolidated Statements of Comprehensive Income)  
(First quarter consolidated cumulative period)

(JPY million)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	△150	332
Other comprehensive income		
Valuation difference on available-for-sale securities	25	25
Total other comprehensive income	25	25
Comprehensive income	△125	357
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△125	357
Comprehensive income attributable to non-controlling interests	—	—