

[Translation]

May 15, 2023

Kakuyasu Group Co.,Ltd.

Representative Director, Chairman and President Junichi Sato

(Ticker Code : 7686 Tokyo Stock Exchange Standard Market)

Inquiry to Director Yoshiyuki Maegaichi

Recognition of extraordinary loss and deferred tax asset

This is to announce that the Company has recorded extraordinary loss and deferred tax assets as shown below in the consolidated financial results for the fiscal year ending March 2023 announced today, with the following.

1. Extraordinary loss

As a result of examining the future recoverability of non-current assets including stores and leased assets owned by Kakuyasu Co., Ltd., a consolidated subsidiary of the Company, an impairment loss of JPY 509 million was recorded.

2. Deferred tax asset

As a consequence of careful consideration of the recoverability of deferred tax assets based on the current fiscal year and future outlook, the Company decided to recognize deferred tax asset as a gain of JPY 446 million.

Disclaimer: This is an English translation of the disclosure. This translation is prepared and provided for the reader's convenience.