

[Translation]

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

August 14, 2024

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 to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of 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, 2024 (From April 1, 2024 to June 30, 2024)

(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, 2024	33,036	6.2	482	(19.7)	456	(23.6)	252	(24.1)
June 30, 2023	31,118	17.2	601	—	598	—	332	—

Note: Comprehensive income For the Three months ended June 30, 2024: JPY 265 million [(25.8) %]
For the Three months ended June 30, 2023: JPY 357 million [— %]

	Basic earnings per share	Diluted earnings per share
Three months ended	JPY	JPY
June 30, 2024	26.56	25.92
June 30, 2023	35.47	34.51

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	JPY million	JPY million	%
June 30, 2024	34,260	4,167	12.2
March 31, 2024	33,953	4,116	12.1

Reference: Equity As of June 30, 2024 JPY 4,167 million
As of March 31, 2024 JPY 4,116 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended	JPY	JPY	JPY	JPY	JPY
March 31, 2024	—	25.00	—	25.00	50.00
Fiscal year ending	—				
March 31, 2025					
Fiscal year ending		30.00	—	10.00	—
March 31, 2025 (Forecast)					

Note: Revisions to the most recently announced dividend forecast: None

At the Board of Directors meeting held on May 15, 2024, the Company resolved to conduct a 3 for 1 stock split for each common share, with September 30, 2024 as the record date and October 1, 2024 as the effective date. Without taking into account the stock split, the year-end dividend per share for the year ending 31 March 2025 (forecast) will be JPY 30.00 and the total annual dividend will be JPY 60.00.

3. Consolidated financial results for the fiscal year ending March 31, 2025 (Forecast) (From April 1, 2024 to March 31, 2025)

(%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
Six months ending September 30, 2024	67,430	5.9	1,330	17.5	1,310	15.0	810	85.2	84.23
Fiscal year ending March 31, 2025	137,400	6.2	3,600	25.6	3,600	25.0	2,200	37.9	228.72

Notes: Revisions to the most recently announced earnings forecast: None

※ Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(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 : None

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

(iii) Changes in accounting estimates : None

(iv) Restatement: None

(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, 2024	9,663,200 shares
As of March 31, 2024	9,651,300 shares

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

As of June 30, 2024	155,037 shares
As of March 31, 2024	170,237 shares

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

Three months ended June 30, 2024	9,492,767 shares
Three months ended June 30, 2023	9,368,502 shares

Note: The number of treasury stock at the end of the period includes the Company's shares held by the ESOP Trust Account (170,100 shares as of March 31, 2024 and 154,900 shares as of June 30, 2024).

※ Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes

※ 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. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

(JPY million)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	3,175	3,391
Notes and accounts receivable - trade	9,818	9,929
Merchandise	5,652	5,303
Accounts receivable - others	1,540	1,780
Others	1,325	1,299
Allowance for doubtful accounts	(89)	(94)
Total current assets	21,423	21,610
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,198	4,294
Tools, furniture and fixtures, net	325	380
Land	2,720	2,720
Others, net	11	13
Total property, plant and equipment	7,255	7,407
Intangible assets		
Goodwill	993	956
Software	640	655
Others	75	120
Total intangible assets	1,710	1,733
Investments and other assets		
Investment securities	361	381
Deferred tax assets	787	639
Leasehold and guarantee deposits	2,221	2,259
Others	314	356
Allowance for doubtful accounts	(120)	(129)
Total investments and other assets	3,564	3,509
Total non-current assets	12,530	12,650
Total assets	33,953	34,260

(JPY million)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	16,007	16,649
Short-term borrowings	6,382	6,252
Income taxes payable	249	53
Provision for bonuses	540	302
Asset retirement obligations	37	46
Others	2,898	3,295
Total current liabilities	26,116	26,599
Non-current liabilities		
Long-term borrowings	2,231	1,984
Deferred tax liabilities	80	87
Asset retirement obligations	1,283	1,310
Others	125	111
Total non-current liabilities	3,721	3,493
Total liabilities	29,837	30,093
Net assets		
Shareholders' equity		
Share capital	64	68
Capital surplus	3,572	3,576
Retained earnings	561	572
Treasury shares	(230)	(209)
Total shareholders' equity	3,969	4,006
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	146	160
Total accumulated other comprehensive income	146	160
Total net assets	4,116	4,167
Total liabilities and net assets	33,953	34,260

(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, 2023	Three months ended June 30, 2024
Sales	31,118	33,036
Cost of sales	24,137	25,386
Gross profit	6,980	7,650
Selling, general and administrative expenses	6,379	7,167
Operating profit (loss)	601	482
Non-operating income		
Commission income	3	1
Insurance claim income	1	3
Guarantee commission income	7	5
Others	6	3
Total non-operating income	18	12
Non-operating expenses		
Interest expenses	12	11
Loss on store closings	7	23
Others	0	3
Total non-operating expenses	21	38
Recurring profit (loss)	598	456
Extraordinary income		
Gain on sale of non-current assets	0	—
Total extraordinary income	0	—
Extraordinary losses		
Impairment losses	31	4
Others	0	—
Total extraordinary losses	31	4
Profit (loss) before income taxes	567	452
Income taxes - current	73	52
Income taxes - deferred	161	147
Total income taxes	234	200
Profit (loss)	332	252
Profit (loss) attributable to owners of parent	332	252

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

(JPY million)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit (loss)	332	252
Other comprehensive income		
Valuation difference on available-for-sale securities	25	13
Total other comprehensive income	25	13
Comprehensive income	357	265
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	357	265
Comprehensive income attributable to non-controlling interests	—	—