

[Translation]

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## Consolidated Financial Results for the Three Months Ended June 30, 2021 (Under Japanese GAAP)

August 12, 2021

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 12, 2021  
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, 2021 (From April 1, 2021 to June 30, 2021)

#### (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, 2021	18,598	10.8	△1,307	—	△1,126	—	△709	—
June 30, 2020	16,783	—	△1,114	—	△755	—	△538	—

Note: Comprehensive income For the three months ended June 30, 2021: JPY △709 million [—%]  
For the three months ended June 30, 2020: JPY △543 million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	JPY	JPY
June 30, 2021	△85.03	—
June 30, 2020	△69.81	—

- Note:
- The Company has not prepared quarterly consolidated financial statements for the first quarter of the fiscal year ending March 2020, so the year-on-year change rate for the first quarter of the fiscal year ending March 2021 is not stated.
  - Diluted net income per share for the first quarter of the fiscal year ending March 2022 and the first quarter of the fiscal year ending March 31, 2021 is not stated as it is a quarterly net loss per share despite the existence of diluted shares. Not yet.
  - “Accounting Standards for Revenue Recognition” (Corporate Accounting Standards No. 29, March 31, 2020), etc. have been applied from the beginning of the current first quarter consolidated accounting period, and each figure for the first quarter of the fiscal year ending March 2022 The figures are after applying the relevant accounting standards, etc.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	JPY million	JPY million	%
June 30, 2021	27,142	4,530	16.7
March 31, 2021	26,994	3,212	11.9

Reference: Equity As of June 30, 2021: JPY 4,530 million  
As of March 31, 2021: JPY 3,212 million

Note: “Accounting Standards for Revenue Recognition” (Corporate Accounting Standards No. 29, March 31, 2020), etc. have been applied from the beginning of the current first quarter consolidated accounting period. The figures for the first quarter of the fiscal year ending March 2022 are after applying the relevant accounting standards, etc.

## 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, 2021	-	24.90	-	24.90	49.80
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Forecast)		-	-	-	-

Note: 1. Revisions to the forecast of cash dividends most recently announced: Yes  
 2. For dividends for the fiscal year ending March 2022, please refer to the "Notice regarding revision of dividend forecast for the fiscal year ending March 2022" announced today.

## 3. Consolidated financial results for the fiscal year ending March 31, 2022 (Forecast) (From April 1, 2021 to March 31, 2022)

(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, 2021	-	-	-	-	-	-	-	-	-
Fiscal year ending March 31, 2022	-	-	-	-	-	-	-	-	-

Note: 1. Revisions to the forecast of financial results most recently announced: No  
 2. The business performance forecast for the fiscal year ending March 31, 2022 has not been determined as it is difficult to make a reasonable calculation at this stage due to the spread of the new coronavirus infection. In the future, we will promptly disclose the performance forecast as soon as it becomes possible to calculate it.

### ※ 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 : Yes
  - (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, 2021	9,282,600 shares
As of March 31, 2021	7,777,200 shares

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

As of June 30, 2021	- shares
As of March 31, 2021	- shares

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

Three months ended June 30, 2021	8,342,944 shares
Three months ended June 30, 2020	7,710,055 shares

※ 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

Consolidated business forecasts for the fiscal year ending March 2022 have not yet been determined as it is difficult to reasonably calculate them at this stage due to the spread of the new coronavirus infection. In the future, we will promptly disclose the performance forecast as soon as it becomes possible to calculate it.

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

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

(JPY million)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	2,525	2,582
Notes and accounts receivable - trade	4,745	3,966
Merchandise	3,610	3,777
Accounts receivable - others	1,180	1,194
Income taxes refund receivable	629	635
Others	1,121	1,887
Allowance for doubtful accounts	△26	△20
Total current assets	13,785	14,023
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,516	3,585
Vehicles, net	0	4
Tools, furniture and fixtures, net	209	223
Land	3,002	3,002
Leased assets, net	2	2
Construction in progress	—	1
Total property, plant and equipment	6,732	6,820
Intangible assets		
Goodwill	1,485	1,445
Software	664	639
Leased assets	203	159
Others	3	3
Total intangible assets	2,357	2,248
Investments and other assets		
Investment securities	511	503
Deferred tax assets	833	1,248
Leasehold and guarantee deposits	2,105	2,128
Long-term prepaid expenses	528	48
Others	273	238
Allowance for doubtful accounts	△133	△118
Total investments and other assets	4,119	4,049
Total non-current assets	13,208	13,118
Total assets	26,994	27,142

(JPY million)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	10,079	9,646
Short-term borrowings	5,614	4,501
Lease liabilities	164	129
Income taxes payable	52	31
Provision for bonuses	329	513
Asset retirement obligations	16	4
Others	2,278	1,808
Total current liabilities	18,535	16,635
Non-current liabilities		
Long-term borrowings	4,166	4,913
Lease liabilities	39	29
Deferred tax liabilities	76	74
Retirement benefit liability	101	104
Asset retirement obligations	694	700
Others	168	153
Total non-current liabilities	5,246	5,976
<b>Total liabilities</b>	<b>23,781</b>	<b>22,611</b>
Net assets		
Shareholders' equity		
Share capital	379	30
Capital surplus	638	3,208
Retained earnings	2,070	1,167
Total shareholders' equity	3,087	4,406
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	125	124
Total accumulated other comprehensive income	125	124
<b>Total net assets</b>	<b>3,212</b>	<b>4,530</b>
<b>Total liabilities and net assets</b>	<b>26,994</b>	<b>27,142</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, 2020	Three months ended June 30, 2021
Sales	16,783	18,598
Cost of sales	13,195	14,616
Gross profit	3,588	3,982
Selling, general and administrative expenses	4,702	5,290
Operating profit (loss)	△1,114	△1,307
Non-operating income		
Subsidy income	363	203
Others	7	5
Total non-operating income	371	208
Non-operating expenses		
Interest expenses	8	12
Share issuance costs	—	9
Others	3	5
Total non-operating expenses	11	27
Ordinary profit (loss)	△755	△1,126
Extraordinary income		
Gain on sale of investment securities	—	15
Total extraordinary income	—	15
Profit (loss) before income taxes	△755	△1,110
Income taxes - current	5	13
Income taxes - deferred	△222	△414
Total income taxes	△216	△401
Profit (loss)	△538	△709
Profit (loss) attributable to owners of parent	△538	△709

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

(JPY million)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	△538	△709
Other comprehensive income		
Valuation difference on available-for-sale securities	△5	△0
Total other comprehensive income	△5	△0
Comprehensive income	△543	△709
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△543	△709
Comprehensive income attributable to non-controlling interests	—	—