

[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, 2020 (Under Japanese GAAP)

August 12, 2020

Company Name Kakuyasu Co., Ltd.
Listing Tokyo Stock Exchange
Ticker Code 7686
URL <https://corp.kakuyasu.co.jp/>
Representative Junichi Satou, Representative Director and President
Inquiries Yoshiyuki Maegaichi, Executive Officer Group Finance and Accounting Manager
Telephone +81-3-5959-3088
Scheduled date to file quarterly securities report: August 12, 2020
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, 2020 (From April 1, 2020 to June 30, 2020)

(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, 2020	16,783	—	△1,114	—	△755	—	△538	—
June 30, 2019	—	—	—	—	—	—	—	—

Note: Comprehensive income For the three months ended June 30, 2020: JPY△543 million [—%]
For the three months ended June 30, 2019: JPY — million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	JPY	JPY
June 30, 2020	△69.81	—
June 30, 2019	—	—

Note: 1. The Company has not prepared quarterly consolidated financial statements for the first quarter of the fiscal year ending March 2020, so the figures for the first quarter of the fiscal year ending March 2020 and the year-on-year change rate for the first quarter of the fiscal year ending March 2021 is not described.

2. Diluted net income per share for the first quarter of the fiscal year ending March 31, 2021 is not stated because 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, 2020	25,473	4,444	17.4
March 31, 2020	28,472	5,162	18.1

Reference: Equity As of June 30, 2020: JPY 4,444 million
As of March 31, 2020: JPY 5,162 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, 2020	-	24.90	-	24.90	49.80
Fiscal year ending March 31, 2021	-				
Fiscal year ending March 31, 2021 (Forecast)		-	-	-	-

Note: 1. Revisions to the forecast of cash dividends most recently announced: No

2. Dividends for the fiscal year ending March 2021 have not been determined as it is difficult to predict business results at this time.

3. Consolidated financial results for the fiscal year ending March 31, 2021 (Forecast) (From April 1, 2020 to March 31, 2021)

(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, 2021 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): Yes
New : 1 company (Sanno Co., Ltd.)

(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, 2020	7,723,600 shares
As of March 31, 2020	7,693,400 shares

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

As of June 30, 2020	- shares
As of March 31, 2020	- shares

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

Three months ended June 30, 2020	7,710,055 shares
Three months ended June 30, 2019	— shares

Note: As the Company has not prepared quarterly consolidated financial statements for the first quarter of the fiscal year ending March 2020, the average number of shares for the first quarter of the fiscal year ending March 2020 is not stated.

※ 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 31, 2021 have not 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, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	3,489	2,300
Notes and accounts receivable - trade	6,843	4,496
Merchandise	4,290	3,937
Accounts receivable - others	1,191	1,478
Others	394	414
Allowance for doubtful accounts	△85	△50
Total current assets	16,123	12,576
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,376	3,375
Vehicles, net	0	0
Tools, furniture and fixtures, net	178	172
Land	2,997	2,997
Leased assets, net	8	7
Construction in progress	161	161
Total property, plant and equipment	6,723	6,714
Intangible assets		
Goodwill	12	426
Software	733	709
Leased assets	358	311
Others	2	3
Total intangible assets	1,106	1,451
Investments and other assets		
Investment securities	589	583
Deferred tax assets	689	924
Leasehold and guarantee deposits	2,453	2,457
Long-term prepaid expenses	660	630
Others	249	280
Allowance for doubtful accounts	△124	△145
Total investments and other assets	4,518	4,730
Total non-current assets	12,348	12,896
Total assets	28,472	25,473

(JPY million)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	12,569	9,934
Short-term borrowings	4,864	4,068
Lease liabilities	186	176
Income taxes payable	341	32
Provision for bonuses	323	501
Asset retirement obligations	13	12
Others	1,911	1,578
Total current liabilities	20,211	16,304
Non-current liabilities		
Long-term borrowings	1,983	3,589
Lease liabilities	181	140
Deferred tax liabilities	77	77
Asset retirement obligations	687	694
Others	168	221
Total non-current liabilities	3,098	4,724
Total liabilities	23,310	21,029
Net assets		
Shareholders' equity		
Share capital	355	364
Capital surplus	615	623
Retained earnings	4,056	3,326
Total shareholders' equity	5,027	4,314
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	135	129
Total accumulated other comprehensive income	135	129
Total net assets	5,162	4,444
Total liabilities and net assets	28,472	25,473

(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
Sales	16,783
Cost of sales	13,195
Gross profit	3,588
Selling, general and administrative expenses	4,702
Operating profit (loss)	△1,114
Non-operating income	
Subsidy income	363
Others	7
Total non-operating income	371
Non-operating expenses	
Interest expenses	8
Others	3
Total non-operating expenses	11
Ordinary profit (loss)	△755
Profit (loss) before income taxes	△755
Income taxes - current	5
Income taxes - deferred	△222
Total income taxes	△216
Profit (loss)	△538
Profit (loss) attributable to owners of parent	△538

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

(JPY million)

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