

Kakuyasu Group Co.,Ltd.

Representative Director and President Junichi Satou

(Ticker Code : 7686 Tokyo Stock Exchange Second Section)

Inquiry Executive Officer Group Finance and Accounting Manager Yoshiyuki Maegaichi

(Phone: 81-3-5959-3088)

Results of Unlisted Parent Company

This is to announce the latest financial results for the fiscal year ending March 2020 of SKY Group Holdings Co., Ltd., an unlisted parent company of the Company as follows.

1. Overview of the unlisted parent company

| | |
|-----------------------------|--|
| (1) Company Name | SKY Group Holdings Co., Ltd. |
| (2) Headquarter | Room 907, Yamaman Building, 1-12 Kanda Suda-cho, Chiyoda-ku, Tokyo |
| (3) Company Representative: | Jiro Soma, Representative Director and President |
| (4) Business: | Asset management and real estate rental business |
| (5) Paid-in Capital: | JPY 10million (as of March 31, 2020) |

2. Shareowners of SKY Holdings Co.,Ltd.

| | |
|------------------|--|
| (1) Company Name | Sprout Limited. |
| (2) Headquarters | Room 907, Yamaman Building, 1-12 Kanda Suda-cho, Chiyoda-ku, Tokyo |
| (3) Ownership | 100.0% |

3. Brief Bio of the representative of SKY Group Holdings Co.,Ltd.

| | |
|---|---|
| (1) Name | Jiro Soma |
| (2) Representative Director and President since | June 2018 |
| (3) Prior | Nikka Whisky: 1977 - 2001 |
| | Asahi Breweries: 2001 - 2010 |
| | Asahi Business Produce: 2010 - 2014 |
| | Niigata Prefecture Sado Deep Sea Water: 2014 - 2018 |
| (4) Concurrently serve as | Representative Director and President of Space Art Juban Co., Ltd. since May 2020 |

4. Financial statements of the parent company

Balance Sheet
(As of March 31, 2020)

(JPY thousand)

| Account | Amount | Account | Amount |
|---|------------|---|------------|
| (Assets) | | (Liabilities) | |
| Current assets | 5,115,922 | Current liabilities | 6,989,344 |
| Cash and deposits | 2,701,879 | Short-term borrowings | 6,499,999 |
| Trade accounts receivable | 32,700 | Current portion of long-term borrowings | 387,040 |
| Supplies | 10 | Accounts payable – other | 15,049 |
| Prepaid expenses | 15,322 | Accrued expenses | 841 |
| Short-term loans receivable | 2,323,000 | Income taxes payable | 55,710 |
| Others | 43,010 | Deposits received | 3,635 |
| Non-current assets | 12,014,546 | Unearned revenue | 27,067 |
| Property, plant and equipment | 2,465 | Non-current liabilities | 6,841,735 |
| Tools, furniture and fixtures | 2,465 | Long-term borrowings | 6,703,756 |
| Intangible assets | 37,808 | Others | 137,979 |
| Software | 37,808 | Total liabilities | 13,831,079 |
| Investments and other assets | 11,974,273 | (Net assets) | 9,665,468 |
| Shares of subsidiaries and associates | 2,670,055 | Shareholders' equity | 3,299,389 |
| Investments in capital | 10 | Share capital | 10,000 |
| Investments in capital of subsidiaries and associates | 143,835 | Capital surplus | 1,663,649 |
| Long-term loans receivable from subsidiaries and associates | 1,007,300 | Legal capital surplus | 2,500 |
| Long-term prepaid expenses | 1,317 | Other capital surplus | 1,661,149 |
| Investment property | 8,149,252 | Retained earnings | 1,625,740 |
| Others | 2,502 | Other retained earnings | 1,625,740 |
| | | Retained earnings brought forward | 980,886 |
| | | Other retained earnings | 644,853 |
| | | Total net assets | 3,299,389 |
| Total assets | 17,130,469 | Total liabilities and net assets | 17,130,469 |

Statement of Income
(April 2020 to March 31, 2020)

(JPY thousand)

| Account | Amount | |
|--|-----------|-----------|
| Sales | | 694,040 |
| Cost of sales | | 183,145 |
| Gross profit | | 510,894 |
| Selling, general and administrative expenses | | 227,331 |
| Operating profit (loss) | | 283,563 |
| Non-operating income | | |
| Interest income | 32,796 | |
| Dividend income | 0 | |
| Outsourcing service income | 4,000 | |
| Others | 386 | 37,183 |
| Non-operating expenses | | |
| Interest expenses | 87,678 | |
| Investment partnership operating loss | 39,859 | 127,538 |
| Ordinary profit (loss) | | 193,209 |
| Extraordinary income | | |
| Gain on sale of affiliated company stocks | 2,561,901 | 2,561,901 |
| Profit (Loss) before income taxes | | 2,755,110 |
| Income taxes - current | 129,161 | 129,161 |
| Profit (Loss) | | 2,625,949 |

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