

[Translation]

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Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

November 14, 2024

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 commence dividend payments: Dec 11th, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (For institutional investors/securities analysts)

(JPY amounts are rounded down to million, unless otherwise noted.)

1. Consolidated financial results for the Six months ended September 30, 2024

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	JPY million	%	JPY million	%	JPY million	%	JPY million	%
September 30, 2024	65,959	3.6	751	(33.6)	713	(37.3)	282	(35.3)
September 30, 2023	63,697	18.4	1,131	—	1,139	—	437	—

Note: Comprehensive income For the Six months ended September 30, 2024: JPY 283 million [(25.8) %]

For the Six months ended September 30, 2023: JPY 472 million [— %]

	Basic earnings per share	Diluted earnings per share
Six months ended	JPY	JPY
September 30, 2024	9.92	9.69
September 30, 2023	15.53	15.09

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	JPY million	JPY million	%
September 30, 2024	34,077	4,203	12.3
March 31, 2024	33,953	4,116	12.1

Reference: Equity As of September 30, 2024 JPY 4,203 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
	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 31, 2024	—	25.00	—	25.00	50.00
Fiscal year ending March 31, 2025	—	30.00			
Fiscal year ending March 31, 2025 (Forecast)			—	10.00	—

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

The Company conducted a 3-for-1 share split of its common shares on October 1, 2024. For dividends prior to the second quarter of the fiscal year ending March 2025, the actual dividend amount before the stock split is shown.

3. Consolidated financial results for the fiscal year ending March 31, 2025 (Forecast)

(%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 March 31, 2025	136,800	5.7	3,000	4.6	2,950	2.5	1,600	0.3	55.45

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

The Company conducted a 3-for-1 share split of its common shares on October 1, 2024. For earnings per share of the full fiscal year, the value after the stock split is shown.

※ 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 September 30, 2024	28,994,700 shares
As of March 31, 2024	28,953,990 shares

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

As of September 30, 2024	426,249 shares
As of March 31, 2024	510,711 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2024	28,510,072 shares
Six months ended September 30, 2023	28,157,645 shares

Note: The number of treasury stock at the end of the period includes the Company's shares held by the ESOP Trust Account (510,300 shares as of March 31, 2024 and 425,700 shares as of September 30, 2024).

The Company conducted a 3-for-1 share split of its common shares on October 1, 2024. The "number of shares issued at the end of the period," "number of treasury shares at the end of the period," and "average number of shares during the period" are calculated assuming that the stock split was carried out at the beginning of the previous fiscal year.

※ Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

※ 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. Interim Consolidated Financial Statements and Major Notes

(1) Interim consolidated balance sheets

(JPY million)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	3,175	2,961
Notes and accounts receivable - trade	9,818	9,330
Merchandise	5,652	5,374
Accounts receivable - others	1,540	2,073
Others	1,325	1,397
Allowance for doubtful accounts	(89)	(88)
Total current assets	21,423	21,048
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,198	4,382
Tools, furniture and fixtures, net	325	425
Land	2,720	2,720
Others, net	11	27
Total property, plant and equipment	7,255	7,555
Intangible assets		
Goodwill	993	1,062
Software	640	572
Others	75	381
Total intangible assets	1,710	2,016
Investments and other assets		
Investment securities	361	375
Deferred tax assets	787	526
Leasehold and guarantee deposits	2,221	2,336
Others	314	327
Allowance for doubtful accounts	(120)	(108)
Total investments and other assets	3,564	3,456
Total non-current assets	12,530	13,028
Total assets	33,953	34,077

(JPY million)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	16,007	16,469
Short-term borrowings	6,382	6,865
Income taxes payable	249	89
Provision for bonuses	540	528
Asset retirement obligations	37	22
Others	2,898	2,487
Total current liabilities	26,116	26,462
Non-current liabilities		
Long-term borrowings	2,231	1,894
Deferred tax liabilities	80	80
Asset retirement obligations	1,283	1,315
Others	125	119
Total non-current liabilities	3,721	3,411
Total liabilities	29,837	29,874
Net assets		
Shareholders' equity		
Share capital	64	68
Capital surplus	3,572	3,576
Retained earnings	561	603
Treasury shares	(230)	(192)
Total shareholders' equity	3,969	4,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	146	147
Total accumulated other comprehensive income	146	147
Total net assets	4,116	4,203
Total liabilities and net assets	33,953	34,077

(2) Interim Consolidated Statements of Income and Comprehensive Income

(JPY million)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Sales	63,679	65,959
Cost of sales	49,463	50,770
Gross profit	14,216	15,189
Selling, general and administrative expenses	13,084	14,437
Operating profit (loss)	1,131	751
Non-operating income		
Commission income	6	3
Insurance claim income	8	3
Guarantee commission income	15	9
Others	20	5
Total non-operating income	50	22
Non-operating expenses		
Interest expenses	23	24
Loss on store closings	13	27
Others	5	8
Total non-operating expenses	43	60
Recurring profit (loss)	1,139	713
Extraordinary income		
Gain on sale of investment securities	—	0
Gain on sale of non-current assets	1	—
Total extraordinary income	1	0
Extraordinary losses		
Impairment losses	286	77
Others	28	4
Total extraordinary losses	314	81
Profit (loss) before income taxes	825	632
Income taxes - current	120	88
Income taxes - deferred	267	261
Total income taxes	388	349
Profit (loss)	437	282
Profit (loss) attributable to owners of parent	437	282

(Interim Consolidated Statements of Comprehensive Income)

(JPY million)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit (loss)	437	282
Other comprehensive income		
Valuation difference on available-for-sale securities	34	0
Total other comprehensive income	34	0
Comprehensive income	472	283
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	472	283
Comprehensive income attributable to non-controlling interests	—	—