

[Translation]

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Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

February 13, 2025

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: —
 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 Nine months ended December 31, 2024

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	JPY million	%	JPY million	%	JPY million	%	JPY million	%
December 31, 2024	102,085	3.5	1,724	(28.9)	1,722	(29.5)	669	(46.4)
December 31, 2023	98,590	16.4	2,424	—	2,443	—	1,248	—

Note: Comprehensive income For the Nine months ended December 31, 2024: JPY 683 million [(46.7) %]
 For the Nine months ended December 31, 2023: JPY 1,282 million [— %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	JPY	JPY
December 31, 2024	23.45	22.92
December 31, 2023	44.27	43.04

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	JPY million	JPY million	%
December 31, 2024	39,836	4,333	10.9
March 31, 2024	33,953	4,116	12.1

Reference: Equity As of December 31, 2024 JPY 4,333 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: Yes

Included: 1 company (Daiwa Express Co., Ltd.)

(Note) For details, please refer to the attached document on P.8 "2. Quarterly consolidated financial statements and major notes (3) Notes on quarterly consolidated financial statements (important changes in the scope of consolidation during the current quarterly cumulative period)".

(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 December 31, 2024	28,996,200 shares
As of March 31, 2024	28,953,900 shares

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

As of December 31, 2024	346,849 shares
As of March 31, 2024	510,711 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2024	28,537,516 shares
Nine months ended December 31, 2023	28,207,694 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 346,300 shares as of December 31, 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: Yes (English translation is not available)

※ 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 December 31, 2024
Assets		
Current assets		
Cash and deposits	3,175	2,896
Notes and accounts receivable - trade	9,818	12,298
Merchandise	5,652	6,963
Accounts receivable - others	1,540	2,895
Others	1,325	1,542
Allowance for doubtful accounts	(89)	(109)
Total current assets	21,423	26,487
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,198	4,240
Tools, furniture and fixtures, net	325	391
Land	2,720	2,720
Others, net	11	438
Total property, plant and equipment	7,255	7,790
Intangible assets		
Goodwill	993	1,018
Software	640	727
Others	75	511
Total intangible assets	1,710	2,257
Investments and other assets		
Investment securities	361	379
Deferred tax assets	787	432
Leasehold and guarantee deposits	2,221	2,308
Others	314	263
Allowance for doubtful accounts	(120)	(83)
Total investments and other assets	3,564	3,300
Total non-current assets	12,530	13,349
Total assets	33,953	39,836

(JPY million)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	16,007	21,082
Short-term borrowings	6,382	6,723
Income taxes payable	249	141
Provision for bonuses	540	322
Asset retirement obligations	37	19
Others	2,898	3,078
Total current liabilities	26,116	31,367
Non-current liabilities		
Long-term borrowings	2,231	2,539
Deferred tax liabilities	80	83
Asset retirement obligations	1,283	1,318
Others	125	194
Total non-current liabilities	3,721	4,135
Total liabilities	29,837	35,503
Net assets		
Shareholders' equity		
Share capital	64	68
Capital surplus	3,572	3,576
Retained earnings	561	682
Treasury shares	(230)	(156)
Total shareholders' equity	3,969	4,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	146	161
Total accumulated other comprehensive income	146	161
Total net assets	4,116	4,333
Total liabilities and net assets	33,953	39,836

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(JPY million)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Sales	98,590	102,085
Cost of sales	76,222	78,345
Gross profit	22,368	23,740
Selling, general and administrative expenses	19,943	22,015
Operating profit (loss)	2,424	1,724
Non-operating income		
Commission income	9	5
Insurance claim income	15	7
Guarantee commission income	21	13
Contract penalty income	—	44
Others	29	12
Total non-operating income	77	83
Non-operating expenses		
Interest expenses	35	42
Loss on store closings	17	29
Others	5	13
Total non-operating expenses	58	85
Recurring profit (loss)	2,443	1,722
Extraordinary income		
Gain on sale of investment securities	—	0
Gain on sale of non-current assets	1	0
Total extraordinary income	1	0
Extraordinary losses		
Impairment losses	286	478
Others	30	4
Total extraordinary losses	316	483
Profit (loss) before income taxes	2,128	1,239
Income taxes - current	184	219
Income taxes - deferred	695	350
Total income taxes	879	570
Profit (loss)	1,248	669
Profit (loss) attributable to owners of parent	1,248	669

(Interim Consolidated Statements of Comprehensive Income)

(JPY million)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit (loss)	1,248	669
Other comprehensive income		
Valuation difference on available-for-sale securities	33	14
Total other comprehensive income	33	14
Comprehensive income	1,282	683
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,282	683
Comprehensive income attributable to non-controlling interests	—	—