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Consolidated Financial Results for the Six Months Ended September 30, 2021 (Under Japanese GAAP)

November 12, 2021

Company Name	Kakuyasu Group Co., Ltd.		
Listing	Tokyo Stock Exchange		
Ticker Code	7686		
URL	https://www.kakuyasu-group.co.jp/		
Representative	Junichi Satou, Representative Director and President		
Inquiries	Yoshiyuki Maegaichi, Director		
Telephone	+81-3-5959-3088		
Scheduled date	to file quarterly securities report:	November 12, 2021	
Scheduled date	co commence dividend payments:	December 10, 2021	
Preparation of supplementary material on quarterly financial results: Yes			
Holding of quart	erly financial results briefing:	Yes	

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

1. Consolidated financial results for the six months ended September 30, 2021 (From April 1,2021 to September 30, 2021)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Ordinary p	rofit	Profit attributable to owners of parent		
Six months ended	JPY million	%	JPY million	%	JPY million	%	JPY million	%	
September 30, 2021	36,906	$\triangle 5.2$	$\triangle 2,768$	-	$\triangle 2,357$	-	△1,898	-	
September 30, 2020	38,923	$\triangle 29.5$	$\triangle 1,514$	_	riangle 1,064	_	$\triangle 843$	-	

Note: Comprehensive income For the six months ended September 30, 2021: JPY $\triangle 1,872$ million [-%] For the six months ended September 30, 2020: JPY \triangle 836 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	JPY	JPY
September 30, 2021	$\triangle 215.29$	-
September 30, 2020	$\triangle 109.17$	_

Note: 1. Diluted net income per share for the second quarter of the fiscal year ending March 2022 and the second quarter of the fiscal year ending March 31, 2021 is not stated because it is a quarterly net loss per share despite the existence of diluted shares. Not vet.

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	JPY million	JPY million	%
September 30, 2021	25,967	3,379	13.0
March 31, 2021	26,994	3,212	11.9

Reference: Equity As of September 30, 2021: JPY 3,379 million As of March 31, 2021:

JPY 3,212 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, 2021	-	24.90	-	24.90	49.80		
Fiscal year ending March 31, 2022	-	10.00					
Fiscal year ending March 31, 2022 (Forecast)			_	_	_		

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

Regarding the status of dividends, please refer to the "Notice regarding dividends from surplus (interim dividends)" 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 March 31, 2022	91,819	14.5	△2,294	_	△1,886	_	riangle 1,566	_	$\triangle 168.35$

Note: Revisions to the forecast of financial results most recently announced: Yes For consolidated business forecasts, please refer to the "Notice regarding announcement of business forecasts for the fiscal year ending March 31, 2022" released today.

※ 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

(i)

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30	, 2021	9,302,100	shares
As of March 31, 202	1	7,777,200	shares

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

As of September 30, 2021	44	shares
As of March 31, 2021	_	shares

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

Six months ended September 30, 2021	8,819,640	shares
Six months ended September 30, 2020	7,723,075	shares

X 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 Statements regarding the future such as business performance forecasts contained in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and are intended to be the Company's promise to achieve them. Not. In addition, actual results may differ significantly due to various factors.

		(JPY million)
	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,525	2,034
Notes and accounts receivable - trade	4,745	3,468
Merchandise	3,610	4,028
Accounts receivable - others	1,180	1,314
Income taxes refund receivable	629	318
Others	1,121	1,514
Allowance for doubtful accounts	$\triangle 26$	$\triangle 19$
Total current assets	13,785	12,658
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,516	3,679
Vehicles, net	0	
Tools, furniture and fixtures, net	209	250
Land	3,002	3,002
Leased assets, net	2	
Total property, plant and equipment	6,732	6,938
Intangible assets		
Goodwill	1,485	1,40
Software	664	643
Leased assets	203	118
Others	3	ć
Total intangible assets	2,357	2,168
Investments and other assets	· · · · · · · · · · · · · · · · · · ·	
Investment securities	511	53'
Deferred tax assets	833	1,370
Leasehold and guarantee deposits	2,105	2,13
Long-term prepaid expenses	528	48
Others	273	210
Allowance for doubtful accounts	$\triangle 133$	$\triangle 10$
Total investments and other assets	4,119	4,202
Total non-current assets	13,208	13,308
Total assets	26,994	25,967

4. Quarterly consolidated financial statements and main notes

(1) Quarterly Consolidated Balance Sheets

(JPY million)	(JPY	million)	
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LiabilitiesCurrent liabilitiesAccounts payable - trade10,079Short term borrowings5,614Short term borrowings164Lease liabilities164Income taxes payable52Short term obligations16Others2,278Total current liabilities18,535Long-term borrowings4,166Asset retirement obligations16Others2,278Total current liabilities18,535Long-term borrowings4,166Asset retirement obligations694Offerred tax liabilities76Beferred tax liabilities76Retirement obligations694Others23,78122,588379Net assets379Share capital379Share capital379Capital surplus638Shareholders' equity3,087Share contral shareholders' equity3,087Accumulated other comprehensive income125Valuation difference on available-for-sale securities125Total accumulated other comprehensive income125Total assets125Total net assets3,212Active and net assets3,212Total heibilities and net assets3,212Total heibilities and net assets3,212Total heibilities and net assets3,212Total net assets3,212Total heibilities and net assets3,212Total heibilities and net assets3,212<		As of March 31, 2021	As of September 30, 2021
Accounts payable + trade10,0799,561Short-term borrowings5,6145,361Lease liabilities16487Income taxes payable5239Provision for bonuses329339Asset retirement obligations165Others2,2781,529Total current liabilities18,53516,924Non-current liabilities3928Deferred tax liabilities3928Deferred tax liabilities3928Deferred tax liabilities7687Retirement benefit liability101101Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total non-current liabilities5,2465,664Shareholders' equity37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Total accumulated other comprehensive income125151Total net assets125151	Liabilities		
Short term borrowings5,6145,361Lease liabilities16487Income taxes payable52339Provision for bonuses329339Asset retirement obligations165Others2,2781,529Total current liabilities18,53516,924Non-current liabilities3928Deferred tax liabilities3928Share holders' equity3081322Share capital37935Capital surplus6383,214Retained earnings2,070422Treasury shares-400Total accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive income3,2123,379 </td <td>Current liabilities</td> <td></td> <td></td>	Current liabilities		
Lease liabilities16487Income taxes payable5239Provision for bonuses329339Asset retirement obligations1655Others2,2781,529Total current liabilities18,53516,924Non-current liabilities3928Deferred tax liabilities3928Deferred tax liabilities7687Retirement benefit liability101101Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total inon-current liabilities37,91325Share capital37935Capital surplus6383,214Retained earnings2,070222Treasury shares- $\Delta0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Total accumulated other comprehensive income125151Total net assets125151	Accounts payable - trade	10,079	9,561
Income taxes payable5239Provision for bonuses329339Asset retirement obligations165Others2,2781,529Total current liabilities18,53516,924Non-current liabilities3928Deferred tax liabilities3928Deferred tax liabilities7687Retirement benefit liability101101Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total liabilities5,2465,664Total non-current liabilities5,2465,664Shareholders' equity37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 00$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Total accumulated other comprehensive income125151Total net assets125151	Short-term borrowings	5,614	5,361
Provision for bonuses329339Asset retirement obligations165Others2,2781,529Total current liabilities18,53516,924Non-current liabilities3928Lease liabilities3928Deferred tax liabilities7687Retirement benefit liability101101Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total liabilities5,2465,664Total liabilities23,78122,588Net assets55Share capital37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Total accumulated other comprehensive income125151Total accumulated other comprehensive income125151Total net assets125151	Lease liabilities	164	87
Asset retirement obligations165Others2,2781,529Total current liabilities18,53516,924Non-current liabilities18,53516,924Long-term borrowings4,1664,598Lease liabilities3928Deferred tax liabilities3928Deferred tax liabilities7687Retirement benefit liability101101Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total liabilities23,78122,588Net assets16383,214Share capital37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 00$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive income125151Total accumulated other comprehensive income125151Total net assets3,2123,379	Income taxes payable	52	39
Others 2,278 1,529 Total current liabilities 18,535 16,924 Non-current liabilities 1 16,624 Long-term borrowings 4,166 4,598 Lease liabilities 39 28 Deferred tax liabilities 76 87 Retirement benefit liability 101 101 Asset retirement obligations 694 714 Others 168 133 Total non-current liabilities 5,246 5,664 Total liabilities 23,781 22,588 Net assets 39 35 Share capital 379 35 Capital surplus 638 3,214 Retained earnings 2,070 $\Delta22$ Treasury shares - $\Delta00$ Total shareholders' equity 3,087 3,227 Accumulated other comprehensive income 125 151 Valuation difference on available for sale securities 125 151 Total accumulated other comprehensive income 125 1	Provision for bonuses	329	339
Total current liabilities18,53516,924Non-current liabilities $4,166$ $4,598$ Lease liabilities 39 28Deferred tax liabilities 39 28Deferred tax liabilities 76 87 Retirement benefit liability 101 101 Asset retirement obligations 694 714 Others 168 133 Total non-current liabilities $5,246$ $5,664$ Net assets $23,781$ $22,588$ Net assets 379 35 Capital surplus 638 $3,214$ Retained earnings $2,070$ $\Delta 22$ Treasury shares $ \Delta 00$ Total shareholders' equity $3,087$ $3,227$ Accumulated other comprehensive income 125 151 Valuation difference on available-for-sale securities 125 151 Total net assets $3,212$ $3,379$	Asset retirement obligations	16	5
Non-current liabilitiesLong-term borrowings4,166Lease liabilities39Deferred tax liabilities39Deferred tax liabilities76Retirement benefit liability101Asset retirement obligations694Others168Total non-current liabilities5,246Shareholders' equity5Share capital379Share capital379Capital surplus638Capital surplus638Accumulated other comprehensive income3,087Valuation difference on available-for-sale securities125Total net assets125Total net assets125Total net assets125Total net assets125Total net assets3,2123,3793,379	Others	2,278	1,529
Industry 4,166 4,598 Lease liabilities 39 28 Deferred tax liabilities 76 87 Retirement benefit liability 101 101 Asset retirement obligations 694 714 Others 168 133 Total non-current liabilities 5,246 5,664 Total liabilities 23,781 22,588 Net assets 5 5 Share capital 379 35 Capital surplus 638 3,214 Retained earnings 2,070 $\Delta22$ Treasury shares - $\Delta0$ Total shareholders' equity 3,087 3,227 Accumulated other comprehensive income 125 151 Valuation difference on available-for-sale securities 125 151 Total accumulated other comprehensive income 125 151 Total net assets 3,212 3,379	Total current liabilities	18,535	16,924
Lease liabilities3928Deferred tax liabilities7687Retirement benefit liability101101Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total non-current liabilities23,78122,588Net assets37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 00$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive income125151Total net assets3,2123,379	Non-current liabilities		
Deferred tax liabilities7687Retirement benefit liability101101Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total liabilities23,78122,588Net assets23,78122,588Share holders' equity6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive income125151Total net assets3,2123,379	Long-term borrowings	4,166	4,598
Retirement benefit liability101101Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total liabilities23,78122,588Net assets23,78122,588Shareholders' equity37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 00$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive income125151Total net assets3,2123,379	Lease liabilities	39	28
Asset retirement obligations694714Others168133Total non-current liabilities5,2465,664Total liabilities23,78122,588Net assets23,78122,588Shareholders' equity3793535Capital surplus6383,2143,214Retained earnings2,070 $\Delta 22$ $\Delta 22$ Treasury shares- $\Delta 0$ $\Delta 22$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive income125151Total net assets3,2123,379	Deferred tax liabilities	76	87
Others 168 133 Total non-current liabilities 5,246 5,664 Total liabilities 23,781 22,588 Net assets 379 35 Share capital 379 35 Capital surplus 638 3,214 Retained earnings 2,070 $\Delta 22$ Treasury shares - $\Delta 0$ Total shareholders' equity 3,087 3,227 Accumulated other comprehensive income - $\Delta 0$ Valuation difference on available-for-sale securities 125 151 Total accumulated other comprehensive income 125 151 Total net assets 3,212 3,379	Retirement benefit liability	101	101
Total non-current liabilities5,2465,664Total liabilities23,78122,588Net assets23,78122,588Share capital37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Total accumulated other comprehensive125151Total accumulated other comprehensive3,2123,379	Asset retirement obligations	694	714
Total liabilities23,78122,588Net assets23,78122,588Shareholders' equity37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive125151Total accumulated other comprehensive3,2123,379	Others	168	133
Net assetsShareholders' equityShare capitalShare capitalCapital surplus638Actined earnings2,070Accumulated other comprehensive incomeValuation difference on available-for-sale securitiesTotal accumulated other comprehensiveTotal accumulated other comprehensive125151Total net assets3,0873,2123,379	Total non-current liabilities	5,246	5,664
Net assetsShareholders' equityShare capitalCapital surplusGapital surplusRetained earnings2,070Capital surplusRetained earnings2,070Capital surplusTreasury shares-Capital shareholders' equity3,087Accumulated other comprehensive incomeValuation difference on available-for-sale securitiesTotal accumulated other comprehensive125151Total accumulated other comprehensive125151Total net assets3,2123,379	Total liabilities	23,781	22,588
Share capital37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive125151Total accumulated other comprehensive3,2123,379	Net assets	· · · · · · · · · · · · · · · · · · ·	, , , , , , , , , , , , , , , , , , , ,
Share capital37935Capital surplus6383,214Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income125151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive125151Total accumulated other comprehensive3,2123,379	Shareholders' equity		
Capital surplus6383,214Retained earnings2,070 $\triangle 22$ Treasury shares- $\triangle 0$ Total shareholders' equity3,0873,227Accumulated other comprehensive income 125 151Valuation difference on available-for-sale securities125151Total accumulated other comprehensive125151Total accumulated other comprehensive125151Total net assets3,2123,379		379	35
Retained earnings2,070 $\Delta 22$ Treasury shares- $\Delta 0$ Total shareholders' equity $3,087$ $3,227$ Accumulated other comprehensive income 125 151 Valuation difference on available-for-sale securities 125 151 Total accumulated other comprehensive income 125 151 Total net assets $3,212$ $3,379$		638	3,214
Treasury shares-Δ0Total shareholders' equity3,0873,227Accumulated other comprehensive income3,0873,227Valuation difference on available-for-sale securities125151Total accumulated other comprehensive income125151Total net assets3,2123,379		2,070	$\triangle 22$
Total shareholders' equity3,0873,227Accumulated other comprehensive incomeValuation difference on available-for-sale securities125151Total accumulated other comprehensive income125151Total net assets3,2123,379			riangle 0
Accumulated other comprehensive incomeValuation difference on available-for-sale securities125Total accumulated other comprehensive income125Total net assets3,2123,379	*	3,087	3,227
Valuation difference on available-for-sale securities125151Total accumulated other comprehensive income125151Total net assets3,2123,379	· ·	,	,
income125151Total net assets3,2123,379	Valuation difference on available-for-sale	125	151
	_	125	151
	Total net assets	3,212	3,379
	Total liabilities and net assets	26,994	25,967

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Second quarter consolidated cumulative period)

		(JPY million)
	Six months ended September 30, 2020	Six months ended September 30, 2021
Sales	38,923	36,906
Cost of sales	30,909	28,999
Gross profit	8,013	7,906
Selling, general and administrative expenses	9,528	10,675
Operating profit (loss)	△1,514	$\triangle 2,768$
Non-operating income		
Interest income	4	2
Commission income	4	5
Subsidy income	366	398
Others	98	54
Total non-operating income	474	460
Non-operating expenses		
Interest expenses	16	25
Share issuance costs	-	9
Others	7	14
Total non-operating expenses	24	49
Ordinary profit (loss)	Δ1,064	$\triangle 2,357$
Extraordinary income		
Gain on sale of investment securities	-	29
Total extraordinary income	-	29
Extraordinary losses		
Loss on valuation of investment securities	61	-
Loss on retirement of non-current assets	-	1
Impairment losses	-	90
Total extraordinary losses	61	91
Profit (loss) before income taxes	$\triangle 1,125$	$\triangle 2,420$
Income taxes - current	28	23
Income taxes - deferred	$\triangle 311$	$\triangle 544$
Total income taxes	△282	$\triangle 521$
Profit (loss)	Δ843	∆1,898
Profit (loss) attributable to owners of parent	Δ843	∆1,898

(Quarterly Consolidated Statements of Comprehensive Income)

(Second quarter consolidated cumulative period)

	-,	(JPY million)
	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	$\triangle 843$	△1,898
Other comprehensive income		
Valuation difference on available-for-sale	6	26
securities	8	20
Total other comprehensive income	6	26
Comprehensive income	$\triangle 836$	$\triangle 1,872$
(Comprehensive income attributable to)		
Comprehensive income attributable to owners	$\triangle 836$	A 1 079
of parent	Δ836	$\triangle 1,872$
Comprehensive income attributable to non- controlling interests	_	-

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