

[Translation]

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## **Consolidated Financial Results for the Fiscal Year Ended March 31, 2024** **(Under Japanese GAAP)**

May 15, 2024

Company Name Kakuyasu Group Co., Ltd.  
 Listing Tokyo Stock Exchange  
 Ticker Code 7686  
 URL <https://www.kakuyasu-group.co.jp/>  
 Representative Yoshiyuki Maegaichi, Representative Director and President  
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Scheduled date of annual general meeting of shareholders: June 26, 2024

Scheduled date to commence dividend payments: June 12, 2024

Scheduled date to file annual securities report: June 27, 2024

Preparation of supplementary material on financial results: Yes

Yes

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

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	JPY million	%	JPY million	%	JPY million	%	JPY million	%
March 31, 2024	129,400	12.6	2,867	257.0	2,878	259.8	1,595	161.9
March 31, 2023	114,960	34.4	803	—	800	—	609	—

Note: Comprehensive income For the fiscal year ended March 31, 2024: JPY 1,632 million [149.5%]

For the fiscal year ended March 31, 2023: JPY 654 million [— %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	JPY	JPY	%	%	%
March 31, 2024	169.44	164.85	46.0	8.5	2.2
March 31, 2023	65.36	63.65	23.8	2.6	0.7

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024 JPY — million

For the fiscal year ended March 31, 2023 JPY — million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	JPY million	JPY million	%	JPY
March 31, 2024	33,953	4,116	12.1	434.13
March 31, 2023	33,086	2,815	8.5	300.83

Reference: Equity As of March 31, 2024 JPY 4,116 million

As of March 31, 2023 JPY 2,815 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	JPY million	JPY million	JPY million	JPY million
March 31, 2024	2,785	(207)	(2,136)	3,151
March 31, 2023	2,531	(1,149)	(1,420)	2,709

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	JPY	JPY	JPY	JPY	JPY	JPY million	%	%
Fiscal year ended March 31, 2023	—	10.00	—	20.00	30.00	285	45.8	10.9
Fiscal year ending March 31, 2024	—	25.00	—	25.00	50.00	481	29.1	13.5
Fiscal year ending March 31, 2025 (Forecast)	—	30.00	—	30.00	60.00		—	

Note: As the Employee Stock Ownership Plan Trust was implemented from the fiscal year ended March 31, 2023, the total amount of dividends includes dividends paid to the ESOP Trust (9 million yen for the fiscal year ended March 31, 2024). Dividend payout ratio and ratio of dividends to net assets are calculated based on the non-consolidated dividend per share excluding the amount of dividends paid to the ESOP trust.

## 3. Consolidated financial results for the fiscal year ending March 31, 2025 (Forecast) (From April 1, 2024 to March 31, 2025)

(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, 2024	67,430	5.9	1,330	17.5	1,310	15.0	810	85.2	84.23
Fiscal year ending March 31, 2025	137,400	6.2	3,600	25.6	3,600	25.0	2,200	37.9	228.72

## ※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Excluded: 1 company (Dangami Sanno Co., Ltd.)

Note: Dangami Sanno Co., Ltd. was excluded from the scope of consolidation in the current consolidated fiscal year because it was dissolved through an absorption-type merger with consolidated subsidiary Kakuyasu Co., Ltd. as the surviving company.

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	9,651,300 shares
As of March 31, 2023	9,587,100 shares

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

As of March 31, 2024	170,237 shares
As of March 31, 2023	227,544 shares

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

Fiscal year ended March 31, 2024	9,416,729 shares
Fiscal year ended March 31, 2023	9,327,176 shares

Note: The number of treasury stock at the end of the period includes the Company's shares held by the ESOP Trust Account (227,500 shares as of March 31, 2023 and 170,100 shares as of March 31, 2024).

※ Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

※ 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. Consolidated Financial Statements and major notes

##### (1) Consolidated Balance Sheets

(JPY million)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	2,727	3,175
Notes and accounts receivable - trade	8,884	9,818
Merchandise	5,191	5,652
Accounts receivable - others	1,356	1,540
Others	1,384	1,325
Allowance for doubtful accounts	(81)	(89)
Total current assets	19,462	21,423
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,841	4,198
Tools, furniture and fixtures, net	257	325
Land	3,411	2,720
Others, net	0	11
Total property, plant and equipment	7,511	7,255
Intangible assets		
Goodwill	1,165	993
Software	589	640
Leased assets	2	0
Others	18	75
Total intangible assets	1,777	1,710
Investments and other assets		
Investment securities	324	361
Deferred tax assets	1,656	787
Leasehold and guarantee deposits	2,156	2,221
Others	307	314
Allowance for doubtful accounts	(108)	(120)
Total investments and other assets	4,335	3,564
Total non-current assets	13,623	12,530
Total assets	33,086	33,953

(JPY million)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	15,609	16,007
Short-term borrowings	7,205	6,382
Lease liabilities	2	1
Income taxes payable	121	249
Provision for bonuses	414	540
Asset retirement obligations	20	37
Others	2,436	2,896
Total current liabilities	25,810	26,116
Non-current liabilities		
Long-term borrowings	3,261	2,231
Lease liabilities	0	2
Deferred tax liabilities	68	80
Retirement benefit liability	104	—
Asset retirement obligations	893	1,283
Others	131	123
Total non-current liabilities	4,460	3,721
<b>Total liabilities</b>	<b>30,271</b>	<b>29,837</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	47	64
Capital surplus	3,555	3,572
Retained earnings	(601)	561
Treasury shares	(307)	(230)
Total shareholders' equity	2,692	3,969
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	122	146
Total accumulated other comprehensive income	122	146
Total net assets	2,815	4,116
<b>Total liabilities and net assets</b>	<b>33,086</b>	<b>33,953</b>

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)

(JPY million)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Sales	114,960	129,406
Cost of sales	89,905	99,872
Gross profit	25,054	29,533
Selling, general and administrative expenses	24,251	26,666
Operating profit (loss)	803	2,867
Non-operating income		
Interest income	4	3
Subsidy income	14	4
Commission income	15	11
Insurance claim income	9	23
Guarantee commission income	6	18
Others	34	28
Total non-operating income	84	91
Non-operating expenses		
Interest expenses	65	46
Loss on store closings	13	24
Others	8	8
Total non-operating expenses	87	79
Ordinary profit (loss)	800	2,878
Extraordinary income		
Gain on sale of investment securities	15	—
Gain on sale of non-current assets	1	335
Total extraordinary income	16	335
Extraordinary losses		
Impairment losses	509	432
Others	8	29
Total extraordinary losses	518	461
Profit (loss) before income taxes	299	2,753
Income taxes - current	135	289
Income taxes - deferred	(446)	868
Total income taxes	(310)	1,157
Profit (loss)	609	1,595
Profit (loss) attributable to owners of parent	609	1,595

## (Consolidated Statements of Comprehensive Income)

(JPY million)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit (loss)	609	1,595
Other comprehensive income		
Valuation difference on available-for-sale securities	44	24
Total other comprehensive income	44	24
Comprehensive income	654	1,619
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	654	1,619
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

(JPY million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	38	3,217	(1,025)	(0)	2,229
Changes during period					
Issuance of new shares	173	173	—	—	346
Capital reduction	(164)	164	—	—	—
Dividends of surplus	—	—	(186)	—	(186)
Purchase of treasury shares	—	—	—	(329)	(329)
Disposal of treasury shares	—	—	—	22	22
Profit (loss) attributable to owners of parent	—	—	609	—	609
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	8	337	423	(307)	462
Balance at end of period	47	3,555	(601)	(307)	2,692

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	77	77	2,307
Changes during period			
Issuance of new shares	—	—	346
Capital reduction	—	—	—
Dividends of surplus	—	—	(186)
Purchase of treasury shares	—	—	(329)
Disposal of treasury shares	—	—	22
Profit (loss) attributable to owners of parent	—	—	609
Net changes in items other than shareholders' equity	44	44	44
Total changes during period	44	44	507
Balance at end of period	122	122	2,815



## Current consolidated fiscal year (April 1, 2023 to March 31, 2024)

(JPY million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	47	3,555	(601)	(307)	2,692
Changes during period					
Issuance of new shares	17	17	—	—	35
Capital reduction	—	—	—	—	—
Dividends of surplus	—	—	(432)	—	(432)
Purchase of treasury shares	—	—	—	(0)	(0)
Disposal of treasury shares	—	—	—	77	77
Profit (loss) attributable to owners of parent	—	—	1,595	—	1,595
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	17	17	1,163	77	1,276
Balance at end of period	64	3,572	561	(230)	3,969

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	122	122	2,815
Changes during period			
Issuance of new shares	—	—	35
Capital reduction	—	—	—
Dividends of surplus	—	—	(432)
Purchase of treasury shares	—	—	(0)
Disposal of treasury shares	—	—	77
Profit (loss) attributable to owners of parent	—	—	1,595
Net changes in items other than shareholders' equity	24	24	24
Total changes during period	24	24	1,300
Balance at end of period	146	146	4,116

## (4) Consolidated statement of cash flows

(JPY million)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	299	2,753
Depreciation	698	736
Amortization of goodwill	159	157
Impairment losses	509	432
Loss (gain) on sale of investment securities	(13)	—
Loss (gain) on sale of non-current assets	(1)	(335)
Increase (decrease) in allowance for doubtful accounts	25	19
Increase (decrease) in provision for bonuses	93	144
Interest income	(4)	(3)
Subsidy income	(14)	(4)
Interest expenses	65	46
Decrease (increase) in trade receivables	(3,297)	(932)
Decrease (increase) in inventories	(916)	(464)
Decrease (increase) in accounts receivable - other	(281)	(186)
Increase (decrease) in trade payables	4,306	482
Increase (decrease) in accounts payable - other	151	340
Increase (decrease) in accrued consumption taxes	1,124	(24)
Others, net	(210)	(186)
Subtotal	2,693	2,973
Interest and dividends received	7	3
Subsidies received	14	4
Interest paid	(65)	(46)
Income taxes refund	0	11
Income taxes paid	(118)	(161)
Net cash provided by (used in) operating activities	2,531	2,785
Cash flows from investing activities		
Purchase of non-current assets	(1,174)	(1,209)
Proceeds from sale of non-current assets	—	1,100
Proceeds from sale of investment securities	104	—
Payments of leasehold and guarantee deposits	(135)	(281)
Proceeds from refund of leasehold and guarantee deposits	134	219
Payments for asset retirement obligations	(41)	(46)
Others, net	(37)	10
Net cash provided by (used in) investing activities	(1,149)	(207)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(812)	(326)
Proceeds from long-term borrowings	715	—
Repayments of long-term borrowings	(1,162)	(1,525)
Repayments of lease liabilities	(36)	(2)
Purchase of treasury shares	(329)	(0)
Proceeds from disposal of treasury shares	22	77
Proceeds from issuance of shares	326	—
Proceeds from issuance of shares resulting from exercise of share acquisition rights	17	35
Dividends paid	(161)	(394)
Net cash provided by (used in) financing activities	(1,420)	(2,136)
Net increase (decrease) in cash and cash equivalents	(38)	441
Cash and cash equivalents at beginning of period	2,748	2,709
Cash and cash equivalents at end of period	2,709	3,151