

**Translation**

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## Summary of Consolidated Financial Results for the Three Months Ended December 31, 2023 (Based on Japanese GAAP)

February 14, 2024

Company name: Kufu Company Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4376 URL <https://kufu.company/>  
 Representative: Director & Representative Executive Officer Yoshiteru Akita  
 Inquiries: Director & Executive Officer Jun Kanma TEL 03-6264-2323  
 Scheduled date to file Quarterly Securities Report: February 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the three months ended December 31, 2023 (from October 1, 2023 to December 31, 2023)

## (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2023	3,263	(33.2)	(117)	–	(138)	–	(204)	–
Three months ended December 31, 2022	4,883	7.8	433	17.3	398	10.9	213	154.8

(Note) EBITDA (operating profit + depreciation and amortization): Three months ended December 31, 2023: 134 million yen [(80.3)%]  
 Three months ended December 31, 2022: 685 million yen [9.5%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2023	(3.54)		–	
Three months ended December 31, 2022	3.72		3.71	

## (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2023	19,649		10,969		48.2	
As of September 30, 2023	20,973		11,596		48.0	

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2023	–	0.00	–	0.00	0.00
Year ending September 30, 2024	–				
Year ending September 30, 2024 (Forecast)		0.00	–	0.00	0.00

3. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2023	58,302,539 shares	As of September 30, 2023	58,301,719 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	809,768 shares	As of September 30, 2023	292,268 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2023	57,912,353 shares	Three months ended December 31, 2022	57,292,608 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of September 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	9,405	6,720
Accounts receivable - trade	1,129	1,067
Merchandise	321	311
Work in process	185	313
Raw materials and supplies	6	16
Real estate for sale	1,232	1,384
Operational investment securities	1,334	1,420
Other	525	982
Allowance for doubtful accounts	(18)	(16)
Total current assets	14,122	12,200
Non-current assets		
Property, plant and equipment	669	724
Intangible assets		
Goodwill	3,591	4,018
Other	794	859
Total intangible assets	4,386	4,878
Investments and other assets		
Investment securities	627	627
Deferred tax assets	614	619
Other	780	831
Allowance for doubtful accounts	(226)	(231)
Total investments and other assets	1,795	1,846
Total non-current assets	6,851	7,449
Total assets	20,973	19,649

(Millions of yen)

	As of September 30, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	823	709
Outstanding claims	4	5
Policy reserve	5	5
Short-term borrowings	2,272	2,137
Current portion of long-term borrowings	997	782
Income taxes payable	457	118
Contract liabilities	1,259	1,359
Provision for bonuses	11	2
Provision for point services	4	4
Correction related cost	45	45
Other	811	836
Total current liabilities	6,693	6,006
Non-current liabilities		
Long-term borrowings	2,079	1,877
Asset retirement obligations	129	134
Deferred tax liabilities	32	30
Provision for share awards	101	99
Retirement benefit liability	21	21
Provision for retirement benefits for directors (and other officers)	41	41
Other	274	468
Total non-current liabilities	2,682	2,674
Total liabilities	9,376	8,680
Net assets		
Shareholders' equity		
Share capital	13	13
Capital surplus	8,452	8,220
Retained earnings	1,739	1,534
Treasury shares	(132)	(304)
Total shareholders' equity	10,073	9,464
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(13)	(4)
Foreign currency translation adjustment	9	5
Total accumulated other comprehensive income	(4)	0
Share acquisition rights	10	9
Non-controlling interests	1,517	1,493
Total net assets	11,596	10,969
Total liabilities and net assets	20,973	19,649

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

	(Millions of yen)	
	Three months ended December 31, 2022	Three months ended December 31, 2023
Net sales	4,883	3,263
Cost of sales	2,489	1,430
Gross profit	2,393	1,833
Selling, general and administrative expenses	1,959	1,950
Operating profit (loss)	433	(117)
Non-operating income		
Interest income	0	0
Equity method investment gains	16	0
Other	3	7
Total non-operating income	19	8
Non-operating expenses		
Interest expenses	10	10
Commission expenses	4	6
Provision for doubtful accounts	12	–
Foreign exchange losses	14	10
Other	13	3
Total non-operating expenses	55	30
Ordinary profit (loss)	398	(138)
Extraordinary income		
Gain on differences between asset retirement obligations and actual asset retirement costs	2	–
Gain on sale of businesses	–	36
Gain on reversal of provision for share awards	7	1
Other	0	0
Total extraordinary income	10	37
Extraordinary losses		
Loss on retirement of non-current assets	0	29
Loss on business liquidation	7	–
Loss on litigation	3	–
Other	3	–
Total extraordinary losses	14	29
Profit (loss) before income taxes	394	(130)
Income taxes - current	144	83
Income taxes - deferred	21	28
Total income taxes	166	111
Profit (loss)	228	(242)
Profit (loss) attributable to non-controlling interests	15	(37)
Profit (loss) attributable to owners of parent	213	(204)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit (loss)	228	(242)
Other comprehensive income		
Valuation difference on available-for-sale securities	(31)	8
Foreign currency translation adjustment	(5)	(3)
Total other comprehensive income	(37)	4
Comprehensive income	190	(237)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	175	(200)
Comprehensive income attributable to non-controlling interests	15	(37)