

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2024 (Based on Japanese GAAP)

August 14, 2024

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

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2024 (from October 1, 2023 to June 30, 2024)

(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	%
Nine months ended June 30, 2024	11,515	(27.1)	343	(78.7)	249	(83.3)	4	(99.2)
Nine months ended June 30, 2023	15,789	18.7	1,608	59.9	1,497	61.0	573	145.0

(Note) EBITDA (operating profit + depreciation and amortization):
 Nine months ended June 30, 2024: 1,133 million yen [(52.6)%]
 Nine months ended June 30, 2023: 2,389 million yen [34.8%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2024	0.08		0.08	
Nine months ended June 30, 2023	10.04		10.00	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	17,453	10,333	57.5
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
Year ended September 30, 2023	Yen –	Yen 0.00	Yen –	Yen 0.00	Yen 0.00
Year ending September 30, 2024	–	0.00	–		
Year ending September 30, 2024 (Forecast)				0.00	0.00

3. Forecast of consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	16,000	(21.9)	700	(62.8)	1,800	(38.5)

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended June 30, 2024: 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 June 30, 2024	64,177,595 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 June 30, 2024	3,892,849 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)

Nine months ended June 30, 2024	59,785,942 shares	Nine months ended June 30, 2023	57,116,225 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	9,405	4,455
Accounts receivable - trade	1,129	839
Merchandise	321	57
Work in process	185	294
Raw materials and supplies	6	15
Real estate for sale	1,232	1,243
Operational investment securities	1,334	1,360
Other	525	2,419
Allowance for doubtful accounts	(18)	(32)
Total current assets	14,122	10,653
Non-current assets		
Property, plant and equipment	669	438
Intangible assets		
Goodwill	3,591	3,627
Other	794	939
Total intangible assets	4,386	4,567
Investments and other assets		
Investment securities	627	569
Deferred tax assets	614	700
Other	780	614
Allowance for doubtful accounts	(226)	(89)
Total investments and other assets	1,795	1,795
Total non-current assets	6,851	6,800
Total assets	20,973	17,453

(Millions of yen)

	As of September 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	823	565
Outstanding claims	4	—
Policy reserve	5	—
Short-term borrowings	2,272	1,910
Current portion of long-term borrowings	997	674
Income taxes payable	457	114
Contract liabilities	1,259	1,519
Provision for bonuses	11	—
Provision for point services	4	4
Correction related cost	45	45
Provision for loss on business liquidation	—	13
Other	811	624
Total current liabilities	6,693	5,472
Non-current liabilities		
Long-term borrowings	2,079	1,196
Asset retirement obligations	129	89
Deferred tax liabilities	32	46
Provision for share awards	101	87
Retirement benefit liability	21	—
Provision for retirement benefits for directors (and other officers)	41	—
Other	274	227
Total non-current liabilities	2,682	1,647
Total liabilities	9,376	7,120
Net assets		
Shareholders' equity		
Share capital	13	30
Capital surplus	8,452	9,431
Retained earnings	1,739	1,744
Treasury shares	(132)	(1,208)
Total shareholders' equity	10,073	9,997
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(13)	18
Foreign currency translation adjustment	9	14
Total accumulated other comprehensive income	(4)	32
Share acquisition rights	10	3
Non-controlling interests	1,517	298
Total net assets	11,596	10,333
Total liabilities and net assets	20,973	17,453

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Net sales	15,789	11,515
Cost of sales	8,194	5,440
Gross profit	7,595	6,074
Selling, general and administrative expenses	5,987	5,731
Operating profit	1,608	343
Non-operating income		
Interest income	1	0
Foreign exchange gains	–	16
Insurance income	17	1
Other	17	18
Total non-operating income	36	37
Non-operating expenses		
Interest expenses	36	28
Commission expenses	46	20
Provision for doubtful accounts	–	20
Foreign exchange losses	1	–
Loss on equity method investment	44	55
Other	19	6
Total non-operating expenses	147	131
Ordinary profit	1,497	249
Extraordinary income		
Gain on sale of businesses	–	51
Gain on sale of shares of subsidiaries	–	38
Gain on reversal of provision for share awards	17	6
Gain on reversal of provision for loss on relocation	51	–
Other	3	3
Total extraordinary income	72	98
Extraordinary losses		
Loss on retirement of non-current assets	3	33
Impairment losses	9	29
Provision for loss on business liquidation	4	33
Loss on business liquidation	10	6
Loss on litigation	9	7
Other	11	8
Total extraordinary losses	48	118
Profit before income taxes	1,521	229
Income taxes - current	606	228
Income taxes - deferred	196	34
Total income taxes	803	262
Profit	717	(33)
Profit attributable to non-controlling interests	144	(37)
Profit attributable to owners of parent	573	4

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Profit	717	(33)
Other comprehensive income		
Valuation difference on available-for-sale securities	(412)	31
Foreign currency translation adjustment	0	5
Total other comprehensive income	(412)	36
Comprehensive income	305	3
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	161	41
Comprehensive income attributable to non-controlling interests	144	(37)