

Translation

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## Summary of Consolidated Financial Results for the Year Ended September 30, 2024 (Based on Japanese GAAP)

November 14, 2024

Company name: Kufu Company Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4376 URL <https://kufu.co.jp/>  
 Representative: Director & Representative Executive Officer Yoshiteru Akita  
 Inquiries: Director & Executive Officer Jun Kanma TEL 03-6264-2323  
 Scheduled date of ordinary general meeting of shareholders: December 24, 2024  
 Scheduled date to file Securities Report: December 25, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

#### (1) Consolidated operating results

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	%
Year ended September 30, 2024	15,544	(24.1)	631	(66.4)	499	(71.2)	308	(43.8)
Year ended September 30, 2023	20,486	10.0	1,882	20.8	1,735	17.3	548	21.1

(Note) EBITDA (operating profit + depreciation and amortization): Year ended September 30, 2024: 1,705 million yen [(41.7)%]  
 Year ended September 30, 2023: 2,926 million yen [13.3%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2024	5.15	5.14	3.0	2.5	4.1
Year ended September 30, 2023	9.56	9.52	5.4	8.2	9.2

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	18,875	12,169	56.8	179.21
As of September 30, 2023	20,973	11,596	48.0	173.58

#### (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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2024	(196)	(498)	(1,192)	7,475
Year ended September 30, 2023	4,754	(886)	(1,749)	9,369

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2023	–	0.00	–	0.00	0.00	–	–	–
Year ended September 30, 2024	–	0.00	–	0.00	0.00	–	–	–
Year ending September 30, 2025 (Forecast)	–	0.00	–	0.00	0.00	–	–	–

3. Forecast of consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	14,000	(9.9)	500	(20.9)	1,600	(6.2)

4. Notes

(1) Significant changes in the scope of consolidation during the year ended September 30, 2024: Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of September 30, 2024	59,887,595 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 September 30, 2024	98,222 shares	As of September 30, 2023	292,268 shares
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Average number of shares during the period

Year ended September 30, 2024	59,812,477 shares	Year ended September 30, 2023	57,340,844 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,405	7,505
Accounts receivable - trade	1,129	1,125
Merchandise	321	64
Work in process	185	93
Raw materials and supplies	6	13
Real estate for sale	1,232	1,483
Operational investment securities	1,334	1,691
Other	525	836
Allowance for doubtful accounts	(18)	(8)
<b>Total current assets</b>	<b>14,122</b>	<b>12,805</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	456	398
Other, net	212	74
<b>Total property, plant and equipment</b>	<b>669</b>	<b>472</b>
<b>Intangible assets</b>		
Goodwill	3,591	3,459
Other	794	1,015
<b>Total intangible assets</b>	<b>4,386</b>	<b>4,474</b>
<b>Investments and other assets</b>		
Investment securities	627	10
Deferred tax assets	614	618
Other	780	565
Allowance for doubtful accounts	(226)	(87)
<b>Total investments and other assets</b>	<b>1,795</b>	<b>1,107</b>
<b>Total non-current assets</b>	<b>6,851</b>	<b>6,055</b>
<b>Deferred assets</b>		
Share issuance costs	-	14
<b>Total deferred assets</b>	<b>-</b>	<b>14</b>
<b>Total assets</b>	<b>20,973</b>	<b>18,875</b>

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	823	696
Outstanding claims	4	–
Policy reserve	5	–
Short-term borrowings	2,272	1,868
Current portion of long-term borrowings	997	640
Asset retirement obligations	0	2
Income taxes payable	457	96
Contract liabilities	1,259	1,198
Provision for bonuses	11	–
Provision for point services	4	4
Correction related cost	45	45
Other	811	648
<b>Total current liabilities</b>	<b>6,693</b>	<b>5,201</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,079	1,046
Asset retirement obligations	129	102
Deferred tax liabilities	32	56
Provision for share awards	101	85
Retirement benefit liability	21	–
Provision for retirement benefits for directors (and other officers)	41	–
Other	274	213
<b>Total non-current liabilities</b>	<b>2,682</b>	<b>1,504</b>
<b>Total liabilities</b>	<b>9,376</b>	<b>6,705</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	13	30
Capital surplus	8,452	8,635
Retained earnings	1,739	2,047
Treasury shares	(132)	(32)
<b>Total shareholders' equity</b>	<b>10,073</b>	<b>10,680</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(13)	30
Foreign currency translation adjustment	9	3
<b>Total accumulated other comprehensive income</b>	<b>(4)</b>	<b>34</b>
Share acquisition rights	10	3
Non-controlling interests	1,517	1,451
<b>Total net assets</b>	<b>11,596</b>	<b>12,169</b>
<b>Total liabilities and net assets</b>	<b>20,973</b>	<b>18,875</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Net sales	20,486	15,544
Cost of sales	10,686	7,422
Gross profit	9,800	8,122
Selling, general and administrative expenses	7,917	7,490
Operating profit	1,882	631
Non-operating income		
Interest income	1	0
Foreign exchange gains	3	–
Subsidy income	2	2
Insurance income	17	1
Surrender value of insurance policies	32	2
Other	15	14
Total non-operating income	72	21
Non-operating expenses		
Interest expenses	49	37
Commission expenses	73	21
Foreign exchange losses	–	9
Loss on equity method investment	63	76
Other	34	8
Total non-operating expenses	220	153
Ordinary profit	1,735	499
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on reversal of share acquisition rights	0	0
Gain on sale of businesses	–	52
Gain on sale of investment securities	–	184
Gain on sale of shares of subsidiaries	–	37
Gain on extinguishment of tie-in shares	10	–
Gain on reversal of provision for share awards	31	7
Gain on reversal of provision for loss on relocation	51	–
Other	2	3
Total extraordinary income	97	287
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	5	46
Impairment losses	67	33
Provision for loss on business liquidation	4	40
Loss on sale of shares of subsidiaries	41	8
Other	31	13
Total extraordinary losses	151	143
Profit before income taxes	1,680	644
Income taxes - current	656	233
Income taxes - deferred	231	123
Total income taxes	888	356
Profit	792	287
Profit (loss) attributable to non-controlling interests	244	(20)
Profit attributable to owners of parent	548	308

**Consolidated statements of comprehensive income**

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Profit	792	287
Other comprehensive income		
Valuation difference on available-for-sale securities	(412)	43
Foreign currency translation adjustment	2	(5)
Total other comprehensive income	(410)	38
Comprehensive income	382	326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	138	346
Comprehensive income attributable to non-controlling interests	244	(20)

## Consolidated statements of changes in equity

Fiscal year ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13	9,016	1,191	(443)	9,777
Changes during period					
Issuance of new shares	0	0			1
Profit attributable to owners of parent			548		548
Purchase of treasury shares				(465)	(465)
Changes by share exchanges		30		776	807
Purchase of shares of consolidated subsidiaries		(600)			(600)
Capital increase of consolidated subsidiaries		6			6
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during period	0	(564)	548	311	295
Balance at end of period	13	8,452	1,739	(132)	10,073

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	399	6	406	10	1,469	11,663
Changes during period						
Issuance of new shares						1
Profit attributable to owners of parent						548
Purchase of treasury shares						(465)
Changes by share exchanges						807
Purchase of shares of consolidated subsidiaries						(600)
Capital increase of consolidated subsidiaries						6
Change in ownership interest of parent due to transactions with non-controlling interests						(2)
Net changes in items other than shareholders' equity	(412)	2	(410)	0	48	(361)
Total changes during period	(412)	2	(410)	0	48	(66)
Balance at end of period	(13)	9	(4)	10	1,517	11,596

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13	8,452	1,739	(132)	10,073
Changes during period					
Issuance of new shares	877	877			1,755
Profit attributable to owners of parent			308		308
Capital reduction	(861)	861			–
Purchase of treasury shares				(1,180)	(1,180)
Cancellation of treasury shares		(1,311)		1,311	–
Disposal of treasury shares				0	0
Changes by share exchanges		151		(31)	120
Purchase of shares of consolidated subsidiaries		(992)			(992)
Capital increase of consolidated subsidiaries		508			508
Change in ownership interest of parent due to transactions with non-controlling interests		87			87
Net changes in items other than shareholders' equity					
Total changes during period	16	182	308	100	607
Balance at end of period	30	8,635	2,047	(32)	10,680

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(13)	9	(4)	10	1,517	11,596
Changes during period						
Issuance of new shares						1,755
Profit attributable to owners of parent						308
Capital reduction						–
Purchase of treasury shares						(1,180)
Cancellation of treasury shares						–
Disposal of treasury shares						0
Changes by share exchanges						120
Purchase of shares of consolidated subsidiaries						(992)
Capital increase of consolidated subsidiaries						508
Change in ownership interest of parent due to transactions with non-controlling interests						87
Net changes in items other than shareholders' equity	43	(5)	38	(6)	(66)	(34)
Total changes during period	43	(5)	38	(6)	(66)	572
Balance at end of period	30	3	34	3	1,451	12,169



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,680	644
Depreciation	394	402
Impairment losses	67	33
Amortization of goodwill	649	670
Loss on retirement of non-current assets	5	46
Loss (profit) on equity method investment	63	76
Increase (decrease) in allowance for doubtful accounts	(86)	1
Increase (decrease) in provision for loss on business liquidation	(48)	—
Increase (decrease) in provision for loss on relocation	(144)	—
Interest income	(1)	(0)
Interest expenses	49	37
Foreign exchange losses (gains)	0	1
Loss (gain) on sale of non-current assets	(0)	(1)
Loss (gain) on sale of investment securities	—	(184)
Loss (gain) on sale of shares of subsidiaries	—	(37)
Loss (gain) on sale of businesses	—	(52)
Decrease (increase) in trade receivables	154	(150)
Decrease (increase) in investment securities for sale	1,010	(294)
Decrease (increase) in prepaid expenses	38	(95)
Decrease (increase) in inventories	(45)	44
Decrease (increase) in deposits paid	5	(84)
Decrease (increase) in real estate for sale	1,531	(174)
Increase (decrease) in trade payables	100	3
Increase (decrease) in accounts payable - other	(29)	(111)
Increase (decrease) in contract liabilities	(78)	(60)
Decrease (increase) in accounts receivable - other	9	12
Decrease (increase) in consumption taxes refund receivable	40	(28)
Increase (decrease) in accrued consumption taxes	6	(54)
Other, net	(39)	(118)
Subtotal	5,333	524
Interest and dividends received	1	0
Income taxes paid	(563)	(758)
Interest paid	(48)	(35)
Subsidies received	2	2
Income taxes refund	29	69
Net cash provided by (used in) operating activities	4,754	(196)

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(93)	(122)
Proceeds from sale of property, plant and equipment	0	6
Purchase of intangible assets	(457)	(644)
Purchase of investment securities	(10)	–
Proceeds from sale of investment securities	–	723
Payments for acquisition of businesses	(61)	(269)
Proceeds from sale of businesses	–	65
Payments of leasehold and guarantee deposits	(240)	(49)
Proceeds from refund of leasehold and guarantee deposits	206	30
Payments for asset retirement obligations	(43)	(2)
Decrease (increase) in short-term loans receivable	30	(0)
Proceeds from cancellation of insurance funds	102	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(413)	(219)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	109	–
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(30)	(82)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	24
Other, net	15	42
Net cash provided by (used in) investing activities	(886)	(498)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,003)	(294)
Proceeds from long-term borrowings	850	26
Repayments of long-term borrowings	(1,098)	(1,179)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	1	28
Redemption of bonds	(16)	(8)
Purchase of treasury shares	(465)	(1,180)
Proceeds from issuance of share acquisition rights	0	–
Proceeds from share issuance to non-controlling shareholders	1	1,659
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(4)	(321)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	94
Payments for issuance of shares	–	(14)
Other, net	(14)	(1)
Net cash provided by (used in) financing activities	(1,749)	(1,192)
Effect of exchange rate change on cash and cash equivalents	6	(5)
Net increase (decrease) in cash and cash equivalents	2,125	(1,893)
Cash and cash equivalents at beginning of period	7,238	9,369
Increase in cash and cash equivalents resulting from merger	5	–
Cash and cash equivalents at end of period	9,369	7,475