

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended June 30, 2022
(Based on Japanese GAAP)**

August 12, 2022

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 to file Quarterly Securities Report: August 12, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2022 (from October 1, 2021 to June 30, 2022)

(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, 2022	13,303	–	1,006	–	929	–	234	–
Nine months ended June 30, 2021	–	–	–	–	–	–	–	–

(Note) EBITDA (operating profit + depreciation and amortization): Nine months ended June 30, 2022: 1,773 million yen [–%]
 Nine months ended June 30, 2021: – million yen [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2022	4.02		4.01	
Nine months ended June 30, 2021	–		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	21,456	10,637	42.8
As of September 30, 2021	–	–	–

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2021	–	–	–	–	–
Year ending September 30, 2022	–	0.00	–		
Year ending September 30, 2022 (Forecast)				–	–

3. Forecast of consolidated financial results for the year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	18,000	–	1,300	–	2,300	–

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2022
(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: Yes
- 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, 2022	58,286,139 shares	As of September 30, 2021	– shares
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Number of treasury shares at the end of the period

As of June 30, 2022	451,013 shares	As of September 30, 2021	– 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, 2022	58,227,226 shares	Nine months ended June 30, 2021	– shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of June 30, 2022

Assets	
Current assets	
Cash and deposits	7,525,484
Notes and accounts receivable - trade	921,641
Merchandise	119,335
Work in process	476,140
Raw materials and supplies	5,057
Real estate for sale	2,714,014
Operational investment securities	1,993,520
Other	1,241,495
Allowance for doubtful accounts	(38,052)
Total current assets	14,958,638
Non-current assets	
Property, plant and equipment	476,891
Intangible assets	
Goodwill	3,692,357
Other	510,643
Total intangible assets	4,203,001
Investments and other assets	
Deferred tax assets	598,081
Other	1,506,258
Allowance for doubtful accounts	(293,431)
Total investments and other assets	1,810,908
Total non-current assets	6,490,800
Deferred assets	6,869
Total assets	21,456,309
Liabilities	
Current liabilities	
Accounts payable - trade	541,652
Outstanding claims	9,830
Policy reserve	2,922
Short-term borrowings	3,467,657
Current portion of long-term borrowings	1,210,579
Asset retirement obligations	3,523
Income taxes payable	187,945
Provision for bonuses	8,725
Provision for point services	4,754
Correction related cost	45,420
Provision for loss on business liquidation	5,641
Other	2,608,062
Total current liabilities	8,096,714
Non-current liabilities	
Bonds payable	8,250
Long-term borrowings	2,406,070
Asset retirement obligations	94,797
Provision for share awards	154,066
Other	59,080
Total non-current liabilities	2,722,264
Total liabilities	10,818,978

(Thousands of yen)

As of June 30, 2022

Net assets	
Shareholders' equity	
Share capital	13,128
Capital surplus	9,016,684
Retained earnings	972,861
Treasury shares	(198,850)
Total shareholders' equity	9,803,824
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	(622,892)
Foreign currency translation adjustment	7,415
Total accumulated other comprehensive income	(615,476)
Share acquisition rights	10,362
Non-controlling interests	1,438,619
Total net assets	10,637,330
Total liabilities and net assets	21,456,309

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

Consolidated statements of income (cumulative)

(Thousands of yen)

Nine months ended
June 30, 2022

Net sales	13,303,181
Cost of sales	6,542,352
Gross profit	6,760,828
Selling, general and administrative expenses	5,754,541
Operating profit	1,006,287
Non-operating income	
Interest income	150
Foreign exchange gains	34,094
Other	20,696
Total non-operating income	54,941
Non-operating expenses	
Interest expenses	33,685
Commission expenses	53,864
Loss on equity method investment	32,264
Other	11,735
Total non-operating expenses	131,549
Ordinary profit	929,679
Extraordinary income	
Gain on sale of non-current assets	239
Gain on reversal of share acquisition rights	430
Total extraordinary income	670
Extraordinary losses	
Loss on sale of non-current assets	8,934
Loss on retirement of non-current assets	1,860
Impairment losses	1,738
Provision for loss on business liquidation	12,137
Settlement package	10,000
Other	11,472
Total extraordinary losses	46,142
Profit before income taxes	884,207
Income taxes - current	445,596
Income taxes - deferred	65,323
Total income taxes	510,919
Profit	373,287
Profit attributable to non-controlling interests	139,174
Profit attributable to owners of parent	234,113

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

Nine months ended

June 30, 2022

Profit	373,287
Other comprehensive income	
Valuation difference on available-for-sale securities	(1,078,855)
Foreign currency translation adjustment	8,339
Total other comprehensive income	(1,070,515)
Comprehensive income	(697,227)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(836,402)
Comprehensive income attributable to non-controlling interests	139,174