



May 13, 2025

To whom it may concern

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Notice Concerning Recognition of Extraordinary Income, Extraordinary Loss, Deferred Income Taxes (Income)

GOURMET KINEYA CO., LTD. (the “Company”) hereby announces that it recognized an extraordinary income, extraordinary loss, and deferred income taxes (income) in the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) announced today. The details are described below.

1. Recognition of extraordinary income

(1) Reversal of provision for loss on support to subsidiaries and affiliates (non-consolidated)

The Company provides for loss on support to subsidiaries and affiliates for future losses at a subsidiary with worsening financial conditions, and it recognized 206.174 million yen in reversal of provision for loss on support to subsidiaries and affiliates in extraordinary income given the improvement in financial conditions of the concerned subsidiary. The reversal of provision for loss on support to subsidiaries and affiliates pertaining to the concerned subsidiary does not have any impact on consolidated financial results as it is offset in consolidated account settlement.

(2) Reversal of provision for loss on guarantees (non-consolidated)

The Company recognizes provision for loss on guarantees for subsidiaries to which it provides loan guarantee and whose financial conditions are worsening, and it recognized 659.253 million yen in reversal of provision for loss on guarantees in extraordinary income given the improvement in financial conditions of the concerned subsidiary. The concerned reversal of provision for loss on guarantees does not have any impact on consolidated financial results as it is offset in consolidated account settlement.

2. Recognition of extraordinary loss

(1) Impairment loss (consolidated and non-consolidated)

In accordance with Accounting Standard for Impairment of Fixed Assets, the Company recognized 515.482 million yen in impairment loss on fixed assets of restaurants and their facilities in consolidated account settlement by considering the past financial results and future outlook and 481.098 million yen in impairment loss on the same in non-consolidated account settlement.

(2) Provision of allowance for doubtful accounts (non-consolidated)

The Company provides allowance for doubtful accounts by considering possibility of debt collection from subsidiaries with worsening financial conditions, and has recorded 173.691 million yen in provision of allowance for doubtful accounts in extraordinary loss as the balance of receivables of a target subsidiary increased. The amount provided for allowance for doubtful accounts does not have any impact on consolidated financial results as it is offset in consolidated account settlement.

3. Recognition of deferred income taxes (income) (consolidated and non-consolidated)

As a result of careful examination of collectability of deferred tax assets based on its future business performance trends, the Company recorded 323.614 million yen in deferred income taxes (income) in consolidated account settlement and 146.658 million yen in the same in non-consolidated account settlement.

4. Impact on financial results

The Company has reflected the above-described extraordinary income, extraordinary loss, and deferred income taxes (income) in Summary of Consolidated Financial Results for the Year Ended March 31,2025 (Based on Japanese GAAP) announced today.