November 6, 2026

To whom it may concern,

Company name KAPPA-CREATE CO., LTD.
Representative President and Representative Director Tsuyoshi Yamakado
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Notice of Recording Impairment Losses and Provision for Store Closing Losses Due to Store Closings

We hereby announce that, following our decision to close stores with declining profitability, we have determined to record impairment losses and provision for store closing losses for the interim consolidated accounting period of the fiscal year ending March 31, 2027, as detailed below.

Record

1. Recording impairment losses and provision for store closing losses

To enhance profitability and optimize the allocation of resources, we carefully evaluated the future profitability of our stores and have determined to close 15 domestic stores during the current interim period.

Consequently, after assessing the recoverability of certain non-current assets related to stores and other properties owned by our group in accordance with the “Accounting Standards for Impairment of Non-Current Assets,” we have determined to record an impairment loss of 223 million yen and a provision for store closing losses of 74 million yen.

We are currently examining the impact of the impairment losses and other related items on our consolidated financial results for the fiscal year ending March 31, 2027, and we will promptly disclose any matters requiring disclosure as they arise.

End

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.