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June 1, 2026

To Whom It May Concern:

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(Securities code: 195A, TSE Growth Market)
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**Recording of Loss on Valuation of Shares of Subsidiaries and
Affiliates in Non-consolidated Financial Results and
(Correction/Correction of Numerical Data) Notice Regarding Partial Correction of
"Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]"**

MUSCAT GROUP Inc. hereby announces that it has decided to record a loss on valuation of shares of subsidiaries and affiliates in its non-consolidated financial results for the fiscal year ended March 31, 2026, as described below. Accordingly, the Company has decided to partially correct the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]" announced on May 14, 2026.

In addition, as there were corrections to the numerical data (XBRL), the corrected numerical data will also be submitted.

1. Regarding Loss on Valuation of Shares of Subsidiaries and Affiliates The Company disclosed the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]" (hereinafter referred to as the "Financial Results Summary") on May 14, 2026. Subsequently, in the process of auditing procedures for financial statements under the Companies Act, the Company re-discussed with the auditing firm the accounting treatment regarding the valuation of shares of WinC Inc. and Ricecurry Plus, Inc. held by the Company. As a result, based on the judgment that the actual value of both companies had significantly declined relative to their book value, the Company decided to record a total of 794,151 thousand yen as a loss on valuation of shares of subsidiaries and affiliates under extraordinary losses in its non-consolidated financial results.

Target item	Amount of loss on valuation of shares of subsidiaries and associates
Shares of WinC Inc.	557,999 thousand yen
Shares of Ricecurry Plus, Inc.	236,152 thousand yen
Total	794,151 thousand yen

2. Correction of Financial Results Summary

Due to the recording of the aforementioned extraordinary loss, net income, net assets, total assets, and per-share information in the Company's non-consolidated financial results will be corrected. Accordingly, the numerical values and descriptions in the Financial Results Summary based on these figures will be corrected. Furthermore, in the process of auditing procedures for the Annual Securities Report by the auditing firm, errors were pointed out in the consolidated statement of cash flows in the Financial Results Summary, and corrections will be made. Please refer to the following for details. The corrected parts are underlined.

Summary Page 1

1. Consolidated Financial Results for the Fiscal Year Ending March 2026 (April 1, 2025 to March 31, 2026)

(Before correction)

(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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ending March 2026	<u>(673)</u>	<u>(629)</u>	1,305	689
Fiscal year ending March 2025	(407)	(966)	1,305	543

(After correction)

(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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ending March 2026	<u>(676)</u>	<u>(484)</u>	1,305	689
Fiscal year ending March 2025	(407)	(966)	1,305	543

Summary Page 3

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ending March 2026 (April 1, 2025 to March 31, 2026)

(Before correction)

(1) Non-consolidated Operating Results (% indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ending March 2026	853	(51.0)	36	-	92	786.9	<u>592</u>	-
Fiscal year ending March 2025	1,741	(13.1)	(38)	-	10	(92.7)	32	(81.5)
	Net profit per share		Diluted net profit per share					
	Yen		Yen					

Fiscal year ending March 2026	<u>195.31</u>	<u>185.73</u>
Fiscal year ending March 2025	11.19	10.75

(After correction)

(1) Non-consolidated Operating Results (% indicates year-on-year change)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ending March 2026	853	(51.0)	36	-	92	786.9	<u>(201)</u>	-
Fiscal year ending March 2025	1,741	(13.1)	(38)	-	10	(92.7)	32	(81.5)

	Basic earnings per share	Diluted earnings per share
	Y en	Y en
Fiscal year ending March 2026	<u>(66.37)</u>	=
Fiscal year ending March 2025	11.19	10.75

(Before correction)

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Y en
Fiscal year ending March 2026	<u>5,708</u>	<u>2,058</u>	<u>36.0</u>	<u>601.87</u>
Fiscal year ending March 2025	3,308	1,175	35.5	395.58

(Reference) Equity: Fiscal year ending March 2026: 2,057 million yen; Fiscal year ending March 2025: 1,174 million yen

<Reasons for differences between non-consolidated financial results and the previous fiscal year's results>

Differences have arisen between the results for the previous fiscal year and the current fiscal year due to organizational restructuring associated with the transition to a holding company structure.

(After correction)

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Y en
Fiscal year ending March 2026	<u>4,914</u>	<u>1,264</u>	<u>25.7</u>	<u>369.56</u>
Fiscal year ending March 2025	3,308	1,175	35.5	395.58

(Reference) Equity: Fiscal year ending March 2026: 1,263 million yen; Fiscal year ending March 2025: 1,174 million yen

<Reasons for differences in non-consolidated results from the previous fiscal year's results>

Differences have arisen between the results for the previous fiscal year and the results for the current fiscal year due to organizational restructuring associated with the transition to a holding company structure. In addition, for the current fiscal year, as a result of careful consultation with the auditing firm regarding shares of affiliated companies held by the Company, a loss on valuation of shares of affiliated companies of 794,151 thousand yen, reflecting the actual value, was recorded as an extraordinary loss.

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1. Overview of Operating Results, etc.

(Before correction)

(3) Overview of cash flows for the current period

The balance of cash and cash equivalents at the end of the current consolidated fiscal year increased by 145,619 thousand yen (including an increase of 142,582 thousand yen in cash and cash equivalents due to new consolidation) from the end of the previous consolidated fiscal year to 689,619 thousand yen. The status of each cash flow and its factors for the current consolidated fiscal year are as follows.

(Cash flows from operating activities)

Cash flows from operating activities resulted in an expenditure of 673,627 thousand yen (an expenditure of 407,972 thousand yen in the previous consolidated fiscal year). This was mainly due to the recording of loss before income taxes of 87,340 thousand yen, impairment loss of 304,589 thousand yen, amortization of goodwill of 161,719 thousand yen, gain on sale of shares of subsidiaries and associates of 710,492 thousand yen, a decrease in notes and accounts receivable - trade of 31,319 thousand yen, and a decrease in notes and accounts payable - trade of 207,015 thousand yen.

(Cash flows from investing activities)

Cash flows from investing activities resulted in an expenditure of 629,334 thousand yen (an expenditure of 966,248 thousand yen in the previous consolidated fiscal year). This was mainly due to proceeds from sale of property, plant and equipment of 409,428 thousand yen and proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of 1,007,086 thousand yen, while there were payments for purchase of shares of subsidiaries resulting in change in scope of consolidation of 1,239,963 thousand yen, payments for loans receivable of 446,522 thousand yen, and payments for purchase of investment securities of 243,773 thousand yen.

(After correction)

(3) Overview of cash flows for the current period

The balance of cash and cash equivalents at the end of the current consolidated fiscal year increased by 145,619 thousand yen from the end of the previous consolidated fiscal year to 689,619 thousand yen. The status of each cash flow and its factors for the current consolidated fiscal year are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 676,351 thousand yen (compared to 407,972 thousand yen used in the previous fiscal year). This was mainly due to the recording of loss before income taxes of 87,340 thousand yen, impairment loss of 304,589 thousand yen, amortization of goodwill of 161,719 thousand yen, and gain on sale of shares of subsidiaries and associates of 710,492 thousand yen, as well as a decrease in trade receivables of 31,319 thousand yen and a decrease in trade payables of 207,015 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities was 484,028 thousand yen (compared to 966,248 thousand yen used in the previous fiscal year). This was mainly due to proceeds from sale of property, plant and equipment of 409,428 thousand yen and proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of 1,007,086 thousand yen, while there were payments for acquisition of shares of subsidiaries resulting in change in scope of consolidation of 1,237,239 thousand yen, payments for loans receivable of 446,522 thousand yen, and payments for acquisition of investment securities of 243,773 thousand yen.

(Before correction)

Not applicable.

(After correction)

(5) Material events, etc. regarding going concern assumption

In the Group, net cash used in operating activities was negative 407,972 thousand yen in the previous fiscal year and negative 676,351 thousand yen in the current fiscal year, marking two consecutive fiscal years of negative cash flow. Consequently, events or conditions exist that may cast significant doubt on the going concern assumption. To address this situation, the Group will work to generate operating cash flow by expanding the market share of existing brands, improving business profitability through post-merger integration (PMI) after M&A, and reducing costs by streamlining the Group's headquarters functions at the Company, which is a holding company. In addition, the Group continuously engages in fundraising activities to strengthen the financial foundation necessary for executing its M&A strategy. In the current fiscal year, the Group raised a total of 1,453,791 thousand yen through the issuance of new shares via third-party allotment and borrowings from financial institutions. For the next fiscal year, the Group also expects to secure the necessary funds through fundraising activities. In addition to these measures, the Group will consider implementing external fundraising through means such as the sale of investment securities, additional financing through continuous negotiations with financial institutions, and additional capital contributions from external investors as necessary. The Company believes that cash and deposits at the end of the current fiscal year amounted to 689,619 thousand yen, an increase of 145,619 thousand yen from the end of the previous fiscal year, and that it is in a position to sufficiently secure the funds necessary for immediate business activities. Furthermore, by implementing these countermeasures, it is possible to resolve or improve the relevant events or conditions. Therefore, the Company has determined that no material uncertainty regarding the going concern assumption exists at this time.

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3. Consolidated Financial Statements and Primary Notes

(Before correction)

(4) Consolidated Statement of Cash Flows

	(Unit: thousand yen)	
	Previous fiscal year (From April 1, 2024 To March 31, 2025)	Current fiscal year (From April 1, 2025 To March 31, 2026)
Cash flows from operating activities		
Profit (loss) before income taxes	115,419	(87,340)
Depreciation	24,846	50,996
Impairment loss	-	304,589
Business withdrawal loss	-	26,390
Amortization of goodwill	53,678	161,719
Amortization of deferred assets	5,383	7,090
Increase (decrease) in allowance for doubtful accounts (() indicates decrease)	(331)	1,403
Increase (decrease) in provision for bonuses (() indicates decrease)	9,669	(8,885)
Interest and dividend income	(3,451)	(6,022)
Interest expenses	21,474	56,280
Foreign exchange losses (gains) (() indicates gain)	(101)	-

(Unit: thousand yen)

	Previous fiscal year (From April 1, 2024 To March 31, 2025)	Current fiscal year (From April 1, 2025 To March 31, 2026)
Surrender value of insurance policies	(40,358)	-
Loss (gain) on sale of non-current assets (() indicates gain)	-	(14,847)
Loss (gain) on sale of shares of subsidiaries and associates (() indicates gain)	-	(710,492)
Loss (gain) on sale of investment securities (() indicates gain)	(1,156)	-
Loss on retirement of non-current assets	1,993	0
Decrease (increase) in notes and accounts receivable - trade (() indicates increase)	(156,489)	31,319
Decrease (increase) in inventories (() indicates increase)	(39,781)	(59,042)
Increase (decrease) in notes and accounts payable - trade (() indicates decrease)	(26,556)	(207,015)
Increase (decrease) in accounts payable - other (() indicates decrease)	(347,241)	3,446
Other	14,931	(78,471)
Subtotal	(368,071)	(528,882)
Interest and dividends received	383	6,022
Interest paid	(22,388)	(58,807)
Income taxes paid	(17,895)	(117,224)
Income taxes refund	-	25,264
Net cash provided by (used in) operating activities	(407,972)	(673,627)
Cash flows from investing activities		
Payments into time deposits	(25,000)	-
Proceeds from withdrawal of time deposits	25,000	-
Purchase of property, plant and equipment	(27,314)	(8,795)
Proceeds from sale of property, plant and equipment	-	409,428
Purchase of intangible assets	(39,797)	(94,526)
Loan advances	(475,000)	(446,522)
Collection of loans receivable	3,588	-
Purchase of investment securities	-	(243,773)
Proceeds from sale of investment securities	30,166	-
Payments for insurance funds	(9,993)	-
Proceeds from cancellation of insurance funds	643,708	-
Payments for transfer of business	(120,000)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(971,834)	(1,239,963)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	1,007,086
Other	229	(12,267)
Net cash provided by (used in) investing activities	(966,248)	(629,334)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings (() indicates decrease)	(5,000)	300,229
Proceeds from long-term borrowings	1,001,036	1,160,000
Repayments of long-term borrowings	(237,233)	(432,841)
Repayments of lease liabilities	(1,268)	(1,924)
Proceeds from issuance of bonds	292,925	-
Redemption of bonds	(30,000)	(60,000)
Proceeds from issuance of shares	299,818	293,791
Payments of listing-related expenses	(16,481)	-
Other	1,395	46,745
Net cash provided by (used in) financing activities	1,305,193	1,305,999

	(Unit: thousand yen)	
	Previous fiscal year (From April 1, 2024 To March 31, 2025)	Current fiscal year (From April 1, 2025 To March 31, 2026)
Effect of exchange rate change on cash and cash equivalents	(27)	-
Net increase (decrease) in cash and cash equivalents (() indicates decrease)	(69,055)	<u>3,037</u>
Cash and cash equivalents at beginning of period	613,054	543,999
<u>Increase in cash and cash equivalents resulting from new consolidation</u>	-	<u>142,582</u>
Cash and cash equivalents at end of period	543,999	689,619

(After correction)

(4) Consolidated Statement of Cash Flows

	(Unit: thousand yen)	
	Previous fiscal year (From April 1, 2024 To March 31, 2025)	Current fiscal year (From April 1, 2025 To March 31, 2026)
Cash flows from operating activities		
Profit (loss) before income taxes (Δ)	115,419	(87,340)
Depreciation	24,846	50,996
Impairment loss	-	304,589
Business withdrawal loss	-	26,390
Amortization of goodwill	53,678	161,719
Amortization of deferred assets	5,383	7,090
Increase (decrease) in allowance for doubtful accounts (Δ indicates decrease)	(331)	1,403
Increase (decrease) in provision for bonuses (Δ indicates decrease)	9,669	(8,885)
Interest and dividend income	(3,451)	(6,022)
Interest expenses	21,474	56,280
Foreign exchange losses (gains) (Δ indicates gain)	(101)	-
Surrender value of insurance policies	(40,358)	-
Loss (gain) on sale of fixed assets (Δ indicates gain)	-	(14,847)
Loss (gain) on sale of shares of subsidiaries and associates (Δ indicates gain)	-	(710,492)
Loss (gain) on sale of investment securities (Δ indicates gain)	(1,156)	-
Loss on retirement of fixed assets	1,993	0
Decrease (increase) in notes and accounts receivable - trade (Δ indicates increase)	(156,489)	31,319
Decrease (increase) in inventories (Δ indicates increase)	(39,781)	(59,042)
Increase (decrease) in notes and accounts payable - trade (Δ indicates decrease)	(26,556)	(207,015)
Increase (decrease) in accounts payable - other (Δ indicates decrease)	(347,241)	3,446
Other	14,931	<u>(81,196)</u>
Subtotal	(368,071)	<u>(531,606)</u>
Interest and dividends received	383	6,022
Interest paid	(22,388)	(58,807)
Income taxes paid	(17,895)	(117,224)
Income taxes refunded	-	25,264
Cash flows from operating activities	(407,972)	<u>(676,351)</u>
Cash flows from investing activities		
Payments into time deposits	(25,000)	-

	(Unit: thousand yen)	
	Previous fiscal year (From April 1, 2024 To March 31, 2025)	Current fiscal year (From April 1, 2025 To March 31, 2026)
Proceeds from withdrawal of time deposits	25,000	-
Purchase of property, plant and equipment	(27,314)	(8,795)
Proceeds from sale of property, plant and equipment	-	409,428
Purchase of intangible assets	(39,797)	(94,526)
Payments of loans receivable	(475,000)	(446,522)
Collection of loans receivable	3,588	-
Purchase of investment securities	-	(243,773)
Proceeds from sale of investment securities	30,166	-
Payments of insurance premiums	(9,993)	-
Proceeds from cancellation of insurance policies	643,708	-
Payments for transfer of business	(120,000)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(971,834)	(1,237,239)
<u>Proceeds from acquisition of subsidiaries resulting in change in scope of consolidation</u>	-	142,582
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	1,007,086
Other	229	(12,267)
Cash flows from investing activities	(966,248)	(484,028)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings (() indicates decrease)	(5,000)	300,229
Proceeds from long-term borrowings	1,001,036	1,160,000
Repayments of long-term borrowings	(237,233)	(432,841)
Repayments of lease liabilities	(1,268)	(1,924)
Proceeds from issuance of bonds	292,925	-
Redemption of bonds	(30,000)	(60,000)
Proceeds from issuance of shares	299,818	293,791
Payments of listing-related expenses	(16,481)	-
Other	1,395	46,745
Net cash provided by (used in) financing activities	1,305,193	1,305,999
Effect of exchange rate change on cash and cash equivalents	(27)	-
Net increase (decrease) in cash and cash equivalents (() indicates decrease)	(69,055)	145,619
Cash and cash equivalents at beginning of period	613,054	543,999
Cash and cash equivalents at end of period	543,999	689,619

3. Impact on Financial Results The above-mentioned loss on valuation of shares of subsidiaries and associates will be recorded only in the Company's non-consolidated financial results and will be eliminated in the consolidated financial results. Therefore, there will be no impact on the consolidated financial results for the fiscal year ending March 2026.

End