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November 12, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: MUSCAT GROUP Inc.
Listing: Tokyo Stock Exchange
Securities code: 195A
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Scheduled date to file semi-annual securities report: November 12, 2026
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027 (April 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate the rate of change from the same interim period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Adjusted EBITDA		Profit attributable to owners of parent for the interim period	
	Million yen	%	Million yen	%	Million yen	%		%	Million yen	%
Six months ended September 30, 2026	2,983	85.6	(299)	-	(334)	-	(148)	-	(691)	-
Six months ended September 30, 2025	1,607	34.2	(203)	-	(216)	-	(109)	-	(186)	-

(Note) Comprehensive income: Six months ended September 30, 2026: (612) million yen (-%); Six months ended September 30, 2025: (186) million yen (-%)

	Interim profit per share	Diluted interim profit per share
	Yen sen	Yen Sen
Six months ended September 30, 2026	(200.40)	-
Six months ended September 30, 2025	(62.41)	-

1. Adjusted EBITDA = Consolidated operating profit + Depreciation + Amortization of goodwill + M&A-related costs
2. The rate of change from the same interim period of the previous fiscal year for Adjusted EBITDA for the six months ended September 30, 2025 is not presented because Adjusted EBITDA was not used as an indicator for the six months ended September 30, 2024.
3. Diluted interim earnings per share for the six months ended September 30, 2025 and the six months ended September 30, 2026 are not presented because, although there are dilutive shares, an interim net loss per share was recorded.
4. As stated in the "Notice Regarding Revision of Full-Year Consolidated Financial Results Forecast" disclosed on November 12, 2026, the disclosure of Adjusted interim net profit, which was previously presented, has been discontinued; therefore, the presentation of Adjusted interim net profit has been removed.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	5,217	508	9.3
As of March 31, 2026	5,648	1,086	19.2

(Reference) Equity: As of September 30, 2026: 485 million yen; As of March 31, 2026: 1,085 million yen

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen sen	Yen sen	Yen sen	Yen sen	Yen sen
Fiscal year ended March 31, 2026	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2027	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)			-	0.00	0.00

(Note) Changes from the most recently announced dividend forecast: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentages indicate the rate of change from the previous fiscal year)

	Net sales		Operating profit		Adjusted EBITDA*	
	Million yen	%	Million yen	%	Million yen	%
Full year	15,444	274.0	(211)	-	75	-

(Note) Changes from the most recently announced financial results forecast: Yes

* Adjusted EBITDA = Consolidated operating profit + Depreciation + Amortization of goodwill + M&A-related costs

* As stated in the "Notice Regarding Revision of Full-Year Consolidated Financial Results Forecast" disclosed on November 12, 2026, the disclosure of Adjusted net profit, which was previously presented, has been discontinued; therefore, the presentation of Adjusted net profit has been removed.

* Notes

(1) Significant changes in the scope of consolidation during the interim period: None

New: - company (company name) -, Excluded: - company (company name) -

(2) Application of specific accounting procedures for the preparation of interim consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatements: No

(4) Number of issued shares (common stock)

(i) Number of issued shares at the end of the period (including treasury shares)

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares during the period (six months)

Six months ended September 30, 2026	3,468,520 shares	Fiscal year ended March 31, 2026	3,418,520 shares
Six months ended September 30, 2026	- shares	Fiscal year ended March 31, 2026	- shares
Six months ended September 30, 2026	3,448,875 shares	Six months ended September 30, 2025	2,985,587 shares

* The financial results report for the second quarter (interim period) is not subject to review by a certified public accountant or an audit corporation.

* Explanation regarding the appropriate use of business forecasts and other special notes

The forward-looking statements, including business forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly from these forecasts due to various factors. For the assumptions underlying the business forecasts and notes on the use of business forecasts, please refer to "Explanation regarding future forecast information such as consolidated business forecasts" on page 3 of the attached materials.

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1. Qualitative Information Regarding Interim Financial Results

(1) Explanation of Operating Results

During the interim consolidated accounting period, the Japanese economy continued to face a situation requiring caution due to the impact of fluctuations in financial and capital markets, in addition to the need to monitor the situation in the Middle East and the impact of natural disasters, although improvements in the employment and income environment and the effects of various policies are expected to support a moderate recovery.

The Group consists of the Company (MUSCAT GROUP Inc.) and eight consolidated subsidiaries, primarily WinC Inc., Ricecurry Plus, Inc., Matsumura Shoten Co., Ltd., and KANALABO CO.,LTD., and operates the "Brand Produce Business" as a "Brand Produce Company" through the operation of its own brands and the expansion of brands through M&A.

In addition, during the interim consolidated accounting period, the Company recorded an impairment loss of 183,762 thousand yen related to the business (electric assist bicycle sales business) of the former MOVE Inc. operated within WinC Inc., and an investment securities valuation loss of 133,336 thousand yen due to a decline in the stock price of investment securities held, as extraordinary losses. The impairment loss is due to the fact that the synergies in sales channels anticipated for the business remained limited, and performance fell below the initial business plan.

Under these circumstances, the Group's operating results for the six months ended September 30, 2026, were as follows: net sales of 2,983,770 thousand yen (up 85.6% year-on-year), gross profit of 1,488,396 thousand yen (up 67.1% year-on-year), operating loss of 299,542 thousand yen (compared to an operating loss of 203,441 thousand yen in the same period of the previous year), adjusted EBITDA (Note 1) of (148,680) thousand yen (compared to adjusted EBITDA of (109,467) thousand yen in the same period of the previous year), ordinary loss of 334,521 thousand yen (compared to an ordinary loss of 216,009 thousand yen in the same period of the previous year), and interim net loss attributable to owners of parent of 691,170 thousand yen (compared to an interim net loss attributable to owners of parent of 186,338 thousand yen in the same period of the previous year). (Note 2)

Note 1: Adjusted EBITDA = Consolidated operating profit + Depreciation + Amortization of goodwill + M&A-related costs

Note 2: As stated in the "Notice Regarding Revision of Full-Year Consolidated Financial Results Forecast" disclosed on November 12, 2026, the disclosure of adjusted interim net profit, which had been presented previously, has been discontinued; therefore, the reference to adjusted interim net profit has been removed.

Note that the Group operates in a single segment, the "Brand Produce Business," and therefore segment-specific information is omitted.

(2) Explanation of Financial Position

(i) Status of Assets, Liabilities, and Net Assets

(Assets)

Current assets at the end of the six months ended September 30, 2026, were 2,374,376 thousand yen, a decrease of 246,063 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 389,418 thousand yen in cash and deposits and an increase of 95,555 thousand yen in notes and accounts receivable-trade. Non-current assets were 2,830,775 thousand yen, a decrease of 180,451 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 190,144 thousand yen in goodwill and a decrease of 77,230 thousand yen in investment securities.

As a result, total assets were 5,217,887 thousand yen, a decrease of 430,990 thousand yen compared to the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the six months ended September 30, 2026, were 3,115,977 thousand yen, an increase of 284,862 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase of 297,856 thousand yen in accounts payable-trade and a decrease of 90,229 thousand yen in short-term borrowings. Non-current liabilities were 1,593,014 thousand yen, a decrease of 138,142 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 106,546 thousand yen in long-term borrowings.

As a result, total liabilities were 4,708,992 thousand yen, an increase of 146,719 thousand yen compared to the end of the previous fiscal year.

(Net assets)

Net assets at the end of the six months ended September 30, 2026 were 508,895 thousand yen, a decrease of 577,710

thousand yen from the end of the previous fiscal year. This was mainly due to the recording of a net loss attributable to owners of parent of 691,170 thousand yen.

(ii) Cash flows

Cash and cash equivalents at the end of the six months ended September 30, 2026 decreased by 399,440 thousand yen compared to the end of the previous fiscal year, and amounted to 290,178 thousand yen. The status of cash flows and the reasons for the changes are as follows.

(Cash flows from operating activities)

Cash flows from operating activities for the six months ended September 30, 2026 resulted in an outflow of 11,897 thousand yen. This was mainly due to the recording of a loss before income taxes of 658,082 thousand yen, an increase in trade receivables of 95,555 thousand yen, and an increase in trade payables of 297,856 thousand yen.

(Cash flows from investing activities)

Cash flows from investing activities for the six months ended September 30, 2026 resulted in an outflow of 225,516 thousand yen. This was mainly due to expenditures of 113,250 thousand yen for the acquisition of businesses.

(Cash flows from financing activities)

Cash flows from financing activities for the six months ended September 30, 2026 resulted in an outflow of 162,026 thousand yen. This was mainly due to a decrease in short-term borrowings of 90,229 thousand yen, proceeds from long-term borrowings of 200,000 thousand yen, and repayments of long-term borrowings of 274,344 thousand yen.

(3) Explanation of forward-looking information, such as consolidated earnings forecasts

Regarding the earnings forecast for the fiscal year ending March 31, 2027, we have revised the earnings forecast announced on May 14, 2026, based on recent performance trends.

For details, please refer to the "Notice Regarding Revision of Full-Year Consolidated Financial Results Forecast" announced today (November 12, 2026).

(4) Significant events regarding assumption of going concern

The Group has recorded negative cash flows from operating activities for two consecutive fiscal years up to the previous fiscal year, and continues to record negative cash flows from operating activities in the current interim consolidated accounting period. Consequently, there are events or conditions that raise significant doubt about the Group's ability to continue as a going concern.

To address this situation, the Group is working to generate cash flows from operating activities by expanding the market share of existing brands through initiatives such as increasing sales of "MiiS LIFT BRUSH," which was launched in August 2026; improving business profitability by horizontally deploying the Group's SNS marketing know-how, which is the source of our competitiveness; and reducing costs by streamlining the Group's headquarters functions at the holding company.

In addition, the Group is continuously engaged in fundraising activities to strengthen the financial base necessary to execute its M&A strategy. In the previous 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. In the current interim consolidated accounting period, the Group has also raised 200,000 thousand yen through long-term borrowings from financial institutions. Looking ahead, the Group is considering implementing additional external fundraising, such as securing additional loans through ongoing negotiations with financial institutions and obtaining additional investments from external investors. In addition to these measures, the Group is in a position to secure further funds through the sale of assets, such as securities held, if necessary.

As of the end of the current interim consolidated accounting period, the Group holds 300,201 thousand yen in cash and deposits, and we believe that we have secured sufficient funds for our immediate business activities. Furthermore, by implementing these measures, we believe it is possible to resolve or improve the aforementioned events or conditions, and we have determined that there is no significant uncertainty regarding the going concern assumption at this time.

2. Interim Consolidated Financial Statements and Significant Notes

(1) Interim Consolidated Balance Sheet

(Unit: thousand yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	689,619	300,201
Notes and accounts receivable - trade	590,698	686,253
Merchandise	954,710	992,952
Raw materials and supplies	5,118	7,839
Prepaid expenses	60,544	62,129
Other	321,672	326,300
Allowance for doubtful accounts	(1,922)	(1,300)
Total current assets	2,620,440	2,374,376
Non-current assets		
Property, plant and equipment		
Buildings and structures	224,208	227,381
Accumulated depreciation	(82,805)	(84,695)
Buildings and structures, net	141,403	142,686
Tools, furniture and fixtures	53,942	76,952
Accumulated depreciation	(32,034)	(41,964)
Tools, furniture and fixtures, net	21,908	34,987
Land	125,768	125,768
Leased assets	16,167	16,167
Accumulated depreciation	(7,931)	(9,435)
Leased assets, net	8,236	6,731
Other	31,248	42,140
Accumulated depreciation	(12,048)	(15,463)
Other, net	19,199	26,677
Total property, plant and equipment	316,514	336,851
Intangible assets		
Goodwill	2,311,467	2,121,323
Software	44,596	46,139
Software in progress	3,013	-
Other	27,355	24,368
Total intangible assets	2,386,432	2,191,831
Investments and other assets		
Investment securities	187,564	110,333
Guarantee deposits	66,622	90,372
Deferred tax assets	27,739	71,412
Other	62,362	65,982
Allowance for doubtful accounts	(36,009)	(36,009)
Total investments and other assets	308,279	302,091
Total non-current assets	3,011,226	2,830,775
Deferred assets		
Share issuance costs	12,377	8,608
Bond issuance costs	4,834	4,126
Total deferred assets	17,211	12,735
Total assets	5,648,878	5,217,887

(Unit: thousand yen)

	Previous consolidated fiscal year (As of March 31, 2026)	Current interim consolidated accounting period (As of September 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	338,216	636,073
Accounts payable - other	220,394	250,844
Short-term borrowings	820,229	730,000
Current portion of bonds	60,000	60,000
Current portion of long-term borrowings	944,550	976,752
Lease obligations	3,721	3,126
Income taxes payable	180,565	205,311
Provision for bonuses	29,695	16,995
Other	233,741	236,873
Total current liabilities	2,831,114	3,115,977
Non-current liabilities		
Bonds payable	150,000	120,000
Long-term borrowings	1,556,353	1,449,807
Lease obligations	6,978	5,720
Other	17,825	17,487
Total non-current liabilities	1,731,157	1,593,014
Total liabilities	4,562,272	4,708,992
Net assets		
Shareholders' equity		
Capital stock	423,249	440,449
Capital surplus	986,206	1,003,406
Retained earnings	(267,622)	(958,793)
Total shareholders' equity	1,141,833	485,062
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(56,209)	-
Total accumulated other comprehensive income	(56,209)	-
Share acquisition rights	982	982
Non-controlling interests	-	22,850
Total net assets	1,086,606	508,895
Total liabilities and net assets	5,648,878	5,217,887

(2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income

Interim Consolidated Statement of Income

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	1,607,331	2,983,770
Cost of sales	716,605	1,495,373
Gross profit	890,725	1,488,396
Selling, general and administrative expenses	1,094,167	1,787,939
Operating loss	(203,441)	(299,542)
Non-operating income		
Interest and dividend income	4,791	698
Commission income	3,109	11,662
Rent income	7,036	300
Other	787	3,947
Total non-operating income	15,725	16,608
Non-operating expenses		
Interest expenses	21,791	42,788
Amortization of share issuance costs	2,752	3,768
Other	3,749	5,029
Total non-operating expenses	28,293	51,586
Ordinary loss	(216,009)	(334,521)
Extraordinary income		
Gain on sale of non-current assets	14,836	-
Total extraordinary income	14,836	-
Extraordinary losses		
Impairment loss	-	183,762
Loss on retirement of non-current assets	0	462
Loss on valuation of investment securities	-	133,336
Expenses related to change of trade name, etc.	30,461	-
Settlement payment	-	6,000
Total extraordinary losses	30,461	323,561
Loss before income taxes	(231,634)	(658,082)
Income taxes	(45,296)	10,237
Interim net loss	(186,338)	(668,319)
Interim net income attributable to non-controlling interests	-	22,850
Interim net loss attributable to owners of parent	(186,338)	(691,170)

Interim Consolidated Statement of Comprehensive Income

	Six months ended September 30, 2025	Six months ended September 30, 2026
Interim net loss	(186,338)	(668,319)
Other comprehensive income		
Valuation difference on available-for-sale securities	-	56,209
Total other comprehensive income	-	56,209
Interim comprehensive income	(186,338)	(612,110)
(Breakdown)		
Interim comprehensive income attributable to owners of parent	(186,338)	(634,961)
Interim comprehensive income attributable to non-controlling interests	-	22,850

(3) Interim Consolidated Statement of Cash Flows

(Unit: thousand yen)

	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
Cash flows from operating activities		
Loss before income taxes	(231,634)	(658,082)
Depreciation	19,517	35,126
Amortization of goodwill	49,285	109,727
Impairment loss	-	183,762
Loss (gain) on valuation of investment securities	-	133,336
Increase (decrease) in allowance for doubtful accounts	(324)	(622)
Increase (decrease) in provision for bonuses	(3,434)	(12,700)
Interest and dividend income	(4,791)	(698)
Interest expenses	21,791	42,788
Loss (gain) on sale of fixed assets	(14,836)	-
Increase (decrease) in trade receivables	189,734	(95,555)
Increase (decrease) in inventories	(59,705)	(40,963)
Increase (decrease) in trade payables	(33,760)	297,856
Increase (decrease) in accounts payable	14,304	30,112
Other	(26,593)	32,218
Subtotal	(80,448)	56,306
Interest and dividends received	4,791	698
Interest paid	(21,705)	(42,788)
Income taxes paid	(57,326)	(30,581)
Income taxes refund	7	4,468
Cash flows from operating activities	(154,681)	(11,897)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,054)	(19,424)
Proceeds from sale of property, plant and equipment	409,428	-
Purchase of intangible assets	(44,706)	(6,898)
Purchase of investment securities	(672)	-
Payments for loans receivable	(270,000)	-
Payments for business transfer	-	(113,250)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(869,934)	-
Receipt of advance payments related to sale of shares of subsidiaries	420,000	-
Other	(9,621)	(85,943)
Cash flows from investing activities	(370,560)	(225,516)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	390,633	(90,229)
Proceeds from long-term borrowings	410,000	200,000
Repayments of long-term borrowings	(169,619)	(274,344)
Redemption of bonds	(30,000)	(30,000)
Repayments of lease liabilities	(800)	(1,853)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	28,738	34,400
Cash flows from financing activities	628,952	(162,026)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	103,710	(399,440)
Cash and cash equivalents at beginning of period	543,999	689,619
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	57,334	-
Cash and cash equivalents at end of period	705,043	290,178

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Application of accounting procedures specific to the preparation of interim consolidated financial statements)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to the profit before income taxes for the consolidated fiscal year including the current interim consolidated accounting period, and multiplying the profit before income taxes by this estimated effective tax rate. However, if the use of the estimated effective tax rate results in a lack of rationality, the statutory effective tax rate is used.

(Changes in accounting policies)

(Application of Accounting Standard for Interim Financial Statements, etc.)

The "Accounting Standard for Interim Financial Statements" (ASBJ Statement No. 37, October 16, 2025; hereinafter referred to as the "Interim Accounting Standard") and the "Implementation Guidance on Accounting Standard for Interim Financial Statements" (ASBJ Guidance No. 34, October 16, 2025; hereinafter referred to as the "Interim Implementation Guidance") have been applied from the beginning of the current interim consolidated accounting period, and the method for writing down the book value of inventories has been changed from the interim non-reversal method to the interim reversal (araigae) method.

The application of the Interim Accounting Standard and the Interim Implementation Guidance is in accordance with the transitional treatment stipulated in Paragraph 35 of the Interim Accounting Standard and Paragraph 73 of the Interim Implementation Guidance, and the new accounting policy is applied prospectively from the current interim consolidated accounting period.

There is no impact on the interim consolidated financial statements due to this change.

(Changes in presentation methods)

(Interim Consolidated Statement of Income)

In the previous consolidated fiscal year, through business development based on the "Niche Top Strategy," which is the core of our management strategy, we made companies with major brands positioned in the brand produce segment, such as KANALABO CO.,LTD. and HaD Inc., our consolidated subsidiaries, which led to an expansion and increase in the sales scale and profit levels of this segment. Accordingly, we reviewed the management classification of "cost of sales" and "selling, general and administrative expenses" in this segment. As a result, in order to more appropriately reflect the business reality and operating results of this segment, for some subsidiaries belonging to this segment, expenses previously presented as "cost of sales" that are considered to have a strong relevance and correlation with sales activities (mainly delivery costs, EC platform fees, etc.) have been changed to be presented in "selling, general and administrative expenses" from the previous consolidated fiscal year.

To reflect this change in presentation method, 17,526 thousand yen previously recorded in "cost of sales" in the interim consolidated statement of income for the previous interim consolidated accounting period has been reclassified to "selling, general and administrative expenses," resulting in a decrease in "cost of sales" by the same amount, and an increase in "gross profit" and "selling, general and administrative expenses" by the same amount. As a result, 734,132 thousand yen previously presented in "cost of sales", and 1,076,641 thousand yen in "selling, general and administrative expenses" are presented as 716,605 thousand yen in "cost of sales" and 1,094,167 thousand yen in "selling, general and administrative expenses."

(Notes to segment information, etc.)

[Segment information]

Since the business segment of the Group is a single segment of the brand produce business, segment information is omitted.

(Significant Subsequent Events)

At the Board of Directors meeting held on November 12, 2026, MUSCAT GROUP Inc. resolved to acquire all shares of bet Inc. and make it a subsidiary. In addition, the Company concluded a share transfer agreement on the same date.

1. Overview of Business Combination

(1) Name and Business Description of the

Acquired Company Name of the acquired

company: bet Inc.

Business description: Purchase, acquisition, sale, and authentication of high-brand watches and bags

(2) Main Reason for the Business Combination

With the mission of "Difference for the Future.," the Company develops a brand produce business that creates and operates growth brands through marketing centered on social media and data utilization, and promotes a "Niche Top Strategy" aimed at acquiring top market share in highly growing niche areas within the mass market. In the "VISION2029 - Medium-Term Management Plan -" announced on March 31, 2026, the Company has set (i) expansion of the number of brands through M&A, (ii) brand growth through synergies between brands, (iii) evolving from Niche Top to Niche Global, and (iv) capital efficiency as the pillars of its growth strategy.

bet Inc. (trade name: watch7) is a company that engages in the purchase, acquisition, sale, and authentication of high-brand watches and bags such as Rolex, Hermes, Cartier, and Patek Philippe. It possesses a system for procuring high-brand items below market price through business relationships with authorized dealers and overseas suppliers, as well as the sales organization that supports these relationships. The subject of this share acquisition is the business of domestic bases in Osaka (Shinsaibashi), Takamatsu, and Ginza. The Hong Kong base is operated by Watch7 Japan Limited, a corporation related to the seller, Mr. Junto Iwakiri, and since it is not a subsidiary of bet Inc., it is excluded from the due diligence conducted by the Company and from the scope of this share acquisition.

On the other hand, due to financial constraints resulting from the difficulty of obtaining loans from financial institutions on its own, bet Inc. has been forced to sell purchased products to other businesses in a short period, and the majority of its sales consist of low-gross-margin wholesale transactions.

The Company has determined that this share acquisition will contribute to the enhancement of the MUSCAT GROUP's corporate value for the following reasons:

(i) Acquisition of procurement capabilities

It would take a considerable amount of time and involve uncertainty for the Company to build a procurement system equivalent to that of bet Inc. on its own.

(ii) Early expansion of the revenue base

In order to comply with the review of the listing maintenance criteria for the Tokyo Stock Exchange Growth Market (market capitalization of 10,000 million yen or more after 5 years of listing), it is necessary to incorporate profitable businesses at an early stage.

(iii) Synergies with the Company's strengths

The Company believes that it is possible to improve bet Inc.'s gross margin by investing the Company's capital and know-how in social media marketing and brand building, and by selecting sales destinations through the expansion of inventory and expanding retail sales to wealthy individuals and inbound tourists.

This share acquisition is in line with the M&A policy set forth in VISION2029 (acquiring non-branded shops and services that have not been branded and transforming them into high-value-added brands). Following the acquisition, the Company will rebrand watch7 as a luxury reuse brand.

(3) Date of business combination

November 12, 2026

(4) Legal form of business combination

Acquisition of shares for cash

(5) Name of the combined

company: No change.

(6) Percentage of voting rights

acquired: 100%

(7) Primary basis for determining the acquiring company

This is because the Company acquired the shares for cash consideration.

2. Acquisition cost of the acquired company and breakdown
by type of consideration: Consideration for acquisition:
Cash 1,000,000 thousand yen
Acquisition cost: 1,000,000 thousand yen

3. Details and amounts of major acquisition-
related costs: Not determined at this time.

4. Amount of goodwill incurred, reason for incurrence, and
amortization method and period: Not determined at this time.

5. Amount of assets accepted and liabilities assumed on the date of business combination
and their main components: Not determined at this time.