

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 15, 2021 (Based on Japanese GAAP)

July 27, 2021

Company name: CAWACHI LIMITED
 Stock exchange listing: Tokyo
 Stock code: 2664 URL <https://www.cawachi.co.jp/>
 Representative: President Shinji Kawachi
 Inquiries: Corporate Officer Hiroshi Asuke TEL 0285-32-1131
 Director Administration Manager
 Scheduled date to file Quarterly Securities Report: July 28, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 15, 2021 (from March 16, 2021 to June 15, 2021)

(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	%
Three months ended June 15, 2021	70,216	(4.8)	1,896	(39.6)	2,125	(37.4)	1,364	(36.9)
Three months ended June 15, 2020	73,757	13.6	3,140	279.1	3,394	220.9	2,160	214.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 15, 2021	61.16		61.05	
Three months ended June 15, 2020	96.91		96.85	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 15, 2021	197,298	101,178	51.2	4,527.02
As of March 15, 2021	194,100	100,857	51.9	4,517.46

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 March 15, 2021	–	0.00	–	50.00	50.00
Year ending March 15, 2022	–				
Year ending March 15, 2022 (Forecast)		0.00	–	45.00	45.00

3. Forecast of consolidated financial results for the year ending March 15, 2022 (from March 16, 2021 to March 15, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 15, 2021	143,800	(3.2)	4,200	(35.8)	4,700	(33.0)	3,050	(33.9)	136.72
Full year	282,000	(0.9)	7,500	(29.0)	8,500	(26.6)	5,500	(22.6)	246.59

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 15, 2021
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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: No
- 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 15, 2021	24,583,420 shares	As of March 15, 2021	24,583,420 shares
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Number of treasury shares at the end of the period

As of June 15, 2021	2,261,654 shares	As of March 15, 2021	2,274,254 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 15, 2021	22,309,851 shares	Three months ended June 15, 2020	22,297,287 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 15, 2021	As of June 15, 2021
Assets		
Current assets		
Cash and deposits	41,235	45,965
Accounts receivable - trade	5,368	5,679
Merchandise	30,729	31,159
Supplies	32	42
Other	5,429	3,991
Total current assets	82,796	86,839
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,153	39,637
Land	50,105	49,986
Other, net	3,665	3,554
Total property, plant and equipment	93,924	93,179
Intangible assets		
Other	4,918	4,857
Total intangible assets	4,918	4,857
Investments and other assets		
Leasehold and guarantee deposits	7,988	7,971
Other	4,471	4,450
Total investments and other assets	12,460	12,421
Total non-current assets	111,303	110,458
Total assets	194,100	197,298
Liabilities		
Current liabilities		
Accounts payable - trade	41,220	44,231
Current portion of long-term borrowings	10,259	10,626
Income taxes payable	3,065	848
Provision for bonuses	1,364	2,023
Provision for point card certificates	1,188	1,208
Provision for loss on disaster	134	6
Other	7,805	7,074
Total current liabilities	65,037	66,020
Non-current liabilities		
Long-term borrowings	16,151	17,870
Retirement benefit liability	7,718	7,851
Provision for point card certificates	513	550
Asset retirement obligations	2,840	2,852
Other	981	974
Total non-current liabilities	28,205	30,099
Total liabilities	93,243	96,120

(Millions of yen)

	As of March 15, 2021	As of June 15, 2021
Net assets		
Shareholders' equity		
Share capital	13,001	13,001
Capital surplus	14,899	14,901
Retained earnings	77,293	77,542
Treasury shares	(4,411)	(4,387)
Total shareholders' equity	100,782	101,058
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(6)
Total accumulated other comprehensive income	(2)	(6)
Share acquisition rights	76	127
Total net assets	100,857	101,178
Total liabilities and net assets	194,100	197,298

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 15, 2020	Three months ended June 15, 2021
Net sales	73,757	70,216
Cost of sales	57,391	54,630
Gross profit	16,365	15,585
Selling, general and administrative expenses	13,225	13,689
Operating profit	3,140	1,896
Non-operating income		
Interest income	7	6
Dividend income	1	1
Commission income	215	196
Revenue from sales of electric power	58	59
Other	73	56
Total non-operating income	355	320
Non-operating expenses		
Interest expenses	17	14
Commission expenses	38	28
Depreciation	18	16
Other	26	32
Total non-operating expenses	101	91
Ordinary profit	3,394	2,125
Extraordinary losses		
Loss on sales of non-current assets	–	21
Loss on retirement of non-current assets	2	13
Impairment loss	151	–
Other	7	–
Total extraordinary losses	161	35
Profit before income taxes	3,232	2,089
Income taxes	1,072	725
Profit	2,160	1,364
Profit attributable to owners of parent	2,160	1,364

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 15, 2020	Three months ended June 15, 2021
Profit	2,160	1,364
Other comprehensive income		
Valuation difference on available-for-sale securities	20	(4)
Total other comprehensive income	20	(4)
Comprehensive income	2,181	1,359
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,181	1,359