

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 15, 2021 (Based on Japanese GAAP)

October 26, 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: October 27, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 15, 2021 (from March 16, 2021 to September 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	%
Six months ended September 15, 2021	144,384	(2.8)	4,458	(31.8)	4,955	(29.4)	3,256	(29.4)
Six months ended September 15, 2020	148,549	8.8	6,541	151.4	7,016	128.2	4,611	128.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 15, 2021	145.91		145.65	
Six months ended September 15, 2020	206.80		206.66	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 15, 2021	198,874	103,072	51.8	4,611.92
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				
Year ended March 15, 2021	–	0.00	–	50.00	50.00
Year ending March 15, 2022	–	0.00			
Year ending March 15, 2022 (Forecast)			–	50.00	50.00

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
Full year	282,000	(0.9)	8,000	(24.2)	9,000	(22.3)	5,800	(18.4)	259.91

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 15, 2021	2,261,681 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)

Six months ended September 15, 2021	22,315,801 shares	Six months ended September 15, 2020	22,299,881 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 15, 2021	As of September 15, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	41,235	47,295
Accounts receivable - trade	5,368	5,712
Merchandise	30,729	30,550
Supplies	32	31
Other	5,429	4,934
Total current assets	82,796	88,524
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,153	39,652
Land	50,105	49,986
Other, net	3,665	3,402
Total property, plant and equipment	93,924	93,041
Intangible assets		
Other	4,918	4,937
Total intangible assets	4,918	4,937
Investments and other assets		
Leasehold and guarantee deposits	7,988	7,923
Other	4,471	4,447
Total investments and other assets	12,460	12,370
Total non-current assets	111,303	110,349
Total assets	194,100	198,874
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	41,220	46,096
Current portion of long-term borrowings	10,259	9,947
Income taxes payable	3,065	1,931
Provision for bonuses	1,364	1,236
Provision for point card certificates	1,188	1,265
Provision for loss on disaster	134	–
Other	7,805	7,290
Total current liabilities	65,037	67,768
Non-current liabilities		
Long-term borrowings	16,151	15,661
Retirement benefit liability	7,718	7,940
Provision for point card certificates	513	580
Asset retirement obligations	2,840	2,886
Other	981	964
Total non-current liabilities	28,205	28,033
Total liabilities	93,243	95,801

(Millions of yen)

	As of March 15, 2021	As of September 15, 2021
Net assets		
Shareholders' equity		
Share capital	13,001	13,001
Capital surplus	14,899	14,901
Retained earnings	77,293	79,433
Treasury shares	(4,411)	(4,387)
Total shareholders' equity	100,782	102,949
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(3)
Total accumulated other comprehensive income	(2)	(3)
Share acquisition rights	76	126
Total net assets	100,857	103,072
Total liabilities and net assets	194,100	198,874

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 15, 2020	Six months ended September 15, 2021
Net sales	148,549	144,384
Cost of sales	115,347	112,231
Gross profit	33,201	32,153
Selling, general and administrative expenses	26,660	27,694
Operating profit	6,541	4,458
Non-operating income		
Interest income	14	13
Dividend income	2	1
Commission income	424	409
Revenue from sales of electric power	112	120
Other	132	153
Total non-operating income	687	698
Non-operating expenses		
Interest expenses	33	27
Commission expenses	84	77
Depreciation	37	32
Other	56	63
Total non-operating expenses	212	201
Ordinary profit	7,016	4,955
Extraordinary income		
Gain on sales of non-current assets	26	–
Total extraordinary income	26	–
Extraordinary losses		
Loss on sales of non-current assets	6	21
Loss on retirement of non-current assets	38	15
Impairment loss	151	–
Other	14	8
Total extraordinary losses	210	46
Profit before income taxes	6,831	4,909
Income taxes	2,220	1,653
Profit	4,611	3,256
Profit attributable to owners of parent	4,611	3,256

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 15, 2020	Six months ended September 15, 2021
Profit	4,611	3,256
Other comprehensive income		
Valuation difference on available-for-sale securities	30	(1)
Total other comprehensive income	30	(1)
Comprehensive income	4,642	3,254
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,642	3,254

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 15, 2020	Six months ended September 15, 2021
Cash flows from operating activities		
Profit before income taxes	6,831	4,909
Depreciation	2,114	2,131
Impairment loss	151	–
Loss on retirement of non-current assets	22	5
Increase (decrease) in provision for bonuses	(84)	(128)
Increase (decrease) in retirement benefit liability	219	221
Increase (decrease) in provision for loss on store closings	7	–
Increase (decrease) in provision for loss on disaster	–	(134)
Interest and dividend income	(17)	(14)
Interest expenses	33	27
Loss (gain) on sales of non-current assets	(19)	21
Increase (decrease) in provision for point card certificates	184	145
Decrease (increase) in trade receivables	1,314	(343)
Decrease (increase) in inventories	1,492	180
Increase (decrease) in trade payables	3,615	4,876
Other, net	1,139	538
Subtotal	17,006	12,437
Interest and dividends received	2	1
Interest paid	(33)	(27)
Income taxes paid	(1,450)	(2,683)
Net cash provided by (used in) operating activities	15,525	9,728
Cash flows from investing activities		
Purchase of property, plant and equipment	(632)	(1,610)
Proceeds from sales of property, plant and equipment	72	108
Purchase of intangible assets	(218)	(171)
Purchase of long-term prepaid expenses	(6)	(16)
Payments of leasehold and guarantee deposits	(25)	(72)
Proceeds from refund of leasehold and guarantee deposits	2	12
Other, net	4	0
Net cash provided by (used in) investing activities	(803)	(1,750)
Cash flows from financing activities		
Proceeds from long-term borrowings	8,000	5,000
Repayments of long-term borrowings	(6,453)	(5,801)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	30	0
Dividends paid	(1,002)	(1,114)
Other, net	(9)	(0)
Net cash provided by (used in) financing activities	565	(1,917)
Net increase (decrease) in cash and cash equivalents	15,287	6,060
Cash and cash equivalents at beginning of period	33,105	41,235
Cash and cash equivalents at end of period	48,393	47,295