

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 15, 2022 (Based on Japanese GAAP)

July 28, 2022

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 29, 2022
 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, 2022 (from March 16, 2022 to June 15, 2022)

(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, 2022	68,834	–	1,567	–	1,836	–	1,178	–
Three months ended June 15, 2021	70,216	(4.8)	1,896	(39.6)	2,125	(37.4)	1,364	(36.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 15, 2022	52.77		52.71	
Three months ended June 15, 2021	61.16		61.05	

(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, 2022	194,387	104,714	53.8	4,684.06
As of March 15, 2022	191,721	104,649	54.5	4,682.61

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, 2022	–	0.00	–	50.00	50.00
Year ending March 15, 2023	–				
Year ending March 15, 2023 (Forecast)		0.00	–	50.00	50.00

3. Forecast of consolidated financial results for the year ending March 15, 2023 (from March 16, 2022 to March 15, 2023)

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, 2022	145,000	–	4,800	–	5,300	–	3,300	–	147.84
Full year	283,000	–	8,200	–	9,200	–	5,500	–	246.40

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 15, 2022
 (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: Yes
- 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, 2022	24,583,420 shares	As of March 15, 2022	24,583,420 shares
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Number of treasury shares at the end of the period

As of June 15, 2022	2,249,122 shares	As of March 15, 2022	2,261,722 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, 2022	22,334,298 shares	Three months ended June 15, 2021	22,309,851 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 15, 2022	As of June 15, 2022
Assets		
Current assets		
Cash and deposits	38,959	42,551
Accounts receivable - trade	5,850	5,784
Merchandise	31,402	32,427
Supplies	30	31
Other	5,179	3,856
Total current assets	81,422	84,651
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,826	39,248
Land	49,601	49,601
Other, net	3,438	3,421
Total property, plant and equipment	92,867	92,271
Intangible assets		
Other	5,087	5,204
Total intangible assets	5,087	5,204
Investments and other assets		
Leasehold and guarantee deposits	7,832	7,768
Other	4,510	4,490
Total investments and other assets	12,343	12,259
Total non-current assets	110,298	109,735
Total assets	191,721	194,387
Liabilities		
Current liabilities		
Accounts payable - trade	40,625	43,314
Current portion of long-term borrowings	9,200	8,928
Income taxes payable	1,217	742
Provision for bonuses	1,188	2,048
Provision for point card certificates	1,352	–
Contract liabilities	–	1,894
Other	7,081	7,019
Total current liabilities	60,665	63,947
Non-current liabilities		
Long-term borrowings	13,719	13,443
Retirement benefit liability	8,217	8,329
Provision for point card certificates	524	–
Asset retirement obligations	2,996	3,009
Other	948	941
Total non-current liabilities	26,406	25,724
Total liabilities	87,071	89,672

(Millions of yen)

	As of March 15, 2022	As of June 15, 2022
Net assets		
Shareholders' equity		
Share capital	13,001	13,001
Capital surplus	14,901	14,902
Retained earnings	81,008	81,071
Treasury shares	(4,387)	(4,362)
Total shareholders' equity	104,524	104,612
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	2
Total accumulated other comprehensive income	(0)	2
Share acquisition rights	126	99
Total net assets	104,649	104,714
Total liabilities and net assets	191,721	194,387

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, 2021	Three months ended June 15, 2022
Net sales	70,216	68,834
Cost of sales	54,630	53,363
Gross profit	15,585	15,470
Selling, general and administrative expenses	13,689	13,903
Operating profit	1,896	1,567
Non-operating income		
Interest income	6	5
Dividend income	1	1
Commission income	196	201
Revenue from sales of electric power	59	56
Other	56	91
Total non-operating income	320	357
Non-operating expenses		
Interest expenses	14	11
Commission expenses	28	27
Depreciation	16	14
Other	32	34
Total non-operating expenses	91	87
Ordinary profit	2,125	1,836
Extraordinary income		
Gain on sale of non-current assets	–	3
Total extraordinary income	–	3
Extraordinary losses		
Loss on sale of non-current assets	21	–
Loss on retirement of non-current assets	13	16
Loss on disaster	–	36
Other	–	0
Total extraordinary losses	35	53
Profit before income taxes	2,089	1,785
Income taxes	725	607
Profit	1,364	1,178
Profit attributable to owners of parent	1,364	1,178

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 15, 2021	Three months ended June 15, 2022
Profit	1,364	1,178
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	2
Total other comprehensive income	(4)	2
Comprehensive income	1,359	1,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,359	1,181