

Translation

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

January 26, 2023

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: January 27, 2023
 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 nine months ended December 15, 2022 (from March 16, 2022 to December 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	%
Nine months ended December 15, 2022	212,474	–	5,779	–	6,566	–	4,107	–
Nine months ended December 15, 2021	211,498	(2.1)	6,258	(28.3)	7,007	(25.8)	4,634	(25.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 15, 2022	183.89		183.68	
Nine months ended December 15, 2021	207.68		207.32	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 15, 2022	200,722	107,650	53.6	4,815.54
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	–	0.00	–		
Year ending March 15, 2023 (Forecast)				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
Full year	280,000	–	7,000	–	8,100	–	4,600	–	205.96

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 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 December 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 December 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)

Nine months ended December 15, 2022	22,334,298 shares	Nine months ended December 15, 2021	22,317,765 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 15, 2022	As of December 15, 2022
Assets		
Current assets		
Cash and deposits	38,959	43,688
Accounts receivable - trade	5,850	6,450
Merchandise	31,402	34,433
Supplies	30	36
Other	5,179	5,529
Total current assets	81,422	90,137
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,826	39,598
Land	49,601	49,569
Other, net	3,438	4,038
Total property, plant and equipment	92,867	93,207
Intangible assets		
Other	5,087	5,208
Total intangible assets	5,087	5,208
Investments and other assets		
Leasehold and guarantee deposits	7,832	7,697
Other	4,510	4,472
Total investments and other assets	12,343	12,169
Total non-current assets	110,298	110,584
Total assets	191,721	200,722
Liabilities		
Current liabilities		
Accounts payable - trade	40,625	45,962
Current portion of long-term borrowings	9,200	8,478
Income taxes payable	1,217	777
Provision for bonuses	1,188	2,078
Provision for point card certificates	1,352	–
Contract liabilities	–	2,058
Provision for loss on store closings	–	44
Other	7,081	8,205
Total current liabilities	60,665	67,604
Non-current liabilities		
Long-term borrowings	13,719	12,993
Retirement benefit liability	8,217	8,509
Provision for point card certificates	524	–
Asset retirement obligations	2,996	3,034
Other	948	929
Total non-current liabilities	26,406	25,467
Total liabilities	87,071	93,071

(Millions of yen)

	As of March 15, 2022	As of December 15, 2022
Net assets		
Shareholders' equity		
Share capital	13,001	13,001
Capital surplus	14,901	14,902
Retained earnings	81,008	83,999
Treasury shares	(4,387)	(4,362)
Total shareholders' equity	104,524	107,541
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	10
Total accumulated other comprehensive income	(0)	10
Share acquisition rights	126	99
Total net assets	104,649	107,650
Total liabilities and net assets	191,721	200,722

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 15, 2021	Nine months ended December 15, 2022
Net sales	211,498	212,474
Cost of sales	164,104	164,230
Gross profit	47,393	48,244
Selling, general and administrative expenses	41,135	42,464
Operating profit	6,258	5,779
Non-operating income		
Interest income	19	16
Dividend income	2	2
Commission income	613	626
Revenue from sales of electric power	163	155
Other	253	280
Total non-operating income	1,052	1,081
Non-operating expenses		
Interest expenses	39	32
Commission expenses	118	109
Depreciation	49	44
Other	96	108
Total non-operating expenses	303	294
Ordinary profit	7,007	6,566
Extraordinary income		
Gain on sale of non-current assets	–	13
Insurance claim income	–	137
Total extraordinary income	–	151
Extraordinary losses		
Loss on sale of non-current assets	21	11
Loss on retirement of non-current assets	22	35
Impairment losses	–	220
Loss on disaster	–	230
Other	12	32
Total extraordinary losses	57	531
Profit before income taxes	6,949	6,186
Income taxes	2,314	2,079
Profit	4,634	4,107
Profit attributable to owners of parent	4,634	4,107

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 15, 2021	Nine months ended December 15, 2022
Profit	4,634	4,107
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	10
Total other comprehensive income	(3)	10
Comprehensive income	4,631	4,117
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,631	4,117