

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 15, 2020 (Based on Japanese GAAP)

July 22, 2020

Company name: CAWACHI LIMITED
 Stock exchange listing: Tokyo
 Stock code: 2664 URL <http://www.cawachi.co.jp/>
 Representative: President Shinji Kawachi
 Director
 Inquiries: General Manager, Yoritsugu Komatsu TEL 0285-32-1131
 Finance Department
 Scheduled date to file Quarterly Securities Report: July 27, 2020
 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, 2020 (from March 16, 2020 to June 15, 2020)

(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, 2020	73,757	13.6	3,140	279.1	3,394	220.9	2,160	214.6
Three months ended June 15, 2019	64,937	(2.7)	828	(22.4)	1,057	(21.9)	686	(2.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 15, 2020	96.91		96.85	
Three months ended June 15, 2019	30.14		30.11	

(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, 2020	197,996	95,881	48.4	4,296.50
As of March 15, 2020	188,190	94,699	50.3	4,243.64

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, 2020	–	0.00	–	45.00	45.00
Year ending March 15, 2021	–				
Year ending March 15, 2021 (Forecast)		0.00	–	45.00	45.00

3. Forecast of consolidated financial results for the year ending March 15, 2021 (from March 16, 2020 to March 15, 2021)

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, 2020	146,200	7.1	5,000	92.1	5,500	78.9	3,500	73.2	156.97
Full year	277,000	2.5	7,000	23.3	8,000	21.7	4,800	25.6	215.27

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 15, 2020
(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, 2020	24,583,420 shares	As of March 15, 2020	24,583,420 shares
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Number of treasury shares at the end of the period

As of June 15, 2020	2,286,155 shares	As of March 15, 2020	2,286,092 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, 2020	22,297,287 shares	Three months ended June 15, 2019	22,795,433 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 15, 2020	As of June 15, 2020
Assets		
Current assets		
Cash and deposits	33,105	46,955
Accounts receivable - trade	6,481	4,998
Merchandise	30,633	30,627
Supplies	27	33
Other	5,569	4,039
Total current assets	75,818	86,654
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,136	40,386
Land	50,282	50,282
Other, net	3,863	3,615
Total property, plant and equipment	95,282	94,284
Intangible assets		
Other	4,790	4,794
Total intangible assets	4,790	4,794
Investments and other assets		
Leasehold and guarantee deposits	8,175	8,142
Other	4,123	4,119
Total investments and other assets	12,299	12,262
Total non-current assets	112,372	111,341
Total assets	188,190	197,996
Liabilities		
Current liabilities		
Accounts payable - trade	41,633	45,087
Current portion of long-term borrowings	11,096	12,071
Income taxes payable	1,762	1,225
Provision for bonuses	1,224	1,964
Provision for point card certificates	985	1,028
Provision for loss on store closings	—	7
Other	6,862	6,814
Total current liabilities	63,564	68,199
Non-current liabilities		
Long-term borrowings	18,322	22,187
Retirement benefit liability	7,304	7,392
Provision for point card certificates	549	582
Asset retirement obligations	2,728	2,737
Other	1,022	1,017
Total non-current liabilities	29,926	33,916
Total liabilities	93,491	102,115

	(Millions of yen)	
	As of March 15, 2020	As of June 15, 2020
Net assets		
Shareholders' equity		
Share capital	13,001	13,001
Capital surplus	14,885	14,885
Retained earnings	71,187	72,345
Treasury shares	(4,434)	(4,434)
Total shareholders' equity	94,640	95,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(18)	2
Total accumulated other comprehensive income	(18)	2
Share acquisition rights	77	80
Total net assets	94,699	95,881
Total liabilities and net assets	188,190	197,996

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, 2019	Three months ended June 15, 2020
Net sales	64,937	73,757
Cost of sales	51,064	57,391
Gross profit	13,873	16,365
Selling, general and administrative expenses	13,044	13,225
Operating profit	828	3,140
Non-operating income		
Interest income	8	7
Dividend income	1	1
Commission income	193	215
Revenue from sales of electric power	58	58
Other	64	73
Total non-operating income	326	355
Non-operating expenses		
Interest expenses	18	17
Commission expenses	30	38
Depreciation	21	18
Other	26	26
Total non-operating expenses	96	101
Ordinary profit	1,057	3,394
Extraordinary income		
Other	24	—
Total extraordinary income	24	—
Extraordinary losses		
Loss on retirement of non-current assets	12	2
Impairment loss	—	151
Other	—	7
Total extraordinary losses	12	161
Profit before income taxes	1,069	3,232
Income taxes	383	1,072
Profit	686	2,160
Profit attributable to owners of parent	686	2,160

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 15, 2019	Three months ended June 15, 2020
Profit	686	2,160
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	20
Total other comprehensive income	(14)	20
Comprehensive income	672	2,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	672	2,181