

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 15, 2020 (Based on Japanese GAAP)

October 23, 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: October 26, 2020  
 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, 2020 (from March 16, 2020 to September 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	%
Six months ended September 15, 2020	148,549	8.8	6,541	151.4	7,016	128.2	4,611	128.3
Six months ended September 15, 2019	136,478	(0.7)	2,602	(5.8)	3,074	(8.9)	2,020	(0.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 15, 2020	206.80		206.66	
Six months ended September 15, 2019	89.49		89.43	

#### (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, 2020	198,352	98,371	49.6	4,406.20
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	–	0.00			
Year ending March 15, 2021 (Forecast)			–	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
Full year	280,000	3.6	8,500	49.8	9,500	44.5	5,800	51.7	260.09

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 15, 2020	2,275,224 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)

Six months ended September 15, 2020	22,299,881 shares	Six months ended September 15, 2019	22,575,616 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 15, 2020	As of September 15, 2020
Assets		
Current assets		
Cash and deposits	33,105	48,393
Accounts receivable - trade	6,481	5,167
Merchandise	30,633	29,136
Supplies	27	31
Other	5,569	4,877
Total current assets	75,818	87,606
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,136	39,917
Land	50,282	50,229
Other, net	3,863	3,577
Total property, plant and equipment	95,282	93,724
Intangible assets		
Other	4,790	4,819
Total intangible assets	4,790	4,819
Investments and other assets		
Leasehold and guarantee deposits	8,175	8,091
Other	4,123	4,109
Total investments and other assets	12,299	12,200
Total non-current assets	112,372	110,745
Total assets	188,190	198,352
Liabilities		
Current liabilities		
Accounts payable - trade	41,633	45,249
Current portion of long-term borrowings	11,096	11,355
Income taxes payable	1,762	2,535
Provision for bonuses	1,224	1,140
Provision for point card certificates	985	1,104
Provision for loss on store closings	—	7
Other	6,862	7,090
Total current liabilities	63,564	68,482
Non-current liabilities		
Long-term borrowings	18,322	19,608
Retirement benefit liability	7,304	7,524
Provision for point card certificates	549	614
Asset retirement obligations	2,728	2,752
Other	1,022	998
Total non-current liabilities	29,926	31,498
Total liabilities	93,491	99,980

	(Millions of yen)	
	As of March 15, 2020	As of September 15, 2020
Net assets		
Shareholders' equity		
Share capital	13,001	13,001
Capital surplus	14,885	14,898
Retained earnings	71,187	74,795
Treasury shares	(4,434)	(4,413)
Total shareholders' equity	94,640	98,282
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(18)	11
Total accumulated other comprehensive income	(18)	11
Share acquisition rights	77	77
Total net assets	94,699	98,371
Total liabilities and net assets	188,190	198,352

**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, 2019	Six months ended September 15, 2020
Net sales	136,478	148,549
Cost of sales	107,388	115,347
Gross profit	29,090	33,201
Selling, general and administrative expenses	26,488	26,660
Operating profit	2,602	6,541
Non-operating income		
Interest income	16	14
Dividend income	2	2
Commission income	403	424
Revenue from sales of electric power	119	112
Other	128	132
Total non-operating income	671	687
Non-operating expenses		
Interest expenses	35	33
Commission expenses	75	84
Depreciation	42	37
Other	44	56
Total non-operating expenses	198	212
Ordinary profit	3,074	7,016
Extraordinary income		
Gain on sales of non-current assets	3	26
Other	50	—
Total extraordinary income	54	26
Extraordinary losses		
Loss on sales of non-current assets	—	6
Loss on retirement of non-current assets	19	38
Provision for loss on disaster	19	—
Impairment loss	—	151
Other	13	14
Total extraordinary losses	52	210
Profit before income taxes	3,076	6,831
Income taxes	1,056	2,220
Profit	2,020	4,611
Profit attributable to owners of parent	2,020	4,611

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

(Millions of yen)

	Six months ended September 15, 2019	Six months ended September 15, 2020
Profit	2,020	4,611
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	30
Total other comprehensive income	(17)	30
Comprehensive income	2,002	4,642
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,002	4,642

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 15, 2019	Six months ended September 15, 2020
Cash flows from operating activities		
Profit before income taxes	3,076	6,831
Depreciation	2,217	2,114
Impairment loss	—	151
Loss on retirement of non-current assets	6	22
Increase (decrease) in provision for bonuses	71	(84)
Increase (decrease) in retirement benefit liability	208	219
Increase (decrease) in provision for loss on store closings	(66)	7
Increase (decrease) in provision for loss on disaster	19	—
Interest and dividend income	(19)	(17)
Interest expenses	35	33
Loss (gain) on sales of non-current assets	(3)	(19)
Increase (decrease) in provision for point card certificates	750	184
Decrease (increase) in trade receivables	(1,635)	1,314
Decrease (increase) in inventories	259	1,492
Increase (decrease) in trade payables	7,011	3,615
Other, net	731	1,139
Subtotal	12,661	17,006
Interest and dividends received	3	2
Interest paid	(35)	(33)
Income taxes paid	(1,013)	(1,450)
Net cash provided by (used in) operating activities	11,616	15,525
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,619)	(632)
Proceeds from sales of property, plant and equipment	5	72
Purchase of intangible assets	(134)	(218)
Purchase of long-term prepaid expenses	(13)	(6)
Payments of leasehold and guarantee deposits	(24)	(25)
Proceeds from refund of leasehold and guarantee deposits	40	2
Other, net	4	4
Net cash provided by (used in) investing activities	(1,741)	(803)
Cash flows from financing activities		
Proceeds from long-term borrowings	5,000	8,000
Repayments of long-term borrowings	(6,381)	(6,453)
Purchase of treasury shares	(1,000)	(0)
Proceeds from disposal of treasury shares	0	30
Dividends paid	(1,025)	(1,002)
Other, net	(21)	(9)
Net cash provided by (used in) financing activities	(3,428)	565
Net increase (decrease) in cash and cash equivalents	6,446	15,287
Cash and cash equivalents at beginning of period	28,412	33,105
Cash and cash equivalents at end of period	34,859	48,393