

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 10, 2021

Company name: Kansai Super Market Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9919 URL <http://www.kansaisuper.co.jp/>
 Representative: President of Representative Director Koji Fukutani
 Executive Director and General Manager of Jun Nakanishi
 Inquiries: Administrative Planning Office TEL 072-772-0341
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 Scheduled date to commence dividend payments: November 22, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		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 30, 2021	65,140	–	1,184	–	1,344	–	894	–
Six months ended September 30, 2020	65,530	4.5	1,884	96.0	2,057	79.7	1,368	74.5

Note: Comprehensive income Six months ended September 30, 2021 ¥882 million [–%]
 Six months ended September 30, 2020 ¥1,584 million [134.3%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	29.82		–	
Six months ended September 30, 2020	44.95		–	

Note: As the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022, each figure for the six months ended September 30, 2021 is the figure after the application of the said accounting standard, etc., and the percentage changes from the same quarter of the previous year are not stated.

The following presents percentage changes that were calculated based on the hypothetical assumption that the above accounting standard, etc. had been applied from the second quarter of the fiscal year ended March 31, 2021.

Operating revenue: up 0.9%, operating profit: down 37.2%, ordinary profit: down 34.7%, profit attributable to owners of parent: down 34.7%

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	53,655	35,177	65.6
As of March 31, 2021	54,720	34,595	63.2

Reference: Equity As of September 30, 2021 ¥35,177 million
 As of March 31, 2021 ¥34,595 million

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 31, 2021	–	8.00	–	10.00	18.00
Year ending March 31, 2022	–	8.00			
Year ending March 31, 2022 (Forecast)			–	–	–

Notes: 1. Revision of cash dividend forecast most recently announced: Yes

2. Breakdown of year-end dividend for the fiscal year ended March 31, 2021

Ordinary dividend ¥8.00 Special dividend ¥2.00

3. The dividend forecast for the year ending March 31, 2022 is currently undetermined as the forecast of financial results and the shareholder return policy have not been decided. The Company plans to make a disclosure promptly once the forecasted dividend amount can be disclosed.

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

The forecast of consolidated financial results for the year ending March 31, 2022 is undetermined as it is currently difficult to reasonably calculate the impact of factors such as the business integration of the Company and the H2O Retailing Group, Izumiya Co., Ltd. and HANKYU OASIS Co., Ltd. becoming wholly owned subsidiaries through share exchange, and the transition to a holding company structure through an absorption-type company split. The Company plans to promptly disclose the consolidated financial results forecast once it can be reasonably calculated.

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

Note: Although this matter does not constitute a change in specified subsidiaries in the six months ended September 30, 2021, KS Company Split Preparation Co., Ltd. (planned to change trade name to Kansai Super Market Ltd. on February 1, 2022) was newly established on September 22, 2021 in order to transition to a holding company structure through an absorption-type company split with an effective date of February 1, 2022, and is included in the scope of consolidation from the second quarter.

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(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 September 30, 2021	∴	31,940,954 shares	As of March 31, 2021	∴	31,940,954 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	∴	1,951,827 shares	As of March 31, 2021	∴	1,951,827 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	∴	29,989,127 shares	Six months ended September 30, 2020	∴	30,443,183 shares
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* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

(How to obtain supplementary material on quarterly financial results)

The supplementary material on quarterly financial results is disclosed on the same day on TDNet.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	6,879,294	5,576,083
Accounts receivable - trade	1,748,865	1,879,832
Merchandise	2,454,843	2,567,596
Supplies	64,324	56,530
Other	1,462,862	1,690,005
Total current assets	12,610,189	11,770,048
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,832,726	9,905,872
Land	21,072,924	21,074,027
Other, net	2,627,651	2,517,196
Total property, plant and equipment	33,533,302	33,497,096
Intangible assets	439,304	509,821
Investments and other assets		
Guarantee deposits	4,374,895	4,250,061
Retirement benefit asset	970,782	985,840
Other	2,791,702	2,642,537
Total investments and other assets	8,137,380	7,878,439
Total non-current assets	42,109,987	41,885,357
Total assets	54,720,176	53,655,406

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	7,585,272	7,793,987
Current portion of long-term borrowings	1,204,000	1,168,000
Income taxes payable	631,937	416,960
Provision for bonuses	1,026,856	851,104
Other	4,829,715	4,167,885
Total current liabilities	15,277,782	14,397,938
Non-current liabilities		
Long-term borrowings	1,314,000	746,000
Retirement benefit liability	876,446	884,776
Asset retirement obligations	517,599	519,579
Other	2,138,395	1,929,379
Total non-current liabilities	4,846,441	4,079,735
Total liabilities	20,124,223	18,477,673
Net assets		
Shareholders' equity		
Share capital	9,862,933	9,862,933
Capital surplus	10,906,837	10,906,837
Retained earnings	15,551,557	16,145,491
Treasury shares	(1,860,954)	(1,860,954)
Total shareholders' equity	34,460,374	35,054,309
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	253,416	233,966
Remeasurements of defined benefit plans	(117,838)	(110,543)
Total accumulated other comprehensive income	135,578	123,422
Total net assets	34,595,953	35,177,732
Total liabilities and net assets	54,720,176	53,655,406

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	64,545,097	64,136,481
Cost of sales	48,653,985	48,889,327
Gross profit	15,891,111	15,247,154
Operating revenue	985,830	1,004,268
Operating gross profit	16,876,941	16,251,422
Selling, general and administrative expenses	14,992,463	15,067,052
Operating profit	1,884,478	1,184,370
Non-operating income		
Interest income	3,181	3,133
Dividend income	15,239	14,335
Share of profit of entities accounted for using equity method	5,661	1,157
Commission income	95,879	95,424
Other	75,028	67,600
Total non-operating income	194,990	181,652
Non-operating expenses		
Interest expenses	11,771	7,711
Cost of stock administration	6,812	9,418
Other	3,015	4,298
Total non-operating expenses	21,600	21,428
Ordinary profit	2,057,868	1,344,594
Extraordinary losses		
Loss on sale and retirement of non-current assets	19,951	9,032
Total extraordinary losses	19,951	9,032
Profit before income taxes	2,037,916	1,335,561
Income taxes - current	581,541	325,859
Income taxes - deferred	87,835	115,529
Total income taxes	669,376	441,388
Profit	1,368,540	894,173
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,368,540	894,173

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	1,368,540	894,173
Other comprehensive income		
Valuation difference on available-for-sale securities	214,623	(24,422)
Remeasurements of defined benefit plans, net of tax	273	7,294
Share of other comprehensive income of entities accounted for using equity method	1,163	4,972
Total other comprehensive income	216,060	(12,155)
Comprehensive income	1,584,601	882,017
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,584,601	882,017
Comprehensive income attributable to non-controlling interests	—	—