

# Consolidated Financial Results for the Three-Month Period of the Fiscal Year ending February 28, 2021 (Japanese GAAP)

July 3, 2020

Company Name: Wakita & Co., LTD.

Code Number: 8125

(URL: <http://www.wakita.co.jp/>)

Stock Exchange Listing: Tokyo Stock Exchange First Section

Representative: Teiji Wakita, President and Representative Director

Contact: Toshio Oda, Managing Director

Phone: 06-6449-1901

Scheduled date to submit the Quarterly Financial Report: July 10, 2020

Scheduled date to commence dividend payment: –

Supplementary information for quarterly financial results: Not available

Organization of quarterly financial results briefing: None

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the Three-Month Period of Fiscal 2021 (From March 1, 2020 to May 31, 2020)

### (1) Consolidated Results of Operations

(Percentage figures indicate changes from the same period of the previous year)

	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-Month Period of Fiscal 2021	19,753	0.2	1,501	(2.7)	1,557	(0.6)	958	(3.9)
Three-Month Period of Fiscal 2020	19,720	23.8	1,543	(6.8)	1,566	(5.8)	997	(7.5)

(Note) Comprehensive income: Three-month period of fiscal 2021: ¥1,219 million [52.5%]

Three-month period of fiscal 2020: ¥799 million [(13.1)%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Three-Month Period of Fiscal 2021	18.46		–	
Three-Month Period of Fiscal 2020	19.21		–	

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Three-Month Period of Fiscal 2021	133,449	94,615	70.6
Fiscal 2020	137,855	95,112	68.7

(Reference) Equity: Three-month period of fiscal 2021: ¥94,193 million

Fiscal 2020: ¥94,713 million

## 2. Dividends

	Cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2020	–	0.00	–	33.00	33.00
Fiscal 2021	–				
Fiscal 2021 (Forecast)		0.00	–	30.00	30.00

(Note) Revision to the dividend forecast from recently announced figures: None

### 3. Forecast of Consolidated Financial Results for Fiscal 2021 (From March 1, 2020 to February 28, 2021)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	86,000	4.5	6,000	1.9	6,100	1.2	3,800	5.3	73.17

(Note) Revision to the financial forecast from recently announced figures: None

#### \* Notes

- (1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): None  
 Companies added to the scope: None  
 Companies removed from the scope: None

- (2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Not applicable

- (3) Changes in accounting policies, changes in accounting estimates and restatements  
 1) Changes in accounting policies due to the revision of accounting standards, etc.: Not applicable  
 2) Any changes in accounting policies other than 1) above: Not applicable  
 3) Changes in accounting estimates: Not applicable  
 4) Restatements: Not applicable

- (4) Number of shares issued (common shares)  
 1) Number of shares issued at the end of period (including treasury shares):  
 Three-month period of fiscal 2021: 52,021,297 shares  
 Fiscal 2020: 52,021,297 shares  
 2) Number of treasury shares at the end of period:  
 Three-month period of fiscal 2021: 86,974 shares  
 Fiscal 2020: 86,966 shares  
 3) Average number of shares during the period:  
 Three-month period of fiscal 2021: 51,934,329 shares  
 Three-month period of fiscal 2020: 51,931,008 shares

(Note) Treasury shares at the end of period are presented including the Company shares held by the Board Benefit Trust. Average numbers of shares during the period are calculated deducting treasury shares which include the Company shares held by the Board Benefit Trust.

\*These Consolidated Financial Results are not subject to quarterly review by certified public accountants or an auditing firm.

#### \* Explanation for the appropriate use of performance forecasts and other special notes:

The performance forecasts and other descriptions on future events presented in this material are based on information that was available at the time of preparation of this material and based on certain assumptions considered to be reasonable, and not intended to guarantee their achievement. The actual performance, etc. may differ materially from these forecasts due to various factors.

## Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2020	As of May 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	17,498	15,743
Notes and accounts receivable - trade	30,370	28,965
Securities	7,112	5,777
Merchandise	2,952	3,030
Supplies	105	96
Other	478	448
Allowance for doubtful accounts	(136)	(136)
Total current assets	58,381	53,923
Non-current assets		
Property, plant and equipment		
Assets for rent, net	9,923	9,689
Real estate for rent, net	40,245	40,023
Land	7,809	8,281
Other, net	5,769	5,727
Total property, plant and equipment	63,748	63,721
Intangible assets		
Goodwill	9,121	8,848
Other	246	241
Total intangible assets	9,367	9,089
Investments and other assets		
Investment securities	4,169	4,485
Retirement benefit asset	454	462
Other	2,038	2,073
Allowance for doubtful accounts	(304)	(307)
Total investments and other assets	6,357	6,715
Total non-current assets	79,474	79,526
Total assets	137,855	133,449

(Millions of yen)

	As of February 29, 2020	As of May 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,916	13,624
Short-term borrowings	2,180	1,920
Current portion of long-term borrowings	6	5
Income taxes payable	1,432	732
Provision for bonuses	319	652
Other	6,816	6,974
Total current liabilities	27,670	23,909
Non-current liabilities		
Long-term borrowings	6	6
Provision For Share Based Compensation Expenses For Directors	46	53
Provision for retirement benefits for directors (and other officers)	12	13
Provision for loss on guarantees	233	229
Retirement benefit liability	215	223
Other	14,557	14,398
Total non-current liabilities	15,072	14,925
Total liabilities	42,743	38,834
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	65,358	64,601
Treasury shares	(107)	(107)
Total shareholders' equity	95,700	94,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	877	1,093
Deferred gains or losses on hedges	7	33
Revaluation reserve for land	(1,914)	(1,914)
Remeasurements of defined benefit plans	41	37
Total accumulated other comprehensive income	(987)	(749)
Non-controlling interests	399	421
Total net assets	95,112	94,615
Total liabilities and net assets	137,855	133,449

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

### Quarterly Consolidated Statements of Income

(Three-Month Period of Consolidated Fiscal Year)

(Millions of yen)

	Three-Month Period of Fiscal 2020 (From March 1, 2019 to May 31, 2019)	Three-Month Period of Fiscal 2021 (From March 1, 2020 to May 31, 2020)
Net sales	19,720	19,753
Cost of sales	15,373	15,096
Provision of unrealized income on installment sales	111	84
Reversal of unrealized income on installment sales	103	101
Gross profit	4,339	4,674
Selling, general and administrative expenses	2,795	3,173
Operating profit	1,543	1,501
Non-operating income		
Interest income	6	5
Dividend income	7	3
Purchase discounts	10	11
Foreign exchange gains	1	7
Gain on investments in investment partnerships	11	33
Other	12	21
Total non-operating income	49	83
Non-operating expenses		
Interest expenses	23	25
Other	2	2
Total non-operating expenses	26	27
Ordinary profit	1,566	1,557
Extraordinary income		
Gain on sales of non-current assets	—	13
Total extraordinary income	—	13
Extraordinary losses		
Loss on retirement of non-current assets	0	7
Total extraordinary losses	0	7
Profit before income taxes	1,566	1,563
Income taxes - current	621	678
Income taxes - deferred	(65)	(90)
Total income taxes	555	587
Profit	1,010	975
Profit attributable to non-controlling interests	12	16
Profit attributable to owners of parent	997	958

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three-Month Period of Fiscal 2020 (From March 1, 2019 to May 31, 2019)	Three-Month Period of Fiscal 2021 (From March 1, 2020 to May 31, 2020)
Profit	1,010	975
Other comprehensive income		
Valuation difference on available-for-sale securities	(214)	215
Deferred gains or losses on hedges	17	31
Remeasurements of defined benefit plans, net of tax	(13)	(3)
Total other comprehensive income	(210)	243
Comprehensive income	799	1,219
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	783	1,196
Comprehensive income attributable to non-controlling interests	16	22