

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

October 9, 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: October 13, 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 Interim Period of Fiscal 2021 (From March 1, 2020 to August 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	%
Interim Period of Fiscal 2021	37,994	(2.7)	2,574	(1.6)	2,677	(0.6)	1,597	(3.4)
Interim Period of Fiscal 2020	39,066	12.8	2,615	(24.5)	2,692	(23.4)	1,653	(27.7)

(Note) Comprehensive income: Interim period of fiscal 2021: ¥1,868 million [35.7%]

Interim period of fiscal 2020: ¥1,376 million [(30.6)%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Interim Period of Fiscal 2021	30.77		–	
Interim Period of Fiscal 2020	31.84		–	

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Interim Period of Fiscal 2021	133,431	95,264	71.1
Fiscal 2020	137,855	95,112	68.7

(Reference) Equity: Interim period of fiscal 2021: ¥94,815 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	–	0.00			
Fiscal 2021 (Forecast)			–	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):

Interim period of fiscal 2021: 52,021,297 shares

Fiscal 2020: 52,021,297 shares

2) Number of treasury shares at the end of period:

Interim period of fiscal 2021: 86,890 shares

Fiscal 2020: 86,966 shares

3) Average number of shares during the period:

Interim period of fiscal 2021: 51,934,362 shares

Interim period of fiscal 2020: 51,931,932 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 August 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	17,498	16,879
Notes and accounts receivable - trade	30,370	28,322
Securities	7,112	6,090
Merchandise	2,952	3,066
Supplies	105	96
Other	478	357
Allowance for doubtful accounts	(136)	(134)
Total current assets	58,381	54,678
Non-current assets		
Property, plant and equipment		
Assets for rent, net	9,923	9,360
Real estate for rent, net	40,245	39,810
Land	7,809	8,281
Other, net	5,769	5,763
Total property, plant and equipment	63,748	63,215
Intangible assets		
Goodwill	9,121	8,575
Other	246	246
Total intangible assets	9,367	8,821
Investments and other assets		
Investment securities	4,169	4,472
Retirement benefit asset	454	460
Other	2,038	2,303
Allowance for doubtful accounts	(304)	(520)
Total investments and other assets	6,357	6,715
Total non-current assets	79,474	78,753
Total assets	137,855	133,431

(Millions of yen)

As of February 29, 2020 As of August 31, 2020

<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,916	13,291
Short-term borrowings	2,180	1,860
Current portion of long-term borrowings	6	4
Income taxes payable	1,432	1,271
Provision for bonuses	319	342
Other	6,816	6,936
Total current liabilities	27,670	23,706
Non-current liabilities		
Long-term borrowings	6	5
Provision For Share Based Compensation Expenses For Directors	46	60
Provision for retirement benefits for directors (and other officers)	12	14
Provision for loss on guarantees	233	—
Retirement benefit liability	215	231
Other	14,557	14,149
Total non-current liabilities	15,072	14,461
Total liabilities	42,743	38,167
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	65,358	65,240
Treasury shares	(107)	(106)
Total shareholders' equity	95,700	95,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	877	1,083
Deferred gains or losses on hedges	7	28
Revaluation reserve for land	(1,914)	(1,914)
Remeasurements of defined benefit plans	41	34
Total accumulated other comprehensive income	(987)	(766)
Non-controlling interests	399	448
Total net assets	95,112	95,264
Total liabilities and net assets	137,855	133,431

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

### Quarterly Consolidated Statements of Income

(Interim Period of Consolidated Fiscal Year)

(Millions of yen)

	Interim Period of Fiscal 2020 (From March 1, 2019 to August 31, 2019)	Interim Period of Fiscal 2021 (From March 1, 2020 to August 31, 2020)
Net sales	39,066	37,994
Cost of sales	30,671	28,956
Provision of unrealized income on installment sales	180	156
Reversal of unrealized income on installment sales	190	188
Gross profit	8,404	9,070
Selling, general and administrative expenses	5,789	6,496
Operating profit	2,615	2,574
Non-operating income		
Interest income	11	10
Dividend income	62	56
Purchase discounts	21	22
Foreign exchange gains	0	4
Gain on investments in investment partnerships	11	33
Other	29	31
Total non-operating income	135	158
Non-operating expenses		
Interest expenses	47	49
Other	10	5
Total non-operating expenses	58	55
Ordinary profit	2,692	2,677
Extraordinary income		
Gain on sales of non-current assets	3	17
Total extraordinary income	3	17
Extraordinary losses		
Loss on retirement of non-current assets	2	10
Total extraordinary losses	2	10
Profit before income taxes	2,694	2,685
Income taxes - current	1,134	1,166
Income taxes - deferred	(120)	(122)
Total income taxes	1,014	1,043
Profit	1,680	1,642
Profit attributable to non-controlling interests	26	44
Profit attributable to owners of parent	1,653	1,597

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Interim Period of Fiscal 2020 (From March 1, 2019 to August 31, 2019)	Interim Period of Fiscal 2021 (From March 1, 2020 to August 31, 2020)
Profit	1,680	1,642
Other comprehensive income		
Valuation difference on available-for-sale securities	(278)	205
Deferred gains or losses on hedges	(15)	26
Remeasurements of defined benefit plans, net of tax	(9)	(6)
Total other comprehensive income	(303)	226
Comprehensive income	1,376	1,868
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,353	1,818
Comprehensive income attributable to non-controlling interests	23	49

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Interim Period of Fiscal 2020 (From March 1, 2019 to August 31, 2019)	Interim Period of Fiscal 2021 (From March 1, 2020 to August 31, 2020)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,694	2,685
Depreciation	2,235	2,449
Amortization of goodwill	330	545
Increase (decrease) in allowance for doubtful accounts	80	(18)
Increase (decrease) in provision for bonuses	56	22
Increase (decrease) in net defined benefit asset and liability	(18)	0
Interest and dividend income	(73)	(67)
Interest expenses	47	49
Loss (gain) on sales and retirement of property, plant and equipment	(1)	(7)
Decrease (increase) in trade receivables	(1,583)	2,047
Decrease (increase) in inventories	22	(104)
Increase (decrease) in trade payables	1,435	(3,624)
Other, net	226	534
Subtotal	5,453	4,512
Interest and dividends received	73	67
Interest paid	(47)	(49)
Income taxes paid	(1,055)	(1,247)
Guarantee of obligation paid	—	(233)
Net cash provided by (used in) operating activities	4,424	3,048
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,074)	(752)
Proceeds from sales of property, plant and equipment	5	27
Purchase of investment securities	(43)	(0)
Proceeds from sales and redemption of investment securities	41	202
Loan advances	(1)	(1)
Collection of loans receivable	13	10
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,266)	—
Other, net	(18)	(27)
Net cash provided by (used in) investing activities	(4,343)	(540)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(220)	(320)
Repayments of long-term borrowings	(18)	(3)
Repayments of lease obligations	(11)	(11)
Payments for installment payables - property and equipment	(1,682)	(1,891)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,555)	(1,715)
Proceeds from sales of treasury shares	—	0
Net cash provided by (used in) financing activities	(3,487)	(3,941)
Effect of exchange rate change on cash and cash equivalents	(5)	(3)
Net increase (decrease) in cash and cash equivalents	(3,413)	(1,438)
Cash and cash equivalents at beginning of period	28,167	24,007
Cash and cash equivalents at end of period	24,753	22,569