

Translation

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[Delayed]Summary of Consolidated Financial Results for the Three Months Ended November 30, 2020 (Based on Japanese GAAP)

January 13, 2021

Company name: WITZ Corporation
 Stock exchange listing: Tokyo
 Stock code: 4440 URL <https://www.witz-inc.co.jp/>
 Representative: President Hiroyuki Hattori
 Inquiries: Executive Director Shuji Wakita TEL 052-220-1218
 Scheduled date to file Quarterly Securities Report: January 13, 2021
 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 November 30, 2020 (from September 1, 2020 to November 30, 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 November 30, 2020	475	(2.7)	35	(20.0)	37	(16.5)	24	(21.0)
Three months ended November 30, 2019	488	(11.6)	44	(11.5)	44	(10.8)	30	(10.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended November 30, 2020	5.98	5.83
Three months ended November 30, 2019	7.57	7.39

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2020	2,429	1,893	77.0
As of August 31, 2020	2,439	1,893	76.7

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 August 31, 2020	–	0.00	–	6.00	6.00
Year ending August 31, 2021	–				
Year ending August 31, 2021 (Forecast)		0.00	–	4.00	4.00

3. Forecast of consolidated financial results for the year ending August 31, 2021 (from September 1, 2020 to August 31, 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	2,000 – 2,200	(10.0) – (1.0)	180 – 200	(46.5) – (40.6)	185 – 205	(44.1) – (38.1)	127 – 141	(42.8) – (36.5)	31.33 – 34.78

3. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2020	4,054,000 shares	As of August 31, 2020	4,054,000 shares
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Number of treasury shares at the end of the period

As of November 30, 2020	78 shares	As of August 31, 2020	30 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended November 30, 2020	4,053,966 shares	Three months ended November 30, 2019	4,054,000 shares
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Quarterly Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2020	As of November 30, 2020
Assets		
Current assets		
Cash and deposits	1,794,855	1,820,229
Notes and accounts receivable - trade	197,135	142,251
Work in process	133,832	147,235
Other	35,776	37,869
Total current assets	2,161,599	2,147,585
Non-current assets		
Property, plant and equipment	29,803	29,404
Intangible assets	10,276	11,951
Investments and other assets		
Insurance funds	121,924	126,667
Other	115,561	114,046
Total investments and other assets	237,485	240,713
Total non-current assets	277,565	282,069
Total assets	2,439,164	2,429,655
Liabilities		
Current liabilities		
Accounts payable - trade	50,554	54,993
Current portion of long-term borrowings	1,008	1,008
Income taxes payable	68,901	17,233
Provision for bonuses	102,079	38,756
Provision for product warranties	2,960	4,071
Provision for loss on order received	2,155	4,167
Other	97,960	192,057
Total current liabilities	325,619	312,287
Non-current liabilities		
Long-term borrowings	632	380
Retirement benefit liability	126,500	130,545
Long-term accounts payable - other	91,495	91,495
Other	1,449	1,637
Total non-current liabilities	220,077	224,058
Total liabilities	545,697	536,345
Net assets		
Shareholders' equity		
Share capital	583,789	583,789
Capital surplus	518,278	518,278
Retained earnings	769,914	769,836
Treasury shares	(71)	(198)
Total shareholders' equity	1,871,910	1,871,705
Non-controlling interests	21,556	21,604
Total net assets	1,893,467	1,893,309
Total liabilities and net assets	2,439,164	2,429,655

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2019	Three months ended November 30, 2020
Net sales	488,830	475,863
Cost of sales	330,401	324,354
Gross profit	158,429	151,509
Selling, general and administrative expenses	114,151	116,077
Operating profit	44,277	35,431
Non-operating income		
Surrender value of insurance policies	78	357
Commission for insurance office work	223	262
Commission income	249	28
Subsidy income	—	1,470
Other	150	11
Total non-operating income	701	2,129
Non-operating expenses		
Interest expenses	8	5
Foreign exchange losses	—	0
Total non-operating expenses	8	5
Ordinary profit	44,969	37,556
Profit before income taxes	44,969	37,556
Income taxes	14,558	12,828
Profit	30,411	24,727
Profit (loss) attributable to non-controlling interests	(289)	482
Profit attributable to owners of parent	30,701	24,245

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2019	Three months ended November 30, 2020
Profit	30,411	24,727
Comprehensive income	30,411	24,727
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,701	24,245
Comprehensive income attributable to non-controlling interests	(289)	482