

Consolidated Financial Results for the Three-Month Period of the Fiscal Year ending February 28, 2022 (Japanese GAAP)

July 9, 2021

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: Atsuhiko Nariyama, Executive Officer, General Manager of General Affairs Division

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Scheduled date to submit the Quarterly Financial Report: July 14, 2021

Scheduled date to commence dividend payment: –

Supplementary information for quarterly financial results: 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 2022 (From March 1, 2021 to May 31, 2021)

(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 2022	17,675	(10.5)	1,755	16.9	1,753	12.6	1,091	13.9
Three-Month Period of Fiscal 2021	19,753	0.2	1,501	(2.7)	1,557	(0.6)	958	(3.9)

(Note) Comprehensive income: Three-month period of fiscal 2022: ¥1,290 million [5.9%]

Three-month period of fiscal 2021: ¥1,219 million [52.5%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Three-Month Period of Fiscal 2022	21.02		–	
Three-Month Period of Fiscal 2021	18.46		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Three-Month Period of Fiscal 2022	134,705	96,880	71.5
Fiscal 2021	137,477	97,150	70.3

(Reference) Equity: Three-month period of fiscal 2022: ¥96,321 million

Fiscal 2021: ¥96,632 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 2021	–	0.00	–	30.00	30.00
Fiscal 2022	–				
Fiscal 2022 (Forecast)		0.00	–	33.00	33.00

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

3. Forecast of Consolidated Financial Results for Fiscal 2022 (From March 1, 2021 to February 28, 2022)

(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	75,200	1.6	5,700	5.1	5,800	2.4	3,500	9.7	67.39

(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 2022: 52,021,297 shares
 Fiscal 2021: 52,021,297 shares
 2) Number of treasury shares at the end of period:
 Three-month period of fiscal 2022: 87,186 shares
 Fiscal 2021: 87,176 shares
 3) Average number of shares during the period:
 Three-month period of fiscal 2022: 51,934,114 shares
 Three-month period of fiscal 2021: 51,934,329 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 28, 2021	As of May 31, 2021
Assets		
Current assets		
Cash and deposits	21,124	21,226
Notes and accounts receivable - trade	24,958	22,375
Securities	5,373	5,870
Merchandise	2,880	2,884
Supplies	114	97
Other	404	331
Allowance for doubtful accounts	(102)	(93)
Total current assets	54,754	52,693
Non-current assets		
Property, plant and equipment		
Assets for rent, net	9,773	9,363
Real estate for rent, net	43,141	42,970
Land	8,281	8,281
Other, net	6,026	6,138
Total property, plant and equipment	67,222	66,753
Intangible assets		
Goodwill	8,030	7,757
Other	358	425
Total intangible assets	8,388	8,183
Investments and other assets		
Investment securities	4,703	4,798
Retirement benefit asset	620	618
Other	2,191	2,085
Allowance for doubtful accounts	(403)	(427)
Total investments and other assets	7,111	7,075
Total non-current assets	82,722	82,011
Total assets	137,477	134,705

(Millions of yen)

As of February 28, 2021 As of May 31, 2021

Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,771	13,239
Short-term borrowings	1,540	1,480
Current portion of long-term borrowings	3	3
Income taxes payable	1,309	789
Provision for bonuses	350	731
Other	7,236	6,951
Total current liabilities	25,210	23,194
Non-current liabilities		
Long-term borrowings	3	2
Provision For Share Based Compensation Expenses For Directors	74	81
Provision for retirement benefits for directors (and other officers)	15	16
Retirement benefit liability	213	222
Other	14,809	14,305
Total non-current liabilities	15,116	14,629
Total liabilities	40,327	37,824
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	67,064	66,596
Treasury shares	(107)	(107)
Total shareholders' equity	97,406	96,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,251	1,331
Deferred gains or losses on hedges	(16)	64
Revaluation reserve for land	(2,144)	(2,144)
Remeasurements of defined benefit plans	135	131
Total accumulated other comprehensive income	(773)	(616)
Non-controlling interests	517	559
Total net assets	97,150	96,880
Total liabilities and net assets	137,477	134,705

(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 2021 (From March 1, 2020 to May 31, 2020)	Three-Month Period of Fiscal 2022 (From March 1, 2021 to May 31, 2021)
Net sales	19,753	17,675
Cost of sales	15,096	12,536
Provision of unrealized income on installment sales	84	23
Reversal of unrealized income on installment sales	101	79
Gross profit	4,674	5,195
Selling, general and administrative expenses	3,173	3,439
Operating profit	1,501	1,755
Non-operating income		
Interest income	5	3
Dividend income	3	7
Purchase discounts	11	9
Foreign exchange gains	7	11
Gain on investments in investment partnerships	33	10
Other	21	10
Total non-operating income	83	53
Non-operating expenses		
Loss on cancellation of insurance policies	—	24
Interest expenses	25	25
Other	2	5
Total non-operating expenses	27	55
Ordinary profit	1,557	1,753
Extraordinary income		
Gain on sales of non-current assets	13	0
Gain on sales of investment securities	—	28
Total extraordinary income	13	28
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	7	1
Total extraordinary losses	7	2
Profit before income taxes	1,563	1,780
Income taxes - current	678	728
Income taxes - deferred	(90)	(62)
Total income taxes	587	665
Profit	975	1,114
Profit attributable to non-controlling interests	16	23
Profit attributable to owners of parent	958	1,091

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three-Month Period of Fiscal 2021 (From March 1, 2020 to May 31, 2020)	Three-Month Period of Fiscal 2022 (From March 1, 2021 to May 31, 2021)
Profit	975	1,114
Other comprehensive income		
Valuation difference on available-for-sale securities	215	78
Deferred gains or losses on hedges	31	102
Remeasurements of defined benefit plans, net of tax	(3)	(4)
Total other comprehensive income	243	176
Comprehensive income	1,219	1,290
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,196	1,248
Comprehensive income attributable to non-controlling interests	22	42