



Consolidated Financial Results for the Three-Month Period of the Fiscal Year ending February 29, 2020 (Japanese GAAP)

July 5, 2019

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 12, 2019

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 2020 (From March 1, 2019 to May 31, 2019)

(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 2020	19,720	23.8	1,543	(6.8)	1,566	(5.8)	997	(7.5)
Three-Month Period of Fiscal 2019	15,923	0.8	1,656	5.4	1,663	4.6	1,078	0.8

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

Three-month period of fiscal 2019: ¥919 million [(21.0)%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Three-Month Period of Fiscal 2020	19.21		–	
Three-Month Period of Fiscal 2019	20.74		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Three-Month Period of Fiscal 2020	130,359	92,385	70.6
Fiscal 2019	130,440	93,146	71.2

(Reference) Equity: Three-month period of fiscal 2020: ¥92,057 million

Fiscal 2019: ¥92,834 million

(Note) The Company has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and other standards starting from the beginning of the three-month period of fiscal 2020. Accordingly, the standards have been retroactively applied to the consolidated financial position for fiscal 2019.

2. Dividends

	Cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2019	–	0.00	–	30.00	30.00
Fiscal 2020	–				
Fiscal 2020 (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 2020 (From March 1, 2019 to February 29, 2020)

(Percentage figures indicate changes from the previous year or the same period of 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	76,000	7.8	6,500	1.8	6,800	3.8	4,300	2.8	82.80

(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 2020: 52,021,297 shares

Fiscal 2019: 52,021,297 shares

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

Three-month period of fiscal 2020: 90,334 shares

Fiscal 2019: 90,218 shares

3) Average number of shares during the period:

Three-month period of fiscal 2020: 51,931,008 shares

Three-month period of fiscal 2019: 52,003,405 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, 2019	As of May 31, 2019
Assets		
Current assets		
Cash and deposits	23,183	18,880
Notes and accounts receivable - trade	26,820	27,141
Securities	4,983	5,135
Merchandise	3,481	3,586
Supplies	76	92
Other	422	347
Allowance for doubtful accounts	(114)	(153)
Total current assets	58,854	55,031
Non-current assets		
Property, plant and equipment		
Assets for rent, net	8,753	8,258
Real estate for rent, net	38,824	40,196
Land	7,149	7,149
Other, net	4,296	4,898
Total property, plant and equipment	59,024	60,503
Intangible assets		
Goodwill	5,603	7,064
Other	235	249
Total intangible assets	5,839	7,313
Investments and other assets		
Investment securities	4,690	5,444
Net defined benefit asset	423	415
Other	1,821	1,867
Allowance for doubtful accounts	(212)	(216)
Total investments and other assets	6,723	7,510
Total non-current assets	71,586	75,328
Total assets	130,440	130,359

(Millions of yen)

As of February 28, 2019 As of May 31, 2019

Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,810	14,936
Short-term loans payable	2,520	2,460
Current portion of long-term loans payable	36	36
Income taxes payable	1,163	768
Provision for bonuses	288	570
Other	5,863	6,207
Total current liabilities	24,684	24,980
Non-current liabilities		
Provision For Share Based Compensation Expenses For Directors	—	30
Long-term loans payable	434	724
Provision for directors' retirement benefits	10	11
Provision for loss on guarantees	165	165
Net defined benefit liability	159	175
Other	11,841	11,886
Total non-current liabilities	12,610	12,993
Total liabilities	37,294	37,974
Net assets		
Shareholders' equity		
Capital stock	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	63,311	62,748
Treasury shares	(111)	(111)
Total shareholders' equity	93,649	93,086
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,051	836
Deferred gains or losses on hedges	(10)	3
Revaluation reserve for land	(1,914)	(1,914)
Remeasurements of defined benefit plans	58	45
Total accumulated other comprehensive income	(814)	(1,029)
Non-controlling interests	311	327
Total net assets	93,146	92,385
Total liabilities and net assets	130,440	130,359

(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 2019 (From March 1, 2018 to May 31, 2018)	Three-Month Period of Fiscal 2020 (From March 1, 2019 to May 31, 2019)
Net sales	15,923	19,720
Cost of sales	12,272	15,373
Provision of unrealized income on installment sales	92	111
Reversal of unrealized income on installment sales	112	103
Gross profit	3,671	4,339
Selling, general and administrative expenses	2,015	2,795
Operating profit	1,656	1,543
Non-operating income		
Interest income	6	6
Dividend income	5	7
Purchase discounts	9	10
Foreign exchange gains	0	1
Gain on investments in partnership	10	11
Other	13	12
Total non-operating income	45	49
Non-operating expenses		
Interest expenses	20	23
Other	17	2
Total non-operating expenses	37	26
Ordinary profit	1,663	1,566
Extraordinary income		
Gain on sales of non-current assets	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on retirement of non-current assets	4	0
Loss on valuation of shares of subsidiaries and associates	15	—
Total extraordinary losses	19	0
Profit before income taxes	1,644	1,566
Income taxes - current	539	621
Income taxes - deferred	26	(65)
Total income taxes	565	555
Profit	1,078	1,010
Profit attributable to non-controlling interests	—	12
Profit attributable to owners of parent	1,078	997

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three-Month Period of Fiscal 2019 (From March 1, 2018 to May 31, 2018)	Three-Month Period of Fiscal 2020 (From March 1, 2019 to May 31, 2019)
Profit	1,078	1,010
Other comprehensive income		
Valuation difference on available-for-sale securities	(153)	(214)
Deferred gains or losses on hedges	—	17
Remeasurements of defined benefit plans, net of tax	(4)	(13)
Total other comprehensive income	(158)	(210)
Comprehensive income	919	799
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	919	783
Comprehensive income attributable to non-controlling interests	—	16