

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

October 8, 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: October 12, 2021

Scheduled date to commence dividend payment: –

Supplementary information for quarterly financial results: Available

Organization of quarterly financial results briefing: Available

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Interim Period of Fiscal 2022 (From March 1, 2021 to August 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	%
Interim Period of Fiscal 2022	35,516	(6.5)	2,876	11.7	2,942	9.9	1,630	2.0
Interim Period of Fiscal 2021	37,994	(2.7)	2,574	(1.6)	2,677	(0.6)	1,597	(3.4)

(Note) Comprehensive income: Interim period of fiscal 2022: ¥1,887 million [1.0%]
Interim period of fiscal 2021: ¥1,868 million [35.7%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Interim Period of Fiscal 2022	31.39		–	
Interim Period of Fiscal 2021	30.77		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Interim Period of Fiscal 2022	135,938	97,087	71.0
Fiscal 2021	137,477	97,150	70.3

(Reference) Equity: Interim period of fiscal 2022: ¥96,499 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	–	0.00	–	–	–
Fiscal 2022 (Forecast)	–	–	–	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):

Interim period of fiscal 2022: 52,021,297 shares

Fiscal 2021: 52,021,297 shares

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

Interim period of fiscal 2022: 76,636 shares

Fiscal 2021: 87,176 shares

3) Average number of shares during the period:

Interim period of fiscal 2022: 51,937,584 shares

Interim period of fiscal 2021: 51,934,362 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 August 31, 2021
Assets		
Current assets		
Cash and deposits	21,124	21,072
Notes and accounts receivable - trade	24,958	22,419
Securities	5,373	5,886
Merchandise	2,880	3,194
Supplies	114	246
Other	404	324
Allowance for doubtful accounts	(102)	(88)
Total current assets	54,754	53,055
Non-current assets		
Property, plant and equipment		
Assets for rent, net	9,773	9,365
Real estate for rent, net	43,141	44,851
Land	8,281	8,337
Other, net	6,026	5,826
Total property, plant and equipment	67,222	68,381
Intangible assets		
Goodwill	8,030	7,484
Other	358	490
Total intangible assets	8,388	7,975
Investments and other assets		
Investment securities	4,703	4,325
Retirement benefit asset	620	618
Other	2,191	2,016
Allowance for doubtful accounts	(403)	(435)
Total investments and other assets	7,111	6,525
Total non-current assets	82,722	82,882
Total assets	137,477	135,938

(Millions of yen)

As of February 28, 2021 As of August 31, 2021

	As of February 28, 2021	As of August 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,771	14,292
Short-term borrowings	1,540	1,220
Current portion of long-term borrowings	3	3
Income taxes payable	1,309	1,364
Provision for bonuses	350	369
Other	7,236	6,815
Total current liabilities	25,210	24,066
Non-current liabilities		
Long-term borrowings	3	2
Provision for share based compensation expenses for directors	74	73
Provision for retirement benefits for directors (and other officers)	15	16
Retirement benefit liability	213	222
Other	14,809	14,468
Total non-current liabilities	15,116	14,784
Total liabilities	40,327	38,850
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	67,064	66,731
Treasury shares	(107)	(93)
Total shareholders' equity	97,406	97,086
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,251	1,369
Deferred gains or losses on hedges	(16)	61
Revaluation reserve for land	(2,144)	(2,144)
Remeasurements of defined benefit plans	135	126
Total accumulated other comprehensive income	(773)	(586)
Non-controlling interests	517	588
Total net assets	97,150	97,087
Total liabilities and net assets	137,477	135,938

(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 2021 (From March 1, 2020 to August 31, 2020)	Interim Period of Fiscal 2022 (From March 1, 2021 to August 31, 2021)
Net sales	37,994	35,516
Cost of sales	28,956	25,798
Provision of unrealized income on installment sales	156	49
Reversal of unrealized income on installment sales	188	145
Gross profit	9,070	9,814
Selling, general and administrative expenses	6,496	6,938
Operating profit	2,574	2,876
Non-operating income		
Interest income	10	7
Dividend income	56	66
Purchase discounts	22	20
Foreign exchange gains	4	17
Gain on investments in investment partnerships	33	10
Other	31	28
Total non-operating income	158	150
Non-operating expenses		
Loss on cancellation of insurance policies	—	24
Interest expenses	49	50
Other	5	9
Total non-operating expenses	55	83
Ordinary profit	2,677	2,942
Extraordinary income		
Gain on sales of non-current assets	17	0
Gain on sales of investment securities	—	28
Total extraordinary income	17	29
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	10	3
Impairment losses	—	144
Total extraordinary losses	10	147
Profit before income taxes	2,685	2,824
Income taxes - current	1,166	1,251
Income taxes - deferred	(122)	(109)
Total income taxes	1,043	1,141
Profit	1,642	1,682
Profit attributable to non-controlling interests	44	52
Profit attributable to owners of parent	1,597	1,630

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Interim Period of Fiscal 2021 (From March 1, 2020 to August 31, 2020)	Interim Period of Fiscal 2022 (From March 1, 2021 to August 31, 2021)
Profit	1,642	1,682
Other comprehensive income		
Valuation difference on available-for-sale securities	205	115
Deferred gains or losses on hedges	26	97
Remeasurements of defined benefit plans, net of tax	(6)	(8)
Total other comprehensive income	226	204
Comprehensive income	1,868	1,887
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,818	1,816
Comprehensive income attributable to non-controlling interests	49	70

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Interim Period of Fiscal 2021 (From March 1, 2020 to August 31, 2020)	Interim Period of Fiscal 2022 (From March 1, 2021 to August 31, 2021)
Cash flows from operating activities		
Profit before income taxes	2,685	2,824
Depreciation	2,449	2,446
Amortization of goodwill	545	545
Increase (decrease) in allowance for doubtful accounts	(18)	17
Increase (decrease) in provision for bonuses	22	18
Increase (decrease) in net defined benefit asset and liability	0	(1)
Interest and dividend income	(67)	(73)
Interest expenses	49	50
Loss (gain) on sales and retirement of property, plant and equipment	(7)	3
(Gain) loss on sales or redemption of investment securities	—	(28)
Impairment losses	—	144
Decrease (increase) in trade receivables	2,047	2,538
Decrease (increase) in inventories	(104)	(207)
Increase (decrease) in trade payables	(3,624)	(478)
Other, net	534	(114)
Subtotal	4,512	7,684
Interest and dividends received	67	73
Interest paid	(49)	(49)
Income taxes paid	(1,247)	(1,206)
Payment for execution of a guarantee	(233)	—
Net cash provided by (used in) operating activities	3,048	6,501
Cash flows from investing activities		
Purchase of property, plant and equipment	(752)	(1,742)
Proceeds from sales of property, plant and equipment	27	0
Purchase of investment securities	(0)	(1)
Proceeds from sales and redemption of investment securities	202	37
Loan advances	(1)	(2)
Collection of loans receivable	10	3
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(537)
Other, net	(27)	49
Net cash provided by (used in) investing activities	(540)	(2,191)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(320)	(320)
Repayments of long-term borrowings	(3)	(1)
Repayments of lease obligations	(11)	(22)
Payments for installment payables - property and equipment	(1,891)	(1,980)
Proceeds from sales of treasury shares	0	13
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,715)	(1,561)
Net cash provided by (used in) financing activities	(3,941)	(3,872)
Effect of exchange rate change on cash and cash equivalents	(3)	3
Net increase (decrease) in cash and cash equivalents	(1,438)	441
Cash and cash equivalents at beginning of period	24,007	26,498
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	19
Cash and cash equivalents at end of period	22,569	26,959