

Translation

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**[Delayed]Summary of Consolidated Financial Results  
for the Year Ended August 31, 2021  
(Based on Japanese GAAP)**

October 8, 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 of ordinary general meeting of shareholders: November 26, 2021  
 Scheduled date to file Securities Report: November 26, 2021  
 Scheduled date to commence dividend payments: November 29, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended August 31, 2021 (from September 1, 2020 to August 31, 2021)

(1) Consolidated operating results

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	%
Year ended August 31, 2021	2,198	(1.1)	276	(11.7)	294	(11.2)	206	(7.1)
Year ended August 31, 2020	2,222	(3.4)	313	38.1	331	8.8	221	(3.8)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended August 31, 2021	50.19	49.51	10.4	11.6	12.6
Year ended August 31, 2020	54.76	53.49	12.5	14.2	14.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2021	2,651	2,123	79.2	504.72
As of August 31, 2020	2,439	1,893	76.7	461.75

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended August 31, 2021	257	(219)	14	1,646
Year ended August 31, 2020	220	(214)	(39)	1,594

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended August 31, 2020	—	0.00	—	6.00	6.00	24	11.0	1.4
Year ended August 31, 2021	—	0.00	—	6.00	6.00	24	12.0	1.2
Year ending August 31, 2022 (Forecast)	—	0.00	—	8.00	8.00		16.0	

3. Forecast of consolidated financial results for the year ending August 31, 2022(from September 1, 2021 to August 31, 2022)

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	2,430	10.5	285	2.9	300	2.0	207	0.7	49.90

4. Notes

(1) Changes in significant subsidiaries during the year ended August 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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:

Yes

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 August 31, 2021	4,160,400 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 August 31, 2021	126 shares	As of August 31, 2020	30 shares
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Average number of shares during the period

Year ended August 31, 2021	4,108,141 shares	Year ended August 31, 2020	4,053,978 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2020	As of August 31, 2021
Assets		
Current assets		
Cash and deposits	1,794,855	2,046,548
Notes and accounts receivable - trade	197,135	166,559
Merchandise and finished goods	68	–
Work in process	133,832	103,051
Raw materials and supplies	308	67
Prepaid expenses	32,120	36,631
Other	3,278	3,291
Total current assets	2,161,599	2,356,149
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,850	37,540
Accumulated depreciation	(17,460)	(19,715)
Buildings and structures, net	21,389	17,825
Other	57,061	43,791
Accumulated depreciation	(48,647)	(34,692)
Other, net	8,413	9,098
Total property, plant and equipment	29,803	26,924
Intangible assets	10,276	8,323
Investments and other assets		
Investment securities	5,551	5,551
Deferred tax assets	85,287	91,670
Insurance funds	121,924	138,417
Other	24,722	24,242
Total investments and other assets	237,485	259,882
Total non-current assets	277,565	295,131
Total assets	2,439,164	2,651,280

(Thousands of yen)

	As of August 31, 2020	As of August 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	50,554	26,578
Current portion of long-term borrowings	1,008	632
Income taxes payable	68,901	55,064
Accrued consumption taxes	48,342	36,881
Provision for bonuses	102,079	109,343
Provision for product warranties	2,960	1,190
Provision for loss on order received	2,155	–
Other	49,617	61,296
<b>Total current liabilities</b>	<b>325,619</b>	<b>290,986</b>
<b>Non-current liabilities</b>		
Long-term borrowings	632	–
Deferred tax liabilities	1,449	2,668
Retirement benefit liability	126,500	142,828
Long-term accounts payable - other	91,495	91,495
<b>Total non-current liabilities</b>	<b>220,077</b>	<b>236,991</b>
<b>Total liabilities</b>	<b>545,697</b>	<b>527,978</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	583,789	606,925
Capital surplus	518,278	541,414
Retained earnings	769,914	951,760
Treasury shares	(71)	(325)
<b>Total shareholders' equity</b>	<b>1,871,910</b>	<b>2,099,775</b>
<b>Non-controlling interests</b>	<b>21,556</b>	<b>23,526</b>
<b>Total net assets</b>	<b>1,893,467</b>	<b>2,123,302</b>
<b>Total liabilities and net assets</b>	<b>2,439,164</b>	<b>2,651,280</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Net sales	2,222,802	2,198,912
Cost of sales	1,477,066	1,428,871
Gross profit	745,736	770,040
Selling, general and administrative expenses	432,225	493,100
Operating profit	313,510	276,940
Non-operating income		
Surrender value of insurance policies	12,422	2,954
Commission for insurance office work	947	1,053
Commission income	731	128
Consumption tax gain	2,077	–
Subsidy income - subsidy for research and development	23,250	9,508
Subsidy income - other	224	2,890
Other	179	802
Total non-operating income	39,833	17,336
Non-operating expenses		
Interest expenses	31	22
Foreign exchange losses	36	96
Market change expenses	22,157	–
Loss on cancellation of insurance policies	27	17
Other	–	0
Total non-operating expenses	22,252	137
Ordinary profit	331,091	294,139
Extraordinary income		
Gain on sales of non-current assets	127	–
Gain on receipt of donated non-current assets	–	4,073
Total extraordinary income	127	4,073
Extraordinary losses		
Loss on valuation of investment securities	6,530	–
Loss on retirement of non-current assets	–	923
Total extraordinary losses	6,530	923
Profit before income taxes	324,687	297,289
Income taxes - current	104,630	93,880
Income taxes - deferred	(6,805)	(5,164)
Total income taxes	97,825	88,715
Profit	226,861	208,574
Profit attributable to non-controlling interests	4,884	2,404
Profit attributable to owners of parent	221,977	206,169

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Profit	226,861	208,574
Comprehensive income	226,861	208,574
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	221,977	206,169
Comprehensive income attributable to non-controlling interests	4,884	2,404

## Consolidated statements of changes in equity

Fiscal year ended August 31, 2020

(Thousands of yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	583,789	518,278	564,153	–	1,666,220	17,163	1,683,384
Changes during period							
Issuance of new shares - exercise of share acquisition rights					–		–
Issuance of new shares -Restricted Stock					–		–
Dividends of surplus			(16,216)		(16,216)		(16,216)
Profit attributable to owners of parent			221,977		221,977		221,977
Purchase of treasury shares				(71)	(71)		(71)
Net changes in items other than shareholders' equity						4,392	4,392
Total changes during period	–	–	205,761	(71)	205,689	4,392	210,082
Balance at end of period	583,789	518,278	769,914	(71)	1,871,910	21,556	1,893,467

Fiscal year ended August 31, 2021

(Thousands of yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	583,789	518,278	769,914	(71)	1,871,910	21,556	1,893,467
Changes during period							
Issuance of new shares - exercise of share acquisition rights	20,020	20,020			40,040		40,040
Issuance of new shares -Restricted Stock	3,116	3,116			6,232		6,232
Dividends of surplus			(24,323)		(24,323)		(24,323)
Profit attributable to owners of parent			206,169		206,169		206,169
Purchase of treasury shares				(253)	(253)		(253)
Net changes in items other than shareholders' equity						1,970	1,970
Total changes during period	23,136	23,136	181,845	(253)	227,865	1,970	229,835
Balance at end of period	606,925	541,414	951,760	(325)	2,099,775	23,526	2,123,302

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Cash flows from operating activities		
Profit before income taxes	324,687	297,289
Depreciation	18,111	16,146
Increase (decrease) in retirement benefit liability	13,401	16,327
Increase (decrease) in provision for bonuses	11,860	7,264
Increase (decrease) in provision for product warranties	(7,515)	(1,769)
Increase (decrease) in provision for loss on order received	2,155	(2,155)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(5,287)	–
Gain on receipt of donated non-current assets	–	(4,073)
Surrender value of insurance policies	(12,395)	(2,937)
Interest expenses	31	22
Market change expenses	22,157	–
Loss (gain) on valuation of investment securities	6,530	–
Decrease (increase) in trade receivables	(48,560)	30,575
Decrease (increase) in inventories	12,965	31,091
Increase (decrease) in trade payables	(11,859)	(23,976)
Increase (decrease) in long-term accounts payable - other	6,728	–
Other, net	(23,835)	2,666
Subtotal	309,176	366,472
Interest paid	(31)	(22)
Income taxes (paid) refund	(88,573)	(109,079)
Net cash provided by (used in) operating activities	220,571	257,370
Cash flows from investing activities		
Net decrease (increase) in time deposits	(200,000)	(200,000)
Purchase of property, plant and equipment	(14,631)	(3,023)
Purchase of intangible assets	(2,895)	(2,080)
Payments of guarantee deposits	–	(2,840)
Proceeds from refund of guarantee deposits	–	2,043
Purchase of insurance funds	(22,610)	(21,036)
Proceeds from cancellation of insurance funds	25,283	7,142
Other, net	139	–
Net cash provided by (used in) investing activities	(214,714)	(219,793)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,008)	(1,008)
Proceeds from issuance of shares	–	40,040
Market change expenses paid	(22,157)	–
Purchase of treasury shares	(71)	(253)
Dividends paid	(16,189)	(24,226)
Dividends paid to non-controlling interests	(492)	(434)
Net cash provided by (used in) financing activities	(39,918)	14,117
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(34,061)	51,693
Cash and cash equivalents at beginning of period	1,628,916	1,594,855
Cash and cash equivalents at end of period	1,594,855	1,646,548