

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

January 7, 2022

Company Name: Wakita & Co., LTD.

Code Number: 8125

(URL: <https://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: January 14, 2022

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 Nine-Month Period of Fiscal 2022 (From March 1, 2021 to November 30, 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	%
Nine-Month Period of Fiscal 2022	55,815	(1.4)	4,276	4.2	4,398	2.4	2,480	(3.3)
Nine-Month Period of Fiscal 2021	56,596	(8.1)	4,102	(7.0)	4,295	(5.0)	2,565	(7.2)

(Note) Comprehensive income: Nine-month period of fiscal 2022: ¥2,646 million [(8.6)%]

Nine-month period of fiscal 2021: ¥2,894 million [0.6%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Nine-Month Period of Fiscal 2022	47.77		–	
Nine-Month Period of Fiscal 2021	49.40		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Nine-Month Period of Fiscal 2022	141,852	97,844	68.5
Fiscal 2021	137,477	97,150	70.3

(Reference) Equity: Nine-month period of fiscal 2022: ¥97,151 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	67.40

(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):

Nine-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:

Nine-month period of fiscal 2022: 134,696 shares

Fiscal 2021: 87,176 shares

3) Average number of shares during the period:

Nine-month period of fiscal 2022: 51,928,089 shares

Nine-month period of fiscal 2021: 51,934,362 shares

*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 November 30, 2021

Assets		
Current assets		
Cash and deposits	21,124	22,883
Notes and accounts receivable - trade	24,958	24,340
Securities	5,373	6,466
Merchandise	2,880	2,818
Supplies	114	96
Other	404	402
Allowance for doubtful accounts	(102)	(100)
Total current assets	54,754	56,907
Non-current assets		
Property, plant and equipment		
Assets for rent, net	9,773	11,440
Real estate for rent, net	43,141	44,569
Land	8,281	8,416
Other, net	6,026	6,320
Total property, plant and equipment	67,222	70,747
Intangible assets		
Goodwill	8,030	7,319
Other	358	579
Total intangible assets	8,388	7,898
Investments and other assets		
Investment securities	4,703	3,925
Retirement benefit asset	620	620
Other	2,191	2,203
Allowance for doubtful accounts	(403)	(451)
Total investments and other assets	7,111	6,297
Total non-current assets	82,722	84,944
Total assets	137,477	141,852

(Millions of yen)

As of February 28, 2021 As of November 30, 2021

Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,771	18,284
Short-term borrowings	1,540	1,163
Current portion of long-term borrowings	3	77
Income taxes payable	1,309	809
Provision for bonuses	350	246
Other	7,236	7,323
Total current liabilities	25,210	27,906
Non-current liabilities		
Long-term borrowings	3	173
Provision for share based compensation expenses for directors	74	79
Provision for retirement benefits for directors (and other officers)	15	17
Retirement benefit liability	213	248
Other	14,809	15,581
Total non-current liabilities	15,116	16,101
Total liabilities	40,327	44,007
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	67,064	67,581
Treasury shares	(107)	(154)
Total shareholders' equity	97,406	97,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,251	1,222
Deferred gains or losses on hedges	(16)	74
Revaluation reserve for land	(2,144)	(2,144)
Remeasurements of defined benefit plans	135	122
Total accumulated other comprehensive income	(773)	(724)
Non-controlling interests	517	692
Total net assets	97,150	97,844
Total liabilities and net assets	137,477	141,852

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Nine-Month Period of Consolidated Fiscal Year)

(Millions of yen)

	Nine-Month Period of Fiscal 2021 (From March 1, 2020 to November 30, 2020)	Nine-Month Period of Fiscal 2022 (From March 1, 2021 to November 30, 2021)
Net sales	56,596	55,815
Cost of sales	42,752	41,166
Provision of unrealized income on installment sales	170	63
Reversal of unrealized income on installment sales	258	200
Gross profit	13,932	14,785
Selling, general and administrative expenses	9,830	10,509
Operating profit	4,102	4,276
Non-operating income		
Interest income	16	10
Dividend income	70	93
Purchase discounts	36	35
Foreign exchange gains	3	31
Gain on investments in investment partnerships	43	22
Subsidy income	62	—
Other	44	45
Total non-operating income	276	239
Non-operating expenses		
Loss on cancellation of insurance policies	—	24
Interest expenses	75	76
Other	8	16
Total non-operating expenses	83	117
Ordinary profit	4,295	4,398
Extraordinary income		
Gain on sales of non-current assets	25	7
Gain on sales of investment securities	—	28
Total extraordinary income	25	35
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	10	4
Impairment loss	—	144
Total extraordinary losses	10	148
Profit before income taxes	4,309	4,284
Income taxes - current	1,825	1,893
Income taxes - deferred	(166)	(185)
Total income taxes	1,658	1,708
Profit	2,651	2,576
Profit attributable to non-controlling interests	85	95
Profit attributable to owners of parent	2,565	2,480

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine-Month Period of Fiscal 2021 (From March 1, 2020 to November 30, 2020)	Nine-Month Period of Fiscal 2022 (From March 1, 2021 to November 30, 2021)
Profit	2,651	2,576
Other comprehensive income		
Valuation difference on available-for-sale securities	254	(30)
Deferred gains or losses on hedges	(1)	113
Remeasurements of defined benefit plans, net of tax	(9)	(12)
Total other comprehensive income	243	70
Comprehensive income	2,894	2,646
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,809	2,529
Comprehensive income attributable to non-controlling interests	85	117