

Consolidated Financial Results for the Three-Month Period of the Fiscal Year ending February 28, 2023 (Japanese GAAP)

July 8, 2022

Company Name: Wakita & Co., LTD.

Code Number: 8125

(URL: <https://www.wakita.co.jp/>)

Stock Exchange Listing: Tokyo Stock Exchange Prime Market

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, 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 Three-Month Period of Fiscal 2023 (From March 1, 2022 to May 31, 2022)

(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 2023	18,396	4.1	1,446	(17.6)	1,488	(15.1)	961	(11.9)
Three-Month Period of Fiscal 2022	17,675	(10.5)	1,755	16.9	1,753	12.6	1,091	13.9

(Note) Comprehensive income: Three-month period of fiscal 2023: ¥955 million [(26.0%)]

Three-month period of fiscal 2022: ¥1,290 million [5.9%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Three-Month Period of Fiscal 2023	18.58		–	
Three-Month Period of Fiscal 2022	21.02		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Three-Month Period of Fiscal 2023	134,384	98,184	72.5
Fiscal 2022	144,376	99,093	68.1

(Reference) Equity: Three-month period of fiscal 2023: ¥97,422 million

Fiscal 2022: ¥98,373 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 2022	–	0.00	–	33.00	33.00
Fiscal 2023	–	–	–	–	–
Fiscal 2023 (Forecast)	–	0.00	–	35.00	35.00

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

3. Forecast of Consolidated Financial Results for Fiscal 2023 (From March 1, 2022 to February 28, 2023)

(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	79,000	5.3	6,000	9.0	6,150	8.6	3,700	3.5	71.27

(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.: 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 2023: 52,021,297 shares
 Fiscal 2022: 52,021,297 shares
 2) Number of treasury shares at the end of period:
 Three-month period of fiscal 2023: 494,333 shares
 Fiscal 2022: 134,756 shares
 3) Average number of shares during the period:
 Three-month period of fiscal 2023: 51,768,308 shares
 Three-month period of fiscal 2022: 51,934,114 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, 2022	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	27,774	18,089
Notes and accounts receivable - trade	22,430	20,135
Securities	6,150	5,885
Merchandise	2,930	4,144
Supplies	111	132
Other	631	966
Allowance for doubtful accounts	(78)	(77)
Total current assets	59,950	49,276
Non-current assets		
Property, plant and equipment		
Assets for rent, net	11,320	11,204
Real estate for rent, net	43,808	44,224
Land	8,413	8,886
Other, net	6,615	6,824
Total property, plant and equipment	70,157	71,138
Intangible assets		
Goodwill	7,163	6,884
Other	634	662
Total intangible assets	7,797	7,547
Investments and other assets		
Investment securities	4,041	3,925
Retirement benefit asset	689	691
Other	2,183	2,282
Allowance for doubtful accounts	(443)	(477)
Total investments and other assets	6,470	6,422
Total non-current assets	84,425	85,108
Total assets	144,376	134,384

(Millions of yen)

As of February 28, 2022 As of May 31, 2023

Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,524	10,237
Short-term borrowings	1,103	1,040
Current portion of long-term borrowings	77	74
Income taxes payable	1,569	699
Provision for bonuses	373	776
Other	7,261	7,291
Total current liabilities	28,910	20,120
Non-current liabilities		
Long-term borrowings	172	156
Provision for share based compensation expenses for directors	84	90
Provision for retirement benefits for directors (and other officers)	18	19
Retirement benefit liability	252	251
Other	15,843	15,562
Total non-current liabilities	16,372	16,080
Total liabilities	45,282	36,200
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	68,675	68,151
Treasury shares	(154)	(533)
Total shareholders' equity	98,969	98,066
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,288	1,191
Deferred gains or losses on hedges	94	150
Revaluation reserve for land	(2,144)	(2,144)
Remeasurements of defined benefit plans	164	158
Total accumulated other comprehensive income	(596)	(644)
Non-controlling interests	720	761
Total net assets	99,093	98,184
Total liabilities and net assets	144,376	134,384

(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 2022 (From March 1, 2021 to May 31, 2021)	Three-Month Period of Fiscal 2023 (From March 1, 2022 to May 31, 2022)
Net sales	17,675	18,396
Cost of sales	12,536	13,205
Provision of unrealized income on installment sales	23	—
Reversal of unrealized income on installment sales	79	—
Gross profit	5,195	5,191
Selling, general and administrative expenses	3,439	3,744
Operating profit	1,755	1,446
Non-operating income		
Interest income	3	1
Dividend income	7	11
Purchase discounts	9	8
Foreign exchange gains	11	28
Gain on investments in investment partnerships	10	9
Other	10	26
Total non-operating income	53	86
Non-operating expenses		
Loss on cancellation of insurance policies	24	—
Interest expenses	25	30
Removal costs	—	12
Other	5	2
Total non-operating expenses	55	44
Ordinary profit	1,753	1,488
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	28	—
Total extraordinary income	28	0
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	1	0
Total extraordinary losses	2	0
Profit before income taxes	1,780	1,487
Income taxes - current	728	642
Income taxes - deferred	(62)	(144)
Total income taxes	665	498
Profit	1,114	989
Profit attributable to non-controlling interests	23	27
Profit attributable to owners of parent	1,091	961

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three-Month Period of Fiscal 2022 (From March 1, 2021 to May 31, 2021)	Three-Month Period of Fiscal 2023 (From March 1, 2022 to May 31, 2022)
Profit	1,114	989
Other comprehensive income		
Valuation difference on available-for-sale securities	78	(97)
Deferred gains or losses on hedges	102	70
Remeasurements of defined benefit plans, net of tax	(4)	(6)
Total other comprehensive income	176	(33)
Comprehensive income	1,290	955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,248	914
Comprehensive income attributable to non-controlling interests	42	41