

# Consolidated Financial Results for the Interim Period of the Fiscal Year ending February 28, 2023 (Japanese GAAP)

October 7, 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: October 12, 2022

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 2023 (From March 1, 2022 to August 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	%
Interim Period of Fiscal 2023	37,764	6.3	2,703	(6.0)	2,798	(4.9)	1,732	6.2
Interim Period of Fiscal 2022	35,516	(6.5)	2,876	11.7	2,942	9.9	1,630	2.0

(Note) Comprehensive income: Interim period of fiscal 2023: ¥1,967 million [4.2%]

Interim period of fiscal 2022: ¥1,887 million [1.0%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Interim Period of Fiscal 2023	33.61		–	
Interim Period of Fiscal 2022	31.39		–	

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Interim Period of Fiscal 2023	135,894	98,792	72.1
Fiscal 2022	144,376	99,093	68.1

(Reference) Equity: Interim period of fiscal 2023: ¥97,972 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	–	0.00			
Fiscal 2023 (Forecast)				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):  
 Interim period of fiscal 2023: 52,021,297 shares  
 Fiscal 2022: 52,021,297 shares  
 2) Number of treasury shares at the end of period:  
 Interim period of fiscal 2023: 852,212 shares  
 Fiscal 2022: 134,756 shares  
 3) Average number of shares during the period:  
 Interim period of fiscal 2023: 51,545,947 shares  
 Interim period of fiscal 2022: 51,937,584 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 August 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	27,774	19,302
Notes and accounts receivable - trade	22,430	20,053
Securities	6,150	5,962
Merchandise	2,930	3,728
Supplies	111	96
Other	631	886
Allowance for doubtful accounts	(78)	(68)
Total current assets	59,950	49,960
Non-current assets		
Property, plant and equipment		
Assets for rent, net	11,320	11,631
Real estate for rent, net	43,808	43,949
Land	8,413	8,872
Other, net	6,615	7,554
Total property, plant and equipment	70,157	72,008
Intangible assets		
Goodwill	7,163	6,606
Other	634	656
Total intangible assets	7,797	7,263
Investments and other assets		
Investment securities	4,041	3,991
Retirement benefit asset	689	694
Other	2,183	2,477
Allowance for doubtful accounts	(443)	(501)
Total investments and other assets	6,470	6,662
Total non-current assets	84,425	85,933
Total assets	144,376	135,894

(Millions of yen)

	As of February 28, 2022	As of August 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,524	10,688
Short-term borrowings	1,103	980
Current portion of long-term borrowings	77	71
Income taxes payable	1,569	1,156
Provision for bonuses	373	399
Other	7,261	6,993
<b>Total current liabilities</b>	<b>28,910</b>	<b>20,290</b>
Non-current liabilities		
Long-term borrowings	172	140
Provision for share based compensation expenses for directors	84	95
Provision for retirement benefits for directors (and other officers)	18	19
Retirement benefit liability	252	252
Other	15,843	16,302
<b>Total non-current liabilities</b>	<b>16,372</b>	<b>16,811</b>
<b>Total liabilities</b>	<b>45,282</b>	<b>37,102</b>
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	68,675	68,922
Treasury shares	(154)	(937)
<b>Total shareholders' equity</b>	<b>98,969</b>	<b>98,433</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,288	1,238
Deferred gains or losses on hedges	94	292
Revaluation reserve for land	(2,144)	(2,144)
Remeasurements of defined benefit plans	164	151
<b>Total accumulated other comprehensive income</b>	<b>(596)</b>	<b>(461)</b>
<b>Non-controlling interests</b>	<b>720</b>	<b>819</b>
<b>Total net assets</b>	<b>99,093</b>	<b>98,792</b>
<b>Total liabilities and net assets</b>	<b>144,376</b>	<b>135,894</b>

(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 2022 (From March 1, 2021 to August 31, 2021)	Interim Period of Fiscal 2023 (From March 1, 2022 to August 31, 2022)
Net sales	35,516	37,764
Cost of sales	25,798	27,435
Provision of unrealized income on installment sales	49	—
Reversal of unrealized income on installment sales	145	—
Gross profit	9,814	10,328
Selling, general and administrative expenses	6,938	7,625
Operating profit	2,876	2,703
Non-operating income		
Interest income	7	2
Dividend income	66	75
Purchase discounts	20	18
Foreign exchange gains	17	35
Gain on investments in investment partnerships	10	9
Other	28	38
Total non-operating income	150	180
Non-operating expenses		
Loss on cancellation of insurance policies	24	—
Interest expenses	50	62
Dismantlement cost	—	12
Other	9	11
Total non-operating expenses	83	85
Ordinary profit	2,942	2,798
Extraordinary income		
Gain on sale of non-current assets	0	13
Gain on sale of investment securities	28	—
Total extraordinary income	29	13
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	3	1
Impairment losses	144	—
Total extraordinary losses	147	1
Profit before income taxes	2,824	2,810
Income taxes - current	1,251	1,050
Income taxes - deferred	(109)	(22)
Total income taxes	1,141	1,028
Profit	1,682	1,782
Profit attributable to non-controlling interests	52	49
Profit attributable to owners of parent	1,630	1,732

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Interim Period of Fiscal 2022 (From March 1, 2021 to August 31, 2021)	Interim Period of Fiscal 2023 (From March 1, 2022 to August 31, 2022)
Profit	1,682	1,782
Other comprehensive income		
Valuation difference on available-for-sale securities	115	(49)
Deferred gains or losses on hedges	97	247
Remeasurements of defined benefit plans, net of tax	(8)	(13)
Total other comprehensive income	204	185
Comprehensive income	1,887	1,967
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,816	1,867
Comprehensive income attributable to non-controlling interests	70	99

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Interim Period of Fiscal 2022 (From March 1, 2021 to August 31, 2021)	Interim Period of Fiscal 2023 (From March 1, 2022 to August 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,824	2,810
Depreciation	2,446	2,910
Amortization of goodwill	545	556
Increase (decrease) in allowance for doubtful accounts	17	48
Increase (decrease) in provision for bonuses	18	26
Increase (decrease) in net defined benefit asset and liability	(1)	(23)
Interest and dividend income	(73)	(78)
Interest expenses	50	62
Loss (gain) on sale and retirement of property, plant and equipment	3	(12)
(Gain) loss on sales or redemption of investment securities	(28)	—
Impairment losses	144	—
Decrease (increase) in trade receivables	2,538	2,377
Decrease (increase) in inventories	(207)	(782)
Increase (decrease) in trade payables	(478)	(7,835)
Other, net	(114)	254
Subtotal	7,684	314
Interest and dividends received	73	78
Interest paid	(49)	(62)
Income taxes paid	(1,206)	(1,374)
Net cash provided by (used in) operating activities	6,501	(1,043)
<b>Cash flows from investing activities</b>		
Purchase of securities	—	(300)
Purchase of property, plant and equipment	(1,742)	(2,474)
Proceeds from sale of property, plant and equipment	0	41
Purchase of investment securities	(1)	(26)
Proceeds from sale and redemption of investment securities	37	205
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	3	2
Purchase of shares of subsidiaries	(537)	—
Other, net	49	(145)
Net cash provided by (used in) investing activities	(2,191)	(2,699)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(320)	(123)
Repayments of long-term borrowings	(1)	(39)
Repayments of lease obligations	(22)	(3)
Repayments of installment payables - property and equipment	(1,980)	(2,371)
Proceeds from sale of treasury shares	13	0
Purchase of treasury shares	(0)	(783)
Dividends paid	(1,561)	(1,715)
Net cash provided by (used in) financing activities	(3,872)	(5,037)
Effect of exchange rate change on cash and cash equivalents	3	21
Net increase (decrease) in cash and cash equivalents	441	(8,759)
Cash and cash equivalents at beginning of period	26,498	33,724
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	19	—
Cash and cash equivalents at end of period	26,959	24,965