

Translation

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**[Delayed] Summary of Consolidated Financial Results
for the Nine Months Ended May 31, 2023
(Based on Japanese GAAP)**

July 14, 2023

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 to file Quarterly Securities Report: July 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Nine Months ended May 31, 2023 (from September 1, 2022 to May 31, 2023)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended May 31, 2023	1,908	8.9	207	(0.9)	232	1.0	136	(3.2)
Nine months ended May 31, 2022	1,752	8.8	209	4.9	230	7.2	141	(5.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended May 31, 2023	33.17		33.13	
Nine months ended May 31, 2022	33.91		33.82	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of May 31, 2023	2,927		2,313		78.1	
As of August 31, 2022	2,855		2,295		79.5	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended August 31, 2022	–	0.00	–	8.00	8.00
Year ending August 31, 2023	–	0.00	–		
Year ending August 31, 2023 (Forecast)				8.00	8.00

3. Forecast of consolidated financial results for the year ending August 31, 2023 (from September 1, 2022 to August 31, 2023)

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	2,500	6.6	160	(32.4)	190	(28.4)	125	(28.9)	29.97

4. Notes

- (1) Changes in significant subsidiaries during the Nine months ended May 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2023	4,176,000 shares	As of August 31, 2022	4,171,000 shares
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Number of treasury shares at the end of the period

As of May 31, 2023	92,464 shares	As of August 31, 2022	126 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended May 31, 2023	4,122,040 shares	Nine months ended May 31, 2022	4,164,633 shares
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Quarterly Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2022	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	2,058,795	1,931,075
Notes and accounts receivable - trade, and contract assets	202,348	181,487
Work in process	78,452	88,615
Other	49,687	73,346
Total current assets	2,389,283	2,274,525
Non-current assets		
Property, plant and equipment	41,751	44,851
Intangible assets		
Goodwill	96,853	89,206
Other	26,885	9,437
Total intangible assets	123,738	98,644
Investments and other assets		
Investment securities	2,631	200,662
Insurance funds	146,909	158,092
Other	151,070	150,354
Total investments and other assets	300,611	509,110
Total non-current assets	466,101	652,605
Total assets	2,855,385	2,927,131
Liabilities		
Current liabilities		
Accounts payable - trade	36,888	40,821
Income taxes payable	52,010	16,679
Provision for bonuses	116,207	75,650
Provision for product warranties	958	858
Other	109,145	219,865
Total current liabilities	315,209	353,875
Non-current liabilities		
Retirement benefit liability	150,640	165,894
Long-term accounts payable - other	91,495	91,495
Other	2,094	2,094
Total non-current liabilities	244,230	259,484
Total liabilities	559,440	613,360
Net assets		
Shareholders' equity		
Share capital	611,561	612,524
Capital surplus	546,050	547,159
Retained earnings	1,112,681	1,216,038
Treasury shares	(325)	(88,879)
Total shareholders' equity	2,269,968	2,286,841
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	(992)
Total accumulated other comprehensive income	—	(992)
Non-controlling interests	25,975	27,921
Total net assets	2,295,944	2,313,771
Total liabilities and net assets	2,855,385	2,927,131

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2022	Nine months ended May 31, 2023
Net sales	1,752,223	1,908,148
Cost of sales	1,054,522	1,188,941
Gross profit	697,700	719,206
Selling, general and administrative expenses	488,654	511,958
Operating profit	209,045	207,248
Non-operating income		
Subsidy income - subsidy for research and development	13,260	18,661
Subsidy income - other	1,762	4,026
Surrender value of insurance policies	4,147	2,682
Commission for insurance office work	799	760
Commission income	99	99
Other	1,257	2,087
Total non-operating income	21,327	28,317
Non-operating expenses		
Subsidy Return Frame	—	2,230
Commission for purchase of treasury shares	—	773
Commission expenses	60	114
Interest expenses	93	12
Foreign exchange losses	0	—
Total non-operating expenses	154	3,131
Ordinary profit	230,218	232,434
Extraordinary income		
Gain on receipt of donated non-current assets	539	—
Total extraordinary income	539	—
Extraordinary losses		
Impairment losses	—	36,175
Loss on valuation of investment securities	2,920	325
Loss on retirement of non-current assets	1,264	—
Total extraordinary losses	4,184	36,500
Profit before income taxes	226,572	195,933
Income taxes	81,703	56,821
Profit	144,869	139,112
Profit attributable to non-controlling interests	3,658	2,388
Profit attributable to owners of parent	141,211	136,723

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2022	Nine months ended May 31, 2023
Profit	144,869	139,112
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(992)
Total other comprehensive income	—	(992)
Comprehensive income	144,869	138,119
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	141,211	135,731
Comprehensive income attributable to non-controlling interests	3,658	2,388