

**Translation**

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

October 12, 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 of ordinary general meeting of shareholders: November 28, 2023  
 Scheduled date to file Securities Report: November 28, 2023  
 Scheduled date to commence dividend payments: November 29, 2023  
 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, 2023 (from September 1, 2022 to August 31, 2023)

(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, 2023	2,501	6.7	187	(20.9)	224	(15.2)	133	(24.1)
Year ended August 31, 2022	2,345	6.7	236	(14.6)	265	(9.8)	175	(14.7)

	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, 2023	32.46	32.42	5.9	7.8	7.5
Year ended August 31, 2022	42.21	42.11	8.0	9.6	10.1

(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, 2023	2,923	2,311	78.1	559.15
As of August 31, 2022	2,855	2,295	79.5	544.24

(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, 2023	248	(459)	(128)	1,318
Year ended August 31, 2022	206	(136)	(58)	1,658

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, 2022	—	0.00	—	8.00	8.00	33	19.0	1.5
Year ended August 31, 2023	—	0.00	—	8.00	8.00	32	24.6	1.5
Year ending August 31, 2024 (Forecast)	—	0.00	—	8.00	8.00		22.5	

3. Forecast of consolidated financial results for the year ending August 31, 2024(from September 1, 2023 to August 31, 2024)

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	2,880	15.1	190	1.5	210	(6.6)	145	8.6	35.51

4. Notes

(1) Changes in significant subsidiaries during the year ended August 31, 2023

(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: Yes

Changes in accounting policies due to other reasons: No

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, 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 August 31, 2023	92,464 shares	As of August 31, 2022	126 shares
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Average number of shares during the period

Year ended August 31, 2023	4,112,335 shares	Year ended August 31, 2022	4,165,932 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2022	As of August 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,058,795	1,918,611
Notes and accounts receivable - trade, and contract assets	202,348	179,612
Work in process	78,452	101,518
Prepaid expenses	42,967	42,390
Other	6,719	14,597
Total current assets	2,389,283	2,256,730
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,360	49,383
Accumulated depreciation	(18,698)	(28,567)
Buildings and structures, net	26,661	20,816
Other	49,407	60,794
Accumulated depreciation	(34,317)	(39,512)
Other, net	15,089	21,282
Total property, plant and equipment	41,751	42,098
Intangible assets		
Goodwill	96,853	86,658
Other	26,885	13,309
Total intangible assets	123,738	99,967
Investments and other assets		
Investment securities	2,631	201,652
Deferred tax assets	100,414	115,666
Insurance funds	146,909	158,781
Other	50,656	48,317
Total investments and other assets	300,611	524,417
Total non-current assets	466,101	666,483
Total assets	2,855,385	2,923,214
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	36,888	44,897
Income taxes payable	52,010	31,309
Accrued consumption taxes	24,970	38,786
Provision for bonuses	116,207	132,949
Provision for product warranties	958	105
Other	84,174	102,896
Total current liabilities	315,209	350,944
Non-current liabilities		
Deferred tax liabilities	2,094	3,474
Retirement benefit liability	150,640	165,516
Long-term accounts payable - other	91,495	91,495
Total non-current liabilities	244,230	260,486
Total liabilities	559,440	611,431

(Thousands of yen)

	As of August 31, 2022	As of August 31, 2023
Net assets		
Shareholders' equity		
Share capital	611,561	612,524
Capital surplus	546,050	547,159
Retained earnings	1,112,681	1,212,801
Treasury shares	(325)	(88,879)
Total shareholders' equity	2,269,968	2,283,605
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	(305)
Total accumulated other comprehensive income	—	(305)
Non-controlling interests	25,975	28,483
Total net assets	2,295,944	2,313,783
Total liabilities and net assets	2,855,385	2,923,214

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

(Thousands of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Net sales	2,345,368	2,501,479
Cost of sales	1,458,306	1,609,057
Gross profit	887,062	892,422
Selling, general and administrative expenses	650,520	705,259
Operating profit	236,541	187,162
Non-operating income		
Surrender value of insurance policies	10,513	6,080
Commission for insurance office work	1,060	1,009
Commission income	113	113
Subsidy income - subsidy for research and development	13,260	24,845
Subsidy income - other	2,509	4,026
Other	1,405	2,928
Total non-operating income	28,863	39,003
Non-operating expenses		
Commission for purchase of treasury shares	–	773
Subsidy Return Frame	–	338
Interest expenses	99	12
Commission expenses	60	132
Foreign exchange losses	0	–
Other	–	4
Total non-operating expenses	160	1,261
Ordinary profit	265,244	244,905
Extraordinary income		
Gain on receipt of donated non-current assets	539	–
Gain on sale of non-current assets	–	107
Total extraordinary income	539	107
Extraordinary losses		
Impairment losses	–	36,175
Loss on valuation of investment securities	2,920	325
Loss on retirement of non-current assets	2,357	88
Loss on sale of non-current assets	–	55
Total extraordinary losses	5,278	36,644
Profit before income taxes	260,505	188,368
Income taxes - current	91,600	65,668
Income taxes - deferred	(9,698)	(13,737)
Total income taxes	81,901	51,931
Profit	178,604	136,437
Profit attributable to non-controlling interests	2,776	2,950
Profit attributable to owners of parent	175,827	133,487

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Profit	178,604	136,437
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(305)
Total other comprehensive income	—	(305)
Comprehensive income	178,604	136,131
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	175,827	133,181
Comprehensive income attributable to non-controlling interests	2,776	2,950

## Consolidated statements of changes in equity

Fiscal year ended August 31, 2022

(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	606,925	541,414	951,760	(325)	2,099,775	23,526	2,123,302
Cumulative effects of changes in accounting policies			10,055		10,055		10,055
Restated balance	606,925	541,414	961,815	(325)	2,109,830	23,526	2,133,357
Changes during period							
Issuance of new shares - exercise of share acquisition rights	962	962			1,925		1,925
Issuance of new shares -Restricted Stock	3,673	3,673			7,347		7,347
Dividends of surplus			(24,961)		(24,961)		(24,961)
Profit attributable to owners of parent			175,827		175,827		175,827
Purchase of treasury shares					-		-
Net changes in items other than shareholders' equity						2,448	2,448
Total changes during period	4,636	4,636	150,865	-	160,138	2,448	162,587
Balance at end of period	611,561	546,050	1,112,681	(325)	2,269,968	25,975	2,295,944

Fiscal year ended August 31, 2023

(Thousands of yen)

	Shareholders' equity					Valuation and translation adjustments		Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	661,561	546,050	1,112,681	(325)	2,269,968	-	-	25,975	2,295,944
Cumulative effects of changes in accounting policies					-				-
Restated balance	611,561	546,050	1,112,681	(325)	2,269,968	-	-	25,975	2,295,944
Changes during period									
Issuance of new shares - exercise of share acquisition rights	962	962			1,925				1,925
Issuance of new shares -Restricted Stock					-				-
Dividends of surplus			(33,366)		(33,366)				(33,366)
Profit attributable to owners of parent			133,487		133,487				133,487
Purchase of treasury shares				(96,239)	(96,239)				(96,239)
Disposal of treasury shares		146		7,684	7,830				7,830
Net changes in items other than shareholders' equity						(305)	(305)	2,507	2,202
Total changes during period	962	1,108	100,120	(88,554)	13,636	(305)	(305)	2,507	15,838
Balance at end of period	612,524	547,159	1,212,801	(88,879)	2,283,605	(305)	(305)	28,483	2,311,783

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Cash flows from operating activities		
Profit before income taxes	260,505	188,368
Depreciation	17,280	20,907
Impairment losses	–	36,175
Amortization of goodwill	5,097	10,195
Depreciation and amortization on other	5,143	5,962
Increase (decrease) in retirement benefit liability	7,812	14,875
Increase (decrease) in provision for bonuses	3,310	16,742
Increase (decrease) in provision for product warranties	(231)	(852)
Gain on receipt of donated non-current assets	(539)	–
Loss on retirement of non-current assets	2,357	88
Surrender value of insurance policies	(10,513)	(6,075)
Loss (gain) on valuation of investment securities	2,920	325
Decrease (increase) in trade receivables and contract assets	29,490	22,735
Decrease (increase) in inventories	(4,974)	(23,065)
Increase (decrease) in trade payables	9,236	8,008
Other, net	(27,099)	41,528
Subtotal	299,796	355,919
Income taxes (paid) refund	(93,011)	(87,639)
Net cash provided by (used in) operating activities	206,784	248,280
Cash flows from investing activities		
Net decrease (increase) in time deposits	450	(200,000)
Purchase of property, plant and equipment	(28,536)	(16,502)
Proceeds from sale of property, plant and equipment	–	270
Purchase of intangible assets	(21,332)	(27,530)
Purchase of investment securities	–	(200,000)
Payments of guarantee deposits	(20,937)	(2,528)
Proceeds from refund of guarantee deposits	7,213	2,335
Purchase of insurance funds	(20,223)	(19,707)
Proceeds from cancellation of insurance funds	24,024	11,196
Purchase of long-term prepaid expenses	–	(7,188)
Proceeds from collection of long-term loans receivable	24,268	–
Payments for asset retirement obligations	(6,561)	(161)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(94,958)	–
Other, net	60	213
Net cash provided by (used in) investing activities	(136,533)	(459,603)
Cash flows from financing activities		
Proceeds from long-term borrowings	10,000	–
Repayments of long-term borrowings	(44,687)	–
Proceeds from issuance of shares	1,925	1,925
Purchase of treasury shares	–	(97,012)
Dividends paid	(24,914)	(33,330)
Dividends paid to non-controlling interests	(328)	(442)
Net cash provided by (used in) financing activities	(58,004)	(128,860)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	12,247	(340,184)
Cash and cash equivalents at beginning of period	1,646,548	1,658,795
Cash and cash equivalents at end of period	1,658,795	1,318,611