

Consolidated Financial Results for the Nine-Month Period of the Fiscal Year ending February 29, 2024 (Japanese GAAP)

January 12, 2024

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: January 15, 2024

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 2024 (From March 1, 2023 to November 30, 2023)

(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 2024	65,346	11.9	4,260	(3.1)	4,382	(2.8)	2,472	(10.5)
Nine-Month Period of Fiscal 2023	58,383	4.6	4,396	2.8	4,511	2.6	2,763	11.4

(Note) Comprehensive income: Nine-month period of fiscal 2024: ¥3,194 million [3.6%]
Nine-month period of fiscal 2023: ¥3,083 million [16.5%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Nine-Month Period of Fiscal 2024	49.54		–	
Nine-Month Period of Fiscal 2023	53.87		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Nine-Month Period of Fiscal 2024	144,546	99,828	68.4
Fiscal 2023	138,652	99,574	71.2

(Reference) Equity: Nine-month period of fiscal 2024: ¥98,873 million
Fiscal 2023: ¥98,709 million

2. Dividends

	Cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen				
Fiscal 2023	–	0.00	–	38.00	38.00
Fiscal 2024	–	0.00	–		
Fiscal 2024 (Forecast)				43.00	43.00

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

3. Forecast of Consolidated Financial Results for Fiscal 2024 (From March 1, 2023 to February 29, 2024)

(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	90,000	14.1	6,400	11.0	6,550	11.4	4,200	7.6	83.78

(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):

Nine-month period of fiscal 2024: 52,021,297 shares

Fiscal 2023: 52,021,297 shares

2) Number of treasury shares at the end of period:

Nine-month period of fiscal 2024: 2,632,958 shares

Fiscal 2023: 1,888,341 shares

3) Average number of shares during the period:

Nine-month period of fiscal 2024: 49,908,306 shares

Nine-month period of fiscal 2023: 51,300,835 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, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	20,210	18,217
Notes and accounts receivable - trade	20,182	21,705
Securities	3,713	600
Merchandise	5,305	-
Merchandise and finished goods	-	5,047
Supplies	150	-
Raw materials and supplies	-	221
Work in process	-	144
Other	975	1,055
Allowance for doubtful accounts	(69)	(92)
Total current assets	50,467	46,899
Non-current assets		
Property, plant and equipment		
Assets for rent, net	12,457	13,354
Real estate for rent, net	42,678	43,475
Land	11,079	11,564
Other, net	9,501	10,790
Total property, plant and equipment	75,716	79,184
Intangible assets		
Goodwill	6,070	10,166
Other	636	800
Total intangible assets	6,706	10,966
Investments and other assets		
Investment securities	2,991	4,507
Retirement benefit asset	787	857
Other	2,484	2,740
Allowance for doubtful accounts	(503)	(608)
Total investments and other assets	5,761	7,496
Total non-current assets	88,184	97,647
Total assets	138,652	144,546

(Millions of yen)

As of February 28, 2023

As of November 30, 2023

Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,626	13,518
Short-term borrowings	920	750
Current portion of long-term borrowings	122	118
Income taxes payable	1,201	796
Provision for bonuses	405	363
Provision for product warranties	–	9
Other	7,573	8,807
Total current liabilities	20,848	24,363
Non-current liabilities		
Long-term borrowings	543	528
Provision for share based compensation expenses for directors	106	89
Provision for retirement benefits for directors (and other officers)	21	27
Retirement benefit liability	283	363
Other	17,275	19,344
Total non-current liabilities	18,229	20,353
Total liabilities	39,078	44,717
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	71,092	71,696
Treasury shares	(2,154)	(3,226)
Total shareholders' equity	99,386	98,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,086	1,686
Deferred gains or losses on hedges	185	247
Revaluation reserve for land	(2,144)	(2,144)
Remeasurements of defined benefit plans	195	163
Total accumulated other comprehensive income	(676)	(45)
Non-controlling interests	864	955
Total net assets	99,574	99,828
Total liabilities and net assets	138,652	144,546

(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 2023 (From March 1, 2022 to November 30, 2022)	Nine-Month Period of Fiscal 2024 (From March 1, 2023 to November 30, 2023)
Net sales	58,383	65,346
Cost of sales	42,452	47,200
Gross profit	15,930	18,146
Selling, general and administrative expenses	11,534	13,885
Operating profit	4,396	4,260
Non-operating income		
Interest income	4	1
Dividend income	106	91
Purchase discounts	30	31
Foreign exchange gains	31	35
Gain on investments in investment partnerships	32	30
Other	49	85
Total non-operating income	254	275
Non-operating expenses		
Interest expenses	97	137
Other	42	15
Total non-operating expenses	139	153
Ordinary profit	4,511	4,382
Extraordinary income		
Gain on sale of non-current assets	15	7
Total extraordinary income	15	7
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	4	8
Other	–	1
Total extraordinary losses	4	10
Profit before income taxes	4,521	4,379
Income taxes - current	1,764	1,861
Income taxes - deferred	(97)	(29)
Total income taxes	1,666	1,832
Profit	2,855	2,547
Profit attributable to non-controlling interests	91	75
Profit attributable to owners of parent	2,763	2,472

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine-Month Period of Fiscal 2023 (From March 1, 2022 to November 30, 2022)	Nine-Month Period of Fiscal 2024 (From March 1, 2023 to November 30, 2023)
Profit	2,855	2,547
Other comprehensive income		
Valuation difference on available-for-sale securities	(57)	600
Deferred gains or losses on hedges	306	77
Remeasurements of defined benefit plans, net of tax	(19)	(31)
Total other comprehensive income	228	646
Comprehensive income	3,083	3,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,931	3,103
Comprehensive income attributable to non-controlling interests	152	90