

Consolidated Financial Results for the Fiscal Year ended February 29, 2024 (Japanese GAAP)

April 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 of Ordinary General Shareholders' Meeting: May 23, 2024

Scheduled date to commence dividend payment: May 24, 2024

Scheduled date to submit the Securities Report: May 27, 2024

Supplementary information for financial results: Available

Organization of financial results briefing: Available (for institutional investors)

(Figures are rounded down to the nearest million yen)

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

(1) Consolidated Results of Operations

(Percentage figures indicate changes from 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	%
Fiscal 2024	88,654	12.4	5,541	(3.9)	5,712	(2.9)	3,158	(19.0)
Fiscal 2023	78,870	5.2	5,765	4.7	5,880	3.9	3,901	9.2

(Note) Comprehensive income: Fiscal 2024: ¥4,255 million [7.3%]
Fiscal 2023: ¥3,965 million [1.5%]

	Profit per share	Fully diluted profit per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal 2024	63.45	–	3.2	4.0	6.3
Fiscal 2023	76.44	–	4.0	4.2	7.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal 2024: ¥ – million
Fiscal 2023: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2024	143,944	100,847	69.4	2,023.45
Fiscal 2023	138,652	99,574	71.2	1,968.96

(Reference) Equity: Fiscal 2024: ¥99,880 million
Fiscal 2023: ¥98,709 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2024	12,785	(6,773)	(10,468)	18,938
Fiscal 2023	4,168	(5,555)	(9,214)	23,142

2. Dividends

	Cash dividends per share					Total dividends paid (total)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2023	–	0.00	–	38.00	38.00	1,909	49.7	2.0
Fiscal 2024	–	0.00	–	62.00	62.00	3,066	97.7	3.1
Fiscal 2025 (Forecast)	–	0.00	–	70.00	70.00		100.2	

3. Forecast of Consolidated Financial Results for Fiscal 2025 (From March 1, 2024 to February 28, 2025)

(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	94,000	6.0	5,800	4.7	5,950	4.2	3,450	9.2	69.89

* 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) 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

(3) Number of shares issued (common shares)

1) Number of shares issued at the end of period (including treasury shares):

Fiscal 2024: 52,021,297 shares

Fiscal 2023: 52,021,297 shares

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

Fiscal 2024: 2,659,758 shares

Fiscal 2023: 1,888,341 shares

3) Average number of shares during the period:

Fiscal 2024: 49,782,729 shares

Fiscal 2023: 51,046,848 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for Fiscal 2024 (From March 1, 2023 to February 29, 2024)

(1) Non-consolidated Results of Operations

(Percentage figures indicate changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2024	58,267	8.5	4,496	(5.6)	4,834	(5.6)	3,156	(19.4)
Fiscal 2023	53,682	0.5	4,761	5.1	5,120	4.2	3,916	3.1

	Profit per share	Fully diluted profit per share
	Yen	Yen
Fiscal 2024	63.40	—
Fiscal 2023	76.71	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2024	130,600	98,992	75.8	2,005.46
Fiscal 2023	126,074	97,914	77.7	1,953.10

(Reference) Equity: Fiscal 2024: ¥98,992 million
Fiscal 2023: ¥97,914 million

2. Forecast of Non-consolidated Financial Results for Fiscal 2025 (From March 1, 2024 to February 28, 2025)

(Percentage figures indicate changes from the previous year)

	Net sales		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	60,500	3.8	4,700	(2.8)	3,200	1.4	64.83

*These Consolidated Financial Results are not subject to audits 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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

As of February 28, 2023 As of February 29, 2024

Assets		
Current assets		
Cash and deposits	20,210	18,338
Notes and accounts receivable - trade	20,182	20,265
Lease receivables and investments in leases, net	–	1,349
Securities	3,713	600
Merchandise	5,305	–
Merchandise and finished goods	–	5,965
Supplies	150	–
Work in process	–	186
Raw materials and supplies	–	182
Other	975	1,050
Allowance for doubtful accounts	(69)	(72)
Total current assets	50,467	47,866
Non-current assets		
Property, plant and equipment		
Assets for rent	43,942	45,934
Accumulated depreciation	(31,484)	(33,022)
Assets for rent, net	12,457	12,911
Real estate for rent		
Buildings and accompanying facilities for rent	33,355	32,445
Accumulated depreciation	(11,262)	(11,930)
Buildings and accompanying facilities for rent, net	22,092	20,515
Land for rent	20,585	19,515
Buildings and structures		
Accumulated depreciation	(7,231)	(8,037)
Buildings and structures, net	6,604	8,883
Land	11,079	11,564
Leased assets		
Accumulated depreciation	(86)	(59)
Leased assets, net	38	37
Other		
Accumulated depreciation	(2,057)	(2,511)
Other, net	2,858	2,679
Total property, plant and equipment	75,716	76,108
Intangible assets		
Goodwill	6,070	6,959
Customer-related intangible assets	–	4,192
Other	636	820
Total intangible assets	6,706	11,973

(Millions of yen)

As of February 28, 2023 As of February 29, 2024

	As of February 28, 2023	As of February 29, 2024
Investments and other assets		
Investment securities	2,991	5,019
Retirement benefit asset	787	1,014
Deferred tax assets	223	180
Other	2,260	2,371
Allowance for doubtful accounts	(503)	(588)
Total investments and other assets	5,761	7,996
Total non-current assets	88,184	96,078
Total assets	138,652	143,944

(Millions of yen)

As of February 28, 2023 As of February 29, 2024

Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,626	10,192
Short-term borrowings	920	490
Current portion of long-term borrowings	122	169
Lease liabilities	20	29
Income taxes payable	1,201	1,183
Provision for bonuses	405	481
Provision for product warranties	–	9
Provision for shareholder benefit program	–	350
Other	7,552	8,612
Total current liabilities	20,848	21,519
Non-current liabilities		
Long-term borrowings	543	424
Lease liabilities	22	78
Deferred tax liabilities	814	2,426
Deferred tax liabilities for land revaluation	435	435
Provision for share based compensation expenses for directors	106	93
Provision for retirement benefits for directors (and other officers)	21	51
Retirement benefit liability	283	361
Long-term accounts payable - facilities	11,969	13,709
Other	4,032	3,996
Total non-current liabilities	18,229	21,578
Total liabilities	39,078	43,097
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	71,092	72,383
Treasury shares	(2,154)	(3,268)
Total shareholders' equity	99,386	99,563
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,086	2,041
Deferred gains or losses on hedges	185	176
Revaluation reserve for land	(2,144)	(2,144)
Remeasurements of defined benefit plans	195	243
Total accumulated other comprehensive income	(676)	317
Non-controlling interests	864	966
Total net assets	99,574	100,847
Total liabilities and net assets	138,652	143,944

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal 2023 (From March 1, 2022 to February 28, 2023)	Fiscal 2024 (From March 1, 2023 to February 29, 2024)
Net sales	78,870	88,654
Cost of sales	57,374	63,791
Gross profit	21,495	24,863
Selling, general and administrative expenses	15,730	19,321
Operating profit	5,765	5,541
Non-operating income		
Interest income	5	1
Dividend income	136	132
Purchase discounts	38	40
Foreign exchange gains	53	54
Gain on investments in investment partnerships	31	30
Other	81	119
Total non-operating income	347	379
Non-operating expenses		
Interest expenses	144	190
Compensation for damage	61	-
Other	26	17
Total non-operating expenses	231	208
Ordinary profit	5,880	5,712
Extraordinary income		
Gain on sale of non-current assets	29	14
Gain on sale of investment securities	410	-
Total extraordinary income	440	14
Extraordinary losses		
Loss on retirement of non-current assets	8	160
Impairment losses	25	-
Other	1	1
Total extraordinary losses	35	162
Profit before income taxes	6,285	5,565
Income taxes - current	2,407	2,368
Income taxes - deferred	(145)	(66)
Total income taxes	2,262	2,301
Profit	4,023	3,263
Profit attributable to non-controlling interests	121	104
Profit attributable to owners of parent	3,901	3,158

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal 2023 (From March 1, 2022 to February 28, 2023)	Fiscal 2024 (From March 1, 2023 to February 29, 2024)
Profit	4,023	3,263
Other comprehensive income		
Valuation difference on available-for-sale securities	(202)	955
Deferred gains or losses on hedges	113	(11)
Remeasurements of defined benefit plans, net of tax	30	48
Total other comprehensive income	(57)	991
Comprehensive income	3,965	4,255
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,821	4,152
Comprehensive income attributable to non-controlling interests	144	102

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2023 (From March 1, 2022 to February 28, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,821	16,627	68,675	(154)	98,969
Cumulative effects of changes in accounting policies			231		231
Restated balance	13,821	16,627	68,906	(154)	99,201
Changes during period					
Dividends of surplus			(1,716)		(1,716)
Profit attributable to owners of parent			3,901		3,901
Purchase of treasury shares				(2,000)	(2,000)
Disposal of treasury shares		(0)		0	0
Net increase (decrease) in surplus by change of consolidated scope					—
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	2,185	(2,000)	185
Balance at end of period	13,821	16,627	71,092	(2,154)	99,386

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,288	94	(2,144)	164	(596)	720	99,093
Cumulative effects of changes in accounting policies						0	231
Restated balance	1,288	94	(2,144)	164	(596)	720	99,324
Changes during period							
Dividends of surplus							(1,716)
Profit attributable to owners of parent							3,901
Purchase of treasury shares							(2,000)
Disposal of treasury shares							0
Net increase (decrease) in surplus by change of consolidated scope							—
Net changes in items other than shareholders' equity	(202)	91	—	30	(80)	144	64
Total changes during period	(202)	91	—	30	(80)	144	249
Balance at end of period	1,086	185	(2,144)	195	(676)	864	99,574

Fiscal 2024 (From March 1, 2023 to February 29, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,821	16,627	71,092	(2,154)	99,386
Cumulative effects of changes in accounting policies					—
Restated balance	13,821	16,627	71,092	(2,154)	99,386
Changes during period					
Dividends of surplus			(1,909)		(1,909)
Profit attributable to owners of parent			3,158		3,158
Purchase of treasury shares				(1,143)	(1,143)
Disposal of treasury shares				29	29
Net increase (decrease) in surplus by change of consolidated scope			41		41
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,291	(1,114)	176
Balance at end of period	13,821	16,627	72,383	(3,268)	99,563

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,086	185	(2,144)	195	(676)	864	99,574
Cumulative effects of changes in accounting policies							—
Restated balance	1,086	185	(2,144)	195	(676)	864	99,574
Changes during period							
Dividends of surplus							(1,909)
Profit attributable to owners of parent							3,158
Purchase of treasury shares							(1,143)
Disposal of treasury shares							29
Net increase (decrease) in surplus by change of consolidated scope							41
Net changes in items other than shareholders' equity	955	(9)	—	48	994	102	1,096
Total changes during period	955	(9)	—	48	994	102	1,273
Balance at end of period	2,041	176	(2,144)	243	317	966	100,847

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal 2023 (From March 1, 2022 to February 28, 2023)	Fiscal 2024 (From March 1, 2023 to February 29, 2024)
Cash flows from operating activities		
Profit before income taxes	6,285	5,565
Depreciation	6,140	6,968
Impairment losses	25	–
Amortization of goodwill	1,113	1,122
Increase (decrease) in allowance for doubtful accounts	28	37
Increase (decrease) in provision for bonuses	27	9
Increase (decrease) in provision for shareholder benefit program	–	350
Increase (decrease) in net defined benefit asset and liability	(49)	(156)
Interest and dividend income	(141)	(133)
Interest expenses	144	190
Loss (gain) on sale and retirement of property, plant and equipment	(21)	145
Loss (gain) on sale of investment securities	(409)	1
Decrease (increase) in trade receivables	2,342	772
Decrease (increase) in inventories	(1,231)	1,113
Increase (decrease) in trade payables	(7,998)	(1,074)
Other, net	656	492
Subtotal	6,914	15,405
Interest and dividends received	141	134
Interest paid	(144)	(190)
Income taxes paid	(2,744)	(2,573)
Net cash provided by (used in) operating activities	4,168	12,775
Cash flows from investing activities		
Purchase of securities	(300)	–
Proceeds from redemption of securities	300	–
Purchase of property, plant and equipment	(5,938)	(1,483)
Proceeds from sale of property, plant and equipment	57	21
Purchase of investment securities	(208)	(34)
Proceeds from sale and redemption of investment securities	950	35
Loan advances	(104)	(4)
Proceeds from collection of loans receivable	5	3
Purchase of shares of subsidiaries	(160)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	95	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(5,036)
Other payments	(286)	(428)
Other proceeds	33	152
Net cash provided by (used in) investing activities	(5,555)	(6,773)

(Millions of yen)

	Fiscal 2023 (From March 1, 2022 to February 28, 2023)	Fiscal 2024 (From March 1, 2023 to February 29, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(243)	(740)
Proceeds from long-term borrowings	–	10
Repayments of long-term borrowings	(148)	(258)
Repayments of lease liabilities	(9)	(108)
Repayments of installment payables - property and equipment	(5,094)	(6,328)
Purchase of treasury shares	(2,000)	(1,143)
Proceeds from sale of treasury shares	0	9
Dividends paid	(1,716)	(1,909)
Net cash provided by (used in) financing activities	(9,214)	(10,468)
Effect of exchange rate change on cash and cash equivalents	19	13
Net increase (decrease) in cash and cash equivalents	(10,582)	(4,454)
Cash and cash equivalents at beginning of period	33,724	23,142
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	249
Cash and cash equivalents at end of period	23,142	18,938