

Consolidated Financial Results for the Nine-Month Period of the Fiscal Year ending February 28, 2021 (Japanese GAAP)

January 8, 2021

Company Name: Wakita & Co., LTD.

Code Number: 8125

(URL: <http://www.wakita.co.jp/>)

Stock Exchange Listing: Tokyo Stock Exchange First Section

Representative: Teiji Wakita, President and Representative Director

Contact: Toshio Oda, Managing Director

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Scheduled date to submit the Quarterly Financial Report: January 14, 2021

Scheduled date to commence dividend payment: –

Supplementary information for quarterly financial results: Not 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 2021 (From March 1, 2020 to November 30, 2020)

(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 2021	56,596	(8.1)	4,102	(7.0)	4,295	(5.0)	2,565	(7.2)
Nine-Month Period of Fiscal 2020	61,552	15.8	4,409	(13.9)	4,519	(13.3)	2,763	(18.0)

(Note) Comprehensive income: Nine-month period of fiscal 2021: ¥2,894 million [0.6%]

Nine-month period of fiscal 2020: ¥2,875 million [(3.5)%]

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Nine-Month Period of Fiscal 2021	49.40		–	
Nine-Month Period of Fiscal 2020	53.21		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Nine-Month Period of Fiscal 2021	136,650	96,290	70.1
Fiscal 2020	137,855	95,112	68.7

(Reference) Equity: Nine-month period of fiscal 2021: ¥95,805 million

Fiscal 2020: ¥94,713 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 2020	–	0.00	–	33.00	33.00
Fiscal 2021	–	0.00	–		
Fiscal 2021 (Forecast)				30.00	30.00

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

3. Forecast of Consolidated Financial Results for Fiscal 2021 (From March 1, 2020 to February 28, 2021)

(Percentage figures indicate changes from the previous year)

(Percentage figures indicate changes from the previous year)										
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share	
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
	74,000	(10.1)	4,800	(18.5)	5,100	(15.4)	2,600	(27.9)	50.06	

(Note) Revision to the financial forecast from recently announced figures: Yes

For details of the revision to the forecast, please refer to the “Notice Regarding Revision of Financial Results Forecasts” announced today (January 8, 2021).

* 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.: Not 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 2021: 52,021,297 shares

Fiscal 2020: 52,021,297 shares

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

Nine-month period of fiscal 2021: 87,023 shares

Fiscal 2020: 86,966 shares

3) Average number of shares during the period:

Nine-month period of fiscal 2021: 51,934,362 shares

Nine-month period of fiscal 2020: 51,932,652 shares

(Note) Treasury shares at the end of period are presented including the Company shares held by the Board Benefit Trust. Average numbers of shares during the period are calculated deducting treasury shares which include the Company shares held by the Board Benefit Trust.

*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 29, 2020 As of November 30, 2020

Assets		
Current assets		
Cash and deposits	17,498	16,900
Notes and accounts receivable - trade	30,370	27,880
Securities	7,112	5,691
Merchandise	2,952	2,870
Supplies	105	93
Other	478	345
Allowance for doubtful accounts	(136)	(143)
Total current assets	58,381	53,638
Non-current assets		
Property, plant and equipment		
Assets for rent, net	9,923	9,923
Real estate for rent, net	40,245	43,779
Land	7,809	8,281
Other, net	5,769	5,727
Total property, plant and equipment	63,748	67,711
Intangible assets		
Goodwill	9,121	8,302
Other	246	238
Total intangible assets	9,367	8,541
Investments and other assets		
Investment securities	4,169	4,549
Retirement benefit asset	454	464
Other	2,038	2,234
Allowance for doubtful accounts	(304)	(489)
Total investments and other assets	6,357	6,758
Total non-current assets	79,474	83,012
Total assets	137,855	136,650

(Millions of yen)

As of February 29, 2020 As of November 30, 2020

Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,916	15,439
Short-term borrowings	2,180	1,800
Current portion of long-term borrowings	6	3
Income taxes payable	1,432	750
Provision for bonuses	319	213
Other	6,816	7,094
Total current liabilities	27,670	25,301
Non-current liabilities		
Long-term borrowings	6	4
Provision For Share Based Compensation Expenses For Directors	46	67
Provision for retirement benefits for directors (and other officers)	12	14
Provision for loss on guarantees	233	—
Retirement benefit liability	215	239
Other	14,557	14,732
Total non-current liabilities	15,072	15,059
Total liabilities	42,743	40,360
Net assets		
Shareholders' equity		
Share capital	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	65,358	66,208
Treasury shares	(107)	(107)
Total shareholders' equity	95,700	96,550
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	877	1,132
Deferred gains or losses on hedges	7	6
Revaluation reserve for land	(1,914)	(1,914)
Remeasurements of defined benefit plans	41	31
Total accumulated other comprehensive income	(987)	(744)
Non-controlling interests	399	484
Total net assets	95,112	96,290
Total liabilities and net assets	137,855	136,650

(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 2020 (From March 1, 2019 to November 30, 2019)	Nine-Month Period of Fiscal 2021 (From March 1, 2020 to November 30, 2020)
Net sales	61,552	56,596
Cost of sales	48,052	42,752
Provision of unrealized income on installment sales	287	170
Reversal of unrealized income on installment sales	258	258
Gross profit	13,470	13,932
Selling, general and administrative expenses	9,060	9,830
Operating profit	4,409	4,102
Non-operating income		
Interest income	17	16
Dividend income	74	70
Purchase discounts	38	36
Foreign exchange gains	7	3
Gain on investments in investment partnerships	22	43
Subsidy income	—	62
Other	32	44
Total non-operating income	192	276
Non-operating expenses		
Interest expenses	72	75
Other	9	8
Total non-operating expenses	82	83
Ordinary profit	4,519	4,295
Extraordinary income		
Gain on sales of non-current assets	4	25
Gain on sales of investment securities	9	—
Total extraordinary income	14	25
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	4	10
Total extraordinary losses	4	10
Profit before income taxes	4,529	4,309
Income taxes - current	1,878	1,825
Income taxes - deferred	(173)	(166)
Total income taxes	1,704	1,658
Profit	2,824	2,651
Profit attributable to non-controlling interests	61	85
Profit attributable to owners of parent	2,763	2,565

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine-Month Period of Fiscal 2020 (From March 1, 2019 to November 30, 2019)	Nine-Month Period of Fiscal 2021 (From March 1, 2020 to November 30, 2020)
Profit	2,824	2,651
Other comprehensive income		
Valuation difference on available-for-sale securities	69	254
Deferred gains or losses on hedges	(5)	(1)
Remeasurements of defined benefit plans, net of tax	(13)	(9)
Total other comprehensive income	51	243
Comprehensive income	2,875	2,894
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,815	2,809
Comprehensive income attributable to non-controlling interests	60	85