



Consolidated Financial Results for the Interim Period of the Fiscal Year ending February 28, 2018 (Japanese GAAP)

October 6, 2017

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
 Phone: 06-6449-1901
 Scheduled date to submit the Quarterly Financial Report: October 13, 2017
 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 Interim Period of Fiscal 2018 (From March 1, 2017 to August 31, 2017)

(1) Consolidated Results of Operations (Percentage figures indicate changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim Period of Fiscal 2018	32,426	12.5	3,007	(3.5)	3,087	(2.0)	2,094	32.3
Interim Period of Fiscal 2017	28,816	(1.3)	3,115	(20.2)	3,150	(21.1)	1,583	(37.5)

(Note) Comprehensive income: Interim period of fiscal 2018: ¥2,433 million [47.5%]
 Interim period of fiscal 2017: ¥1,649 million [(34.5)%]

	Net income per share		Fully diluted net income per share	
	Yen		Yen	
Interim Period of Fiscal 2018	40.28		–	
Interim Period of Fiscal 2017	30.45		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Interim Period of Fiscal 2018	116,351	88,769	76.3
Fiscal 2017	113,654	87,896	77.3

(Reference) Equity: Interim period of fiscal 2018: ¥88,769 million
 Fiscal 2017: ¥87,896 million

2. Dividends

	Cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen				
Fiscal 2017	–	0.00	–	30.00	30.00
Fiscal 2018	–	0.00			
Fiscal 2018 (Forecast)			–	30.00	30.00

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

3. Forecast of Consolidated Financial Results for Fiscal 2018 (From March 1, 2017 to February 28, 2018)

(Percentage figures indicate changes from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	64,500	4.2	6,800	3.4	6,900	3.0	4,700	26.4	90.38

(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.: 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):
 Interim period of fiscal 2018: 52,021,297 shares
 Fiscal 2017: 52,021,297 shares
 - 2) Number of treasury shares at the end of period:
 Interim period of fiscal 2018: 17,257 shares
 Fiscal 2017: 16,854 shares
 - 3) Average number of shares during the period:
 Interim period of fiscal 2018: 52,004,204 shares
 Interim period of fiscal 2017: 52,004,708 shares

* These Consolidated Financial Results are not subject to quarterly review.

* 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, 2017	As of August 31, 2017
Assets		
Current assets		
Cash and deposits	25,163	25,503
Notes and accounts receivable - trade	23,934	26,326
Securities	4,648	3,980
Merchandise	1,337	1,701
Supplies	53	90
Other	450	488
Allowance for doubtful accounts	(107)	(150)
Total current assets	55,481	57,940
Non-current assets		
Property, plant and equipment		
Assets for rent, net	6,084	5,879
Real estate for rent, net	36,624	36,532
Land	5,856	5,856
Other, net	2,776	2,713
Total property, plant and equipment	51,342	50,982
Intangible assets		
Goodwill	816	751
Other	268	238
Total intangible assets	1,084	989
Investments and other assets		
Investment securities	4,239	4,937
Net defined benefit asset	316	324
Other	1,404	1,390
Allowance for doubtful accounts	(216)	(213)
Total investments and other assets	5,745	6,438
Total non-current assets	58,172	58,410
Total assets	113,654	116,351

(Millions of yen)

	As of February 28, 2017	As of August 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,475	11,847
Current portion of long-term loans payable	136	136
Income taxes payable	384	1,130
Provision for bonuses	161	228
Other	5,461	4,916
Total current liabilities	16,619	18,260
Non-current liabilities		
Long-term loans payable	79	11
Provision for directors' retirement benefits	328	337
Provision for loss on guarantees	81	81
Net defined benefit liability	76	81
Other	8,571	8,810
Total non-current liabilities	9,137	9,321
Total liabilities	25,757	27,581
Net assets		
Shareholders' equity		
Capital stock	13,821	13,821
Capital surplus	16,627	16,627
Retained earnings	58,332	58,866
Treasury shares	(18)	(18)
Total shareholders' equity	88,762	89,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,002	1,346
Revaluation reserve for land	(1,914)	(1,914)
Remeasurements of defined benefit plans	45	39
Total accumulated other comprehensive income	(866)	(527)
Total net assets	87,896	88,769
Total liabilities and net assets	113,654	116,351

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Interim Period of Consolidated Fiscal Year)

	(Millions of yen)	
	Interim Period of Fiscal 2017 (From March 1, 2016 to August 31, 2016)	Interim Period of Fiscal 2018 (From March 1, 2017 to August 31, 2017)
Net sales	28,816	32,426
Cost of sales	22,288	25,693
Provision of unrealized income on installment sales	233	228
Reversal of unrealized income on installment sales	328	215
Gross profit	6,622	6,720
Selling, general and administrative expenses	3,507	3,712
Operating income	3,115	3,007
Non-operating income		
Interest income	33	13
Dividend income	37	49
Foreign exchange gains	—	4
Other	64	52
Total non-operating income	135	119
Non-operating expenses		
Interest expenses	48	38
Foreign exchange losses	32	—
Other	20	1
Total non-operating expenses	100	39
Ordinary income	3,150	3,087
Extraordinary income		
Gain on sales of non-current assets	6	0
Gain on sales of investment securities	0	6
Gain on extinguishment of tie-in shares	59	—
Total extraordinary income	66	7
Extraordinary losses		
Loss on sales of non-current assets	2	—
Loss on retirement of non-current assets	1	2
Directors' retirement benefits	745	—
Other	6	—
Total extraordinary losses	756	2
Profit before income taxes	2,460	3,092
Income taxes - current	570	1,015
Income taxes - deferred	307	(17)
Total income taxes	877	997
Profit	1,583	2,094
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,583	2,094

Quarterly Consolidated Statements of Comprehensive Income
(Interim Period of Consolidated Fiscal Year)

(Millions of yen)

	Interim Period of Fiscal 2017 (From March 1, 2016 to August 31, 2016)	Interim Period of Fiscal 2018 (From March 1, 2017 to August 31, 2017)
Profit	1,583	2,094
Other comprehensive income		
Valuation difference on available-for-sale securities	44	344
Revaluation reserve for land	28	—
Remeasurements of defined benefit plans, net of tax	(7)	(5)
Total other comprehensive income	65	338
Comprehensive income	1,649	2,433
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,649	2,433
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Interim Period of Fiscal 2017 (From March 1, 2016 to August 31, 2016)	Interim Period of Fiscal 2018 (From March 1, 2017 to August 31, 2017)
Cash flows from operating activities		
Profit before income taxes	2,460	3,092
Depreciation	1,846	1,791
Amortization of goodwill	32	65
Increase (decrease) in allowance for doubtful accounts	24	40
Increase (decrease) in provision for bonuses	26	67
Increase (decrease) in net defined benefit asset and liability	(46)	(11)
Increase (decrease) in provision for directors' retirement benefits	(668)	8
Interest and dividend income	(71)	(62)
Interest expenses	48	38
Loss (gain) on sales and retirement of property, plant and equipment	(1)	2
Loss (gain) on sales of investment securities	(0)	(6)
Decrease (increase) in notes and accounts receivable - trade	328	(2,391)
Decrease (increase) in inventories	(191)	(401)
Increase (decrease) in notes and accounts payable - trade	(254)	1,372
Other, net	350	(353)
Subtotal	3,884	3,249
Interest and dividend income received	71	84
Interest expenses paid	(48)	(38)
Income taxes paid	(804)	(300)
Net cash provided by (used in) operating activities	3,102	2,994
Cash flows from investing activities		
Purchase of securities	—	(800)
Purchase of property, plant and equipment	(196)	(177)
Proceeds from sales of property, plant and equipment	3	3
Purchase of investment securities	(809)	(203)
Proceeds from sales and redemption of investment securities	222	1,810
Payments of loans receivable	(4)	(2)
Collection of loans receivable	16	12
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(21)	—
Other, net	234	4
Net cash provided by (used in) investing activities	(553)	648
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(190)	—
Repayments of long-term loans payable	(477)	(68)
Repayments of lease obligations	(6)	(5)
Payments for installment payables - property and equipment	(1,328)	(1,339)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(1,553)	(1,557)
Net cash provided by (used in) financing activities	(3,555)	(2,971)

(Millions of yen)

	Interim Period of Fiscal 2017 (From March 1, 2016 to August 31, 2016)	Interim Period of Fiscal 2018 (From March 1, 2017 to August 31, 2017)
Effect of exchange rate change on cash and cash equivalents	(32)	0
Net increase (decrease) in cash and cash equivalents	(1,039)	672
Cash and cash equivalents at beginning of period	23,147	28,011
Increase in cash and cash equivalents resulting from merger	19	—
Cash and cash equivalents at end of period	22,127	28,684