

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

[Delayed]Summary of Consolidated Financial Results for the Year Ended August 31, 2024 (Based on Japanese GAAP)

October 11, 2024

Company name: WITZ Corporation
 Stock exchange listing: Tokyo
 Stock code: 4440 URL <https://www.witz-inc.co.jp/>
 Representative: President Hiroyuki Hattori
 Inquiries: Director Shuji Wakita TEL 052-957-3331
 Scheduled date of ordinary general meeting of shareholders: November 28, 2024
 Scheduled date to file Securities Report: November 28, 2024
 Scheduled date to commence dividend payments: November 29, 2024
 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, 2024 (from September 1, 2023 to August 31, 2024)

(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, 2024	3,477	39.0	281	50.6	347	54.5	275	106.1
Year ended August 31, 2023	2,501	6.7	187	(20.9)	224	(15.2)	133	(24.1)

	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, 2024	67.71	67.67	11.6	10.7	8.1
Year ended August 31, 2023	32.46	32.42	5.9	7.8	7.5

(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, 2024	3,563	2,479	68.8	614.38
As of August 31, 2023	2,923	2,311	78.1	559.15

(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, 2024	355	161	(263)	1,572
Year ended August 31, 2023	248	(459)	(128)	1,318

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, 2023	—	0.00	—	8.00	8.00	32	24.6	1.5
Year ended August 31, 2024	—	0.00	—	14.00	14.00	55	20.7	2.4
Year ending August 31, 2025 (Forecast)	—	0.00	—	15.00	15.00		25.6	

3. Forecast of consolidated financial results for the year ending August 31, 2025(from September 1, 2024 to August 31, 2025)

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	4,100	17.9	337	19.6	350	0.7	234	(14.9)	58.63

4. Notes

(1) Significant changes in the scope of consolidation during the period 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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: Yes

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, 2024	4,176,000 shares	As of August 31, 2023	4,176,000 shares
-----------------------	------------------	-----------------------	------------------

Number of treasury shares at the end of the period

As of August 31, 2024	185,164 shares	As of August 31, 2023	92,464 shares
-----------------------	----------------	-----------------------	---------------

Average number of shares during the period

Year ended August 31, 2024	4,062,711 shares	Year ended August 31, 2023	4,112,335 shares
----------------------------	------------------	----------------------------	------------------

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	1,918,611	1,772,064
Notes and accounts receivable - trade, and contract assets	179,612	374,220
Merchandise and finished goods	—	423
Work in process	101,518	134,408
Raw materials and supplies	—	12,877
Prepaid expenses	42,390	58,101
Other	14,597	137,067
Total current assets	2,256,730	2,489,162
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,383	113,438
Accumulated depreciation	(28,567)	(69,321)
Buildings and structures, net	20,816	44,117
Tools, furniture and fixtures	53,869	332,781
Accumulated depreciation	(33,889)	(278,912)
Tools, furniture and fixtures, net	19,980	53,869
Other	6,924	5,794
Accumulated depreciation	(5,622)	(4,926)
Other, net	1,302	868
Total property, plant and equipment	42,098	98,855
Intangible assets		
Goodwill	86,658	225,597
Other	13,309	83,624
Total intangible assets	99,967	309,221
Investments and other assets		
Investment securities	201,652	196,730
Deferred tax assets	115,666	203,392
Insurance funds	158,781	123,294
Other	48,317	143,020
Total investments and other assets	524,417	666,437
Total non-current assets	666,483	1,074,514
Total assets	2,923,214	3,563,676

	(Thousands of yen)	
	As of August 31, 2023	As of August 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	44,897	74,078
Income taxes payable	31,309	131,292
Accrued consumption taxes	38,786	73,680
Provision for bonuses	132,949	181,745
Provision for product warranties	105	—
Asset retirement obligations	—	15,870
Other	102,896	285,760
Total current liabilities	350,944	762,428
Non-current liabilities		
Deferred tax liabilities	3,474	2,409
Retirement benefit liability	165,516	203,549
Provision for retirement benefits for directors (and other officers)	—	706
Long-term accounts payable - other	91,495	115,324
Total non-current liabilities	260,486	321,989
Total liabilities	611,431	1,084,417
Net assets		
Shareholders' equity		
Share capital	612,524	612,524
Capital surplus	547,159	551,971
Retained earnings	1,212,801	1,452,418
Treasury shares	(88,879)	(162,739)
Total shareholders' equity	2,283,605	2,454,174
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(305)	(2,269)
Total accumulated other comprehensive income	(305)	(2,269)
Non-controlling interests	28,483	27,354
Total net assets	2,311,783	2,479,259
Total liabilities and net assets	2,923,214	3,563,676

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

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Net sales	2,501,479	3,477,560
Cost of sales	1,609,057	2,252,611
Gross profit	892,422	1,224,948
Selling, general and administrative expenses	705,259	943,074
Operating profit	187,162	281,874
Non-operating income		
Surrender value of insurance policies	6,080	37,861
Commission for insurance office work	1,009	607
Commission income	113	113
Subsidy income - subsidy for research and development	24,845	22,079
Subsidy income - other	4,026	1,018
Other	2,928	6,288
Total non-operating income	39,003	67,968
Non-operating expenses		
Commission for purchase of treasury shares	773	834
Subsidy Return Frame	338	132
Interest expenses	12	1,096
Commission expenses	132	100
Foreign exchange losses	–	39
Other	4	103
Total non-operating expenses	1,261	2,308
Ordinary profit	244,905	347,534
Extraordinary income		
Gain on receipt of donated non-current assets	–	585
Gain on sale of non-current assets	107	–
Gain on sale of shares of subsidiaries and associates	–	16,907
Total extraordinary income	107	17,492
Extraordinary losses		
Impairment losses	36,175	8,818
Loss on valuation of investment securities	325	–
Loss on retirement of non-current assets	88	545
Loss on sale of non-current assets	55	–
Total extraordinary losses	36,644	9,363
Profit before income taxes	188,368	355,662
Income taxes - current	65,668	152,315
Income taxes - deferred	(13,737)	(81,733)
Total income taxes	51,931	70,582
Profit	136,437	285,080
Profit attributable to non-controlling interests	2,950	9,999
Profit attributable to owners of parent	133,487	275,081

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Profit	136,437	285,080
Other comprehensive income		
Valuation difference on available-for-sale securities	(305)	(1,964)
Total other comprehensive income	(305)	(1,964)
Comprehensive income	136,131	283,116
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	133,181	273,117
Comprehensive income attributable to non-controlling interests	2,950	9,999

Consolidated statements of changes in equity

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
Changes during period									
Issuance of new shares - exercise of share acquisition rights	962	962			1,925				1,925
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
Transfer from retained earnings to capital surplus					—				—
Change in ownership interest of parent due to transactions with non-controlling interests					—				—
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

Fiscal year ended August 31, 2024

(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	612,524	547,159	1,211,801	(88,879)	2,283,605	(305)	(305)	28,483	2,311,783
Changes during period									
Issuance of new shares - exercise of share acquisition rights					—				—
Dividends of surplus			(32,668)		(32,668)				(32,668)
Profit attributable to owners of parent			275,081		275,081				275,081
Purchase of treasury shares				(86,820)	(86,820)				(86,820)
Disposal of treasury shares		(2,942)		12,960	10,017				10,017
Transfer from retained earnings to capital surplus		2,796	(2,796)		—				—
Change in ownership interest of parent due to transactions with non-controlling interests		4,958			4,958				4,958
Net changes in items other than shareholders' equity						(1,964)	(1,964)	(1,128)	(3,092)
Total changes during period	—	4,811	239,616	(73,859)	170,568	(1,964)	(1,964)	(1,128)	167,476
Balance at end of period	612,524	551,971	1,452,418	(162,739)	2,454,174	(2,269)	(2,269)	27,354	2,749,259

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	188,368	355,662
Depreciation	20,907	43,248
Impairment losses	36,175	8,818
Amortization of goodwill	10,195	19,272
Depreciation and amortization on other	5,962	10,830
Increase (decrease) in retirement benefit liability	14,875	26,469
Increase (decrease) in provision for bonuses	16,742	31,478
Increase (decrease) in provision for product warranties	(852)	(105)
Gain on receipt of donated non-current assets	—	(585)
Loss on retirement of non-current assets	88	545
Surrender value of insurance policies	(6,075)	(37,854)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	—	706
Loss (gain) on valuation of investment securities	325	—
Loss (gain) on sale of shares of subsidiaries and associates	—	(16,907)
Decrease (increase) in trade receivables and contract assets	22,735	(94,273)
Decrease (increase) in inventories	(23,065)	15,839
Increase (decrease) in trade payables	8,008	(65,425)
Other, net	41,528	125,019
Subtotal	355,919	422,739
Income taxes (paid) refund	(87,639)	(67,204)
Net cash provided by (used in) operating activities	248,280	355,535
Cash flows from investing activities		
Net decrease (increase) in time deposits	(200,000)	319,629
Purchase of property, plant and equipment	(16,502)	(60,996)
Proceeds from sale of property, plant and equipment	270	—
Purchase of intangible assets	(27,530)	(65,817)
Purchase of investment securities	(200,000)	(100,000)
Proceeds from redemption of investment securities	—	100,000
Payments of guarantee deposits	(2,528)	(83,960)
Proceeds from refund of guarantee deposits	2,335	3,432
Purchase of insurance funds	(19,707)	(13,980)
Proceeds from cancellation of insurance funds	11,196	93,947
Purchase of long-term prepaid expenses	(7,188)	(2,646)
Payments for asset retirement obligations	(161)	(2,300)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(82,858)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	38,152
Proceeds from sales of shares of associates	—	18,999
Other, net	213	—
Net cash provided by (used in) investing activities	(459,603)	161,602

	(Thousands of yen)	
	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	—	(138,760)
Proceeds from issuance of shares	1,925	—
Proceeds from disposal of treasury shares	—	1,540
Purchase of treasury shares	(97,012)	(87,654)
Dividends paid	(33,330)	(32,639)
Dividends paid to non-controlling interests	(442)	(410)
Proceeds from share issuance to non-controlling shareholders	—	9,000
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(14,760)
Net cash provided by (used in) financing activities	(128,860)	(263,684)
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	(340,184)	253,452
Cash and cash equivalents at beginning of period	1,658,795	1,318,611
Cash and cash equivalents at end of period	1,318,611	1,572,064