

Summary of Financial Results for the First Quarter Ended November 30, 2019 [Japan GAAP] (Consolidated)

January 10, 2020

Company **Watts Co., Ltd.** Listed on the TSE
 Stock Code 2735 URL: <https://www.watts-jp.com>
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 Expected date of filing of quarterly report: January 10, 2020 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: None
 Quarterly results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the three months ended November 2019 (September 1, 2019 through November 30, 2019)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Nov. 2019	12,703	-0.2	206	50.4	220	40.0	91	4.7
Three months ended Nov. 2018	12,731	7.4	137	-45.0	157	-40.6	87	-49.2

(Note) Comprehensive income

Three months ended November 2019: 97 million yen (16.9%)

Three months ended November 2018: 83 million yen (-52.5%)

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Three months ended Nov. 2019	6.81	-	-	-
Three months ended Nov. 2018	6.47	-	-	-

(2) Consolidated financial position

	Total assets		Net assets		Shareholders' equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of Nov. 2019	22,576	9,829	9,829	9,829	44.8	44.8
As of Aug. 2019	21,557	9,867	9,867	9,867	47.1	47.1

(Reference) Shareholders' equity

As of November 2019: 10,113 million yen

As of August 2019: 10,150 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Year ended Aug. 2019	Yen -	Yen 0.00	Yen -	Yen 10.00	Yen 10.00
Year ending Aug. 2020	-	-	-	10.00	10.00
Year ending Aug. 2020 (forecast)	-	0.00	-	10.00	10.00

(Note) Revisions to dividend forecast for the current quarter: None

3. Forecast of consolidated business results for the fiscal year ending August 2020

(September 1, 2019 through August 31, 2020)

(% change from the previous corresponding period)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
For the six months ending Feb. 2020	25,500	-0.6	300	-18.2	310	-8.0	120	16.0	8.96	8.96
Year ending Aug. 2020	51,860	0.9	770	7.4	790	20.4	350	395.9	26.12	26.12

(Note) Revisions to business forecast for the current quarter: None

***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements:
None

(3) Changes in accounting policies, accounting estimates and restatement

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|---|--------|
| ①Changes in accounting policies associated with revision of accounting standards: | : None |
| ②Changes in accounting policies other than ① | : None |
| ③Changes in accounting estimates | : None |
| ④Restatement | : None |

(4) Shares outstanding (common stock)

①Number of shares outstanding at the end of period (treasury stock included)

As of November 2019	13,958,800 shares
As of August 2019	13,958,800 shares

②Treasury stock at the end of period

As of November 2019	560,874 shares
As of August 2019	560,874 shares

③Average number of stock during period (quarterly cumulative period)

Three months ended November 2019	13,397,926 shares
Three months ended November 2018	13,483,440 shares

(Note) The number of treasury stock at the end of period includes the Company's shares held by the share issuance trust for directors (FY8/20 1Q: 60,000 shares, FY8/19: 60,000 shares). In addition, the Company's shares owned by the share issuance trust for directors are included in treasury stock deducted for calculation of the average number of shares during period (FY8/20 1Q: 60,000 shares, FY8/19 1Q: 60,000 shares).

***Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

(Caution concerning forward-looking statements)

The forward-looking statements regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Therefore, the company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.