

Summary of Business Results for the Third Quarter Ended May 31, 2021 [Japan GAAP] (Consolidated)

July 12, 2021

Company **Watts Co., Ltd.** Listed on the TSE
 Stock Code 2735 URL: <https://www.watts-jp.com/>
 Representative Fumio Hiraoka, President and CEO
 Contact Hidehito Mori, Executive Managing Director, Head of Corporate Planning Office TEL: +81-6-4792-3280
 Expected date of filing of quarterly report: July 12, 2021 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 nine months ended May 2021

(September 1, 2020 through May 31, 2021)

(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 | % |
| Nine months ended May 2021 | 38,348 | -3.2 | 1,456 | 17.4 | 1,446 | 19.7 | 1,004 | 107.8 |
| Nine months ended May 2020 | 39,610 | 2.6 | 1,239 | 123.6 | 1,208 | 131.5 | 483 | 183.1 |

(Note) Comprehensive income

Nine months ended May 2021: 991 million yen (123.3%)

Nine months ended May 2020: 443 million yen (506.2%)

| | Net income per share | | Diluted net income per share | |
|----------------------------|----------------------|-----|------------------------------|-----|
| | Yen | Yen | Yen | Yen |
| Nine months ended May 2021 | 74.96 | - | - | - |
| Nine months ended May 2020 | 36.08 | - | - | - |

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio |
|-----------------|--------------|-------------|----------------------------|
| | Million yen | Million yen | % |
| As of May 2021 | 21,755 | 11,270 | 51.8 |
| As of Aug. 2020 | 21,544 | 10,481 | 48.7 |

(Reference) Shareholders' equity

As of May 2021: 11,270 million yen

As of August 2020: 10,481 million yen

2. Dividends

| | Annual dividend | | | | |
|----------------------------------|-----------------|-----------|-----------|----------|-------|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended Aug. 2020 | - | 0.00 | - | 15.00 | 15.00 |
| Year ending Aug. 2021 | - | 0.00 | - | - | - |
| Year ending Aug. 2021 (forecast) | - | - | - | 15.00 | 15.00 |

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

3. Forecast of consolidated business results for the fiscal year ending August 2021

(September 1, 2020 through August 31, 2021)

(% 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 |
| Year ending Aug. 2021 | 50,960 | -3.5 | 1,850 | 4.6 | 1,780 | 2.8 | 1,150 | 48.5 | 85.83 |

(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

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

(4) Shares outstanding (common stock)

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

| | |
|-------------------|-------------------|
| As of May 2021 | 13,958,800 shares |
| As of August 2020 | 13,958,800 shares |

② Treasury stock at the end of period

| | |
|-------------------|----------------|
| As of May 2021 | 560,874 shares |
| As of August 2020 | 560,874 shares |

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

| | |
|----------------------------|-------------------|
| Nine months ended May 2021 | 13,397,926 shares |
| Nine months ended May 2020 | 13,397,926 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 (FY8/21 3Q: 60,000 shares, FY8/20: 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 (FY8/21 3Q: 60,000 shares, FY8/20 3Q: 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.