

Summary of Financial Results for the First Quarter Ended November 30, 2020 [Japan GAAP] (Consolidated)

January 12, 2021

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 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 three months ended November 2020 (September 1, 2020 through November 30, 2020)

(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. 2020	12,693	-0.1	491	137.4	470	113.0	527	477.8
Three months ended Nov. 2019	12,703	-0.2	206	50.4	220	40.0	91	4.7

(Note) Comprehensive income

Three months ended November 2020: 490 million yen (405.3%)

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

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Nov. 2020	39.37	-
Three months ended Nov. 2019	6.81	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Nov. 2020	21,271	10,770	50.6
As of Aug. 2020	21,544	10,481	48.7

(Reference) Shareholders' equity

As of November 2020: 10,770 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	-	-	-	-	-
Year ending Aug. 2021 (forecast)	-	0.00	-	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
For the six months ending Feb. 2021	25,340	-2.5	770	-2.1	750	-4.2	620	47.4	46.28
Year ending Aug. 2021	50,960	-3.5	1,090	-38.4	1,040	-39.9	740	-4.4	55.23

(Note) Revisions to business forecast for the current quarter: Yes

For more information on the revisions to the consolidated business forecasts, please refer to the " Notice Concerning Revision to Business Forecasts for the First Half " dated January 12, 2020.

***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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|--|--------|
| 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 | : None |
| ④ Restatement | : None |

(4) Shares outstanding (common stock)

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

As of November 2020	13,958,800 shares
As of August 2020	13,958,800 shares

② Treasury stock at the end of period

As of November 2020	560,874 shares
As of August 2020	560,874 shares

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

Three months ended November 2020	13,397,926 shares
Three months ended November 2019	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 1Q: 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 1Q: 60,000 shares, FY8/20 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.