

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

Company name: WASEDA ACADEMY CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 4718 URL <https://www.waseda-ac.co.jp/corp/ir/>
 Representative: Representative Director and President Yutaka Yamamoto
 Executive Officer, General Manager of
 Inquiries: Administration Division and General Toshihiko Seki TEL 03-3590-4011
 Manager of General Affairs Department
 Scheduled date to file Quarterly Securities Report: February 5, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2023	24,019	7.3	2,005	22.1	2,047	22.7	1,408	36.0
Nine months ended December 31, 2022	22,379	7.9	1,643	31.9	1,668	32.0	1,035	33.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	74.49		–	
Nine months ended December 31, 2022	54.89		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	23,112	13,572	58.7
As of March 31, 2023	21,114	12,532	59.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	8.00	–	16.00	24.00
Year ending March 31, 2024	–	10.00	–		
Year ending March 31, 2024 (Forecast)				30.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	33,228	8.1	2,659	10.8	2,693	10.8	1,662	7.1	87.94

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	19,012,452 shares	As of March 31, 2023	19,012,452 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	93,149 shares	As of March 31, 2023	155,663 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	18,905,820 shares	Nine months ended December 31, 2022	18,862,012 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	6,306,306	6,737,613
Trade accounts receivable	1,841,932	2,938,474
Merchandise and finished goods	159,229	415,418
Raw materials and supplies	67,958	111,331
Prepaid expenses	497,582	589,273
Other	37,305	41,713
Allowance for doubtful accounts	(5,844)	(2,968)
Total current assets	8,904,470	10,830,855
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,575,281	8,895,693
Accumulated depreciation	(4,820,147)	(5,020,024)
Buildings and structures, net	3,755,134	3,875,669
Land	1,098,446	1,098,446
Leased assets	1,217,189	1,171,022
Accumulated depreciation	(674,290)	(628,930)
Leased assets, net	542,899	542,092
Construction in progress	–	3,378
Other	985,689	1,161,696
Accumulated depreciation	(784,004)	(835,201)
Other, net	201,684	326,494
Total property, plant and equipment	5,598,165	5,846,081
Intangible assets		
Software	556,997	680,384
Software in progress	93,123	86,835
Goodwill	1,113,506	977,389
Other	41,191	38,943
Total intangible assets	1,804,818	1,783,552
Investments and other assets		
Investment securities	574,207	671,375
Deferred tax assets	960,722	764,937
Guarantee deposits	3,109,791	3,073,479
Other	172,165	152,090
Allowance for doubtful accounts	(9,800)	(9,900)
Total investments and other assets	4,807,087	4,651,982
Total non-current assets	12,210,071	12,281,616
Total assets	21,114,542	23,112,472

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	345,805	746,454
Accounts payable - other	952,045	1,084,945
Accrued expenses	1,032,633	1,190,373
Lease liabilities	217,851	207,433
Income taxes payable	715,062	205,907
Accrued consumption taxes	354,824	247,557
Advances received	762,137	1,788,903
Provision for bonuses	587,078	317,831
Provision for bonuses for directors (and other officers)	27,015	–
Provision for share awards for directors (and other officers)	84,422	–
Provision for share awards for employees	29,993	–
Provision for shareholder benefit program	75,581	150,185
Asset retirement obligations	38,411	–
Other	65,244	182,942
Total current liabilities	5,288,109	6,122,535
Non-current liabilities		
Lease liabilities	333,880	342,091
Retirement benefit liability	1,078,722	1,114,533
Asset retirement obligations	1,868,248	1,947,588
Other	13,413	13,038
Total non-current liabilities	3,294,264	3,417,251
Total liabilities	8,582,374	9,539,787
Net assets		
Shareholders' equity		
Share capital	2,014,172	2,014,172
Capital surplus	2,019,962	2,019,962
Retained earnings	8,563,552	9,477,484
Treasury shares	(143,720)	(113,426)
Total shareholders' equity	12,453,966	13,398,193
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78,743	146,026
Foreign currency translation adjustment	19,261	46,871
Remeasurements of defined benefit plans	(19,804)	(18,406)
Total accumulated other comprehensive income	78,201	174,491
Non-controlling interests	–	–
Total net assets	12,532,167	13,572,684
Total liabilities and net assets	21,114,542	23,112,472

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	22,379,492	24,019,330
Cost of sales	16,182,422	16,963,870
Gross profit	6,197,069	7,055,460
Selling, general and administrative expenses	4,553,850	5,049,653
Operating profit	1,643,219	2,005,807
Non-operating income		
Interest income	877	2,548
Dividend income	17,529	19,928
Rental income from real estate	9,730	14,146
Other	11,217	25,156
Total non-operating income	39,354	61,780
Non-operating expenses		
Interest expenses	5,762	6,088
Loss on retirement of non-current assets	7,754	10,319
Other	296	3,308
Total non-operating expenses	13,813	19,716
Ordinary profit	1,668,760	2,047,871
Extraordinary losses		
Loss on retirement of non-current assets	–	1,328
Total extraordinary losses	–	1,328
Profit before income taxes	1,668,760	2,046,542
Income taxes - current	528,023	473,443
Income taxes - deferred	105,397	164,844
Total income taxes	633,420	638,287
Profit	1,035,339	1,408,255
Profit attributable to		
Profit attributable to owners of parent	1,035,339	1,408,255
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	1,577	67,282
Foreign currency translation adjustment	15,859	27,609
Remeasurements of defined benefit plans, net of tax	1,216	1,397
Total other comprehensive income	18,654	96,289
Comprehensive income	1,053,993	1,504,545
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,053,993	1,504,545
Comprehensive income attributable to non-controlling interests	–	–