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Non-consolidated Financial Results for the Three Months Ended May 31, 2022 [Japanese GAAP]

July 08, 2022

Company name: WADAKOHSAN CORPORATION

Stock exchange listing: Tokyo

Code number: 8931

URL: <http://www.wadakohsan.co.jp>

Representative: Toshiya Mizomoto

President and Representative Director

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Scheduled date of filing quarterly securities report: July 15, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Non-consolidated Financial Results for the Three Months Ended May 31, 2022 (March 01, 2022 to May 31, 2022)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended May 31, 2022	10,538	(3.9)	1,161	3.6	1,020	5.6	721	8.1
May 31, 2021	10,969	35.2	1,120	169.0	966	377.0	666	780.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2022	64.96	-
May 31, 2021	60.07	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of May 31, 2022	92,481	27,138	29.3
February 28, 2022	98,302	26,656	27.1

(Reference) Equity: As of May 31, 2022: ¥ 27,138 million

As of February 28, 2022: ¥ 26,656 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2022	-	18.00	-	22.00	40.00
Fiscal year ending February 28, 2023	-				
Fiscal year ending February 28, 2023 (Forecast)		21.00	-	21.00	42.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023(March 01, 2022 to February 28, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended August 31, 2022	19,000	8.6	1,700	12.4	1,300	9.3	900	9.6	81.08
Full year	42,000	0.5	3,700	(4.7)	2,900	(8.3)	2,000	(14.4)	180.18

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly Non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

May 31, 2022: 11,100,000 shares

February 28, 2022: 11,100,000 shares

2) Total number of treasury shares at the end of the period:

May 31, 2022: 248 shares

February 28, 2022: 248 shares

3) Average number of shares during the period:

Three months ended May 31, 2022: 11,099,752 shares

Three months ended May 31, 2021: 11,099,752 shares

* Quarterly results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements in this document, including the forecasts of financial results, etc., are based on the information currently available to the Company and certain assumptions deemed to be reasonable. Actual performance and other results may differ materially from these forecasts are due to various factors.

Quarterly Non-consolidated Financial Statements
Quarterly Non-consolidated Balance Sheets

(Thousand yen)

	As of February 28,2022	As of May 31,2022
Assets		
Current assets		
Cash and deposits	17,007,822	15,932,554
Accounts receivable - trade	8,011	7,276
Lease receivables	836,448	831,513
Real estate for sale	10,478,002	9,300,962
Real estate for sale in process	40,872,549	37,706,003
Other	751,637	387,211
Allowance for doubtful accounts	(9,110)	(9,103)
Current assets	69,945,361	64,156,417
Non-current assets		
Property, plant and equipment		
Buildings, net	12,307,683	12,189,617
Land	13,220,208	13,216,663
Other, net	143,784	372,725
Property, plant and equipment	25,671,676	25,779,006
Intangible assets	617,874	618,290
Investments and other assets		
Deferred tax assets	501,645	349,082
Other	1,581,242	1,594,178
Allowance for doubtful accounts	(15,587)	(15,584)
Investments and other assets	2,067,300	1,927,676
Non-current assets	28,356,851	28,324,973
Assets	98,302,213	92,481,390

(Thousand yen)

	As of February 28,2022	As of May 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,012,434	858,953
Electronically recorded obligations - operating	9,191,830	7,970,014
Short-term borrowings	7,307,600	8,642,900
Current portion of bonds payable	224,300	64,500
Current portion of long-term borrowings	20,855,637	20,928,677
Income taxes payable	672,171	172,247
Advances received	4,202,226	3,889,166
Provision for bonuses	121,507	188,322
Provision for bonuses for directors (and other officers)	8,475	16,950
Provision for warranties for completed construction	21,000	14,000
Asset retirement obligations	-	2,500
Other	1,231,558	1,261,326
Current liabilities	47,848,740	44,009,558
Non-current liabilities		
Bonds payable	385,750	357,750
Long-term borrowings	21,893,935	19,961,681
Provision for retirement benefits	232,631	219,162
Provision for retirement benefits for directors (and other officers)	547,883	79,629
Asset retirement obligations	324,277	322,169
Other	412,305	393,240
Non-current liabilities	23,796,782	21,333,632
Liabilities	71,645,523	65,343,191
Net assets		
Shareholders' equity		
Share capital	1,403,091	1,403,091
Capital surplus	1,448,280	1,448,280
Retained earnings	23,857,173	24,334,048
Treasury shares	(121)	(121)
Shareholders' equity	26,708,423	27,185,297
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(26,924)	(28,376)
Deferred gains or losses on hedges	(24,808)	(18,721)
Valuation and translation adjustments	(51,733)	(47,098)
Net assets	26,656,690	27,138,199
Liabilities and net assets	98,302,213	92,481,390

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended May 31,2021	For the three months ended May 31,2022
Net sales	10,969,087	10,538,957
Cost of sales	8,839,739	8,384,071
Gross profit (loss)	2,129,348	2,154,885
Selling, general and administrative expenses	1,008,955	993,621
Operating profit (loss)	1,120,392	1,161,264
Non-operating income		
Interest income	69	53
Dividend income	2,520	2,591
Foreign exchange gains	-	12,255
Surrender value of insurance policies	9,789	2,597
Commission income	1,766	1,233
Other	974	5,641
Non-operating income	15,120	24,372
Non-operating expenses		
Interest expenses	158,915	155,442
Financing expenses	8,333	4,454
Other	1,874	4,790
Non-operating expenses	169,123	164,687
Ordinary profit (loss)	966,389	1,020,949
Extraordinary income		
Gain on sale of non-current assets	6,689	2
Extraordinary income	6,689	2
Extraordinary losses		
Loss on sale of non-current assets	625	-
Extraordinary losses	625	-
Profit (loss) before income taxes	972,454	1,020,951
Income taxes - current	223,000	150,000
Income taxes - deferred	82,648	149,881
Income taxes	305,648	299,881
Profit (loss)	666,805	721,069