

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

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
 Director, Managing Executive
 Inquiries: Officer, General Manager of Administration Yoko Kono TEL 03-3590-4011
 Division
 Scheduled date to file Quarterly Securities Report: August 5, 2022
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	5,799	10.9	(297)	–	(287)	–	(249)	–
Three months ended June 30, 2021	5,231	18.3	(415)	–	(408)	–	(317)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	(13.23)		–	
Three months ended June 30, 2021	(16.85)		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2022	18,163		10,913		60.1	
As of March 31, 2022	19,663		11,431		58.1	

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, 2022	–	7.00	–	15.00	22.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		8.00	–	16.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	14,922	8.8	879	(4.2)	893	(2.9)	525	(7.8)	27.85
Full year	31,000	8.6	2,149	18.0	2,176	18.2	1,303	17.6	69.11

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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 June 30, 2022	19,012,452 shares	As of March 31, 2022	19,012,452 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	155,334 shares	As of March 31, 2022	155,334 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	18,857,118 shares	Three months ended June 30, 2021	18,857,118 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	5,207,200	4,674,328
Trade accounts receivable	1,894,820	380,378
Merchandise and finished goods	231,936	456,702
Raw materials and supplies	68,121	85,505
Prepaid expenses	476,640	665,167
Other	31,523	115,544
Allowance for doubtful accounts	(5,896)	(3,507)
Total current assets	7,904,346	6,374,120
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,075,434	8,172,321
Accumulated depreciation	(4,408,727)	(4,504,768)
Buildings and structures, net	3,666,707	3,667,552
Land	1,093,541	1,093,541
Leased assets	1,235,904	1,220,511
Accumulated depreciation	(637,702)	(645,030)
Leased assets, net	598,202	575,480
Construction in progress	12,735	1,881
Other	934,647	957,289
Accumulated depreciation	(722,689)	(740,521)
Other, net	211,958	216,767
Total property, plant and equipment	5,583,143	5,555,222
Intangible assets		
Software	416,312	408,961
Goodwill	1,302,529	1,256,668
Other	45,465	44,396
Total intangible assets	1,764,306	1,710,027
Investments and other assets		
Investment securities	592,564	601,473
Deferred tax assets	849,762	922,994
Guarantee deposits	2,770,148	2,808,256
Other	209,893	201,721
Allowance for doubtful accounts	(10,400)	(10,300)
Total investments and other assets	4,411,968	4,524,145
Total non-current assets	11,759,418	11,789,395
Total assets	19,663,765	18,163,516

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	344,547	617,304
Accounts payable - other	741,852	616,949
Accrued expenses	1,027,772	1,025,727
Lease liabilities	223,343	220,825
Income taxes payable	637,761	65,303
Accrued consumption taxes	358,242	236,456
Advances received	851,704	591,230
Provision for bonuses	579,781	270,352
Provision for bonuses for directors (and other officers)	26,370	–
Provision for shareholder benefit program	61,118	39,439
Other	61,893	230,081
Total current liabilities	4,914,387	3,913,671
Non-current liabilities		
Lease liabilities	386,213	365,744
Retirement benefit liability	1,024,689	1,036,286
Asset retirement obligations	1,827,881	1,855,276
Provision for share awards for directors (and other officers)	43,373	43,373
Provision for share awards for employees	21,420	21,420
Other	14,151	14,042
Total non-current liabilities	3,317,729	3,336,143
Total liabilities	8,232,117	7,249,815
Net assets		
Shareholders' equity		
Share capital	2,014,172	2,014,172
Capital surplus	2,019,962	2,019,962
Retained earnings	7,447,532	6,914,340
Treasury shares	(140,229)	(140,229)
Total shareholders' equity	11,341,437	10,808,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	91,347	97,673
Foreign currency translation adjustment	5,350	13,863
Remeasurements of defined benefit plans	(6,487)	(6,081)
Total accumulated other comprehensive income	90,210	105,454
Non-controlling interests	–	–
Total net assets	11,431,648	10,913,701
Total liabilities and net assets	19,663,765	18,163,516

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

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	5,231,689	5,799,747
Cost of sales	4,323,247	4,656,856
Gross profit	908,442	1,142,890
Selling, general and administrative expenses	1,324,385	1,440,291
Operating loss	(415,942)	(297,400)
Non-operating income		
Interest income	2	11
Dividend income	9,596	9,174
Rental income from real estate	2,273	3,290
Other	4,201	2,893
Total non-operating income	16,074	15,370
Non-operating expenses		
Interest expenses	3,391	1,934
Loss on retirement of non-current assets	3,836	3,269
Other	1,481	107
Total non-operating expenses	8,709	5,311
Ordinary loss	(408,578)	(287,341)
Loss before income taxes	(408,578)	(287,341)
Income taxes - current	23,139	38,212
Income taxes - deferred	(114,037)	(76,153)
Total income taxes	(90,898)	(37,941)
Loss	(317,679)	(249,400)
Profit attributable to		
Loss attributable to owners of parent	(317,679)	(249,400)
Loss attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	(32,512)	6,325
Foreign currency translation adjustment	6,546	8,513
Remeasurements of defined benefit plans, net of tax	83	405
Total other comprehensive income	(25,882)	15,244
Comprehensive income	(343,562)	(234,156)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(343,562)	(234,156)
Comprehensive income attributable to non-controlling interests	–	–