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

October 07, 2022

Company name: WADAKOHSAN CORPORATION

Stock exchange listing: Tokyo

Code number: 8931

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

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Scheduled date of filing quarterly securities report: October 14, 2022

Scheduled date of commencing dividend payments: November 09, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

President and Representative Director

Director, General Manager of General Planning and Policy Dept.

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

1. Non-consolidated Financial Results for the Six Months Ended August 31, 2022 (March 01, 2022 to August 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	%
Six months ended August 31, 2022	19,367	10.7	2,111	39.6	1,829	53.8	1,270	54.7
August 31, 2021	17,494	9.6	1,512	18.9	1,189	35.5	821	59.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2022	114.46	-
August 31, 2021	73.99	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of August 31, 2022	88,651	27,693	31.2
February 28, 2022	98,302	26,656	27.1

(Reference) Equity: As of August 31, 2022: ¥ 27,693 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	-	22.00			
Fiscal year ending February 28, 2023 (Forecast)			-	22.00	44.00

(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
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):

August 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:

August 31, 2022: 248 shares

February 28, 2022: 248 shares

3) Average number of shares during the period:

Six months ended August 31, 2022: 11,099,752 shares

Six months ended August 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 August 31,2022
Assets		
Current assets		
Cash and deposits	17,007,822	12,669,582
Accounts receivable - trade	8,011	7,394
Lease receivables	836,448	826,489
Real estate for sale	10,478,002	8,266,740
Real estate for sale in process	40,872,549	38,288,480
Other	751,637	685,408
Allowance for doubtful accounts	(9,110)	(9,100)
Total current assets	69,945,361	60,734,995
Non-current assets		
Property, plant and equipment		
Buildings, net	12,307,683	12,261,308
Land	13,220,208	13,252,509
Other, net	143,784	197,606
Total property, plant and equipment	25,671,676	25,711,423
Intangible assets	617,874	617,638
Investments and other assets		
Deferred tax assets	501,645	330,371
Other	1,581,242	1,272,325
Allowance for doubtful accounts	(15,587)	(15,581)
Total investments and other assets	2,067,300	1,587,115
Total non-current assets	28,356,851	27,916,177
Total assets	98,302,213	88,651,173

(Thousand yen)

	As of February 28,2022	As of August 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,012,434	3,134,278
Electronically recorded obligations - operating	9,191,830	2,614,690
Short-term borrowings	7,307,600	8,464,900
Current portion of bonds payable	224,300	64,500
Current portion of long-term borrowings	20,855,637	20,851,181
Income taxes payable	672,171	430,774
Advances received	4,202,226	3,716,512
Provision for bonuses	121,507	123,884
Provision for bonuses for directors (and other officers)	8,475	9,250
Provision for warranties for completed construction	21,000	18,000
Asset retirement obligations	-	5,549
Other	1,231,558	665,629
Total current liabilities	47,848,740	40,099,149
Non-current liabilities		
Bonds payable	385,750	353,500
Long-term borrowings	21,893,935	19,496,003
Provision for retirement benefits	232,631	224,990
Provision for retirement benefits for directors (and other officers)	547,883	86,744
Asset retirement obligations	324,277	320,031
Other	412,305	377,112
Total non-current liabilities	23,796,782	20,858,381
Total liabilities	71,645,523	60,957,531
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	24,883,449
Treasury shares	(121)	(121)
Total shareholders' equity	26,708,423	27,734,698
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(26,924)	(27,057)
Deferred gains or losses on hedges	(24,808)	(13,999)
Total valuation and translation adjustments	(51,733)	(41,056)
Total net assets	26,656,690	27,693,641
Total liabilities and net assets	98,302,213	88,651,173

Quarterly Non-consolidated Statements of Income

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

(Thousand yen)

	For the six months ended August 31,2021	For the six months ended August 31,2022
Net sales	17,494,601	19,367,544
Cost of sales	13,997,611	15,378,410
Gross profit	3,496,989	3,989,134
Selling, general and administrative expenses	1,984,241	1,877,776
Operating profit	1,512,748	2,111,357
Non-operating income		
Interest income	147	145
Dividend income	4,507	4,698
Surrender value of insurance policies	11,213	25,240
Commission income	2,780	3,510
Other	1,162	9,661
Total non-operating income	19,811	43,256
Non-operating expenses		
Interest expenses	317,409	308,739
Financing expenses	18,173	10,066
Other	7,717	6,607
Total non-operating expenses	343,300	325,413
Ordinary profit	1,189,259	1,829,200
Extraordinary income		
Gain on sale of non-current assets	20,828	2
Total extraordinary income	20,828	2
Extraordinary losses		
Loss on sale of non-current assets	2,850	4,220
Loss on retirement of non-current assets	1,630	-
Total extraordinary losses	4,480	4,220
Profit before income taxes	1,205,606	1,824,982
Income taxes - current	291,000	388,000
Income taxes - deferred	93,327	166,512
Total income taxes	384,327	554,512
Profit	821,279	1,270,469

Quarterly Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended August 31,2021	For the six months ended August 31,2022
Cash flows from operating activities		
Profit before income taxes	1,205,606	1,824,982
Depreciation	367,955	348,669
Increase (decrease) in allowance for doubtful accounts	(460)	(16)
Increase (decrease) in provision for bonuses	(1,515)	2,377
Increase (decrease) in provision for bonuses for directors (and other officers)	400	775
Increase (decrease) in provision for warranties for completed construction	8,000	(3,000)
Increase (decrease) in provision for retirement benefits	(7,274)	(7,641)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	14,655	(461,138)
Interest and dividend income	(4,655)	(4,843)
Interest expenses	317,409	308,739
Loss (gain) on sale of property, plant and equipment	(17,977)	4,218
Loss on retirement of property, plant and equipment	1,965	1,607
Decrease (increase) in trade receivables	(651)	616
Decrease (increase) in lease receivables	9,272	9,959
Decrease (increase) in inventories	1,132,933	4,636,613
Increase (decrease) in trade payables	(481,587)	(7,455,296)
Increase (decrease) in advances received	456,357	(485,713)
Other, net	123,248	(657,217)
Subtotal	3,123,683	(1,936,307)
Interest and dividends received	3,768	4,912
Interest paid	(342,435)	(306,047)
Income taxes paid	(233,810)	(574,416)
Net cash provided by (used in) operating activities	2,551,205	(2,811,858)
Cash flows from investing activities		
Net decrease (increase) in time deposits	186,978	69,988
Purchase of property, plant and equipment	(514,742)	(158,522)
Proceeds from sale of property, plant and equipment	221,129	11,119
Purchase of intangible assets	(1,178)	(2,119)
Other, net	11,617	366,432
Net cash provided by (used in) investing activities	(96,195)	286,898
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(122,300)	1,157,300
Proceeds from long-term borrowings	4,175,504	3,739,800
Repayments of long-term borrowings	(3,970,135)	(6,142,187)
Redemption of bonds	(32,250)	(192,050)
Dividends paid	(388,608)	(244,968)
Repayments of lease obligations	(1,152)	(1,185)
Net cash provided by (used in) financing activities	(338,942)	(1,683,291)
Net increase (decrease) in cash and cash equivalents	2,116,066	(4,208,251)
Cash and cash equivalents at beginning of period	9,391,337	14,689,097
Cash and cash equivalents at end of period	11,507,404	10,480,846