

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 31, 2023

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
 Administration Division and General Manager of General Affairs Department Toshihiko Seki
 TEL 03-3590-4011
 Scheduled date to file Quarterly Securities Report: August 4, 2023
 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, 2023 (from April 1, 2023 to June 30, 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	%
Three months ended June 30, 2023	6,249	7.7	(240)	–	(214)	–	(104)	–
Three months ended June 30, 2022	5,799	10.9	(297)	–	(287)	–	(249)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	(5.51)		–	
Three months ended June 30, 2022	(13.23)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	19,702	12,201	61.9
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	–				
Year ending March 31, 2024 (Forecast)		10.00	–	20.00	30.00

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
Six months ending September 30, 2023	16,132	8.8	1,102	0.6	1,126	1.5	683	(1.0)	36.18
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 three months ended June 30, 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 June 30, 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 June 30, 2023	89,907 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)

Three months ended June 30, 2023	18,861,992 shares	Three months ended June 30, 2022	18,857,118 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	6,306,306	5,810,904
Trade accounts receivable	1,841,932	260,816
Merchandise and finished goods	159,229	424,757
Raw materials and supplies	67,958	81,028
Prepaid expenses	497,582	734,473
Other	37,305	37,772
Allowance for doubtful accounts	(5,844)	(3,812)
Total current assets	8,904,470	7,345,940
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,575,281	8,744,187
Accumulated depreciation	(4,820,147)	(4,816,729)
Buildings and structures, net	3,755,134	3,927,458
Land	1,098,446	1,098,446
Leased assets	1,217,189	1,221,838
Accumulated depreciation	(674,290)	(676,686)
Leased assets, net	542,899	545,152
Other	985,689	1,003,748
Accumulated depreciation	(784,004)	(796,835)
Other, net	201,684	206,913
Total property, plant and equipment	5,598,165	5,777,971
Intangible assets		
Software	556,997	653,156
Software in progress	93,123	44,772
Goodwill	1,113,506	1,066,833
Other	41,191	40,123
Total intangible assets	1,804,818	1,804,885
Investments and other assets		
Investment securities	574,207	584,845
Deferred tax assets	960,722	993,572
Guarantee deposits	3,109,791	3,045,486
Other	172,165	159,334
Allowance for doubtful accounts	(9,800)	(9,800)
Total investments and other assets	4,807,087	4,773,438
Total non-current assets	12,210,071	12,356,295
Total assets	21,114,542	19,702,235

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	345,805	667,495
Accounts payable - other	952,045	712,401
Accrued expenses	1,032,633	1,093,272
Lease liabilities	217,851	214,553
Income taxes payable	715,062	74,026
Accrued consumption taxes	354,824	222,573
Advances received	762,137	451,450
Provision for bonuses	587,078	283,005
Provision for bonuses for directors (and other officers)	27,015	–
Provision for share awards for directors (and other officers)	84,422	84,422
Provision for share awards for employees	29,993	29,993
Provision for shareholder benefit program	75,581	46,434
Asset retirement obligations	38,411	–
Other	65,244	252,480
Total current liabilities	5,288,109	4,132,109
Non-current liabilities		
Lease liabilities	333,880	338,823
Retirement benefit liability	1,078,722	1,095,737
Asset retirement obligations	1,868,248	1,921,173
Other	13,413	13,288
Total non-current liabilities	3,294,264	3,369,023
Total liabilities	8,582,374	7,501,132
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	8,155,334
Treasury shares	(143,720)	(83,163)
Total shareholders' equity	12,453,966	12,106,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78,743	86,009
Foreign currency translation adjustment	19,261	28,126
Remeasurements of defined benefit plans	(19,804)	(19,338)
Total accumulated other comprehensive income	78,201	94,797
Non-controlling interests	–	–
Total net assets	12,532,167	12,201,103
Total liabilities and net assets	21,114,542	19,702,235

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

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	5,799,747	6,249,006
Cost of sales	4,656,856	4,924,979
Gross profit	1,142,890	1,324,027
Selling, general and administrative expenses	1,440,291	1,564,363
Operating loss	(297,400)	(240,336)
Non-operating income		
Interest income	11	737
Dividend income	9,174	9,896
Rental income from real estate	3,290	4,899
Compensation income	–	10,000
Other NonOperatingIncome	2,893	8,090
Total non-operating income	15,370	33,625
Non-operating expenses		
Interest expenses	1,934	2,029
Loss on retirement of non-current assets	3,269	3,558
Other	107	2,560
Total non-operating expenses	5,311	8,147
Ordinary loss	(287,341)	(214,859)
Loss before income taxes	(287,341)	(214,859)
Income taxes - current	38,212	(74,217)
Income taxes - deferred	(76,153)	(36,622)
Total income taxes	(37,941)	(110,840)
Loss	(249,400)	(104,018)
Profit attributable to		
Loss attributable to owners of parent	(249,400)	(104,018)
Loss attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	6,325	7,265
Foreign currency translation adjustment	8,513	8,864
Remeasurements of defined benefit plans, net of tax	405	465
Total other comprehensive income	15,244	16,595
Comprehensive income	(234,156)	(87,422)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(234,156)	(87,422)
Comprehensive income attributable to non-controlling interests	–	–