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Non-consolidated Financial Results for the Nine Months Ended November 30, 2023 [Japanese GAAP]

January 9, 2024

Company name: WADAKOHSAN CORPORATION

Stock exchange listing: Tokyo

Code number: 8931

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

Representative: Toshiya Mizomoto

President and Representative Director

Contact: Hiroyuki Kurokawa

Director

Phone: +81-78-361-1510

Scheduled date of filing quarterly securities report: January 12, 2024

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 Nine Months Ended November 30, 2023 (March 1, 2023 to November 30, 2023)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2023	32,298	(15.7)	4,016	(13.7)	3,503	(13.9)	2,421	(13.8)
November 30, 2022	38,327	60.9	4,656	148.1	4,068	205.0	2,808	181.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2023	218.15	-
November 30, 2022	253.05	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	98,138	30,444	31.0
February 28, 2023	86,144	28,579	33.2

(Reference) Equity: As of November 30, 2023: ¥ 30,444 million

As of February 28, 2023: ¥ 28,579 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, 2023	-	22.00	-	28.00	50.00
Fiscal year ending February 29, 2024	-	26.00	-		
Fiscal year ending February 29, 2024 (Forecast)				26.00	52.00

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

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 29, 2024(March 1, 2023 to February 29, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	39,000	(8.7)	4,500	2.6	3,700	2.6	2,500	4.9	225.23

(Note) Revision to the financial results forecast announced most recently: Yes

* 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: No

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):

November 30, 2023: 11,100,000 shares

February 28, 2023: 11,100,000 shares

2) Number of treasury shares at the end of the period:

November 30, 2023: 248 shares

February 28, 2023: 248 shares

3) Average number of shares outstanding during the period:

Nine months ended November 30, 2023: 11,099,752 shares

Nine months ended November 30, 2022: 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

(Thousands of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	11,756,363	18,184,166
Accounts receivable - trade	5,148	5,692
Lease receivables	816,167	799,977
Real estate for sale	9,779,054	10,559,699
Real estate for sale in process	34,446,854	39,639,790
Other	954,725	216,507
Allowance for doubtful accounts	(13,501)	(7,645)
Total current assets	57,744,812	69,398,188
Non-current assets		
Property, plant and equipment		
Buildings, net	12,737,132	12,311,994
Land	13,413,994	13,647,676
Other, net	226,945	630,231
Total property, plant and equipment	26,378,072	26,589,902
Intangible assets	625,988	668,831
Investments and other assets		
Deferred tax assets	370,147	373,386
Other	1,040,858	1,123,963
Allowance for doubtful accounts	(15,576)	(15,613)
Total investments and other assets	1,395,429	1,481,736
Total non-current assets	28,399,489	28,740,470
Total assets	86,144,302	98,138,658

(Thousands of yen)

	As of February 28, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	811,133	2,345,474
Electronically recorded obligations - operating	6,215,447	5,353,795
Short-term borrowings	9,202,000	8,189,500
Current portion of bonds payable	56,000	56,000
Current portion of long-term borrowings	7,760,099	10,042,900
Income taxes payable	533,267	640,294
Advances received	3,490,184	2,854,699
Provision for bonuses	134,239	229,004
Provision for bonuses for directors (and other officers)	9,250	20,550
Provision for warranties for completed construction	19,000	18,992
Other	831,422	888,799
Total current liabilities	29,062,043	30,640,010
Non-current liabilities		
Bonds payable	232,000	176,000
Long-term borrowings	27,271,451	35,848,008
Provision for retirement benefits	235,160	241,228
Provision for retirement benefits for directors (and other officers)	100,974	115,127
Asset retirement obligations	315,552	316,619
Other	347,603	357,637
Total non-current liabilities	28,502,741	37,054,620
Total liabilities	57,564,785	67,694,631
Net assets		
Shareholders' equity		
Share capital	1,403,091	1,403,091
Capital surplus	1,448,280	1,448,280
Retained earnings	25,750,953	27,572,959
Treasury shares	(121)	(121)
Total shareholders' equity	28,602,203	30,424,208
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(20,120)	23,576
Deferred gains or losses on hedges	(2,565)	(3,757)
Total valuation and translation adjustments	(22,686)	19,818
Total net assets	28,579,516	30,444,027
Total liabilities and net assets	86,144,302	98,138,658

Quarterly Non-consolidated Statements of Income

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

(Thousands of yen)

	For the nine months ended November 30, 2022	For the nine months ended November 30, 2023
Net sales	38,327,283	32,298,577
Cost of sales	30,795,630	25,283,417
Gross profit	7,531,653	7,015,160
Selling, general and administrative expenses	2,875,418	2,999,112
Operating profit	4,656,234	4,016,048
Non-operating income		
Interest income	166	184
Dividend income	4,698	10,496
Surrender value of insurance policies	25,240	9,693
Commission income	5,408	4,881
Other	18,491	33,331
Total non-operating income	54,005	58,587
Non-operating expenses		
Interest expenses	453,280	458,201
Financing expenses	175,677	100,056
Other	12,934	12,511
Total non-operating expenses	641,892	570,769
Ordinary profit	4,068,348	3,503,866
Extraordinary income		
Gain on sale of non-current assets	2	-
Total extraordinary income	2	-
Extraordinary losses		
Loss on sale of non-current assets	4,220	2,597
Loss on retirement of non-current assets	17,515	-
Total extraordinary losses	21,735	2,597
Profit before income taxes	4,046,614	3,501,268
Income taxes - current	1,144,000	1,084,000
Income taxes - deferred	93,776	(4,123)
Total income taxes	1,237,776	1,079,876
Profit	2,808,838	2,421,392