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Non-consolidated Financial Results for the Six Months Ended August 31, 2024 [Japanese GAAP]

October 4, 2024

Company name: WADAKOHSAN CORPORATION

Listing: Tokyo

Securities code: 8931

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

Representative: Toshiya Mizomoto

President and Representative Director

Inquiries: Hiroyuki Kurokawa

Director

Telephone: +81-78-361-1510

Scheduled date to file semi-annual securities report: October 11, 2024

Scheduled date to commence dividend payments: November 13, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated Financial Results for the Six Months Ended August 31, 2024 (March 1, 2024 to August 31, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2024	20,149	(3.1)	2,176	(13.0)	1,824	(14.8)	1,242	(16.1)
August 31, 2023	20,789	7.3	2,502	18.5	2,141	17.1	1,481	16.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2024	113.02	-
August 31, 2023	133.47	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of August 31, 2024	105,433	31,326	29.7
February 29, 2024	101,228	30,658	30.3

(Reference) Equity: As of August 31, 2024: ¥ 31,326 million

As of February 29, 2024: ¥ 30,658 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 29, 2024	-	26.00	-	34.00	60.00
Fiscal year ending February 28, 2025	-	26.00			
Fiscal year ending February 28, 2025 (Forecast)			-	39.00	65.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the year end dividend for the fiscal year ended February 29, 2024 :

Commemorative dividend	32.00 yen
Special dividend	2.00 yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025(March 1, 2024 to February 28, 2025)

(Percentages indicate year-on-year changes.)

	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	40,000	3.0	4,950	9.3	4,150	8.6	2,950	11.8	268.82

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: None

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

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

August 31, 2024:	11,100,000 shares
February 29, 2024:	11,100,000 shares

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

August 31, 2024:	144,680 shares
February 29, 2024:	248 shares

3) Average number of shares outstanding during the period:

Six months ended August 31, 2024:	10,992,214 shares
Six months ended August 31, 2023:	11,099,752 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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.

Semi-annual Non-consolidated Financial Statements
Semi-annual Non-consolidated Balance Sheets

(Thousands of yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	17,345,545	15,874,960
Accounts receivable - trade	5,559	4,599
Lease receivables	794,384	782,895
Real estate for sale	9,610,934	9,826,970
Real estate for sale in process	44,283,350	48,841,843
Other	348,761	235,862
Allowance for doubtful accounts	(7,663)	(7,864)
Total current assets	72,380,873	75,559,267
Non-current assets		
Property, plant and equipment		
Buildings, net	12,470,586	13,098,548
Land	13,660,426	13,919,735
Other, net	568,548	872,405
Total property, plant and equipment	26,699,562	27,890,689
Intangible assets	668,143	678,765
Investments and other assets		
Deferred tax assets	466,061	435,577
Other	1,029,577	885,285
Allowance for doubtful accounts	(15,609)	(15,604)
Total investments and other assets	1,480,029	1,305,259
Total non-current assets	28,847,735	29,874,714
Total assets	101,228,609	105,433,981

(Thousands of yen)

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,783,196	1,649,013
Electronically recorded obligations - operating	4,864,649	6,842,419
Short-term borrowings	7,754,500	8,465,515
Current portion of bonds payable	56,000	56,000
Current portion of long-term borrowings	9,969,623	11,795,700
Income taxes payable	853,085	588,728
Advances received	6,287,288	2,975,872
Provision for bonuses	150,940	161,643
Provision for bonuses for directors (and other officers)	10,275	9,752
Provision for warranties for completed construction	20,000	21,000
Asset retirement obligations	1,240	-
Other	972,507	1,128,205
Total current liabilities	34,723,306	33,693,851
Non-current liabilities		
Bonds payable	176,000	148,000
Long-term borrowings	34,633,089	39,196,957
Provision for retirement benefits	246,116	252,028
Provision for retirement benefits for directors (and other officers)	122,569	-
Provision for share awards for directors (and other officers)	-	6,850
Asset retirement obligations	315,735	336,541
Other	353,065	473,403
Total non-current liabilities	35,846,575	40,413,780
Total liabilities	70,569,882	74,107,631
Net assets		
Shareholders' equity		
Share capital	1,403,091	1,403,091
Capital surplus	1,448,280	1,450,767
Retained earnings	27,790,332	28,655,241
Treasury shares	(121)	(206,257)
Total shareholders' equity	30,641,581	31,302,842
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	20,859	24,544
Deferred gains or losses on hedges	(3,714)	(1,037)
Total valuation and translation adjustments	17,145	23,507
Total net assets	30,658,726	31,326,349
Total liabilities and net assets	101,228,609	105,433,981

Semi-annual Non-consolidated Statements of Income

(Thousands of yen)

	For the six months ended August 31, 2023	For the six months ended August 31, 2024
Net sales	20,789,461	20,149,888
Cost of sales	16,315,469	15,677,791
Gross profit	4,473,992	4,472,096
Selling, general and administrative expenses	1,971,072	2,295,781
Operating profit	2,502,919	2,176,315
Non-operating income		
Interest income	149	1,179
Dividend income	7,758	2,525
Surrender value of insurance policies	9,693	88,247
Commission income	4,613	1,201
Other	5,132	6,156
Total non-operating income	27,346	99,310
Non-operating expenses		
Interest expenses	302,741	351,557
Financing expenses	78,749	90,403
Other	7,675	9,551
Total non-operating expenses	389,166	451,513
Ordinary profit	2,141,099	1,824,113
Extraordinary losses		
Loss on sale of non-current assets	2,597	-
Loss on retirement of non-current assets	-	7,629
Total extraordinary losses	2,597	7,629
Profit before income taxes	2,138,501	1,816,483
Income taxes - current	630,000	547,000
Income taxes - deferred	27,008	27,182
Total income taxes	657,008	574,182
Profit	1,481,492	1,242,301

Semi-annual Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended August 31, 2023	For the six months ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,138,501	1,816,483
Depreciation	340,925	355,091
Increase (decrease) in allowance for doubtful accounts	(5,780)	196
Increase (decrease) in provision for bonuses	2,397	10,703
Increase (decrease) in provision for bonuses for directors (and other officers)	1,025	(522)
Increase (decrease) in provision for warranties for completed construction	1,000	1,000
Increase (decrease) in provision for retirement benefits	3,260	5,912
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6,710	(122,569)
Increase (decrease) in provision for share awards for directors (and other officers)	-	6,850
Interest and dividend income	(7,907)	(3,705)
Interest expenses	302,741	351,557
Loss (gain) on sale of property, plant and equipment	2,597	-
Loss on retirement of property, plant and equipment	542	523
Decrease (increase) in trade receivables	(876)	960
Decrease (increase) in lease receivables	10,696	11,489
Decrease (increase) in inventories	(5,810,921)	(5,424,702)
Increase (decrease) in trade payables	(1,830,282)	(156,413)
Increase (decrease) in advances received	(198,651)	(3,311,416)
Other, net	626,997	362,783
Subtotal	(4,417,023)	(6,095,776)
Interest and dividends received	7,697	3,671
Interest paid	(305,823)	(335,102)
Income taxes paid	(444,694)	(739,519)
Net cash provided by (used in) operating activities	(5,159,844)	(7,166,726)
Cash flows from investing activities		
Net decrease (increase) in time deposits	77,988	126,993
Purchase of property, plant and equipment	(152,719)	(954,514)
Proceeds from sale of property, plant and equipment	14,665	-
Purchase of intangible assets	(47,753)	(4,798)
Other, net	(76,698)	161,572
Net cash provided by (used in) investing activities	(184,518)	(670,748)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(736,000)	711,015
Proceeds from long-term borrowings	15,154,600	13,661,900
Repayments of long-term borrowings	(5,001,556)	(7,271,955)
Redemption of bonds	(28,000)	(28,000)
Purchase of treasury shares	-	(303,566)
Proceeds from disposal of treasury shares	-	99,918
Dividends paid	(310,820)	(374,243)
Repayments of lease liabilities	(1,185)	(1,185)
Net cash provided by (used in) financing activities	9,077,038	6,493,882
Net increase (decrease) in cash and cash equivalents	3,732,675	(1,343,592)
Cash and cash equivalents at beginning of period	9,139,618	14,970,200
Cash and cash equivalents at end of period	12,872,294	13,626,608