Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

July 31, 2024

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 Executive Officer, General Manager of Administration Division and General Manager of General Affairs Department Yutaka Yamamoto
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: No
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	6,544	4.7	(384)	–	(383)	–	(353)	–
Three months ended June 30, 2023	6,249	7.7	(240)	–	(214)	–	(104)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	(18.84)	–
Three months ended June 30, 2023	(5.51)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	20,529	12,671	61.7
As of March 31, 2024	23,057	14,263	61.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	10.00	–	30.00	40.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		15.00	–	30.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2024	16,865	5.5	1,034	(24.7)	1,055	(25.0)	638	(36.4)	34.33
Full year	34,741	5.7	2,966	2.7	3,003	1.8	1,927	(9.6)	104.06

4. Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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, 2024	19,012,452 shares	As of March 31, 2024	19,012,452 shares

Number of treasury shares at the end of the period

As of June 30, 2024	565,149 shares	As of March 31, 2024	93,149 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	18,753,325 shares	Three months ended June 30, 2023	18,861,992 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	7,666,242	5,870,014
Trade accounts receivable	1,984,867	320,901
Merchandise and finished goods	141,520	441,233
Raw materials and supplies	69,772	80,301
Prepaid expenses	507,183	749,344
Other	31,578	56,805
Allowance for doubtful accounts	(3,775)	(3,440)
Total current assets	10,397,390	7,515,160
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,026,554	9,316,174
Accumulated depreciation	(5,152,769)	(5,246,948)
Buildings and structures, net	3,873,785	4,069,226
Land	1,098,446	1,098,446
Leased assets	1,167,078	1,148,663
Accumulated depreciation	(653,628)	(615,014)
Leased assets, net	513,449	533,648
Construction in progress	–	11,000
Other	1,359,179	1,379,571
Accumulated depreciation	(889,770)	(936,534)
Other, net	469,408	443,036
Total property, plant and equipment	5,955,090	6,155,358
Intangible assets		
Software	688,545	752,136
Software in progress	100,610	64,400
Goodwill	932,725	888,679
Other	38,592	38,241
Total intangible assets	1,760,473	1,743,458
Investments and other assets		
Investment securities	640,127	698,480
Deferred tax assets	962,906	1,033,727
Guarantee deposits	3,211,754	3,248,534
Other	139,638	144,470
Allowance for doubtful accounts	(9,500)	(9,450)
Total investments and other assets	4,944,927	5,115,762
Total non-current assets	12,660,491	13,014,579
Total assets	23,057,882	20,529,740

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	359,276	735,527
Accounts payable - other	1,111,421	862,738
Accrued expenses	1,095,474	1,120,428
Lease liabilities	203,358	207,194
Income taxes payable	625,736	81,673
Accrued consumption taxes	334,357	223,206
Advances received	820,985	512,874
Provision for bonuses	609,224	306,369
Provision for bonuses for directors (and other officers)	18,403	–
Provision for shareholder benefit program	104,714	69,244
Asset retirement obligations	43,251	38,333
Other	46,120	206,525
Total current liabilities	5,372,325	4,364,116
Non-current liabilities		
Lease liabilities	317,498	333,897
Retirement benefit liability	1,142,413	1,154,915
Asset retirement obligations	1,925,414	1,964,221
Provision for share awards for directors (and other officers)	14,722	14,722
Provision for share awards for employees	8,701	8,701
Other	12,913	17,548
Total non-current liabilities	3,421,663	3,494,006
Total liabilities	8,793,989	7,858,122
Net assets		
Shareholders' equity		
Share capital	2,014,172	2,014,172
Capital surplus	2,019,962	2,019,962
Retained earnings	10,201,239	9,279,931
Treasury shares	(113,426)	(837,474)
Total shareholders' equity	14,121,947	12,476,591
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	124,330	164,819
Foreign currency translation adjustment	51,075	63,359
Remeasurements of defined benefit plans	(33,460)	(33,152)
Total accumulated other comprehensive income	141,945	195,026
Non-controlling interests	–	–
Total net assets	14,263,893	12,671,617
Total liabilities and net assets	23,057,882	20,529,740

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

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	6,249,006	6,544,553
Cost of sales	4,924,979	5,146,955
Gross profit	1,324,027	1,397,597
Selling, general and administrative expenses	1,564,363	1,781,853
Operating loss	(240,336)	(384,255)
Non-operating income		
Interest income	737	1,192
Dividend income	9,896	14,626
Rental income from real estate	4,899	2,258
Compensation income	10,000	–
Other	8,090	6,680
Total non-operating income	33,625	24,757
Non-operating expenses		
Interest expenses	2,029	1,905
Commission for purchase of treasury shares	–	7,240
Loss on retirement of non-current assets	3,558	13,558
Other	2,560	1,172
Total non-operating expenses	8,147	23,877
Ordinary loss	(214,859)	(383,375)
Loss before income taxes	(214,859)	(383,375)
Income taxes - current	(74,217)	57,651
Income taxes - deferred	(36,622)	(87,696)
Total income taxes	(110,840)	(30,044)
Loss	(104,018)	(353,330)
Loss attributable to		
Loss attributable to owners of parent	(104,018)	(353,330)
Loss attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	7,265	40,489
Foreign currency translation adjustment	8,864	12,283
Remeasurements of defined benefit plans, net of tax	465	307
Total other comprehensive income	16,595	53,080
Comprehensive income	(87,422)	(300,250)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(87,422)	(300,250)
Comprehensive income attributable to non-controlling interests	–	–