Translation

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

October 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
Inquiries: Toshihiko Seki TEL 03-3590-4011
Scheduled date to file Interim Securities Report: November 6, 2024
Scheduled date to commence dividend payments: November 28, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended September 30, 2024	16,972	6.2	1,499	9.2	1,496	6.4	914	(8.9)
Six months ended September 30, 2023	15,981	7.8	1,373	25.3	1,406	26.8	1,003	45.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	49.24	–
Six months ended September 30, 2023	53.09	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	21,825	13,575	62.2
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	–	15.00			
Year ending March 31, 2025 (Forecast)			–	40.00	55.00

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
Full year	34,741	5.7	2,966	2.7	3,003	1.8	1,927	(9.6)	104.76

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing interim 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 September 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 September 30, 2024	775,149 shares	As of March 31, 2024	93,149 shares

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

Six months ended September 30, 2024	18,561,610 shares	Six months ended September 30, 2023	18,899,022 shares

Interim consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	7,666,242	7,272,243
Trade accounts receivable	1,984,867	605,121
Securities	–	28,960
Merchandise and finished goods	141,520	105,291
Raw materials and supplies	69,772	72,114
Prepaid expenses	507,183	685,424
Other	31,578	63,726
Allowance for doubtful accounts	(3,775)	(3,928)
Total current assets	10,397,390	8,828,953
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,026,554	9,377,628
Accumulated depreciation	(5,152,769)	(5,251,280)
Buildings and structures, net	3,873,785	4,126,348
Land	1,098,446	1,098,446
Leased assets	1,167,078	1,139,931
Accumulated depreciation	(653,628)	(577,495)
Leased assets, net	513,449	562,435
Other	1,359,179	1,382,623
Accumulated depreciation	(889,770)	(965,501)
Other, net	469,408	417,122
Total property, plant and equipment	5,955,090	6,204,353
Intangible assets		
Software	688,545	777,787
Software in progress	100,610	107,363
Goodwill	932,725	841,659
Other	38,592	37,891
Total intangible assets	1,760,473	1,764,701
Investments and other assets		
Investment securities	640,127	647,397
Deferred tax assets	962,906	964,297
Guarantee deposits	3,211,754	3,253,890
Other	139,638	171,161
Allowance for doubtful accounts	(9,500)	(9,000)
Total investments and other assets	4,944,927	5,027,747
Total non-current assets	12,660,491	12,996,802
Total assets	23,057,882	21,825,755

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	359,276	396,704
Accounts payable - other	1,111,421	598,457
Accrued expenses	1,095,474	1,105,821
Lease liabilities	203,358	214,565
Income taxes payable	625,736	695,500
Accrued consumption taxes	334,357	282,863
Advances received	820,985	523,291
Provision for bonuses	609,224	608,576
Provision for bonuses for directors (and other officers)	18,403	–
Provision for shareholder benefit program	104,714	228,556
Asset retirement obligations	43,251	–
Other	46,120	75,794
Total current liabilities	5,372,325	4,730,132
Non-current liabilities		
Lease liabilities	317,498	355,711
Retirement benefit liability	1,142,413	1,133,788
Asset retirement obligations	1,925,414	1,989,348
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	17,423
Total non-current liabilities	3,421,663	3,519,695
Total liabilities	8,793,989	8,249,827
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	10,547,311
Treasury shares	(113,426)	(1,166,334)
Total shareholders' equity	14,121,947	13,415,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	124,330	129,455
Foreign currency translation adjustment	51,075	48,725
Remeasurements of defined benefit plans	(33,460)	(17,363)
Total accumulated other comprehensive income	141,945	160,816
Non-controlling interests	–	–
Total net assets	14,263,893	13,575,928
Total liabilities and net assets	23,057,882	21,825,755

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

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	15,981,336	16,972,894
Cost of sales	11,340,919	11,943,173
Gross profit	4,640,416	5,029,721
Selling, general and administrative expenses	3,266,573	3,529,854
Operating profit	1,373,843	1,499,866
Non-operating income		
Interest income	1,649	3,060
Dividend income	10,929	14,867
Rental income from real estate	11,156	5,789
Compensation income	10,000	–
Other	14,949	10,041
Total non-operating income	48,684	33,759
Non-operating expenses		
Interest expenses	4,098	4,310
Commission for purchase of treasury shares	–	10,529
Loss on retirement of non-current assets	8,148	18,322
Other	3,303	3,483
Total non-operating expenses	15,549	36,645
Ordinary profit	1,406,978	1,496,980
Profit before income taxes	1,406,978	1,496,980
Income taxes - current	343,170	592,791
Income taxes - deferred	60,429	(9,860)
Total income taxes	403,600	582,931
Profit	1,003,378	914,049
Profit attributable to		
Profit attributable to owners of parent	1,003,378	914,049
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	6,931	5,124
Foreign currency translation adjustment	24,874	(2,350)
Remeasurements of defined benefit plans, net of tax	931	16,096
Total other comprehensive income	32,737	18,870
Comprehensive income	1,036,116	932,920
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,036,116	932,920
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,406,978	1,496,980
Depreciation	471,938	569,905
Increase (decrease) in allowance for doubtful accounts	(1,904)	(346)
Increase (decrease) in provision for bonuses	(37,466)	(647)
Increase (decrease) in provision for share awards for directors (and other officers)	(84,422)	–
Increase (decrease) in provision for share awards for employees	(29,993)	–
Increase (decrease) in provision for shareholder benefit program	108,773	123,841
Increase (decrease) in provision for bonuses for directors (and other officers)	(27,015)	(18,403)
Increase (decrease) in retirement benefit liability	22,734	13,690
Interest and dividend income	(12,578)	(17,927)
Interest expenses	4,098	4,310
Amortization of goodwill	94,338	95,036
Loss (gain) on disposal of non-current assets	8,148	18,322
Decrease (increase) in trade receivables	1,284,022	1,379,856
Decrease (increase) in inventories	(32,917)	33,876
Increase (decrease) in trade payables	71,442	37,427
Increase (decrease) in advances received	(310,199)	(297,264)
Increase (decrease) in accrued consumption taxes	(87,486)	(51,483)
Amortization of unrecognized items for retirement benefits	1,342	886
Decrease (increase) in other assets	(152,591)	(242,921)
Increase (decrease) in other liabilities	(132,904)	(487,494)
Subtotal	2,564,336	2,657,643
Interest and dividends received	12,708	18,064
Interest paid	(4,212)	(4,149)
Income taxes paid	(491,803)	(520,997)
Net cash provided by (used in) operating activities	2,081,029	2,150,561
Cash flows from investing activities		
Purchase of securities	–	(28,960)
Purchase of property, plant and equipment	(353,224)	(527,695)
Payments for asset retirement obligations	(17,765)	(28,715)
Purchase of intangible assets	(21,454)	(174,189)
Payments of guarantee deposits	(28,460)	(52,637)
Proceeds from refund of guarantee deposits	81,315	10,448
Decrease (increase) in time deposits	(19,399)	(6,214)
Purchase of other intangible assets	–	(4,257)
Net cash provided by (used in) investing activities	(358,989)	(812,220)
Cash flows from financing activities		
Repayments of lease liabilities	(123,568)	(114,162)
Purchase of treasury shares	(84,051)	(1,052,908)
Proceeds from disposal of treasury shares	60,556	–
Dividends paid	(304,599)	(569,734)
Net cash provided by (used in) financing activities	(451,662)	(1,736,804)
Effect of exchange rate change on cash and cash equivalents	(25,198)	(1,628)
Net increase (decrease) in cash and cash equivalents	1,245,179	(400,092)
Cash and cash equivalents at beginning of period	6,208,084	6,746,976
Cash and cash equivalents at end of period	7,453,263	6,346,883