

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 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 Yutaka Yamamoto
 Executive Officer, General Manager of
 Inquiries: Administration Division and General Toshihiko Seki TEL 03-3590-4011
 Manager of General Affairs Department
 Scheduled date of ordinary general meeting of shareholders: June 25, 2024
 Scheduled date to file Securities Report: June 25, 2024
 Scheduled date to commence dividend payments: June 26, 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 year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	32,867	7.0	2,889	20.4	2,951	21.4	2,132	37.3
Year ended March 31, 2023	30,728	7.6	2,400	31.8	2,431	32.0	1,553	40.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	112.75	–	15.9	13.4	8.8
Year ended March 31, 2023	82.35	–	13.0	11.9	7.8

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	23,057	14,263	61.9	753.93
As of March 31, 2023	21,114	12,532	59.4	664.60

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	3,637	(2,355)	(761)	6,746
Year ended March 31, 2023	2,908	(1,130)	(687)	6,208

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	8.00	–	16.00	24.00	456	29.1	3.8
Year ended March 31, 2024	–	10.00	–	30.00	40.00	760	35.5	5.6
Year ending March 31, 2025 (Forecast)	–	15.00	–	30.00	45.00		44.2	

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)	33.75
Full year	34,741	5.7	2,966	2.7	3,003	1.8	1,927	(9.6)	101.89

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	93,149 shares	As of March 31, 2023	155,663 shares
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Average number of shares during the period

Year ended March 31, 2024	18,909,172 shares	Year ended March 31, 2023	18,861,986 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	6,306,306	7,666,242
Trade accounts receivable	1,841,932	1,984,867
Merchandise and finished goods	159,229	141,520
Raw materials and supplies	67,958	69,772
Prepaid expenses	497,582	507,183
Other	37,305	31,578
Allowance for doubtful accounts	(5,844)	(3,775)
Total current assets	8,904,470	10,397,390
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,575,281	9,026,554
Accumulated depreciation	(4,820,147)	(5,152,769)
Buildings and structures, net	3,755,134	3,873,785
Land	1,098,446	1,098,446
Leased assets	1,217,189	1,167,078
Accumulated depreciation	(674,290)	(653,628)
Leased assets, net	542,899	513,449
Other	985,689	1,359,179
Accumulated depreciation	(784,004)	(889,770)
Other, net	201,684	469,408
Total property, plant and equipment	5,598,165	5,955,090
Intangible assets		
Software	556,997	688,545
Software in progress	93,123	100,610
Goodwill	1,113,506	932,725
Other	41,191	38,592
Total intangible assets	1,804,818	1,760,473
Investments and other assets		
Investment securities	574,207	640,127
Deferred tax assets	960,722	962,906
Guarantee deposits	3,109,791	3,211,754
Other	172,165	139,638
Allowance for doubtful accounts	(9,800)	(9,500)
Total investments and other assets	4,807,087	4,944,927
Total non-current assets	12,210,071	12,660,491
Total assets	21,114,542	23,057,882

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	345,805	359,276
Accounts payable - other	952,045	1,111,421
Accrued expenses	1,032,633	1,095,474
Lease liabilities	217,851	203,358
Income taxes payable	715,062	625,736
Accrued consumption taxes	354,824	334,357
Advances received	762,137	820,985
Provision for bonuses	587,078	609,224
Provision for bonuses for directors (and other officers)	27,015	18,403
Provision for share awards for directors (and other officers)	84,422	–
Provision for share awards for employees	29,993	–
Provision for shareholder benefit program	75,581	104,714
Asset retirement obligations	38,411	43,251
Other	65,244	46,120
Total current liabilities	5,288,109	5,372,325
Non-current liabilities		
Lease liabilities	333,880	317,498
Retirement benefit liability	1,078,722	1,142,413
Asset retirement obligations	1,868,248	1,925,414
Provision for share awards for directors (and other officers)	–	14,722
Provision for share awards for employees	–	8,701
Other	13,413	12,913
Total non-current liabilities	3,294,264	3,421,663
Total liabilities	8,582,374	8,793,989
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	10,201,239
Treasury shares	(143,720)	(113,426)
Total shareholders' equity	12,453,966	14,121,947
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78,743	124,330
Foreign currency translation adjustment	19,261	51,075
Remeasurements of defined benefit plans	(19,804)	(33,460)
Total accumulated other comprehensive income	78,201	141,945
Non-controlling interests	–	–
Total net assets	12,532,167	14,263,893
Total liabilities and net assets	21,114,542	23,057,882

Consolidated statements of income and consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	30,728,597	32,867,816
Cost of sales	21,905,473	22,939,589
Gross profit	8,823,123	9,928,226
Selling, general and administrative expenses	6,422,956	7,039,052
Operating profit	2,400,167	2,889,173
Non-operating income		
Interest income	1,182	3,475
Dividend income	17,529	21,535
Insurance fee income	5,750	3,777
Rental income from real estate	14,096	20,930
Compensation income	–	20,750
Other	9,973	14,471
Total non-operating income	48,531	84,940
Non-operating expenses		
Interest expenses	7,682	7,967
Loss on retirement of non-current assets	8,181	11,405
Other	1,393	3,308
Total non-operating expenses	17,257	22,681
Ordinary profit	2,431,441	2,951,433
Profit before income taxes	2,431,441	2,951,433
Income taxes - current	977,752	836,131
Income taxes - deferred	(99,616)	(16,708)
Total income taxes	878,135	819,423
Profit	1,553,305	2,132,009
Profit attributable to		
Profit attributable to owners of parent	1,553,305	2,132,009
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,603)	45,586
Foreign currency translation adjustment	13,911	31,813
Remeasurements of defined benefit plans, net of tax	(13,316)	(13,656)
Total other comprehensive income	(12,008)	63,744
Comprehensive income	1,541,296	2,195,754
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,541,296	2,195,754
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,014,172	2,019,962	7,447,532	(140,229)	11,341,437
Changes during period					
Dividends of surplus			(437,285)		(437,285)
Profit attributable to owners of parent			1,553,305		1,553,305
Purchase of treasury shares				(14,509)	(14,509)
Disposal of treasury shares				11,017	11,017
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,116,019	(3,491)	1,112,528
Balance at end of period	2,014,172	2,019,962	8,563,552	(143,720)	12,453,966

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	91,347	5,350	(6,487)	90,210	–	11,431,648
Changes during period						
Dividends of surplus						(437,285)
Profit attributable to owners of parent						1,553,305
Purchase of treasury shares						(14,509)
Disposal of treasury shares						11,017
Net changes in items other than shareholders' equity	(12,603)	13,911	(13,316)	(12,008)	–	(12,008)
Total changes during period	(12,603)	13,911	(13,316)	(12,008)	–	1,100,519
Balance at end of period	78,743	19,261	(19,804)	78,201	–	12,532,167

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,014,172	2,019,962	8,563,552	(143,720)	12,453,966
Changes during period					
Dividends of surplus			(494,322)		(494,322)
Profit attributable to owners of parent			2,132,009		2,132,009
Purchase of treasury shares				(84,128)	(84,128)
Disposal of treasury shares				114,422	114,422
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,637,687	30,294	1,667,981
Balance at end of period	2,014,172	2,019,962	10,201,239	(113,426)	14,121,947

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	78,743	19,261	(19,804)	78,201	–	12,532,167
Changes during period						
Dividends of surplus						(494,322)
Profit attributable to owners of parent						2,132,009
Purchase of treasury shares						(84,128)
Disposal of treasury shares						114,422
Net changes in items other than shareholders' equity	45,586	31,813	(13,656)	63,744	–	63,744
Total changes during period	45,586	31,813	(13,656)	63,744	–	1,731,725
Balance at end of period	124,330	51,075	(33,460)	141,945	–	14,263,893

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,431,441	2,951,433
Depreciation	979,396	1,040,234
Amortization of goodwill	192,260	187,710
Increase (decrease) in allowance for doubtful accounts	(652)	(2,369)
Increase (decrease) in provision for bonuses	7,296	22,145
Increase (decrease) in retirement benefit liability	32,500	41,321
Increase (decrease) in provision for share awards for directors (and other officers)	41,049	(69,700)
Increase (decrease) in provision for share awards for employees	8,572	(21,291)
Increase (decrease) in provision for shareholder benefit program	14,463	29,132
Increase (decrease) in provision for bonuses for directors (and other officers)	645	(8,612)
Interest and dividend income	(18,711)	(25,011)
Interest expenses	7,682	7,967
Loss (gain) on disposal of non-current assets	8,181	14,769
Decrease (increase) in trade receivables	52,490	(141,764)
Decrease (increase) in inventories	72,746	16,123
Increase (decrease) in trade payables	1,257	13,468
Increase (decrease) in advances received	(88,819)	57,391
Increase (decrease) in accrued consumption taxes	(3,228)	(21,102)
Amortization of unrecognized items for retirement benefits	2,338	2,685
Decrease (increase) in other assets	10,862	38,670
Increase (decrease) in other liabilities	55,390	422,793
Subtotal	3,807,166	4,555,994
Interest and dividends received	18,446	24,934
Interest paid	(7,280)	(7,858)
Income taxes paid	(909,930)	(935,353)
Net cash provided by (used in) operating activities	2,908,401	3,637,718
Cash flows from investing activities		
Purchase of property, plant and equipment	(536,245)	(934,259)
Payments for asset retirement obligations	(644)	(21,198)
Purchase of intangible assets	(247,786)	(486,287)
Payments of guarantee deposits	(344,293)	(182,456)
Proceeds from refund of guarantee deposits	17,911	81,410
Decrease (increase) in time deposits	(19,249)	(807,808)
Other, net	–	(4,863)
Net cash provided by (used in) investing activities	(1,130,308)	(2,355,463)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Repayments of lease liabilities	(241,829)	(242,772)
Purchase of treasury shares	(14,509)	(84,128)
Proceeds from disposal of treasury shares	5,519	60,556
Dividends paid	(437,043)	(494,792)
Net cash provided by (used in) financing activities	(687,861)	(761,137)
Effect of exchange rate change on cash and cash equivalents	(10,374)	17,774
Net increase (decrease) in cash and cash equivalents	1,079,855	538,892
Cash and cash equivalents at beginning of period	5,128,228	6,208,084
Cash and cash equivalents at end of period	6,208,084	6,746,976