

Consolidated Financial Results for the Nine Months Ended May 31, 2022 [Japanese GAAP]



July 15, 2022

Company name: West Holdings Corporation
Stock exchange listing: Tokyo Stock Exchange
Code number: 1407

URL: <https://www.west-gr.co.jp/>

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Scheduled date of filing quarterly securities report: July 15, 2022

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: None

Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended May 31, 2022 (September 1, 2021 – May 31, 2022)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
May 31, 2022	48,304	26.3	2,674	(46.7)	2,268	(50.7)	512	(82.5)
May 31, 2021	38,260	(4.7)	5,015	26.0	4,596	30.2	2,919	25.6

Note: Comprehensive income: Nine months ended May 31, 2022: ¥527 million [(81.8)%]

Nine months ended May 31, 2021: ¥2,894 million [24.8%]

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Nine months ended				
May 31, 2022	12.59	–	–	–
May 31, 2021	71.77	–	–	–

Notes: 1. On March 1, 2021, the Company carried out a 1.3-for-1 stock split for its common stock.

Basic earnings per share is calculated on the assumption that the said stock split was implemented at the beginning of the fiscal year ended August 31, 2021.

2. Diluted earnings per share has not been presented since there are no potential shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2022	100,349	23,795	23.7
As of August 31, 2021	97,278	25,331	26.0

(Reference) Equity: As of May 31, 2022: ¥23,779 million

As of August 31, 2021: ¥25,315 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 August 31, 2021	–	0.00	–	50.00	50.00
Fiscal year ending August 31, 2022	–	0.00	–		
Fiscal year ending August 31, 2022 (Forecast)				55.00	55.00

Note: Revisions to the dividend forecast most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2022 (September 1, 2021 – August 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	66,500	(2.1)	8,000	(21.2)	7,400	(23.3)	4,000	(38.4)	98.37

Note: Revisions to the financial results forecast most recently announced: None

* Notes:

- (1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: – (Company name:)
Excluded: – (Company name:)
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):

May 31, 2022:	46,027,488 shares
August 31, 2021:	46,027,488 shares
 - 2) Total number of treasury shares at the end of the period:

May 31, 2022:	5,361,473 shares
August 31, 2021:	5,369,813 shares
 - 3) Average number of shares during the period:

Nine months ended May 31, 2022:	40,661,988 shares
Nine months ended May 31, 2021:	40,678,981 shares

 On March 1, 2021, the Company carried out a 1.3-for-1 stock split for its common stock.
Total number of issued shares at the end of the period (including treasury shares) is calculated on the assumption that the said stock split was implemented at the beginning of the fiscal year ended August 31, 2021.

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

Forward-looking statements in this document, including earnings projections, are based on currently available information and certain premises that are judged to be rational, and the Company does not in any way guarantee the achievement of the projections. Actual results may therefore differ materially depending on various factors.

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of August 31, 2021	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	35,937	29,474
Notes and accounts receivable - trade	7,847	5,636
Lease receivables	5,102	5,255
Accounts receivable from completed construction contracts	7,696	1,615
Merchandise	6,613	11,610
Real estate for sale	2,167	2,618
Costs on construction contracts in progress	11,863	18,620
Raw materials and supplies	0	23
Other	2,611	5,300
Allowances for doubtful accounts	(290)	(317)
Total current assets	79,550	79,838
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	9,579	9,754
Other, net	5,507	5,869
Total property, plant and equipment	15,086	15,624
Intangible assets	353	328
Investments and other assets		
Investment securities	329	836
Long-term loans receivable	109	96
Deferred tax assets	497	497
Other	1,457	3,230
Allowances for doubtful accounts	(104)	(102)
Total investments and other assets	2,288	4,558
Total non-current assets	17,728	20,510
Total assets	97,278	100,349

(Million yen)

	As of August 31, 2021	As of May 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,095	1,936
Accounts payable for construction contracts	2,061	1,217
Current portion of bonds payable	190	140
Short-term borrowings	20,725	19,024
Income taxes payable	2,083	–
Provision for warranties for completed construction	194	141
Provision for loss on withdrawal from electric power business	–	1,436
Other	6,668	7,250
Total current liabilities	38,018	31,145
Non-current liabilities		
Bonds payable	450	330
Long-term borrowings	32,409	44,183
Asset retirement obligations	705	520
Deferred tax liabilities	37	37
Other	325	336
Total non-current liabilities	33,928	45,407
Total liabilities	71,946	76,553
Net assets		
Shareholders' equity		
Share capital	2,020	2,020
Capital surplus	728	729
Retained earnings	25,824	24,303
Treasury shares	(3,216)	(3,248)
Total shareholders' equity	25,356	23,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(37)	(22)
Foreign currency translation adjustment	(3)	(3)
Total accumulated other comprehensive income	(40)	(25)
Non-controlling interests	15	15
Total net assets	25,331	23,795
Total liabilities and net assets	97,278	100,349

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended May 31

(Million yen)

	Nine months ended May 31, 2021	Nine months ended May 31, 2022
Net sales	38,260	48,304
Cost of sales	28,815	41,047
Gross profit	9,445	7,256
Selling, general and administrative expenses	4,430	4,582
Operating profit	5,015	2,674
Non-operating income		
Interest income	4	2
Dividend income	4	4
Exchange gain on foreign currencies	1	27
Subsidy income	19	3
Other	16	12
Total non-operating income	47	50
Non-operating expenses		
Interest expenses	313	368
Commission expenses	138	58
Other	13	29
Total non-operating expenses	465	456
Ordinary profit	4,596	2,268
Extraordinary losses		
Loss on valuation of investment securities	119	-
Loss on valuation of shares of subsidiaries and associates	29	-
Loss on withdrawal from electric power business	-	1,500
Total extraordinary losses	149	1,500
Profit before distributions of profit or loss on silent partnerships and income taxes	4,447	767
Distributions of profit or loss on silent partnerships	26	26
Profit before income taxes	4,421	740
Income taxes	1,501	228
Profit	2,919	512
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,919	512

Consolidated Statements of Comprehensive Income

Nine Months Ended May 31

(Million yen)

	Nine months ended May 31, 2021	Nine months ended May 31, 2022
Profit	2,919	512
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	14
Deferred gains or losses on hedges	(19)	–
Foreign currency translation adjustment	(5)	0
Total other comprehensive income	(25)	15
Comprehensive income	2,894	527
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,894	527
Comprehensive income attributable to non-controlling interests	–	–