

Consolidated Financial Results for the Three Months Ended November 30, 2022 [Japanese GAAP]



January 13, 2023

Company name: West Holdings Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1407
 URL: <https://www.west-gr.co.jp/>
 Representative: Eiichiro Egashira, Representative Director and President
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 Scheduled date of filing quarterly securities report: January 13, 2023
 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 Three Months Ended November 30, 2022 (September 1, 2022 – November 30, 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 | % |
| Three months ended | | | | | | | | |
| November 30, 2022 | 6,305 | (56.6) | 353 | (26.9) | 212 | (38.3) | 177 | (24.3) |
| November 30, 2021 | 14,523 | 12.2 | 483 | (72.0) | 343 | (78.3) | 234 | (77.8) |

Note: Comprehensive income: Three months ended November 30, 2022: ¥189 million [(20.5)%]

Three months ended November 30, 2021: ¥238 million [(76.9)%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended | | |
| November 30, 2022 | 4.36 | – |
| November 30, 2021 | 5.76 | – |

Notes: 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 November 30, 2022 | 102,749 | 25,505 | 24.8 |
| As of August 31, 2022 | 101,418 | 27,552 | 27.2 |

(Reference) Equity: As of November 30, 2022: ¥25,489 million

As of August 31, 2022: ¥27,537 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, 2022 | – | 0.00 | – | 55.00 | 55.00 |
| Fiscal year ending August 31, 2023 | – | | | | |
| Fiscal year ending August 31, 2023 (Forecast) | | 0.00 | – | 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, 2023 (September 1, 2022 – August 31, 2023)

(% 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 |
| First half | 20,789 | (39.9) | 3,033 | 11.7 | 2,733 | 11.4 | 1,858 | 10.1 | 45.69 |
| Full year | 61,276 | (8.8) | 11,247 | 44.7 | 10,647 | 46.0 | 7,240 | 70.0 | 178.04 |

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: None
 - 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):

| | |
|--------------------|-------------------|
| November 30, 2022: | 46,027,488 shares |
| August 31, 2022: | 46,027,488 shares |
 - 2) Total number of treasury shares at the end of the period:

| | |
|--------------------|------------------|
| November 30, 2022: | 5,364,359 shares |
| August 31, 2022: | 5,362,972 shares |
 - 3) Average number of shares during the period:

| | |
|---------------------------------------|-------------------|
| Three months ended November 30, 2022: | 40,663,823 shares |
| Three months ended November 30, 2021: | 40,655,011 shares |

* 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, 2022 | As of November 30, 2022 |
|---|-----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 27,597 | 31,126 |
| Notes and accounts receivable - trade | 1,336 | 687 |
| Lease receivables | 5,411 | 5,369 |
| Accounts receivable from completed construction contracts | 9,581 | 8,298 |
| Merchandise | 14,266 | 14,845 |
| Real estate for sale | 426 | 427 |
| Costs on construction contracts in progress | 2,161 | 2,995 |
| Raw materials and supplies | 41 | 41 |
| Other | 4,605 | 3,136 |
| Allowances for doubtful accounts | (407) | (338) |
| Total current assets | 65,022 | 66,589 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Machinery, equipment and vehicles, net | 19,318 | 19,011 |
| Other, net | 9,175 | 9,168 |
| Total property, plant and equipment | 28,494 | 28,180 |
| Intangible assets | 4,290 | 4,261 |
| Investments and other assets | | |
| Investment securities | 849 | 862 |
| Long-term loans receivable | 86 | 75 |
| Deferred tax assets | 1,363 | 1,363 |
| Other | 1,429 | 1,540 |
| Allowances for doubtful accounts | (118) | (124) |
| Total investments and other assets | 3,610 | 3,718 |
| Total non-current assets | 36,395 | 36,159 |
| Total assets | 101,418 | 102,749 |

(Million yen)

| | As of August 31, 2022 | As of November 30, 2022 |
|---|-----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 2,175 | 763 |
| Accounts payable for construction contracts | 2,634 | 1,842 |
| Current portion of bonds payable | 140 | 140 |
| Short-term borrowings | 15,031 | 15,057 |
| Income taxes payable | 444 | 66 |
| Provision for warranties for completed construction | 195 | 188 |
| Provision for loss on withdrawal from electric power business | 1,126 | 1,053 |
| Other | 6,917 | 6,831 |
| Total current liabilities | 28,665 | 25,943 |
| Non-current liabilities | | |
| Bonds payable | 310 | 260 |
| Long-term borrowings | 43,584 | 49,746 |
| Asset retirement obligations | 959 | 961 |
| Deferred tax liabilities | 13 | 13 |
| Other | 332 | 318 |
| Total non-current liabilities | 45,199 | 51,300 |
| Total liabilities | 73,865 | 77,244 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,020 | 2,020 |
| Capital surplus | 734 | 740 |
| Retained earnings | 28,049 | 25,990 |
| Treasury shares | (3,255) | (3,261) |
| Total shareholders' equity | 27,550 | 25,490 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (6) | 6 |
| Foreign currency translation adjustment | (6) | (7) |
| Total accumulated other comprehensive income | (13) | (0) |
| Non-controlling interests | 15 | 15 |
| Total net assets | 27,552 | 25,505 |
| Total liabilities and net assets | 101,418 | 102,749 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended November 30

(Million yen)

| | Three months ended November 30, 2021 | Three months ended November 30, 2022 |
|---|---|---|
| Net sales | 14,523 | 6,305 |
| Cost of sales | 12,562 | 4,364 |
| Gross profit | 1,961 | 1,941 |
| Selling, general and administrative expenses | 1,478 | 1,587 |
| Operating profit | 483 | 353 |
| Non-operating income | | |
| Interest income | 1 | 0 |
| Dividend income | 0 | 0 |
| Foreign exchange gains | 5 | 0 |
| Interest on tax refund | 4 | 2 |
| Insurance claim income | – | 2 |
| Other | 2 | 2 |
| Total non-operating income | 13 | 9 |
| Non-operating expenses | | |
| Interest expenses | 117 | 149 |
| Commission expenses | 34 | 0 |
| Other | 0 | 0 |
| Total non-operating expenses | 152 | 150 |
| Ordinary profit | 343 | 212 |
| Profit before distributions of profit or loss on silent partnerships and income taxes | 343 | 212 |
| Distributions of profit or loss on silent partnerships | 5 | 8 |
| Profit before income taxes | 338 | 203 |
| Income taxes | 104 | 26 |
| Profit | 234 | 177 |
| Profit attributable to non-controlling interests | – | – |
| Profit attributable to owners of parent | 234 | 177 |

Consolidated Statements of Comprehensive Income

Three Months Ended November 30

(Million yen)

| | Three months ended November 30, 2021 | Three months ended November 30, 2022 |
|--|---|---|
| Profit | 234 | 177 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1) | 13 |
| Foreign currency translation adjustment | 6 | (0) |
| Total other comprehensive income | 4 | 12 |
| Comprehensive income | 238 | 189 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 238 | 189 |
| Comprehensive income attributable to non-controlling interests | – | – |