

Consolidated Financial Results for the Nine Months Ended May 31, 2023 [Japanese GAAP]



July 14, 2023

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 14, 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 Nine Months Ended May 31, 2023 (September 1, 2022 – May 31, 2023)

(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, 2023	26,261	(45.6)	4,327	61.8	3,924	73.0	2,977	481.4
May 31, 2022	48,304	26.3	2,674	(46.7)	2,268	(50.7)	512	(82.5)

Note: Comprehensive income: Nine months ended May 31, 2023: ¥3,006 million [470.4%]

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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
May 31, 2023	73.21	–
May 31, 2022	12.59	–

Note: 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, 2023	112,385	28,325	25.2
As of August 31, 2022	101,418	27,552	27.2

(Reference) Equity: As of May 31, 2023: ¥28,309 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	–	0.00	–		
Fiscal year ending August 31, 2023 (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, 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
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):

May 31, 2023:	46,027,488 shares
August 31, 2022:	46,027,488 shares
 - 2) Total number of treasury shares at the end of the period:

May 31, 2023:	5,366,580 shares
August 31, 2022:	5,362,972 shares
 - 3) Average number of shares during the period:

Nine months ended May 31, 2023:	40,662,676 shares
Nine months ended May 31, 2022:	40,661,988 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 May 31, 2023
Assets		
Current assets		
Cash and deposits	27,597	38,335
Notes and accounts receivable - trade	1,336	986
Lease receivables	5,411	5,515
Accounts receivable from completed construction contracts	9,581	4,972
Merchandise	14,266	13,930
Real estate for sale	426	326
Costs on construction contracts in progress	2,161	3,380
Raw materials and supplies	41	15
Other	4,605	7,261
Allowances for doubtful accounts	(407)	(356)
Total current assets	65,022	74,368
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	19,318	20,182
Other, net	9,175	9,453
Total property, plant and equipment	28,494	29,636
Intangible assets	4,290	4,205
Investments and other assets		
Investment securities	849	1,158
Long-term loans receivable	86	177
Deferred tax assets	1,363	1,363
Other	1,429	1,624
Allowances for doubtful accounts	(118)	(148)
Total investments and other assets	3,610	4,175
Total non-current assets	36,395	38,016
Total assets	101,418	112,385

(Million yen)

	As of August 31, 2022	As of May 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,175	959
Accounts payable for construction contracts	2,634	2,018
Current portion of bonds payable	140	140
Short-term borrowings	15,031	16,897
Income taxes payable	444	–
Provision for warranties for completed construction	195	196
Provision for loss on withdrawal from electric power business	1,126	116
Other	6,917	7,846
Total current liabilities	28,665	28,176
Non-current liabilities		
Bonds payable	310	190
Long-term borrowings	43,584	54,405
Asset retirement obligations	959	963
Deferred tax liabilities	13	13
Other	332	310
Total non-current liabilities	45,199	55,883
Total liabilities	73,865	84,060
Net assets		
Shareholders' equity		
Share capital	2,020	2,020
Capital surplus	734	751
Retained earnings	28,049	28,790
Treasury shares	(3,255)	(3,269)
Total shareholders' equity	27,550	28,293
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6)	22
Foreign currency translation adjustment	(6)	(6)
Total accumulated other comprehensive income	(13)	15
Non-controlling interests	15	15
Total net assets	27,552	28,325
Total liabilities and net assets	101,418	112,385

(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, 2022	Nine months ended May 31, 2023
Net sales	48,304	26,261
Cost of sales	41,047	17,075
Gross profit	7,256	9,186
Selling, general and administrative expenses	4,582	4,858
Operating profit	2,674	4,327
Non-operating income		
Interest income	2	1
Dividend income	4	9
Foreign exchange gains	27	–
Subsidy income	3	75
Other	12	20
Total non-operating income	50	107
Non-operating expenses		
Interest expenses	368	449
Commission expenses	58	3
Foreign exchange losses	–	44
Other	29	11
Total non-operating expenses	456	509
Ordinary profit	2,268	3,924
Extraordinary income		
Reversal of provision for loss on withdrawal from electric power business	–	349
Total extraordinary income	–	349
Extraordinary losses		
Provision for loss on withdrawal from electric power business	1,500	–
Total extraordinary losses	1,500	–
Profit before distributions of profit or loss on silent partnerships and income taxes	767	4,273
Distributions of profit or loss on silent partnerships	26	25
Profit before income taxes	740	4,248
Income taxes	228	1,271
Profit	512	2,977
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	512	2,977

Consolidated Statements of Comprehensive Income

Nine Months Ended May 31

(Million yen)

	Nine months ended May 31, 2022	Nine months ended May 31, 2023
Profit	512	2,977
Other comprehensive income		
Valuation difference on available-for-sale securities	14	29
Foreign currency translation adjustment	0	(0)
Total other comprehensive income	15	29
Comprehensive income	527	3,006
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	527	3,006
Comprehensive income attributable to non-controlling interests	-	-