

# Consolidated Financial Results for the Fiscal Year Ended August 31, 2022 [Japanese GAAP]



October 14, 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 general shareholders' meeting: November 22, 2022

Scheduled date of commencing dividend payments: November 24, 2022

Scheduled date of filing securities report: November 22, 2022

Availability of supplementary explanatory materials on annual financial results: None

Schedule of annual financial results briefing session: Scheduled (for analysts and institutional investors)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2022 (September 1, 2021 - August 31, 2022)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2022	67,169	(1.1)	7,770	(23.4)	7,293	(24.4)	4,257	(34.5)
August 31, 2021	67,938	9.7	10,148	41.3	9,648	45.9	6,495	47.1

Note: Comprehensive income: Fiscal year ended August 31, 2022: ¥4,285 million [(33.8)%]

Fiscal year ended August 31, 2021: ¥6,476 million [45.4%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
August 31, 2022	104.71	—	16.1	7.3	11.6
August 31, 2021	159.70	—	28.5	10.7	14.9

(Reference) Equity in earnings of affiliated companies: Fiscal year ended August 31, 2022: ¥ – million

Fiscal year ended August 31, 2021: ¥ – million

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 previous consolidated fiscal year.

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	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2022	101,418	27,552	27.2	677.18
As of August 31, 2021	97,278	25,331	26.0	622.66

(Reference) Equity: As of August 31, 2022: ¥27,537 million

As of August 31, 2021: ¥25,315 million

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

Net assets per share is calculated on the assumption that the said stock split was implemented at the beginning of the previous consolidated fiscal year.

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
August 31, 2022	(6,756)	(2,776)	2,914	27,709
August 31, 2021	5,127	(4,037)	3,315	34,349

### 2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended August 31, 2021	Yen —	Yen 0.00	Yen —	Yen 50.00	Yen 50.00	Million yen 2,032	% 31.3	% 8.9
Fiscal year ended August 31, 2022	—	0.00	—	55.00	55.00	2,236	52.5	8.5
Fiscal year ending August 31, 2023 (Forecast)	—	0.00	—	55.00	55.00		30.9	

Note: On March 1, 2021, the Company has implemented a stock split at the rate of 1.3 shares per common share. For the fiscal year ending August 31, 2021, the amount of dividends after the stock split is described.

### 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

#### \* Notes:

(1) Changes in significant subsidiaries during the fiscal year under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: — (Company name:)

Excluded: — (Company name:)

(2) 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

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the year (including treasury shares):

August 31, 2022: 46,027,488 shares

August 31, 2021: 46,027,488 shares

2) Total number of treasury shares at the end of the year:

August 31, 2022: 5,362,972 shares

August 31, 2021: 5,369,813 shares

3) Average number of shares during the year:

Year ended August 31, 2022:	40,662,802 shares
Year ended August 31, 2021:	40,674,580 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 (common shares) is calculated on the assumption that the said stock split was implemented at the beginning of the previous consolidated fiscal year.

**(Reference) Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2022 (September 1, 2021 - August 31, 2022)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended August 31, 2022	4,248	(13.7)	2,622	(23.8)	2,624	(23.3)	1,786	(39.0)
Year ended August 31, 2021	4,925	24.3	3,442	61.0	3,420	60.5	2,928	56.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year ended August 31, 2022	43.93	—
Year ended August 31, 2021	71.99	—

- 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 previous consolidated fiscal year.  
2. Diluted earnings per share has not been presented since there are no potential shares.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2022	47,924	12,408	25.9	305.14
As of August 31, 2021	43,152	12,675	29.4	311.76

(Reference) Equity: As of August 31, 2022: ¥12,408 million

As of August 31, 2021: ¥12,662 million

- Note: On March 1, 2021, the Company carried out a 1.3-for-1 stock split for its common stock.  
Net assets per share is calculated on the assumption that the said stock split was implemented at the beginning of the previous consolidated fiscal year.

\* These consolidated financial results are outside the scope of audit 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) Consolidated Balance Sheets

(Million yen)

	As of August 31, 2021	As of August 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	35,937	27,597
Notes and accounts receivable - trade	7,847	1,336
Lease receivables	5,102	5,411
Accounts receivable from completed construction contracts	7,696	9,581
Merchandise	6,613	14,266
Real estate for sale	2,167	426
Costs on construction contracts in progress	11,863	2,161
Raw materials and supplies	0	41
Other	2,611	4,605
Allowances for doubtful accounts	(290)	(407)
Total current assets	79,550	65,022
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,358	2,674
Accumulated depreciation	(1,105)	(1,163)
Buildings and structures, net	1,253	1,510
Machinery, equipment and vehicles	14,248	24,784
Accumulated depreciation	(4,669)	(5,465)
Machinery, equipment and vehicles, net	9,579	19,318
Land	3,521	7,132
Other	2,997	2,708
Accumulated depreciation	(2,265)	(2,175)
Other, net	731	532
Total property, plant and equipment	15,086	28,494
Intangible assets	353	4,290
Investments and other assets		
Investment securities	329	849
Long-term loans receivable	109	86
Deferred tax assets	497	1,363
Other	1,457	1,429
Allowances for doubtful accounts	(104)	(118)
Total investments and other assets	2,288	3,610
Total non-current assets	17,728	36,395
Total assets	97,278	101,418

(Million yen)

	As of August 31, 2021	As of August 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,095	2,175
Accounts payable for construction contracts	2,061	2,634
Current portion of bonds payable	190	140
Short-term borrowings	20,725	14,563
Income taxes payable	2,083	444
Provision for warranties for completed construction	194	195
Provision for loss on withdrawal from electric power business	—	1,126
Other	6,668	6,917
Total current liabilities	38,018	28,197
Non-current liabilities		
Bonds payable	450	310
Long-term borrowings	32,409	44,052
Asset retirement obligations	705	959
Deferred tax liabilities	37	13
Other	325	332
Total non-current liabilities	33,928	45,667
<b>Total liabilities</b>	<b>71,946</b>	<b>73,865</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,020	2,020
Capital surplus	728	734
Retained earnings	25,824	28,049
Treasury shares	(3,216)	(3,255)
Total shareholders' equity	25,356	27,550
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(37)	(6)
Deferred gains or losses on hedges	—	—
Foreign currency translation adjustment	(3)	(6)
Total accumulated other comprehensive income	(40)	(13)
Non-controlling interests	15	15
<b>Total net assets</b>	<b>25,331</b>	<b>27,552</b>
<b>Total liabilities and net assets</b>	<b>97,278</b>	<b>101,418</b>

(2) Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended August 31, 2021	For the fiscal year ended August 31, 2022
Net sales	67,938	67,169
Cost of sales	51,278	52,725
Gross profit	16,660	14,443
Selling, general and administrative expenses	6,511	6,673
Operating profit	10,148	7,770
Non-operating income		
Interest income	4	2
Dividend income	10	14
Foreign exchange gains	—	5
Subsidy income	20	3
Consumption tax difference	19	19
Other	26	23
Total non-operating income	81	70
Non-operating expenses		
Interest expenses	414	455
Commission expenses	145	61
Other	21	29
Total non-operating expenses	580	547
Ordinary profit	9,648	7,293
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	29	—
Provision for loss on withdrawal from electric power business	—	1,500
Loss on valuation of investment securities	119	—
Total extraordinary losses	149	1,500
Profit before distributions of profit or loss on silent partnerships and income taxes	9,499	5,792
Distributions of profit or loss on silent partnerships	26	28
Profit before income taxes	9,472	5,764
Income taxes - current	3,115	2,391
Income taxes - deferred	(138)	(885)
Total income taxes	2,977	1,506
Profit	6,495	4,257
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	6,495	4,257

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended August 31, 2021	For the fiscal year ended August 31, 2022
Profit	6,495	4,257
Other comprehensive income		
Valuation difference on available-for-sale securities	7	30
Deferred gains or losses on hedges	(19)	—
Foreign currency translation adjustment	(6)	(2)
Total other comprehensive income	(18)	27
Comprehensive income	6,476	4,285
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,476	4,285
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,020	728	20,737	(3,121)	20,365
Changes during period					
Dividends of surplus			(1,408)		(1,408)
Profit attributable to owners of parent			6,495		6,495
Purchase of treasury shares				(95)	(95)
Net changes of items other than shareholders' equity					
Total changes during period	—	—	5,087	(95)	4,991
Balance at end of period	2,020	728	25,824	(3,216)	25,356

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(44)	19	2	(22)	15	20,359
Changes during period						
Dividends of surplus						(1,408)
Profit attributable to owners of parent						6,495
Purchase of treasury shares						(95)
Net changes of items other than shareholders' equity	7	(19)	(6)	(18)		(18)
Total changes during period	7	(19)	(6)	(18)	—	4,972
Balance at end of period	(37)	—	(3)	(40)	15	25,331

Fiscal year ended August 31, 2022 (from September 1, 2021 to August 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,020	728	25,824	(3,216)	25,356
Changes during period					
Dividends of surplus			(2,032)		(2,032)
Profit attributable to owners of parent			4,257		4,257
Purchase of treasury shares				(48)	(48)
Disposal of treasury shares				9	9
Restricted stock payment		6			6
Net changes of items other than shareholders' equity					—
Total changes during period	—	6	2,225	(38)	2,193
Balance at end of period	2,020	734	28,049	(3,255)	27,550

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(37)	—	(3)	(40)	15	25,331
Changes during period						
Dividends of surplus				—		(2,032)
Profit attributable to owners of parent				—		4,257
Purchase of treasury shares				—		(48)
Disposal of treasury shares						9
Restricted stock payment						6
Net changes of items other than shareholders' equity	30	—	(2)	27	—	27
Total changes during period	30	—	(2)	27	—	2,221
Balance at end of period	(6)	—	(6)	(13)	15	27,552

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended August 31, 2021	For the fiscal year ended August 31, 2022
Cash flows from operating activities		
Profit before income taxes	9,472	5,764
Depreciation	1,448	1,432
Increase (decrease) in allowance for doubtful accounts	98	130
Increase (decrease) in provision for warranties for completed construction	(247)	1
Increase (decrease) in provision for loss on withdrawal from electric power business	—	1,126
Interest and dividend income	(14)	(16)
Interest expenses	414	455
Loss on valuation of shares of subsidiaries and associates	29	—
Loss (gain) on valuation of investment securities	119	10
Decrease (increase) in trade receivables	(4,838)	4,248
Decrease (increase) in inventories	(2,398)	(10,921)
Decrease (increase) in advance payments to suppliers	(872)	776
Increase (decrease) in trade payables	2,944	(3,408)
Increase (decrease) in advances received on construction contracts in progress	19	215
Decrease (increase) in accounts receivable - other	123	(1,744)
Increase (decrease) in accounts payable - other	41	72
Increase (decrease) in accrued consumption taxes	330	(120)
Increase (decrease) in advances received	356	873
Other, net	442	(1,222)
Subtotal	7,469	(2,326)
Interest and dividends received	15	17
Interest paid	(420)	(479)
Income taxes paid	(1,936)	(3,967)
Net cash provided by (used in) operating activities	5,127	(6,756)
Cash flows from investing activities		
Purchase of investment securities	(3)	(503)
Purchase of property, plant and equipment	(3,256)	(3,267)
Purchase of intangible assets	(138)	(334)
Payments into time deposits	(500)	1,500
Proceeds from refund of leasehold and guarantee deposits	16	1,567
Payments of leasehold and guarantee deposits	(27)	(1,449)
Proceeds from collection of long-term loans receivable	20	18
Long-term loan advances	(24)	(4)
Decrease (increase) in derivative deposits	—	—
Other, net	(122)	(303)
Net cash provided by (used in) investing activities	(4,037)	(2,776)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	4,500	(5,500)
Proceeds from issuance of bonds	500	—
Redemption of bonds	(190)	(190)
Proceeds from long-term borrowings	15,768	27,442
Repayments of long-term borrowings	(15,521)	(16,675)
Purchase of treasury shares	(95)	(38)
Dividends paid	(1,408)	(2,031)
Other, net	(237)	(92)
Net cash provided by (used in) financing activities	3,315	2,914
Effect of exchange rate change on cash and cash equivalents	29	(20)
Net increase (decrease) in cash and cash equivalents	4,435	(6,639)
Cash and cash equivalents at beginning of period	29,913	34,349
Cash and cash equivalents at end of period	34,349	27,709