

Consolidated Financial Results for the Six Months Ended February 28, 2022 [Japanese GAAP]



April 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 filing quarterly securities report: April 14, 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 Six Months Ended February 28, 2022 (September 1, 2021 – February 28, 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	%
Six months ended February 28, 2022	34,571	30.9	2,716	(19.1)	2,453	(18.8)	1,687	(15.3)
February 28, 2021	26,409	(6.5)	3,358	24.9	3,020	22.5	1,991	20.7

Note: Comprehensive income: Six months ended February 28, 2022: ¥1,705 million [(13.5)%]

Six months ended February 28, 2021: ¥1,970 million [20.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended February 28, 2022	41.50	—
February 28, 2021	48.96	—

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 February 28, 2022	98,560	24,973	25.3
As of August 31, 2021	97,278	25,331	26.0

(Reference) Equity: As of February 28, 2022: ¥24,957 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 (September1, 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	91,250	34.3	11,672	15.0	10,972	13.7	7,132	9.8	175.34

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):

February 28, 2022:	46,027,488 shares
August 31, 2021:	46,027,488 shares
 - 2) Total number of treasury shares at the end of the period:

February 28, 2022:	5,360,283 shares
August 31, 2021:	5,369,813 shares
 - 3) Average number of shares during the period:

Six months ended February 28, 2022:	40,659,666 shares
Six months ended February 28, 2021:	40,682,130 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 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 February 28, 2022
Assets		
Current assets		
Cash and deposits	35,937	31,329
Notes and accounts receivable - trade	7,847	10,738
Lease receivables	5,102	5,453
Accounts receivable from completed construction contracts	7,696	2,631
Merchandise	6,613	9,204
Real estate for sale	2,167	1,860
Costs on construction contracts in progress	11,863	15,541
Raw materials and supplies	0	18
Other	2,611	2,346
Allowances for doubtful accounts	(290)	(285)
Total current assets	79,550	78,839
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	9,579	9,284
Other, net	5,507	5,772
Total property, plant and equipment	15,086	15,056
Intangible assets	353	325
Investments and other assets		
Investment securities	329	843
Long-term loans receivable	109	95
Deferred tax assets	497	497
Other	1,457	3,001
Allowances for doubtful accounts	(104)	(98)
Total investments and other assets	2,288	4,339
Total non-current assets	17,728	19,720
Total assets	97,278	98,560

(Million yen)

	As of August 31, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,095	6,417
Accounts payable for construction contracts	2,061	987
Current portion of bonds payable	190	140
Short-term borrowings	20,725	16,311
Income taxes payable	2,083	348
Provision for warranties for completed construction	194	158
Other	6,668	7,687
Total current liabilities	38,018	32,050
Non-current liabilities		
Bonds payable	450	380
Long-term borrowings	32,409	40,233
Asset retirement obligations	705	544
Deferred tax liabilities	37	37
Other	325	340
Total non-current liabilities	33,928	41,535
Total liabilities	71,946	73,997
Net assets		
Shareholders' equity		
Share capital	2,020	2,020
Capital surplus	728	728
Retained earnings	25,824	25,474
Treasury shares	(3,216)	(3,243)
Total shareholders' equity	25,356	24,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(37)	(25)
Foreign currency translation adjustment	(3)	2
Total accumulated other comprehensive income	(40)	(23)
Non-controlling interests	15	15
Total net assets	25,331	24,973
Total liabilities and net assets	97,278	98,560

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended February 28

(Million yen)

	Six months ended February 28, 2021	Six months ended February 28, 2022
Net sales	26,409	34,571
Cost of sales	20,071	28,910
Gross profit	6,338	5,660
Selling, general and administrative expenses	2,980	2,944
Operating profit	3,358	2,716
Non-operating income		
Interest income	2	2
Dividend income	2	3
Exchange gain on foreign currencies	—	17
Other	15	8
Total non-operating income	20	31
Non-operating expenses		
Interest expenses	209	235
Commission expenses	132	57
Exchange loss on foreign currencies	5	—
Other	10	1
Total non-operating expenses	358	294
Ordinary profit	3,020	2,453
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	29	—
Total extraordinary losses	29	—
Profit before distributions of profit or loss on silent partnerships and income taxes	2,991	2,453
Distributions of profit or loss on silent partnerships	15	12
Profit before income taxes	2,976	2,441
Income taxes	984	754
Profit	1,991	1,687
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,991	1,687

Consolidated Statements of Comprehensive Income

Six Months Ended February 28

(Million yen)

	Six months ended February 28, 2021	Six months ended February 28, 2022
Profit	1,991	1,687
Other comprehensive income		
Valuation difference on available-for-sale securities	0	11
Deferred gains or losses on hedges	(19)	—
Foreign currency translation adjustment	(2)	6
Total other comprehensive income	(21)	17
Comprehensive income	1,970	1,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,970	1,705
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Six months ended February 28, 2021	Six months ended February 28, 2022
Cash flows from operating activities		
Profit before income taxes	2,976	2,441
Depreciation	741	662
Increase (decrease) in allowance for doubtful accounts	32	(10)
Increase (decrease) in provision for warranties for completed construction	(55)	(36)
Interest and dividend income	(5)	(5)
Interest expenses	209	235
Decrease (increase) in trade receivables	1,064	1,792
Decrease (increase) in inventories	(2,291)	(6,508)
Decrease (increase) in advance payments to suppliers	(313)	692
Increase (decrease) in trade payables	524	(749)
Decrease (increase) in operating guarantee deposit	—	(1,263)
Increase (decrease) in advances received on construction contracts in progress	53	576
Decrease (increase) in accounts receivable - other	403	(220)
Increase (decrease) in accounts payable - other	(12)	16
Loss on valuation of shares of subsidiaries and associates	29	—
Increase (decrease) in accrued consumption taxes	138	(36)
Increase (decrease) in advances received	217	507
Increase (decrease) in deposits received	349	71
Other, net	266	(78)
Subtotal	4,326	(1,912)
Interest and dividends received	5	5
Interest paid	(208)	(256)
Income taxes refund (paid)	(1,062)	(2,440)
Net cash provided by (used in) operating activities	3,061	(4,603)

(Million yen)

	Six months ended February 28, 2021	Six months ended February 28, 2022
Cash flows from investing activities		
Purchase of investment securities	—	(503)
Purchase of property, plant and equipment	(120)	(110)
Purchase of intangible assets	(30)	(43)
Proceeds from withdrawal of time deposits	—	1,500
Proceeds from refund of leasehold and guarantee deposits	16	4
Payments of leasehold and guarantee deposits	(14)	(100)
Proceeds from collection of long-term loans receivable	7	5
Long-term loan advances	(15)	—
Other, net	(40)	(270)
Net cash provided by (used in) investing activities	(196)	482
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,750	(4,739)
Proceeds from long-term borrowings	3,000	16,728
Repayments of long-term borrowings	(8,718)	(8,498)
Proceeds from issuance of bonds	500	—
Redemption of bonds	(70)	(120)
Purchase of treasury shares	(11)	(26)
Dividends paid	(1,407)	(2,030)
Other, net	(196)	(81)
Net cash provided by (used in) financing activities	(5,154)	1,232
Effect of exchange rate change on cash and cash equivalents	14	(18)
Net increase (decrease) in cash and cash equivalents	(2,275)	(2,907)
Cash and cash equivalents at beginning of period	29,913	34,349
Cash and cash equivalents at end of period	27,638	31,441