

Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 [Japanese GAAP]



October 15, 2024

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 26, 2024

Scheduled date of commencing dividend payments: November 27, 2024

Scheduled date of filing securities report: November 26, 2024

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, 2024 (September 1, 2023 - August 31, 2024)

(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, 2024	50,390	15.2	10,597	24.7	9,956	24.9	6,757	12.3
August 31, 2023	43,734	(34.9)	8,499	9.4	7,972	9.3	6,016	41.3

Note: Comprehensive income: Fiscal year ended August 31, 2024: ¥7,000 million [15.1%]

Fiscal year ended August 31, 2023: ¥6,080 million [41.9%]

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, 2024	167.46	–	20.9	8.0	21.0
August 31, 2023	147.97	–	20.4	7.1	19.4

(Reference) Equity in earnings of affiliated companies: Fiscal year ended August 31, 2024: ¥ – million

Fiscal year ended August 31, 2023: ¥ – million

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	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2024	125,897	33,399	26.4	837.93
As of August 31, 2023	123,802	31,403	25.4	771.95

(Reference) Equity: As of August 31, 2024: ¥33,231 million

As of August 31, 2023: ¥31,387 million

(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 August 31, 2024	Million yen 246	Million yen (10,171)	Million yen (8,562)	Million yen 27,818
August 31, 2023	7,345	(5,384)	16,555	46,263

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, 2023	Yen —	Yen 0.00	Yen —	Yen 55.00	Yen 55.00	Million yen 2,236	% 37.2	% 7.6
Fiscal year ended August 31, 2024	—	0.00	—	65.00	65.00	2,577	38.8	8.1
Fiscal year ending August 31, 2025 (Forecast)	—	0.00	—	65.00	65.00		32.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2025 (September 1, 2024 - August 31, 2025)

(% 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	16,710	(16.1)	2,659	(8.7)	2,097	(18.3)	1,242	(33.3)	31.32
Full year	56,418	12.0	13,221	24.8	11,921	19.7	8,010	18.5	201.97

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

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: None

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, 2024: 46,027,488 shares

August 31, 2023: 46,027,488 shares

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

August 31, 2024: 6,367,813 shares

August 31, 2023: 5,367,122 shares

3) Average number of shares during the year:

Year ended August 31, 2024: 40,356,606 shares

Year ended August 31, 2023: 40,662,125 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (September 1, 2023 - August 31, 2024)****(1) Non-consolidated Operating Results** (% indicates changes from the previous corresponding period.)

Year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2024	3,601	(41.0)	2,201	(54.0)	2,191	(53.2)	1,526	(64.8)
August 31, 2023	6,105	43.7	4,788	82.6	4,685	78.5	4,335	142.7

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
August 31, 2024	37.83	—
August 31, 2023	106.62	—

Note: 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, 2024	56,635	11,057	19.5	278.80
As of August 31, 2023	60,729	14,521	23.9	357.15

(Reference) Equity: As of August 31, 2024: ¥11,057 million

As of August 31, 2023: ¥14,521 million

* 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, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	46,150	27,676
Accounts receivable - trade	863	1,255
Lease receivables	5,564	5,078
Accounts receivable from completed construction contracts	9,587	20,646
Merchandise	11,998	10,591
Real estate for sale	326	56
Costs on construction contracts in progress	2,295	2,899
Raw materials and supplies	14	50
Other	7,382	8,362
Allowances for doubtful accounts	(210)	(98)
Total current assets	83,973	76,518
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,691	2,723
Accumulated depreciation	(1,274)	(1,424)
Buildings and structures, net	1,416	1,298
Machinery, equipment and vehicles	27,359	28,858
Accumulated depreciation	(6,961)	(8,339)
Machinery, equipment and vehicles, net	20,397	20,519
Land	8,780	18,307
Other	2,650	3,272
Accumulated depreciation	(2,404)	(2,563)
Other, net	246	708
Total property, plant and equipment	30,841	40,834
Intangible assets	4,174	806
Investments and other assets		
Investment securities	1,209	1,742
Long-term loans receivable	225	908
Deferred tax assets	1,414	1,572
Other	2,071	3,627
Allowances for doubtful accounts	(108)	(112)
Total investments and other assets	4,812	7,738
Total non-current assets	39,828	49,379
Total assets	123,802	125,897

(Million yen)

	As of August 31, 2023	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	644	529
Accounts payable for construction contracts	3,039	3,888
Current portion of bonds payable	140	120
Short-term borrowings	17,866	18,612
Income taxes payable	319	2,742
Provision for warranties for completed construction	176	169
Contract liabilities	5,765	6,125
Other	2,930	2,318
Total current liabilities	30,882	34,507
Non-current liabilities		
Bonds payable	170	50
Long-term borrowings	60,078	56,553
Asset retirement obligations	962	940
Deferred tax liabilities	0	0
Other	305	445
Total non-current liabilities	61,516	57,990
Total liabilities	92,399	92,497
Net assets		
Shareholders' equity		
Share capital	2,020	2,020
Capital surplus	756	781
Retained earnings	31,830	36,350
Treasury shares	(3,270)	(6,062)
Total shareholders' equity	31,337	33,090
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	48	120
Foreign currency translation adjustment	1	19
Total accumulated other comprehensive income	50	140
Non-controlling interests	15	168
Total net assets	31,403	33,399
Total liabilities and net assets	123,802	125,897

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

(Million yen)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Net sales	43,734	50,390
Cost of sales	28,378	31,868
Gross profit (loss)	15,356	18,522
Selling, general and administrative expenses	6,856	7,924
Operating profit (loss)	8,499	10,597
Non-operating income		
Interest income	2	10
Dividend income	33	34
Foreign exchange gains	–	45
Insurance claim income	10	65
Interest on tax refund	37	6
Subsidy income	75	7
Consumption tax difference	20	15
Other	4	13
Total non-operating income	183	198
Non-operating expenses		
Interest expenses	609	733
Foreign exchange losses	81	–
Commission expenses	6	95
Other	12	10
Total non-operating expenses	710	839
Ordinary profit (loss)	7,972	9,956
Extraordinary income		
Gain on sale of non-current assets	–	0
Gain on sale of investment securities	–	19
Reversal of provision for loss on withdrawal from electric power business	265	–
Total extraordinary income	265	19
Extraordinary losses		
Loss on retirement of non-current assets	–	71
Total extraordinary losses	–	71
Profit (loss) before distributions of profit or loss on silent partnerships and income taxes	8,238	9,903
Distributions of profit or loss on silent partnerships	40	36
Profit (loss) before income taxes	8,198	9,866
Income taxes - current	2,270	3,156
Income taxes - deferred	(88)	(193)
Total income taxes	2,181	2,963
Profit (loss)	6,016	6,903
Profit (loss) attributable to non-controlling interests	–	145
Profit (loss) attributable to owners of parent	6,016	6,757

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Profit (loss)	6,016	6,903
Other comprehensive income		
Valuation difference on available-for-sale securities	55	72
Foreign currency translation adjustment	8	25
Total other comprehensive income	63	97
Comprehensive income	6,080	7,000
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,080	6,848
Comprehensive income attributable to non-controlling interests	–	152

(3) Consolidated Statements of Changes in Equity

Fiscal year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,020	734	28,049	(3,255)	27,550
Changes during period					
Dividends of surplus			(2,236)		(2,236)
Profit (loss) attributable to owners of parent			6,016		6,016
Purchase of treasury shares				(15)	(15)
Restricted stock payment		21			21
Net changes of items other than shareholders' equity					
Total changes during period	-	21	3,780	(15)	3,787
Balance at end of period	2,020	756	31,830	(3,270)	31,337

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(6)	(6)	(13)	15	27,552
Changes during period					
Dividends of surplus					(2,236)
Profit (loss) attributable to owners of parent					6,016
Purchase of treasury shares					(15)
Restricted stock payment					21
Net changes of items other than shareholders' equity	55	8	63		63
Total changes during period	55	8	63	-	3,850
Balance at end of period	48	1	50	15	31,403

Fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,020	756	31,830	(3,270)	31,337
Changes during period					
Dividends of surplus			(2,236)		(2,236)
Profit (loss) attributable to owners of parent			6,757		6,757
Purchase of treasury shares				(2,791)	(2,791)
Restricted stock payment		24			24
Change in scope of consolidation			(0)		(0)
Net changes of items other than shareholders' equity					
Total changes during period	-	24	4,520	(2,791)	1,753
Balance at end of period	2,020	781	36,350	(6,062)	33,090

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	48	1	50	15	31,403
Changes during period					
Dividends of surplus					(2,236)
Profit (loss) attributable to owners of parent					6,757
Purchase of treasury shares					(2,791)
Restricted stock payment					24
Change in scope of consolidation					(0)
Net changes of items other than shareholders' equity	72	18	90	152	242
Total changes during period	72	18	90	152	1,996
Balance at end of period	120	19	140	168	33,399

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,198	9,866
Depreciation	2,168	2,093
Increase (decrease) in allowance for doubtful accounts	(206)	(992)
Increase (decrease) in provision for warranties for completed construction	(18)	(7)
Increase (decrease) in provision for loss on withdrawal from electric power business	(1,126)	–
Interest and dividend income	(36)	(43)
Interest expenses	609	733
Decrease (increase) in trade receivables	381	(10,778)
Decrease (increase) in inventories	2,086	1,058
Decrease (increase) in advance payments to suppliers	(908)	(11)
Increase (decrease) in trade payables	(1,187)	715
Increase (decrease) in advances received on construction contracts in progress	(144)	47
Decrease (increase) in accounts receivable - other	697	(161)
Increase (decrease) in accounts payable - other	259	(194)
Increase (decrease) in accrued consumption taxes	726	(893)
Increase (decrease) in advances received	235	370
Other, net	(915)	(804)
Subtotal	10,820	998
Interest and dividends received	36	44
Interest paid	(632)	(721)
Income taxes paid	(2,879)	(75)
Net cash provided by (used in) operating activities	7,345	246
Cash flows from investing activities		
Purchase of investment securities	(280)	(389)
Purchase of property, plant and equipment	(3,919)	(7,517)
Purchase of intangible assets	(1)	(15)
Proceeds from withdrawal of time deposits	–	30
Proceeds from refund of guarantee deposits	–	9
Payments of guarantee deposits	–	(18)
Proceeds from refund of leasehold and guarantee deposits	10	–
Payments of leasehold and guarantee deposits	(5)	–
Purchase of right to use facilities	(636)	(1,771)
Proceeds from collection of long-term loans receivable	4	4
Long-term loan advances	(182)	70
Acquisition of goodwill	–	(411)
Other, net	(374)	(162)
Net cash provided by (used in) investing activities	(5,384)	(10,171)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	504	100
Redemption of bonds	(140)	(140)
Proceeds from long-term borrowings	35,404	14,539
Repayments of long-term borrowings	(16,938)	(17,922)
Purchase of treasury shares	(15)	(2,791)
Dividends paid	(2,236)	(2,234)
Other, net	(22)	(112)
Net cash provided by (used in) financing activities	16,555	(8,562)
Effect of exchange rate change on cash and cash equivalents	26	43
Net increase (decrease) in cash and cash equivalents	18,543	(18,444)
Cash and cash equivalents at beginning of period	27,709	46,263
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	10	–
Cash and cash equivalents at end of period	46,263	27,818