

# Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: WASEDA ACADEMY CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4718 URL <https://www.waseda-ac.co.jp/corp/ir/>  
 Representative: Representative Director and President Yutaka Yamamoto  
 Director, Managing Executive  
 Inquiries: Officer, General Manager of Administration Yoko Kono TEL 03-3590-4011  
 Division  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023  
 Scheduled date to file Securities Report: June 27, 2023  
 Scheduled date to commence dividend payments: June 28, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	30,728	7.6	2,400	31.8	2,431	32.0	1,553	40.2
Year ended March 31, 2022	28,551	12.2	1,821	71.2	1,841	70.9	1,108	109.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	82.35	—	13.0	11.9	7.8
Year ended March 31, 2022	58.76	—	9.9	9.6	6.4

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	21,114	12,532	59.4	664.60
As of March 31, 2022	19,663	11,431	58.1	606.22

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	2,908	(1,130)	(687)	6,208
Year ended March 31, 2022	2,645	(1,701)	(1,044)	5,128

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	7.00	—	15.00	22.00	418	37.4	3.7
Year ended March 31, 2023	—	8.00	—	16.00	24.00	456	29.1	3.8
Year ending March 31, 2024 (Forecast)	—	10.00	—	20.00	30.00		34.0	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	16,132	8.8	1,102	0.6	1,126	1.5	683	(1.0)	36.25
Full year	33,228	8.1	2,659	10.8	2,693	10.8	1,662	7.1	88.18

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	19,012,452 shares	As of March 31, 2022	19,012,452 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2023	155,663 shares	As of March 31, 2022	155,334 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2023	18,861,986 shares	Year ended March 31, 2022	18,857,118 shares
---------------------------	-------------------	---------------------------	-------------------

# Consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	5,207,200	6,306,306
Trade accounts receivable	1,894,820	1,841,932
Merchandise and finished goods	231,936	159,229
Raw materials and supplies	68,121	67,958
Prepaid expenses	476,640	497,582
Other	31,523	37,305
Allowance for doubtful accounts	(5,896)	(5,844)
Total current assets	7,904,346	8,904,470
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,075,434	8,575,281
Accumulated depreciation	(4,408,727)	(4,820,147)
Buildings and structures, net	3,666,707	3,755,134
Land	1,093,541	1,098,446
Leased assets	1,235,904	1,217,189
Accumulated depreciation	(637,702)	(674,290)
Leased assets, net	598,202	542,899
Construction in progress	12,735	—
Other	934,647	985,689
Accumulated depreciation	(722,689)	(784,004)
Other, net	211,958	201,684
Total property, plant and equipment	5,583,143	5,598,165
Intangible assets		
Software	416,312	556,997
Software in progress	—	93,123
Goodwill	1,302,529	1,113,506
Other	45,465	41,191
Total intangible assets	1,764,306	1,804,818
Investments and other assets		
Investment securities	592,564	574,207
Deferred tax assets	849,762	960,722
Guarantee deposits	2,770,148	3,109,791
Other	209,893	172,165
Allowance for doubtful accounts	(10,400)	(9,800)
Total investments and other assets	4,411,968	4,807,087
Total non-current assets	11,759,418	12,210,071
Total assets	19,663,765	21,114,542

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	344,547	345,805
Accounts payable - other	741,852	952,045
Accrued expenses	1,027,772	1,032,633
Lease liabilities	223,343	217,851
Income taxes payable	637,761	715,062
Accrued consumption taxes	358,242	354,824
Advances received	851,704	762,137
Provision for bonuses	579,781	587,078
Provision for bonuses for directors (and other officers)	26,370	27,015
Provision for share awards for directors (and other officers)	—	84,422
Provision for share awards for employees	—	29,993
Provision for shareholder benefit program	61,118	75,581
Asset retirement obligations	—	38,411
Other	61,893	65,244
Total current liabilities	4,914,387	5,288,109
Non-current liabilities		
Lease liabilities	386,213	333,880
Retirement benefit liability	1,024,689	1,078,722
Asset retirement obligations	1,827,881	1,868,248
Provision for share awards for directors (and other officers)	43,373	—
Provision for share awards for employees	21,420	—
Other	14,151	13,413
Total non-current liabilities	3,317,729	3,294,264
Total liabilities	8,232,117	8,582,374
Net assets		
Shareholders' equity		
Share capital	2,014,172	2,014,172
Capital surplus	2,019,962	2,019,962
Retained earnings	7,447,532	8,563,552
Treasury shares	(140,229)	(143,720)
Total shareholders' equity	11,341,437	12,453,966
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	91,347	78,743
Foreign currency translation adjustment	5,350	19,261
Remeasurements of defined benefit plans	(6,487)	(19,804)
Total accumulated other comprehensive income	90,210	78,201
Non-controlling interests	—	—
Total net assets	11,431,648	12,532,167
Total liabilities and net assets	19,663,765	21,114,542

# Consolidated statements of income and consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	28,551,086	30,728,597
Cost of sales	20,684,308	21,905,473
Gross profit	7,866,777	8,823,123
Selling, general and administrative expenses	6,045,210	6,422,956
Operating profit	1,821,567	2,400,167
Non-operating income		
Interest income	104	1,182
Dividend income	21,031	17,529
Insurance fee income	4,166	5,750
Rental income from real estate	11,196	14,096
Other	13,916	9,973
Total non-operating income	50,415	48,531
Non-operating expenses		
Interest expenses	12,449	7,682
Loss on retirement of non-current assets	16,254	8,181
Other	1,914	1,393
Total non-operating expenses	30,618	17,257
Ordinary profit	1,841,364	2,431,441
Profit before income taxes	1,841,364	2,431,441
Income taxes - current	761,925	977,752
Income taxes - deferred	(28,589)	(99,616)
Total income taxes	733,335	878,135
Profit	1,108,028	1,553,305
Profit attributable to		
Profit attributable to owners of parent	1,108,028	1,553,305
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	(137,712)	(12,603)
Foreign currency translation adjustment	5,278	13,911
Remeasurements of defined benefit plans, net of tax	(16,184)	(13,316)
Total other comprehensive income	(148,617)	(12,008)
Comprehensive income	959,410	1,541,296
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	959,410	1,541,296
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,014,172	2,019,962	6,872,149	(140,229)	10,766,054
Cumulative effects of changes in accounting policies			(114,372)		(114,372)
Restated balance	2,014,172	2,019,962	6,757,777	(140,229)	10,651,682
Changes during period					
Dividends of surplus			(418,273)		(418,273)
Profit attributable to owners of parent			1,108,028		1,108,028
Purchase of treasury shares					—
Disposal of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	689,755	—	689,755
Balance at end of period	2,014,172	2,019,962	7,447,532	(140,229)	11,341,437

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	229,059	71	9,697	238,828	—	11,004,883
Cumulative effects of changes in accounting policies						(114,372)
Restated balance	229,059	71	9,697	238,828	—	10,890,511
Changes during period						
Dividends of surplus						(418,273)
Profit attributable to owners of parent						1,108,028
Purchase of treasury shares						—
Disposal of treasury shares						—
Net changes in items other than shareholders' equity	(137,712)	5,278	(16,184)	(148,617)	—	(148,617)
Total changes during period	(137,712)	5,278	(16,184)	(148,617)	—	541,137
Balance at end of period	91,347	5,350	(6,487)	90,210	—	11,431,648

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,014,172	2,019,962	7,447,532	(140,229)	11,341,437
Changes during period					
Dividends of surplus			(437,285)		(437,285)
Profit attributable to owners of parent			1,553,305		1,553,305
Purchase of treasury shares				(14,509)	(14,509)
Disposal of treasury shares				11,017	11,017
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,116,019	(3,491)	1,112,528
Balance at end of period	2,014,172	2,019,962	8,563,552	(143,720)	12,453,966

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	91,347	5,350	(6,487)	90,210	–	11,431,648
Changes during period						
Dividends of surplus						(437,285)
Profit attributable to owners of parent						1,553,305
Purchase of treasury shares						(14,509)
Disposal of treasury shares						11,017
Net changes in items other than shareholders' equity	(12,603)	13,911	(13,316)	(12,008)	–	(12,008)
Total changes during period	(12,603)	13,911	(13,316)	(12,008)	–	1,100,519
Balance at end of period	78,743	19,261	(19,804)	78,201	–	12,532,167

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,841,364	2,431,441
Depreciation	1,093,247	979,396
Amortization of goodwill	146,337	192,260
Increase (decrease) in allowance for doubtful accounts	(1,481)	(652)
Increase (decrease) in provision for bonuses	67,798	7,296
Increase (decrease) in retirement benefit liability	18,607	32,500
Increase (decrease) in provision for share awards for directors (and other officers)	29,290	41,049
Increase (decrease) in provision for share awards for employees	14,653	8,572
Increase (decrease) in provision for shareholder benefit program	40,524	14,463
Increase (decrease) in provision for bonuses for directors (and other officers)	11,870	645
Interest and dividend income	(21,135)	(18,711)
Interest expenses	12,449	7,682
Loss (gain) on disposal of non-current assets	16,254	8,181
Decrease (increase) in trade receivables	(12,260)	52,490
Decrease (increase) in inventories	(10,016)	72,746
Increase (decrease) in trade payables	60,141	1,257
Increase (decrease) in advances received	(83,330)	(88,819)
Increase (decrease) in accrued consumption taxes	(14,136)	(3,228)
Amortization of unrecognized items	480	2,338
Decrease (increase) in other assets	(51,078)	10,862
Increase (decrease) in other liabilities	84,073	55,390
Subtotal	3,243,652	3,807,166
Interest and dividends received	21,186	18,446
Interest paid	(12,345)	(7,280)
Income taxes paid	(607,134)	(909,930)
Net cash provided by (used in) operating activities	2,645,357	2,908,401
Cash flows from investing activities		
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(685,587)	—
Purchase of property, plant and equipment	(605,532)	(536,245)
Payments for asset retirement obligations	(180,293)	(644)
Purchase of intangible assets	(170,353)	(247,786)
Payments of guarantee deposits	(138,975)	(344,293)
Proceeds from refund of guarantee deposits	78,863	17,911
Decrease (increase) in time deposits	(1,438)	(19,249)
Other, net	2,250	—
Net cash provided by (used in) investing activities	(1,701,067)	(1,130,308)



	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Repayments of long-term borrowings	(370,722)	—
Repayments of lease liabilities	(256,292)	(241,829)
Purchase of treasury shares	—	(14,509)
Proceeds from disposal of treasury shares	—	5,519
Dividends paid	(417,646)	(437,043)
Net cash provided by (used in) financing activities	(1,044,660)	(687,861)
Effect of exchange rate change on cash and cash equivalents	(4,545)	(10,374)
Net increase (decrease) in cash and cash equivalents	(104,916)	1,079,855
Cash and cash equivalents at beginning of period	5,233,144	5,128,228
Cash and cash equivalents at end of period	5,128,228	6,208,084