

# Non-consolidated Financial Results for the Three Months Ended June 30, 2021 [Japanese GAAP]



August 13, 2021

Company name: FaithNetwork Co., Ltd  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3489  
 URL: <https://faithnetwork.co.jp/en/>  
 Representative: Jiro Hachiya, President and Representative Director  
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 Scheduled date of filing quarterly securities report: August 13, 2021  
 Scheduled date of commencing dividend payments: —  
 Availability of supplementary material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: Not scheduled

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

## 1. Financial Results for the Three Months Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2021	1,414	(26.1)	(133)	—	(174)	—	(121)	—
June 30, 2020	1,913	11.2	(40)	—	(82)	—	(58)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	(24.45)	—
June 30, 2020	(11.69)	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	15,402	4,318	28.0
As of March 31, 2021	12,632	4,650	36.8

(Reference) Equity: As of June 30, 2021: ¥4,318 million  
 As of March 31, 2021: ¥4,650 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 March 31, 2021	—	0.00	—	32.00	32.00
Fiscal year ending March 31, 2022	—				
Fiscal year ending March 31, 2022 (Forecast)		0.00	—	32.00	32.00

(Note) Revision to the forecast for dividends announced most recently: No

### 3. Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	20,000	6.5	1,280	19.7	1,050	17.3	710	21.4	142.57

(Note) Revision to the financial results forecast announced most recently: No

#### \* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly financial statements: No

(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: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

As of June 30, 2021: 4,980,000 shares

As of March 31, 2021: 4,980,000 shares

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

As of June 30, 2021: 40,077 shares

As of March 31, 2021: 77 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 4,965,543 shares

Three months ended June 30, 2020: 4,979,923 shares

\* These quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit corporation.

#### \* Explanation of the appropriate use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of preparation and certain assumptions deemed to be reasonable, and actual results may differ significantly from the forecasts due to various factors.

## 2. Quarterly Financial Statements and Primary Notes

### (1) Quarterly Balance Sheets

(Thousand yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,992,550	3,638,603
Accounts receivable from completed construction contracts	831,565	514,263
Real estate for sale	1,664,978	1,335,305
Real estate for sale in process	2,974,062	6,645,040
Advance payments to suppliers	158,417	196,597
Other	31,167	62,520
Total current assets	9,652,742	12,392,331
Non-current assets		
Property, plant and equipment		
Buildings	1,057,544	1,063,129
Structures	2,406	3,216
Machinery and equipment	101,514	101,514
Vehicles	18,298	18,298
Tools, furniture and fixtures	42,938	44,227
Land	1,289,983	1,289,983
Accumulated depreciation	(251,427)	(264,765)
Total property, plant and equipment	2,261,260	2,255,605
Intangible assets	22,746	21,173
Investments and other assets	696,079	733,295
Total non-current assets	2,980,086	3,010,074
Total assets	12,632,828	15,402,406

(Thousand yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	371,207	281,639
Short-term borrowings	469,890	500,000
Current portion of long-term borrowings	960,281	1,301,291
Current portion of bonds payable	46,500	46,500
Accounts payable - other	170,392	72,606
Income taxes payable	236,791	2,294
Advances received	540,907	543,908
Advances received on construction contracts in progress	200,795	197,085
Deposits received	233,871	267,293
Provision for bonuses	90,763	47,753
Provision for costs after sales	13,048	12,026
Provision for loss on construction contracts	57,566	36,712
Provision for shareholder benefit program	2,700	2,700
Other	40,504	49,077
Total current liabilities	3,435,219	3,360,889
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	4,421,243	7,602,788
Other	75,380	70,539
Total non-current liabilities	4,546,624	7,723,328
<b>Total liabilities</b>	<b>7,981,843</b>	<b>11,084,217</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus		
Legal capital surplus	631,120	631,120
Other capital surplus	220	220
Total capital surplus	631,340	631,340
Retained earnings		
Legal retained earnings	10,000	10,000
Other retained earnings		
Reserve for special depreciation	5,083	3,812
Retained earnings brought forward	3,340,154	3,060,669
Total retained earnings	3,355,238	3,074,481
Treasury shares	(101)	(53,889)
Total shareholders' equity	4,667,597	4,333,052
Valuation and translation adjustments		
Deferred gains or losses on hedges	(16,612)	(14,863)
Total valuation and translation adjustments	(16,612)	(14,863)
Total net assets	4,650,984	4,318,188
<b>Total liabilities and net assets</b>	<b>12,632,828</b>	<b>15,402,406</b>

(2) Quarterly Statements of Income  
 Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
Net sales	1,913,481	1,414,075
Cost of sales	1,652,696	1,211,555
Gross profit	260,784	202,520
Selling, general and administrative expenses	301,046	335,595
Operating loss	(40,261)	(133,075)
Non-operating income		
Income from insurance	966	4,701
Other	170	67
Total non-operating income	1,137	4,768
Non-operating expenses		
Interest expenses	31,605	29,051
Commission expenses	6,373	3,943
Registration license taxes and other	4,980	12,217
Other	514	755
Total non-operating expenses	43,474	45,968
Ordinary loss	(82,598)	(174,275)
Loss before income taxes	(82,598)	(174,275)
Income taxes - current	572	572
Income taxes - deferred	(24,938)	(53,448)
Total income taxes	(24,366)	(52,876)
Loss	(58,232)	(121,398)