

Non-consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]



February 14, 2022

Company name: FaithNetwork Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3489
 URL: <https://faithnetwork.co.jp/en/>
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 Scheduled date of filing quarterly securities report: February 14, 2022
 Scheduled date of commencing dividend payments: —
 Availability of supplementary material on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Not scheduled

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

1. Financial Results for the Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	7,291	(30.2)	104	(33.2)	(74)	—	(61)	—
December 31, 2020	10,439	18.8	156	(17.4)	20	103.2	5	86.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	(12.31)	—
December 31, 2020	1.11	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2021	19,235	4,402	22.9
As of March 31, 2021	12,632	4,650	36.8

(Reference) Equity: As of December 31, 2021: ¥4,402 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	—	0.00	—		
Fiscal year ending March 31, 2022 (Forecast)				37.00	37.00

(Note) Revision to the forecast for dividends announced most recently: Yes

For revision to the forecast for cash dividends, please refer to “Notice Regarding Revision to Full-year Financial Results Forecast and Revision to Cash Dividends Forecast (Increase)” released today (February 14, 2022) (available in Japanese only).

Breakdown of the year-end cash dividends for the fiscal year ending March 31, 2022: An ordinary dividend of ¥35.00 and a commemorative dividend of ¥2.00

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	17,000	(9.5)	1,500	40.3	1,250	39.6	850	45.3	171.50

(Note) Revision to the financial results forecast announced most recently: Yes

For revision to the financial results forecast, please refer to “Notice Regarding Revision to Full-year Financial Results Forecast and Revision to Cash Dividends Forecast (Increase)” released today (February 14, 2022) (available in Japanese only).

* 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 December 31, 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 December 31, 2021: 26,668 shares
 - As of March 31, 2021: 77 shares
 - 3) Average number of shares during the period:
 - Nine months ended December 31, 2021: 4,956,397 shares
 - Nine months ended December 31, 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.

(1) Quarterly Balance Sheets

(Thousand yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	3,992,550	3,950,877
Accounts receivable from completed construction contracts	831,565	1,261,618
Real estate for sale	1,664,978	443,815
Real estate for sale in process	2,974,062	10,557,437
Advance payments to suppliers	158,417	81,706
Other	31,167	311,066
Total current assets	9,652,742	16,606,521
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	44,439
Land	1,289,983	1,289,983
Construction in progress	—	7,415
Accumulated depreciation	(251,427)	(291,673)
Total property, plant and equipment	2,261,260	2,236,324
Intangible assets	22,746	18,921
Investments and other assets	696,079	373,399
Total non-current assets	2,980,086	2,628,645
Total assets	12,632,828	19,235,166

(Thousand yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable for construction contracts	371,207	949,544
Short-term borrowings	469,890	1,047,995
Current portion of long-term borrowings	960,281	1,733,411
Current portion of bonds payable	46,500	40,000
Accounts payable - other	170,392	36,795
Income taxes payable	236,791	14,974
Advances received	540,907	540,961
Advances received on construction contracts in progress	200,795	504,107
Deposits received	233,871	244,228
Provision for bonuses	90,763	52,390
Provision for costs after sales	13,048	7,891
Provision for loss on construction contracts	57,566	36,712
Provision for shareholder benefit program	2,700	15,084
Other	40,504	60,807
Total current liabilities	3,435,219	5,284,906
Non-current liabilities		
Bonds payable	50,000	120,000
Long-term borrowings	4,421,243	9,372,809
Other	75,380	54,833
Total non-current liabilities	4,546,624	9,547,643
Total liabilities	7,981,843	14,832,549
Net assets		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus		
Legal capital surplus	631,120	631,120
Other capital surplus	220	282
Total capital surplus	631,340	631,402
Retained earnings		
Legal retained earnings	10,000	10,000
Other retained earnings		
Reserve for special depreciation	5,083	1,270
Retained earnings brought forward	3,340,154	3,123,590
Total retained earnings	3,355,238	3,134,861
Treasury shares	(101)	(35,662)
Total shareholders' equity	4,667,597	4,411,721
Valuation and translation adjustments		
Deferred gains or losses on hedges	(16,612)	(9,103)
Total valuation and translation adjustments	(16,612)	(9,103)
Total net assets	4,650,984	4,402,617
Total liabilities and net assets	12,632,828	19,235,166

(2) Quarterly Statements of Income
 Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Net sales	10,439,571	7,291,776
Cost of sales	9,241,102	6,088,981
Gross profit	1,198,469	1,202,795
Selling, general and administrative expenses	1,041,951	1,098,263
Operating profit	156,517	104,531
Non-operating income		
Subsidy income	410	—
Income from insurance	3,176	12,280
Other	374	1,418
Total non-operating income	3,961	13,698
Non-operating expenses		
Interest expenses	94,852	125,729
Commission expenses	29,379	24,800
Registration license taxes and other	13,089	30,435
Other	2,280	11,799
Total non-operating expenses	139,601	192,765
Ordinary profit (loss)	20,876	(74,534)
Extraordinary income		
Gain on sale of non-current assets	82	—
Total extraordinary income	82	—
Profit (loss) before income taxes	20,958	(74,534)
Income taxes - current	1,717	1,717
Income taxes - deferred	13,733	(15,232)
Total income taxes	15,450	(13,515)
Profit (loss)	5,507	(61,019)