

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 11, 2022

Company name: FUKUDA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 1899 URL <https://www.fkd.co.jp/>  
 Representative: Representative Director and President Masanori Araaki  
 Director and General Manager of  
 Inquiries: Administration Department Katsuhiko Iwasaki TEL 025-266-9111  
 Scheduled date to file Quarterly Securities Report: May 12, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022)

#### (1) Consolidated operating results (cumulative)

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	%
Three months ended March 31, 2022	37,278	(20.2)	2,003	(47.4)	2,067	(47.2)	1,491	(42.6)
Three months ended March 31, 2021	46,721	1.8	3,810	52.5	3,915	53.3	2,598	42.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	174.92	–
Three months ended March 31, 2021	305.00	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	139,032	76,662	54.7
As of December 31, 2021	130,755	76,412	57.9

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2021	–	0.00	–	130.00	130.00
Year ending December 31, 2022	–	–	–	–	–
Year ending December 31, 2022 (Forecast)	–	0.00	–	120.00	120.00

### 3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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
Full year	155,000	(13.8)	6,200	(30.3)	6,400	(30.0)	4,100	(30.1)	480.98

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of March 31, 2022	8,988,111 shares	As of December 31, 2021	8,988,111 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	463,922 shares	As of December 31, 2021	464,902 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	8,523,744 shares	Three months ended March 31, 2021	8,519,733 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	23,288	36,642
Notes receivable, accounts receivable from completed construction contracts and other	63,660	59,491
Real estate for sale	816	552
Costs on construction contracts in progress	2,068	595
Costs on real estate business	2,335	2,335
Other inventories	358	345
Accounts receivable - other	1,885	2,351
Other	1,059	1,024
Allowance for doubtful accounts	(12)	(10)
Total current assets	95,462	103,327
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,745	23,009
Machinery, vehicles, tools, furniture and fixtures	13,732	13,789
Land	15,539	15,764
Other	1,057	793
Accumulated depreciation	(26,656)	(26,835)
Total property, plant and equipment	26,419	26,521
Intangible assets		
Other	523	504
Total intangible assets	523	504
Investments and other assets		
Investment securities	5,352	5,328
Long-term loans receivable	52	48
Retirement benefit asset	1,898	1,937
Deferred tax assets	407	727
Other	916	914
Allowance for doubtful accounts	(276)	(276)
Total investments and other assets	8,349	8,678
Total non-current assets	35,292	35,704
Total assets	130,755	139,032

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,862	35,882
Short-term borrowings	320	7,905
Income taxes payable	1,508	706
Advances received on uncompleted construction contracts and other	3,339	3,433
Provisions	439	1,494
Other	6,553	5,744
Total current liabilities	47,024	55,166
Non-current liabilities		
Long-term borrowings	767	665
Deferred tax liabilities	79	72
Deferred tax liabilities for land revaluation	838	838
Provisions	542	546
Retirement benefit liability	2,632	2,618
Other	2,457	2,462
Total non-current liabilities	7,318	7,203
Total liabilities	54,342	62,370
Net assets		
Shareholders' equity		
Share capital	5,158	5,158
Capital surplus	6,169	6,169
Retained earnings	66,075	66,080
Treasury shares	(2,271)	(2,265)
Total shareholders' equity	75,131	75,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	677	666
Revaluation reserve for land	(112)	122
Remeasurements of defined benefit plans	72	58
Total accumulated other comprehensive income	636	847
Non-controlling interests	643	672
Total net assets	76,412	76,662
Total liabilities and net assets	130,755	139,032

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales		
Net sales of completed construction contracts	42,308	32,346
Sales in real estate business	1,316	1,021
Sales in other businesses	3,096	3,910
Total net sales	46,721	37,278
Cost of sales		
Cost of sales of completed construction contracts	37,257	29,149
Cost of sales in real estate business	910	659
Cost of sales in other businesses	2,489	3,212
Total cost of sales	40,658	33,021
Gross profit		
Gross profit on completed construction contracts	5,050	3,196
Gross profit - real estate business	405	361
Gross profit - other business	606	698
Total gross profit	6,063	4,256
Selling, general and administrative expenses	2,252	2,253
Operating profit	3,810	2,003
Non-operating income		
Interest income	3	4
Dividend income	65	59
Reversal of allowance for doubtful accounts	29	–
Other	42	28
Total non-operating income	141	92
Non-operating expenses		
Interest expenses	15	14
Commission for syndicated loans	4	4
Prepayment guarantee fee	3	2
Share of loss of entities accounted for using equity method	6	7
Other	5	0
Total non-operating expenses	36	28
Ordinary profit	3,915	2,067
Extraordinary income		
Gain on sale of non-current assets	0	3
Gain on sale of investment securities	34	–
Other	–	1
Total extraordinary income	34	4

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Loss on valuation of investment securities	13	0
Loss on tax purpose reduction entry of non-current assets	1	–
Total extraordinary losses	15	1
Profit before income taxes	3,933	2,070
Income taxes - current	1,451	775
Income taxes - deferred	(169)	(244)
Total income taxes	1,282	530
Profit	2,651	1,540
Profit attributable to non-controlling interests	53	49
Profit attributable to owners of parent	2,598	1,491

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	2,651	1,540
Other comprehensive income		
Valuation difference on available-for-sale securities	108	(9)
Remeasurements of defined benefit plans, net of tax	3	(14)
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	112	(24)
Comprehensive income	2,764	1,515
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,708	1,465
Comprehensive income attributable to non-controlling interests	55	50