

Non-consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 12, 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: August 12, 2022
 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, 2022 (April 1, 2022 to June 30, 2022)

(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, 2022	3,471	145.5	51	—	14	—	8	—
June 30, 2021	1,414	(26.1)	(133)	—	(174)	—	(121)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	1.77	—
June 30, 2021	(24.45)	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	16,702	5,327	31.9
As of March 31, 2022	16,826	5,501	32.7

(Reference) Equity: As of June 30, 2022: ¥5,327 million
 As of March 31, 2022: ¥5,501 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, 2022	—	0.00	—	37.00	37.00
Fiscal year ending March 31, 2023	—	—	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	0.00	—	42.00	42.00

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

3. Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% 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	21,000	23.4	2,000	13.7	1,700	12.4	1,150	11.2	232.06

(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, 2022: 4,980,000 shares

As of March 31, 2022: 4,980,000 shares

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

As of June 30, 2022: 26,668 shares

As of March 31, 2022: 26,668 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 4,953,332 shares

Three months ended June 30, 2021: 4,965,543 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, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	5,539,782	3,692,435
Accounts receivable from completed construction contracts	988,517	1,692,779
Real estate for sale	152,777	997,552
Real estate for sale in process	7,499,533	7,640,336
Advance payments to suppliers	226,645	231,448
Other	144,703	165,816
Total current assets	14,551,959	14,420,369
Non-current assets		
Property, plant and equipment		
Buildings	961,140	965,769
Structures	3,216	3,216
Machinery and equipment	101,514	101,514
Vehicles	18,298	35,631
Tools, furniture and fixtures	47,657	52,092
Land	1,236,128	1,236,128
Construction in progress	10,335	–
Accumulated depreciation	(292,839)	(307,570)
Total property, plant and equipment	2,085,453	2,086,784
Intangible assets	17,371	15,890
Investments and other assets	171,477	179,639
Total non-current assets	2,274,302	2,282,313
Total assets	16,826,262	16,702,683

(Thousand yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable for construction contracts	731,808	833,076
Short-term borrowings	434,355	698,675
Current portion of long-term borrowings	1,399,885	1,940,455
Current portion of bonds payable	74,000	74,000
Accounts payable - other	93,810	75,218
Income taxes payable	301,785	4,548
Advances received	876	643
Advances received on construction contracts in progress	550,322	578,765
Deposits received	255,519	285,818
Provision for bonuses	102,304	51,742
Provision for costs after sales	6,540	6,997
Provision for loss on construction contracts	15,454	–
Provision for shareholder benefit program	4,642	4,642
Other	41,101	53,255
Total current liabilities	4,012,406	4,607,838
Non-current liabilities		
Bonds payable	176,000	166,000
Long-term borrowings	7,088,632	6,556,299
Other	48,171	44,762
Total non-current liabilities	7,312,804	6,767,062
Total liabilities	11,325,210	11,374,900
Net assets		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus		
Legal capital surplus	631,120	631,120
Other capital surplus	282	282
Total capital surplus	631,402	631,402
Retained earnings		
Legal retained earnings	10,000	10,000
Other retained earnings		
Retained earnings brought forward	4,220,339	4,045,825
Total retained earnings	4,230,339	4,055,825
Treasury shares	(35,662)	(35,662)
Total shareholders' equity	5,507,199	5,332,685
Valuation and translation adjustments		
Deferred gains or losses on hedges	(6,147)	(4,902)
Total valuation and translation adjustments	(6,147)	(4,902)
Total net assets	5,501,052	5,327,782
Total liabilities and net assets	16,826,262	16,702,683

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

(Thousand yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales	1,414,075	3,471,981
Cost of sales	1,211,555	2,974,862
Gross profit	202,520	497,118
Selling, general and administrative expenses	335,595	445,929
Operating profit (loss)	(133,075)	51,189
Non-operating income		
Subsidy income	–	2,500
Income from insurance	4,701	226
Other	67	114
Total non-operating income	4,768	2,840
Non-operating expenses		
Interest expenses	29,051	33,135
Commission expenses	3,943	2,724
Registration license taxes and other	12,217	2,977
Other	755	702
Total non-operating expenses	45,968	39,539
Ordinary profit (loss)	(174,275)	14,490
Profit (loss) before income taxes	(174,275)	14,490
Income taxes - current	572	572
Income taxes - deferred	(53,448)	5,158
Total income taxes	(52,876)	5,731
Profit (loss)	(121,398)	8,759