

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 Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 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 Administration Department Katsuhiko Iwasaki TEL 025-266-9111  
 Inquiries: Administration Department  
 Scheduled date to file Quarterly Securities Report: November 11, 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 nine months ended September 30, 2022 (from January 1, 2022 to September 30, 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	%
Nine months ended September 30, 2022	108,106	(17.0)	5,001	(36.4)	5,180	(35.7)	3,530	(33.1)
Nine months ended September 30, 2021	130,301	0.1	7,869	14.4	8,061	15.5	5,274	15.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	414.09		–	
Nine months ended September 30, 2021	618.99		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	135,026	78,814	57.9
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				
Year ended December 31, 2021	–	0.00	–	130.00	130.00
Year ending December 31, 2022	–	0.00	–		
Year ending December 31, 2022 (Forecast)				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)	480.89

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 2022	8,988,111 shares	As of December 31, 2021	8,988,111 shares
--------------------------	------------------	-------------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2022	462,286 shares	As of December 31, 2021	464,902 shares
--------------------------	----------------	-------------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2022	8,524,676 shares	Nine months ended September 30, 2021	8,520,917 shares
--------------------------------------	------------------	--------------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2021	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	23,288	39,355
Notes receivable, accounts receivable from completed construction contracts and other	63,660	49,973
Real estate for sale	816	467
Costs on construction contracts in progress	2,068	924
Costs on real estate business	2,335	3,487
Other inventories	358	420
Accounts receivable - other	1,885	3,242
Other	1,059	1,178
Allowance for doubtful accounts	(12)	(10)
Total current assets	95,462	99,038
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,745	23,061
Machinery, vehicles, tools, furniture and fixtures	13,732	14,006
Land	15,539	15,775
Other	1,057	767
Accumulated depreciation	(26,656)	(27,193)
Total property, plant and equipment	26,419	26,416
Intangible assets		
Other	523	475
Total intangible assets	523	475
Investments and other assets		
Investment securities	5,352	5,380
Long-term loans receivable	52	197
Retirement benefit asset	1,898	2,038
Deferred tax assets	407	814
Other	916	940
Allowance for doubtful accounts	(276)	(276)
Total investments and other assets	8,349	9,095
Total non-current assets	35,292	35,987
Total assets	130,755	135,026

(Millions of yen)

	As of December 31, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,862	35,733
Short-term borrowings	320	490
Income taxes payable	1,508	594
Advances received on uncompleted construction contracts	3,339	5,381
And Others		
Provisions		
Provision for bonuses	–	1,399
Other provisions	439	564
Total provisions	439	1,963
Other	6,553	4,802
Total current liabilities	47,024	48,966
Non-current liabilities		
Long-term borrowings	767	714
Deferred tax liabilities	79	73
Deferred tax liabilities for land revaluation	838	838
Provisions	542	551
Retirement benefit liability	2,632	2,582
Other	2,457	2,484
Total non-current liabilities	7,318	7,245
Total liabilities	54,342	56,211
Net assets		
Shareholders' equity		
Share capital	5,158	5,158
Capital surplus	6,169	6,169
Retained earnings	66,075	68,119
Treasury shares	(2,271)	(2,256)
Total shareholders' equity	75,131	77,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	677	776
Revaluation reserve for land	(112)	122
Remeasurements of defined benefit plans	72	28
Total accumulated other comprehensive income	636	928
Non-controlling interests	643	696
Total net assets	76,412	78,814
Total liabilities and net assets	130,755	135,026

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales		
Net sales of completed construction contracts	116,846	95,156
Sales in real estate business	3,613	2,358
Sales in other businesses	9,842	10,592
Total net sales	130,301	108,106
Cost of sales		
Cost of sales of completed construction contracts	104,252	85,287
Cost of sales in real estate business	2,704	1,663
Cost of sales in other businesses	8,370	9,052
Total cost of sales	115,327	96,002
Gross profit		
Gross profit on completed construction contracts	12,593	9,868
Gross profit - real estate business	908	695
Gross profit - other business	1,472	1,540
Total gross profit	14,974	12,104
Selling, general and administrative expenses	7,104	7,102
Operating profit	7,869	5,001
Non-operating income		
Interest income	10	10
Dividend income	116	119
Share of profit of entities accounted for using equity method	14	1
Other	172	120
Total non-operating income	314	251
Non-operating expenses		
Interest expenses	35	25
Commission for syndicated loans	28	18
Prepayment guarantee fee	25	21
Other	33	8
Total non-operating expenses	122	73
Ordinary profit	8,061	5,180
Extraordinary income		
Gain on sale of non-current assets	12	5
Gain on sale of investment securities	35	–
Reversal of provision for loss on liquidation of subsidiaries and associates	–	36
Other	–	6
Total extraordinary income	47	48

(Millions of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Extraordinary losses		
Loss on retirement of non-current assets	11	25
Loss on valuation of investment securities	11	0
Loss on valuation of shares of subsidiaries and associates	64	–
Impairment losses	56	–
Other	16	–
Total extraordinary losses	159	25
Profit before income taxes	7,949	5,202
Income taxes - current	3,102	1,947
Income taxes - deferred	(508)	(348)
Total income taxes	2,594	1,598
Profit	5,355	3,604
Profit attributable to non-controlling interests	80	74
Profit attributable to owners of parent	5,274	3,530

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

(Millions of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	5,355	3,604
Other comprehensive income		
Valuation difference on available-for-sale securities	54	99
Remeasurements of defined benefit plans, net of tax	9	(43)
Share of other comprehensive income of entities accounted for using equity method	1	(0)
Total other comprehensive income	66	55
Comprehensive income	5,421	3,659
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,338	3,585
Comprehensive income attributable to non-controlling interests	82	73