

Translation

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Summary of Consolidated Financial Results for the Year Ended October 31, 2022 (Based on Japanese GAAP)

December 15, 2022

Company name: First Juken Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8917 URL <https://www.f-juken.co.jp/>
 Representative: Representative Director, President Yuji Nakajima
 Director,
 Inquiries: Head of Management Department Hidehiko Higashi TEL 06-4868-5388
 Scheduled date of ordinary general meeting of shareholders: January 26, 2023
 Scheduled date to file Securities Report: January 27, 2023
 Scheduled date to commence dividend payments: January 12, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

(1) Consolidated operating results

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	%
Year ended October 31, 2022	39,965	(6.3)	3,219	(9.1)	3,155	(9.8)	2,050	(10.3)
Year ended October 31, 2021	42,631	(2.2)	3,542	34.0	3,497	35.6	2,285	36.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended October 31, 2022	147.57	146.98	5.7	6.1	8.1
Year ended October 31, 2021	164.50	163.99	6.7	7.1	8.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2022	52,999	37,807	69.1	2,634.39
As of October 31, 2021	50,911	36,253	69.1	2,530.32

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended October 31, 2022	(5,373)	(728)	(175)	17,593
Year ended October 31, 2021	6,824	(687)	(194)	23,870

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended October 31, 2021	–	21.00	–	22.00	43.00	597	26.1	1.7
Year ended October 31, 2022	–	21.00	–	22.00	43.00	597	29.1	1.7
Year ending October 31, 2023 (Forecast)	–	21.00	–	22.00	43.00		25.4	

3. Forecast of consolidated financial results for the year ending October 31, 2023 (from November 1, 2022 to October 31, 2023)

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
Six months ending April 30, 2023	23,000	18.5	1,800	11.1	1,700	7.1	1,050	2.4	75.56
Full year	48,000	20.1	3,800	18.0	3,700	17.2	2,350	14.6	169.12

4. Notes

(1) Changes in significant subsidiaries during the year ended October 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of October 31, 2022	16,901,900 shares	As of October 31, 2021	16,901,900 shares
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Number of treasury shares at the end of the period

As of October 31, 2022	3,006,166 shares	As of October 31, 2021	3,006,166 shares
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Average number of shares during the period

Year ended October 31, 2022	13,895,734 shares	Year ended October 31, 2021	13,895,734 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of October 31, 2021	As of October 31, 2022
Assets		
Current assets		
Cash and deposits	25,450,465	19,173,230
Real estate for sale	5,919,948	10,277,646
Real estate for sale in process	7,054,111	10,220,829
Costs on construction contracts in progress	1,313,067	1,506,354
Supplies	8,707	6,349
Other	338,153	677,162
Total current assets	40,084,454	41,861,573
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,636,994	5,731,183
Accumulated depreciation	(1,835,306)	(2,033,998)
Buildings and structures, net	3,801,687	3,697,184
Land	5,952,463	6,463,241
Other	275,404	267,225
Accumulated depreciation	(194,069)	(211,031)
Other, net	81,334	56,194
Total property, plant and equipment	9,835,485	10,216,621
Intangible assets		
Goodwill	31,388	10,462
Other	309,733	307,722
Total intangible assets	341,121	318,185
Investments and other assets		
Investment securities	191,595	173,513
Deferred tax assets	266,554	261,490
Other	192,259	168,314
Total investments and other assets	650,410	603,317
Total non-current assets	10,827,017	11,138,124
Total assets	50,911,472	52,999,697
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	4,658,233	5,231,260
Short-term borrowings	5,031,530	5,961,100
Current portion of long-term borrowings	491,831	349,799
Income taxes payable	801,336	517,801
Provision for bonuses	170,989	171,239
Provision for bonuses for directors (and other officers)	18,700	16,800
Provision for warranties for completed construction	28,711	32,851
Other	680,479	487,921
Total current liabilities	11,881,811	12,768,775
Non-current liabilities		
Long-term borrowings	2,397,751	2,039,370
Retirement benefit liability	351,334	359,162
Other	27,516	25,279
Total non-current liabilities	2,776,603	2,423,812
Total liabilities	14,658,414	15,192,587

(Thousands of yen)

	As of October 31, 2021	As of October 31, 2022
Net assets		
Shareholders' equity		
Share capital	1,584,837	1,584,837
Capital surplus	1,344,145	1,344,145
Retained earnings	34,749,984	36,208,687
Treasury shares	(2,576,632)	(2,576,632)
Total shareholders' equity	35,102,336	36,561,039
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	58,375	45,792
Total accumulated other comprehensive income	58,375	45,792
Share acquisition rights	50,224	61,309
Non-controlling interests	1,042,120	1,138,969
Total net assets	36,253,057	37,807,110
Total liabilities and net assets	50,911,472	52,999,697

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Net sales	42,631,991	39,965,281
Cost of sales	35,506,541	33,043,060
Gross profit	7,125,449	6,922,220
Selling, general and administrative expenses		
Sales commission	1,004,277	974,060
Salaries and allowances	851,117	870,174
Provision for bonuses	115,264	103,325
Provision for bonuses for directors (and other officers)	18,700	15,800
Retirement benefit expenses	23,256	27,921
Taxes and dues	389,646	421,898
Provision for warranties for completed construction	8,389	4,321
Other	1,171,985	1,284,926
Total selling, general and administrative expenses	3,582,637	3,702,428
Operating profit	3,542,812	3,219,791
Non-operating income		
Interest income	1,291	374
Dividend income	4,946	6,113
Commission income	4,313	4,242
Rental income from land and buildings	3,561	3,398
Gain on sale of non-current assets	15	4,250
Refunded real estate acquisition tax	12,988	4,657
Other	13,900	2,064
Total non-operating income	41,016	25,101
Non-operating expenses		
Interest expenses	80,989	87,210
Other	5,602	1,986
Total non-operating expenses	86,591	89,197
Ordinary profit	3,497,237	3,155,695
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	21,268	–
Total extraordinary income	21,268	–
Extraordinary losses		
Impairment losses	4,959	–
Total extraordinary losses	4,959	–
Profit before income taxes	3,513,546	3,155,695
Income taxes - current	1,178,994	1,002,347
Income taxes - deferred	(59,417)	5,728
Total income taxes	1,119,577	1,008,075
Profit	2,393,969	2,147,619
Profit attributable to non-controlling interests	108,064	97,053
Profit attributable to owners of parent	2,285,905	2,050,566

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Profit	2,393,969	2,147,619
Other comprehensive income		
Valuation difference on available-for-sale securities	17,362	(12,556)
Total other comprehensive income	17,362	(12,556)
Comprehensive income	2,411,332	2,135,063
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,301,643	2,037,983
Comprehensive income attributable to non-controlling interests	109,688	97,080

Consolidated statements of changes in equity

Fiscal year ended October 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,584,837	1,344,145	33,061,596	(2,576,632)	33,413,947
Cumulative effects of changes in accounting policies					–
Restated balance	1,584,837	1,344,145	33,061,596	(2,576,632)	33,413,947
Changes during period					
Dividends of surplus			(597,516)		(597,516)
Profit attributable to owners of parent			2,285,905		2,285,905
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,688,388	–	1,688,388
Balance at end of period	1,584,837	1,344,145	34,749,984	(2,576,632)	35,102,336

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	42,637	42,637	37,692	934,432	34,428,709
Cumulative effects of changes in accounting policies					–
Restated balance	42,637	42,637	37,692	934,432	34,428,709
Changes during period					
Dividends of surplus				(2,000)	(599,516)
Profit attributable to owners of parent					2,285,905
Net changes in items other than shareholders' equity	15,738	15,738	12,532	109,688	137,959
Total changes during period	15,738	15,738	12,532	107,688	1,824,348
Balance at end of period	58,375	58,375	50,224	1,042,120	36,253,057

Fiscal year ended October 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,584,837	1,344,145	34,749,984	(2,576,632)	35,102,336
Cumulative effects of changes in accounting policies			5,653		5,653
Restated balance	1,584,837	1,344,145	34,755,638	(2,576,632)	35,107,989
Changes during period					
Dividends of surplus			(597,516)		(597,516)
Profit attributable to owners of parent			2,050,566		2,050,566
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,453,049	–	1,453,049
Balance at end of period	1,584,837	1,344,145	36,208,687	(2,576,632)	36,561,039

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	58,375	58,375	50,224	1,042,120	36,253,057
Cumulative effects of changes in accounting policies				3,768	9,421
Restated balance	58,375	58,375	50,224	1,045,889	36,262,479
Changes during period					
Dividends of surplus				(4,000)	(601,516)
Profit attributable to owners of parent					2,050,566
Net changes in items other than shareholders' equity	(12,583)	(12,583)	11,084	97,080	95,580
Total changes during period	(12,583)	(12,583)	11,084	93,080	1,544,630
Balance at end of period	45,792	45,792	61,309	1,138,969	37,807,110

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,513,546	3,155,695
Depreciation	218,336	226,943
Impairment losses	4,959	–
Amortization of goodwill	20,925	20,925
Share-based payment expenses	12,532	11,084
Increase (decrease) in provisions	44,571	2,490
Increase (decrease) in retirement benefit liability	7,257	7,828
Interest and dividend income	(6,236)	(6,488)
Interest expenses	80,989	87,210
Loss (gain) on sale of investment securities	(1)	–
Loss (gain) on sale of shares of subsidiaries and associates	(21,268)	–
Loss (gain) on sale of non-current assets	(15)	(4,250)
Decrease (increase) in inventories	3,381,886	(7,881,487)
Decrease (increase) in advance payments to suppliers	(54,786)	(65,070)
Decrease (increase) in other current assets	(25,611)	44,291
Increase (decrease) in trade payables	679,923	730,995
Increase (decrease) in advances received	43,641	1,904
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(92,150)	(310,746)
Increase (decrease) in other current liabilities	(17,269)	(29,768)
Other, net	(9,345)	(5,715)
Subtotal	7,781,884	(4,014,155)
Interest and dividends received	6,316	6,477
Interest paid	(83,361)	(88,397)
Income taxes paid	(879,926)	(1,276,964)
Net cash provided by (used in) operating activities	6,824,913	(5,373,039)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(2)	(0)
Purchase of property, plant and equipment	(787,620)	(754,384)
Proceeds from sale of property, plant and equipment	15	26,938
Purchase of intangible assets	(4,473)	(1,630)
Proceeds from sale of investment securities	69	–
Proceeds from sale of shares of subsidiaries and associates	66,508	–
Other, net	37,561	432
Net cash provided by (used in) investing activities	(687,940)	(728,643)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	737,360	929,570
Proceeds from long-term borrowings	190,300	–
Repayments of long-term borrowings	(506,288)	(500,412)
Redemption of bonds	(10,000)	–
Repayments of lease liabilities	(6,932)	(3,272)
Dividends paid	(597,347)	(597,437)
Dividends paid to non-controlling interests	(2,000)	(4,000)
Net cash provided by (used in) financing activities	(194,908)	(175,552)
Net increase (decrease) in cash and cash equivalents	5,942,063	(6,277,236)
Cash and cash equivalents at beginning of period	17,928,368	23,870,431
Cash and cash equivalents at end of period	23,870,431	17,593,195