

Non-consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



February 14, 2023

Company name: FaithNetwork Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3489
 URL: <https://faithnetwork.co.jp/en/>
 Representative: Jiro Hachiya, President and Representative Director
 Contact: Yosuke Ishimaru, Director and Executive Officer
 Phone: +81-3-6432-9937
 Scheduled date of filing quarterly securities report: February 14, 2023
 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 Nine Months Ended December 31, 2022 (April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	12,846	76.2	1,220	—	1,069	—	734	—
December 31, 2021	7,291	(30.2)	104	(33.2)	(74)	—	(61)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	148.00	—
December 31, 2021	(12.31)	—

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	21,134	6,043	28.6
As of March 31, 2022	16,826	5,501	32.7

(Reference) Equity: As of December 31, 2022: ¥6,043 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	—	0.00	—		
Fiscal year ending March 31, 2023 (Forecast)				84.00	84.00

(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	2,500	42.1	2,250	48.8	1,500	45.0	302.41

(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 December 31, 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 December 31, 2022: 35,718 shares

As of March 31, 2022: 26,668 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 4,960,207 shares

Nine months ended December 31, 2021: 4,956,397 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	5,539,782	3,361,433
Accounts receivable from completed construction contracts	988,517	2,576,614
Real estate for sale	152,777	1,539,113
Real estate for sale in process	7,499,533	11,086,431
Advance payments to suppliers	226,645	95,484
Other	144,703	125,227
Total current assets	14,551,959	18,784,304
Non-current assets		
Property, plant and equipment		
Buildings	961,140	980,883
Structures	3,216	15,124
Machinery and equipment	101,514	101,514
Vehicles	18,298	43,214
Tools, furniture and fixtures	47,657	56,755
Land	1,236,128	1,236,128
Construction in progress	10,335	–
Accumulated depreciation	(292,839)	(327,779)
Total property, plant and equipment	2,085,453	2,105,842
Intangible assets	17,371	33,518
Investments and other assets	171,477	210,970
Total non-current assets	2,274,302	2,350,332
Total assets	16,826,262	21,134,637

(Thousand yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable for construction contracts	731,808	1,377,585
Short-term borrowings	434,355	2,155,970
Current portion of long-term borrowings	1,399,885	2,096,814
Current portion of bonds payable	74,000	74,000
Accounts payable - other	93,810	106,936
Income taxes payable	301,785	101,681
Advances received	876	266
Advances received on construction contracts in progress	550,322	31,571
Deposits received	255,519	317,211
Provision for bonuses	102,304	53,028
Provision for costs after sales	6,540	8,948
Provision for loss on construction contracts	15,454	21,244
Provision for shareholder benefit program	4,642	15,037
Other	41,101	62,765
Total current liabilities	4,012,406	6,423,060
Non-current liabilities		
Bonds payable	176,000	129,000
Long-term borrowings	7,088,632	8,503,312
Other	48,171	36,139
Total non-current liabilities	7,312,804	8,668,452
Total liabilities	11,325,210	15,091,512
Net assets		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus		
Legal capital surplus	631,120	631,120
Other capital surplus	282	446
Total capital surplus	631,402	631,566
Retained earnings		
Legal retained earnings	10,000	10,000
Other retained earnings		
Retained earnings brought forward	4,220,339	4,771,185
Total retained earnings	4,230,339	4,781,185
Treasury shares	(35,662)	(48,190)
Total shareholders' equity	5,507,199	6,045,681
Valuation and translation adjustments		
Deferred gains or losses on hedges	(6,147)	(2,557)
Total valuation and translation adjustments	(6,147)	(2,557)
Total net assets	5,501,052	6,043,124
Total liabilities and net assets	16,826,262	21,134,637

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

(Thousand yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	7,291,776	12,846,985
Cost of sales	6,088,981	10,244,700
Gross profit	1,202,795	2,602,285
Selling, general and administrative expenses	1,098,263	1,381,701
Operating profit	104,531	1,220,583
Non-operating income		
Subsidy income	–	2,600
Income from insurance	12,280	226
Other	1,418	746
Total non-operating income	13,698	3,572
Non-operating expenses		
Interest expenses	125,729	121,268
Commission expenses	24,800	12,537
Registration license taxes and other	30,435	18,927
Other	11,799	2,081
Total non-operating expenses	192,765	154,815
Ordinary profit (loss)	(74,534)	1,069,341
Extraordinary income		
Gain on sale of non-current assets	–	7,528
Total extraordinary income	–	7,528
Profit (loss) before income taxes	(74,534)	1,076,870
Income taxes - current	1,717	315,669
Income taxes - deferred	(15,232)	27,081
Total income taxes	(13,515)	342,750
Profit (loss)	(61,019)	734,119