

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

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 Toshio Omi TEL 025-266-9111
 Scheduled date to file Quarterly Securities Report: May 12, 2023
 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, 2023 (from January 1, 2023 to March 31, 2023)

(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, 2023	35,902	(3.7)	1,328	(33.7)	1,419	(31.3)	954	(36.0)
Three months ended March 31, 2022	37,278	(20.2)	2,003	(47.4)	2,067	(47.2)	1,491	(42.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2023	112.29	–
Three months ended March 31, 2022	174.92	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	142,473	78,180	54.4
As of December 31, 2022	134,351	78,504	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, 2022	–	0.00	–	120.00	120.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		0.00	–	110.00	110.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 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
Full year	161,000	4.3	5,200	(0.2)	5,400	(1.0)	3,400	(6.9)	401.48

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(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, 2023	8,988,111 shares	As of December 31, 2022	8,988,111 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	519,642 shares	As of December 31, 2022	460,709 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, 2023	8,498,009 shares	Three months ended March 31, 2022	8,523,744 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	28,149	40,724
Notes receivable, accounts receivable from completed construction contracts and other	61,477	56,097
Securities	359	60
Real estate for sale	702	788
Costs on construction contracts in progress	926	885
Costs on real estate business	3,833	3,993
Other inventories	301	371
Accounts receivable - other	2,738	2,741
Other	607	1,034
Allowance for doubtful accounts	(12)	(10)
Total current assets	99,083	106,686
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,770	22,938
Machinery, vehicles, tools, furniture and fixtures	14,181	14,180
Land	15,759	15,868
Other	932	1,040
Accumulated depreciation	(27,159)	(27,366)
Total property, plant and equipment	26,483	26,661
Intangible assets		
Other	472	461
Total intangible assets	472	461
Investments and other assets		
Investment securities	5,116	5,169
Long-term loans receivable	337	336
Retirement benefit asset	1,351	1,347
Deferred tax assets	863	1,130
Other	896	933
Allowance for doubtful accounts	(253)	(253)
Total investments and other assets	8,311	8,664
Total non-current assets	35,268	35,787
Total assets	134,351	142,473

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	31,871	36,804
Short-term borrowings	2,690	1,190
Income taxes payable	513	693
Advances received on uncompleted construction contracts and other	7,618	8,372
Provisions	852	1,758
Other	5,105	8,360
Total current liabilities	48,652	57,180
Non-current liabilities		
Long-term borrowings	656	594
Deferred tax liabilities	206	173
Deferred tax liabilities for land revaluation	835	835
Provisions	555	572
Retirement benefit liability	2,555	2,514
Other	2,387	2,424
Total non-current liabilities	7,195	7,113
Total liabilities	55,847	64,293
Net assets		
Shareholders' equity		
Share capital	5,158	5,158
Capital surplus	6,169	6,169
Retained earnings	68,250	68,170
Treasury shares	(2,248)	(2,518)
Total shareholders' equity	77,329	76,979
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	802	837
Revaluation reserve for land	115	115
Remeasurements of defined benefit plans	(414)	(412)
Total accumulated other comprehensive income	504	539
Non-controlling interests	670	660
Total net assets	78,504	78,180
Total liabilities and net assets	134,351	142,473

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, 2022	Three months ended March 31, 2023
Net sales		
Net sales of completed construction contracts	32,346	31,864
Sales in real estate business	1,021	523
Sales in other businesses	3,910	3,513
Total net sales	37,278	35,902
Cost of sales		
Cost of sales of completed construction contracts	29,149	28,933
Cost of sales in real estate business	659	373
Cost of sales in other businesses	3,212	2,948
Total cost of sales	33,021	32,256
Gross profit		
Gross profit on completed construction contracts	3,196	2,930
Gross profit - real estate business	361	149
Gross profit - other business	698	565
Total gross profit	4,256	3,645
Selling, general and administrative expenses	2,253	2,317
Operating profit	2,003	1,328
Non-operating income		
Interest income	4	5
Dividend income	59	63
Reversal of allowance for doubtful accounts	–	0
Share of profit of entities accounted for using equity method	–	2
Other	28	34
Total non-operating income	92	106
Non-operating expenses		
Interest expenses	14	7
Commission for syndicated loans	4	3
Prepayment guarantee fee	2	2
Share of loss of entities accounted for using equity method	7	–
Other	0	1
Total non-operating expenses	28	14
Ordinary profit	2,067	1,419
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	–	0
Other	1	–
Total extraordinary income	4	0

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Loss on valuation of investment securities	0	0
Total extraordinary losses	1	1
Profit before income taxes	2,070	1,418
Income taxes - current	775	765
Income taxes - deferred	(244)	(315)
Total income taxes	530	449
Profit	1,540	968
Profit attributable to non-controlling interests	49	14
Profit attributable to owners of parent	1,491	954

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	1,540	968
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	33
Remeasurements of defined benefit plans, net of tax	(14)	1
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	(24)	35
Comprehensive income	1,515	1,004
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,465	989
Comprehensive income attributable to non-controlling interests	50	14