

Non-consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



August 14, 2023

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 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 Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(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, 2023	1,336	(61.5)	(365)	—	(419)	—	(297)	—
June 30, 2022	3,471	145.5	51	—	14	—	8	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(30.18)	—
June 30, 2022	0.88	—

(Note) The Company conducted a 2-for-1 split of its common shares as of April 1, 2023. Basic earnings per share is calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	22,436	6,168	27.5
As of March 31, 2023	20,598	6,879	33.4

(Reference) Equity: As of June 30, 2023: ¥6,168 million
 As of March 31, 2023: ¥6,879 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, 2023	—	0.00	—	84.00	84.00
Fiscal year ending March 31, 2024	—	—	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	0.00	—	71.00	71.00

(Notes) 1. Revision to the forecast for dividends announced most recently: No
 2. The Company conducted a 2-for-1 split of its common shares as of April 1, 2023. For the fiscal year ended March 31, 2023, the amounts of dividends are stated at actual amount prior to the stock split.

3. Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% 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	27,000	28.8	3,300	31.1	3,000	30.3	2,000	25.5	201.88

(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: No

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, 2023: 9,960,000 shares

As of March 31, 2023: 9,960,000 shares

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

As of June 30, 2023: 102,636 shares

As of March 31, 2023: 102,636 shares

3) Average number of shares during the period:

Three months ended June 30, 2023: 9,857,364 shares

Three months ended June 30, 2022: 9,906,664 shares

(Note) The Company conducted a 2-for-1 split of its common shares as of April 1, 2023. Total number of issued shares at the end of the period, total number of treasury shares at the end of the period and average number of shares during the period are calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year.

* 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	4,384,557	2,432,809
Accounts receivable from completed construction contracts	2,319,638	2,339,276
Real estate for sale	1,056,382	2,418,621
Real estate for sale in process	8,740,736	10,577,247
Advance payments to suppliers	171,601	258,683
Equity investments in properties for sale	1,354,964	1,187,964
Other	74,466	129,356
Total current assets	18,102,346	19,343,960
Non-current assets		
Property, plant and equipment		
Buildings	964,867	966,112
Structures	15,124	15,124
Machinery and equipment	101,514	101,514
Vehicles	34,548	35,423
Tools, furniture and fixtures	54,965	56,200
Land	1,236,128	1,236,128
Accumulated depreciation	(345,252)	(358,297)
Total property, plant and equipment	2,061,896	2,052,206
Intangible assets	43,456	40,636
Investments and other assets	390,333	1,000,081
Total non-current assets	2,495,686	3,092,924
Total assets	20,598,033	22,436,885

(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable for construction contracts	991,782	963,996
Short-term borrowings	493,500	1,504,600
Current portion of long-term borrowings	932,470	1,448,163
Current portion of bonds payable	74,000	108,000
Accounts payable - other	167,158	99,477
Income taxes payable	656,525	2,294
Advances received	1,423,419	1,423,787
Deposits received	327,312	347,980
Provision for bonuses	106,258	58,486
Provision for costs after sales	2,308	2,252
Provision for loss on construction contracts	65,169	30,692
Provision for shareholder benefit program	7,733	6,405
Other	37,375	51,185
Total current liabilities	5,285,014	6,047,322
Non-current liabilities		
Bonds payable	102,000	158,000
Long-term borrowings	8,296,436	10,030,510
Other	34,988	32,467
Total non-current liabilities	8,433,424	10,220,978
Total liabilities	13,718,438	16,268,300
Net assets		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus		
Legal capital surplus	631,120	631,120
Other capital surplus	446	446
Total capital surplus	631,566	631,566
Retained earnings		
Legal retained earnings	10,000	10,000
Other retained earnings		
Retained earnings brought forward	5,630,206	4,918,703
Total retained earnings	5,640,206	4,928,703
Treasury shares	(70,636)	(70,636)
Total shareholders' equity	6,882,256	6,170,753
Valuation and translation adjustments		
Deferred gains or losses on hedges	(2,661)	(2,168)
Total valuation and translation adjustments	(2,661)	(2,168)
Total net assets	6,879,594	6,168,585
Total liabilities and net assets	20,598,033	22,436,885

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

(Thousand yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	3,471,981	1,336,461
Cost of sales	2,974,862	1,183,516
Gross profit	497,118	152,945
Selling, general and administrative expenses	445,929	518,630
Operating profit (loss)	51,189	(365,685)
Non-operating income		
Subsidy income	2,500	–
Vending machine income	55	46
Income from insurance	226	–
Fixed asset rental income	–	22
Other	59	16
Total non-operating income	2,840	84
Non-operating expenses		
Interest expenses	33,135	41,581
Commission expenses	2,724	4,614
Registration license taxes and other	2,977	2,829
Other	702	5,255
Total non-operating expenses	39,539	54,279
Ordinary profit (loss)	14,490	(419,880)
Profit (loss) before income taxes	14,490	(419,880)
Income taxes - current	572	572
Income taxes - deferred	5,158	(122,959)
Total income taxes	5,731	(122,386)
Profit (loss)	8,759	(297,493)