

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 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: November 10, 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 nine months ended September 30, 2023 (from January 1, 2023 to September 30, 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	%
Nine months ended September 30, 2023	111,976	3.6	3,361	(32.8)	3,552	(31.4)	2,226	(36.9)
Nine months ended September 30, 2022	108,106	(17.0)	5,001	(36.4)	5,180	(35.7)	3,530	(33.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	262.49		–	
Nine months ended September 30, 2022	414.09		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	143,486	79,968	55.2
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				
Year ended December 31, 2022	–	0.00	–	120.00	120.00
Year ending December 31, 2023	–	0.00	–		
Year ending December 31, 2023 (Forecast)				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	164,100	6.3	4,500	(13.6)	4,800	(12.0)	3,000	(17.8)	354.18

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 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 September 30, 2023	517,983 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)

Nine months ended September 30, 2023	8,480,778 shares	Nine months ended September 30, 2022	8,524,676 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	28,149	43,852
Notes receivable, accounts receivable from completed construction contracts and other	61,477	51,346
Securities	359	48
Real estate for sale	702	1,317
Costs on construction contracts in progress	926	945
Costs on real estate business	3,833	4,394
Other inventories	301	400
Accounts receivable - other	2,738	3,255
Other	607	1,053
Allowance for doubtful accounts	(12)	(26)
<b>Total current assets</b>	<b>99,083</b>	<b>106,586</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	22,770	23,480
Machinery, vehicles, tools, furniture and fixtures	14,181	14,263
Land	15,759	16,058
Other	932	1,025
Accumulated depreciation	(27,159)	(27,872)
<b>Total property, plant and equipment</b>	<b>26,483</b>	<b>26,955</b>
<b>Intangible assets</b>		
Other	472	448
<b>Total intangible assets</b>	<b>472</b>	<b>448</b>
<b>Investments and other assets</b>		
Investment securities	5,116	5,869
Long-term loans receivable	337	336
Retirement benefit asset	1,351	1,439
Deferred tax assets	863	1,189
Other	896	915
Allowance for doubtful accounts	(253)	(253)
<b>Total investments and other assets</b>	<b>8,311</b>	<b>9,495</b>
<b>Total non-current assets</b>	<b>35,268</b>	<b>36,899</b>
<b>Total assets</b>	<b>134,351</b>	<b>143,486</b>

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	31,871	41,061
Short-term borrowings	2,690	860
Income taxes payable	513	761
Advances received on uncompleted construction contracts	7,618	6,119
And Others		
<b>Provisions</b>		
Provision for bonuses	–	1,396
Other provisions	852	897
<b>Total provisions</b>	852	2,293
Other	5,105	5,089
<b>Total current liabilities</b>	48,652	56,185
<b>Non-current liabilities</b>		
Long-term borrowings	656	824
Deferred tax liabilities	206	193
Deferred tax liabilities for land revaluation	835	834
Provisions	555	563
Retirement benefit liability	2,555	2,530
Other	2,387	2,385
<b>Total non-current liabilities</b>	7,195	7,331
<b>Total liabilities</b>	55,847	63,517
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,158	5,158
Capital surplus	6,169	6,169
Retained earnings	68,250	69,444
Treasury shares	(2,248)	(2,509)
<b>Total shareholders' equity</b>	77,329	78,263
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	802	1,306
Revaluation reserve for land	115	113
Remeasurements of defined benefit plans	(414)	(410)
<b>Total accumulated other comprehensive income</b>	504	1,009
<b>Non-controlling interests</b>	670	696
<b>Total net assets</b>	78,504	79,968
<b>Total liabilities and net assets</b>	134,351	143,486

## 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, 2022	Nine months ended September 30, 2023
Net sales		
Net sales of completed construction contracts	95,156	100,341
Sales in real estate business	2,358	1,614
Sales in other businesses	10,592	10,021
Total net sales	108,106	111,976
Cost of sales		
Cost of sales of completed construction contracts	85,287	91,785
Cost of sales in real estate business	1,663	1,179
Cost of sales in other businesses	9,052	8,629
Total cost of sales	96,002	101,594
Gross profit		
Gross profit on completed construction contracts	9,868	8,555
Gross profit - real estate business	695	434
Gross profit - other business	1,540	1,391
Total gross profit	12,104	10,381
Selling, general and administrative expenses	7,102	7,020
Operating profit	5,001	3,361
Non-operating income		
Interest income	10	13
Dividend income	119	121
Share of profit of entities accounted for using equity method	1	23
Other	120	97
Total non-operating income	251	255
Non-operating expenses		
Interest expenses	25	18
Commission for syndicated loans	18	18
Prepayment guarantee fee	21	19
Other	8	8
Total non-operating expenses	73	65
Ordinary profit	5,180	3,552
Extraordinary income		
Gain on sale of non-current assets	5	11
Gain on sale of investment securities	–	39
Reversal of provision for loss on liquidation of subsidiaries and associates	36	–
Other	6	2
Total extraordinary income	48	53

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Extraordinary losses		
Loss on retirement of non-current assets	25	11
Loss on valuation of investment securities	0	0
Impairment losses	–	104
Provision for loss on litigation	–	32
Other	–	14
Total extraordinary losses	25	162
Profit before income taxes	5,202	3,442
Income taxes - current	1,947	1,657
Income taxes - deferred	(348)	(489)
Total income taxes	1,598	1,168
Profit	3,604	2,274
Profit attributable to non-controlling interests	74	48
Profit attributable to owners of parent	3,530	2,226

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

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	3,604	2,274
Other comprehensive income		
Valuation difference on available-for-sale securities	99	503
Remeasurements of defined benefit plans, net of tax	(43)	4
Share of other comprehensive income of entities accounted for using equity method	(0)	2
Total other comprehensive income	55	509
Comprehensive income	3,659	2,784
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,585	2,733
Comprehensive income attributable to non-controlling interests	73	50