

Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



February 14, 2024

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, 2024
 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. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2023	7,009	—	(647)	—	(857)	—	(617)	—
December 31, 2022	—	—	—	—	—	—	—	—

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥(615) million [– %]
 Nine months ended December 31, 2022: ¥ – million [– %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	(62.55)	—
December 31, 2022	—	—

(Note) Since the Company began to prepare Quarterly Consolidated Financial Statements from the second quarter of the fiscal year ending March 31, 2024, figures for the nine months ended December 31, 2022 and changes from the previous corresponding period are not stated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	30,298	5,870	19.4
As of March 31, 2023	—	—	—

(Reference) Equity: As of December 31, 2023: ¥5,870 million
 As of March 31, 2023: ¥ – million

(Note) Since the Company began to prepare Quarterly Consolidated Financial Statements from the second quarter of the fiscal year ending March 31, 2024, figures as of March 31, 2023 are not stated.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 0.00	Yen —	Yen 84.00	Yen 84.00
Fiscal year ending March 31, 2024	—	0.00	—		
Fiscal year ending March 31, 2024 (Forecast)				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. Consolidated 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 attributable to owners of parent		Basic earnings per share	
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
	28,000	—	3,300	—	3,000	—	2,000	—	202.77	

(Notes) 1. Revision to the financial results forecast announced most recently: No

2. Since the Company did not prepare Consolidated Financial Statements for the fiscal year ended March 31, 2023, changes from the previous corresponding period are not stated.

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: No
(Changes in specified subsidiaries resulting in changes in the scope of consolidation):
Newly included: – companies (Company name) –
Excluded: – companies (Company name) –
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) 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
- (4) 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, 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 December 31, 2023: 87,224 shares
As of March 31, 2023: 102,636 shares
 - 3) Average number of shares during the period:
Nine months ended December 31, 2023: 9,866,558 shares
Nine months ended December 31, 2022: 9,920,414 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 Consolidated Balance Sheets

(Thousand yen)

As of December 31, 2023

Assets	
Current assets	
Cash and deposits	2,514,342
Accounts receivable from completed construction contracts	2,419,611
Real estate for sale	3,364,438
Real estate for sale in process	16,691,397
Advance payments to suppliers	253,648
Equity investments in properties for sale	430,384
Other	591,319
Total current assets	26,265,142
Non-current assets	
Property, plant and equipment	
Buildings	969,699
Structures	15,124
Machinery and equipment	101,514
Vehicles	36,748
Tools, furniture and fixtures	60,334
Land	1,236,128
Accumulated depreciation	(390,861)
Total property, plant and equipment	2,028,688
Intangible assets	
Goodwill	754,252
Other	38,720
Total intangible assets	792,972
Investments and other assets	1,211,518
Total non-current assets	4,033,180
Total assets	30,298,323

(Thousand yen)

As of December 31, 2023

Liabilities	
Current liabilities	
Accounts payable for construction contracts	1,769,297
Short-term borrowings	4,739,500
Current portion of long-term borrowings	4,854,138
Current portion of bonds payable	108,000
Accounts payable - other	69,341
Advances received	647,955
Advances received on construction contracts in progress	567,521
Deposits received	322,237
Provision for bonuses	71,963
Provision for costs after sales	32,261
Provision for loss on construction contracts	35,240
Other	87,714
Total current liabilities	13,305,171
Non-current liabilities	
Bonds payable	104,000
Long-term borrowings	10,896,193
Provision for directors' retirement benefits	1,408
Other	120,566
Total non-current liabilities	11,122,169
Total liabilities	24,427,340
Net assets	
Shareholders' equity	
Share capital	681,120
Capital surplus	641,599
Retained earnings	4,609,047
Treasury shares	(60,089)
Total shareholders' equity	5,871,678
Accumulated other comprehensive income	
Deferred gains or losses on hedges	(695)
Total accumulated other comprehensive income	(695)
Total net assets	5,870,982
Total liabilities and net assets	30,298,323

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

(Thousand yen)

	For the nine months ended December 31, 2023
Net sales	7,009,346
Cost of sales	5,865,283
Gross profit	1,144,062
Selling, general and administrative expenses	1,791,968
Operating loss	(647,905)
Non-operating income	
Vending machine income	133
Reversal of provision for shareholder benefit program	2,017
Profit of investment securities	739
Other	573
Total non-operating income	3,463
Non-operating expenses	
Interest expenses	168,541
Commission expenses	29,384
Registration license taxes and other	8,182
Other	7,178
Total non-operating expenses	213,286
Ordinary loss	(857,728)
Loss before income taxes	(857,728)
Income taxes - current	1,767
Income taxes - deferred	(242,347)
Total income taxes	(240,579)
Loss	(617,149)
Loss attributable to owners of parent	(617,149)

Quarterly Consolidated Statements of Comprehensive Income
Nine Months Ended December 31

	(Thousand yen)
	For the nine months ended December 31, 2023
Loss	(617,149)
Other comprehensive income	
Deferred gains or losses on hedges	1,966
Total other comprehensive income	1,966
Comprehensive income	(615,182)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(615,182)