

Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]



August 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
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 Scheduled date of commencing dividend payments: —
 Availability of supplementary material on financial results: Yes
 Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	1,953	—	(424)	—	(522)	—	(374)	—
June 30, 2023	—	—	—	—	—	—	—	—

(Note) Comprehensive income: Three months ended June 30, 2024: ¥(374) million [– %]
 Three months ended June 30, 2023: ¥ – million [– %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	(37.96)	—
June 30, 2023	—	—

(Note) Since the Company began to prepare Quarterly Consolidated Financial Statements from the second quarter of the fiscal year ended March 31, 2024, figures for the first quarter of the fiscal year ended March 31, 2024 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 June 30, 2024	29,212	6,612	22.6
As of March 31, 2024	26,609	7,431	27.9

(Reference) Equity: As of June 30, 2024: ¥6,612 million
 As of March 31, 2024: ¥7,431 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen —	Yen 0.00	Yen —	Yen 45.00	Yen 45.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		0.00	—	96.00	96.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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	
	33,000	48.1	4,300	105.7	4,000	124.1	2,700	186.2	273.61	

(Note) Revision to the financial results forecast announced most recently: No

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: No
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: Yes
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 June 30, 2024: 9,960,000 shares
As of March 31, 2024: 9,960,000 shares

2) Total number of treasury shares at the end of the period:
As of June 30, 2024: 87,224 shares
As of March 31, 2024: 87,224 shares

3) Average number of shares during the period:
Three months ended June 30, 2024: 9,872,776 shares
Three months ended June 30, 2023: 9,857,364 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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 March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,300,581	2,989,091
Accounts receivable from completed construction contracts	1,573,220	1,526,333
Real estate for sale	2,863,116	3,119,130
Real estate for sale in process	12,819,741	17,720,363
Advance payments to suppliers	174,241	137,052
Equity investments in properties for sale	294,349	74,349
Other	190,155	147,480
Total current assets	23,215,407	25,713,802
Non-current assets		
Property, plant and equipment		
Buildings	975,574	975,574
Structures	15,124	15,124
Machinery and equipment	101,514	101,514
Vehicles	36,748	37,836
Tools, furniture and fixtures	61,040	63,226
Land	1,236,128	1,236,128
Accumulated depreciation	(402,512)	(415,554)
Total property, plant and equipment	2,023,619	2,013,850
Intangible assets		
Goodwill	726,317	698,381
Other	38,224	35,507
Total intangible assets	764,541	733,889
Investments and other assets	605,874	751,023
Total non-current assets	3,394,035	3,498,763
Total assets	26,609,442	29,212,566

(Thousand yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,379,188	1,194,949
Short-term borrowings	559,487	1,143,487
Current portion of long-term borrowings	4,016,308	4,294,339
Current portion of bonds payable	96,000	96,000
Accounts payable - other	134,579	128,754
Income taxes payable	47,256	2,419
Advances received	648,243	648,092
Advances received on construction contracts in progress	359,442	255,003
Deposits received	337,871	368,473
Provision for bonuses	143,925	82,133
Provision for costs after sales	40,513	34,084
Provision for loss on construction contracts	39,081	52,564
Provision for loss on litigation	—	4,050
Other	67,210	92,802
Total current liabilities	7,869,108	8,397,155
Non-current liabilities		
Bonds payable	89,000	62,000
Long-term borrowings	11,099,855	14,029,231
Provision for retirement benefits for directors (and other officers)	1,945	2,483
Other	117,830	108,889
Total non-current liabilities	11,308,632	14,202,604
Total liabilities	19,177,740	22,599,759
Net assets		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus	641,599	641,599
Retained earnings	6,169,492	5,350,413
Treasury shares	(60,089)	(60,089)
Total shareholders' equity	7,432,122	6,613,043
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(421)	(236)
Total accumulated other comprehensive income	(421)	(236)
Total net assets	7,431,701	6,612,806
Total liabilities and net assets	26,609,442	29,212,566

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

(Thousand yen)

	For the three months ended June 30, 2024
Net sales	1,953,881
Cost of sales	1,746,154
Gross profit	207,726
Selling, general and administrative expenses	632,707
Operating loss	(424,980)
Non-operating income	
Surrender value of insurance policies	260
Interest on tax refund	328
Other	150
Total non-operating income	738
Non-operating expenses	
Interest expenses	63,986
Commission expenses	21,561
Registration license taxes and other	4,926
Other	7,594
Total non-operating expenses	98,068
Ordinary loss	(522,310)
Loss before income taxes	(522,310)
Income taxes - current	605
Income taxes - deferred	(148,112)
Total income taxes	(147,506)
Loss	(374,804)
Loss attributable to owners of parent	(374,804)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

	(Thousand yen)
	For the three months ended June 30, 2024
Loss	(374,804)
Other comprehensive income	
Deferred gains or losses on hedges	184
Total other comprehensive income	184
Comprehensive income	(374,619)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(374,619)