

Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



February 14, 2025

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 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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	13,121	87.2	804	—	497	—	274	—
December 31, 2023	7,009	—	(647)	—	(857)	—	(617)	—

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥274 million [– %]
 Nine months ended December 31, 2023: ¥(615) million [– %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	27.76	—
December 31, 2023	(62.55)	—

(Note) Since the Company began to prepare Quarterly Consolidated Financial Statements from the second quarter of the fiscal year ended March 31, 2024, changes in figures for the nine months ended December 31, 2023 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, 2024	35,085	7,269	20.7
As of March 31, 2024	26,609	7,431	27.9

(Reference) Equity: As of December 31, 2024: ¥7,269 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	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				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
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	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 December 31, 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 December 31, 2024: 82,821 shares
As of March 31, 2024: 87,224 shares

3) Average number of shares during the period:
Nine months ended December 31, 2024: 9,875,434 shares
Nine months ended December 31, 2023: 9,866,558 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 December 31, 2024
Assets		
Current assets		
Cash and deposits	5,300,581	6,016,012
Accounts receivable from completed construction contracts	1,573,220	633,148
Real estate for sale	2,863,116	2,172,544
Real estate for sale in process	12,819,741	22,645,747
Advance payments to suppliers	174,241	220,200
Equity investments in properties for sale	294,349	3,918
Other	190,155	251,668
Total current assets	23,215,407	31,943,240
Non-current assets		
Property, plant and equipment		
Buildings	975,574	976,286
Structures	15,124	15,124
Machinery and equipment	101,514	101,514
Vehicles	36,748	37,836
Tools, furniture and fixtures	61,040	60,688
Land	1,236,128	1,236,128
Accumulated depreciation	(402,512)	(437,155)
Total property, plant and equipment	2,023,619	1,990,423
Intangible assets		
Goodwill	726,317	642,511
Other	38,224	23,460
Total intangible assets	764,541	665,971
Investments and other assets	605,874	485,647
Total non-current assets	3,394,035	3,142,042
Total assets	26,609,442	35,085,282

(Thousand yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,379,188	1,708,872
Short-term borrowings	559,487	4,047,200
Current portion of long-term borrowings	4,016,308	5,736,398
Current portion of bonds payable	96,000	89,000
Accounts payable - other	134,579	154,373
Income taxes payable	47,256	4,716
Advances received	648,243	496
Advances received on construction contracts in progress	359,442	440,749
Deposits received	337,871	356,322
Provision for bonuses	143,925	81,422
Provision for costs after sales	40,513	17,957
Provision for loss on construction contracts	39,081	—
Other	67,210	91,710
Total current liabilities	7,869,108	12,729,218
Non-current liabilities		
Bonds payable	89,000	115,000
Long-term borrowings	11,099,855	14,870,266
Provision for retirement benefits for directors (and other officers)	1,945	—
Other	117,830	100,868
Total non-current liabilities	11,308,632	15,086,134
Total liabilities	19,177,740	27,815,353
Net assets		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus	641,599	646,564
Retained earnings	6,169,492	5,999,352
Treasury shares	(60,089)	(57,058)
Total shareholders' equity	7,432,122	7,269,979
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(421)	(49)
Total accumulated other comprehensive income	(421)	(49)
Total net assets	7,431,701	7,269,929
Total liabilities and net assets	26,609,442	35,085,282

(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	For the nine months ended December 31, 2024
Net sales	7,009,346	13,121,033
Cost of sales	5,865,283	10,257,878
Gross profit	1,144,062	2,863,155
Selling, general and administrative expenses	1,791,968	2,058,733
Operating profit (loss)	(647,905)	804,422
Non-operating income		
Reversal of provision for shareholder benefit program	2,017	—
Reversal of provision for retirement benefits for directors (and other officers)	—	1,945
Profit of investment securities	739	—
Other	706	1,208
Total non-operating income	3,463	3,154
Non-operating expenses		
Interest expenses	168,541	227,669
Commission expenses	29,384	48,568
Registration license taxes and other	8,182	20,879
Other	7,178	12,506
Total non-operating expenses	213,286	309,623
Ordinary profit (loss)	(857,728)	497,953
Extraordinary losses		
Loss on retirement of non-current assets	—	12,165
Loss on valuation of investment securities	—	68,325
Total extraordinary losses	—	80,490
Profit (loss) before income taxes	(857,728)	417,462
Income taxes - current	1,767	102,425
Income taxes - deferred	(242,347)	40,901
Total income taxes	(240,579)	143,326
Profit (loss)	(617,149)	274,135
Profit (loss) attributable to owners of parent	(617,149)	274,135

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

	(Thousand yen)	
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit (loss)	(617,149)	274,135
Other comprehensive income		
Deferred gains or losses on hedges	1,966	371
Total other comprehensive income	1,966	371
Comprehensive income	(615,182)	274,506
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(615,182)	274,506