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## Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: FaithNetwork Co.,Ltd  
Listing: Tokyo Stock Exchange  
Securities code: 3489  
URL: <https://faithnetwork.co.jp/en/>  
Representative: Jiro Hachiya, President and Representative Director  
Inquiries: Yosuke Ishimaru, Director and Executive Officer  
Telephone: +81-3(6432)9937  
Scheduled date of annual general meeting of shareholders: June 25, 2025  
Scheduled date to commence dividend payments: June 26, 2025  
Scheduled date to file annual securities report: June 24, 2025  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

#### (1) Consolidated Operating Results

(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	%
Fiscal year ended March 31, 2025	29,915	34.2	4,519	116.2	4,106	130.1	2,769	193.6
March 31, 2024	22,284	-	2,090	-	1,784	-	943	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 2,769 million [ 192.9%]  
Fiscal year ended March 31, 2024: ¥ 945 million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	280.42	-	32.2	14.5	15.1
March 31, 2024	95.59	-	12.7	6.7	9.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million  
Fiscal year ended March 31, 2024: ¥ - million

(Note)The Company has prepared Consolidated Financial Statements since the fiscal year ended March 31, 2024. Therefore, year-on-year changes, for the fiscal year ended March 31, 2024 are omitted.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	30,036	9,765	32.5	988.67
March 31, 2024	26,609	7,431	27.9	752.75

(Reference) Equity: As of March 31, 2025: ¥ 9,765 million  
As of March 31, 2024: ¥ 7,431 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	4,407	(471)	(397)	8,838
March 31, 2024	(3,996)	(633)	5,545	5,300

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	0.00	-	45.00	45.00	444	47.1	6.0
March 31, 2025	-	0.00	-	98.50	98.50	972	35.1	11.3
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	120.00	120.00		34.9	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	35,000	17.0	5,600	23.9	5,000	21.7	3,400	22.8	344.27

\* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name: )

Excluded: - (Company name: )

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 9,960,000 shares

March 31, 2024: 9,960,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 82,821 shares

March 31, 2024: 87,224 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 9,875,864 shares

Fiscal Year ended March 31, 2024: 9,868,104 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	27,851	37.2	4,538	103.4	4,124	114.3	2,802	163.3
March 31, 2024	20,293	(3.2)	2,231	(11.4)	1,924	(16.4)	1,064	(33.2)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	283.77	-
March 31, 2024	107.85	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	29,730	9,919	33.4	1,004.27
March 31, 2024	25,914	7,552	29.1	765.00

(Reference) Equity: As of March 31, 2025: ¥ 9,919 million  
As of March 31, 2024: ¥ 7,552 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	5,300,581	8,838,769
Accounts receivable from completed construction contracts	1,573,220	55,495
Real estate for sale	2,863,116	-
Real estate for sale in process	12,819,741	16,914,225
Advance payments to suppliers	174,241	398,200
Equity investments in properties for sale	294,349	3,884
Prepaid expenses	56,014	65,952
Other	134,141	117,826
Total current assets	23,215,407	26,394,354
Non-current assets		
Property, plant and equipment		
Buildings	975,574	1,000,843
Structures	15,124	15,124
Machinery and equipment	101,514	101,514
Vehicles	36,748	37,836
Tools, furniture and fixtures	61,040	61,972
Land	1,236,128	1,673,117
Accumulated depreciation	(402,512)	(451,373)
Total property, plant and equipment	2,023,619	2,439,034
Intangible assets		
Software	38,224	21,270
Goodwill	726,317	614,575
Total intangible assets	764,541	635,846
Investments and other assets		
Investment securities	68,325	0
Shares of subsidiaries and associates	50,536	50,536
Investments in capital	2,130	2,130
Investments in capital of subsidiaries and associates	9,000	9,000
Long-term prepaid expenses	16,741	12,708
Deferred tax assets	385,230	422,580
Other	73,912	70,150
Total investments and other assets	605,874	567,104
Total non-current assets	3,394,035	3,641,985
Total assets	26,609,442	30,036,340

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	1,379,188	1,429,698
Short-term borrowings	559,487	468,000
Current portion of long-term borrowings	4,016,308	2,058,383
Current portion of bonds payable	96,000	74,000
Accounts payable - other	134,579	172,314
Accrued expenses	31,998	20,615
Income taxes payable	47,256	1,120,749
Advances received	648,243	922
Advances received on construction contracts in progress	359,442	818,007
Deposits received	337,871	375,281
Unearned revenue	11,663	10,689
Provision for bonuses	143,925	162,813
Provision for costs after sales	40,513	19,826
Provision for loss on construction contracts	39,081	-
Other	23,549	64,288
Total current liabilities	7,869,108	6,795,589
Non-current liabilities		
Bonds payable	89,000	105,000
Long-term borrowings	11,099,855	13,265,523
Provision for retirement benefits for directors (and other officers)	1,945	-
Other	117,830	104,931
Total non-current liabilities	11,308,632	13,475,454
Total liabilities	19,177,740	20,271,044
<b>Net assets</b>		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus	641,599	646,564
Retained earnings	6,169,492	8,494,600
Treasury shares	(60,089)	(57,058)
Total shareholders' equity	7,432,122	9,765,226
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(421)	69
Total accumulated other comprehensive income	(421)	69
Total net assets	7,431,701	9,765,296
Total liabilities and net assets	26,609,442	30,036,340

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	22,284,509	29,915,894
Cost of sales	17,945,659	22,639,237
Gross profit	4,338,849	7,276,656
Selling, general and administrative expenses	2,248,386	2,757,623
Operating profit	2,090,463	4,519,032
Non-operating income		
Interest income	43	1,994
Dividend income	57	43
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	802	959
Total non-operating income	3,660	4,943
Non-operating expenses		
Interest expenses	244,969	328,593
Interest expenses on bonds	864	1,010
Commission expenses	38,407	49,297
Registration license taxes and other	17,422	25,115
Other	7,814	13,015
Total non-operating expenses	309,477	417,032
Ordinary profit	1,784,645	4,106,943
Extraordinary losses		
Loss on retirement of non-current assets	-	12,165
Loss on valuation of investment securities	432,674	68,325
Subsidiary company head office transfer cost	10,653	-
Total extraordinary losses	443,328	80,490
Profit before income taxes	1,341,317	4,026,452
Income taxes - current	454,289	1,294,636
Income taxes - deferred	(56,267)	(37,566)
Total income taxes	398,022	1,257,069
Profit	943,295	2,769,383
Profit attributable to owners of parent	943,295	2,769,383

# Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	943,295	2,769,383
Other comprehensive income		
Deferred gains or losses on hedges	2,240	490
Total other comprehensive income	2,240	490
Comprehensive income	945,535	2,769,873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	945,535	2,769,873

## (3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	681,120	631,566	5,640,206	(70,636)	6,882,256
Changes during period					
Dividends of surplus			(414,009)		(414,009)
Profit attributable to owners of parent			943,295		943,295
Purchase of treasury shares				(114)	(114)
Disposal of treasury shares		10,033		10,661	20,694
Net changes in items other than shareholders' equity					
Total changes during period	-	10,033	529,285	10,547	549,866
Balance at end of period	681,120	641,599	6,169,492	(60,089)	7,432,122

	Accumulated other comprehensive income		Total net assets
	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance at beginning of period	(2,661)	(2,661)	6,879,594
Changes during period			
Dividends of surplus			(414,009)
Profit attributable to owners of parent			943,295
Purchase of treasury shares			(114)
Disposal of treasury shares			20,694
Net changes in items other than shareholders' equity	2,240	2,240	2,240
Total changes during period	2,240	2,240	552,107
Balance at end of period	(421)	(421)	7,431,701

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	681,120	641,599	6,169,492	(60,089)	7,432,122
Changes during period					
Dividends of surplus			(444,274)		(444,274)
Profit attributable to owners of parent			2,769,383		2,769,383
Disposal of treasury shares		4,965		3,030	7,995
Net changes in items other than shareholders' equity					
Total changes during period	-	4,965	2,325,108	3,030	2,333,104
Balance at end of period	681,120	646,564	8,494,600	(57,058)	9,765,226

	Accumulated other comprehensive income		Total net assets
	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance at beginning of period	(421)	(421)	7,431,701
Changes during period			
Dividends of surplus			(444,274)
Profit attributable to owners of parent			2,769,383
Disposal of treasury shares			7,995
Net changes in items other than shareholders' equity	490	490	490
Total changes during period	490	490	2,333,594
Balance at end of period	69	69	9,765,296

## (4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,341,317	4,026,452
Depreciation	66,682	63,790
Amortization of goodwill	55,870	111,741
Share-based payment expenses	20,693	11,170
Subsidiary company head office transfer cost	10,653	-
Increase (decrease) in provision for bonuses	21,972	18,887
Increase (decrease) in provision for costs after sales	18,189	(20,687)
Increase (decrease) in provision for loss on construction contracts	(27,490)	(39,081)
Increase (decrease) in provision for shareholder benefit program	(7,733)	-
Interest and dividend income	(100)	(1,998)
Interest expenses on borrowings and bonds	245,833	329,603
Commission expenses	38,407	49,297
Loss on retirement of non-current assets	-	12,165
Decrease (increase) in accounts receivable from completed construction contracts	1,007,246	1,512,262
Decrease (increase) in inventories	(5,853,785)	(1,231,366)
Decrease (increase) in equity investments in properties for sale	1,060,614	290,464
Increase (decrease) in accounts payable for construction contracts	(110,148)	51,730
Increase (decrease) in advances received	(775,176)	(647,321)
Increase (decrease) in advances received on construction contracts in progress	(124,412)	458,565
Profit of investment securities	(739)	-
Loss (gain) on valuation of investment securities	432,674	68,325
Other, net	(137,012)	(51,761)
Subtotal	(2,716,443)	5,012,240
Interest and dividends received	100	1,998
Interest paid	(236,895)	(345,752)
Income taxes paid	(1,043,014)	(261,272)
Net cash provided by (used in) operating activities	(3,996,252)	4,407,214
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(16,364)	(469,114)
Purchase of investment securities	(501,000)	-
Proceeds from sale of investment securities	21,045	-
Purchase of intangible assets	(17,569)	(1,150)
Collection of loans receivable from subsidiaries and affiliates	20,000	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(121,180)	-
Other, net	(18,355)	(1,069)
Net cash provided by (used in) investing activities	(633,425)	(471,334)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	10,987	(91,487)
Proceeds from long-term borrowings	12,050,204	10,474,140
Repayments of long-term borrowings	(6,162,946)	(10,266,397)
Proceeds from issuance of bonds	100,000	100,000
Redemption of bonds	(91,000)	(106,000)
Dividends paid	(413,946)	(444,097)
Other, net	52,404	(63,848)
Net cash provided by (used in) financing activities	5,545,703	(397,691)

Net increase (decrease) in cash and cash equivalents	916,024	3,538,188
Cash and cash equivalents at beginning of period	4,384,557	5,300,581
Cash and cash equivalents at end of period	5,300,581	8,838,769