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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 13, 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 to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 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	%
Three months ended June 30, 2025	2,954	51.2	(46)	-	(148)	-	(112)	-
June 30, 2024	1,953	-	(424)	-	(522)	-	(374)	-

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ (112) million [-%]
Three months ended June 30, 2024: ¥ (374) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	(11.40)	-
June 30, 2024	(37.96)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	31,191	8,679	27.8
March 31, 2025	30,036	9,765	32.5

(Reference) Equity: As of June 30, 2025: ¥ 8,679 million
As of March 31, 2025: ¥ 9,765 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	98.50	98.50
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00	-	40.00	40.00

(Note) 1.Revision to the forecast for dividends announced most recently: None

(Note) 2.The Company plans to carry out a 3-for-1 stock split of its common share, with an effective date of October 1, 2025.

The year-end dividend per share forecast for the fiscal year ending March 31, 2026 takes into account the impact of this stocksplit. The year-end dividend forecast for the fiscal year ending March 31, 2026 that does not take into account the stock splitis 120.00 yen.

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	114.76

(Note) 1.Revision to the financial results forecast announced most recently: None

(Note) 2.The Company plans to carry out a 3-for-1 stock split of its common share, with an effective date of October 1, 2025.

The basic earnings per share in the consolidated financial results forecast for the fiscal year ending March 31, 2026 take into account the impact of this stock split.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: Yes

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2025: 9,960,000 shares

March 31, 2025: 9,960,000 shares

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

June 30, 2025: 82,821 shares

March 31, 2025: 82,821 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 9,877,179 shares

Three months ended June 30, 2024: 9,872,776 shares

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

* Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements and Primary Notes
Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	8,838,769	5,930,855
Accounts receivable from completed construction contracts	55,495	12,052
Real estate for sale	-	2,205,346
Real estate for sale in process	16,914,225	18,853,945
Advance payments to suppliers	398,200	323,427
Other	187,663	208,936
Total current assets	26,394,354	27,534,563
Non-current assets		
Property, plant and equipment		
Buildings	1,000,843	1,000,843
Structures	15,124	15,124
Machinery and equipment	101,514	101,514
Vehicles	37,836	37,836
Tools, furniture and fixtures	61,972	64,306
Land	1,673,117	1,673,117
Accumulated depreciation	(451,373)	(464,761)
Total property, plant and equipment	2,439,034	2,427,981
Intangible assets		
Goodwill	614,575	586,640
Other	21,270	22,097
Total intangible assets	635,846	608,738
Investments and other assets	567,104	620,104
Total non-current assets	3,641,985	3,656,824
Total assets	30,036,340	31,191,387

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,429,698	1,338,076
Short-term borrowings	468,000	1,533,000
Current portion of long-term borrowings	2,058,383	4,805,832
Current portion of bonds payable	74,000	72,000
Accounts payable - other	172,314	165,704
Income taxes payable	1,120,749	34,073
Advances received	922	741
Advances received on construction contracts in progress	818,007	637,867
Deposits received	375,281	466,224
Provision for bonuses	162,813	108,053
Provision for costs after sales	19,826	21,109
Other	95,593	91,579
Total current liabilities	6,795,589	9,274,263
Non-current liabilities		
Bonds payable	105,000	80,000
Long-term borrowings	13,265,523	13,055,773
Other	104,931	101,610
Total non-current liabilities	13,475,454	13,237,384
Total liabilities	20,271,044	22,511,647
Net assets		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus	646,564	646,564
Retained earnings	8,494,600	7,409,096
Treasury shares	(57,058)	(57,058)
Total shareholders' equity	9,765,226	8,679,723
Accumulated other comprehensive income		
Deferred gains or losses on hedges	69	17
Total accumulated other comprehensive income	69	17
Total net assets	9,765,296	8,679,740
Total liabilities and net assets	30,036,340	31,191,387

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income
For the three months ended June 30, 2025

(Thousands of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	1,953,881	2,954,801
Cost of sales	1,746,154	2,262,917
Gross profit	207,726	691,883
Selling, general and administrative expenses	632,707	738,647
Operating loss	(424,980)	(46,764)
Non-operating income		
Interest income	2	257
Dividend income	11	13
Income from insurance	-	144
Surrender value of insurance policies	260	-
Interest on tax refund	328	169
Other	135	105
Total non-operating income	738	689
Non-operating expenses		
Interest expenses	63,986	83,128
Commission expenses	21,561	14,355
Registration license taxes and other	4,926	4,196
Other	7,594	464
Total non-operating expenses	98,068	102,145
Ordinary loss	(522,310)	(148,219)
Loss before income taxes	(522,310)	(148,219)
Income taxes - current	605	15,447
Income taxes - deferred	(148,112)	(51,066)
Total income taxes	(147,506)	(35,618)
Loss	(374,804)	(112,601)
Loss attributable to owners of parent	(374,804)	(112,601)

Quarterly Consolidated Statement of Comprehensive Income
For the three months ended June 30, 2025

(Thousands of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Loss	(374,804)	(112,601)
Other comprehensive income		
Deferred gains or losses on hedges	184	(51)
Total other comprehensive income	184	(51)
Comprehensive income	(374,619)	(112,652)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(374,619)	(112,652)