Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Based on Japanese GAAP)

November 8, 2024

Company name: FUKUDA CORPORATION
Stock exchange listing: Tokyo
Stock code: 1899 URL https://www.fkd.co.jp/
Representative: Representative Director and President Masanori Araaki
Inquiries: Director and General Manager of Administration Department Toshio Omi TEL 025-266-9111
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: No
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative) 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	%
Nine months ended September 30, 2024	116,602	4.1	5,735	70.6	5,955	67.7	3,948	77.4
Nine months ended September 30, 2023	111,976	3.6	3,361	(32.8)	3,552	(31.4)	2,226	(36.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2024	477.17	–
Nine months ended September 30, 2023	262.49	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	146,571	83,597	56.5
As of December 31, 2023	136,731	80,333	58.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	–	0.00	–	110.00	110.00
Year ending December 31, 2024	–	0.00	–		
Year ending December 31, 2024 (Forecast)				110.00	110.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	166,400	2.6	5,800	11.4	6,000	9.5	3,900	15.2	471.27

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended September 30, 2024: No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of September 30, 2024	8,988,111 shares	As of December 31, 2023	8,988,111 shares

Number of treasury shares at the end of the period

As of September 30, 2024	712,745 shares	As of December 31, 2023	714,907 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2024	8,274,810 shares	Nine months ended September 30, 2023	8,480,778 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	29,421	53,329
Notes receivable, accounts receivable from completed construction contracts and other	58,903	46,667
Securities	49	–
Real estate for sale	1,305	1,542
Costs on construction contracts in progress	1,201	956
Costs on real estate business	4,579	2,669
Other inventories	345	418
Accounts receivable - other	3,264	2,416
Other	770	1,344
Allowance for doubtful accounts	(38)	(34)
Total current assets	99,801	109,311
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,468	24,089
Machinery, vehicles, tools, furniture and fixtures	14,148	14,303
Land	15,871	15,941
Other	1,496	977
Accumulated depreciation	(27,900)	(28,514)
Total property, plant and equipment	27,084	26,797
Intangible assets		
Other	416	421
Total intangible assets	416	421
Investments and other assets		
Investment securities	5,925	6,226
Long-term loans receivable	324	324
Retirement benefit asset	1,752	1,824
Deferred tax assets	780	1,046
Other	940	913
Allowance for doubtful accounts	(295)	(295)
Total investments and other assets	9,428	10,040
Total non-current assets	36,929	37,259
Total assets	136,731	146,571

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	36,818	36,977
Short-term borrowings	745	530
Income taxes payable	1,015	1,516
Advances received on uncompleted construction contracts And Others	4,245	9,045
Provisions	683	1,973
Other	5,444	5,829
Total current liabilities	48,953	55,873
Non-current liabilities		
Long-term borrowings	754	542
Deferred tax liabilities	269	220
Deferred tax liabilities for land revaluation	811	796
Provisions	561	579
Retirement benefit liability	2,507	2,428
Other	2,539	2,534
Total non-current liabilities	7,444	7,101
Total liabilities	56,397	62,974
Net assets		
Shareholders' equity		
Share capital	5,158	5,158
Capital surplus	6,169	6,169
Retained earnings	70,651	73,680
Treasury shares	(3,531)	(3,520)
Total shareholders' equity	78,448	81,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,355	1,479
Revaluation reserve for land	65	81
Remeasurements of defined benefit plans	(245)	(221)
Total accumulated other comprehensive income	1,175	1,338
Non-controlling interests	709	770
Total net assets	80,333	83,597
Total liabilities and net assets	136,731	146,571

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Net sales		
Net sales of completed construction contracts	100,341	102,104
Sales in real estate business	1,614	5,087
Sales in other businesses	10,021	9,409
Total net sales	111,976	116,602
Cost of sales		
Cost of sales of completed construction contracts	91,785	92,296
Cost of sales in real estate business	1,179	3,651
Cost of sales in other businesses	8,629	7,694
Total cost of sales	101,594	103,642
Gross profit		
Gross profit on completed construction contracts	8,555	9,807
Gross profit - real estate business	434	1,436
Gross profit - other business	1,391	1,715
Total gross profit	10,381	12,960
Selling, general and administrative expenses	7,020	7,224
Operating profit	3,361	5,735
Non-operating income		
Interest income	13	12
Dividend income	121	133
Share of profit of entities accounted for using equity method	23	29
Other	97	111
Total non-operating income	255	286
Non-operating expenses		
Interest expenses	18	19
Commission for syndicated loans	18	20
Prepayment guarantee fee	19	19
Other	8	5
Total non-operating expenses	65	65
Ordinary profit	3,552	5,955
Extraordinary income		
Gain on sale of non-current assets	11	20
Gain on sale of investment securities	39	9
Subsidy income	–	59
Other	2	1
Total extraordinary income	53	91

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Extraordinary losses		
Loss on retirement of non-current assets	11	0
Loss on valuation of investment securities	0	0
Impairment losses	104	–
Provision for loss on litigation	32	–
Loss on tax purpose reduction entry of non-current assets	–	59
Other	14	–
Total extraordinary losses	162	59
Profit before income taxes	3,442	5,987
Income taxes - current	1,657	2,300
Income taxes - deferred	(489)	(348)
Total income taxes	1,168	1,951
Profit	2,274	4,036
Profit attributable to non-controlling interests	48	87
Profit attributable to owners of parent	2,226	3,948

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	2,274	4,036
Other comprehensive income		
Valuation difference on available-for-sale securities	503	119
Revaluation reserve for land	–	15
Remeasurements of defined benefit plans, net of tax	4	23
Share of other comprehensive income of entities accounted for using equity method	2	4
Total other comprehensive income	509	163
Comprehensive income	2,784	4,199
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,733	4,111
Comprehensive income attributable to non-controlling interests	50	88