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May 15, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

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
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Scheduled date of annual general meeting of shareholders: June 26, 2026
Scheduled date to commence dividend payments: June 29, 2026
Scheduled date to file annual securities report: June 24, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	32,916	10.0	5,632	24.6	5,165	25.8	3,586	29.5
March 31, 2025	29,915	34.2	4,519	116.2	4,106	130.1	2,769	193.6

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 3,586 million [29.5%]
For the fiscal year ended March 31, 2025: ¥ 2,769 million [192.9%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	120.99	-	32.4	16.0	17.1
March 31, 2025	93.47	-	32.2	14.5	15.1

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥ - million
For the fiscal year ended March 31, 2025: ¥ - million

Note: The Company conducted a 3-for-1 split of its common shares as of October 1, 2025. Basic earnings per share has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	34,587	12,387	35.8	417.90
March 31, 2025	30,036	9,765	32.5	329.56

Reference: Equity
As of March 31, 2026: ¥ 12,387 million
As of March 31, 2025: ¥ 9,765 million

Note: The Company conducted a 3-for-1 split of its common shares as of October 1, 2025. Net assets per share has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	(746)	(56)	1,104	9,140
March 31, 2025	4,407	(471)	(397)	8,838

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	98.50	98.50	972	35.1	11.3
Fiscal year ended March 31, 2026	-	0.00	-	42.50	42.50	1,259	35.1	11.4
Fiscal year ending March 31, 2027 (Forecast)	-	0.00	-	45.00	45.00		35.1	

Note 1: The Company conducted a 3-for-1 split of its common shares as of October 1, 2025. For the fiscal year ended March 31, 2025, dividends are stated at their actual amounts prior to the stock split.

Note 2: For the forecast for dividends, please refer to the press release "Notice Concerning Revision of Dividend Forecast and Change of Dividend Policy" announced on May 15, 2026.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	37,000	12.4	6,300	11.9	5,800	12.3	3,800	6.0	128.20

*** Notes**

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

Newly included: - companies( )

Excluded: - companies( )

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

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

(ii) Changes in accounting policies due to other reasons: Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	29,880,000 shares
As of March 31, 2025	29,880,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	237,693 shares
As of March 31, 2025	248,463 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	29,640,693 shares
Fiscal Year ended March 31, 2025	29,627,592 shares

Note: The Company conducted a 3-for-1 split of its common shares as of October 1, 2025. The total number of issued shares (common shares) has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	32,464	16.6	5,628	24.0	5,167	25.3	3,653	30.4
March 31, 2025	27,851	37.2	4,538	103.4	4,124	114.3	2,802	163.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	123.25	-
March 31, 2025	94.59	-

Note: The Company conducted a 3-for-1 split of its common shares as of October 1, 2025. Basic earnings per share has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	34,599	12,608	36.4	425.35
March 31, 2025	29,730	9,919	33.4	334.76

Reference: Equity

As of March 31, 2026: ¥ 12,608 million

As of March 31, 2025: ¥ 9,919 million

Note: The Company conducted a 3-for-1 split of its common shares as of October 1, 2025. Net assets per share has been calculated as if this share split were carried out at the beginning of the previous fiscal year.

* 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 and Primary Notes

Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	8,838,769	9,140,413
Accounts receivable from completed construction contracts	55,495	429,565
Real estate for sale	-	2,310,607
Real estate for sale in process	16,914,225	20,096,424
Advance payments to suppliers	398,200	344,031
Equity investments in properties for sale	3,884	3,841
Prepaid expenses	65,952	113,728
Other	117,826	81,107
Total current assets	26,394,354	32,519,719
Non-current assets		
Property, plant and equipment		
Buildings	1,000,843	338,312
Structures	15,124	27,587
Machinery and equipment	101,514	51,800
Vehicles	37,836	32,468
Tools, furniture and fixtures	61,972	70,776
Land	1,673,117	545,281
Leased assets	-	17,373
Accumulated depreciation	(451,373)	(158,829)
Total property, plant and equipment	2,439,034	924,769
Intangible assets		
Software	21,270	16,233
Goodwill	614,575	502,834
Total intangible assets	635,846	519,068
Investments and other assets		
Investment securities	0	-
Shares of subsidiaries and associates	50,536	48,000
Investments in capital	2,130	1,890
Investments in capital of subsidiaries and associates	9,000	9,000
Long-term prepaid expenses	12,708	21,383
Deferred tax assets	422,580	264,943
Other	70,150	278,416
Total investments and other assets	567,104	623,634
Total non-current assets	3,641,985	2,067,471
Total assets	30,036,340	34,587,191

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,429,698	1,307,416
Short-term borrowings	468,000	737,000
Current portion of long-term borrowings	2,058,383	4,651,881
Current portion of bonds payable	74,000	55,000
Accounts payable - other	172,314	297,678
Accrued expenses	20,615	17,774
Income taxes payable	1,120,749	1,311,396
Advances received	922	1,497
Advances received on construction contracts in progress	818,007	303,279
Deposits received	375,281	509,818
Unearned revenue	10,689	10,399
Lease liabilities	-	3,185
Provision for bonuses	162,813	156,486
Provision for costs after sales	19,826	23,747
Other	64,288	15,800
Total current liabilities	6,795,589	9,402,360
Non-current liabilities		
Bonds payable	105,000	50,000
Long-term borrowings	13,265,523	12,628,628
Lease liabilities	-	15,129
Other	104,931	103,695
Total non-current liabilities	13,475,454	12,797,452
Total liabilities	20,271,044	22,199,813
Net assets		
Shareholders' equity		
Share capital	681,120	681,120
Capital surplus	646,564	653,059
Retained earnings	8,494,600	11,107,825
Treasury shares	(57,058)	(54,654)
Total shareholders' equity	9,765,226	12,387,351
Accumulated other comprehensive income		
Deferred gains or losses on hedges	69	27
Total accumulated other comprehensive income	69	27
Total net assets	9,765,296	12,387,378
Total liabilities and net assets	30,036,340	34,587,191

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	29,915,894	32,916,875
Cost of sales	22,639,237	24,061,935
Gross profit	7,276,656	8,854,940
Selling, general and administrative expenses	2,757,623	3,222,567
Operating profit	4,519,032	5,632,372
Non-operating income		
Interest income	1,994	10,201
Dividend income	43	43
Reversal of provision for retirement benefits for directors (and other officers)	1,945	-
Cancellation penalty	-	10,000
Other	959	2,739
Total non-operating income	4,943	22,984
Non-operating expenses		
Interest expenses	328,593	392,505
Interest expenses on bonds	1,010	996
Commission expenses	49,297	62,143
Registration license taxes and other	25,115	30,700
Other	13,015	3,518
Total non-operating expenses	417,032	489,863
Ordinary profit	4,106,943	5,165,494
Extraordinary income		
Gain on sale of non-current assets	-	144,471
Gain on sale of investment securities	-	40,999
Gain on sale of shares of subsidiaries and associates	-	57,464
Total extraordinary income	-	242,935
Extraordinary losses		
Loss on sale of non-current assets	-	1,554
Loss on retirement of non-current assets	12,165	11,681
Loss on valuation of investment securities	68,325	-
Head office relocation expenses	-	217,452
Settlement expenses	-	31,000
Total extraordinary losses	80,490	261,688
Profit before income taxes	4,026,452	5,146,740
Income taxes - current	1,294,636	1,402,958
Income taxes - deferred	(37,566)	157,654
Total income taxes	1,257,069	1,560,612
Profit	2,769,383	3,586,127
Profit attributable to owners of parent	2,769,383	3,586,127

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	2,769,383	3,586,127
Other comprehensive income		
Deferred gains or losses on hedges	490	(42)
Total other comprehensive income	490	(42)
Comprehensive income	2,769,873	3,586,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,769,873	3,586,085

Consolidated Statement of Changes in Equity

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
Purchase of treasury shares					-
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
Purchase of treasury shares			-
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

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	681,120	646,564	8,494,600	(57,058)	9,765,226
Changes during period					
Dividends of surplus			(972,902)		(972,902)
Profit attributable to owners of parent			3,586,127		3,586,127
Purchase of treasury shares		(726)		(868)	(1,595)
Disposal of treasury shares		7,221		3,272	10,494
Net changes in items other than shareholders' equity					
Total changes during period	-	6,494	2,613,225	2,404	2,622,124
Balance at end of period	681,120	653,059	11,107,825	(54,654)	12,387,351

	Accumulated other comprehensive income		Total net assets
	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance at beginning of period	69	69	9,765,296
Changes during period			
Dividends of surplus			(972,902)
Profit attributable to owners of parent			3,586,127
Purchase of treasury shares			(1,595)
Disposal of treasury shares			10,494
Net changes in items other than shareholders' equity	(42)	(42)	(42)
Total changes during period	(42)	(42)	2,622,082
Balance at end of period	27	27	12,387,378

Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	4,026,452	5,146,740
Depreciation	63,790	65,217
Amortization of goodwill	111,741	111,741
Share-based payment expenses	11,170	8,370
Head office relocation expenses	-	217,452
Increase (decrease) in provision for bonuses	18,887	(6,326)
Increase (decrease) in provision for costs after sales	(20,687)	3,921
Increase (decrease) in provision for loss on construction contracts	(39,081)	-
Interest and dividend income	(2,037)	(10,245)
Interest expenses on borrowings and bonds	329,603	393,501
Commission expenses	49,297	62,143
Gain on sale of non-current assets	-	(144,471)
Loss on sales of non current assets	-	1,554
Loss on retirement of non-current assets	12,165	11,681
Gain on Sales of investment securities	-	(40,999)
Gain on sale of shares of subsidiaries and associates	-	(57,464)
Loss (gain) on valuation of investment securities	68,325	-
Decrease (increase) in accounts receivable from completed construction contracts	1,512,262	(374,070)
Decrease (increase) in inventories	(1,231,366)	(3,944,832)
Decrease (increase) in equity investments in properties for sale	290,464	42
Increase (decrease) in accounts payable for construction contracts	51,730	(122,282)
Increase (decrease) in advances received	(647,321)	575
Increase (decrease) in advances received on construction contracts in progress	458,565	(514,728)
Other, net	(51,761)	335,226
Subtotal	5,012,201	1,142,746
Interest and dividends received	2,037	10,245
Interest paid	(345,752)	(398,652)
Income taxes paid	(261,272)	(1,280,177)
Payments for head office relocation expenses	-	(220,212)
Net cash provided by (used in) operating activities	4,407,214	(746,051)
Cash flows from investing activities		
Purchase of property, plant and equipment	(469,114)	(244,761)
Proceeds from sale of property, plant and equipment	-	301,898
Purchase of intangible assets	(1,150)	(3,034)
Proceeds from sale of investment securities	-	41,000
Proceeds from sale of shares of subsidiaries and associates	-	60,000
Payments of leasehold and guarantee deposits	(5,022)	(222,328)
Other, net	3,952	10,875
Net cash provided by (used in) investing activities	(471,334)	(56,348)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(91,487)	269,000
Proceeds from long-term borrowings	10,474,140	13,810,000
Repayments of long-term borrowings	(10,266,397)	(11,853,397)
Proceeds from issuance of bonds	100,000	-
Redemption of bonds	(106,000)	(74,000)
Dividends paid	(444,097)	(970,602)

Repayments of lease liabilities	-	(723)
Other, net	(63,848)	(76,232)
Net cash provided by (used in) financing activities	(397,691)	1,104,044
Net increase (decrease) in cash and cash equivalents	3,538,188	301,643
Cash and cash equivalents at beginning of period	5,300,581	8,838,769
Cash and cash equivalents at end of period	8,838,769	9,140,413