

August 7, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: FUKUDA CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 1899
 URL: <https://www.fkd.co.jp/>
 Representative: Masanori Araaki, Representative Director and President
 Inquiries: Toshio Omi, Director and General Manager of Administration Department
 Telephone: +81-25-266-9111
 Scheduled date to file semi-annual securities report: August 7, 2025
 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 six months ended June 30, 2025 (from January 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	77,503	2.4	3,596	1.9	3,802	2.5	2,555	3.9
June 30, 2024	75,718	8.3	3,530	129.9	3,708	117.7	2,460	126.4

Note: Comprehensive income For the six months ended June 30, 2025: ¥2,704 million [(5.2)%]
 For the six months ended June 30, 2024: ¥2,853 million [111.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	308.68	-
June 30, 2024	297.35	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	142,379	85,875	60.1
December 31, 2024	142,814	85,407	59.3

Reference: Equity
 As of June 30, 2025: ¥85,532 million
 As of December 31, 2024: ¥84,661 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	200.00	200.00
Fiscal year ending December 31, 2025	-	0.00			
Fiscal year ending December 31, 2025 (Forecast)				200.00	200.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(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
Fiscal year ending December 31, 2025	167,000	0.2	6,000	(21.7)	6,300	(20.8)	4,300	(19.0)	519.33

Note: Revisions to the earnings forecasts most recently announced: None

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Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of June 30, 2025	8,988,111 shares
As of December 31, 2024	8,988,111 shares

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

As of June 30, 2025	708,271 shares
As of December 31, 2024	710,789 shares

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

Six months ended June 30, 2025	8,278,985 shares
Six months ended June 30, 2024	8,274,555 shares

The Company has introduced the "J-ESOP" and "Officers' Equity Benefit Trust (BBT)" systems. The number of treasury shares at the end of the fiscal year includes shares held by the Custody Bank of Japan, Ltd. (Trust E) (92,300 shares for the fiscal year ending December 31, 2025 and 95,100 shares for the fiscal year ending December 31, 2024). In addition, the Company's shares held by Japan Custody Bank, Ltd. (Trust E Account) are included in the treasury stock deducted in the calculation of the average number of treasury shares during the period (93,285 shares for the fiscal year ending December 31, 2025 and 93,171 shares for the fiscal year ending December 31, 2024).

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as earnings forecasts, described in this material are based on information available to the Company and certain assumptions that the Company deems reasonable, and actual results may differ due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Qualitative Information on the Interim Financial Results (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Reference: Non-consolidated earnings forecast for the fiscal year ending December 31, 2025 (January 1, 2025 ~ December 31, 2025)

(Percentage is the percentage change from the previous fiscal year)

	sales		Operating Profit		Ordinary Income		Net Income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	96,280	(2.2)	2,900	(27.3)	3,400	(26.6)	2,380	(29.0)	287.44

Note: There is no change from the announcement on February 14, 2025.

We have not prepared earnings forecasts for the third quarter (cumulative).

Semi-annual consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	32,849	36,454
Notes receivable, accounts receivable from completed construction contracts and other	62,756	57,830
Real estate for sale	1,634	1,396
Costs on construction contracts in progress	1,320	1,084
Costs on real estate business	2,987	3,770
Other inventories	390	467
Accounts receivable - other	2,312	2,310
Other	1,222	1,476
Allowance for doubtful accounts	(40)	(22)
Total current assets	105,433	104,770
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,917	24,232
Machinery, vehicles, tools, furniture and fixtures	14,257	14,260
Land	15,837	15,830
Other	1,234	1,222
Accumulated depreciation	(28,422)	(28,772)
Total property, plant and equipment	26,825	26,773
Intangible assets		
Other	400	403
Total intangible assets	400	403
Investments and other assets		
Investment securities	6,609	6,876
Long-term loans receivable	163	161
Retirement benefit asset	2,022	2,061
Deferred tax assets	728	715
Other	926	899
Allowance for doubtful accounts	(295)	(282)
Total investments and other assets	10,154	10,431
Total non-current assets	37,380	37,609
Total assets	142,814	142,379

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,009	36,012
Short-term borrowings	730	315
Income taxes payable	1,658	1,413
Advances received on uncompleted construction contracts And Others	6,138	6,727
Provisions	377	916
Other	7,090	4,016
Total current liabilities	50,004	49,401
Non-current liabilities		
Long-term borrowings	473	347
Deferred tax liabilities	521	517
Deferred tax liabilities for land revaluation	778	801
Provisions	588	594
Retirement benefit liability	2,432	2,388
Other	2,608	2,453
Total non-current liabilities	7,402	7,102
Total liabilities	57,406	56,503
Net assets		
Shareholders' equity		
Share capital	5,158	5,158
Capital surplus	6,172	6,043
Retained earnings	75,080	75,972
Treasury shares	(3,513)	(3,499)
Total shareholders' equity	82,898	83,674
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,855	1,954
Revaluation reserve for land	41	18
Remeasurements of defined benefit plans	(134)	(115)
Total accumulated other comprehensive income	1,762	1,857
Non-controlling interests	746	343
Total net assets	85,407	85,875
Total liabilities and net assets	142,814	142,379

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales		
Net sales of completed construction contracts	65,298	70,471
Sales in real estate business	4,512	1,005
Sales in other businesses	5,907	6,026
Total net sales	75,718	77,503
Cost of sales		
Cost of sales of completed construction contracts	59,266	63,481
Cost of sales in real estate business	3,244	677
Cost of sales in other businesses	4,812	4,792
Total cost of sales	67,322	68,952
Gross profit		
Gross profit on completed construction contracts	6,032	6,989
Gross profit - real estate business	1,268	328
Gross profit - other business	1,095	1,233
Total gross profit	8,396	8,551
Selling, general and administrative expenses	4,866	4,955
Operating profit	3,530	3,596
Non-operating income		
Interest income	7	13
Dividend income	131	151
Reversal of allowance for doubtful accounts	-	0
Share of profit of entities accounted for using equity method	19	12
Other	60	66
Total non-operating income	219	244
Non-operating expenses		
Interest expenses	14	10
Commission for syndicated loans	11	12
Prepayment guarantee fee	10	12
Other	4	3
Total non-operating expenses	41	38
Ordinary profit	3,708	3,802

	Six months ended June 30, 2024	Six months ended June 30, 2025
Extraordinary income		
Gain on sale of non-current assets	9	2
Gain on sale of investment securities	-	10
Subsidy income	59	-
Reversal of provision for loss on liquidation of subsidiaries and associates	-	28
Gain on liquidation of subsidiaries and associates	-	59
Total extraordinary income	68	100
Extraordinary losses		
Loss on retirement of non-current assets	0	25
Loss on valuation of investment securities	0	20
Loss on tax purpose reduction entry of non-current assets	59	-
Total extraordinary losses	59	46
Profit before income taxes	3,717	3,856
Income taxes - current	1,356	1,323
Income taxes - deferred	(155)	(65)
Total income taxes	1,200	1,258
Profit	2,517	2,598
Profit attributable to non-controlling interests	56	42
Profit attributable to owners of parent	2,460	2,555

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	2,517	2,598
Other comprehensive income		
Valuation difference on available-for-sale securities	296	99
Revaluation reserve for land	15	(11)
Remeasurements of defined benefit plans, net of tax	15	19
Share of other comprehensive income of entities accounted for using equity method	8	(0)
Total other comprehensive income	336	106
Comprehensive income	2,853	2,704
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,794	2,661
Comprehensive income attributable to non-controlling interests	58	43

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	3,717	3,856
Depreciation	669	659
Increase (decrease) in allowance for doubtful accounts	(5)	(18)
Increase (decrease) in provision for bonuses	583	647
Increase (decrease) in provision for share awards	8	11
Increase (decrease) in retirement benefit liability	(64)	(43)
Decrease (increase) in retirement benefit asset	(51)	(39)
Increase (decrease) in provision for loss on construction contracts	(49)	(37)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(9)	(4)
Increase (decrease) in other provisions	(79)	(67)
Interest and dividend income	(139)	(164)
Interest expenses	14	10
Loss (gain) on valuation of short-term and long-term investment securities	0	20
Loss (gain) on sale of short-term and long-term investment securities	-	(10)
Loss (gain) on liquidation of subsidiaries and associates	-	(59)
Loss (gain) on sale of non-current assets	(9)	(2)
Loss on tax purpose reduction entry of non-current assets	59	-
Loss on retirement of property, plant and equipment	0	25
Share of loss (profit) of entities accounted for using equity method	(19)	(12)
Decrease (increase) in trade receivables	20,734	4,925
Decrease (increase) in inventories	1,850	(384)
Decrease (increase) in other assets	(64)	(241)
Increase (decrease) in trade payables	(1,785)	2,006
Increase (decrease) in advances received on construction contracts in progress	5,932	579
Increase (decrease) in other liabilities	(999)	(3,285)
Other, net	27	36
Subtotal	30,321	8,408
Interest and dividends received	141	166
Interest paid	(12)	(10)
Income taxes paid	(925)	(1,556)
Net cash provided by (used in) operating activities	29,525	7,008

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from investing activities		
Payments into time deposits	-	(3)
Proceeds from withdrawal of time deposits	-	3
Proceeds from redemption of securities	49	-
Purchase of property, plant and equipment	(592)	(488)
Proceeds from sale of property, plant and equipment	14	6
Purchase of intangible assets	(15)	(32)
Purchase of investment securities	(123)	(105)
Proceeds from sale of investment securities	0	12
Decrease (increase) in short-term loans receivable	(0)	0
Long-term loan advances	(1)	-
Proceeds from collection of long-term loans receivable	1	2
Proceeds from the liquidation of subsidiaries and associates	-	59
Other payments	(9)	(15)
Other proceeds	4	11
Net cash provided by (used in) investing activities	(673)	(549)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(400)
Proceeds from long-term borrowings	200	-
Repayments of long-term borrowings	(555)	(141)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(547)
Proceeds from sale of treasury shares	12	14
Purchase of treasury shares	(1)	(1)
Dividends paid	(918)	(1,670)
Dividends paid to non-controlling interests	(26)	(29)
Repayments of finance lease liabilities	(74)	(76)
Net cash provided by (used in) financing activities	(1,364)	(2,853)
Net increase (decrease) in cash and cash equivalents	27,487	3,605
Cash and cash equivalents at beginning of period	29,418	31,946
Cash and cash equivalents at end of period	56,905	35,551

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(in millions of yen)

	Reportable segments			Other (Note)	Total
	Construction	Real Estate	Total		
Sales					
Civil engineering work	30,012	-	30,012	-	30,012
Construction work	35,455	-	35,455	-	35,455
Other	4,567	3,678	8,245	290	8,536
Revenue generated from customer contracts	70,035	3,678	73,713	290	74,004
Other Earnings	875	838	1,714	-	1,714
Revenues from external customers	70,910	4,517	75,427	290	75,718
Transactions with other segments	11	46	57	0	58
Total	70,922	4,563	75,485	291	75,776
Segment Profit	2,856	749	3,605	4	3,610

Note: The "Other" category is a business segment that is not included in the reporting segment and includes welfare-related businesses.

2. The difference between the total amount of profit or loss of the reported segment and the interim consolidated statement of income and the main details of the difference (matters related to adjustment of differences)

(in millions of yen)

benefit	amount of money
Total Reporting Segments	3,605
Benefits of the "Other" category	4
Inter-segment transaction elimination	0
Company-wide expenses (Note)	80
Operating income in the interim consolidated statement of income	3,530

Note: Corporate expenses are general and administrative expenses that are not primarily attributable to the reporting segment.

3. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. Interim Consolidated Accounting Period (January 1, 2025 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(in millions of yen)

	Reportable segments			Other (Note)	Total
	Construction	Real Estate	Total		
Sales					
Civil engineering work	31,310	-	31,310	-	31,310
Construction work	39,348	-	39,348	-	39,348
Other	4,724	292	5,016	333	5,349
Revenue generated from customer contracts	75,383	292	75,675	333	76,008
Other Earnings	774	720	1,495	-	1,495
Revenues from external customers	76,157	1,013	77,170	333	77,503
Transactions with other segments	54	37	91	0	92
Total	76,211	1,050	77,262	333	77,596
Segment Profit	3,459	189	3,648	24	3,673

Note: The "Other" category is a business segment that is not included in the reporting segment and includes welfare-related businesses.

2. The difference between the total amount of profit or loss of the reported segment and the interim consolidated statement of income and the main details of the difference (matters related to adjustment of differences)

(in millions of yen)

benefit	amount of money
Total Reporting Segments	3,648
Benefits of the "Other" category	24
Inter-segment transaction elimination	2
Company-wide expenses (Note)	79
Operating income in the interim consolidated statement of income	3,596

Note: Corporate expenses are general and administrative expenses that are not primarily attributable to the reporting segment.

3. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.