

# Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



November 10, 2023

Listed company: FUKUICOMPUTER HOLDINGS, Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9790

URL: <https://www.fukuicompu.co.jp/>

Representative: Koichi Sato, Representative Director and Group CEO

Contact: Akira Hashimoto, Managing Director and Group CFO/CHRO

Phone: +81-776-53-9200

Scheduled date of filing quarterly securities report: November 13, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (For institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 – September 30, 2023)

### (1) Consolidated Operating Results (Cumulative)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	6,988	1.4	2,891	0.5	2,940	0.9	1,974	0.7
Six months ended September 30, 2022	6,891	2.6	2,876	(4.5)	2,912	(3.9)	1,960	(2.9)

(Note) Comprehensive income: Six months ended September 30, 2023: 2,024 million yen [(0.8)%]

Six months ended September 30, 2022: 2,040 million yen [(1.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	95.50	—
Six months ended September 30, 2022	94.81	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of September 30, 2023	27,713	22,467	81.1
As of March 31, 2023	26,743	21,683	81.1

(Reference) Shareholders' equity: As of September 30, 2023: 22,467 million yen

As of March 31, 2023: 21,683 million yen

## 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, 2023	—	0.00	—	60.00	60.00
Fiscal year ending March 31, 2024	—	0.00			
Fiscal year ending March 31, 2024 (forecast)			—	65.00	65.00

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

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	13,883	1.9	5,340	(4.4)	5,380	(4.7)	3,541	(7.0)	171.27

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

#### \* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: – (Company name:)

Excluded: – (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies in accordance with changes in accounting standards, etc.: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Total number of issued and outstanding shares (ordinary shares)

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

As of September 30, 2023: 20,700,000 shares

As of March 31, 2023: 20,700,000 shares

2) Total number of treasury shares at the end of the period:

As of September 30, 2023: 24,790 shares

As of March 31, 2023: 24,790 shares

3) Average number of shares during the period:

Six months ended September 30, 2023: 20,675,210 shares

Six months ended September 30, 2022: 20,675,259 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The performance outlook and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable, and actual results may differ significantly from the forecasts due to various factors.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

For the six months ended September 30, 2023, the Group (the Company and its consolidated subsidiaries) posted net sales of 6,988 million yen (a 1.4% increase year-on-year), operating profit of 2,891 million yen (a 0.5% increase year-on-year), ordinary profit of 2,940 million yen (a 0.9% increase year-on-year), and profit attributable to owners of parent of 1,974 million yen (a 0.7% increase year-on-year).

Status by segment is as follows.

#### (Architecture System Business)

In the architecture system business, net sales were 3,095 million yen (a 3.7% increase year-on-year) and operating profit was 949 million yen (an 8.3% decrease year-on-year). During the six months ended September 30, 2023, the number of corporate customers for maintenance service in the housing and BIM businesses, as well as those for the 3D catalogue site in the building material business remained steady, and the stock business grew. In the BIM business, GLOOBE2023 released in March 2023 for the purpose of reinforcing BIM applied in the construction stage increased new users, and sales of software increased year-on-year.

Employee reshuffling among the Group companies increased the number of workers and hence the labor expenses. As a result, sales increased and profit decreased year-on-year.

#### (Surveying/Civil Engineering System Business)

In the surveying/civil engineering system business, net sales were 3,608 million yen (a 2.8% increase year-on-year), and operating profit was 1,745 million yen (a 2.6% increase year-on-year). During the six months ended September 30, 2023, the increased demand for 3D processing due to the governmental decision to adopt BIM/CIM for almost all public construction projects in principle resulted in a strong trend of sales in the construction infrastructure business. The main products of the business are “TREND-POINT,” a point cloud processing software, and “TREND-CORE,” a BIM/CIM communication system, which contributed to sales growth. The Surveying/Civil Engineering System Business, mainly in the stock business, also remained strong and both sales and profit increased year-on-year.

#### (IT Solutions Business)

In the IT solutions business, net sales were 284 million yen (a decrease of 28.2% year-on-year), and operating profit was 165 million yen (a decrease of 27.0% year-on-year), resulting in a decrease of both sales and profit year-on-year. In the previous fiscal year, the Company recorded major sales related to the exit poll system for the Upper House election held in July 2022. During the six months ended September 30, 2023, despite the recording of sales related to the nation-wide local elections held in April 2023, both sales and profit decreased, as the scale of sales from such election was smaller than that for the Upper House election.

### (2) Explanation of Financial Position

Total assets as of the end of the second quarter of the fiscal year under review were 27,713 million yen, an increase of 969 million yen from the end of the previous fiscal year. This was primarily due to increases in cash, deposits, and securities and decreases in accounts receivable-other.

Total liabilities increased by 186 million yen compared with the end of the previous fiscal year to 5,245 million yen. This was primarily due to an increase in income taxes payable and advances received and decreases in accounts payable-other.

Net assets increased by 783 million yen compared with the end of the previous fiscal year to 22,467 million yen. As a result, shareholders' equity ratio stood at 81.1%.

During the six months ended September 30, 2023, cash and cash equivalents (hereinafter referred to as “funds”) increased by 181 million yen from the end of the previous fiscal year to 18,235 million yen.

The status of cash flows and its main factors for the six months ended September 30, 2023 are as follows.

(Cash flows from operating activities)

Funds provided by operating activities amounted to 2,844 million yen (compared to 1,295 million yen acquired for the corresponding period in the previous fiscal year). This was mainly due to profit before income taxes of 2,940 million yen, depreciation of 97 million yen, increase in advances received of 217 million yen and, income taxes paid of 525 million yen.

(Cash flows from investing activities)

Funds used in investing activities amounted to 1,423 million yen (compared to 72 million yen used for the corresponding period in the previous fiscal year). This was mainly due to purchase and redemption of investment securities of 2,438 million yen and 1,000 million yen, respectively.

(Cash flows from financing activities)

Funds used in financing activities amounted to 1,239 million yen (compared to 1,239 million yen used for the corresponding period in the previous fiscal year). This was mainly due to dividends paid.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The consolidated financial results forecast remains unchanged from the Consolidated Financial Results which was disclosed on May 12, 2023.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	18,053	18,235
Notes receivable - trade	378	353
Accounts receivable - trade	1,425	1,422
Merchandise and finished goods	36	31
Work in process	10	18
Raw materials and supplies	4	4
Other	1,002	880
Allowance for doubtful accounts	(2)	(0)
Total current assets	20,909	20,945
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,075	1,044
Land	1,153	1,153
Other, net	71	75
Total property, plant and equipment	2,300	2,273
Intangible assets	159	141
Investments and other assets		
Investment securities	2,591	3,601
Deferred tax assets	422	460
Other	364	296
Allowance for doubtful accounts	(4)	(5)
Total investments and other assets	3,373	4,352
Total non-current assets	5,833	6,767
Total assets	26,743	27,713

(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	53	49
Income taxes payable	642	984
Advances received	2,306	2,524
Provision for bonuses	582	587
Provision for bonuses for directors (and other officers)	64	30
Other	1,198	819
Total current liabilities	4,848	4,996
Non-current liabilities		
Deferred tax liabilities	211	249
Total non-current liabilities	211	249
Total liabilities	5,059	5,245
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,631	1,631
Capital surplus	1,500	1,500
Retained earnings	17,975	18,709
Treasury shares	(59)	(59)
Total shareholders' equity	21,047	21,781
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	636	685
Total accumulated other comprehensive income	636	685
Total net assets	21,683	22,467
<b>Total liabilities and net assets</b>	<b>26,743</b>	<b>27,713</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	6,891	6,988
Cost of sales	1,452	1,524
Gross profit	5,438	5,463
Selling, general and administrative expenses	2,562	2,572
Operating profit	2,876	2,891
Non-operating income		
Interest income	0	11
Dividend income	29	30
Commission income	4	4
Other	3	2
Total non-operating income	36	49
Ordinary profit	2,912	2,940
Profit before income taxes	2,912	2,940
Income taxes - current	852	987
Income taxes - deferred	99	(21)
Total income taxes	952	965
Profit	1,960	1,974
Profit attributable to owners of parent	1,960	1,974



Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,960	1,974
Other comprehensive income		
Valuation difference on available-for-sale securities	80	49
Total other comprehensive income	80	49
Comprehensive income	2,040	2,024
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,040	2,024
Comprehensive income attributable to non-controlling interests	—	—

## (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,912	2,940
Depreciation	118	97
Increase (decrease) in provision for bonuses	(197)	4
Increase (decrease) in provision for bonuses for directors (and other officers)	(13)	(34)
Interest and dividend income	(29)	(42)
Decrease (increase) in trade receivables	215	26
Decrease (increase) in inventories	(0)	(2)
Increase (decrease) in advances received	181	217
Other, net	(324)	122
Subtotal	2,863	3,329
Interest and dividends received	29	40
Income taxes paid	(1,597)	(525)
Net cash provided by (used in) operating activities	1,295	2,844
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(39)	(23)
Purchase of intangible assets	(20)	(28)
Purchase of investment securities	–	(2,438)
Proceeds from redemption of investment securities	–	1,000
Other, net	(12)	66
Net cash provided by (used in) investing activities	(72)	(1,423)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(0)	–
Dividends paid	(1,239)	(1,239)
Net cash provided by (used in) financing activities	(1,239)	(1,239)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(16)	181
Cash and cash equivalents at beginning of period	17,027	18,053
Cash and cash equivalents at end of period	17,010	18,235

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Segment information)

[Segment information]

I. For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment				Adjustments *1	Amount recorded in Quarterly Consolidated Statements of Income *2
	Architecture System Business	Surveying/Civil Engineering System Business	IT Solutions Business	Total		
Net sales						
Sales to external customers	2,984	3,510	395	6,891	—	6,891
Intersegment sales or transfers	—	—	—	—	—	—
Total	2,984	3,510	395	6,891	—	6,891
Segment profit	1,035	1,701	226	2,963	(87)	2,876

(Notes)

1. The adjustment of negative 87 million yen to segment profit is management fees and other fees received from group companies and expenses related to group management.
2. Segment profit is adjusted to align with the operating profit in the quarterly consolidated statements of income.

II. For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment				Adjustments *1	Amount recorded in Quarterly Consolidated Statements of Income *2
	Architecture System Business	Surveying/Civil Engineering System Business	IT Solutions Business	Total		
Net sales						
Sales to external customers	3,095	3,608	284	6,988	—	6,988
Intersegment sales or transfers	—	—	—	—	—	—
Total	3,095	3,608	284	6,988	—	6,988
Segment profit	949	1,745	165	2,860	30	2,891

(Notes)

1. The adjustment of 30 million yen to segment profit is management fees and other fees received from group companies and expenses related to group management.
2. Segment profit is adjusted to align with the operating profit in the quarterly consolidated statements of income.

## 2. Changes, etc. in reportable segment

“IFAC, LLC” and “IFAC Investment Limited Liability Partnership” were newly established for the purpose of investing in construction-tech start-ups in and outside Japan. Accordingly, a new reportable segment, “Investment Business” has been added to the conventional three reportable segments of “Architecture System Business,” “Surveying/Civil Engineering System Business” and “IT Solutions Business” from the first quarter under review, resulting in four reportable segments.

In the second quarter under review, as revenues, profits or losses from “Investment Business” segment are quite small and are hence less significant in terms of amount, the amounts are included in the “Adjustments.”