

Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



February 9, 2024

Listed company: FUKUICOMPUTER HOLDINGS, Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9790

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

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Scheduled date of filing quarterly securities report: February 9, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 – December 31, 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	%
Nine months ended December 31, 2023	10,278	1.3	4,111	(1.8)	4,180	(1.3)	2,813	(1.9)
December 31, 2022	10,144	(4.9)	4,188	(13.4)	4,235	(12.9)	2,868	(11.1)

(Note) Comprehensive income: Nine months ended December 31, 2023: 2,881 million yen [(2.7)%]

Nine months ended December 31, 2022: 2,960 million yen [(6.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	136.10	—
December 31, 2022	138.76	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of December 31, 2023	27,781	23,324	84.0
As of March 31, 2023	26,743	21,683	81.1

(Reference) Shareholders' equity: As of December 31, 2023: 23,324 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 December 31, 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 December 31, 2023: 24,790 shares

As of March 31, 2023: 24,790 shares

3) Average number of shares during the period:

Nine months ended December 31, 2023: 20,675,210 shares

Nine months ended December 31, 2022: 20,675,243 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 nine months ended December 31, 2023, the Group (the Company and its consolidated subsidiaries) posted net sales of 10,278 million yen (a 1.3% increase year-on-year), operating profit of 4,111 million yen (a 1.8% decrease year-on-year), ordinary profit of 4,180 million yen (a 1.3% decrease year-on-year), and profit attributable to owners of parent of 2,813 million yen (a 1.9% decrease year-on-year).

Status by segment is as follows.

(Architecture System Business)

In the architecture system business, net sales were 4,746 million yen (a 4.8% increase year-on-year) and operating profit was 1,495 million yen (a 4.6% decrease year-on-year). During the nine months ended December 31, 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 continued to remain steady, and the stock business grew. In the BIM business, reinforcement of BIM in the construction stage for improving productivity increased the number of new construction companies that introduced the technique, making sales of the software increase year-on-year.

Due to the increased labor expenses arising from the employee reshuffling among the Group companies as well as the increased travel and exhibitions expenses after sales activities made more active, including participation in large-scale trade exhibitions this fiscal year, sales increased and profit decreased year-on-year.

(Surveying/Civil Engineering System Business)

In the surveying/civil engineering system business, net sales were 5,219 million yen (a 0.8% increase year-on-year), and operating profit was 2,422 million yen (a 1.6% decrease year-on-year). During the nine months ended December 31, 2023, due to the governmental decision to adopt BIM/CIM for almost all public construction projects in principle that started in fiscal 2023, there was an increase in the number of corporate customers, mainly for such products as point cloud processing software and BIM/CIM communication systems and sales shifted strongly in the construction infrastructure business. The Surveying/Civil Engineering System Business showed an increase in profit year-on-year, slightly though, due to the increased sales produced by the stock business, though sales of products decreased.

This fiscal year, due to the increased travel and exhibitions expenses after sales activities made more active, including participation in large-scale trade exhibitions, sales increased and profit decreased year-on-year.

(IT Solutions Business)

In the IT solutions business, net sales were 312 million yen (a decrease of 28.5% year-on-year), and operating profit was 157 million yen (a decrease of 24.5% 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 nine months ended December 31, 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 third quarter of the fiscal year under review were 27,781 million yen, an increase of 1,037 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 decreased by 603 million yen compared with the end of the previous fiscal year to 4,456 million yen. This was primarily due to decreases in income taxes payable and provision for bonuses.

Net assets increased by 1,641 million yen compared with the end of the previous fiscal year to 23,324 million yen. As a result, shareholders' equity ratio stood at 84.0%.

(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 December 31, 2023
Assets		
Current assets		
Cash and deposits	18,053	18,852
Notes receivable - trade	378	381
Accounts receivable - trade	1,425	1,276
Merchandise and finished goods	36	33
Work in process	10	15
Raw materials and supplies	4	4
Other	1,002	851
Allowance for doubtful accounts	(2)	(1)
Total current assets	20,909	21,412
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,075	1,029
Land	1,153	1,153
Other, net	71	245
Total property, plant and equipment	2,300	2,428
Intangible assets	159	132
Investments and other assets		
Investment securities	2,591	3,167
Deferred tax assets	422	303
Other	364	344
Allowance for doubtful accounts	(4)	(8)
Total investments and other assets	3,373	3,807
Total non-current assets	5,833	6,368
Total assets	26,743	27,781

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	53	36
Income taxes payable	642	355
Advances received	2,306	2,463
Provision for bonuses	582	317
Provision for bonuses for directors (and other officers)	64	45
Other	1,198	973
Total current liabilities	4,848	4,193
Non-current liabilities		
Deferred tax liabilities	211	263
Total non-current liabilities	211	263
Total liabilities	5,059	4,456
Net assets		
Shareholders' equity		
Share capital	1,631	1,631
Capital surplus	1,500	1,500
Retained earnings	17,975	19,548
Treasury shares	(59)	(59)
Total shareholders' equity	21,047	22,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	636	704
Total accumulated other comprehensive income	636	704
Total net assets	21,683	23,324
Total liabilities and net assets	26,743	27,781

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	10,144	10,278
Cost of sales	2,141	2,315
Gross profit	8,003	7,962
Selling, general and administrative expenses	3,815	3,850
Operating profit	4,188	4,111
Non-operating income		
Interest income	0	19
Dividend income	37	38
Commission income	6	6
Other	4	3
Total non-operating income	47	68
Ordinary profit	4,235	4,180
Profit before income taxes	4,235	4,180
Income taxes - current	1,094	1,224
Income taxes - deferred	271	141
Total income taxes	1,366	1,366
Profit	2,868	2,813
Profit attributable to owners of parent	2,868	2,813

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	2,868	2,813
Other comprehensive income		
Valuation difference on available-for-sale securities	91	67
Total other comprehensive income	91	67
Comprehensive income	2,960	2,881
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,960	2,881
Comprehensive income attributable to non-controlling interests	—	—

(3) 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	4,527	5,180	436	10,144	—	10,144
Intersegment sales or transfers	—	—	—	—	—	—
Total	4,527	5,180	436	10,144	—	10,144
Segment profit	1,567	2,461	208	4,237	(49)	4,188

(Notes)

1. The adjustment of negative 49 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	4,746	5,219	312	10,278	—	10,278
Intersegment sales or transfers	—	—	—	—	—	—
Total	4,746	5,219	312	10,278	—	10,278
Segment profit	1,495	2,422	157	4,075	36	4,111

(Notes)

1. The adjustment of 36 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 third 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.”