



Consolidated Financial Results
for the Six Months Ended September 30, 2021
[Japanese GAAP]

November 12, 2021

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: November 12, 2021

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, 2021 (April 1, 2021 - September 30, 2021)

(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, 2021	6,716	8.7	3,012	19.7	3,032	19.1	2,017	18.9
September 30, 2020	6,179	(9.6)	2,517	(11.0)	2,545	(10.9)	1,696	(12.7)

(Note) Comprehensive income: Six months ended September 30, 2021: 2,078 million yen [11.3%]

Six months ended September 30, 2020: 1,866 million yen [(3.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	97.59	—
September 30, 2020	82.06	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of September 30, 2021	21,871	16,929	77.4
As of March 31, 2021	21,161	15,707	74.2

(Reference) Shareholders' equity: As of September 30, 2021: 16,929 million yen

As of March 31, 2021: 15,707 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, 2021	—	0.00	—	50.00	50.00
Fiscal year ending March 31, 2022	—	0.00			
Fiscal year ending March 31, 2022 (forecast)			—	50.00	50.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(% 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
	13,190	2.7	5,200	0.2	5,240	0.1	3,450	(2.2)	166.86

(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.: Yes

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, 2021: 20,700,000 shares

As of March 31, 2021: 20,700,000 shares

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

As of September 30, 2021: 24,719 shares

As of March 31, 2021: 24,596 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 20,675,301 shares

Six months ended September 30, 2020: 20,675,452 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.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	3
2. Quarterly Consolidated Financial Statements and Principal Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statements of Income	
Six Months Ended September 30	6
Quarterly Consolidated Statements of Comprehensive Income	
Six Months Ended September 30	7
(3) Quarterly Consolidated Statements of Cash Flows.....	8
(4) Notes to Quarterly Consolidated Financial Statements.....	9
(Notes on going concern assumptions)	9
(Notes on significant changes in shareholders' equity)	9
(Changes in accounting policies)	9
(Additional information)	10
(Segment information)	10

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

For the six months ended September 30, 2021, the Group (the Company and its consolidated subsidiaries) posted net sales of 6,716 million yen (an 8.7% increase year-on-year), operating profit of 3,012 million yen (a 19.7% increase year-on-year), ordinary profit of 3,032 million yen (a 19.1% increase year-on-year), and profit attributable to the owners of the parent of 2,017 million yen (an 18.9% increase year-on-year).

Status by segment is as follows.

The reportable segments have been renamed from the first quarter of the fiscal year under review. This change is the renaming of the segments and does not affect segment information.

1) Architecture System Business

In the architecture system business, net sales were 3,101 million yen (an 8.6% increase year-on-year) and operating profit was 1,174 million yen (an 18.0% increase year-on-year), achieving increases both in sales and in profit.

During the six months ended September 30, 2021, the housing business achieved increases both in sales and in profit year-on-year thanks to increases in optional sales in response to revisions to the Building Energy Efficiency Act and support by IT introduction subsidies. Also in the building materials business, whose main product is a 3D catalog site, the business performance remains firm with an increase in the number of corporate customers.

2) Surveying/Civil Engineering System Business

In the surveying/civil engineering system business, net sales were 3,477 million yen (a 6.5% increase year-on-year), and operating profit was 1,744 million yen (a 17.4% increase year-on-year). In the surveying/civil engineering system business, the performance of the segment achieved increases both in sales and in profit year-on-year as a result of the steady performance of the civil engineering and construction infrastructure businesses in particular, supported by the spread of i-Construction and the government measures related to BIM/CIM.

3) IT Solutions Business

In the IT solutions business, net sales were 137 million yen (a 136.6% increase year-on-year), and operating profit was 21 million yen (operating loss of 47 million yen for the corresponding period in the previous fiscal year).

During the six months ended September 30, 2021, the business achieved increases both in sales and in profit year-on-year because of a firm increase in the sales of the business related to elections for the heads of municipalities etc. in response to the increasing needs of the news media toward surveys in anticipation of a House of Representatives election.

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the first quarter of the fiscal year under review. For details, please refer to “(4) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies), (Segment information) of 2. Quarterly Consolidated Financial Statements and Principal Notes.”

(2) Explanation of Financial Position

Total assets as of the end of the second quarter of the fiscal year under review were 21,871 million yen, an increase of 709 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits, trade receivables and investment securities.

Total liabilities decreased by 511 million yen compared with the end of the previous fiscal year to 4,941 million yen. This was primarily due to decreases in income taxes payable and provision for bonuses.

Net assets increased by 1,221 million yen compared with the end of the previous fiscal year to 16,929 million yen. As a result, shareholders' equity ratio stood at 77.4%.

During the six months ended September 30, 2021, cash and cash equivalents (hereinafter referred to as "funds") increased by 285 million yen from the end of the previous fiscal year to 13,883 million yen.

The status of cash flows and its main factors for the six months ended September 30, 2021 are as follows.

(Cash flows from operating activities)

Funds provided by operating activities amounted to 1,408 million yen (compared to 1,764 million yen acquired for the corresponding period in the previous fiscal year). This was mainly due to profit before income taxes of 3,032 million yen, depreciation of 92 million yen, and income taxes paid of 1,322 million yen.

(Cash flows from investing activities)

Funds used in investing activities amounted to 90 million yen (compared to 207 million yen used for the corresponding period in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 17 million yen and purchase of intangible assets of 70 million yen.

(Cash flows from financing activities)

Funds used in financing activities amounted to 1,033 million yen (compared to 928 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 forecast disclosed on May 14, 2021.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	13,598	13,883
Notes and accounts receivable - trade	1,757	2,070
Merchandise and finished goods	42	25
Work in process	2	4
Raw materials and supplies	180	180
Other	680	792
Allowance for doubtful accounts	(3)	(3)
Total current assets	16,257	16,954
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,176	1,141
Land	1,153	1,153
Other, net	113	104
Total property, plant and equipment	2,442	2,399
Intangible assets	170	207
Investments and other assets		
Investment securities	1,516	1,596
Deferred tax assets	446	384
Other	332	333
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	2,290	2,309
Total non-current assets	4,903	4,916
Total assets	21,161	21,871

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48	56
Income taxes payable	1,226	1,027
Advances received	2,308	2,283
Provision for bonuses	707	561
Provision for bonuses for directors (and other officers)	56	29
Other	918	761
Total current liabilities	5,265	4,719
Non-current liabilities		
Deferred tax liabilities	188	222
Total non-current liabilities	188	222
Total liabilities	5,453	4,941
Net assets		
Shareholders' equity		
Share capital	1,631	1,631
Capital surplus	1,500	1,500
Retained earnings	12,040	13,201
Treasury shares	(59)	(59)
Total shareholders' equity	15,113	16,274
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	594	655
Total accumulated other comprehensive income	594	655
Total net assets	15,707	16,929
Total liabilities and net assets	21,161	21,871

(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, 2020	For the six months ended September 30, 2021
Net sales	6,179	6,716
Cost of sales	1,344	1,392
Gross profit	4,835	5,323
Selling, general and administrative expenses	2,317	2,311
Operating profit	2,517	3,012
Non-operating income		
Dividend income	20	17
Commission income	4	3
Other	3	3
Total non-operating income	28	25
Non-operating expenses		
Loss on valuation of investment securities	—	5
Total non-operating expenses	—	5
Ordinary profit	2,545	3,032
Profit before income taxes	2,545	3,032
Income taxes – current	801	1,035
Income taxes – deferred	48	(20)
Total income taxes	849	1,014
Profit	1,696	2,017
Profit attributable to owners of parent	1,696	2,017

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Profit	1,696	2,017
Other comprehensive income		
Valuation difference on available-for-sale securities	170	60
Total other comprehensive income	170	60
Comprehensive income	1,866	2,078
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,866	2,078
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,545	3,032
Depreciation	105	92
Increase (decrease) in provision for bonuses	(118)	(145)
Increase (decrease) in provision for bonuses for directors (and other officers)	(26)	(27)
Loss (gain) on valuation of investment securities	—	5
Decrease (increase) in trade receivables	(126)	(313)
Decrease (increase) in inventories	11	14
Increase (decrease) in advances received	117	(25)
Other, net	(118)	79
Subtotal	2,390	2,713
Interest and dividends received	20	17
Income taxes paid	(647)	(1,322)
Net cash provided by (used in) operating activities	1,764	1,408
Cash flows from investing activities		
Purchase of property, plant and equipment	(86)	(17)
Purchase of intangible assets	(124)	(70)
Other, net	3	(1)
Net cash provided by (used in) investing activities	(207)	(90)
Cash flows from financing activities		
Purchase of treasury shares	—	(0)
Dividends paid	(928)	(1,032)
Net cash provided by (used in) financing activities	(928)	(1,033)
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	628	285
Cash and cash equivalents at beginning of period	10,543	13,598
Cash and cash equivalents at end of period	11,171	13,883

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Application of accounting standards concerning revenue and other standards)

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the “Revenue Recognition Accounting Standard”) and other standards have been applied since the beginning of the first quarter of the fiscal year under review, and the Company recognizes revenue from the amount expected to be received in exchange for promised goods or services upon the transfer of control over the goods or services to customers. The Company previously recognized revenue in connection with the granting of licenses with a limited term of agreement from the terms of agreement thereof. However, as a result of the abovementioned recognition approach, the Company has changed the way of recognition: when the nature of the promise at the time of granting a customer a license is a right to access intellectual property, revenue is recognized for a specific period; or when the nature of the promise at the time of granting a customer a license is a right to use intellectual property, revenue is recognized at a specific point of time. Moreover, considerations to be paid to customers, such as sales rebates, were previously handled as selling, general and administrative expenses but are handled by reducing them from the total sales at present.

The application of the Revenue Recognition Accounting Standard and other standards is handled as a transitional treatment as stipulated in proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effects of retrospectively applying the new accounting policies to periods prior to the beginning of the first quarter of the fiscal year under review were added to or deducted from retained earnings at the beginning of the first quarter of the fiscal year under review, and the new accounting policies were applied from the said beginning balance.

As a result, net sales for the six months ended September 30, 2021 decreased by 55 million yen, and operating profit, ordinary profit, and profit before income taxes each decreased by 11 million yen. In addition, the beginning balance of retained earnings increased by 177 million yen.

In accordance with the transitional treatment prescribed in Paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), information on the disaggregation of revenues from contracts with customers has not been provided for the six months ended September 30, 2020.

(Application of accounting standard for fair value measurement and other standards)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the “Fair Value Measurement Accounting Standard”) and other standards have been applied from

the beginning of the first quarter of the fiscal year under review, and the Company will continue to apply the new accounting policy stipulated in the Fair Value Measurement Accounting Standard and other standards in the future in accordance with transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The application of these standards has no impact on quarterly consolidated financial statements.

(Additional information)

There is no significant change to the accounting estimates in association with the spread of COVID-19 stated in (Additional information) on the Annual Securities Report for the previous fiscal year.

(Segment information)

[Segment information]

I. For the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

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	2,855	3,266	58	6,179	—	6,179
Intersegment sales or transfers	—	—	—	—	—	—
Total	2,855	3,266	58	6,179	—	6,179
Segment profit (loss)	995	1,486	(47)	2,434	83	2,517

(Notes)

1. The adjustment of 83 million yen to segment profit (loss) is management fees and other fees received from group companies and expenses related to group management.
2. Segment profit (loss) is adjusted to align with the operating profit in the quarterly consolidated statements of income.

II. For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

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	3,101	3,477	137	6,716	—	6,716
Intersegment sales or transfers	—	—	—	—	—	—
Total	3,101	3,477	137	6,716	—	6,716
Segment profit	1,174	1,744	21	2,940	71	3,012

(Notes)

1. The adjustment of 71 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. Change in reportable segments

(Renaming of reportable segments)

From the first quarter of the fiscal year under review, the reportable segments of former “Architecture CAD Business” and “Surveying/Civil Engineering CAD Business” are renamed to “Architecture System Business” and “Surveying/Civil Engineering System Business” to indicate the contents of the businesses appropriately. This change is the renaming of the segments and does not affect segment information. The segment information for the six months ended September 30, 2020 is also provided with the new segment names.

(Application of the Accounting Standard for Revenue Recognition and other standards)

As stated in Changes in accounting policies, the Revenue Recognition Accounting Standard and other standards have been applied since the beginning of the first quarter of the fiscal year under review, and the accounting treatment concerning revenue recognition has been changed. Thus, the method for calculating business segment profit or loss has also been changed.

As a result of these changes, net sales and segment profit of the “architecture system business” for the six months ended September 30, 2021 decreased by 28 million yen and 19 million yen, respectively, and net sales and segment profit of the “surveying/civil engineering system business” for the same period decreased by 26 million yen and increased by 8 million yen, respectively.