



Consolidated Financial Results
for the Nine Months Ended December 31, 2021
[Japanese GAAP]

February 10, 2022

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 10, 2022
 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, 2021 (April 1, 2021 - December 31, 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	%
Nine months ended December 31, 2021	10,670	11.6	4,834	18.7	4,864	18.4	3,227	17.0
December 31, 2020	9,561	0.2	4,071	10.6	4,107	10.4	2,758	9.1

(Note) Comprehensive income: Nine months ended December 31, 2021: 3,169 million yen [6.4%]

Nine months ended December 31, 2020: 2,977 million yen [14.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	156.13	—
December 31, 2020	133.41	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of December 31, 2021	22,618	18,019	79.7
As of March 31, 2021	21,161	15,707	74.2

(Reference) Shareholders' equity: As of December 31, 2021: 18,019 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)				56.00	56.00

(Notes)

1. Revision to the forecast for dividends announced most recently: Yes
2. As for the revision of the dividend forecast, please refer to the “Notice of Revisions to Earnings Forecast and Dividend Forecast” released today.

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.)

Full year	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	13,900	8.2	5,900	13.7	5,930	13.2	3,910	10.8	189.11

(Notes)

1. Revision to the financial results forecast announced most recently: Yes
2. As for the revision of the consolidated earnings forecast, please refer to the “Notice of Revisions to Earnings Forecast and Dividend Forecast” released today.

* 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 December 31, 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 December 31, 2021: 24,719 shares

As of March 31, 2021: 24,596 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 20,675,295 shares

Nine months ended December 31, 2020: 20,675,439 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, 2021, the Group (the Company and its consolidated subsidiaries) posted net sales of 10,670 million yen (an 11.6% increase year-on-year), operating profit of 4,834 million yen (an 18.7% increase year-on-year), ordinary profit of 4,864 million yen (an 18.4% increase year-on-year), and profit attributable to the owners of the parent of 3,227 million yen (a 17.0% 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 4,775 million yen (a 5.9% increase year-on-year) and operating profit was 1,859 million yen (a 9.3% increase year-on-year), achieving increases both in sales and in profit.

During the nine months ended December 31, 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 due to an increase in the number of corporate customers and other factors.

2) Surveying/Civil Engineering System Business

In the surveying/civil engineering system business, net sales were 5,208 million yen (a 5.2% increase year-on-year), and operating profit was 2,557 million yen (a 10.7% 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, with sales being supported by the spread of i-Construction, the government measures related to BIM/CIM promotion, IT introduction subsidies, and other factors.

3) IT Solutions Business

In the IT solutions business, net sales were 687 million yen (a 587.4% increase year-on-year), and operating profit was 293 million yen (operating loss of 66 million yen for the corresponding period in the previous fiscal year). Both sales and profit increased significantly compared to the same period of the previous fiscal year, mainly due to the recording of sales related to the exit poll system for the House of Representatives election held in October 2021.

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 “(3) 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 third quarter of the fiscal year under review were 22,618 million yen, an increase of 1,456 million yen from the end of the previous fiscal year. This was mainly due to increases in cash and deposits and trade receivables, and a decrease in inventories.

Total liabilities decreased by 855 million yen compared with the end of the previous fiscal year to 4,598 million yen. This was primarily due to decreases in income taxes payable and provision for bonuses.

Net assets increased by 2,312 million yen compared with the end of the previous fiscal year to 18,019 million yen. As a result, shareholders' equity ratio stood at 79.7%.

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

As for the consolidated earnings forecast, please refer to the "Notice of Revisions to Earnings Forecast and Dividend Forecast" released today.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	13,598	14,809
Notes and accounts receivable - trade	1,757	2,413
Merchandise and finished goods	42	21
Work in process	2	24
Raw materials and supplies	180	5
Other	680	737
Allowance for doubtful accounts	(3)	(3)
Total current assets	16,257	18,008
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,176	1,137
Land	1,153	1,153
Other, net	113	105
Total property, plant and equipment	2,442	2,396
Intangible assets	170	187
Investments and other assets		
Investment securities	1,516	1,423
Deferred tax assets	446	273
Other	332	332
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	2,290	2,025
Total non-current assets	4,903	4,609
Total assets	21,161	22,618

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48	38
Income taxes payable	1,226	633
Advances received	2,308	2,312
Provision for bonuses	707	298
Provision for bonuses for directors (and other officers)	56	44
Other	918	1,085
Total current liabilities	5,265	4,413
Non-current liabilities		
Deferred tax liabilities	188	185
Total non-current liabilities	188	185
Total liabilities	5,453	4,598
Net assets		
Shareholders' equity		
Share capital	1,631	1,631
Capital surplus	1,500	1,500
Retained earnings	12,040	14,412
Treasury shares	(59)	(59)
Total shareholders' equity	15,113	17,484
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	594	535
Total accumulated other comprehensive income	594	535
Total net assets	15,707	18,019
Total liabilities and net assets	21,161	22,618

(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, 2020	For the nine months ended December 31, 2021
Net sales	9,561	10,670
Cost of sales	1,993	2,350
Gross profit	7,567	8,320
Selling, general and administrative expenses	3,496	3,485
Operating profit	4,071	4,834
Non-operating income		
Dividend income	25	24
Commission income	6	5
Other	4	5
Total non-operating income	35	35
Non-operating expenses		
Loss on valuation of investment securities	—	5
Total non-operating expenses	—	5
Ordinary profit	4,107	4,864
Profit before income taxes	4,107	4,864
Income taxes – current	1,177	1,531
Income taxes – deferred	171	105
Total income taxes	1,348	1,636
Profit	2,758	3,227
Profit attributable to owners of parent	2,758	3,227

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Profit	2,758	3,227
Other comprehensive income		
Valuation difference on available-for-sale securities	219	(58)
Total other comprehensive income	219	(58)
Comprehensive income	2,977	3,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,977	3,169
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.

(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 nine months ended December 31, 2021 decreased by 106 million yen, and operating profit, ordinary profit, and profit before income taxes each decreased by 24 million yen. In addition, the beginning balance of retained earnings increased by 177 million yen.

(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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	4,510	4,950	100	9,561	—	9,561
Intersegment sales or transfers	—	—	—	—	—	—
Total	4,510	4,950	100	9,561	—	9,561
Segment profit (loss)	1,701	2,309	(66)	3,943	127	4,071

(Notes)

1. The adjustment of 127 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	4,775	5,208	687	10,670	—	10,670
Intersegment sales or transfers	—	—	—	—	—	—
Total	4,775	5,208	687	10,670	—	10,670
Segment profit	1,859	2,557	293	4,710	123	4,834

(Notes)

1. The adjustment of 123 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 nine months ended December 31, 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 nine months ended December 31, 2021 decreased by 37 million yen and 23 million yen, respectively, and net sales and segment profit of the “surveying/civil engineering system business” for the same period decreased by 69 million yen and 1 million yen, respectively.