

Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



August 4, 2023

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: August 7, 2023

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 Three Months Ended June 30, 2023 (April 1, 2023 – June 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	%
Three months ended June 30, 2023	3,537	11.8	1,403	26.6	1,429	26.9	968	27.4
June 30, 2022	3,165	(0.7)	1,108	(14.9)	1,126	(14.0)	759	(13.0)

(Note) Comprehensive income: Three months ended June 30, 2023: 1,025 million yen [38.2%]

Three months ended June 30, 2022: 741 million yen [(14.5)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	46.82	—
June 30, 2022	36.75	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2023	26,886	21,468	79.8
As of March 31, 2023	26,743	21,683	81.1

(Reference) Shareholders' equity: As of June 30, 2023: 21,468 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	—				
Fiscal year ending March 31, 2024 (forecast)		0.00	—	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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (Cumulative)	7,070	2.6	2,750	(4.4)	2,770	(4.9)	1,815	(7.4)	87.79
Full year	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 June 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 June 30, 2023: 24,790 shares

As of March 31, 2023: 24,790 shares

3) Average number of shares during the period:

Three months ended June 30, 2023: 20,675,210 shares

Three months ended June 30, 2022: 20,675,281 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 three months ended June 30, 2023, the Group (the Company and its consolidated subsidiaries) posted net sales of 3,537 million yen (an 11.8% increase year-on-year), operating profit of 1,403 million yen (a 26.6% increase year-on-year), ordinary profit of 1,429 million yen (a 26.9% increase year-on-year), and profit attributable to owners of parent of 968 million yen (a 27.4% increase year-on-year).

Status by segment is as follows.

1) Architecture System Business

In the architecture system business, net sales were 1,480 million yen (a 4.0% increase year-on-year) and operating profit was 403 million yen (an 13.7% decrease year-on-year). During the three months ended June 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.

2) Surveying/Civil Engineering System Business

In the surveying/civil engineering system business, net sales were 1,806 million yen (a 6.4% increase year-on-year), and operating profit was 844 million yen (a 9.1% increase year-on-year). During the three months ended June 30, 2023, the increased demand for 3D processing due to the governmental decision for application of BIM/CIM to almost all public construction projects in principle resulted in the strong trend of sales in construction infrastructure business, whose main product is point cloud processing software, and contributed to sales growth. The Surveying/Civil Engineering System Business also remained strong, and both sales and profit increased year-on-year.

3) IT Solutions Business

In the IT solutions business, net sales were 251 million yen (a 468.1% increase year-on-year), and operating profit was 175 million yen (operating loss of 25 million yen for the corresponding period in the previous fiscal year), resulting in increases both in sales and in profit year-on-year. During the three months ended June 30, 2023, both sales and profit significantly increased year-on-year, mainly due to the recording of sales related to the exit poll system for nation-wide local elections held in April 2023.

(2) Explanation of Financial Position

Total assets as of the end of the first quarter of the fiscal year under review were 26,886 million yen, an increase of 143 million yen from the end of the previous fiscal year. This was primarily due to decreases in cash and deposits and accounts receivable - trade and increases in securities and accounts receivable - other.

Total liabilities increased by 358 million yen compared with the end of the previous fiscal year to 5,418 million yen. This was primarily due to an increase in deposits received and decreases in income taxes payable and the provision for bonuses.

Net assets decreased by 215 million yen compared with the end of the previous fiscal year to 21,468 million yen. As a result, shareholders' equity ratio stood at 79.8%.

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

The consolidated financial results forecast remains unchanged from the cumulative second quarter forecast and the full year forecast, both of which were disclosed in the Consolidated Financial Results dated 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 June 30, 2023
Assets		
Current assets		
Cash and deposits	18,053	17,169
Notes receivable - trade	378	403
Accounts receivable - trade	1,425	1,255
Securities	—	500
Merchandise and finished goods	36	32
Work in process	10	23
Raw materials and supplies	4	4
Other	1,002	1,797
Allowance for doubtful accounts	(2)	(0)
Total current assets	20,909	21,187
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,075	1,059
Land	1,153	1,153
Other, net	71	71
Total property, plant and equipment	2,300	2,285
Intangible assets	159	152
Investments and other assets		
Investment securities	2,591	2,612
Deferred tax assets	422	289
Other	364	364
Allowance for doubtful accounts	(4)	(5)
Total investments and other assets	3,373	3,260
Total non-current assets	5,833	5,698
Total assets	26,743	26,886

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	53	39
Income taxes payable	642	321
Advances received	2,306	2,520
Provision for bonuses	582	296
Provision for bonuses for directors (and other officers)	64	15
Other	1,198	1,976
Total current liabilities	4,848	5,169
Non-current liabilities		
Deferred tax liabilities	211	248
Total non-current liabilities	211	248
Total liabilities	5,059	5,418
Net assets		
Shareholders' equity		
Share capital	1,631	1,631
Capital surplus	1,500	1,500
Retained earnings	17,975	17,703
Treasury shares	(59)	(59)
Total shareholders' equity	21,047	20,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	636	693
Total accumulated other comprehensive income	636	693
Total net assets	21,683	21,468
Total liabilities and net assets	26,743	26,886

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	3,165	3,537
Cost of sales	681	777
Gross profit	2,483	2,759
Selling, general and administrative expenses	1,375	1,356
Operating profit	1,108	1,403
Non-operating income		
Interest income	0	8
Dividend income	15	14
Insurance claim income	0	—
Commission income	1	2
Other	0	0
Total non-operating income	17	25
Ordinary profit	1,126	1,429
Profit before income taxes	1,126	1,429
Income taxes - current	144	315
Income taxes - deferred	221	145
Total income taxes	366	461
Profit	759	968
Profit attributable to owners of parent	759	968

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	759	968
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	57
Total other comprehensive income	(17)	57
Comprehensive income	741	1,025
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	741	1,025
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 three months ended June 30, 2022 (from April 1, 2022 to June 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	1,422	1,698	44	3,165	—	3,165
Intersegment sales or transfers	—	—	—	—	—	—
Total	1,422	1,698	44	3,165	—	3,165
Segment profit (loss)	467	774	(25)	1,216	(107)	1,108

(Notes)

1. The adjustment of negative 107 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 three months ended June 30, 2023 (from April 1, 2023 to June 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	1,480	1,806	251	3,537	—	3,537
Intersegment sales or transfers	—	—	—	—	—	—
Total	1,480	1,806	251	3,537	—	3,537
Segment profit	403	844	175	1,423	(19)	1,403

(Notes)

1. The adjustment of negative 19 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.

As no revenues, profits or losses were accrued for the “Investment Business” segment in the first quarter under review, it is not presented in the tables shown above.