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To whom it may concern:

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Notice on Consolidated Earnings Results for the First Nine Months of Fiscal 2019

1. Explanation on business performance

The group's consolidated net sales for the first nine months were 33,879 million yen, up 17.7% from a year ago, while operating income grew 19.7% to 4,883 million yen and quarterly profit attributable to owners of parent increased 1.1% to 3,199 million yen over the same period of the previous fiscal year.

During the first nine-month period, net sales and operating income of the IT Consulting & Service Business increased significantly year-on-year due to the strong performance of Future Architect, Inc., the technology division of Future Corporation and other subsidiaries, while the Business Innovation Business's operating loss declined. As a result of the above, the group posted record-high consolidated net sales and operating income for the first nine months.

Details of the performance of each segment are as follows.

(1) IT Consulting & Service Business

Future Architect, Inc. and the technology division of Future Corporation increased sales in the apparel, distribution and service industries that are promoting strategic IT investment using big data and AI and also from new customers such as a media company, real estate company and railway company with which no transactions have been made in the past. These new customers are trying to achieve zero-based management reforms through digital strategies using the world's cutting-edge strategies. In addition, an increasing number of regional banks have introduced "FutureBANK," a business-support and lending-support system. As a result, net sales and operating income increased year on year.

Future Inspace, Inc. increased both its net sales and operating income year on year as maintenance and operation service deals for projects completed by Future Architect, Inc. and original development deals increased, as was the case last year.

Net sales and operating income of FutureOne, Inc. rose thanks to increased orders from relatively larger medium-sized companies (e.g., subsidiaries of listed companies) mainly for InfiniOne, its original sales

management software package, and thanks to development deals related to the reduced tax rate system for the consumption tax.

YDC Corporation's net sales and operating income decreased from a year ago in the first nine months as it had a large deal involving YDC Sonar, a software program for analyzing product quality information, in the same period a year ago.

As a result, net sales of the segment increased 19.4% from a year ago to 28,067 million yen, while operating income came to 4,658 million yen, up 15.0% from a year ago.

(2) Business Innovation Business

Net sales of eSPORTS Co., Ltd. increased year on year owing to strong sales of private-brand outdoor wagons, fitness equipment, and national-brand outdoor-related products. It also improved its gross margin ratio by making strategic purchases based on strengthened relationships with suppliers, turning around from a loss last year to an operating profit.

CodeCamp, Inc. increased its net sales and operating income from the same period a year ago due to steadily increased monthly orders for its online programming course targeting individuals.

LaiBlitz, Inc.'s net sales and operating income increased compared with the level a year ago as it developed a system for strengthening a new professional baseball team, as well as fan club and e-commerce sites of another professional baseball team and an e-commerce site of eSPORTS Co., Ltd.

Tokyo Calendar Inc. posted an operating loss in the first half as its magazine and online advertising revenues underperformed the target figures, but turned around to an operating profit due to third-quarter advertising revenues that surpassed those for the first and second quarters and due to efforts for cost reduction. Its sales for the first nine months increased year on year thanks to increased sales of services such as "Tokyo Calendar Date," but its operating loss increased.

As a result, Business Innovation Business's operating results improved year-on-year, with net sales rising 9.8% to 5,878 million yen and operating loss shrinking to 53 million yen from the year-ago level of 176 million yen.

(Note) Segment result figures mentioned above are before adjusting for intersegmental sales and transfers.

2. Future outlook

(1) IT Consulting & Service Business

Under a management policy aiming to design both management and IT, the Future Group has conducted business operations to improve customers' abilities to handle changes and enhance their future value by implementing an ideal business vision on a real-time architecture. More recently, we have updated its management policy to "designing management, IT and AI," focusing on AI's impact on businesses and societies, used cutting-edge technologies such as AI and IoT for specific projects, and carried out projects that can accelerate customers' management reforms and operational transformation, rather than mere digitization.

Under this policy, Future Architect, Inc. will aim to acquire more orders from companies that view IT as a strategic investment necessary for transforming management and operations, rather than a mere means of cost reduction. The company will also strive to hire and train skilled personnel who can lead the next generation and to expand cloud services.

YDC Corporation will use the Future Group's network of customers to strength positioning as a company with a competitive advantage in IT consulting services for manufacturers and expand its operational reform consulting business in the development and design field, quality management system business using AI (e.g., image analysis support) in the manufacturing industry, and other services.

FutureOne, Inc. has received more orders for its original software packages from larger companies than ever by strengthening its sales organization and using the Future Group's network. The company will strive to certainly complete ongoing projects and continuously receive more orders from relatively larger medium-sized companies.

The company will also pursue the development of next-generation ERP through collaboration within the Future Group.

(2) Business Innovation

Tokyo Calendar Inc. has achieved steady increases in page views for website and smartphone application as well as video views and magazine sales, attracting users in their 30s and 40s with a strong interest in urban lifestyles. The company aims to provide such users with various services in line with their lifestyles and preferences by using the Future Group's IT technologies. "Tokyo Calendar Store," which sells gourmet food and sweets from selected shops as well as Tokyo Calendar's content, and "Tokyo Calendar Wedding," which provides wedding arrangement and consulting services, have already been launched. In addition, the company will add new services such as the provision of information about luxury real estate, and strengthen the sales of its original content in collaboration with TV stations and publishers.

CodeCamp, Inc. has increased attendees at its programming courses for individuals thanks to improved recognition. It will aim to attract a wider variety of attendees by strengthening collaboration with partner companies such as correspondence course providers and high schools while increasing lecture courses and

improving curriculums to help such attendees advance their careers and attain self-fulfillment. Regarding services tailored for corporate customers, the company will aim to increase its sales mainly by adding curriculums (e.g., AI and data scientist curriculums) and getting more orders for new employee courses.

eSports Co., Ltd. aims to increase its sales and operating income by obtaining popular products through strengthening its ability to develop private brand products and relationships with suppliers. The company also aims to improve operational efficiency and scientifically analyze prices, and hot-selling items, by renewing its e-commerce site and core system, with the utilization of the Future Group's technologies.

●Any questions relating to the above press release should be directed to:

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