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To whom it may concern:

Company name: Future Corporation
Representative: Yasufumi Kanemaru, Chairman and President
Security code number: 4722
Listing: First Section of Tokyo Stock Exchange
Contact: Shinichi Iwata, Head of Financial & Accounting Group

Notice on Consolidated Earnings Results for Fiscal 2020 (Year Ended December 2020)

1. Consolidated Results for Fiscal 2020 (January 1, 2020 to December 31, 2020)

The Group's consolidated earnings results for the fiscal year under review (January 1, 2020 to December 31, 2020) are as follows:

Net sales ¥44,311 million (down 2.4% year on year)

Operating income ¥5,235 million (down 19.8% year on year)

Profit attributable to owners of parent ¥3,795 million (down 16.7% year on year)

During the fiscal year under review, the economic environment remained highly uncertain due to the impact of the spread of the novel coronavirus disease (COVID-19). In the IT Consulting & Service Business, net sales and operating income both decreased year on year, mainly reflecting the reduction and postponement of IT investments by some client companies, along with an increase in costs due to factors such as the delay in the delivery of some projects. Meanwhile, in the Business Innovation Business, all companies saw significant year-on-year growth in net sales and operating income, mainly reflecting their response to changes in customer needs associated with the shift to new lifestyles, such as growth in demand for indoor training and online education. As a result, the Group's consolidated net sales, operating income, and profit attributable to owners of parent all decreased year on year.

Details of the performance of each segment are as follows.

(1) IT Consulting & Service Business

Future Architect, Inc. (including the technology division of Future Corporation) saw net sales decrease. This resulted mainly from some customers curtailing investment and delays in the start of projects, despite a steady stream of orders for large-scale plans from customers promoting workstyle reforms and for renewals of core systems and so forth from various industries that are conscious of the 2025 Digital Cliff. Operating income also decreased, mainly reflecting an increase in costs due to factors such as delays in delivery and test fees when closing some highly challenging existing projects.

Future Inspace, Inc. posted lower net sales and operating income year on year due to an increase in costs resulting from a more proactive approach to recruitment in order to reinforce human resources, despite an almost level

result in maintenance and operation projects built by Future Inspace, Inc. through collaboration with Future Architect, Inc.

At YDC Corporation, net sales increased year on year due to the acquisition of orders from manufacturers with strong investment intentions as well as favorable sales of its original software, YDC SONAR, which integrates and analyzes quality information in the manufacturing industry. At the same time, YDC Corporation saw a sharp increase in operating income, mainly due to improved profitability management through the introduction of the Group's system.

At Future One, Inc., net sales and operating income both decreased sharply year on year, mainly due to a greater than expected allocation of personnel to prioritize responses to delivery delays of certain large projects.

At dit Co., Ltd., net sales and operating income both increased sharply year on year, reflecting the strong performance of security-related services such as vulnerability diagnostics, as well as order acquisitions related to network construction for ICT environment maintenance and so forth.

As a result, net sales and operating income both declined, with net sales of the segment amounting to ¥35,488 million (down 5.1% year on year), and operating income coming to ¥4,900 million (down 21.7% year on year).

(2) Business Innovation Business

At eSPORTS Co., Ltd., net sales increased year on year as sales of training gear grew atop an increase in demand for indoor training associated with the spread of COVID-19, while the company also captured outdoor activity demand, such as for solo camping, by responding quickly to new lifestyles and changes in ways to enjoy leisure time. Operating income increased sharply year on year, due to a contribution from reinforcement of private-brand products in popular categories.

Tokyo Calendar Inc. posted higher net sales year on year, reflecting growth of online services such as "Tokyo Calendar Date" and favorable performance of new initiatives such as "Tokyo Calendar Kitchen," an online cooking class offering lessons from chefs of famous restaurants, despite a sharp decrease in advertising sales. As a result, the firm posted operating income in contrast to the operating loss recorded in the previous fiscal year.

CodeCamp, Inc. saw year-on-year increases in both net sales and operating income amid a rapid increase in needs for individual home learning and corporate online training driven by the spread of COVID-19.

LaiBlitz, Inc.'s net sales and operating income both increased year on year. The growth was mainly attributable to steady provision of systems for professional baseball teams, along with strong operation of baseball fan websites and sales of collaboration products, and a contribution to sales from the regional revitalization business.

As a result, net sales and operating income both increased sharply, with net sales of the segment amounting to ¥8,908 million (up 10.1% year on year), and operating income coming to ¥462 million (up 1,642.6% year on year).

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

2. Future Outlook

The Group's earnings forecast for the fiscal year ending December 2021 is as follows:

Net sales ¥47,500 million (up 7.2% year on year)

Operating income ¥7,150 million (up 36.6% year on year)

Profit attributable to owners of parent ¥4,800 million (up 26.5% year on year)

In the medium to long term, corporate needs such as DX investment are expected to continue increasing, driven by the 2025 Digital Cliff and the need to respond to economic and social issues such as changes in workstyles, including teleworking.

The Group will strive to accurately grasp the investment needs of companies promoting these management reforms, then leverage Group synergies to provide active support in an effort to gain even further support from customers in many diverse industries.

Furthermore, by making effective use of intellectual property and conducting flexible strategic investments including M&As as a group, it will evolve its business model and achieve further growth from the next fiscal year onward. In addition, the Group will also invest in its business foundation with a view to the future, such as continuous personnel recruitment and training, R&D, and digitalization. In tandem with this, the Group will strengthen its internal systems by improving communication within the Group and the accuracy of its quality management.

Noteworthy events in each business segment are as follows.

(1) IT Consulting & Service Business

Future Architect, Inc. has seen an increase in orders for large-scale plans from customers promoting business reforms and core system renewals from diverse industries conscious of the 2025 Digital Cliff. The company will strive to steadily implement these projects while continuing to capture new orders from companies that have investment needs.

In addition, the company will strengthen its provision of DX in the form of a “next-generation banking system,” which will contribute to solving long-standing issues for the regional financial institution sector, and bolster its initiatives aimed at medium- to long-term growth, such as supporting increased sophistication of overall digital strategies. Furthermore, the company will create a structure that will allow it to lead the next generation by continuing to acquire personnel needed for the future and investing in training, as well as strengthening quality control and project management.

YDC Corporation will pivot to a problem solving-oriented approach by building model scenarios and strengthening IT consulting functions to meet DX demand in the manufacturing sector. It will also realize an expansion of its business reform consulting related to quality management systems that utilize AI technology and the area of development design. In addition, the company will further leverage Group synergies by providing the Group’s customers with the company’s original expertise and solutions cultivated in the manufacturing sector.

Future One, Inc. will strive to expand orders by strengthening channels such as the Group’s network and collaboration with external sales partners to provide its original software package “InfiniOne,” which is one of its strengths. At the same time, it will strive to strengthen its structure by increasing its capabilities in quality control and project management for large-scale projects.

(2) Business Innovation Business

eSPORTS Co., Ltd. will grasp trends such as the pivot to new lifestyles and changes in how people enjoy leisure

time and strive to expand its product lineup and bolster brand recognition, while also strengthening private-brand development and market launches aiming for further growth.

Tokyo Calendar Inc. will further grow new services such as “Tokyo Calendar Kitchen” and matching services in response to growing needs for collecting user information through online media. At the same time, the company will expand subscription services centered on online media and promote DX to strengthen digital sales.

CodeCamp, Inc. is seeing the spread of diverse workstyles such as teleworking and side jobs, as well as increasing needs for career building with a specialization in technology. In this environment, the company aims to grow further by using its networks of active engineers, designers, and other lecturers to provide training as well as support for recruiting IT personnel, and actively making investments in product development.

LaiBlitz, Inc. aims to achieve further growth by pivoting to a service provision-type business model on a common platform and focusing on setting up a sport cloud, including data and image management services for sports other than baseball, promoting further utilization of IT in the sport sector.

Regarding dividends for the fiscal year ending December 31, 2021, the Company plans to pay out an annual dividend of 42 yen per share (interim dividend of 21 yen and year-end dividend of 21 yen).

● Contact for inquiries regarding this matter:

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