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To whom it may concern:

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## **Notice on Consolidated Earnings Results for the First Quarter of Fiscal 2021 (Year Ending December, 2021)**

### **1. Consolidated Financial Results for the First Quarter of Fiscal 2021 (Year Ending December, 2021)**

Consolidated financial results of the Group for the first quarter under review (January 1, 2021 to March 31, 2021) were as follows:

|  |                           |                               |
|--|---------------------------|-------------------------------|
| <b>Net sales</b>                               | <b>11,083 million yen</b> | <b>(up 0.5% year on year)</b> |
| <b>Operating income</b>                        | <b>1,702 million yen</b>  | <b>(up 2.9% year on year)</b> |
| <b>Profit attributable to owners of parent</b> | <b>1,242 million yen</b>  | <b>(up 8.3% year on year)</b> |

The economic environment for the Group remained highly uncertain in the first quarter under review due to the impact of the spread of novel coronavirus disease (COVID-19) infections. Meanwhile, corporate demand for investment in digital transformation (DX) in areas, such as operational improvement, management reforms and new workstyle promotion applying digital technologies, basically stayed strong. The demand has been burgeoning in broader industrial categories. Furthermore, new lifestyles, including personal training at home, self-enlightenment on the Net and enjoying outdoor activities, have been taking root.

Under those conditions, consolidated net sales for the first quarter under review increased 0.5% year on year. Consolidated operating income grew 2.9% year on year. Consolidated profit attributable to owners of parent rose 8.3% year on year.

Details of the performance of each segment are as follows.

#### (1) IT Consulting & Service Business

Net sales of Future Architect, Inc. (including the technology division of Future Corporation) decreased slightly from the previous fiscal year in which development projects were concentrated. However, projects for promoting digital strategies progressed steadily at companies highly motivated to make investment. Furthermore, newly contracted ground design projects advanced smoothly, as demonstrated by the launch of

a project for introducing next-generation banking systems to regional financial institutions and the progress achieved in projects for reforming mission-critical systems for staffing service providers. Consolidated operating income increased due to the prevention of the emergence of unprofitable projects with thoroughgoing quality management as well as the control of outsourcing expenses and other costs.

Future Inspace, Inc. stably acquired commissioned maintenance and operation projects in cooperation with Future Architect, Inc. As a result, both net sales and operating income of Future Inspace came to levels roughly equal to figures a year earlier.

Net sales of Future One, Inc. were almost unchanged from a year earlier. Operating income of Future One decreased year on year, reflecting replanning in a system integration (SI) project for its original package software for sales management.

Both net sales and operating income of YDC Corporation declined year on year, due to a decrease in SI projects.

Both net sales and operating income of dit Co., Ltd. increased year on year with a continued favorable trend in orders received in connection with the construction of networks for preparing the ICT environment.

As a result, net sales of the Segment decreased slightly to 8,922 million yen (down 1.9% year on year), and operating income of the Segment increased to 1,614 million yen (up 4.3% year on year).

## (2) Business Innovation Business

Both net sales and operating income of eSPORTS Co., Ltd. grew sharply year on year led by sales at major shopping malls, in addition to the sustained favorable sales of products for outdoor activities, including solo camp as a new way to spend time to spare.

Both net sales and operating income of CodeCamp Inc. grew substantially, reflecting the expansion of orders received for career-changing programs for engineers, in addition to a sustained increase in demand for online courses among companies and individuals.

Both net sales and operating income of Tokyo Calendar Inc. remained unchanged from the previous fiscal year, because of stable sales of magazines and Internet services including Tokyo Calendar Date.

Both net sales and operating income of LaiBlitz, Inc. fell year on year due to factors, including a decrease in new orders received from professional baseball clubs.

As a result, both net sales and operating income of the Segment increased substantially to 2,175 million yen (up 12.0% year on year) and 100 million yen (up 48.6% year on year) respectively.

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

## **2. Outlook for the Future**

### **(1) Group Strategies**

The Group has adopted contributions to corporate management reform and social changes with an emphasis on science and technology as its corporate philosophy. Its mission is to increase clients' future value to the greatest extent possible as well as to develop new values for itself. For the mission, the Group believes it important to pursue sustained improvement in the values of Group companies consistent with social contributions through realizing sound profits and growth.

Roles IT should play are expanding more and more as corporate moves accelerate for DX investment in areas, such as operational improvement, management reform and promotion of new workstyle applying digital technologies. The substance of the roles is diversifying and becoming complicated. The Group thinks it has the responsibility to help companies and society move DX forward by offering excellent IT infrastructures backed by high technological capabilities in response to such demand, and to actively contribute to management reforms, and economic and social changes at the same time.

The Group aims to continue its evolution as a group of companies leading a new age, taking into consideration factors, including technological innovations, environment, social and governance (ESG), sustainable development goals (SDGs) and other new values, and structural economic and social changes triggered by the spread of COVID-19 infections.

To that end, the Group will evolve business models and realize further growth, effectively using owned intellectual properties and flexibly making strategic investments including M&A. For that purpose, the Group will invest in operating foundations that contribute to its future, such as continuous talent recruitment and education, research and development, and digitization. It will bolster internal systems at the same time.

### **(2) IT Consulting & Service Business**

At Future Architect, Inc., orders have been increasing for ground design projects and core system reform received from companies in various industries advancing management reform and DX. It aims to keep acquiring new customer projects, ensuring the progress of those projects toward success by actively supporting those companies.

For that purpose, it will keep recruiting talent actively. At the same time, it will seek to develop diverse human resources through talent recruitment, education sophistication, the assignment of right individuals to right places and other initiatives on a Group-wide basis.

Furthermore, it will step up initiatives that contribute to medium- and long-term growth, such as next-generation banking systems, which have been an issue for regional financial institutions for many years. At the same time, it will build foundations for future growth by bolstering quality management with steps, including further visualization of project profit or loss, and work process.

YDC Corporation will evolve package businesses into IT consulting functions for solving problems by strengthening its approach to management teams at manufacturers, and work on increasing the sales of quality management systems applying AI technologies and expanding businesses in the area of development design. It will seek to realize group synergy through cross-selling with other Group companies and development efficiency enhancement using technologies, too.

Future One, Inc. will seek to step up systems by steadily managing contracted projects in cooperation with other Group companies. At the same time, it will work to develop channels and win more orders for “InfiniOne,” its original package software for enterprise resource planning (ERP), making the most of networks the Group and external partners have.

### (3) Business Innovation Business

In addition to continuing the introduction into market of private brand (PB) products in response to demand for outdoor activities, such as solo camp, which has become an established part of the new normal, eSPORTS Co., Ltd. will capture new demand by setting up antenna shops, etc. In an attempt to realize further growth, it will also strengthen internal systems through measures including the development of a mission critical system for electronic commerce (EC).

Demand for online courses provided by CodeCamp Inc. is continuing to increase among companies and individuals alike. Aiming to sustain growth, it will work on developing services with advantages as an IT consulting company, including the provision of combined education and job switch support functions in career-changing programs for engineers, in addition to increasing orders for the courses steadily.

With the establishment of revenue foundations not reliant on advertising sales, such as Internet services, Tokyo Calendar Inc. has been able to continuously generate profits. Given that, it will work to further strengthen revenues foundations by growing restaurant platforms and subscription services, in addition to increasing profits with further revenue control.

LaiBlitz, Inc. will seek to achieve further growth by offering new services in the regional revitalization

business, such as drone platforms, in addition to introducing a member management system developed for professional baseball clubs to other businesses.

- Contact for inquiries regarding this news release:

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