

February 6, 2024

To Whom It May Concern

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Notice on Consolidated Earnings Results for Fiscal 2023 (Year Ended December 31, 2023)

1. Consolidated earnings results for fiscal 2023

Consolidated results of the Group for the fiscal year under review (January 1, 2023, to December 31, 2023) were as follows:

Net sales	¥59,324 million (up 10.4% year on year)
Operating income	¥13,700 million (up 12.1% year on year)
Profit attributable to owners of parent	¥9,221 million (down 0.2% year on year)

Looking at the economic environment during the current fiscal year under review, we saw companies continue to actively harness the power of IT to change their operations, such as promoting digital transformation (DX), implementing business reforms, and creating new digital services, despite global uncertainty, persistent inflation, and the increase of overseas interest rates. Companies are revamping their work styles and overall supply chains following the enforcement of the Work Style Reform Law, and accelerating the use of IT in areas related to ESG and the SDGs. These things boost IT investments in all sectors and fields. In terms of individual lifestyles, the use of IT-driven services, such as shopping at e-commerce sites, enjoying entertainment and sports on video and online, and accessing education and self-development services online, has become common, and various related services are being created.

Working against this backdrop, we won contracts from customers in a wide range of industries and made progress with large-scale projects that would contribute to medium-term growth. As a result, consolidated net sales and operating income for the current fiscal year under review increased year on year. On the other hand, profit attributable to owners of parent decreased slightly. This is a function of the recording of extraordinary income from the sale of investment securities in the previous fiscal year, and the recording of an impairment loss on fixed assets and loss on valuation of investment securities as extraordinary losses in the current fiscal year.

Details of the performance (net sales and operating income) of each segment are as follows.

(1) IT Consulting & Service Business

Future Architect, Inc. (including the Technology Division of Future Corporation) continued to move ahead with various projects of customers in a wide range of industries and won contracts with them. They include designs of platforms for integrated data management of procurement, manufacturing, and quality control in retail, renovations of mission-critical systems of apparel companies, grand designs for advancing DX of a newspaper company group, and design/development relating to the revamping of mission-critical systems and IT infrastructures in the food wholesaling and public services.

In addition to that, the company made steady progress with the projects to introduce next-generation banking systems to regional financial institutions. The first one is at the final integration test phase toward release in the next fiscal year and the second one for another bank is at the developmental phase. These projects will contribute to the Company's medium-term growth. The company also made progress in the introduction of a loan support system FutureBANK at several financial institutions, and provided DX assistance to many companies including the logistics and apparel companies. Furthermore, as a result of ensuring quality control in implementing projects, its net sales and operating income increased year on year.

Future Inspace, Inc. performed steadily in development for system infrastructure renewal and cloud migration projects from existing customers, in addition to the provision of regular maintenance and operation services. As a result, net sales and operating income increased year on year.

Future One, Inc. worked on boosting orders for the sale of its original InfiniOne software package, the company's key product, through industry-specific sales strategies, mainly in the steel industry. On the other hand, orders received were sluggish due to a slowdown of IT investment by SMEs following the implementation of the invoice system in Japan (a consumption tax system that started in October 2023). As a result, net sales and operating income decreased year on year.

YDC Corporation saw continuous steady progress in developing new customers as well as cultivating existing customers, particularly in the manufacturing industry. In addition to these traditional system integration projects, it enjoyed an increase in orders led by the strategic planning phase, such as mission-critical system renovation and grand design consultation for the SmartFactory concept. Furthermore, it provided higher added value to customers and improved its profitability. As a result, net sales and operating income increased year on year.

While dit Co., Ltd. saw an increase in the sales ratio of cybersecurity-related services, such as vulnerability assessment, incident response and network security solutions, orders for services fell short of expectations and recruiting costs continued to occur, resulting in a decline in both net sales and operating income.

As a result, the segment saw both net sales and operating income increase to reach 50,817 million yen (up 11.5% year on year) and 13,705 million yen (up 6.2% year on year) respectively.

(2) Business Innovation Business

YOCABITO CO., LTD. saw a recovery in gross margin ratio helped by per-product management with utilization of a digital platform, which was promoted from the current fiscal year, and strategic sales price setting. However, sales of fall and winter apparel were weaker than expected because of the warm winter, and the sales of outdoor goods were sluggish due to the increasingly competitive market, resulting in a decrease in net sales year on year and continued operating loss.

Tokyo Calendar Inc. saw a robust stream of revenue from its online services, such as Tokyo Calendar Date, and its advertising sales have got on a recover track. However, it incurred costs relating to the development of its new service Gourmet Calendar, resulting in an increase in net sales but a decrease in operating income year on year.

CodeCamp Co., Ltd. enjoyed an uptick in its corporate training business and reduced costs by improving operational efficiency, resulting in an increase in net sales and operating income year on year.

LaiBlitz, Inc. launched the esports business as a new initiative and held audition events. In terms of business performance, it started the projects of introducing FastBiz, a packaged membership management and e-commerce service for sports teams, to several professional baseball teams, leading to a year-on-year increase in both net sales and operating income.

CURIOSITY inc., newly consolidated from the second quarter of the fiscal year under review, is engaged in store design for luxury brands and interior design for hospitality (luxury hotels and high-end residences), as well as cosmetics and other products, mainly for overseas customers. During the fiscal year under review, it made steady progress in store design for luxury brands overseas, contributing to our business results.

As a result, the segment saw an increase in both net sales and operating income, with net sales totaling 8,385 million yen (up 1.3% year on year) and an operating loss standing at 144 million yen (down from an operating loss of 274 million yen for the same period last year).

Operating income under adjustments which post income and expenses of Future Corporation's holding company functions and eliminations of intersegment transactions in the reporting segment, was 263 million yen, an increase of 599 million yen year on year (up from an operating loss of 336 million yen for the same period last year). This was mainly due to the increased technical support fees that Future Corporation received through its IT consulting and services business.

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

2. Future Outlook

(1) Group Strategies

In the medium to long term, corporations will continue making aggressive investments in information technology as they move toward DX and adapt to changes in the ways people work, such as remote working, as well as address economic and social issues, including ESG factors and the SDGs.

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

We will also continue to promote our measures concerning ESG and the SDGs, and support customers' environmental and decarbonization efforts.

Furthermore, by making effective use of intellectual property and conducting flexible strategic investments, including M&A, as the Group, we will evolve our business model and achieve further growth from the next fiscal year onward. In addition, the Group will also invest in developing a business foundation that will contribute to its future growth, such as continuous personnel recruitment, training and R&D.

As for M&A, we announced in January 2024 the business integration with Revamp Corporation. Revamp engages in operations focused on business support, digital transformation, and investment services to help client companies realize medium- to long-term growth, in line with its corporate philosophy of revitalizing companies from the core. Integrating the expertise Revamp has gained through working closely with client companies to implement management reforms with the Group's proficiency in designing and implementing corporate strategies and business processes using the latest technology, we will further enhance the problem-solving ability of the Group as a whole and accelerate its growth.

In terms of personnel recruitment, we will start, for the hiring of new graduates, Value Recruitment based on their experience and skills developed during their student years, applying a new compensation system with an increase in estimated annual salary. In addition, we will conduct various initiatives such as disseminating recruitment information on the Group's unique metaverse platform. Through these efforts, we will continue to attract new talent.

In tandem with this, the Group will strengthen its governance by strengthening internal communication within the Group and further improving the accuracy of its quality management.

Noteworthy events in each business segment are as follows.

(2) IT Consulting & Service Business

Future Architect, Inc. has received orders for grand designs from customers implementing management reforms and mission-critical system renewals from diverse industries conscious of the advancement of DX. The company will ensure the implementation of these projects, while striving to acquire more orders from companies with investment demand, for example by providing customers with DX professional development programs.

It will also strengthen its provision of IT solutions that will contribute to solving long-standing issues, such as a next-generation banking system for the regional financial sector, GlyphFeeds for media, FutureApparel for apparel, and FutureLOGI for logistics, and bolster its initiatives aimed at medium- to long-term growth, such as supporting the realization of digitally sophisticated corporate strategies as a whole.

Furthermore, it will develop a framework that will lead the age to come by working to emphasize the acquisition of excellent talented people, investment in training, quality control, and project management.

Future Inspace, Inc. is looking to further improve development quality and hire/train employees with an eye to steadily increasing revenue, so that the stable development of several large-scale projects, such as system infrastructure renewal and cloud migration projects for existing customers, is ensured.

Future One, Inc. will continue to work on enhancing its product lineup while leveraging the strength of its original InfiniOne software package to boost orders through industry-specific sales strategies. It will provide

total solutions under an integrated manufacturing and sales system to enhance future value of its customers, all with an eye to higher revenue.

YDC Corporation will further focus on proposing SmartFactory solutions to the manufacturing industry and continuously stepping up efforts to propose solutions to new and existing customers by introducing such solutions to pilot customers, seeking to expand its customer contact reform business with a focus on SaaS services. In addition, it aims to acquire new projects in the logistics area by taking advantage of the Group synergy and contribute to the ESG sector through a consortium that pursues the ideal form of sustainability management. With these efforts, it will strive to increase revenue further.

In order to provide companies with a security life cycle that achieves zero trust, dit Co., Ltd. will strengthen its human resource strategy, including recruitment activity and internal training, and its cooperation with its subsidiary, Cyber Solutions, Inc. In addition, it will promote log analysis and the provision of crisis management services, focusing on security risk assessment, for further revenue growth.

(3) Business Innovation Business

YOCABITO Co., Ltd. will continue to strive to recover its profitability by increasing the accuracy of analytics with the use of a digital platform, increasing operational efficiency through data-driven approach, and speeding up decision-making. It will also steadily promote the renewal of some private brands as a pillar of new growth.

Tokyo Calendar Inc. will further enhance customer attraction and user engagement by strengthening digital promotion by analyzing and utilizing user data. The company will also work on a seamless cooperation of monthly magazines and web media with its services including Tokyo Calendar Date and Gourmet Calendar to enhance exposure for further growth and aim to increase the overall profitability.

Following the previous year, CodeCamp Co., Ltd. will enhance its service for companies and local governments in consideration of the market needs, including DX professional development and reskilling. As for services for individual customers, it will properly identify individual learning needs and focus on the development of necessary courses, aiming to receive more orders.

Aiming to develop the esports industry itself, LaiBlitz, Inc. will build a data analysis system for esports with the Future Fastball development technology, which leverages data to strengthen teams, to create a world-class professional esports team, and publish some analytical data. Furthermore, it will incorporate the technologies and know-how acquired in the esports business into its systems for sports teams, aiming to contribute to the further expansion of customers' business.

CURIOSITY inc. will focus on the business of interior design for hospitality (luxury hotels and high-end residences), as such projects are large in size, and will continuously receive orders for store design of global brands in line with the global expansion of customers. At the same time, it will hire designers who understand and practice the CURIOSITY design philosophy and are globally capable.

3. Dividends

The Company determines its dividend by comprehensively taking into account the state of its accounting period profit and loss, cash flows and treasury stock purchasing while placing shareholder return as its priority management issue and securing a proper level of internal reserves for the organization to continue growing in a sustainable manner.

The Company plans to apply a dividend payout ratio standard of at least 35% of consolidated earnings.

Under the above-mentioned policy, we plan to pay a total dividend of 20.00 yen per share as a year-end dividend from surplus. The full fiscal year dividend comprising the year-end dividend and the previously paid interim dividend is expected to be 40.00 yen per share (consolidated dividend payout ratio of 38.4%).

Under the above-mentioned policy, we plan to pay an annual dividend of 42.00 yen per share (year-end dividend of 21.00 yen and interim dividend of 21.00 yen, consolidated dividend payout ratio of 36.7%) as a dividend from surplus for the next fiscal year.

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