



# Consolidated Summary Report of Operating Results for the First Three Months of Fiscal 2024 (Year Ending December 31, 2024) [Japan GAAP]

April 24, 2024

Company name: Future Corporation Listing: Tokyo Stock Exchange  
 Securities code: 4722 URL: <https://www.future.co.jp>  
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 Scheduled date for filing the quarterly report: May 14, 2024  
 Scheduled date for distributing dividend payments: -  
 Creation of supplemental material on quarterly financial results: No  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amount rounded off to million yen)

## 1. Consolidated Results for the First Quarter of Fiscal 2024 (January 1, 2024 to March 31, 2024)

### (1) Consolidated operating results (accumulated total) (Percentage figures indicate year-on-year changes.)

	Net sales		EBITDA*		Operating income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q Fiscal 2024	15,022	7.6	3,730	8.2	3,417	7.8	2,189	(0.2)
1Q Fiscal 2023	13,965	10.8	3,448	(4.6)	3,170	(5.1)	2,193	(8.1)

(Note) Comprehensive income 1Q Fiscal 2024: 1,690 million yen [(38.4)%]  
 1Q Fiscal 2023: 2,745 million yen [237.1%]

\* EBITDA = Operating income + Depreciation + Amortization of goodwill

	Profit per share
	Yen
1Q Fiscal 2024	24.72
1Q Fiscal 2023	24.77

(Note) In the third quarter of FY2023, the Company confirmed the accounting treatment for a business combination that had been provisionally accounted for. Figures for the first quarter of FY2023 have been adjusted to reflect the confirmed accounting treatment.

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1Q Fiscal 2024	87,388	51,306	58.7	579.18
Fiscal 2023	66,043	51,387	77.8	580.10

(Reference) Shareholders' equity 1Q Fiscal 2024: 51,306 million yen Fiscal 2023: 51,387 million yen

## 2. Cash dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	-	20.00	-	20.00	40.00
Fiscal 2024	-				
Fiscal 2024 (forecast)		21.00	-	21.00	42.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Projected Consolidated Results for Fiscal 2024 (January 1, 2024 to December 31, 2024)

(Percentage figures indicate year-on-year changes.)

	Net sales		EBITDA		Operating income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First six months (accumulated total)	32,100	13.2	7,900	14.1	6,800	7.8	4,600	6.5
Full-year	70,200	18.3	17,000	13.2	14,650	6.9	9,900	7.4

	Profit per share
	Yen
First six months (accumulated total)	51.93
Full-year	111.76

(Note) Revisions to the most recently announced earnings forecast: Yes

\* Notes

- (1) Changes in significant subsidiaries during the quarter under review (changes in specified subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Application of accounting treatment particular to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies or estimates and retrospective restatements
  - (i) Changes in accounting policies in accordance with revisions of accounting standards: None
  - (ii) Changes in accounting policies other than item 1) above: None
  - (iii) Changes in accounting estimates: None
  - (iv) Retrospective restatements: None

(4) Number of outstanding shares (common stock)

(i) Total outstanding shares as of the end of the period (including treasury shares)	1Q Fiscal 2024	95,328,000 shares	Fiscal 2023	95,328,000 shares
(ii) Total treasury shares as of the end of the period	1Q Fiscal 2024	6,744,163 shares	Fiscal 2023	6,744,163 shares
(iii) Average number of outstanding shares during the period under review	1Q Fiscal 2024	88,583,837 shares	1Q Fiscal 2023	88,556,048 shares

\* This summary of quarterly financial results is outside the scope of quarterly reviews by a certified public accountant or an audit corporation.

\* Points to note about the proper use of projections, and other noteworthy events

Any forward-looking statement, including earnings forecasts, contained in this document is based on information currently held by the Company and assumptions the Company considers to be reasonable, and the Company does not promise to achieve any of them. Actual results may differ significantly from forecasts due to various uncertain factors.

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## 1. Qualitative Information Regarding Financial Results for the First Quarter under Review

### (1) Explanation of Operating Results

Looking at the economic environment during the first three months of the 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 using generative AI, etc., despite global uncertainty and in an economic environment where ongoing inflation and increases in interest rates are expected in Japan. Companies are increasing productivity and efficiency as initiatives to address the enforcement of the Act on the Arrangement of Related Acts to Promote Work Style Reform and labor shortages, reviewing overall supply chains and accelerating the use of IT in areas related to ESG and the SDGs, so lively IT investment continues 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, as a result of making progress with large-scale projects that will contribute to medium- to long-term growth, net sales for the first three months of the current fiscal year totaled 15,022 million yen (up 7.6% year on year), operating income was 3,417 million yen (up 7.8% year on year), and profit attributable to owners of parent came to 2,189 million yen (down 0.2% year on year) because a negative corporate tax adjustment that increased in association with a review of future subtracted temporary differences in the same period of the previous fiscal year, was not present this term.

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

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

Future Architect Inc. (including the Technology Division of Future Corporation) acquired and promoted a wide variety of customer projects, including projects to promote customer DX and realize greater work efficiency, such as support for the building of a data management platform to manage data centrally in a convenience store supply chain, and the introduction of a logistics DX platform combining a WMS (Warehouse Management System) and AI solution and cloud type warehouse control system for globally developing logistics companies. With regard to projects using intellectual property that will contribute to the Company's medium- to long-term growth, we made steady progress with projects to introduce next-generation banking systems to regional financial institutions. The first of these is at the final integration test phase toward release this fiscal year and the second bank is at the development and test phase. In addition, a project to introduce GlyphFeeds, a content management system (CMS) for media, a project to introduce FutureApparel, a core platform system for apparel, and others are making steady progress. As a result, both net sales and operating income increased year on year. In addition, we are planning the release of multiple large-scale projects during the fiscal year under review, so we are strengthening the quality control system further.

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, but hiring costs increased. As a result, net sales increased but operating income decreased year on year.

At Future One, Inc., although new orders increased due to the deployment of industry-specific sales for the steel industry, etc., in sales of its original InfiniOne software package, the company's key product, due to the impact of large-scale development projects peaking out, both net sales and operating income decreased year on year.

At YDC Corporation, in addition to the traction of building a SmartFactory that realizes the digitalization of factory management by using data through DX consulting, etc., for customers centered on the manufacturing industry, profitability increased as a result of appeals on value to customers through the execution of DX projects so both net sales and operating income increased year on year.

At dit Co., Ltd., although the sales ratio of security services such as cyber defense exercises and security consulting increased, orders received did not increase significantly, and hiring 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 13,041 million yen (up 6.5% year on year) and 3,533 million yen (up 4.5% year on year) respectively.

(ii) Business Innovation Business

As part of its management reform initiatives, YOCABITO Co., Ltd., has improved gross margins by managing individual products and setting strategic selling prices through the use of digital platforms, which it has promoted since last fiscal year, and reduced logistics costs by improving the efficiency of logistics. In addition, as a result of promoting the clearance of apparel products while thoroughly managing sales on an item-by-item basis, net sales decreased year on year, but operating loss decreased.

Although sales in the media business fell short of expectations, in addition to Tokyo Calendar Inc.'s revenue from internet services such as Tokyo Calendar Date trending steadily, net sales decreased, but operating income increased year on year due to improved work efficiency and cost reductions.

In addition to projects introducing FastBiz, a membership management and e-commerce package for sports teams, to several professional baseball teams, LaiBlitz Inc. also started rolling the package out to professional soccer teams. Although sales increased, the generation of costs related to the launch of the esports business incurred, resulting in an increase in net sales but a decrease in operating income year on year.

CURIOSITY Inc., has made steady progress in store design for overseas luxury brands such as jewelry and watches. CURIOSITY Inc. was newly consolidated from the second quarter of the previous fiscal year and its results will make a full-year contribution from the current fiscal year.

As a result, the segment saw both net sales and operating income increase year on year, with net sales totaling 1,972 million yen (up 13.8% year on year) and an operating loss of 38 million (up from an operating loss of 175 million yen for the same period last year).

Operating loss under adjustments which post income and expenses of Future Corporation's holding company functions and eliminations of intersegment transactions in the reporting segment, was 86 million yen, a decrease of 82 million yen year on year (an operating loss of 4 million yen for the same period last year). This was mainly due to the recognition of the Company's expenses related to the acquisition of Revamp Corporation.

(2) Explanation of the Consolidated Earnings Forecasts and Other Forward-Looking Information

At a meeting of the Board of Directors held on April 24, 2024, it was decided to revise the earnings forecasts for the fiscal year ending December 2024 (January 1, 2024 to December 31, 2024) disclosed when the financial results for the fiscal year ended December 2023 were announced on February 6, 2024, based on recent performance trends and other factors. For details, please refer to "Notice Concerning a Revision to the Consolidated Earnings Forecasts for the First Six Months (Accumulated Total) and Full-Year" announced on April 24, 2024.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly consolidated balance sheets

(in millions of yen)

	Previous consolidated fiscal year (December 31, 2023)	First quarter of the current consolidated fiscal year (March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	28,015	28,131
Notes and accounts receivable – trade, and contract assets	10,195	10,936
Securities	200	-
Merchandise and finished goods	1,160	1,426
Work in process	31	17
Other	4,637	5,303
Allowance for doubtful accounts	(3)	(2)
Total current assets	44,237	45,811
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,869	1,933
Accumulated depreciation	(1,317)	(1,387)
Buildings and structures, net	552	546
Land	0	0
Other	3,115	2,514
Accumulated depreciation	(2,648)	(1,996)
Other, net	466	517
Total property, plant and equipment	1,020	1,065
Intangible assets		
Goodwill	1,083	18,866
Software	3,370	3,545
Customer-related assets	90	68
Technology-related assets	1,135	1,104
Other	4	10
Total intangible assets	5,684	23,595
Investments and other assets		
Investment securities	13,770	15,307
Lease and guarantee deposits	1,205	1,383
Deferred tax assets	0	55
Other	126	175
Allowance for doubtful accounts	(1)	(5)
Total investments and other assets	15,102	16,915
Total non-current assets	21,806	41,576
Total assets	66,043	87,388

(in millions of yen)

	Previous consolidated fiscal year (December 31, 2023)	First quarter of the current consolidated fiscal year (March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	1,096	1,665
Current portion of long-term borrowings	-	2,856
Accounts payable – other	1,604	2,523
Income taxes payable	2,582	1,481
Provision for bonuses	277	1,440
Provision for quality assurance	103	111
Provision for loss on projects	38	11
Other	5,140	5,508
Total current liabilities	10,842	15,599
Non-current liabilities		
Long-term borrowings	-	17,143
Asset retirement obligations	357	355
Deferred tax liabilities	3,324	2,847
Other	132	136
Total non-current liabilities	3,813	20,482
Total liabilities	14,656	36,082
<b>Net assets</b>		
Shareholders' equity		
Capital	4,000	4,000
Capital surplus	84	84
Retained earnings	41,537	41,955
Treasury shares	(2,201)	(2,201)
Total shareholders' equity	43,421	43,838
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,938	7,435
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	30	31
Total accumulated other comprehensive income	7,966	7,467
Total net assets	51,387	51,306
Total liabilities and net assets	66,043	87,388

(2) Consolidated quarterly statements of income and comprehensive income  
(First three-month period)

(in millions of yen)

	First three months of the previous consolidated fiscal year (From January 1, 2023 to March 31, 2023)	First three months of the current consolidated fiscal year (From January 1, 2024 to March 31, 2024)
Net sales	13,965	15,022
Cost of sales	7,315	7,730
Gross profit	6,650	7,292
Selling, general and administrative expenses		
Directors' compensations	143	163
Salaries and bonuses	1,534	1,714
Other salaries	72	81
Rents	230	230
Training expenses	61	101
Research and development expenses	338	296
Depreciation	72	112
Recruiting expenses	190	242
Amortization of goodwill	21	47
Other	813	884
Total selling, general and administrative expenses	3,480	3,874
Operating income	3,170	3,417
Non-operating income		
Share of profit of entities accounted for using equity method	10	15
Exchange gain	2	36
Other	5	6
Total non-operating income	18	58
Non-operating expenses		
Loss on investments in investment partnerships	15	11
Financial fees	-	220
Other	0	4
Total non-operating expenses	16	235
Ordinary income	3,172	3,240
Profit before income taxes	3,172	3,240
Income taxes – current	1,268	1,307
Income taxes – deferred	(288)	(256)
Total income taxes	979	1,051
Profit	2,193	2,189
(Breakdown)		
Profit attributable to owners of parent	2,193	2,189



(in millions of yen)

	First three months of the previous consolidated fiscal year (From January 1, 2023 to March 31, 2023)	First three months of the current consolidated fiscal year (From January 1, 2024 to March 31, 2024)
Other comprehensive income		
Valuation difference on available-for-sale securities	540	(503)
Deferred gains or losses on hedges	4	3
Foreign currency translation adjustment	7	1
Share of other comprehensive income of entities accounted for using equity method	(0)	-
Total other comprehensive income	551	(498)
Comprehensive income	2,745	1,690
(Breakdown)		
Comprehensive income attributable to owners of parent	2,745	1,690
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to quarterly consolidated financial statements

(Notes on premise of a going concern)

Not applicable.

(Notes on any significant change in shareholders' equity)

Not applicable.

(Segment information)

[Segment information]

I I. First three months of the previous consolidated fiscal year (from January 1, 2023 to March 31, 2023)

Information on the amounts of net sales, and profit or loss by reportable segment

(in millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in quarterly consolidated financial statements (Note 3)
	IT Consulting & Service Business	Business Innovation Business	Total				
Net sales							
(1) Sales to outside clients	12,231	1,710	13,941	23	13,965	-	13,965
(2) Intersegment sales or transfer	12	22	34	97	131	(131)	-
Total	12,243	1,732	13,976	120	14,097	(131)	13,965
Segment profit (loss)	3,381	(175)	3,206	(31)	3,174	(4)	3,170

- (Note)
1. "Other" is a segment for operations not included in reportable segments. The segment covers an operation business of a handball team, and investment in, holding of, and management of securities.
  2. Adjustments to segment profit (loss) represent the amount of intersegment transactions eliminated, and income and expenses of the holding company excluding the technology segment.
  3. Segment profit (loss) is adjusted with operating income in quarterly consolidated financial statements.

II First three months of the current consolidated fiscal year (from January 1, 2024 to March 31, 2024)

1. Information on the amounts of net sales, and profit or loss by reportable segment

(in millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount stated in quarterly consolidated financial statements (Note 3)
	IT Consulting & Service Business	Business Innovation Business	Total				
Net sales							
(1) Sales to outside clients	13,022	1,943	14,966	55	15,022	-	15,022
(2) Intersegment sales or transfer	18	28	47	117	164	(164)	-
Total	13,041	1,972	15,014	172	15,187	(164)	15,022
Segment profit (loss)	3,533	(38)	3,495	8	3,504	(86)	3,417

- (Note)
1. "Other" is a segment for operations not included in reportable segments. The segment covers an operation business of a handball team, and investment in, holding of, and management of securities.
  2. Adjustments to segment profit (loss) represent the amount of intersegment transactions eliminated, and income and expenses of the holding company excluding the technology segment.
  3. Segment profit (loss) is adjusted with operating income in quarterly consolidated financial statements.

2. Information on assets by reportable segment

(Significant increase in assets due to acquisition of subsidiary companies)

In association with the acquisition of Revamp Corporation in the “IT Consulting & Services Business” segment, that company and one of its subsidiaries have been included in the scope of consolidation and one of its affiliates has become an equity-method affiliate. As a result, segment assets increased by 10,376 million yen in the first quarter of the current consolidated fiscal year compared to the end of the previous consolidated fiscal year.

3. Information on impairment loss or goodwill of fixed assets by reportable segment

(Significant variations in goodwill)

In association with the acquisition of Revamp Corporation in the “IT Consulting & Services Business” segment, that company and one of its subsidiaries have been included in the scope of consolidation and one of its affiliates has become an equity-method affiliate. The increase in goodwill due to this event was 17,830 million yen during the first quarter of the current consolidated fiscal year. Goodwill is a tentatively calculated amount because the allocation of acquisition costs had not been completed as of the end of the first three months of the consolidated fiscal year under review.

### 3. Supplementary Information

#### Orders received

(in millions of yen)

Category	First three months of the previous consolidated fiscal year (From January 1, 2023 to March 31, 2023)		First three months of the current consolidated fiscal year (From January 1, 2024 to March 31, 2024)	
	Orders received	Order backlog	Orders received	Order backlog
IT Consulting & Service Business	14,415	16,290	14,882	18,522
Business Innovation Business	721	767	1,343	1,847
Total	15,137	17,058	16,225	20,369

Category	Fourth quarter of the previous consolidated fiscal year (From October 1, 2023 to December 31, 2023)		First quarter of the current consolidated fiscal year (From January 1, 2024 to March 31, 2024)	
	Orders received	Order backlog	Orders received	Order backlog
IT Consulting & Service Business	11,055	16,663	14,882	18,522
Business Innovation Business	1,185	1,592	1,343	1,847
Total	12,241	18,256	16,225	20,369