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To Whom It May Concern

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## **Notice on Consolidated Earnings Results for the First Six Months (Interim Period) of Fiscal 2024 (Year Ending December 31, 2024)**

### **1. Consolidated Earnings Results for the First Six Months (Interim Period) of Fiscal 2024 (Year Ending December 31, 2024)**

Consolidated results of the Group for the interim period under review (January 1, 2024, to June 30, 2024) were as follows:

Net sales	¥32,954 million (up 16.3% year on year)
Operating income	¥6,902 million (up 9.5% year on year)
Profit attributable to owners of parent	¥4,864 million (up 12.6% year on year)

Looking at the economic environment during the interim period 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 an economic environment of ongoing inflation, trend of a weaker yen, and anticipation of higher interest rates 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 related to initiatives on ESG and the SDGs, so lively IT investment continues in all sectors and fields. In terms of individual lifestyles, the use of IT such as in 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 steady progress with large-scale projects that will contribute to medium- to long-term growth, including the completion of introducing the next-generation banking system, which will serve as the foundation for future banking services, to the first bank, net sales, operating income, and profit attributable to owners of parent for the interim period of the current fiscal year all increased year on 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) launched a demonstration test to improve the efficiency of loan support operations by incorporating generative AI into the loan support system Future Bank, installed in 30 regional financial institutions nationwide. It also provided solutions that contribute to solving industry issues using the Company's AI technology, such as realizing labor savings and operational efficiency in inspection works of loading and unloading operations in logistics centers using the Company-developed AI-OCR Future EdgeAI. In addition, it acquired and advanced a wide variety of

customer projects, including projects to promote customer DX and improve operational efficiency. With regard to projects using intellectual property that will contribute to the Company's medium- to long-term growth, the first bank to which the next-generation banking system was introduced under the project began stable operations on July 16, 2024, with the second bank continuing to be steady in 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.

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.

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, the highlighting of value to customers through the execution of DX projects contributed to higher sales. But due to the impact of increased hiring costs reflecting active investment, including human assets, and a higher software amortization burden, net sales increased but operating income decreased year on year.

At dit Co., Ltd., although sales of security services such as cyber defense exercises and security consulting increased, orders received in product sales decreased, and advertising costs and costs from active investment in hiring grew, resulting in a decline in both net sales and operating income year on year.

Revamp Corporation has been performing steadily, receiving new orders for projects in the healthcare area in addition to existing projects in the management marketing business that support private equity funds and management practices. Its DX business, which provides consulting for mission-critical system renewals and company-wide structural reform, is generally progressing as planned. The Company has included the earnings of Revamp Corporation from the second quarter of the current consolidated fiscal year.

As a result, the segment saw both net sales and operating income increase to reach 28,436 million yen (up 16.4% year on year) and 6,719 million yen (up 2.0% year on year), respectively.

## **(2) Business Innovation Business**

YOCABITO Co., Ltd. saw a decrease in net sales year on year under the continuous severe competition in the outdoor and apparel markets. Operating loss, however, decreased due to improved gross margin from the change into an integrated management system covering purchasing to product listing and e-commerce sales, setting of strategic selling prices for each product, and advancement of sales promotion measures.

At Tokyo Calendar, Inc., net sales and operating income increased year on year due to the progress of cost reduction measures, in addition to the continuous steady advertising sales in the media business and revenue from internet services such as Tokyo Calendar Date.

LaiBlitz, Inc., in addition to the smooth transition to the development phase of projects introducing FastBiz, a membership management and e-commerce package for sports teams, to multiple teams, received orders for esports business projects, increasing net sales and operating income year on year.

CURIOSITY Inc. continues to be steady in both sales and profits, mainly against the backdrop of the steady progress in multiple large-scale store designs for overseas luxury brands such as jewelry and watches. The company was newly consolidated from the second quarter of the previous consolidated fiscal year and its results will make a full-year contribution from the current fiscal year.

As a result, the segment saw an increase in both net sales and operating income year on year, with net sales totaling 4,535 million yen (up 14.2% year on year) and operating income of 245 million (up from an operating loss of 310 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 34 million yen, a decrease of 100 million yen year on year (an operating income of 66 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.

(Note) Segment results mentioned above are before adjustment for intersegmental sales or 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, and 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 proceed to develop a business foundation that will contribute to its future growth, such as continuous personnel recruitment and investment in training and R&D.

At the same time, the Group will strengthen its governance by enhancing internal communication within the Group and further improving the accuracy of its quality management.

Significant events in each business segment were 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. Currently, it is working with customers to solve industry problems by providing the logistics and retail distribution industries with AI-based delivery route optimization, etc., as solutions that will contribute to solving the logistics problem of 2024.

It will continue initiatives that contribute to the maximization of customer value by providing IT solutions that help solve long-standing industry problems and supporting the advancement of overall corporate strategy. It is also advancing proposal activities to new customers to work positively to solve customer issues using its intellectual property, including GlyphFeeds, FutureApparel, and Future LOGI. It will work to acquire new banks for the Next-Generation Banking System while highlighting the track record of the first bank's stable operation.

Furthermore, it will develop a framework that will lead the age to come by working to strengthen the acquisition of human resources, investment in training, quality control, and project management.

Future Inspace, Inc. will steadily increase revenue by further improving development quality and hiring/training human resources to steadily advance the development of multiple large-scale projects, such as system infrastructure renewal and cloud migration projects for existing customers.

Future One, Inc. will continue to boost orders through industry-specific sales development of its original InfiniOne software package, which is one of its strengths. It will also strive to strengthen its products and aim to further increase revenue by providing customers with total solutions through integrated manufacturing and sales.

YDC Corporation will seek to expand its business by supporting mission-critical system renewals and business reforms and acquiring large-scale projects in data integration, in addition to DX consulting for the manufacturing industry and building SmartFactory. In addition, it aims to further increase revenue by expanding business in the logistics area through demonstration of Group synergies, contributing to new businesses in the ESG sector, and expanding partner sales of the core product YDC SONAR.

dit Co., Ltd., focuses on crisis management handling and security diagnostic services, and provides the security lifecycle jointly with its subsidiary Cybersolution, Inc. Further, it will also pursue synergies by providing specialized security services to the existing customers of each Future Group company, and aim for revenue expansion.

Revamp Corporation will work to collect financial revenues in collaboration with private equity funds in the future, in addition to the steady implementation of existing projects in the management and marketing business. In the DX business, the company will aim to expand projects that focus on supporting the global expansion of existing customers and develop new customers through collaboration with investment targets and overseas advanced technology companies. Furthermore, it will fully utilize the Future Group's resources and know-how in both businesses and work to create synergies early in joint projects.

### **(3) Business Innovation Business**

YOCABITO Co., Ltd. will continue to strive to improve profitability by increasing the accuracy of analytics with the use of digital platforms, making quick data-driven decisions, and continuously reducing costs.

Tokyo Calendar, Inc. will further enhance customer attraction and user engagement by utilizing user data and strengthening digital promotion. It will improve the accuracy of content published in the respective media, such as monthly magazines, to enhance brand strength and, at the same time, strengthen the ability to attract customers to services, including Tokyo Calendar Date and Gourmet Calendar, with an aim to grow further and increase revenue in each business.

LaiBlitz, Inc. will apply its data analysis technology, cultivated in the sports area and supporting Japan's best team, and a system that realizes business expansion via fan services utilizing content in the entertainment area, including esports, with an aim to grow further and increase revenue.

CURIOSITY Inc. will focus on the business of interior design for luxury hotels and high-end residences, which 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 carry on hiring designers who understand and practice the CURIOSITY design philosophy and are globally capable.

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