

# **Briefing materials on the Financial Results for the 3rd quarter of FY2024**

**October 31, 2024  
Future Corporation**

# Today's Presenter

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Executive Officer  
of Financial & Accounting Group



**Results for the 3rd Quarter of FY2024**

**Forecast for FY2024**

# Results for the 3rd Quarter of FY2024

## (i) Overview of business results for the 3rd Quarter of FY2024



(Millions of yen)

### Consolidated results for 3Q of FY2024

✓ **IT consulting business saw steady progress in large-scale projects; BI business also performed well at each company. Overall consolidated sales and profit increased.**

Net Sales	51,916	( +17.4% )
Operating Profit	11,599	( +11.7% )
Ordinary Profit	11,670	( +9.9% )
Net Income	8,006	( +12.5% )

### IT Consulting & Services

✓ **Sales increased due to the consolidation of Revamp from Q2. Profit increase due to steady performance of large PJs**

Net Sales	45,113	( +18.5% )
Operating Profit	11,332	( +6.6% )

### Business Innovation

✓ **Sales and profit increased due to steady sales at Curiosity, Neuro, Livlitz, etc. YOCA remained unchanged from the same period of the previous year**

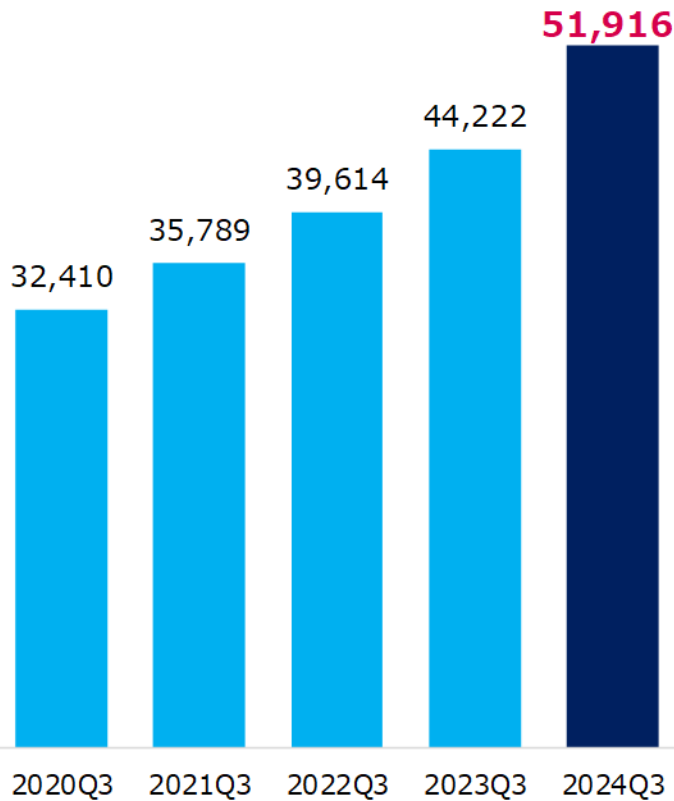
Net Sales	6,833	( +12.7% )
Operating Profit	364	( 3Q of FY2023 : -323 Mil.yen )

## (ii) Changes in Net Sales, Operating profit and EBITDA (Over 5 Fiscal Years)

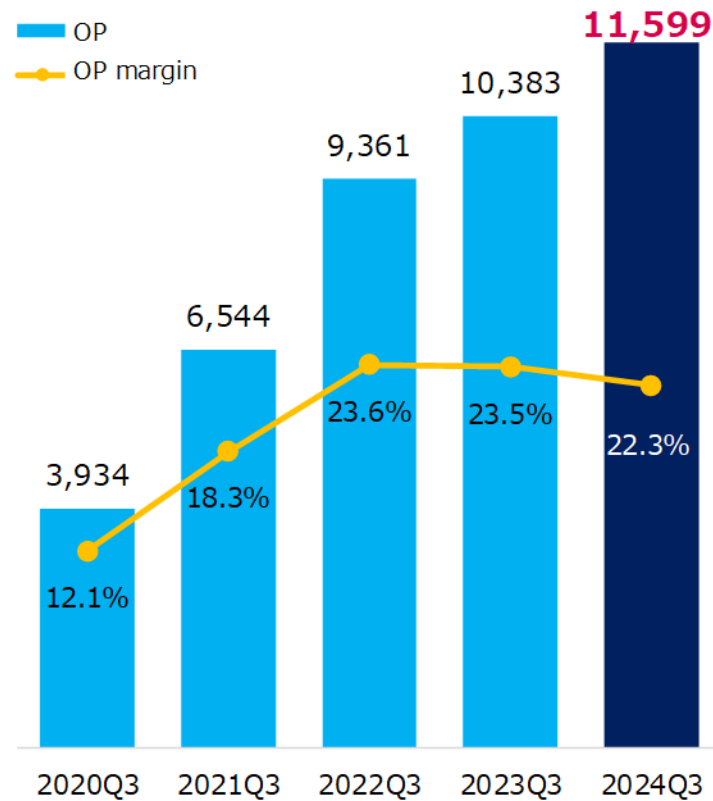
- ✓ IT consulting business recorded license fees related to "Next Generation Banking System. Other large-scale projects also performed well.
- ✓ Revamp's earnings started to be included from the second quarter; BI business increased sales and profit, at Curiosity, Neilo, and Livlitz

(Millions of yen)

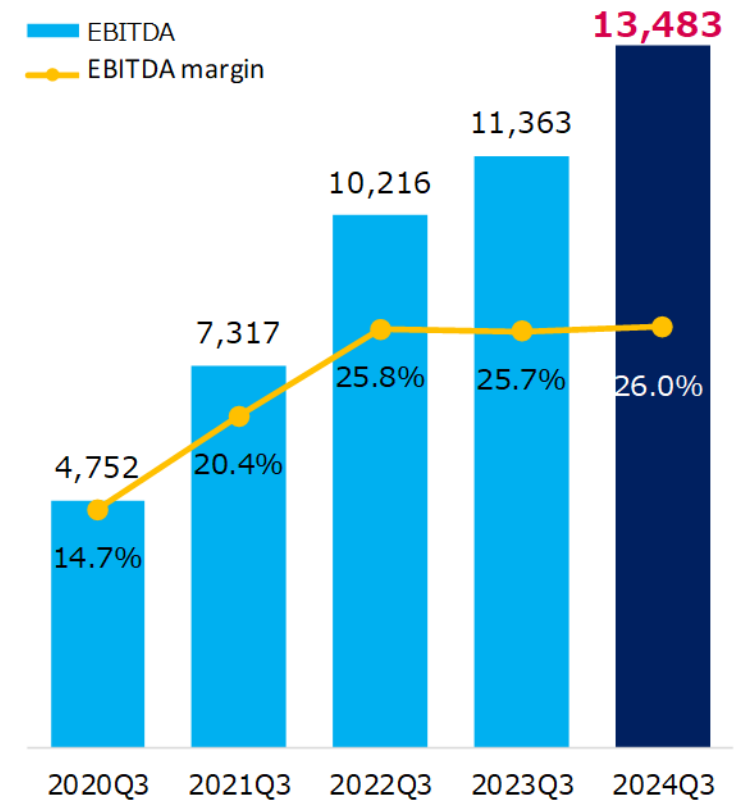
### Net sales



### Operating Profit



### EBITDA



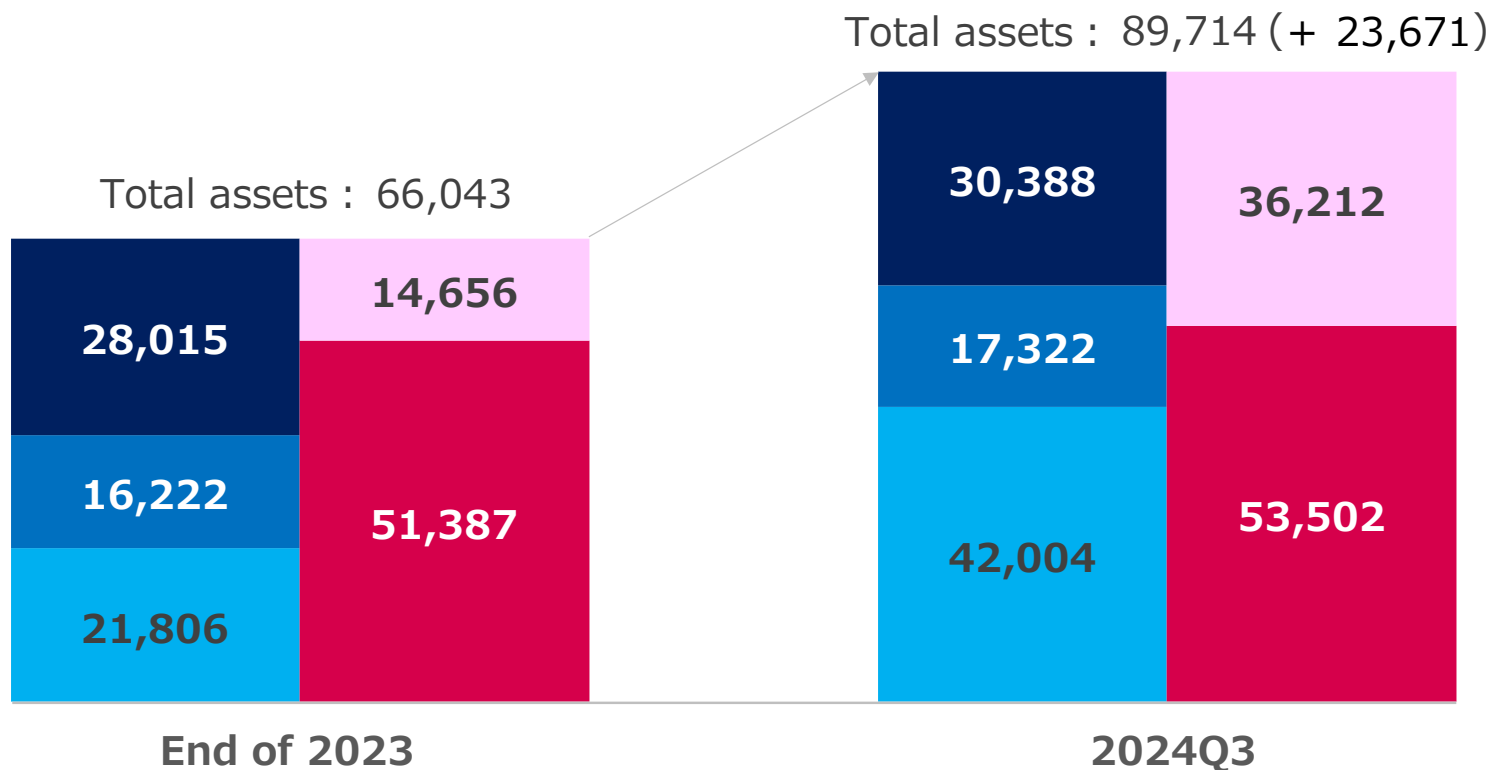
### (iii) Consolidated Balance Sheet

✓ The acquisition of Revamp resulted in the recording of customer-related assets (10.7 billion yen) and goodwill (10.8 billion yen) (amortization began in Q2)(\*). In addition, total assets increased by 23.6 billion yen from the end of the previous period due to the consolidation of Revamp. Borrowed 20.0 billion yen to fund the acquisition of Revamp shares. Repayment of the loan has started and the balance of the loan at the end of the quarter was 18.5 billion yen.

### Balance Sheet

(Millions of yen)

- Cash and equivalents
- Current assets
- Fixed assets
- Liabilities
- Net assets



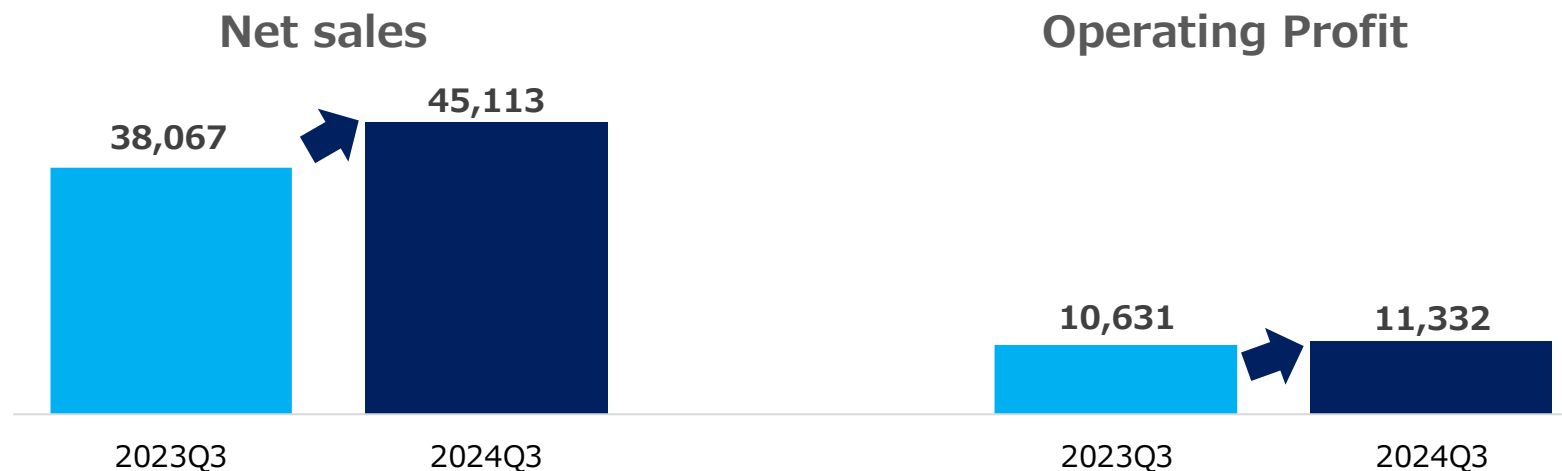
Major Changes	
<b>Cash and deposits</b>	<b>+ 2,373</b>
<b>Current assets</b>	<b>+ 1,100</b>
Income taxes refund receivable	▲ 2,371
Consolidation of Revamp	+ 994
Accounts receivable mainly due to sales of licenses	+ 2,183
<b>Non-current assets</b>	<b>+ 20,198</b>
Goodwill	+ 10,815
Customer-related intangible assets	+ 10,724
Amortization of goodwill and Depreciation of Customer-related intangible assets	▲ 1,163
Investment securities	▲ 2,898
Consolidation of Revamp	+ 2,094
<b>Liabilities</b>	<b>+ 21,556</b>
Interest-bearing debt	+ 18,570
Consolidation of Revamp	+ 777
Deferred tax liabilities	+ 2,014
<b>Net assets</b>	<b>+ 2,115</b>
Profit	+ 8,006
Dividend payment	▲ 3,633
Valuation difference on available-for-sale securities	▲ 2,331

(See Appendix-(iii) for details on goodwill and intangible assets in relation to the acquisition of Revamp.

# (4) IT Consulting & Services Business Performance



(Millions of yen)



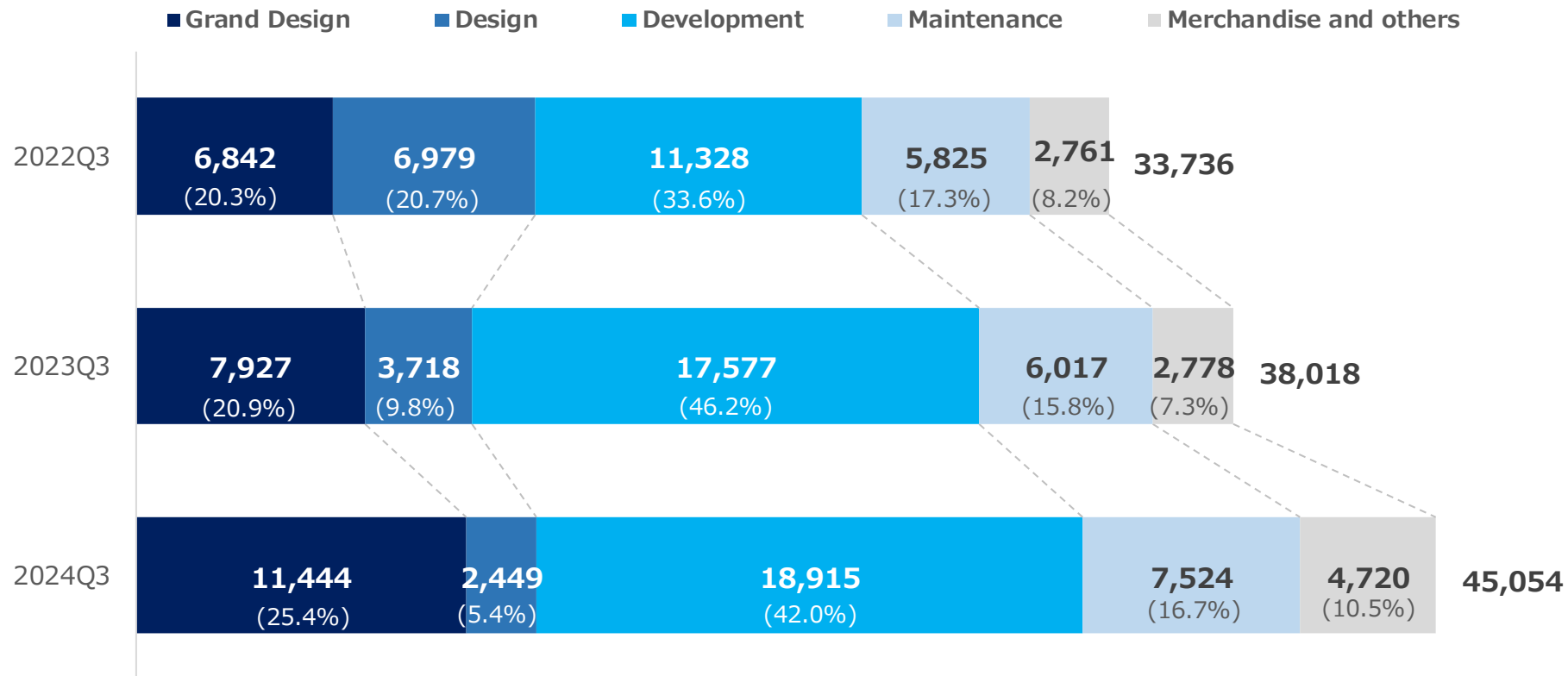
<b>Future Architect, Inc.</b> Net sales  OP	✓ The "Next Generation Banking System" started stable operation in July, and license fees related to system use were recorded in the third quarter. In addition to IP implementation projects such as "GlyphFeeds" and "FutureApparel," DX support for many customers remained strong, resulting in an increase in both sales and profit.
<b>Future Inspace, Inc.</b> Net sales  OP	✓ Development of system infrastructure renewal and cloud migration projects for existing customers remained strong, resulting in increased sales and profit
<b>FutureOne</b> Net sales  OP	✓ Both sales and profit increased due to an increase in new orders from industry-specific sales development in the steel industry in the sales of the original "InfiniOne" software package.
<b>YDC Corporation</b> Net sales  OP	✓ Sales and profit decreased due to the peak-out of large consulting projects, higher recruiting costs, and higher amortization burden of software.
<b>dit Co.</b> Net sales  OP	✓ The Company launched a new security consulting service in the medical field and received orders for projects from key hospitals in the region, but product sales orders did not recover, resulting in lower sales and profit.
<b>Revamp Corporation</b> Net sales  OP	✓ Newly consolidated from Q2. DX business is progressing as planned.



## (v) Breakdown of sales by phase (IT Consulting & Services)

- ✓ Development sales growth due to completion or ongoing development phases of various large projects.
- ✓ The impact of Revamp's consolidation is mainly an increase of approx. 3.5 billion yen in grand design, approx. 0.5 billion yen in maintenance and operations, and approx. 0.2 billion yen in others.

(Millions of yen)

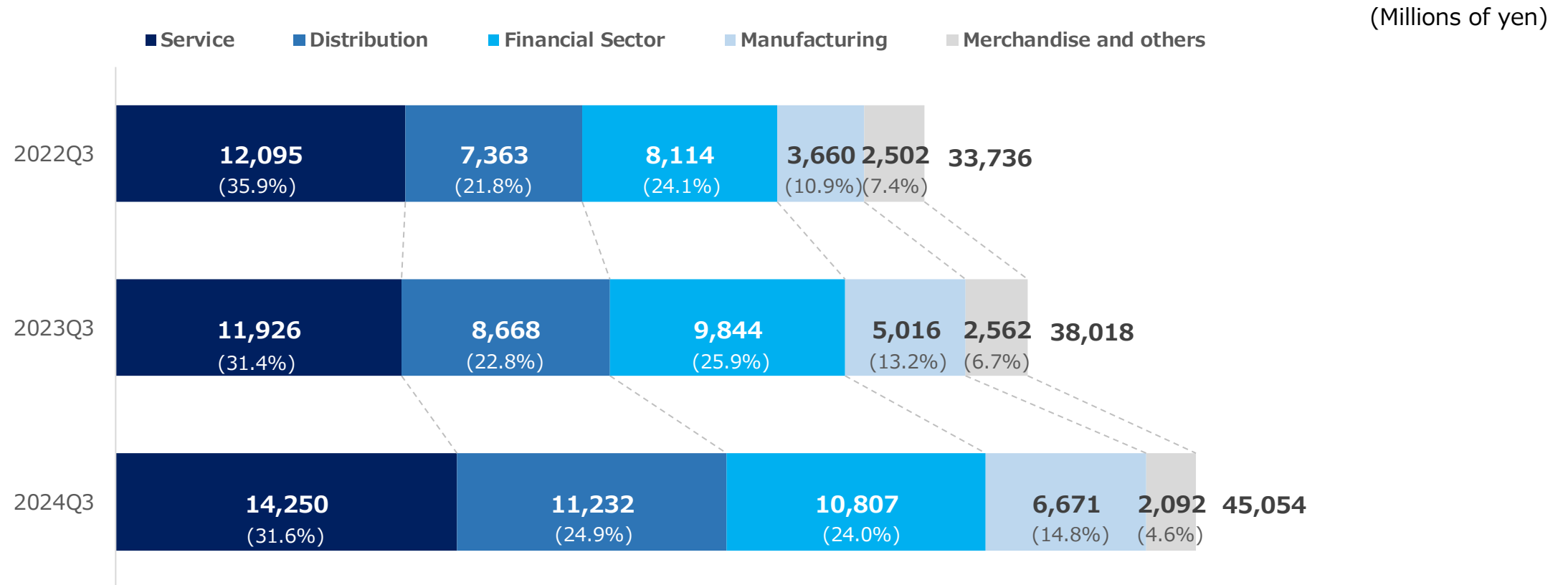


(Note 1) The figures of sales represent sales to external customers in the IT Consulting & Services.

(Note 2) "Merchandise and others" includes the selection, procurement and sales of relevant IT equipments, and the sales of licenses.

## (vi) Breakdown of sales by industry (IT Consulting & Services)

- ✓ Sales in finance and distribution increased due to next-generation banking systems and a large-scale project for a food wholesaler.
- ✓ The impact of Revamp's consolidation is an increase of approximately 1.6 billion yen in services, 1.5 billion yen in distribution, and 1.0 billion yen in manufacturing.

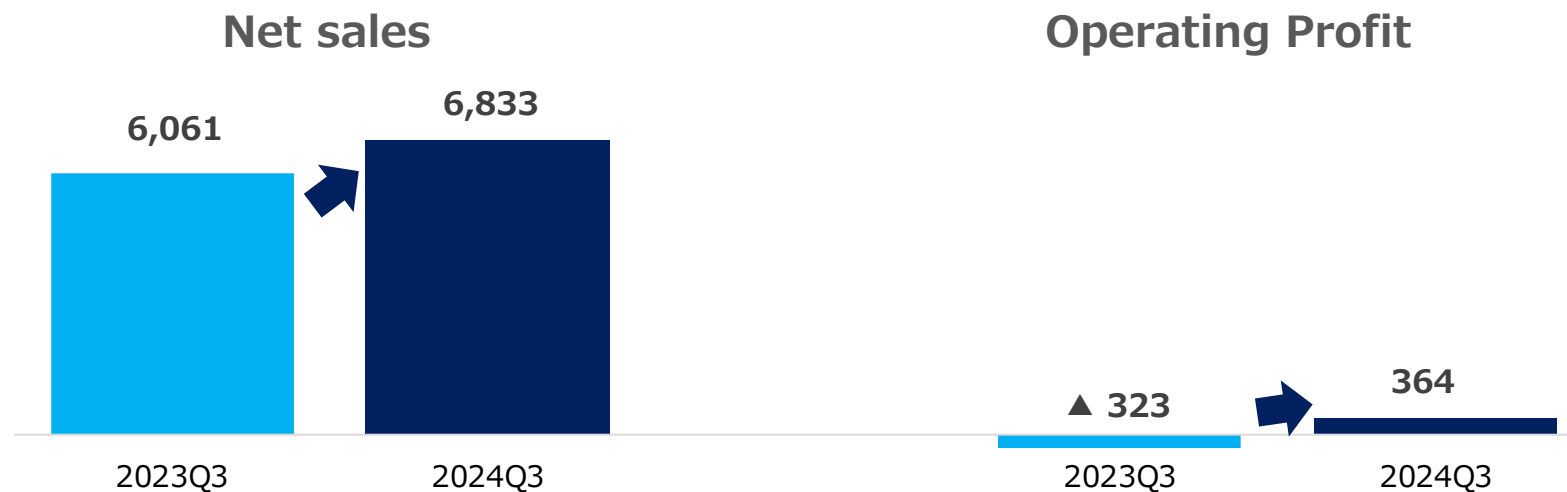










(Note 1) The figures of sales represent sales to external customers in the IT Consulting & Services.

(Note 2) "Merchandise and others" includes the selection, procurement and sales of relevant IT equipment and the sales to government and local public agencies.

## (vii) Performance by subsidiary : Business Innovation

(Millions of yen)

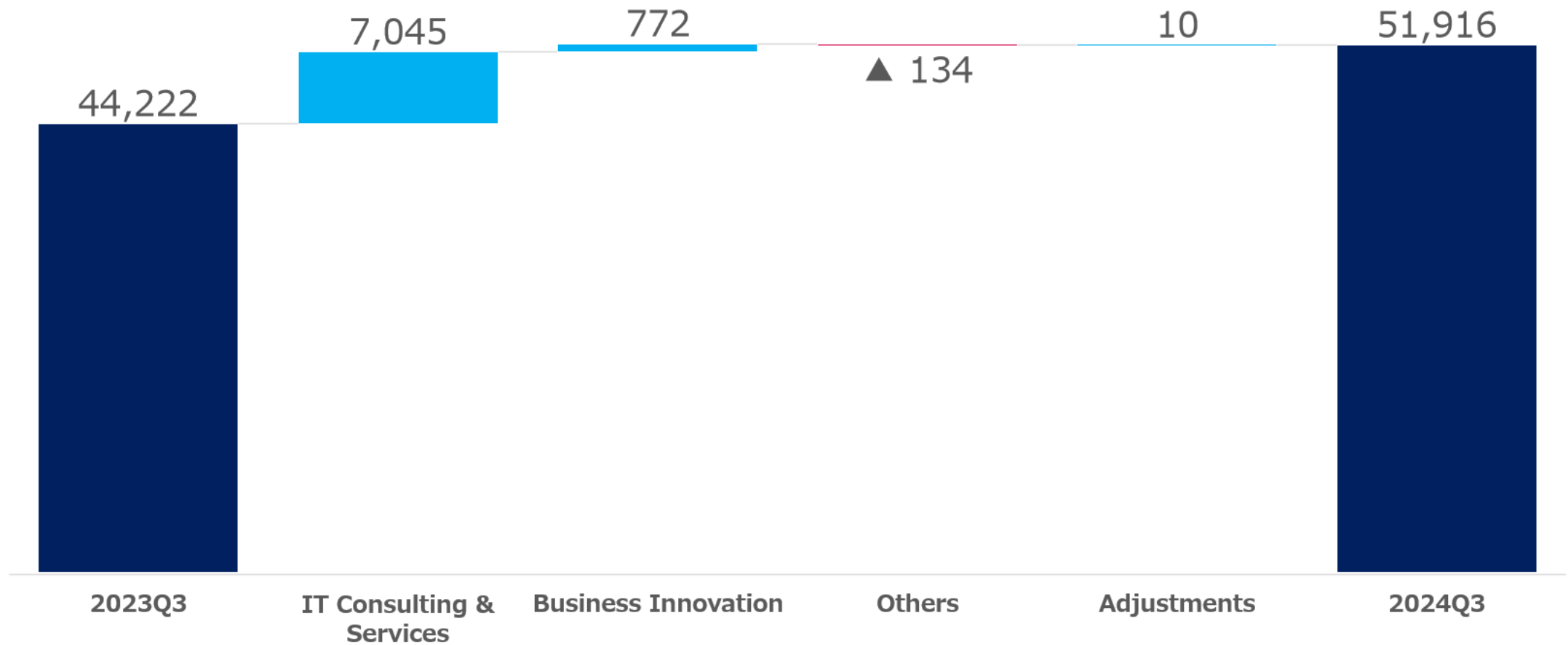


<b>YOCABITO</b> Net sales  OP 	✓ Although sales of high-margin products increased due to measures to promote purchasing, product listing, and e-commerce sales in a single integrated manner and reduction of distribution costs, sales decreased and operating loss amount remained unchanged due to continued severe competition in the outdoor and apparel markets and increased sales promotion expenses, etc. associated with liquidation of unprofitable products.
<b>Tokyo Calendar Inc.</b> Net sales  OP 	✓ Both sales and profit increased due to steady growth in advertising sales in the Content business and online service revenues from "TO CARRE DATE" and other services.
<b>LaiBlitz Inc.</b> Net sales  OP 	✓ Increase in sales and profit due to the introduction of "Future Fastball," a team strengthening system for sports teams, as well as orders for additional functions for several existing customers and a support project for a rugby team in the marketing business
<b>CURIOSITY inc.</b> Net sales  OP 	✓ Both sales and profit remained strong, backed by steady progress in several large-scale store designs for overseas luxury brands. Consolidated from the second quarter of the previous fiscal year, with full-year contribution from the current fiscal year.

## (iv) Analysis of consolidated net sales increase/decrease



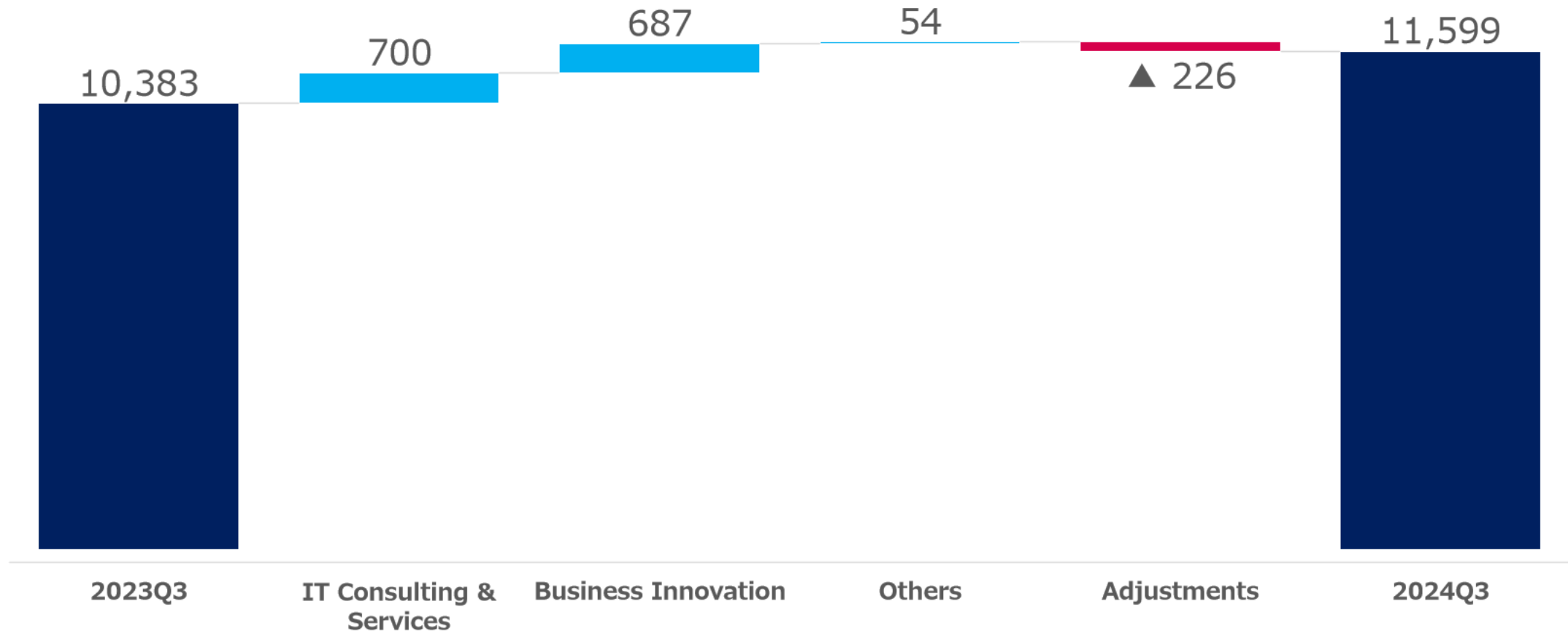
(Millions of yen)



# (iv) Analysis of consolidated OP increase/decrease



(Millions of yen)



# Forecast for FY2024

## (i) Forecast for FY2024

- ✓ Progress of profits against the plan is about 80% as of Q3 due to the recording of license fees for the next-generation banking system, etc.
- ✓ Full-year landings are expected to settle in at planned figures.

(Millions of yen)

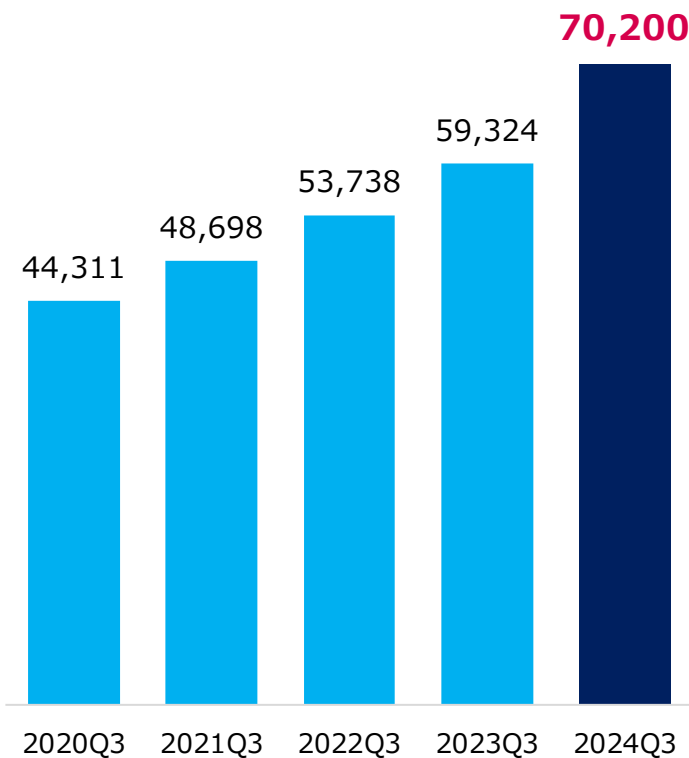
	FY2024	FY2024	Rate of Progress	FY2023
	Full-year Forecast	Q3 Results	(vs. Full-year forecast)	Q3 Results
<b>Net Sales</b>	<b>70,200</b>	51,916	74.0%	44,222
<b>Operating Profit</b> (OP margin)	<b>14,650</b> (20.9%)	11,599 (22.3%)	79.2%	10,383 (23.5%)
<b>Profit attributable to owners of parent</b> (Net income margin)	<b>9,900</b> (14.1%)	8,006 (15.4%)	80.9%	7,119 (16.1%)

## (ii) Changes in Net Sales, Operating profit and EBITDA Forecasts for FY2024

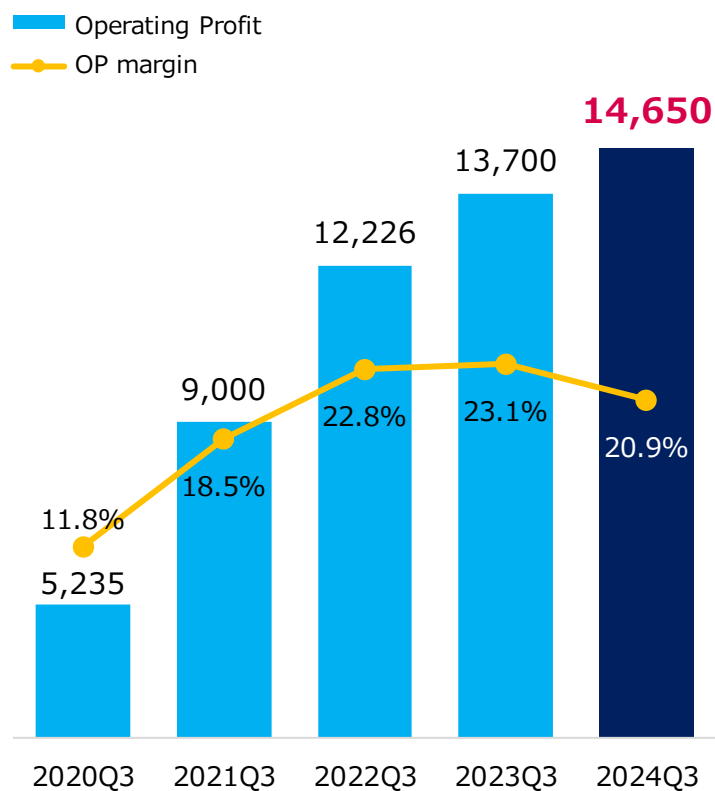


(Millions of yen)

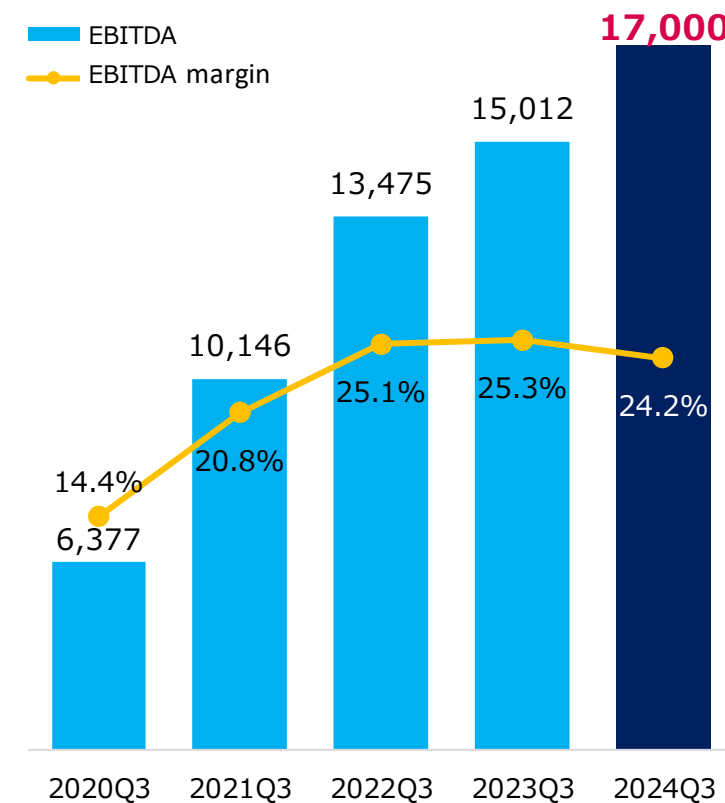
### Net sales



### Operating Profit



### EBITDA

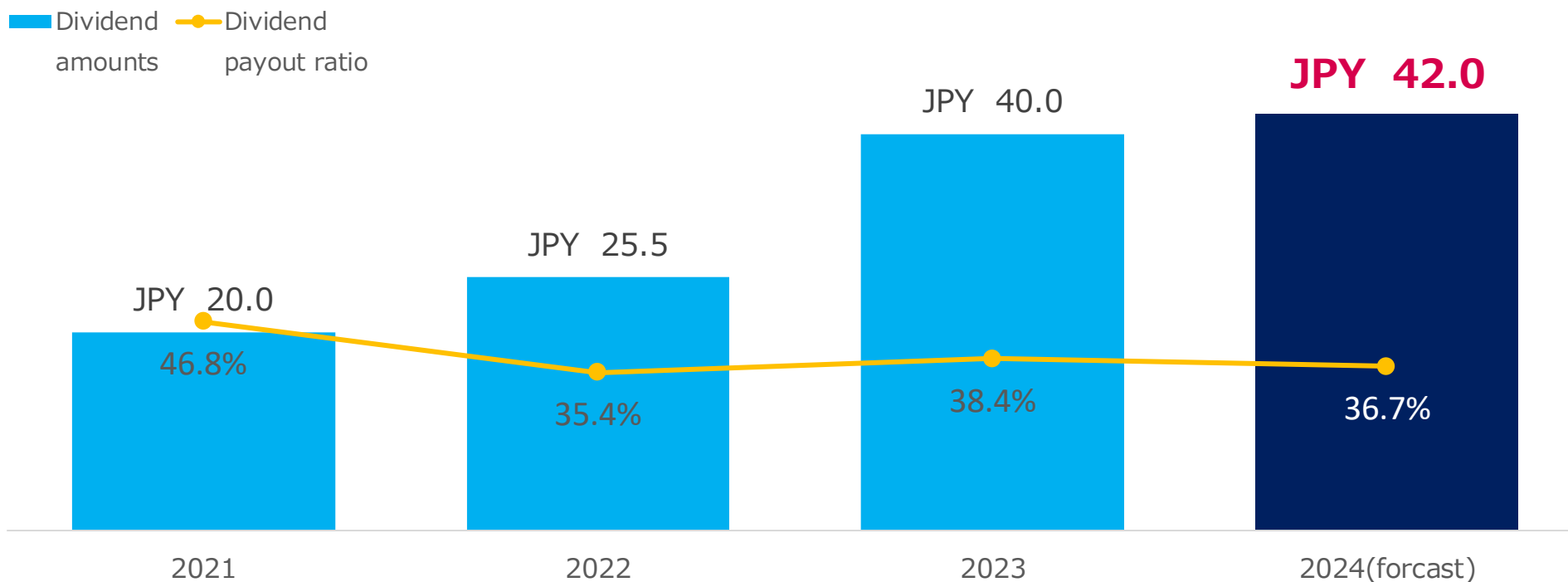




### (iii) Dividends

✓ Interim dividend (21 yen per share) was paid in September. The year-end dividend of 21 yen per share and the full-year dividend of 42 yen per share remain unchanged from the plan at the beginning of the fiscal year.

### Annual dividends per share (\*)



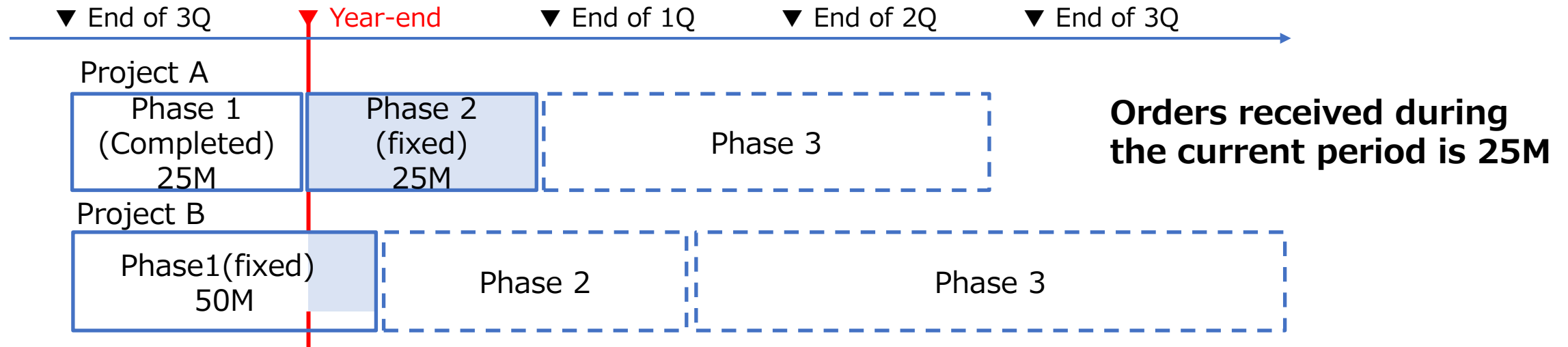
(\*) The two-for-one stock split was implemented on Jan 1, 2022. The amounts of dividend before 2021 are adjusted taking into account the effect of such stock split. The amounts of dividend before 2021 are adjusted taking into account the effect of such stock split.

# Appendix

# Appendix-①-1 Approach to Order Backlog (IT Consulting & Services Business)



(1) For risk management purposes, orders for long-term projects are treated as received once contracts are signed.



(2) Of the received orders, the amount excluded from sales on a percentage of completion basis is aggregated as order backlog.

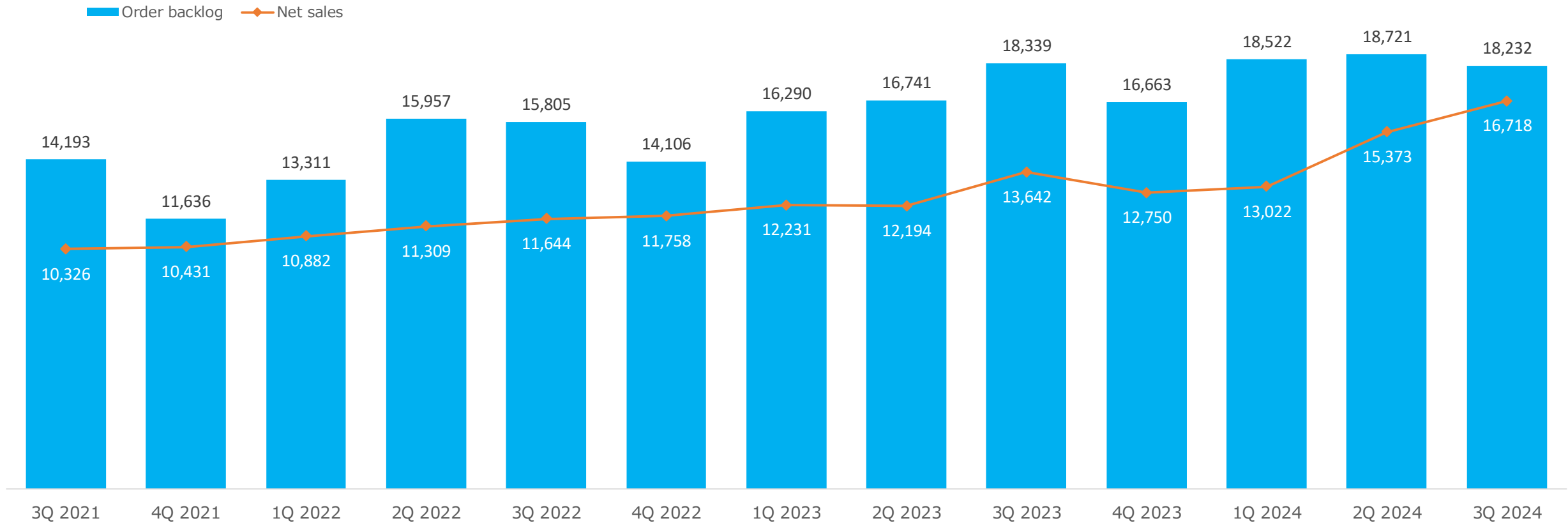
$$\text{Order backlog of the current period} = \text{Order backlog from the previous period} + \text{Orders received during the current period} - \text{Sales}$$

# Appendix-①-2 Relationship between order backlog and net sales

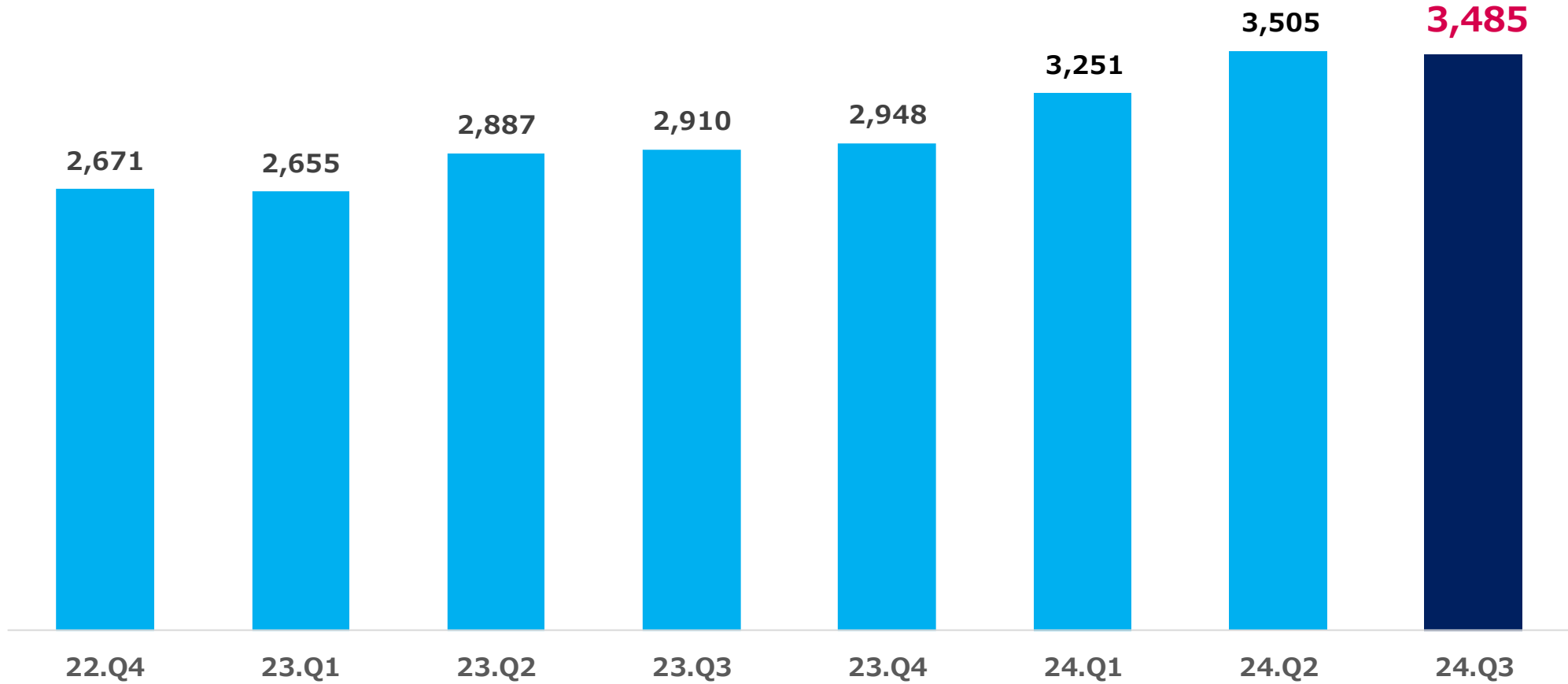


IT Consulting & Services Business Order backlog and sales trends(Quarterly)

(Millions of yen)



# Appendix-② Quarterly changes in number of employees (Consolidated Basis)



# Appendix-③ Purchase price Allocation of intangible assets and goodwill regarding the acquisition of Revamp

- ✓ The purchase price allocation with respect to the acquisition of Revamp is decided as shown in the chart below.
- ✓ JPY10.7 billion is allocated to customer-related assets which are regarded as identifiable, and the remaining JPY10.8 billion is recognized as goodwill.

## Summary of Purchase Price Allocation

(Millions of yen)

Assets	Amounts	Years of amortization	Amortization amounts		
			FY2024 *	FY2025	FY2026
Customer related assets (Customer lists)	10,325	17	456	607	607
Customer related assets (order backlog)	399	1	299	100	—
Goodwill	10,815	15	541	721	721
<b>Total</b>	<b>21,539</b>		<b>1,296</b>	<b>1,428</b>	<b>1,328</b>

\*For 9 months



# FUTURE

Financial results, supplementary materials, presentation materials and other IR materials are available on our website.  
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