

Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 5, 2022

Listed company: FUKUICOMPUTER HOLDINGS, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9790
 URL: <https://www.fukuicompu.co.jp/>
 Representative: Koichi Sato, Representative Director and President
 Contact: Akira Hashimoto, Managing Director and General Manager of Corporate Management Division
 Phone: +81-776-53-9200
 Scheduled date of filing quarterly securities report: August 8, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary explanatory materials on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(1) Consolidated Operating Results (Cumulative)

(% indicates changes from the previous ©corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	3,165	(0.7)	1,108	(14.9)	1,126	(14.0)	759	(13.0)
June 30, 2021	3,187	14.1	1,302	41.4	1,310	39.9	873	37.7

(Note) Comprehensive income: Three Months Ended June 30, 2022: 741 million yen [(14.5)%]
 Three Months Ended June 30, 2021: 867 million yen [24.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	36.75	—
June 30, 2021	42.25	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2022	23,722	18,465	77.8
As of March 31, 2022	24,593	18,963	77.1

(Reference) Shareholders' equity: As of June 30, 2022: 18,465 million yen
 As of March 31, 2022: 18,963 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	0.00	—	60.00	60.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (forecast)		0.00	—	60.00	60.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (Cumulative)	7,400	10.2	3,400	12.9	3,420	12.8	2,258	11.9	109.21
Full year	14,580	1.7	6,400	1.3	6,440	1.3	4,240	0.4	205.08

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: – (Company name:)
Excluded: – (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement
1) Changes in accounting policies in accordance with changes in accounting standards, etc.: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Total number of issued and outstanding shares (ordinary shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

As of June 30, 2022: 20,700,000 shares
As of March 31, 2022: 20,700,000 shares

2) Total number of treasury shares at the end of the period:

As of June 30, 2022: 24,719 shares
As of March 31, 2022: 24,719 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 20,675,281 shares
Three months ended June 30, 2021: 20,675,322 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The performance outlook and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable, and actual results may differ significantly from the forecasts due to various factors.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	2
2. Quarterly Consolidated Financial Statements and Principal Notes	3
(1) Quarterly Consolidated Balance Sheets	3
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	5
Quarterly Consolidated Statements of Income	
Three Months Ended June 30	5
Quarterly Consolidated Statements of Comprehensive Income	
Three Months Ended June 30	6
(3) Notes to Quarterly Consolidated Financial Statements	7
(Notes on going concern assumptions)	7
(Notes on significant changes in shareholders' equity)	7
(Changes in accounting policies)	7
(Additional information)	7
(Segment information)	8

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

For the three months ended June 30, 2022, the Group (the Company and its consolidated subsidiaries) posted net sales of 3,165 million yen (a 0.7% decrease year-on-year), operating profit of 1,108 million yen (a 14.9% decrease year-on-year), ordinary profit of 1,126 million yen (a 14.0% decrease year-on-year), and profit attributable to the owners of parent of 759 million yen (a 13.0% decrease year-on-year).

Status by segment is as follows.

1) Architecture System Business

In the architecture system business, net sales were 1,422 million yen (a 1.8% decrease year-on-year) and operating profit was 467 million yen (a 4.0% decrease year-on-year), resulting in decreases both in sales and in profit. During the three months ended June 30, 2022, in the building materials business, the number of corporate customers remained steady and the stock business grew, while in the housing business, which is the main business in the segment, the adoption rate declined due to the addition of the digitalization base introduction category limit of IT introduction subsidies, resulting in sluggish product sales and a year-on-year decline in revenues.

2) Surveying/Civil Engineering System Business

In the surveying/civil engineering system business, net sales were 1,698 million yen (a 0.9% increase year-on-year), and operating profit was 774 million yen (a 1.8% decrease year-on-year). The surveying/civil engineering system business was also affected by a decline in the adoption rate due to the addition of the digitalization base introduction category limit of IT introduction subsidies, but the spread of i-Construction led to strong sales in the construction infrastructure business, whose main product is point cloud processing software, and contributed to sales growth.

In addition, an increase in travel and exhibition expenses due to the gradual resumption of sales activities, which had been restricted due to the impact of the COVID-19 infection, led to an increase in sales and a decrease in profit.

3) IT Solutions Business

In the IT solutions business, net sales were 44 million yen (a 21.3% decrease year-on-year), and operating loss was 25 million yen (operating profit of 1 million yen for the corresponding period in the previous fiscal year), resulting in decreases in both sales and in profit year-on-year. During the three months ended June 30, 2022, revenue decreased mainly due to a year-on-year decline in the number of projects in the election-related business results. In the construction-related cloud business, performance remained flat.

(2) Explanation of Financial Position

Total assets as of the end of the first quarter of the fiscal year under review were 23,722 million yen, a decrease of 871 million yen from the end of the previous fiscal year. This was primarily due to decreases in cash and deposits and accounts receivable - trade and deferred tax assets and an increase in accounts receivable - other.

Total liabilities decreased by 372 million yen compared with the end of the previous fiscal year to 5,257 million yen. This was primarily due to an increase in deposits received and decreases in income taxes payable and the provision for bonuses.

Net assets decreased by 498 million yen compared with the end of the previous fiscal year to 18,465 million yen. As a result, shareholders' equity ratio stood at 77.8%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The consolidated financial results forecast remains unchanged from the cumulative second quarter forecast and the full year forecast, both of which were disclosed in the Consolidated Financial Results dated May 13, 2022.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	17,027	15,756
Notes receivable - trade	447	452
Accounts receivable - trade	1,529	1,310
Merchandise and finished goods	46	40
Work in process	4	15
Raw materials and supplies	5	4
Other	730	1,642
Allowance for doubtful accounts	(3)	(1)
Total current assets	19,787	19,219
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,127	1,111
Land	1,153	1,153
Other, net	111	86
Total property, plant and equipment	2,392	2,350
Intangible assets	228	241
Investments and other assets		
Investment securities	1,350	1,326
Deferred tax assets	508	257
Other	330	330
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	2,184	1,910
Total non-current assets	4,805	4,502
Total assets	24,593	23,722

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	61	47
Income taxes payable	1,366	151
Advances received	2,273	2,463
Provision for bonuses	759	281
Provision for bonuses for directors (and other officers)	46	16
Other	981	2,191
Total current liabilities	5,489	5,152
Non-current liabilities		
Deferred tax liabilities	140	104
Total non-current liabilities	140	104
Total liabilities	5,629	5,257
Net assets		
Shareholders' equity		
Share capital	1,631	1,631
Capital surplus	1,500	1,500
Retained earnings	15,406	14,926
Treasury shares	(59)	(59)
Total shareholders' equity	18,478	17,998
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	484	466
Total accumulated other comprehensive income	484	466
Total net assets	18,963	18,465
Total liabilities and net assets	24,593	23,722

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales	3,187	3,165
Cost of sales	675	681
Gross profit	2,512	2,483
Selling, general and administrative expenses	1,209	1,375
Operating profit	1,302	1,108
Non-operating income		
Dividend income	8	15
Insurance claim income	-	0
Commission income	1	1
Other	1	0
Total non-operating income	12	17
Non-operating expenses		
Loss on valuation of investment securities	5	-
Total non-operating expenses	5	-
Ordinary profit	1,310	1,126
Profit before income taxes	1,310	1,126
Income taxes - current	305	144
Income taxes - deferred	131	221
Total income taxes	436	366
Profit	873	759
Profit attributable to owners of parent	873	759

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Profit	873	759
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	(17)
Total other comprehensive income	(5)	(17)
Comprehensive income	867	741
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	867	741
Comprehensive income attributable to non- controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Guidance") from the beginning of the first quarter of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in Paragraph 27-2 of the Fair Value Measurement Guidance. The application of these standards has no impact on quarterly consolidated financial statements.

(Additional information)

There is no significant change to the accounting estimates in association with the spread of COVID-19 stated in (Additional information) on the Annual Securities Report for the previous fiscal year.

(Segment information)

[Segment information]

I. For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment				Adjustments *1	Amount recorded in Quarterly Consolidated Statements of Income *2
	Architecture System Business	Surveying/Civil Engineering System Business	IT Solutions Business	Total		
Net sales						
Sales to external customers	1,449	1,682	56	3,187	—	3,187
Intersegment sales or transfers	—	—	—	—	—	—
Total	1,449	1,682	56	3,187	—	3,187
Segment profit	487	788	1	1,277	25	1,302

(Notes)

1. The adjustment of 25 million yen to segment profit is management fees and other fees received from group companies and expenses related to group management.
2. Segment profit is adjusted to align with the operating profit in the quarterly consolidated statements of income.

II. For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment				Adjustments *1	Amount recorded in Quarterly Consolidated Statements of Income *2
	Architecture System Business	Surveying/Civil Engineering System Business	IT Solutions Business	Total		
Net sales						
Sales to external customers	1,422	1,698	44	3,165	—	3,165
Intersegment sales or transfers	—	—	—	—	—	—
Total	1,422	1,698	44	3,165	—	3,165
Segment profit (loss)	467	774	(25)	1,216	(107)	1,108

(Notes)

1. The adjustment of negative 107 million yen to segment profit (loss) is management fees and other fees received from group companies and expenses related to group management.
2. Segment profit (loss) is adjusted to align with the operating profit in the quarterly consolidated statements of income.