



August 8, 2022

**Summary of Consolidated Financial Results**  
**for the First Quarter of Fiscal Year Ending March 31, 2023 (FY2022)**  
**(Three Months Ended June 30, 2022)**

[Japanese GAAP]

Company name: ZUKEN Inc. Listing: Tokyo Stock Exchange  
 Stock code: 6947 URL: <https://www.zuken.co.jp>  
 Representative: Jinya Katsube, President and Representative Director  
 Contact: Susumu Yoshida, General Manager of Finance Department Tel: +81-45-942-1511  
 Scheduled date of filing of Quarterly Report: August 10, 2022  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: None  
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the First Quarter Ended June 30, 2022 (April 1, 2022 – June 30, 2022)**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
Jun. 30, 2022	7,703	9.8	856	50.3	994	49.5	679	58.1
Jun. 30, 2021	7,014	18.3	569	396.9	665	286.1	429	369.3

Note: Comprehensive income (Millions of yen) Three months ended Jun. 30, 2022: 752 (down 40.2%)  
 Three months ended Jun. 30, 2021: 1,258 (up 54.1%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended				
Jun. 30, 2022	29.21		-	
Jun. 30, 2021	18.47		-	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2022	58,548	38,865	65.7
As of Mar. 31, 2022	59,105	38,616	64.7

Reference: Shareholders' equity (Millions of yen) As of Jun. 30, 2022: 38,474 As of Mar. 31, 2022: 38,238

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	-	16.00	-	21.00	37.00
Fiscal year ending Mar. 31, 2023	-				
Fiscal year ending Mar. 31, 2023 (forecast)		20.00	-	20.00	40.00

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

The year-end dividend for the fiscal year ended March 31, 2022 includes a special dividend of 5 yen.

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

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	33,500	6.3	4,100	5.0	4,300	2.9	3,050	1.6	131.19

Note: Revisions to the most recently announced consolidated forecast: None

Only the full-year forecast is shown because Zuken manages performance on a fiscal year basis.

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

(a) Changes in accounting policies due to revisions in accounting standards, others: None

(b) Changes in accounting policies other than (a) above: None

(c) Changes in accounting-based estimates: None

(d) Restatements: None

(4) Number of outstanding shares (common stock)

(a) Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2022:	23,267,169 shares	As of Mar. 31, 2022:	23,267,169 shares
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(b) Number of treasury shares at the end of the period

As of Jun. 30, 2022:	18,471 shares	As of Mar. 31, 2022:	18,471 shares
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(c) Average number of shares outstanding during the period

Three months ended Jun. 30, 2022:	23,248,698 shares	Three months ended Jun. 30, 2021:	23,249,085 shares
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\* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

\* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumption judged to be valid and information available to the Company's management at the time this report was prepared, but are not promises by the Company regarding future performance. Actual results may differ substantially from the forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 2 for forecast assumptions and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first quarter, even though the economy continued to recover gradually as the restrictions on economic activities due to COVID-19 have been eased, the outlook remains uncertain due to Russia's prolonged invasion of Ukraine and other factors. Manufacturers in the electronics, automotive and industrial equipment sectors are the main customers of the Zuken Group, and many companies in these sectors continued to make substantial IT investments and overall capital expenditures have become stronger.

Net sales in the first quarter increased to 7,703 million yen, 9.8% higher than one year earlier and a new record high for the first quarter of a fiscal year just as in the previous fiscal year. Sales of the "CR-8000," our core electronic system design solution series and the "E3.series," a wire harness design system, were particularly strong as economic activity in the U. S. and Europe began returning to normal.

Earnings were higher because of the increase in sales and a new record high. Ordinary profit was up 49.5% to 994 million yen and profit attributable to owners of the parent was up 58.1% to 679 million yen.

### (2) Explanation of Financial Position

Total assets at the end of the first quarter of the current fiscal year decreased 557 million yen from the end of the previous fiscal year to 58,548 million yen.

Current assets decreased 329 million yen. The main factors include a decrease of 1,211 million yen in notes and accounts receivable-trade and an increase of 780 million yen in other current assets due to an increase in prepaid expenses. Non-current assets decreased 228 million yen. The main factors include a decrease of 225 million yen in investments and other assets primarily due to a decrease in investment securities.

Total liabilities decreased 807 million yen from the end of the previous fiscal year to 19,682 million yen. Current liabilities decreased 850 million yen. There were decreases of 2,468 million yen in income taxes payable and 417 million yen in provision for bonuses, and an increase of 1,924 million yen in advances received. Non-current liabilities increased 43 million yen mainly due to an increase in retirement benefit liability.

Net assets increased 249 million yen from the end of the previous fiscal year to 38,865 million yen, and the shareholders' equity ratio was 65.7%.

### (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

We currently maintain the consolidated forecast for the fiscal year ending March 31, 2023 that was released on May 9, 2022. Many of the Zuken Group's customers use a fiscal year that ends in March. As a result, a large percentage of the deliveries and final acceptances of our products occur in March each year. Consequently, sales and profits tend to be disproportionately concentrated in the fourth quarter in each fiscal year.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY2021	First quarter of FY2022
	(As of Mar. 31, 2022)	(As of Jun. 30, 2022)
Assets		
Current assets		
Cash and deposits	27,191,189	27,139,992
Notes and accounts receivable-trade	6,030,420	4,819,219
Securities	6,700,000	6,700,000
Merchandise and finished goods	683,085	710,485
Work in process	103,141	233,832
Raw materials and supplies	1,700	1,363
Other	4,579,181	5,359,520
Allowance for doubtful accounts	(29,361)	(34,437)
Total current assets	45,259,357	44,929,975
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,705,363	2,667,791
Land	3,015,103	3,015,103
Other, net	485,936	510,061
Total property, plant and equipment	6,206,402	6,192,956
Intangible assets		
Goodwill	184,948	180,961
Other	743,981	759,322
Total intangible assets	928,929	940,284
Investments and other assets	6,711,198	6,485,287
Total non-current assets	13,846,530	13,618,527
Total assets	59,105,887	58,548,502

	(Thousands of yen)	
	FY2021 (As of Mar. 31, 2022)	First quarter of FY2022 (As of Jun. 30, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	1,140,865	940,839
Income taxes payable	2,606,634	137,749
Advances received	9,361,007	11,285,840
Provision for bonuses	1,023,881	606,510
Other provisions	123,170	31,871
Other	2,227,089	2,628,860
Total current liabilities	16,482,648	15,631,673
Non-current liabilities		
Retirement benefit liability	3,803,764	3,841,802
Other	203,324	209,143
Total non-current liabilities	4,007,088	4,050,946
Total liabilities	20,489,736	19,682,619
Net assets		
Shareholders' equity		
Share capital	10,117,065	10,117,065
Capital surplus	8,662,477	8,662,477
Retained earnings	17,852,882	18,043,755
Treasury shares	(19,279)	(19,279)
Total shareholders' equity	36,613,144	36,804,017
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,463,414	1,367,832
Foreign currency translation adjustment	153,932	299,908
Remeasurements of defined benefit plans	8,050	2,907
Total accumulated other comprehensive income	1,625,397	1,670,648
Non-controlling interests	377,608	391,216
Total net assets	38,616,150	38,865,883
Total liabilities and net assets	59,105,887	58,548,502

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY2021 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY2022 (Apr. 1, 2022 – Jun. 30, 2022)
Net sales	7,014,839	7,703,896
Cost of sales	2,119,893	2,289,820
Gross profit	4,894,945	5,414,075
Selling, general and administrative expenses	4,325,285	4,557,881
Operating profit	569,659	856,194
Non-operating income		
Interest income	2,009	3,536
Dividend income	68,467	21,278
Share of profit of entities accounted for using equity method	-	70,885
Subsidy income	22,814	44,816
Other	11,502	9,511
Total non-operating income	104,793	150,027
Non-operating expenses		
Interest expenses	526	642
Foreign exchange losses	8,049	10,443
Other	390	456
Total non-operating expenses	8,966	11,542
Ordinary profit	665,486	994,679
Extraordinary income		
Gain on sale of non-current assets	-	1,918
Total extraordinary income	-	1,918
Extraordinary losses		
Loss on disposal of non-current assets	-	543
Total extraordinary losses	-	543
Profit before income taxes	665,486	996,055
Income taxes-current	102,856	124,422
Income taxes-deferred	138,809	164,356
Total income taxes	241,665	288,779
Profit	423,820	707,276
Profit (loss) attributable to non-controlling interests	(5,676)	28,180
Profit attributable to owners of parent	429,496	679,095

**Quarterly Consolidated Statement of Comprehensive Income****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY2021 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY2022 (Apr. 1, 2022 – Jun. 30, 2022)
Profit	423,820	707,276
Other comprehensive income		
Valuation difference on available-for-sale securities	653,622	(95,767)
Foreign currency translation adjustment	119,317	145,976
Remeasurements of defined benefit plans, net of tax	61,306	(5,143)
Share of other comprehensive income of entities accounted for using equity method	-	185
Total other comprehensive income	834,247	45,251
Comprehensive income	1,258,067	752,527
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,263,743	724,347
Comprehensive income attributable to non-controlling interests	(5,676)	28,180



**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment Information****I. First three months of FY2021 (Apr. 1, 2021 – Jun. 30, 2021)****1. Information about reportable segment net sales and profit or loss, and breakdown of revenue**

(Thousands of yen)

	Reportable segment					Adjustment amount (Note 1)	Appropriated amount in the quarterly consolidated statement of income (Note 2)
	Japan	Europe	Americas	Asia	Total		
Net sales							
Solutions	2,778,709	638,147	276,329	161,401	3,854,588	-	3,854,588
Client services	2,082,543	645,571	242,241	189,893	3,160,250	-	3,160,250
Sales to third parties	4,861,253	1,283,719	518,571	351,295	7,014,839	-	7,014,839
Intersegment sales or transfers	340,916	227,639	14,768	27,788	611,113	(611,113)	-
Total	5,202,170	1,511,359	533,339	379,083	7,625,952	(611,113)	7,014,839
Segment profit (loss)	475,991	(34,149)	24,772	109,038	575,653	(5,993)	569,659

Notes: 1. Adjustment amount in segment profit (loss) includes amount of -5,993 thousand yen eliminated for intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

**II. First three months of FY2022 (Apr. 1, 2022 – Jun. 30, 2022)****1. Information about reportable segment net sales and profit or loss, and breakdown of revenue**

(Thousands of yen)

	Reportable segment					Adjustment amount (Note 1)	Appropriated amount in the quarterly consolidated statement of income (Note 2)
	Japan	Europe	Americas	Asia	Total		
Net sales							
Solutions	2,892,453	860,486	322,581	88,421	4,163,943	-	4,163,943
Client services	2,262,914	737,122	312,395	227,520	3,539,953	-	3,539,953
Sales to third parties	5,155,368	1,597,608	634,977	315,942	7,703,896	-	7,703,896
Intersegment sales or transfers	297,886	255,539	19,268	22,010	594,704	(594,704)	-
Total	5,453,254	1,853,148	654,245	337,953	8,298,601	(594,704)	7,703,896
Segment profit	569,408	197,683	857	78,695	846,644	9,549	856,194

Notes: 1. Adjustment amount in segment profit includes amount of 9,549 thousand yen eliminated for intersegment transactions.

2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

### 3. Supplementary Information

#### (1) Sales and Orders

(a) Sales (Thousands of yen)

Segment	First three months of FY2021 (Apr. 1, 2021 – Jun. 30, 2021)		First three months of FY2022 (Apr. 1, 2022 – Jun. 30, 2022)	
	Amount	Composition (%)	Amount	Composition (%)
Japan	4,861,253	69.3	5,155,368	66.9
Europe	1,283,719	18.3	1,597,608	20.7
Americas	518,571	7.4	634,977	8.2
Asia	351,295	5.0	315,942	4.2
Total	7,014,839	100.0	7,703,896	100.0

(b) Orders received and order backlog (Thousands of yen)

Segment	First three months of FY2021 (Apr. 1, 2021 – Jun. 30, 2021)		First three months of FY2022 (Apr. 1, 2022 – Jun. 30, 2022)	
	Orders received	Order backlog	Orders received	Order backlog
Japan	7,025,739	11,077,581	7,474,189	12,875,382
Europe	1,001,867	1,760,553	1,313,107	2,414,399
Americas	348,436	1,173,396	686,622	1,940,328
Asia	383,921	587,091	310,797	560,989
Total	8,759,964	14,598,622	9,784,717	17,791,100

Note: Intersegment transactions have been eliminated.

(Reference) Results by product category are as follows.

(a) Sales

(Thousands of yen)

Product category	First three months of FY2021 (Apr. 1, 2021 – Jun. 30, 2021)		First three months of FY2022 (Apr. 1, 2022 – Jun. 30, 2022)	
	Amount	Composition (%)	Amount	Composition (%)
Printed Circuit Board design solutions	892,210	12.7	1,000,960	13.0
Circuit design solutions	1,478,095	21.1	1,662,201	21.6
IT solutions	1,484,282	21.2	1,500,781	19.5
Client services	3,160,250	45.0	3,539,953	45.9
Others	0	0.0	0	0.0
Total	7,014,839	100.0	7,703,896	100.0

(b) Orders received and order backlog

(Thousands of yen)

Product category	First three months of FY2021 (Apr. 1, 2021 – Jun. 30, 2021)		First three months of FY2022 (Apr. 1, 2022 – Jun. 30, 2022)	
	Orders received	Order backlog	Orders received	Order backlog
Printed Circuit Board design solutions	1,104,825	1,053,839	1,280,603	1,265,933
Circuit design solutions	1,799,533	1,755,452	2,127,372	2,044,292
IT solutions	1,991,476	1,700,966	2,009,614	2,323,065
Client services	3,862,592	10,086,027	4,366,126	12,156,420
Others	1,536	2,336	1,000	1,387
Total	8,759,964	14,598,622	9,784,717	17,791,100

Note: Name of major products by product category are as follows.

Major products of Printed Circuit Board design solutions	CR-8000 Design Force CR-8000 Board Designer CR-8000 DFM Center CADSTAR eCADSTAR
Major products of Circuit design solutions	CR-8000 Design Gateway CR-8000 System Planner E3.series E3.infinite Cabling Designer Harness Designer
Major products of IT solutions	DS-CR DS-2 Espresso DS-E3 DS-E3.infinite GENESYS PreSight visual BOM

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*