



February 8, 2024

**Summary of Consolidated Financial Results**  
**for the Third Quarter of Fiscal Year Ending March 31, 2024 (FY2023)**  
**(Nine Months Ended December 31, 2023)**

**[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: February 9, 2024  
 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 Third Quarter Ended December 31, 2023**  
**(April 1, 2023 – December 31, 2023)**

(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	%
Nine months ended								
Dec. 31, 2023	27,180	9.8	3,149	4.2	3,639	14.0	2,360	9.6
Dec. 31, 2022	24,760	10.6	3,022	22.8	3,193	19.0	2,153	(10.1)

Note: Comprehensive income (Millions of yen)      Nine months ended Dec. 31, 2023: 2,759 (up 29.5%)  
 Nine months ended Dec. 31, 2022: 2,131 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended		
Dec. 31, 2023	104.07	-
Dec. 31, 2022	92.63	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2023	59,901	38,962	64.2
As of Mar. 31, 2023	62,498	41,355	65.4

Reference: Shareholders' equity (Millions of yen)      As of Dec. 31, 2023: 38,448      As of Mar. 31, 2023: 40,884

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	-	20.00	-	25.00	45.00
Fiscal year ending Mar. 31, 2024	-	25.00	-		
Fiscal year ending Mar. 31, 2024 (forecast)				25.00	50.00

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

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)**

(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	37,000	5.5	4,600	3.9	4,900	3.5	3,350	4.8	148.40

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

At the Board of Directors meeting held on June 19, 2023, ZUKEN resolved the purchase of its own shares and the repurchase was completed on October 16, 2023. Net income per share is calculated considering the result of this repurchase of treasury shares.

**\* 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 Dec. 31, 2023:	23,267,169 shares	As of Mar. 31, 2023:	23,267,169 shares
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(b) Number of treasury shares at the end of the period

As of Dec. 31, 2023:	1,017,330 shares	As of Mar. 31, 2023:	18,611 shares
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(c) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	22,681,763 shares	Nine months ended Dec. 31, 2022:	23,248,660 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 nine months of the current fiscal year, although the outlook remains uncertain due to concerns about slowing economic growth in China, accelerating inflation worldwide and other events, the economy recovered at a moderate pace as economic activity continued to return to normal. Manufacturers in the electronics, automotive and industrial sectors, which are the main customers of the Zuken Group, are continuing to make substantial capital expenditures including a large volume of IT investments.

Net sales in the first nine months increased 9.8% from one year earlier to 27,180 million yen, a new record for the first nine months following the record sales in the same period of the previous fiscal year. Sales of all solution categories increased. In particular, sales of E3.series, a wire harness design system, and data management system DS series were strong in Europe, the United States and Japan.

Although expenses increased because of active investment in development and a large volume of sales activities, earnings were higher because of the increase in sales. Operating profit increased 4.2% to 3,149 million yen and ordinary profit increased 14.0% to 3,639 million yen, new all-time highs for the first nine-month period. Profit attributable to owners of parent increased 9.6% to 2,360 million yen, also reaching a high level.

### (2) Explanation of Financial Position

Total assets at the end of the third quarter of the current fiscal year decreased 2,597 million yen from the end of the previous fiscal year to 59,901 million yen.

Current assets decreased 2,369 million yen. The main factors include decreases of 2,046 million yen in cash and deposits and 1,390 million yen in notes and accounts receivable-trade. Non-current assets decreased 227 million yen. The main factors include a decrease of 154 million yen in investments and other assets due to a decrease in deferred tax assets.

Total liabilities decreased 203 million yen from the end of the previous fiscal year to 20,938 million yen. Current liabilities decreased 205 million yen. There were decreases of 550 million yen in income taxes payable and 458 million yen in provision for bonuses, and an increase of 834 million yen in advances received. Non-current liabilities increased 2 million yen mainly due to an increase in lease liabilities included in other non-current liabilities.

Net assets decreased 2,393 million yen from the end of the previous fiscal year to 38,962 million yen mainly due to repurchase of treasury shares of 4,001 million yen, and the shareholders' equity ratio was 64.2%.

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

We currently maintain the consolidated forecast for the fiscal year ending March 31, 2024 that was released on May 15, 2023.

2. Quarterly Consolidated Financial Statements and Notes(1) **Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY2022 (As of Mar. 31, 2023)	Third quarter of FY2023 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	28,506,871	26,460,333
Notes and accounts receivable-trade	6,688,912	5,298,306
Securities	6,700,000	6,700,000
Merchandise and finished goods	593,209	838,780
Work in process	101,238	364,597
Raw materials and supplies	1,768	2,427
Other	5,439,189	6,007,217
Allowance for doubtful accounts	(37,623)	(47,284)
Total current assets	47,993,566	45,624,378
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,577,438	2,524,701
Land	3,009,821	3,009,821
Other, net	732,346	760,147
Total property, plant and equipment	6,319,606	6,294,670
Intangible assets		
Goodwill	147,863	119,573
Other	854,403	834,137
Total intangible assets	1,002,267	953,711
Investments and other assets	7,182,731	7,028,347
Total non-current assets	14,504,605	14,276,729
Total assets	62,498,172	59,901,108

	(Thousands of yen)	
	FY2022 (As of Mar. 31, 2023)	Third quarter of FY2023 (As of Dec. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	751,939	841,202
Income taxes payable	826,012	275,419
Advances received	11,469,101	12,303,370
Provision for bonuses	1,150,839	692,761
Other provisions	111,544	84,782
Other	2,613,485	2,519,409
<b>Total current liabilities</b>	<b>16,922,923</b>	<b>16,716,945</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	3,982,222	3,976,165
Other	237,108	245,579
<b>Total non-current liabilities</b>	<b>4,219,330</b>	<b>4,221,745</b>
<b>Total liabilities</b>	<b>21,142,254</b>	<b>20,938,690</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,117,065	10,117,065
Capital surplus	8,662,477	8,662,477
Retained earnings	20,096,025	21,316,307
Treasury shares	(19,737)	(4,021,214)
<b>Total shareholders' equity</b>	<b>38,855,831</b>	<b>36,074,634</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,622,185	1,654,980
Foreign currency translation adjustment	417,293	726,184
Remeasurements of defined benefit plans	(11,251)	(7,291)
<b>Total accumulated other comprehensive income</b>	<b>2,028,227</b>	<b>2,373,873</b>
<b>Non-controlling interests</b>	<b>471,859</b>	<b>513,910</b>
<b>Total net assets</b>	<b>41,355,918</b>	<b>38,962,418</b>
<b>Total liabilities and net assets</b>	<b>62,498,172</b>	<b>59,901,108</b>

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

(Thousands of yen)

	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)
Net sales	24,760,436	27,180,683
Cost of sales	7,699,980	8,550,307
Gross profit	17,060,456	18,630,376
Selling, general and administrative expenses	14,038,192	15,480,647
Operating profit	3,022,263	3,149,728
Non-operating income		
Interest income	14,428	52,254
Dividend income	32,681	38,493
Foreign exchange gains	-	25,495
Share of profit of entities accounted for using equity method	194,618	278,852
Subsidy income	70,832	72,218
Other	32,155	37,385
Total non-operating income	344,716	504,699
Non-operating expenses		
Interest expenses	1,804	4,384
Commission for purchase of treasury shares	-	7,999
Foreign exchange losses	170,585	-
Other	1,156	2,243
Total non-operating expenses	173,545	14,628
Ordinary profit	3,193,433	3,639,800
Extraordinary income		
Gain on sale of non-current assets	5,121	6,614
Total extraordinary income	5,121	6,614
Extraordinary losses		
Loss on disposal of non-current assets	5,266	5,226
Extra retirement expenses	-	68,256
Total extraordinary losses	5,266	73,482
Profit before income taxes	3,193,289	3,572,932
Income taxes-current	700,650	871,730
Income taxes-deferred	254,967	287,466
Total income taxes	955,618	1,159,197
Profit	2,237,670	2,413,734
Profit attributable to non-controlling interests	84,083	53,286
Profit attributable to owners of parent	2,153,586	2,360,448

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

	(Thousands of yen)	
	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)
Profit	2,237,670	2,413,734
Other comprehensive income		
Valuation difference on available-for-sale securities	(320,467)	27,473
Foreign currency translation adjustment	222,539	308,891
Remeasurements of defined benefit plans, net of tax	(15,429)	3,959
Share of other comprehensive income of entities accounted for using equity method	6,829	5,321
Total other comprehensive income	<u>(106,527)</u>	<u>345,645</u>
Comprehensive income	<u>2,131,142</u>	<u>2,759,379</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,047,058	2,706,093
Comprehensive income attributable to non-controlling interests	84,083	53,286

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment Information****I. First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)**

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	9,794,561	2,552,003	1,048,031	376,652	13,771,247	-	13,771,247
Client services	6,996,746	2,284,883	990,007	717,551	10,989,189	-	10,989,189
Sales to third parties	16,791,307	4,836,886	2,038,038	1,094,204	24,760,436	-	24,760,436
Intersegment sales or transfers	1,002,789	807,567	64,179	93,844	1,968,381	(1,968,381)	-
Total	17,794,097	5,644,453	2,102,217	1,188,048	26,728,817	(1,968,381)	24,760,436
Segment profit (loss)	2,224,959	493,674	(46,148)	310,702	2,983,187	39,075	3,022,263

Notes: 1. Adjustment amount in segment profit (loss) includes amount of 39,075 thousand yen eliminated for intersegment transactions.

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

**II. First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)**

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	10,501,985	2,959,488	1,253,337	598,599	15,313,410	-	15,313,410
Client services	7,886,925	2,279,816	915,752	784,778	11,867,272	-	11,867,272
Sales to third parties	18,388,910	5,239,304	2,169,089	1,383,378	27,180,683	-	27,180,683
Intersegment sales or transfers	1,125,873	1,067,805	77,971	90,098	2,361,749	(2,361,749)	-
Total	19,514,784	6,307,110	2,247,061	1,473,477	29,542,433	(2,361,749)	27,180,683
Segment profit (loss)	2,541,645	574,551	(256,240)	410,105	3,270,063	(120,334)	3,149,728

Notes: 1. Adjustment amount in segment profit (loss) includes amount of -120,334 thousand yen eliminated for intersegment transactions.

2. Segment profit (loss) 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 nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)		First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)	
	Amount	Composition (%)	Amount	Composition (%)
Japan	16,791,307	67.8	18,388,910	67.7
Europe	4,836,886	19.5	5,239,304	19.3
Americas	2,038,038	8.2	2,169,089	8.0
Asia	1,094,204	4.5	1,383,378	5.0
Total	24,760,436	100.0	27,180,683	100.0

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

Segment	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)		First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)	
	Orders received	Order backlog	Orders received	Order backlog
Japan	18,230,170	11,995,424	19,784,637	13,087,405
Europe	3,912,774	1,750,461	5,869,867	3,558,829
Americas	2,075,448	1,893,833	1,743,675	1,905,412
Asia	878,367	362,105	1,490,247	796,590
Total	25,096,760	16,001,824	28,888,428	19,348,237

Note: Intersegment transactions have been eliminated.

(Reference) Results by product category are as follows.

(a) Sales (Thousands of yen)

Product category	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)		First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)	
	Amount	Composition (%)	Amount	Composition (%)
Printed Circuit Board design solutions	3,016,507	12.2	3,176,106	11.7
Circuit design solutions	5,325,913	21.5	5,845,739	21.5
IT solutions	5,426,388	21.9	6,284,930	23.1
Client services	10,989,189	44.4	11,867,272	43.7
Others	2,437	0.0	6,634	0.0
Total	24,760,436	100.0	27,180,683	100.0

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

Product category	First nine months of FY2022 (Apr. 1, 2022 – Dec. 31, 2022)		First nine months of FY2023 (Apr. 1, 2023 – Dec. 31, 2023)	
	Orders received	Order backlog	Orders received	Order backlog
Printed Circuit Board design solutions	2,998,743	959,994	3,994,468	1,835,400
Circuit design solutions	5,715,248	1,950,352	6,751,812	2,427,084
IT solutions	6,045,232	2,436,374	7,174,604	2,763,256
Client services	10,332,711	10,652,328	10,958,212	12,317,598
Others	4,824	2,773	9,330	4,896
Total	25,096,760	16,001,824	28,888,428	19,348,237

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.*