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Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 [Japanese GAAP]



February 10, 2022

Company name: Future Innovation Group, Inc.

Stock exchange listing: Tokyo and Fukuoka

Code number: 4392

URL: <http://www.figinc.jp/>

Representative: MURAI Yuji, President and CEO

Contact: KIBE Kazuhisa, Director and Managing Executive Officer, Manager of President's Office

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Scheduled date of holding ordinary general meeting of shareholders: March 29, 2022

Scheduled date of commencing dividend payments: March 30, 2022

Scheduled date of filing securities report: March 30, 2022

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 1, 2021 – December 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2021	12,264	18.7	566	–	573	–	441	161.3
December 31, 2020	10,333	8.7	(284)	–	(256)	–	169	222.0

(Note) Comprehensive income: Fiscal year ended December 31, 2021: ¥682 million [125.5%]

Fiscal year ended December 31, 2020: ¥302 million [161.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2021	15.12	14.90	5.2	3.3	4.6
December 31, 2020	5.84	5.76	2.1	(1.8)	(2.8)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Fiscal year ended	Million yen	Million yen	%	Yen
December 31, 2021	18,971	8,878	46.0	298.42
December 31, 2020	15,294	8,311	53.4	280.05

(Reference) Equity: As of December 31, 2021: ¥8,730 million

As of December 31, 2020: ¥8,167 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2021	63	(2,523)	2,513	2,376
December 31, 2020	412	(1,813)	1,700	2,318

2. Dividends

	Annual dividends					Total dividend payment	Dividend payout ratio (consolidated)	Dividend to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2020	–	0.00	–	5.00	5.00	155	85.6	1.8
Fiscal year ended December 31, 2021	–	0.00	–	5.00	5.00	155	33.1	1.7
Fiscal year ending December 31, 2022 (Forecast)	–	0.00	–	5.00	5.00		30.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 1, 2022 - December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	13,000	6.0	750	32.5	712	24.3	474	7.3	16.20

*** 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: – (), Excluded: – ()
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
- (3) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
December 31, 2021: 31,176,015 shares
December 31, 2020: 31,084,515 shares
2) Total number of treasury shares at the end of the period:
December 31, 2021: 1,918,322 shares
December 31, 2020: 1,918,220 shares
3) Average number of shares during the period:
Fiscal year ended December 31, 2021: 29,224,402 shares
Fiscal year ended December 31, 2020: 28,959,766 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 1, 2021 – December 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2021	850	18.2	168	(30.5)	170	(27.8)	148	(30.5)
December 31, 2020	719	30.2	242	117.7	236	110.1	213	171.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2021	4.76	4.69
December 31, 2020	6.86	6.77

(2) Non-consolidated Financial Position

Fiscal year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2021	13,987	7,732	54.3	243.82
December 31, 2020	10,669	7,710	71.1	243.97

(Reference) Equity: As of December 31, 2021: ¥7,601 million

As of December 31, 2020: ¥7,583 million

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

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

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions that the Company regards as reasonable, and are not intended as a guarantee that the Company will achieve these targets. Actual results may therefore differ materially from these statements for various reasons.

(1) Consolidated Balance Sheets

(Million yen)

	As of December 31, 2020	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	2,341	2,414
Notes and accounts receivable	2,200	3,145
Investments in leases	1,898	1,955
Finished goods	391	326
Work in process	905	898
Raw materials	542	838
Other	205	313
Allowance for doubtful accounts	(25)	(45)
Total current assets	8,461	9,846
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,133	1,096
Machinery, equipment and vehicles	212	204
Tools, furniture and fixtures	80	76
Rental assets	156	154
Land	1,709	1,718
Leased assets	2	2
Construction in progress	912	2,942
Total property, plant and equipment	4,206	6,194
Intangible assets		
Goodwill	406	357
Software	408	381
Software in progress	32	106
Other	4	6
Total intangible assets	852	850
Investments and other assets		
Investment securities	574	946
Deferred tax assets	135	73
Long-term accounts receivable	886	885
Other	192	186
Allowance for doubtful accounts	(15)	(12)
Total investments and other assets	1,774	2,079
Total non-current assets	6,833	9,125
Total assets	15,294	18,971

(Million yen)

	As of December 31, 2020	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable	963	1,298
Short-term borrowings	1,625	3,833
Current portion of bonds payable	316	16
Current portion of long-term borrowings	811	802
Income taxes payable	223	81
Accrued consumption taxes	83	188
Provision for bonuses for directors (and other officers)	51	53
Provision for product warranties	21	27
Other	628	766
Total current liabilities	4,725	7,068
Non-current liabilities		
Bonds payable	33	17
Long-term borrowings	1,926	2,731
Deferred tax liabilities	89	81
Provision for retirement benefits for directors (and other officers)	78	65
Retirement benefit liability	107	128
Other	22	1
Total non-current liabilities	2,257	3,024
Total liabilities	6,983	10,093
Net assets		
Shareholders' equity		
Capital stock	2,000	2,012
Capital surplus	3,839	3,852
Retained earnings	2,739	3,035
Treasury shares	(455)	(455)
Total shareholders' equity	8,123	8,444
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45	282
Foreign currency translation adjustment	(0)	4
Total accumulated other comprehensive income	44	286
Share acquisition rights	126	131
Non-controlling interests	17	16
Total net assets	8,311	8,878
Total liabilities and net assets	15,294	18,971

(2) Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Million yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net sales	10,333	12,264
Cost of sales	8,031	8,995
Gross profit	2,302	3,269
Selling, general and administrative expenses	2,587	2,703
Operating profit (loss)	(284)	566
Non-operating income		
Interest income	1	3
Dividend income	13	16
Subsidy income	69	14
Other	11	9
Total non-operating income	94	44
Non-operating expenses		
Interest expenses	27	35
Other	39	1
Total non-operating expenses	66	36
Ordinary profit (loss)	(256)	573
Extraordinary income		
Gain on revision of retirement benefit plan	756	-
Total extraordinary income	756	-
Extraordinary losses		
Loss on step acquisitions	10	-
Loss on valuation of investment securities	80	-
Total extraordinary losses	91	-
Profit (loss) before income taxes	409	573
Income taxes - current	273	190
Income taxes - deferred	(30)	(57)
Total income taxes	243	133
Profit (loss)	165	439
Profit (loss) attributable to non-controlling interests	(3)	(2)
Profit (loss) attributable to owners of parent	169	441

Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Profit (loss)	165	439
Other comprehensive income		
Valuation difference on available-for-sale securities	50	236
Foreign currency translation adjustment	4	6
Remeasurements of defined benefit plans	82	-
Total other comprehensive income	136	243
Comprehensive income	302	682
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	304	683
Comprehensive income attributable to non-controlling interests	(1)	(0)

(3) Consolidated Statement of Changes in Equity

Fiscal Year Ended December 31, 2020 (from January 1, 2020 to December 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,000	3,841	2,714	(570)	7,985
Changes during period					
Dividends of surplus			(143)		(143)
Profit attributable to owners of parent			169		169
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2)		114	112
Net changes in items other than shareholders' equity					
Total changes during period	-	(2)	25	114	137
Balance at end of period	2,000	3,839	2,739	(455)	8,123

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(4)	(3)	(82)	(90)	106	-	8,002
Changes during period							
Dividends of surplus							(143)
Profit attributable to owners of parent							169
Purchase of treasury shares							(0)
Disposal of treasury shares							112
Net changes in items other than shareholders' equity	50	2	82	135	19	17	171
Total changes during period	50	2	82	135	19	17	309
Balance at end of period	45	(0)	-	44	126	17	8,311

Fiscal Year Ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,000	3,839	2,739	(455)	8,123
Changes during period					
Issuance of new shares	12	12			24
Dividends of surplus			(145)		(145)
Profit attributable to owners of parent			441		441
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	12	12	296	(0)	320
Balance at end of period	2,012	3,852	3,035	(455)	8,444

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	45	(0)	44	126	17	8,311
Changes during period						
Issuance of new shares						24
Dividends of surplus						(145)
Profit attributable to owners of parent						441
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	236	5	242	5	(0)	246
Total changes during period	236	5	242	5	(0)	567
Balance at end of period	282	4	286	131	16	8,878

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	409	573
Depreciation	440	382
Amortization of goodwill	48	67
Loss (gain) on step acquisitions	10	-
Gain on revision of retirement benefit plan	(756)	-
Increase (decrease) in allowance for doubtful accounts	21	17
Decrease (increase) in retirement benefit asset	87	-
Increase (decrease) in provision for product warranties	(8)	5
Increase (decrease) in retirement benefit liability	14	21
Increase (decrease) in provision for bonuses	(0)	2
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	(12)
Loss on valuation of investment securities	80	-
Interest and dividend income	(14)	(20)
Interest expenses	27	35
Subsidy income	(69)	(14)
Loss on retirement of non-current assets	16	0
Decrease (increase) in trade receivables	678	(933)
Decrease (increase) in inventories	(46)	(223)
Increase (decrease) in trade payables	(163)	335
Net decrease (increase) in investments in leases	(245)	(56)
Other	73	215
Subtotal	605	395
Interest and dividends received	14	20
Interest paid	(27)	(38)
Subsidies received	54	19
Income taxes refund	27	19
Income taxes paid	(262)	(352)
Net cash provided by (used in) operating activities	412	63

(Million yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from investing activities		
Payments into time deposits	(21)	(20)
Proceeds from withdrawal of time deposits	27	5
Purchase of property, plant and equipment	(1,383)	(2,177)
Proceeds from sale of property, plant and equipment	6	0
Purchase of intangible assets	(186)	(216)
Proceeds from sale of investment securities	1	1
Purchase of investment securities	(1)	(25)
Loan advances	-	(100)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(255)	(2)
Other	(0)	13
Net cash provided by (used in) investing activities	(1,813)	(2,523)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,292	2,208
Proceeds from long-term borrowings	1,072	1,630
Repayments of long-term borrowings	(612)	(860)
Redemption of bonds	(16)	(316)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	112	-
Dividends paid	(143)	(145)
Repayments of lease obligations	(2)	(1)
Net cash provided by (used in) financing activities	1,700	2,513
Effect of exchange rate change on cash and cash equivalents	(2)	4
Net increase (decrease) in cash and cash equivalents	297	57
Cash and cash equivalents at beginning of period	2,021	2,318
Cash and cash equivalents at end of period	2,318	2,376