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Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 [Japanese GAAP]



February 9, 2023

Company name: Future Innovation Group, Inc.
 Stock exchange listing: Tokyo and Fukuoka
 Code number: 4392
 URL: <https://www.figinc.jp/>
 Representative: MURAI Yuji, President and CEO
 Contact: KIBE Kazuhisa, Director and Managing Executive Officer
 Phone: +81-97-576-8730
 Scheduled date of holding ordinary general meeting of shareholders: March 28, 2023
 Scheduled date of commencing dividend payments: March 29, 2023
 Scheduled date of filing securities report: March 29, 2023
 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, 2022 (January 1, 2022 - December 31, 2022)

(1) Consolidated Operating Results (% 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	%
Fiscal year ended December 31, 2022	12,914	5.3	932	64.7	964	68.3	685	55.2
December 31, 2021	12,264	18.7	566	–	573	–	441	161.3

(Note) Comprehensive income: Fiscal year ended December 31, 2022: ¥666 million [(2.4)%]
 Fiscal year ended December 31, 2021: ¥682 million [125.5%]

	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, 2022	23.36	23.04	7.5	4.8	7.2
December 31, 2021	15.12	14.90	5.2	3.3	4.6

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Fiscal year ended	Million yen	Million yen	%	Yen
December 31, 2022	21,463	9,709	44.6	318.35
December 31, 2021	18,971	8,878	46.0	298.42

(Reference) Equity: As of December 31, 2022: ¥9,576 million
 As of December 31, 2021: ¥8,730 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, 2022	359	(1,848)	1,291	2,185
December 31, 2021	63	(2,523)	2,513	2,376

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, 2021	–	0.00	–	5.00	5.00	155	33.1	1.7
Fiscal year ended December 31, 2022	–	0.00	–	10.00	10.00	300	42.8	3.2
Fiscal year ending December 31, 2023 (Forecast)	–	0.00	–	5.00	5.00		48.3	

(Note) The breakdown of year-end dividends for the fiscal year ended December 31, 2022 is as follows:

Ordinary dividend: ¥5.00

Commemorative dividend: ¥5.00

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 - December 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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	13,000	0.7	520	(44.2)	485	(49.7)	324	(52.8)	10.35

*** 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: Yes
 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, 2022: 31,300,315 shares
 December 31, 2021: 31,176,015 shares
- 2) Total number of treasury shares at the end of the period:
 December 31, 2022: 1,218,356 shares
 December 31, 2021: 1,918,322 shares
- 3) Average number of shares during the period:
 Fiscal year ended December 31, 2022: 29,366,554 shares
 Fiscal year ended December 31, 2021: 29,224,402 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (January 1, 2022 - December 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
December 31, 2022	1,247	46.7	364	116.2	361	111.9	355	140.1
December 31, 2021	850	18.2	168	(30.5)	170	(27.8)	148	(30.5)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
December 31, 2022	11.71	11.56
December 31, 2021	4.76	4.69

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended				
December 31, 2022	15,464	7,787	49.6	254.75
December 31, 2021	13,987	7,732	54.3	243.82

(Reference) Equity: As of December 31, 2022: ¥7,663 million

As of December 31, 2021: ¥7,601 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, 2021	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	2,414	2,199
Notes and accounts receivable	3,145	-
Notes and accounts receivable, and contract assets	-	4,631
Investments in leases	1,955	4,441
Finished goods	326	351
Work in process	898	374
Raw materials	838	1,362
Other	313	740
Allowance for doubtful accounts	(45)	(44)
Total current assets	9,846	14,058
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,096	1,928
Machinery, equipment and vehicles	204	173
Tools, furniture and fixtures	76	74
Rental assets	154	172
Land	1,718	1,718
Leased assets	2	0
Construction in progress	2,942	15
Total property, plant and equipment	6,194	4,082
Intangible assets		
Goodwill	357	282
Software	381	473
Software in progress	106	59
Other	6	6
Total intangible assets	850	821
Investments and other assets		
Investment securities	946	1,338
Deferred tax assets	73	93
Long-term accounts receivable	885	883
Other	186	196
Allowance for doubtful accounts	(12)	(11)
Total investments and other assets	2,079	2,501
Total non-current assets	9,125	7,405
Total assets	18,971	21,463

(Million yen)

	As of December 31, 2021	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable	1,298	1,759
Short-term borrowings	3,833	1,925
Current portion of bonds payable	16	17
Current portion of long-term borrowings	802	930
Income taxes payable	81	249
Accrued consumption taxes	188	128
Provision for bonuses for directors (and other officers)	53	58
Provision for product warranties	27	29
Other	766	705
Total current liabilities	7,068	5,803
Non-current liabilities		
Bonds payable	17	-
Long-term borrowings	2,731	5,681
Deferred tax liabilities	81	59
Provision for retirement benefits for directors (and other officers)	65	57
Retirement benefit liability	128	135
Provision for repairs	-	11
Other	1	5
Total non-current liabilities	3,024	5,951
Total liabilities	10,093	11,754
Net assets		
Shareholders' equity		
Capital stock	2,012	2,030
Capital surplus	3,852	4,008
Retained earnings	3,035	3,575
Treasury shares	(455)	(312)
Total shareholders' equity	8,444	9,301
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	282	269
Foreign currency translation adjustment	4	5
Total accumulated other comprehensive income	286	275
Share acquisition rights	131	124
Non-controlling interests	16	8
Total net assets	8,878	9,709
Total liabilities and net assets	18,971	21,463

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

(Million yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Net sales	12,264	12,914
Cost of sales	8,995	9,030
Gross profit	3,269	3,883
Selling, general and administrative expenses	2,703	2,951
Operating profit	566	932
Non-operating income		
Interest income	3	0
Dividend income	16	20
Subsidy income	14	73
Other	9	17
Total non-operating income	44	111
Non-operating expenses		
Interest expenses	35	45
Other	1	34
Total non-operating expenses	36	79
Ordinary profit	573	964
Profit before income taxes	573	964
Income taxes - current	190	314
Income taxes - deferred	(57)	(28)
Total income taxes	133	286
Profit	439	677
Profit (loss) attributable to non-controlling interests	(2)	(8)
Profit attributable to owners of parent	441	685

Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Profit	439	677
Other comprehensive income		
Valuation difference on available-for-sale securities	236	(12)
Foreign currency translation adjustment	6	1
Total other comprehensive income	243	(11)
Comprehensive income	682	666
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	683	674
Comprehensive income attributable to non-controlling interests	(0)	(7)

(3) Consolidated Statement of Changes in Equity

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

Fiscal Year Ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,012	3,852	3,035	(455)	8,444
Changes during period					
Issuance of new shares	18	18			36
Dividends of surplus			(146)		(146)
Profit attributable to owners of parent			685		685
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares (exercise of share acquisition rights)		138		143	281
Net changes in items other than shareholders' equity					
Total changes during period	18	156	539	143	857
Balance at end of period	2,030	4,008	3,575	(312)	9,301

	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	282	4	286	131	16	8,878
Changes during period						
Issuance of new shares						36
Dividends of surplus						(146)
Profit attributable to owners of parent						685
Purchase of treasury shares						(0)
Disposal of treasury shares (exercise of share acquisition rights)						281
Net changes in items other than shareholders' equity	(12)	0	(11)	(7)	(7)	(26)
Total changes during period	(12)	0	(11)	(7)	(7)	830
Balance at end of period	269	5	275	124	8	9,709

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	573	964
Depreciation	382	388
Amortization of goodwill	67	61
Increase (decrease) in allowance for doubtful accounts	17	(1)
Increase (decrease) in provision for product warranties	5	2
Increase (decrease) in retirement benefit liability	21	6
Increase (decrease) in provision for bonuses	2	4
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(12)	(8)
Interest and dividend income	(20)	(20)
Interest expenses	35	45
Subsidy income	(14)	(73)
Loss on retirement of non-current assets	0	2
Decrease (increase) in trade receivables	(933)	-
Decrease (increase) in trade receivables and contract assets	-	(1,486)
Decrease (increase) in inventories	(223)	(25)
Increase (decrease) in trade payables	335	460
Net decrease (increase) in investments in leases	(56)	186
Other	215	26
Subtotal	395	533
Interest and dividends received	20	20
Interest paid	(38)	(42)
Subsidies received	19	22
Income taxes refund	19	44
Income taxes paid	(352)	(219)
Net cash provided by (used in) operating activities	63	359

(Million yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Cash flows from investing activities		
Payments into time deposits	(20)	(6)
Proceeds from withdrawal of time deposits	5	31
Purchase of property, plant and equipment	(2,177)	(1,153)
Purchase of intangible assets	(216)	(216)
Proceeds from sale of investment securities	1	-
Purchase of investment securities	(25)	(417)
Loan advances	(100)	-
Proceeds from collection of loans receivable	2	101
Payments of guarantee deposits	(1)	(202)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2)	-
Other	12	16
Net cash provided by (used in) investing activities	(2,523)	(1,848)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,208	(1,907)
Proceeds from long-term borrowings	1,630	4,038
Repayments of long-term borrowings	(860)	(959)
Redemption of bonds	(316)	(16)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	-	280
Dividends paid	(145)	(146)
Repayments of lease obligations	(1)	(1)
Other	-	4
Net cash provided by (used in) financing activities	2,513	1,291
Effect of exchange rate change on cash and cash equivalents	4	6
Net increase (decrease) in cash and cash equivalents	57	(190)
Cash and cash equivalents at beginning of period	2,318	2,376
Cash and cash equivalents at end of period	2,376	2,185