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Consolidated Financial Results for the Nine Months Ended September 30, 2023 [Japanese GAAP]



November 14, 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 filing quarterly securities report: November 14, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly 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 Nine Months Ended September 30, 2023 (January 1, 2023 - September 30, 2023)

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

	Net sale	s	Operating 1	profit	Ordinary p	orofit	Profit attribution owners of p	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2023	10,273	7.4	586	(28.5)	587	(26.5)	412	(22.9)
September 30, 2022	9,564	10.3	821	102.6	799	95.7	534	100.6

(Note) Comprehensive income: Nine months ended September 30, 2023: \(\frac{4}{4}27\) million \([(3.1)\%]\)

Nine months ended September 30, 2022: \(\frac{4}{4}40\) million \([(16.4)\%]\)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2023	13.68	13.50
September 30, 2022	18.22	17.98

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2023	22,928	9,867	42.4
As of December 31, 2022	21,463	9,709	44.6

(Reference) Equity: As of September 30, 2023: ¥9,725 million As of December 31, 2022: ¥9,576 million

2. Dividends

			Annual dividends		
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	-	0.00	_	10.00	10.00
Fiscal year ending December 31, 2023	_	0.00	_		
Fiscal year ending December 31, 2023 (Forecast)				5.00	5.00

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

The breakdown of dividends for the fiscal year ending 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 sale	s	Operating	profit	Ordinary	profit	Profit attri to owne parei	rs of	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	13,500	4.5	800	(14.2)	765	(20.7)	535	(22.0)	17.40

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

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

- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) 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
- (4) 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):

September 30, 2023: 31,393,015 shares December 31, 2022: 31,300,315 shares

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

September 30, 2023: 1,218,488 shares December 31, 2022: 1,218,356 shares

3) Average number of shares during the period:

Nine months ended September 30, 2023: 30,130,141 shares Nine months ended September 30, 2022: 29,326,923 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 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.

Current assets 2,199 Notes and accounts receivable, and contract assets 4,631 Investments in leases 4,441 Inventories 2,089 Other 740 Allowance for doubtful accounts (44) Total current assets 14,058 Non-current assets Property, plant and equipment Buildings and structures, net 1,928 Land 1,718 Other, net 435 Total property, plant and equipment 4,082 Intangible assets 80 Goodwill 282 Other 539 Total intangible assets 821 Investments and other assets 1,338	2,166
Cash and deposits 2,199 Notes and accounts receivable, and contract assets 4,631 Investments in leases 4,441 Inventories 2,089 Other 740 Allowance for doubtful accounts (44) Total current assets 14,058 Non-current assets Property, plant and equipment Buildings and structures, net 1,928 Land 1,718 Other, net 435 Total property, plant and equipment 4,082 Intangible assets 282 Other 539 Total intangible assets 821 Investments and other assets	2,166
Notes and accounts receivable, and contract assets 4,631 Investments in leases 4,441 Inventories 2,089 Other 740 Allowance for doubtful accounts (44) Total current assets 14,058 Non-current assets Property, plant and equipment Buildings and structures, net 1,928 Land 1,718 Other, net 435 Total property, plant and equipment 4,082 Intangible assets Goodwill Goodwill 282 Other 539 Total intangible assets 821 Investments and other assets	2,166
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Other 740 Allowance for doubtful accounts (44) Total current assets 14,058 Non-current assets Property, plant and equipment Buildings and structures, net 1,928 Land 1,718 Other, net 435 Total property, plant and equipment 4,082 Intangible assets 282 Other 539 Total intangible assets 821 Investments and other assets 440	4,330
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Total property, plant and equipment 4,082 Intangible assets Goodwill 282 Other 539 Total intangible assets 821 Investments and other assets	1,753
Intangible assets Goodwill 282 Other 539 Total intangible assets 821 Investments and other assets	515
Goodwill 282 Other 539 Total intangible assets 821 Investments and other assets	4,183
Other 539 Total intangible assets 821 Investments and other assets	
Total intangible assets 821 Investments and other assets	238
Investments and other assets	605
	844
Investment securities 1 338	
1,550	1,725
Deferred tax assets 93	172
Long-term accounts receivable 883	882
Other 196	184
Allowance for doubtful accounts (11)	(11)
Total investments and other assets 2,501	2,954
Total non-current assets 7,405	7,981
Total assets 21,463	22,928

	As of December 31, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable	1,759	1,541
Short-term borrowings	1,925	2,733
Current portion of bonds payable	17	8
Current portion of long-term borrowings	930	1,222
Income taxes payable	249	123
Accrued consumption taxes	128	204
Provision for bonuses	58	237
Provision for bonuses for directors (and other officers)	-	12
Provision for product warranties	29	33
Other	705	585
Total current liabilities	5,803	6,702
Non-current liabilities		
Long-term borrowings	5,681	6,074
Provision for retirement benefits for directors (and other officers)	57	67
Retirement benefit liability	135	144
Deferred tax liabilities	59	43
Provision for repairs	11	21
Other	5	6
Total non-current liabilities	5,951	6,357
Total liabilities	11,754	13,060
Net assets		
Shareholders' equity		
Capital stock	2,030	2,044
Capital surplus	4,008	4,022
Retained earnings	3,575	3,686
Treasury shares	(312)	(312)
Total shareholders' equity	9,301	9,440
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	269	270
Foreign currency translation adjustment	5	13
Total accumulated other comprehensive income	275	284
Share acquisition rights	124	124
Non-controlling interests	8	17
Total net assets	9,709	9,867
Total liabilities and net assets	21,463	22,928

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

Nine Months Ended September 30

(Million yen)

	For the nine months ended September 30, 2022	For the nine months ended September 30, 2023
Net sales	9,564	10,273
Cost of sales	6,600	7,250
Gross profit	2,964	3,023
Selling, general and administrative expenses	2,143	2,436
Operating profit (loss)	821	586
Non-operating income		
Interest income	0	0
Settlement income	-	20
Other	27	33
Total non-operating income	27	53
Non-operating expenses		
Interest expenses	35	32
Commission expenses	-	11
Other	13	8
Total non-operating expenses	48	52
Ordinary profit	799	587
Extraordinary income		
Gain on sale of investment securities	-	70
Total extraordinary income	-	70
Extraordinary losses		
Settlement payments	-	57
Total extraordinary losses	-	57
Profit before income taxes	799	600
Income taxes - current	314	266
Income taxes - deferred	(44)	(81)
Total income taxes	269	184
Profit	530	416
Profit (loss) attributable to non-controlling interests	(3)	3
Profit attributable to owners of parent	534	412

Quarterly Consolidated Statements of Comprehensive Income Nine Months Ended September 30

(Million yen)

	For the nine months ended September 30, 2022	For the nine months ended September 30, 2023
Profit	530	416
Other comprehensive income		
Valuation difference on available-for-sale securities	(89)	0
Foreign currency translation adjustment	0	10
Total other comprehensive income	(89)	11
Comprehensive income	440	427
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	442	421
Comprehensive income attributable to non-controlling interests	(2)	5