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Consolidated Financial Results for the Nine Months Ended September 30, 2024 [Japanese GAAP]

November 14, 2024

Company name: Future Innovation Group, Inc.
Listing: Tokyo, Fukuoka
Securities code: 4392
URL: <https://www.figinc.jp>
Representative: MURAI Yuji, President and CEO
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2024 (January 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate 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 September 30, 2024	8,805	(14.3)	317	(45.8)	298	(49.2)	295	(28.3)
September 30, 2023	10,273	7.4	586	(28.5)	587	(26.5)	412	(22.9)

(Note) Comprehensive income: Nine months ended September 30, 2024: ¥ 386 million [(9.5)%
Nine months ended September 30, 2023: ¥ 427 million [(3.1)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2024	9.78	9.65
September 30, 2023	13.68	13.50

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	17,449	9,862	55.7
December 31, 2023	22,835	9,595	41.4

(Reference) Equity: As of September 30, 2024: ¥ 9,716 million
As of December 31, 2023: ¥ 9,453 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, 2023	-	0.00	-	5.00	5.00
Fiscal year ending December 31, 2024	-	0.00	-		
Fiscal year ending December 31, 2024 (Forecast)				5.00	5.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024(January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	12,000	(11.3)	360	(50.2)	336	(53.0)	275	30.8	9.10

(Note) Revision to the financial results forecast announced most recently: Yes

For details, please refer to "Notice Concerning Revision of Earnings Forecasts, Extension of Period of Medium-Term Management Plan, and Commencement of Consideration for Change of Plan Period to Maintain Listing Standards" announced today (November 14, 2024).

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2024: 31,474,315 shares
December 31, 2023: 31,393,015 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 1,218,622 shares
December 31, 2023: 1,218,496 shares

3) Average number of shares outstanding during the period:

Nine months ended September 30, 2024: 30,215,988 shares
Nine months ended September 30, 2023: 30,130,141 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

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.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	2,203	2,687
Notes and accounts receivable - trade, and contract assets	5,860	4,035
Investments in leases	4,268	1,511
Inventories	2,405	2,431
Other	552	530
Allowance for doubtful accounts	(74)	(69)
Total current assets	15,215	11,127
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,904	1,067
Land	1,753	763
Other, net	620	616
Total property, plant and equipment	4,278	2,446
Intangible assets		
Goodwill	224	180
Other	552	596
Total intangible assets	776	776
Investments and other assets		
Investment securities	1,335	1,875
Deferred tax assets	175	185
Long-term accounts receivable - other	881	880
Other	181	166
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	2,564	3,098
Total non-current assets	7,620	6,321
Total assets	22,835	17,449
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,273	991
Short-term borrowings	2,530	1,128
Current portion of long-term borrowings	1,455	1,161
Income taxes payable	100	162
Accrued consumption taxes	257	418
Provision for bonuses	51	229
Provision for product warranties	40	42
Other	936	631
Total current liabilities	6,645	4,767
Non-current liabilities		
Long-term borrowings	6,301	2,037
Convertible-bond-type bonds with share acquisition rights	-	500
Provision for retirement benefits for directors (and other officers)	71	29
Retirement benefit liability	143	170
Deferred tax liabilities	48	81
Other	31	0

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Total non-current liabilities	6,595	2,818
Total liabilities	13,240	7,586
Net assets		
Shareholders' equity		
Share capital	2,044	2,059
Capital surplus	4,022	4,037
Retained earnings	3,484	3,629
Treasury shares	(312)	(312)
Total shareholders' equity	9,238	9,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	207	295
Foreign currency translation adjustment	7	7
Total accumulated other comprehensive income	215	303
Share acquisition rights	124	125
Non-controlling interests	16	20
Total net assets	9,595	9,862
Total liabilities and net assets	22,835	17,449

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Net sales	10,273	8,805
Cost of sales	7,250	6,003
Gross profit	3,023	2,802
Selling, general and administrative expenses	2,436	2,484
Operating profit	586	317
Non-operating income		
Interest income	0	0
Dividend income	7	8
Subsidy income	8	7
Other	37	6
Total non-operating income	53	23
Non-operating expenses		
Interest expenses	32	29
Other	19	13
Total non-operating expenses	52	42
Ordinary profit	587	298
Extraordinary income		
Gain on sale of non-current assets	-	212
Gain on sale of investment securities	70	-
Total extraordinary income	70	212
Extraordinary losses		
Settlement payments	57	-
Total extraordinary losses	57	-
Profit before income taxes	600	511
Income taxes - current	266	224
Income taxes - deferred	(81)	(12)
Total income taxes	184	212
Profit	416	299
Profit attributable to non-controlling interests	3	3
Profit attributable to owners of parent	412	295

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Profit	416	299
Other comprehensive income		
Valuation difference on available-for-sale securities	0	87
Foreign currency translation adjustment	10	0
Total other comprehensive income	11	87
Comprehensive income	427	386
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	421	382
Comprehensive income attributable to non-controlling interests	5	3