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## Consolidated Financial Results for the Six Months Ended June 30, 2021 [Japanese GAAP]



August 6, 2021

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

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Scheduled date of filing quarterly securities report: August 6, 2021

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 Six Months Ended June 30, 2021 (January 1, 2021 - June 30, 2021)

(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	%
Six months ended June 30, 2021	5,952	17.5	335	–	344	–	236	–
June 30, 2020	5,067	7.6	(125)	–	(102)	–	(202)	–

(Note) Comprehensive income: Six months ended June 30, 2021: ¥573 million [–%]

Six months ended June 30, 2020: ¥(217) million [(–)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2021	8.11	7.99
June 30, 2020	(7.05)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	18,840	8,769	45.8
As of December 31, 2020	15,294	8,311	53.4

(Reference) Equity: As of June 30, 2021: ¥8,624 million

As of December 31, 2020: ¥8,167 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, 2020	–	0.00	–	5.00	5.00
Fiscal year ending December 31, 2021	–	0.00			
Fiscal year ending December 31, 2021 (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, 2021 (January 1, 2021 - December 31, 2021)

(% 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
	11,000	6.4	500	–	468	–	294	73.8	10.15

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



## (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31, 2020	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	2,341	2,052
Notes and accounts receivable	2,200	3,057
Investments in leases	1,898	1,959
Inventories	1,840	2,316
Other	205	288
Allowance for doubtful accounts	(25)	(27)
<b>Total current assets</b>	<b>8,461</b>	<b>9,647</b>
Non-current assets		
Property, plant and equipment		
Land	1,709	1,709
Construction in progress	912	2,942
Other, net	1,584	1,543
<b>Total property, plant and equipment</b>	<b>4,206</b>	<b>6,195</b>
Intangible assets		
Goodwill	406	391
Other	446	435
<b>Total intangible assets</b>	<b>852</b>	<b>827</b>
Investments and other assets		
Investment securities	574	1,092
Deferred tax assets	135	19
Long-term accounts receivable	886	886
Other	192	186
Allowance for doubtful accounts	(15)	(15)
<b>Total investments and other assets</b>	<b>1,774</b>	<b>2,170</b>
<b>Total non-current assets</b>	<b>6,833</b>	<b>9,193</b>
<b>Total assets</b>	<b>15,294</b>	<b>18,840</b>

(Million yen)

	As of December 31, 2020	As of June 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	963	1,751
Short-term borrowings	1,625	3,832
Current portion of bonds payable	316	316
Current portion of long-term borrowings	811	704
Income taxes payable	223	129
Accrued consumption taxes	83	83
Provision for bonuses for directors (and other officers)	51	67
Provision for product warranties	21	25
Other	628	570
<b>Total current liabilities</b>	<b>4,725</b>	<b>7,481</b>
<b>Non-current liabilities</b>		
Bonds payable	33	25
Long-term borrowings	1,926	2,242
Provision for retirement benefits for directors (and other officers)	78	43
Retirement benefit liability	107	117
Deferred tax liabilities	89	138
Other	22	21
<b>Total non-current liabilities</b>	<b>2,257</b>	<b>2,589</b>
<b>Total liabilities</b>	<b>6,983</b>	<b>10,071</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,000	2,012
Capital surplus	3,839	3,852
Retained earnings	2,739	2,830
Treasury shares	(455)	(455)
<b>Total shareholders' equity</b>	<b>8,123</b>	<b>8,239</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	45	382
Foreign currency translation adjustment	(0)	2
<b>Total accumulated other comprehensive income</b>	<b>44</b>	<b>384</b>
Share acquisition rights	126	131
Non-controlling interests	17	13
<b>Total net assets</b>	<b>8,311</b>	<b>8,769</b>
<b>Total liabilities and net assets</b>	<b>15,294</b>	<b>18,840</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Six Months Ended June 30

(Million yen)

	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Net sales	5,067	5,952
Cost of sales	3,930	4,333
Gross profit	1,136	1,619
Selling, general and administrative expenses	1,261	1,284
Operating profit (loss)	(125)	335
Non-operating income		
Interest income	1	0
Dividend income	7	8
Subsidy income	32	14
Other	7	4
Total non-operating income	48	27
Non-operating expenses		
Interest expenses	12	15
Foreign exchange losses	7	-
Loss on retirement of non-current assets	3	0
Other	0	2
Total non-operating expenses	24	18
Ordinary profit (loss)	(102)	344
Extraordinary losses		
Loss on step acquisitions	10	-
Total extraordinary income	10	-
Profit (loss) before income taxes	(112)	344
Income taxes - current	88	103
Income taxes - deferred	6	8
Total income taxes	94	111
Profit (loss)	(207)	232
Profit (loss) attributable to non-controlling interests	(4)	(3)
Profit (loss) attributable to owners of parent	(202)	236

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended June 30

(Million yen)

	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Profit (loss)	(207)	232
Other comprehensive income		
Valuation difference on available-for-sale securities	(58)	337
Foreign currency translation adjustment	7	4
Remeasurements of defined benefit plans	40	-
Total other comprehensive income	(9)	341
Comprehensive income	(217)	573
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(214)	577
Comprehensive income attributable to non-controlling interests	(2)	(3)

## (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30, 2020	For the six months ended June 30, 2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(112)	344
Depreciation	219	196
Amortization of goodwill	16	32
Loss (gain) on step acquisitions	10	-
Increase (decrease) in allowance for doubtful accounts	0	2
Decrease (increase) in retirement benefit asset	43	-
Increase (decrease) in provision for product warranties	(9)	3
Increase (decrease) in retirement benefit liability	8	10
Increase (decrease) in provision for bonuses	7	15
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(0)	(34)
Interest and dividend income	(8)	(8)
Interest expenses	12	15
Subsidy income	(32)	(14)
Loss on retirement of non-current assets	3	0
Decrease (increase) in trade receivables	133	(845)
Decrease (increase) in inventories	(345)	(476)
Increase (decrease) in trade payables	441	788
Net decrease (increase) in investments in leases	(220)	(61)
Other	(172)	(100)
<b>Subtotal</b>	<b>(3)</b>	<b>(131)</b>
Interest and dividends received	8	8
Interest paid	(12)	(18)
Subsidies received	22	19
Income taxes refund	9	19
Income taxes paid	(53)	(220)
<b>Net cash provided by (used in) operating activities</b>	<b>(29)</b>	<b>(323)</b>



(Million yen)

	For the six months ended June 30, 2020	For the six months ended June 30, 2021
Cash flows from investing activities		
Payments into time deposits	(11)	(10)
Proceeds from withdrawal of time deposits	27	-
Purchase of property, plant and equipment	(137)	(2,105)
Proceeds from sale of property, plant and equipment	5	0
Purchase of intangible assets	(122)	(78)
Purchase of investment securities	(1)	(25)
Proceeds from sale of investment securities	-	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(20)	(2)
Other	7	7
Net cash provided by (used in) investing activities	(252)	(2,213)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	193	2,207
Proceeds from long-term borrowings	300	530
Repayments of long-term borrowings	(281)	(347)
Redemption of bonds	(8)	(8)
Purchase of treasury shares	(0)	(0)
Dividends paid	(143)	(145)
Repayments of lease obligations	(1)	(0)
Net cash provided by (used in) financing activities	58	2,235
Effect of exchange rate change on cash and cash equivalents	(0)	2
Net increase (decrease) in cash and cash equivalents	(223)	(299)
Cash and cash equivalents at beginning of period	2,021	2,318
Cash and cash equivalents at end of period	1,798	2,019