

Medium-Term Management Plan FY2022–FY2024



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The Future Innovation Group (FIG) is submitting a Medium-Term Management Plan for the first time.

On December 13, 2021, FIG submitted a Plan to Conform to the Continued Listing Criteria in the New Market Classification (Conformity Plan) regarding the revision of the market classification of Tokyo Stock Exchange, Inc., and is scheduled to move to the Prime Market as of April 4, 2022.

With FY2024 as the final year of the Conformity Plan, we will implement initiatives to enter a new growth stage taking on the **challenge of doubling our corporate value.**

We aim to achieve sustainable growth based on five areas of growth investments: business, HR, capital policy, IR, and ESG. In this Medium-Term Management Plan, as a complement to the Conformity Plan, we have prepared explanations of the three main areas of our business investment to provide investors with a more detailed understanding of the Group's growth.

What we are creating is a future that lies just a short distance away

The Group defines Society 5.0 as a “society that solves social issues and creates value through the fusion of digital innovation and the imagination and creativity of diverse people,” and aims to pave the way to the future through such a society. Our mission at FIG Group is to contribute to society and people in the field of IoT toward realizing Society 5.0, and we aim to help create a sustainable society filled with smiling faces.

Please refer to the IR page of our corporate website for our Plan to Conform to the Continued Listing Criteria in the New Market Classification.

Management Philosophy

Using imagination, technology, and passion to create a high quality of life

Vision

Corporate Group that makes you smile

- A corporate group that attracts the best talent and provides them with opportunities for exciting work while balancing growth and personal fulfillment.
- A corporate group that provides new value to customers and earns a “thank you” from them.
- A corporate group that generates healthy and reasonable profit, makes employees and their families happy, and satisfies shareholders.

The Future FIG Aims For



Why? (Two Frequently Asked Questions)

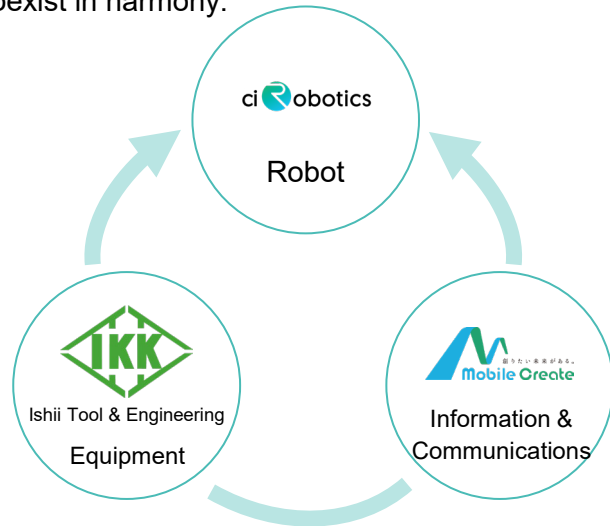
Why did you add the Equipment-related Business to your Group, which was primarily focused on the Information and Communications Business?

We wanted to build robots with our own hands. But making robots required many technical elements, and the Information and Communications Business alone had limited technical capabilities. Then one day, we were approached about an acquisition of a company that manufactures devices, and we were given a tour of the factory. Convinced that bringing this device manufacturing company into our Group would enable us to build robots and open up a variety of possibilities through the fusion of the virtual and real worlds, we acquired the company in 2015.

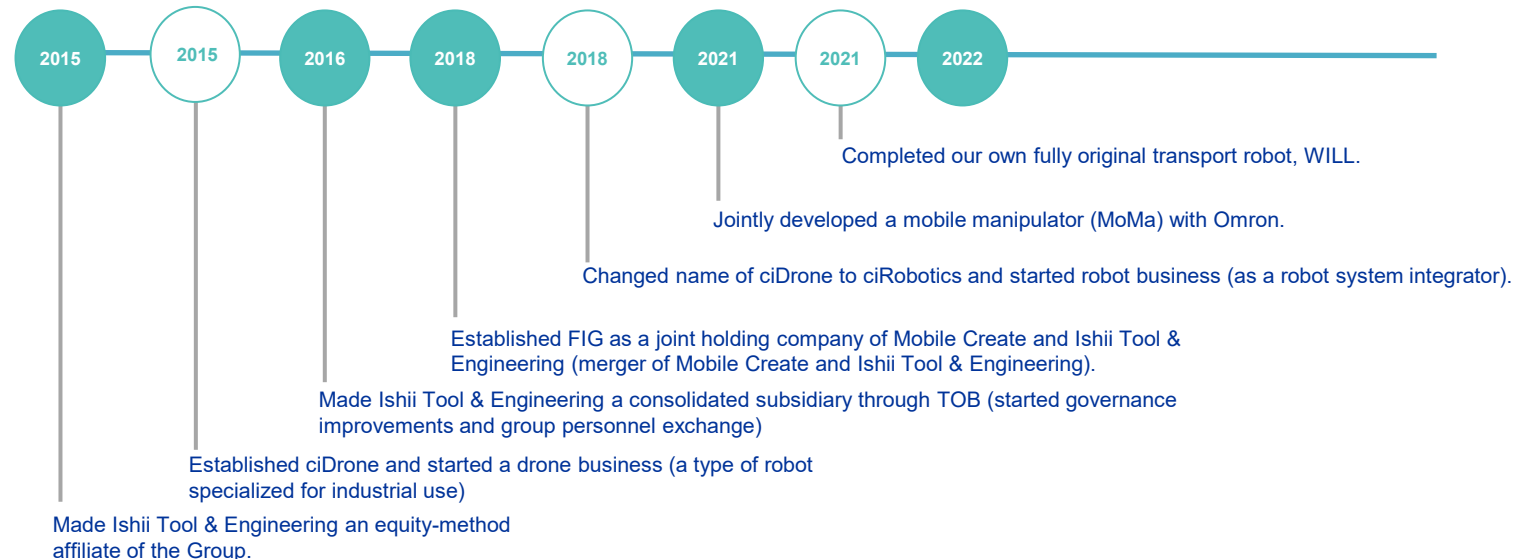
The challenge of creating robots was technically a process of repeated trial and error. During that time, we also made changes to our Group and organizational structure, and we have finally reached the point where we can fully enter the autonomous transport robot market. (The year 2022 will be the first year of our Robot Business in a true sense.)

We were able to reach this starting line because we brought the Equipment-related Business into the Group. Many of the transport robots used in factories or in other locations still have limited applications and are used in closed networks. We believe that the use of cloud computing and the integration of robotics and IoT technologies will expand the applications of robots in the future.

We will continue to develop our Robot Business to solve social issues such as labor shortages and work efficiency improvement to realize a society where people and robots coexist in harmony.



Robot business developed through technical cooperation within the Group.



Why? (Two Frequently Asked Questions)

Why did you start the condominium leasing business as a new business?

We built and commercialized a rental condominium on the land in front of our headquarters, the site where our Group company was founded. Against this backdrop, we decided to utilize this land as a business rather than sell it. By doing so, we created a sustainable business that is more profitable than a transient land sale and contributes to the growth of the Group.

We do not plan to build more rental condominiums, because we are a Group centered on the Information and Communications Business.

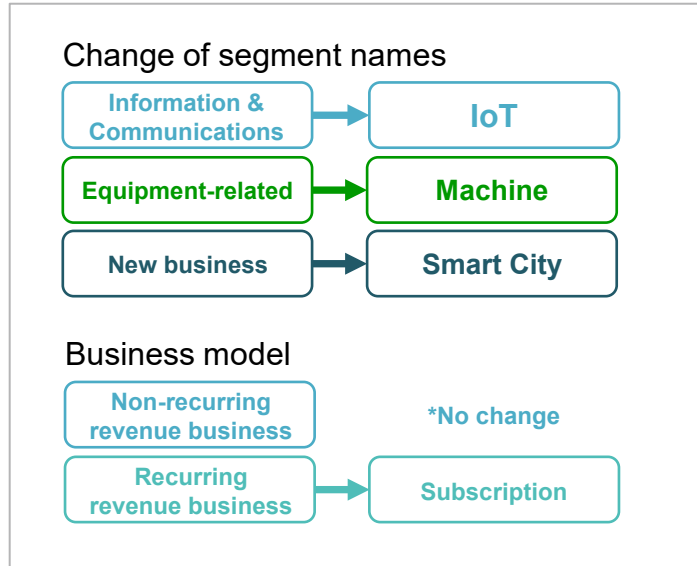
However, since we have signed a 30-year lump-sum lease agreement, we can earn a stable income over the long term.

We also plan to use this rental condominium as a demonstration field for a smart city.

We hope to provide safe and comfortable housing through the power of IT such as by using robots to deliver items from the convenience store on the first floor and by introducing payment services. By embodying the smart city concept in our rental condominium, we aim to transform the business into one that contributes to the development of IoT services.



Machine Business and Smart City Business supporting the IoT Business

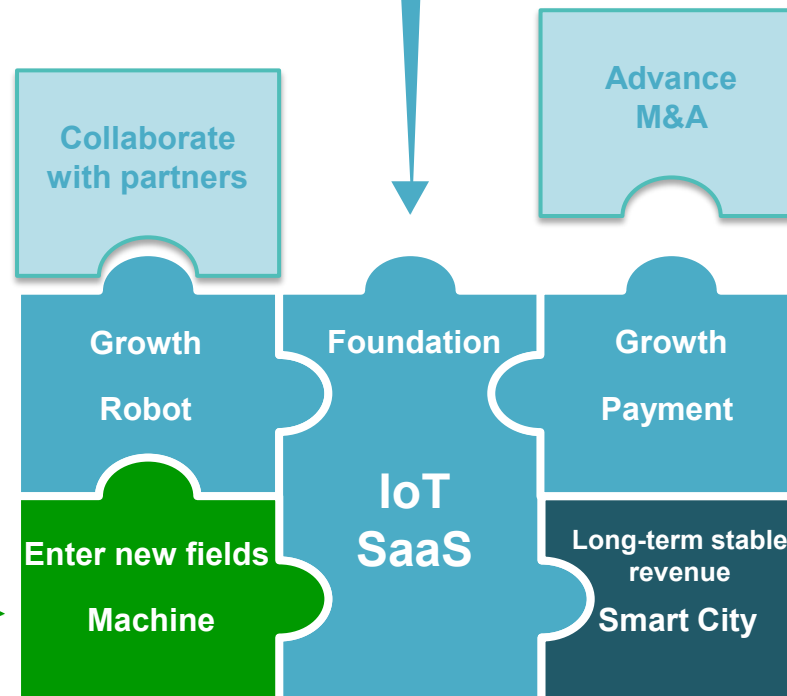


IoT (Expand foundation + invest in growth)

Growth through the advancement of aggressive investment and M&A
 Expansion of the IoT x SaaS business as our business foundation
 Development of the Payment Business and Robot Business into our new core businesses
 (aim to make them stand-alone segments within three years)

Machine (Business reform and entry into new fields)

Improve quality, rather than expand scale, as a technical area of manufacturing required for IoT (improve profitability). Fully engage in the Robot business (reform).



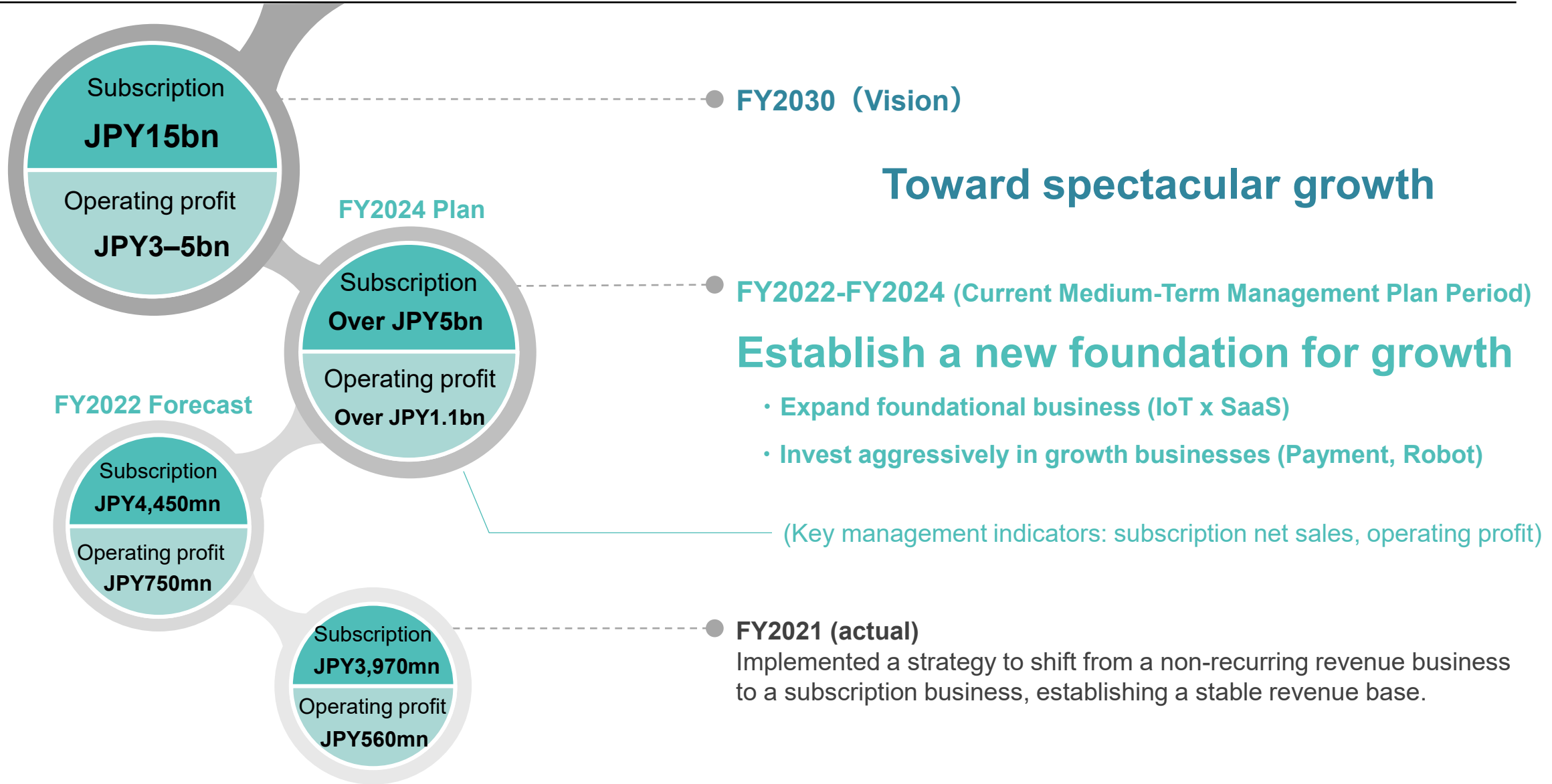
Smart City (Long-term stable revenue)

Long-term stable revenue from a 30-year lump-sum lease contract for our rental condominium
 Support IoT business as a demonstration field for a smart city

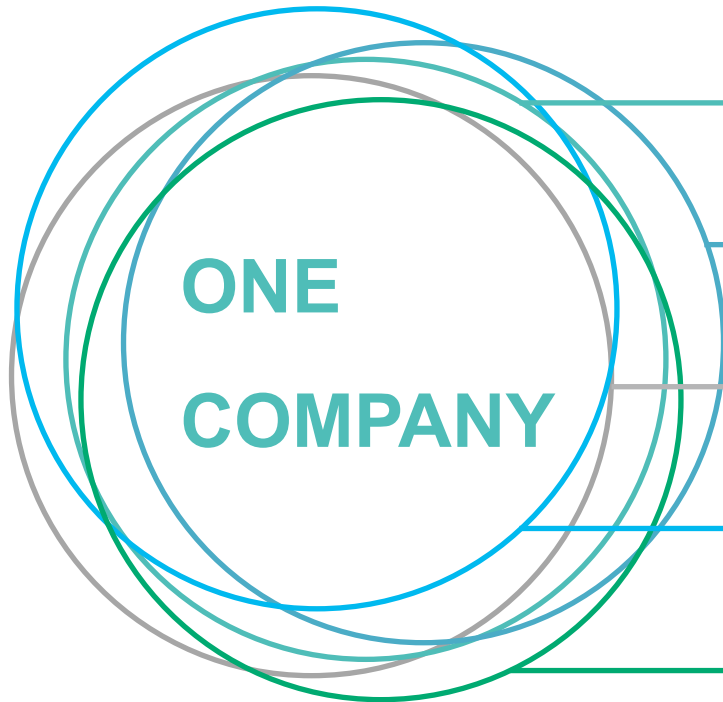
KPI (Profitability and Capital Efficiency)

	FY2021 (actual)	FY2022 (forecast)		FY2024 (KPI)
Subscription net sales	JPY3,970mn	JPY4,450mn	→	Over JPY5,000mn
Operating profit	JPY560mn	JPY750mn	→	Over JPY1,100mn
EPS	JPY15.12	JPY16.20	→	Over JPY24
ROE	5.2%	—	→	8% or higher
ROIC	2.7%	—	→	4.5% or higher
Net sales (overall)	JPY12,260mn	JPY13,000mn		—
Cost of Shareholders' equity (calculated based on CAPM)	4.8%			
WACC	2.9%			

Positioning of this Medium-Term Management Plan



What We Want to Achieve During this Medium-Term Period



- As a passing phase, have our Prime Market conformity plan be accepted.
- Develop the Payment Business and Robot Business into two core businesses (turn into stand-alone segments within three years)
- Achieve JPY5bn in subscription net sales in the foundational IoT x SaaS business
- Accumulate and share proprietary technologies and explore new areas of knowledge through intra-group collaboration (establish a mechanism for collaboration)
- Spur employees to take on new challenges with a sense of excitement about the business (expand both new product development and operations/maintenance)

Robot Business (Initiatives to Date)

In addition to the system integration for transport robots, we are also engaged in the development of our own original robots. The industrial robot market is expected to grow as the domestic working population declines and the need for unmanned or labor-saving operations expand. The Robot Business is an area that requires technological collaboration between the IoT business and Machine business, not only in system development, but also in manufacturing aspects and top-tier system integration. We are investing in the Robot Business as a driver of future Group earnings, as we believe it is a business that we can expand by utilizing the factories we own and our customer base of hotel operators.

Robot jointly developed with Omron

Mobile manipulator, “MoMa”

Introduced to a major medical device manufacturer
Inspection of air cleanliness in clean rooms can be done by robots in place of humans
Introduced to a major semiconductor manufacturer
Shift product transfer work in the production process from humans to robots



Our own original transport robot

“WILL” leveraging the technologies of Group companies

Conducted automated robot lunch box delivery and garbage collection at an accommodation and medical treatment facility for COVID-19 patients in Oita prefecture. This contributed to reducing the risk of infection among healthcare workers. Demonstration tests are underway at restaurants.



Alliance between companies aiming for No.1 domestic market share of made-in-Japan transport robots



Details of capital & business alliance

Business alliance

Technical cooperation in mechanical/electrical design and software
Outsourcing of manufacturing (from Takumi to FIG)

Capital alliance

Investment of JPY300mn in Takumi and dispatch of directors

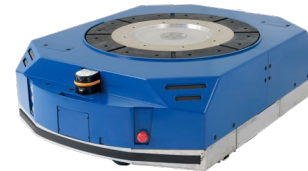
Effects of alliance

- ✓ Reduced weight and sizes of robots
- ✓ Cost reductions and the implementation of safety measures
- ✓ Top-tier system integration
- ✓ AI-based group control (simultaneous control of multiple units)
- ✓ Cloud-based features

Robot Business (Takumi's Robots Mainly Geared Toward AGVs)



Company name	TAKUMI Co., Ltd.
Established	March 2015
Representative	Motoharu Goto, President
Headquarters	Chuo Ward, Fukuoka City
Business details	Robot business
Employees	54 (as of Dec. 31, 2021)
Latest funding rounds	
JPY300mn (2019), JPY400mn (2021), JPY300mn (2022)	



TiTra G (GRID type)



TiTra S (SLAM type)



TAKUMI - Clean

Goods To Person (GTP) Shelf Transfer Robot

This robot transports merchandise while reading 2D codes laid out in a grid pattern on the floor. Conventionally, a person had to walk to the shelf to perform the picking work, but the robot brings the shelf, significantly reducing the time required for the person to travel. Because of its high stopping accuracy, the robot can also be used in combination with other equipment such as conveyors.

Maximum transport load: 500kg, 1000kg

Autonomous Mobile Robot (AMR) Collaborative transfer robots

This robot uses a laser sensor to recognize the shape of surrounding walls and pillars and superimpose this information on a pre-set map of the operating region. Floor markers are not necessary, and the robot can stop or avoid obstacles that are not already noted in the pre-set map, making it suitable for environments where it collaborates with humans.

Maximum transport load: 100kg

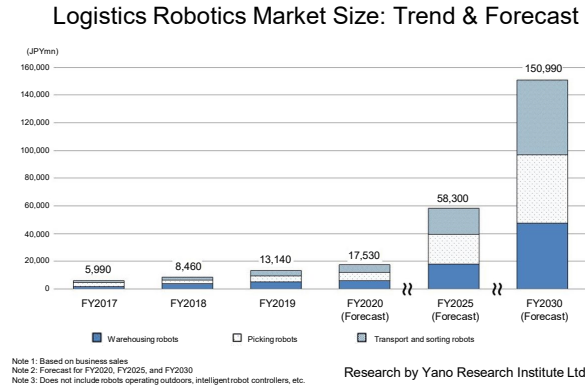
Ozone Generating Air Purification Robot

This autonomous transport robot performs ozone sterilization and deodorization at night for space sterilization in hospitals, schools, public facilities, shopping malls, and other high-traffic facilities.

Robot Business (Market Opportunities to be Exploited Through Collaboration with Takumi)

Domestic logistics robotics will expand rapidly

In FY2030, the market size is expected to expand to JPY150.9bn (approximately 8x the FY2020 market size), led by GTP-type AGVs.



Size of market targeted by FIG & Takumi (for logistics, factories)

Market size of robots created by both companies within three years

2024
Target size Over JPY **5**bn

We are currently in the implementation phase for major Japanese manufacturers.

Major opportunities and the current phase

Robots are attracting attention not only in the traditional sense of promoting unmanned and labor-saving operations to solve labor shortages, but also from the perspective of business continuity planning (BCP) due to the spread of COVID-19. Continuation of logistics and production in the event of an emergency is a social responsibility, and robots will undoubtedly be introduced at an even faster pace than before.

We also believe that applications will further expand, such as the use of AGVs in place of conveyor belts in production lines to meet customer needs for high-mix, low-volume production.

There is little competition in Japan for GTP-type AGVs, and although overseas manufacturers such as in China are ahead of the competition, we believe there are significant growth opportunities for robots made in Japan. In addition to concerns about overseas risks, customers hold high expectations for domestic manufacturers to provide customized support and after-sales service tailored to Japan's unique on-site environment and existing facilities. We are currently in the phase of introducing our products to major Japanese manufacturers, and as a pioneer of autonomous transport robots in Japan, we have a great opportunity to grow into an indispensable manufacturer.

Payment Business (Current Mainstay Business)

Multi-payment system, "PT-750"



- ✓ A variety of payment methods widely used today, such as credit card, e-money, and QR code payment, can be used on a single device.
- ✓ As with previous products, the device can be linked to taxi meters.
- ✓ As it is mobile and portable, the device can be used in a variety of situations.

Brands handled

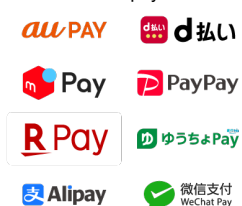
■ Credit cards



■ E-money



■ Code-based payments



IC transportation card used in Okinawa, "OKICA"

Transaction volume

3 years later
JPY50bn
(Target)

Approx. JPY15bn

(as of Dec. 2021)
Subscription income
ARR JPY333mn



Local money

Total number of OKICA cards issued
470,000

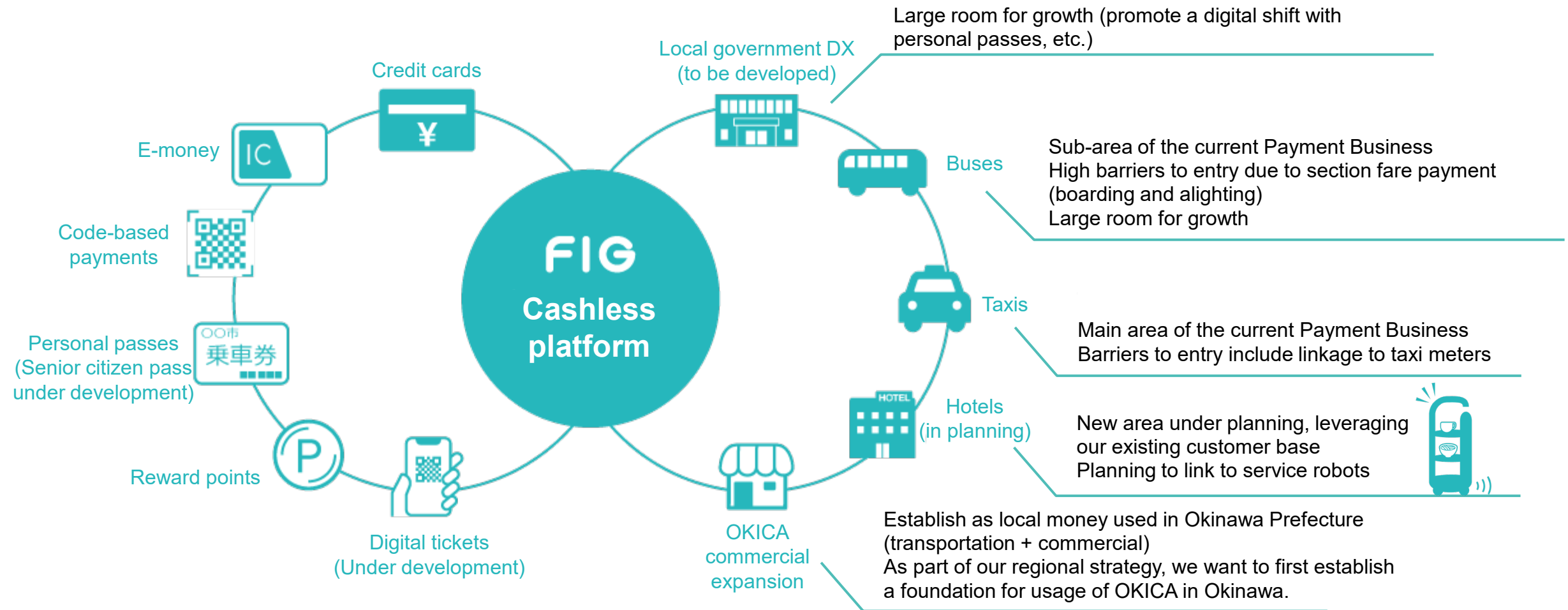


SmartOKICA (QR code payment)

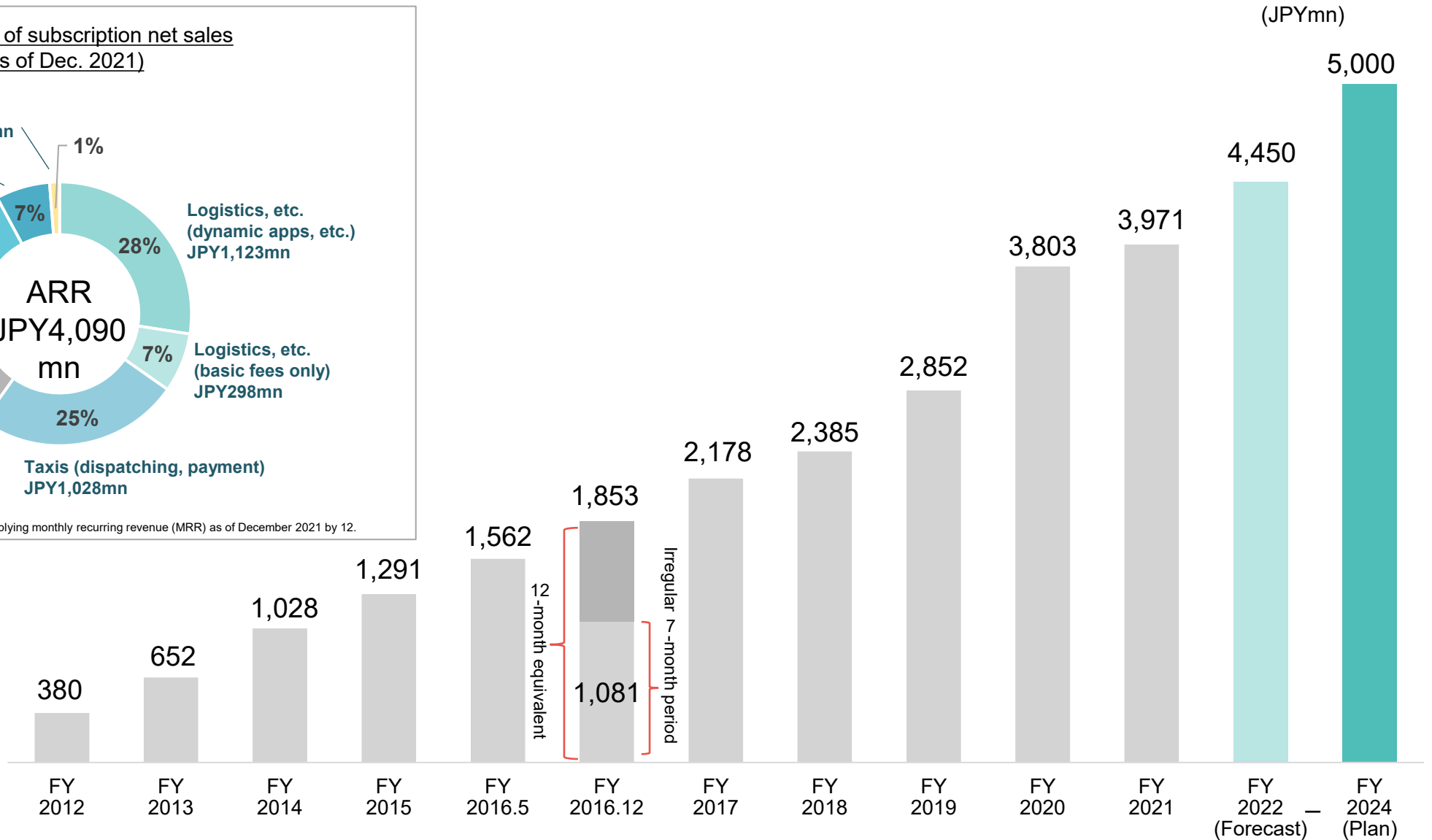
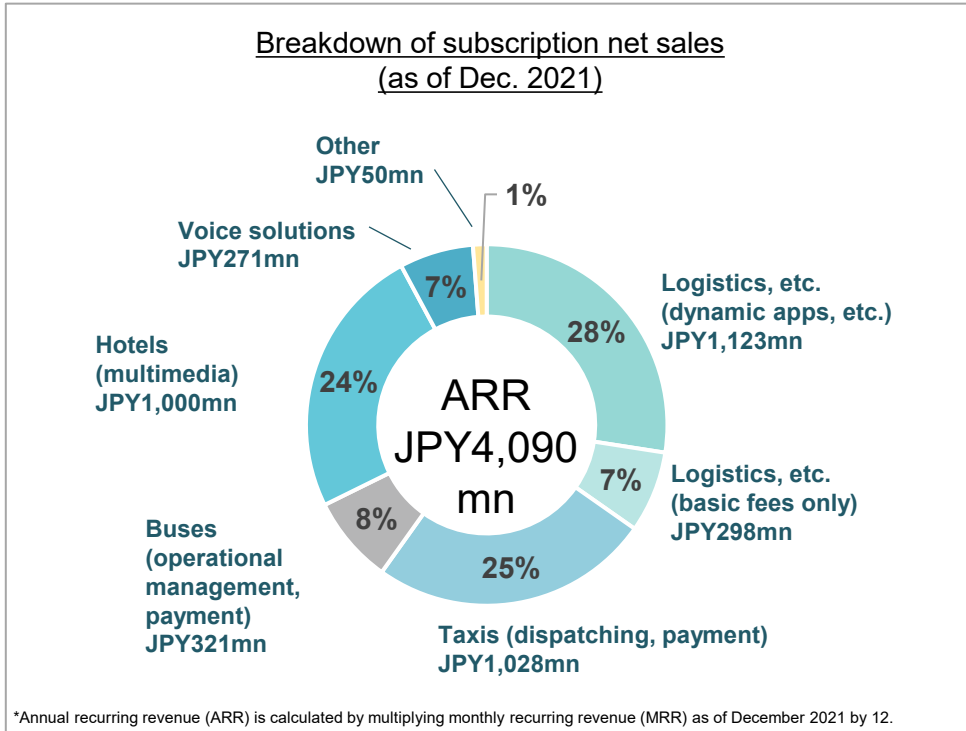


OKICA card

Services used every day on a cashless platform (extend business to MaaS)







IoT × SaaS Business (Subscription net sales)




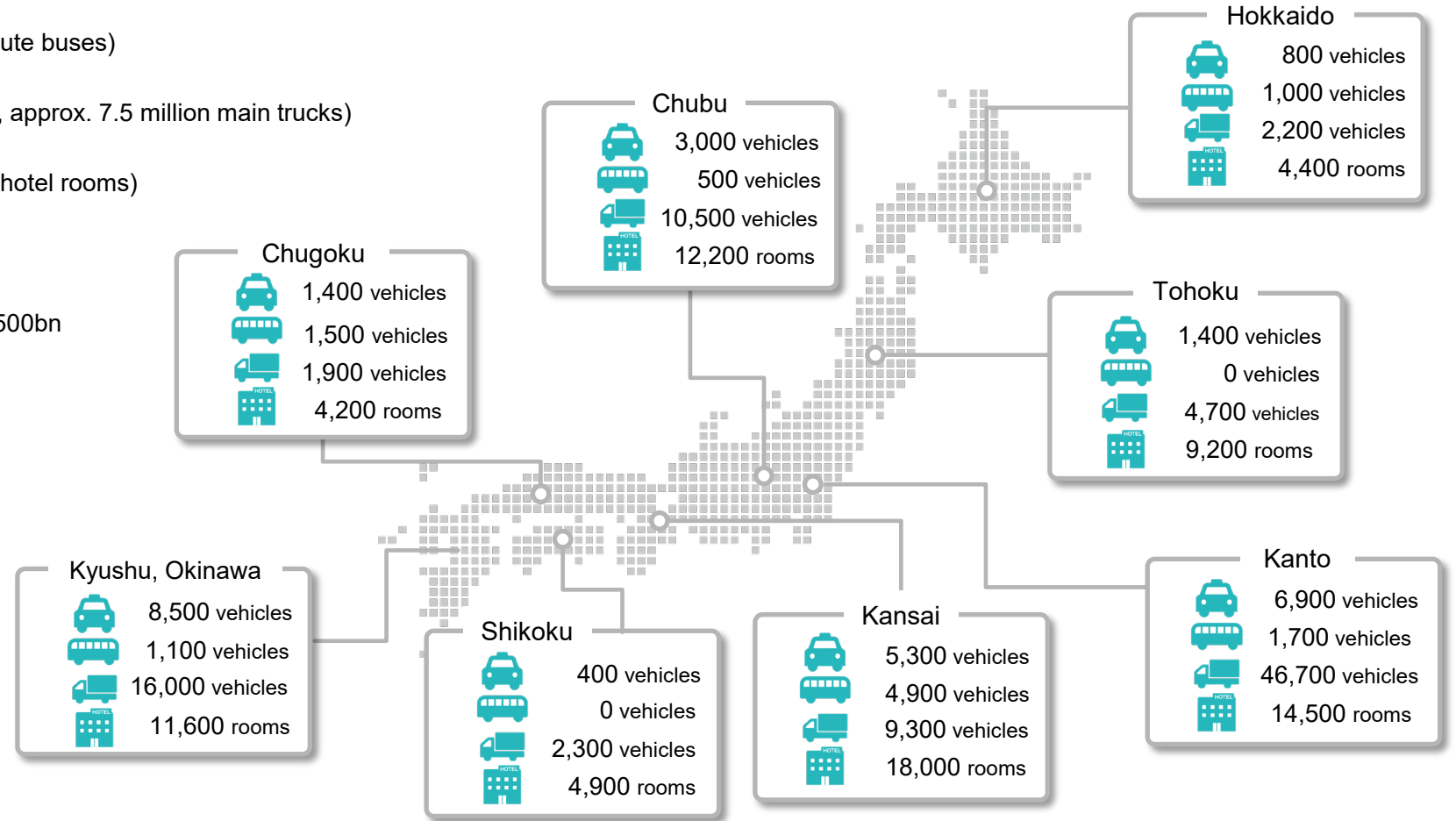
IoT × SaaS Business (Customer Base of Subscription Services)

Customer Base (over 210,000 monthly service contracts)

As of December 2021

-  Taxis Approx. 27,700 vehicles
(13% market share, approx. 220,000 taxis)
-  Buses Approx. 10,700 vehicles
(21% market share, approx. 50,000 route buses)
-  Logistics, etc. Approx. 93,600 vehicles
(No. 1 share of IP radio systems type, approx. 7.5 million main trucks)
-  Hotels Approx. 79,000 rooms
(7% market share, approx. 1.1 million hotel rooms)

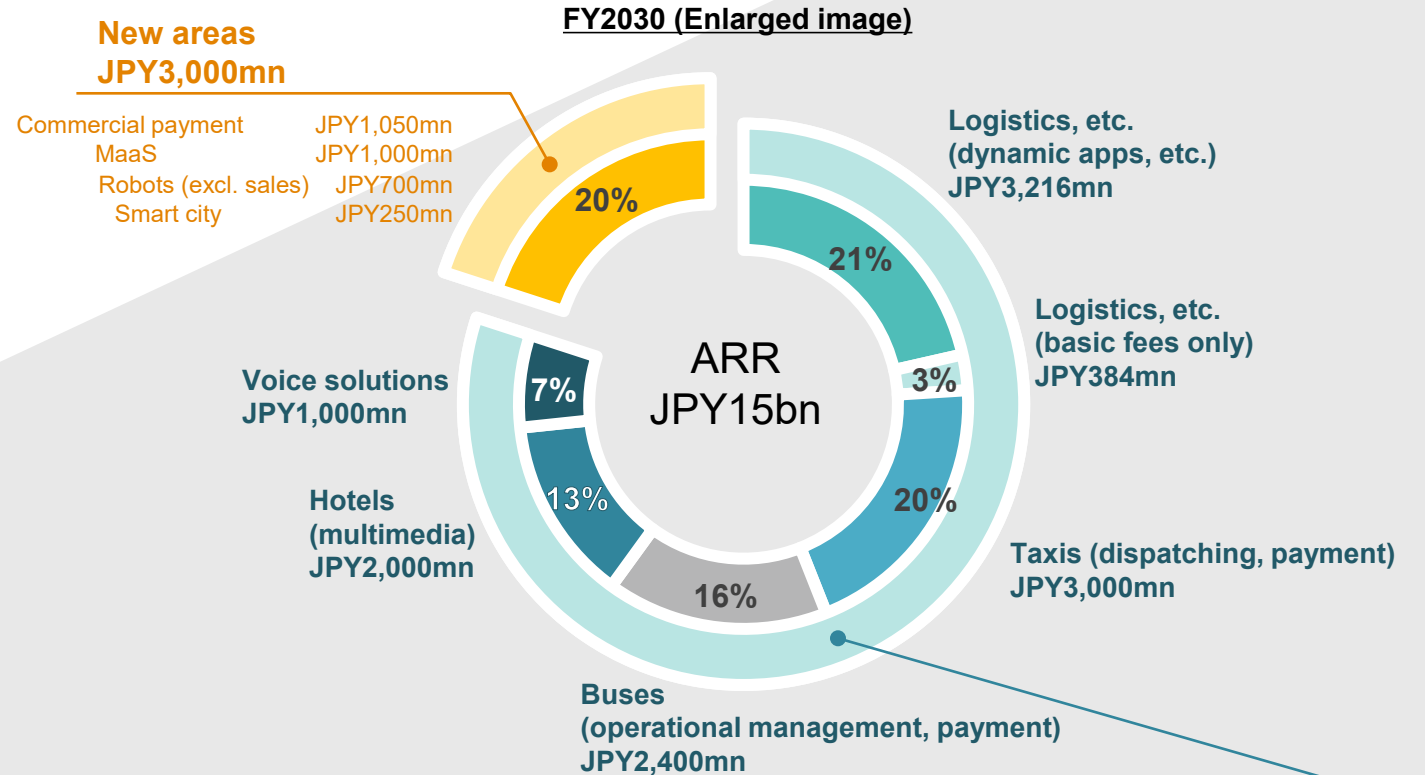
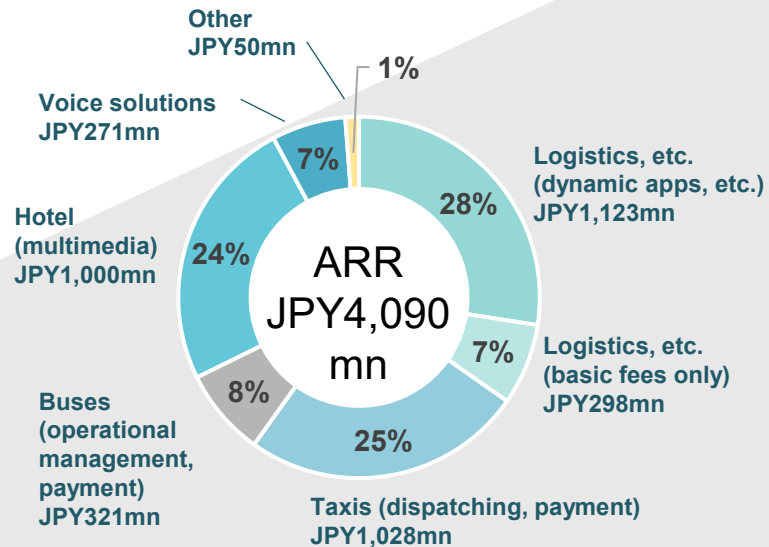
 No. of corporate contracts for voice solutions: 274
*Market size of contact center solutions: approx. JPY500bn



IoT × SaaS Business (Expansion of Subscriptions)

Image of expanding subscriptions
JPY4,090mn → JPY15bn

**Breakdown of subscription net sales
(as of December 2021)**



**Expand foundation
JPY12,000mn**

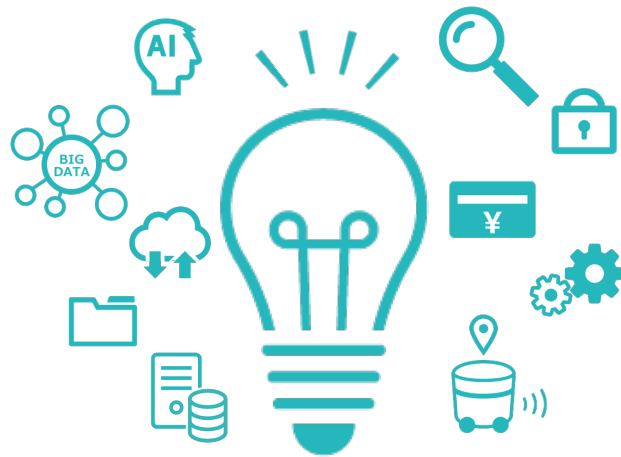
Logistics, etc. (dynamic apps, etc.):	160,000 vehicles	x monthly fee JPY1,700	x 12 months =	JPY3,210mn
Logistics, etc. (basic fees only):	40,000 vehicles	x monthly fee JPY800	x 12 months =	JPY380mn
Taxis (dispatching, payment):	50,000 vehicles	x monthly fee JPY5,000	x 12 months =	JPY3,000mn
Buses (operational management, payment):	20,000 vehicles	x monthly fee JPY10,000	x 12 months =	JPY2,400mn
Hotels (multimedia):	130,000 rooms	x monthly fee JPY1,300	x 12 months =	JPY2,000mn
Voice solutions:	1,000 units	x monthly fee JPY83,300	x 12 months =	JPY1,000mn

*Monthly fees are averages of multiple services converted to our own categories, so they differ from the prices of individual services.

Management Foundation (New Group Development Structure Aimed at Strategic Development)

Established CAOS, a subsidiary specializing in strategic development, aiming to accelerate the Group's growth through the development of new services

The origin of the company name is *caos*, which means chaos in Spanish. In a chaotic and disorderly world, we accumulate experiences of things not going our way, and through these experiences, we advance our quest for knowledge that fosters ideas to improve society. Through repeated trial and error, we hone our sense and imagination and create new values. This desire to act creatively for the good of society is reflected in the company name, Creative Act for Our Society (CAOS).



Why did we establish CAOS?

In order for us to continue to grow sustainably, we must remain an ever-changing Group. There was a time when we were biased toward deepening our knowledge based on past successes and lost balance with the pursuit of new knowledge. We had been preparing for change by experimenting within the company to see how we could become a more balanced organization. The answer was the establishment of CAOS.

CAOS is a group of engineers dedicated solely to development, providing strategic new products and services to the group companies. While other group companies provide services and further their knowledge of existing businesses, CAOS continues to explore new knowledge using the latest technology, specializing in the development of new products and services.

Management Foundation (Group Values and Investment in Human Resources)

FIG Group's Values

- Never forget the venture spirit and never be satisfied with the status quo.
- There are no opportunities where there is no risk. Keep challenging with passion.
- Never forget the spirit of compassion and consideration for others.
- Actions must be fair and honest.
- Good sense as well as intelligence is important, and good sense is cultivated through action and experience.
- Look at things from a bird's eye view. If you change the angle, you will see things differently.
- It is difficult to communicate correctly, so good communication skills are an asset.
- Keep communication flowing and make sure group companies and their organizations are cross-functional.
- Speed itself is highly valuable.
- Think how you can do it. Giving up is the last option.

Value sharing

VALUE

- ✓ Sharing the Group's management philosophy, vision, and values

Group talent recruitment system



- ✓ Exchange of talent within the Group
- ✓ Encourage "challenge" and "independence"

1-on-1 lunch meetings



- ✓ Facilitate communication between supervisors and subordinates

Self-development support system

Personal interests are acceptable depending on the content



- ✓ Non-work-related content is also eligible for support
- ✓ Support continuous learning and employees' diverse ideas and activities
- ✓ Subsidize the cost of textbooks and training examinations

Qualification support system



- ✓ Improve employee skills and raise their motivation
- ✓ A lump-sum payment is made when passing a qualification recognized by the company

Enhanced benefits programs



- ✓ Work from home allowance allowance
- ✓ Membership in a benefits program outsourcing service
- ✓ In-house system development and introduction of an office convenience store

We aim for sustainable management through business strategies that incorporate the perspectives of ESG and SDGs.



Environmental

Contribute to the reduction of global environmental impact through IT

- Reduction of environmental impact through our products and services
- Reduction of waste generated by business activities, improvement of resource conversion rate, and utilization of natural energy
- Efforts to reduce the use of hazardous substances
- Preservation of the local environment



Social

Use the Group's technology to create a bright future

- Provision of technologies and services that support a Society 5.0 (drones, robots)
- Contribution to sustainable regional transportation (buses, taxis)
- Contribution to the realization of a cashless society
- Contribution to the widespread adoption of MaaS
- Contribution to disaster prevention/mitigation and safety
- Pursuit of technologies to realize smart hotels
- Provision of a comfortable working environment (health enhancement, diversity promotion)



Governance

Strengthen governance to solidify our management foundation

- Rigorous implementation of corporate governance
- Appointment of outside directors
- Establishment of a method for determining the amount of director's remuneration
- Compliance adherence and training
- Efforts to eliminate antisocial forces
- Reinforcement of information security



Appendix



Company Profile



FIG (TSE First Section, FSE Main Board)

Pure holding company

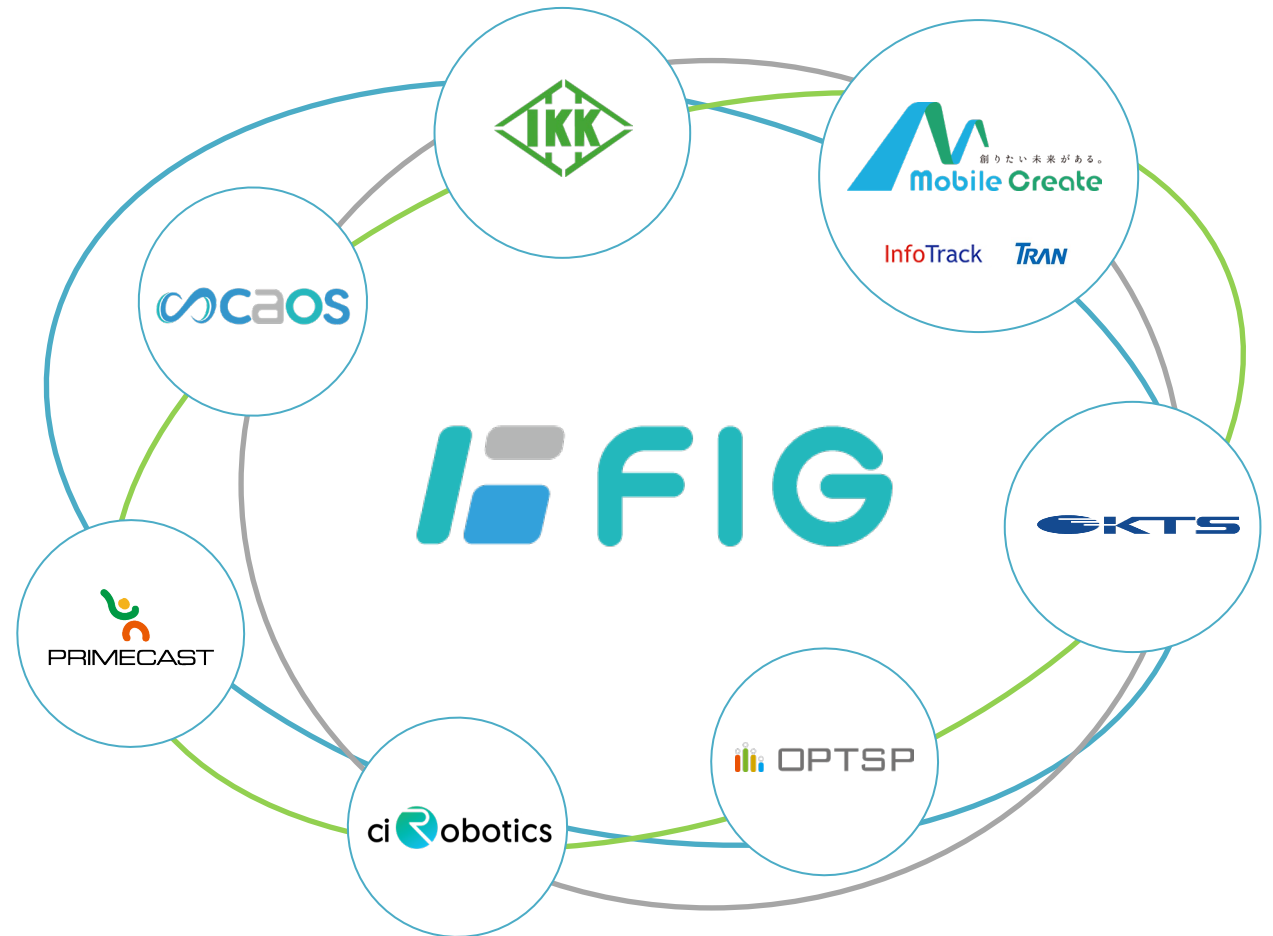
Trade Name
Future Innovation Group, Inc.

Established
July 2, 2018
*Mobile Create (predecessor of the Group) was established in 2002

Representative
Yuji Murai, President and Representative Director

Headquarters
2-5-60 Higashiomichi, Oita City, Oita Prefecture

Employees
697 (consolidated; as of Dec. 31, 2021)



Overview of FIG Group's Main Businesses

IP radio systems



We are a pioneer in IP radio systems utilizing mobile infrastructure. In addition to our mainstay vehicle-mounted models, we also offer a handheld model for the disaster prevention market, which is selling well and can be linked to LINE.

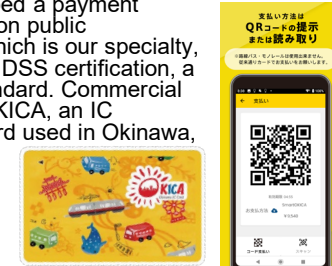
Taxi dispatch systems

We offer tablet-based taxi dispatch systems and in-vehicle devices linked to taxi meters. Outsourcing of dispatch stations has seen strong demand, and we launched a dispatch service for users via LINE.



Electronic payment systems

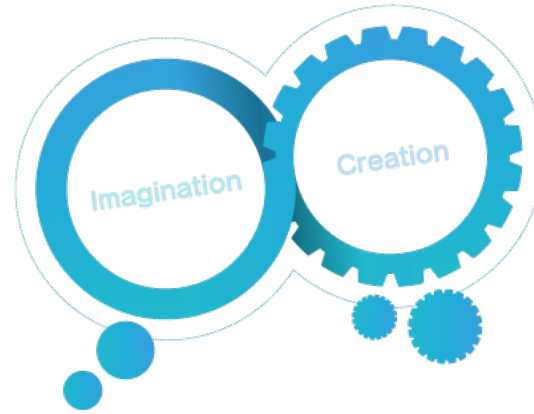
We have developed a payment service focusing on public transportation, which is our specialty, and obtained PCIDSS certification, a high security standard. Commercial deployment of OKICA, an IC transportation card used in Okinawa, has begun.



Bus location systems



We provide bus users with bus routes, transit searches, and proximity information. We boast the top market share in Japan for bus location systems. We also develop digital signage and traffic jam information systems.



Semiconductor and automotive automation equipment

We have earned a solid reputation as a manufacturer by providing total solutions from development to design, manufacturing, assembly, sales, and service of automotive parts manufacturing equipment.



Smart hotel



We provide IoT-based systems for business and city hotels, including guest room multimedia systems, linen systems (management of guest room cleaning operations), and facility congestion information systems.

Industrial robot



Our industrial robots travel based on map data and are equipped with manipulators that perform tasks in place of humans. In addition to being a robot system integrator, we are developing our own transport robots.



Drone



We develop and sell industrial drones and participate in demonstration experiments of utilizing drones to save manpower (drone delivery, smart agriculture, transportation of blood samples, etc.).



Future Innovation Group

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Phone: +81-97-576-8730

The materials and information provided in this presentation contain forward-looking statements. These statements are based on current expectations, forecasts, and assumptions, and involve risks and uncertainties that could cause actual results to differ materially from those described. These risks and uncertainties include general industry and market conditions, and general national and international economic conditions such as interest rate and currency exchange fluctuations.

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- QR Code is a registered trademark of Denso Wave Inc. and OKICA is a registered trademark of Okinawa IC Co., Ltd.
 - Kitaca is a registered trademark of Hokkaido Railway Company.
 - Suica is a registered trademark of East Japan Railway Company.
 - PASMO is a registered trademark of Pasma Co., Ltd.
 - TOICA is a registered trademark of Central Japan Railway Company.
 - manaca is a registered trademark of Nagoya Transportation Development Organization Co., Ltd. and M.I.C. Corp.
 - ICOCA is a registered trademark of West Japan Railway Company.
 - SUGOCA is a registered trademark of Kyushu Railway Company.
 - nimoca is a registered trademark of Nishi-Nippon Railroad Co., Ltd.
 - Hayakaken is a registered trademark of Fukuoka City Transportation Bureau.
 - The iD logo is a registered trademark of NTT Docomo, Inc.
 - QUICPay+TM is a registered trademark of JCB Co., Ltd.
 - Rakuten Edy is a prepaid electronic money service of Rakuten Group, Inc.
 - WAON is a registered trademark of AEON Co., Ltd.
 - nanaco is a registered trademark of Seven Card Service Co., Ltd.
 - au PAY is a registered trademark of KDDI Corporation.
 - d Barai is a registered trademark of NTT Docomo, Inc.
 - Merpay is a registered trademark of Mercari, Inc.
 - PayPay is a registered trademark of PayPay Corporation.
 - Rakuten Pay (app payment) is a trademark or registered trademark of Rakuten Group, Inc.
 - Yucho Pay is a registered trademark of Japan Post Holdings Co., Ltd.
 - Alipay is a registered trademark of Alibaba Group Holdings Limited.
 - WeChat Pay is a registered trademark of Tencent Holdings Ltd.
 - LINE is a registered trademark of LINE Corporation.