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Consolidated Financial Results for the Six Months Ended June 30, 2022 [Japanese GAAP]



August 10, 2022

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
 Contact: KIBE Kazuhisa, Director and Managing Executive Officer
 Phone: +81-97-576-8730
 Scheduled date of filing quarterly securities report: August 10, 2022
 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, 2022 (January 1, 2022 - June 30, 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	%
Six months ended June 30, 2022	6,467	8.6	621	85.6	610	77.3	429	81.5
June 30, 2021	5,952	17.5	335	–	344	–	236	–

(Note) Comprehensive income: Six months ended June 30, 2022: ¥337 million [(41.2)%]

Six months ended June 30, 2021: ¥573 million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2022	14.67	14.47
June 30, 2021	8.11	7.99

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	19,074	9,095	47.0
As of December 31, 2021	18,971	8,878	46.0

(Reference) Equity: As of June 30, 2022: ¥8,959 million

As of December 31, 2021: ¥8,730 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, 2021	—	0.00	—	5.00	5.00
Fiscal year ending December 31, 2022	—	0.00			
Fiscal year ending December 31, 2022 (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, 2022 (January 1, 2022 - December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	13,000	6.0	900	59.0	862	50.4	574	29.9	18.41

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

*** 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) 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):

June 30, 2022:	31,300,315 shares
December 31, 2021:	31,176,015 shares
 - 2) Total number of treasury shares at the end of the period:

June 30, 2022:	1,918,406 shares
December 31, 2021:	1,918,322 shares
 - 3) Average number of shares during the period:

Six months ended June 30, 2022:	29,289,547 shares
Six months ended June 30, 2021:	29,190,526 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.

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	2,414	2,199
Notes and accounts receivable	3,145	-
Notes and accounts receivable, and contract assets	-	2,835
Investments in leases	1,955	4,521
Inventories	2,063	1,707
Other	313	621
Allowance for doubtful accounts	(45)	(33)
Total current assets	9,846	11,852
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,096	1,944
Land	1,718	1,718
Construction in progress	2,942	2
Other, net	437	426
Total property, plant and equipment	6,194	4,093
Intangible assets		
Goodwill	357	326
Other	493	522
Total intangible assets	850	849
Investments and other assets		
Investment securities	946	1,102
Deferred tax assets	73	95
Long-term accounts receivable	885	888
Other	186	206
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	2,079	2,279
Total non-current assets	9,125	7,221
Total assets	18,971	19,074

(Million yen)

	As of December 31, 2021	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable	1,298	930
Short-term borrowings	3,833	528
Current portion of bonds payable	16	16
Current portion of long-term borrowings	802	1,016
Income taxes payable	81	211
Accrued consumption taxes	188	125
Provision for bonuses for directors (and other officers)	53	71
Provision for product warranties	27	28
Other	766	690
Total current liabilities	7,068	3,619
Non-current liabilities		
Bonds payable	17	8
Long-term borrowings	2,731	6,095
Provision for retirement benefits for directors (and other officers)	65	63
Retirement benefit liability	128	135
Deferred tax liabilities	81	50
Other	1	5
Total non-current liabilities	3,024	6,358
Total liabilities	10,093	9,978
Net assets		
Shareholders' equity		
Capital stock	2,012	2,030
Capital surplus	3,852	3,870
Retained earnings	3,035	3,318
Treasury shares	(455)	(455)
Total shareholders' equity	8,444	8,763
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	282	183
Foreign currency translation adjustment	4	12
Total accumulated other comprehensive income	286	196
Share acquisition rights	131	121
Non-controlling interests	16	14
Total net assets	8,878	9,095
Total liabilities and net assets	18,971	19,074

(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, 2021	For the six months ended June 30, 2022
Net sales	5,952	6,467
Cost of sales	4,333	4,431
Gross profit	1,619	2,035
Selling, general and administrative expenses	1,284	1,413
Operating profit (loss)	335	621
Non-operating income		
Interest income	0	0
Dividend income	8	11
Other	19	10
Total non-operating income	27	22
Non-operating expenses		
Interest expenses	15	24
Other	3	9
Total non-operating expenses	18	34
Ordinary profit	344	610
Profit before income taxes	344	610
Income taxes - current	103	190
Income taxes - deferred	8	(6)
Total income taxes	111	184
Profit	232	425
Profit (loss) attributable to non-controlling interests	(3)	(3)
Profit attributable to owners of parent	236	429

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended June 30

(Million yen)

	For the six months ended June 30, 2021	For the six months ended June 30, 2022
Profit	232	425
Other comprehensive income		
Valuation difference on available-for-sale securities	337	(98)
Foreign currency translation adjustment	4	9
Total other comprehensive income	341	(88)
Comprehensive income	573	337
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	577	339
Comprehensive income attributable to non-controlling interests	(3)	(1)

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30, 2021	For the six months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	344	610
Depreciation	196	191
Amortization of goodwill	32	31
Increase (decrease) in allowance for doubtful accounts	2	(11)
Increase (decrease) in provision for product warranties	3	1
Increase (decrease) in retirement benefit liability	10	6
Increase (decrease) in provision for bonuses	15	17
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(34)	(1)
Interest and dividend income	(8)	(11)
Interest expenses	15	24
Decrease (increase) in trade receivables	(845)	-
Decrease (increase) in trade receivables and contract assets	-	309
Decrease (increase) in inventories	(476)	356
Increase (decrease) in trade payables	788	(367)
Net decrease (increase) in investments in leases	(61)	81
Other	(114)	(160)
Subtotal	(131)	1,077
Interest and dividends received	8	11
Interest paid	(18)	(23)
Subsidies received	19	1
Income taxes refund	19	44
Income taxes paid	(220)	(109)
Net cash provided by (used in) operating activities	(323)	1,002

(Million yen)

	For the six months ended June 30, 2021	For the six months ended June 30, 2022
Cash flows from investing activities		
Payments into time deposits	(10)	(4)
Proceeds from withdrawal of time deposits	-	31
Purchase of property, plant and equipment	(2,105)	(1,038)
Purchase of intangible assets	(78)	(99)
Purchase of investment securities	(25)	(300)
Proceeds from sale of investment securities	1	-
Proceeds from collection of loans receivable	1	101
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2)	-
Other	6	(4)
Net cash provided by (used in) investing activities	(2,213)	(1,316)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,207	(3,304)
Proceeds from long-term borrowings	530	4,038
Repayments of long-term borrowings	(347)	(460)
Redemption of bonds	(8)	(8)
Purchase of treasury shares	(0)	(0)
Dividends paid	(145)	(145)
Repayments of lease obligations	(0)	(1)
Other	-	0
Net cash provided by (used in) financing activities	2,235	117
Effect of exchange rate change on cash and cash equivalents	2	7
Net increase (decrease) in cash and cash equivalents	(299)	(187)
Cash and cash equivalents at beginning of period	2,318	2,376
Cash and cash equivalents at end of period	2,019	2,188