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Consolidated Financial Results for the Year Ended December 31, 2024 [Japanese GAAP]

February 19, 2025

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 of annual general meeting of shareholders: March 28, 2025
 Scheduled date to commence dividend payments: March 31, 2025
 Scheduled date to file annual securities report: March 31, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 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	%
Fiscal year ended December 31, 2024	12,016	(11.2)	363	(49.7)	393	(45.0)	(1,412)	-
December 31, 2023	13,534	4.8	723	(22.4)	715	(25.8)	210	(69.4)

(Note) Comprehensive income: Fiscal year ended December 31, 2024: ¥ (1,303) million [-%]
 Fiscal year ended December 31, 2023: ¥ 154 million [(76.8)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	(46.72)	-	(16.1)	2.0	3.0
December 31, 2023	6.97	6.88	2.2	3.2	5.3

(Note) Diluted earnings per share for the year ended December 31, 2024 is not included because it is a net loss per share, although there are dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	15,895	8,172	50.6	265.87
December 31, 2023	22,835	9,595	41.4	313.31

(Reference) Equity: As of December 31, 2024: ¥ 8,044 million
 As of December 31, 2023: ¥ 9,453 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	3,160	2,918	(5,674)	2,612
December 31, 2023	(578)	(838)	1,430	2,202

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2023	-	0.00	-	5.00	5.00	150	71.7	1.6
December 31, 2024	-	0.00	-	5.00	5.00	151	-	1.7
Fiscal year ending December 31, 2025 (Forecast)	-	0.00	-	5.00	5.00		27.4	

(Note)

- Dividends for the fiscal year ending December 31, 2024 will be funded from capital surplus. For details, please refer to “Details of dividends paid from capital surplus” described below.
- The dividend payout ratio for the fiscal year ending December 31, 2025 is based on the lower limit because the forecast for the fiscal year ending December 31, 2025 is in a range format. The dividend payout ratio based on the upper limit is 20.2%.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(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	13,600 ~14,500	13.2 ~20.7	800 ~1,100	119.9 ~202.4	800 ~1,100	103.4 ~179.7	552 ~750	-	18.24 ~24.79

* Notes:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement: None
- (3) Number of issued shares (common shares)
- Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024:	31,474,315 shares
December 31, 2023:	31,393,015 shares
 - Number of treasury shares at the end of the period:

December 31, 2024:	1,218,634 shares
December 31, 2023:	1,218,496 shares
 - Average number of shares outstanding during the period:

Fiscal Year ended December 31, 2024:	30,225,968 shares
Fiscal Year ended December 31, 2023:	30,141,328 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	1,404	(7.8)	286	(26.9)	272	(31.1)	(1,472)	-
December 31, 2023	1,522	22.0	391	7.4	394	9.3	61	(82.7)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2024	(48.71)	-
December 31, 2023	2.04	2.01

(Note) Diluted earnings per share for the year ended December 31, 2024 is not included because it is a net loss per share, although there are dilutive shares.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2024	10,404	5,984	56.3	193.65
December 31, 2023	17,318	7,576	43.0	246.94

(Reference) Equity: As of December 31, 2024: ¥ 5,858 million

As of December 31, 2023: ¥ 7,451 million

* These consolidated financial results are outside the scope of audit 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.

Details of dividends paid from capital surplus

Of the dividends for the fiscal year ended December 31, 2024, those paid from capital surplus are set out as follows:

Record date	Year-end	Total
Dividends per share	5.00 yen	5.00 yen
Total dividends	151 million yen	151 million yen

(Note) Percentage decrease in net assets 0.015

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	2,203	2,614
Notes and accounts receivable - trade, and contract assets	5,860	3,902
Investments in leases	4,268	1,463
Finished goods	461	401
Work in process	517	551
Raw materials	1,426	1,338
Other	552	511
Allowance for doubtful accounts	(74)	(72)
Total current assets	15,215	10,710
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,904	1,052
Machinery, equipment and vehicles, net	300	236
Tools, furniture and fixtures, net	130	104
Rental assets, net	183	198
Land	1,753	763
Leased assets, net	6	5
Construction in progress	-	52
Total property, plant and equipment	4,278	2,412
Intangible assets		
Goodwill	224	166
Software	449	543
Software in progress	97	96
Other	5	5
Total intangible assets	776	812
Investments and other assets		
Investment securities	1,335	829
Deferred tax assets	175	91
Long-term accounts receivable - other	881	880
Other	181	166
Allowance for doubtful accounts	(9)	(8)
Total investments and other assets	2,564	1,959
Total non-current assets	7,620	5,184
Total assets	22,835	15,895

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,273	1,162
Short-term borrowings	2,530	1,326
Current portion of long-term borrowings	1,455	1,093
Income taxes payable	100	171
Accrued consumption taxes	257	401
Provision for bonuses	51	51
Provision for product warranties	40	37
Other	936	835
Total current liabilities	6,645	5,080
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	-	500
Long-term borrowings	6,301	1,844
Deferred tax liabilities	48	95
Provision for retirement benefits for directors (and other officers)	71	30
Retirement benefit liability	143	172
Other	31	0
Total non-current liabilities	6,595	2,642
Total liabilities	13,240	7,722
Net assets		
Shareholders' equity		
Share capital	2,044	2,059
Capital surplus	4,022	4,037
Retained earnings	3,484	1,921
Treasury shares	(312)	(312)
Total shareholders' equity	9,238	7,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	207	323
Foreign currency translation adjustment	7	14
Total accumulated other comprehensive income	215	337
Share acquisition rights	124	125
Non-controlling interests	16	3
Total net assets	9,595	8,172
Total liabilities and net assets	22,835	15,895

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	13,534	12,016
Cost of sales	9,502	8,282
Gross profit	4,031	3,733
Selling, general and administrative expenses	3,308	3,369
Operating profit	723	363
Non-operating income		
Interest income	0	0
Dividend income	15	16
Subsidy income	8	9
Other	41	57
Total non-operating income	64	84
Non-operating expenses		
Interest expenses	44	38
Share acquisition rights issuance costs	-	5
Other	28	11
Total non-operating expenses	73	55
Ordinary profit	715	393
Extraordinary income		
Gain on sale of non-current assets	-	212
Gain on sale of investment securities	70	-
Total extraordinary income	70	212
Extraordinary losses		
Impairment losses	-	23
Loss on valuation of investment securities	300	1,693
Settlement payments	57	-
Office relocation expenses	44	-
Total extraordinary losses	403	1,716
Profit (loss) before income taxes	382	(1,110)
Income taxes - current	226	231
Income taxes - deferred	(57)	84
Total income taxes	168	316
Profit (loss)	213	(1,426)
Profit (loss) attributable to non-controlling interests	3	(14)
Profit (loss) attributable to owners of parent	210	(1,412)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit (loss)	213	(1,426)
Other comprehensive income		
Valuation difference on available-for-sale securities	(61)	115
Foreign currency translation adjustment	2	8
Total other comprehensive income	(59)	123
Comprehensive income	154	(1,303)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	150	(1,289)
Comprehensive income attributable to non-controlling interests	4	(13)

Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,030	4,008	3,575	(312)	9,301
Changes during period					
Issuance of new shares	13	13			27
Dividends of surplus			(300)		(300)
Profit (loss) attributable to owners of parent			210		210
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	13	13	(90)	(0)	(63)
Balance at end of period	2,044	4,022	3,484	(312)	9,238

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	269	5	275	124	8	9,709
Changes during period						
Issuance of new shares						27
Dividends of surplus						(300)
Profit (loss) attributable to owners of parent						210
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(61)	2	(59)	-	8	(51)
Total changes during period	(61)	2	(59)	-	8	(114)
Balance at end of period	207	7	215	124	16	9,595

For the fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,044	4,022	3,484	(312)	9,238
Changes during period					
Issuance of new shares	15	15			30
Dividends of surplus			(150)		(150)
Profit (loss) attributable to owners of parent			(1,412)		(1,412)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	15	15	(1,563)	(0)	(1,532)
Balance at end of period	2,059	4,037	1,921	(312)	7,706

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	207	7	215	124	16	9,595
Changes during period						
Issuance of new shares						30
Dividends of surplus						(150)
Profit (loss) attributable to owners of parent						(1,412)
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	115	6	122	0	(13)	110
Total changes during period	115	6	122	0	(13)	(1,422)
Balance at end of period	323	14	337	125	3	8,172

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	382	(1,110)
Depreciation	417	467
Impairment losses	-	23
Settlement payments	57	-
Office relocation expenses	44	-
Amortization of goodwill	58	57
Increase (decrease) in allowance for doubtful accounts	27	(2)
Increase (decrease) in provision for product warranties	10	(2)
Increase (decrease) in retirement benefit liability	7	28
Increase (decrease) in provision for bonuses	(7)	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	13	(40)
Interest and dividend income	(15)	(17)
Received settlement fee	(20)	-
Interest expenses	44	38
Commission expenses	11	-
Gain on sale of non-current assets	(1)	(212)
Loss (gain) on sale of investment securities	(70)	-
Loss on valuation of investment securities	300	1,693
Decrease (increase) in accounts receivable - trade, and contract assets	(1,228)	1,893
Decrease (increase) in inventories	(315)	114
Increase (decrease) in trade payables	(485)	(111)
Decrease (increase) in investments in leases	172	202
Other, net	394	307
Subtotal	(199)	3,328
Interest and dividends received	15	17
Interest paid	(44)	(38)
Settlement paid	(60)	-
The receipt of settlement fee	20	-
Commission fee paid	(11)	-
Subsidies received	49	17
Income taxes refund	66	38
Income taxes paid	(413)	(203)
Net cash provided by (used in) operating activities	(578)	3,160

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from investing activities		
Payments into time deposits	(1)	(0)
Proceeds from withdrawal of time deposits	13	-
Payments of leasehold deposits	(55)	(0)
Purchase of property, plant and equipment	(362)	(344)
Proceeds from sale of property, plant and equipment	1	4,625
Purchase of intangible assets	(177)	(341)
Purchase of investment securities	(668)	(1,026)
Proceeds from sale of investment securities	222	1
Proceeds from redemption of investment securities	116	-
Proceeds from collection of loans receivable	-	0
Proceeds from cancellation of insurance funds	58	-
Other, net	12	6
Net cash provided by (used in) investing activities	(838)	2,918
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	604	(1,204)
Proceeds from long-term borrowings	2,300	500
Repayments of long-term borrowings	(1,155)	(5,318)
Redemption of bonds	(17)	-
Purchase of treasury shares	(0)	(0)
Proceeds from issuance of share acquisition rights	-	3
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	-	500
Payments for purchase of treasury subscription right to share	-	(2)
Dividends paid	(301)	(150)
Repayments of lease liabilities	(0)	(1)
Net cash provided by (used in) financing activities	1,430	(5,674)
Effect of exchange rate change on cash and cash equivalents	1	5
Net increase (decrease) in cash and cash equivalents	16	410
Cash and cash equivalents at beginning of period	2,185	2,202
Cash and cash equivalents at end of period	2,202	2,612