



# Presentation Materials for the Fiscal Year Ended December 31, 2023

Future Innovation Group, Inc.

February 14, 2024

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.





# FUTURE INNOVATION GROUP



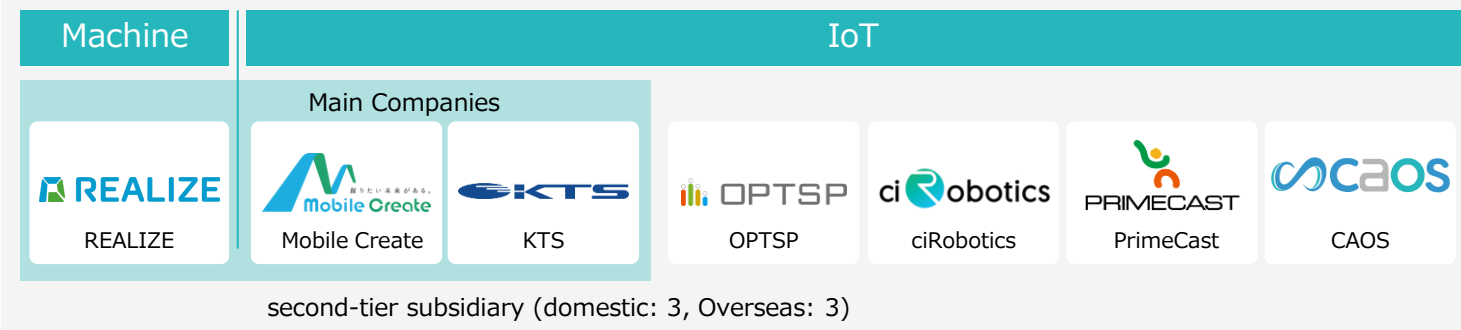
Trade Name | Future Innovation Group, Inc.

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

Representative | MURAI Yuji, President and CEO

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

Employees | 774 (consolidated; as of Dec. 31, 2023)



- 01 | **FY2023 Financial Results Outline**
- 02 | **Business Portfolio Revision**
- 03 | **Plans and Efforts to make in FY2024**
- 04 | **Business Topics**
- 05 | **Appendixes**

# 01 | FY2023 Financial Results Outline

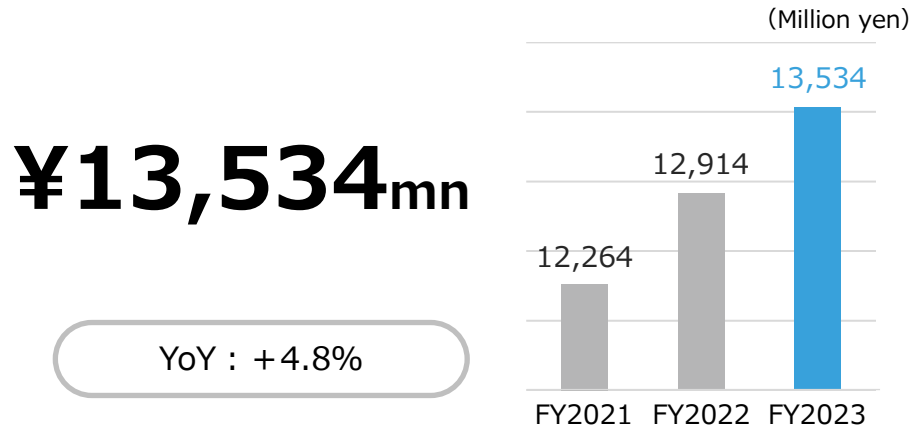
## Invested resources in developing transport robots, our major growth area (in steady progress)

FY2023

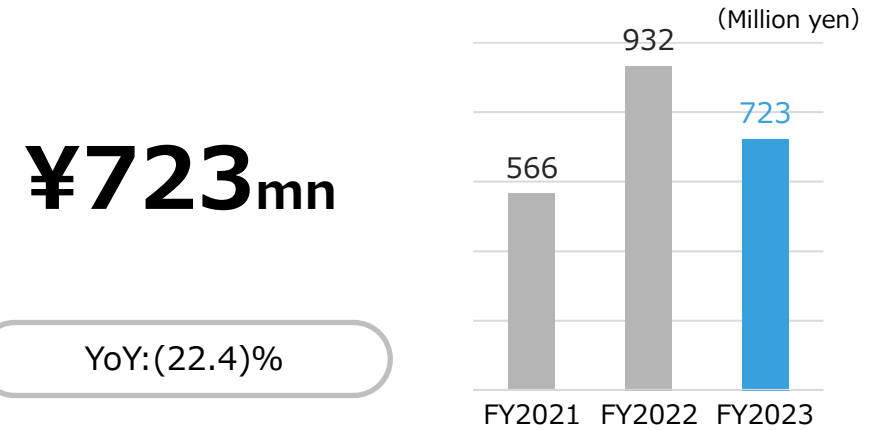
FY2024

- 01 | In IoT segment, our mainstay IP radio and mobility-related services performed well.
- 02 | Although initial plan targets were achieved, revised plan (upward) profit target remained unachieved.
- 03 | Q4 results fell short of expectations (due to effect of semiconductor-related inventory adjustments and recording of extraordinary losses, such as loss on valuation of investment securities).
- 04 | Robot-related services expanded its customer base for FA (factories and warehouses) (achieving our target of ¥1bn in net sales).

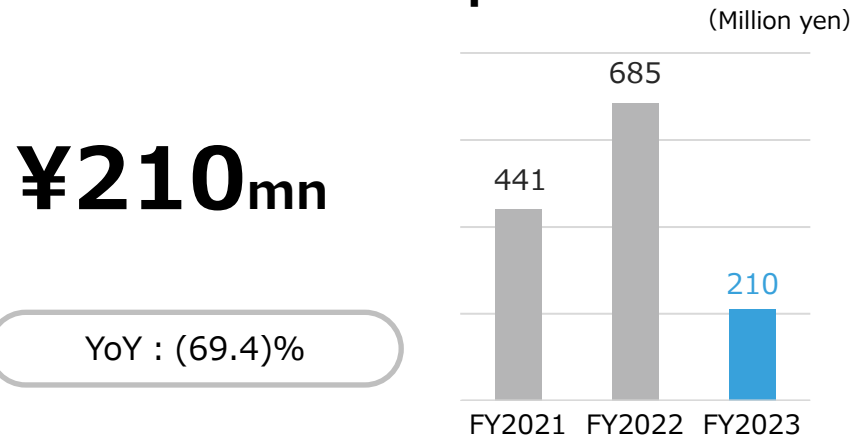
## Net Sales



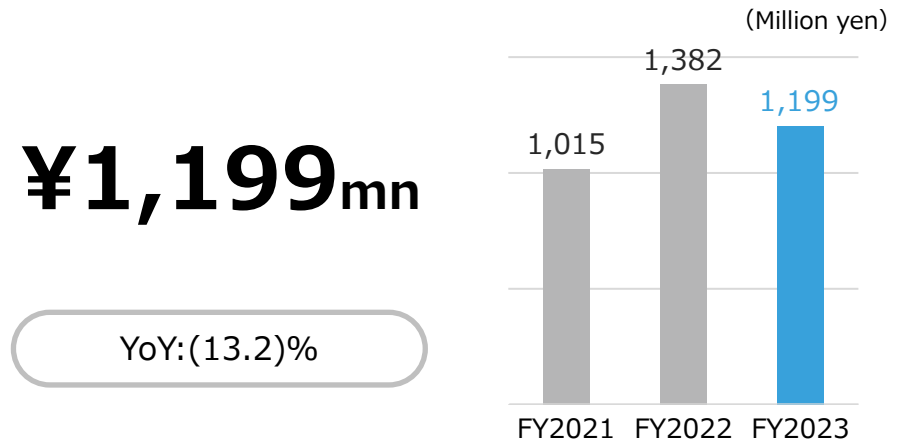
## Operating Profit



## Profit attributable to owners of parent

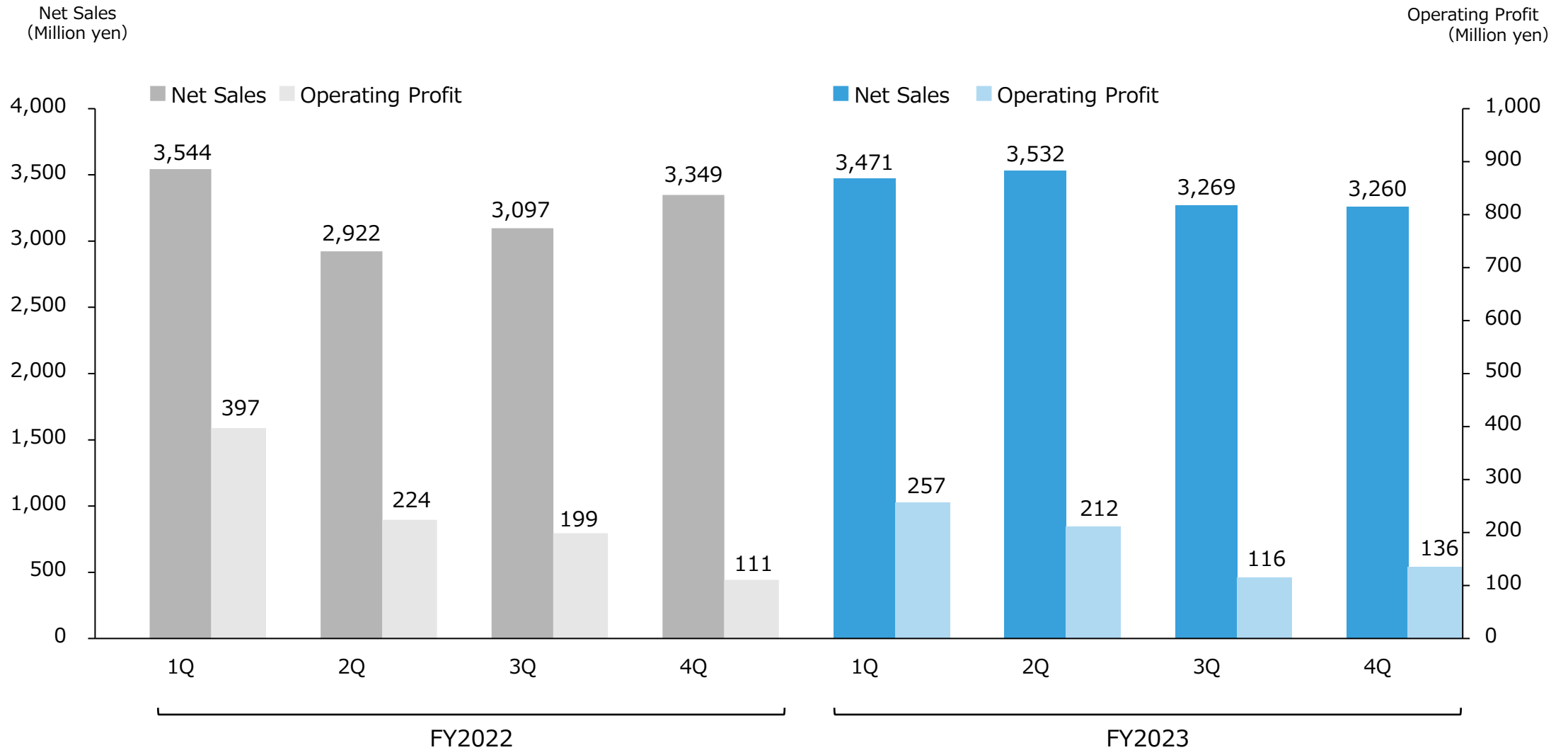


## EBITDA

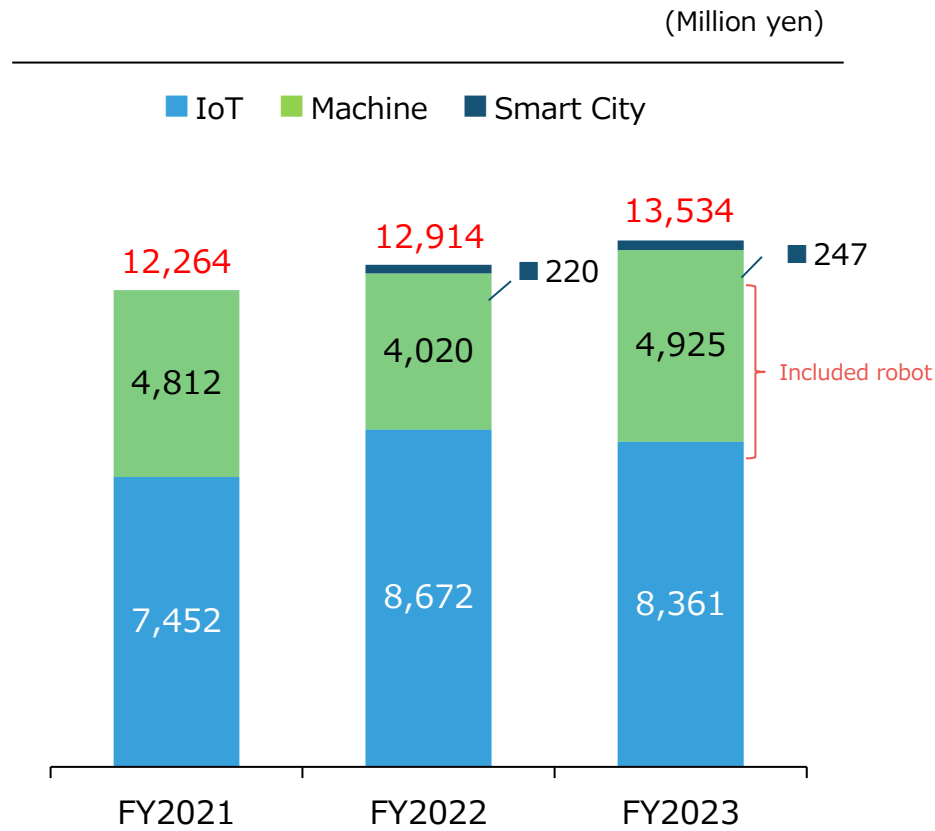


\*EBITDA=Operating Profit+Depreciation+Amortization of goodwill

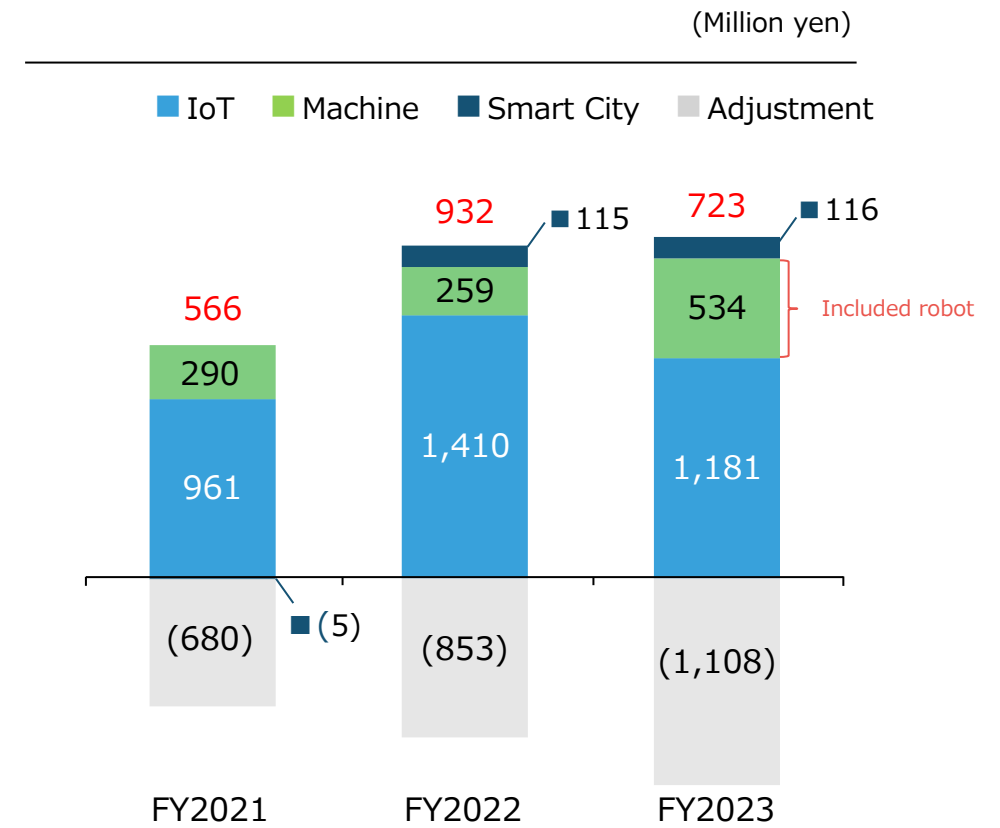
# Quarterly Financial Results (Net Sales and Operating Profit)



## Net Sales



## Operating Profit

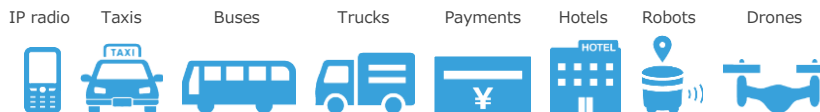




# 02 | Business Portfolio Revision

## Moved Smart City Business off balance sheet (reorganizing for investment in Robot Business)

**IoT (Expand foundation + invest in growth)**



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

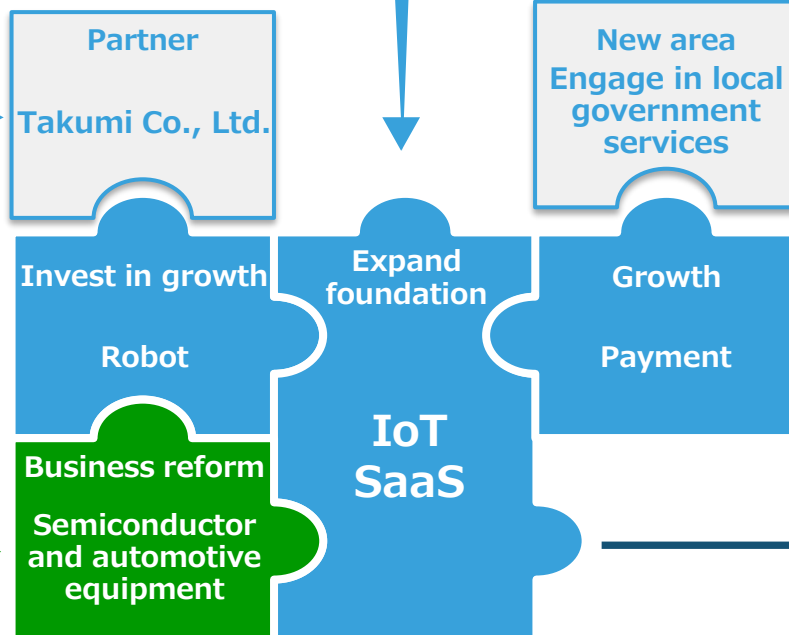
**Invest in growth Robot**

Active investments  
 Setting an investment quota of **¥2bn**  
 (cumulative investment)  
 Target of **¥5bn** in robot sales



**Machine (Business reform)**

Undergoing reform toward business model with high added value  
 Fully engaging in Robot Business  
 Promoting automation through integration of robots into facilities



\* We will continue to use the site as a demonstration field for a smart city (for robot delivery, facial recognition, smart check-in for private lodgings, etc.) after its sales.

**Smart City (to be sold in Q1)**

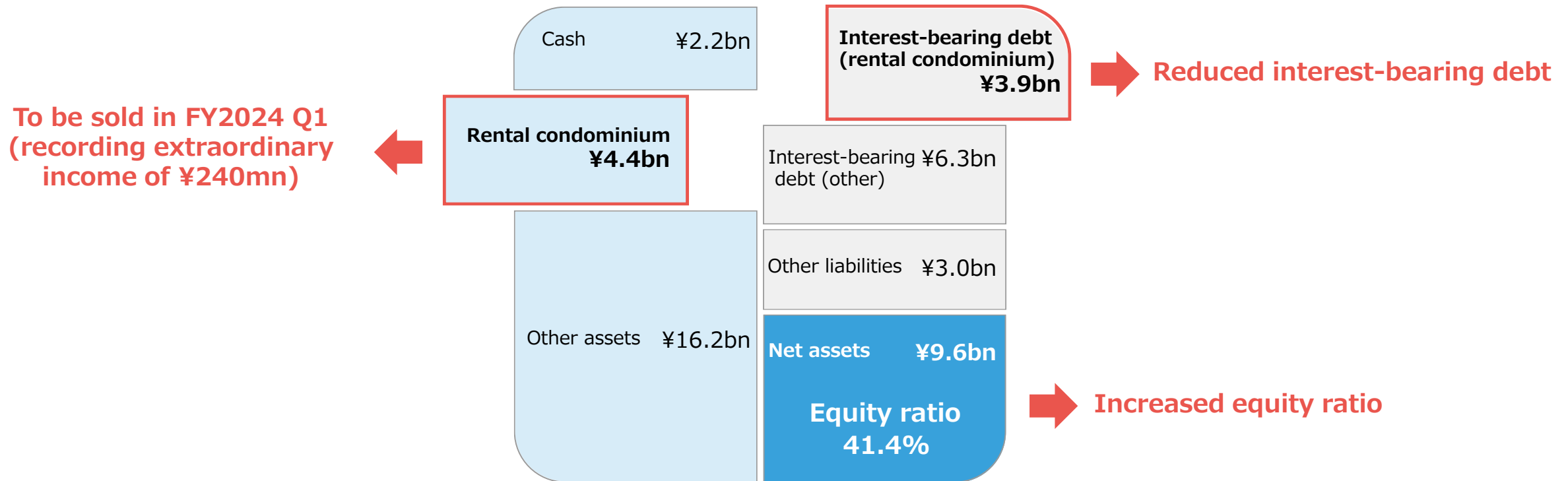
Evaluating business from the following 3 perspectives to determine if it contributes to corporate value

- Whether we are the most suitable owner
- Capital efficiency and profitability
- Alignment with growth strategy

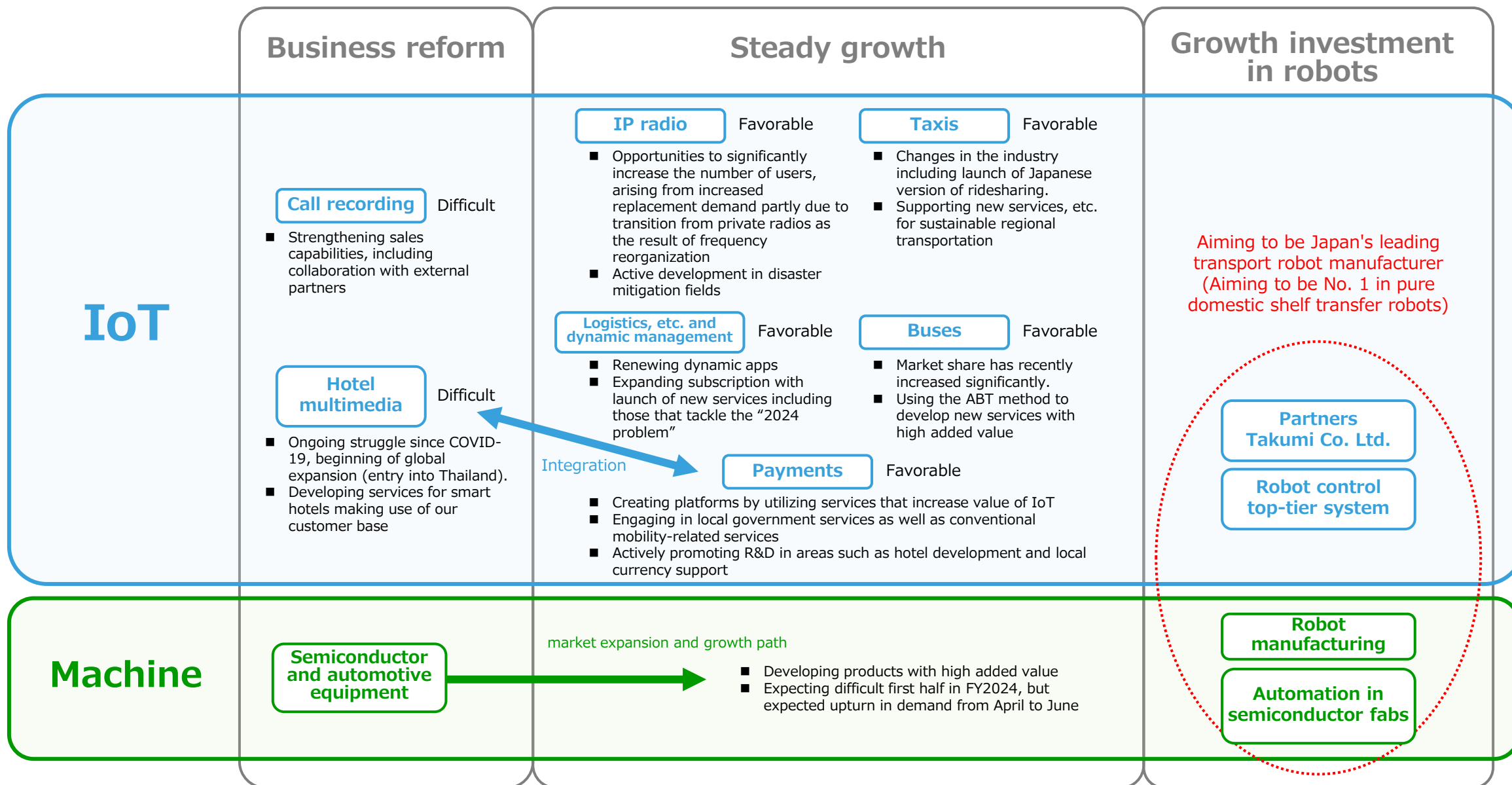
**Long-term stable revenue**  
**Rental condominium**

## Moved rental condominium (Smart City) off balance sheet to improve asset efficiency and financial position

End of December 2023  
**Total assets ¥22.8bn**



- ✓ Rental real estate (Smart City) has a low ROIC of around 1.8% on an asset basis, far below our target ROIC.
- ✓ We will focus our resources on core businesses and investment, working to improve capital and asset efficiency.
- ✓ By moving this business off balance sheet, we intend to reduce interest-bearing debt and ensure investment capacity for growth areas.



# 03 | Plans and Efforts to make in FY2024

## Build a foundation for sustainable growth toward next Medium-Term Management Plan (with robots as a growth driver)

FY2023

FY2024

FY2025

- 01 | Achieving KPIs for the final year of Medium-Term Management Plan (FY2022-FY2024)
- 02 | Investing in robots, our growth area (laying foundation to turn it into a core business)
- 03 | Expanding market share in IP radio market (replacement demand, partly due to transition from private radios as the result of frequency reorganization)
- 04 | Developing new services in the field of mobility (logistics, buses, taxis)
- 05 | Inventory adjustments in semiconductor market will affect first half, but demand is expected to pick up from April to June; outlook for second half is positive.

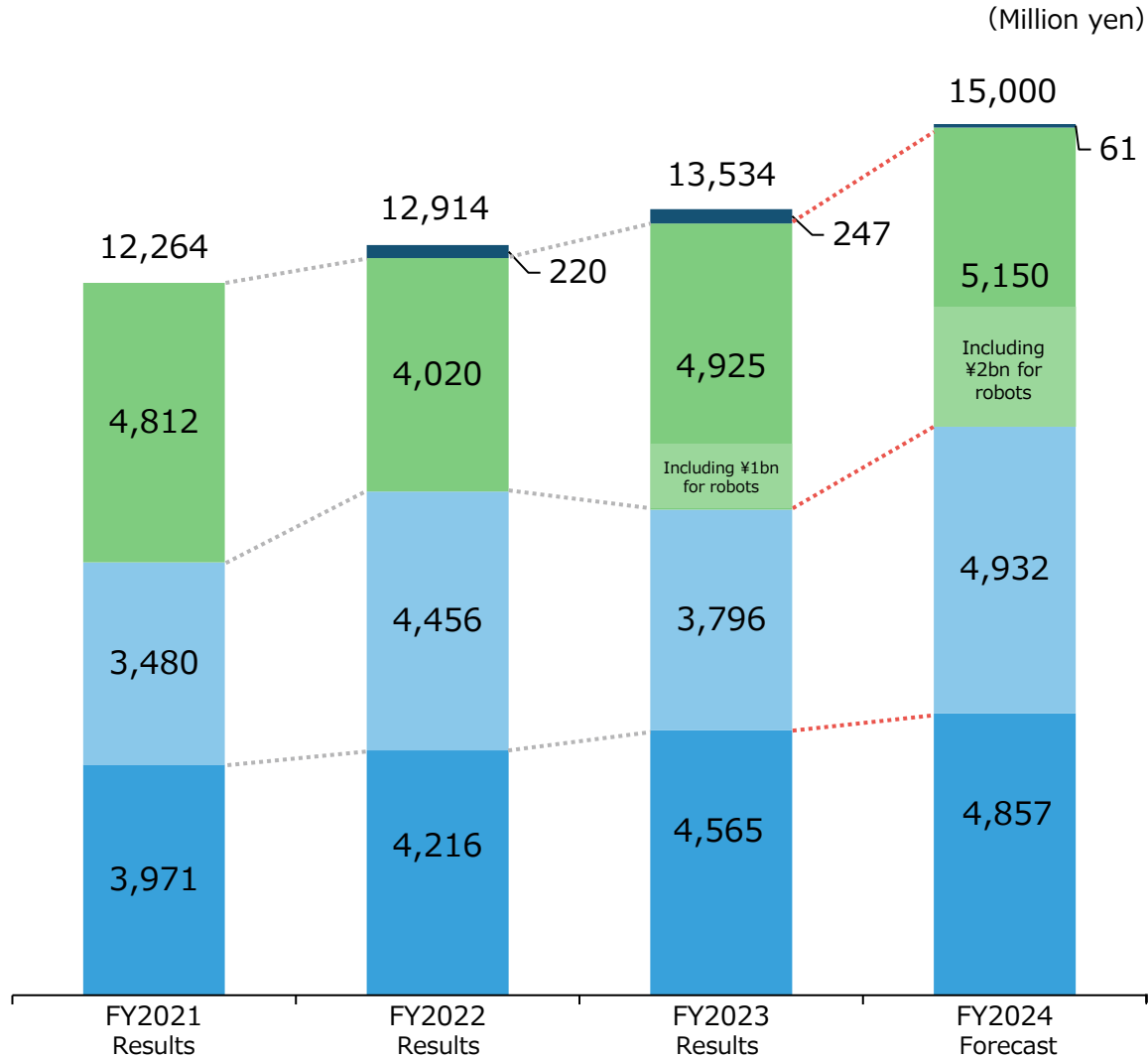
# FY2024 Results Forecast (2Q Cumulative and Full Year)

(Million yen)

	FY2023 results		FY2024 forecast			
	2Q total	Full year	2Q total		Full year	
				YoY		YoY
<b>Net Sales</b>	7,004	13,534	<b>6,800</b>	<b>(2.9)%</b>	<b>15,000</b>	<b>+10.8%</b>
<b>Operating Profit</b>	469	723	<b>300</b>	<b>(36.2)%</b>	<b>1,123</b>	<b>+55.2%</b>
<b>Ordinary Profit</b>	478	715	<b>283</b>	<b>(40.8)%</b>	<b>1,092</b>	<b>+52.7%</b>
<b>Profit attributable to owners of parent</b>	342	210	<b>417</b>	<b>+21.7%</b>	<b>1,000</b>	<b>+375.7%</b>

- ✓ Despite the effect of the adjustment phase in the semiconductor market in the first half of FY2024, performance in the second half is expected to be favorable.
- ✓ Our mainstay IoT business will be favorable in the mobility field, while robot introduction will accelerate in the second half.

# Full-year Results Forecast (Net Sales by Segment)



\*Due to sale, it is expected to be recorded only in the first quarter of 2024.

- Other Business**  
 ■ Other **¥61mn**
- Machine Business**  
 ■ Machine **¥5,150mn (YoY+4.6%)**
- IoT Business**  
 ■ Non-recurring revenue business **¥4,932mn (YoY+29.9%)**  
 ■ Subscription **¥4,857mn (YoY+6.4%)**



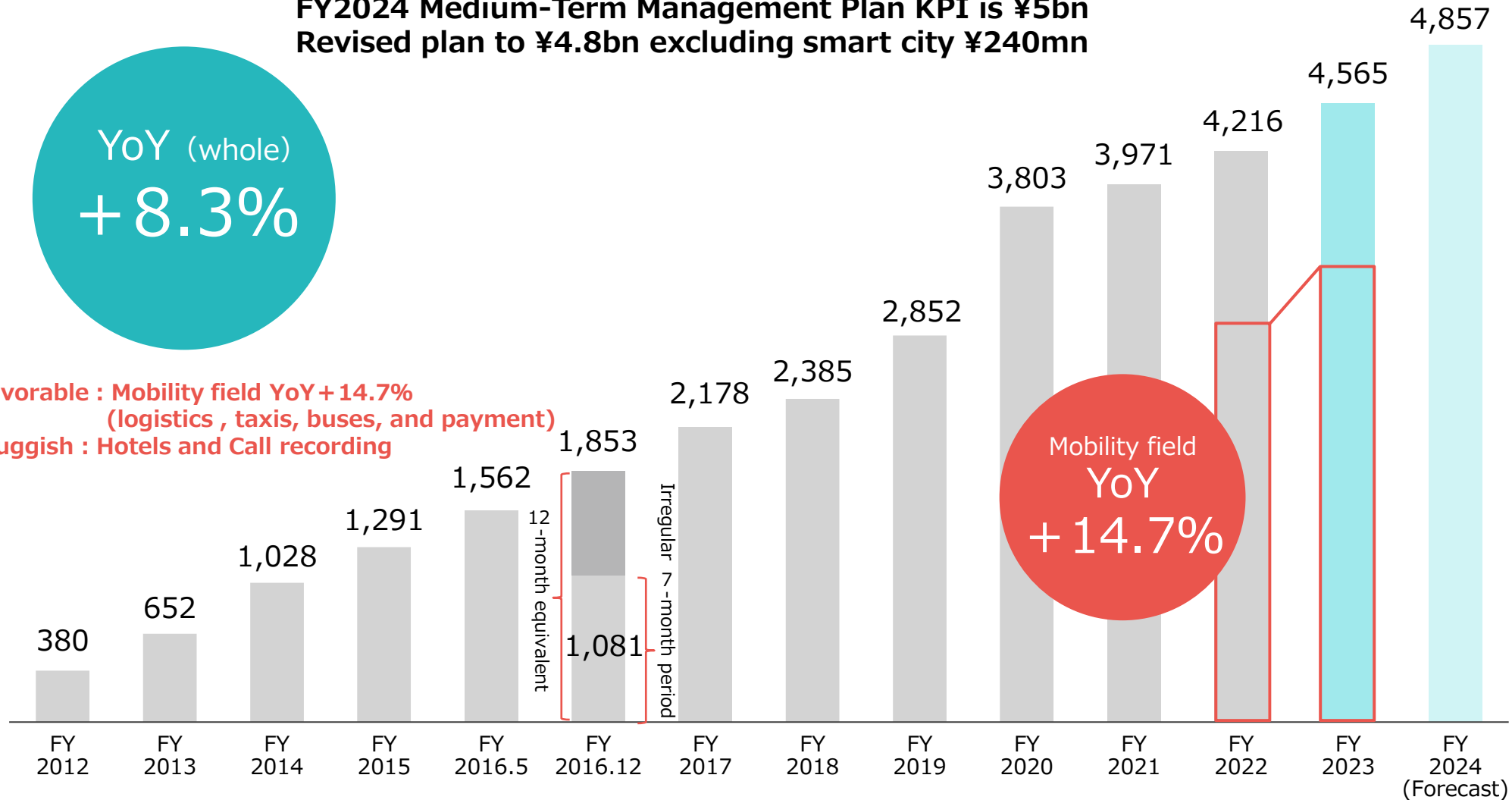
## Subscription net sales based on revenue base (IoT × SaaS)

( Million yen )

FY2024 Medium-Term Management Plan KPI is ¥5bn  
 Revised plan to ¥4.8bn excluding smart city ¥240mn

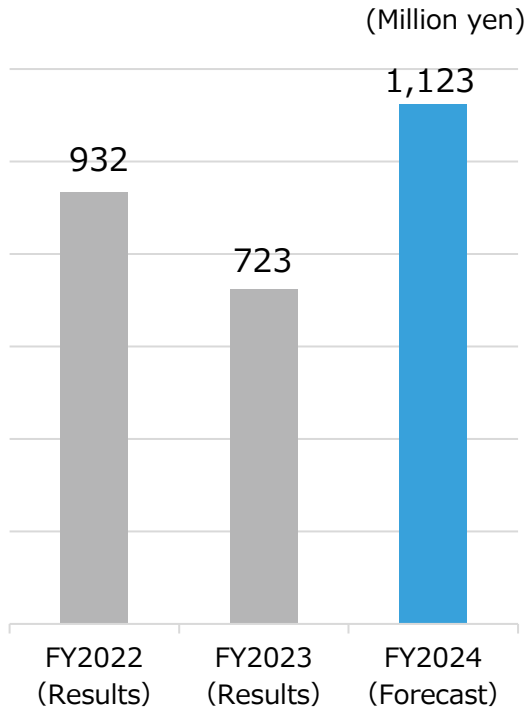
YoY (whole)  
**+ 8.3%**

**Favorable : Mobility field YoY + 14.7%**  
 (logistics , taxis, buses, and payment)  
**Sluggish : Hotels and Call recording**



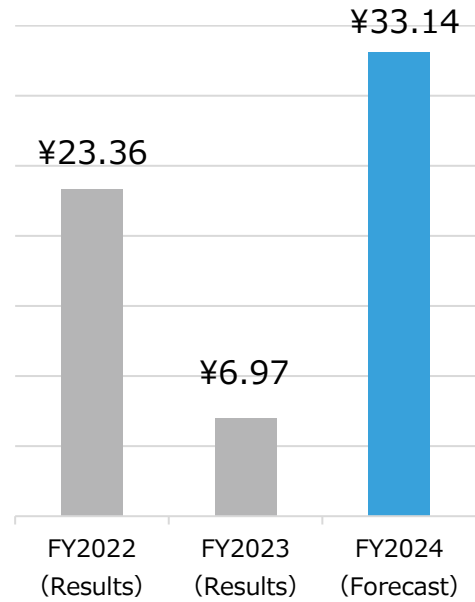
\*Smart City has been excluded from results due to sale.

## Operating Profit



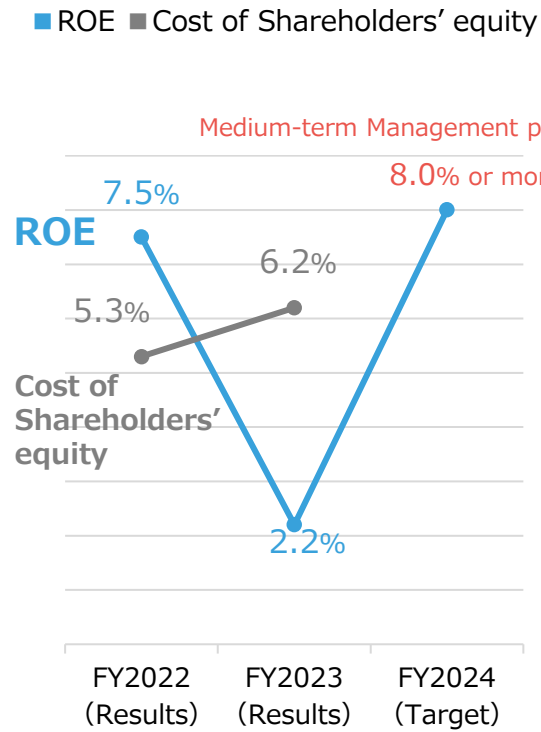
Medium-term Management plan KPI  
¥1,100mn

## EPS

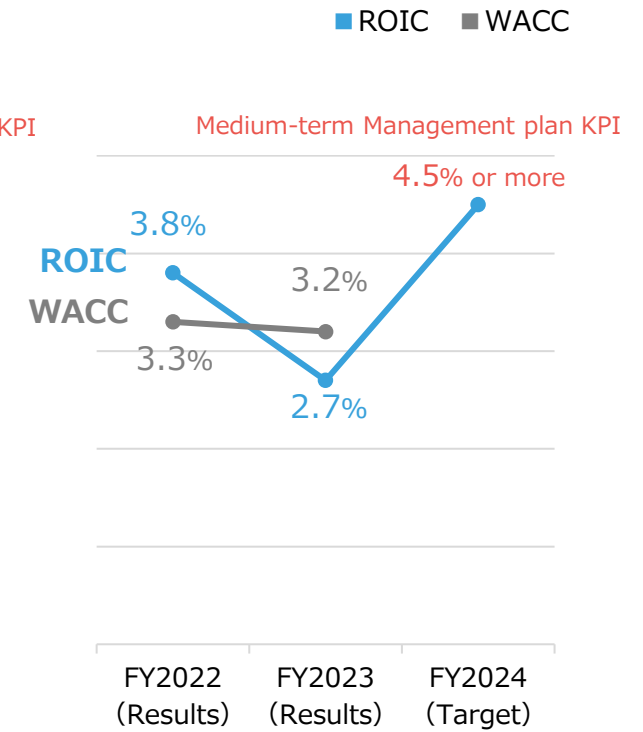


Medium-term Management plan KPI  
¥24.0

## ROE and Cost of Shareholders' equity



## ROIC and WACC

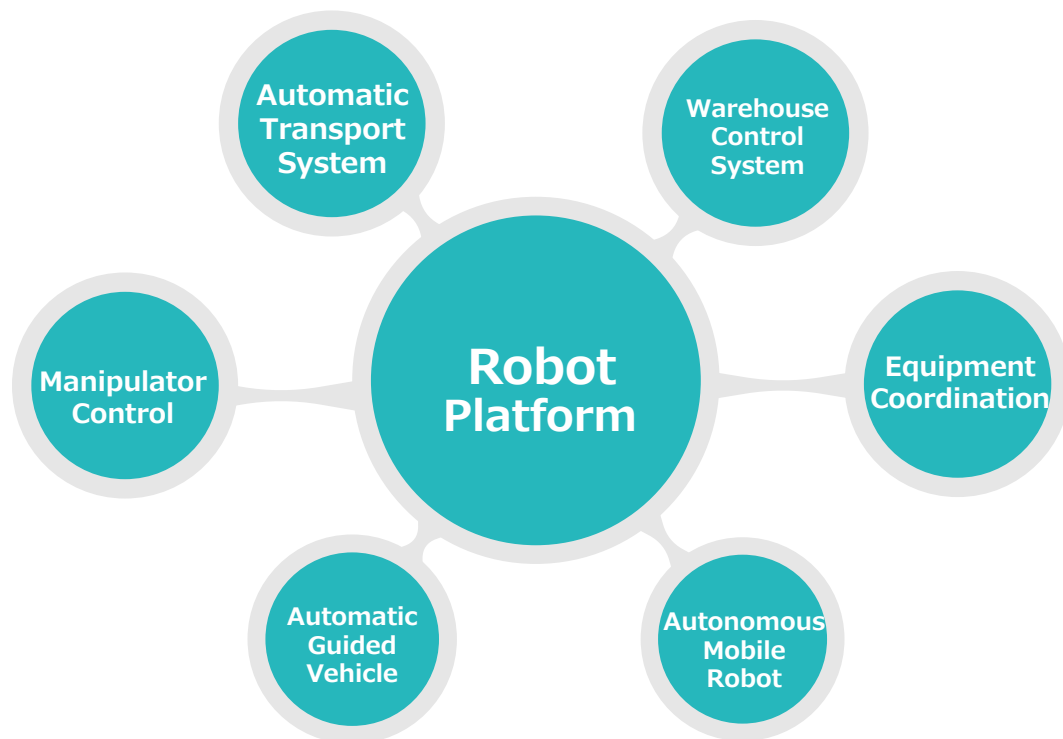


<b>Recognition of the current status</b>	<ul style="list-style-type: none"><li>✓ With our PBR trending at around 1, increasing the PBR is a key management issue.</li><li>✓ In December 2021, we announced KPIs of ROE exceeding the cost of shareholders' equity and ROIC exceeding WACC.</li><li>✓ We recognize the importance of ensuring capital profitability that exceeds the capital cost and also of meeting investor expectations for growth.</li></ul>
<b>Policy</b>	<ul style="list-style-type: none"><li>✓ Aim to achieve KPIs for final year of Medium-Term Management Plan (FY2022-FY2024) (Subscription net sales of ¥5bn or more, operating profit of ¥1.1bn or more, EPS of ¥24 or more, ROE of 8% or more, ROIC of 4.5% or more)</li><li>✓ Increase capabilities for driving innovation and build foundation for sustainable growth</li></ul>
<b>Specific measures</b>	<ul style="list-style-type: none"><li>✓ Review and optimize business portfolio (moving rental condominium business off balance sheet)</li><li>✓ Focus resources on expanding core businesses and growth investing in Robot and Payment Businesses</li><li>✓ Continue holding annual financial results briefing sessions for both institutional and individual investors and consider participating in IR fairs, etc.</li><li>✓ As well as IR, strengthen PR to improve awareness first (improvement of recognition using websites and social media)</li><li>✓ Consider reviewing shareholder return policy</li></ul>

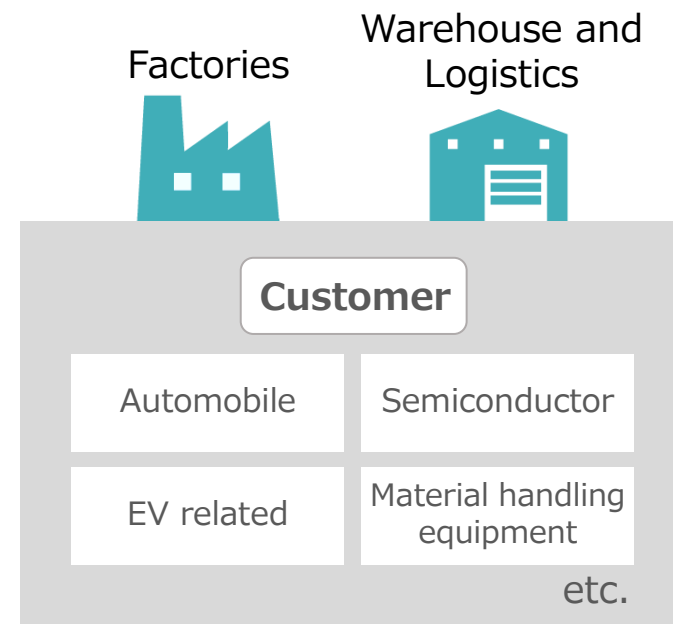
# Robot (Becoming a leading transport robot manufacturer in Japan)



To the future with robots



## Target market is factory automation



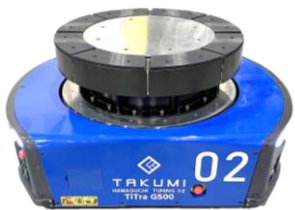
Aiming to double robot sales in FY2024, and exceed sales of ¥5bn in the next medium-term plan



In-house AMR



Other Company AMR + Manipulator



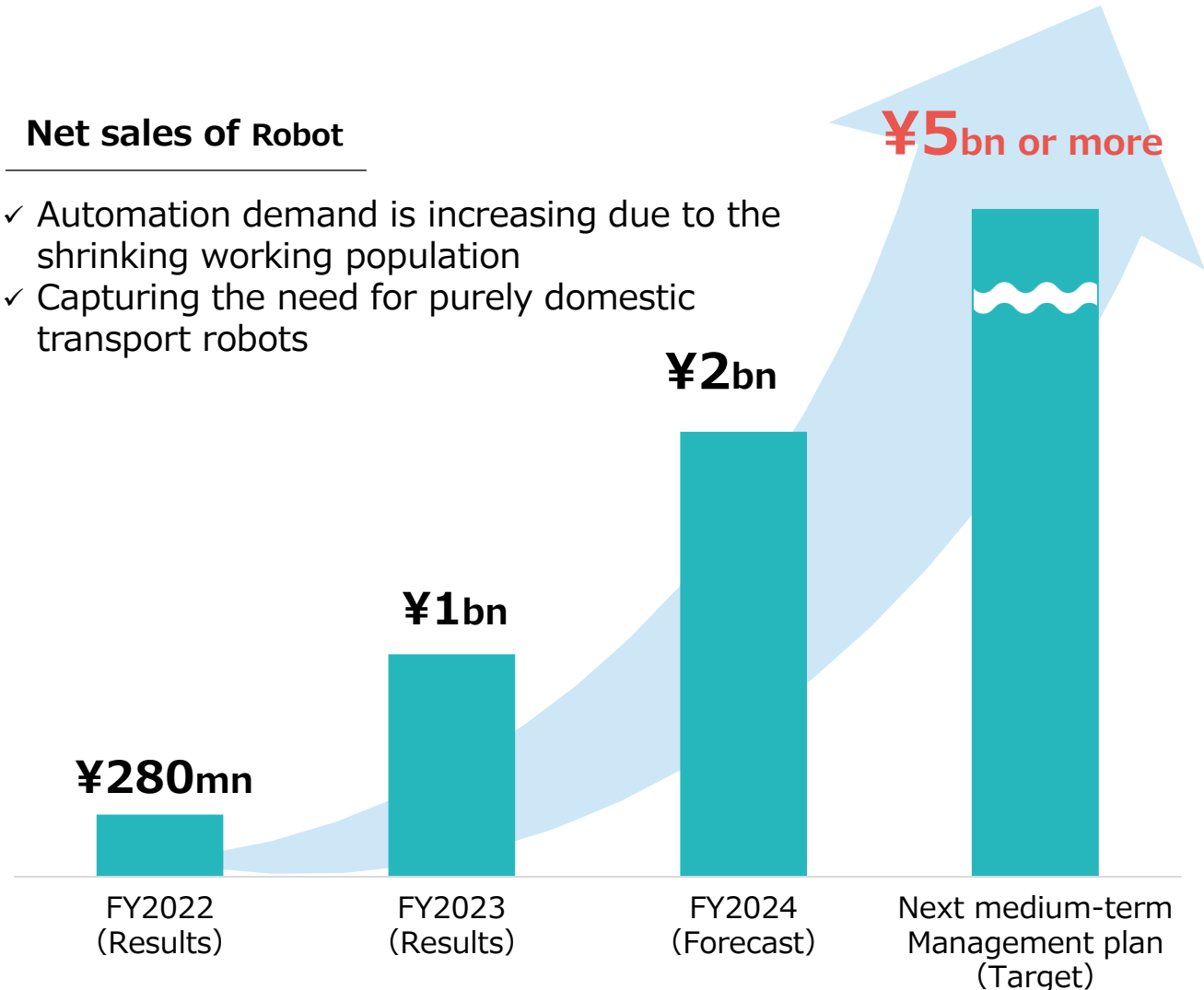
GTP type AGV  
\*Made by TAKUMI  
(Manufactured by FIG)



In-house AMR  
\*prototype

## Net sales of Robot

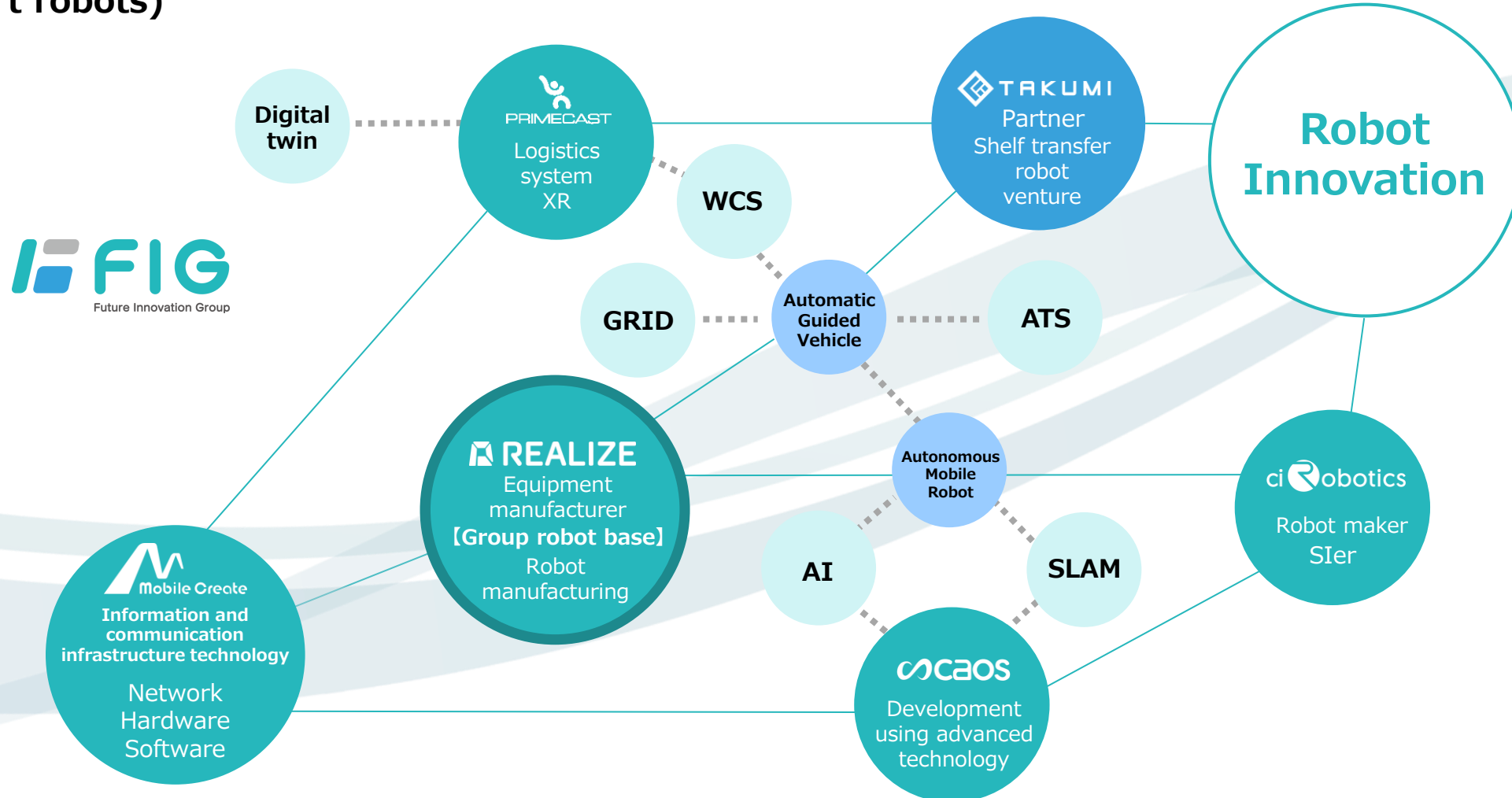
- ✓ Automation demand is increasing due to the shrinking working population
- ✓ Capturing the need for purely domestic transport robots



# Robot (Group structure)

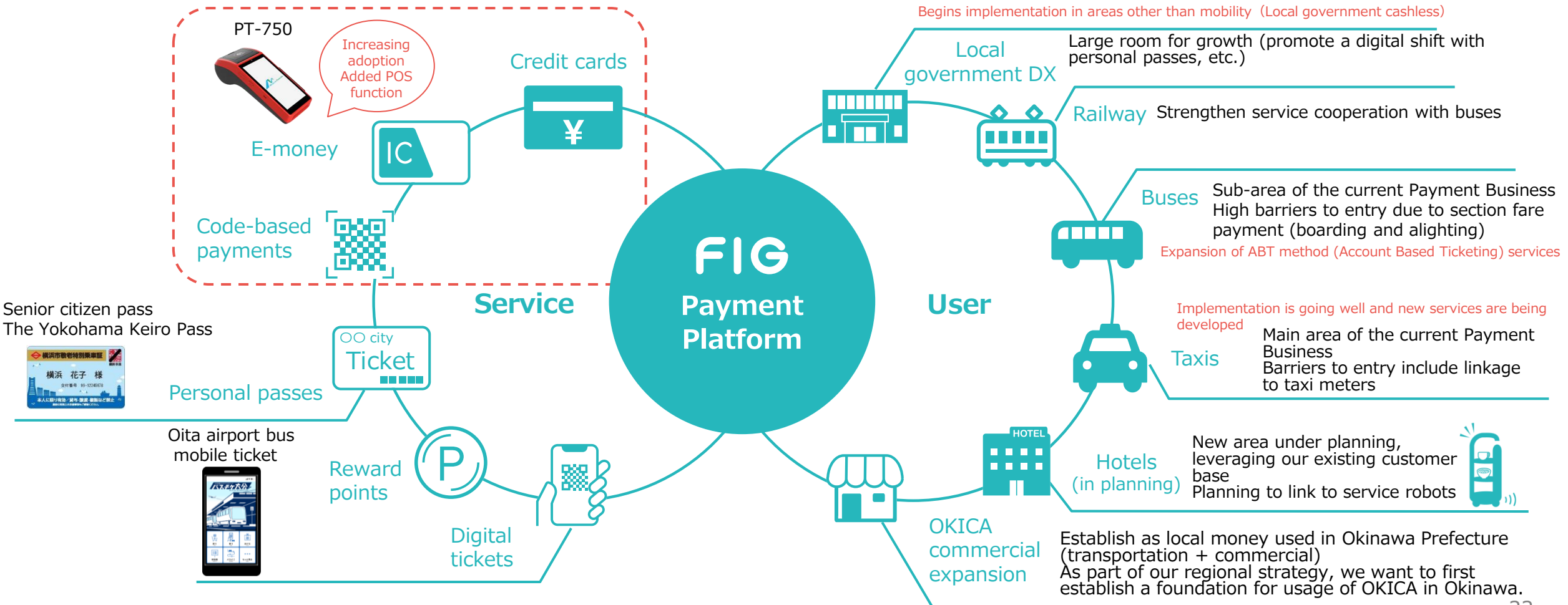
A robot is defined as "an intelligent mechanical system that has three elemental technologies: sensors, intelligence/control systems, and drive systems."

Build a group-wide robot promotion system (Covers all the elemental technologies necessary for transport robots)



## Building a payment platform

Promoting social implementation of regional MaaS and demand transportation (Utilize local Oita ground and Okinawa OKICA)

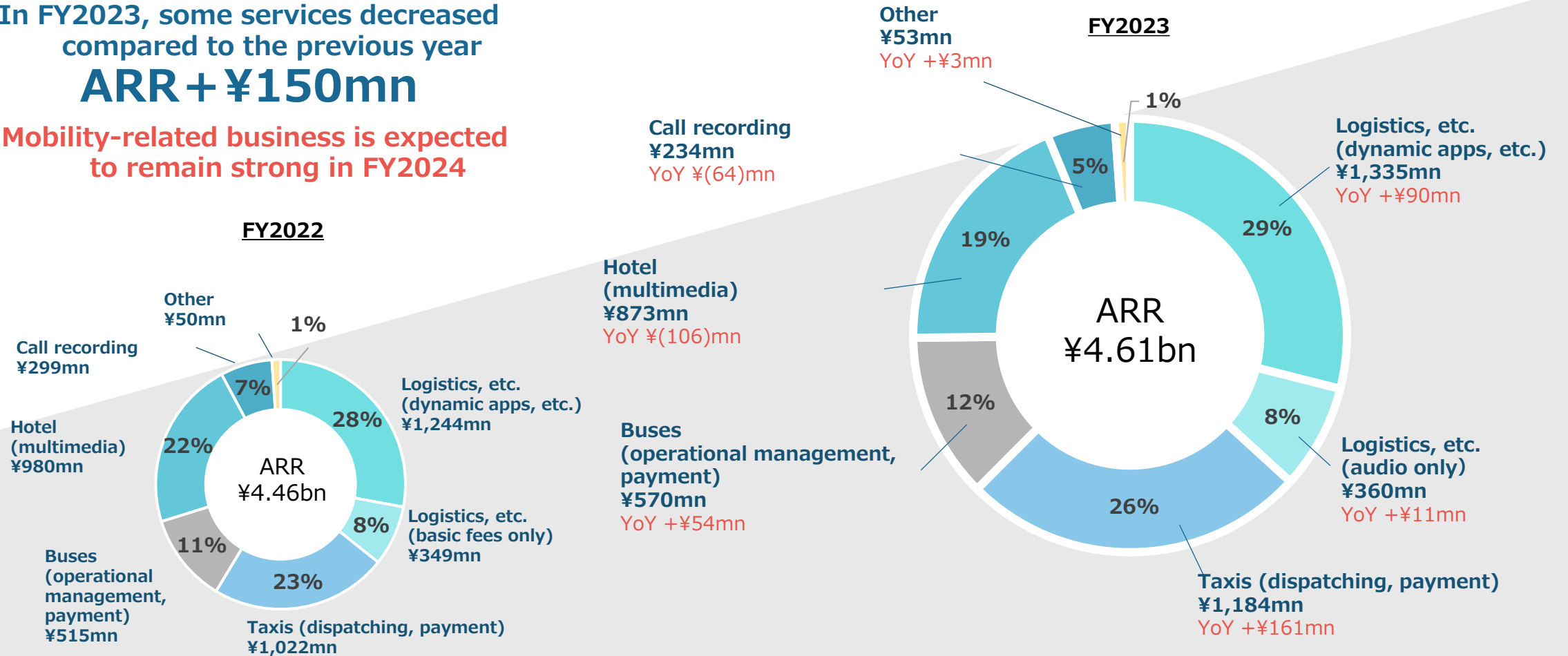




In FY2023, some services decreased compared to the previous year

## ARR + ¥150mn

Mobility-related business is expected to remain strong in FY2024



※The smart city business has been excluded from FY2022 and FY2023 results due to sale.

※ARR(Annual Recurring Revenue) is calculated by multiplying the MRR(Monthly Recurring Revenue) as of December of each fiscal year by 12.



# 04 | Business topics

# Delivery of Automatic Pallet Transfer System Using Automated Warehouse Linkage

Jointly delivered a PLC linkage system of REALIZE and an AGV system of Takumi Co., Ltd., our capital and business alliance partner



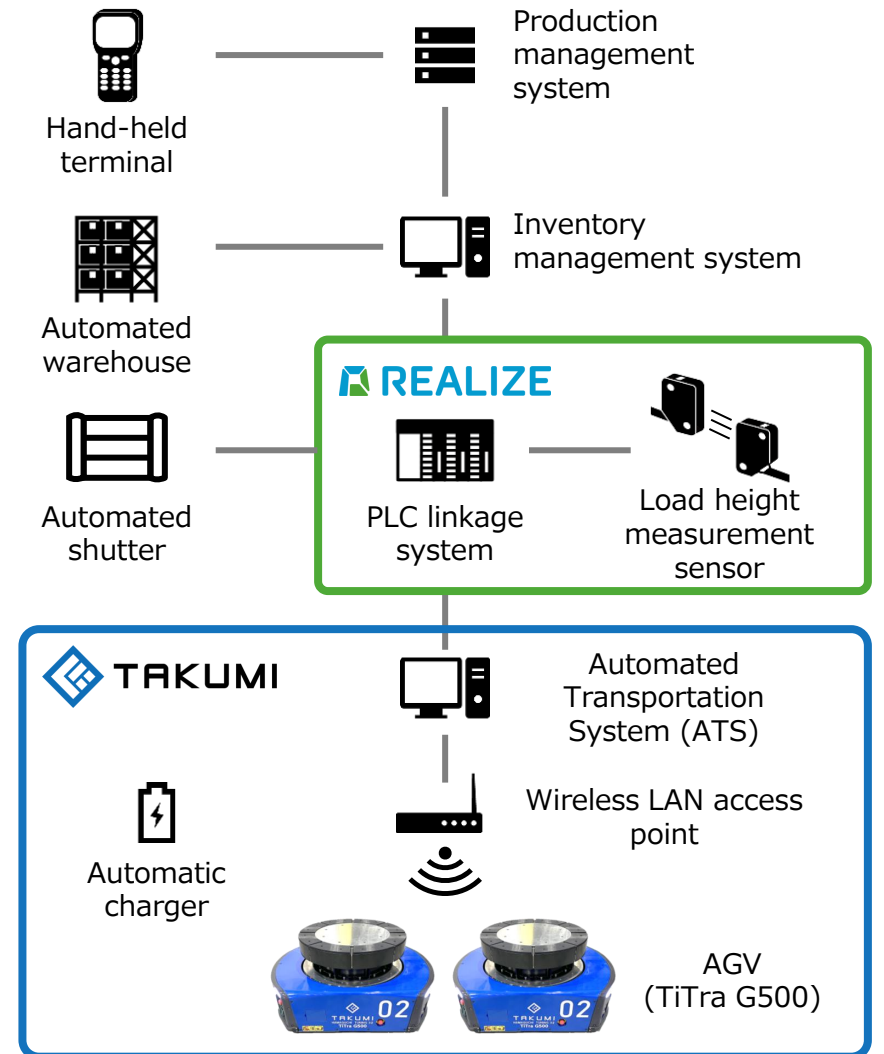
- ✓ REALIZE and Takumi jointly delivered an automatic pallet transfer system linked to an automated warehouse to Hatano Seisakusho Co., Ltd., and its operation began in January 2024.
- ✓ REALIZE developed a PLC linkage system such as automated warehouse and shutter linkage, etc.
- ✓ Takumi's grid-type AGV (Automated Guided Vehicle) "TiTra G500" is manufactured by REALIZE.



TiTra G500



PLC linkage system



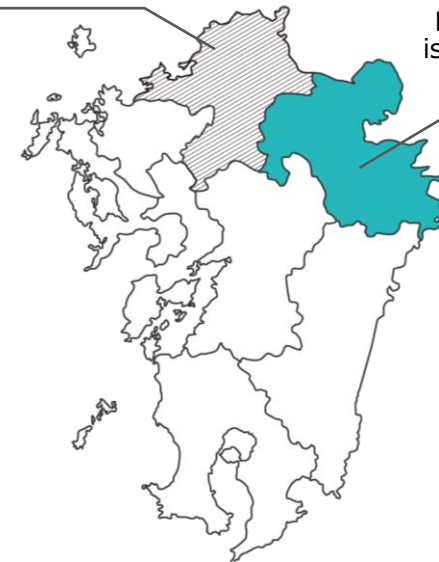
## Implementation in Oita Prefecture to be completed in March 2024; orders received from Fukuoka Prefecture

- ✓ Our cashless payment terminal PT-750 was chosen as the best solution in a public call for proposals for the “Oita Prefecture Contract for Implementation of Mobile Cashless Payment Terminals, Etc.(2023)”
- ✓ This is the first full-scale implementation outside of the transportation field, which is the main market for this product.
- ✓ The aim is to improve convenience for residents of Oita Prefecture and enhance its operational efficiency by diversifying the payment methods available at service counters in Oita Prefecture where public funds such as charges and transaction fees are collected.

### Facilities where installation is underway in Oita Prefecture



In 2024, installation is scheduled in Fukuoka Prefecture.



By March 2024, installation is scheduled to be completed at **80 locations** in Oita Prefecture.

### Cashless payment terminal PT-750



#### POINT 1 Supports a variety of payment methods



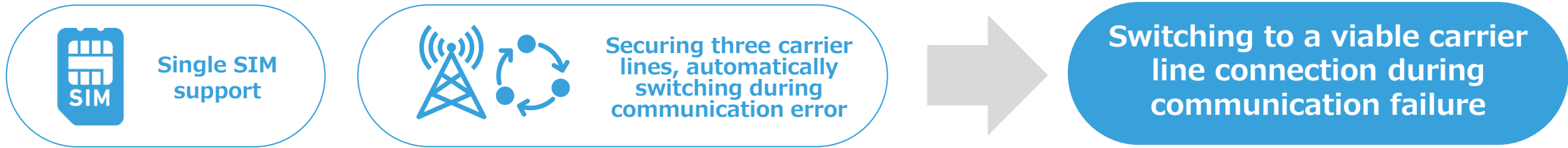
#### POINT 2 Portable mobile payment terminal

#### POINT 3 Unifies settlement operations along with POS functions (point of sale information management)

## Phased launch of “Multi-Profile SIM Compatible Plan” for iMESH series of commercial IP radio systems

- ✓ We have developed a carrier redundancy system that secures three carrier lines with a single SIM and automatically switches to the line that is the easiest to connect to.
- ✓ By minimizing damage caused by communication failures, this enables building of more robust BCP measures, such as shortening time frames of business suspensions and strengthening safety confirmation systems.

### Features of Multi-Profile SIM Compatible Plan



### Phased launch for iMESH series of commercial IP radio systems

Hand-held models



IM-530

IM-550

IM-560

In-vehicle models



IM-860

New-generation IP radio offering compatibility with hand-held and in-vehicle models in one unit

### IM-861

- The existing model IM-860 has been improved to make it easier to use.
- While it is an in-vehicle device, it can also be used outside the vehicle, as the vehicle connection cord can be easily removed to turn the unit into a portable device.



## Began implementation of a “business management system for Demand Responsive Transport”

- ✓ Maintaining regional transportation has become difficult as bus routes are abolished due to population decline, with expanding areas with no public transport access and a lack of drivers.
- ✓ More local governments are considering ridesharing and introducing Demand Responsive Transport.

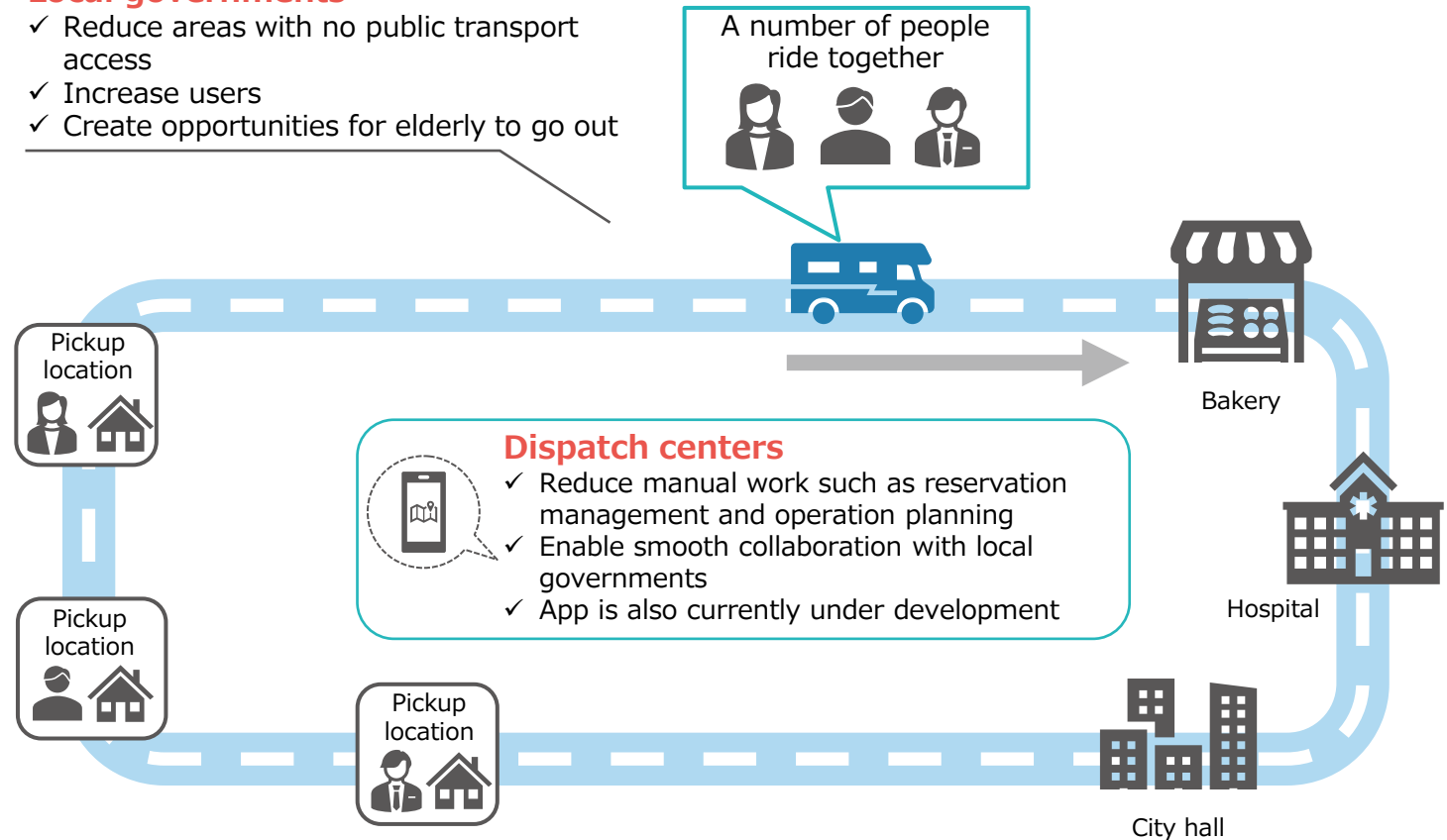


### Local residents

- ✓ Expand the operating area as the number of users increases
- ✓ Increase the number of desired stops or services

### Local governments


- ✓ Reduce areas with no public transport access
- ✓ Increase users
- ✓ Create opportunities for elderly to go out






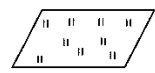


## Japan's largest drone "ciDroneAG R-70"

- ✓ Japan's largest pesticide spraying drone
- ✓ Equipped with a 70L tank, it enables efficient spraying of chemicals that have not been registered for aerial spraying. Previously such drones lacked efficiency due to insufficient load capacity.



**ciDroneAG R-70**

Up to 15m  Spray width	70L  Tank capacity
20 minutes  Flight time	6 ha or more  Spraying capacity

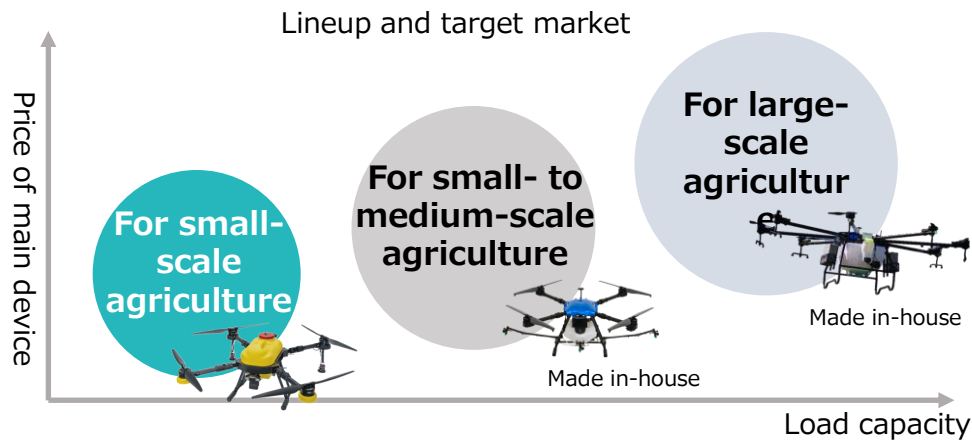
## Prevented snow mold in the Kitami Branch area of SUMMIT AGRI-BUSINESS CORPORATION

- ✓ Large drone ciDroneAG R-70 was used for disease control in Hokkaido.
- ✓ Collaborative work with ciRobotics covered a total of 40 ha or more in three days, and we confirmed high compatibility and efficiency with large farmland.



## Implemented for Grantomato Co., Ltd.

- ✓ Agribusiness company in Fukushima Prefecture
- ✓ We delivered various drones in addition to ciRobotics, as the company provides pesticide spraying services.



**M4T12** (10L model)



**ciBoat**  
(for paddy field)



# 05 | Appendixes

# Segment earnings (Quarterly trends )

(Million yen)

Revenue	FY2022					FY2023					YoY	
	1Q	2Q	3Q	4Q	Q1-Q4	1Q	2Q	3Q	4Q	Q1-Q4	YoY	YoY%
<b>Consolidated</b>	<b>3,544</b>	<b>2,922</b>	<b>3,097</b>	<b>3,349</b>	<b>12,914</b>	<b>3,471</b>	<b>3,532</b>	<b>3,269</b>	<b>3,260</b>	<b>13,534</b>	<b>+619</b>	4.8%
IoT	2,389	2,120	2,172	1,991	8,672	2,217	2,120	1,939	2,083	8,361	(311)	(3.6%)
Machine	1,119	746	859	1,295	4,020	1,191	1,350	1,268	1,114	4,925	+904	22.5%
Smart City	36	55	66	62	220	62	61	61	62	247	+26	12.0%

Operating profit	FY2022					FY2023					YoY	
	1Q	2Q	3Q	4Q	Q1-Q4	1Q	2Q	3Q	4Q	Q1-Q4	YoY	YoY%
<b>Consolidated</b>	<b>397</b>	<b>224</b>	<b>199</b>	<b>111</b>	<b>932</b>	<b>257</b>	<b>212</b>	<b>116</b>	<b>136</b>	<b>723</b>	<b>(208)</b>	(22.4%)
IoT	560	318	349	181	1,410	445	217	226	291	1,181	(228)	(16.2%)
Machine	(2)	74	40	146	259	60	225	124	123	534	+274	105.7%
Smart City	20	36	27	31	115	30	29	27	29	116	+1	0.9%
Adjustment	(181)	(205)	(218)	(248)	(853)	(278)	(258)	(263)	(307)	(1,108)	(255)	–



(Million yen)

	As of December 31, 2022		As of December 31, 2023			
	Amount	%	Amount	%	YoY	supplementary information
Current assets	<b>14,058</b>	65.5%	<b>15,215</b>	66.6%	<b>+ 1,157</b>	Notes and accounts receivable, and contract assets +1,228 Work in process +142 Other (188)
Cash and deposits	<b>2,199</b>	10.2%	<b>2,203</b>	9.6%	<b>+ 3</b>	
Total non-current assets	<b>7,405</b>	34.5%	<b>7,620</b>	33.4%	<b>+ 214</b>	
Total assets	<b>21,463</b>	100%	<b>22,835</b>	100%	<b>+ 1,372</b>	
Current liabilities	<b>5,803</b>	27.0%	<b>6,645</b>	29.1%	<b>+ 841</b>	Notes and accounts payable (485) Short-term borrowings +604 Current portion of long-term borrowings +524 Other +231
Non-current liabilities	<b>5,951</b>	27.7%	<b>6,595</b>	28.9%	<b>+ 644</b>	Long-term borrowings +620
Total liabilities	<b>11,754</b>	54.8%	<b>13,240</b>	58.0%	<b>+ 1,486</b>	
Total net assets	<b>9,709</b>	45.2%	<b>9,595</b>	42.0%	<b>(114)</b>	
Total liabilities and net assets	<b>21,463</b>	100%	<b>22,835</b>	100%	<b>+ 1,372</b>	

## Management Philosophy

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

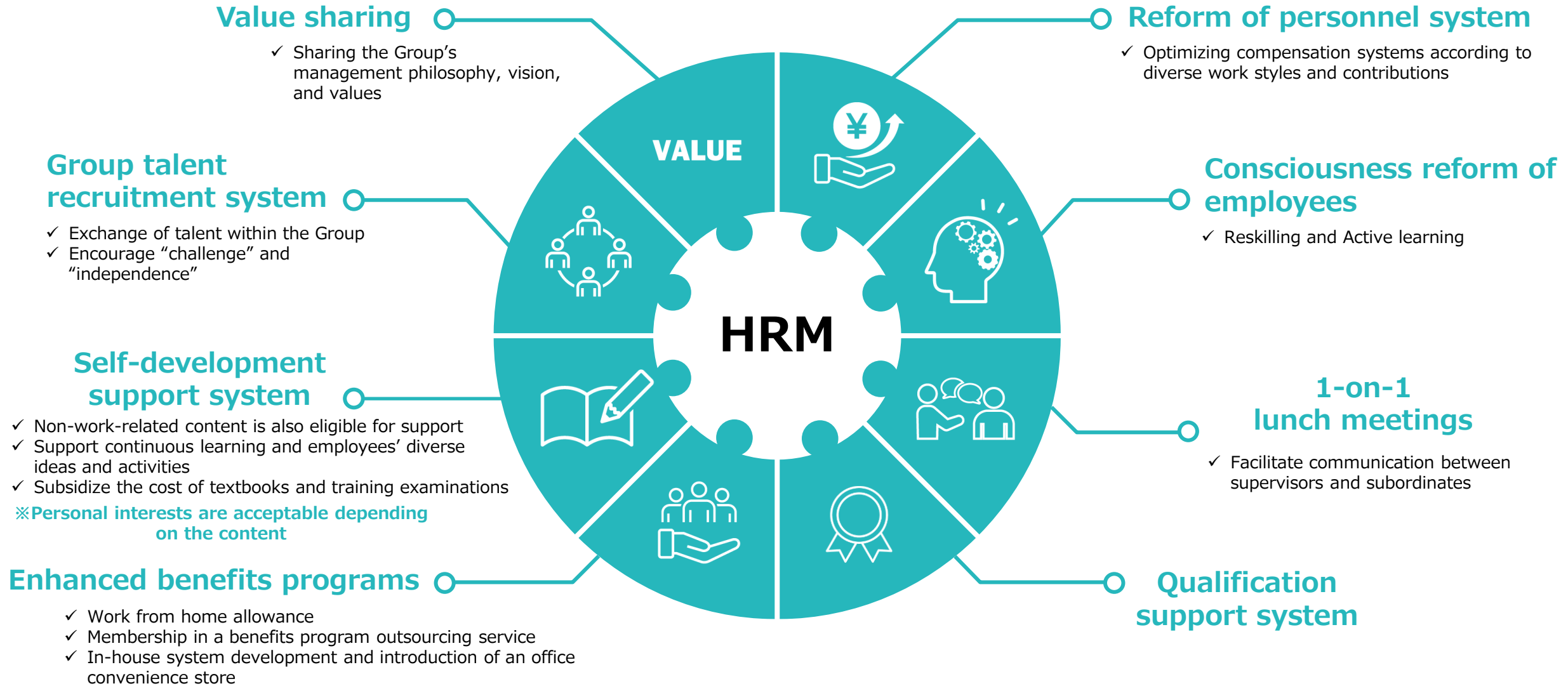
### Vision

#### 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

### 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.



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

# FIG ESG

## 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



## 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.

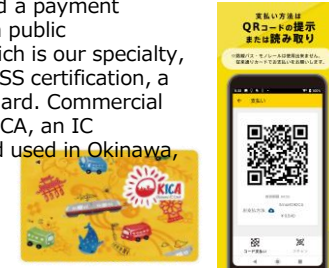
## Taxi dispatch systems

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

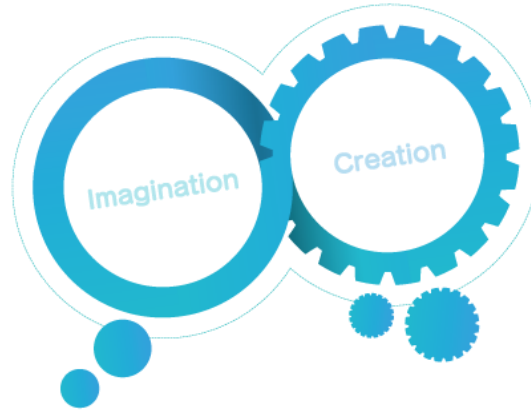
We have developed a payment service focusing on public transportation, which is our specialty, and obtained PCIDSS certification, a high security standard. Commercial deployment of OKICA, an IC transportation card used in Okinawa, has begun.



## 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 developed 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.).

## Customer Base ( over 210,000 monthly service contracts)

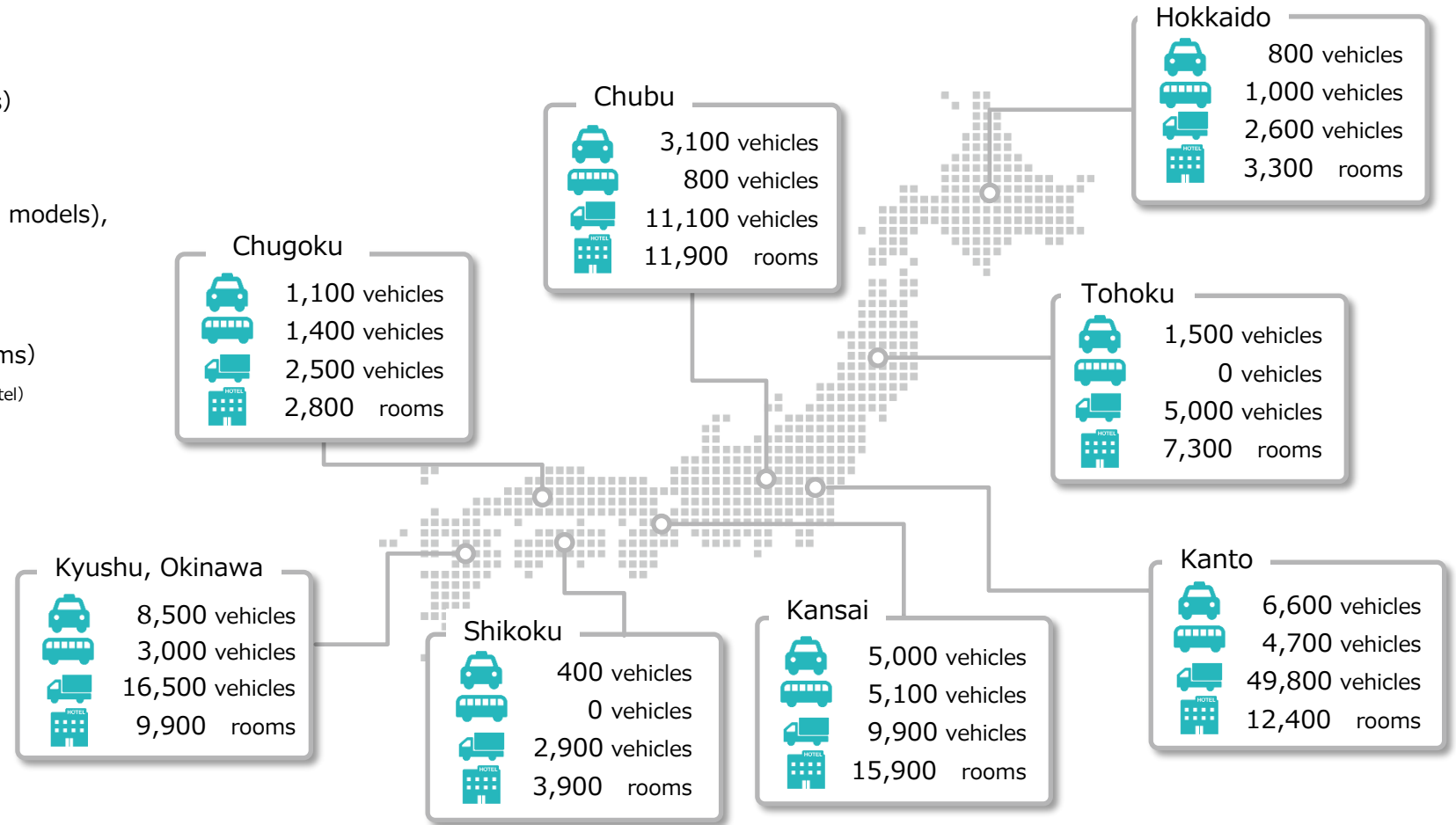
As of December 2023

Taxis  
Approx. 27,000 vehicles  
(13% market share, approx. 200,000 taxis)

Buses  
Approx. 16,000 vehicles  
(28% market share, approx. 57,000 shared buses)

Logistics, etc.  
Approx. 100,300 vehicles  
(No.1 share of IP radio systems (vehicle-mounted models), approx. 7.7 million main trucks)

Hotels  
Approx. 67,400 rooms  
(6% market share, approx. 1.15 million hotel rooms)  
Hotel : Business hotel, City hotel, and Resort hotel (except Japanese hotel)





Future Innovation Group

Contact: Office of the President, Future Innovation Group, Inc.  
Address: 2-5-60 Higashiomichi, Oita City, Oita Prefecture  
Phone: +81-97-576-8730

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