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## Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 [Japanese GAAP]



February 14, 2024

Company name: Future Innovation Group, Inc.  
 Stock exchange listing: Tokyo and Fukuoka  
 Code number: 4392  
 URL: <https://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 holding ordinary general meeting of shareholders: March 26, 2024  
 Scheduled date of commencing dividend payments: March 27, 2024  
 Scheduled date of filing securities report: March 27, 2024  
 Availability of supplementary explanatory materials on annual financial results: Available  
 Schedule of annual 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 Fiscal Year Ended December 31, 2023 (January 1, 2023 - December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2023	13,534	4.8	723	(22.4)	715	(25.8)	210	(69.4)
December 31, 2022	12,914	5.3	932	64.7	964	68.3	685	55.2

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

Fiscal year ended December 31, 2022: ¥666 million [(2.4)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2023	6.97	6.88	2.2	3.2	5.3
December 31, 2022	23.36	23.04	7.5	4.8	7.2

(2) Consolidated Financial Position

Fiscal year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2023	22,835	9,595	41.4	313.31
December 31, 2022	21,463	9,709	44.6	318.35

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

As of December 31, 2022: ¥9,576 million

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
December 31, 2023	(578)	(838)	1,430	2,202
December 31, 2022	359	(1,848)	1,291	2,185

## 2. Dividends

	Annual dividends					Total dividend payment	Dividend payout ratio (consolidated)	Dividend to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2022	–	0.00	–	10.00	10.00	300	42.8	3.2
Fiscal year ended December 31, 2023	–	0.00	–	5.00	5.00	150	71.7	1.6
Fiscal year ending December 31, 2024 (Forecast)	–	0.00	–	5.00	5.00		15.1	

(Note) The breakdown of year-end dividends for the fiscal year ended December 31, 2022 is as follows:

Ordinary dividend: ¥5.00

Commemorative dividend: ¥5.00

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 - December 31, 2024)

(% 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
Six months ended	6,800	(2.9)	300	(36.2)	283	(40.8)	417	21.7	13.82
Full year	15,000	10.8	1,123	55.2	1,092	52.7	1,000	375.7	33.14

**\* 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) 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
- (3) 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):  
December 31, 2023: 31,393,015 shares  
December 31, 2022: 31,300,315 shares  
  
2) Total number of treasury shares at the end of the period:  
December 31, 2023: 1,218,496 shares  
December 31, 2022: 1,218,356 shares  
  
3) Average number of shares during the period:  
Fiscal year ended December 31, 2023: 30,141,328 shares  
Fiscal year ended December 31, 2022: 29,366,554 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 - December 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
December 31, 2023	1,522	22.0	391	7.4	394	9.3	61	(82.7)
December 31, 2022	1,247	46.7	364	116.2	361	111.9	355	140.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
December 31, 2023	2.04	2.01
December 31, 2022	11.71	11.56

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended				
December 31, 2023	17,318	7,576	43.0	246.94
December 31, 2022	15,464	7,787	49.6	254.75

(Reference) Equity: As of December 31, 2023: ¥7,451 million

As of December 31, 2022: ¥7,663 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.

## (1) Consolidated Balance Sheets

(Million yen)

	As of December 31, 2022	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,199	2,203
Notes and accounts receivable, and contract assets	4,631	5,860
Investments in leases	4,441	4,268
Finished goods	351	461
Work in process	374	517
Raw materials	1,362	1,426
Other	740	552
Allowance for doubtful accounts	(44)	(74)
<b>Total current assets</b>	<b>14,058</b>	<b>15,215</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,928	1,904
Machinery, equipment and vehicles	173	300
Tools, furniture and fixtures	74	130
Rental assets	172	183
Land	1,718	1,753
Leased assets	0	6
Construction in progress	15	-
<b>Total property, plant and equipment</b>	<b>4,082</b>	<b>4,278</b>
Intangible assets		
Goodwill	282	224
Software	473	449
Software in progress	59	97
Other	6	5
<b>Total intangible assets</b>	<b>821</b>	<b>776</b>
Investments and other assets		
Investment securities	1,338	1,335
Deferred tax assets	93	175
Long-term accounts receivable	883	881
Other	196	181
Allowance for doubtful accounts	(11)	(9)
<b>Total investments and other assets</b>	<b>2,501</b>	<b>2,564</b>
<b>Total non-current assets</b>	<b>7,405</b>	<b>7,620</b>
<b>Total assets</b>	<b>21,463</b>	<b>22,835</b>

(Million yen)

	As of December 31, 2022	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	1,759	1,273
Short-term borrowings	1,925	2,530
Current portion of bonds payable	17	-
Current portion of long-term borrowings	930	1,455
Income taxes payable	249	100
Accrued consumption taxes	128	257
Provision for bonuses for directors (and other officers)	58	51
Provision for product warranties	29	40
Other	705	936
Total current liabilities	5,803	6,645
Non-current liabilities		
Long-term borrowings	5,681	6,301
Deferred tax liabilities	59	48
Provision for retirement benefits for directors (and other officers)	57	71
Retirement benefit liability	135	143
Provision for repairs	11	24
Other	5	6
Total non-current liabilities	5,951	6,595
Total liabilities	11,754	13,240
Net assets		
Shareholders' equity		
Capital stock	2,030	2,044
Capital surplus	4,008	4,022
Retained earnings	3,575	3,484
Treasury shares	(312)	(312)
Total shareholders' equity	9,301	9,238
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	269	207
Foreign currency translation adjustment	5	7
Total accumulated other comprehensive income	275	215
Share acquisition rights	124	124
Non-controlling interests	8	16
Total net assets	9,709	9,595
Total liabilities and net assets	21,463	22,835

(2) Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Million yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales	12,914	13,534
Cost of sales	9,030	9,502
Gross profit	3,883	4,031
Selling, general and administrative expenses	2,951	3,308
Operating profit	932	723
Non-operating income		
Interest income	0	0
Dividend income	20	15
Settlement income	-	20
Subsidy income	73	8
Surrender value of insurance policies	0	8
Other	17	13
Total non-operating income	111	64
Non-operating expenses		
Interest expenses	45	44
Commission expenses	-	11
Other	34	16
Total non-operating expenses	79	73
Ordinary profit	964	715
Extraordinary income		
Gain on sale of investment securities	-	70
Total extraordinary income	-	70
Extraordinary losses		
Loss on valuation of investment securities	-	300
Settlement payments	-	57
Office relocation expenses	-	44
Total extraordinary losses	-	403
Profit before income taxes	964	382
Income taxes - current	314	226
Income taxes - deferred	(28)	(57)
Total income taxes	286	168
Profit	677	213
Profit (loss) attributable to non-controlling interests	(8)	3
Profit attributable to owners of parent	685	210

## Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Profit	677	213
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	(61)
Foreign currency translation adjustment	1	2
Total other comprehensive income	(11)	(59)
Comprehensive income	666	154
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	674	150
Comprehensive income attributable to non-controlling interests	(7)	4



(3) Consolidated Statement of Changes in Equity

Fiscal Year Ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,012	3,852	3,035	(455)	8,444
Changes during period					
Issuance of new shares	18	18			36
Dividends of surplus			(146)		(146)
Profit attributable to owners of parent			685		685
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares (exercise of share acquisition rights)		138		143	281
Net changes in items other than shareholders' equity					
Total changes during period	18	156	539	143	857
Balance at end of period	2,030	4,008	3,575	(312)	9,301

	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	282	4	286	131	16	8,878
Changes during period						
Issuance of new shares						36
Dividends of surplus						(146)
Profit attributable to owners of parent						685
Purchase of treasury shares						(0)
Disposal of treasury shares (exercise of share acquisition rights)						281
Net changes in items other than shareholders' equity	(12)	0	(11)	(7)	(7)	(26)
Total changes during period	(12)	0	(11)	(7)	(7)	830
Balance at end of period	269	5	275	124	8	9,709

Fiscal Year Ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Million yen)

	Shareholders' equity				
	Capital stock	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 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 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

## (4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	964	382
Depreciation	388	417
Settlement payments	-	57
Relocation expenses	-	44
Amortization of goodwill	61	58
Increase (decrease) in allowance for doubtful accounts	(1)	27
Increase (decrease) in provision for product warranties	2	10
Increase (decrease) in retirement benefit liability	6	7
Increase (decrease) in provision for bonuses	4	(7)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(8)	13
Interest and dividend income	(20)	(15)
Settlement income	-	(20)
Surrender value of insurance policies	0	(8)
Subsidy income	(73)	(8)
Interest expenses	45	44
Commission expenses	-	11
Loss (gain) on sale of investment securities	-	(70)
Loss (gain) on valuation of investment securities	-	300
Decrease (increase) in trade receivables and contract assets	(1,486)	(1,228)
Decrease (increase) in inventories	(25)	(315)
Increase (decrease) in trade payables	460	(485)
Net decrease (increase) in investments in leases	186	172
Other	28	408
<b>Subtotal</b>	<b>533</b>	<b>(199)</b>
Interest and dividends received	20	15
Interest paid	(42)	(44)
Settlement paid	-	(60)
Settlement received	-	20
Fee paid	-	(11)
Subsidies received	22	49
Income taxes refund	44	66
Income taxes paid	(219)	(413)
<b>Net cash provided by (used in) operating activities</b>	<b>359</b>	<b>(578)</b>

(Million yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Cash flows from investing activities</b>		
Payments into time deposits	(6)	(1)
Proceeds from withdrawal of time deposits	31	13
Payments of leasehold deposits	(3)	(55)
Purchase of property, plant and equipment	(1,153)	(362)
Purchase of intangible assets	(216)	(177)
Purchase of investment securities	(417)	(668)
Proceeds from sale of investment securities	-	222
Proceeds from redemption of investment securities	-	116
Proceeds from collection of loans receivable	101	-
Payments of guarantee deposits	(202)	(0)
Proceeds from cancellation of insurance funds	17	58
Other	3	14
Net cash provided by (used in) investing activities	(1,848)	(838)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,907)	604
Proceeds from long-term borrowings	4,038	2,300
Repayments of long-term borrowings	(959)	(1,155)
Redemption of bonds	(16)	(17)
Purchase of treasury shares	(0)	(0)
Proceeds from issuance of share acquisition rights	4	-
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	280	-
Dividends paid	(146)	(301)
Repayments of lease obligations	(1)	(0)
Other	0	-
Net cash provided by (used in) financing activities	1,291	1,430
Effect of exchange rate change on cash and cash equivalents	6	1
Net increase (decrease) in cash and cash equivalents	(190)	16
Cash and cash equivalents at beginning of period	2,376	2,185
Cash and cash equivalents at end of period	2,185	2,202