

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

Company name: FUTABA CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6986 URL <https://www.futaba.co.jp/>
 Representative: President and Representative Director Chief Motoaki Arima
 Executive Officer
 Executive Officer General Manager
 Corporate Administration Division Masayuki Nakamura TEL 0475-24-1111
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 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	%
Year ended March 31, 2024	56,360	(6.6)	(1,141)	—	570	—	(1,854)	—
Year ended March 31, 2023	60,326	12.9	(2,387)	—	(1,134)	—	(3,499)	—

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	(43.71)	—	(2.4)	0.6	(2.0)
Year ended March 31, 2023	(82.51)	—	(4.7)	(1.1)	(4.0)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	104,263	90,529	75.0	1,843.89
As of March 31, 2023	98,118	85,210	75.2	1,739.57

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	1,529	4,212	(1,129)	21,317
Year ended March 31, 2023	(5,829)	1,056	(1,458)	15,523

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	7.00	—	7.00	14.00	593	—	0.8
Year ended March 31, 2024	—	5.00	—	5.00	10.00	424	—	0.6
Year ending March 31, 2025 (Forecast)	—	—	—	—	—		—	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes									
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	25,000	(14.0)	(700)	—	(600)	—	(900)	—	(21.22)
Full year	51,000	(9.5)	(400)	—	(300)	—	(800)	—	(18.86)

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	42,426,739 shares	As of March 31, 2023	42,426,739 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	10,557 shares	As of March 31, 2023	9,958 shares
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Average number of shares during the period

Year ended March 31, 2024	42,416,452 shares	Year ended March 31, 2023	42,417,070 shares
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Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	24,068	27,064
Notes and accounts receivable - trade	15,194	15,105
Electronically recorded monetary claims - operating	1,506	1,740
Securities	300	300
Merchandise and finished goods	5,724	5,236
Work in process	3,267	2,851
Raw materials and supplies	11,433	9,767
Other	1,408	1,056
Allowance for doubtful accounts	(786)	(995)
Total current assets	62,118	62,128
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,739	37,749
Accumulated depreciation	(31,180)	(32,028)
Buildings and structures, net	5,559	5,720
Machinery, equipment and vehicles	48,844	45,759
Accumulated depreciation	(46,813)	(43,888)
Machinery, equipment and vehicles, net	2,031	1,871
Tools, furniture and fixtures	7,206	6,601
Accumulated depreciation	(6,886)	(6,270)
Tools, furniture and fixtures, net	320	331
Land	9,902	10,007
Leased assets	8	9
Accumulated depreciation	(4)	(2)
Leased assets, net	3	7
Construction in progress	166	171
Other	352	295
Total property, plant and equipment	18,335	18,405
Intangible assets		
Goodwill	13	–
Other	662	659
Total intangible assets	675	659
Investments and other assets		
Investment securities	9,772	12,777
Retirement benefit asset	4,844	7,770
Deferred tax assets	358	421
Other	2,784	2,714
Allowance for doubtful accounts	(771)	(612)
Total investments and other assets	16,988	23,070
Total non-current assets	35,999	42,134
Total assets	98,118	104,263

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,534	2,325
Electronically recorded obligations - operating	508	541
Short-term borrowings	328	132
Lease liabilities	170	165
Accrued expenses	2,364	2,753
Income taxes payable	129	244
Provision for bonuses	758	698
Other	1,304	1,361
Total current liabilities	9,099	8,223
Non-current liabilities		
Lease liabilities	472	436
Deferred tax liabilities	2,710	4,551
Provision for retirement benefits for directors (and other officers)	57	11
Retirement benefit liability	378	372
Other	190	137
Total non-current liabilities	3,807	5,509
Total liabilities	12,907	13,733
Net assets		
Shareholders' equity		
Share capital	22,558	22,558
Capital surplus	21,555	21,046
Retained earnings	24,166	22,312
Treasury shares	(16)	(16)
Total shareholders' equity	68,263	65,899
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,508	4,773
Foreign currency translation adjustment	1,938	5,485
Remeasurements of defined benefit plans	1,076	2,051
Total accumulated other comprehensive income	5,523	12,310
Non-controlling interests	11,423	12,318
Total net assets	85,210	90,529
Total liabilities and net assets	98,118	104,263

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	60,326	56,360
Cost of sales	51,713	47,607
Gross profit	8,612	8,752
Selling, general and administrative expenses	10,999	9,894
Operating loss	(2,387)	(1,141)
Non-operating income		
Interest income	325	486
Dividend income	276	314
Rental income	73	242
Foreign exchange gains	583	563
Other	133	347
Total non-operating income	1,392	1,954
Non-operating expenses		
Interest expenses	36	77
Loss on investments in investment partnerships	14	18
Loss of retirement of non-current assets	8	51
Extra retirement payments	50	36
Other	29	58
Total non-operating expenses	140	241
Ordinary profit (loss)	(1,134)	570
Extraordinary income		
Gain on sale of non-current assets	70	1,220
Gain on sale of investment securities	7	390
Total extraordinary income	77	1,610
Extraordinary losses		
Loss on sale of non-current assets	0	1
Loss on abandonment of non-current assets	2	1
Impairment losses	1,463	1,057
Loss on business restructuring	—	2,414
Total extraordinary losses	1,466	3,474
Profit before income taxes	(2,523)	(1,293)
Income taxes - current	377	388
Income taxes - deferred	402	110
Total income taxes	779	499
Loss	(3,303)	(1,792)
Profit attributable to non-controlling interests	196	61
Loss attributable to owners of parent	(3,499)	(1,854)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Loss	(3,303)	(1,792)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,295	2,274
Foreign currency translation adjustment	1,952	4,517
Remeasurements of defined benefit plans, net of tax	(417)	1,025
Total other comprehensive income	2,829	7,817
Comprehensive income	(473)	6,025
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(933)	4,932
Comprehensive income attributable to non-controlling interests	459	1,092

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,558	21,555	28,556	(16)	72,654
Changes during period					
Dividends of surplus			(890)		(890)
Loss attributable to owners of parent			(3,499)		(3,499)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(4,390)	(0)	(4,390)
Balance at end of period	22,558	21,555	24,166	(16)	68,263

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,211	241	1,504	2,957	11,177	86,788
Changes during period						
Dividends of surplus						(890)
Loss attributable to owners of parent						(3,499)
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	1,297	1,696	(427)	2,566	246	2,813
Total changes during period	1,297	1,696	(427)	2,566	246	(1,577)
Balance at end of period	2,508	1,938	1,076	5,523	11,423	85,210

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,558	21,555	24,166	(16)	68,263
Changes during period					
Dividends of surplus		(508)			(508)
Loss attributable to owners of parent			(1,854)		(1,854)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(508)	(1,854)	(0)	(2,363)
Balance at end of period	22,558	21,046	22,312	(16)	65,899

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,508	1,938	1,076	5,523	11,423	85,210
Changes during period						
Dividends of surplus						(508)
Loss attributable to owners of parent						(1,854)
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	2,265	3,546	975	6,787	894	7,682
Total changes during period	2,265	3,546	975	6,787	894	5,318
Balance at end of period	4,773	5,485	2,051	12,310	12,318	90,529

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Loss before income taxes	(2,523)	(1,293)
Depreciation	1,236	1,257
Amortization of goodwill	32	13
Impairment losses	1,463	1,057
Increase (decrease) in allowance for doubtful accounts	216	(27)
Decrease (increase) in retirement benefit asset	(66)	(2,830)
Increase (decrease) in retirement benefit liability	(161)	(14)
Increase (decrease) in remeasurements of defined benefit plans	(864)	2,114
Increase (decrease) in provision for bonuses	(74)	(71)
Interest and dividend income	(601)	(800)
Foreign exchange losses (gains)	(354)	(302)
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	(67)	(1,217)
Loss (gain) on sale and valuation of investment securities	(7)	(390)
Loss of retirement of non-current asset	8	51
Loss on business restructuring	—	2,414
Decrease (increase) in trade receivables	(823)	1,438
Decrease (increase) in inventories	(2,421)	3,927
Increase (decrease) in trade payables	(1,184)	(2,030)
Increase (decrease) in other liabilities	(38)	(531)
Other, net	478	(161)
Subtotal	(5,753)	2,603
Interest and dividends received	580	758
Interest paid	(43)	(80)
Loss of business restructuring	—	(1,748)
Income taxes paid	(620)	(283)
Income taxes refund	6	279
Net cash provided by (used in) operating activities	(5,829)	1,529

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(16,531)	(8,578)
Proceeds from withdrawal of time deposits	21,178	11,858
Payments for long-term deposits	(1,364)	–
Purchase of property, plant and equipment	(2,437)	(1,218)
Proceeds from sale of property, plant and equipment	94	1,589
Purchase of intangible assets	(78)	(77)
Purchase of investment securities	(345)	(421)
Proceeds from sale and redemption of investment securities	616	1,057
Loan advances	(2)	(0)
Proceeds from collection of loans receivable	3	1
Other, net	(76)	1
Net cash provided by (used in) investing activities	1,056	4,212
Cash flows from financing activities		
Proceeds from short-term borrowings	912	759
Repayments of short-term borrowings	(1,031)	(976)
Repayments of lease liabilities	(232)	(205)
Purchase of treasury shares	(0)	(0)
Dividends paid	(893)	(510)
Dividends paid to non-controlling interests	(212)	(197)
Net cash provided by (used in) financing activities	(1,458)	(1,129)
Effect of exchange rate change on cash and cash equivalents	1,173	1,180
Net increase (decrease) in cash and cash equivalents	(5,058)	5,793
Cash and cash equivalents at beginning of period	20,582	15,523
Cash and cash equivalents at end of period	15,523	21,317