

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 2022

Company name: FUTABA CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6986 URL <https://www.futaba.co.jp/>
 Representative: Representative Director and President Motoaki Arima
 Executive Officer
 Inquiries: Corporate Administration Division Masayuki Nakamura TEL 0475-24-1111
 General Manager
 Scheduled date to file Quarterly Securities Report: August 9, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2022	14,007	3.7	(1,048)	–	(111)	–	(936)	–
Three months ended June 30, 2021	13,512	22.5	(80)	–	77	–	63	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	(22.07)	–
Three months ended June 30, 2021	1.49	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	102,135	88,225	75.1
As of March 31, 2022	100,435	86,788	75.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	14.00	–	14.00	28.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Full year	61,000	14.1	200	–	800	–	(2,900)	–	(68.37)

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2022	42,426,739 shares	As of March 31, 2022	42,426,739 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	9,524 shares	As of March 31, 2022	9,444 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	42,417,294 shares	Three months ended June 30, 2021	42,417,757 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	33,626	31,531
Notes and accounts receivable - trade, and contract assets	14,552	15,091
Electronically recorded monetary claims - operating	914	948
Securities	600	601
Merchandise and finished goods	4,213	4,930
Work in process	3,262	3,333
Raw materials and supplies	10,020	11,587
Other	1,684	2,046
Allowance for doubtful accounts	(710)	(792)
Total current assets	68,163	69,279
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,060	5,235
Machinery, equipment and vehicles, net	1,958	2,166
Tools, furniture and fixtures, net	363	363
Land	9,751	10,067
Leased assets, net	1	1
Construction in progress	416	314
Other	316	369
Total property, plant and equipment	17,868	18,517
Intangible assets		
Goodwill	45	35
Other	643	678
Total intangible assets	688	714
Investments and other assets		
Investment securities	7,902	7,665
Other	6,432	6,637
Allowance for doubtful accounts	(619)	(678)
Total investments and other assets	13,714	13,624
Total non-current assets	32,271	32,856
Total assets	100,435	102,135

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,720	3,845
Electronically recorded obligations - operating	1,054	948
Short-term borrowings	436	432
Accrued expenses	2,267	2,379
Income taxes payable	368	244
Provision for bonuses	827	637
Other	1,515	1,878
Total current liabilities	10,190	10,365
Non-current liabilities		
Deferred tax liabilities	2,283	2,288
Provision for retirement benefits for directors (and other officers)	64	53
Retirement benefit liability	525	535
Other	582	666
Total non-current liabilities	3,455	3,544
Total liabilities	13,646	13,910
Net assets		
Shareholders' equity		
Share capital	22,558	22,558
Capital surplus	21,555	21,555
Retained earnings	28,556	27,026
Treasury shares	(16)	(16)
Total shareholders' equity	72,654	71,124
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,211	1,126
Foreign currency translation adjustment	241	3,053
Remeasurements of defined benefit plans	1,504	1,371
Total accumulated other comprehensive income	2,957	5,551
Non-controlling interests	11,177	11,550
Total net assets	86,788	88,225
Total liabilities and net assets	100,435	102,135

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	13,512	14,007
Cost of sales	10,844	12,237
Gross profit	2,667	1,769
Selling, general and administrative expenses	2,748	2,818
Operating loss	(80)	(1,048)
Non-operating income		
Interest income	42	68
Dividend income	95	131
Foreign exchange gains	–	689
Subsidy income	95	1
Other	58	54
Total non-operating income	291	946
Non-operating expenses		
Interest expenses	5	6
Depreciation	1	2
Foreign exchange losses	122	–
Other	4	0
Total non-operating expenses	133	9
Ordinary profit (loss)	77	(111)
Extraordinary income		
Gain on sale of non-current assets	293	17
Gain on sale of investment securities	127	–
Total extraordinary income	420	17
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	2	1
Impairment losses	113	534
Total extraordinary losses	115	536
Profit (loss) before income taxes	382	(630)
Income taxes - current	87	80
Income taxes - deferred	89	118
Total income taxes	177	198
Profit (loss)	205	(828)
Profit attributable to non-controlling interests	142	107
Profit (loss) attributable to owners of parent	63	(936)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	205	(828)
Other comprehensive income		
Valuation difference on available-for-sale securities	(34)	(108)
Foreign currency translation adjustment	138	3,279
Remeasurements of defined benefit plans, net of tax	(123)	(131)
Total other comprehensive income	(19)	3,039
Comprehensive income	185	2,211
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(14)	1,658
Comprehensive income attributable to non-controlling interests	199	553