

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

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: February 14, 2023
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	45,147	14.9	(1,858)	–	(820)	–	(2,704)	–
Nine months ended December 31, 2021	39,299	10.8	(1,335)	–	(727)	–	(1,839)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	(63.75)		–	
Nine months ended December 31, 2021	(43.37)		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2022	99,989		85,771		74.2	
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				
Year ended March 31, 2022	–	14.00	–	14.00	28.00
Year ending March 31, 2023	–	7.00	–		
Year ending March 31, 2023 (Forecast)				7.00	14.00

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	60,000	12.3	(2,000)	–	(500)	–	(3,900)	–	(91.94)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	9,795 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)

Nine months ended December 31, 2022	42,417,147 shares	Nine months ended December 31, 2021	42,417,582 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	33,626	25,279
Notes and accounts receivable - trade, and contract assets	14,552	16,056
Electronically recorded monetary claims - operating	914	1,690
Securities	600	299
Merchandise and finished goods	4,213	5,337
Work in process	3,262	3,151
Raw materials and supplies	10,020	11,592
Other	1,684	1,569
Allowance for doubtful accounts	(710)	(780)
Total current assets	68,163	64,196
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,060	5,046
Machinery, equipment and vehicles, net	1,958	2,018
Tools, furniture and fixtures, net	363	327
Land	9,751	10,030
Leased assets, net	1	3
Construction in progress	416	753
Other	316	339
Total property, plant and equipment	17,868	18,520
Intangible assets		
Goodwill	45	19
Other	643	650
Total intangible assets	688	670
Investments and other assets		
Investment securities	7,902	9,055
Other	6,432	8,332
Allowance for doubtful accounts	(619)	(786)
Total investments and other assets	13,714	16,602
Total non-current assets	32,271	35,792
Total assets	100,435	99,989

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,720	4,261
Electronically recorded obligations - operating	1,054	586
Short-term borrowings	436	324
Accrued expenses	2,267	2,484
Income taxes payable	368	143
Provision for bonuses	827	657
Other	1,515	1,777
Total current liabilities	10,190	10,234
Non-current liabilities		
Deferred tax liabilities	2,283	2,737
Provision for retirement benefits for directors (and other officers)	64	56
Retirement benefit liability	525	517
Other	582	671
Total non-current liabilities	3,455	3,983
Total liabilities	13,646	14,218
Net assets		
Shareholders' equity		
Share capital	22,558	22,558
Capital surplus	21,555	21,555
Retained earnings	28,556	24,961
Treasury shares	(16)	(16)
Total shareholders' equity	72,654	69,058
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,211	2,014
Foreign currency translation adjustment	241	1,974
Remeasurements of defined benefit plans	1,504	1,136
Total accumulated other comprehensive income	2,957	5,125
Non-controlling interests	11,177	11,587
Total net assets	86,788	85,771
Total liabilities and net assets	100,435	99,989

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	39,299	45,147
Cost of sales	32,560	38,691
Gross profit	6,738	6,455
Selling, general and administrative expenses	8,073	8,314
Operating loss	(1,335)	(1,858)
Non-operating income		
Interest income	122	210
Dividend income	195	244
Foreign exchange gains	116	536
Subsidy income	96	11
Other	171	151
Total non-operating income	703	1,153
Non-operating expenses		
Interest expenses	46	23
Extra retirement payments	–	51
Other	48	41
Total non-operating expenses	95	115
Ordinary loss	(727)	(820)
Extraordinary income		
Gain on sale of non-current assets	546	63
Gain on sale of investment securities	127	–
Total extraordinary income	674	63
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on abandonment of non-current assets	2	2
Impairment losses	771	1,087
Total extraordinary losses	775	1,090
Loss before income taxes	(828)	(1,847)
Income taxes - current	424	334
Income taxes - deferred	301	309
Total income taxes	725	643
Loss	(1,553)	(2,490)
Profit attributable to non-controlling interests	285	213
Loss attributable to owners of parent	(1,839)	(2,704)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Loss	(1,553)	(2,490)
Other comprehensive income		
Valuation difference on available-for-sale securities	(318)	773
Foreign currency translation adjustment	1,004	2,170
Remeasurements of defined benefit plans, net of tax	(364)	(365)
Total other comprehensive income	321	2,578
Comprehensive income	(1,232)	87
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,492)	(535)
Comprehensive income attributable to non-controlling interests	260	622