

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 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 of ordinary general meeting of shareholders: June 29, 2023  
 Scheduled date to file Securities Report: June 29, 2023  
 Scheduled date to commence dividend payments: June 30, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	60,326	12.9	(2,387)	–	(1,134)	–	(3,499)	–
Year ended March 31, 2022	53,450	9.5	(1,863)	–	(654)	–	(2,668)	–

	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, 2023	(82.51)	–	(4.7)	(1.1)	(4.0)
Year ended March 31, 2022	(62.92)	–	(3.5)	(0.7)	(3.5)

#### (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, 2023	98,118	85,210	75.2	1,739.57
As of March 31, 2022	100,435	86,788	75.3	1,782.55

#### (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, 2023	(5,829)	1,056	(1,458)	15,523
Year ended March 31, 2022	(6,071)	1,347	(1,620)	20,582

### 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, 2022	–	14.00	–	14.00	28.00	1,187	–	1.6
Year ended March 31, 2023	–	7.00	–	7.00	14.00	593	–	0.8
Year ending March 31, 2024 (Forecast)	–	–	–	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2023  
 (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: Yes
- 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, 2023	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 March 31, 2023	9,958 shares	As of March 31, 2022	9,444 shares
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Average number of shares during the period

Year ended March 31, 2023	42,417,070 shares	Year ended March 31, 2022	42,417,531 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	33,626	24,068
Notes and accounts receivable - trade, and contract assets	14,552	15,194
Electronically recorded monetary claims - operating	914	1,506
Securities	600	300
Merchandise and finished goods	4,213	5,724
Work in process	3,262	3,267
Raw materials and supplies	10,020	11,433
Other	1,684	1,408
Allowance for doubtful accounts	(710)	(786)
<b>Total current assets</b>	<b>68,163</b>	<b>62,118</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	35,670	36,739
Accumulated depreciation	(30,610)	(31,180)
Buildings and structures, net	5,060	5,559
Machinery, equipment and vehicles	48,303	48,844
Accumulated depreciation	(46,345)	(46,813)
Machinery, equipment and vehicles, net	1,958	2,031
Tools, furniture and fixtures	7,257	7,206
Accumulated depreciation	(6,893)	(6,886)
Tools, furniture and fixtures, net	363	320
Land	9,751	9,902
Leased assets	4	8
Accumulated depreciation	(3)	(4)
Leased assets, net	1	3
Construction in progress	416	166
Other	316	352
<b>Total property, plant and equipment</b>	<b>17,868</b>	<b>18,335</b>
<b>Intangible assets</b>		
Goodwill	45	13
Other	643	662
<b>Total intangible assets</b>	<b>688</b>	<b>675</b>
<b>Investments and other assets</b>		
Investment securities	7,902	9,772
Retirement benefit asset	4,759	4,844
Deferred tax assets	442	358
Other	1,229	2,784
Allowance for doubtful accounts	(619)	(771)
<b>Total investments and other assets</b>	<b>13,714</b>	<b>16,988</b>
<b>Total non-current assets</b>	<b>32,271</b>	<b>35,999</b>
<b>Total assets</b>	<b>100,435</b>	<b>98,118</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,720	3,534
Electronically recorded obligations - operating	1,054	508
Short-term borrowings	436	328
Lease liabilities	139	170
Accrued expenses	2,267	2,364
Income taxes payable	368	129
Provision for bonuses	827	758
Other	1,375	1,304
Total current liabilities	10,190	9,099
Non-current liabilities		
Lease liabilities	396	472
Deferred tax liabilities	2,283	2,710
Provision for retirement benefits for directors (and other officers)	64	57
Retirement benefit liability	525	378
Other	186	190
Total non-current liabilities	3,455	3,807
Total liabilities	13,646	12,907
<b>Net assets</b>		
Shareholders' equity		
Share capital	22,558	22,558
Capital surplus	21,555	21,555
Retained earnings	28,556	24,166
Treasury shares	(16)	(16)
Total shareholders' equity	72,654	68,263
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,211	2,508
Foreign currency translation adjustment	241	1,938
Remeasurements of defined benefit plans	1,504	1,076
Total accumulated other comprehensive income	2,957	5,523
Non-controlling interests	11,177	11,423
Total net assets	86,788	85,210
Total liabilities and net assets	100,435	98,118

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	53,450	60,326
Cost of sales	44,503	51,713
Gross profit	8,947	8,612
Selling, general and administrative expenses	10,811	10,999
Operating loss	(1,863)	(2,387)
Non-operating income		
Interest income	168	325
Dividend income	227	276
Foreign exchange gains	530	583
Subsidy income	98	12
Other	291	194
Total non-operating income	1,315	1,392
Non-operating expenses		
Interest expenses	26	36
Loss on investments in investment partnerships	0	14
Loss of retirement of non-current assets	14	8
Extra retirement payments	25	50
Litigation expenses	14	–
Other	25	29
Total non-operating expenses	106	140
Ordinary loss	(654)	(1,134)
Extraordinary income		
Gain on sale of non-current assets	565	70
Gain on sale of investment securities	127	7
Total extraordinary income	692	77
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on abandonment of non-current assets	2	2
Loss on valuation of investment securities	12	–
Impairment losses	1,400	1,463
Total extraordinary losses	1,416	1,466
Profit before income taxes	(1,379)	(2,523)
Income taxes - current	649	377
Income taxes - deferred	338	402
Total income taxes	987	779
Loss	(2,366)	(3,303)
Profit attributable to non-controlling interests	301	196
Loss attributable to owners of parent	(2,668)	(3,499)

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Loss	(2,366)	(3,303)
Other comprehensive income		
Valuation difference on available-for-sale securities	(286)	1,295
Foreign currency translation adjustment	3,394	1,952
Remeasurements of defined benefit plans, net of tax	(78)	(417)
Total other comprehensive income	3,029	2,829
Comprehensive income	662	(473)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(79)	(933)
Comprehensive income attributable to non-controlling interests	742	459

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	22,558	21,558	32,413	(15)	76,514
Changes during period					
Dividends of surplus			(1,187)		(1,187)
Loss attributable to owners of parent			(2,668)		(2,668)
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(3)			(3)
Net changes in items other than shareholders' equity					
Total changes during period	–	(3)	(3,856)	(0)	(3,860)
Balance at end of period	22,558	21,555	28,556	(16)	72,654

	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	1,479	(2,742)	1,631	367	10,618	87,500
Changes during period						
Dividends of surplus						(1,187)
Loss attributable to owners of parent						(2,668)
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						(3)
Net changes in items other than shareholders' equity	(268)	2,984	(126)	2,589	558	3,148
Total changes during period	(268)	2,984	(126)	2,589	558	(712)
Balance at end of period	1,211	241	1,504	2,957	11,177	86,788

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



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Loss before income taxes	(1,379)	(2,523)
Depreciation	1,166	1,236
Amortization of goodwill	37	32
Impairment losses	1,400	1,463
Increase (decrease) in allowance for doubtful accounts	–	216
Decrease (increase) in retirement benefit asset	(1,056)	(66)
Increase (decrease) in retirement benefit liability	(253)	(161)
Increase (decrease) in remeasurements of defined benefit plans	(179)	(864)
Increase (decrease) in provision for bonuses	33	(74)
Interest and dividend income	(395)	(601)
Foreign exchange losses (gains)	(114)	(354)
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	(561)	(67)
Loss (gain) on sale and valuation of investment securities	(114)	(7)
Loss of retirement of non-current asset	14	8
Subsidy income	(98)	(12)
Decrease (increase) in trade receivables	366	(823)
Decrease (increase) in inventories	(4,750)	(2,421)
Increase (decrease) in trade payables	164	(1,184)
Other, net	(139)	492
Subtotal	(5,860)	(5,713)
Interest and dividends received	395	580
Interest paid	(21)	(43)
Subsidies received	98	12
Income taxes paid	(744)	(620)
Income taxes refund	61	(45)
Net cash provided by (used in) operating activities	(6,071)	(5,829)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(17,838)	(16,531)
Proceeds from withdrawal of time deposits	21,102	21,178
Payments for long-term deposits	–	(1,364)
Purchase of property, plant and equipment	(3,217)	(2,437)
Proceeds from sale of property, plant and equipment	804	94
Purchase of intangible assets	(43)	(78)
Purchase of investment securities	(200)	(345)
Proceeds from sale and redemption of investment securities	1,366	616
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	3	3
Purchase of other investments	(142)	(161)
Other, net	(485)	84
Net cash provided by (used in) investing activities	1,347	1,056
Cash flows from financing activities		
Proceeds from short-term borrowings	989	912
Repayments of short-term borrowings	(1,049)	(979)
Repayments of long-term borrowings	–	(51)
Repayments of lease liabilities	(186)	(232)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,189)	(893)
Dividends paid to non-controlling interests	(183)	(212)
Net cash provided by (used in) financing activities	(1,620)	(1,458)
Effect of exchange rate change on cash and cash equivalents	1,258	1,173
Net increase (decrease) in cash and cash equivalents	(5,085)	(5,058)
Cash and cash equivalents at beginning of period	25,667	20,582
Cash and cash equivalents at end of period	20,582	15,523