

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 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
 Inquiries: Corporate Administration Division Masayuki Nakamura TEL 0475-24-1111
 Scheduled date to file Quarterly Securities Report: February 14, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	42,251	(6.4)	(1,138)	–	(24)	–	(3,438)	–
Nine months ended December 31, 2022	45,147	14.9	(1,858)	–	(820)	–	(2,704)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	(81.06)		–	
Nine months ended December 31, 2022	(63.75)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	96,784	84,505	74.9
As of March 31, 2023	98,118	85,210	75.2

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, 2023	–	7.00	–	7.00	14.00
Year ending March 31, 2024	–	5.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	56,000	(7.2)	(1,200)	–	(530)	–	(3,800)	–	(89.59)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(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: No
- 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, 2023	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 December 31, 2023	10,474 shares	As of March 31, 2023	9,958 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, 2023	42,416,529 shares	Nine months ended December 31, 2022	42,417,147 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	24,068	23,201
Notes and accounts receivable - trade	15,194	14,019
Electronically recorded monetary claims - operating	1,506	1,745
Securities	300	301
Merchandise and finished goods	5,724	6,007
Work in process	3,267	3,018
Raw materials and supplies	11,433	10,308
Other	1,408	1,527
Allowance for doubtful accounts	(786)	(974)
Total current assets	62,118	59,155
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,559	5,644
Machinery, equipment and vehicles, net	2,031	1,825
Tools, furniture and fixtures, net	320	360
Land	9,902	10,242
Leased assets, net	3	2
Construction in progress	166	123
Other	352	345
Total property, plant and equipment	18,335	18,544
Intangible assets		
Goodwill	13	–
Other	662	624
Total intangible assets	675	624
Investments and other assets		
Investment securities	9,772	10,566
Other	7,987	8,463
Allowance for doubtful accounts	(771)	(570)
Total investments and other assets	16,988	18,459
Total non-current assets	35,999	37,628
Total assets	98,118	96,784

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,534	2,649
Electronically recorded obligations - operating	508	483
Short-term borrowings	328	129
Accrued expenses	2,364	2,383
Income taxes payable	129	127
Provision for bonuses	758	562
Other	1,475	1,499
Total current liabilities	9,099	7,834
Non-current liabilities		
Deferred tax liabilities	2,710	3,318
Provision for retirement benefits for directors (and other officers)	57	9
Retirement benefit liability	378	401
Other	662	714
Total non-current liabilities	3,807	4,444
Total liabilities	12,907	12,278
Net assets		
Shareholders' equity		
Share capital	22,558	22,558
Capital surplus	21,555	21,046
Retained earnings	24,166	20,727
Treasury shares	(16)	(16)
Total shareholders' equity	68,263	64,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,508	3,238
Foreign currency translation adjustment	1,938	4,144
Remeasurements of defined benefit plans	1,076	769
Total accumulated other comprehensive income	5,523	8,153
Non-controlling interests	11,423	12,036
Total net assets	85,210	84,505
Total liabilities and net assets	98,118	96,784

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, 2022	Nine months ended December 31, 2023
Net sales	45,147	42,251
Cost of sales	38,691	35,864
Gross profit	6,455	6,386
Selling, general and administrative expenses	8,314	7,524
Operating loss	(1,858)	(1,138)
Non-operating income		
Interest income	210	327
Dividend income	244	268
Foreign exchange gains	536	206
Other	162	457
Total non-operating income	1,153	1,260
Non-operating expenses		
Interest expenses	23	57
Extra retirement payments	51	19
Other	41	69
Total non-operating expenses	115	146
Ordinary loss	(820)	(24)
Extraordinary income		
Gain on sale of non-current assets	63	38
Total extraordinary income	63	38
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	2	1
Impairment losses	1,087	939
Loss on business restructuring	–	2,042
Total extraordinary losses	1,090	2,984
Loss before income taxes	(1,847)	(2,969)
Income taxes - current	334	260
Income taxes - deferred	309	177
Total income taxes	643	438
Loss	(2,490)	(3,407)
Profit attributable to non-controlling interests	213	30
Loss attributable to owners of parent	(2,704)	(3,438)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Loss	(2,490)	(3,407)
Other comprehensive income		
Valuation difference on available-for-sale securities	773	774
Foreign currency translation adjustment	2,170	2,941
Remeasurements of defined benefit plans, net of tax	(365)	(307)
Total other comprehensive income	2,578	3,409
Comprehensive income	87	1
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(535)	(808)
Comprehensive income attributable to non-controlling interests	622	810