

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 11, 2024

Company name: FUTABA CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6986 URL <https://www.futaba.co.jp/>
 Representative: President and Representative Director Motoaki Arima
 Chief Executive Officer
 Executive Officer
 Inquiries: General Manager Masayuki Nakamura TEL 0475-24-1111
 Corporate Administration Division
 Scheduled date to file Semi-annual Securities Report: November 13, 2024
 Scheduled date to commence dividend payments: –
 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	24,568	(15.5)	(474)	–	(357)	–	(1,273)	–
Six months ended September 30, 2023	29,061	(1.6)	(1,172)	–	14	136.0	(3,059)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	(30.02)	–
Six months ended September 30, 2023	(72.13)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	98,585	86,505	75.6
As of March 31, 2024	104,263	90,529	75.0

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, 2024	–	5.00	–	5.00	10.00
Year ending March 31, 2025	–	0.00	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	10.00	10.00

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
Full year	50,000	(11.3)	(1,100)	–	(500)	–	(900)	–	(21.22)

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024	42,426,739 shares	As of March 31, 2024	42,426,739 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	10,639 shares	As of March 31, 2024	10,557 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	42,416,170 shares	Six months ended September 30, 2023	42,416,630 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	27,064	27,302
Notes and accounts receivable - trade	15,105	12,404
Electronically recorded monetary claims - operating	1,740	1,329
Securities	300	300
Merchandise and finished goods	5,236	4,976
Work in process	2,851	2,413
Raw materials and supplies	9,767	8,503
Other	1,056	1,105
Allowance for doubtful accounts	(995)	(855)
Total current assets	62,128	57,479
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,720	5,409
Machinery, equipment and vehicles, net	1,871	1,863
Tools, furniture and fixtures, net	331	327
Land	10,007	9,823
Leased assets, net	7	6
Construction in progress	171	66
Other	295	255
Total property, plant and equipment	18,405	17,753
Intangible assets		
Other	659	634
Total intangible assets	659	634
Investments and other assets		
Investment securities	12,777	11,780
Other	10,906	11,520
Allowance for doubtful accounts	(612)	(582)
Total investments and other assets	23,070	22,719
Total non-current assets	42,134	41,106
Total assets	104,263	98,585

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,325	1,879
Electronically recorded obligations - operating	541	429
Short-term borrowings	132	110
Accrued expenses	2,753	2,070
Income taxes payable	244	167
Provision for bonuses	698	727
Other	1,527	1,777
Total current liabilities	8,223	7,164
Non-current liabilities		
Deferred tax liabilities	4,551	4,163
Provision for retirement benefits for directors (and other officers)	11	14
Retirement benefit liability	372	215
Other	574	522
Total non-current liabilities	5,509	4,916
Total liabilities	13,733	12,080
Net assets		
Shareholders' equity		
Share capital	22,558	22,558
Capital surplus	21,046	21,046
Retained earnings	22,312	20,826
Treasury shares	(16)	(16)
Total shareholders' equity	65,899	64,414
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,773	3,765
Foreign currency translation adjustment	5,485	4,423
Remeasurements of defined benefit plans	2,051	1,901
Total accumulated other comprehensive income	12,310	10,090
Non-controlling interests	12,318	12,000
Total net assets	90,529	86,505
Total liabilities and net assets	104,263	98,585

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	29,061	24,568
Cost of sales	24,904	20,206
Gross profit	4,157	4,362
Selling, general and administrative expenses	5,329	4,836
Operating loss	(1,172)	(474)
Non-operating income		
Interest income	213	275
Dividend income	172	176
Rental income	115	127
Foreign exchange gains	531	—
Other	244	59
Total non-operating income	1,277	639
Non-operating expenses		
Interest expenses	36	38
Foreign exchange losses	—	416
Loss of retirement of non-current assets	21	4
Other	31	63
Total non-operating expenses	90	522
Ordinary profit (loss)	14	(357)
Extraordinary income		
Gain on sale of non-current assets	15	58
Total extraordinary income	15	58
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on abandonment of non-current assets	0	3
Impairment losses	908	194
Loss on business restructuring	1,947	516
Total extraordinary losses	2,856	714
Loss before income taxes	(2,826)	(1,013)
Income taxes - current	179	(181)
Income taxes - deferred	59	344
Total income taxes	239	163
Loss	(3,065)	(1,176)
Profit (loss) attributable to non-controlling interests	(5)	96
Loss attributable to owners of parent	(3,059)	(1,273)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Loss	(3,065)	(1,176)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,371	(989)
Foreign currency translation adjustment	3,790	(1,336)
Remeasurements of defined benefit plans, net of tax	(166)	(153)
Total other comprehensive income	4,994	(2,479)
Comprehensive income	1,929	(3,655)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,141	(3,493)
Comprehensive income attributable to non-controlling interests	787	(162)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	(2,826)	(1,013)
Depreciation	627	558
Amortization of goodwill	13	–
Impairment losses	908	194
Increase (decrease) in allowance for doubtful accounts	(118)	(142)
Decrease (increase) in retirement benefit asset	(577)	(184)
Increase (decrease) in retirement benefit liability	6	(161)
Increase (decrease) in remeasurements of defined benefit plans	29	(148)
Increase (decrease) in provision for bonuses	89	36
Interest and dividend income	(386)	(452)
Foreign exchange losses (gains)	(336)	29
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	(15)	(55)
Loss of retirement of non-current asset	21	4
Loss on business restructuring	1,947	516
Gain on reversal of asset retirement obligations	–	(83)
Decrease (increase) in trade receivables	483	2,692
Decrease (increase) in inventories	1,282	1,534
Increase (decrease) in trade payables	(1,037)	(394)
Increase (decrease) in other liabilities	(422)	367
Other, net	335	4
Subtotal	25	3,304
Interest and dividends received	393	429
Interest paid	(36)	(33)
Loss of business restructuring	(567)	(989)
Income taxes paid	(100)	(257)
Income taxes refund	–	426
Net cash provided by (used in) operating activities	(284)	2,880
Cash flows from investing activities		
Payments into time deposits	(4,186)	(5,011)
Proceeds from withdrawal of time deposits	6,879	4,899
Payments for long-term deposits	–	(897)
Purchase of property, plant and equipment	(1,019)	(510)
Proceeds from sale of property, plant and equipment	15	58
Purchase of investment securities	(4)	(448)
Proceeds from sale and redemption of investment securities	300	–
Loan advances	(0)	(0)
Proceeds from collection of loans receivable	1	0
Other, net	(69)	(30)
Net cash provided by (used in) investing activities	1,916	(1,939)

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	396	318
Repayments of short-term borrowings	(430)	(335)
Repayments of lease liabilities	(100)	(97)
Purchase of treasury shares	(0)	(0)
Dividends paid	(296)	(212)
Dividends paid to non-controlling interests	(197)	(155)
Net cash provided by (used in) financing activities	(628)	(482)
Effect of exchange rate change on cash and cash equivalents	1,017	(253)
Net increase (decrease) in cash and cash equivalents	2,021	205
Cash and cash equivalents at beginning of period	15,523	21,317
Cash and cash equivalents at end of period	17,545	21,522