

February 12, 2009

Company name: Futaba Industrial Co., Ltd.  
Representative: Itsuo Kozuka, President  
Stock code 7241  
Exchange listings Tokyo and Nagoya First Sections  
Contact Masumi Ishikawa, Managing Director  
Telephone +81 564-31-2211

## **Futaba Industrial Announces Progress in its Investigation of Prior Years' Financial Statements**

In its press release dated October 15, 2008, titled "Notice of Possible Restatement of Prior Years' Financial Results," Futaba Industrial Co., Ltd. announced that it had identified a situation where restatements of past year earnings may become necessary. Subsequently, the Internal Investigation Committee has been investigating the situation in order to identify the cause of the problem and to formulate measures to prevent recurrence, while keeping the External Investigation Committee informed of the progress of the investigation. We deeply regret any concern that may have been caused by this matter.

On December 25, 2008, Futaba filed necessary corrective reports to revise the earlier filed documents including Yukashoken Hokokusho for the period between March 31, 2004 and the first quarter of the year ending March 31, 2009. The corrective report concerning the revision of the Yukashoken Hokokusho for the year ended March 31, 2004 was filed without an accompanying audit report for the reason stated below.

In this respect, Futaba announces that it has appointed an audit firm to commission the audit of the restated Yukashoken Hokokusho for the year ended March 31, 2004. The details of the appointment and the progress of the investigation are provided below:

### **1. Progress of the investigation**

The Internal Investigation Committee is in the final stage of its investigation, having almost completely grasped the overall situation and identified the cause of the problem, in addition to formulating preventive measures. While the External Investigation Committee is also pressing ahead with its investigation, it will take some time until the Committee finalizes its investigation report.

### **2. Appointment of audit firm for the restated financial report for the year ended March**

**31, 2004**

Futaba filed the restated financial report for the year ended March, 2004 without an accompanying audit report, as the firm that had originally audited the report prior to the restatement has been subsequently dissolved. Futaba has now appointed the following audit firm and expects to receive its audit report on or around March 10, 2009.

Name of audit firm: Seiwa Audit Corporation

Representative Partner: Kawata Masuzo

Location: Akasaka Twin Tower East Tower Bldg. 15th Floor, 17-22 Akasaka 2-chome, Minato-ku, Tokyo 107-0052

Upon finalization of the investigation results by the External Investigation Committee and completion of accounting audit of the restated report for the year ended March 2004, Futaba will announce relevant details in addition to reporting them to the Tokyo Stock Exchange. Futaba will continue to make best efforts to ensure that its name will be removed from the TSE's and NSE's watch lists at an earliest possible date.