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Stock code	7241
Exchange listings	Tokyo and Nagoya First Sections
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Futaba Industrial Clears Doubt about the Going-concern Assumption

Futaba Industrial Co., Ltd. announces that as of its earnings report for the six months ended September 30, 2009 (first half of the fiscal year ending March 31, 2010), it will no longer include notes on the going-concern assumption. Details follow.

Futaba Industrial booked non-consolidated operating losses for four consecutive years starting from the fiscal year ended March 31, 2006, and Futaba Group subsidiaries were in breach of financial covenants on syndicated loans. These and other factors prompted Futaba to include notes expressing doubt about the going-concern assumption in its earnings reports, beginning with its earnings reports for the fiscal year ended March 31, 2008.

However, the repayment and refinancing of syndicated loans in relation to which Futaba Group subsidiaries were in breach of financial covenants at the end of last fiscal year meant that as of the six months to September 30, 2009, and thereafter, the Futaba Group was no longer in breach of those financial covenants. Further, a new syndicated loan was used to finance the redemption of convertible bonds that matured on September 30, 2009. Futaba's major lenders have expressed their intention to provide ongoing support in relation to the company's financing needs.

Futaba's new management team has laid out a medium-term management plan, in line with which the company expects to rapidly achieve an earnings recovery to recoup its recent consecutive operating losses as quickly as possible. Futaba therefore currently believes that there is no material doubt about the assumption that it will continue as a going concern, and accordingly will not include notes on the going-concern assumption in its earnings report.

We are acutely aware that these issues have been a source of considerable concern to our shareholders and stakeholders. The entire Futaba Group is now working in unison to raise operating performance. We ask sincerely for your continued support.