

FY2011 Consolidated Financial Results [Japanese Standard]
(April 1,2010 through March 31,2011)

May 11, 2011

Company Name **FUTABA INDUSTRIAL CO., LTD.** Listed on The Tokyo and Nagoya
Stock Exchanges (1st division)
Code Number 7241
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Managing Director, Finance & Accounting Dept.

The scheduled date of the annual regular general meeting of shareholder: June 29, 2011

Scheduled filing date for annual security report on EDINET: June 30, 2011

Additional documents to supplement quarterly financial results: Yes (Japanese only)

Quarterly IR presentation: Yes (For analysts and professional investors)(Japanese only)

The expected date of dividends payment: June 30, 2011

(Amounts less than million yen are rounded down.)

1. Consolidated Results for FY2011 (Apr. 1, 2010 through Mar. 31, 2011)

(1)Consolidated Financial Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2011	373,458	-0.8	11,885	273.3	8,483	—	3,346	—
FY2010	376,323	-2.5	3,183	—	-399	—	-565	—

Note : Comprehensive income FY2011: 1,391million yen (-63.9%) , FY2010: 3,852million yen (—%)

	Net Income Per Share	Fully Diluted Net Income Per Share	Return on Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
FY2011	47.84	—	8.8	3.6	3.2
FY2010	-8.09	—	-1.5	-0.2	0.8

Reference : Equity income FY2011: 130million yen , FY2010: -223million yen

(2)Consolidated Financial Position

	Total Assets	Net Assets	Net assets excluding subscription rights to shares and minority interests as a percentage of total assets	Net assets excluding subscription rights to shares and minority interests per share
	Million Yen	Million Yen	%	Yen
FY2011	216,966	51,542	17.5	544.30
FY2010	257,205	50,459	14.8	544.42

Reference : Net assets excluding subscription rights to shares and minority interests FY2011: 38,077million yen , FY2010: 38,085million yen

(3)Consolidated Cash Flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at the end of FY
	Million Yen	Million Yen	Million Yen	Million Yen
FY2011	33,270	-14,990	-20,596	16,517
FY2010	51,429	-20,281	-23,956	20,015

2. Cash Dividends

	Annual Cash Dividends Per Share					Dividends total	Dividends Payout Ratio	Ratio of Total Amount of Dividends to Shareholders' Equity
	1st quarter	2nd quarter	3rd quarter	4th quarter	FY Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY2010	—	0.00	—	0.00	0.00	—	—	—
FY2011	—	0.00	—	3.00	3.00	209	6.3	0.6
FY2012(Forecast)	—	—	—	—	—	—	—	—

Note : At present, FY2012 quarterly divided amount has not yet been determined.

3. Consolidated forecast for FY2012 (Apr. 1, 2011 through Mar. 31, 2012)

The forecast for FY2012 has yet to be determined due to the impact of the Great East Japan Earthquake that occurred on March 11, 2011. The forecast will be disclosed as soon as it is able to be reasonably estimated.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Million Yen)

	FY2010	FY2011
	(As of Mar. 31, 2010)	(As of Mar. 31, 2011)
Assets		
Current assets		
Cash and deposits	20,146	16,727
Notes and accounts receivable-trade	52,900	38,445
Finished goods	3,994	3,681
Work in process	7,704	8,850
Raw materials and supplies	3,114	3,001
Deferred tax assets	73	9
Other	9,147	6,999
Allowance for doubtful accounts	△154	△102
Total current assets	96,926	77,611
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	57,563	56,423
Accumulated depreciation	△25,605	△26,983
Buildings and structures, net	31,957	29,439
Machinery, equipment and vehicles, net	188,081	176,629
Accumulated depreciation	△118,712	△121,984
Machinery, equipment and vehicles, net	69,368	54,645
Tools, furniture and fixtures, net	110,751	102,895
Accumulated depreciation	△98,295	△96,497
Tools, furniture and fixtures, net	12,455	6,398
Land	14,847	14,657
Lease assets, net	630	6,293
Accumulated depreciation	△216	△1,973
Lease assets, net	414	4,319
Construction in progress	6,586	7,085
Total property, plant and equipment	135,630	116,545
Intangible assets		
Right of using facilities	9	7
Other	538	406
Total intangible assets	548	413
Investments and other assets		
Investment securities	19,370	17,407
Long-term loans receivable	2,161	2,054
Deferred tax assets	864	1,057
Other	4,249	4,581
Allowance for doubtful accounts	△2,545	△2,706
Total investments and other assets	24,100	22,394
Total noncurrent assets	160,279	139,354
Total assets	257,205	216,966

(Million Yen)

	FY2010	FY2011
	(As of Mar. 31, 2010)	(As of Mar. 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	55,451	42,550
Short-term loans payable	62,938	39,313
Current portion of long-term loans payable	13,984	12,679
Lease obligations	162	3,109
Income taxes payable	995	686
Provision for directors' bonuses	—	30
Accrued consumption taxes	1,311	385
Accrued expenses	7,211	6,998
Provision for loss on products recall	2,120	160
Other	7,250	6,773
Total current liabilities	151,425	112,687
Noncurrent liabilities		
Long-term loans payable	37,530	33,971
Lease obligations	272	1,919
Deferred tax liabilities	8,302	7,404
Provision for retirement benefits	8,390	8,584
Provision for directors' retirement benefits	62	79
Asset retirement obligations	—	189
Other	760	588
Total noncurrent liabilities	55,319	52,736
Total liabilities	206,745	165,423
Net assets		
Shareholders' equity		
Capital stock	11,820	11,820
Capital surplus	13,321	12,382
Retained earnings	8,810	13,095
Treasury stock	△146	△146
Total shareholders' equity	33,805	37,152
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,230	5,442
Foreign currency translation adjustment	△1,949	△4,516
Total valuation and translation adjustments	4,280	925
Minority interests	12,373	13,465
Total net assets	50,459	51,542
Total liabilities and net assets	257,205	216,966

(2) Consolidated statements of comprehensive income

(Consolidated statements of income)

(Million Yen)

	FY2010	FY2011
	(Apr. 1, 2009 through Mar. 31, 2010)	(Apr. 1, 2010 through Mar. 31, 2011)
Net sales	376,323	373,458
Cost of sales	356,419	345,326
Gross profit	19,903	28,132
Selling, general and administrative expenses		
Freightage and packing expenses	6,858	6,581
Salaries, allowances and bonuses	3,731	4,193
Retirement benefit expenses	209	179
Provision for directors' retirement benefits	31	34
Legal and employee benefits expenses	573	530
Taxes and dues	471	399
Depreciation	422	396
Other	4,421	3,930
Total selling, general and administrative expenses	16,719	16,246
Operating income	3,183	11,885
Non-operating income		
Interest income	108	160
Dividend income	222	254
Gain on sale of scraps	802	532
Gain on valuation of derivatives	388	55
Equity in earnings of affiliates	—	130
Other	588	376
Total non-operating income	2,111	1,509
Non-operating expenses		
Interest expenses	2,771	2,322
Loss on abandonment of noncurrent assets	240	227
Equity in losses of affiliates	223	—
Foreign exchange losses	1,315	1,621
Commission for syndicate loan	274	29
Other	868	710
Total non-operating expenses	5,694	4,911
Ordinary income (loss)	△399	8,483

(Million Yen)

	FY2010	FY2011
	(Apr. 1, 2009 through Mar. 31, 2010)	(Apr. 1, 2010 through Mar. 31, 2011)
Extraordinary income		
Reversal of provision for directors' retirement benefits	85	—
Gain on sales of investment securities	843	—
Compensation income	448	—
Other	88	—
Total extraordinary income	1,465	—
Extraordinary loss		
Loss on valuation of investment securities	156	91
Impairment loss	807	947
Loss on retirement of noncurrent assets	496	194
Provision for loss on products recall	2,120	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	189
Other	326	181
Total extraordinary losses	3,907	1,604
Income (loss) before income taxes and minority interests	△2,841	6,879
Income taxes—current	1,723	1,165
Income taxes—correction	△5,281	—
Income taxes—deferred	△960	△393
Income taxes	△4,518	771
Income before minority interests	—	6,107
Minority interests in income	2,243	2,760
Net income (loss)	△565	3,346

(Consolidated statements of comprehensive income)

(Million Yen)

	FY2010	FY2011
	(Apr. 1, 2009 through Mar. 31, 2010)	(Apr. 1, 2010 through Mar. 31, 2011)
Income before minority interests	—	6,107
Other comprehensive income		
Valuation difference on available-for-sale securities	—	△787
Foreign currency translation adjustment	—	△3,927
Share of other comprehensive income of associates accounted for using equity method	—	△0
Total other comprehensive income	—	△4,715
Comprehensive income	—	1,391
Comprehensive income break down		
Comprehensive income attributable to owners of the parent	—	△7
Comprehensive income attributable to minority interests	—	1,399

(3) Consolidated statements of changes in shareholders' equity

(Million Yen)

	FY2010	FY2011
	(Apr. 1, 2009 through Mar. 31, 2010)	(Apr. 1, 2010 through Mar. 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	11,820	11,820
Balance at the end of current period	11,820	11,820
Capital surplus		
Balance at the end of previous period	13,321	13,321
Changes of items during the period		
Disposal of treasury stock	△0	△0
Deficit disposition	—	△938
Total changes of items during the period	△0	△938
Balance at the end of current period	13,321	12,382
Retained earnings		
Balance at the end of previous period	9,376	8,810
Changes of items during the period		
Net income (loss)	△565	3,346
Change of scope of equity method	0	—
Deficit disposition	—	938
Total changes of items during the period	△565	4,285
Balance at the end of current period	8,810	13,095
Treasury stock		
Balance at the end of previous period	△145	△146
Changes of items during the period		
Disposal of treasury stock	0	0
Purchase of treasury stock	△1	△0
Total changes of items during the period	△0	△0
Balance at the end of current period	△146	△146
Total shareholders' equity		
Balance at the end of previous period	34,372	33,805
Changes of items during the period		
Net income (loss)	△565	3,346
Change of scope of equity method	0	—
Disposal of treasury stock	0	0
Purchase of treasury stock	△1	△0
Total changes of items during the period	△566	3,346
Balance at the end of current period	33,805	37,152

(Million Yen)

	FY2010	FY2011
	(Apr. 1, 2009 through Mar. 31, 2010)	(Apr. 1, 2010 through Mar. 31, 2011)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	4,377	6,230
Changes of items during the period		
Net changes of items other than shareholders' equity	1,852	△787
Total changes of items during the period	1,852	△787
Balance at the end of current period	6,230	5,442
Foreign currency translation adjustment		
Balance at the end of previous period	△2,034	△1,949
Changes of items during the period		
Net changes of items other than shareholders' equity	84	△2,566
Total changes of items during the period	84	△2,566
Balance at the end of current period	△1,949	△4,516
Total accumulated other comprehensive income		
Balance at the end of previous period	2,342	4,280
Changes of items during the period		
Net changes of items other than shareholders' equity	1,937	△3,354
Total changes of items during the period	1,937	△3,354
Balance at the end of current period	4,280	925
Minority interests		
Balance at the end of previous period	9,660	12,373
Changes of items during the period		
Net changes of items other than shareholders' equity	2,713	1,091
Total changes of items during the period	2,713	1,091
Balance at the end of current period	12,373	13,465
Total net assets		
Balance at the end of previous period	46,375	50,459
Changes of items during the period		
Net income (loss)	△565	3,346
Change of scope of equity method	0	—
Disposal of treasury stock	0	0
Purchase of treasury stock	△1	△0
Net changes of items other than shareholders' equity	4,650	△2,263
Total changes of items during the period	4,083	1,082
Balance at the end of current period	50,459	51,542

(4) Consolidated statements of cash flows

(Million Yen)

	FY2010 (Apr. 1, 2009 through Mar. 31, 2010)	FY2011 (Apr. 1, 2010 through Mar. 31, 2011)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	△2,841	6,879
Depreciation and amortization	30,414	25,456
Impairment loss	807	947
Increase (decrease) in allowance for doubtful accounts	174	110
Increase (decrease) in provision for directors' bonuses	△1	30
Increase (decrease) in provision for retirement benefits	235	277
Increase (decrease) in provision for directors' retirement benefits	△53	16
Increase (decrease) in provision for loss on products recall	2,120	△1,959
Interest and dividends income	△331	△414
Interest expenses	2,771	2,322
Equity in (earnings) losses of affiliates	223	△130
Loss (gain) on sales of property, plant and equipment	46	18
Loss on retirement of property, plant and equipment	737	422
Loss (gain) on sales of short-term and long term investment securities	△840	—
Loss (gain) on valuation of investment securities	73	132
Decrease (increase) in notes and accounts receivable-trade	△9,452	13,445
Decrease (increase) in inventories	3,703	△1,318
Increase (decrease) in notes and accounts payable-trade	20,517	△10,928
Increase (decrease) in accrued consumption taxes	1,095	△953
Other, net	△3,654	2,019
Subtotal	45,747	36,374
Interest and dividends income received	332	423
Interest expenses paid	△2,782	△2,321
Income taxes (paid) refund	8,131	△1,205
Net cash provided by (used in) operating activities	51,429	33,270
Net cash provided by (used in) investing activities		
Payments into time deposits	△128	△179
Proceeds from withdrawal of time deposits	—	99
Purchase of property, plant and equipment	△20,693	△15,635
Proceeds from sales of property, plant and equipment	49	36
Proceeds from sales and redemption of investment securities	601	700
Payments of loans receivable	△76	△131
Collection of loans receivable	131	203
Other, net	△165	△83
Net cash provided by (used in) investing activities	△20,281	△14,990

(Million Yen)

	FY2010	FY2011
	(Apr. 1, 2009 through Mar. 31, 2010)	(Apr. 1, 2010 through Mar. 31, 2011)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	△11,177	△21,051
Proceeds from long-term loans payable	14,909	15,085
Repayment of long-term loans payable	△13,043	△18,508
Redemption of bonds	△14,722	—
Purchase of treasury stock	△1	△0
Proceeds from sales of treasury stock	0	0
Cash dividends paid to minority shareholders	△539	△230
Proceeds from stock issuance to minority shareholders	744	—
Other, net	△127	4,108
Net cash provided by (used in) financing activities	△23,956	△20,596
Effect of exchange rate change on cash and cash equivalents	347	△1,182
Net increase (decrease) in cash and cash equivalents	7,539	△3,497
Cash and cash equivalents at beginning of period	12,475	20,015
Cash and cash equivalents at end of period	20,015	16,517