

April 27, 2016

Consolidated Financial Results for the Fiscal Year Ended March 2016 [Japan GAAP]

Name of Company: Futaba Industrial Co. Ltd.
 Stock Code: 7241
 Stock Exchange Listing: Tokyo Stock Exchange, First Section,
 Nagoya Stock Exchange, First section
 URL: <http://www.futabasangyo.com/en/index.html>
 Representative: Title President
 Name Yasuhiro Mishima
 Contact Person: Title Senior Executive Officer, Accounting Manager
 Name Shinichi Ogiso
 Tel: +81-(564) 31-2211
 Scheduled date of ordinary general shareholders meeting: June 24, 2016
 Scheduled date of filing securities report: June 27, 2016
 Scheduled date of commencement of dividend payment: June 27, 2016
 Supplementary materials for financial results: Yes
 Information meeting for financial results: Yes (Only for securities analysts/institutional investors)

(Yen in millions, rounded down)

1. Financial results for the fiscal year ended March 2016 (April 1, 2015 - March 31, 2016)

(1) Results of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2016	437,640	3.5	3,121	(28.5)	636	(69.9)	(1,195)	-
FY2015	422,874	5.9	4,367	56.8	2,116	2.1	1,039	(64.8)

Note: Comprehensive income: FY2016: -8,863 million yen (- %), FY2015: 11,961 million yen (26.1%)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2016	(17.09)	-	(2.6)	0.3	0.7
FY2015	14.86	-	2.3	0.9	1.0

Reference: Equity in earnings of affiliates: FY2016: 222 million yen, FY2015: -494 million yen

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2016	233,303	56,179	17.8	593.39
As of March 31, 2015	255,311	66,914	19.8	720.87

Reference: Shareholders' equity: As of March 31, 2016: 41,507 million yen, As of March 31, 2015: 50,426 million yen

(3) Cash flows (Consolidated)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2016	22,751	(20,333)	(3,612)	13,121
FY2015	25,780	(31,451)	1,017	14,576

2. Dividends

	Annual dividend					Dividends total (Million yen)	Payout ratio (Consolidated) (%)	Dividends per net assets (Consolidated) (%)
	End of 1Q (Yen)	End of 2Q (Yen)	End of 3Q (Yen)	End of FY (Yen)	Annual (Yen)			
FY2015	-	0.00	-	3.00	3.00	209	20.2	0.5
FY2016	-	0.00	-	3.00	3.00	209	-	0.5
FY2017 (est.)	-	0.00	-	3.00	3.00		42.0	

3. Forecast for the fiscal year ending March 2017 (Consolidated, April 1, 2016 to March 31, 2017)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	202,000	(6.5)	1,400	-	600	-	(100)	-	(1.43)
Full year	407,000	(7.0)	4,000	28.1	2,000	214.0	500	-	7.15

* Notes

(1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

Newly consolidated companies: - Exclude:-

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: Yes

(b) Changes other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

Note: Please see 54. Consolidated Financial Statement, (5) Note to the consolidated financial statements (Changes in accounting policies) on page 13 for more details.

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock)			
As of March 31, 2016:	70,049,627	As of March 31, 2015:	70,049,627
(b) Treasury stock			
As of March 31, 2016:	99,478	As of March 31, 2015:	97,712
(c) Average number of shares			
Year ended March 31, 2016:	69,951,124	Year ended March 31, 2015:	69,952,608

[Reference] Overview of non-consolidated operating results

1. Non-consolidated financial results for the fiscal year ended March 2016 (April 1, 2015 - March 31, 2016)

(1) Results of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2016	238,342	(0.0)	(1,889)	-	749	(83.8)	(3,488)	-
FY2015	238,417	(2.2)	1,794	(18.6)	4,610	(15.9)	327	(95.3)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
FY2016	(49.87)	-
FY2015	4.68	-

(2) Financial position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2016	138,872	26,867	19.3	384.10
As of March 31, 2015	147,910	33,300	22.5	476.05

Reference: Shareholders' equity: As of March 31, 2016: 26,867 million yen, As of March 31, 2015: 33,300 million yen

* Status of implementation of auditing procedure

The financial statements for the period were under review at the time this Summary of Financial Results was released.

* Cautionary statement regarding forecasts of operating results and special notes

The forward-looking statements contained in this report are based on information currently available to management. As such, these estimates are subject to uncertainties. In addition, actual results may differ materially from those discussed in the forward-looking statement due to in changes in the economy, markets, stock prices and exchange rates.

Index for Supplementary Information

1. Results of Operations	2
(1) Analysis of results of operations	2
(2) Analysis of financial condition	3
(3) Fundamental policy for allocation of earnings and dividends for the current fiscal year and next fiscal year	3
2. Management Policies	4
(1) Fundamental policy	4
(2) Targeted performance indicators	4
(3) Medium and long-term strategies and important issues	4
3. Fundamental Policy Regarding Choice of Accounting Standard	4
4. Consolidated Financial Statements	5
(1) Consolidated balance sheets	5
(2) Consolidated statements (comprehensive) income	7
(3) Statement of changes in net assets	9
(4) Consolidated statements of cash flows	11
(5) Note to the consolidated financial statements	13
(Notes to ongoing concern assumptions)	13
(Changes in accounting policies)	13
(Segment information)	13
(Per-share information)	15
(Subsequent events)	15
5. Changes in Directors	16

1. Results of Operations

(1) Analysis of results of operations

(Fiscal year performance)

In the fiscal year that ended in March 2016, globally, the U.S. economies continued to recover and European economies also recovering at a moderate pace. In Asia, although the Chinese economy continued to slow down. Economies showed signs of recovery in emerging Asian countries such as Indonesia.

In Japan, the economy recovered slowly, supported by the government's economic policies and other measures.

In the automobile industry, which is the main source of sales for the Futaba Group, demand in North America remained strong and demand in Europe showed signs of recovery. Affected by the economic slowdown, the sales growth rate declined in China. In Japan, automobile sales were sluggish because of the effects of a tax hike on light motor vehicles and other factors. Thus the outlook for recovery remained uncertain

In this difficult environment, the Futaba Group has been taking many actions aimed at increasing earnings and making other improvements. Initiatives include a review of our manufacturing operations, measures to boost manufacturing efficiency and cut costs, a re-examination of the supply chain, and reductions in logistics expenses.

Fiscal year sales were 437,640 million yen, up 3.5% from one year earlier. There was an operating income of 3,121 million yen, down 28.5% from one year earlier, an ordinary income of 636 million yen, down 69.9% from one year earlier, and a loss attributable to owners of parent of 1,195 million yen compared with a 1,039 million yen income one year earlier.

Geographic segment performance was as follows.

1) Japan

Sales decreased 0.2% to 239,924 million yen, down 508 million yen and there was an operating loss of 1,697 million yen compared with operating income of 1,821 million yen one year earlier.

2) North America

Sales increased 17.8% to 111,013 million yen, up 16,756 million yen and there was an operating income was up 223.2% to 2,545 million yen.

3) Europe

Sales decreased 2.0% to 28,366 million yen, down 594 million yen and there was an operating income of 89 million yen compared with operating loss of 219 million yen one year earlier.

4) Asia

Sales increased 0.7 % to 74,923 million yen, up 485 million yen and operating income was up 58.0% to 2,223 million yen.

(Forecast for Fiscal Year Ending March 2017)

The operating environment for the Futaba Group is still uncertain. However, the group plans to increase sales and return to profitability by reexamining manufacturing operations, making manufacturing activities more efficient, cutting the cost of sales, reexamining the supply chain, lowering logistics expenses, and taking other actions. As a result, in the fiscal year ending in March 2017, the group estimates a 7.0% decrease in sales to 407,000 million yen, 28.1% increase in operating income to 4,000 million yen, 214.0% increase in ordinary income to 2,000 million yen and profit attributable to owners of parent of 500 million yen compared with loss of 1,195 million yen one year earlier.

(2) Analysis of financial condition

Total assets decreased 22,008 million yen to 233,303 million yen at the end of March 2016, including the effects of a decrease in cash and deposits and in property, plant and equipment. Liabilities decreased 11,274 million yen to 177,123 million yen as notes and accounts payable-trade and liabilities with interest decreased. Net assets decreased 10,735 million yen to 56,179 million yen mainly as valuation differences on available-for-sale securities and foreign currency translation adjustment decreased.

There was a net decrease of 1,455 million yen in cash and cash equivalents to 13,121 million yen due to the following cash flows.

(Operating activities)

Net cash provided by operating activities decreased 3,029 million yen (11.7%) to 22,751 million yen mainly because of decrease in income before income taxes and notes and accounts payable-trade.

(Investing activities)

Net cash used in investing activities decreased 11,118 million yen (35.3%) to 20,333 million yen mainly because of decrease in payments into time deposits and purchase of property, plant and equipment.

(Financing activities)

Net cash used in financing activities was 3,612 million yen compared with a cash flow of 1,017 million yen provided one year earlier mainly because of liabilities with interest and proceeds from share issuance to non-controlling shareholder decreased.

(3) Fundamental policy for allocation of earnings and dividends for the current fiscal year and next fiscal year

Increasing earnings for shareholders is one of the highest priorities of Futaba Industrial. For the distribution of earnings, with the maintenance of a stable dividend our central policy, we are dedicated to meeting the expectations of shareholders by making distributions that take into account results of operations, the dividend payout ratio and other applicable factors. For retained earnings, we use funds to make investments for strengthening and upgrading our operations in order to support growth in the future, thereby generating profits for shareholders for many years.

Futaba plans to pay a year-end dividend of 3 yen per share for the fiscal year that ended in March 2016. For the next fiscal year Futaba plans to pay no interim dividend. The forecast for year-end dividend is 3 yen per share.

2. Management Policies

(1) Fundamental policy

The Futaba Group is dedicated to the spirit of monozukuri based on the motto "quality products at lower cost." We are determined to meet the expectations and earn the trust of shareholders, customers, employees, suppliers and all other stakeholders by increasing corporate value. To do this, we will build a foundation capable of sustaining stable, long-term growth. We will also launch new businesses and utilize our resources in the best and most efficient manner while reflecting changes in society and our operating environment.

We have a firm commitment to the following management principles

We will continue with unceasing efforts to achieve the following.

1. Be a company that is trusted by and essential to our customers.
2. Be a company that can be proud and worth living for associates we work with.
3. Be a company that is broadly supported and loved by the local society.

(2) Targeted performance indicators

To aim for growth in corporate value, Futaba places priority on the following performance indicators: sales, operating margin, ordinary income ratio and return on equity. While aiming to improve these indicators, we will work on strengthening our financial soundness, reducing debt and increasing the equity ratio.

(3) Medium and long-term strategies and important issues

In the automobile industry, although global competition is expected to increase, more growth is expected automobile sales. In this environment, the Futaba Group will focus on manufacturing and work toward assuring quality while promoting structural reforms and improving ways in which we make our products. Expanding applications of our core technologies to new areas and strengthening technologies that no other company can match are two more objectives.

1. Focus on the basics of safety, quality and manufacturing
2. Assure stable profits by enacting structural reforms and making the cost structure more transparent.
3. Optimize our development network and efficiently allocate management
4. Further develop core technologies and expand their applications to new areas
5. Develop the skills of our workforce and foster an organization in a systematic manner

As we take the actions needed to accomplish these goals, we will also concentrate on improving compliance programs, protecting the environment and meeting our obligations to society. We are dedicated to reinforcing our position as an organization that has the trust of its all stakeholders.

3. Fundamental Policy Regarding Choice of Accounting Standard

Company manuals, guidelines and other materials are being revised to prepare for transition to IFRS. The timing of adoption of the IFRS standard is currently under consideration.

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Million yen)

	As of March 31, 2015	As of March 31, 2016
ASSETS		
Current assets		
Cash and deposits	18,844	16,894
Notes and accounts receivable-trade	56,575	54,412
Merchandise and furnished goods	3,686	3,333
Work in process	9,527	9,308
Raw materials and supplies	4,541	4,003
Deferred tax assets	1	2
Others	7,593	8,624
Allowance for doubtful accounts	(59)	(57)
Total current assets	100,709	96,521
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	69,951	68,245
Accumulated depreciation	(36,234)	(36,713)
Buildings and structures, net	33,717	31,531
Machinery, equipment and vehicles	215,021	213,739
Accumulated depreciation	(164,629)	(166,987)
Machinery, equipment and vehicles, net	50,391	46,751
Tools, furniture and fixtures	55,165	45,314
Accumulated depreciation	(50,077)	(39,858)
Tools, furniture and fixtures, net	5,088	5,456
Land	14,844	14,668
Lease assets	24,778	32,636
Accumulated depreciation	(19,508)	(25,723)
Lease assets, net	5,270	6,913
Construction in progress	16,392	8,414
Total property, plant and equipment	125,703	113,735
Intangible assets		
Software	687	750
Others	45	41
Total intangible assets	732	791
Investments and other assets		
Investment securities	18,897	14,463
Long-term loans receivable	1,975	1,962
Net defined benefit asset	7,169	5,874
Deferred tax assets	736	711
Others	1,832	1,681
Allowance for doubtful accounts	(2,444)	(2,438)
Total investments and other assets	28,165	22,254
Total noncurrent assets	154,601	136,781
Total assets	255,311	233,303

(Million yen)

	As of March 31, 2015	As of March 31, 2016
LIABILITIES		
Current liabilities		
Electronically recorded obligations-operating	6,290	6,356
Notes and accounts payable-trade	49,720	45,742
Short-term loans payable	27,608	18,187
Current portion of long-term loans payable	15,565	14,429
Lease obligations	3,336	5,823
Income taxes payable	352	461
Accrued consumption taxes	457	646
Accrued expenses	10,025	9,716
Others	8,414	6,638
Total current liabilities	121,771	108,003
Noncurrent liabilities		
Long-term loans payable	46,032	49,489
Lease obligations	2,545	2,797
Deferred tax liabilities	8,741	7,124
Provision for directors' retirement benefits	87	87
Provision for product warranties	275	238
Net defined benefit liability	8,270	8,943
Asset retirement obligations	189	189
Others	483	249
Total noncurrent liabilities	66,625	69,120
Total liabilities	188,397	177,123
NET ASSETS		
Shareholders' equity		
Capital stock	11,820	11,820
Capital surplus	8,616	8,616
Retained earnings	11,902	10,496
Treasury stock	(148)	(149)
Total shareholders' equity	32,190	30,783
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities	7,904	5,168
Foreign currency translation adjustment	8,344	6,117
Remeasurements of defined benefit plans	1,987	(562)
Total accumulated other comprehensive income	18,236	10,723
Minority interests	16,487	14,672
Total net assets	66,914	56,179
Total liabilities and net assets	255,311	233,303

(2) Consolidated statements of (comprehensive) income

Consolidated statements of income

(Million yen)

	Fiscal year ended March 2015 (Apr. 1, 2014 ó Mar. 31, 2015)	Fiscal year ended March 2016 (Apr. 1, 2015 ó Mar. 31, 2016)
Net sales	422,874	437,640
Cost of sales	399,797	415,262
Gross profit	23,077	22,378
Selling, general and administrative expenses		
Freightage and packing expenses	5,420	5,497
Salaries, allowances and bonuses	6,432	6,734
Retirement benefit expenses	142	113
Provision for directors' retirement benefits	25	24
Legal and employee benefits expenses	687	750
Taxes and dues	702	742
Depreciation	740	824
Provision for product warranties	(45)	(37)
Others	4,603	4,606
Total selling, general and administrative expenses	18,709	19,256
Operating income	4,367	3,121
Non-operating income		
Interest income	343	285
Dividends income	245	290
Gain on sales of scraps	264	177
Equity in gains of affiliates	-	222
Gain on valuation of derivatives	42	30
Proceeds from redemption of investment securities	286	-
Miscellaneous income	529	671
Total non-operating income	1,711	1,679
Non-operating expenses		
Interest expenses	1,366	1,516
Loss on abandonment of noncurrent assets	884	767
Equity in losses of affiliates	494	-
Foreign exchange losses	361	714
Foreign withholding tax	553	543
Miscellaneous loss	301	622
Total non-operating expenses	3,962	4,164
Ordinary income	2,116	636
Extraordinary gain		
Gain on contribution of securities to retirement benefit trust	-	956
Total extraordinary gain	-	956
Extraordinary loss		
Impairment loss	-	1,060
Total extraordinary loss	-	1,060
Income before income taxes	2,116	533
Income taxes-current	752	723
Income taxes-deferred	(440)	358
Total income taxes	312	1,081
Net income (loss)	1,804	(548)
Profit attributable to non-controlling interests	765	647
Profit (loss) attributable to owners of parent	1,039	(1,195)

Consolidated statements of comprehensive income

(Million yen)

	Fiscal year ended March 2015 (Apr. 1, 2014 ó Mar. 31, 2015)	Fiscal year ended March 2016 (Apr. 1, 2015 ó Mar. 31, 2016)
Income before minority interests	1,804	(548)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,991	(2,733)
Foreign currency translation adjustment	4,258	(2,813)
Remeasurements of defined benefit plans before tax	2,462	(2,549)
Share of other comprehensive income of associates accounted for using equity method	444	(217)
Total other comprehensive income	10,156	(8,315)
Comprehensive income	11,961	(8,863)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	9,854	(8,708)
Comprehensive income attributable to minority interests	2,107	(155)

(3) Statements of changes in net assets
Fiscal year ended March 2015 (Apr. 1, 2014 ó Mar. 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,820	8,616	11,842	(147)	32,131
Cumulative effect of changes in accounting policies			(631)		(631)
Balance at the beginning of current period, adjusted for changes in accounting policies	11,820	8,616	11,210	(147)	31,499
Changes of items during the period					
Dividends from surplus			(209)		(209)
Profit attributable to owners of parent			1,039		1,039
Disposal of treasury stock		(0)		0	0
Purchase of treasury stock				(0)	(0)
Effect of changes in the fiscal year-end date of consolidated subsidiaries			(138)		(138)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(0)	691	(0)	690
Balance at the end of current period	11,820	8,616	11,902	(148)	32,190

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	4,912	5,104	(474)	9,542	15,926	57,600
Cumulative effect of changes in accounting policies						(631)
Balance at the beginning of current period, adjusted for changes in accounting policies	4,912	5,104	(474)	9,542	15,926	56,968
Changes of items during the period						
Dividends from surplus						(209)
Profit attributable to owners of parent						1,039
Disposal of treasury stock						0
Purchase of treasury stock						(0)
Effect of changes in the fiscal year-end date of consolidated subsidiaries						(138)
Net changes of items other than shareholders' equity	2,991	3,239	2,462	8,693	561	9,255
Total changes of items during the period	2,991	3,239	2,462	8,693	561	9,945
Balance at the end of current period	7,904	8,344	1,987	18,236	16,487	66,914

Fiscal year ended March 2016 (Apr. 1, 2015 ó Mar. 31, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,820	8,616	11,902	(148)	32,190
Cumulative effect of changes in accounting policies					
Balance at the beginning of current period, adjusted for changes in accounting policies	11,820	8,616	11,902	(148)	32,190
Changes of items during the period					
Dividends from surplus			(209)		(209)
Profit attributable to owners of parent			(1,195)		(1,195)
Disposal of treasury stock		(0)		0	0
Purchase of treasury stock				(0)	(0)
Effect of changes in the fiscal year-end date of consolidated subsidiaries					
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(0)	(1,405)	(0)	(1,406)
Balance at the end of current period	11,820	8,616	10,496	(149)	30,783

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	7,904	8,344	1,987	18,236	16,487	66,914
Cumulative effect of changes in accounting policies						
Balance at the beginning of current period, adjusted for changes in accounting policies	7,904	8,344	1,987	18,236	16,487	66,914
Changes of items during the period						
Dividends from surplus						(209)
Profit attributable to owners of parent						(1,195)
Disposal of treasury stock						0
Purchase of treasury stock						(0)
Effect of changes in the fiscal year-end date of consolidated subsidiaries						
Net changes of items other than shareholders' equity	(2,735)	(2,226)	(2,549)	(7,512)	(1,815)	(9,328)
Total changes of items during the period	(2,735)	(2,226)	(2,549)	(7,512)	(1,815)	(10,734)
Balance at the end of current period	5,168	6,117	(562)	10,723	14,675	56,179

(4) Consolidated statements of cash flows

(Million yen)

	Fiscal year ended March 2015 (Apr. 1, 2014 ó Mar. 31, 2015)	Fiscal year ended March 2016 (Apr. 1, 2015 ó Mar. 31, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	2,116	533
Depreciation and amortization	20,318	24,152
Impairment loss	-	1,060
Increase (decrease) in allowance for doubtful accounts	6	(6)
Increase (decrease) in provision for directors' bonuses	(50)	-
Increase (decrease) in net defined benefit liability	517	(542)
Decrease (increase) in net defined benefit asset	(811)	(666)
Increase (decrease) in provision for retirement benefits and directors' retirement benefits	(1)	-
Increase (decrease) in provision for product warranties	(45)	(37)
Interest and dividends income	(588)	(576)
Interest expenses	1,366	1,516
Equity in (earnings) losses of affiliates	494	(222)
Loss (gain) on sales of property, plant and equipment	26	(80)
Loss on retirement of property, plant and equipment	884	767
Decrease (increase) in notes and accounts receivable-trade	1,931	525
Decrease (increase) in inventories	97	537
Increase (decrease) in notes and accounts payable-trade	161	(1,870)
Increase (decrease) in accrued consumption taxes	42	188
Other	654	(1,780)
Subtotal	27,120	23,500
Interest and dividends income received	1,265	1,273
Interest expenses paid	(1,311)	(1,527)
Income taxes (paid) refund	(1,294)	(495)
Net cash provided by (used in) operating activities	25,780	22,751
Net cash provided by (used in) investing activities		
Payments into time deposits	(3,784)	(672)
Proceeds from withdrawal of time deposits	0	961
Purchase of investment securities	-	(480)
Purchase of property, plant and equipment	(27,597)	(19,804)
Proceeds from sales of property, plant and equipment	51	167
Proceeds from sales and redemption of investment securities	700	3
Payments of loans receivable	(676)	(64)
Collection of loans receivable	82	77
Other	(228)	(521)
Net cash provided by (used in) investing activities	(31,451)	(20,333)

(Million yen)

	Fiscal year ended March 2015 (Apr. 1, 2014 to Mar. 31, 2015)	Fiscal year ended March 2016 (Apr. 1, 2015 to Mar. 31, 2016)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(3,621)	(8,550)
Proceeds from long-term loans payable	13,273	19,646
Repayment of long-term loans payable	(7,292)	(15,898)
Proceeds from sale and leaseback	5,020	8,861
Repayments of lease obligations	(4,031)	(5,346)
Purchase of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(210)	(208)
Dividends paid to non-controlling interests	(2,689)	(2,115)
Proceeds from share issuance to non-controlling shareholders	568	-
Net cash provided by (used in) financing activities	1,017	(3,612)
Effect of exchange rate change on cash and cash equivalents	787	(261)
Net increase (decrease) in cash and cash equivalents	(3,866)	(1,455)
Cash and cash equivalents at beginning of period	20,237	14,576
Increase (decrease) in cash and cash equivalents resulting from changes in the fiscal year-end date of consolidated subsidiaries	(1,794)	-
Cash and cash equivalents at end of period	14,576	13,121

(5) Note to the consolidated financial statements

(Notes to ongoing concern assumptions)

None

(Changes in accounting policies)

The Company applied Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Standard No. 22, September 13, 2013) and Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013).

There are revisions to the presentation of net income and other items and minority interests is now called non-controlling interests. To reflect these changes in the presentation of the financial statements, consolidated financial statements for the end of previous fiscal year have been revised.

(Segment information)

1. Overview of reportable segment information

The reportable segments are the constituent units of Futaba for which separate financial information can be obtained and for which the Board of Directors performs periodic examinations to determine the allocation of resources and to assess results of operations.

Futaba is engaged primarily in the manufacture and sale of parts for automobiles and other motor vehicles. Futaba and subsidiaries perform operations in Japan and subsidiaries in North America, Europe and Asia perform operations outside Japan. Each overseas subsidiary is managed separately and conducts operations for products based on a comprehensive strategy for its respective region.

Consequently, Futaba consists of geographic segments that include manufacturing and sales operations. There are four reportable segments: Japan, North America, Europe and Asia. Each reportable segment is engaged in the manufacture and sale of parts for automobiles and other motor vehicles.

2. Method for determining sales, earnings or losses, assets and other items for reportable segments

The accounting method for reportable segments is generally the same as the method listed in "Significant accounting policies for preparation of the consolidated financial statements." Intersegment revenue and transfers are based on prevailing market prices.

3. Reportable segment sales, earnings or loss, assets and other information

Fiscal year ended March 31, 2015

(Million yen)

	Reportable segments					Adjustments (Notes)	Total
	Japan	North America	Europe	Asia	Total		
Net sales							
of which to outside customers	225,573	94,213	28,957	74,130	422,874	-	422,874
of which inter-segment and transfers	14,858	44	3	307	15,213	(15,213)	-
Total	240,432	94,257	28,960	74,438	438,088	(15,213)	422,874
Segment income (loss)	1,821	787	(219)	1,407	3,797	570	4,367
Segment asset	137,029	54,605	21,648	62,010	275,293	(19,982)	255,311
Others							
Depreciation	10,209	3,065	2,065	5,098	20,437	(119)	20,318

Notes

1. Adjustments are as follows.

(1) The segment earnings adjustment of 570 million yen is for the elimination of intersegment transactions.

(2) The segment assets adjustment of negative 19,982 million yen includes a 14,461 million yen addition for corporate assets and a 34,443 million yen deduction for netting out amounts receivable and payable. Corporate assets are primarily funds (cash, deposits and investment securities) at the parent company.

2. Segment operating income (loss) is adjusted to match the operating income (loss) in the statements of income

Fiscal year ended March 31, 2016

(Million yen)

	Reportable segments					Adjustments (Notes)	Total
	Japan	North America	Europe	Asia	Total		
Net sales							
of which to outside customers	223,714	110,997	28,293	74,635	437,640	-	437,640
of which inter-segment and transfers	16,209	15	72	288	16,586	(16,586)	-
Total	239,924	111,013	28,366	74,923	454,227	(16,586)	437,640
Segment income (loss)	(1,697)	2,545	89	2,223	3,161	(39)	3,121
Segment asset	132,337	51,581	19,710	57,055	260,685	(27,381)	233,303
Others							
Depreciation	13,369	3,476	1,573	5,833	24,253	(100)	24,152

Notes

1. Adjustments are as follows.

(1) The segment earnings adjustment of negative 39 million yen is for the elimination of intersegment transactions.

(2) The segment assets adjustment of negative 27,381 million yen includes a 10,030 million yen addition for corporate assets and a 37,411 million yen deduction for netting out amounts receivable and payable. Corporate assets are primarily funds (cash, deposits and investment securities) at the parent company.

2. Segment operating income (loss) is adjusted to match the operating income (loss) in the statements of income

(Per-share information)

(Yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net assets per share	720.87	593.39
Net income (loss) per share	14.86	(17.09)

Notes:

1. Diluted net income per share is not shown because there was a net loss per share or there were no common stock equivalents.
2. The basis for computing the net loss per share is as follows.

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit (loss) attributable to owners of parent (million yen)	1,039	(1,195)
Net income not available to common shareholders (million yen)	-	-
Profit (loss) attributable to owners of parent available to common shareholders (million yen)	1,039	(1,195)
Weighted average number of shares outstanding (1,000 shares)	69,952	69,951

3. The basis for calculating net assets per share is as follows.

	As of March 31, 2015	As of March 31, 2016
Net assets (million yen)	66,914	56,179
Deduction from net assets (million yen)	16,487	14,672
(amount for minority interests) (million yen)	(16,487)	(14,672)
Net assets for common stock at end of period (million yen)	50,426	41,507
Common stock at end of period for calculating net assets per share (1,000 shares)	69,951	69,950

(Subsequent events)

None

5. Changes in Directors

1. Changes in representative directors

(1) Representative director to be promoted

President

Hiroyoshi Yoshiki (Current: Representative Director Executive Vice President)

(2) Candidate for election as a new representative director

None

(3) Representative director to resign

Yasuhiro Mishima (Current: President)

To be appointed as Part-time Advisor of the Company

2. Changes in directors

(1) Director to be promoted

Representative Director Senior Managing Executive Officer

Takayuki Yoshida (Current: Director Managing Executive Officer)

(2) Candidate for election as a new director

Director

Masaki Horie (Current: Audit & Supervisory Board Member)

*Mr. Horie is a candidate for election as an outside (non-executive) director.

(3) Directors to resign

Koichi Futai (Current: Director Managing Executive Officer)

To be appointed as Part-time Advisor of the Company

Tsugumi Sanmiya (Current: Director Managing Executive Officer)

To remain a Managing Executive Officer of the Company and to be appointed as President of Futaba Kyusyu Corp.

3. Changes in Audit & Supervisory Board Members

(1) Candidates for election as new audit & supervisory board members

Audit & Supervisory Board Member

Hitoshi Suzuki (Current: Hitoshi Suzuki Accounting Firm Partner)

Audit & Supervisory Board Member

Toshiyuki Isobe (Current: Executive Vice President of Toyota Motor Corporation)

(2) Audit & supervisory board members to resign

Toshiaki Tamaki (Current: Audit & Supervisory Board Member)

Masaki Horie (Current: Audit & Supervisory Board Member)

To be appointed as director of the Company

Supplementary data for the fiscal year ended March 2016

Consolidated

1. Performance in the fiscal year outlook

(Million yen, rounded down)

	FY3/16		FY3/15		Change		Forecast FY3/17		Change vs. FY3/16	
	% to sales		% to sales		Amount	%	% to sales		Amount	%
Net sales	100.0%	437,640	100.0%	422,874	14,765	3.5%	100.0%	407,000	(30,640)	(7.0%)
Operating income	0.7%	3,121	1.0%	4,367	(1,245)	(28.5%)	1.0%	4,000	878	28.1%
Ordinary income	0.1%	636	0.5%	2,116	(1,479)	(69.9%)	0.5%	2,000	1,363	214.0%
Net income	(0.3%)	(1,195)	0.2%	1,039	(2,234)	-	0.1%	500	1,695	-
Net income per share (yen)		(17.09)		14.86				7.15		
Capital expenditures		26,514		20,480	6,034	29.5%		21,000	(5,514)	(20.8%)
Depreciation		24,152		20,318	3,834	18.9%		22,000	(2,152)	(8.9%)

2. Reasons for increase/decrease in operating income

(Year-on-year comparison)

(100 million yen)

Positive factors	Amount	Negative factors	Amount
Measures to further rationalize and change in product mix etc.	54	Increase in depreciation.	31
Increase in sales	7	Decrease in gain on sales of scraps	21
		Increase in labor cost	21
Total	61	Total	73
Net increase (decrease) in ordinary income		(12)	

3. Performance by geographical segment

(Million yen, rounded down)

		FY3/16		FY3/15		Change	
		Amount	% to sales	Amount	% to sales	Amount	%
Japan	Net sales	239,924		240,432		(508)	(0.2%)
	Operating income	(1,697)	(0.7%)	1,821	0.8%	(3,519)	-
North America	Net sales	111,013		94,257		16,755	17.8%
	Operating income	2,545	2.3%	787	0.8%	1,758	223.2%
Europe	Net sales	28,366		28,960		(593)	(2.0%)
	Operating income	89	0.3%	(219)	(0.8%)	309	-
Asia	Net sales	74,923		74,438		485	0.7%
	Operating income	2,223	3.0%	1,407	1.9%	816	58.0%
Eliminations	Net sales	(16,586)		(15,213)		(1,372)	
	Operating income	(39)		570		(610)	
Total	Net sales	437,640		422,874		14,765	3.5%
	Operating income	3,121	0.7%	4,367	1.0%	(1,245)	(28.5%)

Non-consolidated

1. Performance in the fiscal year

(Million yen, rounded down)

	FY3/16		FY3/15		Change	
	% to sales		% to sales		Amount	%
Net sales	100.0%	238,342	100.0%	238,417	(74)	(0.0%)
Operating income	(0.8%)	(1,889)	0.8%	1,794	(3,683)	-
Ordinary income	0.3%	749	1.9%	4,610	(3,861)	(83.8%)
Net income	(1.5%)	(3,488)	0.1%	327	(3,816)	-
Capital expenditures		17,164		8,872	8,291	93.5%
Depreciation		12,235		9,299	2,936	31.6%