

# Consolidated Financial Results for the Fiscal Year Ended March 2021 [Japan GAAP]

April 27, 2021

Name of Company: Futaba Industrial Co. Ltd.  
 Stock Exchange Listing: Tokyo Stock Exchange, First Section, Nagoya Stock Exchange, First Section  
 Stock Code: 7241 URL: <https://www.futabasangyo.com/en/>  
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 Scheduled date of ordinary general shareholders meeting: June 17, 2021  
 Scheduled date of commencement of dividend payment: June 2, 2021  
 Scheduled date of filing securities report: June 18, 2021  
 Supplementary materials for financial results: Yes  
 Information meeting for financial results: Yes

(Yen in millions, rounded down)

## 1. Financial results for the current fiscal year (April 1, 2020 – March 31, 2021)

### (1) Result of Operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	466,809	(2.0)	7,780	(26.7)	7,962	(20.1)	4,095	(35.6)
FY2020	476,165	3.1	10,621	56.3	9,968	54.6	6,357	81.2

Note: Comprehensive income: FY2021: 12,147 million yen [316.7%]

FY2020: 2,915 million yen [94.5%]

	Earnings per share	Earnings per share fully diluted	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2021	45.73	–	5.6	2.9	1.7
FY2020	71.03	–	9.5	4.0	2.2

Reference: Equity in earnings of affiliates

FY2021: (255) million yen

FY2020: (143) 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, 2021	290,194	87,216	26.8	866.86
As of March 31, 2020	253,517	76,488	26.6	753.80

Reference: Shareholders' equity: As of Mar. 31, 2021: 77,641 million yen

As of Mar. 31, 2020: 67,479 million yen

### (3) Cash flows (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2021	22,792	(24,672)	1,750	9,522
FY2020	34,020	(26,443)	(5,572)	9,370

## 2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2020	–	0.00	–	10.00	10.00	895	14.1	1.3
FY2021	–	0.00	–	10.00	10.00	895	21.9	1.2
FY2022 (estimated)	–	–	–	10.00	10.00		15.2	

## 3. Forecast for the fiscal year ending March 2022 (Consolidated, April 1, 2021 - March 31, 2022)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	260,000	39.4	2,700	–	2,600	–	300	–	3.35
Full year	540,000	15.7	10,000	28.5	9,700	21.8	5,900	44.1	65.88

\* **Notes**

(1) Changes in significant subsidiaries

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

Newly consolidated company: None

Excluded: None

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

(a) Changes due to revision of accounting standards: None

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

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

End of FY2021:	89,580,827	End of FY2020:	89,580,827
End of FY2021:	13,927	End of FY2020:	61,739
FY2021:	89,553,088	FY2020:	89,507,155

(b) Treasury shares

(c) Average number of shares outstanding during the year

**[Reference] Non-consolidated Financial Results**

**Non-consolidated financial results for the fiscal year ended March 2021 (April 1, 2020 – March 31, 2021)**

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	232,474	(11.5)	539	(86.3)	2,780	(55.9)	2,702	(31.0)
FY2020	262,642	(0.5)	3,927	117.3	6,304	16.7	3,914	(10.3)

	Earnings per share	Earnings per share fully diluted
	Yen	Yen
FY2021	30.17	–
FY2020	43.73	–

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	167,149	51,999	31.1	580.56
As of March 31, 2020	159,732	47,840	30.0	534.42

Reference: Shareholders' equity As of March 31, 2021: 51,999 million yen As of March 31, 2020: 47,840 million yen

\* This report is exempt from the audit procedure by certified public accountants or accounting firms.

\* 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.

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## 1. Results of Operations

### (1) Overview on consolidated business performance for the current fiscal year

During the fiscal year, global economic conditions remained challenging due to the effects of the COVID-19 pandemic. The North America's economy improved, however, while European economies weakened. China, in the meantime, started to stage a modest economic recovery, and the Indian economy picked up. The Japanese economy is also facing challenging conditions due to the effects of the COVID-19 pandemic but continued to show signs of improvement.

In the automobile industry, which is the main source of sales for the Futaba Group, sales volumes were lower than in the previous fiscal year in Japan, North America, Europe, China and Asia due to the effects of the COVID-19 pandemic.

Under such conditions, the Futaba Group enforced the basics of "Safety, Quality, and MONOZUKURI (manufacturing)" and stepped up structural reform and cost management to secure income.

Net sales decreased 2.0% from the previous fiscal year to 466.8 billion yen. Profits were pushed down by factors such as lower sales of motor vehicle parts, and operating profit decreased 26.7% to 7.7 billion yen, ordinary profit fell 20.1% to 7.9 billion yen, and profit attributable to owners of parent was down 35.6% to 4.0 billion yen.

Geographic segment performance was as follows. Starting from the first three months of the fiscal year under review, the Company changed its reporting segments. Comparisons with the results of the same period of the previous year were made based on figures for the same period of the previous year reclassified into the revised segments.

#### 1) Japan

Sales decreased 11.5% to 233.8 billion yen, down 30.3 billion yen. Operating profit decreased 62.3% to 1.9 billion yen.

#### 2) North America

Sales decreased 12.3% to 88.0 billion yen, down 12.3 billion yen. Operating profit decreased 41.8% to 0.9 billion yen.

#### 3) Europe

Sales increased 16.5% to 34.0 billion yen, up 4.8 billion yen. Operating profit rose 26.8% to 0.9 billion yen.

#### 4) China

Sales increased 19.8% to 81.7 billion yen, up 13.4 billion yen. Operating profit was up 10.1% to 3.4 billion yen.

#### 4) Asia

Sales climbed 57.4% to 48.6 billion yen, up 17.7 billion yen. Operating profit rose 237.5% to 0.8 billion yen.

### (2) Analysis of financial condition

Total assets increased 36.6 billion yen at the end of March 2021 from the end of the previous fiscal year to 290.1 billion yen, mainly due to increases in notes and accounts receivable - trade, and construction in progress. Total liabilities amounted to 202.9 billion yen, a 25.9 billion yen increase from the end of the previous fiscal year, mainly due to increases in notes and accounts payable - trade and short-term borrowings. Net assets increased 10.7 billion yen from the end of the previous fiscal year to 87.2 billion yen due mainly to an increase in foreign currency translation adjustment.

### (3) Cash flows

Cash and cash equivalents of the Futaba Group increased 0.1 billion yen from the end of the previous fiscal year to 9.5 billion yen. The major components of cash flows were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities decreased 11.2 billion yen (33.0%) to 22.7 billion yen. This was largely due to an increase in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities decreased 1.7 billion yen (6.7%) to 24.6 billion yen. This was mainly due to a decrease in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities was 1.7 billion yen compared with a negative cash flow of 5.5 billion yen in the previous fiscal year. This primarily reflects an increase in borrowings.

(4) Outlook

Looking at the outlook for the fiscal year ending in March 2022, the environment surrounding the Futaba Group is still uncertain but, by focusing on initiatives such as a review of the production system, improvement of production efficiency, promotion of cost improvement, a review of the supply chain, and reduction of logistics expenses, the Company forecasts net sales of 540 billion yen (an increase of 15.7% year on year), operating profit of 10 billion yen (a rise of 28.5% year on year), ordinary profit of 9.7 billion yen (up 21.8% year on year), and profit attributable to owners of parent of 5.9 billion yen (growth of 44.1% year on year).

Futaba resolved, at a meeting of its Board of Directors held on April 16, 2021, to transfer its equity interest in FUTABA METAL PRODUCTS (SHEN ZHEN) CO., LTD., a subsidiary of Futaba, to Shenzhen EVA Precision Technology Group Limited and concluded a transfer agreement on the same date. Since Futaba expects to record an extraordinary loss of around 1.0 billion yen in relation to this transfer of equity interests in the consolidated financial statements for the fiscal year ending March 31, 2022, Futaba has factored this extraordinary loss into the above consolidated forecasts. For details, please refer to the “Notice Concerning Changes in Consolidated Subsidiaries (Transfer of Equity Interest) and Recording of Extraordinary Loss” disclosed on April 16, 2021.

**2. Basic Position concerning Selection of Accounting Standards**

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.

### 3. Consolidated Financial Statements and Important Notes

#### (1) Consolidated balance sheet

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	9,376	9,527
Notes and accounts receivable - trade	69,129	88,648
Finished goods	4,456	4,387
Work in process	12,223	18,011
Raw materials and supplies	6,148	6,493
Other	6,835	8,101
Allowance for doubtful accounts	(41)	(20)
Total current assets	108,128	135,150
Non-current assets		
Property, plant and equipment		
Buildings and structures	71,906	75,874
Accumulated depreciation	(42,208)	(45,384)
Buildings and structures, net	29,698	30,490
Machinery, equipment and vehicles	219,229	225,841
Accumulated depreciation	(168,979)	(176,542)
Machinery, equipment and vehicles, net	50,249	49,299
Tools, furniture and fixtures	68,301	75,401
Accumulated depreciation	(57,660)	(66,105)
Tools, furniture and fixtures, net	10,640	9,296
Land	14,302	14,425
Leased assets	18,828	18,798
Accumulated depreciation	(16,556)	(16,816)
Leased assets, net	2,272	1,982
Construction in progress	16,054	23,270
Total property, plant and equipment	123,218	128,765
Intangible assets		
Software	912	857
Other	35	24
Total intangible assets	948	882
Investments and other assets		
Investment securities	12,232	15,316
Long-term loans receivable	810	786
Retirement benefit asset	6,275	8,517
Deferred tax assets	1,905	907
Other	1,149	1,059
Allowance for doubtful accounts	(1,149)	(1,189)
Total investments and other assets	21,222	25,396
Total non-current assets	145,389	155,044
Total assets	253,517	290,194

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	51,459	67,544
Electronically recorded obligations - operating	4,243	4,064
Short-term borrowings	9,499	13,637
Current portion of long-term borrowings	13,442	14,411
Income taxes payable	742	1,117
Accrued consumption taxes	2,155	2,565
Provision for bonuses for directors (and other officers)	39	39
Accrued expenses	10,630	11,368
Other	9,735	11,485
<b>Total current liabilities</b>	<b>101,947</b>	<b>126,235</b>
<b>Non-current liabilities</b>		
Bonds payable	12,000	12,000
Long-term borrowings	45,534	46,087
Deferred tax liabilities	6,004	7,818
Provision for product warranties	191	218
Retirement benefit liability	9,728	9,078
Other	1,623	1,539
<b>Total non-current liabilities</b>	<b>75,081</b>	<b>76,742</b>
<b>Total liabilities</b>	<b>177,029</b>	<b>202,978</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	16,820	16,820
Capital surplus	13,377	13,334
Retained earnings	33,348	36,549
Treasury shares	(89)	(19)
<b>Total shareholders' equity</b>	<b>63,456</b>	<b>66,684</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,445	6,771
Foreign currency translation adjustment	(803)	1,587
Remeasurements of defined benefit plans	381	2,597
<b>Total accumulated other comprehensive income</b>	<b>4,023</b>	<b>10,956</b>
<b>Non-controlling interests</b>	<b>9,008</b>	<b>9,574</b>
<b>Total net assets</b>	<b>76,488</b>	<b>87,216</b>
<b>Total liabilities and net assets</b>	<b>253,517</b>	<b>290,194</b>

## (2) Consolidated statements of income and comprehensive income

## Consolidated statement of income

(Million yen)

	Fiscal year ended March 31, 2020 (Apr. 1, 2019 – Mar. 31, 2020)	Fiscal year ended March 31, 2021 (Apr. 1, 2020 – Mar. 31, 2021)
Net sales	476,165	466,809
Cost of sales	442,415	437,442
Gross profit	33,750	29,367
Selling, general and administrative expenses	23,128	21,587
Operating profit	10,621	7,780
Non-operating income		
Interest income	100	57
Dividend income	314	286
Gain on sales of scraps	245	262
Foreign exchange gains	–	406
Subsidy income	438	–
Miscellaneous income	544	841
Total non-operating income	1,644	1,854
Non-operating expenses		
Interest expenses	917	812
Loss on abandonment of non-current assets	366	356
Share of loss of entities accounted for using equity method	143	255
Foreign exchange losses	634	–
Miscellaneous loss	237	248
Total non-operating expenses	2,297	1,672
Ordinary profit	9,968	7,962
Extraordinary income		
Gain on liquidation of subsidiaries and associates	623	–
Gain on sales of investment securities	2	–
Total extraordinary income	626	–
Extraordinary losses		
Impairment loss	–	20
Loss on valuation of investment securities	253	–
Total extraordinary losses	253	20
Profit before income taxes	10,340	7,942
Income taxes - current	1,361	1,907
Income taxes - deferred	1,939	993
Total income taxes	3,301	2,901
Profit	7,039	5,040
Profit attributable to non-controlling interests	681	945
Profit attributable to owners of parent	6,357	4,095



## Consolidated statement of comprehensive income

(Million yen)

	Fiscal year ended March 31, 2020 (Apr. 1, 2019 – Mar. 31, 2020)	Fiscal year ended March 31, 2021 (Apr. 1, 2020 – Mar. 31, 2021)
Profit	7,039	5,040
Other comprehensive income		
Valuation difference on available-for-sale securities	(724)	2,329
Foreign currency translation adjustment	(3,039)	2,493
Remeasurements of defined benefit plans, net of tax	(326)	2,215
Share of other comprehensive income of entities accounted for using equity method	(33)	67
Total other comprehensive income	(4,124)	7,106
Comprehensive income	2,915	12,147
Comprehensive income attributable to owners of parent	2,595	11,028
Comprehensive income attributable to non- controlling interests	320	1,118

## (3) Consolidated statement of changes in equity

Previous fiscal year (Apr. 1, 2019 – Mar. 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,820	13,416	27,886	(152)	57,970
Changes during period					
Dividends of surplus			(894)		(894)
Profit attributable to owners of parent			6,357		6,357
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(39)		63	23
Net changes in items other than shareholders' equity					
Total changes during period	–	(39)	5,462	62	5,485
Balance at end of period	16,820	13,377	33,348	(89)	63,456

	Accumulated other comprehensive income				Non-controlling 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 beginning of period	5,168	1,909	708	7,786	9,454	75,211
Changes during period						
Dividends of surplus						(894)
Profit attributable to owners of parent						6,357
Purchase of treasury shares						(1)
Disposal of treasury shares						23
Net changes in items other than shareholders' equity	(722)	(2,712)	(326)	(3,762)	(446)	(4,208)
Total changes during period	(722)	(2,712)	(326)	(3,762)	(446)	1,276
Balance at end of period	4,445	(803)	381	4,023	9,008	76,488

Current fiscal year (Apr. 1, 2020 – Mar. 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,820	13,377	33,348	(89)	63,456
Changes during period					
Dividends of surplus			(895)		(895)
Profit attributable to owners of parent			4,095		4,095
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(48)		71	22
Capital increase of consolidated subsidiaries		6			6
Net changes in items other than shareholders' equity					
Total changes during period	–	(42)	3,200	70	3,228
Balance at end of period	16,820	13,334	36,549	(19)	66,684

	Accumulated other comprehensive income				Non-controlling 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 beginning of period	4,445	(803)	381	4,023	9,008	76,488
Changes during period						
Dividends of surplus						(895)
Profit attributable to owners of parent						4,095
Purchase of treasury shares						(0)
Disposal of treasury shares						22
Capital increase of consolidated subsidiaries						6
Net changes in items other than shareholders' equity	2,325	2,391	2,215	6,933	566	7,499
Total changes during period	2,325	2,391	2,215	6,933	566	10,728
Balance at end of period	6,771	1,587	2,597	10,956	9,574	87,216

## (4) Consolidated statement of cash flows

(Million yen)

	Fiscal year ended March 31, 2020 (Apr. 1, 2019 – Mar. 31, 2020)	Fiscal year ended March 31, 2021 (Apr. 1, 2020 – Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	10,340	7,942
Depreciation	24,497	23,772
Impairment loss	–	20
Increase (decrease) in allowance for doubtful accounts	(48)	19
Increase (decrease) in provision for bonuses for directors (and other officers)	(27)	–
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(82)	–
Increase (decrease) in provision for product warranties	17	27
Interest and dividend income	(415)	(344)
Subsidy income	(438)	–
Interest expenses	917	812
Loss on abandonment of property, plant and equipment	370	352
Share of loss (profit) of entities accounted for using equity method	143	255
Loss (gain) on liquidation of shares of subsidiaries and associates	(623)	–
Decrease (increase) in trade receivables	(2,695)	(17,663)
Decrease (increase) in inventories	(2,737)	(4,891)
Increase (decrease) in trade payables	2,688	13,903
Increase (decrease) in accrued consumption taxes	1,118	355
Other	1,912	604
Subtotal	34,937	25,164
Interest and dividends received	532	424
Interest paid	(908)	(818)
Income taxes (paid) refund	(759)	(2,198)
Subsidies received	219	219
Net cash provided by (used in) operating activities	34,020	22,792
Cash flows from investing activities		
Payments into time deposits	(5)	(2)
Proceeds from withdrawal of time deposits	501	2
Purchase of property, plant and equipment	(26,598)	(24,654)
Proceeds from sales of property, plant and equipment	93	234
Proceeds from sales and redemption of investment securities	2	0
Other	(437)	(252)
Net cash provided by (used in) investing activities	(26,443)	(24,672)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,730)	3,244
Proceeds from long-term borrowings	10,158	14,225
Repayments of long-term borrowings	(9,586)	(13,542)
Repayments of lease obligations	(538)	(565)
Dividends paid	(894)	(894)
Dividends paid to non-controlling interests	(979)	(828)
Proceeds from share issuance to non-controlling shareholders	–	111
Other	(1)	(0)
Net cash provided by (used in) financing activities	(5,572)	1,750
Effect of exchange rate change on cash and cash equivalents	(175)	282
Net increase (decrease) in cash and cash equivalents	1,828	151
Cash and cash equivalents at beginning of period	7,541	9,370
Cash and cash equivalents at end of period	9,370	9,522

(5) Note to the consolidated financial statements

(Notes to going concern assumptions)

None

(Segment information)

1. Overview of reportable segment information

(1) Method of determining reportable segments

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, China 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 five reportable segments: Japan, North America, Europe, China and Asia. Each reportable segment is engaged in the manufacture and sale of parts for automobiles and other motor vehicles.

(2) Information about changes in reportable segments

Starting from the first quarter of the consolidated fiscal year under review, the Company changed the classification of its reportable segments, dividing the "Asia" segment into the "China" and "Asia" segments due to an increase in the quantitative materiality of Chinese business units as well as an increase in the quantitative materiality of business units in other parts of Asia besides China. The segment information for the previous consolidated fiscal year have been revised to reflect the new segment classification.

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 accounting policies adopted for preparation of the consolidated financial statements. Intersegment revenue and transfers are based on prevailing market prices.

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

Previous fiscal year (Apr. 1, 2019 – Mar. 31, 2020)

(Million yen)

	Reportable segments						Adjustments (Notes)	Total
	Japan	North America	Europe	China	Asia	Total		
Net sales								
Of which to outside customers	248,347	99,745	29,185	67,959	30,927	476,165	–	476,165
Of which inter- segment and transfers	15,860	703	36	266	2	16,869	(16,869)	–
Total	264,208	100,449	29,222	68,225	30,929	493,035	(16,869)	476,165
Segment profit	5,108	1,591	763	3,091	263	10,818	(196)	10,621
Segment assets	151,099	60,226	20,926	34,404	11,917	278,574	(25,057)	253,517
Other								
Depreciation	16,295	3,464	883	3,269	702	24,615	(118)	24,497

Notes

1. Adjustments are as follows.

(1) The segment profit adjustment of negative 196 million yen is for the elimination of intersegment transactions.

(2) The segment assets adjustment of negative 25,057 million yen includes a 10,937 million yen addition for corporate assets and a 35,994 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 profit (loss) is adjusted to match the operating profit (loss) in the statements of income

Current fiscal year (Apr. 1, 2020 – Mar. 31, 2021)

(Million yen)

	Reportable segments						Adjustments (Notes)	Total
	Japan	North America	Europe	China	Asia	Total		
Net sales								
Of which to outside customers	214,502	88,060	34,052	81,522	48,671	466,809	–	466,809
Of which inter- segment and transfers	19,345	9	–	178	1	19,535	(19,535)	–
Total	233,848	88,069	34,052	81,701	48,673	486,345	(19,535)	466,809
Segment profit	1,924	926	968	3,402	887	8,110	(329)	7,780
Segment assets	160,102	69,650	28,988	38,819	17,698	315,260	(25,066)	290,194
Other								
Depreciation	14,615	3,865	1,103	3,640	691	23,916	(143)	23,772

Notes

1. Adjustments are as follows.

(1) The segment profit adjustment of negative 329 million yen is for the elimination of intersegment transactions.

(2) The segment assets adjustment of negative 25,066 million yen includes a 11,262 million yen addition for corporate assets and a 36,328 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 profit (loss) is adjusted to match the operating profit (loss) in the statements of income

(Per-share information)

(Yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets per share	753.80	866.86
Earnings per share	71.03	45.73

Notes: 1. Diluted earnings per share is not shown because there were no common share equivalents.

2. The basis for computing the earnings per share is as follows.

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit attributable to owners of parent (million yen)	6,357	4,095
Profit not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent available to common shares (million yen)	6,357	4,095
Average number of shares outstanding during the year (1,000 shares)	89,507	89,553

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

	As of March 31, 2020	As of March 31, 2021
Net assets (million yen)	76,488	87,216
Deduction from net assets (million yen)	9,008	9,574
Of which amount for non-controlling interests (million yen)	9,008	9,574
Net assets for common shares at end of period (million yen)	67,479	77,641
Common shares at end of period for calculating net assets per share (1,000 shares)	89,519	89,566

(Significant subsequent events)

(Changes in Subsidiaries due to Transfer of Investment Equity)

Futaba resolved, at a meeting of its Board of Directors held on April 16, 2021, to transfer its equity interest in FUTABA METAL PRODUCTS (SHEN ZHEN) CO., LTD., a subsidiary of Futaba, to Shenzhen EVA Precision Technology Group Limited and concluded a transfer agreement on the same date.

(1) Reason for transfer of equity

Futaba aims to achieve continued growth as a company by transferring its equity interest in FUTABA METAL PRODUCTS (SHEN ZHEN) CO., LTD. and focusing its resources on areas with future growth potential.

(2) Outline of subsidiary being transferred

Name: FUTABA METAL PRODUCTS (SHEN ZHEN) CO., LTD.  
Main business activities: Production of information equipment components, welded frames, paper feed units and optional finished goods

(3) Name of transferee

Shenzhen EVA Precision Technology Group Limited

(4) Equity interest to be transferred, transfer price and the number of shares held before and after transfer

Equity interest before change	100%
Equity interest to be transferred	100%
Transfer price	57 million yuan (approximately 900 million yen)
Equity interest after change	0%

\* The transfer price is subject to change depending on the results of due diligence.

(5) Schedule for the transfer

Date of resolution by the Board of Directors: April 16, 2021  
Date of execution of equity transfer agreement: April 16, 2021  
Date of equity transfer: Late August 2021 (plan)

(6) Outlook

Futaba expects to record an extraordinary loss of around 1.0 billion yen in relation to this transfer of equity interests in the consolidated financial statements for the fiscal year ending March 31, 2022. Futaba has factored this loss on transfer of equity interest into its consolidated forecasts for the fiscal year ending March 31, 2022, which was scheduled to be announced on April 27, 2021. The amount of the loss is subject to fluctuation depending on the transfer price and other factors.



#### 4. Changes in Officers

##### (1) Changes in Directors

###### 1) New Director candidate

Director and Operating Officer Yoshihiro Uozumi (currently Operating Officer)

##### (2) Changes in Auditors

###### 1) New Auditor candidates

Full-Time Auditor

Kazunori Kato (currently Head of Auditor and Supervisory Board Members' Office)

Auditor

Yoshihisa Miyabe (currently General Manager of Toyota Motor Corporation Motomachi Plant)

###### 2) Retiring Auditors

Akira Nakashima (currently Full-Time Auditor)

Toshiyuki Isobe (currently Auditor)

##### (3) Planned date of changes

June 17, 2021

## Supplementary data for the fiscal year ended March 2021

Consolidated

### 1. Performance in the current fiscal year

(Million yen, rounded down)

	FY3/21		FY3/20		Change	Change (%)
	% to sales	Amount	% to sales	Amount		
Net sales	100.0	466,809	100.0	476,165	(9,356)	(2.0)
Operating profit	1.7	7,780	2.2	10,621	(2,841)	(26.7)
Ordinary profit	1.7	7,962	2.1	9,968	(2,005)	(20.1)
Profit attributable to owners of parent	0.9	4,095	1.3	6,357	(2,262)	(35.6)
Earnings per share (yen)		45.73		71.03		
Capital expenditures		19,470		27,385	(7,914)	(28.9)
Depreciation		23,772		24,497	(724)	(3.0)
Foreign exchange rate (USD/Yen)		106.1		108.7		
Number of consolidated companies		23		22		

### 2. Factors for increase/decrease in operating profit (year-on-year comparison)

(Billion yen)

Positive factors	Amount	Negative factors	Amount
Measures to further rationalize	2.1	Decrease in profit due to lower sales of parts business	4.8
Change in product mix	0.7	Change in selling price	1.5
Decrease in depreciation	0.7	Decrease in profit of other than parts business	0.1
Total	3.5	Total	6.4
Net decrease in operating profit: (2.8)			

### 3. Performance by geographical segment

(Million yen, rounded down)

		FY3/21		FY3/20		Change	Change (%)
		Amount	% to sales	Amount	% to sales		
Japan	Net sales	233,848		264,208		(30,359)	(11.5)
	Operating profit	1,924	0.8	5,108	1.9	(3,183)	(62.3)
North America	Net sales	88,069		100,449		(12,379)	(12.3)
	Operating profit	926	1.1	1,591	1.6	(665)	(41.8)
Europe	Net sales	34,052		29,222		4,830	16.5
	Operating profit	968	2.8	763	2.6	204	26.8
China	Net sales	81,701		68,225		13,475	19.8
	Operating profit	3,402	4.2	3,091	4.5	311	10.1
Asia	Net sales	48,673		30,929		17,743	57.4
	Operating profit	887	1.8	263	0.9	624	237.5
Eliminations	Net sales	(19,535)		(16,869)		(2,666)	
	Operating profit	(329)		(196)		(132)	
Total	Net sales	466,809		476,165		(9,356)	(2.0)
	Operating profit	7,780	1.7	10,621	2.2	(2,841)	(26.7)

Note: Beginning with the first quarter of the current fiscal year, the previous Asia segment has been divided into the China and Asia (other Asian countries) segments.

### 4. Break down of the performance

(Million yen, rounded down)

	1H FY3/21 (Apr.2020 – Sep. 2020)		2H FY3/21 (Oct. 2020 – Mar. 2021)		FY3/21 (Apr. 2020 – Mar. 2021)	
	% to sales	Amount	% to sales	Amount	% to sales	Amount
Net sales	100.0	186,463	100.0	280,346	100.0	466,809
Operating profit	(2.4)	(4,514)	4.4	12,295	1.7	7,780
Ordinary profit	(2.3)	(4,355)	4.4	12,317	1.7	7,962
Profit attributable to owners of parent	(2.3)	(4,374)	3.0	8,470	0.9	4,095

5. Break down of the factors for increase/decrease in operating profit (year-on-year comparison) (Billion yen)

Positive factors	1H	2H	Total	Negative factors	1H	2H	Total
Measures to further rationalize	0.6	1.5	2.1	Decrease in profit due to lower sales of parts business	7.5	(2.7)	4.8
Change in product mix	(1.5)	2.2	0.7	Change in selling price	1.0	0.5	1.5
Decrease in depreciation	(0.5)	1.2	0.7	Decrease in profit of other than parts business	0.5	(0.4)	0.1
Total	(1.4)	4.9	3.5	Total	9.0	(2.6)	6.4
Net decrease in operating profit: (2.8)							

6. Break down of the performance by geographical segment (Million yen, rounded down)

		1H FY3/21 (Apr.2020 – Sep. 2020)		2H FY3/21 (Oct. 2020 – Mar. 2021)		FY3/21 (Apr. 2020 – Mar. 2021)	
		Amount	Operating margin (%)	Amount	Operating margin (%)	Amount	Operating margin (%)
Japan	Net sales	95,666		138,181		233,848	
	Operating profit	(4,202)	(4.4)	6,127	4.4	1,924	0.8
North America	Net sales	37,645		50,424		88,069	
	Operating profit	(1,264)	(3.4)	2,190	4.3	926	1.1
Europe	Net sales	12,072		21,980		34,052	
	Operating profit	33	0.3	934	4.3	968	2.8
China	Net sales	33,850		47,850		81,701	
	Operating profit	470	1.4	2,931	6.1	3,402	4.2
Asia	Net sales	14,142		34,531		48,673	
	Operating profit	113	0.8	773	2.2	887	1.8
Eliminations	Net sales	(6,914)		(12,621)		(19,535)	
	Operating profit	333		(663)		(329)	
Total	Net sales	186,463		280,346		466,809	
	Operating profit	(4,514)	(2.4)	12,295	4.4	7,780	1.7

Note: Beginning with the first quarter of the current fiscal year, the previous Asia segment has been divided into the China and Asia (other Asian countries) segments.

7. Forecast for full year (Million yen, rounded down)

	FY3/22 (Apr. 2021 – Mar. 2022)		Change vs. FY3/21	
	% to sales	Amount	Amount	%
Net sales	100.0	540,000	73,190	15.7
Operating profit	1.9	10,000	2,219	28.5
Ordinary profit	1.8	9,700	1,737	21.8
Profit attributable to owners of parent	1.1	5,900	1,804	44.1
Earnings per share (yen)		65.88		
Capital expenditures		40,000	20,529	105.4
Depreciation		24,000	227	1.0
Foreign exchange rate (USD/Yen)		105.0		

Non-consolidated

1. Performance of the first half (Million yen, rounded down)

	FY3/21 (Apr. 2020 – Mar. 2021)		FY3/20 (Apr. 2019 – Mar. 2020)		Change	
	% to sales	Amount	% to sales	Amount	Amount	%
Net sales	100.0	232,474	100.0	262,642	(30,167)	(11.5)
Operating profit	0.2	539	1.5	3,927	(3,388)	(86.3)
Ordinary profit	1.2	2,780	2.4	6,304	(3,524)	(55.9)
Profit	1.2	2,702	1.5	3,914	(1,211)	(31.0)
Capital expenditures		10,594		12,798	(2,204)	(17.2)
Depreciation		13,271		15,065	(1,794)	(11.9)