

Earnings Results Presentation

FY2024 3Q (111th term)

Feb 28, 2025
Futaba Industrial Co., Ltd.

FUTABA



1 . FY2024 3Q Financial Results

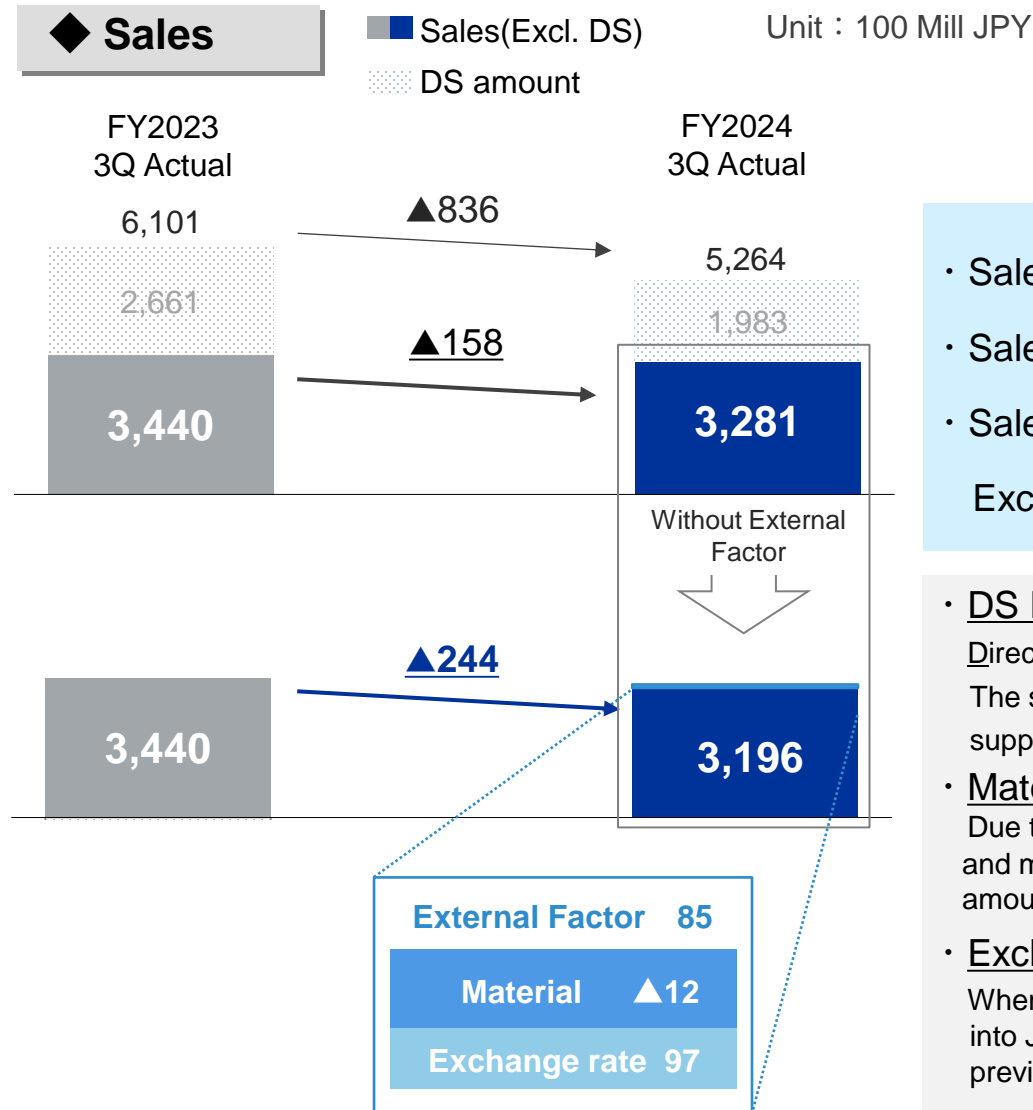
2 . FY2024 Forecast

3 . Appendix

〈Consolidated〉 PL Summary

Unit:100 Mill JPY

	FY2024 3Q		FY2023 3Q		Diff	Diff Ratio
Sales [Incl.DS]	5,264		6,101		▲836	▲13.7%
[Excl.DS]	3,281		3,440		▲158	▲4.6%
Operating Profit	99 (1.9%) (3.0%)		160 (2.6%) (4.7%)		▲60	▲38.1%
Ordinary Profit	98 (1.9%) (3.0%)		156 (2.6%) (4.5%)		▲58	▲37.2%
Profit attributable to owners of parent	27 (0.5%) (0.9%)		107 (1.8%) (3.1%)		▲79	▲74.1%
The figure in () shows profit/sales ratio Upper row: Incl. DS Lower row: Excl. DS						
Exchange rate (1 USD)	152.6 JPY		143.3 JPY		+9.3 JPY	



- Sales including DS parts : ▲836
- Sales excluding DS parts : ▲158
- Sales excluding external factor(Material & Exchange Rate) : ▲244 〈▲7.1%〉

- DS Parts?
Direct Supply Parts. It is the parts supplied by customers. The selling price including DS parts includes values of parts supplied by customers. No Profit Impact
- Material Impact?
 Due to changes in market, Unit purchase prices of materials and material cost in sales prices fluctuate by the same amount. No Profit Impact
- Exchange rate Impact?
 When converting the financial figure of overseas subsidiaries into JPY, the differences in exchange rates between the previous year and the current year affects the sales amount.

〈Consolidated〉 Sales & Operating Profit by segments Excl.DS

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Unit : 100 Mill JPY

		FY2024 3Q	FY2023 3Q	Diff	Diff Ratio
Japan	Sales [Excl.DS]	1,597	1,725	▲128	▲7.4%
	Operating Profit	39 (2.5%)	86 (5.0%)	▲47	▲54.8%
NA	Sales [Excl.DS]	907	825	+81	+9.9%
	Operating Profit	14 (1.6%)	19 (2.4%)	▲5	▲28.3%
Europe	Sales [Excl.DS]	279	298	▲18	▲6.3%
	Operating Profit	11 (4.1%)	12 (4.1%)	▲0	▲4.7%
China	Sales [Excl.DS]	447	527	▲79	▲15.2%
	Operating Profit	20 (4.5%)	24 (4.7%)	▲4	▲18.0%
Asia	Sales [Excl.DS]	142	130	+11	+8.7%
	Operating Profit	14 (10.4%)	14 (11.3%)	▲0	▲0.6%
Consolidated Adjustment	Sales [Excl.DS]	▲92	▲67	▲24	
	Operating Profit	▲1	1	▲2	
Total	Sales [Excl.DS]	3,281	3,440	▲158	▲4.6%
	Operating Profit	99 (3.0%)	160 (4.7%)	▲60	▲38.1%

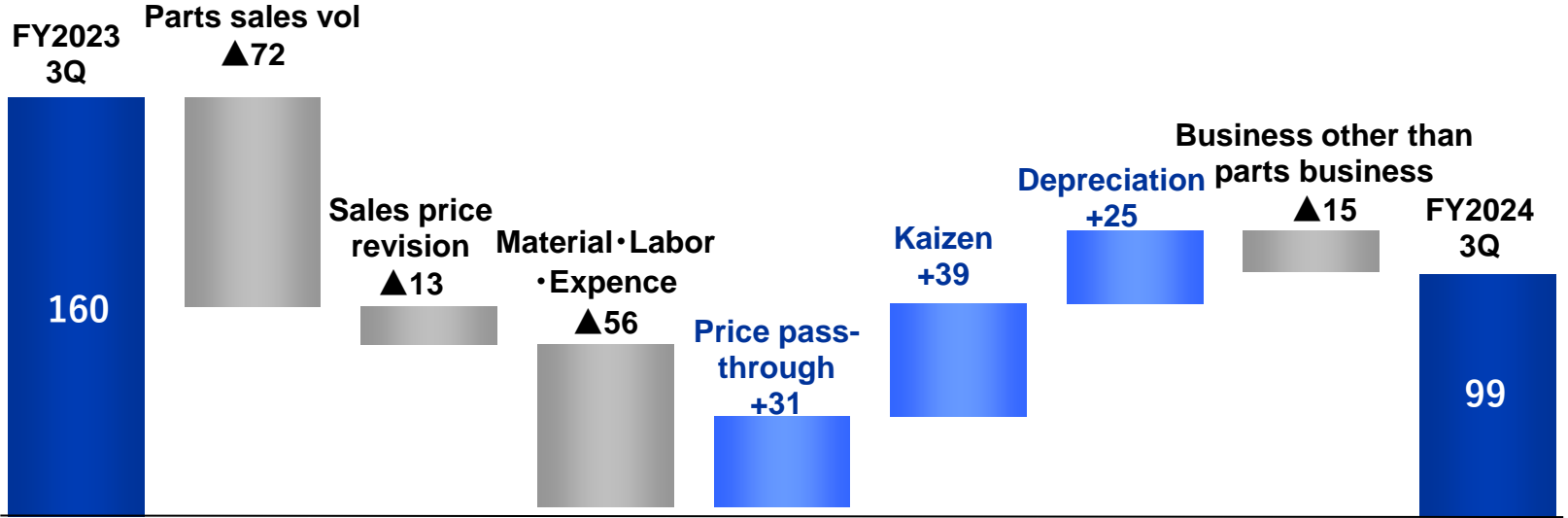
The figure in () shows profit / sales ratio

<Consolidated> OP Flux Analysis FY24 3Q vs FY23 3Q

Gap Total **▲60** (160 → 99)

Unit:100 Mill JPY

■ Favorable
■ Unfavorable



	FY2023 3Q	Parts sales vol	Sales price revision	Material·Labor·Expense	Price pass-through	Kaizen	Depreciation	Business other than parts business	FY2024 3Q	Diff
JPN	86	▲43	▲5	▲43	+27	+8	+14	▲7	39	▲47
NA	19	▲10	▲0	▲17	+4	+13	+6	+1	14	▲5
EUR	12	▲6	▲1	+5	—	+2	▲0	▲0	11	▲0
CHN	24	▲15	▲7	+6	—	+14	+6	▲8	20	▲4
Asia	14	+1	—	▲6	—	+1	▲0	+3	14	▲0
ADJ.	1	—	—	—	—	—	▲0	▲2	▲1	▲2
Total	160								99	▲60

〈Consolidated〉 Explanation of non-operating items

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Unit : 100 Mill JPY

	FY2024 3Q	FY2023 3Q	Diff	Comments
Operating Profit	99.1	160.0	▲ 60.9	
Non-Operating Profit	18.4	22.9	▲ 4.5	
Non-Operating Expense	19.4	26.9	▲ 7.4	
Ordinary Profit	98.0	156.0	▲ 58.0	
Extraordinary Profit	15.3	-	+15.3	
Gain on sale of investment securities	15.2	-	+15.2	Sales of shares
Extraordinary Loss	49.6	-	+49.6	
Impairment losses	23.9	-	+23.9	Impairment of Fixed Assets (Guangzhou)
Loss on business restructuring	25.6	-	+25.6	Costs for Production shutdown (Tianjin Shuang)
Profit before income taxes	63.8	156.0	▲ 92.2	
Income taxes	39.6	43.3	▲ 3.6	
Profit	24.1	112.7	▲ 88.6	
Profit(loss) attributable to non-controlling interests	▲ 3.7	5.1	▲ 8.8	
Profit attributable to owners of parent	27.9	107.6	▲ 79.7	

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FY2024 Forecast

Revised upward of FY2024 Forecast announced on Oct-30,
as a result of reflecting increase in Customer Production Volume in 3Q・4Q (China etc.)
and review of Exchange Rate.

Unit:100 Mill JPY

	FY2024 Revised Forecast	FY2024 Previous Forecast	Diff	Diff Ratio	FY2023 Actual	Diff
Sales [Incl.DS]	7,000	6,900	+100	+1.4%	7,958	▲958
[Excl.DS]	4,350	4,250	+100	+2.4%	4,496	▲146
Operating Profit	150 (2.1%) (3.4%)	130 (1.9%) (3.1%)	+20	+15.4%	192 (2.4%) (4.3%)	▲42
Ordinary Profit	150 (2.1%) (3.4%)	110 (1.6%) (2.6%)	+40	+36.4%	184 (2.3%) (4.1%)	▲34
Profit attributable to owners of parents	70 (1.0%) (1.6%)	60 (0.9%) (1.4%)	+10	+16.7%	128 (1.6%) (2.9%)	▲58

The figure in () shows profit/sales ratio Upper row: Incl. DS Lower row: Excl. DS

Exchange rate (1 USD)	152 JPY	145 JPY			144.6 JPY	
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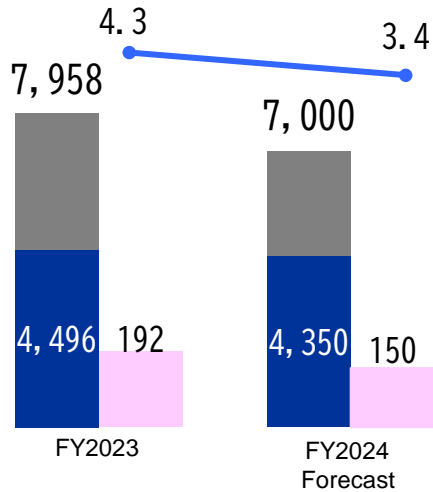
〈Consolidated〉 Sales & Operating Profit by segments FY2023 VS FY2024 Forecast 9

Unit : 100 Mill JPY

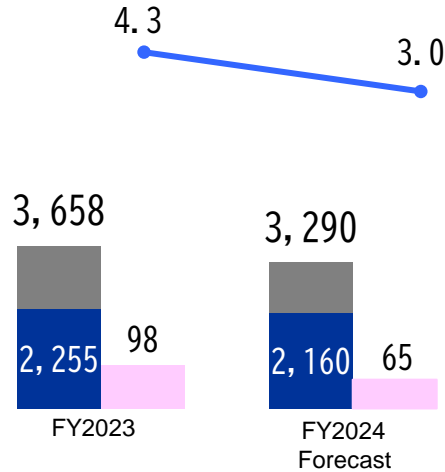
■ Sales Incl.DS
■ Sales Excl.DS

■ Operation Profit
●—● Operating profit/sales Excl.DS ratio

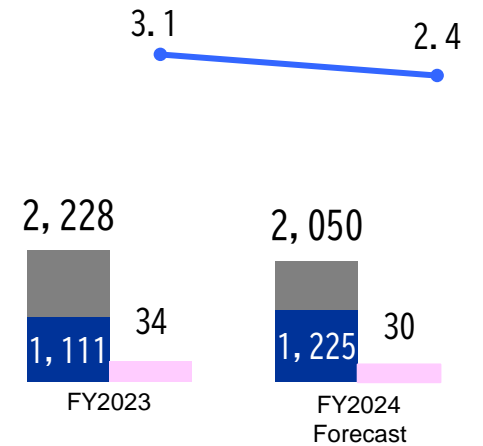
Total



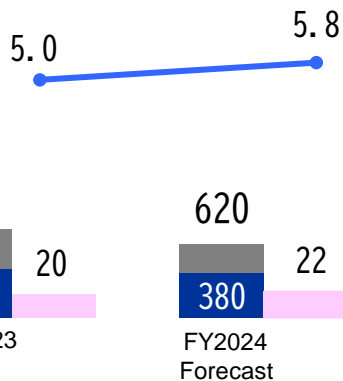
JPN



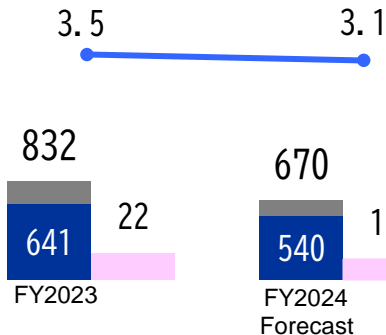
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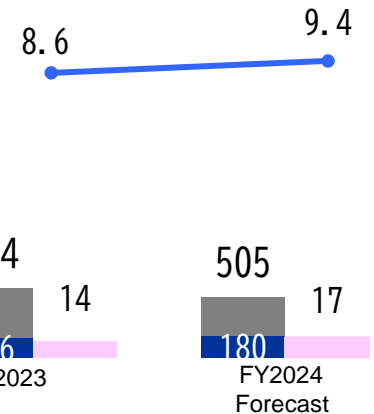
EUR



CHN



Asia

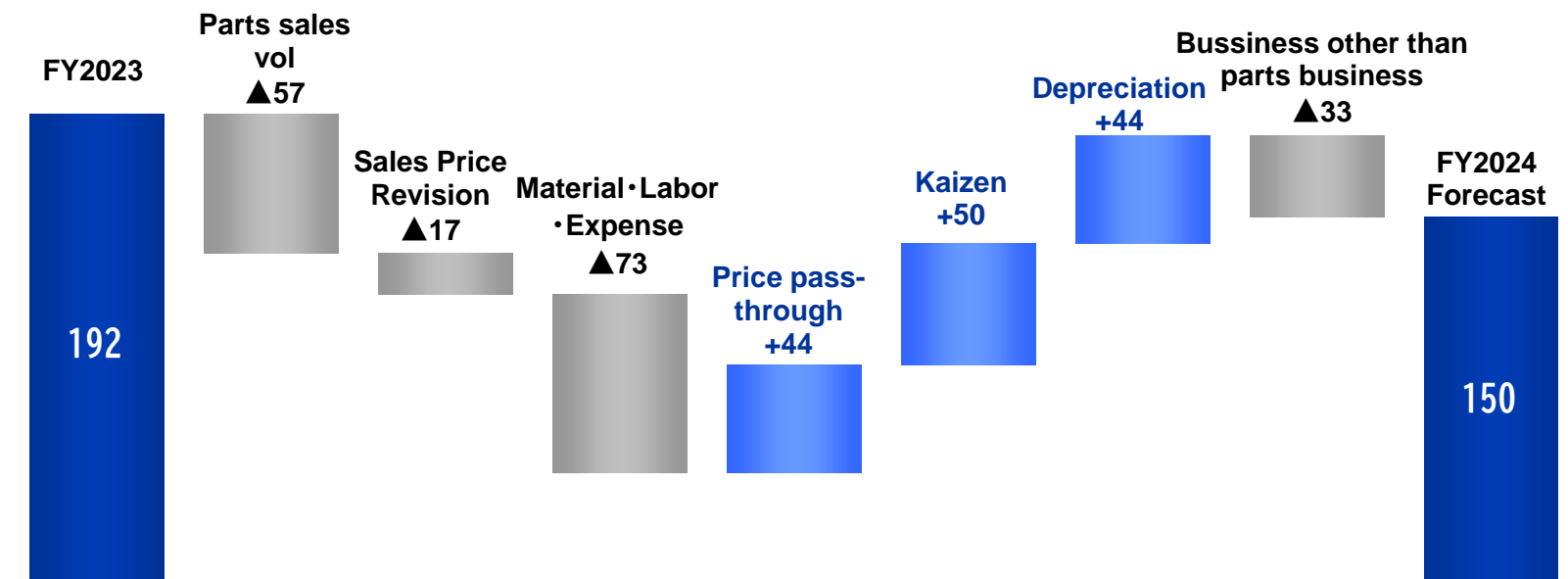


<Consolidated> OP Flux Analysis FY2023 vs FY2024 Forecast

GAP Total ▲42 (192 → 150)

Unit : 100 Mill JPY

■ Favorable
■ Unfavorable



	FY2023	Parts sales vol	Sales Price Revision	Material·Labor·Expense	Price pass-through	Kaizen	Depreciation	Business other than parts business	FY2024 Forecast	Diff
JPN	98	▲29	▲7	▲61	+39	+11	+28	▲14	65	▲33
NA	34	▲6	▲0	▲27	+5	+17	+7	▲0	30	▲4
EUR	20	▲8	▲1	+7	—	+3	+1	▲1	22	+2
CHN	22	▲15	▲9	+10	—	+17	+8	▲17	17	▲5
Asia	14	+1	—	▲2	—	+2	▲0	+2	17	+3
ADJ.	1	—	—	—	—	—	▲0	▲2	▲1	▲2
	192								150	▲42

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Sales by customer

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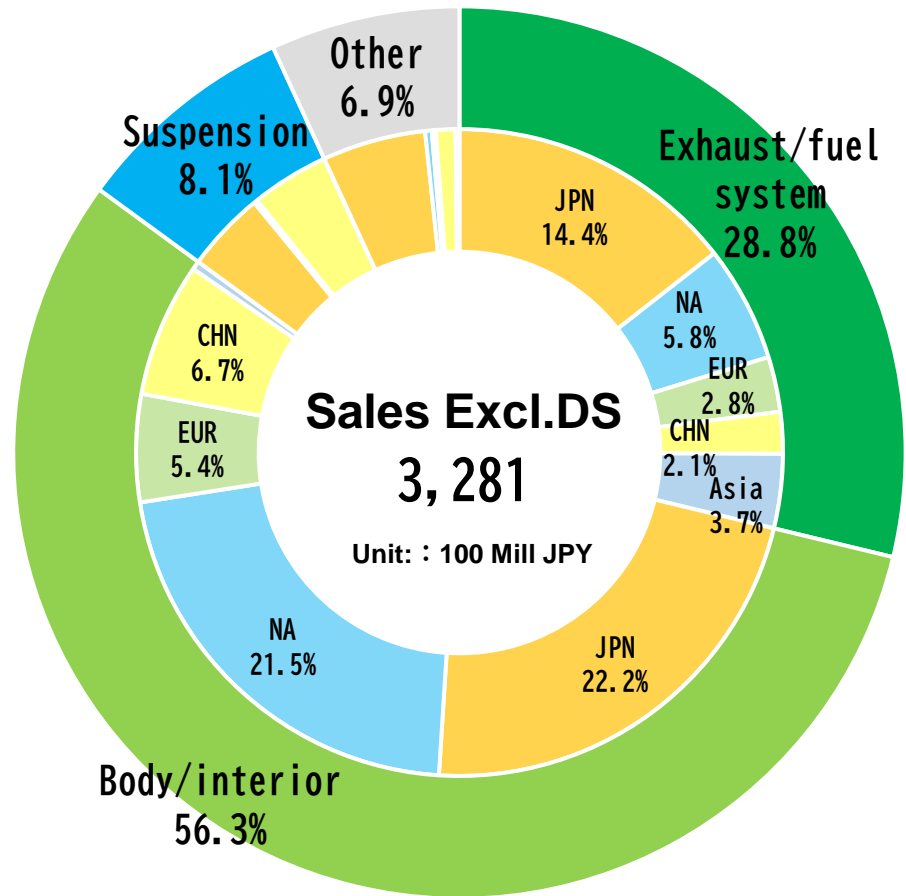
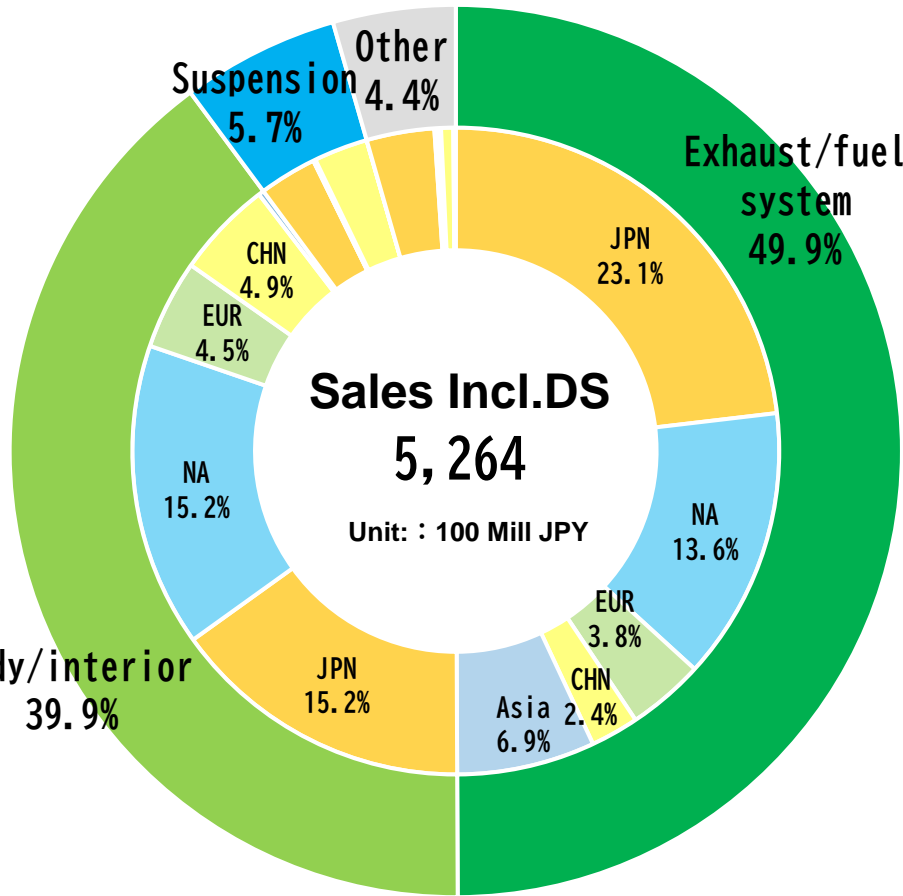
The figure in () shows profit /sales ratio Unit : 100Mill JPY

Incl.DS	FY2024 3Q		FY2023 3Q		Diff	Diff Ratio
※1 Toyota Group	4,329	(82.2%)	4,965	(81.4%)	▲636	▲12.8%
Suzuki	421	(8.0%)	535	(8.8%)	▲113	▲21.2%
Mitsubishi Motors	143	(2.7%)	172	(2.8%)	▲28	▲16.6%
※2 Nissan Group	67	(1.3%)	68	(1.1%)	▲0	▲0.3%
Honda	67	(1.3%)	74	(1.2%)	▲7	▲9.9%
Other	235	(4.5%)	285	(4.7%)	▲50	▲17.6%
Total	5,264	(100.0%)	6,101	(100.0%)	▲836	▲13.7%

Excl.DS

※1 Toyota Group	2,782	(84.8%)	2,889	(84.0%)	▲107	▲3.7%
Suzuki	165	(5.0%)	172	(5.0%)	▲7	▲4.5%
Mitsubishi Motors	83	(2.5%)	79	(2.3%)	+3	+5.0%
※2 Nissan Group	49	(1.5%)	50	(1.5%)	▲0	▲1.0%
Honda	51	(1.6%)	53	(1.5%)	▲1	▲3.4%
Other	150	(4.6%)	194	(5.7%)	▲44	▲23.0%
Total	3,281	(100.0%)	3,440	(100.0%)	▲158	▲4.6%

※1 Toyota Group includes Daihatsu and Hino Motors, etc. ※2 Nissan Group includes Nissan Shatai



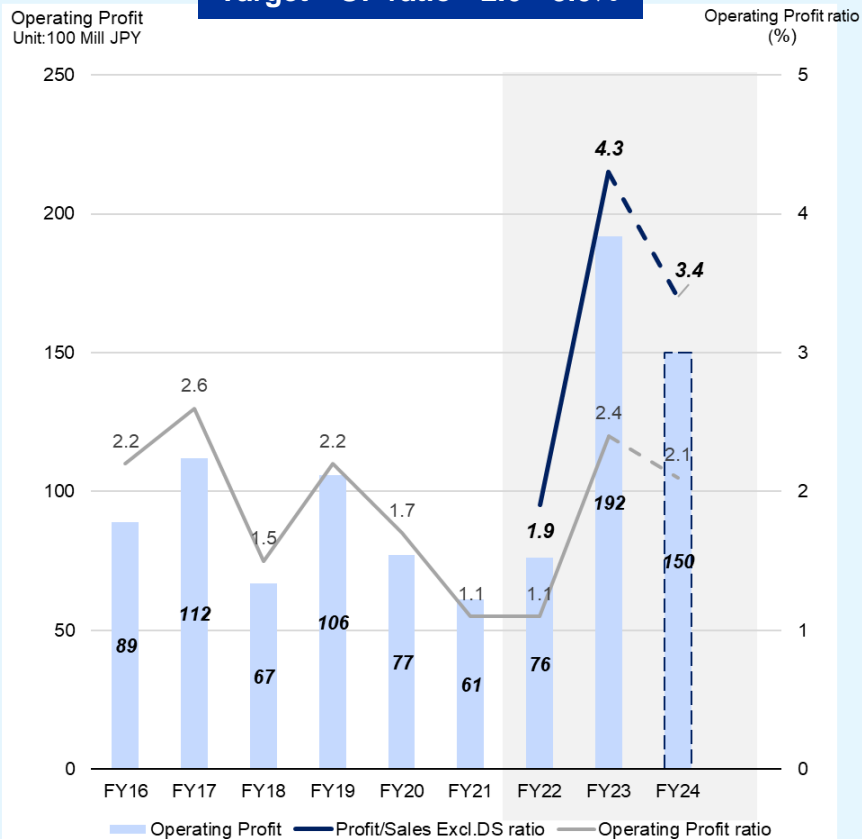
Compare Sales Incl.DS parts to Sales Excl.DS parts

Exhaust and fuel system parts 49.9%→28.8% (▲21.1pt)

Body and Interior parts 39.9%→56.3% (+16.4pt)

Operating Profit Ratio

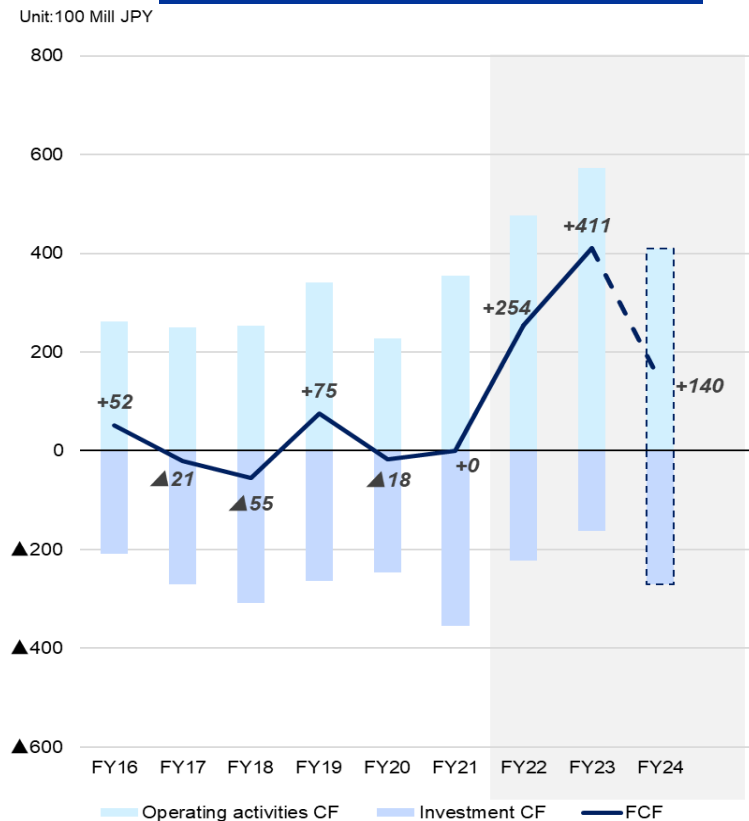
Target OP ratio 2.6~5.0%



Continue activities to lower BEP
Aim to reduce both variable & fixed cost

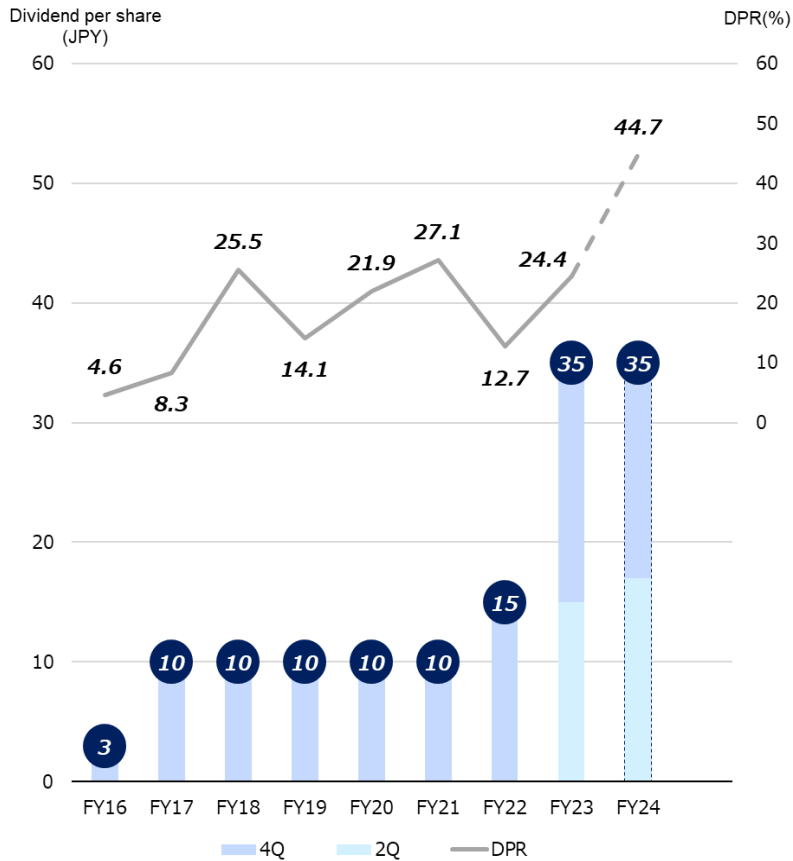
Free Cash Flow (FCF)

Target FCF 60 to 150 100mill yen



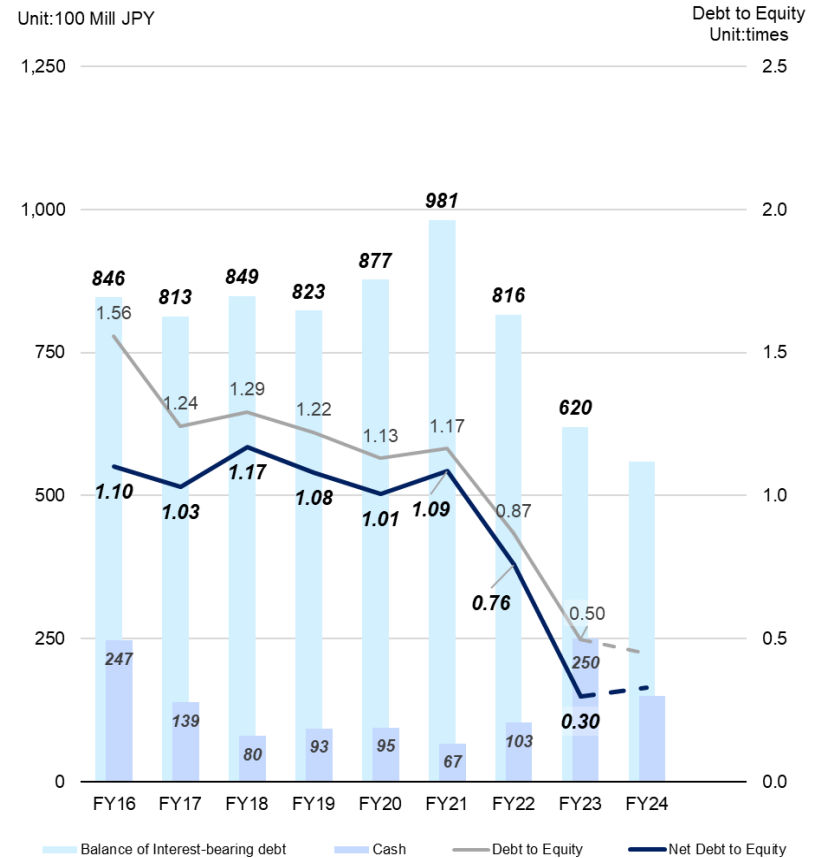
Consistent Positive FCF
 Allocate to ①shareholder return ②repayment of interest-bearing debt ③investment in growth (with a focus on advanced development)

Shareholder Returns



Payout ratio target around 30%
Strive to maintain and increase the mounts of dividends.

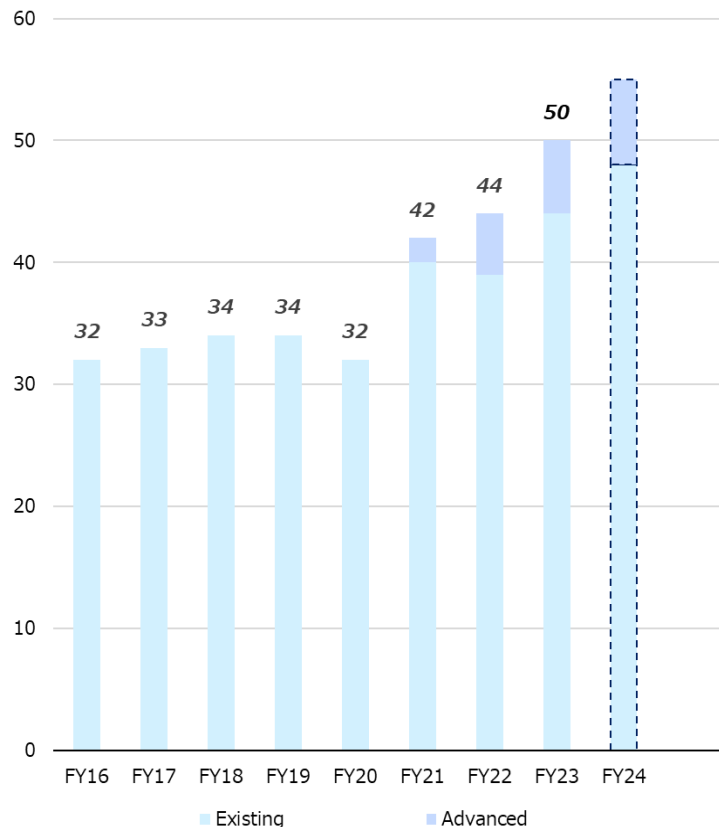
Repayment of interest-bearing debt



Continue to reduce interest-bearing debt
Activation of financial transaction between group company

Investments in growth (R&D expense)

Unit:100 Mill JPY

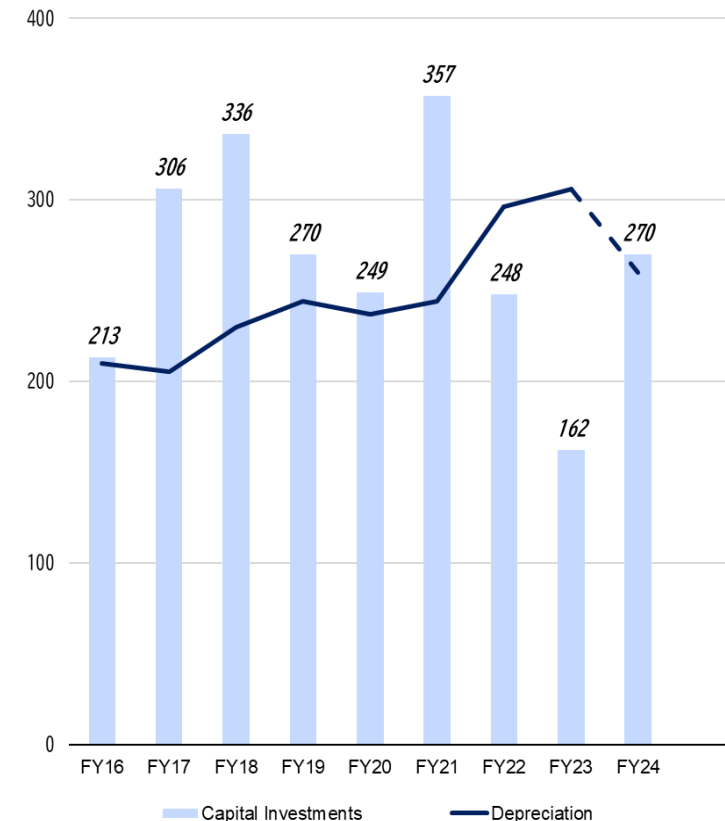


Increase the ratio of R&D expense to net sales from 1% to a range of 2% to 3%

Shift from existing fields to advanced fields.

Capital investments

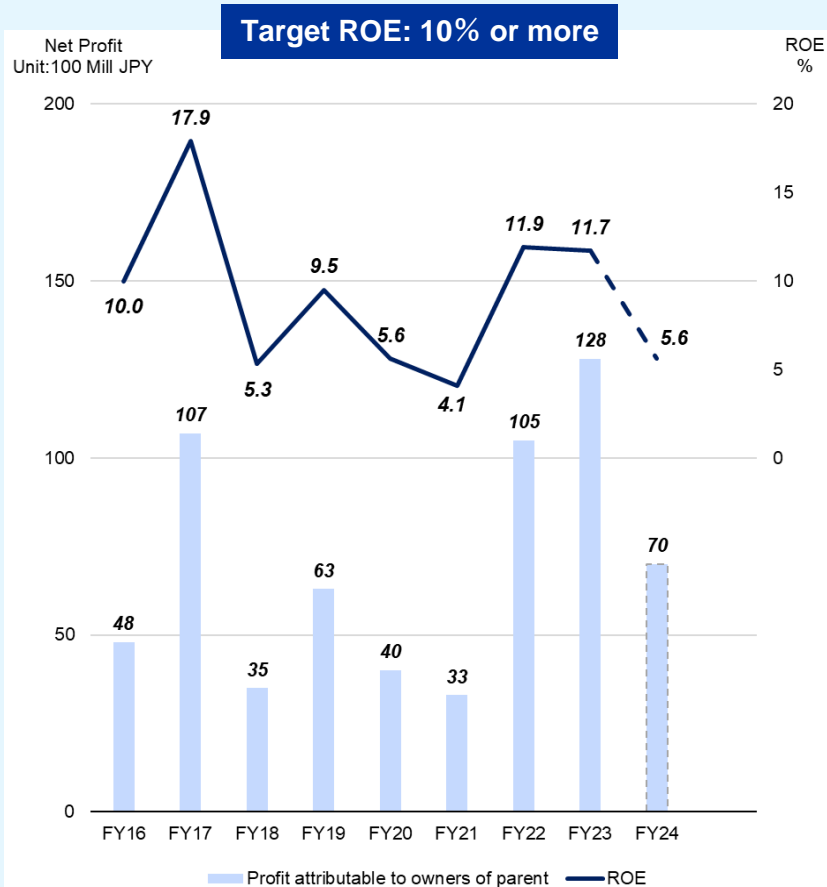
Unit:100 Mill JPY



To achieved FCF target, set the upper limit of capital investment at 250 to 300 100mill JPY

Follow a basic principle of making no investment exceeding the amount of depreciation

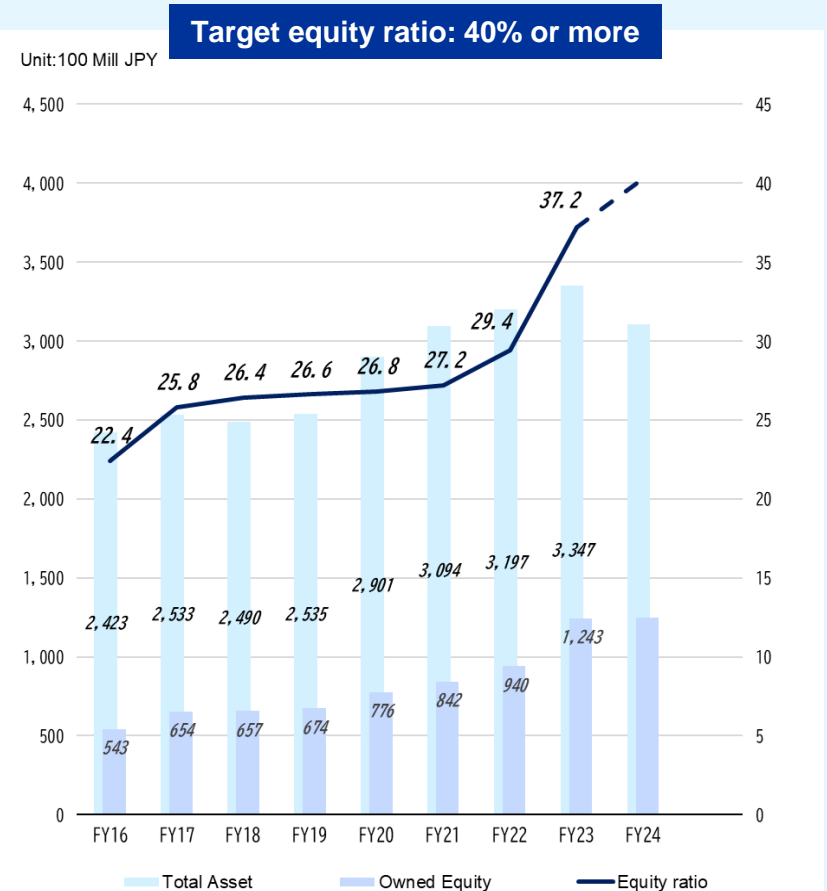
ROE



Clarified our target ROE to be 10% or more.

Work on realization of management that is conscious of cost of capital.

Equity ratio



Improve profitability and strengthen shareholder's equity.

Improve turnover of inventories and non-current assets.

FUTABA

<https://www.futabasangyo.com/>

【 Precautions 】

The outlook regarding our company (including consolidated subsidiaries) disclosed in this document is based on information currently available to our management and is subject to risks and uncertainties. Therefore, we kindly ask you to refrain from solely relying on these performance forecasts for investment decisions. Please be aware that actual performance may significantly differ from these performance forecasts due to various important factors. Critical elements that may affect actual performance include economic conditions surrounding our company, consolidated subsidiaries, and equity method affiliates' business domains, market trends, and exchange rates, including the USD-to-JPY rate.

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