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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

January 30, 2025

Company name: FUTABA INDUSTRIAL CO., LTD.

Listing: Tokyo, Nagoya

Securities code: 7241

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

Representative: Yoshihiro Uozumi President

Inquiries: Yoshihiro Kobayashi Accounting Manager

Telephone: +81-564-31-2211

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	526,489	(13.7)	9,912	(38.1)	9,806	(37.2)	2,792	(74.1)
December 31, 2023	610,166	18.5	16,009	547.4	15,609	541.2	10,765	-

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ (414) million [-%]
 Nine months ended December 31, 2023: ¥ 17,312 million [273.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	31.21	-
December 31, 2023	120.35	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	306,496	126,844	39.4
March 31, 2024	334,780	130,901	37.2

(Reference) Equity: As of December 31, 2024: ¥ 120,877 million
 As of March 31, 2024: ¥ 124,378 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	15.00	-	20.00	35.00
Fiscal year ending March 31, 2025	-	17.00	-		
Fiscal year ending March 31, 2025 (Forecast)				18.00	35.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	700,000	(12.0)	15,000	(21.9)	15,000	(18.9)	7,000	(45.4)	78.25

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(Note) Please see “2. Quarterly Consolidated Financial Statements, (3) Notes to Quarterly Consolidated Financial Statements” on page 7 of the Supplementary Information for more details.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024: 89,580,827 shares

March 31, 2024: 89,580,827 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 90,799 shares

March 31, 2024: 114,669 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 89,480,517 shares

Nine months ended December 31, 2023: 89,450,465 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

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. Qualitative information on consolidated financial results for the nine months ended

December 31, 2024 under review

(1) Explanation of the results of operations

The Group has aspired to become a strong and sustainable global company based on the following three pillars: strong measures to be a trusted and successful company, to be a true global company, and for a sustainable corporate foundation.

The Group has established “strengthening earnings capacity and working to increase free cash flow (FCF)” as medium-term management targets from FY2022 to FY2024. By further strengthening earnings capacity mainly through improvements in production efficiency and working to achieve robust increases in FCF, the Group will secure returns to shareholders and allocate funds for the repayment of interest-bearing debt and investment for future growth.

The Group will continue to provide value and increase information transmission to shareholders, investors and all stakeholders, including customers, employees and local communities.

During the nine months ended December 31, 2024 under review, net sales decreased 13.7% year on year, to ¥526.4 billion, operating profit decreased 38.1% year on year, to ¥9.9 billion, ordinary profit decreased 37.2% year on year, to ¥9.8 billion and profit attributable to owners of parent decreased 74.1% year on year, to ¥2.7 billion. These results chiefly reflected a decline in customers’ automobile production volume, mainly in the Japan segment.

Geographic segment performance was as follows.

1) Japan

Net sales were ¥243.6 billion, a decrease of 13.1% year on year. Segment profit was ¥3.9 billion, a decrease of 54.8% year on year.

2) North America

Net sales were ¥152.9 billion, a decrease of 7.6% year on year. Segment profit was ¥1.4 billion, a decrease of 28.3% year on year.

3) Europe

Net sales were ¥45.0 billion, a decrease of 19.4% year on year. Segment profit was ¥1.1 billion, a decrease of 4.7% year on year.

4) China

Net sales were ¥55.5 billion, a decrease of 19.4% year on year. Segment profit was ¥2.0 billion, a decrease of 18.0% year on year.

5) Asia

Net sales were ¥38.4 billion, a decrease of 16.8% year on year. Segment profit was ¥1.4 billion, a decrease of 0.6% year on year.

(2) Explanation of financial position

Total assets as of December 31, 2024 were ¥306.4 billion, a decrease of ¥28.2 billion from the end of the previous fiscal year, mainly due to a decrease in Notes and accounts receivable - trade. Total liabilities amounted to ¥179.6 billion, a decrease of ¥24.2 billion from the end of the previous fiscal year, mainly due to a decrease in long-term loans. Net assets decreased ¥4.0 billion from the end of the previous fiscal year to ¥126.8 billion mainly due to a decrease in the valuation difference on available-for-sale securities.

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	25,029	18,094
Notes and accounts receivable - trade	89,572	75,605
Finished goods	6,714	6,744
Work in process	15,024	18,905
Raw materials and supplies	7,370	6,849
Other	9,805	8,670
Allowance for doubtful accounts	-	(243)
Total current assets	153,518	134,627
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	35,748	34,592
Machinery, equipment and vehicles, net	59,911	51,742
Tools, furniture and fixtures, net	13,525	9,986
Land	14,853	14,928
Leased assets, net	2,403	2,546
Construction in progress	9,724	17,593
Total property, plant and equipment	136,167	131,389
Intangible assets	1,896	1,759
Investments and other assets		
Investment securities	26,619	22,218
Long-term loans receivable	33	31
Retirement benefit asset	14,592	14,686
Deferred tax assets	1,535	1,420
Other	424	371
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	43,197	38,719
Total non-current assets	181,262	171,869
Total assets	334,780	306,496

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	86,135	75,264
Electronically recorded obligations - operating	3,790	3,259
Short-term borrowings	1,105	-
Current portion of long-term borrowings	11,773	19,864
Income taxes payable	2,639	4,151
Accrued consumption taxes	2,498	1,392
Provision for bonuses for directors (and other officers)	32	22
Accrued expenses	15,576	13,616
Other	14,376	9,237
Total current liabilities	137,926	126,808
Non-current liabilities		
Bonds payable	6,000	6,000
Long-term borrowings	41,137	28,690
Deferred tax liabilities	10,191	8,908
Provision for product warranties	388	412
Provision for decommissioning and removal	933	933
Retirement benefit liability	5,057	5,447
Other	2,243	2,453
Total non-current liabilities	65,951	52,843
Total liabilities	203,878	179,652
Net assets		
Shareholders' equity		
Share capital	16,820	16,820
Capital surplus	9,186	9,197
Retained earnings	58,893	58,375
Treasury shares	(46)	(37)
Total shareholders' equity	84,853	84,355
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,712	11,634
Foreign currency translation adjustment	16,094	16,895
Remeasurements of defined benefit plans	8,718	7,990
Total accumulated other comprehensive income	39,525	36,521
Non-controlling interests	6,523	5,966
Total net assets	130,901	126,844
Total liabilities and net assets	334,780	306,496

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	610,166	526,489
Cost of sales	573,574	493,921
Gross profit	36,591	32,567
Selling, general and administrative expenses	20,581	22,655
Operating profit	16,009	9,912
Non-operating income		
Interest income	402	423
Dividend income	456	555
Gain on sale of scraps	286	221
Share of profit of entities accounted for using equity method	-	42
Insurance claim income	559	6
Gain on valuation of derivatives	-	153
Miscellaneous income	589	436
Total non-operating income	2,295	1,840
Non-operating expenses		
Interest expenses	831	631
Loss on abandonment of non-current assets	332	378
Share of loss of entities accounted for using equity method	122	-
Foreign exchange losses	403	197
Loss on valuation of derivatives	174	-
Litigation settlement	573	-
Business structure improvement expenses	-	563
Miscellaneous losses	258	175
Total non-operating expenses	2,695	1,945
Ordinary profit	15,609	9,806
Extraordinary income		
Gain on sale of investment securities	-	1,528
Gain on liquidation of subsidiaries and associates	-	9
Total extraordinary income	-	1,538
Extraordinary losses		
Impairment losses	-	2,391
Loss on business restructuring	-	2,569
Total extraordinary losses	-	4,960
Profit before income taxes	15,609	6,384
Income taxes	4,330	3,966
Profit	11,278	2,417
Profit (loss) attributable to non-controlling interests	512	(375)
Profit attributable to owners of parent	10,765	2,792

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	11,278	2,417
Other comprehensive income		
Valuation difference on available-for-sale securities	3,029	(3,077)
Foreign currency translation adjustment	2,861	996
Remeasurements of defined benefit plans, net of tax	(257)	(727)
Share of other comprehensive income of entities accounted for using equity method	399	(24)
Total other comprehensive income	6,033	(2,832)
Comprehensive income	17,312	(414)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,583	(210)
Comprehensive income attributable to non-controlling interests	729	(204)

(3) Notes to Quarterly consolidated financial statements

(Notes to going concern assumptions)

None

(Notes to significant changes in shareholders' equity)

None

(Changes in the consolidation scope or application of the equity method)

(Changes in the consolidation scope)

As of the second quarter consolidated accounting period, the substantial liquidation process of Futaba Technology Co., Ltd., which was a consolidated subsidiary of the Company, has been completed. Therefore, it has been excluded from the scope of consolidation.

(Application of specific accounting for preparing the semi-annual consolidated financial statements)

(Calculation of tax expenses)

The tax expenses for the Company and some of its consolidated subsidiaries are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to the profit before income taxes for the consolidated fiscal year, including the third quarter cumulative period, and multiplying the profit before income taxes for the quarter by the estimated effective tax rate. Additionally, the adjustment for income taxes is included in the "Income Taxes" section.

(Segment information)

For the nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

1. Information related to net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Total (Note 2)
	Japan	North America	Europe	China	Asia	Total		
Net sales								
Of which to outside customers	273,579	165,481	55,901	68,989	46,215	610,166	—	610,166
Of which inter-segment and transfers	6,772	13	1	4	1	6,794	(6,794)	—
Total	280,352	165,494	55,902	68,994	46,216	616,960	(6,794)	610,166
Segment profit	8,672	1,980	1,217	2,483	1,483	15,837	172	16,009

Notes: 1. The segment profit adjustment of ¥172 million is for the elimination of intersegment transactions.

2. Segment profit is adjusted to the operating profit in quarterly consolidated statements of income.

For the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information related to net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Total (Note 2)
	Japan	North America	Europe	China	Asia	Total		
Net sales								
Of which to outside customers	234,531	152,882	45,036	55,584	38,454	526,489	—	526,489
Of which inter-segment and transfers	9,163	55	1	12	2	9,235	(9,235)	—
Total	243,695	152,937	45,038	55,596	38,456	535,724	(9,235)	526,489
Segment profit	3,922	1,420	1,159	2,035	1,474	10,013	(100)	9,912

Notes: 1. The segment profit adjustment of negative ¥100 million is for the elimination of intersegment transactions.

2. Segment profit is adjusted to the operating profit in quarterly consolidated statements of income.

2. Information about impairment losses on non-current assets and goodwill by reportable segment

(Significant impairment losses on non-current assets)

In the “China” segment, an impairment losses on non-current assets was recorded. The amount of the impairment losses recorded ¥2,391 million for the third quarter of the consolidated cumulative accounting period.

Impairment losses is classified as an extraordinary losses and is not included in the segment profit mentioned above.

(Notes to statement of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the third quarter under review. Depreciation (including amortization of intangible assets) for the third quarter under review is as follows.

	Third quarter ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Third quarter ended December 31, 2024 (April 1, 2024 to December 31, 2024)
Depreciation	¥ 22,750 million	¥ 20,186 million

Supplementary data for FY2024 (2024.4 – 2024.12)

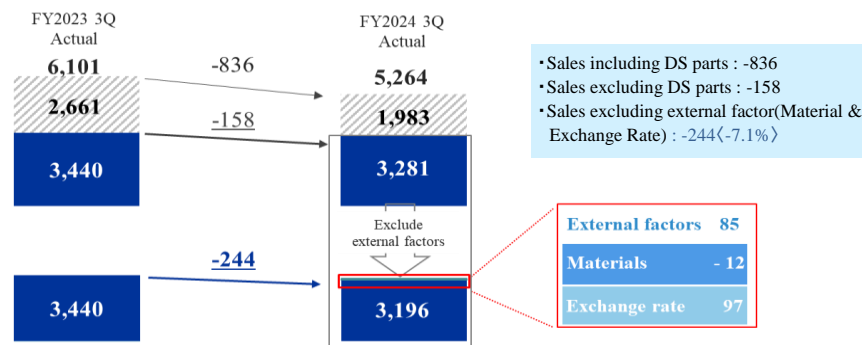
1. Consolidated financial results

(Million yen)

	FY2024 (2024.4 - 2024.12)		FY2023 (2023.4 - 2023.12)		Change		Full-year forecast (2024.4 - 2025.3)		Change	
		% of total		% of total	Amount	%		% of total	Amount	%
Net sales [Incl.DS]	526,489		610,166		(83,677)	(13.7%)	700,000		(95,802)	(12.0%)
[Excl.DS]	328,196	100.0%	344,029	100.0%	(15,833)	(4.6%)	435,000	100.0%	(14,664)	(3.3%)
Operating profit	9,912	3.0%	16,009	4.7%	(6,097)	(38.1%)	15,000	3.4%	(4,213)	(21.9%)
Ordinary profit	9,806	3.0%	15,609	4.5%	(5,802)	(37.2%)	15,000	3.4%	(3,489)	(18.9%)
Profit attributable to owners of parent	2,792	0.9%	10,765	3.1%	(7,972)	(74.1%)	7,000	1.6%	(5,831)	(45.4%)
Earnings per share	31.21		120.35				78.25			
Capital expenditures	16,804		10,402		6,402	61.5%	27,000		7,785	40.5%
Depreciation	20,186		22,750		(2,563)	(11.3%)	26,000		(4,653)	(15.2%)
Foreign exchange rate (USD/Yen)	152.6yen		143.3yen				152yen			
Number of consolidated companies	20		21				20			

* Supplementary explanations regarding year-on-year change in net sales

■ Sales(Excl. DS) // DS Amount Unit:100 million yen



-Meaning of the term "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**

-Meaning of the term "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**

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

(100 Million yen)

Factors for profit increase		Amount	Factors for profit decrease		Amount
Kaizen		39	Decrease in profit due to lower sales in Parts Business		-72
Price pass-through		31	Increase in material costs, labor costs, and expenses		-56
Decrease in depreciation		25	Decrease in profit outside Parts Business		-15
			Sales price revision		-13
Total		95	Total		-156
Net Balance		Decrease in operating profit		-60	

3. Financial results by segment

(Million yen)

		FY2024 (2024.4 - 2024.12)		FY2023 (2023.4 - 2023.12)		Change		Full-year forecast (2024.4 - 2025.3)		Change	
			Profit margin		Profit margin	Amount	%		Profit margin	Amount	%
Japan	Net sales [Excl.DS]	159,710		172,558		(12,848)	(7.4%)	216,000		(9,558)	(4.2%)
	Operating profit	3,922	2.5%	8,672	5.0%	(4,750)	(54.8%)	6,500	3.0%	(3,300)	(33.7%)
North America	Net sales [Excl.DS]	90,774		82,584		8,189	9.9%	122,500		11,308	10.2%
	Operating profit	1,420	1.6%	1,980	2.4%	(560)	(28.3%)	3,000	2.4%	(489)	(14.0%)
Europe	Net sales [Excl.DS]	27,962		29,846		(1,883)	(6.3%)	38,000		(3,219)	(7.8%)
	Operating profit	1,159	4.1%	1,217	4.1%	(57)	(4.7%)	2,200	5.8%	124	6.0%
China	Net sales [Excl.DS]	44,763		52,757		(7,994)	(15.2%)	54,000		(10,177)	(15.9%)
	Operating profit	2,035	4.5%	2,483	4.7%	(447)	(18.0%)	1,700	3.1%	(516)	(23.3%)
Asia	Net sales [Excl.DS]	14,221		13,077		1,144	8.7%	18,000		1,313	7.9%
	Operating profit	1,474	10.4%	1,483	11.3%	(8)	(0.6%)	1,700	9.4%	262	18.3%
Elimination	Net sales	(9,235)		(6,794)		(2,441)		(13,500)		(4,331)	
	Operating profit	(100)		172		(273)		(100)		(293)	
Total	Net sales [Excl.DS]	328,196		344,029		(15,833)	(4.6%)	435,000		(14,664)	(3.3%)
	Operating profit	9,912	3.0%	16,009	4.7%	(6,097)	(38.1%)	15,000	3.4%	(4,213)	(21.9%)

Supplementary data for FY2024 (2024.4 – 2024.12)

4.Sales by Customer

	[Incl.DS]				Change	
	FY2024 (2024.4 - 2024.12)		FY2023 (2023.4 - 2023.12)		Amount	%
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%)
Nissan Group	67	1.3%	68	1.1%	(0)	(0.3%)
Honda Motor	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]				Change	
	FY2024 (2024.4 - 2024.12)		FY2023 (2023.4 - 2023.12)		Amount	%
	2,782	84.8%	2,889	84.0%	(107)	(3.7%)
	165	5.0%	172	5.0%	(7)	(4.5%)
	83	2.5%	79	2.3%	3	5.0%
	49	1.5%	50	1.5%	(0)	(1.0%)
	51	1.6%	53	1.5%	(1)	(3.4%)
	150	4.6%	194	5.7%	(44)	(23.0%)
Total	3,281	100.0%	3,440	100.0%	(158)	(4.6%)

5.Sales Composition Ratio by Product Category

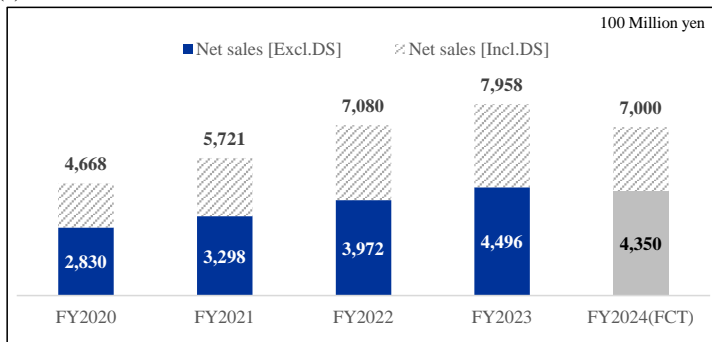
	Net sales [Incl.DS]	Net sales [Excl.DS]	Comparison
Exhaust and fuel system parts	49.9%	28.8%	(21.1pt)
Body and interior parts	39.9%	56.3%	16.4pt
Suspension parts	5.7%	8.1%	2.4pt
Other	4.4%	6.9%	2.5pt
Total	100.0%	100.0%	0.0pt

Comparison of the sales composition ratios by
Net sales [Incl. DS] and Net sales [Excl. DS]

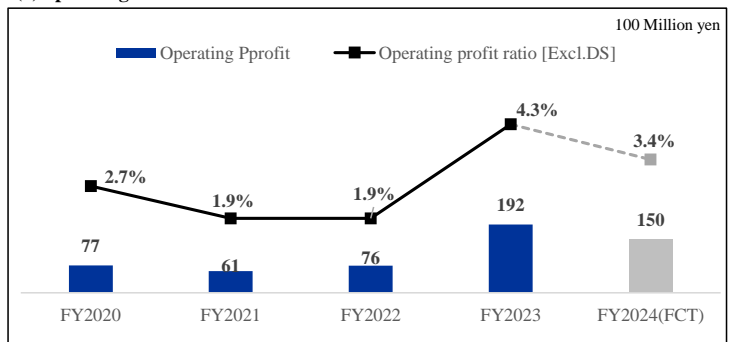
Exhaust and fuel system parts 49.9% → 28.8% (- 21.1pt)
Body and interior parts 39.9% → 56.3% (+16.4pt)

6.Trends in Financial Results

(1)Sales

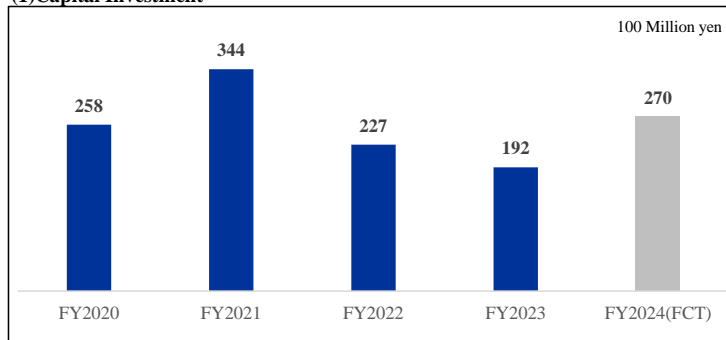


(2)Operating Profit

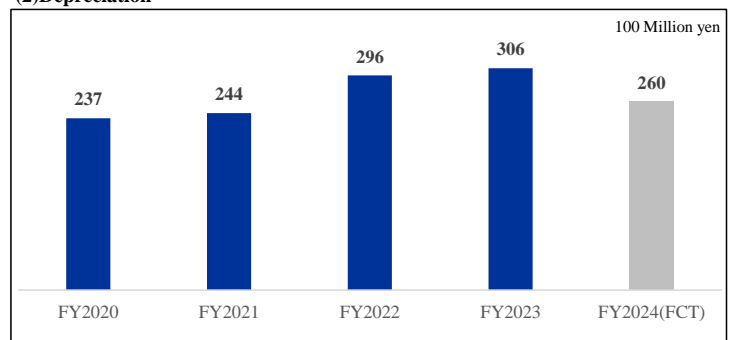


7.Trends in Financial Indicators

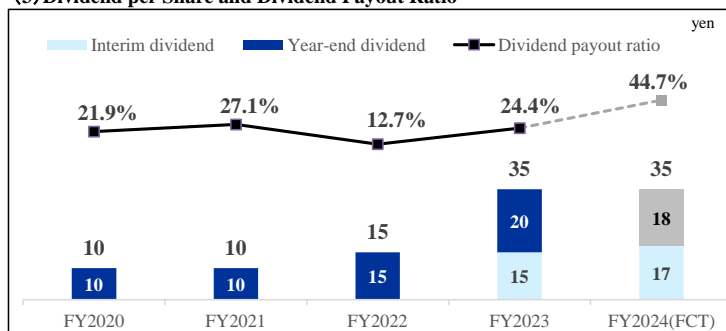
(1)Capital Investment



(2)Depreciation



(3)Dividend per Share and Dividend Payout Ratio



(4)Profit attributable to owners of parent and ROE

