



Company Name: Futaba Industrial Co., Ltd.
Representative: Itsuo Kozuka, President
Stock Code: 7241
Listed Exchanges: Tokyo and Nagoya First Sections
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Notice of Placement of the Company's Stock and Convertible Bond with Stock Acquisition Right under a Supervisory Post

On October 15, 2008, the stock of Futaba Industrial Co., Ltd. (the "Company") was placed under a supervisory post (under investigation) by the Tokyo Stock Exchange (TSE) and the Nagoya Stock Exchange (NSE). In addition, on October 15, 2008, the Company's fourth unsecured convertible bond with stock acquisition right was also placed under a supervisory post by the TSE and NSE.

The Company's planned actions are summarized below.

1. Reason for the placement under a supervisory post

On October 15, 2008, the Company issued a press release titled: "Notice of Possible Restatement of Prior Years' Financial Results".

Based on the information disclosed, the TSE and NSE concluded that the said restatement of Yukashoken Hokokusho and other documents include information of material significance, and that depending on the results of further investigation, they may also find there is reasonable ground for concluding that Item 1-a, Paragraph 1, Article 605 of the Enforcement Rules for the Securities Listing Rules (false reporting) is applicable. Thus TSE and NSE placed the Company stock under a supervisory post (under investigation) at respective exchanges, and thereby alerted the investors.

At the same time, as Item 2, Paragraph 1, Article 918 of the Company's the Enforcement Rules for the Securities Listing Regulations was found applicable to the fourth unsecured convertible bond with stock acquisition right, TSE and NSE placed the Company's fourth unsecured convertible bond with stock acquisition right under a supervisory post (under investigation).



2. Period of Placement Under a Supervisory Post

From October 15, 2008 through the date when official positions of TSE and NSE are determined with respect to the applicability of their delisting criteria.

3. Planned Actions

The Company is planning to disclose results of the investigation on restatement of prior years' financial results as soon as it completes the investigation. The Company will also submit a restated financial report promptly and will make utmost efforts to quickly establish a system to prevent recurrence of irregularities in future so as to have the Company stock removed from the supervisory post as soon as possible.

The Company sincerely apologizes for any concerns caused to its shareholders and other related parties

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