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(Stock Exchange Code 7241)
May 31, 2017

To Shareholders with Voting Rights:

Hiroyoshi Yoshiki
President
Futaba Industrial Co., Ltd.
Azaochaya 1, Hashime-cho, Okazaki-shi,
Aichi

**NOTICE OF
THE 103RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 103rd Annual General Meeting of Shareholders of Futaba Industrial Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or through the Internet. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the guidance below by 4:45 p.m. on Thursday, June 15, 2017, Japan time.

1. Date and Time: Friday, June 16, 2017 at 10:00 a.m. Japan time

2. Place: Concert Hall, 4F, Okazaki City Civic Center,
15, Azakitono, Hane-cho, Okazaki-shi, Aichi, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2016 - March 31, 2017) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 103rd Fiscal Year (April 1, 2016 - March 31, 2017)

Proposals to be resolved:

- Proposal 1:** Election of 8 Directors
Proposal 2: Election of 1 Audit & Supervisory Board Member
Proposal 3: Payment of Bonuses to Directors

4. Information for Exercising Voting Rights

(1) Exercising Voting Rights in Writing

Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form, and return by mail so that it will arrive by 4:45 p.m. on Thursday, June 15, 2017, Japan time.

(2) Exercising Voting Rights through the Internet.

If exercising voting rights via the Internet, please review the "Guidance on Exercise of Voting Rights via the Internet" (available in Japanese only) and exercise your voting rights by 4:45 p.m. on Thursday, June 15, 2017, Japan time.

(3) If voting rights are exercised multiple times, the final exercise to arrive at the Company shall be deemed the valid exercise of voting rights. Additionally, if the exercise of voting rights via the Internet and in writing via the Voting Rights Exercise Form arrive on the same date, the voting rights exercised via the Internet shall be deemed the valid exercise of voting rights.

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- Ⓒ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Ⓒ Should the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<http://www.futabasangyo.com>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of 8 Directors

The terms of office of all 8 Directors will expire at the conclusion of this General Meeting. Accordingly, the Company proposes the election of 8 Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Hiroyoshi Yoshiki (January 4, 1957)	April 1980 Joined Toyota Motor Co., Ltd. January 2001 Vice President, Toyota Motor Manufacturing, Kentucky, Inc. January 2007 General Manager, Plant Administration Div., Kinuura Plant, Toyota Motor Corporation June 2009 Managing Officer June 2010 Plant General Manager, Kinuura Plant April 2011 Deputy Chief Officer, Technical Administration Group January 2012 Chief Officer, Technical Administration Group April 2015 Corporate Adviser, the Company June 2015 Representative Director and Senior Executive Vice President June 2016 Representative Director and President (to the present) [Responsibilities at the Company] Audit Office	23,700
2	Mikio Iwatsuki (September 10, 1957)	April 1981 Joined the Company November 2002 General Manager, Engineering Div., Mutsumi Plant July 2006 Counselor, Information & Environmental Equipment Div., Mutsumi Plant July 2008 Officer, Information & Environmental Equipment Div., Mutsumi Plant June 2010 Director June 2013 Director Managing Executive Officer June 2015 Director Senior Managing Executive Officer (to the present) [Responsibilities at the Company] In charge of Manufacturing & Production Engineering, Chief of Production Center, Okazaki Plant, Mutsumi Plant, Tahara Plant, Health & Safety Control Office, Production & Logistics Control Div., Production Support Div.	17,000

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Takayuki Yoshida (May 21, 1958)	<p>April 1981 Joined the Company November 2008 Chief, Product Planning Office July 2010 Officer, Product Planning Office July 2011 Deputy Chief, Engineering Center, and Officer, Product Planning Office June 2012 Director June 2013 Director Managing Executive Officer June 2016 Director Senior Managing Executive Officer (to the present)</p> <p>[Responsibilities at the Company] In charge of Product Planning Management, in charge of Engineering & Quality Assurance, in charge of Exhaust & Function System Planning Management, Chief of Engineering Center, Engineering Integrated Div., Engine Equipment Development Div., Exhaust System Development Div., Performance Assurance Div., Function System Development Div.</p>	10,600
4	Tomohiro Takahashi (June 1, 1960)	<p>April 1984 Joined Toyota Motor Corporation January 2007 General Manager, Purchasing Dept. No. 3, Purchasing Div. No. 2, Global Purchasing Center January 2008 General Manager, Body Parts Dept. No. 2, Body Parts Purchasing Div., Purchasing Group January 2010 General Manager, Purchasing Control Dept. April 2011 Officer, Planning Center, the Company July 2011 Officer, Deputy Chief, Planning Center June 2012 Director June 2013 Director Managing Executive Officer (to the present)</p> <p>[Responsibilities at the Company] In charge of Planning & Sales & Purchasing, Chief of Planning Center, Chief of Purchasing Center, Management Planning Office, Business Planning Div., Operation Kaizen Promotion Office, Purchasing Planning Div., Parts Purchasing Div., Material & Tooling & Equipment Purchasing Div.</p>	13,600
5	Fumio Ohashi (August 23, 1960)	<p>April 1984 Joined Toyota Motor Corporation January 2004 General Manager, Financial Planning Dept., Finance Div. January 2005 General Manager, Funds & Foreign Exchange Management Dept., Finance Div. January 2006 General Manager, Funds Management Dept., Accounting Div. January 2007 General Manager, Accounting Dept., Technical Administration Div. January 2009 Corporate Secretary and Treasurer, Toyota Motor Manufacturing Canada Inc. January 2014 General Manager, Global Audit Dept., Toyota Motor Corporation June 2015 Corporate Adviser, the Company June 2015 Director Managing Executive Officer (to the present)</p> <p>[Responsibilities at the Company] In charge of General Affairs & Human Resources & Accounting, Chief of Accounting & Finance Center, General Accounting Div., Finance Div., Cost Planning Div.</p>	11,200

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Keita Asakawa (February 18, 1960)	November 1985 Joined the Company November 2008 General Manager, Overseas Business Management Office July 2009 Officer, Overseas Business Planning Div. January 2011 President, FUTABA CZECH, S.R.O. July 2012 Senior Officer, the Company June 2014 Managing Executive Officer June 2015 Director Managing Executive Officer (to the present) [Responsibilities at the Company] Chief of Sales Center, Sales Planning Office, Sales Management Div. 1, Sales Management Div. 2	6,400
7	Kiyoshi Kinoshita (July 5, 1944)	April 1967 Joined Toyota Motor Co., Ltd. June 1996 General Manager, Production Control Div., Toyota Motor Corporation June 1997 Audit & Supervisory Board Member June 2000 Representative Director and Executive Vice President, TOKAI RIKA CO., LTD. June 2004 President and Representative Director June 2010 Chairman of the Board and Representative Director June 2011 Chairman of the Board, Representative Director and Corporate Officer June 2013 Corporate Senior Adviser June 2014 Director, the Company (to the present)	7,800
8	Masaki Horie (November 25, 1949)	April 1973 Joined Price Waterhouse Japan November 1980 Joined Itoh Audit Corporation July 1997 Representative Partner January 2001 Representative Partner, Chuo Aoyama Audit Corporation September 2006 Representative Partner, PricewaterhouseCoopers Aarata July 2010 Established Masaki Horie C.P.A. Office (to the present) June 2011 Outside Audit & Supervisory Board Member, TOKAI RIKA CO., LTD. June 2015 Audit & Supervisory Board Member, the Company June 2016 Outside Audit & Supervisory Board Member, IBIDEN CO., LTD. (to the present) June 2016 Director, the Company (to the present)	0

(Notes)

- There are no special interests between each candidate and the Company.
- Mr. Kiyoshi Kinoshita and Mr. Masaki Horie are both candidates for Outside Directors.
- Reasons for appointment as candidates for Outside Directors
 Candidate for Outside Director Kiyoshi Kinoshita has a wealth of experience and wide insights, etc., as a manager of TOKAI RIKA CO., LTD., and to reflect these in the Company's management, his election as Outside Director is proposed.
 Candidate for Outside Director Masaki Horie has specialized intellect and knowledge, etc., as a certified public accountant, and to reflect these in the Company's management, his election as Outside Director is proposed.
- Cases where candidates for Outside Director were appointed Director, Executive, or Audit & Supervisory Board Member of another company within the past five years and facts regarding violation of laws and regulations or the Articles of Incorporation during the term of office at said company and facts regarding other false business execution.
 During the term of office of Mr. Kiyoshi Kinoshita as Chairman and Representative Director of TOKAI RIKA CO., LTD., an investigation was made by the United States Department of Justice for allegations of violation of the United States Antitrust Act regarding the sale of certain automobile components, and in October 2012, a plea bargain agreement was concluded with said Department.
- The Company has concluded with Mr. Kiyoshi Kinoshita and Mr. Masaki Horie a limited liability agreement pursuant to Article 423, Paragraph 1 of the Companies Act to limit the liability under the total amount stipulated in Article 425, Paragraph 1 of the Companies Act, and if their reappointment is approved, the Company plans to continue this agreement.
- The number of years since assuming office as Outside Director for candidates for Outside Directors of will be three years for Mr. Kiyoshi Kinoshita and one year for Mr. Masaki Horie as of the conclusion of this General Meeting of Shareholders.
- The Company has designated candidates for Outside Director Kiyoshi Kinoshita and Masaki Horie as Independent Directors/Auditors based on the definitions of the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc., and has made submissions to both Exchanges.

Proposal 2: Election of 1 Audit & Supervisory Board Member

Audit & Supervisory Board Member Umenobu Sugiki will retire via resignation at the conclusion of this General Meeting. Accordingly, the Company proposes the election of 1 Audit & Supervisory Board Member. The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
* Akira Nakashima (December 8, 1958)	April 1982 January 2008 January 2012 January 2015 June 2015 June 2017 Joined Toyota Motor Co., Ltd. Project General Manager, Administration Management Dept., Production Engineering Planning Div., Toyota Motor Corporation Vice President, GAC Toyota Motor Co., Ltd. Corporate Advisor, TOYOTA PRODUCTION ENGINEERING CORPORATION Director Corporate Adviser, the Company (to the present)	0

(Notes)

1. There are no special interests between the candidate and the Company.
2. * indicates a new candidate.

Proposal 3: Payment of Bonuses to Directors

As a reward for performance in the fiscal year under review, the Company requests approval for payment of ¥25,300,000 as bonuses to Directors (of which, ¥300,000 to Outside Directors) for the 8 Directors (including 2 Outside Directors) in office as of the end of the fiscal year under review.

Additionally, the Company requests that the determination of specific amounts to be distributed to each Director be entrusted to the Board of Directors.