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(Stock Exchange Code 7241)
June 4, 2018

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 104TH 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 104th 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 Tuesday, June 19, 2018, Japan time.

1. Date and Time: Wednesday, June 20, 2018 at 10:00 a.m. Japan time

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

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 104th Fiscal Year (April 1, 2017 - March 31, 2018) 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 104th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1:** Election of 8 Directors
Proposal 2: Election of Accounting Auditor
Proposal 3: Payment of Bonuses to Directors

Information disclosed on the Internet

The Company's website: <http://www.futabasangyo.com>

- Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are, in accordance with provisions of laws and regulations as well as the Company's Articles of Incorporation, posted on the Company's website on the Internet, instead of the provision on the Reference Documents for the General Meeting of Shareholders and the Appendix to this Convocation Notice. The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Board and the Accounting Auditor consist of each document provided in this Convocation Notice and the Appendix, as well as Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements that are posted on the website shown above.
- 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.

© When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Reference Documents for the General Meeting of Shareholders

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		Current positions
1	Reappointment	Hiroyoshi Yoshiki	Representative Director and President, the Company
2	Reappointment	Mikio Iwatsuki	Director, Senior Managing Executive Officer, the Company
3	Reappointment	Takayuki Yoshida	Director, Senior Managing Executive Officer, the Company
4	Reappointment	Tomohiro Takahashi	Director, Senior Managing Executive Officer, the Company
5	Reappointment	Fumio Ohashi	Director, Senior Managing Executive Officer, the Company
6	Reappointment	Keita Asakawa	Director, Managing Executive Officer, the Company
7	Reappointment	Masaki Horie	Outside Director Independent Director Director, the Company
8	New appointment	Masayoshi Ichikawa	Outside Director Independent Director —

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) Reappointment	<p>April 1980 Joined Toyota Motor Co., Ltd.</p> <p>January 2001 Vice President, Toyota Motor Manufacturing, Kentucky, Inc.</p> <p>January 2007 General Manager, Plant Administration Div., Kinuura Plant, Toyota Motor Corporation</p> <p>June 2009 Managing Officer</p> <p>June 2010 Plant General Manager, Kinuura Plant</p> <p>April 2011 Deputy Chief Officer, Technical Administration Group</p> <p>January 2012 Chief Officer, Technical Administration Group</p> <p>April 2015 Corporate Adviser, the Company</p> <p>June 2015 Representative Director and Senior Executive Vice President</p> <p>June 2016 Representative Director and President (to the present)</p>	24,900
2	Mikio Iwatsuki (September 10, 1957) Reappointment	<p>April 1981 Joined the Company</p> <p>November 2002 General Manager, Engineering Div., Mutsumi Plant</p> <p>July 2006 Counselor, Information & Environmental Equipment Div., Mutsumi Plant</p> <p>July 2008 Officer, Information & Environmental Equipment Div., Mutsumi Plant</p> <p>June 2010 Director</p> <p>June 2013 Director Managing Executive Officer</p> <p>June 2015 Director Senior Managing Executive Officer (to the present)</p> <p>[Responsibilities at the Company] In charge of Manufacturing and Production Engineering, Chief of Production Center, Health and Safety Control Office, Production and Logistics Control Div., Production Support Div.</p>	17,400

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) Reappointment	<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 and Quality Assurance, in charge of Exhaust and Function System Parts Planning Management, Chief of Engineering Center, Engineering Integrated Div., Powertrain Equipment Development Div., Exhaust System Development Div., Performance Assurance Div., Vehicle Function System Development Div.</p>	10,900
4	Tomohiro Takahashi (June 1, 1960) Reappointment	<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 June 2017 Director Senior Managing Executive Officer (to the present)</p> <p>[Responsibilities at the Company] In charge of Planning, Sales and 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 and Equipment Purchasing Div.</p>	14,900
5	Fumio Ohashi (August 23, 1960) Reappointment	<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 June 2017 Director Senior Managing Executive Officer (to the present)</p> <p>[Responsibilities at the Company] In charge of General Affairs, Human Resources and Accounting, Chief of Accounting and Finance Center, General Accounting Div., Finance Div., Cost Planning Div.</p>	14,700

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) Reappointment	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	7,000
7	Masaki Horie (November 25, 1949) Reappointment Outside Director Independent Director	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 June 2010 Retired from 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. June 2016 Director, the Company (to the present) June 2017 Outside Director who is an Audit & Supervisory Committee Member, IBIDEN CO., LTD. (to the present)	0
8	Masayoshi Ichikawa (January 10, 1953) New appointment Outside Director Independent Director	April 1977 Joined Toyoda Gosei Co., Ltd. June 2004 Deputy General Manager, Optoelectronics Business Unit June 2005 Director June 2008 General Manager, Optoelectronics Business Unit June 2010 Managing Director January 2011 Chairman, TE Opto Corporation June 2012 Director, Senior Managing Officer, Toyoda Gosei Co., Ltd. June 2012 Chairman, Toyoda Gosei North America Corporation June 2015 Executive Vice President, Toyoda Gosei Co., Ltd. June 2017 Advisor (to the present)	2,000

(Notes)

- There are no special interests between each candidate and the Company.
- Mr. Masaki Horie and Mr. Masayoshi Ichikawa are both candidates for Outside Directors.
- Candidate for Outside Director, Mr. Masaki Horie has specialized intellect and knowledge, etc., as a certified public accountant. To reflect these in the Company's management, his election as Outside Director is proposed.
Candidate for Outside Director, Mr. Masayoshi Ichikawa has a wealth of experience and broad insight, etc. as a manager of Toyoda Gosei Co., Ltd. To reflect these in the Company's management, his election as Outside Director is proposed.
- Candidate for Outside Director, Mr. Masayoshi Ichikawa held the position of Director of Toyoda Gosei Co., Ltd. from June 2012 to June 2017. The said company received investigation by the U.S. Department of Justice for allegations of violation of the U.S. Antitrust Act regarding the sale of certain automobile components conducted during the period from 2003 to 2010, and during his term of office in September 2014, agreed on a plea bargain with said Department. At that time, Mr. Ichikawa, as a Director (Senior Managing Officer) of the said company, cooperated in the investigation conducted by the U.S. Department of Justice and made efforts to clarify the case and take measures to prevent the recurrence.
- Mr. Masaki Horie will have served as Outside Director for two years as of the conclusion of this General Meeting.
- The Company has concluded with 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 his reappointment is approved, the Company plans to continue this agreement.
- If Mr. Masayoshi Ichikawa is elected as Outside Director, the Company plans to conclude a limited liability agreement with him 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.
- The Company has designated candidate for Outside Director, Mr. Masaki Horie as Independent Director/Auditor based on the definitions of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has made submissions to both Exchanges. The

Company also plans to designate Mr. Masayoshi Ichikawa as an Independent Director/Auditor and make submissions to both Exchanges.

Proposal 2: Election of Accounting Auditor

Deloitte Touche Tohmatsu LLC, the Accounting Auditor of the Company, will resign due to the expiration of its term of office at the conclusion of this General Meeting. Accordingly, the Company proposes the election of PricewaterhouseCoopers Aarata LLC as a succeeding Accounting Auditor.

This Proposal has been submitted based on the determination of the Audit & Supervisory Board.

Reasons for the determination on the content of this Proposal is that, as a result of comprehensive consideration of such factors as the quality control systems, global audit framework, expertise and in-depth knowledge in the automotive industry of the said audit corporation, as well as its independence, the Audit & Supervisory Board deemed it appropriate to elect the said audit corporation as the Accounting Auditor of the Company.

The candidate for Accounting Auditor is as follows:

Name	PricewaterhouseCoopers Aarata LLC		
Offices	Main Office	Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo	
	Other Offices	Nagoya, Osaka, Fukuoka	
History	June 2006	Establishment of PricewaterhouseCoopers Aarata as a member firm in Japan of PricewaterhouseCoopers (PwC)	
	July 2006	Commencement of operations	
	July 2015	Changed its corporate name in Japanese from “Aarata Kansa Hojin” to “PwC Aarata Kansa Hojin”	
	July 2016	Converted to a limited liability audit corporation. Changed its corporate name to “PwC Aarata Yugen Sekinin Kansa Hojin” (English name: PricewaterhouseCoopers Aarata LLC)	
Overview	Capital	¥1,000 million	
	Staffing	Partners	130
		CPAs	886
		Assistant CPAs	507
		U.S. CPAs and other professionals	826
		Clerks	509
Total	2,858 (as of June 30, 2017)		

Proposal 3: Payment of Bonuses to Directors

In consideration of the business results of the fiscal year under review, the Company requests approval for payment of ¥36,300,000 as bonuses to Directors for the 6 Directors excluding Outside Directors as of the end of the fiscal year under review.

The Company also proposes that the specific amount to be paid to each Director be left to the discretion of the Board of Directors.