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June 20, 2025

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Listing:	Prime of Tokyo Stock Exchange and Premier of Nagoya Stock Exchange
Securities code:	7241
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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

FUTABA INDUSTRIAL CO., LTD. (the "Company") hereby announces that it has resolved to dispose of treasury shares (the "Disposal of Treasury Shares" or "Disposal") at the meeting of the Board of Directors held on June 20, 2025, as described below.

1. Outline of the Disposal

(1) Date of disposal	July 18, 2025
(2) Type and number of shares to be disposed of	32,452 common shares of the Company
(3) Disposal price	¥714 per share
(4) Total disposal amount	¥23,170,728
(5) Allotees, number thereof, and number of shares to be disposed of	3 Directors of the Company (excluding Outside Directors): 13,031 shares 9 Operating Officers (excluding those who concurrently serve as Directors) and Officers of the Company: 19,421 shares
(6) Other	No securities notice has been submitted for the Disposal of Treasury Shares, as it satisfies the special requirements concerning the granting of restricted stock compensation.

2. Purpose and reason for the Disposal

At the meeting of the Board of Directors held on April 25, 2019, the Company resolved to introduce a restricted stock compensation system (the "System") as a new compensation system for the Company's Directors excluding Outside Directors (the "Eligible Directors") and Operating Officers not concurrently serving as Directors for the purpose of giving Eligible Directors medium- to long-term incentives and promoting shared value with shareholders. In addition, at the 105th Annual General Meeting of Shareholders held on June 18, 2019, the Company was approved to grant monetary compensation claims of up to ¥33 million per year to the Eligible Directors as monetary compensation to be used as the property contributed to acquire the shares with restrictions on transfer based on the System (the "Restricted Stock Compensation") and set the period up to the point immediately following resignation or retirement as the transfer restriction period for such shares. Effective January 2021, the Company changed the qualification of officers from "Senior Operating Officers, Managing Operating Officers, and Operating Officers" to "Operating Officers and Officers."

An outline of the System follows.

[Outline of the System, etc.]

The Eligible Directors, Operating Officers not concurrently serving as Directors, and Officers of the Company (collectively, the “Eligible Directors, etc.”) shall pay in all monetary compensation claims granted by the Company based on the System, in the form of property contributed in kind and shall receive common shares of the Company through issuance or disposal. The total number of common shares of the Company to be issued or disposed of by the Company to Eligible Directors under the System shall not exceed 50,000 shares per year. The paid-in amount per common share of the Company shall be determined by the Board of Directors, within a scope in which the amount is not particularly favorable to the Eligible Directors, etc. who accept such common shares. Such amount shall be based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding each date of the resolution of the Board of Directors (or, if there is no trade on such day, the closing price on the immediately preceding day on which there is any trade).

In addition, when the Company’s common shares are issued or disposed of based on the System, a restricted stock allotment agreement shall be concluded between the Company and the Eligible Directors, etc. Such agreement shall include provisions such as the following: 1) the Eligible Directors, etc. shall not transfer, create a security interest, or otherwise dispose of the Company’s common shares, the allotment of which they received based on the restricted stock allotment agreement, for a certain period of time; and 2) if certain circumstances have arisen, the Company shall acquire the common shares without consideration.

On this occasion, in consideration of the purpose of the System, the state of the Company’s business, the scope of responsibilities of each of the Eligible Directors, etc., and various other circumstances, the Company has decided to grant the Eligible Directors, etc. monetary compensation claims totaling ¥23,170,728 (the “Monetary Compensation Claims”) and 32,452 common shares with the aim of further enhancing the motivation of the Eligible Directors, etc.

In the Disposal of Treasury Shares, based on the System, 12 Eligible Directors, etc. to whom the allotment is intended will pay in all of the Monetary Compensation Claims against the Company as property contributed in kind, and in exchange will receive common shares of the Company (the “Allotted Shares”). An outline of the restricted stock allotment agreement (the “Allotment Agreement”) to be concluded between the Company and the Eligible Directors, etc. related to the Disposal of Treasury Shares is as described in 3. below.

3. Outline of the Allotment Agreement

- (1) Transfer restriction period: From July 18, 2025 to the time immediately following resignation or retirement
- (2) Conditions for the lifting of transfer restrictions

The transfer restrictions on all of the Allotted Shares shall be lifted when the transfer restriction period has expired provided the position of Director, Operating Officer not concurrently serving as Director, or Officer of the Company was held continuously, in the case of the Eligible Directors, during the period from the payment date to the time immediately preceding the first Annual General Meeting of Shareholders to be held after the payment date, and in the case of Operating Officers and Officers of the Company, during the fiscal year in which the payment date falls.

- (3) Treatment of Eligible Directors, etc. who retire or resign due to expiration of their term of office, mandatory retirement age, or other justifiable reasons during the transfer restriction period

1) Timing of the lifting of transfer restrictions

The transfer restrictions shall be lifted at the expiration of the transfer restriction period in the event that Eligible Directors, etc. resign or retire from the positions of Director, Operating Officer not concurrently serving as Director, and Officer of the Company due to the expiration of their term of office, mandatory retirement age, or other justifiable reasons (including in the case of resignation or retirement due to death).

2) Number of shares subject to the lifting of transfer restrictions

The number of shares subject to the lifting of transfer restriction shall be obtained by multiplying the number of the Allotted Shares held by Eligible Directors, etc. at the time of resignation or retirement as set forth in 1), by the number obtained by dividing the period of service (in months) of Eligible Directors, etc. by 12 (if the result is more than one, it shall be rounded down to one) (however, if a fraction less than 100 shares arises as a result of calculation, this will

be rounded off). The period of service for Eligible Directors shall be the service period pertaining to the transfer restriction period, and the period of service for Operating Officers and Officers shall be the service period during the fiscal year in which the payment date falls.

(4) Acquisition of the Allotted Shares by the Company without consideration

The Company shall automatically acquire—without consideration—the Allotted Shares for which the transfer restrictions have not been lifted at the time when the transfer restriction period expires.

(5) Management of shares

The Allotted Shares shall be managed in a dedicated account opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd. during the transfer restriction period so that the Eligible Directors, etc. are unable to execute a transfer, create a security interest, or otherwise dispose of them during the transfer restriction period. The Company has entered into a contract with Nomura Securities Co., Ltd. for the management of the account of the Allotted Shares owned by the Eligible Directors, etc. to ensure the effectiveness of the transfer restrictions, etc. of the Allotted Shares. Moreover, the Eligible Directors, etc. shall agree to the details related to the management of the account.

(6) Treatment in organizational restructuring, etc.

During the transfer restriction period, if a matter connected with organizational restructuring, etc., such as a merger agreement under which the Company is dissolved or a stock exchange agreement or a stock transfer plan under which the Company becomes a wholly-owned subsidiary, is approved at the Company's general meeting of shareholders (or by the Board of Directors if approval at the Company's general meeting of shareholders is not required for such organizational restructuring), the transfer restrictions for the number of Allotted Shares held at that time multiplied by the number of months, from the month in which the transfer restriction period starts to the month including the date of approval, divided by 12 (if the result is more than one, it shall be rounded down to one) (however, if a fraction less than 100 shares arises as a result of calculation, this will be rounded off), will be lifted as of the business day immediately preceding the effective date of the organizational restructuring, etc. based on the resolution of the Board of Directors. Furthermore, immediately after the lifting of the transfer restrictions, the Company shall automatically acquire—without consideration—all of the Allotted Shares for which the transfer restrictions have not been lifted.

4. Basis for calculating the paid-in amount and specific details thereof

The Disposal of Treasury Shares to intended allottees will be conducted by contributing the monetary compensation claims granted as restricted stock compensation for the 112th fiscal year of the Company under the System as the property contributed. Regarding the disposal price, it has been set at ¥714, the closing price of the Company's common shares on the Tokyo Stock Exchange Prime Market on June 19, 2025 (the business day immediately preceding the date of resolution of the Board of Directors), to eliminate arbitrariness. This is the market price immediately preceding the date of the resolution of the Board of Directors, and the Company believes that it is reasonable and does not represent a particularly advantageous price.