

October 21, 2022

To whom it may concern:

Company name: Futaba Corporation
 Representative: Representative Director and President Motoaki Arima
 (Stockcode: 6986 Tokyo Stock Exchange Prime Market)
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Announcement on Business Partnership with RiTdisplay Corporation

The company announces as follows the adoption of a resolution at the meeting of the Board of Directors on October 21, 2022 to enter into a business partnership agreement with RiTdisplay Corporation (hereinafter called “RiT”).

Particulars

1. Purposes of the business partnership

RiT is an Organic Light-Emitting Diode (OLED) display manufacturer established in 2000 for the first time in Taiwan to engage in the major business activities of the research, development, manufacturing, and sale of OLED displays.

On the other hand, the company made TDK Micro Device Corporation (the present Futaba Mobile Display Corporation) a subsidiary for the manufacture of OLED displays in April 2012, and then has developed and sold in-car OLED displays and film-type OLED displays.

Though the company had already sought profit maximization by consigning part of the production process to RiT, this time, the company made the decision to form a business partnership and strengthen the relationship with RiT to handle the cost competition with overseas manufacturers, which has become more severe in an environment where the raw material cost and energy expenses have sharply risen. The company thinks that this business partnership could contribute to the development of business and increase the enterprise value of both companies.

2. Details of the business partnership

- (1) Expansion of the production consignment of the company’s OLED products to RiT (in the entire process)
- (2) Technical partnership for OLED displays, including in-car OLED displays
- (3) Partnership for sales activities

3. Profile of the counterparty to the business partnership

(1) Company name	RiTdisplay Corporation	
(2) Location	No. 12, Kuanfu N. Road, Hsin Chu Industrial Park, Taiwan 30351 R.O.C	
(3) Representative	President & CEO: Ding-Chan Wang	
(4) Business activities	Manufacture and sales of OLED displays	
(5) Capital	TWD747 million	
(6) Established	March 13, 2000	
(7) Major shareholders and stockholding ratio	Ritek Corporation: 33.05% U-Tech Media Corporation: 6.67% Prorit Corporation: 5.08%	
(8) Relationship between the listed company and the relevant company	Capital relationship	The company holds 97,556 shares (0.13%) of RiT.
	Personnel relationship	Not applicable
	Trading relationship	The company has consigned part of the production process to RiT.

	Related party relationship	Not applicable	
(9) Consolidated operating results and financial position of the relevant company for the last three years			
Fiscal year	FY 2019/12	FY 2020/12	FY 2021/12
Consolidated net assets	TWD 1,839,049,000	TWD 1,986,803,000	TWD 2,290,978,000
Consolidated gross assets	TWD 3,522,179,000	TWD 3,712,333,000	TWD 3,970,287,000
Consolidated sales	TWD 1,672,591,000	TWD 1,656,926,000	TWD 2,225,875,000
Consolidated operating income	TWD 10,493,000	TWD 174,119,000	TWD 149,051,000
Net income attributable to owners of the parent	TWD 53,235,000	TWD 190,685,000	TWD 193,678,000
Consolidated net income per share	TWD 0.76	TWD 3.06	TWD 2.86

4. Schedule

(1) Day of the resolution of Board of Directors	October 21, 2022
(2) Date of the agreement	October 28, 2022 (plan)

5. Future prospects

The company expects that the partnership will have an insignificant impact on the consolidated business results for this period. However, the company would immediately inform stakeholders of the matters to be disclosed as a result of the business partnership if necessary.

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