

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 25, 2024

Flexsteel Industries Inc

(Exact name of Registrant as Specified in Its Charter)

Minnesota
(State or Other Jurisdiction
of Incorporation)

0-5151
(Commission File Number)

42-0442319
(IRS Employer
Identification No.)

385 Bell Street
Dubuque, Iowa
(Address of Principal Executive Offices)

52001-7004
(Zip Code)

Registrant's Telephone Number, Including Area Code: (563) 556-7730

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	FLXS	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On April 29, 2024, Flexsteel Industries, Inc. issued a press release announcing Third Quarter Ended March 31, 2024 operating results. A copy of the Press Release is attached hereto as Exhibit 99.1.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Derek P. Schmidt as Chief Executive Officer

On April 29, 2024, Flexsteel Industries, Inc. (the “Company”) announced the appointment of Derek P. Schmidt to the position of Chief Executive Officer effective on July 1, 2024. Mr. Schmidt will also continue to serve as the Company’s President. Mr. Schmidt will succeed Jerald K. Dittmer who has announced his resignation from the position of Chief Executive Officer effective June 30, 2024, and retirement from the Company on December 31, 2024.

Derek Schmidt, age 51, joined the Company as Chief Financial Officer and Chief Operating Officer in April 2020, and was subsequently appointed Secretary and Treasurer in May 2020. On June 1, 2022, in connection with the hiring of a Chief Financial Officer, Mr. Schmidt relinquished that position, as his role as the Chief Operating Officer expanded to take on additional responsibilities and strategic ownership of manufacturing, sourcing and procurement, logistics and distribution, and product management and development. In May 2023, Mr. Schmidt was appointed as Chief Financial Officer on an interim basis, in addition to his responsibilities as Chief Operating Officer. He relinquished the Chief Financial Officer position on January 10, 2024, and concurrently was promoted to the position of President to reflect his level of responsibility for the Company’s operations and growth strategy. On January 10, 2024, Mr. Schmidt was also appointed as a member of the Board of Directors.

Mr. Schmidt has almost 30 years of broad general management and financial leadership experience driving profitable growth across multiple industries, including over eleven years in the furniture industry. Prior to joining the Company, Mr. Schmidt was CFO of Crescent Electric Supply Co., one of the nation’s largest electrical distributors. From 2011 to 2018, Mr. Schmidt held multiple executive positions with HNI Corporation, a leading global office furniture manufacturer. Prior to joining HNI, Mr. Schmidt held financial leadership positions with companies such as Silgan Plastics Corporation, MasterBrand Cabinets, Inc., and General Mills Inc.

Mr. Schmidt is a graduate of the University of Wisconsin with a Bachelor of Business Administration in accounting and finance. He also earned a Master of Business Administration with an emphasis in finance and strategic management from the University of Minnesota Carlson School of Management.

In connection with Mr. Schmidt’s appointment to the position of Chief Executive Officer and continuing to serve as President, the Company entered into an employment agreement with Mr. Schmidt, dated April 25, 2024, to become effective July 1, 2024 (the “Employment Agreement”). Pursuant to the Employment Agreement, Mr. Schmidt will serve as the Company’s Chief Executive Officer and President and will receive an annual base salary of \$570,000. In addition to his base compensation, Mr. Schmidt will be entitled to additional compensation as described below.

1. Mr. Schmidt will receive a signing bonus in the form of restricted stock units with a value of \$105,000.
2. Mr. Schmidt will be eligible to participate in the Company’s Cash Incentive Plan with his initial participation set at 90% of his base salary at target performance.
3. Mr. Schmidt will be eligible to participate in the Company’s long-term incentive program under the 2022 Equity Incentive Plan with his participation set at 140% of his base salary and paid in shares, beginning with the July 1, 2024 through June 30, 2025 performance period.

Mr. Schmidt will be entitled to participate in such life insurance, disability, medical, dental, retirement plans, paid time off benefits and other employee benefits and policies made available by the Company to its officers and/or executive employees generally, as they may change from time to time.

Under the Company’s Severance Plan for Management Employees, if the Company terminates Mr. Schmidt for reasons other than cause, death, or disability, the Company will pay Mr. Schmidt an amount equivalent to twelve (12) months base salary plus an amount equal to the value of the cash incentive plan payment at target performance in the year of termination. The Company will also pay Mr. Schmidt a lump sum equal to twelve (12) months of COBRA premiums.

The Employment Agreement is attached hereto as Exhibit 10.1 and incorporated by reference. The foregoing description of such agreement is qualified in its entirety by reference to the full text of such agreement.

Resignation of Jerald K. Dittmer from the Position of Chief Executive Officer

On April 29, 2024, the Company also announced the resignation of Jerald K. Dittmer from the position of Chief Executive Officer effective June 30, 2024, and his retirement as a Company employee and director effective December 31, 2024. In connection with Mr. Dittmer's resignation, the Company entered into a Transition and Retirement Agreement and Release with Mr. Dittmer dated April 25, 2024 (the "Retirement Agreement"). Pursuant to the Retirement Agreement, Mr. Dittmer will receive \$16,667 per month, or portion thereof, through December 31, 2024, for his continued service as a strategic advisor to the Company. Mr. Dittmer will also receive a pro rata portion of the restricted stock unit awards granted July 1, 2022 and July 1, 2023 and performance stock unit award granted July 1, 2023. The pro rata calculation will be based on a vesting or performance period, as applicable, ending December 31, 2024. The performance stock unit awards will be based on actual results. Mr. Dittmer will not be entitled to any payments under the Company's Severance Plan for Management Employees.

The Retirement Agreement is attached hereto as Exhibit 10.2 and incorporated by reference. The foregoing description of such agreement is qualified in its entirety by reference to the full text of such agreement.

A copy of the press release dated April 29, 2024, announcing the naming of Mr. Schmidt to the Chief Executive Officer position and the resignation and retirement of Mr. Dittmer, is attached hereto as Exhibit 99.2.

Item 7.01 Regulation FD Disclosure.

The Company will host a conference call and webcast at 8:00 a.m. Central Time (9:00 a.m. Eastern Time) on Tuesday, April 30, 2024 to discuss results and answer questions. Analysts and investors may participate in the question-and-answer session. The call can be accessed via telephone at 833-816-1123 (domestic) or 412-317-0710 (international) and requesting to be connected with the Flexsteel conference call.

Additionally, interested parties can listen to a live webcast of the call in the Investor Relations section of the Company's website at <http://ir.flexsteel.com>. An archived version of the webcast will be available in the same location shortly after the live call has ended.

A recorded replay can be accessed through May 7, 2024, by dialing 877-344-7529 (domestic) or 412-317-0088 (international); Replay access code: 9414420.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Employment Agreement between the Company and Derek P. Schmidt, dated April 25, 2024
10.2	Transition and Retirement Agreement and Release with Mr. Dittmer dated April 25, 2024
99.1	Press Release on Fiscal Third Quarter Results by Flexsteel Industries, Inc. dated April 29, 2024
99.2	Press Release on CEO Transition by Flexsteel Industries, Inc. dated April 29, 2024
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FLEXSTEEL INDUSTRIES, INC.

Date: April 29, 2024

By: /s/ Michael J. Ressler

Michael J. Ressler
Chief Financial Officer

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the “**Agreement**”) is entered into by and between Flexsteel Industries, Inc. (the “**Company**”), and Derek Schmidt (“**Executive**”) (the Company and Executive, collectively, the “**Parties**” and each, a “**Party**”) as of the date of Executive’s signature below and is effective as of the Executive’s promotion date with the Company, which is anticipated to be July 1, 2024, 12:01 a.m. (the “**Effective Date**”).

WHEREAS, Executive wishes to be promoted by the Company and the Company desires to promote Executive to be its President and Chief Executive Officer (“**CEO**”) on the terms and conditions set forth in this Agreement;

WHEREAS, the Company desires to employ Executive as its CEO according to the terms and conditions of this Agreement and the Company’s Board of Directors (the “**Board**”) has authorized such offer of promotion;

WHEREAS, the Company’s offer of promotion made to Executive, and the Company’s offer of this Agreement and the consideration and benefits provided herein, are contingent upon the continued validity and enforcement of the Confidentiality and Noncompetition Agreement between Executive and the Company (the “**Confidentiality Agreement**”) entered into when Executive commenced employment with the Company on April 6, 2020, a copy of which is attached hereto as Exhibit A; and

WHEREAS, Executive agrees he has previously executed, agreed to fulfill, and delivered to the Company such executed, Confidentiality Agreement in April 2020.

NOW, THEREFORE, in consideration of and reliance on these recitals and premises, which are hereby incorporated, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound, the Parties agree as follows:

1. Employment; Employment Term. Upon the terms and conditions hereinafter set forth, the Company hereby agrees to retain the services of Executive and Executive hereby accepts such employment and agrees to faithfully and diligently serve as directed by the Board, and in accordance with this Agreement, commencing on the Effective Date and continuing until terminated pursuant to Section 5 of this Agreement (the “**Employment Term**”).

2. Duties.

(a) **Services.** During the Employment Term, Executive agrees to serve as CEO of the Company and shall render Executive’s duties as CEO in a manner that is consistent with Executive’s position within the Company and as assigned by the Board, and/or at the option of the Board. Executive also agrees to serve as any elected/appointed director or officer of any subsidiary of the Company that the Company may, in its sole discretion, deem fit and Executive shall serve in such capacity or capacities without additional compensation during the Employment Term. Executive shall spend substantially all of Executive’s business time and attention at the Company’s

headquarters in Dubuque, Iowa, however Executive's employment under this Agreement will require travel and stay outside Dubuque, Iowa and the United States in order to fulfill Executive's duties hereunder.

(b) **Certain Obligations.** During the Employment Term, Executive (i) shall devote 100% of Executive's business time and attention to achieve, in accordance with the policies and directives of the Board, and/or, at the option of the Board, the CEO, established from time to time in its/their/Executive's discretion, the objectives of the Company, (ii) shall be subject to, and comply with, the rules, practices and policies applicable to executive employees whether reflected in an employee handbook, code of conduct, compliance policy or otherwise, as the same may exist and be amended from time to time, of the Company; and (iii) shall not engage in any business activities other than the performance of Executive's duties under this Agreement. Notwithstanding the foregoing, provided that Employee does not violate the Confidentiality Agreement, Executive may participate in civic, religious and charitable activities, may make passive personal investments in other entities, and may serve as a director for the entities and in the capacities set forth on Exhibit B hereto, or as otherwise approved by the Board in writing.

3. Compensation. For the services rendered herein by Executive, and the promises and covenants made by Executive herein, during the Employment Term the Company shall pay compensation to Executive as follows.

(a) **Base Salary.** In exchange for Executive's services, the Company shall pay to Executive the sum of Five Hundred Seventy Thousand Dollars (\$570,000) on a pro-rated basis (the "**Base Salary**"), payable in accordance with the normal payroll practices of the Company. The Board may review Executive's Base Salary and may, in its sole discretion, adjust Executive's Base Salary upon such review.

(b) **Signing Bonus.** In Exchange for Executive's acceptance of the Company's offer of promotion to CEO and the terms and conditions of this Agreement, the Company will provide Executive a signing bonus (the "**Signing Bonus**") on the Effective Date in the form of a restricted stock unit grant of common stock equivalent to One Hundred and Five Thousand Dollars using the ten-day average stock price prior to the award date under the 2022 Equity Incentive Plan.

(c) **Annual Incentive.** Executive will be eligible to participate in the Company's Cash Incentive Plan ("**CIP**"). Executive's participation in the CIP is initially set at 90% of his base salary at a target award. The Compensation Committee of the Board of Directors establishes the goals for executive officers under the CIP annually with input from the CEO.

(d) **Long-Term Incentive.** Executive will be eligible to participate in the Company's long-term incentive program under the 2022 Equity Incentive Plan ("**LTIP**") beginning with the July 1, 2024 through June 30, 2025 performance period. Executive's participation in the LTIP is set at 140% of his base salary at a target award. The Compensation Committee of the Board of Directors will establish the goals for the executive officers for the future three-year performance periods with input from the CEO.

(e) **No Additional Compensation.** Except for compensation set forth in this Agreement, Executive shall not receive additional compensation in connection with providing services to or holding executive or directorial office(s) in the Company or any of its subsidiaries unless otherwise agreed to by Executive and the Company in the Company's sole discretion.

4. **Benefits.** During Executive's employment with the Company, Executive shall be entitled to participate in all retirement plans, health plans, paid time off benefits and other employee benefits and policies (including expense reimbursement policies) made available by the Company to its officers and/or executive employees generally, as they may change from time to time. Executive acknowledges and agrees that except as specifically set forth in this Agreement, the Company is under no obligation to Executive to establish or maintain any specific employee benefits in which Executive may participate, and that Executive's eligibility for employee benefits shall be governed by the terms and provisions of the Company benefit plans or policies, all of which are subject to change by the Company, subject to applicable law. Upon the termination of Executive's employment, Executive shall be entitled to continue those benefits as may be required by state or federal law.

5. **Termination; Severance Opportunity.**

(a) **At-Will Employment.** Executive and the Company agree that Executive's employment with the Company is at-will and either Executive or the Company, by and through the Board, may terminate Executive's employment, at any time, with or without any cause, with no prior notice.

(b) **Payments Upon Separation.** When Executive's employment with the Company ends, for any reason, the Company shall pay to Executive: (i) any earned but unpaid Base Salary through the Employee's last day of employment with the Company (such date, the "**Separation Date**"); and (ii) any unreimbursed but validly reimbursable business expenses incurred by Executive on or before the Separation Date. Upon the termination of Executive's employment for any reason, Executive shall be entitled to continue those benefits as may be required by state or federal law at Executive's own cost and expense.

(c) **Participation in Severance Plan.** Executive shall have the opportunity to participate in the Company's Severance Plan for Management Employees dated October 25, 2018, and as amended (the "**Severance Plan**") according to its terms and conditions. Executive's eligibility to receive any severance payments shall be exclusively governed by the terms and conditions of the Severance Plan.

(d) **Resignation From Board.** When Executive's employment with the Company ends, for any reason, Executive agrees to resign from the Company's Board.

6. Representations. Executive represents and warrants that:

(a) Executive's performance of all the terms and duties set forth in this Agreement will not breach any agreement to keep in confidence proprietary information acquired by Executive in confidence or in trust prior to or outside of Executive's employment by the Company. Executive hereby represents and warrants that Executive has not entered into, and will not enter into, any oral or written agreement in conflict herewith.

(b) Executive is not subject to any other agreement that Executive will violate by working with the Company or in the position for which the Company has hired Executive. Further, Executive represents that no conflict of interest or a breach of Executive's fiduciary duties will result by working with and performing duties for the Company.

(c) Executive has carefully read this Agreement and that Executive has asked any questions needed for Executive to understand the terms, consequences and binding effect of this Agreement and fully understands it and that Executive has been provided an opportunity to seek the advice of legal counsel of Executive's choice before signing this Agreement.

(d) During the period in which Executive receives any severance benefits under the Severance Plan that Executive will provide a prompt response to Company in the event Company requests information connected to Executive's employment with the Company or regarding non-confidential information regarding Executive's subsequent employment after ceasing to be an employee of the Company.

(e) Executive is not currently involved, directly or indirectly, in any litigation as a defendant or as a party subject to any counterclaims, nor is any such litigation threatened against Executive, directly or indirectly.

7. Miscellaneous.

(a) **Notices.** All notices, requests, consents and other communications hereunder (i) shall be in writing, (ii) shall be effective upon receipt, and (iii) shall be sufficient if delivered personally, electronically with receipt confirmation, or by mail, in each case addressed as follows:

If to the Company:

Flexsteel Industries, Inc.
Chair of the Compensation Committee
385 Bell Street
Dubuque, Iowa 52001

With a copy to:

Lathrop GPM LLP
3100 IDS Center

80 South Eighth Street
Minneapolis, MN USA 55402
Attn: JC Anderson
Email: JC.Anderson@lathrogpm.com

If to Executive:

To Executive's most recent residential address or otherwise known by the Company or any other address Executive may provide to the Company in writing.

(b) **Entire Agreement.** This Agreement (including its Exhibits), the Confidentiality Agreement, the Severance Plan, CIP, 2022 Equity Incentive Plan, Benefits Summary, 401K plan, Supplemental Health Plan, and related benefit agreements constitute the entire agreement by and between the Parties with respect to the subject matter contained herein and supersede all prior agreements or understandings, oral or written, with respect to the subject matter contained herein. Notwithstanding the foregoing, Executive shall remain subject to and bound by any employee handbook and any other employee policies adopted from time to time.

(c) **Amendments; Waivers; Etc.** This Agreement may not be altered, amended or modified in any manner, nor may any of its provisions be waived, except by written amendment executed by the Parties hereto that specifically states that they intended to alter, amend or modify this Agreement. No provision of this Agreement may be waived by either Party hereto except by written waiver executed by the waiving party that specifically states that it intends to waive a right hereunder. Any such waiver, alteration, amendment or modification shall be effective only in the specific instance and for the specific purpose for which it was given. No remedy herein conferred upon or reserved by a Party is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Agreement or in connection with this Agreement and now or hereafter existing at law or in equity.

(d) **Governing Law and Venue.** This Agreement and the rights of the Parties shall be governed by and construed and enforced in accordance with the laws of the State of Iowa, without regard to any state's choice of law principles or rules. The venue for any action hereunder shall be in the State of Iowa, County of Dubuque, whether or not such venue is or subsequently becomes inconvenient, and the parties' consent to the jurisdiction of the state and federal courts in or applicable to the State of Iowa, County of Dubuque.

(e) **Successors and Assigns.** Neither this Agreement nor any rights or obligations hereunder are assignable by Executive. The Company shall have the right to assign its rights and obligations under this Agreement to any affiliate or successor of the Company. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death and (b) any successor of the Company. Any such successor of the Company (including but not limited to any person or entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company) will be deemed substituted for the Company under the terms of this Agreement for all purposes.

(g) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same instrument.

(h) **Tax Withholding.** All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

(i) **Section Headings.** The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof, affect the meaning or interpretation of this Agreement or of any term or provision hereof.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date set forth below.

EXECUTIVE

4/25/2024
Date

/s/ Derek Schmidt
Derek Schmidt

FLEXSTEEL INDUSTRIES, INC.

4/25/2024
Date

By: /s/ Thomas M. Levine
Thomas M. Levine
Its: Chair of the Board

TRANSITION AND RETIREMENT AGREEMENT AND RELEASE

This TRANSITION AND RETIREMENT AGREEMENT AND RELEASE (the “**Agreement**”) is made by and between Flexsteel Industries, Inc. (the “**Company**”) and Jerald K. Dittmer (referred to herein as “**Employee**”) (Employee and the Company, collectively, the “**Parties**”).

1. Employment Transition. The parties agree that Employee will voluntarily resign from his position as Chief Executive Officer of the Company on June 30, 2024 (the “**Transition Date**”). By signing this Agreement Employee agrees that he will thereafter remain employed by the Company as a Strategic Advisor until his voluntary retirement from the Company on or before December 31, 2024 (the “**Retirement Date**”). The period between the Transition Date and the Retirement Date shall be known as the Transition Period (“**Transition Period**”). Regardless of whether Employee signs this Agreement:

A. The Company will pay Employee for all wages earned by Employee through the Transition Date;

B. The Company will pay to Employee any payment(s) required or owed to Employee pursuant to any vested rights (including rights that vest upon termination) under the Company’s Cash Incentive Compensation Plan, 2013 Omnibus Stock Plan (as amended), 2022 Equity Incentive Plan, and/or Long-Term Incentive Plan or any Notification of Award pursuant to such plan(s) (the “**Incentive Plans**”) when any such payment(s) are due.

C. The Company will reimburse Employee for any reasonable business expenses incurred on behalf of the Company during Employee’s employment, provided that Employee provides the Company with documentation of such expenses in accordance with Company policy within three (3) weeks after the Retirement Date; and

D. The Company will consider Employee’s separation from employment with the Company as a voluntary retirement from Employee’s employment for purposes of any Company benefit plan, including without limitation the Incentive Plans.

2. Transition Period and Board Resignation. During the Transition Period Employee will be employed in the role of a Strategic Advisor. In that role, upon the request of the Chief Executive Officer, Employee will be available for consultation on strategy and business operations. During the Transition Period, Employee will be paid \$8,333.33 per payroll period, or portion thereof for any partial periods, subject to standard deductions and withholdings, and will remain eligible for the Company’s benefit package offered to all U.S. Employees. Employee will no longer be eligible for (i) any executive benefits including health, furniture, and tax preparation benefits, (ii) new grants under the Cash Incentive Plan and (iii) new grants of Performance Stock or restricted stock units under the long-term incentive program. Consistent with Employee’s employment agreement signed on December 17, 2018, Employee further understands and agrees that Employee will voluntarily resign his current position on the Board of Directors on the Retirement Date. Employee will be available at mutually agreeable dates and times for consultation.

3. Retirement Benefits. In exchange for Employee's execution and acceptance of this Agreement as well as the Release Addendum attached hereto as Exhibit A ("**Release Addendum**"), and provided Employee does not rescind either this Agreement or the Release Addendum within the time allowed herein, and that Employee complies with all obligations set forth in this Agreement and the Release Addendum, the Company will provide Employee the following (collectively, the "**Retirement Benefits**"):

A. Contingent on the Employee voluntarily resigning his position of CEO on June 30, 2024, Employee will receive a pro rata portion of the restricted stock unit awards granted July 1, 2022 and July 1, 2023 and performance stock unit award granted July 1, 2023. The pro rata calculation will be based on a vesting or performance period, as applicable, ending December 31, 2024, regardless of the date of the Retirement Date. The performance stock unit awards will be based on actual results. The pro rata awards will be delivered in accordance with the original delivery schedule of the awards.

B. Employee understands and agrees that by signing and not rescinding this Agreement and the Release Addendum, and by receiving the Retirement Benefits outlined herein, Employee is forfeiting and releasing any right or claim to receive any benefit pursuant to the Flexsteel Industries, Inc. Severance Plan for Management Employees, effective as of October 25, 2018.

Employee agrees that the pro rata vesting set forth in Section 3 is in addition to any other vesting the employee is otherwise entitled to under the applicable equity plans. Employee understands that Employee will receive the Retirement Benefits described in this Section 3 only if Employee satisfies all of Employee's obligations under this Agreement and the Release Addendum, timely signs this Agreement and the Release Addendum, and does not rescind this Agreement or Release Addendum. Employee understands that if Employee does rescind this Agreement or the Release Addendum as set forth herein, Employee will not receive such benefits.

4. No Other Benefits. Employee understands that, except for those items of compensation specifically referenced in or provided through this Agreement, Employee shall receive no other compensation or benefits from the Company and is no longer participating in the Company's benefit plans after the Retirement Date, except to the extent Employee is entitled to do so under state and federal benefits continuation laws. All of Employee's rights under such plans shall be governed in accordance with the terms of such plans. Employee acknowledges receipt of applicable summary plan descriptions relating to such plans.

5. Release of Claims. Employee understands that as part of this Agreement, Employee is receiving the Retirement Benefits that Employee would not otherwise be entitled to receive and that Employee agrees constitute sufficient consideration for all aspects of this Agreement and the Release Addendum. In return for the Retirement Benefits, Employee, on behalf of himself and any person or entity that could bring a claim on Employee's behalf, hereby releases the Company and its subsidiaries, predecessors, successors, assigns and/or affiliated companies, businesses or entities (collectively, "**Affiliates**" and each, an "**Affiliate**"), and all of their respective employee benefit plans, plan administrators, trustees, current and former officers, agents, directors, employees, independent contractors, unit holders, shareholders, attorneys, accountants, insurers, representatives, predecessors, successors and assigns, both individually and in any representative

capacity (collectively, the “**Parties Released by Employee**”), from each and every legal claim or demand of any kind, whether known or unknown, existing at any time up to and including the date of this Agreement, including without limitation: (a) any claim or demand in any way arising out of or related to Employee’s employment with and/or separation from employment with any of the Parties Released by Employee; (b) Employee’s Executive Employment Agreement; (c) The First Amendment to Employee’s Executive Employment Agreement (d) any other agreement or understanding between the Company and Employee; and (e) any action, conduct, decision or omission by any of the Parties Released by Employee related to Employee.

Employee understands and agrees that this Agreement is a full, final, and complete settlement and release of the Parties Released by Employee of any and all of Employee’s claims, whether known or unknown, including, but not limited to, any claims or rights Employee may have under the Employment Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.*, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, *et seq.*, the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 626 *et seq.*, the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.*, the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.*, the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, the Equal Pay Act, 29 U.S.C. § 206 *et seq.*, the National Labor Relations Act, 29 U.S.C. § 1501 *et seq.*, any Iowa employment law (including but not limited to the Iowa Civil Rights Act of 1965, Iowa Code § 216.1, *et seq.*, and Iowa Wage Payment Collection Act, Iowa Code § 91A.1, *et seq.*, any Texas employment or other law (including but not limited to the Texas Labor Code Chapter 21 (employment discrimination) and the Texas Workers Compensation Act, Tex. Labor Code Chapter 451), and any other foreign, federal, states’, or local governments’ laws, regulations, or Employee orders governing or relating to employment. Employee further understands and agrees that Employee is releasing any claims Employee may have, whether known or unknown, for payment or grant of compensation, benefits, stock, membership units, equity, securities or options of any kind, fraud or misrepresentation, promissory estoppel, wrongful or constructive discharge, defamation, invasion of privacy, breach of any legal duty (including any fiduciary duty), breach of covenant of good faith and fair dealing, reprisal or retaliation, breach of contract, unjust enrichment, negligence, negligent hiring, supervision and retention, intentional or negligent infliction of emotional distress, and any other claims arising under any law. Employee further agrees that if any claim that Employee releases in this Agreement is prosecuted in Employee’s name before any court or administrative agency, Employee will waive any benefits Employee might otherwise obtain through such prosecution and will not take any award of money, compensation, or any other damages or award from such suit.

6. Exclusions from Employee’s Release of Claims. Notwithstanding any other provision of this Agreement, Employee does not release:

A. Any rights Employee may have under this Agreement.

B. Any vested rights to any payment(s) the Company is required to make pursuant to the Company’s Cash Incentive Compensation Plan, and/or Long-Term Incentive Plan or any Notification of Award pursuant to such plan(s);

C. Any vested rights that Employee may have under any Notification of Award pursuant to the Company’s Omnibus Stock Plan or 2022 Equity Incentive Plan

D. Employee's rights to indemnification and insurance coverage against third party claims; and

E. Any claims that arise after (or arise from acts occurring after) the date that Employee signs this Agreement.

7. **Return of Property.** Employee hereby certifies and affirms that Employee will make all commercially reasonable efforts to return to the Company all Confidential Information, as defined below, and all other property of the Company, or of the Company's customers or affiliated entities in Employee's possession or control on or before the Retirement Date. Employee will make all commercially reasonable efforts to return all originals, copies of, or electronically stored documents or other materials containing Confidential Information, regardless of who prepared them, and any other Company property, including, but not limited to, any phones, electronic devices, computers, keys, records, manuals, books, documents (including all letters, email messages, memoranda, notes, notebooks, and reports). In the case of electronically stored files, documents or information outside of the Company's electronic systems, Employee will make all commercially reasonable efforts to make a copy of such information, turn that copy over to the Company, and destroy all electronically stored files, documents or information formerly in Employee's possession or control.

8. **Confidential Information.**

A. Definition of Confidential Information. For purposes hereof, "**Confidential Information**" means any non-public information, whether or not reduced to writing, regarding the Company or any of its Affiliates or any of their employees, managers, directors, representatives, suppliers, vendors, shareholders, owners, members, customers, or other third parties or entities with whom the Company or any such Affiliate does business, which Employee received, learned of or developed during any period that Employee provided services to the Company or its Affiliates. Confidential Information includes, but is not limited to, trade secrets, financial information, personnel policies, key personnel information and any other proprietary information or knowledge of the Company or its Affiliates, including existing or contemplated products, services, profit margins, fee schedules, pricing, design, processes, formulae, business plans, sales techniques, marketing techniques, training methods, manuals and materials, policies or practices related to business, personnel or other matters, computer databases, computer programs, software and other technology, customer lists, customer preferences or requirements, vendor lists or supply information. Any information disclosed to Employee or to which Employee had access that Employee reasonably considered to be Confidential Information, or which the Company or any of its Affiliates considered to be Confidential Information, will be deemed Confidential Information. Notwithstanding the foregoing, Confidential Information shall not include any information that has become known or available to the general public, other than as a result of Employee's breach of this Agreement.

B. Restrictions. Employee agrees not to, directly or indirectly, retain, use or disclose any Confidential Information after the Retirement Date unless expressly authorized by the Company to do so. Employee recognizes that the Confidential Information constitutes a valuable asset of the Company and its Affiliates and agrees to act in such a manner as to prevent such information's disclosure and use by any person in any manner not expressly authorized by the

Company in writing to receive or use such information. Employee understands that Employee's obligations under this Section 8 are unconditional and shall not be excused by any conduct on the part of the Company, except: (i) prior voluntary disclosure by the Company of the information, other than by Employee; or (ii) express written authorization of the Company.

C. Immunity for Certain Limited Disclosures. Notwithstanding any other provision of this Agreement, Employee understands that Employee may in accordance with any applicable law, including but not limited to the federal Defend Trade Secrets Act, disclose Company information, including trade secrets, as follows: (a) in confidence, to federal, state, or local government officials, or to an attorney of Employee, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law.

D. Compelled Disclosure. In the event a third party seeks to compel, at any time, Employee's disclosure of any information that may include Confidential Information by judicial or administrative process, Employee will, to the extent permitted by law, promptly notify the Company of such occurrence and furnish a copy of the demand, summons, subpoena, or other process served upon Employee to compel such disclosure and will permit the Company to assume, at the Company's expense, but with Employee's cooperation, defense of such disclosure demanded or requested. In the event that the Company refuses to contest such third-party disclosure demand under judicial or administrative process, or if a final judicial order is issued compelling Employee's disclosure of Confidential Information, Employee shall be entitled to disclose such specific information, and only such specific information, in compliance with the specific terms of such administrative or judicial process or order without violating Employee's obligations under this Agreement.

9. Unfair Competition.

A. Acknowledgment. Employee acknowledges that: (a) the services Employee performed for the Company as its most senior officer were of a special and unique nature; (b) the Company operates in a highly competitive environment and would be substantially harmed if Employee were to compete with the Company or divulge its Confidential Information; (c) Employee is receiving valuable and sufficient consideration for entering into this Agreement, including the Retirement Benefits described in Section 2, above; and (d) the provisions of this Section 9, including all of its subparts, are reasonable and necessary to protect the Company's appropriate business interests.

B. Covenant Not to Compete. Employee agrees that for a period of twenty-four (24) months following the Retirement Date (the "**Restricted Period**"), Employee will not, directly or indirectly, hold any ownership interest in (except as a stockholder of a public company in which Employee owns less than three percent (3%) of the issued and outstanding capital stock of such company), manage, control, serve on the Board of Directors of, or render services of any kind, in any capacity, to any Competitive Person or Entity, as defined below. For purposes of this Agreement:

(i) “**Competitive Person or Entity**” means any person or entity that: (a) competes with the Company, or plans to Compete with the Company, in a Restricted Territory; or (b) markets or manufactures, or plans to market or manufacture, products or services in or for a Restricted Territory that are similar to or interchangeable with the products or services marketed or manufactured by the Company during Employee’s last two (2) years of employment with the Company; and

(ii) “**Restricted Territory**” includes any portion, area, or region located in Canada, Mexico, or the United States of America.

C. Covenant Not to Solicit, Service, or Interfere with Customers. Employee agrees that, during the Restricted Period, Employee will not, directly or indirectly, solicit, contact, discuss with, or provide services to any Customer regarding or concerning any Competitive Person or Entity, as defined above, or otherwise take any action that attempts to or may actually diminish the business with, or purchases from, the Company with respect to any Customer. For purposes of this Agreement, a “**Customer**” includes any person or entity that has purchased any product or service from the Company or that the Company is attempting to sell any product or services as of the Retirement Date or that the Company has attempted to sell any product or service in the two (2) year period before the Retirement Date.

D. Covenant Not to Solicit or Service Employees, Customers, and Business Relations. Employee agrees that, during the Restricted Period, Employee will not, directly or indirectly, attempt to or actually solicit, recruit, hire, or encourage any employee, vendor, supplier, consultant, independent contractor, subcontractor, or other business contact of the Company to terminate or diminish his, her, or its relationship or business with the Company. This Section 9D shall not prohibit Employee from, upon request, providing a letter of reference regarding any individual who has not been employed by the Company for at least three (3) months, provided that Employee does not breach any other obligation under this Agreement.

E. Disclosure of Obligations. Employee agrees that, during the Restricted Period, Employee will, prior to accepting employment or any other business relationship with any other person or entity, inform that person or entity of Employee’s obligations under Sections 8 and 9 of this Agreement. Similarly, Employee hereby authorizes the Company to notify any other person or entity during the Restricted Period, including, without limitation, Employee’s future employers, future partners, and Customers, as defined above, of the existence of this Agreement and Employee’s obligations under Sections 7 through 11 of this Agreement.

F. Extension of Restricted Period. If the Company obtains a court order or judgment finding that Employee has violated any portion of this Section 9, Employee agrees that the Restricted Period will be extended for a period of time equal to the period between the Retirement Date and such court order or judgment.

10. Mutual Non-disparagement. Employee agrees not to directly or indirectly disparage or otherwise make any comment or statement that casts an unfavorable light upon the Company or any Affiliate, or any of their directors, officers, employees, representatives or agents. The Company agrees that it will instruct the members of the Company’s Board of Directors and the Company’s officers not to directly or indirectly disparage or otherwise make any comment or

statement that casts an unfavorable light upon Employee. Notwithstanding the foregoing, this provision shall not preclude the Company or Employee from making truthful statements to any government agency or pursuant to any lawful subpoena.

11. Cooperation. Employee agrees to cooperate with the Company as follows:

A. Legal Proceedings. In the event that any legal proceeding arises in which the Company or any Affiliate deems Employee's testimony or participation to be relevant or necessary, Employee agrees to make himself reasonably available and to cooperate with the Company or such Affiliate in connection with the proceeding by providing testimony through affidavit, in a deposition, or at a hearing or trial, or otherwise assisting the Company or Affiliate with respect to the proceeding. This provision is not intended to affect the substance of any testimony that Employee is asked to provide. Rather, Employee agrees to provide truthful testimony and to otherwise assist the Company or Affiliate in light of and in full compliance with all applicable laws. The Company will instruct its counsel to use commercially reasonable efforts to schedule any proceeding requiring Employee's attendance in a manner that will minimize interference with Employee's personal and professional plans and obligations, and will reimburse Employee for all out-of-pocket expenses incurred by Employee in providing assistance pursuant to this Section 11.A. If such assistance is required by the Company after the end of the Restricted Period, defined above, the Company and Employee will agree on a reasonable hourly rate solely to compensate Employee for the time spent by Employee providing such cooperation and during which Employee is not free to engage in other pursuits.

B. Consultation. In the event any questions arise with regard to information or subject that Employee developed, of which Employee had knowledge, or with which Employee otherwise was involved during Employee's employment with the Company, Employee agrees that during the Restricted Period, Employee will cooperate with and respond to any reasonable request by the Company or any affiliated company for advice, opinions, or other information responsive to the question posed. Such consultation shall be limited to an aggregate total of twenty (20) hours of consultation without any additional compensation or payment to Employee by the Company.

12. Period for Review and Consideration. Employee understands that Employee has been given a period of a least twenty-one (21) days from receipt of this Agreement to review and consider this Agreement before signing it. Employee is advised by the Company to consult with an attorney of Employee's choosing before signing this Agreement. Employee further understands that Employee is allowed to use as much of this review period as Employee wishes prior to signing this Agreement. Employee and the Company agree that during this 21-day period the Company made changes to this Agreement based on requests made by Employee. Employee and the Company agree that these changes, whether material or immaterial, do not restart the running of Employee's 21-day consideration period. Employee understands that if Employee wishes to accept this Agreement, Employee must sign it and return it to Stacy M. Kammes, VP Human Resources, Flexsteel Industries, Inc., 385 Bell Street, Dubuque, IA 52001 or to Ms. Kammes by electronic transmission of a copy signed by Employee (which facsimile shall be effective for acceptance) to: SKammes@flexsteel.com, or the offer of this Agreement shall be automatically revoked.

13. Opportunity to Rescind. Employee understands that Employee may rescind and cancel Employee's acceptance of this Agreement for any reason within seven (7) days after Employee has signed it. If Employee decides to cancel this Agreement and mail Employee's notice of cancellation, Employee understands that it must be postmarked within the seven (7) day period and addressed to Stacy M. Kammes, VP Human Resources, Flexsteel Industries, Inc., 385 Bell Street, Dubuque, IA 52001, and must be sent by certified mail, return receipt requested. If Employee does not timely sign or decides to cancel this Agreement, the Agreement shall be null and void, and Employee will not be entitled to any of the Retirement Benefits.

14. Release Addendum. Employee understands and agrees that the Release Addendum attached hereto as Exhibit A includes its own review and consideration period as well as an opportunity to rescind, which Employee has reviewed. Employee understands and agrees that he must execute and return the Release Addendum no sooner than and within three (3) days after the Retirement Date. Employee understands and agrees that he will not be entitled to the Retirement Benefits if he fails to timely execute and return the Release Addendum or if he rescinds the same.

15. Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), including the exceptions thereto, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. To the extent required under Section 409A, any payments to be made under this Agreement in connection with a termination of employment shall only be made if such termination constitutes a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company and/or the Released Parties make no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company and/or the Released Parties be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

16. Miscellaneous.

A. Complete Agreement. Employee understands that this Agreement contains the entire agreement regarding the subject matter hereof and supersedes and replaces any prior written or oral promises, understandings, or agreements regarding such subject matter. There are no other written or oral promises, understandings, or agreements regarding such subject matter in effect.

B. No Admission. Employee understands that nothing contained in this Agreement is to be construed by Employee or anyone else as an admission that the Company or any of the Parties Released by Employee has violated any law. In fact, Employee understands that the Company expressly denies any wrongdoing whatsoever.

C. Non-Interference. Nothing in this Agreement is intended to or shall preclude Employee from cooperating with any appropriate federal, state or local government agency in connection with any investigation or proceeding conducted by any such agency.

D. Applicable Law, Exclusive Venue. This Agreement, Employee's and the Company's rights hereunder, and any issues related to this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Iowa, without regard to any state's choice of law principles or rules. The exclusive venue for any action hereunder or related to this Agreement, or the subject matter of this Agreement, shall be in the State of Iowa, whether or not such venue is or subsequently becomes inconvenient, and the Company and Employee consent to the exclusive jurisdiction of the state and federal courts in the State of Iowa.

E. Payments/Taxes. Employee understands that all amounts paid under this Agreement shall be subject to normal withholdings or such other treatment as the Company believes in good faith is required by law. No representations as to tax consequences of this Agreement have been made to Employee by the Company or any of its representatives.

F. Modification by the Parties. Employee understands that this Agreement shall not be modified or amended except by a written instrument signed by the Company and Employee. In addition, Employee understands that no waiver of any provision of this Agreement shall be binding unless set forth in a writing signed by the party effecting the waiver. Any waiver by either party shall be limited to the circumstance or event specifically referenced in the written waiver document and shall not be deemed a waiver of any other term of this Agreement or of the same circumstance or event upon any recurrence thereof.

G. Remedies. Employee acknowledges and agrees that a violation of this Agreement, including but not limited to, Employee's obligations under Sections 7, 8 and 9, including those sections' subparts, would cause irreparable harm to the Company, and that the Company's remedy at law for any such violations would be inadequate. In recognition of the foregoing, Employee agrees that, in addition to any other relief afforded by law or this Agreement, including damages sustained by a breach of this Agreement, and without any necessity of proof of actual damages or posting any bond, the Company will have the right to enforce this Agreement by specific remedies which include, among other things, temporary and permanent injunctions. In the event of any litigation involving this Agreement, regardless of which party commences such litigation, in addition to any other damages allowed by law, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees, costs and expenses incurred in such litigation.

H. Severability, Blue Pencil. Employee understands that the invalidity or partial invalidity of any portion of this Agreement shall not invalidate the remainder thereof, and said remainder shall remain in full force and effect. Moreover, if one or more of the provisions contained in this Agreement shall, for any reason, be held to be excessively broad as to scope, activity, subject or otherwise, so as to be unenforceable at law, such provision or provisions shall be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with then applicable law.

I. Acknowledgment. Employee acknowledges that Employee has had the opportunity to discuss this Agreement with and obtain advice from Employee's private attorney,

that Employee has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and that Employee is knowingly and voluntarily entering into this Agreement. No representations as to tax or other consequences of this Agreement have been made to Employee by the Company or its representatives.

J. Indemnification and Insurance Coverage. Employee's right to indemnification pursuant to Article XIII of the Company's Amendment and Restated Bylaws, as in effect on the Retirement Date, shall be considered a contractual right that shall not be diminished by any subsequent amendment to the Bylaws. Employee shall continue to be covered by any directors and officers, fiduciary liability, employment practices, or similar liability insurance policy maintained by the Company at the level at which current Board members and the Company's current most senior Employee officers are covered.

17. Signature. Employee has read this Agreement, knows its contents and has signed it as a free and voluntary act having had adequate opportunity to consider its terms and conditions and to consult with counsel of Employee's choosing. This Agreement may be executed in counterparts, each of which, when so executed, shall together constitute and be one and the same instrument.

The parties have signed this Retirement Agreement and Release on the dates set forth next to their respective signatures.

Date: 4/25/2024

/s/ Jerald K. Dittmer

Jerald K. Dittmer

Date: 4/25/2024

Flexsteel Industries, Inc.

/s/ Thomas M. Levine

By Thomas M. Levine

Its Chair, Board of Directors

EXHIBIT A

Release Addendum

(To Be Signed No Sooner than and Within Three Days after the Retirement Date)

I, Jerald K. Dittmer (“**I**,” “**Me**,” “**My**,” “**Myself**”), and Flexsteel Industries, Inc. (the “**the Company**”) hereby enter into the following Release Addendum (the “**Release Addendum**” or “**Addendum**”):

1. Retirement from Employment. My employment with the Company has ended as set forth in the Transition and Retirement Agreement and Release (the “**Agreement**”) between the parties to which this Addendum is attached as Exhibit A. In addition, the Transition Period referenced in the Agreement has concluded.

2. Release of Claims. In return for the Retirement Benefits in the Agreement, which I agree I would not otherwise be entitled to receive, I, on behalf of myself and any person or entity that could bring a claim on my behalf, hereby release the Company and any subsidiaries, predecessors, successors, assigns and/or affiliated companies, businesses or entities and all of their respective employee benefit plans, plan administrators, trustees, current and former officers, agents, directors, employees, independent contractors, shareholders, attorneys, accountants, insurers, representatives, predecessors, successors and assigns, both individually and in any representative capacity (collectively, the “**Released Parties**”), from each and every legal claim or demand of any kind, whether known or unknown, existing at any time up to and including the date on which I sign this Release Addendum, including without limitation any claim or demand in any way arising out of or related to (a) any action, conduct, decision or omission by any of the Released Parties related to me; or (b) my employment with and/or separation of employment with any of the Released Parties.

I understand and agree that this Release Addendum is a full, final, and complete settlement and release of the Released Parties of all of my claims, whether known or unknown, including but not limited to any claims or rights I may have under the Employment Retirement Income Security Act, 29 U.S.C. § 1001 *et seq.*, the Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, *et seq.*, the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 626 *et seq.*, the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.*, the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.*, the Equal Pay Act, 29 U.S.C. § 206 *et seq.*, the National Labor Relations Act, 29 U.S.C. § 1501 *et seq.*, any Iowa employment law (including but not limited to the Iowa Civil Rights Act of 1965, Iowa Code § 216.1, *et seq.*, and Iowa Wage Payment Collection Act,

Iowa Code § 91A.1, *et seq.*, any Texas employment or other law (including but not limited to the Texas Labor Code Chapter 21 (employment discrimination) and the Texas Workers Compensation Act, Tex. Labor Code Chapter 451), and any other foreign, federal, states', or local governments' laws, regulations, or executive orders governing or relating to employment. I further understand and agree that I am releasing any claims I may have, whether known or unknown, for payment of compensation, benefits, stock, or stock options of any kind, fraud or misrepresentation, promissory estoppel, wrongful or constructive discharge, defamation, invasion of privacy, breach of covenant of good faith and fair dealing, reprisal or retaliation, breach of contract, unjust enrichment, negligence, negligent hiring, supervision and retention, intentional or negligent infliction of emotional distress, and any other claims arising under any law. I further agree that, while nothing in this Release Addendum precludes the filing of a charge or my cooperation with any governmental agency, I hereby waive any recovery of any damages or other relief resulting from any such action. I further agree that if any claim I release in this Release Addendum is pursued in my name before any court or administrative agency, I will and do hereby waive any benefits I would otherwise obtain through such proceeding and will not take any award of money or other damages from such a proceeding.

I understand that this Release Addendum does not however, release any claims which arise after I sign this Release Addendum, or which arise from acts occurring after I sign this Release Addendum.

3. Certification. I certify that I am in compliance with and have not breached the terms of the Agreement, including that I have returned all Company property and Confidential Information as required by Section 7 of the Agreement.

4. Opportunity to Consult. I am hereby advised by the Company to seek the advice of an attorney of my choosing prior to signing this Release Addendum.

5. Period for Review and Consideration. I acknowledge that I was given a period of more than twenty-one (21) days from my receipt of this Release Addendum to consider it before signing it. I further understand that, if I wish to accept the Release Addendum, I must sign it no sooner than the end of my Transition Period with the Company and within three days of my Retirement Date, and return the original signed Addendum Stacy M. Kammes, VP Human Resources, Flexsteel Industries, Inc., 385 Bell Street, Dubuque, IA 52001 or to Ms. Kammes by electronic transmission of a copy signed by Employee (which facsimile shall be effective for acceptance) to: SKammes@flexsteel.com, or I will not be entitled to the Retirement Benefits.

6. Opportunity to Rescind. I understand that I may cancel this Release Addendum for any reason within seven (7) days after I have signed it. If I decide to cancel this Release Addendum and mail my notice of cancellation, I understand that it must be postmarked within the 7-day period and addressed to Stacy M. Kammes, VP Human Resources, Flexsteel Industries, Inc., 385 Bell Street, Dubuque, IA 52001, and must be sent by certified mail, return receipt requested.

If I do not timely sign or decide to cancel this Release Addendum, the Release Addendum shall be null and void, I will not be entitled to the Retirement Benefits.

7. **Miscellaneous.** I agree that the “Miscellaneous” provisions set forth in Section 16 of the Agreement apply with equal force to this Release Addendum.

8. **Signature.** I have read this Release Addendum, know its contents and have signed it as a free and voluntary act having had adequate opportunity to consider the terms and conditions of this Release Addendum and to consult with an attorney of my choosing.

I have signed this Release Addendum on this ____ day of _____, 2025.

Jerald K. Dittmer

Flexsteel Industries, Inc. Reports Strong Fiscal Third Quarter 2024 Results: 8% Sales Growth, Improved Operating Margin, Continued Debt Reduction

Dubuque, Iowa – April 29, 2024 – Flexsteel Industries, Inc. (NASDAQ: FLXS) (“Flexsteel” or the “Company”), one of the largest manufacturers, importers, and marketers of residential furniture products in the United States, today reported third quarter fiscal 2024 results.

Key Results for the Third Quarter Ended March 31, 2024

- Strong sales growth of 8.2%. Net sales for the quarter of \$107.2 million compared to \$99.1 million in the prior year quarter.
- Robust sales orders of \$111.5 million representing growth of \$12.2M, or 12.3%, compared to the prior year quarter.
- Significant gross margin expansion to 21.7% compared to 18.8% in the prior year quarter.
- GAAP operating income of \$3.0 million or 2.8% of net sales compared to \$2.1 million or 2.1% of net sales in the prior year quarter.
 - Adjusted operating income of \$5.6 million or 5.2% of net sales for the third quarter compared to \$2.1 million or 2.1% of net sales in the prior year quarter.
- GAAP net income per diluted share of \$0.33 for the current quarter compared to net income per diluted share of \$0.28 in the prior year quarter.
 - Adjusted net income per diluted share of \$0.67 for the quarter compared to adjusted net income per diluted share of \$0.28 in the prior year quarter.
- Cash flow from operations of \$7.2 million for the quarter and \$24.4 million year to date.
- Debt repayments of \$3.7 million for the quarter, or a 21% reduction in borrowings under the line of credit.

GAAP to non-GAAP reconciliations follow the financial statements in this press release

Management Commentary

“I am extremely pleased with our third quarter results,” said Jerry Dittmer, CEO of Flexsteel Industries, Inc. “While macroeconomic conditions continue to present headwinds in our industry, we continue to execute on our strategies, are outperforming the industry, and are growing our top line while improving our profitability.”

Mr. Dittmer continues, “We delivered strong net sales of \$107.2 million, or growth of 8.2%, which exceeded our sales guidance range of \$101 to \$106 million. In addition, comparisons to prior year continued to be adversely impacted by the elimination of ocean freight surcharges in the prior year when ocean container delivery costs were inflated. Excluding the approximately \$1.5 million impact from surcharge reductions, growth from unit volume and sales mix was impressive at 9.9% in the quarter. This out-performance is a result of continued investment in new product development and innovation coupled with an intense focus on our growth initiatives.”

From a profitability perspective, we are executing well operationally and leveraging the combined benefits of operational efficiency, cost savings, and product life cycle management to meaningfully expand gross margin and improve operating income. Our GAAP operating margin for the quarter was 2.8% of net sales. Excluding the approximately \$2.6 million in restructuring charges related to the closure of our Dublin, GA facility, our adjusted operating margin was a healthy 5.2% of net sales in the quarter and represented strong, sequential margin improvement versus the prior quarter. Lastly, we are making good progress in improving working capital efficiency and optimizing our manufacturing network. Given improved demand stability and better supplier lead times, we optimized and reduced our inventories by another \$8.6 million in the third quarter which allowed us to reduce debt by an additional 21% in the quarter.”

Mr. Dittmer concludes, “I’m very encouraged by these third quarter results and excited about the direction we are headed. Our strategies are working, and I am confident in our ability to continue creating significant value for our customers and shareholders in both the near and long-term.”

Operating Results for the Third Quarter Ended March 31, 2024

Net sales were \$107.2 million for the third quarter compared to net sales of \$99.1 million in the prior year quarter, an increase of \$8.1 million, or 8.2%. The increase was driven by higher sales of home furnishings products sold through retail stores of \$8.5M million, or 9.7%, led by unit volume and product mix. Sales of products sold through e-commerce channels decreased by (\$0.4) million, or (3.6%), compared to the third quarter of the prior year. Lower sales in the e-commerce channel were driven by softer consumer demand.

Gross margin for the quarter ended March 31, 2024, was 21.7%, compared to 18.8% for the prior-year quarter, an increase of 290 basis points (“bps”). The 290-bps increase was primarily due to fixed cost leverage on higher sales, supply chain cost savings and efficiency improvements, and ongoing product portfolio management.

Selling, general and administrative (SG&A) expenses decreased as a percentage of net sales to 16.5% of net sales in the third quarter of fiscal 2024 compared with 16.7% of net sales in the prior year quarter. The decrease was due to leverage on higher sales partially offset by investments in growth initiatives and higher incentive compensation.

Operating income for the quarter ended March 31, 2024, was \$3.0 million compared to \$2.1 million in the prior-year quarter. On an adjusted basis, operating income for the quarter ended March 31, 2024, was \$5.6 million compared to \$2.1 million in the prior year quarter.

Income tax expense was \$0.9 million, or an effective rate of 32.2%, during the third quarter compared to tax expense of \$0.4 million, or an effective rate of 21.0%, in the prior year quarter.

Net income was \$1.8 million, or \$0.33 per diluted share, for the quarter ended March 31, 2024, compared to net income of \$1.5 million, or \$0.28 per diluted share, in the prior year quarter. On an adjusted basis, net income for the quarter ended March 31, 2024, was \$3.6 million or \$0.67 per diluted share compared to adjusted net income of \$1.5 million or \$0.28 per diluted share in the prior year quarter.

Manufacturing Network Optimization Update

During the quarter, the Company incurred \$2.6 million of restructuring expense primarily due to one-time employee termination costs as part of the Company's previously announced closure of our Dublin, GA manufacturing facility. The Company expects to incur \$0.4 to \$0.5 million in restructuring expenses during fiscal fourth quarter 2024 to finalize the closure.

Liquidity

The Company ended the quarter with a cash balance of \$4.6 million, working capital (current assets less current liabilities) of \$96.2 million, and availability of approximately \$46.9 million under its secured line of credit.

Capital expenditures for the nine months ended March 31, 2024, were \$4.4 million.

Financial Outlook

For the fourth quarter fiscal 2024, the Company reiterates previously disclosed sales guidance. The Company is increasing the low-end range of expected adjusted operating margin from 5.0% to 5.2%. GAAP operating margin in the fourth quarter has been updated to reflect non-cash costs related to the revaluation of equity awards associated with our CEO transition and retirement. The Company reiterates its full year fiscal 2025 guidance.

	Fourth Quarter Fiscal 2024	Full Year Fiscal 2025
Sales	\$107 - 112 million	\$416 - 432 million
Sales Growth (vs. Prior Year)	1% to 6%	2% to 6%
GAAP Operating Margin	3.5% to 4.3%	5.5% to 6.5%
Adjusted Operating Margin	5.2% to 6.0%	5.5% to 6.5%
Free Cash Flow	\$5 to 11 million	\$20 to 30 million
Line of Credit Borrowings	\$4 to 10 million	\$0

Investor Presentation

An updated investor presentation has been posted on the Company's website at <https://ir.flexsteel.com/news-events/events-and-presentations> which incorporates third quarter fiscal 2024 operating results as well as the financial outlook noted above.

CEO Transition

Flexsteel Industries has announced the appointment of Derek P. Schmidt to the position of President and Chief Executive Officer effective July 1, 2024. Mr. Schmidt will succeed Jerald K. Dittmer who has announced his resignation from the position of Chief Executive Officer effective June 30, 2024, and retirement from Flexsteel on December 31, 2024. Further discussion of this matter can be found in the press release announcement, which can be accessed on the Company's website at <https://ir.flexsteel.com/news-events/press-releases>.

Conference Call and Webcast

The Company will host a conference call and audio webcast with analysts and investors on Tuesday, April 30, 2024, at 8:00 a.m. Central Time to discuss the results and answer questions.

- Live conference call: 833-816-1123 (domestic) or 412-317-0710 (international)
- Conference call replay available through May 7, 2024: 877-344-7529 (domestic) or 412-317-0088 (international)
- Replay access code: 9414420
- Live and archived webcast: ir.flexsteel.com

To pre-register for the earnings conference call and avoid the need to wait for a live operator, investors can visit <https://dpregrister.com/sreg/10188314/fc4913477a> and enter their contact information. Investors will then be issued a personalized phone number and pin to dial into the live conference call.

About Flexsteel

Flexsteel Industries, Inc., and Subsidiaries (the "Company") is one of the largest manufacturers, importers, and marketers of residential furniture products in the United States. Product offerings include a wide variety of furniture such as sofas, loveseats, chairs, reclining rocking chairs, swivel rockers, sofa beds, convertible bedding units, occasional tables, desks, dining tables and chairs, kitchen storage, bedroom furniture, and outdoor furniture. A featured component in most of the upholstered furniture is a unique steel drop-in seat spring from which the name "Flexsteel" is derived. The Company distributes its products throughout the United States through its e-commerce channel and direct sales force.

Forward-Looking Statements

Statements, including those in this release, which are not historical or current facts, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. There are certain important factors that could cause our results to differ materially from those anticipated by some of the statements made herein. Investors are cautioned that all forward-looking statements involve risk and uncertainty. Some of the factors that could affect results are the cyclical nature of the furniture industry, supply chain disruptions, litigation, restructurings, the effectiveness of new product introductions and distribution channels, the product mix of sales, pricing pressures, the cost of raw materials and fuel, changes in foreign currency values, retention and recruitment of key employees, actions by governments including laws, regulations, taxes and tariffs, the amount of sales generated and the profit margins thereon, competition (both U.S. and foreign), credit exposure with customers, participation in multi-employer pension plans, disruptions or security breaches to business information systems, the impact of any future pandemic, and general economic conditions. For further information regarding these risks and uncertainties, see the "Risk Factors" section in Item 1A of our most recent Annual Report on Form 10-K.

For more information, visit our website at <http://www.flexsteel.com>.

FLEXSTEEL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands)

	March 31, 2024	June 30, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,570	\$ 3,365
Trade receivables, net	38,884	38,168
Inventories	96,589	122,076
Other	9,235	6,417
Assets held for sale	616	616
Total current assets	<u>149,894</u>	<u>170,642</u>
NONCURRENT ASSETS:		
Property, plant and equipment, net	39,963	38,652
Operating lease right-of-use assets	63,398	68,294
Other assets	20,511	12,962
TOTAL ASSETS	<u>\$ 273,766</u>	<u>\$ 290,550</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 21,655	\$ 24,745
Accrued liabilities	32,082	30,360
Total current liabilities	<u>53,737</u>	<u>55,105</u>
LONG-TERM LIABILITIES		
Line of credit	14,184	28,273
Other liabilities	60,581	65,551
Total liabilities	<u>128,502</u>	<u>148,929</u>
SHAREHOLDERS' EQUITY	<u>145,264</u>	<u>141,621</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 273,766</u>	<u>\$ 290,550</u>

FLEXSTEEL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Net sales	\$ 107,219	\$ 99,052	\$ 301,930	\$ 287,873
Cost of goods sold	83,902	80,407	238,253	238,041
Gross profit	23,317	18,645	63,677	49,832
Selling, general and administrative expenses	17,708	16,529	51,566	45,967
Environmental remediation	—	—	—	(2,788)
Restructuring expense	2,627	—	2,627	—
Other expense	—	—	—	347
Operating income	2,982	2,116	9,484	6,306
Interest expense	336	260	1,395	897
Other (income)	(14)	(12)	(14)	(11)
Income before income taxes	2,660	1,868	8,103	5,420
Income tax provision	857	393	2,497	803
Net income and comprehensive income	\$ 1,803	\$ 1,475	\$ 5,606	\$ 4,617
Weighted average number of common shares outstanding:				
Basic	5,154	5,179	5,175	5,249
Diluted	5,448	5,352	5,410	5,427
Earnings per share of common stock:				
Basic	\$ 0.35	\$ 0.28	\$ 1.08	\$ 0.88
Diluted	\$ 0.33	\$ 0.28	\$ 1.04	\$ 0.85

FLEXSTEEL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Nine Months Ended March 31,	
	2024	2023
OPERATING ACTIVITIES:		
Net income	\$ 5,606	\$ 4,617
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,940	3,483
Deferred income taxes	74	—
Stock-based compensation expense	2,722	2,472
Change in provision for losses on accounts receivable	(149)	(149)
Loss on disposal of assets	60	—
Changes in operating assets and liabilities	13,108	20,039
Net cash provided by operating activities	<u>24,361</u>	<u>30,462</u>
INVESTING ACTIVITIES:		
Capital expenditures	(4,361)	(3,597)
Net cash (used in) investing activities	<u>(4,361)</u>	<u>(3,597)</u>
FINANCING ACTIVITIES:		
Dividends paid	(2,446)	(3,241)
Treasury stock purchases	(1,660)	(2,968)
Proceeds from line of credit	270,421	254,482
Payments on line of credit	(284,510)	(274,494)
Proceeds from issuance of common stock	88	—
Shares withheld for tax payments on vested restricted shares	(688)	(419)
Net cash (used in) financing activities	<u>(18,795)</u>	<u>(26,640)</u>
Increase in cash and cash equivalents	1,205	225
Cash and cash equivalents at beginning of the period	3,365	2,184
Cash and cash equivalents at end of the period	<u>\$ 4,570</u>	<u>\$ 2,409</u>

NON-GAAP DISCLOSURE (UNAUDITED)

The Company is providing information regarding adjusted net sales, adjusted operating income, adjusted net income, and adjusted diluted earnings per share of common stock, which are not recognized terms under U.S. Generally Accepted Accounting Principles ("GAAP") and do not purport to be alternatives to net sales, operating income, net income, or diluted earnings per share of common stock as a measure of operating performance. A reconciliation of adjusted net sales, adjusted operating income, adjusted net income, and adjusted diluted earnings per share of common stock is provided below. Management believes the use of these non-GAAP financial measures provides investors useful information to analyze and compare performance across periods excluding the items which are considered by management to be extraordinary or one-time in nature. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies.

Reconciliation of GAAP net sales to adjusted net sales:

The following table sets forth the reconciliation of the Company's reported GAAP net sales to the calculation of adjusted net sales for the three months ended March 31, 2024 and 2023:

<i>(in thousands)</i>	Three Months Ended		Change	% Change
	March 31, 2024	March 31, 2023		
Net Sales	\$ 107,219	\$ 99,052	\$ 8,167	8.2%
Freight Surcharges	\$ —	\$ (1,454)	\$ 1,454	
Adjusted Net Sales	\$ 107,219	\$ 97,598	\$ 9,621	9.9%

Reconciliation of GAAP operating income to adjusted operating income:

The following table sets forth the reconciliation of the Company's reported GAAP operating income to the calculation of adjusted operating income for the three and nine months ended March 31, 2024 and 2023:

<i>(in thousands)</i>	Three Months Ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Reported GAAP operating income	\$ 2,982	\$ 2,116	\$ 9,484	\$ 6,306
Other expense	—	—	—	347
Environmental remediation	—	—	—	(2,788)
Restructuring expense	2,627	—	2,627	—
Adjusted operating income	\$ 5,609	\$ 2,116	\$ 12,111	\$ 3,865

Reconciliation of GAAP net income to adjusted net income:

The following table sets forth the reconciliation of the Company's reported GAAP net income to the calculation of adjusted net income for the three and nine months ended March 31, 2024 and 2023:

<i>(in thousands)</i>	Three Months Ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Reported GAAP net income	\$ 1,803	\$ 1,475	\$ 5,606	\$ 4,617
Other expense	—	—	—	347
Environmental remediation	—	—	—	(2,788)
Restructuring expense	2,627	—	2,627	—
Tax impact of the above adjustments ⁽¹⁾	(789)	—	(790)	561
Adjusted net income	\$ 3,641	\$ 1,475	\$ 7,443	\$ 2,737

⁽¹⁾ Effective tax rate of 30.0% and 30.1% was used to calculate the three and nine months ended March 31, 2024 respectively. There were no non-GAAP adjustments for the three months ended March 31, 2023. Effective tax rate of 23.0% was used to calculate the nine months ended March 31, 2023.

Reconciliation of GAAP diluted earnings per share of common stock to adjusted diluted earnings per share of common stock:

The following table sets forth the reconciliation of the Company's reported GAAP diluted earnings per share to the calculation of adjusted diluted earnings per share for the three and nine months ended March 31, 2024 and 2023:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Reported GAAP diluted earnings per share	\$ 0.33	\$ 0.28	\$ 1.04	\$ 0.85
Other expense	—	—	—	0.06
Environmental remediation	—	—	—	(0.51)
Restructuring expense	0.48	—	0.49	—
Tax impact of the above adjustments ⁽¹⁾	(0.14)	—	(0.15)	0.10
Adjusted diluted earnings per share	<u>\$ 0.67</u>	<u>\$ 0.28</u>	<u>\$ 1.38</u>	<u>\$ 0.50</u>

Note: The table above may not foot due to rounding.

⁽¹⁾ Effective tax rate of 30.0% and 30.1% was used to calculate the three and nine months ended March 31, 2024 respectively. There were no non-GAAP adjustments for the three months ended March 31, 2023. Effective tax rate of 23.0% was used to calculate the nine months ended March 31, 2023.

INVESTOR CONTACT:

Michael Ressler, Flexsteel Industries, Inc.
563-585-8116
investors@flexsteel.com

Flexsteel to Appoint Derek P. Schmidt as President and CEO

Dubuque, Iowa – April 29, 2024 – Flexsteel Industries, Inc. (NASDAQ:FLXS), announces the appointment of Derek P. Schmidt to the position of President and Chief Executive Officer effective July 1, 2024. Mr. Schmidt will succeed Jerald K. Dittmer who has announced his resignation from the position of Chief Executive Officer effective June 30, 2024, and retirement from Flexsteel on December 31, 2024.

Derek P. Schmidt joined Flexsteel as Chief Financial Officer & Chief Operating Officer in April 2020 and was subsequently appointed Secretary and Treasurer in May 2020. In June 2022, his role as Chief Operating Officer expanded to take on additional responsibilities and strategic ownership of manufacturing, sourcing and procurement, logistics and distribution, and product management and development. In January 2023, his responsibilities further expanded to include oversight for the sales and marketing functions. In January 2024, Mr. Schmidt was promoted to the position of President to reflect his responsibility for the company's operations and growth strategy and appointed a member of the Board of Directors.

Mr. Schmidt's leadership has been vital in accelerating the Company's transformation over the past four years and positioning it for long-term profitable growth. He's helped shape an exciting vision for the future of the Company and championed strategies and investments to pursue growth initiatives in new markets, elevate innovation, enhance customer experiences, improve speed of product development, and advance sustainable business practices. Additionally, he has assembled a strong supply chain management team and built operational capabilities as a competitive advantage.

Mr. Schmidt has almost 30 years of broad general management and financial leadership experience driving profitable growth across multiple industries, including eleven years in the furniture industry. Prior to Flexsteel, Mr. Schmidt was the Chief Financial Officer of Crescent Electric Supply Co., one of the nation's largest electrical distributors. Prior to that, Mr. Schmidt held multiple executive positions with HNI Corporation, a leading global office furniture manufacturer, from 2011 to 2018. Prior to joining HNI, Mr. Schmidt held financial leadership positions with companies such as Silgan Plastics Corporation, MasterBrand Cabinets, Inc., and General Mills Inc. Mr. Schmidt is a graduate of the University of Wisconsin with a Bachelor of Business Administration degree in Accounting and Finance. He also earned a Master of Business Administration with an emphasis in finance and strategic management from the University of Minnesota Carlson School of Management.

"Derek has been instrumental in the development and execution of the Company's strategy over the last four years and has been a driver of organizational change and culture development. His experience both within and outside of Flexsteel uniquely equips him to take Flexsteel's growth strategy forward," states current Chief Executive Officer, Jerry Dittmer. "I have the utmost confidence in his leadership and abilities."

Jerald K. Dittmer has announced his resignation from the position of Chief Executive Officer effective June 30, 2024, but has agreed to stay employed with the company as a Strategic Advisor

to support and aid in a seamless transition with Mr. Schmidt before retiring from the Company and the Board of Directors on December 31, 2024.

“Mr. Dittmer’s legacy is that of significant business transformation and unwavering leadership through unprecedented times,” states Tom Levine, Board Chair. “I would like to thank him for his significant contributions to Flexsteel and his active participation in the execution of a strong succession plan with Mr. Schmidt. I am proud of the legacy Mr. Dittmer has built and am excited for what the future holds for Flexsteel under the leadership of Mr. Schmidt.”

About Flexsteel

Flexsteel Industries, Inc., and Subsidiaries (the “Company”) is one of the largest manufacturers, importers, and marketers of residential furniture products in the United States. Product offerings include a wide variety of furniture such as sofas, loveseats, chairs, reclining rocking chairs, swivel rockers, sofa beds, convertible bedding units, occasional tables, desks, dining tables and chairs, kitchen storage, bedroom furniture, and outdoor furniture. A featured component in most of the upholstered furniture is a unique steel drop-in seat spring from which the name “Flexsteel” is derived. The Company distributes its products throughout the United States through its e-commerce channel and direct sales force.

For more information, visit our website at <http://www.flexsteel.com>.

INVESTOR CONTACT:

Michael Ressler, Flexsteel Industries, Inc.

563-585-8116

investors@flexsteel.com
