



## Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (Japanese GAAP)

April 30, 2015  
Tokyo Stock Exchange

Company name Foster Electric Company, Limited  
 Code Number 6794  
 URL <http://www.foster.co.jp/>  
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 Scheduled date of the Ordinary General Meeting of Shareholders June 23, 2015  
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 Holding of a briefing on Financial Results: Yes (For analysts and institutional investors)

(Amounts less than one million yen are omitted)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(1) Consolidated operating results (Percentage figures represent the changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2015	189,124	12.8	9,747	61.9	10,398	64.3	4,858	109.3
March 31, 2014	167,640	16.8	6,021	9.2	6,327	19.0	2,321	(30.4)

Note: Comprehensive income: Fiscal year ended March 31, 2015 ¥11,178 million [59.9%]  
 Fiscal year ended March 31, 2014 ¥6,989 million [(13.2)%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2015	206.18	-	9.1	10.3	5.2
March 31, 2014	99.50	86.83	5.4	6.6	3.6

Reference: Equity in earnings of affiliated companies: Fiscal year ended March 31, 2015 ¥- million  
 Fiscal year ended March 31, 2014 ¥- million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2015	104,843	64,944	58.2	2,279.32
March 31, 2014	98,030	48,604	46.3	1,944.73

Reference: Equity capital: As of March 31, 2015 ¥60,980 million  
 As of March 31, 2014 ¥45,368 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2015	15,499	(4,417)	(11,513)	5,924
March 31, 2014	9,469	(4,249)	(5,388)	5,836

### 2. Dividends

	Annual dividends					Total cash dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
Fiscal year ended March 31, 2014	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2014	-	20.00	-	20.00	40.00	933	40.2	2.2
Fiscal year ended March 31, 2015	-	12.00	-	28.00	40.00	1,029	19.4	1.9
Fiscal year ending March 31, 2016 (Forecast)	-	15.00	-	25.00	40.00		21.4	

Note: Breakdown of year-end dividends for the fiscal year ended March 31, 2015  
 Ordinary dividends ¥23.00  
 Commemorative dividends ¥5.00

### 3. Forecast of Financial Results for the Fiscal Year Ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

(Percentage figures represent changes from the corresponding periods of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	90,000	2.9	4,000	3.8	4,000	(7.9)	2,000	(12.5)	74.76
Fiscal year ending March 31, 2016	190,000	0.5	10,000	2.6	10,000	(3.8)	5,000	2.9	186.89

#### \* Notes

- (1) Changes in major subsidiaries during the year (changes in specified subsidiaries accompanying changes in the scope of consolidation): No
  - Newly added: - subsidiaries (Company name) -
  - Excluded: - subsidiaries (Company name) -
- (2) Changes in accounting policies and changes / restatement of accounting estimates
  - (i) Changes in accounting policies due to amendment of accounting standards, etc. : Yes
  - (ii) Changes in accounting policies other than (i) : No
  - (iii) Changes in accounting estimates : No
  - (iv) Restatement : No
- (3) Number of shares outstanding (common stock)
  - (i) Number of shares outstanding at end of year (including treasury stock)
    - March 31, 2015: 26,931,051
    - March 31, 2014: 23,506,015
  - (ii) Number of treasury stock at end of year
    - March 31, 2015: 177,166
    - March 31, 2014: 177,093
  - (iii) Average number of shares outstanding during the year
    - Fiscal year ended March 31, 2015: 23,563,800
    - Fiscal year ended March 31, 2014: 23,328,969

#### (Reference) Summary of non-consolidated results

##### Results for the Fiscal Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

#### 1. Non-consolidated Financial Results for the Fiscal year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(1) Non-consolidated operating results (Percentage figures represent the changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2015	134,350	10.3	2,363	-	4,101	226.5	2,504	204.3
March 31, 2014	121,761	9.3	(793)	-	1,256	36.9	823	(27.4)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2015	106.29	-
March 31, 2014	35.32	30.82

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2015	57,807	32,269	55.8	1,206.17
March 31, 2014	54,764	24,010	43.8	1,029.23

Reference: Equity capital: As of March 31, 2015 ¥32,269 million  
As of March 31, 2014 ¥24,010 million

#### \* Information on audit procedures conducted

At the time of disclosure of this financial report, the consolidated financial statements audit procedure as stipulated under the Financial Instruments and Exchange Act of Japan is still in process.

#### \* Information on proper use of the projected financial results and other notes

Forward-looking statements in this document, including earnings projections, are based on currently available information and certain assumptions that the Company regards as reasonable at the time of writing. Actual results may differ greatly from the forecast figures depending on various factors. For the preconditions of and precautions in using the earnings projections, please refer to "Analysis of Operating Results" on page 2 of the Attachment.

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## 1. Analysis of operating results and financial position

### (1) Analysis of operating results

#### Operating results for the year under review

The world economy during the fiscal year ended March 31, 2015 saw a moderate recovery, centering on the advanced countries supported by monetary easing policies in various countries and a drop in crude oil prices. Positive signs in the U.S. economy included an expansion of employment and strong personal consumption, and a recovery trend continued in the Japanese economy due to the continuation of a new phase of monetary easing. Meanwhile in Europe, while there were signs of recovery in countries including the UK and Germany, overall a trend of stagnation continued. China and other emerging countries saw a slowdown in economic growth.

Conditions were favorable in the electronic equipment and electronic components industries where the Foster Group ("the Group") operates, as sales of smartphone components expanded in the Chinese market, etc., and automotive components for the North American market also drove global demand.

Under this business environment, the Group worked to clarify the roles of manufacturing bases and implement reorganization through scrap-and-build efforts in order to establish an optimal production structure. Specifically, in response to the increase in personnel expenses and country risk at manufacturing bases in China, the Group accelerated its shift to the ASEAN region and implemented streamlining measures including plant downsizing and headcount cuts. As part of our China-plus-one strategy that incorporates Vietnam, we strengthened speaker production at the Bac Ninh plant in the suburbs of Hanoi. We also established a new production base (indirectly owned subsidiary) in the Thilawa Special Economic Zone in Myanmar that is a candidate for a China-plus-two strategy, and we are conducting preparations aimed at completing this plant by around October 2015.

As a result, consolidated sales of the year under review increased by 12.8% from the previous year (¥167,640 million) to ¥189,124 million, due mainly to strong production, shipment of products and the favorable effects of yen depreciation. In terms of profits, consolidated operating income of the year under review increased by 61.9% from the previous year (¥6,021 million) to ¥9,747 million, consolidated ordinary income of the year under review increased by 64.3% from the previous year (¥6,327 million) to ¥10,398 million, and consolidated net income for the year under review increased by 109.3% from the previous year (¥2,321 million) to ¥4,858 million due mainly to cost improvements achieved through quality improvements and streamlining.

The performance of each segment is as follows.

#### [Acoustic Components and Products Segment]

Production and shipment were strong of flat TV speakers and speaker systems, and audio speakers and headphones.

Consequently, sales of this segment were ¥28,189 million (up 13.7%, y-o-y). Operating income was ¥1,680 million (up 122.3%, y-o-y) due to increased sales of high value-added products.

#### [Automotive Components and Products Segment]

Production and shipment of car speakers and speaker systems performed favorably supported by the increased demand in the North American market. Consequently, sales of this segment were ¥59,516 million (up 17.2%, y-o-y). Meanwhile, operating income was ¥2,218 million (down 18.2%, y-o-y) due to a sharp depreciation of the euro and an increase in personal expenses, etc. in China during the fourth quarter.

#### [Information & Communication Components and Products Segment]

As for the production and shipment of mobile phone headsets, etc., shipments to major customers performed favorably. Consequently, sales of this segment were ¥95,981 million (up 7.3%, y-o-y). Operating income was ¥5,810 million (up 128.6%, y-o-y) due to cost improvements achieved through streamlining.

#### [Other Segment]

Sales of this segment, including the "FOSTEX" brand products, increased significantly to ¥5,437 million (up 107.7%, y-o-y), reflecting the full-year contribution of the micro acoustic components business, which the Company received in January 2014.

**Outlook for FY2016 (From April 1, 2015 to March 31, 2016)**

The global economy is expected to remain firm. However, the overall situation of the global economy is expected to continue to be severe and there is still the need to be cautious, due to factors including the expected impact on economic conditions caused by an increase in interest rates in U.S. which has been leading the global economy, a new normal economic state in China, and growing geopolitical risks in the Middle East.

In the electronic components industry where the Group operates, strong sales of smartphones and automotive components are expected. However, in the smartphone market it will be important to respond to the polarization of high-end models and mid- to low-end models, and to support the characteristics of the automotive markets in each region.

Given such a situation, with the vision of “To make contributions for future society through acoustics” and the mission of “Through acoustic products or its solutions, a total commitment to help create a comfortable life and pleasure of communication around the world. A truly global enterprise our future society counts on,” the Group strives to firmly establish its position in the industry and promote the construction of systems to realize sustainable growth while ensuring further improvement of business and increase of corporate value as a global company.

Moreover, we have determined the slogan of “Year for the Improvement of Operational Quality” for fiscal 2015 to advance the continual activities to improve corporate structure and promote reform. As specific measures, we implement “A powerful implementation in QMS and improved operations,” “To strengthen the production system,” “To strengthen the global functions,” “To exploit new products acquiring new market,” and thereby strive to innovate / improve all operations in the whole Group. Meanwhile, with CSR (Corporate Social Responsibility) in mind, we develop legal compliance, environment and risk management to the entire Group, and continue to make steady efforts to become a company that is trusted and needed by society and market.

Considering the domestic and overseas economic conditions described, we project the consolidated earnings for the fiscal year ending March 31, 2016 as follows.

Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
¥190,000 million	¥10,000 million	¥10,000 million	¥5,000 million

\* In projecting the performance above, we assumed exchange rates of ¥117 to the US dollar and ¥130 to the Euro.

Note: Considerations to take into account when using earnings projections

The earnings projections above are calculated based on information currently available and assumptions currently made on the risk and uncertain factors that may affect future earnings, etc. However, actual earnings may differ from the projections and estimates above due to various factors including but not limited to economic conditions of the business segments of the Group, business conditions of related markets and OEM customers, trend of competition and price competition in Japan and overseas, conditions of raw material markets, exchange rates, risk of overseas development, legal regulations in Japan and overseas, disasters and accidents, and share prices.

**(2) Analysis of financial position**

**Analysis of the status of assets, liabilities, net assets, and cash flows**

Total assets increased by ¥6,813 million from the end of the previous consolidated fiscal year to ¥104,843 million due mainly to the increase in inventories. Total liabilities decreased by ¥9,526 million from the end of the previous consolidated fiscal year to ¥39,899 million due mainly to the reduction in loans payable. Net assets increased by ¥16,340 million from the end of the previous consolidated fiscal year to ¥64,944 million due mainly to the conversion of bonds with subscription rights to shares. Equity ratio increased by 11.9% from the end of the previous consolidated fiscal year, to 58.2%.

[Operating activities]

Net cash provided by operating activities totaled ¥15,499 million due mainly to increase in income before income taxes and minority interests and others.

[Investing activities]

Net cash used in investing activities totaled ¥4,417 million due mainly to capital investment.

[Financing activities]

Net cash used in financing activities totaled ¥11,513 million due mainly to the repayment of short-term loans payable.

Consequently, the balance of cash and cash equivalents at the end of the consolidated fiscal year under review increased by ¥88 million from the end of the previous consolidated fiscal year to ¥5,924 million.

**Changes in cash flow-related indicators**

Changes in the indicators related to cash flows of the Group are as follows:

	FY2011	FY2012	FY2013	FY2014	FY2015
Equity ratio	50.7%	47.2%	42.5%	46.3%	58.2%
Market value equity ratio	68.4%	40.6%	32.0%	30.1%	77.1%
Ratio of interest-bearing debt to cash flow	-	6.3	15.7	2.4	0.9
Interest coverage ratio	-	13.6	6.0	45.4	77.7

Notes: 1. Equity ratio: Equity capital / Total assets

2. Market value equity ratio: Market capitalization / Total assets

3. Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Cash flow

4. Interest coverage ratio: Cash flow / Interest payment

\* Each indicator is calculated based on the financial indicators on a consolidated basis.

\* Market capitalization is calculated by multiplying the share's closing price at year end by the number of outstanding shares at year end.

\* Cash flows from operating activities posted on the consolidated statement of cash flows are used in calculating cash flow-related indicators. Interest-bearing debt covers all the liabilities which are posted on the consolidated balance sheet for which interest is paid. Interest paid posted in the consolidated statement of cash flows are used as interest payment.

\* Neither cash flow to interest-bearing debt ratio nor interest coverage ratio is stated since the operating cash flows in the fiscal year ended March 31, 2011 was negative.

**(3) Basic policy for profit sharing and dividends for the current and next fiscal year**

The Group has adopted the basic policy of improving the benefit of shareholders comprehensively, recognizing the enhancement of corporate value as a corporate challenge and keeping the balance between profit allocation according to earnings and increase of internal reserves on a long-term perspective, and aims to achieve the dividend payout ratio of at least 20% on a consolidated basis.

Based on this policy, we plan to pay a year-end dividend of ¥28 per share that includes an additional 65th commemorative dividend of ¥5 per share considering the results of the fiscal year under review and business environment in the future. As a result, the annual dividend for the entire fiscal year, including the interim dividend (¥12 per share) is ¥40 per share.

For the next fiscal year, the Company plans to set the dividend at ¥40 per share (interim at ¥15, year-end at ¥25).

## 2. The situation of the Group

The Group consists of the Company and 29 subsidiaries, engaged in production and sale of electronic equipment and components, etc. Their positioning in relation to the Group business is as follows:

### [Domestic production bases]

"Fostex Company," a division dealing in commercial products, is engaged in production of "acoustic components and products" for the purpose of producing high-tech and high-value-added products.

### [Overseas production bases]

As of the end of the consolidated fiscal year, 16 subsidiaries conduct overseas production to seek advantages in production costs and open up sales channels in local markets:

China, Hong Kong and South Korea: Foster Electric Co., (Hong Kong) Ltd. is engaged in production and sale of "acoustic components and products," "automobile components and products" and "information & communication equipment components and products" by contracting out to Guangzhou Panyu Jiu Shui Keng Foster Electric Factory in China. Foster Electric Co., (Heyuan) Ltd. is engaged in production of "acoustic components and products" and "automobile components and products." Foster Electric Co., (Nanning) Ltd. is engaged in production of "acoustic components and products" and "information & communication equipment components and products." Foster Electric Co., (Chongzuo) Ltd. is engaged in production of "information & communication equipment components and products."

ASEAN: ESTec Corporation and ESTec Electronics (Jiaxing) Co., Ltd. are engaged in production of "acoustic components and products" and "automobile components and products."

Under the control of Foster Electric (Singapore) Pte. Ltd., PT Foster Electric Indonesia is engaged in production of "acoustic components and products," "automobile components and products" and "information & communication equipment components and products." Foster Electric (Bac Ninh) Co., Ltd. and Myanmar Foster Electric Co., Ltd. are engaged in production of "automobile components and products" and "information & communication equipment components and products." Foster Electric (Vietnam) Co., Ltd. is engaged in production of "acoustic components and products" and "information & communication equipment components and products." Foster Electric (Da Nang) Co., Ltd., and Foster Electric (Quang Ngai) Co., Ltd. are engaged in production of "information & communication equipment components and products."

ESTec VINA Co., Ltd. is engaged in production of "acoustic components and products" and "automobile components and products," and ESTec Phu Tho Co., Ltd. is engaged in production of "information & communication equipment components and products." ESTec Corporation (Cambodia) Ltd. is engaged in production of "acoustic components and products" and "information & communication equipment components and products."

### [Domestic sales bases]

The Company and two subsidiaries (Foster Electronics Ltd. and ESTec Corporation) are engaged in domestic sales.

### [Overseas sales bases]

The Company and a subsidiary (Foster Electronics Ltd.) are engaged in export to overseas except the regions of which the following overseas subsidiaries are in charge:

Hong Kong: Foster Electric Co., (Hong Kong) Ltd.  
China: Foster Electric Co., (Guangzhou) Ltd., ESTec Electronics (Jiaxing) Co., Ltd.  
Taiwan: Foster Electric Co., (Taiwan) Ltd.  
South Korea: ESTec Corporation  
ASEAN: Foster Electric (Singapore) Pte. Ltd.  
Foster Electric IPO (Thailand) Ltd.  
ESTec Electronics (M) Sdn. Bhd.  
ESTec VINA Co., Ltd.  
ESTec Phu Tho Co., Ltd.  
ESTec Corporation (Cambodia) Ltd.  
North America: Foster Electric (U.S.A.), Inc.  
ESTec America Corporation  
Europe: Foster Electric (Europe) GmbH

### [Others]

Two subsidiaries (Foster Transportations Ltd. and Foster KIGYOU KABUSHIKI KAISHA) serve to complement the production and sales activities of the Group.

**Overview of subsidiaries and affiliates**

Name	Address	Stated Capital or Contribution (Millions of yen)	Principal Business	Holding (held) ratio of voting rights		Relations with the Company			
				Percentage held by the Company (%)	Percentage of held by others (%)	Financial support	Business transactions	Leased equipment	Others
(Consolidated subsidiary) Foster Transportations Ltd.	Akishima city, Tokyo	40	Haulage, warehouse management and vehicle maintenance	100.0	-	No	This company provides the Company with logistic services	No	Interlocking Directors
Foster Electronics Ltd.	Nakano ward, Tokyo	10	Sale of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0	-	No	The Company sells acoustic components and products, automobile components and products, and information & communication equipment components and products	No	Interlocking Directors
Foster KIGYOU KABUSHIKI KAISHA	Akishima city, Tokyo	71	Finance	100.0	-	No	This company provides the Company with financial services	No	Appoint interlocking Directors
Foster Electric Co., (Hong Kong) Ltd.	Hong Kong, China	HK\$ 100,000,000	Production and sale of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0	-	No	The Company sells materials and purchases acoustic components and products, automobile components and products, and information & communication equipment components and products	No	The Company provides technical support Interlocking Directors
Foster Electric Co., (Guangzhou) Ltd.	Guangzhou city, China	RMB 30,000,000	Sale to China of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0 (100.0)	-	No	This company purchases acoustic components and products, automobile components and products, and information & communication equipment components and products from Foster Electric Co., (Hong Kong) Ltd.	No	Interlocking Directors
Foster Electric Co., (Changzhou) Ltd.	Changzhou city, China	RMB 16,703,000	-	100.0 (100.0)	-	No	-	-	Currently in liquidation process
Foster Electric Co., (Nanning) Ltd.	Nanning city, China	RMB 91,316,000	Production of acoustic components and products, and information & communication equipment components and products	100.0 (100.0)	-	No	This company purchases materials from Foster Electric Co., (Hong Kong) Ltd. and sells acoustic components and products, and information & communication equipment components and products	No	Interlocking Directors
Foster Electric Co., (Heyuan) Ltd.	Heyuan city, China	RMB 51,141,000	Production of acoustic components and products, and automobile components and products	100.0 (100.0)	-	No	This company purchases materials from Foster Electric Co., (Hong Kong) Ltd. and sells acoustic components and products, and automobile components and products	No	Interlocking Directors
Foster Electric Co., (Chongzuo) Ltd.	Chongzuo city, China	RMB 11,000,000	Production of information & communication equipment components and products	100.0 (100.0)	-	No	This company purchases materials from Foster Electric Co., (Hong Kong) Ltd. and sells information & communication equipment components and products	No	No



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Name	Address	Stated Capital or Contribution (Millions of yen)	Principal Business	Holding (held) ratio of voting rights		Relations with the Company			
				Percentage held by the Company (%)	Percentage held by others (%)	Financial support	Business transactions	Leased equipment	Others
Foster Electric Co., (Gaozhou) Ltd.	Gaozhou city, China	RMB 20,000,000	-	100.0 (100.0)	-	No	-	-	Currently in liquidation process
Foster Electric Co., (Taiwan) Ltd.	Taoyuan city, Taiwan	NT\$ 50,000,000	Sale of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0	-	No	This company purchases acoustic components and products, automobile components and products, and information & communication equipment components and products from Foster Electric Co., (Hong Kong) Ltd.	No	No
Foster Electric (Singapore) Pte. Ltd.	Singapore	US\$ 5,000,000	Sale of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0	-	No	The Company sells materials and purchases acoustic components and products, automobile components and products, and information & communication equipment components and products This company sells materials to PT Foster Electric Indonesia and purchases acoustic components and products, automobile components and products, and information & communication equipment components and products	No	The Company provides technical support Interlocking Directors
PT Foster Electric Indonesia	Batam, Indonesia	US\$ 2,550,000	Production of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0 (100.0)	-	No	This company purchases materials from Foster Electric (Singapore) Pte. Ltd. and sells acoustic components and products, automobile components and products, and information & communication equipment components and products	No	Interlocking Directors
Myanmar Foster Electric Co., Ltd.	Yangon, Myanmar	US\$ 2,356,000	Production of automobile components and products, and information & communication equipment components and products	100.0 (100.0)	-	No	This company receives materials from Foster Electric (Singapore) Pte. Ltd. and sells automobile components and products, and information & communication equipment components and products	No	Interlocking Directors
Foster Electric (Thilawa) Co., Ltd.	Thilawa, Myanmar	US\$ 3,000,000	Production of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0 (100.0)	-	No	-	No	Established in December 2014 Interlocking Directors
Foster Electric IPO (Thailand) Ltd.	Thailand	TBH 3,500,000	Sale of automobile components and products	100.0 (100.0)	-	No	This company purchases automobile components and products from Foster Electric Co., (Singapore) Pte. Ltd.	No	No

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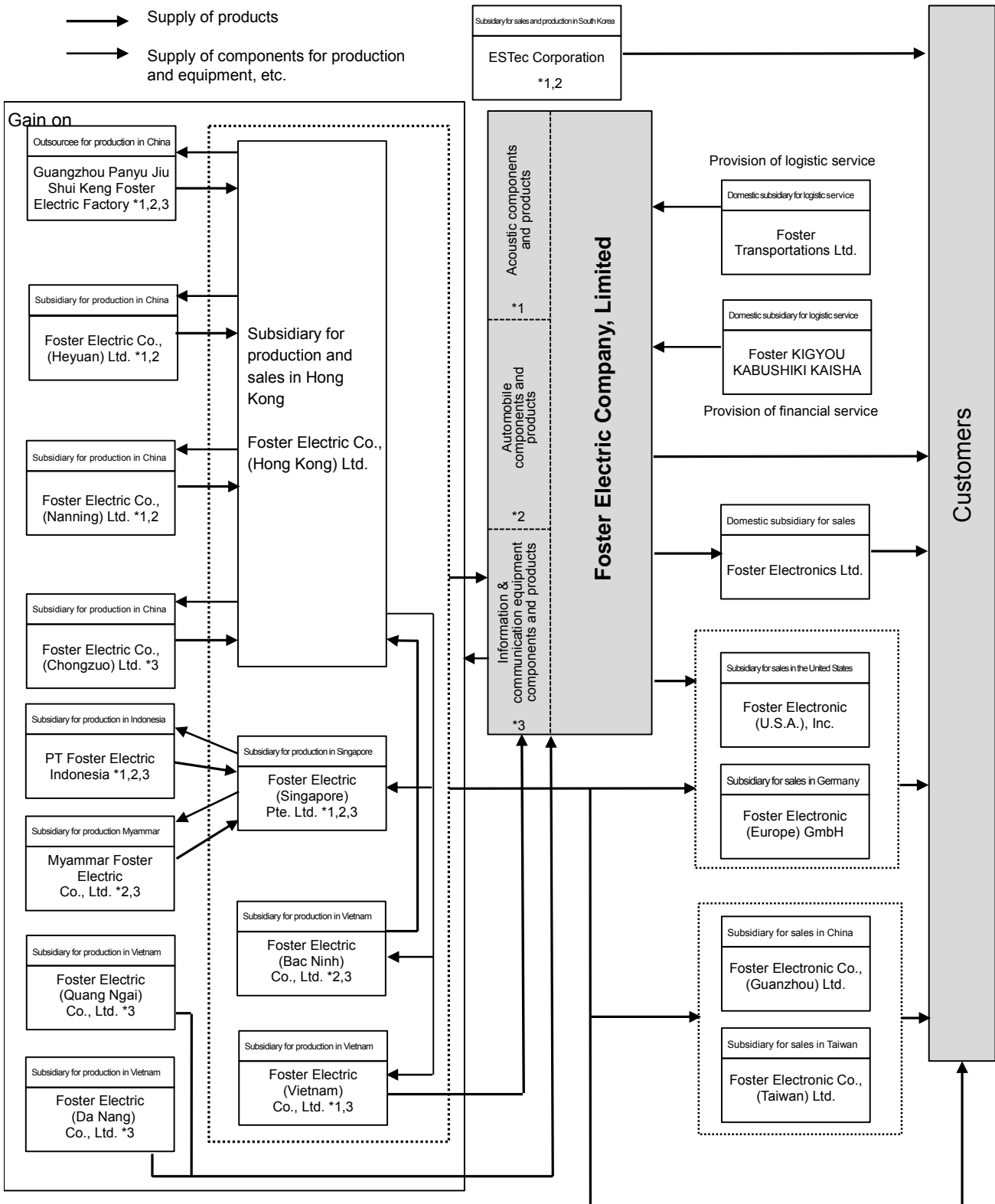
Name	Address	Stated Capital or Contribution (Millions of yen)	Principal Business	Holding (held) ratio of voting rights		Relations with the Company			
				Percentage held by the Company (%)	Percentage held by others (%)	Financial support	Business transactions	Leased equipment	Others
Foster Electric (Vietnam) Co., Ltd.	Binh Duong, Vietnam	US\$ 29,000,000	Production of acoustic components and products, and information & communication equipment components and products	100.0	-	No	This company purchases components from Foster Electric (Bac Ninh) Co., Ltd. and sells acoustic components and products, and information & communication equipment components and products to the Company	No	Interlocking Directors
Foster Electric (Da Nang) Co., Ltd.	Da Nang, Vietnam	US\$ 2,446,000	Production of information & communication equipment components and products	100.0 (100.0)	-	No	This company sells information & communication equipment components and products to the Company	No	No
Foster Electric (Quang Ngai) Co., Ltd.	Quang Ngai, Vietnam	US\$ 1,000,000	Production of information & communication equipment components and products	100.0 (100.0)	-	No	This company sells information & communication equipment components and products to the Company	No	No
Foster Electric (Bac Ninh) Co., Ltd.	Bac Ninh, Vietnam	US\$ 8,000,000	Production of information & communication equipment components and products	100.0 (100.0)	-	The Company provides loan for equipment fund	This company sells components to Foster Electric (Vietnam) Co., Ltd.	No	Interlocking Directors
Foster Electric (U.S.A.), Inc.	Illinois, U.S.A.	US\$ 18,000,000	Import and sale of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0	-	No	The Company sells acoustic components and products, automobile components and products, and information & communication equipment components and products	No	Interlocking Directors
Foster Electric (Europe) GmbH	Hamburg, Germany	€4,000,000	Import and sale of acoustic components and products, automobile components and products, and information & communication equipment components and products	100.0	-	No	The Company sells acoustic components and products, automobile components and products, and information & communication equipment components and products	No	Interlocking Directors
ESTec Corporation	Gyeongsangnam-do, South Korea	KRW 5,455,000,000	Production and sale of acoustic components and products, and automobile components and products	64.1	-	No	No	No	Interlocking Directors
ESTec Electronics (Jiaxing) Co., Ltd.	Jiaxing city, China	US\$ 7,050,000	Production and sale of acoustic components and products, and automobile components and products	64.1 (64.1)	-	No	No	No	No
ESTec Electronics (M) Sdn. Bhd.	Malaysia	US\$ 700,000	Sale of acoustic components and products, and automobile components and products	64.1 (64.1)	-	No	No	No	No

Name	Address	Stated Capital or Contribution (Millions of yen)	Principal Business	Holding (held) ratio of voting rights		Relations with the Company			
				Percentage held by the Company (%)	Percentage held by others (%)	Financial support	Business transactions	Leased equipment	Others
ESTec VINA Co., Ltd.	Binh Duong, Vietnam	US\$ 6,020,000	Production and sale of acoustic components and products, automobile components and products	64.1 (64.1)	-	No	The Company sells materials to Foster Electric (Singapore) Pte. Ltd.	No	No
ESTec Phu Tho Co., Ltd.	Phu Tho, Vietnam	US\$ 3,000,000	Production and sale of information & communication equipment components and products	64.1 (64.1)	-	No	This company sells products to Foster Electric Co., (Hong Kong) Ltd. and Foster Electric Co., (Guangzhou) Ltd.	No	No
ESTec Corporation (Cambodia) Ltd.	Cambodia	US\$ 2,000,000	Production and sale of acoustic components and products, and information & communication equipment components and products	64.1 (64.1)	-	No	No	No	No
ESTec America Corporation	U.S.A.	US\$ 50,000	Sale of acoustic components and products, and automobile components and products	64.1 (64.1)	-	No	No	No	No

- Notes: 1. Figures in parentheses in the columns of percentage of voting rights of subsidiaries represent percentages of indirect ownership.
2. The Company decided to dissolve Foster Electric Co., (Changzhou) Ltd. in August 2014 and Foster Electric Co., (Gaozhou) Ltd. in September 2014.
3. In December 2014, Foster Electric (Thilawa) Co., Ltd. was established as a wholly-owned subsidiary of Foster Electric (Singapore) Pte. Ltd.
4. ESTec Corporation holds 100% of shares in ESTec Electronics (Jiaxing) Co., Ltd., ESTec Electronics (M) Sdn. Bhd., ESTec VINA Co., Ltd. ESTec Phu Tho Co., Ltd., ESTec Corporation (Cambodia) Ltd. and ESTec America Corporation.

Business operation chart is shown as follows

- Supply of products
- Supply of components for production and equipment, etc.



(Note) The numbers in the chart \*1 to 3 represent business segment of the Company and its relation to the business of each subsidiary and affiliate.

### 3. Managerial policy

#### (1) Major policy for corporate management

Since its foundation, corporate social responsibility of the Group has been represented by the word “Sincerity,” which is the corporate creed. Bearing this in mind, the Group consistently endeavors to satisfy stakeholders and contribute to society, and to enhance competitiveness with consideration for the environment and responsibility in an aim to realize sustainable growth.

Outline of the Company's managerial policy in 2015 is as follows.

[Major Policy]

To establish the base of global business and create the profitable structure toward the year of 2020

[Targets]

1. A powerful implementation in QMS and improved operations
2. To strengthen the production system
3. To strengthen the global functions
4. To exploit new products acquiring new market
5. Compliance, risk management (internal controls) and environmental response with the mindset of CSR among group companies

[Corporate Slogan in 2015]

“Year for the Improvement of Operational Quality”

#### (2) Management objectives

As the mid-term management objective for carrying out the long-term strategy towards 2020, the Group will continue to use the consolidated ROE as management index to ensure the sustainable growth of business and enhancement of corporate value.

#### (3) Mid- and long-term management strategies

The Group, as a specialized manufacturer of “acoustics,” has adopted the vision of “To make contributions for future society through acoustics” and the mission of “Through acoustic products or its solutions, a total commitment to help create a comfortable life and pleasure of communication around the world. A truly global enterprise our future society counts on.” By further developing the interface technologies between acoustic signals and human with the accumulated knowledge and know-how, the Group aims to create new technologies and businesses.

#### (4) Issues to be addressed by the Company

Based on the management with focus on cash flows, the Foster Group will promote the reinforcement of manufacturing system and cost reduction considering the reorganization of manufacturing facilities. Particular focus will be placed on the promotion of mechanization and manpower saving to address the wage increase in manufacturing countries and the introduction of manufacturing system for further improvement in quality.

In addition, the Group will promote the functional reinforcement for global response, which is increasingly sought in order to address technical innovation and rapid market change. As specific efforts, the Group will work to reorganize the sales, purchasing, and technical functions in the ASEAN region while controlling and reinforcing management information systems.

Meanwhile, with the understanding of the significance of human resource development as an important agenda for carrying out the policies stated above, the Foster Group further promotes the systematization of global human resources development programs, while the entire Group endeavors to introduce a personnel system for establishment of an organization culture considering the diversity of working styles.

Moreover, the whole Group will further strengthen Quality Management System (QMS) to upgrade operational quality, i.e. “product quality,” “quality of response to customers,” and “quality of proposal to customers.”

### 4. Basic policies concerning the Selection of Accounting Standards

In light of the comparability between consolidated financial statements for different fiscal years and companies, it is the Group's policy to continue to prepare for consolidated financial statements under Japanese GAAP for the foreseeable future.

Meanwhile, with an eye to the future adoption of IFRS, the Group is moving ahead on development of internal manuals and guidelines, etc. and the timing of its adoption.

**5. Consolidated financial statements**  
**(1) Consolidated balance sheet**

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	8,225	8,589
Notes and accounts receivable - trade	28,865	31,692
Electronically recorded monetary claims - operating	1,101	522
Finished goods	16,417	18,090
Raw materials	7,820	8,928
Work in process	1,291	1,156
Supplies	445	285
Short-term loans receivable	49	11
Accounts receivable - other	1,695	2,117
Deferred tax assets	634	604
Other	2,041	2,695
Allowance for doubtful receivables	(874)	(971)
Total current assets	67,713	73,721
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,267	14,497
Accumulated depreciation	(3,777)	(4,690)
Buildings and structures, net	9,490	9,806
Machinery and equipment	23,208	23,994
Accumulated depreciation	(13,497)	(15,257)
Machinery and equipment, net	9,710	8,737
Furniture and fixtures	11,990	13,075
Accumulated depreciation	(8,973)	(10,004)
Tools, furniture and fixtures, net	3,016	3,070
Land	1,034	1,133
Construction in progress	828	523
Net property, plant and equipment	24,079	23,271
Intangible assets		
Software	284	393
Leasehold rights	846	1,248
Other	180	115
Total intangible assets	1,311	1,757
Investments and other assets		
Investment securities	2,735	3,800
Long-term loans receivable	45	45
Long-term prepaid expenses	825	601
Asset for employees' retirement benefits	645	837
Deferred tax assets	314	369
Other	367	447
Allowance for doubtful receivables	(9)	(9)
Total investments and other assets	4,925	6,093
Total non-current assets	30,316	31,121
<b>Total assets</b>	<b>98,030</b>	<b>104,843</b>

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,889	14,433
Electronically recorded obligations - operating	156	80
Short-term bank loans	14,163	6,494
Current portion of long-term debt	1,310	1,052
Accounts payable - other	3,175	4,298
Income taxes payable	698	1,672
Accrued expenses	1,562	1,985
Deferred tax liabilities	172	138
Reserve for bonuses	596	677
Other	1,138	866
<b>Total current liabilities</b>	<b>34,865</b>	<b>31,699</b>
Long-term liabilities		
Convertible bonds with subscription rights to shares	6,000	-
Long-term debt	7,080	6,514
Deferred tax liabilities	779	974
Liability for employees' retirement benefits	199	201
Liability for director's retirement benefits	72	68
Asset retirement obligations	222	226
Other	206	213
<b>Total long-term liabilities</b>	<b>14,560</b>	<b>8,199</b>
<b>Total liabilities</b>	<b>49,425</b>	<b>39,899</b>
Net assets		
Shareholders' equity		
Common stock	3,770	6,770
Capital surplus	6,372	9,372
Retained earnings	35,416	39,528
Treasury stock	(133)	(133)
<b>Total shareholders' equity</b>	<b>45,426</b>	<b>55,538</b>
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	638	1,141
Foreign currency translation adjustment	(581)	4,477
Remeasurements of defined benefit plans	(115)	(176)
<b>Total accumulated other comprehensive income</b>	<b>(58)</b>	<b>5,442</b>
Minority interests	3,236	3,963
<b>Total net assets</b>	<b>48,604</b>	<b>64,944</b>
<b>Total liabilities and net assets</b>	<b>98,030</b>	<b>104,843</b>

**(2) Consolidated statement of income and consolidated statement of comprehensive income**  
**(Consolidated statement of income)**

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	167,640	189,124
Cost of sales	145,767	162,382
Gross profit	21,873	26,741
Selling, general and administrative expenses	15,852	16,993
Operating income	6,021	9,747
Non-operating income		
Interest income	129	158
Dividend income	39	45
Foreign currency exchange gain	147	431
Miscellaneous income	472	686
Total non-operating income	789	1,322
Non-operating expenses		
Interest expense	208	209
Miscellaneous loss	274	461
Total non-operating expenses	483	671
Ordinary income	6,327	10,398
Extraordinary income		
Gain on sales of property, plant and equipment	69	-
Gain on sales of investment securities	53	22
Government subsidy	109	137
Total extraordinary income	232	160
Extraordinary losses		
Loss on impairment of long-lived assets	2,044	1,129
Special retirement expenses	-	410
Total extraordinary losses	2,044	1,539
Income before income taxes and minority interests	4,515	9,019
Income taxes – current	2,259	3,232
Income taxes for prior periods	-	493
Income taxes – deferred	(389)	(36)
Total income taxes	1,870	3,689
Net income before minority interests	2,645	5,330
Minority interest in net income	324	472
Net income	2,321	4,858



**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income before minority interests	2,645	5,330
Other comprehensive income		
Unrealized gain on available-for-sale securities	204	503
Foreign currency translation adjustments	4,139	5,432
Remeasurements of defined benefit plans	-	(88)
Total other comprehensive income	4,343	5,847
Comprehensive income	6,989	11,178
(Breakdown)		
Total comprehensive income attributable to owners of the parent	6,106	10,359
Total comprehensive income attributable to minority interests	883	819

**(3) Consolidated statement of changes in net assets**  
**Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)**

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2013	3,770	6,372	33,911	(133)	43,921
Changes during the year					
Conversion of bonds with subscription rights to shares					
Dividends paid			(816)		(816)
Net income			2,321		2,321
Purchase of treasury stock				(0)	(0)
Net change in items other than shareholders' equity during the year (net value)					
Net change in the year	-	-	1,504	(0)	1,504
Balance, March 31, 2014	3,770	6,372	35,416	(133)	45,426

	Accumulated other comprehensive income				Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2013	434	(4,162)	-	(3,728)	2,430	42,624
Changes during the year						
Conversion of bonds with subscription rights to shares						
Dividends paid						(816)
Net income						2,321
Purchase of treasury stock						(0)
Net change in items other than shareholders' equity during the year (net value)	204	3,580	(115)	3,669	805	4,475
Net change in the year	204	3,580	(115)	3,669	805	5,980
Balance, March 31, 2014	638	(581)	(115)	(58)	3,236	48,604

**Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)**

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2014	3,770	6,372	35,416	(133)	45,426
Changes during the year					
Conversion of bonds with subscription rights to shares	3,000	3,000			6,000
Dividends paid			(746)		(746)
Net income			4,858		4,858
Purchase of treasury stock				(0)	(0)
Net change in items other than shareholders' equity during the year (net value)					
Net change in the year	3,000	3,000	4,111	(0)	10,111
Balance, March 31, 2015	6,770	9,372	39,528	(133)	55,538

	Accumulated other comprehensive income				Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2014	638	(581)	(115)	(58)	3,236	48,604
Changes during the year						
Conversion of bonds with subscription rights to shares						6,000
Dividends paid						(746)
Net income						4,858
Purchase of treasury stock						(0)
Net change in items other than shareholders' equity during the year (net value)	503	5,059	(61)	5,500	727	6,228
Net change in the year	503	5,059	(61)	5,500	727	16,340
Balance, March 31, 2015	1,141	4,477	(176)	5,442	3,963	64,944

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
<b>Operating activities</b>		
Income before income taxes and minority interests	4,515	9,019
Depreciation and amortization	6,441	5,928
Amortization of goodwill	97	7
(Increase) decrease asset for employees' retirement benefits	(90)	(192)
Increase (decrease) in liability for employees' retirement benefits	(59)	265
Increase (decrease) in director's retirement benefits	(7)	(0)
Increase(decrease) in allowance for doubtful receivables	(64)	9
Increase (decrease) in reserve for bonuses	(26)	55
Loss (gain) on disposal of property, plant and equipment	(69)	-
Loss on impairment of long-lived assets	2,044	1,129
Special retirement expenses	-	410
Loss (gain) on sales of investment securities	(53)	(22)
Interest and dividend income	(169)	(203)
Interest expenses	208	209
Foreign exchange loss (gain)	1,220	1,045
Decrease (increase) in trade notes and accounts receivable	20	(1,042)
Decrease (increase) in inventories	(332)	10
Increase (decrease) in trade notes and accounts payable	(1,045)	769
Decrease (increase) in other accounts receivable	168	(293)
Increase (decrease) in other accounts payable	(1,484)	1,132
Other	47	466
<b>Subtotal</b>	<b>11,361</b>	<b>18,704</b>
Interest and dividend income received	169	203
Interest expenses paid	(208)	(199)
Income taxes - paid	(1,852)	(2,798)
Payments for special retirement expenses	-	(410)
<b>Net cash provided by operating activities</b>	<b>9,469</b>	<b>15,499</b>

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
<b>Investing activities</b>		
Purchase of investment securities	(0)	(513)
Proceeds from sales of investment securities	85	89
Purchase of property, plant and equipment	(3,070)	(3,185)
Proceeds from sales of property, plant and equipment	148	-
Purchases of intangible assets	(245)	(455)
Decrease (increase) in time deposits	(818)	(26)
Decrease (increase) in short-term loans receivable	(30)	47
Payments of long-term loans receivable	(17)	(21)
Collection of long-term loans receivable	16	19
Payment for long-term prepaid expenses	(338)	(377)
Other	19	6
<b>Net cash used in investing activities</b>	<b>(4,249)</b>	<b>(4,417)</b>
<b>Financing activities</b>		
Increase (decrease) in short-term bank loans payable-net	(7,396)	(9,638)
Proceeds from long-term debt	4,655	427
Repayments of long-term debt	(1,766)	(1,475)
Dividends paid	(816)	(746)
Dividends paid to minority shareholders	(64)	(80)
Purchase of treasury stock	(0)	(0)
<b>Net cash used in financing activities</b>	<b>(5,388)</b>	<b>(11,513)</b>
Effect of exchange rate changes on cash and cash equivalents	644	519
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>476</b>	<b>88</b>
Cash and cash equivalents, beginning of period	5,359	5,836
Cash and cash equivalents, end of period	5,836	5,924

**(5) Notes to the consolidated financial statements**

**(Notes on going concern assumption)**

Not applicable.

**(Basis of preparations for consolidated financial statements)**

Apart from the matters set out below, disclosure of significant matters is omitted, as there have been no material changes from those described in the latest Securities Report filed on June 25, 2014.

1. Accounting standards, etc. for retirement benefits

**(Changes in accounting policies)**

(Application of the accounting standards, etc. for retirement benefits)

Effective from the consolidated fiscal year under review, the Company has adopted the "Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No. 26 issued on May 17, 2012; "Retirement Benefits Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on March 26, 2015; "Guidance on Retirement Benefits") in terms of provisions stipulated in the main text Section 35 of the Retirement Benefits Accounting Standards and the main text of Section 67 of the Guidance on Retirement Benefits) and reviewed the method of calculating retirement benefit liabilities and service cost. Method of period attribution for estimated retirement benefits has changed from the straight-line attribution basis to benefit formula basis, while the method of determining discount rates has been changed from the method where the period for bonds, which forms the basis for determining the discount rate, is determined based on the approximate number of years of the average remaining service period of employees, to the method using a single weighted average discount rate reflecting the period up to the expected timing of retirement benefits payment, as well as the amount of retirement benefits payment for each such period.

Note that this change has no effect on the beginning balance of retained earnings, and profit or loss.

**(Segment information etc.)**

Segment information

1. Outline of reportable segments

The Company's reportable segments are the business units for which the Company is able to obtain respective financial information separately and the management makes periodic reviews to determine the distribution of management resources and evaluate their performance.

The Company identifies business segments according to business organizations, contents of products to be provided, similarity of market and has four reportable segments: "Acoustic components and products," "Automotive components and products," "Information & communication components and products," and "Other business."

The segment of "Acoustic components and products" manufactures and distributes audio and TV speakers and speaker systems, amplifier built-in speakers, headphones, etc. The segment of "Automotive components and products" manufactures and distributes car speakers and speaker systems, etc. The segment of "Information & communication components and products" manufactures and distributes head sets and small speakers for mobile phones, business microphones, etc. The segment of "other business" manufactures and distributes "FOSTEX" brand products, distributes electronic buzzers and sounders for alarm or warning, and provides logistics services, etc.

2. Method of accounting for net sales, income or loss, assets, liabilities and other items for each reportable segment

Accounting procedures applied to reportable business segments are generally the same as those employed for the preparation of Consolidated Financial Statements.

3. Information on sales and profits according to reportable segments

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Reportable segments				Total	Adjustments * Note 1	Amount reported on the consolidated income statement * Note 2
	Acoustic components and products	Automotive components and products	Information & communication components and products	Other			
Net sales							
Sales to external customers	24,801	50,798	89,422	2,618	167,640	-	167,640
Inter-segment sales or transfers	-	-	-	-	-	-	-
Total	24,801	50,798	89,422	2,618	167,640	-	167,640
Segment income	756	2,711	2,542	109	6,119	(97)	6,021

Notes: 1. Segment adjustment of ¥(97) million is amortization of goodwill.

2. Segment income is adjusted with operating income of the consolidated income statement.

Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Reportable segments				Total	Adjustments * Note 1	Amount reported on the consolidated income statement * Note 2
	Acoustic components and products	Automotive components and products	Information & communication components and products	Other			
Net sales							
Sales to external customers	28,189	59,516	95,981	5,437	189,124	-	189,124
Inter-segment sales or transfers	-	-	-	-	-	-	-
Total	28,189	59,516	95,981	5,437	189,124	-	189,124
Segment income	1,680	2,218	5,810	44	9,754	(7)	9,747

Notes: 1. Segment adjustment of ¥(7) million is amortization of goodwill.

2. Segment income is adjusted with operating income of the consolidated income statement.

**(Per-share information)**

The amounts and bases for the computation of net assets per share and net income per share are set out below.

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net assets per share	¥1,944.73	¥2,279.32
Net income per share	¥99.50	¥206.18
Diluted net income per share	¥86.83	-

Notes: 1. The basis for calculation of net income per share and diluted net income per share is as follows.

2. The diluted net income per share for the year under review is not stated as there were no dilutive shares during that period.

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income per share		
Net income (Millions of yen)	2,321	4,858
Amount not attributable to common shareholders (Millions of yen)	-	-
Net income relating to common shares (Millions of yen)	2,321	4,858
Average number of common shares outstanding for the year (shares)	23,328,969	23,563,800
Diluted net income per share		
Adjustments to net income (Millions of yen)	-	-
Increase in the number of common shares (shares)	3,045,221	-
Of which, convertible bond-type bond with subscription rights to shares (shares)	(3,045,221)	(-)
Descriptions of dilutive shares that were not included in the computation of diluted net income per share because of their non-dilutive effect	-	-

**2. Net assets per share**

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Total net assets (Millions of yen)	48,604	64,944
Amount to be deducted from total net assets (Millions of yen)	3,236	3,963
Of which, minority interests (Millions of yen)	(3,236)	(3,963)
Year-end net assets relating to common shares (Millions of yen)	45,368	60,980
Number of common shares at year end used for calculating net assets per share (shares)	23,328,922	26,753,885

**(Subsequent events)**

Not applicable.



## 6. Non-consolidated financial statements

### (1) Balance sheet

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	549	621
Notes receivable	36	31
Electronically recorded monetary claims - operating	395	281
Accounts receivable - trade	20,929	23,588
Finished goods	8,295	8,693
Raw materials	156	143
Supplies	290	46
Prepaid expenses	67	53
Short-term loans receivable	1,955	2,287
Accounts receivable - other	526	698
Deferred tax assets	340	318
Other	3	15
Allowance for doubtful receivables	(3)	(0)
Total current assets	33,542	36,777
Non-current assets		
Property, plant and equipment		
Buildings	3,657	3,420
Structures	73	64
Machinery and equipment	62	105
Vehicles	6	3
Furniture and fixtures	347	308
Land	277	277
Net property, plant and equipment	4,423	4,179
Intangible assets		
Software	181	180
Other	41	19
Total intangible assets	222	199
Investments and other assets		
Investment securities	2,722	3,341
Shares of subsidiaries and associates	13,036	12,349
Prepaid pension costs	732	877
Other	123	119
Allowance for doubtful receivables	(9)	(9)
Allowance for investment losses	(29)	(29)
Total investments and other assets	16,576	16,650
Total non-current assets	21,222	21,029
<b>Total assets</b>	<b>54,764</b>	<b>57,807</b>

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	10,919	15,600
Short-term bank loans	4,164	177
Current portion of long-term debt	668	500
Accounts payable - other	915	757
Income taxes payable	433	1,065
Accrued expenses	155	156
Advances received	18	5
Deposits received	38	57
Reserve for bonuses	425	484
Other	1	0
Long-term liabilities	17,739	18,805
Long-term liabilities		
Convertible bonds with subscription rights to shares	6,000	-
Long-term debt	6,250	5,750
Deferred tax liabilities	501	729
Asset retirement obligations	222	226
Other	40	25
Total long-term liabilities	13,014	6,731
<b>Total liabilities</b>	<b>30,753</b>	<b>25,537</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	3,770	6,770
Capital surplus		
Capital reserve	3,896	6,896
Other capital surplus	2,476	2,476
Total capital surplus	6,372	9,372
Retained earnings		
Legal retained earnings	373	373
Other retained earnings		
Reserve for special depreciation	-	41
General reserve	4,700	4,700
Retained earnings brought forward	8,300	10,016
Total retained earnings	13,374	15,132
Treasury stock	(133)	(133)
Total shareholders' equity	23,383	31,142
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	626	1,127
Total valuation and translation adjustments	626	1,127
<b>Total net assets</b>	<b>24,010</b>	<b>32,269</b>
<b>Total liabilities and net assets</b>	<b>54,764</b>	<b>57,807</b>

(2) Statement of income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	121,761	134,350
Cost of sales	115,665	125,502
Gross profit	6,096	8,847
Selling, general and administrative expenses	6,889	6,483
Operating income (loss)	(793)	2,363
Non-operating income		
Interest income	30	22
Dividend income	1,978	1,361
Foreign currency exchange gain	107	445
Miscellaneous income	25	21
Total non-operating income	2,142	1,850
Non-operating expenses		
Interest expense	78	98
Miscellaneous losses	14	14
Total non-operating expenses	92	112
Ordinary income	1,256	4,101
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	139
Gain on sales of property, plant and equipment	70	-
Gain on sales of investment securities	53	22
Total extraordinary income	123	162
Extraordinary losses		
Total extraordinary losses	-	-
Income before income taxes and minority interests	1,379	4,263
Income taxes - current	448	1,200
Income taxes for prior periods	-	493
Income taxes - deferred	107	65
Total income taxes	555	1,758
Net income	823	2,504

**(3) Statement of changes in shareholders' equity**

**Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)**

(Millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings					Treasury stock
		Capital reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings	
						Reserve for special depreciation	General reserve	Retained earnings carried forward		
Balance, April 1, 2013	3,770	3,896	2,476	6,372	373	-	4,700	8,292	13,366	(133)
Changes during the year										
Conversion of bonds with subscription rights to shares										
Provision of reserve for special depreciation										
Dividends paid								(816)	(816)	
Net income								823	823	
Purchase of treasury stock										(0)
Net change in the items other than shareholders' equity during the year under review										
Net change in the year	-	-	-	-	-	-	-	7	7	(0)
Balance, March 31, 2014	3,770	3,896	2,476	6,372	373	-	4,700	8,300	13,374	(133)

	Shareholders' equity	Valuation and translation adjustments		Total net assets
	Total shareholders' equity	Unrealized gain on available-for-sale securities	Total valuation and translation adjustments	
Balance, April 1, 2013	23,376	424	424	23,801
Changes during the year				
Conversion of bonds with subscription rights to shares				
Provision of reserve for special depreciation				
Dividends paid	(816)			(816)
Net income	823			823
Purchase of treasury stock	(0)			(0)
Net change in the items other than shareholders' equity during the year under review		202	202	202
Net change in the year	7	202	202	209
Balance, March 31, 2014	23,383	626	626	24,010

**Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)**

(Millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings					Treasury stock
		Capital reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings	
						Reserve for special depreciation	General reserve	Retained earnings carried forward		
Balance, April 1, 2014	3,770	3,896	2,476	6,372	373	-	4,700	8,300	13,374	(133)
Changes during the year										
Conversion of bonds with subscription rights to shares	3,000	3,000		3,000						
Provision of reserve for special depreciation						41		(41)	-	
Dividends paid								(746)	(746)	
Net income								2,504	2,504	
Purchase of treasury stock										(0)
Net change in the items other than shareholders' equity during the year under review										
Net change in the year	3,000	3,000	-	3,000	-	41	-	1,716	1,758	(0)
Balance, March 31, 2015	6,770	6,896	2,476	9,372	373	41	4,700	10,016	15,132	(133)

	Shareholders' equity	Valuation and translation adjustments		Total net assets
	Total shareholders' equity	Unrealized gain on available-for-sale securities	Total valuation and translation adjustments	
Balance, April 1, 2014	23,383	626	626	24,010
Changes during the year				
Conversion of bonds with subscription rights to shares	6,000			6,000
Provision of reserve for special depreciation	-			-
Dividends paid	(746)			(746)
Net income	2,504			2,504
Purchase of treasury stock	(0)			(0)
Net change in the items other than shareholders' equity during the year under review		500	500	500
Net change in the year	7,758	500	500	8,259
Balance, March 31, 2015	31,142	1,127	1,127	32,269

**(4) Notes to the non-consolidated financial statements  
(Notes on going concern assumption)**

Not applicable.

**7. Others**

**(1) Changes in Directors**

(i) Change in the representative

Not applicable.

(ii) Other changes in Directors

1. New Director candidate

Senior Managing Director	Atsushi Narikawa	(Effective from May 1, 2015, Mr. Narikawa assumed the office of Advisor to the Company.)
Outside Director	Minoru Matsumoto	(Head of Minoru Matsumoto CPA Office)
Outside Director	Chieko Matsuda	(Professor of Faculty of Urban Liberal Arts, and Professor of Graduate School of Social Sciences, Tokyo Metropolitan University)

Proposal for appointment of new Directors will be formally decided at the 81st Ordinary General Meeting of Shareholders to be held on June 23, 2015 and the Board of Directors meeting to be held thereafter.

2. Resigning Director

Chairman and Director	Yasuo Higashi	(Mr. Higashi is scheduled to become an Executive Advisor to the Company.)
Director	Terushige Nagasawa	(Mr. Nagasawa is scheduled to assume the office of Senior Officer of the Company and Managing Director of Foster Electric (Singapore) Pte. Ltd. )
Outside Director	Kaoru Matsumoto	

**(2) Other**

Not applicable.