



Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (Japanese GAAP)

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Tokyo Stock Exchange

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

(Percentage figures represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2019	140,303	(24.1)	3,937	(57.7)	4,318		(2,026)	—
March 31, 2018	184,800		9,307	214.1	9,062	200.3	4,265	292.0

Note: Comprehensive income: Fiscal year ended March 31, 2019 ¥(1,558 million) [-%]
 Fiscal year ended March 31, 2018 ¥4,201 million [-%]

	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 March 31, 2019	Yen (83.21)	Yen -	% (3.5)	% 4.5	% 2.8
March 31, 2018	165.78	-	7.0	8.9	5.0

Reference: Equity in earnings of affiliated companies: Fiscal year ended March 31, 2019 ¥- million
 Fiscal year ended March 31, 2018 ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of March 31, 2019	Millions of yen 91,271	Millions of yen 59,294	% 59.5	Yen 2,404.10
March 31, 2018	100,870	66,792	61.5	2,412.06

Reference: Equity capital: As of March 31, 2019 ¥54,350 million
 As of March 31, 2018 ¥62,061 million

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents, end of year
Fiscal year ended March 31, 2019	Millions of yen 17,961	Millions of yen (3,425)	Millions of yen (2,937)	Millions of yen 21,524
March 31, 2018	8,153	(7,131)	(2,859)	10,150

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, 2018	Yen -	Yen 20.00	Yen -	Yen 35.00	Yen 55.00	Millions of yen 1,421	% 33.2	% 2.2
Fiscal year ended March 31, 2019	-	10.00	-	10.00	20.00	477	-	0.8
Fiscal year ending March 31, 2020 (Forecast)	-	20.00	-	15.00	35.00		28.3	

Note: The dividend scheduled to be paid at the end of the second quarter of the fiscal year ending March 31, 2020 comprises an ordinary dividend of ¥15.00 and a commemorative dividend of ¥5.00.

3. Forecast of Financial Results for the Fiscal Year Ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Percentage figures represent changes from the previous 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
Fiscal year ending March 31, 2020	120,000	(14.5)	3,500	(11.1)	3,500	(18.9)	2,800	-	123.85

* 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, changes of accounting estimates and restatement
 (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 issued shares at the end of the period (including treasury stock)
 March 31, 2019: 26,000,000
 March 31, 2018: 26,931,051
 (ii) Number of treasury stock at the end of the period
 March 31, 2019: 3,392,641
 March 31, 2018: 1,201,449
 (iii) Average number of shares outstanding for the period
 Fiscal year ended March 31, 2019: 24,355,675
 Fiscal year ended March 31, 2018: 25,729,685

(Reference) Summary of non-consolidated results

1. Non-consolidated Financial Results for the Fiscal year Ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(1) Non-consolidated operating results (Percentage figures represent 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, 2019	90,345	(31.9)	(3,850)	-	1,427	225.6	772	53.1
March 31, 2018	132,723	13.4	(538)	-	438	(33.2)	504	(46.0)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2019	31.72	-
March 31, 2018	19.61	-

(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, 2019	52,411	25,808	49.2	1,141.61
March 31, 2018	59,745	30,790	51.5	1,196.71

Reference: Equity capital: As of March 31, 2019 ¥25,808 million
 As of March 31, 2018 ¥30,790 million

* Consolidated financial statements are not subject to audit by a certified public accountant or an audit corporation.

* 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 "Overview of operating results, etc." on page 2 of the Attachment.

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1. Overview of operating results, etc.

(1) Operating results for the year under review

During the fiscal year ended March 31, 2019, the global economy remained strong across the board throughout the first half. In the second half, however, the outlook became increasingly uncertain due to growing trade friction between the US and China, concerns about the economic slowdown in China, and the UK's looming departure from the European Union ("Brexit").

In the electronic components industry, a key sector for the Foster Group (the "Group"), demand for automotive components continued to expand along with the increasing adoption of electronics in vehicles, but the smartphone market exhibited slower growth from the start of the fiscal year. Against this backdrop, initiatives to accelerate development of next-generation vehicles assumed even greater importance, powered by four key catalysts—connected, autonomous, shared, and electric (CASE).

The Group experienced particularly harsh business circumstances during the year, owing to a decline in sales volume and prices of headsets sold to a major customer. In response, we restructured to optimize our production capacity. Specifically, we offered early retirement to employees in Vietnam and reduced non-current assets by booking an impairment loss. We also reinforced our organization to make automotive products core to our future business. We strengthened sales in China and the ASEAN region, and began a full-scale effort to start production of speakers at our El Paso plant in the US.

As a result, consolidated net sales for the fiscal year ended March 31, 2019 came to ¥140,303 million (down 24.1% y-o-y), operating income to ¥3,937 million (down 57.7% y-o-y), and ordinary income to ¥4,318 million (down 52.3% y-o-y). The net loss attributable to owners of the parent was ¥2,026 million (in the previous year, net income of ¥4,265 million). This mainly reflected the booking of an extraordinary (impairment) loss based on an assessment of the recoverable value of non-current assets.

Results by segment were as follows.

[Speaker Segment]

In car speakers and speaker systems, sales volume of premium brand products to some customers declined. Shipments of flat TV speakers and speaker systems, as well as audio speakers, were broadly in line with our projection. As a result, net sales in this segment came to ¥70,403 million (down 6.8% y-o-y) and operating income to ¥4,343 million (down 6.3% y-o-y).

[Mobile Audio Segment]

As a result of a decline in sales volume and prices of headsets sold to a major customer, net sales in this segment came to ¥63,851 million (down 38.3% y-o-y), and the Group posted an operating loss of ¥670 million (in the previous year, operating income of ¥4,259 million yen).

[Other Segment]

Net sales in the Other segment, including micro acoustic components and FOSTEX-brand products, came to ¥6,224 million (up 5.7% y-o-y) and operating income to ¥265 million (down 35.8% y-o-y).

(2) Financial position for the year under review

As of March 31, 2019, total assets amounted to ¥91,271 million, down ¥9,598 million from their level on March 31, 2018, mainly because of a decrease in inventories. Owing chiefly to a decrease in notes and accounts payable—trade, total liabilities declined ¥2,100 million to ¥31,977 million. Net assets came to ¥59,294 million, down ¥7,498 million mainly as the result of a decrease in retained earnings. The equity ratio was 59.5% as of March 31, 2019, down 2.0 percentage points from March 31, 2018.

(3) Cash flow for the year under review

[Operating activities]

Net cash provided by operating activities was ¥17,961 million. The principal source of cash was a decrease in inventories.

[Investing activities]

Net cash used in investing activities totaled ¥3,425 million, due mainly to capital expenditures.

[Financing activities]

Net cash used in financing activities totaled ¥2,937 million. The main use of cash was for the purchase of treasury stock.

As a result, cash and cash equivalents as of March 31, 2019 stood at ¥21,524 million, up ¥11,373 million from the level on March 31, 2018.

(4) Future outlook

The outlook for the global economy remains uncertain due to factors such as growing trade friction between the US and China, and a potential “no-deal Brexit” (departure of UK from European Union without an agreement in place that determines their future relationship).

In the electronic components industry, a key sector for the Group, manufacturers are projected to take an increasingly cautious stance toward the smartphone market, which has been affected by a marked slowdown in growth, but the growth trend in demand for electronic components is expected to continue on additional expansion of AI and IoT use supported by the rollout of 5G. Automotive components, in particular, are expected to drive global demand for electronic components, fueled by growth in automobile sales in emerging markets and further acceleration of innovation to realize electric vehicles and autonomous driving.

In this environment, the Group remains committed to its vision of “making contributions to future society through acoustics” and its mission of “becoming a company that fulfills society’s expectations by helping create comfortable lifestyles and facilitating the joy of communication around the world through its acoustic products and solutions.” In addition to further cementing our position in the industry, we will build systems that support sustainable growth while aiming to enhance our businesses and raise our corporate value as a global company.

In order to achieve these goals, the Group will promote quality management and target long-term growth focused on profit. We will work to raise the efficiency of our assets and capital, aiming for consolidated ROE of at least 10% as a medium-term management target. We will pursue added value in our product strategy to further leverage our strengths. In our core automotive operations, we will seek to further differentiate ourselves, and make new proposals geared toward the age of autonomous driving. In addition, we will aggressively conduct marketing initiatives and actively develop products in new markets such as electric vehicles, robotics, and healthcare with the aim of turning new technological trends into business opportunities. Through management focus on cash flow, we will aim to optimize our global production and supply systems, push for further mechanization and reductions in labor, and thus strive to enhance our cost competitiveness.

Based on the above, the Group will promote reforms by further advancing activities aimed at continuous improvement of our corporate structure under the basic policy adopted for this fiscal year: “Target firm growth in new businesses while increasing margins, and conduct reforms to position automotive products as a core business.”

Specific measures the Group will implement include “promoting and enhancing operational quality to satisfy automotive requirements,” “strengthening production processes,” “reinforcing global functions,” and “developing new product and markets,” and we will accordingly work to innovate and improve group-wide operations. While taking into account corporate social responsibility (CSR), we will develop awareness of legal compliance and of environmental response and risk management across the entire Group, and continue to make steady efforts to become a company that is trusted and required by the society and markets we serve.

Our consolidated earnings projections for the fiscal year ending March 31, 2020 are as follows.

Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
¥120,000 million	¥3,500 million	¥3,500 million	¥2,800 million

* The projections above are based on exchange rates of ¥110 to the US dollar and ¥125 to the euro.

* The projection for net income attributable to owners of the parent above includes extraordinary income associated with the transfer of a non-current asset (former headquarters site) to be completed in June 2019.

Notes concerning earnings projections

The earnings projections above are calculated based on information currently available and assumptions made at the present time, which include risk factors and other uncertainties that may affect future earnings. Actual earnings may differ from the projections and estimates above due to a broad range of factors including but not limited to economic conditions surrounding the business segments of the Group, business conditions in related markets and at OEM customers, rival and price competition trends in Japan and overseas, market conditions for raw materials, exchange rates, risks associated with overseas operations, laws and regulations in Japan and overseas, disasters and accidents, and share prices.

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

The Group regards the enhancement of corporate value as a management priority, and its basic policy is to comprehensively increase the benefit of shareholders, while balancing profit distributions commensurate with earnings with long-term expansion of internal reserves. We target a dividend payout ratio of at least 20% on a consolidated basis.

Based on this policy, we plan to pay a year-end dividend of ¥10 per share in light of the results of the fiscal year under review and the future business environment. Combined with a ¥10 per share interim dividend, this will bring the annual dividend up to ¥20 per share.

For the next fiscal year, when the Group will celebrate its 70th anniversary (June 2019), we project an annual dividend of ¥35 per share, including a commemorative dividend of ¥5, in view of the present management environment and future earnings outlook.

2. Basic policies concerning the selection of accounting standards

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

Meanwhile, with an eye to the future adoption of IFRS, we are preparing internal manuals, guidelines, and other documentation, and examining the timing of IFRS adoption.

3. Consolidated financial statements and important notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	9,704	11,854
Notes and accounts receivable - trade	21,744	18,888
Electronically recorded monetary claims - operating	499	373
Securities	2,310	11,386
Finished goods	26,582	16,405
Raw materials	7,972	5,247
Work in process	2,075	1,148
Supplies	425	167
Short-term loans receivable	0	-
Accounts receivable - other	841	1,033
Other	1,473	1,291
Allowance for doubtful receivables	(15)	(24)
Total current assets	73,614	67,773
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,753	15,144
Accumulated depreciation	(6,035)	(6,016)
Buildings and structures, net	9,717	9,127
Machinery and equipment	24,775	21,788
Accumulated depreciation	(18,260)	(16,600)
Machinery and equipment, net	6,515	5,187
Tools, furniture and fixtures	13,394	11,736
Accumulated depreciation	(10,338)	(9,594)
Tools, furniture and fixtures, net	3,056	2,142
Land	1,151	874
Construction in progress	679	1,142
Net property, plant and equipment	21,120	18,475
Intangible assets		
Software	307	194
Leasehold rights	816	821
Other	176	154
Total intangible assets	1,300	1,171
Investments and other assets		
Investment securities	2,743	2,488
Long-term loans receivable	30	-
Long-term prepaid expenses	543	97
Asset for employees' retirement benefits	778	697
Deferred tax assets	439	240
Other	309	326
Allowance for doubtful accounts	(9)	-
Total investments and other assets	4,835	3,851
Total non-current assets	27,255	23,497
Total assets	100,870	91,271

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,053	8,334
Electronically recorded obligations - operating	60	—
Short-term bank loans	3,353	2,634
Current portion of long-term debt	1,250	6,863
Accounts payable - other	4,316	3,112
Income taxes payable	627	713
Accrued expenses	1,946	2,005
Reserve for bonuses	693	689
Other	651	1,098
Total current liabilities	25,953	25,453
Non-current liabilities		
Long-term debt	7,098	5,108
Deferred tax liabilities	422	778
Liability for employees' retirement benefits	140	77
Liability for directors' retirement benefits	8	12
Provisions for stock benefit program	46	92
Asset retirement obligations	240	244
Other	169	208
Total non-current liabilities	8,124	6,523
Total liabilities	34,077	31,977
Net assets		
Shareholders' equity		
Common stock	6,770	6,770
Capital surplus	9,394	7,961
Retained earnings	48,068	44,813
Treasury stock	(2,156)	(5,222)
Total shareholders' equity	62,077	54,322
Accumulated other comprehensive income		
Unrealized gain on investment securities	776	677
Foreign currency translation adjustment	(410)	(161)
Remeasurements of defined benefit plans	(382)	(488)
Total accumulated other comprehensive income	(15)	27
Non-controlling interests	4,731	4,944
Total net assets	66,792	59,294
Total liabilities and net assets	100,870	91,271

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	184,800	140,303
Cost of sales	160,441	122,768
Gross profit	24,359	17,534
Selling, general and administrative expenses	15,052	13,596
Operating income	9,307	3,937
Non-operating income		
Interest income	102	167
Dividend income	53	61
Foreign currency exchange gain	—	279
Miscellaneous income	487	545
Total non-operating income	643	1,054
Non-operating expenses		
Interest expense	229	187
Foreign currency exchange loss	65	—
Miscellaneous loss	593	486
Total non-operating expenses	888	673
Ordinary income	9,062	4,318
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Impairment losses	2,014	2,396
Special retirement payments	118	1,356
Total extraordinary losses	2,132	3,752
Income before income taxes	6,929	565
Income taxes - current	1,994	1,269
Income taxes - deferred	263	610
Total income taxes	2,258	1,880
Net income (loss)	4,671	(1,314)
Net income attributable to non-controlling interests	405	712
Net income (loss) attributable to owners of the parent	4,265	(2,026)

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net income (loss)	4,671	(1,314)
Other comprehensive income		
Unrealized gain on investment securities	46	(99)
Foreign currency translation adjustment	(582)	8
Remeasurements of defined benefit plans	66	(153)
Total other comprehensive income	(469)	(244)
Comprehensive income	4,201	(1,558)
(Breakdown)		
Total comprehensive income attributable to owners of the parent	3,629	(1,983)
Total comprehensive income attributable to non-controlling interests	572	424

(3) Consolidated statement of changes in shareholder's equity
Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2017	6,770	9,372	44,962	(2,133)	58,972
Changes during the year					
Dividends paid			(1,160)		(1,160)
Net income attributable to owners of the parent			4,265		4,265
Purchase of treasury stock				(219)	(219)
Disposal of treasury stock		21		197	218
Net change in items other than shareholders' equity during the year (net value)					
Net change in the year	—	21	3,105	(22)	3,105
Balance, March 31, 2018	6,770	9,394	48,068	(2,156)	62,077

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on investment securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2017	730	337	(447)	620	4,309	63,901
Changes during the year						
Dividends paid						(1,160)
Net income attributable to owners of the parent						4,265
Purchase of treasury stock						(219)
Disposal of treasury stock						218
Net change in items other than shareholders' equity during the year (net value)	46	(748)	65	(636)	421	(214)
Net change in the year	46	(748)	65	(636)	421	2,890
Balance, March 31, 2018	776	(410)	(382)	(15)	4,731	66,792

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2018	6,770	9,394	48,068	(2,156)	62,077
Cumulative effects of changes in accounting policies			(73)		(73)
Balance at start of the year reflecting changes in accounting policies	6,770	9,394	47,994	(2,156)	62,003
Changes during the year					
Dividends paid			(1,154)		(1,154)
Net income (loss) attributable to owners of the parent			(2,026)		(2,026)
Purchase of treasury stock				(4,500)	(4,500)
Disposal of treasury stock				(0)	(0)
Retirement of treasury stock		(1,433)		1,433	—
Net change in items other than shareholders' equity during the year (net value)					
Net change in the year	—	(1,433)	(3,181)	(3,066)	(7,680)
Balance, March 31, 2019	6,770	7,961	44,813	(5,222)	54,322

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on investment securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2018	776	(410)	(382)	(15)	4,731	66,792
Cumulative effects of changes in accounting policies						(73)
Balance at start of the year reflecting changes in accounting policies	776	(410)	(382)	(15)	4,731	66,718
Changes during the year						
Dividends paid						(1,154)
Net income (loss) attributable to owners of the parent						(2,026)
Purchase of treasury stock						(4,500)
Disposal of treasury stock						(0)
Retirement of treasury stock						—
Net change in items other than shareholders' equity during the year (net value)	(99)	249	(106)	43	212	256
Net change in the year	(99)	249	(106)	43	212	(7,424)
Balance, March 31, 2019	677	(161)	(488)	27	4,944	59,294

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Operating activities		
Income before income taxes	6,929	565
Depreciation and amortization	8,155	4,408
(Increase) decrease in asset for employees' retirement benefits	(150)	78
Increase (decrease) in liability for employees' retirement benefits	(48)	(66)
Increase (decrease) in directors' retirement benefits	(44)	4
Increase (decrease) in allowance for doubtful receivables	(42)	8
Increase (decrease) in reserve for bonuses	113	(8)
Impairment losses	2,014	2,396
Special retirement payments	118	1,356
Interest and dividend income	(155)	(229)
Interest expense	229	187
Foreign exchange loss (gain)	(109)	(10)
Decrease (increase) in trade notes and accounts receivable	(2,222)	2,702
Decrease (increase) in inventories	(3,123)	14,275
Increase (decrease) in trade notes and accounts payable	(2,156)	(4,981)
Decrease (increase) in other accounts receivable	(2)	(224)
Increase (decrease) in other accounts payable	587	(470)
Other	513	576
Subtotal	10,604	20,569
Interest and dividend income received	155	229
Interest expenses paid	(229)	(187)
Payments for special retirement expenses	(118)	(1,356)
Income taxes - paid	(2,259)	(1,293)
Net cash provided by operating activities	8,153	17,961
Investing activities		
Purchases of securities	(1,570)	(2,764)
Proceeds from redemption of securities	195	2,965
Purchases of investment securities	(100)	(0)
Purchases of property, plant and equipment	(5,794)	(3,892)
Proceeds from sales of property, plant and equipment	733	564
Purchases of intangible assets	(142)	(101)
Decrease (increase) in time deposits	—	(120)
Decrease (increase) in short-term loans receivable	3	0
Payments of long-term loans receivable	(10)	(9)
Collection of long-term loans receivable	10	5
Payment for long-term prepaid expenses	(193)	(32)
Purchase of shares in a subsidiary company resulting in change in scope of consolidation	(261)	—
Other	(1)	(40)
Net cash used in investing activities	(7,131)	(3,425)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Financing activities		
Increase (decrease) in short-term bank loans payable, net	(525)	(699)
Proceeds from long-term debt	365	5,281
Repayments of long-term debt	(1,388)	(1,715)
Dividends paid	(1,160)	(1,154)
Dividends paid to non-controlling interests	(150)	(149)
Purchase of treasury stock	(0)	(4,500)
Net cash used in financing activities	(2,859)	(2,937)
Effect of exchange rate changes on cash and cash equivalents	(49)	(224)
Net increase (decrease) in cash and cash equivalents	(1,886)	11,373
Cash and cash equivalents, beginning of year	12,037	10,150
Cash and cash equivalents, end of year	10,150	21,524

(5) Notes to the consolidated financial statements
(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

The subsidiaries of the Group that operate under IFRS have adopted the IFRS 15 "Revenue from Contracts with Customers" from the fiscal year ended March 31, 2019.

The resulting impact on earnings for the fiscal year under review is immaterial.

In applying the new standard, the relevant subsidiaries have adopted a method that recognizes the cumulative effect of the application of the standard as of the initial date of application, which is permitted as a transitional measure.

(Additional information)

The Company has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan [ASBJ] Statement No. 28 of February 16, 2018) from the fiscal year ended March 31, 2019. Accordingly, deferred tax assets are classified under "Investments and other assets," and deferred tax liabilities under "Non-current liabilities.

(Segment information, etc.)

[Segment information]

1. Outline of reportable segments

The reportable segments are the business units for which the Company is able to obtain separate financial information, and for which its Board of Directors makes periodic reviews to determine the distribution of management resources and evaluate performance.

The Company distinguishes three business segments according to the nature of the products they provide and the similarity of the markets they supply: "Speaker Segment," "Mobile Audio Segment," and "Other Segment."

The Speaker Segment manufactures and distributes audio and TV speakers and speaker systems, as well as car speakers and speaker systems. The Mobile Audio Segment manufactures and distributes headphones, headsets, micro speakers, and business microphones. The Other Segment manufactures and distributes FOSTEX brand products, and electronic buzzers and sounders for applications such as alarms or warnings, 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 described in "Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements."

Income in the reportable segments is based on operating income.

3. Information on method of accounting for net sales, income or loss, assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated statement of income * Note 2
	Speaker	Mobile Audio	Other			
Net sales						
Sales to external customers	75,520	103,513	5,766	184,800	—	184,800
Inter-segment sales or transfers	—	—	119	119	(119)	—
Total	75,520	103,513	5,886	184,920	(119)	184,800
Segment income	4,636	4,259	413	9,310	(3)	9,307
Segment assets	37,955	40,519	4,170	82,645	18,225	100,870
Other						
(1) Depreciation	2,260	5,633	261	8,155	—	8,155
(2) Impairment loss	—	2,014	—	2,014	—	2,014
(3) Investment in entities accounted for using equity method	381	—	—	381	—	381
(4) Increase in property, plant and equipment, and intangible assets	3,266	1,652	372	5,292	—	5,292

Notes: 1. The adjusted amounts are as follows:

- (1) The negative ¥3 million in adjustments for segment income reflects the elimination of inter-segment transactions.
- (2) The ¥18,225 million in adjustments to segment assets pertain to company-wide assets that are not distributed to each reportable segment.

2. Total segment income is adjusted with the value of operating income posted in the consolidated statement of income.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated statement of income * Note 2
	Speaker	Mobile Audio	Other			
Net sales						
Sales to external customers	70,403	63,851	6,048	140,303	—	140,303
Inter-segment sales or transfers	—	—	176	176	(176)	—
Total	70,403	63,851	6,224	140,479	(176)	140,303
Segment income (loss)	4,343	(670)	265	3,937	0	3,937
Segment assets	37,255	22,423	5,305	64,984	26,286	91,271
Other						
(1) Depreciation	2,241	1,871	295	4,408	—	4,408
(2) Impairment loss	308	2,087	—	2,396	—	2,396
(3) Investment in entities accounted for using equity method	353	—	—	353	—	353
(4) Increase in property, plant and equipment, and intangible assets	2,556	769	669	3,994	—	3,994

Notes: 1. The adjusted amounts are as follows:

- (1) The adjustments for segment income (loss) reflect the elimination of inter-segment transactions.
 - (2) The ¥26,286 million in adjustments to segment assets pertain to company-wide assets that are not distributed to each reportable segment.
2. Total segment income (loss) is adjusted with the value of operating income posted in the consolidated statement of income.

(Per-share information)

The amounts and bases for the calculation of net assets per share and net income per share are as follows.

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net assets per share	¥2,412.06	¥2,404.10
Net income per share	¥165.78	(¥83.21)

Notes: 1. The diluted net income per share is not stated as there were no dilutive shares.

2. The basis for calculation of net income per share is as follows.

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net income per share		
Net income attributable to owners of the parent (Millions of yen)	4,265	(2,026)
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of the parent relating to common shares (Millions of yen)	4,265	(2,026)
Average number of common shares outstanding for the year (shares)	25,729,685	24,355,675

Note 3. The basis for the calculation of net assets per share is as follows.

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Total net assets (Millions of yen)	66,792	59,294
Amount to be deducted from total net assets (Millions of yen)	4,731	4,944
Of which, non-controlling interests (Millions of yen)	(4,731)	(4,944)
Year-end net assets relating to common shares (Millions of yen)	62,061	54,350
Number of common shares at year-end used for calculating net assets per share (shares)	25,729,602	22,607,359

Note 4. The Company's shares held as trust assets of the Board Benefit Trust (BBT) by Trust & Custody Services Bank, Ltd. (Trust E Account) are included in the treasury stock deducted in the calculation of the average number of shares outstanding for the period in the calculation of net income per share.

The average number of treasury stock for the period deducted for the calculation of net income per share is 2,493,750 shares. The number of treasury stock deducted for the calculation of net assets per share at the end of the fiscal year under review is 3,392,641 shares.

(Important subsequent events)

Not applicable.

4. Other

(1) Changes in executives

(i) Change in representative

Not applicable.

(ii) Change in other executives

Not applicable.

(2) Other

Not applicable.