

January 31, 2022

**Announcement on Revisions to Full-Year Consolidated Financial Results Forecast
and Year-End Dividend Forecast**

Considering recent trends in earnings performance, Foster Electric Company, Limited (hereinafter “the Company”) announces the following revisions to the full-year consolidated financial results forecast in the “Announcement on Revisions to Full-Year Consolidated Financial Results Forecast” published on October 28, 2021, and the year-end dividend forecast issued on May 17, 2021.

1. Revisions to the full-year financial results forecast

(1) Revisions to the forecast of the consolidated financial results for the fiscal year ending March 31, 2022 (April 1, 2021—March 31, 2022)

(Millions of yen unless otherwise stated)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	90,000	(3,500)	(3,500)	(3,500)	(157.28) yen
Revised forecast (B)	92,000	(7,000)	(7,000)	(6,000)	(269.65) yen
Change (B) - (A)	2,000	(3,500)	(3,500)	(2,500)	
Percentage change (%)	2.2%	—	—	—	
(Reference) Results for the previous fiscal year (ended March 31, 2021)	85,220	0.7	219	(3,363)	(148.47) yen

(2) Reasons for the revisions

For the fiscal year ending March 31, 2022, the Foster Group expects net sales to exceed the previously revised forecast, thanks to an increase in sales of car speakers accompanying a recovery in auto sales. However, the profit situation remains harsh, mainly due to soaring costs of international freight, raw materials and components, coupled with the effects of supply chain disruptions caused by the ever-mutating COVID-19.

In particular, the recovery of our South Korean subsidiary's Vietnam plant from a two-month shutdown was significantly delayed due to the disruption of global maritime transport, forcing us to use high-cost air freight instead. As we expect a sharp rise in transportation costs compared with the previous revision, we have revised the full-year financial results forecast.

Note that the unique situation of using air freight is expected to end by the end of January.

In addition, we have already gained the understanding of many customers to introduce a cost pass-through system in accordance with market conditions. We will make continuous efforts to improve profitability.

2. Revisions to dividend forecast

(1) Details of revisions to the year-end dividend forecast

	Dividend per share (yen)		
	End of 2nd quarter	Year-end	Total
Previous forecast		10.00	20.00
Revised forecast		0.00	10.00
Results for the current fiscal year	10.00		
Results for the previous fiscal year (ended March 31, 2021)	10.00	5.00	15.00

(2) Reasons for the revisions

The Company's fundamental policy is to improve comprehensive shareholder returns while pursuing enhancement of enterprise value as a corporate challenge, and keeping the balance between profit distribution based on performance results and financial sustainability based on a long-term perspective.

However, we regret to inform that we have decided to forego the year-end dividend due to the sharp slump in earnings performance during the second half of the current fiscal year as described above in the revisions to the financial results forecast.

[Note] Considerations regarding the financial results forecast

The financial results forecast described above is calculated based on currently available information, which consists of numerous uncertainties. Please be advised that actual results may vary from the above-mentioned forecast or estimates depending on changes in circumstances or various other factors.