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

Foster Electric Company, Limited (hereinafter “the Company”) announces the following revisions to the full-year consolidated financial results forecast released on May 17, 2021 in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2021” in light of recent earnings trends.

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	1,000	1,000	300	13.48 yen
Revised forecast (B)	90,000	(3,500)	(3,500)	(3,500)	(157.28) yen
Change (B)-(A)	0	(4,500)	(4,500)	(3,800)	
Percentage change (%)	0.0	-	-	-	
(Reference) Results in the previous fiscal year (ended March 31, 2021)	85,220	0.7	219	(3,363)	(148.47) yen

2. Reasons for the revisions

In the first half of the fiscal year under review, the Foster Group posted a year-on-year increase in net sales as automobile sales recovered from the COVID-19 pandemic. However, profits have been hit severely due to factors such as the following: slower-than-expected recovery in automobile production caused by a global shortage of semiconductors and other components; continued rise in transportation costs from the previous fiscal year; surging raw material and component costs owing in part to higher crude oil prices; and a temporary drop in plant operating rates due to the spread of COVID-19 in Southeast Asia, especially in Vietnam.

For the full-year forecast, the Company expects net sales to gradually recover despite the decline in automobile production caused by semiconductor shortages. However, the profit situation is expected to remain as harsh in the second half as in the first half. The Company believes the lower plant operating rates in Vietnam from July to September 2021 will cause a further increase in transportation costs, including air freight. In addition, it thinks business conditions will remain unpredictable due to issues

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in China such as power outages and problems regarding debt at a major real estate developer, and geopolitical risks.

In light of these reasons, the Company revised the full-year financial results forecast as above.

### [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.