



# **Financial Results Briefing for the First Half of the Fiscal Year Ending March 31, 2019**

**Foster Electric Company, Limited**  
(Stock code: 6794, First Section, Tokyo Stock Exchange)  
**November 9, 2018**

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I. Overview of Financial Results for the First Half of  
the Fiscal Year Ending March 31, 2019

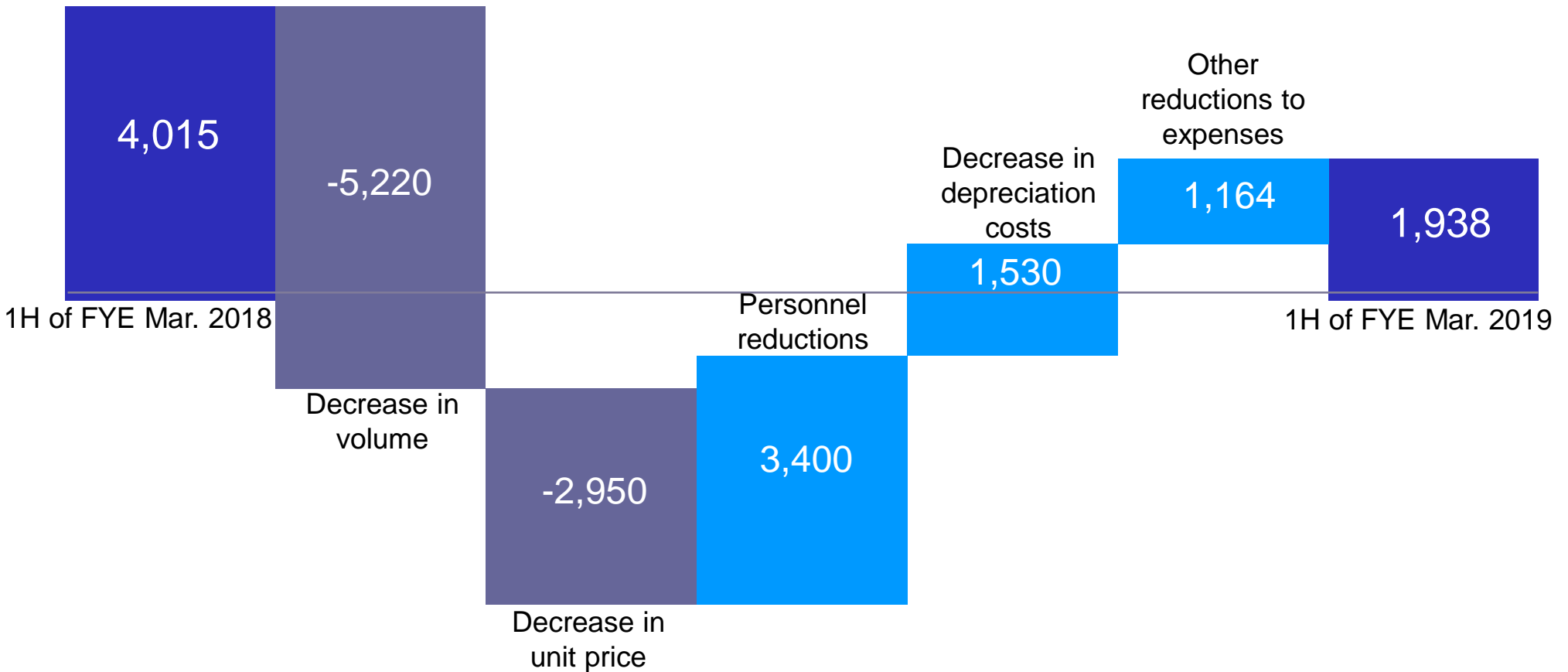
(Millions of yen)

	1H of FYE Mar. 2018	Results for 1H of FYE Mar. 2019		
			Change in value (YoY)	Percentage change (YoY)
Net sales	80,286	68,758	(11,528)	(14.4%)
Operating income	4,015	1,938	(2,077)	(51.7%)
<i>Operating income to net sales</i>	<i>5.0%</i>	<i>2.8%</i>		
Ordinary income	3,973	2,198	(1,775)	(44.7%)
<i>Ordinary income to net sales</i>	<i>4.9%</i>	<i>3.2%</i>		
Net income*	2,559	(1,776)	(4,335)	—
<i>Net income to net sales*</i>	<i>3.2%</i>	<i>(2.6%)</i>		
Dividends per share	¥20.00	¥10.00	(¥10.00)	(50.0%)
Exchange rates	111.30 yen/US\$ 127.73 yen/EUR	110.71 yen/US\$ 129.75 yen/EUR		

\*Net income attributable to owners of parent; net income attributable to owners of parents to net sales

# Analysis of Fluctuations in Operating Income

(Millions of yen)



# Segment Information

**FOSTER**

(Millions of yen)

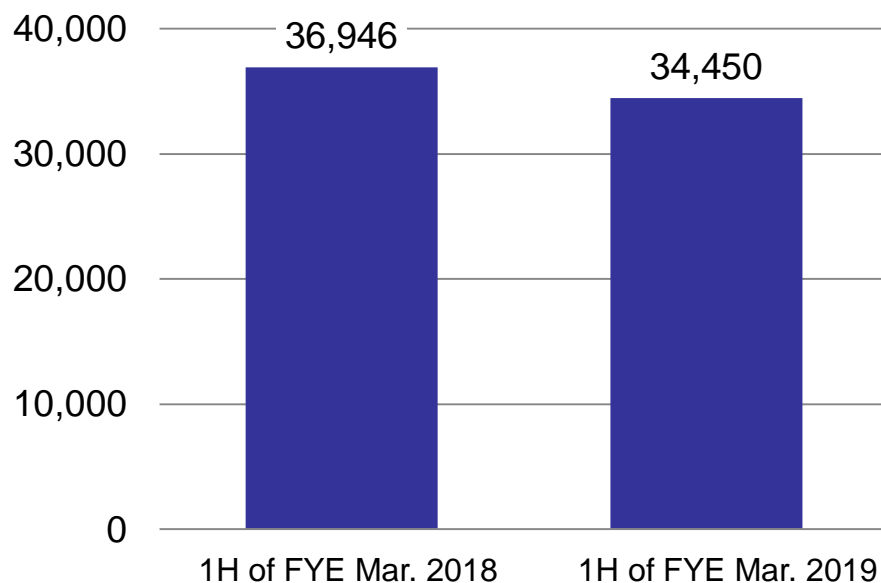
		1H of FYE Mar. 2018	Composition ratio	1H of FYE Mar. 2019	Composition ratio	Percentage change
Net sales		80,286		68,758		(14.4%)
Operating income		4,015		1,938		(51.7%)
<i>Income ratio</i>		5.0%		2.8%		
Speaker	Net sales	36,946	46.0%	34,450	50.1%	(6.8%)
	Operating income	2,579	64.2%	2,050	–	(20.5%)
	<i>Income ratio</i>	7.0%		6.0%		
Mobile Audio	Net sales	40,440	50.4%	31,407	45.7%	(22.3%)
	Operating income	1,212	30.2%	(254)	–	–
	<i>Income ratio</i>	3.0%		(0.8%)		
Other	Net sales	2,900	3.6%	2,990	4.2%	3.1%
	Operating income	223	5.6%	143	–	(35.8%)
	<i>Income ratio</i>	7.7%		4.8%		

■ Net sales and operating income fell for car speakers due to a drop in the sale of premium brand products for some customers.

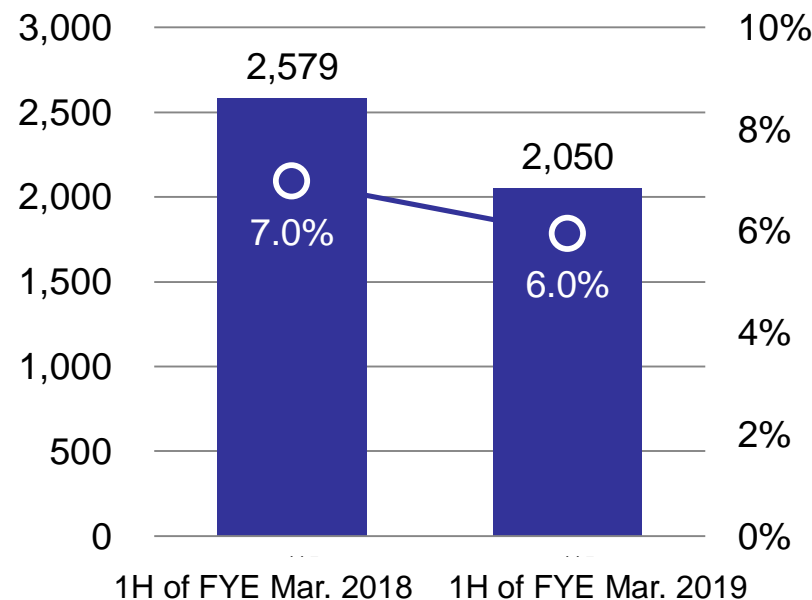
(Millions of yen)

		1H of FYE Mar. 2018	1H of FYE Mar. 2019	Composition ratio	Percentage change
Speaker	Net sales	36,946	34,450	50.1%	(6.8%)
	Operating income	2,579	2,050	—	(20.5%)
	<i>Income ratio</i>	7.0%	6.0%		

Net sales (Millions of yen)



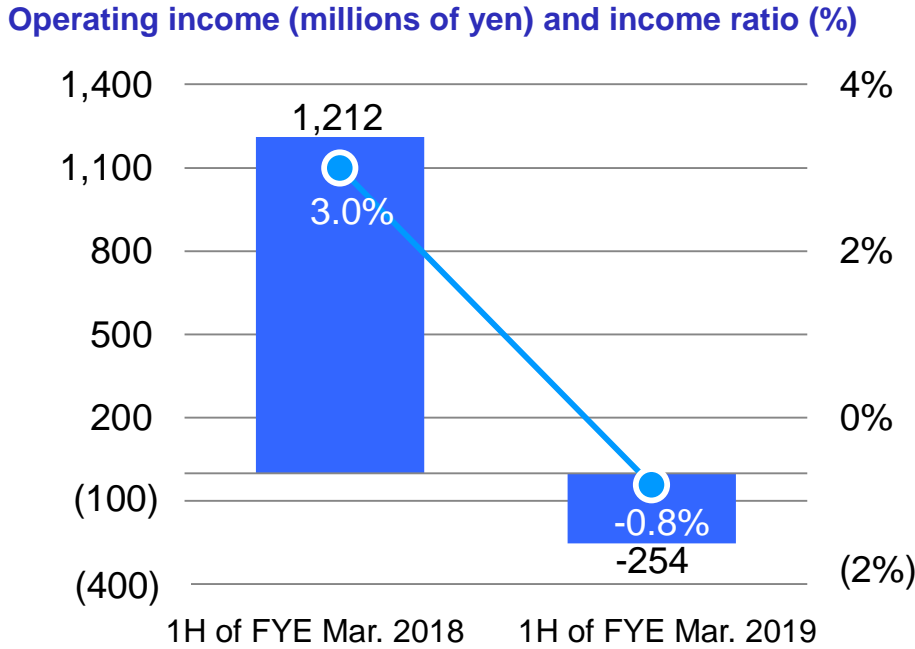
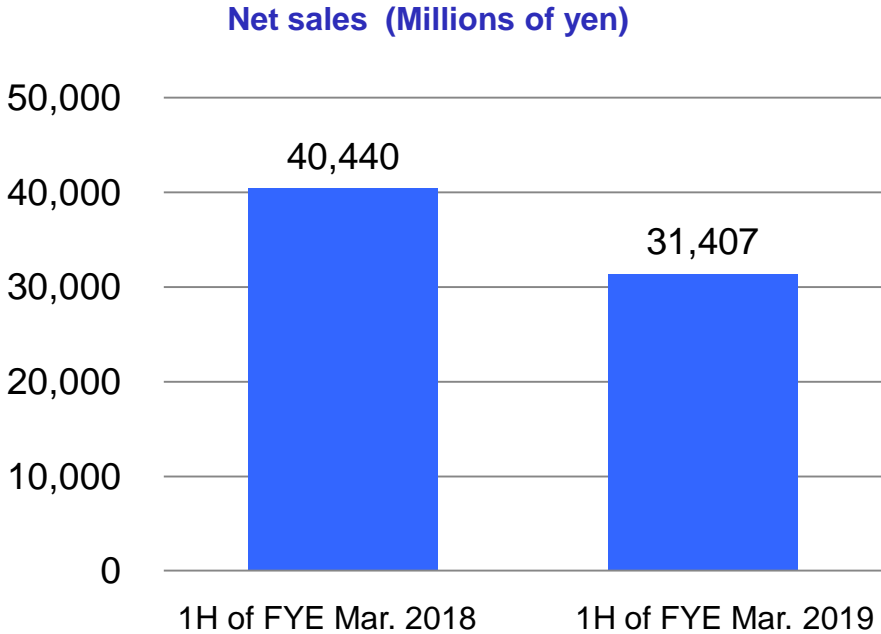
Operating income (millions of yen) and income ratio (%)



■ Sales and operating income of headsets for major clients fell due to a drop in sales volume and prices.

(Millions of yen)

		1H of FYE Mar. 2018	1H of FYE Mar. 2019	Composition ratio	Percentage change
Mobile Audio	Net sales	40,440	31,407	45.7%	(22.3%)
	Operating income	1,212	(254)	-	-
	<i>Income ratio</i>	3.0%	(0.8%)		



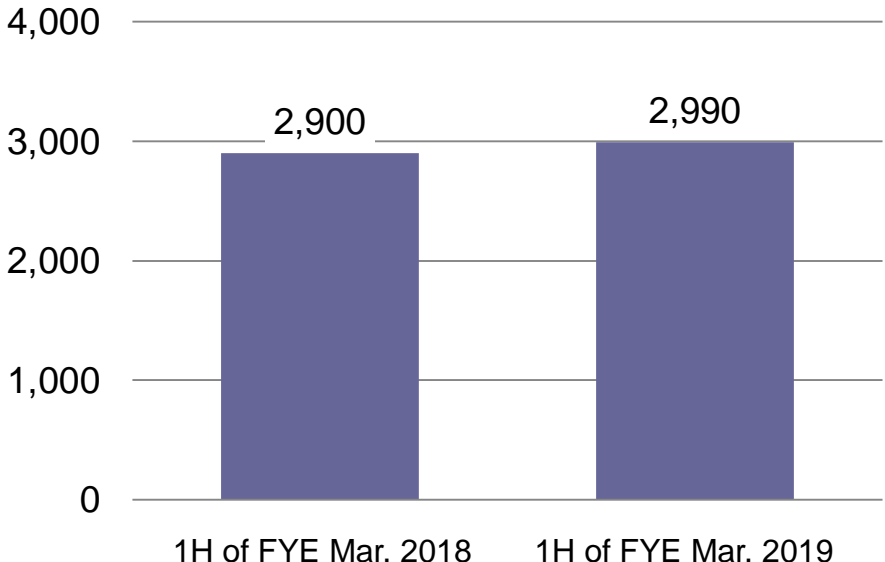


- Net sales increased, but operating income decreased in this segment, which includes micro-acoustic components and “FOSTEX” brand products.

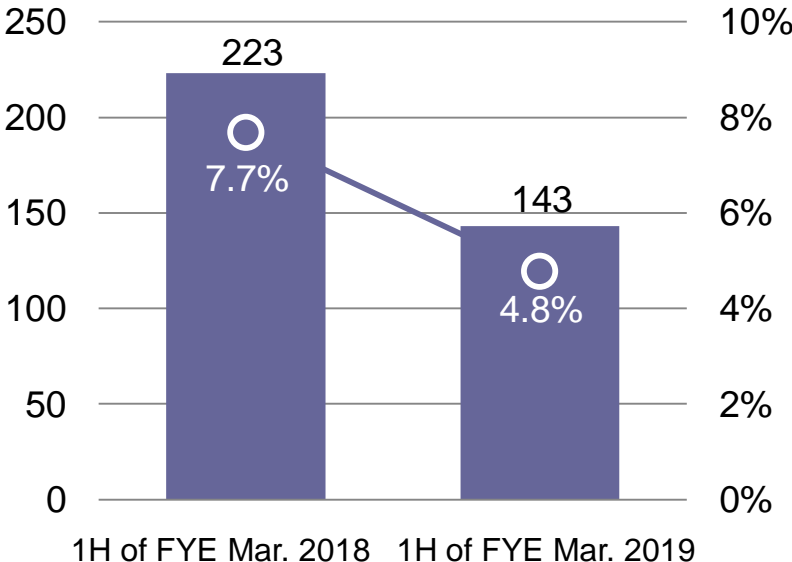
(Millions of yen)

		1H of FYE Mar. 2018	1H of FYE Mar. 2019	Composition ratio	Percentage change
Other	Net sales	2,900	2,990	4.2%	3.1%
	Operating income	223	143	-	(35.8%)
	<i>Income ratio</i>	7.7%	4.8%		

Net sales (Millions of yen)



Operating income (millions of yen) and income ratio (%)



# Consolidated Balance Sheet

**FOSTER.**

**Equity ratio at the end of September 2018 was 60.7% (61.5% as of the end of March 2018).**

(Millions of yen)

	FYE Mar. 2018	End 1H of FYE Mar. 2019	Amount of change
<b>Current assets</b>	73,614	73,013	(601)
Cash and deposits	9,704	13,108	3,404
Notes and accounts receivable - trade	22,243	19,324	(2,919)
Inventories	37,054	36,573	(481)
Other	4,613	4,008	(605)
<b>Non-current assets</b>	27,255	24,332	(2,923)
Property, plant and equipment	21,120	18,922	(2,198)
Intangible assets	1,300	1,182	(118)
Investments and other assets	4,835	4,227	(608)
<b>Total assets</b>	100,870	97,346	(3,524)
<b>Current liabilities</b>	25,953	24,338	(1,615)
Notes and accounts payable - trade	13,113	9,535	(3,578)
Short-term bank loans	3,353	3,839	486
Current portion of long-term debt	1,250	3,113	1,863
Other	8,237	7,851	(386)
<b>Long-term liabilities</b>	8,124	9,293	1,169
Long-term debt	7,098	8,243	1,145
Other	1,026	1,050	24
<b>Net assets</b>	66,792	63,714	(3,078)
Shareholders' equity	62,077	58,155	(3,922)
Total accumulated other comprehensive income	(15)	975	990
Non-controlling interests	4,731	4,583	(148)
<b>Total liabilities and net assets</b>	100,870	97,346	(3,524)

## Free cash flows for the first half of FYE March 2019 were positive 1.46 billion yen

(Millions of yen)

	1H of FYE Mar. 2018	1H of FYE Mar. 2019	Amount of change
Operating activities	(1,359)	3,617	4,976
Investing activities	(3,665)	(2,154)	1,511
Free cash flows*	(5,024)	1,463	6,487
Financing activities	1,660	1,158	(502)
Net increase (decrease) in cash and cash equivalents	(3,645)	2,812	6,457
Cash and cash equivalents at the end of the period	8,392	12,962	4,570

\* Free cash flow = operating activities + investing activities

## II. Forecast for Fiscal Year Ending March 31, 2019

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# Forecast for Fiscal Year Ending March 31, 2019

**FOSTER.**

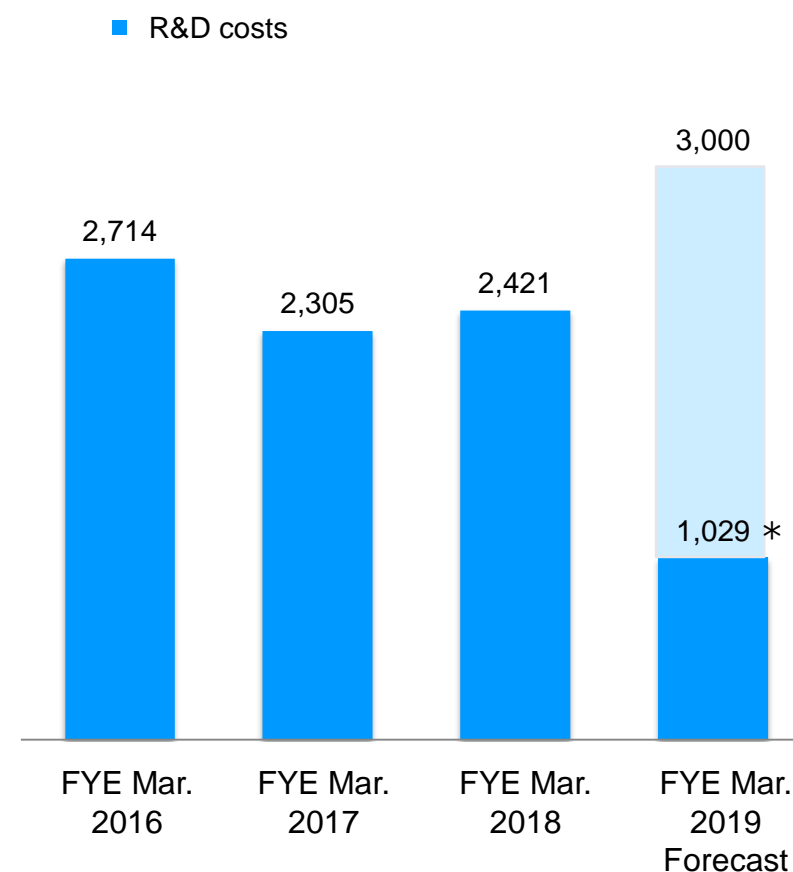
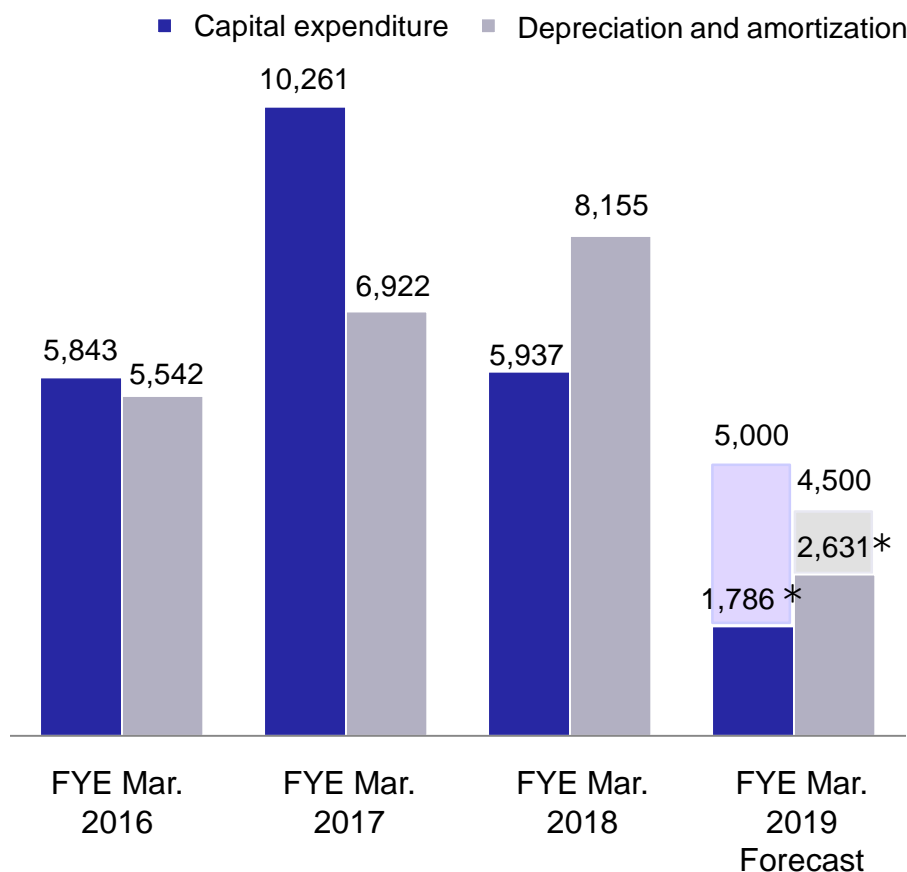
(Millions of yen)

	FYE Mar. 2018	FYE Mar. 2019 Forecast	Amount of change	Percentage change
Net sales	184,800	140,000	(44,800)	(24.2%)
Operating income	9,307	3,000	(6,307)	(67.8%)
<i>Operating income to net sales</i>	<i>5.0%</i>	<i>2.1%</i>		
Ordinary income	9,062	2,500	(6,562)	(72.4%)
<i>Ordinary income to net sales</i>	<i>4.9%</i>	<i>1.8%</i>		
Net income*	4,265	(2,500)	(6,765)	—
<i>Net income to net sales*</i>	<i>2.3%</i>	<i>(1.8%)</i>		
Net income per share (in exact yen)	¥165.78	(¥97.16)	(¥262.9)	—
Dividends per share (in exact yen)	¥55.0	¥20.0	(¥35.0)	(63.6%)
Dividend payout ratio	33.2%	—		
Assumed exchange rates	110.71 yen/US\$ 130.24 yen/EUR	105.00 yen/US\$ 130.00 yen/EUR		

\* Net income attributable to owners of parent; net income attributable to owners of parent to net sales

## Capital expenditure and depreciation and amortization (Millions of yen)

## R&D costs (Millions of yen)



\* Results for the first half of the fiscal year ending March 31, 2019

## III. Future Initiatives

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Promote quality management and aim for long-term growth focused on profitability

Medium-term management target: ROE over 10%

**Improve management quality based on thorough efforts to achieve quality**

- Quality of products
- Quality of proposals
- Quality of customer communication

**Pursuit of high-added value**

- Mobile Audio : Pursuit of high-added value
- Automotive: Initiatives geared to era of autonomous vehicles
- Development of new markets and products

**Optimization of Global Production and Supply Structure**

- Strengthen cost competitiveness through improvements to allocation and labor savings

**Promotion of cash flow-oriented management**



Summary of measures taken in 1H of FYE Mar. 2019

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**1** Address drop in demand for headsets for a major customer

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**2** Make steady shift to car speakers for new premium brands

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**3** Commercialize new business

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Initiatives for 2H FYE Mar. 2019

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**1** Restructure headset production system

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**2** Further strengthen automotive product business

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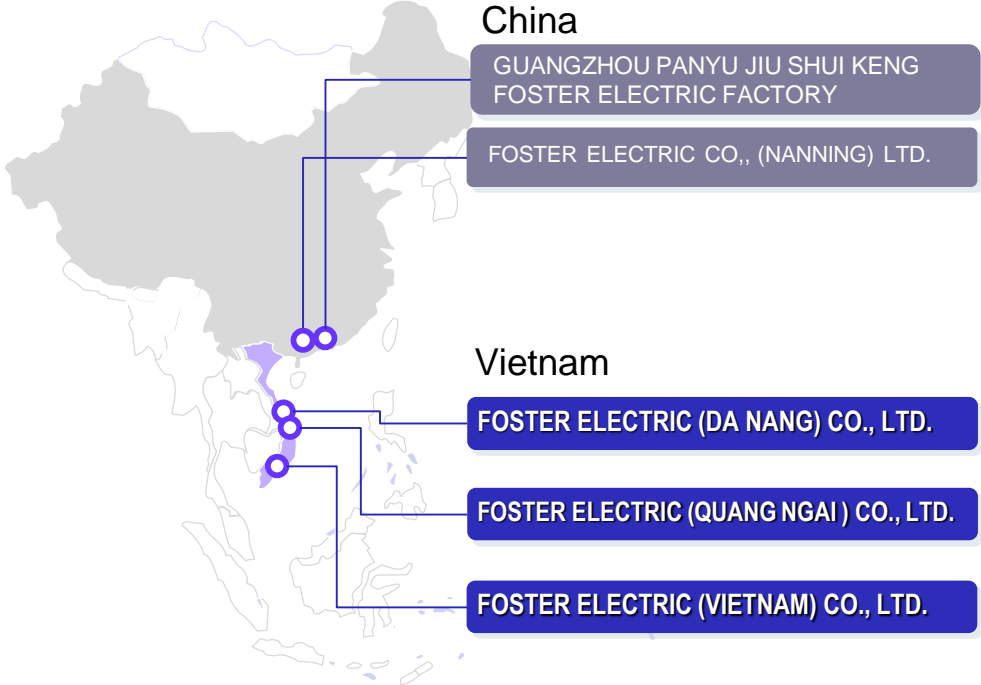
**3** Launch Foster Alliance Program

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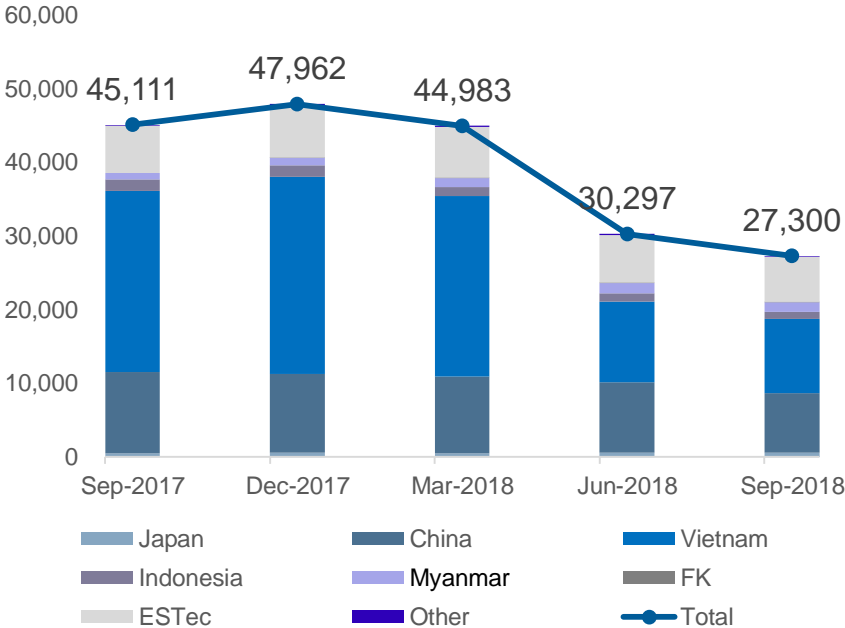
- Extremely harsh business environment due to drop in sales volume and prices for headsets for a major customer

↔ Restructure optimal production system primarily by reviewing human resource system and facilities

## Foster Electric Company’s headphone and headset manufacturing bases



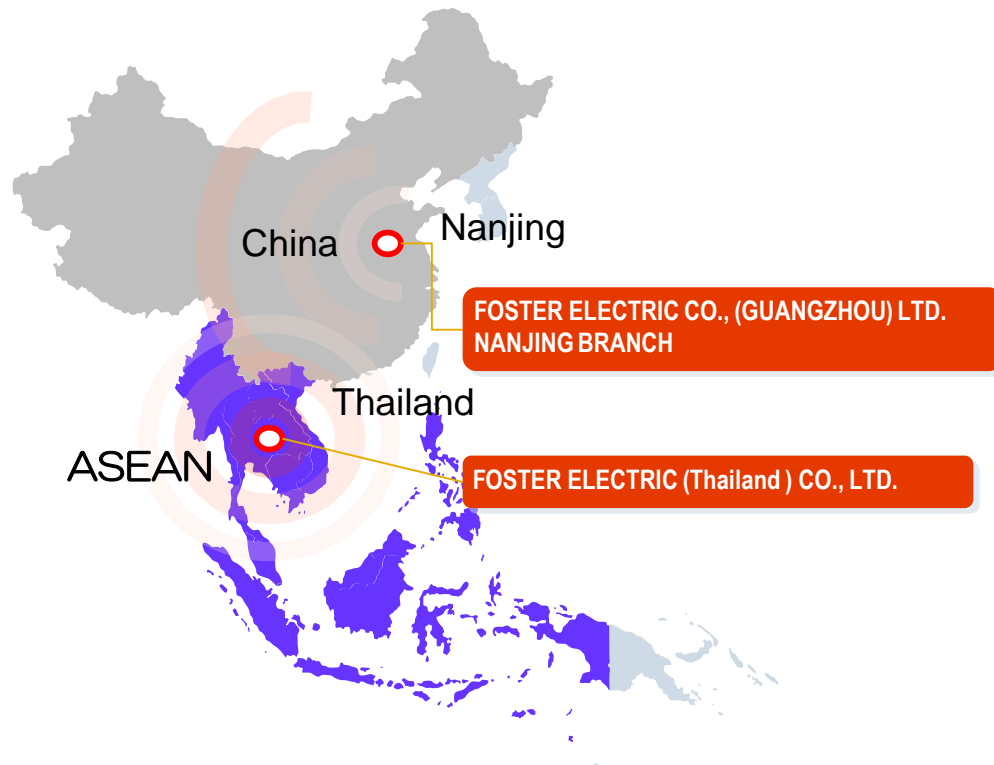
## Foster Group’s employee changes



(As of September 30, 2018)

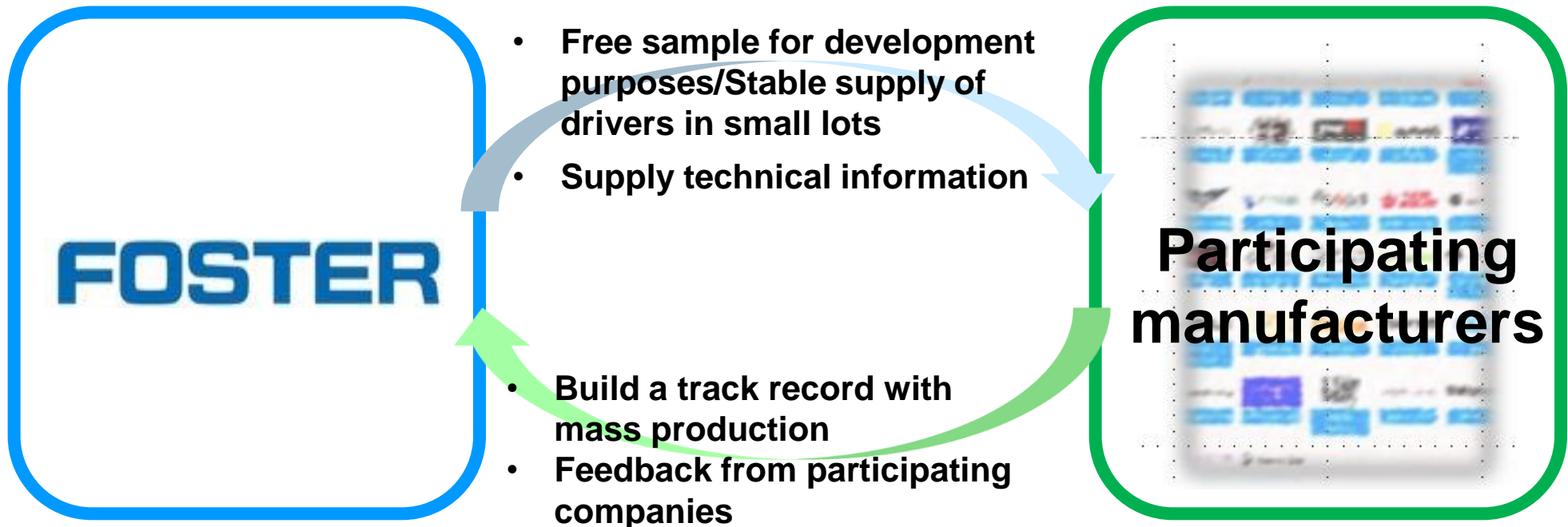
- Set up a branch of Foster Electric (Guangzhou) in Nanjing, Jiangsu province
- Strengthen marketing capacity in ASEAN region (Foster Electric (Thailand) Co., Ltd.\*)
- Launch full-scale operations to start production of car speakers at the El Paso operations center (Production is set to start in fiscal 2019)

\*Shift from marketing in Thailand to marketing in the ASEAN region



(As of September 30, 2018)

- Aim to build a product development ecosystem through a mutual complementary relationship between Foster's strengths and partners who can provide solutions that Foster lacks



Develop a solutions business through sound and vibration



## Annual dividend of 20 yen planned for the current term

### [Dividend policy]

Recognizing the enhancement of corporate value as a corporate challenge and keeping the balance between profit allocation and financial sustainability on a long-term perspective, the Group improves the comprehensive benefit to shareholders.

	FYE Mar. 2016	FYE Mar. 2017	FYE Mar. 2018	FYE Mar. 2019 Forecast
Net income per share	¥255.44	¥41.16	¥165.78	(¥97.16)
Dividends per share	¥50.0	¥40.0	¥55.0	¥20.0
Dividend payout ratio	19.6%	97.2%	33.2%	—

## Acquisition of treasury stock resolved

<b>Decision date:</b>	August 30, 2018
<b>Type of shares to be acquired:</b>	Common shares
<b>Total number of shares to be acquired:</b>	3,750,000 shares (maximum)
<b>Total acquisition price for shares:</b>	4.5 billion yen (maximum)
<b>Acquisition period:</b>	September 3, 2018 to March 31, 2019
<b>Acquisition method:</b>	Purchase on TSE



## IV. Reference Materials

Our Corporate Creed is “Sincerity” and our Corporate Vision is “To make contributions to future society through acoustics”

<b>Company Name</b>	Foster Electric Company, Limited
<b>Representative</b>	Hiromi Yoshizawa, President & Representative Director
<b>Founded</b>	June 20, 1949
<b>Headquarters</b>	1-1-109, Tsutsujigaoka, Akishima City, Tokyo 196-8550, Japan
<b>Listed Market</b>	Listed on Second Section of the Tokyo Stock Exchange (May 1962) Designated for First Section of the Tokyo Stock Exchange (September 1999)
<b>Common Stock</b>	¥6,770 million (As of September 30, 2018)
<b>Business Domains</b>	Production and sales of loudspeakers, audio equipment, and electronic equipment
<b>Number of Employees</b>	Consolidated: 27,300 (including the employees of our outsourcee in Panyu, China) Non-consolidated: 489 (as of September 30, 2018 for both consolidated and non-consolidated)

Provision of acoustic products, mainly through ODMs and OEMs, using our original analog technologies

## Speaker Segment

- Speakers and speaker systems for audio and TV, and car speakers and speaker systems, etc.

TV speakers



Car speakers



Car speaker systems



## Mobile Audio Segment

- Headsets, headphones, and small speakers, as well as commercial microphones, etc.

Headphones



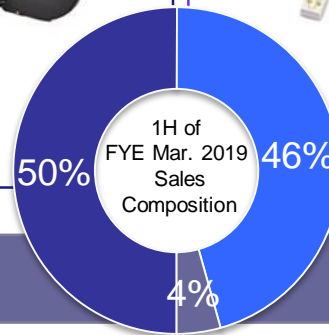
Headsets



Micro speakers for PCs and smartphones



Microphones



## Other Segment

- Buzzers and sounders for alarms, FOSTEX brand products, logistics services, etc.

Micro acoustic components



FOSTEX products

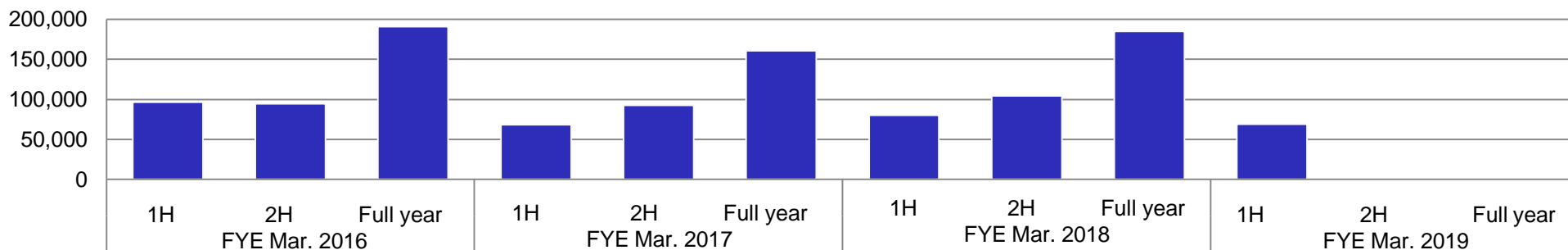


# Half-year and Full-year Results

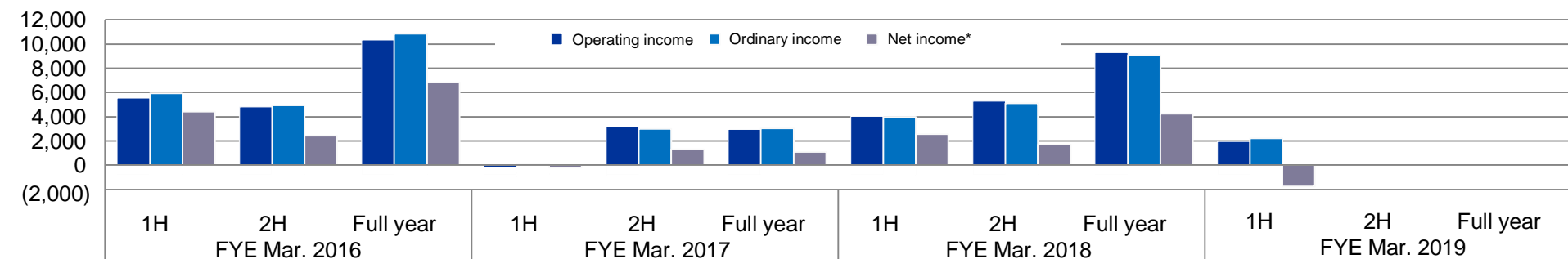
## Results table (Millions of yen)

	FYE Mar. 2016			FYE Mar. 2017			FYE Mar. 2018			FYE Mar. 2019		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales	96,641	94,287	190,928	68,342	92,554	160,896	80,286	104,514	184,800	68,758		
Operating income	5,524	4,827	10,351	(182)	3,145	2,963	4,015	5,292	9,307	1,938		
Ordinary income	5,927	4,920	10,847	28	2,989	3,017	3,973	5,089	9,062	2,198		
Net income*	4,406	2,427	6,833	(227)	1,315	1,088	2,559	1,706	4,265	(1,776)		
Income ratio	5.7%	5.1%	5.4%	(0.3%)	3.4%	1.8%	5.0%	5.1%	5.0%	2.8%		
Ordinary income margin	6.1%	5.2%	5.7%	0.0%	3.2%	1.9%	4.9%	4.9%	4.9%	3.2%		
Net income margin*	4.6%	2.6%	3.6%	(0.3%)	1.4%	0.7%	3.2%	1.6%	2.3%	(2.6%)		

## Net sales (Millions of yen)



## Profits (Millions of yen)



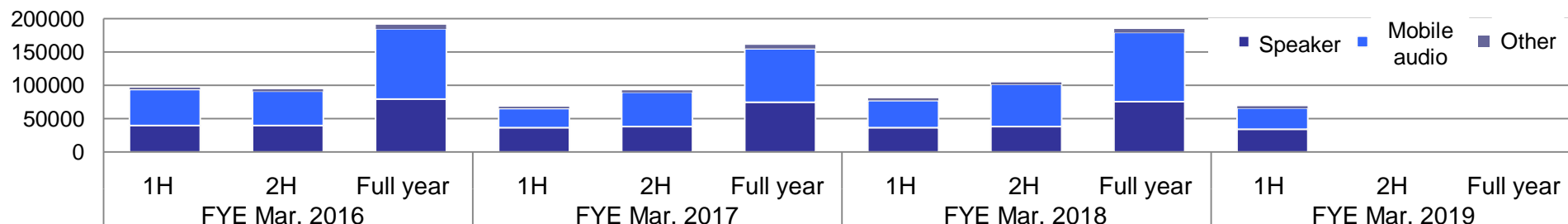
\* Net income attributable to owners of parent; net income attributable to owners of parent to net sales

# Half-year and Full-year Results by Segment

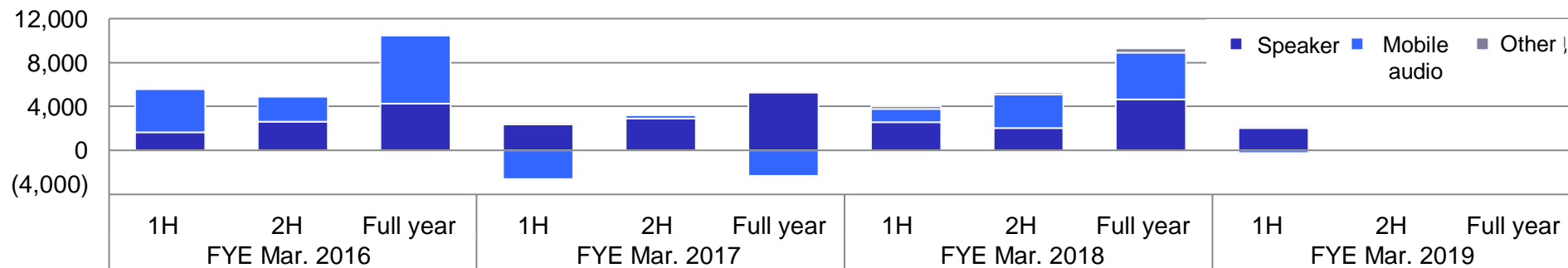
Results table (Millions of yen)

	FYE Mar. 2016			FYE Mar. 2017			FYE Mar. 2018			FYE Mar. 2019		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales												
Speaker	39,859	39,440	79,299	36,437	38,403	74,840	36,946	38,574	75,520	34,450		
Mobile audio	53,914	51,542	105,456	29,050	51,243	80,293	40,440	63,073	103,513	31,407		
Other	2,867	3,306	6,173	2,853	2,909	5,762	2,900	2,986	5,886	2,990		
Operating income												
Speaker	1,631	2,630	4,261	2,396	2,892	5,288	2,579	2,057	4,636	2,050		
Mobile audio	3,951	2,245	6,196	(2,620)	295	(2,325)	1,212	3,047	4,259	(254)		
Other	(58)	(48)	(106)	42	(41)	1	223	190	413	143		

Net sales (Millions of yen)



Operating income (Millions of yen)

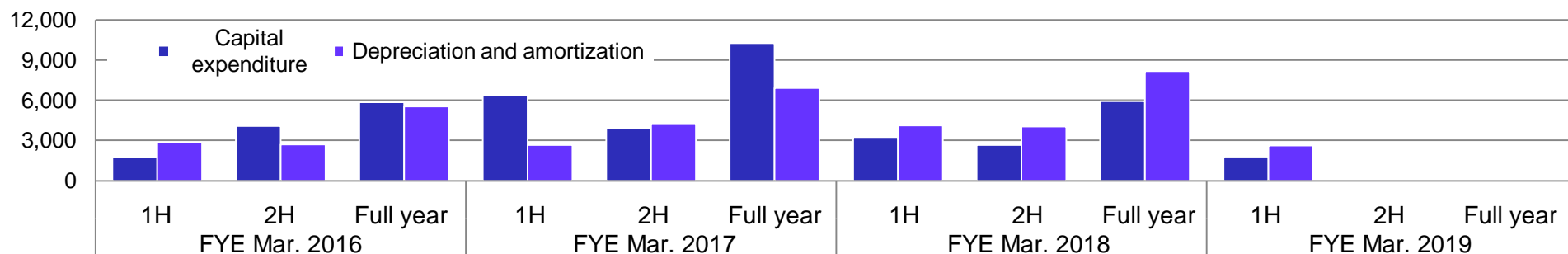


# Half-year and Full-year Capital Expenditure, Depreciation and Amortization, and R&D Costs

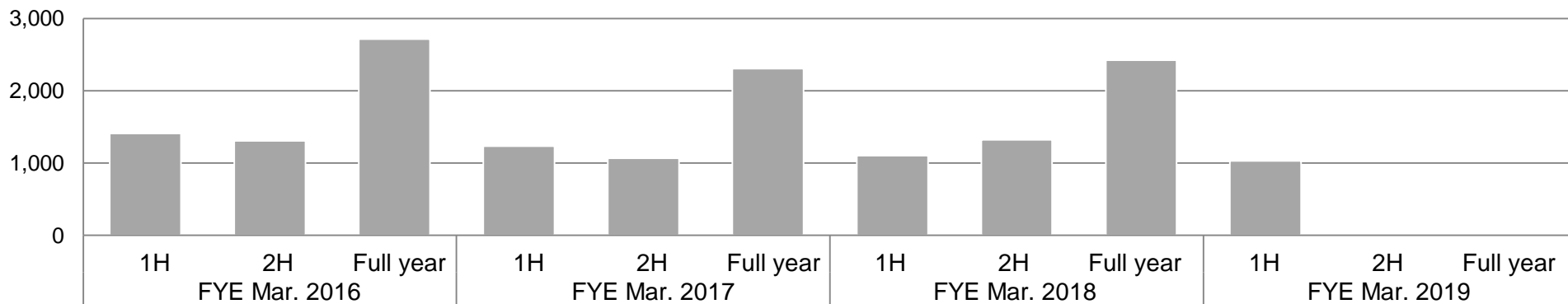
## Capital expenditure, depreciation and amortization, and R&D costs (Millions of yen)

	FYE Mar. 2016			FYE Mar. 2017			FYE Mar. 2018			FYE Mar. 2019		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Capital expenditure	1,751	4,092	5,843	6,395	3,866	10,261	3,266	2,671	5,937	1,786		
Depreciation and amortization	2,860	2,682	5,542	2,651	4,271	6,922	4,102	4,053	8,155	2,631		
R&D costs	1,409	1,305	2,714	1,238	1,067	2,305	1,101	1,320	2,421	1,029		

## Capital expenditure and depreciation and amortization (Millions of yen)



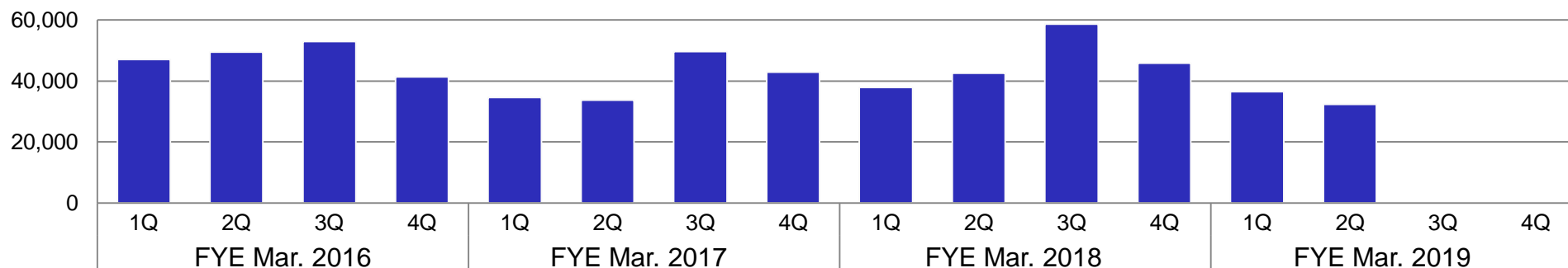
## R&D costs (Millions of yen)



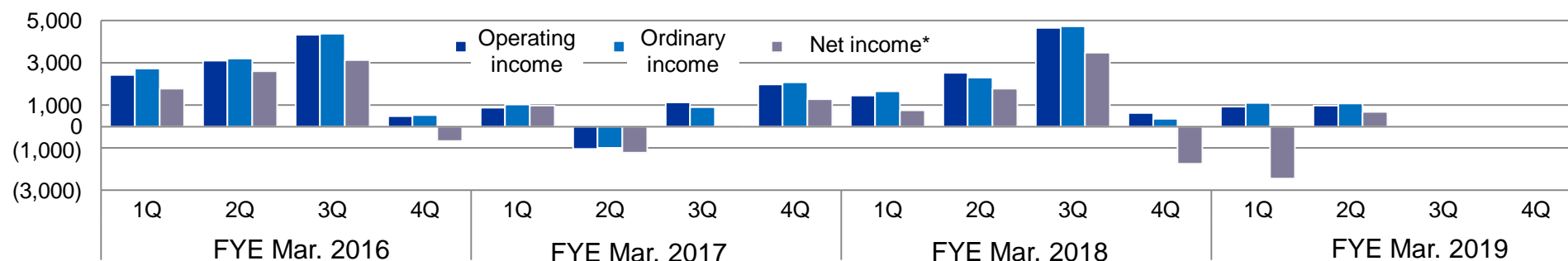
## Results table (Millions of yen)

	FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018				FYE Mar. 2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	47,092	49,549	52,934	41,353	34,555	33,787	49,645	42,909	37,800	42,486	58,660	45,854	36,512	32,246		
Operating income	2,424	3,100	4,343	484	885	(1,067)	1,148	1,997	1,468	2,547	4,647	645	947	991		
Ordinary income	2,728	3,199	4,376	544	1,048	(1,020)	908	2,081	1,656	2,317	4,722	367	1,101	1,097		
Net income*	1,784	2,622	3,124	(697)	997	(1,224)	28	1,287	770	1,789	3,474	(1,768)	(2,464)	688		
Income ratio	5.1%	6.3%	8.2%	1.2%	2.6%	(3.2%)	2.3%	4.7%	3.9%	6.0%	7.9%	1.4%	2.6%	3.1%		
Ordinary income margin	5.8%	6.5%	8.3%	1.3%	3.0%	(3.0%)	1.8%	4.8%	4.4%	5.5%	8.0%	0.8%	3.0%	3.4%		
Net income margin*	3.8%	5.3%	5.9%	(1.7%)	2.9%	(3.6%)	0.1%	3.0%	2.0%	4.2%	5.9%	(3.9%)	(6.7%)	2.1%		

## Net sales (Millions of yen)



## Profits (Millions of yen)



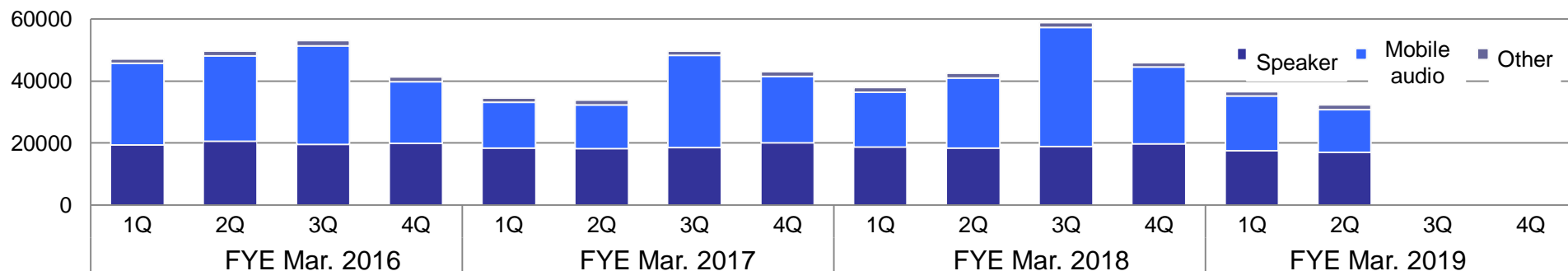
\* Net income attributable to owners of parent; net income attributable to owners of parent to net sales

# Quarterly Results by Segment

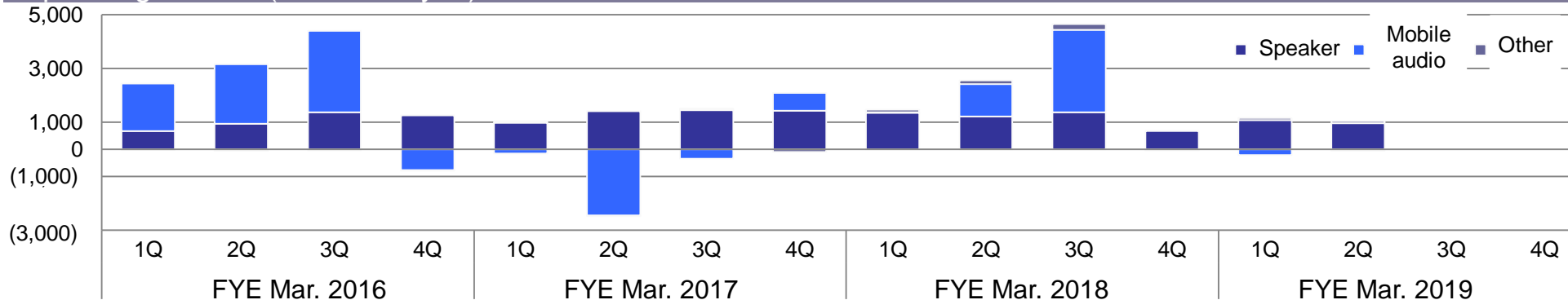
Results table (Millions of yen)

	FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018				FYE Mar. 2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales																
Speaker	19,358	20,501	19,523	19,917	18,351	18,086	18,412	19,991	18,647	18,299	18,879	19,695	17,462	16,988		
Mobile audio	26,411	27,503	31,762	19,780	14,799	14,251	29,767	21,476	17,719	22,721	38,306	24,767	17,693	13,714		
Other	1,322	1,545	1,649	1,657	1,404	1,449	1,467	1,442	1,434	1,466	1,536	1,450	1,399	1,591		
Operating income																
Speaker	681	950	1,377	1,253	979	1,417	1,453	1,439	1,359	1,220	1,375	682	1,077	973		
Mobile audio	1,750	2,201	3,011	(766)	(161)	(2,459)	(353)	648	16	1,196	3,059	(12)	(203)	(51)		
Other	(6)	(52)	(45)	(3)	67	(25)	48	(89)	92	131	214	(24)	76	67		

Net sales (Millions of yen)



Operating income (Millions of yen)





# Quarterly Balance Sheet and Statement of Cash Flows



## Balance sheet (Millions of yen)

	FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018				FYE Mar. 2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Total current assets</b>	74,107	77,218	78,898	69,959	63,208	65,776	75,523	69,315	70,265	76,770	82,913	73,614	73,361	73,013		
Cash and deposits	15,071	12,882	13,089	16,519	10,588	9,419	10,583	10,258	6,992	7,233	9,239	9,704	11,003	13,108		
Notes and accounts receivable - trade	26,141	30,650	32,196	24,444	22,779	22,031	27,396	19,479	18,817	20,534	27,107	22,243	19,939	19,324		
Other	32,895	33,686	33,613	28,996	29,841	34,326	37,544	39,578	44,456	49,003	46,567	41,667	42,419	40,581		
<b>Total non-current assets</b>	31,288	29,880	30,085	28,775	29,566	31,781	34,587	33,094	31,910	31,701	30,349	27,255	24,231	24,332		
Property, plant and equipment	23,017	22,396	22,293	21,995	23,335	23,749	26,445	25,945	25,157	24,914	23,727	21,120	18,768	18,922		
Intangible assets	1,745	1,699	1,584	1,534	1,436	1,383	1,435	1,429	1,451	1,435	1,409	1,300	1,259	1,182		
Investments and other assets	6,525	5,785	6,207	5,245	4,794	6,648	6,706	5,718	5,301	5,351	5,212	4,835	4,203	4,227		
<b>Total assets</b>	105,395	107,099	108,983	98,735	92,775	97,557	110,111	102,409	102,175	108,471	113,263	100,870	97,593	97,346		
<b>Total current liabilities</b>	30,206	32,325	35,224	29,111	27,062	32,087	37,073	29,390	29,106	33,227	34,594	25,953	25,748	24,338		
Notes and accounts payable - trade	15,466	16,398	17,215	13,096	10,939	15,425	19,428	15,512	14,605	16,103	19,157	13,113	11,295	9,535		
Short-term loans and bonds payable	5,931	6,373	8,420	7,329	7,757	8,296	7,233	5,240	7,011	8,170	5,728	4,603	7,322	6,952		
Other	8,809	9,554	9,589	8,686	8,366	8,366	10,412	8,638	7,490	8,954	9,709	8,237	7,131	7,851		
<b>Total long-term liabilities</b>	8,328	6,358	3,453	2,605	2,427	4,556	9,590	9,116	9,147	8,855	8,592	8,124	8,555	9,293		
Long-term debt and bonds payable	6,600	4,804	1,768	1,432	1,241	3,428	8,238	8,135	8,095	7,726	7,507	7,098	7,529	8,243		
Other	1,728	1,554	1,685	1,173	1,186	1,128	1,352	981	1,052	1,129	1,085	1,026	1,026	1,050		
<b>Total net assets</b>	66,860	68,415	70,305	67,017	63,285	60,913	63,447	63,901	63,922	66,388	70,076	66,792	63,289	63,714		
Shareholders' equity	56,573	59,195	61,650	60,954	61,282	60,057	58,247	58,972	59,099	60,887	63,845	62,077	58,634	58,155		
Accumulated other comprehensive income	6,401	5,131	4,666	1,924	(1,961)	(2,857)	1,393	620	633	1,230	1,691	(15)	263	975		
Non-controlling interests	3,885	4,088	3,987	4,138	3,964	3,713	3,807	4,309	4,188	4,270	4,539	4,731	4,391	4,583		
<b>Total liabilities and net assets</b>	105,395	107,099	108,983	98,735	92,775	97,557	110,111	102,409	102,175	108,471	113,263	100,870	97,593	97,346		

## Statement of cash flows (Millions of yen)

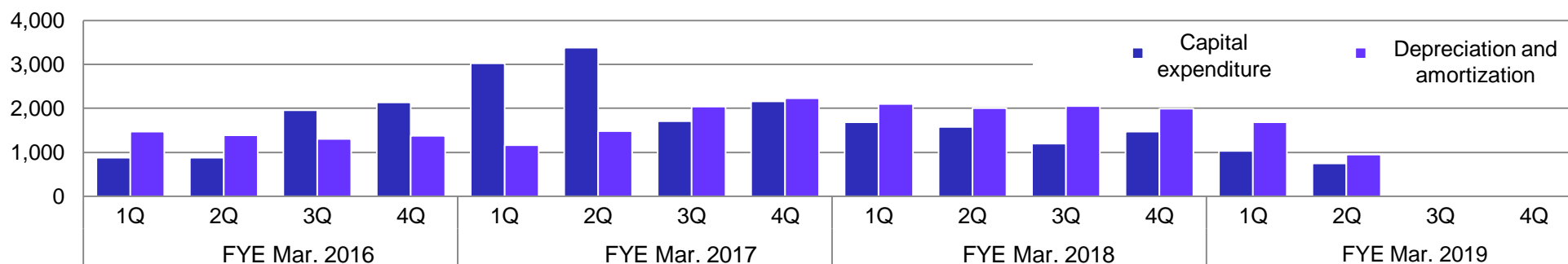
	FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018				FYE Mar. 2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating activities</b>	9,565	331	4,895	9,266	(1,015)	1,260	(106)	4,233	(2,243)	884	6,742	2,770	675	2,942		
<b>Investing activities</b>	(1,183)	(302)	(870)	(1,591)	(3,080)	(5,137)	(1,837)	(1,035)	(1,738)	(1,927)	(2,311)	(1,155)	(556)	(1,598)		
<b>Financing activities</b>	(2,429)	(1,265)	(1,500)	(1,482)	(330)	2,665	1,940	(2,585)	859	801	(3,188)	(1,331)	2,043	(885)		
Effect of exchange rate change on cash flow	381	(415)	151	(1,616)	(1,493)	(332)	1,089	(59)	(420)	140	377	(146)	(320)	510		
<b>Net increase (decrease) in cash flow</b>	6,333	(1,652)	2,678	4,575	(5,920)	(1,541)	1,085	556	(3,541)	(104)	1,622	137	1,840	972		
<b>Cash flow at end of the period</b>	12,257	10,606	13,283	17,858	11,938	10,397	11,481	12,037	8,495	8,392	10,013	10,150	11,991	12,962		

# Quarterly Capital Expenditure, Depreciation and Amortization, and R&D costs

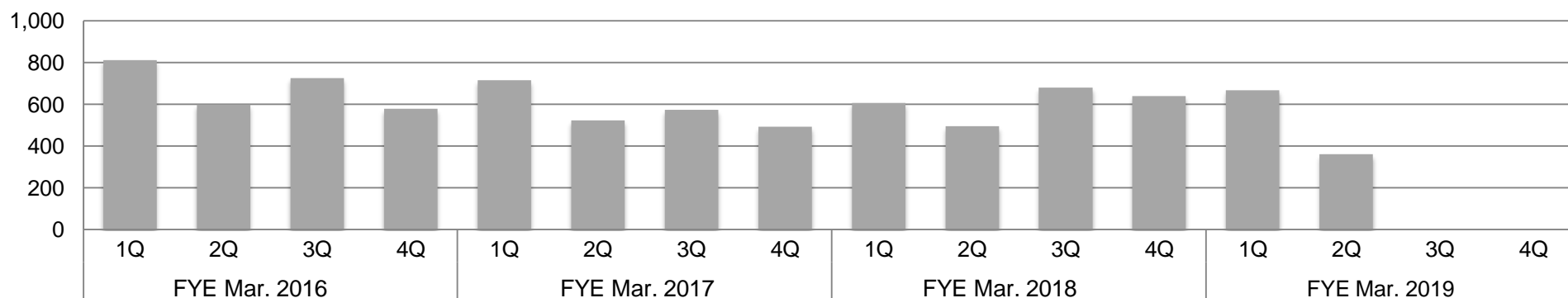
## Capital expenditure, depreciation and amortization, and R&D costs (Millions of yen)

	FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018				FYE Mar. 2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capital expenditure	874	877	1,962	2,130	3,018	3,377	1,713	2,153	1,687	1,579	1,198	1,473	1,036	750		
Depreciation and amortization	1,466	1,394	1,302	1,380	1,166	1,485	2,037	2,234	2,103	1,999	2,057	1,996	1,680	951		
R&D costs	811	598	726	579	715	523	574	493	607	494	681	639	667	362		

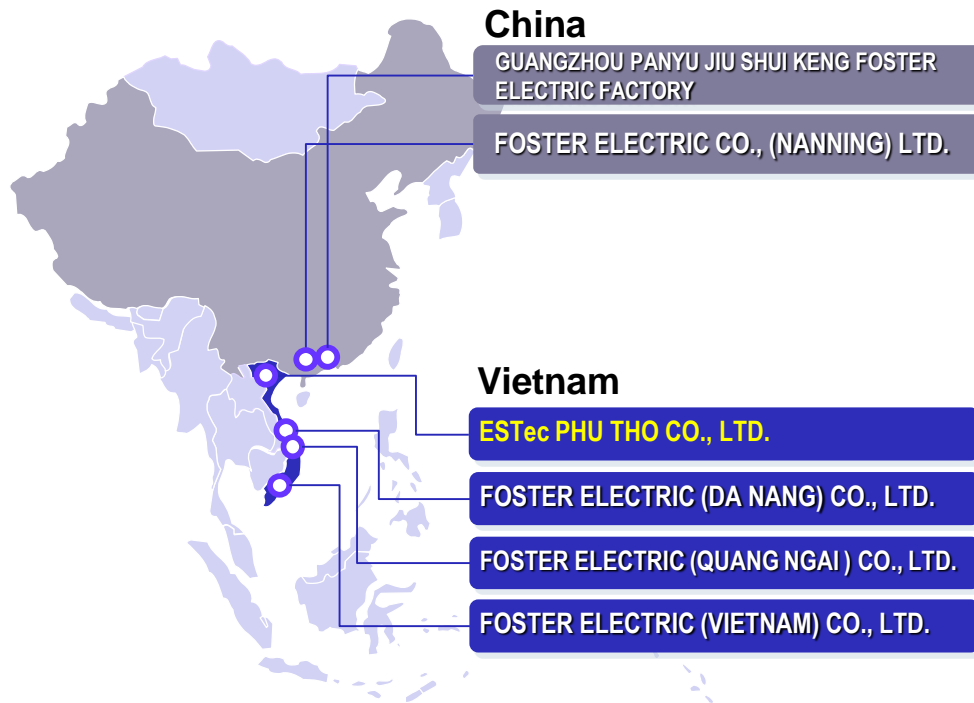
## Capital expenditure and depreciation and amortization (Millions of yen)



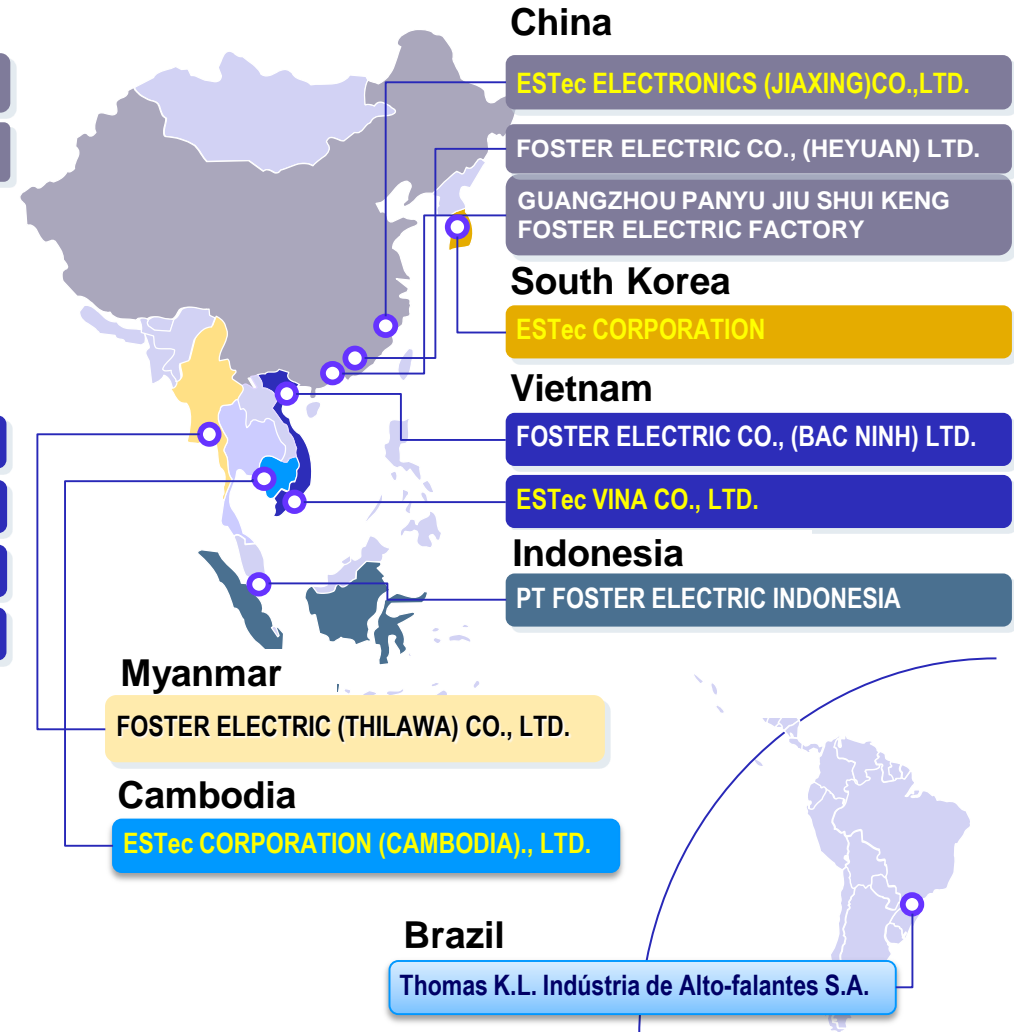
## R&D costs (Millions of yen)



## Headphones and Headsets



## Speakers



(As of September 30, 2018)

## [Notes]

The forecasts, plans, outlooks, etc. concerning the financial results for the current fiscal year and the future contained in this document 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 results may differ from the forecasts 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, trends 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.

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