

**FOSTER.**

# **Financial Results Briefing for the Fiscal Year Ended March 31, 2016**

**Foster Electric Company, Limited**  
(Stock code: 6794, First Section, Tokyo Stock Exchange)  
**May 11, 2016**

# I. Overview of Financial Results for the Fiscal Year Ended March 31, 2016

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# Results for the Fiscal Year Ended March 31, 2016

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## Both net sales and profits have exceeded original forecasts An increase in net sales and profits was achieved

- Record-high net sales achieved for seven consecutive years
- Both operating income and ordinary income were at record highs for the second consecutive fiscal year
- Record high also set for net income

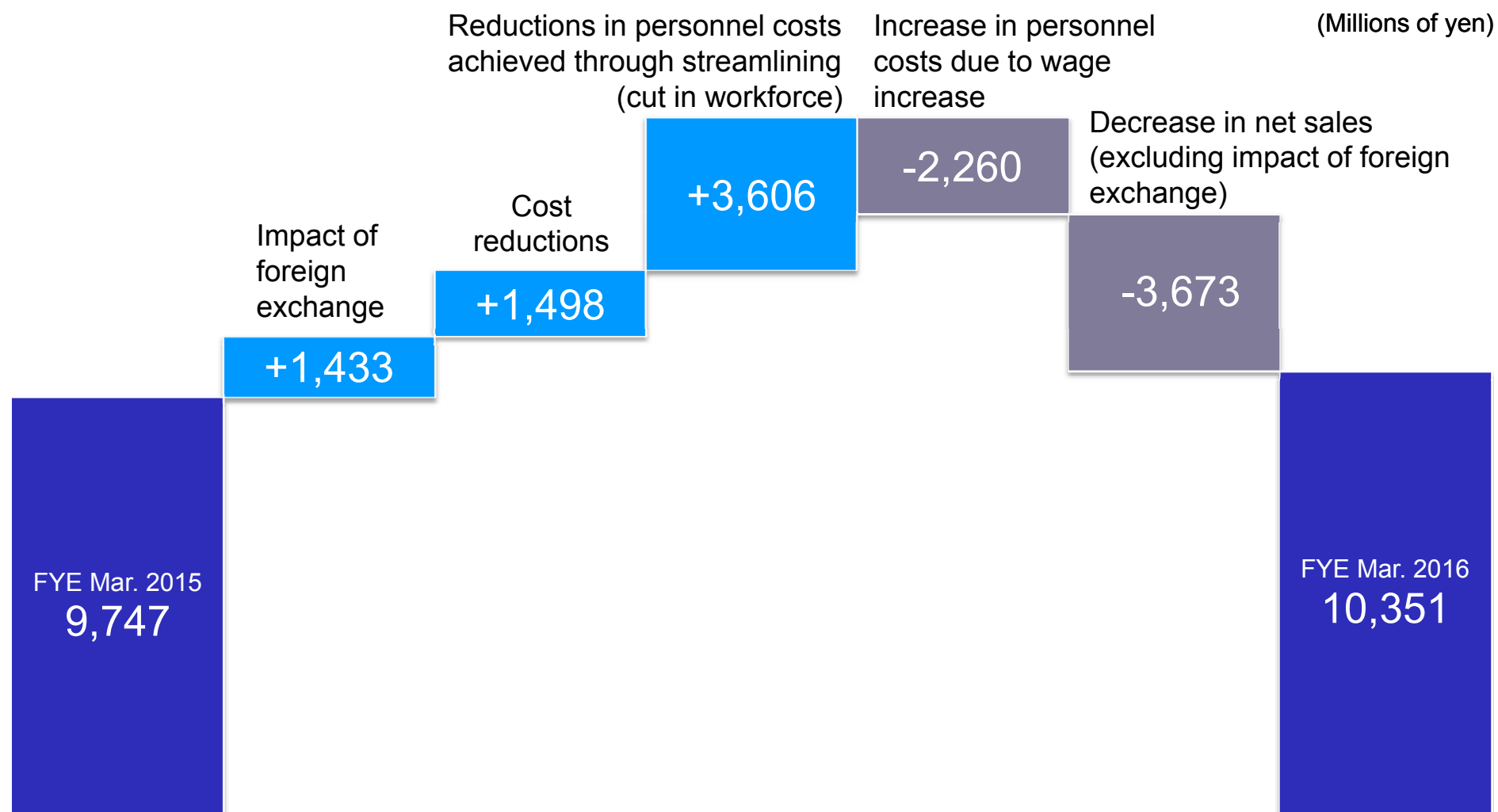
(Millions of yen)

	FYE Mar. 2015	FYE Mar. 2016	Amount of change	Percentage change	FYE Mar. 2016 Original Forecast	Difference	Percentage achieved
Net sales	189,124	190,928	1,804	1.0%	190,000	928	100.5%
Operating income	9,747	10,351	604	6.2%	10,000	351	103.5%
<i>Operating income to net sales</i>	<i>5.2%</i>	<i>5.4%</i>			<i>5.3%</i>		
Ordinary income	10,398	10,847	449	4.3%	10,000	847	108.5%
<i>Ordinary income to net sales</i>	<i>5.5%</i>	<i>5.7%</i>			<i>5.3%</i>		
Net income <sup>*1</sup>	4,858	6,833	1,975	40.7%	5,000	1,833	136.7%
<i>Net income to net sales<sup>*1</sup></i>	<i>2.6%</i>	<i>3.6%</i>			<i>2.6%</i>		
Net income per share	¥206.18	¥255.44	¥49.26	23.9%	¥186.89	¥68.55	136.7%
Dividends per share	¥40.0	¥50.0	¥10.0	25.0%	¥40.0	¥10.0	125.0%
Dividend payout ratio	19.4%	19.6%			21.4%		
ROE	9.1%	11.0%					
Assumed exchange rates	110.62 yen/US\$ 138.41 yen/EUR	119.99 yen/US\$ 132.29 yen/EUR			117 yen/US\$ <sup>*2</sup> 130 yen/EUR <sup>*2</sup>		

\*1. Net income attributable to owners of parent; net income attributable to owners of parent to net sales

\*2. The exchange rate assumptions for the second half revised from initial assumption of JPY117 / USD1 and JPY130 / EUR1 to JPY120 / USD1 and JPY135 / EUR1

## Profits improved largely due to effects of streamlining



# Performance by Segment

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**Substantial increase in profits achieved by the automotive components and products segment**

(Millions of yen)

		FYE Mar. 2015	Composition ratio	FYE Mar. 2016	Composition ratio	Percentage change
	Net sales	189,124		190,928		1.0%
	Operating income	9,747		10,351		6.2%
	<i>Operating margin</i>	5.2%		5.4%		
Acoustic components and products	Net sales	28,189	14.9%	21,758	11.4%	(22.8)%
	Operating income	1,680	17.2%	1,201	11.6%	(28.5)%
	<i>Operating margin</i>	6.0%		5.5%		
Automotive components and products	Net sales	59,516	31.5%	65,039	34.1%	9.3%
	Operating income	2,218	22.8%	3,623	35.0%	63.3%
	<i>Operating margin</i>	3.7%		5.6%		
Information & communication components and products	Net sales	95,981	50.7%	97,958	51.3%	2.1%
	Operating income	5,810	59.6%	5,632	54.4%	(3.1)%
	<i>Operating margin</i>	6.1%		5.7%		
Other	Net sales	5,437	2.9%	6,173	3.2%	13.5%
	Operating income	44	0.4%	(106)	(1.0)%	—
	<i>Operating margin</i>	0.8%		(1.7)%		

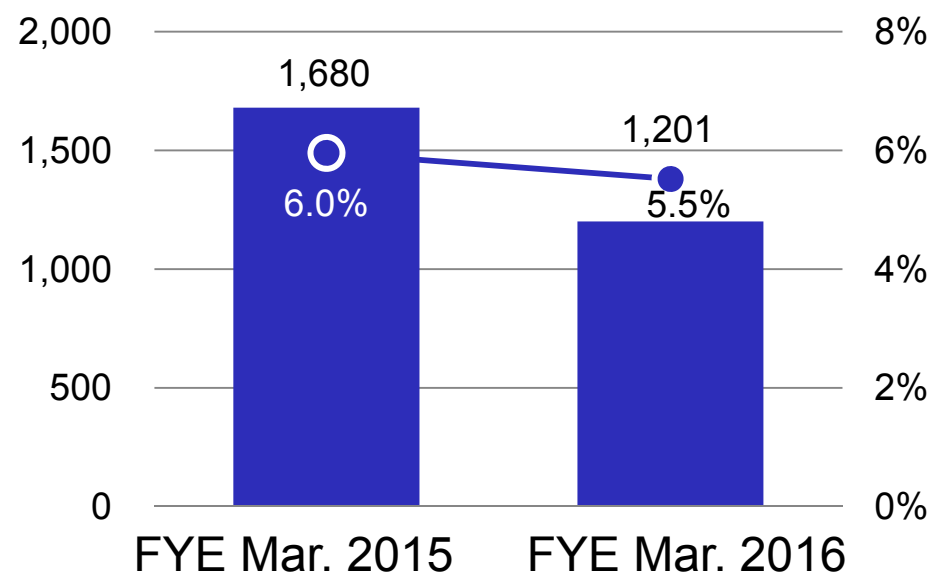
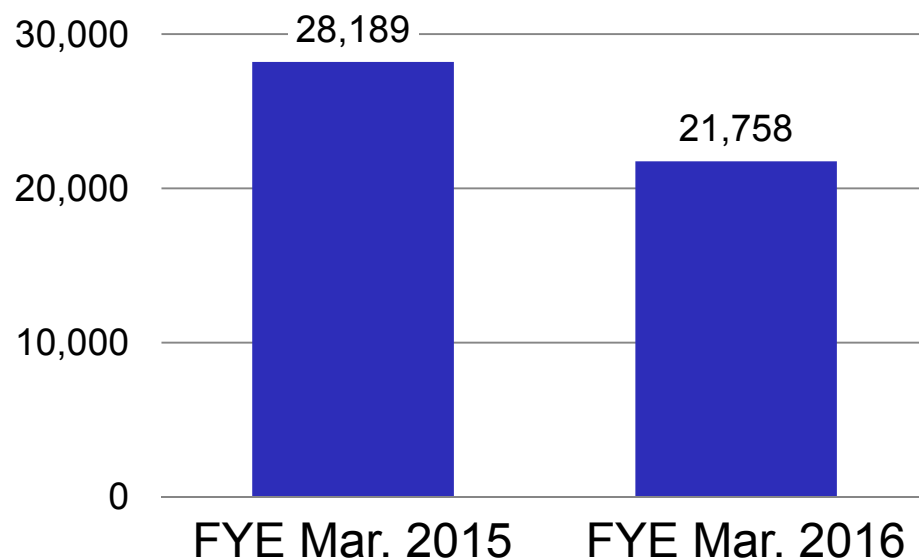
## Results by Segment (Acoustic Components and Products Segment) **FOSTER**

- Decrease in shipments of flat TV speakers, speaker systems, and audio speakers
- Operating income decreased due to lower net sales and recognition of allowance for doubtful receivables

(Millions of yen)

		FYE Mar. 2015	Composition ratio	FYE Mar. 2016	Composition ratio	Percentage change
Acoustic components and products	Net sales	28,189	14.9%	21,758	11.4%	(22.8)%
	Operating income	1,680	17.2%	1,201	11.6%	(28.5)%
	<i>Operating margin</i>	6.0%		5.5%		

Net sales (Millions of yen)
Operating income and operating margin (Millions of yen)



## Results by Segment (Automotive Components and Products Segment)

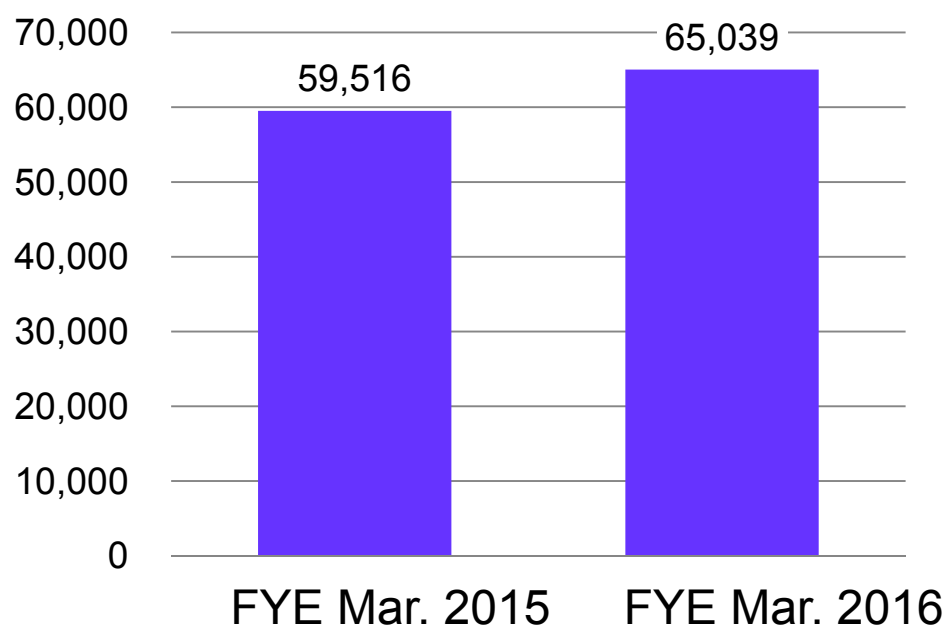
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- Net sales grew as a result of increased demand in the North American market
- Operating income increased as a result of controlling labor costs increases in China and productivity improvement at a plant in Vietnam

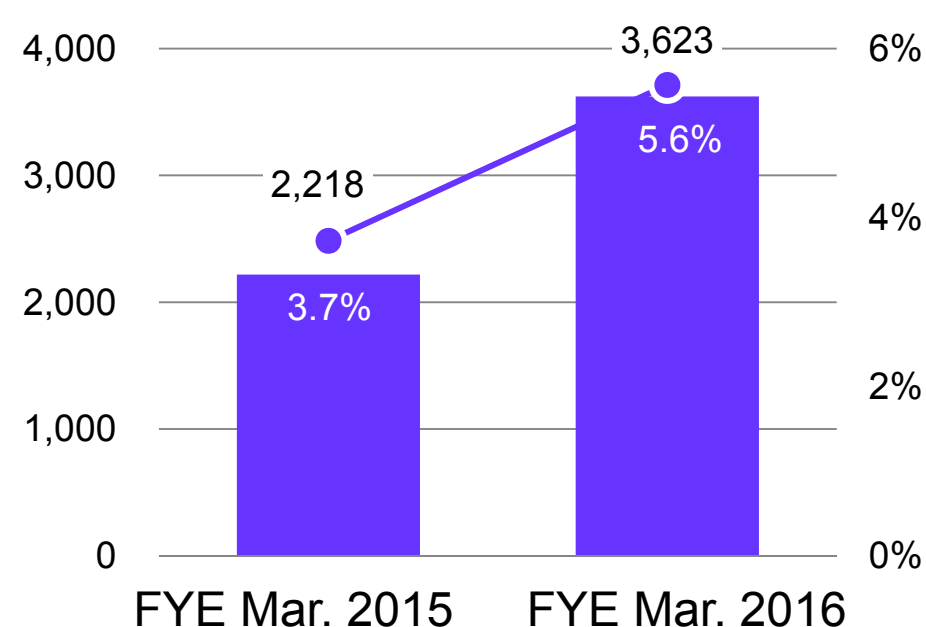
(Millions of yen)

		FYE Mar. 2015	Composition ratio	FYE Mar. 2016	Composition ratio	Percentage change
Automotive components and products	Net sales	59,516	31.5%	65,039	34.1%	9.3%
	Operating income	2,218	22.8%	3,623	35.0%	63.3%
	<i>Operating margin</i>	3.7%		5.6%		

Net sales (Millions of yen)



Operating income and operating margin (Millions of yen)



## Results by Segment (Information & Communication Components and Products Segment)

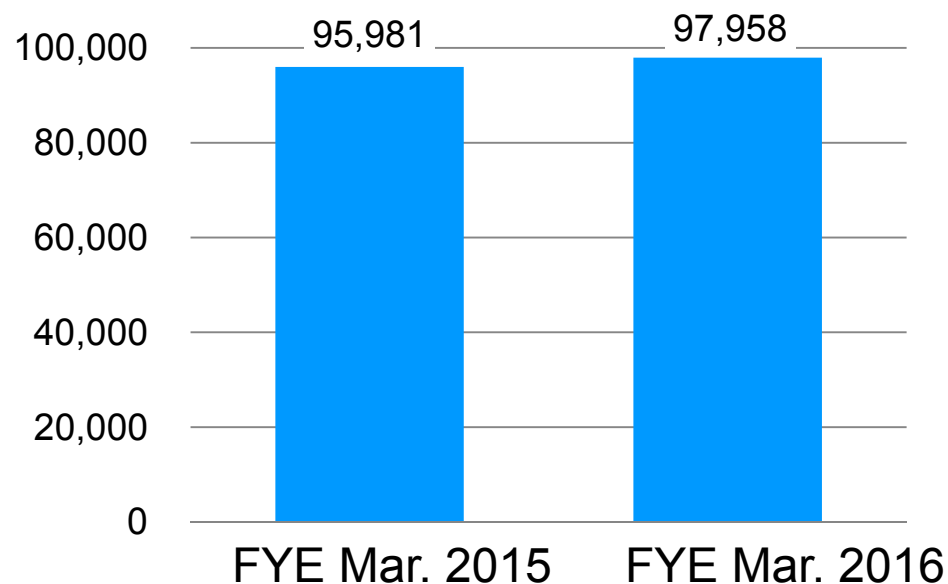
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- In spite of a sharp drop in shipments of headsets to major customers in 4Q (Jan-Mar), net sales increased due to the weak yen
- Operating income decreased due to a diminished rate of factory capacity utilization in 4Q

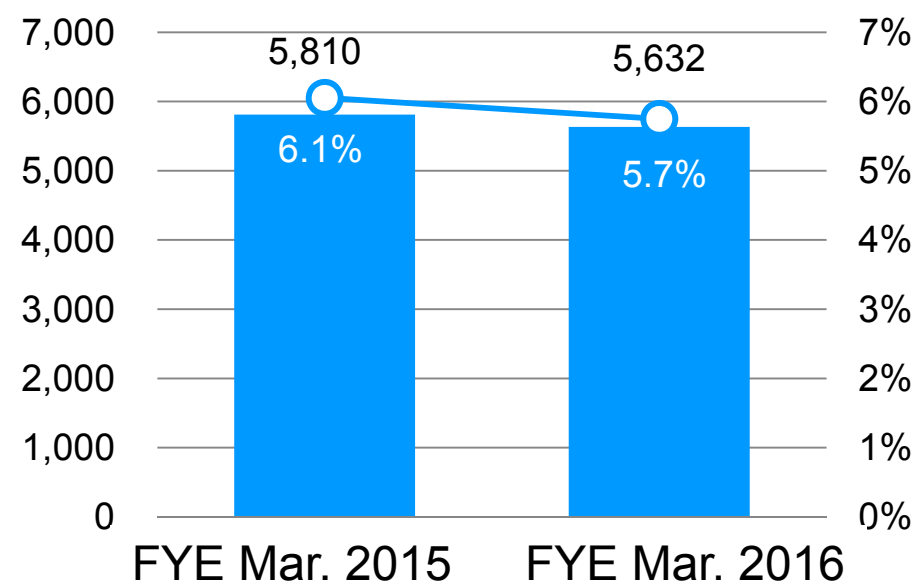
(Millions of yen)

		FYE Mar. 2015	Composition ratio	FYE Mar. 2016	Composition ratio	Percentage change
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	Operating income	5,810	59.6%	5,632	54.4%	(3.1)%
	Operating margin	6.1%		5.7%		

Net sales (Millions of yen)



Operating income and operating margin (Millions of yen)





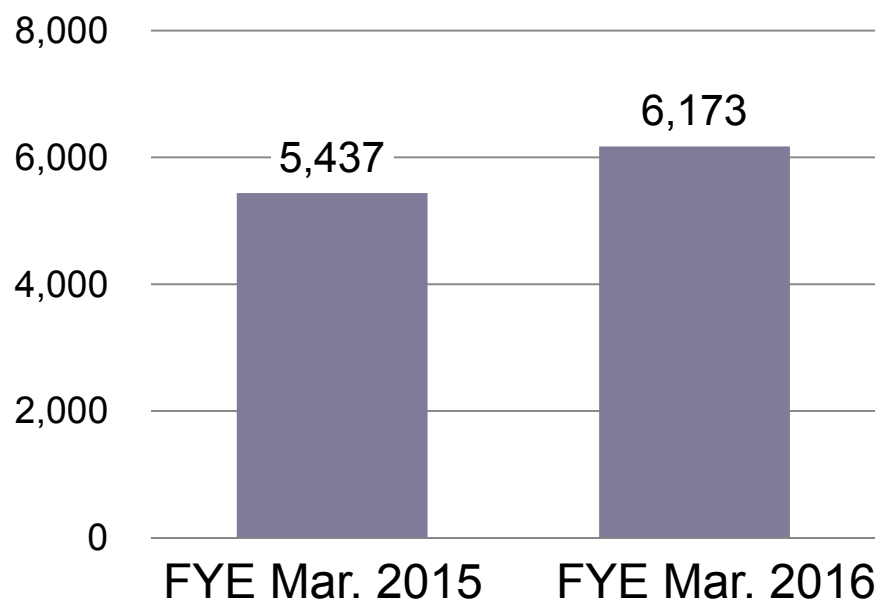
# Results by Segment (Other Segment)

- Operating loss recorded due to a deterioration in profitability in products for the domestic market, accompanying the depreciation of the yen

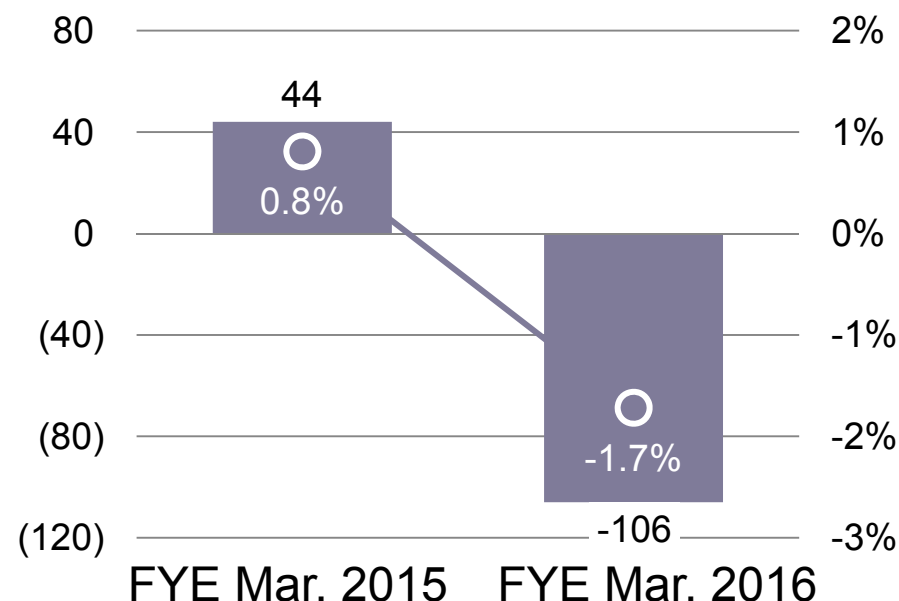
(Millions of yen)

		FYE Mar. 2015	Composition ratio	FYE Mar. 2016	Composition ratio	Percentage change
Other	Net sales	5,437	2.9%	6,173	3.2%	13.5%
	Operating income	44	0.4%	(106)	(1.0)%	—
	Operating margin	0.8%		(1.7)%		

Net sales (Millions of yen)



Operating income and operating margin (Millions of yen)



# Consolidated Balance Sheet

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**Equity ratio at the end of FYE March 2016 was 63.7% (58.2% for FYE March 2015)**

	As of March 31, 2015	As of March 31, 2016	(Millions of yen) Amount of change
<b>Current assets</b>	73,721	69,959	(3,762)
Cash and deposits	8,589	16,519	7,930
Notes and accounts receivable - trade	32,214	24,444	(7,770)
Inventories	28,459	23,513	(4,946)
Other	4,459	5,483	1,024
<b>Non-current assets</b>	31,121	28,775	(2,346)
Property, plant and equipment	23,271	21,995	(1,276)
Intangible assets	1,757	1,534	(223)
Investments and other assets	6,093	5,245	(848)
<b>Total assets</b>	104,843	98,735	(6,108)
<b>Current liabilities</b>	31,699	29,111	(2,588)
Notes and accounts payable - trade	14,513	13,096	(1,417)
Short-term bank loans	6,494	2,236	(4,258)
Current portion of long-term debt	1,052	5,093	4,041
Other	9,640	8,686	(954)
<b>Long-term liabilities</b>	8,199	2,605	(5,594)
Long-term debt	6,514	1,432	(5,082)
Other	1,685	1,173	(512)
<b>Net assets</b>	64,944	67,017	2,073
Shareholders' equity	55,538	60,954	5,416
Accumulated other comprehensive income	5,442	1,924	(3,518)
Non-controlling interests	3,963	4,138	175
<b>Total liabilities and net assets</b>	104,843	98,735	(6,108)

# Statement of Cash Flows

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Free cash flows at the end of FYE March 2016 were 20 billion yen

(Millions of yen)

	FYE Mar. 2015	FYE Mar. 2016	Amount of change
Operating activities	15,499	24,057	8,558
Investing activities	(4,417)	(3,946)	471
Free cash flows *	11,082	20,111	9,029
Financing activities	(11,513)	(6,676)	4,837
Net increase (decrease) in cash and cash equivalents	88	11,934	11,846
Cash and cash equivalents at the end of the year	5,924	17,858	11,934

\*Free cash flow = cash flows from operating activities + cash flows from investing activities

## II. Forecast for Fiscal Year Ending March 31, 2017

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## Decreasing net sales and income forecast amid a severe operating environment

- Concern about global economic downturn
- Slowdown in the smartphone market
- Strong yen relative to previous year levels

(Millions of yen)

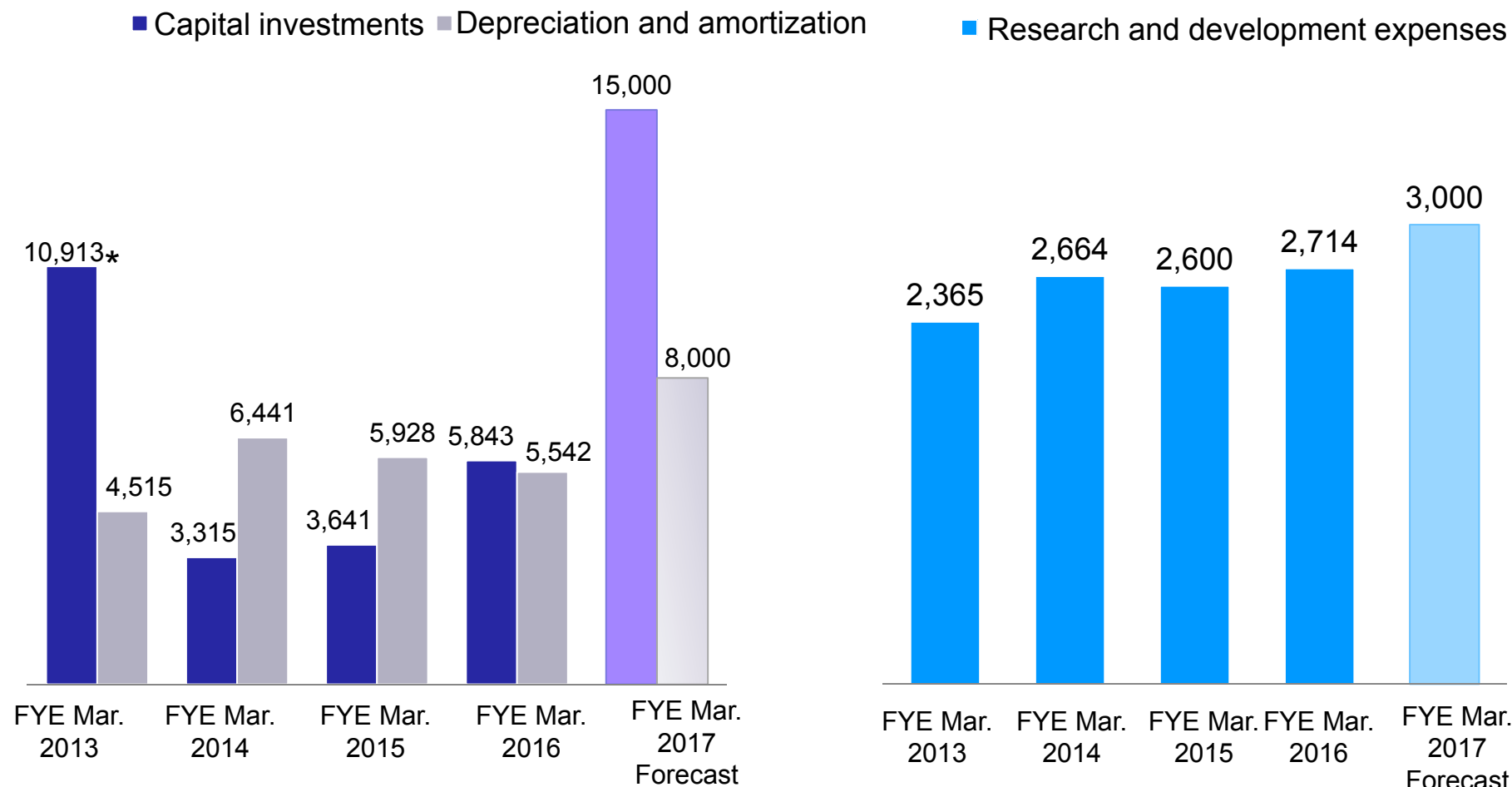
	FYE Mar. 2016	FYE Mar. 2017 Forecast	Amount of change	Percentage change
Net sales	190,928	180,000	(10,928)	(5.7)%
Operating income	10,351	8,000	(2,351)	(22.7)%
<i>Operating income to net sales</i>	5.4%	4.4%		
Ordinary income	10,847	8,000	(2,847)	(26.3)%
<i>Ordinary income to net sales</i>	5.7%	4.4%		
Net income*	6,833	4,600	(2,233)	(32.7)%
<i>Net income to net sales*</i>	3.6%	2.6%		
Net income per share	¥255.44	¥171.94	¥(83.50)	(32.7)%
Dividends per share	¥50.0	¥40.0	¥(10.0)	(20.0)%
Dividend payout ratio	19.6%	23.3%		
Assumed exchange rates	119.99 yen/US\$ 132.29 yen/EUR	110 yen/US\$ 125 yen/EUR		

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

# Capital Investments, Depreciation and Amortization, and Research and Development Expenses

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

## Research and development expenses (Millions of yen)



\* Including construction costs for technology development center (current headquarters)

## III. Future Initiatives

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

Medium-term management target: ROE over 10% (11.0% for the fiscal year ended March 31, 2016)

### 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

- Smartphones: 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 allocation improvements, mechanization, and labor savings

## Promotion of cash flow oriented management



- **Secured orders in response to changes in the market environment**
- **Engaged in activities to reduce material costs and other production expenditures**
- **Improved processes, promoted mechanization and labor savings to increase productivity**
  - Introduced robotic arms to speaker production lines in China
- **Developed optimized production frameworks**
  - Restructured factory operations in China and Vietnam
  - Promoted streamlining and labor savings
  - Launched speaker component production at the Thilawa Plant in Myanmar
- **Developed sales channels**

## Headphones and Headsets

**Enhance efforts to develop luxury models**

Shift to high performance and premium quality

**Enhance efforts to shift to wireless**

Pursue opportunities in growing wireless applications

**Enhance efforts to develop aftermarket business**

Address the growing trend of using headphones to listen to music



## Car speakers and speaker systems

**Achieve cost leadership through standardization**

Further demonstrate advantages in competition involving speakers for luxury vehicles

**Develop lighter-weight and more environmentally friendly products**

Develop lighter and thinner products to support environmental friendliness and energy efficiency; reduce environmentally hazardous substances

**Enhance initiatives to develop products for autonomous vehicles**

Address growing needs for warning devices and next-generation speaker layouts



Trends involving technological innovation → Business opportunities

**Technologies involving interfaces between acoustic signals and human beings**

Address growing sophistication of voice recognition technologies

Initiatives involving microphones

Initiatives involving vibration components

Develop audio into vibrations

Expansion of business domain

Wearable devices

Internet of Things (IoT)

Autonomous driving/ADAS

Robotics

Drones

Artificial intelligence (AI)

Virtual reality (VR)

## Autonomous vehicle market

- Fields from sound input to output, advances in alarm sounds and greater diversification in voice recognition
- Develop new products equipped with vibration components

## VR

- Develop actuators that enable tactile interactivity in gaming, manufacturing, and medical settings

**Redouble marketing efforts and create products for the next generation**

## Headphones and Headsets

- **Build a production framework tailored to changes in demand**

## Speakers and Speaker Systems

- **Steadily shift production from China to the ASEAN region**

Bac Ninh Plant, Vietnam  
Establish framework for increased production

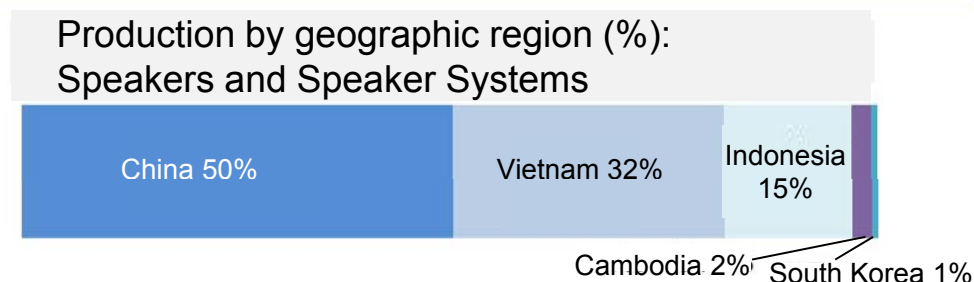
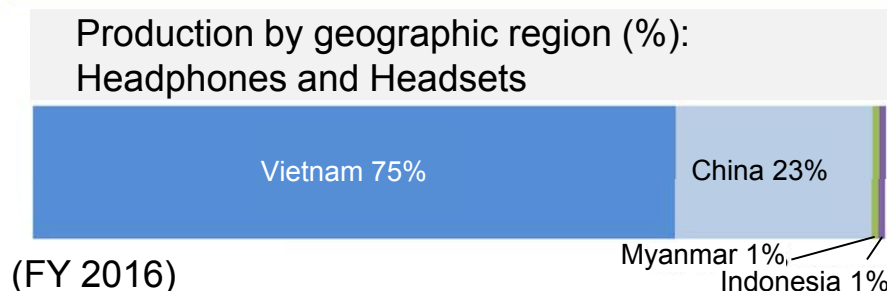
Thilawa Plant, Myanmar  
Launch audio speakers production (April 2016)  
In 2017, launch automotive speaker production and shift to mass production



**[Medium-term plan: Production by geographic region as a percentage of total production]**  
**China 25%, Vietnam 50%, Myanmar and other 25%**

- **Promote mechanization and labor savings**

– Accelerate investment in automation, including robotics



## Dividends to Shareholders

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**Dividends planned for the current fiscal year amount to ¥40 per share (payout ratio of 23.3%)**

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

	FYE Mar. 2013	FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	FYE Mar. 2017 Forecast
Net income per share	¥142.91	¥99.50	¥206.18	¥255.44	¥171.94
Dividends per share	¥25.0	¥40.0	¥40.0	¥50.0	¥40.0
Dividend payout ratio	17.5%	40.2%	19.4%	19.6%	23.3%

## IV. Reference Materials

# Company Profile

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**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 March 31, 2016)
<b>Business Domains</b>	Production and sales of loudspeakers, audio equipment, and electronic equipment
<b>Number of Employees</b>	Consolidated: 49,266 (including the employees of our outsourcee in Panyu, China) Non-consolidated: 458 (as of March 31, 2016 for both consolidated and non-consolidated)



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

## Acoustic components and products

- Manufacturing and sales of speakers and speaker systems for audio devices and TVs, amplifier built-in speakers, headphones, etc.

TV speakers



Amplifier built-in speakers



Headphones



## Automotive components and products

- Manufacturing and sales of car speakers, speaker systems, etc.

Car speakers



Car speaker systems



## Information & communication components and products

- Manufacturing and sales of headsets and small speakers for mobile phones, and commercial microphones

Headsets



Microspeakers for PCs and smartphones



Microphones



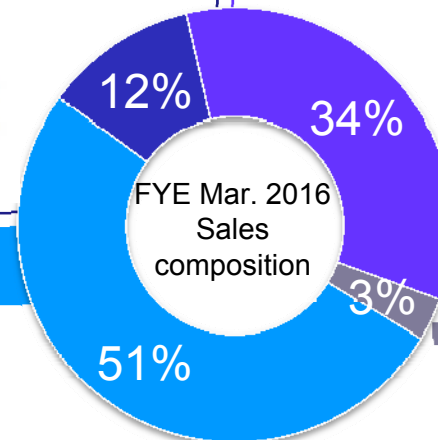
## Other

- Manufacturing and sales of “FOSTEX” brand products, manufacturing and sales of micro acoustic components, provision of logistics services, etc.

FOSTEX products



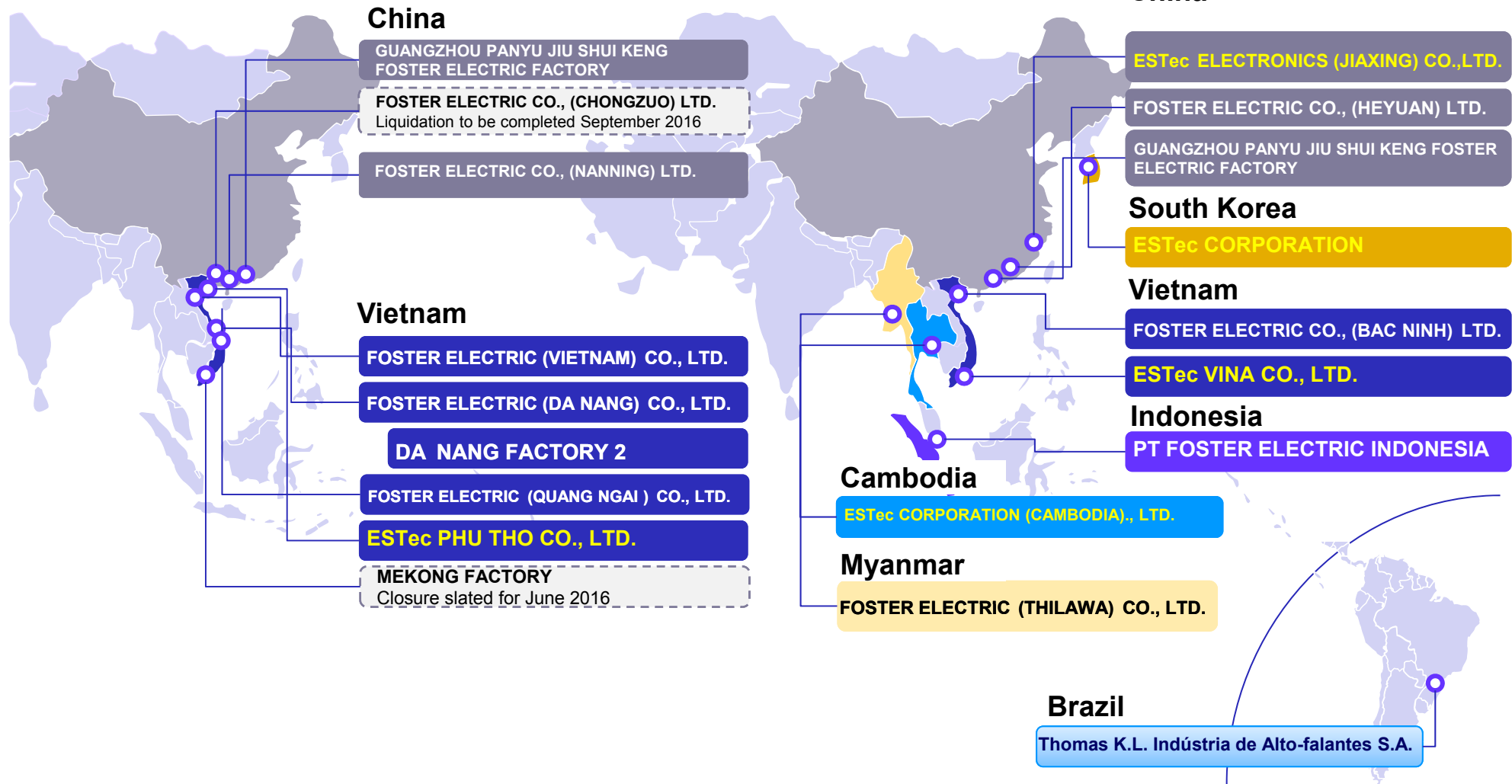
Micro acoustic components



# The Group's Major Manufacturing Bases

## Headphones and Headsets

## Speakers



(As of March 31, 2016)

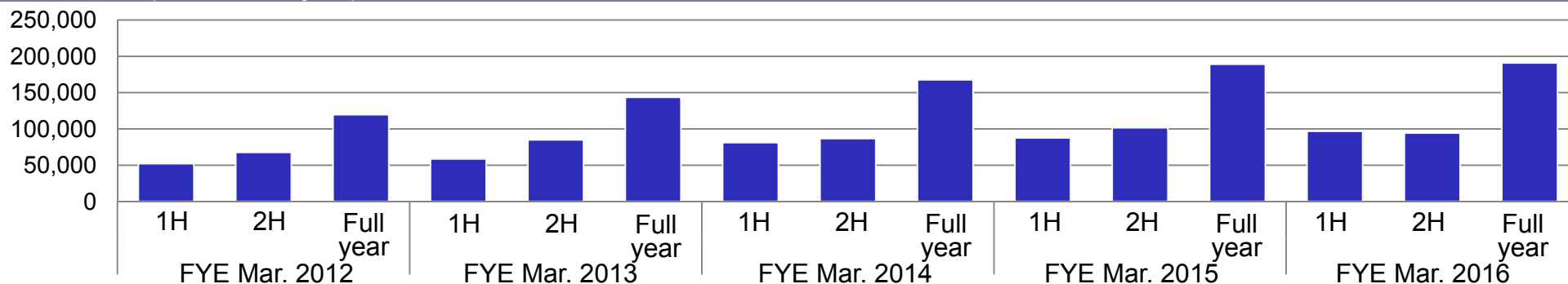
# Half-year and Full-year Results



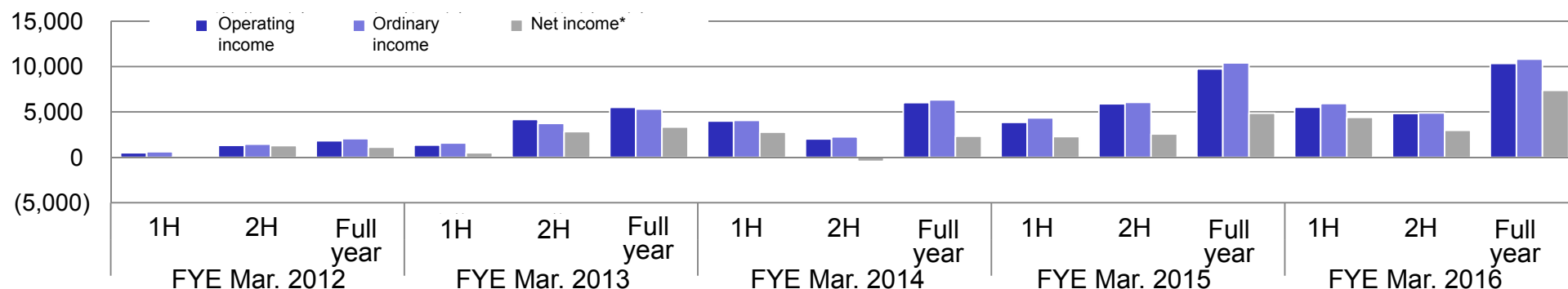
## Results table (Millions of yen)

	FYE Mar. 2012			FYE Mar. 2013			FYE Mar. 2014			FYE Mar. 2015			FYE Mar. 2016		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales	52,070	67,531	119,601	58,637	84,905	143,542	81,032	86,608	167,640	87,481	101,643	189,124	96,641	94,287	190,928
Operating income	499	1,317	1,816	1,343	4,172	5,515	3,991	2,030	6,021	3,852	5,895	9,747	5,524	4,827	10,351
Ordinary income	609	1,450	2,059	1,575	3,741	5,316	4,065	2,262	6,327	4,342	6,056	10,398	5,927	4,920	10,847
Net income*	(163)	1,286	1,123	500	2,833	3,333	2,767	(446)	2,321	2,285	2,573	4,858	4,406	2,427	6,833
Operating margin	1.0%	2.0%	1.5%	2.3%	4.9%	3.8%	4.9%	2.3%	3.6%	4.4%	5.8%	5.2%	5.7%	5.1%	5.4%
Ordinary income margin	1.2%	2.1%	1.7%	2.7%	4.4%	3.7%	5.0%	2.6%	3.8%	5.0%	6.0%	5.5%	6.1%	5.2%	5.7%
Net income margin*	(0.3)%	1.9%	0.9%	0.9%	3.3%	2.3%	3.4%	(0.5)%	1.4%	2.6%	2.5%	2.6%	4.6%	2.6%	3.6%

## Net sales (Millions of yen)



## Profit (Millions of yen)



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

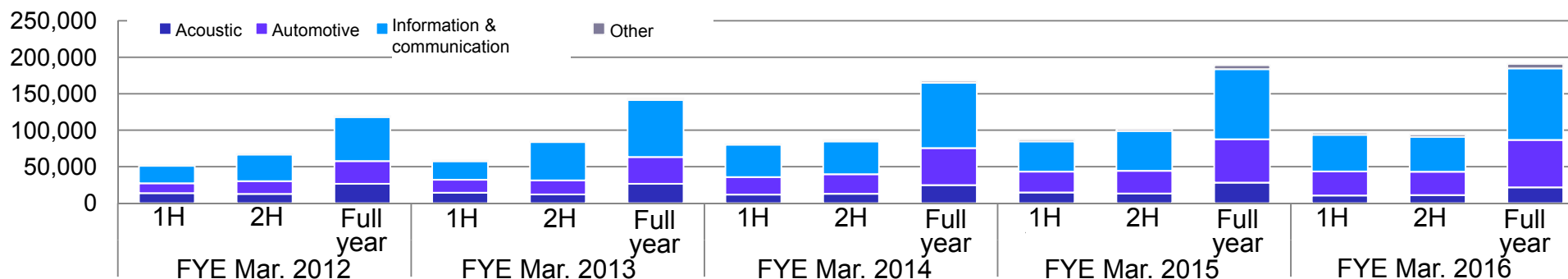
# Half-year and Full-year Results by Segment



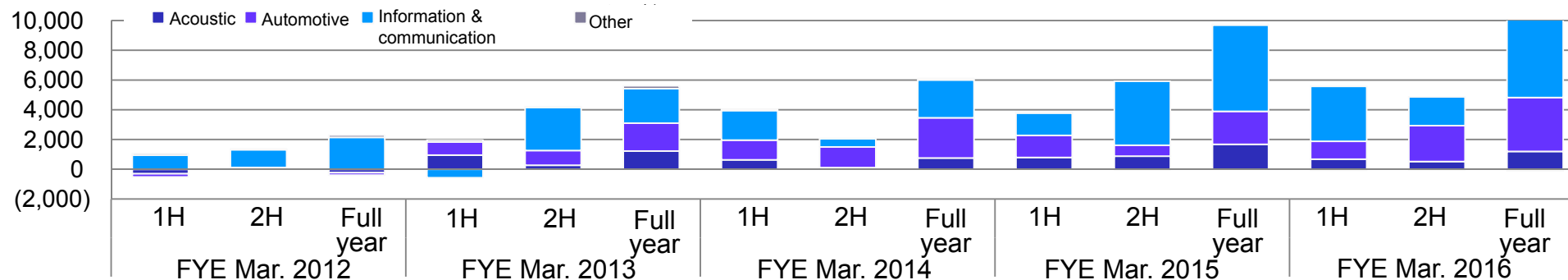
Results table (Millions of yen)

Net sales	FYE Mar. 2012			FYE Mar. 2013			FYE Mar. 2014			FYE Mar. 2015			FYE Mar. 2016		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Acoustic	13,795	12,815	26,610	14,421	12,118	26,539	11,869	12,932	24,801	14,812	13,377	28,189	10,677	11,081	21,758
Automotive	13,607	17,464	31,071	17,750	19,137	36,887	23,938	26,860	50,798	28,521	30,995	59,516	32,952	32,087	65,039
Information & communication	23,890	36,533	60,423	25,494	52,568	78,062	44,428	44,994	89,422	41,424	54,557	95,981	50,142	47,816	97,958
Other	777	719	1,496	969	1,085	2,054	794	1,824	2,618	2,723	2,714	5,437	2,867	3,306	6,173
<b>Operating income</b>															
Acoustic	(299)	72	(227)	954	275	1,229	640	116	756	797	883	1,680	681	520	1,201
Automotive	(214)	53	(161)	885	989	1,874	1,321	1,390	2,711	1,482	736	2,218	1,206	2,417	3,623
Information & communication	950	1,195	2,145	(568)	2,895	2,327	1,994	548	2,542	1,503	4,307	5,810	3,695	1,937	5,632
Other	110	47	157	121	61	182	84	25	109	76	(32)	44	(58)	(48)	(106)

Net sales (Millions of yen)



Operating income (Millions of yen)



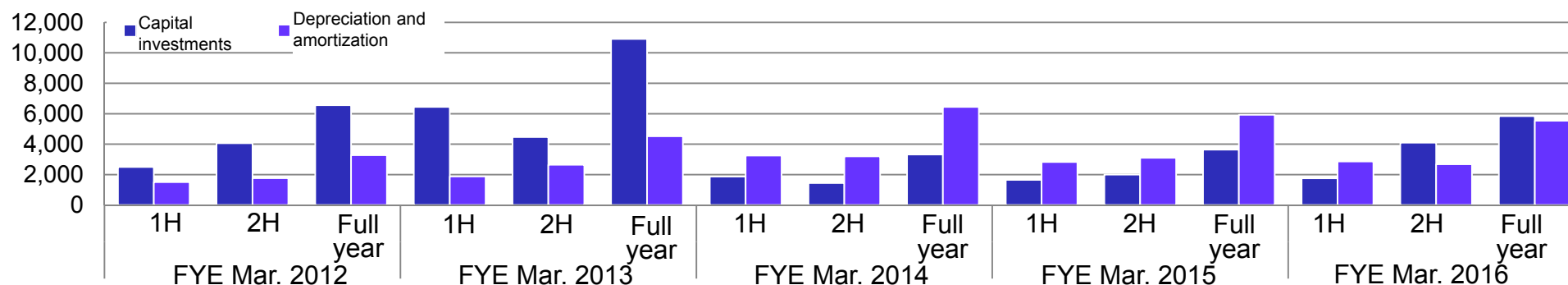
# Half-year and Full-year Capital Investments, Depreciation and Amortization, and Research and Development Expenses



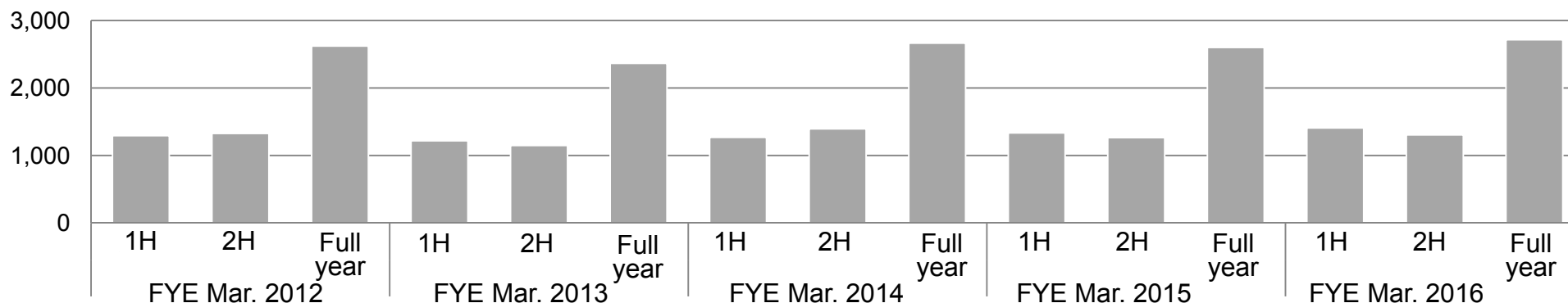
Capital investments, depreciation and amortization, and research and development expenses (Millions of yen)

	FYE Mar. 2012			FYE Mar. 2013			FYE Mar. 2014			FYE Mar. 2015			FYE Mar. 2016		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Capital investments	2,496	4,060	6,556	6,448	4,465	10,913	1,869	1,446	3,315	1,647	1,994	3,641	1,751	4,092	5,843
Depreciation and amortization	1,507	1,767	3,274	1,874	2,641	4,515	3,248	3,193	6,441	2,822	3,106	5,928	2,860	2,682	5,542
Research and development expenses	1,294	1,327	2,621	1,217	1,148	2,365	1,269	1,395	2,664	1,335	1,265	2,600	1,409	1,305	2,714

Capital investments and depreciation and amortization (Millions of yen)



Research and development expenses (Millions of yen)



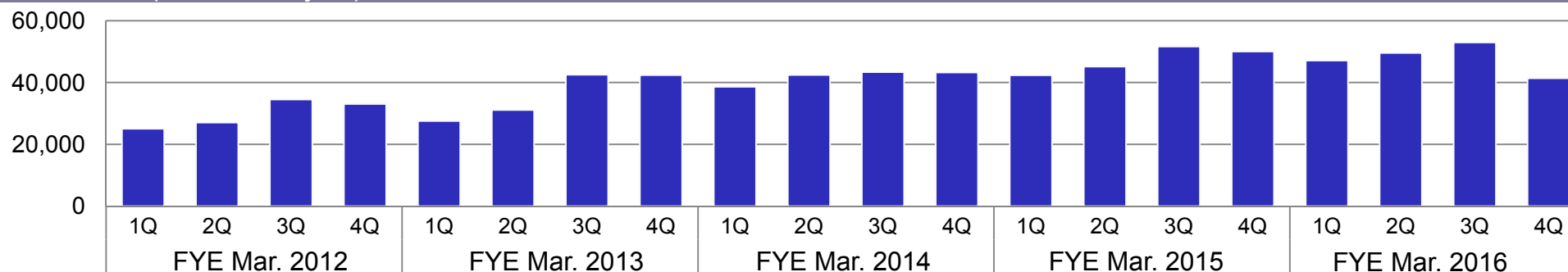
# Quarterly Results

**FOSTER**

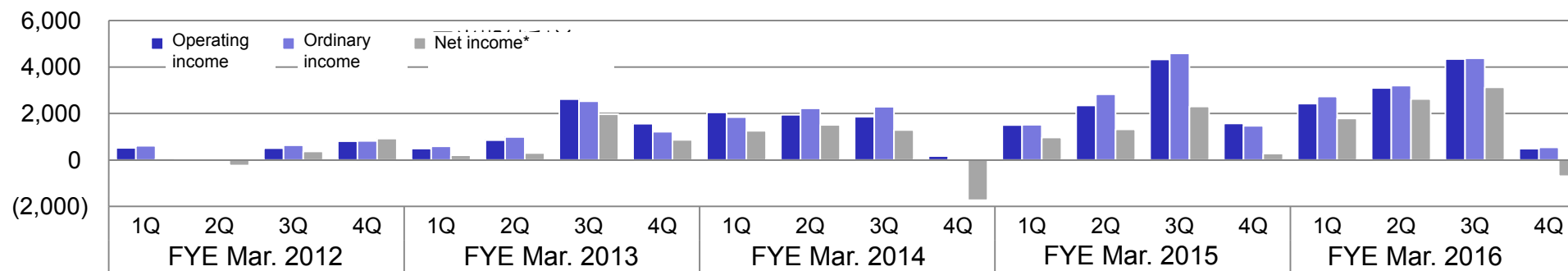
## Results table (Millions of yen)

	FYE Mar. 2012				FYE Mar. 2013				FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	25,033	27,037	34,488	33,043	27,543	31,094	42,505	42,400	38,595	42,437	43,360	43,248	42,327	45,154	51,624	50,019	47,092	49,549	52,934	41,353
Operating income	517	(18)	507	810	490	853	2,615	1,557	2,049	1,942	1,861	169	1,505	2,347	4,326	1,569	2,424	3,100	4,343	484
Ordinary income	611	(2)	633	817	586	989	2,529	1,212	1,845	2,220	2,287	(25)	1,516	2,826	4,586	1,470	2,728	3,199	4,376	544
Net income*	74	(237)	368	918	203	297	1,968	865	1,256	1,511	1,287	(1,733)	967	1,318	2,299	274	1,784	2,622	3,124	(697)
Operating margin	2.1%	(0.1)%	1.5%	2.5%	1.8%	2.7%	6.2%	3.7%	5.3%	4.6%	4.3%	0.4%	3.6%	5.2%	8.4%	3.1%	5.1%	6.3%	8.2%	1.2%
Ordinary income margin	2.4%	(0.0)%	1.8%	2.5%	2.1%	3.2%	5.9%	2.9%	4.8%	5.2%	5.3%	(0.1)%	3.6%	6.3%	8.9%	2.9%	5.8%	6.5%	8.3%	1.3%
Net income margin*	0.3%	(0.9)%	1.1%	2.8%	0.7%	1.0%	4.6%	2.0%	3.3%	3.6%	3.0%	(4.0)%	2.3%	2.9%	4.5%	0.5%	3.8%	5.3%	5.9%	(1.7)%

## Net sales (Millions of yen)



## Profit (Millions of yen)



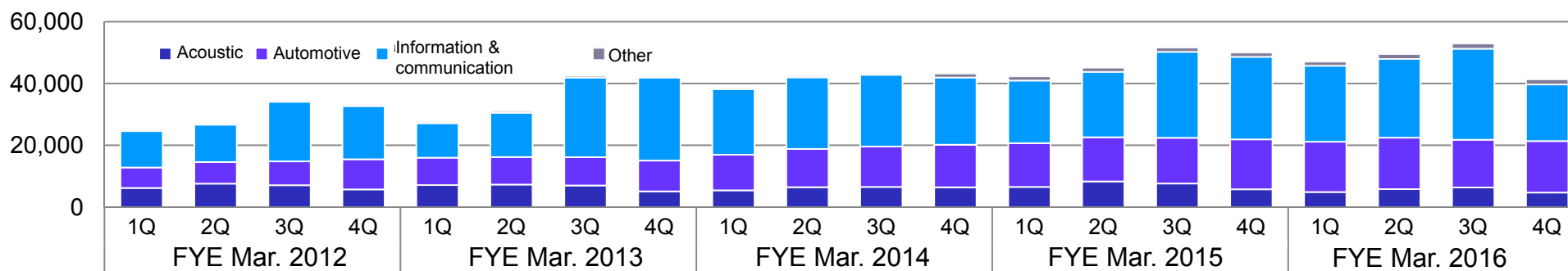
\*Net income attributable to owners of parent; net income attributable to owners of parent to net sales

# Quarterly Results by Segment

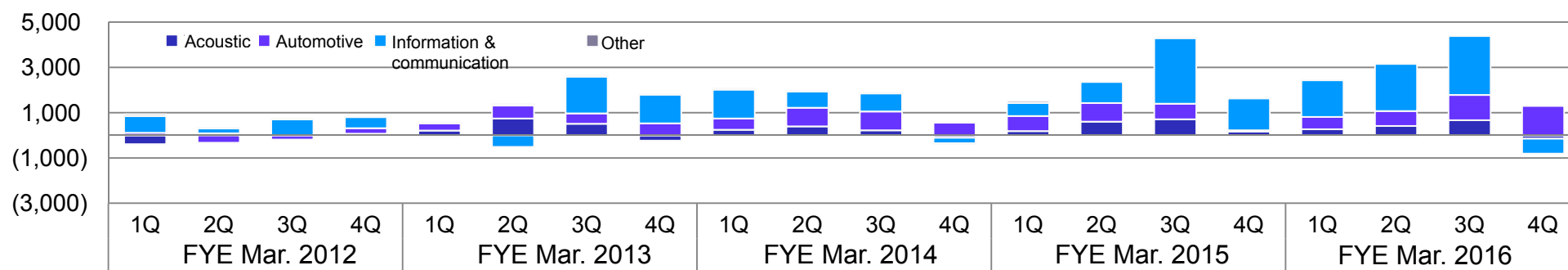
Results table (Millions of yen)

Net sales	FYE Mar. 2012				FYE Mar. 2013				FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Acoustic	6,208	7,587	7,089	5,726	7,108	7,313	7,010	5,108	5,436	6,433	6,547	6,385	6,517	8,295	7,624	5,753	4,869	5,808	6,371	4,710
Automotive	6,605	7,002	7,723	9,741	8,875	8,875	9,165	9,972	11,526	12,412	13,071	13,789	14,194	14,327	14,808	16,187	16,293	16,659	15,429	16,658
Information & communication	11,800	12,090	19,301	17,232	11,151	14,343	25,726	26,842	21,255	23,173	23,231	21,763	20,279	21,145	27,827	26,730	24,607	25,535	29,487	18,329
Other	419	358	375	344	407	562	605	480	377	417	513	1,311	1,335	1,388	1,364	1,350	1,322	1,545	1,649	1,657
<b>Operating income</b>																				
Acoustic	(390)	91	(2)	74	211	743	510	(235)	246	394	221	(105)	190	607	711	172	268	413	669	(149)
Automotive	111	(325)	(187)	240	315	570	460	529	500	821	832	558	666	816	685	51	544	662	1,117	1,300
Information & communication	734	216	704	491	(56)	(512)	1,624	1,271	1,273	721	802	(254)	568	935	2,900	1,407	1,618	2,077	2,602	(665)
Other	86	24	16	31	44	77	45	16	54	30	31	(6)	88	(12)	30	(62)	(6)	(52)	(45)	(3)

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. 2012				FYE Mar. 2013				FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Total current assets</b>	44,150	47,588	52,594	47,633	49,847	60,671	73,962	62,460	67,559	73,650	73,043	67,713	69,836	77,215	86,942	73,721	74,107	77,218	78,898	69,959
Cash and deposits	8,520	7,096	8,380	6,173	6,456	6,296	10,206	6,581	6,217	7,333	7,916	8,225	9,766	8,304	12,402	8,589	15,071	12,882	13,089	16,519
Notes and accounts receivable - trade	16,582	18,807	22,352	21,186	18,133	21,406	31,492	28,582	29,457	31,964	31,137	29,966	31,332	34,929	39,363	32,214	26,141	30,650	32,196	24,444
Other	19,048	21,685	21,862	20,274	25,258	32,969	32,264	27,297	31,885	34,353	33,990	29,522	28,738	33,982	35,177	32,918	32,895	33,686	33,613	28,996
<b>Total non-current assets</b>	19,322	18,736	20,915	22,416	24,324	25,746	29,587	32,019	32,394	32,057	33,269	30,316	29,581	30,048	30,842	31,121	31,288	29,880	30,085	28,775
Net property, plant and equipment	14,239	13,808	16,339	17,461	19,743	21,234	24,773	26,396	26,817	25,682	26,671	24,079	23,054	23,321	23,806	23,271	23,017	22,396	22,293	21,995
Total intangible assets	1,399	1,439	1,360	1,327	1,234	1,157	1,173	1,202	1,207	1,274	1,294	1,311	1,267	1,323	1,398	1,757	1,745	1,699	1,584	1,534
Total investments and other assets	3,683	3,487	3,216	3,628	3,347	3,354	3,640	4,420	4,370	5,099	5,303	4,925	5,259	5,403	5,637	6,093	6,525	5,785	6,207	5,245
<b>Total assets</b>	63,473	66,324	73,509	70,050	74,171	86,417	103,550	94,480	99,954	105,708	106,313	98,030	99,418	107,264	117,785	104,843	105,395	107,099	108,983	98,735
<b>Total current liabilities</b>	28,202	32,322	38,812	32,573	36,350	47,764	53,131	40,639	43,466	45,894	40,203	34,865	36,788	41,099	45,752	31,699	30,206	32,325	35,224	29,111
Notes and accounts payable - trade	7,387	9,746	11,047	10,347	10,317	15,224	13,131	11,758	11,968	13,827	12,797	12,045	13,329	15,662	17,855	14,513	15,466	16,398	17,215	13,096
Total of short-term loans and bonds payable	15,912	17,544	22,210	16,746	20,057	25,287	31,834	20,865	23,650	23,531	18,476	15,473	16,659	17,292	18,136	7,546	5,931	6,373	8,420	7,329
Other	4,903	5,032	5,555	5,480	5,976	7,253	8,166	8,016	7,848	8,536	8,930	7,347	6,800	8,145	9,761	9,640	8,809	9,554	9,589	8,686
<b>Total long-term liabilities</b>	1,391	1,316	2,207	2,503	3,460	4,545	11,947	11,216	11,175	12,526	15,316	14,560	14,226	14,108	14,149	8,199	8,328	6,358	3,453	2,605
Long-term debt and bonds payable	441	370	1,358	1,675	2,631	3,752	10,807	9,958	9,899	11,068	13,730	13,080	12,843	12,631	12,537	6,514	6,600	4,804	1,768	1,432
Other	950	946	849	828	829	793	1,140	1,258	1,276	1,458	1,586	1,480	1,383	1,477	1,612	1,685	1,728	1,554	1,685	1,173
<b>Total net assets</b>	33,879	32,685	32,490	34,973	34,360	34,107	38,471	42,624	45,312	47,286	50,794	48,604	48,403	52,056	57,883	64,944	66,860	68,415	70,305	67,017
Shareholders' equity	40,362	40,124	40,143	41,054	41,025	41,321	43,056	43,921	44,789	46,339	47,159	45,426	45,927	47,244	49,264	55,538	56,573	59,195	61,650	60,954
Accumulated other comprehensive income	(8,234)	(9,220)	(9,326)	(8,001)	(8,719)	(9,233)	(6,682)	(3,728)	(2,058)	(1,788)	723	(58)	(642)	1,501	4,934	5,442	6,401	5,131	4,666	1,924
Non-controlling interests	1,751	1,781	1,673	1,920	2,054	2,018	2,097	2,430	2,581	2,735	2,911	3,236	3,119	3,310	3,683	3,963	3,885	4,088	3,987	4,138
<b>Total liabilities and net assets</b>	63,473	66,324	73,509	70,050	74,171	86,417	103,550	94,480	99,954	105,708	106,313	98,030	99,418	107,264	117,785	104,843	105,395	107,099	108,983	98,735

## Statement of cash flows (millions of yen)

	FYE Mar. 2012				FYE Mar. 2013				FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating activities</b>	880	(2,645)	(555)	5,248	(776)	(3,252)	(5,072)	10,677	(1,093)	739	5,611	4,212	2,196	37	3,902	9,364	9,565	331	4,895	9,266
<b>Investing activities</b>	(1,409)	(1,181)	(3,132)	(1,377)	(4,100)	(2,931)	(2,134)	(2,782)	(1,042)	(1,108)	(1,615)	(484)	(1,881)	(1,211)	(65)	(1,260)	(1,183)	(302)	(870)	(1,591)
<b>Financing activities</b>	975	2,498	5,140	(6,362)	4,427	6,567	10,789	(12,526)	1,237	1,205	(4,366)	(3,464)	671	(749)	(248)	(11,187)	(2,429)	(1,265)	(1,500)	(1,482)
Effect of exchange rate change on cash and cash equivalents	(102)	198	(415)	234	266	(286)	254	635	227	168	102	147	(126)	282	806	(443)	381	(415)	151	(1,616)
<b>Net increase (decrease) in cash and cash equivalents</b>	344	(1,129)	1,035	(2,254)	(182)	97	3,836	(3,994)	(670)	1,003	(270)	413	859	(1,639)	4,393	(3,525)	6,333	(1,652)	2,678	4,575
Cash and cash equivalents at end of the year	7,952	6,822	7,858	5,603	5,420	5,517	9,354	5,359	4,688	5,692	5,423	5,836	6,695	5,055	9,449	5,924	12,257	10,606	13,283	17,858

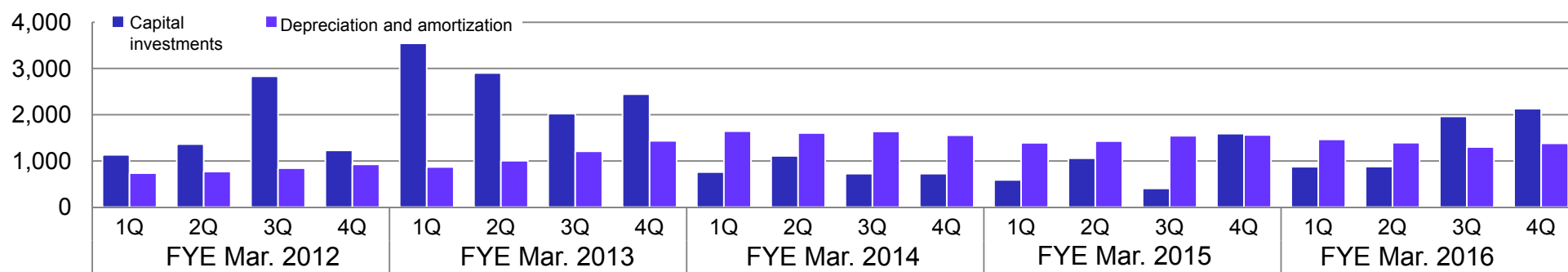


# Quarterly Capital Investments, Depreciation and Amortization, and Research and Development Expenses **FOSTER**

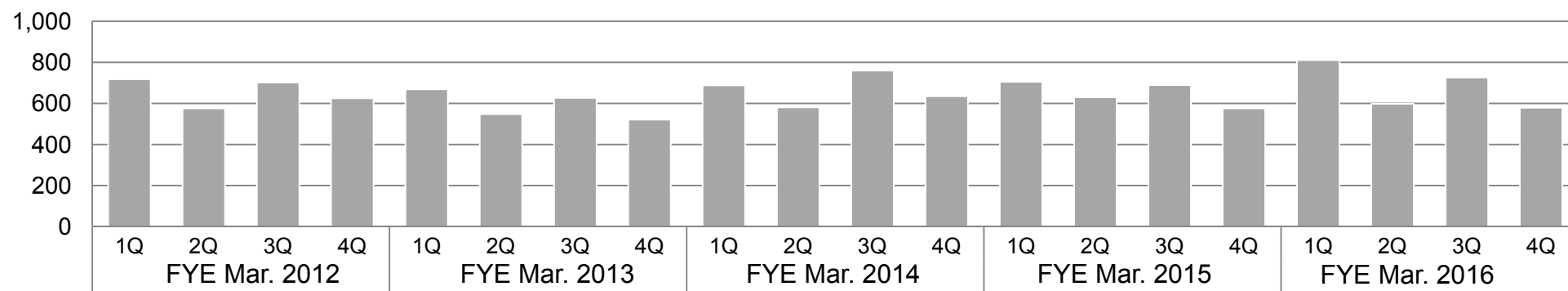
Capital investments, depreciation and amortization, and research and development expenses (Millions of yen)

	FYE Mar. 2012				FYE Mar. 2013				FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capital investments	1,132	1,364	2,832	1,228	3,545	2,903	2,022	2,443	759	1,110	723	723	590	1,057	404	1,589	874	877	1,962	2,130
Depreciation and amortization	737	770	843	924	869	1,005	1,208	1,433	1,643	1,605	1,638	1,555	1,392	1,430	1,545	1,561	1,466	1,394	1,302	1,380
Research and development expenses	718	576	702	625	669	548	627	521	688	581	760	635	705	630	689	576	811	598	726	579

Capital investments and depreciation and amortization (Millions of yen)



Research and development expenses (Millions of yen)



## [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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