

# **Financial Results Briefing for the Fiscal Year Ended March 31, 2018**

**Foster Electric Company, Limited**

(Stock code: 6794, First Section, Tokyo Stock Exchange)

**May 14, 2018**

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# I. Overview of Financial Results for the Fiscal Year Ended March 31, 2018

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# Results for the Fiscal Year Ended March 31, 2018

# FOSTER

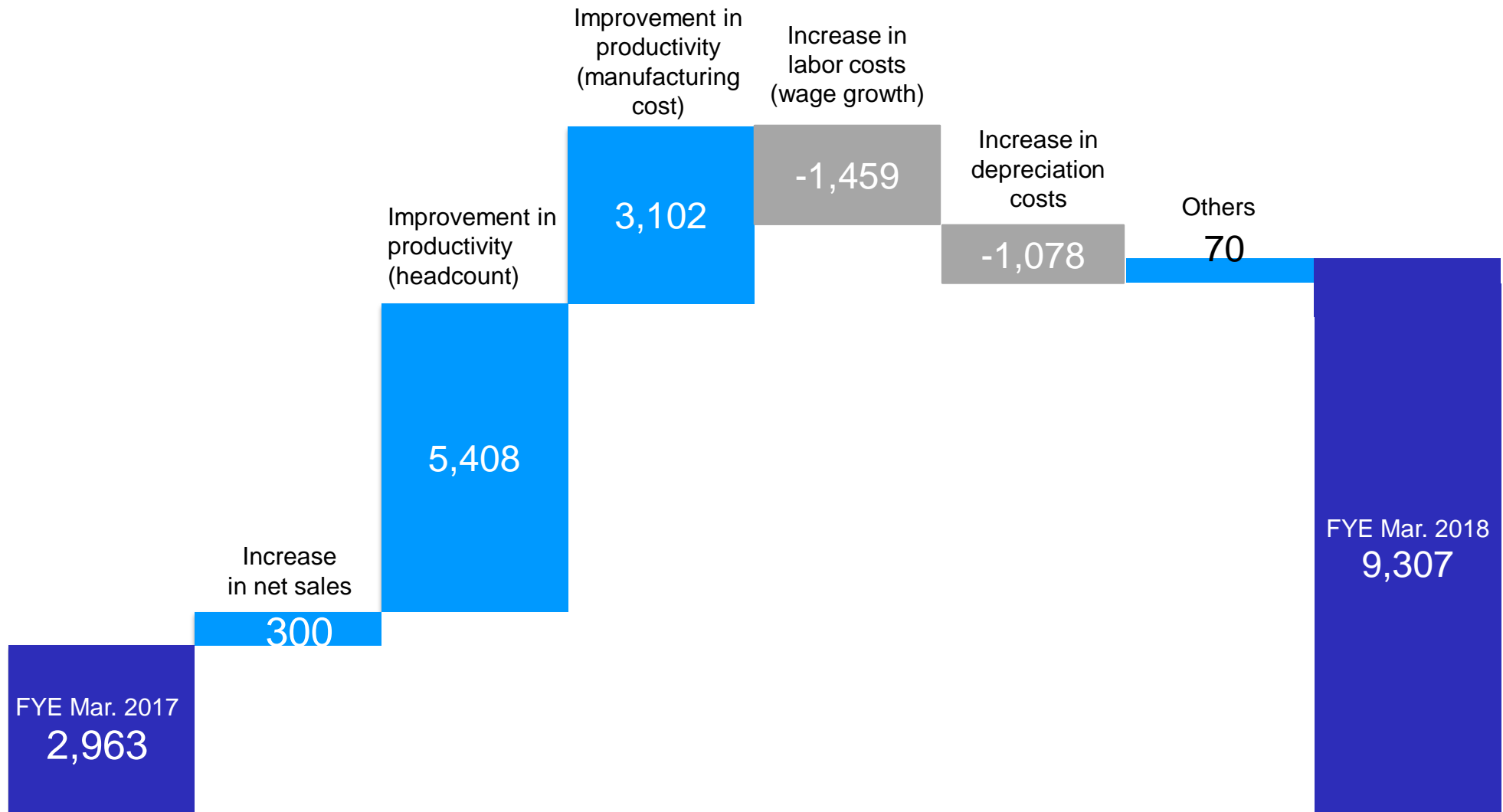
(Millions of yen)

	FYE Mar. 2017	FYE Mar. 2018	Amount of change	Percentage change	FYE Mar. 2018 Revised Forecast	Difference	Percentage achieved
Net sales	160,896	184,800	23,904	14.9%	190,000	(5,200)	97.3%
Operating income	2,963	9,307	6,344	214.1%	9,500	(193)	98.0%
<i>Operating income to net sales</i>	<i>1.8%</i>	<i>5.0%</i>			<i>5.0%</i>		
Ordinary income	3,017	9,062	6,045	200.3%	9,500	(438)	95.4%
<i>Ordinary income to net sales</i>	<i>1.9%</i>	<i>4.9%</i>			<i>5.0%</i>		
Net income*	1,088	4,265	3,177	292.0%	6,500	(2,235)	65.6%
<i>Net income to net sales*</i>	<i>0.7%</i>	<i>2.3%</i>			<i>3.4%</i>		
Net income per share (in exact yen)	¥41.16	¥165.78	¥124.62	302.8%	¥252.63	(¥86.85)	65.6%
Dividends per share (in exact yen)	¥40.00	¥55.00	¥15.00	37.5%			
Dividend payout ratio	97.2%	33.2%					
ROE	1.8%	7.0%					
Exchange rates	108.72yen/US\$ 118.64yen/EUR	110.71yen/US\$ 130.24yen/EUR					

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

# Analysis of Fluctuations in Operating Income

(Millions of yen)



# Segment Information

**FOSTER**

(Millions of yen)

		FYE Mar. 2017	Composition ratio	FYE Mar. 2018	Composition ratio	Percentage change
	Net sales	160,896		184,800		14.9%
	Operating income	2,963		9,307		-
	<i>Income ratio</i>	<i>1.8%</i>		<i>5.0%</i>		
Speaker	Net sales	74,840	46.5%	75,520	40.9%	0.9%
	Operating income	5,288	-	4,636	49.8%	(12.3%)
	<i>Income ratio</i>	<i>7.1%</i>		<i>6.1%</i>		
Mobile Audio	Net sales	80,293	49.9%	103,513	56.0%	28.9%
	Operating income	(2,325)	-	4,259	45.8%	-
	<i>Income ratio</i>	<i>(2.9%)</i>		<i>4.1%</i>		
Other	Net sales	5,762	3.6%	5,886	3.1%	2.1%
	Operating income	1	-	413	4.4%	39,780.2%
	<i>Income ratio</i>	<i>0.0%</i>		<i>7.0%</i>		

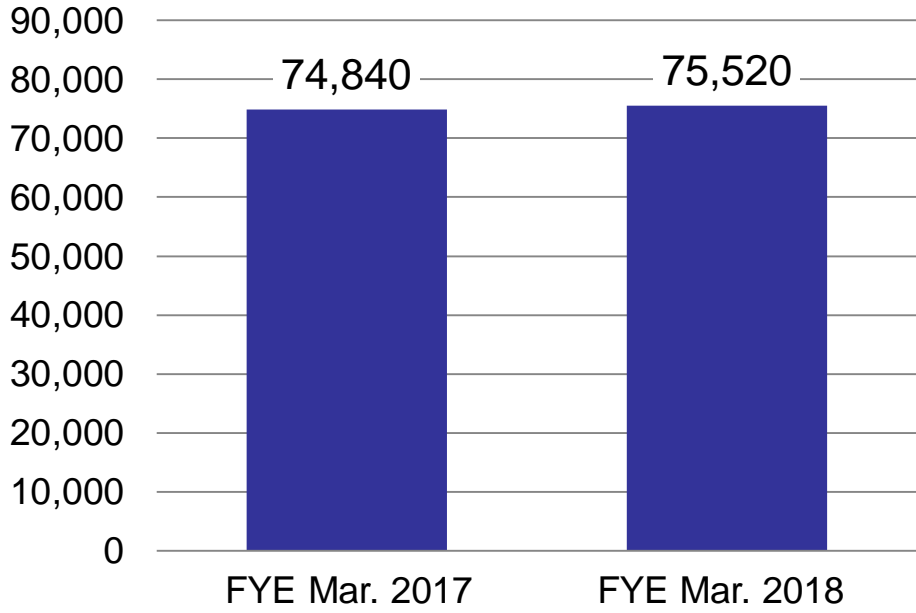
# Speaker Segment

- Shipments of car speakers remained strong, and flat-screen TV speakers and speaker systems were in line with plans
- Operating income fell due to the impact of higher material prices

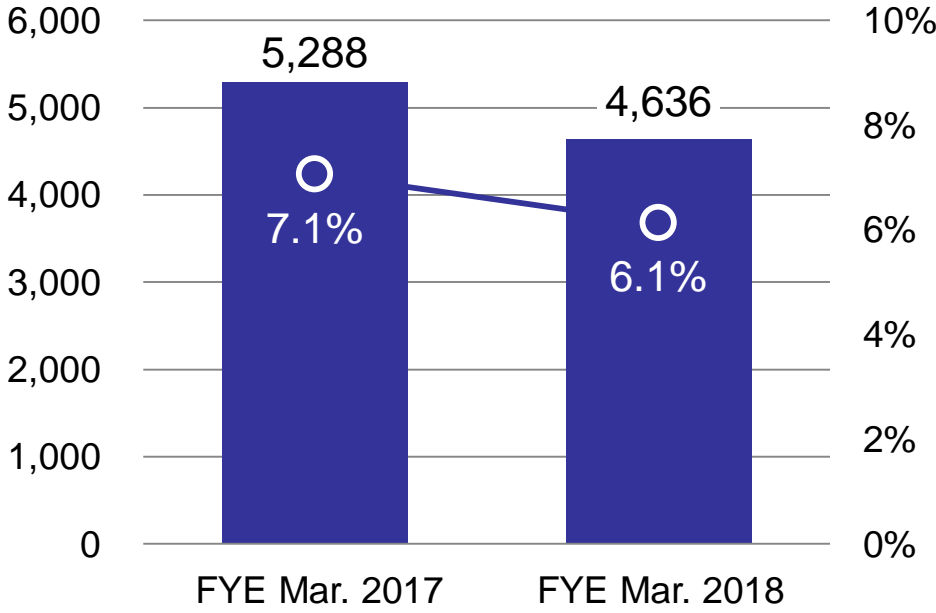
(Millions of yen)

		FYE Mar. 2017	FYE Mar. 2018	Composition ratio	Percentage change
Speaker	Net sales	74,840	75,520	40.9%	0.9%
	Operating income	5,288	4,636	49.8%	(12.3%)
	Income ratio	7.1%	6.1%		

Net sales (Millions of yen)



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

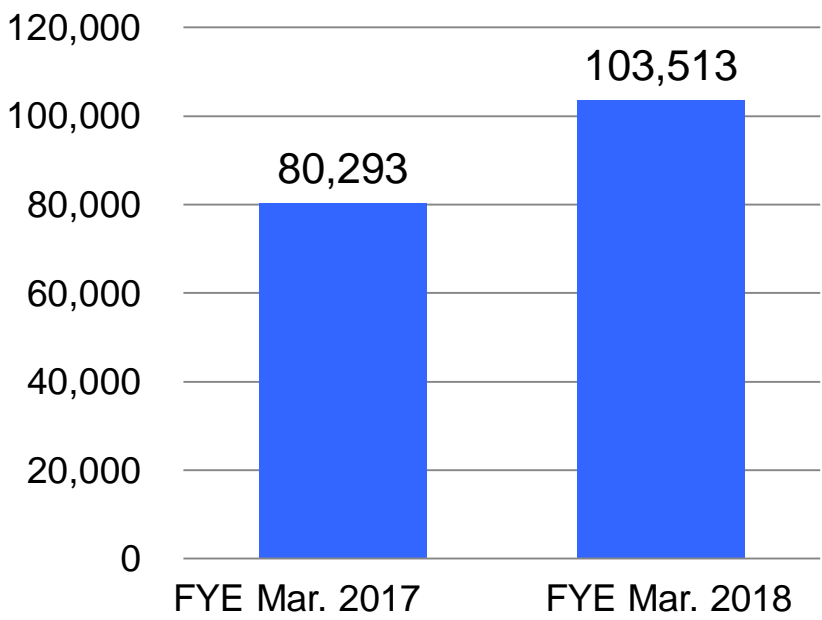


- Shipments of new models moved into full scale, boosting revenue
- Operating income rose significantly due to higher productivity

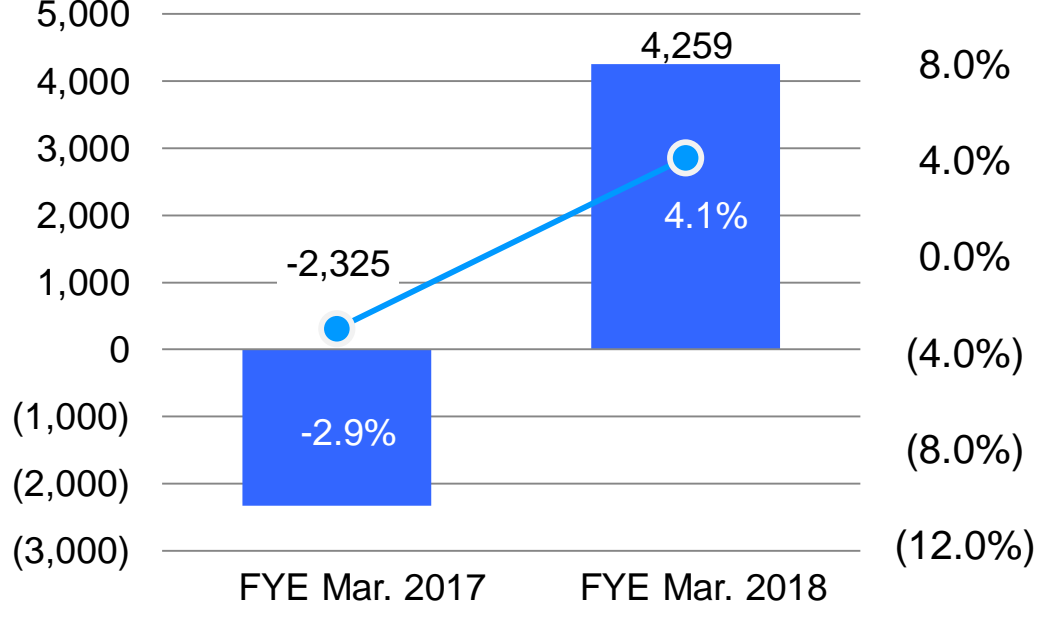
(Millions of yen)

	FYE Mar. 2017	FYE Mar. 2018	Composition ratio	Percentage change
Mobile Audio	Net sales	80,293	56.0%	28.9%
	Operating income	(2,325)	45.8%	-
	Income ratio	(2.9%)	4.1%	

Net sales (Millions of yen)



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



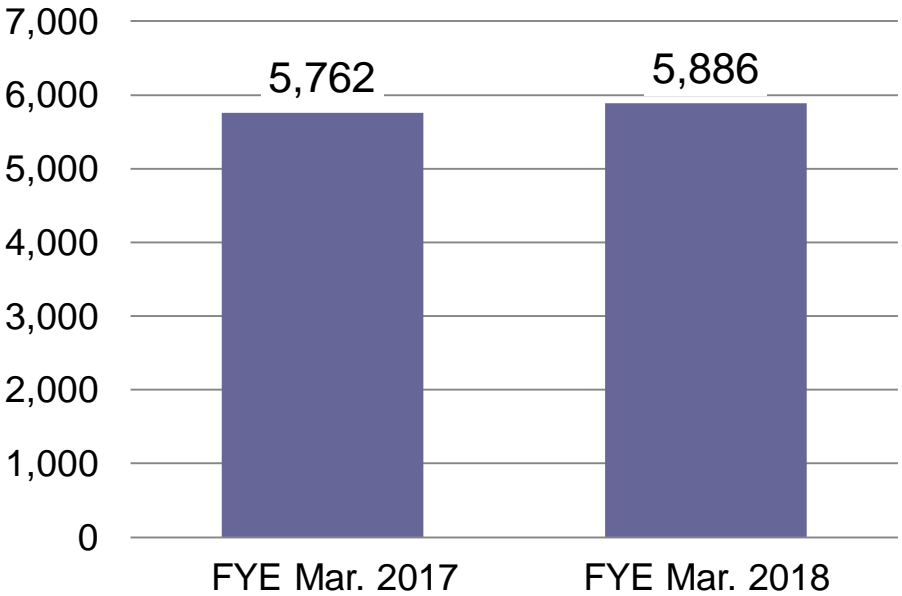


- Net sales in the Other segment, which includes micro-acoustic components and “FOSTEX” brand products, rose
- Productivity of micro acoustic components increased sharply and operating income rose significantly

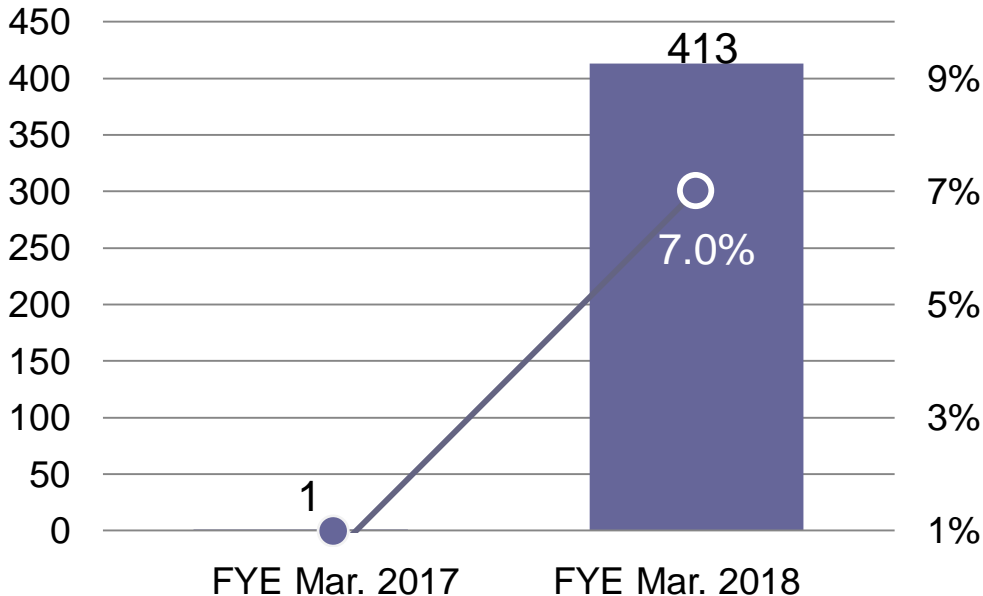
(Millions of yen)

		FYE Mar. 2017	FYE Mar. 2018	Composition ratio	Percentage change
Other	Net sales	5,762	5,886	3.1%	2.1%
	Operating income	1	413	4.4%	39,780.2%
	Income ratio	0.0%	7.0%		

Net sales (Millions of yen)



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



# Consolidated Balance Sheet

**FOSTER**

**Equity ratio for FYE Mar. 2018 was 61.2% (58.2% as at the end of March 2017)**

(Millions of yen)

	FYE Mar. 2017	FYE Mar. 2018	Amount of change
<b>Current assets</b>	69,315	74,323	5,008
Cash and deposits	10,258	9,704	(554)
Notes and accounts receivable - trade	19,479	22,243	2,764
Inventories	34,018	37,054	3,036
Other	5,560	5,322	(238)
<b>Non-current assets</b>	33,094	27,027	(6,067)
Property, plant and equipment	25,945	21,120	(4,825)
Intangible assets	1,429	1,300	(129)
Investments and other assets	5,718	4,607	(1,111)
<b>Total assets</b>	102,409	101,350	(1,059)
<b>Current liabilities</b>	29,390	26,351	(3,039)
Notes and accounts payable - trade	15,512	13,113	(2,399)
Short-term bank loans	3,905	3,353	(552)
Current portion of long-term debt	1,335	1,250	(85)
Other	8,638	8,635	(3)
<b>Long-term liabilities</b>	9,116	8,206	(910)
Long-term debt	8,135	7,098	(1,037)
Other	981	1,108	127
<b>Net assets</b>	63,901	66,792	2,891
Shareholders' equity	58,972	62,077	3,105
Total accumulated other comprehensive income	620	(15)	(635)
Non-controlling interests	4,309	4,731	422
<b>Total liabilities and net assets</b>	102,409	101,350	(1,059)

# Statement of Cash Flows

**FOSTER**

**Free cash flows for FYE Mar. 2018 were positive 1 billion yen**

(Millions of yen)

	FYE Mar. 2017	FYE Mar. 2018	Amount of change
Operating activities	4,372	8,153	3,781
Investing activities	(11,089)	(7,131)	3,958
Free cash flows*	(6,717)	1,022	7,739
Financing activities	1,690	(2,859)	(4,549)
Net increase (decrease) in cash and cash equivalents	(5,820)	(1,886)	3,934
Cash and cash equivalents at the end of the fiscal year	12,037	10,150	(1,887)

\* 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	150,000	(34,800)	(18.8%)
Operating income	9,307	5,500	(3,807)	(40.9%)
<i>Operating income to net sales</i>	<i>5.0%</i>	<i>3.7%</i>		
Ordinary income	9,062	5,000	(4,062)	(44.8%)
<i>Ordinary income to net sales</i>	<i>4.9%</i>	<i>3.3%</i>		
Net income*	4,265	2,500	(1,765)	(41.4%)
<i>Net income to net sales*</i>	<i>2.3%</i>	<i>1.7%</i>		
Net income per share (in exact yen)	¥165.78	¥97.16	(¥68.62)	(41.4%)
Dividends per share (in exact yen)	¥55.0	¥20.0	(¥35.0)	(63.6%)
Dividend payout ratio	33.2%	20.6%		
Assumed exchange rates	110.71yen/US\$ 130.24yen/EUR	105.00yen/US\$ 130.00yen/EUR		

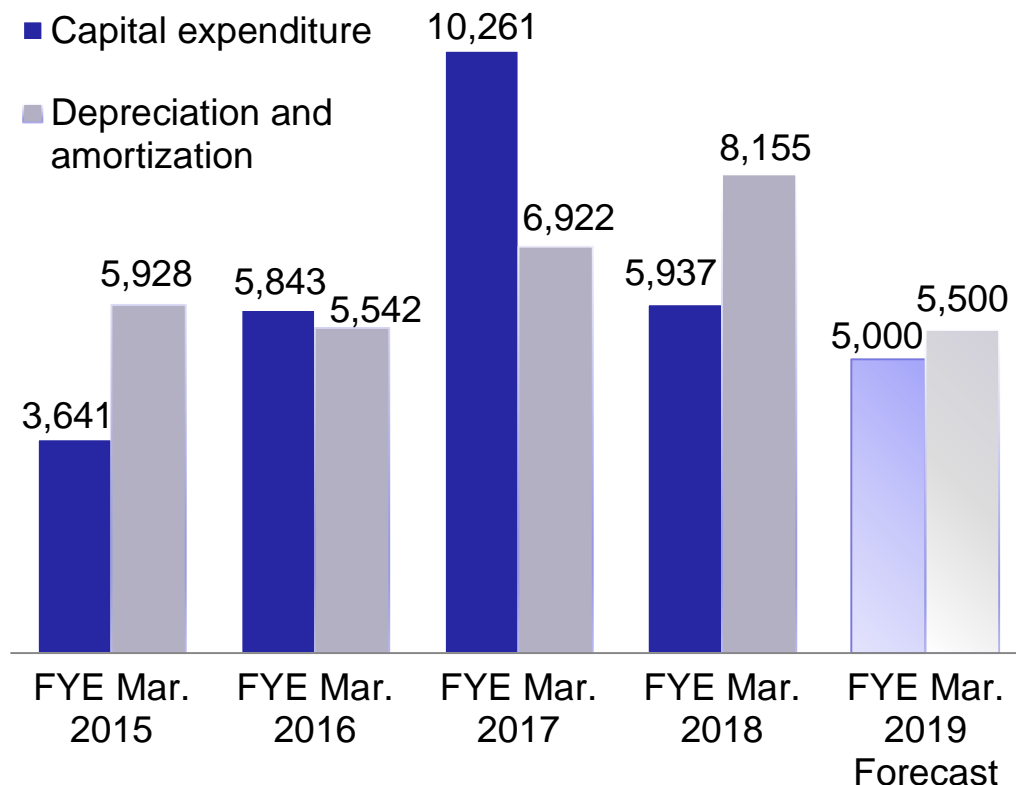
\* Net income attributable to owners of parent; net income attributable to owners of parent to net sales

**The surrounding environment has become increasingly harsh and we expect lower sales and income as a result**

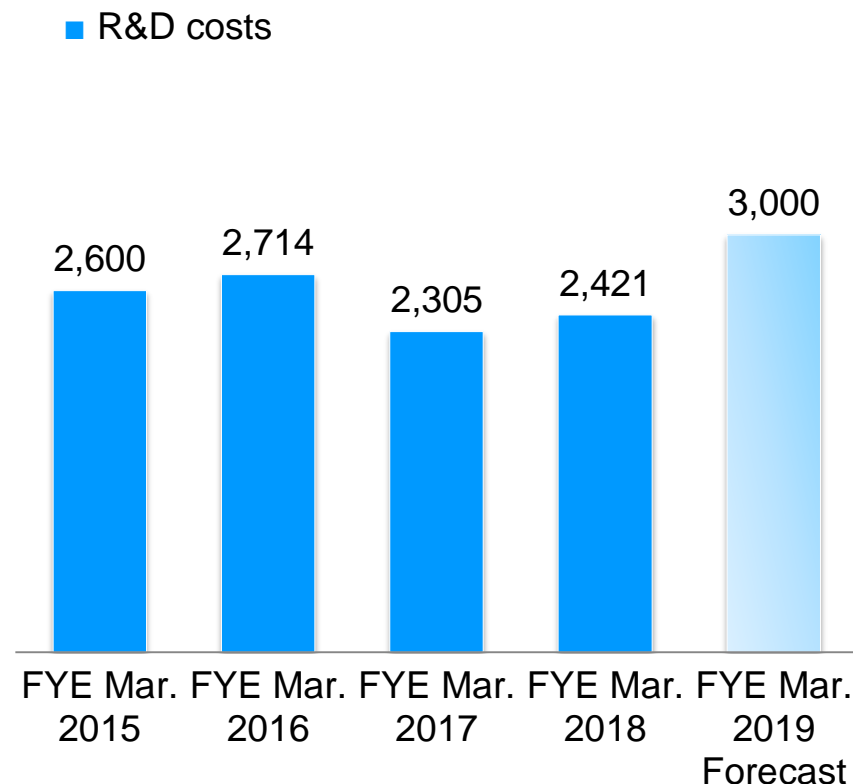
SP (Speaker)	Net sales	<ul style="list-style-type: none"> <li>■ Although car speakers would continue to drive demand, the stronger yen would affect y-o-y comparisons</li> <li>■ We expect a time lag in the shift following changes to the premium brand of car speakers</li> </ul>
	Operating income	<ul style="list-style-type: none"> <li>■ Increasing materials costs</li> <li>■ Costs relating to the construction of systems for increased production at the Myanmar plant</li> </ul>
MA (Mobile Audio)	Net sales	<ul style="list-style-type: none"> <li>■ Impact of stronger yen in y-o-y comparisons</li> <li>■ Lower demand for headsets from a major client</li> <li>■ Price pressures</li> </ul>
	Operating income	<ul style="list-style-type: none"> <li>■ Drop in marginal profit due to lower demand and decline in unit prices</li> <li>■ Impact of stronger yen in y-o-y comparisons</li> </ul>

# Capital Expenditure, Depreciation and Amortization, and R&D Costs

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



## R&D costs (Millions of yen)



## 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**

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

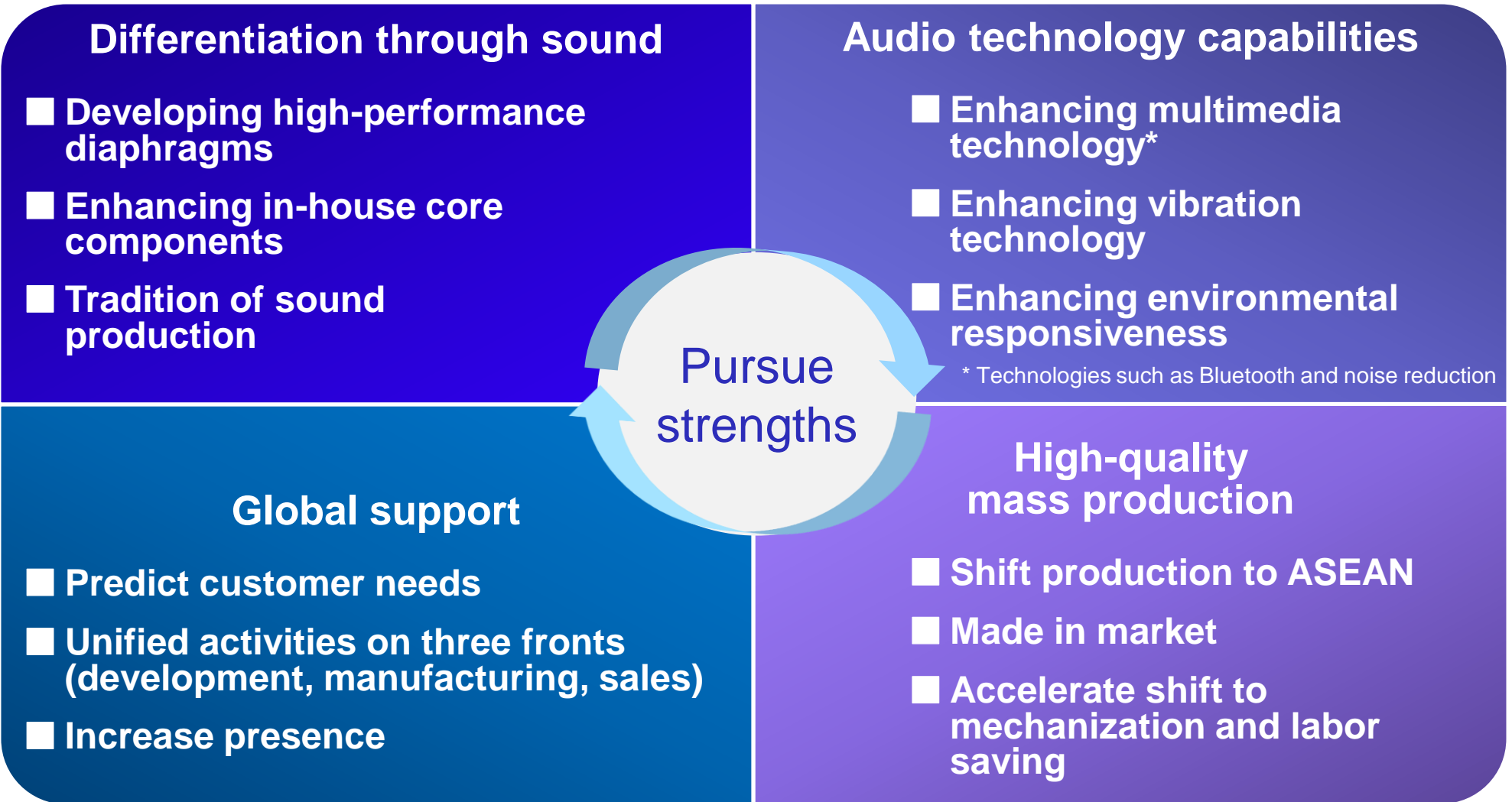
**Optimization of Global Production and Supply Structure**

- Strengthen cost competitiveness through improvements to allocation and labor savings

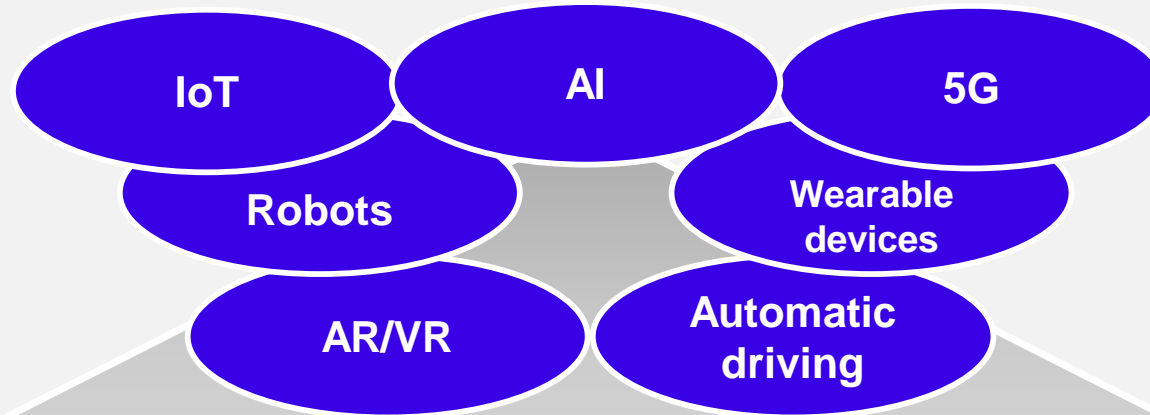
**Promotion of cash flow-oriented management**

- Start of full-scale shipment of new models (headsets) and higher productivity
  - Establishment of framework for increased production
  - Decline in defective rate and improved yield
- Favorable sales of car speakers
  - Strategies tailored to regional characteristics (strong performance of speakers for SUVs for the Chinese market)
  - Mechanization, labor saving, and expansion of Thilawa plant in Myanmar (completion of second stage of construction)
  - Impact of higher material prices
- Pursuit of new businesses
  - High acclaim for vibration technology
  - Product development for a new era of markets

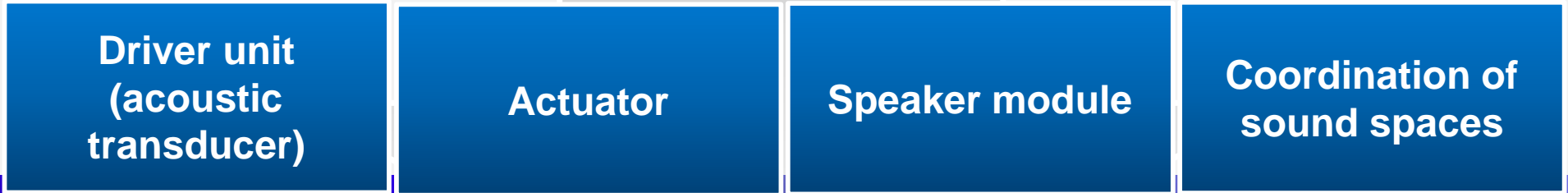
## Develop strengths and enhance ability to adapt to new age



## Smart society



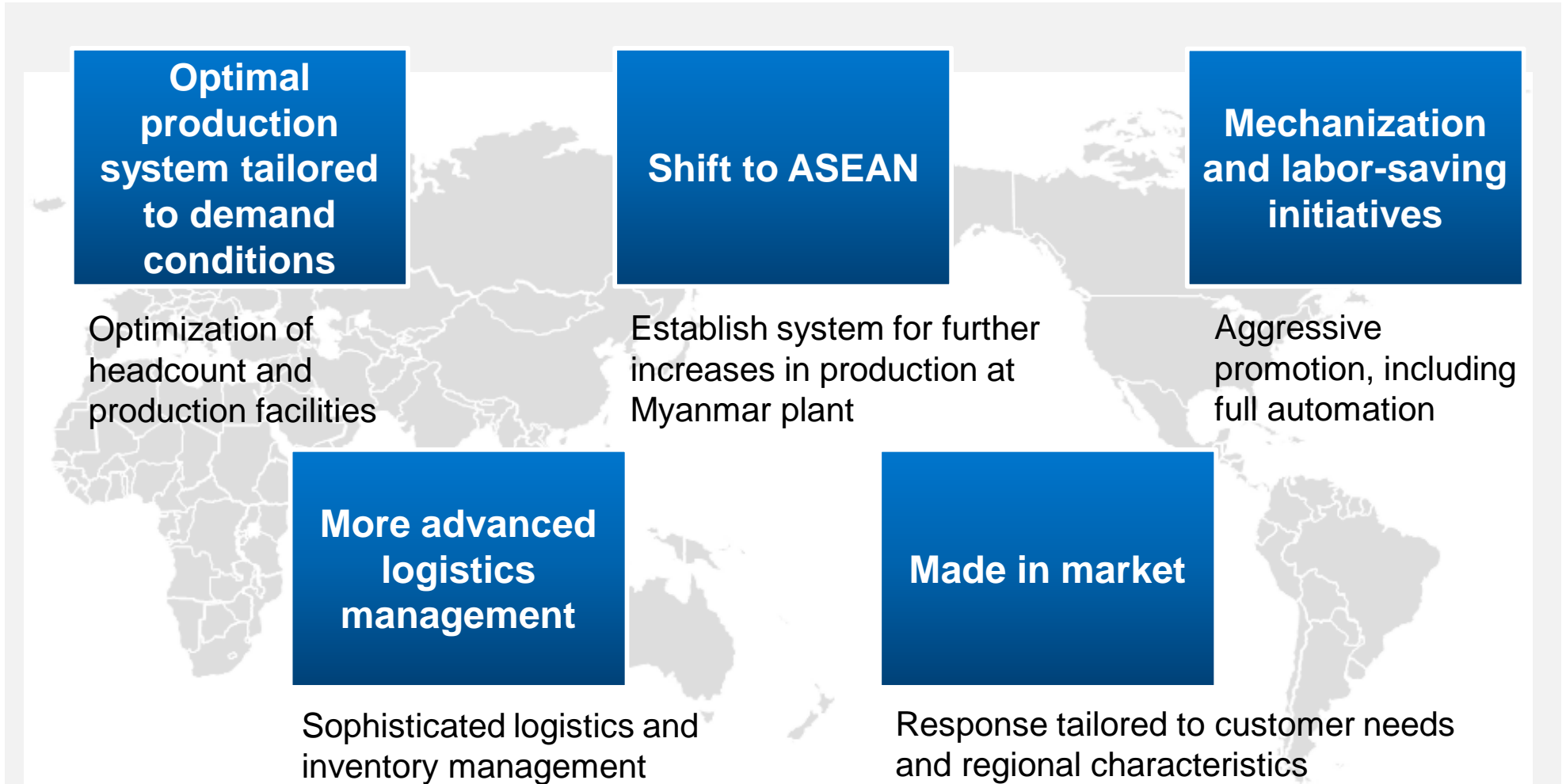
Acoustic signal and human interface technology



**Differentiation through sound**

**Audio technology capabilities**

Maturity and slowdown of smartphone market



**Global support**

**High-quality mass production**

## SP (Speaker)

- Steady shift to new premium brand speakers
- Response to higher material prices
- Adapt to shift to lighter, more compact speakers, including the development of new acoustic systems
- Enhance proposal capacity for sound space coordination
- Address higher need for alarm applications and speaker layouts for the next generation
- Enhance proposal capacity for vibration business



## MA (Mobile Audio)

- Optimize production system (optimize headcount and production facilities)
- Full-scale trades with a Chinese mobile device manufacturer
- Strengthen development of drivers and actuators, improve competitiveness
- Strengthen initiatives in AR and VR sectors
- Enhancing initiatives aimed at car headphones
- Enhancing initiatives aimed at high-end and wireless models



## Annual dividend of 20 yen (payout ratio of 20.6%)

### [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. 2015	FYE Mar. 2016	FYE Mar. 2017	FYE Mar. 2018	FYE Mar. 2019 Forecast
Net income per share	¥206.18	¥255.44	¥41.16	¥165.78	¥97.16
Dividends per share	¥40.0	¥50.0	¥40.0	¥55.0	¥20.0
Dividend payout ratio	19.4%	19.6%	97.2%	33.2%	20.6%

## Pursue CSR activities and augment information disclosure in line with “the Sustainable Development Goals (SDGs)” framework proposed by the United Nations

### TOPIX: Won the Diversity Management Selection 100

The Company won the Diversity Management Selection 100 in 2017, given by the Ministry of Economy, Trade and Industry to recognize the pursuit of diversity management and initiatives aimed at enhancing work-life balance



Sustainability Report



\* The 2018 edition is planned for release on the Foster Electric website in late June 2018



## 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 March 31, 2018)
<b>Business Domains</b>	Production and sales of loudspeakers, audio equipment, and electronic equipment
<b>Number of Employees</b>	Consolidated: 44,983 (including the employees of our outsourcee in Panyu, China) Non-consolidated: 478 (as of March 31, 2018 for both consolidated and non-consolidated)

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

## Speaker Segment

- Car speakers, speaker systems, and speakers and speaker systems, etc. for audio and TV, etc.

Car speakers



Car speaker systems



TV speakers



## Mobile Audio Segment

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

Headsets



Headphones



Microspeakers for PCs and smartphones



Microphones



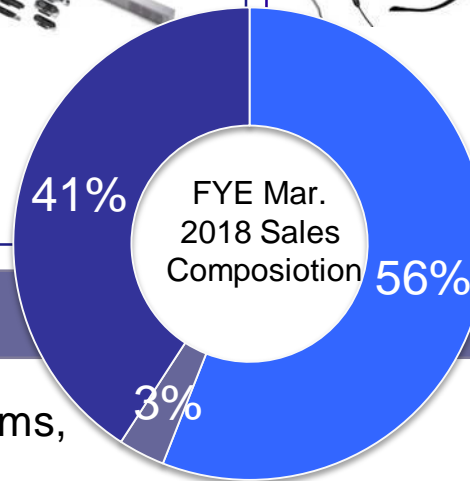
## Other Segment

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

Micro acoustic components



FOSTEX products

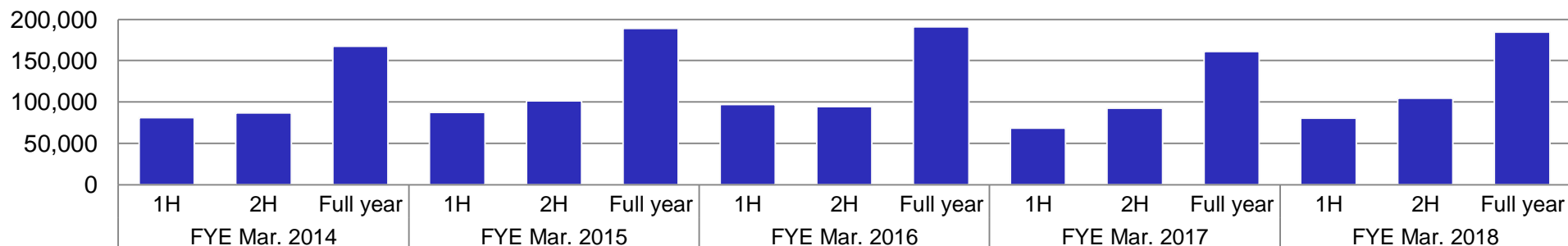


# Half-year and Full-year Results

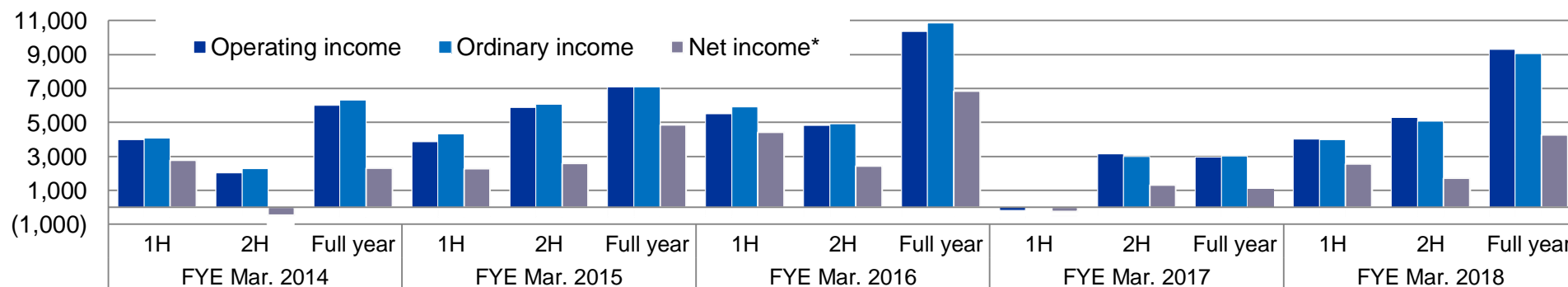
## Results table (Millions of yen)

	FYE Mar. 2014			FYE Mar. 2015			FYE Mar. 2016			FYE Mar. 2017			FYE Mar. 2018		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales	81,032	86,608	167,640	87,481	101,643	189,124	96,641	94,287	190,928	68,342	92,554	160,896	80,286	104,514	184,800
Operating income	3,991	2,030	6,021	3,852	5,895	9,747	5,524	4,827	10,351	(182)	3,145	2,963	4,015	5,292	9,307
Ordinary income	4,065	2,262	6,327	4,342	6,056	10,398	5,927	4,920	10,847	28	2,989	3,017	3,973	5,089	9,062
Net income*	2,767	(446)	2,321	2,285	2,573	4,858	4,406	2,427	6,833	(227)	1,315	1,088	2,559	1,706	4,265
Income ratio	4.9%	2.3%	3.6%	4.4%	5.8%	5.2%	5.7%	5.1%	5.4%	(0.3%)	3.4%	1.8%	5.0%	5.1%	5.0%
Ordinary income margin	5.0%	2.6%	3.8%	5.0%	6.0%	5.5%	6.1%	5.2%	5.7%	0.0%	3.2%	1.9%	4.9%	4.9%	4.9%
Net income margin*	3.4%	(0.5%)	1.4%	2.6%	2.5%	2.6%	4.6%	2.6%	3.6%	(0.3%)	1.4%	0.7%	3.2%	1.6%	2.3%

## Net sales (Millions of yen)



## Profits (Millions of yen)



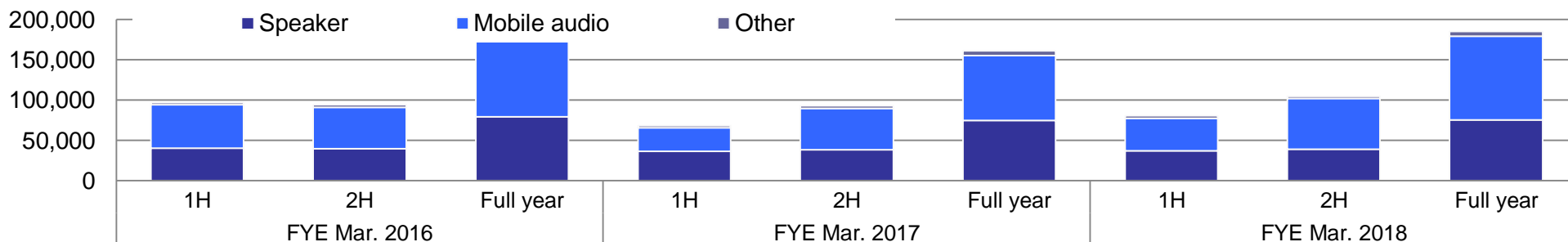
\* Net income attributable to owners of parent; net income attributable to owners of parent on net sales

# Half-year and Full-year Results by Segment

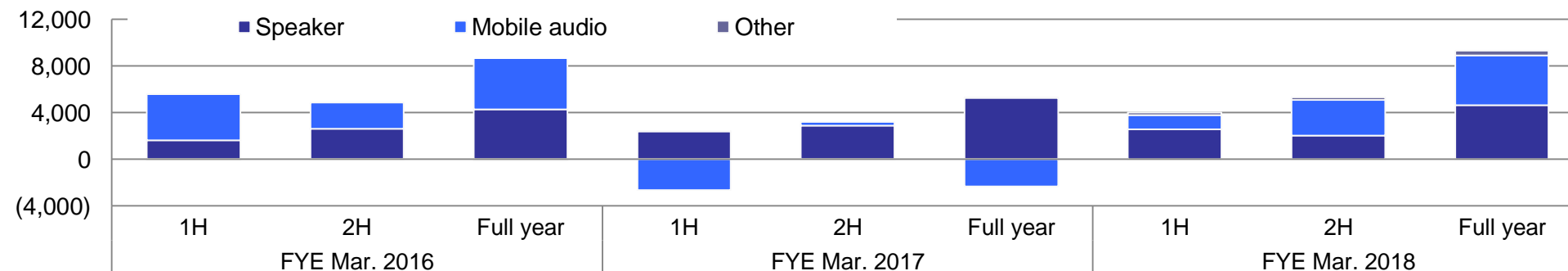
Results table (Millions of yen)

	FYE Mar. 2016			FYE Mar. 2017			FYE Mar. 2018		
	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
Mobile audio	53,914	51,542	105,456	29,050	51,243	80,293	40,440	63,073	103,513
Other	2,867	3,306	6,173	2,853	2,909	5,762	2,900	2,986	5,886
Operating income									
Speaker	1,631	2,630	4,261	2,396	2,892	5,288	2,579	2,057	4,636
Mobile audio	3,951	2,245	6,196	(2,620)	295	(2,325)	1,212	3,047	4,259
Other	(58)	(48)	(106)	42	(41)	1	223	190	413

Net sales (Millions of yen)



Operating income (Millions of yen)

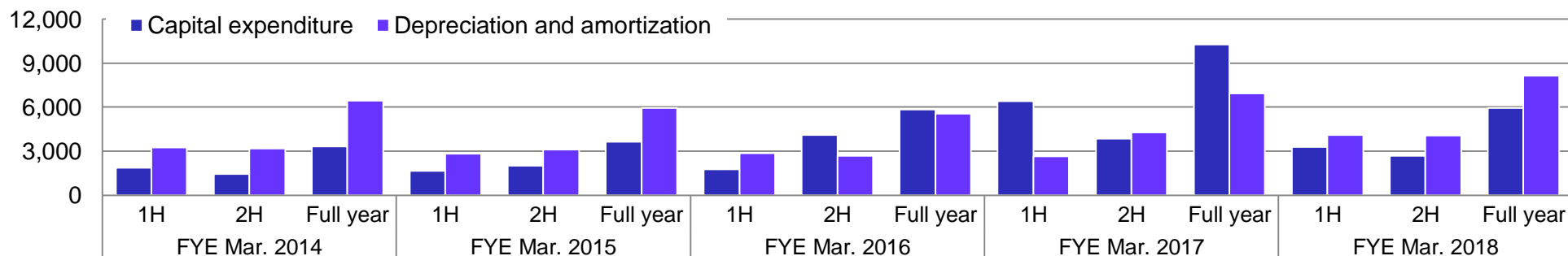


# Half-year and Full-year Capital Expenditure, Depreciation and Amortization, and R&D Costs

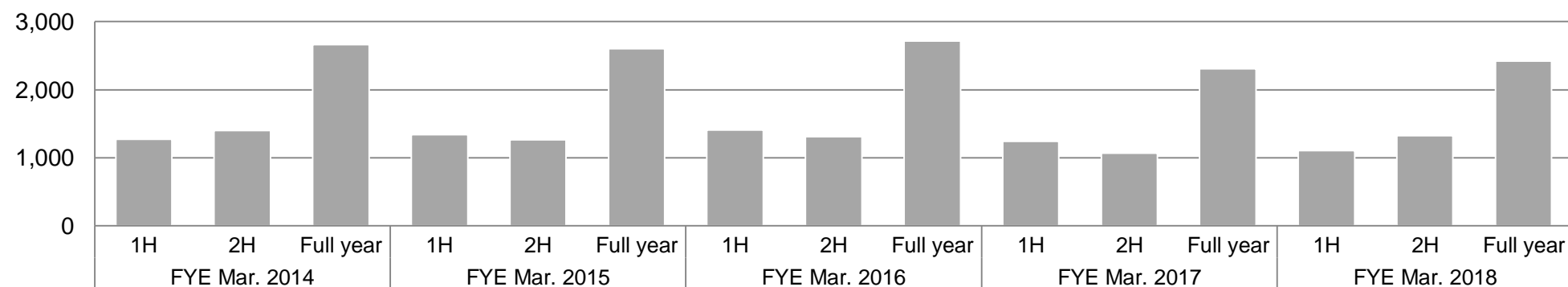
## Capital expenditure, depreciation and amortization, and R&D costs (Millions of yen)

	FYE Mar. 2014			FYE Mar. 2015			FYE Mar. 2016			FYE Mar. 2017			FYE Mar. 2018		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Capital expenditure	1,869	1,446	3,315	1,647	1,994	3,641	1,751	4,092	5,843	6,395	3,866	10,261	3,266	2,671	5,937
Depreciation and amortization	3,248	3,193	6,441	2,822	3,106	5,928	2,860	2,682	5,542	2,651	4,271	6,922	4,102	4,053	8,155
R&D costs	1,269	1,395	2,664	1,335	1,265	2,600	1,409	1,305	2,714	1,238	1,067	2,305	1,101	1,320	2,421

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



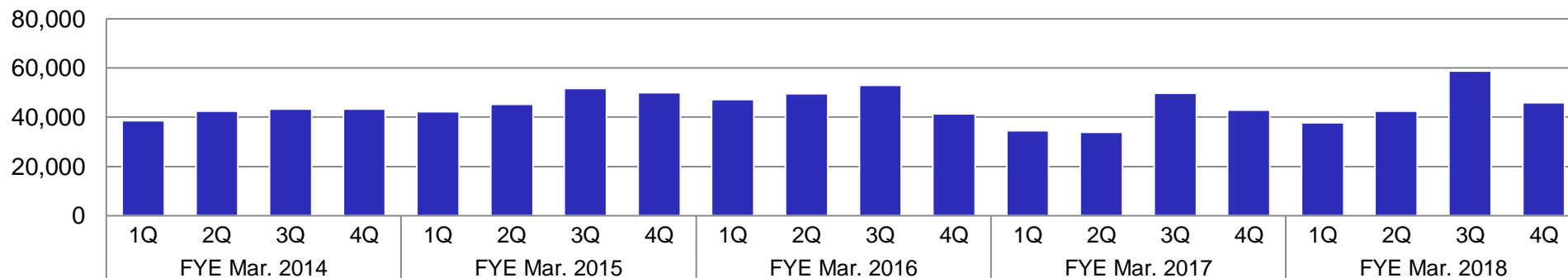
## R&D costs (Millions of yen)



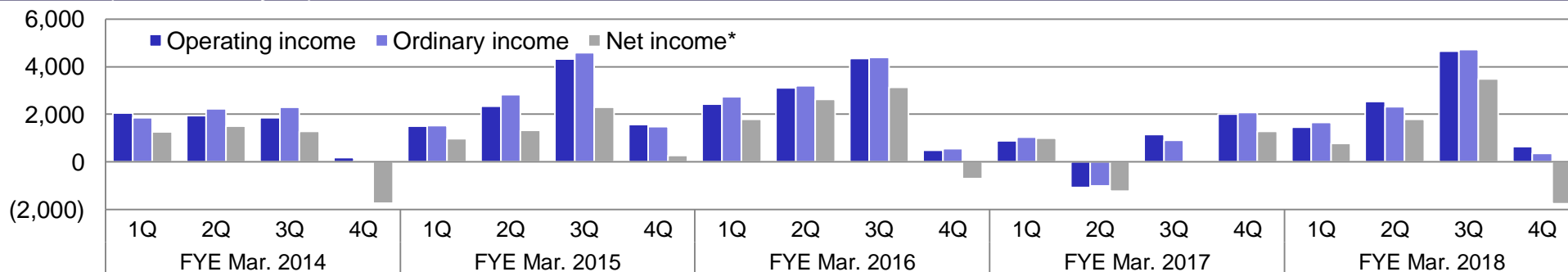
## Results table (Millions of yen)

	FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	38,595	42,437	43,360	43,248	42,327	45,154	51,624	50,019	47,092	49,549	52,934	41,353	34,555	33,787	49,645	42,909	37,800	42,486	58,660	45,854
Operating income	2,049	1,942	1,861	169	1,505	2,347	4,326	1,569	2,424	3,100	4,343	484	885	(1,067)	1,148	1,997	1,468	2,547	4,647	645
Ordinary income	1,845	2,220	2,287	(25)	1,516	2,826	4,586	1,470	2,728	3,199	4,376	544	1,048	(1,020)	908	2,081	1,656	2,317	4,722	367
Net income*	1,256	1,511	1,287	(1,733)	967	1,318	2,299	274	1,784	2,622	3,124	(697)	997	(1,224)	28	1,287	770	1,789	3,474	(1,768)
Income ratio	5.3%	4.6%	4.3%	0.4%	3.6%	5.2%	8.4%	3.1%	5.1%	6.3%	8.2%	1.2%	2.6%	(3.2%)	2.3%	4.7%	3.9%	6.0%	7.9%	1.4%
Ordinary income margin	4.8%	5.2%	5.3%	(0.1%)	3.6%	6.3%	8.9%	2.9%	5.8%	6.5%	8.3%	1.3%	3.0%	(3.0%)	1.8%	4.8%	4.4%	5.5%	8.0%	0.8%
Net income margin*	3.3%	3.6%	3.0%	(4.0%)	2.3%	2.9%	4.5%	0.5%	3.8%	5.3%	5.9%	(1.7%)	2.9%	(3.6%)	0.1%	3.0%	2.0%	4.2%	5.9%	(3.9%)

## Net sales (Millions of yen)



## Profits (Millions of yen)



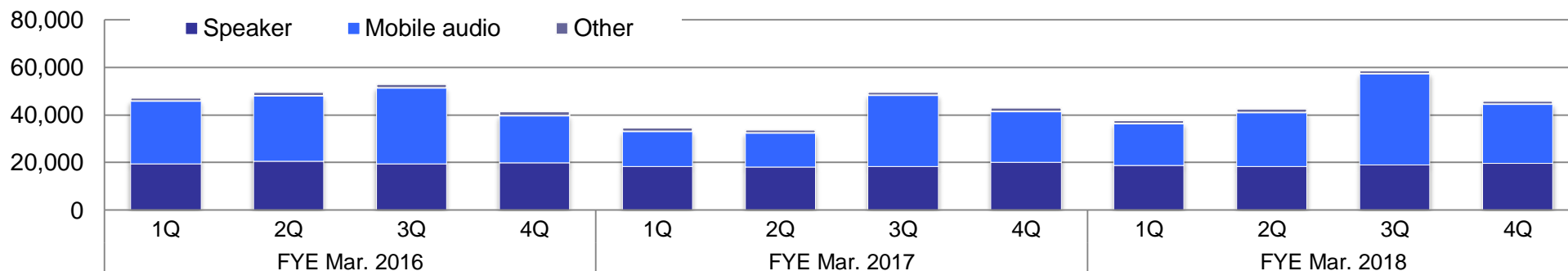
\* Net income attributable to owners of parent; net income attributable to owners of parent to net sales

# Quarterly Results by Segment

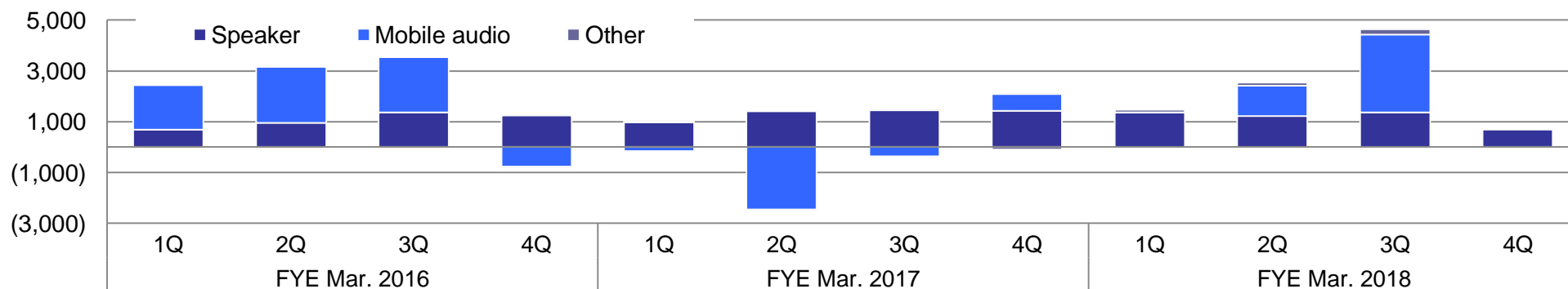
## Results table (Millions of yen)

	FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018			
	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
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
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
Operating income												
Speaker	681	950	1,377	1,253	979	1,417	1,453	1,439	1,359	1,220	1,375	682
Mobile audio	1,750	2,201	3,011	(766)	(161)	(2,459)	(353)	648	16	1,196	3,059	(12)
Other	(6)	(52)	(45)	(3)	67	(25)	48	(89)	92	131	214	(24)

## Net sales (Millions of yen)



## Operating income (Millions of yen)



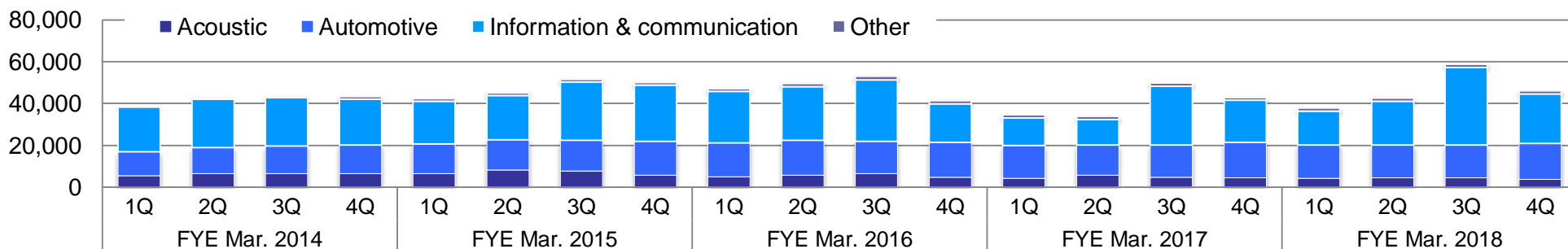


# Quarterly Results by Former Segment

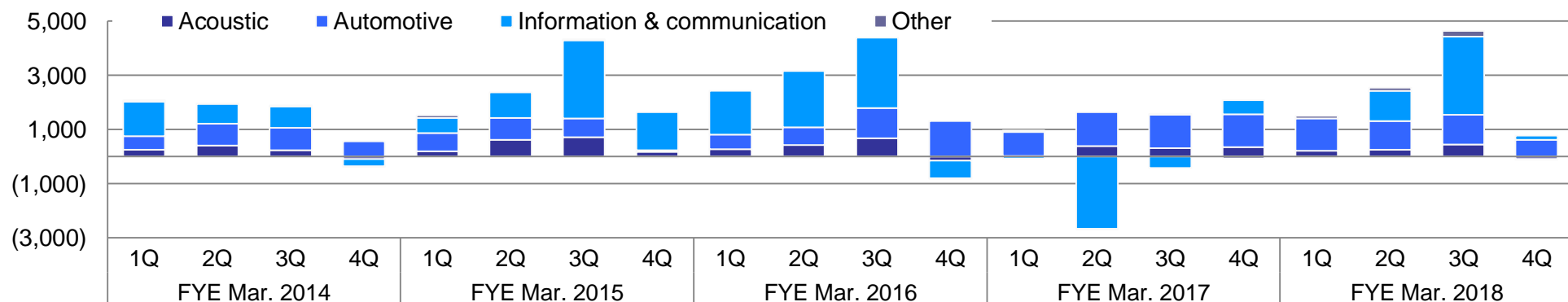
## Results table (Millions of yen)

	FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Net sales</b>																				
Acoustic	5,436	6,433	6,547	6,385	6,517	8,295	7,624	5,753	4,869	5,808	6,371	4,710	4,212	5,596	4,773	4,448	4,206	4,523	4,382	3,695
Automotive	11,526	12,412	13,071	13,789	14,194	14,327	14,808	16,187	16,293	16,659	15,429	16,658	15,576	14,505	15,256	16,951	15,867	15,679	15,763	17,079
Information & communication	21,255	23,173	23,231	21,763	20,279	21,145	27,827	26,730	24,607	25,535	29,487	18,329	13,361	12,236	28,151	20,067	16,292	20,817	37,041	23,689
Other	377	417	513	1,311	1,335	1,388	1,364	1,350	1,322	1,545	1,649	1,657	1,404	1,449	1,467	1,442	1,434	1,466	1,536	1,450
<b>Operating income</b>																				
Acoustic	246	394	221	(105)	190	607	711	172	268	413	669	(149)	15	383	314	342	203	243	439	(100)
Automotive	500	821	832	558	666	816	685	51	544	662	1,117	1,300	880	1,244	1,218	1,211	1,206	1,068	1,094	609
Information & communication	1,273	721	802	(254)	568	935	2,900	1,407	1,618	2,077	2,602	(665)	(77)	(2,670)	(432)	533	(34)	1,105	2,899	163
Other	54	30	31	(6)	88	(12)	30	(62)	(6)	(52)	(45)	(3)	67	(25)	48	(89)	92	131	214	(24)

## 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. 2014				FYE Mar. 2015				FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018			
	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>	67,559	73,650	73,043	67,713	69,836	77,215	86,942	73,721	74,107	77,218	78,898	69,959	63,208	65,776	75,523	69,315	70,265	76,770	82,913	74,323
Cash and deposits	6,217	7,333	7,916	8,225	9,766	8,304	12,402	8,589	15,071	12,882	13,089	16,519	10,588	9,419	10,583	10,258	6,992	7,233	9,239	9,704
Notes and accounts receivable - trade	29,457	31,964	31,137	29,966	31,332	34,929	39,363	32,214	26,141	30,650	32,196	24,444	22,779	22,031	27,396	19,479	18,817	20,534	27,107	22,243
Other	31,885	34,353	33,990	29,522	28,738	33,982	35,177	32,918	32,895	33,686	33,613	28,996	29,841	34,326	37,544	39,578	44,456	49,003	46,567	42,376
<b>Total non-current assets</b>	32,394	32,057	33,269	30,316	29,581	30,048	30,842	31,121	31,288	29,880	30,085	28,775	29,566	31,781	34,587	33,094	31,910	31,701	30,349	27,027
Property, plant and equipment	26,817	25,682	26,671	24,079	23,054	23,321	23,806	23,271	23,017	22,396	22,293	21,995	23,335	23,749	26,445	25,945	25,157	24,914	23,727	21,120
Intangible assets	1,207	1,274	1,294	1,311	1,267	1,323	1,398	1,757	1,745	1,699	1,584	1,534	1,436	1,383	1,435	1,429	1,451	1,435	1,409	1,300
Investments and other assets	4,370	5,099	5,303	4,925	5,259	5,403	5,637	6,093	6,525	5,785	6,207	5,245	4,794	6,648	6,706	5,718	5,301	5,351	5,212	4,607
<b>Total assets</b>	99,954	105,708	106,313	98,030	99,418	107,264	117,785	104,843	105,395	107,099	108,983	98,735	92,775	97,557	110,111	102,409	102,175	108,471	113,263	101,350
<b>Total current liabilities</b>	43,466	45,894	40,203	34,865	36,788	41,099	45,752	31,699	30,206	32,325	35,224	29,111	27,062	32,087	37,073	29,390	29,106	33,227	34,594	26,351
Notes and accounts payable - trade	11,968	13,827	12,797	12,045	13,329	15,662	17,855	14,513	15,466	16,398	17,215	13,096	10,939	15,425	19,428	15,512	14,605	16,103	19,157	13,113
Short-term loans and bonds payable	23,650	23,531	18,476	15,473	16,659	17,292	18,136	7,546	5,931	6,373	8,420	7,329	7,757	8,296	7,233	5,240	7,011	8,170	5,728	4,603
Other	7,848	8,536	8,930	7,347	6,800	8,145	9,761	9,640	8,809	9,554	9,589	8,686	8,366	8,366	10,412	8,638	7,490	8,954	9,709	8,635
<b>Total long-term liabilities</b>	11,175	12,526	15,316	14,560	14,226	14,108	14,149	8,199	8,328	6,358	3,453	2,605	2,427	4,556	9,590	9,116	9,147	8,855	8,592	8,206
Long-term debt and bonds payable	9,899	11,068	13,730	13,080	12,843	12,631	12,537	6,514	6,600	4,804	1,768	1,432	1,241	3,428	8,238	8,135	8,095	7,726	7,507	7,098
Other	1,276	1,458	1,586	1,480	1,383	1,477	1,612	1,685	1,728	1,554	1,685	1,173	1,186	1,128	1,352	981	1,052	1,129	1,085	1,108
<b>Total net assets</b>	45,312	47,286	50,794	48,604	48,403	52,056	57,883	64,944	66,860	68,415	70,305	67,017	63,285	60,913	63,447	63,901	63,922	66,388	70,076	66,792
Shareholders' equity	44,789	46,339	47,159	45,426	45,927	47,244	49,264	55,538	56,573	59,195	61,650	60,954	61,282	60,057	58,247	58,972	59,099	60,887	63,845	62,077
Accumulated other comprehensive income	(2,058)	(1,788)	723	(58)	(642)	1,501	4,934	5,442	6,401	5,131	4,666	1,924	(1,961)	(2,857)	1,393	620	633	1,230	1,691	(15)
Non-controlling interests	2,581	2,735	2,911	3,236	3,119	3,310	3,683	3,963	3,885	4,088	3,987	4,138	3,964	3,713	3,807	4,309	4,188	4,270	4,539	4,731
<b>Total liabilities and net assets</b>	99,954	105,708	106,313	98,030	99,418	107,264	117,785	104,843	105,395	107,099	108,983	98,735	92,775	97,557	110,111	102,409	102,175	108,471	113,263	101,350

## Statement of cash flows (Millions of yen)

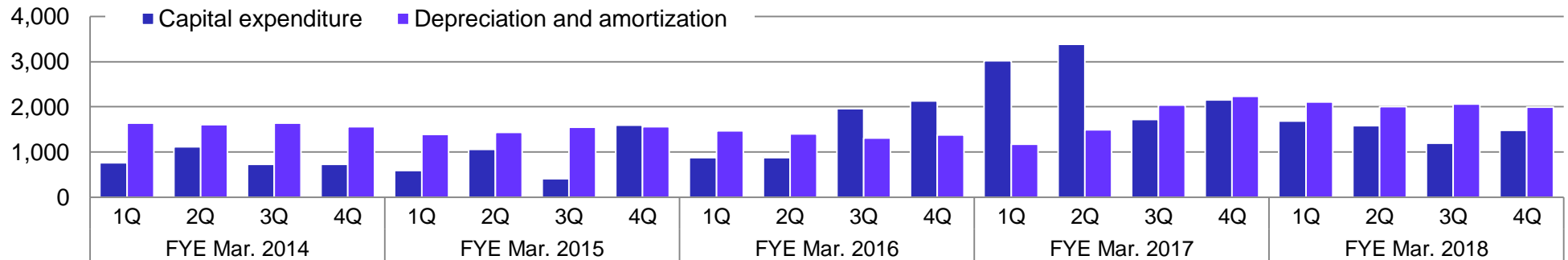
	FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating activities</b>	(1,093)	739	5,611	4,212	2,196	37	3,902	9,364	9,565	331	4,895	9,266	(1,015)	1,260	(106)	4,233	(2,243)	884	6,742	2,770
<b>Investing activities</b>	(1,042)	(1,108)	(1,615)	(484)	(1,881)	(1,211)	(65)	(1,260)	(1,183)	(302)	(870)	(1,591)	(3,080)	(5,137)	(1,837)	(1,035)	(1,738)	(1,927)	(2,311)	(1,155)
<b>Financing activities</b>	1,237	1,205	(4,366)	(3,464)	671	(749)	(248)	(11,187)	(2,429)	(1,265)	(1,500)	(1,482)	(330)	2,665	1,940	(2,585)	859	801	(3,188)	(1,331)
Effect of exchange rate change on cash flow	227	168	102	147	(126)	282	806	(443)	381	(415)	151	(1,616)	(1,493)	(332)	1,089	(59)	(420)	140	377	(146)
<b>Net increase (decrease) in cash flow</b>	(670)	1,003	(270)	413	859	(1,639)	4,393	(3,525)	6,333	(1,652)	2,678	4,575	(5,920)	(1,541)	1,085	556	(3,541)	(104)	1,622	137
<b>Cash flow at end of the period</b>	4,688	5,692	5,423	5,836	6,695	5,055	9,449	5,924	12,257	10,606	13,283	17,858	11,938	10,397	11,481	12,037	8,495	8,392	10,013	10,150

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

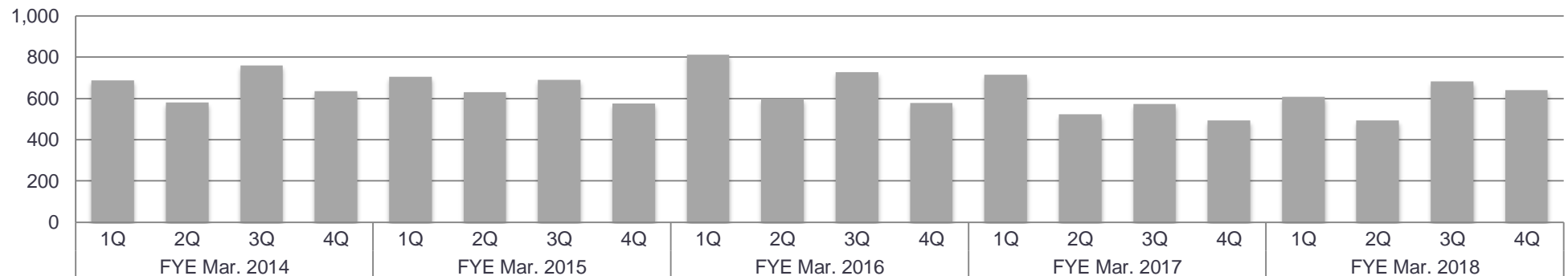
Capital expenditure, depreciation and amortization, and R&D costs (Millions of yen)

	FYE Mar. 2014				FYE Mar. 2015				FYE Mar. 2016				FYE Mar. 2017				FYE Mar. 2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capital expenditure	759	1,110	723	723	590	1,057	404	1,589	874	877	1,962	2,130	3,018	3,377	1,713	2,153	1,687	1,579	1,198	1,473
Depreciation and amortization	1,643	1,605	1,638	1,555	1,392	1,430	1,545	1,561	1,466	1,394	1,302	1,380	1,166	1,485	2,037	2,234	2,103	1,999	2,057	1,996
R&D costs	688	581	760	635	705	630	689	576	811	598	726	579	715	523	574	493	607	494	681	639

Capital expenditure and depreciation and amortization (Millions of yen)

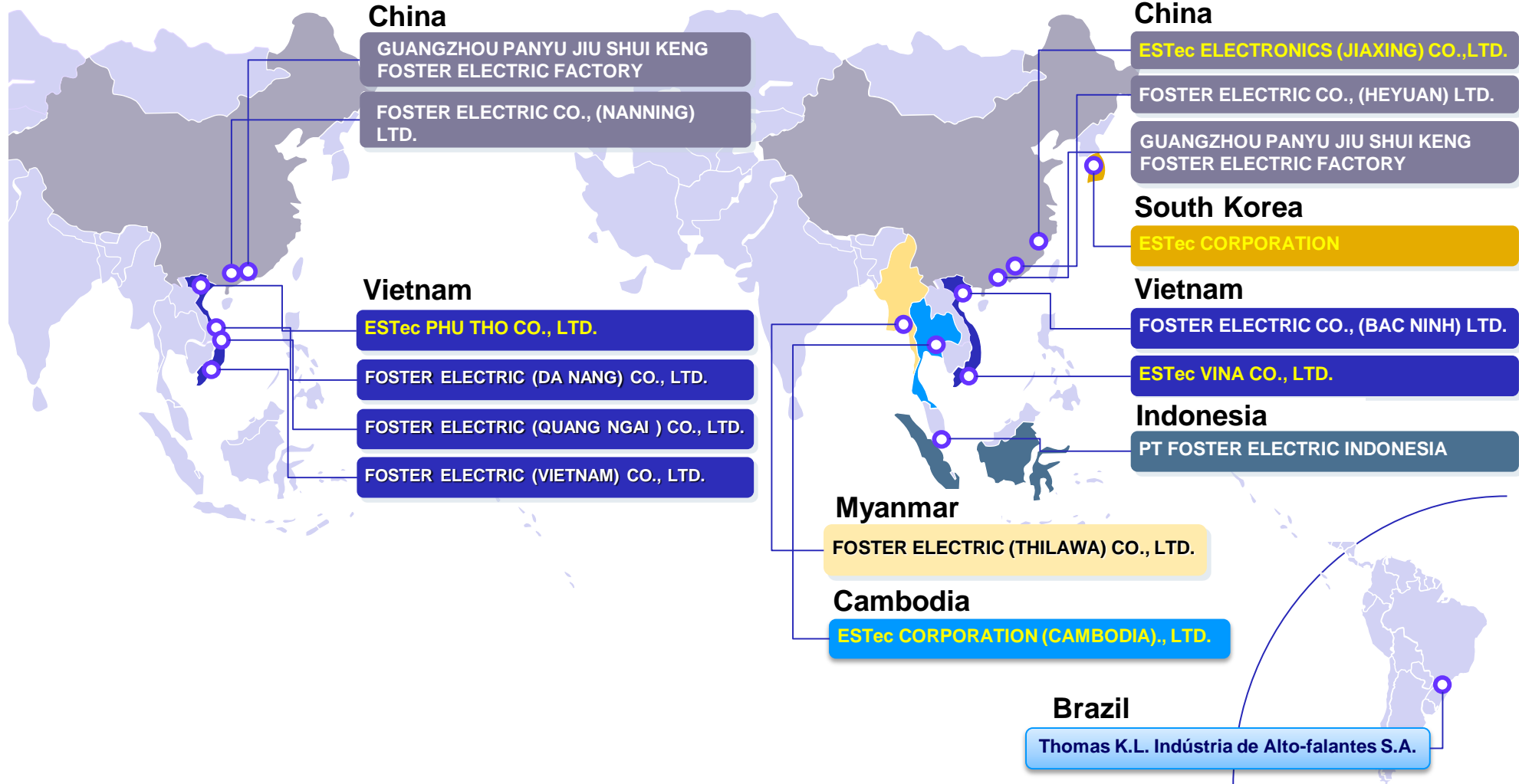


R&D costs (Millions of yen)



## Headphones and Headsets

## Speakers



(As of March 31, 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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