

September 19, 2017

Notice concerning the Share Acquisition of
SUZUKI KANSHI (THAILAND) CO., LTD.

Foster Electric Co., Ltd. hereby announces that an agreement with the shareholders of SUZUKI KANSHI (THAILAND) CO., LTD. (hereinafter, “SUZUKI”), regarding the acquisition of SUZUKI shares, has been reached as follows.

1. Reasons for acquisition of the shares

Recent technical innovations in areas including AI, VR, and automatic driving are expected to enrich people’s lives more as entertainment is enhanced for both residences and vehicles. Against this backdrop, there are expected to be higher demands towards sound quality, and this will result in expanded business opportunities for our Group. Within this environment, our Group is working towards the in-house production of key components as a medium-term initiative in order to further leverage “sound-making capabilities” that are a strength for us. SUZUKI is one of a few companies around the world that focuses on the production of bobbins (cylindrical core material) for voice coils for acoustic components. SUZUKI specializes in bobbin production, and pursues performance improvements, cost reduction, and the development of new materials in order to stably supply high-quality components to acoustic manufacturers around the world.

This acquisition of shares will make it possible for our Group to conduct an integrated production of voice coils from raw materials. We believe that this will lead to further differentiation in “sound-making capabilities,” which will in turn increase the Group’s competitive advantages in the market.

2. Overview of SUZUKI KANSHI (THAILAND) CO., LTD.

(1)	Name	SUZUKI KANSHI (THAILAND) CO., LTD.
(2)	Location	31/2 Moo 2, Banmoh, Promburi, Singburi 16120 Thailand
(3)	Title and name of representative	Shozo Fukushima, President
(4)	Description of business	Manufacturing and sales of bobbins for voice coils, etc.
(5)	Establishment	December 1996
(6)	Capital	THB 20 million (as of December 31, 2016) (approximately 66 million yen)
(7)	Net assets	THB 167 million (as of December 31, 2016) (approximately 551 million yen)
(8)	Total assets	THB 172 million (as of December 31, 2016) (approximately 568 million yen)
(9)	Net sales	THB 103 million (for the fiscal year ended December 31, 2016) (approximately 340 million yen)
(10)	Major shareholder(s) and ratio of owned shares	As the major shareholder(s) is/are individual(s) and an NDA has been executed, this information will not be disclosed.
(11)	Relationships with this company	Our Group purchases bobbins for voice coils from SUZUKI. There are no capital or personnel relationships.

3. Overview of the share acquisition counterparty

(1)	Name	As the major shareholder(s) is/are individual(s) and an NDA has been executed, this information will not be disclosed.
(2)	Address	
(3)	Relationships with the shareholder(s)	There are no capital relationships, personnel relationships, or business relationships with our Group that are subject to disclosure.

4. Status of share before and after acquisition, and the number of shares acquired (planned)

(1)	Number of shares owned before transfer	0 shares (Number of voting rights: 0) (Ratio of voting rights owned: 0.00%)
(2)	Number of shares acquired	19,998 shares (Number of voting rights: 19,998)
(3)	Number of shares owned after transfer	19,998 shares (Number of voting rights: 19,998) (Ratio of voting rights owned: 99.99%)

*The share acquisition price was determined in reference to an evaluation by a third party.

5. Future schedule

Concluding date of the share purchase agreement: September 19, 2017

Share transfer execution date: October 1, 2017 (planned)

6. Future outlook

The share acquisition will not have a material impact on the consolidated results of the current fiscal year.