

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

<Code Number 6794>
June 4, 2024

To Our Shareholders with Voting Rights

Kazuhiro Kishi, CEO
Foster Electric Company, Limited
1-1-109, Tsutsujigaoka, Akishima City, Tokyo

NOTICE OF THE 90TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 90th Ordinary General Meeting of Shareholders of Foster Electric Company, Limited (the “Company”), to be held as follows.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following websites. Please access either of the following websites by using the internet addresses shown below to review the information.

[The Company’s website]

https://www.foster.co.jp/investors/shareholder_info/meeting.html (in Japanese)

[Tokyo Stock Exchange’s website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

Access the TSE website by using the internet address shown above, enter “Foster Electric” in “Issue name (company name)” or the Company’s securities code “6794” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

[The website for informational materials for the General Meeting of Shareholders]

<https://d.sokai.jp/6794/teiji/> (in Japanese)

You can exercise your voting rights by using the Internet or in writing; so please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the “Guidance on Exercising Voting Rights” (in Japanese only), by no later than the closing time of our daily business hours (5:15 p.m.) on Tuesday, June 25, 2024 (Japan Time).

1. Date and Time: Wednesday, June 26, 2024 at 10:00 a.m. (Japan Time)

2. Place: Main Hall (1st Floor), Foster Electric Company, Limited, 1-1-109, Tsutsujigaoka, Akishima City, Tokyo

3. Agenda of the Meeting

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the 90th Fiscal Year (from April 1, 2023 to March 31, 2024) and results of audit on the Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors.
2. Standalone Financial Statements for the 90th Fiscal Year (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

- Proposal 1:** Dividends of Surplus
Proposal 2: Election of Two (2) Directors
Proposal 3: Election of One (1) Corporate Auditor

4. Others

- (1) If you attend the meeting, please show the Exercise Voting Rights Form at the reception of the meeting upon arrival.
 - (2) If you exercise your voting rights by proxy, you may nominate one (1) shareholder with a voting right as a proxy to attend the meeting, provided that a document verifying the proxy right of the person representing you must be submitted.
 - (3) We send out documents that include items for which measures for providing information in electronic format are to be taken to shareholders who have made a request for delivery of paper-based documents; however, such documents do not include the following matters as provided for by the provisions of laws and regulations and Article 15, paragraph (2) of the Articles of Incorporation of the Company:
 - “Structure and Policy of the Company” in the Business Report
 - “Notes to the Consolidated Financial Statements”
 - “Notes to the Standalone Financial Statements”
- The Business Report, the Consolidated Financial Statements and the Standalone Financial Statements in the documents are part of the Business Report and the Consolidated and Standalone Financial Statements that were audited by the Financial Auditor and Corporate Auditors of the Company when preparing the Financial Auditor’s Report and the Corporate Auditors’ Report.
- (4) If you exercised your voting rights in duplicate through the Internet and in writing, the vote by the Internet will be validated. If you exercised your voting rights multiple times, the vote you exercised last will be validated.
 - (5) Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
 - (6) On the day of the meeting, our executives and employees will be dressed casually without neckties (“Cool Biz”).
 - (7) If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company’s aforementioned website, the TSE website (Listed Company Search) and the website for informational materials for the General Meeting of Shareholders.
 - (8) An English translation of the Notice of the 90th Ordinary General Meeting of Shareholders is posted on the corporate website (<https://www.foster-electric.com/investors/meeting/index.html>).

© Discontinuation of Business Reports

At this time, we have decided to discontinue the year-end and interim business reports that we had previously sent to our shareholders, due to the large amount of duplicated information in the “Notice of the Ordinary General Meeting of Shareholders,” the “Integrated Report,” and the Company’s website, as well as our concern for the global environment.

We appreciate the understanding of our shareholders and ask for your continued support.

About the platform for exercising voting rights electronically

In addition to the voting methods of in writing and through the Internet as described above, institutional investors may exercise their voting rights electronically by using the platform operated by ICJ, Inc.

Guidance on Livestreaming

The following livestream of the General Meeting of Shareholders will be available for those shareholders who cannot attend the meeting.

It is not possible to exercise voting rights, ask questions, or submit motions during the livestream.

Please exercise your voting rights in advance using the Internet or in writing.

Please use the following website to watch the meeting:

Date and Time of Livestream:	Wednesday, June 26, 2024, from 10:00 a.m. until the conclusion of the General Meeting of Shareholders
	The livestream page can be accessed from approximately 30 minutes prior to the start of the General Meeting of Shareholders (9:30 a.m.).
Livestream URL	https://www.virtual-sr.jp/users/foster2024/login.aspx
ID	Shareholder number (indicated on the Exercise Voting Rights Form)
Password	(Omitted)

Notes:

- Only shareholders may view the presentation.
- Depending on your equipment and network environment, it may not be possible to access the livestream.
- Telecommunication charges for accessing the Company’s website and the livestream are paid by shareholders themselves.
- To watch the livestream comfortably on smartphones or tablets, use of Wi-Fi is recommended.
- The camera will be set at the back of the venue to avoid showing the faces of shareholders, but some shareholders’ faces may inevitably be shown. In addition, please be advised that the voices of shareholders who ask questions or make comments in the meeting will be broadcast live.
- If any change in the meeting plans arises, we will inform you via the corporate website (URL: <https://www.foster.co.jp/>).

Contact for inquiries regarding on-screen operation of the livestream, viewing problems, etc.
 TEL: +81-42-546-2305
 Hours: Weekdays 9:00 a.m. to 12:00 p.m., 1:30 p.m. to 5:00 p.m.
 However, on the day of the General Meeting of Shareholders, hours will be from 9:30 a.m. to the conclusion of the General Meeting of Shareholders.
 * For inquiries regarding viewing problems, etc., only.
 Please note that we are unable to respond to any other inquiries.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Dividends of Surplus

The Company regards the enhancement of corporate value as a major management issue and maintains a basic policy of comprehensively improving shareholders' interest by distributing profits that are commensurate with the Company's business results and enhancing internal reserves from a long-term viewpoint.

We propose a year-end dividend of ¥15 per share for the fiscal year under review, while comprehensively considering our business results for the year as well as the management environment, etc. Accordingly, since the Company paid an interim dividend of ¥10 per share, the annual total of dividend for the fiscal year under review will be ¥25 per share.

Matters related to year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the total amount

¥15 per share of common stock of the Company Total amount: ¥336,194,475

(3) Effective date of dividends of surplus

June 27, 2024

Proposal 2: Election of Two (2) Directors

Director Lu San Tie will resign at the conclusion of this Ordinary General Meeting of Shareholders. In addition, Director Atsushi Narikawa resigned as of March 31, 2024. Accordingly, the Company proposes the election of two (2) new Directors. In addition, as provided for in the Articles of Incorporation of the Company, the terms of office of the newly elected Directors will expire when the terms of office of the other currently serving Directors expire.

The candidates for Director are as follows:

No.	Name	Gender	Attribute	Attendance rate at meetings of the Board of Directors	Number of years in office
1	 Yasuhide Takahara	[Male]	[New election]	–	–
2	 Naoki Kanai	[Male]	[New election]	–	–

New election: Candidate for new Director

Directors Skill Matrix

To establish an effective corporate governance system for sustainable growth, the Company nominates Directors with wide ranging business experience and diverse expertise and knowledge. The skill matrix of the Company's Directors in case Proposal 2 is approved as proposed are presented below.

Name	Corporate management	International experience/ Global business	Sales/ Marketing	Manufacturing (Production/ Quality)	Technology/ Development	Finance	Legal/Risk management	Sustainability including environment	IT/DX	Industry knowledge
Kazuhiro Kishi	●	●	●					●		●
Akihito Mochizuki	●	●	●			●	●	●	●	
Hiroki Miura	●	●		●	●			●		●
Yasuhide Takahara		●	●					●		●
Naoki Kanai	●	●	●	●				●		●
Minoru Matsumoto		●				●				
Yasuhiro Goto		●		●						●
Kaoru Chujo	●	●			●			●	●	

Reasons for selection of each item in the Skill Matrix

Skill	Reason for selection
Corporate management	In order to evaluate and judge opportunities and risks across a wide range of businesses and achieve sustainable growth through appropriate investments, skills such as abundant management experience to respond to various changes in the business environment, solid knowledge, experience, and track record in corporate management, and a broad perspective that includes other fields are required.
International experience/ Global business	Such knowledge and experience are necessary to appropriately supervise and implement business operations based on an understanding of diverse values and cultures in order to achieve the sustainable global expansion of business areas.
Sales/Marketing	In order to deliver customer satisfaction and sustainable enhancement of corporate value, knowledge and experience in marketing activities and sales strategies are required to accurately identify changes in the business environment and the diversifying customer needs and to provide added value through proposal-based sales from the customer's perspective.
Manufacturing (Production/Quality)	In addition to value-added product development, to ensure the stable supply of safe and secure products, it is essential to establish a production and quality control system, which requires knowledge and experience in production and quality control.
Technology/Development	The development of high quality products that incorporate advanced technologies and offer safety, security, and comfort requires a track record of implementing various innovations and solid knowledge and experience in the fields of technology, quality, and the environment.
Finance	Solid knowledge and experience in the areas of financial affairs and finance are required for building a strong financial foundation and developing and implementing financial strategies to sustainably increase corporate value.
Legal/Risk management	To establish an appropriate governance system, which is the foundation for sustainably increasing corporate value, and to achieve the stable development, manufacture, and supply of safe and secure products, solid knowledge and experience in the areas of risk management, corporate governance, and legal affairs are required.
Sustainability including environment	To realize a sustainable society, solving social issues through the promotion of sustainability activities based on ESG management and incorporating them into business activities as profit-earning opportunities that lead to sustainable growth requires solid knowledge and experience in the fields of ESG and sustainability.
IT/DX	To respond to changes in the business environment, achieve sustainable growth, and increase corporate value, it is essential to transform business and work styles through company-wide promotion of DX, as well as to utilize advanced information technology to improve the information infrastructure, including cyber attack countermeasures. Therefore, knowledge and experience in the IT and DX fields are required.
Industry knowledge	As the business environment undergoes significant change and uncertainty increases, in order to develop and promote business strategies that anticipate market changes and achieve the sustainable enhancement of corporate value, extensive, in-depth knowledge and experience in the industry are required.

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
1	 <p data-bbox="379 898 561 949">Yasuhide Takahara (April 6, 1962)</p> <p data-bbox="397 981 544 1010">[New election]</p> <p data-bbox="437 1037 504 1066">[Male]</p>	<p data-bbox="628 286 979 315">Apr. 1985 Joined the Company</p> <p data-bbox="628 322 1190 378">Feb. 2001 Deputy Manager, Sales Department, CAR Equipment Division of the Company</p> <p data-bbox="628 385 1139 441">Apr. 2003 Manager, Sales Department, CAR Equipment Division of the Company</p> <p data-bbox="628 448 1193 533">Sept. 2003 Manager, Sales Department, CAR Equipment Division, and Manager, Chubu Sales Office of the Company</p> <p data-bbox="628 539 1158 595">Dec. 2008 Head, AVCBU Business Unit, Speaker Business Division of the Company</p> <p data-bbox="628 602 1198 658">Oct. 2010 Director, Foster Electric Co., (Hong Kong) Ltd.</p> <p data-bbox="628 665 1190 750">Apr. 2013 Deputy General Manager, SP Business Division and Manager, SP Production Management Department of the Company</p> <p data-bbox="628 757 1219 871">Apr. 2016 Deputy General Manager, SP Business Division, Manager, SP Sales Department No. 2, and Manager, Speaker Production Management Department of the Company</p> <p data-bbox="628 878 1219 992">Apr. 2017 Executive Officer, Deputy General Manager, SP Business Division, and Manager, Speaker Production Management Department of the Company</p> <p data-bbox="628 999 1139 1084">Aug. 2019 Executive Officer, General Manager Automotive Speaker Business, Sales Division of the Company</p> <p data-bbox="628 1090 1145 1205">Apr. 2020 Executive Officer, General Manager Automotive Speaker Business, Sales Division, and in charge of Asia of the Company</p> <p data-bbox="628 1211 1214 1299">July 2020 Senior Executive Officer, General Manager Automotive Business, Sales Division, and in charge of Asia of the Company</p> <p data-bbox="628 1305 1206 1384">June 2023 Senior Executive Officer, General Manager, Sales Division, and in charge of Asia of the Company (to the present)</p>	3,700
<p data-bbox="325 1393 798 1422">Reason for election of the candidate for Director</p> <p data-bbox="325 1422 1404 1581">Mr. Yasuhide Takahara has been involved in the Sales Department for many years, supervising the Group's sales structure and contributing to the enhancement of corporate value. In addition, he has extensive experience and expertise in sales activities, as well as extensive overseas experience and insight working in Hong Kong. Therefore, we can expect him to contribute to the improvement of the functioning of the Board of Directors. For these reasons, we judge that Mr. Yasuhide Takahara is suitable for achieving sustainable growth and improvement of corporate value of the Company and request his election as Director.</p>			

No.	Name (date of birth)	Career summary, position, responsibilities and significant positions concurrently held	Number of Company's shares held
2	 <p>Naoki Kanai (November 1, 1962)</p> <p>[New election]</p> <p>[Male]</p>	<p>Mar. 1986 Joined the Company</p> <p>Sept. 2002 Manager, Sales Department No. 1, Sales Division, Foster Electric Co., (Hong Kong) Ltd.</p> <p>Nov. 2006 Vietnam Project, Corporate Planning Department, Administration Division of the Company</p> <p>Apr. 2007 Manager, Production Management Department, Foster Electric (Vietnam) Co., Ltd.</p> <p>Apr. 2008 Director and Manager, Factory, Foster Electric (Vietnam) Co., Ltd.</p> <p>Jan. 2011 President, Foster Electric (Vietnam) Co., Ltd.</p> <p>Apr. 2012 Chairman and President, Foster Electric (Vietnam) Co., Ltd.</p> <p>Nov. 2014 Deputy General Manager, Manufacturing Division of the Company</p> <p>Mar. 2015 Deputy General Manager, Manufacturing Division and Manager, Manufacturing Engineering Department of the Company</p> <p>Apr. 2017 Executive Officer, Deputy General Manager, Manufacturing Division, and Manager, Manufacturing Management Department of the Company</p> <p>Apr. 2018 Executive Officer and General Manager, Manufacturing Division of the Company</p> <p>Oct. 2018 Executive Officer, General Manager, Manufacturing Division, and Assistant to General Manager in charge of Manufacturing of the Company</p> <p>Apr. 2022 Senior Executive Officer, General Manager, Manufacturing Division, and General Manager in charge of Manufacturing of the Company</p> <p>June 2023 Senior Executive Officer and General Manager, Manufacturing Division of the Company (to the present)</p>	13,400
<p>Reason for election of the candidate for Director</p> <p>Mr. Naoki Kanai has been involved in manufacturing departments for many years, supervising the Group's manufacturing structure and contributing to the enhancement of corporate value. In addition, with his extensive overseas experience and knowledge from working in Hong Kong and Vietnam, we can expect him to contribute to the improvement of the functioning of the Board of Directors. For these reasons, we judge that Mr. Naoki Kanai is suitable for achieving sustainable growth and improvement of corporate value of the Company and request his election as Director.</p>			

- Notes:
1. No conflict of interest exists between the Company and the above candidates for Director.
 2. The Company intends to enter into an indemnity agreement as stipulated in Article 430-2, paragraph (1) of the Companies Act with each of the above candidates for Director upon approval of their election. The indemnity agreement provides that expenses as set forth in item 1 and losses as set forth in item 2 of Article 430-2, paragraph (1) shall be compensated by the Company to the extent provided by laws and regulations.
 3. The Company has purchased a liability insurance policy for directors and officers (D&O insurance) as set forth in Article 430-3, paragraph (1) of the Companies Act, which covers all the directors as the insured parties. Subject to approval of this Proposal as originally proposed and when the candidates assume the position of Director, each of them will become an insured party covered by this policy. With this insurance policy, potential losses resulting from directors, the insured, being held responsible for the execution of their duties or from claims/charges brought against them for such responsibility shall be covered. However, certain cases are excused from the coverage such as losses resulting from acts while the violation of laws is recognized. The premiums for the policy including riders are fully borne by the Company, with no substantial insurance cost to be borne by the insured. The policy will be renewed on July 1, 2024, during their term of office.

Proposal 3: Election of One (1) Corporate Auditor

The terms of office of Corporate Auditors Satoko Kimoto and Takashi Suzuki will expire at the conclusion of this meeting. We therefore propose that one (1) Corporate Auditor be elected.

The Board of Corporate Auditors has previously given its approval for this proposition.

The candidate for Corporate Auditor is as follows:

Name (date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of Company's shares held
 <p>Satoko Kimoto (April 12, 1960)</p> <p>[Reelection] [Outside] [Independent]</p> <p>[Female]</p> <ul style="list-style-type: none"> ■ Attendance rate at meetings of the Board of Directors 100% (12 out of 12 times) ■ Attendance rate at meetings of the Board of Corporate Auditors 100% (7 out of 7 times) 	<p>Apr. 1983 Large Enterprise Examination Division, Large Enterprise Examination and Criminal Investigation Department, National Tax Agency</p> <p>July 2007 Assistant Regional Commissioner of First Taxation Department, Kanto-Shinetsu Regional Taxation Bureau</p> <p>July 2008 Assistant Regional Commissioner of Planning and Administration Department, Sendai Regional Taxation Bureau</p> <p>July 2010 Director of Consumption Tax Office, Taxation Management Division, Taxation Department, National Tax Agency</p> <p>July 2011 Director of Information Technology Office, Planning Division, Commissioner's Secretariat, National Tax Agency</p> <p>July 2014 Vice President, National Printing Bureau</p> <p>July 2018 Director-General, Nagoya National Tax Tribunal</p> <p>Apr. 2020 Visiting Professor of Graduate School of Accounting & Finance, Chiba University of Commerce</p> <p>June 2020 Outside Corporate Auditor of the Company</p> <p>June 2021 Full-Time Outside Corporate Auditor of the Company (to the present)</p>	400
<p>Reason for election of the candidate for Outside Corporate Auditor</p> <p>Ms. Satoko Kimoto possesses substantial knowledge and experience related to tax affairs, finance, and accounting that she has cultivated over many years in the field of tax administration. We judge that she can be expected to strengthen the Company's auditing system if she draws on her expertise and experience in the management of the Company, so we request that Ms. Satoko Kimoto be reelected as an Outside Corporate Auditor of the Company. Even though she does not have experience of involvement in corporate management, we judge that she will perform her duties appropriately as an Outside Corporate Auditor.</p>		

- Notes:
1. No conflict of interest exists between the Company and the above candidate for Corporate Auditor.
 2. The above candidate for Corporate Auditor is a candidate for Outside Corporate Auditor.
 3. Ms. Satoko Kimoto will have served as Corporate Auditor for four (4) years at the conclusion of this General Meeting of Shareholders.
 4. Liability Limitation Agreement

The Company has concluded an agreement with Ms. Satoko Kimoto to limit her liability stipulated in Article 423, paragraph (1) of the Companies Act, in accordance with Article 427, paragraph (1) of the Act and the provisions of the Company's Articles of Incorporation. The Company will renew the agreement with her upon the approval of her reelection. The amount of damages under the agreement will be limited within an amount prescribed by laws and regulations.
 5. The Company has entered into an indemnity agreement with Ms. Satoko Kimoto as stipulated in Article 430-2, paragraph (1) of the Companies Act. The indemnity agreement provides that expenses as set forth in item 1 and losses as set forth in item 2 of Article 430-2, paragraph (1) shall be compensated by the Company to the extent provided by laws and regulations. The Company will renew the same agreement with her upon approval of her reelection.
 6. The Company has purchased a liability insurance policy for directors and officers (D&O insurance) as set forth in Article 430-3, paragraph (1) of the Companies Act, which covers the directors, corporate auditors and executive officers as the insured parties. Subject to approval of this Proposal as originally proposed and when the above candidate for Corporate Auditor assumes the position of Corporate Auditor, she will become an insured party covered by this

policy. With this insurance policy, potential losses resulting from the insured being held responsible for the execution of their duties or from claims/charges brought against them for such responsibility shall be covered. However, certain cases are excused from the coverage such as losses resulting from acts while the violation of laws is recognized. The premiums for the policy including riders are fully borne by the Company, with no substantial insurance cost to be borne by the insured. The policy will be renewed on July 1, 2024, during her term of office.

7. The Company has designated Ms. Satoko Kimoto as an Independent Corporate Auditor who will not have any conflicts of interest with the general shareholders as stipulated by provisions of the Tokyo Stock Exchange. If her election is approved, the Company will reappoint her as an Independent Director.

8. The Company's Criteria for Determining Independence

The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

<<Reference 1>> Nominating Advisory Committee

The Company established the Nominating Advisory Committee chaired by an Outside Director as an advisory organ of the Board of Directors.

Regarding the nomination of Directors, Corporate Auditors, and Executive Officers, the committee contributes to ensuring the appropriateness of such elections and transparency of the decision-making process by recommending candidates after deliberating on the expectations. The committee also deliberates on the independence of Outside Directors/Outside Corporate Auditors.

The candidates for Proposal No. 2 and Proposal No. 3 have passed through the deliberation process of the same Committee.

<<Reference 2>> Independence Criteria for Outside Directors/Outside Corporate Auditors

The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

(REFERENCE)

Financial Highlights

(Year ended March 31)

		March 2020	March 2021	March 2022	March 2023	March 2024
1. Consolidated financial highlights						
Net sales	(Millions of yen)	107,298	85,220	91,106	121,338	122,447
Ordinary income	(Millions of yen)	2,599	219	(7,473)	2,327	4,305
Net income attributable to owners of the parent	(Millions of yen)	1,565	(3,363)	(7,017)	848	2,304
Comprehensive income	(Millions of yen)	457	(1,729)	(3,868)	5,013	8,236
Net assets	(Millions of yen)	58,995	55,993	51,632	56,515	64,319
Total assets	(Millions of yen)	80,825	77,233	86,148	92,871	102,747
Net assets per share	(Yen)	2,369.46	2,276.20	2,125.72	2,302.49	2,606.90
Net income per share	(Yen)	69.15	(148.47)	(315.53)	38.23	103.70
Diluted net income per share	(Yen)	–	–	–	–	–
Equity ratio	(%)	66.5	65.6	54.7	55.0	56.5
Return on equity	(%)	2.9	(6.4)	(14.4)	1.7	4.2
Cash flows from operating activities	(Millions of yen)	11,092	739	(12,767)	354	15,428
Cash flows from investing activities	(Millions of yen)	516	(1,960)	(3,071)	(1,321)	(5,396)
Cash flows from financing activities	(Millions of yen)	(8,823)	(2,624)	6,771	1,776	(4,440)
Cash and cash equivalents, end of year	(Millions of yen)	23,930	20,373	12,089	13,646	20,216
2. Standalone financial highlights						
Net sales	(Millions of yen)	59,284	38,035	42,817	51,576	55,394
Ordinary income	(Millions of yen)	(2,053)	(325)	(1,909)	(904)	825
Net income	(Millions of yen)	338	(3,392)	(2,211)	(1,016)	470
Common stock	(Millions of yen)	6,770	6,770	6,770	6,770	6,770
Total number of shares outstanding	(Thousands of shares)	26,000	25,000	25,000	25,000	25,000
Net assets	(Millions of yen)	25,050	20,688	18,136	17,003	17,507
Total assets	(Millions of yen)	42,093	38,832	38,973	42,500	46,802
Net assets per share	(Yen)	1,103.85	929.93	817.44	766.22	786.82
Annual dividends per share [Interim dividends per share]	(Yen)	35.00 [20.00]	15.00 [10.00]	10.00 [10.00]	20.00 [10.00]	25.00 [15.00]
Net income per share	(Yen)	14.95	(149.72)	(99.44)	(45.81)	21.18
Equity ratio	(%)	59.5	53.3	46.5	40.0	37.4
Return on equity	(%)	1.3	(14.8)	(11.4)	(5.8)	2.7
Payout ratio	(%)	234.1	–	–	–	118.0

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

Consolidated Balance Sheet
(as of March 31, 2024)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	78,925	Current liabilities	31,899
Cash and deposits	20,216	Notes and accounts payable—trade	12,169
Notes and accounts receivable—trade	24,934	Short-term bank loans	10,571
Electronically recorded monetary claims—operating	865	Current portion of long-term debt	775
Securities	649	Accounts payable—other	3,135
Finished goods	18,357	Lease liabilities	483
Raw materials	7,908	Income taxes payable	762
Work in process	1,539	Accrued expenses	2,288
Supplies	140	Reserve for bonuses	537
Accounts receivable—other	1,673	Other	1,175
Advance payments to suppliers	367	Long-term liabilities	6,529
Other	2,381	Long-term debt	3,781
Allowance for doubtful accounts	(109)	Deferred tax liabilities	681
Non-current assets	23,822	Lease liabilities	1,326
Property, plant and equipment	19,377	Liability for employees' retirement benefits	108
Buildings and structures	8,091	Liability for director's retirement benefits	27
Machinery and equipment	4,557	Provisions for stock benefit program	137
Furniture and fixtures	1,887	Other	466
Land	3,404	Total liabilities	38,428
Construction in progress	1,437	Net assets	
Intangible assets	336	Shareholders' equity	45,989
Software	189	Common stock	6,770
Other	147	Capital surplus	6,896
Investments and other assets	4,108	Retained earnings	36,364
Investment securities	2,162	Treasury stock	(4,042)
Long-term prepaid expenses	82	Accumulated other comprehensive income	12,014
Asset for employees' retirement benefits	1,344	Unrealized gain on available-for-sale securities	803
Deferred tax assets	306	Foreign currency translation adjustment	11,345
Other	212	Remeasurements of defined benefit plans	(134)
		Non-controlling interests	6,314
		Total net assets	64,319
Total assets	102,747	Total liabilities and net assets	102,747

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Consolidated Statement of Income

(from April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
Net sales		122,447
Cost of sales		103,610
Gross profit		18,836
Selling, general and administrative expenses		14,424
Operating income		4,412
Non-operating income:		
Interest income	183	
Dividend income	69	
Foreign currency exchange gain	334	
Subsidy income	6	
Miscellaneous income	279	875
Non-operating expenses:		
Interest expenses	645	
Loss on retirement of non-current assets	85	
Loan commission	78	
Miscellaneous loss	173	982
Ordinary income		4,305
Extraordinary income:		
Gain on sales of property, plant and equipment	707	
Gain on reversal of asset retirement obligations	133	841
Extraordinary losses:		
Severance payments	488	488
Income before income taxes		4,658
Income taxes—current	1,475	
Income taxes—deferred	(25)	1,450
Net income		3,207
Net income attributable to non-controlling interests		902
Net income attributable to owners of the parent		2,304

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2023	6,770	6,896	34,531	(4,152)	44,045
Changes during the fiscal year					
Cash dividends paid			(447)		(447)
Net income attributable to owners of the parent			2,304		2,304
Purchase of treasury stock				(69)	(69)
Disposal of treasury stock			(24)	179	155
Net change in items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	–	–	1,833	110	1,944
Balance, March 31, 2024	6,770	6,896	36,364	(4,042)	45,989

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2023	385	6,687	(22)	7,050	5,419	56,515
Changes during the fiscal year						
Cash dividends paid						(447)
Net income attributable to owners of the parent						2,304
Purchase of treasury stock						(69)
Disposal of treasury stock						155
Net change in items other than shareholders' equity during the fiscal year	418	4,657	(111)	4,964	895	5,859
Total changes during the fiscal year	418	4,657	(111)	4,964	895	7,804
Balance, March 31, 2024	803	11,345	(134)	12,014	6,314	64,319

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Balance Sheet

(as of March 31, 2024)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	27,424	Current liabilities	24,000
Cash and deposits	6,023	Account payable—trade	13,070
Notes receivable—trade	1	Short-term bank loans	8,355
Electronically recorded monetary claims—operating	441	Current portion of long-term debt	775
Account receivable—trade	16,029	Accounts payable—other	976
Finished goods	4,240	Income taxes payable	63
Raw materials and supplies	151	Accrued expenses	174
Advance payments to suppliers	136	Reserve for bonuses	461
Prepaid expenses	25	Other	123
Accounts receivable—other	353	Long-term liabilities	5,294
Other	21	Long-term debt	3,781
Non-current assets	19,377	Provisions for stock benefit program	137
Property, plant and equipment	3,427	Deferred tax liabilities	566
Buildings	1,444	Provision for loss on guarantees	797
Structures	1	Other	11
Machinery	32	Total liabilities	29,295
Vehicles	0	Net assets	
Furniture and fixtures	67	Shareholders' equity	16,705
Land	1,853	Common stock	6,770
Construction in progress	28	Capital surplus	6,896
Intangible assets	98	Capital reserve	6,896
Software	98	Retained earnings	7,080
Other	0	Legal reserve	373
Investments and other assets	15,850	Other retained earnings	6,706
Investment securities	1,993	General reserve	4,700
Stocks of subsidiaries and affiliates	11,599	Retained earnings brought forward	2,006
Long-term loans receivable	3,868	Treasury stock	(4,042)
Prepaid pension cost	707	Valuation and translation adjustments	801
Other	20	Net unrealized gain on securities	801
Allowance for doubtful accounts	(2,337)	Total net assets	17,507
Total assets	46,802	Total liabilities and net assets	46,802

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Statement of Income

(from April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
Net sales		55,394
Cost of sales		52,192
Gross profit		3,202
Selling, general and administrative expenses		4,288
Operating loss		(1,086)
Non-operating income:		
Interest and dividend income	2,746	
Foreign currency exchange gain	120	
Reversal of provision for loss on guarantees	244	
Miscellaneous income	26	3,138
Non-operating expenses:		
Interest expenses	494	
Provision of allowance for doubtful accounts	627	
Loan commission	78	
Miscellaneous loss	27	1,227
Ordinary income		825
Extraordinary income:		
Reversal of asset retirement obligations	133	133
Extraordinary losses:		
Severance payments	488	488
Income before income taxes		470
Income taxes—current	50	
Income taxes—deferred	(50)	0
Net income		470

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Statement of Changes in Shareholders' Equity

(from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserve	Total capital surplus
Balance, April 1, 2023	6,770	6,896	6,896
Changes during the fiscal year			
Cash dividends paid			
Net income			
Purchase of treasury stock			
Disposal of treasury stock			
Net change in items other than shareholders' equity during the fiscal year			
Net change in the year	-	-	-
Balance, March 31, 2024	6,770	6,896	6,896

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal reserve	Other retained earnings		Total retained earnings			
		General reserve	Retained earnings brought forward				
Balance, April 1, 2023	373	4,700	2,007	7,080	(4,152)	16,595	
Changes during the fiscal year							
Cash dividends paid			(447)	(447)		(447)	
Net income			470	470		470	
Purchase of treasury stock					(69)	(69)	
Disposal of treasury stock			(24)	(24)	179	155	
Net change in items other than shareholders' equity during the fiscal year							
Net change in the year	-	-	(0)	(0)	110	110	
Balance, March 31, 2024	373	4,700	2,006	7,080	(4,042)	16,705	

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on securities	Total valuation and translation adjustments	
Balance, April 1, 2023	408	408	17,003
Changes during the fiscal year			
Cash dividends paid			(447)
Net income			470
Purchase of treasury stock			(69)
Disposal of treasury stock			155
Net change in items other than shareholders' equity during the fiscal year	393	393	393
Net change in the year	393	393	503
Balance, March 31, 2024	801	801	17,507

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.