

June 24, 2024

**(Corrections and Correction of Numerical Data) Notice of Partial Corrections to
"Consolidated Financial Results for the Year Ended March 31, 2024" and "Financial Results
Briefing for the Fiscal Year Ended March 31, 2024"**

Foster Electric Company, Limited hereby announce that there were some corrections to be made in "Consolidated Financial Results for the Year Ended March 31, 2024" released on May 15, 2024 and in "Financial Results Briefing for the Fiscal Year Ended March 31, 2024" released on May 22, 2024, as follows.

1. Reason for Correction

This is to correct an error that occurred after the release of "Consolidated Financial Results for the Year Ended March 31, 2024" and "Financial Results Briefing for the Fiscal Year Ended March 31, 2024".

2. Corrections

Corrections are underlined.

Consolidated Financial Results for the Year Ended March 31, 2024

(Summary Information)

(3) Consolidated cash flows

[Before correction] (Millions of yen)

	Cash flows from investing activities	Cash and cash equivalents at end of period
Year ended March 31, 2024	<u>(5,396)</u>	<u>20,216</u>

[After correction] (Millions of yen)

	Cash flows from investing activities	Cash and cash equivalents at end of period
Year ended March 31, 2024	<u>(8,539)</u>	<u>17,034</u>

(Attachment, page 3)

1. Overview of operating results, etc

(3) Cash flow for the year under review

[Before correction]

[Investing activities]

Net cash used in investing activities totaled ¥5,396 million, due mainly to capital investments.

[Financing activities]

Net cash used in financing activities totaled ¥4,440 million, mainly attributable to a decrease in short-term borrowings.

As a result, cash and cash equivalents as of March 31, 2024 stood at ¥20,216 million, up ¥6,570 million from the level on March 31, 2023.

[After correction]

[Investing activities]

Net cash used in investing activities totaled ¥8,539 million, due mainly to capital investments.

[Financing activities]

Net cash used in financing activities totaled ¥4,440 million, mainly attributable to a decrease in short-term borrowings.

As a result, cash and cash equivalents as of March 31, 2024 stood at ¥17,034 million, up ¥3,387 million from the level on March 31, 2023.

(Attachment, page 6)

3.Consolidated financial statements

(1)Consolidated balance sheets

[Before correction]

(Millions of yen)

Liabilities	As of March 31, 2023	As of March 31, 2024
Non-current liabilities		
<u>Asset retirement obligations</u>	<u>264</u>	<u>—</u>
<u>Other</u>	<u>302</u>	<u>466</u>

[After correction]

(Millions of yen)

Liabilities	As of March 31, 2023	As of March 31, 2024
Non-current liabilities		
<u>Other</u>	<u>566</u>	<u>466</u>

(Attachment, page 11)

(4)Consolidated statements of cash flows

[Before correction]

(Millions of yen)

Cash flows from investing activities	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<u>Decrease (increase) in time deposits</u>	<u>111</u>	<u>—</u>

Net cash provided by (used in) investing activities	(1,321)	<u>(5,396)</u>
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[After correction]

(Millions of yen)

Cash flows from investing activities	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<u>Payments into time deposits</u>	<u>—</u>	<u>(3,142)</u>
<u>Proceeds from withdrawal of time deposits</u>	<u>111</u>	<u>—</u>

Net cash provided by (used in) investing activities	(1,321)	<u>(8,539)</u>
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(Attachment, page 12)

(4)Consolidated statements of cash flows

[Before correction]

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Effect of exchange rate change on cash and cash equivalents	747	978
Net increase (decrease) in cash and cash equivalents	1,556	6,570
Cash and cash equivalents at beginning of period	12,089	13,646
Cash and cash equivalents at end of period	13,646	20,216

[After correction]

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Effect of exchange rate change on cash and cash equivalents	747	938
Net increase (decrease) in cash and cash equivalents	1,556	3,387
Cash and cash equivalents at beginning of period	12,089	13,646
Cash and cash equivalents at end of period	13,646	17,034

(Attachment, page 13)

(5) Notes to the consolidated financial statements

(Changes in presentation method)

(Consolidated balance sheet)

[Before correction]

In the fiscal year ended March 31, 2023, "Lease liabilities" were included in "Other" under "Current liabilities" and "Non-current liabilities." However, we have decided to report "Lease liabilities" as an independent item from the fiscal year ended March 31, 2024 as their monetary impact has increased. The consolidated financial statements for the previous fiscal year have been adjusted to reflect this change in presentation.

As a result, ¥137 million previously included in "Other" under "Current liabilities" and ¥131 million included in "Other" under "Non-current liabilities" in the consolidated balance sheet as of March 31, 2023 have been reclassified as "Lease liabilities."

[After correction]

In the fiscal year ended March 31, 2023, "Lease liabilities" were included in "Other" under "Current liabilities" and "Noncurrent liabilities." However, we have decided to report "Lease liabilities" as an independent item from the fiscal year ended March 31, 2024 as their monetary impact has increased. The consolidated financial statements for the previous fiscal year have been adjusted to reflect this change in presentation.

As a result, ¥1,506 million presented as "Other" in "Current liabilities" in the consolidated balance sheet for the previous fiscal year was reclassified as "Lease liabilities" of ¥137 million and "Other" of ¥1,369 million, and ¥433 million presented as "Other" in "Non-current liabilities" was reclassified as "Lease liabilities" of ¥131 million and "Other" of ¥302 million.

"Asset retirement obligations" under "Non-current liabilities", which was presented separately in the previous consolidated fiscal year, is included in "other" under "Non-current liabilities" in the current consolidated fiscal year because the amount is insignificant (¥24 million in the current consolidated fiscal year). To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Asset retirement obligations" of ¥264 million and "Other" of ¥433 million presented in "Non-current liabilities" in the consolidated balance sheet for the previous fiscal year have been reclassified as "Other" of ¥697 million in "Non-current liabilities."

(Attachments pages 14 and 15)

(5) Notes to the consolidated financial statements

(Segment Information, etc.)

[Before correction]

3. Information on net sales, profit or loss, assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated financial statements * Note 2
	Speaker	Mobile Audio	Other			

[After correction]

3. Information on net sales, profit or loss, assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated financial statements * Note 2
	Speaker	Mobile Audio	Other			

[Before correction]

3. Information on net sales, profit or loss, assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated financial statements * Note 2
	Speaker	Mobile Audio	Other			

[After correction]

3. Information on net sales, profit or loss, assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated financial statements * Note 2
	Speaker	Mobile Audio	Other			

Financial Results Briefing for the Fiscal Year Ended March 31, 2024

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Statement of Cash Flows

[Before correction]

 Free cash flow at the end of FY03/24 was 10.03 billion yen

(Millions of yen)

	FY03/24	Amount of change
Investing activities	<u>(5,396)</u>	<u>(4,074)</u>
Free cash flow	<u>10,031</u>	<u>10,999</u>
Net increase in cash and cash equivalents	<u>6,570</u>	<u>5,013</u>

Cash and cash equivalents at the end of the period	<u>20,216</u>	<u>6,570</u>
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[After correction]

 Free cash flow at the end of FY03/24 was 6.88 billion yen

(Millions of yen)

	FY03/24	Amount of change
Investing activities	<u>(8,539)</u>	<u>(7,217)</u>
Free cash flow	<u>6,889</u>	<u>7,856</u>
Net increase in cash and cash equivalents	<u>3,387</u>	<u>1,830</u>

Cash and cash equivalents at the end of the period	<u>17,034</u>	<u>3,387</u>
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Quarterly Balance Sheet and Statement of Cash Flows

Statement of Cash Flows (Millions of yen)

[Before correction]

	FY03/24 4Q
Investing activities	<u>(1,283)</u>
Foreign exchange impact	<u>397</u>

Net increase (decrease) in cash flow	<u>1,349</u>
Cash at the end of period	<u>20,216</u>

[After correction]

	FY03/24 4Q
Investing activities	<u>(4,426)</u>
Foreign exchange impact	<u>357</u>

Net increase (decrease) in cash flow	<u>(1,834)</u>
Cash at the end of period	<u>17,034</u>

The revised "Consolidated Financial Results for the Year Ended March 31, 2024" and "Financial Results Briefing for the Fiscal Year Ended March 31, 2024" are attached.

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

Company name: Foster Electric Company, Limited
 Stock exchange listing: Tokyo
 Stock code: 6794 URL <https://www.foster-electric.com/>
 Representative: CEO Kazuhiro Kishi
 General Manager, IR and Governance
 Ichiro Kosuge TEL +81-42-546-2305
 Management Dept.
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	122,447	0.9	4,412	80.4	4,305	84.9	2,304	171.7
Year ended March 31, 2023	121,338	33.2	2,445	—	2,327	—	848	—

Note: Comprehensive income: Fiscal year ended March 31, 2024 ¥8,236 million [64.3%]
 Fiscal year ended March 31, 2023 ¥5,013 million [-%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	103.70	—	4.2	4.4	3.6
Year ended March 31, 2023	38.23	—	1.7	2.6	2.0

Reference: Equity in earnings of affiliated companies: Fiscal year ended March 31, 2024 ¥ - million
 Fiscal year ended March 31, 2023 ¥ - million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	102,747	64,319	56.5	2,606.90
As of March 31, 2023	92,871	56,515	55.0	2,302.49

Reference: Equity capital: As of March 31, 2024 ¥58,004 million
 As of March 31, 2023 ¥51,095 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	15,428	(8,539)	(4,440)	17,034
Year ended March 31, 2023	354	(1,321)	1,776	13,646

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	10.00	—	10.00	20.00	447	52.3	0.9
Year ended March 31, 2024	—	10.00	—	15.00	25.00	559	24.1	1.0
Year ending March 31, 2025 (Forecast)	—	20.00	—	20.00	40.00		29.6	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	130,000	6.1	5,500	24.6	5,000	15.0	3,000	27.3	134.83

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	25,000,000 shares	As of March 31, 2023	25,000,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	2,749,532 shares	As of March 31, 2023	2,808,421 shares
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Average number of shares during the period

Year ended March 31, 2024	22,227,254 shares	Year ended March 31, 2023	22,188,152 shares
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(Reference) Summary of non-consolidated results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	55,394	7.4	(1,086)	-	825	-	470	-
Year ended March 31, 2023	51,576	20.5	(1,676)	-	(904)	-	(1,016)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2024	21.18	-
Year ended March 31, 2023	(45.81)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	46,802	17,507	37.4	786.82
As of March 31, 2023	42,500	17,003	40.0	766.22

Reference Equity capital: As of March 31, 2024 ¥17,507 million
As of March 31, 2023 ¥17,003 million

* Consolidated financial statements are not subject to audit by a certified public accountant or an audit corporation.

* Information on proper use of the projected financial results and other notes

Forward-looking statements in this document, including earnings projections, are based on currently available information and certain assumptions that the Group regards as reasonable at the time of writing. Actual results may differ greatly from the forecast figures depending on various factors. For the preconditions of and precautions in using the earnings projections, please refer to "Overview of operating results, etc." on page 2 of the Attachment.

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1. Overview of operating results, etc.

(1) Operating results for the year under review

During the fiscal year ended March 31, 2024, the global economy finally saw an end to the over-three-year-long COVID-19 pandemic, and economic activities have normalized. Meanwhile, geopolitical risks such as those associated with the prolonged Russia–Ukraine war and the Israeli–Palestinian conflict continued to intensify. Despite the subsiding inflation in developed countries, the persistently high policy interest rates in the US and Europe and the slowdown of the Chinese economy, among other factors, have prompted continuing uncertainties in the global outlook.

The automotive market, the Foster Group (the “Group”)’s focus, has seen an ongoing recovery in automobile production and sales, thanks to the easing of semiconductor shortages. Against this backdrop, the market continued its shift to electric vehicles (EVs) and consistent progress was made in the technologies for autonomous driving. Based on these factors, we expect firm demand to continue moving forward.

Under these circumstances, the Group further stepped up proposal activities to win orders in the automotive business, targeting customers based on the partner strategy, which is at the core of its operations. We have thus far secured enough orders to meet our target for the fiscal year ending March 31, 2025, the final year of the current medium-term business plan. In the mobile audio segment, we are expanding our business based on our high quality, and we secured orders for actuators, and together with earphone drivers and car headphones, we secured profits for the full year. As for the joint development projects and other collaborations with outside companies as well as our R&D-oriented businesses, we are pressing ahead with such initiatives while carefully assessing their future prospects.

On the production front, considering further escalation of US–China tensions, we are preparing to begin speaker production at our plant in Binh Duong Province, Vietnam. Mass production is slated to start in the first half of 2025, factoring in the handling of new models.

In addition, we plan to begin producing speakers at our production subsidiary in Hungary in the latter half of 2024, in an effort to promote local production and consumption. This initiative also helps reduce CO2 emissions on the logistics front. We are also working to improve manufacturing efficiency through mechanization, labor-saving, and automation, while optimizing the ratio of external purchase to in-house manufacture of components in a bid to enhance competitiveness.

As for the challenges posed by soaring raw material, component, and logistics costs, in addition to our ongoing efforts to reduce costs and fixed expenses, we have strengthened our global logistics system and are seeking to control inventory at appropriate levels by accurately capturing demand trends. Some projects have incurred higher-than-expected costs due to a partial hike in sea freight costs from the recent deterioration of the Middle East situation. However, thanks to the understanding of many of our customers regarding cost pass-through, we have in place a system that ensures ample control and an earnings structure that is less susceptible to changes in the market.

As a result, consolidated net sales for the fiscal year ended March 31, 2024 amounted to ¥122,447 million (up 0.9% YoY), operating profit to ¥4,412 million (up 80.4% YoY), and ordinary profit to ¥4,305 million (up 84.9% YoY). Profit attributable to owners of parent was ¥2,304 million (up 171.7% YoY).

Results by segment were as follows.

[Speaker Segment]

Amid the ongoing sales recovery in the automotive market, we focused on the partner strategy and actively promoted sales to target customers. As a result, despite the shipment volume decline in the first quarter due to some customers adjusting their inventories that had expanded during the supply chain disruptions, net sales finished at ¥99,175 million (up 0.1% YoY). On the profit front, the decrease in one-off air freight charges and ongoing measures to improve costs, among other factors, lifted earnings, and operating profit rose to ¥4,218 million (up 110.5% YoY).

[Mobile Audio Segment]

Sales of consumer actuators were ¥14,197 million (down 3.4% YoY) as a result of securing orders for the full year despite some adjustments in shipment volume and focusing on sales of earphone drivers and car headphones. As a result, net sales came to ¥14,197 million (down 3.4% YoY). On the profit front, operating profit amounted to ¥607 million (down 49.6% YoY).

[Other Segment]

In the Other segment, which includes micro acoustic components and FOSTEX brand products, net sales reached ¥9,074 million (up 20.1% YoY), fueled in part by the robust sales of speakers for acoustic vehicle alerting systems. On the profit front, however, we recorded an operating loss of ¥412 million (operating loss of ¥762 million in the previous year). This was attributable to the expenses incurred in association with our plan to transfer the production of micro acoustic components, previously outsourced to NAM WAH STAR ELECTRONICS (SHENZHEN) CO., LTD., to our plant in China, with the aim of optimizing the manufacturing system.

Note: As of the fiscal year ended March 31, 2024, the net sales by segment shown above reflect figures after the elimination of inter-segment transactions.

(2) Financial position for the year under review

As of March 31, 2024, total assets amounted to ¥102,747 million, up ¥9,876 million from their level on March 31, 2023, mainly due to an increase in cash and deposits. Total liabilities were up ¥2,072 million to ¥38,428 million, chiefly owing to an increase in long-term borrowings aimed at improving our financing structure. Net assets came to ¥64,319 million, up ¥7,804 million, mainly as a result of increases in retained earnings and foreign currency translation adjustment. The equity ratio was 56.5% as of March 31, 2024, up 1.4 percentage points from March 31, 2023.

(3) Cash flow for the year under review

[Operating activities]

Net cash provided by operating activities was ¥15,428 million, due mainly to a decrease in inventories.

[Investing activities]

Net cash used in investing activities totaled ¥8,539 million, due mainly to capital investments.

[Financing activities]

Net cash used in financing activities totaled ¥4,440 million, mainly attributable to a decrease in short-term borrowings.

As a result, cash and cash equivalents as of March 31, 2024 stood at ¥17,034 million, up ¥3,387 million from the level on March 31, 2023.

(4) Future outlook

The global economy is expected to remain uncertain, compounded by geopolitical risks, worldwide inflation, soaring cost-of-living, and rising interest rates, along with concerns over an economic slowdown in China, among other factors.

On the other hand, we anticipate the automotive market, the Group's focus, to maintain strong performance moving forward. While EV market growth has slowed down recently, the general shift toward EV is expected to continue. The added value anticipated from the initiatives centered on autonomous driving and other new technologies is raising expectations for new business opportunities and further EV market growth.

Under such circumstances, the Group has adopted the vision "to make contributions for future society through acoustics." We have embraced the mission statement, "through acoustic products or its solutions, a total commitment to help create a comfortable life and pleasure of communication around the world," positioning the Group as "a truly global enterprise our future society counts on." In addition to solidifying our position in the industry, we will work to create a structure that enables sustainable growth while further enhancing our businesses and corporate value as a global company.

Although the operating environment remains uncertain, we will implement measures to fully achieve the goals set forth in the medium-term business plan, which concludes in March 2025. In addition, we will seek to improve productivity and efficiency by clarifying and promptly addressing the issues that need to be cleared for us to accomplish the plan.

Specifically, the Group will implement various initiatives based on the following policy.

[Basic policy]

The year to achieve medium-term business plan goals

[Measures]

1. Proactive business expansion toward the next mediumterm business plan
2. Strengthening of initiatives for new products and new technologies
3. Thorough focus on quality in the automotive business
4. Operational and structural reforms and rigorous enhancement of competitiveness
5. Promotion of ESG management

Each employee of the Group will work together as one team, consistently maintaining a positive attitude, and being mindful of taking on the challenge of new technologies, having passion for growth, responding to changes flexibly, and making unwavering efforts for improvement. Further, we will steadily continue practicing ESG management to be a corporation that is needed and trusted by society and the market.

Consolidated earnings projections for the fiscal year ending March 31, 2025 are as follows.

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
¥130,000 million	¥5,500 million	¥5,000 million	¥3,000 million

* The projections above are based on exchange rates of ¥145 to the US dollar and ¥155 to the euro.

Notes concerning earnings projections

The earnings projections above are calculated based on information currently available and assumptions made at the present time, which include risk factors and other uncertainties that may affect future earnings. Actual earnings may differ from the projections and estimates above due to a broad range of factors including but not limited to economic conditions surrounding the business segments of the Group, business conditions in related markets and at OEM customers, rival and price competition trends in Japan and overseas, market conditions for raw materials, exchange rates, risks associated with overseas operations, laws and regulations in Japan and overseas, disasters and accidents, and share prices.

(5) Basic policy for profit sharing and dividends for the current and next fiscal year

The Group regards the enhancement of corporate value as a management priority, and its basic policy is to comprehensively increase the benefit of shareholders, while balancing profit distributions commensurate with earnings with long-term expansion of internal reserves. The Group targets a dividend payout ratio of at least 30% on a consolidated basis.

For the fiscal year under review, after comprehensively considering the basic policy, the need to maintain internal reserves for future growth, and other factors, the Group has decided to pay a year-end dividend of ¥15 per share. Combined with a ¥10 per share interim dividend, this will bring the annual dividend to ¥25 per share.

For the next fiscal year, the Group forecasts an annual dividend of ¥40 per share, considering the current business environment and future earnings outlook.

2. Basic policies concerning the selection of accounting standards

In consideration of the comparability between consolidated financial statements for different fiscal years and companies, the Group's policy is to continue to prepare consolidated financial statements under Japanese GAAP for the foreseeable future.

Meanwhile, with an eye to the future adoption of IFRS, the Group is preparing internal manuals, guidelines, and other documentation, and examining the timing of IFRS adoption.

3.Consolidated financial statements

(1)Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	13,646	20,216
Notes and accounts receivable - trade	24,988	24,934
Electronically recorded monetary claims - operating	482	865
Securities	—	649
Finished goods	20,037	18,357
Raw materials	8,195	7,908
Work in process	1,492	1,539
Supplies	137	140
Accounts receivable - other	813	1,673
Advance payments to suppliers	3,096	367
Other	1,173	2,381
Allowance for doubtful accounts	(169)	(109)
Total current assets	73,893	78,925
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,585	16,964
Accumulated depreciation	(7,866)	(8,873)
Buildings and structures, net	6,718	8,091
Machinery, equipment and vehicles	19,367	21,681
Accumulated depreciation	(15,244)	(17,123)
Machinery, equipment and vehicles, net	4,122	4,557
Tools, furniture and fixtures	12,665	12,277
Accumulated depreciation	(10,901)	(10,390)
Tools, furniture and fixtures, net	1,764	1,887
Land	1,575	3,404
Construction in progress	848	1,437
Total property, plant and equipment	15,030	19,377
Intangible assets		
Software	81	189
Other	132	147
Total intangible assets	214	336
Investments and other assets		
Investment securities	1,446	2,162
Long-term prepaid expenses	82	82
Retirement benefit asset	1,313	1,344
Deferred tax assets	669	306
Other	221	212
Total investments and other assets	3,732	4,108
Total non-current assets	18,977	23,822
Total assets	92,871	102,747

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,380	12,169
Short-term borrowings	17,156	10,571
Current portion of long-term borrowings	300	775
Accounts payable - other	2,909	3,135
Lease liabilities	137	483
Income taxes payable	839	762
Accrued expenses	2,274	2,288
Provision for bonuses	432	537
Other	1,369	1,175
Total current liabilities	34,799	31,899
Non-current liabilities		
Long-term borrowings	—	3,781
Deferred tax liabilities	564	681
Lease liabilities	131	1,326
Retirement benefit liability	81	108
Provision for retirement benefits for directors (and other officers)	24	27
Reserve for stocks payment	188	137
Other	566	466
Total non-current liabilities	1,556	6,529
Total liabilities	36,356	38,428
Net assets		
Shareholders' equity		
Share capital	6,770	6,770
Capital surplus	6,896	6,896
Retained earnings	34,531	36,364
Treasury shares	(4,152)	(4,042)
Total shareholders' equity	44,045	45,989
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	385	803
Foreign currency translation adjustment	6,687	11,345
Remeasurements of defined benefit plans	(22)	(134)
Total accumulated other comprehensive income	7,050	12,014
Non-controlling interests	5,419	6,314
Total net assets	56,515	64,319
Total liabilities and net assets	92,871	102,747

**(2)Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)**

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	121,338	122,447
Cost of sales	105,182	103,610
Gross profit	16,155	18,836
Selling, general and administrative expenses	13,709	14,424
Operating profit	2,445	4,412
Non-operating income		
Interest income	116	183
Dividend income	64	69
Subsidy income	75	6
Foreign exchange gains	211	334
Miscellaneous income	327	279
Total non-operating income	794	875
Non-operating expenses		
Interest expenses	511	645
Loss on retirement of non-current assets	143	85
Borrowing fee	—	78
Miscellaneous losses	257	173
Total non-operating expenses	912	982
Ordinary profit	2,327	4,305
Extraordinary income		
Gain on sale of non-current assets	71	707
Gain on reversal of asset retirement obligations	—	133
Total extraordinary income	71	841
Extraordinary losses		
Impairment losses	67	—
Extra retirement payments	253	—
Severance payments	—	488
Total extraordinary losses	321	488
Profit before income taxes	2,078	4,658
Income taxes - current	887	1,475
Income taxes - deferred	(40)	(25)
Total income taxes	846	1,450
Profit	1,231	3,207
Profit attributable to non-controlling interests	382	902
Profit attributable to owners of parent	848	2,304

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,231	3,207
Other comprehensive income		
Valuation difference on available-for-sale securities	61	418
Foreign currency translation adjustment	3,457	4,785
Remeasurements of defined benefit plans, net of tax	263	(174)
Total other comprehensive income	3,782	5,028
Comprehensive income	5,013	8,236
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,145	7,269
Comprehensive income attributable to non-controlling interests	867	967

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,770	6,896	33,906	(4,163)	43,409
Changes during period					
Dividends of surplus			(223)		(223)
Profit attributable to owners of parent			848		848
Purchase of treasury shares				—	—
Disposal of treasury shares				10	10
Net changes in items other than shareholders' equity					
Total changes during period	—	—	624	10	635
Balance at end of period	6,770	6,896	34,531	(4,152)	44,045

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	323	3,617	(187)	3,753	4,469	51,632
Changes during period						
Dividends of surplus						(223)
Profit attributable to owners of parent						848
Purchase of treasury shares						—
Disposal of treasury shares						10
Net changes in items other than shareholders' equity	61	3,070	165	3,297	950	4,247
Total changes during period	61	3,070	165	3,297	950	4,882
Balance at end of period	385	6,687	(22)	7,050	5,419	56,515

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,770	6,896	34,531	(4,152)	44,045
Changes during period					
Dividends of surplus			(447)		(447)
Profit attributable to owners of parent			2,304		2,304
Purchase of treasury shares				(69)	(69)
Disposal of treasury shares			(24)	179	155
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,833	110	1,944
Balance at end of period	6,770	6,896	36,364	(4,042)	45,989

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	385	6,687	(22)	7,050	5,419	56,515
Changes during period						
Dividends of surplus						(447)
Profit attributable to owners of parent						2,304
Purchase of treasury shares						(69)
Disposal of treasury shares						155
Net changes in items other than shareholders' equity	418	4,657	(111)	4,964	895	5,859
Total changes during period	418	4,657	(111)	4,964	895	7,804
Balance at end of period	803	11,345	(134)	12,014	6,314	64,319

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,078	4,658
Depreciation	3,565	3,197
Decrease (increase) in retirement benefit asset	(403)	(3)
Increase (decrease) in retirement benefit liability	16	22
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	3
Increase (decrease) in allowance for doubtful accounts	76	(79)
Increase (decrease) in provision for bonuses	26	100
Loss on retirement of property, plant and equipment	143	85
Loss (gain) on sale of property, plant and equipment	(71)	(707)
Borrowing fee	—	78
Subsidy income	(75)	(6)
Impairment losses	67	—
Severance payments	—	488
Extra retirement payments	253	—
Gain on reversal of asset retirement obligations	—	(133)
Interest and dividend income	(180)	(253)
Interest expenses	511	645
Foreign exchange losses (gains)	1,237	183
Decrease (increase) in trade receivables	(4,976)	1,279
Decrease (increase) in inventories	2,558	4,231
Increase (decrease) in trade payables	(2,695)	1,990
Decrease (increase) in accounts receivable - other	430	(801)
Increase (decrease) in accounts payable - other	(1,149)	(9)
Decrease (increase) in advance payments to suppliers	(2,201)	2,990
Other, net	1,954	(14)
Subtotal	1,168	17,944
Interest and dividends received	180	253
Interest paid	(511)	(645)
Subsidies received	75	6
Severance payments	—	(488)
Extra retirement payments	(253)	—
Income taxes paid	(741)	(1,672)
Income taxes refund	435	28
Net cash provided by (used in) operating activities	354	15,428
Cash flows from investing activities		
Purchase of securities	—	(636)
Proceeds from redemption of securities	1,042	—
Purchase of investment securities	(0)	(150)
Purchase of property, plant and equipment	(2,530)	(4,761)
Proceeds from sale of property, plant and equipment	201	327
Purchase of intangible assets	(29)	(48)
Purchase of long-term prepaid expenses	(68)	(130)
Payments into time deposits	—	(3,142)
Proceeds from withdrawal of time deposits	111	—
Other, net	(47)	3
Net cash provided by (used in) investing activities	(1,321)	(8,539)

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	—	4,750
Net increase (decrease) in short-term borrowings	2,818	(7,653)
Repayments of long-term borrowings	(818)	(493)
Dividends paid	(223)	(447)
Dividends paid to non-controlling interests	—	(150)
Borrowing fee	—	(78)
Purchase of treasury shares	—	(0)
Other, net	—	(366)
Net cash provided by (used in) financing activities	1,776	(4,440)
Effect of exchange rate change on cash and cash equivalents	747	938
Net increase (decrease) in cash and cash equivalents	1,556	3,387
Cash and cash equivalents at beginning of period	12,089	13,646
Cash and cash equivalents at end of period	13,646	17,034

(5) Notes to the consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation method)

(Consolidated balance sheets)

In the fiscal year ended March 31, 2023, "Lease liabilities" were included in "Other" under "Current liabilities" and "Non-current liabilities." However, we have decided to report "Lease liabilities" as an independent item from the fiscal year ended March 31, 2024 as their monetary impact has increased. The consolidated financial statements for the previous fiscal year have been adjusted to reflect this change in presentation.

As a result, ¥1,506 million presented as "Other" in "Current liabilities" in the consolidated balance sheet for the previous fiscal year was reclassified as "Lease liabilities" of ¥137 million and "Other" of ¥1,369 million, and ¥433 million presented as "Other" in "Non-current liabilities" was reclassified as "Lease liabilities" of ¥131 million and "Other" of ¥302 million. The amount of ¥433 million presented as "other" in "Non-current liabilities" was reclassified as "Lease liabilities" of ¥131 million and "other" of ¥302 million.

"Asset retirement obligations" under "Non-current liabilities", which was presented separately in the previous consolidated fiscal year, is included in "other" under "Non-current liabilities" in the current consolidated fiscal year because the amount is insignificant (¥24 million in the current consolidated fiscal year). To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Asset retirement obligations" of ¥264 million and "Other" of ¥433 million presented in "Non-current liabilities" in the consolidated balance sheet for the previous fiscal year have been reclassified as "Other" of ¥697 million in "Non-current liabilities."

(Segment information, etc.)

[Segment information]

1. Outline of reportable segments

The reportable segments are the business units for which the Group is able to obtain separate financial information, and for which its Board of Directors makes periodic reviews to determine the distribution of management resources and evaluate performance.

The Group distinguishes three business segments according to the nature of the products they provide and the similarity of the markets they supply: "Speaker Segment," "Mobile Audio Segment," and "Other Segment."

The Speaker Segment manufactures and distributes speakers and speaker systems for automobiles and flat screen TVs, and audio speakers.

The Mobile Audio Segment manufactures and distributes mobile audio products including headsets for mobile phones, headphones, micro speakers, and vibration actuators.

The Other Segment manufactures and distributes FOSTEX brand products and micro acoustic components, including electronic buzzers and sounders for applications such as alarms or warnings, and provides logistics and other services.

2. Method of accounting for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method for the reported business segments is in accordance with the accounting policies used to prepare the consolidated financial statements.

Profit in the reportable segments is based on operating profit.

3. Information on net sales, profit or loss, assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated financial statements * Note 2
	Speaker	Mobile Audio	Other			
Net sales						
Sales to external customers	99,087	14,691	7,558	121,338	—	121,338
Inter-segment sales or transfers	—	—	2,845	2,845	(2,845)	—
Total	99,087	14,691	10,403	124,183	(2,845)	121,338
Segment profit (loss)	2,004	1,203	(762)	2,445	(0)	2,445
Segment assets	54,733	7,884	7,611	70,228	22,642	92,871
Other						
(1) Depreciation	2,497	821	246	3,565	—	3,565
(2) Impairment loss	5	39	22	67	—	67
(3) Investment in entities accounted for using equity method	—	—	—	—	—	—
(4) Increase in property, plant and equipment, and intangible assets	2,092	282	184	2,559	—	2,559

Notes: 1. The adjusted amounts are as follows:

(1) Segment adjustments reflect the elimination of inter-segment transactions.

(2) The ¥22,642 million in adjustments to segment assets pertain to company-wide assets that are not distributed to each reportable segment.

2. Total segment profit (loss) is adjusted with the value of operating profit posted in the consolidated statement of income.

3. Information on impairment loss of non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

In the Speaker segment, an impairment loss of ¥5 million was recorded on non-current assets related to business assets.

In the Mobile Audio segment, an impairment loss of ¥39 million was recorded on non-current assets related to business assets.

In the Other segment, an impairment loss of ¥22 million was recorded on non-current assets related to business assets.

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Total	Adjustments * Note 1	Amounts on consolidated financial statements * Note 2
	Speaker	Mobile Audio	Other			
Net sales						
Sales to external customers	99,175	14,197	9,074	122,447	—	122,447
Inter-segment sales or transfers	—	—	3,175	3,175	(3,175)	—
Total	99,175	14,197	12,250	125,623	(3,175)	122,447
Segment profit (loss)	4,218	607	(412)	4,412	—	4,412
Segment assets	56,745	7,962	8,832	73,540	29,206	102,747
Other						
(1) Depreciation	2,566	296	334	3,197	—	3,197
(2) Impairment loss	—	—	—	—	—	—
(3) Investment in entities accounted for using equity method	—	—	149	149	—	149
(4) Increase in property, plant and equipment, and intangible assets	3,590	609	609	4,810	—	4,810

Notes: 1. The adjusted amounts are as follows:

(1) Segment adjustments reflect the elimination of inter-segment transactions.

(2) The ¥29,206 million in adjustments to segment assets pertain to company-wide assets that are not distributed to each reportable segment.

2. Total segment profit (loss) is adjusted with the value of operating profit posted in the consolidated statement of income.

(Per-share information)

The amounts and bases for the calculation of net assets per share and earnings per share are as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	¥2,302.49	¥2,606.90
Earnings per share	¥38.23	¥103.70

Note 1. Diluted earnings per share is not stated as there were no dilutive shares.

Note 2. The basis for calculation of earnings per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Earnings per share		
Profit attributable to owners of parent (millions of yen)	848	2,304
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (millions of yen)	848	2,304
Average number of common shares outstanding for the year (shares)	22,188,152	22,227,254

Note 3. The basis for the calculation of net assets per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Total net assets (millions of yen)	56,515	64,319
Amount to be deducted from total net assets (millions of yen)	5,419	6,314
Of which, non-controlling interests (millions of yen)	5,419	6,314
Year-end net assets relating to common shares (millions of yen)	51,095	58,004
Number of common shares at year-end used for calculating net assets per share (shares)	22,191,579	22,250,468

Note 4. In the calculation of net assets per share, the Group's shares held as trust assets of the Board Benefit Trust (BBT) by Custody Bank of Japan, Ltd. (Trust E Account) are included in the treasury stock that is deducted from the number of shares outstanding at year-end (158,597 shares at the end of the previous consolidated fiscal year, 162,497 shares at the end of the fiscal year under review).

In addition, in the calculation of earnings per share, they are included in the treasury stock that is deducted in the calculation of the average number of shares outstanding for the period (162,636 shares in the previous consolidated fiscal year, 130,587 shares in the fiscal year under review).

(Important subsequent events)

Not applicable.

Financial Results Briefing for the Fiscal Year Ended March 31, 2024

Foster Electric Company, Limited
(Stock code: 6794, Prime Market)
May 23, 2024

I. Overview of Financial Results for the Fiscal Year Ended March 31, 2024 P. 2

II. Summary of the Fiscal Year Ended March 31, 2024 and Forecasts for Fiscal Year Ending March 31, 2025 P.11

III. Direction of Our Growth Strategy under the Next Medium-Term Business Plan P.20

IV. Reference Materials P.25

I. Overview of Financial Results for the Fiscal Year Ended March 31, 2024

FY03/24 Results

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(Millions of yen)

	FY03/23	FY03/24	Amount of change	Percentage change (YoY)	Revised FY03/24 forecast	Difference	Percentage achieved
Net sales	121,338	122,447	1,109	0.9%	120,000	2,447	102.0%
Operating income	2,445	4,412	1,966	80.4%	4,000	412	110.3%
<i>Operating income to net sales</i>	<i>2.0%</i>	<i>3.6%</i>			3.3%		
Ordinary income	2,327	4,305	1,977	84.9%	3,500	805	123.0%
<i>Ordinary income to net sales</i>	<i>1.9%</i>	<i>3.5%</i>			2.9%		
Net income*	848	2,304	1,456	171.7%	2,000	304	115.2%
<i>Net income to net sales**</i>	<i>0.7%</i>	<i>1.9%</i>			1.7%		
Net income per share (in exact yen)	38.23	103.70	65.47	171.3%	90.05	13.65	115.2%
Dividends per share (in exact yen)	20.00	25.00	5.0	25%	25.00	0	
Dividend payout ratio	52.3%	24.1%					
ROE	1.7%	4.2%					
Exchange rates	136.00 yen/USD 141.58 yen/EUR	145.31 yen/USD 157.70 yen/EUR					

*Net income attributable to owners of the parent **Net income to net sales attributable to owners of the parent

Segment Performance

FOSTER

(Millions of yen)

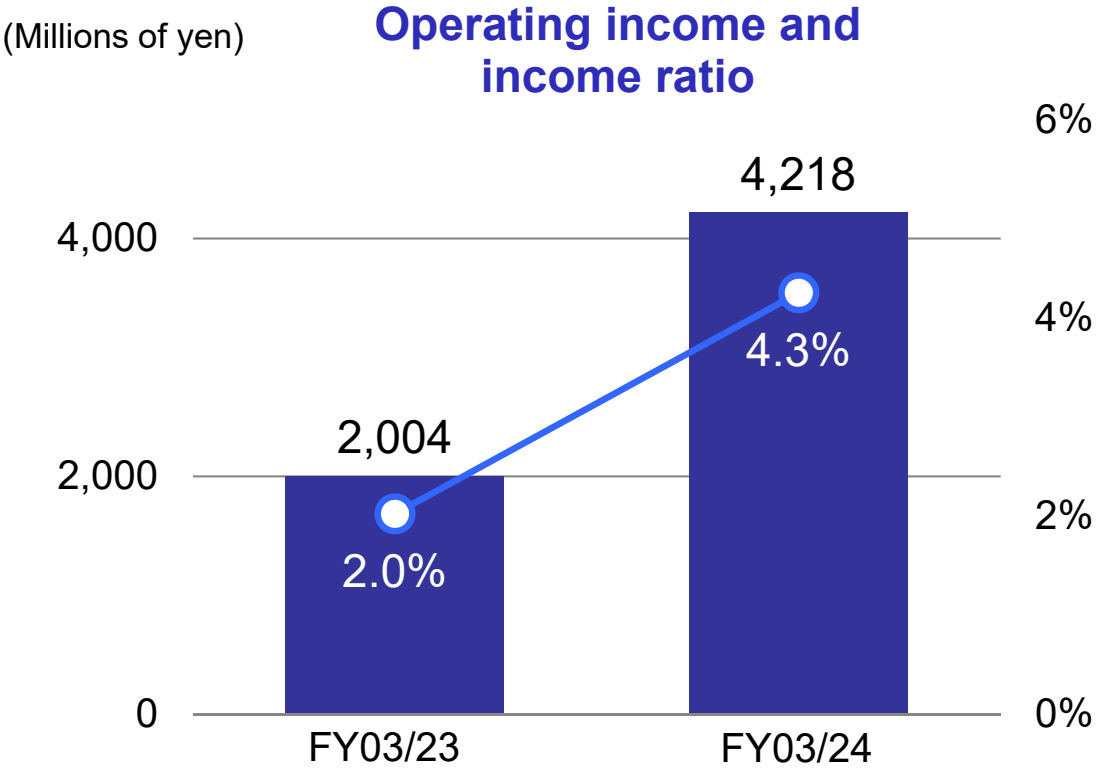
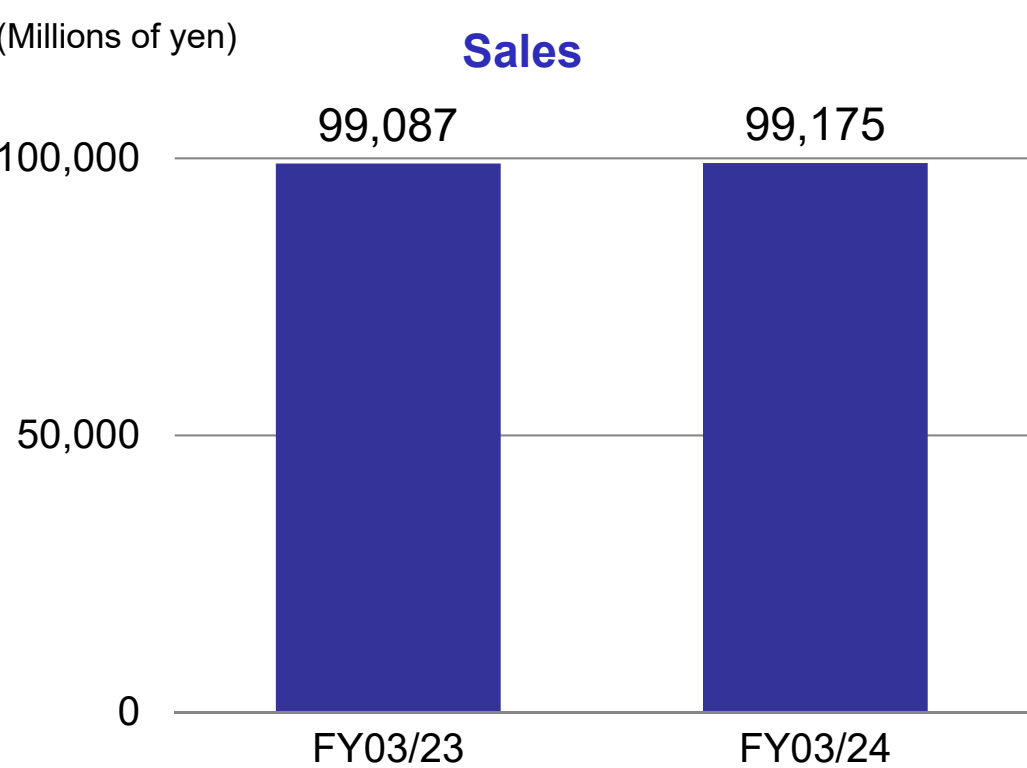
		FY03/23	Composition ratio	FY03/24	Composition ratio	Percentage change (YoY)
	Net sales	121,338		122,447		0.9%
	Operating income	2,445		4,412		80.4%
	<i>Income ratio</i>	<i>2.0%</i>		3.6%		
Speaker	Sales	99,087	81.7%	99,175	81.0%	0.1%
	Operating income	2,004	—	4,218		110.5%
	<i>Income ratio</i>	<i>2.0%</i>		4.3%		
Mobile Audio	Sales	14,691	12.1%	14,197	11.6%	(3.4%)
	Operating income	1,203	—	607		(49.6%)
	<i>Income ratio</i>	<i>8.2%</i>		4.3%		
Other	Sales	7,558	6.2%	9,074	7.4%	20.1%
	Operating income	(762)	—	(412)		—
	<i>Income ratio</i>	<i>(10.1%)</i>		(4.5%)		

*The composition ratio figures above are calculated after eliminating inter-segment transactions. (The same applies to subsequent pages.)

The elimination amounts were 2,845 million yen in FY03/23 and 3,175 million yen in FY03/24 for the Other segment.

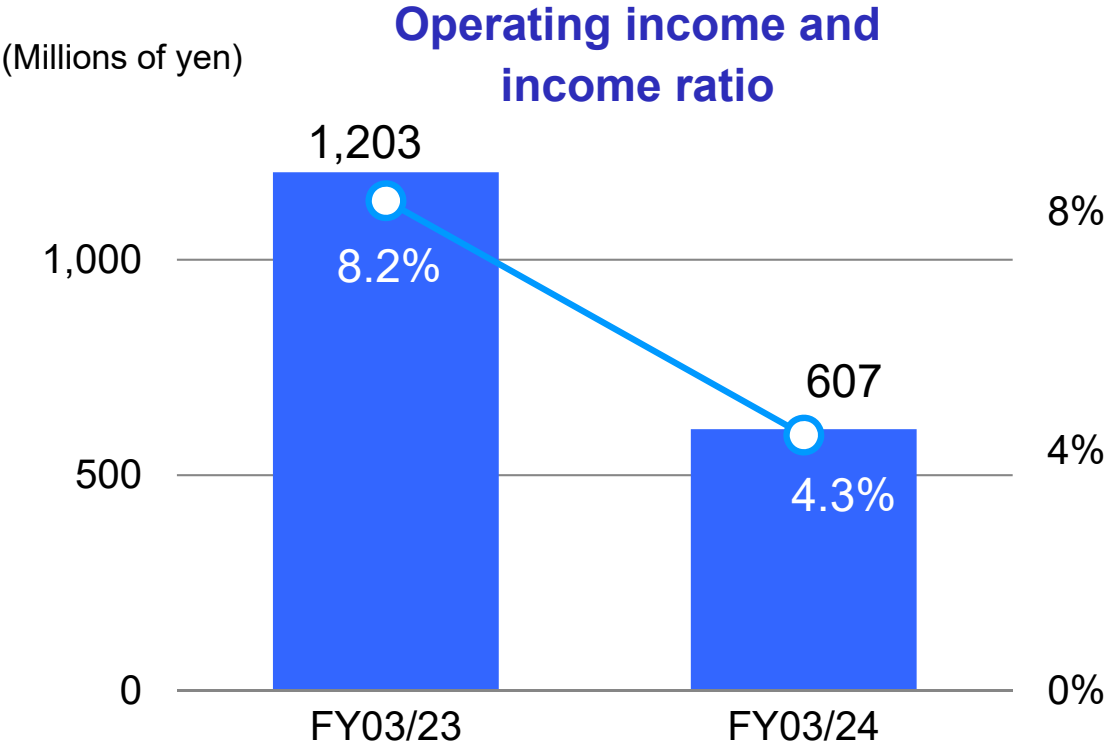
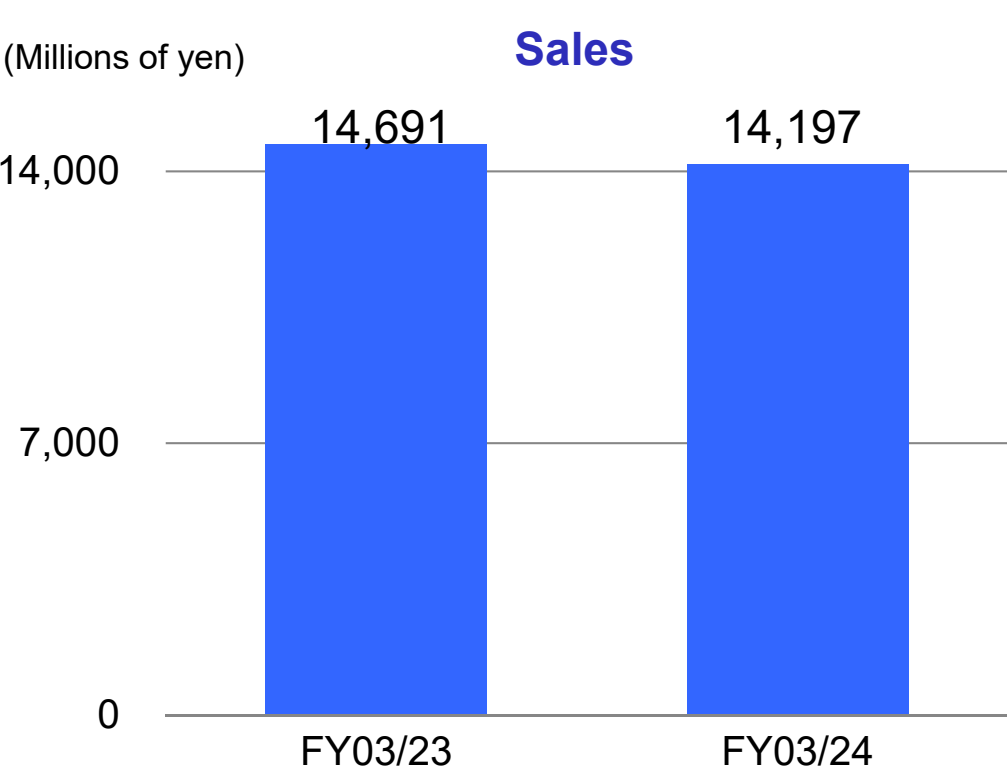
- Sales were up slightly, thanks to the ongoing sales recovery in the automotive market.
- Continuous cost improvement efforts resulted in a sharp increase in operating income.

		(Millions of yen)			
		FY03/23	FY03/24	Composition ratio	Percentage change (YoY)
Speaker	Sales	99,087	99,175	81.0%	0.1%
	Operating income	2,004	4,218		110.5%
	Income ratio	2.0%	4.3%		



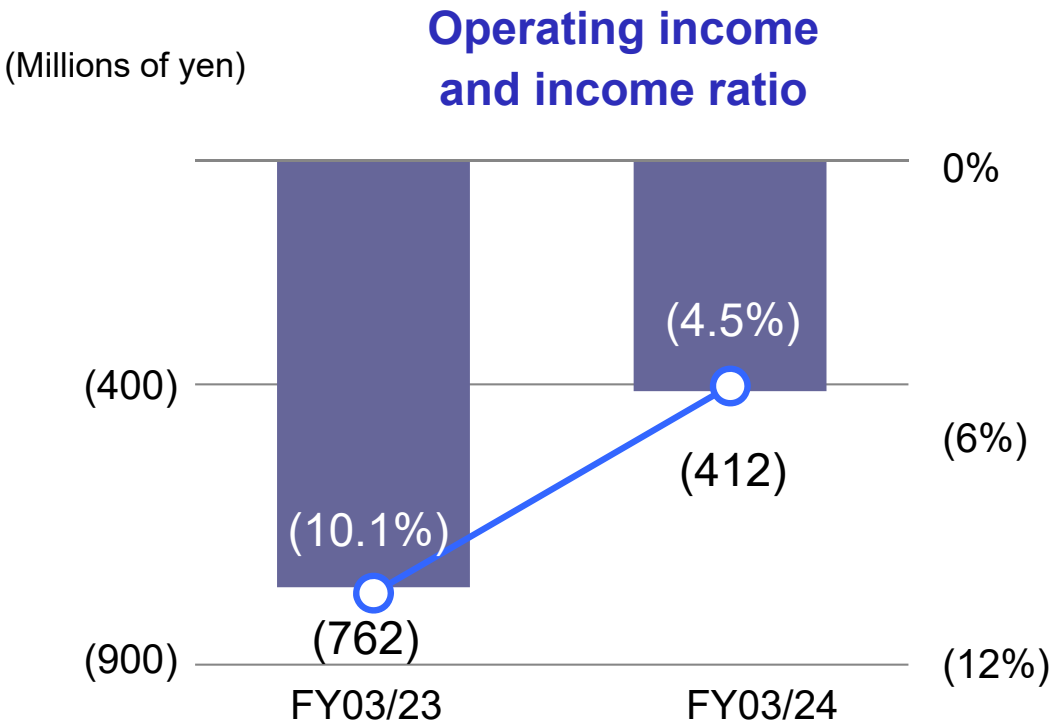
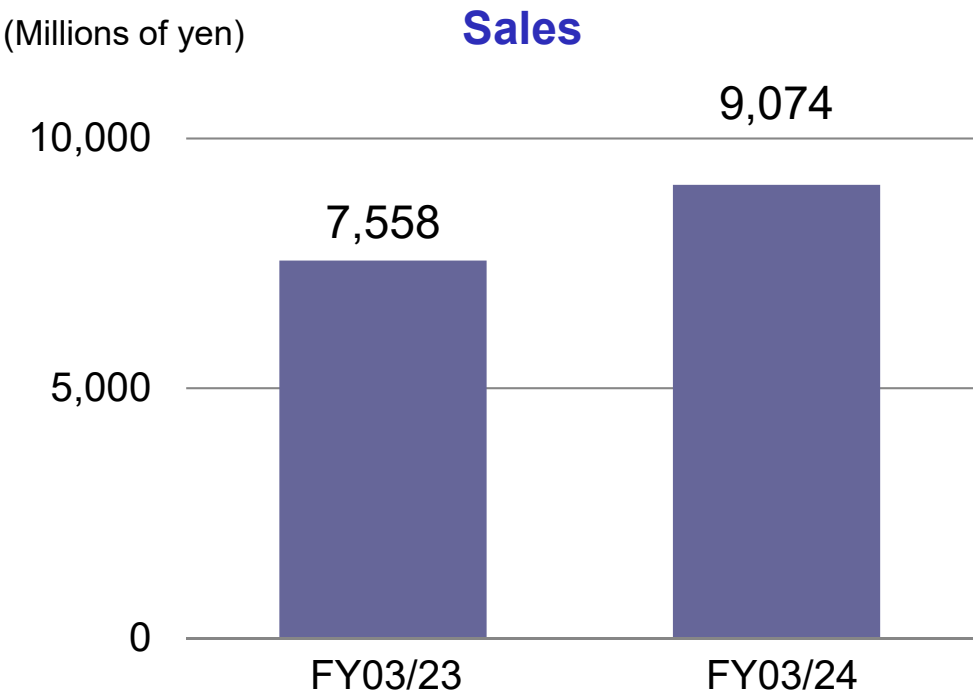
- Sales declined due to adjustments in the shipment volume of consumer-use actuators.
- Operating income fell, affected by the shipment volume adjustments.

		(Millions of yen)			
		FY03/23	FY03/24	Composition ratio	Percentage change (YoY)
Mobile Audio	Sales	14,691	14,197	11.6%	(3.4%)
	Operating income	1,203	607		(49.6%)
	Income ratio	8.2%	4.3%		



- Sales increased mainly due to robust sales of speakers for acoustic vehicle alerting systems.
- The segment recorded an operating loss, owing to the expenses incurred in association with the reorganization of manufacturing functions within China.

		(Millions of yen)			
		FY03/23	FY03/24	Composition ratio	Percentage change (YoY)
Other	Sales	7,558	9,074	7.4%	20.1%
	Operating income	(762)	(412)		—
	Income ratio	(10.1%)	(4.5%)		



Consolidated Balance Sheet

FOSTER

Equity ratio as of March 31, 2024 was 56.5% (55.0% as of March 31, 2023).

	End-FY03/23	End-FY03/24	(Millions of yen) Amount of change
Current assets	73,893	78,925	5,032
Cash and deposits	13,646	20,216	6,570
Notes and accounts receivable – trade	25,470	25,799	329
Inventories	29,862	27,945	(1,916)
Other	4,913	4,963	49
Non-current assets	18,977	23,822	4,844
Property, plant and equipment	15,030	19,377	4,346
Intangible assets	214	336	122
Investments and other assets	3,732	4,108	375
Total assets	92,871	102,747	9,876
Current liabilities	34,799	31,899	(2,900)
Notes and accounts payable – trade	9,380	12,169	2,788
Short-term bank loans	17,156	10,571	(6,584)
Current portion of long-term debt	300	775	475
Other	7,962	8,383	420
Non-current liabilities	1,556	6,529	4,973
Long-term debt	-	3,781	3,781
Other	1,556	2,748	1,191
Net assets	56,515	64,319	7,804
Shareholders' equity	44,045	45,989	1,944
Total accumulated other comprehensive income	7,050	12,014	4,964
Non-controlling interests	5,419	6,314	895
Total liabilities and net assets	92,871	102,747	9,876

Statement of Cash Flows

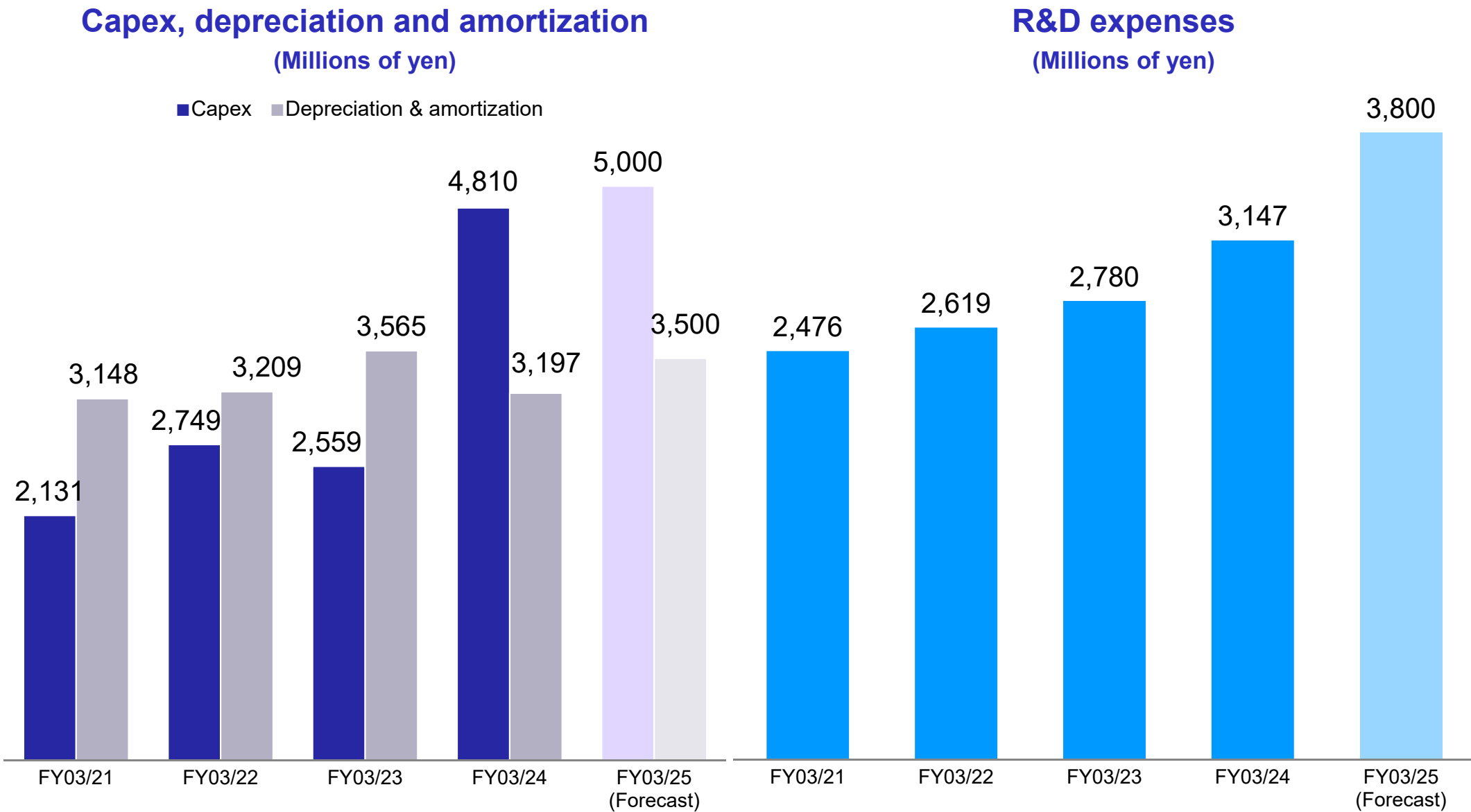
FOSTER

Free cash flow for FY03/24 was 6.88 billion yen.

(Millions of yen)

	FY03/23	FY03/24	Amount of change
Operating activities	354	15,428	15,074
Investing activities	(1,321)	(8,539)	(7,217)
Free cash flow*	(967)	6,889	7,856
Financing activities	1,776	(4,440)	(6,216)
Net increase in cash and cash equivalents	1,556	3,387	1,830
Cash and cash equivalents at the end of the period	13,646	17,034	3,387

*Free cash flow = Cash flow from operating activities + cash flow from investing activities



II. Summary of the Fiscal Year Ended March 31, 2024 and Forecasts for Fiscal Year Ending March 31, 2025

1

Amid the recovery of automobile sales mainly due to the easing of semiconductor shortages and the expansion of EV production and sales, we secured net sales and profit growth by promoting the partner strategy, maintaining appropriate inventory levels, and working on cost improvements.

2

Despite the downward impact of some inventory adjustments, car speaker sales and profit increased as we leveraged our strength in stable and high-quality mass production.

3

The Mobile Audio segment secured a profit despite the adjustment of actuator shipment volumes seen at some customers. As the R&D-oriented business tends to fluctuate, we carefully assessed the future prospects on this front and accordingly advanced our initiatives.

4

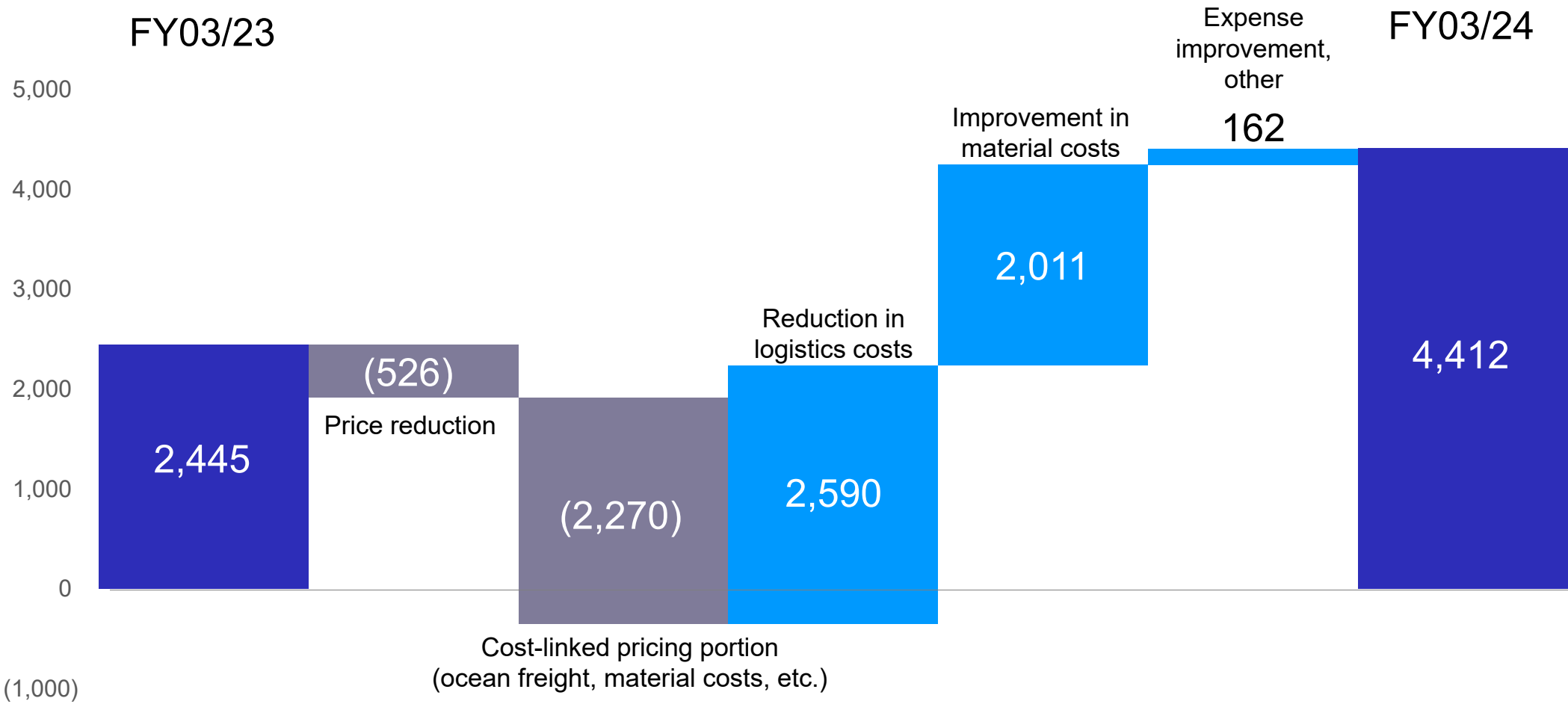
In the Other segment, sales of speakers for acoustic vehicle alerting systems were robust. However, the segment logged an operating loss as it incurred expenses to reorganize the manufacturing system for micro acoustic components in China, making a shift from outsourcing to in-house production.

Breakdown of YoY Change in Operating Income

FY03/23–FY03/24 Results



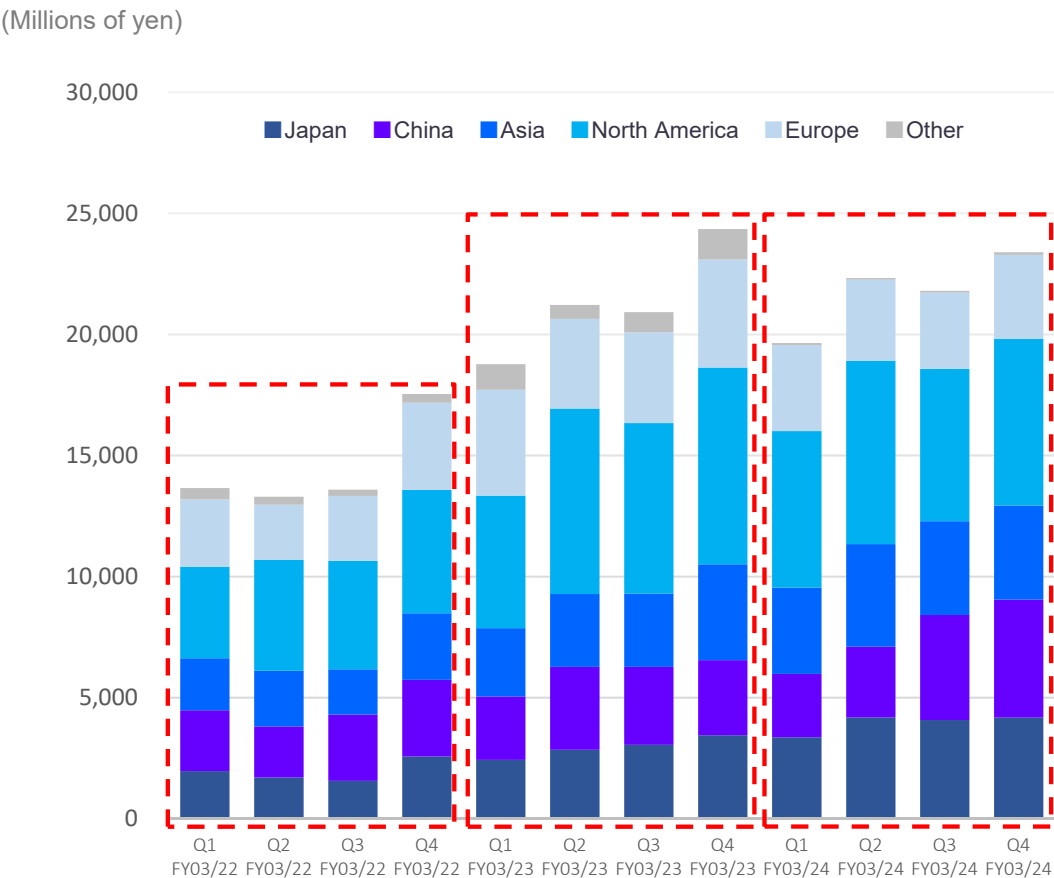
(Millions of yen)



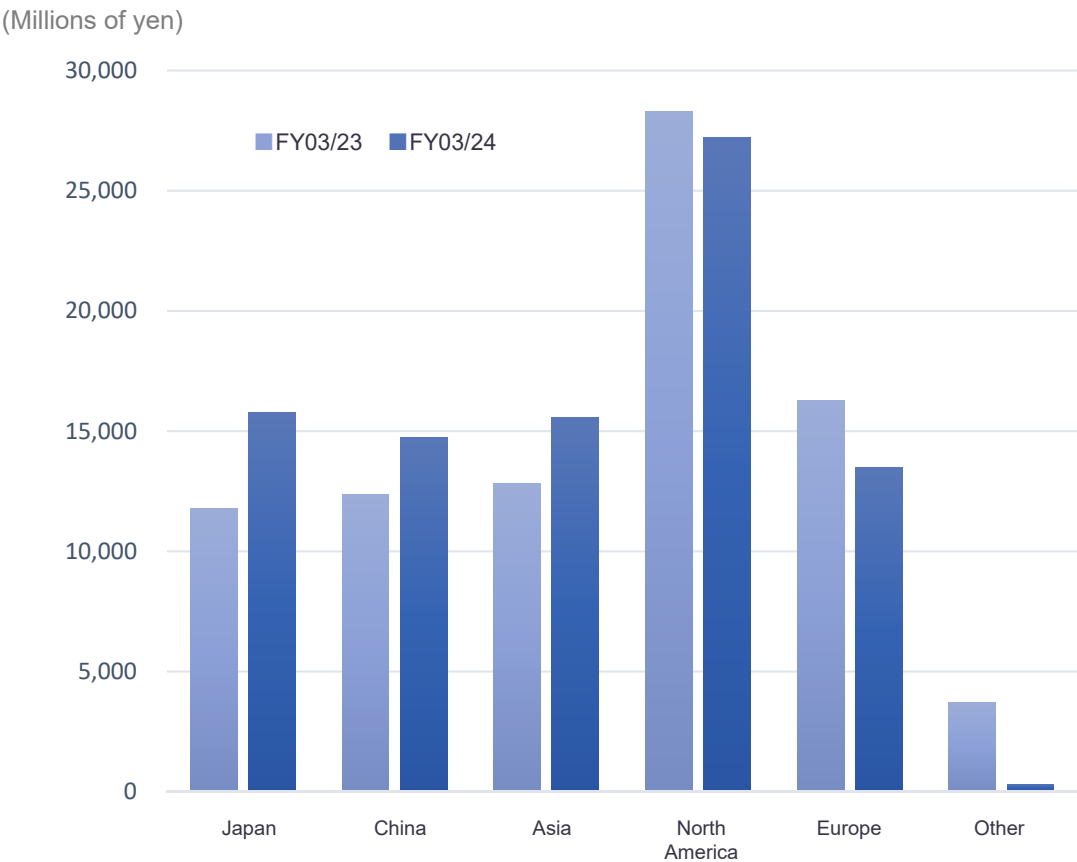
Car Speaker Sales by Region

- The shipment volume of car speakers was in line with our plan.
- By region, sales grew in Japan, China, and Asia.

Quarterly car speaker sales by region



Car speaker sales by region (versus FY03/23)



We forecast net sales and profit growth, thoroughly committing to the achievement of targets for the final year of our current medium-term business plan.

			(Millions of yen)	
	FY03/24	FY03/25 Forecast	Amount of change	Percentage change (YoY)
Net sales	122,447	130,000	7,553	6.2%
Operating income	4,412	5,500	1,088	24.7%
<i>Operating income to net sales</i>	3.6%	4.2%		
Ordinary income	4,305	5,000	695	16.1%
<i>Ordinary income to net sales</i>	3.5%	3.8%		
Net income*	2,304	3,000	696	30.2%
<i>Net income to net sales**</i>	1.9%	2.3%		
Net income per share (in exact yen)	103.70	134.83	31.13	30.0%
Dividends per share (in exact yen)	25.00	40.00	15.00	60.0%
Dividend payout ratio	24.1%	29.6%		
Exchange rates	145.31 yen/USD 157.70 yen/EUR	145.00 yen/USD 155.00 yen/EUR		

*Net income attributable to owners of the parent **Net income to net sales attributable to owners of the parent

Outlook for FY03/25 by Segment

Segment	Outlook for FY03/25	Sales forecast
Speaker	<ul style="list-style-type: none"> ➤ We intend to establish our position firmly in the automotive market by further advancing our partner strategy. Accordingly, from the product development stage, we will propose our new technologies and value-added to our key customers, whom we have positioned as our target customers. 	110.0 billion yen
Mobile Audio	<ul style="list-style-type: none"> ➤ In our earphone-related efforts, we will focus on both the finished product business and the earphone driver business. ➤ Although competition is severe in the actuator business, we intend to secure orders based on our high quality. ➤ We will continue our R&D-oriented business. However, since the business has its ebb and flow and is time-consuming, we intend to assess the future prospects carefully and consider revising our strategy. 	12.0 billion yen
Other	<ul style="list-style-type: none"> ➤ As demand remains strong in the micro acoustic components business, where we handle acoustic vehicle alerting systems, we expect improvements also in our non-profitable operations. ➤ We plan to improve sales and recover from being in the red in the FOSTEX business by reconsidering our pricing strategy. 	8.0 billion yen*

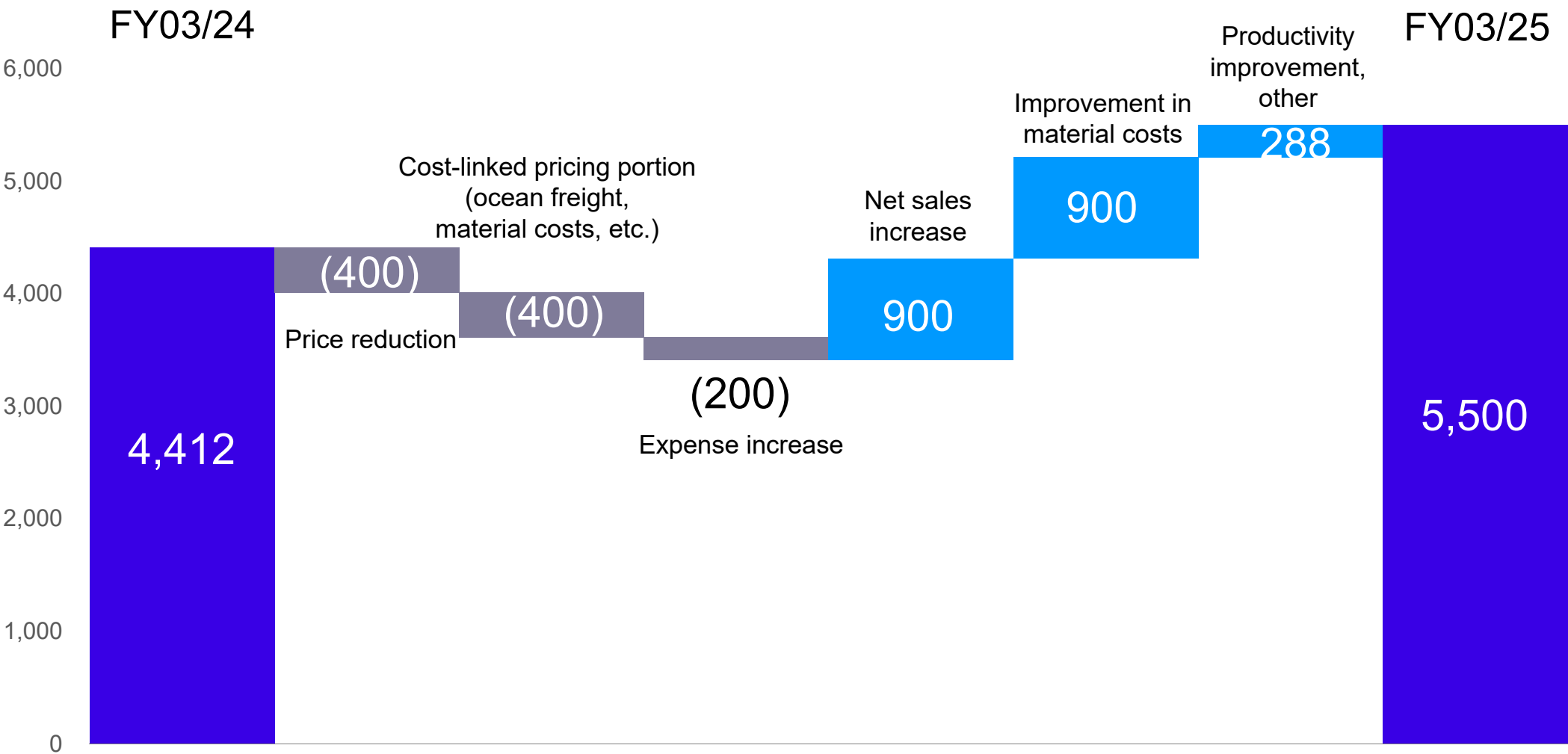
*Sales forecast figures for the Other segment represent amounts after adjusting inter-segment transactions.

Breakdown of YoY Change in Operating Income

FY03/24–FY03/25 Forecast



(Millions of yen)



We plan to pay an interim dividend of 20 yen per share and a year-end dividend of 20 yen per share, for a full-year dividend of 40 yen per share.

[Dividend policy]

The Group regards the sustainable growth of corporate value as a management priority, and aims for a dividend payout ratio of 30%, balancing profit distributions commensurate with earnings with long-term expansion of internal reserves.

	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25 (Forecast)
Net income (loss) per share (in exact yen)	(148.47)	(315.53)	38.23	103.70	134.83
Dividends per share (in exact yen) (interim, year-end)	15.00 (10.00, 5.00)	10.00 (10.00, 0.00)	20.00 (10.00, 10.00)	25.00 (10.00, 15.00)	40.00 (20.00, 20.00)
Dividend payout ratio	—%	—%	52.3%	24.1%	29.6%

1

- **Implementation of structural reforms, including profitability improvement for loss-making bases and businesses**

- To reduce losses, we reexamined the productivity of plants in Thailand and Vietnam, shifted from outsourcing to in-house manufacture of micro acoustic components in China, and reviewed the FOSTEX pricing strategy.

2

- **Improved profitability through more in-depth pursuit of the partner strategy**

- We promoted the partner strategy, which is at the core of our automotive business. By making value-added proposals to our target customers from the product development stage, we achieved business expansion and improved profitability.

3

- **Stable earnings through promotion of cost-linked pricing**

- We reached an agreement with many of our customers regarding cost-linked pricing that more clearly reflects the market prices of ocean freight, materials, and other costs. As a result, we were able to improve our earnings structure to one that is less susceptible to market fluctuations.

4

- **Appropriate inventory control through bolstered global logistics functions**

- Even in emergencies, we maintained costs at the bare minimum through appropriate inventory management and flexible transport operations.

Ⅲ. Direction of Our Growth Strategy under the Next Medium-Term Business Plan

【Basic policy】

- Determine the direction of growth strategy under the next medium-term business plan (spanning April 2025 through March 2028)
- Additionally, seek to improve PBR together with the implementation of capital policy, etc.
- Announcement of details slated for November 2024

【Goals】

In the mobility-related business, achieve medium-term sales growth (sales increase by 20% or more) that exceeds the projected growth of the automotive market (roughly 9%) during the period of our next medium-term business plan

Develop the next business pillar in the consumer-related business, to follow the mobility-related business

Direction of Our Growth Strategy under the Next Medium-Term Business Plan (2)

Mobility-related business

*1 Car speakers for Tier 1 manufacturers with own audio brands *2 Actuators for car seats to provide massage functions, sound and vibration, etc. *3 Product of South Korean subsidiary, ESTec

Key strategy

Provide rich and comfortable space, amusement, joy, safety, and security in the next-generation mobility field

Tactics

Leverage our car speaker technologies honed over many years to boost value-added in areas such as next-generation acoustic space for car cabins, next-generation HMI, and interior and exterior warning sounds. At the same time, increase the number of products installed per car.

Major initiatives

- Strengthen value-added proposals on in-car sound field creation, focusing on target customers
- Expand the number of products installed and improve profitability through sales activities focused on branded^{*1} and premium-level items.
- Promote packaged sales of in-car speakers, exterior car speakers, and HMI actuators to OEM and Tier 1 manufacturers

Product areas where we target sales expansion

- Car acoustic speakers
- Actuators (for car acoustics, car seats^{*2}, and HMI)
- Acoustic vehicle alerting system/warning sound speakers (AVAS speaker, AVAS system, AVAS system with horn, eCall speaker)
- High sound quality speakers for the cockpit
- Base modules for products including acceleration sensors, mic modules, and ADP^{*3}

Direction of Our Growth Strategy under the Next Medium-Term Business Plan (3)

Consumer-related business

*4 New project to establish a long-term revenue base for Foster

*5 Product of South Korean subsidiary, ESTec

Key strategy

Build next pillar after the mobility-related business, based on the concept of providing rich and comfortable space, amusement, joy, safety, and security

Tactics

Capitalize on our comprehensive product design capability and continuously evolving proprietary technologies to expand the finished product business with greater value-added, create new businesses, and thereby improve profitability.

The three pillars of “Beyond2025”^{*4}

Lifestyle | Personal audio

Make full-scale entry into the finished products OEM business for wireless headsets, including drivers that utilize planar diaphragm technology (RP TECHNOLOGY), an area where we seek sales expansion moving forward. Also expand business in the home audio field^{*5} (speakers for flat screen premium TVs and multiple-circuit products such as sound bars).

Life solution | Biometric sensing headsets

Achieve practical application and commercialization of Robin biometric sensing earphones (already beginning to be used by academic institutions and companies on a trial basis) for use in healthcare, physical rehabilitation, nursing care, livelihood support, and sensing associated with driving support.

Life enhancement | Actuators

In addition to the existing actuators, establish our position in the market for Smart Vibration Actuator that achieve broader-bandwidth vibration and higher power, to offer a greater sense of immersion.

Measures for Realizing Management Attuned to Cost of Capital and Share Prices

Analysis of current state (reasons for low PBR)

【Low ROE】 Although our financial performance is on a V-shaped recovery path, the rate of return remains low, posing an issue on further stabilization. Cash flows have improved significantly, thanks in part to inventory reduction. However, there is still room to improve capital efficiency.

【Low PER】 In addition to the above, we have been unable to draw up a growth strategy that can meet investor expectations.

With our ROE falling way below the cost of equity (roughly 7–8% based on CAPM), we have been unable to meet investor expectations. As a result, PBR has remained low (at about 0.5x).

Fiscal year	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24
ROE (%)	2.9%	(6.4%)	(14.4%)	1.7%	4.2%
PER (x)	16.1	-	-	30.1	12.2
Share price at the end of fiscal year (yen)	1,112	1,306	723	1,150	1,265
Net asset per share (yen)	2,369	2,276	2,126	2,302	2,607
PBR (x)	0.5	0.6	0.3	0.5	0.5

Countermeasures

- **Distribute resources appropriately, and formulate and execute a growth strategy for sustainable profitability improvement (ROE improvement)**
- **Meet shareholder and investor expectations by using our earnings to bolster shareholder returns (PER and PBR improvement)**

We also plan to announce the specifics of the countermeasures shown above, when we disclose the detailed version of the next medium-term business plan.

IV. Reference Materials

Our Corporate Creed is “Sincerity.”

Our Vision is “To make contributions to future society through acoustics.”

Company name	Foster Electric Company, Limited
Representative	Kazuhiro Kishi, CEO
Founded	June 20, 1949
Headquarters	1-1-109 Tsutsujigaoka, Akishima, Tokyo 196-8550
Stock exchange	Second Section of the Tokyo Stock Exchange (May 1962) First Section of the Tokyo Stock Exchange (September 1999) Prime Market of the Tokyo Stock Exchange (April 2022)
Common stock	6,770 million yen (as of March 31, 2024)
Business domain	Production and sales of speakers, audio equipment, and electronic equipment
Number of employees	Consolidated: 15,752 (including employees at a contract manufacturer in Panyu, China) Non-consolidated: 413 (as of March 31, 2024 for both consolidated and non-consolidated)

We provide acoustic products, leveraging our original analog technologies mainly through ODMs and OEMs.

Speaker Segment

- Car speakers and speaker systems; Audio and TV speakers and speaker systems

Car speakers



Car speaker systems



TV speakers



Mobile Audio Segment

- Headphones/headsets, earphone drivers, and vibration actuators, etc.

Headphones/headsets



Earphone drivers



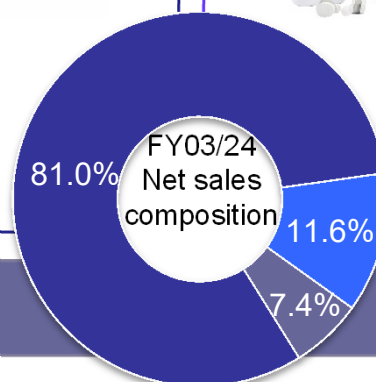
Actuators



Other Segment

- Alarm buzzers and sounders, FOSTEX brand products, and logistics services

Micro acoustic components FOSTEX products

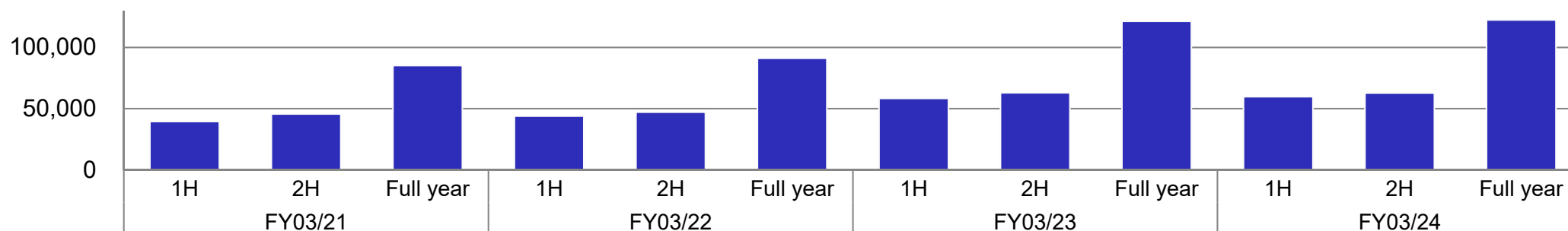


Half-Year and Full-Year Results

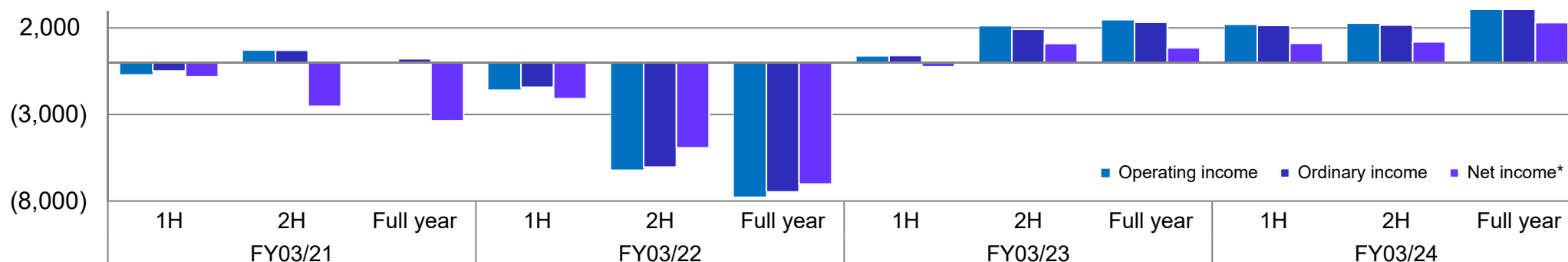
Results (Millions of yen)

	FY03/21			FY03/22			FY03/23			FY03/24		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales	39,528	45,692	85,220	43,976	47,130	91,106	58,385	62,953	121,338	59,701	62,746	122,447
Operating income	(688)	688	0.7	(1,568)	(6,189)	(7,757)	351	2,094	2,445	2,165	2,247	4,412
Ordinary income	(488)	707	219	(1,433)	(6,040)	(7,473)	404	1,923	2,327	2,139	2,166	4,305
Net income*	(829)	(2,534)	(3,363)	(2,093)	(4,924)	(7,017)	(249)	1,097	848	1,114	1,190	2,304
Income ratio	(1.7%)	1.5%	0.0%	(3.6%)	(13.1%)	(8.5%)	0.6%	3.3%	2.0%	3.6%	3.6%	3.6%
Ordinary income to net sales	(1.2%)	1.5%	0.3%	(3.3%)	(12.8%)	(8.2%)	0.7%	3.1%	1.9%	3.6%	3.5%	3.5%
Net income to net sales**	(2.1%)	(5.5%)	(3.9%)	(4.8%)	(10.4%)	(7.7%)	(0.4%)	1.7%	0.7%	1.9%	1.9%	1.9%

Net sales (Millions of yen)



Profits (Millions of yen)



*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

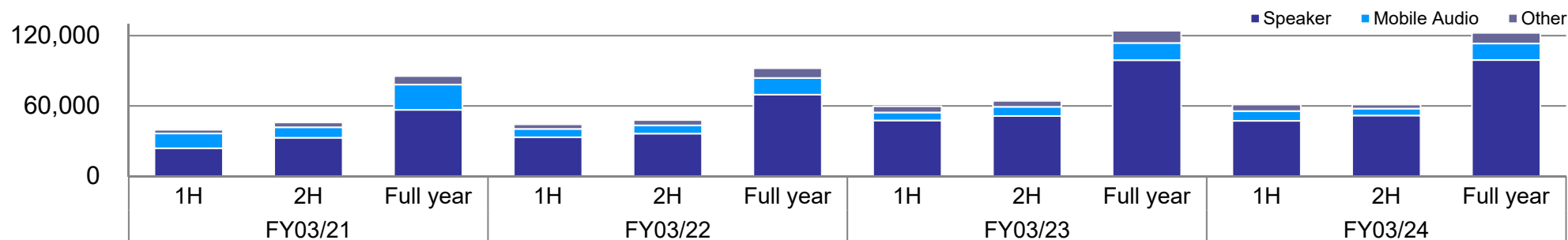
Half-Year and Full-Year Results by Segment

FOSTER

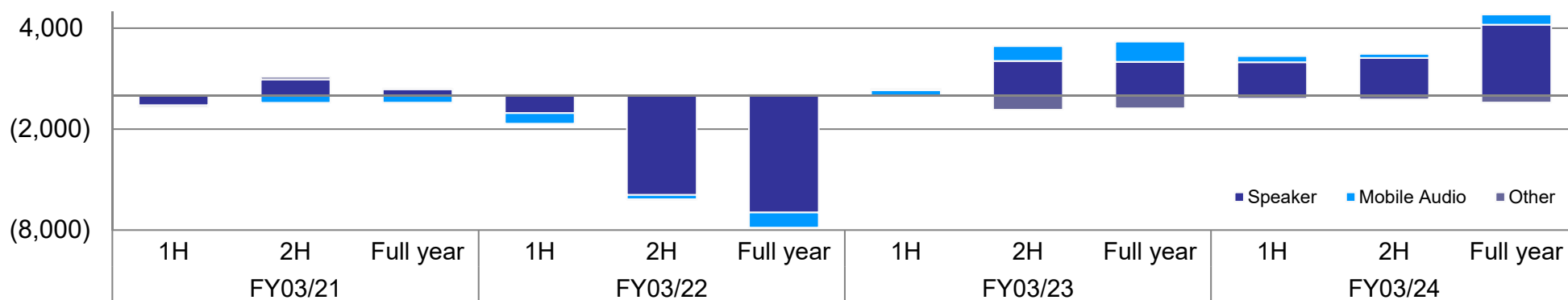
Results (Millions of yen)

Sales	FY03/21			FY03/22			FY03/23			FY03/24		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Speaker	23,892	32,844	56,736	33,294	36,382	69,676	47,641	51,446	99,087	47,372	51,803	99,175
Mobile Audio	12,593	8,981	21,574	7,137	7,090	14,227	6,841	7,850	14,691	8,255	5,942	14,197
Other	3,176	4,068	7,244	3,880	4,450	8,330	5,286	5,117	10,403	5,574	3,500	9,074
Operating income												
Speaker	(584)	961	377	(1,045)	(5,910)	(6,955)	(51)	2,055	2,004	1,984	2,234	4,218
Mobile Audio	5	(429)	(424)	(631)	(265)	(896)	317	886	1,203	362	245	607
Other	(109)	156	47	108	(14)	94	85	(847)	(762)	(181)	(231)	(412)

Net sales (Millions of yen)



Operating income (Millions of yen)

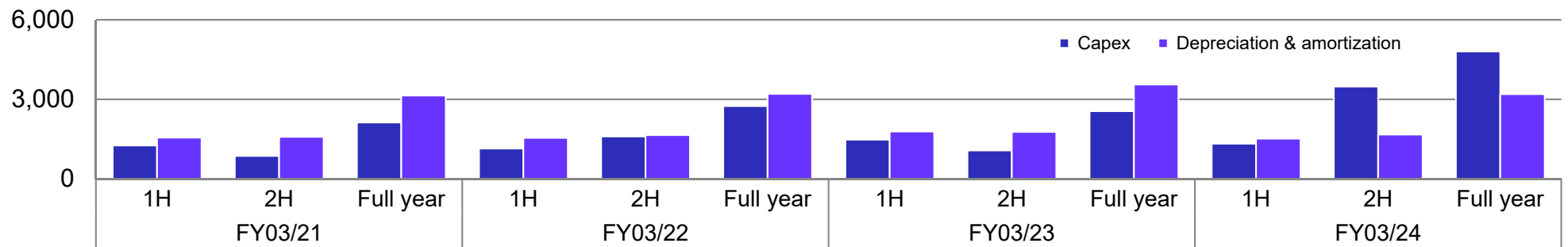


Half-Year and Full-Year Capex, Depreciation and Amortization, and R&D Expenses

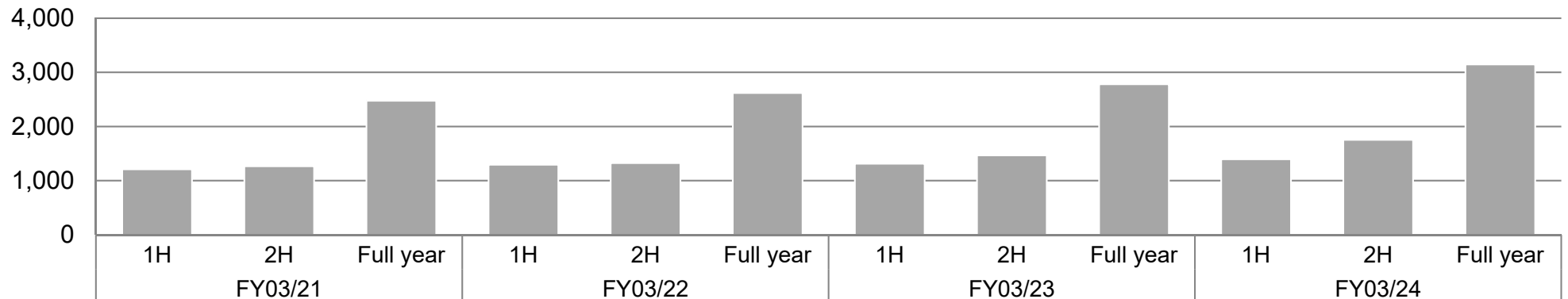
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/21			FY03/22			FY03/23			FY03/24		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Capex	1,263	868	2,131	1,146	1,603	2,749	1,484	1,075	2,559	1,329	3,481	4,810
Depreciation & amortization	1,560	1,588	3,148	1,552	1,657	3,209	1,788	1,777	3,565	1,523	1,674	3,197
R&D expenses	1,209	1,267	2,476	1,294	1,325	2,619	1,313	1,467	2,780	1,394	1,753	3,147

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

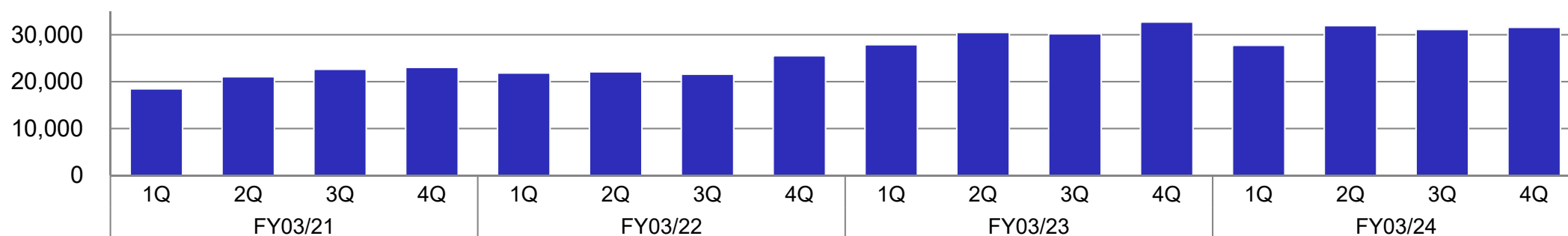


Quarterly Results

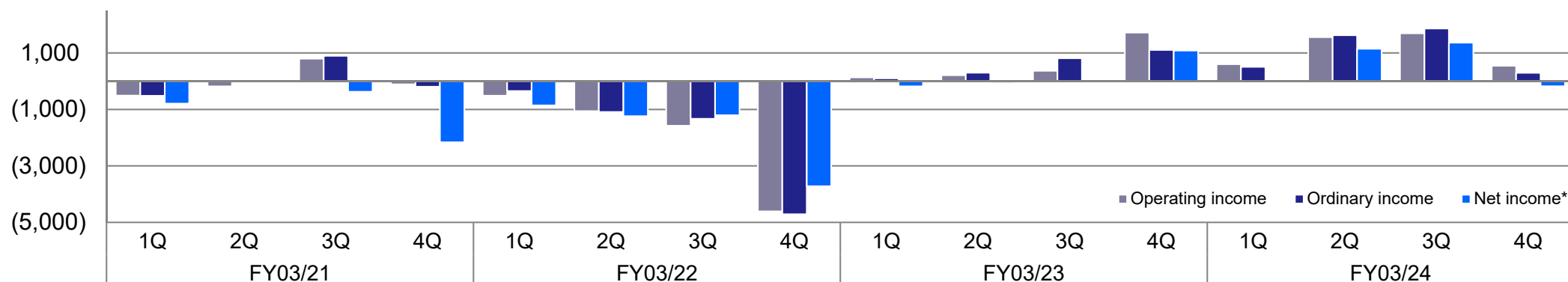
Results (Millions of yen)

	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	18,480	21,048	22,641	23,051	21,860	22,116	21,595	25,535	27,894	30,491	30,227	32,726	27,750	31,951	31,143	31,603
Operating income	(507)	(181)	799	(110)	(511)	(1,057)	(1,578)	(4,611)	139	212	372	1,722	602	1,563	1,697	550
Ordinary income	(518)	30	900	(193)	(345)	(1,088)	(1,329)	(4,711)	102	302	815	1,108	509	1,630	1,868	298
Net income*	(791)	(38)	(373)	(2,161)	(857)	(1,236)	(1,205)	(3,719)	(183)	(66)	8	1,089	(36)	1,150	1,366	(176)
Income ratio	(2.7%)	(0.9%)	3.5%	(0.5%)	(2.3%)	(4.8%)	(7.3%)	(18.1%)	0.5%	0.7%	1.2%	5.3%	2.2%	4.9%	5.4%	1.7%
Ordinary income to net sales	(2.8%)	0.1%	4.0%	(0.8%)	(1.6%)	(4.9%)	(6.2%)	(18.4%)	0.4%	1.0%	2.7%	3.4%	1.8%	5.1%	6.0%	0.9%
Net income to net sales**	(4.3%)	(0.2%)	(1.6%)	(9.4%)	(3.9%)	(5.6%)	(5.6%)	(14.6%)	(0.7%)	(0.2%)	0.0%	3.3%	(0.1%)	3.6%	4.4%	(0.6%)

Net sales (Millions of yen)



Profits (Millions of yen)



*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

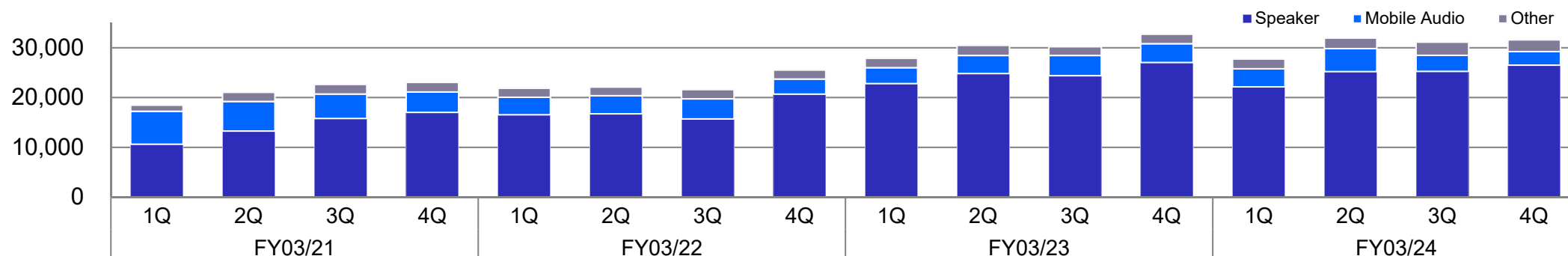
Quarterly Results by Segment

Results (Millions of yen)

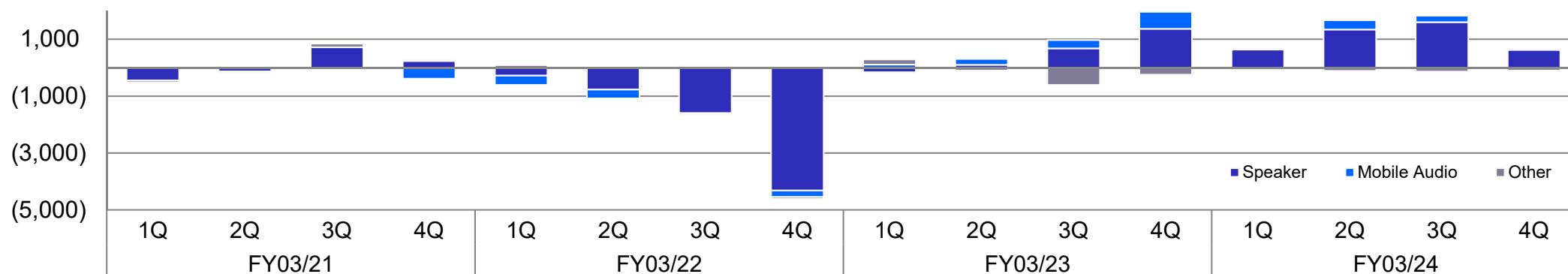
Sales	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Speaker	10,619	13,273	15,802	17,042	16,553	16,741	15,703	20,679	22,804	24,837	24,396	27,050	22,154	25,218	25,277	26,526
Mobile Audio	6,633	5,960	4,909	4,072	3,508	3,629	4,044	3,046	3,213	3,628	4,066	3,784	3,644	4,611	3,222	2,720
Other*	1,227	1,815	1,930	1,937	1,798	1,747	1,847	1,810	1,875	2,026	1,766	1,891	1,951	2,122	2,644	2,357
Operating income																
Speaker	(448)	(136)	722	239	(279)	(766)	(1,593)	(4,317)	(156)	105	684	1,371	639	1,345	1,601	633
Mobile Audio	6	(1)	(46)	(383)	(323)	(308)	(39)	(226)	113	204	291	595	37	325	230	15
Other	(65)	(44)	123	33	91	17	55	(69)	182	(97)	(603)	(244)	(74)	(107)	(134)	(97)

*Net sales of other businesses are shown after elimination of intersegment transactions.

Sales (Millions of yen)



Operating income (Millions of yen)



Quarterly Balance Sheet and Statement of Cash Flows **FOSTER**

Balance sheet (Millions of yen)

	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total current assets	55,066	55,396	58,394	59,040	59,947	62,814	62,738	67,143	75,694	83,095	78,930	73,893	74,035	75,378	77,901	78,925
Cash and deposits	17,985	21,401	21,987	15,470	18,556	15,499	13,863	10,846	11,422	14,366	13,525	13,646	16,218	16,882	18,868	20,216
Notes and accounts receivable – trade	15,351	16,018	16,794	16,945	16,571	17,196	16,020	19,351	23,132	25,075	24,018	25,470	24,496	25,836	24,581	25,799
Other	21,730	17,977	19,613	26,625	24,820	30,119	32,855	36,946	41,140	43,654	41,387	34,777	33,321	32,660	34,452	32,910
Total non-current assets	20,524	20,160	18,606	18,193	18,309	18,247	18,411	19,005	20,098	20,345	19,301	18,977	19,813	21,902	23,458	23,822
Net property, plant and equipment	17,673	17,312	15,787	15,213	15,234	15,190	15,354	15,614	16,640	16,809	15,702	15,030	15,846	17,582	18,951	19,377
Total intangible assets	201	198	198	189	196	194	205	203	216	217	207	214	221	252	255	336
Total investments and other assets	2,649	2,649	2,621	2,790	2,877	2,863	2,851	3,187	3,241	3,318	3,391	3,732	3,745	4,067	4,251	4,108
Total assets	75,590	75,556	77,001	77,233	78,256	81,062	81,150	86,148	95,793	103,441	98,232	92,871	93,849	97,280	101,360	102,747
Total current liabilities	15,241	15,623	18,041	18,738	19,953	23,931	25,098	32,889	39,332	44,507	41,988	34,799	33,055	31,854	32,990	31,899
Notes and accounts payable – trade	5,604	6,296	8,491	8,735	8,969	9,300	7,705	11,179	12,327	11,881	11,342	9,380	9,876	11,714	12,734	12,169
Short-term loans and bonds payable	4,479	3,669	3,697	4,084	5,247	8,208	10,525	13,065	19,660	24,845	21,979	17,456	15,928	11,782	12,223	11,346
Other	5,158	5,658	5,853	5,919	5,737	6,423	6,868	8,645	7,345	7,781	8,667	7,963	7,251	8,358	8,033	8,384
Total non-current liabilities	3,144	2,916	2,699	2,501	2,341	2,067	1,829	1,627	1,495	1,439	1,469	1,556	1,809	2,741	5,758	6,529
Long-term debt and bonds payable	1,850	1,606	1,362	1,118	875	631	450	300	150	0	0	0	0	0	3,175	3,781
Other	1,294	1,310	1,337	1,383	1,466	1,436	1,379	1,327	1,345	1,439	1,469	1,556	1,809	2,741	2,583	2,748
Total net assets	57,205	57,015	56,260	55,993	55,962	55,063	54,222	51,632	54,965	57,494	54,774	56,515	58,984	62,684	62,611	64,319
Shareholders' equity	54,201	54,169	53,568	50,837	49,868	48,646	47,177	43,409	43,226	43,163	42,995	44,045	43,785	45,011	46,154	45,989
Accumulated other comprehensive income	(1,952)	(2,132)	(2,486)	(198)	473	788	1,570	3,753	7,293	9,436	6,587	7,050	9,771	11,654	9,943	12,014
Non-controlling interests	4,956	4,978	5,178	5,354	5,621	5,628	5,474	4,469	4,445	4,894	5,231	5,419	5,426	6,018	6,512	6,314
Total liabilities and net assets	75,590	75,556	77,001	77,233	78,256	81,062	81,150	86,148	95,793	103,441	98,232	92,871	93,849	97,280	101,360	102,747

Statement of cash flows (Millions of yen)

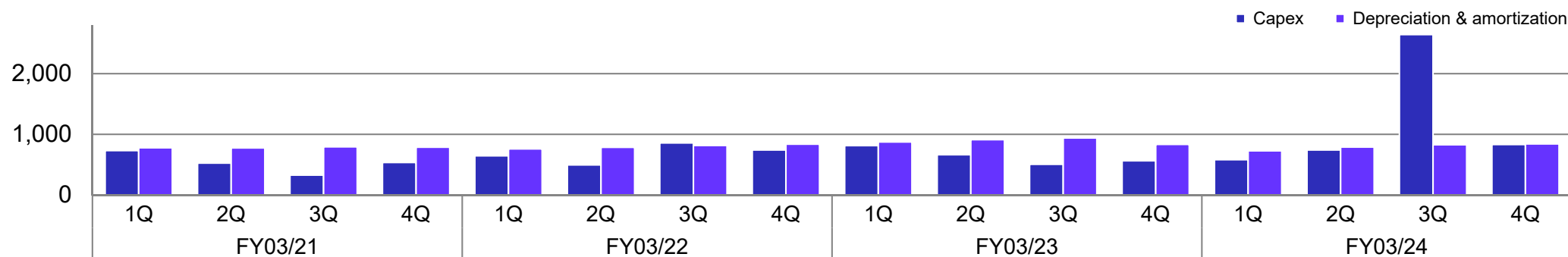
	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating activities	(2,309)	3,626	960	(1,538)	(2,351)	(3,840)	(3,309)	(3,267)	(5,612)	(1,402)	2,959	4,409	5,334	5,553	1,553	2,988
Investing activities	(1,246)	(351)	(144)	(219)	(228)	(1,172)	(970)	(701)	(824)	6	(443)	(60)	(537)	(800)	(2,776)	(4,426)
Financing activities	(691)	(1,004)	(384)	(545)	658	2,709	2,548	856	4,964	3,861	(2,563)	(4,486)	(2,584)	(4,605)	3,502	(753)
Foreign exchange impact	(375)	(40)	(76)	778	201	42	(12)	551	691	478	(680)	258	358	516	(293)	357
Net increase (decrease) in cash flow	(4,622)	2,231	357	(1,523)	(1,720)	(2,260)	(1,743)	(2,561)	(781)	2,943	(727)	121	2,571	664	1,986	(1,834)
Cash at the end of period	19,307	21,539	21,895	20,373	18,653	16,392	14,650	12,089	11,308	14,252	13,525	13,646	16,218	16,882	18,868	17,034

Quarterly Capex, Depreciation and Amortization, and R&D Expenses

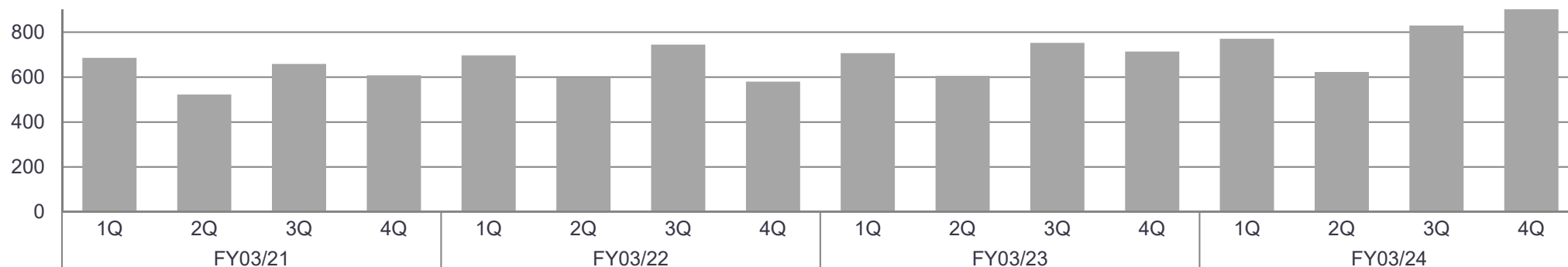
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capex	734	528	330	538	648	498	859	744	817	667	509	566	584	745	2646	834
Depreciation & amortization	781	779	797	791	763	789	818	839	875	913	941	836	731	792	830	844
R&D expenses	686	523	659	608	697	597	745	580	707	606	753	714	771	623	830	923

Capex, depreciation & amortization (Millions of yen)



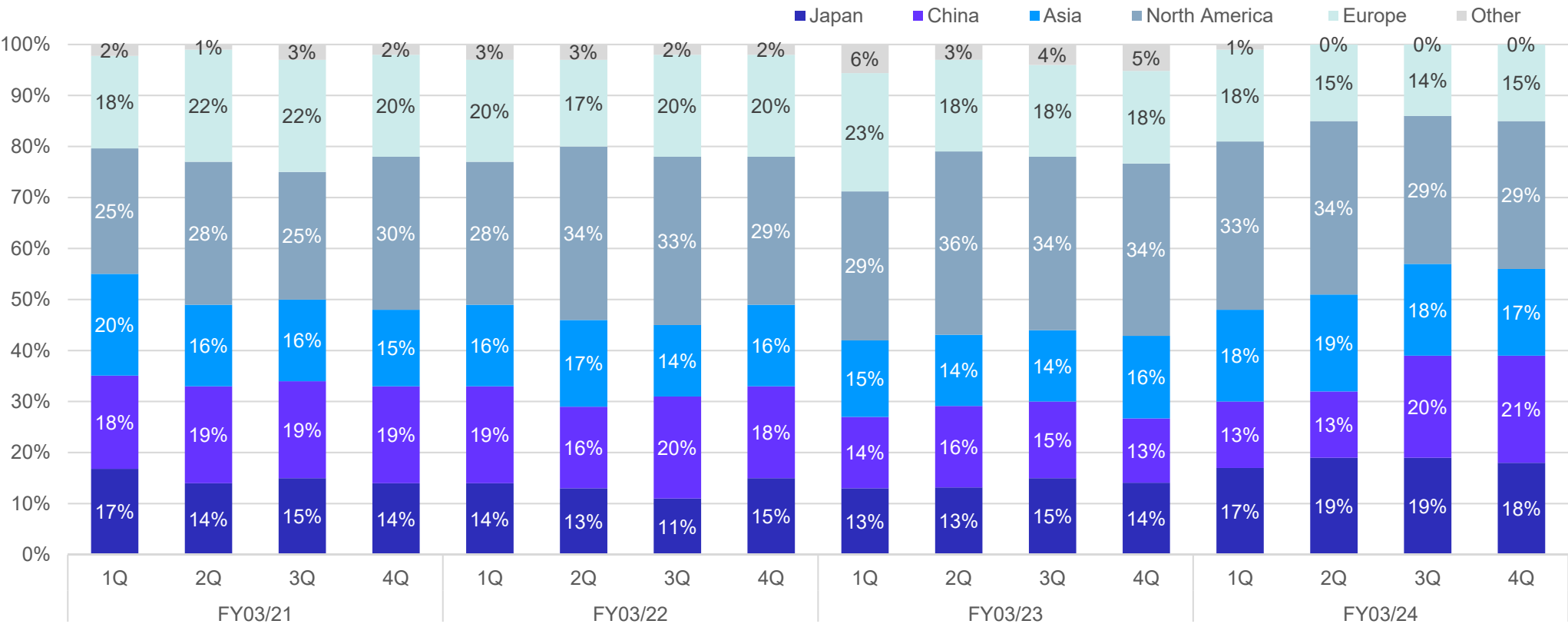
R&D expenses (Millions of yen)



Quarterly Sales Weighting of Car Speakers by Region

FOSTER

Sales weighting of car speakers by region																
	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan	17%	14%	15%	14%	14%	13%	11%	15%	13%	13%	15%	14%	17%	19%	19%	18%
China	18%	19%	19%	19%	19%	16%	20%	18%	14%	16%	15%	13%	13%	13%	20%	21%
Asia	20%	16%	16%	15%	16%	17%	14%	16%	15%	14%	14%	16%	18%	19%	18%	17%
North America	25%	28%	25%	30%	28%	34%	33%	29%	29%	36%	34%	34%	33%	34%	29%	29%
Europe	18%	22%	22%	20%	20%	17%	20%	20%	23%	18%	18%	18%	18%	15%	14%	15%
Other	2%	1%	3%	2%	3%	3%	2%	2%	6%	3%	4%	5%	1%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total sales (Millions of yen)	8,478	11,898	13,155	14,985	13,652	13,295	13,588	17,538	18,767	21,216	20,915	24,349	19,642	22,327	21,799	23,386



The Group's Manufacturing Sites



Myanmar

FOSTER ELECTRIC (THILAWA) CO., LTD.

South Korea

ESTec CORPORATION

China

ESTec ELECTRONICS (JIAXING)CO.,LTD.

FOSTER ELECTRIC CO.,(HEYUAN) LTD.

Guangzhou Panyu Jiu Shui Keng Foster Electric Factory

Guangzhou Fourstar Electroacoustic Tech Co.,Ltd

Vietnam

ESTec PHU THO CO., LTD.

FOSTER ELECTRIC (BAC NINH) CO., LTD.

FOSTER ELECTRIC (DA NANG) CO., LTD.

FOSTER ELECTRIC (QUANG NGAI) CO., LTD.

FOSTER ELECTRIC (VIETNAM) CO., LTD.

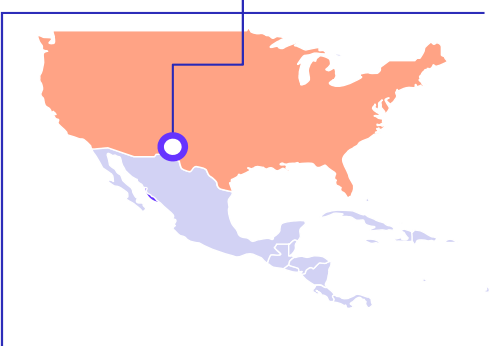
ESTec VINA CO., LTD.

Thailand

FSK(Thailand) Co.,Ltd.

USA

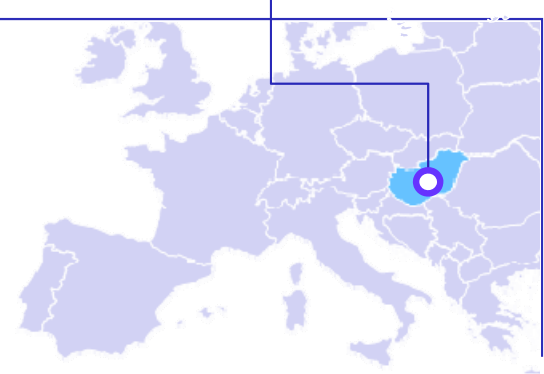
EL PASO OPERATIONS



Hungary

(Start of mass production in the latter half of 2024 (planned))

FOSTER ELECTRIC (HUNGARY)Kft.



(As of March 31, 2024)

[Precautionary Statement]

All forward-looking statements contained in this material, including forecasts, plans, and outlooks on current or future earnings, are based on currently available information and assumptions on risks and uncertainties that may affect future earnings. Actual results may differ from forecasts or estimates due to a range of factors, including economic conditions surrounding the Group's operations, business conditions of related markets and at OEM customers, the competitive environment and pricing competition in Japan and overseas, raw material prices, foreign exchange rates, risks affecting overseas business, regulations in Japan and overseas, disasters or accidents, and share prices.

[Inquiries]

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