

May 15, 2025

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Foster Electric Company, Limited  
 Listing: Tokyo Stock Exchange  
 Securities code: 6794  
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 Scheduled date of annual general meeting of shareholders: June 25, 2025  
 Scheduled date to commence dividend payments: June 26, 2025  
 Scheduled date to file annual securities report: June 25, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	137,607	12.4	6,796	54.0	7,726	79.5	3,902	69.3
March 31, 2024	122,447	0.9	4,412	80.4	4,305	84.9	2,304	171.7

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥5,512 million [(33.1)%]  
 For the fiscal year ended March 31, 2024: ¥8,236 million [64.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	174.98	-	6.6	7.4	4.9
March 31, 2024	103.70	-	4.2	4.4	3.6

Reference: Equity in earnings of affiliated companies: Fiscal year ended March 31, 2025 ¥ - million  
 Fiscal year ended March 31, 2024 ¥ - million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	106,826	68,731	57.0	2,726.13
March 31, 2024	102,747	64,319	56.5	2,606.90

Reference: Equity As of March 31, 2025: ¥60,870 million  
 As of March 31, 2024: ¥58,004 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	14,831	(844)	(9,884)	20,771
March 31, 2024	15,428	(8,539)	(4,440)	17,034

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	10.00	-	15.00	25.00	559	24.1	1.0
Fiscal year ended March 31, 2025	-	20.00	-	40.00	60.00	1,344	34.3	2.0
Fiscal year ending March 31, 2026 (Forecast)	-	35.00	-	35.00	70.00		39.2	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	135,000	(1.9)	6,500	(4.4)	6,000	(22.3)	4,000	2.5	178.47

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of March 31, 2025	25,000,000 shares
As of March 31, 2024	25,000,000 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	2,671,437 shares
As of March 31, 2024	2,749,532 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	22,302,827 shares
Fiscal year ended March 31, 2024	22,227,254 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	58,133	4.9	(1,645)	-	1,140	38.2	1,064	126.1
March 31, 2024	55,394	7.4	(1,086)	-	825	-	470	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	47.72	-
March 31, 2024	21.18	-

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	42,287	18,015	42.6	806.85
March 31, 2024	46,802	17,507	37.4	786.82

Reference: Equity

As of March 31, 2025: ¥18,015 million

As of March 31, 2024: ¥17,507 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For details on the conditions on which earnings forecasts are based and precautions for using earnings forecasts, please refer to the "Overview of Operating Results" on page 2 of the Appendix.

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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, 2025, the global economy continued to face heightened geopolitical risks, including conflicts between nations and regime changes. While Japan raised its policy interest rate, developed countries implemented intermittent rate cuts, leading to sharp fluctuations in forex rates. Against this backdrop, concerns about an economic slowdown in China, coupled with extreme weather events, rendered the outlook uncertain.

In the automotive market, the Foster Group's (the "Group") focus, amid a slowing transition to electric vehicles (EVs) and an overall stagnation in automobile sales, we focused on growing orders in the automotive business, leveraging our strengths in providing quality car speakers developed over many years. Further, we strove to improve demand forecasting accuracy to maintain an optimal production system and inventory levels, and continued promoting cost improvement measures.

As a result, consolidated net sales for the fiscal year ended March 31, 2025 were ¥137,607 million (up 12.4% YoY), operating profit was ¥6,796 million (up 54.0% YoY), ordinary profit was ¥7,726 million (up 79.5% YoY), and profit attributable to owners of parent was ¥3,902 million (up 69.3% YoY).

Results by segment were as follows.

#### (Speaker Segment)

Net sales amounted to ¥114,521 million (up 15.5% YoY), as inventory adjustments at some customers, which weighed on results a year ago, were completed and speaker sales to some automobile manufacturers in China were robust. On the profit front, operating profit was ¥6,362 million (up 50.8% YoY), backed by increased sales of high-margin speakers and ongoing measures to improve costs.

#### (Mobile Audio Segment)

Net sales were ¥12,893 million (down 9.2% YoY), due to lower sales of car headphones, despite higher-than-expected shipments of consumer actuators. Meanwhile, on the profit front, operating profit was ¥641 million (up 5.6% YoY), as sales of high-margin products outweighed the impact of lower sales.

#### (Other Segment)

In the Other segment, which includes micro acoustic components and FOSTEX brand products, net sales amounted to ¥10,192 million (up 12.3% YoY) driven by robust sales of speakers for acoustic vehicle alerting systems. However, on the profit front, the segment posted an operating loss of ¥207 million (in the previous year, operating loss of ¥412 million) due to the impact of inventory disposals carried out as part of the structural reforms undertaken from the previous fiscal year.

Note: 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, 2025, total assets amounted to ¥106,826 million, up ¥4,078 million from their level on March 31, 2024, mainly due to an increase in accounts receivable-trade. Total liabilities were down ¥334 million to ¥38,094 million, chiefly owing to a decrease in short-term borrowings. Net assets came to ¥68,731 million, up ¥4,412 million, mainly as a result of an increase in retained earnings. The equity ratio was 57.0% as of March 31, 2025, up 0.5 percentage points from March 31, 2024.

### (3) Cash flow for the year under review

#### (Operating activities)

Net cash provided by operating activities was ¥14,831 million, chiefly due to an increase in trade payables.

#### (Investing activities)

Net cash used in investing activities totaled ¥844 million, mainly due to capital investments.

#### (Financing activities)

Net cash used in financing activities totaled ¥9,884 million, primarily due to a decrease in short-term borrowings.

As a result, cash and cash equivalents as of March 31, 2025 stood at ¥20,771 million, up ¥3,737 million from the level on March 31, 2024.

#### (4) Future outlook

The global economy is expected to remain uncertain, due to the complex interplay of numerous factors, including changes in US government policies, geopolitical risks such as conflicts in the Middle East and between Russia and Ukraine, and economic risks such as tariff policies, inflation, foreign exchange market fluctuations, and the economic slowdown in China, as well as climate change risk.

The outlook is also uncertain in the automotive market, the Group's focus, amid causes for concern such as the slowdown in EV market growth and changed tariff policies in the US.

Regarding the impact of US tariff policies on earnings performance, the Group anticipates direct effects from tariff burdens, indirect effects from changes in demand trends, and potential disruptions to component procurement caused by trade frictions. However, we will strive to minimize these impacts by leveraging our global sales structure—a key strength—conducting careful negotiations with customers based on our widely adopted price-linked system, swiftly shifting production bases, and flexibly adjusting logistics.

Despite the challenging environment, we will continue to promote a sales strategy focused on the branded and premium-level products in the automotive business. Through this approach, we will work to acquire new customers in addition to strengthening relationships with existing customers, and accelerate efforts to increase the number of products installed per vehicle and enhance profitability, as outlined in our new three-year medium-term business plan released in November 2024.

Under the new medium-term business plan, the Group targets net sales of ¥150.0 billion, operating profit of ¥9.0 billion, an operating profit margin of 6%, and ROE of 8%. We have positioned the mobility-related and consumer-related businesses as the two pillars of our growth strategy to achieve these targets and will work to drive further growth.

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

[Basic policy]

The year to kick off the new medium-term business plan

[Measures]

1. Proactive business expansion under the new medium-term business plan
2. Strengthening initiatives for new products and technologies
3. Thorough focus on quality in the automotive business
4. Driving cost structure reforms under the new medium-term business plan
5. Promoting 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, 2026 are as follows.

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
¥135,000 million	¥6,500 million	¥6,000 million	¥4,000 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 by allocating profit in an approach that strikes a balance between growth investments, retained earnings, and shareholder returns. For the fiscal year under review, the Group targets a dividend payout ratio of 30% on a consolidated basis, and under the new medium-term business plan starting in the next fiscal year, it aims to increase the consolidated payout ratio to 40%.

For the fiscal year under review, after comprehensively considering the above basic policy, the Group has decided to pay a year-end dividend of ¥40 per share. Combined with the ¥20 per share interim dividend paid in December 2024, this will bring the annual dividend to ¥60 per share.

For the next fiscal year, the Group forecasts an annual dividend of ¥70 per share, considering the current business environment and future earnings outlook, based on the new medium-term business plan.

## **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 and important notes

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	20,216	20,388
Notes and accounts receivable - trade	24,934	29,972
Electronically recorded monetary claims - operating	865	727
Securities	649	1,115
Finished goods	18,357	17,210
Raw materials	7,908	7,275
Work in process	1,539	1,304
Supplies	140	322
Accounts receivable - other	1,673	2,232
Advance payments to suppliers	367	833
Other	2,381	1,722
Allowance for doubtful accounts	(109)	(59)
Total current assets	78,925	83,045
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,964	16,652
Accumulated depreciation	(8,873)	(9,324)
Buildings and structures, net	8,091	7,327
Machinery, equipment and vehicles	21,681	22,127
Accumulated depreciation	(17,123)	(16,548)
Machinery, equipment and vehicles, net	4,557	5,578
Tools, furniture and fixtures	12,277	12,301
Accumulated depreciation	(10,390)	(10,417)
Tools, furniture and fixtures, net	1,887	1,884
Land	3,404	3,384
Construction in progress	1,437	1,219
Total property, plant and equipment	19,377	19,394
Intangible assets		
Software	189	328
Other	147	140
Total intangible assets	336	469
Investments and other assets		
Investment securities	2,162	2,328
Long-term prepaid expenses	82	68
Retirement benefit asset	1,344	1,102
Deferred tax assets	306	228
Other	212	187
Total investments and other assets	4,108	3,916
Total non-current assets	23,822	23,780
Total assets	102,747	106,826



	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,169	18,998
Short-term borrowings	10,571	4,902
Current portion of long-term borrowings	775	600
Accounts payable - other	3,135	2,518
Lease liabilities	483	485
Income taxes payable	762	1,270
Accrued expenses	2,288	3,144
Provision for bonuses	537	609
Other	1,175	1,357
Total current liabilities	31,899	33,886
Non-current liabilities		
Long-term borrowings	3,781	1,650
Deferred tax liabilities	681	775
Lease liabilities	1,326	933
Retirement benefit liability	108	122
Provision for retirement benefits for directors (and other officers)	27	12
Reserve for stocks payment	137	144
Other	466	568
Total non-current liabilities	6,529	4,207
Total liabilities	38,428	38,094
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,770	6,770
Capital surplus	6,896	6,935
Retained earnings	36,364	39,483
Treasury shares	(4,042)	(3,937)
Total shareholders' equity	45,989	49,251
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	803	925
Foreign currency translation adjustment	11,345	10,949
Remeasurements of defined benefit plans	(134)	(255)
Total accumulated other comprehensive income	12,014	11,619
Non-controlling interests	6,314	7,861
Total net assets	64,319	68,731
Total liabilities and net assets	102,747	106,826

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	122,447	137,607
Cost of sales	103,610	113,484
Gross profit	18,836	24,123
Selling, general and administrative expenses	14,424	17,326
Operating profit	4,412	6,796
Non-operating income		
Interest income	183	298
Dividend income	69	88
Foreign exchange gains	334	1,173
Miscellaneous income	286	352
Total non-operating income	875	1,912
Non-operating expenses		
Interest expenses	645	638
Loss on retirement of non-current assets	85	-
Borrowing fee	78	-
Miscellaneous losses	173	343
Total non-operating expenses	982	981
Ordinary profit	4,305	7,726
Extraordinary income		
Gain on sale of non-current assets	707	-
Gain on reversal of asset retirement obligations	133	-
Total extraordinary income	841	-
Extraordinary losses		
Impairment losses	-	49
Severance payments	488	-
Total extraordinary losses	488	49
Profit before income taxes	4,658	7,677
Income taxes - current	1,475	2,065
Income taxes for prior periods	-	(204)
Income taxes - deferred	(25)	5
Total income taxes	1,450	1,866
Profit	3,207	5,810
Profit attributable to non-controlling interests	902	1,908
Profit attributable to owners of parent	2,304	3,902

**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	3,207	5,810
Other comprehensive income		
Valuation difference on available-for-sale securities	418	122
Foreign currency translation adjustment	4,785	(230)
Remeasurements of defined benefit plans, net of tax	(174)	(190)
Total other comprehensive income	5,028	(298)
Comprehensive income	8,236	5,512
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,269	3,506
Comprehensive income attributable to non-controlling interests	967	2,005

### (3) Consolidated statement of changes in shareholders' equity

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
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
Change in ownership interest of parent due to transactions with non-controlling interests					
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
Dividends of surplus						(447)
Profit attributable to owners of parent						2,304
Purchase of treasury shares						(69)
Disposal of treasury shares						155
Change in ownership interest of parent due to transactions with non-controlling interests						
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

### Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(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	36,364	(4,042)	45,989
Dividends of surplus			(784)		(784)
Profit attributable to owners of parent			3,902		3,902
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				104	104
Change in ownership interest of parent due to transactions with non-controlling interests		38			38
Net changes in items other than shareholders' equity					
Total changes during period	-	38	3,118	104	3,261
Balance at end of period	6,770	6,935	39,483	(3,937)	49,251

	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	803	11,345	(134)	12,014	6,314	64,319
Dividends of surplus						(784)
Profit attributable to owners of parent						3,902
Purchase of treasury shares						(0)
Disposal of treasury shares						104
Change in ownership interest of parent due to transactions with non-controlling interests						38
Net changes in items other than shareholders' equity	122	(396)	(121)	(395)	1,546	1,150
Total changes during period	122	(396)	(121)	(395)	1,546	4,412
Balance at end of period	925	10,949	(255)	11,619	7,861	68,731

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,658	7,677
Depreciation	3,197	3,192
Decrease (increase) in retirement benefit asset	(3)	234
Increase (decrease) in retirement benefit liability	22	8
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	(14)
Increase (decrease) in allowance for doubtful accounts	(79)	(49)
Increase (decrease) in provision for bonuses	100	71
Loss on retirement of property, plant and equipment	85	-
Loss (gain) on sale of property, plant and equipment	(707)	-
Borrowing fee	78	-
Impairment losses	-	49
Severance payments	488	-
Gain on reversal of asset retirement obligations	(133)	-
Interest and dividend income	(253)	(386)
Interest expenses	645	638
Foreign exchange losses (gains)	183	356
Decrease (increase) in trade receivables	1,279	(5,417)
Decrease (increase) in inventories	4,231	1,488
Increase (decrease) in trade payables	1,990	7,279
Decrease (increase) in accounts receivable - other	(801)	(614)
Increase (decrease) in accounts payable - other	(9)	(590)
Decrease (increase) in advance payments to suppliers	2,990	(480)
Other, net	(14)	2,972
Subtotal	17,950	16,415
Interest and dividends received	253	386
Interest paid	(645)	(638)
Severance payments	(488)	-
Income taxes paid	(1,672)	(1,536)
Income taxes refund	28	204
Net cash provided by (used in) operating activities	15,428	14,831

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of securities	(636)	(757)
Proceeds from redemption of securities	-	656
Purchase of investment securities	(150)	-
Proceeds from sale of investment securities	-	26
Purchase of property, plant and equipment	(4,761)	(3,623)
Proceeds from sale of property, plant and equipment	327	-
Purchase of intangible assets	(48)	(192)
Purchase of long-term prepaid expenses	(130)	(137)
Payments into time deposits	(3,142)	(1,659)
Proceeds from withdrawal of time deposits	-	4,857
Other, net	3	(13)
Net cash provided by (used in) investing activities	(8,539)	(844)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,750	-
Net increase (decrease) in short-term borrowings	(7,653)	(5,977)
Repayments of long-term borrowings	(493)	(2,306)
Dividends paid	(447)	(784)
Dividends paid to non-controlling interests	(150)	(169)
Borrowing fee	(78)	-
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(169)
Other, net	(366)	(476)
Net cash provided by (used in) financing activities	(4,440)	(9,884)
Effect of exchange rate change on cash and cash equivalents	938	(364)
Net increase (decrease) in cash and cash equivalents	3,387	3,737
Cash and cash equivalents at beginning of period	13,646	17,034
Cash and cash equivalents at end of period	17,034	20,771

**(5) Notes to the consolidated financial statements**

**(Notes on going concern assumption)**

Not applicable.

**(Changes in accounting policies)**

We have applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022), “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022), and “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the first quarter of the fiscal year under review. These changes had no impact on the quarterly consolidated financial statements.

**(Changes in presentation method)**

**(Consolidated statement of income)**

In the fiscal year ended March 31, 2024, “Subsidy income” was reported separately under “Non-operating income.” However, we have decided to include “Subsidy income” in “Miscellaneous income” from the fiscal year ended March 31, 2025, because the amount was insignificant. The consolidated financial statements for the previous fiscal year have been adjusted to reflect this change in presentation. As a result, the “Subsidy income” of 6 million yen, which was previously recorded as “Non-operating income” in the consolidated income statement for the previous fiscal year, has been reclassified as “Miscellaneous income” under “Non-operating income.”

**(Consolidated statement of cash flows)**

In the fiscal year ended March 31, 2024, “Subsidy income” and “Subsidies received” were reported separately under “Cash flows from operating activities.” However, we have decided to include “Subsidy income” and “Subsidies received” in “Other, net” under “Cash flows from operating activities” from the fiscal year ended March 31, 2025, because the amounts were insignificant. The consolidated financial statements for the previous fiscal year have been adjusted to reflect this change in presentation. As a result, in the consolidated cash flow statement for the previous fiscal year, “Subsidy income” of -6 million yen and “Subsidy received” of 6 million yen, which were previously reported under “Cash flows from operating activities,” have been reclassified to ‘Other’ under “Cash flows from operating activities.”



**(Notes on segment information, etc.)****Segment Information****1 Overview of Reporting Segments**

The Company's reporting segments are those of the Company's constituent units for which segregated financial information is available and is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Company identifies business segments based on factors such as business organization, product offerings, and similarity in sales markets, and has identified three reporting segments: "Speakers," "Mobile Audio," and "Other Business."

The Speaker segment manufactures and sells automotive speakers and systems, flat-screen TVs and speakers and systems, and audio speaker products.

The Mobile Audio segment manufactures and sells mobile audio products such as mobile phone headsets, headphones, small speakers, and vibration actuators. The Other segment manufactures and sells small acoustic components such as buzzers and sounders for alarm sounds, Fostex brand products, and provides logistics services.

**2. Method of calculating the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment**

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

Profit in the reporting segment is a figure based on operating income.

**3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment**

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in 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

Note 1 The adjustment amounts are as follows:

(1) The segment adjustment amount is the elimination of inter-segment transactions.

(2) The adjusted amount of 29,206 million yen in segment assets relates to company-wide assets that have not been allocated to each reporting segment.

2 The total amount of segment profit or loss (loss) is adjusted for operating income in the consolidated statements of income.

The current fiscal year (April 1, 2024 to March 31, 2025)

(in 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	114,521	12,893	10,192	137,607	-	137,607
Inter-segment sales or transfers	-	-	3,839	3,839	(3,839)	-
Total	114,521	12,893	14,031	141,446	(3,839)	137,607
Segment profit (loss)	6,362	641	(207)	6,796	-	6,796
Segment Assets	63,776	5,787	7,181	76,745	30,080	106,826
Other						
(1) Depreciation	2,683	268	241	3,192	-	3,192
(2) Impairment loss	49	-	-	49	-	49
(3) Investment in entities accounted for using equity method	-	-	148	148	-	148
(4) Increase in property, plant and equipment, and intangible assets	3,033	327	455	3,816	-	3,816

Note 1 The adjustment amounts are as follows:

(1) The segment adjustment amount is the elimination of inter-segment transactions.

(2) The 30,080 million yen adjustment for segment assets relates to company-wide assets that have not been allocated to each reporting segment.

2 The total amount of segment profit or loss (loss) is adjusted for operating income in the consolidated statements 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, 2024	Fiscal year ended March 31, 2025
Net assets per share	¥2,606.90	¥2,726.13
Earnings per share	¥103.70	¥174.98

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, 2024	Fiscal year ended March 31, 2025
Earnings per share		
Profit attributable to owners of parent (millions of yen)	2,304	3,902
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (millions of yen)	2,304	3,902
Average number of common shares outstanding for the year (shares)	22,227,254	22,302,827

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total net assets (millions of yen)	64,319	68,731
Amount to be deducted from total net assets (millions of yen)	6,314	7,861
Of which, non-controlling interests (millions of yen)	6,314	7,861
Year-end net assets relating to common shares (millions of yen)	58,004	60,870
Number of common shares at year-end used for calculating net assets per share (shares)	22,250,468	22,328,563

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 (162,497 shares at the end of the previous consolidated fiscal year, 84,336 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 (130,587 shares in the previous consolidated fiscal year, 110,102 shares in the fiscal year under review).

**(Important subsequent events)**

Not applicable.