

February 10, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: Foster Electric Company, Limited
 Listing: Tokyo Stock Exchange
 Securities code: 6794
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Nine months ended								
December 31, 2025	100,003	(3.4)	5,526	(1.7)	5,487	(5.6)	3,278	3.4
December 31, 2024	103,474	13.9	5,624	45.6	5,812	45.1	3,169	27.7

Note: Comprehensive income For the nine months ended December 31, 2025: ¥5,980 million [(3.9)%
 For the nine months ended December 31, 2024: ¥6,223 million [(4.4)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2025	146.49	-
December 31, 2024	142.15	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2025	109,901	72,895	58.7	2,870.35
March 31, 2025	106,826	68,731	57.0	2,726.13

Reference: Equity As of December 31, 2025: ¥64,490 million
 As of March 31, 2025: ¥60,870 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	20.00	-	40.00	60.00
Fiscal year ending March 31, 2026	-	35.00	-		
Fiscal year ending March 31, 2026 (Forecast)				40.00	75.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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)	7,000	3.0	6,500	(15.9)	4,200	7.6	188.06

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

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

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

As of December 31, 2025	2,532,193 shares
As of March 31, 2025	2,671,437 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	22,378,179 shares
Nine months ended December 31, 2024	22,294,404 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially 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 "Explanation of Forward-Looking Information on Consolidated Earnings Forecasts and Other Forward-Looking Information" on page 2 of the Appendix.

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1. Overview of operating results, etc.

(1) Operating results for the period under review

During the nine months ended December 31, 2025, the global economic outlook remained uncertain due to geopolitical risks, including the conflict in the Middle East, as well as policy changes in the U.S. and their impact on the real economy.

In the automotive market, the Foster Group's (the "Group") focus, U.S. tariff policy changes resulted in continued uncertainty, both through the direct impact of tariff burdens and the indirect impact on demand trends. Amid such circumstances, we worked to minimize the impact of tariffs through careful price negotiations with customers and flexible adjustments to our logistics. In April, we launched a new medium-term business plan, positioning the mobility-related and consumer-related businesses as our two core growth pillars. Under this plan, we began implementing initiatives aimed at driving further growth. In the core mobility-related business, we focused on expanding orders in the automotive sector by leveraging our long-standing expertise in quality car speakers and our stable, global supply system.

As a result, consolidated net sales in the nine months ended December 31, 2025 were ¥100,003 million (down 3.4% YoY), operating profit was ¥5,526 million (down 1.7% YoY), ordinary profit was ¥5,487 million (down 5.6% YoY), and profit attributable to owners of parent was ¥3,278 million (up 3.4% YoY).

Results by segment were as follows.

(Speaker Segment)

Although we promoted a sales strategy focused on branded and premium-level products, net sales amounted to ¥82,433 million (down 3.6% YoY), due to an anticipated decline in speaker sales to some Chinese automakers. On the profit front, although sales of some high-margin speakers increased, operating profit amounted to ¥4,632 million (down 9.3% YoY), reflecting the impact of the above decline in sales.

(Mobile Audio Segment)

Net sales were ¥9,660 million (down 7.6% YoY), as higher-than-expected shipments of consumer actuators, as well as earphones and earphone drivers for key customers, were offset by sluggish sales of car headphones and weaker sales to other customers. On the profit front, operating profit fell to ¥505 million (down 28.1% YoY) due to the decline in net sales.

(Other Segment)

In the Other segment, which includes micro acoustic components and FOSTEX brand products, net sales amounted to ¥7,910 million (up 4.8% YoY), driven by robust sales of speakers for acoustic vehicle alerting systems. On the profit front, operating profit improved to ¥387 million, with the segment turning a profit from a loss of ¥188 million in the same period of the previous fiscal year, supported by enhanced profitability resulting from structural reforms undertaken since prior periods.

(Note) Net sales by segment shown above reflect figures after the elimination of inter-segment transactions.

(2) Financial position for the period under review

As of December 31, 2025, total assets amounted to ¥109,901 million, up ¥3,075 million from their level on March 31, 2025, mainly due to capital investments. Owing chiefly to a decrease in accounts payable-trade, total liabilities were down ¥1,087 million to ¥37,006 million. Net assets came to ¥72,895 million, up ¥4,163 million, mainly as a result of increases in retained earnings and foreign currency translation adjustment. The equity ratio was 58.7% as of December 31, 2025, up 1.7 percentage points from March 31, 2025.

(Cash flows for the period under review)

Cash and cash equivalents as of December 31, 2025 totaled ¥19,210 million, down ¥1,561 million from the level on March 31, 2025, as a result of the cash flows described below.

(Operating activities)

Net cash provided by operating activities was ¥3,766 million, chiefly due to profit before income taxes.

(Investing activities)

Net cash used in investing activities totaled ¥3,805 million, mainly due to capital investments.

(Financing activities)

Net cash used in financing activities totaled ¥1,870 million, due to repayments of long-term borrowings and dividends paid.

(3) Explanation of forecast of consolidated financial results and other forward-looking information

Our full-year financial results forecast remains unchanged at this time.

2. Quarterly consolidated financial statements
(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	20,388	19,210
Notes and accounts receivable - trade	29,972	28,151
Electronically recorded monetary claims - operating	727	756
Securities	1,115	308
Finished goods	17,210	18,138
Raw materials	7,275	9,368
Work in process	1,304	1,667
Supplies	322	350
Accounts receivable - other	2,232	2,437
Advance payments to suppliers	833	572
Other	1,722	2,493
Allowance for doubtful accounts	(59)	(86)
Total current assets	83,045	83,369
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,327	7,781
Machinery, equipment and vehicles, net	5,578	6,910
Tools, furniture and fixtures, net	1,884	2,118
Land	3,384	3,545
Construction in progress	1,219	2,336
Total property, plant and equipment	19,394	22,691
Intangible assets		
Software	328	319
Other	140	137
Total intangible assets	469	457
Investments and other assets		
Investment securities	2,328	1,940
Long-term prepaid expenses	68	73
Retirement benefit asset	1,102	977
Deferred tax assets	228	217
Other	187	173
Total investments and other assets	3,916	3,382
Total non-current assets	23,780	26,531
Total assets	106,826	109,901

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,998	16,492
Short-term borrowings	4,902	5,969
Current portion of long-term borrowings	600	600
Accounts payable - other	2,518	3,276
Lease liabilities	485	453
Income taxes payable	1,270	832
Accrued expenses	3,144	3,037
Provision for bonuses	609	1,153
Other	1,357	1,443
Total current liabilities	33,886	33,258
Non-current liabilities		
Long-term borrowings	1,650	1,200
Deferred tax liabilities	775	749
Lease liabilities	933	1,067
Retirement benefit liability	122	140
Provision for retirement benefits for directors (and other officers)	12	14
Provision for share awards	144	20
Other	568	555
Total non-current liabilities	4,207	3,747
Total liabilities	38,094	37,006
Net assets		
Shareholders' equity		
Share capital	6,770	6,770
Capital surplus	6,935	7,036
Retained earnings	39,483	41,071
Treasury shares	(3,937)	(3,822)
Total shareholders' equity	49,251	51,055
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	925	911
Foreign currency translation adjustment	10,949	12,756
Remeasurements of defined benefit plans	(255)	(231)
Total accumulated other comprehensive income	11,619	13,435
Non-controlling interests	7,861	8,404
Total net assets	68,731	72,895
Total liabilities and net assets	106,826	109,901

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

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	103,474	100,003
Cost of sales	85,619	82,311
Gross profit	17,854	17,692
Selling, general and administrative expenses	12,230	12,166
Operating profit	5,624	5,526
Non-operating income		
Interest income	211	203
Dividend income	44	51
Foreign exchange gains	419	-
Miscellaneous income	268	202
Total non-operating income	942	457
Non-operating expenses		
Interest expenses	499	272
Foreign exchange losses	-	93
Share of loss of entities accounted for using equity method	1	39
Miscellaneous losses	254	90
Total non-operating expenses	754	496
Ordinary profit	5,812	5,487
Extraordinary income		
Gain on sale of investment securities	-	392
Total extraordinary income	-	392
Profit before income taxes	5,812	5,880
Income taxes - current	1,383	1,483
Income taxes for prior periods	(167)	-
Income taxes - deferred	66	(23)
Total income taxes	1,283	1,460
Profit	4,529	4,419
Profit attributable to non-controlling interests	1,360	1,141
Profit attributable to owners of parent	3,169	3,278

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	4,529	4,419
Other comprehensive income		
Valuation difference on available-for-sale securities	142	(14)
Foreign currency translation adjustment	1,539	1,538
Remeasurements of defined benefit plans, net of tax	11	36
Total other comprehensive income	1,693	1,561
Comprehensive income	6,223	5,980
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,803	5,094
Comprehensive income attributable to non-controlling interests	1,419	886

(3) Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,812	5,880
Depreciation	2,396	2,469
Decrease (increase) in retirement benefit asset	127	118
Increase (decrease) in retirement benefit liability	(1)	6
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(15)	1
Increase (decrease) in allowance for doubtful accounts	14	23
Increase (decrease) in provision for bonuses	520	518
Loss (gain) on sale of investment securities	-	(392)
Interest and dividend income	(255)	(255)
Interest expenses	499	272
Foreign exchange losses (gains)	132	81
Share of loss (profit) of entities accounted for using equity method	1	39
Decrease (increase) in trade receivables	(4,580)	2,233
Decrease (increase) in inventories	(137)	(2,234)
Increase (decrease) in trade payables	5,255	(2,733)
Decrease (increase) in accounts receivable - other	(382)	(212)
Increase (decrease) in accounts payable - other	(211)	649
Decrease (increase) in advance payments to suppliers	(1,092)	277
Other, net	1,377	(1,030)
Subtotal	9,459	5,712
Interest and dividends received	255	255
Interest paid	(499)	(272)
Income taxes paid	(1,215)	(1,928)
Income taxes refund	167	-
Net cash provided by (used in) operating activities	8,168	3,766

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from investing activities		
Purchase of securities	(542)	(304)
Proceeds from redemption of securities	660	712
Proceeds from sale of investment securities	-	719
Purchase of property, plant and equipment	(2,617)	(4,735)
Purchase of intangible assets	(120)	(59)
Purchase of long-term prepaid expenses	(108)	(114)
Payments into time deposits	(1,659)	-
Proceeds from withdrawal of time deposits	1,611	-
Other, net	(12)	(24)
Net cash provided by (used in) investing activities	(2,790)	(3,805)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(413)	930
Repayments of long-term borrowings	(581)	(450)
Dividends paid	(784)	(1,690)
Dividends paid to non-controlling interests	(169)	(283)
Purchase of treasury shares	(0)	(0)
Other, net	(349)	(377)
Net cash provided by (used in) financing activities	(2,298)	(1,870)
Effect of exchange rate change on cash and cash equivalents	321	348
Net increase (decrease) in cash and cash equivalents	3,400	(1,561)
Cash and cash equivalents at beginning of period	17,034	20,771
Cash and cash equivalents at end of period	20,434	19,210

(4) Notes to the quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Changes in presentation method)

(Consolidated statement of income [cumulative])

“Share of loss of entities accounted for using equity method,” which had been included in “Miscellaneous losses” under “Non-operating expenses” in the nine months ended December 31, 2024, has been presented separately under “Non-operating expenses” beginning with the six months ended September 30, 2025, as its monetary impact has increased. To reflect this change in presentation, the consolidated statement of income (cumulative) for the nine months ended December 31, 2024 has been adjusted accordingly. As a result, ¥1 million, which had been included in “Miscellaneous losses” under “Non-operating expenses” in the consolidated statement of income (cumulative) for the nine months ended December 31, 2024, has been reclassified as “Share of loss of entities accounted for using equity method” under “Non-operating expenses.”

(Consolidated statement of cash flows)

“Share of loss (profit) of entities accounted for using equity method,” which had been included in “Other, net” under “Cash flows from operating activities” in the nine months ended December 31, 2024, has been presented separately under “Cash flows from operating activities” beginning with the six months ended September 30, 2025, as its monetary impact has increased. To reflect this change in presentation, the consolidated financial statements (cumulative) for the nine months ended December 31, 2024 have been adjusted accordingly. As a result, ¥1 million, which had been included in “Other, net” under “Cash flows from operating activities” in the consolidated statement of cash flows (cumulative) for the nine months ended December 31, 2024, has been reclassified as “Share of loss (profit) of entities accounted for using equity method” under “Cash flows from operating activities.”

(Notes on segment information, etc.)

Segment Information

I. The nine months of the previous fiscal year (April 1, 2024 to December 31, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(Millions of yen)

	Reportable segments			Total	Adjustment (Note) 1	Amounts on consolidated financial statements (Note)2
	Speaker	Mobile audio	Other			
Net sales						
Sales to external customers	85,473	10,454	7,546	103,474	-	103,474
Inter-segment sales or transfers	-	-	3,019	3,019	(3,019)	-
Total	85,473	10,454	10,565	106,493	(3,019)	103,474
Segment profit (loss)	5,109	703	(188)	5,624	-	5,624

Note: 1 The amount of adjustment for segment profit or loss (loss) is the elimination of inter-segment transactions.

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

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

II. The nine months of the current fiscal year (April 1, 2025 to December 31, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Millions of yen)

	Reportable segments			Total	Adjustment (Note) 1	Amounts on consolidated financial statements (Note)2
	Speaker	Mobile audio	Other			
Net sales						
Sales to external customers	82,433	9,660	7,910	100,003	-	100,003
Inter-segment sales or transfers	-	-	2,591	2,591	(2,591)	-
Total	82,433	9,660	10,502	102,595	(2,591)	100,003
Segment Profit	4,632	505	387	5,526	-	5,526

Note 1 The amount of segment profit adjustment is the elimination of inter-segment transactions.

2 The total amount of segment profit is adjusted to operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.