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**Announcement on Recording of Extraordinary Loss (Impairment Loss)
 and Differences between Consolidated Financial Results Forecast and Actual Results
 for the Fiscal Year Ended March 31, 2021**

Foster Electric Company, Limited (hereinafter “the Company”) announces that it has posted an extraordinary loss to recognize an impairment loss on non-current assets in the fourth quarter of the fiscal year ended March 31, 2021. The Company also announces the differences between its consolidated financial results forecast (disclosed on February 1, 2021) and actual results for the fiscal year ended March 31, 2021.

1. Overview of extraordinary loss

The Foster Group (hereinafter “the Group”) manufactures speakers in Myanmar through Foster Electric (Thilawa) Co., Ltd., a second-tier subsidiary of the Company. However, the political turmoil that occurred in Myanmar in February 2021 has increased the uncertainty surrounding future business operations in the country. The Company has consequently examined the recoverability of the non-current assets held by the second-tier subsidiary, and posted a ¥916 million impairment loss as an extraordinary loss.

2. Differences between consolidated financial results forecast and actual results for the fiscal year ended March 31, 2021 (April 1, 2020–March 31, 2021)

(1) Overview of differences

(Millions of yen unless otherwise stated)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	85,000	50	200	(2,500)	(110.16) yen
Actual result (B)	85,220	0.7	219	(3,363)	(148.47) yen
Difference (B) – (A)	220	(49.3)	19	(863)	-
Percent difference	0.3%	(98.6)%	9.5%	-	-
(Reference) Results in the previous fiscal year (ended March 31, 2020)	107,298	2,064	2,599	1,565	69.15 yen

(2) Reasons for the differences

Net sales, operating income, and ordinary income were largely in line with the previously announced forecast. However, due to the abovementioned recording of extraordinary loss, net income attributable to owners of the parent finished the year below the previous forecast.