

October 31, 2022

## Notice Regarding Establishment of a Subsidiary in Hungary

At the board of directors meeting held on October 31, 2022, Foster Electric Company, Limited decided to establish a subsidiary in Hungary as follows.

## 1. Purpose of establishing a subsidiary

The automotive-related market, our major market, has been affected by the global shortage of semiconductors and supply chain disruptions, making it important to establish a stable product supply system. We decided to establish a production base in Hungary in order to build our stable global product supply system for our major clients in the region. This measure also aims to reduce CO2 emissions in logistics.

## 2. Outline of the company to be established

(1)	Name	FOSTER ELECTRIC HUNGARY Kft.
(2)	Address	Holland Faszor 6/a, H-8000, Székesfehérvár, Hungary (planned)
(3)	Representative	Yohei Tomita (Managing Director)
(4)	Business	Manufacture and sales of loudspeakers and related component
(5)	Capital	EUR 3 million
(6)	Capital contribution	100% investment from FOSTER ELECTRIC (Europe) GmbH
(7)	Date of Establishment	December 2022 (planned)
(8)	Start of mass production	October 2024 (planned)
(9)	Production volume	100,000 units per month
(10)	Number of employees	70 (planned for mass production)
(11)	Fiscal month	March
(12)	Factory scale	2,120 m <sup>2</sup> (building lease)

Note: Under the assumption that all necessary regulatory approvals will have been obtained by then.

## 3. Impact on our business performance

The impact on the current year's results is not expected to be material.

(END)