

November 14, 2022

**Announcement on Revisions to Full-Year Consolidated Financial Results Forecast
and Year-End Dividend Forecast**

In light of recent trends in earnings performance, Foster Electric Company, Limited (hereinafter “the Company”) announces the following revisions to the full-year consolidated financial results forecast released on May 16, 2022 in the “Consolidated Financial Results for the Year Ended March 31, 2022.” The Company also announces the following revision to the year-end dividend forecast, which was previously left undecided.

Revisions to the full-year financial results forecast

1. Revisions to the forecast of consolidated financial results for the year ending March 31, 2023
(April 1, 2022–March 31, 2023)

(Millions of yen unless otherwise stated)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	100,000	500	500	300	13.52 yen
Revised forecast (B)	120,000	2,000	2,000	1,500	67.60 yen
Change (B)-(A)	20,000	1,500	1,500	1,200	
Percentage change (%)	20.0	300.0	300.0	400.0	
(Reference) Results in the previous year (ended March 31, 2022)	91,106	(7,757)	(7,473)	(7,017)	(315.53) yen

2. Reasons for the revisions

In terms of net sales, the Company initially made a conservative estimate on the shipment volume of car speakers at the beginning of the fiscal year, given the severe supply-and-demand environment in the automotive market chiefly due to shortage of semiconductors, prolonged conflict in Ukraine, and slowdown in global economy. However, the Company revised the net sales forecast taking into account its latest shipment volume projection that exceeds initial plan, as well as the impact of sharp yen depreciation.

On the profit front, in addition to the year-on-year increase in net sales, costs associated with international freights are expected to come in lower than initially planned. Furthermore, the Company made progress in price pass-through thanks to the understanding of many customers, and expects much of this to be reflected in the earnings performance during the second half of the fiscal year. Accordingly,

the Company revised the forecast for operating profit and ordinary profit. The revision in profit attributable to owners of parent factors in the expected recording of extraordinary gains and losses.

The exchange rate assumptions for the second half of the fiscal year were revised from 125 yen to 145 yen per US dollar and 135 yen to 140 yen per euro.

Revision to the dividend forecast

1. Details of revisions to year-end dividend

	Dividend per share (yen)		
	End of 2nd quarter	Year-end	Total
Previous forecast (announced May 16, 2022)		Undecided	Undecided
Revised forecast		10.00	20.00
Results in the current fiscal year	10.00		
Results in the previous year (ended March 31, 2022)	10.00	0.00	10.00

2. Reasons for the revision

The Company's fundamental policy is to improve comprehensive shareholder returns while pursuing sustainable growth of enterprise value as a corporate challenge, and keeping the balance between profit distribution based on performance results and financial sustainability based on a long-term perspective.

The Company initially left the year-end dividend forecast undecided in consideration of the business environment and performance outlook, which remained uncertain and unstable. However, in accordance with the above-mentioned policy and the revisions of financial results forecast herein, the dividend forecast was revised to an annual total of ¥20.00 per share including ¥10.00 as interim dividend at the end of the second quarter.

[Note] Considerations regarding the financial results forecast

The financial results forecast described above is calculated based on currently available information, which consists of numerous uncertainties. Please be advised that actual results may vary from the above-mentioned forecast or estimates depending on changes in circumstances or various other factors.