

For the **89**<sup>th</sup> Fiscal Year**BUSINESS  
REPORT**From April 1, 2022 to September 30, 2022  
(Interim Period)**Foster Electric Company, Limited**

Code Number: 6794

*Sound to Life*<https://www.foster-electric.com/investors/>

Foster Electric IR

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**To our shareholders**

Foster aims to become a new-age company that is loved throughout society.

During the six months ended September 30, 2022, the impact of COVID-19 on the global economy gradually subsided, but the outlook for the global economy became increasingly uncertain due to factors such as soaring international commodity prices owing to Russia's prolonged invasion of Ukraine, turmoil in financial, capital, and foreign exchange markets caused by accelerating inflation in developed countries and rapid interest rate hikes in the US and Europe, and the soft Chinese economy.

In the automotive business, the Foster Group (the "Group") strengthened proposal activities to target customers and secured orders for roughly 90% of the orders it aims to achieve upon completion of the medium-term business plan. We also worked closely with car manufacturers to improve the precision of demand forecasts and maintain an optimal production system. Amid soaring prices for raw materials, components, and international freight rates, we strove to improve profitability by continuously promoting cost improvement and fixed cost reductions, as well as by passing on higher costs to prices with the understanding of many of our customers.

Despite the increasingly difficult operating environment, the Group will make every effort to strengthen its corporate system and fundamentally reform the cost structure, while shifting its focus to the automotive business and pushing ahead on the development of new businesses and products. In accordance with its philosophy of embracing perpetual change, the Group will continue to conduct ESG management as it steadily moves forward with its efforts to become a new-age company that is trusted and loved throughout society and the market.

We modestly request your continued support as we move forward.

December 2022

**Atsushi Narikawa**  
CEO

## Foster Shares “FOSTER STORIES” on Corporate Website

Listen to the colorful sounds of Foster.

The Foster Group, a specialist in acoustic solutions with over 70 years of history, has many great stories to tell you that have been woven through the years. All these stories are colored by a rich variety of sounds and tones you can hear at Foster in the daily work environment. FOSTER STORIES lets you experience some of these stories, filled with challenges and spirits of Foster employees in their pursuit of acoustic solutions. Foster invites you to explore FOSTER STORIES from the link below.



The following link will take you to a section of the Foster Stories website (in Japanese only).  
<https://www.foster.co.jp/stories/>



### Financial Highlights Consolidated Performance for the Six Months Ended September 30, 2022

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
<b>¥58,385</b> million (up 32.8% y-o-y)	<b>¥351</b> million (¥1,568) million in the same period of previous FY	<b>¥404</b> million (¥1,433) million in the same period of previous FY	<b>¥(249)</b> million (¥2,093) million in the same period of previous FY

Net assets	Total assets	Earnings per share	Net assets per share	Equity ratio
<b>¥57,494</b> million (¥51,632 million at the end of previous FY)	<b>¥103,441</b> million (¥86,148 million at the end of previous FY)	<b>¥(11.25)</b> (¥(94.08) in the same period of previous FY)	<b>¥2,370.76</b> (¥2,125.72 at the end of previous FY)	<b>50.8%</b> (54.7% at the end of previous FY)

# FOSTEX TOPICS

## Our 4-Channel Speaker System Was Installed in the Newly Opened “Dining Lab” at University of Tokyo’s Komaba II Campus Dining Hall



This 4-channel speaker system is a 3D acoustic system that integrates four speakers capable of reproducing different sound sources in four different directions from the center of the room, allowing you to hear different sounds depending on where you listen, as if you were walking through a forest where you could hear birds chirping closer or the murmur of a river farther away.

Our 4-channel speaker system has been installed in the newly opened “Dining Lab” in the Dining Hall of the University of Tokyo’s Komaba II Campus.

The “Dining Lab” is expected to be used not only as a cafeteria but also for various research activities and communication. We hope that the acoustic space created by FOSTEX will facilitate these activities.

# PRODUCTS

### Horn Super Tweeter

### T96A-SA



Horn super tweeter developed with an emphasis on combination with small-diameter, full-range speakers based on the T96A horn tweeter.

Standard price: ¥41,800 (tax included) / 1 unit

### Personal Amplifier

### AP25



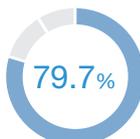
Compact personal amplifier equipped with a digital amplifier with a maximum output of 25W + 25W. Comes with a pre-out jack that allows the connection to an active sub-woofer or power amplifier.

Standard price: Open price

## Overview by Segment (Consolidated)

### Speaker Segment

Net sales ¥47,641 million



Net sales increased due to higher shipment volumes of car speakers and the effect of the weaker yen.



### Mobile Audio Segment

Net sales ¥6,841 million



Although shipments of new actuators were favorable, net sales declined as sales of headsets bundled with smartphones are coming to an end.



### Other Segment

Net sales ¥5,286 million



In the Other Segment, which includes FOSTEX brand products, net sales increased because the micro acoustic components business remained strong as automobile sales recovered.

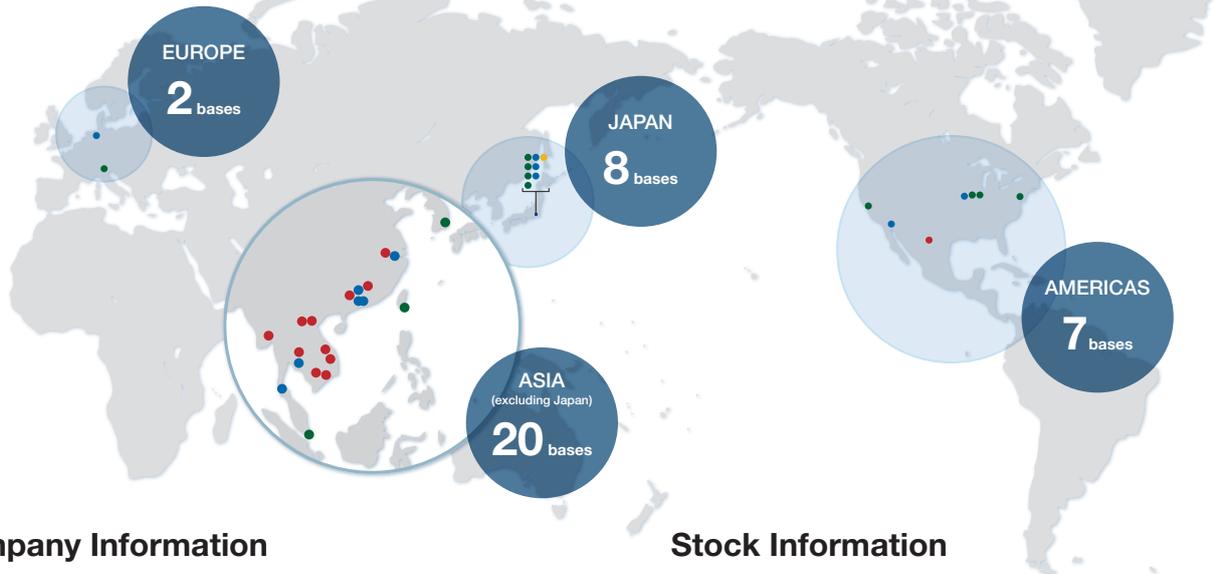


Note: The figures above include intersegment sales.

## Group Companies

The Group operates 37 bases in 12 countries and regions worldwide as bases for development, manufacturing, and sales activities. We have established a sophisticated production system integrating processes from components manufacturing to finished goods manufacturing.

● Sales/Development bases ● Sales bases ● Manufacturing bases ● Others



## Company Information

### Company Profile (As of September 30, 2022)

Company Name:	Foster Electric Company, Limited
Founded:	June 20, 1949
Common Stock:	¥6,770,360,135 Listed on the Prime Market of the Tokyo Stock Exchange
Headquarters:	1-1-109, Tsutsujigaoka, Akishima City, Tokyo, 196-8550, Japan Phone: +81-42-546-2311 (switchboard)
Number of employees:	16,078 (includes our outsourcee in Panyu, China)
URL:	<a href="https://www.foster-electric.com">https://www.foster-electric.com</a>

### Directors and Corporate Auditors (As of September 30, 2022)

Director and Chairperson:	Hiromi Yoshizawa	Senior Executive Officer:	Hidetoshi Shirakawa
CEO:	Atsushi Narikawa	Senior Executive Officer:	Tatsuhito Tanaka
Senior Managing Director:	Lu San Tie	Senior Executive Officer:	Yasuhide Takahara
Managing Director:	Kazuhiro Kishi	CFO, Senior Executive Officer:	Akihito Mochizuki
Director:	Hiroki Miura	Senior Executive Officer:	Naoki Kanai
Independent Director:	Minoru Matsumoto	Senior Executive Officer:	Hiroyuki Asada
Independent Director:	Yasuhiro Goto	Executive Officer:	Yuji Sakuta
Independent Director:	Kaoru Chujo	Executive Officer:	Nguyen Quan Hoang
Standing Corporate Auditor (Independent):	Satoko Kimoto	Executive Officer:	Tan GuiHai
Corporate Auditor:	Tsutomu Inokuma	Executive Officer:	Wong Wing Chung
Independent Corporate Auditor:	Takashi Suzuki		
Independent Corporate Auditor:	Aiko Oue		

## Stock Information

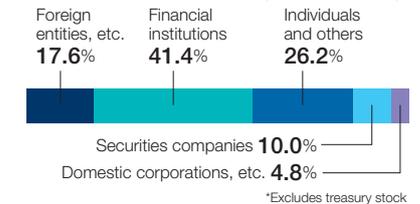
### Status of Shares (As of September 30, 2022)

Total number of shares authorized to be issued by the Company:  
**80,000,000 shares**

Total number of shares issued:  
**25,000,000 shares**

Number of shareholders:  
**7,950**

### Distribution of Shareholders by Shareholder Type



### Major Shareholders

Shareholder's Name	Number of Shares Held (Thousands)	Ratio of Shares Held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	4,828	21.60
Custody Bank of Japan, Ltd. (trust account)	1,458	6.52
JPMorgan Securities Japan Co., Ltd.	1,388	6.21
Mizuho Bank, Ltd.	1,016	4.54
MUFG Bank, Ltd.	945	4.23
MSIP CLIENT SECURITIES	426	1.90
Mizuho Trust & Banking Co., Ltd.	405	1.81
Morgan Stanley MUFG Securities Co., Ltd.	375	1.67
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	333	1.49
Chiyoda Integre Co., Ltd.	240	1.07

Treasury stock (2,649,424 shares) is excluded for the calculation of "Ratio of Shares Held."

## Information for Shareholders

Fiscal Year:	From April 1 to March 31 of each year
Ordinary General Meeting of Shareholders:	June of each year
Record Date	Ordinary General Meeting of Shareholders: March 31 Year-end dividends: March 31 Interim dividends: September 30
Number of Unit ("tangen") Shares:	100
Transfer Agent:	Stock Transfer Agency Department, Head Office of Mizuho Trust & Banking Co., Ltd.
Transfer Agent Branch:	1-3-3, Marunouchi, Chiyoda-ku, Tokyo

### Inquiries for Handling of Stocks

<b>Shareholders who have an account at a securities company</b>	The securities company with which you have a business connection
<b>Shareholders who have a special account</b> *No share transactions other than the purchase of odd-lot shares (less than one "tangen" unit) are allowed.	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 2-8-4, Izumi, Suginami-ku, Tokyo, 168-8507, Japan <b>Tel: 0120-288-324 (toll-free telephone service in Japan)</b>
<b>Payment of unpaid dividends</b>	Head office and branches nationwide of Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.

## Notice

### Inquiries about the electronic system for providing materials for the General Meeting of Shareholders (requests for delivery of paper-based materials)

Please contact your brokerage firm or the dedicated Mizuho Trust & Banking phone number below.

**Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.**

**Dedicated phone number for electronic provision of materials**

**0120-524-324** (9:00-17:00 except Saturdays, Sundays, and holidays)

Please also see the FAQ (in Japanese only).

[https://contact.www.mizuho-tb.co.jp/category/show/72?site\\_domain=daikou](https://contact.www.mizuho-tb.co.jp/category/show/72?site_domain=daikou)

