

March 30, 2023

Announcement Concerning Transfer of Non-current Assets, Postponement of Projected Booking of Extraordinary Income on the Sale of Non-current Assets, and Revisions to Full-Year Consolidated Financial Results Forecast

Foster Electric Company, Limited (hereinafter “the Company”) previously announced on November 21, 2022 that it would transfer its Nanning plant* in an effort to effectively utilize its management resources and indicated that it would record extraordinary income on the sale of non-current assets for the fiscal year ending March 31, 2023.

Following this announcement, the Company has conducted procedures associated with the Nanning plant’s transfer, but Chinese authorities have yet to approve the transferee’s acquisition of the plant. Consequently, the Company has become unable to record gains on the sale of this plant (gains on the sale of non-current assets) for the fiscal year ending March 31, 2023 and has accordingly revised its full-year consolidated financial results forecast as indicated below.

Moving forward, the Company will continue to cooperate with the transferee to complete all procedures associated with this transfer and will promptly disclose any pertinent information that happens to arise during this process.

*Official name: Foster Electric Co., (Nanning) Ltd.

Revisions to the full-year consolidated 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)	120,000	2,000	2,000	1,500	67.60 yen
Revised forecast (B)	120,000	2,100	2,100	700	31.54 yen
Change (B)-(A)	0	100	100	(800)	
Percentage change (%)	0.0	5.0	5.0	(53.3)	
(Reference) Results in the previous year (ended March 31, 2022)	91,106	(7,757)	(7,473)	(7,017)	(315.53) yen

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2. Reasons for the revisions

The Company expects that net sales will be generally commensurate with projections, while operating and ordinary profit will be slightly higher than forecast. However, as indicated above, the Company has lowered its forecast for profit attributable to owners of parent because it will be unable to record gains on the sale of non-current assets for the current fiscal year as previously anticipated.

[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.