

Financial Results Briefing for the First Half of the Fiscal Year Ending March 31, 2021

Foster Electric Company, Limited
(Stock code: 6794, First Section, Tokyo Stock Exchange)
November 18, 2020

I. Overview of Financial Results for the First Half of the Fiscal Year Ending March 31, 2021	P. 2
II. Summary of the First Half and Forecasts for Fiscal Year Ending March 31, 2021	P. 12
III. Medium-Term Business Plan	P. 17
IV. Reference Materials	P. 31

I. Overview of Financial Results for the First Half of the Fiscal year Ending March 31, 2021

1H FY03/21 Results

FOSTER

(Millions of yen)

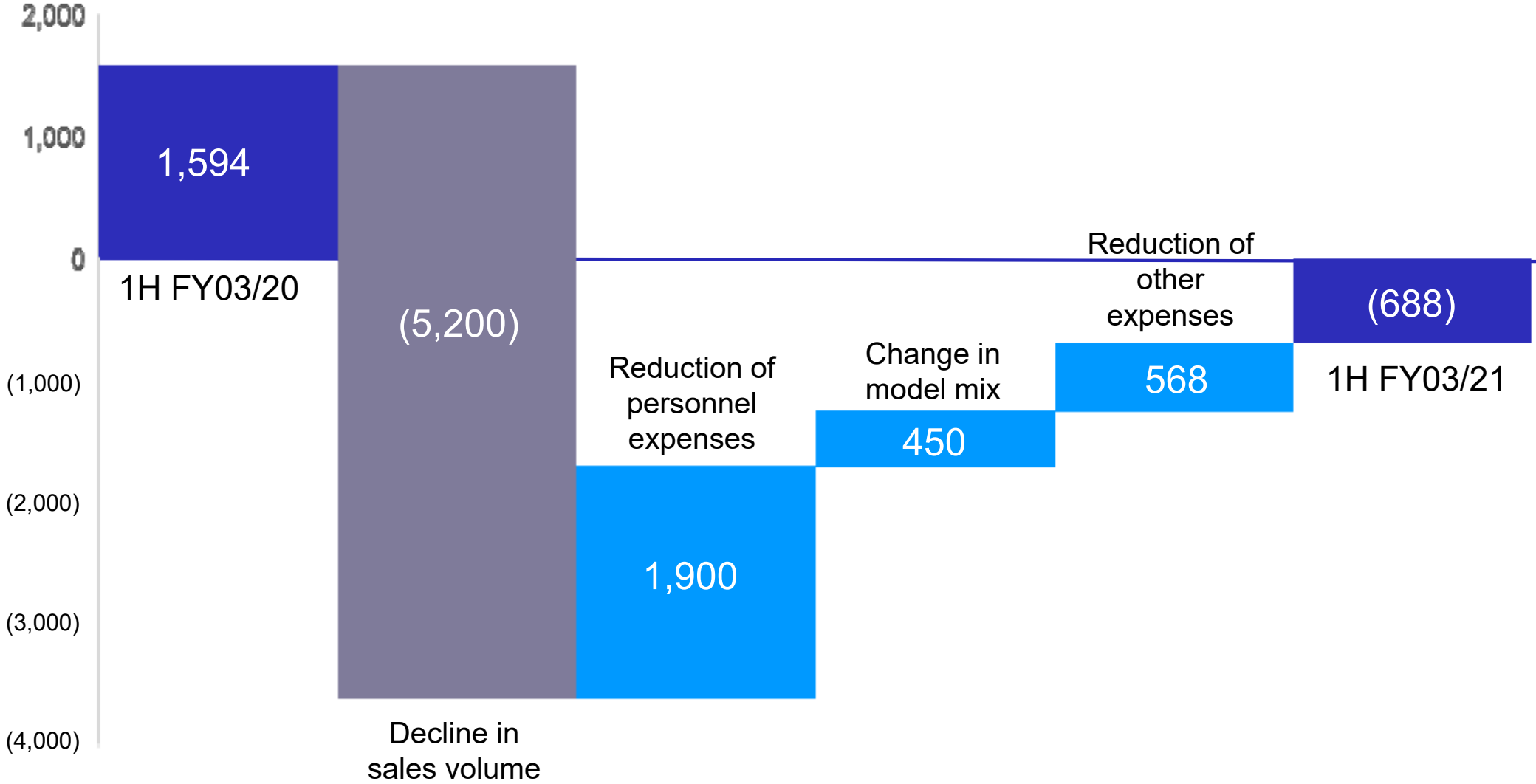
	1H FY03/20	1H FY03/21 (Actual)		
			Amount of change (YoY)	Percentage change (YoY)
Net sales	55,277	39,528	(15,749)	(28.5%)
Operating income (loss)	1,594	(688)	(2,282)	—
<i>Operating income (loss) to net sales</i>	<i>2.9%</i>	<i>(1.7%)</i>		
Ordinary income (loss)	1,668	(488)	(2,156)	—
<i>Ordinary income (loss) to net sales</i>	<i>3.0%</i>	<i>(1.2%)</i>		
Net income (loss)*	2,090	(829)	(2,919)	—
<i>Net income (loss) to net sales**</i>	<i>3.8%</i>	<i>(2.1%)</i>		
Dividends per share (in exact yen)	20.00	10.00	(10.00)	(50.0%)
Exchange rates	108.68 yen/USD	106.33 yen/USD		
	120.90 yen/EUR	121.65 yen/EUR		

*Net income (loss) attributable to owners of the parent. **Net income (loss) to net sales attributable to owners of the parent.

Breakdown of YoY Change in Operating Income



(Millions of yen)



Segment Performance

FOSTER

(Millions of yen)

		1H FY03/20	Composition ratio	1H FY03/21	Composition ratio	Percentage change (YoY)
Net sales		55,277		39,528		(28.5%)
Operating income		1,594		(688)		—
<i>Income ratio</i>		2.9%		(1.7%)		
Speaker	Sales	32,631	59.0%	23,892	60.3%	(26.8%)
	Operating income	1,754	—	(584)	—	—
	<i>Income ratio</i>	5.4%		(2.4%)		
Mobile Audio	Sales	19,603	35.4%	12,593	31.8%	(35.8%)
	Operating income	(170)	—	5	—	—
	<i>Income ratio</i>	(0.9%)		0.0%		
Other	Sales	3,107	5.6%	3,176	7.9%	2.2%
	Operating income	10	—	(109)	—	—
	<i>Income ratio</i>	0.3%		(3.4%)		

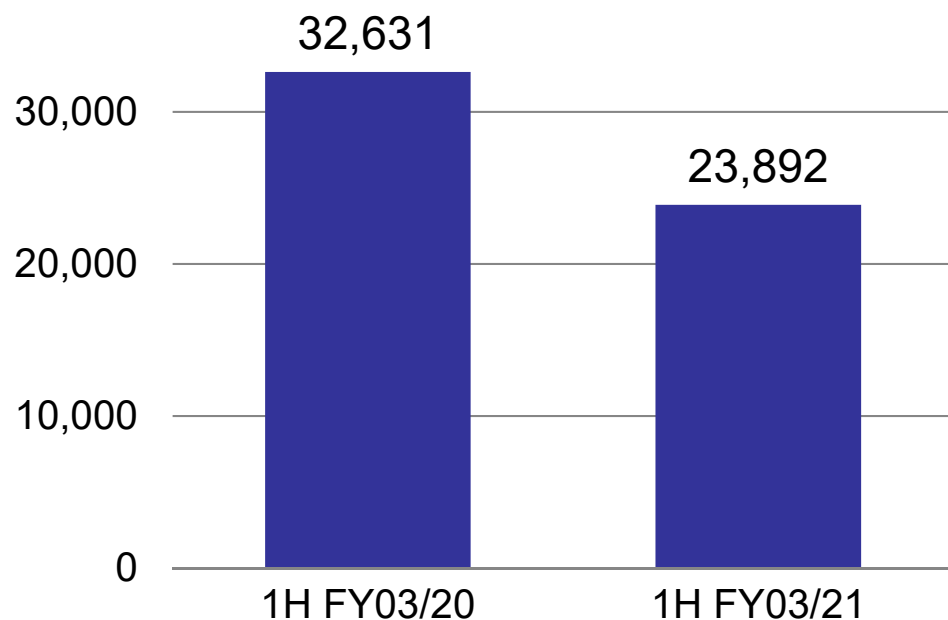
Segment sales and operating income declined YoY.

- Shipments and sales of car speakers and speaker systems declined due to COVID-19. In the second quarter, demand began to recover but has not been restored completely.

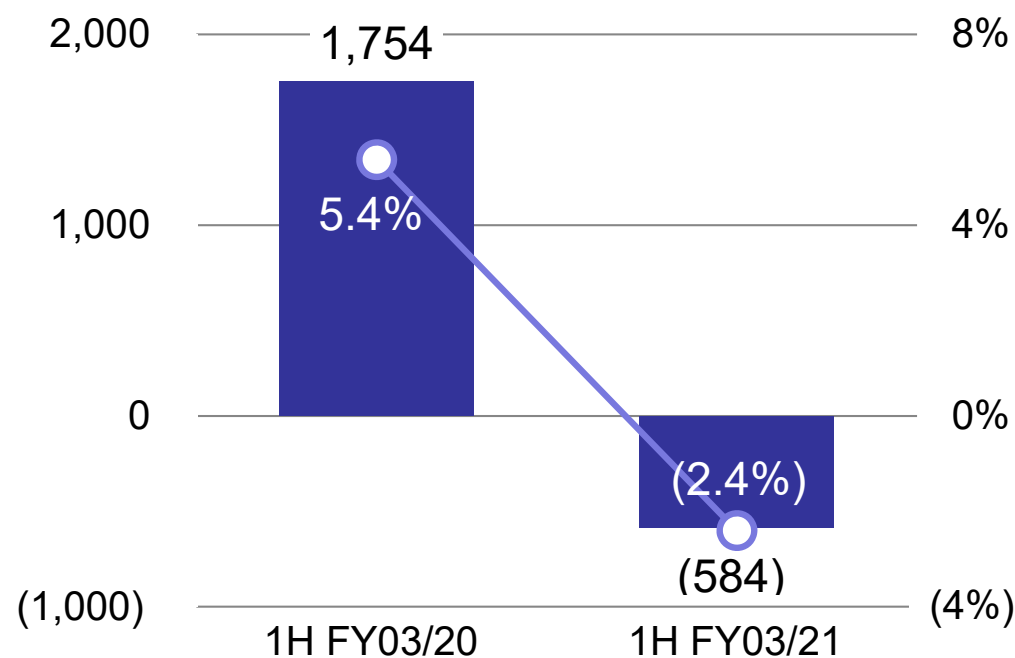
(Millions of yen)

		1H FY03/20	1H FY03/21	Composition ratio	Percentage change (YoY)
Speaker	Sales	32,631	23,892	60.3%	(26.8%)
	Operating income	1,754	(584)	—	—
	<i>Income ratio</i>	5.4%	(2.4%)		

Sales
(Millions of yen)



Operating income and income ratio
(Millions of yen)



Segment sales declined, but operating income improved.

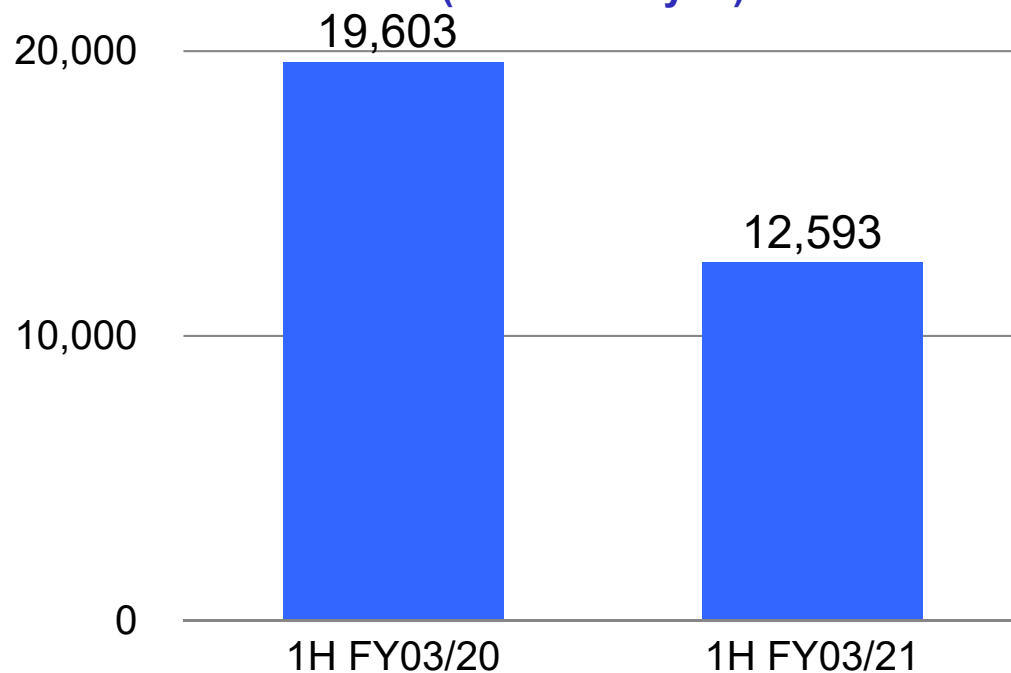
- Sales volume of headsets for a major customer continued to decline, but operating income improved as a result of the effects of rationalization measures.

(Millions of yen)

		1H FY03/20	1H FY03/21	Composition ratio	Percentage change (YoY)
Mobile Audio	Sales	19,603	12,593	31.8%	(35.8%)
	Operating income	(170)	5	—	—
	<i>Income ratio</i>	<i>(0.9%)</i>	<i>0.0%</i>		

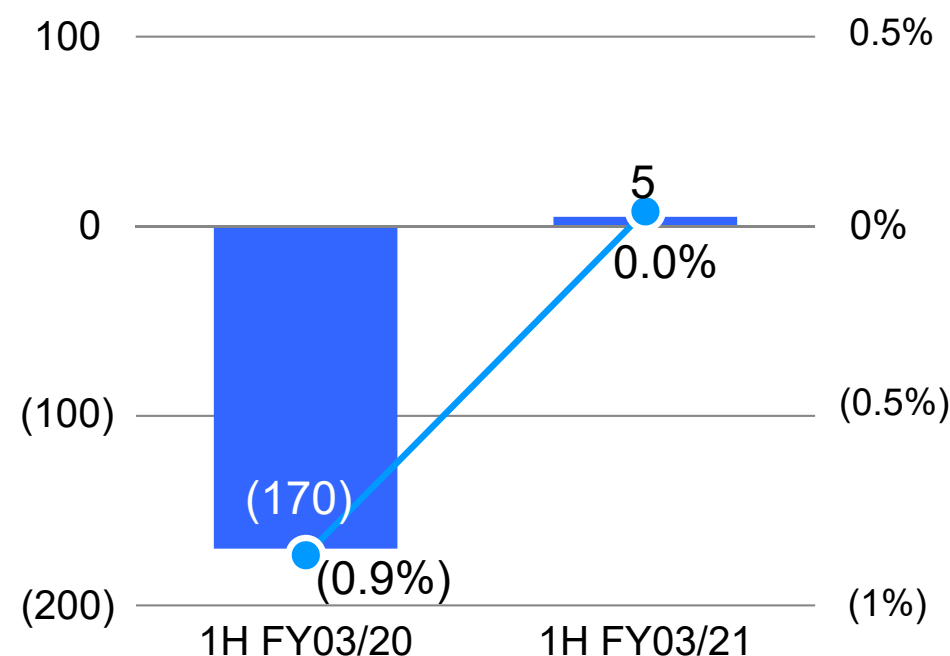
Sales

(Millions of yen)



Operating income and income ratio

(Millions of yen)



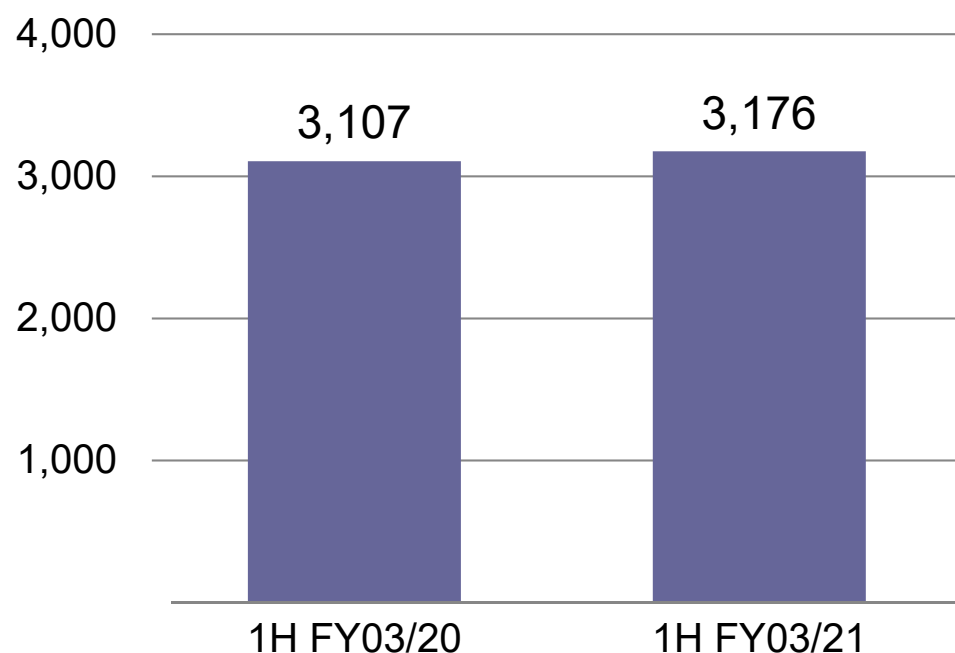
Segment sales increased, but operating income declined YoY.

➤ Core products of the segment include micro-acoustic components and FOSTEX brand products.

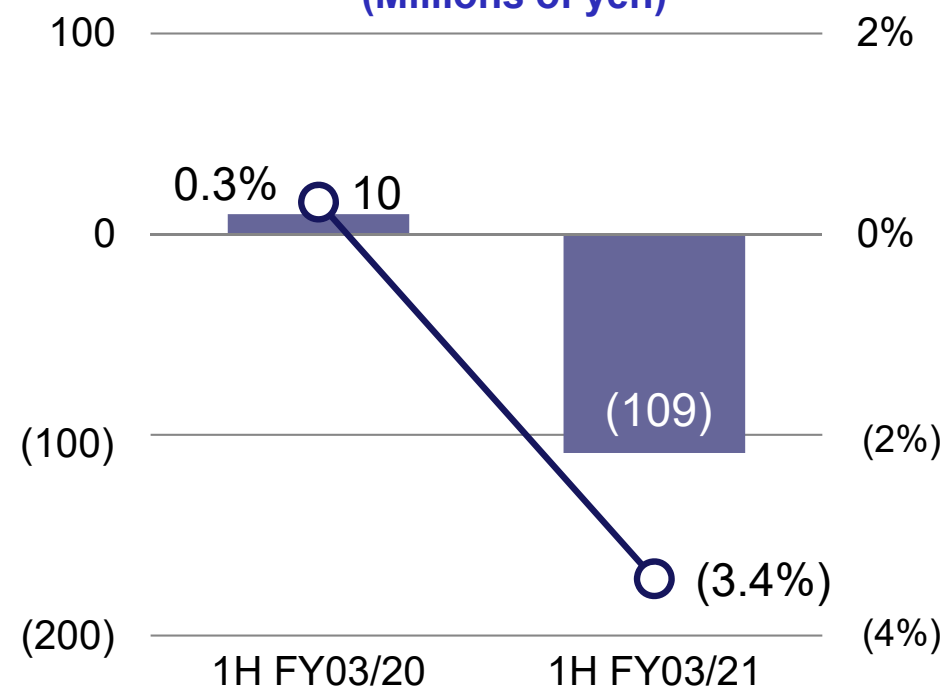
(Millions of yen)

		1H FY03/20	1H FY03/21	Composition ratio	Percentage change (YoY)
Other	Sales	3,107	3,176	7.9%	2.2%
	Operating income	10	(109)	—	—
	Income ratio	0.3%	(3.4%)		

Sales
(Millions of yen)



Operating income and income ratio
(Millions of yen)



Consolidated Balance Sheet

FOSTER

Equity ratio as of September 30, 2020 was 68.9% (66.5% as of March 31, 2020).

	End-FY03/20	End-1H FY03/21	Amount of change
			(Millions of yen)
Current assets	59,952	55,396	(4,556)
Cash and deposits	14,770	21,401	6,631
Notes and accounts receivable – trade	15,145	16,018	873
Inventories	17,622	14,578	(3,044)
Other	12,415	3,399	(9,016)
Non-current assets	20,872	20,160	(712)
Property, plant and equipment	17,980	17,312	(668)
Intangible assets	217	198	(19)
Investments and other assets	2,675	2,649	(26)
Total assets	80,825	75,556	(5,269)
Current liabilities	17,783	15,623	(2,160)
Notes and accounts payable – trade	7,390	6,296	(1,094)
Short-term bank loans	2,138	2,108	(30)
Current portion of long-term debt	1,766	1,561	(205)
Other	6,489	5,658	(831)
Non-current liabilities	4,047	2,916	(1,131)
Long-term debt	2,637	1,606	(1,031)
Other	1,410	1,310	(100)
Net assets	58,995	57,015	(1,980)
Shareholders' equity	55,335	54,169	(1,166)
Total accumulated other comprehensive income	(1,563)	(2,132)	(569)
Non-controlling interests	5,224	4,978	(246)
Total liabilities and net assets	80,825	75,556	(5,269)

Statement of Cash Flows

FOSTER

Free cash flow for 1H FY03/21 was -280 million yen.

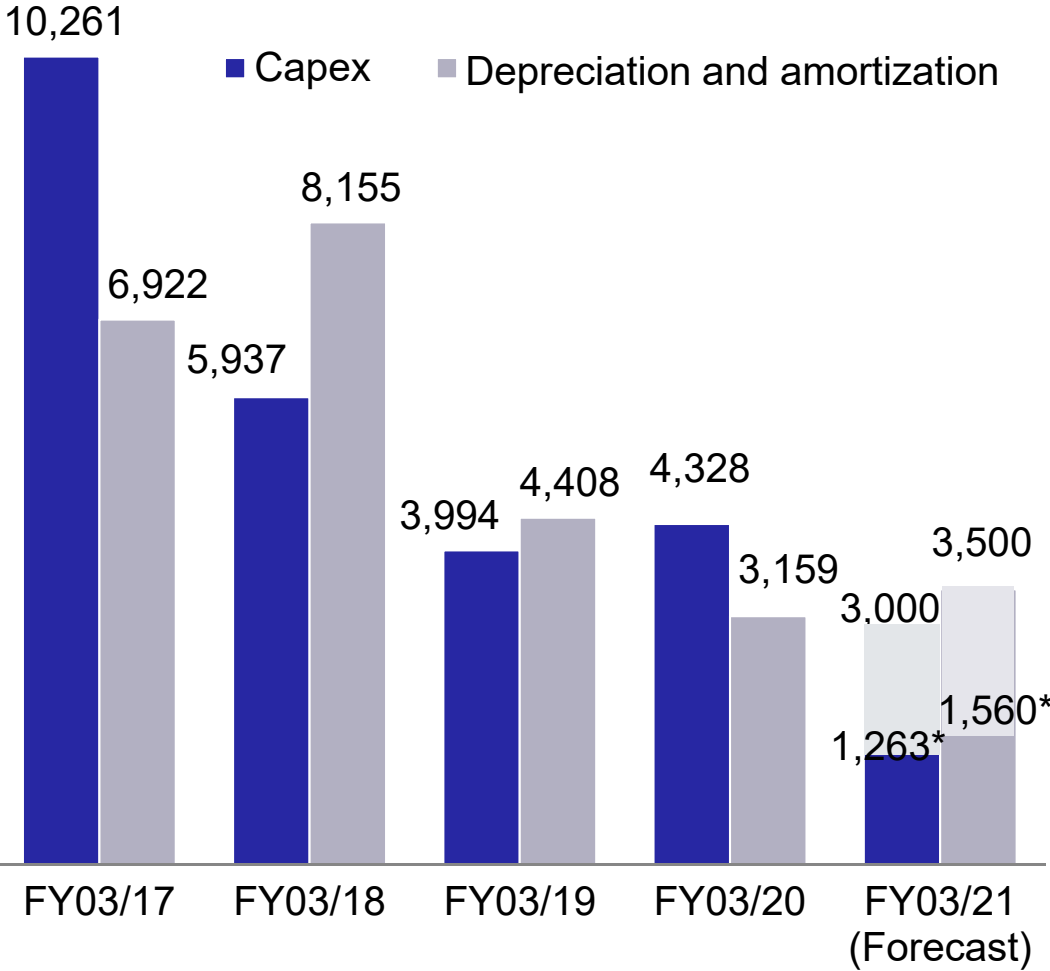
(Millions of yen)

	1H FY03/20	1H FY03/21	Amount of change
Operating activities	3,248	1,317	(1,931)
Investing activities	1,172	(1,597)	(2,769)
Free cash flow*	4,420	(280)	(4,700)
Financing activities	(3,331)	(1,695)	1,636
Net increase (decrease) in cash and cash equivalents	590	(2,391)	(2,981)
Cash and cash equivalents at the end of the period	22,114	21,539	(575)

*Free cash flow = Cash flow from operating activities + cash flow from investing activities

Capex, depreciation and amortization

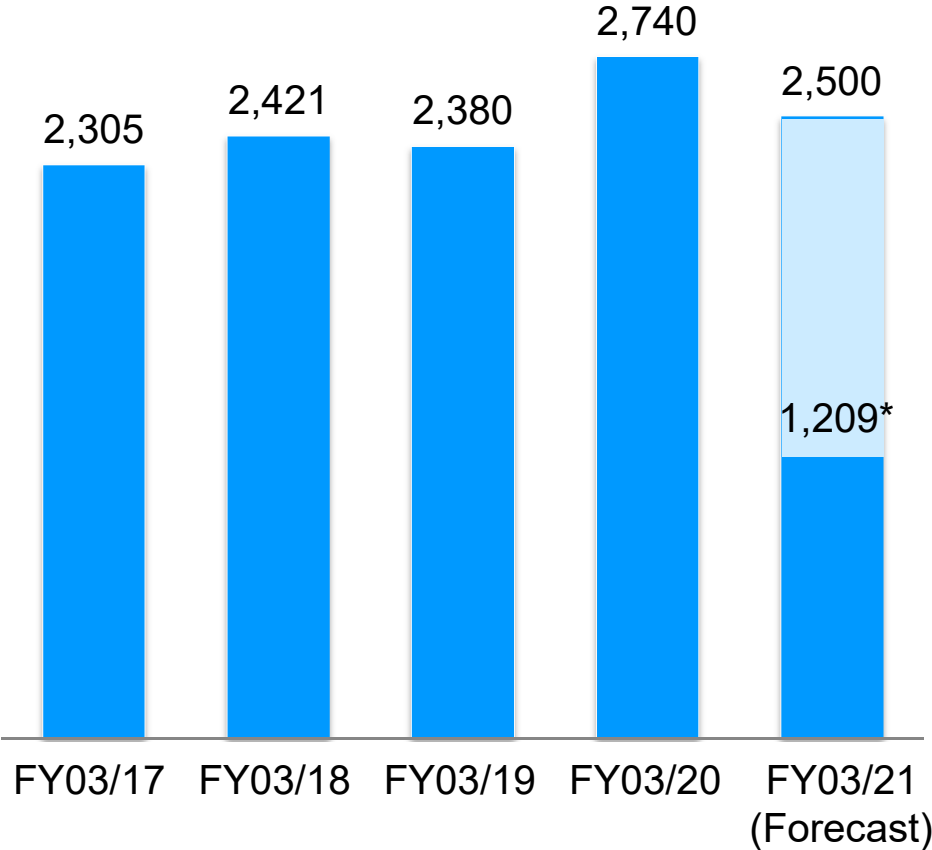
(Millions of yen)



*1H FY03/21 (Actual)

R&D expenses

(Millions of yen)

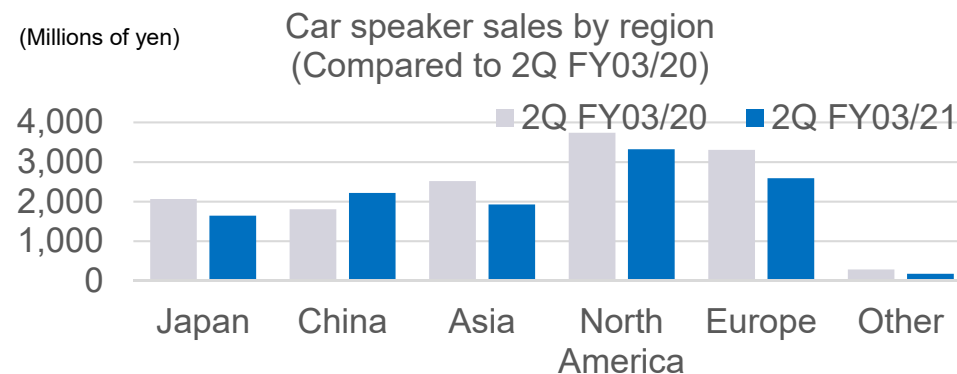
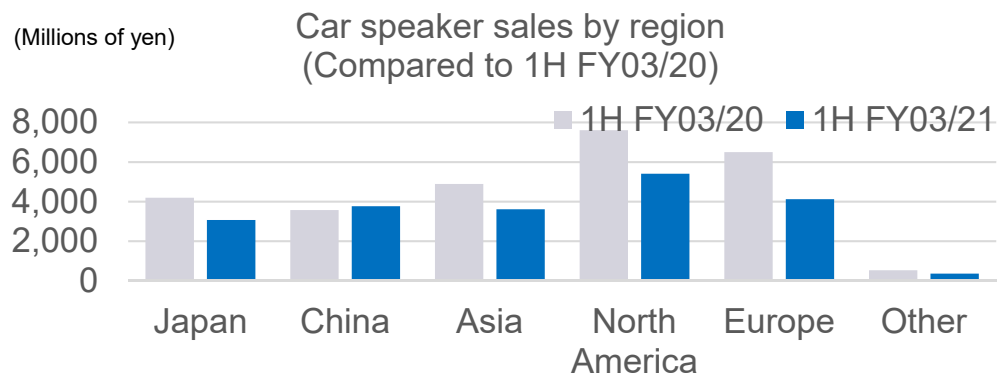
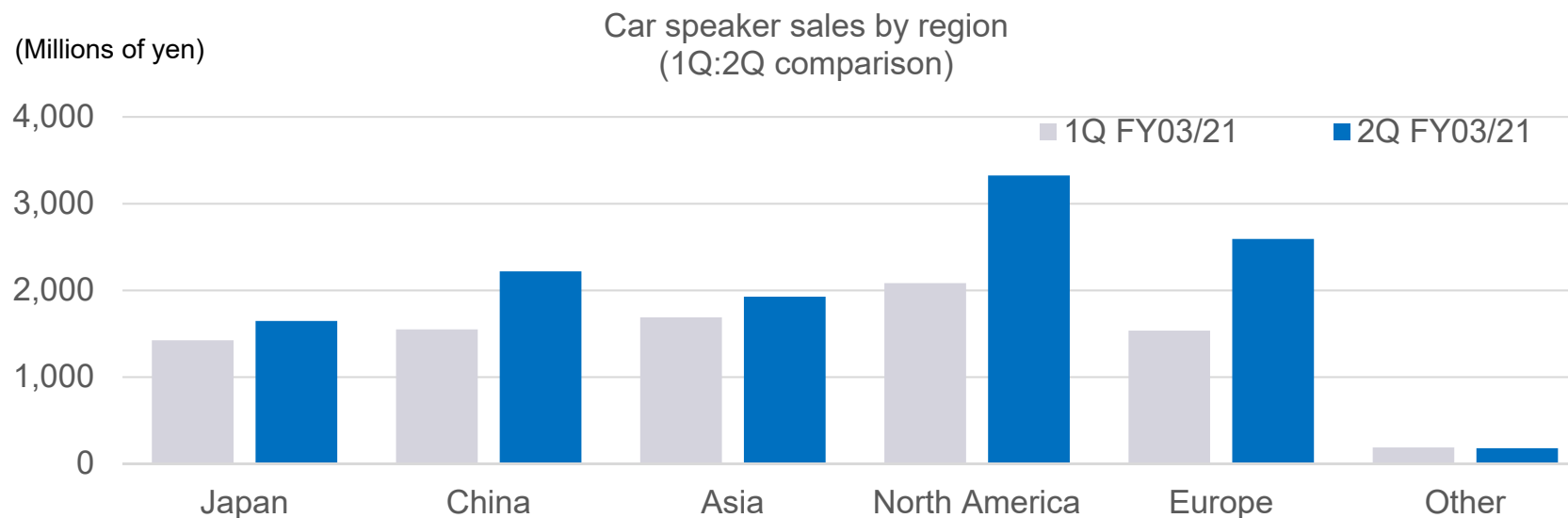


II. Summary of the First Half and Forecasts for Fiscal Year Ending March 31, 2021

Summary of the First Half of the Fiscal Year Ending March 31, 2021

- 1** Response measures to COVID-19
- 2** Work-style reforms under the “new normal”
- 3** Steady commercialization of new businesses

- **Solid recovery in the China market in both 1Q and 2Q.**
- **Substantial recovery in North America and Europe in 2Q.**



Started mass production of vibration actuators

We have long worked to develop and sell vibration and tactile actuators using our acoustic technology. In the first half of the fiscal year, we started mass production of consumer vibration actuators. The product realizes a more realistic and rich tactile sensation by leveraging the Group's strength in acoustic technology, achieving faster response speed to broader vibration frequency.

Example of a
vibration actuator



Joint development with NEC Corporation of a true wireless hearable device equipped with biometric authentication technology

We jointly developed with NEC Corporation a true wireless hearable device optimized for use in all business settings. It comes equipped with noise-cancellation features to ensure crisp delivery of spoken voice, in high demand as more people work from home. Embedded with biometric authentication technology, the device is expected to connect with diverse applications. The product embodies a totally new Foster Group concept, and we expect it to contribute to the future development of our Group and society.



FY03/21 Forecasts

FOSTER

(Millions of yen)

	FY03/20	FY03/21 (Forecast)	Amount of change	Percentage change (YoY)
Net sales	107,298	80,000	(27,298)	(25.4%)
		to 90,000	(17,298)	to (16.1%)
Operating income	2,064	500	(1,564)	(75.7%)
		to 1,000	(1,064)	to (51.5%)
<i>Operating income to net sales</i>	<i>1.9%</i>	<i>0.6%</i>		
		to 1.1%		
Ordinary income	2,599	500	(2,099)	(80.7%)
		to 1,000	(1,599)	(61.5%)
<i>Ordinary income to net sales</i>	<i>2.4%</i>	<i>0.6%</i>		
		1.1%		
Net income*	1,565	—	—	—
<i>Net income to net sales**</i>	<i>1.5%</i>	—		
Net income per share (in exact yen)	69.15	—	—	—
Dividends per share (in exact yen)	35.0	—	—	—
Dividend payout ratio	50.6%	—		
Exchange rates	108.95 yen/USD 120.85 yen/EUR	110.00 yen/USD 120.00 yen/EUR		

*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

We left the forecast for net income attributable to owners of the parent undetermined, as it is difficult to make a reasonable estimate at this point.

III. Medium-Term Business Plan (FY2020-FY2024)

Upon reviewing our business portfolio amid major changes in the operating environment, we decided to withdraw from the “headset business for a major customer” and make a major turn toward the “automotive business.”

Reasons for decision

- (1) Stagnation of demand in the smartphone market, increased business risk stemming from strategic shifts by a major customer
- (2) The large potential of the automotive business. The maximum utilization of the trade relationships with finished car manufacturers and automotive suppliers that our Group has fostered to this day, as well as our know-how in the automotive business

Key topics in the medium-term plan

- To put the finishing touches to the “shift to automotive business”
- To implement the full-scale commercialization of new businesses, such as MaaS, wearables, and wellness products, looking further ahead.

- 1. Operating Environment**
2. Medium- to Long-Term Goals
3. Medium- to Long-Term Strategy
 - *FY2020-FY2024 (Medium Term)
 - *FY2020-FY2030 (Long Term)
4. Financial Targets (Medium Term)
and ESG Initiatives

The automotive market is in the midst of a “once-in-a-century” turning point.

Mobility and human lifestyle are changing dramatically due to advancements in CASE and MaaS.

Emerging countries: Expansion of auto market due to increased income

Advanced countries: Shifts in profit structure due to new business models

The earnings structure of car manufacturers is changing.

Changes in development layers of the existing car manufacturing process through division of labor (i.e., outsourcing).

While the total volume of cars are expected to decline in advanced countries, the importance of high-quality entertainment speakers will rise as more people seek higher in-vehicle comfort.

Diversification of demand is expected for new functionalities following a shift to ADAS and EVs. This trend will lead to stronger demand for Foster Electric products in the infotainment domain.

Business Opportunities in the Automotive Market and Foster Electric Group's Strengths

FOSTER

The Group's strengths enabling realization of these opportunities

Acoustic technology

Stable quality assurance to realize high quality

Global production and sales networks

Lightweight and thin speakers and headphones with high quality, and sound field tuning for quiet interior space and entertainment

Proximity notification speakers that notify pedestrians of approaching vehicles in lieu of conventional engine sounds, while reaching beyond artificial engine sounds to offer drivers an enjoyable driving experience

Safety alarm buzzers and vibration actuators that notify drivers of danger

eCall speakers to make calls during emergencies

Vibration actuators that accurately detect motion by the movement of your fingertips in a cockpit where all kinds of functions are digitized

Changes in business environment

Peripheral domains of 5G communication in the spotlight

- Services using 5G networks will become the infrastructure of next generations.
- Devices in the following fields will adopt IoT, resulting in further new applications.

Wearables, Wellness, Entertainment, Robotics, etc.

Business opportunities

We will actively engage in new markets as a leading partner for customers in acoustic solutions (reshaping our business portfolio).

Hearable devices equipped with biometric authentication technology

Game controllers that dramatically improve immersive experience

Wearable blood pressure monitors worn on the wrist

Smart glasses that realize AR/VR

Sound

Hearing

Sound to Life

Vibration

Tactile

1. Operating Environment
- 2. Medium- to Long-Term Goals**
3. Medium- to Long-Term Strategy
 - *FY2020-FY2024 (Medium Term)
 - *FY2020-FY2030 (Long Term)
4. Financial Targets (Medium Term)
and ESG Initiatives

Medium term

Elevate position from OEM/ODM supplier to strategic partner

While OEM/ODMs only respond to customers after receiving orders, we aim to become a “strategic partner” that goes above and beyond that role, by partaking in the development and design of products together with customers.

We will make active proposals to enhance the comfort of products through “sound field tuning” and “noise reduction,” which were previously done internally by customers.

By doing so, we will provide “comprehensive and more strategic products that feature high-quality sound and vibration.”

Long term

World’s No. 1 “acoustic” solution partner

We will serve as an “acoustic” solution specialist in areas related to promising industrial fields that contribute to future society, particularly in terms of hearing and touch.

We aim to establish a brand profile where people instantly think of Foster Electric when it comes to matters related to sound or vibration.

Areas of focus:

MaaS, wearables, wellness, entertainment, measuring instruments, noise reduction and noise cancellation

1. Operating Environment
2. Medium- to Long-Term Goals
- 3. Medium- to Long-Term Strategy**
 - *FY2020-FY2024 (Medium Term)**
 - *FY2020-FY2030 (Long Term)**
4. Financial Targets (Medium Term)
and ESG Initiatives

1. One-stop sales strategy for automotive products and services in the sound and vibration domains

- We aim to increase the number of Foster products installed per vehicle by providing a comprehensive lineup of automotive products such as ADAS-compatible vibration actuators, AVAS/eCall speakers, and car headphones, in addition to audio devices in which we already have a solid track record.
- To realize this, we will enhance services that cater to human sensibilities, such as proposals on tactile solutions applying in-vehicle sound field design and various vibration pattern designs.

2. Regional strategy

- Japan, North America, Europe: We will strengthen our sales capabilities by shifting from the previous divisional sales framework to a regional sales framework, which enables one-stop management of all products.
- China: We will strengthen our sales capabilities by leveraging our brand strength and high-quality local production system.

3. M&A strategy

- In-house production of rare core components, and acquisition of businesses that can complement our lack of expertise in certain technological fields.

Provide solutions that leverage the Group's strengths while focusing on cultivating new business areas

MaaS

- Highly durable products with robust safety aimed at use for robotics and the last mile market

Wearables

- Voice device for AR/VR smart glasses
- Biometric authentication devices headed for broad adoption in the social infrastructure

Wellness

- Biological monitoring device
- Hearing aid device

Entertainment

- High sound quality and vibration devices that provide a new aesthetic value

Noise reduction / Noise cancellation

- Solution of social issues by utilizing our expertise in sound and sound field

1. Operating Environment
2. Medium- to Long-Term Goals
3. Medium- to Long-Term Strategy
 - *FY2020-FY2024 (Medium Term)
 - *FY2020-FY2030 (Long Term)
- 4. Financial Targets (Medium Term)
and ESG Initiatives**

Financial Targets (FY2024)

Net sales: 120 billion yen

Operating income: 5 billion yen

Income ratio: 4.2%

We will further expand net sales, operating income, and the income ratio by steadily implementing the medium-term business plan based on a commitment to absolutely achieve the financial targets.

We will make active investment to realize the strategy. Simultaneously, we will establish a lean corporate structure through labor-saving, automation, and standardization while maintaining a sound financial base.

ESG Initiatives

Be Happy 80%

**2050 environment/
quality targets**

The promotion of ESG hinges on the happiness of all employees. We will put “Employees Be Happy 80%” at the center of all ESG activities.

Along with enhanced products that comply with environmental standards, we aim to achieve “zero emissions” as our environmental target, and “zero defects” as our quality target.

IV. Reference Materials

Our Corporate Creed is “Sincerity.”

Our Vision is “To make contributions for future society through acoustics.”

Company name	Foster Electric Company, Limited
Representative	Hiromi Yoshizawa, CEO Atsushi Narikawa, COO
Founded	June 20, 1949
Headquarters	1-1-109 Tsutsujigaoka, Akishima, Tokyo 196-8550
Stock exchange	Second Section of the Tokyo Stock Exchange (May 1962) First Section of the Tokyo Stock Exchange (September 1999)
Common stock	6,770 million yen (as of September 30, 2020)
Business domain	Production and sales of speakers, audio equipment, and electronic equipment
Number of employees	Consolidated: 18,496 (including employees at a contract manufacturer in Panyu, China) Non-consolidated: 494 (as of September 30, 2020 for both consolidated and non-consolidated)

We provide acoustic products, leveraging our original analog technologies mainly through ODMs and OEMs.

Speaker Segment

- Audio and TV speakers and speaker systems; car speakers and speaker systems

TV speakers



Car speakers



Car speaker systems



Mobile Audio Segment

- Headsets, headphones, micro speakers, and vibration actuators

Headphones



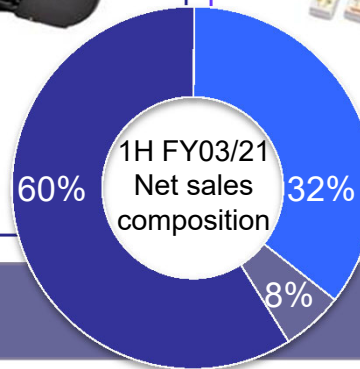
Headsets



Micro speakers for PCs and smartphones



Actuators



Other Segment

- Alarm buzzers and sounders, FOSTEX brand products, and logistics services

Micro acoustic components



FOSTEX products

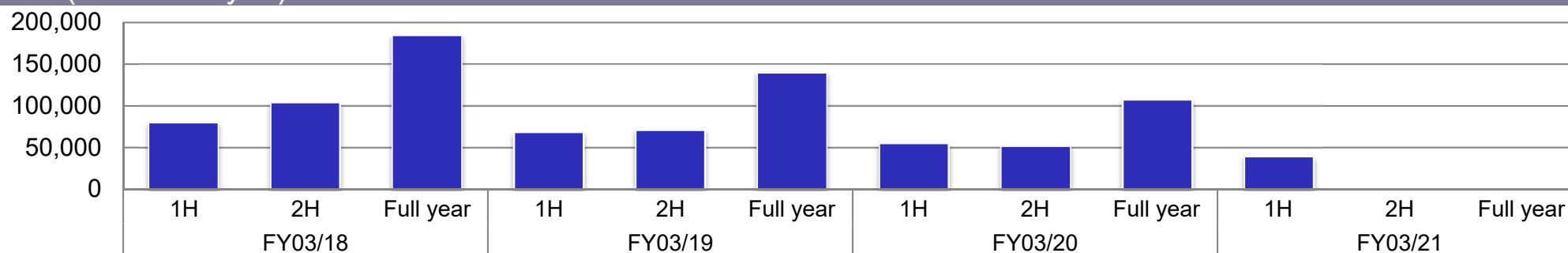


Half-Year and Full-Year Results

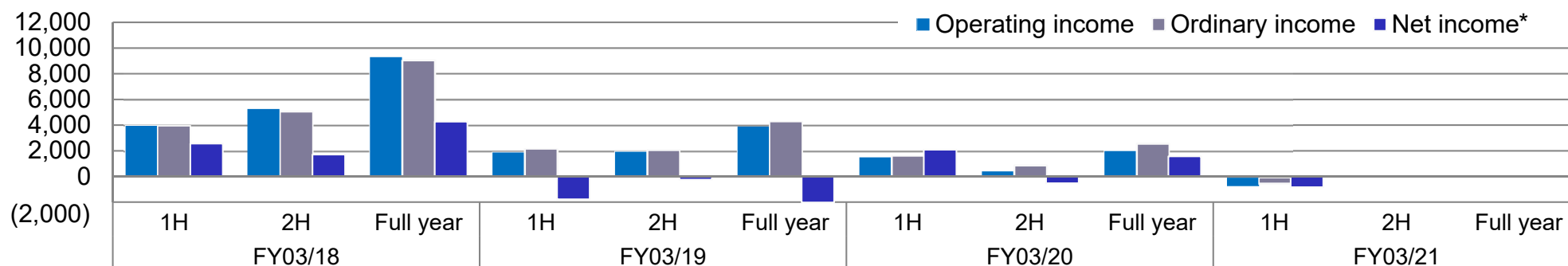
Results (Millions of yen)

	FY03/18			FY03/19			FY03/20			FY03/21		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales	80,286	104,514	184,800	68,758	71,545	140,303	55,277	52,021	107,298	39,528		
Operating income	4,015	5,292	9,307	1,938	1,999	3,937	1,594	470	2,064	(688)		
Ordinary income	3,973	5,089	9,062	2,198	2,120	4,318	1,668	931	2,599	(488)		
Net income*	2,559	1,706	4,265	(1,776)	(250)	(2,026)	2,090	(525)	1,565	(829)		
Operating income to net sales	5.0%	5.1%	5.0%	2.8%	2.8%	2.8%	2.9%	0.9%	1.9%	(1.7%)		
Ordinary income to net sales	4.9%	4.9%	4.9%	3.2%	3.0%	3.1%	3.0%	1.8%	2.4%	(1.2%)		
Net income to net sales**	3.2%	1.6%	2.3%	(2.6%)	(0.3%)	(1.4%)	3.8%	(1.0%)	1.5%	(2.1%)		

Net sales (Millions of yen)



Profits (Millions of yen)



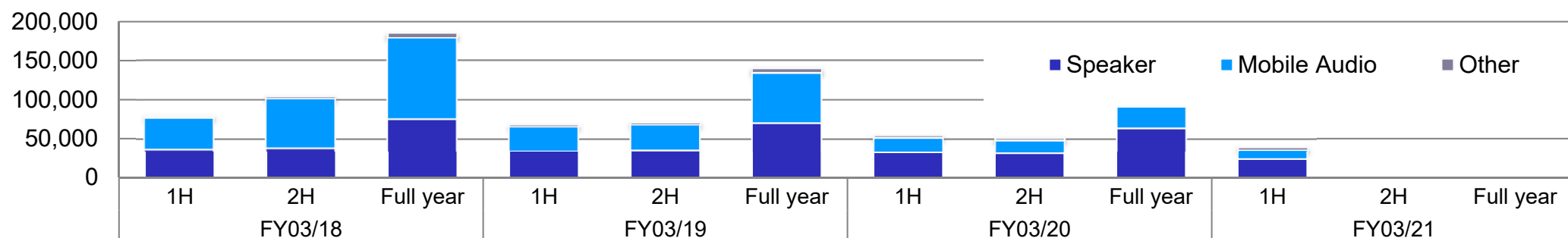
*Net income (loss) attributable to owners of the parent. **Net income (loss) to net sales attributable to owners of the parent.

Half-Year and Full-Year Results by Segment

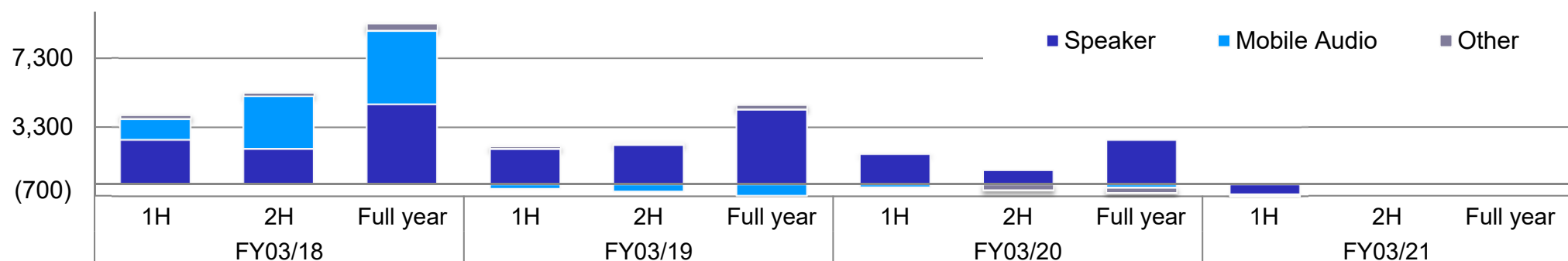
Results (Millions of yen)

Sales	FY03/18			FY03/19			FY03/20			FY03/21		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Speaker	36,946	38,574	75,520	34,450	35,953	70,403	32,631	31,324	63,955	23,892		
Mobile Audio	40,440	63,073	103,513	31,407	32,444	63,851	19,603	17,456	37,059	12,593		
Other	2,900	2,986	5,886	2,990	3,234	6,224	3,107	3,347	6,454	3,176		
Operating income												
Speaker	2,579	2,057	4,636	2,050	2,293	4,343	1,754	817	2,571	(584)		
Mobile Audio	1,212	3,047	4,259	(254)	(416)	(670)	(170)	(17)	(187)	5		
Other	223	190	413	143	122	265	10	(330)	(320)	(109)		

Sales (Millions of yen)



Operating income (Millions of yen)

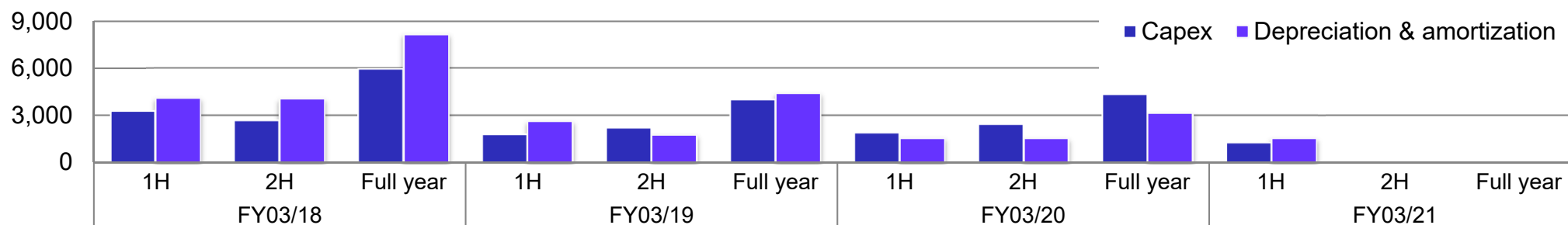


Half-Year and Full-Year Capex, Depreciation and Amortization, and R&D Expenses

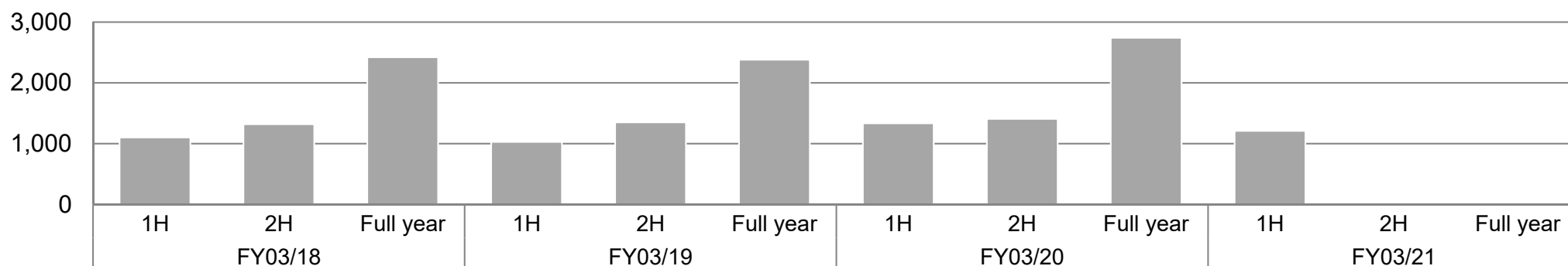
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/18			FY03/19			FY03/20			FY03/21		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Capex	3,266	2,671	5,937	1,786	2,208	3,994	1,894	2,434	4,328	1,263		
Depreciation & amortization	4,102	4,053	8,155	2,631	1,777	4,408	1,576	1,583	3,159	1,560		
R&D expenses	1,101	1,320	2,421	1,029	1,351	2,380	1,333	1,407	2,740	1,209		

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

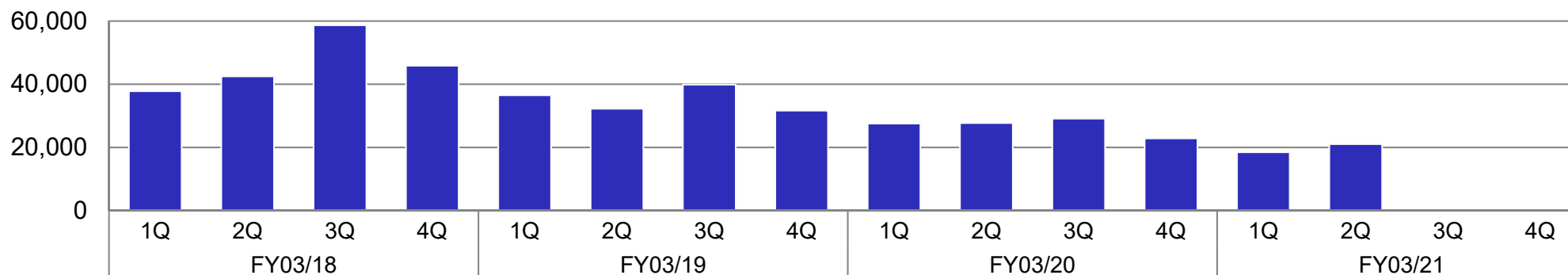


Quarterly Results

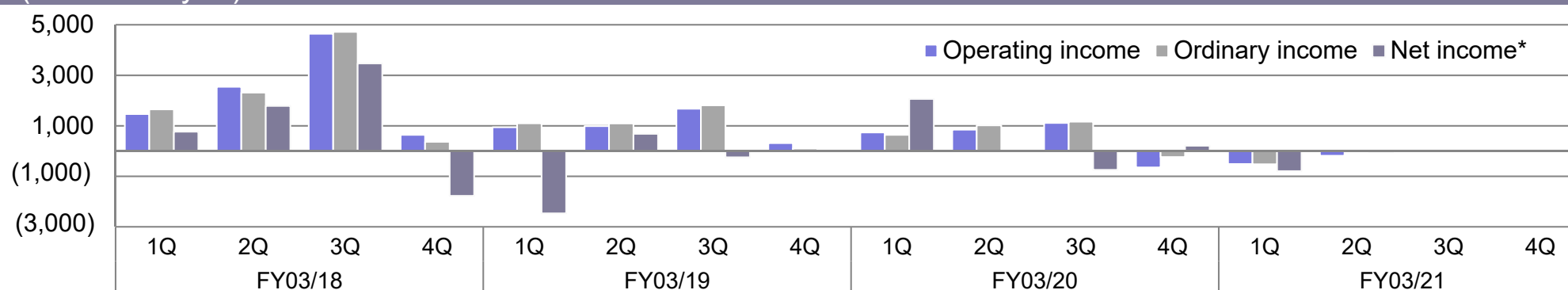
Results (Millions of yen)

	FY03/18				FY03/19				FY03/20				FY03/21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	37,800	42,486	58,660	45,854	36,512	32,246	39,894	31,651	27,561	27,716	29,132	22,889	18,480	21,048		
Operating income	1,468	2,547	4,647	645	947	991	1,682	317	741	853	1,117	(647)	(507)	(181)		
Ordinary income	1,656	2,317	4,722	367	1,101	1,097	1,815	105	648	1,020	1,166	(235)	(518)	30		
Net income*	770	1,789	3,474	(1,768)	(2,464)	688	(244)	(6)	2,067	23	(740)	215	(791)	(38)		
Operating income to net sales	3.9%	6.0%	7.9%	1.4%	2.6%	3.1%	4.2%	1.0%	2.7%	3.1%	3.8%	(2.8%)	(2.7%)	(0.9%)		
Ordinary income to net sales	4.4%	5.5%	8.0%	0.8%	3.0%	3.4%	4.5%	0.3%	2.4%	3.7%	4.0%	(1.0%)	(2.8%)	0.1%		
Net income to net sales*	2.0%	4.2%	5.9%	(3.9%)	(6.7%)	2.1%	(0.6%)	(0.0%)	7.5%	0.1%	(2.5%)	0.9%	(4.3%)	(0.2%)		

Net sales (Millions of yen)



Profits (Millions of yen)



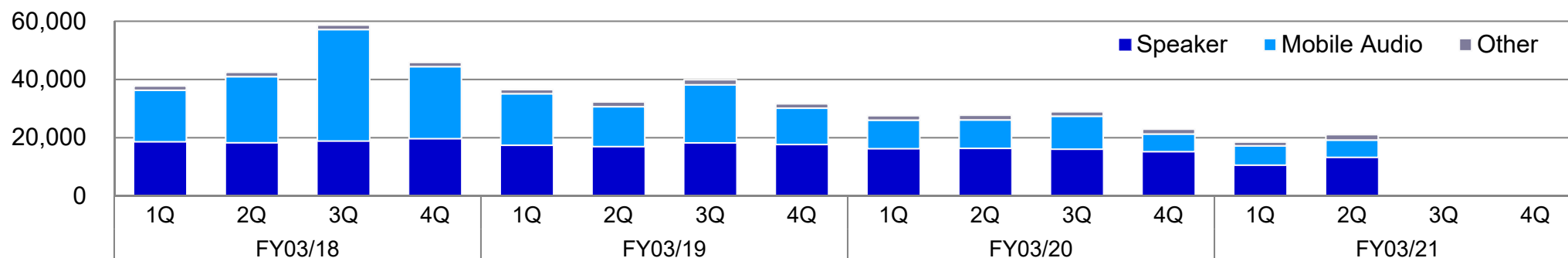
*Net income (loss) attributable to owners of the parent. **Net income (loss) to net sales attributable to owners of the parent.

Quarterly Results by Segment

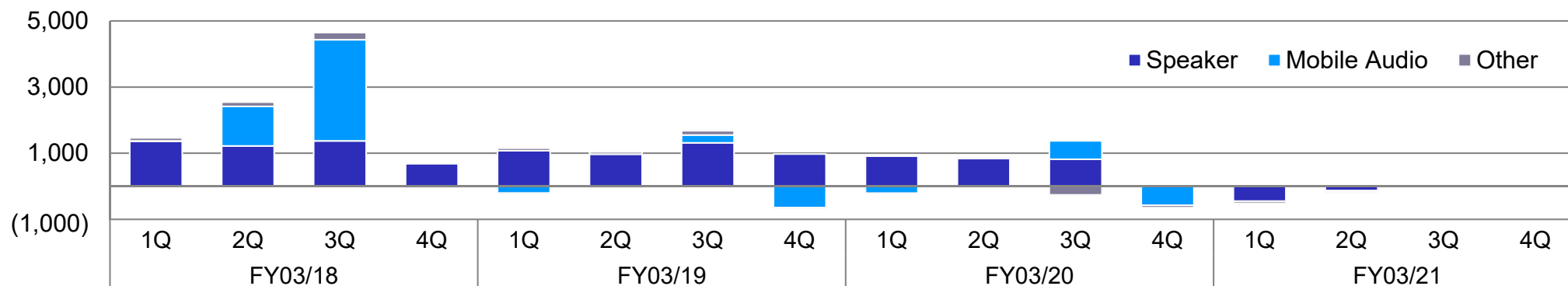
Results (Millions of yen)

Sales	FY03/18				FY03/19				FY03/20				FY03/21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Speaker	18,647	18,299	18,879	19,695	17,462	16,988	18,269	17,684	16,253	16,378	16,097	15,227	10,619	13,273		
Mobile Audio	17,719	22,721	38,306	24,767	17,693	13,714	19,941	12,503	9,826	9,777	11,374	6,082	6,633	5,960		
Other	1,434	1,466	1,536	1,450	1,399	1,591	1,731	1,503	1,511	1,596	1,706	1,641	1,321	1,855		
Operating income																
Speaker	1,359	1,220	1,375	682	1,077	973	1,315	978	915	839	817	0	(448)	(136)		
Mobile Audio	16	1,196	3,059	(12)	(203)	(51)	235	(651)	(205)	35	558	(575)	6	(1)		
Other	92	131	214	(24)	76	67	130	(8)	30	(20)	(258)	(72)	(65)	(44)		

Sales (Millions of yen)



Operating income (Millions of yen)



Quarterly Balance Sheet and Statement of Cash Flows **FOSTER**

Balance sheet (Millions of yen)

	FY03/18				FY03/19				FY03/20				FY03/21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total current assets	70,265	76,770	82,913	73,614	73,361	73,013	70,263	67,773	67,221	65,381	60,986	59,952	55,066	55,396		
Cash and deposits	6,992	7,233	9,239	9,704	11,003	13,108	15,255	11,854	19,839	12,575	18,295	14,770	17,985	21,401		
Notes and accounts receivable – trade	18,817	20,534	27,107	22,243	19,939	19,324	22,174	19,261	18,721	19,289	19,187	15,145	15,351	16,018		
Other	44,456	49,003	46,567	41,667	42,419	40,581	32,834	36,658	28,661	33,517	23,504	30,037	21,730	17,977		
Total non-current assets	31,910	31,701	30,349	27,255	24,231	24,332	23,340	23,497	22,840	22,227	22,847	20,872	20,524	20,160		
Net property, plant and equipment	25,157	24,914	23,727	21,120	18,768	18,922	18,357	18,475	18,927	18,116	18,013	17,980	17,673	17,312		
Total intangible assets	1,451	1,435	1,409	1,300	1,259	1,182	1,139	1,171	314	433	212	217	201	198		
Total investments and other assets	5,301	5,351	5,212	4,835	4,203	4,227	3,844	3,851	3,598	3,677	4,621	2,675	2,649	2,649		
Total assets	102,175	108,471	113,263	100,870	97,593	97,346	93,604	91,271	90,062	87,609	83,833	80,825	75,590	75,556		
Total current liabilities	29,106	33,227	34,594	25,953	25,748	24,338	26,788	25,453	23,802	22,439	18,816	17,783	15,241	15,623		
Notes and accounts payable – trade	14,605	16,103	19,157	13,113	11,295	9,535	9,184	8,334	7,507	8,067	8,086	7,390	5,604	6,296		
Short-term loans and bonds payable	7,011	8,170	5,728	4,603	7,322	6,952	9,953	9,497	9,473	7,586	3,859	3,904	4,479	3,669		
Other	7,490	8,954	9,709	8,237	7,131	7,851	7,651	7,622	6,822	6,786	6,871	6,489	5,158	5,658		
Total non-current liabilities	9,147	8,855	8,592	8,124	8,555	9,293	7,380	6,523	6,088	5,567	5,232	4,047	3,144	2,916		
Long-term debt and bonds payable	8,095	7,726	7,507	7,098	7,529	8,243	5,455	5,108	4,490	3,918	3,365	2,637	1,850	1,606		
Other	1,052	1,129	1,085	1,026	1,026	1,050	1,925	1,415	1,598	1,649	1,867	1,410	1,294	1,310		
Total net assets	63,922	66,388	70,076	66,792	63,289	63,714	59,436	59,294	60,171	59,602	59,785	58,995	57,205	57,015		
Shareholders' equity	59,099	60,887	63,845	62,077	58,634	58,155	54,328	54,322	56,162	56,185	55,120	55,335	54,201	54,169		
Accumulated other comprehensive income	633	1,230	1,691	(15)	263	975	154	27	(931)	(1,474)	(310)	(1,563)	(1,952)	(2,132)		
Non-controlling interests	4,188	4,270	4,539	4,731	4,391	4,583	4,952	4,944	4,939	4,891	4,975	5,224	4,956	4,978		
Total liabilities and net assets	102,175	108,471	113,263	100,870	97,593	97,346	93,604	91,271	90,062	87,609	83,833	80,825	75,590	75,556		

Statement of cash flows (Millions of yen)

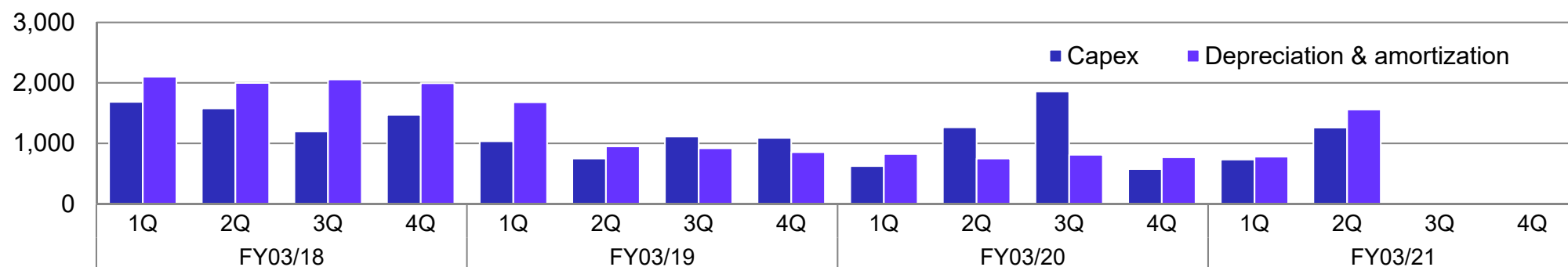
	FY03/18				FY03/19				FY03/20				FY03/21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating activities	(2,243)	884	6,742	2,770	675	2,942	7,373	6,971	873	2,375	4,250	3,595	(2,309)	3,626		
Investing activities	(1,738)	(1,927)	(2,311)	(1,155)	(556)	(1,598)	(533)	(738)	1,862	(690)	(1,322)	666	(1,246)	(351)		
Financing activities	859	801	(3,188)	(1,331)	2,043	(885)	(3,315)	(780)	(1,023)	(2,308)	(4,758)	(734)	(691)	(1,004)		
Foreign exchange impact	(420)	140	377	(146)	(320)	510	(318)	(96)	(229)	(269)	(75)	195	(375)	(40)		
Net increase (decrease) in cash flow	(3,541)	(104)	1,622	137	1,840	972	3,204	5,357	1,482	(892)	(1,905)	3,721	(4,622)	2,231		
Cash at the end of period	8,495	8,392	10,013	10,150	11,991	12,962	16,167	21,514	23,007	22,114	20,209	23,930	19,307	2,232		

Quarterly Capex, Depreciation and Amortization, and R&D Expenses

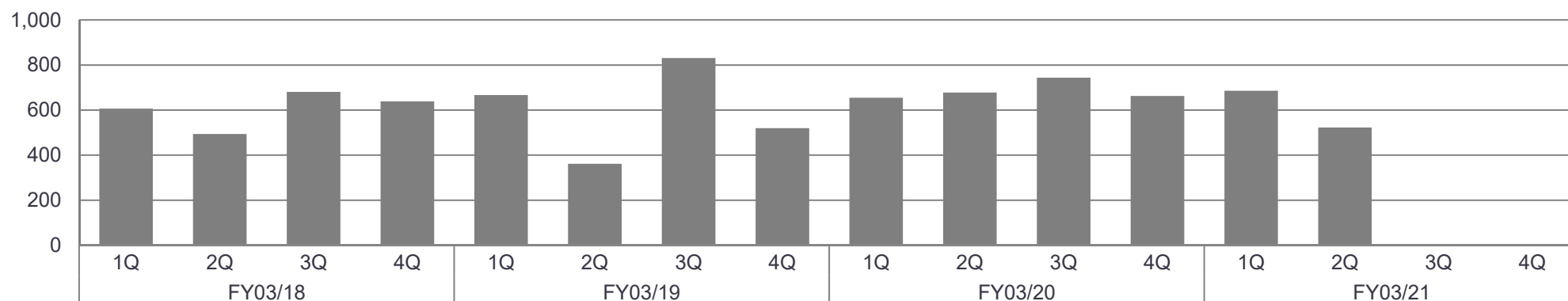
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/18				FY03/19				FY03/20				FY03/21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capex	1,687	1,579	1,198	1,473	1,036	750	1,116	1,092	627	1,267	1,858	576	734	529		
Depreciation & amortization	2,103	1,999	2,057	1,996	1,680	951	921	856	826	750	812	771	781	779		
R&D expenses	607	494	681	639	667	362	831	520	655	678	744	663	686	523		

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

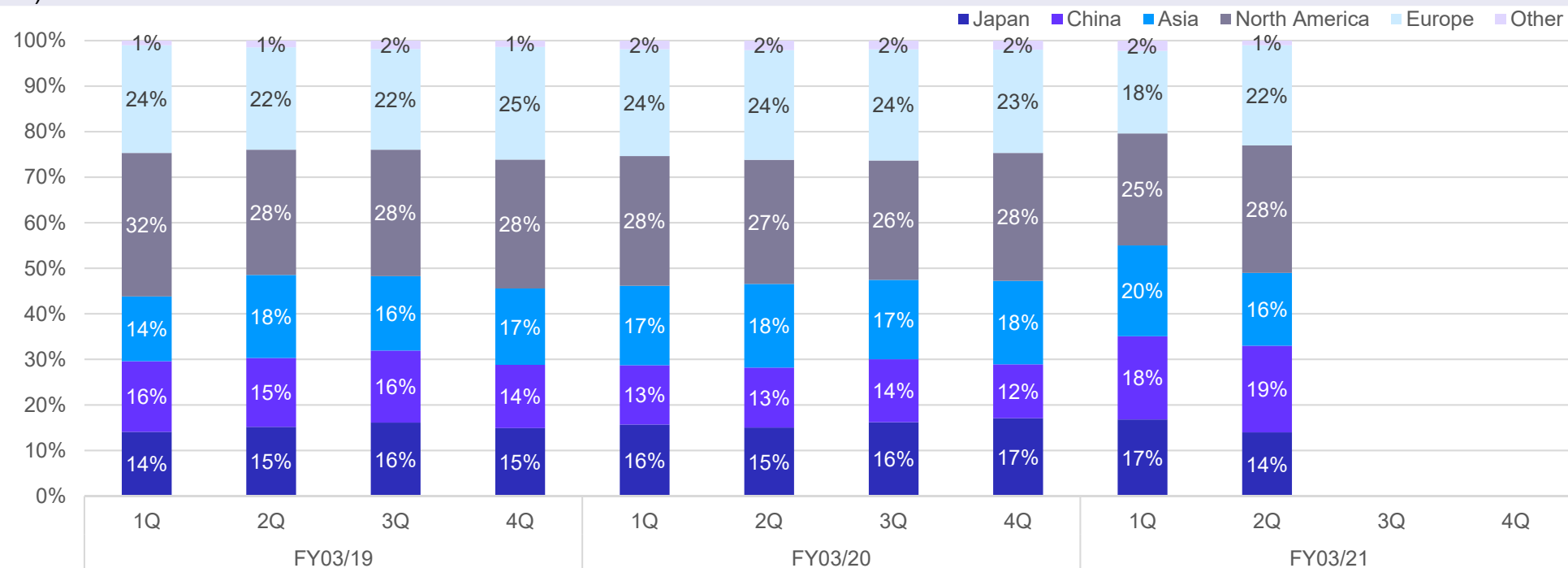


Quarterly Sales Weighting of Car Speakers by Region

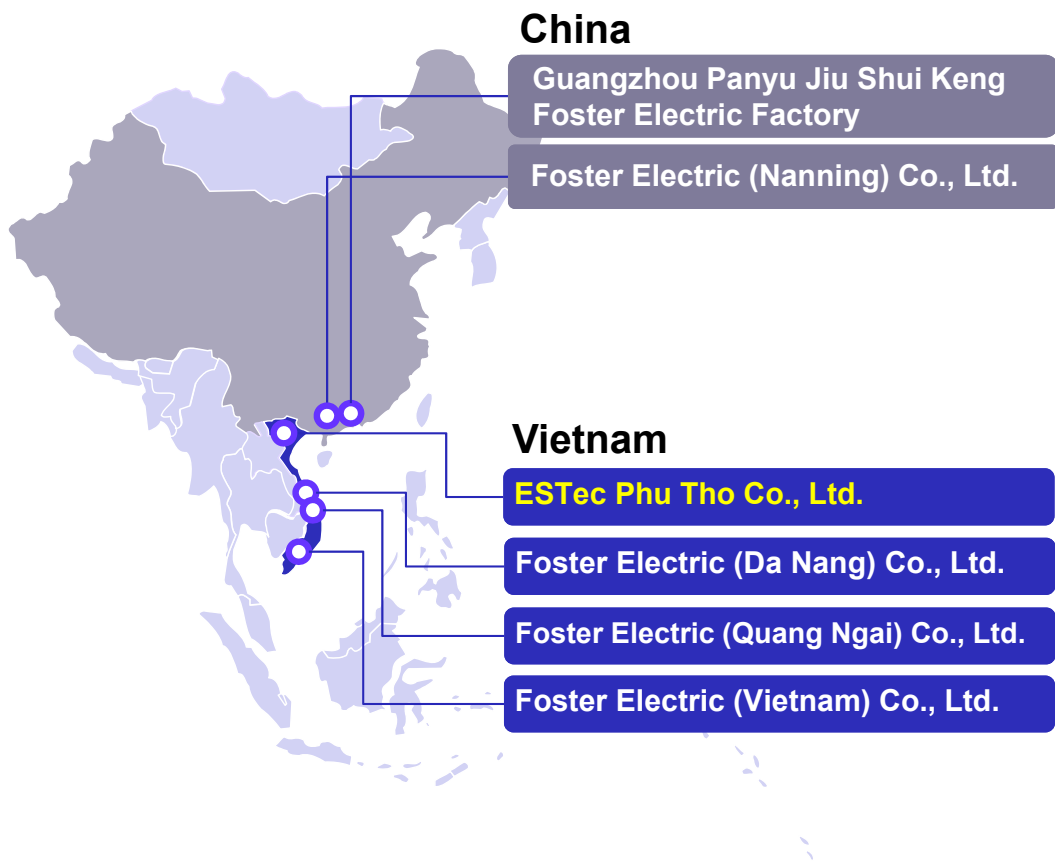


Sales weighting of car speakers by region

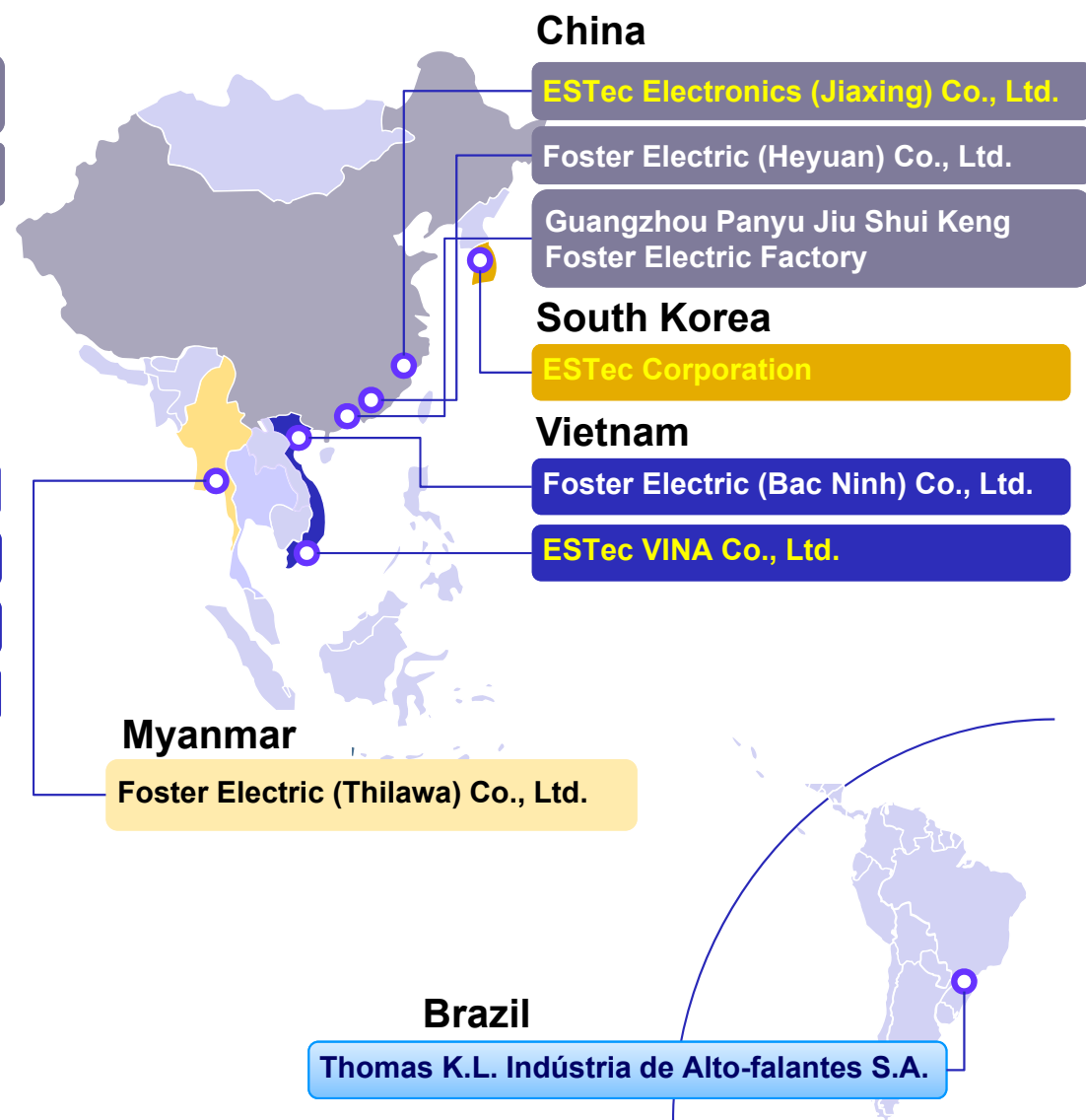
	FY03/19				FY03/20				FY03/21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan	14%	15%	16%	15%	16%	15%	16%	17%	17%	14%		
China	16%	15%	16%	14%	13%	13%	14%	12%	18%	19%		
Asia	14%	18%	16%	17%	17%	18%	17%	18%	20%	16%		
North America	32%	28%	28%	28%	28%	27%	26%	28%	25%	28%		
Europe	24%	22%	22%	25%	24%	24%	24%	23%	18%	22%		
Other	1%	1%	2%	1%	2%	2%	2%	2%	2%	1%		
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Total sales (Millions of yen)	15,165	14,611	14,820	14,739	13,598	13,735	13,233	12,840	8,478	11,897		



Headphones and Headsets



Speakers



(As of September 30, 2020)

[Precautionary Statement]

All forward-looking statements contained in this material, including forecasts, plans, and outlooks on current or future earnings, are based on currently available information and assumptions on risks and uncertainties that may affect future earnings. Actual results may differ from forecasts or estimates due to a range of factors, including economic conditions surrounding the Group's operations, business conditions of related markets and at OEM customers, the competitive environment and pricing competition in Japan and overseas, raw material prices, foreign exchange rates, risks affecting overseas business, regulations in Japan and overseas, disasters or accidents, and share prices.

[Inquiries]

IR Section, IR and Legal Affairs Department, Foster Electric Company, Limited

TEL: +81-42-546-2305 / FAX: +81-42-546-2317

1-1-109 Tsutsujigaoka, Akishima, Tokyo 196-8550, Japan