

# **Financial Results Briefing for the First Half of the Fiscal Year Ending March 31, 2023**

**Foster Electric Company, Limited**  
(Stock code: 6794, Prime Market)  
**November 22, 2022**

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# I. Overview of Financial Results for the First Half of the Fiscal Year Ending March 31, 2023

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# 1H FY03/23 Results

**FOSTER**

(Millions of yen)

	1H FY03/22	1H FY03/23 (Actual)		
			Amount of change (YoY)	Percentage change (YoY)
Net sales	43,976	58,385	14,409	32.8%
Operating income (loss)	(1,568)	351	1,919	—
<i>Operating income (loss) to net sales</i>	<i>(3.6%)</i>	<i>0.6%</i>		
Ordinary income (loss)	(1,433)	404	1,837	—
<i>Ordinary income (loss) to net sales</i>	<i>(3.3%)</i>	<i>0.7%</i>		
Net income (loss)*	(2,093)	(249)	1,844	—
<i>Net income (loss) to net sales**</i>	<i>(4.8%)</i>	<i>(0.4%)</i>		
Dividends per share (in exact yen)	10.00	10.00	0.00	0.0%
Exchange rates	110.13 yen/USD	135.31 yen/USD		
	131.20 yen/EUR	139.12 yen/EUR		

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

# Segment Performance

**FOSTER**

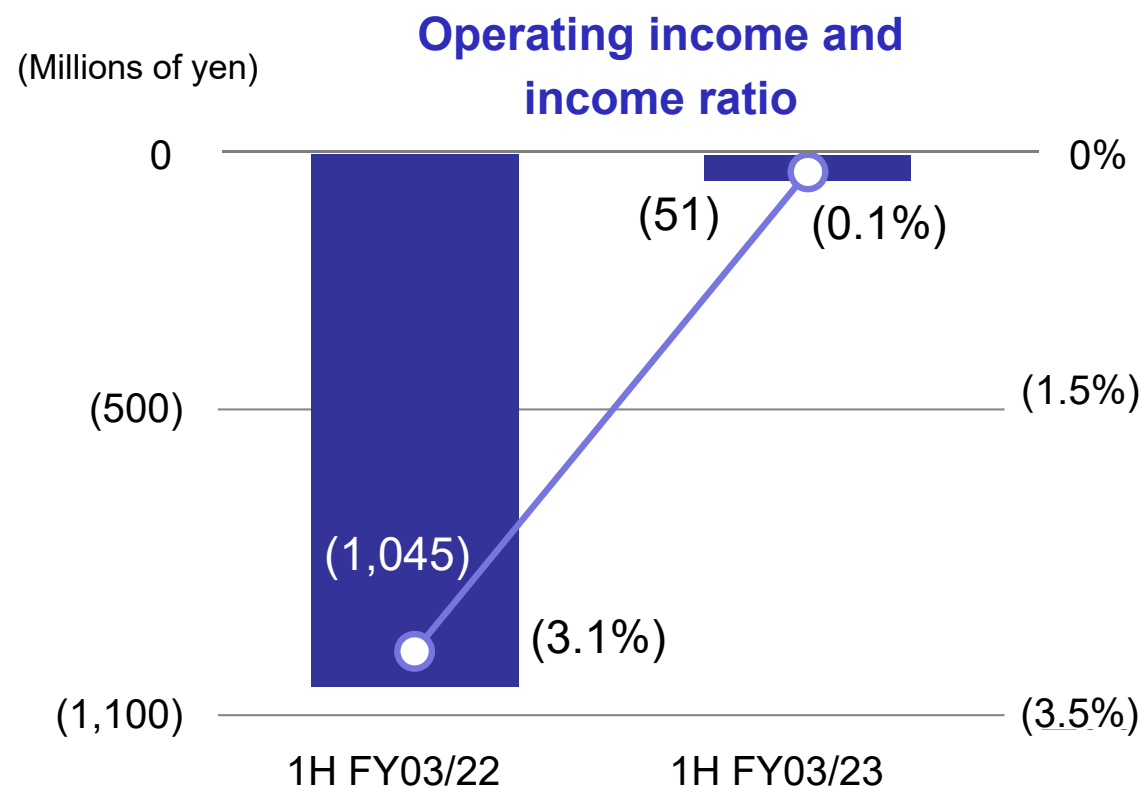
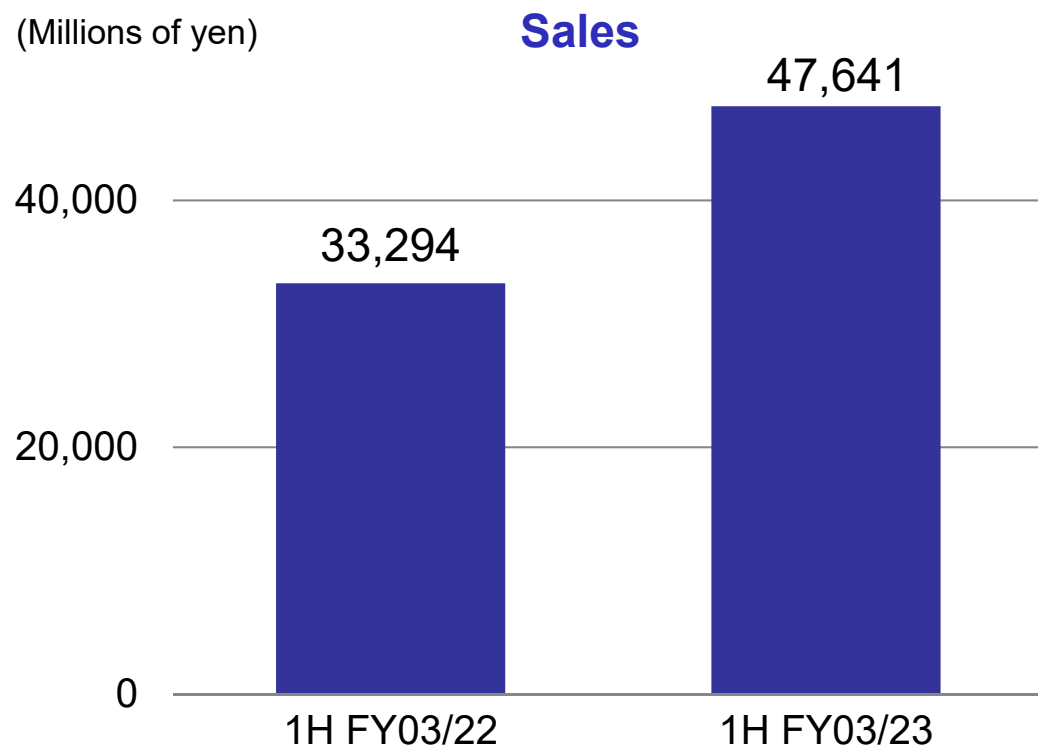
(Millions of yen)

		1H FY03/22	Composition ratio	1H FY03/23	Composition ratio	Percentage change (YoY)
	Net sales	43,976		58,385		32.8%
	Operating income	(1,568)		351		—
	<i>Income ratio</i>	<i>(3.6%)</i>		<i>0.6%</i>		
<b>Speaker</b>	Sales	33,294	75.7%	47,641	79.7%	43.1%
	Operating income	(1,045)	—	(51)	—	—
	<i>Income ratio</i>	<i>(3.1%)</i>		<i>(0.1%)</i>		
<b>Mobile Audio</b>	Sales	7,137	16.2%	6,841	11.5%	(4.1%)
	Operating income	(631)	—	317	—	—
	<i>Income ratio</i>	<i>(8.8%)</i>		<i>4.6%</i>		
<b>Other</b>	Sales	3,880	8.1%	5,286	8.8%	36.2%
	Operating income	108	—	85	—	(21.1%)
	<i>Income ratio</i>	<i>2.8%</i>		<i>1.6%</i>		

- Segment sales rose significantly due to an increase in shipment volume and the positive impact of the weaker yen.
- Operating loss decreased due to cost improvement, fixed cost reduction, and progress in price pass-through.

(Millions of yen)

		1H FY03/22	1H FY03/23	Composition ratio	Percentage change (YoY)
<b>Speaker</b>	Sales	33,294	47,641	79.7%	43.1%
	Operating income	(1,045)	(51)	—	—
	<i>Income ratio</i>	<i>(3.1%)</i>	<i>(0.1%)</i>		



# Mobile Audio Segment

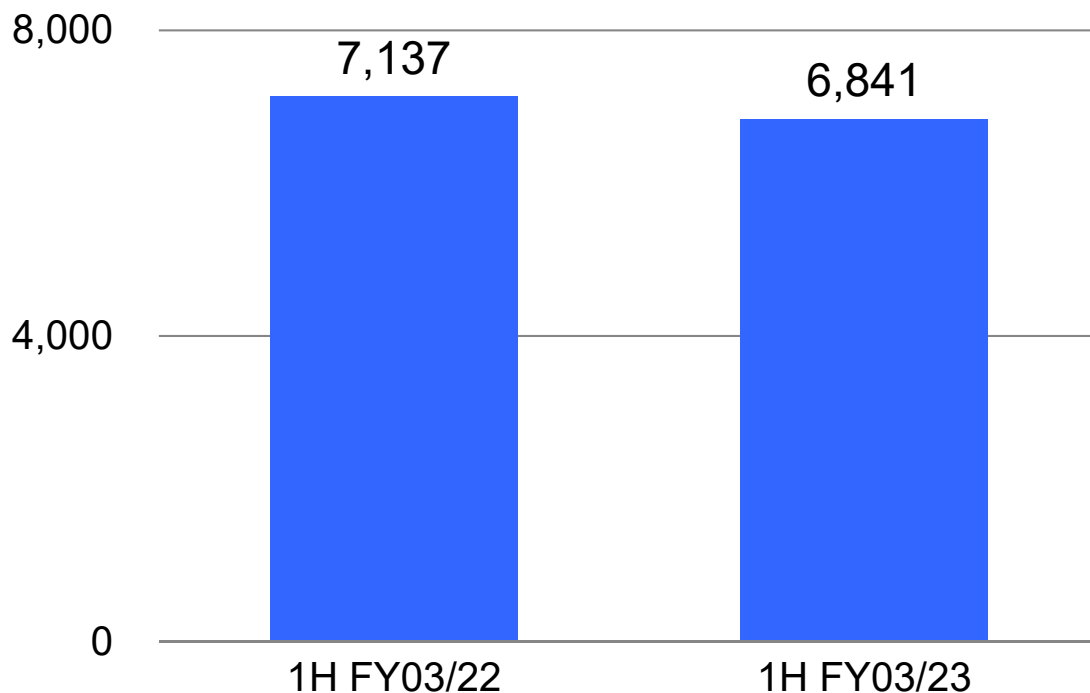
- Sales were strong for consumer-use actuators and car headphones.
- Returned to operating profitability by focusing on high value-added products and developing an R&D-oriented business.

(Millions of yen)

		1H FY03/22	1H FY03/23	Composition ratio	Percentage change (YoY)
<b>Mobile Audio</b>	Sales	7,137	6,841	11.5%	(4.1%)
	Operating income	(631)	317	—	—
	<i>Income ratio</i>	<i>(8.8%)</i>	<i>4.6%</i>		

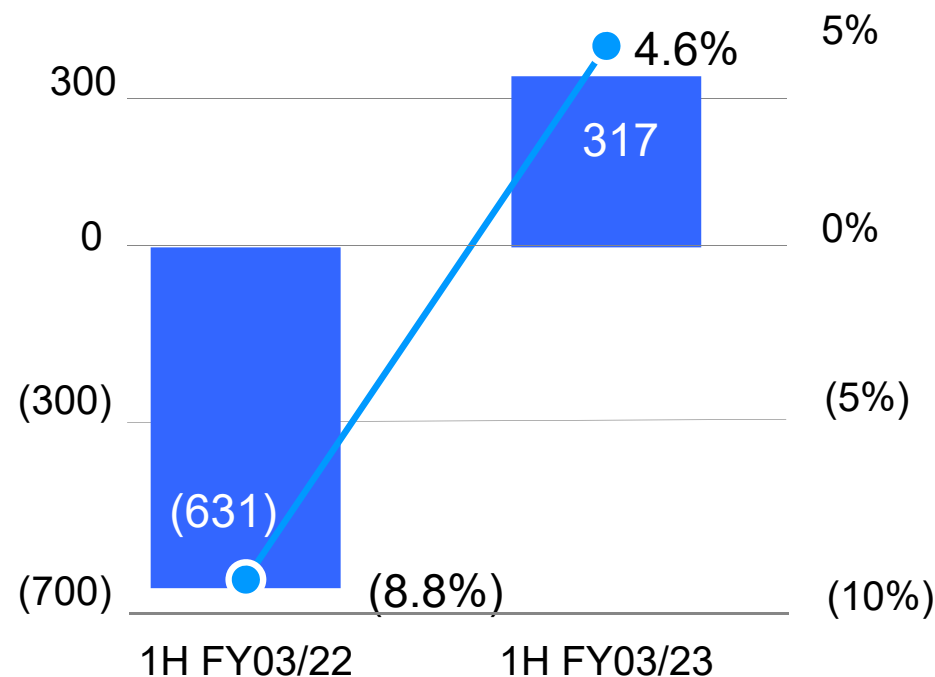
**Sales**

(Millions of yen)



**Operating income and income ratio**

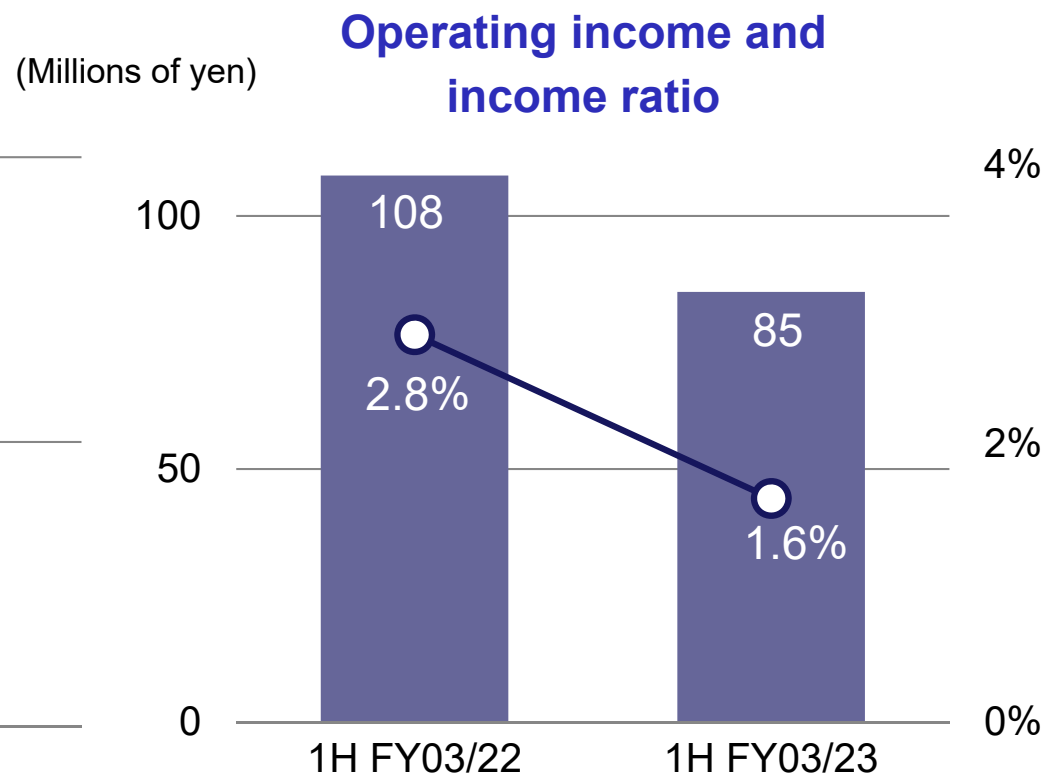
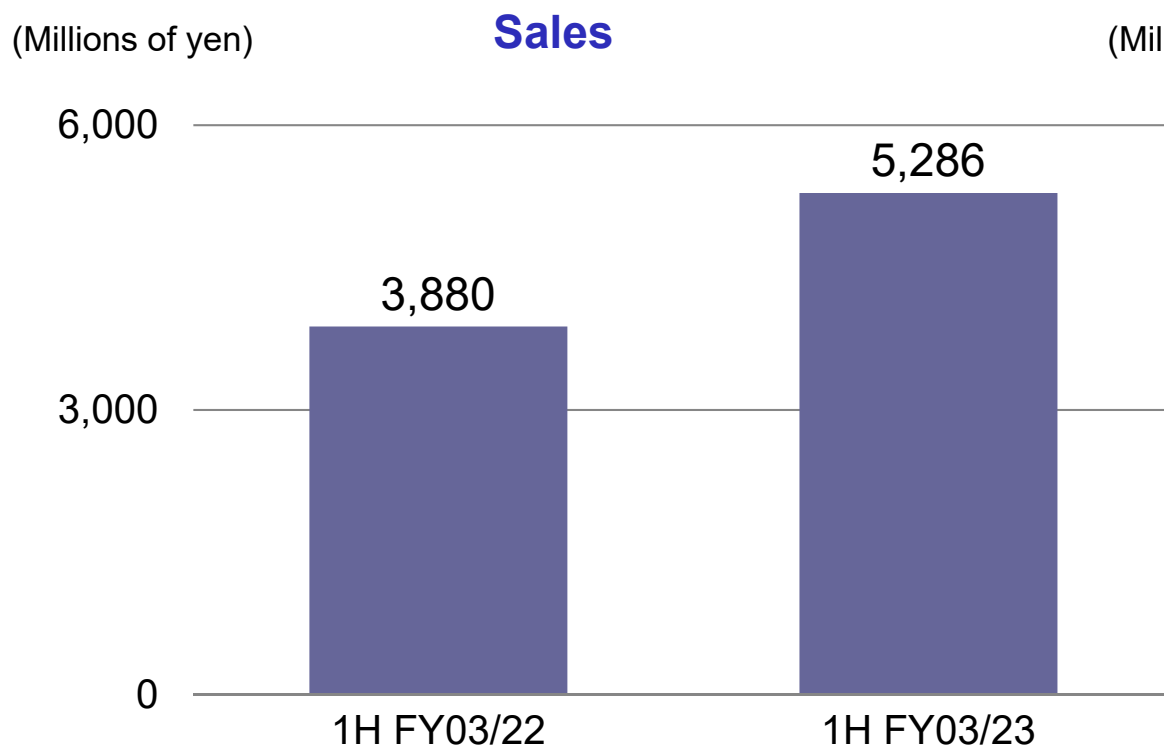
(Millions of yen)



- Segment sales rose due to higher sales of components at the Chinese subsidiary, but operating income fell.

(Millions of yen)

		1H FY03/22	1H FY03/23	Composition ratio	Percentage change (YoY)
<b>Other</b>	Sales	3,880	5,286	8.8%	36.2%
	Operating income	108	85	—	(21.1%)
	<i>Income ratio</i>	2.8%	1.6%		





# Consolidated Balance Sheet

**FOSTER**

**Equity ratio as of September 30, 2022 was 50.8% (54.7% as of March 31, 2022).**

(Millions of yen)

	End-FY03/22	End-1H FY03/23	Amount of change
<b>Current assets</b>	67,143	83,095	15,952
Cash and deposits	10,846	14,366	3,520
Notes and accounts receivable – trade	19,351	25,075	5,724
Inventories	30,454	35,329	4,875
Other	6,492	8,325	1,833
<b>Non-current assets</b>	19,005	20,345	1,340
Property, plant and equipment	15,614	16,809	1,195
Intangible assets	203	217	14
Investments and other assets	3,187	3,318	131
<b>Total assets</b>	86,148	103,441	17,293
<b>Current liabilities</b>	32,889	44,507	11,618
Notes and accounts payable – trade	11,179	11,881	702
Short-term bank loans	12,247	24,214	11,967
Current portion of long-term debt	818	631	(187)
Other	8,645	7,781	(864)
<b>Non-current liabilities</b>	1,627	1,439	(188)
Long-term debt	300	—	(300)
Other	1,327	1,439	112
<b>Net assets</b>	51,632	57,494	5,862
Shareholders' equity	43,409	43,163	(246)
Total accumulated other comprehensive income	3,753	9,436	5,683
Non-controlling interests	4,469	4,894	425
<b>Total liabilities and net assets</b>	86,148	103,441	17,293

# Statement of Cash Flows

**FOSTER**

Free cash flow for 1H FY03/23 was -7.83 billion yen.

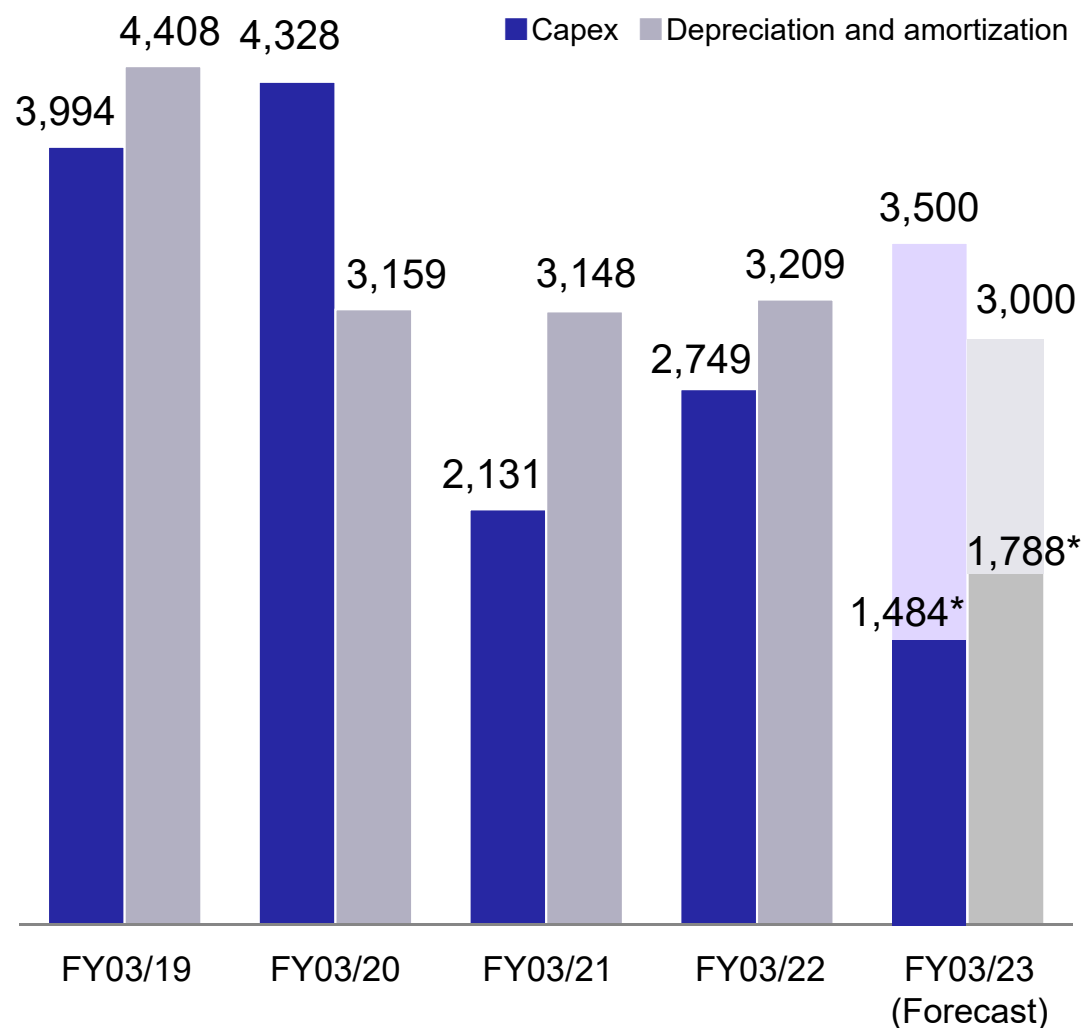
(Millions of yen)

	1H FY03/22	1H FY03/23	Amount of change
Operating activities	(6,191)	(7,014)	(823)
Investing activities	(1,400)	(818)	582
Free cash flow*	(7,591)	(7,832)	(241)
Financing activities	3,367	8,825	5,458
Net increase (decrease) in cash and cash equivalents	(3,980)	2,162	6,142
Cash and cash equivalents at the end of the period	16,392	14,252	(2,140)

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

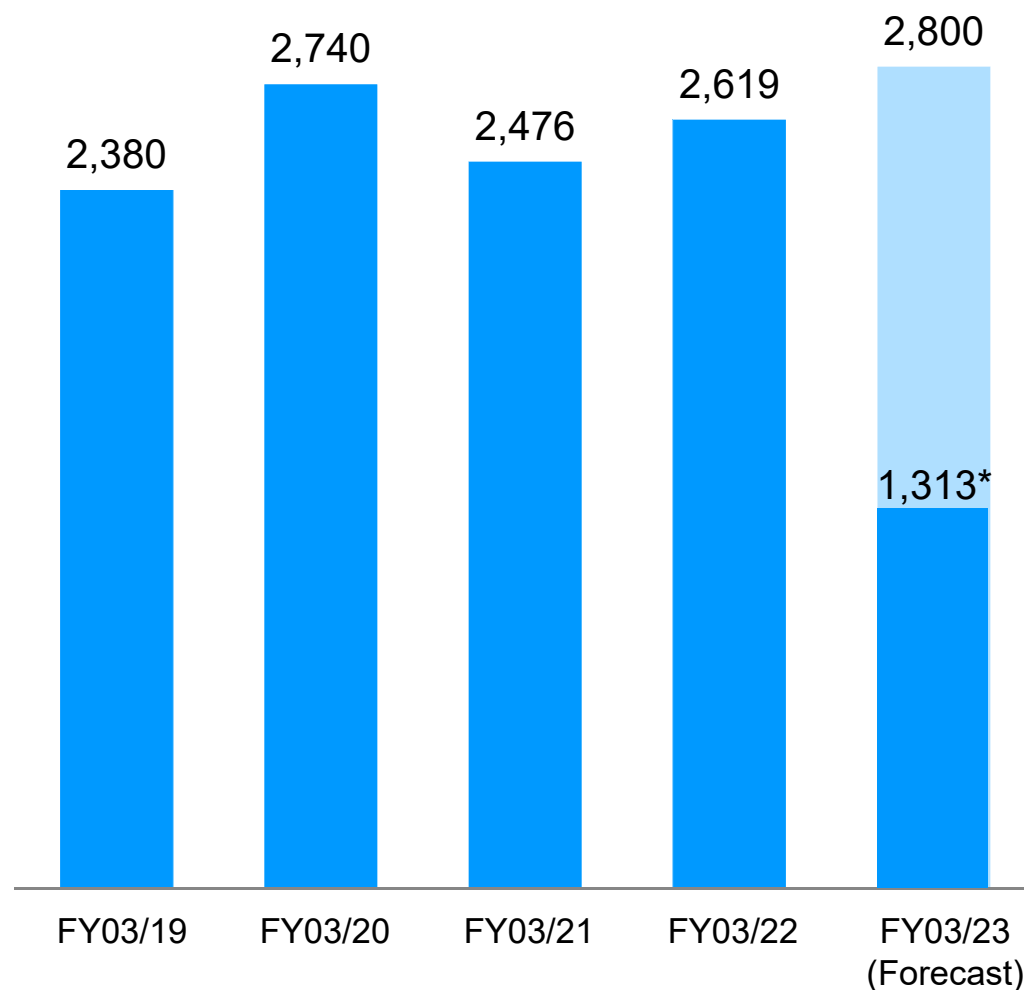
## Capex, depreciation and amortization

(Millions of yen)



## R&D expenses

(Millions of yen)



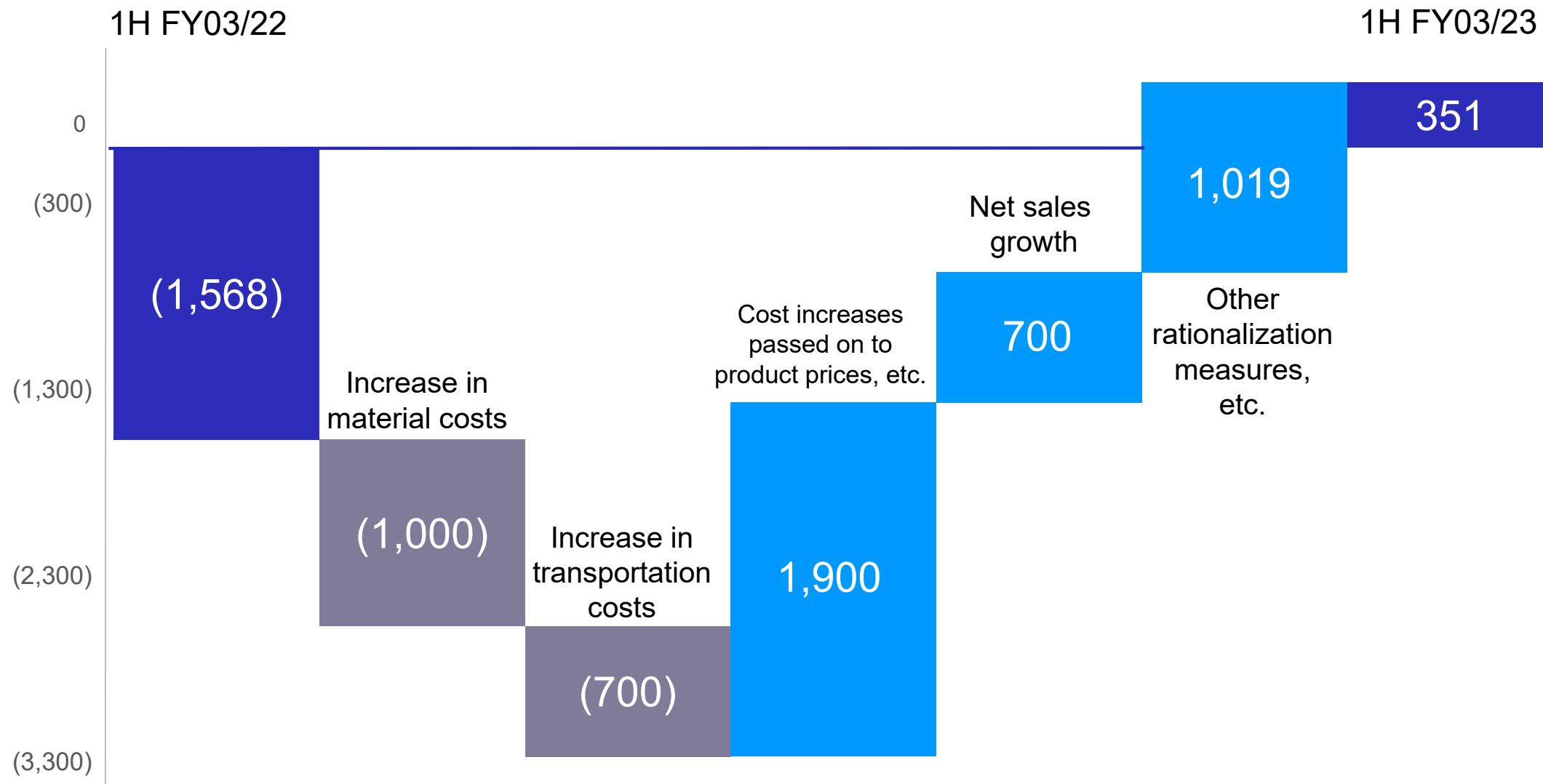
## II. Summary of the First Half and Forecasts for the Fiscal Year Ending March 31, 2023

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- 1** Despite lower-than-expected automobile production and sales, we secured higher sales and profits.
- 2** The return to profitability of net income attributable to owners of the parent and a full-fledged recovery of business performance have been carried over to 2H.
- 3** The Mobile Audio Segment continued to be profitable.
- 4** The automotive business secured 90% of the orders targeted at the completion of the medium-term business plan.

# Breakdown of YoY Change in Operating Income

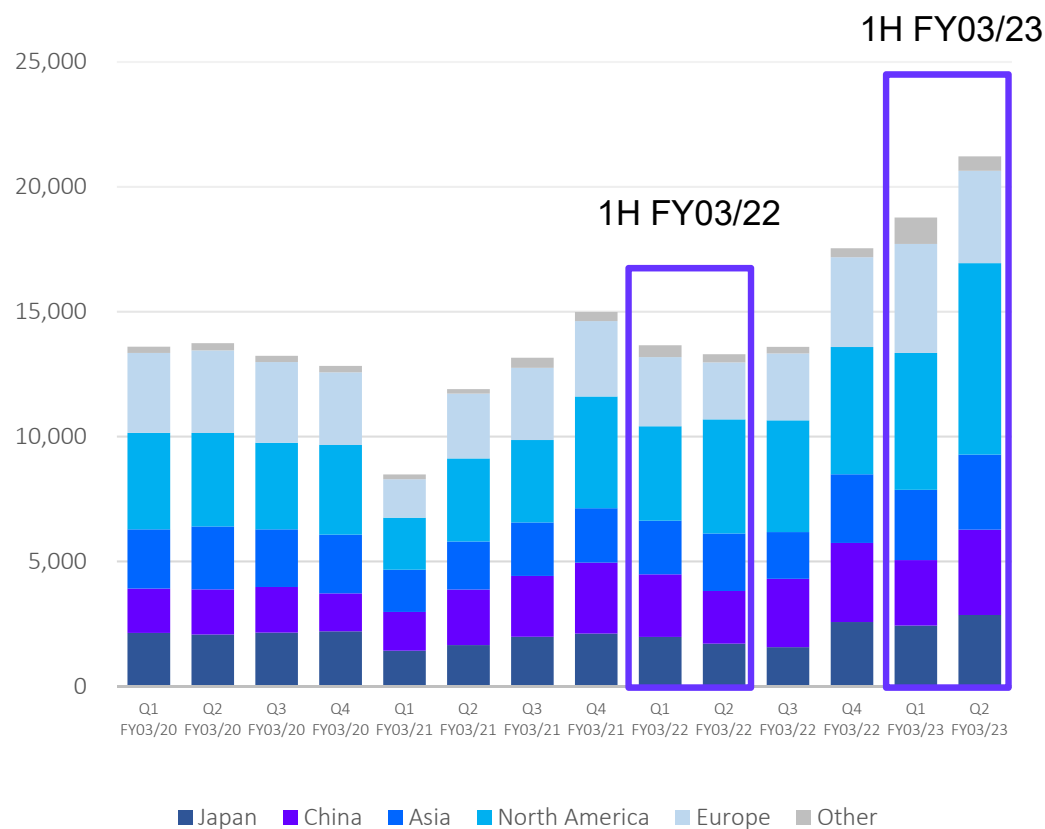
(Millions of yen)



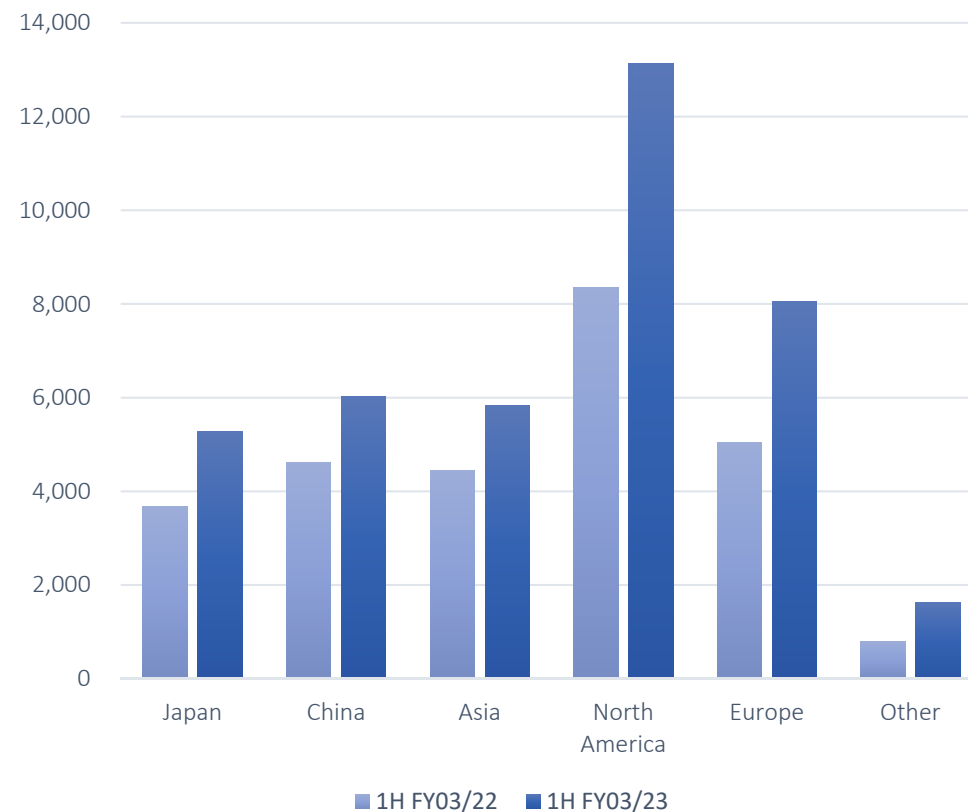
# Car Speaker Sales by Region

- Sales increased despite lower-than-expected automobile production and sales.
- Sales increased in all regions.

Quarterly car speaker sales by region



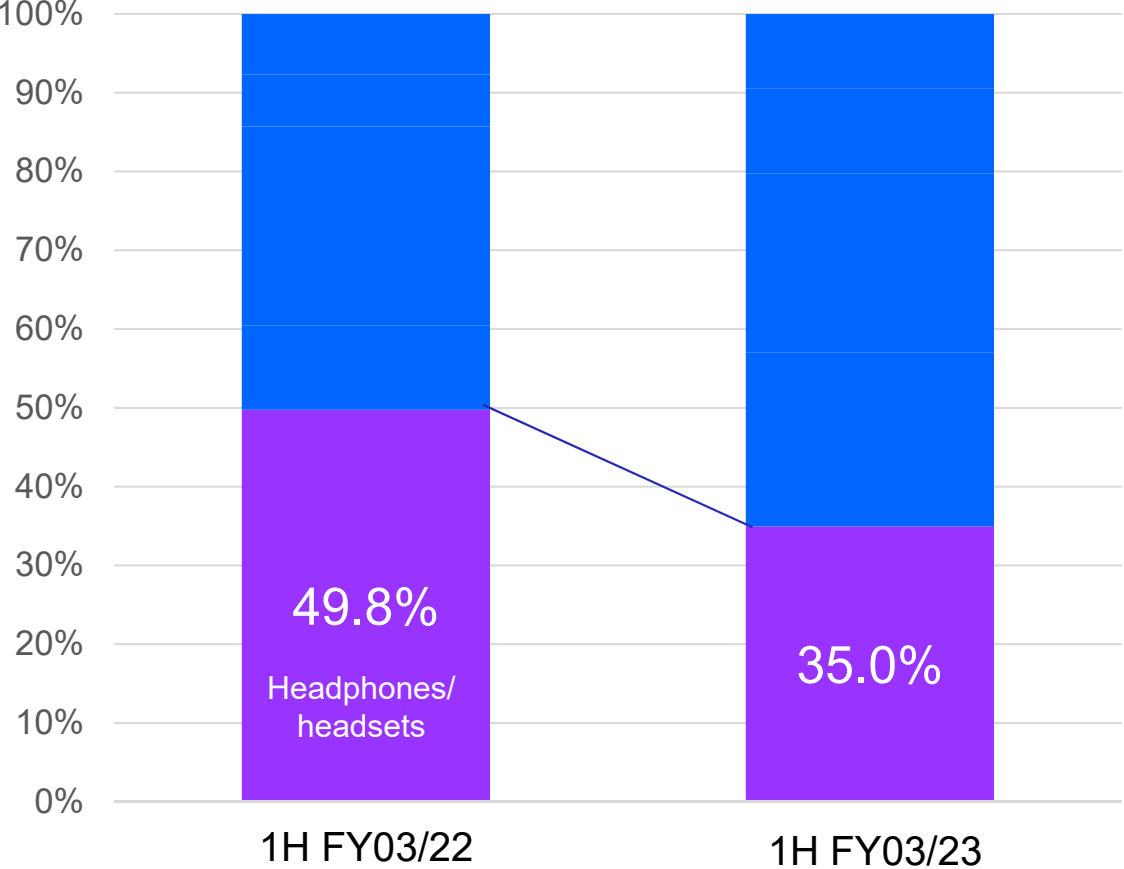
Car speaker sales by region (versus 1H FY03/22)



\*Sales to customers who are difficult to identify due to the wide range of destinations are booked under "Other."

● Returned to profitability as a result of improving the model mix and promoting an R&D-oriented business.

Sales composition of acoustic headphones/headsets in the Mobile Audio Segment



### TOPICS

- The ratio of acoustic headphones and headsets to total sales declined due to sales of headsets bundled with smartphones nearing an end
- Sales of headphone drivers using proprietary technologies and car headphones expanded
- Sales of actuators declined slightly in 1H, but volume is expected to grow in 2H
- An R&D-oriented business was launched in FY03/23



# FY03/23 Forecasts

- We revised our initial forecast upward due to higher sales (excluding the effect of foreign exchange rates) and progress in passing higher costs on to prices.

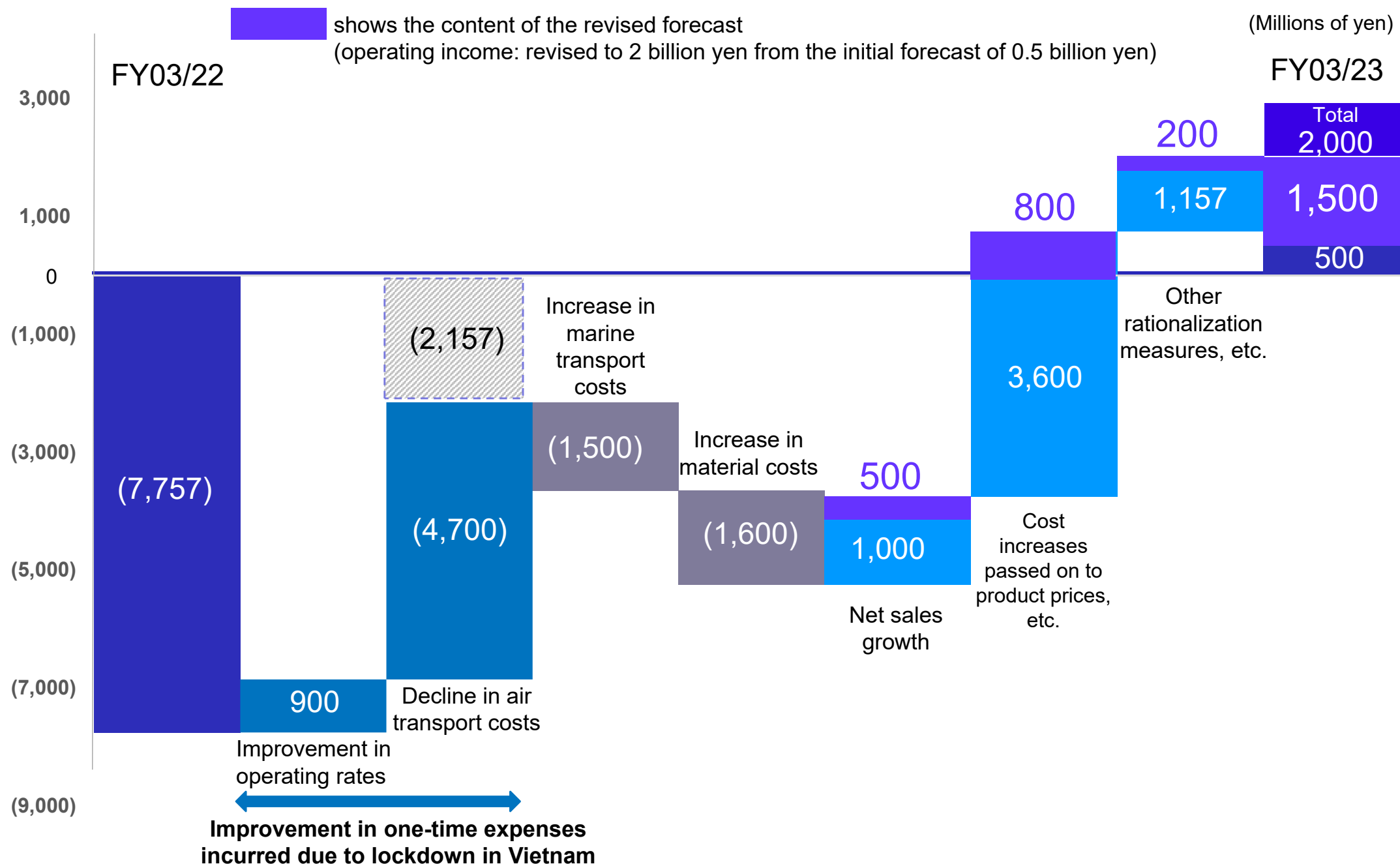
(Millions of yen)

	FY03/22	FY03/23 Initial forecast	FY03/23 Revised forecast	Amount of change (vs. FY03/22)	Percentage change (vs. FY03/22)	Amount of change (vs. initial forecast)	Percentage change (vs. initial forecast)
Net sales	91,106	100,000	120,000	28,894	31.7%	20,000	20.0%
Operating income (loss)	(7,757)	500	2,000	9,757	—	1,500	300.0%
<i>Operating income (loss) to net sales</i>	<i>(8.5%)</i>	<i>0.5%</i>	<i>1.7%</i>				
Ordinary income (loss)	(7,473)	500	2,000	9,473	—	1,500	300.0%
<i>Ordinary income (loss) to net sales</i>	<i>(8.2%)</i>	<i>0.5%</i>	<i>1.7%</i>				
Net income (loss)*	(7,017)	300	1,500	8,517	—	1,200	400.0%
<i>Net income (loss) to net sales**</i>	<i>(7.7%)</i>	<i>0.3%</i>	<i>1.3%</i>				
Net income (loss) per share (in exact yen)	(315.53)	13.52	67.60	383.13	—	54.08	—
Dividends per share (in exact yen)	10.00	Undecided	20.00				
Dividend payout ratio	—	Undecided	29.6%				
Exchange rates	113.06 yen/USD 131.14 yen/EUR	125.00 yen/USD 135.00 yen/EUR	145.00 yen/USD 140.00 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

## FY03/22–FY03/23 Forecast



Segment	Outlook for 2H
<b>Speaker</b>	<ul style="list-style-type: none"> <li>➤ In addition to the lingering uncertainty surrounding semiconductor shortages, the possibility of automobile production and sales being affected by global economic slowdown, including Europe and the US, is cause for concern. Furthermore, China's adherence to its zero-COVID policy may disrupt the supply chain. We expect demand for car speakers to fall.</li> <li>➤ We expect that most of the progress we have made in passing on costs to prices will be reflected from 2H results.</li> <li>➤ Raw material costs and ocean freight rates are beginning to settle down.</li> </ul>
<b>Mobile Audio</b>	<ul style="list-style-type: none"> <li>➤ We expect higher sales in 2H driven by Christmas shopping and other factors.</li> <li>➤ We anticipate that sales of actuators and drivers for headsets will exceed our initial forecast.</li> <li>➤ Shipments will begin for products related to new businesses.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>➤ We project that demand for micro acoustic components (e.g., AVAS speakers) will remain strong as the transition to EVs continues.</li> <li>➤ We expect a delay in passing on higher costs due to yen depreciation in some domestic businesses.</li> </ul>

**We plan to pay an interim dividend of 10 yen per share and a year-end dividend of 10 yen per share, for a full-year dividend of 20 yen per share.**

## [Dividend policy]

The Group regards the sustainable growth of corporate value as a management priority, and aims for a dividend payout ratio of 30%, balancing profit distributions commensurate with earnings with long-term expansion of internal reserves.

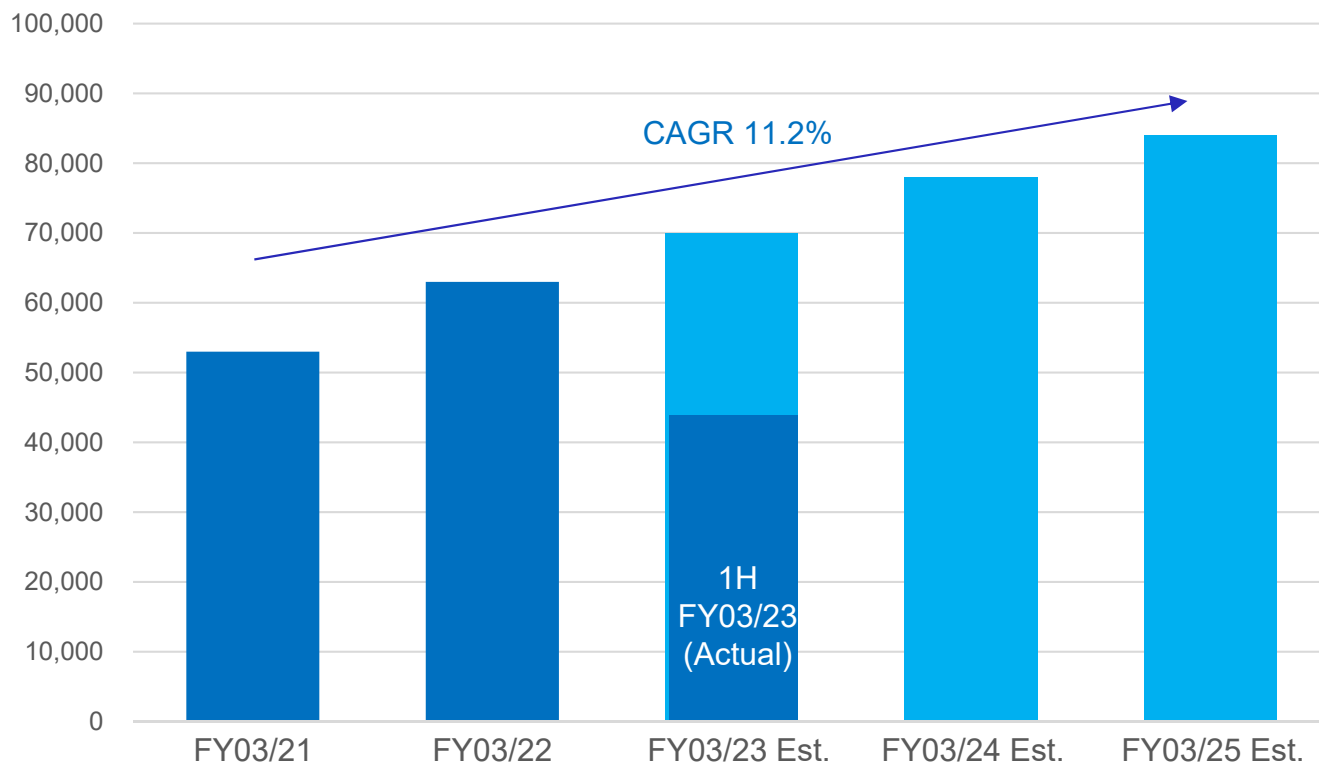
	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23 (Forecast)
Net income (loss) per share (in exact yen)	(83.21)	69.15	(148.47)	(315.53)	67.60
Dividends per share (in exact yen) (interim, year-end)	20.00 (10.00, 10.00)	35.00 (20.00, 15.00)	15.00 (10.00, 5.00)	10.00 (10.00, 0.00)	20.00 (10.00, 10.00)
Dividend payout ratio	—%	50.6%	—%	—%	29.6%

## III. Progress of Medium-Term Business Plan

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## Automotive business sales projections

(Millions of yen)



\*The automotive business covers all Foster Group products made for automotive use, including car speakers, micro acoustic components (buzzers, etc.), car headphones, etc.

\*The figures above change significantly, subject to changes in various factors such as future trends in automobile sales and the status of our orders.

## TOPICS

- **Already secured roughly 90% of orders** targeted for FY03/25, the final year of our current medium-term business plan
- Launched sales to Japanese blue-chip brands in Q2. Expect further sales expansion
- Sales to Tier 1 brands based in North America expanded
- Orders from European luxury car makers remained strong
- Progress made in bundled sales of micro acoustic components (buzzers, AVAS/eCall speakers, etc.)

## Establish a subsidiary for production in Europe (Hungary Plant)

- Meet demand by building an optimal production system based on local production for local consumption.
- On October 31, 2022, we resolved to establish a subsidiary (second-tier subsidiary) in Hungary as a production base for Europe.

### 2024: Production planned in Europe

Name: FOSTER ELECTRIC HUNGARY Kft.  
Common stock: 3 million euro (approx. 400 million yen)  
Establishment: Scheduled for December 2022  
Start of mass production: Scheduled for October 2024  
Production volume: 100,000 pieces/month  
Number of employees: 70 (expected by the time of mass production)

1H 2023: Begin production  
in Ho Chi Minh City, Vietnam

## Collaboration with NTT sonority

### PSZ (\*)

- Launched the world's first earphones equipped with PSZ technology, which traps sound at the listener's ear, in cooperation with NTT sonority, Inc.
- Expanding sales proposal activities for automotive (seat-mounted) applications.

## Collaboration with NEC

### Hearable device (ROBIN)

- Launched a crowdfunded true wireless hearable device in collaboration with NEC Corporation (NEC).
- In addition to the existing ear acoustic authentication, speech active noise canceling, and sensors, the new model is equipped with functions that acquire biometric information (ear canal surface temperature and pulse-related information) from ears.

\*Personalized Sound Zone (PSZ)

PSZ technology traps high-quality sound at the listener's ears and prevents sound from leaking out in any direction. This technology utilizes sound shells\* that are created by introducing hardware innovations based on the seemingly paradoxical idea of actively harnessing typically unused sound emanating from the rear sides of speakers, and by controlling interference through the application of software. Shells are commercially available in sizes of 10–20 cm and 1–2 cm.

\* A space in which sound is confined.



## Soaring costs of materials and components

- Sharing the cost increase with clients to clients and introducing a cost-linked pricing system to make our business more resilient to cost fluctuations.

## Soaring ocean container freight costs

- Established a global logistics team to control appropriate inventory levels and to centrally manage ocean container freight costs.

## Risk of supply chain disruptions

- Employees are strongly motivated to protect the supply chain. Many workers voluntarily stayed overnight at the plant in Vietnam for more than two months to secure the supply chain.

**For more than two years, Foster faced an unprecedented crisis in the Foster's history. Which led us reach valuable lessons.**

**Foster reborn with a stronger corporate culture & structure**

**We will discover (uncover), visualize, and realize the potential of each employee.**

**Foster's strength comes from encouraging individuals and transforming their potential into source of corporate strength is management's mission.**

## IV. Reference Materials

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**Our Corporate Creed is “Sincerity.”**

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

<b>Company name</b>	Foster Electric Company, Limited
<b>Representative</b>	Atsushi Narikawa, CEO
<b>Founded</b>	June 20, 1949
<b>Headquarters</b>	1-1-109 Tsutsujigaoka, Akishima, Tokyo 196-8550
<b>Stock exchange</b>	Second Section of the Tokyo Stock Exchange (May 1962) First Section of the Tokyo Stock Exchange (September 1999) Prime Market of the Tokyo Stock Exchange (April 2022)
<b>Common stock</b>	6,770 million yen (as of September 30, 2022)
<b>Business domain</b>	Production and sales of speakers, audio equipment, and electronic equipment
<b>Number of employees</b>	Consolidated: 16,078 (including employees at a contract manufacturer in Panyu, China) Non-consolidated: 422 (as of September 30, 2022 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

- Headphones/headsets, earphone drivers, and vibration actuators, etc.

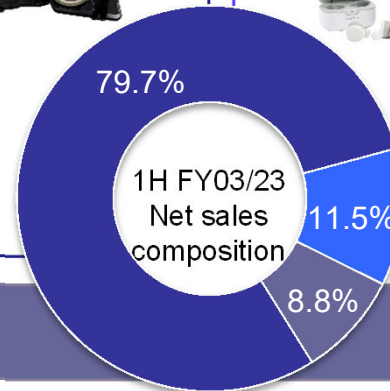
Headphones/headsets



Earphone drivers



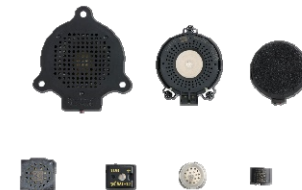
Actuators



## Other Segment

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

Micro acoustic components



FOSTEX products

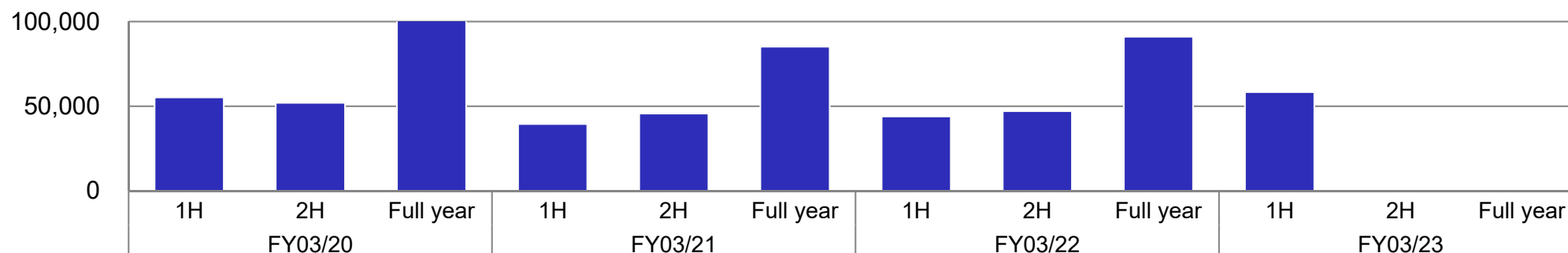


# Half-Year and Full-Year Results

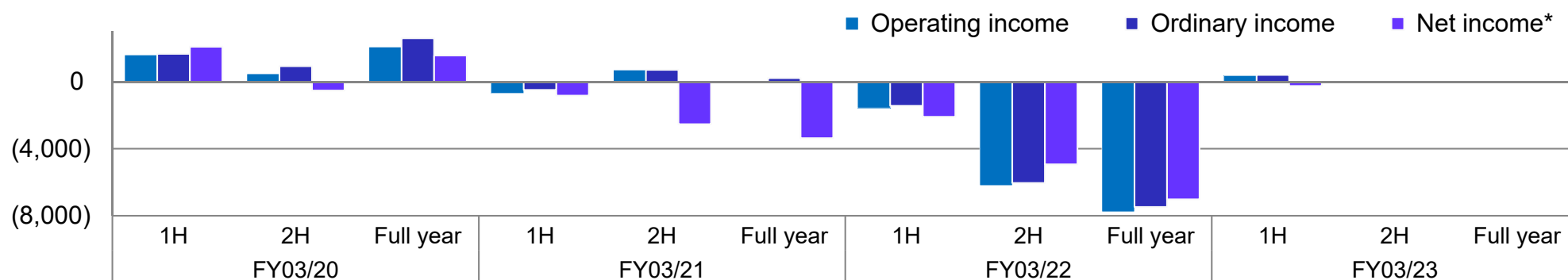
## Results (Millions of yen)

	FY03/20			FY03/21			FY03/22			FY03/23		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales	55,277	52,021	107,298	39,528	45,692	85,220	43,976	47,130	91,106	58,385		
Operating income	1,594	470	2,064	(688)	688	0.7	(1,568)	(6,189)	(7,757)	351		
Ordinary income	1,668	931	2,599	(488)	707	219	(1,433)	(6,040)	(7,473)	404		
Net income*	2,090	(525)	1,565	(829)	(2,534)	(3,363)	(2,093)	(4,924)	(7,017)	(249)		
Income ratio	2.9%	0.9%	1.9%	(1.7%)	1.5%	0.0%	(3.6%)	(13.1%)	(8.5%)	0.6%		
Ordinary income to net sales	3.0%	1.8%	2.4%	(1.2%)	1.5%	0.3%	(3.3%)	(12.8%)	(8.2%)	0.7%		
Net income to net sales**	3.8%	(1.0%)	1.5%	(2.1%)	(5.5%)	(3.9%)	(4.8%)	(10.4%)	(7.7%)	(0.4%)		

## Net sales (Millions of yen)



## Profits (Millions of yen)



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

# Half-Year and Full-Year Results by Segment

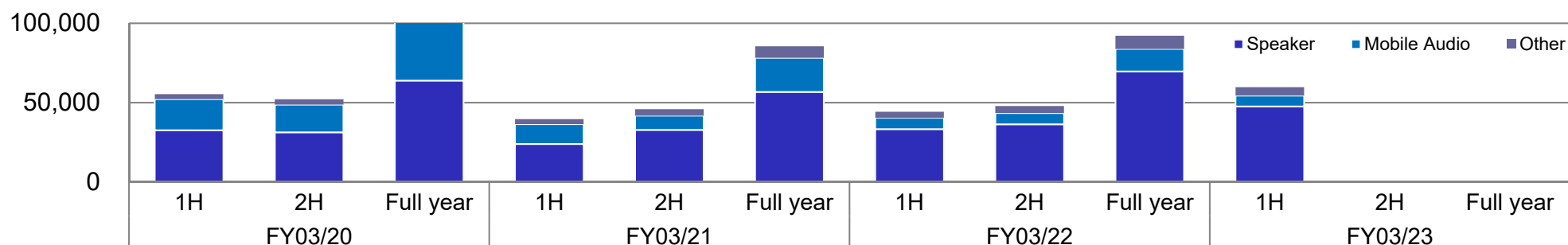
## Results (Millions of yen)

Sales	FY03/20			FY03/21			FY03/22			FY03/23		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Speaker	32,631	31,324	63,955	23,892	32,844	56,736	33,294	36,382	69,676	47,641		
Mobile Audio	19,603	17,456	37,059	12,593	8,981	21,574	7,137	7,090	14,227	6,841		
Other	3,107	3,347	6,454	3,176	4,068	7,244	3,880	4,450	8,330	5,286		

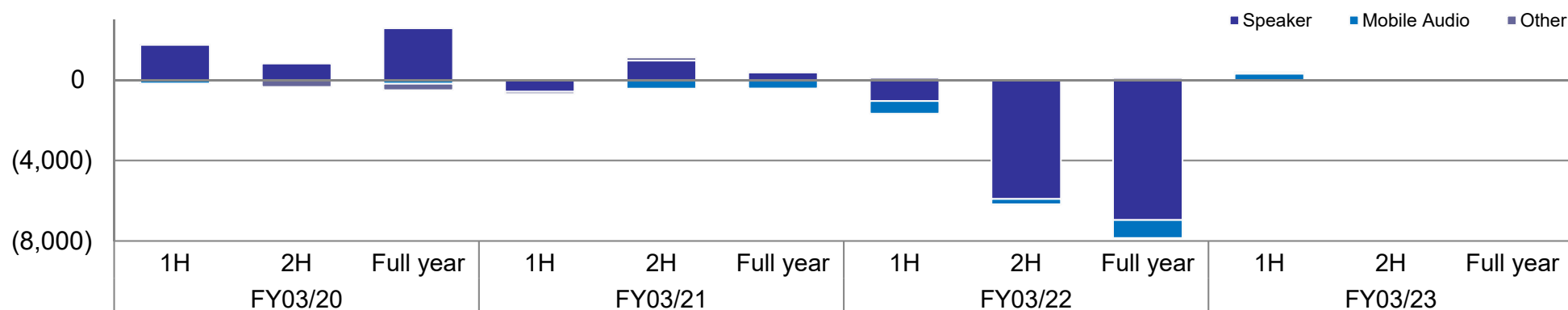
## Operating income

Speaker	1,754	817	2,571	(584)	961	377	(1,045)	(5,910)	(6,955)	(51)		
Mobile Audio	(170)	(17)	(187)	5	(429)	(424)	(631)	(265)	(896)	317		
Other	10	(330)	(320)	(109)	156	47	108	(14)	94	85		

## Net sales (Millions of yen)



## Operating income (Millions of yen)

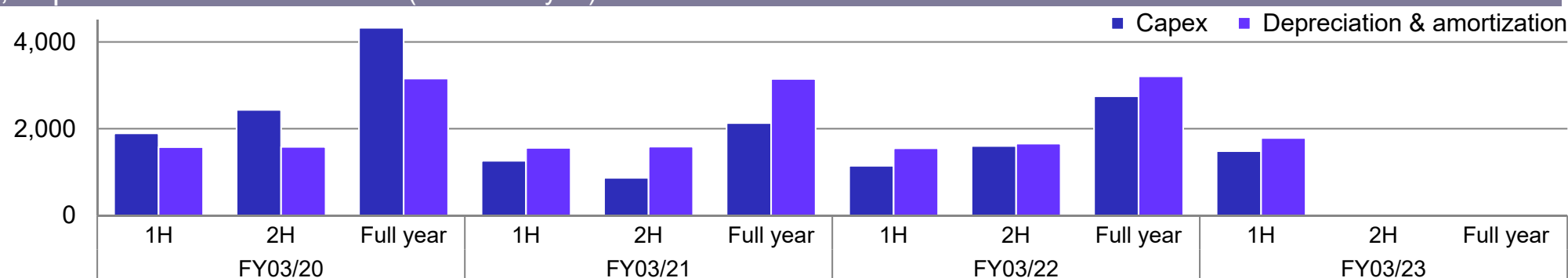


# Half-Year and Full-Year Capex, Depreciation and Amortization, and R&D Expenses

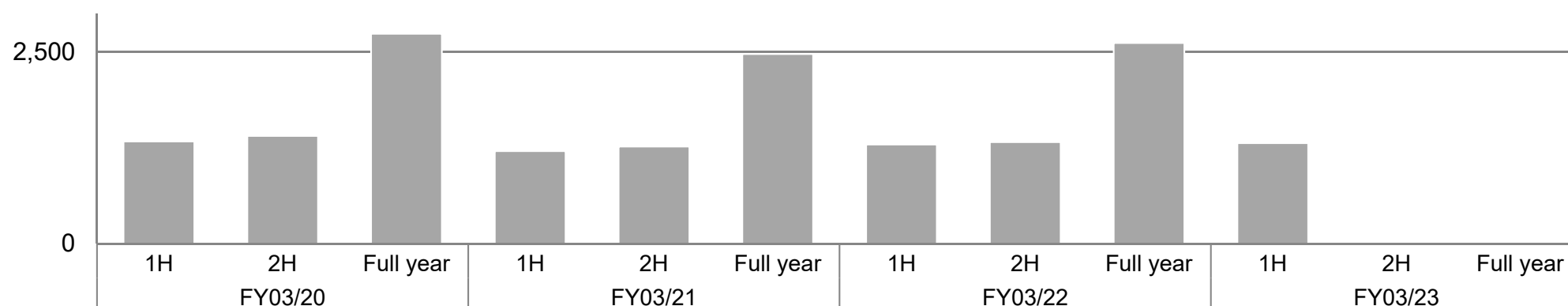
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/20			FY03/21			FY03/22			FY03/23		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Capex	1,894	2,434	4,328	1,263	868	2,131	1,146	1,603	2,749	1,484		
Depreciation & amortization	1,576	1,583	3,159	1,560	1,588	3,148	1,552	1,657	3,209	1,788		
R&D expenses	1,333	1,407	2,740	1,209	1,267	2,476	1,294	1,325	2,619	1,313		

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)



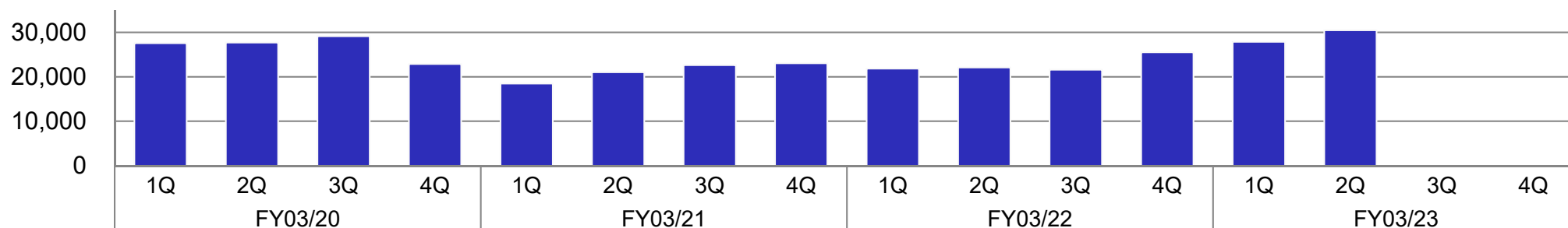


# Quarterly Results

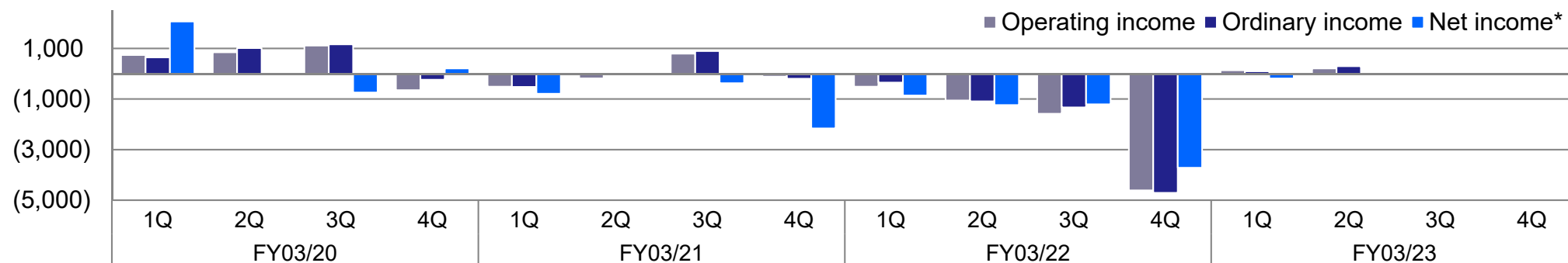
## Results (Millions of yen)

	FY03/20				FY03/21				FY03/22				FY03/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	27,561	27,716	29,132	22,889	18,480	21,048	22,641	23,051	21,860	22,116	21,595	25,535	27,894	30,491		
Operating income	741	853	1,117	(647)	(507)	(181)	799	(110)	(511)	(1,057)	(1,578)	(4,611)	139	212		
Ordinary income	648	1,020	1,166	(235)	(518)	30	900	(193)	(345)	(1,088)	(1,329)	(4,711)	102	302		
Net income*	2,067	23	(740)	215	(791)	(38)	(373)	(2,161)	(857)	(1,236)	(1,205)	(3,719)	(183)	(66)		
Income ratio	2.7%	3.1%	3.8%	(2.8%)	(2.7%)	(0.9%)	3.5%	(0.5%)	(2.3%)	(4.8%)	(7.3%)	(18.1%)	0.5%	0.7%		
Ordinary income to net sales	2.4%	3.7%	4.0%	(1.0%)	(2.8%)	0.1%	4.0%	(0.8%)	(1.6%)	(4.9%)	(6.2%)	(18.4%)	0.4%	1.0%		
Net income to net sales**	7.5%	0.1%	(2.5%)	0.9%	(4.3%)	(0.2%)	(1.6%)	(9.4%)	(3.9%)	(5.6%)	(5.6%)	(14.6%)	(0.7%)	(0.2%)		

## Net sales (Millions of yen)



## Profits (Millions of yen)



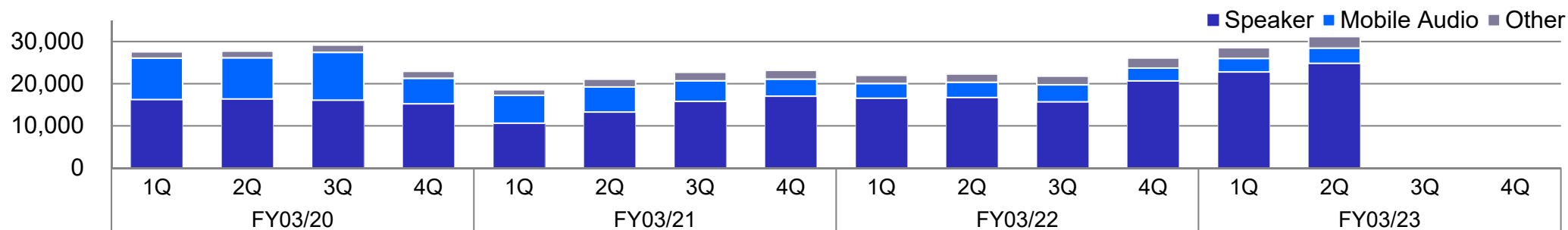
\*Net income attributable to owners of the parent. \*\*Net income to net sales attributable to owners of the parent.

# Quarterly Results by Segment

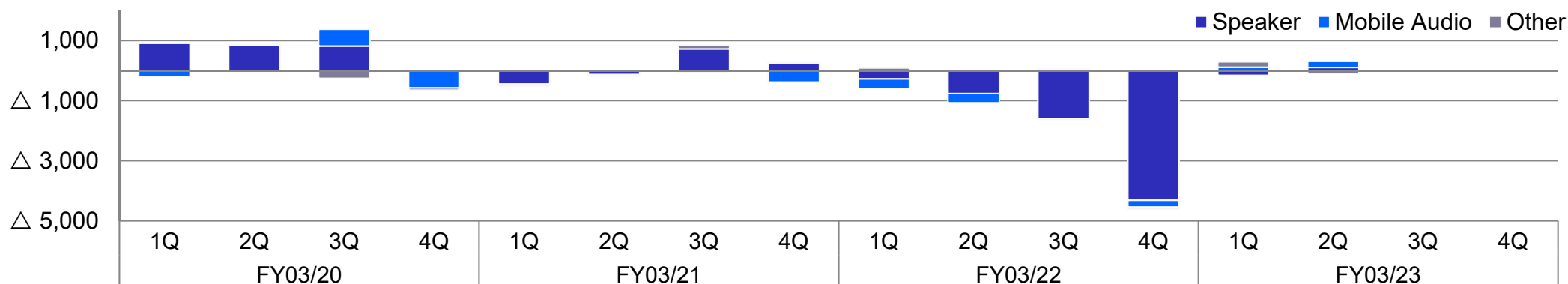
## Results (Millions of yen)

Sales	FY03/20				FY03/21				FY03/22				FY03/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Speaker	16,253	16,378	16,097	15,227	10,619	13,273	15,802	17,042	16,553	16,741	15,703	20,679	22,804	24,837		
Mobile Audio	9,826	9,777	11,374	6,082	6,633	5,960	4,909	4,072	3,508	3,629	4,044	3,046	3,213	3,628		
Other	1,511	1,596	1,706	1,641	1,321	1,855	2,010	2,058	1,947	1,933	2,061	2,389	2,545	2,741		
Operating income																
Speaker	915	839	817	0	(448)	(136)	722	239	(279)	(766)	(1,593)	(4,317)	(156)	105		
Mobile Audio	(205)	35	558	(575)	6	(1)	(46)	(383)	(323)	(308)	(39)	(226)	113	204		
Other	30	(20)	(258)	(72)	(65)	(44)	123	33	91	17	55	(69)	182	(97)		

## Net sales (Millions of yen)



## Profits (Millions of yen)



# Quarterly Balance Sheet and Statement of Cash Flows



## Balance sheet (Millions of yen)

	FY03/20				FY03/21				FY03/22				FY03/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total current assets	67,221	65,381	60,986	59,952	55,066	55,396	58,394	59,040	59,947	62,814	62,738	67,143	75,694	83,095		
Cash and deposits	19,839	12,575	18,295	14,770	17,985	21,401	21,987	15,470	18,556	15,499	13,863	10,846	11,422	14,366		
Notes and accounts receivable – trade	18,721	19,289	19,187	15,145	15,351	16,018	16,794	16,945	16,571	17,196	16,020	19,351	23,132	25,075		
Other	28,661	33,517	23,504	30,037	21,730	17,977	19,613	26,625	24,820	30,119	32,855	36,946	41,140	43,654		
Total non-current assets	22,840	22,227	22,847	20,872	20,524	20,160	18,606	18,193	18,309	18,247	18,411	19,005	20,098	20,345		
Net property, plant and equipment	18,927	18,116	18,013	17,980	17,673	17,312	15,787	15,213	15,234	15,190	15,354	15,614	16,640	16,809		
Total intangible assets	314	433	212	217	201	198	198	189	196	194	205	203	216	217		
Total investments and other assets	3,598	3,677	4,621	2,675	2,649	2,649	2,621	2,790	2,877	2,863	2,851	3,187	3,241	3,318		
Total assets	90,062	87,609	83,833	80,825	75,590	75,556	77,001	77,233	78,256	81,062	81,150	86,148	95,793	103,441		
Total current liabilities	23,802	22,439	18,816	17,783	15,241	15,623	18,041	18,738	19,953	23,931	25,098	32,889	39,332	44,507		
Notes and accounts payable – trade	7,507	8,067	8,086	7,390	5,604	6,296	8,491	8,735	8,969	9,300	7,705	11,179	12,327	11,881		
Short-term loans and bonds payable	9,473	7,586	3,859	3,904	4,479	3,669	3,697	4,084	5,247	8,208	10,525	13,065	19,660	24,845		
Other	6,822	6,786	6,871	6,489	5,158	5,658	5,853	5,919	5,737	6,423	6,868	8,645	7,345	7,781		
Total non-current liabilities	6,088	5,567	5,232	4,047	3,144	2,916	2,699	2,501	2,341	2,067	1,829	1,627	1,495	1,439		
Long-term debt and bonds payable	4,490	3,918	3,365	2,637	1,850	1,606	1,362	1,118	875	631	450	300	150	0		
Other	1,598	1,649	1,867	1,410	1,294	1,310	1,337	1,383	1,466	1,436	1,379	1,327	1,345	1,439		
Total net assets	60,171	59,602	59,785	58,995	57,205	57,015	56,260	55,993	55,962	55,063	54,222	51,632	54,965	57,494		
Shareholders' equity	56,162	56,185	55,120	55,335	54,201	54,169	53,568	50,837	49,868	48,646	47,177	43,409	43,226	43,163		
Accumulated other comprehensive income	(931)	(1,474)	(310)	(1,563)	(1,952)	(2,132)	(2,486)	(198)	473	788	1,570	3,753	7,293	9,436		
Non-controlling interests	4,939	4,891	4,975	5,224	4,956	4,978	5,178	5,354	5,621	5,628	5,474	4,469	4,445	4,894		
Total liabilities and net assets	90,062	87,609	83,833	80,825	75,590	75,556	77,001	77,233	78,256	81,062	81,150	86,148	95,793	103,441		

## Statement of cash flows (Millions of yen)

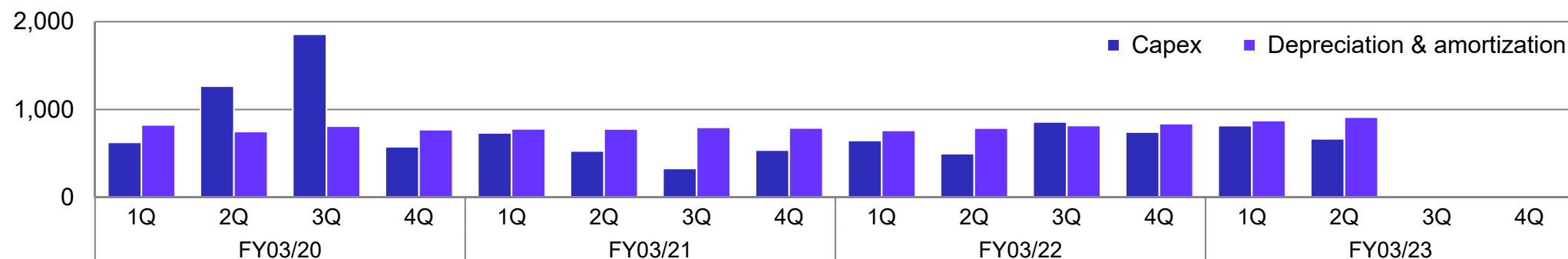
	FY03/20				FY03/21				FY03/22				FY03/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating activities	873	2,375	4,250	3,594	(2,309)	3,626	960	(1,538)	(2,351)	(3,840)	(3,309)	(3,267)	(5,612)	(1,402)		
Investing activities	1,862	(690)	(1,322)	666	(1,246)	(351)	(144)	(219)	(228)	(1,172)	(970)	(701)	(824)	6		
Financing activities	(1,023)	(2,308)	(4,758)	(734)	(691)	(1,004)	(384)	(545)	658	2,709	2,548	856	4,964	3,861		
Foreign exchange impact	(229)	(269)	(75)	195	(375)	(40)	(76)	778	201	42	(12)	551	691	478		
Net increase (decrease) in cash flow	1,482	(892)	(1,905)	3,721	(4,622)	2,231	357	(1,523)	(1,720)	(2,260)	(1,743)	(2,561)	(781)	2,943		
Cash at the end of period	23,007	22,114	20,209	23,930	19,307	21,539	21,895	20,373	18,653	16,392	14,650	12,089	11,308	14,252		

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

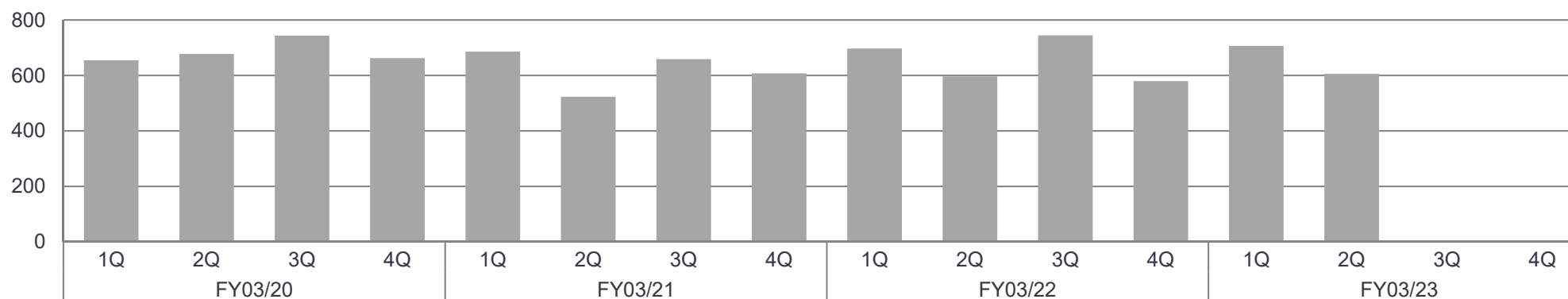
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/20				FY03/21				FY03/22				FY03/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capex	627	1,267	1,858	576	734	528	330	538	648	498	859	744	817	667		
Depreciation & amortization	826	750	812	771	781	779	797	791	763	789	818	839	875	913		
R&D expenses	655	678	744	663	686	523	659	608	697	597	745	580	707	606		

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

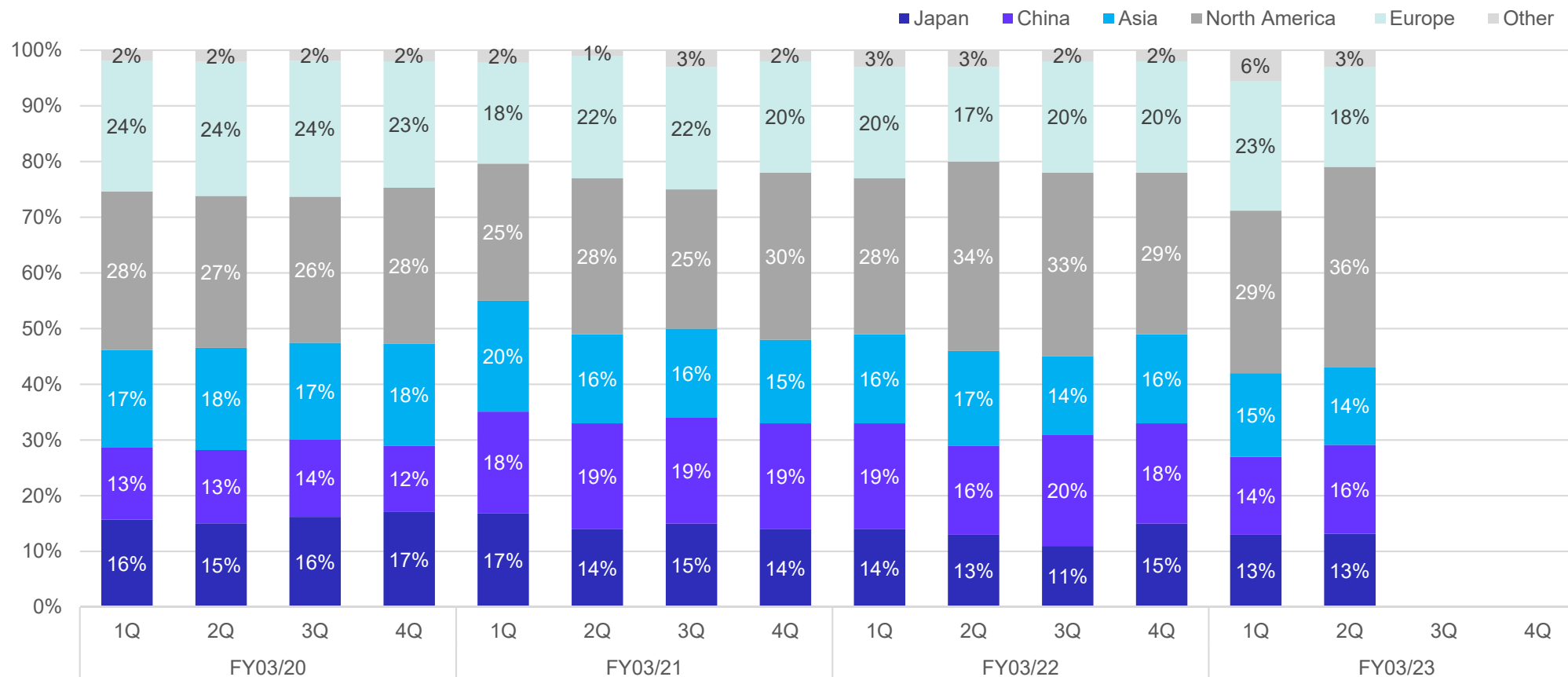


# Quarterly Sales Weighting of Car Speakers by Region



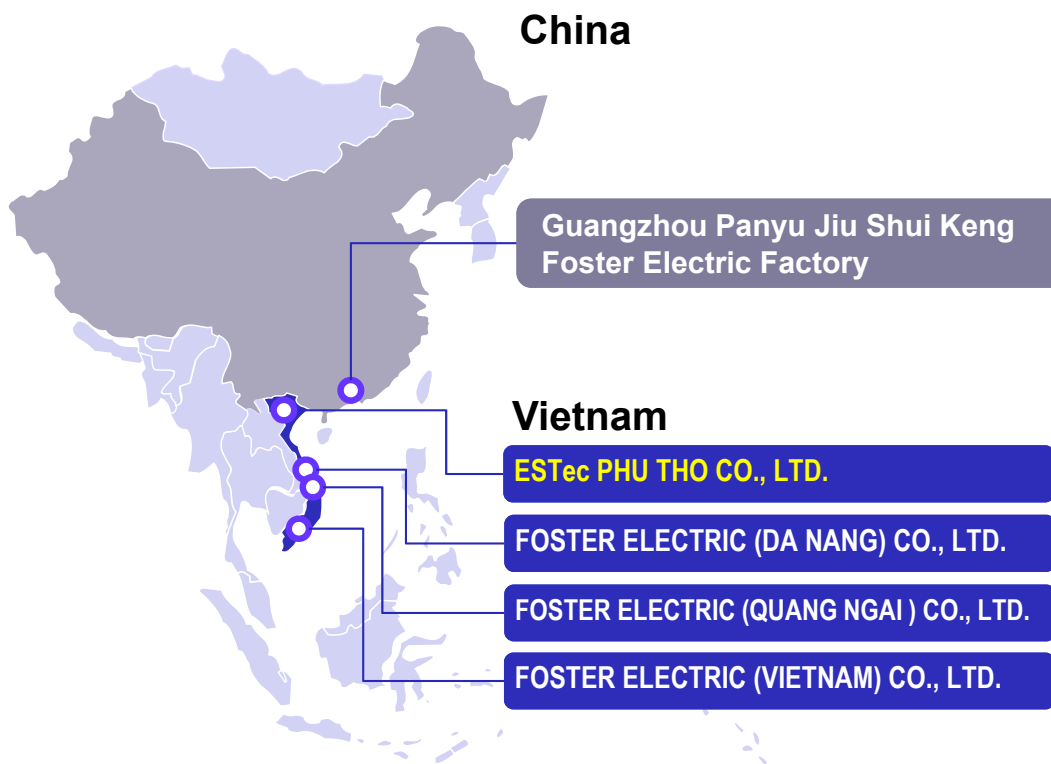
## Sales weighting of car speakers by region

	FY03/20				FY03/21				FY03/22				FY03/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan	16%	15%	16%	17%	17%	14%	15%	14%	14%	13%	11%	15%	13%	13%		
China	13%	13%	14%	12%	18%	19%	19%	19%	19%	16%	20%	18%	14%	16%		
Asia	17%	18%	17%	18%	20%	16%	16%	15%	16%	17%	14%	16%	15%	14%		
North America	28%	27%	26%	28%	25%	28%	25%	30%	28%	34%	33%	29%	29%	36%		
Europe	24%	24%	24%	23%	18%	22%	22%	20%	20%	17%	20%	20%	23%	18%		
Other	2%	2%	2%	2%	2%	1%	3%	2%	3%	3%	2%	2%	6%	3%		
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		
Total sales (Millions of yen)	13,598	13,735	13,233	12,840	8,478	11,898	13,155	14,985	13,652	13,295	13,588	17,538	18,767	21,216		

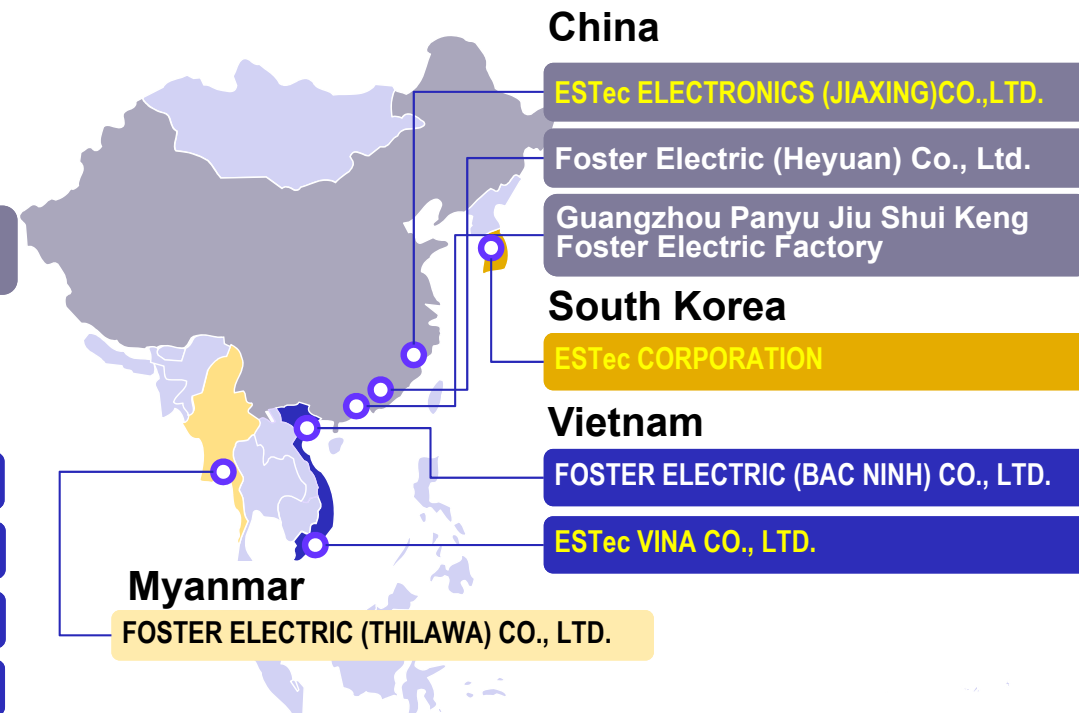


# The Group's Major Manufacturing Sites

## Mobile Audio

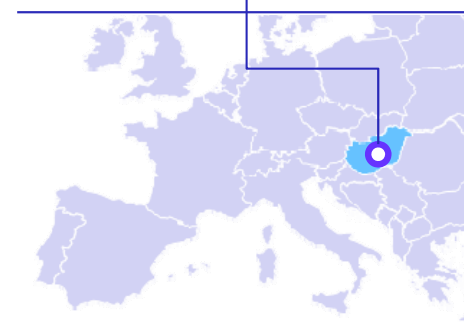


## Speaker



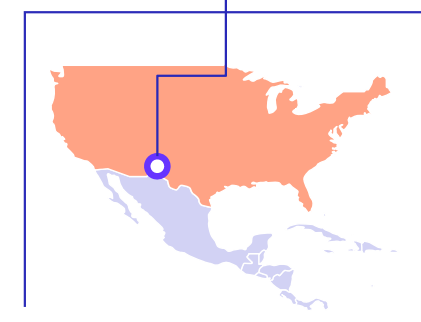
## Hungary (December 2022 (planned) )

FOSTER ELECTRIC HUNGARY Kft.



## USA

EL PASO OPERATIONS



( As of September 30, 2022 )

### **[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.

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