

Financial Results Briefing for the Fiscal Year Ended March 31, 2022

Foster Electric Company, Limited

(Stock code: 6794, Prime Market)

May 20, 2022

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I. Overview of Financial Results for the Fiscal Year Ended March 31, 2022

FY03/22 Results

(Millions of yen)

	FY03/21	FY03/22	Amount of change	Percentage change (YoY)	Revised FY03/22 forecast	Difference	Percentage achieved
Net sales	85,220	91,106	5,886	6.9%	92,000	(894)	99.0%
Operating income (loss)	0.7	(7,757)	(7,758)	—	(7,000)	(757)	—
<i>Operating income (loss) to net sales</i>	<i>0.0%</i>	<i>(8.5%)</i>			<i>(7.6%)</i>		
Ordinary income (loss)	219	(7,473)	(7,692)	—	(7,000)	(473)	—
<i>Ordinary income (loss) to net sales</i>	<i>0.3%</i>	<i>(8.2%)</i>			<i>(7.6%)</i>		
Net income (loss)*	(3,363)	(7,017)	(3,654)	—	(6,000)	(1,017)	—
<i>Net income (loss) to net sales**</i>	<i>(3.9%)</i>	<i>(7.7%)</i>			<i>(6.5%)</i>		
Net income (loss) per share (in exact yen)	(148.47)	(315.53)	(167.06)	—	(269.65)	(45.88)	—
Dividends per share (in exact yen)	15.00	10.00	(5.00)	(33.3%)	10.00	0.00	
Dividend payout ratio	—	—	—	—			
ROE	(6.4%)	(14.4%)					
Exchange rates	105.95 yen/USD 124.06 yen/EUR	113.06 yen/USD 131.14 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)

		FY03/21	Composition ratio	FY03/22	Composition ratio	Percentage change (YoY)
	Net sales	85,220		91,106		6.9%
	Operating income	0.7		(7,757)		—
	<i>Income ratio</i>	<i>0.0%</i>		<i>(8.5%)</i>		
Speaker	Sales	56,736	66.5%	69,676	76.5%	22.8%
	Operating income	377	—	(6,955)	—	—
	<i>Income ratio</i>	<i>0.7%</i>		<i>(10.0%)</i>		
Mobile Audio	Sales	21,574	25.3%	14,227	15.6%	(34.1%)
	Operating income	(424)	—	(896)	—	—
	<i>Income ratio</i>	<i>(2.0%)</i>		<i>(6.3%)</i>		
Other	Sales	7,244	8.2%	8,330	7.9%	15.0%
	Operating income	47	—	94	—	100.9%
	<i>Income ratio</i>	<i>0.6%</i>		<i>1.1%</i>		

Segment sales increased significantly YoY; operating income finished at a loss.

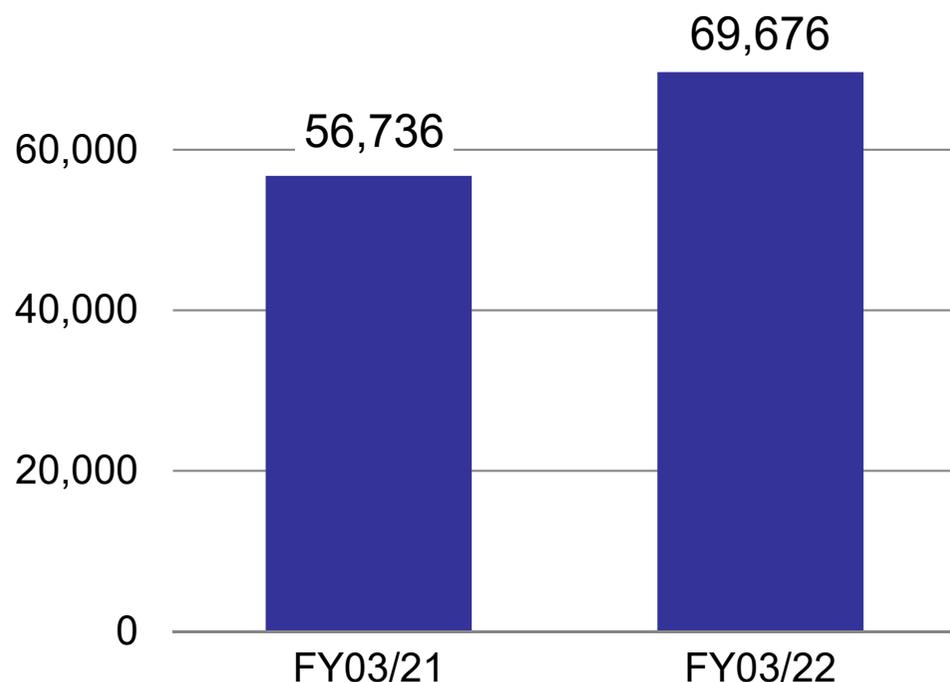
- Segment sales were up as automobile sales recovered from the COVID-19-related slump.
- Operating income was affected by the rise in transportation costs, soaring raw material and component costs, and lower operating rates due to COVID-19's impact on production bases.

(Millions of yen)

		FY03/21	FY03/22	Composition ratio	Percentage change (YoY)
Speaker	Sales	56,736	69,676	76.5%	22.8%
	Operating income	377	(6,955)	—	
	<i>Income ratio</i>	0.7%	(10.0%)		

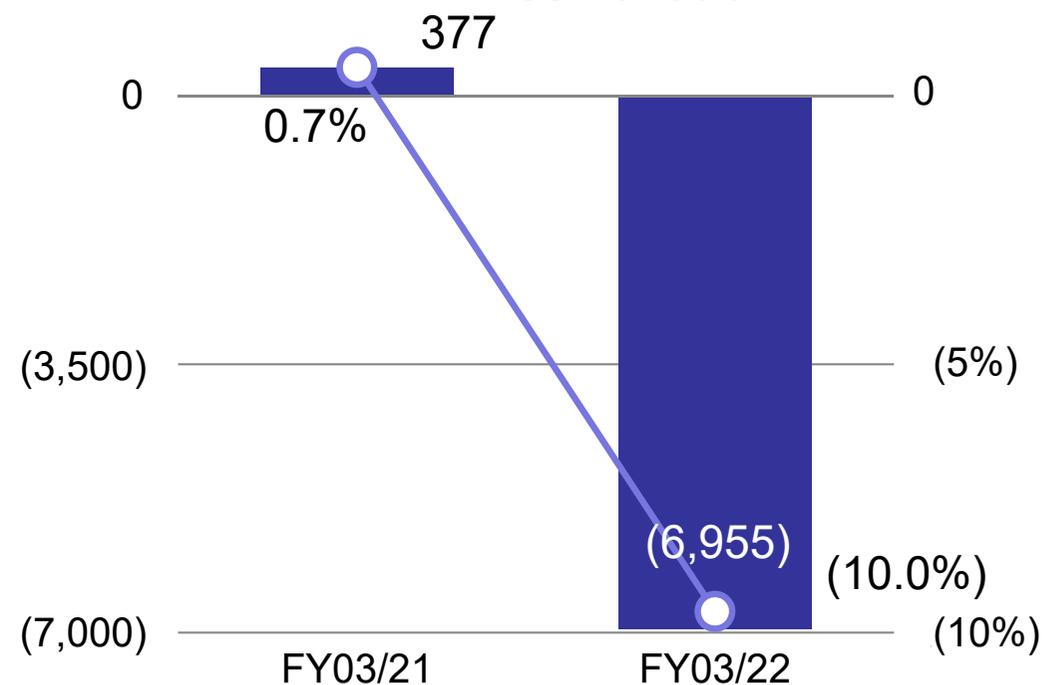
(Millions of yen)

Sales



(Millions of yen)

Operating income and income ratio

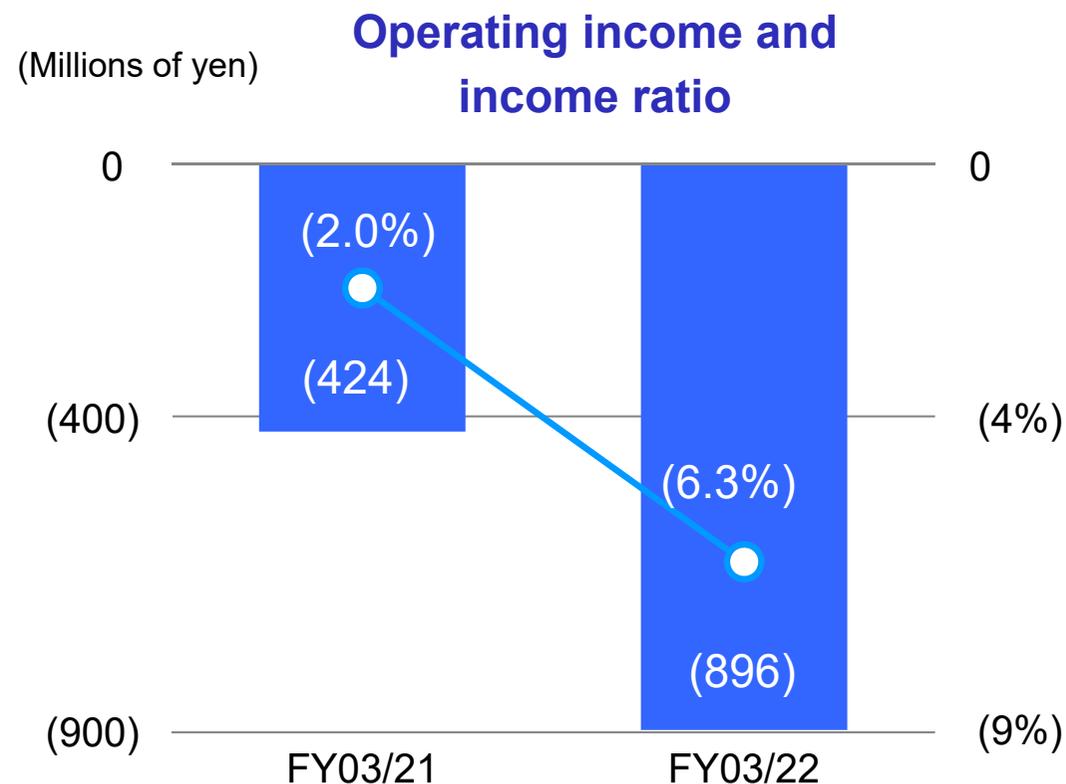
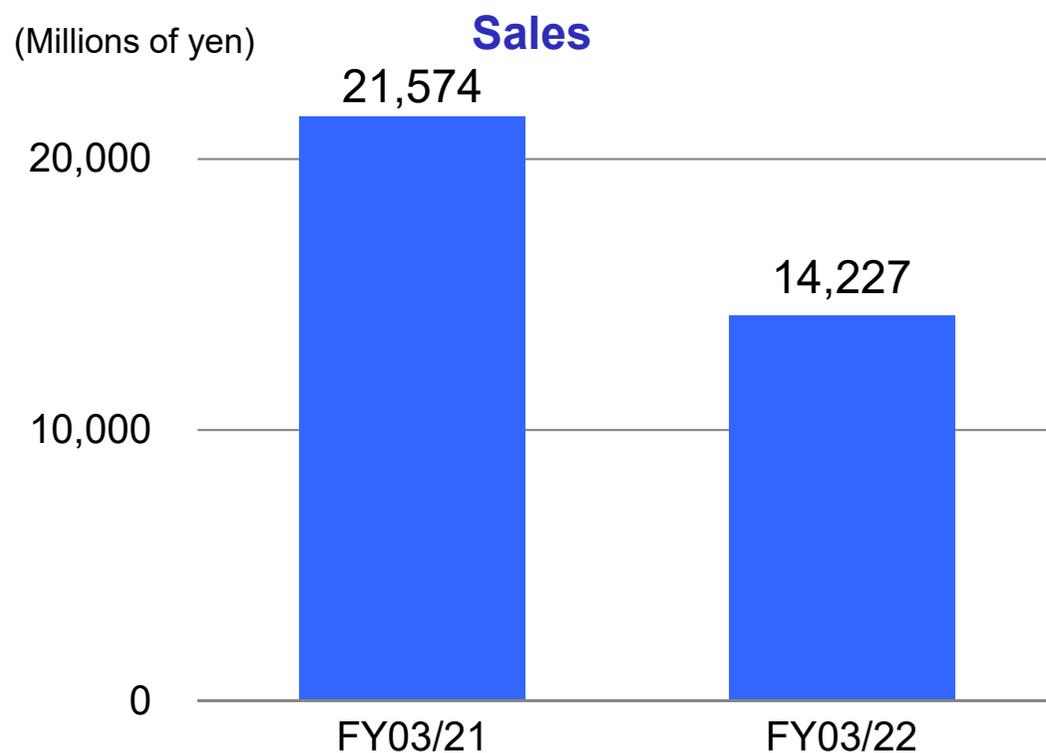


Segment sales declined and operating loss widened YoY.

- Sales of consumer-use actuators and car headphones were favorable.
- Meanwhile, sales of headsets bundled with smartphones were nearing an end.

(Millions of yen)

		FY03/21	FY03/22	Composition ratio	Percentage change (YoY)
Mobile Audio	Sales	21,574	14,227	15.6%	(34.1%)
	Operating income	(424)	(896)	—	
	<i>Income ratio</i>	<i>(2.0%)</i>	<i>(6.3%)</i>		



Segment sales and operating income increased significantly YoY.

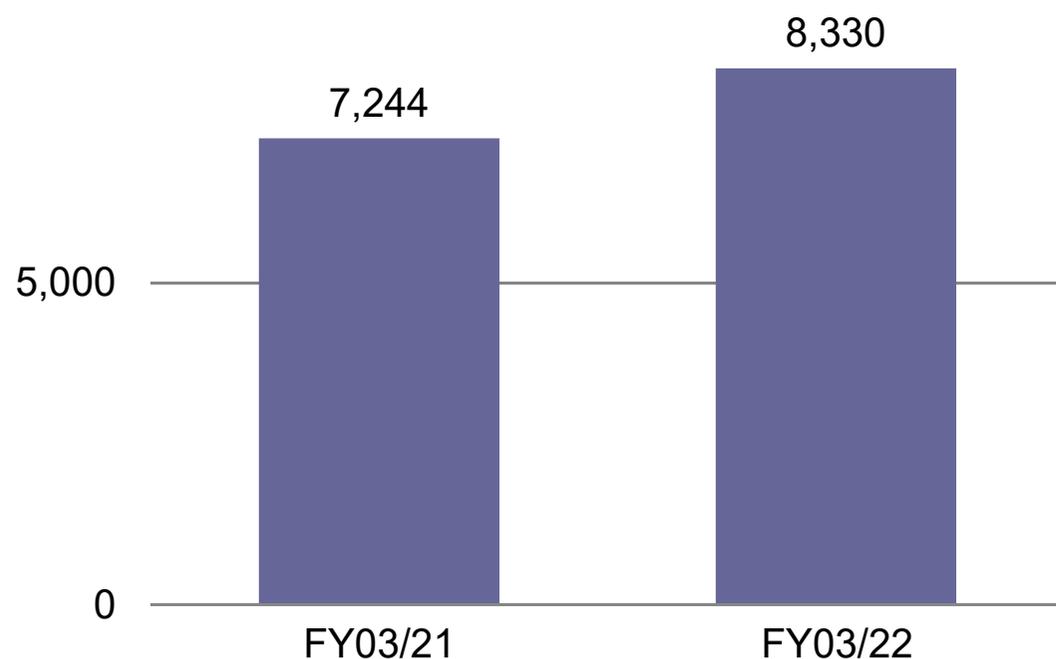
➤ Results were robust for micro acoustic components, our strategic products.

(Millions of yen)

		FY03/21	FY03/22	Composition ratio	Percentage change (YoY)
Other	Sales	7,244	8,330	7.9%	15.0%
	Operating income	47	94	—	100.9%
	<i>Income ratio</i>	<i>0.6%</i>	<i>1.1%</i>		

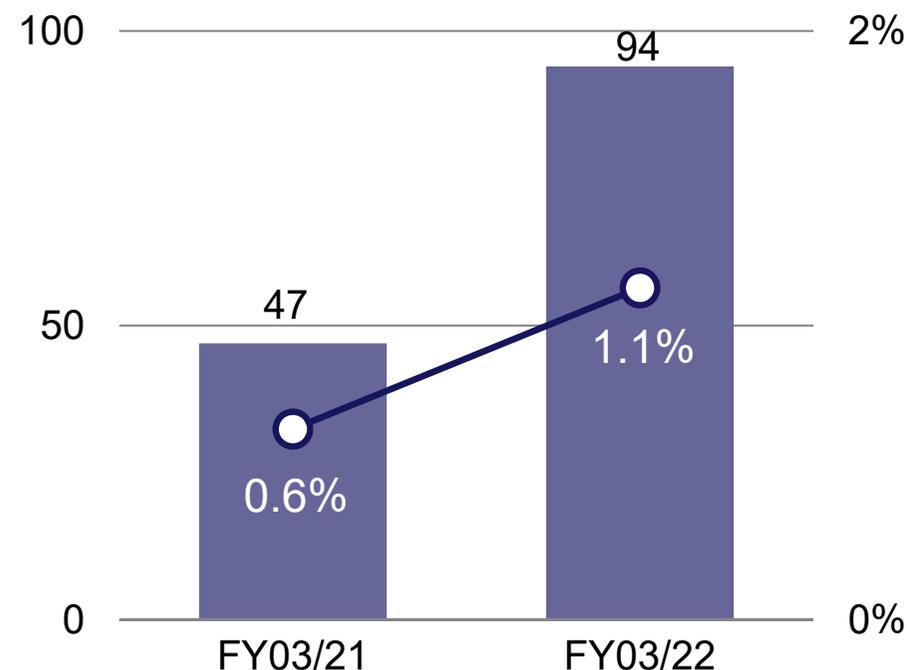
(Millions of yen)

Sales



(Millions of yen)

Operating income and income ratio



Consolidated Balance Sheet

FOSTER

Equity ratio as of March 31, 2022 was 54.7% (65.6% as of March 31, 2021).

(Millions of yen)

	End-FY03/21	End-FY03/22	Amount of change
Current assets	59,040	67,143	8,103
Cash and deposits	15,470	10,846	(4,624)
Notes and accounts receivable – trade	16,945	19,351	2,406
Inventories	18,479	30,454	11,975
Other	8,146	6,492	(1,654)
Non-current assets	18,193	19,005	812
Property, plant and equipment	15,213	15,614	401
Intangible assets	189	203	14
Investments and other assets	2,790	3,187	397
Total assets	77,233	86,148	8,915
Current liabilities	18,738	32,889	14,151
Notes and accounts payable – trade	8,735	11,179	2,444
Short-term bank loans	2,556	12,247	9,691
Current portion of long-term debt	1,528	818	(710)
Other	5,919	8,645	2,726
Non-current liabilities	2,501	1,627	(874)
Long-term debt	1,118	300	(818)
Other	1,383	1,327	(56)
Net assets	55,993	51,632	(4,361)
Shareholders' equity	50,837	43,409	(7,428)
Total accumulated other comprehensive income	(198)	3,753	3,951
Non-controlling interests	5,354	4,469	(885)
Total liabilities and net assets	77,233	86,148	8,915

Statement of Cash Flows

FOSTER

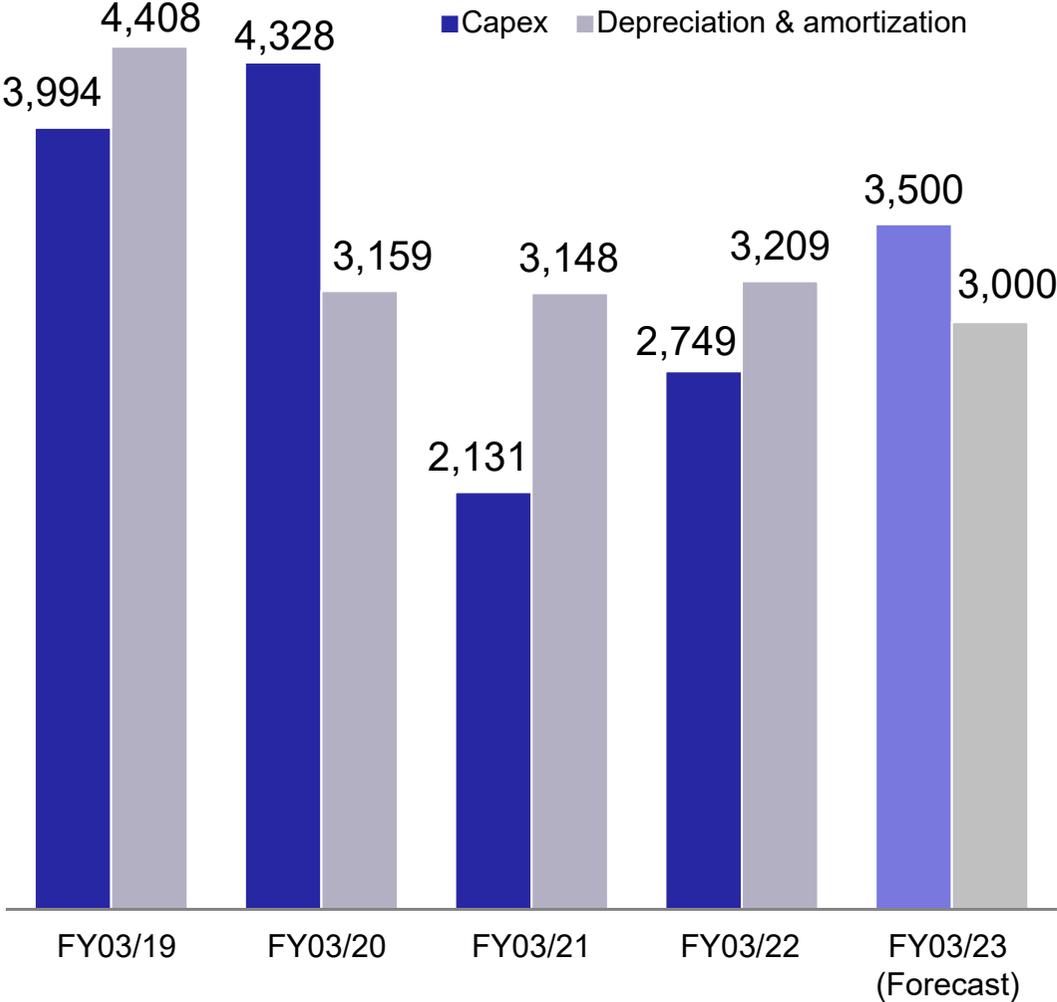
Free cash flow for FY03/22 was -15.8 billion yen.

(Millions of yen)

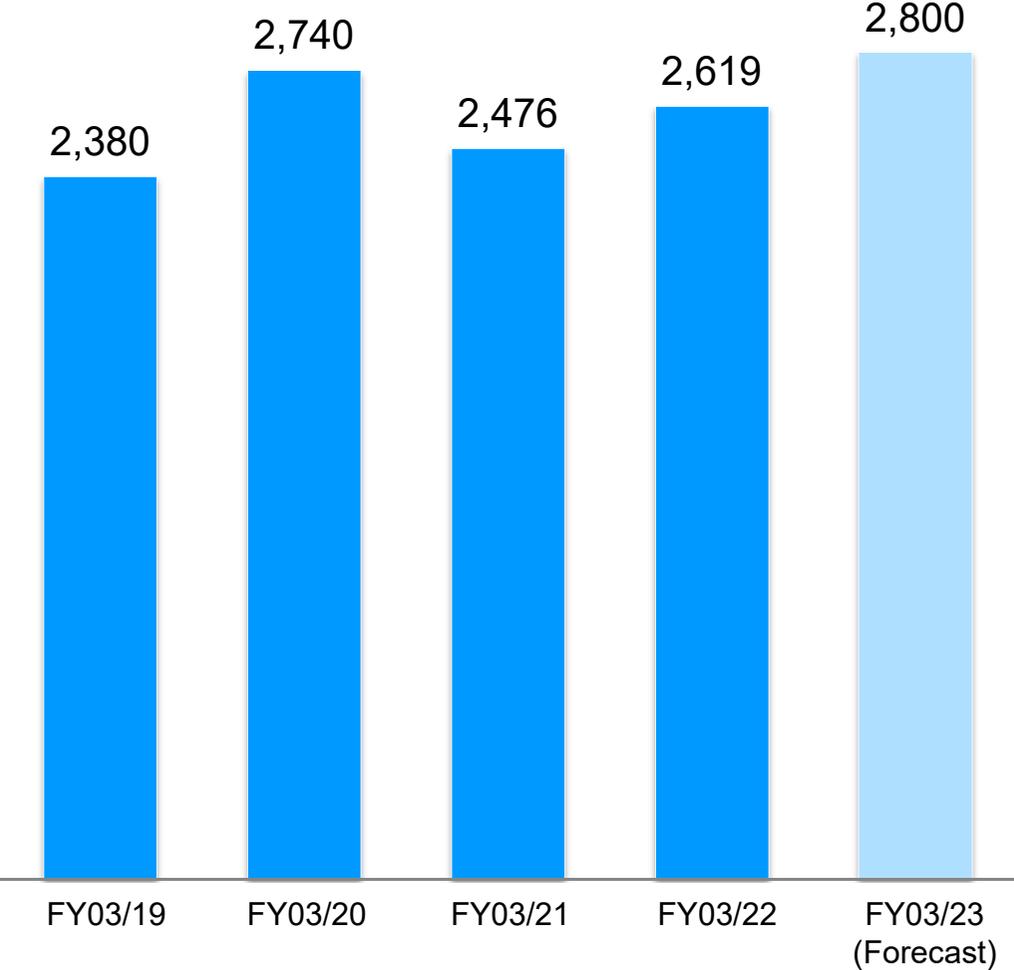
	FY03/21	FY03/22	Amount of change
Operating activities	739	(12,767)	(13,506)
Investing activities	(1,960)	(3,071)	(1,111)
Free cash flow*	(1,221)	(15,838)	(14,617)
Financing activities	(2,624)	6,771	9,395
Net decrease in cash and cash equivalents	(3,557)	(8,284)	(4,727)
Cash and cash equivalents at the end of the period	20,373	12,089	(8,284)

*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 Full Year and Forecasts for Fiscal Year Ending March 31, 2023

Net sales increased but profits were unprecedentedly low.

1

Achieved sales growth despite the impact of intermittent car production adjustments due to semiconductor shortages and other factors.

2

Transportation costs increased due to higher marine freight rates and increased air transport. Raw material and component costs also soared, accompanied by supply chain disruptions.

3

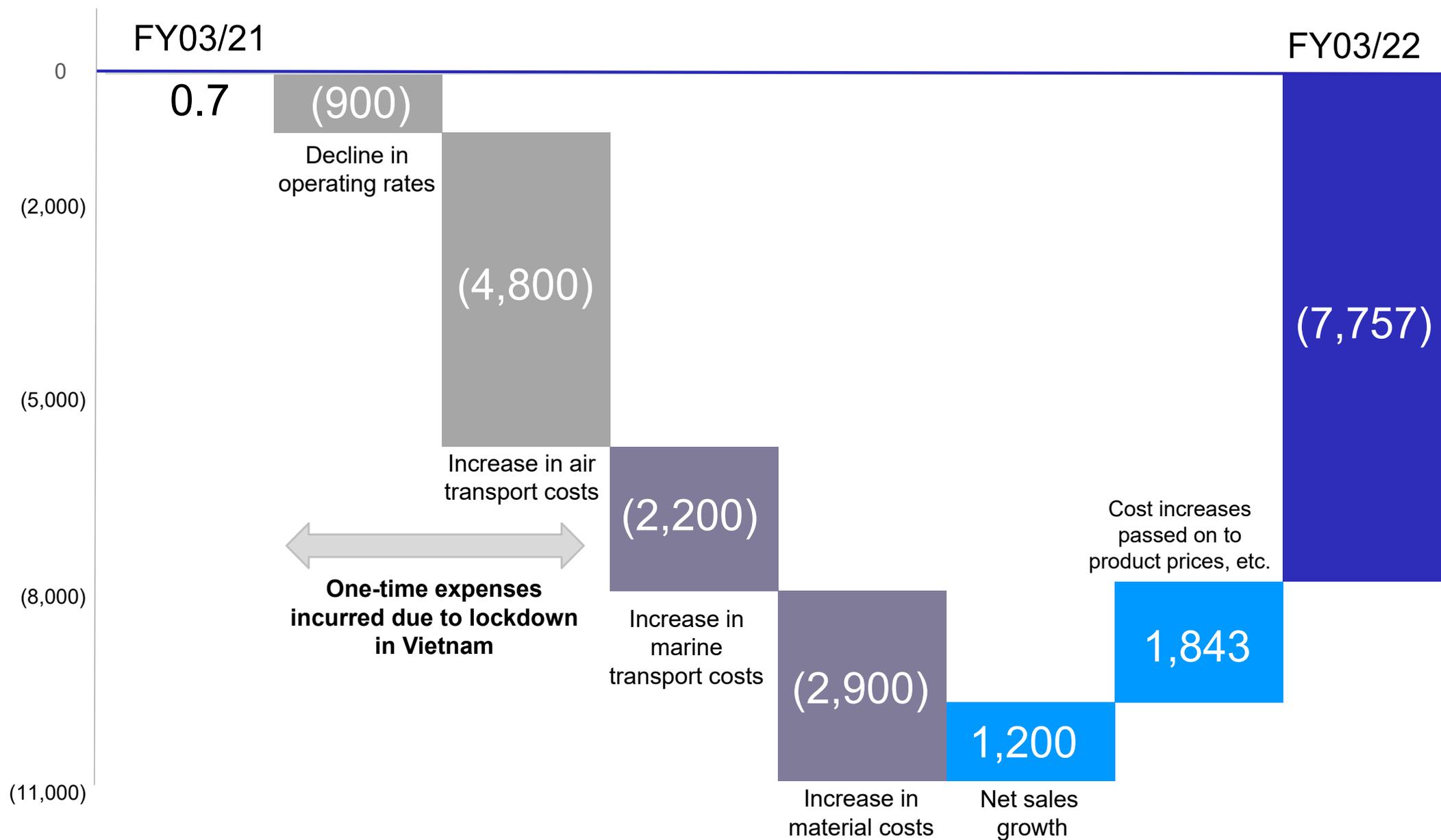
Orders were strong and we are on track to achieve the medium-term business plan. In particular, orders for strategic products (e.g., alarm buzzers, proximity notification alarms, car headphones) grew at an annual rate of 30%.

4

Strengthened our R&D-based business and shifted to a structure that can respond to a wider range of customer needs over the long term. As a result, we expect to return to profitability from this fiscal year onward.

Breakdown of YoY Change in Operating Income FY03/21–FY03/22 Results

(Millions of yen)



Although our business environment remains more volatile and uncertain than ever, we plan to increase net sales and profits.

(Millions of yen)

	FY03/22	FY03/23 (Forecast)	Amount of change	Percentage change (YoY)
Net sales	91,106	100,000	8,894	9.8%
Operating income (loss)	(7,757)	500	8,257	—
<i>Operating income (loss) to net sales</i>	(8.5%)	0.5%		
Ordinary income (loss)	(7,473)	500	7,973	—
<i>Ordinary income (loss) to net sales</i>	(8.2%)	0.5%		
Net income (loss)*	(7,017)	300	7,317	—
<i>Net income (loss) to net sales**</i>	(7.7%)	0.3%		
Net income (loss) per share (in exact yen)	(315.53)	13.52		
Dividends per share (in exact yen)	10.00	Undecided		
Dividend payout ratio	—	Undecided		
Exchange rates	113.06 yen/USD 131.14 yen/EUR	125.00 yen/USD 135.00 yen/EUR		

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

We plan to pay an interim dividend of 10 yen per share but have not yet decided on the amount of the year-end dividend.

We left the year-end dividend undecided, taking into consideration the current uncertain and unstable business environment and our future performance.

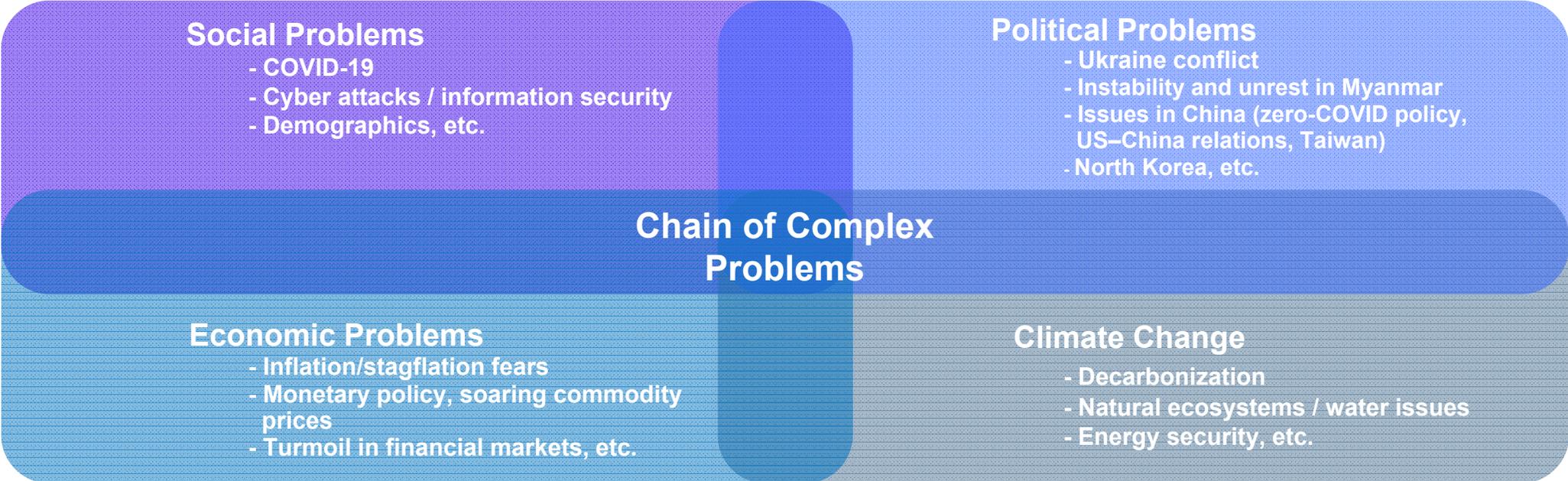
We plan to announce the year-end dividend at a stage when we can more reliably forecast the progress of our earnings recovery, while keeping a close eye on changes in the business environment.

[Dividend policy]

The Group regards the enhancement of corporate value as a management priority, and aims for a dividend payout ratio of 20% or more, 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)	13.52
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)	Undecided (10.00 • undecided)
Dividend payout ratio	—%	50.6%	—%	—%	Undecided

Market conditions are unprecedentedly unstable and uncertain.



A complex chain of social, political, economic, and climate problems is accelerating the emergence of risks and increasing their impact.



We will strengthen our forward-looking risk management and readiness.

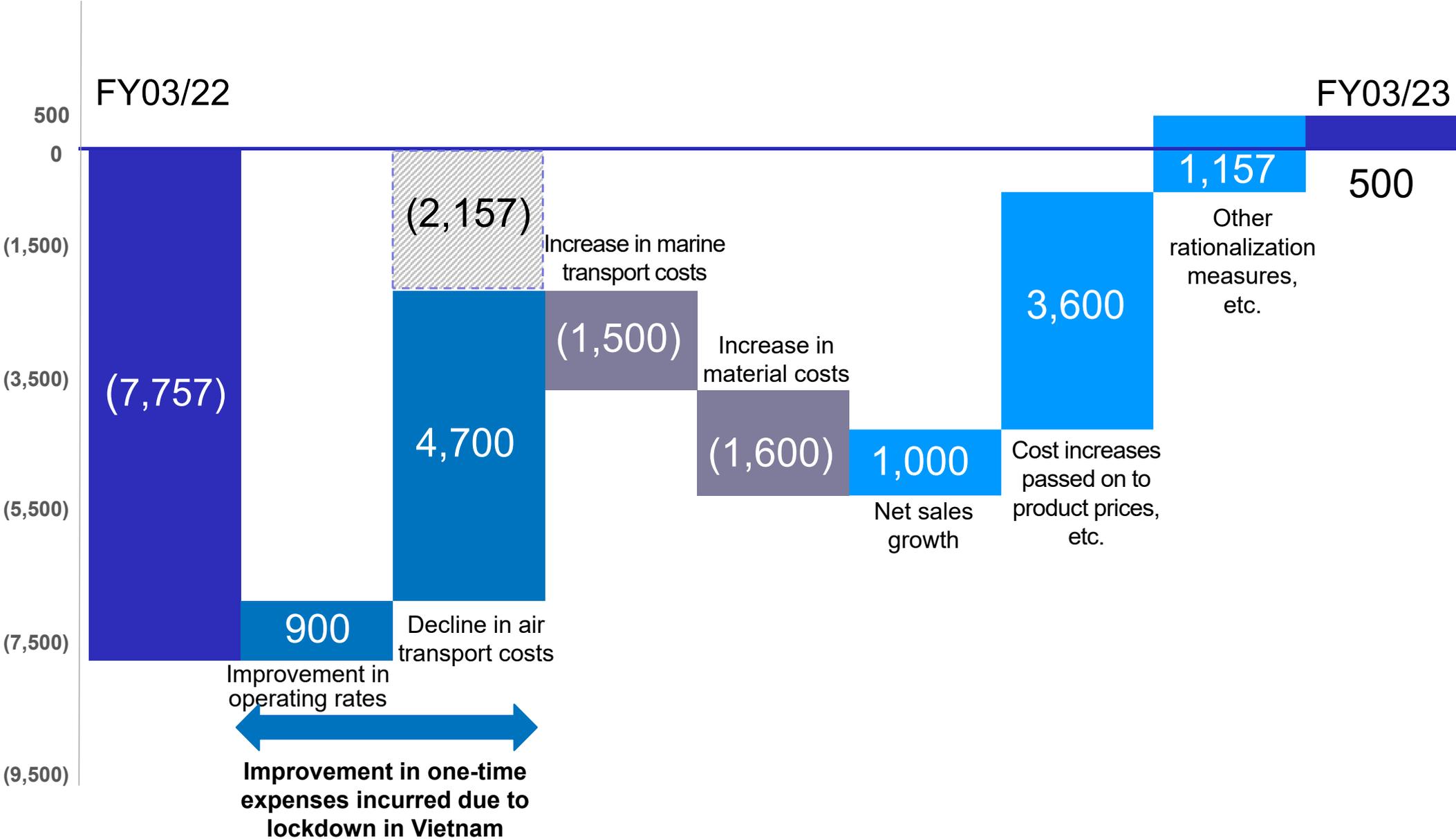
We will strengthen our response to the challenges highlighted in the previous year.

	Main measures
Sales	<ul style="list-style-type: none"> ■ Introduce “market-linked pricing” in which product prices fluctuate in line with changes in marine freight and raw material prices. ■ Accurately identify demand trends through close collaboration with customers.
Production and Logistics	<ul style="list-style-type: none"> ■ Implement appropriate inventory and production control, including business continuity planning (BCP). ■ Advance global logistics management.
Procurement	<ul style="list-style-type: none"> ■ Reduce costs by working more closely with suppliers. <ul style="list-style-type: none"> • Cut costs by proactively adopting supplier proposals. • Strengthen our BCP. ■ Further promote in-house production, particularly of vibration components (key components).
Manufacturing	<ul style="list-style-type: none"> ■ Strengthen our manufacturing backup system, including our Korean subsidiary. ■ Establish a new production system in Europe and increase production in Vietnam.

Breakdown of YoY Change in Operating Income FY03/22–FY03/23 Forecast



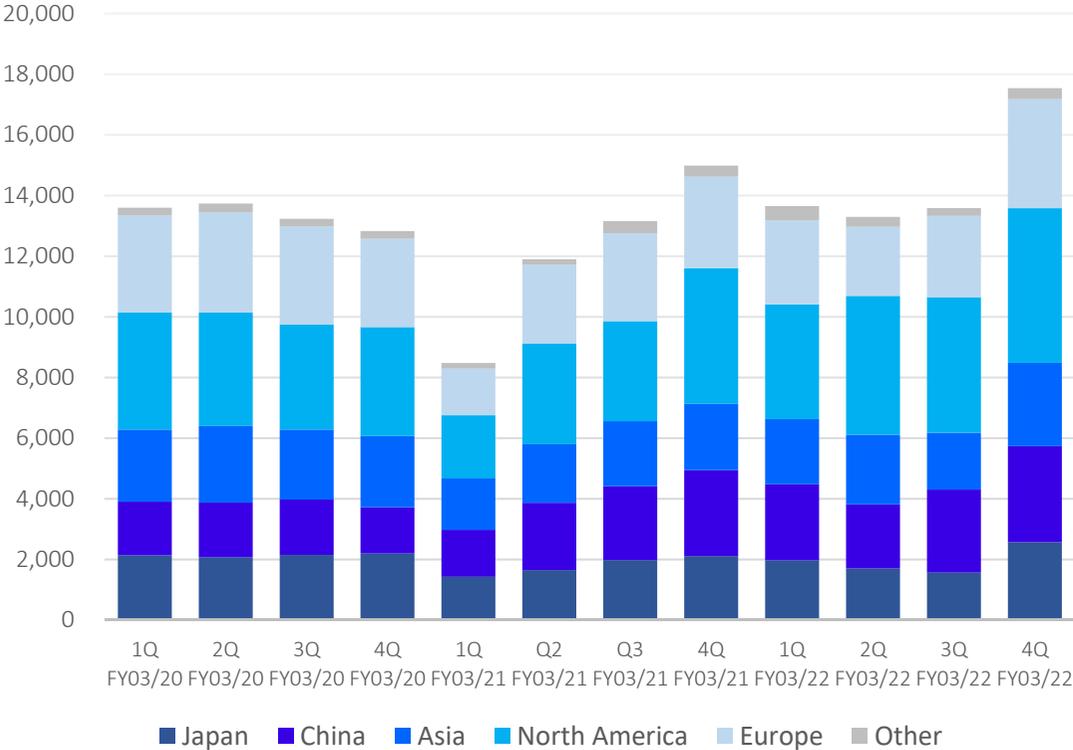
(Millions of yen)



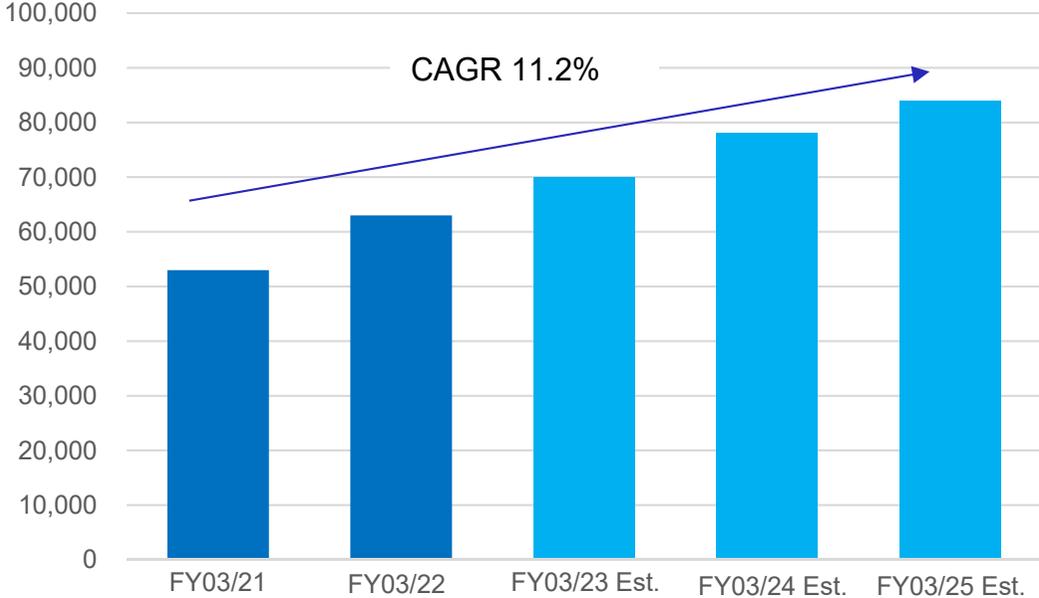
III. Future Initiatives

- Car speaker sales increased despite the impact of production adjustments by car manufacturers.
- Sales in the automotive business progressed in line with the medium-term business plan.

Car speaker sales by region



Automotive business sales projections



* 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.

Strengthen the resilience of our automotive business in a changing automotive industry.

Automotive market: Core of our business portfolio

We will implement differentiation and cost strategies that match the strategies of our customers, and will build a firm position in “sound” and “vibration” in the automotive business.

For finished car manufacturers in Japan, the US, and Europe

**Differentiation strategy
(centered on the Foster brand)**

- As the cost of transitioning to EVs comes down, there are more opportunities to provide added value, such as in-vehicle sound systems.
- We will provide all-direction mobility devices, targeting finished car manufacturers in Japan, the US, and Europe, as well as IT manufacturers newly entering the market.
- We will build multi-layered relationships with our target customers by working with them from the pre-development stage.

For low-cost EV manufacturers, mainly Chinese local manufacturers

**Cost strategy
(centered on Fourstar)**

- We believe that low-cost EVs will increase automobile sales in the medium to long term.
- We have established a new local subsidiary in China (brand name: Fourstar) and will begin full-scale sales activities.
- We will provide mobility devices tailored to customer needs at low prices, especially to Chinese local manufacturers planning to sell low-cost EVs.

We are committed to creating environmentally friendly products and goods that address environmental issues and conserve energy.

We will establish ourselves as a strategic partner while working together in our respective capacities.

Work to create new markets and solve new social issues by leveraging our strengths.

Progress in digitalization efforts

Creation of new markets

Emergence of new social issues

AI, robotics, metaverse, wearables, smart medicine, etc.

Privacy protection, information security, digital refugees, etc.

Together with our strategic partners, we will provide human sensibilities (hearing, tactile).

Strengthen R&D business / Realize further added value

Contribute to market creation by leveraging our strengths in acoustic technology

Create distinctive sound

Achieve a wider range of sound and vibration

Make proposals that anticipate customer needs

Establish a global support system

- Sound production and acoustic technology cultivated over 70 years

- Manufacturing system that can respond flexibly by leveraging our on-site capabilities

- Proposal and support capabilities based on our track record of doing business with major global customers

- Stable quality assurance capability that ensures high quality

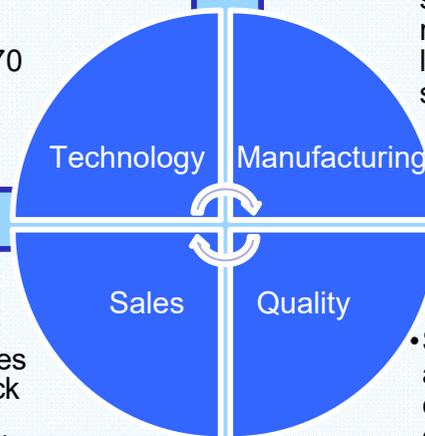
Solve social issues through co-creation with customers by drawing on our strengths in acoustic technology

Supply more reliable and stable products

Use environmentally friendly technology

Implement noise cancellation and noise reduction technology

Apply authentication-enabled technology



Strengthen our R&D activities and accelerate cash flow generation.

[Progress in digitalization efforts and business development]

Progress in digitalization efforts

Expansion of business opportunities

- Expanding needs for “sound” and “vibration”
- Needs to differentiate products by integrating digital and analog technologies

Main risks associated with digitization

- Products becoming commoditized at an accelerated pace
- Products being renewed (updated) at an accelerated pace

- ◆ Innovations in digital technology will create new markets and expand business opportunities for “sound (auditory)” and “vibration (tactile).”
- ◆ In these new markets, people can have new experiences.
- ◆ Analog technology is essential to enhance the value of people's experience. The superiority of analog technology leads to the creation of competitive advantage.
- ◆ At this point, it is difficult for us to predict how quickly and in what ways new markets will be created by digitalization.
- ◆ **We need to develop our business model in parallel with the progress of digitalization.**

[Value chain and cash flow generation]



Leverage our strengths

Timing when we have generated cash flow to date

Further strengthen R&D to generate cash flow and co-create value with customers

Create more value throughout the value chain by generating cash flow in both upstream and downstream processes

- ◆ Our business development to date has been to mass produce products, recover funds, and earn profits.
- ◆ As a leading acoustic technology company, our source of value creation is technological development upstream in the value chain.
- ◆ We work with our customers from the R&D stage to create value by incorporating digital technology into our products.
- ◆ By generating cash flow from the R&D phase, we are able to take medium- to long-term risks in a wide range of markets.

Business opportunities are expanding with the advancement of digitalization.



■ **Acoustic vehicle alerting systems, pseudo engine sound**

- ⇒ Shipment volume increases with the further adoption of EVs
- ⇒ Speaker apertures expand as sound production needs increase

■ **Gaming & metaverse**

- ⇒ Efforts to expand our gaming actuator customer base
- ⇒ Started selling drivers for smart glasses in FY03/22
- ⇒ Efforts to expand actuator applications

■ **Healthcare & medical (smart medicine)**

- ⇒ Started initiatives to address the expansion of online medical care
- ⇒ Launching sales of femtech products (actuators) in FY03/23
- ⇒ Initiated studies related to wellbeing

Note 1: See page 26 for information on personalized sound zone (PSZ)

Note 2: The size of the circle represents the scale of our expected business.

Solve social issues by applying earphone technology to privacy protection and biometric sensors.

The value provided by ROBIN, a hearable device



■ As a permanent authentication device

- Log in to PC or service ⇒ Authentication is completed by the action of making a call
- *Jointly developing ear acoustic authentication with NEC Corporation

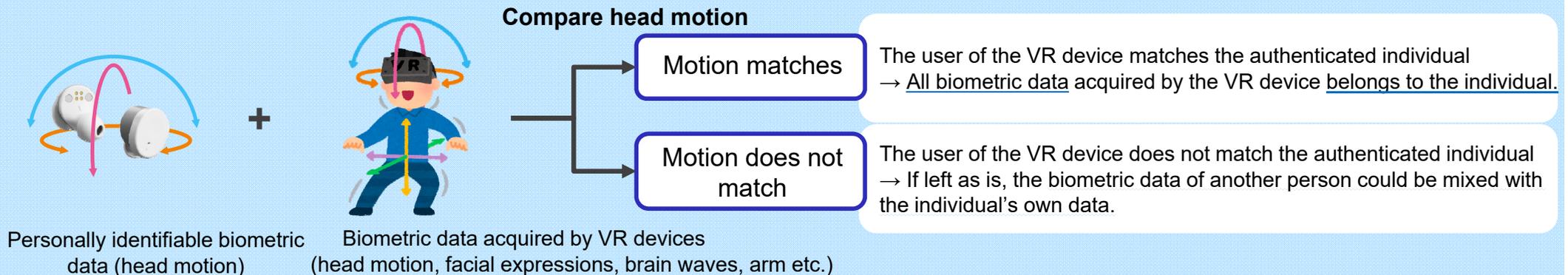
■ As a biometric sensor

- Acquires head motion data in VR/AR applications or in medical/training domains
- The trend of Software as a Medical Device (SaMD; general device + certified app used in medical care) has been accelerating since 2021, and biometric sensors have potential applications in the medical field.

■ As a reliable biometric sensor for permanent authentication

- VR devices only ⇒ Risk of contamination of biometric data with other people's data (i.e., noise) due to device sharing or user impersonation
- ROBIN only ⇒ Provide biometric data (heartbeat, head motion) with personal identification
- **Combination with VR devices** ⇒ **By comparing the motions when using ROBIN, the personal identification can be extended to VR devices.**

[Combination with VR devices]



Provide rich acoustic spaces and solve social issues through co-creation with NTT sonority, Inc.

Business alliance with NTT sonority, Inc. (April 11, 2022)

<ul style="list-style-type: none"> ■ Purpose of business alliance 	<p>The purpose of our business alliance is to strategically and comprehensively cooperate in the business of acoustic products, while incorporating innovative technologies such as PSZ planned by NTT sonority, Inc. We aim to co-create a new added value of “providing rich acoustic spaces” and deliver that added value to society efficiently and reliably.</p>
<ul style="list-style-type: none"> ■ Growth through co-creation 	<p>The Foster Group has a global advantage in speaker development technology and in the acoustic business domain, as well as strong partnerships with a wide range of companies. We are committed to growing together with NTT sonority, Inc. as their strategic partner in the expansion of this business.</p>

[Reference: Image of usage scenario and shell size]



Car seats that allow you to listen to different content in each seat



Wearable device and portable speaker to enjoy music with no sound leakage while conversing



Headphone-free web conferencing with no sound leakage



Aircraft seats to enjoy content without headphones

Personalized Sound Zone (PSZ)

PSZ technology traps high-quality sound near 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 will be made commercially available in sizes of 10–20 cm and 1–2 cm.

* A space in which sound is confined.

Source: NTT sonority, Inc.

IV. Reference Materials

Our Corporate Creed is “Sincerity.”

Our Vision is “To make contributions to 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) Prime Market of the Tokyo Stock Exchange (April 2022)
Common stock	6,770 million yen (as of March 31, 2022)
Business domain	Production and sales of speakers, audio equipment, and electronic equipment
Number of employees	Consolidated: 17,258 (including employees at a contract manufacturer in Panyu, China) Non-consolidated: 438 (as of March 31, 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.

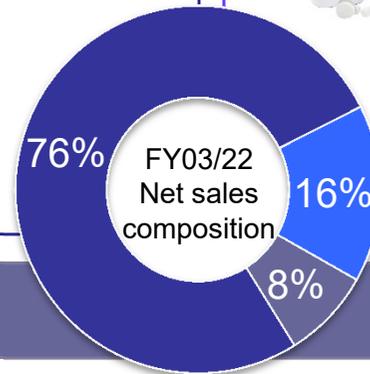
Headphones/headsets



Earphone drivers



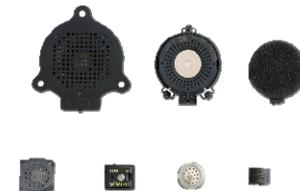
Actuators



Other Segment

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

Micro acoustic components



FOSTEX products

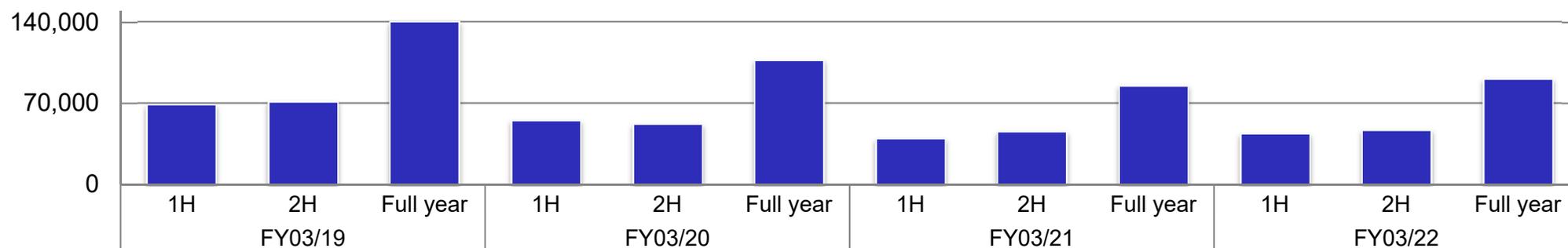


Half-Year and Full-Year Results

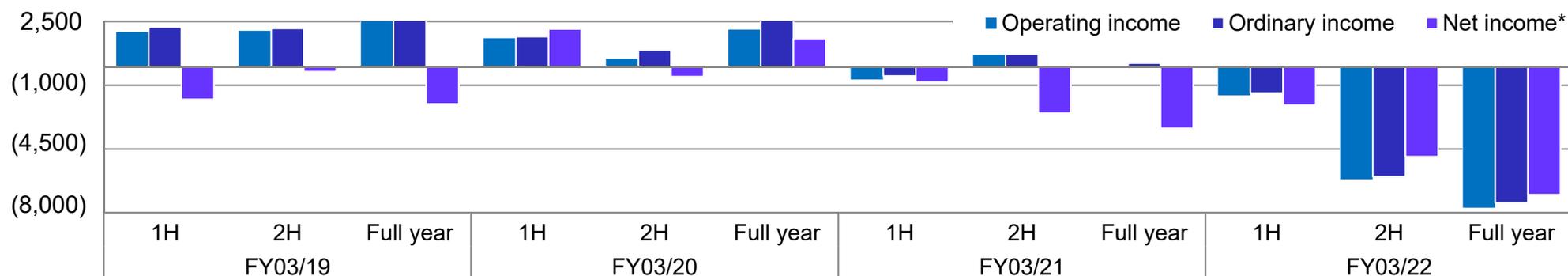
Results (Millions of yen)

	FY03/19			FY03/20			FY03/21			FY03/22		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales	68,758	71,545	140,303	55,277	52,021	107,298	39,528	45,692	85,220	43,976	47,130	91,106
Operating income	1,938	1,999	3,937	1,594	470	2,064	(688)	688	0.7	(1,568)	(6,189)	(7,757)
Ordinary income	2,198	2,120	4,318	1,668	931	2,599	(488)	707	219	(1,433)	(6,040)	(7,473)
Net income*	(1,776)	(250)	(2,026)	2,090	(525)	1,565	(829)	(2,534)	(3,363)	(2,093)	(4,924)	(7,017)
Income ratio	2.8%	2.8%	2.8%	2.9%	0.9%	1.9%	(1.7%)	1.5%	0.0%	(3.6%)	(13.1%)	(8.5%)
Ordinary income to net sales	3.2%	3.0%	3.1%	3.0%	1.8%	2.4%	(1.2%)	1.5%	0.3%	(3.3%)	(12.8%)	(8.2%)
Net income to net sales**	(2.6%)	(0.3%)	(1.4%)	3.8%	(1.0%)	1.5%	(2.1%)	(5.5%)	(3.9%)	(4.8%)	(10.4%)	(7.7%)

Net sales (Millions of yen)



Profits (Millions of yen)



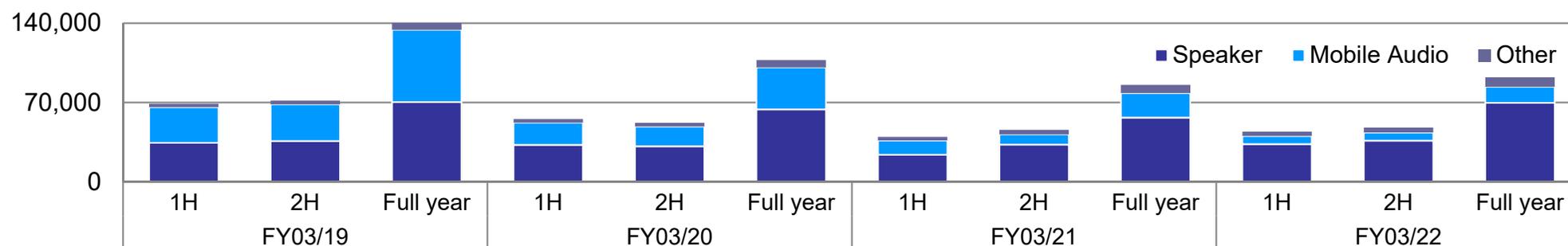
*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

Half-Year and Full-Year Results by Segment

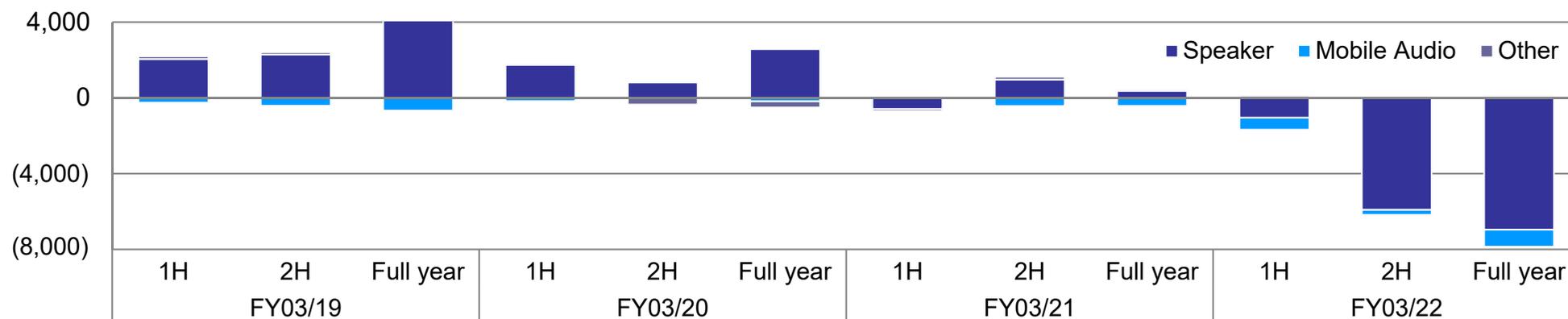
Results (Millions of yen)

	FY03/19			FY03/20			FY03/21			FY03/22		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales												
Speaker	34,450	35,953	70,403	32,631	31,324	63,955	23,892	32,844	56,736	33,294	36,382	69,676
Mobile Audio	31,407	32,444	63,851	19,603	17,456	37,059	12,593	8,981	21,574	7,137	7,090	14,227
Other	2,990	3,234	6,224	3,107	3,347	6,454	3,176	4,068	7,244	3,880	4,450	8,330
Operating income												
Speaker	2,050	2,293	4,343	1,754	817	2,571	(584)	961	377	(1,045)	(5,910)	(6,955)
Mobile Audio	(254)	(416)	(670)	(170)	(17)	(187)	5	(429)	(424)	(631)	(265)	(896)
Other	143	122	265	10	(330)	(320)	(109)	156	47	108	(14)	94

Net sales (Millions of yen)



Operating income (Millions of yen)

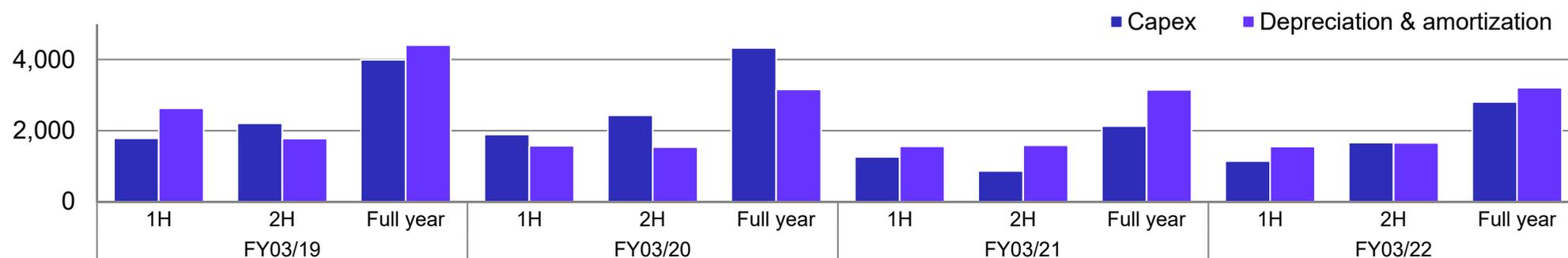


Half-Year and Full-Year Capex, Depreciation and Amortization, and R&D Expenses

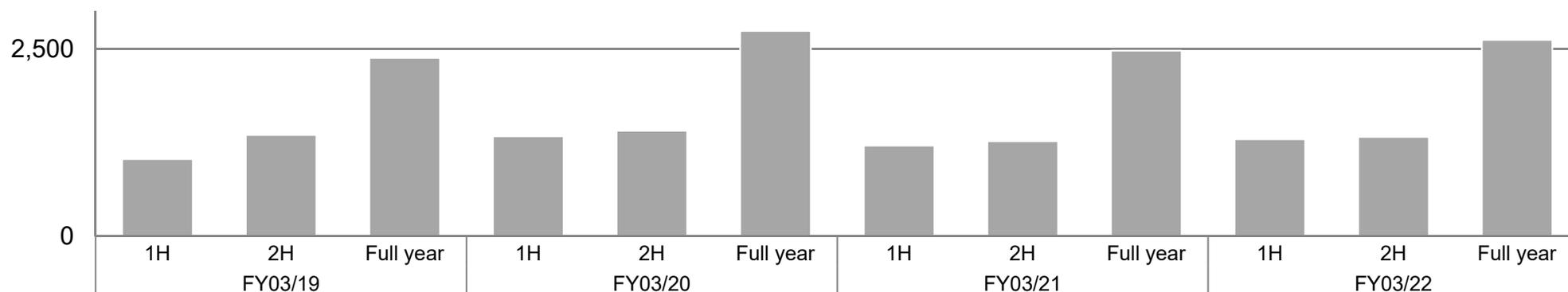
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/19			FY03/20			FY03/21			FY03/22		
	1H	2H	Full year									
Capex	1,786	2,208	3,994	1,894	2,434	4,328	1,263	868	2,131	1,146	1,603	2,749
Depreciation & amortization	2,631	1,777	4,408	1,576	1,583	3,159	1,560	1,588	3,148	1,552	1,657	3,209
R&D expenses	1,029	1,351	2,380	1,333	1,407	2,740	1,209	1,267	2,476	1,294	1,325	2,619

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

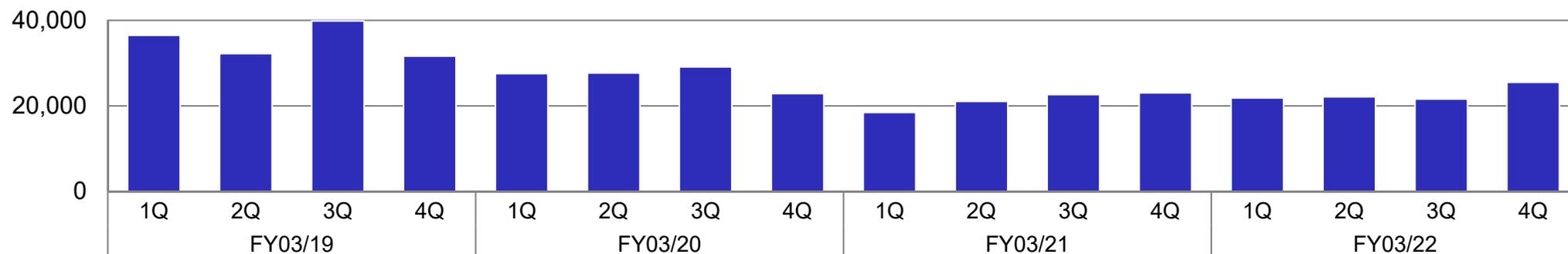


Quarterly Results

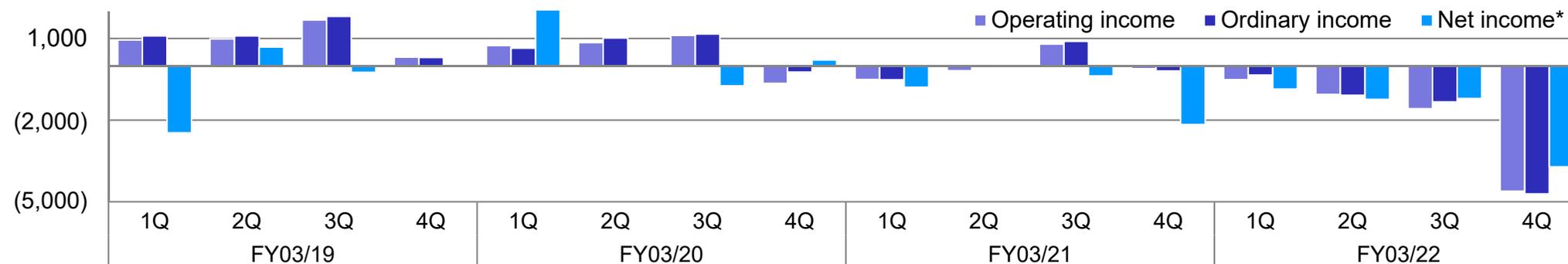
Results (Millions of yen)

	FY03/19				FY03/20				FY03/21				FY03/22			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	36,512	32,246	39,894	31,651	27,561	27,716	29,132	22,889	18,480	21,048	22,641	23,051	21,860	22,116	21,595	25,535
Operating income	947	991	1,682	317	741	853	1,117	(647)	(507)	(181)	799	(110)	(511)	(1,057)	(1,578)	(4,611)
Ordinary income	1,101	1,097	1,815	305	648	1,020	1,166	(235)	(518)	30	900	(193)	(345)	(1,088)	(1,329)	(4,711)
Net income*	(2,464)	688	(244)	(6)	2,067	23	(740)	215	(791)	(38)	(373)	(2,161)	(857)	(1,236)	(1,205)	(3,719)
Income ratio	2.6%	3.1%	4.2%	1.0%	2.7%	3.1%	3.8%	(2.8%)	(2.7%)	(0.9%)	3.5%	(0.5%)	(2.3%)	(4.8%)	(7.3%)	(18.1%)
Ordinary income to net sales	3.0%	3.4%	4.5%	1.0%	2.4%	3.7%	4.0%	(1.0%)	(2.8%)	0.1%	4.0%	(0.8%)	(1.6%)	(4.9%)	(6.2%)	(18.4%)
Net income to net sales**	(6.7%)	2.1%	(0.6%)	(0.0%)	7.5%	0.1%	(2.5%)	0.9%	(4.3%)	(0.2%)	(1.6%)	(9.4%)	(3.9%)	(5.6%)	(5.6%)	(14.6%)

Net sales (Millions of yen)



Profits (Millions of yen)



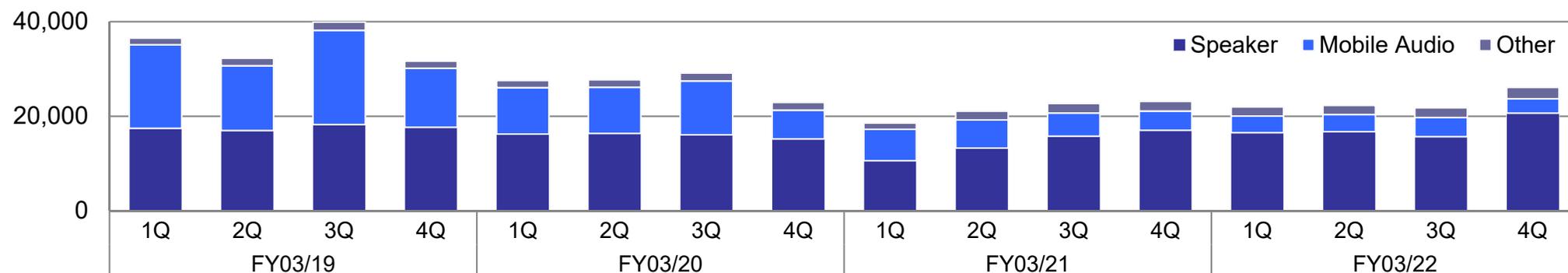
*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

Quarterly Results by Segment

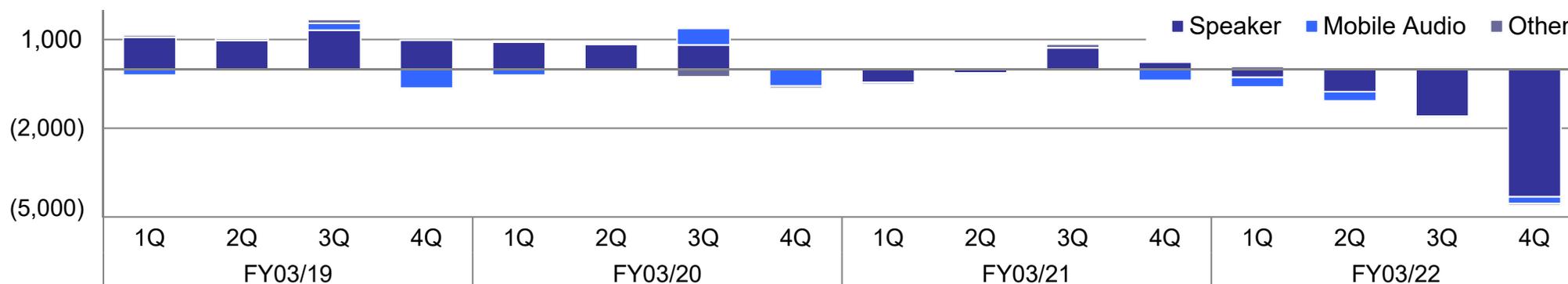
Results (Millions of yen)

	FY03/19				FY03/20				FY03/21				FY03/22			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales																
Speaker	17,462	16,988	18,269	17,684	16,253	16,378	16,097	15,227	10,619	13,273	15,802	17,042	16,553	16,741	15,703	20,679
Mobile Audio	17,693	13,714	19,941	12,503	9,826	9,777	11,374	6,082	6,633	5,960	4,909	4,072	3,508	3,629	4,044	3,046
Other	1,399	1,591	1,731	1,503	1,511	1,596	1,706	1,641	1,321	1,855	2,010	2,058	1,947	1,933	2,061	2,389
Operating income																
Speaker	1,077	973	1,315	978	915	839	817	0	(448)	(136)	722	239	(279)	(766)	(1,593)	(4,317)
Mobile Audio	(203)	(51)	235	(651)	(205)	35	558	(575)	6	(1)	(46)	(383)	(323)	(308)	(39)	(226)
Other	76	67	130	(8)	30	(20)	(258)	(72)	(65)	(44)	123	33	91	17	55	(69)

Net sales (Millions of yen)



Operating income (Millions of yen)



Quarterly Balance Sheet and Statement of Cash Flows

Balance sheet (Millions of yen)

	FY03/19				FY03/20				FY03/21				FY03/22			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total current assets	73,361	73,013	70,263	67,773	67,221	65,381	60,986	59,952	55,066	55,396	58,394	59,040	59,947	62,814	62,738	67,143
Cash and deposits	11,003	13,108	15,255	11,854	19,839	12,575	18,295	14,770	17,985	21,401	21,987	15,470	18,556	15,499	13,863	10,846
Notes and accounts receivable – trade	19,939	19,324	22,174	19,261	18,721	19,289	19,187	15,145	15,351	16,018	16,794	16,945	16,571	17,196	16,020	19,351
Other	42,419	40,581	32,834	36,658	28,661	33,517	23,504	30,037	21,730	17,977	19,613	26,625	24,820	30,119	32,855	36,946
Total non-current assets	24,231	24,332	23,340	23,497	22,840	22,227	22,847	20,872	20,524	20,160	18,606	18,193	18,309	18,247	18,411	19,005
Net property, plant and equipment	18,768	18,922	18,357	18,475	18,927	18,116	18,013	17,980	17,673	17,312	15,787	15,213	15,234	15,190	15,354	15,614
Total intangible assets	1,259	1,182	1,139	1,171	314	433	212	217	201	198	198	189	196	194	205	203
Total investments and other assets	4,203	4,227	3,844	3,851	3,598	3,677	4,621	2,675	2,649	2,649	2,621	2,790	2,877	2,863	2,851	3,187
Total assets	97,593	97,346	93,604	91,271	90,062	87,609	83,833	80,825	75,590	75,556	77,001	77,233	78,256	81,062	81,150	86,148
Total current liabilities	25,748	24,338	26,788	25,453	23,802	22,439	18,816	17,783	15,241	15,623	18,041	18,738	19,953	23,931	25,098	32,889
Notes and accounts payable – trade	11,295	9,535	9,184	8,334	7,507	8,067	8,086	7,390	5,604	6,296	8,491	8,735	8,969	9,300	7,705	11,179
Short-term loans and bonds payable	7,322	6,952	9,953	9,497	9,473	7,586	3,859	3,904	4,479	3,669	3,697	4,084	5,247	8,208	10,525	13,065
Other	7,131	7,851	7,651	7,622	6,822	6,786	6,871	6,489	5,158	5,658	5,853	5,919	5,737	6,423	6,868	8,645
Total non-current liabilities	8,555	9,293	7,380	6,523	6,088	5,567	5,232	4,047	3,144	2,916	2,699	2,501	2,341	2,067	1,829	1,627
Long-term debt and bonds payable	7,529	8,243	5,455	5,108	4,490	3,918	3,365	2,637	1,850	1,606	1,362	1,118	875	631	450	300
Other	1,026	1,050	1,925	1,415	1,598	1,649	1,867	1,410	1,294	1,310	1,337	1,383	1,466	1,436	1,379	1,327
Total net assets	63,289	63,714	59,436	59,294	60,171	59,602	59,785	58,995	57,205	57,015	56,260	55,993	55,962	55,063	54,222	51,632
Shareholders' equity	58,634	58,155	54,328	54,322	56,162	56,185	55,120	55,335	54,201	54,169	53,568	50,837	49,868	48,646	47,177	43,409
Accumulated other comprehensive income	263	975	154	27	(931)	(1,474)	(310)	(1,563)	(1,952)	(2,132)	(2,486)	(198)	473	788	1,570	3,753
Non-controlling interests	4,391	4,583	4,952	4,944	4,939	4,891	4,975	5,224	4,956	4,978	5,178	5,354	5,621	5,628	5,474	4,469
Total liabilities and net assets	97,593	97,346	93,604	91,271	90,062	87,609	83,833	80,825	75,590	75,556	77,001	77,233	78,256	81,062	81,150	86,148

Statement of cash flows (Millions of yen)

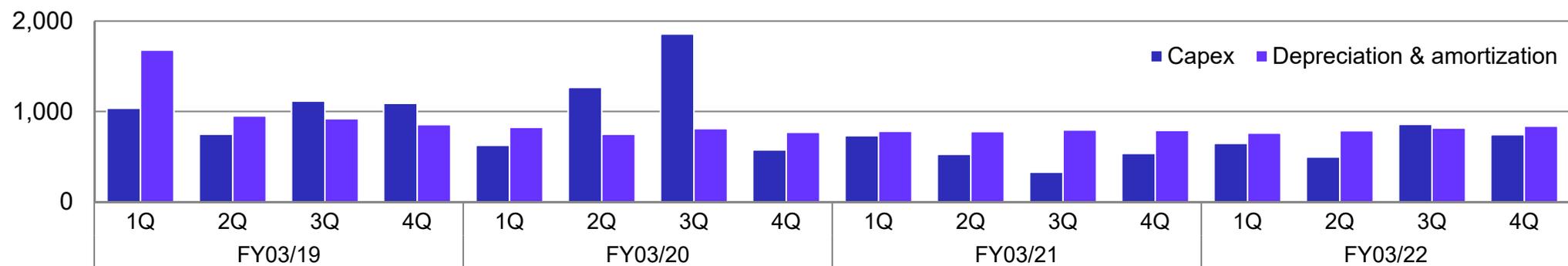
	FY03/19				FY03/20				FY03/21				FY03/22			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating activities	675	2,942	7,373	6,971	873	2,375	4,250	3,594	(2,309)	3,626	960	(1,538)	(2,351)	(3,840)	(3,309)	(3,267)
Investing activities	(556)	(1,598)	(533)	(738)	1,862	(690)	(1,322)	666	(1,246)	(351)	(144)	(219)	(228)	(1,172)	(970)	(701)
Financing activities	2,043	(885)	(3,315)	(780)	(1,023)	(2,308)	(4,758)	(734)	(691)	(1,004)	(384)	(545)	658	2,709	2,548	856
Foreign exchange impact	(320)	510	(318)	(96)	(229)	(269)	(75)	195	(375)	(40)	(76)	778	201	42	(12)	551
Net increase (decrease) in cash flow	1,840	972	3,204	5,357	1,482	(892)	(1,905)	3,721	(4,622)	2,231	357	(1,523)	(1,720)	(2,260)	(1,743)	(2,561)
Cash at the end of period	11,991	12,962	16,167	21,514	23,007	22,114	20,209	23,930	19,307	21,539	21,895	20,373	18,653	16,392	14,650	12,089

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

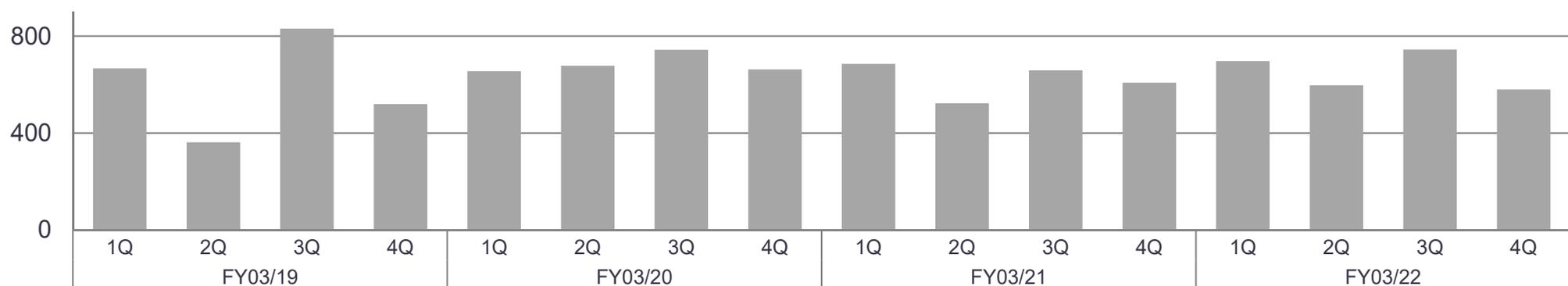
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/19				FY03/20				FY03/21				FY03/22			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capex	1,036	750	1,116	1,092	627	1,267	1,858	576	734	528	330	538	648	498	859	744
Depreciation & amortization	1,680	951	921	856	826	750	812	771	781	779	797	791	763	789	818	839
R&D expenses	667	362	831	520	655	678	744	663	686	523	659	608	697	597	745	580

Capex, depreciation & amortization (Millions of yen)



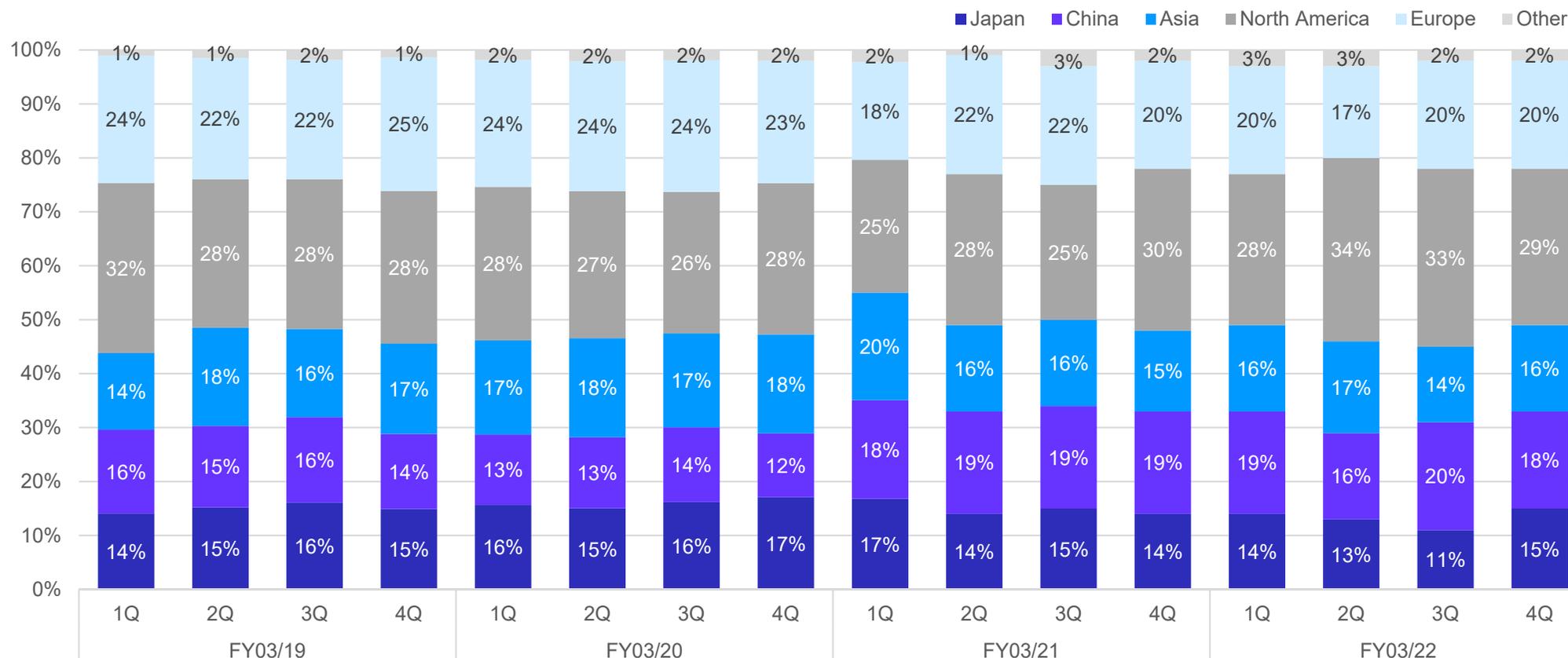
R&D expenses (Millions of yen)



Quarterly Sales Weighting of Car Speakers by Region

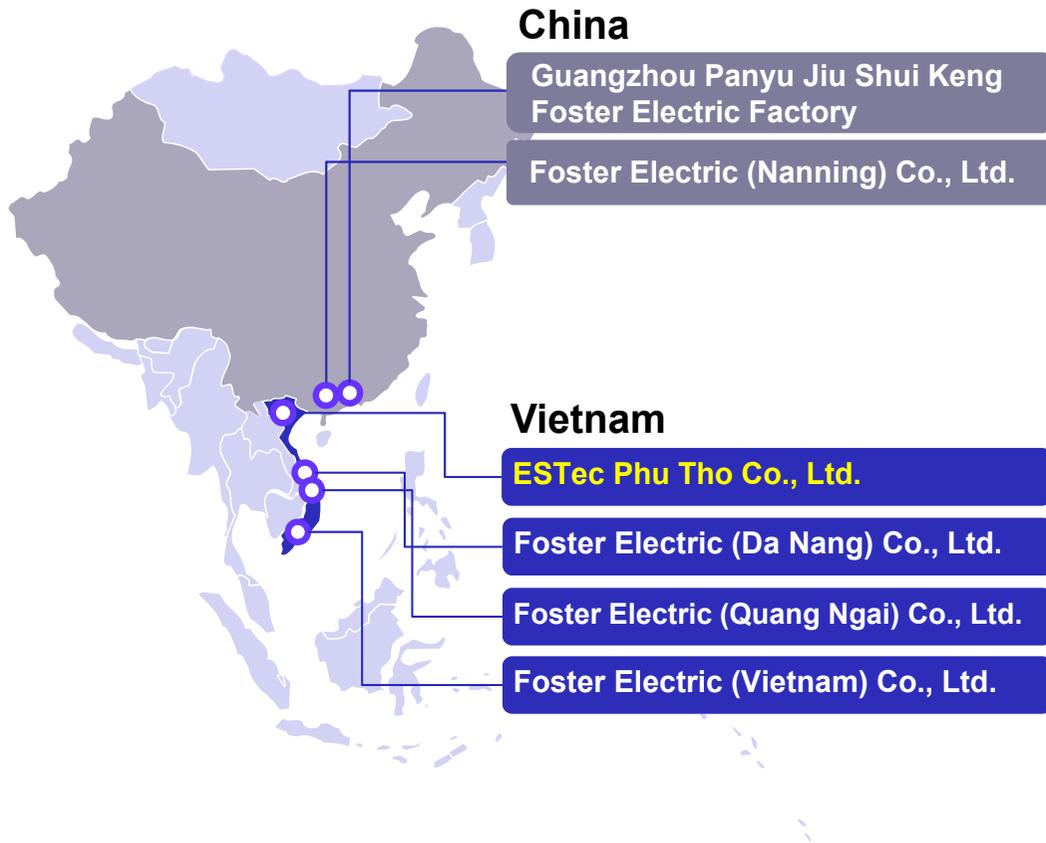
Sales weighting of car speakers by region

	FY03/19				FY03/20				FY03/21				FY03/22			
	1Q	2Q	3Q	4Q												
Japan	14%	15%	16%	15%	16%	15%	16%	17%	17%	14%	15%	14%	14%	13%	11%	15%
China	16%	15%	16%	14%	13%	13%	14%	12%	18%	19%	19%	19%	19%	16%	20%	18%
Asia	14%	18%	16%	17%	17%	18%	17%	18%	20%	16%	16%	15%	16%	17%	14%	16%
North America	32%	28%	28%	28%	28%	27%	26%	28%	25%	28%	25%	30%	28%	34%	33%	29%
Europe	24%	22%	22%	25%	24%	24%	24%	23%	18%	22%	22%	20%	20%	17%	20%	20%
Other	1%	1%	2%	1%	2%	2%	2%	2%	2%	1%	3%	2%	3%	3%	2%	2%
Total	100%															
Total sales (Millions of yen)	15,165	14,611	14,820	14,739	13,598	13,735	13,233	12,840	8,478	11,898	13,155	14,985	13,652	13,295	13,588	17,538

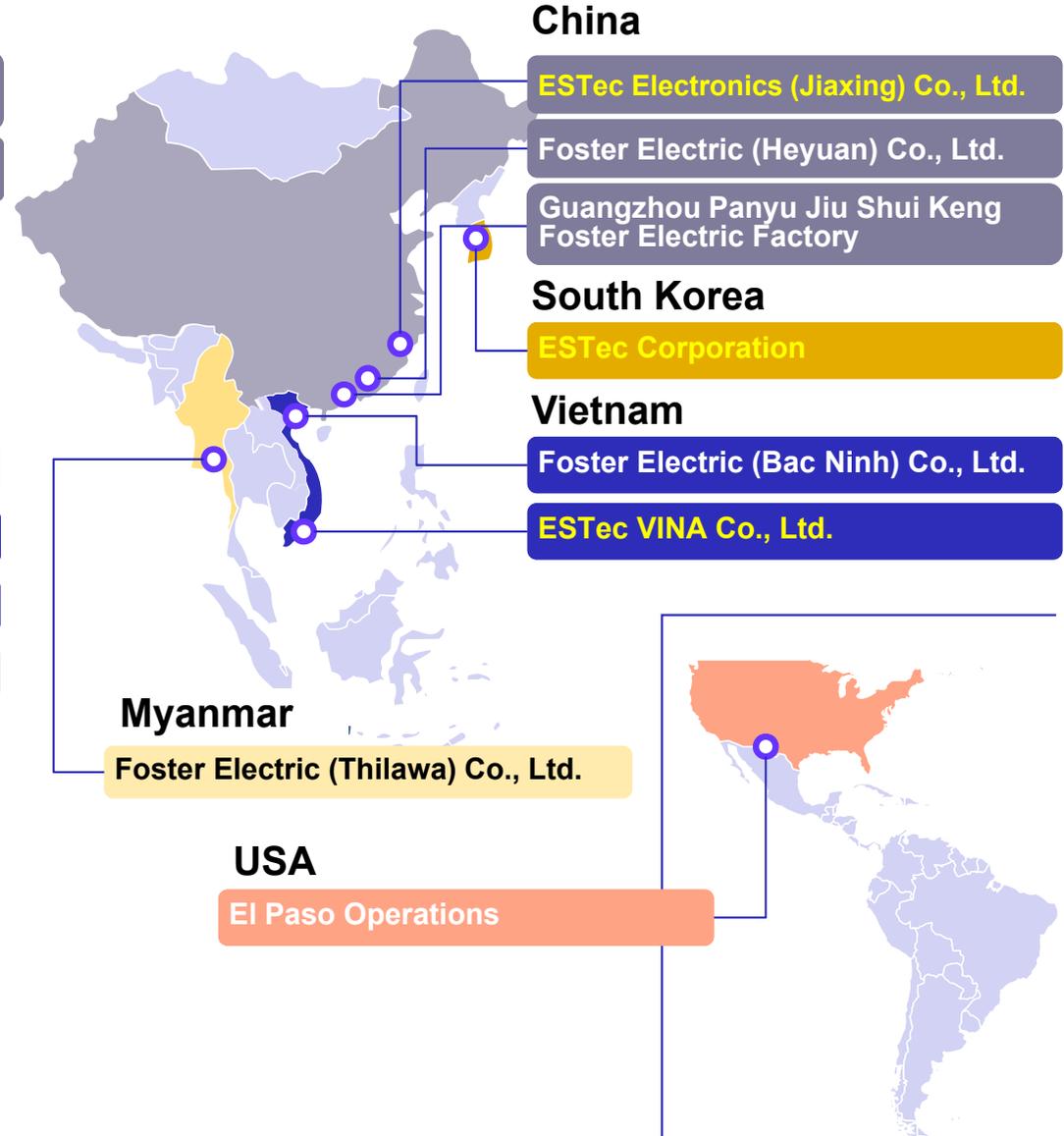


The Group's Major Manufacturing Sites

Mobile Audio



Speaker



(As of March 31, 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.

[Inquiries]

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