

Financial Results Briefing for the Fiscal Year Ended March 31, 2023

Foster Electric Company, Limited

(Stock code: 6794, Prime Market)

May 19, 2023

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I. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

FY03/23 Results

FOSTER

(Millions of yen)

	FY03/22	FY03/23	Amount of change	Percentage change (YoY)	Revised FY03/23 forecast	Difference	Percentage achieved
Net sales	91,106	121,338	30,232	33.2%	120,000	1,338	101.1%
Operating income (loss)	(7,757)	2,445	10,202	—	2,100	345	116.4%
<i>Operating income (loss) to net sales</i>	<i>(8.5%)</i>	2.0%			1.8%		
Ordinary income (loss)	(7,473)	2,327	9,800	—	2,100	227	110.8%
<i>Ordinary income (loss) to net sales</i>	<i>(8.2%)</i>	1.9%			1.8%		
Net income (loss)*	(7,017)	848	7,865	—	700	148	121.1%
<i>Net income (loss) to net sales**</i>	<i>(7.7%)</i>	0.7%			0.6%		
Net income (loss) per share (in exact yen)	(315.53)	38.23	353.76	—	31.54	6.69	121.2%
Dividends per share (in exact yen)	(10.00)	20.00	10.00	100.0%	20.00	0.00	
Dividend payout ratio	—	52.3%					
ROE	(14.4%)	1.7%					
Exchange rates	113.06 yen/USD 131.14 yen/EUR	136.00 yen/USD 141.58 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

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(Millions of yen)

		FY03/22	Composition ratio	FY03/23	Composition ratio	Percentage change (YoY)
	Net sales	91,106		121,338		33.2%
	Operating income	(7,757)		2,445		—
	<i>Income ratio</i>	<i>(8.5%)</i>		2.0%		
Speaker	Sales	69,676	76.5%	99,087	81.7%	42.2%
	Operating income	(6,955)	—	2,004		—
	<i>Income ratio</i>	<i>(10.0%)</i>		2.0%		
Mobile Audio	Sales	14,227	15.6%	14,691	12.1%	3.3%
	Operating income	(896)	—	1,203		—
	<i>Income ratio</i>	<i>(6.3%)</i>		8.2%		
Other	Sales	7,202	7.9%	7,558	6.2%	4.9%
	Operating income	94	—	(762)		—
	<i>Income ratio</i>	<i>1.3%</i>		(10.0%)		

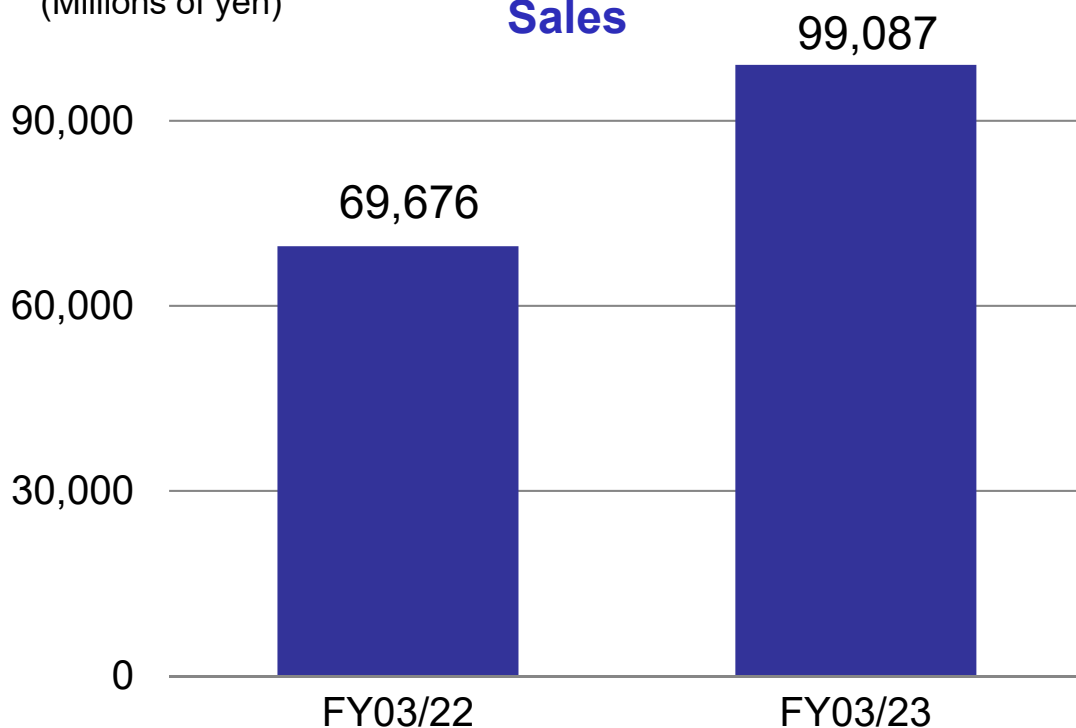
*The Other segment figures above are calculated after eliminating inter-segment transactions. (The same applies to subsequent pages.)
The elimination amounts were 1,128 million yen in FY03/22 and 2,845 million yen in FY03/23 for the Other segment.

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

		(Millions of yen)			
		FY03/22	FY03/23	Composition ratio	Percentage change (YoY)
Speaker	Sales	69,676	99,087	81.7%	42.2%
	Operating income	(6,955)	2,004		—
	Income ratio	(10.0%)	2.0%		

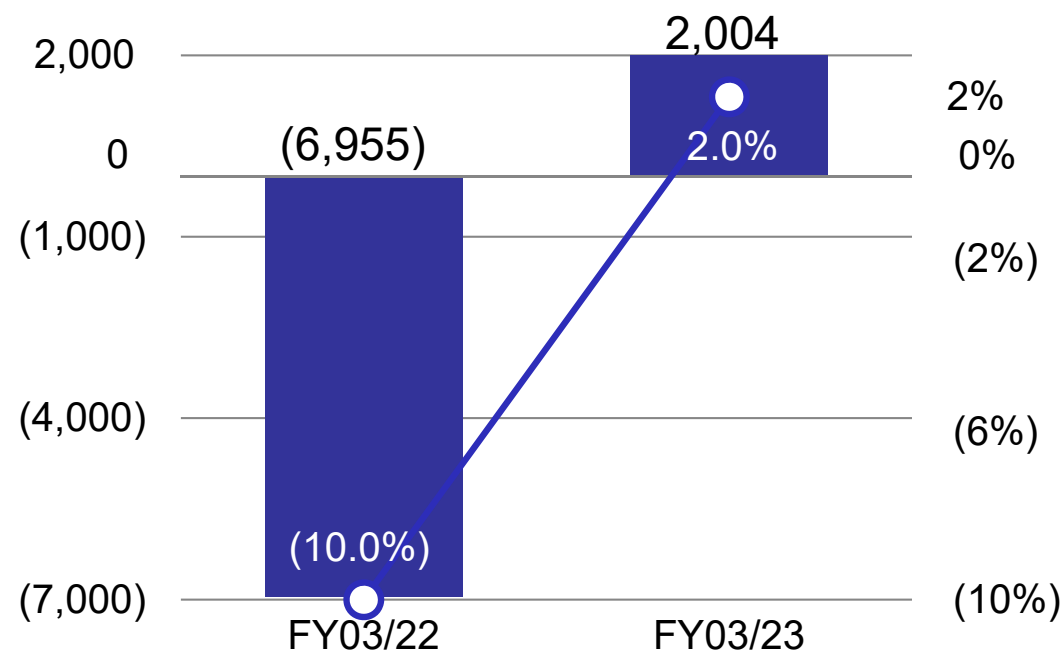
(Millions of yen)

Sales



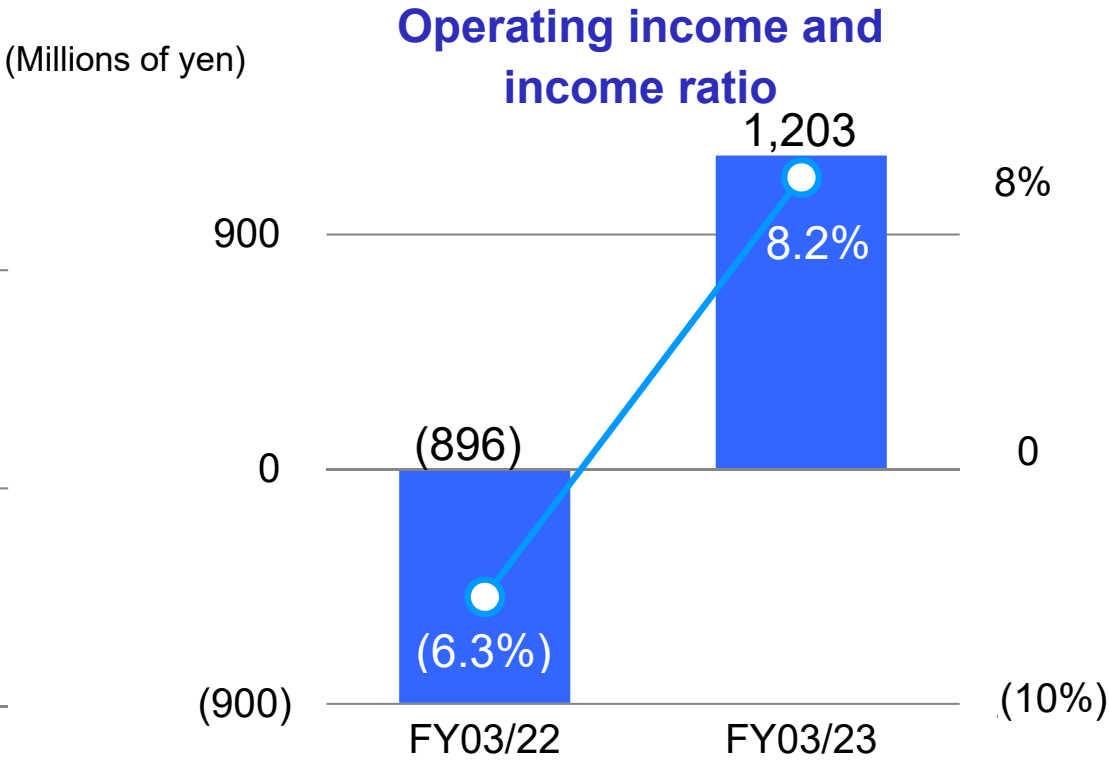
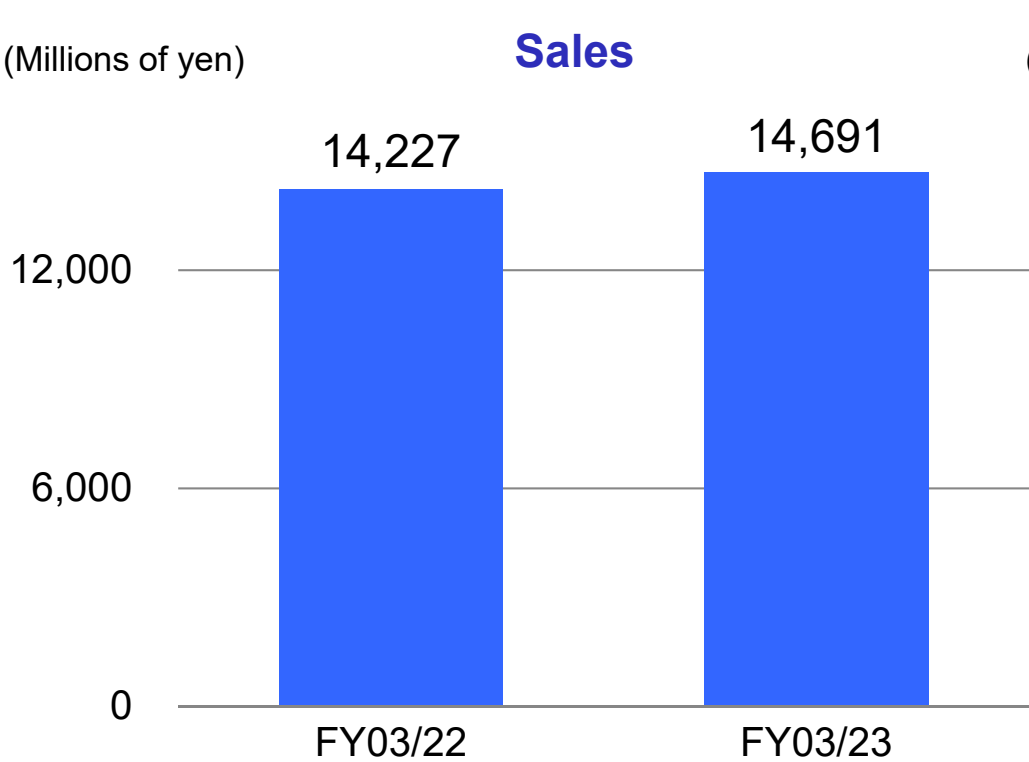
(Millions of yen)

Operating income and income ratio



- Sales were strong for consumer-use actuators and car headphones.
- The segment established a profitable trend by focusing on high value-added products and developing an R&D-oriented business.

		(Millions of yen)			
		FY03/22	FY03/23	Composition ratio	Percentage change (YoY)
Mobile Audio	Sales	14,227	14,691	12.1%	3.3%
	Operating income	(896)	1,203		—
	Income ratio	(6.3%)	8.2%		

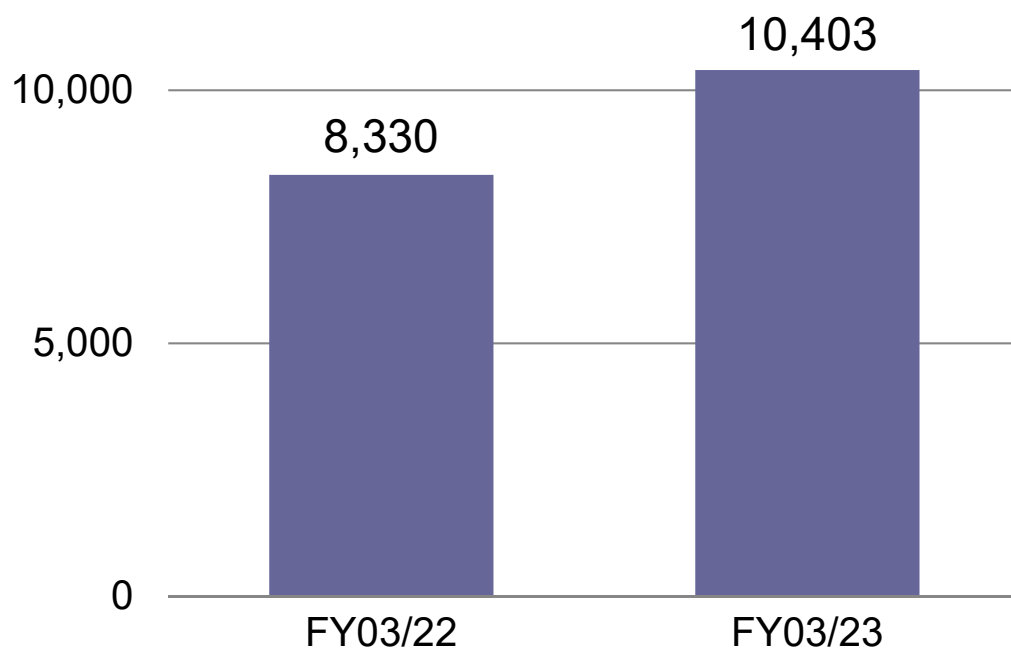


- Increased component sales from our Chinese subsidiary led to a rise in segment sales, but an operating loss was incurred due to inventory write-downs and other factors.

		(Millions of yen)			
		FY03/22	FY03/23	Composition ratio	Percentage change (YoY)
Other	Sales	7,202	7,558	6.2%	4.9%
	Operating income	94	(762)		—
	Income ratio	1.3%	(10.0%)		

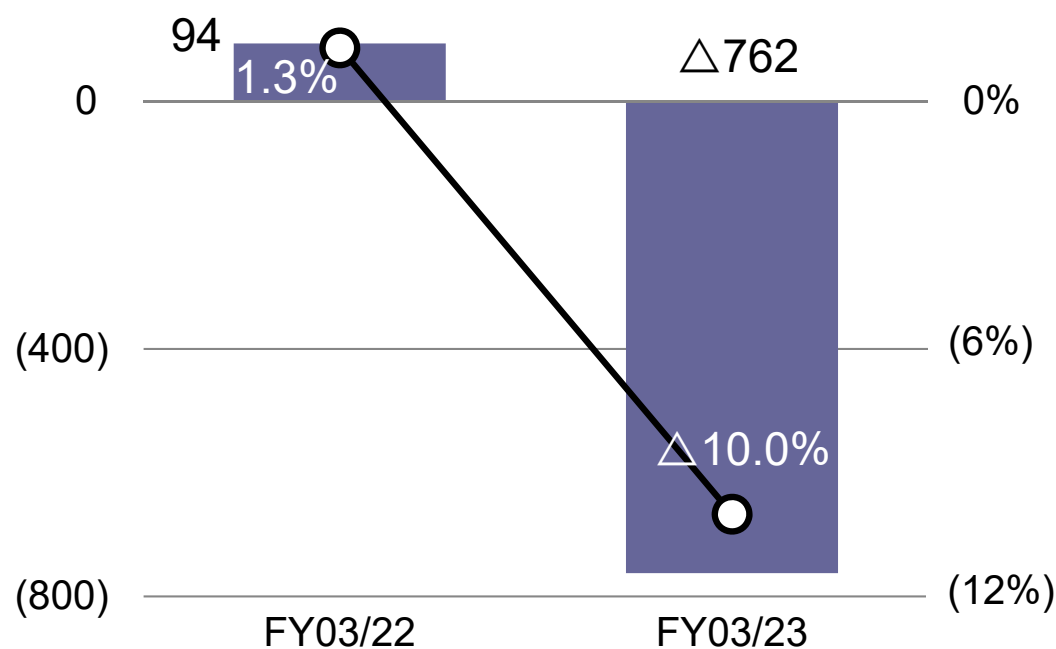
(Millions of yen)

Sales



(Millions of yen)

Operating income and income ratio



Consolidated Balance Sheet

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Equity ratio as of March 31, 2023 was 55.0% (54.7% as of March 31, 2022).

	End-FY03/22	End-FY03/23	(Millions of yen) Amount of change
Current assets	67,143	73,893	6,750
Cash and deposits	10,846	13,646	2,800
Notes and accounts receivable – trade	19,351	25,470	6,119
Inventories	30,454	29,861	(593)
Other	6,492	4,916	(1,576)
Non-current assets	19,005	18,977	(28)
Property, plant and equipment	15,614	15,030	(584)
Intangible assets	203	214	11
Investments and other assets	3,187	3,732	545
Total assets	86,148	92,871	6,723
Current liabilities	32,889	34,799	1,910
Notes and accounts payable – trade	11,179	9,380	(1,799)
Short-term bank loans	12,247	17,156	4,909
Current portion of long-term debt	818	300	(518)
Other	8,645	7,963	(682)
Non-current liabilities	1,627	1,556	(71)
Long-term debt	300	—	(300)
Other	1,327	1,556	229
Net assets	51,632	56,515	4,883
Shareholders' equity	43,409	44,045	636
Total accumulated other comprehensive income	3,753	7,050	3,297
Non-controlling interests	4,469	5,419	950
Total liabilities and net assets	86,148	92,871	6,723

Statement of Cash Flows

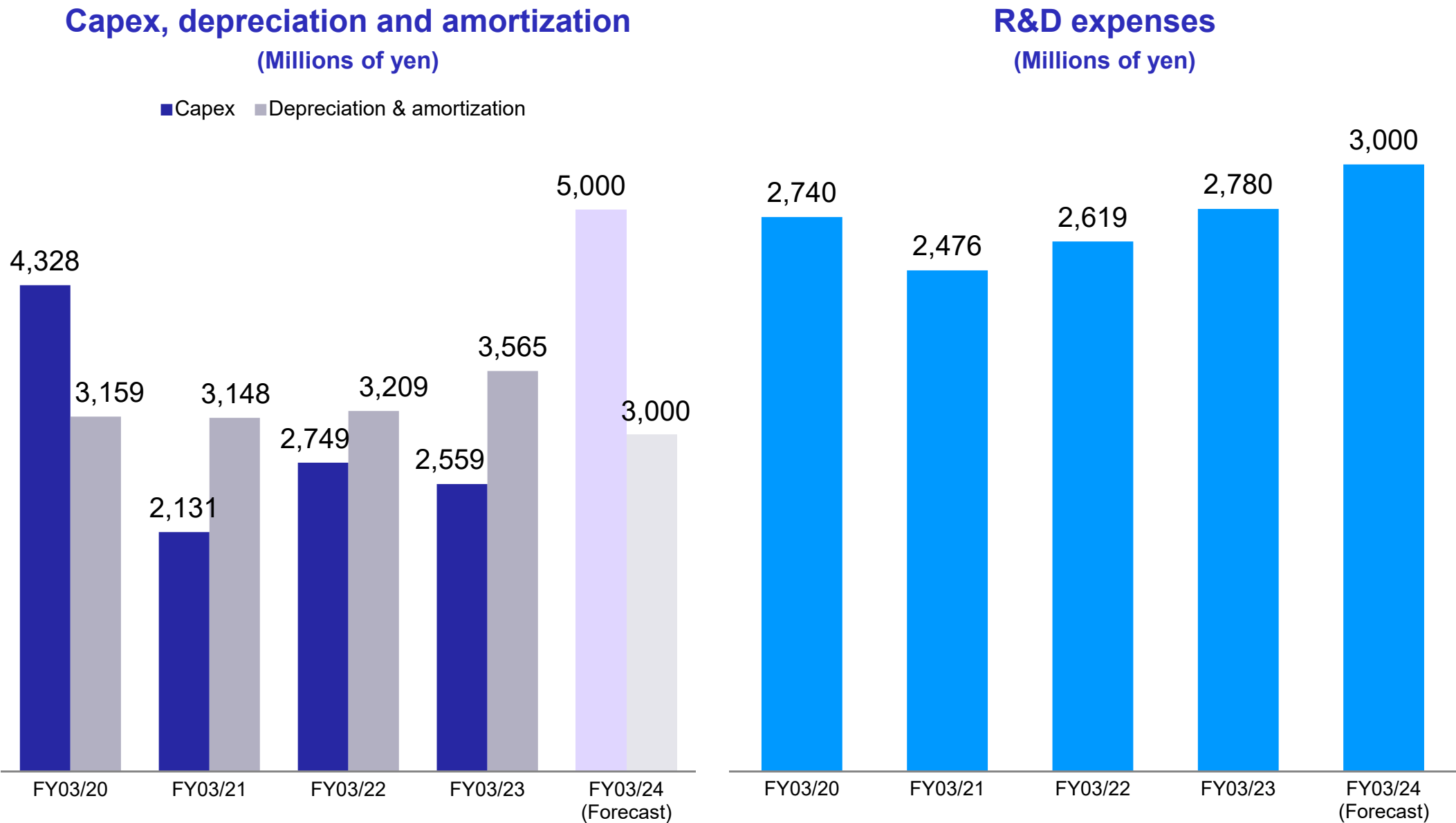
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Free cash flow for FY03/23 improved substantially.

(Millions of yen)

	FY03/22	FY03/23	Amount of change
Operating activities	(12,767)	354	13,121
Investing activities	(3,071)	(1,321)	1,750
Free cash flow*	(15,838)	(967)	14,871
Financing activities	6,771	1,776	(4,995)
Net increase (decrease) in cash and cash equivalents	(8,284)	1,556	9,840
Cash and cash equivalents at the end of the period	12,089	13,646	1,557

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



II. Summary of the Full Year and Forecasts for Fiscal Year Ending March 31, 2024

1

Despite automobile production and sales falling short of initial forecasts, we secured increased sales and profits.

2

We ensured business stability in the face of soaring material costs and freight charges by adjusting our prices and implementing a cost-linked pricing system with understanding of our customers.

3

We set up a global logistics system to secure advantageous maritime freight contracts and optimize inventory levels.

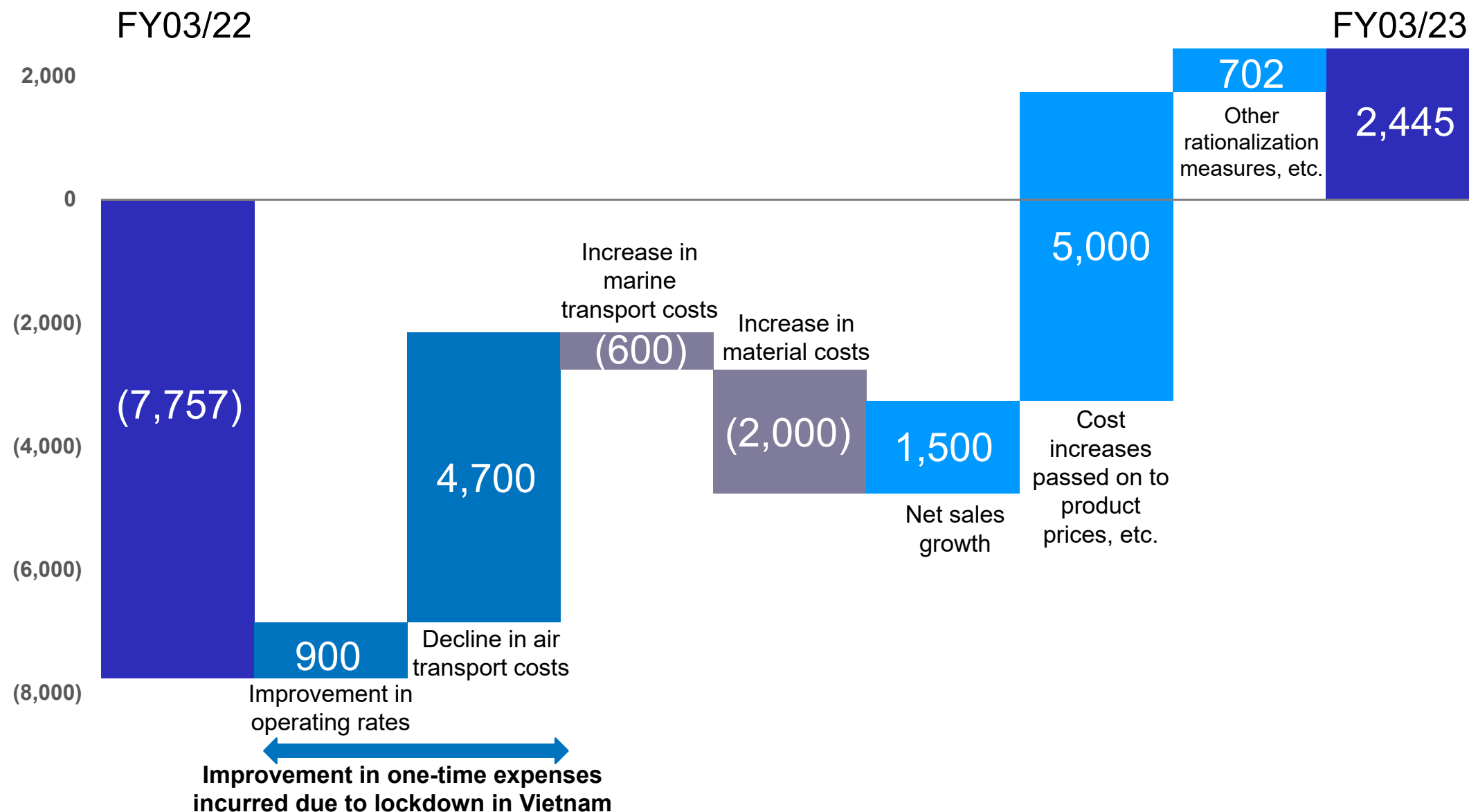
4

Our R&D-oriented business also contributed to earnings, and the Mobile Audio segment remained profitable from the start of the period.

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

FOSTER

(Millions of yen)

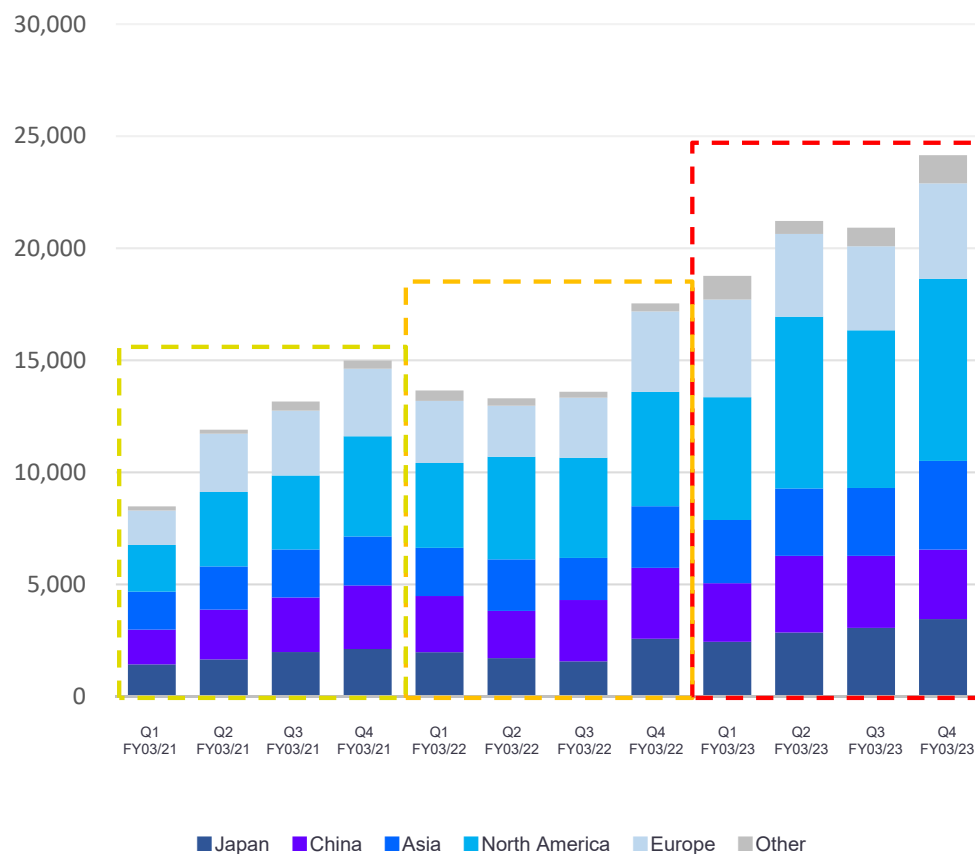


Car Speaker Sales by Region

- Sales of car speakers reached an all-time high.
- Sales increased in all regions.

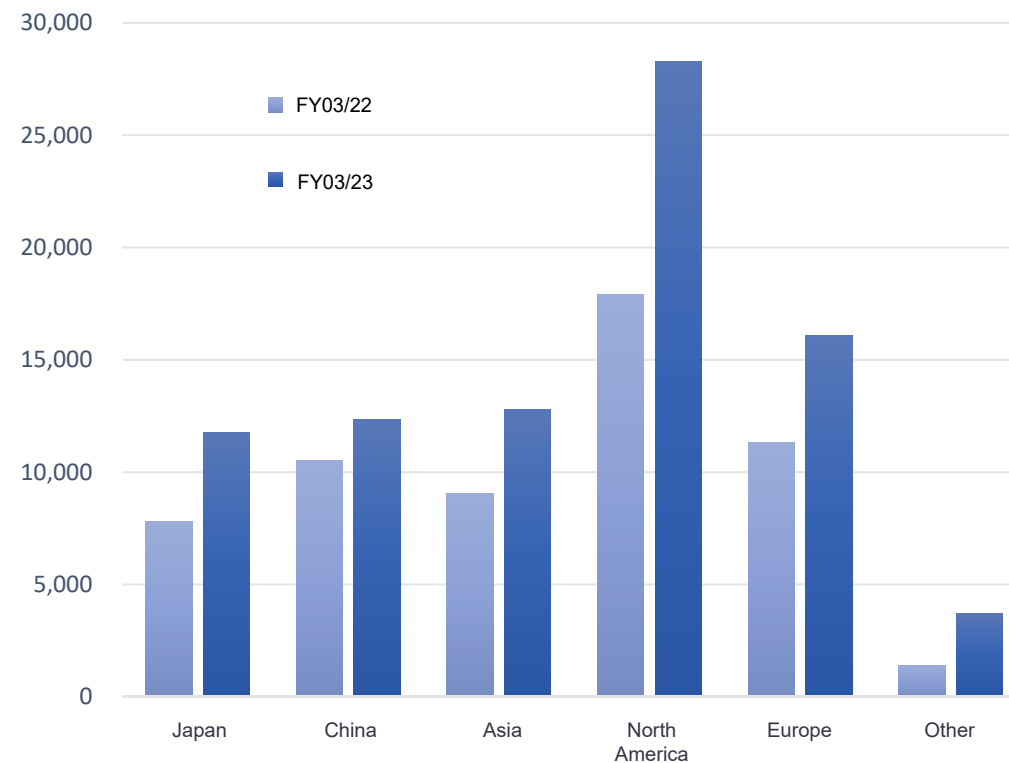
Quarterly car speaker sales by region

(Millions of yen)



Car speaker sales by region (versus FY03/22)

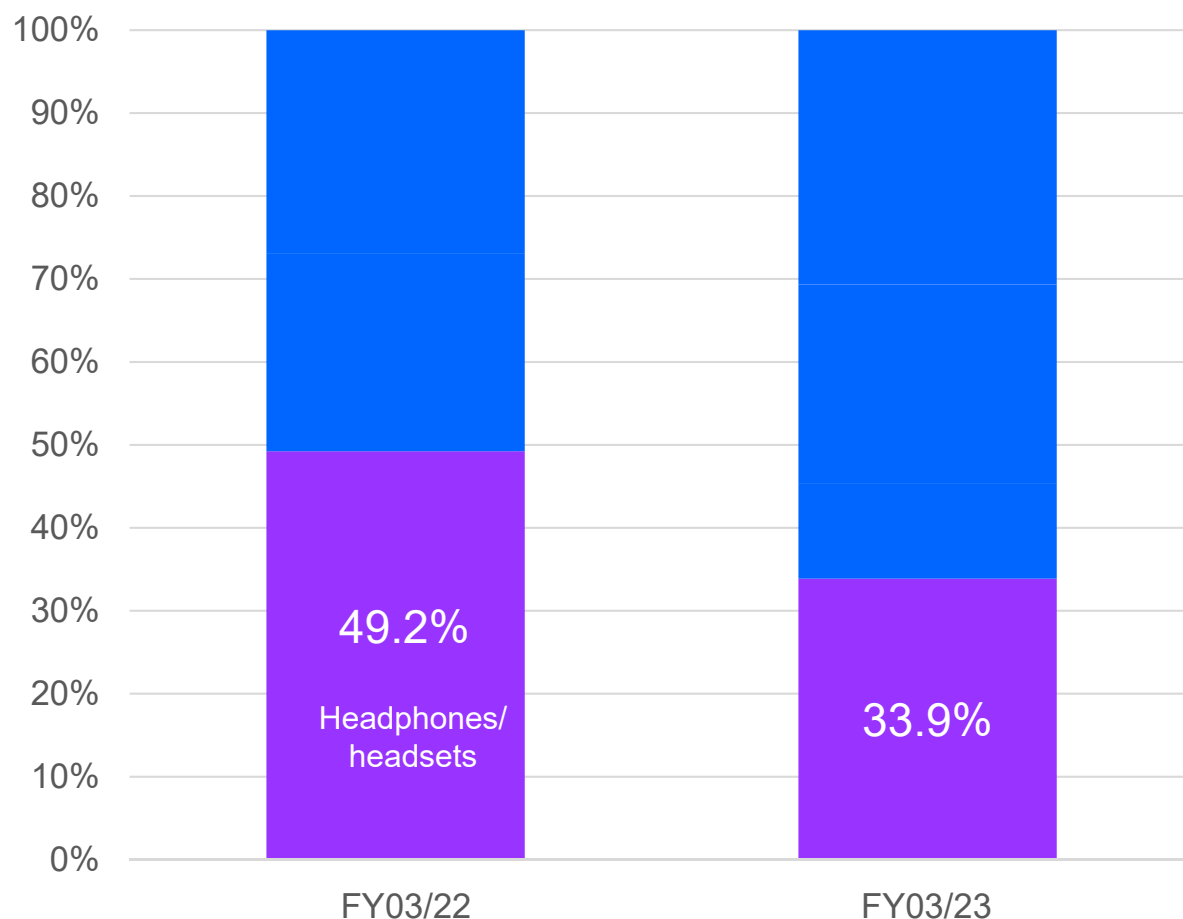
(Millions of yen)



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

- **Model mix improvements and advancements in our R&D-oriented business set a profitable trend from the start of the period.**

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



- **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**
- **Actuators were shipped as planned, resulting in increased volume**
- **Our R&D-oriented business and resulting mass production have commenced**

- While we face an increasingly tough business environment, we forecast an increase in profits.

(Millions of yen)

	FY03/23	FY03/24 Forecast	Amount of change	Percentage change (YoY)
Net sales	121,338	120,000	(1,338)	(1.1%)
Operating income	2,445	3,000	555	22.7%
<i>Operating income to net sales</i>	<i>2.0%</i>	<i>2.5%</i>		
Ordinary income	2,327	2,500	173	7.4%
<i>Ordinary income to net sales</i>	<i>1.9%</i>	<i>2.1%</i>		
Net income*	848	1,300	452	53.3%
<i>Net income to net sales**</i>	<i>0.7%</i>	<i>1.1%</i>		
Net income per share (in exact yen)	38.23	58.59	20.36	53.3%
Dividends per share (in exact yen)	20.00	20.00	0.00	
Dividend payout ratio	52.3%	34.1%		
Exchange rates	136.00 yen/USD 141.58 yen/EUR	135.00 yen/USD 140.00 yen/EUR		

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

Outlook for FY03/24 by Segment

Segment	Outlook for FY03/24	Sales forecast
Speaker	<ul style="list-style-type: none"> ➤ While medium-term demand for automotive products is strong, the rebound in this fiscal year's car production and sales volume is anticipated to be modest due to challenges such as semiconductor shortages, economic deceleration, and rising auto loan rates. ➤ Ocean freight rates are regaining stability. ➤ We aim to control the impact of continued surges in raw material costs using the cost-linked pricing system. 	97 billion yen
Mobile Audio	<ul style="list-style-type: none"> ➤ Demand for actuators remains strong. ➤ Our headset drivers are projected to maintain solid performance. ➤ An uptick in sales is expected for new products, including those related to our new business. 	15.5 billion yen
Other	<ul style="list-style-type: none"> ➤ As the EV transition progresses, we see sustained strong demand for micro acoustic components such as AVAS speakers. Yet, we expect initial costs and expenditures associated with business division expansion. ➤ One-time expenses were recorded in the third quarter of the previous fiscal year, but we expect no such expenses for this year. 	7.5 billion yen*

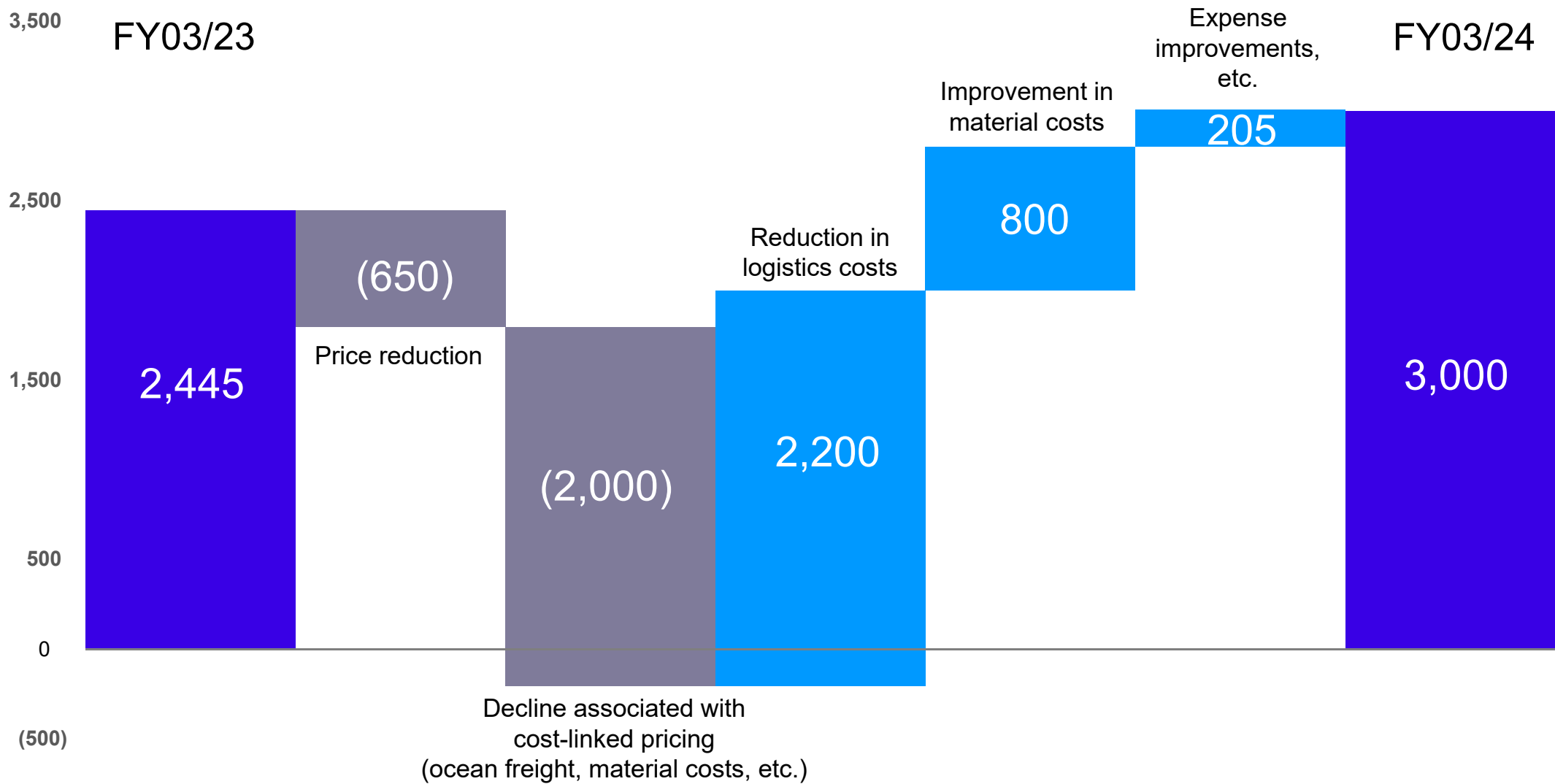
*Sales forecast figures for the Other segment represent amounts after adjusting inter-segment transactions.

Breakdown of YoY Change in Operating Income

FY03/23–FY03/24 Forecast



(Millions of yen)



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.

	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24 (Forecast)
Net income (loss) per share (in exact yen)	69.15	(148.47)	(315.53)	38.23	58.59
Dividends per share (in exact yen) (interim, year-end)	35.00 (20.00, 15.00)	15.00 (10.00, 5.00)	10.00 (10.00, 0.00)	20.00 (10.00, 10.00)	20.00 (10.00, 10.00)
Dividend payout ratio	50.6%	—%	—%	52.3%	34.1%

III. Progress of Medium-Term Business Plan

Automotive business sales in MTBP: Progress and 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.

- Excluding the effects of the weaker yen and price pass-through, sales were largely as initially planned in the previous fiscal year
- **Already secured about 90% of the orders** for the final year (FY03/25) of our current medium-term business plan
- Sales to Japanese blue-chip brands are expected to expand further in the future
- Sales to Tier 1 brands based in North America expanding
- Orders from European luxury car makers remain strong
- Strengthening sales of micro acoustic components (buzzers, AVAS/eCall speakers, etc.)

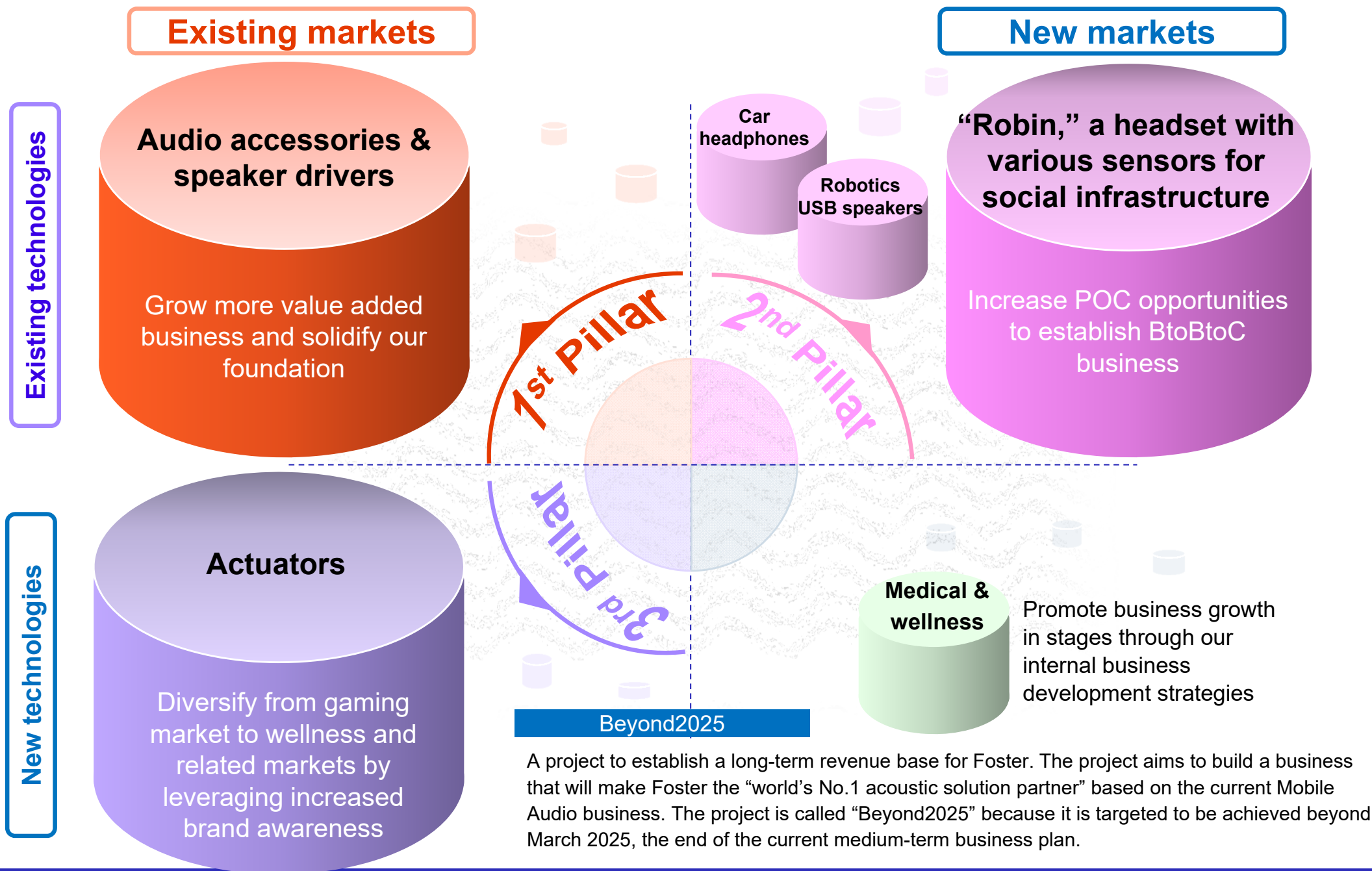
Resilience-strengthening measures to solidify our car speaker business

Local production for local consumption

- To cater to our European customers, efforts are being made toward prompt commencement of operations at our Hungary Plant.
- At our Vietnam Plant (located in Binh Duong, near Ho Chi Minh City), the production of car speakers is scheduled to kick off in the second half of this fiscal year.
- Our China Plant is focused on further enhancing efficiency and reinforcing technical staff to achieve mass production in a limited time frame.

Global logistics

- We will centralize the management of ocean container contracts at our headquarters.
- We will implement a centralized inventory control system to consistently maintain optimum inventory levels.
- We aim to reduce freight costs and maintain rigorous quality control during transit by selecting optimal combinations of warehouse locations and land/marine transportation.



First pillar: Audio accessories & speaker drivers

- The earphone market continues to grow, fueled by the rise in telework and evolving work patterns.
- We set ourselves apart from competitors with our diaphragm technology honed through our experience with headphones bundled with smartphones, and our advanced customization skills.
- Our track record includes car headphones and the commercialization and mass production of NTT Sonority's PSZ* technology.
- By leveraging our strengths, we intend to increase our market share.

Note: Personalized Sound Zone (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 (a space in which sound is confined) 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.

Second pillar: “Robin,” a headset with 9-degrees-of-freedom sensor for social infrastructure

- An earphone-style device capable of capturing biometric data.
- A tool with vast potential applications in social infrastructure, answering the growing demand for biometric sensing.
- An ear-acoustic authentication device developed in partnership with NEC.
- We plan to capitalize on our strengths via the development of B2B2C products, thereby stimulating new market opportunities.

Third pillar: Actuator

- The haptic technology market, which targets tactile senses, is expanding into automotive and other applications.
- We hold a competitive edge with our broadband products that apply speaker technology and our meticulous custom solutions.
- We have experience in integrating our offerings into in-car infotainment systems, like center consoles and steering controls.
- We aim to branch into the medical field, with a focus on remote medical care.

Response to P/B ratio below 1x

Current key points of recognition

- ROE & ROIC are low (below the cost of capital) = Negative equity spread
 - Profit margin is low (↔ Asset turnover is at or above the market average, but there is room for improvement)
 - Business performance is notably inconsistent (frequent revisions of forecasts) → High beta value and increased cost of capital
- The contribution of our partnership strategy to earnings is unclear
- Amid challenging market conditions, it is difficult to estimate our underlying earning potential
- There is uncertainty about the future of our businesses outside the automotive business



Primary measures in the immediate future

- Ensure the successful execution of the current medium-term business plan
- Improve profitability by strengthening our efforts on Beyond2025 initiatives
- Enhance the precision of our earnings forecasts
- Explore strategies for shareholder returns by reinforcing our communication with the market

Introduction of the new CEO (Set to take office after the 89th Ordinary General Meeting of Shareholders to be held on June 27, 2023)



Kazuhiro Kishi
(Born March 7, 1964)

For many years, Kishi has led the Sales Department, directing our Group's sales efforts and spearheading our partnership strategy. During an 8-year tenure in the US (1992–2000), he was successful in establishing key customer relationships that formed the basis for our current Mobile Audio business. Additionally, he has supported the development and growth of new businesses, contributing to the increase in our corporate value.

Brief Biography	
Mar. 1986	Joined the Company
Oct. 2002	Deputy Manager, Sales Department, IT Equipment Division of the Company
Apr. 2003	Manager, Sales Department, IT Equipment Division of the Company
Apr. 2004	Manager, Sales Department No. 2, Sales Division of the Company
Feb. 2006	Executive Officer, Deputy General Manager, HP Division of the Company
Feb. 2007	Deputy General Manager, HP Business Division of the Company
Dec. 2008	Deputy General Manager, Mobile Audio Business Division of the Company
Jun. 2009	Director of the Company
Jun. 2010	Acting General Manager, Mobile Audio Business Division of the Company
Apr. 2011	General Manager, Sales Division of the Company
Apr. 2013	General Manager, MA Business Division of the Company
Jun. 2014	Managing Director of the Company (to the present)
Apr. 2017	General Manager, New Business Development Division and General Manager, Sales of the Company
Aug. 2019	General Manager, Sales Division and General Manager, Sales of the Company
Apr. 2020	General Manager, Sales Division, Head of Sales & Marketing, and in charge of the Americas of the Company (to the present)

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	Atsushi Narikawa, CEO
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, 2023)
Business domain	Production and sales of speakers, audio equipment, and electronic equipment
Number of employees	Consolidated: 15,493 (including employees at a contract manufacturer in Panyu, China) Non-consolidated: 411 (as of March 31, 2023 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



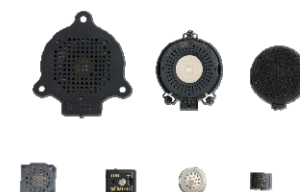
Actuators



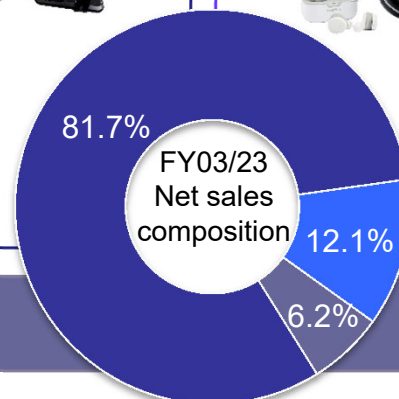
Other Segment

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

Micro acoustic components



FOSTEX products

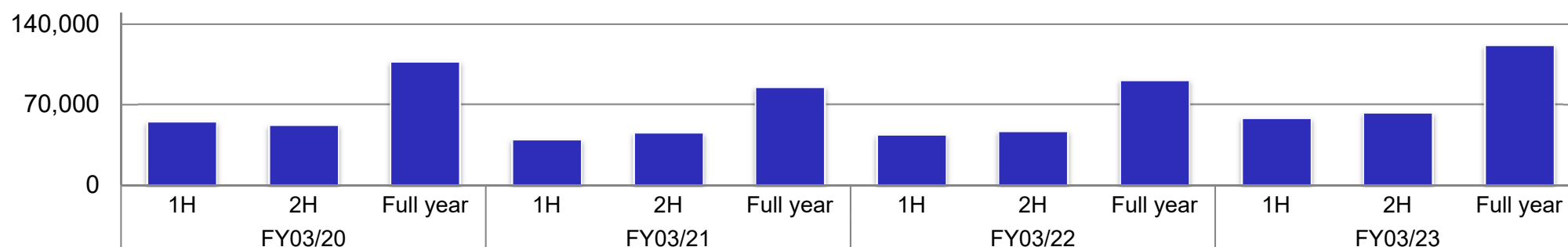


Half-Year and Full-Year Results

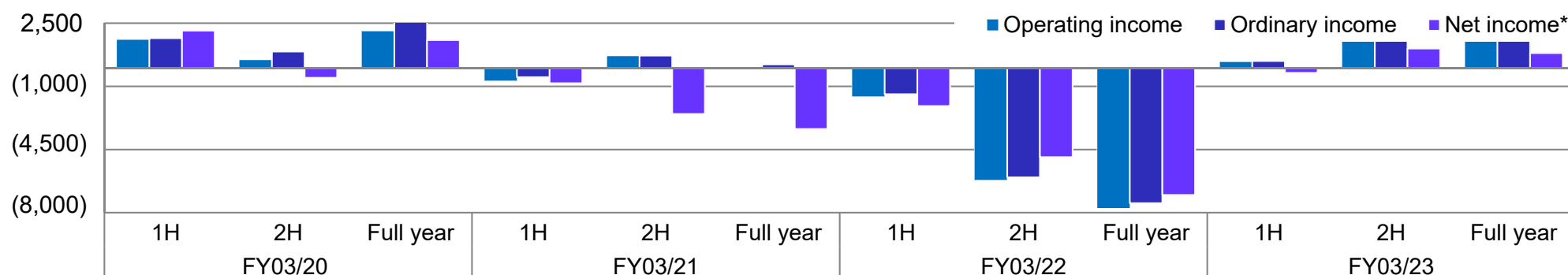
Results (Millions of yen)

	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	62,953	121,338
Operating income	1,594	470	2,064	(688)	688	0.7	(1,568)	(6,189)	(7,757)	351	2,094	2,445
Ordinary income	1,668	931	2,599	(488)	707	219	(1,433)	(6,040)	(7,473)	404	1,923	2,327
Net income*	2,090	(525)	1,565	(829)	(2,534)	(3,363)	(2,093)	(4,924)	(7,017)	(249)	1,097	848
Income ratio	2.9%	0.9%	1.9%	(1.7%)	1.5%	0.0%	(3.6%)	(13.1%)	(8.5%)	0.6%	3.3%	2.0%
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%	3.1%	1.9%
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%)	1.7%	0.7%

Net sales (Millions of yen)



Profits (Millions of yen)



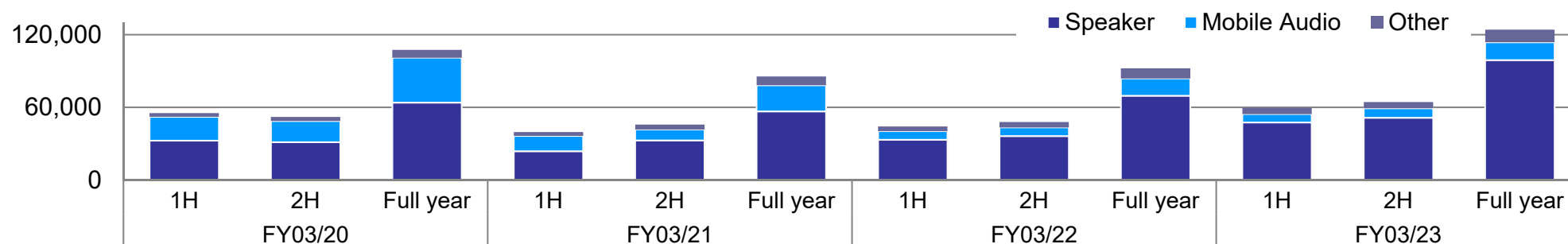
*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

Half-Year and Full-Year Results by Segment

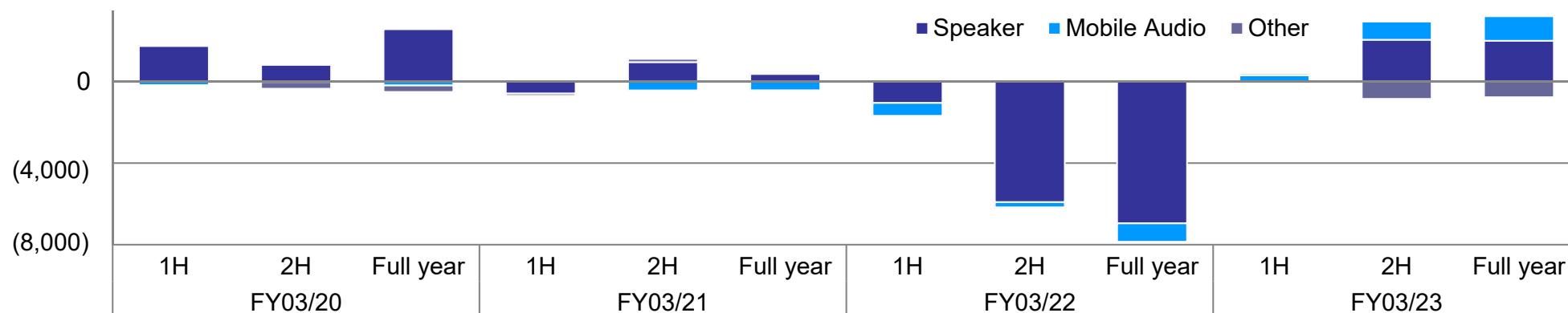
Results (Millions of yen)

	FY03/20			FY03/21			FY03/22			FY03/23		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Sales												
Speaker	32,631	31,324	63,955	23,892	32,844	56,736	33,294	36,382	69,676	47,641	51,446	99,087
Mobile Audio	19,603	17,456	37,059	12,593	8,981	21,574	7,137	7,090	14,227	6,841	7,850	14,691
Other	3,107	3,347	6,454	3,176	4,068	7,244	3,880	4,450	8,330	5,286	5,117	10,403
Operating income												
Speaker	1,754	817	2,571	(584)	961	377	(1,045)	(5,910)	(6,955)	(51)	2,055	2,004
Mobile Audio	(170)	(17)	(187)	5	(429)	(424)	(631)	(265)	(896)	317	886	1,203
Other	10	(330)	(320)	(109)	156	47	108	(14)	94	85	(847)	(762)

Net sales (Millions of yen)



Operating income (Millions of yen)

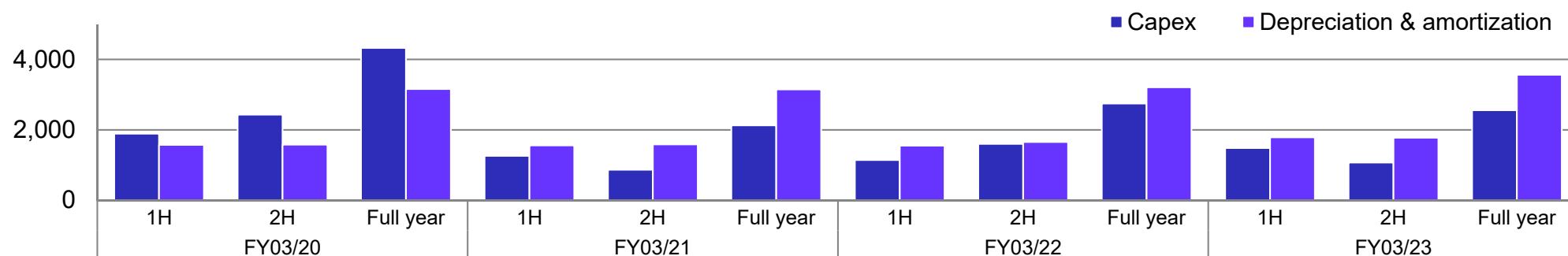


Half-Year and Full-Year Capex, Depreciation and Amortization, and R&D Expenses

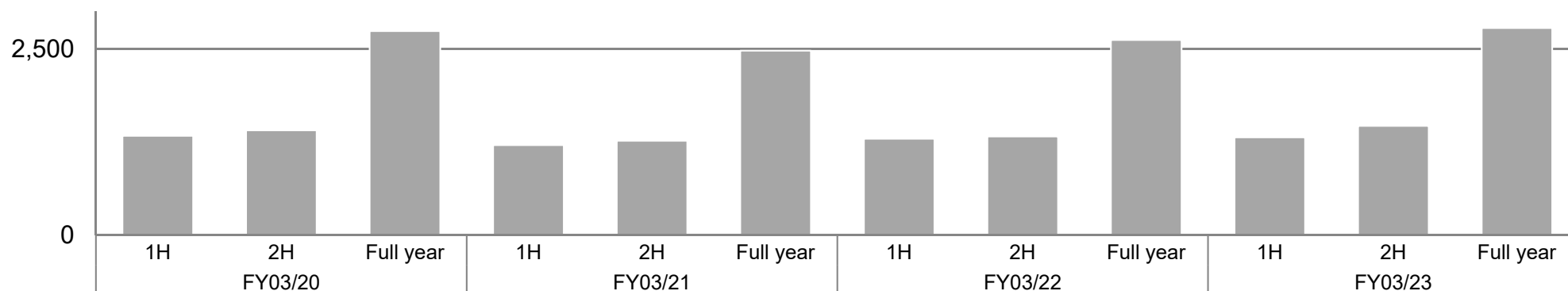
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	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	1,075	2,559
Depreciation & amortization	1,576	1,583	3,159	1,560	1,588	3,148	1,552	1,657	3,209	1,788	1,777	3,565
R&D expenses	1,333	1,407	2,740	1,209	1,267	2,476	1,294	1,325	2,619	1,313	1,467	2,780

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

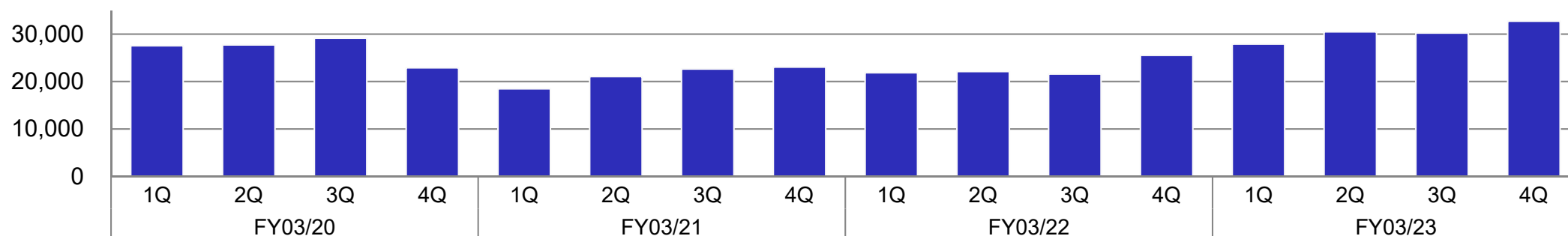


Quarterly Results

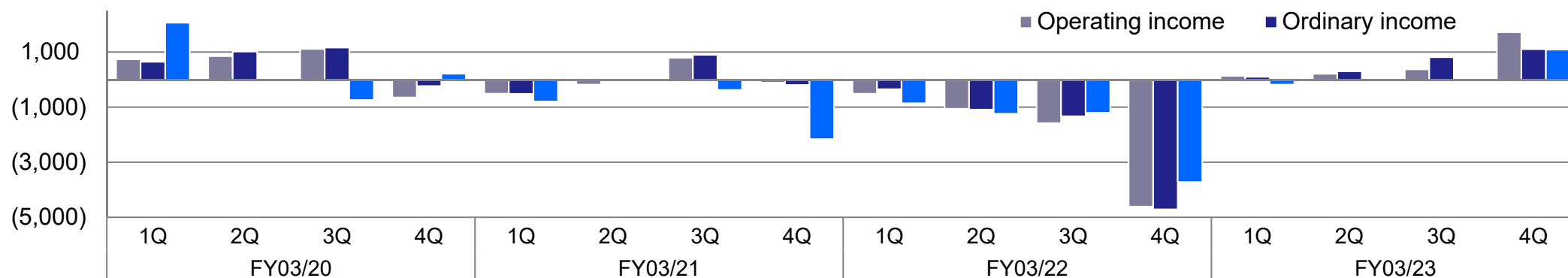
Results (Millions of yen)

	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	30,227	32,726
Operating income	741	853	1,117	(647)	(507)	(181)	799	(110)	(511)	(1,057)	(1,578)	(4,611)	139	212	372	1,722
Ordinary income	648	1,020	1,166	(235)	(518)	30	900	(193)	(345)	(1,088)	(1,329)	(4,711)	102	302	815	1,108
Net income*	2,067	23	(740)	215	(791)	(38)	(373)	(2,161)	(857)	(1,236)	(1,205)	(3,719)	(183)	(66)	8	1,089
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%	1.2%	5.3%
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%	2.7%	3.4%
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%)	0.0%	3.3%

Net sales (Millions of yen)



Profits (Millions of yen)



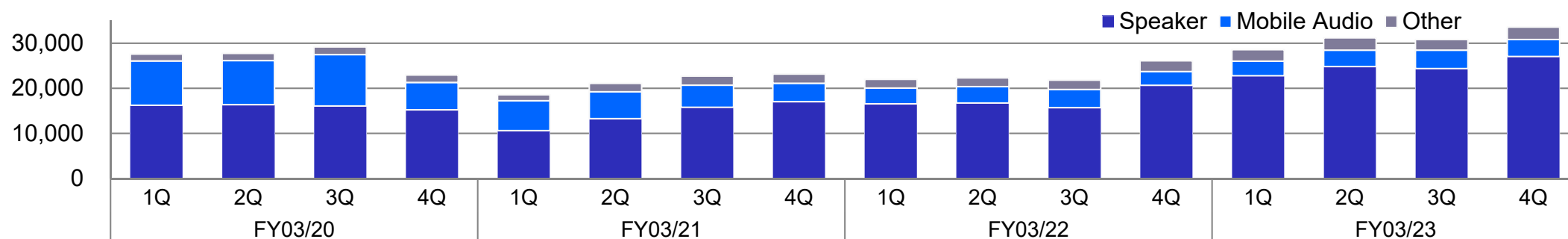
*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

Quarterly Results by Segment

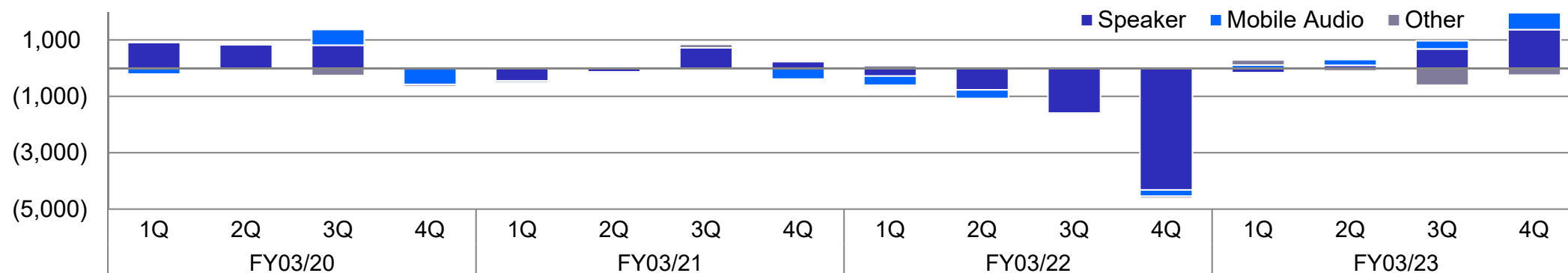
Results (Millions of yen)

	FY03/20				FY03/21				FY03/22				FY03/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales																
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	24,396	27,050
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	4,066	3,784
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	2,367	2,750
Operating income																
Speaker	915	839	817	0	(448)	(136)	722	239	(279)	(766)	(1,593)	(4,317)	(156)	105	684	1,371
Mobile Audio	(205)	35	558	(575)	6	(1)	(46)	(383)	(323)	(308)	(39)	(226)	113	204	291	595
Other	30	(20)	(258)	(72)	(65)	(44)	123	33	91	17	55	(69)	182	(97)	(603)	(244)

Sales (Millions of yen)



Operating income (Millions of yen)



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

Balance sheet (Millions of yen)

	FY03/20				FY03/21				FY03/22				FY03/23			
		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	78,930	73,893
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	13,525	13,646
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	24,018	25,470
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	41,387	34,777
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	19,301	18,977
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	15,702	15,030
Total intangible assets	314	433	212	217	201	198	198	189	196	194	205	203	216	217	207	214
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	3,391	3,732
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	98,232	92,871
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	41,988	34,799
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	11,342	9,380
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	21,979	17,456
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	8,667	7,963
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	1,469	1,556
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	0	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	1,469	1,556
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	54,774	56,515
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	42,995	44,045
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	6,587	7,050
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	5,231	5,419
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	98,232	92,871

Statement of cash flows (Millions of yen)

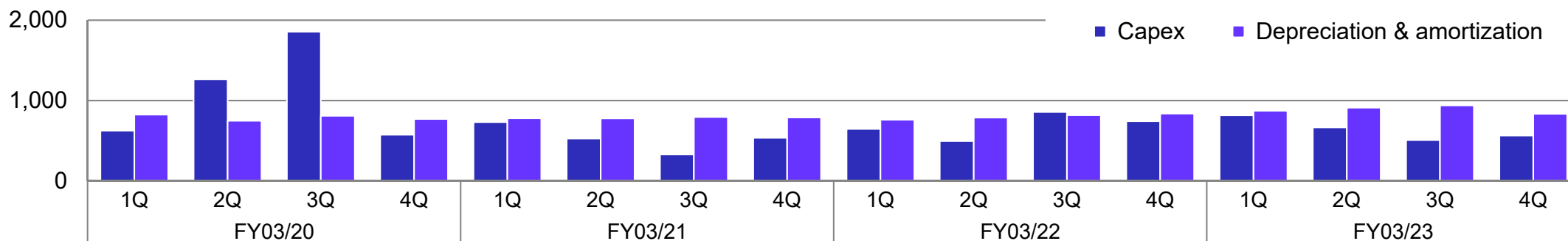
	FY03/20				FY03/21				FY03/22				FY03/23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating activities	873	2,375	4,250	3,594	(2,309)	3,626	960	(1,538)	(2,351)	(3,840)	(3,309)	(3,267)	(5,612)	(1,402)	2,959	4,409
Investing activities	1,862	(690)	(1,322)	666	(1,246)	(351)	(144)	(219)	(228)	(1,172)	(970)	(701)	(824)	6	(443)	(60)
Financing activities	(1,023)	(2,308)	(4,758)	(734)	(691)	(1,004)	(384)	(545)	658	2,709	2,548	856	4,964	3,861	(2,563)	(4,486)
Foreign exchange impact	(229)	(269)	(75)	195	(375)	(40)	(76)	778	201	42	(12)	551	691	478	(680)	258
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	(727)	121
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	13,525	13,646

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

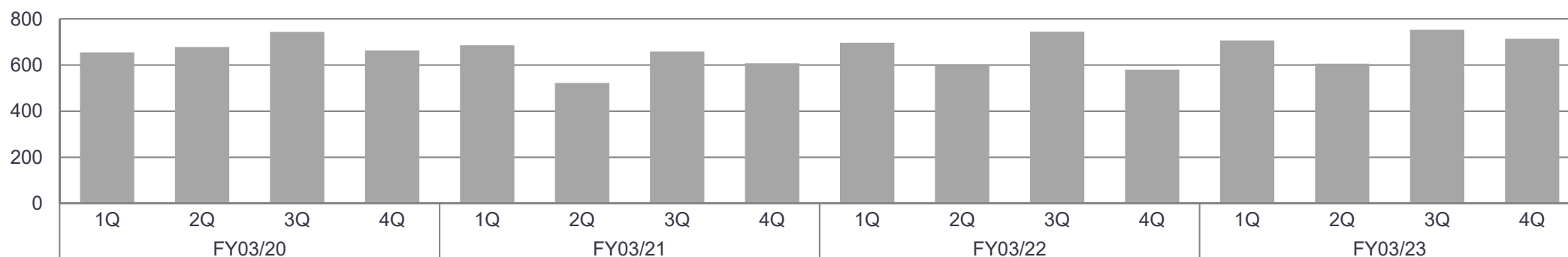
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	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	509	566
Depreciation & amortization	826	750	812	771	781	779	797	791	763	789	818	839	875	913	941	836
R&D expenses	655	678	744	663	686	523	659	608	697	597	745	580	707	606	753	714

Capex, depreciation & amortization (Millions of yen)



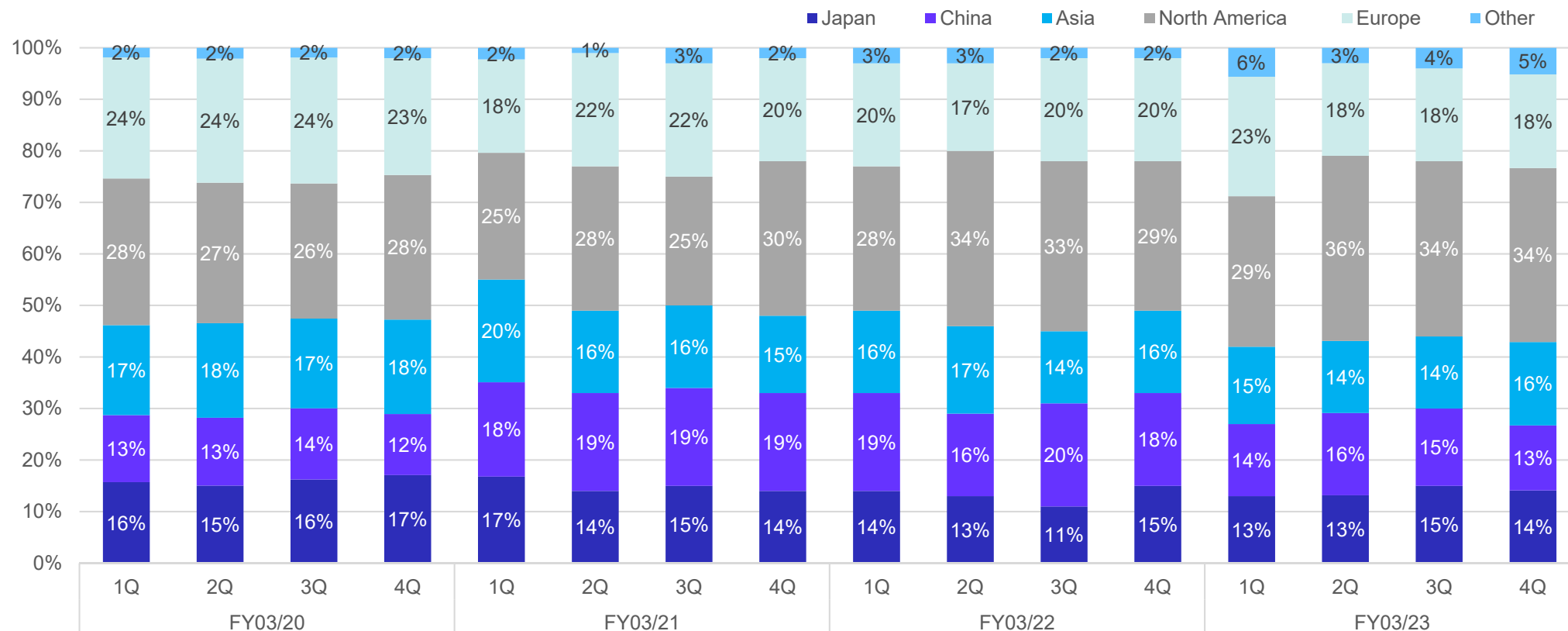
R&D expenses (Millions of yen)



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%	15%	14%
China	13%	13%	14%	12%	18%	19%	19%	19%	19%	16%	20%	18%	14%	16%	15%	13%
Asia	17%	18%	17%	18%	20%	16%	16%	15%	16%	17%	14%	16%	15%	14%	14%	16%
North America	28%	27%	26%	28%	25%	28%	25%	30%	28%	34%	33%	29%	29%	36%	34%	34%
Europe	24%	24%	24%	23%	18%	22%	22%	20%	20%	17%	20%	20%	23%	18%	18%	18%
Other	2%	2%	2%	2%	2%	1%	3%	2%	3%	3%	2%	2%	6%	3%	4%	5%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
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	20,915	24,349



The Group's Manufacturing Sites

Myanmar

FOSTER ELECTRIC (THILAWA) CO., LTD.

South Korea

ESTec CORPORATION

China

ESTec ELECTRONICS (JIAXING)CO.,LTD.

Foster Electric (Heyuan) Co., Ltd.

Guangzhou Panyu Jiu Shui Keng Foster Electric Factory

Guangzhou Fourstar Electroacoustic Tech Co.,Ltd

Vietnam

ESTec PHU THO CO., LTD.

FOSTER ELECTRIC (BAC NINH) CO., LTD.

FOSTER ELECTRIC (DA NANG) CO., LTD.

FOSTER ELECTRIC (QUANG NGAI) CO., LTD.

FOSTER ELECTRIC (VIETNAM) CO., LTD.

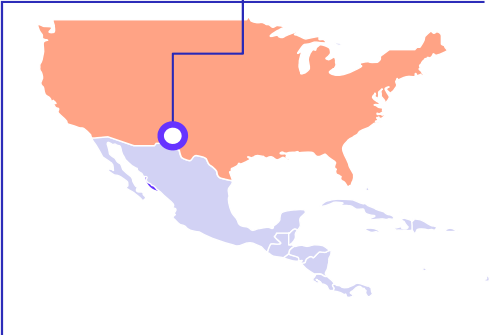
ESTec VINA CO., LTD.

Thailand

FSK(Thailand) Co.,Ltd.

USA

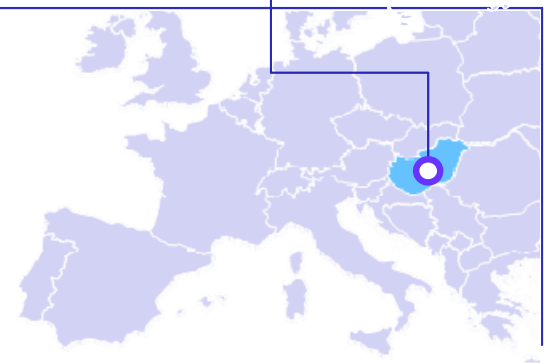
EL PASO OPERATIONS



Hungary

(Start of mass production Oct 2024 (planned))

FOSTER ELECTRIC (HUNGARY)Kft.



(As of March 31, 2023)

[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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