

November 14, 2023

Announcement on Revisions to Full-Year Consolidated Financial Results Forecast and Year-End Dividend Forecast

Foster Electric Company, Limited (hereinafter “the Company”) hereby announces that, in light of recent earnings performance, it has revised the full-year consolidated financial results forecast and the year-end dividend forecast for the fiscal year ending March 31, 2024, released along with the “Consolidated Financial Results for the Year Ended March 31, 2023” on May 11, 2023, as outlined below.

Revisions to the full-year financial results forecast

1. Revisions to the forecast of consolidated financial results for the year ending March 31, 2024
(April 1, 2023–March 31, 2024)

(Millions of yen unless otherwise stated)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	120,000	3,000	2,500	1,300	58.59 yen
Revised forecast (B)	120,000	4,000	3,500	2,000	90.05 yen
Change (B)-(A)		1,000	1,000	700	31.46 yen
Percentage change (%)		33.3	40.0	53.8	53.8
(Reference) Results in the previous year (ended March 31, 2023)	121,338	2,445	2,327	848	38.23 yen

2. Reasons for the revisions

Regarding net sales, amid growing uncertainties in the global economy against a backdrop of heightened geopolitical risks caused by the protracted Russia–Ukraine war and Hamas’ surprise attack on Israel, the shipment volume of car speakers declined due to inventory adjustments at some customers. That being said, the Company expects the shipment volume to recover as expected for the full year, supported by improvements in the business environment from a year ago, when automobiles were in tight supply due to semiconductor shortages.

On the profit front, the Company pushed forward with its “partner strategy” set forth in the medium-term business plan, optimized the production system by improving the accuracy of its demand forecast, and worked to maintain appropriate inventory levels. We also continued working on cost reduction measures. As a result, international logistics expenses and material expenses are expected to be lower than initially expected.

As a result of the above, we maintained the initial forecast for net sales, while upwardly revising the projections for operating profit, ordinary profit, and profit attributable to owners of parent.

Revision to the dividend forecast

1. Details of revisions to year-end dividend

	Dividend per share (yen)		
	End of 2nd quarter	Year-end	Total
Previous forecast (announced May 11, 2023)	10.00	10.00	20.00
Revised forecast		15.00	25.00
Results in the current fiscal year	10.00		
Results in the previous year (ended March 31, 2023)	10.00	10.00	20.00

2. Reasons for the revision

The Company's fundamental policy is to improve comprehensive shareholder returns while pursuing sustainable growth of enterprise value as a corporate challenge, and keeping the balance between profit distribution based on performance results and financial sustainability based on a long-term perspective.

Based on the shareholder return policy and revisions to the financial results forecast above, the Company raised the year-end dividend forecast per share to ¥15.0, bringing the annual dividend forecast per share to ¥25.0.

[Note] Considerations regarding the financial results forecast

The financial results forecast described above is calculated based on currently available information, which consists of numerous uncertainties. Please be advised that actual results may vary from the above-mentioned forecast or estimates depending on changes in circumstances or various other factors.