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November 29, 2023

**Announcement on Expected Recording of Extraordinary Loss  
due to Production System Revision in China**

Foster Electric Company, Limited (hereinafter “the Company”) announces that it expects to record an extraordinary loss in the third quarter of the fiscal year ending March 31, 2024, as outlined below, as a result of the revision of production system in China to improve the efficiency of production bases.

1. Overview of production system revision and reason for expected recording of extraordinary loss

The Company has decided to terminate operations of NAM WAH STAR ELECTRONICS (SHENZHEN) CO., LTD., where it outsources the production of micro acoustic components, in a bid to optimize its production system based on the plan to relocate production facilities to its China plant.

As a result of the termination of operations, the Company will terminate local employees and expects to pay severance payments amounting to about 500 million yen.

2. Outlook (expected recording of extraordinary loss in connection with severance payments)

The Company expects to record an extraordinary loss in relation to the severance payments in the third quarter of the fiscal year ending March 31, 2024, but no change will be made to the full-year consolidated financial results forecast announced on November 14, 2023.