

Financial Results Briefing for the First Half of the Fiscal Year Ending March 31, 2024

Foster Electric Company, Limited

(Stock code: 6794, Prime Market)

November 21, 2023

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I. Overview of Financial Results for the First Half of the Fiscal Year Ending March 31, 2024

1H FY03/24 Results

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(Millions of yen)

	1H FY03/23	1H FY03/24 (Actual)		
			Amount of change (YoY)	Percentage change (YoY)
Net sales	58,385	59,701	1,316	2.3%
Operating income	351	2,165	1,814	516.2%
<i>Operating income to net sales</i>	<i>0.6%</i>	<i>3.6%</i>		
Ordinary income	404	2,139	1,735	428.5%
<i>Ordinary income to net sales</i>	<i>0.7%</i>	<i>3.6%</i>		
Net income (loss)*	(249)	1,114	1,363	—
<i>Net income (loss) to net sales**</i>	<i>(0.4%)</i>	<i>1.9%</i>		
Dividends per share (in exact yen)	10.00	10.00	0.00	0.0%
Exchange rates	135.31 yen/USD	142.61 yen/USD		
	139.12 yen/EUR	154.77 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 FY03/23	Composition ratio	1H FY03/24	Composition ratio	Percentage change (YoY)
	Net sales	58,385		59,701		2.3%
	Operating income	351		2,165		516.2%
	<i>Income ratio</i>	0.6%		3.6%		
Speaker	Sales	47,641	81.6%	47,372	79.4%	(0.6%)
	Operating income	(51)	—	1,984		—
	<i>Income ratio</i>	(0.1%)		4.2%		
Mobile Audio	Sales	6,841	11.7%	8,255	13.8%	20.7%
	Operating income	317	—	362		14.0%
	<i>Income ratio</i>	4.6%		4.4%		
Other	Sales	3,901	6.7%	4,073	6.8%	5.4%
	Operating income	85	—	(181)		—
	<i>Income ratio</i>	2.2%		(4.4%)		

*The composition ratio figures above are calculated after eliminating inter-segment transactions. (The same applies to subsequent pages.)
The elimination amounts were 1,385 million yen in 1H FY03/23 and 1,501 million yen in 1H FY03/24 for the Other segment.

Speaker Segment

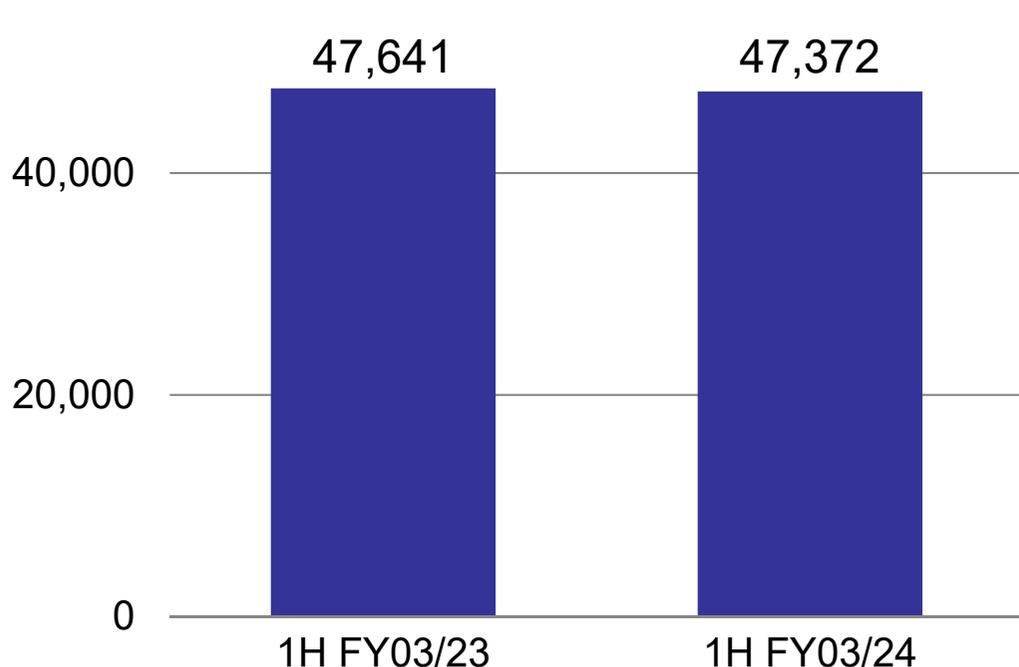
- Segment sales fell in tandem with a decline in shipment volume, due to the adjustment of inventory built up during supply chain disruptions.
- Operating income increased sharply, backed by a decline in air and ocean freight costs and ongoing cost improvement measures.

(Millions of yen)

		1H FY03/23	1H FY03/24	Composition ratio	Percentage change (YoY)
Speaker	Sales	47,641	47,372	79.4%	(0.6%)
	Operating income	(51)	1,984		—
	<i>Income ratio</i>	<i>(0.1%)</i>	4.2%		

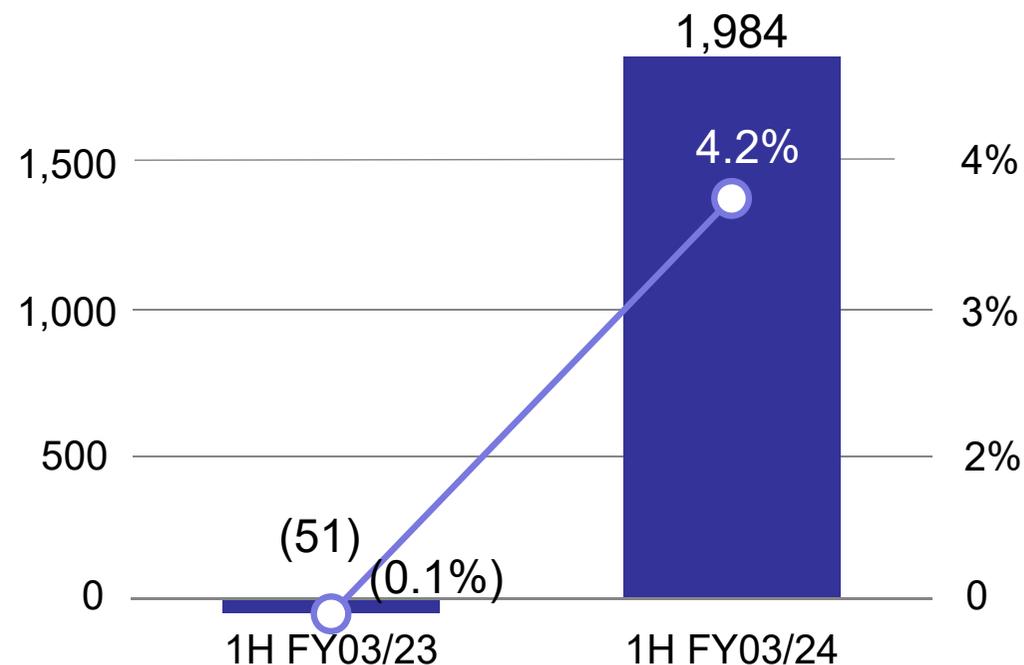
(Millions of yen)

Sales



(Millions of yen)

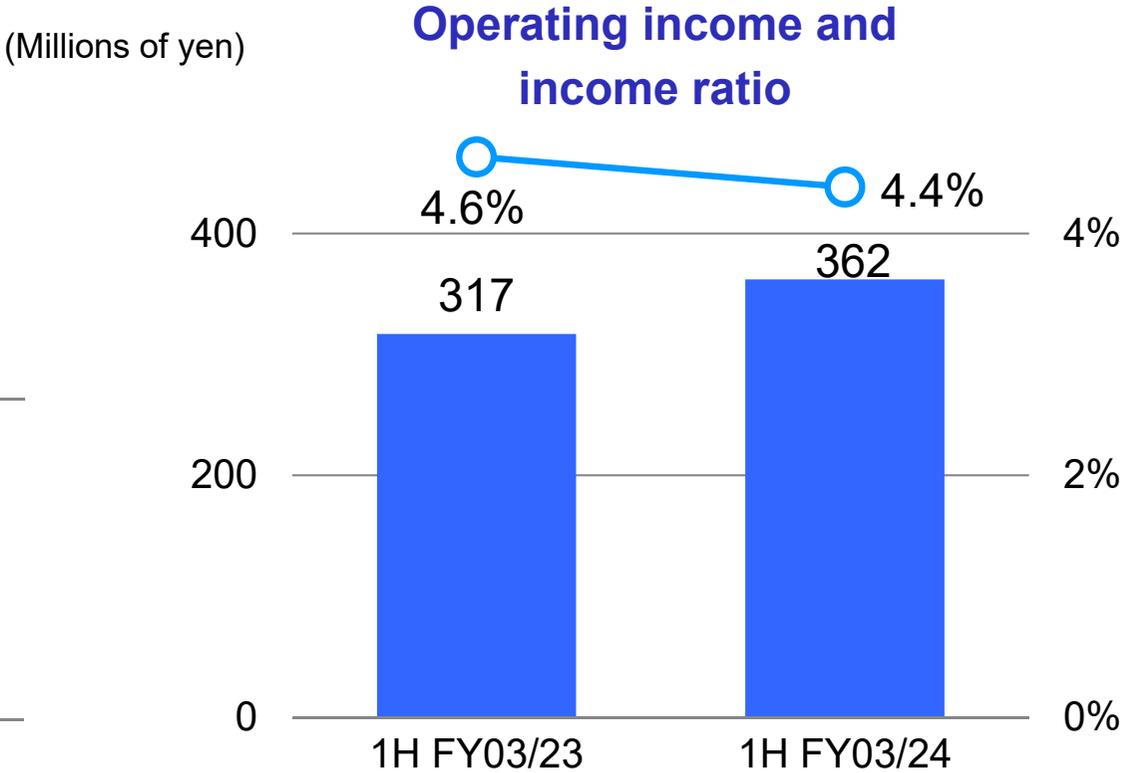
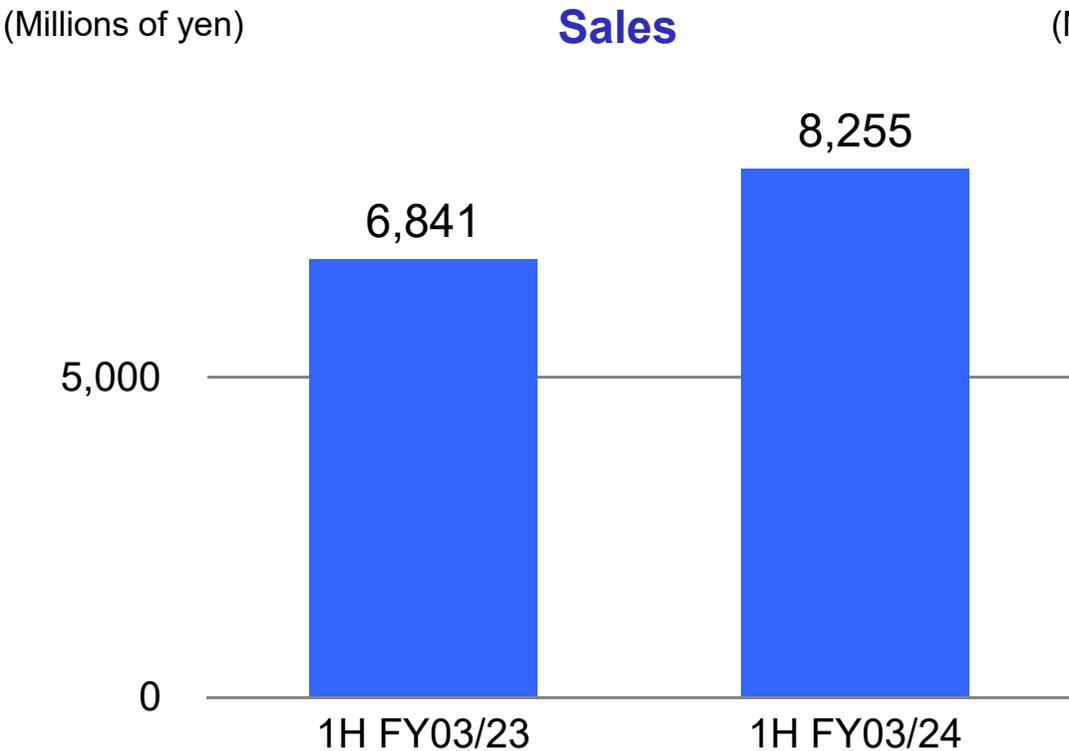
Operating income and income ratio



- Sales of consumer-use actuators and car headphones were as projected.
- Sales in the R&D-oriented business also contributed to segment sales growth.

(Millions of yen)

		1H FY03/23	1H FY03/24	Composition ratio	Percentage change (YoY)
Mobile Audio	Sales	6,841	8,255	13.8%	20.7%
	Operating income	317	362		14.0%
	<i>Income ratio</i>	4.6%	4.4%		



Other Segment

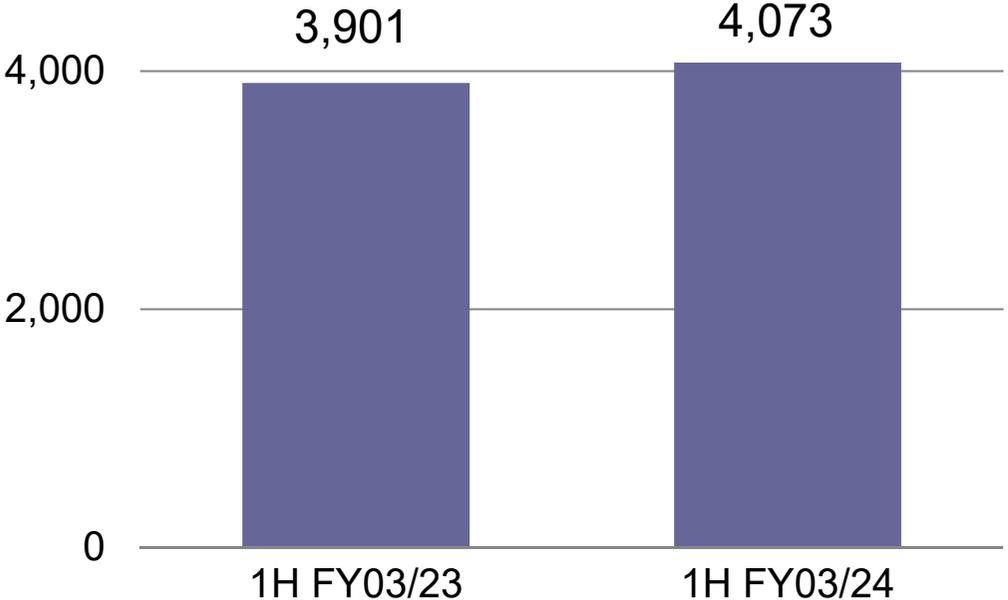
The segment posted an operating loss due to the impact of a weak yen on micro acoustic components earnings and inventory adjustments.

(Millions of yen)

		1H FY03/23	1H FY03/24	Composition ratio	Percentage change (YoY)
Other	Sales	3,901	4,073	6.8%	5.4%
	Operating income	85	(181)		—
	<i>Income ratio</i>	2.2%	(4.4%)		

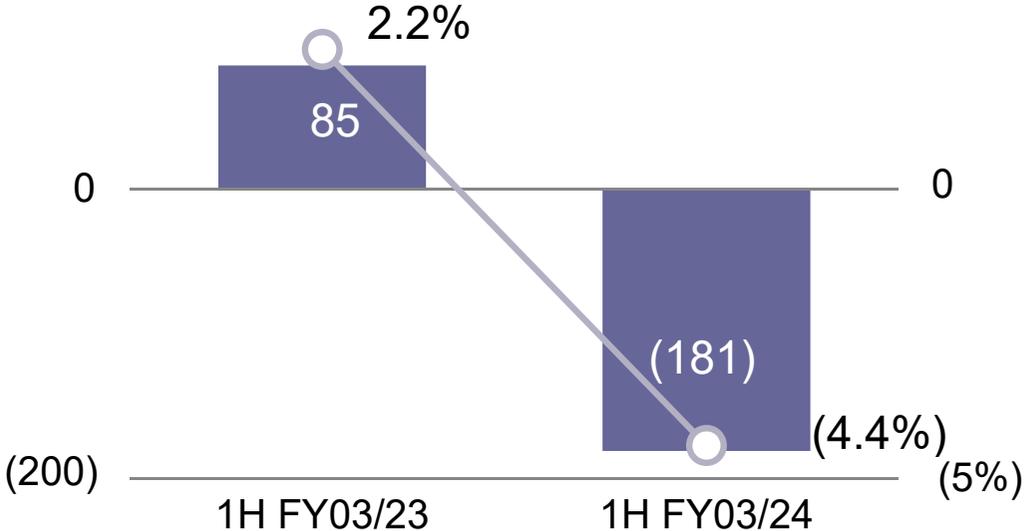
(Millions of yen)

Sales



(Millions of yen)

Operating income and income ratio



Consolidated Balance Sheet

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Equity ratio as of September 30, 2023 was 58.3% (55.0% as of March 31, 2023).

(Millions of yen)

	End-FY03/23	End-1H FY03/24	Amount of change
Current assets	73,893	75,378	1,485
Cash and deposits	13,646	16,882	3,236
Notes and accounts receivable – trade	25,470	25,836	366
Inventories	29,861	28,361	(1,500)
Other	4,916	4,299	(617)
Non-current assets	18,977	21,902	2,925
Property, plant and equipment	15,030	17,582	2,552
Intangible assets	214	252	38
Investments and other assets	3,732	4,067	335
Total assets	92,871	97,280	4,409
Current liabilities	34,799	31,854	(2,945)
Notes and accounts payable – trade	9,380	11,714	2,334
Short-term bank loans	17,156	11,782	(5,374)
Current portion of long-term debt	300	—	(300)
Other	7,963	8,358	395
Non-current liabilities	1,556	2,741	1,185
Lease liabilities	131	1,299	1,168
Other	1,425	1,442	17
Net assets	56,515	62,684	6,169
Shareholders' equity	44,045	45,011	966
Total accumulated other comprehensive income	7,050	11,654	4,604
Non-controlling interests	5,419	6,018	599
Total liabilities and net assets	92,871	97,280	4,409

Statement of Cash Flows

FOSTER

Free cash flow for 1H FY03/24 was 9.55 billion yen.

(Millions of yen)

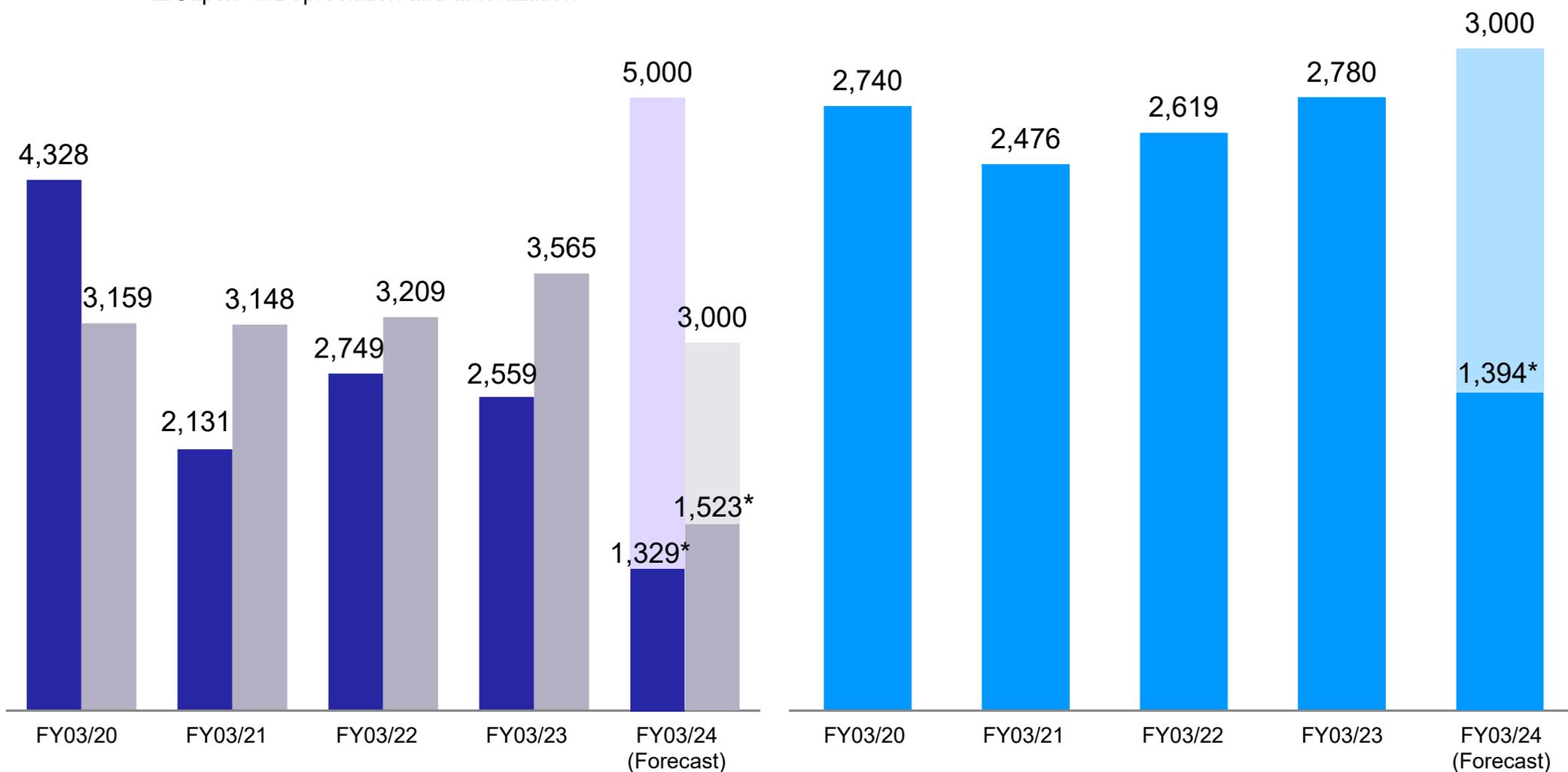
	1H FY03/23	1H FY03/24	Amount of change
Operating activities	(7,014)	10,887	17,901
Investing activities	(818)	(1,337)	(519)
Free cash flow*	(7,832)	9,550	17,382
Financing activities	8,825	(7,189)	(16,014)
Net increase in cash and cash equivalents	2,162	3,235	1,073
Cash and cash equivalents at the end of the period	14,252	16,882	2,630

*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)

■ Capex ■ Depreciation and amortization



*1H FY03/24 (Actual)

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

1

Shipment volume of car speakers was on a recovery track as expected, backed by improvements in semiconductor shortages and other challenging external factors, despite a setback caused by inventory adjustments at some customers.

2

Profitability steadily increased, owing to the introduction of sliding scales for ocean freight and material costs, conclusion of appropriate ocean freight contracts through the establishment of a global logistics system, and optimization of inventory levels.

3

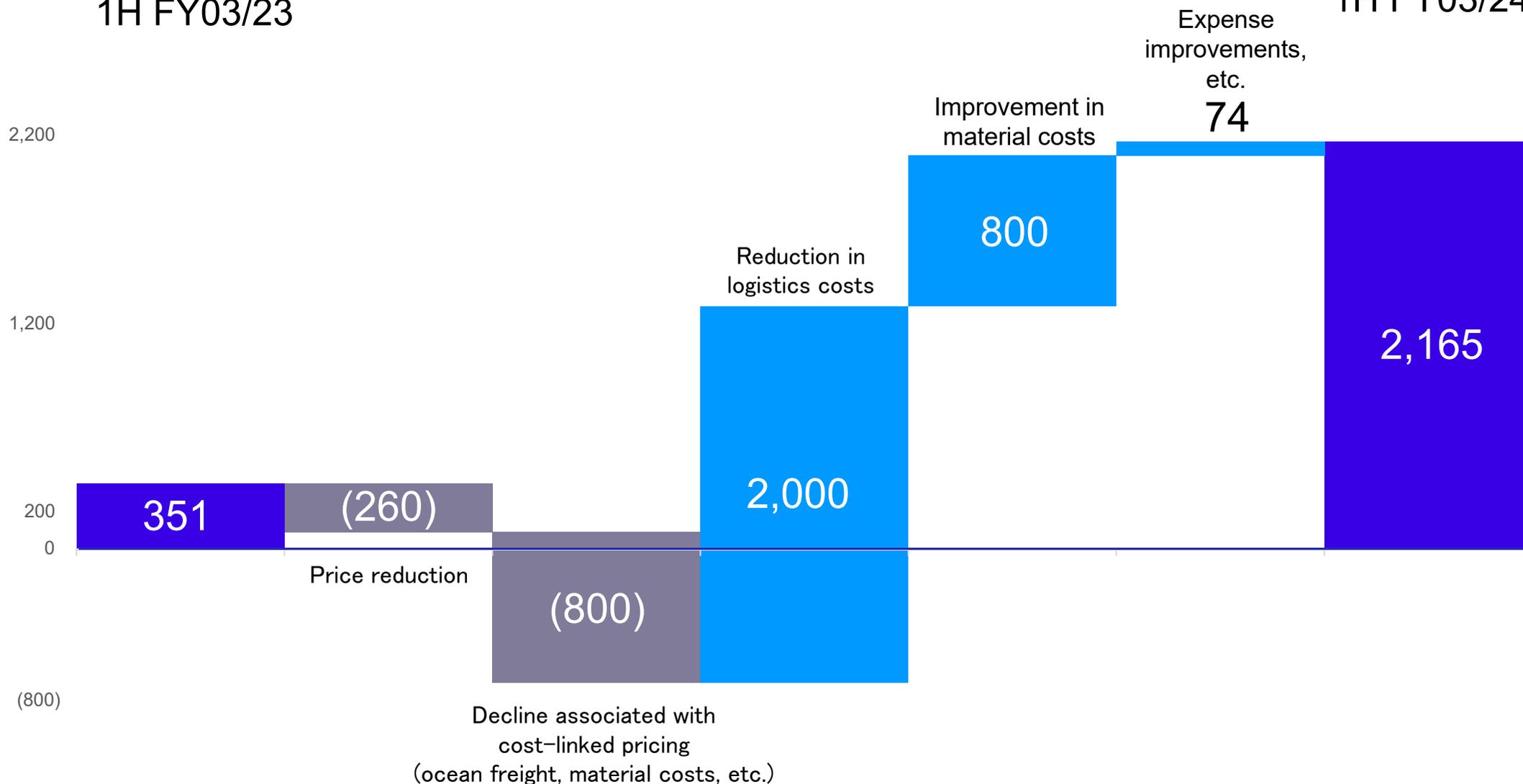
The Mobile Audio segment remained profitable from the start of the period. Sales of actuators and earphone drivers were robust, but stabilizing performance of the R&D-oriented business, which tends to fluctuate, remains an issue.

Breakdown of YoY Change in Operating Income

(Millions of yen)

1H FY03/23

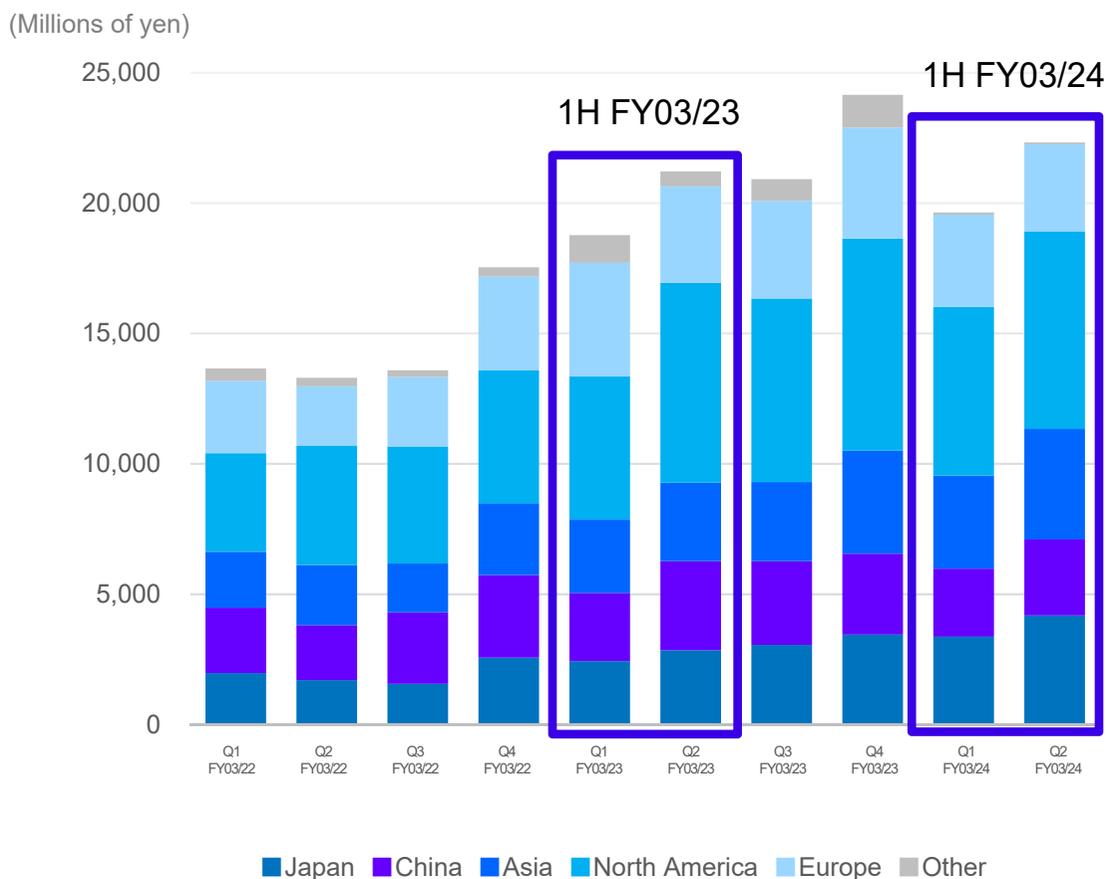
1H FY03/24



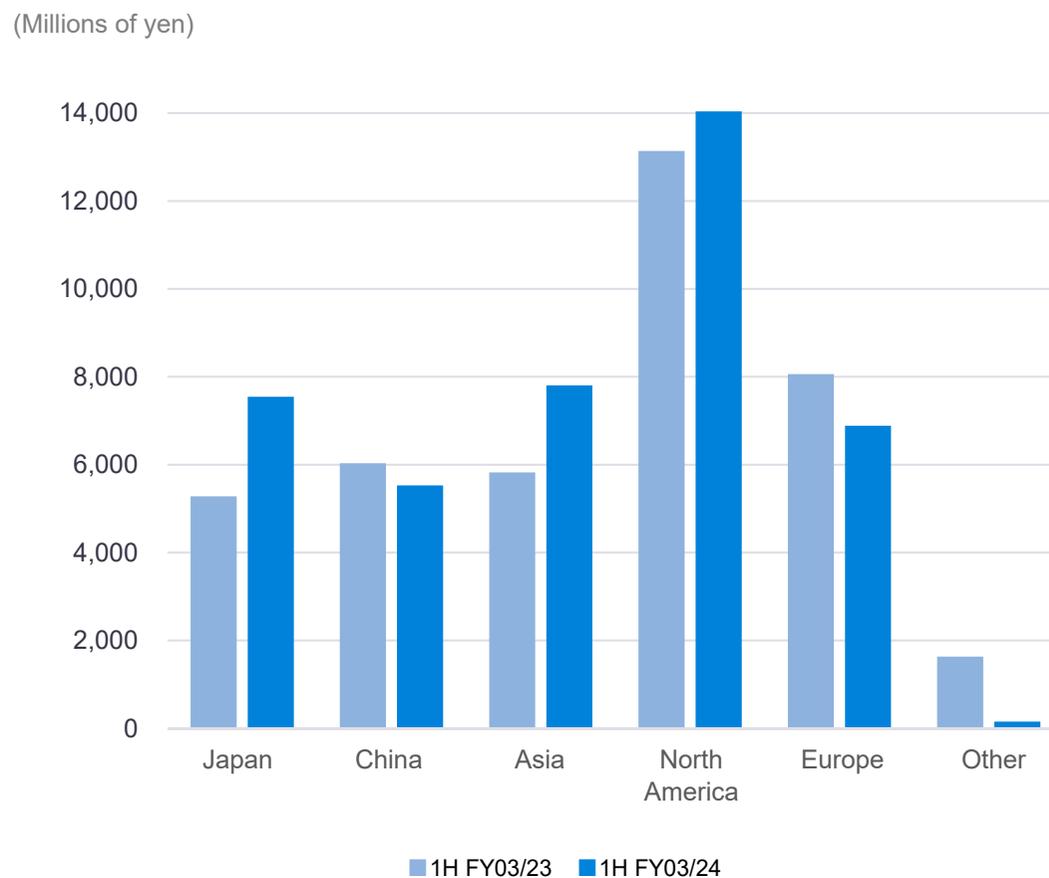
Car Speaker Sales by Region

- Shipment volume of car speakers recovered as expected.
- Sales recovery was driven by North America.

Quarterly car speaker sales by region



Car speaker sales by region (versus 1H FY03/23)



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

FY03/24 Forecasts

While the business environment remains challenging, we project profit growth backed by the development of a production system.

(Millions of yen)

	FY03/23	FY03/24 Initial forecast	FY03/24 Revised forecast	Amount of change (vs. FY03/23)	Percentage change (vs. FY03/23)	Amount of change (vs. initial forecast)	Percentage change (vs. initial forecast)
Net sales	121,338	120,000	120,000	(1,338)	(1.1%)	—	—
Operating income	2,445	3,000	4,000	1,555	63.6%	1,000	33.3%
<i>Operating income to net sales</i>	<i>2.0%</i>	<i>2.5%</i>	<i>3.3%</i>				
Ordinary income	2,327	2,500	3,500	1,173	50.4%	1,000	40.0%
<i>Ordinary income to net sales</i>	<i>1.9%</i>	<i>2.1%</i>	<i>2.9%</i>				
Net income*	848	1,300	2,000	1,152	135.8%	700	53.8%
<i>Net income to net sales**</i>	<i>0.7%</i>	<i>1.1%</i>	<i>1.7%</i>				
Net income per share (in exact yen)	38.23	58.59	90.05	51.82	—	31.46	—
Dividends per share (in exact yen)	20.00	20.00	25.00				
Dividend payout ratio	52.3%	34.1%	27.8%				
Exchange rates	136.00 yen/USD 141.58 yen/EUR	135.00 yen/USD 140.00 yen/EUR	145.00 yen/USD 155.00 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

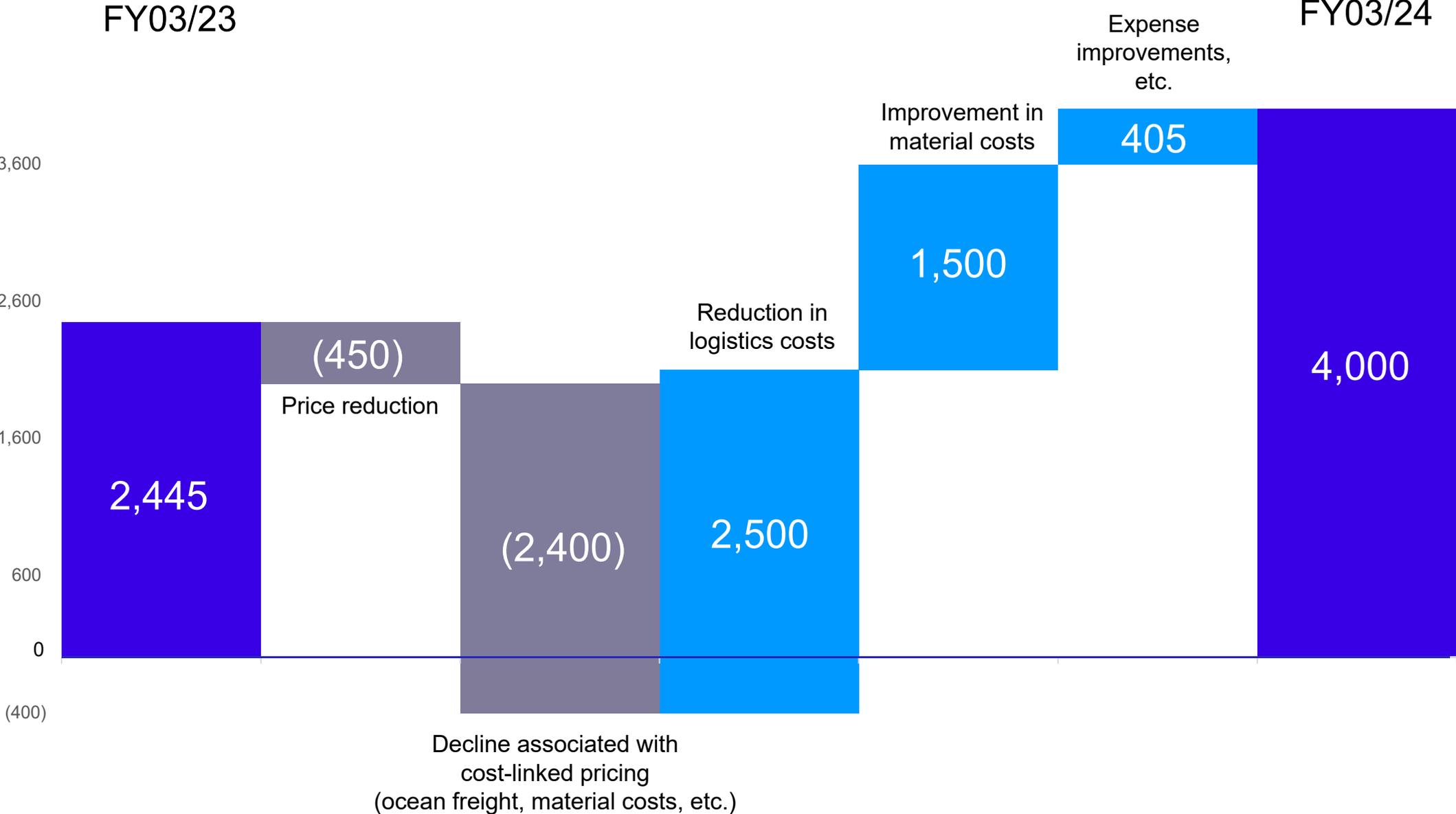
Segment	Outlook for FY03/24	Sales forecast
Speaker	<ul style="list-style-type: none"> ➤ We intend to push forward with the “partner strategy” set forth in the medium-term business plan, build an optimal production system, maintain appropriate inventory levels, and continue working on cost improvement measures. 	97.5 billion yen
Mobile Audio	<ul style="list-style-type: none"> ➤ Sales of actuators and earphone drivers are robust, but there are concerns over a sales slowdown in 2H. ➤ We are working to develop new businesses. ➤ While the R&D-oriented business remains in tact, the scale of the business is shrinking. We are exploring ways to transform the business into one that receives development costs upfront for mass production orders. 	14.0 billion yen
Other	<ul style="list-style-type: none"> ➤ Demand for micro acoustic components, such as buzzers and AVAS, is continuing to hold firm. ➤ Investments, or expenditures, are preceding the division expansion. 	8.5 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 15 yen per share, for a full-year dividend of 25 yen per share.

[Dividend policy]

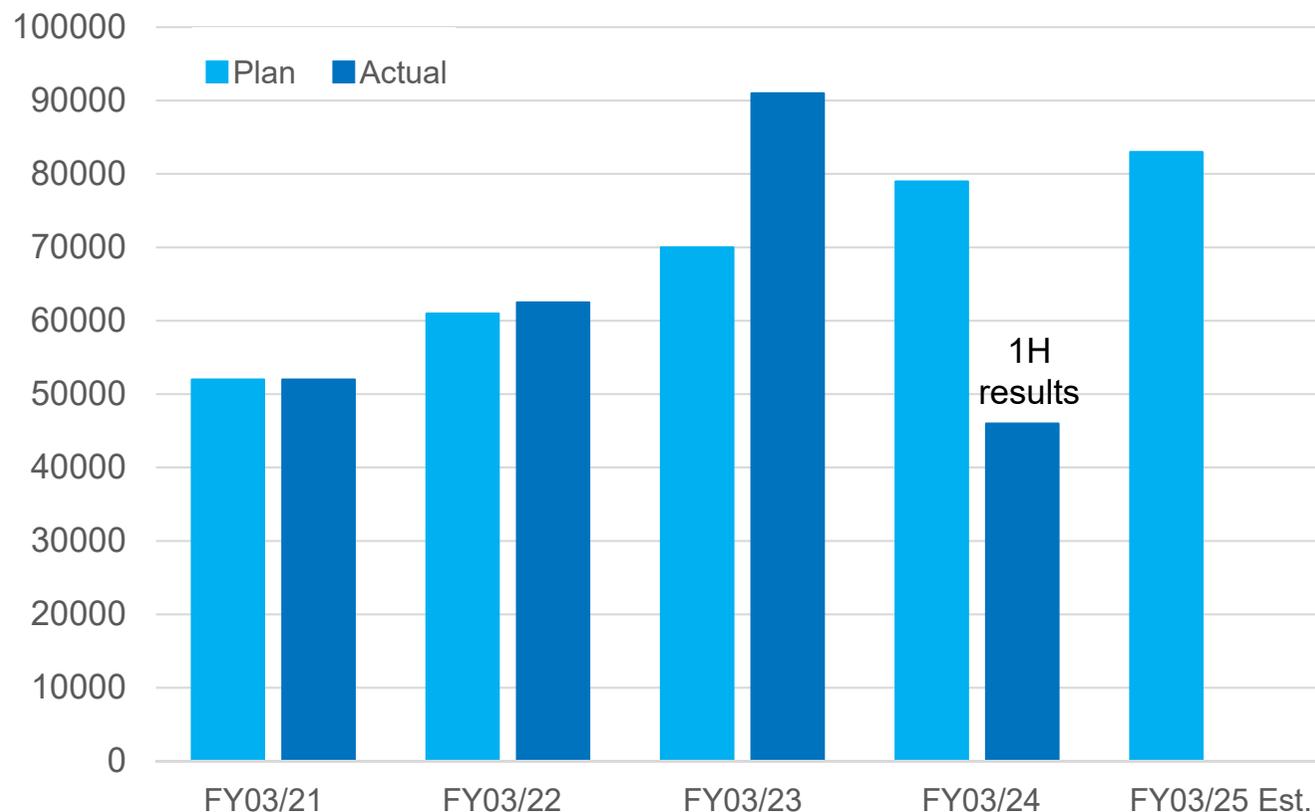
The Group regards the sustainable growth of corporate value as a management priority, and aims for a dividend payout ratio of 30%, balancing profit distributions commensurate with earnings with long-term expansion of internal reserves.

	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	90.05
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)	25.00 (10.00, 15.00)
Dividend payout ratio	50.6%	—%	—%	52.3%	27.8%

III. Progress of Medium-Term Business Plan

Automotive business sales in MTBP: Progress and projections

(Millions of yen)



- Profitability steadily increased, thanks in part to the introduction of sliding scales for ocean freight and material costs
- 1H results were largely in line with initial projections
- Secured orders were close to the final year (FY03/25) target of the current medium-term business plan. We are closely monitoring trends in the automotive industry
- Sales to Japanese blue-chip brands are expected to further expand going forward
- Sales to Tier 1 brand manufacturers based in North America are expanding
- Orders from European luxury car makers remain strong
- Strengthening sales of micro acoustic components (buzzers, AVAS/eCall speakers, etc.)
- Stepping up preparations toward the launch of the next medium-term business plan

*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.

Activities

Bolster activities to propose new technology and value-added at the product concept and development stages

- Audio applications → Suggestions for creating sound fields
- Transition to EVs → Reduced cabin noise
- Transition to automated driving → Changes in the way people spend time in their cars
 - 1) Demand for quality speakers
 - 2) Increase in the number of car speakers installed
 - 3) Proposals to meet demand for AVAS and pseudo engine noise

- Warning sounds for ADAS, HMI devices for ADAS (actuators)
- Compact and lightweight speakers, etc.
- Actively deploy internal resources and provide resident engineers (second engineers) to strengthen above activities, thereby securing competitive advantage at the development stage

Results

Steady growth in business with customers operating in Japan, the US, and Europe

Future plans

Strengths: 1) High quality 2) Differentiation through sound 3) Acoustic technology 4) Global support capability



Further improvement in the evaluation of the Company's products by partner customers, owing to our track record of maintaining stable quality and supply chain backed by our supply capacity even during the pandemic

Aim to further strengthen business through the partner strategy

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 driver 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
- Efforts to increase market share by leveraging our strengths led to orders for drivers and finished products. We also began mass producing some products

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
- We plan to participate in five trade shows a year with the goal of finding partners for application development. We are currently discussing and promoting joint application development with several companies

Third pillar: Actuators

- Applications of haptic technology, which targets tactile senses, are expected to expand, including in the automotive industry
- We hold a competitive edge with our highly responsive, broadband products that apply speaker technology and our meticulous custom solutions
- Our products have been installed in the center consoles of in-vehicle infotainment systems
- We have received good reviews from the users of electronic auscultation modules
- We intend to step up sales activities to acquire new orders in the wellness and automotive fields

FY03/25 sales target of 120 billion yen and operating income target of 5 billion yen within reach

➤ Push forward with structural reforms of manufacturing bases

- Closure of outsourcing base for micro acoustic components
→ End production of non-profitable components while moving production of continuing components to in-house manufacturing bases
- Improve the profitability of loss-making bases
- Revise and improve the allocation of in-house manufactured parts

- Micro acoustic components
 - Begin mass production for a new business
 - Completion of inventory adjustments at key customers

- Mobile Audio segment
 - Work to develop new businesses
 - Further explore ways to change the business model of R&D-oriented business so that it receives development costs upfront for mass production orders

- Speaker segment
 - Orders reached the FY03/25 target; closely monitoring trends in the automotive industry
 - Step up preparations toward the launch of the next medium-term business plan

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 partner 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



Basic understanding and view of new management

- Recovered from the significant loss in FY03/22. Progress was made in improving income statement and balance sheet performance
- Top priority is to solidify earnings, and gain understanding of stakeholders by clearly stating growth strategies, including the next medium-term business plan
- We have mostly been working behind the scenes as an OEM/ODM, but going forward, will strengthen our brand strategy to widely promote our brand

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	Kazuhiro Kishi, 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 September 30, 2023)
Business domain	Production and sales of speakers, audio equipment, and electronic equipment
Number of employees	Consolidated: 15,584 (including employees at a contract manufacturer in Panyu, China) Non-consolidated: 492 (as of September 30, 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.

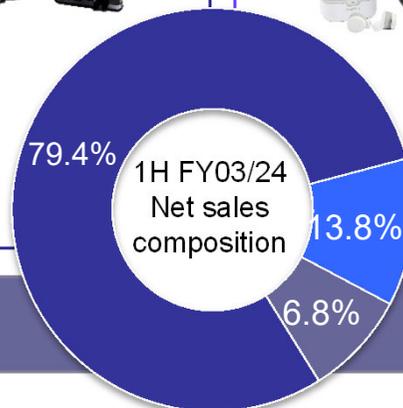
Headphones/headsets



Earphone drivers



Actuators



Other Segment

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

Micro acoustic components



FOSTEX products

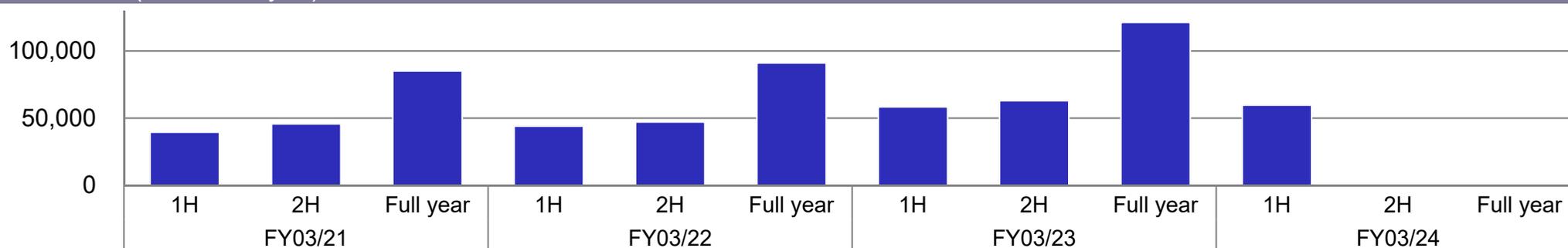


Half-Year and Full-Year Results

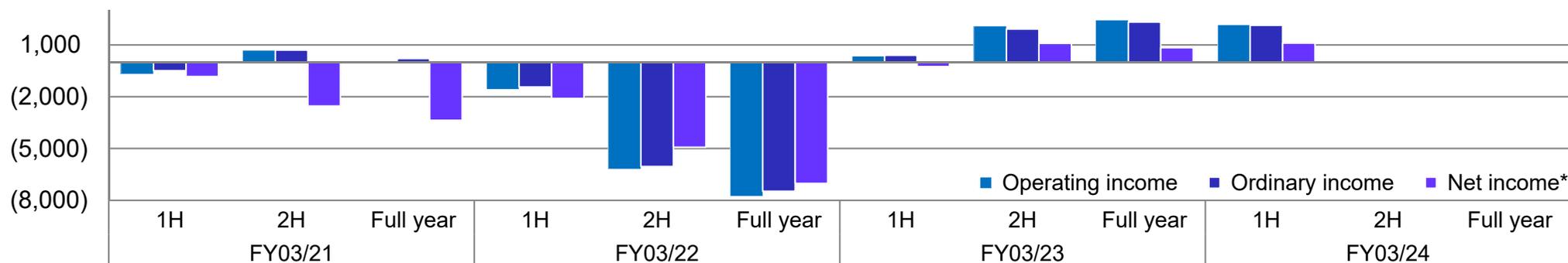
Results (Millions of yen)

	FY03/21			FY03/22			FY03/23			FY03/24		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Net sales	39,528	45,692	85,220	43,976	47,130	91,106	58,385	62,953	121,338	59,701		
Operating income	(688)	688	0.7	(1,568)	(6,189)	(7,757)	351	2,094	2,445	2,165		
Ordinary income	(488)	707	219	(1,433)	(6,040)	(7,473)	404	1,923	2,327	2,139		
Net income*	(829)	(2,534)	(3,363)	(2,093)	(4,924)	(7,017)	(249)	1,097	848	1,114		
Income ratio	(1.7%)	1.5%	0.0%	(3.6%)	(13.1%)	(8.5%)	0.6%	3.3%	2.0%	3.6%		
Ordinary income to net sales	(1.2%)	1.5%	0.3%	(3.3%)	(12.8%)	(8.2%)	0.7%	3.1%	1.9%	3.6%		
Net income to net sales**	(2.1%)	(5.5%)	(3.9%)	(4.8%)	(10.4%)	(7.7%)	(0.4%)	1.7%	0.7%	1.9%		

Net sales (Millions of yen)



Profits (Millions of yen)



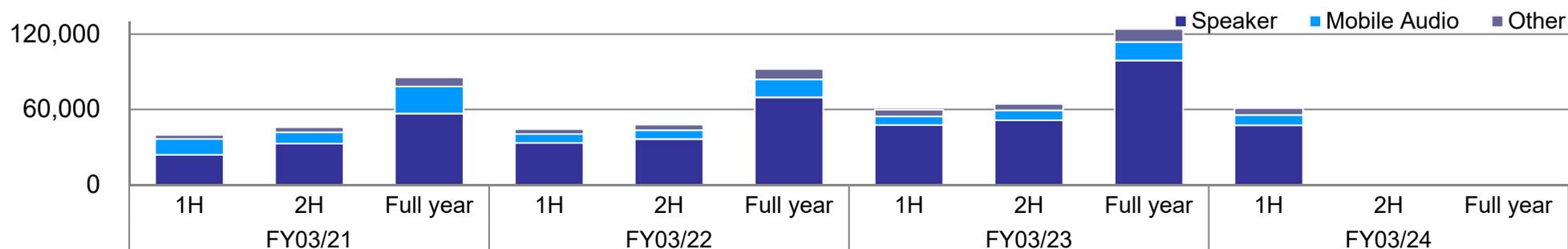
*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

Half-Year and Full-Year Results by Segment

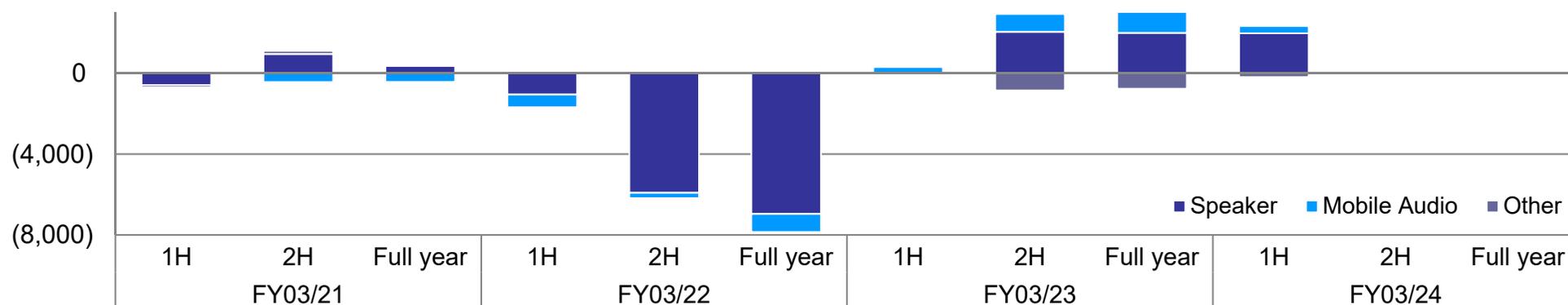
Results (Millions of yen)

	FY03/21			FY03/22			FY03/23			FY03/24		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Sales												
Speaker	23,892	32,844	56,736	33,294	36,382	69,676	47,641	51,446	99,087	47,372		
Mobile Audio	12,593	8,981	21,574	7,137	7,090	14,227	6,841	7,850	14,691	8,255		
Other	3,176	4,068	7,244	3,880	4,450	8,330	5,286	5,117	10,403	5,574		
Operating income												
Speaker	(584)	961	377	(1,045)	(5,910)	(6,955)	(51)	2,055	2,004	1,984		
Mobile Audio	5	(429)	(424)	(631)	(265)	(896)	317	886	1,203	362		
Other	(109)	156	47	108	(14)	94	85	(847)	(762)	(181)		

Net sales (Millions of yen)



Operating income (Millions of yen)

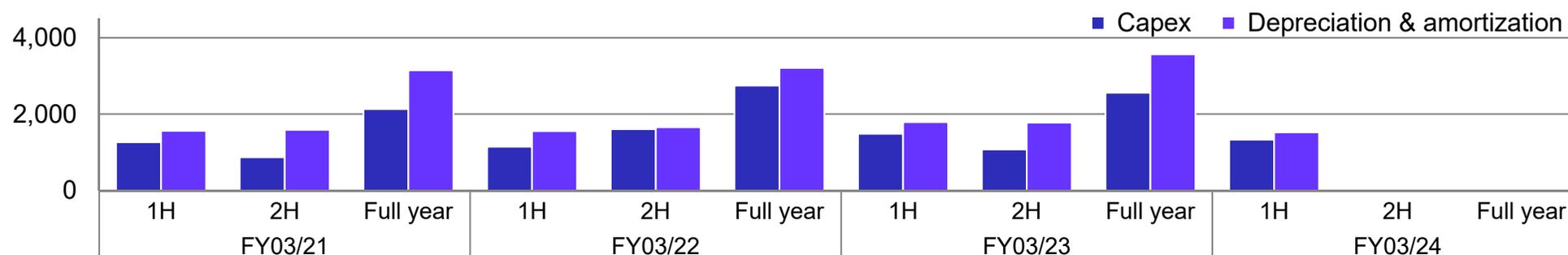


Half-Year and Full-Year Capex, Depreciation and Amortization, and R&D Expenses

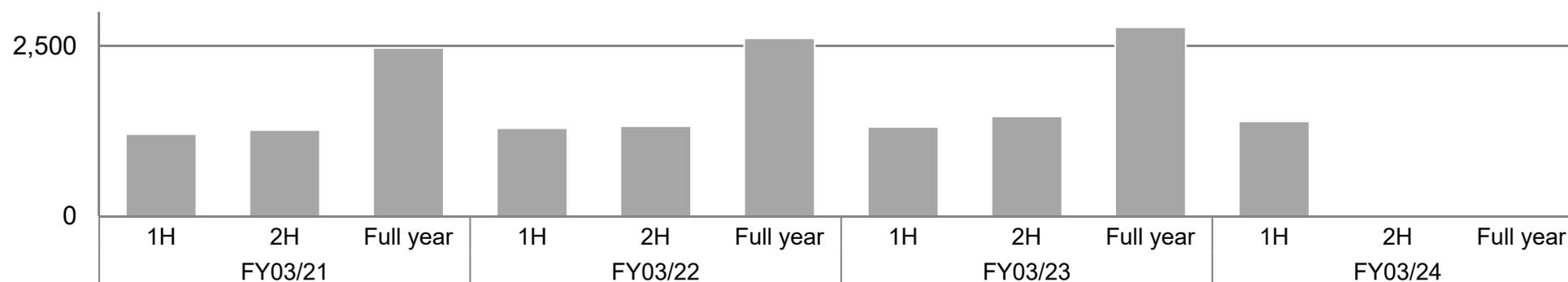
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/21			FY03/22			FY03/23			FY03/24		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Capex	1,263	868	2,131	1,146	1,603	2,749	1,484	1,075	2,559	1,329		
Depreciation & amortization	1,560	1,588	3,148	1,552	1,657	3,209	1,788	1,777	3,565	1,523		
R&D expenses	1,209	1,267	2,476	1,294	1,325	2,619	1,313	1,467	2,780	1,394		

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

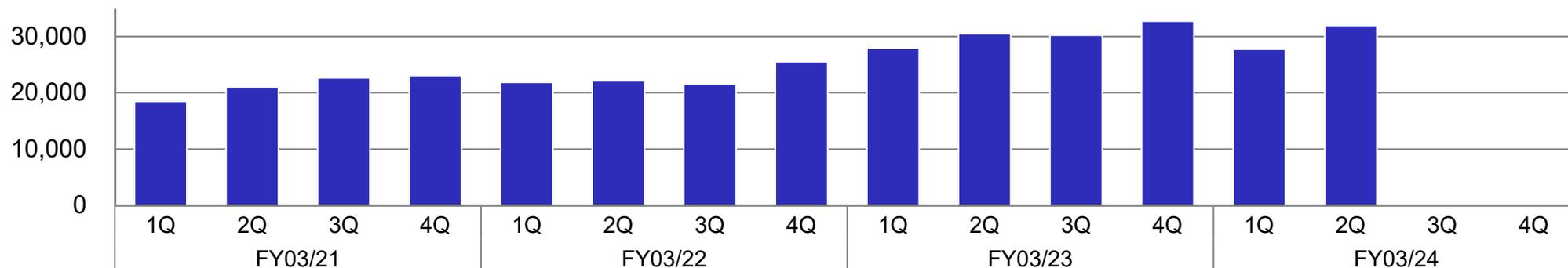


Quarterly Results

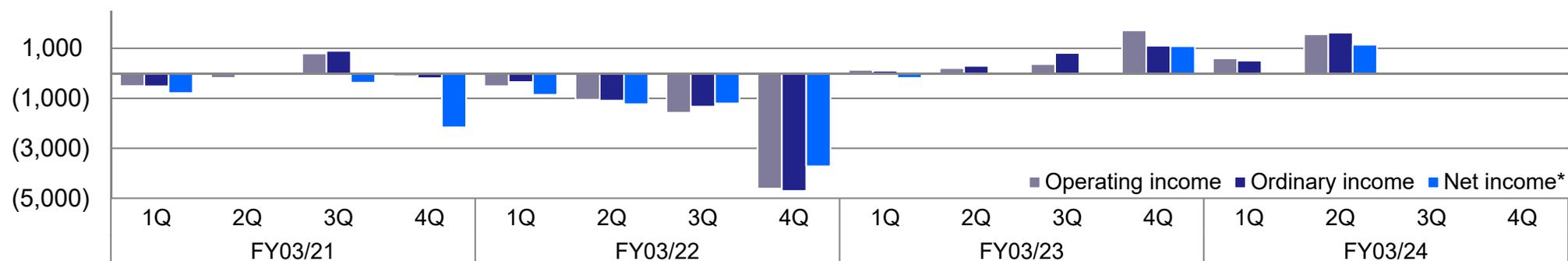
Results (Millions of yen)

	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	18,480	21,048	22,641	23,051	21,860	22,116	21,595	25,535	27,894	30,491	30,227	32,726	27,750	31,951		
Operating income	(507)	(181)	799	(110)	(511)	(1,057)	(1,578)	(4,611)	139	212	372	1,722	602	1,563		
Ordinary income	(518)	30	900	(193)	(345)	(1,088)	(1,329)	(4,711)	102	302	815	1,108	509	1,630		
Net income*	(791)	(38)	(373)	(2,161)	(857)	(1,236)	(1,205)	(3,719)	(183)	(66)	8	1,089	(36)	1,150		
Income ratio	(2.7%)	(0.9%)	3.5%	(0.5%)	(2.3%)	(4.8%)	(7.3%)	(18.1%)	0.5%	0.7%	1.2%	5.3%	2.2%	4.9%		
Ordinary income to net sales	(2.8%)	0.1%	4.0%	(0.8%)	(1.6%)	(4.9%)	(6.2%)	(18.4%)	0.4%	1.0%	2.7%	3.4%	1.8%	5.1%		
Net income to net sales**	(4.3%)	(0.2%)	(1.6%)	(9.4%)	(3.9%)	(5.6%)	(5.6%)	(14.6%)	(0.7%)	(0.2%)	0.0%	3.3%	(0.1%)	3.6%		

Net sales (Millions of yen)



Profits (Millions of yen)



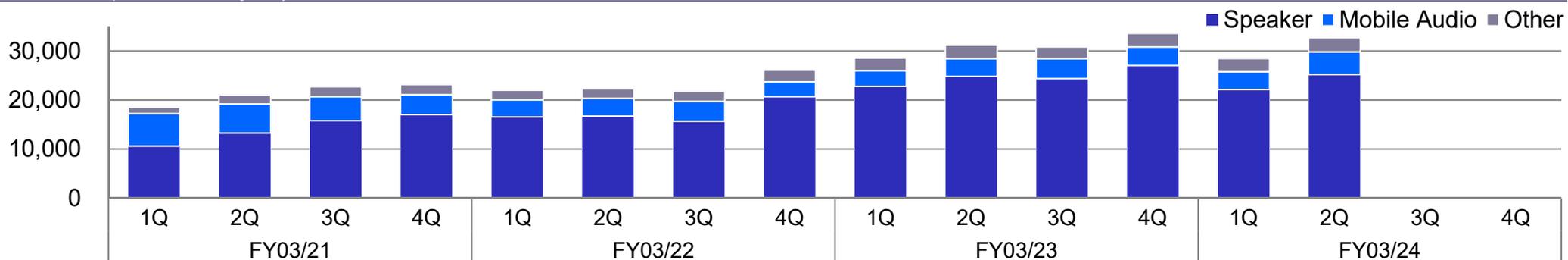
*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

Quarterly Results by Segment

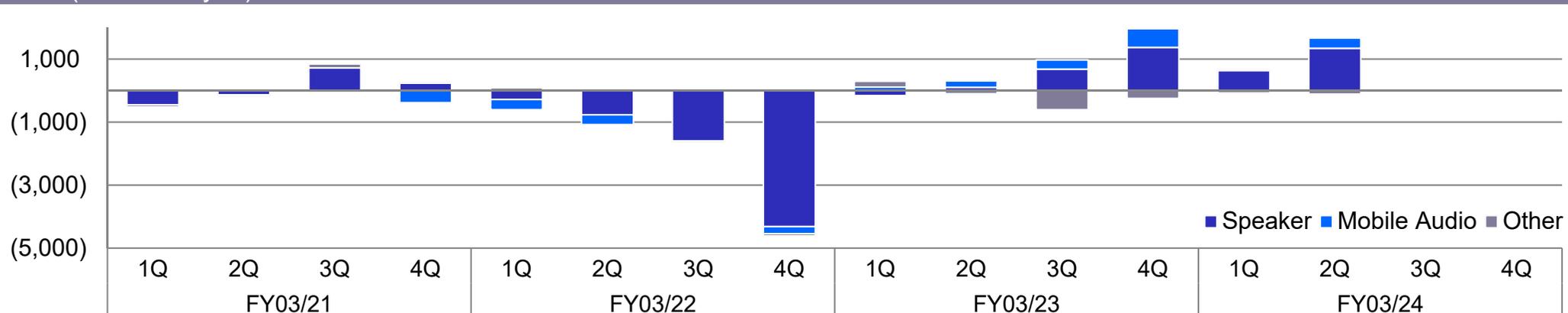
Results (Millions of yen)

Sales	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Speaker	10,619	13,273	15,802	17,042	16,553	16,741	15,703	20,679	22,804	24,837	24,396	27,050	22,154	25,218		
Mobile Audio	6,633	5,960	4,909	4,072	3,508	3,629	4,044	3,046	3,213	3,628	4,066	3,784	3,644	4,611		
Other	1,321	1,855	2,010	2,058	1,947	1,933	2,061	2,389	2,545	2,741	2,367	2,750	2,679	2,895		
Operating income																
Speaker	(448)	(136)	722	239	(279)	(766)	(1,593)	(4,317)	(156)	105	684	1,371	639	1,345		
Mobile Audio	6	(1)	(46)	(383)	(323)	(308)	(39)	(226)	113	204	291	595	37	325		
Other	(65)	(44)	123	33	91	17	55	(69)	182	(97)	(603)	(244)	(74)	(107)		

Net sales (Millions of yen)



Profits (Millions of yen)



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

Balance sheet (Millions of yen)

	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total current assets	55,066	55,396	58,394	59,040	59,947	62,814	62,738	67,143	75,694	83,095	78,930	73,893	74,035	75,378		
Cash and deposits	17,985	21,401	21,987	15,470	18,556	15,499	13,863	10,846	11,422	14,366	13,525	13,646	16,218	16,882		
Notes and accounts receivable – trade	15,351	16,018	16,794	16,945	16,571	17,196	16,020	19,351	23,132	25,075	24,018	25,470	24,496	25,836		
Other	21,730	17,977	19,613	26,625	24,820	30,119	32,855	36,946	41,140	43,654	41,387	34,777	33,321	32,660		
Total non-current assets	20,524	20,160	18,606	18,193	18,309	18,247	18,411	19,005	20,098	20,345	19,301	18,977	19,813	21,902		
Net property, plant and equipment	17,673	17,312	15,787	15,213	15,234	15,190	15,354	15,614	16,640	16,809	15,702	15,030	15,846	17,582		
Total intangible assets	201	198	198	189	196	194	205	203	216	217	207	214	221	252		
Total investments and other assets	2,649	2,649	2,621	2,790	2,877	2,863	2,851	3,187	3,241	3,318	3,391	3,732	3,745	4,067		
Total assets	75,590	75,556	77,001	77,233	78,256	81,062	81,150	86,148	95,793	103,441	98,232	92,871	93,849	97,280		
Total current liabilities	15,241	15,623	18,041	18,738	19,953	23,931	25,098	32,889	39,332	44,507	41,988	34,799	33,055	31,854		
Notes and accounts payable – trade	5,604	6,296	8,491	8,735	8,969	9,300	7,705	11,179	12,327	11,881	11,342	9,380	9,876	11,714		
Short-term loans and bonds payable	4,479	3,669	3,697	4,084	5,247	8,208	10,525	13,065	19,660	24,845	21,979	17,456	15,928	11,782		
Other	5,158	5,658	5,853	5,919	5,737	6,423	6,868	8,645	7,345	7,781	8,667	7,963	7,251	8,358		
Total non-current liabilities	3,144	2,916	2,699	2,501	2,341	2,067	1,829	1,627	1,495	1,439	1,469	1,556	1,809	2,741		
Long-term debt and bonds payable	1,850	1,606	1,362	1,118	875	631	450	300	150	0	0	0	0	0		
Other	1,294	1,310	1,337	1,383	1,466	1,436	1,379	1,327	1,345	1,439	1,469	1,556	1,809	2,741		
Total net assets	57,205	57,015	56,260	55,993	55,962	55,063	54,222	51,632	54,965	57,494	54,774	56,515	58,984	62,684		
Shareholders' equity	54,201	54,169	53,568	50,837	49,868	48,646	47,177	43,409	43,226	43,163	42,995	44,045	43,785	45,011		
Accumulated other comprehensive income	(1,952)	(2,132)	(2,486)	(198)	473	788	1,570	3,753	7,293	9,436	6,587	7,050	9,771	11,654		
Non-controlling interests	4,956	4,978	5,178	5,354	5,621	5,628	5,474	4,469	4,445	4,894	5,231	5,419	5,426	6,018		
Total liabilities and net assets	75,590	75,556	77,001	77,233	78,256	81,062	81,150	86,148	95,793	103,441	98,232	92,871	93,849	97,280		

Statement of cash flows (Millions of yen)

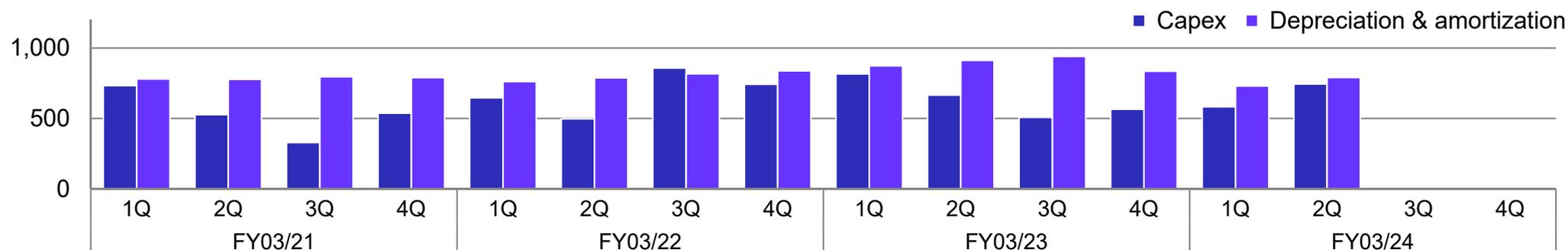
	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating activities	(2,309)	3,626	960	(1,538)	(2,351)	(3,840)	(3,309)	(3,267)	(5,612)	(1,402)	2,959	4,409	5,334	5,553		
Investing activities	(1,246)	(351)	(144)	(219)	(228)	(1,172)	(970)	(701)	(824)	6	(443)	(60)	(537)	(800)		
Financing activities	(691)	(1,004)	(384)	(545)	658	2,709	2,548	856	4,964	3,861	(2,563)	(4,486)	(2,584)	(4,605)		
Foreign exchange impact	(375)	(40)	(76)	778	201	42	(12)	551	691	478	(680)	258	358	516		
Net increase (decrease) in cash flow	(4,622)	2,231	357	(1,523)	(1,720)	(2,260)	(1,743)	(2,561)	(781)	2,943	(727)	121	2,571	664		
Cash at the end of period	19,307	21,539	21,895	20,373	18,653	16,392	14,650	12,089	11,308	14,252	13,525	13,646	16,218	16,882		

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

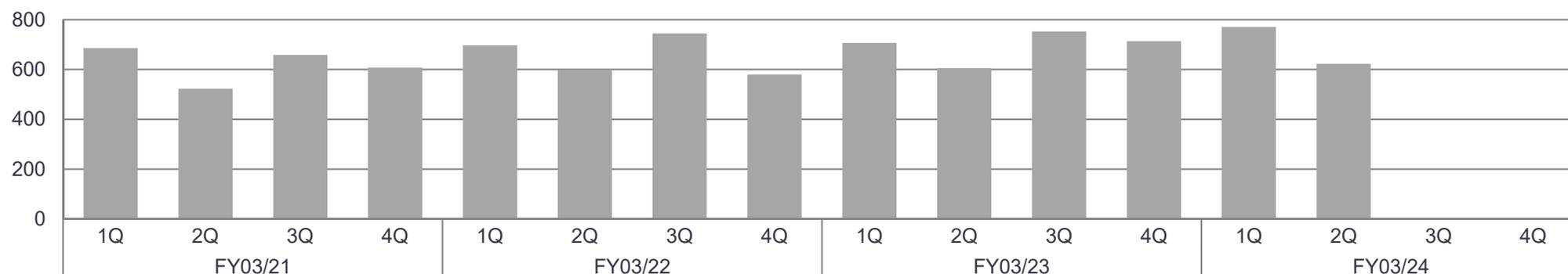
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capex	734	528	330	538	648	498	859	744	817	667	509	566	584	745		
Depreciation & amortization	781	779	797	791	763	789	818	839	875	913	941	836	731	792		
R&D expenses	686	523	659	608	697	597	745	580	707	606	753	714	771	623		

Capex, depreciation & amortization (Millions of yen)



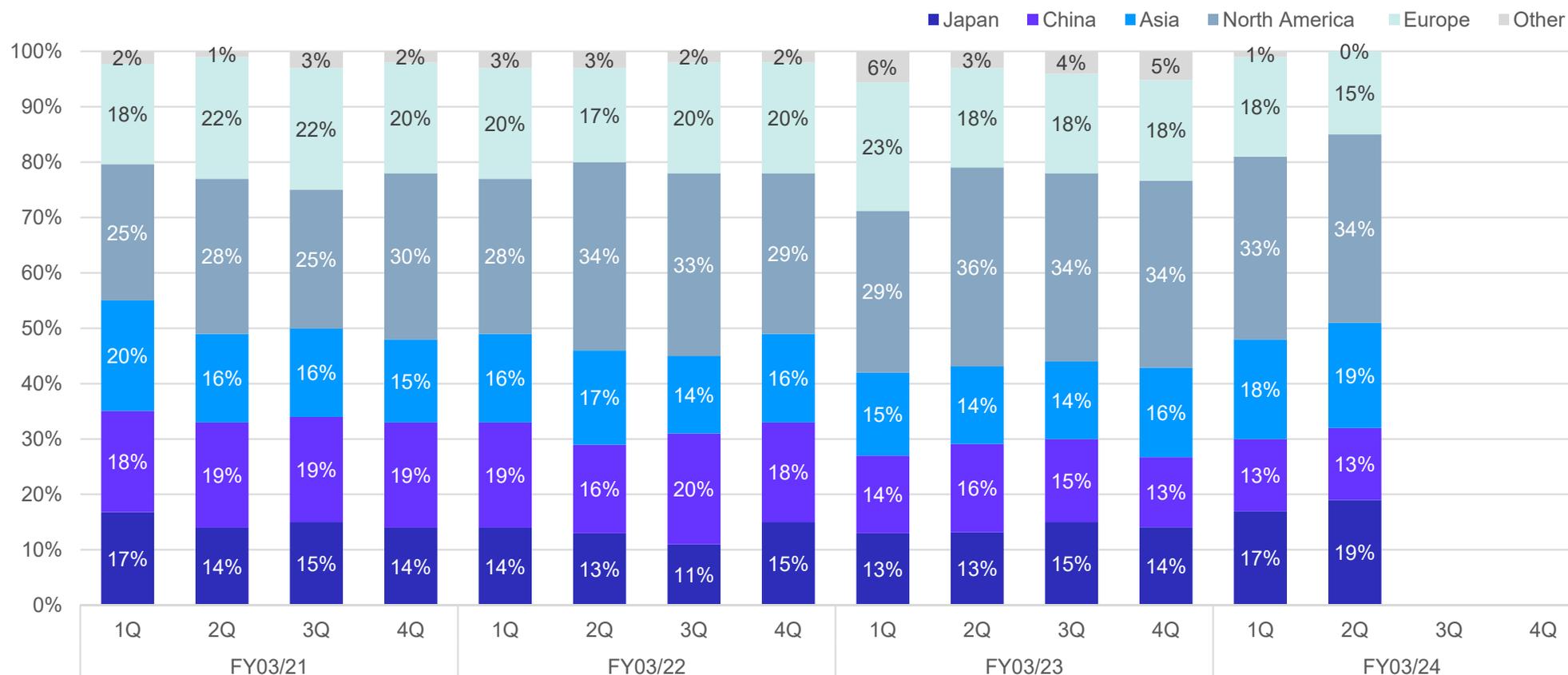
R&D expenses (Millions of yen)



Quarterly Sales Weighting of Car Speakers by Region

Sales weighting of car speakers by region

	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan	17%	14%	15%	14%	14%	13%	11%	15%	13%	13%	15%	14%	17%	19%		
China	18%	19%	19%	19%	19%	16%	20%	18%	14%	16%	15%	13%	13%	13%		
Asia	20%	16%	16%	15%	16%	17%	14%	16%	15%	14%	14%	16%	18%	19%		
North America	25%	28%	25%	30%	28%	34%	33%	29%	29%	36%	34%	34%	33%	34%		
Europe	18%	22%	22%	20%	20%	17%	20%	20%	23%	18%	18%	18%	18%	15%		
Other	2%	1%	3%	2%	3%	3%	2%	2%	6%	3%	4%	5%	1%	0%		
Total	100%															
Total sales (Millions of yen)	8,478	11,898	13,155	14,985	13,652	13,295	13,588	17,538	18,767	21,216	20,915	24,349	19,642	22,327		



The Group's Manufacturing Sites

Myanmar

FOSTER ELECTRIC (THILAWA) CO., LTD.

South Korea

ESTec CORPORATION

China

ESTec ELECTRONICS (JIAXING)CO.,LTD.

FOSTER ELECTRIC CO.,(HEYUAN) 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 September 30, 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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