

Financial Results Briefing for the Fiscal Year Ended March 31, 2024

Foster Electric Company, Limited
(Stock code: 6794, Prime Market)
May 23, 2024

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I. Overview of Financial Results for the Fiscal Year Ended March 31, 2024

FY03/24 Results

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(Millions of yen)

	FY03/23	FY03/24	Amount of change	Percentage change (YoY)	Revised FY03/24 forecast	Difference	Percentage achieved
Net sales	121,338	122,447	1,109	0.9%	120,000	2,447	102.0%
Operating income	2,445	4,412	1,966	80.4%	4,000	412	110.3%
<i>Operating income to net sales</i>	<i>2.0%</i>	<i>3.6%</i>			<i>3.3%</i>		
Ordinary income	2,327	4,305	1,977	84.9%	3,500	805	123.0%
<i>Ordinary income to net sales</i>	<i>1.9%</i>	<i>3.5%</i>			<i>2.9%</i>		
Net income*	848	2,304	1,456	171.7%	2,000	304	115.2%
<i>Net income to net sales**</i>	<i>0.7%</i>	<i>1.9%</i>			<i>1.7%</i>		
Net income per share (in exact yen)	38.23	103.70	65.47	171.3%	90.05	13.65	115.2%
Dividends per share (in exact yen)	20.00	25.00	5.0	25%	25.00	0	
Dividend payout ratio	52.3%	24.1%					
ROE	1.7%	4.2%					
Exchange rates	136.00 yen/USD 141.58 yen/EUR	145.31 yen/USD 157.70 yen/EUR					

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

Segment Performance

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(Millions of yen)

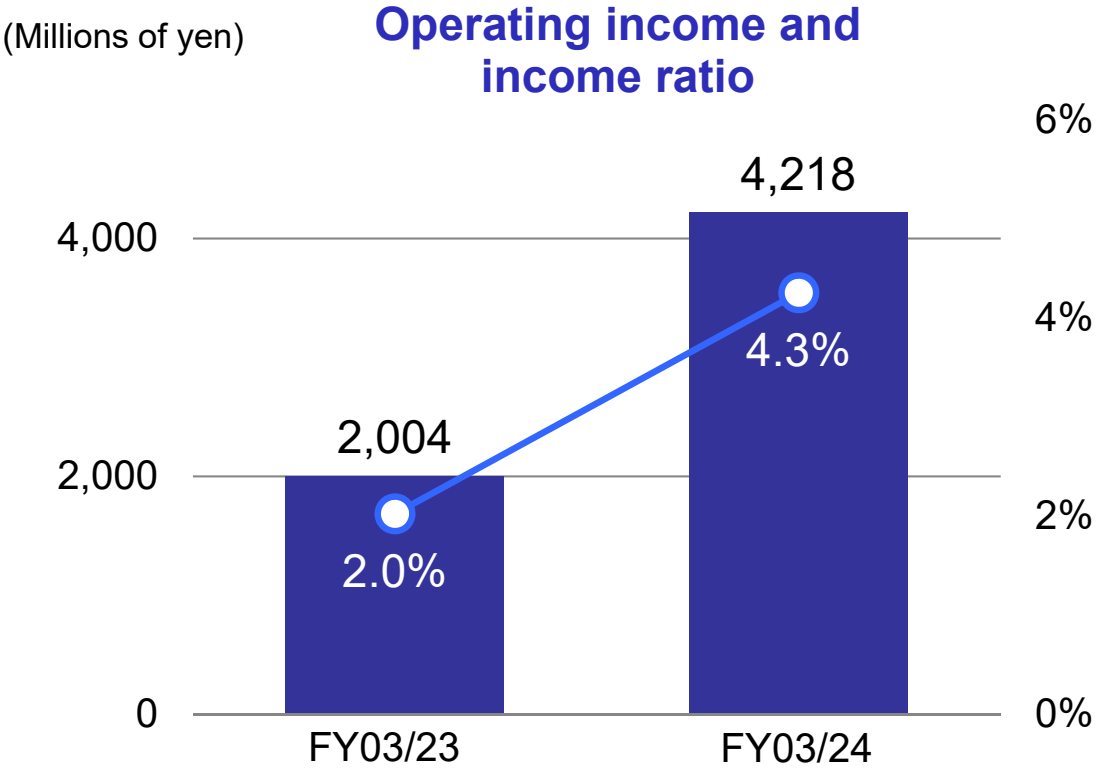
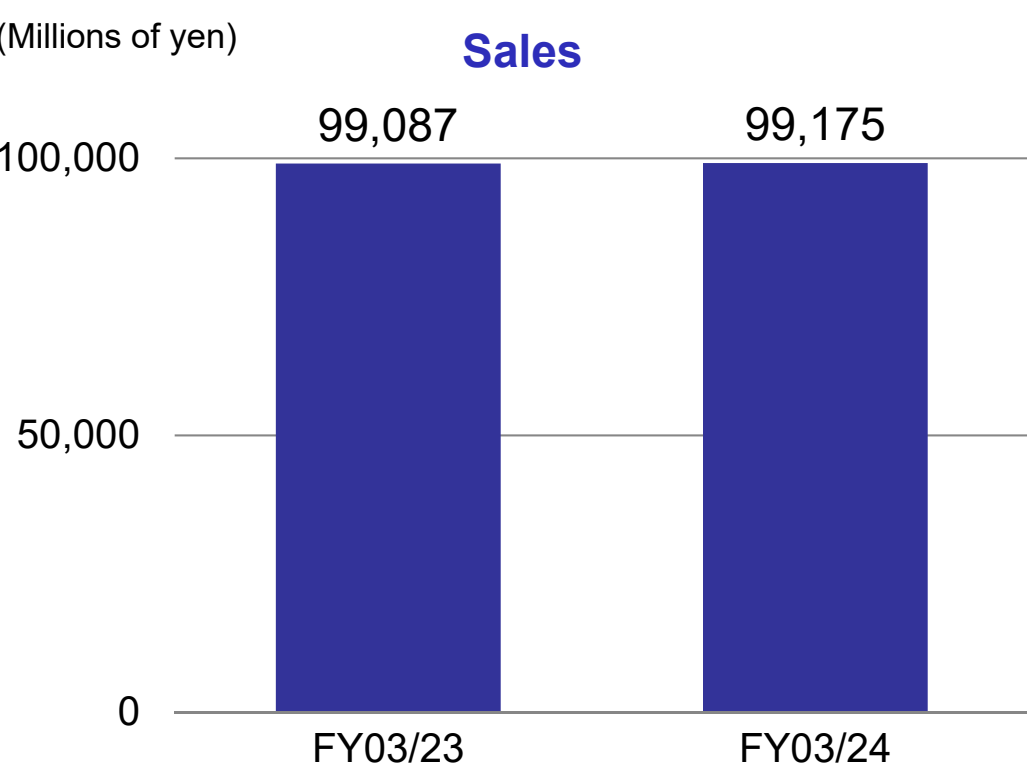
		FY03/23	Composition ratio	FY03/24	Composition ratio	Percentage change (YoY)
	Net sales	121,338		122,447		0.9%
	Operating income	2,445		4,412		80.4%
	<i>Income ratio</i>	<i>2.0%</i>		3.6%		
Speaker	Sales	99,087	81.7%	99,175	81.0%	0.1%
	Operating income	2,004	—	4,218		110.5%
	<i>Income ratio</i>	<i>2.0%</i>		4.3%		
Mobile Audio	Sales	14,691	12.1%	14,197	11.6%	(3.4%)
	Operating income	1,203	—	607		(49.6%)
	<i>Income ratio</i>	<i>8.2%</i>		4.3%		
Other	Sales	7,558	6.2%	9,074	7.4%	20.1%
	Operating income	(762)	—	(412)		—
	<i>Income ratio</i>	<i>(10.1%)</i>		(4.5%)		

*The composition ratio figures above are calculated after eliminating inter-segment transactions. (The same applies to subsequent pages.)

The elimination amounts were 2,845 million yen in FY03/23 and 3,175 million yen in FY03/24 for the Other segment.

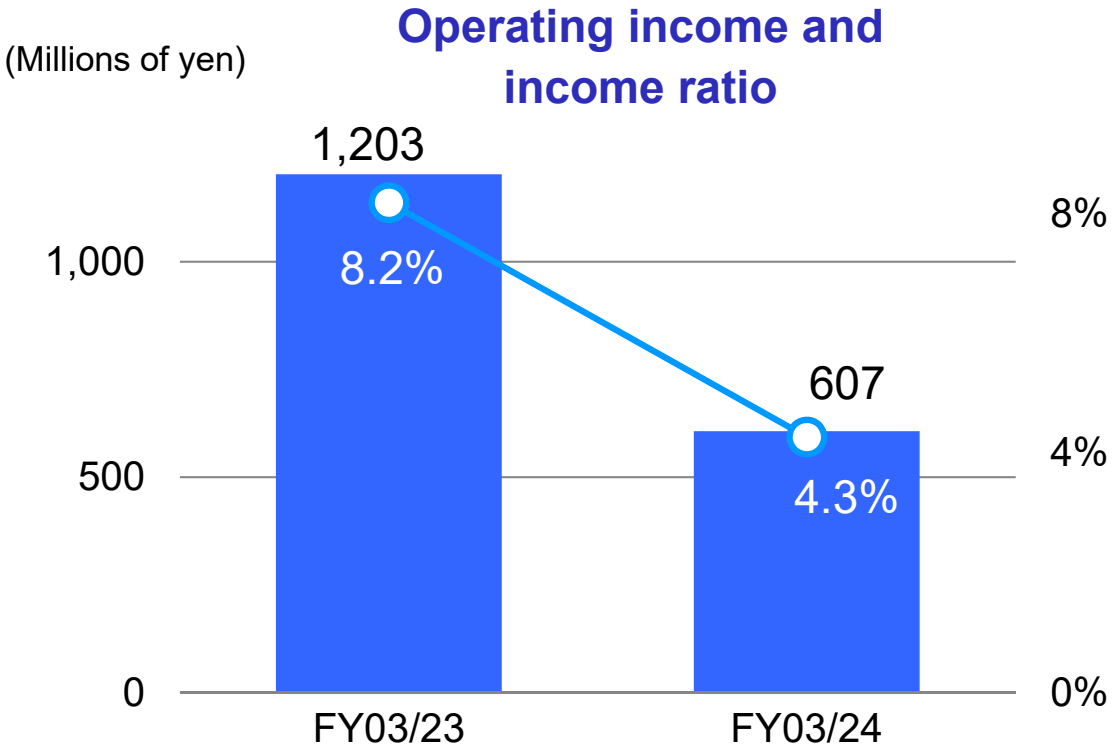
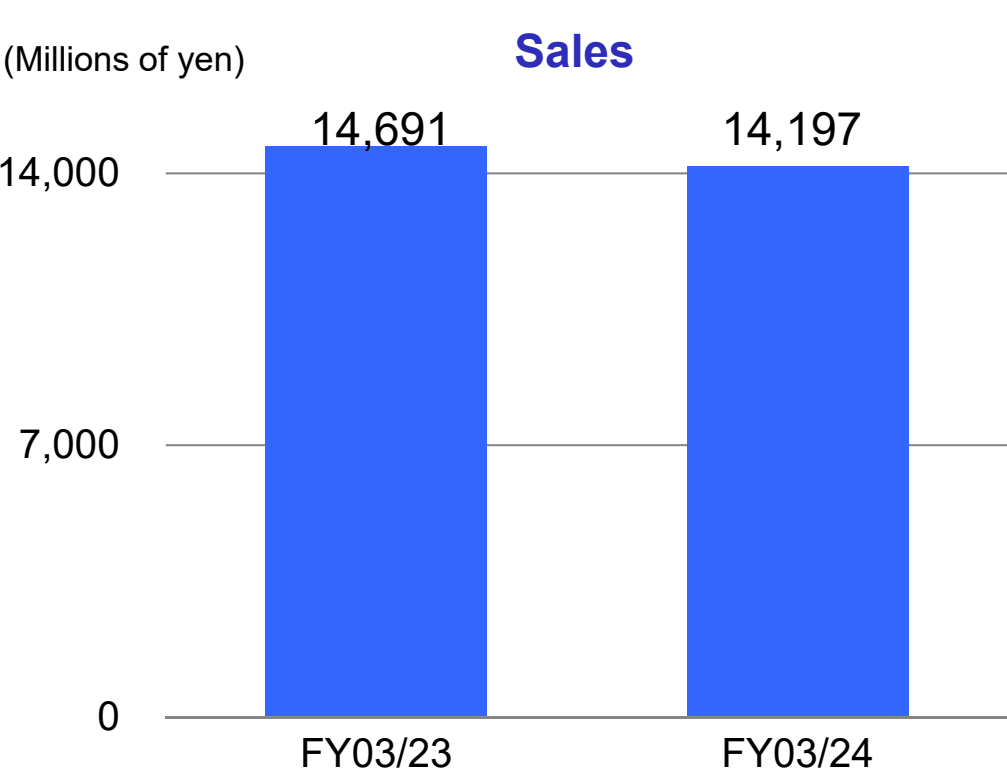
- Sales were up slightly, thanks to the ongoing sales recovery in the automotive market.
- Continuous cost improvement efforts resulted in a sharp increase in operating income.

		(Millions of yen)			
		FY03/23	FY03/24	Composition ratio	Percentage change (YoY)
Speaker	Sales	99,087	99,175	81.0%	0.1%
	Operating income	2,004	4,218		110.5%
	Income ratio	2.0%	4.3%		



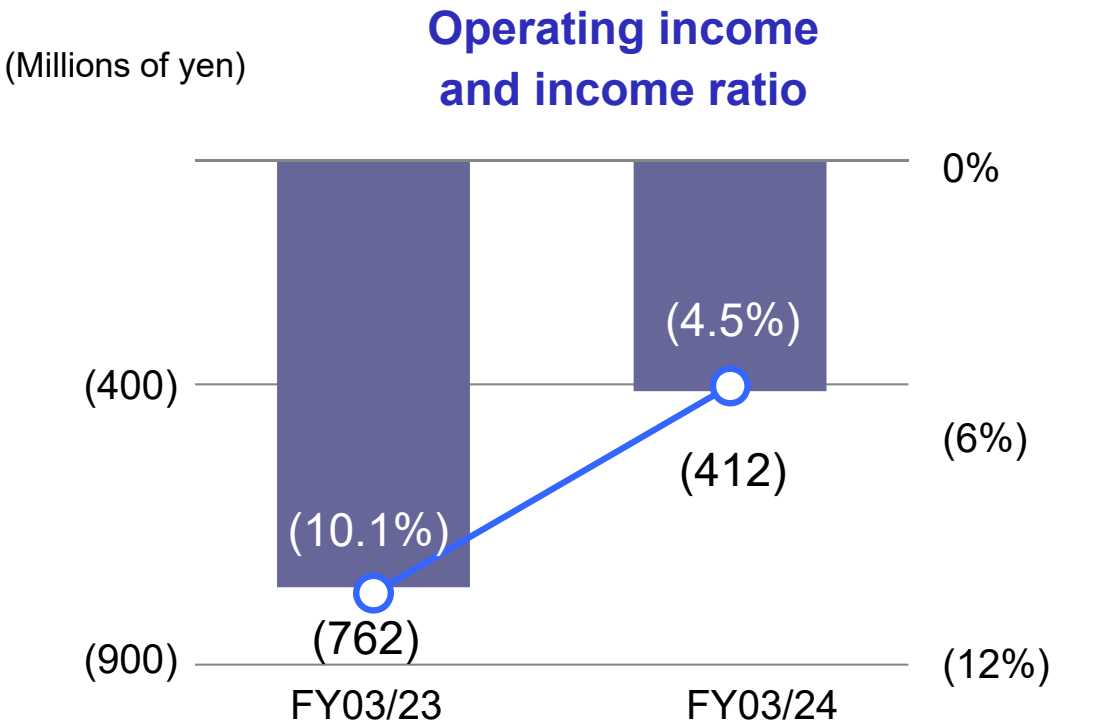
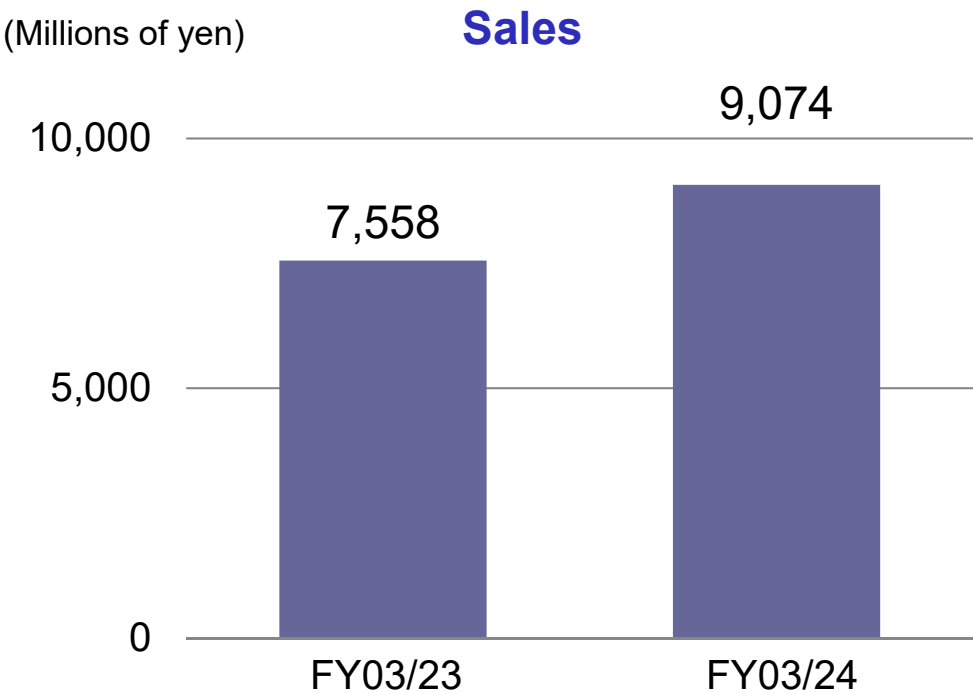
- Sales declined due to adjustments in the shipment volume of consumer-use actuators.
- Operating income fell, affected by the shipment volume adjustments.

		(Millions of yen)			
		FY03/23	FY03/24	Composition ratio	Percentage change (YoY)
Mobile Audio	Sales	14,691	14,197	11.6%	(3.4%)
	Operating income	1,203	607		(49.6%)
	Income ratio	8.2%	4.3%		



- Sales increased mainly due to robust sales of speakers for acoustic vehicle alerting systems.
- The segment recorded an operating loss, owing to the expenses incurred in association with the reorganization of manufacturing functions within China.

		(Millions of yen)			
		FY03/23	FY03/24	Composition ratio	Percentage change (YoY)
Other	Sales	7,558	9,074	7.4%	20.1%
	Operating income	(762)	(412)		—
	Income ratio	(10.1%)	(4.5%)		



Consolidated Balance Sheet

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Equity ratio as of March 31, 2024 was 56.5% (55.0% as of March 31, 2023).

	End-FY03/23	End-FY03/24	(Millions of yen) Amount of change
Current assets	73,893	78,925	5,032
Cash and deposits	13,646	20,216	6,570
Notes and accounts receivable – trade	25,470	25,799	329
Inventories	29,862	27,945	(1,916)
Other	4,913	4,963	49
Non-current assets	18,977	23,822	4,844
Property, plant and equipment	15,030	19,377	4,346
Intangible assets	214	336	122
Investments and other assets	3,732	4,108	375
Total assets	92,871	102,747	9,876
Current liabilities	34,799	31,899	(2,900)
Notes and accounts payable – trade	9,380	12,169	2,788
Short-term bank loans	17,156	10,571	(6,584)
Current portion of long-term debt	300	775	475
Other	7,962	8,383	420
Non-current liabilities	1,556	6,529	4,973
Long-term debt	-	3,781	3,781
Other	1,556	2,748	1,191
Net assets	56,515	64,319	7,804
Shareholders' equity	44,045	45,989	1,944
Total accumulated other comprehensive income	7,050	12,014	4,964
Non-controlling interests	5,419	6,314	895
Total liabilities and net assets	92,871	102,747	9,876

Statement of Cash Flows

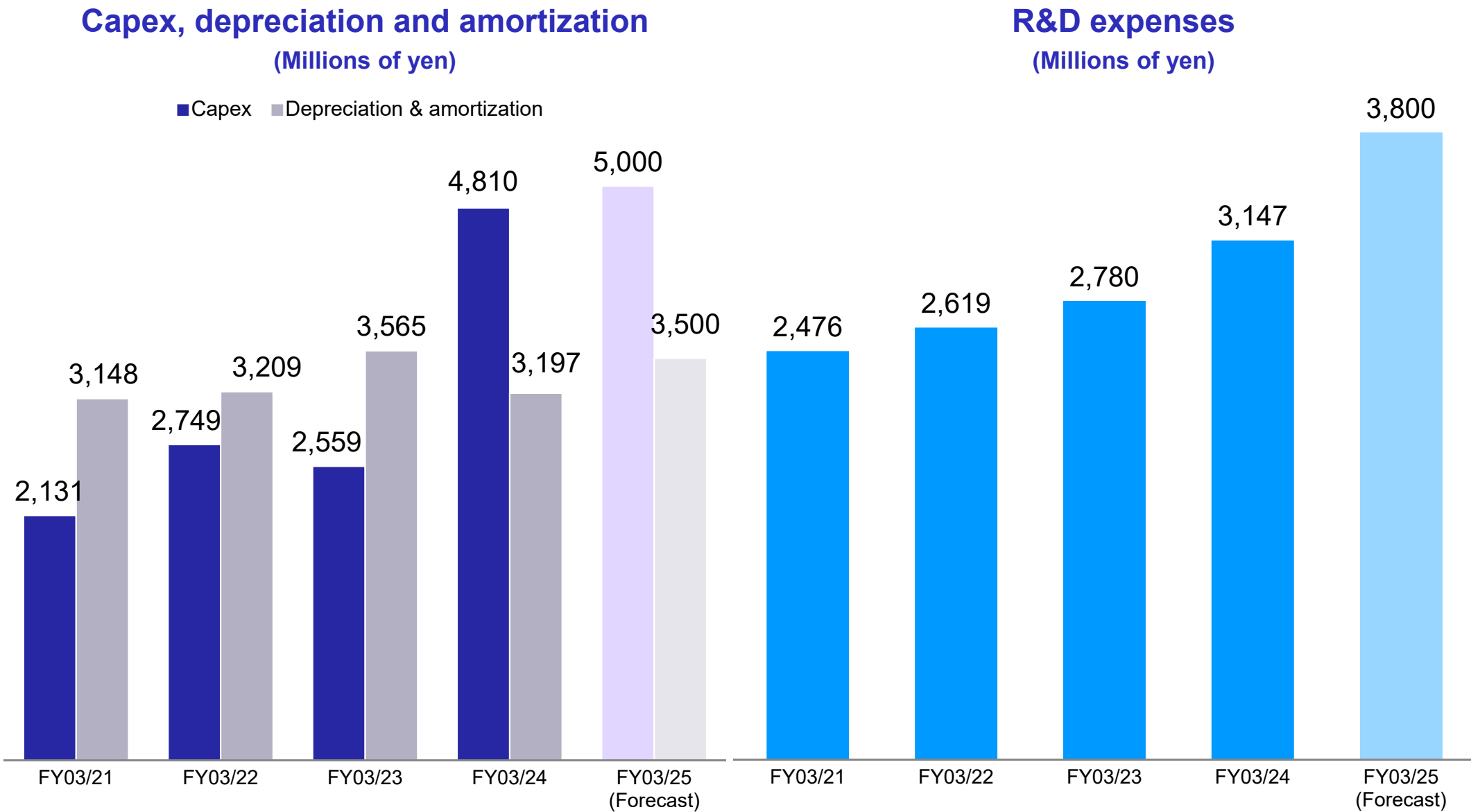
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Free cash flow for FY03/24 was 10.03 billion yen.

(Millions of yen)

	FY03/23	FY03/24	Amount of change
Operating activities	354	15,428	15,074
Investing activities	(1,321)	(5,396)	(4,074)
Free cash flow*	(967)	10,031	10,999
Financing activities	1,776	(4,440)	(6,216)
Net increase in cash and cash equivalents	1,556	6,570	5,013
Cash and cash equivalents at the end of the period	13,646	20,216	6,570

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



II. Summary of the Fiscal Year Ended March 31, 2024 and Forecasts for Fiscal Year Ending March 31, 2025

1

Amid the recovery of automobile sales mainly due to the easing of semiconductor shortages and the expansion of EV production and sales, we secured net sales and profit growth by promoting the partner strategy, maintaining appropriate inventory levels, and working on cost improvements.

2

Despite the downward impact of some inventory adjustments, car speaker sales and profit increased as we leveraged our strength in stable and high-quality mass production.

3

The Mobile Audio segment secured a profit despite the adjustment of actuator shipment volumes seen at some customers. As the R&D-oriented business tends to fluctuate, we carefully assessed the future prospects on this front and accordingly advanced our initiatives.

4

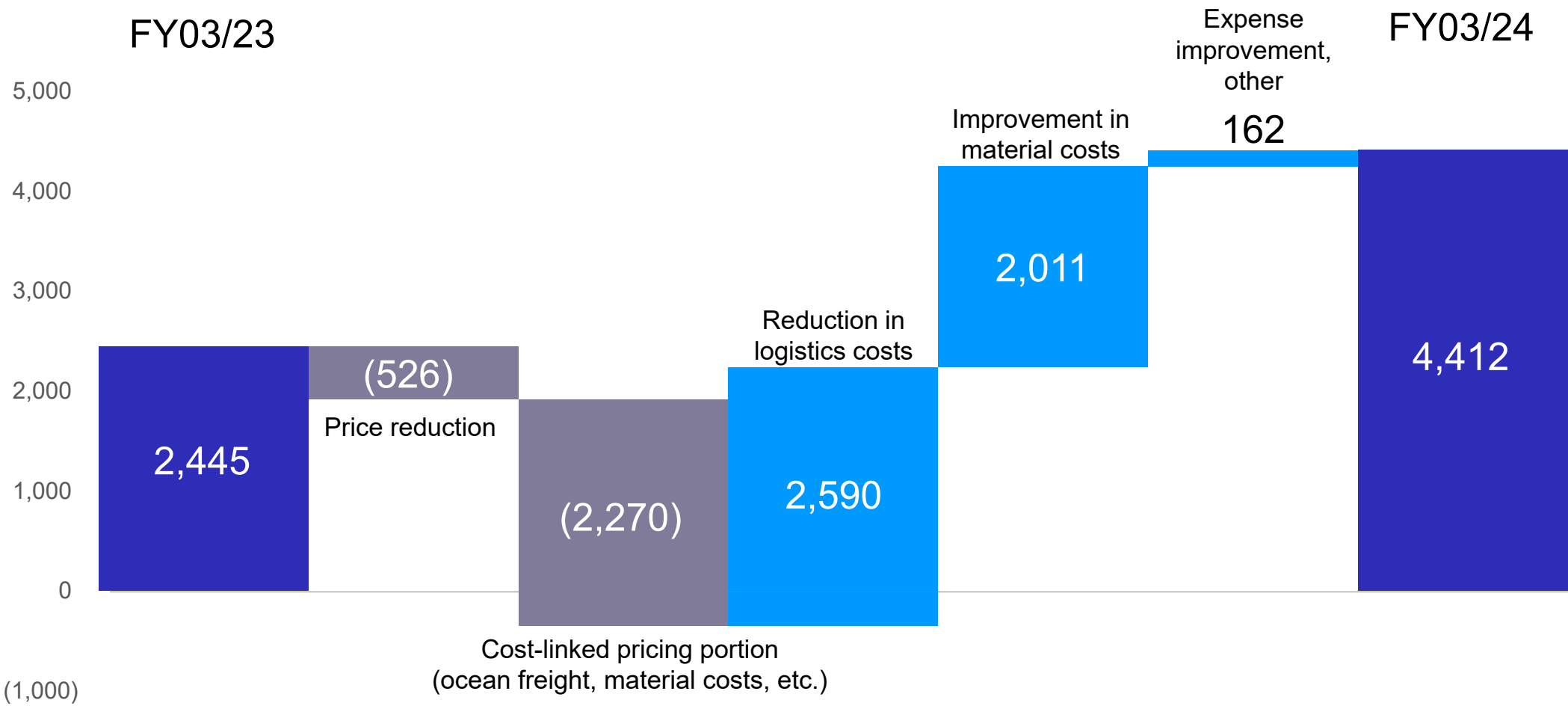
In the Other segment, sales of speakers for acoustic vehicle alerting systems were robust. However, the segment logged an operating loss as it incurred expenses to reorganize the manufacturing system for micro acoustic components in China, making a shift from outsourcing to in-house production.

Breakdown of YoY Change in Operating Income

FY03/23–FY03/24 Results



(Millions of yen)

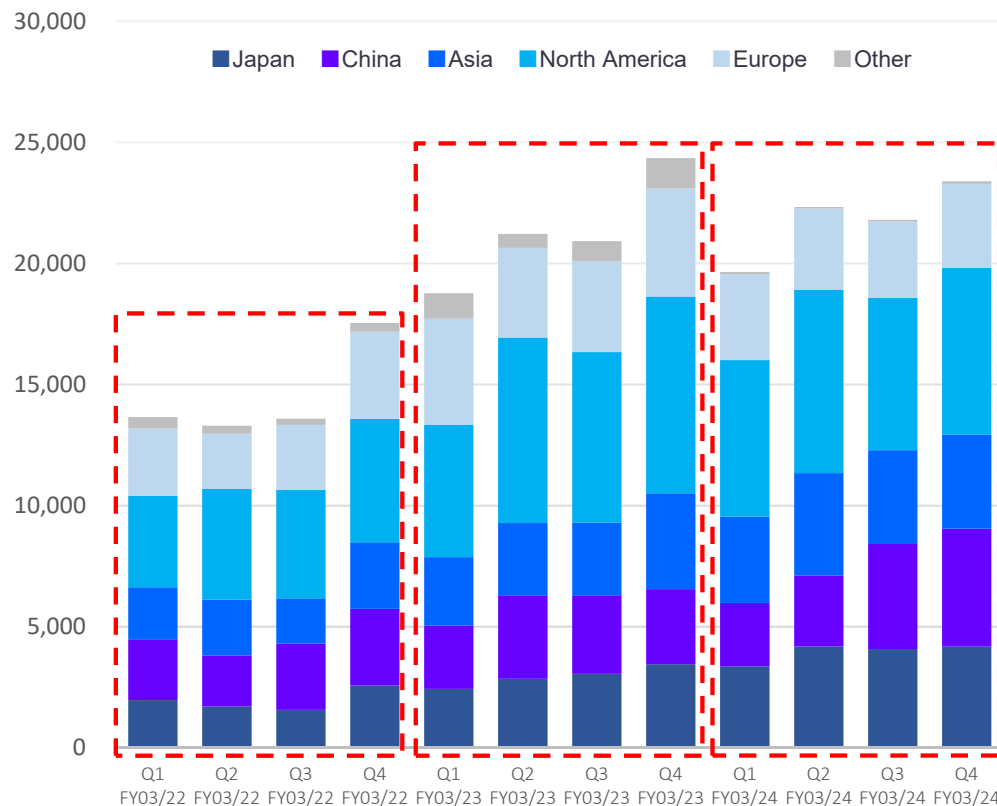


Car Speaker Sales by Region

- The shipment volume of car speakers was in line with our plan.
- By region, sales grew in Japan, China, and Asia.

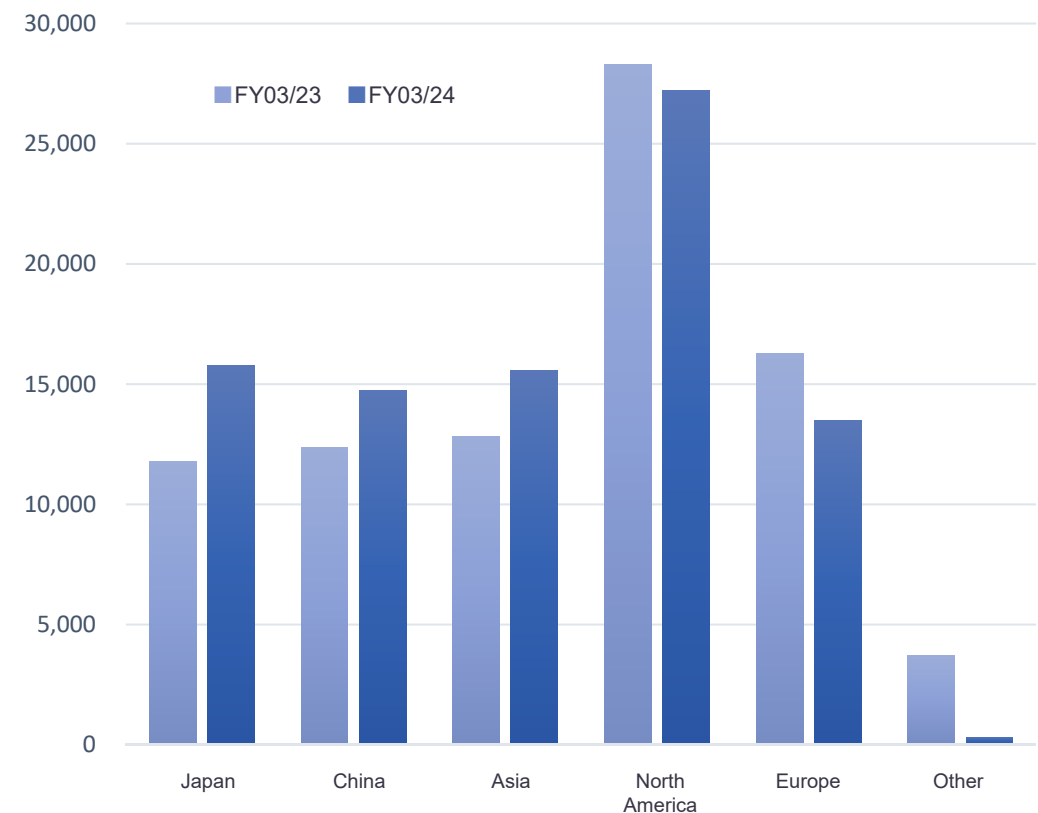
Quarterly car speaker sales by region

(Millions of yen)



Car speaker sales by region (versus FY03/23)

(Millions of yen)



We forecast net sales and profit growth, thoroughly committing to the achievement of targets for the final year of our current medium-term business plan.

			(Millions of yen)	
	FY03/24	FY03/25 Forecast	Amount of change	Percentage change (YoY)
Net sales	122,447	130,000	7,553	6.2%
Operating income	4,412	5,500	1,088	24.7%
<i>Operating income to net sales</i>	3.6%	4.2%		
Ordinary income	4,305	5,000	695	16.1%
<i>Ordinary income to net sales</i>	3.5%	3.8%		
Net income*	2,304	3,000	696	30.2%
<i>Net income to net sales**</i>	1.9%	2.3%		
Net income per share (in exact yen)	103.70	134.83	31.13	30.0%
Dividends per share (in exact yen)	25.00	40.00	15.00	60.0%
Dividend payout ratio	24.1%	29.6%		
Exchange rates	145.31 yen/USD 157.70 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 FY03/25 by Segment

Segment	Outlook for FY03/25	Sales forecast
Speaker	<ul style="list-style-type: none"> ➤ We intend to establish our position firmly in the automotive market by further advancing our partner strategy. Accordingly, from the product development stage, we will propose our new technologies and value-added to our key customers, whom we have positioned as our target customers. 	110.0 billion yen
Mobile Audio	<ul style="list-style-type: none"> ➤ In our earphone-related efforts, we will focus on both the finished product business and the earphone driver business. ➤ Although competition is severe in the actuator business, we intend to secure orders based on our high quality. ➤ We will continue our R&D-oriented business. However, since the business has its ebb and flow and is time-consuming, we intend to assess the future prospects carefully and consider revising our strategy. 	12.0 billion yen
Other	<ul style="list-style-type: none"> ➤ As demand remains strong in the micro acoustic components business, where we handle acoustic vehicle alerting systems, we expect improvements also in our non-profitable operations. ➤ We plan to improve sales and recover from being in the red in the FOSTEX business by reconsidering our pricing strategy. 	8.0 billion yen*

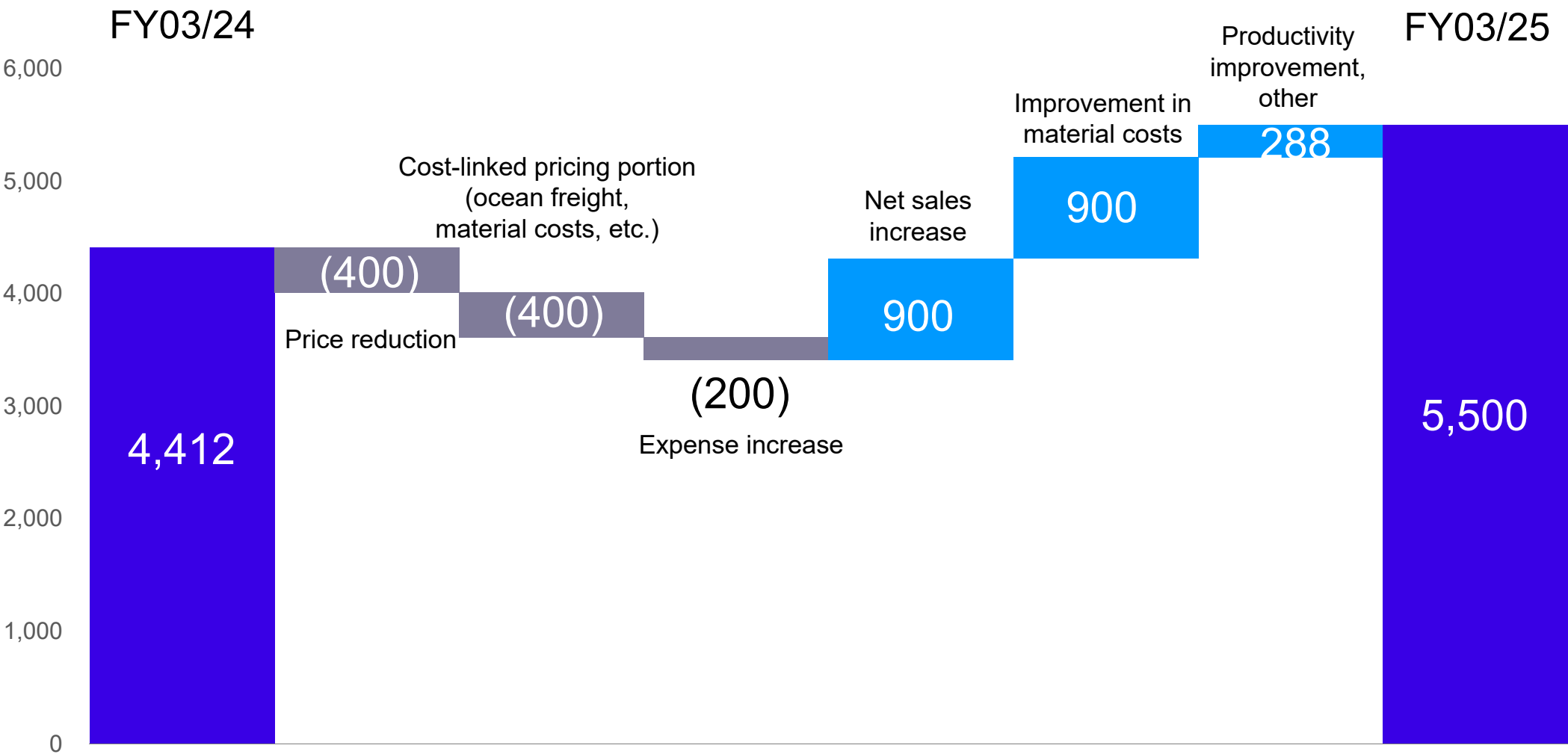
*Sales forecast figures for the Other segment represent amounts after adjusting inter-segment transactions.

Breakdown of YoY Change in Operating Income

FY03/24–FY03/25 Forecast



(Millions of yen)



We plan to pay an interim dividend of 20 yen per share and a year-end dividend of 20 yen per share, for a full-year dividend of 40 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.

	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25 (Forecast)
Net income (loss) per share (in exact yen)	(148.47)	(315.53)	38.23	103.70	134.83
Dividends per share (in exact yen) (interim, year-end)	15.00 (10.00, 5.00)	10.00 (10.00, 0.00)	20.00 (10.00, 10.00)	25.00 (10.00, 15.00)	40.00 (20.00, 20.00)
Dividend payout ratio	—%	—%	52.3%	24.1%	29.6%

1

- **Implementation of structural reforms, including profitability improvement for loss-making bases and businesses**

- To reduce losses, we reexamined the productivity of plants in Thailand and Vietnam, shifted from outsourcing to in-house manufacture of micro acoustic components in China, and reviewed the FOSTEX pricing strategy.

2

- **Improved profitability through more in-depth pursuit of the partner strategy**

- We promoted the partner strategy, which is at the core of our automotive business. By making value-added proposals to our target customers from the product development stage, we achieved business expansion and improved profitability.

3

- **Stable earnings through promotion of cost-linked pricing**

- We reached an agreement with many of our customers regarding cost-linked pricing that more clearly reflects the market prices of ocean freight, materials, and other costs. As a result, we were able to improve our earnings structure to one that is less susceptible to market fluctuations.

4

- **Appropriate inventory control through bolstered global logistics functions**

- Even in emergencies, we maintained costs at the bare minimum through appropriate inventory management and flexible transport operations.

Ⅲ. Direction of Our Growth Strategy under the Next Medium-Term Business Plan

【Basic policy】

- Determine the direction of growth strategy under the next medium-term business plan (spanning April 2025 through March 2028)
- Additionally, seek to improve PBR together with the implementation of capital policy, etc.
- Announcement of details slated for November 2024

【Goals】

In the mobility-related business, achieve medium-term sales growth (sales increase by 20% or more) that exceeds the projected growth of the automotive market (roughly 9%) during the period of our next medium-term business plan

Develop the next business pillar in the consumer-related business, to follow the mobility-related business

Direction of Our Growth Strategy under the Next Medium-Term Business Plan (2)

Mobility-related business

*1 Car speakers for Tier 1 manufacturers with own audio brands *2 Actuators for car seats to provide massage functions, sound and vibration, etc. *3 Product of South Korean subsidiary, ESTec

Key strategy

Provide rich and comfortable space, amusement, joy, safety, and security in the next-generation mobility field

Tactics

Leverage our car speaker technologies honed over many years to boost value-added in areas such as next-generation acoustic space for car cabins, next-generation HMI, and interior and exterior warning sounds. At the same time, increase the number of products installed per car.

Major initiatives

- Strengthen value-added proposals on in-car sound field creation, focusing on target customers
- Expand the number of products installed and improve profitability through sales activities focused on branded^{*1} and premium-level items.
- Promote packaged sales of in-car speakers, exterior car speakers, and HMI actuators to OEM and Tier 1 manufacturers

Product areas where we target sales expansion

- Car acoustic speakers
- Actuators (for car acoustics, car seats^{*2}, and HMI)
- Acoustic vehicle alerting system/warning sound speakers (AVAS speaker, AVAS system, AVAS system with horn, eCall speaker)
- High sound quality speakers for the cockpit
- Base modules for products including acceleration sensors, mic modules, and ADP^{*3}

Direction of Our Growth Strategy under the Next Medium-Term Business Plan (3)

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Consumer-related business

*4 New project to establish a long-term revenue base for Foster

*5 Product of South Korean subsidiary, ESTec

Key strategy

Build next pillar after the mobility-related business, based on the concept of providing rich and comfortable space, amusement, joy, safety, and security

Tactics

Capitalize on our comprehensive product design capability and continuously evolving proprietary technologies to expand the finished product business with greater value-added, create new businesses, and thereby improve profitability.

The three pillars of “Beyond2025”^{*4}

Lifestyle | Personal audio

Make full-scale entry into the finished products OEM business for wireless headsets, including drivers that utilize planar diaphragm technology (RP TECHNOLOGY), an area where we seek sales expansion moving forward. Also expand business in the home audio field^{*5} (speakers for flat screen premium TVs and multiple-circuit products such as sound bars).

Life solution | Biometric sensing headsets

Achieve practical application and commercialization of Robin biometric sensing earphones (already beginning to be used by academic institutions and companies on a trial basis) for use in healthcare, physical rehabilitation, nursing care, livelihood support, and sensing associated with driving support.

Life enhancement | Actuators

In addition to the existing actuators, establish our position in the market for Smart Vibration Actuator that achieve broader-bandwidth vibration and higher power, to offer a greater sense of immersion.

Measures for Realizing Management Attuned to Cost of Capital and Share Prices

Analysis of current state (reasons for low PBR)

【Low ROE】 Although our financial performance is on a V-shaped recovery path, the rate of return remains low, posing an issue on further stabilization. Cash flows have improved significantly, thanks in part to inventory reduction. However, there is still room to improve capital efficiency.

【Low PER】 In addition to the above, we have been unable to draw up a growth strategy that can meet investor expectations.

With our ROE falling way below the cost of equity (roughly 7–8% based on CAPM), we have been unable to meet investor expectations. As a result, PBR has remained low (at about 0.5x).

Fiscal year	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24
ROE (%)	2.9%	(6.4%)	(14.4%)	1.7%	4.2%
PER (x)	16.1	-	-	30.1	12.2
Share price at the end of fiscal year (yen)	1,112	1,306	723	1,150	1,265
Net asset per share (yen)	2,369	2,276	2,126	2,302	2,607
PBR (x)	0.5	0.6	0.3	0.5	0.5

Countermeasures

- **Distribute resources appropriately, and formulate and execute a growth strategy for sustainable profitability improvement (ROE improvement)**
- **Meet shareholder and investor expectations by using our earnings to bolster shareholder returns (PER and PBR improvement)**

We also plan to announce the specifics of the countermeasures shown above, when we disclose the detailed version of the next medium-term business plan.

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 March 31, 2024)
Business domain	Production and sales of speakers, audio equipment, and electronic equipment
Number of employees	Consolidated: 15,752 (including employees at a contract manufacturer in Panyu, China) Non-consolidated: 413 (as of March 31, 2024 for both consolidated and non-consolidated)

We provide acoustic products, leveraging our original analog technologies mainly through ODMs and OEMs.

Speaker Segment

- Car speakers and speaker systems; Audio and TV speakers and speaker systems

Car speakers



Car speaker systems



TV speakers



Mobile Audio Segment

- Headphones/headsets, earphone drivers, and vibration actuators, etc.

Headphones/headsets



Earphone drivers



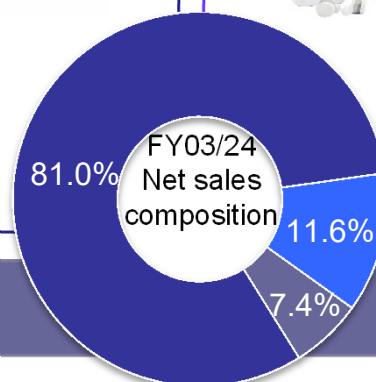
Actuators



Other Segment

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

Micro acoustic components FOSTEX products

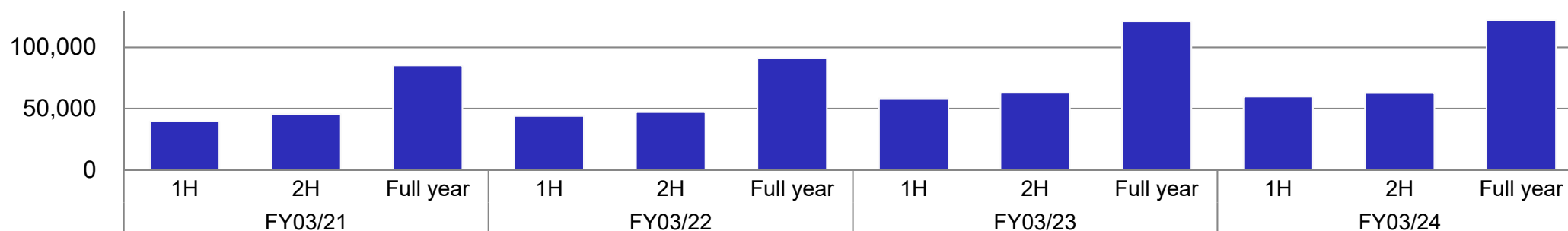


Half-Year and Full-Year Results

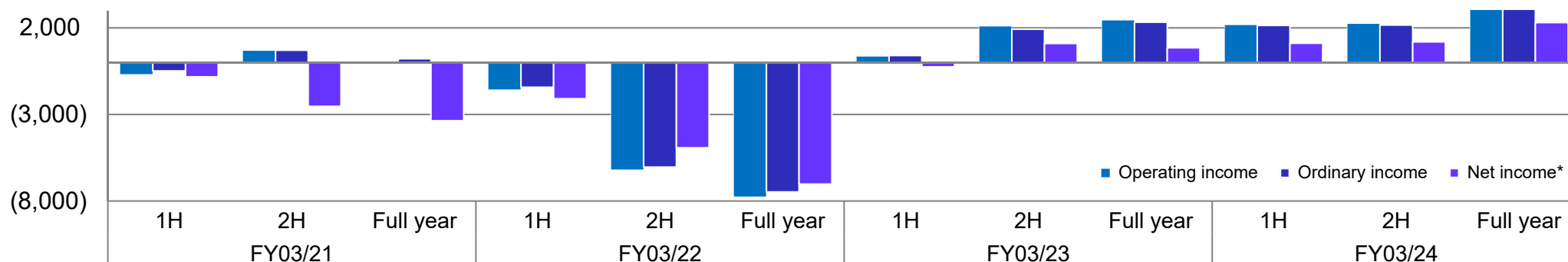
Results (Millions of yen)

	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	62,746	122,447
Operating income	(688)	688	0.7	(1,568)	(6,189)	(7,757)	351	2,094	2,445	2,165	2,247	4,412
Ordinary income	(488)	707	219	(1,433)	(6,040)	(7,473)	404	1,923	2,327	2,139	2,166	4,305
Net income*	(829)	(2,534)	(3,363)	(2,093)	(4,924)	(7,017)	(249)	1,097	848	1,114	1,190	2,304
Income ratio	(1.7%)	1.5%	0.0%	(3.6%)	(13.1%)	(8.5%)	0.6%	3.3%	2.0%	3.6%	3.6%	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%	3.5%	3.5%
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%	1.9%	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.

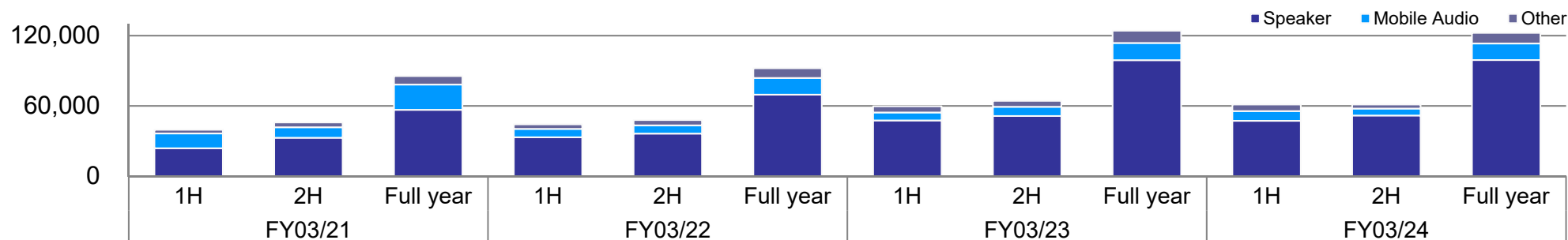
Half-Year and Full-Year Results by Segment

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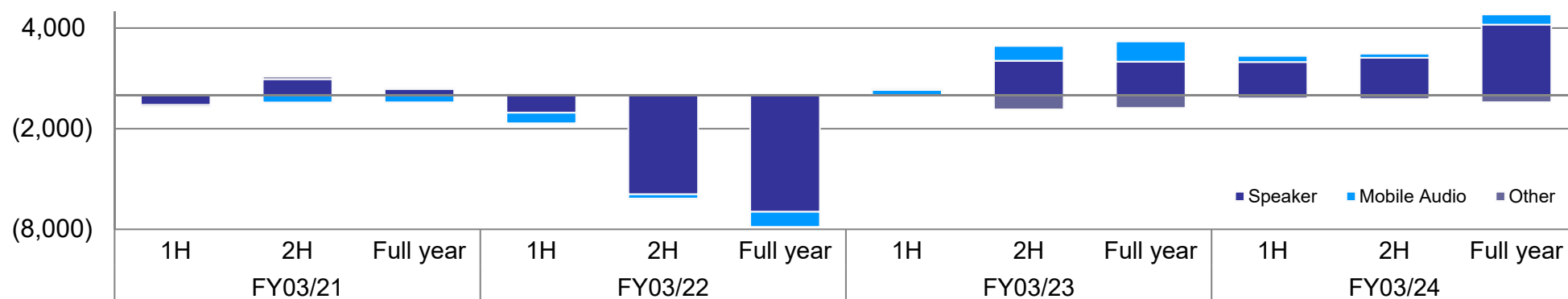
Results (Millions of yen)

Sales	FY03/21			FY03/22			FY03/23			FY03/24		
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Speaker	23,892	32,844	56,736	33,294	36,382	69,676	47,641	51,446	99,087	47,372	51,803	99,175
Mobile Audio	12,593	8,981	21,574	7,137	7,090	14,227	6,841	7,850	14,691	8,255	5,942	14,197
Other	3,176	4,068	7,244	3,880	4,450	8,330	5,286	5,117	10,403	5,574	3,500	9,074
Operating income												
Speaker	(584)	961	377	(1,045)	(5,910)	(6,955)	(51)	2,055	2,004	1,984	2,234	4,218
Mobile Audio	5	(429)	(424)	(631)	(265)	(896)	317	886	1,203	362	245	607
Other	(109)	156	47	108	(14)	94	85	(847)	(762)	(181)	(231)	(412)

Net sales (Millions of yen)



Operating income (Millions of yen)

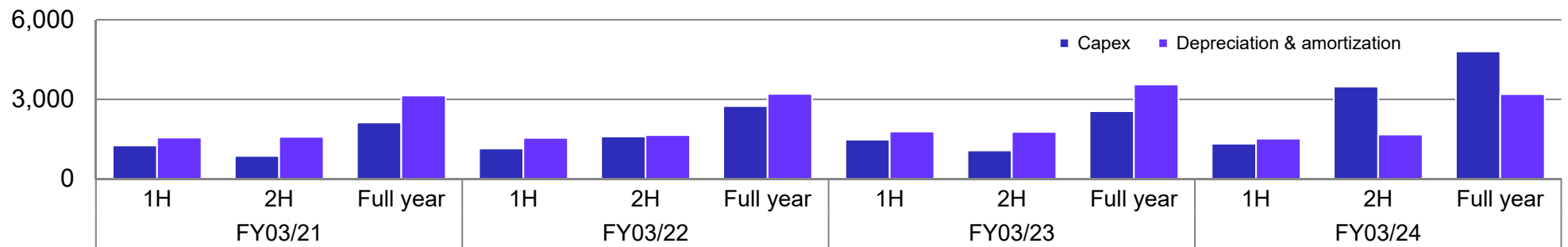


Half-Year and Full-Year Capex, Depreciation and Amortization, and R&D Expenses

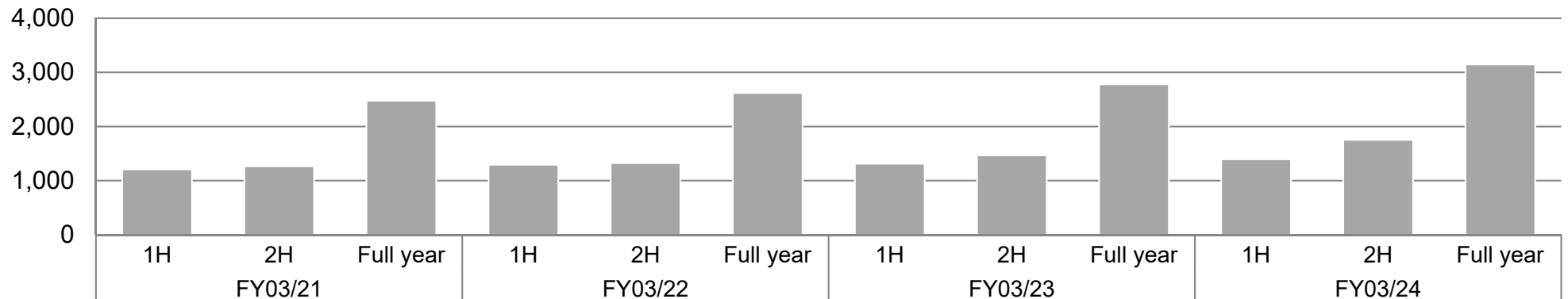
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	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	3,481	4,810
Depreciation & amortization	1,560	1,588	3,148	1,552	1,657	3,209	1,788	1,777	3,565	1,523	1,674	3,197
R&D expenses	1,209	1,267	2,476	1,294	1,325	2,619	1,313	1,467	2,780	1,394	1,753	3,147

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

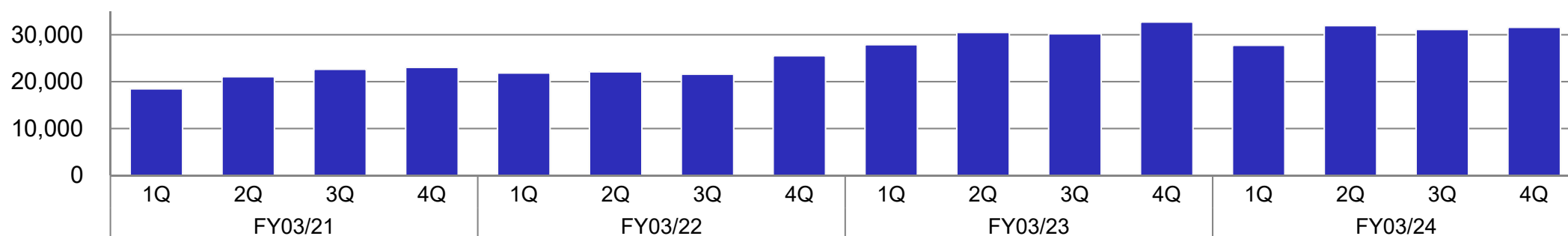


Quarterly Results

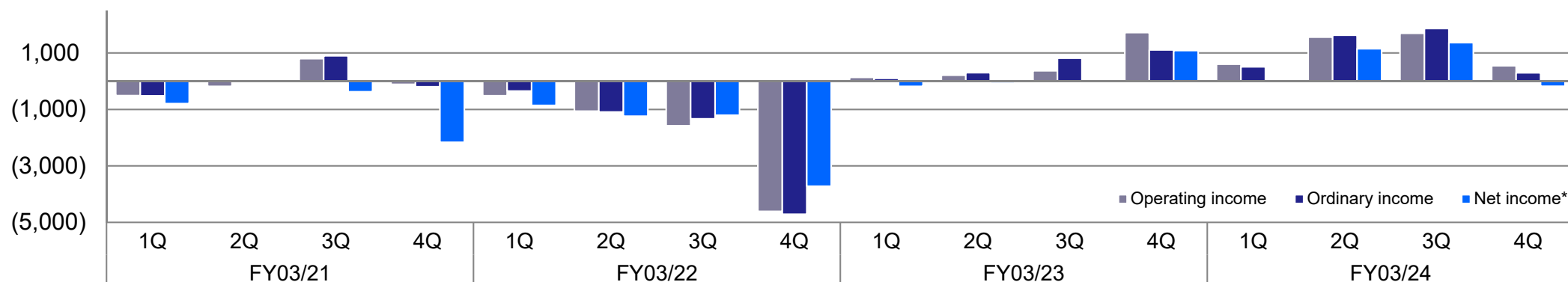
Results (Millions of yen)

	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	31,143	31,603
Operating income	(507)	(181)	799	(110)	(511)	(1,057)	(1,578)	(4,611)	139	212	372	1,722	602	1,563	1,697	550
Ordinary income	(518)	30	900	(193)	(345)	(1,088)	(1,329)	(4,711)	102	302	815	1,108	509	1,630	1,868	298
Net income*	(791)	(38)	(373)	(2,161)	(857)	(1,236)	(1,205)	(3,719)	(183)	(66)	8	1,089	(36)	1,150	1,366	(176)
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%	5.4%	1.7%
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%	6.0%	0.9%
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%	4.4%	(0.6%)

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.

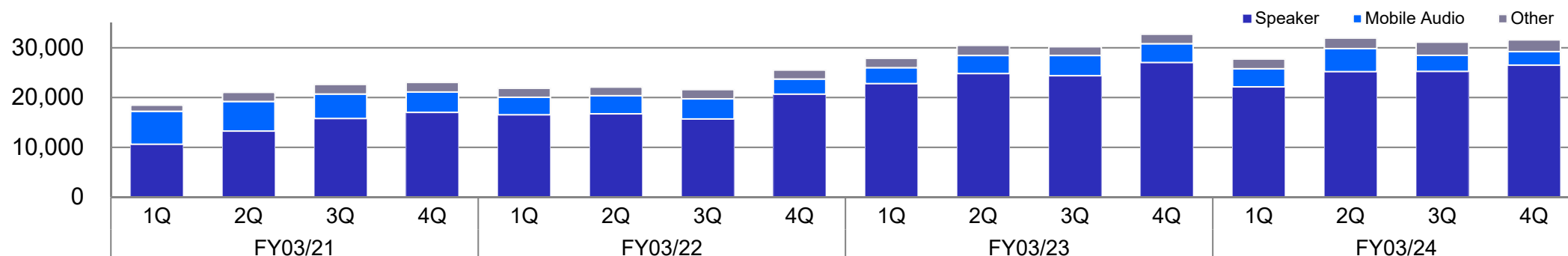
Quarterly Results by Segment

Results (Millions of yen)

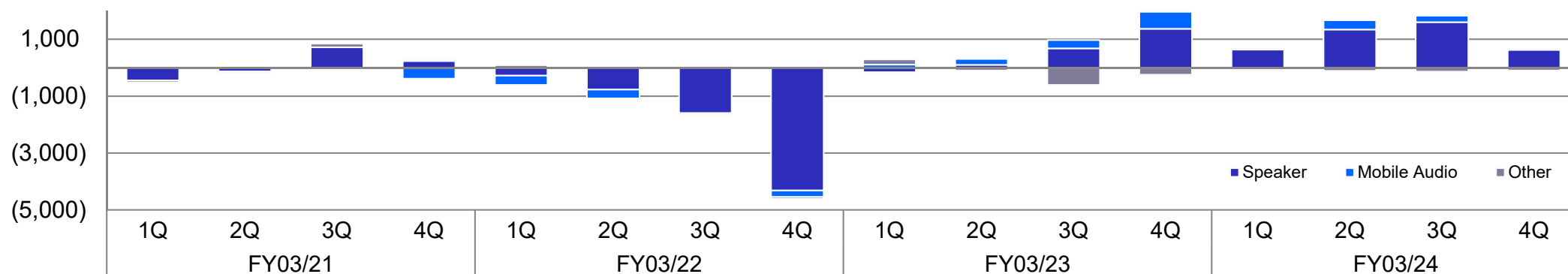
Sales	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Speaker	10,619	13,273	15,802	17,042	16,553	16,741	15,703	20,679	22,804	24,837	24,396	27,050	22,154	25,218	25,277	26,526
Mobile Audio	6,633	5,960	4,909	4,072	3,508	3,629	4,044	3,046	3,213	3,628	4,066	3,784	3,644	4,611	3,222	2,720
Other*	1,227	1,815	1,930	1,937	1,798	1,747	1,847	1,810	1,875	2,026	1,766	1,891	1,951	2,122	2,644	2,357
Operating income																
Speaker	(448)	(136)	722	239	(279)	(766)	(1,593)	(4,317)	(156)	105	684	1,371	639	1,345	1,601	633
Mobile Audio	6	(1)	(46)	(383)	(323)	(308)	(39)	(226)	113	204	291	595	37	325	230	15
Other	(65)	(44)	123	33	91	17	55	(69)	182	(97)	(603)	(244)	(74)	(107)	(134)	(97)

*Net sales of other businesses are shown after elimination of intersegment transactions.

Sales (Millions of yen)



Operating income (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	77,901	78,925
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	18,868	20,216
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	24,581	25,799
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	34,452	32,910
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	23,458	23,822
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	18,951	19,377
Total intangible assets	201	198	198	189	196	194	205	203	216	217	207	214	221	252	255	336
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	4,251	4,108
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	101,360	102,747
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	32,990	31,899
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	12,734	12,169
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	12,223	11,346
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	8,033	8,384
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	5,758	6,529
Long-term debt and bonds payable	1,850	1,606	1,362	1,118	875	631	450	300	150	0	0	0	0	0	3,175	3,781
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	2,583	2,748
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	62,611	64,319
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	46,154	45,989
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	9,943	12,014
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	6,512	6,314
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	101,360	102,747

Statement of cash flows (Millions of yen)

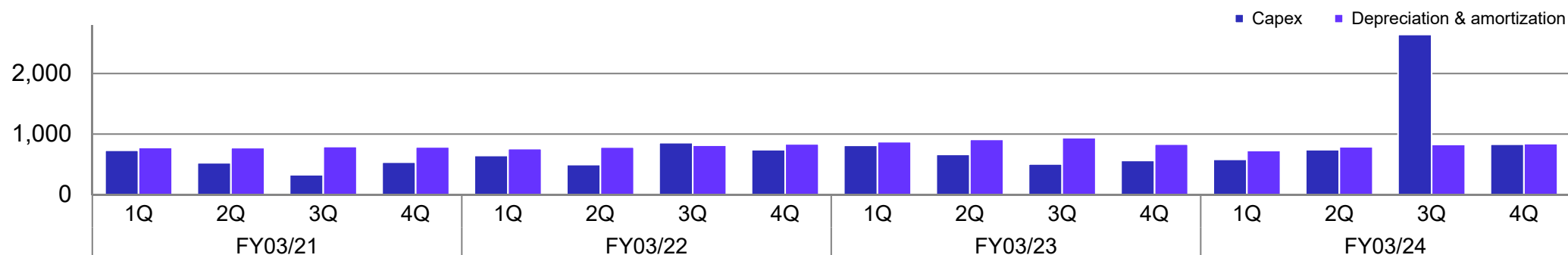
	FY03/21				FY03/22				FY03/23				FY03/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating activities	(2,309)	3,626	960	(1,538)	(2,351)	(3,840)	(3,309)	(3,267)	(5,612)	(1,402)	2,959	4,409	5,334	5,553	1,553	2,988
Investing activities	(1,246)	(351)	(144)	(219)	(228)	(1,172)	(970)	(701)	(824)	6	(443)	(60)	(537)	(800)	(2,776)	(1,283)
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)	3,502	(753)
Foreign exchange impact	(375)	(40)	(76)	778	201	42	(12)	551	691	478	(680)	258	358	516	(293)	397
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	1,986	1,349
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	18,868	20,216

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

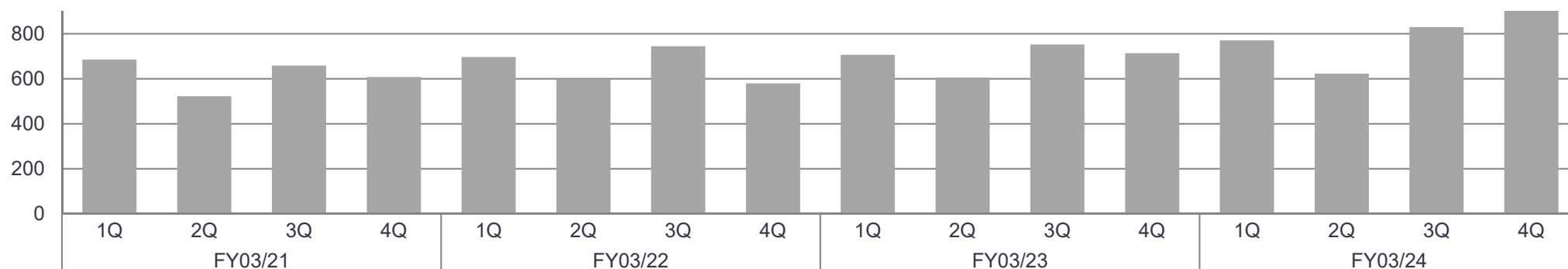
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

	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	2646	834
Depreciation & amortization	781	779	797	791	763	789	818	839	875	913	941	836	731	792	830	844
R&D expenses	686	523	659	608	697	597	745	580	707	606	753	714	771	623	830	923

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

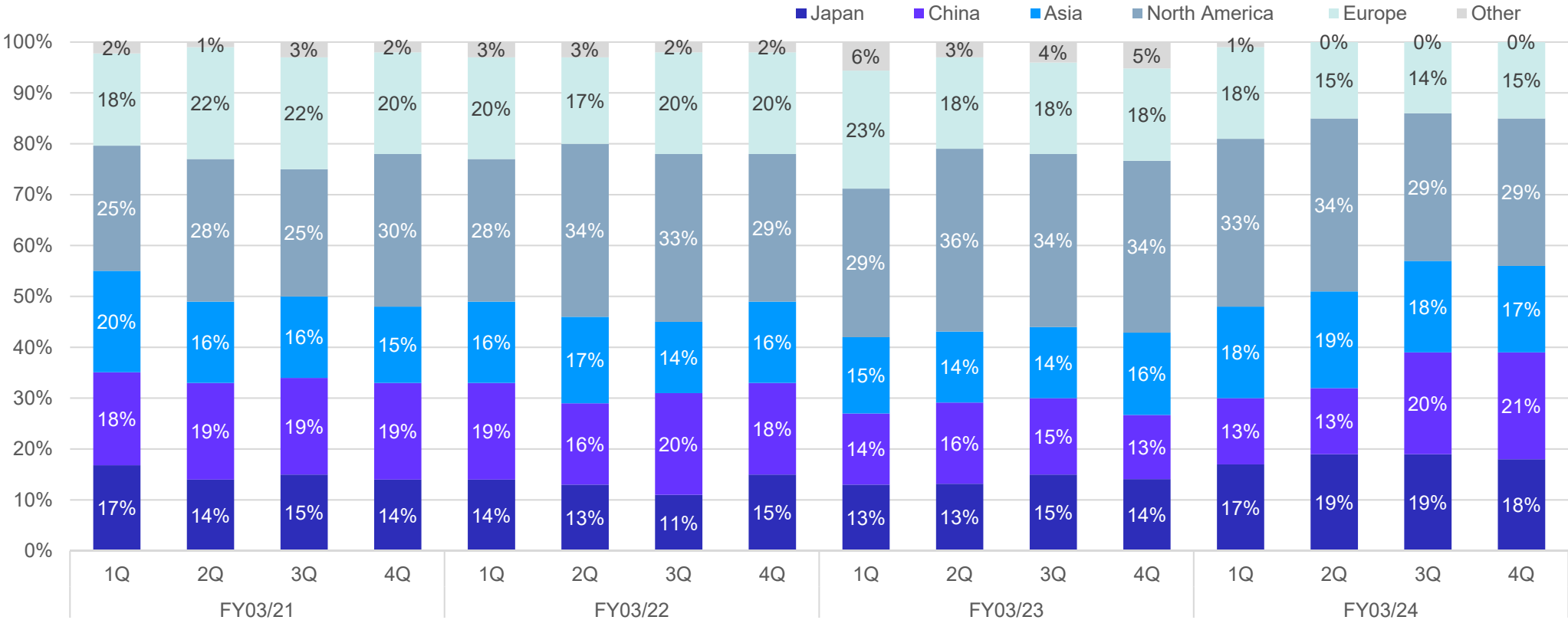


Quarterly Sales Weighting of Car Speakers by Region

FOSTER

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%	19%	18%
China	18%	19%	19%	19%	19%	16%	20%	18%	14%	16%	15%	13%	13%	13%	20%	21%
Asia	20%	16%	16%	15%	16%	17%	14%	16%	15%	14%	14%	16%	18%	19%	18%	17%
North America	25%	28%	25%	30%	28%	34%	33%	29%	29%	36%	34%	34%	33%	34%	29%	29%
Europe	18%	22%	22%	20%	20%	17%	20%	20%	23%	18%	18%	18%	18%	15%	14%	15%
Other	2%	1%	3%	2%	3%	3%	2%	2%	6%	3%	4%	5%	1%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	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	21,799	23,386



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.

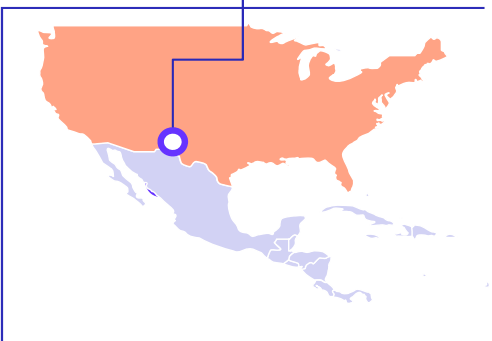
ESTec VINA CO., LTD.

Thailand

FSK(Thailand) Co.,Ltd.

USA

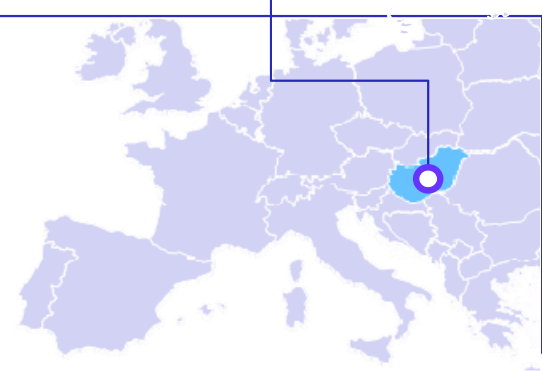
EL PASO OPERATIONS



Hungary

(Start of mass production in the latter half of 2024 (planned))

FOSTER ELECTRIC (HUNGARY)Kft.



(As of March 31, 2024)

[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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