

Financial Results Briefing for the First Half of the Fiscal Year Ending March 31, 2022

Foster Electric Company, Limited
(Stock code: 6794, First Section, Tokyo Stock Exchange)
November 11, 2021

| | |
|--|-------|
| I. Overview of Financial Results for the First Half of the Fiscal Year Ending March 31, 2022 | P. 2 |
| II. Summary of the First Half and Forecasts for Fiscal Year Ending March 31, 2022 | P. 11 |
| III. Progress of Medium-Term Business Plan | P. 18 |
| IV. Reference Materials | P. 24 |

I. Overview of Financial Results for the First Half of the Fiscal Year Ending March 31, 2022

1H FY03/22 Results

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(Millions of yen)

| | 1H FY03/21 | 1H FY03/22 (Actual) | | |
|---|----------------------------------|----------------------------------|---------------------------|----------------------------|
| | | | Amount of change (YoY) | Percentage change (YoY) |
| Net sales | 39,528 | 43,976 | 4,448 | 11.3% |
| Operating income (loss) | (688) | (1,568) | (880) | — |
| <i>Operating income (loss) to net sales</i> | <i>(1.7%)</i> | <i>(3.6%)</i> | | |
| Ordinary income (loss) | (488) | (1,433) | (945) | — |
| <i>Ordinary income (loss) to net sales</i> | <i>(1.2%)</i> | <i>(3.3%)</i> | | |
| Net income (loss)* | (829) | (2,093) | (1,264) | — |
| <i>Net income (loss) to net sales**</i> | <i>(2.1%)</i> | <i>(4.8%)</i> | | |
| Dividends per share (in exact yen) | 10.00 | 10.00 | 0.00 | 0.0% |
| Exchange rates | 106.33 yen/USD 121.65 yen/EUR | 110.13 yen/USD 131.20 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 FY03/21 | Composition ratio | 1H FY03/22 | Composition ratio | Percentage change (YoY) |
|---------------------|-------------------------|---------------|-------------------|---------------|-------------------|-------------------------|
| | Net sales | 39,528 | | 43,976 | | 11.3% |
| | Operating income (loss) | (688) | | (1,568) | | — |
| | <i>Income ratio</i> | <i>(1.7%)</i> | | <i>(3.6%)</i> | | |
| Speaker | Sales | 23,892 | 60.3% | 33,294 | 75.7% | 39.4% |
| | Operating income (loss) | (584) | — | (1,045) | — | — |
| | <i>Income ratio</i> | <i>(2.4%)</i> | | <i>(3.1%)</i> | | |
| Mobile Audio | Sales | 12,593 | 31.8% | 7,137 | 16.2% | (43.3%) |
| | Operating income (loss) | 5 | — | (631) | — | — |
| | <i>Income ratio</i> | <i>0.0%</i> | | <i>(8.8%)</i> | | |
| Other | Sales | 3,176 | 7.9% | 3,880 | 8.1% | 22.2% |
| | Operating income (loss) | (109) | — | 108 | — | — |
| | <i>Income ratio</i> | <i>(3.4%)</i> | | <i>2.8%</i> | | |

Segment sales increased YoY; operating income finished at a loss.

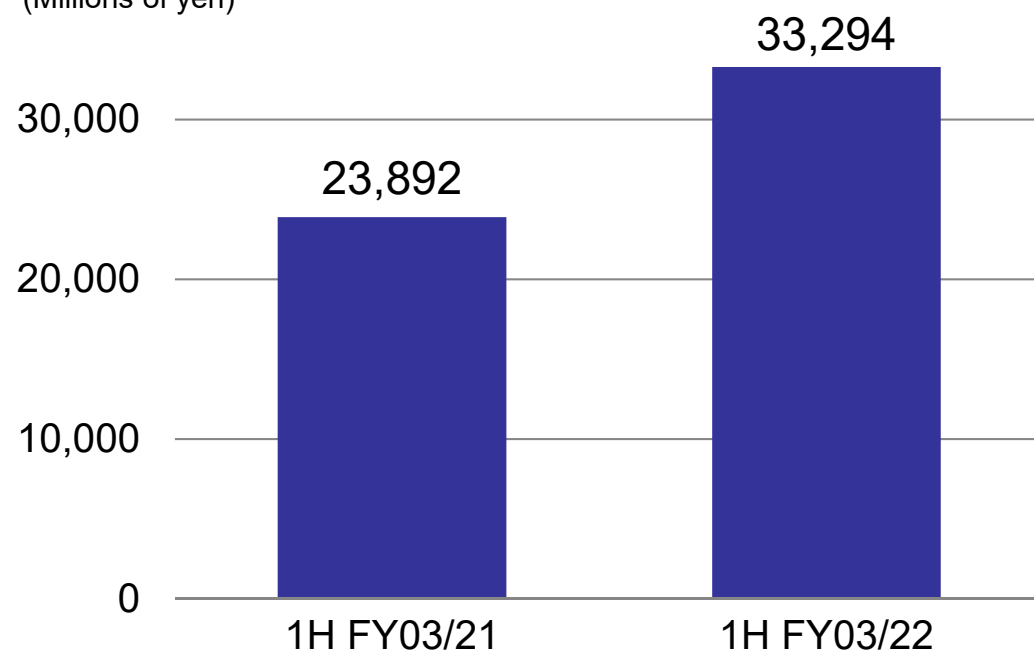
- Segment sales were up as automobile sales recovered from the COVID-19-related slump.
- Operating income was affected by the rise in transportation costs, soaring raw material and component costs, and lower operating rates due to COVID-19's impact on production bases.

(Millions of yen)

| | | 1H FY03/21 | 1H FY03/22 | Composition ratio | Percentage change (YoY) |
|----------------|-------------------------|------------|------------|-------------------|-------------------------|
| Speaker | Sales | 23,892 | 33,294 | 75.7% | 39.4% |
| | Operating income (loss) | (584) | (1,045) | — | — |
| | Income ratio | (2.4%) | (3.1%) | | |

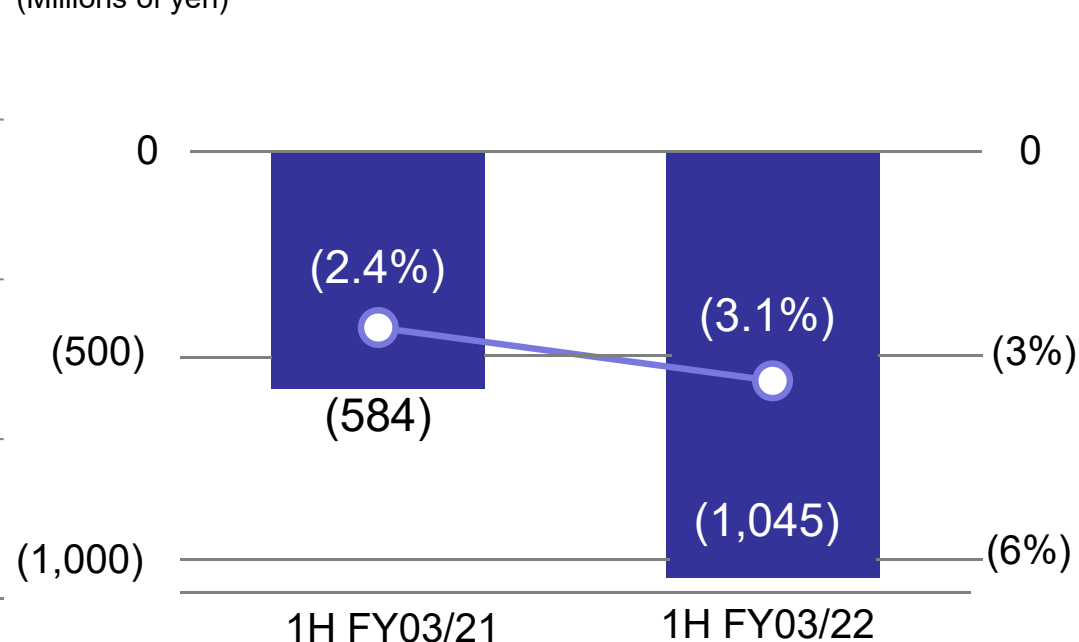
Sales

(Millions of yen)



Operating income and income ratio

(Millions of yen)



Segment sales and operating income declined YoY.

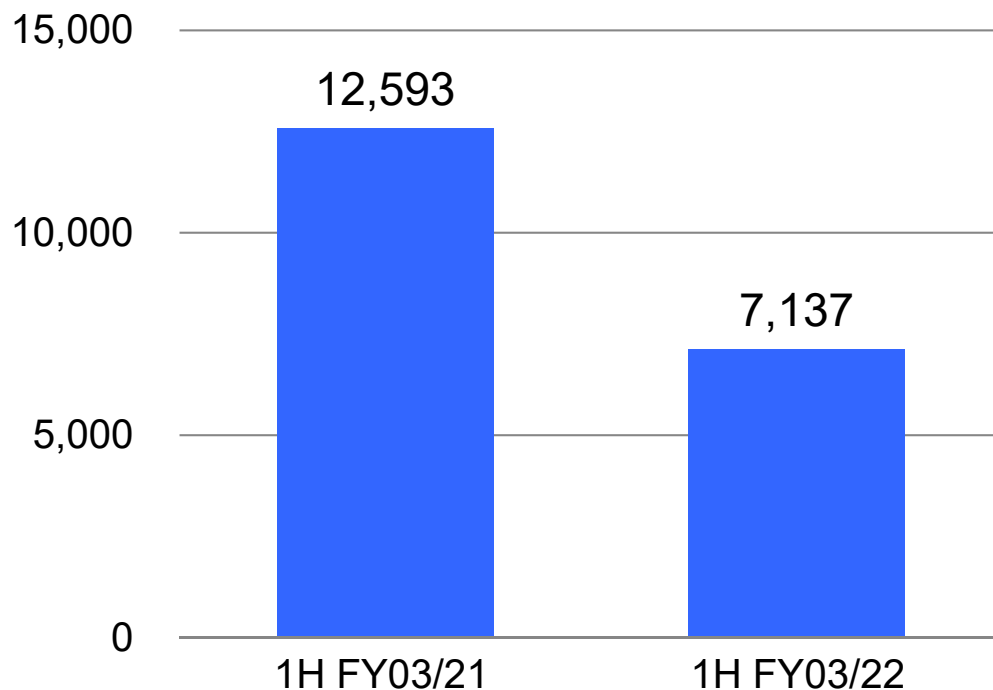
- Shipments of actuators remained strong.
- Meanwhile, sales of headsets bundled with smartphones were nearing an end.

(Millions of yen)

| | | 1H FY03/21 | 1H FY03/22 | Composition ratio | Percentage change (YoY) |
|---------------------|-------------------------|-------------|---------------|-------------------|-------------------------|
| Mobile Audio | Sales | 12,593 | 7,137 | 16.2% | (43.3%) |
| | Operating income (loss) | 5 | (631) | — | — |
| | <i>Income ratio</i> | <i>0.0%</i> | <i>(8.8%)</i> | | |

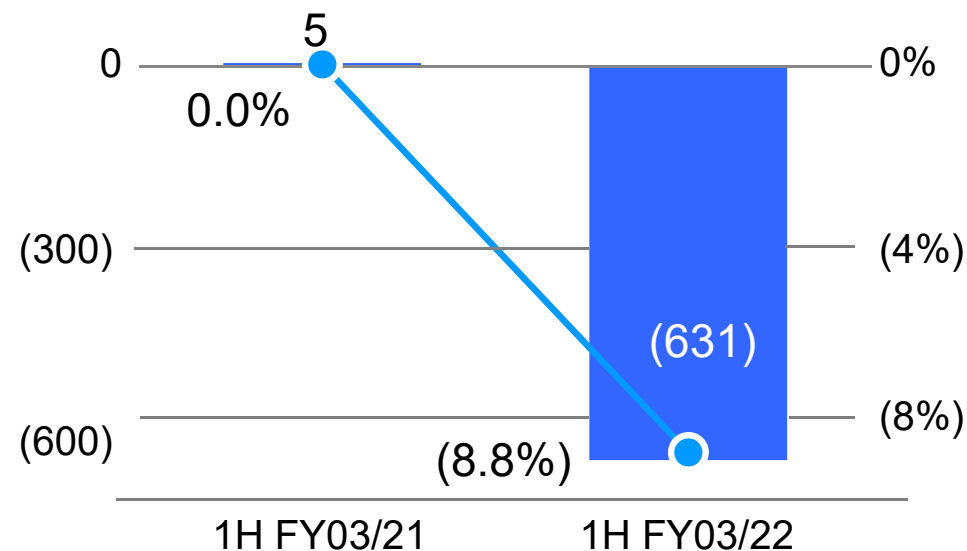
Sales

(Millions of yen)



Operating income and income ratio

(Millions of yen)



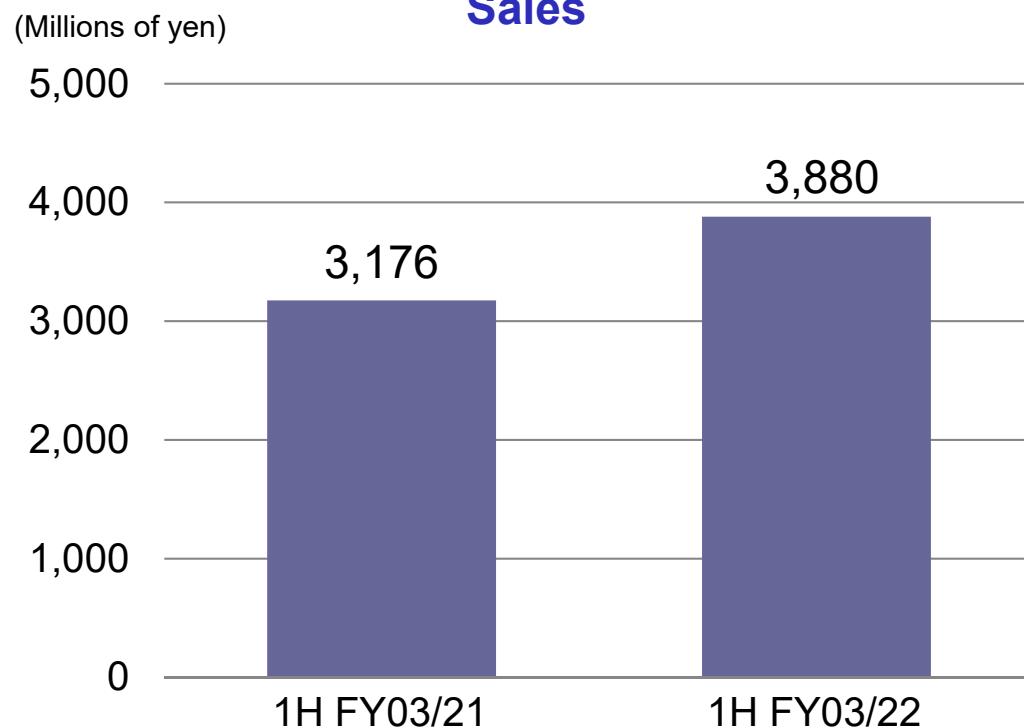
Segment sales and operating income increased YoY.

➤ Results were robust for micro acoustic components, one of our strategic focus areas.

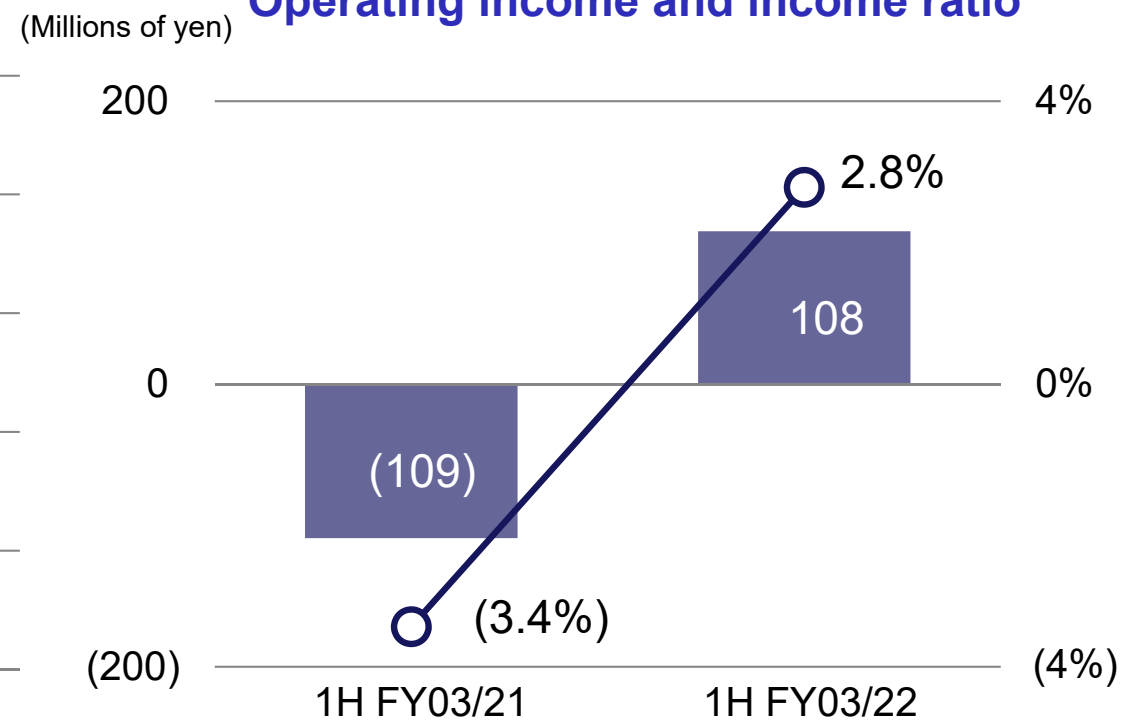
(Millions of yen)

| | | 1H FY03/21 | 1H FY03/22 | Composition ratio | Percentage change (YoY) |
|--------------|-------------------------|---------------|-------------|-------------------|-------------------------|
| Other | Sales | 3,176 | 3,880 | 8.1% | 22.2% |
| | Operating income (loss) | (109) | 108 | — | — |
| | <i>Income ratio</i> | <i>(3.4%)</i> | <i>2.8%</i> | | |

Sales



Operating income and income ratio



Consolidated Balance Sheet

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Equity ratio as of September 30, 2021 was 61.0% (65.6% as of March 31, 2021).

(Millions of yen)

| | End-FY03/21 | End-1H FY03/22 | Amount of change |
|--|-------------|----------------|------------------|
| Current assets | 59,040 | 62,814 | 3,774 |
| Cash and deposits | 15,470 | 15,499 | 29 |
| Notes and accounts receivable – trade | 16,945 | 17,196 | 251 |
| Inventories | 18,479 | 25,555 | 7,076 |
| Other | 8,146 | 4,564 | (3,582) |
| Non-current assets | 18,193 | 18,247 | 54 |
| Property, plant and equipment | 15,213 | 15,190 | (23) |
| Intangible assets | 189 | 194 | 5 |
| Investments and other assets | 2,790 | 2,863 | 73 |
| Total assets | 77,233 | 81,062 | 3,829 |
| Current liabilities | 18,738 | 23,931 | 5,193 |
| Notes and accounts payable – trade | 8,735 | 9,300 | 565 |
| Short-term bank loans | 2,556 | 6,674 | 4,118 |
| Current portion of long-term debt | 1,528 | 1,534 | 6 |
| Other | 5,919 | 6,423 | 504 |
| Non-current liabilities | 2,501 | 2,067 | (434) |
| Long-term debt | 1,118 | 631 | (487) |
| Other | 1,383 | 1,436 | 53 |
| Net assets | 55,993 | 55,063 | (930) |
| Shareholders' equity | 50,837 | 48,646 | (2,191) |
| Total accumulated other comprehensive income | (198) | 788 | 986 |
| Non-controlling interests | 5,354 | 5,628 | 274 |
| Total liabilities and net assets | 77,233 | 81,062 | 3,829 |

Statement of Cash Flows

FOSTER

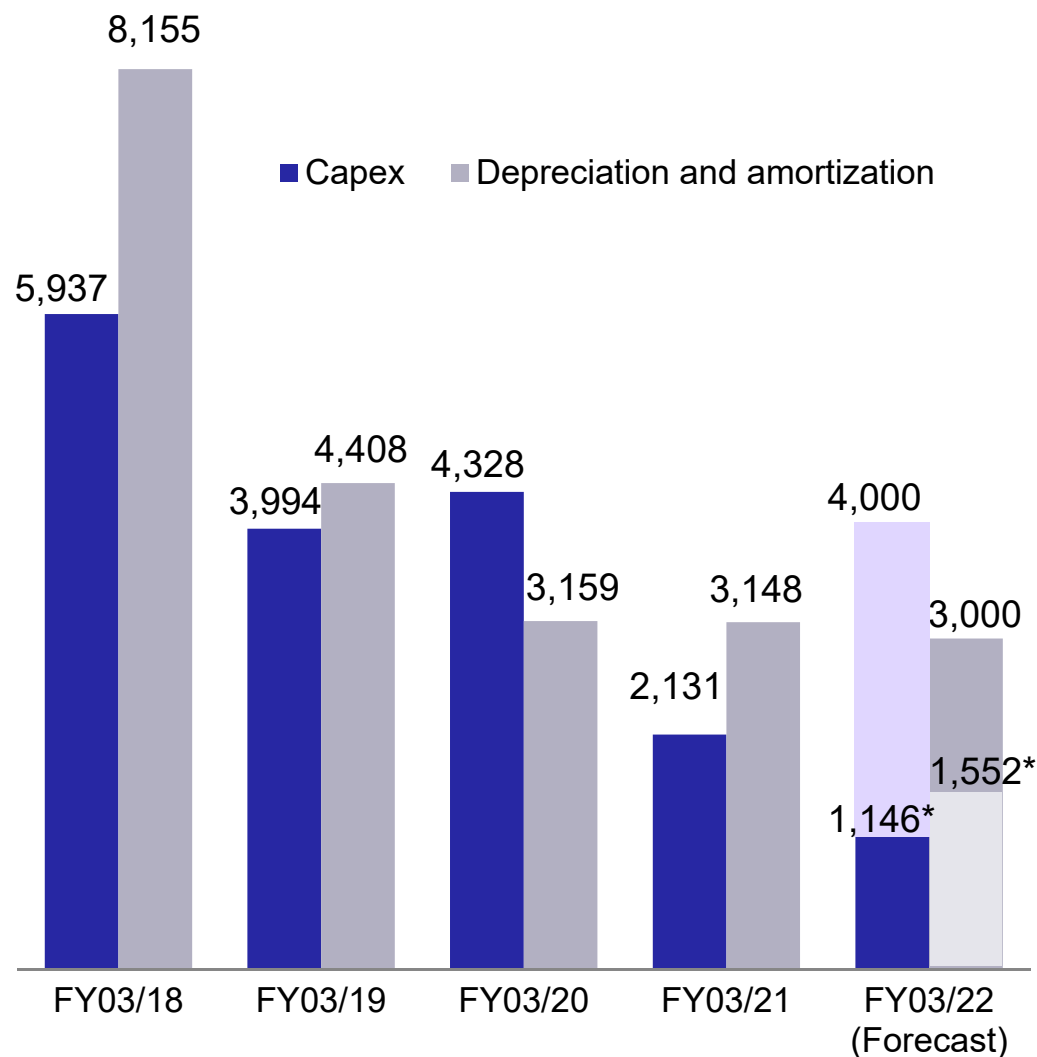
Free cash flow for 1H FY03/22 was -7.59 billion yen.

| | | (Millions of yen) | |
|--|------------|-------------------|------------------|
| | 1H FY03/21 | 1H FY03/22 | Amount of change |
| Operating activities | 1,317 | (6,191) | (7,508) |
| Investing activities | (1,597) | (1,400) | 197 |
| Free cash flow* | (280) | (7,591) | (7,311) |
| Financing activities | (1,695) | 3,367 | 5,062 |
| Net decrease in cash and cash equivalents | (2,391) | (3,980) | (1,589) |
| Cash and cash equivalents at the end of the period | 21,539 | 16,392 | (5,147) |

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

Capex, depreciation and amortization

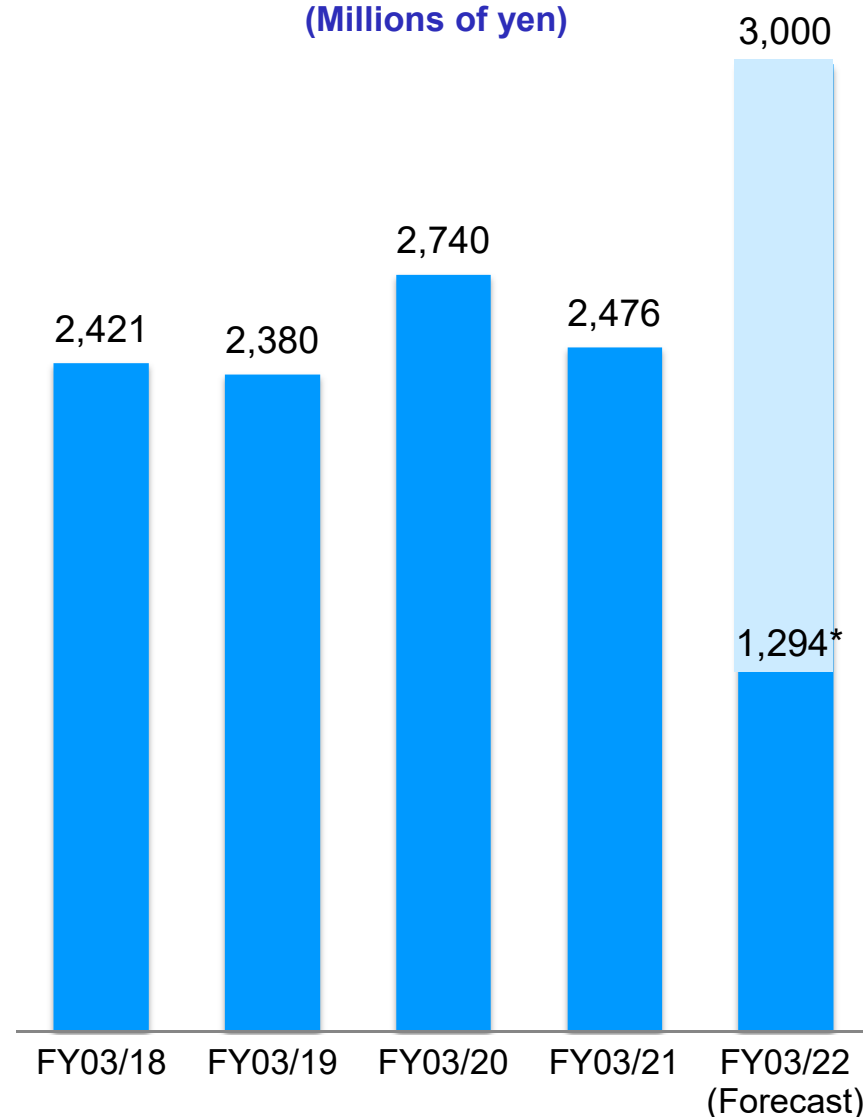
(Millions of yen)



*1H FY03/22 (Actual)

R&D expenses

(Millions of yen)



II. Summary of the First Half and Forecasts for Fiscal Year Ending March 31, 2022

Net sales were in line with the initial plan, but profits struggled.

1

Growth in car speaker sales, capturing the recovery in automobile sales after the COVID-19-related slump
(However, due to semiconductor shortages, etc., recovery was slower than initially expected)
Strong sales in actuators for game consoles and micro acoustic components

2

Impact of COVID-19 exceeding our initial plan assumptions
(Higher transportation costs, surge in material costs, drop in plant operating rates)

3

Steady progress in efforts to win orders to achieve our medium-term business plan

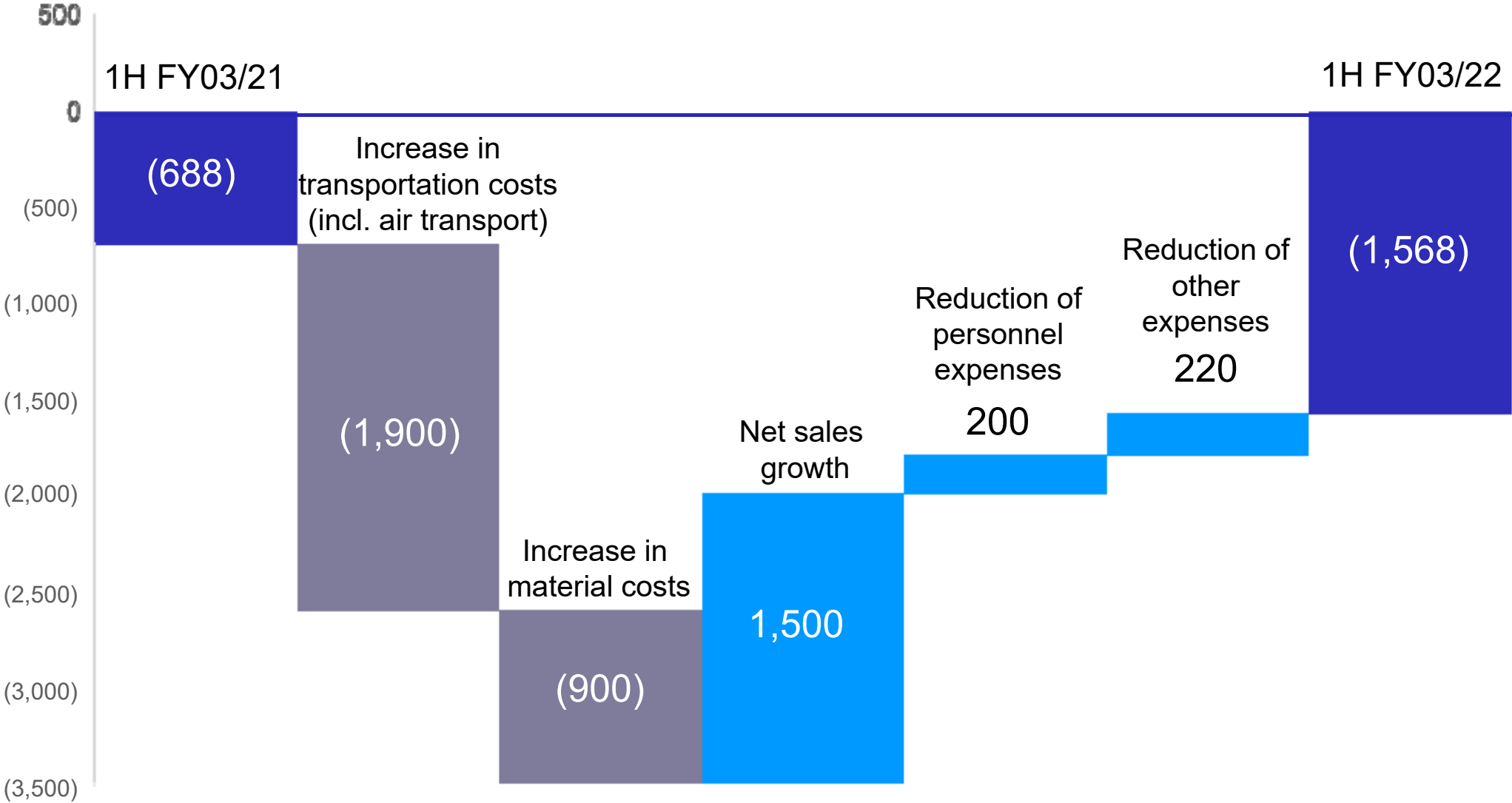
4

Implementation of measures to strengthen corporate structure
(Expense reduction, rationalization of operations, further workstyle reform)

Breakdown of YoY Change in Operating Income



(Millions of yen)

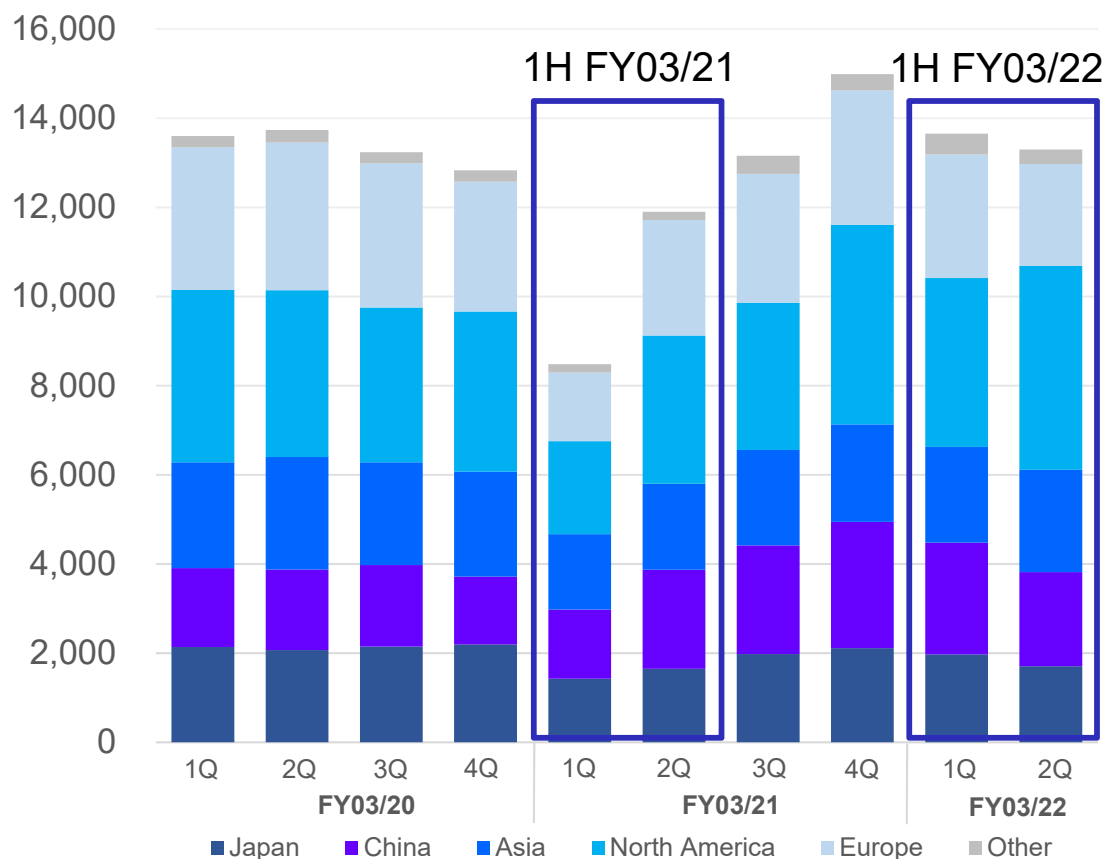


Car Speaker Sales by Region

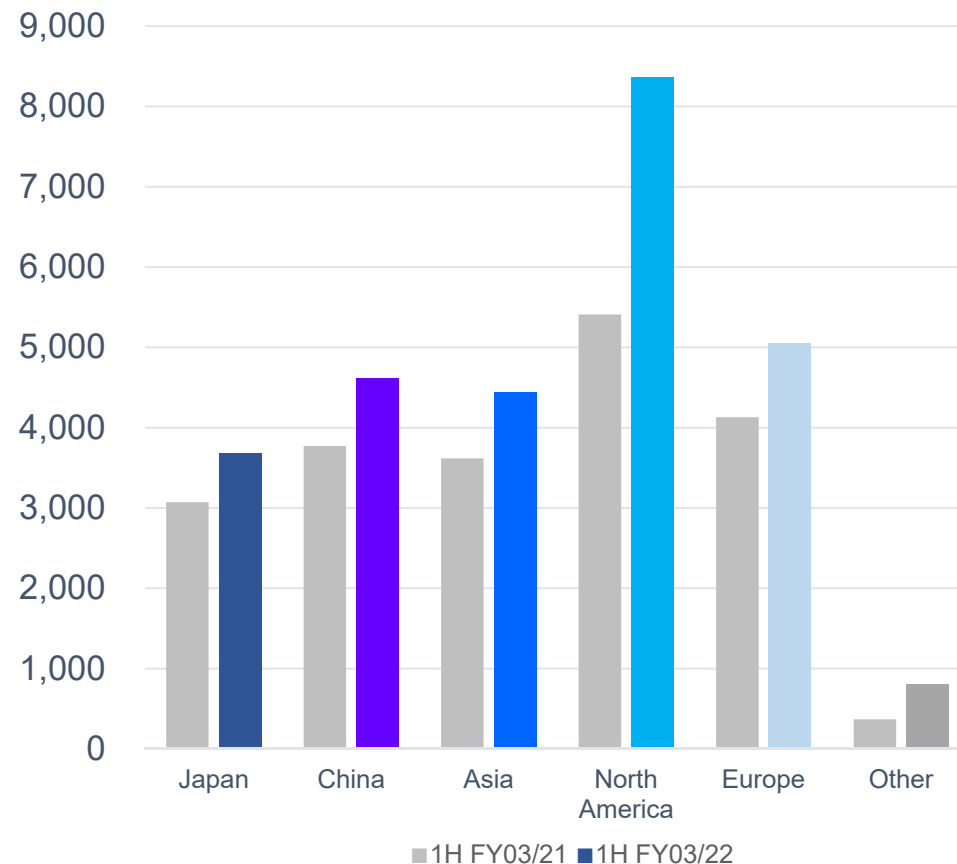
- 1H sales exceeded the year-ago level. Despite the effect of automobile production cutbacks, car speaker sales declined only slightly from 1Q to 2Q.
- While automobile production will decrease in 2H due to semiconductor shortages, we expect a gradual recovery.

(Millions of yen)

Quarterly car speaker sales by region



Car speaker sales by region (versus 1H FY03/21)



Increase in transportation costs

- We saw container freight rates surge, and secured space at spot rates due to container shortages.
- We also used air transport.

Increase in material costs owing to sharp rise in raw material prices

- Prices of our main raw materials including iron, copper, resin, and rare earth soared across the board.

Drop in plant operating rates due to spread of COVID-19 in Southeast Asia

- The spread of COVID-19 variants posed significant impact on production, particularly in Vietnam.
- Operations at some of our plants had to be suspended.

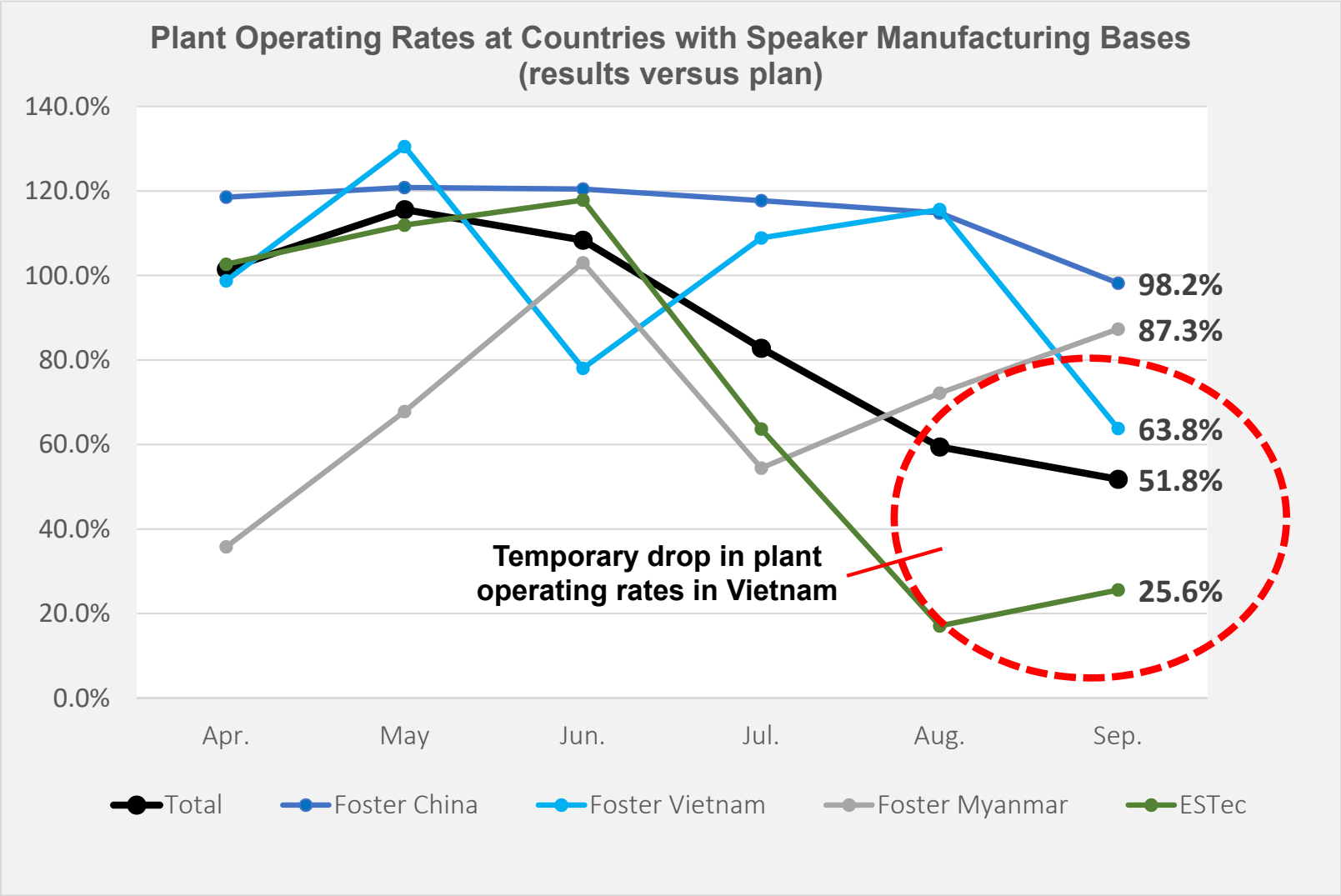


Implementation of various measures centered on passing costs onto prices

(Although the business environment is challenging, many customers have showed understanding toward price increases)

Plant Operating Rates at Countries with Speaker Manufacturing Bases

➤ Due to the spread of COVID-19 in Southeast Asia, plant operating rates fell in Vietnam (August–September).



At present, operating rates are improving, thanks to the easing of restrictions on activities.

Impact on 2H transportation costs (air transport costs)

- Despite expected earnings improvement in 2H from passing costs onto prices and other measures, we downwardly revised our forecast from the initial plan, due to the additional expenses earmarked for recovery from the operating rate decline in Vietnam.

(Millions of yen)

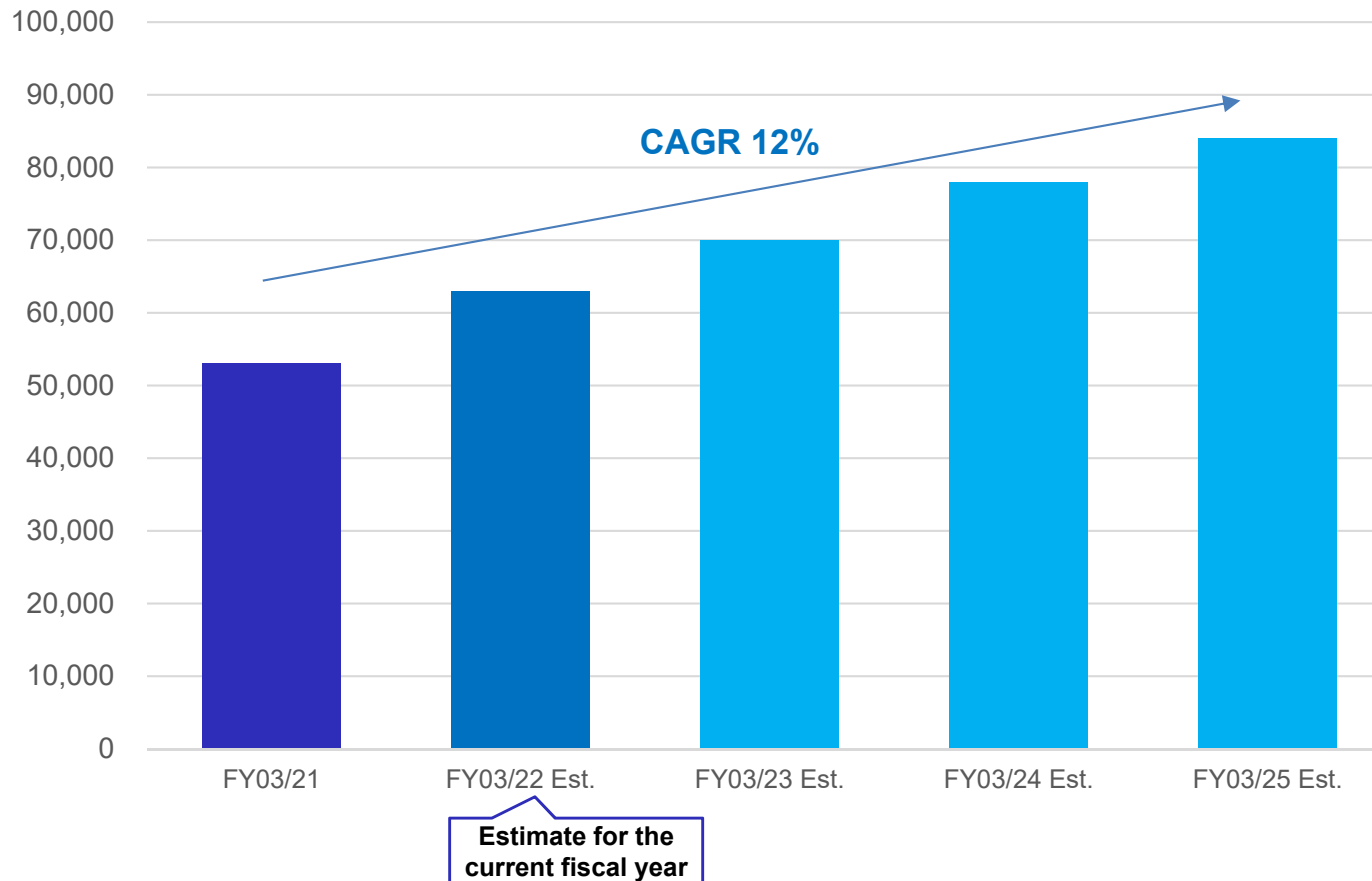
| | FY03/21 | FY03/22 Initial forecast | FY03/22 Revised forecast | Amount of change (vs. FY03/21) | Percentage change (vs. FY03/21) | Amount of change (vs. initial forecast) | Percentage change (vs. initial forecast) |
|---|----------------------------------|----------------------------------|----------------------------------|--------------------------------------|---------------------------------------|--|---|
| Net sales | 85,220 | 90,000 | 90,000 | 4,780 | 5.6% | 0 | 0.0% |
| Operating income (loss) | 0.7 | 1,000 | (3,500) | (3,501) | — | (4,500) | — |
| <i>Operating income (loss) to net sales</i> | <i>0.0%</i> | <i>1.1%</i> | <i>(3.9%)</i> | | | | |
| Ordinary income (loss) | 219 | 1,000 | (3,500) | (3,719) | — | (4,500) | — |
| <i>Ordinary income (loss) to net sales</i> | <i>0.3%</i> | <i>1.1%</i> | <i>(3.9%)</i> | | | | |
| Net income (loss)* | (3,363) | 300 | (3,500) | (137) | — | (3,800) | — |
| <i>Net income (loss) to net sales**</i> | <i>(3.9%)</i> | <i>0.3%</i> | <i>(3.9%)</i> | | | | |
| Net income (loss) per share (in exact yen) | (148.47) | 13.48 | (157.28) | (8.81) | — | (170.76) | — |
| Dividends per share (in exact yen) | 15.00 | 20.00 | 20.00 | 5.00 | 33.3% | 0.00 | 0.0% |
| Dividend payout ratio | — | 151.1% | — | | | | |
| Exchange rates | 105.95 yen/USD 124.06 yen/EUR | 108.00 yen/USD 128.00 yen/EUR | 108.00 yen/USD 128.00 yen/EUR | | | | |

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

III. Progress of Medium-Term Business Plan

TOPICS

Automotive Business Sales Projections



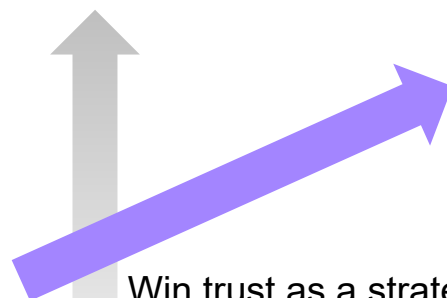
- Already secured roughly 70% of orders targeted for FY03/25, the final year of our current medium-term business plan
- Products for Japanese top brands: Won new orders and sales are slated to begin in FY03/23
- Products for European luxury car makers: Won a large project and sales are slated to begin in FY03/25
- Consistently receiving inquiries on micro acoustic components (buzzers, AVAS/eCall speakers, etc.)

* 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.

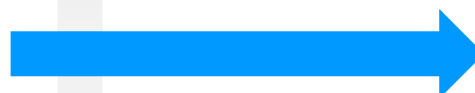
Expanding Automobile Market

Accurately grasp the changes in power structure caused by the paradigm shift, and strengthen our proposal capability to address needs



Win trust as a strategic partner and forge stronger relationships

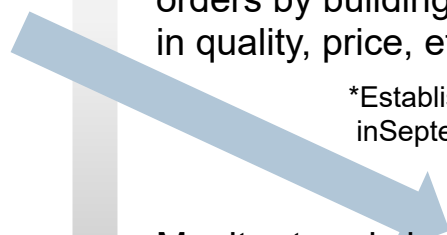
Target customers in Japan, US, and Europe



Launch new brand*, and win orders by building up superiority in quality, price, etc.

Chinese local manufacturers

*Established "Guangzhou Fourstar Electroacoustic Tech Co., Ltd." in September 2021



Monitor trends including collaborations and relations with finished car manufacturers, and take necessary steps

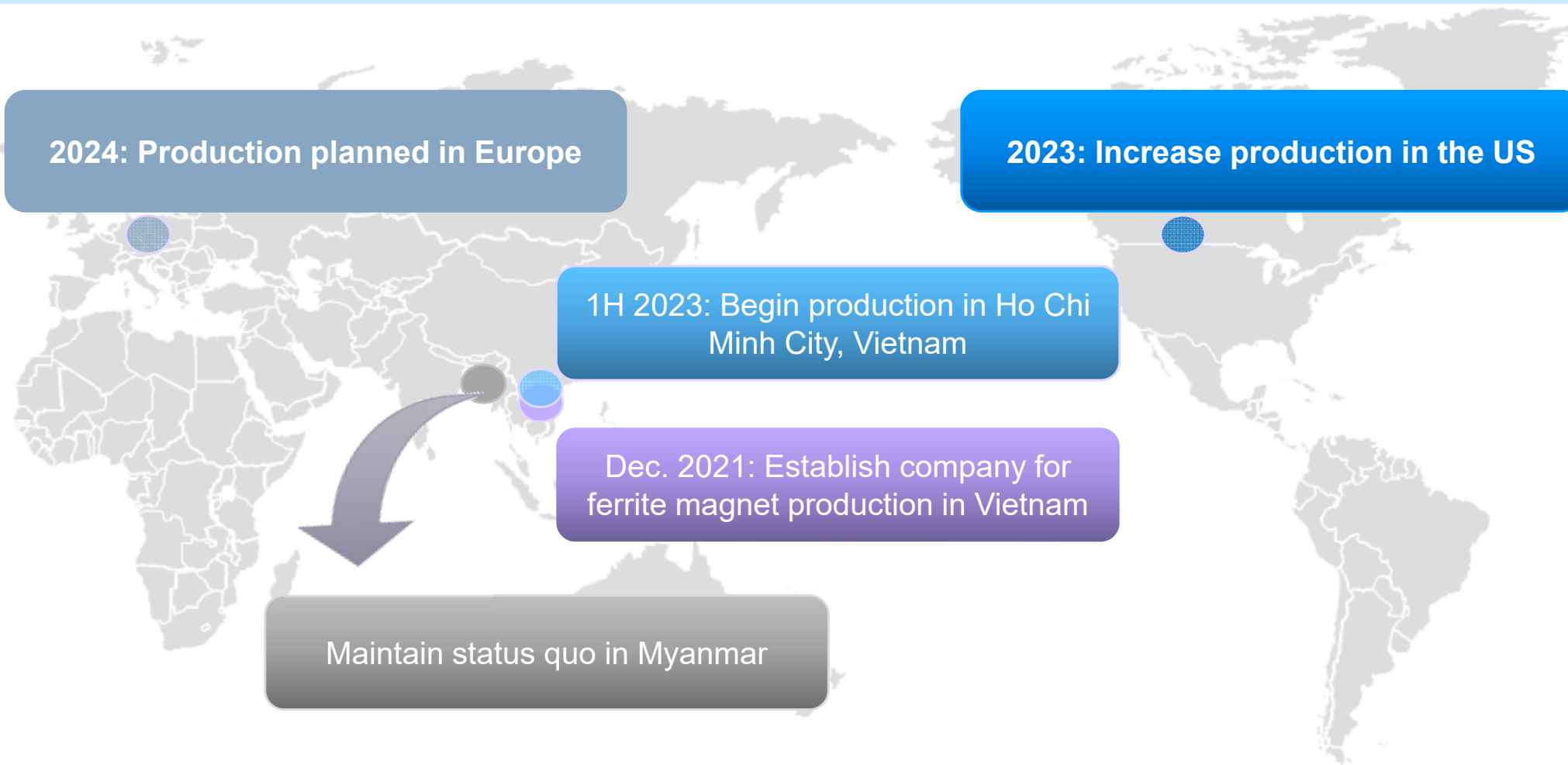
New market entrants such as IT companies

Survival of the fittest

We will accurately grasp the winning and losing players in the expanding automobile market centered on the shift to EVs, conduct businesses that address individual needs, and steadily achieve our medium-term business plan.

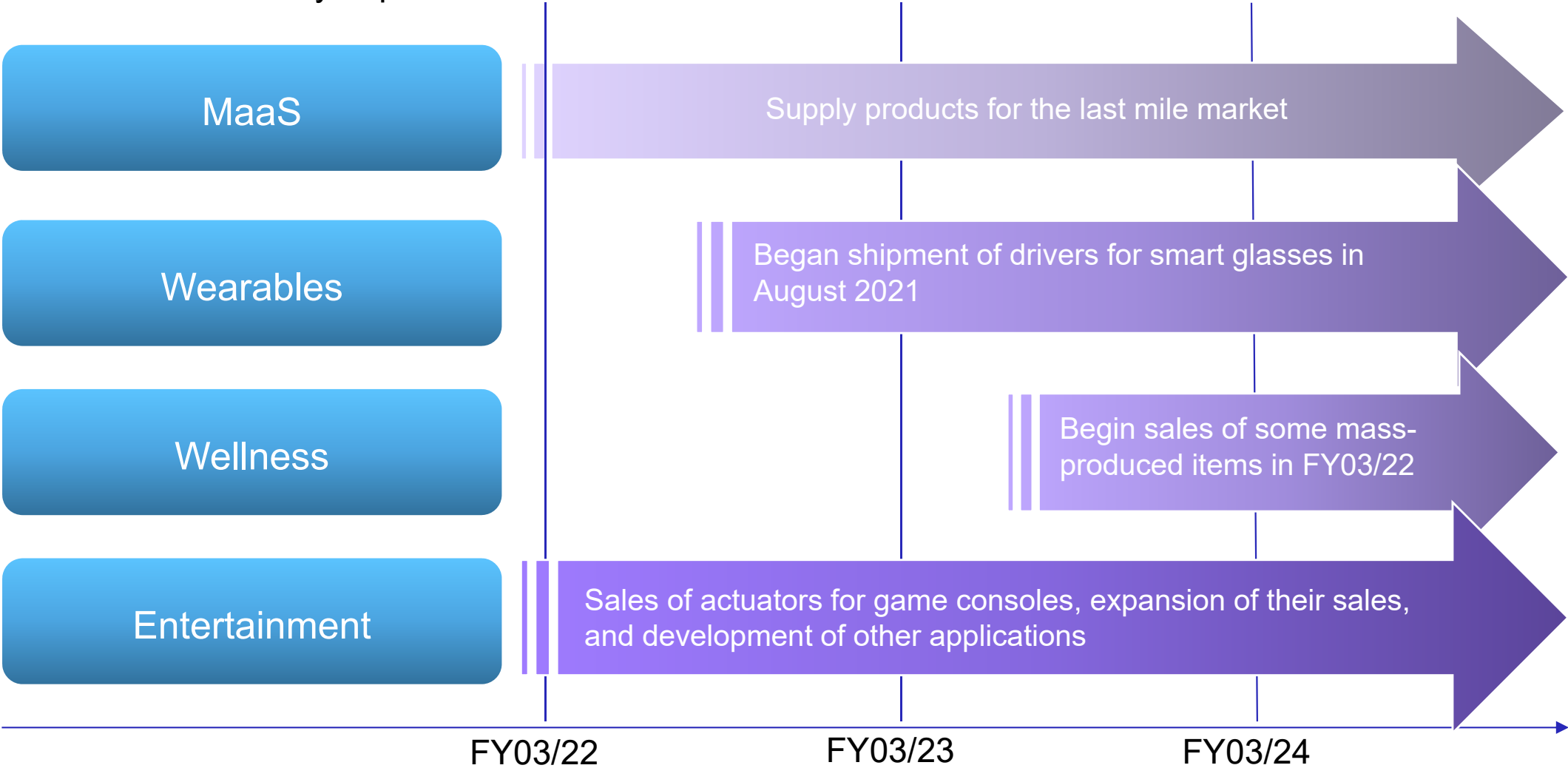
Speaker production strategy

- Meet demand by building an optimal production system based on local production for local consumption
- Establish a joint venture in Vietnam for the manufacture of ferrite magnets, the core parts for speakers



Progress in Areas Other than the Automotive Business **FOSTER**

- In the Mobile Audio Segment and new business domains, we will work to step up proactive and proposal-based marketing by expanding our customer touchpoints, and also develop and commercialize our next key product (innovation).
- We will pursue added value and launch products in markets where we can leverage our strengths such as our ability to provide human sensibilities.



Selected as a Constituent of the “FTSE Blossom Japan Index” for the first time

FOSTER

Foster Electric Co., Ltd. has for the first time been selected as a constituent of "FTSE Blossom Japan Index" by FTSE Russell, a global index provider, for its outstanding practices in meeting various evaluation criteria in E (Environment), S (Social) and G (Governance).

The ESG index provides a performance benchmark and tool for the creation of index-tracking investments, financial instruments or fund products focused on sustainable investment.

*229 companies were selected in June 2021

About the “FTSE Blossom Japan Index”

<https://www.ftserussell.com/products/indices/blossom-japan>



**FTSE Blossom
Japan**

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 | Hiromi Yoshizawa, CEO Atsushi Narikawa, COO |
| 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) |
| Common stock | 6,770 million yen (as of September 30, 2021) |
| Business domain | Production and sales of speakers, audio equipment, and electronic equipment |
| Number of employees | Consolidated: 17,446 (including employees at a contract manufacturer in Panyu, China) Non-consolidated: 444 (as of September 30, 2021 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

- Headsets, headphones, micro speakers, and vibration actuators

Headphones



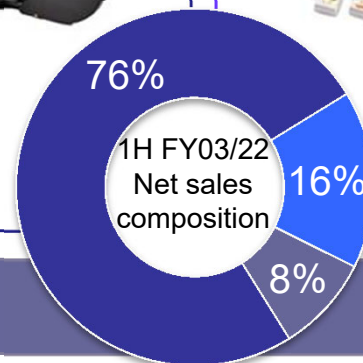
Headsets



Micro speakers for PCs and smartphones



Actuators



Other Segment

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

Micro acoustic components



FOSTEX products

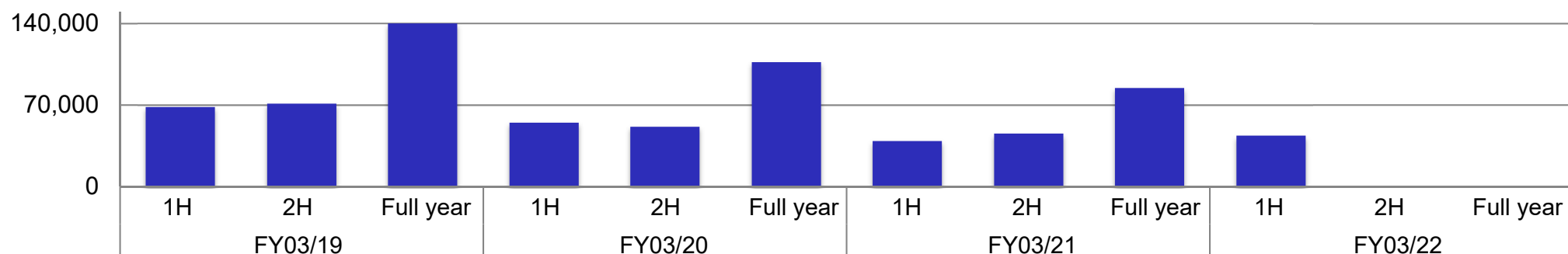


Half-Year and Full-Year Results

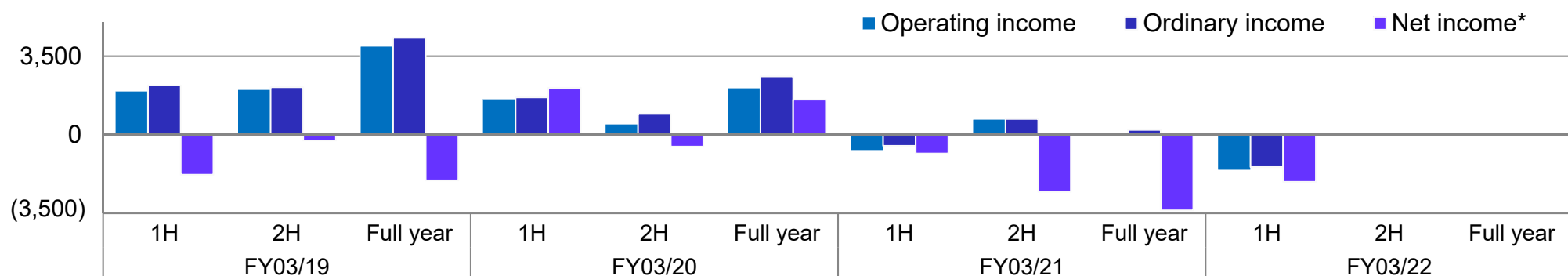
Results (Millions of yen)

| | FY03/19 | | | FY03/20 | | | FY03/21 | | | FY03/22 | | |
|------------------------------|---------|--------|-----------|---------|--------|-----------|---------|---------|-----------|---------|----|-----------|
| | 1H | 2H | Full year | 1H | 2H | Full year | 1H | 2H | Full year | 1H | 2H | Full year |
| Net sales | 68,758 | 71,545 | 140,303 | 55,277 | 52,021 | 107,298 | 39,528 | 45,692 | 85,220 | 43,976 | | |
| Operating income | 1,938 | 1,999 | 3,937 | 1,594 | 470 | 2,064 | (688) | 688 | 0.7 | (1,568) | | |
| Ordinary income | 2,198 | 2,120 | 4,318 | 1,668 | 931 | 2,599 | (488) | 707 | 219 | (1,433) | | |
| Net income* | (1,776) | (250) | (2,026) | 2,090 | (525) | 1,565 | (829) | (2,534) | (3,363) | (2,093) | | |
| Income ratio | 2.8% | 2.8% | 2.8% | 2.9% | 0.9% | 1.9% | (1.7%) | 1.5% | 0.0% | (3.6%) | | |
| Ordinary income to net sales | 3.2% | 3.0% | 3.1% | 3.0% | 1.8% | 2.4% | (1.2%) | 1.5% | 0.3% | (3.3%) | | |
| Net income to net sales** | (2.6%) | (0.3%) | (1.4%) | 3.8% | (1.0%) | 1.5% | (2.1%) | (5.5%) | (3.9%) | (4.8%) | | |

Net sales (Millions of yen)



Profits (Millions of yen)



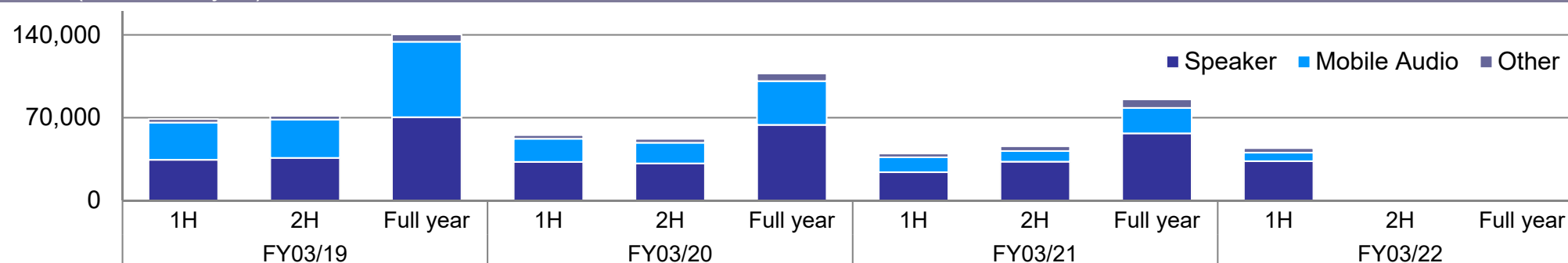
*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

Half-Year and Full-Year Results by Segment

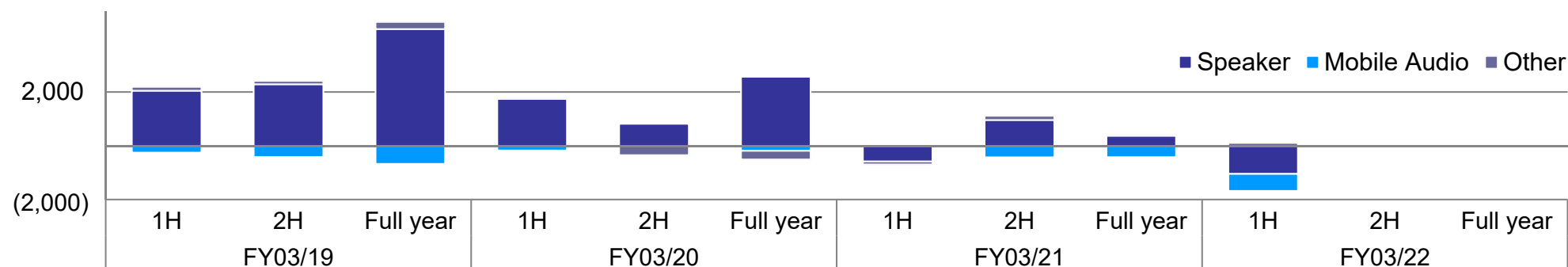
Results (Millions of yen)

| | FY03/19 | | | FY03/20 | | | FY03/21 | | | FY03/22 | | |
|-------------------------|---------|--------|-----------|---------|--------|-----------|---------|--------|-----------|---------|----|-----------|
| | 1H | 2H | Full year | 1H | 2H | Full year | 1H | 2H | Full year | 1H | 2H | Full year |
| Net sales | | | | | | | | | | | | |
| Speaker | 34,450 | 35,953 | 70,403 | 32,631 | 31,324 | 63,955 | 23,892 | 32,844 | 56,736 | 33,294 | | |
| Mobile Audio | 31,407 | 32,444 | 63,851 | 19,603 | 17,456 | 37,059 | 12,593 | 8,981 | 21,574 | 7,137 | | |
| Other | 2,990 | 3,234 | 6,224 | 3,107 | 3,347 | 6,454 | 3,176 | 4,068 | 7,244 | 3,880 | | |
| Operating income | | | | | | | | | | | | |
| Speaker | 2,050 | 2,293 | 4,343 | 1,754 | 817 | 2,571 | (584) | 961 | 377 | (1,045) | | |
| Mobile Audio | (254) | (416) | (670) | (170) | (17) | (187) | 5 | (429) | (424) | (631) | | |
| Other | 143 | 122 | 265 | 10 | (330) | (320) | (109) | 156 | 47 | 108 | | |

Net sales (Millions of yen)



Operating income (Millions of yen)

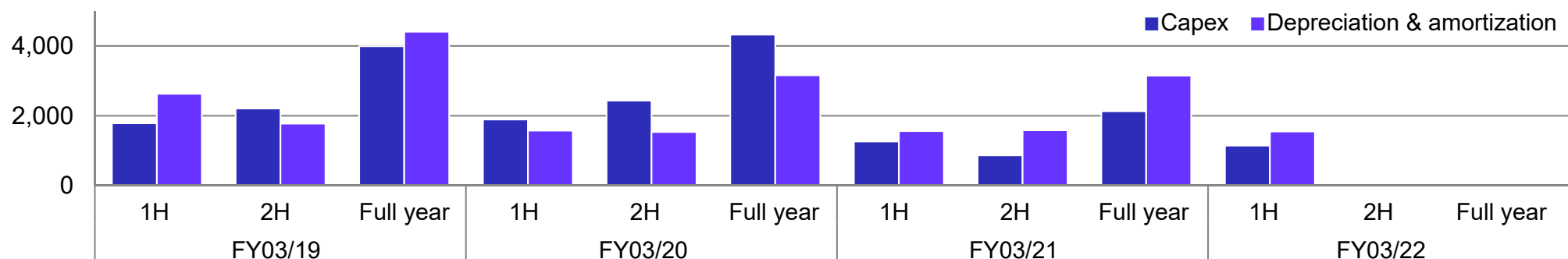


Half-Year and Full-Year Capex, Depreciation and Amortization, and R&D Expenses

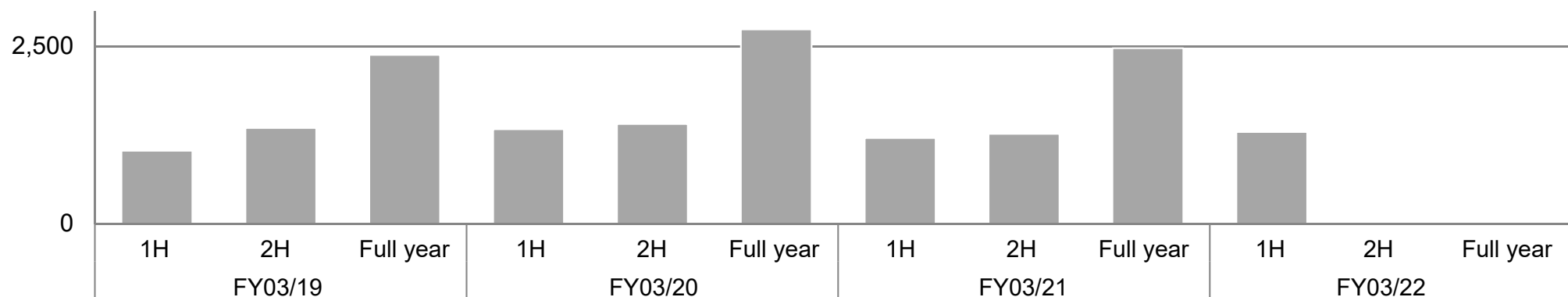
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

| | FY03/19 | | | FY03/20 | | | FY03/21 | | | FY03/22 | | |
|-----------------------------|---------|-------|-----------|---------|-------|-----------|---------|-------|-----------|---------|----|-----------|
| | 1H | 2H | Full year | 1H | 2H | Full year | 1H | 2H | Full year | 1H | 2H | Full year |
| Capex | 1,786 | 2,208 | 3,994 | 1,894 | 2,434 | 4,328 | 1,263 | 868 | 2,131 | 1,146 | | |
| Depreciation & amortization | 2,631 | 1,777 | 4,408 | 1,576 | 1,583 | 3,159 | 1,560 | 1,588 | 3,148 | 1,552 | | |
| R&D expenses | 1,029 | 1,351 | 2,380 | 1,333 | 1,407 | 2,740 | 1,209 | 1,267 | 2,476 | 1,294 | | |

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

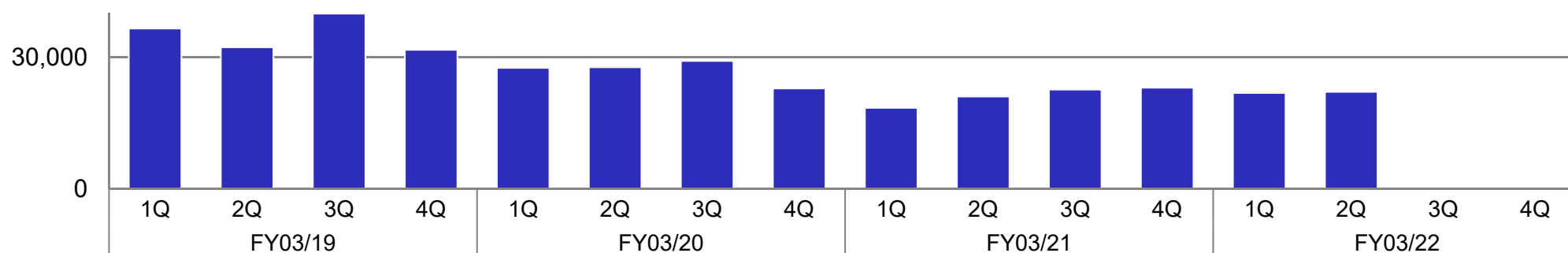


Quarterly Results

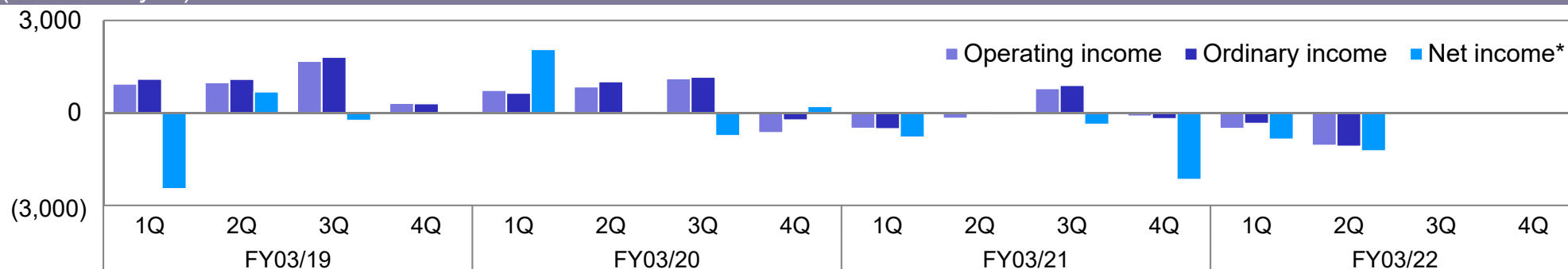
Results (Millions of yen)

| | FY03/19 | | | | FY03/20 | | | | FY03/21 | | | | FY03/22 | | | |
|------------------------------|---------|--------|--------|--------|---------|--------|--------|--------|---------|--------|--------|---------|---------|---------|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | 36,512 | 32,246 | 39,894 | 31,651 | 27,561 | 27,716 | 29,132 | 22,889 | 18,480 | 21,048 | 22,641 | 23,051 | 21,860 | 22,116 | | |
| Operating income | 947 | 991 | 1,682 | 317 | 741 | 853 | 1,117 | (647) | (507) | (181) | 799 | (110) | (511) | (1,057) | | |
| Ordinary income | 1,101 | 1,097 | 1,815 | 305 | 648 | 1,020 | 1,166 | (235) | (518) | 30 | 900 | (193) | (345) | (1,088) | | |
| Net income* | (2,464) | 688 | (244) | (6) | 2,067 | 23 | (740) | 215 | (791) | (38) | (373) | (2,161) | (857) | (1,236) | | |
| Income ratio | 2.6% | 3.1% | 4.2% | 1.0% | 2.7% | 3.1% | 3.8% | (2.8%) | (2.7%) | (0.9%) | 3.5% | (0.5%) | (2.3%) | (4.8%) | | |
| Ordinary income to net sales | 3.0% | 3.4% | 4.5% | 1.0% | 2.4% | 3.7% | 4.0% | (1.0%) | (2.8%) | 0.1% | 4.0% | (0.8%) | (1.6%) | (4.9%) | | |
| Net income to net sales** | (6.7%) | 2.1% | (0.6%) | (0.0%) | 7.5% | 0.1% | (2.5%) | 0.9% | (4.3%) | (0.2%) | (1.6%) | (9.4%) | (3.9%) | (5.6%) | | |

Net sales (Millions of yen)



Profits (Millions of yen)



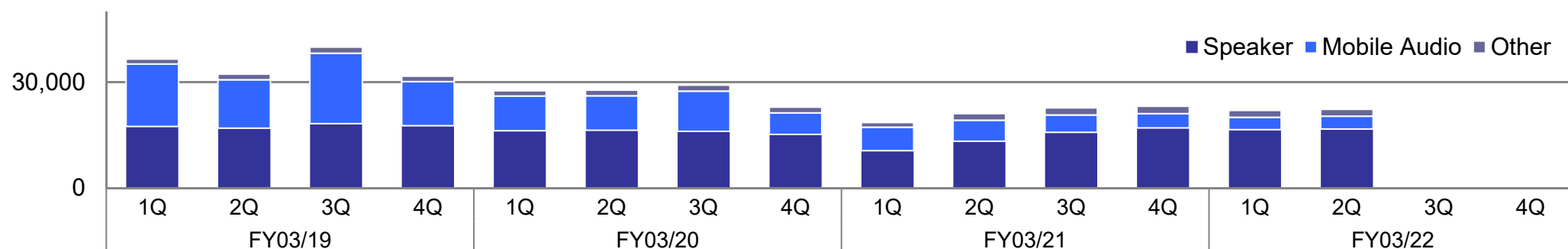
*Net income attributable to owners of the parent. **Net income to net sales attributable to owners of the parent.

Quarterly Results by Segment

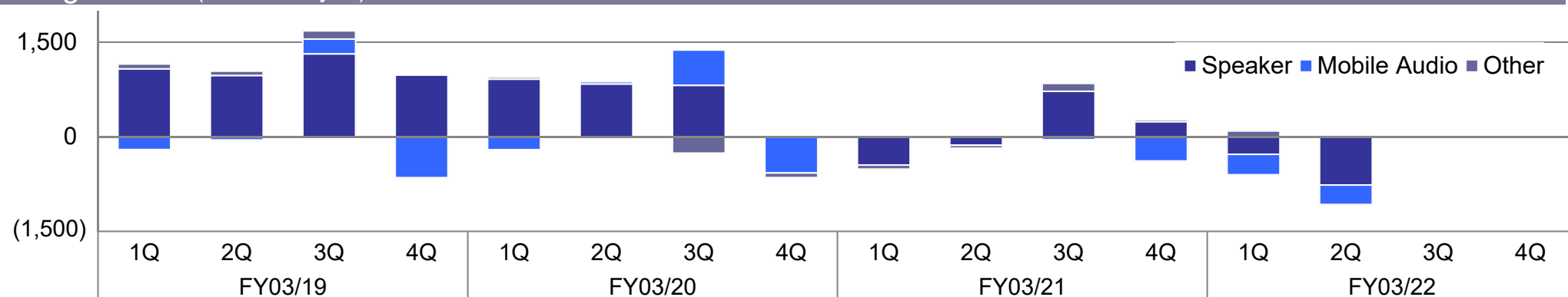
Results (Millions of yen)

| | FY03/19 | | | | FY03/20 | | | | FY03/21 | | | | FY03/22 | | | |
|------------------|---------|--------|--------|--------|---------|--------|--------|--------|---------|--------|--------|--------|---------|--------|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | | | | | | | | | | | | | | | | |
| Speaker | 17,462 | 16,988 | 18,269 | 17,684 | 16,253 | 16,378 | 16,097 | 15,227 | 10,619 | 13,273 | 15,802 | 17,042 | 16,553 | 16,741 | | |
| Mobile Audio | 17,693 | 13,714 | 19,941 | 12,503 | 9,826 | 9,777 | 11,374 | 6,082 | 6,633 | 5,960 | 4,909 | 4,072 | 3,508 | 3,629 | | |
| Other | 1,399 | 1,591 | 1,731 | 1,503 | 1,511 | 1,596 | 1,706 | 1,641 | 1,321 | 1,855 | 2,010 | 2,058 | 1,947 | 1,933 | | |
| Operating income | | | | | | | | | | | | | | | | |
| Speaker | 1,077 | 973 | 1,315 | 978 | 915 | 839 | 817 | 0 | (448) | (136) | 722 | 239 | (279) | (766) | | |
| Mobile Audio | (203) | (51) | 235 | (651) | (205) | 35 | 558 | (575) | 6 | (1) | (46) | (383) | (323) | (308) | | |
| Other | 76 | 67 | 130 | (8) | 30 | (20) | (258) | (72) | (65) | (44) | 123 | 33 | 91 | 17 | | |

Net sales (Millions of yen)



Operating income (Millions of yen)



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

Balance sheet (Millions of yen)

| | FY03/19 | | | | FY03/20 | | | | FY03/21 | | | | FY03/22 | | | |
|---|---------|--------|--------|--------|---------|---------|--------|---------|---------|---------|---------|--------|---------|--------|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Total current assets | 73,361 | 73,013 | 70,263 | 67,773 | 67,221 | 65,381 | 60,986 | 59,952 | 55,066 | 55,396 | 58,394 | 59,040 | 59,947 | 62,814 | | |
| Cash and deposits | 11,003 | 13,108 | 15,255 | 11,854 | 19,839 | 12,575 | 18,295 | 14,770 | 17,985 | 21,401 | 21,987 | 15,470 | 18,556 | 15,499 | | |
| Notes and accounts receivable – trade | 19,939 | 19,324 | 22,174 | 19,261 | 18,721 | 19,289 | 19,187 | 15,145 | 15,351 | 16,018 | 16,794 | 16,945 | 16,571 | 17,196 | | |
| Other | 42,419 | 40,581 | 32,834 | 36,658 | 28,661 | 33,517 | 23,504 | 30,037 | 21,730 | 17,977 | 19,613 | 26,625 | 24,820 | 30,119 | | |
| Total non-current assets | 24,231 | 24,332 | 23,340 | 23,497 | 22,840 | 22,227 | 22,847 | 20,872 | 20,524 | 20,160 | 18,606 | 18,193 | 18,309 | 18,247 | | |
| Net property, plant and equipment | 18,768 | 18,922 | 18,357 | 18,475 | 18,927 | 18,116 | 18,013 | 17,980 | 17,673 | 17,312 | 15,787 | 15,213 | 15,234 | 15,190 | | |
| Total intangible assets | 1,259 | 1,182 | 1,139 | 1,171 | 314 | 433 | 212 | 217 | 201 | 198 | 198 | 189 | 196 | 194 | | |
| Total investments and other assets | 4,203 | 4,227 | 3,844 | 3,851 | 3,598 | 3,677 | 4,621 | 2,675 | 2,649 | 2,649 | 2,621 | 2,790 | 2,877 | 2,863 | | |
| Total assets | 97,593 | 97,346 | 93,604 | 91,271 | 90,062 | 87,609 | 83,833 | 80,825 | 75,590 | 75,556 | 77,001 | 77,233 | 78,256 | 81,062 | | |
| Total current liabilities | 25,748 | 24,338 | 26,788 | 25,453 | 23,802 | 22,439 | 18,816 | 17,783 | 15,241 | 15,623 | 18,041 | 18,738 | 19,953 | 23,931 | | |
| Notes and accounts payable – trade | 11,295 | 9,535 | 9,184 | 8,334 | 7,507 | 8,067 | 8,086 | 7,390 | 5,604 | 6,296 | 8,491 | 8,735 | 8,969 | 9,300 | | |
| Short-term loans and bonds payable | 7,322 | 6,952 | 9,953 | 9,497 | 9,473 | 7,586 | 3,859 | 3,904 | 4,479 | 3,669 | 3,697 | 4,084 | 5,247 | 8,208 | | |
| Other | 7,131 | 7,851 | 7,651 | 7,622 | 6,822 | 6,786 | 6,871 | 6,489 | 5,158 | 5,658 | 5,853 | 5,919 | 5,737 | 6,423 | | |
| Total non-current liabilities | 8,555 | 9,293 | 7,380 | 6,523 | 6,088 | 5,567 | 5,232 | 4,047 | 3,144 | 2,916 | 2,699 | 2,501 | 2,341 | 2,067 | | |
| Long-term debt and bonds payable | 7,529 | 8,243 | 5,455 | 5,108 | 4,490 | 3,918 | 3,365 | 2,637 | 1,850 | 1,606 | 1,362 | 1,118 | 875 | 631 | | |
| Other | 1,026 | 1,050 | 1,925 | 1,415 | 1,598 | 1,649 | 1,867 | 1,410 | 1,294 | 1,310 | 1,337 | 1,383 | 1,466 | 1,436 | | |
| Total net assets | 63,289 | 63,714 | 59,436 | 59,294 | 60,171 | 59,602 | 59,785 | 58,995 | 57,205 | 57,015 | 56,260 | 55,993 | 55,962 | 55,063 | | |
| Shareholders' equity | 58,634 | 58,155 | 54,328 | 54,322 | 56,162 | 56,185 | 55,120 | 55,335 | 54,201 | 54,169 | 53,568 | 50,837 | 49,868 | 48,646 | | |
| Accumulated other comprehensive income | 263 | 975 | 154 | 27 | (931) | (1,474) | (310) | (1,563) | (1,952) | (2,132) | (2,486) | (198) | 473 | 788 | | |
| Non-controlling interests | 4,391 | 4,583 | 4,952 | 4,944 | 4,939 | 4,891 | 4,975 | 5,224 | 4,956 | 4,978 | 5,178 | 5,354 | 5,621 | 5,628 | | |
| Total liabilities and net assets | 97,593 | 97,346 | 93,604 | 91,271 | 90,062 | 87,609 | 83,833 | 80,825 | 75,590 | 75,556 | 77,001 | 77,233 | 78,256 | 81,062 | | |

Statement of cash flows (Millions of yen)

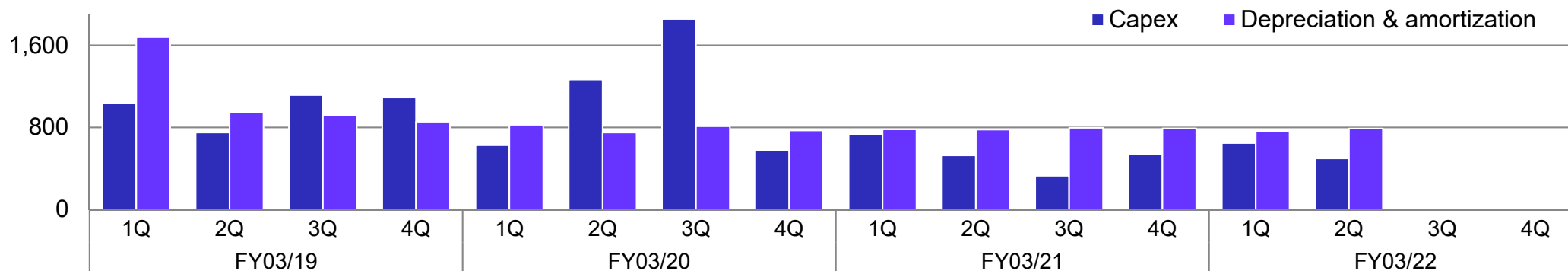
| | FY03/19 | | | | FY03/20 | | | | FY03/21 | | | | FY03/22 | | | |
|---|---------|---------|---------|--------|---------|---------|---------|--------|---------|---------|--------|---------|---------|---------|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Operating activities | 675 | 2,942 | 7,373 | 6,971 | 873 | 2,375 | 4,250 | 3,594 | (2,309) | 3,626 | 960 | (1,538) | (2,351) | (3,840) | | |
| Investing activities | (556) | (1,598) | (533) | (738) | 1,862 | (690) | (1,322) | 666 | (1,246) | (351) | (144) | (219) | (228) | (1,172) | | |
| Financing activities | 2,043 | (885) | (3,315) | (780) | (1,023) | (2,308) | (4,758) | (734) | (691) | (1,004) | (384) | (545) | 658 | 2,709 | | |
| Foreign exchange impact | (320) | 510 | (318) | (96) | (229) | (269) | (75) | 195 | (375) | (40) | (76) | 778 | 201 | 42 | | |
| Net increase (decrease) in cash flow | 1,840 | 972 | 3,204 | 5,357 | 1,482 | (892) | (1,905) | 3,721 | (4,622) | 2,231 | 357 | (1,523) | (1,720) | (2,260) | | |
| Cash balance at the end of period | 11,991 | 12,962 | 16,167 | 21,514 | 23,007 | 22,114 | 20,209 | 23,930 | 19,307 | 21,539 | 21,895 | 20,373 | 18,653 | 16,392 | | |

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

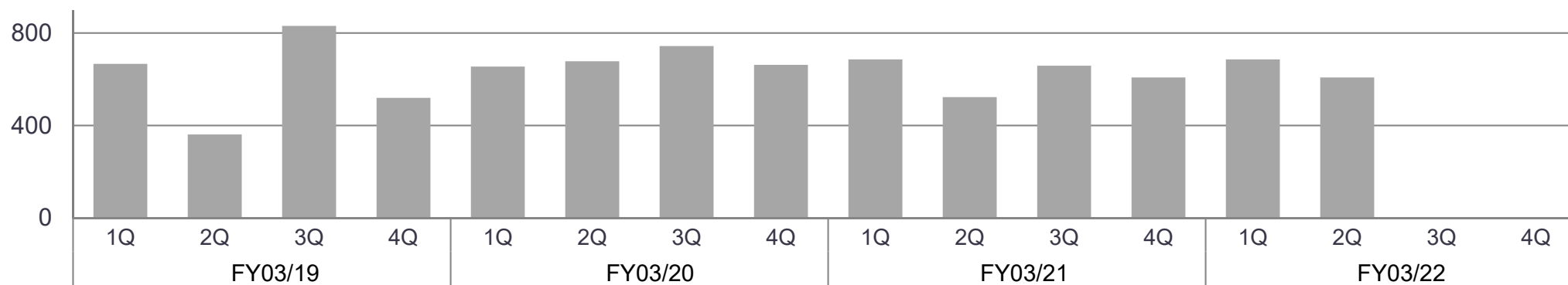
Capex, depreciation & amortization, and R&D expenses (Millions of yen)

| | FY03/19 | | | | FY03/20 | | | | FY03/21 | | | | FY03/22 | | | |
|-----------------------------|---------|-----|-------|-------|---------|-------|-------|-----|---------|-----|-----|-----|---------|-----|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Capex | 1,036 | 750 | 1,116 | 1,092 | 627 | 1,267 | 1,858 | 576 | 734 | 528 | 330 | 538 | 648 | 498 | | |
| Depreciation & amortization | 1,680 | 951 | 921 | 856 | 826 | 750 | 812 | 771 | 781 | 779 | 797 | 791 | 763 | 789 | | |
| R&D expenses | 667 | 362 | 831 | 520 | 655 | 678 | 744 | 663 | 686 | 523 | 659 | 608 | 697 | 597 | | |

Capex, depreciation & amortization (Millions of yen)



R&D expenses (Millions of yen)

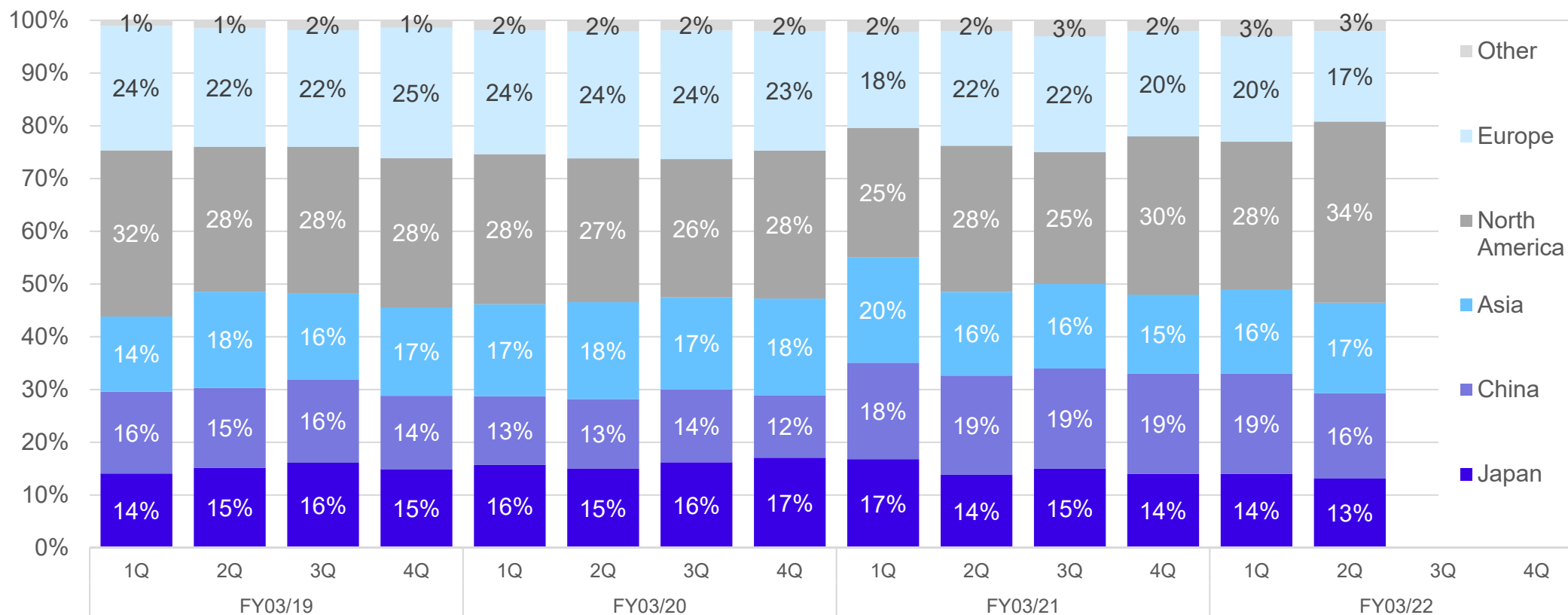


Quarterly Sales Weighting of Car Speakers by Region

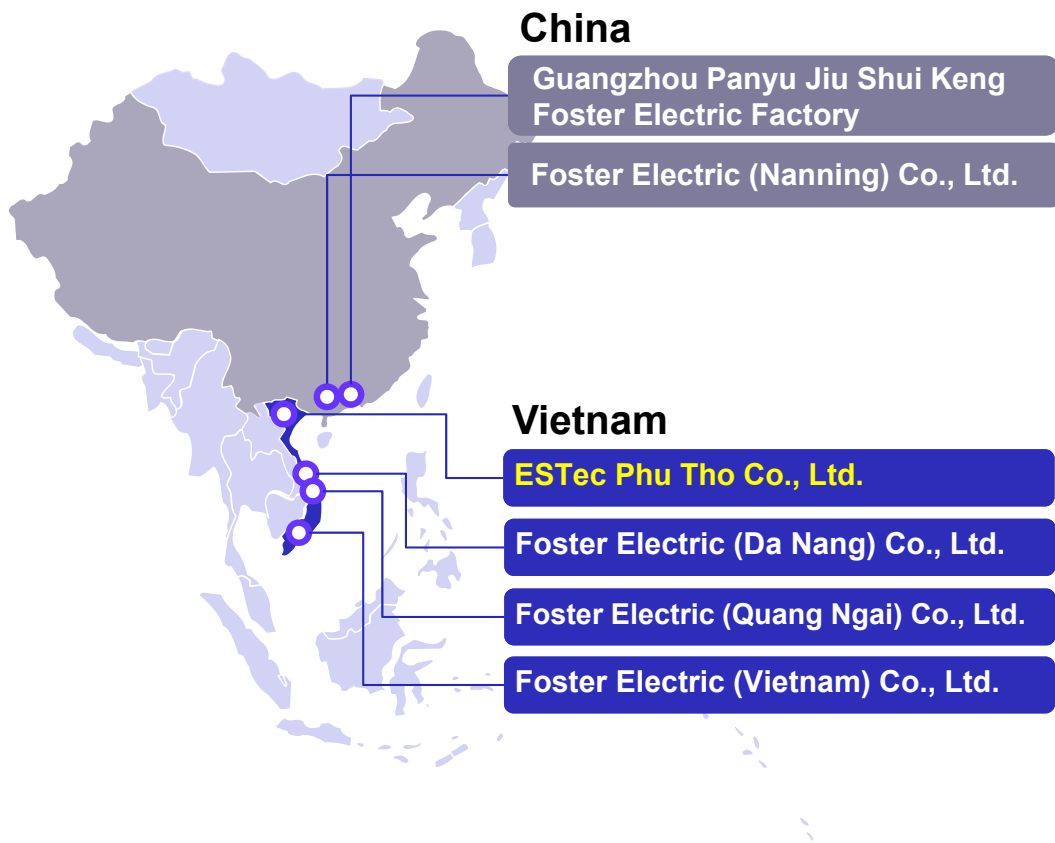


Sales weighting of car speakers by region

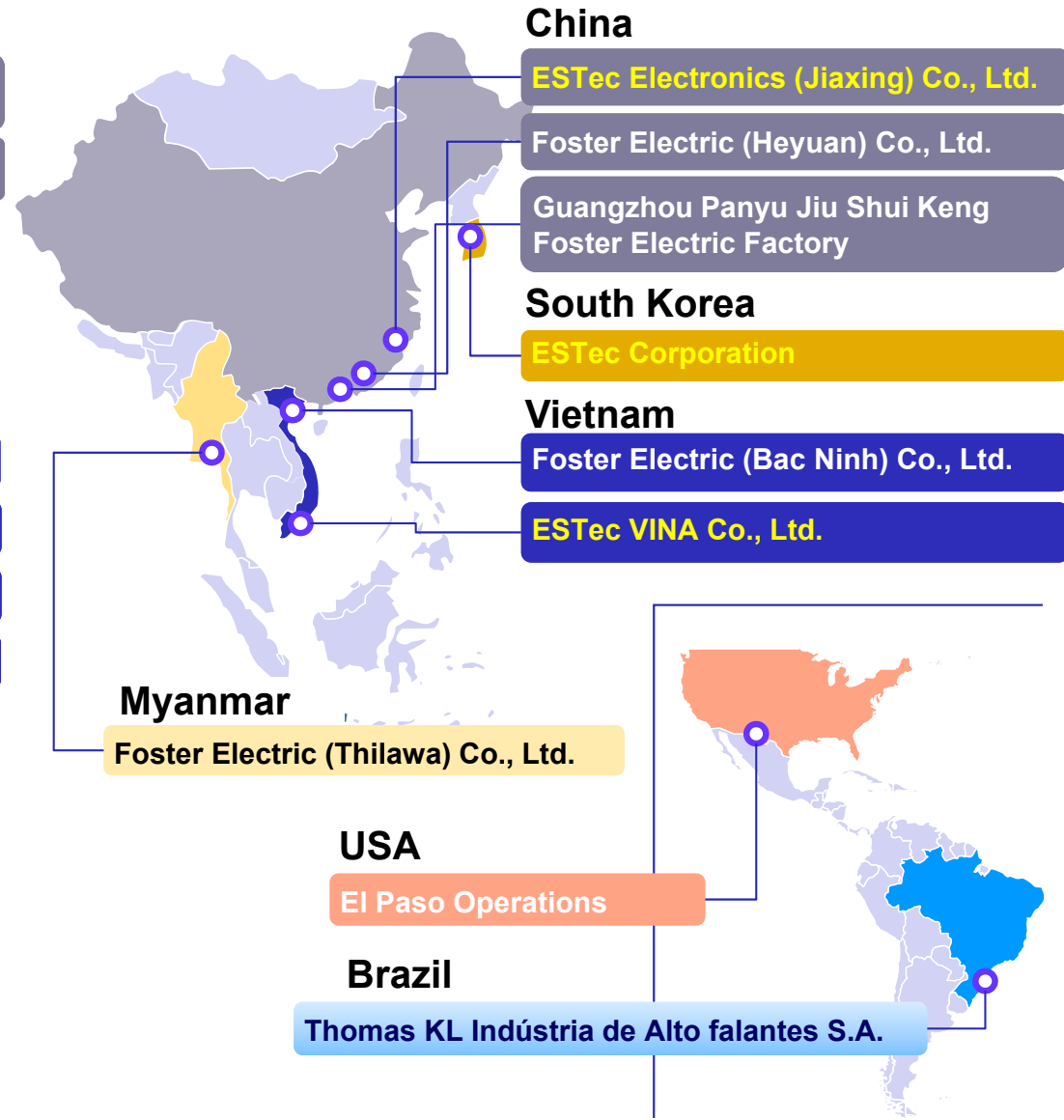
| | FY03/19 | | | | FY03/20 | | | | FY03/21 | | | | FY03/22 | | | |
|----------------------------------|---------|--------|--------|--------|---------|--------|--------|--------|---------|--------|--------|--------|---------|--------|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Japan | 14% | 15% | 16% | 15% | 16% | 15% | 16% | 17% | 17% | 14% | 15% | 14% | 14% | 13% | | |
| China | 16% | 15% | 16% | 14% | 13% | 13% | 14% | 12% | 18% | 19% | 19% | 19% | 19% | 16% | | |
| Asia | 14% | 18% | 16% | 17% | 17% | 18% | 17% | 18% | 20% | 16% | 16% | 15% | 16% | 17% | | |
| North America | 32% | 28% | 28% | 28% | 28% | 27% | 26% | 28% | 25% | 28% | 25% | 30% | 28% | 34% | | |
| Europe | 24% | 22% | 22% | 25% | 24% | 24% | 24% | 23% | 18% | 22% | 22% | 20% | 20% | 17% | | |
| Other | 1% | 1% | 2% | 1% | 2% | 2% | 2% | 2% | 2% | 2% | 3% | 2% | 3% | 3% | | |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | | |
| Total sales (Millions of yen) | 15,165 | 14,611 | 14,820 | 14,739 | 13,598 | 13,735 | 13,233 | 12,840 | 8,479 | 11,898 | 13,155 | 14,985 | 13,652 | 13,295 | | |



Mobile Audio



Speaker



(As of September 30, 2021)

[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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