DISCLAIMER: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 15, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Foster Electric Company, Limited
Listing: Tokyo Stock Exchange
Securities code: 6794
URL: https://www.foster-electric.com/
Representative: Kazuhiro Kishi, CEO
Inquiries: Kiyotaka Kume, General Manager, IR and Governance Management Dept.
Telephone: +81-42-546-2305
Scheduled date of annual general meeting of shareholders: June 25, 2026
Scheduled date to commence dividend payments: June 26, 2026
Scheduled date to file annual securities report: June 24, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	134,910	(2.0)	7,670	12.9	8,002	3.6	4,951	26.9
March 31, 2025	137,607	12.4	6,796	54.0	7,726	79.5	3,902	69.3

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥10,009 million [81.6%]
For the fiscal year ended March 31, 2025: ¥5,512 million [(33.1)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	221.04	-	7.7	7.3	5.7
March 31, 2025	174.98	-	6.6	7.4	4.9

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥(56) million
For the fiscal year ended March 31, 2025: ¥(0) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	112,244	76,926	60.3	3,013.47
March 31, 2025	106,826	68,731	57.0	2,726.13

Reference: Equity
As of March 31, 2026: ¥67,706 million
As of March 31, 2025: ¥60,870 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	6,936	(5,781)	(2,331)	20,451
March 31, 2025	14,831	(844)	(9,884)	20,771

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	20.00	-	40.00	60.00	1,344	34.3	2.0
Fiscal year ended March 31, 2026	-	35.00	-	45.00	80.00	1,813	36.2	2.8
Fiscal year ending March 31, 2027 (Forecast)		55.00		60.00	115.00		51.7	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	140,000	3.8	8,000	4.3	7,500	(6.3)	5,000	1.0	222.54

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	25,000,000 shares
As of March 31, 2025	25,000,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	2,532,193 shares
As of March 31, 2025	2,671,437 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	22,400,279 shares
Fiscal year ended March 31, 2025	22,302,827 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	60,106	3.4	680	-	3,800	233.4	2,506	135.6
March 31, 2025	58,133	4.9	(1,645)	-	1,140	38.2	1,064	126.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	111.92	-
March 31, 2025	47.72	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	43,552	19,052	43.7	848.01
March 31, 2025	42,287	18,015	42.6	806.85

Reference: Equity
As of March 31, 2026: ¥19,052 million
As of March 31, 2025: ¥18,015 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For details on the conditions on which earnings forecasts are based and precautions for using earnings forecasts, please refer to the "Overview of Operating Results" on page 2 of the Appendix.

○ Contents of Attachment

1. Overview of operating results, etc.

(1) Operating results for the year under review

During the fiscal year ended March 31, 2026, the global economic outlook remained uncertain due to as well as the impact of policy changes by the U.S. administration, China's export restrictions on rare earths, geopolitical risks, including the conflict in the Middle East and rising prices driven by higher resource costs.

In the automotive market, the Foster Group's (the "Group") focus, U.S. tariff policy changes had both direct impacts in the form of tariff burdens and indirect effects on demand trends. Amid such circumstances, we worked to minimize the impact of tariffs through flexible adjustments to our logistics and polite negotiation with customers regarding the transfer of tariff costs. In April of the previous year, we launched a new medium-term business plan, positioning the mobility-related and consumer-related businesses as our two core growth pillars. Under this plan, we began implementing initiatives aimed at driving further growth. In the core mobility-related business, we focused on expanding orders in the automotive sector by leveraging our long-standing expertise in quality car speakers and our stable, global supply system.

As a result, consolidated net sales for the fiscal year ended March 31, 2026 were ¥134,910 million (down 2.0% YoY), operating profit was ¥7,670 million (up 12.9% YoY), ordinary profit was ¥8,002 million (up 3.6% YoY), and profit attributable to owners of parent was ¥4,951 million (up 26.9% YoY).

Results by segment were as follows.

(Speaker Segment)

Although we promoted a sales strategy focused on branded and premium-level products to build a new customer base, net sales fell to ¥111,869 million (down 2.3% YoY), due to a decline in speaker sales to some Chinese automakers as anticipated. On the profit front, despite the impact of U.S. tariff policies, operating profit amounted to ¥6,522 million (up 2.5% YoY), supported by an increase in sales of high-margin speakers driven by the implementation of the above sales strategy, as well as the fact that the negative impact on earnings from the decline in speaker sales to certain automakers in China was less than initially anticipated.

(Mobile Audio Segment)

Net sales declined to ¥12,469 million (down 3.3% YoY), as higher-than-expected shipments of consumer actuators, as well as earphones and earphone drivers for key customers, were offset by sluggish sales of car headphones and weaker sales to other customers. On the profit front, operating profit totaled ¥672 million (up 4.9% YoY), supported by strong sales of high-margin products.

(Other Segment)

In the Other segment, which includes micro acoustic components and FOSTEX brand products, net sales amounted to ¥10,572 million (up 3.7% YoY), driven by robust sales of speakers for acoustic vehicle alerting systems and warning. On the profit front, operating profit improved to ¥475 million from a loss of ¥207 million in the previous fiscal year, supported by enhanced profitability resulting from structural reforms undertaken since prior periods.

(Note) Net sales by segment shown above reflect figures after the elimination of inter-segment transactions.

(2) Financial position for the year under review

As of March 31, 2026, total assets amounted to ¥112,244 million, up ¥5,418 million from their level on March 31, 2025, mainly due to an increase in property, plant and equipment. Owing chiefly to a decrease in accounts payable-trade, total liabilities were down ¥2,776 million to ¥35,318 million. Net assets came to ¥76,926 million, up ¥8,194 million, mainly as a result of increases in retained earnings and foreign currency translation adjustment. The equity ratio was 60.3% as of March 31, 2026, up 3.3 percentage points from March 31, 2025.

(3) Cash flow for the year under review

(Operating activities)

Net cash provided by operating activities was ¥6,936 million, chiefly due to profit before income taxes.

(Investing activities)

Net cash used in investing activities totaled ¥5,781 million, mainly due to capital investments.

(Financing activities)

Net cash used in financing activities amounted to ¥2,331 million, due to repayments of long-term borrowings and dividends paid.

As a result, cash and cash equivalents as of March 31, 2026 stood at ¥20,451 million, down ¥320 million from the level on March 31, 2025.

(4) Future outlook

The global economy is expected to remain uncertain. This is due to a complex interplay of factors including the worsening situation in the Middle East, tensions in Japan-China relations, policy changes by the US administration, inflation and exchange rate fluctuations due to soaring resource prices, and the slowdown of the Chinese economy.

The outlook is also uncertain in the automotive market, the Group's focus, while the impact of U.S. tariff policies is beginning to subside, the outlook remains uncertain due to factors such as rising resource prices caused by the situation in the Middle East and concerns over semiconductor memory supply.

Under such circumstances, in the automotive business, we will accelerate initiatives aimed at increasing the number of products installed per vehicle and enhancing profitability by promoting a sales strategy focused on branded and premium-level products, which is positioned as a growth strategy in the medium-term business plan.

Under the medium-term business plan, the Group targets net sales of ¥150.0 billion, operating profit of ¥9.0 billion, an operating profit margin of 6%, and ROE of 8%. We aim to achieve these targets through a two-pronged approach: expanding the business through our growth strategy and enhancing profitability through cost structure reforms.

Specifically, the Group will implement various initiatives based on the following policy.

(Basic policy)

The year to accelerate progress under the medium-term business plan

(Measures)

1. Implementing growth strategies and actively expanding the business with an eye to the future
2. Strengthening initiatives for new products and technologies
3. Thorough focus on quality in the automotive business
4. Driving cost structure reforms
5. Promoting BESG management

Based on its corporate creed of "Sincerity," the Group aims to further enhance corporate value by "creating rich and comfortable spaces and bringing amusement, joy, safety, and security" through its advanced sound and vibration technologies. In addition, the Group will promote BESG management—adding the Business (B) domain to conventional ESG—toward the realization of a sustainable society.

Consolidated earnings projections for the fiscal year ending March 31, 2027 are as follows.

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
¥140,000 million	¥8,000 million	¥7,500 million	¥5,000 million

* The projections above are based on exchange rates of ¥150 to the US dollar and ¥175 to the euro.

Notes concerning earnings projections

The earnings projections above are calculated based on information currently available and assumptions made at the present time, which include risk factors and other uncertainties that may affect future earnings. Actual earnings may differ from the projections and estimates above due to a broad range of factors including but not limited to economic conditions surrounding the business segments of the Group, business conditions in related markets and at OEM customers, rival and price competition trends in Japan and overseas, market conditions for raw materials, exchange rates, risks associated with overseas operations, laws and regulations in Japan and overseas, disasters and accidents, and share prices.

(5) Basic policy for profit sharing and dividends for the current and next fiscal year

The Group regards the enhancement of corporate value as a management priority, and its basic policy is to comprehensively increase the benefit of shareholders by allocating profit in a manner that balances growth investments and shareholder returns. In terms of dividends, for the fiscal year under review, the Group targets a dividend payout ratio of 40% and a minimum DOE of 2%, as outlined in the medium-term business plan.

For the fiscal year under review, after comprehensively considering the above basic policy, the Group has decided to pay a year-end dividend of ¥45 per share. Combined with the ¥35 per share interim dividend paid in December 2025, this will bring the annual dividend to ¥80 per share.

For the next fiscal year, considering the current business environment and future earnings outlook, the Group plans to further strengthen its shareholder return policy by targeting the higher of a dividend payout ratio of 50% or a DOE of 4%, and expects an annual dividend of ¥115 per share.

2. Basic policies concerning the selection of accounting standards

In consideration of the comparability between consolidated financial statements for different fiscal years and companies, the Group's policy is to continue to prepare consolidated financial statements under Japanese GAAP for the foreseeable future.

Meanwhile, with an eye to the future adoption of IFRS, the Group is preparing internal manuals, guidelines, and other documentation, and examining the timing of IFRS adoption.

3. Consolidated financial statements and important notes
(1)Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	20,388	20,235
Notes and accounts receivable - trade	29,972	25,998
Electronically recorded monetary claims - operating	727	755
Securities	1,115	426
Finished goods	17,210	17,575
Raw materials	7,275	10,945
Work in process	1,304	1,667
Supplies	322	496
Accounts receivable - other	2,232	2,243
Advance payments to suppliers	833	441
Other	1,722	2,804
Allowance for doubtful accounts	(59)	(61)
Total current assets	83,045	83,529
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,652	17,914
Accumulated depreciation	(9,324)	(10,192)
Buildings and structures, net	7,327	7,722
Machinery, equipment and vehicles	22,127	25,633
Accumulated depreciation	(16,548)	(18,279)
Machinery, equipment and vehicles, net	5,578	7,354
Tools, furniture and fixtures	12,301	13,584
Accumulated depreciation	(10,417)	(11,209)
Tools, furniture and fixtures, net	1,884	2,374
Land	3,384	3,581
Construction in progress	1,219	3,216
Total property, plant and equipment	19,394	24,249
Intangible assets		
Software	328	346
Other	140	141
Total intangible assets	469	488
Investments and other assets		
Investment securities	2,328	1,957
Long-term prepaid expenses	68	96
Retirement benefit asset	1,102	1,292
Deferred tax assets	228	454
Other	187	176
Total investments and other assets	3,916	3,977
Total non-current assets	23,780	28,715
Total assets	106,826	112,244

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,998	14,931
Short-term borrowings	4,902	5,853
Current portion of long-term borrowings	600	600
Accounts payable - other	2,518	3,348
Lease liabilities	485	439
Income taxes payable	1,270	1,139
Accrued expenses	3,144	2,768
Provision for bonuses	609	1,260
Other	1,357	1,333
Total current liabilities	33,886	31,675
Non-current liabilities		
Long-term borrowings	1,650	1,050
Deferred tax liabilities	775	846
Lease liabilities	933	1,024
Retirement benefit liability	122	130
Provision for retirement benefits for directors (and other officers)	12	14
Reserve for stocks payment	144	20
Other	568	555
Total non-current liabilities	4,207	3,642
Total liabilities	38,094	35,318
Net assets		
Shareholders' equity		
Share capital	6,770	6,770
Capital surplus	6,935	7,036
Retained earnings	39,483	42,744
Treasury shares	(3,937)	(3,822)
Total shareholders' equity	49,251	52,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	925	930
Foreign currency translation adjustment	10,949	14,255
Remeasurements of defined benefit plans	(255)	(207)
Total accumulated other comprehensive income	11,619	14,977
Non-controlling interests	7,861	9,220
Total net assets	68,731	76,926
Total liabilities and net assets	106,826	112,244

(2)Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	137,607	134,910
Cost of sales	113,484	111,265
Gross profit	24,123	23,645
Selling, general and administrative expenses	17,326	15,975
Operating profit	6,796	7,670
Non-operating income		
Interest income	298	293
Dividend income	88	61
Foreign exchange gains	1,173	345
Miscellaneous income	352	273
Total non-operating income	1,912	974
Non-operating expenses		
Interest expenses	638	358
Severance Payments	96	94
Share of loss of entities accounted for using equity method	0	56
Miscellaneous losses	246	133
Total non-operating expenses	981	642
Ordinary profit	7,726	8,002
Extraordinary income		
Gain on sale of investment securities	-	392
Total extraordinary income	-	392
Extraordinary losses		
Impairment losses	49	-
Total extraordinary losses	49	-
Profit before income taxes	7,677	8,395
Income taxes - current	2,065	2,090
Income taxes for prior periods	(204)	-
Income taxes - deferred	5	(208)
Total income taxes	1,866	1,882
Profit	5,810	6,513
Profit attributable to non-controlling interests	1,908	1,561
Profit attributable to owners of parent	3,902	4,951

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	5,810	6,513
Other comprehensive income		
Valuation difference on available-for-sale securities	122	4
Foreign currency translation adjustment	(230)	3,417
Remeasurements of defined benefit plans, net of tax	(190)	74
Total other comprehensive income	(298)	3,496
Comprehensive income	5,512	10,009
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,506	8,309
Comprehensive income attributable to non-controlling interests	2,005	1,699

(3)Consolidated statement of changes in shareholders' equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,770	6,896	36,364	(4,042)	45,989
Changes during period					
Dividends of surplus			(784)		(784)
Profit attributable to owners of parent			3,902		3,902
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				104	104
Change in ownership interest of parent due to transactions with non-controlling interests		38			38
Net changes in items other than shareholders' equity					
Total changes during period	-	38	3,118	104	3,261
Balance at end of period	6,770	6,935	39,483	(3,937)	49,251

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	803	11,345	(134)	12,014	6,314	64,319
Changes during period						
Dividends of surplus						(784)
Profit attributable to owners of parent						3,902
Purchase of treasury shares						(0)
Disposal of treasury shares						104
Change in ownership interest of parent due to transactions with non-controlling interests						38
Net changes in items other than shareholders' equity	122	(396)	(121)	(395)	1,546	1,150
Total changes during period	122	(396)	(121)	(395)	1,546	4,412
Balance at end of period	925	10,949	(255)	11,619	7,861	68,731

Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,770	6,935	39,483	(3,937)	49,251
Changes during period					
Dividends of surplus			(1,690)		(1,690)
Profit attributable to owners of parent			4,951		4,951
Purchase of treasury shares				(488)	(488)
Disposal of treasury shares		101		602	703
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	-	101	3,261	114	3,476
Balance at end of period	6,770	7,036	42,744	(3,822)	52,728

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	925	10,949	(255)	11,619	7,861	68,731
Changes during period						
Dividends of surplus						(1,690)
Profit attributable to owners of parent						4,951
Purchase of treasury shares						(488)
Disposal of treasury shares						703
Change in ownership interest of parent due to transactions with non-controlling interests						
Net changes in items other than shareholders' equity	4	3,306	47	3,358	1,359	4,718
Total changes during period	4	3,306	47	3,358	1,359	8,194
Balance at end of period	930	14,255	(207)	14,977	9,220	76,926

(4)Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	7,677	8,395
Depreciation	3,192	3,398
Decrease (increase) in retirement benefit asset	234	(176)
Increase (decrease) in retirement benefit liability	8	(2)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(14)	1
Increase (decrease) in allowance for doubtful accounts	(49)	(1)
Increase (decrease) in provision for bonuses	71	627
Impairment losses	49	-
Severance payments	96	94
Loss (gain) on sale of investment securities	-	(392)
Interest and dividend income	(386)	(355)
Interest expenses	638	358
Foreign exchange losses (gains)	356	(45)
Share of loss (profit) of entities accounted for using equity method	0	56
Decrease (increase) in trade receivables	(5,417)	4,937
Decrease (increase) in inventories	1,488	(2,864)
Increase (decrease) in trade payables	7,279	(4,673)
Decrease (increase) in accounts receivable - other	(614)	52
Increase (decrease) in accounts payable - other	(590)	664
Decrease (increase) in advance payments to suppliers	(480)	423
Other, net	2,972	(1,199)
Subtotal	16,512	9,300
Interest and dividends received	386	355
Interest paid	(638)	(358)
Severance payments	(96)	(94)
Income taxes paid	(1,536)	(2,265)
Income taxes refund	204	-
Net cash provided by (used in) operating activities	14,831	6,936

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Purchase of securities	(757)	(202)
Proceeds from redemption of securities	656	717
Proceeds from sale of investment securities	26	719
Purchase of property, plant and equipment	(3,623)	(6,694)
Purchase of intangible assets	(192)	(110)
Purchase of long-term prepaid expenses	(137)	(188)
Payments into time deposits	(1,659)	-
Proceeds from withdrawal of time deposits	4,857	-
Other, net	(13)	(22)
Net cash provided by (used in) investing activities	(844)	(5,781)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,977)	736
Repayments of long-term borrowings	(2,306)	(600)
Dividends paid	(784)	(1,690)
Dividends paid to non-controlling interests	(169)	(280)
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(169)	-
Other, net	(476)	(496)
Net cash provided by (used in) financing activities	(9,884)	(2,331)
Effect of exchange rate change on cash and cash equivalents	(364)	856
Net increase (decrease) in cash and cash equivalents	3,737	(320)
Cash and cash equivalents at beginning of period	17,034	20,771
Cash and cash equivalents at end of period	20,771	20,451

(5) Notes to the consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation method)

(Consolidated statement of income)

“Severance payments” and “Share of loss of entities accounted for using equity method,” which had been included in “Miscellaneous losses” under “Non-operating expenses” in the fiscal year ended March 31, 2025, has been presented separately under “Non-operating expenses” from the fiscal year ended March 31, 2026, as its monetary impact has increased. To reflect this change in presentation, the consolidated statement of income for the fiscal year ended March 31, 2025 has been adjusted accordingly. As a result, ¥96 million, which had been included in “Miscellaneous losses” under “Non-operating expenses” in the consolidated statement of income for the fiscal year ended March 31, 2025, has been reclassified as “Severance payments” of ¥96 million and “Share of loss of entities accounted for using equity method” of ¥0 million under “Non-operating expenses.”

(Consolidated statement of cash flows)

“Share of loss (profit) of entities accounted for using equity method,” “Severance payments” and “Severance payments” which had been included in “Other, net” under “Cash flows from operating activities” in the fiscal year ended March 31, 2025, has been presented separately under “Cash flows from operating activities” from the fiscal year ended March 31, 2026, as its monetary impact has increased. To reflect this change in presentation, the consolidated statement of cash flows for the fiscal year ended March 31, 2025 has been adjusted accordingly. As a result, ¥0 million, which had been included in “Other, net” under “Cash flows from operating activities” in the consolidated statement of cash flows for the fiscal year ended March 31, 2025, has been reclassified as “Share of loss of entities accounted for using equity method” of ¥0 million and “Severance payments” of ¥96 million and “Severance payments” of ¥-96 million and under “Cash flows from operating activities.”

(Notes on segment information, etc.)

Segment Information

1 Overview of Reporting Segments

The Company's reporting segments are those of the Company's constituent units for which segregated financial information is available and is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Company identifies business segments based on factors such as business organization, product offerings, and similarity in sales markets, and has identified three reporting segments: "Speakers," "Mobile Audio," and "Other Business."

The Speaker segment manufactures and sells speaker products, including automotive speakers, speaker systems, and TV speakers.

The Mobile Audio segment manufactures and sells mobile audio products such as headphones, headsets, earphone drivers, and vibration actuators.

The Other segment manufactures and sells speakers for approaching warning sounds, speakers for vehicle emergency notification systems, and Fostex brand products.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

Profit in the reporting segment is a figure based on operating income.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Total	Adjustment (Note) 1	Amounts on consolidated financial statements (Note)2
	Speaker	Mobile audio	Other			
Net sales						
Sales to external customers	114,521	12,893	10,192	137,607	-	137,607
Inter-segment sales or transfers	-	-	3,839	3,839	(3,839)	-
Total	114,521	12,893	14,031	141,446	(3,839)	137,607
Segment profit (loss)	6,362	641	(207)	6,796	-	6,796
Segment Assets	63,776	5,787	7,181	76,745	30,080	106,826
Other items						
(1) Depreciation and amortization	2,683	268	241	3,192	-	3,192
(2) Impairment loss	49	-	-	49	-	49
(3) Amount of investment in equity-method affiliates	-	-	148	148	-	148
(4) Increase in property, plant and equipment and intangible assets	3,033	327	455	3,816	-	3,816

Note 1 The adjustment amounts are as follows:

(1) The segment adjustment amount is the elimination of inter-segment transactions.

(2) The 30,080 million yen adjustment for segment assets relates to company-wide assets that have not been allocated to each reporting segment.

2 The total amount of segment profit or loss (loss) is adjusted for operating income in the consolidated statements of income.

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments			Total	Adjustment (Note) 1	Amounts on consolidated financial statements (Note)2
	Speaker	Mobile audio	Other			
Net sales						
Sales to external customers	111,869	12,469	10,572	134,910	-	134,910
Inter-segment sales or transfers	-	-	3,629	3,629	(3,629)	-
Total	111,869	12,469	14,201	138,539	(3,629)	134,910
Segment Profit	6,522	672	475	7,670	-	7,670
Segment Assets	65,600	7,848	8,826	82,276	29,968	112,244
Other items						
(1) Depreciation and amortization	2,790	227	381	3,398	-	3,398
(2) Impairment loss	-	-	-	-	-	-
(3) Amount of investment in equity-method affiliates	-	-	85	85	-	85
(4) Increase in property, plant and equipment and intangible assets	5,447	576	780	6,804	-	6,804

Note 1 The adjustment amounts are as follows:

(1) The segment adjustment amount is the elimination of inter-segment transactions.

(2) The adjusted amount of 29,968 million yen in segment assets relates to company-wide assets that have not been allocated to each reporting segment.

2 The total amount of segment profit is adjusted to operating income in the consolidated statements of income.

(Per-share information)

The amounts and bases for the calculation of net assets per share and earnings per share are as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	¥2,726.13	¥3,013.47
Earnings per share	¥174.98	¥221.04

Note 1. Diluted earnings per share is not stated as there were no dilutive shares.

Note 2. The basis for calculation of earnings per share is as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Earnings per share		
Profit attributable to owners of parent (millions of yen)	3,902	4,951
Amount not attributable to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent relating to common shares (millions of yen)	3,902	4,951
Average number of common shares outstanding for the year (shares)	22,302,827	22,400,279

Note 3. The basis for the calculation of net assets per share is as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Total net assets (millions of yen)	68,731	76,926
Amount to be deducted from total net assets (millions of yen)	7,861	9,220
Of which, non-controlling interests (millions of yen)	7,861	9,220
Year-end net assets relating to common shares (millions of yen)	60,870	67,706
Number of common shares at year-end used for calculating net assets per share (shares)	22,328,563	22,467,807

Note 4. In the calculation of net assets per share, the Group's shares held as trust assets of the Board Benefit Trust (BBT-RS) by Custody Bank of Japan, Ltd. (Trust E Account) are included in the treasury stock that is deducted from the number of shares outstanding at year-end (84,336 shares at the end of the previous consolidated fiscal year, 206,800 shares at the end of the fiscal year under review).
In addition, in the calculation of earnings per share, they are included in the treasury stock that is deducted in the calculation of the average number of shares outstanding for the period (110,102 shares in the previous consolidated fiscal year, 173,950 shares in the fiscal year under review).

(Important subsequent events)

Not applicable.