

To Our Shareholders with Voting Rights

512 Miyazawa-cho, Akishima City, Tokyo
Foster Electric Company, Limited
Yukio Miyata, President

NOTICE OF THE 76TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby inform you of the 76th Ordinary General Meeting of Shareholders to be held as follows and your attendance will be most sincerely requested.

If you are unable to attend the meeting, please read the attached Reference Documents for the General Meeting of Shareholders and return the Voting Rights Exercise Form with your selections for or against the proposals. The form must reach us by no later than the closing time of our daily business hours (5:15 p.m.) on Monday, June 21, 2010.

1. Date and Time: 10 a.m., Tuesday, June 22, 2010

2. Place: Akishima-shi Kinro Shoko Shimin Center (2F), 10-2, Showa-cho 3-chome,
Akishima City, Tokyo

3. Agenda of the Meeting

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the 76th Fiscal Term (from April 1, 2009 to March 31, 2010) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 76th Fiscal Term (from April 1, 2009 to March 31, 2010).

Matters to be resolved:

Proposal: Distribution of Surplus

For those attending, please present the enclosed Exercise Voting Rights Form at the reception on arrival at the meeting.

In the event any matters are to be changed with respect to the meeting, the changes will be disclosed immediately on the Company's website (<http://www.foster.co.jp/>).

A translation of the Notice of the 76th Ordinary General Meeting of Shareholders is found on the Company's website (shown above).

Note: This document has been translated from a part of 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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Reference Documents for the General Meeting of Shareholders

Proposal and references

Proposal: Distribution of Surplus

Regarding the distribution of profits, the Company considers enhanced corporate value to be a major management issue while following a basic policy of promoting comprehensive improvements in shareholders' profits by building a harmonious balance between the distribution of profits commensurate with business results and the enhancement of internal reserves from a long-term point of view. Given the consideration above, we propose the year-end dividends of ¥30 per share. Accordingly, since the Company paid an interim dividend of ¥16 per share, the annual dividend would be ¥46 per share.

- (1) Allotment of property dividend to shareholders and the total amount
30 yen per share of common stock of the Company Total amount: 699,878,340 yen
- (2) Effective date of distribution of surplus: June 23, 2010

Financial Highlights
(Year ended March 31)

		March 2006	March 2007	March 2008	March 2009	March 2010
1. Consolidated financial highlights						
Net sales	(Millions of yen)	66,047	75,705	86,666	77,709	88,417
Ordinary income	(Millions of yen)	5,623	4,650	6,883	2,249	9,151
Net income	(Millions of yen)	2,842	2,821	4,099	1,698	5,736
Net assets	(Millions of yen)	22,867	25,482	25,719	24,704	33,456
Total assets	(Millions of yen)	38,635	43,752	43,169	45,517	51,532
Net assets per share	(Yen)	947.19	1,057.13	1,066.97	1,081.51	1,373.39
Net income per share	(Yen)	119.92	117.04	170.08	73.15	263.91
Equity ratio	(%)	59.2	58.2	59.6	51.3	62.2
Return on equity	(%)	14.0	11.7	16.0	6.9	20.7
Cash flows from operating activities	(Millions of yen)	4,434	2,680	3,696	6,749	8,438
Cash flows from investing activities	(Millions of yen)	(3,174)	(4,838)	(4,835)	(3,594)	(2,144)
Cash flows from financing activities	(Millions of yen)	785	(196)	1,345	(586)	(1,441)
Cash and cash equivalents at year-end	(Millions of yen)	5,182	3,036	2,813	4,989	9,896
2. Non-consolidated financial highlights						
Net sales	(Millions of yen)	45,465	53,537	63,247	60,335	64,511
Ordinary income	(Millions of yen)	3,487	3,765	4,725	4,013	2,896
Net income	(Millions of yen)	1,283	2,402	2,785	1,555	2,410
Common stock	(Millions of yen)	3,770	3,770	3,770	3,770	3,770
Total number of shares issued	(Thousands of shares)	24,106	24,106	24,106	24,106	23,506
Net assets	(Millions of yen)	17,098	19,083	20,710	19,033	24,900
Total assets	(Millions of yen)	26,084	28,476	32,295	30,973	35,709
Net assets per share	(Yen)	708.08	791.65	859.17	881.00	1,067.36
Annual dividends per share [Interim dividends per share]	(Yen)	15.00 [5.00]	24.00 [9.00]	36.00 [16.00]	30.00 [18.00]	46.00 [16.00]
Net income per share	(Yen)	53.56	99.68	115.56	66.99	110.91
Equity ratio	(%)	65.5	67.0	64.1	61.5	69.7
Return on equity	(%)	8.1	13.3	14.0	7.8	11.0
Payout ratio	(%)	28.0	24.1	31.2	44.8	41.5

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

Consolidated Balance Sheet

(as of March 31, 2010)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	35,649	Current liabilities	16,155
Cash and deposits	9,998	Notes and accounts payable - trade	5,877
Notes and accounts receivable - trade	14,347	Short-term loans payable	5,527
Finished goods	5,033	Current portion of long-term loans payable	43
Raw materials	3,413	Accounts payable - other	1,733
Work in process	580	Accrued income taxes	456
Supplies	110	Accrued expenses	740
Short-term loans receivable	137	Deferred tax liabilities	951
Accounts receivable - other	879	Reserve for bonuses	550
Income taxes receivable	491	Other	275
Deferred tax assets	554	Long-term liabilities	1,920
Other	1,131	Log-term loans payable	1,165
Allowance for doubtful accounts	(1,026)	Deferred tax liabilities	329
Fixed assets	15,882	Reserve for retirement benefits	263
Tangible fixed assets	10,845	Reserve for retirement benefits for directors and corporate auditors	58
Buildings and structures	3,163	Others	103
Machinery and transportation equipment	4,787	Total liabilities	18,075
Tools, furniture and fixtures	1,381		
Land	1,088		
Construction in progress	424	Net assets	
Intangible fixed assets	1,449	Shareholders' equity	37,477
Goodwill	375	Common stock	3,770
Leasehold rights	381	Capital surplus	6,372
Software	644	Retained earnings	27,466
Other	48	Treasury stock	(132)
Investments and other assets	3,588	Valuation and translation adjustments	(5,436)
Investment securities	2,232	Net unrealized gain on securities	155
Long-term loans receivable	133	Foreign currency translation adjustment	(5,592)
Long-term prepaid expenses	606	Minority interests	1,416
Deferred tax assets	326		
Other	317		
Allowance for doubtful accounts	(28)	Total net assets	33,456
Total assets	51,532	Total liabilities and net assets	51,532

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Consolidated Statement of Income
(from April 1, 2009, to March 31, 2010)

(Millions of yen)

Account item	Amount	
Net sales		88,417
Cost of sales		68,916
Gross profit		19,500
Selling, general and administrative expenses		10,409
Operating income		9,090
Non-operating income:		
Interest income	40	
Dividends income	31	
Equity in earnings	1	
Miscellaneous income	318	391
Non-operating expenses:		
Interest expenses	184	
Foreign exchange loss	72	
Miscellaneous loss	74	331
Ordinary income		9,151
Extraordinary gains:		
Gain on sales of fixed assets	114	
Reversal of allowance for doubtful accounts	174	
State subsidy	51	340
Extraordinary losses:		
Loss on sales of fixed assets	32	
Loss on disposal of fixed assets	252	
Loss on devaluation of investment securities	222	
Loss on liquidation of subsidiaries	106	
Special retirement expenses	12	
Provision of allowance for doubtful accounts	623	1,250
Income before income taxes		8,241
Income taxes—current	1,236	
Refund of income taxes	(55)	
Income taxes—deferred	1,020	2,200
Minority interest in income		304
Net income		5,736

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2009, to March 31, 2010)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2009	3,770	4,564	22,334	(1,878)	28,790
Changes during the fiscal year					
Distribution of surplus			(604)		(604)
Net income			5,736		5,736
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		2,259		1,295	3,554
Retirement of treasury stock		(450)		450	-
Net change in items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	-	1,808	5,131	1,745	8,686
Balance as of March 31, 2010	3,770	6,372	27,466	(132)	37,477

	Valuation and translation adjustments			Minority interests	Total net assets
	Net unrealized gain (loss) on securities	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance as of March 31, 2009	(358)	(5,067)	(5,425)	1,339	24,704
Changes during the fiscal year					
Distribution of surplus					(604)
Net income					5,736
Acquisition of treasury stock					(0)
Disposal of treasury stock					3,554
Retirement of treasury stock					-
Net change in items other than shareholders' equity during the fiscal year	514	(525)	(11)	77	66
Total changes during the fiscal year	514	(525)	(11)	77	8,752
Balance as of March 31, 2010	155	(5,592)	(5,436)	1,416	33,456

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Non-consolidated Balance Sheet

(as of March 31, 2010)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	19,355	Current liabilities	9,599
Cash and deposits	5,878	Account payable - trade	4,376
Notes receivable - trade	36	Short-term loans payable	3,853
Account receivable - trade	9,714	Accounts payable - other	579
Finished goods	2,378	Accrued income taxes	4
Raw materials	167	Accrued expenses	167
Supplies	21	Advance received	35
Prepaid expenses	29	Deposits received	58
Short-term loans receivable	372	Reserve for bonuses	491
Accounts receivable - other	68	Other	32
Income taxes receivable	491	Long-term liabilities	1,209
Deferred tax assets	377	Long-term loans payable	1,000
Other	59	Deferred tax liabilities	165
Allowance for doubtful accounts	(239)	Others	44
Fixed assets	16,354	Total liabilities	10,808
Tangible fixed assets	899	Net assets	
Buildings	291	Shareholders' equity	24,753
Structures	3	Common stock	3,770
Machinery and equipment	36	Capital surplus	6,372
Vehicles and transportation equipment	14	Capital reserve	3,896
Tool, furniture and fixture	196	Other capital surplus	2,476
Land	356	Retained earnings	14,742
Intangible fixed assets	550	Legal reserve	373
Software	531	Other retained earnings	14,368
Other	18	General reserve	4,700
Investment and other assets	14,904	Retained earnings brought forward	9,668
Investment securities	2,206	Treasury stock	(132)
Stocks of subsidiaries and affiliates	12,198	Valuation and translation adjustments	147
Bankruptcy claim, reorganization claim and other equivalent claim	9	Net unrealized gain on securities	147
Long-term prepaid expenses	453		
Rental deposits	25		
Other	67		
Allowance for doubtful accounts	(28)		
Allowance for investment loss to subsidiaries and affiliates	(29)		
Total assets	35,709	Total net assets	24,900
		Total liabilities and net assets	35,709

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Non-consolidated Statement of Income

(from April 1, 2009 to March 31, 2010)

(Millions of yen)

Account item	Amount	
Net sales		64,511
Cost of sales		58,835
Gross profit		5,675
Selling, general and administrative expenses		4,503
Operating income		1,172
Non-operating income:		
Interest income	12	
Dividends income	1,744	
Rent income	9	
Foreign exchange gain	66	
Miscellaneous income	7	1,841
Non-operating expenses:		
Interest expenses	92	
Miscellaneous loss	24	117
Ordinary income		2,896
Extraordinary gains:		
Reversal of allowance for doubtful accounts	174	174
Extraordinary losses:		
Loss on disposal of fixed assets	7	
Loss on devaluation of investment securities	222	229
Income before income taxes		2,841
Income taxes—current	249	
Income taxes—deferred	181	430
Net income		2,410

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Non-consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2009, to March 31, 2010)

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance as of March 31, 2009	3,770	3,896	667	4,564
Changes during the fiscal year				
Distribution of surplus				
Net income				
Acquisition of treasury stock				
Disposal of treasury stock			2,259	2,259
Retirement of treasury stock			(450)	(450)
Net change in items other than shareholders' equity during the fiscal year				
Changes during the fiscal year	-	-	1,808	1,808
Balance as of March 31, 2010	3,770	3,896	2,476	6,372

(Millions of yen)

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Legal reserve	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
Balance as of March 31, 2009	373	4,700	7,862	12,936	(1,878)	19,392
Changes during the fiscal year						
Distribution of surplus			(604)	(604)		(604)
Net income			2,410	2,410		2,410
Acquisition of treasury stock					(0)	(0)
Disposal of treasury stock					1,295	3,554
Retirement of treasury stock					450	-
Net change in items other than shareholders' equity during the fiscal year						
Changes during the fiscal year	-	-	1,805	1,805	1,745	5,360
Balance as of March 31, 2010	373	4,700	9,668	14,742	(132)	24,753

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on securities	Total valuation and translation adjustments	
Balance as of March 31, 2009	(359)	(359)	19,033
Changes during the fiscal year			
Distribution of surplus			(604)
Net income			2,410
Acquisition of treasury stock			(0)
Disposal of treasury stock			3,554
Retirement of treasury stock			-
Net change in items other than shareholders' equity during the fiscal year	507	507	507
Changes during the fiscal year	507	507	5,867
Balance as of March 31, 2010	147	147	24,900

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.