

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

Company name: IWATSU ELECTRIC CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6704 URL <https://www.iwatsu.co.jp>
 Representative: President Shogo Kimura
 Director & Executive Officer, General
 Inquiries: Hidenori Tokida TEL 03-5370-5111
 Manager of Management Division
 Scheduled date to file Quarterly Securities Report: November 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	11,016	1.8	(465)	–	(432)	–	(422)	–
Six months ended September 30, 2021	10,817	20.6	(283)	–	(217)	–	(140)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	(42.49)	–
Six months ended September 30, 2021	(14.11)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	35,448	24,892	70.2
As of March 31, 2022	36,441	25,359	69.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	25.00	25.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	23,700	2.2	(400)	–	(350)	–	(350)	–	(35.22)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2022	10,080,344 shares	As of March 31, 2022	10,080,344 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	128,238 shares	As of March 31, 2022	141,711 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	9,948,600 shares	Six months ended September 30, 2021	9,929,724 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	5,927	5,494
Notes receivable - trade	514	425
Electronically recorded monetary claims - operating	578	654
Accounts receivable - trade	4,555	3,668
Merchandise and finished goods	1,732	1,761
Work in process	725	1,018
Raw materials and supplies	3,044	3,530
Other	154	169
Allowance for doubtful accounts	(0)	(0)
Total current assets	17,232	16,723
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,377	5,282
Land	10,032	10,054
Other, net	1,193	1,157
Total property, plant and equipment	16,603	16,494
Intangible assets		
Software	911	715
Other	45	45
Total intangible assets	956	761
Investments and other assets		
Investment securities	1,149	1,139
Other	533	363
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	1,648	1,468
Total non-current assets	19,208	18,724
Total assets	36,441	35,448

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,764	1,507
Provision for bonuses	520	510
Provision for product warranties	65	75
Other	1,925	1,610
Total current liabilities	4,275	3,703
Non-current liabilities		
Deferred tax liabilities	3,226	3,208
Provision for share awards	56	50
Retirement benefit liability	2,966	3,048
Other	557	544
Total non-current liabilities	6,805	6,852
Total liabilities	11,081	10,556
Net assets		
Shareholders' equity		
Share capital	6,025	6,025
Capital surplus	6,948	6,948
Retained earnings	11,977	11,305
Treasury shares	(135)	(125)
Total shareholders' equity	24,815	24,154
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	304	300
Foreign currency translation adjustment	0	263
Remeasurements of defined benefit plans	239	174
Total accumulated other comprehensive income	544	738
Total net assets	25,359	24,892
Total liabilities and net assets	36,441	35,448

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Revenue	10,817	11,016
Cost of sales	7,332	7,661
Gross profit	3,484	3,355
Selling, general and administrative expenses	3,767	3,820
Operating loss	(283)	(465)
Non-operating income		
Interest income	1	8
Dividend income	24	26
Gain on investments in capital	17	–
Rental income from land and buildings	18	18
Other	17	17
Total non-operating income	80	70
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	1	21
Loss on cancellation of insurance policies	–	8
Other	11	5
Total non-operating expenses	14	37
Ordinary loss	(217)	(432)
Extraordinary income		
Gain on sale of investment securities	–	3
Subsidy income	64	14
Total extraordinary income	64	17
Loss before income taxes	(153)	(414)
Income taxes - current	24	19
Income taxes - deferred	(38)	(10)
Total income taxes	(13)	8
Loss	(140)	(422)
Loss attributable to owners of parent	(140)	(422)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Loss	(140)	(422)
Other comprehensive income		
Valuation difference on available-for-sale securities	59	(4)
Foreign currency translation adjustment	13	263
Remeasurements of defined benefit plans, net of tax	29	(65)
Total other comprehensive income	103	193
Comprehensive income	(36)	(229)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(36)	(229)