

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

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: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	16,275	1.5	(928)	–	(858)	–	(854)	–
Nine months ended December 31, 2021	16,030	13.3	(326)	–	(230)	–	(135)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	(85.83)	–
Nine months ended December 31, 2021	(13.68)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	35,167	24,409	69.4
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	23,000	(0.8)	(990)	–	(880)	–	(880)	–	(88.27)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	111,474 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)

Nine months ended December 31, 2022	9,955,012 shares	Nine months ended December 31, 2021	9,932,733 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	5,927	5,208
Notes receivable - trade	514	558
Electronically recorded monetary claims - operating	578	607
Accounts receivable - trade	4,555	2,967
Merchandise and finished goods	1,732	1,967
Work in process	725	1,253
Raw materials and supplies	3,044	3,584
Other	154	329
Allowance for doubtful accounts	(0)	(0)
Total current assets	17,232	16,474
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,377	5,198
Land	10,032	10,042
Other, net	1,193	1,128
Total property, plant and equipment	16,603	16,369
Intangible assets		
Software	911	611
Other	45	45
Total intangible assets	956	657
Investments and other assets		
Investment securities	1,149	1,323
Other	533	376
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	1,648	1,666
Total non-current assets	19,208	18,692
Total assets	36,441	35,167

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,764	1,655
Short-term borrowings	75	120
Provision for bonuses	520	271
Provision for product warranties	65	77
Other	1,849	1,628
Total current liabilities	4,275	3,753
Non-current liabilities		
Deferred tax liabilities	3,226	3,257
Provision for share awards	56	39
Retirement benefit liability	2,966	3,106
Other	557	599
Total non-current liabilities	6,805	7,004
Total liabilities	11,081	10,757
Net assets		
Shareholders' equity		
Share capital	6,025	6,025
Capital surplus	6,948	6,948
Retained earnings	11,977	10,874
Treasury shares	(135)	(112)
Total shareholders' equity	24,815	23,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	304	427
Foreign currency translation adjustment	0	113
Remeasurements of defined benefit plans	239	133
Total accumulated other comprehensive income	544	674
Total net assets	25,359	24,409
Total liabilities and net assets	36,441	35,167

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Revenue	16,030	16,275
Cost of sales	10,751	11,505
Gross profit	5,278	4,769
Selling, general and administrative expenses	5,605	5,697
Operating loss	(326)	(928)
Non-operating income		
Interest income	3	16
Dividend income	41	48
Rental income from land and buildings	27	27
Other	42	37
Total non-operating income	115	130
Non-operating expenses		
Interest expenses	2	2
Foreign exchange losses	5	42
Other	12	16
Total non-operating expenses	19	60
Ordinary loss	(230)	(858)
Extraordinary income		
Gain on sale of investment securities	–	3
Subsidy income	86	14
Total extraordinary income	86	17
Loss before income taxes	(143)	(840)
Income taxes - current	30	27
Income taxes - deferred	(38)	(13)
Total income taxes	(7)	14
Loss	(135)	(854)
Loss attributable to owners of parent	(135)	(854)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Loss	(135)	(854)
Other comprehensive income		
Valuation difference on available-for-sale securities	18	122
Foreign currency translation adjustment	47	113
Remeasurements of defined benefit plans, net of tax	46	(106)
Total other comprehensive income	112	129
Comprehensive income	(23)	(724)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(23)	(724)