

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 9, 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: August 9, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	5,030	1.8	(414)	–	(426)	–	423	–
Three months ended June 30, 2022	4,942	–	(415)	–	(394)	–	(397)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	42.47	–
Three months ended June 30, 2022	(40.00)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	43,059	26,265	57.8
As of March 31, 2023	35,304	24,152	68.4

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, 2023	–	0.00	–	0.00	0.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	25.00	25.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	22,100	(3.4)	500	–	600	–	1,300	–	130.54

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: Yes
- 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 June 30, 2023	10,080,344 shares	As of March 31, 2023	10,080,344 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	104,163 shares	As of March 31, 2023	111,661 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	9,976,197 shares	Three months ended June 30, 2022	9,944,925 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	4,890	4,454
Notes receivable - trade	386	446
Electronically recorded monetary claims - operating	567	711
Accounts receivable - trade	4,064	3,235
Merchandise and finished goods	1,830	1,976
Work in process	1,097	804
Raw materials and supplies	3,692	3,892
Other	337	350
Allowance for doubtful accounts	(1)	(1)
Total current assets	16,865	15,871
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,052	8,375
Land	9,963	15,113
Other, net	1,035	1,136
Total property, plant and equipment	16,051	24,625
Intangible assets		
Software	502	402
Other	45	45
Total intangible assets	548	447
Investments and other assets		
Investment securities	1,456	1,701
Other	414	444
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	1,838	2,114
Total non-current assets	18,438	27,187
Total assets	35,304	43,059

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,582	1,525
Short-term borrowings	80	120
Provision for bonuses	540	247
Provision for product warranties	76	74
Other	1,849	1,711
Total current liabilities	4,129	3,679
Non-current liabilities		
Long-term borrowings	35	6,033
Deferred tax liabilities	3,286	3,344
Provision for share awards	42	39
Retirement benefit liability	3,097	3,109
Other	560	587
Total non-current liabilities	7,022	13,114
Total liabilities	11,151	16,793
Net assets		
Shareholders' equity		
Share capital	6,025	6,025
Capital surplus	6,948	6,948
Retained earnings	10,523	10,946
Treasury shares	(112)	(107)
Total shareholders' equity	23,384	23,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	483	655
Foreign currency translation adjustment	124	264
Remeasurements of defined benefit plans	160	173
Total accumulated other comprehensive income	768	1,093
Non-controlling interests	–	1,358
Total net assets	24,152	26,265
Total liabilities and net assets	35,304	43,059

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	4,942	5,030
Cost of sales	3,422	3,557
Gross profit	1,520	1,473
Selling, general and administrative expenses	1,936	1,887
Operating loss	(415)	(414)
Non-operating income		
Interest income	3	2
Dividend income	24	29
Rental income from land and buildings	9	8
Other	9	3
Total non-operating income	47	43
Non-operating expenses		
Interest expenses	0	7
Foreign exchange losses	23	41
Other	1	6
Total non-operating expenses	25	55
Ordinary loss	(394)	(426)
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	878
Total extraordinary income	–	878
Profit (loss) before income taxes	(394)	451
Income taxes - current	6	96
Income taxes - deferred	(2)	(57)
Total income taxes	3	39
Profit (loss)	(397)	412
Loss attributable to non-controlling interests	–	(11)
Profit (loss) attributable to owners of parent	(397)	423

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	(397)	412
Other comprehensive income		
Valuation difference on available-for-sale securities	(23)	172
Foreign currency translation adjustment	164	139
Remeasurements of defined benefit plans, net of tax	(36)	13
Total other comprehensive income	103	324
Comprehensive income	(294)	737
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(294)	748
Comprehensive income attributable to non-controlling interests	–	(11)