

Translation

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

November 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: November 13, 2023
 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, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	10,016	(8.5)	(630)	–	(624)	–	301	–
Six months ended September 30, 2022	10,950	–	(495)	–	(462)	–	(463)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	30.25		–	
Six months ended September 30, 2022	(46.58)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	42,854	25,953	57.4
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				
Year ended March 31, 2023	–	0.00	–	0.00	0.00
Year ending March 31, 2024	–	0.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	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	21,000	(8.3)	0	–	0	–	800	–	80.16

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2023	100,036 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)

Six months ended September 30, 2023	9,977,172 shares	Six months ended September 30, 2022	9,948,600 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,890	4,688
Notes receivable - trade	386	352
Electronically recorded monetary claims - operating	567	631
Accounts receivable - trade	4,064	2,984
Merchandise and finished goods	1,830	1,912
Work in process	1,097	1,176
Raw materials and supplies	3,692	3,591
Other	337	544
Allowance for doubtful accounts	(1)	(1)
Total current assets	16,865	15,880
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,052	8,228
Land	9,963	15,049
Other, net	1,035	1,071
Total property, plant and equipment	16,051	24,349
Intangible assets		
Software	502	295
Other	45	45
Total intangible assets	548	341
Investments and other assets		
Investment securities	1,456	1,860
Other	414	454
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	1,838	2,283
Total non-current assets	18,438	26,973
Total assets	35,304	42,854

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,582	1,453
Provision for bonuses	540	469
Provision for product warranties	76	73
Other	1,929	1,713
Total current liabilities	4,129	3,709
Non-current liabilities		
Long-term borrowings	35	6,030
Deferred tax liabilities	3,286	3,386
Provision for share awards	42	37
Retirement benefit liability	3,097	3,143
Other	560	593
Total non-current liabilities	7,022	13,191
Total liabilities	11,151	16,901
Net assets		
Shareholders' equity		
Share capital	6,025	6,025
Capital surplus	6,948	6,948
Retained earnings	10,523	10,825
Treasury shares	(112)	(103)
Total shareholders' equity	23,384	23,694
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	483	765
Foreign currency translation adjustment	124	–
Remeasurements of defined benefit plans	160	131
Total accumulated other comprehensive income	768	896
Non-controlling interests	–	1,361
Total net assets	24,152	25,953
Total liabilities and net assets	35,304	42,854

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, 2022	Six months ended September 30, 2023
Revenue	10,950	10,016
Cost of sales	7,626	6,981
Gross profit	3,324	3,035
Selling, general and administrative expenses	3,820	3,666
Operating loss	(495)	(630)
Non-operating income		
Interest income	8	2
Dividend income	26	32
Rental income from land and buildings	18	17
Other	17	8
Total non-operating income	70	60
Non-operating expenses		
Interest expenses	1	19
Foreign exchange losses	21	23
Loss on cancellation of insurance policies	8	–
Other	5	11
Total non-operating expenses	37	54
Ordinary loss	(462)	(624)
Extraordinary income		
Gain on sale of investment securities	3	10
Gain on sale of shares of subsidiaries and associates	–	878
Subsidy income	14	–
Total extraordinary income	17	888
Profit (loss) before income taxes	(444)	264
Income taxes - current	19	34
Income taxes - deferred	(0)	(64)
Total income taxes	18	(29)
Profit (loss)	(463)	293
Loss attributable to non-controlling interests	–	(8)
Profit (loss) attributable to owners of parent	(463)	301

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit (loss)	(463)	293
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	281
Foreign currency translation adjustment	263	(124)
Remeasurements of defined benefit plans, net of tax	(65)	(28)
Total other comprehensive income	193	127
Comprehensive income	(269)	421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(269)	429
Comprehensive income attributable to non-controlling interests	–	(8)