

Translation

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

August 9, 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: August 9, 2022
 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, 2022 (from April 1, 2022 to June 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	%
Three months ended June 30, 2022	4,940	0.4	(419)	–	(397)	–	(400)	–
Three months ended June 30, 2021	4,920	30.7	(351)	–	(309)	–	(257)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	(40.31)	–
Three months ended June 30, 2021	(26.00)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	35,479	24,822	70.0
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	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	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 three months ended June 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 June 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 June 30, 2022	130,824 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)

Three months ended June 30, 2022	9,944,925 shares	Three months ended June 30, 2021	9,923,160 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	5,927	5,661
Notes receivable - trade	514	540
Electronically recorded monetary claims - operating	578	580
Accounts receivable - trade	4,555	3,151
Merchandise and finished goods	1,732	1,931
Work in process	725	949
Raw materials and supplies	3,044	3,434
Other	154	190
Allowance for doubtful accounts	(0)	(0)
Total current assets	17,232	16,438
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,377	5,323
Land	10,032	10,046
Other, net	1,193	1,181
Total property, plant and equipment	16,603	16,551
Intangible assets		
Software	911	812
Other	45	45
Total intangible assets	956	858
Investments and other assets		
Investment securities	1,149	1,118
Other	533	547
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	1,648	1,630
Total non-current assets	19,208	19,040
Total assets	36,441	35,479

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,764	1,594
Short-term borrowings	75	113
Provision for bonuses	520	259
Provision for product warranties	65	63
Other	1,849	1,782
Total current liabilities	4,275	3,813
Non-current liabilities		
Deferred tax liabilities	3,226	3,210
Provision for share awards	56	50
Retirement benefit liability	2,966	3,033
Other	557	549
Total non-current liabilities	6,805	6,843
Total liabilities	11,081	10,657
Net assets		
Shareholders' equity		
Share capital	6,025	6,025
Capital surplus	6,948	6,948
Retained earnings	11,977	11,327
Treasury shares	(135)	(127)
Total shareholders' equity	24,815	24,174
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	304	280
Foreign currency translation adjustment	0	165
Remeasurements of defined benefit plans	239	202
Total accumulated other comprehensive income	544	648
Total net assets	25,359	24,822
Total liabilities and net assets	36,441	35,479

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, 2021	Three months ended June 30, 2022
Revenue	4,920	4,940
Cost of sales	3,355	3,423
Gross profit	1,564	1,517
Selling, general and administrative expenses	1,916	1,936
Operating loss	(351)	(419)
Non-operating income		
Interest income	0	3
Dividend income	21	24
Rental income from land and buildings	9	9
Other	12	9
Total non-operating income	43	47
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	0	23
Other	0	1
Total non-operating expenses	1	25
Ordinary loss	(309)	(397)
Extraordinary income		
Subsidy income	33	–
Total extraordinary income	33	–
Loss before income taxes	(275)	(397)
Income taxes - current	8	6
Income taxes - deferred	(25)	(2)
Total income taxes	(17)	3
Loss	(257)	(400)
Loss attributable to owners of parent	(257)	(400)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Loss	(257)	(400)
Other comprehensive income		
Valuation difference on available-for-sale securities	35	(23)
Foreign currency translation adjustment	(0)	164
Remeasurements of defined benefit plans, net of tax	21	(36)
Total other comprehensive income	56	103
Comprehensive income	(201)	(297)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(201)	(297)