



**Summary of Consolidated Financial Results for the  
Second Quarter of the Fiscal Year Ending September 30, 2022  
(Six Months Ended March 31, 2022)**

May 12, 2022

[Japanese GAAP]

Company name: IMV CORPORATION

Listing: Tokyo Stock Exchange

Stock code: 7760

URL: <http://www.imv.co.jp/>

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Scheduled date of filing of Quarterly Report: May 12, 2022

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Second Quarter (October 1, 2021 – March 31, 2022) of the Fiscal Year Ending September 30, 2022**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Mar. 31, 2022	5,976	(5.7)	491	(45.3)	702	(37.6)	577	(27.7)
Six months ended Mar. 31, 2021	6,340	1.0	898	83.2	1,125	126.3	799	143.1

Note: Comprehensive income (million yen) Six months ended Mar. 31, 2022: 473 (down 40.3%)

Six months ended Mar. 31, 2021: 794 (up 155.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Mar. 31, 2022	35.46	-
Six months ended Mar. 31, 2021	49.06	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2022	16,921	7,803	46.1
As of Sep. 30, 2021	17,121	7,529	43.9

Reference: Shareholders' equity (million yen) As of Mar. 31, 2022: 7,803 As of Sep. 30, 2021: 7,514

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Sep. 30, 2021	Yen -	Yen 0.00	Yen -	Yen 10.00	Yen 10.00
Fiscal year ending Sep. 30, 2022	-	0.00			
Fiscal year ending Sep. 30, 2022 (forecasts)			-	10.00	10.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending September 30, 2022  
(October 1, 2021 – September 30, 2022)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	12,500	8.0	1,150	7.8	1,250	(4.6)	900	(3.9)	55.23

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares issued (common shares)

1) Number of shares issued (including treasury shares) at the end of the period

As of Mar. 31, 2022:	16,957,016 shares	As of Sep. 30, 2021:	16,957,016 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2022:	663,484 shares	As of Sep. 30, 2021:	663,484 shares
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3) Average number of shares issued during the period

Six months ended Mar. 31, 2022:	16,293,532 shares	Six months ended Mar. 31, 2021:	16,293,564 shares
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Note: The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

Forward-looking statements contained herein are based on the Group's judgment as of March 31, 2022.

#### (1) Results of Operations

During the first half of the current fiscal year, the outlook for the global economy remained more uncertain than ever due to concerns about the spread of COVID-19 and the shortage of electronic components caused by delays in the supply of semiconductors, as well as soaring energy prices following Russia's invasion of Ukraine and the subsequent economic sanctions on Russia imposed by various governments in response. Meanwhile, amid the ongoing global trend toward decarbonization, we expect that the shift to electric vehicles will continue to accelerate going forward, which helps keep the capital investment environment robust in the market for electric vehicle components, batteries, and other related products.

Under such circumstances, the Group has announced its medium-term management plan, with the current fiscal year as its first year, based on the basic policy of "breaking away from the mere business of selling products" in accordance with its corporate philosophy, "Secure the Future - For the safety and security -." In order to achieve sustainable growth while responding to social changes, we are working on various measures to create new value through understanding the potential needs of customers. Under the plan, we aim to achieve net sales of 14.6 billion yen and operating profit of 1.5 billion yen in the fiscal year ending September 30, 2024, the final year of our medium-term management plan.

Results of operations for the first half of the current fiscal year are as follows:

Net sales decreased by 364 million yen year on year to 5,976 million yen due to sluggish growth in dynamic simulation systems and measuring systems. Earnings suffered from a lack of sales from high-margin projects that were recorded in the same period of the previous fiscal year and lower sales in the first half of the current fiscal year. Operating profit decreased by 406 million yen to 491 million yen, ordinary profit decreased by 422 million yen to 702 million yen and profit attributable to owners of parent decreased by 221 million yen to 577 million yen.

Business results by product category were as follows:

#### 1) Dynamic Simulation Systems

In the overseas market, we enjoyed orders for large-scale projects for electric vehicles in China and Europe. In the service sector, sales increased year on year due to strong demand for amplifier renewals and overhaul services. In the domestic market, sales of energy-saving vibration simulation systems for the automotive industry remained strong, but overall sales declined year on year in reaction to large-scale projects for aerospace manufacturing and nuclear power plants that were recorded in the same period of the previous fiscal year.

As a result, category sales decreased by 252 million yen year on year to 4,359 million yen.

#### 2) Test and Solution Services

In the domestic market, although sales were sluggish in the first half of the previous fiscal year because outsourced testing services were postponed due to restrictions on economic activity in the wake of the spread of COVID-19, the first half of the current fiscal year saw a recovery, mainly in the testing for electric vehicle components and batteries. In addition, sales from EMC testing and environmental testing at the e-Test Centre Japan (e-TCJ) also grew. However, as there was no development project of electric vehicles in the ASEAN market on a temporary basis, sales were lower than the same period of the previous fiscal year.

As a result, category sales increased by 66 million yen year on year to 1,177 million yen.

#### 3) Measuring Systems

In the domestic market, sales declined year on year due to the completion of the renewal period of vibration monitoring systems for nuclear power plants, supply shortages of electronic components, and sluggish sales of

vibration measurement systems for various plants. In the overseas market, sales of seismic monitoring systems for the Philippines, a mainstay product, were sluggish due to the impact of COVID-19, resulting in lower sales than in the same period of the previous fiscal year.

As a result, category sales decreased by 178 million yen year on year to 439 million yen.

## **(2) Explanation of Financial Position**

### Assets

Total assets decreased by 200 million yen from the end of the previous fiscal year to 16,921 million yen at the end of the second quarter of the current fiscal year. Current assets decreased by 1 million yen to 11,271 million yen. This was attributable to a 304 million yen decrease in cash and deposits, despite a 145 million yen increase in trade receivables and a 150 million yen increase in inventories. Non-current assets decreased by 199 million yen to 5,649 million yen. This was mainly attributable to a 123 million yen decrease in investment securities.

### Liabilities

Total liabilities decreased by 473 million yen from the end of the previous fiscal year to 9,117 million yen at the end of the second quarter of the current fiscal year. Current liabilities increased by 252 million yen to 7,660 million yen. This was mainly attributable to a 334 million yen increase in current portion of long-term loans payable. Non-current liabilities decreased by 726 million yen to 1,457 million yen. This was mainly attributable to a 715 million yen decrease in long-term borrowings.

### Net assets

Net assets increased by 273 million yen from the end of the previous fiscal year to 7,803 million yen at the end of the second quarter of the current fiscal year. This was mainly attributable to a 417 million yen increase in retained earnings. As a result, the equity ratio increased 2.2 percentage points to 46.1%.

## **(3) Cash Flows**

The balance of cash and cash equivalents as of March 31, 2022 decreased by 313 million yen from the end of the previous fiscal year to 3,339 million yen.

### (Cash flows from operating activities)

Net cash provided by operating activities during the first half of the current fiscal year decreased by 563 million yen year on year to 164 million yen. This was mainly due to an increase in notes and accounts receivable - trade of 118 million yen and income taxes paid of 395 million yen.

### (Cash flows from investing activities)

Net cash provided by investing activities during the first half of the current fiscal year increased by 101 million yen year on year to 52 million yen. This was mainly due to proceeds from sales of investment securities of 195 million yen and purchase of property, plant and equipment of 122 million yen.

### (Cash flows from financing activities)

Net cash used in financing activities during the first half of the current fiscal year amounted to 570 million yen, compared with net cash used of 434 million yen in the same period of the previous fiscal year. This was primarily due to repayment of long-term loans payable of 383 million yen.

### **(3) Our Efforts to Mitigate the Impact of COVID-19**

To deal with the various issues associated with the spread of COVID-19, the Company is taking various measures under the leadership of the Management Planning Division with the support of internal and external experts. Specifically, we have developed guidance for employees about the spread of the COVID-19 pandemic, handled vaccine-related matters, and strengthened the infection control measures in place for essential operations.

Furthermore, as a measure to ensure the safety of our employees, we are continuing to apply our telecommuting policies and to support this initiative with information technology. In addition, our post-COVID-19 convergence workplace strategy will enable us to realize the creation and implementation of an optimal working environment through measures such as the promotion of a paperless workplace built around telecommuting.

In addition, we are taking measures to ensure the safety of our employees as well as our customers by recommending that meetings with customers be conducted using web conferencing systems and by providing test videos remotely for contract testing.

While we are continuing to monitor the situation closely, we will maintain the restrictions on unnecessary and non-urgent travel and on the holding of, or participation in, large gatherings until such time as a new policy is put in place.

### **(4) Explanation of Consolidated Forecast and Other Forward-looking Statements**

These projections are based on information available at the time of release of this report. Actual results may differ from projections due to a variety of reasons.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY9/21 (As of Sep. 30, 2021)	Second quarter of FY9/22 (As of Mar. 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	3,883,973	3,579,595
Notes and accounts receivable-trade	3,257,285	3,367,721
Electronically recorded monetary claims-operating	845,584	880,443
Finished goods	732,895	699,563
Work in process	1,568,050	1,670,902
Raw materials	769,787	850,973
Other	219,661	227,747
Allowance for doubtful accounts	(5,015)	(5,167)
Total current assets	11,272,223	11,271,779
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,349,397	2,273,264
Land	1,935,656	1,935,656
Other, net	839,264	836,840
Total property, plant and equipment	5,124,318	5,045,762
Intangible assets		
Software	53,370	64,035
Other	20,316	4,449
Total intangible assets	73,687	68,484
Investments and other assets	651,545	535,575
Total non-current assets	5,849,552	5,649,822
Total assets	17,121,775	16,921,601
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,216,096	1,223,091
Electronically recorded obligations-operating	868,991	1,019,031
Short-term borrowings	2,270,003	2,270,000
Current portion of long-term borrowings	1,027,885	1,361,954
Accounts payable-other	398,015	353,726
Accrued expenses	424,160	401,756
Income taxes payable	441,278	255,608
Accrued consumption taxes	85,758	17,634
Provision for product warranties	46,000	34,000
Provision for share-based compensation	-	8,112
Other	629,998	715,909
Total current liabilities	7,408,187	7,660,822
Non-current liabilities		
Long-term borrowings	1,909,643	1,194,259
Long-term accounts payable-other	187,080	175,529
Asset retirement obligations	48,147	49,289
Other	38,844	38,051
Total non-current liabilities	2,183,715	1,457,129
Total liabilities	9,591,902	9,117,952

	(Thousands of yen)	
	FY9/21 (As of Sep. 30, 2021)	Second quarter of FY9/22 (As of Mar. 31, 2022)
Net assets		
Shareholders' equity		
Share capital	464,817	464,817
Capital surplus	554,974	537,104
Retained earnings	6,523,565	6,940,987
Treasury shares	(143,762)	(143,762)
Total shareholders' equity	7,399,594	7,799,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	98,338	18,166
Foreign currency translation adjustment	16,382	(13,663)
Total accumulated other comprehensive income	114,720	4,503
Non-controlling interests	15,556	-
Total net assets	7,529,872	7,803,649
Total liabilities and net assets	17,121,775	16,921,601



**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****For the Six-month Period**

	(Thousands of yen)	
	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)
Net sales	6,340,513	5,976,328
Cost of sales	4,263,618	3,984,894
Gross profit	2,076,894	1,991,433
Selling, general and administrative expenses	1,178,241	1,499,743
Operating profit	898,653	491,689
Non-operating income		
Interest income	472	83
Dividend income	1,852	2,909
Foreign exchange gains	146,207	211,330
Rental income	20,309	4,732
Seminar income	4,817	4,334
Subsidy income	52,307	-
Miscellaneous income	20,412	2,630
Total non-operating income	246,379	226,022
Non-operating expenses		
Interest expenses	12,586	10,489
Seminar expenses	3,978	3,693
Miscellaneous loss	3,398	1,364
Total non-operating expenses	19,963	15,547
Ordinary profit	1,125,069	702,164
Extraordinary income		
Gain on sale of investment securities	-	82,605
Gain on sale of shares of subsidiaries	-	38,194
Total extraordinary income	-	120,799
Extraordinary losses		
Loss on retirement of non-current assets	633	52
Total extraordinary losses	633	52
Profit before income taxes	1,124,435	822,911
Income taxes-current	317,740	226,848
Income taxes-deferred	1,311	13,609
Total income taxes	319,051	240,457
Profit	805,384	582,454
Profit attributable to non-controlling interests	5,981	4,660
Profit attributable to owners of parent	799,402	577,794

**Quarterly Consolidated Statement of Comprehensive Income****For the Six-month Period**

(Thousands of yen)

	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)
Profit	805,384	582,454
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,173)	(80,171)
Foreign currency translation adjustment	(10,178)	(28,371)
Total other comprehensive income	(11,352)	(108,543)
Comprehensive income	794,031	473,910
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	791,014	467,575
Comprehensive income attributable to non-controlling interests	3,017	6,334

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)	First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	1,124,435	822,911
Depreciation	285,599	273,051
Loss (gain) on sale of investment securities	-	(38,194)
Loss (gain) on sale of shares of subsidiaries	-	(82,605)
Amortization of goodwill	4,185	-
Increase (decrease) in allowance for doubtful accounts	(540)	20
Increase (decrease) in provision for share-based compensation	-	8,112
Increase (decrease) in provision for product warranties	(2,050)	(12,000)
Interest and dividend income	(2,324)	(2,993)
Rental income	(20,309)	(4,732)
Interest expenses	12,586	10,489
Foreign exchange losses (gains)	(57,764)	(71,867)
Loss on retirement of non-current assets	633	52
Subsidy income	(52,307)	-
Decrease (increase) in trade receivables	(996,491)	(118,267)
Decrease (increase) in inventories	9,403	(99,791)
Increase (decrease) in trade payables	407,222	(11,582)
Other, net	(36,957)	(104,881)
Subtotal	675,320	567,721
Interest and dividends received	2,337	2,993
Interest paid	(12,554)	(10,626)
Proceeds from subsidy income	52,307	-
Income taxes paid	(19,053)	(395,348)
Income taxes refund	30,242	-
Net cash provided by (used in) operating activities	728,599	164,739
Cash flows from investing activities		
Purchase of property, plant and equipment	(45,451)	(122,159)
Purchase of intangible assets	(2,980)	(3,162)
Purchase of investment securities	(8,416)	(102,676)
Proceeds from sale of investment securities	-	195,756
Payments into time deposits	(9,010)	(9,001)
Proceeds from sale of shares of subsidiaries	-	95,006
Other, net	17,416	(958)
Net cash provided by (used in) investing activities	(48,442)	52,803
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50,065)	(3)
Repayments of long-term borrowings	(260,688)	(383,497)
Repayments of finance lease obligations	(2,278)	(261)
Dividends paid	(121,229)	(161,529)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(25,525)
Net cash provided by (used in) financing activities	(434,262)	(570,817)
Effect of exchange rate change on cash and cash equivalents	53,556	39,893
Net increase (decrease) in cash and cash equivalents	299,451	(313,380)
Cash and cash equivalents at beginning of period	2,839,536	3,652,453
Cash and cash equivalents at end of period	3,138,987	3,339,072

**(4) Notes to Quarterly Consolidated Financial Statements**

**Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

### 3. Others

#### Production, Orders and Sales

##### Production

	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)		First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,596,231	72.7	4,081,557	71.6	88.8
Test and Solution Services	1,110,474	17.6	1,176,944	20.6	106.0
Measuring Systems	617,352	9.7	442,812	7.8	71.7
Total	6,324,058	100.0	5,701,314	100.0	90.2

##### Orders

	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)		First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,365,274	72.4	4,633,742	73.1	106.2
Test and Solution Services	1,082,098	18.0	1,217,138	19.2	112.5
Measuring Systems	579,301	9.6	491,588	7.7	84.9
Total	6,026,674	100.0	6,342,469	100.0	105.2

##### Order backlog

	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)		First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	3,387,336	87.3	3,922,683	86.5	115.8
Test and Solution Services	239,931	6.2	346,618	7.6	144.5
Measuring Systems	254,427	6.5	266,466	5.9	104.7
Total	3,881,695	100.0	4,535,768	100.0	116.9

##### Sales

	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)		First six months of FY9/22 (Oct. 1, 2021 – Mar. 31, 2022)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,611,696	72.7	4,359,594	72.9	94.5
Test and Solution Services	1,111,030	17.5	1,177,244	19.7	106.0
Measuring Systems	617,786	9.8	439,489	7.4	71.1
Total	6,340,513	100.0	5,976,328	100.0	94.3

\* This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.