

Summary of Consolidated Financial Results for the Year Ending March 31, 2024 (FY2024)

May 16, 2024

Imasen Electric Industrial Co., Ltd.

Tokyo Stock Exchange Standard Market, Nagoya Stock Exchange Premier Market
Stock code: 7266

- I. Summary of Consolidated Financial Results for FY2024
- II. Forecasts of Consolidated Financial Results for the Year Ending March 31, 2025
- III. Future Initiatives

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Summary of Consolidated Financial Results for FY2024

Challenge by New Imasen

(Unit: Million yen)

	FY2023 Result	FY2024 Disclosed forecasts*	FY2024 Result	Difference	Change
Net sales	99,730	100,600	99,730	-0	-0.0%
Operating profit	-770	70	14	+784	—
Ordinary profit	28	500	260	+232	+828.6%
Profit attributable to owners of parent	-2,053	-920	-71	+1,982	—

* Disclosed forecasts are figures revised and disclosed in February 2024.

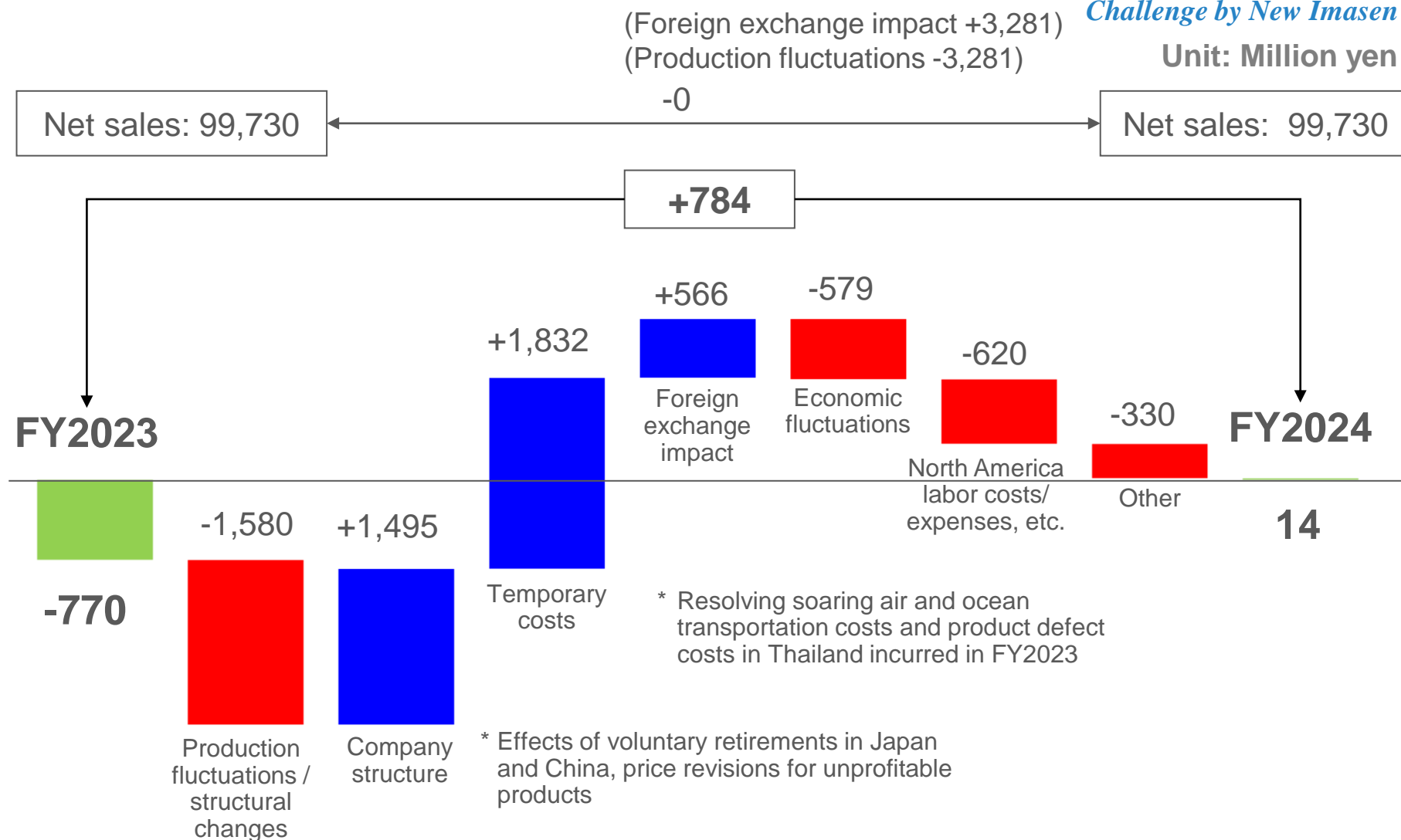
Exchange rates		FY2023 Result	FY2024 Disclosed forecasts	FY2024 Result
	USD	131.62 yen	140.60 yen	140.67 yen
	CNY	19.50 yen	19.80 yen	19.82 yen
	THB	3.75 yen	4.00 yen	4.04 yen

*Exchange rates are averages from January to December, the accounting period for overseas subsidiaries.

FY2024 Operating Profit (Year on Year)

Challenge by New Imasen

Unit: Million yen

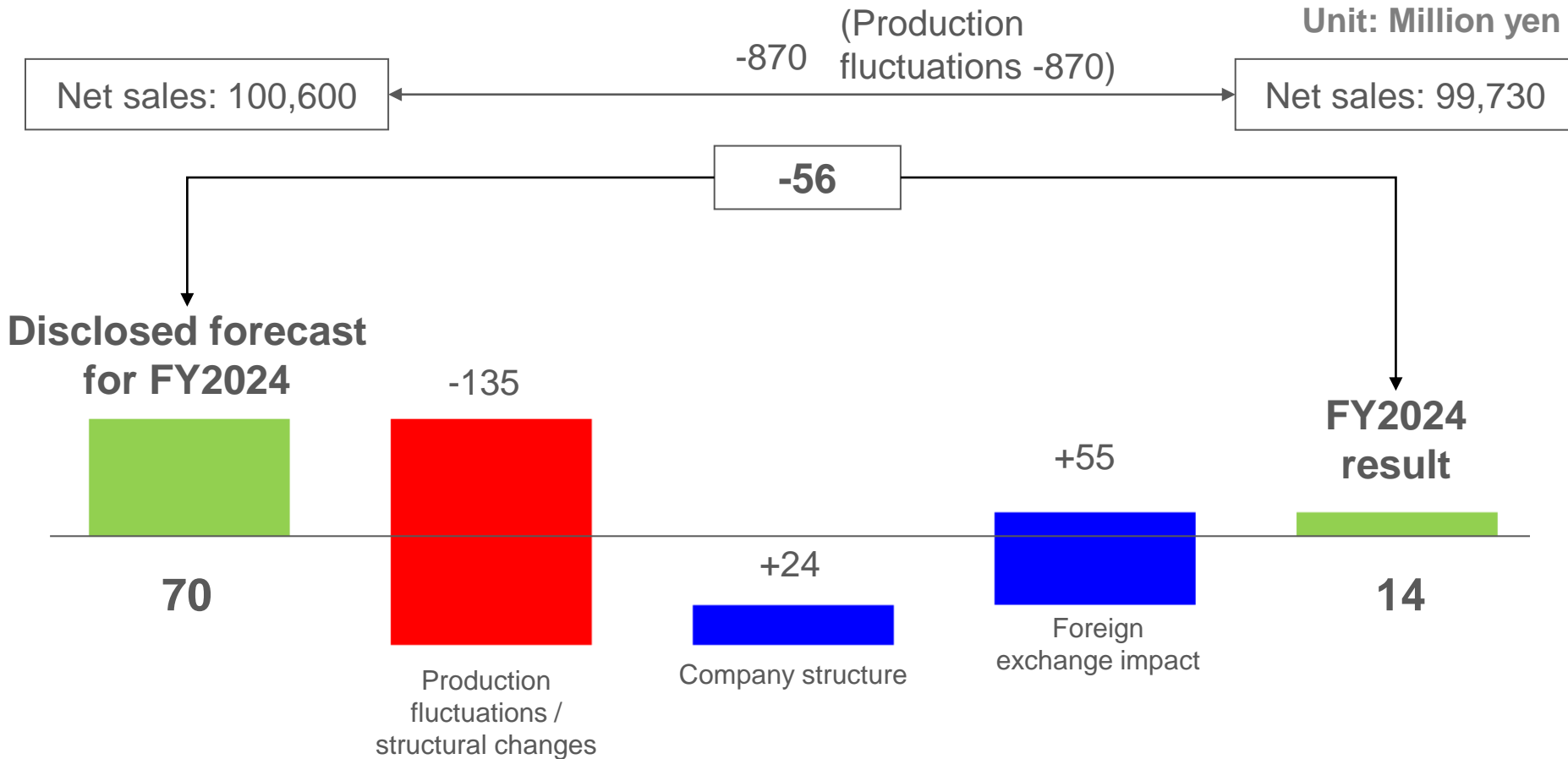


Even with lower production in China, operating profits increased due to the resolution of temporary costs.

FY2024 Operating Profit (Disclosed Forecasts vs. Results)

Challenge by New Imasen

Unit: Million yen



* Disclosed forecasts are figures revised and disclosed in February 2024.

* Since the fiscal year at overseas subsidiaries runs from January to December, the above changes reflect the impact of changes in domestic business.

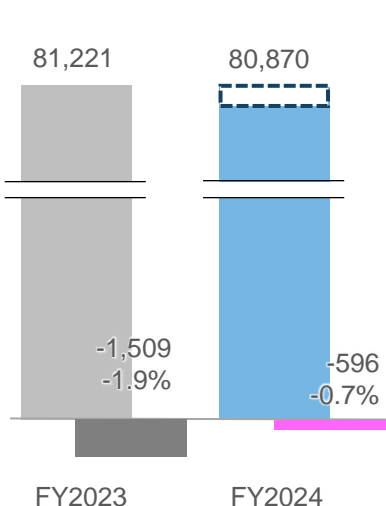
Operating profits decreased due to reduced sales caused by a customer suspending domestic production.

FY2024 Results by Business Segment

Challenge by New Imasen

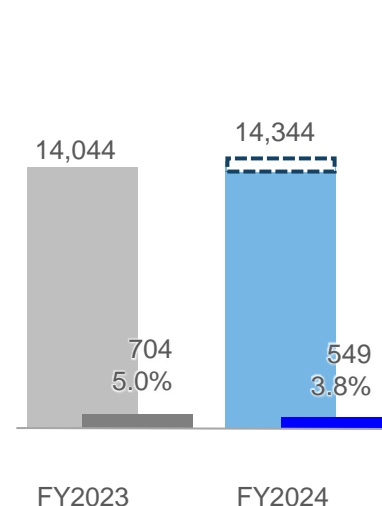
(Unit: Million yen)

Seat and Electrical Equipment Business



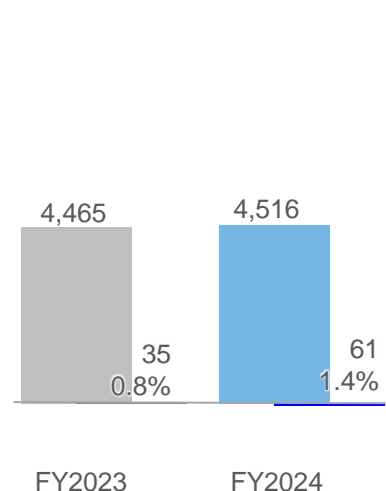
Net sales	-351 (-0.4%)
While lower production in China, the offsetting effects of yen depreciation resulted in only a slight decline in net sales.	
Operating profit	+913 (Decrease in loss)
While production declines and economic fluctuations, the loss was reduced by the resolution of temporary expenses and implemented structural improvements to reduce losses.	
Exchange rate impact	
Revenue	+2,975
Operating profit	-73

Electronics Business



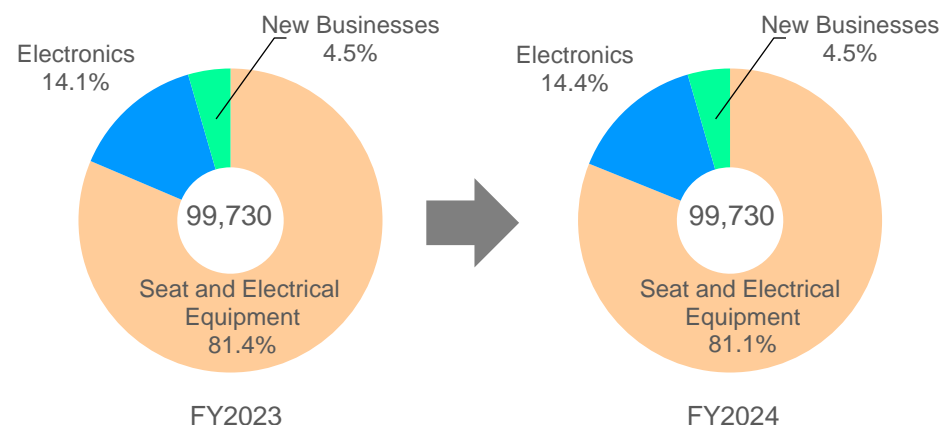
Net sales	+300 (+2.1%)
Nearly flat excluding the impact of exchange rates.	
Operating profit	-155 (-22.0%)
Profits down due to increased costs to strengthen future development measures.	
Exchange rate impact	
Revenue	+306
Operating profit	+33

New Businesses



Net sales	+51 (+1.1%)
Nearly flat.	
Operating profit	+26 (+74.3%)
Uptrend continuing due to recovery in aircraft and industrial camera businesses.	
Exchange rate impact	
Revenue	0
Operating profit	0

Sales Breakdown by Business



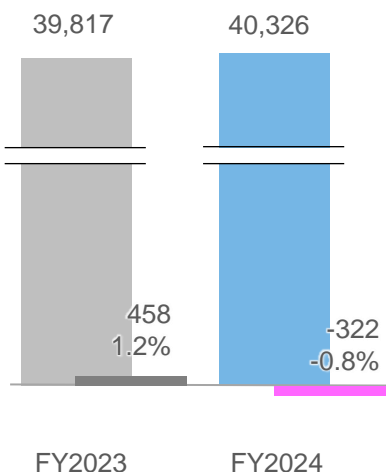
* Figures for existing non-automotive businesses are included in this segment.

FY2024 Results by Regional Segment

Challenge by New Imasen

(Unit: Million yen)

Japan



Net sales +509 (+1.3%)

Nearly flat.

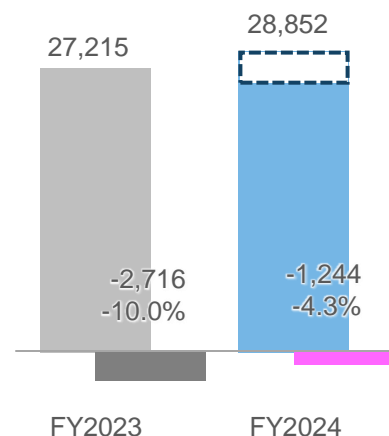
Operating profit -780 (Stated loss)

Profit was down due to efforts to increasing development costs for the future electronics business and to strengthen the quality management structure, etc.

Exchange rate impact

Revenue	0
Operating profit	0

North America



Net sales +1,637 (+6.0%)

Sales increased due to the impact of exchange rates caused by yen depreciation.

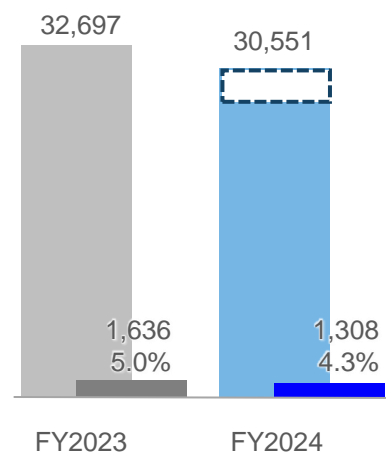
Operating profit +1,472 (Decrease in loss)

Due to the resolution of temporary costs (transport costs), and we consolidated the Mexico business. The results of this and other changes reduced losses.

Exchange rate impact

Revenue	+1,874
Operating profit	-69

Asia



Net sales -2,146 (-6.6%)

Sales were down due to lower production in China.

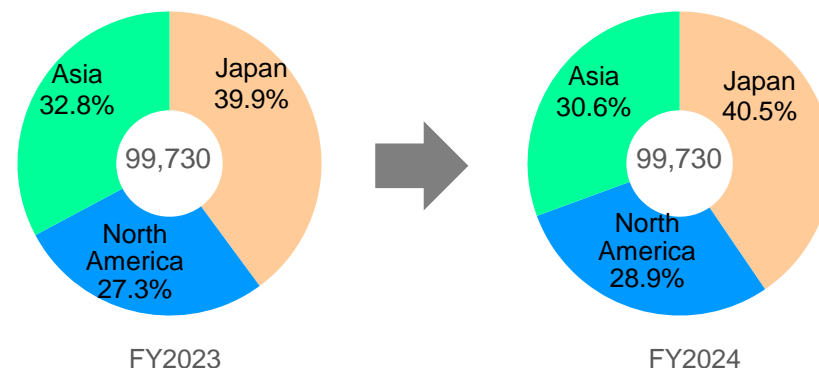
Operating profit -328 (-20.0)

In response to lower revenue in China, we improved the company structure through voluntary retirements. We eliminated losses in Thailand due to product defects and sought to strengthen company structures.

Exchange rate impact

Revenue	+1,407
Operating profit	+29

Sales Breakdown by Region



(Unit: Million yen)

Capital investment

	FY2023	FY2024	Difference
Japan	1,170	1,908	738
North America	330	201	-129
Asia	936	1,355	419
Total	2,436	3,464	1,028

Major investments during the period

- Japan
Growth due to investments in molds related to new vehicle model launches.
- North America
Lower investment than in the previous period for new vehicle model launches.
- Asia
Growth due to internalizing and localizing in China.

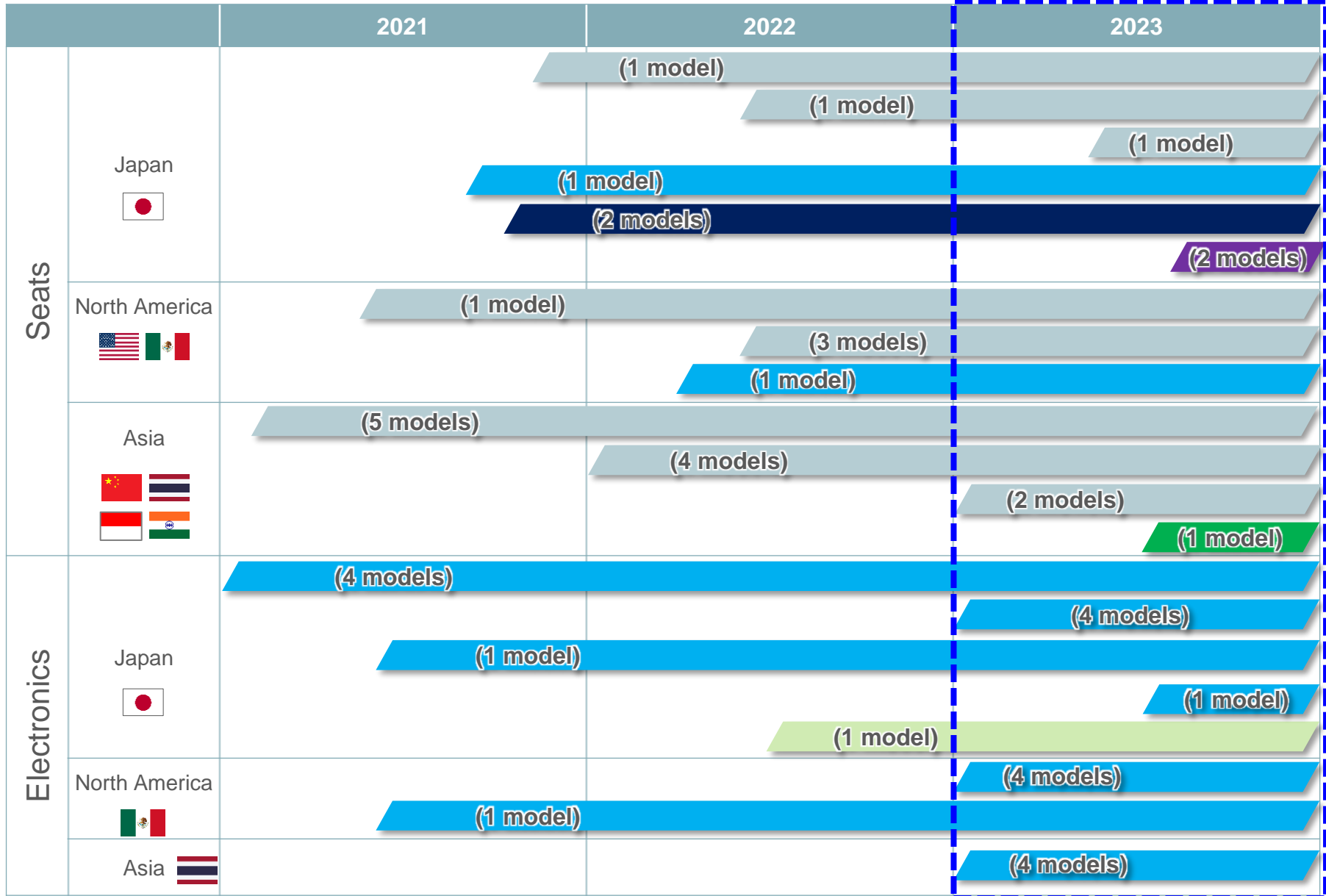
Depreciation expense

	FY2023	FY2024	Difference
Japan	1,320	1,346	26
North America	446	477	31
Asia	1,182	1,132	-50
Total	2,949	2,956	7

- Japan
Growth due to investments in the electronics business the previous term.
- North America
Growth due to investments in new model launches during the previous period.
- Asia
Growth due to reining in investment the previous term.

Track Record of New Product Launches

Challenge by New Imasen



■ Seat and Electrical Equipment Business

[Capacity Augmentation]



Augmenting capacity for new order products.(press line added, building extended)

India Plant



Press line added



Building extended

[Promoting Localization]



Building an integrated production system for in-house manufacturing to boost cost competitiveness. (third-phase factory expansion; coating facilities established)

China
Wuhan Plant

Coating facility



Third-phase factory expansion (press line added)

Began using local steel materials to cut costs.

Initiatives to invest in growth markets and secure cost competitiveness.

■ Seat and Electrical Equipment Business

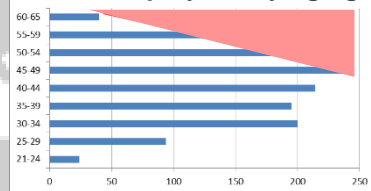
[Optimizing personnel through voluntary retirement program]



154 applications

Japan head office

Number of employees by age group



Improve the age distribution; promote a younger workforce.



75 applications (ongoing)

Guangzhou Plant

Promoting automation and labor savings in order to adopt unstable production volume.

[Business Consolidation in North America]



Ohio Plant



Tennessee Plant



Mexico Plant



Ohio Plant



Tennessee Plant

Production capacity of Mexico Plant currently being consolidated at the Ohio Plant
 Mexico Plant to become **North American sales site for electronic products.**

Pursue a lean production system.

■ Electronics Business

Electric drive sector

Augmenting the production engineering department at the Hiroshima Plant

Through collaboration with Mazda Imasen Electric Drive, we are accelerating development of high-efficiency production technologies.



Develop production technologies and construction of a production system base for business expansion.

Other sectors

Expanding adoption of mainstay products

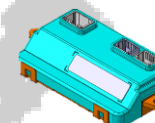
REAR-ESU





Product which controls rear lamps, rear wipers, trunk latches, 4WD, etc.



DASH-ESU

Product which controls air conditioners, buckle switches, DriveMode switches, illumination, etc.



	2021	2022	2023
	4 models		
			4 models
			  

Expand overseas supply systems and increase numbers of models incorporating the products.

Pursue a lean production system.

■ New Business

[Toward establishment of a walking business]

Demonstration experiments

Measure



Feedback



Joint efforts with local governments, etc.



Developing walking improvement equipment in accordance with walking conditions based on measurement results



Various walking improvement equipment that flexes joints, etc.



Working to build a platform for future business development.

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Forecasts of Consolidated Financial Results for FY2025

Challenge by New Imasen

	FY2024	FY2025 (forecast)	Difference	Change
Unit: Million yen				
Net sales	99,730	93,500	-6,230	-6.2%
Operating profit	14	100	+86	+614.3%
Ordinary profit	260	300	+40	+15.4%
Profit attributable to owners of parent	-71	1,400	+1,471	—

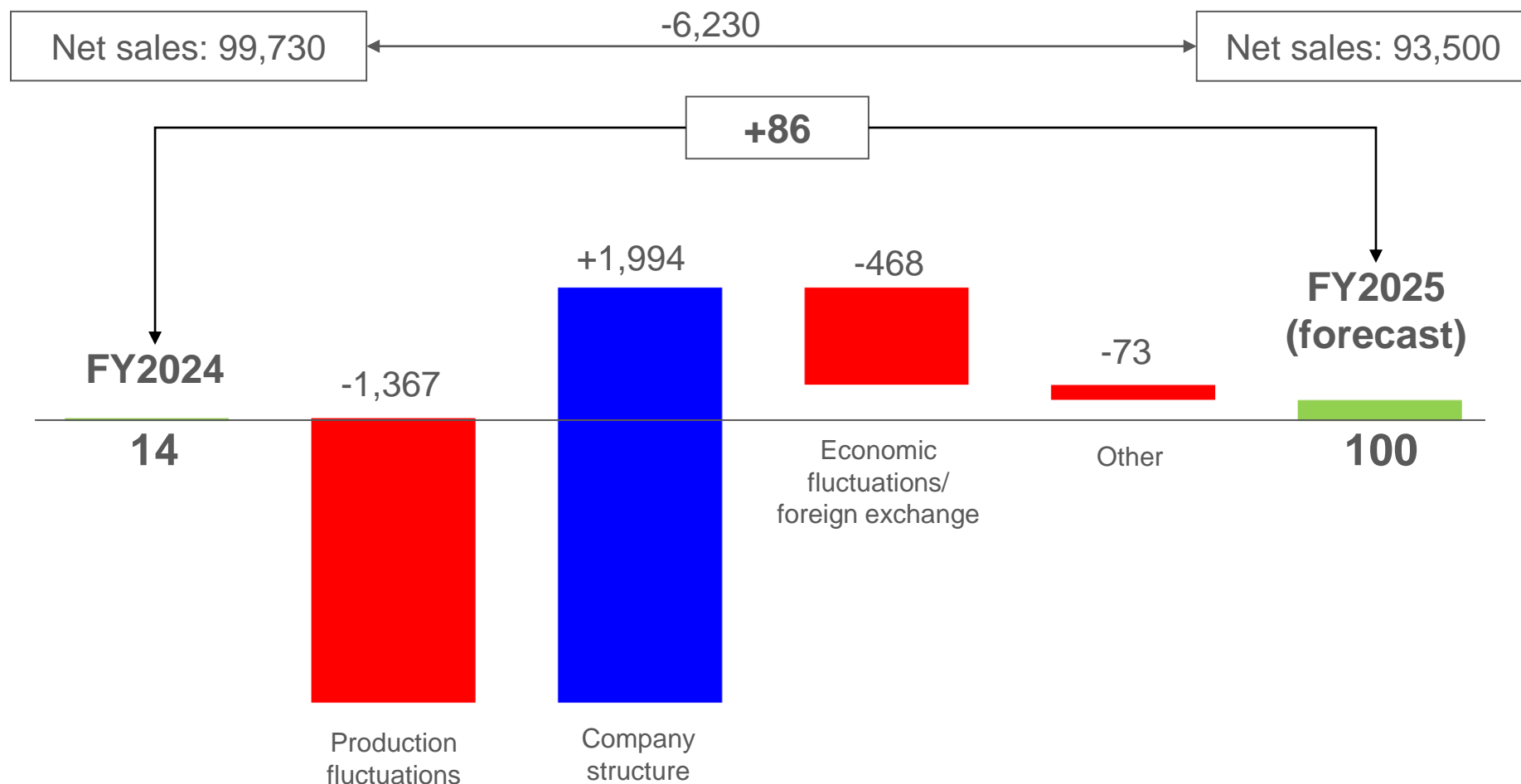
Exchange rates	FY2024		FY2025 (forecast)	
	USD	140.67 yen	▶	145.00 yen
	CNY	19.82 yen		20.00 yen
	THB	4.04 yen		4.00 yen

Operating Profit Forecast for FY2025

(Foreign exchange impact +865)
(Production fluctuations -7,095)

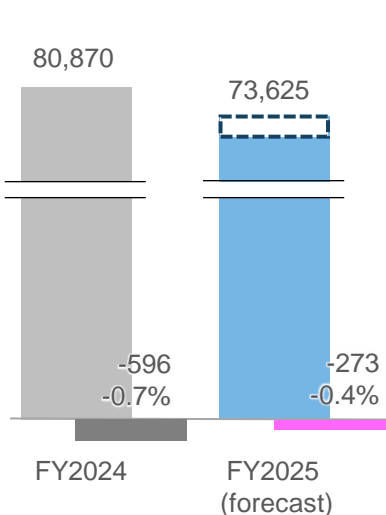
Challenge by New Imasen

Unit: Million yen



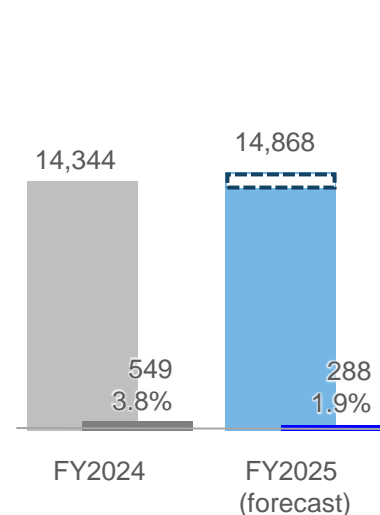
Work to improve the company structure to withstand negative changes in the external environment, including lower sales in Asia and higher wages.

Seat and Electrical Equipment Business



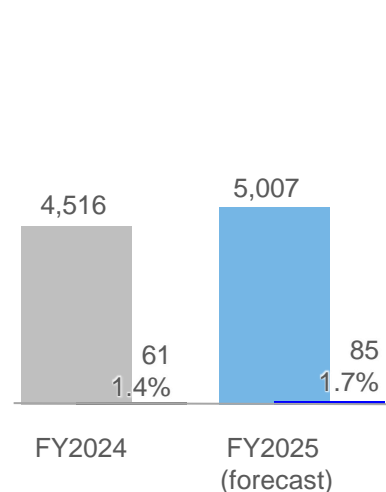
Net sales	-7,245 (-9.0%)
Expecting lower revenue on accelerating production declines in China.	
Operating profit	+323 (Decrease in loss)
Despite the impact of lower production in China, expectations for reducing losses due to efforts to stabilize the North American business and make structural improvements in the domestic business.	
Exchange rate impact	
Revenue	+832
Operating profit	+1

Electronics Business



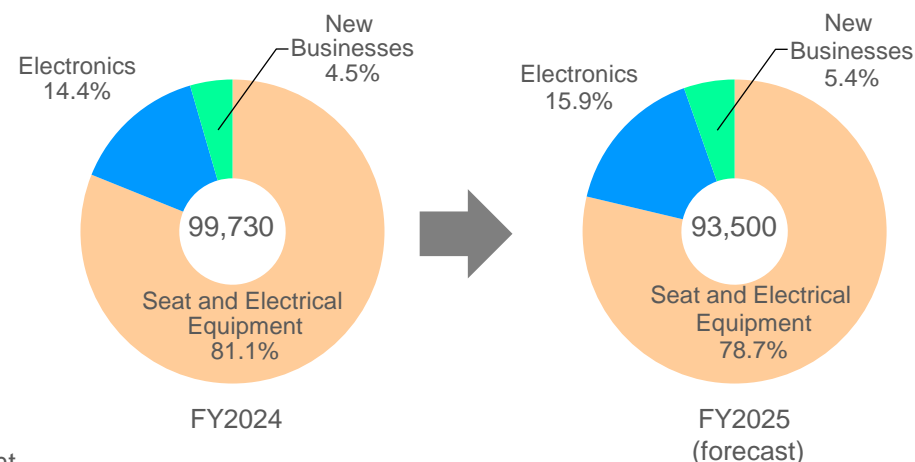
Net sales	+524 (+3.7%)
Expecting increased revenue from increased production in North America.	
Operating profit	-261 (-47.6%)
Projecting lower profits due to higher costs generated by efforts to strengthen development for the future in Japan.	
Exchange rate impact	
Revenue	+32
Operating profit	-2

New Businesses



Net sales	+491 (+10.9%)
Expected revenue growth on increased production in non-automotive businesses.	
Operating profit	+24 (+39.3%)
Projecting continuing profit growth due to the stable profit structure for existing non-automotive businesses.	
Exchange rate impact	
Revenue	0
Operating profit	0

Sales Breakdown by Business



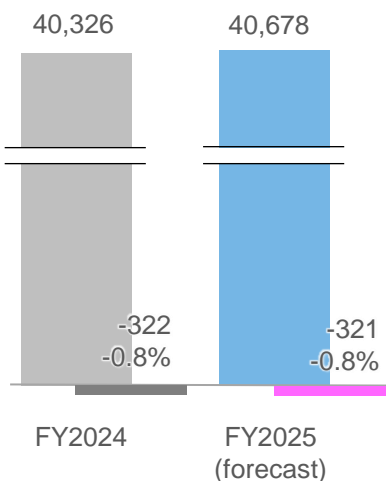
* Figures for existing non-automotive businesses are included in this segment.

FY2025 Forecasts by Region

Challenge by New Imasen

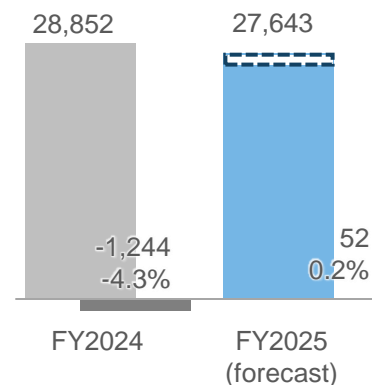
(Unit: Million yen)

Japan



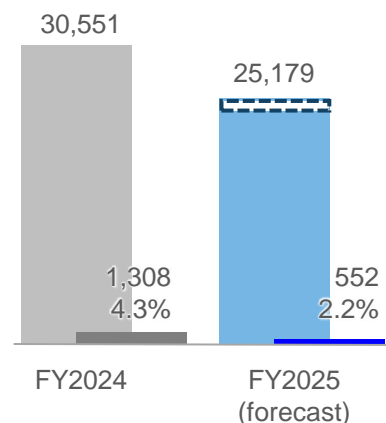
Net sales	+352 (+0.9%)
Expected to be nearly flat.	
Operating profit	+1 (Decrease in loss)
Expected to be flat despite continuing increases in development costs for the future in the electronics business.	
Exchange rate impact	
Revenue	0
Operating profit	0

North America



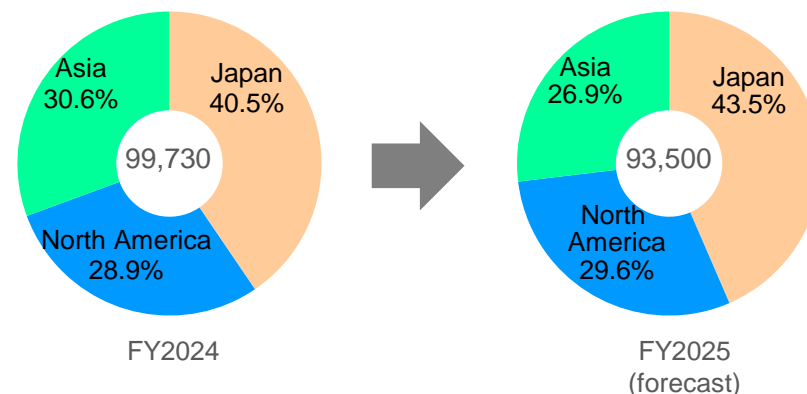
Net sales	-1,209 (-4.2%)
Expecting lower revenue due to lower production in the US.	
Operating profit	+1,296 (Back to profitability)
Expecting a return to profitability due to consolidation in North America and contributions from workforce stability measures.	
Exchange rate impact	
Revenue	+827
Operating profit	+2

Asia



Net sales	-5,372 (-17.6%)
Expecting reduced revenue due to lower production in China and Thailand.	
Operating profit	-756 (-57.8%)
Expecting lower profits despite working to improve the company structure in the face of reduced production in China and Thailand.	
Exchange rate impact	
Revenue	+38
Operating profit	-3

Sales Breakdown by Region



(Unit: Million yen)

Capital investment

	FY2024	FY2025	Difference
Japan	1,908	2,030	122
North America	201	1,342	1,141
Asia	1,355	1,127	-228
Total	3,464	4,499	1,035

Major investments during the period

- Japan
Increase from investments related to new model development in the electronics business.
- North America
Increase from investments to transfer press facilities and to prepare for production of next-generation models.

Depreciation expense

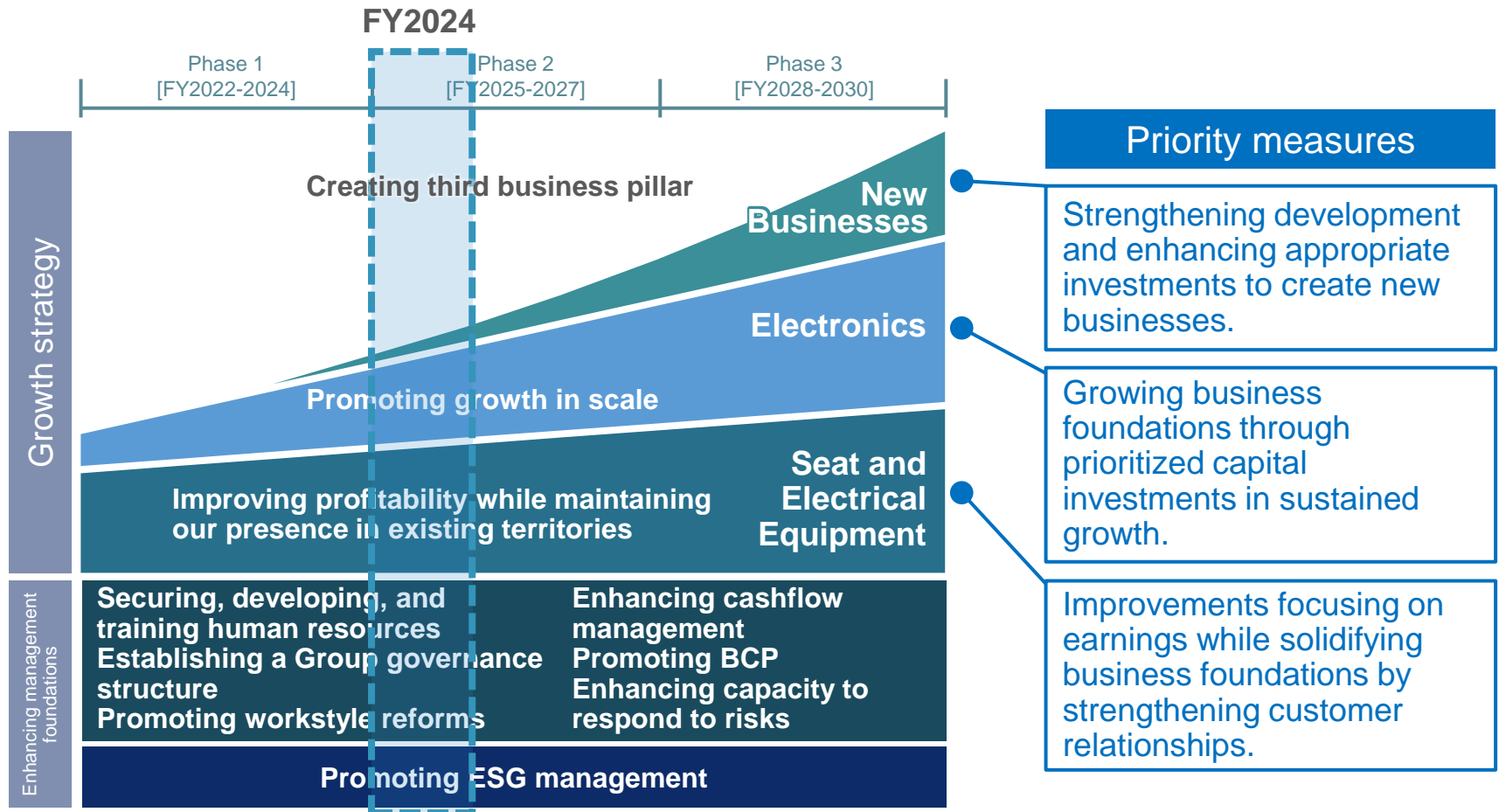
	FY2024	FY2025	Difference
Japan	1,346	1,473	127
North America	477	366	-111
Asia	1,132	1,107	-25
Total	2,956	2,946	-10

- Japan
Increase from investment in new product launches the previous term and from deploying solar power facilities.
- North America and Asia
Decline due to reduced investments the previous term.






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Medium- and Long-term Management Plan 2029

To implement business transformations that target the sustained growth called for in Medium-and Long-term Management Plan 2029, we will strive to achieve a well-balanced structure, based on three core businesses, while promoting ESG management to enhance management foundations.

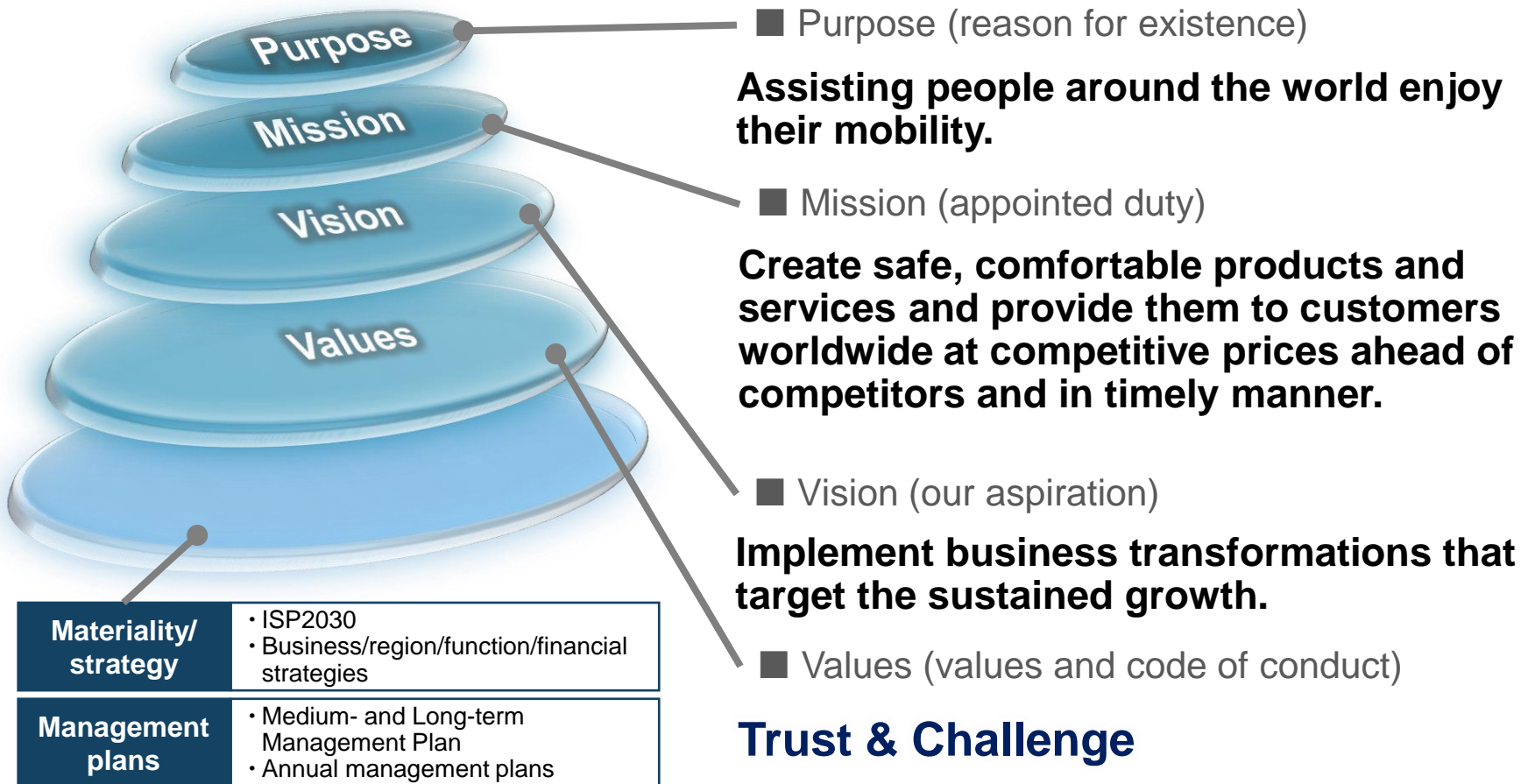


Challenge by New Imasen

	Policy	Measures	Evaluation	Issues
Seat and Electrical Equipment	<ul style="list-style-type: none"> • Strengthening relationships with customers. • Strengthening cost competitiveness. 	<ul style="list-style-type: none"> • Joint efforts with TS Tech. • Reorganized domestic plants. • Optimized overseas sites. 		<ul style="list-style-type: none"> • Strengthen synergies with TS Tech. • Evolve processing technologies using IT, etc. • Rebuild the manufacturing revenue base.
Electronics	<ul style="list-style-type: none"> • Strengthening development systems. • Launching new products. 	<ul style="list-style-type: none"> • Received new ESU orders. • Deployed mixed-model line. • Established MIED. 		<ul style="list-style-type: none"> • High capacity automation; establish versatile lines. • Increase development personnel.
New Businesses	<ul style="list-style-type: none"> • Strengthening development and investment. 	<ul style="list-style-type: none"> • Joint research with universities in Japan and overseas. • Established partnership agreements with local governments. 		<ul style="list-style-type: none"> • Launch walking business.
Management	<ul style="list-style-type: none"> • Promote ESG management. • Workstyle reforms. 	<ul style="list-style-type: none"> • Integrated Group fund management. • Revised workstyles and personnel systems. 		<ul style="list-style-type: none"> • Personnel deployment strategy, promoting successor training. • Promote DX projects.
External factors	<ul style="list-style-type: none"> • Specialty steel supply problem. • Sudden production changes at customers. • Supply/demand turmoil generated by natural disasters and regional instability. 			<ul style="list-style-type: none"> • Build robust, balanced management foundations responsive to change.

Establish the Imasen Philosophy as a company credo and as a perspective, awareness, and set of values shared by all employees.

- We will affirm our purpose as a company and help strengthen corporate value by fostering a corporate culture that instills a sense of unity among employees.

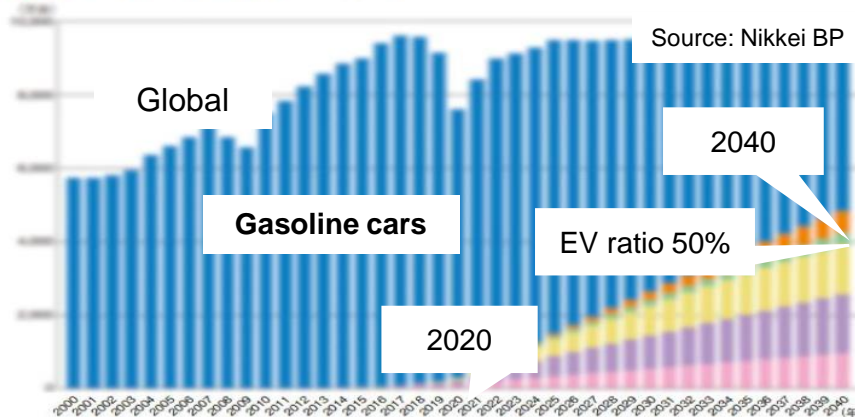


Rebuild company foundations to thrive and succeed in an uncertain era.

Changes in the business environment

Overall

Fig. 1-2-1 Estimate of the rate of EV sales in global sales



Global demand for environmental conservation
Spread of SDGs/COP26

Expansion of EV market / replacement with EV vehicles
(Half of new vehicles in 2040 to be EVs.)

Development resources concentrated in this EV trend

Overall EV trend despite regional differences

Seat Business

- ▶ For commodified products, trend toward long-term use of existing products and demand for lower prices.
- ▶ Autonomous driving is increasing the demand to address EV trends.

Need completely new proposals.
Need to address intensifying EV price competition.

Electronics Business

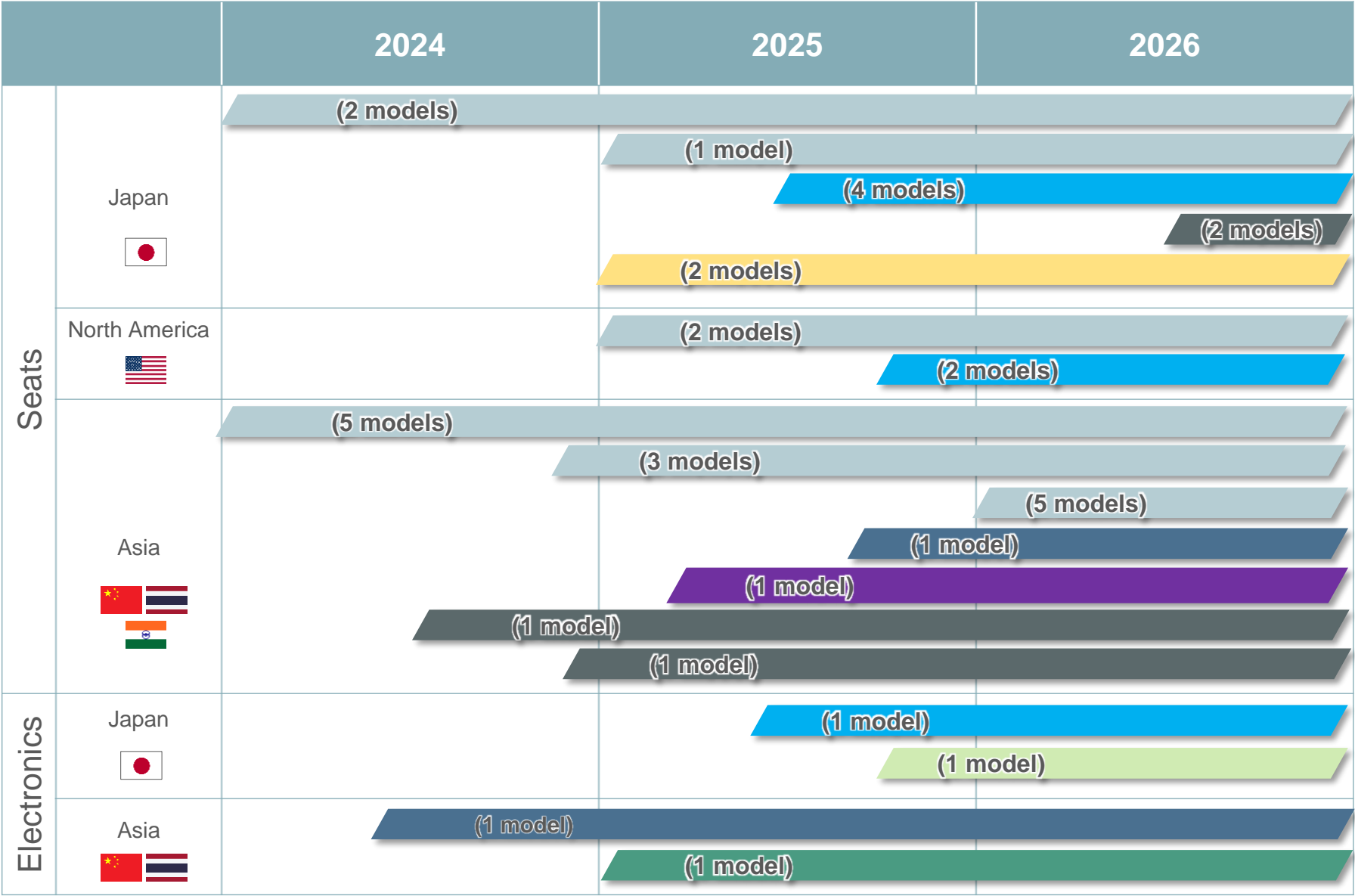
- ▶ Major complete vehicle OEM moving to integrated ECU.
- ▶ Fading distinction between complete vehicle OEM and parts manufacturers.
- ▶ Toward the age of capitalizing on software and services.

As the functions required of automobiles are shifting to include entertainment, comfort, and others yet to come, Imasen needs to keep pace to avoid falling behind amid increasing differentiation with OEMs.

Business axis

Planned of new products launches

Challenge by New Imasen



Issues and priority strategies for business fields

	Issues	Priority strategies
Seat and Electrical Equipment	<ul style="list-style-type: none"> • Strengthen synergies with TS Tech. • Evolve processing technologies using IT, etc. • Rebuild the manufacturing revenue base. 	<ul style="list-style-type: none"> • Promote joint efforts with TS Tech. • Expand sales to overseas manufacturers. • Rebuild the North American business. • Strengthen cost competitiveness in the China business. • Make profits to the domestic business.
Electronics	<ul style="list-style-type: none"> • High-capacity automation/realization of versatile lines. • Increase development personnel. 	<ul style="list-style-type: none"> • Promote preparations for launch of electric drive vehicle business. • Strengthen sales expansion in new product areas.
New Businesses	<ul style="list-style-type: none"> • Launch walking business. 	<ul style="list-style-type: none"> • Do market research and analysis toward achieving commercialization.
Management	<ul style="list-style-type: none"> • Personnel deployment strategy, promoting successor training. • Promote DX projects. 	<ul style="list-style-type: none"> • Upgrade officer system. • Deploy new personnel systems.
External factors	<ul style="list-style-type: none"> • Build robust, balanced management foundations responsive to change. 	<ul style="list-style-type: none"> • Strengthen financial structures.

Priority strategy: Upgrade officer system

Drawing on his strong management capabilities cultivated while serving as representative director of TS Tech, he will steer **the company's restructuring process** with a sense of speed while also **addressing weaknesses** under the new structure.



Kenichi Hasegawa

New president and system

- **Organizational structure directly under the president**
 - Business Planning Headquarters
 - Projects directly under the president
 - Business Development Division
 - Internal controls
- * Increase management responsiveness.

- **Appointment of new directors from TS Tech**
 - General Manager of Management Division: Tatsuya Hagimoto
 - General Manager of Seat and Electric Equipment Business Division: Yutaka Kizawa
- * Will strengthen by making maximum use of extensive experience and knowledge.

Seat and Electrical Equipment Business

Priority strategy: Promote joint efforts with TS Tech

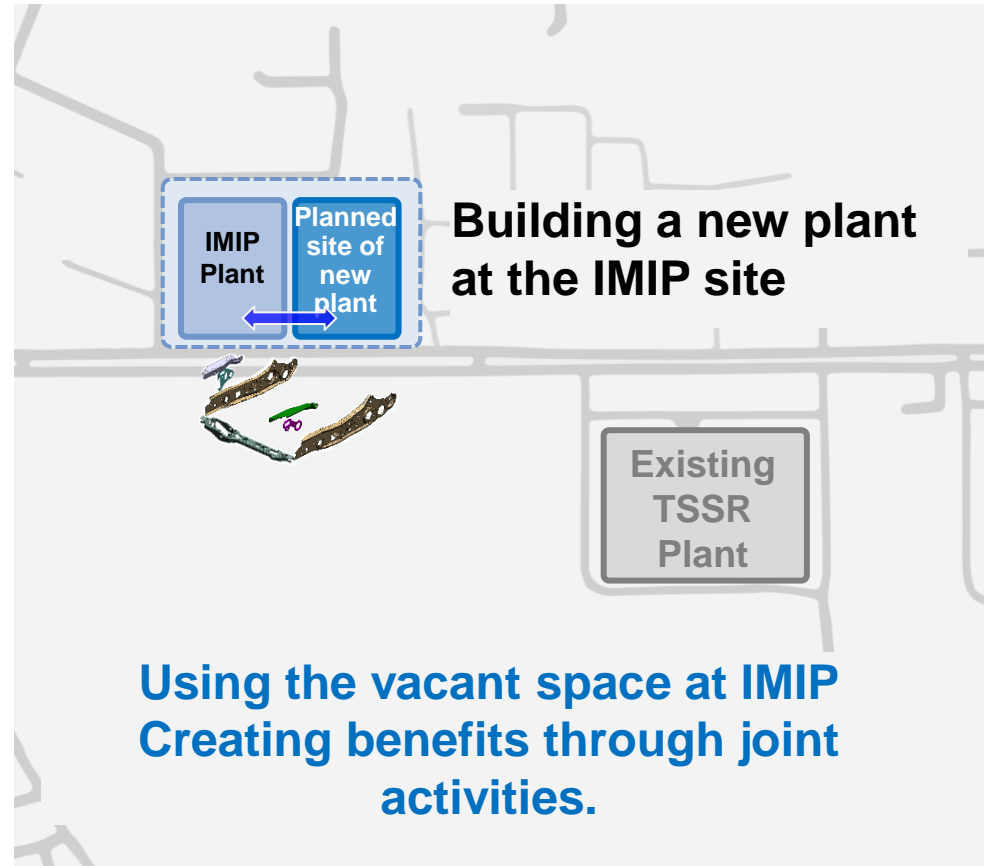
In the India business, land leased for construction of the new TS India Plant in response to increased orders from Maruti Suzuki.

TS TECH SUN RAJASTHAN PRIVATE LIMITED [TSSR]

Imasen Manufacturing India Private Limited [IMIP]

Advantages to both TSSR and IMIP

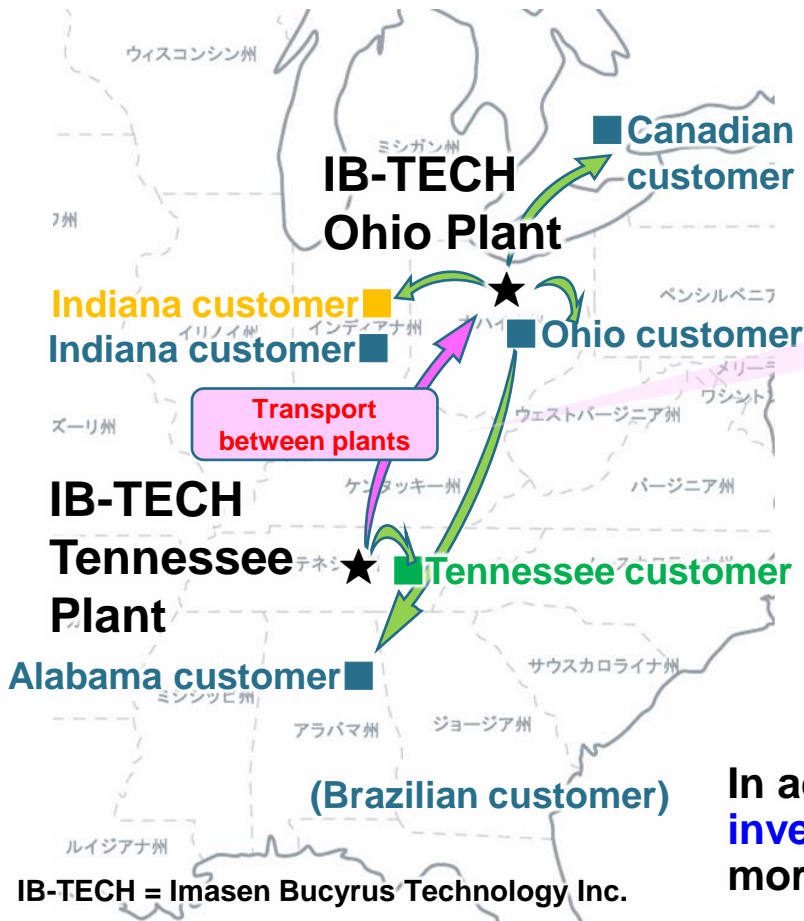
- **Reduced parts logistics costs** (no need for truck transport)
- **Reduced transport/packaging personnel**
- **Reduced parts inventories**
- **Effective use of created space, etc.**



Highly efficient production utilizing the partnership with TS Tech Co., Ltd..

Seat and Electrical Equipment Business

Priority strategy: Rebuild the North American business



Transport volumes including press parts between the Tennessee and Ohio Plants are considerable due to Tennessee's large press facilities. **Logistics costs and inventory risk** have presented long-standing issues.

Due to declining production volumes at **Tennessee**, the plant's large press facilities are being prepared for the move to **Ohio**.

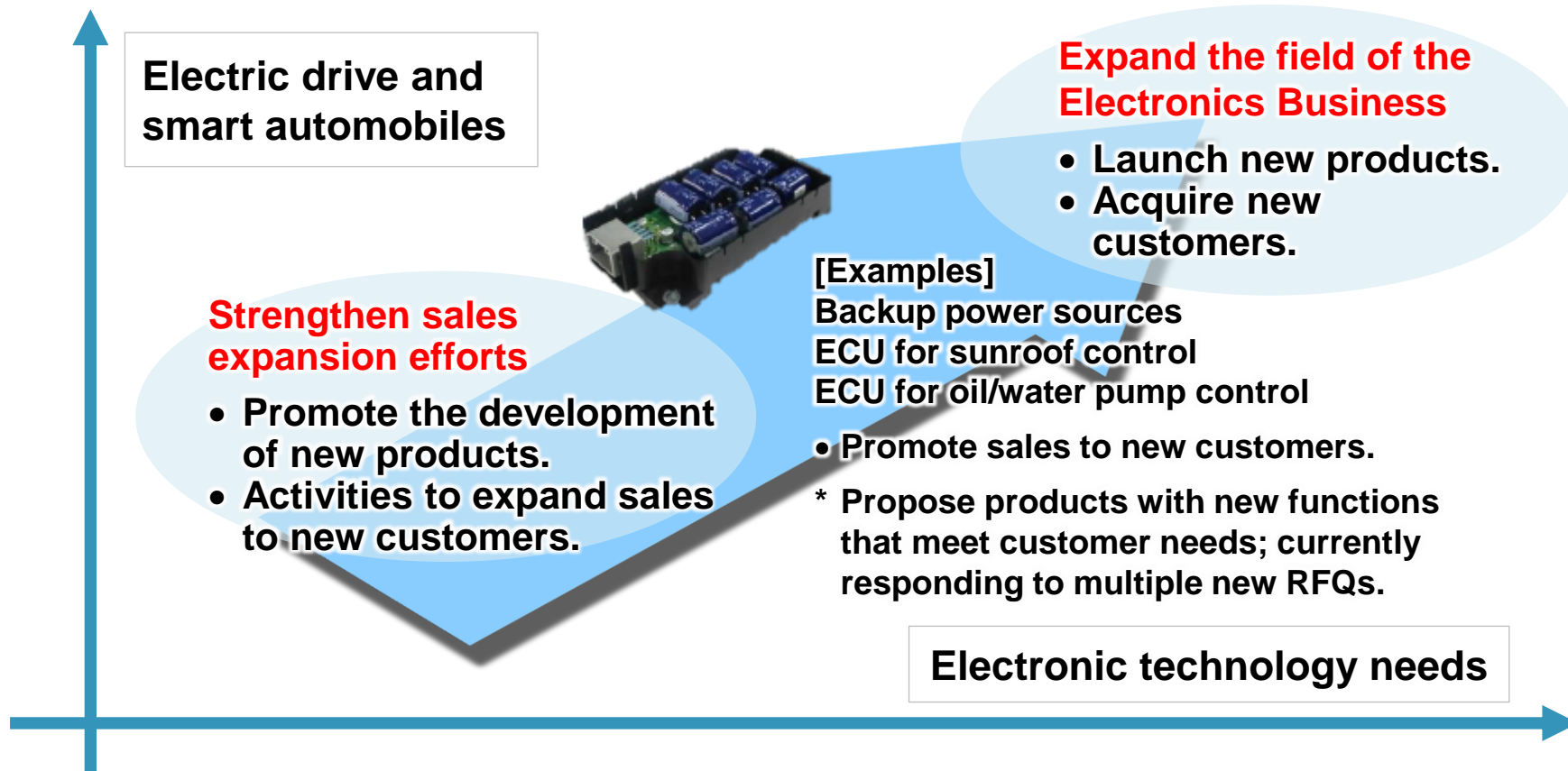


In addition to **paring logistics costs** and **reducing inventory**, this move will make it possible to consider a more flexible and **optimal production layout**.

Continuing to pursue optimal production systems and strengthen integrated production systems.

Electronics Business


Priority Strategy: Strengthen sales expansion in new product areas




To avoid missed opportunities, we will proactively develop new product fields and attract new customers.

Priority strategy: Strengthen financial structures

■ Promote reductions in cross-shareholdings.


 2023年12月11日

各位


 2024年5月13日

各位

会社名 株式会社今仙電機製作所
 代表取締役 櫻井 孝充
 (コード番号: 7266 東証スタンダード・名証プレミア)
 問合せ先 管理本部 井上 達嗣
 TEL 0568-67-1211

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記

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Promote reductions in cross-shareholdings as a basic policy.

Maintain pace of sales from the previous term during this term.

<Information disclosed >

Number of issues to be sold:

One issue of listed securities

Scheduled sale date:

May 13, 2024

Sales proceeds (est.):

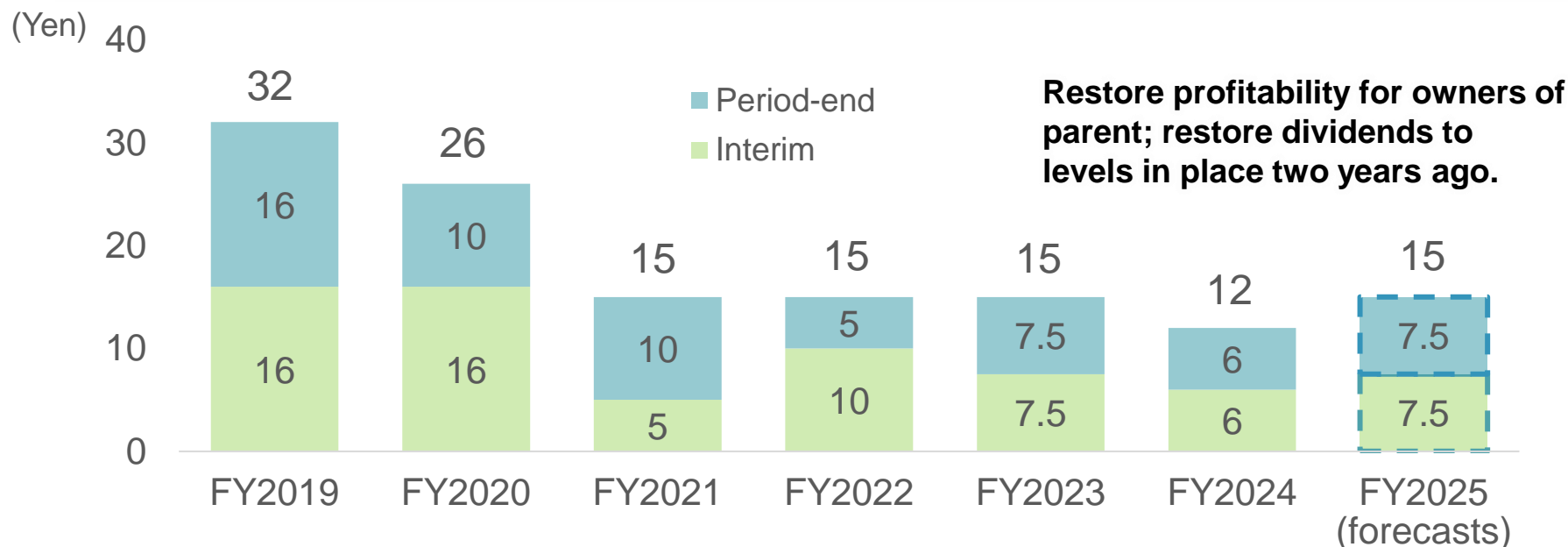
2,900 million yen

Strengthen financial structures for future investments while continuing to reduce cross-shareholdings.

■ Projected Dividends

[Dividend policy]

As we maintain sustained growth, we will provide stable and continuous returns to our shareholders while investing to enhance our financial construction and management foundations.



Currently considering how to engage in management aware of capital policies, including policy on shareholder returns.

Trust & Challenge

Challenge to New Imasen

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- Actual results may differ from projections for various reasons.

○ **Address any IR-related inquiries to:**

Attn.: IR personnel, Business Planning
Section, Global Management Business
Unit, Imasen Electric Industrial Co., Ltd.

Tel: +81 568-67-1517

URL: <https://www.imasen.co.jp/contact/>