

For the Year Ended March 31, 2022 (FY2022)  
Summary of Consolidated Financial Results  
(Presentation)

May 19, 2022

Imasen Electric Industrial Co., Ltd.

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

## I. Outline of financial Results for FY2022

Director and Executive Officer Shuichi Horibe

## II. Outline of financial Forecast for FY2023

Director and Executive Officer Shuichi Horibe

## III. Business topics

President and Representative Director Takamitsu Sakurai

## IV. Cash dividends

President and Representative Director Takamitsu Sakurai

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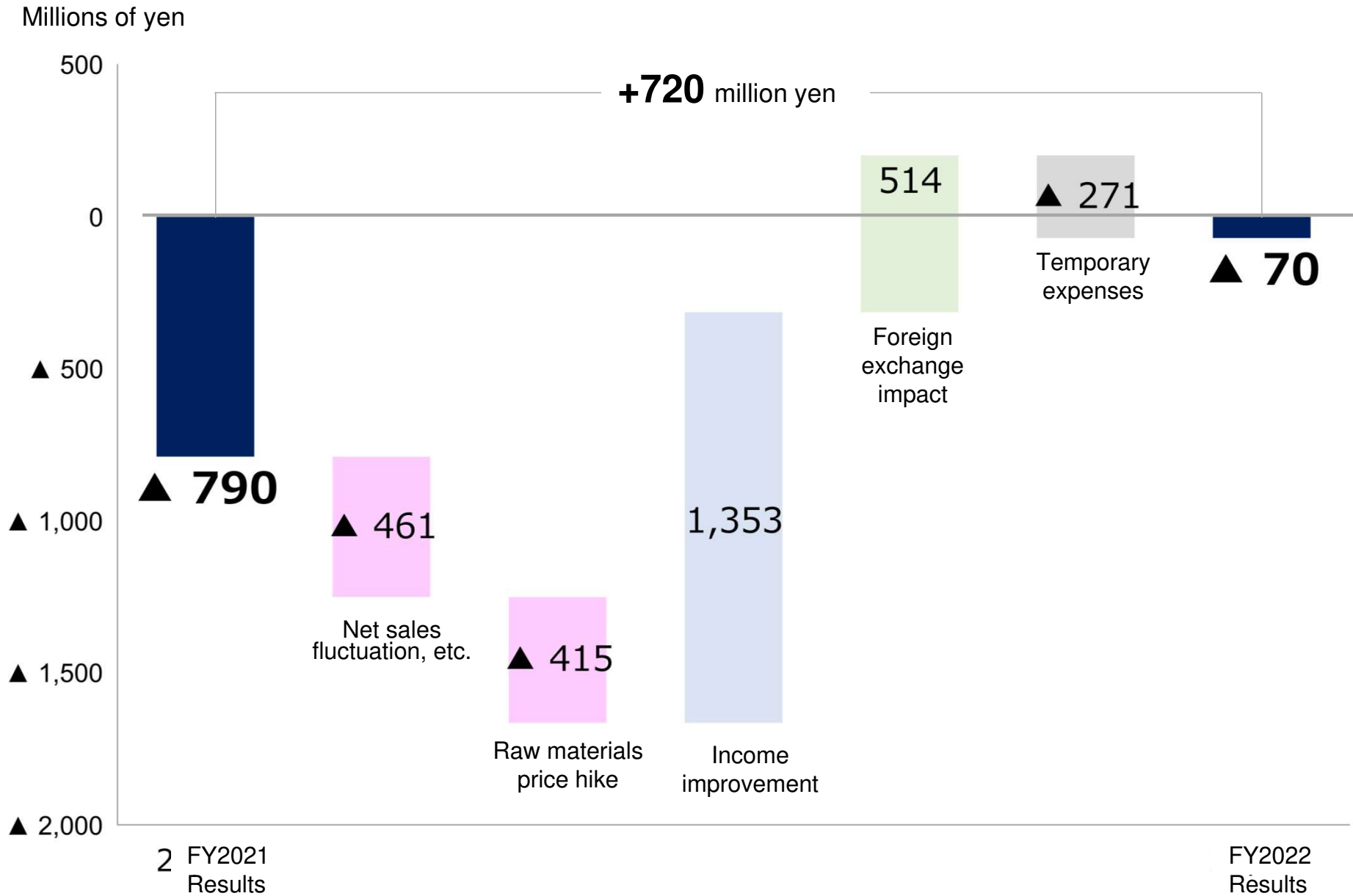
## Challenge to New Imasen

Unit: millions of yen	FY2021 Results	FY2022 Results	Difference	Change
<b>Net sales</b>	87,096	<b>85,155</b>	▲ 1,941	▲ 2.2%
<b>Operating profit</b>	▲ 790	▲ <b>70</b>	720	—
<b>Ordinary profit</b>	▲ 581	<b>616</b>	1,197	—
<b>Profit attributable to owners of parent</b>	▲ 3,081	▲ <b>1,210</b>	1,871	—
<b>Cash dividends</b>	¥ 15	<b>¥ 15</b>	¥ 0	—

Foreign exchange rates	USD: FY2021: ¥ 106.76,		FY2022: ¥ 109.90	
	CNY: FY2021: ¥ 15.48,		FY2022: ¥ 17.04	
	THB: FY2021: ¥ 3.42,		FY2022: ¥ 3.44	

# Operating profit for FY2022

## Challenge to New Imasen

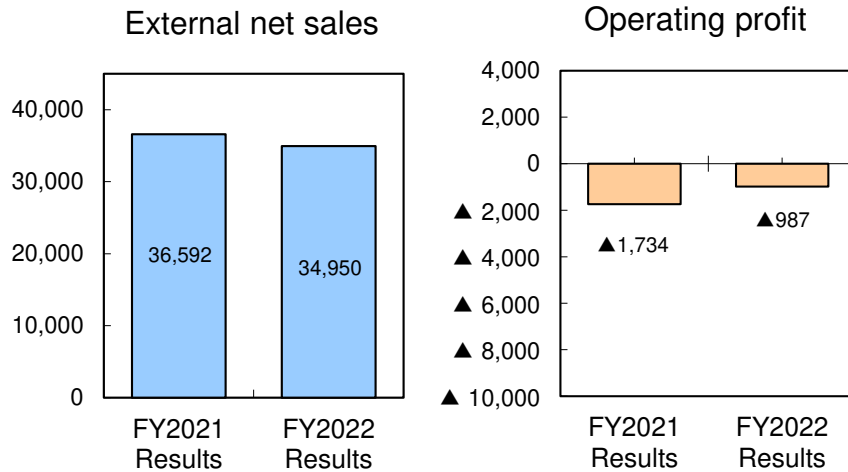


# Results by segment for FY2022

(Unit: millions of yen)

## Challenge to New Imasen

### Japan



### Net sales

Difference: ▲1,642 (▲4.5%)

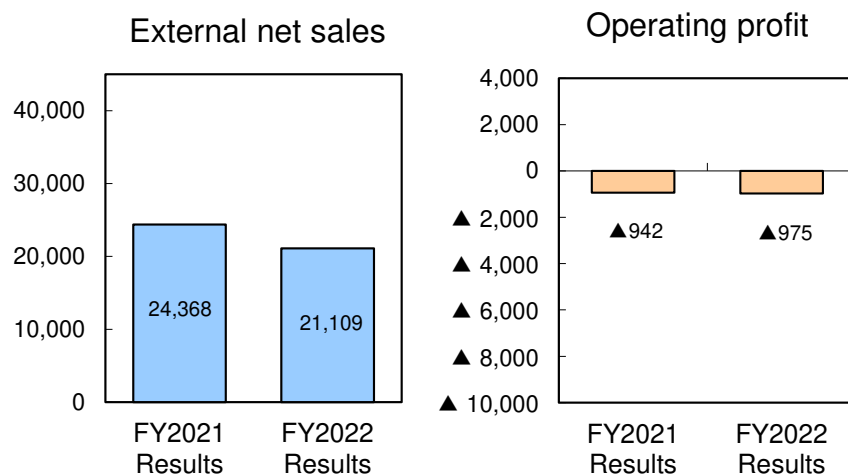
In the automobile business, production decreased from the previous fiscal year due to a shortage of semiconductors and the resulting stoppage of operations at customers' plants

### Operating profit

Difference: +747 (-%)

Operating loss decreased due to efforts to control labor and sundry expenses

### North America



### Net sales

Difference: ▲3,259 (▲13.4%)

Production decreased from the previous fiscal year due to a shortage of semiconductors and the resulting stoppage of operations at customers' plants

### Operating profit

Difference: ▲33 (-%)

Despite the significant impact of the decline in net sales, losses were controlled by improving cost of sales through robotization, etc. and controlling fixed costs

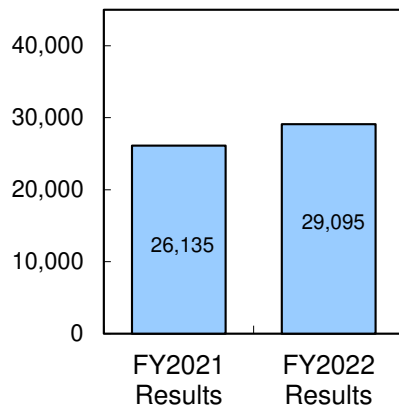
# Results by segment for FY2022

(Unit: millions of yen)

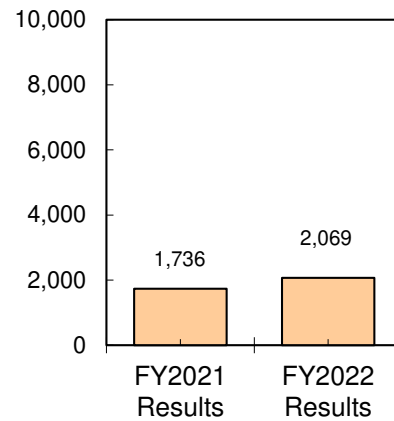
## Challenge to New Imasen

### Asia

External net sales



Operating profit



### Net sales

Difference: +2,960 (+11.3%)

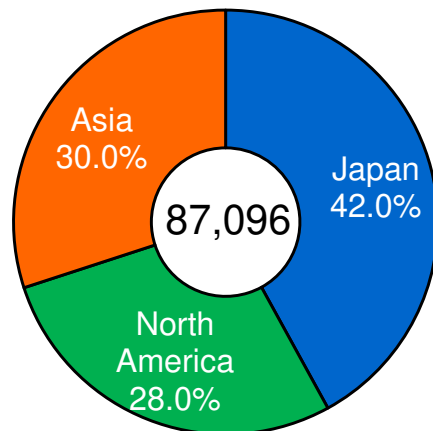
Net sales increased due to the recovery of production in Thailand for Southeast Asia from the previous fiscal year and the effect of exchange rate fluctuations in the Chinese yuan

### Operating profit

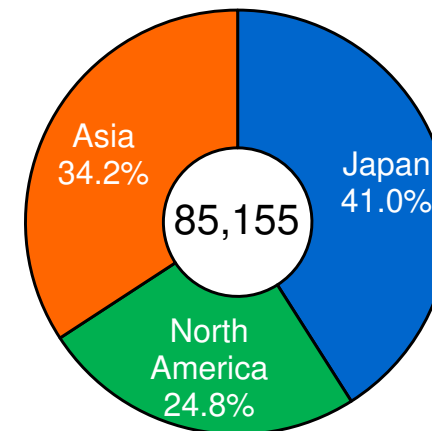
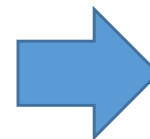
Difference: +333 (+19.2%)

Profit increased due to the effect of net sales increase and cost improvement in China and Thailand

## Composition of net sales by business regions



FY2021 Results

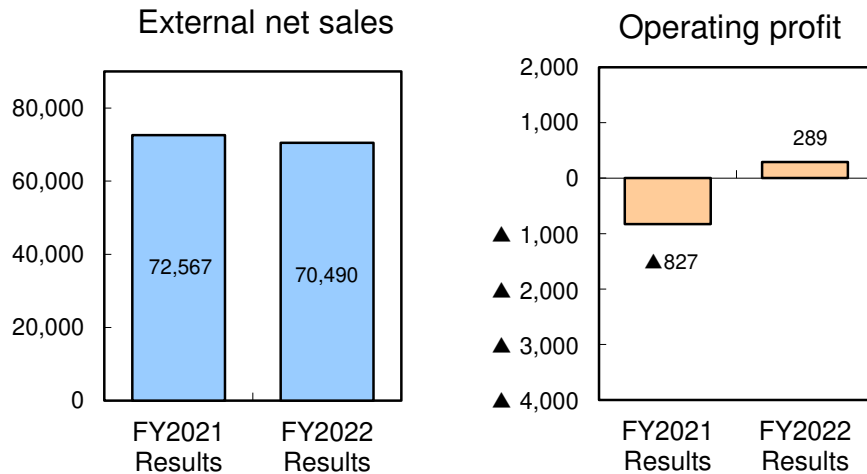


FY2022 Results

(Unit: millions of yen)

## Challenge to New Imasen

### Seat and Electrical Equipment Business



#### Net sales

Difference: ▲2,077 (▲2.9%)

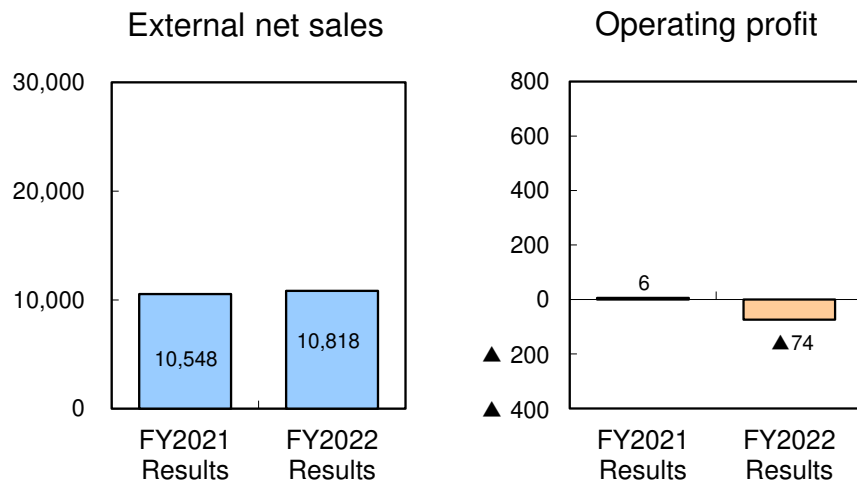
Production decreased from the previous fiscal year due to a shortage of semiconductors in North America and the resulting stoppage of operations at customers' plants

#### Operating profit

Difference: +1,116 (-%)

Profitability was achieved by controlling sundry expenses and promoting cost improvement through robotization, etc.

### Electronic Business



#### Net sales

Difference: +270 (+2.6%)

Net sales remained mostly unchanged

#### Operating profit

Difference: ▲80 (-%)

Profit decreased due to future development expenses and increased lease expenses for the installation of testing equipment

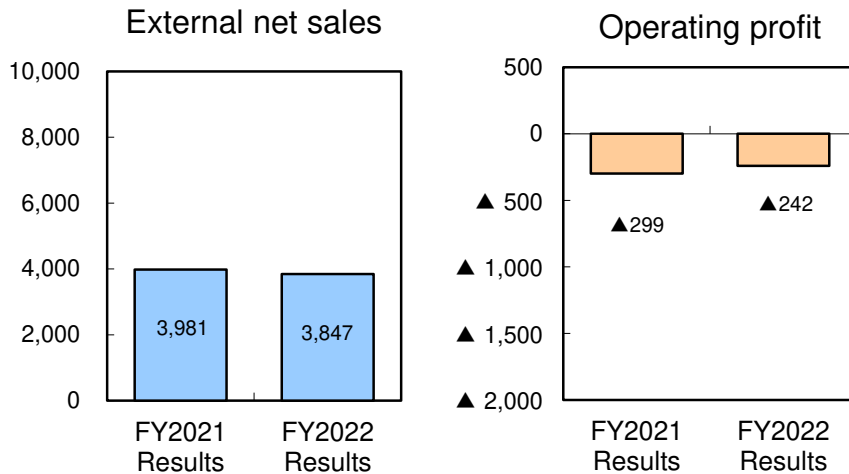


# Results by business for FY2022

(Unit: millions of yen)

## Challenge to New Imasen

### New Business



### Net sales

Difference: ▲134 (▲3.4%)

Net sales increased in the harness business for machine tools and the image processing business, but production decreased in the harness business for aircraft and space-related applications due to lower demand associated with COVID-19

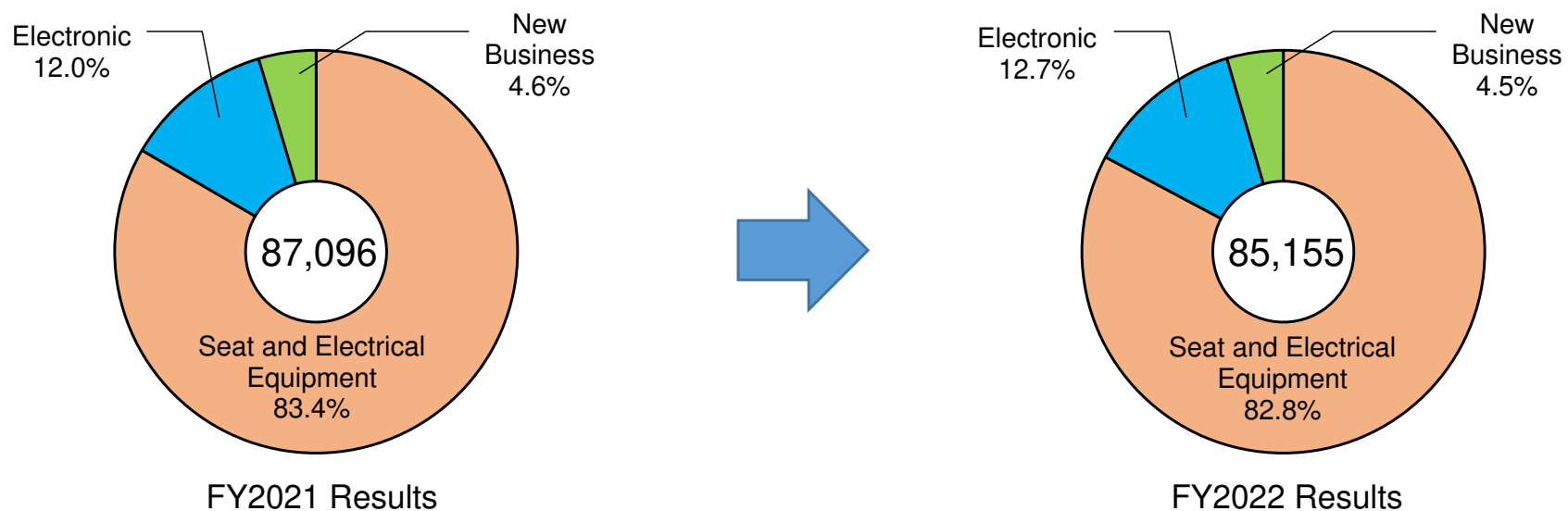
### Operating profit

Difference: +57 (-%)

Operating loss decreased due to the effect of increased net sales in machine tools and image processing, as well as efforts to control sundry expenses

\* Includes existing non-automobile related business in New Business.

## Composition of net sales by business types



# Capital expenditure and depreciation for FY2022

(Unit: millions of yen)

*Challenge to New Imasen*

## Capital expenditure

	FY2021 Results	FY2022 Results	Difference
Japan	1,537	<b>1,706</b>	169
North America	296	<b>1,204</b>	908
Asia	1,579	<b>1,037</b>	▲ 542
Total	3,412	<b>3,947</b>	535

- Japan  
Built Hiroshima Technical Center 2 to strengthen Electronic Business  
Installed solar power generation system at Gifu Plant
- North America  
Equipment and tooling costs increased due to the launch of new products

## Depreciation

	FY2021 Results	FY2022 Results	Difference
Japan	2,374	<b>1,902</b>	▲ 472
North America	324	<b>869</b>	545
Asia	1,184	<b>1,100</b>	▲ 84
Total	3,882	<b>3,871</b>	▲ 11

- Japan and Asia  
Depreciation decreased due to restrained investment in the previous fiscal year
- North America  
Depreciation of equipment and tooling increased due to the launch of new products

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# Outline of financial Forecast for FY2023

## Challenge to New Imasen

Unit: millions of yen	FY2022 Results	FY2023 Forecast	Difference	Change
<b>Net sales</b>	85,155	<b>96,700</b>	11,545	13.6%
<b>Operating profit</b>	▲ 70	<b>100</b>	170	—
<b>Ordinary profit</b>	616	<b>330</b>	▲ 286	—
<b>Profit attributable to owners of parent</b>	▲ 1,210	▲ <b>930</b>	280	—
<b>Cash dividends</b>	15	<b>15</b>	0	—

Foreign exchange rates	FY2022	FY2023 forecast
USD	¥ 109.90,	¥ 120.00 yen
CNY	¥ 17.04,	¥ 18.80 yen
THB	¥ 3.44,	¥3.60 yen

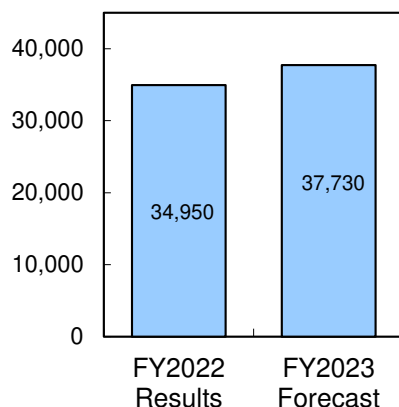
# Forecast by segment for FY2023

(Unit: millions of yen)

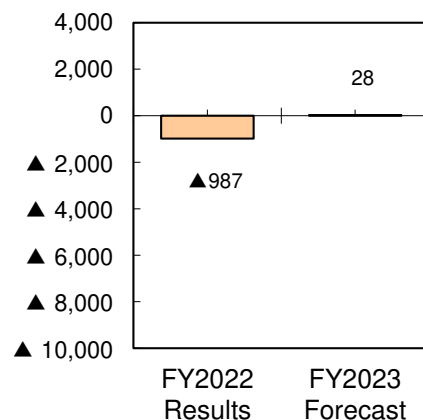
## Challenge to New Imasen

### Japan

External net sales



Operating profit



### Net sales

Difference: +2,780 (+8.0%)

In the automobile business, net sales are expected to increase due to the recovery of production from the previous fiscal year

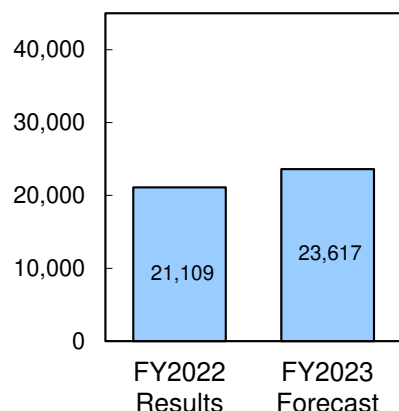
### Operating profit

Difference: +1,015 (-%)

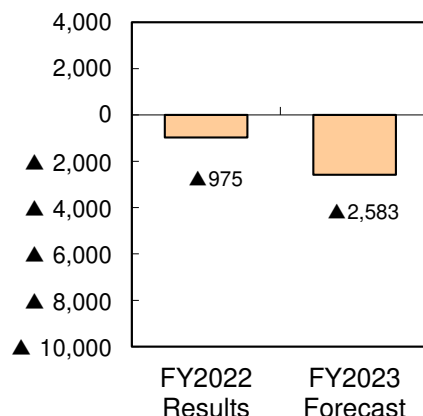
Profit is expected to increase due to the effect of increased net sales and the promotion of profit improvement in manufacturing

### North America

External net sales



Operating profit



### Net sales

Difference: +2,508 (+11.9%)

Net sales are expected to increase due to an increase in production resulting from model changes, etc.

### Operating profit

Difference: ▲1,608 (-%)

Profit is expected to decrease due to the significant impact of air transportation due to port disruptions and soaring ocean transportation costs

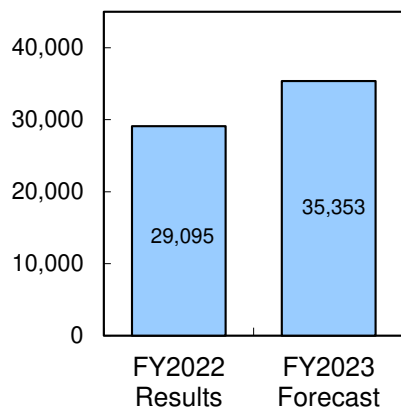
# Forecast by segment for FY2023

(Unit: millions of yen)

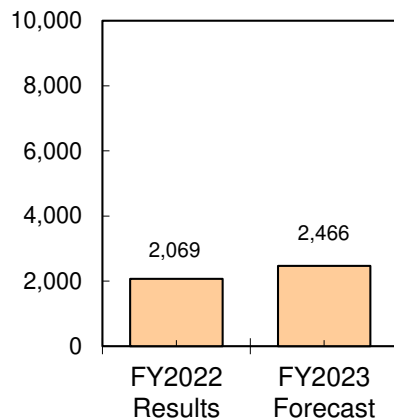
## Challenge to New Imasen

### Asia

External net sales



Operating profit



### Net sales

Difference: +6,258 (+21.5%)

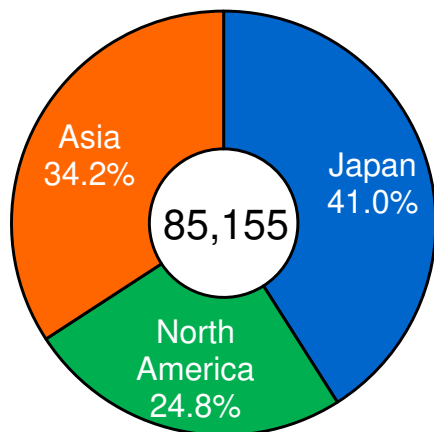
Net sales are expected to increase due to an increase in production mainly in China and Thailand

### Operating profit

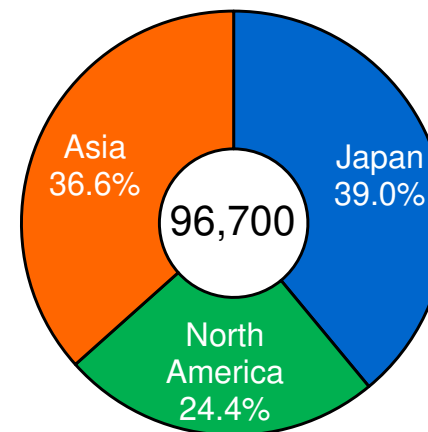
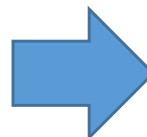
Difference: +397 (+19.2%)

Profit is expected to increase due to the effect of increased net sales and the promotion of curbing sundry expenses

## Composition of net sales by business regions



FY2022 Results

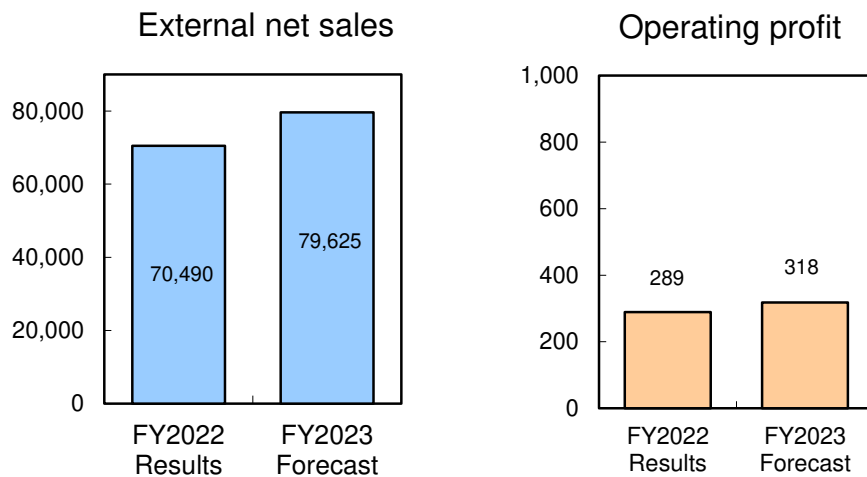


FY2023 Forecast

(Unit: millions of yen)

## Challenge to New Imasen

### Seat and Electrical Equipment Business



#### Net sales

Difference: +9,135 (+13.0%)

Net sales are expected to increase due to an increase in production in Japan and Asia

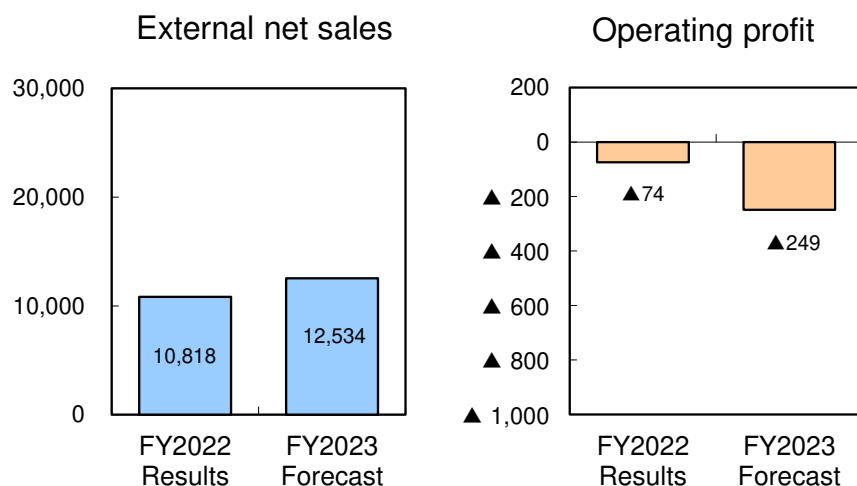
#### Operating profit

Difference: +29 (+10.0%)

Profit is expected to increase due to the effect of increased net sales

On the other hand, profit is expected to be impacted by air transportation due to port disruptions and soaring ocean transportation costs mainly in North America

### Electronic Business



#### Net sales

Difference from current fiscal year: +1,716 (+15.9%)

Net sales are expected to increase due to an increase in production for installation in new models, etc.

#### Operating profit

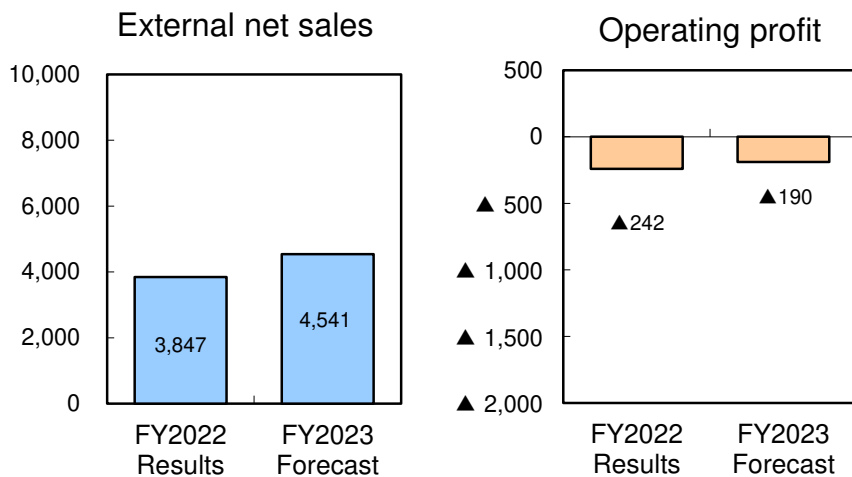
Difference: ▲175 (-%)

Despite the increase in net sales, a decrease is expected in profit due to the burden of upfront investment in the development of new electrification-related products and cyber security measures

(Unit: millions of yen)

## Challenge to New Imasen

### New Business



### Net sales

Difference: +694 (+18.0%)

Net sales are expected to increase due to the increase in the harness business for machine tools and the image processing business, as well as the recovery of demand from the impact of COVID-19 in the harness business for aircraft and space-related applications

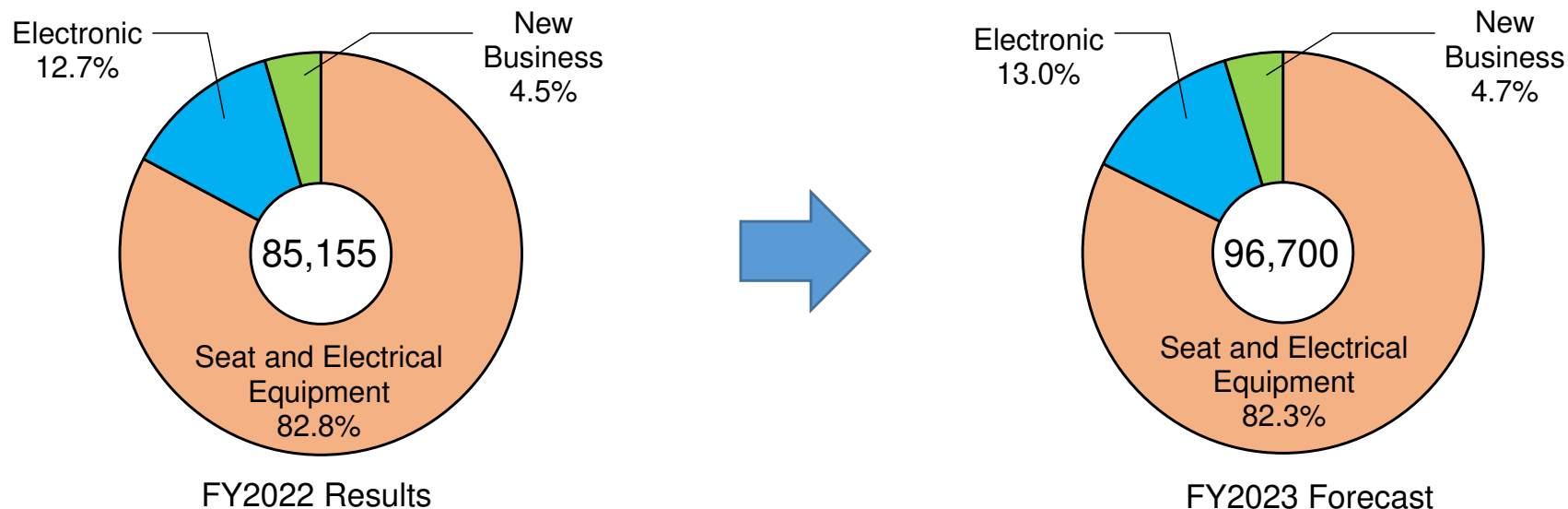
### Operating profit

Difference: +52(-%)

Operating loss is expected to decrease due to the effect of increased net sales

\* Includes existing non-automobile related business in New Business.

## Composition of net sales by business types





# Forecast for capital expenditure and depreciation for FY2023

(Unit: millions of yen)

## Challenge to New Imasen

### Capital expenditure

	FY2022 Results	FY2023 Forecast	Difference
Japan	1,706	<b>2,159</b>	453
North America	1,204	<b>228</b>	▲ 976
Asia	1,037	<b>1,223</b>	186
Total	3,947	<b>3,610</b>	▲ 337

- Japan  
Capital expenditure will increase due to introduction of production automation equipment and cyber security measures for electronic products
- North America  
Equipment and tooling costs associated with the launch of new products were recorded in the previous fiscal year
- Asia  
Equipment and tooling costs will increase due to the launch of new products

### Depreciation

	FY2022 Results	FY2023 Forecast	Difference
Japan	1,902	<b>1,433</b>	▲ 469
North America	869	<b>433</b>	▲ 436
Asia	1,100	<b>1,124</b>	24
Total	3,871	<b>2,990</b>	▲ 881

- Depreciation will decrease in Japan due to impairment losses of Imasen on non-consolidated basis
- Depreciation will decrease in North America due to lower depreciation burden of tooling

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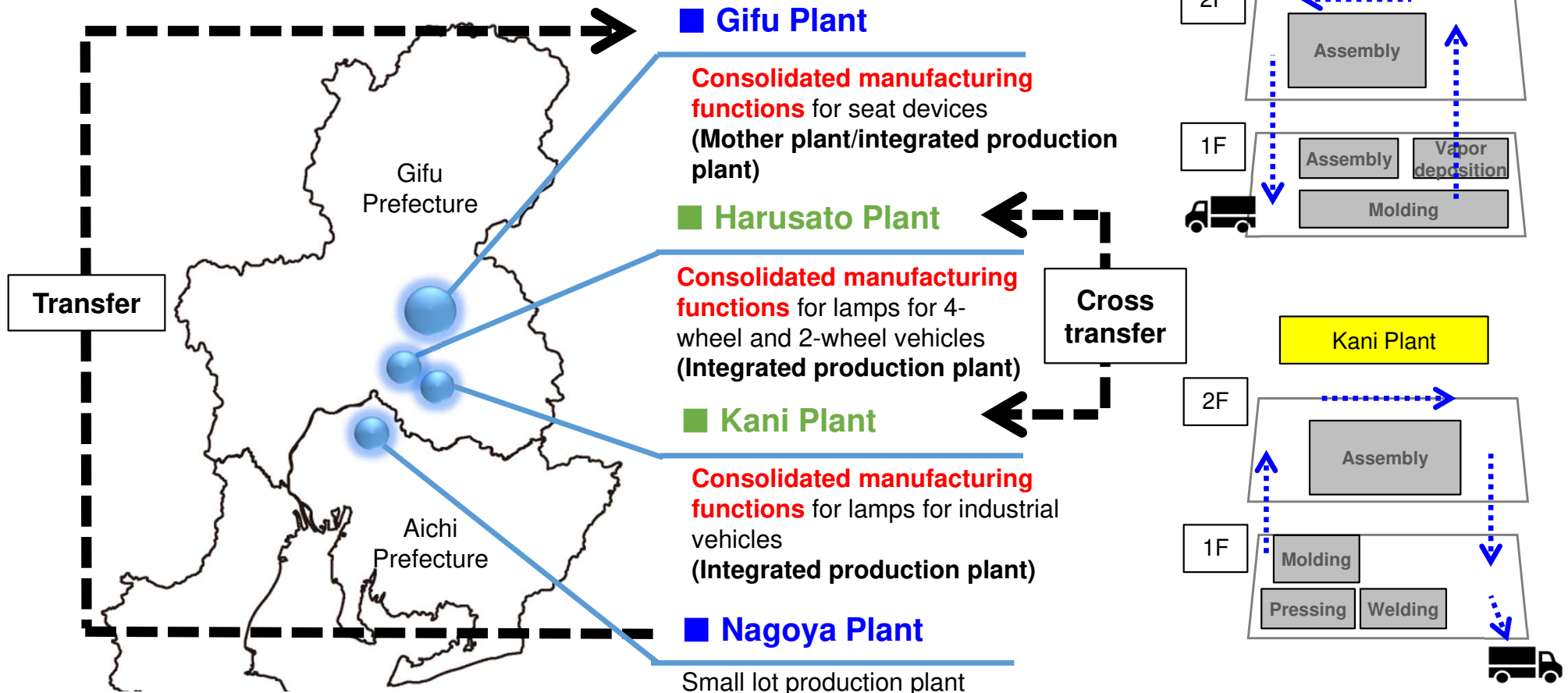
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## Seat and Electrical Equipment Business

### ◆ Efforts to reorganize production bases

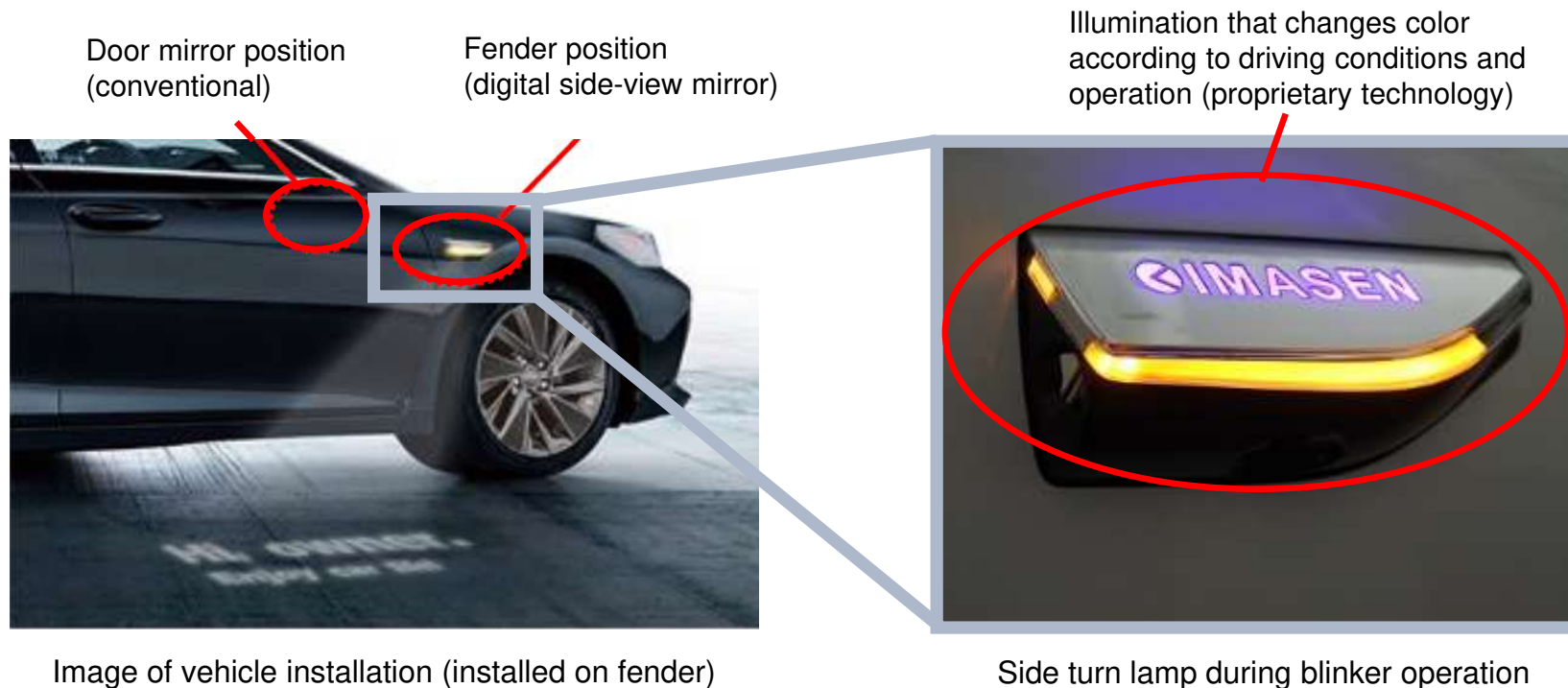
We have completed the reorganization of our domestic production bases, which we had been working on for some time. Aging factory buildings were reorganized and eliminated, and consolidated by function to reduce distribution costs and administrative expenses between plants and processes.



### Seat and Electrical Equipment Business

#### ◆ Development of a lamp for digital side-view mirrors for next-generation automobiles

We have developed a new lamp for digital side-view mirrors for next-generation automobiles. Using our LED light distribution technology and light guiding technology based on lens materials, this lamp enables various communications through a variety of illumination functions, such as side turn lamps that emit light in response to blinker operation, welcome lamps at the time of unlocking the door, caution lamps for signaling and warning others, and automatic driving lamps for full-scale automatic driving. The lamp also contributes to improved vehicle design.



### Electronic Business

#### ◆ Reinforcement of development system: Established Technical Center 2 in Hiroshima



Hiroshima Technical Center has been expanded to further enhance the Electronic Business.

- (i) Increased number of engineers  
91 engineers (actual)  
(FY2022 target: 90, FY2030 target: 146)
- (ii) Various testing facilities  
Greatly speed up development by introducing electromagnetic compatibility evaluation, motor drive evaluation and temperature test facilities

#### (i) Increased number of engineers



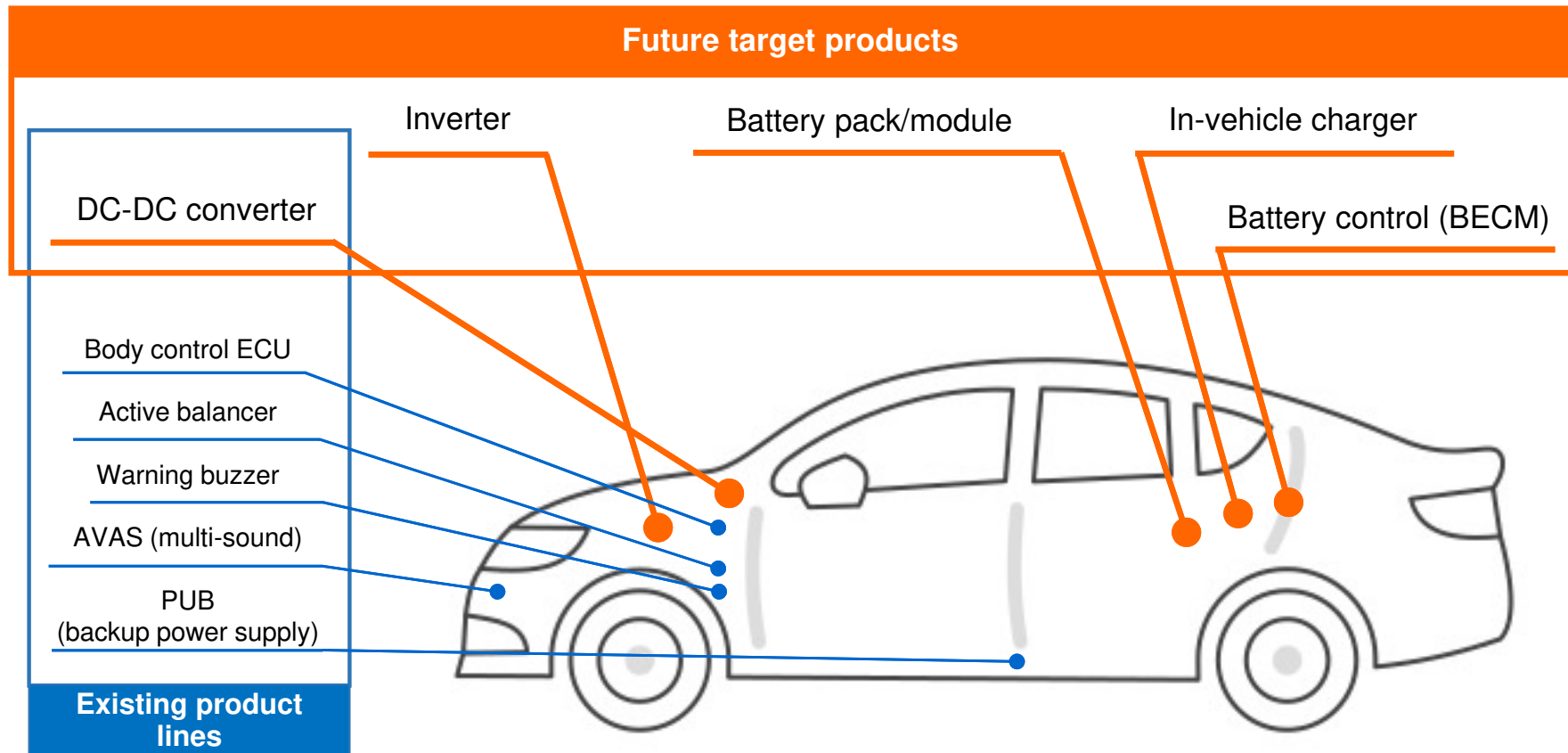
#### (ii) Various testing facilities



### Electronic Business

#### ◆Expansion of high value-added products

As a strategy for further growth of the Electronic Business, the second pillar of the IMASEN Group, we are working on expanding our core products into high value-added electric drive-related products.



### Electronic Business

#### ◆ Initiatives to strengthen cost competitiveness and improve profitability

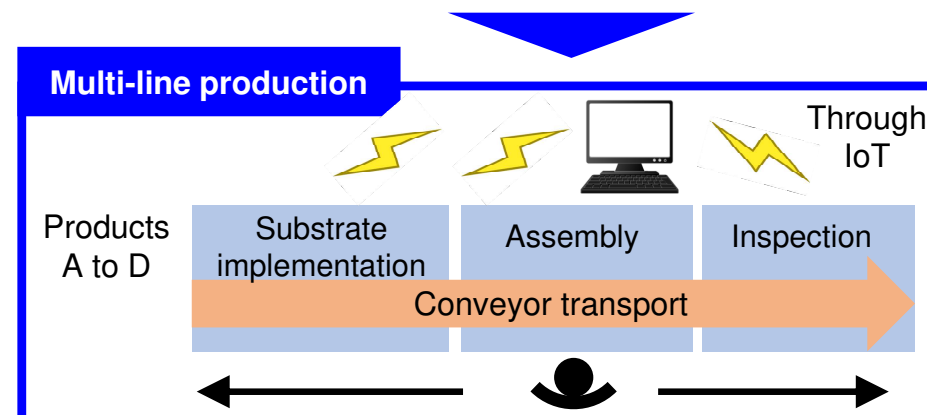
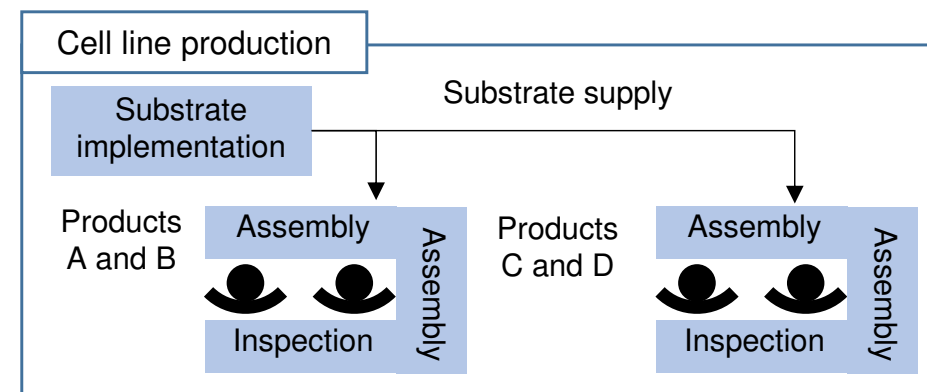
In establishing a new electronic unit assembly line, we introduced a multi-product mixing production line (multi-lines).

This line flexibly supports production from high-mix low-volume production to single-mix high-volume production, and it helps reduce labor.

It also has a traceability functionality through IoT and basic technology for the future construction of unmanned production lines.



New multi-line established at Hiroshima Plant



# New Business Development

### ◆Development of gait measurement system

We have developed a gait measurement system as a basic product for the creation of new businesses, which is the third pillar in our long-term vision.

We will proceed to commercialize the product in 2023.

**System features**

- No need to attach measurement markers to the body and less burden on the person to be measured
- Lightweight, compact



Gait measurement by video recording



Visualization of gait characteristics in graphic and numerical form




## New Business Development

◆ **Won Minister of the Science and Technology Award 2022 by the Minister of Education, Culture, Sports, Science and Technology**  
**Development of a non-powered walking aid derived from the passive walking principle**


The aLQ, our non-powered walking assist machine developed jointly with the Nagoya Institute of Technology, a national university corporation, received the Minister of the Science and Technology Award 2022 by the Minister of Education, Culture, Sports, Science and Technology (Development Category).

aLQ

Prizewinners of the Science and Technology Award 2022 by the Minister of Education, Culture, Sports, Science and Technology (Development Category)



Division	Candidate name	Affiliation/position
Development	(Head) Akihito Sano	Graduate School of Engineering, Nagoya Institute of Technology Professor
	Masaru Ueda	New Business Development Division, Imasen Electric Industrial Co., Ltd. Engineer
	Yuko Mori	New Business Development Division, Imasen Electric Industrial Co., Ltd. Person in charge



aLQ: The spring and pendulum motion assists the swinging of the legs.  
 It can be put on and removed easily with a hook and belt.

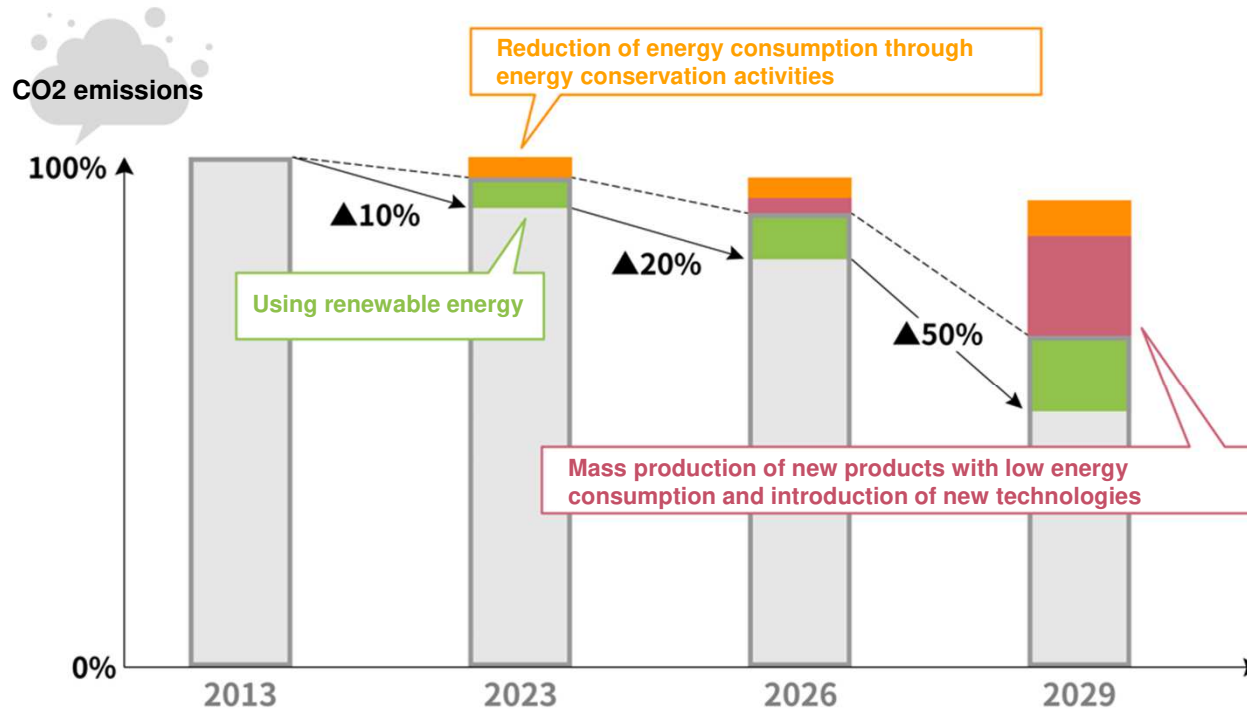
aLQ website  
<https://www.imasen.co.jp/alq.html>

### Promotion of ESG management

#### ◆ CO2 reduction targets **E**



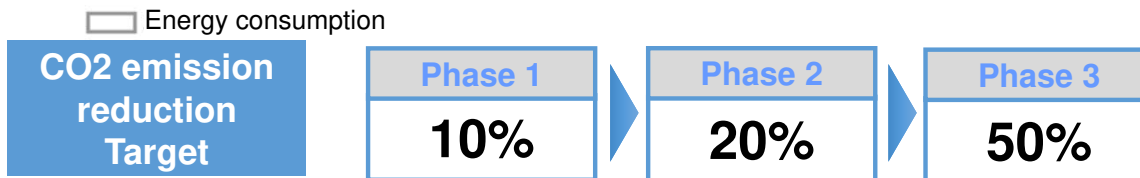
We have formulated the **IMASEN Sustainable Plan 2030** and are promoting it with the aim of **reducing CO2 emissions by 50% by 2030** through company-wide activities.



Solar power generation supplies 20 to 25% of the electricity used at our Gifu Plant



Completed installation of LED lighting in production areas  
Plans to expand to office area in the future



### Promotion of ESG management

#### ◆ Contribution to local communities through the utilization of new businesses



As a corporate citizen, we regard contribution to the local community as an important initiative. We are promoting social contribution activities in cooperation with local governments by utilizing the gait measurement system developed in November 2021 and prosthetic legs and electric wheelchairs from Imasen Engineering Corporation. This idea is also incorporated in the 2022 policy of Inuyama City, Aichi Prefecture, and preparations are currently underway in cooperation with the city.



We promote industry-government collaboration with Inuyama City and others  
(Left: Mr. Takurou Yamada, Mayor of Inuyama City)

The mayor and city officials experienced the gait measurement system, sports prostheses, and small mobility devices.

### Promotion of ESG management

#### ◆ Strengthening of corporate governance structure

[Review of the structure of Board of Directors]

Three independent Outside Directors (including one female Director) were appointed at the General Meeting of Shareholders held in June 2021.

As a result, one-third of all directors are now Outside Directors, **increasing the objectivity, transparency, and diversity of corporate management.**

#### Board of Directors (as of the end of the General Meeting of Shareholders in June 2021)

President and Representative Director: Takamitsu Sakurai


Director and Senior Managing Executive Officer:

Katsuyuki Satake

Director and Managing Executive Officer: Yoshihito Niwa

Director and Executive Officer: Gakuji Kimura

Director and Executive Officer: Koichi Yamanoue

Director and Executive Officer:  Shuichi Horibe

**Outside Director:**

**Yasuo Nagai**

**Outside Director:**

 New appointment

**Kyoichi Kameyama**

**Outside Director:**

 New appointment

**Hiromi Wada**

\* In July 2018, the Company established a Nominations and Compensation Advisory Committee consisting of the Representative Director, Outside Directors, and Outside Audit & Supervisory Board Members.

### Response to the new market classification of the Tokyo Stock Exchange

#### ◆ Main initiatives of the basic policy to improve the market capitalization of tradable shares

##### Enhancement of corporate value

###### ➤ Business transformation through promotion of Medium- and Long-term Management Plan 2029

###### Seat and Electrical Equipment

- Completion of factory reorganization in Japan
- Core product development for next model

###### Electronic

- Enhancement of human resources and environment for development
- Development of electric drive system

###### New Business

- Won the Minister of Education, Culture, Sports, Science and Technology's Science and Technology Award
- Development of gait measurement system

###### ➤ Strengthening customer relationships and industry-academia collaboration

- Seat: cooperative activities
- Electronic: joint development
- New business: collaboration with domestic and international universities

##### Enhancement of market recognition and reputation

###### ➤ Strengthening ESG management and corporate governance structure

###### Management

- One-third of the total number of Directors are Outside Directors (including 1 female), increasing objectivity, transparency, and diversity

###### ➤ Enhancing IR and PR activities

- Redesign of website (Since June 2021)
- President's Blog (Since January 2022)
- Official Twitter account (Since April 2022)



\* Increase opportunities for information dissemination and strengthen PR

We will promote activities to meet the criteria for market capitalization of tradable shares by the end of the fiscal year ending March 31, 2026.

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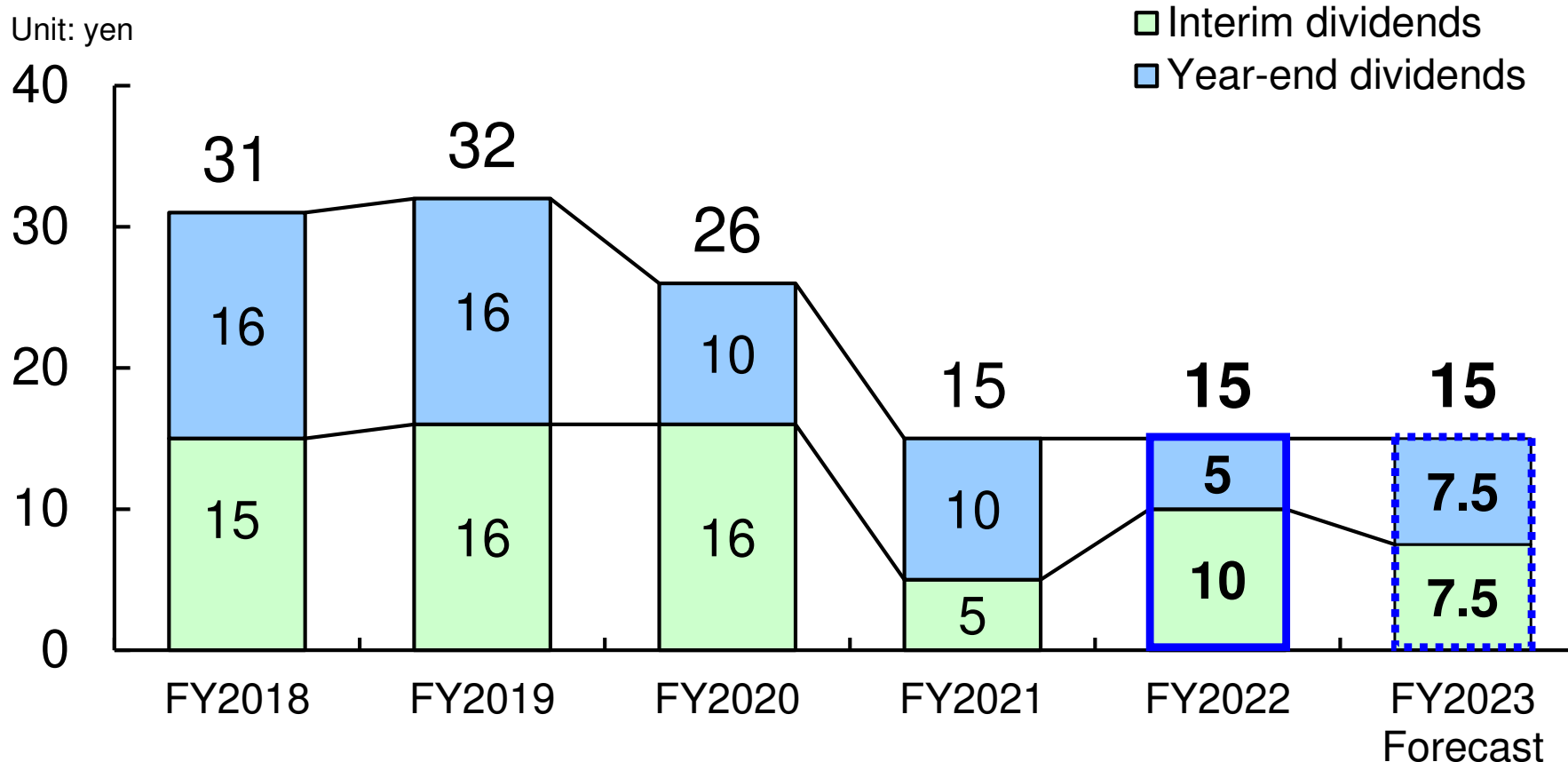
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## Challenge to New Imasen



Based on our basic dividend policy of stable and continuous return of profits to shareholders, we have decided to pay a year-end dividend of 5 yen per share (annual dividend: 15 yen per share), taking into account the details of our business performance.

Although the outlook for the fiscal year ending March 31, 2023 remains uncertain due to the shortage of semiconductors and soaring raw material and transportation costs, we plan to pay an annual dividend of 15 yen per share based on our dividend policy of stable dividend payments.

# *Trust & Challenge*

## *Challenge to New Imasen*

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- Actual results may differ from forecasts due to various factors.

**○ For IR inquiries, please contact:**

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IR personnel, Business Planning Section, Global Management Business Unit

TEL +81 568-67-1517

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