

# Summary of Consolidated Financial Results for the Third Quarter of Year Ending March 31, 2025 (3Q FY2025)

Feb 14, 2025

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  
3Q FY2025
- II. Progress of the Medium- and Long-term  
Management Plan

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# Summary of Consolidated Financial Results for 3Q FY2025

(Unit: Million yen)

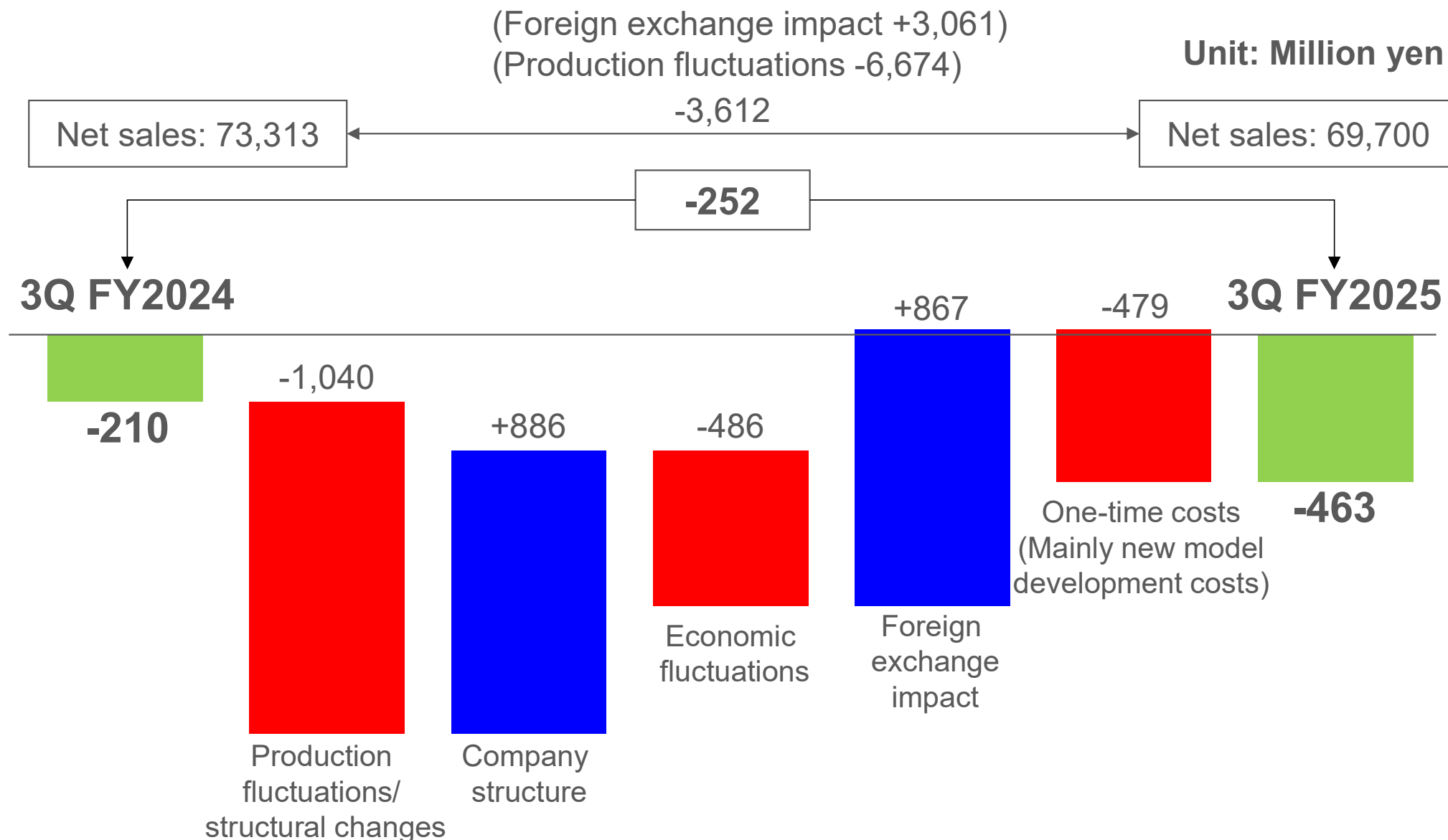
	3Q FY2024 Result	3Q FY2025 Plan	3Q FY2025 Result	Difference	Change
Net sales	73,313	69,612	<b>69,700</b>	-3,612	-4.9%
Operating profit	-210	-667	<b>-463</b>	-252	-
Ordinary profit	328	-678	<b>-431</b>	-759	-
Profit attributable to owners of parent	-972	966	<b>1,658</b>	+2,631	-

Profit attributable to owners of parent includes a gain on sales of investment securities of 3,598 million yen.

\*The planned figures are the forecast figures at the time when the full-year earnings forecast was left unchanged in the announcement of the second quarter financial results in Nov. 2024.

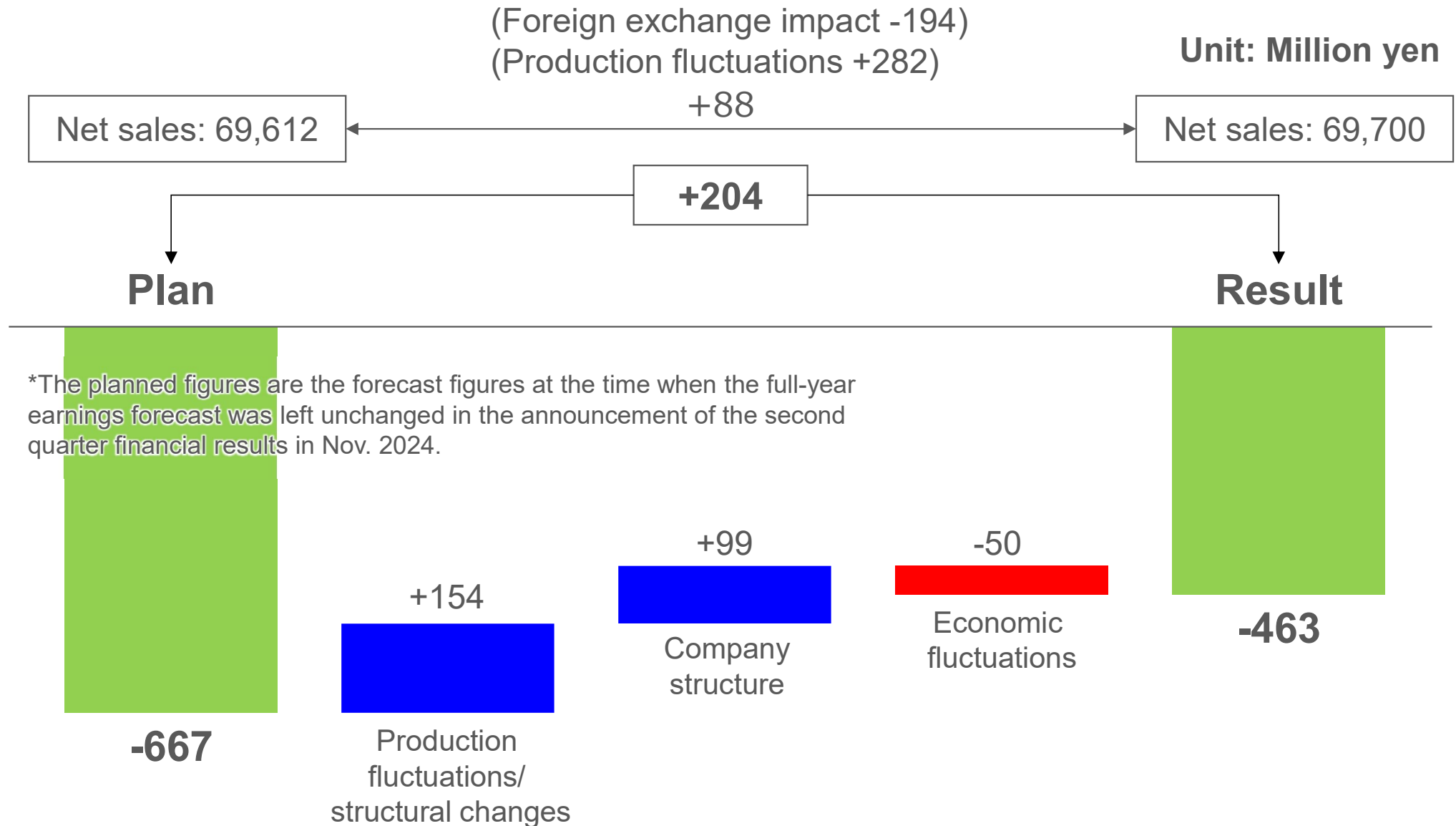
		3Q FY2024 average	3Q FY2025 average	Difference	Change
Exchange rates	USD	138.24 yen	<b>151.46 yen</b>	+13.22 yen	+9.6%
	CNY	19.62 yen	<b>20.99 yen</b>	+1.37 yen	+7.0%
	THB	4.01 yen	<b>4.24 yen</b>	+0.23 yen	+5.7%

# 3Q FY2025 Operating Profit (Year on Year)



Although the impact of production cutbacks in the non-consolidated, China, and Thailand was significant and was recovered by strengthening the structure and the effect of foreign exchange rates, Profit decreased due to an increase in development costs for new models.

# 3Q FY2025 Operating Profit (Disclosed Forecasts vs Results)



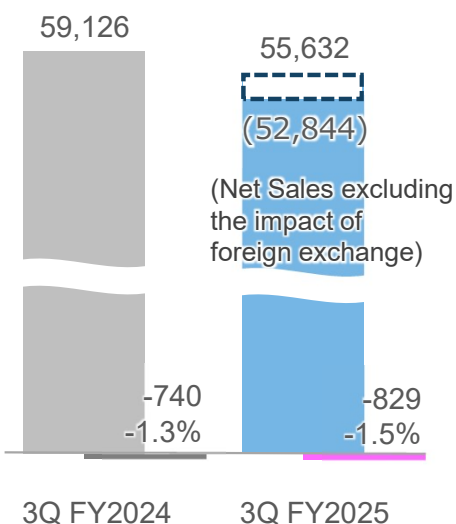
The upswing was due to increased sales in Japan and improvement of the company's structure.

# 3Q FY2025 Results by Business Segment

[ Year on Year ]

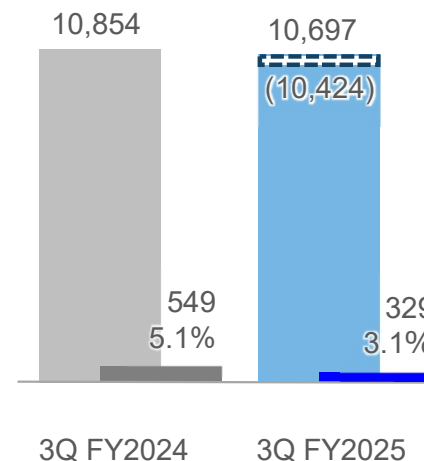
(Unit: Million yen)

## Seat and Electrical Equipment Business



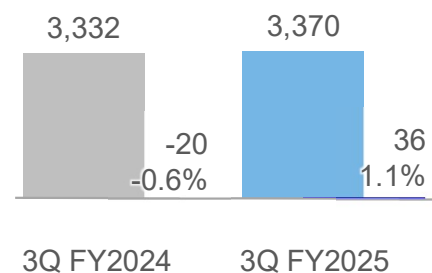
<b>Net sales</b>	<b>-3,494 (-5.9%)</b>
Although there was an upswing due to the weak yen, production in China dropped sharply, resulting in a decline in revenue.	
<b>Operating profit</b>	<b>-89 (-)</b>
Although we made efforts to secure profits through productivity improvements in North America, losses expanded due to reduced production in China and Japan.	
<b>Exchange rate impact</b>	
Revenue	+2,788
Operating profit	+2

## Electronics Business



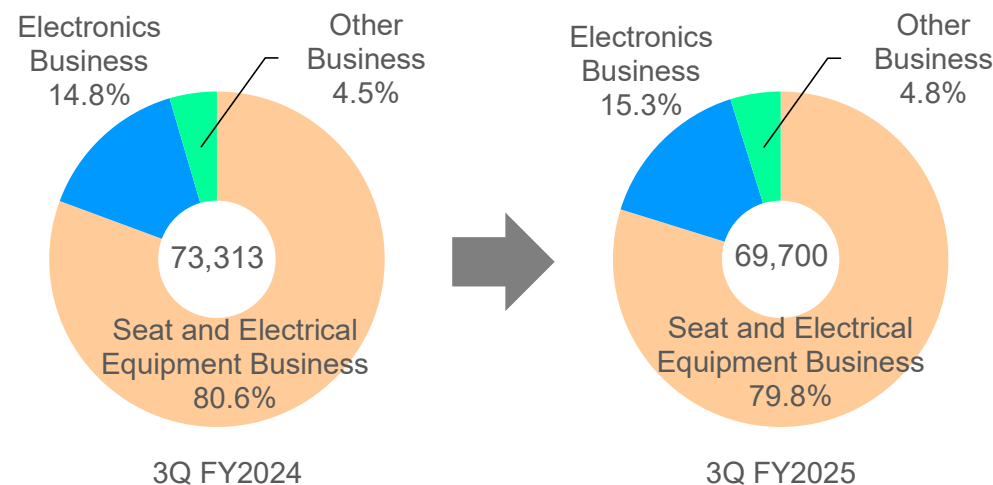
<b>Net sales</b>	<b>-156 (-1.4%)</b>
Although the weak yen had an effect of increasing sales, sales decreased due to a decrease in the non-consolidated production volume.	
<b>Operating profit</b>	<b>-220 (-40.1%)</b>
Profit decreased due to decrease in production and increase in development cost burden on a non-consolidated basis.	
<b>Exchange rate impact</b>	
Revenue	+273
Operating profit	+29

## Other Business



<b>Net sales</b>	<b>+37 (+1.1%)</b>
Revenue increased due to an increase in orders for the wire harness business.	
<b>Operating profit</b>	<b>+57 (Turning a profit)</b>
The company turned a profit thanks to increased revenue.	
<b>Exchange rate impact</b>	
Revenue	0
Operating profit	0

## Sales Breakdown by Business

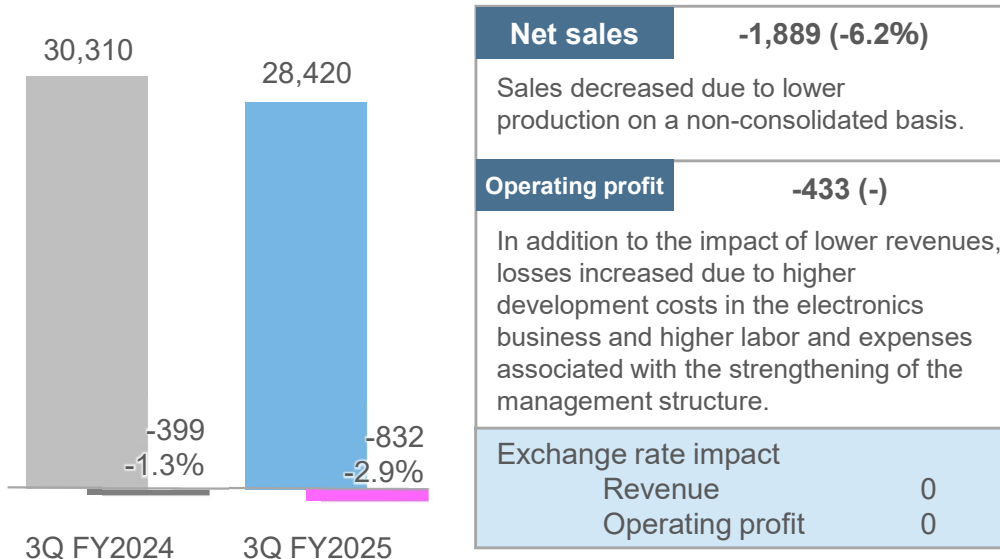


# 3Q FY2025 Results by Regional Segment

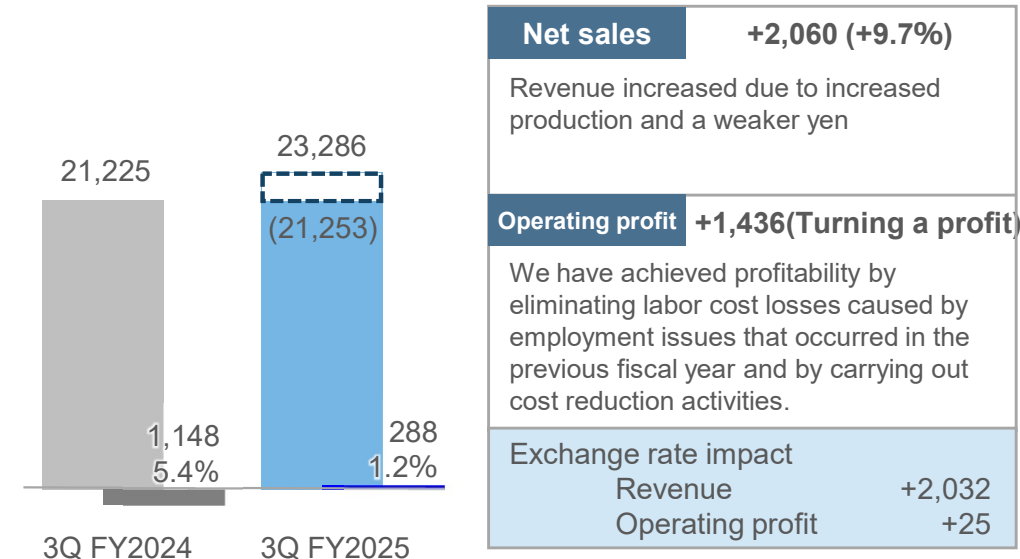
[ Year on Year ]

(Unit: Million yen)

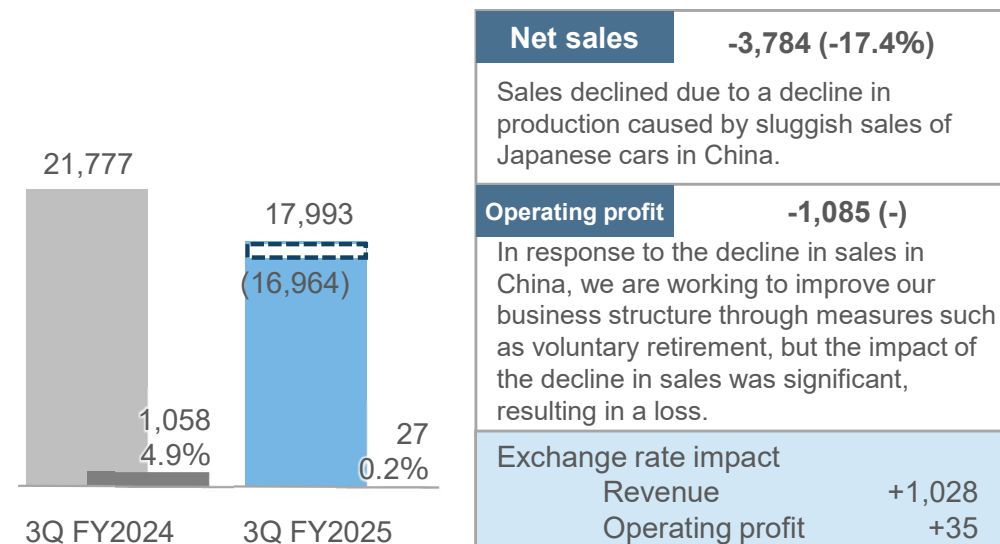
## Japan



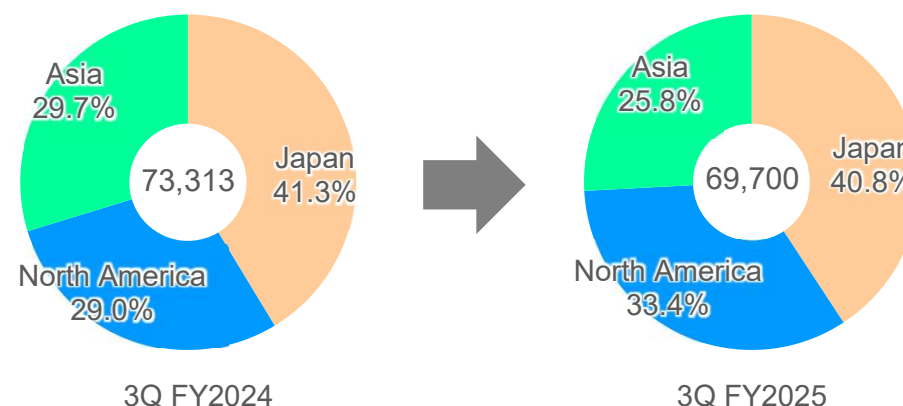
## North America



## Asia



## Sales Breakdown by Region





(Unit: Million yen)

## Capital investment

	3Q FY2024	3Q FY2025	Difference
Japan	1,476	1,294	-181
North America	155	525	370
Asia	693	961	269
Total	2,324	2,781	457

## <Major investments during the period>

- **Japan (Strengthening of production structure)**  
Highly Efficient Line Introduced at Gifu Plant.
- **North America (Rationalization)**  
Increase due to investment for reorganization of North American bases, such as transfer of Tennessee plant to a new plant for presses, etc.
- **Asia (Launch of new products, Automation)**  
Increase due to expansion of production capacity in India for launch of new products and investment for renewal of dies in Thailand.

## Depreciation

	3Q FY2024	3Q FY2025	Difference
Japan	978	1,041	63
North America	367	299	-67
Asia	880	857	-22
Total	2,225	2,199	-25

- **Japan**  
Increased due to launch of new car models in the previous fiscal year.
- **North America**  
Decrease due to restrained capital investment in the previous fiscal year.
- **Asia**  
Decreased due to scrapping of molds in China and Philippines.

## Seat and Electrical Equipment Business -Strengthening the sales function-



### Exhibited for the first time at the Auto Guangzhou 2024 in China

IMASEN Group's Chinese base, Guangzhou Imasen Electric Industrial Co.,Ltd.exhibited for the first time at Auto Guangzhou 2024 in November 2024.

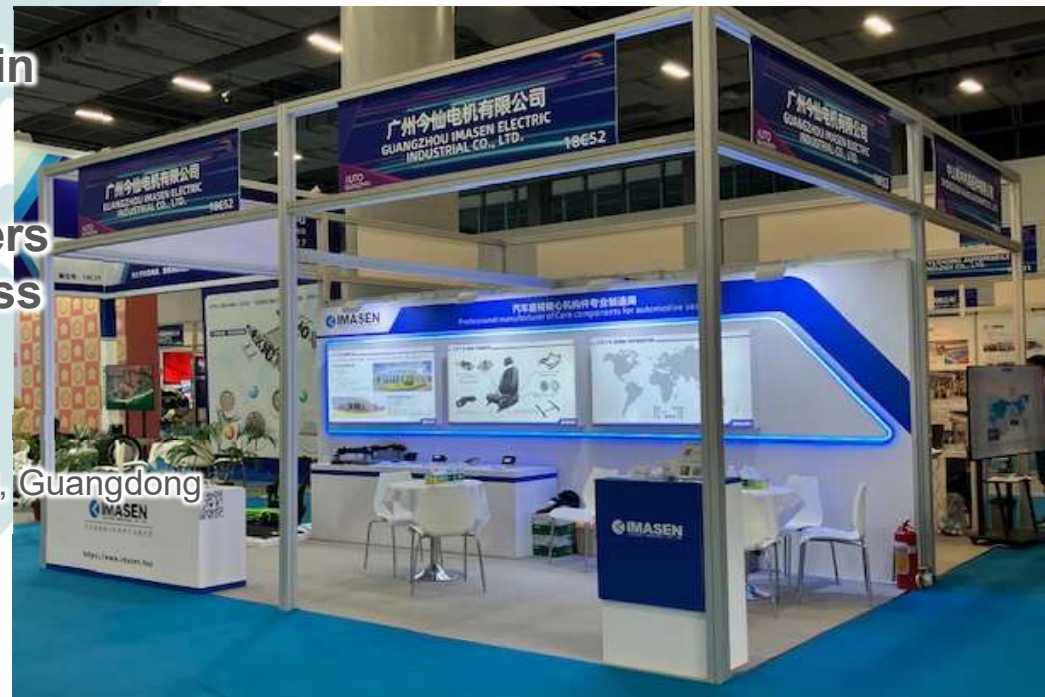
**We are stepping up efforts to win orders by targeting domestic manufacturers in China and European and U.S. manufacturers that are expanding their business to China.**

#### What is Auto Guangzhou?

One of the three major automotive exhibitions in China.

More than 80 car makers exhibited and approximately 850,000 people visited the show during the show period.

Guangzhou, Guangdong



**Currently promoting to win orders for products for automobile manufacturers in China and abroad.**

## Development of welfare equipment related business

### ■ Started rental business

#### Rental Products

##### STAR

Robot for Transfer Assistance



##### Light6

Electric wheelchair with reclining and tilt functions

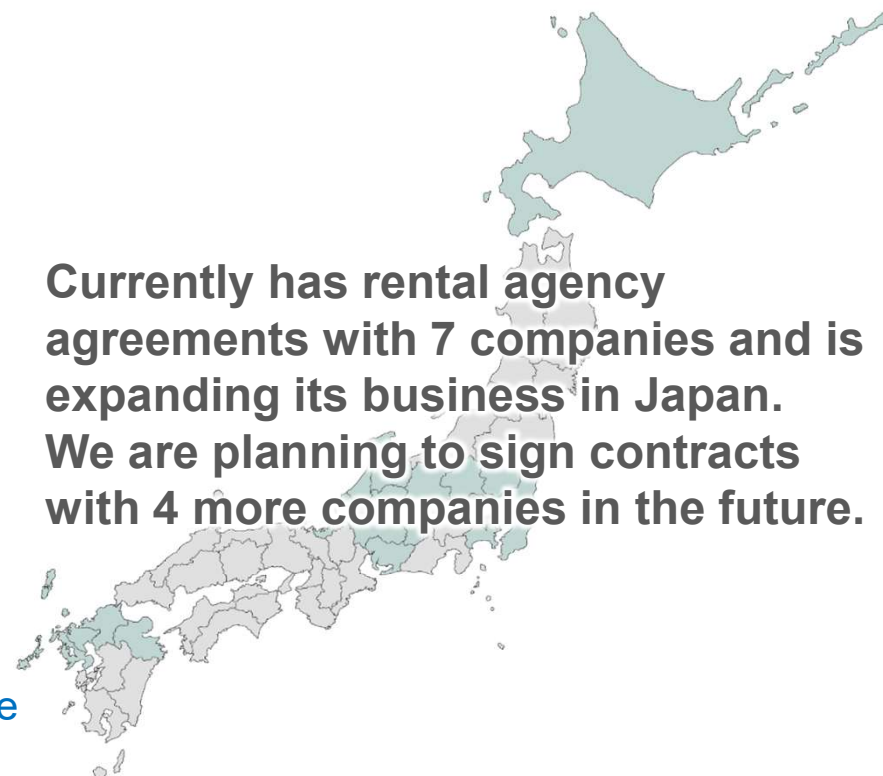


##### myride

An electric cart that provides the 'fun of moving at your own will'



Currently has rental agency agreements with 7 companies and is expanding its business in Japan. We are planning to sign contracts with 4 more companies in the future.



Automatic folding function by switch operation



Promoting business development in line with customer needs.

## Full-year earnings forecast revised upwards

(Unit: Million yen)

	Previous results	Forecasts (Initial)	Forecasts (Revised)	Difference	Change
<b>Net sales</b>	99,730	93,500	<b>94,500</b>	+1,000	+1.1%
<b>Operating profit</b>	14	100	<b>250</b>	+150	+150.0%
<b>Ordinary profit</b>	260	300	<b>500</b>	+200	+66.7%
<b>Profit Attributable to owners of parent</b>	-71	1,400	<b>2,000</b>	+600	+42.9%

### Net sales

The increase compared to the previous forecast was due to the effect of currency translation resulting from the depreciation of the yen.

### Profit

China:

The implementation of voluntary retirement and other measures to strengthen the company's structure have raised the prospect of securing profits even with reduced sales.

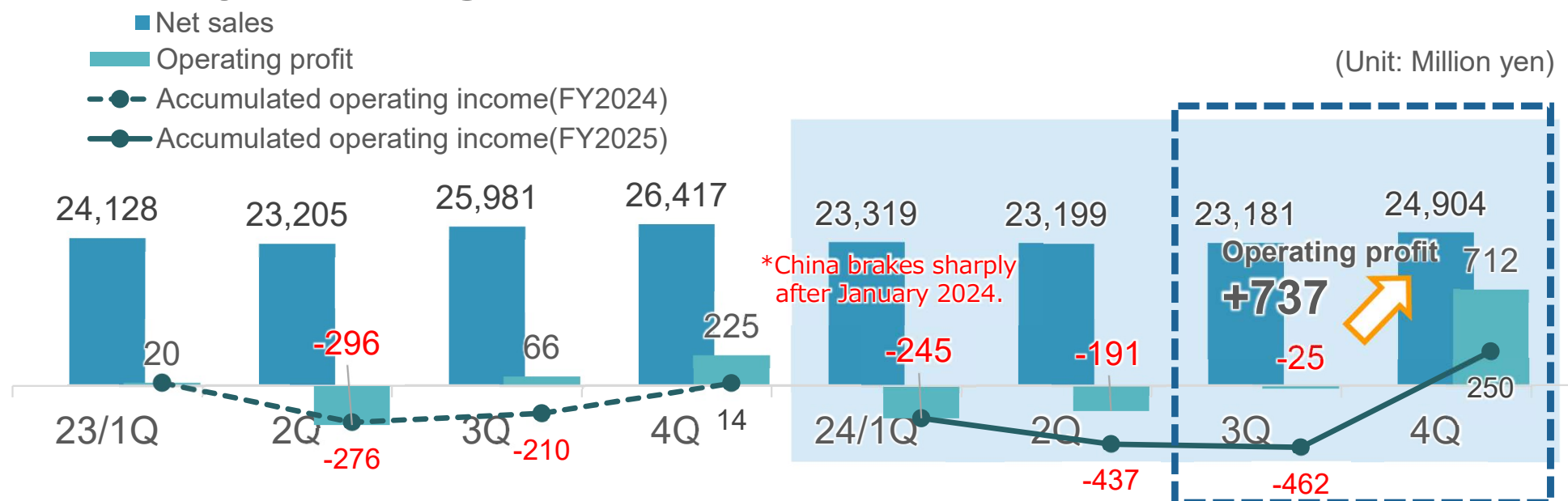
North America:

Operating income increased mainly due to the continued stable effect of cost improvement.

Net income also exceeded the previous forecast due to the gain on sales of investment securities and lower-than-expected amount of special retirement payments.

## Full-year earnings forecast revised upwards

### <Quarterly Operating Income Trends>



### Factors in profit recovery in 4Q FY2025

#### China



Return to profitability due to measures to strengthen the company's structure through voluntary retirement, etc.

#### North America



Reduction of fixed costs associated with the shift to a single base in North America.

#### Japan



Recovery of development costs and price shift of inflation costs are concentrated at the end of the period.

Profits are expected to increase in the 4Q as a result of the effects of the structural reinforcement in China and North America and the recovery of costs in Japan.

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# Medium-term Management Plan



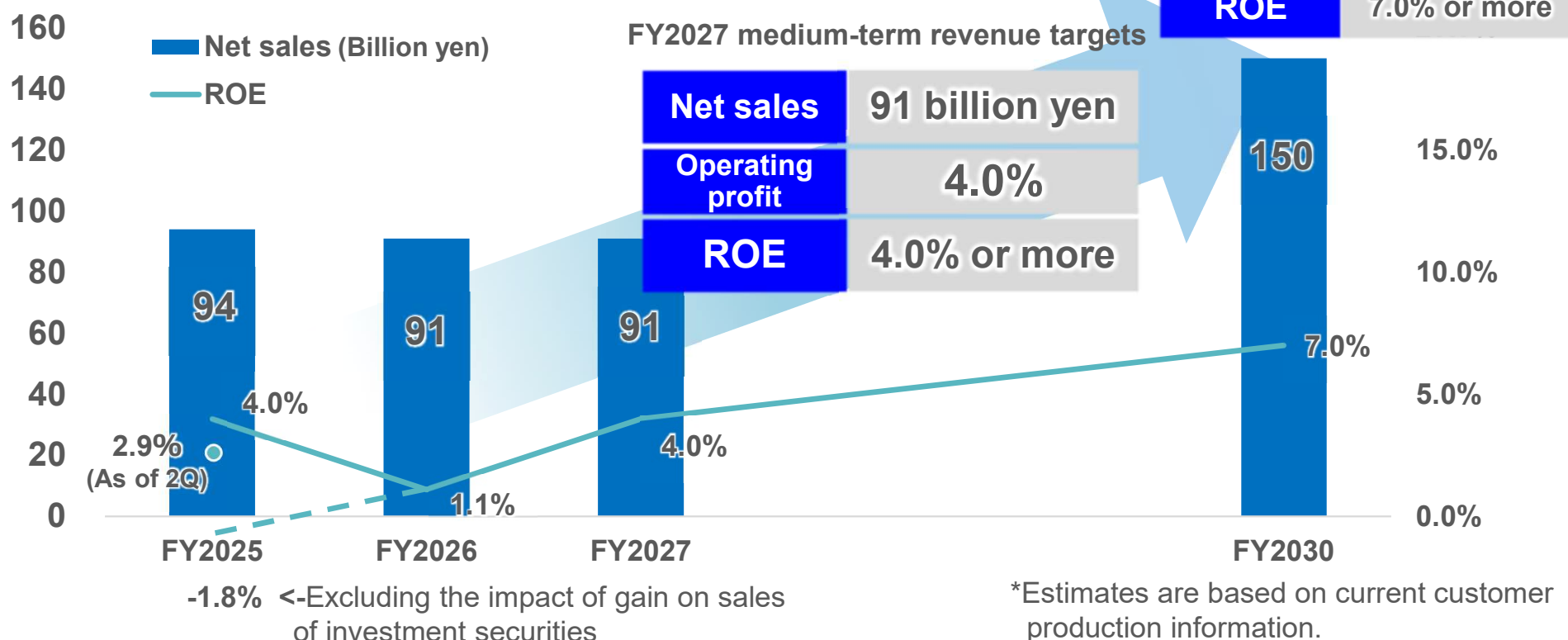
Creating the future  
of mobile space

1. Medium-term Profit Targets
2. Overview of Priority Measures
3. Progress of Priority Measures

Disclosed on Nov. 14, 2024.

Corporate goal for the medium term:

## Performance recovery and business growth



### [Reference]

Status of order receipt activity in current FY

	1st half	2nd half
Target	11 items	25 items
Fixed	10 items	(Currently in progress)

Deploying  
**Nine Priority Measures**  
to achieve these targets



### Priority Measures in the Medium-term Plan

Disclosed on August 23, 2024,  
Partially revised on November 14,  
2024  
The content will be.

#### Nine Priority Measures

Speed of management	Revenue	(1) Accelerating decision-making and promoting the delegation of authority
Offense		(2) Strengthening sales functions
		(3) Strengthening competitiveness beyond that of mega-suppliers
Defense		(4) Strengthening profits through restructuring in North America and China
		(5) Improve material cost ratios by restructuring procurement structure
		(6) Reconstruction of earning power
	Capital Efficiency	(7) Capital policy that takes into account ROE and capital costs
Synergy	Revenue	(8) Future product development through group synergy
Business Foundation		(9) Promoting ESG management

#### (1) Accelerating decision-making

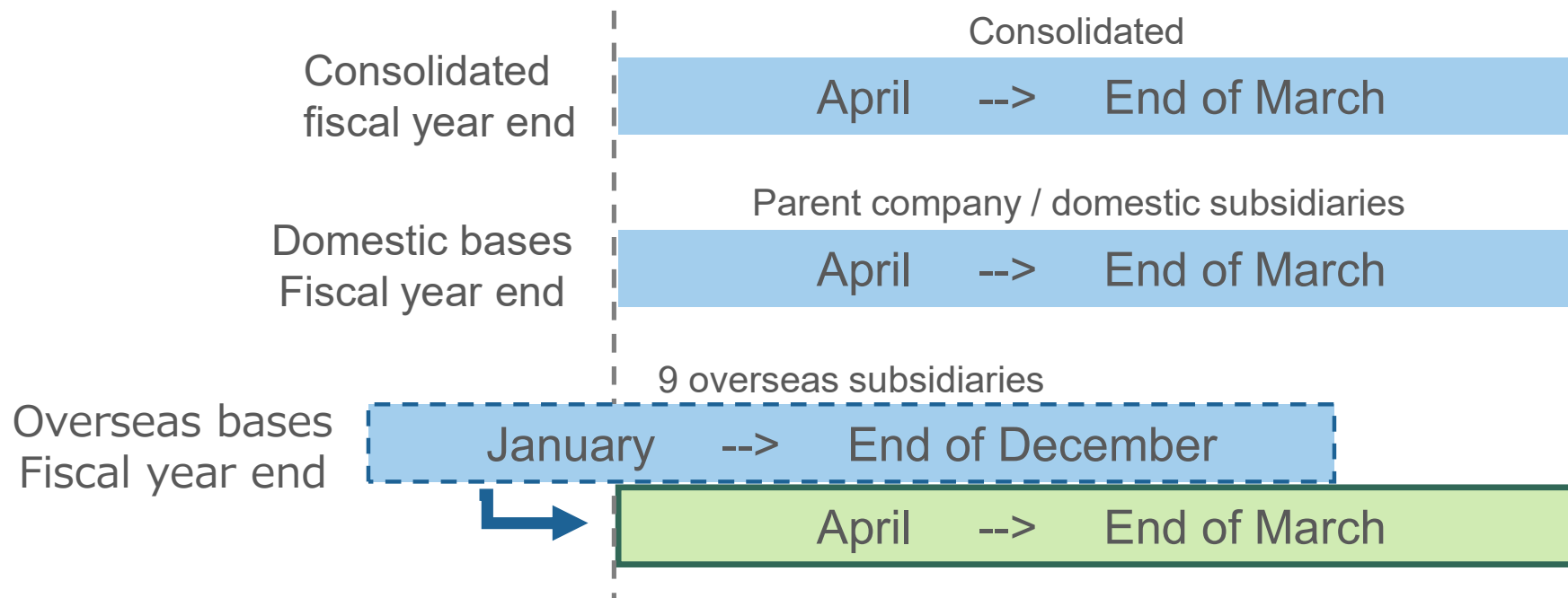
↗ Restoring business performance

↗ Business growth

#### 1) Change of fiscal year end of overseas subsidiaries (unified)

##### Change of fiscal year end of overseas consolidated subsidiaries to March

- Accelerate decision-making and improve the efficiency of management systems
- Increase management transparency by timely and appropriate disclosure of business results and other management information



Promoting integrated management and speeding up decision-making at our group by unifying management systems.

#### (2) Strengthening sales functions

↗ Restoring business performance

↗ Business growth

#### 2) Promoting joint sales expansion by utilizing TS TECH's global bases



- Expanding orders in the frame business through joint sales with TS TECH
- Imasen independently obtained device certification and shared technology trends with TS TECH
- Establish direct relationships with local OEM development key personnel
- Identify local suppliers and provide timely insight into their suitability

Maximize benefits by leveraging both companies' resources

Collaboration with TS TECH to expand the businesses of both companies.

#### (2) Strengthening sales functions

↗ Restoring business performance

↗ Business growth

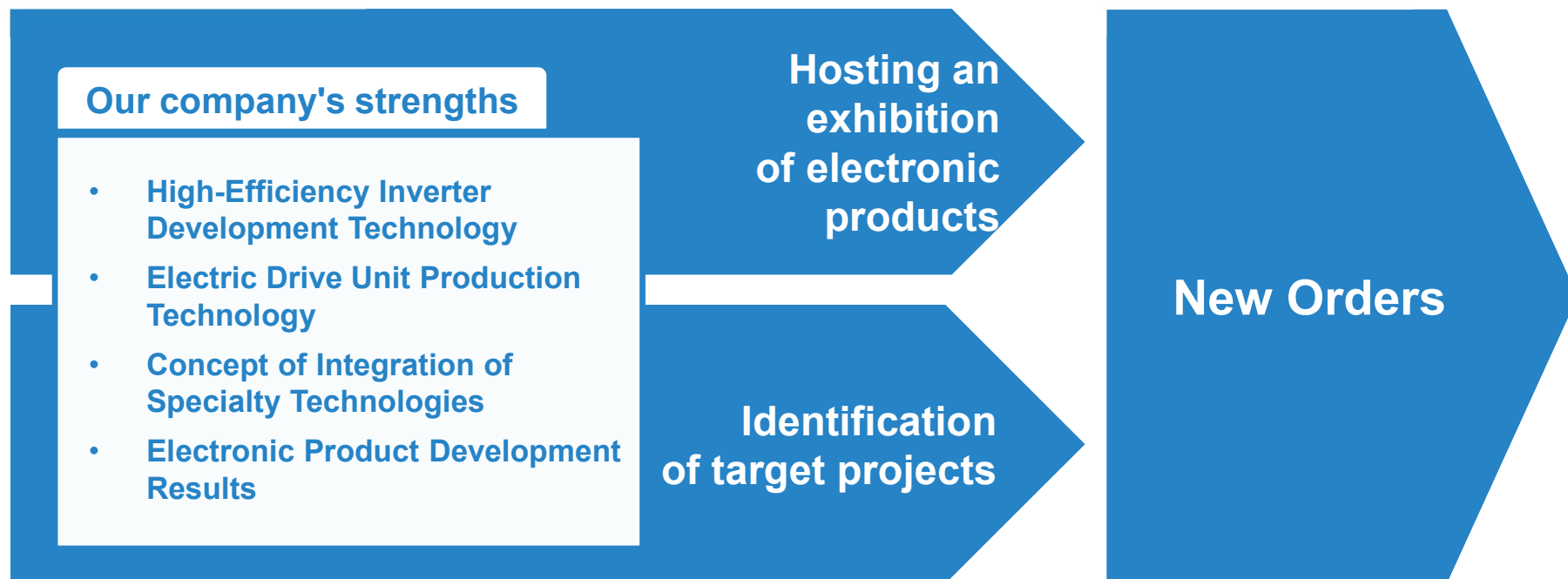
#### 3) Expand sales by proposing new values (Electronic Business)

Strengthen sales to customers in the seat business to acquire new orders in the electronic business.

Visiting customer companies and holding product exhibitions (caravans).

**FY2025-FY2026**

**After FY2027**



**Focus on acquiring orders outside of existing trade areas**

Received new orders for electronic products from customers in the seat business.

#### (3) Strengthening competitiveness

↗ Restoring business performance

↗ Business growth

#### 4) Responding to increased production in the Indian market

- Strengthen investment in growth markets

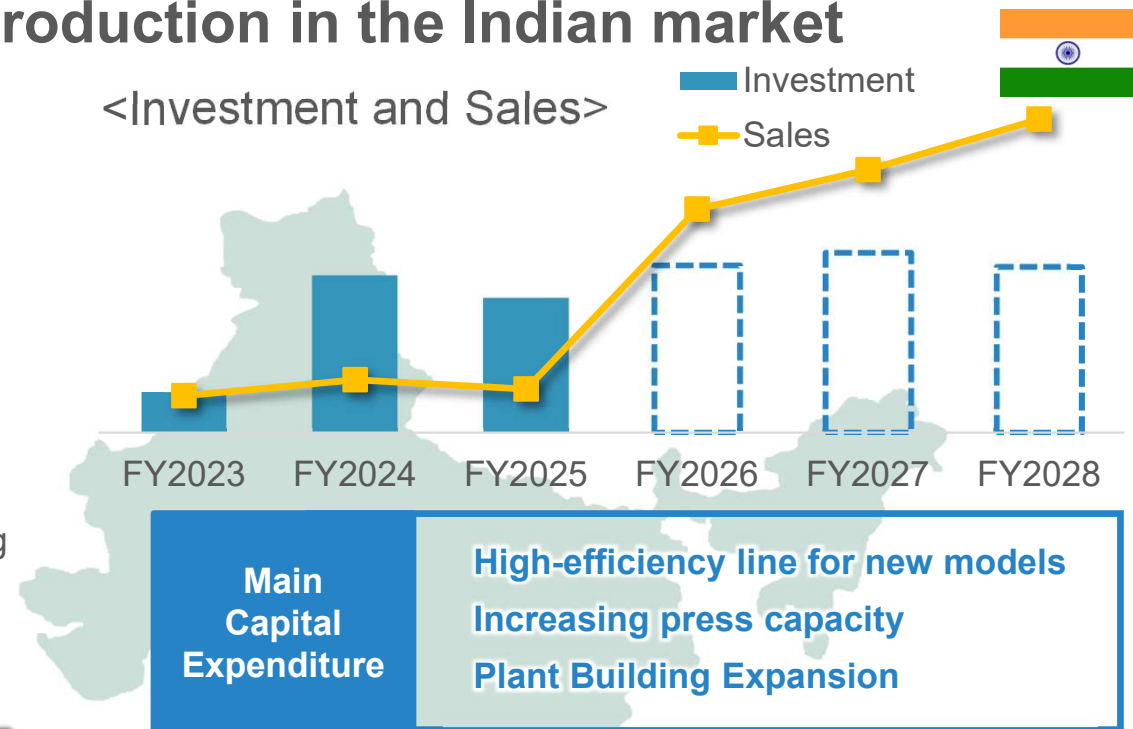


Plant building Expansion



Increase of press line

<Investment and Sales>



Continued efforts to increase production over the medium to long term

- Started mass production for future production increase
- Strengthening of the structure through localization and in-house production of parts
- Reduce costs by localizing equipment and jigs

Reinforcement of Production Lines for Newly Launched Products.  
Strengthening of corporate structure to accommodate increased production.



## (3) Strengthening competitiveness

↗ Restoring business performance

↗ Business growth

### 5) Establishing Product Competitiveness

- Promoting development in each field to strengthen competitiveness

#### シート事業



- Structure compatible with high strength and miniaturization
- Sound and vibration suppression technology
- In-house production of key functional components

#### 電子事業



- Establishment of miniaturization technology
- Establishment of lightweight technology
- Standardization of hardware standards

#### Competitor benchmarks

Establish competitiveness by developing high value-added products that leverage our strengths to meet customer needs.

### 3. Progress of Priority Measures

#### (4) Restructuring in North America and China

↗ Restoring business performance

↗ Business growth

##### 6) Establishment of a lean production system by consolidating seat production in North America

- Transferring production from the Tennessee Plant to the Ohio Plant and developing a stronger structure for the Ohio Plant

**Tennessee Plant**



Production ended Dec. 2024

Transfer of Production



**Ohio Plant**



##### Plant to be sold in Aug. 2025

**Gain on sale**

**Approx. 850 million yen**

(Rate as of Jan. 31, 2025)

The gain from the sale of the Tennessee plant will be incorporated into our consolidated earnings forecast for FY2026 as an extraordinary gain.

**Automatic assembly line**



**Transfer of press equipment**



##### **Strengthening production system through rationalization investment**

Aggressive investment in rationalization, automation of facilities, etc. in line with consolidation of North American bases.

**Strengthening the structure by investing for business growth.**

#### (4) Restructuring in North America and China

↗ Restoring business performance

↗ Business growth

#### 7) Developing a system to meet demand trends in the Chinese market



##### ➤ Transformation to a profitable structure

- **Optimized workforce by soliciting voluntary retirement**

FY2025: Approximately 190 people in Guangzhou and Wuhan

- **Review of the role of each location**

Trends in the automotive industry in China are ever-changing and may become even more challenging.



**Guangzhou and Wuhan are reviewing their respective roles and optimizing their bases.**



**Wuhan Plant**



**Guangzhou Plant**

##### ➤ Promote sales expansion for local OEMs

- **Local sales expansion activities in collaboration with TS TECH**

- **Exhibited for the first time at the Auto Guangzhou**



**Identified needs in our product area, presentations are being made to several OEM manufacturers/seat manufacturers.**

**Rebuilding a profit-securing structure in the Chinese market and promoting the acquisition of orders from local manufacturers.**



#### (5) Restructuring procurement structure

↗業績回復

↗事業成長

#### 8) Improve material cost ratio by restructuring procurement structure

- Revamped parts procurement methods to strengthen cost competitiveness
- Initiatives for local production and consumption of power devices

China			North America		
	Current model	Next model		Current model	Next model
Core parts	In-house production (partially supplied from Japan)	In-house production to be completed	Core parts	Supplied from Japan	Considering in-house production

India		
	Current model	Next model
Core parts	Supplied from Japan	Currently selecting suppliers for in-house production

Core parts: Common and important parts among the parts that make up a seat

Previously supplied mostly from Japan, we have started to consider local procurement.

Engage in local production for local consumption of power seat products to optimize procurement, stabilize supply, and strengthen competitiveness

#### (6) Reconstruction of earning power

↗Restoring business performance

↗Business growth

#### 9) Investment in the electronics business (inverter products for Mazda)

- Plans to invest in the establishment of a production system at the Hiroshima base

Investment amount: **Large investment from FY2026 to FY2027**

**FY2025**      **FY2026**      **FY2027**

Product and production technology development

Production equipment investment

Mass production



Hiroshima Plant

- Further expansion

Increase cost competitiveness

Internalization of technology

Leveraging the strengths of our inverter products, we aim to expand our business by adding them to Mazda vehicles.

High-efficiency inverter development technology / Electric drive unit production technology

Shifting to an in-house production policy.

Proceeding with establishing a structure for business growth and recovery of profitability.

## (6) Reconstruction of earning power

↗Restoring business performance

↗Business growth

### 10) Profit improvement initiatives

#### ➤ Optimizing domestic bases



- Optimization for electronics business expansion (start of mass production of inverter products)
- Utilizing the resources of each production base to promote rationalization beyond business boundaries



**Cost reduction through resource optimization**

#### ➤ Reduce cost losses

To improve our business structure, we re-analyzed and restructured the process from design to delivery.



**Eliminate all losses and improve profitability**

#### ➤ Systematization of new product launches

Sharing know-how with TS TECH and implementing concurrent engineering.



**Promoting the preservation of theoretical costs**

**Promoting the construction of earning power through rationalization.**

## (7) Capital policy

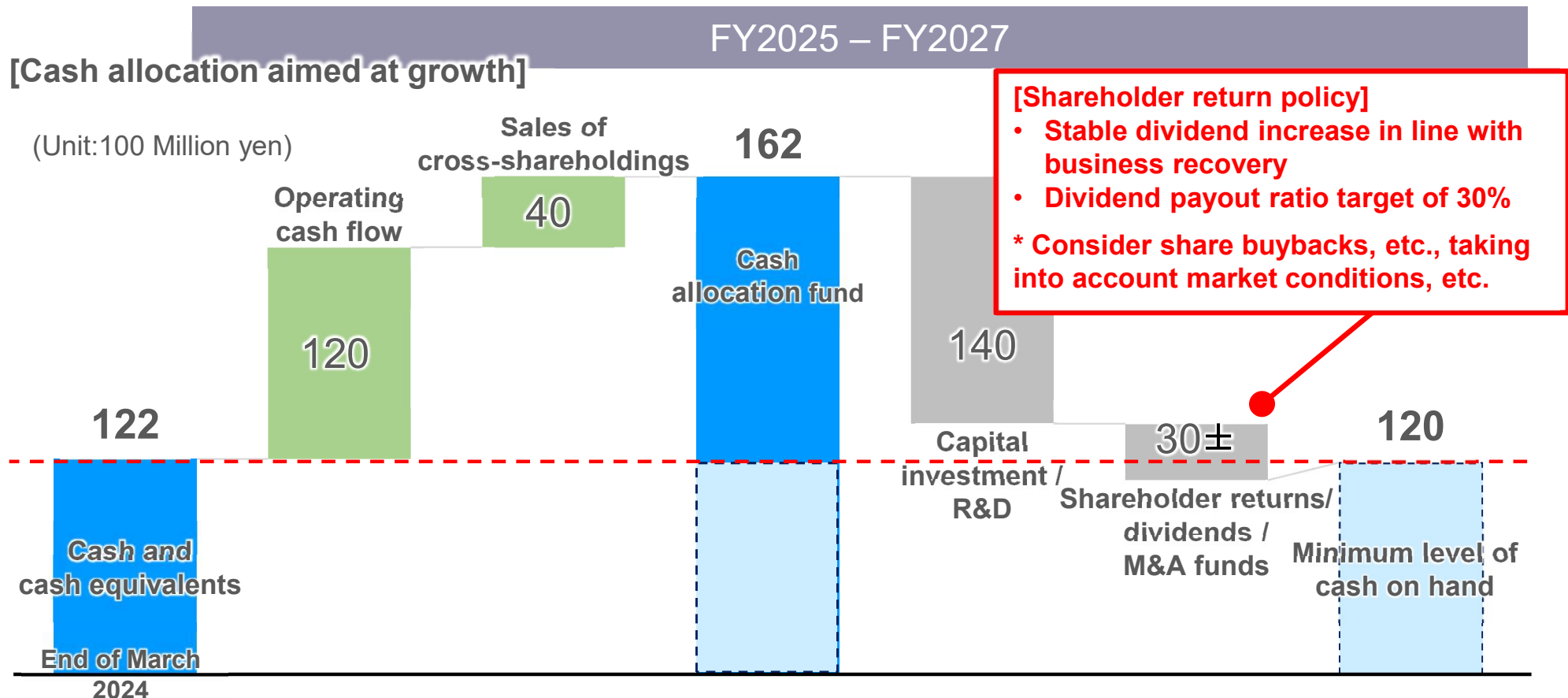
↗ Restoring business performance

↗ Business growth

### Basic Policy:

**To deploy capital in a manner that takes into account capital costs and our share price**

Stabilize cash generation, pursue capital efficiency, return to stakeholders, and use cash to contribute to future growth.



**We will provide returns to stakeholders based on the return policy set out in Medium-term Management Plan.**

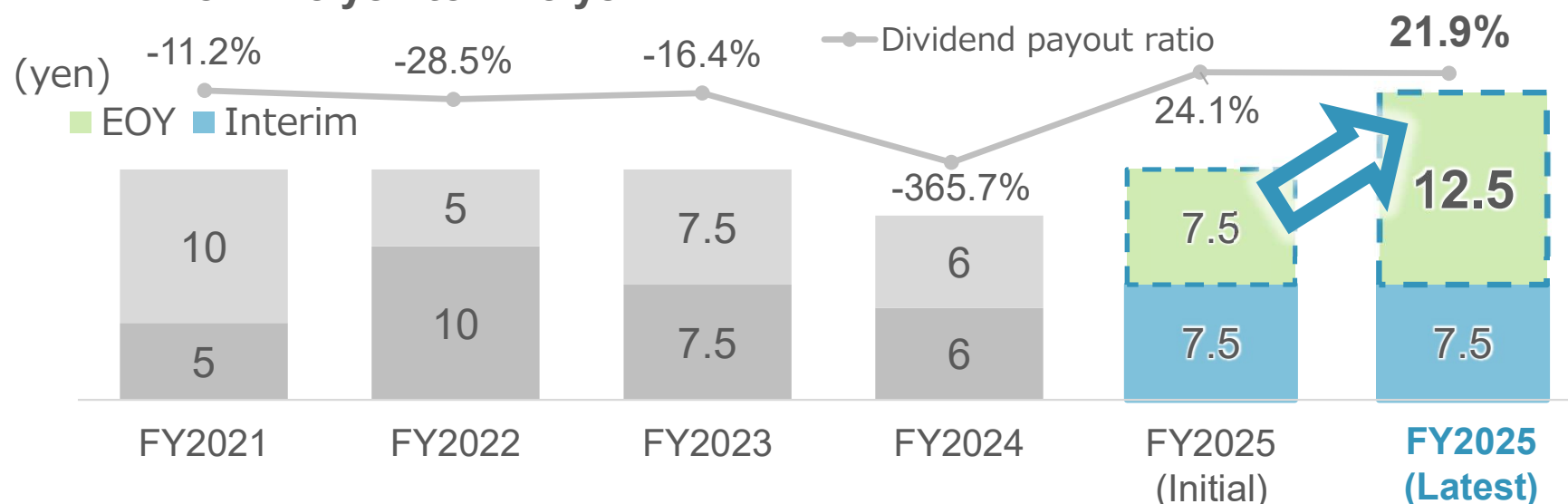
## (7) Capital policy

↗ Restoring business performance

↗ Business growth

### 11) Increase in final dividend for FY2025

With full-year earnings forecasts in sight, the company has decided to increase its year-end dividend **from 7.5 yen to 12.5 yen**.



### 12) Acquisition and cancellation of treasury stock

Decided to **acquire and cancel treasury stock** with the aim of further increasing the level of shareholder returns and improving capital efficiency.

Acquisition	Quantity: <b>700,000 shares</b> (maximum) Acquisition period: <b>Feb. 10, 2025 - Feb. 6, 2026</b>	Total acquisition cost: <b>500 million yen</b> (maximum)
Cancellation	Quantity: <b>700,000 shares</b> (maximum) Planned cancellation date: <b>Feb. 27, 2026</b>	

We will continue to invest in future growth while providing returns to stakeholders.



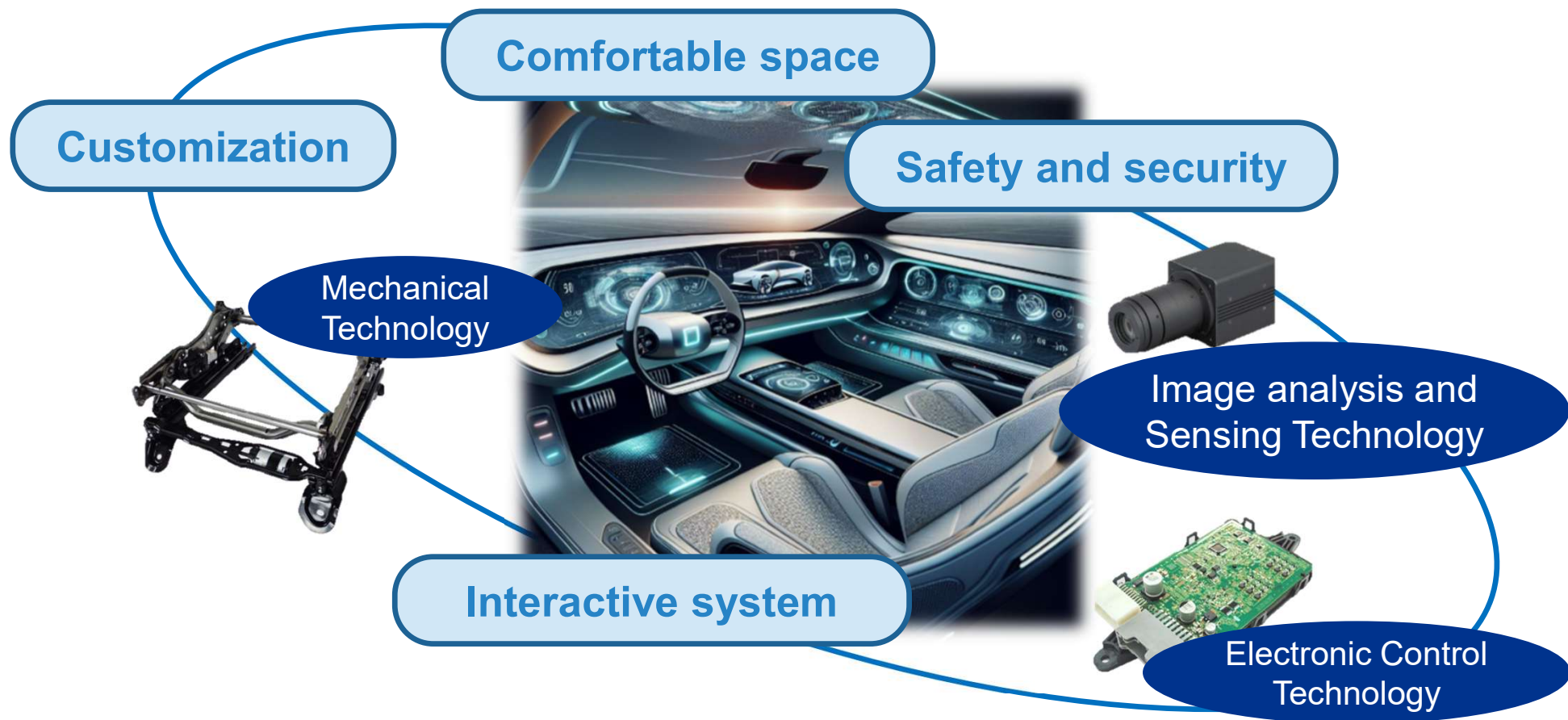
#### (8) Group synergies

↗ Restoring business performance

↗ Business growth

## 13) Expanding sales by proposing new value

In response to changing needs for vehicle interior space, we will propose new value through group synergy.



We aim to expand sales by creating new value in vehicle interior spaces through group synergy.

#### (8) Group synergies

↗ Restoring business performance

↗ Business growth

#### 14) Basic research towards the realization of smart factories

At the IMASEN Global Development Center, we have developed a prototype AGV robot for automatic supply of parts and materials by utilizing the synergy between our unique sensing and image processing technology and the small mobility technology of our welfare equipment business.



##### Features

- A drive mechanism that utilizes the drive and control technology of electric wheelchairs to enable autonomous driving in narrow aisles
- A robot arm automates the process from picking boxes to inserting them

**We will utilize group synergy and know-how cultivated through basic research to fully automate logistics within factories.**

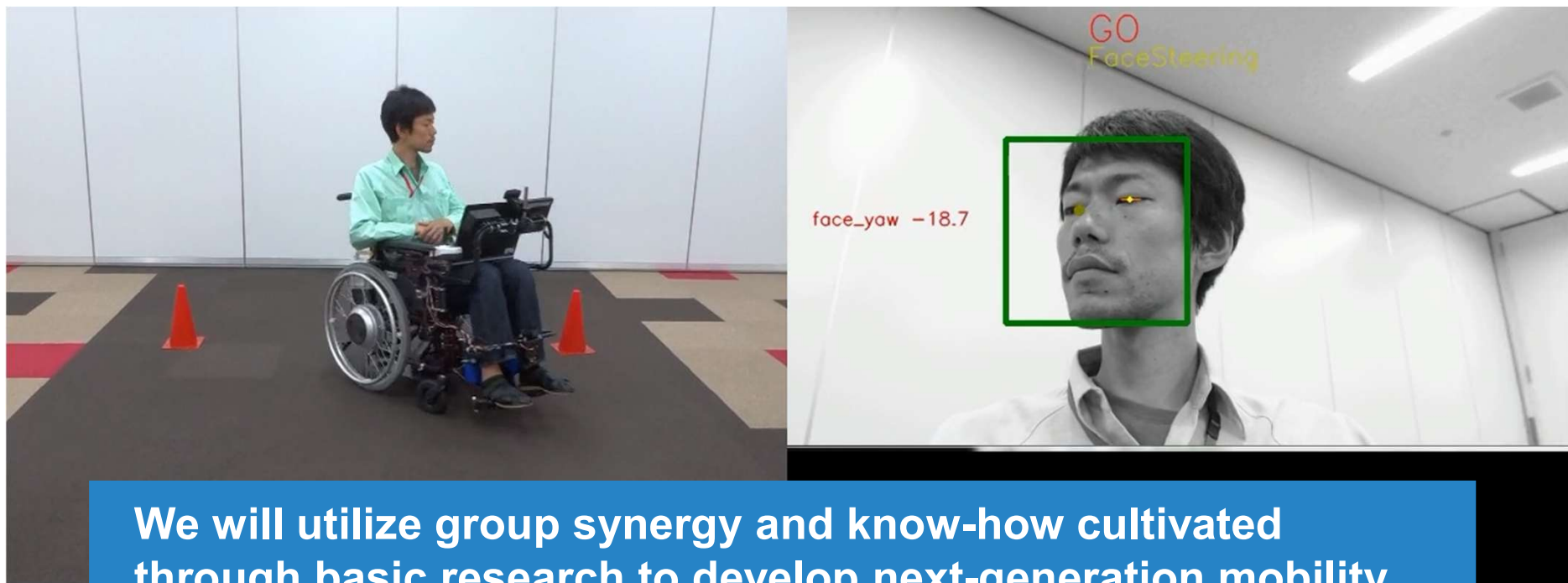
#### (8) Group synergies

↗ Restoring business performance

↗ Business growth

#### 15) Basic research for the development of next-generation mobility

At the IMASEN Global Development Center, we have developed a prototype electric wheelchair whose movement is controlled by the direction of the face, by utilizing the synergy between our unique sensing and image processing technology and the small mobility technology of our welfare equipment business.



Promoting new product development through group synergy and internalization of technology.



#### (8) Group synergies

↗ Restoring business performance

↗ Business growth

## 16) Aerospace-related business initiatives

### ➤ Contributed to the launch of the H3 rocket

Products from consolidated subsidiary Toyo Koku Denshi Co., Ltd. are contributing to the development of the H-3 rocket by JAXA (Japan Aerospace Exploration Agency).

\*Recently, Fifth H-3 rocket was launched on February 2, 2025.

#### H-3 rocket-related products

- Network switch box mounted on rocket
- Ground support equipment for rockets

The information transmission technology used in the aerospace industry, which demands high precision and quality, will be applied to the realization of smart factories and the development of automotive and industrial products.

Leveraging advanced technologies cultivated through space development to create group synergy.

## 9) Promoting ESG management

↗ Restoring business performance

↗ Business growth

# 17) Strengthening the governance system

## ■ Change in the composition of Nomination and Remuneration Advisory Committee

- In order to enhance the independence and objectivity of the evaluation/decision-making process for the nomination and remuneration of directors, the majority of the members are outside directors.

(To be implemented from Dec. 2024)



### Ratio of outside directors

Before

50%

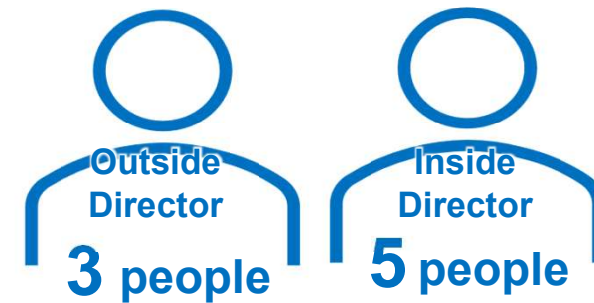
After

75%

## ■ Changes in the composition of the Board of Directors

- By reducing the number of full-time directors by one and increasing the ratio of outside directors, we have created a structure that makes it easier to reflect outside knowledge and enables swift decision-making.

(To be implemented from Jun. 2025)



### Ratio of outside directors

Before

33%

After

37%

Further strengthening governance by increasing the ratio of independent outside directors.

## IR Calendar

2025

\*Dates and locations are subject to change

Early May



FY2025 Financial Results Announcement

Mid May



FY2025 Financial Results Briefing

@ The Securities Analysts Association of Japan Conference Room (Tokyo)

Late June



The 88th Annual General Meeting of Shareholders



# Creating the future of mobile space

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