

Summary of Consolidated Financial Results for the First Quarter of Year Ending March 31, 2025 (1Q FY2025)

Aug 23, 2024

Imasen Electric Industrial Co., Ltd.

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

Introduction



Kenichi Hasegawa

President and Representative Director

Date of birth April 10, 1959 (age 65)

【Career History】

- June 2000 Engineering Sales Division, Motorcycle Engineering Department General Manager of TS TECH Co., Ltd.
- April 2008 Director and President of TRI-CON INDUSTRIES, LTD.
- April 2012 Director and President of TS TECH DO BRASIL LTDA.
- April 2014 Executive Officer of TS TECH Co., Ltd.
- April 2016 Director and Chairman of TS TECH DEUTSCHLAND GmbH
- June 2016 Director of TS TECH Co., Ltd.
- June 2017 Managing Director of TS TECH Co., Ltd.
- April 2020 Managing Director, Sales and Purchasing Division General Manager of TS TECH Co., Ltd.
- June 2020 Senior Managing Director (Representative Director) of TS TECH Co., Ltd.
- June 2024 President and Representative Director of Imasen Electric Industrial Co., Ltd.

- I. Summary of Consolidated Financial Results for
1Q FY2025
- II. Medium- and long-term management policy

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Summary of Consolidated Financial Results for 1Q FY2025

(Unit: Million yen)

	1Q FY2024 Result	1Q FY2025 Plan ^{*1}	1Q FY2025 Result	Difference	Change
Net sales	24,127	23,285	23,319	-808	-3.4%
Operating profit	20	-631	-245	-265	-
Ordinary profit	323	-255	360	+36	11.4%
Profit attributable to owners of parent	-908	1,359	2,156 ^{*2}	+3,065	-

*1 The planned figures are incorporated into the performance forecasts disclosed in May 2024.

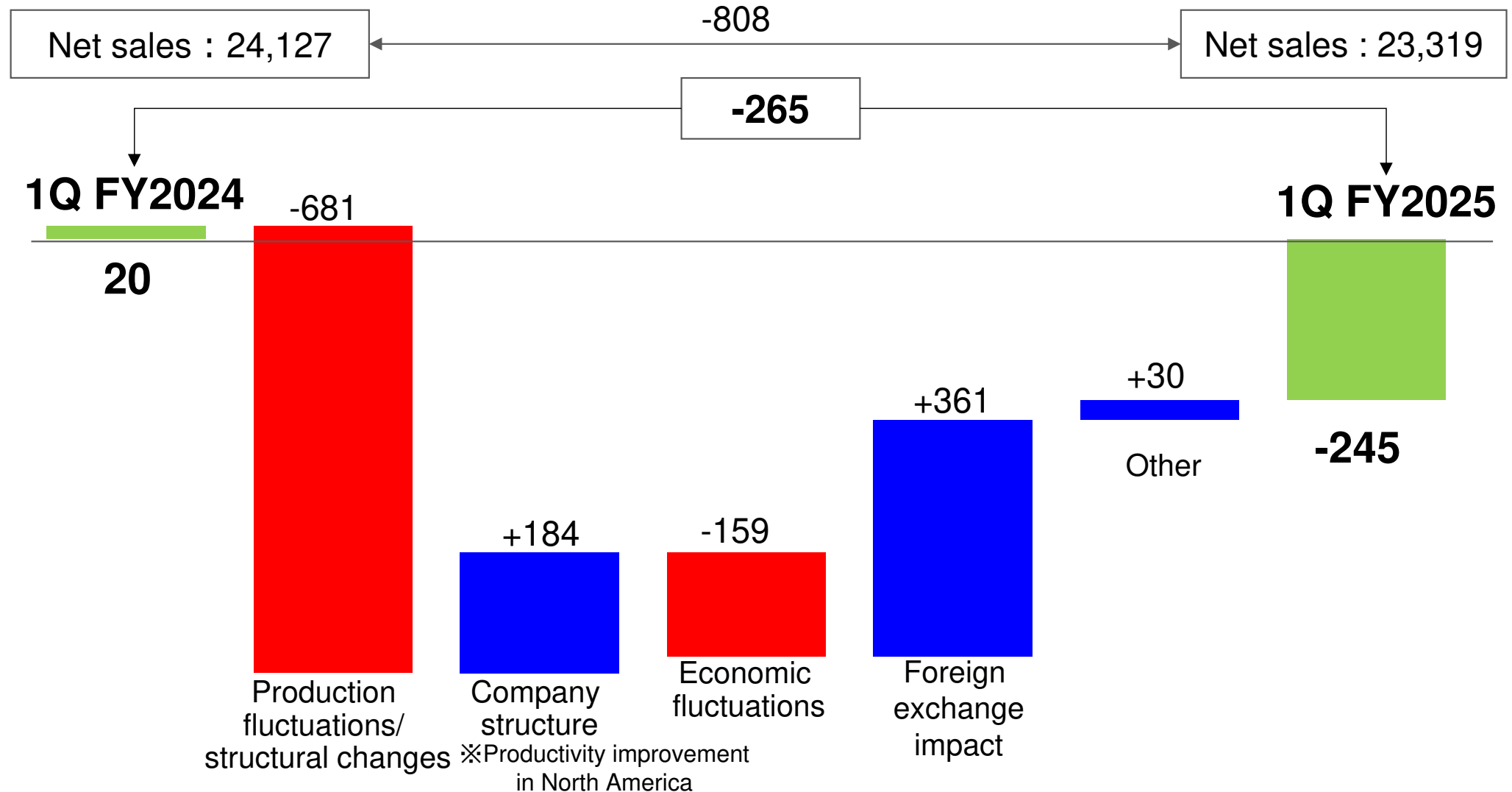
*2 Profit attributable to owners of parent includes a gain on sales of investment securities of 2,990 million yen.

		1Q FY2025 average	1Q FY2025 average	Difference	Change
Exchange rates	USD	132.42 yen	148.63 yen	+16.21 yen	+12.2%
	CNY	19.35 yen	20.63 yen	+1.28 yen	+6.6%
	THB	3.91 yen	4.17 yen	+0.26 yen	+6.6%

1Q FY2025 Operating Profit (Year on Year)

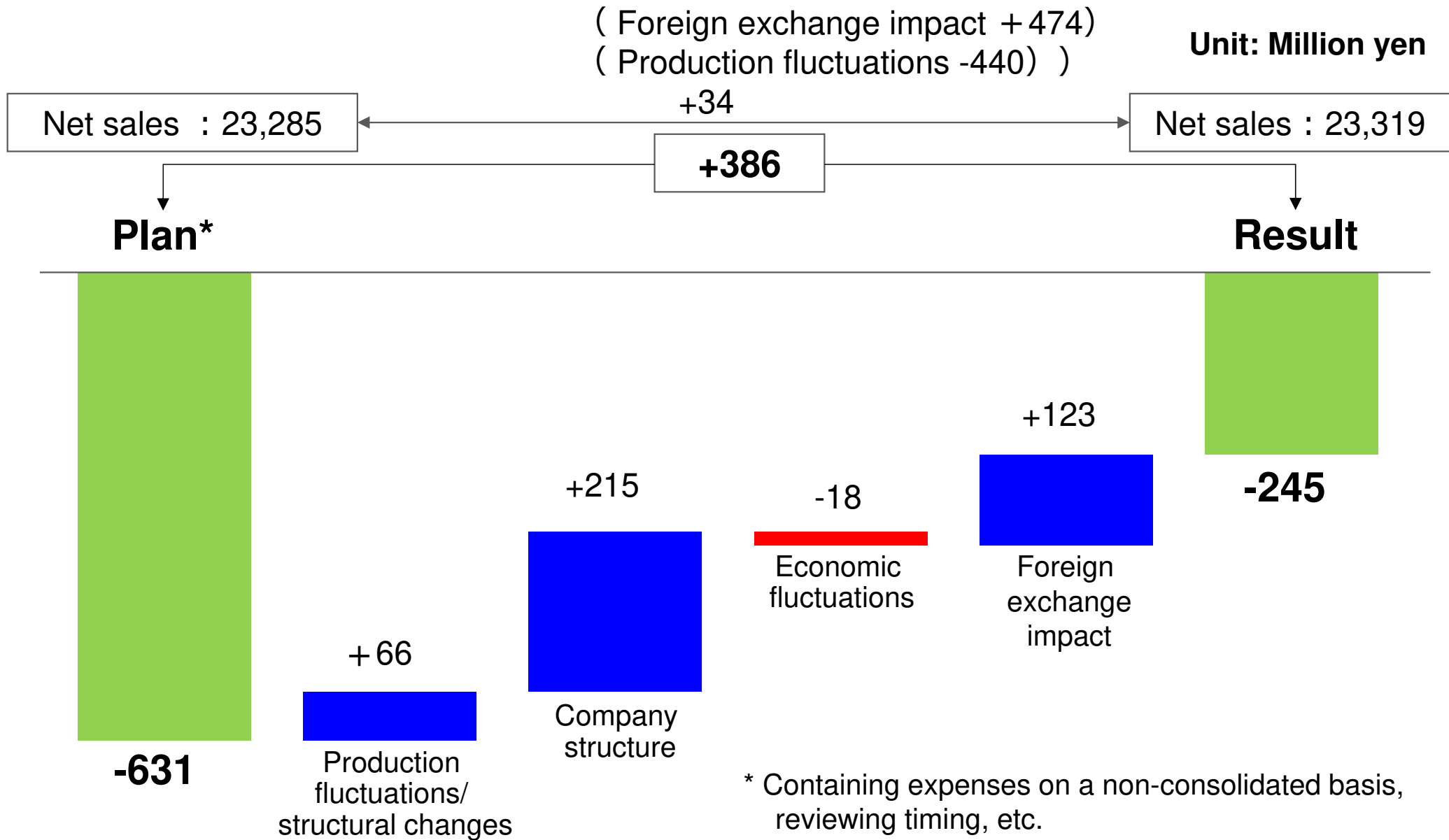
(Foreign exchange impact +1,390)
(Production fluctuations -2,198)

Unit: Million yen



Although there was improvement due to improvements in the company's structure and the weak yen, profits decreased due to reduced production in China.

1Q FY2025 Operating Profit (Disclosed Forecasts vs. Results)



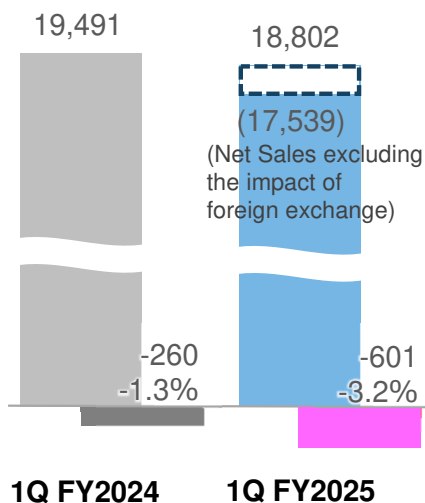
Upside due to improved domestic structure and exchange rate effects.

1Q FY2025 Results by Business Segment

[Year on Year]

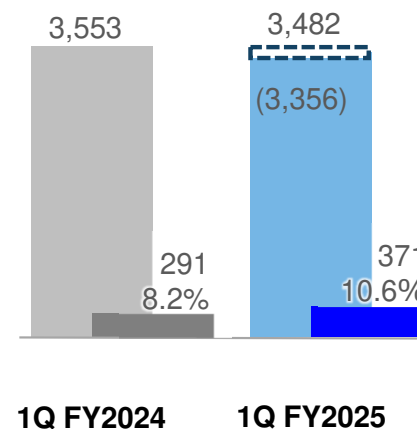
(Unit: Million yen)

Seat and Electrical Equipment Business



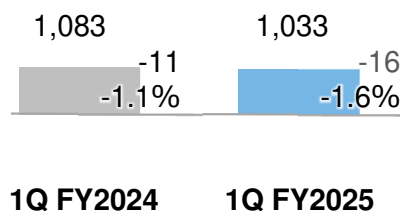
Net sales	-689 (-3.5%)
Although there was an upside impact from the weak yen, production in China dropped significantly, resulting in a decline in revenue.	
Operating profit	-341 (—)
Although we made efforts to secure profits through such measures as improving productivity in North America, losses increased due to a decline in production in China.	
Exchange rate impact	
Revenue	+1,263
Operating profit	+2

Electronics Business



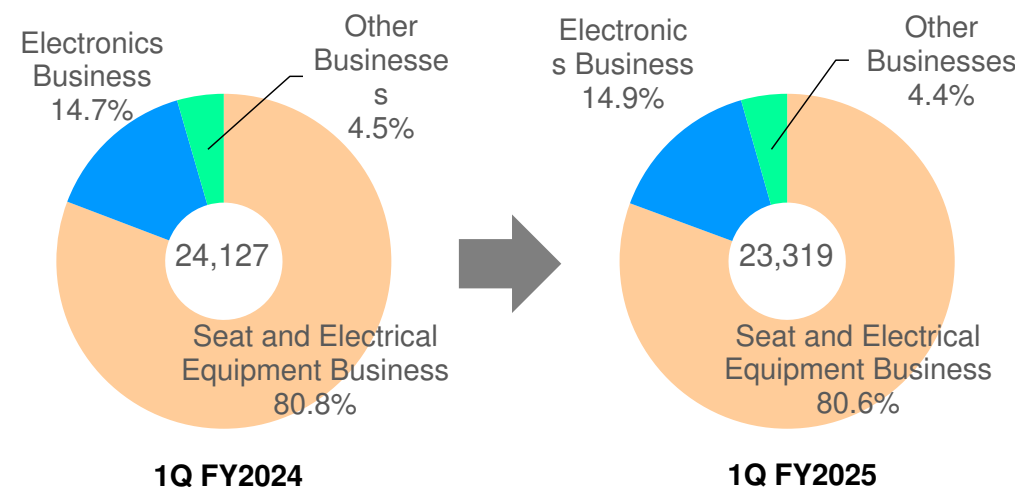
Net sales	-70 (-2.0%)
Although production decreased, The weak yen led to an increase in exchange rate effects, resulting in a roughly flat performance.	
Operating profit	+79 (27.2%)
In response to the decline in production, we have been able to reduce expenses and improve costs, resulting in increased profits.	
Exchange rate impact	
Revenue	+126
Operating profit	+11

Other Business



Net sales	-49 (-4.6%)
Revenues decreased due to delays in shipments of industrial cameras.	
Operating profit	-5 (—)
Although we made efforts to curb development costs in new business areas, losses expanded due to factors such as the impact of reduced sales in the industrial camera field.	
Exchange rate impact	
Revenue	0
Operating profit	0

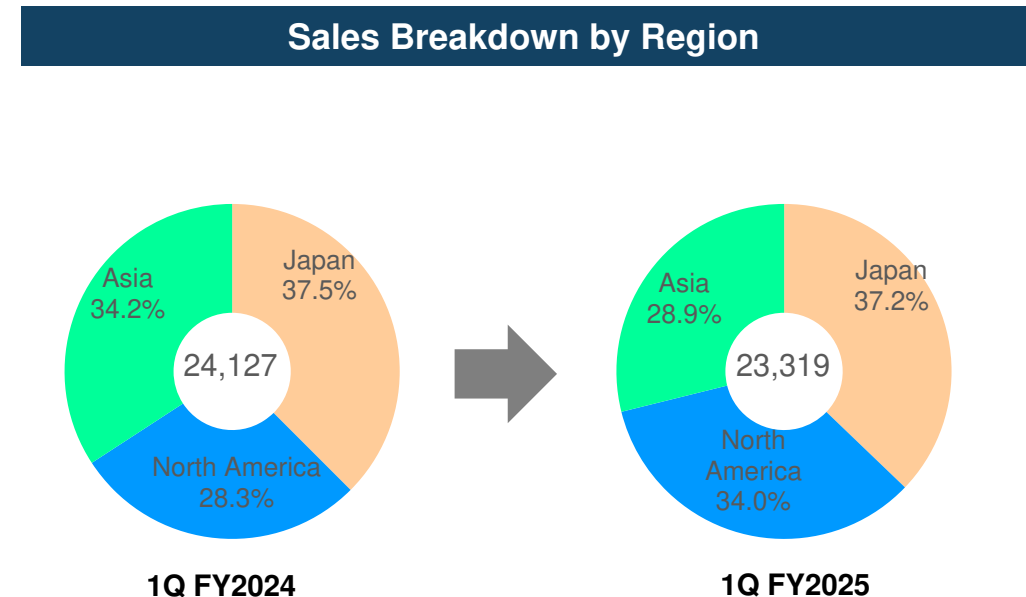
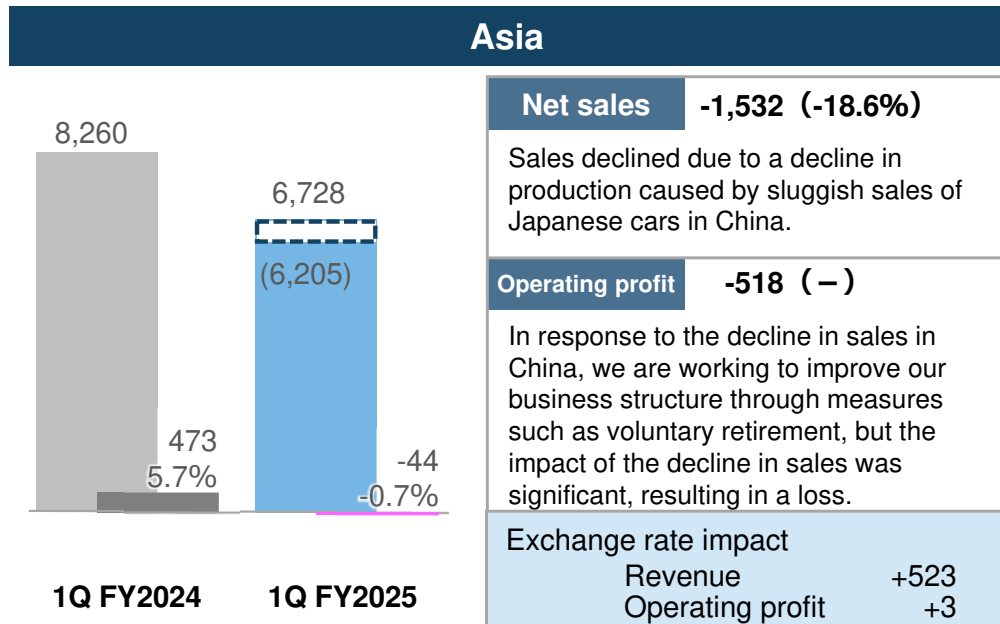
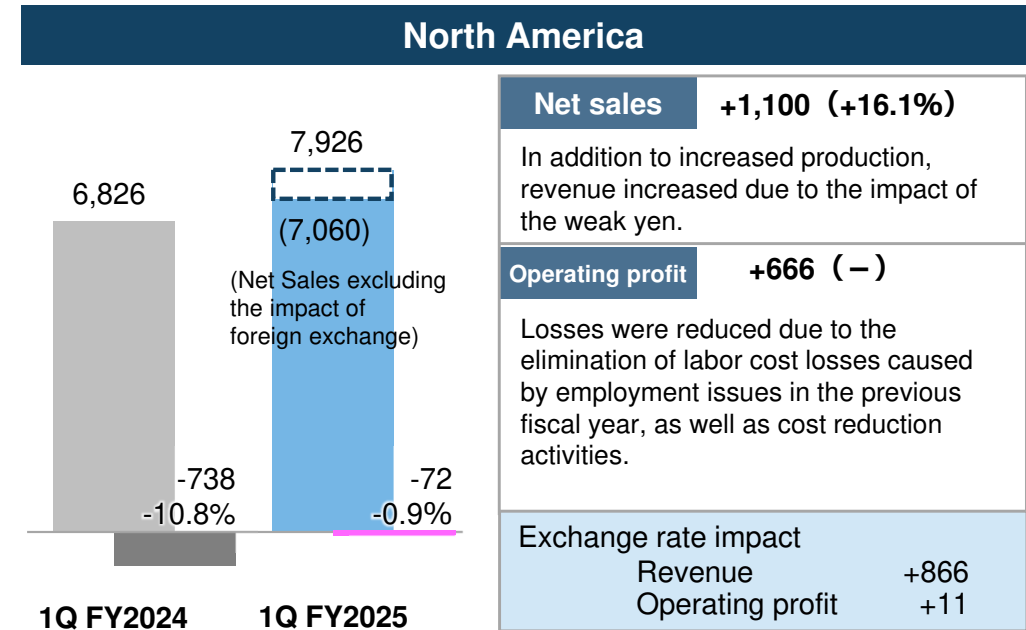
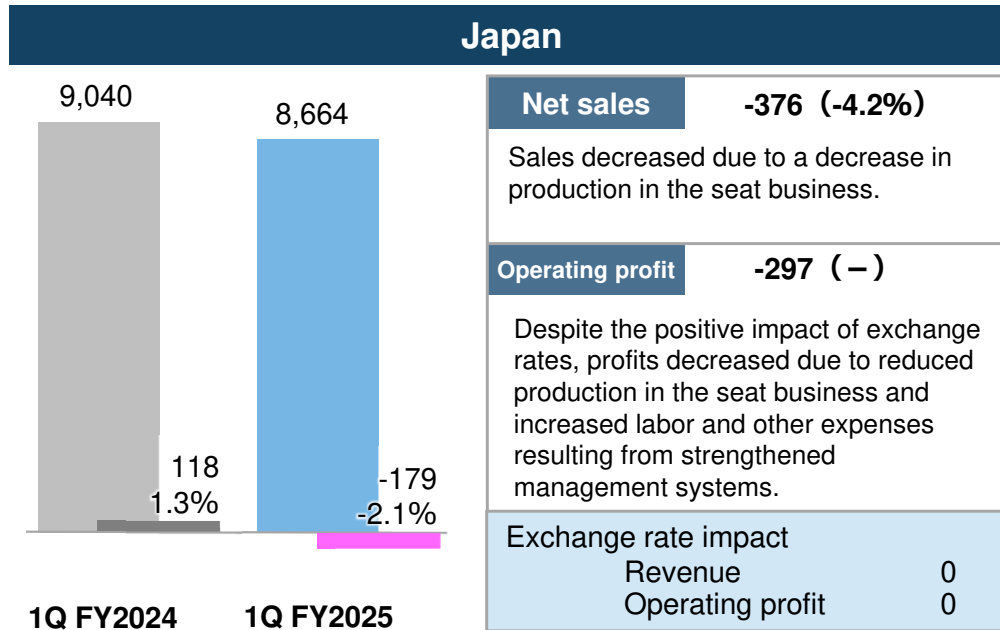
Sales Breakdown by Business



1Q FY2025 Results by Regional Segment

[Year on Year]

(Unit: Million yen)



(Unit: Million yen)

Capital investment			
	1Q FY2024	1Q FY2025	Difference
Japan	443	202	-241
North America	83	89	6
Asia	175	597	422
Total	701	888	187

<Major investments during the period>

- Japan
Decreased compared to investment in dies associated with launching new vehicle models in the previous fiscal year.
- Asia
Increase due to investments in launching new vehicle models in India, expanding production capacity in China, and updating dies in Thailand.

Depreciation			
	1Q FY2024	1Q FY2025	Difference
Japan	302	342	40
North America	113	116	3
Asia	289	280	-9
Total	704	738	34

- Japan
Increased due to launch of new models in the previous fiscal year.

■ 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.

As orders are expected to increase, we will maximize mutual cooperation and expand and review the layout of IMIP's existing plant.



Using the vacant space at IMIP
Creating benefits through joint activities.

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

■ Seat and Electrical Equipment Business

[Optimizing personnel through voluntary retirement program]



FY2024 154 applications.

Completed in FY2024

Japan head office

Improve the age distribution;
promote a younger workforce.



75 applications
(ongoing)

**FY2025 ongoing
including Wuhan**

Guangzhou Plant
Wuhan Plant

Guangzhou about 150,
Wuhan about 30.

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

[Business Consolidation in North America]



Ohio Plant



Tennessee plant



Mexico Plant

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



Ohio Plant



Tennessee Plant



Ohio Plant

**Decided to close Tennessee plant at
the end of 2024.**

North American seat adjuster production
will be consolidated and centralized at
Ohio plant to improve efficiency.

Accelerating Lean Manufacturing.

Priority strategy: Strengthen financial structures

■ Promote reductions in cross-shareholdings.

Promote reductions in cross-shareholdings as a basic policy, continuing maintain pace of sales .

<1Q FY2025 Result>

Sale Details :

One issue of listed securities

Scheduled sale date : May 13, 2024

Sales proceeds : 2,900 million yen

< Reference:

Additional sales planned >

Sale Details : Two listed securities

Scheduled sale date :

August to December 2024

Sales proceeds (est.) : 598million yen



2023 年 12 月 11 日

2024 年 5 月 13 日

2024 年 8 月 9 日

各位

会社名 株式会社今仙電機製作所
代表取締役 長谷川 健一
社長執行役員
(コード番号: 7266 東証スタンダード・名証プレミア)
管理本部
問合せ先 執行役員 井上 達嗣
TEL 0568-67-1211

投資有価証券売却に伴う特別利益の計上見込みに関するお知らせ

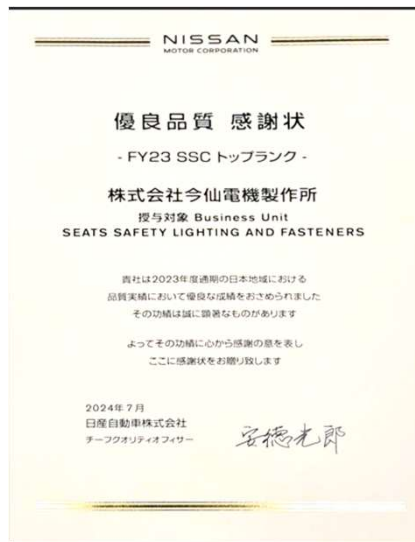
当社は、本日開催の取締役会において、当社の保有する投資有価証券の一部売却を決議しました。これに伴い、投資有価証券売却益を特別利益として計上する見込みとなりましたので、下記のとおりお知らせいたします。

1. 売却の理由
当社はコーポレートガバナンス・コードに基づき、政策保有株式の保有効果を検証した上で保有の

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

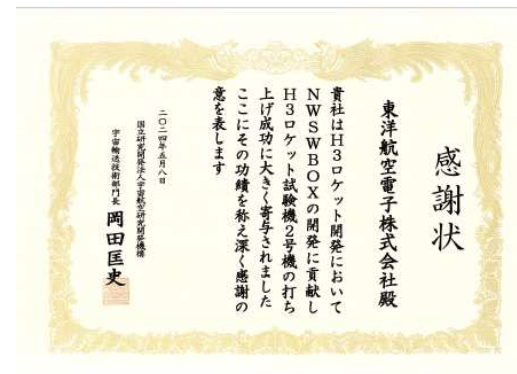
Increase customer satisfaction

Received a letter of appreciation
from Nissan Motor Co., Ltd.
For excellent quality.



The rear combination lamps
manufactured and delivered by
the Okayama Plant were
recognized for their excellent
quality throughout the year.

We received a letter of appreciation
from JAXA.



Our consolidated subsidiary,
Toyo Aviation Electronics Co.,
Ltd., received a letter of
appreciation from JAXA (Japan
Aerospace Exploration Agency)
for its contribution to the
successful launch of the
second test vehicle of the H3
rocket, in recognition of its
cooperation in the development
of the rocket.

[Our H3 rocket-related products]
Network switch boxes installed on the rocket,
Umbilical cables and carrier plates connecting the rocket to the
launch site,
Ground support equipment for the rocket (including installation of
Tanegashima launch site equipment)

The entire group strives to meet customer expectations.

Forecasts of Consolidated Financial Results for FY2025

Unit: million yen	First half Initial plan	First half Revised plan	Difference	Change	*Full-year plan
Net sales	44,700	46,000	+1,300	+ 2.9%	93,500
Operating profit	-1,080	-500	+580	-	100
Ordinary profit	-740	100	+840	-	300
Profit Attributable to owners of parent	750	2,000	+1,250	+166.7%	1,400

		Initial plan	Revised Plan (August onwards)
Exchange rate (average)	USD	145.00 yen	145.00 yen
	CNY	20.00 yen	20.00 yen
	THB	4.00 yen	4.00 yen

For the first half of the year, we have revised our earnings forecast as above, taking into account fluctuations up to the first quarter as well as the expected additional gain on sales of investment securities.

*Regarding the full-year business forecast for the fiscal year ending March 2025, we have maintained the previously announced forecast figures in light of the following factors:

1. Anticipated foreign exchange losses due to rapid exchange rate fluctuations
2. Uncertainty in the Chinese automobile market

I. Summary of Consolidated Financial Results for 1Q FY2025

II. Medium- and long-term management policy

Medium- and long-term management policy



Creating the future
of mobile space

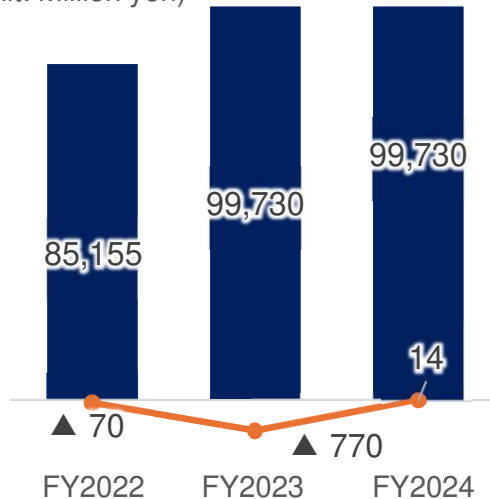
1. Review of Medium- and Long-term Management Plan 2029
Phase1
2. New medium-term management plan
 - (1) Correcting business policy
 - (2) Redefining long-term goals
 - (3) Eight key measures for the medium term

① Performance

(Sales/Operating Profit)






Improved business structure to ensure operating profit

(Unit: Million yen)



② Priority Measures

Implementing key measures to strengthen our business structure

		Policy	Measures	Evalu ation
Internal factors	Seat and Electrical Equipment	<ul style="list-style-type: none">•Strengthening customer relationships•Strengthening cost competitiveness	<ul style="list-style-type: none">•Collaborative activities with TS-TECH (new order in India)•Reorganization of domestic factories (consolidated into the Gifu Plant)•Optimizing overseas bases (North America turns a profit, decision to close Tennessee)	
	Electronics	<ul style="list-style-type: none">•Strengthening the development system•New Product Launch	<ul style="list-style-type: none">•New ESU orders•Introduction of a mixed-product production line•MIED is established	
	New Businesses	<ul style="list-style-type: none">•Strengthening development and investment	<ul style="list-style-type: none">•Collaborative research with domestic and international universities•Agreements with local governments	
	Management	<ul style="list-style-type: none">•Promotion of ESG management•Work style reform	<ul style="list-style-type: none">•Unification of group financial management•Review of work style and personnel system•Investment in new products and business growth	
External factors		<ul style="list-style-type: none">•Special steel supply problems•Sudden changes in customer production•Supply and demand disruptions due to disasters and political instability		

③ Product Orders

Received orders for a variety of products aimed at the electrification of automobiles

Classification	Products on order	Changes brought about by electrification
Seat parts 	Fr MNL Rail / MNL Rec / MNL Brake 2nd MNL Rail / MNL Rec , Fr PWR Device + Frame structural parts	<ul style="list-style-type: none"> • Incorporating peripheral parts for existing products • Increasing the basic unit per unit
Electronic parts 	Dash ESU, Rear ESU, Backup power supply Inverter	

1

Formulate a three-year medium-term business plan to achieve long-term goals (improve planning accuracy)

- **Redefine long-term goals for 2029 and formulate a three-year mid-term management plan starting** from this fiscal year as a milestone for achieving those goals.

2

Focus on two main businesses (strengthening profitability)

- Shift from a three-pronged business strategy to **focus on the two main areas of the automotive parts business (Seat and Electrical Equipment, Electronics) to strengthen profitability**
- With regard to healthcare, **continue research into ergonomics** that will lead to a longer healthy lifespan through walking and maintaining health while riding in a vehicle

3

Towards the realization of management that takes into account capital costs and stock prices

- **Introduction of ROE target value**
After grasping the company's capital cost, **the company aims to achieve an ROE that exceeds the cost of shareholders' equity and is at or above the industry standard for automotive parts**, thereby further increasing corporate value.



Creating the future
of mobile space

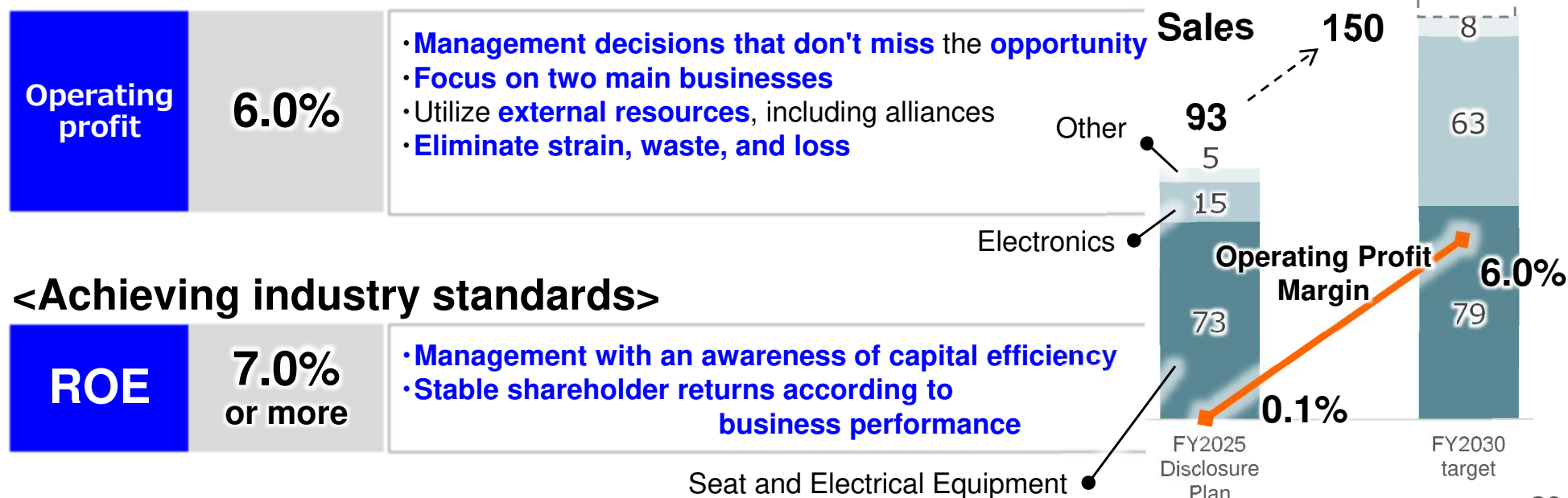
FY2030 Long-term Goals

Goals	Response Policy
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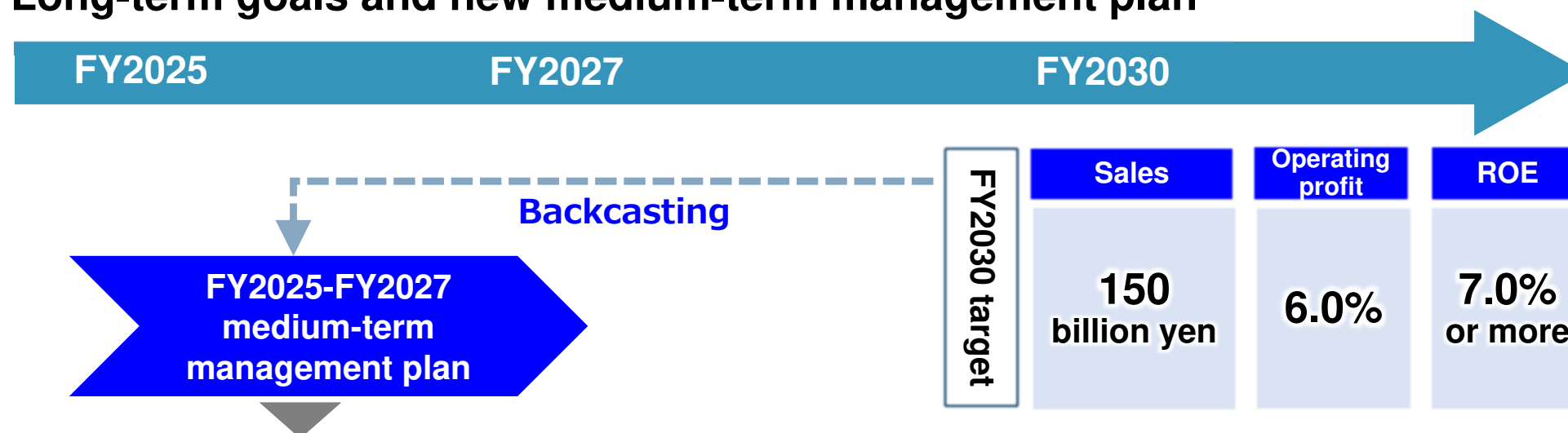
<Strengthening sales structure to secure new orders globally>

Sales	150 billion yen	<ul style="list-style-type: none"> • Seat : Sales increase following TS-TECH sales expansion Strengthening sales structure and independently expanding sales targeting foreign companies • Electronics : Increase sales by strengthening relationships with key customers Actively expand sales to new customers • New Products : Develop new products by combining the technologies owned by the group (To grow further from 150 billion yen)
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<Strengthen earning power and further improve the company's financial position>



Long-term goals and new medium-term management plan



Eight 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

Priority Measures 1 (Speed of management)

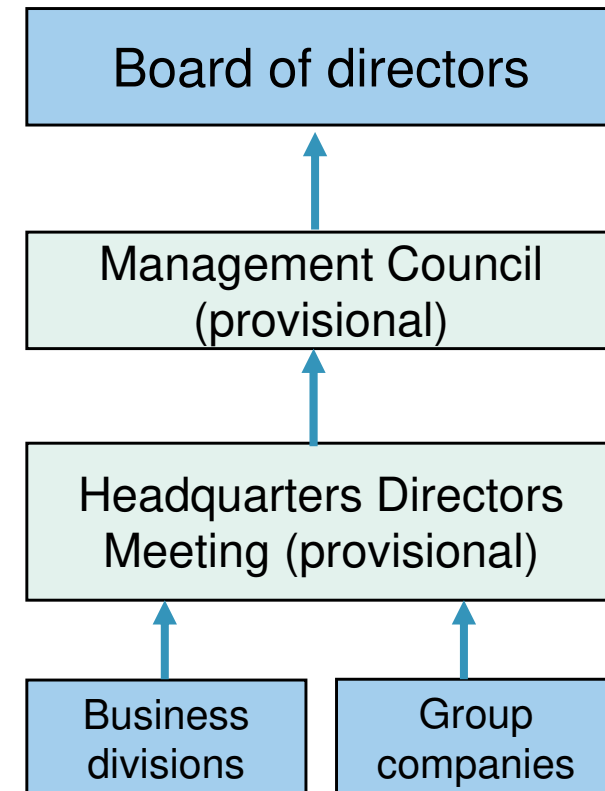
Accelerating decision-making and promoting the delegation of authority

Reviewing the decision-making process

- Cut the number of meetings in half
- Cut the time from planning/drafting to decision-making in half

Reviewing meeting structures to clearly differentiate between responsibilities and authority

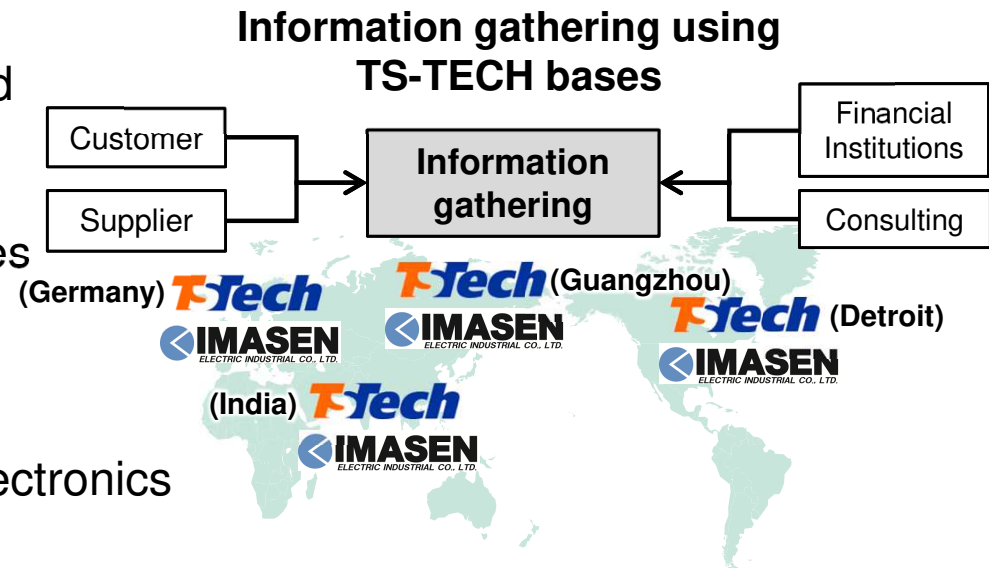
- Delegation of authority to decision-making bodies
- ▼
- Review of hierarchy of management-related meetings
(Partial transfer of authority of the board of directors)



Priority Measures 2 (Offense)

Strengthening sales functions

- Strengthen sales systems at headquarters and group bases
- Centralize information management, provide appropriate instructions, and allocate resources at headquarters
- Gather information using TS-TECH bases
- Our own sales and feedback to TS-TECH
- Joint sales beyond the boundaries of sheet/electronics businesses



Priority Measures 3 (Offense)

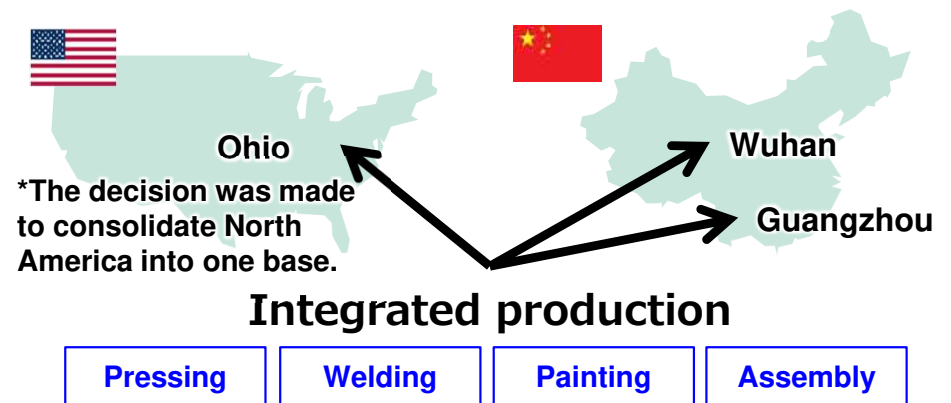
Strengthening competitiveness beyond that of mega-suppliers

- Create products that capture the future of mobility
- Establish cost competitiveness to beat mega suppliers
- Improve and speed up development efficiency by utilizing external resources, including alliances
- Digitalization through the use of AI and IoT in production and quality
- Build a smart factory by introducing next-generation ERP

Priority Measures 4 (Offense/Defense)

Strengthening profits through restructuring in North America and China

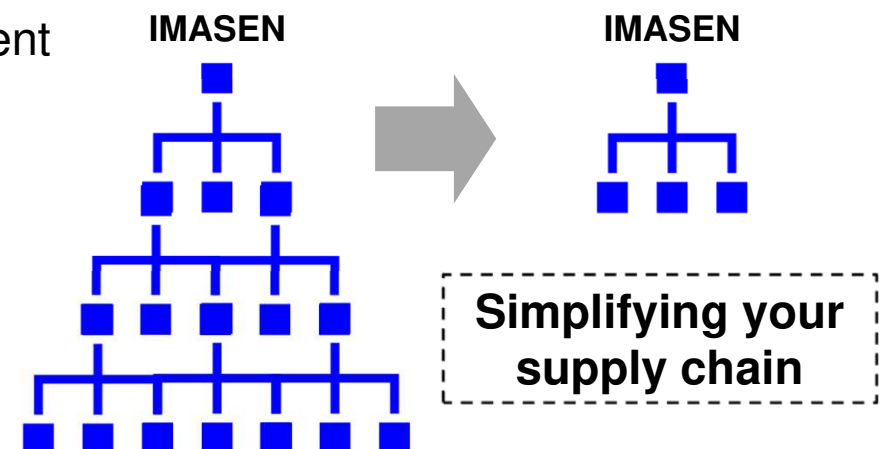
- Strengthening competitiveness by establishing an integrated production system for pressing, welding, painting, and assembly
- Acquiring new orders through active sales activities
- Closing Tennessee plant and consolidating into a single base in North America



Priority Measures 5 (Defense)

Improve material cost ratios by restructuring procurement structure

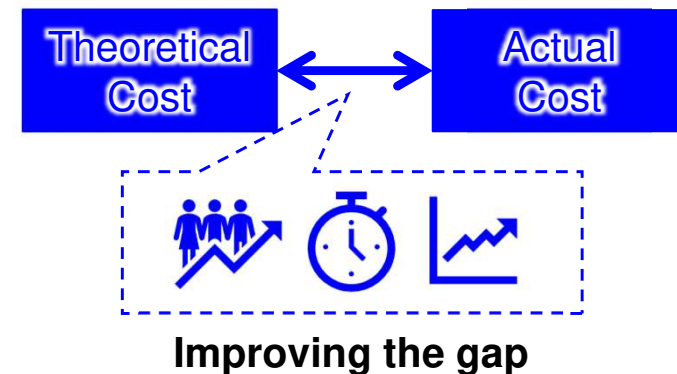
- Plan and execute competitive production/procurement that is not tied to existing production/procurement infrastructure
- Utilize local suppliers



Priority Measures 6 (Defense)

Reconstruction of earning power

- Eliminating unnecessary, wasteful, and lost costs
- Pursuing theoretical costs in product costs
- Minimizing management costs

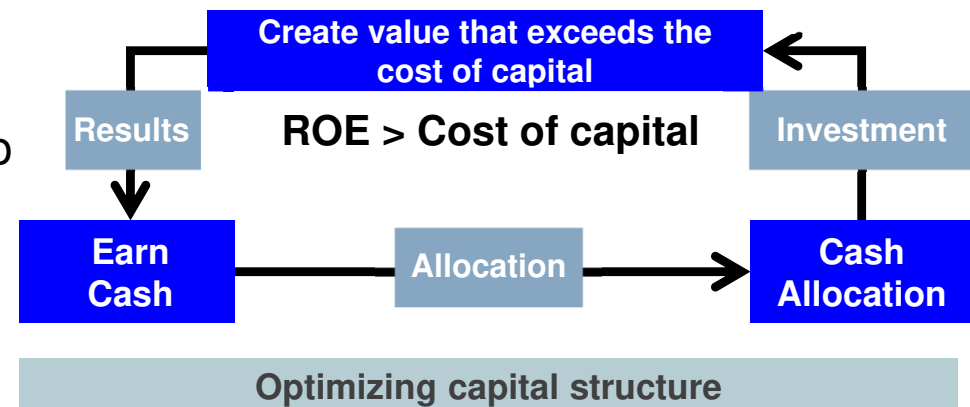


Priority Measures 7 (Defense)

Capital policy that takes into account ROE and capital costs

- Improving the gap • Strengthening sales and development, investing in future growth
- Pursuing capital efficiency • Returning profits to stakeholders

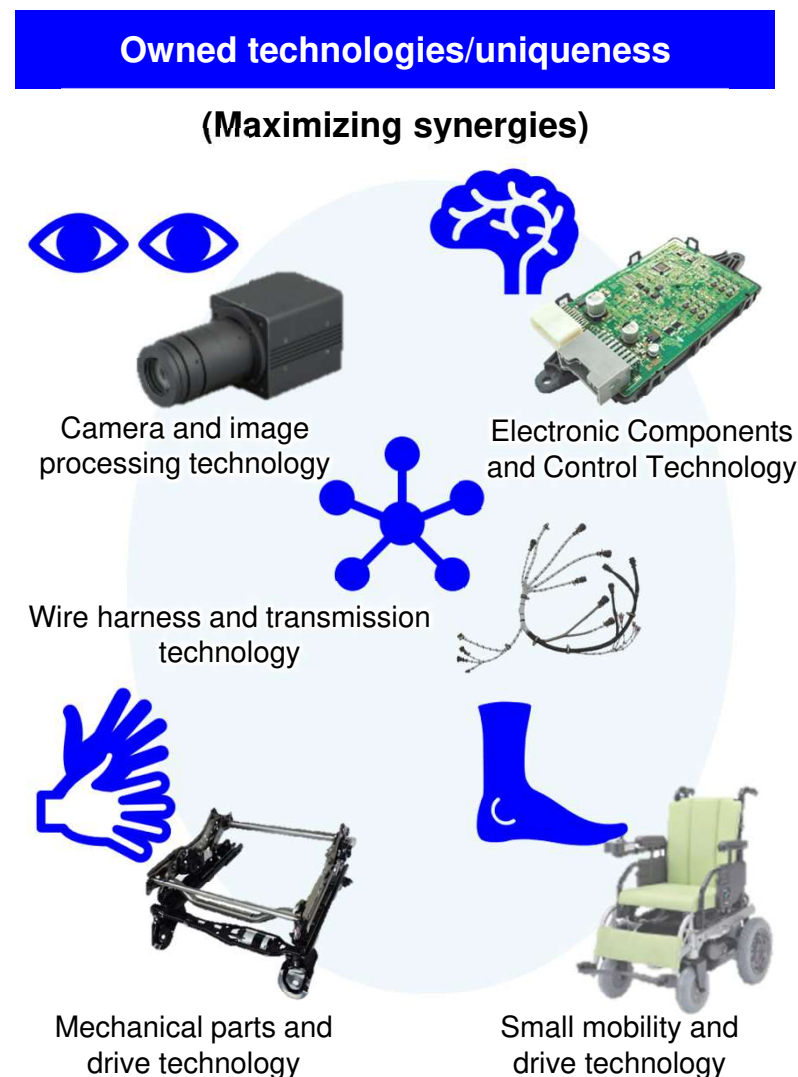
*Details will be announced in conjunction with the second quarter financial results



Priority Measures 8 (Synergy)

Future product development through group synergy

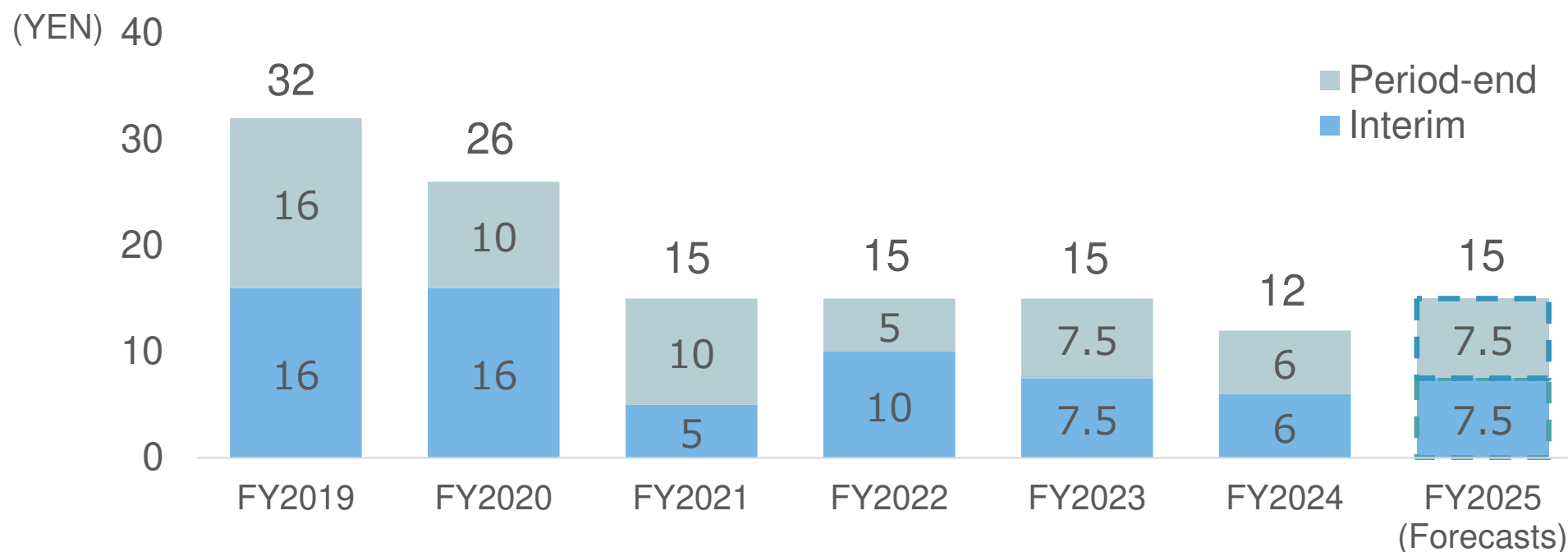
- Establish an advanced development department with an eye to the future
- Maximize synergy between the technologies owned by our group to establish products and services that will contribute to the future



Dividend forecast

[Dividend Policy]

While maintaining sustainable growth, we aim to provide stable and continuous profit returns to shareholders while strengthening our financial position and management foundation.



If we are able to achieve full-year results above our plan, we will consider revising the dividend amount for this fiscal year.

IR Calendar

Sep 6 (Fri)-
Sep 7 (Sat)

Nagoya Stock Exchange IR Expo Exhibit
@Nagoya Trade & Industry Center "Fukiage Hall"

Nov 8 (Fri)

FY2025 2Q Financial Results Announcement

Nov14(Thu)

FY2025 2Q Financial Results Briefing
@ The Securities Analysts Association of Japan
Conference Room (Tokyo)

**Specific details of the 2024-2026
medium-term management plan
will be explained.**

Creating the future of mobile space

Challenge by New Imasen

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