



**Summary of Consolidated Financial Results for the
Second Quarter of the Fiscal Year Ending September 30, 2017
(Six Months Ended March 31, 2017)**

May 10, 2017

Company name: IMV CORPORATION Listing: Tokyo Stock Exchange (JASDAQ)
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Scheduled date of filing of Quarterly Report: May 12, 2017

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter (Oct. 1, 2016 – Mar. 31, 2017) of the Fiscal Year Ending September 30, 2017

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Mar. 31, 2017	5,781	5.8	855	1.3	956	18.0	662	27.2
Six months ended Mar. 31, 2016	5,466	0.0	844	(29.1)	810	(32.4)	520	(32.1)

Note: Comprehensive income (million yen) Six months ended Mar. 31, 2017: 643 (up 18.0%)
 Six months ended Mar. 31, 2016: 545 (down 29.5%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Mar. 31, 2017	40.68		-	
Six months ended Mar. 31, 2016	31.87		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Mar. 31, 2017	13,109		5,552		42.4	
As of Sep. 30, 2016	11,649		5,072		43.5	

Reference: Shareholders' equity (million yen) As of Mar. 31, 2017: 5,552 As of Sep. 30, 2016: 5,072

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Sep. 30, 2016	Yen -	Yen 0.00	Yen -	Yen 7.00	Yen 7.00
Fiscal year ending Sep. 30, 2017	-	0.00	-	-	-
Fiscal year ending Sep. 30, 2017 (forecasts)	-	-	-	7.00	7.00

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

3. Consolidated Forecast for the Fiscal Year Ending September 30, 2017 (Oct. 1, 2016 – Sep. 30, 2017)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	10,800	4.1	1,150	6.5	1,200	25.7	780	33.8	47.73

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

*** Notes**

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

Newly added: -

Excluded: -

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

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

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

As of Mar. 31, 2017:	16,957,016 shares	As of Sep. 30, 2016:	16,957,016 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2017:	743,035 shares	As of Sep. 30, 2016:	614,788 shares
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3) Average number of shares outstanding during the period

Six months ended Mar. 31, 2017:	16,286,779 shares	Six months ended Mar. 31, 2016:	16,342,431 shares
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Note 1: The current quarterly financial report is not subject to quarterly review procedures.

Note 2: Cautionary statement with respect to forecasts and other matters

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company at the time the materials were created. Actual performance may differ significantly from these forecasts for a number of reasons.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

In the first half of the current fiscal year, the Japanese economy continued to recover slowly along with growth in corporate earnings and jobs. However, Overseas, the outlook for the global economy remains uncertain mainly due to political risk in Europe, policy concerns in the United States, the effects of slowing economic growth in China and other Asian emerging countries, and other factors including fluctuations and volatility in the financial and capital markets.

The IMV Group conducted extensive sales activities for two major products in the fiscal year's first half. One is the A-series of high-grade dynamic simulation systems, which was developed as the successor to our core product i-series. The other is a compact high-performance vibration measuring system that has a simultaneous three-axis measuring capability for low-frequency vibrations and minute vibrations. In addition, the Group promoted capital investment in the Tokyo Test Lab's Uenohara Advanced Testing Center, which is located in the city of Uenohara in Yamanashi prefecture, to acquire new client companies.

A decrease in the number of large orders was offset by higher sales of dynamic simulation systems, backed by firm demand in the automobile industry and electric/electronic industry. In the test and solution services category, sales responded positively to the successful operation of the Uenohara Advanced Testing Center. In the measuring systems category, sales of seismic monitoring instruments increased in the Philippines. Sales also rose steadily due to high-priced projects for domestic electric power companies. As a result, overall sales were higher than one year earlier.

First half sales increased 315 million yen, or 5.8% to 5,781 million yen. Ordinary income increased 145 million yen, or 18.0%, to 956 million yen mainly because of the effects of increased revenue and foreign currency exchange factors due to the depreciation in the yen. Profit attributable to owners of parent increased 141 million yen, or 27.2%, to 662 million yen.

Business results by product category were as follows:

Dynamic Simulation Systems

In this product category, temperature, humidity & vibration combined environmental simulation systems consistently performed well, mainly in the automobile industry and electric/electronic industry, although there was a decrease in the number of large orders. Sales of energy-saving dynamic simulation systems were also strong. As a result, sales in this category were higher than one year earlier.

Overall, category sales increased by 108 million yen, or 2.6%, year-on-year to 4,342 million yen.

Test and Solution Services

Although performance was negatively affected by a decrease in sales at the Nagoya Test Lab, due to the entry of new entrants into the market in the Tokai region, the Uenohara Advanced Testing Center performed well. As a result, total sales were higher than one year earlier.

As a result, category sales increased by 135 million yen, or 18.7%, year-on-year to 863 million yen.

Measuring Systems

Sales of seismic monitoring instruments using highly accurate high-speed sensor modules in the Philippines, a market specifically identified for particular focus in the IMV Group's business plan, have begun to deliver firm growth. In addition, in the Japanese market, performance benefited from the impact of high-priced projects for electric power companies, along with the initiation of OEM supply of vibration measuring systems. As a result, sales in this category were steady. As a result, total sales were higher than one year earlier.

Overall, category sales increased by 70 million yen, or 13.9%, year-on-year to 576 million yen.

(2) Qualitative Information Regarding Consolidated Financial Position**Assets**

Total assets increased by 1,459 million yen from the end of the previous fiscal year to 13,109 million yen at the end of the second quarter of the current fiscal year. Current assets increased by 1,306 million yen to 8,631 million yen. This was mainly attributable to a 326 million yen increase in cash and deposits and a 931 million yen increase in notes and accounts receivable-trade. Non-current assets increased by 153 million yen to 4,478 million yen. This was mainly attributable to a 154 million yen increase in tools, furniture and fixtures.

Liabilities

Total liabilities increased by 979 million yen from the end of the previous fiscal year to 7,556 million yen at the end of the second quarter of the current fiscal year. Current liabilities increased by 1,422 million yen to 6,644 million yen. This was mainly attributable to a 685 million yen increase in short-term loans payable, a 304 million yen increase in notes and accounts payable-trade and a 246 million yen increase in current portion of long-term loans payable. Non-current liabilities decreased by 442 million yen to 912 million yen. This was mainly attributable to a 440 million yen decrease in long-term loans payable.

Net assets

Net assets increased by 480 million yen from the end of the previous fiscal year to 5,552 million yen at the end of the second quarter of the current fiscal year. This was mainly attributable to a 548 million yen increase in retained earnings. As a result, the equity ratio decreased by 1.1 percentage point to 42.4%.

(3) Qualitative Information Regarding Consolidated Forecast

There are no revisions to the consolidated forecast disclosed on November 14, 2016 under the Summary of Consolidated Financial Results for the Fiscal Year Ended September 30, 2016.

2. Matters Related to Summary Information (Notes)**(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Additional Information**Application of Implementation Guidance on Recoverability of Deferred Tax Assets**

Effective from the first quarter of the current fiscal year, the Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan (ASBJ) Guidance No. 26, March 28, 2016).

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY9/16 (As of Sep. 30, 2016)	Second quarter of FY9/17 (As of Mar. 31, 2017)
Assets		
Current assets		
Cash and deposits	1,712,457	2,038,900
Notes and accounts receivable-trade	3,251,985	4,183,449
Electronically recorded monetary claims-operating	108,303	148,645
Finished goods	152,641	226,914
Work in process	1,231,947	1,281,064
Raw materials	496,767	509,255
Deferred tax assets	176,528	116,360
Other	205,779	141,117
Allowance for doubtful accounts	(12,148)	(14,680)
Total current assets	7,324,262	8,631,027
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,903,039	1,858,800
Land	1,624,965	1,624,965
Other	453,024	630,727
Total property, plant and equipment	3,981,029	4,114,493
Intangible assets	73,757	67,969
Investments and other assets	270,710	296,098
Total non-current assets	4,325,496	4,478,561
Total assets	11,649,759	13,109,589
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,508,074	1,812,355
Electronically recorded obligations-operating	665,960	886,793
Short-term loans payable	1,515,000	2,200,000
Current portion of long-term loans payable	387,300	633,657
Accounts payable-other	261,989	199,877
Accrued expenses	292,435	195,255
Income taxes payable	160,434	232,665
Accrued consumption taxes	140,307	23,455
Provision for product warranties	111,275	92,300
Other	179,213	367,866
Total current liabilities	5,221,990	6,644,227
Non-current liabilities		
Long-term loans payable	1,038,650	598,643
Deferred tax liabilities	17,894	23,250
Long-term accounts payable-other	192,169	192,169
Asset retirement obligations	43,539	44,402
Other	63,324	54,150
Total non-current liabilities	1,355,578	912,615
Total liabilities	6,577,569	7,556,843

	(Thousands of yen)	
	FY9/16 (As of Sep. 30, 2016)	Second quarter of FY9/17 (As of Mar. 31, 2017)
Net assets		
Shareholders' equity		
Capital stock	464,817	464,817
Capital surplus	557,563	557,563
Retained earnings	4,064,368	4,612,443
Treasury shares	(110,659)	(159,511)
Total shareholders' equity	4,976,088	5,475,312
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,352	44,267
Foreign currency translation adjustment	63,748	33,166
Total accumulated other comprehensive income	96,101	77,434
Total net assets	5,072,189	5,552,746
Total liabilities and net assets	11,649,759	13,109,589

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

(Thousands of yen)

	First six months of FY9/16 (Oct. 1, 2015 – Mar. 31, 2016)	First six months of FY9/17 (Oct. 1, 2016 – Mar. 31, 2017)
Net sales	5,466,884	5,781,984
Cost of sales	3,556,768	3,719,086
Gross profit	1,910,115	2,062,898
Selling, general and administrative expenses	1,065,910	1,207,720
Operating income	844,204	855,177
Non-operating income		
Interest income	300	181
Dividend income	1,046	3,339
Foreign exchange gains	-	79,808
Rent income	21,745	21,060
Miscellaneous income	6,968	9,022
Total non-operating income	30,060	113,412
Non-operating expenses		
Interest expenses	7,638	7,861
Foreign exchange losses	51,568	-
Miscellaneous loss	4,511	4,512
Total non-operating expenses	63,717	12,373
Ordinary income	810,546	956,216
Extraordinary losses		
Loss on retirement of non-current assets	-	744
Total extraordinary losses	-	744
Profit before income taxes	810,546	955,472
Income taxes-current	261,708	229,328
Income taxes-deferred	28,040	63,673
Total income taxes	289,749	293,001
Profit	520,797	662,470
Profit attributable to owners of parent	520,797	662,470

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

	(Thousands of yen)	
	First six months of FY9/16 (Oct. 1, 2015 – Mar. 31, 2016)	First six months of FY9/17 (Oct. 1, 2016 – Mar. 31, 2017)
Profit	520,797	662,470
Other comprehensive income		
Valuation difference on available-for-sale securities	7,403	11,915
Foreign currency translation adjustment	17,584	(30,582)
Total other comprehensive income	24,988	(18,666)
Comprehensive income	545,786	643,803
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	545,786	643,803
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY9/16 (Oct. 1, 2015 – Mar. 31, 2016)	First six months of FY9/17 (Oct. 1, 2016 – Mar. 31, 2017)
Cash flows from operating activities		
Profit before income taxes	810,546	955,472
Depreciation	153,212	169,844
Amortization of goodwill	-	4,185
Increase (decrease) in allowance for doubtful accounts	(1,497)	2,531
Increase (decrease) in provision for product warranties	(8,000)	(18,974)
Interest and dividend income	(1,347)	(3,521)
Rent income	(21,745)	(21,060)
Interest expenses	7,638	7,861
Foreign exchange losses (gains)	5,679	3,974
Loss on retirement of non-current assets	-	744
Decrease (increase) in notes and accounts receivable-trade	(669,901)	(965,090)
Decrease (increase) in inventories	262,962	(129,116)
Increase (decrease) in notes and accounts payable-trade	(76,506)	481,761
Other, net	162,162	(26,799)
Subtotal	623,204	461,812
Interest and dividend income received	1,345	3,537
Interest expenses paid	(6,745)	(8,018)
Income taxes paid	(243,033)	(163,563)
Income taxes refund	-	16,971
Net cash provided by (used in) operating activities	374,771	310,739
Cash flows from investing activities		
Purchase of investment securities	(7,069)	(7,834)
Purchase of property, plant and equipment	(320,769)	(339,270)
Proceeds from sales of property, plant and equipment	-	1,487
Purchase of intangible assets	(2,223)	(3,707)
Proceeds from cancellation of insurance funds	739	-
Payments into time deposits	(6,023)	(6,021)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	41,662	-
Other, net	23,666	20,040
Net cash provided by (used in) investing activities	(270,016)	(335,306)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	240,000	685,000
Repayments of long-term loans payable	(205,331)	(193,650)
Repayments of lease obligations	(419)	(72)
Purchase of treasury shares	-	(48,851)
Cash dividends paid	(106,049)	(113,697)
Net cash provided by (used in) financing activities	(71,800)	328,728
Effect of exchange rate change on cash and cash equivalents	(19,292)	16,259
Net increase (decrease) in cash and cash equivalents	13,661	320,421
Cash and cash equivalents at beginning of period	1,399,563	1,444,684
Cash and cash equivalents at end of period	1,413,225	1,765,105

(4) Notes to Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Segment and Other Information)

No segment information is shown because all operations of the Company and its consolidated subsidiaries belong to the single business associated with vibrations. Operations include the manufacture and sale of vibration simulation and measurement systems and vibration testing for other companies and organizations.

(Significant Changes in Shareholders' Equity)

Not applicable.

4. Supplementary Information

Production, Orders and Sales

Production

	First six months of FY9/16 (Oct. 1, 2015 – Mar. 31, 2016)		First six months of FY9/17 (Oct. 1, 2016 – Mar. 31, 2017)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,124,593	77.0	4,377,725	75.4	106.1
Test and Solution Services	729,246	13.6	857,740	14.8	117.6
Measuring Systems	504,622	9.4	571,937	9.8	113.3
Total	5,358,461	100.0	5,807,402	100.0	108.4

Orders

	First six months of FY9/16 (Oct. 1, 2015 – Mar. 31, 2016)		First six months of FY9/17 (Oct. 1, 2016 – Mar. 31, 2017)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,106,501	77.4	3,588,157	73.4	87.4
Test and Solution Services	727,210	13.7	781,546	16.0	107.5
Measuring Systems	473,428	8.9	521,499	10.6	110.2
Total	5,307,139	100.0	4,891,204	100.0	92.2

Order backlog

	First six months of FY9/16 (Oct. 1, 2015 – Mar. 31, 2016)		First six months of FY9/17 (Oct. 1, 2016 – Mar. 31, 2017)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	3,206,274	92.5	2,894,594	92.6	90.3
Test and Solution Services	128,916	3.7	131,993	4.2	102.4
Measuring Systems	131,151	3.8	100,744	3.2	76.8
Total	3,466,342	100.0	3,127,332	100.0	90.2

Sales

	First six months of FY9/16 (Oct. 1, 2015 – Mar. 31, 2016)		First six months of FY9/17 (Oct. 1, 2016 – Mar. 31, 2017)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,233,392	77.4	4,342,205	75.1	102.6
Test and Solution Services	727,534	13.3	863,308	14.9	118.7
Measuring Systems	505,957	9.3	576,471	10.0	113.9
Total	5,466,884	100.0	5,781,984	100.0	105.8

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