



**Summary of Consolidated Financial Results for the  
Second Quarter of the Fiscal Year Ending September 30, 2021  
(Six Months Ended March 31, 2021)**

May 11, 2021

[Japanese GAAP]

Company name: IMV CORPORATION

Listing: Tokyo Stock Exchange (JASDAQ)

Stock code: 7760

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Scheduled date of filing of Quarterly Report:

May 13, 2021

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

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

**1. Consolidated Financial Results for the Second Quarter (October 1, 2020 – March 31, 2021) of the Fiscal Year Ending September 30, 2021**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Mar. 31, 2021	6,340	1.0	898	83.2	1,125	126.3	799	143.1
Six months ended Mar. 31, 2020	6,278	(1.0)	490	(30.1)	497	(27.2)	328	(35.7)

Note: Comprehensive income (million yen)

Six months ended Mar. 31, 2021: 794 (up 155.5%)

Six months ended Mar. 31, 2020: 310 (down 38.0%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Mar. 31, 2021	49.06		-	
Six months ended Mar. 31, 2020	20.24		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Mar. 31, 2021	17,234		7,360		42.7	
As of Sep. 30, 2020	16,219		6,704		41.3	

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2021: 7,351

As of Sep. 30, 2020: 6,699

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Sep. 30, 2020	Yen -	Yen 0.00	Yen -	Yen 8.50	Yen 8.50
Fiscal year ending Sep. 30, 2021	-	0.00			
Fiscal year ending Sep. 30, 2021 (forecasts)			-	8.50	8.50

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

**3. Consolidated Forecast for the Fiscal Year Ending September 30, 2021  
(October 1, 2020 – September 30, 2021)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	12,300	8.5	990	193.0	1,000	116.2	650	105.0	39.95	

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 issued (common shares)

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

As of Mar. 31, 2021:	16,957,016 shares	As of Sep. 30, 2020:	16,957,016 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2021:	663,452 shares	As of Sep. 30, 2020:	663,452 shares
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3) Average number of shares issued during the period

Six months ended Mar. 31, 2021:	16,293,564 shares	Six months ended Mar. 31, 2020:	16,243,303 shares
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Note: The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first half of the current fiscal year, the outlook for the global economy remained uncertain due to the suspension of economic activity caused by the global COVID-19 pandemic. Concurrently, the Japanese economy continued to face a challenging environment, with a declaration of a state of emergency in 11 prefectures again in January 2021 due to the spread of COVID-19.

Net sales increased by 62 million yen year on year to 6,340 million yen mainly because of sales growth in the dynamic simulation systems and measuring systems. Earnings benefited from cost reductions throughout the Group, including an improvement in the product cost ratio and curtailment of expenses. Operating profit increased by 408 million yen to 898 million yen, ordinary profit increased by 627 million yen to 1,125 million yen and profit attributable to owners of parent increased by 470 million yen to 799 million yen.

Business results by product category were as follows:

#### 1) Dynamic Simulation Systems

In Japan, sales of large machines were strong, and sales of vibration testing systems were also positive due to growth in sales to the automotive industry. In overseas markets, however, sales were lower than in the same period of the previous fiscal year, mainly due to weak sales to the United States amid the COVID-19 pandemic. In the service sector, sales of equipment renewals and other items remained at the same level as in the same period of the previous fiscal year, despite the postponement of testing work at customers due to the impact of COVID-19.

As a result, category sales increased by 230 million yen year on year to 4,611 million yen.

#### 2) Test and Solution Services

Several contract testing facilities experienced a temporary decline in capacity utilization because outsourced testing services were postponed due to restrictions on economic activity in the wake of the spread of COVID-19.

As a result, category sales decreased by 209 million yen year on year to 1,111 million yen.

#### 3) Measuring Systems

In the domestic market, sales of monitoring instruments and outsourced testing services for circuit board evaluation expanded. In the overseas markets, sales of the seismic monitoring system were strong, particularly in the ASEAN region. As a result, category sales increased by 41 million yen year on year to 617 million yen.

### (2) Explanation of Financial Position

#### Assets

Total assets increased by 1,015 million yen from the end of the previous fiscal year to 17,234 million yen at the end of the second quarter of the current fiscal year. Current assets increased by 1,211 million yen to 11,318 million yen. This was mainly attributable to a 997 million yen increase in trade receivables. Non-current assets decreased by 196 million yen to 5,916 million yen. This was mainly attributable to a 103 million yen decrease in construction in progress.

#### Liabilities

Total liabilities increased by 359 million yen from the end of the previous fiscal year to 9,873 million yen at the end of the second quarter of the current fiscal year. Current liabilities increased by 645 million yen to 6,886 million yen. This was mainly attributable to a 250 million yen increase in notes and accounts payable-trade. Non-current liabilities decreased by 285 million yen to 2,986 million yen. This was mainly attributable to a 288 million yen decrease in long-term borrowings.

## Net assets

Net assets increased by 655 million yen from the end of the previous fiscal year to 7,360 million yen at the end of the second quarter of the current fiscal year. This was mainly attributable to a 660 million yen increase in retained earnings. As a result, the equity ratio increased 1.4 percentage points to 42.7%.

### **(3) Our Efforts to Mitigate the Impact of COVID-19**

To deal with the various issues associated with the spread of COVID-19, the Company is taking various measures under the leadership of the Management Planning Division with the support of internal and external experts.

Specifically, we have developed guidance for employees about the spread of the COVID-19 pandemic, provided them with relevant information, and strengthened the infection control measures in place for essential operations.

Furthermore, as a measure to ensure the safety of our employees, we are continuing to apply our telecommuting policies and to support this initiative with information technology. In addition, our post-COVID-19 convergence workplace strategy will enable us to realize the creation and implementation of an optimal working environment through measures such as the promotion of a paperless workplace built around telecommuting.

In addition, we are taking measures to ensure the safety of our employees as well as our customers by recommending that meetings with customers be conducted using web conferencing systems and by providing test videos remotely for contract testing.

While we are continuing to monitor the situation closely, we will maintain the restrictions on unnecessary and non-urgent travel and on the holding of, or participation in, large gatherings until such time as a new policy is put in place.

### **(4) Explanation of Consolidated Forecast and Other Forward-looking Statements**

These projections are based on information available at the time of release of this report. Actual results may differ from projections due to a variety of reasons.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY9/20 (As of Sep. 30, 2020)	Second quarter of FY9/21 (As of Mar. 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	3,073,392	3,381,854
Notes and accounts receivable-trade	3,283,202	4,217,087
Electronically recorded monetary claims-operating	644,649	707,781
Finished goods	422,479	310,840
Work in process	1,507,836	1,708,564
Raw materials	909,058	835,105
Other	271,069	161,953
Allowance for doubtful accounts	(5,500)	(5,068)
Total current assets	10,106,187	11,318,118
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,521,117	2,439,161
Land	1,935,656	1,935,656
Other, net	1,061,648	940,212
Total property, plant and equipment	5,518,422	5,315,030
Intangible assets		
Goodwill	4,185	-
Other	71,752	71,675
Total intangible assets	75,937	71,675
Investments and other assets	518,554	529,367
Total non-current assets	6,112,915	5,916,072
Total assets	16,219,102	17,234,191
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,130,770	1,381,483
Electronically recorded obligations-operating	600,145	764,507
Short-term borrowings	2,630,065	2,580,000
Current portion of long-term borrowings	621,357	649,268
Accounts payable-other	352,685	282,750
Accrued expenses	293,072	288,203
Income taxes payable	4,787	347,546
Accrued consumption taxes	42,832	77,860
Provision for product warranties	53,050	51,000
Other	512,736	464,363
Total current liabilities	6,241,501	6,886,984
Non-current liabilities		
Long-term borrowings	2,939,695	2,651,096
Long-term accounts payable-other	192,169	192,169
Asset retirement obligations	47,361	48,056
Other	93,535	95,507
Total non-current liabilities	3,272,761	2,986,829
Total liabilities	9,514,262	9,873,814

	(Thousands of yen)	
	FY9/20 (As of Sep. 30, 2020)	Second quarter of FY9/21 (As of Mar. 31, 2021)
Net assets		
Shareholders' equity		
Share capital	464,817	464,817
Capital surplus	576,648	576,648
Retained earnings	5,724,794	6,385,702
Treasury shares	(143,736)	(143,736)
Total shareholders' equity	6,622,523	7,283,431
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	58,038	56,864
Foreign currency translation adjustment	18,491	11,276
Total accumulated other comprehensive income	76,529	68,141
Non-controlling interests	5,786	8,804
Total net assets	6,704,840	7,360,376
Total liabilities and net assets	16,219,102	17,234,191

**(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 FY9/20 (Oct. 1, 2019 – Mar. 31, 2020)	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)
Net sales	6,278,312	6,340,513
Cost of sales	4,383,453	4,263,618
Gross profit	1,894,858	2,076,894
Selling, general and administrative expenses	1,404,260	1,178,241
Operating profit	490,598	898,653
Non-operating income		
Interest income	995	472
Dividend income	2,847	1,852
Foreign exchange gains	-	146,207
Rental income	20,333	20,309
Seminar income	4,583	4,817
Reversal of provision for loss on litigation	5,944	-
Subsidy income	-	52,307
Miscellaneous income	3,596	20,412
Total non-operating income	38,299	246,379
Non-operating expenses		
Interest expenses	9,498	12,586
Foreign exchange losses	15,923	-
Seminar expenses	3,790	3,978
Miscellaneous loss	2,600	3,398
Total non-operating expenses	31,813	19,963
Ordinary profit	497,084	1,125,069
Extraordinary losses		
Loss on sales of non-current assets	1	-
Loss on retirement of non-current assets	0	633
Total extraordinary losses	1	633
Profit before income taxes	497,083	1,124,435
Income taxes-current	108,809	317,740
Income taxes-deferred	50,322	1,311
Total income taxes	159,131	319,051
Profit	337,951	805,384
Profit attributable to non-controlling interests	9,118	5,981
Profit attributable to owners of parent	328,833	799,402



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

(Thousands of yen)

	First six months of FY9/20 (Oct. 1, 2019 – Mar. 31, 2020)	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)
Profit	337,951	805,384
Other comprehensive income		
Valuation difference on available-for-sale securities	(37,586)	(1,173)
Foreign currency translation adjustment	10,452	(10,178)
Total other comprehensive income	(27,134)	(11,352)
Comprehensive income	310,817	794,031
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	302,057	791,014
Comprehensive income attributable to non-controlling interests	8,760	3,017

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First six months of FY9/20 (Oct. 1, 2019 – Mar. 31, 2020)	First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	497,083	1,124,435
Depreciation	329,256	285,599
Amortization of goodwill	4,185	4,185
Increase (decrease) in allowance for doubtful accounts	(390)	(540)
Increase (decrease) in provision for share-based compensation	(37,129)	-
Increase (decrease) in provision for product warranties	(18,000)	(2,050)
Interest and dividend income	(3,842)	(2,324)
Rental income	(20,333)	(20,309)
Interest expenses	9,498	12,586
Foreign exchange losses (gains)	(5,186)	(57,764)
Loss on retirement of non-current assets	0	633
Subsidy income	-	(52,307)
Decrease (increase) in trade receivables	(246,307)	(996,491)
Decrease (increase) in inventories	(241,742)	9,403
Increase (decrease) in trade payables	48,258	407,222
Other, net	50,131	(36,957)
Subtotal	365,482	675,320
Interest and dividends received	3,532	2,337
Interest paid	(10,410)	(12,554)
Proceeds from subsidy income	-	52,307
Income taxes paid	(202,183)	(19,053)
Income taxes refund	-	30,242
Net cash provided by (used in) operating activities	156,419	728,599
Cash flows from investing activities		
Purchase of investment securities	(9,256)	(8,416)
Purchase of property, plant and equipment	(392,286)	(45,451)
Proceeds from sales of property, plant and equipment	1,132	-
Purchase of intangible assets	(23,160)	(2,980)
Payments into time deposits	-	(9,010)
Other, net	17,638	17,416
Net cash provided by (used in) investing activities	(405,930)	(48,442)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	604,999	(50,065)
Proceeds from long-term borrowings	1,800,000	-
Repayments of long-term borrowings	(380,702)	(260,688)
Repayments of lease obligations	(1,350)	(2,278)
Dividends paid	(134,367)	(121,229)
Net cash provided by (used in) financing activities	1,888,579	(434,262)
Effect of exchange rate change on cash and cash equivalents	(3,860)	53,556
Net increase (decrease) in cash and cash equivalents	1,635,207	299,451
Cash and cash equivalents at beginning of period	970,730	2,839,536
Cash and cash equivalents at end of period	2,605,938	3,138,987

**(4) Notes to Quarterly Consolidated Financial Statements**

**Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Additional Information**

No significant changes have been made to the assumptions regarding the impact of the spread of COVID-19 reported in the Additional Information section of the Annual Securities Report for the previous financial year.

### 3. Others

#### Production, Orders and Sales

##### Production

	First six months of FY9/20 (Oct. 1, 2019 – Mar. 31, 2020)		First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,381,272	70.4	4,596,231	72.7	104.9
Test and Solution Services	1,276,268	20.5	1,110,474	17.6	87.0
Measuring Systems	569,162	9.1	617,352	9.7	108.4
Total	6,226,703	100.0	6,324,058	100.0	101.5

##### Orders

	First six months of FY9/20 (Oct. 1, 2019 – Mar. 31, 2020)		First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,339,807	70.9	4,365,274	72.4	100.5
Test and Solution Services	1,214,812	19.9	1,082,098	18.0	89.0
Measuring Systems	562,675	9.2	579,301	9.6	102.9
Total	6,117,296	100.0	6,026,674	100.0	98.5

##### Order backlog

	First six months of FY9/20 (Oct. 1, 2019 – Mar. 31, 2020)		First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	3,396,233	89.0	3,387,336	87.3	99.7
Test and Solution Services	142,563	3.7	239,931	6.2	168.3
Measuring Systems	276,486	7.3	254,427	6.5	92.0
Total	3,815,284	100.0	3,881,695	100.0	101.7

##### Sales

	First six months of FY9/20 (Oct. 1, 2019 – Mar. 31, 2020)		First six months of FY9/21 (Oct. 1, 2020 – Mar. 31, 2021)		YoY (%)
	Thousands of yen	%	Thousands of yen	%	
Dynamic Simulation Systems	4,381,525	69.8	4,611,696	72.7	105.2
Test and Solution Services	1,320,550	21.0	1,111,030	17.5	84.1
Measuring Systems	576,236	9.2	617,786	9.8	107.2
Total	6,278,312	100.0	6,340,513	100.0	100.9

\* 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.