



**Summary of Consolidated Financial Results for the
Second Quarter of the Fiscal Year Ending September 30, 2024
(Six Months Ended March 31, 2024)**

May 10, 2024

[Japanese GAAP]

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Stock code: 7760

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Scheduled date of filing of Quarterly Securities Report:

May 10, 2024

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results:

Yes

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, 2023–March 31, 2024)
of the Fiscal Year Ending September 30, 2024**

(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, 2024	7,861	13.1	1,215	45.4	1,303	51.0	1,086	72.0
Six months ended Mar. 31, 2023	6,952	16.3	836	70.1	863	22.9	631	9.3

Note: Comprehensive income (million yen)

Six months ended Mar. 31, 2024: 1,104 (up 73.0%)

Six months ended Mar. 31, 2023: 638 (up 34.8%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Mar. 31, 2024	66.28		–	
Six months ended Mar. 31, 2023	38.77		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2024	19,677	10,031	51.0
As of Sep. 30, 2023	17,286	9,243	53.5

Reference: Equity (million yen)

As of Mar. 31, 2024: 10,031

As of Sep. 30, 2023: 9,243

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Sep. 30, 2023	–	0.00	–	12.00	12.00
Fiscal year ending Sep. 30, 2024	–	0.00	–	–	–
Fiscal year ending Sep. 30, 2024 (forecasts)	–	–	–	12.00	12.00

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

**3. Consolidated Forecast for the Fiscal Year Ending September 30, 2024
(October 1, 2023–September 30, 2024)**

(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	14,000	2.0	1,350	6.6	1,350	(14.2)	939	(16.6)	57.66

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, 2024:	16,957,016 shares	As of Sep. 30, 2023:	16,957,016 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2024:	879,850 shares	As of Sep. 30, 2023:	659,726 shares
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3) Average number of shares issued during the period

Six months ended Mar. 31, 2024:	16,398,106 shares	Six months ended Mar. 31, 2023:	16,294,006 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 “period under review”), the global economy continued to remain uncertain due to the widening of downside risks caused by monetary tightening in various countries, escalating conflicts in the Middle East, and persistent inflation.

Nevertheless, we continued to enjoy demand for our services as investments in components and batteries for electric vehicles remained firm against a backdrop of the trend of digitalization and decarbonization in the society.

Under such circumstances, net sales of the Group increased by 908 million yen year on year to 7,861 million yen. On the profit front, operating profit increased by 379 million yen to 1,215 million yen, ordinary profit increased by 440 million yen to 1,303 million yen, and profit attributable to owners of parent increased by 455 million yen to 1,086 million yen. This is mainly because the Group made efforts to improve the profitability by refining the existing products as well as promoting price revisions, in addition to the effect of the revenue growth, even in the face of cost increases in association with soaring material prices and wage increases.

Net sales, operating profit, ordinary profit and profit attributable to owners of parent all reached record highs for the six months period.

Business results by product category were as follows:

Dynamic Simulation Systems

In the market of electrodynamic vibration test systems, both order received and sales increased, thanks to winning sufficient orders for large-scale projects for electric vehicles in Europe and the United States. In the domestic market also, demand for capital investment for electric vehicles and aerospace industry remained robust. In the service sector, sales increased year on year. This is a result of our effort to increase the number of constructions, which led to solid amplifier renewals and maintenance and repair services.

As a result, category sales increased by 400 million yen year on year to 5,609 million yen.

Test and Solution Services

During the period under review, we continued to enjoy a strong demand for vibration tests for electric vehicles centered on in-vehicle batteries and for railways and power plants. In addition, EMC tests also grew, which led to a higher result than the same period of the previous year.

In the second half of the current fiscal year, we will start providing services not only for vibration tests, but also for various types of reliability evaluation tests. We also provide all-in-one product evaluation solution by reinforcing equipment required for battery evaluation tests at the Uenohara site's Advanced Technology Centre for Environmental Testing. In this way, we will strive to further strengthen our services.

As a result, category sales increased by 217 million yen year on year to 1,537 million yen.

Measuring Systems

Sales of vibration meters and monitoring systems increased and exceeded the previous year due to successful parts securing of electronic components and semiconductors as well as improving production response.

As a result, category sales increased by 289 million yen year on year to 713 million yen.

(2) Explanation of Financial Position

1) Analysis of Financial Position

Assets

Net assets increased by 2,391 million yen from the end of the previous fiscal year to 19,677 million yen at the end of the second quarter of the current fiscal year. Current assets increased by 2,054 million yen to 13,852 million yen. This was attributable to increases of 865 million yen in cash and deposits, 522 million yen in trade receivables,

and 357 million yen in inventories. Non-current assets increased by 336 million yen to 5,825 million yen. This was mainly attributable to an increase of 220 million yen in property, plant and equipment.

Liabilities

Total liabilities increased by 1,602 million yen from the end of the previous fiscal year to 9,645 million yen at the end of the second quarter of the current fiscal year. Current liabilities increased by 1,974 million yen to 9,137 million yen. This was attributable to increases of 450 million yen in short-term borrowings and 861 million yen in contract liabilities. Non-current liabilities decreased by 371 million yen to 508 million yen. This was attributable to a decrease of 370 million yen in long-term borrowings.

Net assets

Net assets increased by 788 million yen from the end of the previous fiscal year to 10,031 million yen at the end of the second quarter of the current fiscal year. This was attributable to an increase of 891 million yen in retained earnings. As a result, the equity ratio decreased 2.5 percentage points to 51.0%.

2) Cash Flows

The balance of cash and cash equivalents as of March 31, 2024 increased by 856 million yen from the end of the previous fiscal year to 2,765 million yen.

Cash flows from operating activities

Net cash provided by operating activities during the first half of the current fiscal year increased by 917 million yen year on year to 1,106 million yen. This was mainly because an increase in profit before income taxes of 1,303 million yen exceeded cash-decreasing factors of increases in trade receivables of 510 million yen and inventories of 319 million yen.

Cash flows from investing activities

Net cash used in investing activities during the first half of the current fiscal year amounted to 257 million yen, compared with net cash used of 135 million yen in the same period of the previous fiscal year. This was mainly due to purchase of property, plant and equipment of 213 million yen.

Cash flows from financing activities

Net cash used in financing activities during the first half of the current fiscal year amounted to 11 million yen, compared with net cash used of 689 million yen in the same period of the previous fiscal year. This was mainly because cash-decreasing factors of repayments of long-term borrowings of 289 million yen and dividends paid of 195 million yen exceeded an increase of short-term borrowings of 450 million yen.

(3) 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)	
	FY9/23 (As of Sep. 30, 2023)	Second quarter of FY9/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	2,175,711	3,041,649
Notes and accounts receivable-trade	4,409,292	4,859,665
Electronically recorded monetary claims-operating	826,093	898,209
Finished goods	803,363	1,004,556
Work in process	2,222,451	2,422,526
Raw materials	924,262	880,766
Other	438,870	747,268
Allowance for doubtful accounts	(2,451)	(2,521)
Total current assets	11,797,593	13,852,120
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,108,025	2,118,990
Land	1,935,656	1,935,656
Other, net	749,727	959,500
Total property, plant and equipment	4,793,410	5,014,147
Intangible assets		
Software	105,876	129,853
Other	4,277	4,220
Total intangible assets	110,154	134,074
Investments and other assets	584,927	677,100
Total non-current assets	5,488,492	5,825,322
Total assets	17,286,085	19,677,442
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,193,420	1,514,349
Electronically recorded obligations-operating	1,058,771	1,072,425
Short-term borrowings	2,060,000	2,510,000
Current portion of long-term borrowings	629,900	860,088
Accounts payable-other	470,309	502,455
Accrued expenses	669,430	490,785
Income taxes payable	217,994	355,421
Accrued consumption taxes	25,304	17,428
Contract liabilities	643,887	1,505,620
Provision for product warranties	59,000	71,000
Provision for share-based payments	16,192	37,884
Other	118,904	199,766
Total current liabilities	7,163,115	9,137,225
Non-current liabilities		
Long-term borrowings	570,807	200,669
Long-term accounts payable-other	175,529	175,529
Asset retirement obligations	51,319	51,759
Other	81,984	80,464
Total non-current liabilities	879,640	508,422
Total liabilities	8,042,756	9,645,647

	(Thousands of yen)	
	FY9/23	Second quarter of FY9/24
	(As of Sep. 30, 2023)	(As of Mar. 31, 2024)
Net assets		
Shareholders' equity		
Share capital	464,817	464,817
Capital surplus	537,372	537,372
Retained earnings	8,392,241	9,283,557
Treasury shares	(142,948)	(263,602)
Total shareholders' equity	9,251,483	10,022,145
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,542	36,690
Foreign currency translation adjustment	(34,696)	(27,041)
Total accumulated other comprehensive income	(8,153)	9,649
Total net assets	9,243,329	10,031,794
Total liabilities and net assets	17,286,085	19,677,442

(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 FY9/23 (Oct. 1, 2022–Mar. 31, 2023)	First six months of FY9/24 (Oct. 1, 2023–Mar. 31, 2024)
Net sales	6,952,960	7,861,008
Cost of sales	4,623,359	4,919,332
Gross profit	2,329,600	2,941,675
Selling, general and administrative expenses	1,493,246	1,725,879
Operating profit	836,354	1,215,796
Non-operating income		
Interest income	4,797	1,685
Dividend income	1,557	1,405
Foreign exchange gains	17,047	68,158
Rental income	4,077	4,077
Seminar income	6,464	6,636
Miscellaneous income	9,411	13,788
Total non-operating income	43,355	95,752
Non-operating expenses		
Interest expenses	6,735	3,310
Seminar expenses	3,997	3,045
Miscellaneous loss	5,813	469
Provision of allowance for doubtful accounts	—	603
Other	—	626
Total non-operating expenses	16,546	8,055
Ordinary profit	863,163	1,303,493
Extraordinary income		
Gain on sale of non-current assets	478	—
Total extraordinary income	478	—
Extraordinary losses		
Loss on retirement of non-current assets	133	0
Total extraordinary losses	133	0
Profit before income taxes	863,508	1,303,493
Income taxes-current	198,049	267,896
Income taxes-deferred	33,677	(51,287)
Total income taxes	231,727	216,609
Profit	631,780	1,086,883
Profit attributable to owners of parent	631,780	1,086,883

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

	(Thousands of yen)	
	First six months of FY9/23 (Oct. 1, 2022 – Mar. 31, 2023)	First six months of FY9/24 (Oct. 1, 2023 – Mar. 31, 2024)
Profit	631,780	1,086,883
Other comprehensive income		
Valuation difference on available-for-sale securities	13,101	10,147
Foreign currency translation adjustment	(6,201)	7,655
Total other comprehensive income	6,900	17,803
Comprehensive income	638,681	1,104,687
Comprehensive income attributable to:		
Owners of parent	638,681	1,104,687

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY9/23 (Oct. 1, 2022–Mar. 31, 2023)	First six months of FY9/24 (Oct. 1, 2023–Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	863,508	1,303,493
Depreciation	251,843	256,203
Increase (decrease) in allowance for doubtful accounts	50	673
Increase (decrease) in provision for share-based payments	(6,464)	21,692
Increase (decrease) in provision for product warranties	(2,000)	12,000
Interest and dividend income	(6,354)	(3,091)
Rental income	(4,077)	(4,077)
Interest expenses	6,735	3,310
Foreign exchange losses (gains)	(15,771)	(55,668)
Loss (gain) on sale of property, plant and equipment	(478)	–
Loss on retirement of non-current assets	133	0
Decrease (increase) in trade receivables	(674,441)	(510,396)
Decrease (increase) in inventories	(330,379)	(319,960)
Increase (decrease) in trade payables	217,966	285,152
Other, net	(32,102)	232,208
Subtotal	268,167	1,221,620
Interest and dividends received	6,354	3,091
Interest paid	(6,735)	(3,380)
Income taxes paid	(79,196)	(115,328)
Net cash provided by (used in) operating activities	188,589	1,106,003
Cash flows from investing activities		
Purchase of property, plant and equipment	(111,890)	(213,288)
Proceeds from sale of property, plant and equipment	1,092	–
Purchase of intangible assets	(24,610)	(35,488)
Purchase of investment securities	(1,844)	(2,116)
Payments into time deposits	(9,002)	(9,002)
Other, net	10,272	2,347
Net cash provided by (used in) investing activities	(135,982)	(257,548)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(100,000)	450,000
Proceeds from long-term borrowings	300,000	150,000
Repayments of long-term borrowings	(725,591)	(289,950)
Repayments of finance lease liabilities	(1,390)	(1,445)
Dividends paid	(162,380)	(195,165)
Purchase of treasury shares	–	(125,363)
Net cash provided by (used in) financing activities	(689,362)	(11,924)
Effect of exchange rate change on cash and cash equivalents	(10,791)	20,405
Net increase (decrease) in cash and cash equivalents	(647,547)	856,935
Cash and cash equivalents at beginning of period	3,273,752	1,908,183
Cash and cash equivalents at end of period	2,626,205	2,765,119

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

3. Others

Production, Orders Received and Sales

Production

	First six months of FY9/23 (Oct. 1, 2022–Mar. 31, 2023)		First six months of FY9/24 (Oct. 1, 2023–Mar. 31, 2024)		YoY change (%)
	Thousands of yen	% of total	Thousands of yen	% of total	
Dynamic Simulation Systems	4,916,929	73.6	5,864,863	72.3	119.3
Test and Solution Services	1,335,523	20.0	1,527,153	18.8	114.3
Measuring Systems	429,510	6.4	722,101	8.9	168.1
Total	6,681,963	100.0	8,114,117	100.0	121.4

Orders Received

	First six months of FY9/23 (Oct. 1, 2022–Mar. 31, 2023)		First six months of FY9/24 (Oct. 1, 2023–Mar. 31, 2024)		YoY change (%)
	Thousands of yen	% of total	Thousands of yen	% of total	
Dynamic Simulation Systems	5,763,187	77.5	6,772,899	76.4	117.5
Test and Solution Services	1,106,435	14.9	1,538,681	17.4	139.1
Measuring Systems	567,796	7.6	556,822	6.2	98.1
Total	7,437,420	100.0	8,868,403	100.0	119.2

Order backlog

	First six months of FY9/23 (Oct. 1, 2022–Mar. 31, 2023)		First six months of FY9/24 (Oct. 1, 2023–Mar. 31, 2024)		YoY change (%)
	Thousands of yen	% of total	Thousands of yen	% of total	
Dynamic Simulation Systems	5,815,529	88.8	7,772,178	92.0	133.6
Test and Solution Services	198,411	3.0	314,678	3.7	158.6
Measuring Systems	537,884	8.2	359,037	4.3	66.7
Total	6,551,825	100.0	8,445,894	100.0	128.9

Sales

	First six months of FY9/23 (Oct. 1, 2022–Mar. 31, 2023)		First six months of FY9/24 (Oct. 1, 2023–Mar. 31, 2024)		YoY change (%)
	Thousands of yen	% of total	Thousands of yen	% of total	
Dynamic Simulation Systems	5,209,066	74.9	5,609,997	71.4	107.7
Test and Solution Services	1,319,366	19.0	1,537,343	19.6	116.5
Measuring Systems	424,527	6.1	713,666	9.0	168.1
Total	6,952,960	100.0	7,861,008	100.0	113.1

* 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.