

Summary of Consolidated Financial Results for the Fiscal First Quarter Ended June 30, 2018 (Based on Japanese GAAP)

August 7, 2018

Company name: Imasen Electric Industrial Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7266 URL <http://www.imasen.co.jp/>
 Representative: President Takashi Adachi
 Inquiries: Executive Officer Tomochika Okuda TEL 0568-67-1211
 Scheduled date to file quarterly Securities Report: August 8, 2018
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Fiscal First Quarter Ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(1) Consolidated operating results

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|------------------------------|-----------------|-----|------------------|------|-----------------|-------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 3 months ended June 30, 2018 | 30,652 | 7.8 | 1,073 | 57.5 | 944 | 71.5 | 638 | 39.8 |
| 3 months ended June 30, 2017 | 28,439 | 2.1 | 681 | 56.8 | 550 | 789.2 | 456 | — |

| | Earnings per share | Diluted earnings per share |
|------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| 3 months ended June 30, 2018 | 30.71 | — |
| 3 months ended June 30, 2017 | 22.28 | 21.96 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2018 | 84,099 | 49,749 | 58.8 | 2,378.91 |
| As of March 31, 2018 | 86,107 | 50,817 | 58.6 | 2,427.55 |

2. Cash dividends

| | Annual dividends per share | | | | |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2018 | — | 15.00 | — | 16.00 | 31.00 |
| Year ended March 31, 2019 | — | | | | |
| Year ending March 31, 2019 (Forecast) | | 16.00 | — | 16.00 | 32.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|--------------------------------------|-----------------|-----|------------------|------|-----------------|------|---|-------|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2018 | 59,000 | 4.6 | 1,600 | 42.7 | 1,400 | 30.1 | 700 | (8.6) | 33.66 |
| Full year | 118,000 | 0.6 | 4,200 | 28.0 | 3,900 | 14.7 | 2,700 | (6.2) | 129.85 |

4. Notes

- (1) Changes in significant subsidiaries during the quarter
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|---------------------|-------------------|----------------------|-------------------|
| As of June 30, 2018 | 21,341,152 shares | As of March 31, 2018 | 21,341,152 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|----------------|----------------------|----------------|
| As of June 30, 2018 | 547,285 shares | As of March 31, 2018 | 547,285 shares |
|---------------------|----------------|----------------------|----------------|

Average number of shares during the period

| | | | |
|------------------------------|-------------------|------------------------------|-------------------|
| 3 months ended June 30, 2018 | 20,793,867 shares | 3 months ended July 30, 2017 | 20,500,842 shares |
|------------------------------|-------------------|------------------------------|-------------------|

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2018 | As of June 30, 2018 |
|---|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,884 | 12,896 |
| Notes and accounts receivable - trade | 20,971 | 20,581 |
| Electronically recorded monetary claims - operating | 6,606 | 6,511 |
| Inventories | 11,659 | 11,396 |
| Other | 3,506 | 3,185 |
| Allowance for doubtful accounts | (497) | (489) |
| Total current assets | 55,130 | 54,082 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 8,037 | 7,815 |
| Machinery, equipment and vehicles, net | 6,888 | 6,682 |
| Other, net | 9,360 | 8,990 |
| Total property, plant and equipment | 24,286 | 23,488 |
| Intangible assets | | |
| Other | 686 | 635 |
| Total intangible assets | 686 | 635 |
| Investments and other assets | | |
| Investment securities | 5,580 | 5,349 |
| Other | 500 | 618 |
| Allowance for doubtful accounts | (77) | (74) |
| Total investments and other assets | 6,003 | 5,893 |
| Total non-current assets | 30,976 | 30,017 |
| Total assets | 86,107 | 84,099 |

(Millions of yen)

| | As of March 31, 2018 | As of June 30, 2018 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 11,149 | 10,783 |
| Electronically recorded obligations - operating | 6,445 | 6,566 |
| Short-term loans payable | 2,788 | 2,875 |
| Income taxes payable | 393 | 374 |
| Provision for bonuses | 1,212 | 499 |
| Provision for product warranties | 202 | 272 |
| Other | 6,484 | 6,435 |
| Total current liabilities | 28,676 | 27,807 |
| Non-current liabilities | | |
| Long-term loans payable | 3,102 | 2,710 |
| Net defined benefit liability | 2,157 | 2,157 |
| Other | 1,352 | 1,674 |
| Total non-current liabilities | 6,613 | 6,542 |
| Total liabilities | 35,289 | 34,350 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,297 | 6,297 |
| Capital surplus | 6,049 | 6,049 |
| Retained earnings | 33,669 | 33,975 |
| Treasury shares | (441) | (441) |
| Total shareholders' equity | 45,574 | 45,880 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,372 | 2,207 |
| Foreign currency translation adjustment | 2,542 | 1,391 |
| Remeasurements of defined benefit plans | (11) | (12) |
| Total accumulated other comprehensive income | 4,903 | 3,586 |
| Non-controlling interests | 339 | 282 |
| Total net assets | 50,817 | 49,749 |
| Total liabilities and net assets | 86,107 | 84,099 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

| | 3 months ended June 30, 2017 | 3 months ended June 30, 2018 |
|--|---------------------------------|---------------------------------|
| Net sales | 28,439 | 30,652 |
| Cost of sales | 25,420 | 27,201 |
| Gross profit | 3,019 | 3,450 |
| Selling, general and administrative expenses | | |
| Packing and transportation expenses | 669 | 772 |
| Salaries, allowances and bonuses | 586 | 580 |
| Provision for bonuses | 70 | 72 |
| Retirement benefit expenses | 20 | 18 |
| Depreciation | 96 | 69 |
| Other | 894 | 864 |
| Total selling, general and administrative expenses | 2,337 | 2,376 |
| Operating profit | 681 | 1,073 |
| Non-operating income | | |
| Interest income | 21 | 29 |
| Dividend income | 48 | 53 |
| Other | 46 | 51 |
| Total non-operating income | 116 | 134 |
| Non-operating expenses | | |
| Interest expenses | 91 | 91 |
| Foreign exchange losses | 143 | 157 |
| Other | 13 | 15 |
| Total non-operating expenses | 248 | 264 |
| Ordinary profit | 550 | 944 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 6 | 0 |
| Total extraordinary income | 6 | 0 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 0 | 1 |
| Total extraordinary losses | 0 | 1 |
| Profit before income taxes | 556 | 943 |
| Income taxes - current | 142 | 292 |
| Income taxes - deferred | (61) | (10) |
| Total income taxes | 81 | 282 |
| Profit | 475 | 661 |
| Profit attributable to non-controlling interests | 18 | 22 |
| Profit attributable to owners of parent | 456 | 638 |

Consolidated statements of comprehensive income

(Millions of yen)

| | 3 months ended June 30, 2017 | 3 months ended June 30, 2018 |
|--|---------------------------------|---------------------------------|
| Profit | 475 | 661 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (69) | (165) |
| Foreign currency translation adjustment | (98) | (1,166) |
| Remeasurements of defined benefit plans, net of tax | 5 | (0) |
| Total other comprehensive income | (162) | (1,331) |
| Comprehensive income | 312 | (670) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 287 | (678) |
| Comprehensive income attributable to non-controlling interests | 24 | 7 |

Consolidated statements of cash flows

(Millions of yen)

| | 3 months ended June 30, 2017 | 3 months ended June 30, 2018 |
|--|---------------------------------|---------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 556 | 943 |
| Depreciation | 1,261 | 1,113 |
| Increase (decrease) in provision for bonuses | (718) | (712) |
| Interest and dividend income | (70) | (82) |
| Interest expenses | 91 | 91 |
| Loss (gain) on disposal of non-current assets | (6) | 0 |
| Decrease (increase) in notes and accounts receivable - trade | (313) | (161) |
| Decrease (increase) in inventories | 158 | (64) |
| Increase (decrease) in notes and accounts payable - trade | 523 | 322 |
| Other, net | 237 | 206 |
| Subtotal | 1,720 | 1,654 |
| Interest and dividend income received | 71 | 77 |
| Interest expenses paid | (91) | (93) |
| Income taxes paid | (270) | (235) |
| Net cash provided by (used in) operating activities | 1,430 | 1,403 |
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | 0 | (77) |
| Purchase of property, plant and equipment | (363) | (510) |
| Purchase of investment securities | (13) | (14) |
| Other, net | (19) | (30) |
| Net cash provided by (used in) investing activities | (395) | (632) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 88 | 186 |
| Repayments of long-term loans payable | (791) | (411) |
| Repayments of lease obligations | (271) | (301) |
| Cash dividends paid | (327) | (332) |
| Other, net | (50) | (65) |
| Net cash provided by (used in) financing activities | (1,352) | (924) |
| Effect of exchange rate change on cash and cash equivalents | (142) | 149 |
| Net increase (decrease) in cash and cash equivalents | (460) | (4) |
| Cash and cash equivalents at beginning of period | 9,683 | 10,912 |
| Cash and cash equivalents at end of period | 9,222 | 10,908 |