

# Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

May 13, 2019

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 of ordinary general meeting of shareholders: June 18, 2019  
 Scheduled date to file Securities Report: June 18, 2019  
 Scheduled date to commence dividend payments: May 31, 2019  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

### (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	%
Year ended March 31, 2019	118,579	1.1	3,740	14.0	3,691	8.5	2,474	(14.1)
Year ended March 31, 2018	117,339	6.4	3,281	22.9	3,400	66.1	2,878	83.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	118.98	-	4.9	4.3	3.2
Year ended March 31, 2018	139.21	138.44	6.0	4.0	2.8

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	84,151	50,676	59.8	2,421.26
As of March 31, 2018	86,107	50,817	58.6	2,427.55

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	7,628	(3,625)	(3,514)	11,337
Year ended March 31, 2018	7,220	(3,478)	(2,579)	10,912

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	-	15.00	-	16.00	31.00	644	22.3	1.3
Year ended March 31, 2019	-	16.00	-	16.00	32.00	665	26.9	1.3
Year ending March 31, 2020 (Forecast)	-	16.00	-	17.00	33.00		21.4	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	54,000	(9.6)	1,600	(6.0)	1,600	(6.0)	1,000	(10.9)	48.09
Full year	112,000	(5.5)	4,600	23.0	4,500	21.9	3,200	(29.3)	153.89

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(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 March 31, 2019	⋮	21,341,152 shares	As of March 31, 2018	⋮	21,341,152 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	⋮	547,393 shares	As of March 31, 2018	⋮	547,285 shares
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Average number of shares during the period

Year ended March 31, 2019	⋮	20,793,820 shares	Year ended March 31, 2018	⋮	20,680,487 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	12,884	13,208
Notes and accounts receivable - trade	20,971	18,990
Electronically recorded monetary claims - operating	6,606	6,885
Inventories	11,659	12,097
Other	3,506	3,133
Allowance for doubtful accounts	(497)	(503)
Total current assets	55,130	53,811
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,037	7,655
Machinery, equipment and vehicles, net	6,888	6,382
Tools, furniture and fixtures, net	3,923	4,012
Land	4,849	4,849
Construction in progress	586	1,190
Total property, plant and equipment	24,286	24,091
Intangible assets		
Other	686	542
Total intangible assets	686	542
Investments and other assets		
Investment securities	5,580	5,000
Deferred tax assets	175	478
Other	324	300
Allowance for doubtful accounts	(77)	(71)
Total investments and other assets	6,003	5,707
Total non-current assets	30,976	30,340
Total assets	86,107	84,151

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,149	10,158
Electronically recorded obligations - operating	6,445	6,629
Short-term loans payable	2,788	2,510
Lease obligations	1,172	1,082
Income taxes payable	393	423
Provision for bonuses	1,212	1,202
Provision for product warranties	202	472
Other	5,311	5,096
<b>Total current liabilities</b>	<b>28,676</b>	<b>27,576</b>
<b>Non-current liabilities</b>		
Long-term loans payable	3,102	1,913
Lease obligations	1,072	1,016
Deferred tax liabilities	6	13
Net defined benefit liability	2,157	2,154
Other	273	801
<b>Total non-current liabilities</b>	<b>6,613</b>	<b>5,898</b>
<b>Total liabilities</b>	<b>35,289</b>	<b>33,475</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	6,297	6,297
Capital surplus	6,049	6,049
Retained earnings	33,669	35,478
Treasury shares	(441)	(441)
<b>Total shareholders' equity</b>	<b>45,574</b>	<b>47,382</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,372	1,719
Foreign currency translation adjustment	2,542	1,234
Remeasurements of defined benefit plans	(11)	10
<b>Total accumulated other comprehensive income</b>	<b>4,903</b>	<b>2,964</b>
<b>Non-controlling interests</b>	<b>339</b>	<b>329</b>
<b>Total net assets</b>	<b>50,817</b>	<b>50,676</b>
<b>Total liabilities and net assets</b>	<b>86,107</b>	<b>84,151</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	117,339	118,579
Cost of sales	104,989	105,619
Gross profit	12,349	12,959
Selling, general and administrative expenses		
Packing and transportation expenses	2,847	3,095
Provision for product warranties	180	394
Salaries, allowances and bonuses	2,380	2,383
Provision for bonuses	177	174
Retirement benefit expenses	98	101
Depreciation	360	260
Other	3,022	2,808
Total selling, general and administrative expenses	9,067	9,219
Operating profit	3,281	3,740
Non-operating income		
Interest income	139	153
Dividend income	130	148
Compensation income	11	110
Foreign exchange gains	120	–
Other	184	323
Total non-operating income	586	736
Non-operating expenses		
Interest expenses	400	383
Foreign exchange losses	–	260
Other	67	141
Total non-operating expenses	467	785
Ordinary profit	3,400	3,691
Extraordinary income		
Gain on sales of non-current assets	59	2
Gain on sales of investment securities	–	0
Total extraordinary income	59	2
Extraordinary losses		
Loss on disposal of non-current assets	26	16
Loss on valuation of investment securities	–	44
Total extraordinary losses	26	61
Profit before income taxes	3,434	3,632
Income taxes - current	828	1,102
Refund of income taxes	(602)	–
Income taxes - deferred	219	(17)
Total income taxes	444	1,084
Profit	2,989	2,547
Profit attributable to non-controlling interests	110	73
Profit attributable to owners of parent	2,878	2,474

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	2,989	2,547
Other comprehensive income		
Valuation difference on available-for-sale securities	389	(653)
Foreign currency translation adjustment	1,236	(1,327)
Remeasurements of defined benefit plans, net of tax	101	22
Total other comprehensive income	1,727	(1,958)
Comprehensive income	4,717	589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,590	534
Comprehensive income attributable to non-controlling interests	127	54

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,134	5,867	31,155	(441)	42,717
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	162	162			324
Dividends of surplus			(639)		(639)
Profit attributable to owners of parent			2,878		2,878
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		19			19
Sales of shares of foreign consolidated subsidiaries			274		274
Net changes of items other than shareholders' equity					
Total changes of items during period	162	181	2,513	(0)	2,857
Balance at end of current period	6,297	6,049	33,669	(441)	45,574

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,983	1,322	(113)	3,192	425	46,335
Changes of items during period						
Issuance of new shares - exercise of share acquisition rights						324
Dividends of surplus						(639)
Profit attributable to owners of parent						2,878
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						19
Sales of shares of foreign consolidated subsidiaries						274
Net changes of items other than shareholders' equity	389	1,220	101	1,711	(85)	1,625
Total changes of items during period	389	1,220	101	1,711	(85)	4,482
Balance at end of current period	2,372	2,542	(11)	4,903	339	50,817

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,297	6,049	33,669	(441)	45,574
Changes of items during period					
Dividends of surplus			(665)		(665)
Profit attributable to owners of parent			2,474		2,474
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,808	(0)	1,808
Balance at end of current period	6,297	6,049	35,478	(441)	47,382

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,372	2,542	(11)	4,903	339	50,817
Changes of items during period						
Dividends of surplus						(665)
Profit attributable to owners of parent						2,474
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	(653)	(1,308)	22	(1,939)	(10)	(1,950)
Total changes of items during period	(653)	(1,308)	22	(1,939)	(10)	(141)
Balance at end of current period	1,719	1,234	10	2,964	329	50,676

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	3,434	3,632
Depreciation	4,984	4,598
Increase (decrease) in allowance for doubtful accounts	(71)	5
Increase (decrease) in provision for bonuses	4	(9)
Increase (decrease) in provision for product warranties	24	269
Interest and dividend income	(269)	(302)
Interest expenses	400	383
Loss (gain) on sales of investment securities	–	(0)
Loss (gain) on valuation of investment securities	–	44
Loss (gain) on disposal of non-current assets	(33)	14
Decrease (increase) in notes and accounts receivable - trade	(1,858)	1,063
Decrease (increase) in inventories	(696)	(697)
Increase (decrease) in notes and accounts payable - trade	2,682	(282)
Other, net	(635)	(377)
Subtotal	7,965	8,341
Interest and dividend income received	277	290
Interest expenses paid	(391)	(392)
Income taxes paid	(630)	(1,068)
Income taxes refund	–	455
Net cash provided by (used in) operating activities	7,220	7,628
Cash flows from investing activities		
Decrease (increase) in time deposits	(1,270)	29
Purchase of property, plant and equipment	(2,094)	(3,274)
Proceeds from sales of property, plant and equipment	25	42
Purchase of investment securities	(59)	(396)
Proceeds from sales of investment securities	–	1
Other, net	(80)	(28)
Net cash provided by (used in) investing activities	(3,478)	(3,625)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(633)	417
Proceeds from long-term loans payable	2,172	100
Repayments of long-term loans payable	(2,158)	(1,962)
Redemption of bonds	(2)	–
Repayments of lease obligations	(1,125)	(1,339)
Cash dividends paid	(639)	(665)
Other, net	(193)	(65)
Net cash provided by (used in) financing activities	(2,579)	(3,514)
Effect of exchange rate change on cash and cash equivalents	67	(62)
Net increase (decrease) in cash and cash equivalents	1,229	425
Cash and cash equivalents at beginning of period	9,683	10,912
Cash and cash equivalents at end of period	10,912	11,337