

Summary of Consolidated Financial Results for the Third Quarter of FY2020 (Based on Japanese GAAP)

February 10, 2020

Company name: Imasen Electric Industrial Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7266 URL <http://www.imasen.co.jp/>
 Representative: President Takamitsu Sakurai
 Inquiries: Executive Officer Tomochika Okuda TEL 0568-67-1211
 Scheduled date to file quarterly Securities Report: February 12, 2020
 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 Third Quarter of FY2020 (from April 1, 2019 to December 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	%
Third Quarter of FY2020	84,166	(6.4)	2,077	(34.5)	2,105	(35.1)	1,357	(41.1)
Third Quarter of FY2019	89,908	4.9	3,172	45.2	3,244	40.8	2,303	47.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Third Quarter of FY2020	65.25	—
Third Quarter of FY2019	110.79	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Third Quarter of FY2020	81,373	51,124	62.5	2,442.00
FY2019	84,151	50,676	59.8	2,421.26

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
FY2019	—	16.00	—	16.00	32.00
FY2020	—	16.00	—	—	—
FY2020(Forecast)	—	—	—	17.00	33.00

3. Forecast of consolidated financial results for FY2020 (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
Full year	112,000	(5.5)	3,000	(19.8)	3,100	(16.0)	2,100	(15.1)	100.90

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)

FY2020 Third quarter	21,341,152 shares	FY2019	21,341,152 shares
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Number of treasury shares at the end of the period

FY2020 Third quarter	529,319 shares	FY2019	547,393 shares
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Average number of shares during the period

FY2020 Third quarter	20,803,801 shares	FY2019 Third quarter	20,793,841 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	FY2019 (As of Mar. 31. 2019)	FY2020 Third quarter (As of Dec. 31. 2019)
Assets		
Current assets		
Cash and deposits	13,208	12,053
Notes and accounts receivable - trade	18,990	18,191
Electronically recorded monetary claims - operating	6,885	7,819
Inventories	12,097	11,975
Other	3,133	2,101
Allowance for doubtful accounts	(503)	(436)
Total current assets	53,811	51,705
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,655	7,417
Machinery, equipment and vehicles, net	6,382	5,975
Other, net	10,052	9,835
Total property, plant and equipment	24,091	23,228
Intangible assets		
Other	542	517
Total intangible assets	542	517
Investments and other assets		
Investment securities	5,000	5,196
Other	778	801
Allowance for doubtful accounts	(71)	(75)
Total investments and other assets	5,707	5,922
Total non-current assets	30,340	29,668
Total assets	84,151	81,373

(Millions of yen)

	FY2019 (As of Mar. 31. 2019)	FY2020 Third quarter (As of Dec. 31. 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,158	10,076
Electronically recorded obligations - operating	6,629	6,706
Short-term loans payable	2,510	2,375
Income taxes payable	423	260
Provision for bonuses	1,202	484
Provision for product warranties	472	479
Other	6,179	5,671
Total current liabilities	27,576	26,054
Non-current liabilities		
Long-term loans payable	1,913	731
Net defined benefit liability	2,154	2,179
Other	1,830	1,283
Total non-current liabilities	5,898	4,194
Total liabilities	33,475	30,248
Net assets		
Shareholders' equity		
Capital stock	6,297	6,297
Capital surplus	6,049	6,052
Retained earnings	35,478	36,237
Treasury shares	(441)	(427)
Total shareholders' equity	47,382	48,159
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,719	1,819
Foreign currency translation adjustment	1,234	833
Remeasurements of defined benefit plans	10	9
Total accumulated other comprehensive income	2,964	2,662
Non-controlling interests	329	302
Total net assets	50,676	51,124
Total liabilities and net assets	84,151	81,373

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

(Millions of yen)

	FY 2019 Third quarter (Apr.1.2018 through Dec. 31.2018)	FY 2020 Third quarter (Apr.1.2019 through Dec. 31.2019)
Net sales	89,908	84,166
Cost of sales	79,785	75,953
Gross profit	10,122	8,212
Selling, general and administrative expenses		
Packing and transportation expenses	2,386	1,979
Salaries, allowances and bonuses	1,861	1,772
Provision for bonuses	85	83
Retirement benefit expenses	65	64
Depreciation	208	129
Other	2,341	2,105
Total selling, general and administrative expenses	6,950	6,135
Operating profit	3,172	2,077
Non-operating income		
Interest income	106	117
Dividend income	126	136
Other	310	222
Total non-operating income	543	476
Non-operating expenses		
Interest expenses	292	319
Foreign exchange losses	85	82
Other	93	46
Total non-operating expenses	471	448
Ordinary profit	3,244	2,105
Extraordinary income		
Gain on sales of non-current assets	1	0
Total extraordinary income	1	0
Extraordinary losses		
Loss on disposal of non-current assets	10	22
Loss on valuation of investment securities	40	-
Total extraordinary losses	50	22
Profit before income taxes	3,194	2,083
Income taxes - current	786	668
Income taxes - deferred	48	6
Total income taxes	835	675
Profit	2,359	1,408
Profit attributable to non-controlling interests	55	50
Profit attributable to owners of parent	2,303	1,357

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2019 Third quarter (Apr.1.2018 through Dec. 31.2018)	FY 2020 Third quarter (Apr.1.2019 through Dec. 31.2019)
Profit	2,359	1,408
Other comprehensive income		
Valuation difference on available-for-sale securities	(766)	100
Foreign currency translation adjustment	(779)	(414)
Remeasurements of defined benefit plans, net of tax	(0)	(1)
Total other comprehensive income	(1,546)	(315)
Comprehensive income	813	1,092
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	765	1,055
Comprehensive income attributable to non-controlling interests	47	36

Consolidated statements of cash flows

(Millions of yen)

	FY 2019 Third quarter (Apr.1.2018 through Dec. 31.2018)	FY 2020 Third quarter (Apr.1.2019 through Dec. 31.2019)
Cash flows from operating activities		
Profit before income taxes	3,194	2,083
Depreciation	3,457	3,822
Increase (decrease) in provision for bonuses	(713)	(718)
Interest and dividend income	(233)	(253)
Interest expenses	292	319
Loss (gain) on disposal of non-current assets	8	21
Loss (gain) on valuation of investment securities	40	-
Decrease (increase) in notes and accounts receivable - trade	810	(455)
Decrease (increase) in inventories	(900)	(164)
Increase (decrease) in notes and accounts payable - trade	244	364
Other, net	155	853
Subtotal	6,357	5,874
Interest and dividend income received	223	242
Interest expenses paid	(296)	(319)
Income taxes paid	(803)	(847)
Net cash provided by (used in) operating activities	5,481	4,950
Cash flows from investing activities		
Decrease (increase) in time deposits	(49)	901
Purchase of property, plant and equipment	(2,552)	(2,979)
Purchase of investment securities	(380)	(53)
Other, net	4	(121)
Net cash provided by (used in) investing activities	(2,976)	(2,253)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	475	(386)
Proceeds from long-term loans payable	-	100
Repayments of long-term loans payable	(1,629)	(951)
Repayments of lease obligations	(879)	(989)
Cash dividends paid	(665)	(665)
Other, net	(65)	(63)
Net cash provided by (used in) financing activities	(2,763)	(2,957)
Effect of exchange rate change on cash and cash equivalents	84	13
Net increase (decrease) in cash and cash equivalents	(174)	(247)
Cash and cash equivalents at beginning of period	10,912	11,337
Cash and cash equivalents at end of period	10,738	11,090