

Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 15, 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 Tatsushi Inoue TEL 0568-67-1211
 Scheduled date of ordinary general meeting of shareholders: June 18, 2020
 Scheduled date to file Securities Report: June 18, 2020
 Scheduled date to commence dividend payments: June 19, 2020
 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 year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	112,081	(5.5)	2,720	(27.3)	2,820	(23.6)	553	(77.6)
Year ended March 31, 2019	118,579	1.1	3,740	14.0	3,691	8.5	2,474	(14.1)

	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, 2020	26.63	-	1.1	3.4	2.4
Year ended March 31, 2019	118.98	-	4.9	4.3	3.2

(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, 2020	80,554	49,868	61.5	2,380.30
As of March 31, 2019	84,151	50,676	59.8	2,421.26

(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, 2020	7,691	(3,039)	(2,764)	13,477
Year ended March 31, 2019	7,628	(3,625)	(3,514)	11,337

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, 2019	-	16.00	-	16.00	32.00	665	26.9	1.3
Year ended March 31, 2020	-	16.00	-	10.00	26.00	541	97.6	1.1
Year ending March 31, 2021 (Forecast)	-	-	-	-	-	-	-	-

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Undecided

4. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020
 (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: Yes
- 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, 2020	21,341,152 shares	As of March 31, 2019	21,341,152 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	529,319 shares	As of March 31, 2019	547,393 shares
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Average number of shares during the period

Year ended March 31, 2020	20,805,809 shares	Year ended March 31, 2019	20,793,820 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	13,208	14,678
Notes and accounts receivable - trade	18,990	18,373
Electronically recorded monetary claims - operating	6,885	7,183
Inventories	12,097	11,304
Other	3,133	1,953
Allowance for doubtful accounts	(503)	(412)
Total current assets	53,811	53,080
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,655	7,396
Machinery, equipment and vehicles, net	6,382	5,594
Tools, furniture and fixtures, net	4,012	3,773
Land	4,849	4,859
Construction in progress	1,190	801
Total property, plant and equipment	24,091	22,426
Intangible assets		
Other	542	516
Total intangible assets	542	516
Investments and other assets		
Investment securities	5,000	3,894
Retirement benefit asset	20	1
Deferred tax assets	478	423
Other	279	273
Allowance for doubtful accounts	(71)	(60)
Total investments and other assets	5,707	4,531
Total non-current assets	30,340	27,474
Total assets	84,151	80,554

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,158	9,758
Electronically recorded obligations - operating	6,629	6,701
Short-term loans payable	2,510	2,478
Lease obligations	1,082	1,143
Income taxes payable	423	391
Provision for bonuses	1,202	1,160
Provision for product warranties	472	736
Other	5,096	3,356
Total current liabilities	27,576	25,727
Non-current liabilities		
Long-term loans payable	1,913	1,159
Lease obligations	1,016	895
Deferred tax liabilities	13	17
Net defined benefit liability	2,154	2,528
Other	801	358
Total non-current liabilities	5,898	4,959
Total liabilities	33,475	30,686
Net assets		
Shareholders' equity		
Capital stock	6,297	6,297
Capital surplus	6,049	6,052
Retained earnings	35,478	35,434
Treasury shares	(441)	(427)
Total shareholders' equity	47,382	47,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,719	1,042
Foreign currency translation adjustment	1,234	1,335
Remeasurements of defined benefit plans	10	(195)
Total accumulated other comprehensive income	2,964	2,182
Non-controlling interests	329	329
Total net assets	50,676	49,868
Total liabilities and net assets	84,151	80,554

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	118,579	112,081
Cost of sales	105,619	100,970
Gross profit	12,959	11,110
Selling, general and administrative expenses		
Packing and transportation expenses	3,095	2,609
Provision for product warranties	394	302
Salaries, allowances and bonuses	2,383	2,293
Provision for bonuses	174	163
Retirement benefit expenses	101	115
Depreciation	260	172
Other	2,808	2,733
Total selling, general and administrative expenses	9,219	8,390
Operating profit	3,740	2,720
Non-operating income		
Interest income	153	158
Dividend income	148	159
Compensation income	110	0
Other	323	383
Total non-operating income	736	701
Non-operating expenses		
Interest expenses	383	421
Foreign exchange losses	260	123
Other	141	55
Total non-operating expenses	785	601
Ordinary profit	3,691	2,820
Extraordinary income		
Gain on sales of non-current assets	2	0
Gain on sales of investment securities	0	–
Total extraordinary income	2	0
Extraordinary losses		
Loss on disposal of non-current assets	16	38
Loss on valuation of investment securities	44	209
Impairment loss	–	605
Total extraordinary losses	61	853
Profit before income taxes	3,632	1,967
Income taxes – current	1,102	923
Income taxes - deferred	(17)	426
Total income taxes	1,084	1,349
Profit	2,547	618
Profit attributable to non-controlling interests	73	64
Profit attributable to owners of parent	2,474	553

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	2,547	618
Other comprehensive income		
Valuation difference on available-for-sale securities	(653)	(677)
Foreign currency translation adjustment	(1,327)	101
Remeasurements of defined benefit plans, net of tax	22	(206)
Total other comprehensive income	(1,958)	(782)
Comprehensive income	589	(163)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	534	(228)
Comprehensive income attributable to non-controlling interests	54	64

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2020

(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	35,478	(441)	47,382
Cumulative impact of changes in accounting policy			67		67
Balance at the beginning of the fiscal year reflecting changes in accounting policies	6,297	6,049	35,545	(441)	47,450
Changes of items during period					
Dividends of surplus			(665)		(665)
Profit attributable to owners of parent			553		553
Disposal of treasury shares		2		14	17
Net changes of items other than shareholders' equity					
Total changes of items during period	—	2	(111)	14	(94)
Balance at end of current period	6,297	6,052	35,434	(427)	47,356

	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	1,719	1,234	10	2,964	329	50,676
Cumulative impact of changes in accounting policy						67
Balance at the beginning of the fiscal year reflecting changes in accounting policies	1,719	1,234	10	2,964	329	50,743
Changes of items during period						
Dividends of surplus						(665)
Profit attributable to owners of parent						553
Disposal of treasury shares						17
Net changes of items other than shareholders' equity	(677)	101	(206)	(782)	0	(781)
Total changes of items during period	(677)	101	(206)	(782)	0	(875)
Balance at end of current period	1,042	1,335	(195)	2,182	329	49,868

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	3,632	1,967
Depreciation	4,598	4,885
Impairment loss	–	605
Increase (decrease) in allowance for doubtful accounts	5	(128)
Increase (decrease) in provision for bonuses	(9)	(41)
Increase (decrease) in provision for product warranties	269	264
Interest and dividend income	(302)	(318)
Interest expenses	383	421
Loss (gain) on sales of investment securities	(0)	–
Loss (gain) on valuation of investment securities	44	209
Loss (gain) on disposal of non-current assets	14	37
Decrease (increase) in notes and accounts receivable - trade	1,063	329
Decrease (increase) in inventories	(697)	664
Increase (decrease) in notes and accounts payable - trade	(282)	(235)
Other, net	(377)	140
Subtotal	8,341	8,802
Interest and dividend income received	290	315
Interest expenses paid	(392)	(420)
Income taxes paid	(1,068)	(1,005)
Income taxes refund	455	–
Net cash provided by (used in) operating activities	7,628	7,691
Cash flows from investing activities		
Decrease (increase) in time deposits	29	700
Purchase of property, plant and equipment	(3,274)	(3,626)
Proceeds from sales of property, plant and equipment	42	0
Purchase of investment securities	(396)	(70)
Proceeds from sales of investment securities	1	0
Other, net	(28)	(43)
Net cash provided by (used in) investing activities	(3,625)	(3,039)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	417	(571)
Proceeds from long-term loans payable	100	1,100
Repayments of long-term loans payable	(1,962)	(1,273)
Repayments of lease obligations	(1,339)	(1,289)
Cash dividends paid	(665)	(665)
Other, net	(65)	(63)
Net cash provided by (used in) financing activities	(3,514)	(2,764)
Effect of exchange rate change on cash and cash equivalents	(62)	251
Net increase (decrease) in cash and cash equivalents	425	2,139
Cash and cash equivalents at beginning of period	10,912	11,337
Cash and cash equivalents at end of period	11,337	13,477