

Summary of Consolidated Financial Results for the Third Quarter of FY2021 (Based on Japanese GAAP)

February 8, 2021

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 to file quarterly Securities Report: February 9, 2021
 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 Third Quarter of FY2021 (from April 1, 2020 to December 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	%
Third Quarter of FY2021	61,439	(27.0)	(1,611)	—	(1,497)	—	(2,340)	—
Third Quarter of FY2020	84,166	(6.4)	2,077	(34.5)	2,105	(35.1)	1,357	(41.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Third Quarter of FY2021	(111.72)	—
Third Quarter of FY2020	65.25	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Third Quarter of FY2021	81,881	49,524	60.1	2,142.26
FY2020	80,554	49,868	61.5	2,380.30

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
FY2020	—	16.00	—	10.00	26.00
FY2021	—	5.00	—	—	—
FY2021(Forecast)	—	—	—	10.00	15.00

3. Forecast of consolidated financial results for FY2021 (from April 1, 2020 to March 31, 2021)

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	88,700	(20.9)	(1,100)	—	(1,300)	—	(2,300)	—	(110.38)

4. Notes

- (1) Changes in significant subsidiaries during the quarter
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

FY2021 Third quarter	23,475,352 shares	FY2020	21,341,152 shares
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Number of treasury shares at the end of the period

FY2021 Third quarter	503,755 shares	FY2020	529,319 shares
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Average number of shares during the period

FY2021 Third quarter	20,950,263 shares	FY2020 Third quarter	20,803,801 shares
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*This report is not subject to quarterly review by certified public accountants or auditing firms.

*Explanation regarding appropriate use of the earnings forecasts and other special notes

Forecasts regarding future performance in this document are based on certain assumptions judged to be valid and information currently available to us. Actual performance may differ significantly from these forecasts for a number of factors.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 Third quarter (As of December 31, 2020)
Assets		
Current assets		
Cash and deposits	14,678	19,065
Notes and accounts receivable - trade	18,373	17,036
Electronically recorded monetary claims - operating	7,183	6,728
Inventories	11,304	10,236
Other	1,953	2,093
Allowance for doubtful accounts	(412)	(326)
Total current assets	53,080	54,834
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,396	7,005
Machinery, equipment and vehicles, net	5,594	5,084
Other, net	9,434	9,483
Total property, plant and equipment	22,426	21,572
Intangible assets		
Other	516	482
Total intangible assets	516	482
Investments and other assets		
Investment securities	3,894	4,615
Other	698	407
Allowance for doubtful accounts	(60)	(30)
Total investments and other assets	4,531	4,991
Total non-current assets	27,474	27,046
Total assets	80,554	81,881

(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 Third quarter (As of December 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,758	7,833
Electronically recorded obligations - operating	6,701	6,698
Short-term loans payable	2,478	3,239
Income taxes payable	391	208
Provision for bonuses	1,160	456
Provision for product warranties	736	442
Other	4,499	4,998
Total current liabilities	25,727	23,878
Non-current liabilities		
Long-term loans payable	1,159	5,141
Net defined benefit liability	2,528	2,428
Other	1,272	908
Total non-current liabilities	4,959	8,478
Total liabilities	30,686	32,356
Net assets		
Shareholders' equity		
Capital stock	6,297	7,289
Capital surplus	6,052	7,041
Retained earnings	35,434	32,781
Treasury shares	(427)	(406)
Total shareholders' equity	47,356	46,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,042	1,524
Foreign currency translation adjustment	1,335	1,147
Remeasurements of defined benefit plans	(195)	(166)
Total accumulated other comprehensive income	2,182	2,504
Non-controlling interests	329	313
Total net assets	49,868	49,524
Total liabilities and net assets	80,554	81,881

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

(Millions of yen)

	FY 2020 Third quarter (Apr.1.2019 through Dec. 31.2019)	FY 2021 Third quarter (Apr.1.2020 through Dec. 31.2020)
Net sales	84,166	61,439
Cost of sales	75,953	58,032
Gross profit	8,212	3,406
Selling, general and administrative expenses		
Packing and transportation expenses	1,979	1,302
Salaries, allowances and bonuses	1,772	1,613
Provision for bonuses	83	76
Retirement benefit expenses	64	65
Depreciation	129	124
Other	2,105	1,836
Total selling, general and administrative expenses	6,135	5,018
Operating profit (loss)	2,077	(1,611)
Non-operating income		
Interest income	117	106
Dividend income	136	108
Subsidy income	24	132
Other	198	307
Total non-operating income	476	654
Non-operating expenses		
Interest expenses	319	268
Foreign exchange losses	82	63
Share issuance costs	–	142
Other	46	65
Total non-operating expenses	448	540
Ordinary profit (loss)	2,105	(1,497)
Extraordinary income		
Gain on sales of non-current assets	0	6
Total extraordinary income	0	6
Extraordinary losses		
Loss on disposal of non-current assets	22	19
Loss on liquidation of subsidiaries and associates	–	117
Loss on cancel of derivatives	–	184
Total extraordinary losses	22	321
Profit (loss) before income taxes	2,083	(1,813)
Income taxes - current	668	438
Income taxes - deferred	6	49
Total income taxes	675	488
Profit (loss)	1,408	(2,301)
Profit attributable to non-controlling interests	50	39
Profit (loss) attributable to owners of parent	1,357	(2,340)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2020 Third quarter (Apr.1.2019 through Dec. 31.2019)	FY 2021 Third quarter (Apr.1.2020 through Dec. 31.2020)
Profit (loss)	1,408	(2,301)
Other comprehensive income		
Valuation difference on available-for-sale securities	100	481
Foreign currency translation adjustment	(414)	(185)
Remeasurements of defined benefit plans, net of tax	(1)	29
Total other comprehensive income	(315)	325
Comprehensive income	1,092	(1,975)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,055	(2,017)
Comprehensive income attributable to non-controlling interests	36	41

Consolidated statements of cash flows

(Millions of yen)

	FY 2020 Third quarter (Apr.1.2019 through Dec. 31.2019)	FY 2021 Third quarter (Apr.1.2020 through Dec. 31.2020)
Cash flows from operating activities		
Profit (loss) before income taxes	2,083	(1,813)
Depreciation	3,822	2,890
Increase (decrease) in provision for bonuses	(718)	(704)
Interest and dividend income	(253)	(214)
Interest expenses	319	268
Employment adjustment subsidy	–	(662)
Loss (gain) on disposal of non-current assets	21	13
Decrease (increase) in notes and accounts receivable - trade	(455)	1,357
Decrease (increase) in inventories	(164)	820
Increase (decrease) in notes and accounts payable - trade	364	(1,592)
Other, net	853	387
Subtotal	5,874	750
Interest and dividend income received	242	213
Interest expenses paid	(319)	(258)
Employment adjustment subsidy received	–	633
Income taxes paid	(847)	(659)
Net cash provided by (used in) operating activities	4,950	679
Cash flows from investing activities		
Decrease (increase) in time deposits	901	(65)
Purchase of property, plant and equipment	(2,979)	(2,107)
Purchase of investment securities	(53)	(40)
Other, net	(121)	48
Net cash provided by (used in) investing activities	(2,253)	(2,164)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(386)	(50)
Proceeds from long-term loans payable	100	5,680
Repayments of long-term loans payable	(951)	(856)
Repayments of lease obligations	(989)	(933)
Cash dividends paid	(665)	(312)
Proceeds from issuance of shares	–	1,842
Other, net	(63)	108
Net cash provided by (used in) financing activities	(2,957)	5,477
Effect of exchange rate change on cash and cash equivalents	13	360
Net increase (decrease) in cash and cash equivalents	(247)	4,352
Cash and cash equivalents at beginning of period	11,337	13,477
Cash and cash equivalents at end of period	11,090	17,829