

Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 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 of ordinary general meeting of shareholders: June 23, 2021
 Scheduled date to file Securities Report: June 23, 2021
 Scheduled date to commence dividend payments: June 4, 2021
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	87,096	(22.3)	(790)	-	(581)	-	(3,081)	-
Year ended March 31, 2020	112,081	(5.5)	2,720	(27.3)	2,820	(23.6)	553	(77.6)

	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, 2021	(143.67)	-	(6.2)	(0.7)	(0.9)
Year ended March 31, 2020	26.63	-	1.1	3.4	2.4

(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, 2021	82,280	49,593	59.9	2,144.63
As of March 31, 2020	80,554	49,868	61.5	2,380.30

(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, 2021	3,044	(2,720)	4,604	18,831
Year ended March 31, 2020	7,691	(3,039)	(2,764)	13,477

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, 2020	-	16.00	-	10.00	26.00	541	97.6	1.1
Year ended March 31, 2021	-	5.00	-	10.00	15.00	333	-	0.7
Year ending March 31, 2022 (Forecast)	-	-	-	-	-	-	-	-

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Undecided

4. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2021
 (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, 2021	23,475,352 shares	As of March 31, 2020	21,341,152 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	503,755 shares	As of March 31, 2020	529,319 shares
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Average number of shares during the period

Year ended March 31, 2021	21,448,712 shares	Year ended March 31, 2020	20,805,809 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	14,678	20,068
Notes and accounts receivable - trade	18,373	17,046
Electronically recorded monetary claims - operating	7,183	5,825
Inventories	11,304	10,105
Other	1,953	2,269
Allowance for doubtful accounts	(412)	(328)
Total current assets	53,080	54,986
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,396	6,895
Machinery, equipment and vehicles, net	5,594	4,794
Tools, furniture and fixtures, net	3,773	3,127
Land	4,859	4,825
Construction in progress	801	1,584
Total property, plant and equipment	22,426	21,227
Intangible assets		
Other	516	614
Total intangible assets	516	614
Investments and other assets		
Investment securities	3,894	5,168
Retirement benefit asset	1	–
Deferred tax assets	423	103
Other	273	211
Allowance for doubtful accounts	(60)	(30)
Total investments and other assets	4,531	5,452
Total non-current assets	27,474	27,293
Total assets	80,554	82,280

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,758	8,768
Electronically recorded obligations - operating	6,701	5,810
Short-term loans payable	2,478	3,141
Lease obligations	1,143	679
Income taxes payable	391	372
Provision for bonuses	1,160	1,023
Provision for product warranties	736	411
Other	3,356	3,825
Total current liabilities	25,727	24,031
Non-current liabilities		
Long-term loans payable	1,159	4,588
Lease obligations	895	453
Deferred tax liabilities	17	1,432
Net defined benefit liability	2,528	1,797
Other	358	382
Total non-current liabilities	4,959	8,655
Total liabilities	30,686	32,687
Net assets		
Shareholders' equity		
Capital stock	6,297	7,289
Capital surplus	6,052	7,041
Retained earnings	35,434	32,040
Treasury shares	(427)	(406)
Total shareholders' equity	47,356	45,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,042	1,901
Foreign currency translation adjustment	1,335	1,251
Remeasurements of defined benefit plans	(195)	146
Total accumulated other comprehensive income	2,182	3,300
Non-controlling interests	329	327
Total net assets	49,868	49,593
Total liabilities and net assets	80,554	82,280

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	112,081	87,096
Cost of sales	100,970	81,081
Gross profit	11,110	6,015
Selling, general and administrative expenses		
Packing and transportation expenses	2,609	1,909
Provision for product warranties	302	48
Salaries, allowances and bonuses	2,293	2,103
Provision for bonuses	163	154
Retirement benefit expenses	115	85
Depreciation	172	167
Other	2,733	2,336
Total selling, general and administrative expenses	8,390	6,806
Operating profit (loss)	2,720	(790)
Non-operating income		
Interest income	158	159
Dividend income	159	128
Subsidy income	27	137
Compensation income	0	125
Foreign exchange gain	–	49
Other	355	236
Total non-operating income	701	835
Non-operating expenses		
Interest expenses	421	367
Foreign exchange losses	123	–
Stock issuance cost	–	143
Other	55	115
Total non-operating expenses	601	626
Ordinary profit (loss)	2,820	(581)
Extraordinary income		
Gain on sales of non-current assets	0	8
Total extraordinary income	0	8
Extraordinary losses		
Loss on disposal of non-current assets	38	30
Loss on valuation of investment securities	209	–
Impairment loss	605	165
Loss on liquidation of subsidiaries and affiliates	–	121
Loss on derivatives cancellation	–	184
Total extraordinary losses	853	501
Profit (loss) before income taxes	1,967	(1,074)
Income taxes – current	923	736
Income taxes - deferred	426	1,218
Total income taxes	1,349	1,955
Profit (loss)	618	(3,029)
Profit attributable to non-controlling interests	64	52
Profit (loss) attributable to owners of parent	553	(3,081)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	618	(3,029)
Other comprehensive income		
Valuation difference on available-for-sale securities	(677)	859
Foreign currency translation adjustment	101	(79)
Remeasurements of defined benefit plans, net of tax	(206)	342
Total other comprehensive income	(782)	1,122
Comprehensive income	(163)	(1,906)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(228)	(1,963)
Comprehensive income attributable to non-controlling interests	64	56

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,297	6,052	35,434	(427)	47,356
Changes of items during period					
Issuance of new shares	992	992			1,984
Dividends of surplus			(312)		(312)
Loss attributable to owners of parent			(3,081)		(3,081)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2)		20	18
Net changes of items other than shareholders' equity					
Total changes of items during period	992	989	(3,393)	20	(1,391)
Balance at end of current period	7,289	7,041	32,040	(406)	45,965

	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	1,042	1,335	(195)	2,182	329	49,868
Changes of items during period						
Issuance of new shares						1,984
Dividends of surplus						(312)
Loss attributable to owners of parent						(3,081)
Purchase of treasury shares						(0)
Disposal of treasury shares						18
Net changes of items other than shareholders' equity	859	(83)	342	1,118	(1)	1,116
Total changes of items during period	859	(83)	342	1,118	(1)	(274)
Balance at end of current period	1,901	1,251	146	3,300	327	49,593

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,967	(1,074)
Depreciation	4,885	3,882
Impairment loss	605	165
Increase (decrease) in allowance for doubtful accounts	(128)	(92)
Increase (decrease) in provision for bonuses	(41)	(137)
Increase (decrease) in provision for product warranties	264	(325)
Interest and dividend income	(318)	(287)
Interest expenses	421	367
Loss (gain) on sales of investment securities	–	(689)
Loss (gain) on valuation of investment securities	209	–
Loss (gain) on disposal of non-current assets	37	22
Decrease (increase) in notes and accounts receivable - trade	329	2,342
Decrease (increase) in inventories	664	941
Increase (decrease) in notes and accounts payable - trade	(235)	(1,563)
Other, net	140	(547)
Subtotal	8,802	3,001
Interest and dividend income received	315	295
Interest expenses paid	(420)	(367)
Proceeds from employment adjustment subsidy income	–	680
Income taxes paid	(1,005)	(673)
Income taxes refund	–	106
Net cash provided by (used in) operating activities	7,691	3,044
Cash flows from investing activities		
Decrease (increase) in time deposits	700	(67)
Purchase of property, plant and equipment	(3,626)	(2,582)
Proceeds from sales of property, plant and equipment	0	96
Purchase of investment securities	(70)	(56)
Proceeds from sales of investment securities	0	–
Other, net	(43)	(110)
Net cash provided by (used in) investing activities	(3,039)	(2,720)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(571)	(62)
Proceeds from long-term loans payable	1,100	5,680
Repayments of long-term loans payable	(1,273)	(1,496)
Repayments of lease obligations	(1,289)	(1,154)
Cash dividends paid	(665)	(312)
Proceeds from issuance of common shares	–	1,840
Other, net	(63)	108
Net cash provided by (used in) financing activities	(2,764)	4,604
Effect of exchange rate change on cash and cash equivalents	251	426
Net increase (decrease) in cash and cash equivalents	2,139	5,354
Cash and cash equivalents at beginning of period	11,337	13,477
Cash and cash equivalents at end of period	13,477	18,831