

Summary of Consolidated Financial Results for the Second Quarter of FY2022 (Based on Japanese GAAP)

November 8, 2021

Company name: Imasen Electric Industrial Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7266 URL <https://www.imasen.co.jp/>
 Representative: President Takamitsu Sakurai
 Inquiries: Executive Officer Tatsushi Inoue TEL 0568-67-1211
 Scheduled date to file quarterly Securities Report: November 9, 2021
 Scheduled date to commence dividend payments: December 6, 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 Second Quarter of FY2022 (from April 1, 2021 to September 30, 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	%
Second Quarter of FY2022	43,270	19.3	238	–	583	–	△63	–
Second Quarter of FY2021	36,277	△35.7	△2,025	–	△2,048	–	△2,395	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Second Quarter of FY2022	△2.74	–
Second Quarter of FY2021	△115.07	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Second Quarter of FY2022	80,841	50,463	62.0	2,180.81
FY2021	82,280	49,593	59.9	2,144.63

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
FY2021	–	5.00	–	10.00	15.00
FY2022	–	10.00			
FY2022(Forecast)			–	5.00	15.00

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

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	86,300	△0.9	100	–	490	–	△920	–	△40.01

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
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|--|-----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| Changes in accounting policies due to other reasons: | Yes |
| 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)

FY2022 Second quarter	23,475,352 shares	FY2021	23,475,352 shares
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Number of treasury shares at the end of the period

FY2022 Second quarter	482,005 shares	FY2021	503,755 shares
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Average number of shares during the period

FY2022 Second quarter	22,978,821 shares	FY2021 Second quarter	20,820,403 shares
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*This report is not subject to quarterly review by certified public accountants or auditing firms.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	FY2021 (As of March 31, 2021)	FY2022 Second quarter (As of September 30, 2021)
Assets		
Current assets		
Cash and deposits	20,068	19,627
Notes and accounts receivable - trade	17,046	13,874
Electronically recorded monetary claims - operating	5,825	4,989
Inventories	10,105	12,719
Other	2,269	2,241
Allowance for doubtful accounts	(328)	(323)
Total current assets	54,986	53,129
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,895	7,225
Machinery, equipment and vehicles, net	4,794	4,900
Other, net	9,537	9,185
Total property, plant and equipment	21,227	21,311
Intangible assets		
Other	614	771
Total intangible assets	614	771
Investments and other assets		
Investment securities	5,168	5,301
Other	314	358
Allowance for doubtful accounts	(30)	(30)
Total investments and other assets	5,452	5,629
Total non-current assets	27,293	27,712
Total assets	82,280	80,841

(Millions of yen)

	FY2021 (As of March 31, 2021)	FY2022 Second quarter (As of September 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,768	7,499
Electronically recorded obligations - operating	5,810	4,978
Short-term loans payable	3,141	3,760
Income taxes payable	372	308
Provision for bonuses	1,023	1,018
Provision for product warranties	411	413
Other	4,505	4,402
Total current liabilities	24,031	22,383
Non-current liabilities		
Long-term loans payable	4,588	3,787
Net defined benefit liability	1,797	1,757
Other	2,269	2,450
Total non-current liabilities	8,655	7,994
Total liabilities	32,687	30,378
Net assets		
Shareholders' equity		
Capital stock	7,289	7,289
Capital surplus	7,041	7,041
Retained earnings	32,040	31,745
Treasury shares	(406)	(389)
Total shareholders' equity	45,965	45,687
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,901	1,970
Foreign currency translation adjustment	1,251	2,356
Remeasurements of defined benefit plans	146	130
Total accumulated other comprehensive income	3,300	4,456
Non-controlling interests	327	319
Total net assets	49,593	50,463
Total liabilities and net assets	82,280	80,841

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

(Millions of yen)

	FY 2021 Second quarter (Apr.1.2020 through Sep. 30.2020)	FY 2022 Second quarter (Apr.1.2021 through Sep. 30.2021)
Net sales	36,277	43,270
Cost of sales	35,159	39,454
Gross profit	1,118	3,816
Selling, general and administrative expenses		
Packing and transportation expenses	757	1,000
Salaries, allowances and bonuses	946	1,002
Provision for bonuses	169	161
Retirement benefit expenses	42	44
Depreciation	83	68
Other	1,144	1,300
Total selling, general and administrative expenses	3,144	3,577
Operating profit (loss)	(2,025)	238
Non-operating income		
Interest income	74	76
Dividend income	67	79
Subsidy income	119	–
Foreign exchange gains	–	162
Other	173	173
Total non-operating income	435	492
Non-operating expenses		
Interest expenses	210	75
Foreign exchange losses	204	–
Other	44	72
Total non-operating expenses	459	147
Ordinary profit (loss)	(2,048)	583
Extraordinary income		
Gain on sales of non-current assets	1	6
Gain on sales of investment securities	–	0
Total extraordinary income	1	7
Extraordinary losses		
Loss on disposal of non-current assets	8	17
Loss on liquidation of subsidiaries and affiliates	123	0
Total extraordinary losses	132	18
Profit (loss) before income taxes	(2,179)	572
Income taxes - current	281	561
Income taxes - deferred	(88)	52
Total income taxes	192	613
Profit (loss)	(2,372)	(41)
Profit attributable to non-controlling interests	23	22
Profit (loss) attributable to owners of parent	(2,395)	(63)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2021 Second quarter (Apr.1.2020 through Sep. 30.2020)	FY 2022 Second quarter (Apr.1.2021 through Sep. 30.2021)
Profit (loss)	(2,372)	(41)
Other comprehensive income		
Valuation difference on available-for-sale securities	203	68
Foreign currency translation adjustment	(184)	1,131
Remeasurements of defined benefit plans, net of tax	19	(16)
Total other comprehensive income	38	1,183
Comprehensive income	(2,334)	1,142
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,360)	1,093
Comprehensive income attributable to non-controlling interests	26	49

Consolidated statements of cash flows

(Millions of yen)

	FY 2021 Second quarter (Apr.1.2020 through Sep. 30.2020)	FY 2022 Second quarter (Apr.1.2021 through Sep. 30.2021)
Cash flows from operating activities		
Profit (loss) before income taxes	(2,179)	572
Depreciation	1,949	1,689
Increase (decrease) in provision for bonuses	(8)	(4)
Interest and dividend income	(142)	(156)
Interest expenses	210	75
Employment adjustment subsidy	(639)	(207)
Loss (gain) on disposal of non-current assets	7	10
Decrease (increase) in notes and accounts receivable - trade	7,023	4,718
Decrease (increase) in inventories	113	(2,236)
Increase (decrease) in notes and accounts payable - trade	(5,413)	(2,711)
Other, net	(506)	(238)
Subtotal	413	1,511
Interest and dividend income received	133	148
Interest expenses paid	(205)	(75)
Employment adjustment subsidy received	360	107
Income taxes paid	(504)	(605)
Net cash provided by (used in) operating activities	197	1,086
Cash flows from investing activities		
Decrease (increase) in time deposits	18	6
Purchase of property, plant and equipment	(836)	(997)
Purchase of investment securities	(28)	(33)
Other, net	33	(97)
Net cash provided by (used in) investing activities	(812)	(1,122)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(38)	648
Proceeds from long-term loans payable	5,680	40
Repayments of long-term loans payable	(592)	(974)
Repayments of lease obligations	(681)	(390)
Cash dividends paid	(208)	(229)
Other, net	(58)	(57)
Net cash provided by (used in) financing activities	4,100	(964)
Effect of exchange rate change on cash and cash equivalents	445	489
Net increase (decrease) in cash and cash equivalents	3,930	(509)
Cash and cash equivalents at beginning of period	13,477	18,831
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(0)
Cash and cash equivalents at end of period	17,407	18,320