

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

February 8, 2022

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: February 9, 2022
 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 FY2022 (from April 1, 2021 to December 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	%
Third Quarter of FY2022	63,467	3.3	97	—	570	—	△274	—
Third Quarter of FY2021	61,439	△27.0	△1,611	—	△1,497	—	△2,340	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Third Quarter of FY2022	△11.92	—
Third Quarter of FY2021	△111.72	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Third Quarter of FY2022	79,990	49,741	61.8	2,149.05
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 Third 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 Third quarter	482,005 shares	FY2021	503,755 shares
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Average number of shares during the period

FY2022 Third quarter	22,983,663 shares	FY2021 Third quarter	20,950,263 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 Third quarter (As of December 31, 2021)
Assets		
Current assets		
Cash and deposits	20,068	18,955
Notes and accounts receivable - trade	17,046	13,696
Electronically recorded monetary claims - operating	5,825	5,086
Inventories	10,105	13,461
Other	2,269	1,855
Allowance for doubtful accounts	(328)	(302)
Total current assets	54,986	52,752
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,895	7,192
Machinery, equipment and vehicles, net	4,794	4,879
Other, net	9,537	9,003
Total property, plant and equipment	21,227	21,074
Intangible assets		
Other	614	766
Total intangible assets	614	766
Investments and other assets		
Investment securities	5,168	5,067
Other	314	359
Allowance for doubtful accounts	(30)	(30)
Total investments and other assets	5,452	5,395
Total non-current assets	27,293	27,237
Total assets	82,280	79,990

(Millions of yen)

	FY2021 (As of March 31, 2021)	FY2022 Third quarter (As of December 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,768	8,678
Electronically recorded obligations - operating	5,810	4,406
Short-term loans payable	3,141	3,545
Income taxes payable	372	265
Provision for bonuses	1,023	382
Provision for product warranties	411	399
Other	4,505	4,321
Total current liabilities	24,031	21,998
Non-current liabilities		
Long-term loans payable	4,588	4,141
Net defined benefit liability	1,797	1,748
Other	2,269	2,359
Total non-current liabilities	8,655	8,249
Total liabilities	32,687	30,248
Net assets		
Shareholders' equity		
Capital stock	7,289	7,289
Capital surplus	7,041	7,041
Retained earnings	32,040	31,304
Treasury shares	(406)	(389)
Total shareholders' equity	45,965	45,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,901	1,782
Foreign currency translation adjustment	1,251	2,260
Remeasurements of defined benefit plans	146	124
Total accumulated other comprehensive income	3,300	4,167
Non-controlling interests	327	327
Total net assets	49,593	49,741
Total liabilities and net assets	82,280	79,990

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

(Millions of yen)

	FY 2021 Third quarter (Apr.1.2020 through Dec. 31.2020)	FY 2022 Third quarter (Apr.1.2021 through Dec. 31.2021)
Net sales	61,439	63,467
Cost of sales	58,032	58,162
Gross profit	3,406	5,304
Selling, general and administrative expenses		
Packing and transportation expenses	1,302	1,450
Salaries, allowances and bonuses	1,613	1,645
Provision for bonuses	76	66
Retirement benefit expenses	65	78
Depreciation	124	102
Other	1,836	1,862
Total selling, general and administrative expenses	5,018	5,206
Operating profit (loss)	(1,611)	97
Non-operating income		
Interest income	106	109
Dividend income	108	163
Subsidy income	132	–
Foreign exchange gains	–	215
Other	307	164
Total non-operating income	654	652
Non-operating expenses		
Interest expenses	268	112
Foreign exchange losses	63	–
Share issuance costs	142	–
Other	65	66
Total non-operating expenses	540	179
Ordinary profit (loss)	(1,497)	570
Extraordinary income		
Gain on sales of non-current assets	6	53
Gain on sales of investment securities	–	0
Total extraordinary income	6	53
Extraordinary losses		
Loss on disposal of non-current assets	19	90
Loss on liquidation of subsidiaries and affiliates	117	0
Loss on cancel of derivatives	184	–
Total extraordinary losses	321	91
Profit (loss) before income taxes	(1,813)	533
Income taxes - current	438	700
Income taxes - deferred	49	81
Total income taxes	488	782
Loss	(2,301)	(248)
Profit attributable to non-controlling interests	39	25
Loss attributable to owners of parent	(2,340)	(274)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2021 Third quarter (Apr.1.2020 through Dec. 31.2020)	FY 2022 Third quarter (Apr.1.2021 through Dec. 31.2021)
Loss	(2,301)	(248)
Other comprehensive income		
Valuation difference on available-for-sale securities	481	(119)
Foreign currency translation adjustment	(185)	1,040
Remeasurements of defined benefit plans, net of tax	29	(21)
Total other comprehensive income	325	899
Comprehensive income	(1,975)	650
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,017)	592
Comprehensive income attributable to non-controlling interests	41	57

Consolidated statements of cash flows

(Millions of yen)

	FY 2021 Third quarter (Apr.1.2020 through Dec. 31.2020)	FY 2022 Third quarter (Apr.1.2021 through Dec. 31.2021)
Cash flows from operating activities		
Profit (loss) before income taxes	(1,813)	533
Depreciation	2,890	2,494
Increase (decrease) in provision for bonuses	(704)	(641)
Interest and dividend income	(214)	(272)
Interest expenses	268	112
Employment adjustment subsidy	(662)	(319)
Loss (gain) on disposal of non-current assets	13	37
Decrease (increase) in notes and accounts receivable - trade	1,357	4,815
Decrease (increase) in inventories	820	(2,941)
Increase (decrease) in notes and accounts payable - trade	(1,592)	(2,143)
Other, net	387	617
Subtotal	750	2,291
Interest and dividend income received	213	262
Interest expenses paid	(258)	(112)
Employment adjustment subsidy received	633	223
Income taxes paid	(659)	(797)
Net cash provided by (used in) operating activities	679	1,867
Cash flows from investing activities		
Decrease (increase) in time deposits	(65)	44
Purchase of property, plant and equipment	(2,107)	(2,087)
Purchase of investment securities	(40)	(63)
Other, net	48	(141)
Net cash provided by (used in) investing activities	(2,164)	(2,247)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(50)	299
Proceeds from long-term loans payable	5,680	908
Repayments of long-term loans payable	(856)	(1,387)
Repayments of lease obligations	(933)	(560)
Cash dividends paid	(312)	(459)
Proceeds from issuance of shares	1,842	-
Other, net	108	(57)
Net cash provided by (used in) financing activities	5,477	(1,257)
Effect of exchange rate change on cash and cash equivalents	360	486
Net increase (decrease) in cash and cash equivalents	4,352	(1,151)
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	17,829	17,679