

Summary of Consolidated Financial Results for the First Quarter of FY2023 (Based on Japanese GAAP)

August 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: August 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 Fiscal First Quarter of FY2023 (from April 1, 2022 to June 30, 2022)

(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	%
First Quarter of FY2023	22,354	(1.3)	(555)	-	123	(84.1)	(270)	-
First Quarter of FY2022	22,649	19.1	448	-	776	-	344	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
First Quarter of FY2023	(11.77)	-
First Quarter of FY2022	15.00	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Quarter of FY2023	82,411	50,498	60.9	2,181.71
FY2022	80,157	49,777	61.7	2,150.02

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
FY2022	-	10.00	-	5.00	15.00
FY2023	-	-	-	-	-
FY2023(Forecast)	-	7.50	-	7.50	15.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	46,300	7.0	(990)	-	(700)	-	(1,390)	-	(60.45)
Full year	96,700	13.6	100	-	330	(46.5)	(930)	-	(40.44)

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: Yes
 - 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)

FY2023 First quarter	23,475,352 shares	FY2022	23,475,352 shares
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Number of treasury shares at the end of the period

FY2023 First quarter	482,017 shares	FY2022	482,005 shares
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Average number of shares during the period

FY2023 First quarter	22,993,335 shares	FY2022 First quarter	22,971,558 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)

	FY2022 (As of March 31, 2022)	FY2023 First quarter (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	19,710	19,475
Notes and accounts receivable - trade	15,592	15,994
Electronically recorded monetary claims - operating	4,623	4,742
Inventories	12,412	14,283
Other	1,691	1,507
Allowance for doubtful accounts	(288)	(297)
Total current assets	53,742	55,705
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,912	6,931
Machinery, equipment and vehicles, net	4,920	4,810
Other, net	8,612	8,918
Total property, plant and equipment	20,445	20,660
Intangible assets		
Other	476	532
Total intangible assets	476	532
Investments and other assets		
Investment securities	4,822	4,773
Other	701	767
Allowance for doubtful accounts	(30)	(27)
Total investments and other assets	5,492	5,512
Total non-current assets	26,414	26,705
Total assets	80,157	82,411

(Millions of yen)

	FY2022 (As of March 31, 2022)	FY2023 First quarter (As of June 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,077	8,661
Electronically recorded obligations - operating	5,072	6,143
Short-term loans payable	4,121	4,552
Income taxes payable	387	317
Provision for bonuses	975	399
Provision for product warranties	458	441
Other	3,761	4,061
Total current liabilities	22,853	24,557
Non-current liabilities		
Long-term loans payable	3,725	3,563
Retirement benefit liability	1,709	1,739
Other	2,091	2,032
Total non-current liabilities	7,525	7,335
Total liabilities	30,379	31,913
Net assets		
Shareholders' equity		
Capital stock	7,289	7,289
Capital surplus	7,041	7,041
Retained earnings	30,367	29,981
Treasury shares	(389)	(389)
Total shareholders' equity	44,310	43,924
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,742	1,684
Foreign currency translation adjustment	3,162	4,350
Remeasurements of defined benefit plans	221	204
Total accumulated other comprehensive income	5,126	6,240
Non-controlling interests	341	333
Total net assets	49,777	50,498
Total liabilities and net assets	80,157	82,411

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

(Millions of yen)

	FY 2022 First quarter (Apr.1.2021 through Jun. 30.2021)	FY 2023 First quarter (Apr.1.2022 through Jun. 30.2022)
Net sales	22,649	22,354
Cost of sales	20,397	21,189
Gross profit	2,252	1,165
Selling, general and administrative expenses		
Packing and transportation expenses	527	479
Salaries, allowances and bonuses	517	546
Provision for bonuses	63	62
Retirement benefit expenses	21	15
Depreciation	33	37
Other	640	579
Total selling, general and administrative expenses	1,804	1,720
Operating profit (loss)	448	(555)
Non-operating income		
Interest income	37	37
Dividend income	75	90
Foreign exchange gains	162	539
Other	100	54
Total non-operating income	376	721
Non-operating expenses		
Interest expenses	37	39
Other	10	3
Total non-operating expenses	48	43
Ordinary profit	776	123
Extraordinary income		
Gain on sales of non-current assets	6	13
Gain on sales of investment securities	0	0
Total extraordinary income	7	14
Extraordinary losses		
Loss on disposal of non-current assets	1	1
Total extraordinary losses	1	1
Profit before income taxes	782	136
Income taxes - current	407	406
Income taxes - deferred	18	(15)
Total income taxes	426	391
Profit (loss)	356	(254)
Profit attributable to non-controlling interests	11	16
Profit (loss) attributable to owners of parent	344	(270)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2022 First quarter (Apr.1.2021 through Jun. 30.2021)	FY 2023 First quarter (Apr.1.2022 through Jun. 30.2022)
Profit (loss)	356	(254)
Other comprehensive income		
Valuation difference on available-for-sale securities	207	(57)
Foreign currency translation adjustment	1,178	1,199
Remeasurements of defined benefit plans, net of tax	(10)	(16)
Total other comprehensive income	1,376	1,126
Comprehensive income	1,732	871
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,700	843
Comprehensive income attributable to non-controlling interests	32	28

Consolidated statements of cash flows

(Millions of yen)

	FY 2022 First quarter (Apr.1.2021 through Jun. 30.2021)	FY 2023 First quarter (Apr.1.2022 through Jun. 30.2022)
Cash flows from operating activities		
Profit before income taxes	782	136
Depreciation	854	690
Increase (decrease) in provision for bonuses	(611)	(575)
Interest and dividend income	(113)	(127)
Interest expenses	37	39
Employment adjustment subsidy	(85)	(60)
Loss (gain) on disposal of non-current assets	(5)	(12)
Decrease (increase) in notes and accounts receivable - trade	2,525	242
Decrease (increase) in inventories	(1,328)	(1,313)
Increase (decrease) in trade payable	(1,258)	1,049
Other, net	536	313
Subtotal	1,332	383
Interest and dividend income received	101	118
Interest expenses paid	(38)	(40)
Income taxes paid	(267)	(540)
Employment adjustment subsidy received	26	28
Net cash provided by (used in) operating activities	1,153	(50)
Cash flows from investing activities		
Decrease (increase) in time deposits	(19)	26
Purchase of property, plant and equipment	(295)	(401)
Purchase of investment securities	(27)	(30)
Other, net	(63)	(54)
Net cash provided by (used in) investing activities	(406)	(459)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(202)	349
Proceeds from long-term loans payable	40	200
Repayments of long-term loans payable	(487)	(468)
Repayments of lease obligations	(201)	(77)
Cash dividends paid	(229)	(114)
Other, net	(57)	(36)
Net cash provided by (used in) financing activities	(1,138)	(148)
Effect of exchange rate change on cash and cash equivalents	463	400
Net increase (decrease) in cash and cash equivalents	72	(259)
Cash and cash equivalents at beginning of period	18,831	18,455
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(0)	-
Cash and cash equivalents at end of period	18,902	18,196