

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

November 7, 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: November 8, 2022
 Scheduled date to commence dividend payments: December 2, 2022
 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 FY2023 (from April 1, 2022 to September 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	%
Second Quarter of FY2023	45,859	6.0	(1,137)	–	73	(87.3)	(562)	–
Second Quarter of FY2022	43,270	19.3	238	–	583	–	(63)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Second Quarter of FY2023	(24.48)	–
Second Quarter of FY2022	(2.74)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Second Quarter of FY2023	84,721	51,686	60.6	2,229.78
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	–	7.50			
FY2023(Forecast)			–	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
Full year	99,500	16.8	(650)	–	620	0.5	(730)	–	(31.71)

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 Second 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 Second quarter	456,520 shares	FY2022	482,005 shares
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Average number of shares during the period

FY2023 Second quarter	23,001,834 shares	FY2022 Second quarter	22,978,821 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 Second quarter (As of September 30, 2022)
Assets		
Current assets		
Cash and deposits	19,710	17,042
Notes and accounts receivable - trade	15,592	17,227
Electronically recorded monetary claims - operating	4,623	5,352
Inventories	12,412	16,516
Other	1,691	1,783
Allowance for doubtful accounts	(288)	(299)
Total current assets	53,742	57,623
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,912	7,066
Machinery, equipment and vehicles, net	4,920	5,479
Other, net	8,612	8,505
Total property, plant and equipment	20,445	21,051
Intangible assets		
Other	476	577
Total intangible assets	476	577
Investments and other assets		
Investment securities	4,822	4,675
Other	701	821
Allowance for doubtful accounts	(30)	(27)
Total investments and other assets	5,492	5,469
Total non-current assets	26,414	27,098
Total assets	80,157	84,721

(Millions of yen)

	FY2022 (As of March 31, 2022)	FY2023 Second quarter (As of September 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,077	9,522
Electronically recorded obligations - operating	5,072	4,512
Short-term loans payable	4,121	5,788
Income taxes payable	387	246
Provision for bonuses	975	981
Provision for product warranties	458	480
Other	3,761	3,640
Total current liabilities	22,853	25,173
Non-current liabilities		
Long-term loans payable	3,725	3,310
Retirement benefit liability	1,709	1,704
Other	2,091	2,847
Total non-current liabilities	7,525	7,862
Total liabilities	30,379	33,035
Net assets		
Shareholders' equity		
Capital stock	7,289	7,289
Capital surplus	7,041	7,041
Retained earnings	30,367	29,684
Treasury shares	(389)	(368)
Total shareholders' equity	44,310	43,647
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,742	1,613
Foreign currency translation adjustment	3,162	5,875
Remeasurements of defined benefit plans	221	190
Total accumulated other comprehensive income	5,126	7,679
Non-controlling interests	341	359
Total net assets	49,777	51,686
Total liabilities and net assets	80,157	84,721

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

(Millions of yen)

	FY 2022 Second quarter (Apr.1.2021 through Sep. 30.2021)	FY 2023 Second quarter (Apr.1.2022 through Sep. 30.2022)
Net sales	43,270	45,859
Cost of sales	39,454	43,500
Gross profit	3,816	2,359
Selling, general and administrative expenses		
Packing and transportation expenses	1,000	935
Salaries, allowances and bonuses	1,002	1,071
Provision for bonuses	161	152
Retirement benefit expenses	44	30
Depreciation	68	77
Other	1,300	1,229
Total selling, general and administrative expenses	3,577	3,497
Operating profit (loss)	238	(1,137)
Non-operating income		
Interest income	76	74
Dividend income	79	92
Foreign exchange gains	162	1,034
Other	173	102
Total non-operating income	492	1,304
Non-operating expenses		
Interest expenses	75	80
Other	72	12
Total non-operating expenses	147	92
Ordinary profit	583	73
Extraordinary income		
Gain on sales of non-current assets	6	14
Gain on sales of investment securities	0	0
Total extraordinary income	7	15
Extraordinary losses		
Loss on disposal of non-current assets	17	1
Loss on liquidation of subsidiaries and affiliates	0	–
Total extraordinary losses	18	1
Profit before income taxes	572	87
Income taxes - current	561	561
Income taxes - deferred	52	72
Total income taxes	613	633
Loss	(41)	(546)
Profit attributable to non-controlling interests	22	16
Loss attributable to owners of parent	(63)	(562)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2022 Second quarter (Apr.1.2021 through Sep. 30.2021)	FY 2023 Second quarter (Apr.1.2022 through Sep. 30.2022)
Loss	(41)	(546)
Other comprehensive income		
Valuation difference on available-for-sale securities	68	(128)
Foreign currency translation adjustment	1,131	2,750
Remeasurements of defined benefit plans, net of tax	(16)	(30)
Total other comprehensive income	1,183	2,590
Comprehensive income	1,142	2,044
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,093	1,990
Comprehensive income attributable to non-controlling interests	49	54

Consolidated statements of cash flows

(Millions of yen)

	FY 2022 Second quarter (Apr.1.2021 through Sep. 30.2021)	FY 2023 Second quarter (Apr.1.2022 through Sep. 30.2022)
Cash flows from operating activities		
Profit before income taxes	572	87
Depreciation	1,689	1,419
Increase (decrease) in provision for bonuses	(4)	5
Interest and dividend income	(156)	(167)
Interest expenses	75	80
Employment adjustment subsidy	(207)	(72)
Loss (gain) on disposal of non-current assets	10	(12)
Decrease (increase) in notes and accounts receivable - trade	4,718	(756)
Decrease (increase) in inventories	(2,236)	(2,683)
Increase (decrease) in notes and accounts payable - trade	(2,711)	(437)
Other, net	(238)	(823)
Subtotal	1,511	(3,359)
Interest and dividend income received	148	156
Interest expenses paid	(75)	(83)
Employment adjustment subsidy received	107	83
Income taxes paid	(605)	(686)
Net cash provided by (used in) operating activities	1,086	(3,889)
Cash flows from investing activities		
Decrease (increase) in time deposits	6	129
Purchase of property, plant and equipment	(997)	(706)
Purchase of investment securities	(33)	(35)
Other, net	(97)	(131)
Net cash provided by (used in) investing activities	(1,122)	(742)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	648	1,305
Proceeds from long-term loans payable	40	200
Repayments of long-term loans payable	(974)	(950)
Repayments of lease obligations	(390)	(224)
Proceeds from sale and leaseback transactions	-	968
Cash dividends paid	(229)	(114)
Other, net	(57)	(36)
Net cash provided by (used in) financing activities	(964)	1,147
Effect of exchange rate change on cash and cash equivalents	489	814
Net increase (decrease) in cash and cash equivalents	(509)	(2,670)
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	18,320	15,784