

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

February 8, 2023

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, 2023
 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 FY2023 (from April 1, 2022 to December 31, 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	%
Third Quarter of FY2023	74,210	16.9	(572)	—	628	10.0	(278)	—
Third Quarter of FY2022	63,467	3.3	97	—	570	—	(274)	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Third Quarter of FY2023	(12.14)	—
Third Quarter of FY2022	(11.92)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Third Quarter of FY2023	88,353	51,652	58.0	2,242.99
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 Third 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 Third quarter	612,920 shares	FY2022	482,005 shares
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Average number of shares during the period

FY2023 Third quarter	22,988,456 shares	FY2022 Third quarter	22,983,663 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 Third quarter (As of December 31, 2022)
Assets		
Current assets		
Cash and deposits	19,710	17,053
Notes and accounts receivable - trade	15,592	19,860
Electronically recorded monetary claims - operating	4,623	6,279
Inventories	12,412	16,335
Other	1,691	1,892
Allowance for doubtful accounts	(288)	(282)
Total current assets	53,742	61,138
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,912	7,102
Machinery, equipment and vehicles, net	4,920	5,315
Other, net	8,612	8,695
Total property, plant and equipment	20,445	21,112
Intangible assets		
Other	476	655
Total intangible assets	476	655
Investments and other assets		
Investment securities	4,822	4,715
Other	701	758
Allowance for doubtful accounts	(30)	(27)
Total investments and other assets	5,492	5,446
Total non-current assets	26,414	27,214
Total assets	80,157	88,353

(Millions of yen)

	FY2022 (As of March 31, 2022)	FY2023 Third quarter (As of December 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,077	11,171
Electronically recorded obligations - operating	5,072	5,635
Short-term loans payable	4,121	6,765
Income taxes payable	387	367
Provision for bonuses	975	388
Provision for product warranties	458	446
Other	3,761	4,394
Total current liabilities	22,853	29,169
Non-current liabilities		
Long-term loans payable	3,725	2,963
Retirement benefit liability	1,709	1,688
Other	2,091	2,879
Total non-current liabilities	7,525	7,531
Total liabilities	30,379	36,700
Net assets		
Shareholders' equity		
Capital stock	7,289	7,289
Capital surplus	7,041	7,041
Retained earnings	30,367	29,795
Treasury shares	(389)	(471)
Total shareholders' equity	44,310	43,655
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,742	1,630
Foreign currency translation adjustment	3,162	5,814
Remeasurements of defined benefit plans	221	179
Total accumulated other comprehensive income	5,126	7,624
Non-controlling interests	341	372
Total net assets	49,777	51,652
Total liabilities and net assets	80,157	88,353

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

(Millions of yen)

	FY 2022 Third quarter (Apr.1.2021 through Dec. 31.2021)	FY 2023 Third quarter (Apr.1.2022 through Dec. 31.2022)
Net sales	63,467	74,210
Cost of sales	58,162	69,404
Gross profit	5,304	4,806
Selling, general and administrative expenses		
Packing and transportation expenses	1,450	1,413
Salaries, allowances and bonuses	1,645	1,772
Provision for bonuses	66	64
Retirement benefit expenses	78	49
Depreciation	102	117
Other	1,862	1,962
Total selling, general and administrative expenses	5,206	5,378
Operating profit (loss)	97	(572)
Non-operating income		
Interest income	109	111
Dividend income	163	185
Foreign exchange gains	215	927
Other	164	166
Total non-operating income	652	1,391
Non-operating expenses		
Interest expenses	112	162
Other	66	29
Total non-operating expenses	179	191
Ordinary profit	570	628
Extraordinary income		
Gain on sales of non-current assets	53	25
Gain on sales of investment securities	0	72
Total extraordinary income	53	97
Extraordinary losses		
Loss on disposal of non-current assets	90	6
Loss on liquidation of subsidiaries and affiliates	0	–
Total extraordinary losses	91	6
Profit before income taxes	533	719
Income taxes - current	700	839
Income taxes - deferred	81	125
Total income taxes	782	965
Loss	(248)	(245)
Profit attributable to non-controlling interests	25	33
Loss attributable to owners of parent	(274)	(278)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2022 Third quarter (Apr.1.2021 through Dec. 31.2021)	FY 2023 Third quarter (Apr.1.2022 through Dec. 31.2022)
Loss	(248)	(245)
Other comprehensive income		
Valuation difference on available-for-sale securities	(119)	(111)
Foreign currency translation adjustment	1,040	2,685
Remeasurements of defined benefit plans, net of tax	(21)	(41)
Total other comprehensive income	899	2,531
Comprehensive income	650	2,286
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	592	2,219
Comprehensive income attributable to non-controlling interests	57	66

Consolidated statements of cash flows

(Millions of yen)

	FY 2022 Third quarter (Apr.1.2021 through Dec. 31.2021)	FY 2023 Third quarter (Apr.1.2022 through Dec. 31.2022)
Cash flows from operating activities		
Profit before income taxes	533	719
Depreciation	2,494	2,170
Increase (decrease) in provision for bonuses	(641)	(586)
Interest and dividend income	(272)	(297)
Interest expenses	112	162
Employment adjustment subsidy	(319)	(81)
Loss (gain) on disposal of non-current assets	37	(18)
Decrease (increase) in notes and accounts receivable - trade	4,815	(3,912)
Decrease (increase) in inventories	(2,941)	(2,220)
Increase (decrease) in notes and accounts payable - trade	(2,143)	1,872
Other, net	617	(557)
Subtotal	2,291	(2,749)
Interest and dividend income received	262	281
Interest expenses paid	(112)	(156)
Employment adjustment subsidy received	223	93
Income taxes paid	(797)	(815)
Net cash provided by (used in) operating activities	1,867	(3,346)
Cash flows from investing activities		
Decrease (increase) in time deposits	44	215
Purchase of property, plant and equipment	(2,087)	(1,351)
Purchase of investment securities	(63)	(72)
Other, net	(141)	(38)
Net cash provided by (used in) investing activities	(2,247)	(1,246)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	299	2,064
Proceeds from long-term loans payable	908	200
Repayments of long-term loans payable	(1,387)	(1,371)
Repayments of lease obligations	(560)	(335)
Purchase of treasury shares	0	(102)
Proceeds from sale and leaseback transactions	-	1,008
Cash dividends paid	(459)	(287)
Other, net	(57)	(36)
Net cash provided by (used in) financing activities	(1,257)	1,139
Effect of exchange rate change on cash and cash equivalents	486	878
Net increase (decrease) in cash and cash equivalents	(1,151)	(2,575)
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	17,679	15,880