

Summary of Consolidated Financial Results for the Second Quarter of FY2024 (Based on Japanese GAAP)

November 7, 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: November 8, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 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 Fiscal Second Quarter of FY2024 (from April 1, 2023 to September 30, 2023)

(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 FY2024	47,332	3.2	(276)	-	208	183.0	(1,114)	-
Second Quarter of FY2023	45,859	6.0	(1,137)	-	73	(87.3)	(562)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Second Quarter of FY2024	(50.35)	-
Second Quarter of FY2023	(24.48)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Second Quarter of FY2024	81,861	49,388	59.9	2,235.67
FY2023	82,903	48,887	58.5	2,159.80

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
FY2023	-	7.50	-	7.50	15.00
FY2024	-	6.00	-	-	-
FY2024(Forecast)	-	-	-	-	-

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	95,400	(4.3)	70	-	50	77.8	(1,970)	-	(87.70)

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: No
 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)

FY2024 Second quarter	23,475,352 shares	FY2023	23,475,352 shares
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Number of treasury shares at the end of the period

FY2024 Second quarter	1,558,247 shares	FY2023	1,014,557 shares
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Average number of shares during the period

FY2024 Second quarter	22,129,304 shares	FY2023 Second quarter	23,001,834 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)

	FY2023 (As of March 31, 2023)	FY2024 Second quarter (As of September 30, 2023)
Assets		
Current assets		
Cash and deposits	17,283	15,181
Notes and accounts receivable - trade	16,420	16,005
Electronically recorded monetary claims - operating	5,462	5,992
Inventories	14,765	13,681
Other	2,336	2,335
Allowance for doubtful accounts	(266)	(281)
Total current assets	56,003	52,916
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,771	6,751
Machinery, equipment and vehicles, net	5,061	5,305
Other, net	8,391	8,305
Total property, plant and equipment	20,224	20,362
Intangible assets		
Other	700	805
Total intangible assets	700	805
Investments and other assets		
Investment securities	5,251	6,841
Other	750	964
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	5,975	7,777
Total non-current assets	26,900	28,945
Total assets	82,903	81,861

(Millions of yen)

	FY2023 (As of March 31, 2023)	FY2024 Second quarter (As of September 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,434	8,369
Electronically recorded obligations - operating	4,612	5,142
Short-term loans payable	5,884	5,896
Income taxes payable	283	184
Provision for bonuses	806	767
Provision for product warranties	381	102
Other	3,777	4,300
Total current liabilities	26,180	24,764
Non-current liabilities		
Long-term loans payable	2,516	1,858
Retirement benefit liability	1,652	1,482
Other	3,666	4,367
Total non-current liabilities	7,835	7,708
Total liabilities	34,016	32,472
Net assets		
Shareholders' equity		
Capital stock	7,289	7,289
Capital surplus	7,041	7,041
Retained earnings	28,021	26,736
Treasury shares	(763)	(1,120)
Total shareholders' equity	41,589	39,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,002	3,084
Foreign currency translation adjustment	4,783	5,843
Remeasurements of defined benefit plans	135	123
Total accumulated other comprehensive income	6,921	9,051
Non-controlling interests	376	389
Total net assets	48,887	49,388
Total liabilities and net assets	82,903	81,861

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

(Millions of yen)

	FY 2023 Second quarter (Apr.1.2022 through Sep. 30.2022)	FY 2024 Second quarter (Apr.1.2023 through Sep. 30.2023)
Net sales	45,859	47,332
Cost of sales	43,500	43,989
Gross profit	2,359	3,343
Selling, general and administrative expenses		
Packing and transportation expenses	935	844
Salaries, allowances and bonuses	1,071	1,132
Provision for bonuses	152	106
Retirement benefit expenses	30	36
Depreciation	77	69
Other	1,229	1,430
Total selling, general and administrative expenses	3,497	3,619
Operating loss	(1,137)	(276)
Non-operating income		
Interest income	74	77
Dividend income	92	103
Foreign exchange gains	1,034	504
Other	102	118
Total non-operating income	1,304	803
Non-operating expenses		
Interest expenses	80	205
Compensation expenses	1	82
Other	10	30
Total non-operating expenses	92	318
Ordinary profit	73	208
Extraordinary income		
Gain on sales of non-current assets	14	124
Gain on sales of investment securities	0	32
Total extraordinary income	15	156
Extraordinary losses		
Loss on disposal of non-current assets	1	13
Impairment losses	–	32
Extra retirement payments	–	947
Total extraordinary losses	1	993
Profit (loss) before income taxes	87	(627)
Income taxes - current	561	503
Income taxes - deferred	72	(47)
Total income taxes	633	455
Loss	(546)	(1,083)
Profit attributable to non-controlling interests	16	30
Loss attributable to owners of parent	(562)	(1,114)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2023 Second quarter (Apr.1.2022 through Sep. 30.2022)	FY 2024 Second quarter (Apr.1.2023 through Sep. 30.2023)
Loss	(546)	(1,083)
Other comprehensive income		
Valuation difference on available-for-sale securities	(128)	1,082
Foreign currency translation adjustment	2,750	1,090
Remeasurements of defined benefit plans, net of tax	(30)	(12)
Total other comprehensive income	2,590	2,160
Comprehensive income	2,044	1,076
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,990	1,015
Comprehensive income attributable to non-controlling interests	54	61

Consolidated statements of cash flows

(Millions of yen)

	FY 2023 Second quarter (Apr.1.2022 through Sep. 30.2022)	FY 2024 Second quarter (Apr.1.2023 through Sep. 30.2023)
Cash flows from operating activities		
Profit (loss) before income taxes	87	(627)
Depreciation	1,419	1,451
Increase (decrease) in provision for bonuses	5	(38)
Increase (decrease) in provision for product warranties	11	(293)
Interest and dividend income	(167)	(180)
Interest expenses	80	205
Employment adjustment subsidy	(72)	–
Extra retirement payments	–	947
Loss (gain) on disposal of non-current assets	(12)	(111)
Decrease (increase) in notes and accounts receivable - trade	(756)	639
Decrease (increase) in inventories	(2,683)	1,665
Increase (decrease) in trade payable	(437)	(2,302)
Other, net	(835)	(235)
Subtotal	(3,359)	1,117
Interest and dividend income received	156	178
Interest expenses paid	(83)	(202)
Employment adjustment subsidy received	83	–
Extra retirement payments	–	(903)
Income taxes paid	(686)	(597)
Net cash provided by (used in) operating activities	(3,889)	(407)
Cash flows from investing activities		
Decrease (increase) in time deposits	129	216
Purchase of property, plant and equipment	(706)	(402)
Purchase of investment securities	(35)	(34)
Other, net	(131)	(94)
Net cash provided by (used in) investing activities	(742)	(315)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,305	(475)
Proceeds from long-term loans payable	200	200
Repayments of long-term loans payable	(950)	(771)
Repayments of lease obligations	(224)	(247)
Proceeds from sale and leaseback transactions	968	–
Cash dividends paid	(114)	(168)
Other, net	(36)	(422)
Net cash provided by (used in) financing activities	1,147	(1,884)
Effect of exchange rate change on cash and cash equivalents	814	616
Net increase (decrease) in cash and cash equivalents	(2,670)	(1,991)
Cash and cash equivalents at beginning of period	18,455	15,885
Cash and cash equivalents at end of period	15,784	13,893