

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

February 8, 2024

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, 2024
 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 FY2024 (from April 1, 2023 to December 31, 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	%
Third Quarter of FY2024	73,313	(1.2)	(210)	-	328	(47.7)	(972)	-
Third Quarter of FY2023	74,210	16.9	(572)	-	628	10.0	(278)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Third Quarter of FY2024	(44.12)	-
Third Quarter of FY2023	(12.14)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Third Quarter of FY2024	82,609	49,186	59.1	2,228.27
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)	-	-	-	6.00	12.00

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	100,600	0.9	70	-	500	-	(920)	-	(41.72)

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 Third 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 Third quarter	1,582,748 shares	FY2023	1,014,557 shares
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Average number of shares during the period

FY2024 Third quarter	22,050,405 shares	FY2023 Third quarter	22,988,456 shares
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*This report is not subject to quarterly review by certified public accountants or auditing firms.

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	17,283	13,980
Notes and accounts receivable - trade	16,420	17,277
Electronically recorded monetary claims - operating	5,462	6,706
Inventories	14,765	13,955
Other	2,336	2,178
Allowance for doubtful accounts	△266	△253
Total current assets	56,003	53,844
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,771	6,719
Machinery, equipment and vehicles, net	5,061	5,244
Other, net	8,391	8,794
Total property, plant and equipment	20,224	20,758
Intangible assets		
Other	700	829
Total intangible assets	700	829
Investments and other assets		
Investment securities	5,251	5,952
Other	750	1,251
Allowance for doubtful accounts	△27	△27
Total investments and other assets	5,975	7,176
Total non-current assets	26,900	28,764
Total assets	82,903	82,609
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,434	10,051
Electronically recorded obligations - operating	4,612	5,716
Short-term borrowings	5,884	5,081
Income taxes payable	283	146
Provision for bonuses	806	314
Provision for product warranties	381	79
Other	3,777	4,636
Total current liabilities	26,180	26,026
Non-current liabilities		
Long-term borrowings	2,516	1,536
Retirement benefit liability	1,652	1,510
Other	3,666	4,349
Total non-current liabilities	7,835	7,395
Total liabilities	34,016	33,422

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	7,289	7,289
Capital surplus	7,041	7,041
Retained earnings	28,021	26,746
Treasury shares	△763	△1,135
Total shareholders' equity	41,589	39,942
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,002	2,536
Foreign currency translation adjustment	4,783	6,187
Remeasurements of defined benefit plans	135	116
Total accumulated other comprehensive income	6,921	8,840
Non-controlling interests	376	404
Total net assets	48,887	49,186
Total liabilities and net assets	82,903	82,609

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	74,210	73,313
Cost of sales	69,404	67,958
Gross profit	4,806	5,355
Selling, general and administrative expenses		
Packing and transportation costs	1,413	1,327
Salaries, allowances and bonuses	1,772	1,790
Provision for bonuses	64	42
Retirement benefit expenses	49	63
Depreciation	117	104
Other	1,962	2,237
Total selling, general and administrative expenses	5,378	5,565
Operating loss	△572	△210
Non-operating income		
Interest income	111	102
Dividend income	185	222
Foreign exchange gains	927	499
Other	166	149
Total non-operating income	1,391	973
Non-operating expenses		
Interest expenses	162	300
Compensation expenses	10	89
Other	18	44
Total non-operating expenses	191	434
Ordinary profit	628	328
Extraordinary income		
Gain on sale of non-current assets	25	148
Gain on sale of investment securities	72	268
Total extraordinary income	97	416
Extraordinary losses		
Loss on disposal of non-current assets	6	16
Loss on sale of investment securities	—	2
Impairment losses	—	32
Extra retirement payments	—	966
Total extraordinary losses	6	1,018
Profit (loss) before income taxes	719	△273
Income taxes - current	839	599
Income taxes - deferred	125	52
Total income taxes	965	651
Loss	△245	△925
Profit attributable to non-controlling interests	33	47
Loss attributable to owners of parent	△278	△972

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Loss	△245	△925
Other comprehensive income		
Valuation difference on available-for-sale securities	△111	534
Foreign currency translation adjustment	2,685	1,432
Remeasurements of defined benefit plans, net of tax	△41	△19
Total other comprehensive income	2,531	1,947
Comprehensive income	2,286	1,022
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,219	945
Comprehensive income attributable to non-controlling interests	66	76

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	719	△273
Depreciation	2,170	2,225
Increase (decrease) in provision for bonuses	△586	△491
Increase (decrease) in provision for product warranties	△20	△321
Interest and dividend income	△297	△324
Interest expenses	162	300
Subsidies for employment adjustment	△81	—
Extra retirement payments	—	966
Loss (gain) on disposal of non-current assets	△18	△131
Loss (gain) on sale of investment securities	△72	△265
Decrease (increase) in trade receivables	△3,912	△1,061
Decrease (increase) in inventories	△2,220	1,623
Increase (decrease) in trade payables	1,872	△343
Other, net	△464	135
Subtotal	△2,749	2,036
Interest and dividends received	281	324
Interest paid	△156	△296
Proceeds from subsidies for employment adjustment	93	—
Extra retirement payments	—	△952
Income taxes paid	△815	△699
Net cash provided by (used in) operating activities	△3,346	411
Cash flows from investing activities		
Decrease (increase) in time deposits	215	331
Purchase of property, plant and equipment	△1,351	△1,445
Proceeds from sale of property, plant and equipment	28	236
Purchase of investment securities	△72	△80
Proceeds from sale of investment securities	93	424
Other, net	△160	△330
Net cash provided by (used in) investing activities	△1,246	△863
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,064	△1,306
Proceeds from long-term borrowings	200	200
Repayments of long-term borrowings	△1,371	△1,171
Repayments of lease liabilities	△335	△333
Purchase of treasury shares	△102	△389
Proceeds from sale and leaseback transactions	1,008	—
Dividends paid	△287	△299
Other, net	△36	△49
Net cash provided by (used in) financing activities	1,139	△3,349
Effect of exchange rate change on cash and cash equivalents	878	721
Net increase (decrease) in cash and cash equivalents	△2,575	△3,079
Cash and cash equivalents at beginning of period	18,455	15,885
Cash and cash equivalents at end of period	15,880	12,805