

Summary of Consolidated Financial Results for the Year Ended March 31, 2018 (Based on Japanese GAAP)

May 11, 2018

Company name: Imasen Electric Industrial Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7266 URL <http://www.imasen.co.jp/>
 Representative: President Takashi Adachi
 Inquiries: Executive Officer Tomochika Okuda TEL 0568-67-1211
 Scheduled date of ordinary general meeting of shareholders: June 19, 2018
 Scheduled date to file Securities Report: June 19, 2018
 Scheduled date to commence dividend payments: June 1, 2018
 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 year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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	%
Year ended March 31, 2018	117,339	6.4	3,281	22.9	3,400	66.1	2,878	83.6
Year ended March 31, 2017	110,275	(8.2)	2,670	(16.6)	2,047	(25.5)	1,567	77.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	139.21	138.44	6.0	4.0	2.8
Year ended March 31, 2017	76.48	75.39	3.4	2.4	2.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	87,431	50,817	57.7	2,427.55
As of March 31, 2017	82,033	46,335	56.0	2,239.53

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	7,220	(3,478)	(2,039)	10,912
Year ended March 31, 2017	4,182	(2,634)	(3,538)	9,683

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	–	15.00	–	16.00	31.00	635	40.5	1.4
Year ended March 31, 2018	–	15.00	–	16.00	31.00	644	22.3	1.3
Year ending March 31, 2019 (Forecast)	–	16.00	–	16.00	32.00		24.6	

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	59,000	4.6	1,600	42.7	1,400	30.1	700	(8.6)	33.66
Full year	118,000	0.6	4,200	28.0	3,900	14.7	2,700	(6.2)	129.85

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2018	21,341,152 shares	As of March 31, 2017	21,046,785 shares
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Number of treasury shares at the end of the period

As of March 31, 2018	547,285 shares	As of March 31, 2017	546,958 shares
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Average number of shares during the period

Year ended March 31, 2018	20,680,487 shares	Year ended March 31, 2017	20,499,838 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	10,304	12,884
Notes and accounts receivable - trade	19,235	20,971
Electronically recorded monetary claims - operating	6,312	6,606
Inventories	10,922	11,659
Deferred tax assets	1,434	1,392
Other	3,148	3,506
Allowance for doubtful accounts	(546)	(497)
Total current assets	50,811	56,523
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,925	8,037
Machinery, equipment and vehicles, net	7,179	6,888
Tools, furniture and fixtures, net	4,611	3,923
Land	4,673	4,849
Construction in progress	572	586
Total property, plant and equipment	24,961	24,286
Intangible assets		
Other	814	686
Total intangible assets	814	686
Investments and other assets		
Investment securities	4,966	5,580
Deferred tax assets	219	107
Other	336	324
Allowance for doubtful accounts	(75)	(77)
Total investments and other assets	5,446	5,935
Total non-current assets	31,222	30,908
Total assets	82,033	87,431

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,674	11,149
Electronically recorded obligations - operating	6,116	6,445
Current portion of bonds	327	–
Short-term loans payable	3,649	2,788
Lease obligations	962	1,172
Income taxes payable	454	393
Provision for bonuses	1,207	1,212
Provision for product warranties	178	202
Other	5,151	5,311
Total current liabilities	26,720	28,676
Non-current liabilities		
Long-term loans payable	2,887	3,102
Lease obligations	1,312	1,072
Deferred tax liabilities	1,053	1,330
Net defined benefit liability	2,362	2,157
Other	1,361	273
Total non-current liabilities	8,978	7,937
Total liabilities	35,698	36,613
Net assets		
Shareholders' equity		
Capital stock	6,134	6,297
Capital surplus	5,867	6,049
Retained earnings	31,155	33,669
Treasury shares	(441)	(441)
Total shareholders' equity	42,717	45,574
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,983	2,372
Foreign currency translation adjustment	1,322	2,542
Remeasurements of defined benefit plans	(113)	(11)
Total accumulated other comprehensive income	3,192	4,903
Non-controlling interests	425	339
Total net assets	46,335	50,817
Total liabilities and net assets	82,033	87,431

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

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	110,275	117,339
Cost of sales	98,183	104,989
Gross profit	12,091	12,349
Selling, general and administrative expenses		
Packing and transportation expenses	2,867	2,847
Provision for product warranties	94	180
Salaries, allowances and bonuses	2,419	2,380
Provision for bonuses	177	177
Retirement benefit expenses	82	98
Depreciation	396	360
Other	3,382	3,022
Total selling, general and administrative expenses	9,421	9,067
Operating profit	2,670	3,281
Non-operating income		
Interest income	124	139
Dividend income	113	130
Foreign exchange gains	–	120
Other	175	195
Total non-operating income	412	586
Non-operating expenses		
Interest expenses	342	400
Compensation expenses	8	9
Foreign exchange losses	596	–
Other	88	57
Total non-operating expenses	1,036	467
Ordinary profit	2,047	3,400
Extraordinary income		
Gain on sales of non-current assets	3	59
Gain on sales of investment securities	46	–
Total extraordinary income	49	59
Extraordinary losses		
Loss on disposal of non-current assets	26	26
Loss on valuation of investment securities	69	–
Total extraordinary losses	96	26
Profit before income taxes	2,000	3,434
Income taxes - current	809	828
Refund of income taxes	–	(602)
Income taxes - deferred	(442)	219
Total income taxes	366	444
Profit	1,633	2,989
Profit attributable to non-controlling interests	65	110
Profit attributable to owners of parent	1,567	2,878

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	1,633	2,989
Other comprehensive income		
Valuation difference on available-for-sale securities	426	389
Foreign currency translation adjustment	(1,119)	1,236
Remeasurements of defined benefit plans, net of tax	180	101
Total other comprehensive income	(511)	1,727
Comprehensive income	1,121	4,717
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,061	4,590
Comprehensive income attributable to non-controlling interests	60	127

Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,134	5,867	30,203	(441)	41,764
Changes of items during period					
Dividends of surplus			(614)		(614)
Profit attributable to owners of parent			1,567		1,567
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	952	(0)	952
Balance at end of current period	6,134	5,867	31,155	(441)	42,717

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,556	2,436	(294)	3,698	417	45,881
Changes of items during period						
Dividends of surplus						(614)
Profit attributable to owners of parent						1,567
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	426	(1,113)	180	(506)	7	(499)
Total changes of items during period	426	(1,113)	180	(506)	7	453
Balance at end of current period	1,983	1,322	(113)	3,192	425	46,335

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,134	5,867	31,155	(441)	42,717
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	162	162			324
Dividends of surplus			(639)		(639)
Profit attributable to owners of parent			2,878		2,878
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		19			19
Sales of shares of foreign consolidated subsidiaries			274		274
Net changes of items other than shareholders' equity					
Total changes of items during period	162	181	2,513	(0)	2,857
Balance at end of current period	6,297	6,049	33,669	(441)	45,574

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,983	1,322	(113)	3,192	425	46,335
Changes of items during period						
Issuance of new shares - exercise of share acquisition rights						324
Dividends of surplus						(639)
Profit attributable to owners of parent						2,878
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						19
Sales of shares of foreign consolidated subsidiaries						274
Net changes of items other than shareholders' equity	389	1,220	101	1,711	(85)	1,625
Total changes of items during period	389	1,220	101	1,711	(85)	4,482
Balance at end of current period	2,372	2,542	(11)	4,903	339	50,817

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	2,000	3,434
Depreciation	5,355	4,984
Increase (decrease) in allowance for doubtful accounts	108	(71)
Increase (decrease) in provision for bonuses	(51)	4
Increase (decrease) in provision for product warranties	62	24
Interest and dividend income	(237)	(269)
Interest expenses	342	400
Loss (gain) on sales of investment securities	(46)	–
Loss (gain) on valuation of investment securities	69	–
Loss (gain) on disposal of non-current assets	22	(33)
Decrease (increase) in notes and accounts receivable - trade	(337)	(1,858)
Decrease (increase) in inventories	(954)	(696)
Increase (decrease) in notes and accounts payable - trade	889	2,682
Other, net	(1,371)	(635)
Subtotal	5,853	7,965
Interest and dividend income received	244	277
Interest expenses paid	(342)	(391)
Income taxes paid	(1,572)	(630)
Net cash provided by (used in) operating activities	4,182	7,220
Cash flows from investing activities		
Decrease (increase) in time deposits	68	(1,270)
Purchase of property, plant and equipment	(2,817)	(2,094)
Proceeds from sales of property, plant and equipment	44	25
Purchase of investment securities	(55)	(59)
Proceeds from sales of investment securities	65	–
Other, net	60	(80)
Net cash provided by (used in) investing activities	(2,634)	(3,478)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,462)	(92)
Proceeds from long-term loans payable	1,500	2,172
Repayments of long-term loans payable	(1,871)	(2,158)
Redemption of bonds	–	(2)
Repayments of lease obligations	(1,037)	(1,125)
Cash dividends paid	(614)	(639)
Other, net	(53)	(193)
Net cash provided by (used in) financing activities	(3,538)	(2,039)
Effect of exchange rate change on cash and cash equivalents	(457)	(473)
Net increase (decrease) in cash and cash equivalents	(2,448)	1,229
Cash and cash equivalents at beginning of period	12,131	9,683
Cash and cash equivalents at end of period	9,683	10,912