

Summary of Consolidated Financial Results for the Fiscal Second Quarter Ended September 30, 2018 (Based on Japanese GAAP)

November 8, 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 to file quarterly Securities Report: November 9, 2018
 Scheduled date to commence dividend payments: December 3, 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 Fiscal Second Quarter Ended September 30, 2018 (from April 1, 2018 to September 30, 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	%
3 months ended September 30, 2018	59,744	5.9	1,701	51.7	1,701	58.1	1,122	46.6
3 months ended September 30, 2017	56,401	3.4	1,121	72.9	1,076	-	765	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
3 months ended September 30, 2018	53.96	-
3 months ended September 30, 2017	37.22	36.82

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2018	84,669	50,046	58.8	2,392.41
As of March 31, 2018	86,107	50,817	58.6	2,427.55

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
Year ended March 31, 2018	-	15.00	-	16.00	31.00
Year ended March 31, 2019	-	16.00	-	-	-
Year ending March 31, 2019 (Forecast)	-	-	-	16.00	32.00

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
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 quarter
 (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 September 30, 2018	21,341,152 shares	As of March 31, 2018	21,341,152 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	547,341 shares	As of March 31, 2018	547,285 shares
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Average number of shares during the period

3 months ended September 30, 2018	20,793,858 shares	3 months ended September 30, 2017	20,567,715 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	12,884	13,620
Notes and accounts receivable - trade	20,971	19,879
Electronically recorded monetary claims - operating	6,606	6,401
Inventories	11,659	11,704
Other	3,506	3,137
Allowance for doubtful accounts	(497)	(482)
Total current assets	55,130	54,261
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,037	7,795
Machinery, equipment and vehicles, net	6,888	6,578
Other, net	9,360	9,510
Total property, plant and equipment	24,286	23,884
Intangible assets		
Other	686	599
Total intangible assets	686	599
Investments and other assets		
Investment securities	5,580	5,414
Other	500	561
Allowance for doubtful accounts	(77)	(51)
Total investments and other assets	6,003	5,924
Total non-current assets	30,976	30,408
Total assets	86,107	84,669

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,149	11,295
Electronically recorded obligations - operating	6,445	6,172
Short-term loans payable	2,788	2,521
Income taxes payable	393	323
Provision for bonuses	1,212	1,236
Provision for product warranties	202	262
Other	6,484	6,356
Total current liabilities	28,676	28,168
Non-current liabilities		
Long-term loans payable	3,102	2,400
Net defined benefit liability	2,157	2,123
Other	1,352	1,931
Total non-current liabilities	6,613	6,454
Total liabilities	35,289	34,623
Net assets		
Shareholders' equity		
Capital stock	6,297	6,297
Capital surplus	6,049	6,049
Retained earnings	33,669	34,458
Treasury shares	(441)	(441)
Total shareholders' equity	45,574	46,363
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,372	2,236
Foreign currency translation adjustment	2,542	1,159
Remeasurements of defined benefit plans	(11)	(12)
Total accumulated other comprehensive income	4,903	3,383
Non-controlling interests	339	299
Total net assets	50,817	50,046
Total liabilities and net assets	86,107	84,669

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

(Millions of yen)

	3 months ended September 30, 2017	3 months ended September 30, 2018
Net sales	56,401	59,744
Cost of sales	50,557	53,360
Gross profit	5,844	6,383
Selling, general and administrative expenses		
Packing and transportation expenses	1,371	1,535
Salaries, allowances and bonuses	1,129	1,118
Provision for bonuses	179	184
Retirement benefit expenses	40	43
Depreciation	194	139
Other	1,807	1,661
Total selling, general and administrative expenses	4,723	4,682
Operating profit	1,121	1,701
Non-operating income		
Interest income	64	72
Dividend income	68	76
Other	89	165
Total non-operating income	222	314
Non-operating expenses		
Interest expenses	189	190
Foreign exchange losses	29	80
Other	47	43
Total non-operating expenses	267	314
Ordinary profit	1,076	1,701
Extraordinary income		
Gain on sales of non-current assets	45	0
Total extraordinary income	45	0
Extraordinary losses		
Loss on disposal of non-current assets	6	7
Total extraordinary losses	6	7
Profit before income taxes	1,115	1,694
Income taxes - current	293	574
Income taxes - deferred	13	(43)
Total income taxes	306	530
Profit	808	1,163
Profit attributable to non-controlling interests	43	41
Profit attributable to owners of parent	765	1,122

Consolidated statements of comprehensive income

(Millions of yen)

	3 months ended September 30, 2017	3 months ended September 30, 2018
Profit	808	1,163
Other comprehensive income		
Valuation difference on available-for-sale securities	222	(136)
Foreign currency translation adjustment	(31)	(1,400)
Remeasurements of defined benefit plans, net of tax	10	(0)
Total other comprehensive income	201	(1,537)
Comprehensive income	1,009	(373)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	960	(398)
Comprehensive income attributable to non-controlling interests	48	24

Consolidated statements of cash flows

(Millions of yen)

	3 months ended September 30, 2017	3 months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	1,115	1,694
Depreciation	2,506	2,289
Increase (decrease) in provision for bonuses	9	24
Interest and dividend income	(133)	(149)
Interest expenses	189	190
Loss (gain) on disposal of non-current assets	(39)	7
Decrease (increase) in notes and accounts receivable - trade	(900)	776
Decrease (increase) in inventories	(250)	(281)
Increase (decrease) in notes and accounts payable - trade	2,030	285
Other, net	19	(123)
Subtotal	4,548	4,714
Interest and dividend income received	139	142
Interest expenses paid	(189)	(192)
Income taxes paid	(477)	(598)
Net cash provided by (used in) operating activities	4,020	4,066
Cash flows from investing activities		
Decrease (increase) in time deposits	(845)	41
Purchase of property, plant and equipment	(856)	(1,414)
Purchase of investment securities	(29)	(32)
Other, net	(82)	32
Net cash provided by (used in) investing activities	(1,814)	(1,372)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(272)	286
Proceeds from long-term loans payable	674	–
Repayments of long-term loans payable	(1,271)	(1,197)
Redemption of bonds	(2)	–
Repayments of lease obligations	(554)	(590)
Cash dividends paid	(327)	(332)
Other, net	(50)	(65)
Net cash provided by (used in) financing activities	(1,805)	(1,898)
Effect of exchange rate change on cash and cash equivalents	(136)	72
Net increase (decrease) in cash and cash equivalents	265	866
Cash and cash equivalents at beginning of period	9,683	10,912
Cash and cash equivalents at end of period	9,948	11,779