

Summary of Consolidated Financial Results for the Fiscal Third Quarter Ended December 31, 2018 (Based on Japanese GAAP)

February 8, 2019

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: February 12, 2019
 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 Fiscal Third Quarter Ended December 31, 2018 (from April 1, 2018 to December 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	%
3 months ended December 31, 2018	89,908	4.9	3,172	45.2	3,244	40.8	2,303	47.4
3 months ended December 31, 2017	85,711	4.8	2,185	32.6	2,303	191.9	1,563	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
3 months ended December 31, 2018	110.79	—
3 months ended December 31, 2017	75.73	75.17

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2018	84,737	50,900	59.7	2,432.39
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 December 31, 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 December 31, 2018	547,353 shares	As of March 31, 2018	547,285 shares
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Average number of shares during the period

3 months ended December 31, 2018	20,793,841 shares	3 months ended December 31, 2017	20,643,380 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	12,884	12,730
Notes and accounts receivable - trade	20,971	18,985
Electronically recorded monetary claims - operating	6,606	7,494
Inventories	11,659	12,474
Other	3,506	3,512
Allowance for doubtful accounts	(497)	(510)
Total current assets	55,130	54,687
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,037	7,758
Machinery, equipment and vehicles, net	6,888	6,381
Other, net	9,360	9,840
Total property, plant and equipment	24,286	23,980
Intangible assets		
Other	686	554
Total intangible assets	686	554
Investments and other assets		
Investment securities	5,580	4,820
Other	500	776
Allowance for doubtful accounts	(77)	(81)
Total investments and other assets	6,003	5,514
Total non-current assets	30,976	30,049
Total assets	86,107	84,737

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,149	10,449
Electronically recorded obligations - operating	6,445	7,158
Short-term loans payable	2,788	2,541
Income taxes payable	393	258
Provision for bonuses	1,212	498
Provision for product warranties	202	222
Other	6,484	6,842
Total current liabilities	28,676	27,971
Non-current liabilities		
Long-term loans payable	3,102	2,159
Net defined benefit liability	2,157	2,145
Other	1,352	1,561
Total non-current liabilities	6,613	5,865
Total liabilities	35,289	33,837
Net assets		
Shareholders' equity		
Capital stock	6,297	6,297
Capital surplus	6,049	6,049
Retained earnings	33,669	35,307
Treasury shares	(441)	(441)
Total shareholders' equity	45,574	47,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,372	1,606
Foreign currency translation adjustment	2,542	1,771
Remeasurements of defined benefit plans	(11)	(12)
Total accumulated other comprehensive income	4,903	3,365
Non-controlling interests	339	321
Total net assets	50,817	50,900
Total liabilities and net assets	86,107	84,737

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

(Millions of yen)

	3 months ended December 31, 2017	3 months ended December 31, 2018
Net sales	85,711	89,908
Cost of sales	76,832	79,785
Gross profit	8,879	10,122
Selling, general and administrative expenses		
Packing and transportation expenses	2,084	2,386
Salaries, allowances and bonuses	1,847	1,861
Provision for bonuses	78	85
Retirement benefit expenses	57	65
Depreciation	290	208
Other	2,336	2,341
Total selling, general and administrative expenses	6,694	6,950
Operating profit	2,185	3,172
Non-operating income		
Interest income	96	106
Dividend income	111	126
Foreign exchange gains	99	–
Other	168	310
Total non-operating income	474	543
Non-operating expenses		
Interest expenses	292	292
Foreign exchange losses	–	85
Other	63	93
Total non-operating expenses	356	471
Ordinary profit	2,303	3,244
Extraordinary income		
Gain on sales of non-current assets	49	1
Total extraordinary income	49	1
Extraordinary losses		
Loss on disposal of non-current assets	17	10
Loss on valuation of investment securities	–	40
Total extraordinary losses	17	50
Profit before income taxes	2,335	3,194
Income taxes - current	462	786
Income taxes - deferred	222	48
Total income taxes	684	835
Profit	1,650	2,359
Profit attributable to non-controlling interests	87	55
Profit attributable to owners of parent	1,563	2,303

Consolidated statements of comprehensive income

(Millions of yen)

	3 months ended December 31, 2017	3 months ended December 31, 2018
Profit	1650	2,359
Other comprehensive income		
Valuation difference on available-for-sale securities	729	(766)
Foreign currency translation adjustment	342	(779)
Remeasurements of defined benefit plans, net of tax	15	(0)
Total other comprehensive income	1,087	(1,546)
Comprehensive income	2,738	813
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,642	765
Comprehensive income attributable to non-controlling interests	95	47

Consolidated statements of cash flows

(Millions of yen)

	3 months ended December 31, 2017	3 months ended December 31, 2018
Cash flows from operating activities		
Profit before income taxes	2,335	3,194
Depreciation	3,736	3,457
Increase (decrease) in provision for bonuses	(723)	(713)
Interest and dividend income	(207)	(233)
Interest expenses	292	292
Loss (gain) on disposal of non-current assets	(31)	8
Loss (gain) on valuation of investment securities	–	40
Decrease (increase) in notes and accounts receivable - trade	(2,476)	810
Decrease (increase) in inventories	(1,601)	(900)
Increase (decrease) in notes and accounts payable - trade	2,777	244
Other, net	521	155
Subtotal	4,622	6,357
Interest and dividend income received	211	223
Interest expenses paid	(292)	(296)
Income taxes paid	(697)	(803)
Net cash provided by (used in) operating activities	3,843	5,481
Cash flows from investing activities		
Decrease (increase) in time deposits	(884)	(49)
Purchase of property, plant and equipment	(1,606)	(2,552)
Purchase of investment securities	(44)	(380)
Other, net	(61)	4
Net cash provided by (used in) investing activities	(2,597)	(2,976)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(46)	475
Proceeds from long-term loans payable	771	–
Repayments of long-term loans payable	(1,753)	(1,629)
Redemption of bonds	(2)	–
Repayments of lease obligations	(837)	(879)
Cash dividends paid	(639)	(665)
Other, net	(193)	(65)
Net cash provided by (used in) financing activities	(2,701)	(2,763)
Effect of exchange rate change on cash and cash equivalents	(38)	84
Net increase (decrease) in cash and cash equivalents	(1,493)	(174)
Cash and cash equivalents at beginning of period	9,683	10,912
Cash and cash equivalents at end of period	8,189	10,738