

# Summary of Consolidated Financial Results for the Fiscal First Quarter Ended June 30, 2018 (Based on Japanese GAAP)

August 7, 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: August 8, 2018  
 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 First Quarter Ended June 30, 2018 (from April 1, 2018 to June 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 June 30, 2018	30,652	7.8	1,073	57.5	944	71.5	638	39.8
3 months ended June 30, 2017	28,439	2.1	681	56.8	550	789.2	456	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
3 months ended June 30, 2018	30.71	—
3 months ended June 30, 2017	22.28	21.96

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2018	84,099	49,749	58.8	2,378.91
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	—				
Year ending March 31, 2019 (Forecast)		16.00	—	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
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 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 June 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 June 30, 2018	547,285 shares	As of March 31, 2018	547,285 shares
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Average number of shares during the period

3 months ended June 30, 2018	20,793,867 shares	3 months ended March 31, 2017	20,500,842 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	12,884	12,896
Notes and accounts receivable - trade	20,971	20,581
Electronically recorded monetary claims - operating	6,606	6,511
Inventories	11,659	11,396
Other	3,506	3,185
Allowance for doubtful accounts	(497)	(489)
Total current assets	55,130	54,082
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,037	7,815
Machinery, equipment and vehicles, net	6,888	6,682
Other, net	9,360	8,990
Total property, plant and equipment	24,286	23,488
Intangible assets		
Other	686	635
Total intangible assets	686	635
Investments and other assets		
Investment securities	5,580	5,349
Other	500	618
Allowance for doubtful accounts	(77)	(74)
Total investments and other assets	6,003	5,893
Total non-current assets	30,976	30,017
Total assets	86,107	84,099

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,149	10,783
Electronically recorded obligations - operating	6,445	6,566
Short-term loans payable	2,788	2,875
Income taxes payable	393	374
Provision for bonuses	1,212	499
Provision for product warranties	202	272
Other	6,484	6,435
<b>Total current liabilities</b>	<b>28,676</b>	<b>27,807</b>
<b>Non-current liabilities</b>		
Long-term loans payable	3,102	2,710
Net defined benefit liability	2,157	2,157
Other	1,352	1,674
<b>Total non-current liabilities</b>	<b>6,613</b>	<b>6,542</b>
<b>Total liabilities</b>	<b>35,289</b>	<b>34,350</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	6,297	6,297
Capital surplus	6,049	6,049
Retained earnings	33,669	33,975
Treasury shares	(441)	(441)
<b>Total shareholders' equity</b>	<b>45,574</b>	<b>45,880</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,372	2,207
Foreign currency translation adjustment	2,542	1,391
Remeasurements of defined benefit plans	(11)	(12)
<b>Total accumulated other comprehensive income</b>	<b>4,903</b>	<b>3,586</b>
<b>Non-controlling interests</b>	<b>339</b>	<b>282</b>
<b>Total net assets</b>	<b>50,817</b>	<b>49,749</b>
<b>Total liabilities and net assets</b>	<b>86,107</b>	<b>84,099</b>

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

(Millions of yen)

	3 months ended June 30, 2017	3 months ended June 30, 2018
Net sales	28,439	30,652
Cost of sales	25,420	27,201
Gross profit	3,019	3,450
Selling, general and administrative expenses		
Packing and transportation expenses	669	772
Salaries, allowances and bonuses	586	580
Provision for bonuses	70	72
Retirement benefit expenses	20	18
Depreciation	96	69
Other	894	864
Total selling, general and administrative expenses	2,337	2,376
Operating profit	681	1,073
Non-operating income		
Interest income	21	29
Dividend income	48	53
Other	46	51
Total non-operating income	116	134
Non-operating expenses		
Interest expenses	91	91
Foreign exchange losses	143	157
Other	13	15
Total non-operating expenses	248	264
Ordinary profit	550	944
Extraordinary income		
Gain on sales of non-current assets	6	0
Total extraordinary income	6	0
Extraordinary losses		
Loss on disposal of non-current assets	0	1
Total extraordinary losses	0	1
Profit before income taxes	556	943
Income taxes - current	142	292
Income taxes - deferred	(61)	(10)
Total income taxes	81	282
Profit	475	661
Profit attributable to non-controlling interests	18	22
Profit attributable to owners of parent	456	638

## Consolidated statements of comprehensive income

(Millions of yen)

	3 months ended June 30, 2017	3 months ended June 30, 2018
Profit	475	661
Other comprehensive income		
Valuation difference on available-for-sale securities	(69)	(165)
Foreign currency translation adjustment	(98)	(1,166)
Remeasurements of defined benefit plans, net of tax	5	(0)
Total other comprehensive income	(162)	(1,331)
Comprehensive income	312	(670)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	287	(678)
Comprehensive income attributable to non-controlling interests	24	7

## Consolidated statements of cash flows

(Millions of yen)

	3 months ended June 30, 2017	3 months ended June 30, 2018
Cash flows from operating activities		
Profit before income taxes	556	943
Depreciation	1,261	1,113
Increase (decrease) in provision for bonuses	(718)	(712)
Interest and dividend income	(70)	(82)
Interest expenses	91	91
Loss (gain) on disposal of non-current assets	(6)	0
Decrease (increase) in notes and accounts receivable - trade	(313)	(161)
Decrease (increase) in inventories	158	(64)
Increase (decrease) in notes and accounts payable - trade	523	322
Other, net	237	206
Subtotal	1,720	1,654
Interest and dividend income received	71	77
Interest expenses paid	(91)	(93)
Income taxes paid	(270)	(235)
Net cash provided by (used in) operating activities	1,430	1,403
Cash flows from investing activities		
Decrease (increase) in time deposits	0	(77)
Purchase of property, plant and equipment	(363)	(510)
Purchase of investment securities	(13)	(14)
Other, net	(19)	(30)
Net cash provided by (used in) investing activities	(395)	(632)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	88	186
Repayments of long-term loans payable	(791)	(411)
Repayments of lease obligations	(271)	(301)
Cash dividends paid	(327)	(332)
Other, net	(50)	(65)
Net cash provided by (used in) financing activities	(1,352)	(924)
Effect of exchange rate change on cash and cash equivalents	(142)	149
Net increase (decrease) in cash and cash equivalents	(460)	(4)
Cash and cash equivalents at beginning of period	9,683	10,912
Cash and cash equivalents at end of period	9,222	10,908