

Summary of Consolidated Financial Results for the Second Quarter of FY2020 (Based on Japanese GAAP)

November 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 Takamitsu Sakurai
 Inquiries: Executive Officer Tomochika Okuda TEL 0568-67-1211
 Scheduled date to file quarterly Securities Report: November 11, 2019
 Scheduled date to commence dividend payments: December 2, 2019
 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 results for the Second Quarter of FY2020 (from April 1, 2019 to September 30, 2019)

(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	%
Second Quarter of FY2020	56,387	△5.6	1,388	△18.4	1,390	△18.3	815	△27.3
Second Quarter of FY2019	59,744	5.9	1,701	51.7	1,701	58.1	1,122	46.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Second Quarter of FY2020	39.23	–
Second Quarter of FY2019	53.96	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Second Quarter of FY2020	82,071	51,032	61.8	2,438.33
FY2019	84,151	50,676	59.8	2,421.26

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
FY2019	–	16.00	–	16.00	32.00
FY2020	–	16.00	–	–	–
FY2020 (Forecast)	–	–	–	17.00	33.00

3. Forecast of consolidated results for FY2020 (from April 1, 2019 to March 31, 2020)

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	112,000	△5.5	3,000	△19.8	3,100	△16.0	2,100	△15.1	100.90

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: Yes
- 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)

FY2020 Second quarter	21,341,152 shares	FY2019	21,341,152 shares
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Number of treasury shares at the end of the period

FY2020 Second quarter	529,319 shares	FY2019	547,393 shares
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Average number of shares during the period

FY2020 Second quarter	20,799,784 shares	FY2019 Second quarter	20,793,858 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	FY 2019 (As of Mar.31.2019)	FY 2020 Second quarter (As of Sep.30.2019)
Assets		
Current assets		
Cash and deposits	13,208	12,964
Notes and accounts receivable - trade	18,990	18,911
Electronically recorded monetary claims - operating	6,885	6,892
Inventories	12,097	11,611
Other	3,133	2,517
Allowance for doubtful accounts	(503)	(479)
Total current assets	53,811	52,418
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,655	7,504
Machinery, equipment and vehicles, net	6,382	6,069
Other, net	10,052	9,979
Total property, plant and equipment	24,091	23,554
Intangible assets		
Other	542	529
Total intangible assets	542	529
Investments and other assets		
Investment securities	5,000	4,768
Other	778	862
Allowance for doubtful accounts	(71)	(62)
Total investments and other assets	5,707	5,568
Total non-current assets	30,340	29,652
Total assets	84,151	82,071

(Millions of yen)

	FY 2019 (As of Mar.31.2019)	FY 2020 Second quarter (As of Sep.30.2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,158	10,523
Electronically recorded obligations - operating	6,629	6,045
Short-term loans payable	2,510	2,521
Income taxes payable	423	337
Provision for bonuses	1,202	1,210
Provision for product warranties	472	482
Other	6,179	5,349
Total current liabilities	27,576	26,470
Non-current liabilities		
Long-term loans payable	1,913	833
Net defined benefit liability	2,154	2,180
Other	1,830	1,553
Total non-current liabilities	5,898	4,568
Total liabilities	33,475	31,039
Net assets		
Shareholders' equity		
Capital stock	6,297	6,297
Capital surplus	6,049	6,052
Retained earnings	35,478	36,029
Treasury shares	(441)	(427)
Total shareholders' equity	47,382	47,951
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,719	1,579
Foreign currency translation adjustment	1,234	1,205
Remeasurements of defined benefit plans	10	9
Total accumulated other comprehensive income	2,964	2,794
Non-controlling interests	329	286
Total net assets	50,676	51,032
Total liabilities and net assets	84,151	82,071

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

(Millions of yen)

	FY 2019 Second quarter (Apr.1.2018 through Sep.30.2018)	FY 2020 Second quarter (Apr.1.2019 through Sep.30.2019)
Net sales	59,744	56,387
Cost of sales	53,360	50,880
Gross profit	6,383	5,507
Selling, general and administrative expenses		
Packing and transportation expenses	1,535	1,315
Salaries, allowances and bonuses	1,118	1,073
Provision for bonuses	184	175
Retirement benefit expenses	43	42
Depreciation	139	87
Other	1,661	1,425
Total selling, general and administrative expenses	4,682	4,119
Operating profit	1,701	1,388
Non-operating income		
Interest income	72	80
Dividend income	76	81
Other	165	157
Total non-operating income	314	318
Non-operating expenses		
Interest expenses	190	217
Foreign exchange losses	80	70
Other	43	28
Total non-operating expenses	314	317
Ordinary profit	1,701	1,390
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on disposal of non-current assets	7	18
Loss on valuation of investment securities	–	65
Total extraordinary losses	7	83
Profit before income taxes	1,694	1,307
Income taxes - current	574	482
Income taxes - deferred	(43)	(27)
Total income taxes	530	455
Profit	1,163	851
Profit attributable to non-controlling interests	41	35
Profit attributable to owners of parent	1,122	815

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2019 Second quarter (Apr.1.2018 through Sep.30.2018)	FY 2020 Second quarter (Apr.1.2019 through Sep.30.2019)
Profit	1,163	851
Other comprehensive income		
Valuation difference on available-for-sale securities	(136)	(139)
Foreign currency translation adjustment	(1,400)	(43)
Remeasurements of defined benefit plans, net of tax	(0)	(0)
Total other comprehensive income	(1,537)	(183)
Comprehensive income	(373)	667
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(398)	646
Comprehensive income attributable to non-controlling interests	24	21

Consolidated statements of cash flows

(Millions of yen)

	FY 2019 Second quarter (Apr.1.2018 through Sep.30.2018)	FY 2020 Second quarter (Apr.1.2019 through Sep.30.2019)
Cash flows from operating activities		
Profit before income taxes	1,694	1,307
Depreciation	2,289	2,230
Increase (decrease) in provision for bonuses	24	8
Interest and dividend income	(149)	(161)
Interest expenses	190	217
Loss (gain) on valuation of investment securities	-	65
Loss (gain) on disposal of non-current assets	7	17
Decrease (increase) in notes and accounts receivable - trade	776	(92)
Decrease (increase) in inventories	(281)	247
Increase (decrease) in notes and accounts payable - trade	285	32
Other, net	(123)	186
Subtotal	4,714	4,059
Interest and dividend income received	142	155
Interest expenses paid	(192)	(216)
Income taxes paid	(598)	(587)
Net cash provided by (used in) operating activities	4,066	3,411
Cash flows from investing activities		
Decrease (increase) in time deposits	41	867
Purchase of property, plant and equipment	(1,414)	(1,596)
Purchase of investment securities	(32)	(34)
Other, net	32	(34)
Net cash provided by (used in) investing activities	(1,372)	(798)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	286	(340)
Repayments of long-term loans payable	(1,197)	(686)
Repayments of lease obligations	(590)	(652)
Cash dividends paid	(332)	(332)
Other, net	(65)	(63)
Net cash provided by (used in) financing activities	(1,898)	(2,075)
Effect of exchange rate change on cash and cash equivalents	72	89
Net increase (decrease) in cash and cash equivalents	866	627
Cash and cash equivalents at beginning of period	10,912	11,337
Cash and cash equivalents at end of period	11,779	11,964