

Summary of Consolidated Financial Results for the First Quarter of FY2021 (Based on Japanese GAAP)

August 7, 2020

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 Tatsushi Inoue TEL 0568-67-1211
 Scheduled date to file quarterly Securities Report: August 7, 2020
 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 of FY2021 (from April 1, 2020 to June 30, 2020)

(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	%
First Quarter of FY2021	19,021	△31.2	△1,523	—	△1,609	—	△1,839	—
First Quarter of FY2020	27,657	△9.8	641	△40.3	650	△31.1	276	△56.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
First Quarter of FY2021	△88.40	—
First Quarter of FY2020	13.30	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Quarter of FY2021	78,168	47,404	60.3	2,263.91
FY2020	80,554	49,868	61.5	2,380.30

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
FY2020	—	16.00	—	10.00	26.00
FY2021	—	—	—	—	—
FY2021(Forecast)	—	—	—	—	—

3. Forecast of consolidated financial results for FY2021 (from April 1, 2020 to March 31, 2021)

The consolidated financial forecast for the fiscal year ending March 31, 2021 is undecided because it is difficult to reasonably calculate the impact of the global spread of the novel coronavirus disease (COVID-19) at this stage. The Company will announce the consolidated performance forecast as soon as it becomes possible to disclose it.

4. Notes

- (1) Changes in significant subsidiaries during the quarter
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

FY2021 First quarter	21,341,152 shares	FY2020	21,341,152 shares
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Number of treasury shares at the end of the period

FY2021 First quarter	529,319 shares	FY2020	529,319 shares
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Average number of shares during the period

FY2021 First quarter	20,811,833 shares	FY2020 First quarter	20,793,759 shares
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*This report is not subject to quarterly review by certified public accountants or auditing firms.

*Explanation regarding appropriate use of the earnings forecasts and other special notes

Forecasts regarding future performance in this document are based on certain assumptions judged to be valid and information currently available to us. Actual performance may differ significantly from these forecasts for a number of factors.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 First quarter (As of June 30, 2020)
Assets		
Current assets		
Cash and deposits	14,678	20,240
Notes and accounts receivable - trade	18,373	13,083
Electronically recorded monetary claims - operating	7,183	4,342
Inventories	11,304	11,780
Other	1,953	1,820
Allowance for doubtful accounts	(412)	(334)
Total current assets	53,080	50,932
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,396	7,227
Machinery, equipment and vehicles, net	5,594	5,340
Other, net	9,434	9,292
Total property, plant and equipment	22,426	21,860
Intangible assets		
Other	516	495
Total intangible assets	516	495
Investments and other assets		
Investment securities	3,894	4,359
Other	698	571
Allowance for doubtful accounts	(60)	(51)
Total investments and other assets	4,531	4,879
Total non-current assets	27,474	27,235
Total assets	80,554	78,168

(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 First quarter (As of June 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,758	8,020
Electronically recorded obligations - operating	6,701	3,830
Short-term loans payable	2,478	2,920
Income taxes payable	391	270
Provision for bonuses	1,160	465
Provision for product warranties	736	728
Other	4,499	4,813
Total current liabilities	25,727	21,049
Non-current liabilities		
Long-term loans payable	1,159	5,971
Net defined benefit liability	2,528	2,476
Other	1,272	1,266
Total non-current liabilities	4,959	9,714
Total liabilities	30,686	30,763
Net assets		
Shareholders' equity		
Capital stock	6,297	6,297
Capital surplus	6,052	6,052
Retained earnings	35,434	33,386
Treasury shares	(427)	(427)
Total shareholders' equity	47,356	45,308
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,042	1,353
Foreign currency translation adjustment	1,335	639
Remeasurements of defined benefit plans	(195)	(186)
Total accumulated other comprehensive income	2,182	1,807
Non-controlling interests	329	288
Total net assets	49,868	47,404
Total liabilities and net assets	80,554	78,168

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

(Millions of yen)

	FY 2020 First quarter (Apr.1.2019 through Jun. 30.2019)	FY 2021 First quarter (Apr.1.2020 through Jun. 30.2020)
Net sales	27,657	19,021
Cost of sales	24,923	18,967
Gross profit	2,733	54
Selling, general and administrative expenses		
Packing and transportation expenses	651	363
Salaries, allowances and bonuses	557	523
Provision for bonuses	72	68
Retirement benefit expenses	21	20
Depreciation	43	41
Other	745	560
Total selling, general and administrative expenses	2,092	1,578
Operating profit (loss)	641	(1,523)
Non-operating income		
Interest income	39	36
Dividend income	56	55
Subsidy income	8	113
Other	71	76
Total non-operating income	174	282
Non-operating expenses		
Interest expenses	110	110
Foreign exchange losses	43	251
Other	10	6
Total non-operating expenses	165	367
Ordinary profit (loss)	650	(1,609)
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	5	7
Loss on valuation of investment securities	24	-
Total extraordinary losses	30	7
Profit (loss) before income taxes	620	(1,616)
Income taxes - current	258	255
Income taxes - deferred	68	(50)
Total income taxes	327	205
Profit (loss)	293	(1,821)
Profit attributable to non-controlling interests	17	18
Profit (loss) attributable to owners of parent	276	(1,839)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2020 First quarter (Apr.1.2019 through Jun. 30.2019)	FY 2021 First quarter (Apr.1.2020 through Jun. 30.2020)
Profit (loss)	293	(1,821)
Other comprehensive income		
Valuation difference on available-for-sale securities	(223)	311
Foreign currency translation adjustment	589	(697)
Remeasurements of defined benefit plans, net of tax	(0)	9
Total other comprehensive income	364	(376)
Comprehensive income	658	(2,197)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	645	(2,214)
Comprehensive income attributable to non-controlling interests	12	16

Consolidated statements of cash flows

(Millions of yen)

	FY 2020 First quarter (Apr.1.2019 through Jun. 30.2019)	FY 2021 First quarter (Apr.1.2020 through Jun. 30.2020)
Cash flows from operating activities		
Profit (loss) before income taxes	620	(1,616)
Depreciation	1,053	963
Increase (decrease) in provision for bonuses	(699)	(695)
Interest and dividend income	(95)	(92)
Interest expenses	110	110
Loss (gain) on valuation of investment securities	24	-
Loss (gain) on disposal of non-current assets	4	7
Decrease (increase) in notes and accounts receivable - trade	(189)	7800
Decrease (increase) in inventories	(251)	(669)
Increase (decrease) in notes and accounts payable - trade	(405)	(4,341)
Other, net	469	(89)
Subtotal	643	1,376
Interest and dividend income received	90	98
Interest expenses paid	(110)	(110)
Income taxes paid	(378)	(360)
Net cash provided by (used in) operating activities	245	1,003
Cash flows from investing activities		
Decrease (increase) in time deposits	(162)	(56)
Purchase of property, plant and equipment	(776)	(336)
Purchase of investment securities	(15)	(15)
Other, net	(8)	27
Net cash provided by (used in) investing activities	(963)	(381)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	40	(31)
Proceeds from long-term loans payable	-	5,600
Repayments of long-term loans payable	(328)	(295)
Repayments of lease obligations	(319)	(284)
Cash dividends paid	(332)	(208)
Other, net	(63)	(58)
Net cash provided by (used in) financing activities	(1,004)	4,722
Effect of exchange rate change on cash and cash equivalents	441	196
Net increase (decrease) in cash and cash equivalents	(1,281)	5,541
Cash and cash equivalents at beginning of period	11,337	13,477
Cash and cash equivalents at end of period	10,056	19,018