

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

November 9, 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: November 10, 2020
 Scheduled date to commence dividend payments: December 7, 2020
 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 Second Quarter of FY2021 (from April 1, 2020 to September 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	%
Second Quarter of FY2021	36,277	△35.7	△2,025	–	△2,048	–	△2,395	–
Second Quarter of FY2020	56,387	△5.6	1,388	△18.4	1,390	△18.3	815	△27.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Second Quarter of FY2021	△115.07	–
Second Quarter of FY2020	39.23	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Second Quarter of FY2021	76,801	47,285	61.2	2,254.95
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	–	–	–
FY2021	–	10.00	–	–	–
FY2021(Forecast)	–	–	–	10.00	20.00

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

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	–	–	–	–	–	–	–	–	–

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 Second 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 Second quarter	503,611 shares	FY2020	529,319 shares
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Average number of shares during the period

FY2021 Second quarter	20,820,403 shares	FY2020 Second quarter	20,799,784 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 Second quarter (As of September 30, 2020)
Assets		
Current assets		
Cash and deposits	14,678	18,565
Notes and accounts receivable - trade	18,373	13,764
Electronically recorded monetary claims - operating	7,183	4,417
Inventories	11,304	11,018
Other	1,953	2,452
Allowance for doubtful accounts	(412)	(341)
Total current assets	53,080	49,877
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,396	7,118
Machinery, equipment and vehicles, net	5,594	5,352
Other, net	9,434	9,147
Total property, plant and equipment	22,426	21,618
Intangible assets		
Other	516	487
Total intangible assets	516	487
Investments and other assets		
Investment securities	3,894	4,210
Other	698	651
Allowance for doubtful accounts	(60)	(44)
Total investments and other assets	4,531	4,817
Total non-current assets	27,474	26,923
Total assets	80,554	76,801

(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 Second quarter (As of September 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,758	6,792
Electronically recorded obligations - operating	6,701	3,975
Short-term loans payable	2,478	3,103
Income taxes payable	391	200
Provision for bonuses	1,160	1,152
Provision for product warranties	736	707
Other	4,499	4,459
Total current liabilities	25,727	20,391
Non-current liabilities		
Long-term loans payable	1,159	5,553
Net defined benefit liability	2,528	2,516
Other	1,272	1,053
Total non-current liabilities	4,959	9,124
Total liabilities	30,686	29,515
Net assets		
Shareholders' equity		
Capital stock	6,297	6,297
Capital surplus	6,052	6,049
Retained earnings	35,434	32,830
Treasury shares	(427)	(406)
Total shareholders' equity	47,356	44,770
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,042	1,245
Foreign currency translation adjustment	1,335	1,147
Remeasurements of defined benefit plans	(195)	(176)
Total accumulated other comprehensive income	2,182	2,217
Non-controlling interests	329	297
Total net assets	49,868	47,285
Total liabilities and net assets	80,554	76,801

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

(Millions of yen)

	FY 2020 Second quarter (Apr.1.2019 through Sep. 30.2019)	FY 2021 Second quarter (Apr.1.2020 through Sep. 30.2020)
Net sales	56,387	36,277
Cost of sales	50,880	35,159
Gross profit	5,507	1,118
Selling, general and administrative expenses		
Packing and transportation expenses	1,315	757
Salaries, allowances and bonuses	1,073	946
Provision for bonuses	175	169
Retirement benefit expenses	42	42
Depreciation	87	83
Other	1,425	1,144
Total selling, general and administrative expenses	4,119	3,144
Operating profit (loss)	1,388	(2,025)
Non-operating income		
Interest income	80	74
Dividend income	81	67
Subsidy income	21	119
Other	135	173
Total non-operating income	318	435
Non-operating expenses		
Interest expenses	217	210
Foreign exchange losses	70	204
Other	28	44
Total non-operating expenses	317	459
Ordinary profit (loss)	1,390	(2,048)
Extraordinary income		
Gain on sales of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on disposal of non-current assets	18	8
Loss on valuation of investment securities	65	–
Loss on liquidation of subsidiaries and affiliates	–	123
Total extraordinary losses	83	132
Profit (loss) before income taxes	1,307	(2,179)
Income taxes - current	482	281
Income taxes - deferred	(27)	(88)
Total income taxes	455	192
Profit (loss)	851	(2,372)
Profit attributable to non-controlling interests	35	23
Profit (loss) attributable to owners of parent	815	(2,395)

Consolidated statements of comprehensive income

(Millions of yen)

	FY 2020 Second quarter (Apr.1.2019 through Sep. 30.2019)	FY 2021 Second quarter (Apr.1.2020 through Sep. 30.2020)
Profit (loss)	851	(2,372)
Other comprehensive income		
Valuation difference on available-for-sale securities	(139)	203
Foreign currency translation adjustment	(43)	(184)
Remeasurements of defined benefit plans, net of tax	(0)	19
Total other comprehensive income	(183)	38
Comprehensive income	667	(2,334)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	646	(2,360)
Comprehensive income attributable to non-controlling interests	21	26

Consolidated statements of cash flows

(Millions of yen)

	FY 2020 Second quarter (Apr.1.2019 through Sep. 30.2019)	FY 2021 Second quarter (Apr.1.2020 through Sep. 30.2020)
Cash flows from operating activities		
Profit (loss) before income taxes	1,307	(2,179)
Depreciation	2,230	1,949
Increase (decrease) in provision for bonuses	8	(8)
Interest and dividend income	(161)	(142)
Interest expenses	217	210
Loss (gain) on valuation of investment securities	65	–
Employment adjustment subsidy	–	(639)
Loss (gain) on disposal of non-current assets	17	7
Decrease (increase) in notes and accounts receivable - trade	(92)	7,023
Decrease (increase) in inventories	247	113
Increase (decrease) in notes and accounts payable - trade	32	(5,413)
Other, net	186	(506)
Subtotal	4,059	413
Interest and dividend income received	155	133
Interest expenses paid	(216)	(205)
Employment adjustment subsidy received	–	360
Income taxes paid	(587)	(504)
Net cash provided by (used in) operating activities	3,411	197
Cash flows from investing activities		
Decrease (increase) in time deposits	867	18
Purchase of property, plant and equipment	(1,596)	(836)
Purchase of investment securities	(34)	(28)
Other, net	(34)	33
Net cash provided by (used in) investing activities	(798)	(812)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(340)	(38)
Proceeds from long-term loans payable	–	5,680
Repayments of long-term loans payable	(686)	(592)
Repayments of lease obligations	(652)	(681)
Cash dividends paid	(332)	(208)
Other, net	(63)	(58)
Net cash provided by (used in) financing activities	(2,075)	4,100
Effect of exchange rate change on cash and cash equivalents	89	445
Net increase (decrease) in cash and cash equivalents	627	3,930
Cash and cash equivalents at beginning of period	11,337	13,477
Cash and cash equivalents at end of period	11,964	17,407