

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

Company name: IRISO ELECTRONICS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6908 URL <https://www.irisoele.com/jp/>
 Representative: President & Representative Director Hitoshi Suzuki
 Inquiries: Director & Senior Managing Executive Officer /
 General Manager of Administration Division Mitsuyoshi Toyoshima TEL 045-478-3111
 Scheduled date to file Quarterly Securities Report: February 7, 2023
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated financial 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	%
Nine months ended December 31, 2022	39,519	21.9	5,242	54.8	5,864	72.5	4,350	47.3
Nine months ended December 31, 2021	32,424	25.1	3,387	94.7	3,399	115.1	2,953	167.4

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥5,698 million [15.6%]
 Nine months ended December 31, 2021: ¥4,930 million [325.3%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	184.95		-	
Nine months ended December 31, 2021	125.44		-	

(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, 2022	80,333	66,055	81.5	2,784.82
As of March 31, 2022	73,153	61,776	83.8	2,607.59

(Reference) Equity: As of December 31, 2022: ¥65,509 million
 As of March 31, 2022: ¥61,337 million

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, 2022	-	0.00	-	60.00	60.00
Year ending March 31, 2023	-	0.00	-		
Year ending March 31, 2023 (Forecast)				60.00	60.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	54,000	23.1	6,750	49.3	7,100	46.7	5,500	40.5	233.81

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

(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: Yes

(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):

As of December 31, 2022	24,583,698 shares	As of March 31, 2022	24,583,698 shares
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Number of treasury shares at the end of the period:

As of December 31, 2022	1,059,846 shares	As of March 31, 2022	1,060,993 shares
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Average number of shares during the period:

Nine months ended December 31, 2022	23,523,206 shares	Nine months ended December 31, 2021	23,548,355 shares
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(Note) Number of treasury shares at the end of the period is presented including the Company's treasury shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" (as of December 31, 2022: 149,576 shares, as of March 31, 2022: 150,752 shares). The Company's treasury shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" have been included in treasury shares deducted in calculation of the average number of shares during the period.

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company, and actual results may vary significantly due to various factors.

Quarterly consolidated financial statements

Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	14,066	16,237
Notes and accounts receivable - trade, and contract assets	12,889	14,323
Merchandise and finished goods	7,951	8,824
Work in process	48	69
Raw materials and supplies	3,592	3,888
Other	1,922	1,736
Allowance for doubtful accounts	(34)	(35)
Total current assets	40,436	45,044
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,955	5,365
Machinery, equipment and vehicles, net	15,260	15,630
Tools, furniture and fixtures, net	4,094	3,922
Land	1,765	1,796
Construction in progress	3,304	4,068
Total property, plant and equipment	29,380	30,783
Intangible assets		
Software	323	312
Software in progress	707	1,867
Goodwill	-	128
Other	0	0
Total intangible assets	1,030	2,309
Investments and other assets		
Investment securities	617	626
Deferred tax assets	1,070	1,001
Other	672	622
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	2,305	2,195
Total non-current assets	32,716	35,289
Total assets	73,153	80,333

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,504	5,078
Short-term borrowings	410	412
Current portion of long-term borrowings	-	291
Income taxes payable	754	644
Provision for bonuses	568	527
Other	3,652	4,092
Total current liabilities	9,889	11,046
Non-current liabilities		
Long-term borrowings	-	1,547
Retirement benefit liability	485	502
Provision for share awards for directors (and other officers)	57	117
Other	944	1,065
Total non-current liabilities	1,486	3,232
Total liabilities	11,376	14,278
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	41,461	44,391
Treasury shares	(1,185)	(1,178)
Total shareholders' equity	54,660	57,596
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26	33
Foreign currency translation adjustment	6,607	7,849
Remeasurements of defined benefit plans	43	29
Total accumulated other comprehensive income	6,677	7,912
Non-controlling interests	439	545
Total net assets	61,776	66,055
Total liabilities and net assets	73,153	80,333

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	32,424	39,519
Cost of sales	21,585	26,347
Gross profit	10,839	13,171
Selling, general and administrative expenses	7,452	7,929
Operating profit	3,387	5,242
Non-operating income		
Interest income	36	77
Dividend income	3	4
Foreign exchange gains	-	561
Subsidy income	9	12
Other	24	92
Total non-operating income	74	748
Non-operating expenses		
Interest expenses	19	51
Foreign exchange losses	25	-
Compensation expenses	3	-
Loss on valuation of derivatives	-	57
Other	14	17
Total non-operating expenses	61	126
Ordinary profit	3,399	5,864
Extraordinary income		
Gain on sale of non-current assets	-	2
Total extraordinary income	-	2
Extraordinary losses		
Loss on retirement of non-current assets	95	55
Impairment losses	43	10
Loss related COVID-19	-	365
Total extraordinary losses	139	431
Profit before income taxes	3,260	5,435
Income taxes - current	469	925
Income taxes - deferred	(173)	67
Total income taxes	295	992
Profit	2,965	4,442
Profit attributable to non-controlling interests	11	91
Profit attributable to owners of parent	2,953	4,350

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,965	4,442
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	7
Foreign currency translation adjustment	1,978	1,263
Remeasurements of defined benefit plans, net of tax	(3)	(14)
Total other comprehensive income	1,965	1,256
Comprehensive income	4,930	5,698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,931	5,592
Comprehensive income attributable to non-controlling interests	(0)	106