

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 2, 2024

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 6, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	41,140	4.1	4,792	(8.6)	5,383	(8.2)	4,294	(1.3)
Nine months ended December 31, 2022	39,519	21.9	5,242	54.8	5,864	72.5	4,350	47.3

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥6,614 million [16.1%]
 Nine months ended December 31, 2022: ¥5,698 million [15.6%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	182.56		-	
Nine months ended December 31, 2022	184.95		-	

(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, 2023	91,445	72,751	78.8	3,061.50
As of March 31, 2023	82,491	68,019	81.7	2,865.97

(Reference) Equity: As of December 31, 2023: ¥72,024 million
 As of March 31, 2023: ¥67,418 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended March 31, 2023	Yen -	Yen 0.00	Yen -	Yen 80.00	Yen 80.00
Year ending March 31, 2024	-	0.00	-		
Year ending March 31, 2024 (Forecast)				90.00	90.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	54,500	3.0	6,550	(5.6)	6,950	(9.3)	5,300	(4.4)	225.30

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023

(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, 2023	24,583,698 shares	As of March 31, 2023	24,583,698 shares
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Number of treasury shares at the end of the period:

As of December 31, 2023	1,057,800 shares	As of March 31, 2023	1,059,896 shares
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Average number of shares during the period:

Nine months ended December 31, 2023	23,524,711 shares	Nine months ended December 31, 2022	23,523,206 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, 2023: 147,426 shares, as of March 31, 2023: 149,576 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	18,640	23,621
Notes and accounts receivable - trade, and contract assets	13,956	14,297
Merchandise and finished goods	8,362	8,551
Work in process	92	43
Raw materials and supplies	3,612	3,906
Other	1,567	2,004
Allowance for doubtful accounts	(37)	(61)
Total current assets	46,194	52,364
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,353	5,741
Machinery, equipment and vehicles, net	15,206	16,080
Tools, furniture and fixtures, net	4,010	4,397
Land	2,153	1,855
Construction in progress	5,387	5,885
Total property, plant and equipment	32,111	33,959
Intangible assets		
Software	283	223
Software in progress	1,987	2,995
Goodwill	121	98
Other	1	0
Total intangible assets	2,393	3,318
Investments and other assets		
Investment securities	130	205
Deferred tax assets	974	950
Other	742	740
Allowance for doubtful accounts	(55)	(93)
Total investments and other assets	1,792	1,803
Total non-current assets	36,297	39,081
Total assets	82,491	91,445

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,364	5,518
Short-term borrowings	731	1,355
Current portion of long-term borrowings	285	781
Income taxes payable	903	857
Provision for bonuses	602	611
Other	4,405	3,422
Total current liabilities	11,292	12,546
Non-current liabilities		
Long-term borrowings	1,476	4,361
Retirement benefit liability	500	526
Provision for share awards for directors (and other officers)	126	144
Other	1,076	1,115
Total non-current liabilities	3,179	6,147
Total liabilities	14,472	18,694
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	45,582	47,983
Treasury shares	(1,179)	(1,167)
Total shareholders' equity	58,787	61,200
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36	49
Foreign currency translation adjustment	8,574	10,762
Remeasurements of defined benefit plans	20	11
Total accumulated other comprehensive income	8,630	10,823
Non-controlling interests	600	726
Total net assets	68,019	72,751
Total liabilities and net assets	82,491	91,445

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, 2022	Nine months ended December 31, 2023
Net sales	39,519	41,140
Cost of sales	26,347	28,076
Gross profit	13,171	13,063
Selling, general and administrative expenses	7,929	8,271
Operating profit	5,242	4,792
Non-operating income		
Interest income	77	196
Dividend income	4	5
Foreign exchange gains	561	492
Other	104	41
Total non-operating income	748	736
Non-operating expenses		
Interest expenses	51	86
Loss on valuation of derivatives	57	44
Other	17	14
Total non-operating expenses	126	146
Ordinary profit	5,864	5,383
Extraordinary income		
Gain on sale of non-current assets	2	12
Gain on liquidation of subsidiaries	-	6
Total extraordinary income	2	19
Extraordinary losses		
Loss on retirement of non-current assets	55	84
Loss on sale of non-current assets	-	2
Impairment losses	10	-
Loss related COVID-19	365	-
Total extraordinary losses	431	86
Profit before income taxes	5,435	5,316
Income taxes - current	925	960
Income taxes for prior periods	-	(55)
Income taxes - deferred	67	25
Total income taxes	992	930
Profit	4,442	4,386
Profit attributable to non-controlling interests	91	91
Profit attributable to owners of parent	4,350	4,294

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	4,442	4,386
Other comprehensive income		
Valuation difference on available-for-sale securities	7	13
Foreign currency translation adjustment	1,263	2,223
Remeasurements of defined benefit plans, net of tax	(14)	(9)
Total other comprehensive income	1,256	2,227
Comprehensive income	5,698	6,614
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,592	6,487
Comprehensive income attributable to non-controlling interests	106	126