



Notice Concerning Revisions
to the Business Results Forecast
for the Fiscal Year Ending March 31, 2016

IRISO ELECTRONICS CO., LTD.
Stock Code: 6908
(March 25, 2016)



1. Revision of Consolidated Earnings Forecasts



	Net sales (Million Yen)	Operating income (Million Yen)	Ordinary income (Million Yen)	Income for the year attributable to shareholders of the parent (Million Yen)	Earnings per share (Yen)
Previous forecast (A)	40,000	7,200	7,200	5,200	454.32
Revised forecasts (B)	38,300	6,400	6,400	4,000	349.48
Increase/decr ease (B-A)	(1,700)	(800)	(800)	(1,200)	—
Percentage changes (%)	(4.3)	(11.1)	(11.1)	(23.1)	—
(Reference) Results of the previous FY ending March 2015	37,214	6,872	6,909	5,068	442.87

The annual dividend forecast remains 60 yen as planned.



- (1) Sales forecast 38,300 Million yen (-1,700 Million yen)
- Automotive segment: Lower growth than expected in production volume of high-class vehicles including large-sized SUV, which use a lot of our connectors
 - Consumer segment: Demand declined in ASEAN including China
 - Continuing strong yen since January, 2016
- (2) Forecast of operating and ordinary income ¥6,400M (- ¥800M)
- Operating costs were decreased by cost and expense reduction effort. However impact of decline in sales forecast exceeds that improvement.
- (3) Net income forecast ¥4,000M (- ¥1,200M)
- Reviewed by considering the possibility of additional tax payment in Japan and China
- *Though we are currently under discussion with the tax authorities, it will be one-time event only in this fiscal year.



3. For the Next Fiscal Year and Onward (Business)



(IRISO Business Trends by Market)

Market	Key Point	Trend
Automotive (AVN)	Advanced functionality→ supporting high-speed transmission, providing multipole BtoB connector, expanding market share	
Automotive (Electronics)	Advanced safety technology→ increasing in camera and radar Growth of EV/HEV/FCV→ expanding sales of Z-Move™	
Consumer	Development of cost competitive connectors Strengthening our product lineup for Auto I-Lock connectors	
Industrial	IoT & Industry4.0→ Providing solution services with connectors for automatic assembly by robots, and expanding indirect sales	

※Z-Move™ is the world first BtoB connector which allows for movements in three directions

(1) PA25 (Projects of Automobile Application 5)

Focusing on five applications expected to change and expand in the future, we will develop new products, and commit to sales and marketing globally, in order to expand sales significantly in the automotive market including safety field.

(2) Developing sales activities globally and concurrently for IRISO “only one” products including Z-Move™

Aiming to acquire new customers and increase our share of purchase amount by each customer, we will strengthen sales force of the overseas sales offices.



We will make an unprecedented investments based on our business plan (almost double the average)

(1) Investment for new product development

- Sales and Engineering departments collaborate to accelerate development of new products that anticipate customers' needs in growing markets.

(2) Enhancement of cost competitiveness

- Investing in proactive rationalization mainly in Shanghai Plant
- Increasing in-house production ratio in the key processes including plating, press, and molding

(3) Preparation for production increase

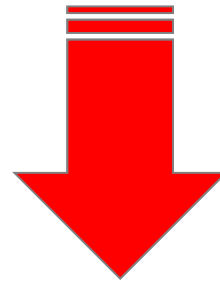
- Strengthening manufacturing facilities to prepare for sales expansion in and after 2018, targeting the Europe and the US market



Sales Expansion

**Unrivalled product
development**

**Stronger Cost
Competitiveness**



Create a higher profitable business structure