

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2013 (Based on Japanese GAAP)

November 8, 2013

Company name IRISO ELECTRONICS CO., LTD.
 Stock exchange listing Tokyo
 Stock Code 6908 URL <http://www.iriso.co.jp>
 Representative President & CEO Toshiyuki Imazu
 Director & Executive Officer / General Keiji Takeda
 Manager of Administration Division TEL 045-478-3111
 Scheduled date to file Quarterly Securities Report November 8, 2013
 Scheduled date to commence dividend payments -
 Preparation of supplementary material on quarterly earnings yes
 Holding of quarterly earnings performance review yes -

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2013 (from April 1, 2013 to September 30, 2013)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2013	15,480	26.9	2,512	72.0	2,860	122.9	2,082	122.2
Six months ended September 30, 2012	12,200	4.6	1,460	18.4	1,283	11.4	937	12.8

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2013	181.93	-
Six months ended September 30, 2012	81.87	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2013	34,741	26,970	77.6	2,356.38
As of March 31, 2013	32,810	24,548	74.8	2,143.97

2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	-	-	-	20.00	20.00
Year ending March 31, 2014	-	-	-	-	-
Year ending March 31, 2014 (Forecast)	-	-	-	30.00	30.00

3. Forecast for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	31,000	25.1	5,000	95.1	5,200	69.8	3,370	83.1	294.43

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2013
(changes in specified subsidiaries resulting in the change in scope of consolidation): no
- (2) Application of special accounting for preparing quarterly consolidated financial statements: no
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- 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 after error corrections: no

(4) Number of issued shares

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

As of September 30, 2013	12,291,849 shares	As of March 31, 2013	12,291,849 shares
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Number of shares of treasury stock at the end of the period

As of September 30, 2013	846,123 shares	As of March 31, 2013	846,123 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2013	11,445,726 shares	Six months ended September 30, 2012	11,445,764 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Assets		
Current assets		
Cash and deposits	5,773	5,871
Notes and accounts receivable-trade	6,973	7,952
Merchandise and finished goods	3,235	3,567
Work in process	93	174
Raw materials and supplies	1,276	1,221
Deferred tax assets	246	363
Other	536	597
Allowance for doubtful accounts	(15)	(16)
Total current assets	<u>18,119</u>	<u>19,732</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,607	3,683
Accumulated depreciation	(1,721)	(1,823)
Buildings and structures, net	<u>1,885</u>	<u>1,859</u>
Machinery, equipment and vehicles	12,275	13,475
Accumulated depreciation	(5,542)	(6,299)
Machinery, equipment and vehicles, net	<u>6,733</u>	<u>7,175</u>
Tools, furniture and fixtures	10,170	11,001
Accumulated depreciation	(7,372)	(8,083)
Tools, furniture and fixtures, net	<u>2,798</u>	<u>2,917</u>
Land	827	827
Construction in progress	1,110	1,029
Total property, plant and equipment	<u>13,355</u>	<u>13,809</u>
Intangible assets		
Software	523	402
Other	78	80
Total intangible assets	<u>601</u>	<u>482</u>
Investments and other assets		
Investment securities	306	312
Other	482	461
Allowance for doubtful accounts	(56)	(56)
Total investments and other assets	<u>733</u>	<u>717</u>
Total noncurrent assets	<u>14,690</u>	<u>15,009</u>
Total assets	<u>32,810</u>	<u>34,741</u>

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,560	2,754
Short-term loans payable	2,212	1,466
Current portion of long-term loans payable	61	56
Income taxes payable	479	649
Provision for bonuses	204	237
Other	1,668	1,527
Total current liabilities	7,187	6,692
Noncurrent liabilities		
Long-term loans payable	407	378
Provision for retirement benefits	505	534
Provision for directors' retirement benefits	154	159
Other	7	6
Total noncurrent liabilities	1,074	1,079
Total liabilities	8,261	7,771
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	6,781	6,781
Retained earnings	12,579	14,430
Treasury stock	(602)	(602)
Total shareholders' equity	24,398	26,249
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(1)
Foreign currency translation adjustment	144	722
Total accumulated other comprehensive income	140	720
Minority interests	8	-
Total net assets	24,548	26,970
Total liabilities and net assets	32,810	34,741

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net sales	12,200	15,480
Cost of sales	8,229	10,070
Gross profit	3,970	5,410
Selling, general and administrative expenses	2,510	2,898
Operating income	1,460	2,512
Non-operating income		
Interest income	2	4
Dividends income	5	1
Foreign exchange gains	-	352
Insurance income	10	-
Other	3	30
Total non-operating income	21	389
Non-operating expenses		
Interest expenses	14	11
Foreign exchange losses	162	-
Compensation expenses	-	14
Disposal of scrap	-	6
Other	22	8
Total non-operating expenses	198	41
Ordinary income	1,283	2,860
Extraordinary income		
Gain on sales of noncurrent assets	0	-
Other	0	-
Total extraordinary income	0	-
Extraordinary loss		
Loss on retirement of noncurrent assets	11	74
Extra retirement allowance	3	-
Total extraordinary losses	15	74
Income before income taxes and minority interests	1,268	2,786
Income taxes-current	415	819
Income taxes-deferred	(72)	(106)
Total income taxes	342	713
Income before minority interests	926	2,072
Minority interests in loss	(10)	(9)
Net income	937	2,082

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Income before minority interests	926	2,072
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	3
Foreign currency translation adjustment	(591)	577
Total other comprehensive income	(599)	580
Comprehensive income	327	2,653
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	339	2,662
Comprehensive income attributable to minority interests	(12)	(8)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,268	2,786
Depreciation and amortization	1,081	1,311
Increase (decrease) in provision for bonuses	9	32
Increase (decrease) in provision for retirement benefits	36	26
Increase (decrease) in provision for directors' retirement benefits	(2)	5
Increase (decrease) in allowance for doubtful accounts	0	(0)
Interest and dividends income	(7)	(6)
Interest expenses	14	11
Foreign exchange losses (gains)	(68)	87
Loss on retirement of noncurrent assets	11	74
Loss (gain) on sales of property, plant and equipment	(0)	-
Decrease (increase) in notes and accounts receivable-trade	28	(608)
Decrease (increase) in inventories	(492)	(183)
Increase (decrease) in notes and accounts payable-trade	361	(356)
Other, net	16	(312)
Subtotal	2,257	2,866
Interest and dividends income received	7	6
Interest expenses paid	(13)	(10)
Income taxes paid	(301)	(659)
Net cash provided by (used in) operating activities	1,949	2,203
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,472)	(1,125)
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible assets	(23)	(14)
Other, net	(22)	8
Net cash provided by (used in) investing activities	(1,517)	(1,130)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(133)	(836)
Repayment of long-term loans payable	(28)	(33)
Cash dividends paid	(171)	(228)
Repayments of lease obligations	(0)	(0)
Purchase of treasury stock	(0)	-
Net cash provided by (used in) financing activities	(333)	(1,098)
Effect of exchange rate change on cash and cash equivalents	(196)	123
Net increase (decrease) in cash and cash equivalents	(98)	97
Cash and cash equivalents at beginning of period	4,179	5,773
Cash and cash equivalents at end of period	4,081	5,871