



**Consolidated Financial Results
Briefing Materials
for 1st Quarter of
Fiscal Year Ending March 31, 2017**

**IRISO ELECTRONICS CO., LTD.
Stock Code: 6908
(Aug 2, 2016)**



Summary for the first quarter

Impact of exchange rate

Net sales: approx. minus 10%, Operating income: approx. minus 10%

- Sales volume increased. Therefore, when using the same rate as the previous year, net sales increased compared to the previous year mainly in the car electronics segment.
- Sales were lower than expected due in part to the impact of the earthquake in Kumamoto to the automotive and consumer markets, and also a demand decline of vehicles equipped with our products in China, Taiwan & South Korea, in addition to the stronger yen. Consequently, operating income ratio was 15.1%.
- Selling price declines were within the range estimated at the beginning of the fiscal year.

【By market】

- Automotive segment : declined due to the stronger yen. However, the car electronics segment showed a steady increase mainly for safety applications such as cameras and radars.
- Consumer segment : declined due mainly to the stronger yen and decreases in sales for gaming applications and also for digital cameras because of the earthquake in Kumamoto.

【By area】

- Japan: increased mainly for new vehicles and radars, and in the industrial segment.
- U.S.A.: decreased due to the yen's appreciation and partly production adjustments because of the earthquake in Kumamoto.
- China, Taiwan & South Korea : decreased due to the yen's appreciation, and declined in consumer and car AVN segments.

【Topics】

- IRISO received eight awards including “Best Supplier Awards” from customers around the world since April 2016. Our efforts based on the management principle of “Customer First” were highly valued.

2. Consolidated Results for 1Q Fiscal Year Ending March 31, 2017 (YoY Change)



Unit: Millions of yen

	1Q Year Ended March 31, 2016	1Q Year Ending March 31, 2017	YoY change
Net sales	9,701	9,086	(615) (6.3)%
Operating income	1,460	1,368	(92) (6.4)%
Ordinary income	1,596	1,169	(427) (26.8)%
Net income	1,188	852	(336) (28.3)%
EPS	103.81 yen	73.77 yen	
Average exchange rate during the period	USD 121.34 yen EURO 133.86 yen	109.07 yen 122.47 yen	(12.27) yen (11.39) yen



3. Breakdown of Net Sales (by Market)



Unit: Millions of yen

		1Q Year Ending March 31, 2017	YoY change	Sales ratio	Factors for increase/decrease
Automotive (car-mounted products)		7,649	(5.1)%	84.2%	<ul style="list-style-type: none"> • Down approx. 10% due to the strong yen • Partly affected by production adjustment because of the earthquake in Kumamoto • Safety related (car-mounted cameras and radars) continued strong and increased 1.3 times.
Category	AVN (Car audio, visual, navigation systems, etc.)	4,078	(11.5)%	44.9%	
	Electronics (Other electric components)	3,571	3.4%	39.3%	
Consumer (Digital cameras, cellular telephones, televisions, OA, game equipment, etc.)		1,060	(19.1)%	11.7%	<ul style="list-style-type: none"> • Down approx. 11% due to the strong yen • Declined for gaming applications • Declined for digital cameras due to the earthquake in Kumamoto
Industrial (Industrial equipment, etc.)		377	14.9%	4.1%	<ul style="list-style-type: none"> • Increased for smart meters, etc.
Total		9,086	(6.3)%	100.0%	<ul style="list-style-type: none"> • Down approx. 10% due to the strong yen • Overseas ratio 79.6%

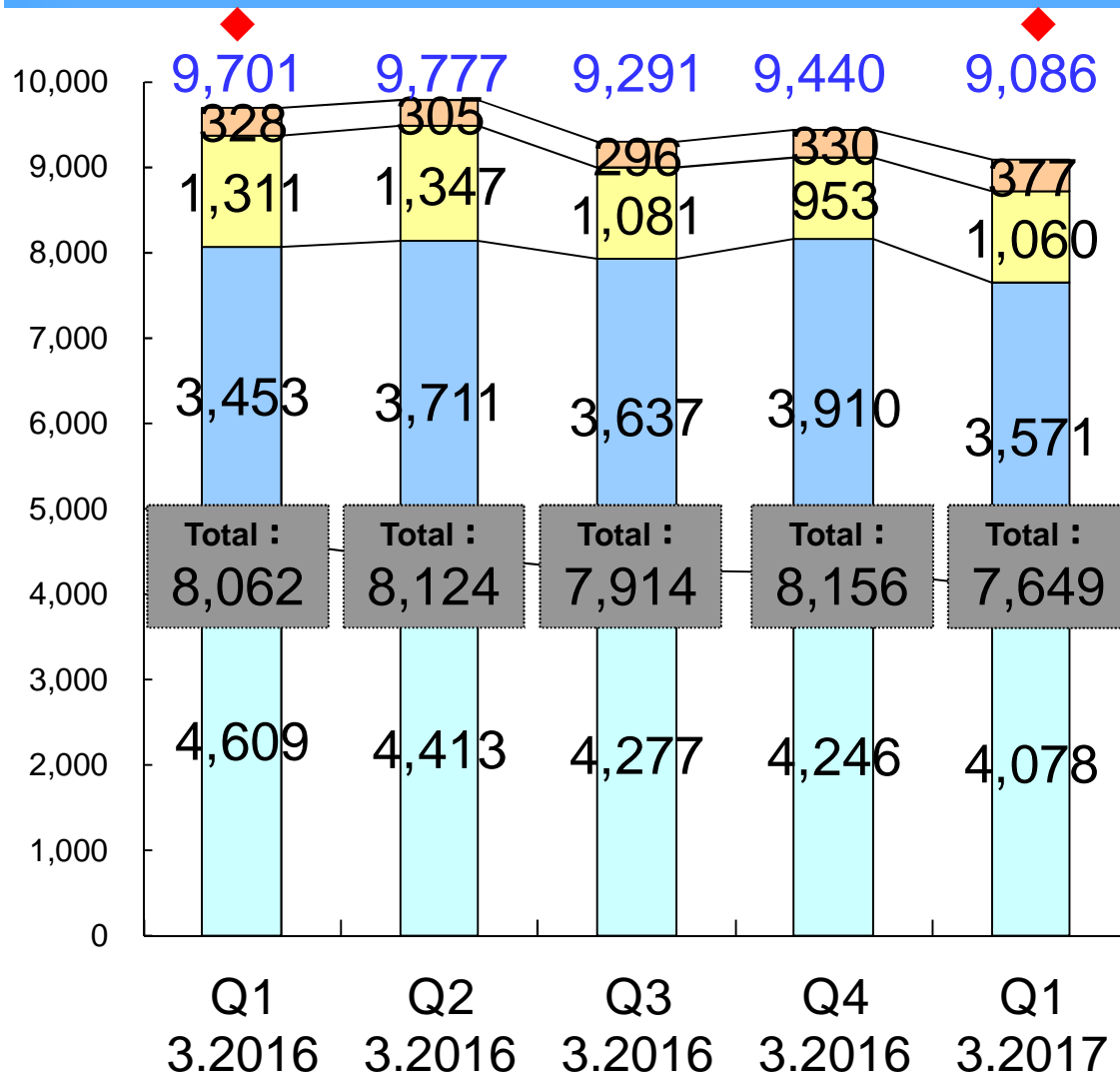
Note: AVN is an abbreviation of Audio Visual Navigator, and refers to general car audio equipment, navigation systems, etc.



4. Net Sales by Market (Quarterly Trends)



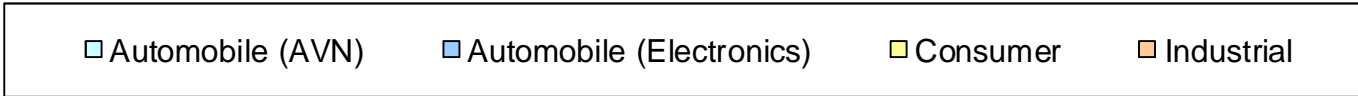
Unit: Millions of yen



YoY change

- Industrial 14.9%**
 - Increased for smart meters, etc.
- Consumer (19.1%)**
 - Decreased due to the strong yen and declines in gaming applications and digital cameras.
- Automobile (Electronics) 3.4%**
 - Decreased due to the strong yen
 - Continued strength in Electronics drove results
 - AVN almost remained flat after excluding the impact of the strong yen and the earthquake in Kumamoto
- Automobile (Total) (5.1%)**
- Automobile (AVN) (11.5%)**

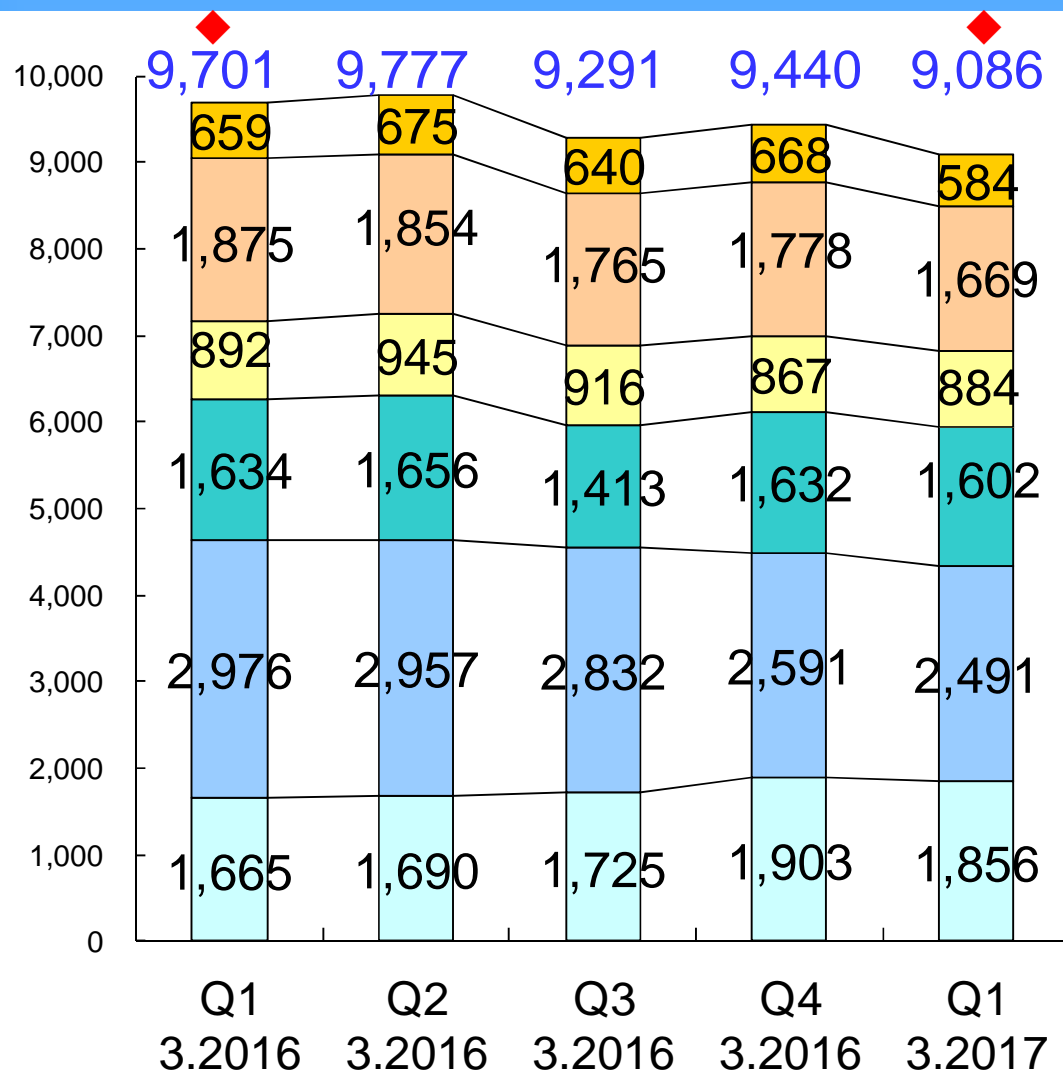
Impact of the strong yen
 Approx. minus 10% (vs. Q1 Mar. 2016)
 Approx. minus 5% (vs. Q4 Mar. 2016)



5. Net Sales by Area (Quarterly Trends)



Unit: Millions of yen



YoY change

- Thailand (11.3%)**
Decreased due to strong yen and the earthquake in Kumamoto
- U.S.A. (11.0%)**
Decreased due to strong yen and the earthquake
- Singapore (0.9%)**
Declined due to strong yen
- Europe (12.0%)**
Declined due to strong yen.
- China, Taiwan & South Korea (16.3%)**
Declined due to the strong yen, the earthquake, a decrease in Consumer mainly for gaming app., and fluctuation of production volume of vehicles in Automotive.
- Japan 11.5%**
Increased for new vehicles and safety related app., and in Industrial segment.

Impact of the strong yen
 Approx. minus 10%
 (vs. Q1 Mar. 2016)
 Approx. minus 5%
 (vs. Q4 Mar. 2016)

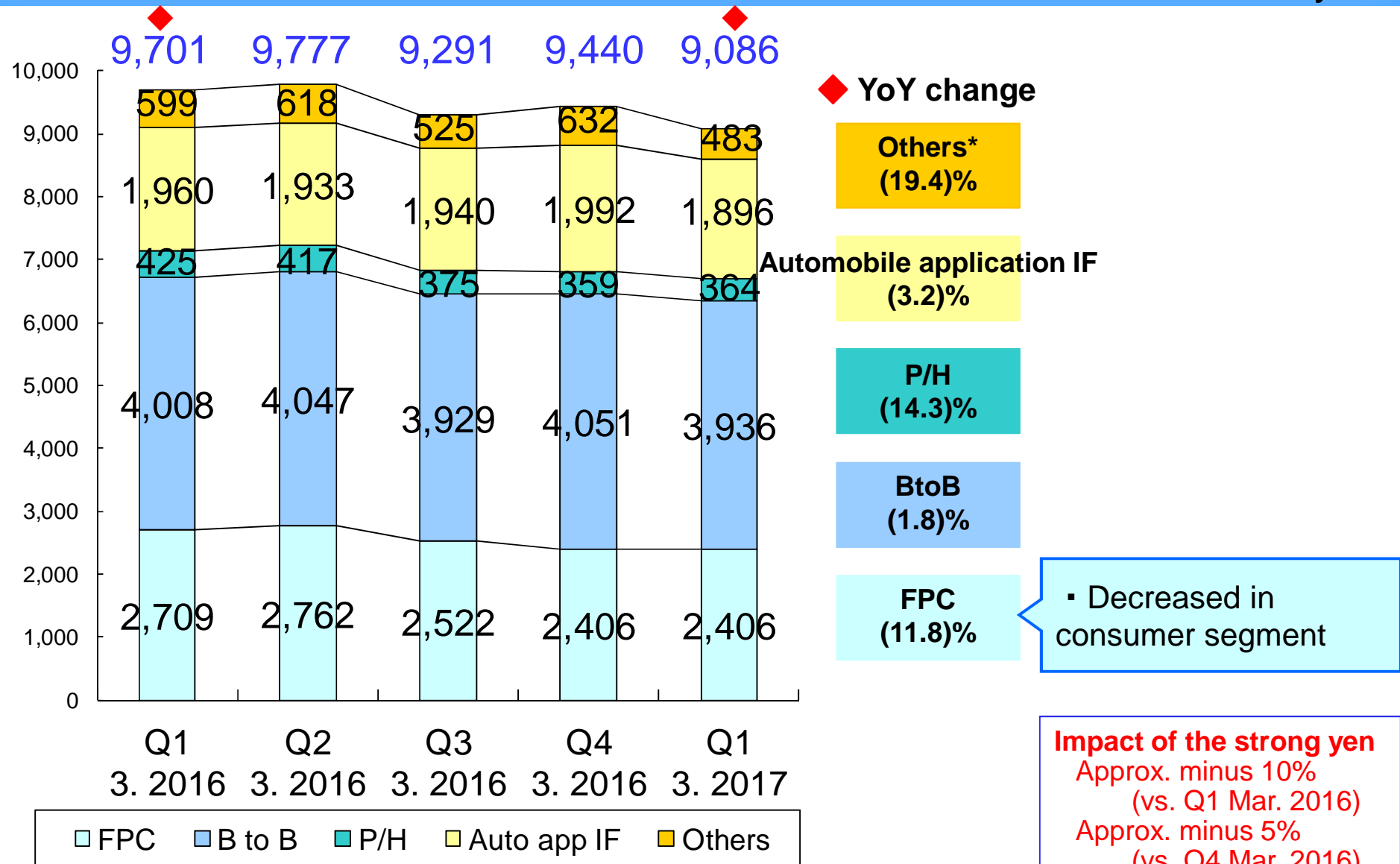




6. Net Sales by Product (Quarterly Trends)



Unit: Millions of yen



7. Consolidated Statements of Income (Cumulative) (YoY Change)



Unit: Millions of yen

	1Q Year Ended March 31, 2016		1Q Year Ending March 31, 2017		YoY change	
Net sales	9,701	100.0%	9,086	100.0%	(615)	(6.3)%
Cost of sales	6,394	65.9%	5,928	65.2%	(466)	(7.3)%
Gross profit	3,306	34.1%	3,158	34.8%	(148)	(4.5)%
SG & A	1,845	19.0%	1,789	19.7%	(56)	(3.0)%
Operating income	1,460	15.0%	1,368	15.1%	(92)	(6.4)%
Non-operating income	140	1.4%	11	0.1%	(129)	(93.0)%
Non-operating expenses	4	0.0%	210	2.3%	206	5150.0%
Ordinary income	1,596	16.5%	1,169	12.9%	(427)	(26.8)%
Extraordinary income (loss)	(14)	(0.1)%	(2)	(0.0)%	12	—
Pretax income	1,582	16.3%	1,166	12.8%	(416)	(26.3)%
Net income	1,188	12.2%	852	9.4%	(336)	(28.3)%
EPS	103.81		73.77		—	
Exchange rate (USD/EURO)	121.34 Yen/		109.07 Yen/		(12.27) Yen/	
	133.86 Yen		122.47 Yen		(11.39) Yen	

8. Consolidated Balance Sheets (compared to the end of the previous year)



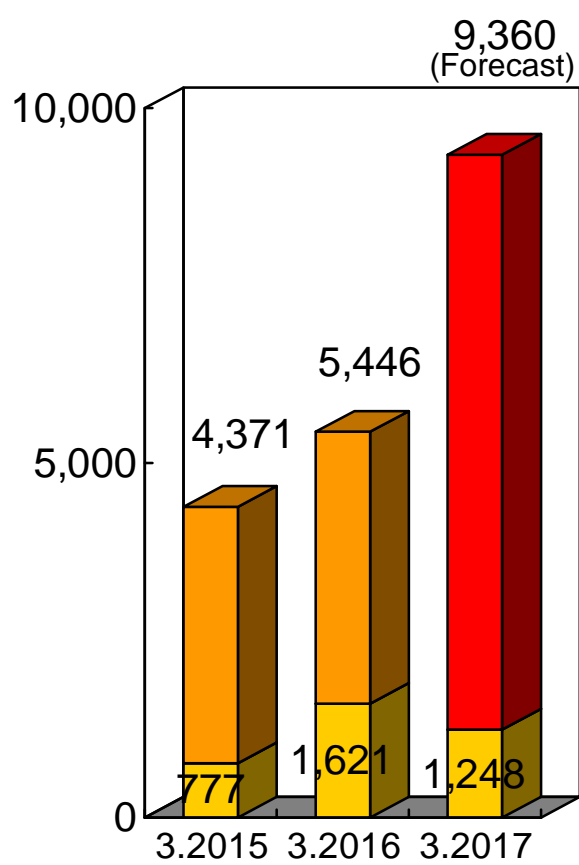
Unit: Millions of yen

	As of March 31, 2016		As of June 30, 2016		Compared to the end of the previous year	Factors for increase/decrease
Current assets	28,439	59.8%	28,320	61.2%	(119)	Cash and deposits 1,028 Notes and accounts receivable-trade (562) Merchandise and finished goods(561)
Noncurrent assets	19,116	40.2%	17,971	38.8%	(1,145)	tangible property(1,091)
Total assets	47,556	100.0%	46,291	100.0%	(1,264)	
Current liabilities	7,471	15.7%	6,267	13.5%	(1,204)	Income taxes payable(724) Accounts payable(215)
Noncurrent liabilities	788	1.7%	744	1.6%	(44)	
Total liabilities	8,259	17.4%	7,012	15.1%	(1,247)	
Shareholders' equity	36,544	76.8%	38,952	84.1%	2,408	Capital surplus1,962 Retained earnings 165 Treasury shares (279)
Valuation/translation difference	2,587	5.4%	146	0.3%	(2,441)	Foreign currency translation adjustment (2,426)
Minority interests	164	0.3%	180	0.4%	16	
Total net assets	39,296	82.6%	39,279	84.9%	(17)	Net assets per share 3,303.09 yen (previous period 3,418.96 yen)
Total liabilities and net assets	47,556	100.0%	46,291	100.0%	(1,264)	

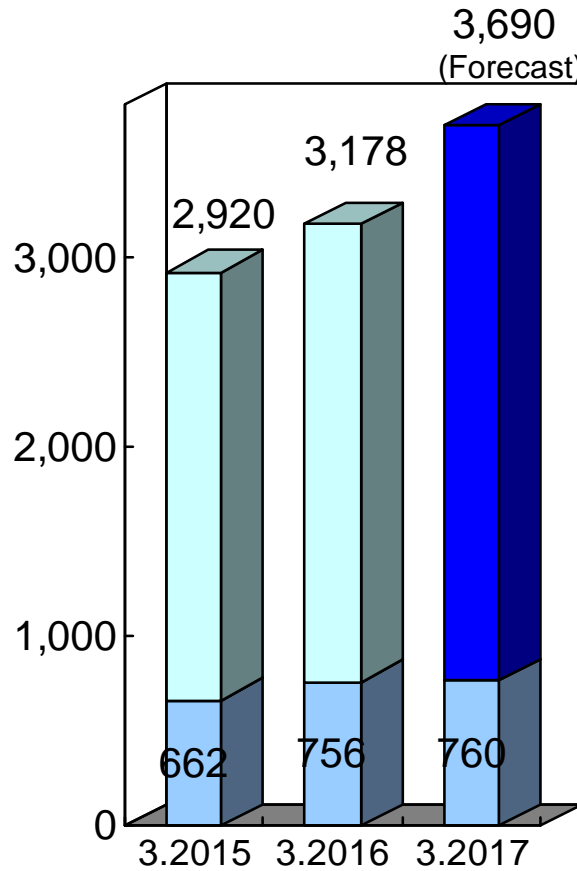
9. Capital Investment, Depreciation & Amortization and Research & Development



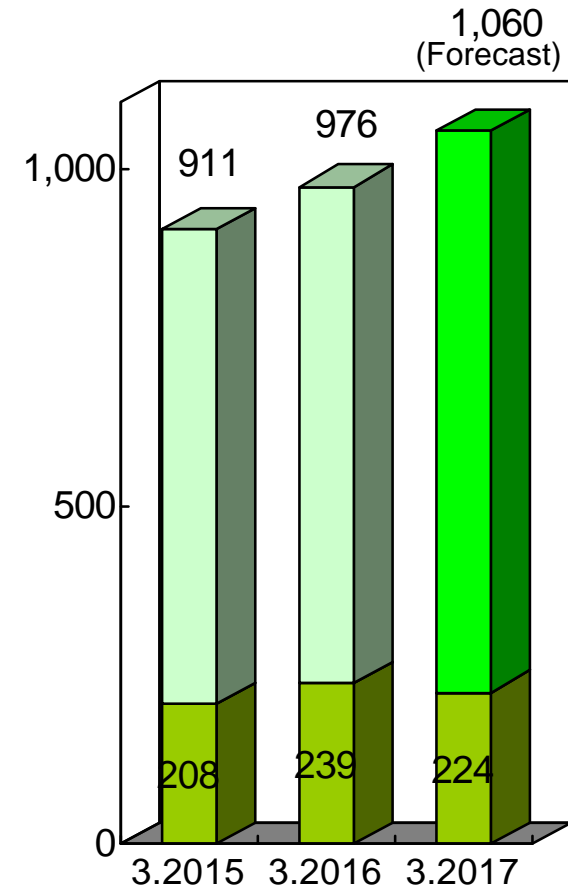
Unit: Millions of yen



Capital Investment



Depreciation & Amortization



Research & Development

Note: Each figure at the foot of bars shows the actual amount for the first quarter, and those at the top are for full year.



10. Topics – Awards from the Customers



Since April 2016, IRISO has been commended by the eight customers for our efforts based on “**Customer first**” policy.

* By date

Customer	Award	Achievement
Toyota Industries Corporation	Technology Development Award	The development of “Z-Move™” connectors with vibration resistance
Fujitsu Ten Corporation of the Philippines	Excellent Quality Performance Award	Efforts for quality improvement
Alpine Electronics, Inc.	Best Supplier Award	Most excellent performance for QCDS
Shindengen Electric Manufacturing Co., Ltd.	Letter of Appreciation	Excellent performance for QCD
Pioneer Corporation	Best Supplier Award	Efforts for quality improvement
Continental Corporation	Supplier of the Year 2015	Total support services including QCD
Dalian & Taicang Alpine Electronics Co., Ltd.	Best Supplier Award	Most excellent performance for QCDS
Pioneer Technology (Shanghai) Co., Ltd.	Excellent Supplier Award	Company-wide efforts for quality stabilization and technological exchange

11. Full-Year Targets for Fiscal Year Ending March 31, 2017 (YoY Change)



Unit: Millions of yen

*** We will carefully monitor the exchange rate trends and examine the impact on our planned value.**

	As of March 31, 2016	Full Year targets of March 31, 2017	YoY change
Net sales	38,209	38,300	91 0.2%
Operating income	6,568 (17.2%)	6,900 (18.0%)	332 5.0%
Ordinary income	6,602 (17.3%)	6,900 (18.0%)	298 4.6%
Net income	4,045 (10.6%)	5,100 (13.3%)	1,055 26.1%
EPS	353.46 yen	445.48 yen	
Average exchange rate during the period	USD 120.00 yen EURO 132.19 yen	110.00 yen 120.00 yen	

12 Full-Year Targets for Fiscal Year Ending March 31, 2017 (Assumptions for the forecasts)



* We will carefully monitor the exchange rate trends and examine the impact on our planned value.

Items	Assumptions
	USD ¥110.0 / \$
Exchange rate	EUR ¥120.0 / €
	RMB ¥16.50 / RMB
Capital investment	¥9,360M
Depreciation & Amortization	¥3,690M
Research & Development	¥1,060M



Company name	IRISO ELECTRONICS CO., LTD.
Business description	Manufacture and sales of various types of connectors
Establishment	December 1966
Number of employees	3,595 (as of March 31, 2016)
Capital	5,640 million yen (as of March 31, 2016)
Headquarters	2-13-8, Shinyokohama, Kohoku-ku, Yokohama, Kanagawa
Operations	
Domestic	Headquarters, Iwate, Ibaraki, Aichi, Osaka
Overseas	Singapore, Hong Kong, U.S.A., Germany, Thailand, South Korea, China (Shanghai, Dalian, Tianjin, Suzhou), Malaysia, Taiwan, India
Research & development	Headquarters (IRISO Technology Park), Kawasaki(Production Technology Development Center),Shanghai R&D Center
Manufacturing plants	Ibaraki, China (Shanghai), Philippines, Vietnam (Hanoi)