



# **Consolidated Financial Results Briefing Materials For 1st Quarter Of FY 2017**

**IRISO ELECTRONICS CO., LTD.**  
***Stock Code: 6908***  
**(Aug 2, 2017)**



# 1. Summary of Business Performance



## Quarterly sales rose to a record high, exceeding 10 billion yen for the first time

- Net sales increased by 12.5% year-on-year, and quarterly sales surpassed 10 billion yen for the first time. Sales volume showed a steady growth mainly in automotive segment.
- Operating income ratio was 18.0%, increasing by 2.9 percentage points year-on-year due to the sales increase and result of cost reduction efforts.

### 【By market】

- Automotive segment: Driven by strong sales of products for safety applications including cameras and radars, and also for powertrain using the floating BtoB connector “Z-Move™”, which has a function to make movements in three directions.

Record-high sales in car electronics segment for the second consecutive quarter

- Industrial segment: Increased for PLCs, servo amplifiers, and inverters owing to rising demand for FA equipment.

### 【By area】

- Japan: Increased mainly in automotive and industrial markets.
- USA: Favorable sales for safety and AVN segments in automotive market.
- China, Taiwan & South Korea: increased mainly in Car-Electronics segment in automotive market and industrial markets.
- EU: Increased due to strong sales mainly of safety related products in automotive market.

### 【Topics】

- This year again, IRISO received many awards including “Best Supplier Award” from customers around the world. We received award from Continental, Alpine, and Toyota Industries for the second year in a row.



## 2. Consolidated Results for 1Q of FY 2017 (YoY Change)



Unit: Millions of yen

	1Q FY 2016	1Q FY 2017	YoY change
Net sales	9,086	10,219	1,132 12.5%
Operating income	1,368	1,836	468 34.2%
Ordinary income	1,169	1,785	616 52.7%
Net income	852	1,396	543 63.8%
EPS	73.77 yen	117.94 yen	
Average exchange rate during the period	USD 109.07 yen EURO 122.47 yen	111.61 yen 123.14 yen	2.54 yen 0.67 yen



### 3. Breakdown of Net Sales (by Market)



Unit: Millions of yen

		1Q FY 2017	YoY change	Sales ratio	Factors for increase/decrease
<b>Automotive</b> (car-mounted products)		8,597	12.4%	84.1%	<ul style="list-style-type: none"> <li>Along with the advancement of ADAS and car electrification, the electronics segment has increased and exceeded the sales of AVN segment.</li> <li>Remained favorable for ADAS related safety applications including car-mounted cameras and radars. Sales increased by 50% compared to the previous year.</li> </ul>
<b>Category</b>	<b>AVN</b> (Car audio, visual, navigation systems, etc.)	4,295	5.3%	42.0%	
	<b>Electronics</b> (Other electric components including ADAS , Powertrain and switches.)	4,302	20.5%	42.1%	
<b>Consumer</b> (OA, game consoles, Digital cameras, cellular telephones, televisions, etc.)		1,085	2.4%	10.6%	<ul style="list-style-type: none"> <li>Increased for printers</li> <li>Increased for game consoles</li> </ul>
<b>Industrial</b> (Industrial equipment, etc.)		537	42.5%	5.3%	<ul style="list-style-type: none"> <li>Increased for PLCs and servo amplifiers, etc.</li> </ul>
<b>Total</b>		10,219	12.5%	100.0%	<ul style="list-style-type: none"> <li>Overseas ratio was 78.2%.</li> </ul>

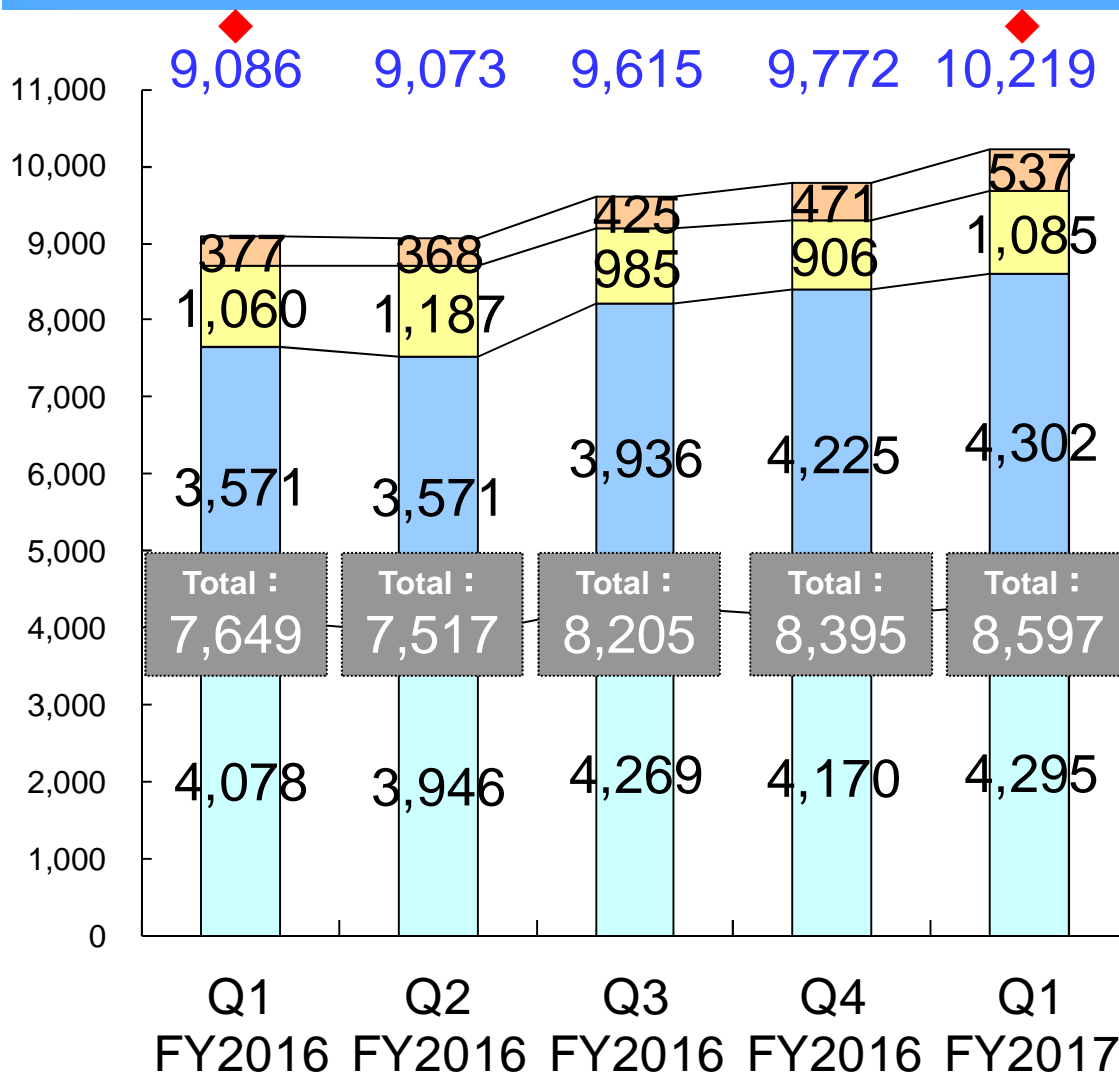
Note: AVN is an abbreviation of Audio Visual Navigator, and refers to general car audio equipment, navigation systems, etc.



# 4. Net Sales by Market (Quarterly Trends)



Unit: Millions of yen



◆ YoY change

**Industrial**  
42.5%

- Increased for PLCs, etc.
- Exceeded 500 million yen for the first time

**Consumer**  
2.4%

- Partly recovered for OA equipment, game consoles, etc.

**Automobile (Electronics)**  
20.5%

**Automobile (Total)**  
12.4%

- Sales for safety related applications drove growth in car electronics segment, which rose to a record high. Powertrain related sales also increased
- Quarterly sales in car electronics segment exceeded that of AVN segment for two consecutive quarters.

**Automobile (AVN)**  
5.3%

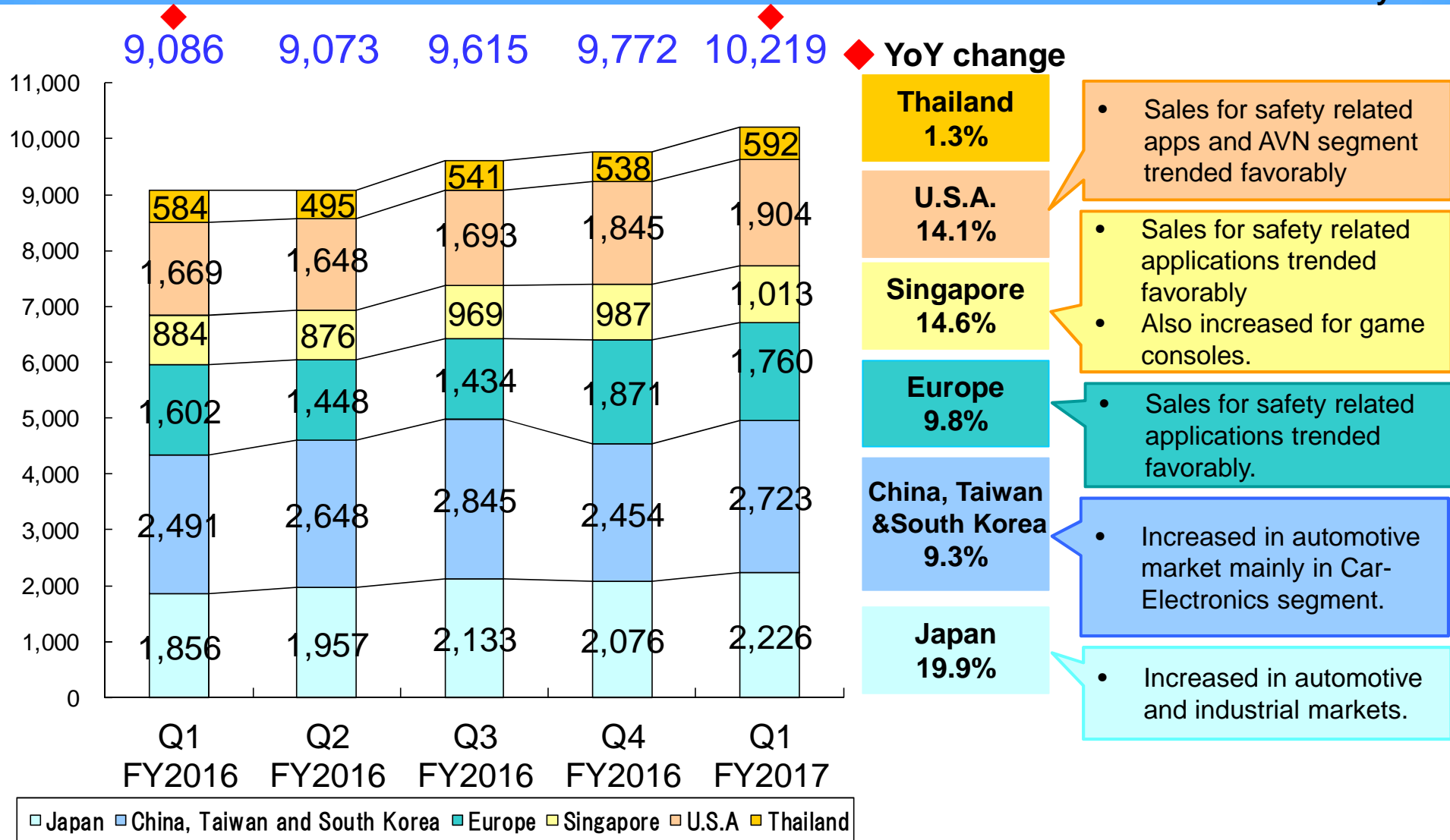
□ Automobile (AVN)   □ Automobile (Electronics)   □ Consumer   □ Industrial



# 5. Net Sales by Area (Quarterly Trends)



Unit: Millions of yen

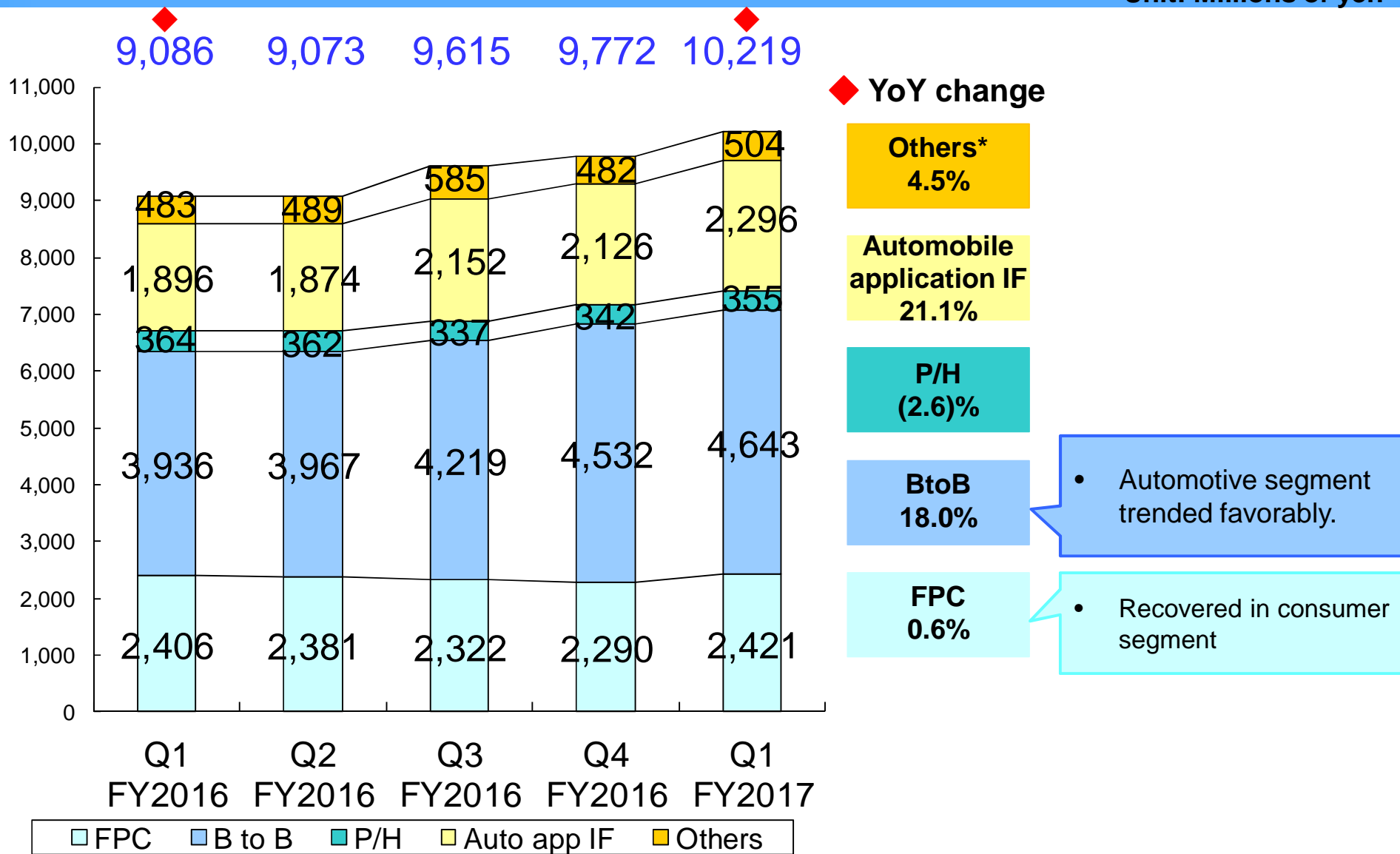




# 6. Net Sales by Product (Quarterly Trends)



Unit: Millions of yen



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



Unit: Millions of yen

	1Q FY 2016		1Q FY 2017		YoY change	
<b>Net sales</b>	9,086	100.0%	10,219	100.0%	1,132	12.5%
<b>Cost of sales</b>	5,928	65.2%	6,409	62.7%	481	8.1%
<b>Gross profit</b>	3,158	34.8%	3,809	37.3%	651	20.6%
<b>SG &amp; A</b>	1,789	19.7%	1,973	19.3%	183	10.3%
<b>Operating income</b>	1,368	15.1%	1,836	18.0%	468	34.2%
<b>Non-operating income</b>	11	0.1%	13	0.1%	1	18.2%
<b>Non-operating expenses</b>	210	2.3%	64	0.6%	(146)	(69.5)%
<b>Ordinary income</b>	1,169	12.9%	1,785	17.5%	616	52.7%
<b>Extraordinary income (loss)</b>	(2)	(0.0)%	(18)	(0.2)%	(16)	—
<b>Pretax income</b>	1,166	12.8%	1,766	17.3%	599	51.5%
<b>Net income</b>	852	9.4%	1,396	13.7%	543	63.8%
<b>EPS</b>	73.77		117.94		—	
<b>Exchange rate (USD/EURO)</b>	109.07 Yen/		111.61 Yen/		2.54 Yen/	
	122.47 Yen		123.14 Yen		0.67 Yen	



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



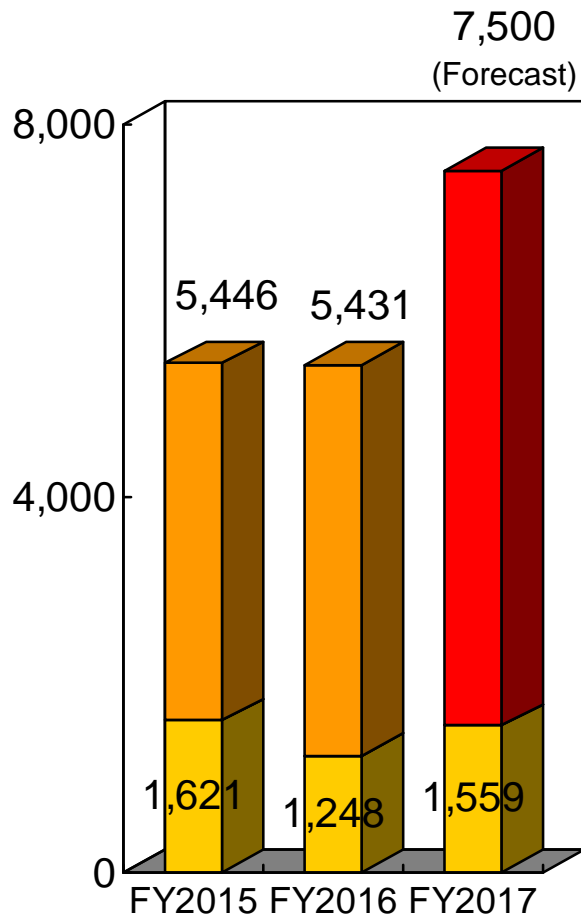
Unit: Millions of yen

	As of March 31, 2016		As of June 30, 2017		Compared to the end of the previous year	Factors for increase/decrease
<b>Current assets</b>	31,828	60.8%	31,697	59.9%	(131)	Cash and deposits (532) Notes and accounts receivable-trade 305
<b>Noncurrent assets</b>	20,534	39.2%	21,250	40.1%	716	Tangible fixed assets <sup>709</sup>
<b>Total assets</b>	52,363	100.0%	52,947	100.0%	584	
<b>Current liabilities</b>	7,000	13.4%	6,636	12.5%	(364)	Income taxes payable <sup>(531)</sup>
<b>Noncurrent liabilities</b>	669	1.3%	703	1.3%	33	
<b>Total liabilities</b>	7,670	14.6%	7,339	13.9%	(331)	
<b>Shareholders' equity</b>	42,737	81.6%	43,430	82.0%	693	Retained earnings <sup>693</sup>
<b>Valuation/translation difference</b>	1,715	3.3%	1,921	3.6%	206	Foreign currency translation adjustment (208)
<b>Minority interests</b>	239	0.5%	255	0.5%	16	
<b>Total net assets</b>	44,692	85.4%	45,607	86.1%	915	Net assets per share 3,831.40yen (previous period 3,755.44 yen)
<b>Total liabilities and net assets</b>	52,363	100.0%	52,947	100.0%	584	

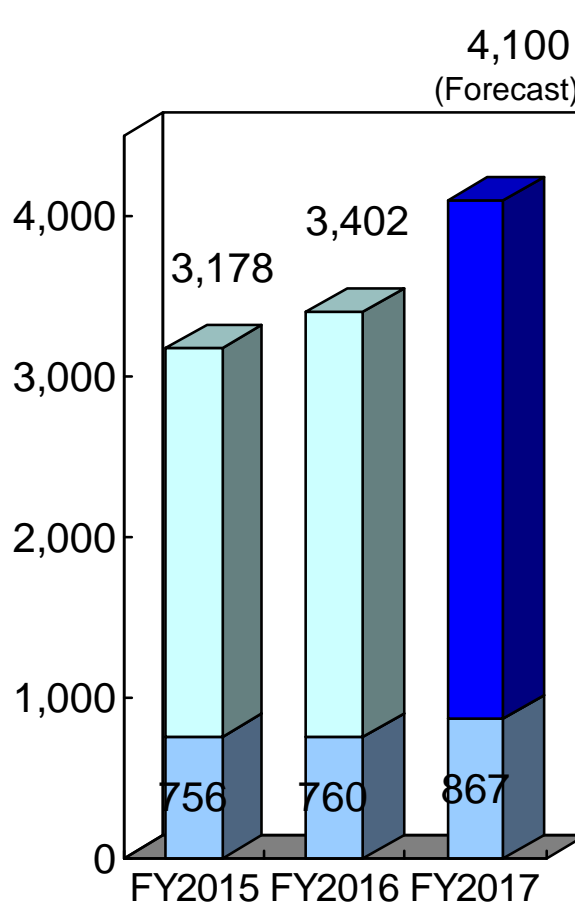
# 9. Capital Investment, Depreciation & Amortization, and Research & Development



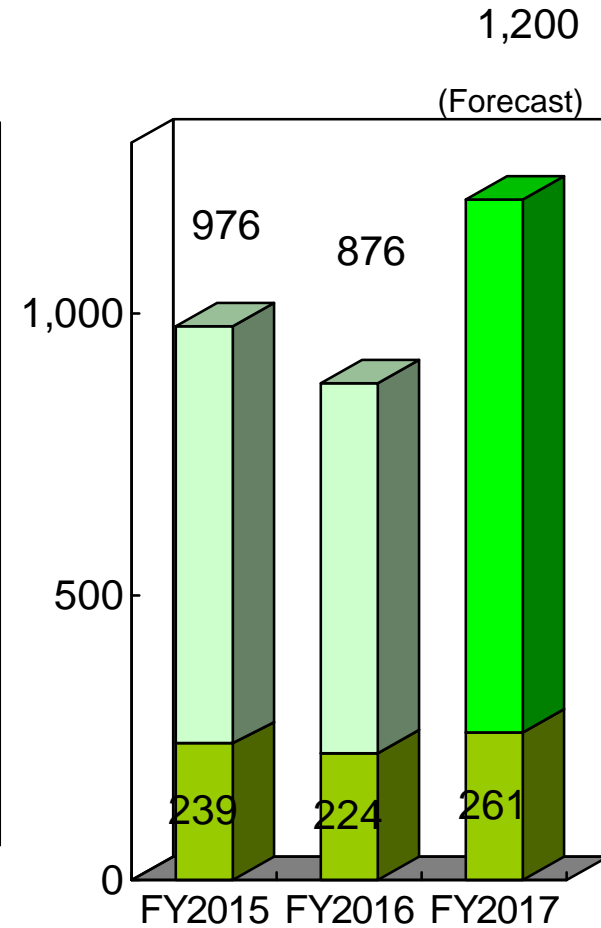
Unit: Millions of yen



**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. Full-Year Targets for FY 2017 (YoY Change)



Unit: Millions of yen

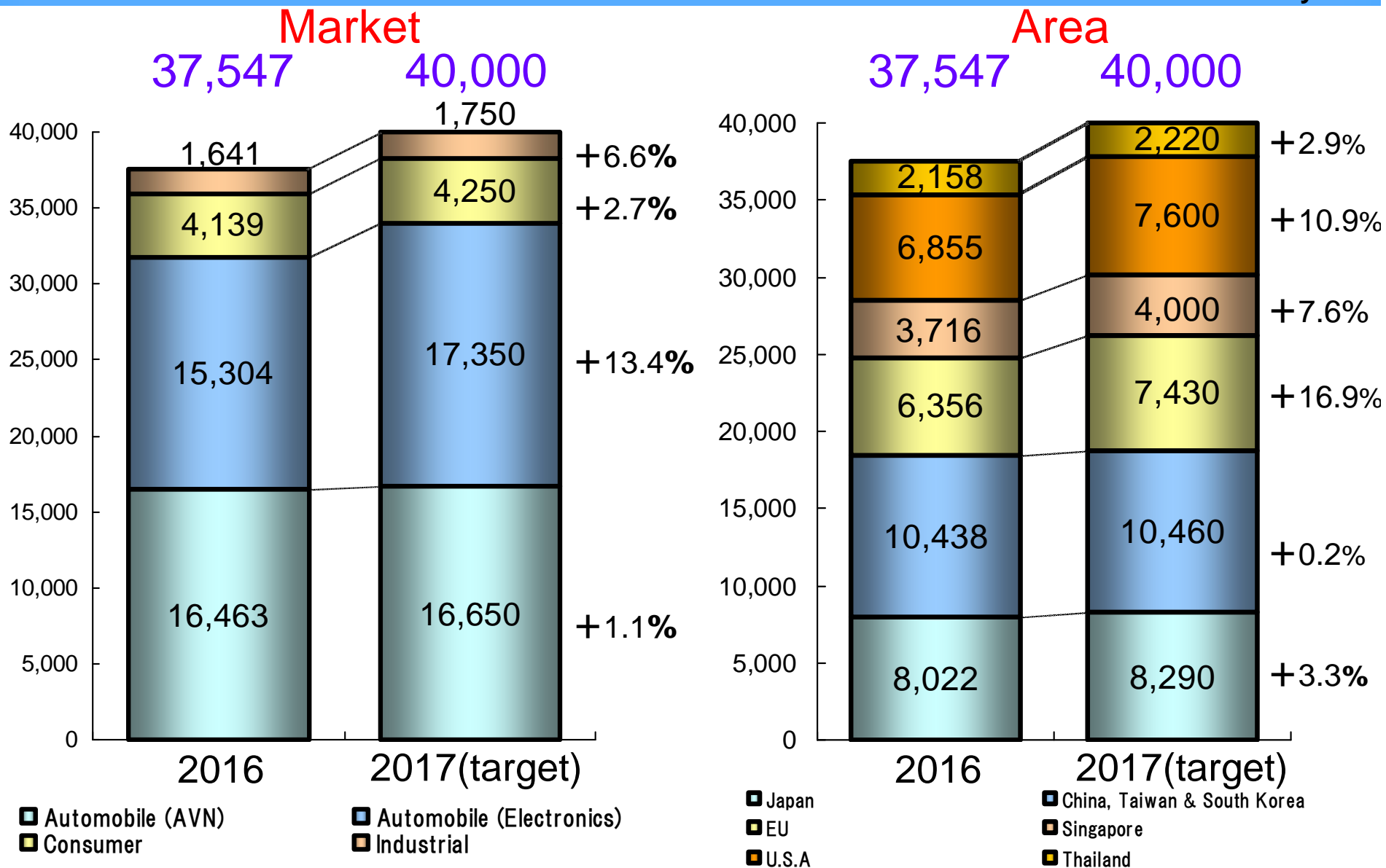
	Results of FY March 31, 2017	(1st half) (2nd half)	Full year targets for FY March 31, 2018	(1st half) (2nd half)	YoY change
Net sales	37,547	(18,159) (19,388)	40,000	(19,400) (20,600)	2,453 6.5%
Operating income	6,661 (17.7%)	(2,845) (3,816)	7,200 (18.0%)	(3,200) (4,000)	539 8.1%
Ordinary income	6,750 (18.0%)	(2,638) (4,112)	7,200 (18.0%)	(3,200) (4,000)	450 6.7%
Net income	4,875 (13.0%)	(1,913) (2,962)	5,200 (13.0%)	(2,200) (3,000)	325 6.7%
<b>EPS</b>	<b>414.32yen</b>	—	<b>219.65yen</b>	※EPS is calculated In connection with implementing a stock split (two shares per common share) with effective date as September 1, 2017	
Average exchange rate during the period	USD109.03yen EURO119.37yen	—	USD110.00yen EURO120.00yen		



# 11. Breakdown of Net Sales (by Market and Area)



Unit: Millions of yen



## 12. Full-Year Targets for FY 2017 (Assumptions for the forecasts)



Items	Assumptions
Exchange rate	USD ¥110.0 / \$
	EUR ¥120.0 / €
	RMB ¥15.80 / RMB
Capital investment	¥7,500M
Depreciation & Amortization	¥4,100M
Research & Development	¥1,200M



### Two-for-one stock split

- Purpose of stock split  
By lowering price per share, we try to make it easier for investors to invest the Company so that we can enhance the liquidity of our shares and further expand the investor base.
  
- Outline of stock split
  1. Way of stock split  
We will split our common shares with a record date of August 31, 2017 at a ratio of two shares for each share.
  2. Schedule
    - Announcement of record date: August 10, 2017
    - Record date: August 31, 2017
    - Effective date: September 1, 2017



<b>Company name</b>	<b>IRISO ELECTRONICS CO., LTD.</b>
<b>Business description</b>	<b>Manufacture and sales of various types of connectors</b>
<b>Establishment</b>	<b>December 1966</b>
<b>Number of employees</b>	<b>3,489 (as of March 31, 2017)</b>
<b>Capital</b>	<b>5,640 million yen (as of March 31, 2017)</b>
<b>Headquarters</b>	<b>2-13-8, Shinyokohama, Kohoku-ku, Yokohama, Kanagawa</b>
<b>Operations</b>	
<b>Domestic</b>	<b>Headquarters, Iwate, Ibaraki, Aichi, Osaka</b>
<b>Overseas</b>	<b>Singapore, Hong Kong, U.S.A., Germany, Thailand, South Korea, China (Shanghai, Dalian, Tianjin, Suzhou), Malaysia, Taiwan, India</b>
<b>Research &amp; development</b>	<b>Headquarters (IRISO Technology Park), Kawasaki(Production Technology Development Center),Shanghai R&amp;D Center</b>
<b>Manufacturing plants</b>	<b>Ibaraki, China (Shanghai), Philippines, Vietnam (Hai Duong)</b>