

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014 (Based on Japanese GAAP)

August 6, 2014

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: August 6, 2014
 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 three months ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated financial 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	%
Three months ended June 30, 2014	8,987	21.7	1,664	44.1	1,561	6.3	1,159	8.3
Three months ended June 30, 2013	7,386	21.9	1,155	43.8	1,469	126.2	1,071	129.6

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	101.31	–
Three months ended June 30, 2013	93.59	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2014	37,334	30,398	81.3	2,652.32
As of March 31, 2014	37,336	29,960	80.2	2,616.15

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	–	0.00	–	40.00	40.00
Year ending March 31, 2015	–	–	–	–	–
Year ending March 31, 2015 (Forecast)	–	0.00	–	40.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

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
Six months ending September 30, 2014	17,000	9.8	2,800	11.5	2,750	(3.8)	2,100	0.9	183.47
Full year	35,000	6.6	6,230	10.5	6,000	(3.7)	4,500	2.3	393.16

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2014
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing 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: Yes
- 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 June 30, 2014	12,291,849 shares	As of March 31, 2014	12,291,849 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2014	846,151 shares	As of March 31, 2014	846,151 shares
---------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2014	11,445,698 shares	Three months ended June 30, 2013	11,445,726 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	7,634	7,550
Notes and accounts receivable - trade	8,434	8,754
Merchandise and finished goods	3,775	3,629
Work in process	134	60
Raw materials and supplies	1,190	1,208
Deferred tax assets	364	286
Other	677	744
Allowance for doubtful accounts	(20)	(25)
Total current assets	22,189	22,209
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,770	3,762
Accumulated depreciation	(1,915)	(1,937)
Buildings and structures, net	1,854	1,824
Machinery, equipment and vehicles	13,895	13,997
Accumulated depreciation	(6,945)	(7,113)
Machinery, equipment and vehicles, net	6,950	6,883
Tools, furniture and fixtures	10,998	11,039
Accumulated depreciation	(8,096)	(8,230)
Tools, furniture and fixtures, net	2,901	2,808
Land	827	827
Construction in progress	1,422	1,655
Total property, plant and equipment	13,955	14,000
Intangible assets		
Software	320	265
Other	83	81
Total intangible assets	403	347
Investments and other assets		
Investment securities	330	331
Other	512	501
Allowance for doubtful accounts	(56)	(56)
Total investments and other assets	787	777
Total non-current assets	15,146	15,125
Total assets	37,336	37,334

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,819	2,816
Short-term loans payable	514	414
Current portion of long-term loans payable	56	56
Income taxes payable	614	245
Provision for bonuses	247	145
Other	2,007	2,160
Total current liabilities	6,261	5,839
Non-current liabilities		
Long-term loans payable	350	336
Provision for directors' retirement benefits	165	167
Net defined benefit liability	591	584
Other	6	7
Total non-current liabilities	1,113	1,096
Total liabilities	7,375	6,935
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	6,781	6,781
Retained earnings	16,747	17,444
Treasury shares	(602)	(602)
Total shareholders' equity	28,566	29,263
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	10
Foreign currency translation adjustment	1,376	1,095
Remeasurements of defined benefit plans	(8)	(11)
Total accumulated other comprehensive income	1,376	1,094
Minority interests	17	41
Total net assets	29,960	30,398
Total liabilities and net assets	37,336	37,334

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	7,386	8,987
Cost of sales	4,814	5,690
Gross profit	2,572	3,296
Selling, general and administrative expenses	1,417	1,632
Operating income	1,155	1,664
Non-operating income		
Interest income	2	1
Dividend income	1	1
Foreign exchange gains	320	-
Other	5	4
Total non-operating income	329	7
Non-operating expenses		
Interest expenses	5	2
Foreign exchange losses	-	102
Other	10	5
Total non-operating expenses	15	110
Ordinary income	1,469	1,561
Extraordinary income		
Gain on sales of non-current assets	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on retirement of non-current assets	12	4
Other	-	0
Total extraordinary losses	12	4
Income before income taxes and minority interests	1,456	1,557
Income taxes - current	340	295
Income taxes - deferred	54	77
Total income taxes	394	372
Income before minority interests	1,061	1,184
Minority interests in income (loss)	(9)	24
Net income	1,071	1,159

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	1,061	1,184
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Foreign currency translation adjustment	672	(281)
Remeasurements of defined benefit plans, net of tax	-	(2)
Total other comprehensive income	672	(283)
Comprehensive income	1,734	900
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,742	876
Comprehensive income attributable to minority interests	(8)	23