

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 6, 2015

Company name: IRISO ELECTRONICS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6908 URL <http://www.iriso.co.jp>
 Representative: President & CEO Ikuo Yuki
 Director & Executive Officer / General Manager of Administration Division Kenichi Ooe
 Inquiries: TEL 045-478-3111
 Scheduled date to file Quarterly Securities Report: November 6, 2015
 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 six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2015	19,478	7.4	3,156	(7.6)	3,319	(3.3)	2,343	(9.4)
Six months ended September 30, 2014	18,144	17.2	3,415	36.0	3,433	20.0	2,585	24.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2015	204.76	–
Six months ended September 30, 2014	225.89	–

(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, 2015	47,353	39,374	82.9	3,429.53
As of March 31, 2015	45,684	37,997	82.9	3,310.07

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, 2015	–	0.00	–	60.00	60.00
Year ending March 31, 2016	–	0.00	–	–	–
Year ending March 31, 2016 (Forecast)	–	–	–	60.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,000	7.5	7,200	4.8	7,200	4.2	5,200	2.6	454.32

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2015
(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 September 30, 2015	12,291,849 shares	As of March 31, 2015	12,291,849 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	846,151 shares	As of March 31, 2015	846,151 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, 2015	11,445,698 shares	Six months ended September 30, 2014	11,445,698 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	11,089	11,890
Notes and accounts receivable - trade	9,728	9,527
Merchandise and finished goods	3,884	3,971
Work in process	59	40
Raw materials and supplies	1,376	1,369
Deferred tax assets	325	318
Other	1,047	1,003
Allowance for doubtful accounts	(18)	(10)
Total current assets	27,492	28,109
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,065	4,688
Accumulated depreciation	(2,183)	(2,215)
Buildings and structures, net	1,882	2,473
Machinery, equipment and vehicles	17,235	18,036
Accumulated depreciation	(8,746)	(9,212)
Machinery, equipment and vehicles, net	8,489	8,824
Tools, furniture and fixtures	12,487	12,601
Accumulated depreciation	(9,192)	(9,446)
Tools, furniture and fixtures, net	3,295	3,154
Land	827	827
Construction in progress	2,695	3,027
Total property, plant and equipment	17,189	18,306
Intangible assets		
Software	232	188
Other	94	93
Total intangible assets	327	281
Investments and other assets		
Investment securities	294	278
Other	436	431
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	674	654
Total non-current assets	18,191	19,243
Total assets	45,684	47,353

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,898	2,700
Short-term loans payable	390	404
Current portion of long-term loans payable	56	56
Income taxes payable	360	738
Provision for bonuses	414	503
Other	2,632	2,740
Total current liabilities	6,753	7,144
Non-current liabilities		
Long-term loans payable	293	265
Provision for directors' retirement benefits	173	141
Net defined benefit liability	453	416
Other	11	11
Total non-current liabilities	932	834
Total liabilities	7,686	7,978
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	6,781	6,781
Retained earnings	21,367	23,024
Treasury shares	(602)	(602)
Total shareholders' equity	33,186	34,843
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52	41
Foreign currency translation adjustment	4,558	4,272
Remeasurements of defined benefit plans	88	96
Total accumulated other comprehensive income	4,699	4,409
Non-controlling interests	111	120
Total net assets	37,997	39,374
Total liabilities and net assets	45,684	47,353

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, 2014	Six months ended September 30, 2015
Net sales	18,144	19,478
Cost of sales	11,496	12,757
Gross profit	6,647	6,720
Selling, general and administrative expenses	3,232	3,563
Operating income	3,415	3,156
Non-operating income		
Interest income	4	9
Dividend income	1	2
Foreign exchange gains	13	144
Other	8	30
Total non-operating income	28	186
Non-operating expenses		
Interest expenses	4	3
Compensation expenses	0	–
Other	4	19
Total non-operating expenses	10	23
Ordinary income	3,433	3,319
Extraordinary income		
Gain on sales of non-current assets	0	–
Subsidy income	–	2
Total extraordinary income	0	2
Extraordinary losses		
Loss on retirement of non-current assets	81	31
Loss on sales of non-current assets	0	–
Other	0	–
Total extraordinary losses	81	31
Income before income taxes and minority interests	3,352	3,290
Income taxes - current	726	862
Income taxes - deferred	(10)	60
Total income taxes	716	923
Profit	2,635	2,366
Profit attributable to non-controlling interests	50	23
Profit attributable to owners of parent	2,585	2,343

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	2,635	2,366
Other comprehensive income		
Valuation difference on available-for-sale securities	20	(10)
Foreign currency translation adjustment	1,225	(300)
Remeasurements of defined benefit plans, net of tax	1	7
Total other comprehensive income	1,247	(303)
Comprehensive income	3,882	2,063
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,828	2,054
Comprehensive income attributable to non-controlling interests	54	9

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	3,352	3,290
Depreciation	1,368	1,544
Increase (decrease) in allowance for doubtful accounts	2	(8)
Increase (decrease) in provision for bonuses	148	92
Increase (decrease) in provision for directors' retirement benefits	2	(31)
Increase (decrease) in net defined benefit liability	3	(29)
Interest and dividend income	(6)	(11)
Interest expenses	4	3
Foreign exchange losses (gains)	(54)	24
Loss on retirement of non-current assets	81	31
Loss (gain) on sales of non-current assets	0	–
Decrease (increase) in notes and accounts receivable - trade	(402)	85
Decrease (increase) in inventories	135	(76)
Increase (decrease) in notes and accounts payable - trade	(26)	(151)
Other, net	(143)	89
Subtotal	4,465	4,851
Interest and dividend income received	6	11
Interest expenses paid	(4)	(3)
Income taxes paid	(869)	(322)
Net cash provided by (used in) operating activities	3,598	4,537
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,707)	(2,719)
Proceeds from sales of property, plant and equipment	0	–
Purchase of intangible assets	(31)	(0)
Other, net	(0)	(16)
Net cash provided by (used in) investing activities	(1,739)	(2,736)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(93)	–
Repayments of long-term loans payable	(28)	(28)
Cash dividends paid	(457)	(686)
Repayments of lease obligations	(0)	(0)
Net cash provided by (used in) financing activities	(579)	(715)
Effect of exchange rate change on cash and cash equivalents	224	(284)
Net increase (decrease) in cash and cash equivalents	1,503	800
Cash and cash equivalents at beginning of period	7,634	11,089
Cash and cash equivalents at end of period	9,137	11,890