

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 5, 2016

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: February 5, 2016
 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 nine months ended December 31, 2015 (from April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	28,769	3.8	4,819	(7.2)	5,019	(8.5)	3,630	(9.3)
Nine months ended December 31, 2014	27,721	14.5	5,195	28.1	5,484	13.8	4,004	19.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	317.23		–	
Nine months ended December 31, 2014	349.85		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2015	48,905	40,383	82.3	3,515.31
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				
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 nine months ended December 31, 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 December 31, 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 December 31, 2015	846,198 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)

Nine months ended December 31, 2015	11,445,693 shares	Nine months ended December 31, 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 December 31, 2015
Assets		
Current assets		
Cash and deposits	11,089	13,315
Notes and accounts receivable - trade	9,728	9,275
Merchandise and finished goods	3,884	4,099
Work in process	59	50
Raw materials and supplies	1,376	1,491
Deferred tax assets	325	299
Other	1,047	801
Allowance for doubtful accounts	(18)	(27)
Total current assets	27,492	29,306
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,065	5,124
Accumulated depreciation	(2,183)	(2,243)
Buildings and structures, net	1,882	2,880
Machinery, equipment and vehicles	17,235	18,120
Accumulated depreciation	(8,746)	(9,310)
Machinery, equipment and vehicles, net	8,489	8,809
Tools, furniture and fixtures	12,487	12,565
Accumulated depreciation	(9,192)	(9,490)
Tools, furniture and fixtures, net	3,295	3,074
Land	827	827
Construction in progress	2,695	3,167
Total property, plant and equipment	17,189	18,759
Intangible assets		
Software	232	164
Other	94	93
Total intangible assets	327	257
Investments and other assets		
Investment securities	294	201
Other	436	436
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	674	581
Total non-current assets	18,191	19,598
Total assets	45,684	48,905

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,898	3,176
Short-term loans payable	390	395
Current portion of long-term loans payable	56	61
Income taxes payable	360	755
Provision for bonuses	414	407
Other	2,632	2,917
Total current liabilities	6,753	7,714
Non-current liabilities		
Long-term loans payable	293	250
Provision for directors' retirement benefits	173	144
Net defined benefit liability	453	401
Other	11	11
Total non-current liabilities	932	808
Total liabilities	7,686	8,522
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	6,781	6,781
Retained earnings	21,367	24,311
Treasury shares	(602)	(603)
Total shareholders' equity	33,186	36,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52	56
Foreign currency translation adjustment	4,558	3,948
Remeasurements of defined benefit plans	88	100
Total accumulated other comprehensive income	4,699	4,104
Non-controlling interests	111	148
Total net assets	37,997	40,383
Total liabilities and net assets	45,684	48,905

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	27,721	28,769
Cost of sales	17,547	18,667
Gross profit	10,174	10,102
Selling, general and administrative expenses	4,979	5,282
Operating income	5,195	4,819
Non-operating income		
Interest income	9	21
Dividend income	3	4
Foreign exchange gains	275	179
Other	14	22
Total non-operating income	303	227
Non-operating expenses		
Interest expenses	6	5
Compensation expenses	0	-
Other	7	22
Total non-operating expenses	14	27
Ordinary income	5,484	5,019
Extraordinary income		
Gain on sales of non-current assets	0	0
Subsidy income	-	3
Total extraordinary income	0	3
Extraordinary losses		
Loss on retirement of non-current assets	218	53
Loss on sales of non-current assets	0	-
Other	0	-
Total extraordinary losses	218	53
Income before income taxes and minority interests	5,265	4,969
Income taxes - current	1,111	1,202
Income taxes - deferred	78	85
Total income taxes	1,189	1,288
Profit	4,075	3,680
Profit attributable to non-controlling interests	71	49
Profit attributable to owners of parent	4,004	3,630

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	4,075	3,680
Other comprehensive income		
Valuation difference on available-for-sale securities	33	3
Foreign currency translation adjustment	3,231	(623)
Remeasurements of defined benefit plans, net of tax	6	11
Total other comprehensive income	3,271	(607)
Comprehensive income	7,346	3,072
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,264	3,036
Comprehensive income attributable to non-controlling interests	81	36