

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 Year Ended March 31, 2016 (Based on Japanese GAAP)

May 6, 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
 Inquiries: Director & Executive Officer / General Manager of Administration Division Kenichi Ooe TEL 045-478-3111
 Scheduled date of ordinary general meeting of shareholders: June 24, 2016
 Scheduled date to file Securities Report: June 24, 2016
 Scheduled date to commence dividend payments: June 27, 2016
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated financial results 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	%
Year ended March 31, 2016	38,209	2.7	6,568	(4.4)	6,602	(4.4)	4,045	(20.2)
Year ended March 31, 2015	37,214	13.3	6,872	21.9	6,909	10.8	5,068	15.2

	Earnings per share	Diluted earnings per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	353.46	-	10.5	14.2	17.2
Year ended March 31, 2015	442.87	-	14.9	16.6	18.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	47,556	39,296	82.3	3,418.96
As of March 31, 2015	45,684	37,997	82.9	3,310.07

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	8,598	(5,370)	(744)	13,051
Year ended March 31, 2015	7,726	(4,287)	(610)	11,089

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	-	0.00	-	60.00	60.00	686	13.5	2.0
Year ended March 31, 2016	-	0.00	-	60.00	60.00	686	17.0	1.8
Year ending March 31, 2017 (Forecast)	-	0.00	-	60.00	60.00		13.5	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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
Six months ending September 30, 2016	18,800	(3.5)	3,400	7.7	3,400	2.4	2,500	6.7	218.42
Full year	38,300	0.2	6,900	5.0	6,900	4.6	5,100	26.1	445.58

* Notes:

- (1) Changes in significant subsidiaries during the year ended March 31, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares):

As of March 31, 2016	12,291,849 shares	As of March 31, 2015	12,291,849 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period:

As of March 31, 2016	846,215 shares	As of March 31, 2015	846,151 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period:

Year ended March 31, 2016	11,445,682 shares	Year ended March 31, 2015	11,445,698 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	11,089	13,051
Notes and accounts receivable - trade	9,728	9,092
Merchandise and finished goods	3,884	3,882
Work in process	59	44
Raw materials and supplies	1,376	1,349
Deferred tax assets	325	363
Other	1,047	688
Allowance for doubtful accounts	(18)	(32)
Total current assets	27,492	28,439
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,065	5,066
Accumulated depreciation	(2,183)	(2,221)
Buildings and structures, net	1,882	2,845
Machinery, equipment and vehicles	17,235	18,143
Accumulated depreciation	(8,746)	(9,200)
Machinery, equipment and vehicles, net	8,489	8,943
Tools, furniture and fixtures	12,487	12,168
Accumulated depreciation	(9,192)	(9,206)
Tools, furniture and fixtures, net	3,295	2,962
Land	827	1,027
Construction in progress	2,695	2,574
Total property, plant and equipment	17,189	18,353
Intangible assets		
Software	232	146
Other	94	86
Total intangible assets	327	232
Investments and other assets		
Investment securities	294	159
Other	436	427
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	674	531
Total non-current assets	18,191	19,116
Total assets	45,684	47,556

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,898	2,481
Short-term loans payable	390	383
Current portion of long-term loans payable	56	56
Income taxes payable	360	1,693
Provision for bonuses	414	378
Other	2,632	2,477
Total current liabilities	6,753	7,471
Non-current liabilities		
Long-term loans payable	293	236
Provision for directors' retirement benefits	173	147
Net defined benefit liability	453	394
Other	11	9
Total non-current liabilities	932	788
Total liabilities	7,686	8,259
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	6,781	6,781
Retained earnings	21,367	24,726
Treasury shares	(602)	(603)
Total shareholders' equity	33,186	36,544
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52	28
Foreign currency translation adjustment	4,558	2,464
Remeasurements of defined benefit plans	88	94
Total accumulated other comprehensive income	4,699	2,587
Non-controlling interests	111	164
Total net assets	37,997	39,296
Total liabilities and net assets	45,684	47,556

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	37,214	38,209
Cost of sales	23,628	24,642
Gross profit	13,586	13,566
Selling, general and administrative expenses		
Haulage expenses	1,047	1,070
Directors' compensations	95	102
Salaries and allowances	1,640	1,739
Provision for bonuses	165	158
Retirement benefit expenses	67	85
Provision for directors' retirement benefits	12	11
Welfare expenses	373	404
Traveling and transportation expenses	294	310
Communication expenses	94	107
Rent expenses	207	231
Supplies expenses	46	40
Research and development expenses	911	976
Other	1,757	1,757
Total selling, general and administrative expenses	6,713	6,997
Operating income	6,872	6,568
Non-operating income		
Interest income	13	24
Dividend income	3	4
Foreign exchange gains	31	-
Gain on sales of scraps	-	23
Other	9	22
Total non-operating income	58	75
Non-operating expenses		
Interest expenses	10	9
Foreign exchange losses	-	9
Loss on valuation of golf club membership	3	-
Other	8	23
Total non-operating expenses	22	41
Ordinary income	6,909	6,602
Extraordinary income		
Land subsidy	9	9
Subsidy income	-	3
Total extraordinary income	9	13
Extraordinary losses		
Loss on retirement of non-current assets	313	74
Total extraordinary losses	313	74
Profit before income taxes	6,605	6,541
Income taxes - current	1,363	1,671
Income taxes for prior periods	-	714
Income taxes - deferred	89	36
Total income taxes	1,452	2,422
Profit	5,152	4,118
Profit attributable to non-controlling interests	83	73
Profit attributable to owners of parent	5,068	4,045

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	5,152	4,118
Other comprehensive income		
Valuation difference on available-for-sale securities	42	(23)
Foreign currency translation adjustment	3,193	(2,114)
Remeasurements of defined benefit plans, net of tax	97	5
Total other comprehensive income	3,333	(2,132)
Comprehensive income	8,486	1,986
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,391	1,933
Comprehensive income attributable to non-controlling interests	94	52

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,640	6,781	16,747	(602)	28,566
Cumulative effects of changes in accounting policies			11		11
Restated balance	5,640	6,781	16,758	(602)	28,577
Changes of items during period					
Dividends of surplus			(457)		(457)
Profit attributable to owners of parent			5,068		5,068
Other			(2)		(2)
Purchase of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,608	-	4,608
Balance at end of current period	5,640	6,781	21,367	(602)	33,186

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	9	1,376	(8)	1,376	17	29,960
Cumulative effects of changes in accounting policies						11
Restated balance	9	1,376	(8)	1,376	17	29,972
Changes of items during period						
Dividends of surplus						(457)
Profit attributable to owners of parent						5,068
Other						(2)
Purchase of treasury shares						-
Net changes of items other than shareholders' equity	42	3,182	97	3,322	94	3,417
Total changes of items during period	42	3,182	97	3,322	94	8,025
Balance at end of current period	52	4,558	88	4,699	111	37,997

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,640	6,781	21,367	(602)	33,186
Cumulative effects of changes in accounting policies					
Restated balance	5,640	6,781	21,367	(602)	33,186
Changes of items during period					
Dividends of surplus			(686)		(686)
Profit attributable to owners of parent			4,045		4,045
Other			-		-
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	3,358	(0)	3,358
Balance at end of current period	5,640	6,781	24,726	(603)	36,544

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	52	4,558	88	4,699	111	37,997
Cumulative effects of changes in accounting policies						
Restated balance	52	4,558	88	4,699	111	37,997
Changes of items during period						
Dividends of surplus						(686)
Profit attributable to owners of parent						4,045
Other						-
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	(23)	(2,094)	5	(2,112)	52	(2,059)
Total changes of items during period	(23)	(2,094)	5	(2,112)	52	1,298
Balance at end of current period	28	2,464	94	2,587	164	39,296

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	6,605	6,541
Depreciation	2,920	3,178
Increase (decrease) in allowance for doubtful accounts	(1)	13
Increase (decrease) in provision for bonuses	59	(23)
Increase (decrease) in provision for directors' retirement	8	(25)
Increase (decrease) in net defined benefit liability	(50)	(48)
Interest and dividend income	(17)	(29)
Interest expenses	10	9
Foreign exchange losses (gains)	(145)	44
Loss on retirement of non-current assets	313	74
Loss (gain) on sales of non-current assets	(1)	(0)
Decrease (increase) in notes and accounts receivable - trade	(40)	(323)
Decrease (increase) in inventories	239	(300)
Increase (decrease) in notes and accounts payable - trade	(661)	173
Decrease (increase) in consumption taxes refund receivable	(28)	96
Other, net	35	43
Subtotal	9,246	9,423
Interest and dividend income received	17	29
Interest expenses paid	(10)	(9)
Income taxes paid	(1,526)	(871)
Other, net	-	26
Net cash provided by (used in) operating activities	7,726	8,598
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,270)	(5,444)
Purchase of intangible assets	(101)	(2)
Purchase of investment securities	(0)	(1)
Proceeds from redemption of investment securities	100	100
Other, net	(15)	(22)
Net cash provided by (used in) investing activities	(4,287)	(5,370)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(93)	-
Repayments of long-term loans payable	(56)	(56)
Purchase of treasury shares	-	(0)
Cash dividends paid	(457)	(686)
Repayments of lease obligations	(3)	(0)
Net cash provided by (used in) financing activities	(610)	(744)
Effect of exchange rate change on cash and cash equivalents	627	(521)
Net increase (decrease) in cash and cash equivalents	3,455	1,961
Cash and cash equivalents at beginning of period	7,634	11,089
Cash and cash equivalents at end of period	11,089	13,051