

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 2, 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 to file Quarterly Securities Report: August 2, 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated financial 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	%
Three months ended June 30, 2016	9,086	(6.3)	1,368	(6.4)	1,169	(26.8)	852	(28.3)
Three months ended June 30, 2015	9,701	7.9	1,460	(12.2)	1,596	2.2	1,188	2.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2016	73.77	-
Three months ended June 30, 2015	103.81	-

(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, 2016	46,291	39,279	84.5	3,303.09
As of March 31, 2016	47,556	39,296	82.3	3,418.96

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, 2016	-	0.00	-	60.00	60.00
Year ending March 31, 2017	-				
Year ending March 31, 2017 (Forecast)		20.00	-	60.00	80.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(Note) Revision to the financial results forecast announced most recently: No

*** Notes:**

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of 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: No
 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, 2016	12,291,849 shares	As of March 31, 2016	12,291,849 shares
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Number of treasury shares at the end of the period:

As of June 30, 2016	454,815 shares	As of March 31, 2016	846,215 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended June 30, 2016	11,554,988 shares	Three months ended June 30, 2015	11,445,698 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	13,051	14,079
Notes and accounts receivable - trade	9,092	8,530
Merchandise and finished goods	3,882	3,321
Work in process	44	38
Raw materials and supplies	1,349	1,368
Deferred tax assets	363	304
Other	688	707
Allowance for doubtful accounts	(32)	(30)
Total current assets	28,439	28,320
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,066	4,822
Accumulated depreciation	(2,221)	(2,158)
Buildings and structures, net	2,845	2,664
Machinery, equipment and vehicles	18,143	16,979
Accumulated depreciation	(9,200)	(8,781)
Machinery, equipment and vehicles, net	8,943	8,197
Tools, furniture and fixtures	12,168	11,612
Accumulated depreciation	(9,206)	(8,830)
Tools, furniture and fixtures, net	2,962	2,782
Land	1,027	1,027
Construction in progress	2,574	2,589
Total property, plant and equipment	18,353	17,261
Intangible assets		
Software	146	131
Other	86	78
Total intangible assets	232	209
Investments and other assets		
Investment securities	159	140
Other	427	415
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	531	500
Total non-current assets	19,116	17,971
Total assets	47,556	46,291

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,481	2,410
Short-term loans payable	383	343
Current portion of long-term loans payable	56	56
Income taxes payable	1,693	969
Provision for bonuses	378	280
Other	2,477	2,206
Total current liabilities	7,471	6,267
Non-current liabilities		
Long-term loans payable	236	222
Provision for directors' retirement benefits	147	150
Net defined benefit liability	394	362
Other	9	8
Total non-current liabilities	788	744
Total liabilities	8,259	7,012
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	6,781	8,744
Retained earnings	24,726	24,891
Treasury shares	(603)	(324)
Total shareholders' equity	36,544	38,952
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28	15
Foreign currency translation adjustment	2,464	38
Remeasurements of defined benefit plans	94	93
Total accumulated other comprehensive income	2,587	146
Non-controlling interests	164	180
Total net assets	39,296	39,279
Total liabilities and net assets	47,556	46,291

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income
Three months ended June 30

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	9,701	9,086
Cost of sales	6,394	5,928
Gross profit	3,306	3,158
Selling, general and administrative expenses	1,845	1,789
Operating income	1,460	1,368
Non-operating income		
Interest income	4	7
Dividend income	1	1
Foreign exchange gains	128	—
Other	5	2
Total non-operating income	140	11
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	—	206
Other	2	2
Total non-operating expenses	4	210
Ordinary income	1,596	1,169
Extraordinary losses		
Loss on retirement of non-current assets	14	2
Total extraordinary losses	14	2
Profit before income taxes	1,582	1,166
Income taxes - current	366	221
Income taxes - deferred	14	61
Total income taxes	381	283
Profit	1,201	883
Profit attributable to non-controlling interests	13	31
Profit attributable to owners of parent	1,188	852

Quarterly consolidated statements of comprehensive income

Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	1,201	883
Other comprehensive income		
Valuation difference on available-for-sale securities	11	(13)
Foreign currency translation adjustment	484	(2,441)
Remeasurements of defined benefit plans, net of tax	4	(1)
Total other comprehensive income	499	(2,455)
Comprehensive income	1,700	(1,572)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,690	(1,588)
Comprehensive income attributable to non-controlling interests	10	16