

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 3, 2017

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: February 3, 2017
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	27,775	(3.5)	4,479	(7.1)	4,687	(6.6)	3,383	(6.8)
Nine months ended December 31, 2015	28,769	3.8	4,819	(7.2)	5,019	(8.5)	3,630	(9.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	288.14	-
Nine months ended December 31, 2015	317.23	-

(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, 2016	52,151	43,971	83.9	3,695.40
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	-	20.00	-		
Year ending March 31, 2017 (Forecast)				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
Full year	36,400	(4.7)	6,550	(0.3)	6,100	(7.6)	4,400	8.8	376.17

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

* Notes:

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
Newly included: One (Company name: NANTONG IRISO ELECTRONICS CO., LTD.)
- (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 December 31, 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 December 31, 2016	454,856 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):

Nine months ended December 31, 2016	11,743,679 shares	Nine months ended December 31, 2015	11,445,693 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	13,051	15,504
Notes and accounts receivable - trade	9,092	10,153
Merchandise and finished goods	3,882	3,861
Work in process	44	53
Raw materials and supplies	1,349	1,706
Deferred tax assets	363	393
Other	688	615
Allowance for doubtful accounts	(32)	(13)
Total current assets	28,439	32,274
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,066	5,159
Accumulated depreciation	(2,221)	(2,361)
Buildings and structures, net	2,845	2,797
Machinery, equipment and vehicles	18,143	20,283
Accumulated depreciation	(9,200)	(10,250)
Machinery, equipment and vehicles, net	8,943	10,033
Tools, furniture and fixtures	12,168	13,016
Accumulated depreciation	(9,206)	(9,920)
Tools, furniture and fixtures, net	2,962	3,095
Land	1,027	1,027
Construction in progress	2,574	2,219
Total property, plant and equipment	18,353	19,173
Intangible assets		
Software	146	108
Other	86	87
Total intangible assets	232	196
Investments and other assets		
Investment securities	159	153
Other	427	410
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	531	507
Total non-current assets	19,116	19,877
Total assets	47,556	52,151

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,481	3,551
Short-term loans payable	383	368
Current portion of long-term loans payable	56	61
Income taxes payable	1,693	734
Provision for bonuses	378	352
Other	2,477	2,427
Total current liabilities	7,471	7,496
Non-current liabilities		
Long-term loans payable	236	194
Provision for directors' retirement benefits	147	156
Net defined benefit liability	394	323
Other	9	9
Total non-current liabilities	788	683
Total liabilities	8,259	8,180
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	6,781	8,744
Retained earnings	24,726	27,186
Treasury shares	(603)	(324)
Total shareholders' equity	36,544	41,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28	38
Foreign currency translation adjustment	2,464	2,363
Remeasurements of defined benefit plans	94	93
Total accumulated other comprehensive income	2,587	2,495
Non-controlling interests	164	229
Total net assets	39,296	43,971
Total liabilities and net assets	47,556	52,151

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

Quarterly consolidated statements of income

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	28,769	27,775
Cost of sales	18,667	17,976
Gross profit	10,102	9,798
Selling, general and administrative expenses	5,282	5,319
Operating income	4,819	4,479
Non-operating income		
Interest income	21	20
Dividend income	4	4
Foreign exchange gains	179	177
Reversal of allowance for doubtful accounts	0	13
Other	22	14
Total non-operating income	227	228
Non-operating expenses		
Interest expenses	5	3
Other	22	16
Total non-operating expenses	27	20
Ordinary income	5,019	4,687
Extraordinary income		
Gain on sales of non-current assets	0	0
Subsidy income	3	-
Total extraordinary income	3	0
Extraordinary losses		
Loss on retirement of non-current assets	53	15
Other	-	0
Total extraordinary losses	53	15
Profit before income taxes	4,969	4,673
Income taxes - current	1,202	1,238
Income taxes - deferred	85	(8)
Total income taxes	1,288	1,230
Profit	3,680	3,442
Profit attributable to non-controlling interests	49	58
Profit attributable to owners of parent	3,630	3,383

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	3,680	3,442
Other comprehensive income		
Valuation difference on available-for-sale securities	3	10
Foreign currency translation adjustment	(623)	(95)
Remeasurements of defined benefit plans, net of tax	11	(0)
Total other comprehensive income	(607)	(85)
Comprehensive income	3,072	3,356
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,036	3,292
Comprehensive income attributable to non-controlling interests	36	64