

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 2, 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: August 2, 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(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, 2017	10,219	12.5	1,836	34.2	1,785	52.7	1,396	63.8
Three months ended June 30, 2016	9,086	(6.3)	1,368	(6.4)	1,169	(26.8)	852	(28.3)

(Note) Comprehensive income: Three months ended June 30, 2017: ¥1,618 million [-%]

Three months ended June 30, 2016: ¥(1,572) million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	117.94	-
Three months ended June 30, 2016	73.77	-

(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, 2017	52,947	45,607	85.7	3,831.40
As of March 31, 2017	52,363	44,692	84.9	3,755.44

(Reference) Equity: As of June 30, 2017: ¥45,352 million

As of March 31, 2017: ¥44,452 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended March 31, 2017	Yen -	Yen 20.00	Yen -	Yen 60.00	Yen 80.00
Year ending March 31, 2018	-				
Year ending March 31, 2018 (Forecast)		0.00	-	45.00	45.00

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

(Note) Details of the dividends for the second quarter ended September 30, 2016: Commemorative dividend ¥20.00
(Dividend commemorating the change of market and the 50th founding anniversary)

As announced in the “Notice on Stock Split, Partial Amendment of the Articles of Incorporation and Revision of Dividend Forecast for the Stock Split” on July 10, 2017, the Company will conduct a stock split (at a ratio of two for one common share) with September 1, 2017 as the effective date. Therefore, the year-end dividend will be ¥45.00, or half of ¥90.00 due to the stock split.

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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
First half	19,400	6.8	3,200	12.5	3,200	21.3	2,200	14.9	92.93
Full year	40,000	6.5	7,200	8.1	7,200	6.7	5,200	6.7	219.65

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

The Company plans a stock split (at a ratio of two for one common share) with September 1, 2017 as the effective date. Earnings per share are calculated at a rate post-split.

* Notes:

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
(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, 2017	12,291,849 shares	As of March 31, 2017	12,291,849 shares
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Number of treasury shares at the end of the period:

As of June 30, 2017	454,888 shares	As of March 31, 2017	454,888 shares
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Average number of shares during the period:

Three months ended June 30, 2017	11,836,961 shares	Three months ended June 30, 2016	11,554,988 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	15,242	14,710
Notes and accounts receivable - trade	9,620	9,925
Merchandise and finished goods	4,103	4,026
Work in process	48	39
Raw materials and supplies	1,634	1,674
Deferred tax assets	420	387
Other	774	953
Allowance for doubtful accounts	(15)	(19)
Total current assets	31,828	31,697
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,044	5,070
Accumulated depreciation	(2,342)	(2,388)
Buildings and structures, net	2,701	2,681
Machinery, equipment and vehicles	20,359	20,563
Accumulated depreciation	(10,424)	(10,612)
Machinery, equipment and vehicles, net	9,934	9,950
Tools, furniture and fixtures	12,975	12,825
Accumulated depreciation	(10,004)	(9,855)
Tools, furniture and fixtures, net	2,970	2,969
Land	1,274	1,287
Construction in progress	2,701	3,403
Total property, plant and equipment	19,583	20,292
Intangible assets		
Software	104	109
Other	327	329
Total intangible assets	432	438
Investments and other assets		
Investment securities	169	166
Other	404	408
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	517	519
Total non-current assets	20,534	21,250
Total assets	52,363	52,947

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,953	2,925
Short-term loans payable	359	383
Current portion of long-term loans payable	56	56
Income taxes payable	1,070	539
Provision for bonuses	370	307
Other	2,190	2,423
Total current liabilities	7,000	6,636
Non-current liabilities		
Long-term loans payable	179	165
Provision for directors' retirement benefits	159	157
Net defined benefit liability	314	310
Other	16	70
Total non-current liabilities	669	703
Total liabilities	7,670	7,339
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	28,677	29,370
Treasury shares	(324)	(324)
Total shareholders' equity	42,737	43,430
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49	47
Foreign currency translation adjustment	1,558	1,766
Remeasurements of defined benefit plans	107	107
Total accumulated other comprehensive income	1,715	1,921
Non-controlling interests	239	255
Total net assets	44,692	45,607
Total liabilities and net assets	52,363	52,947

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

Quarterly consolidated statements of income

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	9,086	10,219
Cost of sales	5,928	6,409
Gross profit	3,158	3,809
Selling, general and administrative expenses	1,789	1,973
Operating income	1,368	1,836
Non-operating income		
Interest income	7	8
Dividend income	1	1
Other	2	2
Total non-operating income	11	13
Non-operating expenses		
Interest expenses	1	4
Foreign exchange losses	206	6
Business commencement expenses	-	31
Other	2	20
Total non-operating expenses	210	64
Ordinary income	1,169	1,785
Extraordinary income		
Gain on sales of non-current assets	-	1
Total extraordinary income	-	1
Extraordinary losses		
Loss on retirement of non-current assets	2	19
Total extraordinary losses	2	19
Profit before income taxes	1,166	1,766
Income taxes - current	221	313
Income taxes - deferred	61	43
Total income taxes	283	356
Profit	883	1,410
Profit attributable to non-controlling interests	31	14
Profit attributable to owners of parent	852	1,396

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	883	1,410
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	(2)
Foreign currency translation adjustment	(2,441)	210
Remeasurements of defined benefit plans, net of tax	(1)	0
Total other comprehensive income	(2,455)	208
Comprehensive income	(1,572)	1,618
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,588)	1,602
Comprehensive income attributable to non-controlling interests	16	16