

**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 Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 4, 2019

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 & Managing Executive Officer / General  
 Manager of Administration Division Toshihiko Miyauchi TEL 045-478-3111  
 Scheduled date to file Quarterly Securities Report: February 4, 2019  
 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, 2018 (from April 1, 2018 to December 31, 2018)

#### (1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2018	32,440	2.5	5,012	(19.1)	5,289	(13.1)	3,869	(12.5)
Nine months ended December 31, 2017	31,641	13.9	6,196	38.3	6,087	29.8	4,424	30.7

(Note) Comprehensive income: Nine months ended December 31, 2018: ¥3,731 million [(32.0)%]  
 Nine months ended December 31, 2017: ¥5,490 million [63.6 %]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	163.86		-	
Nine months ended December 31, 2017	186.87		-	

(Note) The Company conducted a stock split at a ratio of two for one common share on September 1, 2017. Accordingly, earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Yen	Millions of yen	Yen	%	Yen	Yen	
As of December 31, 2018	60,419		51,160		84.2	2,158.67		
As of March 31, 2018	60,083		49,283		81.6	2,070.36		

(Reference) Equity: As of December 31, 2018: ¥50,872 million  
 As of March 31, 2018: ¥49,013 million

(Note) The Company conducted a stock split at a ratio of two for one common share on September 1, 2017. Accordingly, net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended March 31, 2018	Yen -	Yen 0.00	Yen -	Yen 50.00	Yen 50.00
Year ending March 31, 2019	-	0.00	-		
Year ending March 31, 2019 (Forecast)				60.00	60.00

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

## 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	43,000	1.8	6,500	(22.9)	6,700	(14.9)	4,100	(24.9)	173.70

(Note) Revision to the financial results forecast announced most recently: Yes

### \* Notes:

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018 (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 December 31, 2018	24,583,698 shares	As of March 31, 2018	24,583,698 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period:

As of December 31, 2018	1,017,002 shares	As of March 31, 2018	909,970 shares
-------------------------	------------------	----------------------	----------------

Average number of shares during the period:

Nine months ended December 31, 2018	23,616,961 shares	Nine months ended December 31, 2017	23,673,861 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

- (Note) 1. The Company conducted a stock split at a ratio of two for one common share on September 1, 2017. Accordingly, the number of issued shares (common shares) is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.
2. Number of treasury shares at the end of the period is presented including the Company's treasury shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" (as of December 31, 2018: 107,000 shares). The Company's shares held by the "Directors' compensation BIP (Board Incentive Plan) trust" have been included in treasury shares deducted in calculation of the average number of shares during the period.

**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,352	14,951
Notes and accounts receivable - trade	10,588	10,529
Merchandise and finished goods	4,411	5,469
Work in process	42	52
Raw materials and supplies	2,248	2,697
Other	1,235	1,440
Allowance for doubtful accounts	(20)	(16)
<b>Total current assets</b>	<b>35,858</b>	<b>35,123</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	5,179	6,882
Accumulated depreciation	(2,520)	(2,649)
Buildings and structures, net	2,658	4,232
Machinery, equipment and vehicles	21,234	23,427
Accumulated depreciation	(11,299)	(11,906)
Machinery, equipment and vehicles, net	9,934	11,520
Tools, furniture and fixtures	13,110	14,051
Accumulated depreciation	(10,337)	(10,642)
Tools, furniture and fixtures, net	2,772	3,409
Land	1,273	1,264
Construction in progress	5,378	2,766
<b>Total property, plant and equipment</b>	<b>22,018</b>	<b>23,193</b>
<b>Intangible assets</b>		
Software	132	172
Other	384	318
<b>Total intangible assets</b>	<b>517</b>	<b>491</b>
<b>Investments and other assets</b>		
Investment securities	663	615
Other	1,081	1,050
Allowance for doubtful accounts	(56)	(56)
<b>Total investments and other assets</b>	<b>1,688</b>	<b>1,609</b>
<b>Total non-current assets</b>	<b>24,224</b>	<b>25,295</b>
<b>Total assets</b>	<b>60,083</b>	<b>60,419</b>

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,331	4,003
Short-term loans payable	391	381
Current portion of long-term loans payable	61	61
Income taxes payable	1,451	944
Provision for bonuses	524	398
Other	3,285	2,733
Total current liabilities	10,046	8,522
Non-current liabilities		
Long-term loans payable	123	80
Provision for directors' retirement benefits	167	-
Net defined benefit liability	344	364
Provision for management board incentive plan trust	-	43
Other	118	246
Total non-current liabilities	753	736
Total liabilities	10,800	9,258
Net assets		
Shareholders' equity		
Capital stock	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	33,423	36,109
Treasury shares	(325)	(995)
Total shareholders' equity	47,482	49,498
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29	12
Foreign currency translation adjustment	1,401	1,252
Remeasurements of defined benefit plans	99	109
Total accumulated other comprehensive income	1,530	1,374
Non-controlling interests	270	288
Total net assets	49,283	51,160
Total liabilities and net assets	60,083	60,419

**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, 2017	Nine months ended December 31, 2018
Net sales	31,641	32,440
Cost of sales	19,490	20,816
Gross profit	12,150	11,624
Selling, general and administrative expenses	5,953	6,611
Operating profit	6,196	5,012
Non-operating income		
Interest income	30	29
Dividend income	3	6
Foreign exchange gains	14	234
Other	26	29
Total non-operating income	74	300
Non-operating expenses		
Interest expenses	9	11
Business commencement expenses	141	0
Other	33	12
Total non-operating expenses	184	24
Ordinary profit	6,087	5,289
Extraordinary income		
Gain on sales of non-current assets	1	-
Total extraordinary income	1	-
Extraordinary losses		
Loss on retirement of non-current assets	116	139
Total extraordinary losses	116	139
Profit before income taxes	5,972	5,149
Income taxes - current	1,596	1,271
Income taxes - deferred	(73)	(8)
Total income taxes	1,523	1,263
Profit	4,448	3,886
Profit attributable to non-controlling interests	24	16
Profit attributable to owners of parent	4,424	3,869

**Quarterly consolidated statements of comprehensive income**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	4,448	3,886
Other comprehensive income		
Valuation difference on available-for-sale securities	4	(16)
Foreign currency translation adjustment	1,039	(148)
Remeasurements of defined benefit plans, net of tax	(2)	9
Total other comprehensive income	1,041	(155)
Comprehensive income	5,490	3,731
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,450	3,713
Comprehensive income attributable to non-controlling interests	39	17