

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 2, 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 file Quarterly Securities Report: August 2, 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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	%
Three months ended June 30, 2019	10,040	(7.8)	1,398	(27.1)	1,347	(35.0)	909	(42.8)
Three months ended June 30, 2018	10,886	6.5	1,918	4.5	2,074	16.2	1,589	13.8

(Note) Comprehensive income: Three months ended June 30, 2019: ¥(361) million [(106.8)%]
 Three months ended June 30, 2018: ¥1,829 million [13.0%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	38.60		-	
Three months ended June 30, 2018	67.13		-	

(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, 2019	59,249		49,547		83.1		2,088.86	
As of March 31, 2019	61,471		51,329		83.0		2,164.68	

(Reference) Equity: As of June 30, 2019: ¥49,227 million
 As of March 31, 2019: ¥51,014 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, 2019	Yen -	Yen 0.00	Yen -	Yen 60.00	Yen 60.00
Year ending March 31, 2020	-				
Year ending March 31, 2020 (Forecast)		0.00	-	70.00	70.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
First half	21,500	(1.2)	3,400	(7.5)	3,400	(15.8)	2,600	(12.4)	110.33
Full year	45,000	5.1	8,100	33.1	8,100	28.1	6,100	63.9	258.84

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

* Notes:

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
(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: Yes
- 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, 2019	24,583,698 shares	As of March 31, 2019	24,583,698 shares
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Number of treasury shares at the end of the period:

As of June 30, 2019	1,017,025 shares	As of March 31, 2019	1,017,025 shares
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Average number of shares during the period:

Three months ended June 30, 2019	23,566,673 shares	Three months ended June 30, 2018	23,673,728 shares
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(Note) 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 June 30, 2019: 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, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	15,456	12,959
Notes and accounts receivable - trade	10,382	10,257
Merchandise and finished goods	5,056	4,971
Work in process	44	44
Raw materials and supplies	2,633	2,543
Other	1,546	1,558
Allowance for doubtful accounts	(15)	(44)
Total current assets	35,103	32,290
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,874	7,347
Accumulated depreciation	(2,674)	(2,728)
Buildings and structures, net	4,199	4,619
Machinery, equipment and vehicles	24,414	24,208
Accumulated depreciation	(12,497)	(12,587)
Machinery, equipment and vehicles, net	11,917	11,621
Tools, furniture and fixtures	14,356	14,287
Accumulated depreciation	(10,808)	(10,808)
Tools, furniture and fixtures, net	3,547	3,478
Land	1,268	1,772
Construction in progress	3,292	3,781
Total property, plant and equipment	24,225	25,272
Intangible assets		
Software	209	212
Other	322	30
Total intangible assets	532	242
Investments and other assets		
Investment securities	628	605
Deferred tax assets	682	493
Other	354	403
Allowance for doubtful accounts	(55)	(58)
Total investments and other assets	1,610	1,443
Total non-current assets	26,368	26,959
Total assets	61,471	59,249

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,686	3,473
Short-term borrowings	373	367
Current portion of long-term borrowings	61	61
Income taxes payable	2,007	661
Provision for bonuses	456	331
Other	2,855	3,615
Total current liabilities	9,442	8,510
Non-current liabilities		
Long-term borrowings	66	52
Retirement benefit liability	371	381
Provision for share-based remuneration for directors (and other officers)	8	9
Other	253	748
Total non-current liabilities	699	1,191
Total liabilities	10,141	9,701
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	35,962	35,451
Treasury shares	(995)	(995)
Total shareholders' equity	49,351	48,840
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	10
Foreign currency translation adjustment	1,538	277
Remeasurements of defined benefit plans	102	99
Total accumulated other comprehensive income	1,663	387
Non-controlling interests	315	320
Total net assets	51,329	49,547
Total liabilities and net assets	61,471	59,249

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, 2018	Three months ended June 30, 2019
Net sales	10,886	10,040
Cost of sales	6,797	6,533
Gross profit	4,089	3,506
Selling, general and administrative expenses	2,171	2,108
Operating profit	1,918	1,398
Non-operating income		
Interest income	10	11
Dividend income	1	1
Foreign exchange gains	142	-
Gain on sales of securities	-	12
Other	19	10
Total non-operating income	173	35
Non-operating expenses		
Interest expenses	2	6
Foreign exchange losses	-	69
Other	14	10
Total non-operating expenses	16	86
Ordinary profit	2,074	1,347
Extraordinary losses		
Loss on retirement of non-current assets	15	22
Total extraordinary losses	15	22
Profit before income taxes	2,058	1,325
Income taxes - current	321	215
Income taxes - deferred	154	198
Total income taxes	476	413
Profit	1,582	912
Profit (loss) attributable to non-controlling interests	(6)	2
Profit attributable to owners of parent	1,589	909

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,582	912
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(12)
Foreign currency translation adjustment	245	(1,258)
Remeasurements of defined benefit plans, net of tax	(1)	(3)
Total other comprehensive income	246	(1,274)
Comprehensive income	1,829	(361)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,841	(366)
Comprehensive income attributable to non-controlling interests	(12)	4