

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 4, 2020

Company name: IRISO ELECTRONICS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6908 URL <http://www.iriso.co.jp>
 Representative: President & CEO Ikuro 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, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	30,002	(7.5)	3,630	(27.6)	3,690	(30.2)	2,750	(28.9)
Nine months ended December 31, 2018	32,440	2.5	5,012	(19.1)	5,289	(13.1)	3,869	(12.5)

(Note) Comprehensive income: Nine months ended December 31, 2019: ¥1,801 million [(51.7)%]
 Nine months ended December 31, 2018: ¥3,731 million [(32.0) %]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	116.72	-
Nine months ended December 31, 2018	163.86	-

(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, 2019	60,308	51,710	85.2	2,180.07
As of March 31, 2019	61,471	51,329	83.0	2,164.68

(Reference) Equity: As of December 31, 2019: ¥51,377 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
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	-	0.00	-	60.00	60.00
Year ending March 31, 2020	-	0.00	-		
Year ending March 31, 2020 (Forecast)				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
Full year	39,500	(7.8)	4,500	(26.0)	4,560	(27.9)	3,300	(11.3)
								140.03

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2019	1,017,024 shares	As of March 31, 2019	1,017,025 shares
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Average number of shares during the period:

Nine months ended December 31, 2019	23,566,674 shares	Nine months ended December 31, 2018	23,616,961 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 December 31, 2019: 106,940 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 December 31, 2019
Assets		
Current assets		
Cash and deposits	15,456	12,769
Notes and accounts receivable – trade	10,382	10,202
Merchandise and finished goods	5,056	4,813
Work in process	44	39
Raw materials and supplies	2,633	2,429
Other	1,546	1,785
Allowance for doubtful accounts	(15)	(43)
Total current assets	35,103	31,996
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,874	7,639
Accumulated depreciation	(2,674)	(2,940)
Buildings and structures, net	4,199	4,699
Machinery, equipment and vehicles	24,414	26,114
Accumulated depreciation	(12,497)	(13,562)
Machinery, equipment and vehicles, net	11,917	12,551
Tools, furniture and fixtures	14,356	14,862
Accumulated depreciation	(10,808)	(11,387)
Tools, furniture and fixtures, net	3,547	3,475
Land	1,268	1,780
Construction in progress	3,292	3,938
Total property, plant and equipment	24,225	26,444
Intangible assets		
Software	209	206
Other	322	31
Total intangible assets	532	238
Investments and other assets		
Investment securities	628	632
Deferred tax assets	682	558
Other	354	495
Allowance for doubtful accounts	(55)	(58)
Total investments and other assets	1,610	1,628
Total non-current assets	26,368	28,311
Total assets	61,471	60,308

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,686	3,119
Short-term borrowings	373	367
Current portion of long-term borrowings	61	61
Income taxes payable	2,007	409
Provision for bonuses	456	401
Other	2,855	3,121
Total current liabilities	9,442	7,480
Non-current liabilities		
Long-term borrowings	66	23
Retirement benefit liability	371	403
Provision for share-based remuneration for directors (and other officers)	8	12
Other	253	676
Total non-current liabilities	699	1,116
Total liabilities	10,141	8,597
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	35,962	37,292
Treasury shares	(995)	(995)
Total shareholders' equity	49,351	50,681
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	30
Foreign currency translation adjustment	1,538	575
Remeasurements of defined benefit plans	102	90
Total accumulated other comprehensive income	1,663	695
Non-controlling interests	315	333
Total net assets	51,329	51,710
Total liabilities and net assets	61,471	60,308

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, 2018	Nine months ended December 31, 2019
Net sales	32,440	30,002
Cost of sales	20,816	20,023
Gross profit	11,624	9,978
Selling, general and administrative expenses	6,611	6,348
Operating profit	5,012	3,630
Non-operating income		
Interest income	29	50
Dividend income	6	3
Foreign exchange gains	234	-
Gain on sales of investment securities	9	12
Other	20	42
Total non-operating income	300	109
Non-operating expenses		
Interest expenses	11	20
Foreign exchange losses	-	17
Other	12	11
Total non-operating expenses	24	49
Ordinary profit	5,289	3,690
Extraordinary losses		
Loss on retirement of non-current assets	139	94
Total extraordinary losses	139	94
Profit before income taxes	5,149	3,595
Income taxes - current	1,271	719
Income taxes - deferred	(8)	120
Total income taxes	1,263	839
Profit	3,886	2,756
Profit attributable to non-controlling interests	16	5
Profit attributable to owners of parent	3,869	2,750

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	3,886	2,756
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	7
Foreign currency translation adjustment	(148)	(950)
Remeasurements of defined benefit plans, net of tax	9	(11)
Total other comprehensive income	(155)	(954)
Comprehensive income	3,731	1,801
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,713	1,783
Comprehensive income attributable to non-controlling interests	17	18