

Translation

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Consolidated Financial Results for the Three Months Ended June 30, 2025 (Based on Japanese GAAP)

August 4, 2025

Company name: IRISO ELECTRONICS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6908 URL <https://www.irisoele.com/jp/>
 Representative: President & Representative Director Hitoshi Suzuki
 Inquiries: Executive Officer
 General Manager of Administration Division Shinichiro Oura TEL 045-478-3111
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(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, 2025	15,163	21.0	1,069	462.0	1,181	36.3	510	37.4
Three months ended June 30, 2024	12,534	0.3	190	(80.3)	866	(46.7)	371	(70.3)

(Note) Comprehensive income: Three months ended June 30, 2025: ¥(701) million [—%]
 Three months ended June 30, 2024: ¥3,758 million [(6.5)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	23.90	—
Three months ended June 30, 2024	15.83	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	90,882	67,736	74.5
As of March 31, 2025	91,370	71,196	77.3

(Reference) Equity: As of June 30, 2025: ¥67,736 million
 As of March 31, 2025: ¥70,621 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, 2025	—	0.00	—	100.00	100.00
Year ending March 31, 2026	—				
Year ending March 31, 2026 (Forecast)		0.00	—	110.00	110.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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
Six months ended September 30, 2025	29,000	6.8	2,600	22.7	2,600	42.8	2,000	83.6	95.33
Full year	55,000	(2.4)	5,500	3.6	5,400	(1.9)	3,900	46.5	188.65

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

Based on the resolution of the Board of Directors held on November 5, 2024, the Company plans to acquire a maximum 2,000,000 shares of treasury stock with a due date of October 31, 2025. The impact of this acquisition was taken into account when the projected earnings per share for FY2025 was calculated

* Notes:

- (1) Changes in significant subsidiaries during the three months ended June 30, 2025
(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
- (Note) For details, please refer to the attached document “2. (3) Notes to Quarterly Consolidated Financial Statements (Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)” on page 7.
- (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, 2025	24,460,879 shares	As of March 31, 2025	24,460,879 shares
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Number of treasury shares at the end of the period:

As of June 30, 2025	3,110,374 shares	As of March 31, 2025	3,006,274 shares
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Average number of shares during the period:

Three months ended June 30, 2025	21,353,106 shares	Three months ended June 30, 2024	23,465,927 shares
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(Note) The Company's treasury 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.

*Review of the Japanese-language originals of the attached quarterly consolidated financial statements
by certified public accountants or an audit firm:

No

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company, and actual results may vary significantly due to various factors.

(How to obtain supplementary financial results materials)

Supplementary materials for quarterly financial results will be uploaded to the Company's website.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Results of Operations

During the three months ended June 30, 2025, prospects for the world economy have become more uncertain and unpredictable due to U.S. tariff policy, despite the growth of the service sector as a key driver of the global economy.

In the automotive market, which is the company's primary area of business operation, the US tariff policy also remains a major source of uncertainty for the global economy. However, during the three months ended June 30, 2025, Chinese automakers reported robust growth in their production and sales, which was supported by the Chinese government's proactive policies.

Given this business environment, net sales in the mobility market, primarily focusing on the automotive sector, increased by 18.1% YoY, helped by growing demand for high-speed transmission BtoB connectors in the infotainment market, which was driven by the increasing volume of information handled within vehicles, as well as by strong sales for Chinese customers in the powertrain market for xEVs (EV, FCHV, PHV, HEV). In the consumer market, temporary growth in demand for gaming consoles was observed because some businesses accelerated orders to import goods before the U.S. potential tariff increases take effect, leading to a 13.2% YoY increase. In the industrial market, sales increased by 93.0% YoY, helped by partial recovery in sales for FA equipment and sales boosted in the energy management market. As a result, total sales increased by 21.0% YoY to ¥15,163 million.

When it comes to profit, despite the impact of soaring raw material costs and other factors, operating profit increased by 462.0% YoY to ¥1,069 million, ordinary profit rose by 36.3% YoY to ¥1,181 million, and quarterly net profit attributable to shareholders of the parent company increased by 37.4% YoY to ¥510 million, because there were extra expenses for a new ERP system launched during the three months ended June 30, 2024.

(2) Explanation of Financial Position

Total assets at the end of the current fiscal year decreased ¥488 million from the end of the previous fiscal year (March 31, 2025) to ¥90,882 million. This was mainly due to increase of ¥1,341 million in notes and accounts receivable-trade and contract assets and decrease of ¥788 million in Merchandise and finished goods.

Total liabilities increased ¥2,972 million from the end of the previous consolidated fiscal year to ¥23,146 million, mainly due to an increase in short-term borrowings for working capital.

Net assets decreased ¥3,460 million from the previous consolidated fiscal year to ¥67,736million, due to an increase of ¥510 million from profit attributable to owners of the parent, a decrease of ¥2,145 million from dividends, and ¥1,111 million from foreign currency translation adjustment.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

We decided to disclose the forecast of consolidated financial results for the six months ended September 30, 2025, based on the latest performance and exchange rate trends, and calculated based on information currently available to the Company.

And Forecast of consolidated financial results for the full year of the fiscal year ending March 31, 2026, is unchanged from the forecast announced on May 7, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	24,314	24,366
Notes and accounts receivable - trade, and contract assets	12,789	14,130
Merchandise and finished goods	8,935	8,147
Work in process	32	52
Raw materials and supplies	4,514	4,453
Other	1,643	1,733
Allowance for doubtful accounts	(20)	(132)
Total current assets	52,209	52,752
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,524	10,236
Machinery, equipment and vehicles, net	13,934	13,541
Tools, furniture and fixtures, net	4,177	4,099
Land	1,892	1,871
Construction in progress	3,504	3,675
Total property, plant and equipment	34,033	33,424
Intangible assets		
Software	2,728	2,574
Goodwill	60	53
Other	13	4
Total intangible assets	2,802	2,632
Investments and other assets		
Investment securities	276	285
Deferred tax assets	1,322	1,059
Other	783	785
Allowance for doubtful accounts	(56)	(56)
Total investments and other assets	2,325	2,073
Total non-current assets	39,161	38,130
Total assets	91,370	90,882

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,689	5,096
Short-term borrowings	4,000	7,000
Current portion of long-term borrowings	895	895
Income taxes payable	426	435
Provision for bonuses	746	501
Provision for directors' bonuses	94	21
Other	3,388	3,589
Total current liabilities	14,241	17,540
Non-current liabilities		
Long-term borrowings	4,426	4,187
Retirement benefit liability	417	382
Other	1,088	1,035
Total non-current liabilities	5,932	5,605
Total liabilities	20,173	23,146
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,045	8,164
Retained earnings	49,813	48,178
Treasury shares	(6,099)	(6,361)
Total shareholders' equity	57,398	55,621
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	87	93
Foreign currency translation adjustment	13,012	11,900
Remeasurements of defined benefit plans	122	120
Total accumulated other comprehensive income	13,222	12,114
Non-controlling interests	575	—
Total net assets	71,196	67,736
Total liabilities and net assets	91,370	90,882

(2) 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, 2024	Three months ended June 30, 2025
Net sales	12,534	15,163
Cost of sales	9,259	10,920
Gross profit	3,275	4,243
Selling, general and administrative expenses	3,084	3,173
Operating profit	190	1,069
Non-operating income		
Interest income	89	74
Dividend income	2	3
Subsidy income	—	93
Foreign exchange gains	599	—
Other	32	12
Total non-operating income	723	183
Non-operating expenses		
Interest expenses	41	37
Foreign exchange losses	—	24
Loss on valuation of derivatives	2	—
Other	2	10
Total non-operating expenses	47	72
Ordinary profit	866	1,181
Extraordinary income		
Gain on sale of non-current assets	0	7
National subsidies	—	97
Total extraordinary income	0	105
Extraordinary losses		
Loss on retirement of non-current assets	55	22
Impairment losses	128	93
Loss from money transfer scam at foreign subsidiary	36	—
Total extraordinary losses	219	115
Profit before income taxes	646	1,170
Income taxes - current	322	398
Income taxes - deferred	(82)	282
Total income taxes	239	680
Profit	407	489
Profit (loss) attributable to non-controlling interests	35	(20)
Profit attributable to owners of parent	371	510

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	407	489
Other comprehensive income		
Valuation difference on available-for-sale securities	6	6
Foreign currency translation adjustment	3,328	(1,194)
Remeasurements of defined benefit plans, net of tax	16	(2)
Total other comprehensive income	3,351	(1,191)
Comprehensive income	3,758	(701)
Comprehensive income attributable to		
Comprehensive income (loss) attributable to owners of parent	3,684	(597)
Comprehensive income (loss) attributable to non-controlling interests	74	(103)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes regarding Significant Fluctuations to Shareholders' Equity)

Not applicable.

(Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)

(Calculating the tax expense)

The effective tax rate expected to be imposed on pretax profit (after tax effect accounting) applicable to the consolidated fiscal year in which the three months ended June 30, 2025 under review is included was estimated based on reasonable assumptions, and tax expenses for certain consolidated subsidiaries were calculated by multiplying the quarterly pretax profit by the estimated effective tax rate.

(Additional Information)

(Changes in Presentation)

(Quarterly Consolidated Balance Sheets)

“Software in progress” under “Intangible assets”, which was presented separately in the previous consolidated fiscal year, is now included in “Other” from the three months ended June 30, 2025 under review due to its decreased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year has been reclassified.

As a result, in the consolidated balance sheets for the previous consolidated fiscal year, “Software in progress” of ¥13 million and “Other” of ¥0 million, which has been reclassified as “Other” of ¥13 million.

(Segment information, etc.)

[Segment information]

I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe	North America	Total		
Net sales							
(1) Sales to external customers	1,810	6,820	2,305	1,598	12,534	—	12,534
(2) Intersegment sales and transfer	7,814	5,388	—	(1)	13,201	(13,201)	—
Total	9,625	12,208	2,305	1,597	25,736	(13,201)	12,534
Segment income (loss)	1,217	340	(127)	8	1,439	(1,248)	190

Notes 1. The segment income (loss) adjustment of ¥(1,248) million consists of corporate expenses of ¥(938) million not allocated to each reportable segment and inventory adjustments, etc. of ¥(309) million. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that do not belong to any reportable segment.

2. Segment income (loss) is adjusted to match operating profit in the consolidated statements of income.

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe	North America	Total		
Net sales							
(1) Sales to external customers	2,567	9,058	2,440	1,097	15,163	—	15,163
(2) Intersegment sales and transfer	7,732	5,878	—	—	13,611	(13,611)	—
Total	10,299	14,937	2,440	1,097	28,775	(13,611)	15,163
Segment income (loss)	965	1,495	81	(53)	2,488	(1,419)	1,069

Notes 1. The segment income (loss) adjustment of ¥(1,419) million consists of corporate expenses of ¥(778) million not allocated to each reportable segment and inventory adjustments, etc. of ¥(640) million. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that do not belong to any reportable segment.

2. Segment income (loss) is adjusted to match operating profit in the consolidated statements of income.

(Notes on Statement of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the three months ended June 30, 2025 under review. Meanwhile, depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30 under review are as follows.

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	1,781	1,548
Amortization of goodwill	7	7