

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 2, 2021

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, 2021
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	25,920	(13.6)	1,739	(52.1)	1,580	(57.2)	1,104	(59.8)
Nine months ended December 31, 2019	30,002	(7.5)	3,630	(27.6)	3,690	(30.2)	2,750	(28.9)

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥1,159 million [(35.6)%]
 Nine months ended December 31, 2019: ¥1,801 million [(51.7)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	46.87		-	
Nine months ended December 31, 2019	116.72		-	

(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, 2020	60,003		51,501		85.2		2,169.68	
As of March 31, 2020	60,638		51,519		84.4		2,172.66	

(Reference) Equity: As of December 31, 2020: ¥51,132 million
 As of March 31, 2020: ¥51,202 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, 2020	-	0.00	-	50.00	50.00
Year ending March 31, 2021	-	0.00	-		
Year ending March 31, 2021 (Forecast)				50.00	50.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	36,000	(9.1)	3,250	(29.8)	3,050	(34.7)	2,200	(33.1)	93.35

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

* Notes:

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (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, 2020	24,583,698 shares	As of March 31, 2020	24,583,698 shares
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Number of treasury shares at the end of the period:

As of December 31, 2020	1,016,906 shares	As of March 31, 2020	1,017,024 shares
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Average number of shares during the period:

Nine months ended December 31, 2020	23,566,709 shares	Nine months ended December 31, 2019	23,566,674 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, 2020: 106,738 shares, as of March 31, 2020: 106,940 shares). 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.

Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	13,819	12,831
Notes and accounts receivable – trade	10,104	10,682
Merchandise and finished goods	4,579	4,514
Work in process	27	36
Raw materials and supplies	2,237	2,477
Other	1,674	1,882
Allowance for doubtful accounts	(47)	(46)
Total current assets	32,395	32,378
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,571	7,612
Accumulated depreciation	(3,028)	(3,252)
Buildings and structures, net	4,543	4,360
Machinery, equipment and vehicles	26,782	28,652
Accumulated depreciation	(13,922)	(15,426)
Machinery, equipment and vehicles, net	12,859	13,225
Tools, furniture and fixtures	15,005	15,546
Accumulated depreciation	(11,610)	(12,062)
Tools, furniture and fixtures, net	3,395	3,483
Land	1,732	1,753
Construction in progress	3,680	2,708
Total property, plant and equipment	26,211	25,530
Intangible assets		
Software	272	263
Other	22	13
Total intangible assets	295	276
Investments and other assets		
Investment securities	595	613
Deferred tax assets	702	706
Other	496	553
Allowance for doubtful accounts	(58)	(55)
Total investments and other assets	1,735	1,818
Total non-current assets	28,242	27,625
Total assets	60,638	60,003

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable – trade	3,245	3,558
Short-term borrowings	358	380
Current portion of long-term borrowings	56	28
Income taxes payable	355	432
Provision for bonuses	467	383
Other	3,444	2,461
Total current liabilities	7,928	7,245
Non-current liabilities		
Long-term borrowings	9	-
Retirement benefit liability	529	543
Provision for share-based remuneration for directors (and other officers)	8	57
Other	643	654
Total non-current liabilities	1,190	1,255
Total liabilities	9,118	8,501
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	37,829	37,755
Treasury shares	(995)	(994)
Total shareholders' equity	51,217	51,145
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	19
Foreign currency translation adjustment	(21)	(31)
Remeasurements of defined benefit plans	1	(0)
Total accumulated other comprehensive income	(15)	(13)
Non-controlling interests	317	369
Total net assets	51,519	51,501
Total liabilities and net assets	60,638	60,003

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, 2019	Nine months ended December 31, 2020
Net sales	30,002	25,920
Cost of sales	20,023	18,303
Gross profit	9,978	7,617
Selling, general and administrative expenses	6,348	5,877
Operating profit	3,630	1,739
Non-operating income		
Interest income	50	53
Dividend income	3	3
Gain on sales of investment securities	12	-
Subsidy income	2	48
Other	39	28
Total non-operating income	109	133
Non-operating expenses		
Interest expenses	20	16
Foreign exchange losses	17	224
Compensation expenses	-	35
Other	11	16
Total non-operating expenses	49	293
Ordinary profit	3,690	1,580
Extraordinary losses		
Loss on retirement of non-current assets	94	85
Total extraordinary losses	94	85
Profit before income taxes	3,595	1,494
Income taxes – current	719	342
Income taxes – deferred	120	5
Total income taxes	839	348
Profit	2,756	1,146
Profit attributable to non-controlling interests	5	41
Profit attributable to owners of parent	2,750	1,104

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	2,756	1,146
Other comprehensive income		
Valuation difference on available-for-sale securities	7	14
Foreign currency translation adjustment	(950)	0
Remeasurements of defined benefit plans, net of tax	(11)	(1)
Total other comprehensive income	(954)	12
Comprehensive income	1,801	1,159
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,783	1,107
Comprehensive income attributable to non-controlling interests	18	52