

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 10, 2021

Company name: IRISO ELECTRONICS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6908 URL <http://www.iriso.co.jp>
 Representative: President & Representative Director Hitoshi Suzuki
 Inquiries: Senior Managing Executive Officer / General
 Manager of Administration Division Mitsuyoshi Toyoshima TEL 045-478-3111
 Scheduled date of ordinary general meeting of shareholders: June 22, 2021
 Scheduled date to file Securities Report: June 23, 2021
 Scheduled date to commence dividend payments: June 23, 2021
 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 year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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	%
Year ended March 31, 2021	36,520	(7.8)	2,900	(37.3)	2,970	(36.4)	2,141	(34.8)
Year ended March 31, 2020	39,614	(7.5)	4,628	(23.9)	4,668	(26.2)	3,287	(11.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥4,394 million [173.0%]
 Fiscal year ended March 31, 2020: ¥1,610 million [(58.7)%]

	Earnings per share	Diluted earnings per share	Net income/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	90.89	-	4.1	4.8	7.9
Year ended March 31, 2020	139.49	-	6.4	7.6	11.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	63,941	54,731	85.0	2,306.16
As of March 31, 2020	60,638	51,519	84.4	2,172.66

(Reference) Equity: As of March 31, 2021: ¥54,348 million
 As of March 31, 2020: ¥51,202 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	6,234	(4,881)	(1,379)	14,260
Year ended March 31, 2020	6,830	(6,482)	(1,664)	13,819

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	-	0.00	-	50.00	50.00	1,183	35.8	2.3
Year ended March 31, 2021	-	0.00	-	50.00	50.00	1,183	55.0	2.2
Year ending March 31, 2022 (Forecast)	-	0.00	-	60.00	60.00		29.5	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	20,500	36.0	3,000	-	2,950	-	2,100	-	89.11
Full year	42,000	15.0	6,700	131.0	6,600	122.2	4,800	124.1	203.68

* Notes:

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares):

As of March 31, 2021	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 March 31, 2021	1,016,933 shares	As of March 31, 2020	1,017,024 shares
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Average number of shares during the period:

Year ended March 31, 2021	23,566,728 shares	Year ended March 31, 2020	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 March 31, 2021: 106,738 shares, as of March 31, 2020: 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.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	13,819	14,260
Notes and accounts receivable - trade	10,104	11,177
Merchandise and finished goods	4,579	5,069
Work in process	27	45
Raw materials and supplies	2,237	2,821
Other	1,674	1,886
Allowance for doubtful accounts	(47)	(50)
Total current assets	32,395	35,209
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,571	7,958
Accumulated depreciation	(3,028)	(3,470)
Buildings and structures, net	4,543	4,488
Machinery, equipment and vehicles	26,782	30,784
Accumulated depreciation	(13,922)	(16,871)
Machinery, equipment and vehicles, net	12,859	13,912
Tools, furniture and fixtures	15,005	16,387
Accumulated depreciation	(11,610)	(12,826)
Tools, furniture and fixtures, net	3,395	3,561
Land	1,732	1,787
Construction in progress	3,680	2,762
Total property, plant and equipment	26,211	26,512
Intangible assets		
Software	272	331
Other	22	1
Total intangible assets	295	333
Investments and other assets		
Investment securities	595	632
Deferred tax assets	702	728
Other	496	580
Allowance for doubtful accounts	(58)	(55)
Total investments and other assets	1,735	1,886
Total non-current assets	28,242	28,732
Total assets	60,638	63,941

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,245	3,675
Short-term borrowings	358	389
Current portion of long-term borrowings	56	9
Income taxes payable	355	493
Provision for bonuses	467	455
Other	3,444	2,933
Total current liabilities	7,928	7,956
Non-current liabilities		
Long-term borrowings	9	-
Retirement benefit liability	529	445
Provision for share awards for directors (and other officers)	8	125
Other	643	683
Total non-current liabilities	1,190	1,254
Total liabilities	9,118	9,210
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	37,829	38,787
Treasury shares	(995)	(994)
Total shareholders' equity	51,217	52,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	33
Foreign currency translation adjustment	(21)	2,064
Remeasurements of defined benefit plans	1	74
Total accumulated other comprehensive income	(15)	2,171
Non-controlling interests	317	382
Total net assets	51,519	54,731
Total liabilities and net assets	60,638	63,941

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	39,614	36,520
Cost of sales	26,626	25,317
Gross profit	12,988	11,202
Selling, general and administrative expenses		
Transportation costs	881	1,333
Remuneration for directors (and other officers)	147	137
Salaries and allowances	2,059	2,062
Provision for bonuses	211	210
Retirement benefit expenses	114	62
Provision for share awards for directors (and other officers)	-	118
Welfare expenses	470	448
Travel and transportation expenses	259	74
Communication expenses	152	159
Rent expenses	181	199
Supplies expenses	72	83
Research and development expenses	1,402	1,208
Other	2,405	2,202
Total selling, general and administrative expenses	8,359	8,302
Operating profit	4,628	2,900
Non-operating income		
Interest income	70	62
Dividend income	3	3
Subsidy income	3	79
Other	61	38
Total non-operating income	139	183
Non-operating expenses		
Interest expenses	26	27
Foreign exchange losses	57	31
Compensation expenses	-	36
Other	15	18
Total non-operating expenses	99	113
Ordinary profit	4,668	2,970
Extraordinary losses		
Loss on retirement of non-current assets	172	122
Impairment losses	156	58
Total extraordinary losses	328	181
Profit before income taxes	4,339	2,788
Income taxes - current	1,014	658
Income taxes - deferred	21	(56)
Total income taxes	1,036	602
Profit	3,303	2,186
Profit attributable to non-controlling interests	15	44
Profit attributable to owners of parent	3,287	2,141

Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit	3,303	2,186
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	28
Foreign currency translation adjustment	(1,574)	2,106
Remeasurements of defined benefit plans, net of tax	(100)	73
Total other comprehensive income	(1,693)	2,208
Comprehensive income	1,610	4,394
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,608	4,329
Comprehensive income attributable to non-controlling interests	1	65

Consolidated statement of changes in net assets

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,640	8,744	35,962	(995)	49,351
Changes during period					
Dividends of surplus			(1,420)		(1,420)
Profit attributable to owners of parent			3,287		3,287
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,866	0	1,866
Balance at end of period	5,640	8,744	37,829	(995)	51,217

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	23	1,538	102	1,663	315	51,329
Changes during period						
Dividends of surplus						(1,420)
Profit attributable to owners of parent						3,287
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	(18)	(1,560)	(100)	(1,678)	1	(1,677)
Total changes during period	(18)	(1,560)	(100)	(1,678)	1	189
Balance at end of period	4	(21)	1	(15)	317	51,519

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,640	8,744	37,829	(995)	51,217
Changes during period					
Dividends of surplus			(1,183)		(1,183)
Profit attributable to owners of parent			2,141		2,141
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				1	1
Net changes in items other than shareholders' equity					
Total changes during period	-	-	958	0	958
Balance at end of period	5,640	8,744	38,787	(994)	52,176

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4	(21)	1	(15)	317	51,519
Changes during period						
Dividends of surplus						(1,183)
Profit attributable to owners of parent						2,141
Purchase of treasury shares						(0)
Disposal of treasury shares						1
Net changes in items other than shareholders' equity	28	2,086	73	2,187	65	2,252
Total changes during period	28	2,086	73	2,187	65	3,211
Balance at end of period	33	2,064	74	2,171	382	54,731

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	4,339	2,788
Depreciation	4,535	4,789
Increase (decrease) in allowance for doubtful accounts	35	(1)
Increase (decrease) in provision for bonuses	17	(20)
Increase (decrease) in provision for share awards for directors (and other officers)	(0)	118
Increase (decrease) in retirement benefit liability	58	(12)
Interest and dividend income	(74)	(65)
Interest expenses	26	27
Foreign exchange losses (gains)	(43)	(21)
Loss on retirement of non-current assets	172	122
Impairment losses	156	58
Decrease (increase) in trade receivables	(240)	(284)
Decrease (increase) in inventories	609	(679)
Increase (decrease) in trade payables	(7)	(166)
Decrease (increase) in consumption taxes refund receivable	(45)	(55)
Other, net	(125)	124
Subtotal	9,412	6,723
Interest and dividends received	78	70
Interest paid	(24)	(26)
Income taxes paid	(2,635)	(532)
Net cash provided by (used in) operating activities	6,830	6,234
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,355)	(4,760)
Purchase of intangible assets	(75)	(50)
Purchase of investment securities	(1)	(1)
Other, net	(49)	(68)
Net cash provided by (used in) investing activities	(6,482)	(4,881)
Cash flows from financing activities		
Repayments of long-term borrowings	(61)	(56)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	0	-
Dividends paid	(1,420)	(1,184)
Repayments of lease obligations	(182)	(138)
Net cash provided by (used in) financing activities	(1,664)	(1,379)
Effect of exchange rate change on cash and cash equivalents	(321)	467
Net increase (decrease) in cash and cash equivalents	(1,637)	440
Cash and cash equivalents at beginning of period	15,456	13,819
Cash and cash equivalents at end of period	13,819	14,260