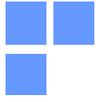
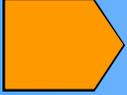


Consolidated Financial Results Briefing Materials For 1st Quarter Of FY 2021

IRISO ELECTRONICS CO., LTD.
Stock Code: 6908
(Aug 3, 2021)



-  **I . Summary of the Consolidated Financial Results for 1Q of FY 2021**
- II . FY2021 Financial Forecast**
- III . Topics**



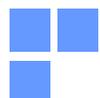
1. Summary of FY2021 Q1 Business Results



Despite a negative impact on the automotive market mainly in Europe and the U.S. due to a global shortage of semiconductor chips, the Company's quarterly sales reached new all-time high as a result of robust sales growth in the powertrain, consumer, and industrial markets.

- Net Sales: 11,186 million yen (91.7% YoY increase and 11.4% increase compared to the FY2019 Q1 level)
 1. Automotive market: 8,778 million yen (98.0% YoY increase)
 - 180% YoY increase notably in the electric vehicle powertrain market and increase to 11.3% at a double-digit rate of 11.3% for the first time in terms of the breakdown of net sales by market in % of net sales.
 - Negative impact of a global shortage of semiconductor chips: decline in the world auto production mainly in Europe and the U.S. This resulted in negative 0.45 billion yen compared to the initial target. Although sales recovery from the second half of FY2021 is anticipated, the total number of cars produced worldwide during 2021 may be less than initially estimated 86 million units.
 2. Consumer market: 1,361 million yen (63.7% YoY increase)
 3. Industrial market: 1,047 million yen (83.1% YoY increase)

- Operating Income: 1,264 million yen, representing an operating income margin of 11.3%
(YoY increase of 1,659 million yen and decrease of 133 million yen compared with the FY2019 Q1 level)
 1. Worsening impact of approx. 0.6 billion yen (operating income margin of approx.5.3%) due to the rising costs of commodities including resin as well as of gold and copper raw materials, and rising shipping costs have been reduced as a result of production increase and cost cutting.
 2. Now in full-scale production at Vietnam Plant after its shutdown due to the COVID-19 lockdown in February 2021. However, urgent deliveries were offered as a result of production recovery to make up for losses associated with decline in production during the shutdown period and growing demand.
(This partially causes the rising shipping costs referred to in paragraph1)



2. Consolidated Results for Q1 of FY 2021 (YoY Change)



Unit: Millions of yen

	Q1 FY 2020	Q1 FY 2021	YoY change
Net sales	5,836	11,186	5,350 91.7%
Operating income	(395) - %	1,264 11.3%	1,659 - %
Ordinary income	(410) - %	1,207 10.8%	1,617 - %
Net income	(432) - %	1,052 9.4%	1,485 - %
EPS	(18.37) yen	44.64yen	
Average exchange rate during the period	USD107.74yen EURO118.94yen RMB 15.16yen	USD110.00yen EURO131.78yen RMB 17.01yen	2.26yen 12.84yen 1.85yen

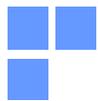


3. Breakdown of Net Sales (by Market)



Unit: Millions of yen

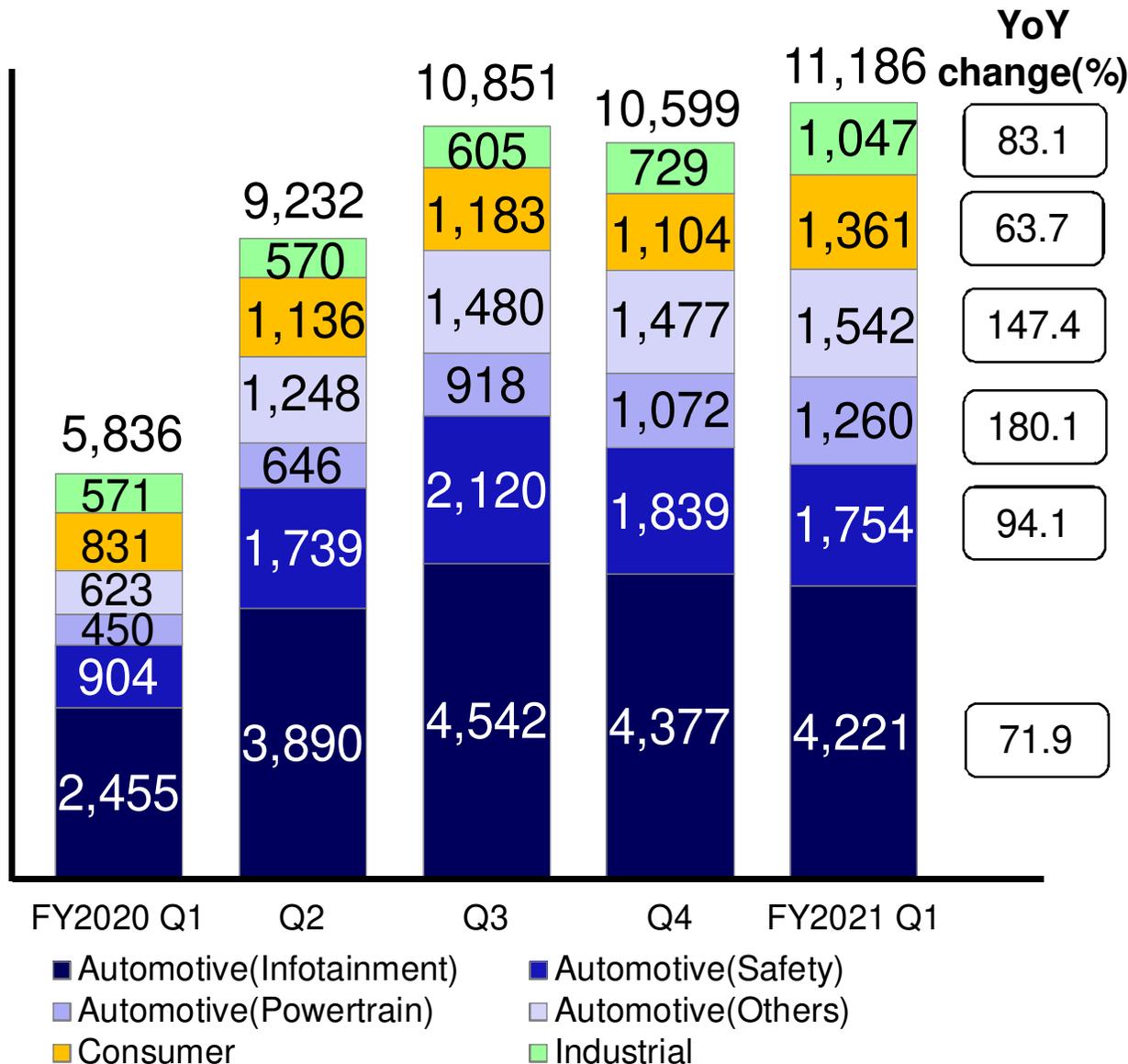
		Q1 FY 2021	YoY Change	Breakdown	Change Factors
Automotive (automotive applications)		8,778	98.0%	78.5%	<ul style="list-style-type: none"> ▪ Large-scale recovery from slump in auto production and sales mainly in Europe and the U.S. due to the COVID-19 pandemic during FY2020 Q1 ▪ In the powertrain market, 180% YoY increase as a result of growing demand for new energy vehicles mainly in Europe and China.
Area	Infotainment	4,221	71.9%	37.7%	
	Safety	1,754	94.1%	15.7%	
	Powertrain	1,260	180.1%	11.3%	
	Others	1,542	147.4%	13.8%	
Consumer (OA, game consoles, digital cameras, cellular phones, televisions, etc.)		1,361	63.7%	12.2%	<ul style="list-style-type: none"> ▪ Robust sales for game console and TV as a result of growing demand boosted by the prevailing "home-nesting" lifestyle during the COVID-19 pandemic
Industrial (Industrial equipment, etc.)		1,047	83.1%	9.4%	<ul style="list-style-type: none"> ▪ Robust sales led by growing demand for FA equipment in China and a launch of a new project for 5G base station
Total		11,186	91.7%	100.0%	<ul style="list-style-type: none"> ▪ 75.8% overseas ratio



4. Net Sales by Market (Quarterly Changes)



Unit: Millions of yen



Industrial

- Record of new all-time-high quarterly sales

Consumer

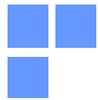
- Sales growth driven by increasing sales for TV and game console

Automotive

98.0

- Compared to the FY2020 Q4 level: decrease mainly in Europe and the U.S. due to a global shortage of semiconductor chips. Negative impact on the infotainment and safety markets.

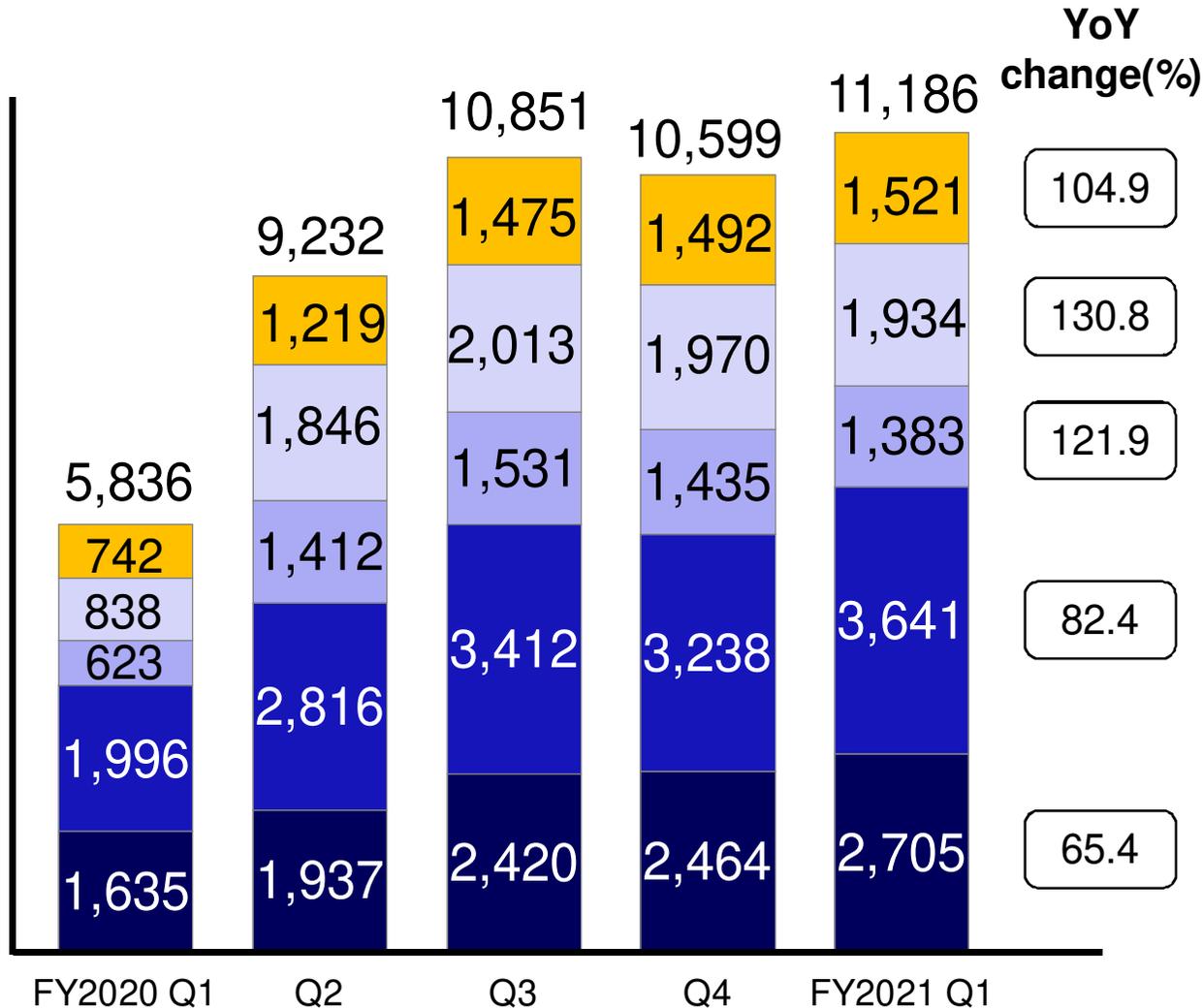
- Robust sales in the powertrain market as our key focus area and record of all-time high quarterly sales. Sales growth driven by sales for battery application and inverter for external power supply to meet the growing demand for new energy vehicles.



5. Net Sales by Area (Quarterly Changes)



Unit: Millions of yen



ASEAN (Former Singapore and Thailand)

- Strong sales in the consumer market

Europe

- Compared to the FY2020 Q4 level: decrease in sales due to a global shortage of semiconductor chips
- Increase in sales driven by a weaker yen

U.S.

- Compared to the FY2020 Q4 level: decrease in sales due to a global shortage of semiconductor chips

Greater China and Korea

- Strong sales mainly in the powertrain and consumer markets
- All-time-high sales record led by the benefits of a weaker yen

Japan

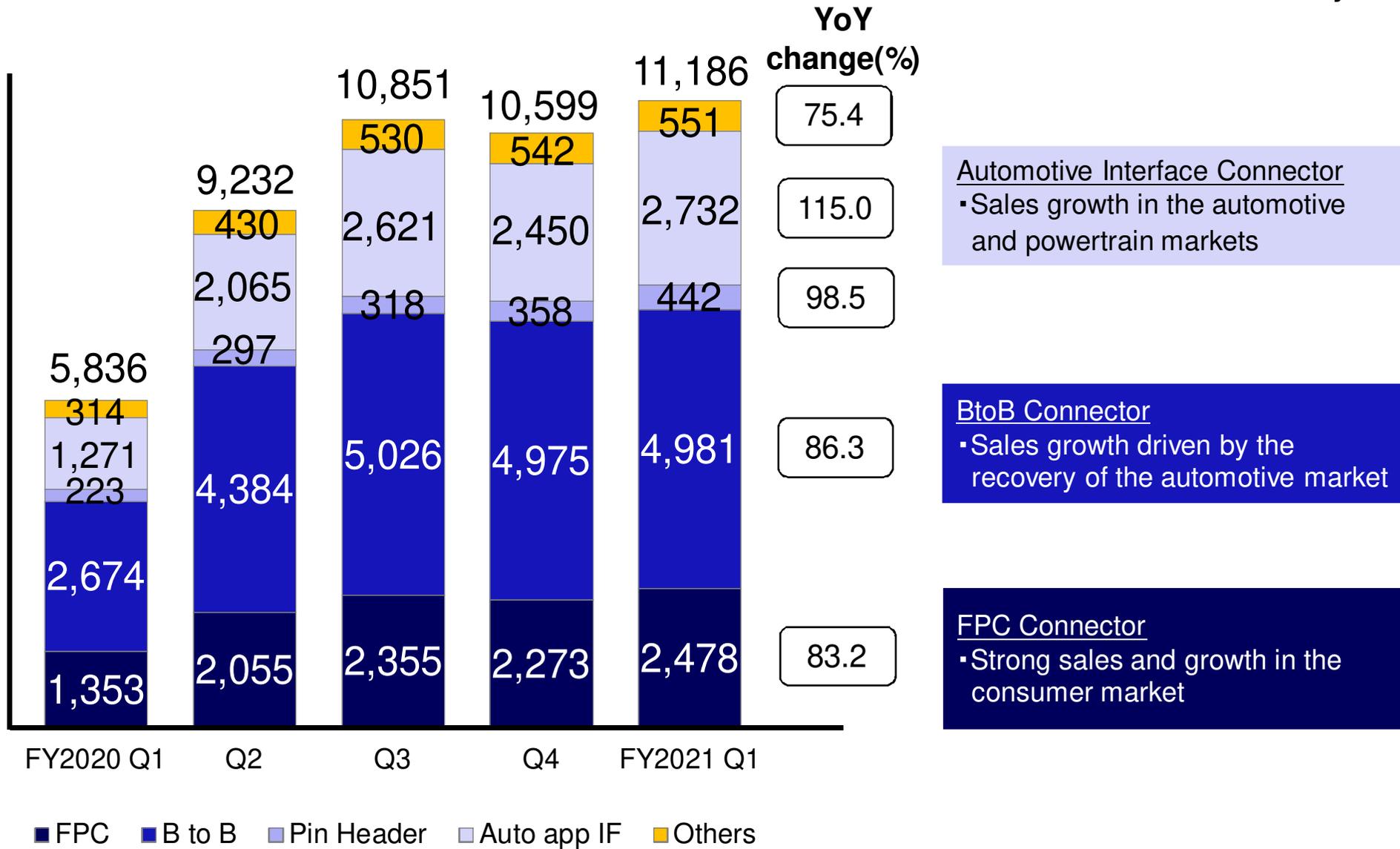
- Strong sales in the powertrain and industrial markets
- All-time-high sales record



6. Net Sales by Product (Quarterly Changes)



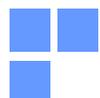
Unit: Millions of yen



Automotive Interface Connector
 ▪ Sales growth in the automotive and powertrain markets

BtoB Connector
 ▪ Sales growth driven by the recovery of the automotive market

FPC Connector
 ▪ Strong sales and growth in the consumer market



7. Consolidated Income Statement (YoY Change)



Unit: Millions of yen

	Q1 FY 2020		Q1 FY 2021		YoY change	
Net sales	5,836	100.0%	11,186	100.0%	5,350	91.7%
Cost of sales	4,239	72.6%	7,371	65.9%	3,131	73.8%
Gross profit	1,596	27.4%	3,815	34.1%	2,219	139.0%
SG & A	1,992	34.1%	2,551	22.8%	559	28.1%
Operating income	(395)	(6.8)%	1,264	11.3%	1,659	- %
Non-operating income	34	0.6%	24	0.2%	(10)	(30.2)%
Non-operating expenses	49	0.9%	81	0.7%	31	63.7%
Ordinary income	(410)	(7.0)%	1,207	10.8%	1,617	- %
Extraordinary income (loss)	(38)	(0.7)%	(35)	(0.3)%	3	(8.2)%
Pretax income	(449)	(7.7)%	1,171	10.5%	1,620	- %
Net income (for HQ stockholders)	(432)	(7.4)%	1,052	9.4%	1,485	- %
EPS	(18.37) yen		44.64 yen		—	
Exchange rate (USD/EURO/RMB)	107.74 yen/ 118.94 yen/15.16 yen		110.00 yen/ 131.78 yen/17.01 yen		2.26 yen/ 12.84 yen/1.85yen	



8. Consolidated Balance Sheet (YoY Change)



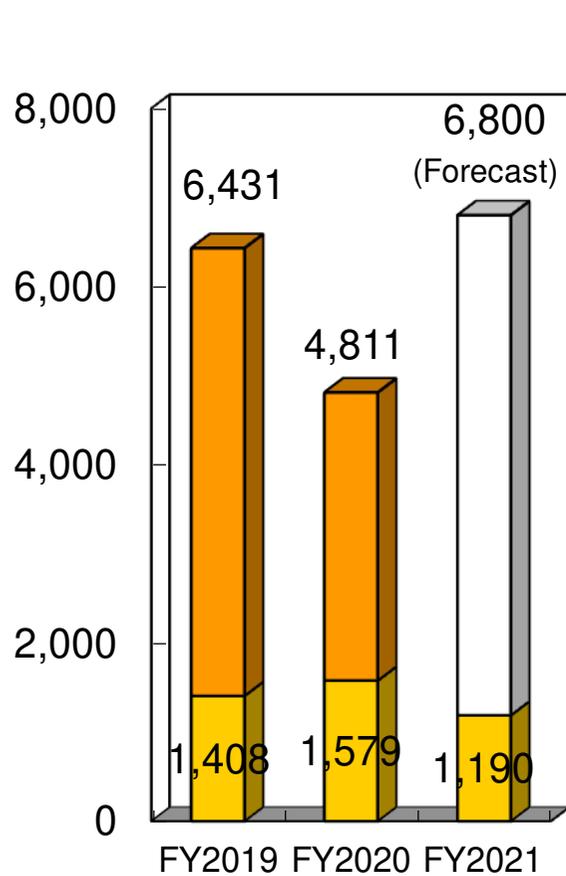
Unit: Millions of yen

	As of March 31, 2021		As of June 31, 2021		YoY Change	Change Factor
Current assets	35,209	55.1%	35,752	55.0%	542	Cash and deposits (914) Notes and accounts receivable 518 Goods and products 807
Noncurrent assets	28,732	44.9%	29,216	45.0%	484	Construction in progress 340
Total assets	63,941	100.0%	64,969	100.0%	1,027	
Current liabilities	7,956	12.4%	8,850	13.6%	893	Notes payable and accounts payable 574 Accounts payable 209
Noncurrent liabilities	1,254	2.0%	1,252	1.9%	(1)	
Total liabilities	9,210	14.4%	10,102	15.6%	892	
Shareholders' equity	52,176	81.6%	52,031	80.1%	(145)	Net income 1,052 Dividend (1,183)
Valuation/translation difference	2,171	3.4%	2,468	3.8%	297	Foreign currency translation adjustments 300
Minority interests	382	0.6%	365	0.6%	(17)	
Total net assets	54,731	85.6%	54,866	84.4%	134	Net assets per share 2,311.57yen (previous period 2,306.16 yen)
Total liabilities and net assets	63,941	100.0%	64,969	100.0%	1,027	

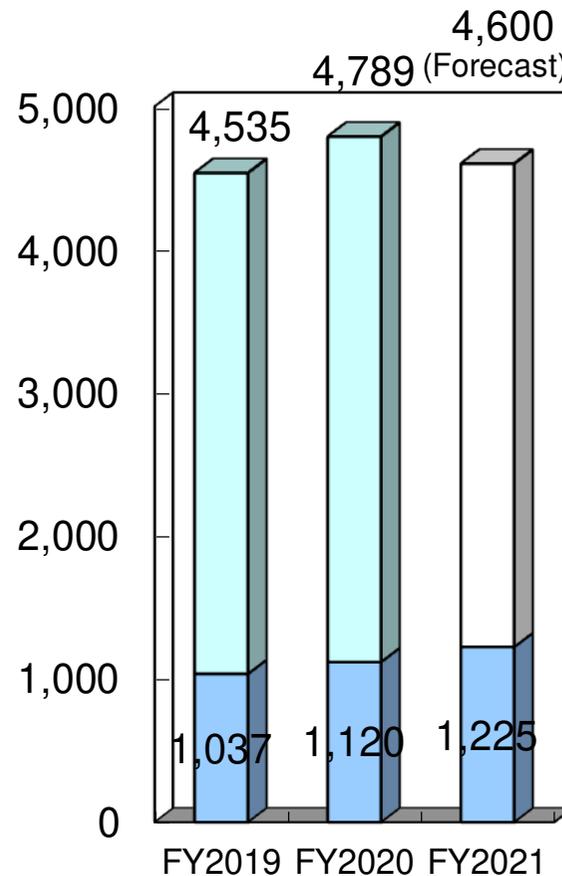
9. Capital Investment, Depreciation & Amortization, and Research & Development



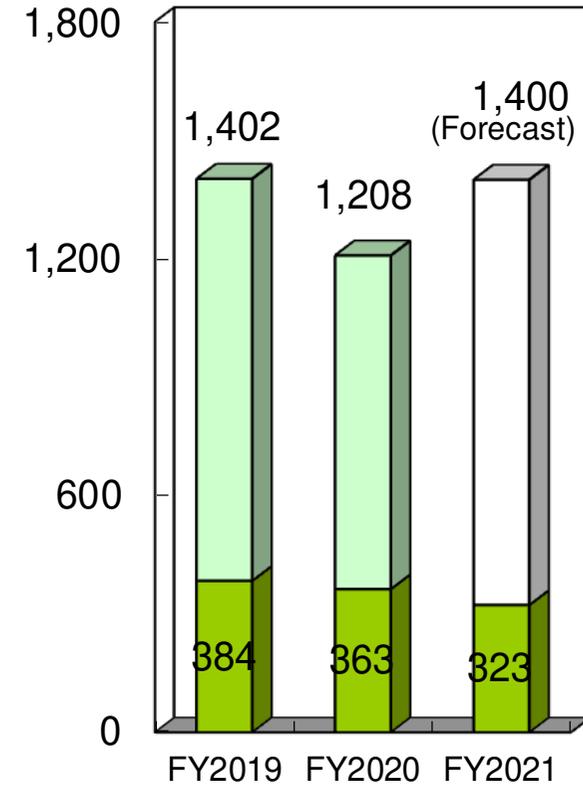
Unit: Millions of yen



Capital Expenditure



Depreciation & Amortization



Research & Development

Note: Each figure at the foot of bars shows the actual amount for the first quarter, and those at the top are for full year.



I . Summary of the Consolidated Financial Results for 1Q of FY 2021

II . FY2021 Financial Forecast

III . Topics

1. Full-Year Targets for FY2021 (YoY Change) and Business Risk Response Strategy

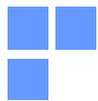


Unit: Millions of yen

	Results of FY 2020	Full Year Targets for FY 2021	YoY change
Net sales	36,520	42,000	5,479 15.0%
Operating income	2,900 7.9%	6,700 16.0%	3,799 131.0%
Ordinary income	2,970 8.1%	6,600 15.7%	3,629 122.2%
Net income	2,141 5.9%	4,800 11.4%	2,658 124.1%
EPS	90.89yen	203.68yen	
Average exchange rate during the period	USD106.17yen EURO123.73yen RMB 15.63yen	USD105.00yen EURO127.00yen RMB 16.00yen	(1.17)yen 3.27yen 0.37yen

Despite the impact of a global shortage of semiconductor chips on the initial plan, the number of customer orders have been increasing as a whole. However, because the costs of raw materials and shipping are going up higher than expected, additional improvement measures will be promoted.

Measure	Effect
①Reduction of loss costs of manufacturing and shipping ②Expense Reduction ③Promotion of in-house production and Holding down material costs, etc.	Approx.1 billion yen

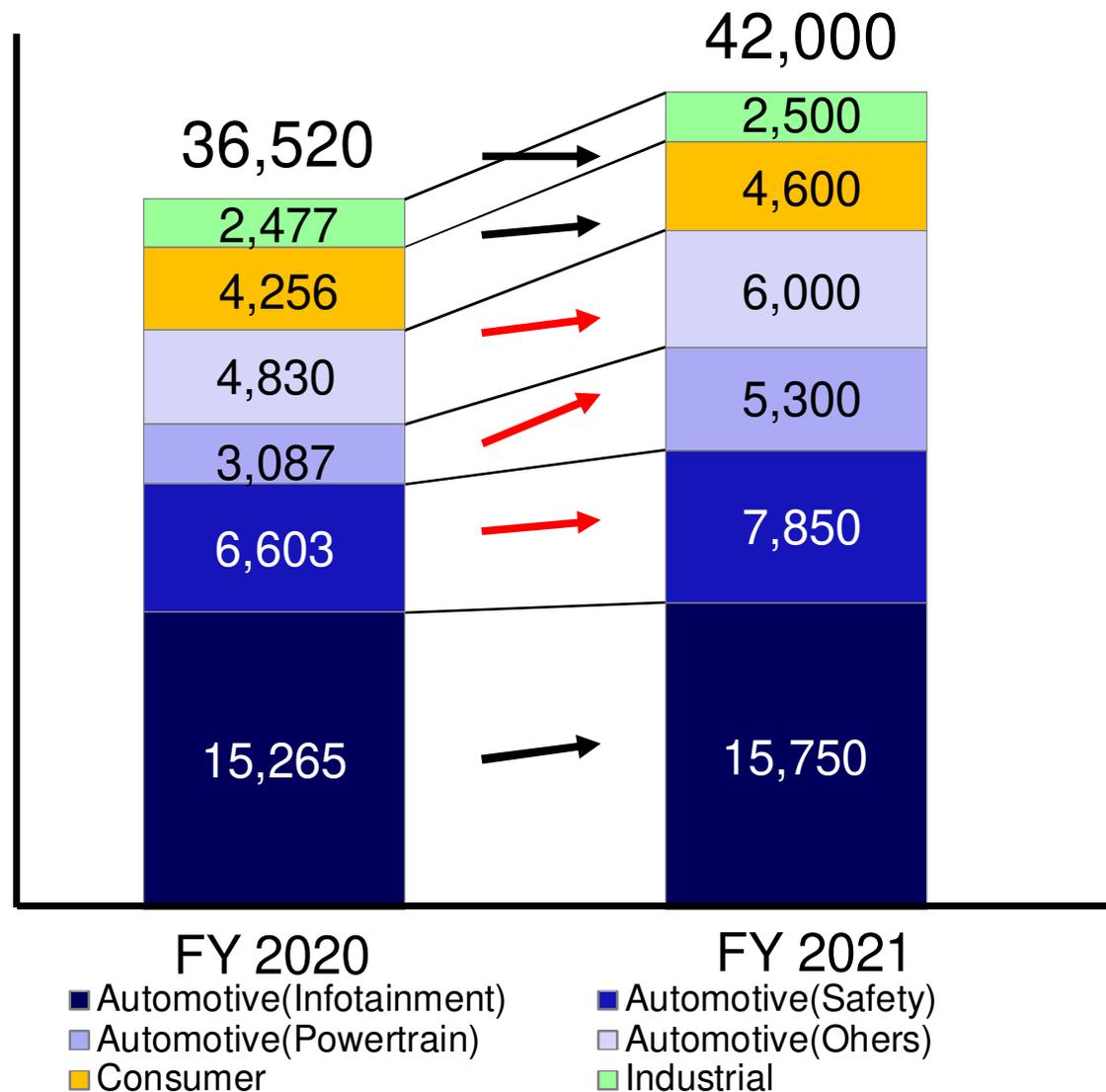


2. Full-Year Targets for FY 2021 (by Market)



Unit: Millions of yen

Q1 Performance Progress Rate
Compared to the FY2021 Targets



Industrial
41.9%

Consumer
29.6%

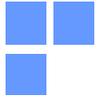
Automotive (Others)
25.7%

Automotive (Powertrain)
23.8%

Automotive (Safety)
22.3%

Automotive (Infotainment)
26.8%

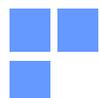
Automotive (All)
25.2%



**I . Summary of the Consolidated
Financial Results for 1Q of FY 2021**

II . FY2021 Financial Forecast

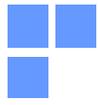
 **III . Topics**



1. Topics: Progress Report on Our BCP Practices



- Started reviewing our BCP practices after the Vietnam Plant shutdown due to the COVID-19 lockdown in February 2021.
- ① First stage: reviewing inventory system → inventory increase: inventories projected for 3-month supply that are held by both the Iriso Group and customers
 - Iriso sales companies and offices: currently increasing their inventories to keep them secure by carrying safety stock
 - 【Goods and Products】 51 Billion yen at the end of March 2021
→ 59 billion yen at the end of June 2021
- ② Second stage: reviewing equipment deployment for high-volume products → spare unit deployment
 - Already changed specification for spare unit design
 - Planning to finish designing each spare unit during Q3. After that, manufacturing and deployment of spare units one after another.
- ③ Third stage: changing production system for high-volume products → shift to multi-factory production
 - Already launched and completed the production of the major 10 series of the top 100 best selling product series during FY2021 Q1
 - Working on the rest 90 series successively afterwards



2. Topics: Solar Energy Panel Installation for CO2 Emission



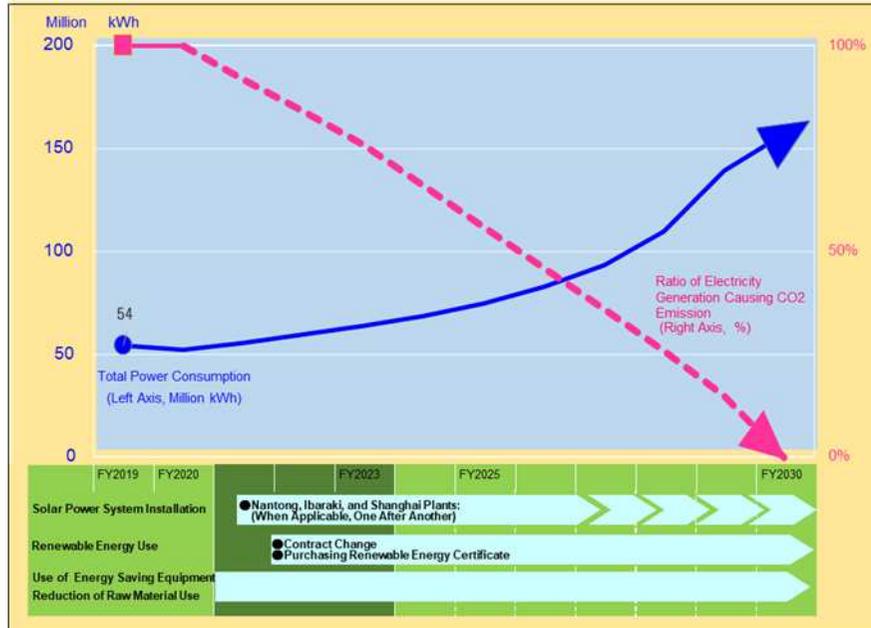
■ CO2 Emission Target: self-consumption of solar energy within the company's own facilities to achieve the worlds' net-zero CO2 emission by 2030

→ Creating a carbon reduction roadmap and installing solar power equipment at the plants one after another

→ Focusing our efforts on project completion during FY2021.

Plant	Status
Ibaraki Plant (Japan)	Installation completed
Nantong Plant (China)	To be completed in Sep. 2021
Shanghai Plant (China)	To be completed in Mar. 2022

※ Installation impossible at Vietnam and Philippines Plants due to insufficient load capacity



CO2 Reduction Roadmap



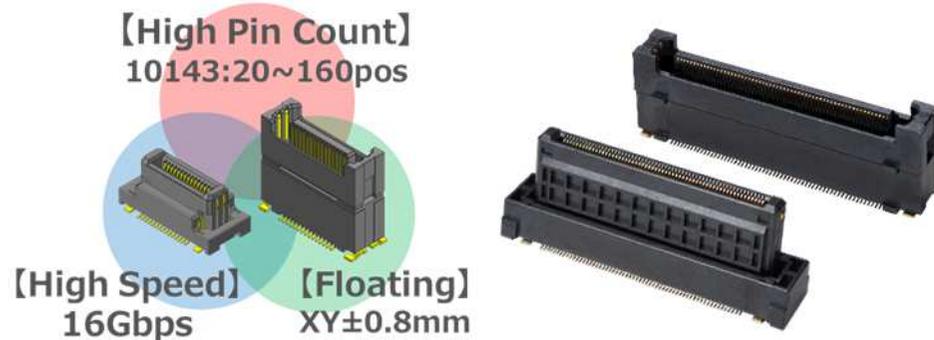
Solar Power Panel Installed at Ibaraki Plant

3. Topics: Development of the Products for High-Speed Transmission - Behind the Scenes Story -



- “Floating BtoB connector with power terminal for 16Gbps transmission speed”: 10143 series
 - Differentiated products for high-speed transmission integrated with “floating” as company core technology
 - Worlds’ first floating BtoB connector with both 16Gbps transmission speed and a large floating range of $x,y \pm 0.8\text{mm}$ to realize high-speed board-to-board transmission for automotive, industrial and 5G.base station applications and others
 - **Comic strip version of the behind-the-scenes story of the product development is now available on the company website. The story consists of 3 episodes with the last one released in September. .Please check it out. (<https://www.iriso.co.jp/jp/technology/comic/>)**

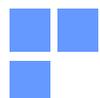
Note: The story is only available in Japanese.



Features and Pictures of the 10143 Series



One cut scene from the behind-the-scenes story



Company name	IRISO ELECTRONICS CO., LTD.
Business description	Manufacture and sales of various types of connectors
Establishment	December 1966
Number of employees	3,277 (as of March 31, 2021)
Capital	5,640 million yen (as of March 31, 2021)
Headquarters	2-13-8, Shinyokohama, Kohoku-ku, Yokohama, Kanagawa
Operations	
Domestic	Headquarters, Fukushima, Ibaraki, Aichi, Osaka
Overseas	Singapore, Hong Kong, U.S.A., Germany, Thailand, South Korea, China(Shanghai, Dalian, Tianjin, Suzhou, Shenzhen, Chongqing), Malaysia, Taiwan, India
Research & development	Headquarters(IRISO Technology Park), Kawasaki(Production Technology Development Center),Shanghai R&D Center
Manufacturing plants	Japan(Ibaraki), China(Shanghai, Nantong), Philippines(Manila), Vietnam(Hai Duong)