

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 3, 2021

Company name: IRISO ELECTRONICS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6908 URL <https://www.iriso.co.jp>
 Representative: President & Representative Director Hitoshi Suzuki
 Inquiries: Director & Senior Managing Executive Officer /
 General Manager of Administration Division Mitsuyoshi Toyoshima TEL 045-478-3111
 Scheduled date file Quarterly Securities Report: August 5, 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 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	%
Three months ended June 30, 2021	11,186	91.7	1,264	-	1,207	-	1,052	-
Three months ended June 30, 2020	5,836	(41.9)	(395)	-	(410)	-	(432)	-

(Note) Comprehensive income: Three months ended June 30, 2021: ¥1,332 million [-%]
 Three months ended June 30, 2020: ¥(605) million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	44.64	-
Three months ended June 30, 2020	(18.37)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2021	64,969	54,866	83.9	2,311.57
As of March 31, 2021	63,941	54,731	85.0	2,306.16

(Reference) Equity: As of June 30, 2021: ¥54,500 million
 As of March 31, 2021: ¥54,348 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended March 31, 2021	Yen -	Yen 0.00	Yen -	Yen 50.00	Yen 50.00
Year ending March 31, 2022	-				
Year ending March 31, 2022 (Forecast)		0.00	-	60.00	60.00

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

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

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
(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 June 30, 2021	24,583,698 shares	As of March 31, 2021	24,583,698 shares
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Number of treasury shares at the end of the period:

As of June 30, 2021	1,006,247 shares	As of March 31, 2021	1,016,933 shares
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Average number of shares during the period:

Three months ended June 30, 2021	23,569,231 shares	Three months ended June 30, 2020	23,566,662 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 June 30, 2021: 96,052 shares, as of March 31, 2021: 106,738 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, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	14,260	13,345
Notes and accounts receivable - trade	11,177	-
Notes and accounts receivable - trade, and contract assets	-	11,696
Merchandise and finished goods	5,069	5,876
Work in process	45	44
Raw materials and supplies	2,821	2,881
Other	1,886	1,958
Allowance for doubtful accounts	(50)	(50)
Total current assets	35,209	35,752
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,958	7,968
Accumulated depreciation	(3,470)	(3,556)
Buildings and structures, net	4,488	4,411
Machinery, equipment and vehicles	30,784	31,306
Accumulated depreciation	(16,871)	(17,433)
Machinery, equipment and vehicles, net	13,912	13,872
Tools, furniture and fixtures	16,387	16,705
Accumulated depreciation	(12,826)	(12,975)
Tools, furniture and fixtures, net	3,561	3,730
Land	1,787	1,779
Construction in progress	2,762	3,103
Total property, plant and equipment	26,512	26,897
Intangible assets		
Software	331	331
Other	1	24
Total intangible assets	333	356
Investments and other assets		
Investment securities	632	627
Deferred tax assets	728	820
Other	580	571
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	1,886	1,963
Total non-current assets	28,732	29,216
Total assets	63,941	64,969

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,675	4,249
Short-term borrowings	389	394
Current portion of long-term borrowings	9	-
Income taxes payable	493	477
Provision for bonuses	455	385
Other	2,933	3,343
Total current liabilities	7,956	8,850
Non-current liabilities		
Retirement benefit liability	445	445
Provision for share awards for directors (and other officers)	125	146
Other	683	660
Total non-current liabilities	1,254	1,252
Total liabilities	9,210	10,102
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	38,787	38,575
Treasury shares	(994)	(928)
Total shareholders' equity	52,176	52,031
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33	30
Foreign currency translation adjustment	2,064	2,364
Remeasurements of defined benefit plans	74	74
Total accumulated other comprehensive income	2,171	2,468
Non-controlling interests	382	365
Total net assets	54,731	54,866
Total liabilities and net assets	63,941	64,969

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, 2020	Three months ended June 30, 2021
Net sales	5,836	11,186
Cost of sales	4,239	7,371
Gross profit	1,596	3,815
Selling, general and administrative expenses	1,992	2,551
Operating profit (loss)	(395)	1,264
Non-operating income		
Interest income	15	11
Dividend income	1	1
Subsidy income	12	5
Other	5	5
Total non-operating income	34	24
Non-operating expenses		
Interest expenses	5	6
Foreign exchange losses	11	70
Compensation expenses	27	-
Other	5	3
Total non-operating expenses	49	81
Ordinary profit (loss)	(410)	1,207
Extraordinary losses		
Loss on retirement of non-current assets	38	26
Impairment losses	-	9
Total extraordinary losses	38	35
Profit (loss) before income taxes	(449)	1,171
Income taxes - current	19	218
Income taxes - deferred	(36)	(91)
Total income taxes	(17)	126
Profit (loss)	(431)	1,045
Profit (loss) attributable to non-controlling interests	1	(6)
Profit (loss) attributable to owners of parent	(432)	1,052

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	(431)	1,045
Other comprehensive income		
Valuation difference on available-for-sale securities	8	(3)
Foreign currency translation adjustment	(181)	289
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	(174)	286
Comprehensive income	(605)	1,332
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(621)	1,349
Comprehensive income attributable to non-controlling interests	15	(17)