

**Translation**

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 5, 2020

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: November 9, 2020  
 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 six months ended September 30, 2020 (from April 1, 2020 to September 30, 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	%
Six months ended September 30, 2020	15,069	(24.9)	173	(92.7)	76	(96.7)	8	(99.5)
Six months ended September 30, 2019	20,064	(7.8)	2,381	(35.2)	2,359	(41.5)	1,670	(43.7)

(Note) Comprehensive income: Six months ended September 30, 2020: ¥(88) million [-%]  
 Six months ended September 30, 2019: ¥(170) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	0.35		-	
Six months ended September 30, 2019	70.88		-	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2020	58,192	50,248	85.8	2,117.86
As of March 31, 2020	60,638	51,519	84.4	2,172.66

(Reference) Equity: As of September 30, 2020: ¥49,911 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
Year ended March 31, 2020	Yen -	Yen 0.00	Yen -	Yen 50.00	Yen 50.00
Year ending March 31, 2021	-	0.00			
Year ending March 31, 2021 (Forecast)			-	40.00	40.00

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

## 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		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	34,500	(12.9)	2,700	(41.7)	2,600	(44.3)	1,800	(45.2)	76.38

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

### \* Notes:

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 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 September 30, 2020	1,016,877 shares	As of March 31, 2020	1,017,024 shares
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Average number of shares during the period:

Six months ended September 30, 2020	23,566,662 shares	Six months ended September 30, 2019	23,566,671 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 September 30, 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 September 30, 2020
Assets		
Current assets		
Cash and deposits	13,819	12,571
Notes and accounts receivable - trade	10,104	9,610
Merchandise and finished goods	4,579	4,395
Work in process	27	35
Raw materials and supplies	2,237	2,065
Other	1,674	1,505
Allowance for doubtful accounts	(47)	(47)
Total current assets	32,395	30,137
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,571	7,596
Accumulated depreciation	(3,028)	(3,177)
Buildings and structures, net	4,543	4,418
Machinery, equipment and vehicles	26,782	27,961
Accumulated depreciation	(13,922)	(14,851)
Machinery, equipment and vehicles, net	12,859	13,109
Tools, furniture and fixtures	15,005	15,401
Accumulated depreciation	(11,610)	(12,084)
Tools, furniture and fixtures, net	3,395	3,316
Land	1,732	1,737
Construction in progress	3,680	3,342
Total property, plant and equipment	26,211	25,925
Intangible assets		
Software	272	279
Other	22	10
Total intangible assets	295	289
Investments and other assets		
Investment securities	595	602
Deferred tax assets	702	793
Other	496	500
Allowance for doubtful accounts	(58)	(55)
Total investments and other assets	1,735	1,840
Total non-current assets	28,242	28,055
Total assets	60,638	58,192

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,245	2,718
Short-term borrowings	358	372
Current portion of long-term borrowings	56	37
Income taxes payable	355	191
Provision for bonuses	467	516
Other	3,444	2,893
<b>Total current liabilities</b>	<b>7,928</b>	<b>6,731</b>
<b>Non-current liabilities</b>		
Long-term borrowings	9	-
Retirement benefit liability	529	540
Provision for share-based remuneration for directors (and other officers)	8	6
Other	643	665
<b>Total non-current liabilities</b>	<b>1,190</b>	<b>1,212</b>
<b>Total liabilities</b>	<b>9,118</b>	<b>7,943</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	37,829	36,653
Treasury shares	(995)	(994)
<b>Total shareholders' equity</b>	<b>51,217</b>	<b>50,043</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4	11
Foreign currency translation adjustment	(21)	(143)
Remeasurements of defined benefit plans	1	(0)
<b>Total accumulated other comprehensive income</b>	<b>(15)</b>	<b>(132)</b>
<b>Non-controlling interests</b>	<b>317</b>	<b>337</b>
<b>Total net assets</b>	<b>51,519</b>	<b>50,248</b>
<b>Total liabilities and net assets</b>	<b>60,638</b>	<b>58,192</b>

**Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**

**Quarterly consolidated statements of income**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	20,064	15,069
Cost of sales	13,411	11,000
Gross profit	6,652	4,069
Selling, general and administrative expenses	4,271	3,895
Operating profit	2,381	173
Non-operating income		
Interest income	32	33
Dividend income	1	1
Gain on sales of investment securities	12	-
Subsidy income	1	30
Other	12	14
Total non-operating income	61	80
Non-operating expenses		
Interest expenses	12	10
Foreign exchange losses	57	120
Compensation expenses	-	34
Other	13	11
Total non-operating expenses	83	177
Ordinary profit	2,359	76
Extraordinary losses		
Loss on retirement of non-current assets	31	45
Total extraordinary losses	31	45
Profit before income taxes	2,328	31
Income taxes - current	491	93
Income taxes - deferred	172	(90)
Total income taxes	664	3
Profit	1,664	28
Profit (loss) attributable to non-controlling interests	(6)	20
Profit attributable to owners of parent	1,670	8

**Quarterly consolidated statements of comprehensive income**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	1,664	28
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	6
Foreign currency translation adjustment	(1,823)	(121)
Remeasurements of defined benefit plans, net of tax	(6)	(1)
Total other comprehensive income	(1,834)	(116)
Comprehensive income	(170)	(88)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(167)	(108)
Comprehensive income attributable to non-controlling interests	(2)	20

## Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	2,328	31
Depreciation	2,084	2,245
Increase (decrease) in allowance for doubtful accounts	31	(2)
Increase (decrease) in provision for bonuses	101	49
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	0	-
Increase (decrease) in retirement benefit liability	13	11
Interest and dividend income	(34)	(35)
Interest expenses	12	10
Foreign exchange losses (gains)	(17)	22
Loss on retirement of non-current assets	31	45
Loss (gain) on sales of investment securities	(12)	-
Decrease (increase) in trade receivables	19	511
Decrease (increase) in inventories	321	340
Increase (decrease) in trade payables	(23)	(514)
Other, net	(229)	365
Subtotal	4,627	3,080
Interest and dividends received	35	37
Interest paid	(11)	(9)
Income taxes paid	(1,904)	(255)
Net cash provided by (used in) operating activities	2,747	2,852
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,342)	(2,670)
Purchase of intangible assets	(47)	(34)
Other, net	(1)	(14)
Net cash provided by (used in) investing activities	(3,391)	(2,720)
Cash flows from financing activities		
Repayments of long-term borrowings	(33)	(28)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,419)	(1,183)
Repayments of lease obligations	(87)	(83)
Net cash provided by (used in) financing activities	(1,539)	(1,295)
Effect of exchange rate change on cash and cash equivalents	(339)	(84)
Net increase (decrease) in cash and cash equivalents	(2,523)	(1,247)
Cash and cash equivalents at beginning of period	15,456	13,819
Cash and cash equivalents at end of period	12,933	12,571