

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 2, 2022

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 to file Quarterly Securities Report: February 4, 2022
 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, 2021 (from April 1, 2021 to December 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	%
Nine months ended December 31, 2021	32,424	25.1	3,387	94.7	3,399	115.1	2,953	167.4
Nine months ended December 31, 2020	25,920	(13.6)	1,739	(52.1)	1,580	(57.2)	1,104	(59.8)

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥4,930 million [325.3%]
 Nine months ended December 31, 2020: ¥1,159 million [(35.6) %]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	125.44		-	
Nine months ended December 31, 2020	46.87		-	

(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, 2021	68,148		58,231		84.9		2,459.33	
As of March 31, 2021	63,941		54,731		85.0		2,306.16	

(Reference) Equity: As of December 31, 2021: ¥57,850 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
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	-	0.00	-	50.00	50.00
Year ending March 31, 2022	-	0.00	-		
Year ending March 31, 2022 (Forecast)				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
Full year	43,500	19.1	4,800	65.5	4,750	59.9	4,000	86.8	170.05

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

* Notes:

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2021	1,060,993 shares	As of March 31, 2021	1,016,933 shares
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Average number of shares during the period:

Nine months ended December 31, 2021	23,548,355 shares	Nine months ended December 31, 2020	23,566,709 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, 2021: 150,752 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	14,260	12,939
Notes and accounts receivable - trade	11,177	-
Notes and accounts receivable - trade, and contract assets	-	11,785
Merchandise and finished goods	5,069	6,845
Work in process	45	39
Raw materials and supplies	2,821	3,450
Other	1,886	1,903
Allowance for doubtful accounts	(50)	(30)
Total current assets	35,209	36,934
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,958	8,215
Accumulated depreciation	(3,470)	(3,783)
Buildings and structures, net	4,488	4,432
Machinery, equipment and vehicles	30,784	33,904
Accumulated depreciation	(16,871)	(19,251)
Machinery, equipment and vehicles, net	13,912	14,653
Tools, furniture and fixtures	16,387	18,108
Accumulated depreciation	(12,826)	(14,075)
Tools, furniture and fixtures, net	3,561	4,032
Land	1,787	1,784
Construction in progress	2,762	3,528
Total property, plant and equipment	26,512	28,431
Intangible assets		
Software	331	310
Other	1	312
Total intangible assets	333	623
Investments and other assets		
Investment securities	632	617
Deferred tax assets	728	936
Other	580	660
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	1,886	2,158
Total non-current assets	28,732	31,214
Total assets	63,941	68,148

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,675	4,109
Short-term borrowings	389	391
Current portion of long-term borrowings	9	-
Income taxes payable	493	441
Provision for bonuses	455	475
Other	2,933	3,330
Total current liabilities	7,956	8,749
Non-current liabilities		
Retirement benefit liability	445	445
Provision for share awards for directors (and other officers)	125	35
Other	683	685
Total non-current liabilities	1,254	1,166
Total liabilities	9,210	9,916
Net assets		
Shareholders' equity		
Share capital	5,640	5,640
Capital surplus	8,744	8,744
Retained earnings	38,787	40,501
Treasury shares	(994)	(1,185)
Total shareholders' equity	52,176	53,700
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	33	24
Foreign currency translation adjustment	2,064	4,054
Remeasurements of defined benefit plans	74	70
Total accumulated other comprehensive income	2,171	4,149
Non-controlling interests	382	381
Total net assets	54,731	58,231
Total liabilities and net assets	63,941	68,148

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, 2020	Nine months ended December 31, 2021
Net sales	25,920	32,424
Cost of sales	18,303	21,585
Gross profit	7,617	10,839
Selling, general and administrative expenses	5,877	7,452
Operating profit	1,739	3,387
Non-operating income		
Interest income	53	36
Dividend income	3	3
Subsidy income	48	9
Other	28	24
Total non-operating income	133	74
Non-operating expenses		
Interest expenses	16	19
Foreign exchange losses	224	25
Compensation expenses	35	3
Other	16	14
Total non-operating expenses	293	61
Ordinary profit	1,580	3,399
Extraordinary losses		
Loss on retirement of non-current assets	85	95
Impairment losses	-	43
Total extraordinary losses	85	139
Profit before income taxes	1,494	3,260
Income taxes - current	342	469
Income taxes - deferred	5	(173)
Total income taxes	348	295
Profit	1,146	2,965
Profit attributable to non-controlling interests	41	11
Profit attributable to owners of parent	1,104	2,953

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,146	2,965
Other comprehensive income		
Valuation difference on available-for-sale securities	14	(9)
Foreign currency translation adjustment	0	1,978
Remeasurements of defined benefit plans, net of tax	(1)	(3)
Total other comprehensive income	12	1,965
Comprehensive income	1,159	4,930
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,107	4,931
Comprehensive income attributable to non-controlling interests	52	(0)