



# FY2024 Q1 Financial Results

**IRISO ELECTRONICS CO.,LTD.**

*Stock Code: 6908*  
*(Aug 2, 2024)*

**Together, surpassing expectations by empowering connections  
to enrich society and delight people.**

# 1. FY2024 Q1 Financial Highlights

- Net sales of ¥**12.5** billion, **+0.3%** YoY due to a drop in sales, as a reversion to a rise in sales during FY2023 Q4, a period when some customers secured safety inventory against shortage anticipated during the company's whole system change to a new ERP, an auto market slowdown caused by tepid EV sales growth, etc. and a continued demand slump in the consumer and industrial markets.
- Operating profit of ¥**190** million, **-80.3%** YoY due to sluggish sales, the impact of exchange rate swings, soaring raw material prices, troubles with the new ERP system launch, and others.
- Planning a quick and smooth shift to the new ERP system, and to review and update a full-year forecast around the time of the Q2 earnings release by assessing the feasibility of ongoing profitability improvement efforts, including fixed-cost reductions, strategies to increase sales, and pricing policy development to remove worsening factors.

Unit: JPY in Millions

	FY2023 Q1	FY2024 Q1	YoY
Net Sales	12,496	12,534	+38 +0.3%
Operating Profit	967	190	(776) (80.3)%
Operating Profit Margin	7.7%	1.5%	(6.2)pts

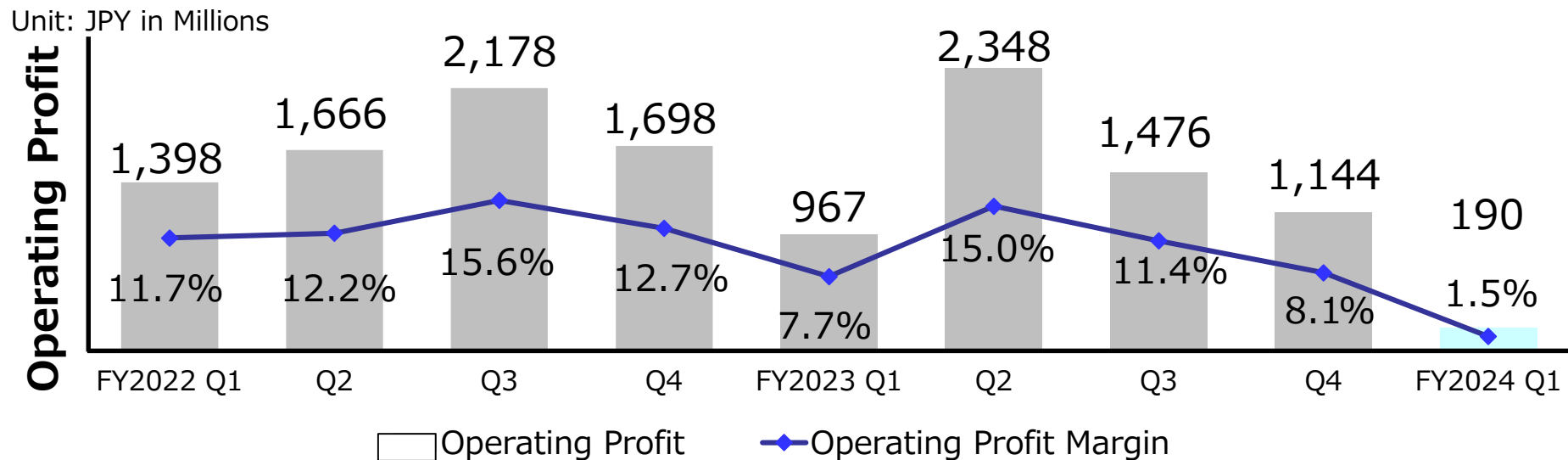
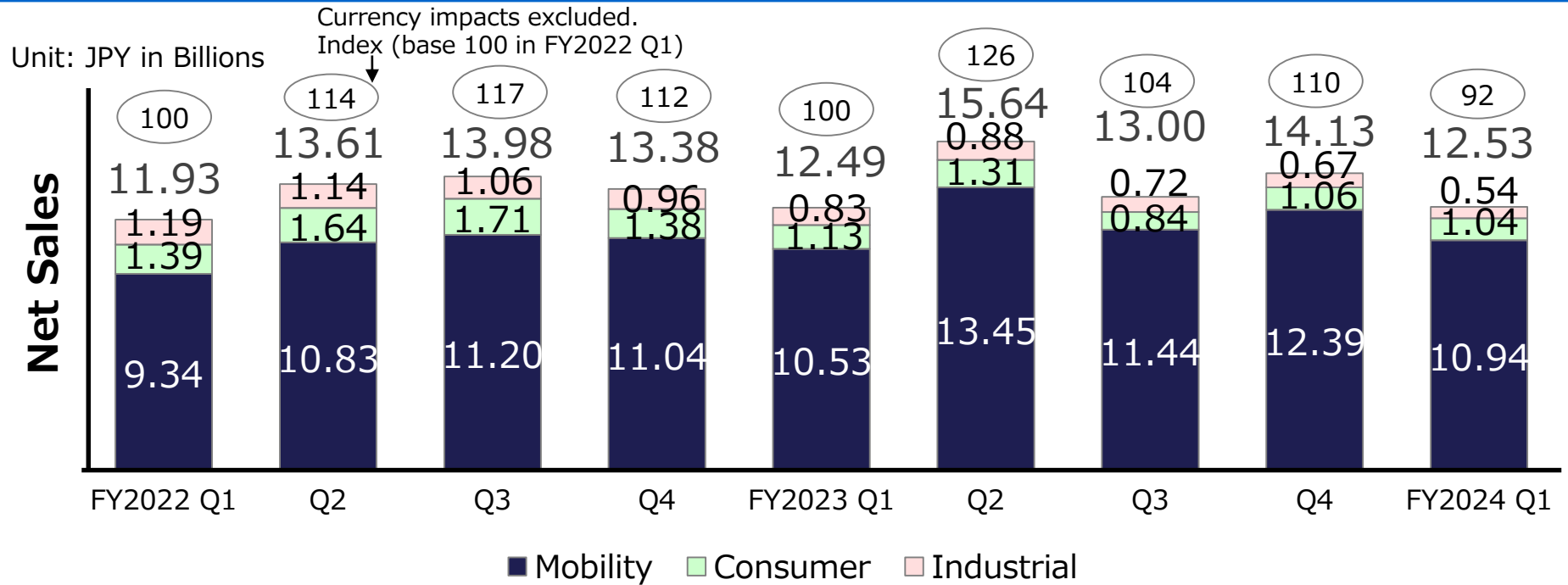
## 2. FY2024 Q1 Financial Summary

Unit: JPY in Millions

	FY2023 Q1	FY2024 Q1	Change	YoY
Net Sales	12,496	12,534	+38	+0.3%
Mobility	10,534	10,944	+410	+3.9%
Consumer	1,130	1,042	(88)	(7.8)%
Industrial	831	547	(284)	(34.2)%
Cost of Sales	8,646	9,259	+612	+7.1%
Sales Margin	69.2%	73.9%		+4.7pts
SG & A	2,882	3,084	+202	+7.0%
SG & A Margin	23.1%	24.6%		1.5pts
Operating Profit	967	190	(776)	(80.3)%
Operating Profit Margin	7.7%	1.5%		(6.2)pts
Ordinary Income	1,622	646	(975)	(60.1)%
Net Income	1,251	371	(879)	(70.3)%
EPS	53.19JPY	15.83JPY		
Capital Expenditure	2,501	2,280	(221)	(8.8)%
Depreciation	1,550	1,781	+231	+14.9%
Average Exchange Rate for each FY	USD : 138.11JPY EURO : 150.35JPY CNY : 19.61JPY	156.53JPY 168.37JPY 21.53JPY	+18.42JPY +18.02JPY +1.92JPY	+13.3% +12.0% +9.8%

# 3. QOQ Changes in Net Sales and Operating Profit

Interconnect with Reliable Solution >>>



## 4. Net Sales by Region and Product

### ■ By Region

Unit: JPY in Millions

	FY2023 Q1		FY2024 Q1		YoY
	Net Sales	Breakdown	Net Sales	Breakdown	
Japan	2,325	18.6%	1,810	14.4%	(515)
Greater China & South Korea	4,312	34.5%	5,105	40.7%	+792
USA	1,718	13.8%	1,598	12.8%	(120)
EUROPE	2,373	19.0%	2,305	18.4%	(68)
ASEAN	1,765	14.1%	1,714	13.7%	(50)
<b>Total</b>	<b>12,496</b>	<b>100.0%</b>	<b>12,534</b>	<b>100.0%</b>	<b>+38</b>
Overseas Ratio:		81.4%		85.6%	

#### Japan

- Customers' continued manufacturing slowdown in the consumer and industrial markets

#### Greater China & South Korea

- YoY increase by 18%, helped by powertrain customers' positive inventory adjustments during FY2023 Q1

#### US, EU and ASEAN

- Decrease in sales due to the slowing auto market

### ■ By Product

Unit: JPY in Millions

	FY2023 Q1		FY2024 Q1		YoY
	Net Sales	Breakdown	Net Sales	Breakdown	
BtoB	5,588	44.7%	5,333	42.6%	(255)
FPC	2,644	21.2%	2,649	21.1%	+5
Auto IF	3,305	26.4%	3,630	29.0%	+325
Pin Header	635	5.1%	553	4.4%	(81)
Other	323	2.6%	367	2.9%	+44
<b>Total</b>	<b>12,496</b>	<b>100.0%</b>	<b>12,534</b>	<b>100.0%</b>	<b>+38</b>

#### BtoB

- Decrease due to the slowing auto market
- On a steady growth track, driven by growing sales of new high-speed transmission connectors

#### Auto IF

- Increase in the powertrain market

## 5. Change in Sales and Operating Profit YoY

Unit: JPY in Millions

	Net Sales	Operating Profit	Operating Profit Margin	Factor
<b>FY2023 Q1 Results</b>	<b>12,496</b>	<b>967</b>	<b>7.7%</b>	
Temporary cost decrease		+370		Expenses associated with the new ERP launch in FY2023 Q1, debt weiver, etc.
Currency effect	+1,100	(200)		USD: 138.11JPY→156.53JPY, 113.3% EUR: 150.35JPY→168.37JPY, 112.0% CNY: 19.61JPY→ 21.53JPY, 109.8% → Operating profit is pushed down to (1.9)%
Increase in sales volume	(1,062)	(500)		A reversion to a rise in sales during FY2023 Q4, a period when some customers secured safety inventory against shortage anticipated
Material cost increase		(160)		Soaring costs of gold, resin material, etc.
Fixed cost increase		(140)		Increase in personnel costs, depreciation associated with the new ERP, etc.
Loss caused by the new ERP launch		(140)		
Loss caused by a new product launch		(110)		Lack of production capacity to meet increased demand for High-speed transmission connectors and others, etc.
Other		+104		Cost reduction by profitability improvement strategy, selling price down, etc.
<b>Total change factor</b>	<b>+38</b>	<b>(776)</b>		
<b>FY2024 Q1 Results</b>	<b>12,534</b>	<b>190</b>	<b>1.5%</b>	

## 6. Balance Sheet

Unit: JPY in Millions

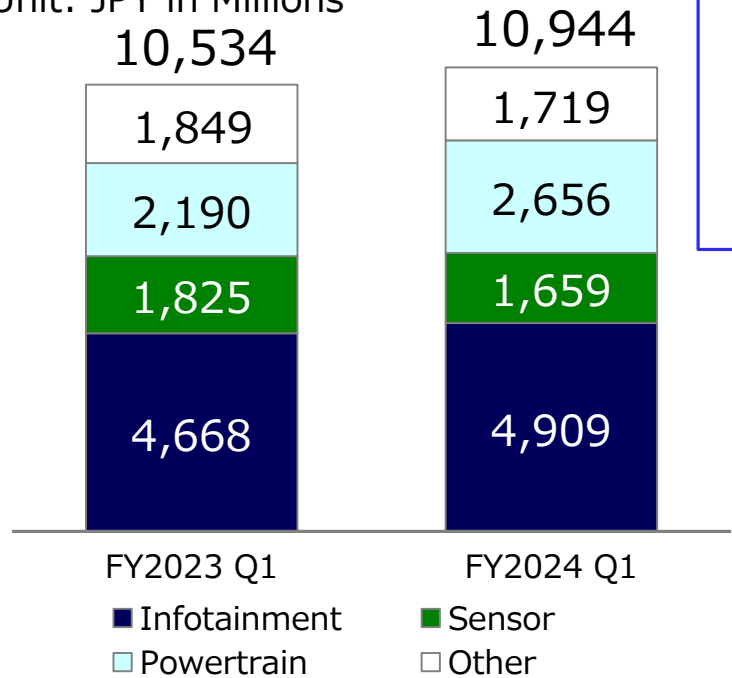
VS. Previous year-End

	FY2023	FY2024 Q1	
Current Asset	56,093	60,523	+4,429
Cash & Deposit	26,692	31,295	+4,602
Account Receivable	15,010	14,396	(614)
Inventory	12,616	12,809	+192
Noncurrent Asset	40,762	42,621	+1,859
Total Asset	96,856	103,145	+6,288
Total Liability	19,839	25,458	+5,619
Account Payable	5,466	4,728	(737)
Debt	6,825	12,654	+5,828
Total Net Asset	77,016	77,686	+669
Total Shareholders' Equity	62,498	59,782	(2,716)
Capital Adequacy Ratio	78.7%	74.5%	(4.2)pts

# 7. Sales by Market: Mobility

■ **¥410 mm, +3.9% YoY**

Unit: JPY in Millions



• Decrease, compared to both FY2023 Q1 and Q4 levels, if not helped by exchange gains, due to slowing global auto production in EU and China, as well as a drop in sales, as a reversion to a rise in sales during FY2023 Q4, a period when some customers secured safety inventory against shortage anticipated during the company's whole system change to a new ERP

### Infotainment

- YoY: Q1 +5%, Q4 -13%
- On a steady growth track, helped by sales of high-speed transmission BtoB connectors for LCD panel and auto ECU

### Sensor

- YoY: Q1 -9%, Q4 -11%
- Decrease due to reduction in the number of vehicle models equipped with sensors, as well as structural changes in sensors made by some customers

### Powertrain

- YoY: Q1 +21%, Q4 -11%
- Chinese customers' demand adjustments continuing from FY2023 Q3, as well as slumping EV sales in EU and America
- Recovery expected after FY2024 H2

	FY2023				FY2024
	Q1	Q2	Q3	Q4	Q1
Infotainment	4,668	5,606	4,797	5,635	4,909
Sensor	1,825	2,069	1,753	1,862	1,659
Powertrain	2,190	3,674	3,091	2,983	2,656
Other	1,849	2,101	1,800	1,911	1,719
<b>Total</b>	<b>10,534</b>	<b>13,452</b>	<b>11,442</b>	<b>12,393</b>	<b>10,944</b>

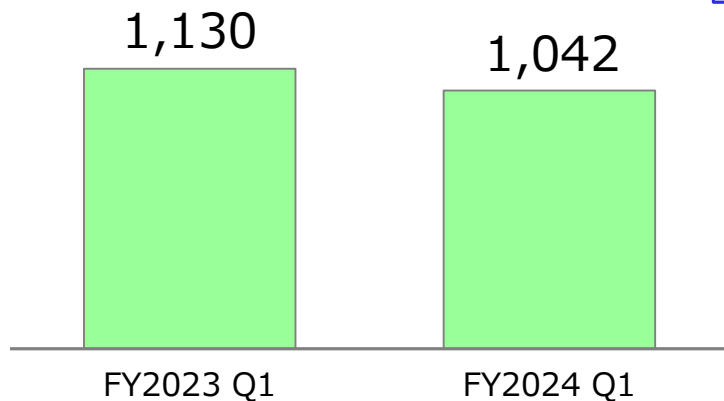


## 8. Sales by Market: Consumer and Industrial

### ■ Consumer: ¥ (88) mm, (7.8%) YoY

Unit: JPY in Millions

•Decrease due to decline in demand for game console

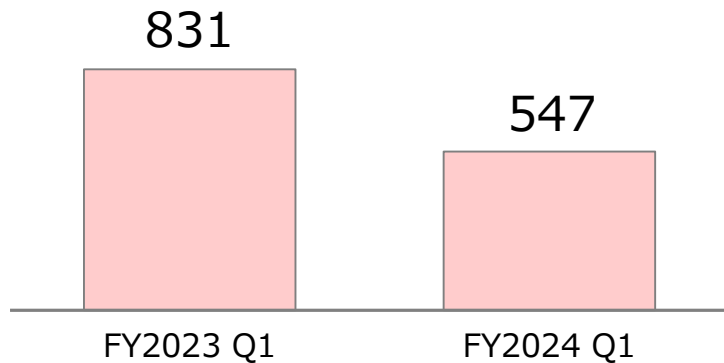


FY2023				FY2024
Q1	Q2	Q3	Q4	Q1
1,130	1,307	835	1,065	1,042

### ■ Industrial: ¥(284) mm, (34.2%) YoY

Unit: JPY in Millions

•Continued downturn in sales for FA equipment



FY2023				FY2024
Q1	Q2	Q3	Q4	Q1
831	884	722	671	547



<b>Company Name</b>	<b>IRISO ELECTRONICS CO., LTD.</b>
<b>Business Description</b>	<b>Manufacture and sales of various types of connectors</b>
<b>Establishment</b>	<b>December 1966</b>
<b>Number of Employees</b>	<b>3,037 (as of March 31, 2024)</b>
<b>Capital</b>	<b>5,640 million yen (as of March 31, 2024)</b>
<b>Headquarters</b>	<b>2-13-8, Shinyokohama, Kohoku-ku, Yokohama, Kanagawa</b>
<b>Operations</b>	
<b>Japan</b>	<b>Headquarters, Fukushima, Ibaraki, Aichi, and Osaka</b>
<b>Overseas</b>	<b>Singapore, Hong Kong, U.S.A., Germany, Thailand, South Korea, China (Shanghai, Dalian, Tianjin, Suzhou, Shenzhen, Chongqing), Malaysia, Taiwan, and India</b>
<b>Research &amp; Development</b>	<b>Headquarters (IRISO Technology Park), Kawasaki (Production Technology Development Center), Iwate (Hanamaki Factory), and Shanghai R&amp;D Center</b>
<b>Manufacturing Plants</b>	<b>Japan (Ibaraki), China (Shanghai, Nantong), Philippines (Manila), and Vietnam (Hai Duong)</b>