

FY2025 Financial Results

October 9, 2026

IRISO ELECTRONICS CO., LTD. (6908)

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



- 1. Third-Party Committee Investigation Results and Recurrence
Prevention Measures**
- 2. FY2025 Financial Results**
- 3. FY2026 Earnings Forecast**
- 4. Appendix**



The investigation conducted by the third-party committee identified improper payments, as well as accounting and quality-related issues.

We sincerely apologize for concerns and inconvenience caused to our shareholders and investors, customers, business partners, and all other stakeholders.

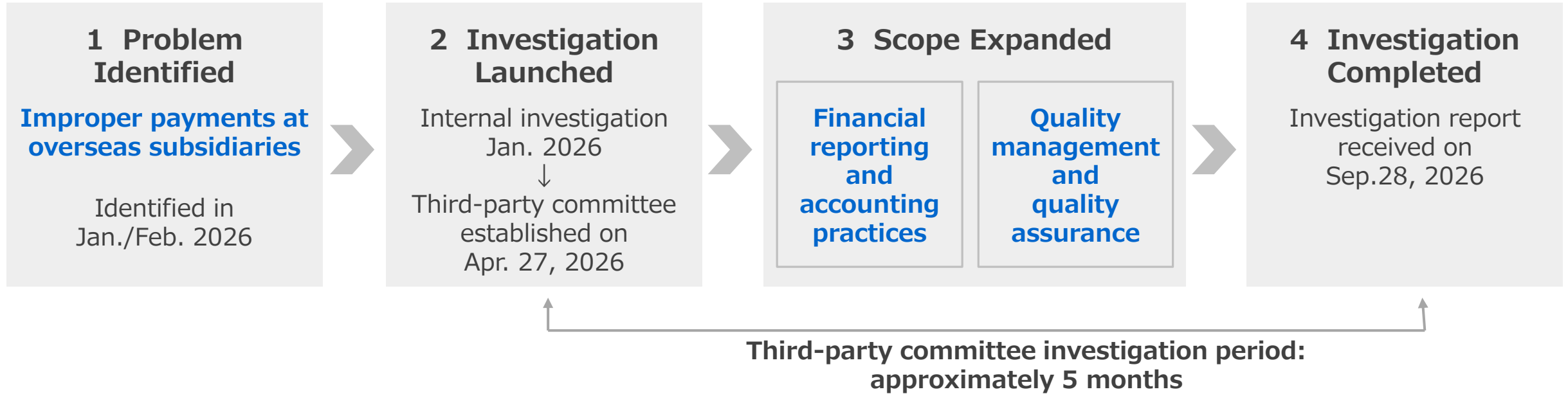
We take the facts and causes identified through the investigation very seriously.

Today, we will explain the facts uncovered by the investigation, their causes, and the measures we will implement to prevent recurrence.



1. Background (From Discovery to Investigation Completion)

- The third-party committee was established to objectively verify the facts and identify the causes after suspicions of improper payments arose.
- During the investigation, financial/accounting and quality/inspection issues were also identified, and the scope of the investigation was expanded.



The investigation was prolonged as problems involving financial reporting, accounting treatment, quality management, and quality assurance came to light during the investigation into improper payments.



2. Details of Matter (Improper Payments at Overseas Subsidiaries)

The following is based on the report of the third-party committee.

1. Improper Payments to an Attorney (Possible Transfer of Funds to a Judge)

Background	To resolve a prolonged labor dispute, fees substantially above market rates were paid to outside counsel on two occasions, in March 2021 and August 2025.
Problem	A portion of the fees may have been provided to a judge. (No definitive conclusion was reached.)

2. Improper Payments to Customs Officials and Others

Background	Cash payments were made to customs officials and others to facilitate import and export clearance procedures. The source of the funds used for the payments was money returned through transactions with an external vendor.
Problem	The improper payments continued for an extended period and were not considered problematic because they were regarded as a common local business practice.



1. Delays in Closing and Audit Procedures

Background	Completion of the financial statement audit by the local auditor was repeatedly delayed. Five accounting staff members resigned at the same time, causing severe disruption of the accounting function.
Problem	Consolidated financial statements were prepared using figures for which closing procedures had not been completed, and the incomplete status was not proactively reported to the auditor.

2. Premature Recognition of Revenue

Background	Head office urged a sales subsidiary to achieve its sales target and requested earlier delivery dates, as well as negotiations with customers.
Problem	Revenue was recognized even though the goods had not left the warehouse, nor had they been delivered to customers.



Common Problem

Both cases reflect insufficient accounting knowledge and systems.



2. Details of Matter (Quality Management and Quality Assurance)

1. Failure to Obtain Approval for 4M Changes

Note: 4M changes refer to any changes involving Man, Machine, Material and Method

Background

Changes, including mold changes for catalog products, were implemented under internal procedures without obtaining customer approval.

Problem

Although customer agreements required prior approval, internal decisions were prioritized and the required applications and approvals were not obtained.

2. Reuse and Falsification of Past Test Data in Reliability Laboratory

Background

Reports were prepared using past test data without conducting the required tests. In some cases, out-of-specification or unusual data were excluded or rewritten.

Problem

Figures not based on actual test results were entered, and inaccurate test reports were submitted to customers.

3. Failure to Conduct Sampling Inspections at Group Plants

Background

Some in-process sampling inspections and final measurements at shipment specified in inspection standards were not performed.

Problem

Required inspections were omitted, and approximate values were recorded by referring to inspection data obtained in the manufacturing process.



Common Problem

Insufficient personnel and equipment made compliance with formal procedures difficult, and management did not adequately understand frontline problems.



3. Causes of Matter

Fundamental Organizational Issues Shared Across Company

1. Corporate Culture That Prioritized Sales and Delivery Deadlines

Sales and delivery deadlines were prioritized over compliance, safety, and quality.

2. A Culture Where People Found It Difficult to Speak Up

Reliance on and deference to senior personnel made it difficult for employees to raise objections or concerns, even when frontline risks were recognized.

3. Insufficient Compliance Awareness and Training

Customer commitments and compliance with rules given sufficient priority, and short-term considerations were not are often more important.

4. Shortage of Necessary Personnel and Resources

Investment in personnel, equipment, and skills did not keep pace with business growth, making it difficult to consistently follow established procedures.

5. Weak Governance and Internal Audit Functions

Responsibilities, authority, and checks and balances were unclear, and audits did not function effectively enough to detect and correct misconduct early.



4. Measures to Prevent Recurrence

**We do not treat these measures as temporary corrective actions.
We will transform our organizational culture holistically.**

1. Reforming Corporate Culture to Prioritize Compliance

- Management's strong commitment to putting compliance, safety, and quality first
 - Management declaration that compliance, safety, and quality come first
 - Place these principles at the top of our Standards of Conduct
- Regular executive communications and frontline visits focused on compliance, safety, and quality

2. Improve Workplace Environment

- Foster a **"Bad News First"** mindset through both systems and behavior
- Evaluate and recognize the act of prompt reporting and problem escalation

4. Address Personnel and Resource Shortages

- Allocate additional personnel to departments with insufficient resources and critical functions
- Upgrade testing and inspection equipment
- Manage workloads and promote automation

3. Strengthen Compliance Awareness

- Give compliance training at all business locations
- Provide specialized quality training for relevant departments

5. Strengthen Governance and Audit

- Review board directory structure and selection criteria
- Establish new Governance Promotion Department
- Improve internal audit system and independence



We take the investigation results very seriously and will clarify management responsibility.

1. Transition to New Management Structure

- **Change of President and Representative Director**
- **Abolition of Honorary Chairman position**

2. Voluntary Waiver of Executive Compensation

Position	Name	Reduction in Monthly Compensation
President and Representative Director	Hitoshi Suzuki	30% reduction for 6 months
Chairman of the Board	Masahisa Shibata	10% reduction for 3 months
Director and Senior Managing Executive Officer	Shuichi Ikeda	10% reduction for 3 months
Director and Managing Executive Officer	Akihiko Ohira	10% reduction for 3 months
Director, Audit & Supervisory Committee Member	Toshihiko Miyauchi	10% reduction for 3 months
Outside Directors, Audit & Supervisory Committee Members	All three members	10% reduction for 3 months

Note: Titles are as of September 30, 2026.
Note: Voluntary compensation return by former executives.



6. Commitment to Building Trust

We put “Compliance” and “Safety & Quality” first in every aspect of our business activities.

Effective October 1, these principles have been placed at the top of our Standards of Conduct.



7. President's Commitment

We believe that the fundamental cause of the matter was that executives and employees did not have a strong awareness of compliance, and the company failed to properly identify risks or provide effective management and supervision.

Everyone working at the company must take this lesson seriously and personally. Going forward, compliance will be the highest priority in all management decisions and business activities.

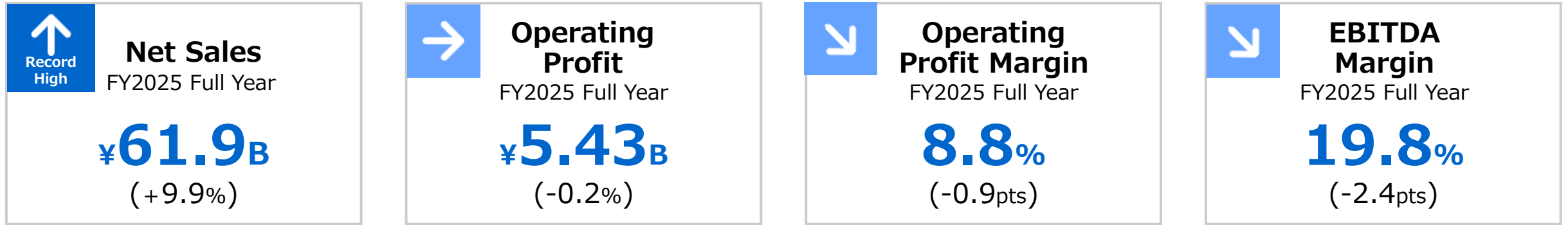
The management team will take the lead in building a culture of open communication where problems can be identified and corrected early, transforming our corporate culture, and thoroughly implementing measures to prevent recurrence.



- 1. Third-Party Committee Investigation Results and Recurrence
Prevention Measures**
- 2. FY2025 Financial Results**
- 3. FY2026 Earnings Forecast**
- 4. Appendix**



1. FY2025 Financial Highlights



Note: () indicates YoY change
Note: EBITDA Margin: (Operating Profit + Depreciation Expense) / Net Sales

Net Sales

- Increased by 10% YoY, as well as exceeded forecast ¥58 billion, reaching a new all-time high for full-year sales.
 - Increased demand for high-speed transmission floating BtoB connectors in the infotainment sector of the mobility market.
 - Continued strong performance in China EV powertrain sector of the mobility market.
 - Continued robust sales in the energy management equipment sector of the industrial market.

Operating Profit

- Soaring material costs, upfront Capex for the new Akita plant launch, and rising personnel costs were offset by increased sales, cost reductions, and restructuring benefits.



2. FY2025 Consolidated Results Summary

Unit: Yen in Millions

		FY2024		FY2025		YoY		VS. Forecast
		Full-Year	%	Full-Year	%	Change	%	
Net Sales		56,385	100.0%	61,961	100.0%	+5,576	+9.9%	+3,961
Mobility		48,601	86.2%	52,234	84.3%	+3,632	+7.5%	+2,334
Industrial		3,160	5.6%	5,280	8.5%	+2,119	+67.1%	+1,280
Consumer		4,623	8.2%	4,446	7.2%	-176	-3.8%	+346
Cost of Goods Sold		38,371	68.1%	44,393	71.6%	+6,021	+15.7%	
SG & A		12,564	22.3%	12,131	19.6%	-432	-3.4%	
Operating Profit		5,449	9.7%	5,436	8.8%	-12	-0.2%	-63
Pretax Profit		5,567	9.9%	6,132	9.9%	+564	+10.1%	+282
Quarterly Net Income*		2,512	4.5%	2,553	4.1%	+40	+1.6%	-2,246
EPS		111.61JPY		119.59JPY				
CapEx		8,748	15.5%	5,491	8.9%	-3,256	-37.2%	
Depreciation		7,082	12.6%	6,824	11.0%	-258	-3.6%	
Exchange Rate FY Average	USD	152.48JPY		150.97JPY		-1.51JPY	-1.0%	+3.74JPY
	EUR	163.62JPY		174.54JPY		+10.92JPY	+6.7%	+3.45JPY
	CNY	21.10JPY		21.29JPY		+0.19JPY	+0.9%	+0.63JPY

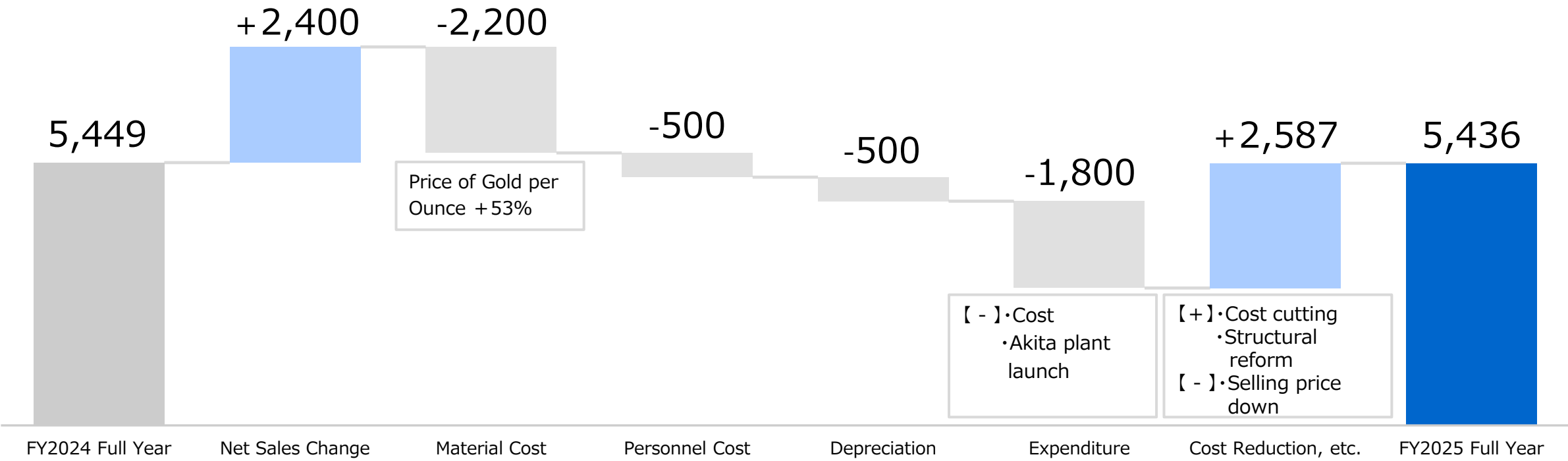
Note: Approximately ¥1.3 billion has been recorded in extraordinary losses as the third-party committee investigation costs.



3. Operating Profit Change Factor (YoY)

Unit: Yen in Millions

	FY2024	FY2025	YoY	
	Full Year	Full Year	Change	%
Operating Profit	5,449	5,436	-12	-0.2%
Operating Profit Margin	9.7%	8.8%	-	-0.9pts

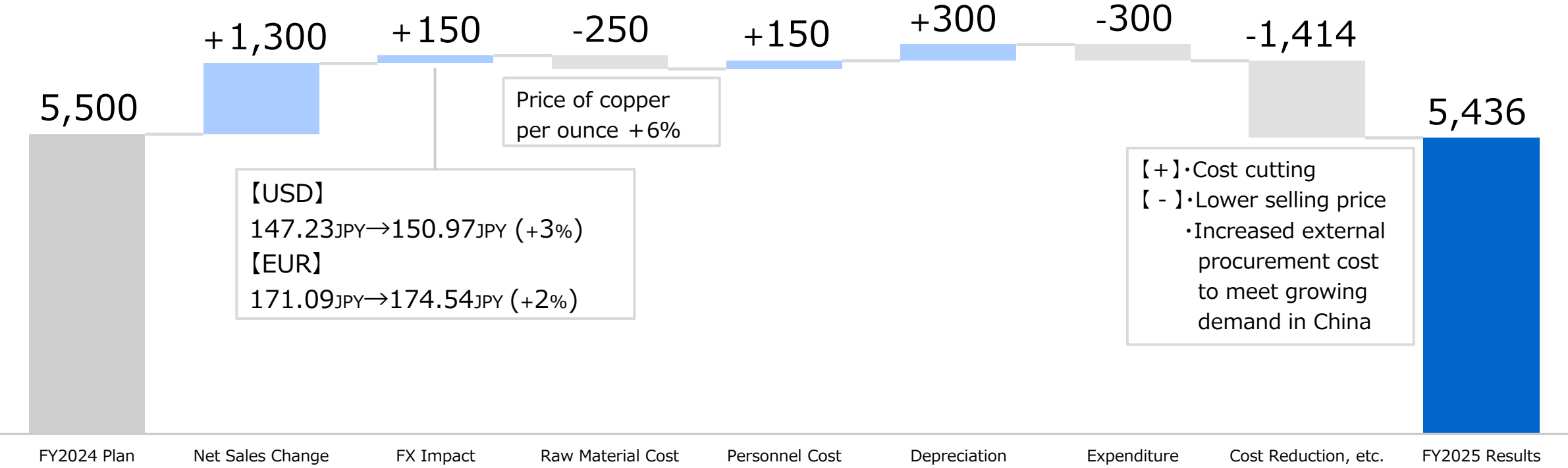




4. Operating Profit Change (VS. Forecast)

Unit: Yen in Millions

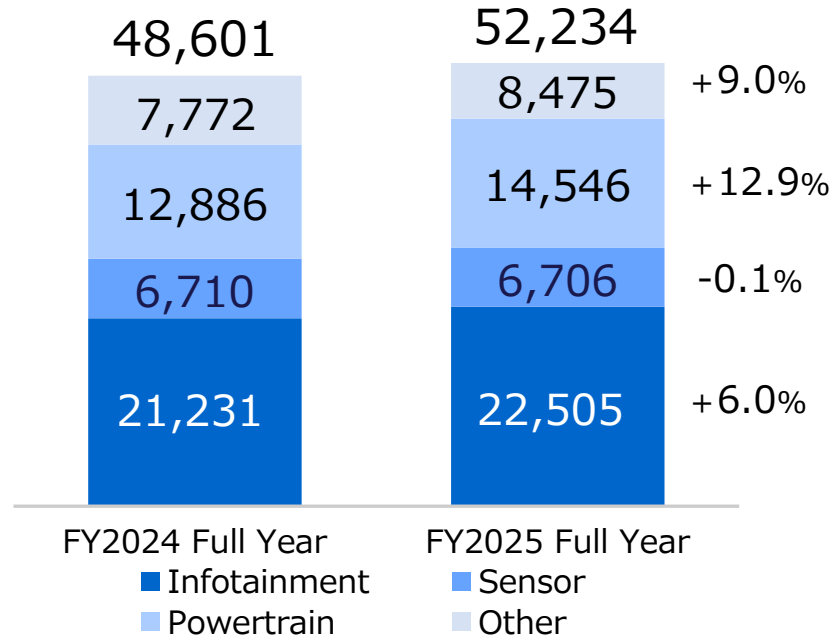
	FY2025		VS. Forecast	
	Forecast	Results	Change	%
Operating Profit	5,500	5,436	-63	-1.2%
Operating Profit Margin	9.5%	8.8%	-	-0.7pts





5. Sales by Market: Mobility

Mobility : ¥+3,632 mm YoY (+7.5%)



[Quarterly Trends]

	FY2024				FY2025				QoQ
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Infotainment	4,909	5,583	5,366	5,372	5,485	5,686	5,893	5,440	-7.7%
Sensor	1,659	1,672	1,755	1,622	1,589	1,772	1,621	1,723	+6.3%
Powertrain	2,656	3,288	3,725	3,215	3,861	3,516	3,973	3,195	-19.6%
Other	1,800	2,058	1,987	1,926	2,015	2,288	2,144	2,026	-5.5%
Total	11,026	12,602	12,835	12,136	12,951	13,262	13,633	12,386	-9.1%
[FYI] ERP Impact Excluded	11,644	12,632	12,791	12,179	12,927	13,275	13,633	12,386	-9.1%

■ Infotainment (+6.0%)

- Robust sales of high-speed transmission floating BtoB connectors for LCD panels, IVI systems and ECU.

■ Sensor (-0.1%)

- Decrease in sales for auto radars due to structural changes in some types of sensors.
- Increase in sales for cameras, driven by customer expansion in China, offsetting decrease in sales for radars.

■ Powertrain (+12.9%)

- All-time high for full-year sales, driven by growing demand in China despite Q4 sales decline due to unfavorable market conditions
- Increase in sales of the auto IF/WtoB connector for BMS (Battery Management System) and "Z-Move™" for inverters.

Note: Z-Move™: IRISO's proprietary vibration-resistant connector technology

Unit: Yen in Millions

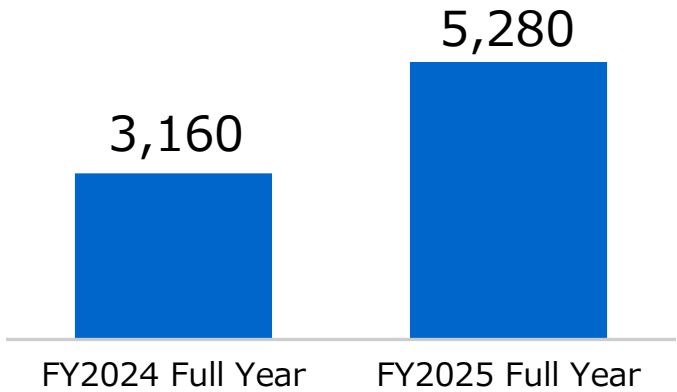


6. Net Sales by Market: Industrial and Consumer



Industrial : ¥+2,119 mm YoY (+67.1%)

Unit: Yen in Millions

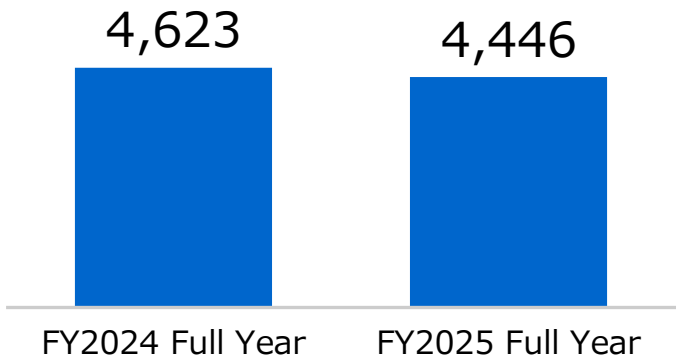


•Vs. FY2024: Partial recovery in the energy management equipment market, as well as in the FA equipment market for Japanese customers.

[Quarterly Trends]

FY2024				FY2025				QoQ
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
547	673	990	949	1,056	1,291	1,483	1,448	-2.4%

Consumer : ¥(176) mm YoY (-3.8%)



•Vs. FY2024: Decrease in sales for gaming consoles.

[Quarterly Trends]

FY2024				FY2025				QoQ
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1,042	1,319	1,227	1,034	1,179	1,243	1,038	985	-5.0%



- 1. Third-Party Committee Investigation Results and Recurrence
Prevention Measures**
- 2. FY2025 Financial Results**
- 3. FY2026 Earnings Forecast**
- 4. Appendix**



1. FY2026 Earnings Forecast

 Record High	Net Sales FY2026 Forecast ¥67.0B (+8.1%)	 	Operating Profit FY2026 Forecast ¥3.5B (-35.6%)	 	Operating Profit Margin FY2026 Forecast 5.2% (-3.6pts)	 	EBITDA Margin FY2026 Forecast 14.8% (-5.0pts)
--	---	---	--	---	---	---	--

Net Sales

- Mobility market: all-time high sales of ¥57 billion target
 - Slight growth in auto production compared to the prior year's level and an increasing share of xEV expected.
 - Rising customer needs for high-speed transmission in the infotainment market and revenue growth driven by sales for Chinese customers.
- Industrial market: record-high sales target of ¥6.0 billion
 - Revenue growth plan, supported by rising demand in emerging markets such as the energy management equipment market and recovery in the FA equipment.

Operating Profit

- Expected to decline due to rising raw material costs, increased personnel expenses for recurrence prevention measures, and other potential risks
- This year, prioritize investments to rebuild and strengthen compliance, safety and quality.

Dividend

- Dividend will be decided after reviewing the Q2 results.

Note: () indicates YoY change
Note: EBITDA Margin: (Operating Profit + Depreciation Expense) / Net Sales



2. FY2026 Earnings Forecast

Unit: Yen in Millions

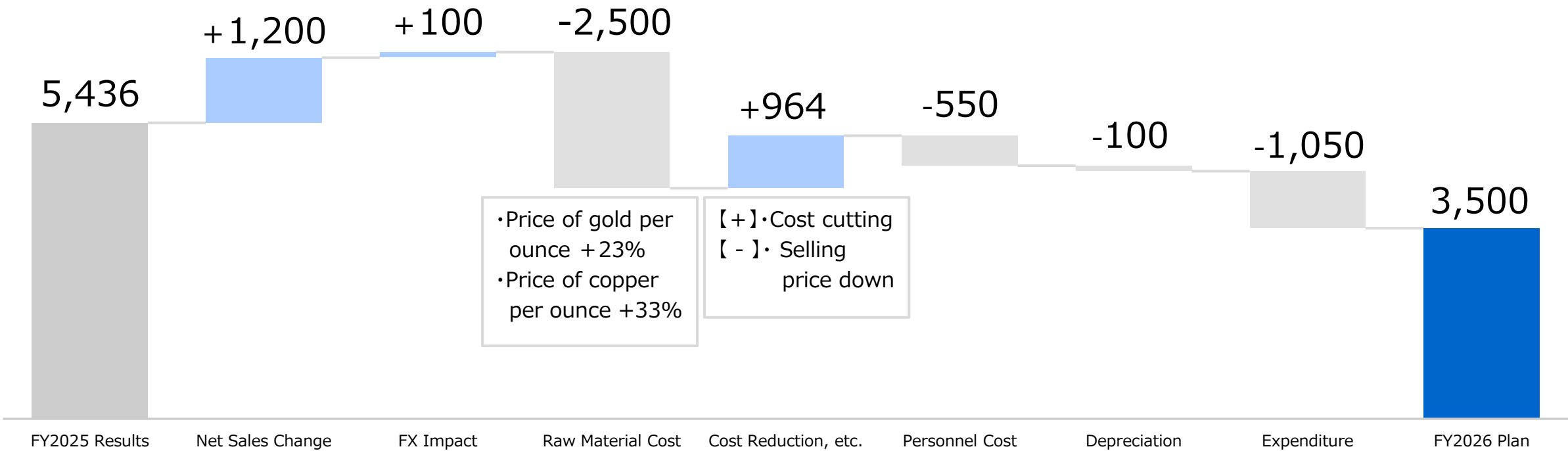
		FY2025	FY2026	YOY	
		Results	Forecast	Change	%
Net Sales		61,961	67,000	+5,038	+8.1%
Cost of Goods Sold		71.6%	74.0%		+2.4pts
Cost of Goods Sold		5,436	3,500	-1,936	-35.6%
Operating Profit Margin		8.8%	5.2%		-3.6pts
Pretax Profit		6,132	2,700	-3,432	-56.0%
Quarterly Net Income		2,553	1,600	-953	-37.3%
EPS		119.59JPY	74.94JPY		
Capital Expenditure		5,491	7,100	+1,608	+29.3%
Depreciation		6,824	6,400	-424	-6.2%
Exchange Rate FY Average	USD	150.97JPY	155.00JPY	+4.03JPY	+2.7%
	EUR	174.54JPY	180.00JPY	+5.46JPY	+3.1%
	CNY	21.29JPY	22.00JPY	+0.71JPY	+3.3%
Dividend		100JPY	TBD based on the Q2 Results		



3. Operating Profit Change Factor (YoY)

Unit: Yen in Millions

	FY2025	FY2026	YoY	
	Results	Forecast	Change	%
Operating Profit	5,436	3,500	-1,936	-35.6%
Operating Profit Margin	8.8%	5.2%	-	-3.6pts





4. FY2026 Net Sales Plan by Market

Unit: Yen in Millions

	FY2024		FY2025		FY2026		YoY		Main Factor
	Net Sales	%	Net Sales	%	Net Sales	%	Change	%	
Mobility Total	48,601	86.2%	52,234	84.3%	57,000	85.1%	+4,765	+9.1%	
Infotainment	21,231	37.7%	22,505	36.3%	24,000	35.8%	+1,494	+6.6%	Growing sales of floating high-speed transmission board-to-board connectors for auto applications such as various ECUs.
Sensor	6,710	11.9%	6,706	10.8%	7,200	10.7%	+493	+7.4%	Increased sales driven by Chinese customers
Powertrain	12,886	22.9%	14,546	23.5%	17,300	25.8%	+2,753	+18.9%	Increase in xEV production
Other	7,772	13.8%	8,475	13.7%	8,500	12.7%	+24	+0.3%	
Industrial	3,160	5.6%	5,280	8.5%	6,000	9.0%	+719	+13.6%	Growing demand in emerging markets such as energy management and recovery in demand for FA equipment.
Consumer	4,623	8.2%	4,446	7.2%	4,000	6.0%	-447	-10.1%	Decrease in sales for game consoles
Total	56,385	100.0%	61,961	100.0%	67,000	100.0%	+5,038	+8.1%	



5. FY2026 Key Business Strategies (From October 2026)

Internal Control and Governance

Strategic Priorities	Details
Recurrence Prevention Measures	• Transform the corporate culture to place the highest priority on compliance, safety and quality. • Culture where people found it difficult to speak up. • Insufficient compliance awareness and training. • Address personnel and resource shortages. • Weak governance and internal audit functions.

Business Initiatives

Strategic Priorities	Details
Business Growth	【Mobility Market】 • Increase next-generation high-speed transmission products for centralized automotive ECUs. • Increase the adoption and sales of Z-Move™-applied products for xEV powertrain applications. 【Industrial Market】 • Drive growth in the energy management equipment market. • Enter the AI server application market for the first time to explore new business opportunities and offer connectivity solutions that help customers improve power efficiency. • Increase sales of BtoB connectors adopted for humanoid robotics and physical AI applications. 【All Markets and Chinese Market】 • Promote sales and develop new markets by tailoring business activities to different regional market characters and customer needs. • Make the sales, manufacturing, and engineering teams in China work more closely together for better coordination and teamwork across functions to meet local-for-local demand.
Cost Competitiveness Improvement	• Expand the lineup of products with thinner gold plating. • Improve capital efficiency and reduce fixed costs by using standardized equipment and increasing in-house tooling production.

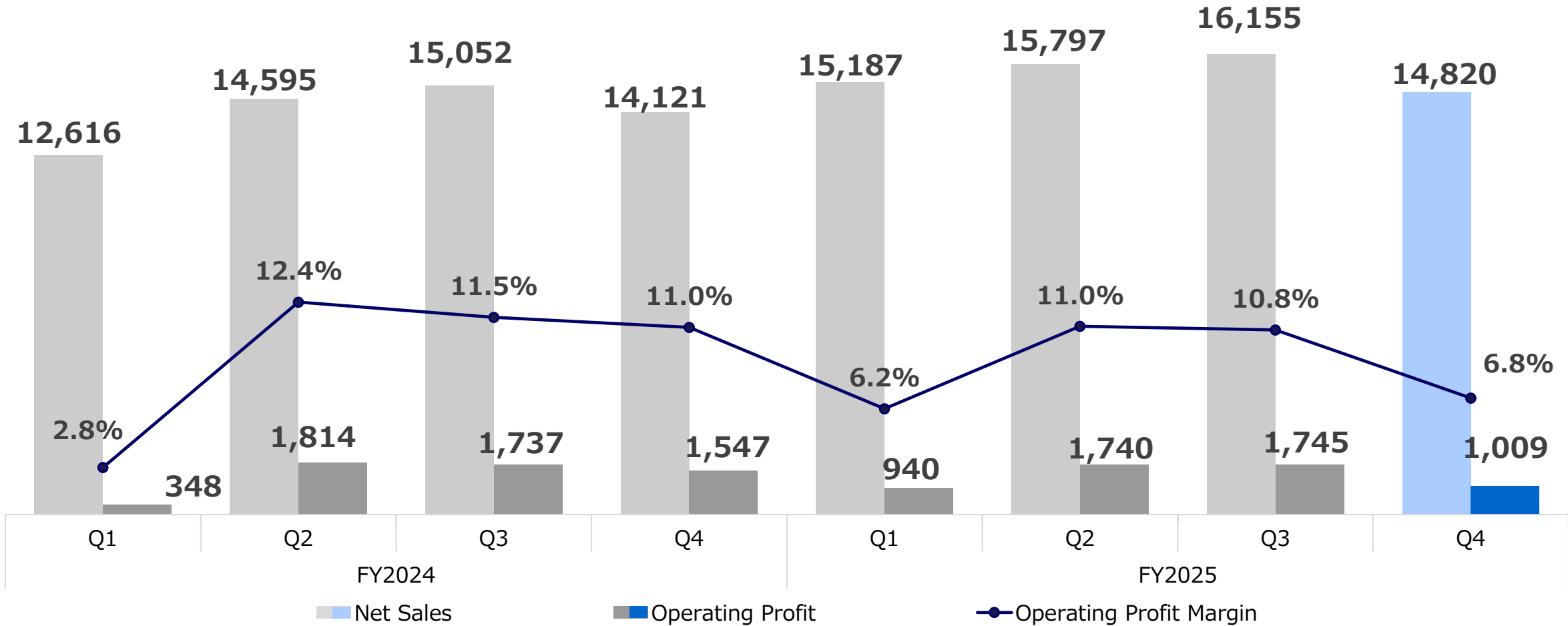


- 1. Third-Party Committee Investigation Results and Recurrence
Prevention Measures**
- 2. FY2025 Financial Results**
- 3. FY2026 Earnings Forecast**
- 4. Appendix**



1. QoQ Changes in Net Sales and Operating Profit

Unit: Yen in Millions





2. Net Sales by Region and Product

By Region

Unit: Yen in Millions

	FY2024		FY2025						Full Year YoY	
	Full Year	%	Q1	Q2	Q3	Q4	Full Year	%	Change	%
Japan	9,031	16.0%	2,567	2,374	2,476	2,444	9,863	15.9%	+831	+9.2%
Greater China and S.Korea	25,028	44.4%	7,281	7,780	8,380	6,504	29,946	48.3%	+4,918	+19.7%
USA	5,732	10.1%	1,097	1,320	1,126	1,245	4,791	7.7%	-941	-17.3%
Europe	9,173	16.2%	2,440	2,374	2,283	2,698	9,796	15.8%	+622	+6.8%
ASEAN	7,419	13.1%	1,801	1,946	1,888	1,928	7,564	12.2%	+144	+2.0%
Total	56,385	100.0%	15,187	15,797	16,155	14,820	61,961	100.0%	+5,576	+9.9%

By Product

	FY2024		FY2025						Full Year YoY	
	Full Year	%	Q1	Q2	Q3	Q4	Full Year	%	Change	%
BtoB	23,206	41.2%	6,377	6,421	6,472	6,480	25,751	41.6%	+2,545	+11.0%
FPC	11,482	20.4%	2,975	3,171	2,958	2,793	11,899	19.2%	+417	+3.6%
Auto IF / WtoB	17,708	31.4%	4,915	5,340	5,732	4,670	20,658	33.3%	+2,949	+16.7%
Pin Header	2,196	3.2%	497	475	500	472	1,946	3.1%	-249	-11.4%
Other	1,791	3.2%	421	389	491	404	1,706	2.8%	-85	-4.8%
Total	56,385	100.0%	15,187	15,797	16,155	14,820	61,961	100.0%	+5,576	+9.9%



3. Financial Statement

Unit: Yen in Millions

	FY2024	FY2025	YoY
Current Asset	51,466	57,174	+5,707
Cash & Deposit	24,335	28,498	+4,162
Account Receivable	12,777	13,605	+827
Inventory	12,759	13,338	+579
Noncurrent Asset	38,867	37,647	-1,219
Total Asset	90,333	94,821	+4,487
Total Liability	20,433	20,296	-137
Account Payable	4,701	3,389	-1,311
Debt	9,322	9,426	+104
Total Net Asset	69,900	74,525	+4,624
Total Shareholders' Equity	56,218	56,486	+268
Capital Adequacy Ratio	77.4%	78.6%	+1.2pts



4. Cash Flow Statement

Unit: Yen in Millions

	FY2024	FY2025	Change
Operating Cash Flow Margin	21.4%	17.7%	-3.7pts
Operating Cash Flow	12,077	10,964	-1,113
Net Income	3,091	5,708	+2,616
Depreciation and Amortization	7,082	6,824	-258
Changes in Operating Fund “(-) indicates increase”	281	-1,007	-1,289
Cash Flow from Investing Activities	-8,832	-5,535	+3,297
Tangible Noncurrent Asset	-8,663	-5,382	+3,281
Free Cash Flow	3,245	5,429	+2,184
Cash Flow from Financing Activities	-5,495	-2,803	-2,692
Cash Dividend	-7,893	-2,413	+5,479
Cash & Cash Equivalent Balance for the Fiscal-Year-End	24,335	28,498	+4,162



Company Profile

Company Name		IRISO ELECTRONICS CO., LTD.
Business Description		Connector Manufacturing and Sales
Establishment		December 1966
Number of Employees		2,936 (as of March 31, 2024)
Capital		5,640 million yen (as of March 31, 2024)
Headquarters		2-13-8, Shinyokohama, Kohoku-ku, Yokohama, Kanagawa
Sales	Japan	Headquarters, Fukushima, Ibaraki, Aichi, and Osaka
	Overseas	Singapore, Hong Kong, U.S.A., Germany, Thailand, South Korea, China (Shanghai, Dalian, Tianjin, Suzhou, Shenzhen, Chongqing), Malaysia, Taiwan, and India
R&D	Japan	Headquarters (IRISO Technology Park), Kawasaki (Production Technology Development Center), Iwate (Hanamaki Technical Center)
	Overseas	Shanghai R&D Center
Factory	Japan	Ibaraki, Akita
	Overseas	China (Shanghai, Nantong) , Philippines (Manira) , Vietnam (Haiphong)



Board-to-board Connector (BtoB Connectors)

Also known as board-to-board connectors, a BtoB connector is a general term for connectors developed for connecting printed circuit boards. There are many types of connections available, depending on how to combine vertical, parallel (stacking) and horizontal connections. "B to B" is thoroughly adopted in the connector industry as the registered trademark for IRISO products.

FPC/FFC Connectors

An FPC/FFC connector is a general term for connectors developed for connecting FPC (Flexible Printed Circuits) and FFC (Flexible Flat Cable). There are zero insertion force (ZIF) type, which can be locked without force during initial insertion, and Non-ZIF type, which requires force during insertion.

IF Connectors

Also known as an I/O (input/output) connector, "IF" stands for interface, and an IF connector refers to connectors used for connecting devices to exchange signals. They are attached to the sides (back/front) of various devices such as car navigation systems and PC peripherals to provide power, and input and output data and information such as audio/video signals.

Pin Header

A pin header is a basic form of a plug (male side) connector with a housing (resin insulator) attached by one or two rows of "wire pins (conductors)". It is used for interconnections (inter-board connections) in a wide range of electronic devices. When viewed from the side, it looks like a Japanese "Kenzan" flower holder used for Ikebana flower arrangement. The female counterpart is referred to as a female socket header.



The forecast on this report has been prepared based on information available at the time this report was prepared. Actual business results may differ from the forecast due to changes in various factors.

The Company strives proactively to disclose information that is important from an investor standpoint. However, investors are cautioned not to place undue reliance on the forecast, nor to base an investment decision solely on the information contained herein.

The Company is not liable or responsible in any way whatsoever for any damages losses or costs arising from the use of information contained in this report.