

Consolidated Financial Results

For the Year Ended March 31, 2020

Company name: IBIDEN CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchange (Code number: 4062)

URL : <https://www.ibiden.com/>

Representative: Takeshi Aoki, President & CEO, Representative Director

Contact : Hisashi Sano, Vice President of Strategic Corporate Planning Operation

(Tel : +81-584-81-3111)

The date of the Ordinary General Meeting of Shareholders : June 17, 2020

The filing date of annual securities report: June 17, 2020

Additional documents to supplement financial results : Yes

IR presentation: Yes

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2019 (From April 1, 2019 to March 31, 2020)

(1) Operating results (Percentage figures indicate the change from the same period of the prior fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2019	295,999	1.7	19,685	94.2	21,364	69.6	11,329	242.7
FY 2018	291,125	(3.1)	10,137	(39.3)	12,600	(28.4)	3,306	(71.5)

Note: Comprehensive income

FY 2019 : 2,518 million yen (-%)

FY 2018 : (5,157) million yen (-%)

	Basic earnings per share	Diluted earnings per share	Return on Equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY 2019	81.08	-	4.2	4.5	6.7
FY 2018	23.66	-	1.2	2.9	3.5

Note: Share of profit(loss) of entities accounted for using equity method

FY 2019 : 0 million yen

FY 2018 : 1 million yen

(2) Financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2019	518,619	273,934	51.7	1,920.19
FY 2018	423,056	276,305	64.0	1,938.59

Note: Owner's equity

As of March 31, 2020 : 268,318 million yen

As of March 31, 2019 : 270,862 million yen

2. Notes

(1) Material changes in subsidiaries during this period : None

(2) Changes in accounting policies, accounting estimates and retrospective restatement

(i) Changes in accounting policies based on revisions of accounting standard: Yes

Part of consolidated overseas subsidiaries adopted IFRS 16 “Leases” from the first quarter, and recognized all leases as a lessee as assets and liabilities on the balance sheets in principle.

The effect of this change on the consolidated financial statements is immaterial.

(ii) Changes in accounting policies other than the above: None

(iii) Changes in accounting estimates: Yes

The Company changed the depreciable life of some electronic parts manufacturing facilities from the first quarter.

As a result of this change, operating profit, ordinary profit, and profit before income taxes increased by 880 million yen compared to the previous method.

(iv) Retrospective restatement: None

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares outstanding (including treasury stock):

As of March 31, 2020 :	140,860,557 shares	As of March 31, 2019 :	140,860,557 shares
------------------------	--------------------	------------------------	--------------------

(ii) Number of treasury stock :

As of March 31, 2020 :	1,124,913 shares	As of March 31, 2019 :	1,138,769 shares
------------------------	------------------	------------------------	------------------

(iii) Average number of shares::

FY 2019 :	139,735,305 shares	FY 2018 :	139,720,971 shares
-----------	--------------------	-----------	--------------------

*** This financial result is not subject to audit by certified public accountants or auditing firm.**

Consolidated balance sheet

(Millions of yen)

	As of Mar 31,2020	As of Mar 31,2019	Increase (Decrease)
Assets			
Current assets			
Cash and deposits	175,151	113,492	61,658
Notes and accounts receivable – trade	69,013	60,278	8,735
Merchandise and finished goods	12,416	17,793	(5,376)
Work in process	13,248	11,357	1,890
Raw materials and supplies	19,615	19,619	(3)
Other current assets	10,934	6,528	4,405
Allowance for doubtful accounts	(136)	(98)	(38)
Total current assets	300,244	228,972	71,271
Non-current assets			
Property, plant and equipment			
Buildings and structures	56,249	62,212	(5,962)
Machinery, equipment and vehicles	43,322	46,309	(2,986)
Land	19,800	19,962	(162)
Lease assets	7	21	(13)
Construction in progress	48,731	13,342	35,389
Other - property, plant and equipment	5,403	4,863	540
Total property, plant and equipment	173,514	146,710	26,804
Intangible assets	4,486	4,162	323
Investments and other assets			
Investment securities	34,461	39,142	(4,681)
Long-term loans receivable	8	9	0
Deferred tax assets	4,463	2,915	1,547
Other assets	1,684	1,405	279
Allowance for doubtful accounts	(244)	(261)	17
Total investments and other assets	40,374	43,210	(2,836)
Total non-current assets	218,374	194,084	24,290
Total assets	518,619	423,056	95,562

(Continued)

(Millions of yen)

	As of Mar 31,2020	As of Mar 31,2019	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable – trade	45,555	39,562	5,992
Short-term loans payable	30,030	20,030	10,000
Current portion of bonds	-	25,000	(25,000)
Accounts payable - other	18,188	9,111	9,077
Income taxes payable	3,016	2,366	649
Provision for bonuses	3,906	3,438	468
Provision for bonuses for directors	132	89	43
Provision for loss on liquidation of subsidiaries and associates	763	4,864	(4,101)
Notes payable - facilities	7,721	1,618	6,103
Other - current liabilities	11,422	12,001	(578)
Total current liabilities	120,736	118,082	2,653
Non-current liabilities			
Bonds payable	50,000	15,000	35,000
Long-term loans payable	70,000	10,000	60,000
Lease obligations	38	43	(5)
Deferred tax liabilities for land revaluation	68	68	-
Retirement benefit liability	827	671	155
Provision for share-based compensation	250	179	70
Deferred tax liabilities	1,644	1,974	(329)
Other - non-current liabilities	1,118	729	388
Total non-current liabilities	123,948	28,668	95,280
Total liabilities	244,684	146,751	97,933

(Continued)

(Millions of yen)

	As of Mar 31,2020	As of Mar 31,2019	Increase (Decrease)
Net assets			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,579	64,579	-
Retained earnings	128,578	122,144	6,433
Treasury shares	(2,575)	(2,602)	26
Total shareholders' equity	254,734	248,274	6,459
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	9,232	12,415	(3,183)
Deferred gains or losses on hedges	-	-	-
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	4,191	10,012	(5,821)
Total accumulated other comprehensive income	13,584	22,588	(9,004)
Non-controlling interests	5,615	5,442	173
Total net assets	273,934	276,305	(2,371)
Total liabilities and net assets	518,619	423,056	95,562

(Concluded)

Consolidated statement of income

(Millions of yen)

	Year ended Mar 31,2020	Year ended Mar 31,2019	Increase (Decrease)
Net sales	295,999	291,125	4,873
Cost of sales	227,845	232,805	(4,960)
Gross profit	68,153	58,319	9,834
Selling, general and administrative expenses	48,467	48,181	285
Operating profit	19,685	10,137	9,548
Non-operating income (expenses)	1,678	2,462	(783)
Interest income	288	278	9
Dividends income	1,034	1,063	(28)
Share of profit(loss) of entities accounted for using equity method	0	1	(1)
Foreign exchange gain(losses), net	587	419	168
Interest expenses	(194)	(158)	(36)
Bond issuance cost	(146)	-	(146)
Compensation income(loss)	-	484	(484)
Loss on mothballing of operation	(91)	-	(91)
Other, net	201	374	(172)
Ordinary profit	21,364	12,600	8,764
Extraordinary income (losses)	(3,839)	(3,273)	(565)
Gain on sales of non-current assets	236	50	185
Gain on sales of Investment securities	20	4,666	(4,646)
Gain on bargain purchase	-	87	(87)
Gain on step acquisitions	-	161	(161)
Loss on retirement of non-current assets	(2,427)	(916)	(1,511)
Impairment loss	(458)	(330)	(127)
Loss on sales of investment securities	(45)	-	(45)
Loss on valuation of investment securities	-	(347)	347
Loss on liquidation of subsidiaries and associates	(458)	(6,538)	6,079
Extra retirement payments	(513)	-	(513)
Loss on disaster	-	(69)	69
Other, net	(192)	(39)	(153)
Profit before income taxes	17,525	9,326	8,198
Income taxes	(5,987)	(5,753)	(234)
Profit	11,537	3,573	7,964
Profit attributable to:			
Non-controlling interests	207	267	(59)
Owners of parent	11,329	3,306	8,023

Consolidated statement of comprehensive income

	(Millions of yen)		
	Year ended Mar 31,2020	Year ended Mar 31,2019	Increase (Decrease)
Profit	11,537	3,573	7,964
Other comprehensive income (loss)			
Valuation difference on available-for-sale securities	(3,207)	(7,827)	4,619
Deferred gains or losses on hedges	-	(76)	76
Foreign currency translation adjustments	(5,811)	(826)	(4,985)
Total other comprehensive income (loss)	(9,019)	(8,730)	(288)
Comprehensive income (loss)	2,518	(5,157)	7,676
Comprehensive income (loss) attributable to:			
Owners of parent	2,325	(5,445)	7,770
Non-controlling interests	193	288	(94)

Consolidated Statement of changes in equity

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available- for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Non- controlling interests	Total net assets
Balance as of March 31, 2018	64,152	64,579	123,735	(2,609)	20,247	76	160	10,855	5,169	286,367
Dividends from surplus	—	—	(4,896)	—	—	—	—	—	—	(4,896)
Profit(loss) attributable to owners of parent	—	—	3,306	—	—	—	—	—	—	3,306
Purchase of treasury stock	—	—	—	(2)	—	—	—	—	—	(2)
Disposal of treasury stock	—	—	(0)	9	—	—	—	—	—	9
Other changes	—	—	—	—	(7,831)	(76)	—	(842)	272	(8,478)
Balance as of March 31, 2019	64,152	64,579	122,144	(2,602)	12,415	—	160	10,012	5,442	276,305
Dividends from surplus	—	—	(4,896)	—	—	—	—	—	—	(4,896)
Profit(loss) attributable to owners of parent	—	—	11,329	—	—	—	—	—	—	11,329
Purchase of treasury stock	—	—	—	(2)	—	—	—	—	—	(2)
Disposal of treasury stock	—	—	—	29	—	—	—	—	—	29
Other changes	—	—	—	—	(3,183)	—	—	(5,821)	173	(8,831)
Balance as of March 31, 2020	64,152	64,579	128,578	(2,575)	9,232	—	160	4,191	5,615	273,934

Segment Information

FY 2018 (From April 1, 2018 to March 31, 2019)

(1) Sales and profit information of each Segment

								(Millions of yen)
Reportable Segment								
	Electronics	Ceramics	Construction	Total	Others (*1)	Total	Adjustment (*2)	Consolidated Statements of Income(*3)
Net sales								
Sales to third parties	115,982	102,488	6,003	224,473	66,651	291,125	-	291,125
Intersegment sales and transfers	1	377	5,633	6,012	1,286	7,299	(7,299)	-
Total	115,984	102,865	11,636	230,486	67,938	298,424	(7,299)	291,125
Segment profit (loss)	2,533	2,966	1,352	6,851	3,325	10,176	(39)	10,137
Depreciation and amortization	13,837	9,638	334	23,810	642	24,452	683	25,136
Increase in property, plant and equipment and intangible assets	14,153	6,094	34	20,282	1,039	21,321	2,720	24,041

*1 "Others" section refers to businesses that are not included in a reportable segment.

*2 The (39) millions of yen adjustment to segment income is an elimination for intersegment transactions and corporate expenses which cannot be allocated to reportable segments.

*3 Segment income is reconciled to operating income in the quarterly consolidated statements of income.

(2) Impairment losses on non-current assets, goodwill, etc.by reporting segment

(Material impairment loss on non-current assets)

This information is omitted due to its low materiality.

FY 2019 (From April 1, 2019 to March 31, 2020)

(1) Sales and profit information of each Segment

								(Millions of yen)
Reportable Segment								
	Electronics	Ceramics	Construction	Total	Others (*1)	Total	Adjustment (*2)	Consolidated Statements of Income(*3)
Net sales								
Sales to third parties	132,170	88,427	5,697	226,295	69,703	295,999	-	295,999
Intersegment sales and transfers	3	214	7,708	7,926	14,082	22,008	(22,008)	-
Total	132,173	88,641	13,406	234,221	83,786	318,007	(22,008)	295,999
Segment profit (loss)	14,892	(981)	1,519	15,430	4,307	19,737	(52)	19,685
Depreciation and amortization	12,324	8,444	329	21,098	868	21,966	2,255	24,222
Increase in property, plant and equipment and intangible assets	48,703	6,255	59	55,018	922	55,941	2,295	58,236

*1 "Others" section refers to businesses that are not included in a reportable segment.

*2 The (52) millions of yen adjustment to segment income is an elimination for intersegment transactions and corporate expenses which cannot be allocated to reportable segments.

*3 Segment income is reconciled to operating income in the quarterly consolidated statements of income.

(2) Impairment losses on non-current assets, goodwill, etc.by reporting segment

(Material impairment loss on non-current assets)

For idle assets that do not belong to any reportable segment, the Company lowered the book value to the expected recoverable amount. As a result, the Company recognized an impairment loss of 458 millions of yen for this fiscal year.