

## Consolidated Financial Results For the First Quarter Ended June 30, 2019

Company name: IBIDEN CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchange (First Section)

Stock code number: 4062

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

Representative: Takeshi Aoki, President & CEO, Representative Director

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Submission date of quarterly report: August 6, 2019

(Amounts less than one million yen are omitted)

### 1. Consolidated Financial Results for FY 2019 First quarter (From April 1, 2019 to June 30, 2019)

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

	Net sales		Operating income		Ordinary income(loss)		Profit(loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2019 first quarter	73,301	2.0	4,517	53.1	5,174	28.9	2,903	8.0
FY 2018 first quarter	71,868	6.3	2,950	(2.2)	4,015	3.4	2,689	45.4

Note: Comprehensive income

FY 2019 first quarter : 528 million yen (-73.8%)      FY 2018 first quarter : 2,017 million yen (-70.9%)

	Net income Per share	Diluted net income Per share
	Yen	Yen
FY 2019 first quarter	20.78	-
FY 2018 first quarter	19.25	-

### (2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2019 first quarter	394,789	274,048	68.0	1,921.82
FY 2018	423,056	276,305	64.0	1,938.59

Note: Equity for reference

As of June 30, 2019 : 268,549 million yen      As of March 31, 2019 : 270,862 million yen

## 2. Basis for preparation of quarterly financial results

(1) Changes in scope of consolidation and equity method of accounting: No

(2) Application of particular accounting procedure for preparing quarterly financial statements: Yes

Calculation of tax expenses: Tax expenses are calculated by using effective tax rate on quotation.

(3) Changes in accounting policies; changes in accounting estimates; restatements of financial statements

1. Changes in accounting policies due to amendment of accounting standards: Yes

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

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

2. Changes in accounting policies other than above: No

3. 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 income, ordinary income, and income before income taxes increased by 133 million yen compared to the previous method.

4. Restatements of financial statements: No

(4) Issued and outstanding capital stock

1. Number of shares outstanding (including treasury stock):

As of June 30, 2019 :	140,860,557 shares	As of March 31, 2019 :	140,860,557 shares
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2. Number of treasury stock outstanding:

As of June 30, 2019 :	1,123,697 shares	As of March 31, 2019 :	1,138,769 shares
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3. Average number of shares: :

FY 2019 first quarter :	139,733,265 shares	FY 2018 first quarter :	139,718,347 shares
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## Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of Jun 30,2019	As of Mar 31,2019	Increase (Decrease)
<b>Assets</b>			
Current assets			
Cash and deposits	82,359	113,492	(31,133)
Notes and accounts receivable – trade	60,753	60,278	475
Merchandise and finished goods	14,998	17,793	(2,795)
Work in process	13,591	11,357	2,233
Raw materials and supplies	18,782	19,619	(836)
Other current assets	6,952	6,528	424
Allowance for doubtful accounts	(104)	(98)	(6)
Total current assets	197,333	228,972	(31,638)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	60,371	62,212	(1,841)
Machinery, equipment and vehicles	45,123	46,309	(1,185)
Land	19,881	19,962	(80)
Lease assets	27	21	6
Construction in progress	16,552	13,342	3,210
Other - property, plant and equipment	5,535	4,863	672
Total property, plant and equipment	147,491	146,710	781
Intangible assets	4,087	4,162	(75)
Investments and other assets			
Investment securities	41,901	39,142	2,758
Long-term loans receivable	9	9	(0)
Deferred tax assets	2,948	2,915	33
Other assets	1,277	1,405	(127)
Allowance for doubtful accounts	(261)	(261)	0
Total investments and other assets	45,876	43,210	2,665
Total noncurrent assets	197,455	194,084	3,371
Total assets	394,789	423,056	(28,267)

(Continued)

	<i>Millions of yen</i>		
	As of Jun 30,2019	As of Mar 31,2019	Increase (Decrease)
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable – trade	39,924	39,562	362
Short-term loans payable	20,030	20,030	-
Current portion of bonds	-	25,000	(25,000)
Accounts payable - other	9,435	9,111	324
Income taxes payable	1,008	2,366	(1,357)
Accrued bonuses for employees	1,820	3,438	(1,617)
Provision for directors' bonuses	-	89	(89)
Provision for loss on liquidation of subsidiaries and affiliates	2,091	4,864	(2,773)
Notes payable - facilities	2,608	1,618	989
Other - current liabilities	13,997	12,001	1,995
Total current liabilities	90,916	118,082	(27,166)
Noncurrent liabilities			
Bonds payable	15,000	15,000	-
Long-term loans payable	10,000	10,000	-
Lease obligations	62	43	18
Deferred tax liabilities for land revaluation	68	68	-
Liability for retirement benefits	662	671	(9)
Provision for share-based compensation	174	179	(4)
Deferred income taxes	2,544	1,974	570
Other - noncurrent liabilities	1,311	729	581
Total long-term liabilities	29,823	28,668	1,155
Total liabilities	120,740	146,751	(26,010)
<b>Net assets</b>			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,579	64,579	-
Retained earnings	122,250	122,144	105
Treasury stock	(2,572)	(2,602)	29
Total shareholders' equity	248,409	248,274	134
Accumulated other comprehensive income			
Net unrealized holding gain on other securities	14,321	12,415	1,905
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	5,658	10,012	(4,354)
Total accumulated other comprehensive income	20,139	22,588	(2,448)
Non-controlling interests	5,499	5,442	56
Total net assets	274,048	276,305	(2,257)
Total liabilities and net assets	394,789	423,056	(28,267)
			(Concluded)

## Consolidated Statements of Income

<i>Millions of yen</i>			
	Year ended Jun 30,2019	Year ended Jun 30,2018	Increase (Decrease)
Net sales	73,301	71,868	1,433
Cost of sales	56,775	56,822	(47)
Gross profit	16,525	15,045	1,480
Selling, general and administrative expenses	12,008	12,095	(86)
Operating income	4,517	2,950	1,567
Non-operating income (expenses)	657	1,065	(408)
Interest income	76	66	10
Dividends income	533	564	(30)
Share of profit of entities accounted for using equity method	-	1	(1)
Share of loss of entities accounted for using equity method	(1)	-	(1)
Foreign exchange gain(losses), net	16	406	(389)
Interest expenses	(27)	(37)	9
Other, net	59	63	(4)
Ordinary income	5,174	4,015	1,158
Extraordinary income (loss)	(974)	(311)	(662)
Gain on sales of property, plant and equipment	5	4	0
Gain on sales of Investment securities	-	0	(0)
Loss on disposal of property, plant and equipment	(372)	(245)	(126)
Loss on liquidation of subsidiaries and affiliates	(465)	-	(465)
Loss on disaster	-	(67)	67
Other, net	(140)	(3)	(137)
Income(loss) before income taxes	4,200	3,704	496
Income taxes	(1,237)	(942)	(294)
Net income(loss)	2,963	2,761	201
Profit attributable to non-controlling interests	(59)	(72)	12
Profit(loss) attributable to owners of parent	2,903	2,689	214

## Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Year ended Jun 30,2019	Year ended Jun 30,2018	Increase (Decrease)
Net income(loss)	2,963	2,761	201
Other comprehensive income(loss)			
Valuation difference on available-for-sale securities	1,919	(743)	2,663
Deferred gains or losses on hedges	-	(393)	393
Foreign currency translation adjustments	(4,354)	393	(4,748)
Total other comprehensive income (loss)	(2,434)	(743)	(1,691)
Comprehensive income (loss)	528	2,017	(1,489)
(Breakdown)			
Comprehensive income(loss) attributable to owners of parent	455	1,936	(1,481)
Comprehensive income(loss) attributable to non-controlling interests	73	81	(7)

## Segment Information

FY 2018 first quarter (From April 1, 2018 to June 30, 2018)

### (1) Sales and profit information of each Segment

A summary of net sales and income business segment for three months ended June 30, 2018 was as follows:

<i>Millions of yen</i>								
<i>For three months period ended June 30, 2018</i>								
	<b>Reportable Segment</b>				<b>Others (*1)</b>	<b>Total</b>	<b>Adjustment (*2)</b>	<b>Consolidated Statements of Income(*3)</b>
	<b>Electronics</b>	<b>Ceramics</b>	<b>Construction</b>	<b>Total</b>				
Sales to third parties	28,725	28,428	1,096	58,251	13,616	71,868	-	71,868
Intersegment sales and transfers	1	82	1,376	1,459	257	1,717	(1,717)	-
Net sales	28,726	28,511	2,472	59,710	13,874	73,585	(1,717)	71,868
Segment income	(517)	2,952	340	2,776	168	2,944	5	2,950

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

\*2 The 5 millions of yen adjustment to segment income includes 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)

Not applicable

FY 2019 first quarter (From April 1, 2019 to June 30, 2019)

**(1) Sales and profit/loss information of each Segment**

A summary of net sales and income business segment for three months ended June 30, 2019 was as follows:

<i>Millions of yen</i>								
<i>For three months period ended June 30, 2019</i>								
	<b>Reportable Segment</b>				<b>Others (*1)</b>	<b>Total</b>	<b>Adjustment (*2)</b>	<b>Consolidated Statements of Income(*3)</b>
	<b>Electronics</b>	<b>Ceramics</b>	<b>Construction</b>	<b>Total</b>				
Sales to third parties	32,733	24,677	929	58,339	14,961	73,301	-	73,301
Intersegment sales and transfers	0	64	1,352	1,417	1,741	3,158	(3,158)	-
Net sales	32,733	24,741	2,281	59,757	16,702	76,460	(3,158)	73,301
Segment income	2,871	927	222	4,022	488	4,510	6	4,517

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

\*2 The 6 millions of yen adjustment to segment income includes 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)

Not applicable