

Consolidated Financial Results

For the First Quarter Ended June 30, 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

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2020 First quarter (From April 1, 2020 to June 30, 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 2020 1st quarter | 64,827 | (11.6) | 6,536 | 44.7 | 7,352 | 42.1 | 4,596 | 58.3 |
| FY 2019 1st quarter | 73,301 | 2.0 | 4,517 | 53.1 | 5,174 | 28.9 | 2,903 | 8.0 |

Note: Comprehensive income

FY 2020 1st quarter : 8,011 million yen (-%) FY 2019 1st quarter : 528 million yen (-73.8%)

| | Basic earnings per share | Diluted earnings per share |
|---------------------|--------------------------|----------------------------|
| | Yen | Yen |
| FY 2020 1st quarter | 32.89 | - |
| FY 2019 1st quarter | 20.78 | - |

(2) Financial positions

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|---------------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| FY 2020 1st quarter | 525,452 | 279,186 | 52.0 | 1,956.78 |
| FY 2019 | 518,619 | 273,934 | 51.7 | 1,920.19 |

Note: Owner's equity

As of June 30, 2020 : 273,484 million yen As of March 31, 2020 : 268,318 million yen

2. Notes

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

(2) Applying of specific accounting of the consolidated quarterly financial statements: Yes

The provision for income taxes is computed by multiplying profit before income taxes by estimated annual effective tax rates.

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

(i) Changes in accounting policies based on revisions of accounting standard: None

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

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

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

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

| | | | |
|-----------------------|--------------------|------------------------|--------------------|
| As of June 30, 2020 : | 140,860,557 shares | As of March 31, 2020 : | 140,860,557 shares |
|-----------------------|--------------------|------------------------|--------------------|

(ii) Number of treasury stock :

| | | | |
|-----------------------|------------------|------------------------|------------------|
| As of June 30, 2020 : | 1,098,320 shares | As of March 31, 2020 : | 1,124,913 shares |
|-----------------------|------------------|------------------------|------------------|

(iii) Average number of shares::

| | | | |
|-----------------------|--------------------|-----------------------|--------------------|
| FY 2020 1st quarter : | 139,755,937 shares | FY 2019 1st quarter : | 139,733,265 shares |
|-----------------------|--------------------|-----------------------|--------------------|

*** This quarterly financial result is not subject to quarterly review procedure by auditing firms.**

Consolidated balance sheet

(Millions of yen)

| | As of Jun 30,2020 | As of Mar 31,2020 | Increase (Decrease) |
|---------------------------------------|----------------------|----------------------|------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and deposits | 152,519 | 175,151 | (22,632) |
| Notes and accounts receivable – trade | 60,595 | 69,013 | (8,418) |
| Merchandise and finished goods | 16,079 | 12,416 | 3,663 |
| Work in process | 15,136 | 13,248 | 1,888 |
| Raw materials and supplies | 22,003 | 19,615 | 2,387 |
| Other current assets | 13,433 | 10,934 | 2,498 |
| Allowance for doubtful accounts | (114) | (136) | 21 |
| Total current assets | 279,653 | 300,244 | (20,591) |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Buildings and structures | 62,120 | 56,249 | 5,870 |
| Machinery, equipment and vehicles | 42,420 | 43,322 | (901) |
| Land | 19,821 | 19,800 | 20 |
| Lease assets | 49 | 7 | 41 |
| Construction in progress | 61,635 | 48,731 | 12,904 |
| Other - property, plant and equipment | 5,191 | 5,403 | (211) |
| Total property, plant and equipment | 191,238 | 173,514 | 17,724 |
| Intangible assets | 4,391 | 4,486 | (94) |
| Investments and other assets | | | |
| Investment securities | 45,535 | 34,461 | 11,074 |
| Long-term loans receivable | 8 | 8 | (0) |
| Deferred tax assets | 3,343 | 4,463 | (1,119) |
| Other assets | 1,521 | 1,684 | (162) |
| Allowance for doubtful accounts | (240) | (244) | 3 |
| Total investments and other assets | 50,169 | 40,374 | 9,795 |
| Total non-current assets | 245,799 | 218,374 | 27,424 |
| Total assets | 525,452 | 518,619 | 6,833 |

(Continued)

(Millions of yen)

| | As of Jun 30,2020 | As of Mar 31,2020 | Increase (Decrease) |
|--|----------------------|----------------------|------------------------|
| Liabilities and net assets | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Notes and accounts payable – trade | 45,637 | 45,555 | 82 |
| Short-term loans payable | 30,030 | 30,030 | - |
| Accounts payable - other | 21,979 | 18,188 | 3,791 |
| Income taxes payable | 1,557 | 3,016 | (1,458) |
| Provision for bonuses | 1,991 | 3,906 | (1,915) |
| Provision for bonuses for directors | - | 132 | (132) |
| Provision for loss on liquidation of subsidiaries and associates | 437 | 763 | (325) |
| Notes payable - facilities | 6,864 | 7,721 | (857) |
| Other - current liabilities | 13,670 | 11,422 | 2,248 |
| Total current liabilities | 122,169 | 120,736 | 1,433 |
| Non-current liabilities | | | |
| Bonds payable | 50,000 | 50,000 | - |
| Long-term loans payable | 70,000 | 70,000 | - |
| Lease obligations | 32 | 38 | (6) |
| Deferred tax liabilities for land revaluation | 68 | 68 | - |
| Retirement benefit liability | 850 | 827 | 23 |
| Provision for share-based compensation | 218 | 250 | (31) |
| Deferred tax liabilities | 1,739 | 1,644 | 95 |
| Other - non-current liabilities | 1,186 | 1,118 | 67 |
| Total non-current liabilities | 124,096 | 123,948 | 148 |
| Total liabilities | 246,265 | 244,684 | 1,581 |

(Continued)

(Millions of yen)

| | As of Jun 30,2020 | As of Mar 31,2020 | Increase (Decrease) |
|---|----------------------|----------------------|------------------------|
| Net assets | | | |
| Shareholders' equity | | | |
| Capital stock | 64,152 | 64,152 | - |
| Capital surplus | 64,579 | 64,579 | - |
| Retained earnings | 130,376 | 128,578 | 1,798 |
| Treasury shares | (2,524) | (2,575) | 51 |
| Total shareholders' equity | 256,584 | 254,734 | 1,849 |
| Accumulated other comprehensive income | | | |
| Valuation difference on available-for-sale securities | 12,772 | 9,232 | 3,539 |
| Deferred gains or losses on hedges | 2 | - | 2 |
| Revaluation reserve for land | 160 | 160 | - |
| Foreign currency translation adjustment | 3,965 | 4,191 | (226) |
| Total accumulated other comprehensive income | 16,899 | 13,584 | 3,315 |
| Non-controlling interests | 5,702 | 5,615 | 86 |
| Total net assets | 279,186 | 273,934 | 5,251 |
| Total liabilities and net assets | 525,452 | 518,619 | 6,833 |

(Concluded)

Consolidated statement of income

| | (Millions of yen) | | |
|---|------------------------|------------------------|------------------------|
| | FY 2020 1st quarter | FY 2019 1st quarter | Increase (Decrease) |
| Net sales | 64,827 | 73,301 | (8,474) |
| Cost of sales | 46,773 | 56,775 | (10,002) |
| Gross profit | 18,053 | 16,525 | 1,528 |
| Selling, general and administrative expenses | 11,516 | 12,008 | (491) |
| Operating profit | 6,536 | 4,517 | 2,019 |
| Non-operating income (expenses) | 816 | 657 | 158 |
| Interest income | 48 | 76 | (28) |
| Dividends income | 520 | 533 | (12) |
| Share of profit(loss) of entities accounted for using equity method | (1) | (1) | 0 |
| Foreign exchange gain(losses), net | 147 | 16 | 130 |
| Interest expenses | (63) | (27) | (36) |
| Other, net | 163 | 59 | 104 |
| Ordinary profit | 7,352 | 5,174 | 2,178 |
| Extraordinary income (losses) | (1,403) | (974) | (429) |
| Gain on sales of non-current assets | 25 | 5 | 20 |
| Gain on sales of Investment securities | 25 | - | 25 |
| Loss on retirement of non-current assets | (277) | (372) | 95 |
| Loss on liquidation of subsidiaries and associates | - | (465) | 465 |
| Compensation expenses | (996) | - | (996) |
| Loss on disaster | (165) | - | (165) |
| Other, net | (14) | (140) | 572 |
| Profit before income taxes | 5,949 | 4,200 | 1,748 |
| Income taxes | (1,298) | (1,237) | (61) |
| Profit | 4,650 | 2,963 | 1,687 |
| Profit attributable to: | | | |
| Non-controlling interests | 53 | 59 | (5) |
| Owners of parent | 4,596 | 2,903 | 1,692 |

Consolidated statement of comprehensive income

| | (Millions of yen) | | |
|---|------------------------|------------------------|------------------------|
| | FY 2020 1st quarter | FY 2019 1st quarter | Increase (Decrease) |
| Profit | 4,650 | 2,963 | 1,687 |
| Other comprehensive income (loss) | | | |
| Valuation difference on available-for-sale securities | 3,580 | 1,919 | 1,660 |
| Deferred gains or losses on hedges | 2 | - | 2 |
| Foreign currency translation adjustments | (221) | (4,354) | 4,133 |
| Total other comprehensive income (loss) | 3,361 | (2,434) | 5,796 |
| Comprehensive income (loss) | 8,011 | 528 | 7,483 |
| Comprehensive income (loss) attributable to: | | | |
| Owners of parent | 7,912 | 455 | 7,457 |
| Non-controlling interests | 99 | 73 | 25 |

Segment Information

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

(1) Sales and profit information of each Segment

| | | | | | | (Millions of yen) |
|----------------------------------|--------------------|-----------------|------------------------|--------------|----------------------------|--|
| Reportable Segment | | | | | | |
| | Electronics | Ceramics | Others (*1) | Total | Adjustment (*2) | Consolidated Statements of Income(*3) |
| Net sales | | | | | | |
| Sales to third parties | 32,733 | 24,677 | 15,890 | 73,301 | - | 73,301 |
| Intersegment sales and transfers | 0 | 64 | 3,094 | 3,158 | (3,158) | - |
| Total | 32,733 | 24,741 | 18,984 | 76,460 | (3,158) | 73,301 |
| Segment profit (loss) | 2,871 | 927 | 711 | 4,510 | 6 | 4,517 |

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

*2 The 6 millions of yen adjustment to segment profit (loss) is an elimination for intersegment transactions and corporate expenses which cannot be allocated to reportable segments.

*3 Segment profit (loss) is reconciled to operating income in the Consolidated statements of income.

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

This information is omitted due to its immateriality.

FY 2020 1st quarter (From April 1, 2020 to June 30, 2020)

(1) Sales and profit information of each Segment

| | | | | | | (Millions of yen) |
|----------------------------------|--------------------|-----------------|------------------------|--------------|----------------------------|--|
| Reportable Segment | | | | | | |
| | Electronics | Ceramics | Others (*1) | Total | Adjustment (*2) | Consolidated Statements of Income(*3) |
| Net sales | | | | | | |
| Sales to third parties | 34,744 | 15,939 | 14,143 | 64,827 | - | 64,827 |
| Intersegment sales and transfers | 0 | 39 | 7,814 | 7,853 | (7,853) | - |
| Total | 34,744 | 15,978 | 21,957 | 72,680 | (7,853) | 64,827 |
| Segment profit (loss) | 6,184 | (679) | 1,065 | 6,571 | (34) | 6,536 |

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

*2 The (34) millions of yen adjustment to segment profit (loss) is an elimination for intersegment transactions and corporate expenses which cannot be allocated to reportable segments.

*3 Segment profit (loss) is reconciled to operating income in the Consolidated statements of income.

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

Not applicable

(3) Change in reportable segments

The Construction segment, which was previously a reportable segment, was included in the "Others" due to its decreased significance since the beginning of this fiscal year.

Segment information for the corresponding period of the previous fiscal year was prepared following this change.