

Consolidated Financial Results

For the Second Quarter Ended September 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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Filing date of quarterly securities report: October 30, 2020

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2020 Second quarter (From April 1, 2020 to September 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 2nd quarter	143,991	(0.3)	15,182	98.5	16,134	90.4	11,684	199.9
FY 2019 2nd quarter	144,354	0.1	7,647	30.2	8,475	7.9	3,896	(29.3)

Note: Comprehensive income

FY 2020 2nd quarter : 17,611 million yen (-%) FY 2019 2nd quarter : (452) million yen (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY 2020 2nd quarter	83.61	-
FY 2019 2nd quarter	27.89	-

(2) Financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2020 2nd quarter	538,447	288,625	52.5	2,024.96
FY 2019	518,619	273,934	51.7	1,920.19

Note: Owner's equity

As of September 30, 2020 : 282,925 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 September 30, 2020	140,860,557 shares	As of March 31, 2020	140,860,557 shares
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(ii) Number of treasury stock :

As of September 30, 2020	1,141,543 shares	As of March 31, 2020	1,124,913 shares
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(iii) Average number of shares::

FY 2020 2nd quarter	139,744,695 shares	FY 2019 2nd quarter	139,734,787 shares
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* **This quarterly financial result is not subject to quarterly review procedure by auditing firms.**

Consolidated balance sheet

	(Millions of yen)		
	As of Sep 30,2020	As of Mar 31,2020	Increase (Decrease)
Assets			
Current assets			
Cash and deposits	135,708	175,151	(39,443)
Notes and accounts receivable – trade	73,809	69,013	4,796
Merchandise and finished goods	13,732	12,416	1,315
Work in process	16,980	13,248	3,731
Raw materials and supplies	22,985	19,615	3,370
Other current assets	15,670	10,934	4,736
Allowance for doubtful accounts	(131)	(136)	5
Total current assets	278,755	300,244	(21,488)
Non-current assets			
Property, plant and equipment			
Buildings and structures	73,877	56,249	17,627
Machinery, equipment and vehicles	54,504	43,322	11,181
Land	19,859	19,800	59
Lease assets	44	7	37
Construction in progress	47,779	48,731	(951)
Other - property, plant and equipment	5,807	5,403	404
Total property, plant and equipment	201,873	173,514	28,359
Intangible assets	4,567	4,486	81
Investments and other assets			
Investment securities	48,373	34,461	13,911
Long-term loans receivable	8	8	(0)
Deferred tax assets	3,279	4,463	(1,183)
Other assets	1,832	1,684	148
Allowance for doubtful accounts	(243)	(244)	0
Total investments and other assets	53,250	40,374	12,876
Total non-current assets	259,692	218,374	41,317
Total assets	538,447	518,619	19,828

(Continued)

(Millions of yen)

	As of Sep 30,2020	As of Mar 31,2020	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable – trade	45,610	45,555	55
Short-term loans payable	30,030	30,030	-
Current portion of bonds	15,000	-	15,000
Accounts payable - other	20,288	18,188	2,100
Income taxes payable	2,840	3,016	(175)
Provision for bonuses	4,197	3,906	290
Provision for bonuses for directors	-	132	(132)
Provision for loss on liquidation of subsidiaries and associates	321	763	(441)
Notes payable - facilities	9,101	7,721	1,379
Other - current liabilities	12,808	11,422	1,386
Total current liabilities	140,198	120,736	19,462
Non-current liabilities			
Bonds payable	35,000	50,000	(15,000)
Long-term loans payable	70,000	70,000	-
Lease obligations	29	38	(9)
Deferred tax liabilities for land revaluation	68	68	-
Retirement benefit liability	849	827	22
Provision for share-based compensation	257	250	7
Deferred tax liabilities	2,369	1,644	725
Other - non-current liabilities	1,048	1,118	(69)
Total non-current liabilities	109,623	123,948	(14,324)
Total liabilities	249,821	244,684	5,137

(Continued)

	(Millions of yen)		
	As of Sep 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	0
Retained earnings	137,464	128,578	8,886
Treasury shares	(2,682)	(2,575)	(107)
Total shareholders' equity	263,513	254,734	8,779
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	14,740	9,232	5,508
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	4,511	4,191	319
Total accumulated other comprehensive income	19,412	13,584	5,827
Non-controlling interests	5,700	5,615	84
Total net assets	288,625	273,934	14,691
Total liabilities and net assets	538,447	518,619	19,828
			(Concluded)

Consolidated statement of income

	(Millions of yen)		
	FY 2020 2nd quarter	FY 2019 2nd quarter	Increase (Decrease)
Net sales	143,991	144,354	(362)
Cost of sales	105,282	112,777	(7,495)
Gross profit	38,709	31,576	7,132
Selling, general and administrative expenses	23,527	23,928	(401)
Operating profit	15,182	7,647	7,534
Non-operating income (expenses)	951	827	124
Interest income	74	147	(72)
Dividends income	525	556	(30)
Share of profit(loss) of entities accounted for using equity method	0	(0)	0
Foreign exchange gain(losses), net	194	288	(94)
Interest expenses	(128)	(49)	(79)
Other, net	285	(115)	400
Ordinary profit	16,134	8,475	7,658
Extraordinary income (losses)	(1,850)	(1,988)	138
Gain on sales of non-current assets	42	95	(52)
Gain on sales of Investment securities	25	-	25
Loss on retirement of non-current assets	(696)	(850)	154
Loss on sales of investment securities	-	(45)	45
Loss on liquidation of subsidiaries and associates	-	(458)	458
Extra retirement payments	-	(675)	675
Compensation expenses	(996)	-	(996)
Loss on disaster	(184)	-	(184)
Other, net	(40)	(53)	12
Profit before income taxes	14,283	6,486	7,797
Income taxes	(2,550)	(2,520)	(30)
Profit	11,733	3,966	7,766
Profit attributable to:			
Non-controlling interests	48	69	(20)
Owners of parent	11,684	3,896	7,787

Consolidated statement of comprehensive income

	(Millions of yen)		
	FY 2020 2nd quarter	FY 2019 2nd quarter	Increase (Decrease)
Profit	11,733	3,966	7,766
Other comprehensive income (loss)			
Valuation difference on available-for-sale securities	5,560	2,547	3,013
Foreign currency translation adjustments	317	(6,966)	7,284
Total other comprehensive income (loss)	5,878	(4,418)	10,297
Comprehensive income (loss)	17,611	(452)	18,064
Comprehensive income (loss) attributable to:			
Owners of parent	17,512	(529)	18,041
Non-controlling interests	99	76	22

Segment Information

FY 2019 2nd quarter (From April 1, 2019 to September 30, 2019)

(1) Sales and profit (loss) 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	62,767	46,268	35,317	144,354	-	144,354
Intersegment sales and transfers	0	102	8,286	8,390	(8,390)	-
Total	62,768	46,371	43,604	152,744	(8,390)	144,354
Segment profit (loss)	5,290	332	2,232	7,855	(207)	7,647

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

*2 The (207) 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

Due to the dissolution of a consolidated subsidiary that belongs to the Ceramics segment, the Company lowered the book value of buildings, structures and land to the expected recoverable amount. As a result, the Company recognized an impairment loss of 210 millions of yen for the second quarter.

FY 2020 2nd quarter (From April 1, 2020 to September 30, 2020)

(1) Sales and profit (loss) 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	74,095	38,365	31,530	143,991	-	143,991
Intersegment sales and transfers	1	82	12,141	12,225	(12,225)	-
Total	74,097	38,448	43,672	156,217	(12,225)	143,991
Segment profit (loss)	13,231	(143)	2,412	15,499	(317)	15,182

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

*2 The (317) 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) Changes 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.