

# Consolidated Financial Results

## For the Third Quarter Ended December 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

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(Amounts less than one million yen are omitted)

### 1. Consolidated Financial Results for FY 2020 Third quarter (From April 1, 2020 to December 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2020 3rd quarter	229,777	5.9	27,365	107.8	28,896	94.1	21,399	161.5
FY 2019 3rd quarter	216,905	1.1	13,166	86.3	14,887	61.1	8,182	-

Note: Comprehensive income

FY 2020 3rd quarter : 35,037 million yen (269.1%)    FY 2019 3rd quarter : 9,492 million yen (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY 2020 3rd quarter	153.15	-
FY 2019 3rd quarter	58.56	-

### (2) Financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2020 3rd quarter	567,978	303,836	52.5	2,133.02
FY 2019	518,619	273,934	51.7	1,920.19

Note: Owner's equity

As of December 31, 2020 : 298,022 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 December 31, 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 December 31, 2020	1,141,870 shares	As of March 31, 2020	1,124,913 shares
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( iii ) Average number of shares::

FY 2020 3rd quarter	139,736,054 shares	FY 2019 3rd quarter	139,735,171 shares
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\* **This quarterly financial result is not subject to auditing firms' quarterly review procedure.**

## Consolidated balance sheet

	(Million yen)		
	As of Dec 31,2020	As of Mar 31,2020	Increase (Decrease)
<b>Assets</b>			
Current assets			
Cash and deposits	133,856	175,151	(41,295)
Notes and accounts receivable – trade	84,112	69,013	15,098
Merchandise and finished goods	13,769	12,416	1,352
Work in process	20,171	13,248	6,923
Raw materials and supplies	23,163	19,615	3,548
Other current assets	12,723	10,934	1,789
Allowance for doubtful accounts	(150)	(136)	(13)
Total current assets	287,646	300,244	(12,597)
Non-current assets			
Property, plant and equipment			
Buildings and structures	73,293	56,249	17,043
Machinery, equipment and vehicles	62,452	43,322	19,129
Land	19,879	19,800	79
Lease assets	229	7	222
Construction in progress	50,666	48,731	1,935
Other - property, plant and equipment	5,709	5,403	306
Total property, plant and equipment	212,231	173,514	38,717
Intangible assets	5,016	4,486	530
Investments and other assets			
Investment securities	58,516	34,461	24,054
Long-term loans receivable	8	8	(0)
Deferred tax assets	3,326	4,463	(1,136)
Other assets	1,485	1,684	(198)
Allowance for doubtful accounts	(254)	(244)	(10)
Total investments and other assets	63,082	40,374	22,708
Total non-current assets	280,331	218,374	61,956
Total assets	567,978	518,619	49,359

(Continued)

	(Million yen)		
	As of Dec 31,2020	As of Mar 31,2020	Increase (Decrease)
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable – trade	49,825	45,555	4,270
Short-term loans payable	20,167	30,030	(9,862)
Current portion of bonds	15,000	-	15,000
Accounts payable - other	24,029	18,188	5,841
Income taxes payable	2,685	3,016	(330)
Provision for bonuses	1,999	3,906	(1,906)
Provision for bonuses for directors	-	132	(132)
Provision for loss on liquidation of subsidiaries and associates	285	763	(478)
Notes payable - facilities	13,420	7,721	5,698
Other - current liabilities	13,724	11,422	2,302
Total current liabilities	141,137	120,736	20,401
Non-current liabilities			
Bonds payable	35,000	50,000	(15,000)
Long-term loans payable	80,035	70,000	10,035
Lease obligations	168	38	129
Deferred tax liabilities for land revaluation	68	68	-
Retirement benefit liability	919	827	92
Provision for share-based compensation	306	250	56
Deferred tax liabilities	5,286	1,644	3,641
Other - non-current liabilities	1,218	1,118	99
Total non-current liabilities	123,003	123,948	(944)
Total liabilities	264,141	244,684	19,456

(Continued)

	(Million yen)		
	As of Dec 31,2020	As of Mar 31,2020	Increase (Decrease)
<b>Net assets</b>			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,433	64,579	(145)
Retained earnings	145,081	128,578	16,503
Treasury shares	(2,684)	(2,575)	(108)
Total shareholders' equity	270,983	254,734	16,248
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	21,856	9,232	12,623
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	5,022	4,191	831
Total accumulated other comprehensive income	27,039	13,584	13,455
Non-controlling interests	5,814	5,615	198
Total net assets	303,836	273,934	29,902
Total liabilities and net assets	567,978	518,619	49,359
			(Concluded)

## Consolidated statement of income

	(Million yen)		
	FY 2020 3rd quarter	FY 2019 3rd quarter	Increase (Decrease)
Net sales	229,777	216,905	12,871
Cost of sales	167,578	167,562	16
Gross profit	62,198	49,343	12,855
Selling, general and administrative expenses	34,833	36,176	(1,343)
Operating profit	27,365	13,166	14,199
Non-operating income (expenses)	1,530	1,720	(190)
Interest income	101	208	(106)
Dividends income	1,088	1,031	56
Share of profit(loss) of entities accounted for using equity method	(1)	(0)	(0)
Foreign exchange gain(losses), net	134	616	(482)
Interest expenses	(191)	(123)	(67)
Bond issuance cost	-	(146)	146
Other, net	398	134	263
Ordinary profit	28,896	14,887	14,008
Extraordinary income (losses)	(3,162)	(2,826)	(336)
Gain on sales of non-current assets	67	130	(62)
Gain on sales of Investment securities	44	0	44
Loss on retirement of non-current assets	(1,585)	(1,715)	130
Impairment loss	(182)	-	(182)
Loss on sales of investment securities	-	(45)	45
Loss on valuation of investment securities	(35)	-	(35)
Loss on liquidation of subsidiaries and associates	-	(459)	459
Extra retirement payments	-	(686)	686
Compensation expenses	(996)	-	(996)
Loss on disaster	(344)	-	(344)
Other, net	(130)	(50)	(80)
Profit before income taxes	25,733	12,061	13,672
Income taxes	(4,196)	(3,741)	(455)
Profit	21,536	8,319	13,216
Profit attributable to:			
Non-controlling interests	136	136	0
Owners of parent	21,399	8,182	13,217

## Consolidated statement of comprehensive income

	(Million yen)		
	FY 2020 3rd quarter	FY 2019 3rd quarter	Increase (Decrease)
Profit	21,536	8,319	13,216
Other comprehensive income (loss)			
Valuation difference on available-for-sale securities	12,675	4,353	8,321
Foreign currency translation adjustments	825	(3,181)	4,006
Total other comprehensive income (loss)	13,500	1,172	12,328
Comprehensive income (loss)	35,037	9,492	25,545
Comprehensive income (loss) attributable to:			
Owners of parent	34,855	9,310	25,544
Non-controlling interests	181	181	0

## Segment Information

FY 2019 3rd quarter (From April 1, 2019 to December 31, 2019)

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

						(Million yen)
Reportable Segment						
	Electronics	Ceramics	Others (*1)	Total	Adjustment (*2)	Consolidated Statements of Income(*3)
Net sales						
Sales to third parties	97,909	67,369	51,627	216,905	-	216,905
Intersegment sales and transfers	0	182	13,469	13,651	(13,651)	-
Total	97,910	67,551	65,096	230,557	(13,651)	216,905
Segment profit (loss)	9,953	4	3,402	13,360	(193)	13,166

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

\*2 The (193) million yen adjustment to segment profit (loss) is an elimination for intersegment transactions and corporate expenses that cannot be allocated to reportable segments.

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

### (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 recognised an impairment loss of 210 million yen for the third quarter.



FY 2020 3rd quarter (From April 1, 2020 to December 31, 2020)

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

						(Million yen)
Reportable Segment						
	Electronics	Ceramics	Others (*1)	Total	Adjustment (*2)	Consolidated Statements of Income(*3)
Net sales						
Sales to third parties	119,383	62,223	48,170	229,777	-	229,777
Intersegment sales and transfers	2	133	15,730	15,866	(15,866)	-
Total	119,386	62,356	63,900	245,644	(15,866)	229,777
Segment profit (loss)	21,461	2,488	3,786	27,737	(371)	27,365

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

\*2 The (371) million yen adjustment to segment profit (loss) is an elimination for intersegment transactions and corporate expenses that cannot be allocated to reportable segments.

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

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

(Impairment loss on non-current assets)

For idle assets that don't belong to any reportable segment, the Company lowered the book value to the expected recoverable amount. As a result, the Company recognised an impairment loss of 182 million yen for the third quarter.

(Significant change in goodwill)

As a result of acquiring shares and conversion to a subsidiary of LG Graphite Srl, the amount of goodwill in the Ceramics segment increased by 448 million yen for the third quarter.

**(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 previous fiscal year's corresponding period was prepared following this change.