

Consolidated Financial Results

For the Year Ended March 31, 2022

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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The date of the Ordinary General Meeting of Shareholders: June 17, 2022

The filing date of annual securities report: June 17, 2022

Additional documents to supplement financial results: Yes

IR presentation: Yes

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2021 (From April 1, 2021 to March 31, 2022)

(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 2021	401,138	24.0	70,821	83.3	74,394	82.7	41,232	60.4
FY 2020	323,461	9.3	38,634	96.3	40,716	90.6	25,698	126.8

Note: Comprehensive income

FY 2021 : 54,952 million yen (2.4%)

FY 2020 : 53,657 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 2021	295.35	-	12.1	12.0	17.7
FY 2020	183.94	-	8.8	7.4	11.9

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

FY 2021 : 2 million yen

FY 2020 : 0 million yen

(2) Financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2021	664,332	370,728	54.9	2,611.43
FY 2020	578,518	321,863	54.6	2,262.99

Note: Owner's equity

As of March 31, 2022 : 364,576 million yen

As of March 31, 2021 : 315,914 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

(Applying Accounting Standard for Revenue Recognition)

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020. Hereinafter "Revenue Recognition Standard") and related guidelines have been adopted from the beginning of the current first quarter. In line with this adoption, revenue is recognized upon the transfer of controls for promised goods or services to customers in an amount that reflects the consideration they expect to be entitled to in exchange for those goods or services.

As a result, net sales decreased by 466 million yen, cost of sales decreased by 337 million yen and operating profit, ordinary profit, and profit before income taxes for the current first quarter decreased by 129 million yen. In addition, the balance of retained earnings at the beginning of the period decreased by 18 million yen.

As a result of the adoption of the Revenue Recognition Standard, "Notes and accounts receivable - trade" which was presented in "Current assets" of the consolidated balance sheet for the previous fiscal year, is included in "Notes and accounts receivable - trade, and contract assets" from the first quarter of the current fiscal year. Following the transitional treatment outlined in Article 89-2 of the Revenue Recognition Standard, consolidated financial statements for past periods have not been reclassified using the new presentation method.

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

(iii) Changes in accounting estimates: None

(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, 2022	140,860,557 shares	As of March 31, 2021	140,860,557 shares
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(ii) Number of treasury stock :

As of March 31, 2022	1,252,626 shares	As of March 31, 2021	1,260,507 shares
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(iii) Average number of shares: :

FY 2021	139,608,019 shares	FY 2020	139,711,913 shares
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*** This financial result is not subject to audit by certified public accountants or auditing firm.**

Consolidated balance sheet

	(Million yen)		
	As of	As of	Increase
	Mar 31,2022	Mar 31,2021	(Decrease)
Assets			
Current assets			
Cash and deposits	185,592	126,884	58,707
Notes and accounts receivable – trade	-	89,796	(89,796)
Notes and accounts receivable - trade, and contract assets	92,083	-	92,083
Merchandise and finished goods	26,822	13,653	13,169
Work in process	19,785	18,734	1,051
Raw materials and supplies	27,959	24,636	3,323
Other current assets	11,120	11,769	(648)
Allowance for doubtful accounts	(94)	(109)	15
Total current assets	363,270	285,364	77,905
Non-current assets			
Property, plant and equipment			
Buildings and structures	76,266	78,782	(2,516)
Machinery, equipment and vehicles	87,979	70,773	17,206
Land	20,108	19,971	136
Lease assets	285	246	39
Construction in progress	34,013	38,590	(4,576)
Other - property, plant and equipment	7,266	6,463	802
Total property, plant and equipment	225,920	214,828	11,091
Intangible assets	5,448	5,392	56
Investments and other assets			
Investment securities	64,638	68,198	(3,559)
Long-term loans receivable	8	8	(0)
Deferred tax assets	3,951	3,488	463
Other assets	1,343	1,480	(137)
Allowance for doubtful accounts	(247)	(242)	(5)
Total investments and other assets	69,693	72,933	(3,239)
Total non-current assets	301,062	293,153	7,908
Total assets	664,332	578,518	85,813

(Continued)

	(Million yen)		
	As of Mar 31,2022	As of Mar 31,2021	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable – trade	51,150	45,717	5,432
Short-term loans payable	20,030	20,130	(100)
Current portion of bonds	20,000	15,000	5,000
Accounts payable - other	18,278	17,492	785
Income taxes payable	14,909	5,624	9,285
Provision for bonuses	5,384	4,802	582
Provision for bonuses for directors	173	155	18
Provision for loss on liquidation of subsidiaries and associates	176	225	(48)
Notes payable - facilities	4,806	8,606	(3,800)
Other - current liabilities	21,251	14,144	7,106
Total current liabilities	156,160	131,899	24,260
Non-current liabilities			
Bonds payable	50,000	35,000	15,000
Long-term loans payable	80,000	80,044	(44)
Lease obligations	199	172	27
Deferred tax liabilities for land revaluation	68	68	-
Retirement benefit liability	578	1,078	(499)
Provision for share-based compensation	493	352	140
Deferred tax liabilities	5,095	7,117	(2,022)
Other - non-current liabilities	1,007	921	86
Total non-current liabilities	137,443	124,755	12,688
Total liabilities	293,603	256,655	36,948

(Continued)

	(Million yen)		
	As of Mar 31,2022	As of Mar 31,2021	Increase (Decrease)
Net assets			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,494	64,433	60
Retained earnings	184,612	149,379	35,232
Treasury shares	(3,264)	(3,286)	21
Total shareholders' equity	309,994	274,679	35,314
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	26,626	28,638	(2,012)
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	27,795	12,435	15,359
Total accumulated other comprehensive income	54,581	41,234	13,347
Non-controlling interests	6,152	5,949	203
Total net assets	370,728	321,863	48,865
Total liabilities and net assets	664,332	578,518	85,813

(Concluded)

Consolidated statement of income

	(Million yen)		
	Year ended Mar 31,2022	Year ended Mar 31,2021	Increase (Decrease)
Net sales	401,138	323,461	77,677
Cost of sales	281,059	238,011	43,047
Gross profit	120,079	85,449	34,629
Selling, general and administrative expenses	49,258	46,815	2,443
Operating profit	70,821	38,634	32,186
Non-operating income (expenses)	3,573	2,082	1,491
Interest income	103	130	(26)
Dividends income	1,307	1,092	215
Share of profit(loss) of entities accounted for using equity method	2	0	1
Foreign exchange gain(losses), net	2,051	677	1,374
Interest expenses	(280)	(258)	(22)
Bond issuance cost	(145)	-	(145)
Other, net	535	439	95
Ordinary profit	74,394	40,716	33,677
Extraordinary income (losses)	(15,142)	(8,550)	(6,591)
Gain on sales of non-current assets	136	75	60
Gain on sales of Investment securities	90	64	26
Insurance claim income	98	151	(53)
Compensation expenses	410	(996)	1,407
Loss on retirement of non-current assets	(6,113)	(2,562)	(3,550)
Impairment loss	(1,218)	(4,069)	2,850
Loss on valuation of investment securities	(630)	(29)	(600)
Loss on sales of shares of subsidiaries and associates	(7,097)	-	(7,097)
Loss on disaster	-	(502)	502
Other, net	(818)	(680)	(137)
Profit before income taxes	59,252	32,165	27,086
Income taxes	(17,688)	(6,246)	(11,441)
Profit	41,563	25,918	15,644
Profit attributable to:			
Non-controlling interests	331	220	110
Owners of parent	41,232	25,698	15,534

Consolidated statement of comprehensive income

	(Million yen)		
	Year ended Mar 31,2022	Year ended Mar 31,2021	Increase (Decrease)
Profit	41,563	25,918	15,644
Other comprehensive income (loss)			
Valuation difference on available-for-sale securities	(1,988)	19,472	(21,460)
Foreign currency translation adjustments	15,377	8,266	7,110
Total other comprehensive income (loss)	13,388	27,738	(14,350)
Comprehensive income (loss)	54,952	53,657	1,294
Comprehensive income (loss) attributable to:			
Owners of parent	54,579	53,348	1,231
Non-controlling interests	372	309	63

Consolidated Statement of Cash Flows

	(Million yen)		
	Year ended March 31, 2022	Year ended March 31, 2021	Increase (Decrease)
Cash flows from operating activities :			
Income before income taxes	59,252	32,165	27,086
Depreciation and amortization	52,715	35,413	17,302
Impairment loss	1,218	4,069	(2,850)
Increase (decrease) in provision for bonuses	582	893	(311)
Increase (decrease) in provision for directors' bonuses	18	23	(5)
Decrease in allowance for doubtful accounts	(9)	(29)	19
Increase (decrease) in net defined benefit liability	(499)	194	(694)
Interest and dividend income	(1,410)	(1,222)	(188)
Interest expenses	280	258	22
Share of loss (profit) of entities accounted for using equity method	(2)	(0)	(1)
Loss (gain) on sales of property, plant and equipment	(136)	(75)	(60)
Loss on retirement of property, plant and equipment	6,113	2,562	3,550
Loss (gain) on sales of investment securities	(90)	(64)	(26)
Loss (gain) on valuation of investment securities	630	29	600
Loss on sales of shares of subsidiaries and associates	7,097	-	7,097
Increase (decrease) in notes and accounts receivable-trade	(1,922)	(17,721)	15,799
Increase(decrease) in inventories	(17,601)	(9,968)	(7,633)
Increase (decrease) in notes and accounts payable-trade	4,367	(1,450)	5,818
Increase in accrued expenses	1,140	(238)	1,378
Other, net	5,732	(1,303)	7,036
Subtotal	117,475	43,535	73,939
Interest and dividends income received	1,411	1,222	189
Interest expenses paid	(280)	(258)	(22)
Income taxes paid	(10,233)	(5,545)	(4,688)
Net cash provided by operating activities	108,372	38,954	69,417

(Continued)

	(Million yen)		
	Year ended March 31, 2022	Year ended March 31, 2021	Increase (Decrease)
Cash flows from financing activities:			
Purchases of property, plant and equipment	(66,200)	(75,350)	9,149
Proceeds from sales of property, plant and equipment	432	637	(205)
Purchases of intangible assets	(1,014)	(1,173)	158
Purchases of investment securities	(35)	(6,199)	6,163
Proceeds from sales of investment securities	225	95	129
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(584)	584
Sale of shares of subsidiaries resulting in change in scope of consolidation	(1,164)	-	(1,164)
Decrease (increase) in short-term loans receivable	-	0	(0)
Collection of long-term loans receivable	0	0	-
Other, net	33	227	(193)
Net cash used in investing activities	(67,722)	(82,345)	14,622
Cash flows from financing activities:			
Net increase (decrease) in short-term loans payable	(100)	(37)	(63)
Proceeds from long-term loans payable	-	10,008	(10,008)
Repayment of long-term loans payable	(44)	(10,000)	9,955
Proceeds from issuance of bonds	35,000	-	35,000
Redemption of bonds	(15,000)	-	(15,000)
Purchases of treasury stock	(11)	(762)	751
Proceeds from sales of treasury shares	33	52	(18)
Cash dividends paid	(5,595)	(4,896)	(699)
Cash dividends paid to non-controlling interests	(48)	(14)	(34)
Repayment of lease obligation	(232)	(586)	353
Other, net	(64)	-	(64)
Net cash provided by (used in) financing activities	13,935	(6,236)	20,172
Effect of exchange rate changes on cash and cash equivalents	4,122	1,627	2,494
Net increase in cash and cash equivalents	58,707	(47,999)	106,707
Cash and cash equivalents at beginning of year	126,884	174,884	(47,999)
Cash and cash equivalents at end of year	185,592	126,884	58,707

(Concluded)

Segment Information

FY 2020 (From April 1, 2020 to March 31, 2021)

(1) Sales and profit information of each Segment

(Million yen)

	Reportable Segment			Total	Adjustment (*2)	Consolidated Statements of Income(*3)
	Electronics	Ceramics	Others (*1)			
Net sales						
Sales to third parties	166,070	87,355	70,036	323,461	-	323,461
Intersegment sales and transfers	3	186	18,976	19,166	(19,166)	-
Total	166,073	87,541	89,012	342,628	(19,166)	323,461
Segment profit (loss)	27,809	4,631	6,550	38,991	(357)	38,634
Segment assets	225,299	110,751	69,989	406,040	172,478	578,518
Depreciation and amortization	25,626	6,817	1,158	33,602	1,811	35,413
Increase in property, plant and equipment and intangible assets	70,481	3,359	891	74,732	4,659	79,392

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

*2 The (357) 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 statements of income.

(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 recognized an impairment loss of 4,069 million yen for this fiscal year.

(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 435 million yen for this fiscal year.

FY 2021 (From April 1, 2021 to March 31, 2022)

(1) Sales and profit information of each Segment

(Million yen)

	Reportable Segment			Total	Adjustment (*2)	Consolidated Statements of Income(*3)
	Electronics	Ceramics	Others (*1)			
Net sales						
Revenue from contracts with customers	236,981	90,678	73,479	401,138	-	401,138
Sales to third parties	236,981	90,678	73,479	401,138	-	401,138
Intersegment sales and transfers	3	140	16,616	16,760	(16,760)	-
Total	236,984	90,819	90,095	417,899	(16,760)	401,138
Segment profit (loss)	55,113	8,718	7,090	70,921	(100)	70,821
Segment assets	254,185	113,537	101,904	469,627	194,705	664,332
Depreciation and amortization	43,266	6,225	1,154	50,646	2,068	52,715
Increase in property, plant and equipment and intangible assets	54,786	3,109	995	58,891	2,770	61,662

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

*2 The (100) 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

For idle assets, the Company lowered the book value to the expected recoverable amount. As a result, the Company recognised an impairment loss of 1,218 million yen for this fiscal year.

(3) Changes in reportable segments

The Company has applied the Revenue Recognition Standard and changed the way of accounting for revenue recognition from the beginning of the current fiscal year, as described above in "Change in accounting policies based on revisions of accounting standard." Therefore, the Company has changed the method of measuring segment profit or loss similarly.

As a result, net sales of "Electronics" decreased by 192 million yen, and net sales of "Ceramics" increased by 26 million yen, and net sales of "Others" decreased by 301 million yen respectively compared to the previous method. In addition, segment profit of "Electronics" and "Ceramics" decreased by 77 million yen and 51 million yen respectively.