

Consolidated Financial Results

For the First Quarter Ended June 30, 2021

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 2021 First quarter (From April 1, 2021 to June 30, 2021)

(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 1st quarter | 92,335 | 42.4 | 15,722 | 140.5 | 16,059 | 118.4 | 9,565 | 108.1 |
| FY 2020 1st quarter | 64,827 | (11.6) | 6,536 | 44.7 | 7,352 | 42.1 | 4,596 | 58.3 |

Note: Comprehensive income

FY 2021 1st quarter : 11,116 million yen (38.8%) FY 2020 1st quarter : 8,011 million yen (-%)

| | Basic earnings per share | Diluted earnings per share |
|---------------------|--------------------------|----------------------------|
| | Yen | Yen |
| FY 2021 1st quarter | 68.52 | - |
| FY 2020 1st quarter | 32.89 | - |

(2) Financial positions

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|---------------------|--------------|-------------|------------------------|----------------------|
| | Million yen | Million yen | % | Yen |
| FY 2021 1st quarter | 581,036 | 330,117 | 55.8 | 2,322.16 |
| FY 2020 | 578,518 | 321,863 | 54.6 | 2,262.99 |

Note: Owner's equity

As of June 30, 2021 : 324,194 million yen As of March 31, 2021 : 315,914 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: 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, revenue from the sales of products, which was previously recognized at the shipping time, will be recognized when the customer obtains control of such products and when performance obligations are deemed satisfied based on contracts with customers. When applying the Revenue Recognition Standard, the Company complies with the transitional treatment stipulated in the provisions of paragraph 84 of the standard. The cumulative impact of retroactively applying the new accounting policy before the beginning of the first quarter for the current fiscal year is added or subtracted to the retained earnings at the beginning of the first quarter for the current fiscal year and the new accounting policy is applied from the beginning balance.

As a result, net sales increased to 668 million yen, cost of sales increased to 720 million yen and operating profit, ordinary profit, and profit before income taxes for the current first quarter decreased to 52 million yen. In addition, the balance of retained earnings at the beginning of the current first quarter decreased to 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.

(Applying Accounting Standard for Fair Value Measurement)

Accounting Standards Board of Japan (ASBJ) Statement No. 30 "Accounting Standard for Fair Value Measurement"

"Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and other standards have been adopted from the beginning of the current first quarter. Following the transitional treatment outlined in Article 19 of "Accounting Standard for Fair Value Measurement" and Article 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company will continue to apply new accounting policies prescribed by "Accounting Standard for Fair Value Measurement" and other standards into the future. This adoption does not affect the quarterly consolidated financial statements.

(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, 2021 | 140,860,557 shares | As of March 31, 2021 | 140,860,557 shares |
|---------------------|--------------------|----------------------|--------------------|

(ii) Number of treasury stock :

| | | | |
|---------------------|------------------|----------------------|------------------|
| As of June 30, 2021 | 1,251,341 shares | As of March 31, 2021 | 1,260,507 shares |
|---------------------|------------------|----------------------|------------------|

(iii) Average number of shares::

| | | | |
|---------------------|--------------------|---------------------|--------------------|
| FY 2021 1st quarter | 139,607,093 shares | FY 2020 1st quarter | 139,755,937 shares |
|---------------------|--------------------|---------------------|--------------------|

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

Consolidated balance sheet

| | (Million yen) | | |
|--|----------------------|----------------------|------------------------|
| | As of Jun 30,2021 | As of Mar 31,2021 | Increase (Decrease) |
| Assets | | | |
| Current assets | | | |
| Cash and deposits | 118,891 | 126,884 | (7,993) |
| Notes and accounts receivable - trade, and contract assets | 95,743 | - | 95,743 |
| Notes and accounts receivable – trade | - | 89,796 | (89,796) |
| Merchandise and finished goods | 15,963 | 13,653 | 2,310 |
| Work in process | 18,178 | 18,734 | (555) |
| Raw materials and supplies | 24,881 | 24,636 | 245 |
| Other current assets | 10,050 | 11,769 | (1,718) |
| Allowance for doubtful accounts | (88) | (109) | 20 |
| Total current assets | 283,621 | 285,364 | (1,743) |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Buildings and structures | 77,604 | 78,782 | (1,178) |
| Machinery, equipment and vehicles | 74,264 | 70,773 | 3,490 |
| Land | 20,112 | 19,971 | 141 |
| Lease assets | 241 | 246 | (4) |
| Construction in progress | 38,787 | 38,590 | 197 |
| Other - property, plant and equipment | 6,964 | 6,463 | 500 |
| Total property, plant and equipment | 217,976 | 214,828 | 3,148 |
| Intangible assets | 5,413 | 5,392 | 21 |
| Investments and other assets | | | |
| Investment securities | 68,480 | 68,198 | 282 |
| Long-term loans receivable | 8 | 8 | (0) |
| Deferred tax assets | 3,724 | 3,488 | 236 |
| Other assets | 2,665 | 1,480 | 1,184 |
| Allowance for doubtful accounts | (854) | (242) | (612) |
| Total investments and other assets | 74,025 | 72,933 | 1,091 |
| Total non-current assets | 297,415 | 293,153 | 4,261 |
| Total assets | 581,036 | 578,518 | 2,517 |

(Continued)

(Million yen)

| | As of Jun 30,2021 | As of Mar 31,2021 | Increase (Decrease) |
|--|----------------------|----------------------|------------------------|
| Liabilities and net assets | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Notes and accounts payable – trade | 47,710 | 45,717 | 1,992 |
| Short-term loans payable | 20,030 | 20,130 | (100) |
| Current portion of bonds | 15,000 | 15,000 | - |
| Accounts payable - other | 12,746 | 17,492 | (4,745) |
| Income taxes payable | 4,941 | 5,624 | (682) |
| Provision for bonuses | 2,423 | 4,802 | (2,379) |
| Provision for bonuses for directors | - | 155 | (155) |
| Provision for loss on liquidation of subsidiaries and associates | 187 | 225 | (37) |
| Notes payable - facilities | 4,695 | 8,606 | (3,911) |
| Other - current liabilities | 17,229 | 14,144 | 3,084 |
| Total current liabilities | 124,964 | 131,899 | (6,935) |
| Non-current liabilities | | | |
| Bonds payable | 35,000 | 35,000 | - |
| Long-term loans payable | 80,000 | 80,044 | (44) |
| Lease obligations | 172 | 172 | (0) |
| Deferred tax liabilities for land revaluation | 68 | 68 | - |
| Retirement benefit liability | 1,111 | 1,078 | 32 |
| Provision for share-based compensation | 371 | 352 | 19 |
| Deferred tax liabilities | 6,950 | 7,117 | (166) |
| Other - non-current liabilities | 2,279 | 921 | 1,358 |
| Total non-current liabilities | 125,953 | 124,755 | 1,198 |
| Total liabilities | 250,918 | 256,655 | (5,736) |

(Continued)

(Million yen)

| | As of Jun 30,2021 | As of Mar 31,2021 | Increase (Decrease) |
|---|----------------------|----------------------|------------------------|
| Net assets | | | |
| Shareholders' equity | | | |
| Capital stock | 64,152 | 64,152 | - |
| Capital surplus | 64,493 | 64,433 | 60 |
| Retained earnings | 156,128 | 149,379 | 6,748 |
| Treasury shares | (3,255) | (3,286) | 30 |
| Total shareholders' equity | 281,518 | 274,679 | 6,838 |
| Accumulated other comprehensive income | | | |
| Valuation difference on available-for-sale securities | 28,784 | 28,638 | 146 |
| Revaluation reserve for land | 160 | 160 | - |
| Foreign currency translation adjustment | 13,730 | 12,435 | 1,294 |
| Total accumulated other comprehensive income | 42,675 | 41,234 | 1,441 |
| Non-controlling interests | 5,923 | 5,949 | (25) |
| Total net assets | 330,117 | 321,863 | 8,254 |
| Total liabilities and net assets | 581,036 | 578,518 | 2,517 |

(Concluded)

Consolidated statement of comprehensive income

| | (Million yen) | | |
|---|---------------|-------------|------------|
| | FY 2021 | FY 2020 | Increase |
| | 1st quarter | 1st quarter | (Decrease) |
| Profit | 9,656 | 4,650 | 5,006 |
| Other comprehensive income (loss) | | | |
| Valuation difference on available-for-sale securities | 164 | 3,580 | (3,415) |
| Deferred gains or losses on hedges | - | 2 | (2) |
| Foreign currency translation adjustments | 1,295 | (221) | 1,516 |
| Total other comprehensive income (loss) | 1,460 | 3,361 | (1,901) |
| Comprehensive income (loss) | 11,116 | 8,011 | 3,105 |
| Comprehensive income (loss) attributable to: | | | |
| Owners of parent | 11,006 | 7,912 | 3,094 |
| Non-controlling interests | 110 | 99 | 10 |

Consolidated statement of income

| | (Million yen) | | |
|---|---------------|-------------|------------|
| | FY 2021 | FY 2020 | Increase |
| | 1st quarter | 1st quarter | (Decrease) |
| Net sales | 92,335 | 64,827 | 27,508 |
| Cost of sales | 64,787 | 46,773 | 18,013 |
| Gross profit | 27,547 | 18,053 | 9,494 |
| Selling, general and administrative expenses | 11,825 | 11,516 | 308 |
| Operating profit | 15,722 | 6,536 | 9,186 |
| Non-operating income (expenses) | 336 | 816 | (479) |
| Interest income | 26 | 48 | (21) |
| Dividends income | 648 | 520 | 127 |
| Share of profit(loss) of entities accounted for using equity method | 0 | (1) | 2 |
| Foreign exchange gain(losses), net | 429 | 147 | 282 |
| Interest expenses | (74) | (63) | (11) |
| Provision of allowance for doubtful accounts | (696) | - | (696) |
| Other, net | 2 | 163 | (161) |
| Ordinary profit | 16,059 | 7,352 | 8,706 |
| Extraordinary income (losses) | (1,937) | (1,403) | (534) |
| Gain on sales of non-current assets | 10 | 25 | (14) |
| Gain on sales of Investment securities | 0 | 25 | (25) |
| Insurance claim income | 83 | - | 83 |
| Loss on retirement of non-current assets | (1,153) | (277) | (876) |
| Impairment loss | (825) | - | (825) |
| Compensation expenses | - | (996) | 996 |
| Loss on disaster | - | (165) | 165 |
| Other, net | (53) | (14) | (38) |
| Profit before income taxes | 14,121 | 5,949 | 8,172 |
| Income taxes | (4,464) | (1,298) | (3,166) |
| Profit | 9,656 | 4,650 | 5,006 |
| Profit attributable to: | | | |
| Non-controlling interests | 91 | 53 | 37 |
| Owners of parent | 9,565 | 4,596 | 4,968 |

Segment Information

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 | | | Total | Adjustment (*2) | Consolidated Statements of Income(*3) |
| | Electronics | Ceramics | Others (*1) | | | |
| 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

FY 2021 1st quarter (From April 1, 2021 to June 30, 2021)

(1) Sales and profit information of each Segment

(Millions of yen)

| | Reportable Segment | | | Total | Adjustment (*2) | Consolidated Statements of Income(*3) |
|----------------------------------|--------------------|----------|----------------|--------|--------------------|---|
| | Electronics | Ceramics | Others (*1) | | | |
| Net sales | | | | | | |
| Sales to third parties | 52,450 | 23,388 | 16,496 | 92,335 | - | 92,335 |
| Intersegment sales and transfers | 0 | 50 | 3,877 | 3,928 | (3,928) | - |
| Total | 52,451 | 23,439 | 20,373 | 96,264 | (3,928) | 92,335 |
| Segment profit (loss) | 11,925 | 2,298 | 1,509 | 15,732 | (10) | 15,722 |

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

*2 The (10) 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 825 million yen for the first quarter.

(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 first quarter for 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" and "Ceramics" decreased to 63 million yen and 4 million yen respectively, and net sales of "Others" increased to 737 million yen compared to the previous method.

The impact on the segment profit is immaterial.