

# Consolidated Financial Results

## For the Second Quarter Ended September 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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Filing date of quarterly securities report: November 4, 2021

(Amounts less than one million yen are omitted)

### 1. Consolidated Financial Results for FY 2021 Second quarter (From April 1, 2021 to September 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 2nd quarter	195,832	36.0	35,018	130.7	35,786	121.8	22,254	90.5
FY 2020 2nd quarter	143,991	(0.3)	15,182	98.5	16,134	90.4	11,684	199.9

Note: Comprehensive income

FY 2021 2nd quarter : 24,340 million yen (38.2%)      FY 2020 2nd quarter : 17,611 million yen (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY 2021 2nd quarter	159.41	-
FY 2020 2nd quarter	83.61	-

### (2) Financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2021 2nd quarter	620,706	343,302	54.3	2,416.22
FY 2020	578,518	321,863	54.6	2,262.99

Note: Owner's equity

As of September 30, 2021 : 337,324 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, net sales increased by 890 million yen, cost of sales increased by 1,133 million yen and operating profit, ordinary profit, and profit before income taxes for the current first quarter decreased by 242 million yen. In addition, the balance of retained earnings at the beginning of the current first quarter 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

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

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

As of September 30, 2021	140,860,557 shares	As of March 31, 2021	140,860,557 shares
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( ii ) Number of treasury stock :

As of September 30, 2021	1,252,131 shares	As of March 31, 2021	1,260,507 shares
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( iii ) Average number of shares::

FY 2021 2nd quarter	139,607,935 shares	FY 2020 2nd quarter	139,744,695 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 Sep 30,2021	As of Mar 31,2021	Increase (Decrease)
<b>Assets</b>			
Current assets			
Cash and deposits	146,231	126,884	19,346
Notes and accounts receivable - trade, and contract assets	104,427	-	104,427
Notes and accounts receivable – trade	-	89,796	(89,796)
Merchandise and finished goods	17,875	13,653	4,222
Work in process	17,386	18,734	(1,348)
Raw materials and supplies	25,714	24,636	1,078
Other current assets	11,153	11,769	(615)
Allowance for doubtful accounts	(93)	(109)	15
Total current assets	322,695	285,364	37,330
Non-current assets			
Property, plant and equipment			
Buildings and structures	75,892	78,782	(2,890)
Machinery, equipment and vehicles	78,499	70,773	7,726
Land	20,167	19,971	195
Lease assets	242	246	(3)
Construction in progress	36,137	38,590	(2,452)
Other - property, plant and equipment	7,253	6,463	789
Total property, plant and equipment	218,193	214,828	3,365
Intangible assets	5,383	5,392	(8)
Investments and other assets			
Investment securities	68,954	68,198	756
Long-term loans receivable	8	8	(0)
Deferred tax assets	3,750	3,488	262
Other assets	2,564	1,480	1,084
Allowance for doubtful accounts	(843)	(242)	(601)
Total investments and other assets	74,434	72,933	1,500
Total non-current assets	298,011	293,153	4,857
Total assets	620,706	578,518	42,188

(Continued)

(Million yen)

	As of Sep 30,2021	As of Mar 31,2021	Increase (Decrease)
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable – trade	47,935	45,717	2,217
Short-term loans payable	20,030	20,130	(100)
Current portion of bonds	20,000	15,000	5,000
Accounts payable - other	12,601	17,492	(4,890)
Income taxes payable	9,127	5,624	3,502
Provision for bonuses	5,432	4,802	630
Provision for bonuses for directors	-	155	(155)
Provision for loss on liquidation of subsidiaries and associates	183	225	(41)
Notes payable - facilities	3,694	8,606	(4,912)
Other - current liabilities	17,305	14,144	3,160
Total current liabilities	136,310	131,899	4,410
Non-current liabilities			
Bonds payable	50,000	35,000	15,000
Long-term loans payable	80,000	80,044	(44)
Lease obligations	177	172	4
Deferred tax liabilities for land revaluation	68	68	-
Retirement benefit liability	1,126	1,078	48
Provision for share-based compensation	412	352	60
Deferred tax liabilities	7,038	7,117	(79)
Other - non-current liabilities	2,270	921	1,349
Total non-current liabilities	141,093	124,755	16,338
Total liabilities	277,404	256,655	20,748

(Continued)

(Million yen)

	As of Sep 30,2021	As of Mar 31,2021	Increase (Decrease)
<b>Net assets</b>			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,493	64,433	60
Retained earnings	168,817	149,379	19,437
Treasury shares	(3,261)	(3,286)	25
Total shareholders' equity	294,203	274,679	19,523
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	29,203	28,638	565
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	13,757	12,435	1,321
Total accumulated other comprehensive income	43,121	41,234	1,886
Non-controlling interests	5,978	5,949	29
Total net assets	343,302	321,863	21,439
Total liabilities and net assets	620,706	578,518	42,188

(Concluded)

# Consolidated statement of income

(Million yen)

	FY 2021 2nd quarter	FY 2020 2nd quarter	Increase (Decrease)
Net sales	195,832	143,991	51,841
Cost of sales	136,913	105,282	31,631
Gross profit	58,919	38,709	20,209
Selling, general and administrative expenses	23,900	23,527	373
Operating profit	35,018	15,182	19,836
Non-operating income (expenses)	767	951	(184)
Interest income	46	74	(27)
Dividends income	652	525	126
Share of profit(loss) of entities accounted for using equity method	2	0	2
Foreign exchange gain(losses), net	872	194	677
Interest expenses	(141)	(128)	(12)
Provision of allowance for doubtful accounts	(660)	-	(660)
Other, net	(4)	285	(290)
Ordinary profit	35,786	16,134	19,652
Extraordinary income (losses)	(4,451)	(1,850)	(2,601)
Gain on sales of non-current assets	90	42	48
Gain on sales of Investment securities	87	25	62
Insurance claim income	97	-	97
Loss on retirement of non-current assets	(3,628)	(696)	(2,931)
Impairment loss	(971)	-	(971)
Compensation expenses	-	(996)	996
Loss on disaster	-	(184)	184
Other, net	(127)	(40)	(86)
Profit before income taxes	31,334	14,283	17,050
Income taxes	(8,910)	(2,550)	(6,359)
Profit	22,423	11,733	10,690
Profit attributable to:			
Non-controlling interests	169	48	120
Owners of parent	22,254	11,684	10,570

## Consolidated statement of comprehensive income

	(Million yen)		
	FY 2021	FY 2020	Increase
	2nd quarter	2nd quarter	(Decrease)
Profit	22,423	11,733	10,690
Other comprehensive income (loss)			
Valuation difference on available-for-sale securities	616	5,560	(4,944)
Foreign currency translation adjustments	1,300	317	982
Total other comprehensive income (loss)	1,916	5,878	(3,961)
Comprehensive income (loss)	24,340	17,611	6,729
Comprehensive income (loss) attributable to:			
Owners of parent	24,141	17,512	6,628
Non-controlling interests	199	99	100



## Segment Information

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

### (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	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

FY 2021 2nd quarter (From April 1, 2021 to September 30, 2021)

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

(Million yen)						
Reportable Segment					Adjustment (*2)	Consolidated Statements of Income(*3)
	Electronics	Ceramics	Others (*1)	Total		
Net sales						
Revenue from contracts with customers	115,273	46,344	34,215	195,832	-	195,832
Sales to third parties	115,273	46,344	34,215	195,832	-	195,832
Intersegment sales and transfers	1	96	8,491	8,589	(8,589)	-
Total	115,274	46,441	42,706	204,422	(8,589)	195,832
Segment profit (loss)	27,860	4,086	3,074	35,021	(3)	35,018

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

\*2 The (3) 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 971 million yen for the cumulative second 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 for the cumulative second quarter, net sales of "Electronics" and "Ceramics" decreased by 336 million yen and 15 million yen respectively, and net sales of "Others" increased by 1,242 million yen compared to the previous method. In addition, segment profit of "Electronics" and "Ceramics" decreased by 184 million yen and 58 million yen respectively.