

## Consolidated Financial Results

### For the Third Quarter Ended December 31, 2021

Company name: IBIDEN CO., LTD.

Stock exchange listings: Tokyo and Nagoya Stock Exchange (Code number: 4062)

URL: <https://www.ibiden.co.jp/>

Representative: Takeshi Aoki, President & CEO, Representative Director

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Filing date of quarterly securities report: February 4, 2022

(Amounts less than one million yen are omitted)

#### 1. Consolidated Financial Results for FY 2021 Third quarter (From April 1, 2021 to December 31, 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 3rd quarter	299,234	30.2	54,429	98.9	57,459	98.8	37,442	75.0
FY 2020 3rd quarter	229,777	5.9	27,365	107.8	28,896	94.1	21,399	161.5

Note: Comprehensive income

FY 2021 3rd quarter : 44,866 million yen (28.1%)      FY 2020 3rd quarter : 35,037 million yen (269.1%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY 2021 3rd quarter	268.20	-
FY 2020 3rd quarter	153.15	-

(2) Financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2021 3rd quarter	653,017	361,028	54.4	2,542.67
FY 2020	578,518	321,863	54.6	2,262.99

Note: Owner's equity

As of December 31, 2021 : 354,977 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 1,868 million yen, cost of sales increased by 1,944 million yen and operating profit, ordinary profit, and profit before income taxes for the current first quarter decreased by 76 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 December 31, 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 December 31, 2021	1,252,469 shares	As of March 31, 2021	1,260,507 shares
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(iii) Average number of shares: :

FY 2021 3rd quarter	139,608,033 shares	FY 2020 3rd quarter	139,736,054 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 31,2021	As of Mar 31,2021	Increase (Decrease)
<b>Assets</b>			
Current assets			
Cash and deposits	161,167	126,884	34,283
Notes and accounts receivable – trade	-	89,796	(89,796)
Notes and accounts receivable - trade, and contract assets	105,198	-	105,198
Merchandise and finished goods	21,453	13,653	7,800
Work in process	19,284	18,734	550
Raw materials and supplies	29,142	24,636	4,506
Other current assets	12,995	11,769	1,226
Allowance for doubtful accounts	(94)	(109)	14
<b>Total current assets</b>	<b>349,146</b>	<b>285,364</b>	<b>63,782</b>
Non-current assets			
Property, plant and equipment			
Buildings and structures	76,263	78,782	(2,519)
Machinery, equipment and vehicles	84,124	70,773	13,350
Land	20,181	19,971	210
Lease assets	250	246	3
Construction in progress	34,644	38,590	(3,946)
Other - property, plant and equipment	7,371	6,463	907
<b>Total property, plant and equipment</b>	<b>222,834</b>	<b>214,828</b>	<b>8,006</b>
Intangible assets	5,368	5,392	(23)
Investments and other assets			
Investment securities	70,837	68,198	2,639
Long-term loans receivable	8	8	(0)
Deferred tax assets	3,731	3,488	243
Other assets	1,341	1,480	(139)
Allowance for doubtful accounts	(251)	(242)	(8)
<b>Total investments and other assets</b>	<b>75,666</b>	<b>72,933</b>	<b>2,733</b>
<b>Total non-current assets</b>	<b>303,870</b>	<b>293,153</b>	<b>10,716</b>
<b>Total assets</b>	<b>653,017</b>	<b>578,518</b>	<b>74,498</b>

(Continued)

(Million yen)

	As of Dec 31,2021	As of Mar 31,2021	Increase (Decrease)
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable – trade	55,834	45,717	10,116
Short-term loans payable	20,030	20,130	(100)
Current portion of bonds	20,000	15,000	5,000
Accounts payable - other	19,350	17,492	1,857
Income taxes payable	10,908	5,624	5,284
Provision for bonuses	2,170	4,802	(2,632)
Provision for bonuses for directors	-	155	(155)
Provision for loss on liquidation of subsidiaries and associates	176	225	(49)
Notes payable - facilities	4,120	8,606	(4,486)
Other - current liabilities	18,800	14,144	4,655
<b>Total current liabilities</b>	<b>151,390</b>	<b>131,899</b>	<b>19,490</b>
Non-current liabilities			
Bonds payable	50,000	35,000	15,000
Long-term loans payable	80,000	80,044	(44)
Lease obligations	186	172	14
Deferred tax liabilities for land revaluation	68	68	-
Retirement benefit liability	1,155	1,078	76
Provision for share-based compensation	452	352	100
Deferred tax liabilities	7,703	7,117	585
Other - non-current liabilities	1,032	921	110
<b>Total non-current liabilities</b>	<b>140,598</b>	<b>124,755</b>	<b>15,843</b>
<b>Total liabilities</b>	<b>291,989</b>	<b>256,655</b>	<b>35,333</b>

(Continued)

(Million yen)

	As of Dec 31,2021	As of Mar 31,2021	Increase (Decrease)
<b>Net assets</b>			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,494	64,433	60
Retained earnings	181,207	149,379	31,827
Treasury shares	(3,263)	(3,286)	22
Total shareholders' equity	306,590	274,679	31,910
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	30,530	28,638	1,892
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	17,696	12,435	5,260
Total accumulated other comprehensive income	48,387	41,234	7,152
Non-controlling interests	6,050	5,949	101
Total net assets	361,028	321,863	39,165
Total liabilities and net assets	653,017	578,518	74,498

(Concluded)

## Consolidated statement of income

	(Million yen)		
	FY 2021	FY 2020	Increase
	3rd quarter	3rd quarter	(Decrease)
Net sales	299,234	229,777	69,456
Cost of sales	208,711	167,578	41,132
Gross profit	90,522	62,198	28,324
Selling, general and administrative expenses	36,093	34,833	1,259
Operating profit	54,429	27,365	27,064
Non-operating income (expenses)	3,029	1,530	1,498
Interest income	69	101	(32)
Dividends income	1,282	1,088	194
Share of profit(loss) of entities accounted for using equity method	2	(1)	3
Foreign exchange gain(losses), net	1,438	134	1,304
Interest expenses	(193)	(191)	(2)
Other, net	430	398	31
Ordinary profit	57,459	28,896	28,562
Extraordinary income (losses)	(5,470)	(3,162)	(2,307)
Gain on sales of non-current assets	103	67	35
Gain on sales of Investment securities	87	44	43
Insurance claim income	97	-	97
Loss on retirement of non-current assets	(4,478)	(1,585)	(2,893)
Impairment loss	(1,030)	(182)	(848)
Loss on valuation of investment securities	-	(35)	35
Compensation expenses	-	(996)	996
Loss on disaster	-	(344)	344
Other, net	(249)	(130)	(119)
Profit before income taxes	51,988	25,733	26,255
Income taxes	(14,287)	(4,196)	(10,091)
Profit	37,700	21,536	16,164
Profit attributable to:			
Non-controlling interests	258	136	121
Owners of parent	37,442	21,399	16,042

## Consolidated statement of comprehensive income

	(Million yen)		
	FY 2021	FY 2020	Increase
	3rd quarter	3rd quarter	(Decrease)
Profit	37,700	21,536	16,164
Other comprehensive income (loss)			
Valuation difference on available-for-sale securities	1,917	12,675	(10,758)
Foreign currency translation adjustments	5,248	825	4,423
Total other comprehensive income (loss)	7,166	13,500	(6,334)
Comprehensive income (loss)	44,866	35,037	9,829
Comprehensive income (loss) attributable to:			
Owners of parent	44,595	34,855	9,739
Non-controlling interests	271	181	89

## Segment Information

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

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

	Reportable Segment					(Million yen)
	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 that are not included in a reportable segment.

\*2 The (371) 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

(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.



FY 2021 3rd quarter (From April 1, 2021 to December 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						
Revenue from contracts with customers	179,429	67,150	52,654	299,234	-	299,234
Sales to third parties	179,429	67,150	52,654	299,234	-	299,234
Intersegment sales and transfers	2	113	11,903	12,019	(12,019)	-
Total	179,432	67,263	64,558	311,254	(12,019)	299,234
Segment profit (loss)	43,775	6,216	4,478	54,470	(40)	54,429

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

\*2 The (40) 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 1,030 million yen for the cumulative third 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 third quarter, net sales of "Electronics" decreased by 118 million yen, and net sales of "Ceramics" and "Others" increased by 56 million yen and 1,929 million yen respectively compared to the previous method. In addition, segment profit of "Electronics" and "Ceramics" decreased by 49 million yen and 26 million yen respectively.