

October 31, 2008

**Consolidated Financial Results**  
For the Second Quarter Ended September 30, 2008

Company Name : IBIDEN CO., LTD.

(URL <http://www.ibiden.com/>)

Stock Exchange Listings : Tokyo, Nagoya (First Section)

Stock Code Number : 4062

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**1. Consolidated Financial Results for the Second quarter ended September 30, 2008**

**(From April 1, 2008 to September 30, 2008)**

Amounts less than one million yen are omitted

(1) Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
Second quarter FY 2008	185,167	—	18,736	—	20,564	—	12,004	—
Second quarter FY 2007	211,334	15.2	40,592	28.7	42,461	25.7	28,389	32.3

	Net income Per share	Diluted net income Per share
	<i>Yen</i>	<i>Yen</i>
Second quarter FY 2008	82.17	81.82
Second quarter FY 2007	191.23	190.21

Note: Regarding net sales, operating income, ordinary income and net income, percent indication shows percentage of change from corresponding figure for the same quarter of the period fiscal year.

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
Second quarter FY 2008	413,487	296,776	70.8	2,013.22
Year ended FY 2007	417,138	299,004	70.8	2,003.19

(3) Issued and outstanding capital stock

1. Number of shares outstanding at the end of each year: Second quarter FY2008—150,852,061 shares, March FY2007—150,827,878 shares.
2. Number of treasury stock outstanding at the end of each year: Second quarter FY2008—5,417,088 shares, March FY2007—3,428,037 shares.
3. Average number of stock outstanding during the period: Second quarter FY2008—146,093,027 shares, Second quarter FY2007—148,457,831 shares.

## 2. Basis for preparation of quarterly financial results

### (1) Changes in scope of consolidation and equity method of accounting

None

### (2) Adoption of the simplified accounting procedures and application of particular accounting procedure for preparing quarterly financial results.

#### ①Simplified accounting procedure:

Allowance for doubtful accounts: Allowance for doubtful accounts is calculated by the ratio based on the historical experience of bad debts at the end of last fiscal year.

#### ②Particular accounting procedure for preparing quarterly consolidated financial statement

Calculation of tax expense: Tax expense is calculated by using effective tax rate on quotation.

### (3) Changes of principal, procedures, indication methods, related to preparation of quarterly consolidated financial report.

- Changes related to accounting policies:

#### ①Effective from the fiscal year ending March 2009, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) have been applied.

Quarterly consolidated financial statements have been prepared in accordance with “Regulation for Quarterly Consolidated Financial Reporting”.

#### ②Regarding finance leases other than ownership transfer, accounting procedure had been proceeded by following the methods of leases transaction. Although, we implemented precociously “Accounting Standard for Lease Transactions” (Statement No.13) and “Guidance on Accounting Standard for Lease Transactions” (Guidance No.16) since this first quarter consolidated accounting period, followed by ordinary trade transaction related accounting procedure. In addition, there’s no effect to profit and loss by these changes.

#### ③Changes in measurement of inventories.

Inventories held for sale in the ordinary course of business were started principally at cost determined primarily by the moving average method. However, effective from the first quarter ended June 30, 2008, the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9, issued on July 2006) has been applied, and now these inventories are measured by means of the cost method mainly based on the moving average method, which evaluates the amount of the inventories shown on the balance sheet by written them down based on their decrease in profitability. As a result, the effect of this change was to decrease operating income, ordinary income and income before taxes and minority interests by 86 million yen each.

#### ④Adoption of tentatively permitted treatment on accounting policies of overseas subsidiaries when consolidated financial statement are prepared.

Effective from the first quarter ended June 30, 2008, the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement” (ASBJ practical solution report No.18, issued on May 17, 2006) has been applied, and accordingly some revisions are made to the consolidated accounts as necessary. In addition, effect to profit and loss by this change is minor.

**IBIDEN CO., LTD. and Consolidated Subsidiaries**  
**Second quarter Consolidated Balance Sheets**

	<i>Millions of yen</i>		
	As of September 30, 2008	As of March 31, 2008	Increase (Decrease)
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	42,260	41,019	1,240
Notes and accounts receivable - trade	66,121	75,433	(9,312)
Short-term investments securities	17,295	28,249	(10,953)
Merchandise and finished goods	25,807	23,152	2,655
Work-in-process	9,929	9,087	842
Raw material and supplies	10,101	9,981	119
Deferred tax assets	3,396	3,315	81
Other - current assets	6,530	7,877	(1,347)
Less - allowance for doubtful accounts	(560)	(776)	216
<b>Total current assets</b>	<b>180,882</b>	<b>197,340</b>	<b>(16,458)</b>
<b>Property, plant and equipment</b>			
Buildings and structures	64,818	64,170	647
Machinery, equipment and vehicles	76,023	71,458	4,565
Lease assets	4,224	—	4,224
Land	17,169	16,384	785
Construction in progress	18,285	13,384	4,900
Other - property, plant and equipment	6,132	5,705	427
<b>Total property, plant and equipment</b>	<b>186,655</b>	<b>171,103</b>	<b>15,551</b>
<b>Intangible assets</b>			
Goodwill	796	1,052	(256)
Other - intangible assets	4,207	4,231	(24)
<b>Total intangible assets</b>	<b>5,003</b>	<b>5,284</b>	<b>(281)</b>
<b>Investments and other assets</b>			
Investment securities	32,127	36,713	(4,586)
Long-term loans receivable	1,292	2,090	(798)
Deferred tax assets	5,005	3,014	1,990
Other - investments and other assets	3,042	2,050	992
Less - allowance for doubtful accounts	(522)	(460)	(61)
<b>Total investments and other assets</b>	<b>40,946</b>	<b>43,409</b>	<b>(2,463)</b>
<b>Total non-current assets</b>	<b>232,605</b>	<b>219,798</b>	<b>12,807</b>
<b>Total assets</b>	<b>413,487</b>	<b>417,138</b>	<b>(3,651)</b>

	<i>Millions of yen</i>		
	As of September 30, 2008	As of March 31, 2008	Increase (Decrease)
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable - trade	56,092	58,138	(2,045)
Short-term loans payable	3,368	4,314	(946)
Current portion of bonds	10,014	10,051	(37)
Accounts payable - other	13,561	15,261	(1,699)
Accrued income taxes	4,393	4,297	96
Deferred tax liabilities	28	32	(4)
Reserve for bonuses	4,078	4,212	(134)
Reserve for directors' bonuses	—	313	(313)
Notes payable - facilities	4,033	2,851	1,181
Other - current liabilities	8,030	9,982	(1,951)
Total current liabilities	103,600	109,455	(5,854)
Non-current liabilities			
Long-term loans payable	343	676	(332)
Deferred tax liabilities for land revaluation	179	179	—
Reserve for retirement benefits	733	1,073	(339)
Reserve for directors' retirement benefits	581	645	(64)
Deferred tax liabilities	5,702	4,628	1,073
Negative goodwill	213	262	(48)
Lease obligations	4,077	—	4,077
Other - non-current liabilities	1,278	1,213	64
Total non-current liabilities	13,110	8,678	4,431
Total liabilities	116,710	118,134	(1,423)
<b>Net assets</b>			
Shareholders' equity			
Capital stock	64,146	64,127	18
Capital surplus	68,330	68,336	(6)
Retained earnings	181,871	172,139	9,732
Less-treasury stock, at cost	(24,430)	(15,361)	(9,068)
Total shareholders' equity	289,917	289,242	675
Valuation and translation adjustments			
Valuation difference on available for sale securities	3,708	6,001	(2,293)
Deferred gains or losses on hedges	4	—	4
Revaluation reserve for land	48	48	—
Foreign currency translation adjustments	(887)	(22)	(865)
Total valuation and translation adjustments	2,874	6,027	(3,153)
Subscription rights to shares	606	423	183
Minority interests	3,377	3,310	67
Total net assets	296,776	299,004	(2,227)
Total liabilities and net assets	413,487	417,138	(3,651)

**IBIDEN CO., LTD. and Consolidated Subsidiaries**  
**Second quarter Consolidated Statements of Income**

	<i>Millions of yen</i>		
	<u>Six months ended September 30, 2008</u>	<u>Six months ended September 30, 2007</u>	<u>Increase (Decrease)</u>
Net sales	185,167	211,334	(26,166)
Cost of sales	140,210	144,640	(4,430)
Gross profit	<u>44,957</u>	<u>66,693</u>	<u>(21,735)</u>
Selling, general and administrative expenses	26,220	26,101	119
Operating income	<u>18,736</u>	<u>40,592</u>	<u>(21,855)</u>
Non-operating income (expenses)	<u>1,827</u>	<u>1,869</u>	<u>(41)</u>
Interest income	549	632	(82)
Dividends income	300	261	39
Amortization of negative goodwill	48	49	(1)
Equity in earnings of an affiliate	88	288	(200)
Foreign exchange gain, net	1,120	497	623
Subsidy income	—	500	(500)
Interest expenses	(186)	(317)	130
Rent expenses on facilities	(195)	(140)	(54)
Other, net	101	97	3
Ordinary income	<u>20,564</u>	<u>42,461</u>	<u>(21,897)</u>
Extraordinary income (loss)	<u>(2,221)</u>	<u>(776)</u>	<u>(1,444)</u>
Gain on sales of property, plant and equipment	18	10	7
Incentive income	154	132	22
Reversal of allowance for doubtful accounts	125	—	125
Gain on prior period adjustments	51	26	25
Loss on disposal of property, plant and equipment	(298)	(418)	120
Impairment loss	—	(2)	2
Loss on valuation of investment securities	(1,786)	—	(1,786)
Loss on prior period adjustments	(99)	(0)	(98)
Other, net	(387)	(524)	136
Income before income taxes and minority interests	<u>18,342</u>	<u>41,684</u>	<u>(23,342)</u>
Income taxes	(6,248)	(13,183)	6,934
Minority interests	(89)	(112)	22
Net income	<u><u>12,004</u></u>	<u><u>28,389</u></u>	<u><u>(16,385)</u></u>

**IBIDEN CO., LTD. and Consolidated Subsidiaries**  
**Segment Information**

**(1) Business segments**

IBIDEN CO., LTD.'s and its consolidated subsidiaries' primary business activities include (1) electronics, (2) ceramics, (3) housing materials, (4) construction, and (5) other. A summary of net sales, operating expenses, and operating income by business segment for six months period ended September 30, 2008 and 2007 is as follows:

*Millions of yen*

<b>For six months period ended September 30, 2008</b>								
	<b>Electronics</b>	<b>Ceramics</b>	<b>Housing materials</b>	<b>Construction</b>	<b>Other</b>	<b>Total</b>	<b>Eliminations or corporate assets</b>	<b>Consolidated</b>
Sales to third parties	100,327	43,237	24,713	4,903	11,986	185,167	—	185,167
Inter-segment sales and transfers	14	30	24	4,889	4,075	9,033	(9,033)	—
Net sales	100,341	43,267	24,737	9,792	16,061	194,201	(9,033)	185,167
Operating expenses	93,093	33,533	24,052	9,591	15,304	175,575	(9,144)	166,431
Operating income	7,248	9,734	685	201	756	18,626	110	18,736

*Millions of yen*

<b>For six months period ended September 30, 2007</b>								
	<b>Electronics</b>	<b>Ceramics</b>	<b>Housing materials</b>	<b>Construction</b>	<b>Other</b>	<b>Total</b>	<b>Eliminations or corporate assets</b>	<b>Consolidated</b>
Sales to third parties	104,565	60,994	27,196	6,789	11,788	211,334	—	211,334
Inter-segment sales and transfers	16	24	5	7,438	4,855	12,341	(12,341)	—
Net sales	104,582	61,018	27,202	14,227	16,644	223,675	(12,341)	211,334
Operating expenses	87,879	40,453	25,043	13,589	15,960	182,926	(12,184)	170,742
Operating income	16,702	20,565	2,159	638	684	40,749	(156)	40,592

## (2) Geographical segments

Geographical segment information of IBIDEN CO., LTD and its consolidated subsidiaries for six months period ended September 30, 2008 and 2007 is summarized as follows:

*Millions of yen*

<b>For six months period ended September 30, 2008</b>							
	<b>Japan</b>	<b>Asia</b>	<b>North America</b>	<b>Europe</b>	<b>Total</b>	<b>Eliminations or corporate assets</b>	<b>Consolidated</b>
Sales to third parties	128,857	9,114	16,450	30,744	185,167	—	185,167
Inter-area sales and transfers	32,826	17,375	397	525	51,125	(51,125)	—
Net sales	161,683	26,490	16,848	31,270	236,293	(51,125)	185,167
Operating expenses	150,067	23,585	16,654	27,264	217,571	(51,139)	166,431
Operating income	11,616	2,904	194	4,006	18,722	14	18,736

*Millions of yen*

<b>For six months period ended September 30, 2007</b>							
	<b>Japan</b>	<b>Asia</b>	<b>North America</b>	<b>Europe</b>	<b>Total</b>	<b>Eliminations or corporate assets</b>	<b>Consolidated</b>
Sales to third parties	142,116	12,341	16,137	40,739	211,334	—	211,334
Inter-area sales and transfers	32,355	16,464	516	336	49,672	(49,672)	—
Net sales	174,471	28,806	16,653	41,075	261,006	(49,672)	211,334
Operating expenses	150,530	22,508	16,532	31,342	220,914	(50,172)	170,742
Operating income	23,940	6,297	120	9,732	40,092	500	40,592