

May 19, 2017

Consolidated Financial Results For the Year Ended March 31, 2017

Company name: **IBIDEN CO., LTD.**

Stock exchange listings: Tokyo and Nagoya Stock Exchange (First Section)

Stock code number: 4062

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

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Submission date of annual securities report: June 16, 2017

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2016 (From April 1, 2016 to March31, 2017)

(1) Operating results (Percentage figures indicate the change from the same period of the prior fiscal year)

	Net sales		Operating income		Ordinary income		Profit(loss) attributable to owners of parent	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY 2016	266,459	(15.2)	7,141	(68.4)	2,301	(88.9)	(62,848)	-
FY 2015	314,119	(1.2)	22,570	(13.3)	20,798	(33.6)	7,530	(60.6)

Note: Comprehensive income

FY2016: (65,904) million yen (- %) FY2015: (14,235) million yen (- %)

	Net income Per share	Diluted net income Per share	Return on Equity	Ordinary income to total assets	Operating income to net sales
	<i>Yen</i>	<i>Yen</i>	%	%	%
FY 2016	(472.26)	—	(21.5)	0.5	2.7
FY 2015	55.29	—	2.2	4.2	7.2

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
FY 2016	405,783	260,940	63.2	1,927.53
FY 2015	476,110	331,520	68.8	2,459.63

Note: Equity for reference

As of March31, 2017: 256,515 million yen As of March 31, 2016: 327,333 million yen

(3) Cash flow results

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of the year
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
FY 2016	28,813	(26,280)	(5,135)	104,101
FY 2015	59,499	(39,438)	(20,479)	107,875

2. Basis for preparation of financial results

(1) Changes in scope of consolidation and equity method of accounting: No

(2) Changes in accounting policies; changes in accounting estimates; restatements of financial statements

1. Changes in accounting policies due to amendment of accounting standards: No

2. Changes in accounting policies other than above: No

3. Changes in accounting estimates: No

4. Restatements of financial statements: No

(3) Issued and outstanding capital stock

1. Number of shares outstanding (including treasury stock):

As of March 31 2017: 140,860,557 shares As of March 31, 2016: 140,860,557 shares

2. Number of treasury stock outstanding:

As of March 31 2017: 7,780,695 shares As of March 31, 2016: 7,778,279 shares

3. Average number of shares:

FY2016: 133,081,048 shares FY2015: 136,209,674 shares

Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of March 31, 2017	As of March 31, 2016	Increase (Decrease)
Assets			
Current assets			
Cash and deposits	104,181	104,765	(583)
Notes and accounts receivable – trade	56,609	57,578	(969)
Short-term investments securities	-	3,199	(3,199)
Merchandise and finished goods	10,420	12,758	(2,337)
Work in process	7,452	9,900	(2,447)
Raw materials and supplies	15,764	14,445	1,319
Deferred tax assets	1,918	2,211	(292)
Other - current assets	8,074	9,043	(968)
Allowance for doubtful accounts	(252)	(290)	38
Total current assets	204,170	213,612	(9,441)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	69,358	87,738	(18,380)
Machinery, equipment and vehicles	50,830	86,293	(35,462)
Land	19,046	19,143	(97)
Lease assets	95	146	(51)
Construction in progress	7,135	16,825	(9,690)
Other - property, plant and equipment	4,687	5,780	(1,093)
Total property, plant and equipment	151,152	215,928	(64,775)
Intangible assets	4,213	5,168	(954)
Investments and other assets			
Investment securities	44,106	39,060	5,046
Long-term loans receivable	30	39	(9)
Deferred tax assets	734	679	55
Other - investments and other assets	1,685	1,935	(249)
Allowance for doubtful accounts	(311)	(313)	1
Total investments and other assets	46,246	41,401	4,844
Total noncurrent assets	201,612	262,498	(60,885)
Total assets	405,783	476,110	(70,327)

(Continued)

Millions of yen

	As of March 31, 2017	As of March 31, 2016	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable – trade	31,393	34,668	(3,275)
Short-term loans payable	20,056	30,065	(10,008)
Current portion of bonds payable	-	15,000	(15,000)
Accounts payable - other	7,729	15,405	(7,675)
Income taxes payable	1,673	1,715	(41)
Deferred tax liabilities	10	1	9
Provision for bonuses	3,342	3,507	(164)
Provision for directors' bonuses	-	69	(69)
Note payable - facilities	472	1,560	(1,087)
Provision for business restructuring	12,812	-	12,812
Other - current liabilities	11,057	11,750	(692)
Total current liabilities	88,549	113,743	(25,194)
Noncurrent liabilities			
Bonds payable	40,000	25,000	15,000
Long-term loans payable	10,005	62	9,943
Lease obligations	86	101	(15)
Deferred tax liabilities for land revaluation	68	68	-
Defined benefit liability	468	464	4
Deferred tax liabilities	4,309	3,683	626
Other - noncurrent liabilities	1,355	1,465	(109)
Total noncurrent liabilities	56,294	30,845	25,448
Total liabilities	144,843	144,589	253
Net assets			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,579	64,579	-
Retained earnings	121,091	188,598	(67,506)
Treasury stock	(18,305)	(18,302)	(3)
Total shareholders' equity	231,518	299,028	(67,510)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	15,987	12,477	3,509
Deferred losses on hedges	639	197	441
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	8,210	15,469	(7,258)
Total accumulated other comprehensive income	24,997	28,304	(3,307)
Non-controlling interests	4,424	4,187	236
Total net assets	260,940	331,520	(70,580)
Total liabilities and net assets	405,783	476,110	(70,327)

(Concluded)

Consolidated Statements of Income

	<i>Millions of yen</i>		
	Year ended March 31, 2017	Year ended March 31, 2016	Increase (Decrease)
Net sales	266,459	314,119	(47,659)
Cost of sales	210,640	238,346	(27,705)
Gross profit	55,818	75,773	(19,954)
Selling, general and administrative expenses	48,676	53,202	(4,525)
Operating income	7,141	22,570	(15,428)
Non-operating income (expenses)	(4,840)	(1,771)	(3,069)
Interest income	409	315	93
Dividends income	1,148	870	277
Foreign exchange gain(losses), net	(1,713)	1,098	(2,812)
Interest expenses	(187)	(319)	131
Depreciation of inactive noncurrent assets	(4,532)	(4,065)	(467)
Other, net	35	327	(292)
Ordinary income	2,301	20,798	(18,497)
Extraordinary income (loss)	(63,073)	(8,669)	(54,403)
Gain on sales of property, plant and equipment	196	63	133
Gain on sales of Investment securities	-	2,193	(2,193)
Gain on liquidation of an affiliate	-	344	(344)
Loss on disposal of property, plant and equipment	(490)	(3,986)	3,495
Impairment loss	(102)	(6,403)	6,300
Loss on valuation of investment securities	-	(2)	2
Loss on liquidation of an affiliate	-	(6)	6
Business structure reform expenses	(61,988)	-	(61,988)
Other, net	(687)	(873)	186
Income(loss) before income taxes	(60,771)	12,129	(72,901)
Income taxes	(1,846)	(4,360)	2,513
Net income(loss)	(62,618)	7,768	(70,387)
Profit attributable to non-controlling interests	(230)	(237)	7
Profit(loss) attributable to owners of parent	(62,848)	7,530	(70,379)

Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Year ended March 31, 2017	Year ended March 31, 2016	Increase (Decrease)
Net income(loss)	(62,618)	7,768	(70,387)
Other comprehensive income(loss)			
Valuation difference on available-for-sale securities	3,531	(8,550)	12,081
Deferred gains or losses on hedges	441	199	242
Revaluation reserve for land	-	3	(3)
Foreign currency translation adjustments	(7,258)	(13,656)	6,397
Total other comprehensive income (loss)	(3,285)	(22,004)	18,718
Comprehensive income (loss)	(65,904)	(14,235)	(51,668)
 (Breakdown)			
Comprehensive income(loss) attributable to owners of parent	(66,109)	(14,448)	(51,660)
Comprehensive income(loss) attributable to non-controlling interests	205	212	(7)

Consolidated Statements of Changes in Net Assets

Millions of yen

	Capital stock	Capital surplus	Retained earnings	Treasury stock,	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Non-controlling interests	Total net assets
Balance at March 31, 2015	64,152	68,354	210,423	(37,115)	21,003	(1)	156	29,126	3,991	360,091
Dividends from surplus	-	-	(4,832)	-	-	-	-	-	-	(4,832)
Profit(loss) attributable to owners of parent	-	-	7,530	-	-	-	-	-	-	7,530
Purchase of treasury stock	-	-	-	(9,485)	-	-	-	-	-	(9,485)
Disposal of treasury stock	-	-	-	-	-	-	-	-	-	-
Retirement of treasury stock	-	(3,774)	(24,523)	28,298	-	-	-	-	-	-
Other changes	-	-	-	-	(8,525)	199	3	(13,656)	196	(21,783)
Balance at March 31, 2016	64,152	64,579	188,598	(18,302)	12,477	197	160	15,469	4,187	331,520
Dividends from surplus	-	-	(4,657)	-	-	-	-	-	-	(4,657)
Profit(loss) attributable to owners of parent	-	-	(62,848)	-	-	-	-	-	-	(62,848)
Purchase of treasury stock	-	-	-	(3)	-	-	-	-	-	(3)
Disposal of treasury stock	-	-	(0)	0	-	-	-	-	-	0
Retirement of treasury stock	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	3,509	441	-	(7,258)	236	(3,070)
Balance at March 31, 2017	64,152	64,579	121,091	(18,305)	15,987	639	160	8,210	4,424	260,940

Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Year ended March 31, 2017	Year ended March 31, 2016	Increase (Decrease)
Cash flows from operating activities			
Income before income taxes	(60,771)	12,129	(72,901)
Depreciation and amortization	33,147	44,056	(10,909)
Impairment loss	102	6,403	(6,300)
Amortization of goodwill	905	1,010	(105)
Increase (decrease) in provision for bonuses	(282)	(450)	168
Increase (decrease) in provision for directors' bonuses	(77)	(98)	20
Decrease in allowance for doubtful accounts	(40)	(83)	43
Increase (decrease) in net defined benefit liability	4	(39)	43
Interest and dividend income	(1,558)	(1,186)	(371)
Interest expenses	187	319	(131)
Gain on sales of property, plant and equipment	(196)	(63)	(133)
Loss on retirement of property, plant and equipment	1,280	4,058	(2,777)
Gain on sales of investment securities	-	(2,193)	2,193
Loss on valuation of investment securities	-	2	(2)
Business structure reform expenses	59,441	-	59,441
Increase (decrease) in notes and accounts receivable-trade	859	517	341
Increase(decrease) in inventories	2,675	(252)	2,927
Increase (decrease) in notes and accounts payable-trade	(4,671)	2,473	(7,145)
Increase in accrued expenses	(386)	374	(760)
Other, net	382	1,132	(750)
Subtotal	31,001	68,110	(37,108)
Interest and dividends income received	1,615	1,212	402
Interest expenses paid	(187)	(319)	131
Income taxes paid	(3,615)	(9,504)	5,888
Net cash provided by operating activities	28,813	59,499	(30,685)
Cash flows from investing activities			
Purchases of property, plant and equipment	(25,558)	(42,747)	17,188
Proceeds from sales of property, plant and equipment	181	80	101
Purchases of intangible assets	(1,022)	(329)	(693)
Purchases of investment securities	(37)	(166)	128
Proceeds from sales of investment securities	1	2,843	(2,841)
Increase in short-term loan receivable	0	(1)	1
Payments of long-term loans receivable	(10)	(10)	(0)
Collection of long-term loans receivable	18	1	16
Other, net	147	890	(743)
Net cash used in investing activities	(26,280)	(39,438)	13,158

(Continued)

Millions of yen

	Year ended March 31, 2017	Year ended March 31, 2016	Increase (Decrease)
Cash flows from financing activities			
Increase (decrease) in short-term loans payable	-	(2,600)	2,600
Proceeds from long-term loans payable	10,000	-	10,000
Repayment of long-term loans payable	(10,065)	(3,127)	(6,938)
Proceeds from issuance of bonds	15,000	-	15,000
Redemption of bonds	(15,000)	-	(15,000)
Purchases of treasury stock	(3)	(9,483)	9,479
Proceeds from sales of treasury stock	0	-	0
Cash dividends paid	(4,657)	(4,832)	175
Cash dividends paid to non-controlling interests	(15)	(15)	-
Repayments of lease obligation	(93)	(520)	427
Other	(300)	100	(400)
Net cash provided by (used in) financing activities	(5,135)	(20,479)	15,344
Effect of exchange rate changes on cash and cash equivalents	(1,171)	(2,184)	1,013
Net increase in cash and cash equivalents	(3,773)	(2,603)	(1,169)
Cash and cash equivalents at beginning of year	107,875	110,479	(2,603)
Cash and cash equivalents at end of year	104,101	107,875	(3,773)

(Concluded)

Segment Information

1. Net sales, income/loss, assets and other items of each Reportable Segment

(1) FY 2016 (From April 1, 2016 to March 31, 2017)

A summary of net sales and income business segment for year ended March 31, 2017 was as follows:

Millions of yen

	Year ended March 31, 2017						Consolidated Financial Statements
	Reportable Segment				Adjustment (*2)		
	Electronics	Ceramics	Total	Others (*1)			
Sales to third parties	99,224	101,322	200,547	65,911	266,459	-	266,459
Inter-segment sales and transfers	4	122	127	5,068	5,196	(5,196)	-
Net sales	99,229	101,445	200,675	70,980	271,656	(5,196)	266,459
Segment income(loss)	(3,649)	4,321	672	6,537	7,210	(68)	7,141
Segment assets	85,294	94,578	179,873	65,472	245,345	160,437	405,783
Depreciation and amortization	19,643	9,919	29,562	2,946	32,509	638	33,147
Increase in property, plant and equipment and intangible assets	12,866	6,467	19,334	2,023	21,357	669	22,026

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

*2 The ¥(68) million adjustment to segment income(loss) includes elimination for intersegment transactions and corporate expenses which cannot be allocated to reportable segments.

*3 Segment income (loss) is adjusted to ensure consistency with the operating income set forth in the consolidated statements of income.

(2) FY 2015 (From April 1, 2016 to March 31, 2016)

A summary of net sales and income business segment for year ended March 31, 2016 was as follows:

Millions of yen

	Year ended March 31, 2016						Consolidated Financial Statements
	Reportable Segment				Adjustment (*2)		
	Electronics	Ceramics	Total	Others (*1)			
Sales to third parties	147,872	104,767	252,639	61,479	314,119	-	314,119
Inter-segment sales and transfers	23	147	170	8,653	8,824	(8,824)	-
Net sales	147,895	104,914	252,810	70,133	322,943	(8,824)	314,119
Segment income	11,471	5,913	17,384	5,156	22,541	29	22,570
Segment assets	121,260	103,558	224,818	67,026	291,844	184,266	476,110
Depreciation and amortization	31,332	9,501	40,883	1,829	42,662	1,393	44,056
Increase in property, plant and equipment and intangible assets	21,384	14,587	35,971	7,124	43,096	448	43,544

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

*2 the ¥29 million adjustments to segment income is elimination for intersegment transactions.

*3 Segment income is adjusted to ensure consistency with the operating income set forth in the consolidated statements of income.

2. Impairment losses on non-current assets, goodwill, etc.by reporting segment

(1) FY 2016 (From April 1, 2016 to March 31, 2017)

(Material impairment loss on non-current assets)

The Electronics Business segment reported a loss on impairment of production facilities in the fiscal year that impairment loss amounted to ¥38,108 million.

The Ceramic Business segment reported a loss on impairment of production facilities in the fiscal year that impairment loss amounted to ¥1,253 million.

A loss on impairment of non-current assets which cannot be allocated to reportable segments amounted to ¥ 7,769 million in the fiscal year.

(2) FY 2015 (From April 1, 2016 to March 31, 2016)

(Material impairment loss on non-current assets)

Not applicable