

August 2, 2017

Consolidated Financial Results For the First Quarter Ended June 30, 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: August 10, 2017

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2017 First quarter (From April 1, 2017 to June30, 2017)

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

	Net sales		Operating income		Ordinary income (loss)		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 2017 first quarter	67,613	3.2	3,017	140.6	3,883	-	1,849	-
FY 2016 first quarter	65,505	(11.8)	1,254	(66.6)	(1,276)	-	(1,584)	-

Note: Comprehensive income

FY2017 first quarter: 6,930 million yen (- %) FY2016 first quarter: (26,844) million yen (- %)

	Net income(loss) Per share	Diluted net income Per share
	<i>Yen</i>	<i>Yen</i>
FY 2017 first quarter	13.44	—
FY 2016 first quarter	(11.90)	—

(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 2017 first quarter	425,696	277,612	64.0	1,948.76
FY 2016	405,783	260,940	63.2	1,927.53

Note: Equity for reference

As of June 30, 2017: 272,642 million yen As of March 31, 2017: 256,515 million yen

2. Basis for preparation of quarterly financial results

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

(2) Application of particular accounting procedure for preparing quarterly financial statements: Yes

Calculation of tax expenses: Tax expenses are calculated by using effective tax rate on quotation.

(3) 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

(4) Issued and outstanding capital stock

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

As of June 30 2017: 140,860,557 shares As of March 31, 2017: 140,860,557 shares

2. Number of treasury stock outstanding:

As of June 30 2017: 955,274 shares As of March 31, 2017: 7,780,695 shares

3. Average number of shares:

First quarter FY2017: 137,630,244 shares First quarter FY2016: 133,082,071 shares

Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of June 30, 2017	As of March 31, 2017	Increase (Decrease)
Assets			
Current assets			
Cash and deposits	118,846	104,181	14,664
Notes and accounts receivable – trade	54,431	56,609	(2,178)
Merchandise and finished goods	10,765	10,420	344
Work in process	10,430	7,452	2,977
Raw materials and supplies	16,378	15,764	613
Deferred tax assets	2,259	1,918	341
Other - current assets	7,403	8,074	(671)
Allowance for doubtful accounts	(282)	(252)	(30)
Total current assets	220,231	204,170	16,060
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	69,347	69,358	(10)
Machinery, equipment and vehicles	49,265	50,830	(1,565)
Land	19,871	19,046	825
Lease assets	79	95	(15)
Construction in progress	9,665	7,135	2,529
Other - property, plant and equipment	4,852	4,687	165
Total property, plant and equipment	153,081	151,152	1,928
Intangible assets	3,855	4,213	(358)
Investments and other assets			
Investment securities	45,969	44,106	1,862
Long-term loans receivable	16	30	(13)
Deferred tax assets	1,214	734	480
Other - investments and other assets	1,639	1,685	(46)
Allowance for doubtful accounts	(312)	(311)	(0)
Total investments and other assets	48,527	46,246	2,281
Total noncurrent assets	205,464	201,612	3,851
Total assets	425,696	405,783	19,912

(Continued)

	<i>Millions of yen</i>		
	As of June 30, 2017	As of March 31, 2017	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable – trade	32,226	31,393	833
Short-term loans payable	20,045	20,056	(11)
Accounts payable - other	8,365	7,729	635
Income taxes payable	1,179	1,673	(494)
Deferred tax liabilities	15	10	4
Provision for bonuses	1,838	3,342	(1,504)
Provision for business restructuring	12,785	12,812	(26)
Note payable - facilities	451	472	(21)
Other - current liabilities	13,150	11,057	2,093
Total current liabilities	90,058	88,549	1,509
Noncurrent liabilities			
Bonds payable	40,000	40,000	-
Long-term loans payable	10,000	10,005	(4)
Lease obligations	86	86	0
Deferred tax liabilities for land revaluation	68	68	-
Defined benefit liability	529	468	60
Deferred tax liabilities	5,968	4,309	1,659
Other - noncurrent liabilities	1,371	1,355	15
Total noncurrent liabilities	58,025	56,294	1,730
Total liabilities	148,083	144,843	3,240
Net assets			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,579	64,579	-
Retained earnings	116,099	121,091	(4,991)
Treasury stock	(2,247)	(18,305)	16,058
Total shareholders' equity	242,584	231,518	11,066
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	17,881	15,987	1,894
Deferred gains or losses on hedges	57	639	(581)
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	11,958	8,210	3,748
Total accumulated other comprehensive income	30,057	24,997	5,060
Non-controlling interests	4,970	4,424	545
Total net assets	277,612	260,940	16,672
Total liabilities and net assets	425,696	405,783	19,912

(Concluded)

Consolidated Statements of Income

	<i>Millions of yen</i>		
	Three months ended June 30, 2017	Three months ended June 30, 2016	Increase (Decrease)
Net sales	67,613	65,505	2,107
Cost of sales	52,404	51,722	682
Gross profit	15,208	13,783	1,425
Selling, general and administrative expenses	12,191	12,529	(338)
Operating income	3,017	1,254	1,763
Non-operating income (expenses)	865	(2,530)	(3,396)
Interest income	126	70	55
Dividends income	444	708	(264)
Share of profit of entities accounted for using equity method	0	-	0
Foreign exchange gain(losses), net	478	(1,187)	1,666
Interest expenses	(36)	(56)	19
Share issuance cost-NOE	(80)	-	(80)
Depreciation of inactive noncurrent assets	-	(2,124)	2,124
Other, net	(67)	57	(125)
Ordinary income(loss)	3,883	(1,276)	5,159
Extraordinary income (loss)	(265)	33	(298)
Gain on sales of property, plant and equipment	69	157	(88)
Loss on disposal of property, plant and equipment	(333)	(111)	(222)
Other, net	(0)	(12)	11
Income(loss) before income taxes	3,618	(1,242)	4,861
Income taxes	(1,713)	(275)	(1,437)
Net income(loss)	1,905	(1,518)	3,423
Profit attributable to non-controlling interests	(55)	(66)	10
Profit(loss) attributable to owners of parent	1,849	(1,584)	3,433

Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Three months ended June 30, 2017	Three months ended June 30, 2016	Increase (Decrease)
Net income(loss)	1,905	(1,518)	3,423
Other comprehensive income(loss)			
Valuation difference on available-for-sale securities	1,895	(4,293)	6,188
Deferred gains or losses on hedges	(581)	(197)	(384)
Foreign currency translation adjustments	3,712	(20,835)	24,547
Total other comprehensive income (loss)	5,025	(25,326)	30,351
Comprehensive income (loss)	6,930	(26,844)	33,775
 (Breakdown)			
Comprehensive income(loss) attributable to owners of parent	6,909	(26,904)	33,814
Comprehensive income(loss) attributable to non-controlling interests	21	60	(39)

(Continued)

Segment Information

FY 2016 first quarter (From April 1, 2016 to June 30, 2016)

(1) Sales and profit/loss information of each Segment

A summary of net sales and income business segment for three months ended June 30, 2016 was as follows:

<i>Millions of yen</i>							
For three months period ended June 30, 2016							
	Reportable Segment					Adjustment (*2)	Quarterly Consolidated Statements of Income
	Electronics	Ceramics	Total	Others (*1)	Total		
Sales to third parties	26,011	25,771	51,783	13,721	65,505	-	65,505
Inter-segment sales and transfers	-	33	33	1,295	1,329	(1,329)	-
Net sales	26,011	25,804	51,816	15,017	66,834	(1,329)	65,505
Segment income(loss)	(1,001)	962	(39)	1,292	1,253	0	1,254

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

*2 The ¥0 million adjustment to segment income (loss) is elimination for intersegment transactions.

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

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

(Material impairment loss on non-current assets)

Not applicable

FY 2017 first quarter (From April 1, 2017 to June 30, 2017)

(1) Sales and profit/loss information of each Segment

A summary of net sales and income business segment for three months ended June 30, 2017 was as follows:

	<i>Millions of yen</i>						
	For three months period ended June 30, 2017						
	Reportable Segment						Quarterly Consolidated Statements of Income
	Electronics	Ceramics	Total	Others (*1)	Total	Adjustment (*2)	
Sales to third parties	25,982	27,886	53,868	13,744	67,613	-	67,613
Inter-segment sales and transfers	-	30	30	1,660	1,691	(1,691)	-
Net sales	25,982	27,917	53,899	15,404	69,304	(1,691)	67,613
Segment income	93	2,068	2,161	829	2,991	26	3,017

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

*2 The ¥26 million adjustment to segment income includes elimination for intersegment transactions and corporate expenses which cannot be allocated to reportable segments.

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

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

(Material impairment loss on non-current assets)

Not applicable