

February 5, 2018

## Consolidated Financial Results For the Third Quarter Ended December 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 quarterly report: February 8, 2018

(Amounts less than one million yen are omitted)

### 1. Consolidated Financial Results for FY 2017 Third quarter (From April 1, 2017 to December 31, 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>	%
<b>FY 2017 third quarter</b>	<b>213,990</b>	<b>11.4</b>	<b>10,810</b>	<b>227.8</b>	<b>12,463</b>	-	<b>8,313</b>	-
<b>FY 2016 third quarter</b>	<b>192,107</b>	<b>(19.7)</b>	<b>3,297</b>	<b>(82.8)</b>	<b>(1,781)</b>	-	<b>(59,321)</b>	-

Note: Comprehensive income

FY2017 third quarter: 25,171 million yen (- %)      FY2016 third quarter: (58,769) million yen (- %)

	Net income(loss) Per share	Diluted net income Per share
	<i>Yen</i>	<i>Yen</i>
<b>FY 2017 third quarter</b>	<b>59.79</b>	—
<b>FY 2016 third quarter</b>	<b>(445.75)</b>	—

(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>
<b>FY 2017 third quarter</b>	<b>446,795</b>	<b>293,388</b>	<b>64.5</b>	<b>2,063.06</b>
<b>FY 2016</b>	<b>405,783</b>	<b>260,940</b>	<b>63.2</b>	<b>1,927.53</b>

Note: Equity for reference

As of December 31, 2017: 288,247 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 December 31 2017: 140,860,557 shares      As of March 31, 2017: 140,860,557 shares

2. Number of treasury stock outstanding:

As of December 31 2017: 1,141,744 shares      As of March 31, 2017: 7,780,695 shares

3. Average number of shares:

Third quarter FY2017: 139,043,486 shares      Third quarter FY2016: 133,081,382 shares

## Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of Dec 31, 2017	As of Mar 31, 2017	Increase (Decrease)
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	117,245	104,181	13,063
Notes and accounts receivable – trade	59,108	56,609	2,498
Merchandise and finished goods	13,485	10,420	3,064
Work in process	13,542	7,452	6,089
Raw materials and supplies	18,950	15,764	3,185
Deferred tax assets	2,387	1,918	469
Other - current assets	7,585	8,074	(488)
Allowance for doubtful accounts	(104)	(252)	148
Total current assets	232,200	204,170	28,030
<b>Noncurrent assets</b>			
<b>Property, plant and equipment</b>			
Buildings and structures	68,870	69,358	(488)
Machinery, equipment and vehicles	51,185	50,830	354
Land	19,984	19,046	938
Lease assets	53	95	(41)
Construction in progress	9,253	7,135	2,117
Other - property, plant and equipment	5,091	4,687	403
Total property, plant and equipment	154,437	151,152	3,284
Intangible assets	3,783	4,213	(429)
<b>Investments and other assets</b>			
Investment securities	54,343	44,106	10,236
Long-term loans receivable	23	30	(6)
Deferred tax assets	694	734	(40)
Other - investments and other assets	1,580	1,685	(105)
Allowance for doubtful accounts	(268)	(311)	43
Total investments and other assets	56,373	46,246	10,127
Total noncurrent assets	214,594	201,612	12,981
Total assets	446,795	405,783	41,012

(Continued)

	<i>Millions of yen</i>		
	As of Dec 31, 2017	As of Mar 31, 2017	Increase (Decrease)
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable – trade	39,818	31,393	8,425
Short-term loans payable	20,015	20,056	(41)
Accounts payable - other	13,201	7,729	5,471
Income taxes payable	3,496	1,673	1,822
Deferred tax liabilities	11	10	0
Provision for bonuses	1,687	3,342	(1,655)
Provision for business restructuring	-	12,812	(12,812)
Note payable - facilities	877	472	404
Other - current liabilities	14,183	11,057	3,125
Total current liabilities	93,290	88,549	4,741
Noncurrent liabilities			
Bonds payable	40,000	40,000	-
Long-term loans payable	10,000	10,005	(5)
Lease obligations	61	86	(24)
Deferred tax liabilities for land revaluation	68	68	-
Defined benefit liability	584	468	115
Provision for share-based compensation	49	-	49
Deferred tax liabilities	7,914	4,309	3,605
Other - noncurrent liabilities	1,438	1,355	82
Total noncurrent liabilities	60,117	56,294	3,822
Total liabilities	153,407	144,843	8,564
<b>Net assets</b>			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,579	64,579	-
Retained earnings	120,465	121,091	(626)
Treasury stock	(2,608)	(18,305)	15,696
Total shareholders' equity	246,588	231,518	15,070
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	23,661	15,987	7,674
Deferred gains or losses on hedges	(121)	639	(760)
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	17,958	8,210	9,748
Total accumulated other comprehensive income	41,659	24,997	16,661
Non-controlling interests	5,140	4,424	715
Total net assets	293,388	260,940	32,448
Total liabilities and net assets	446,795	405,783	41,012

(Concluded)

## Consolidated Statements of Income

	<i>Millions of yen</i>		
	Nine months ended Dec 31, 2017	Nine months ended Dec 31, 2016	Increase (Decrease)
Net sales	213,990	192,107	21,883
Cost of sales	166,552	152,268	14,283
Gross profit	47,438	39,839	7,599
Selling, general and administrative expenses	36,628	36,541	87
Operating income	10,810	3,297	7,512
Non-operating income (expenses)	1,653	(5,078)	6,731
Interest income	362	273	89
Dividends income	927	1,121	(194)
Share of profit of entities accounted for using equity method	4	-	4
Foreign exchange gain(losses), net	414	(1,905)	2,319
Interest expenses	(113)	(145)	31
Share issuance cost-NOE	(80)	-	(80)
Depreciation of inactive noncurrent assets	-	(4,267)	4,267
Other, net	137	(155)	292
Ordinary income(loss)	12,463	(1,781)	14,244
Extraordinary income (loss)	1,255	(56,566)	57,822
Gain on sales of property, plant and equipment	88	198	(110)
Gain on sales of investment securities	3	-	3
Reversal of provision for business structure reform expenses	2,704	-	2,704
Loss on disposal of property, plant and equipment	(1,424)	(435)	(988)
Impairment loss	(25)	(6)	(18)
Loss on disaster	(125)	-	(125)
Business structure reform expenses	-	(56,096)	56,096
Other, net	33	(227)	261
Income(loss) before income taxes	13,718	(58,347)	72,066
Income taxes	(5,213)	(796)	(4,417)
Net income(loss)	8,505	(59,144)	67,649
Profit attributable to non-controlling interests	(191)	(176)	(15)
Profit(loss) attributable to owners of parent	8,313	(59,321)	67,634

## Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Nine months ended Dec 31, 2017	Nine months ended Dec 31, 2016	Increase (Decrease)
Net income(loss)	8,505	(59,144)	67,649
Other comprehensive income(loss)			
Valuation difference on available-for-sale securities	7,703	4,514	3,188
Deferred gains or losses on hedges	(760)	(34)	(726)
Foreign currency translation adjustments	9,723	(4,105)	13,828
Total other comprehensive income (loss)	16,666	375	16,291
Comprehensive income (loss)	25,171	(58,769)	83,940
 (Breakdown)			
Comprehensive income(loss) attributable to owners of parent	24,975	(58,974)	83,949
Comprehensive income(loss) attributable to non-controlling interests	196	205	(8)

(Continued)

## Segment Information

FY 2016 third quarter (From April 1, 2016 to December 31, 2016)

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

A summary of net sales and income business segment for nine months ended December 31, 2016 was as follows:

<i>Millions of yen</i>							
<b>For nine months period ended December 31, 2016</b>							
	<b>Reportable Segment</b>			<b>Others (*1)</b>	<b>Total</b>	<b>Adjustment (*2)</b>	<b>Quarterly Consolidated Statements of Income</b>
	<b>Electronics</b>	<b>Ceramics</b>	<b>Total</b>				
Sales to third parties	74,215	73,480	147,695	44,411	192,107	-	192,107
Inter-segment sales and transfers	3	88	92	3,564	3,657	(3,657)	-
Net sales	74,218	73,569	147,787	47,976	195,764	(3,657)	192,107
Segment income(loss)	(3,086)	2,350	(735)	4,175	3,439	(142)	3,297

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

\*2 The ¥(142) million adjustment to segment income (loss) is 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 quarterly consolidated statements of income.

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

(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 ¥37,624 million.

A loss on impairment of non-current assets which cannot be allocated to reportable segments amounted to ¥ 3,701 million in the fiscal year.

FY 2017 third quarter (From April 1, 2017 to December 31, 2017)

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

A summary of net sales and income business segment for nine months ended December 31, 2017 was as follows:

<i>Millions of yen</i>							
<b>For nine months period ended December 31, 2017</b>							
	<b>Reportable Segment</b>					<b>Adjustment (*2)</b>	<b>Quarterly Consolidated Statements of Income</b>
	<b>Electronics</b>	<b>Ceramics</b>	<b>Total</b>	<b>Others (*1)</b>	<b>Total</b>		
Sales to third parties	84,056	82,826	166,883	47,107	213,990	-	213,990
Inter-segment sales and transfers	2	177	179	5,506	5,686	(5,686)	-
Net sales	84,059	83,004	167,063	52,613	219,677	(5,686)	213,990
Segment income	445	7,361	7,807	3,074	10,881	(71)	10,810

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

\*2 The ¥(71) 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