

April 27, 2016

Consolidated Financial Results For the Year Ended March 31, 2016

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

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

Stock code number: 4062

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

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2015 (From April 1, 2015 to March 31, 2016)

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

	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>	%
FY 2015	314,119	(1.2)	22,570	(13.3)	20,798	(33.6)	7,530	(60.6)
FY 2014	318,072	2.5	26,039	11.1	31,314	10.3	19,107	9.3

Note: Comprehensive income

FY2015: -14,235million yen (— %) FY2014: 42,042 million yen (3.2 %)

	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 2015	55.29	—	2.2	4.2	7.2
FY 2014	138.37	—	5.7	6.4	8.2

(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 2015	476,110	331,520	68.8	2,459.63
FY 2014	519,847	360,091	68.5	2,578.85

Note: Equity for reference

As of March 31, 2016: 327,333 million yen As of March 31, 2015: 356,100 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 2015	59,499	(39,438)	(20,479)	107,875
FY 2014	61,547	(54,888)	9,834	110,479

2. Others

(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: Yes

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 2016: 140,860,557 shares As of March 31 2015: 150,860,557 shares

2. Number of treasury stock outstanding:

As of March 31 2016: 7,778,279 shares As of March 31 2015: 12,775,618 shares

3. Average number of shares:

FY2015: 136,209,674 shares FY2014: 138,086,203 shares

Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of March 31, 2016	As of March 31, 2015	Increase (Decrease)
Assets			
Current assets			
Cash and deposits	104,765	106,646	(1,880)
Notes and accounts receivable - trade	57,578	59,655	(2,076)
Short-term investments securities	3,199	5,197	(1,998)
Merchandise and finished goods	12,758	13,201	(443)
Work in process	9,900	9,865	34
Raw materials and supplies	14,445	14,938	(492)
Deferred tax assets	2,211	2,877	(665)
Other - current assets	9,043	9,739	(695)
Allowance for doubtful accounts	(290)	(347)	57
Total current assets	213,612	221,772	(8,160)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	87,738	93,487	(5,748)
Machinery, equipment and vehicles	86,293	86,210	82
Land	19,143	19,056	87
Lease assets	146	584	(437)
Construction in progress	16,825	31,392	(14,566)
Other - property, plant and equipment	5,780	5,422	357
Total property, plant and equipment	215,928	236,153	(20,224)
Intangible assets	5,168	6,870	(1,701)
Investments and other assets			
Investment securities	39,060	52,287	(13,226)
Long-term loans receivable	39	31	7
Deferred tax assets	679	1,310	(631)
Other - investments and other assets	1,935	1,761	173
Allowance for doubtful accounts	(313)	(340)	26
Total investments and other assets	41,401	55,051	(13,649)
Total noncurrent assets	262,498	298,074	(35,576)
Total assets	476,110	519,847	(43,746)

(Continued)

	<i>Millions of yen</i>		
	As of March 31, 2016	As of March 31, 2015	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable - trade	34,668	33,265	1,403
Short-term loans payable	30,065	25,665	4,400
Current portion of bonds payable	15,000	—	15,000
Accounts payable - other	15,405	14,928	476
Income taxes payable	1,715	6,680	(4,965)
Deferred tax liabilities	1	35	(34)
Provision for bonuses	3,507	3,958	(450)
Provision for directors' bonuses	69	167	(98)
Notes payable - facilities	1,560	1,837	(277)
Other - current liabilities	11,750	11,627	122
Total current liabilities	113,743	98,166	15,577
Noncurrent liabilities			
Bonds payable	25,000	40,000	(15,000)
Long-term loans payable	62	10,189	(10,127)
Lease obligations	101	358	(257)
Deferred tax liabilities for land revaluation	68	71	(3)
Defined benefit liability	464	504	(39)
Deferred tax liabilities	3,683	8,897	(5,214)
Other - noncurrent liabilities	1,465	1,567	(101)
Total noncurrent liabilities	30,845	61,589	(30,743)
Total liabilities	144,589	159,756	(15,166)
Net assets			
Shareholders' equity			
Capital stock	64,152	64,152	—
Capital surplus	64,579	68,354	(3,774)
Retained earnings	188,598	210,423	(21,825)
Treasury stock	(18,302)	(37,115)	18,813
Total shareholders' equity	299,028	305,815	(6,787)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	12,477	21,003	(8,525)
Deferred losses on hedges	197	(1)	199
Revaluation reserve for land	160	156	3
Foreign currency translation adjustment	15,469	29,126	(13,656)
Total accumulated other comprehensive income	28,304	50,284	(21,979)
Non-controlling interests	4,187	3,991	196
Total net assets	331,520	360,091	(28,570)
Total liabilities and net assets	476,110	519,847	(43,746)

(Concluded)

Consolidated Statements of Income

	<i>Millions of yen</i>		
	Year ended March 31, 2016	Year ended March 31, 2015	Increase (Decrease)
Net sales	314,119	318,072	(3,953)
Cost of sales	238,346	237,241	1,104
Gross profit	75,773	80,830	(5,057)
Selling, general and administrative expenses	53,202	54,791	(1,589)
Operating income	22,570	26,039	(3,468)
Non-operating income (expenses)	(1,771)	5,274	(7,046)
Interest income	315	394	(79)
Dividends income	870	794	75
Foreign exchange gain (losses), net	1,098	5,769	(4,670)
Interest expenses	(319)	(369)	49
Rent expenses on facilities	-	(9)	9
Depreciation of inactive noncurrent assets	(4,065)	(1,241)	(2,823)
Other, net	327	(64)	391
Ordinary income	20,798	31,314	(10,515)
Extraordinary income (loss)	(8,669)	(1,709)	(6,960)
Gain on sales of property, plant and equipment	63	193	(130)
Gain on sales of investment securities	2,193	-	2,193
Insurance income	-	166	(166)
Gain on reversal of subscription rights to shares	-	353	(353)
Gain on liquidation of subsidiaries and affiliates	344	-	344
Loss on disposal of property, plant and equipment	(3,986)	(1,226)	(2,759)
Impairment loss on property, plant and equipment	(6,403)	(832)	(5,570)
Loss on valuation of investment securities	(2)	(1)	(1)
Loss on liquidation of subsidiaries and affiliates	(6)	(24)	18
Loss on disaster	-	(173)	173
Other, net	(873)	(163)	(710)
Income before income taxes	12,129	29,604	(17,475)
Income taxes	(4,360)	(10,339)	5,979
Net income	7,768	19,265	(11,496)
Profit attributable to non-controlling interests	(237)	(158)	(79)
Profit attributable to owners of parent	7,530	19,107	(11,576)

Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Year ended March 31, 2016	Year ended March 31, 2015	Increase (Decrease)
Net income	7,768	19,265	(11,497)
Other comprehensive income			
Valuation difference on available-for-sale securities	(8,850)	9,626	(18,176)
Deferred gains or losses on hedges	199	(1)	200
Revaluation reserve for land	3	85	(82)
Foreign currency translation adjustments	(13,656)	13,066	(26,722)
Other comprehensive income	(22,004)	22,777	(44,781)
Comprehensive income	(14,235)	42,042	(56,277)
(Breakdown)			
Comprehensive income attributable to owners	(14,448)	41,827	(56,275)
Comprehensive income attributable to non-controlling interests	212	214	(2)

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	Subscription right to shares	Non- controlling interests	Total net assets
Balance at March 31, 2014	64,152	68,354	195,459	(37,110)	11,433	—	71	16,059	353	3,789	322,562
Dividends from surplus	—	—	(4,142)	—	—	—	—	—	—	—	(4,142)
Net income	—	—	19,107	—	—	—	—	—	—	—	19,107
Purchase of treasury stock	—	—	—	(4)	—	—	—	—	—	—	(4)
Disposal of treasury stock	—	(0)	—	0	—	—	—	—	—	—	0
Retirement of treasury stock	—	—	—	—	—	—	—	—	—	—	—
Other changes	—	—	—	—	9,569	(1)	85	13,066	(353)	201	22,568
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)
Net income	—	—	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

Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Year ended March 31, 2016	Year ended March 31, 2015	Increase (Decrease)
Cash flows from operating activities			
Income before income	12,129	29,604	(17,475)
Depreciation and amortization	44,056	39,428	4,627
Impairment loss	6,403	832	5,570
Amortization of goodwill	1,010	1,056	(45)
Increase (decrease) in provision for bonuses	(450)	115	(565)
Increase (decrease) in provision for directors' bonuses	(98)	14	(112)
Decrease in allowance for doubtful accounts	(83)	(201)	117
Increase (decrease) in net defined benefit liability	(39)	1	(41)
Interest and dividend income	(1,186)	(1,189)	3
Interest expenses	319	369	(49)
Gain on sales of property, plant and equipment	(63)	(193)	130
Loss on retirement of property, plant and equipment	4,058	1,436	2,621
Gain on sales of investment securities	(2,193)	—	(2,193)
Loss on valuation of investment securities	2	1	1
Increase (decrease) in notes and accounts receivable-trade	517	(745)	1,263
Increase(decrease) in inventories	(252)	594	(846)
Increase (decrease) in notes and accounts payable-trade	2,473	(2,073)	4,547
Increase in accrued expenses	374	312	62
Other, net	1,132	(4,429)	5,562
Subtotal	68,110	64,933	3,177
Interest and dividends income received	1,212	1,169	43
Interest expenses paid	(319)	(357)	38
Income taxes paid	(9,504)	(4,197)	(5,306)
Net cash provided by operating activities	59,499	61,547	(2,048)
Cash flows from investing activities			
Purchases of property, plant and equipment	(42,747)	(54,803)	12,056
Proceeds from sales of property, plant and equipment	80	116	(36)
Purchases of intangible assets	(329)	(545)	216
Purchases of investment securities	(166)	(52)	(113)
Proceeds from sales of investment securities	2,843	0	2,842
Increase in short-term loan receivable	(1)	(1)	0
Payments of long-term loans receivable	(10)	—	(10)
Collection of long-term loans receivable	1	7	(5)
Other, net	890	390	499
Net cash used in investing activities	(39,438)	(54,888)	15,449

(Continued)

Millions of yen

	Year ended March 31, 2016	Year ended March 31, 2015	Increase (Decrease)
Cash flows from financing activities			
Increase (decrease) in short-term loans payable	(2,600)	4,504	(7,104)
Proceeds from long-term loans payable	-	10,000	(10,000)
Repayment of long-term loans payable	(3,127)	(205)	(2,921)
Proceeds from issuance of bonds	-	25,000	(25,000)
Redemption of bonds	-	(25,000)	25,000
Purchases of treasury stock	(9,483)	(4)	(9,478)
Proceeds from sales of treasury stock	-	0	(0)
Cash dividends paid	(4,832)	(4,142)	(690)
Cash dividends paid to non-controlling interests	(15)	(15)	-
Repayments of lease obligation	(520)	(301)	(218)
Other	100	—	100
Net cash provided by (used in) financing activities	(20,479)	9,834	(30,313)
Effect of exchange rate changes on cash and cash equivalents	(2,184)	2,306	(4,491)
Net increase in cash and cash equivalents	(2,603)	18,800	(21,404)
Cash and cash equivalents at beginning of year	110,479	91,678	18,800
Cash and cash equivalents at end of year	107,875	110,479	(2,603)
			(Concluded)

Segment Information

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

(1)FY 2015 (From April 1, 2015 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						
	Reportable Segment					Adjustment	Consolidated
	Electronics	Ceramics	Total	Others (*1)	Total	(*2)	Financial Statements
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 adjustment 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 financial statement.

(2)FY 2014 (From April 1, 2014 to March 31, 2015)

A summary of net sales and income business segment for year ended March 31, 2015 was as follows:

	Millions of yen						
	Year ended March 31, 2015						
	Reportable Segment					Adjustment	Consolidated
	Electronics	Ceramics	Total	Others (*1)	Total	(*2)	Financial Statements
Sales to third parties	159,849	99,190	259,040	59,301	318,072	-	318,072
Inter-segment sales and transfers	1	144	145	8,064	8,209	(8,209)	-
Net sales	159,851	99,335	259,186	67,096	326,282	(8,209)	318,072
Segment income	14,168	6,347	20,515	5,393	25,909	129	26,039
Segment assets	140,312	100,990	241,302	60,716	302,018	217,828	519,847
Depreciation and amortization	27,350	8,647	35,997	1,748	37,746	1,682	39,428
Increase in property, plant and equipment and intangible assets	48,256	8,236	56,493	1,334	57,827	1,303	59,130

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

*2 The ¥129 million adjustment 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 financial statement

2. Changes in reporting segments

The segment which was previously stated as “Housing materials” and “Construction” has been changed to “Others” because of lower importance.

A retroactively adjusted version of “segment information” presented in the earnings report for the previous fiscal year has been published to reflect the change in reporting segments.

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

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

(Material impairment loss on non-current assets)

An impairment loss of ¥ 6,403 million was recorded in the fiscal year.

(2)FY 2014 (From April 1, 2014 to March 31, 2015)

(Material impairment loss on non-current assets)

An impairment loss of ¥ 832 million was recorded in the fiscal year.