

April 26, 2018

## Consolidated Financial Results For the Year Ended March 31, 2018

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 15, 2018

(Amounts less than one million yen are omitted)

### 1. Consolidated Financial Results for FY 2017 (From April 1, 2017 to March31, 2018)

(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</b>	<b>300,403</b>	<b>12.7</b>	<b>16,702</b>	<b>133.9</b>	<b>17,603</b>	<b>665.0</b>	<b>11,583</b>	<b>-</b>
<b>FY 2016</b>	<b>266,459</b>	<b>(15.2)</b>	<b>7,141</b>	<b>(68.4)</b>	<b>2,301</b>	<b>(88.9)</b>	<b>(62,848)</b>	<b>-</b>

Note: Comprehensive income

FY2017: 18,154 million yen (- %) FY2016: (65,904) 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>	%	%	%
<b>FY 2017</b>	<b>83.21</b>	<b>—</b>	<b>4.3</b>	<b>4.2</b>	<b>5.6</b>
<b>FY 2016</b>	<b>(472.26)</b>	<b>—</b>	<b>(21.5)</b>	<b>0.5</b>	<b>2.7</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</b>	<b>438,096</b>	<b>286,367</b>	<b>64.2</b>	<b>2,012.60</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 March31, 2018: 281,198 million yen As of March 31, 2017: 256,515 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>
<b>FY 2017</b>	<b>27,040</b>	<b>(21,303)</b>	<b>6,724</b>	<b>117,760</b>
<b>FY 2016</b>	<b>28,813</b>	<b>(26,280)</b>	<b>(5,135)</b>	<b>104,101</b>

## **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 2018: 140,860,557 shares      As of March 31 2017: 140,860,557 shares
  2. Number of treasury stock outstanding:  
As of March 31 2018: 1,142,070 shares      As of March 31 2017: 7,780,695 shares
  3. Average number of shares:  
FY2017: 139,212,269 shares      FY2016: 133,081,048 shares

## Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of March 31, 2018	As of March 31, 2017	Increase (Decrease)
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	117,760	104,181	13,578
Notes and accounts receivable – trade	62,235	56,609	5,626
Merchandise and finished goods	12,839	10,420	2,418
Work in process	9,921	7,452	2,469
Raw materials and supplies	17,251	15,764	1,486
Deferred tax assets	2,389	1,918	470
Other - current assets	6,428	8,074	(1,646)
Allowance for doubtful accounts	(101)	(252)	150
<b>Total current assets</b>	<b>228,724</b>	<b>204,170</b>	<b>24,553</b>
<b>Noncurrent assets</b>			
<b>Property, plant and equipment</b>			
Buildings and structures	66,301	69,358	(3,056)
Machinery, equipment and vehicles	49,479	50,830	(1,351)
Land	19,831	19,046	785
Lease assets	60	95	(34)
Construction in progress	10,706	7,135	3,570
Other - property, plant and equipment	4,929	4,687	242
<b>Total property, plant and equipment</b>	<b>151,308</b>	<b>151,152</b>	<b>156</b>
<b>Intangible assets</b>	<b>3,689</b>	<b>4,213</b>	<b>(524)</b>
<b>Investments and other assets</b>			
Investment securities	51,954	44,106	7,847
Long-term loans receivable	11	30	(19)
Deferred tax assets	1,124	734	389
Other - investments and other assets	1,551	1,685	(134)
Allowance for doubtful accounts	(267)	(311)	43
<b>Total investments and other assets</b>	<b>54,373</b>	<b>46,246</b>	<b>8,127</b>
<b>Total noncurrent assets</b>	<b>209,371</b>	<b>201,612</b>	<b>7,759</b>
<b>Total assets</b>	<b>438,096</b>	<b>405,783</b>	<b>32,312</b>

(Continued)

*Millions of yen*

	As of March 31, 2018	As of March 31, 2017	Increase (Decrease)
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable – trade	39,124	31,393	7,731
Short-term loans payable	20,005	20,056	(51)
Accounts payable - other	12,658	7,729	4,928
Income taxes payable	4,429	1,673	2,755
Deferred tax liabilities	10	10	0
Provision for bonuses	3,828	3,342	485
Provision for directors' bonuses	90	-	90
Notes payable - facilities	1,282	472	809
Provision for business restructuring	-	12,812	(12,812)
Other - current liabilities	12,060	11,057	1,003
Total current liabilities	93,491	88,549	4,941
Noncurrent liabilities			
Bonds payable	40,000	40,000	-
Long-term loans payable	10,000	10,005	(5)
Lease obligations	78	86	(7)
Deferred tax liabilities for land revaluation	68	68	-
Defined benefit liability	525	468	56
Provision for share-based compensation	74	-	74
Deferred tax liabilities	6,166	4,309	1,857
Other - noncurrent liabilities	1,323	1,355	(32)
Total noncurrent liabilities	58,237	56,294	1,943
Total liabilities	151,728	144,843	6,885
<b>Net assets</b>			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,579	64,579	-
Retained earnings	123,735	121,091	2,643
Treasury stock	(2,609)	(18,305)	15,696
Total shareholders' equity	249,857	231,518	18,339
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	20,247	15,987	4,260
Deferred losses on hedges	76	639	(562)
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	10,855	8,210	2,644
Total accumulated other comprehensive income	31,340	24,997	6,342
Non-controlling interests	5,169	4,424	745
Total net assets	286,367	260,940	25,427
Total liabilities and net assets	438,096	405,783	32,312

(Concluded)

## Consolidated Statements of Income

	<i>Millions of yen</i>		
	Year ended March 31, 2018	Year ended March 31, 2017	Increase (Decrease)
Net sales	300,403	266,459	33,944
Cost of sales	234,516	210,640	23,876
Gross profit	65,886	55,818	10,068
Selling, general and administrative expenses	49,184	48,676	507
Operating income	16,702	7,141	9,560
Non-operating income (expenses)	901	(4,840)	5,742
Interest income	458	409	49
Dividends income	930	1,148	(217)
Share of profit of entities accounted for using equity method	3	-	3
Foreign exchange gain(losses), net	(476)	(1,713)	1,237
Interest expenses	(146)	(187)	41
Share issuance cost-NOE	(80)	-	(80)
Depreciation of inactive noncurrent assets	-	(4,532)	4,532
Other, net	211	35	175
Ordinary income	17,603	2,301	15,302
Extraordinary income (loss)	947	(63,073)	64,020
Gain on sales of property, plant and equipment	89	196	(107)
Gain on sales of Investment securities	60	-	60
Reversal of provision for business structure reform expenses	2,877	-	2,877
Loss on disposal of property, plant and equipment	(1,698)	(490)	(1,207)
Impairment loss	(244)	(102)	(141)
Loss on sales of investment securities	(5)	-	(5)
Loss on disaster	(179)	-	(179)
Business structure reform expenses	-	(61,988)	61,988
Other, net	48	(687)	736
Income(loss) before income taxes	18,550	(60,771)	79,322
Income taxes	(6,696)	(1,846)	4,849
Net income(loss)	11,854	(62,618)	74,472
Profit attributable to non-controlling interests	(270)	(230)	(40)
Profit(loss) attributable to owners of parent	11,583	(62,848)	74,432

## Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Year ended March 31, 2018	Year ended March 31, 2017	Increase (Decrease)
Net income(loss)	11,854	(62,618)	74,472
Other comprehensive income(loss)			
Valuation difference on available-for-sale securities	4,290	3,531	758
Deferred gains or losses on hedges	(562)	441	(1,004)
Foreign currency translation adjustments	2,572	(7,258)	9,831
Total other comprehensive income (loss)	6,300	(3,285)	9,585
Comprehensive income (loss)	18,154	(65,904)	84,058
 (Breakdown)			
Comprehensive income(loss) attributable to owners of parent	17,925	(66,109)	84,035
Comprehensive income(loss) attributable to non-controlling interests	228	205	23

## 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, 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
Dividends from surplus	-	-	(4,760)	-	-	-	-	-	-	(4,760)
Profit(loss) attributable to owners of parent	-	-	11,583	-	-	-	-	-	-	11,583
Purchase of treasury stock	-	-	-	(363)	-	-	-	-	-	(363)
Disposal of treasury stock	-	-	(4,059)	16,059	-	-	-	-	-	12,000
Change of scope of consolidation	-	-	(120)	-	-	-	-	-	-	(120)
Other changes	-	-	-	-	4,260	(562)	-	2,644	745	7,087
Balance at March 31, 2018	64,152	64,579	123,735	(2,609)	20,247	76	160	10,855	5,169	286,367

## Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Year ended March 31, 2018	Year ended March 31, 2017	Increase (Decrease)
<b>Cash flows from operating activities</b>			
Income before income taxes	18,550	(60,771)	79,322
Depreciation and amortization	24,566	33,147	(8,581)
Impairment loss	244	102	141
Amortization of goodwill	236	905	(668)
Increase (decrease) in provision for bonuses	437	(282)	719
Increase (decrease) in provision for directors' bonuses	90	(77)	167
Decrease in allowance for doubtful accounts	(196)	(40)	(156)
Increase (decrease) in net defined benefit liability	(3)	4	(7)
Interest and dividend income	(1,389)	(1,558)	168
Interest expenses	146	187	(41)
Share of loss (profit) of entities accounted for using equity method	(3)	-	(3)
Gain on sales of property, plant and equipment	(89)	(196)	107
Loss on retirement of property, plant and equipment	1,698	1,280	417
Gain on sales of investment securities	(54)	-	(54)
Business structure reform expenses	-	59,441	(59,441)
Increase (decrease) in notes and accounts receivable-trade	(3,402)	859	(4,261)
Increase(decrease) in inventories	(5,843)	2,675	(8,518)
Increase (decrease) in notes and accounts payable-trade	6,438	(4,671)	11,110
Increase in accrued expenses	538	(386)	924
Other, net	(12,436)	(2,165)	(12,818)
Subtotal	29,528	31,001	(1,473)
Interest and dividends income received	1,366	1,615	(248)
Interest expenses paid	(146)	(187)	41
Income taxes paid	(3,708)	(4,225)	517
Income taxes refund	-	609	(609)
Net cash provided by operating activities	27,040	28,813	(1,773)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	(18,767)	(25,558)	6,790
Proceeds from sales of property, plant and equipment	277	181	95
Purchases of intangible assets	(408)	(1,022)	614
Purchases of investment securities	(2,557)	(37)	(2,519)
Proceeds from sales of investment securities	165	1	163
Increase in short-term loan receivable	-	0	(0)
Payments of long-term loans receivable	(11)	(10)	(0)
Collection of long-term loans receivable	17	18	(1)
Other, net	(17)	147	(164)
Net cash used in investing activities	(21,303)	(26,280)	4,977

(Continued)

*Millions of yen*

	Year ended March 31, 2018	Year ended March 31, 2017	Increase (Decrease)
<b>Cash flows from financing activities</b>			
Proceeds from long-term loans payable	-	10,000	(10,000)
Repayment of long-term loans payable	(56)	(10,065)	10,008
Proceeds from issuance of bonds	-	15,000	(15,000)
Redemption of bonds	-	(15,000)	1,5000
Purchases of treasury stock	(363)	(3)	(359)
Proceeds from sales of treasury stock	12,000	0	11,999
Cash dividends paid	(4,760)	(4,657)	(102)
Cash dividends paid to non-controlling interests	(20)	(15)	(5)
Repayments of lease obligation	(74)	(93)	19
Other	-	(300)	300
Net cash provided by (used in) financing activities	6,724	(5,135)	11,860
<b>Effect of exchange rate changes on cash and cash equivalents</b>	490	(1,171)	1,661
<b>Net increase in cash and cash equivalents</b>	12,951	(3,773)	16,725
<b>Cash and cash equivalents at beginning of year</b>	104,101	107,875	(3,773)
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	706	-	706
<b>Cash and cash equivalents at end of year</b>	117,760	104,101	13,658

(Concluded)

## Segment Information

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

(1) FY 2017 (From April 1, 2017 to March 31, 2018)

A summary of net sales and income business segment for year ended March 31, 2018 was as follows:

*Millions of yen*

	<b>Year ended March 31, 2018</b>						<b>Consolidated Financial Statements</b>
	<b>Reportable Segment</b>				<b>Adjustment (*2)</b>		
	<b>Electronics</b>	<b>Ceramics</b>	<b>Total</b>	<b>Others (*1)</b>			
Sales to third parties	115,573	113,425	228,998	71,405	300,403	-	300,403
Inter-segment sales and transfers	5	263	268	7,420	7,688	(7,688)	-
Net sales	115,578	113,688	229,266	78,826	308,092	(7,688)	300,403
Segment income(loss)	853	10,525	11,379	5,417	16,796	(94)	16,702
Segment assets	89,294	102,262	191,557	72,325	263,883	174,213	438,096
Depreciation and amortization	12,516	9,167	21,684	2,169	23,853	712	24,566
Increase in property, plant and equipment and intangible assets	13,254	6,933	20,187	1,401	21,588	1,545	23,133

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

\*2 The ¥(94) 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 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*

	<b>Year ended March 31, 2017</b>						<b>Consolidated Financial Statements</b>
	<b>Reportable Segment</b>				<b>Adjustment (*2)</b>		
	<b>Electronics</b>	<b>Ceramics</b>	<b>Total</b>	<b>Others (*1)</b>			
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. Impairment losses on non-current assets, goodwill, etc.by reporting segment**

### **(1) FY 2017 (From April 1, 2017 to March 31, 2018)**

(Material impairment loss on non-current assets)

Disclosure is omitted due to immateriality.

### **(2) 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.