

April 24, 2019

## Consolidated Financial Results For the Year Ended March 31, 2019

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 14, 2019

(Amounts less than one million yen are omitted)

### 1. Consolidated Financial Results for FY 2018 (From April 1, 2018 to March31, 2019)

(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 2018</b>	<b>291,125</b>	<b>(3.1)</b>	<b>10,137</b>	<b>(39.3)</b>	<b>12,600</b>	<b>(28.4)</b>	<b>3,306</b>	<b>(71.5)</b>
<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>

Note: Comprehensive income

FY2018: (5,157) million yen (- %) FY2017: 18,154 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 2018</b>	<b>23.66</b>	<b>-</b>	<b>1.2</b>	<b>2.9</b>	<b>3.5</b>
<b>FY 2017</b>	<b>83.21</b>	<b>-</b>	<b>4.3</b>	<b>4.2</b>	<b>5.6</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 2018</b>	<b>423,056</b>	<b>276,305</b>	<b>64.0</b>	<b>1,938.59</b>
<b>FY 2017</b>	<b>436,425</b>	<b>286,367</b>	<b>64.4</b>	<b>2,012.60</b>

Note: Equity for reference

As of March31, 2019: 270,862 million yen As of March 31, 2018: 281,198 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 2018</b>	<b>18,555</b>	<b>(18,036)</b>	<b>(4,926)</b>	<b>113,492</b>
<b>FY 2017</b>	<b>27,040</b>	<b>(21,303)</b>	<b>6,724</b>	<b>117,760</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 2019: 140,860,557 shares      As of March 31 2018: 140,860,557 shares
  2. Number of treasury stock outstanding:  
As of March 31 2019: 1,138,769 shares      As of March 31 2018: 1,142,070 shares
  3. Average number of shares:  
FY2018: 139,720,971 shares      FY2017: 139,212,269 shares

## Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of March 31, 2019	As of March 31, 2018	Increase (Decrease)
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	113,492	117,760	(4,267)
Notes and accounts receivable – trade	60,278	62,235	(1,957)
Merchandise and finished goods	17,793	12,839	4,954
Work in process	11,357	9,921	1,436
Raw materials and supplies	19,619	17,251	2,367
Other - current assets	6,528	6,428	99
Allowance for doubtful accounts	(98)	(101)	3
Total current assets	<u>228,972</u>	<u>226,335</u>	<u>2,637</u>
<b>Noncurrent assets</b>			
<b>Property, plant and equipment</b>			
Buildings and structures	62,212	66,301	(4,089)
Machinery, equipment and vehicles	46,309	49,479	(3,170)
Land	19,962	19,831	131
Lease assets	21	60	(38)
Construction in progress	13,342	10,706	2,635
Other - property, plant and equipment	4,863	4,929	(66)
Total property, plant and equipment	<u>146,710</u>	<u>151,308</u>	<u>(4,598)</u>
Intangible assets	4,162	3,689	473
<b>Investments and other assets</b>			
Investment securities	39,142	51,954	(12,811)
Long-term loans receivable	9	11	(1)
Deferred tax assets	2,915	1,842	1,073
Other - investments and other assets	1,405	1,551	(146)
Allowance for doubtful accounts	(261)	(267)	5
Total investments and other assets	<u>43,210</u>	<u>55,091</u>	<u>(11,880)</u>
Total noncurrent assets	<u>194,084</u>	<u>210,090</u>	<u>(16,005)</u>
Total assets	<u><u>423,056</u></u>	<u><u>436,425</u></u>	<u><u>(13,368)</u></u>

(Continued)

	<i>Millions of yen</i>		
	As of March 31, 2019	As of March 31, 2018	Increase (Decrease)
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable – trade	39,562	39,124	437
Short-term loans payable	20,030	20,005	24
Current portion of bonds	25,000	-	25,000
Accounts payable - other	9,111	12,658	(3,547)
Income taxes payable	2,366	4,429	(2,062)
Provision for bonuses	3,438	3,828	(389)
Provision for directors' bonuses	89	90	(1)
Provision for loss on liquidation of subsidiaries and affiliates	4,864	-	4,864
Notes payable - facilities	1,618	1,282	336
Other - current liabilities	12,001	12,060	(59)
Total current liabilities	118,082	93,480	24,602
Noncurrent liabilities			
Bonds payable	15,000	40,000	(25,000)
Long-term loans payable	10,000	10,000	-
Lease obligations	43	78	(34)
Deferred tax liabilities for land revaluation	68	68	-
Defined benefit liability	671	525	146
Provision for share-based compensation	179	74	104
Deferred tax liabilities	1,974	4,506	(2,532)
Other - noncurrent liabilities	729	1,323	(593)
Total noncurrent liabilities	28,668	56,577	(27,909)
Total liabilities	146,751	150,057	(3,306)
<b>Net assets</b>			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,579	64,579	-
Retained earnings	122,144	123,735	(1,590)
Treasury stock	(2,602)	(2,609)	7
Total shareholders' equity	248,274	249,857	(1,583)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	12,415	20,247	(7,831)
Deferred losses on hedges	-	76	(76)
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	10,012	10,855	(842)
Total accumulated other comprehensive income	22,588	31,340	(8,751)
Non-controlling interests	5,442	5,169	272
Total net assets	276,305	286,367	(10,062)
Total liabilities and net assets	423,056	436,425	(13,368)

(Concluded)

## Consolidated Statements of Income

	<i>Millions of yen</i>		
	Year ended March 31, 2019	Year ended March 31, 2018	Increase (Decrease)
Net sales	291,125	300,403	(9,278)
Cost of sales	232,805	234,516	(1,711)
Gross profit	58,319	65,886	(7,567)
Selling, general and administrative expenses	48,181	49,184	(1,002)
Operating income	10,137	16,702	(6,564)
Non-operating income (expenses)	2,462	901	1,561
Interest income	278	458	(180)
Dividends income	1,063	930	132
Share of profit of entities accounted for using equity method	1	3	(1)
Foreign exchange gain(losses), net	419	(476)	895
Interest expenses	(158)	(146)	(11)
Share issuance cost-NOE	-	(80)	80
Compensation income	854	-	854
Compensation expense	(369)	-	(369)
Other, net	374	211	163
Ordinary income	12,600	17,603	(5,003)
Extraordinary income (loss)	(3,273)	947	(4,220)
Gain on sales of property, plant and equipment	50	89	(38)
Gain on sales of Investment securities	4,666	60	4,606
Gain on bargain purchase	87	-	87
Gain on step acquisitions	161	-	161
Reversal of provision for business structure reform expenses	-	2,877	(2,877)
Loss on disposal of property, plant and equipment	(916)	(1,698)	782
Impairment loss	(330)	(244)	(86)
Loss on sales of investment securities	-	(5)	5
Loss on valuation of investment securities	(347)	-	(347)
loss on liquidation of subsidiaries and affiliates	(6,538)	-	(6,538)
Loss on disaster	(69)	(179)	110
Other, net	(39)	48	(88)
Income(loss) before income taxes	9,326	18,550	(9,223)
Income taxes	(5,753)	(6,696)	943
Net income(loss)	3,573	11,854	(8,280)
Profit attributable to non-controlling interests	(267)	(270)	3
Profit(loss) attributable to owners of parent	3,306	11,583	(8,277)

## Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Year ended March 31, 2019	Year ended March 31, 2018	Increase (Decrease)
Net income(loss)	3,573	11,854	(8,280)
Other comprehensive income(loss)			
Valuation difference on available-for-sale securities	(7,827)	4,290	(12,117)
Deferred gains or losses on hedges	(76)	(562)	(485)
Foreign currency translation adjustments	(826)	2,572	(3,398)
Total other comprehensive income (loss)	(8,730)	6,300	(15,030)
Comprehensive income (loss)	(5,157)	18,154	(23,311)
 (Breakdown)			
Comprehensive income(loss) attributable to owners of parent	(5,445)	17,925	(23,371)
Comprehensive income(loss) attributable to non-controlling interests	288	228	59

## 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, 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
Dividends from surplus	-	-	(4,896)	-	-	-	-	-	-	(4,896)
Profit(loss) attributable to owners of parent	-	-	3,306	-	-	-	-	-	-	3,306
Purchase of treasury stock	-	-	-	(2)	-	-	-	-	-	(2)
Disposal of treasury stock	-	-	(0)	9	-	-	-	-	-	9
Other changes	-	-	-	-	(7,831)	(76)	-	(842)	272	(8,478)
Balance at March 31, 2019	64,152	64,579	122,144	(2,602)	12,415	-	160	10,012	5,442	276,305

## Consolidated Statements of Cash Flows

	<i>Millions of yen</i>		
	Year ended March 31, 2019	Year ended March 31, 2018	Increase (Decrease)
<b>Cash flows from operating activities</b>			
Income before income taxes	9,326	18,550	(9,223)
Depreciation and amortization	25,136	24,566	569
Impairment loss	330	244	86
Amortization of goodwill	-	236	(236)
Increase (decrease) in provision for bonuses	(389)	437	(826)
Increase (decrease) in provision for directors' bonuses	(1)	90	(91)
Decrease in allowance for doubtful accounts	(10)	(196)	186
Increase (decrease) in net defined benefit liability	55	(3)	59
Interest and dividend income	(1,341)	(1,389)	47
Interest expenses	158	146	11
Share of loss (profit) of entities accounted for using equity method	(1)	(3)	1
Gain on sales of property, plant and equipment	(50)	(89)	38
Loss on retirement of property, plant and equipment	916	1,698	(782)
Gain on sales of investment securities	(4,666)	(54)	(4,682)
loss on liquidation of subsidiaries and affiliates	5,287	-	5,287
Increase (decrease) in notes and accounts receivable-trade	1,197	(3,402)	4,599
Increase(decrease) in inventories	(9,018)	(5,843)	(3,174)
Increase (decrease) in notes and accounts payable-trade	875	6,438	(5,563)
Increase in accrued expenses	(386)	538	(924)
Other, net	(1,520)	(12,436)	10,916
Subtotal	25,898	29,528	(3,629)
Interest and dividends income received	1,370	1,366	3
Interest expenses paid	(158)	(146)	(11)
Income taxes paid	(8,554)	(3,708)	(4,846)
Net cash provided by operating activities	18,555	27,040	(8,484)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	(23,438)	(18,767)	(4,670)
Proceeds from sales of property, plant and equipment	147	277	(130)
Purchases of intangible assets	(1,174)	(408)	(765)
Purchases of investment securities	(280)	(2,557)	2,277
Proceeds from sales of investment securities	6,873	165	6,707
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(88)	-	(88)
Payments of long-term loans receivable	-	(11)	11
Collection of long-term loans receivable	0	17	(17)
Other, net	(75)	(17)	(57)
Net cash used in investing activities	(18,036)	(21,303)	3,266

(Continued)

*Millions of yen*

	Year ended March 31, 2019	Year ended March 31, 2018	Increase (Decrease)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	30	-	30
Repayment of long-term loans payable	(5)	(56)	51
Purchases of treasury stock	(2)	(363)	360
Proceeds from sales of treasury stock	9	12,000	(11,990)
Cash dividends paid	(4,896)	(4,760)	(136)
Cash dividends paid to non-controlling interests	(14)	(20)	5
Repayments of lease obligation	(45)	(74)	28
Net cash provided by (used in) financing activities	(4,926)	6,724	(11,651)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	139	490	(350)
<b>Net increase in cash and cash equivalents</b>	(4,267)	12,951	(17,219)
<b>Cash and cash equivalents at beginning of year</b>	117,760	104,101	13,658
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	-	706	(706)
<b>Cash and cash equivalents at end of year</b>	113,492	117,760	(4,267)

(Concluded)

## Segment Information

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

(1) FY 2018 (From April 1, 2018 to March 31, 2019)

A summary of net sales and income business segment for year ended March 31, 2019 was as follows:

*Millions of yen*

	Year ended March 31, 2019							Consolidated Financial Statements (*3)
	Reportable Segment				Others (*1)	Total	Adjustment (*2)	
	Electronics	Ceramics	Construct ion	Total				
Sales to third parties	115,982	102,488	6,003	224,473	66,651	291,125	-	291,125
Inter-segment sales and transfers	1	377	5,633	6,012	1,286	7,299	(7,299)	-
Net sales	115,984	102,865	11,636	230,486	67,938	298,424	(7,299)	291,125
Segment income(loss)	2,533	2,966	1,352	6,851	3,325	10,176	(39)	10,137
Segment assets	97,092	90,520	10,078	197,691	65,146	262,837	160,219	423,056
Depreciation and amortization	13,837	9,638	334	23,810	642	24,452	683	25,136
Increase in property, plant and equipment and intangible assets	14,153	6,094	34	20,282	1,039	21,321	2,720	24,041

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

\*2 The ¥(39) 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 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*

	Year ended March 31, 2018							Consolidated Financial Statements (*3)
	Reportable Segment				Others (*1)	Total	Adjustment (*2)	
	Electronics	Ceramics	Construct ion	Total				
Sales to third parties	115,573	113,425	6,077	235,075	65,327	300,403	-	300,403
Inter-segment sales and transfers	5	263	5,950	6,218	1,470	7,688	(7,688)	-
Net sales	115,578	113,688	12,028	241,294	66,798	308,092	(7,688)	300,403
Segment income(loss)	853	10,525	1,330	12,709	4,087	16,796	(94)	16,702
Segment assets	89,294	102,095	9,313	200,704	62,916	263,620	172,804	436,425
Depreciation and amortization	12,516	9,167	356	22,040	1,812	23,853	712	24,566
Increase in property, plant and equipment and intangible assets	13,254	6,933	190	20,377	1,210	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. Impairment losses on non-current assets, goodwill, etc.by reporting segment**

### **(1) FY 2018 (From April 1, 2018 to March 31, 2019)**

(Material impairment loss on non-current assets)

Disclosure is omitted due to immateriality.

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

(Material impairment loss on non-current assets)

Disclosure is omitted due to immateriality.