

October 30, 2015

Consolidated Financial Results For the Second Quarter Ended September 30, 2015

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

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

Stock code number: 4062

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

Representative: Hiroki Takenaka, President & CEO, Representative Director

Contact : Hisashi Sano, Manager of Finance Division

Telephone: +81-584-81-3111

Submission date of quarterly report: November 11, 2015

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2015 Second quarter (From April 1, 2015 to September 30, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	<i>Millions of yen</i>	<i>%</i>	<i>Millions of yen</i>	<i>%</i>	<i>Millions of yen</i>	<i>%</i>	<i>Millions of yen</i>	<i>%</i>
FY 2015 second quarter	158,200	5.1	12,306	31.3	12,873	7.3	11,475	56.9
FY 2014 second quarter	150,561	(0.7)	9,372	(14.1)	11,996	(6.0)	7,316	(14.9)

Note: Comprehensive income

FY2015 second quarter: 5,960 million yen (63.8 %) FY2014 second quarter: 16,470 million yen (18.8 %)

	Net income Per share	Diluted net income Per share
	<i>Yen</i>	<i>Yen</i>
FY 2015 second quarter	83.11	—
FY 2014 second quarter	52.98	—

(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>%</i>	<i>Yen</i>
FY 2015 second quarter	522,173	363,245	68.8	2,601.25
FY 2014	519,847	360,091	68.5	2,578.85

Note: Equity for reference

As of September 30, 2015: 359,191 million yen As of March 31, 2015: 356,100 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: Yes

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 September 30 2015: 150,860,557 shares As of March 31, 2015: 150,860,557 shares

2. Number of treasury stock outstanding:

As of September 30 2015: 12,776,475 shares As of March 31, 2015: 12,775,618 shares

3. Average number of shares:

Second quarter FY2015: 138,084,386 shares Second quarter FY2014: 138,086,739 shares

Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of Sep 30, 2015	As of Mar 31, 2015	Increase (Decrease)
Assets			
Current assets			
Cash and deposits	109,432	106,646	2,786
Notes and accounts receivable – trade	62,256	59,655	2,601
Short-term investments securities	7,199	5,197	2,001
Merchandise and finished goods	15,521	13,201	2,320
Work in process	10,712	9,865	846
Raw materials and supplies	16,009	14,938	1,071
Deferred tax assets	2,770	2,877	(106)
Other - current assets	8,915	9,739	(823)
Allowance for doubtful accounts	(340)	(347)	6
Total current assets	232,478	221,772	10,706
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	89,880	93,487	(3,606)
Machinery, equipment and vehicles	90,125	86,210	3,914
Land	19,258	19,056	202
Lease assets	175	584	(408)
Construction in progress	29,969	31,392	(1,423)
Other - property, plant and equipment	6,460	5,422	1,037
Total property, plant and equipment	235,869	236,153	(284)
Intangible assets	6,163	6,870	(707)
Investments and other assets			
Investment securities	44,621	52,287	(7,665)
Long-term loans receivable	30	31	(1)
Deferred tax assets	1,374	1,310	64
Other - investments and other assets	1,950	1,761	189
Allowance for doubtful accounts	(315)	(340)	24
Total investments and other assets	47,662	55,051	(7,389)
Total noncurrent assets	289,694	298,074	(8,380)
Total assets	522,173	519,847	2,325

(Continued)

	<i>Millions of yen</i>		
	As of Sep 30, 2015	As of Mar 31, 2015	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable – trade	35,630	33,265	2,364
Short-term loans payable	24,725	25,665	(940)
Current portion of bonds	15,000	-	15,000
Accounts payable - other	15,740	14,928	811
Income taxes payable	3,540	6,680	(3,140)
Deferred tax liabilities	22	35	(13)
Provision for bonuses	3,974	3,958	16
Provision for directors' bonuses	—	167	(167)
Notes payable – facilities	2,710	1,837	872
Other - current liabilities	13,663	11,627	2,036
Total current liabilities	115,007	98,166	16,840
Noncurrent liabilities			
Bonds payable	25,000	40,000	(15,000)
Long-term loans payable	10,127	10,189	(62)
Lease obligations	117	358	(241)
Deferred tax liabilities for land revaluation	71	71	-
Net defined benefit liability	491	504	(12)
Deferred tax liabilities	6,586	8,897	(2,310)
Other - noncurrent liabilities	1,525	1,567	(41)
Total noncurrent liabilities	43,920	61,589	(17,669)
Total liabilities	158,927	159,756	(828)
Net assets			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	68,354	68,354	-
Retained earnings	219,137	210,423	8,714
Treasury stock	(37,117)	(37,115)	(1)
Total shareholders' equity	314,527	305,815	8,712
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	16,020	21,003	(4,982)
Deferred losses on hedges	52	(1)	53
Revaluation reserve for land	156	156	-
Foreign currency translation adjustment	28,433	29,126	(692)
Total accumulated other comprehensive income	44,663	50,284	(5,621)
Non-controlling interests	4,054	3,991	63
Total net assets	363,245	360,091	3,154
Total liabilities and net assets	522,173	519,847	2,325

(Concluded)

Consolidated Statements of Income

	<i>Millions of yen</i>		
	Six months ended Sep 30, 2015	Six months ended Sep 30, 2014	Increase (Decrease)
Net sales	158,200	150,561	7,638
Cost of sales	118,521	113,038	5,482
Gross profit	39,678	37,523	2,155
Selling, general and administrative expenses	27,372	28,150	(778)
Operating income	12,306	9,372	2,933
Non-operating income (expenses)	566	2,623	(2,056)
Interest income	154	189	(34)
Dividends income	482	429	52
Foreign exchange losses, net	913	2,636	(1,723)
Interest expenses	(158)	(190)	31
Bond issuance cost	-	(103)	103
Depreciation of inactive noncurrent assets	(1,084)	(359)	(724)
Other, net	259	21	237
Ordinary income	12,873	11,996	877
Extraordinary income (loss)	298	(529)	828
Gain on sales of property, plant and equipment	12	11	1
Gain on sales of Investment securities	2,136	-	2,136
Gain on reversal of subscription rights to shares	-	353	(353)
Gain on liquidation of an affiliate	344	-	344
Loss on disposal of property, plant and equipment	(2,060)	(313)	(1,747)
Impairment loss	(91)	(386)	295
Loss on valuation of investment securities	(1)	(1)	0
Loss on liquidation of an affiliate	(6)	-	(6)
Loss on disaster	-	(144)	144
Other, net	(36)	(48)	11
Income before income taxes	13,171	11,466	1,705
Income taxes - current	(3,836)	(4,061)	224
Income taxes for prior periods	2,246	-	2,246
Income taxes	(1,590)	(4,061)	2,470
Profit	11,581	7,405	4,176
Profit attributable to non-controlling	(105)	(89)	(16)
Profit attributable to owners of parent	11,475	7,316	4,159

Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Six months ended Sep 30, 2015	Six months ended Sep 30, 2014	Increase (Decrease)
Income before minority interests	11,581	7,405	4,176
Other comprehensive income			
Valuation difference on available-for-sale securities	(4,982)	3,129	(8,111)
Deferred gains or losses on hedges	53	—	53
Revaluation reserve for land	-	77	(77)
Foreign currency translation adjustments	(692)	5,858	(6,551)
Other comprehensive income(loss)	(5,621)	9,065	(14,686)
Comprehensive income	5,960	16,470	(10,510)
(Breakdown)			
Comprehensive income attributable to owners of parent	5,881	16,367	(10,485)
Comprehensive income attributable to non-controlling interests	78	103	(24)

Segment Information

FY 2014 second quarter (From April 1, 2014 to September 30, 2014)

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

A summary of net sales and income business segment for six months ended September 30, 2014 was as follows:

<i>Millions of yen</i>							
For six months period ended September 30, 2014							
	Reportable Segment					Adjustment (*2)	Quarterly Consolidated Statements of Income
	Electronics	Ceramics	Total	Others (*1)	Total		
Sales to third parties	74,928	49,633	124,562	25,999	150,561	-	150,561
Inter-segment sales and transfers	26	50	76	3,335	3,411	(3,411)	-
Net sales	74,954	49,684	124,639	29,334	153,973	(3,411)	150,561
Segment income	3,230	4,025	7,255	2,062	9,318	54	9,372

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

*2 The ¥54 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 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 2015 second quarter (From April 1, 2015 to September 30, 2015)

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

A summary of net sales and income business segment for three months ended September 30, 2015 was as follows:

<i>Millions of yen</i>							
For six months period ended September 30, 2015							
	Reportable Segment					Adjustment (*2)	Quarterly Consolidated Statements of Income
	Electronics	Ceramics	Total	Others (*1)	Total		
Sales to third parties	76,860	52,825	129,685	28,514	158,200	-	158,200
Inter-segment sales and transfers	13	75	88	3,859	3,948	(3,948)	-
Net sales	76,874	52,900	129,774	32,373	162,148	(3,948)	158,200
Segment income	6,967	2,867	9,834	2,379	12,214	92	12,306

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

*2 The ¥92 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 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

(3) 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 second quarter of the previous fiscal year has been published to reflect the change in reporting segments.