



Financial Results of FY2016

IBIDEN Co., Ltd.(4062)

April 28th, 2017

Forecasts in this statement have been made based on the premise, prospect and plan of IBIDEN as of April 27th, 2017.

Actual results may widely differ from this statement due to any uncertain factor such as international economy, market competition and exchange fluctuation.

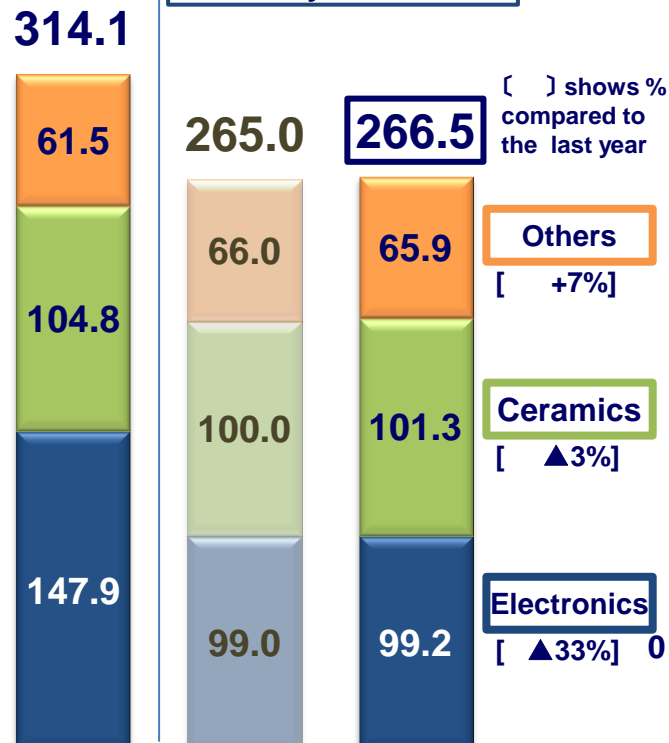
[Consolidated] Results of FY2016

Forecasts of Net Sales, Operating Income and Net Income in FY2016



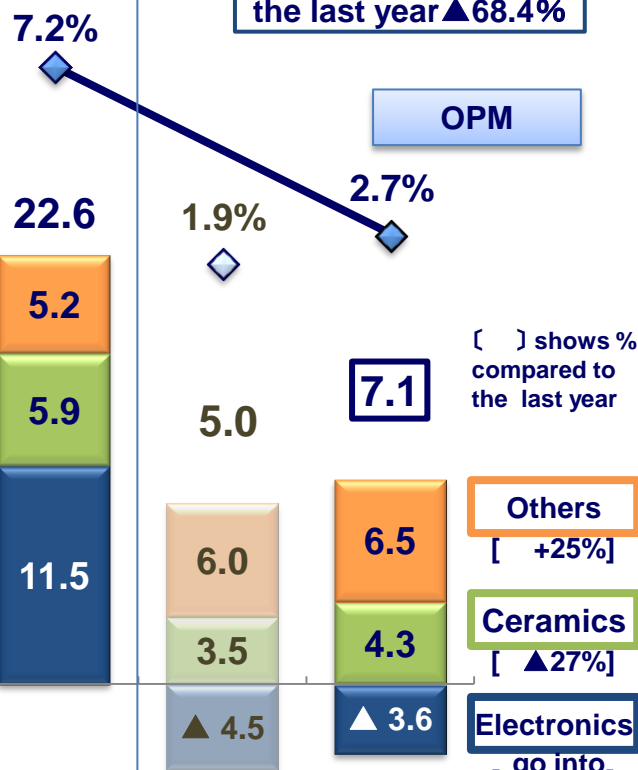
Net Sales (Unit: Billions of Yen)

Compared to
the last year ▲15.2%



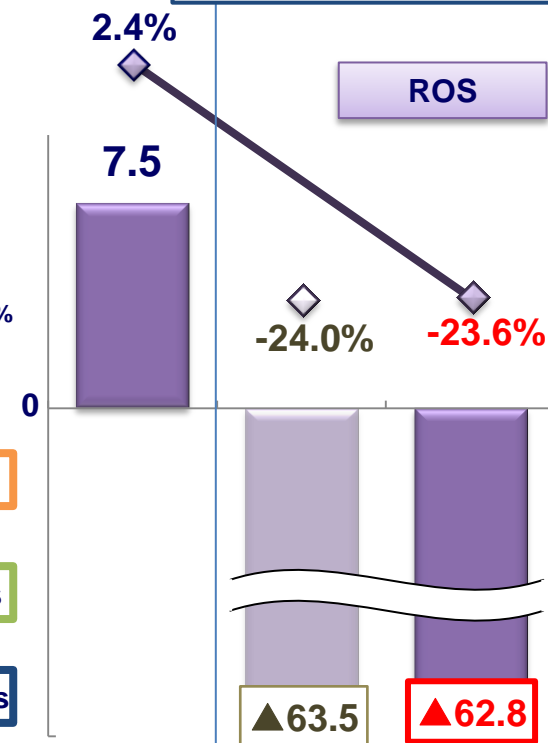
Operating Income (Unit: Billions of Yen)

Compared to
the last year ▲68.4%



Net Income (Unit: Billions of Yen)

Compared to
the last year ▲70.4B Yen



Result
FY15

Forecast
Disclosed
on Feb 3
FY16

Result
FY16

Result
FY15

Forecast
Disclosed
on Feb 3
FY16

Result
FY16

Result
FY15

Forecast
Disclosed
on Feb 3
FY16

Result
FY16

120	105	107	Exchange rate (USD)
132	117	118	Exchange rate (EUR)

[Consolidated] Forecasts of FY2017

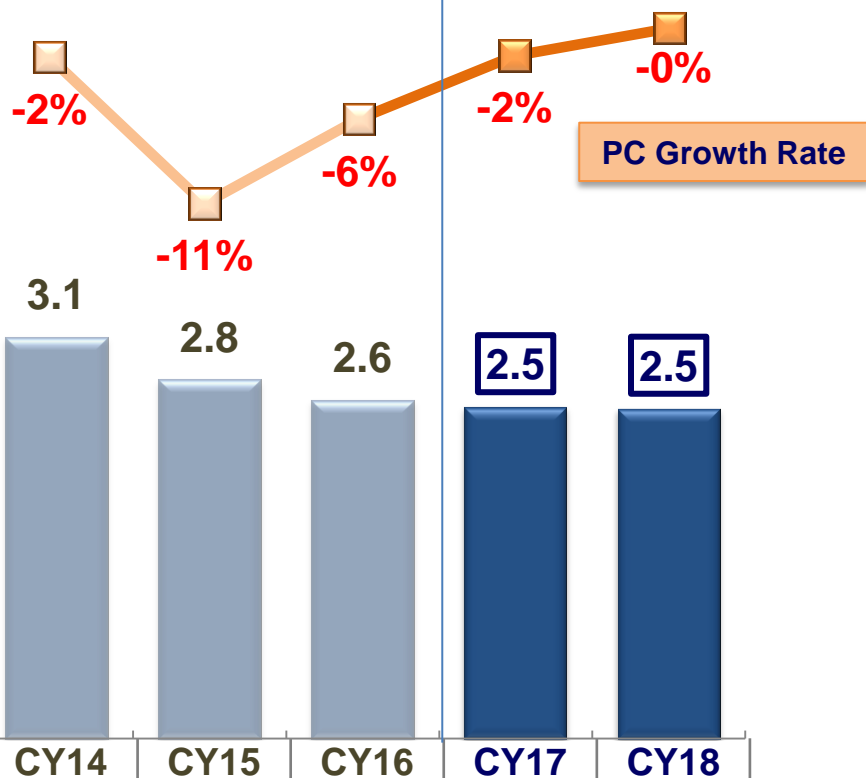
[Electronics] Market Trends

- PC market continues to show negative growth, yet its pace has become slower (favorable)
- High-end Smartphone market: hit the bottom in CY16, but expect to turn to positive growth from CY17 on

Market of PC (PKG)

(Unit: 100M Units)

*According to IBIDEN's survey



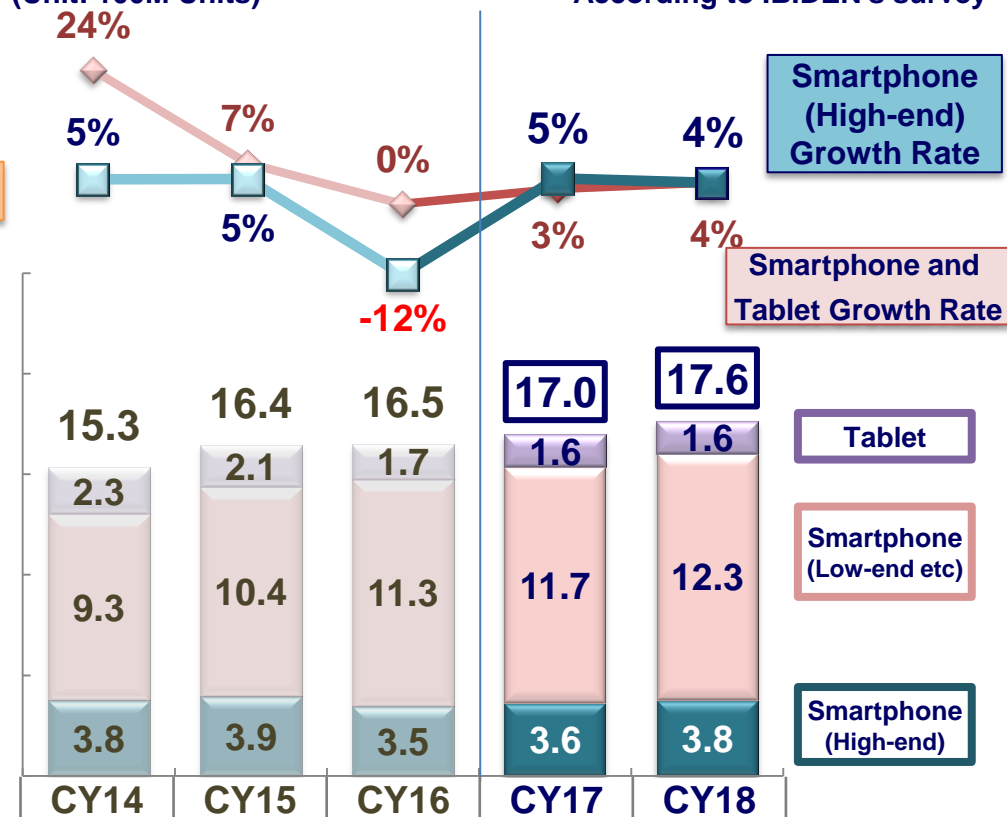
Result

Forecast

Market of Smartphone / Tablet Market (CSP-PWB)

(Unit: 100M Units)

*According to IBIDEN's survey



Result

Forecast

[Electronics]

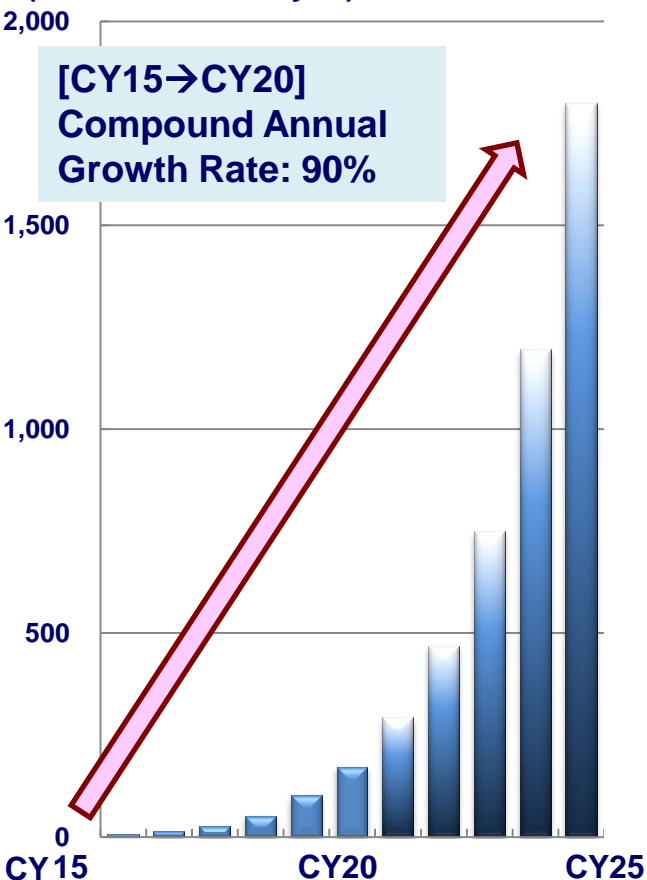
Develop new customers from growing markets

- Launch products from growing markets [IoT/In-vehicle device/
Data center]

Market of IoT device

*According to IBIDEN's survey

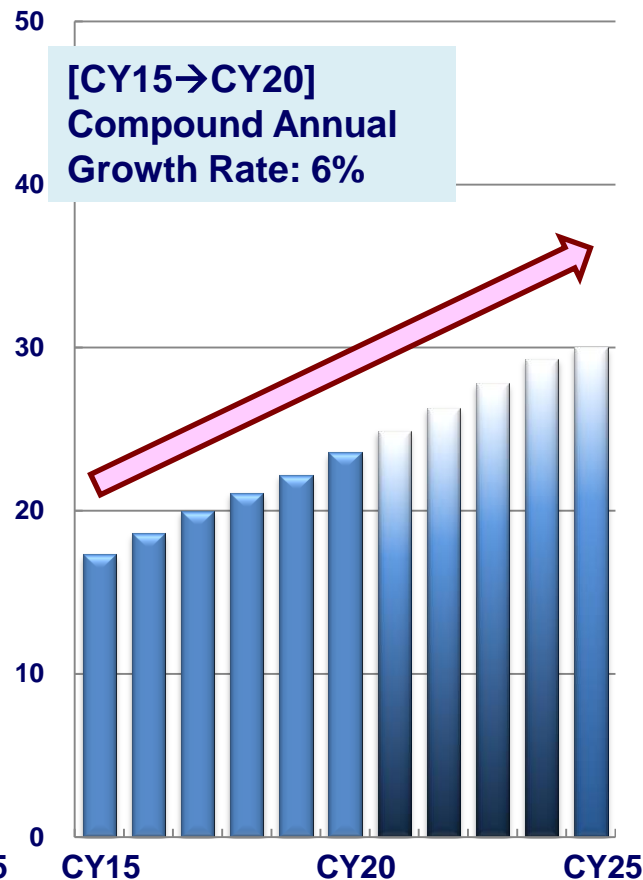
(Unit: Trillions of yen)



Market of In-vehicle device

*According to IBIDEN's survey

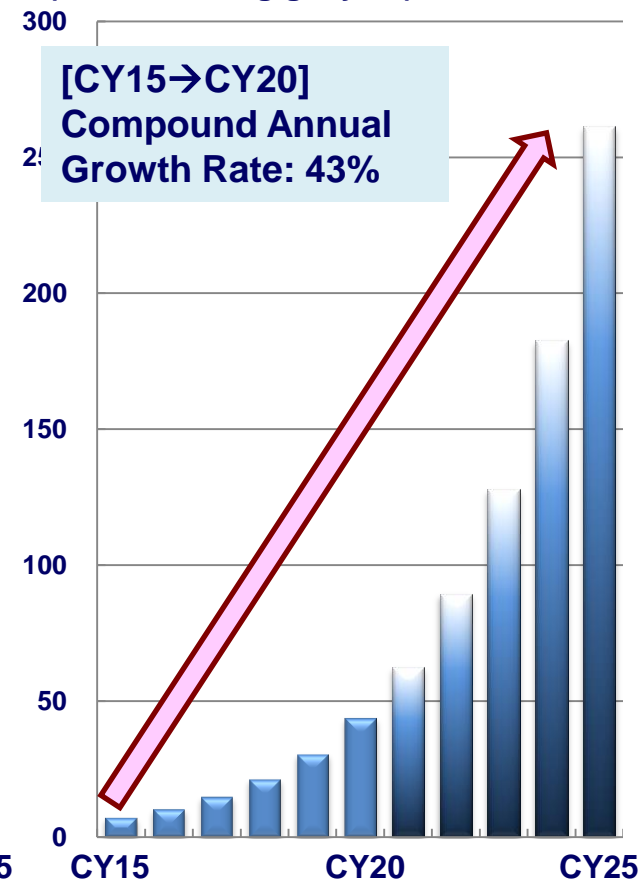
(Unit: Trillions of yen)



Market of Data center (Data Traffic)

*According to IBIDEN's survey

(Unit: Trillion gigabytes)



[Ceramics] Market Trends

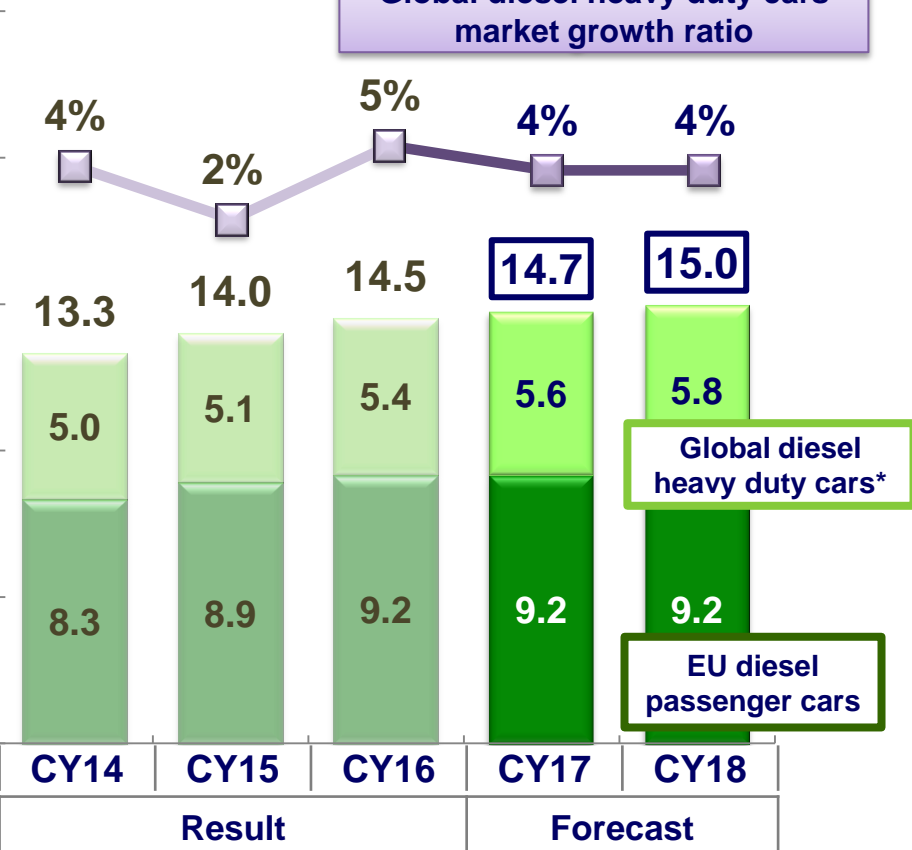
□ Global automotive market is steadily growing.

Market of DPF

(Unit: Million Unit)

*According to IBIDEN's survey

Global diesel heavy duty cars
market growth ratio



*Include construction/farm machineries.

1 DPF applied to the said machineries is counted as

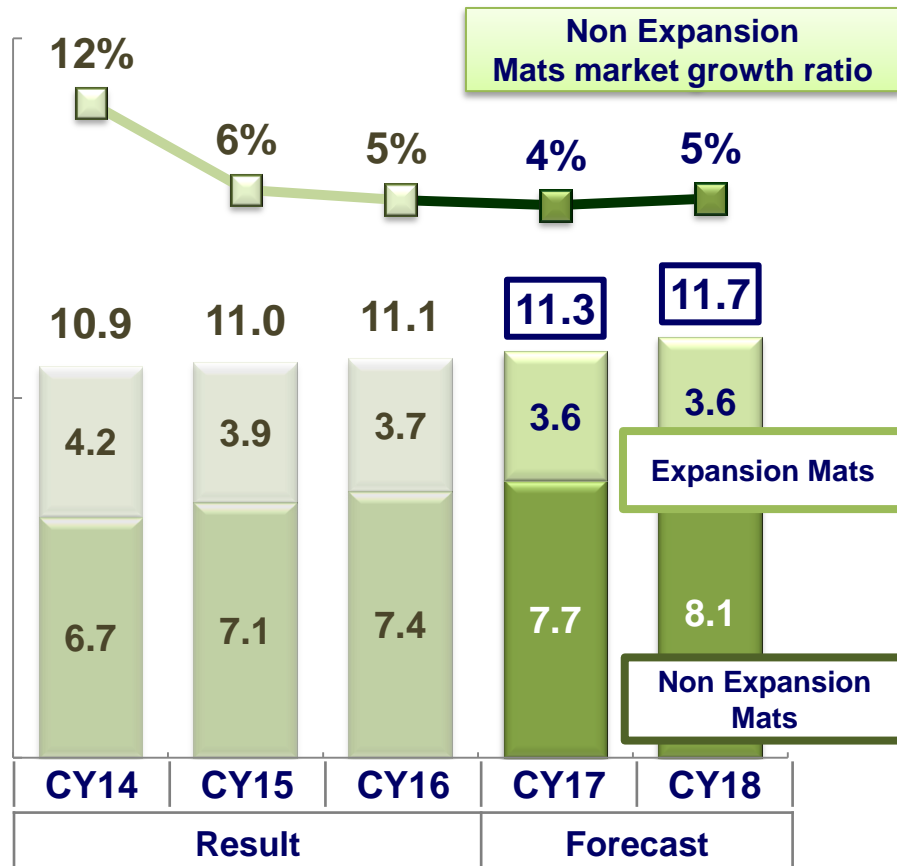
3 DPFs applied to a passenger cars

Market of Mats

(Unit: 1,000ton)

*According to IBIDEN's survey

Non Expansion
Mats market growth ratio



Stabilize operations by 3 major businesses

『Electronics/Ceramics/Others』



① Electronics Operation

- **PKG Market:** 1) Expand mass production of high-performance PKG for Data center and In-vehicle device.
2) Develop fine and thin package which can be competitive to FOWLP・PLP and introduce to the market
- **Motherboard Market:** Recovery of customer orders by launching MSAP product for high-end smartphone

② Ceramics Operation

- **Exhaust system market:** 1) Enhance proposal-making capabilities through synergy of DPF・SCR・AFP
2) Ensure competitive force in heavy-duty vehicles and emerging market
- **Other new market:** Expand to other Automotive/Airplane/Electric Power generation

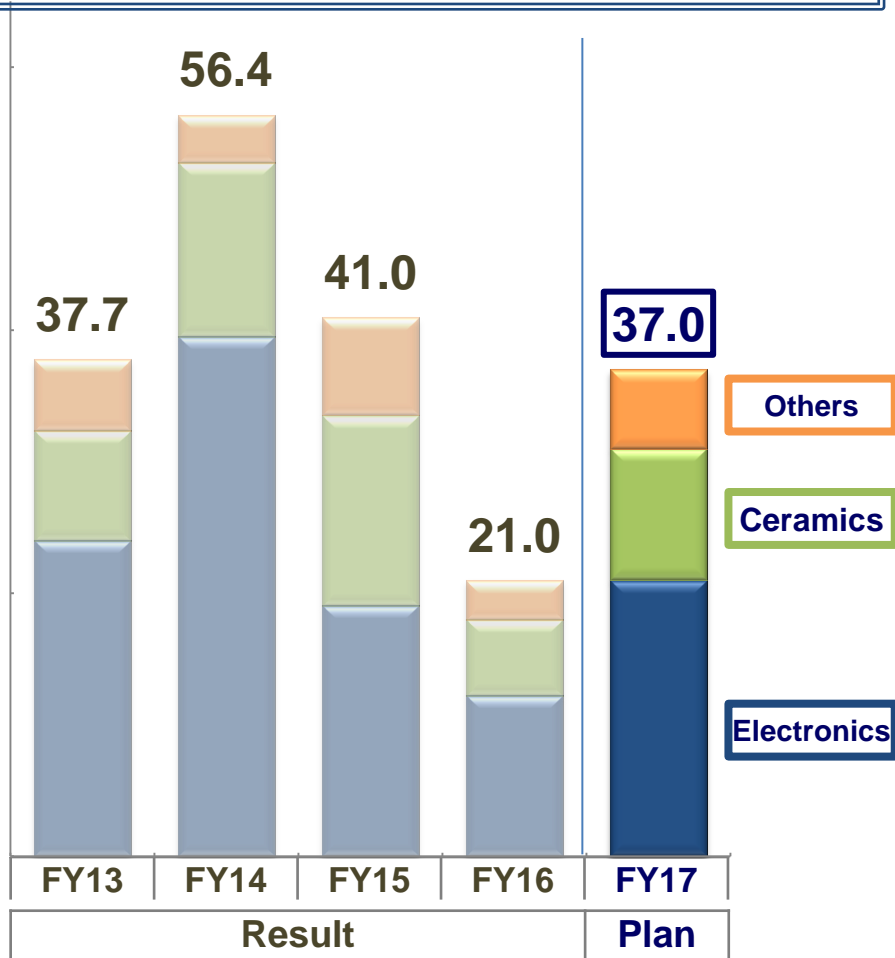
③ Other Operations (Domestic Operations + Electric power Business)

- **Domestic:** Stably expand business in housing materials/green business/food by distinctive products
- **Electric power:** Develop stable source of earnings mainly by Hydro and Solar energy

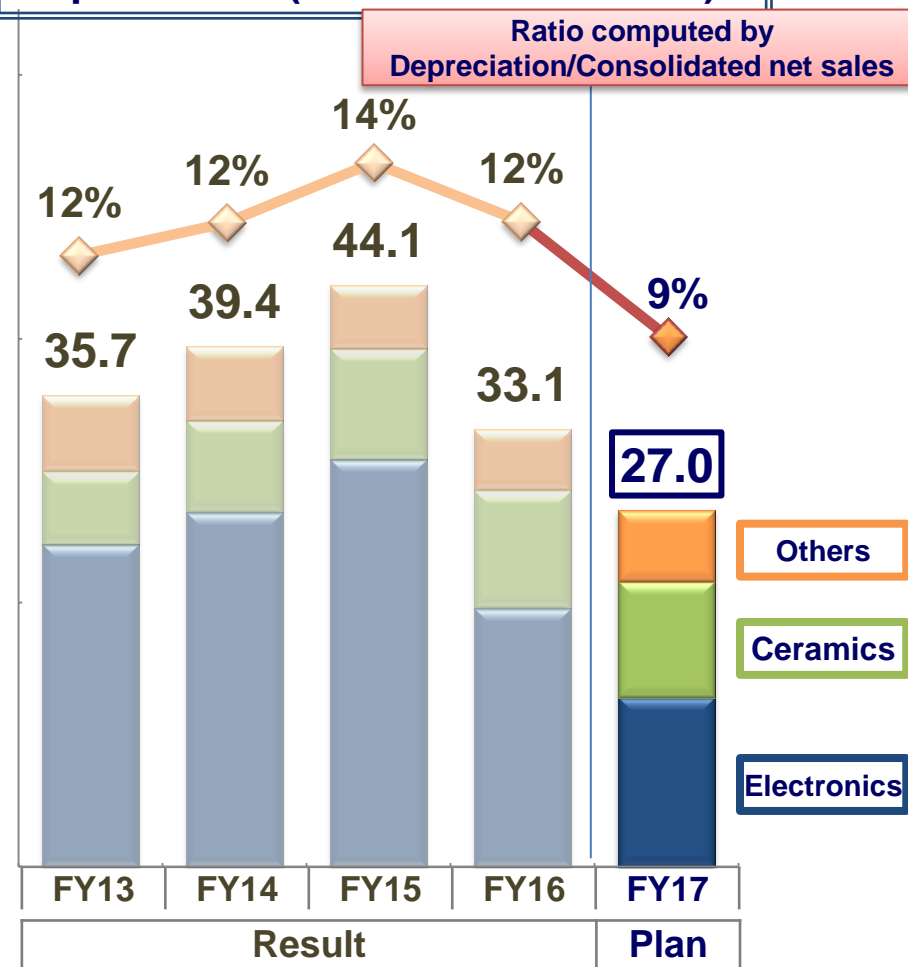
Plan of Capital Expenditure and Depreciation

- **Electronics Operation:** Investment for next generation(fine/thin/MSAP products)
- **Ceramics Operation:** Further Investment for heavy-duty cars and emerging market

Capital Expenditure (Unit: Billions of Yen)



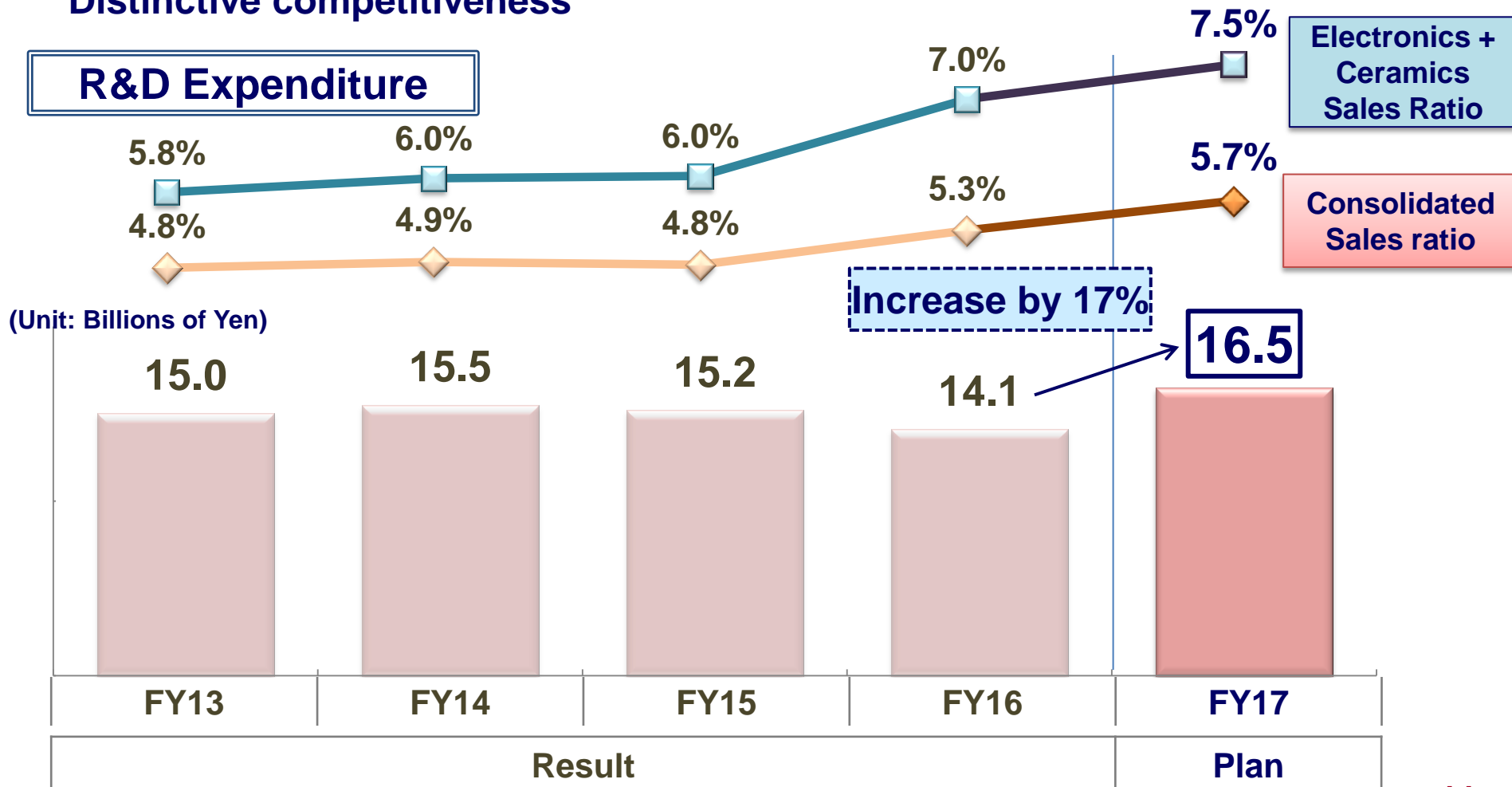
Depreciation (Unit: Billions of Yen)



R&D Expenditure plan

- Launched 4 R&D product development centers (Automotive Functional/Future Mobility/Advanced Ceramics/Biomaterial) to achieve commercialization of new products in the early stage
- IBIDEN's R&D operation supports group companies' operation to enhance Distinctive competitiveness

R&D Expenditure



Capital and business alliance with Denso Corporation

Background and objective

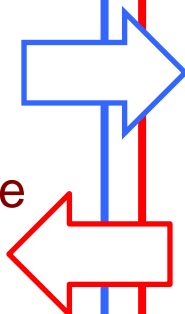
As international regulations on vehicle exhaust emissions become more strict, internal combustion engines are required to be more efficient and exhaust system to be improved. This capital and business alliance will enable the two companies to bring cultivated strengths and accelerate development of high-performance vehicle exhaust systems for internal combustion engines, including gasoline, diesel, HV-PHV engines.

Items to be implemented

1. Collaboration in developing **next generation's exhaust system**
2. **Collaboration in the area of electrification** to respond to diversifying powertrains



Development of **high-performance ceramics** for exhaust systems cultivated by DPF business



DENSO
Crafting the Core

Productization with system perspective through Product Development and Supply in intake/ignition/exhaust process of gasoline or diesel engines

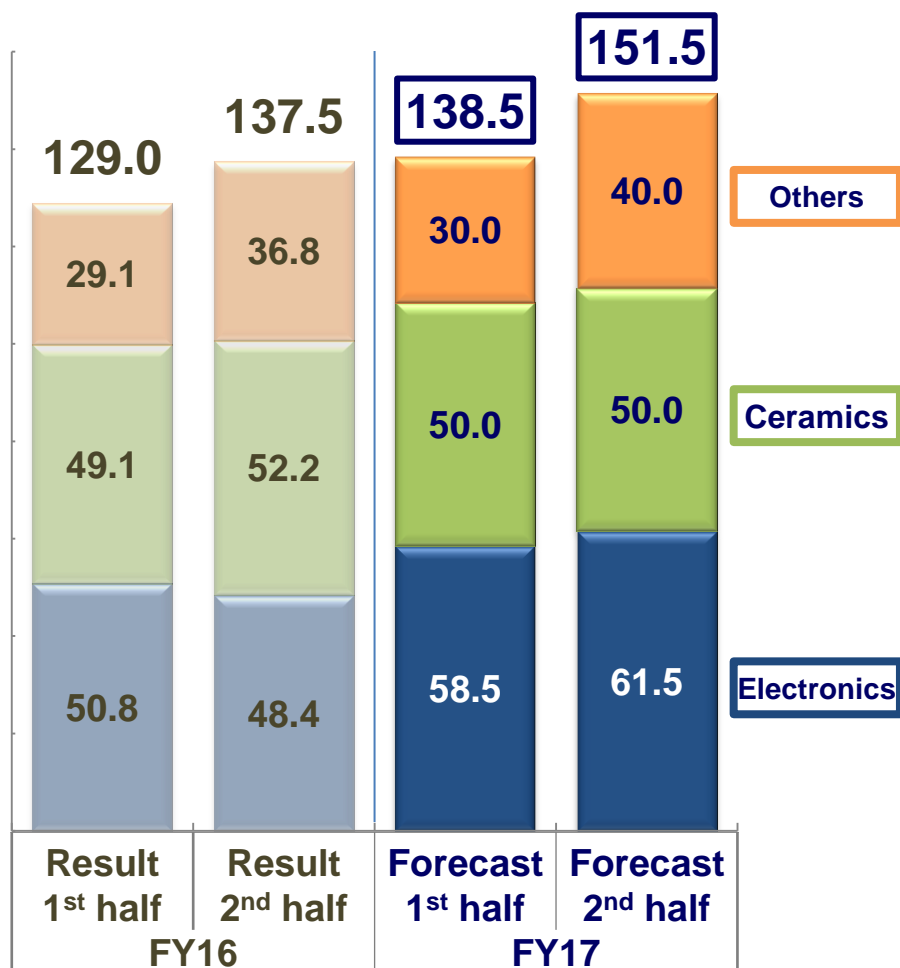
Summary of Third-Party Allocation of New Shares

Quota of stock : Common stock 6,825,900 shares (allot treasury stock)
The allocated price: ¥1,758/share
Purchase price : ¥11,999,932,200 (Approximately 12billion yen)

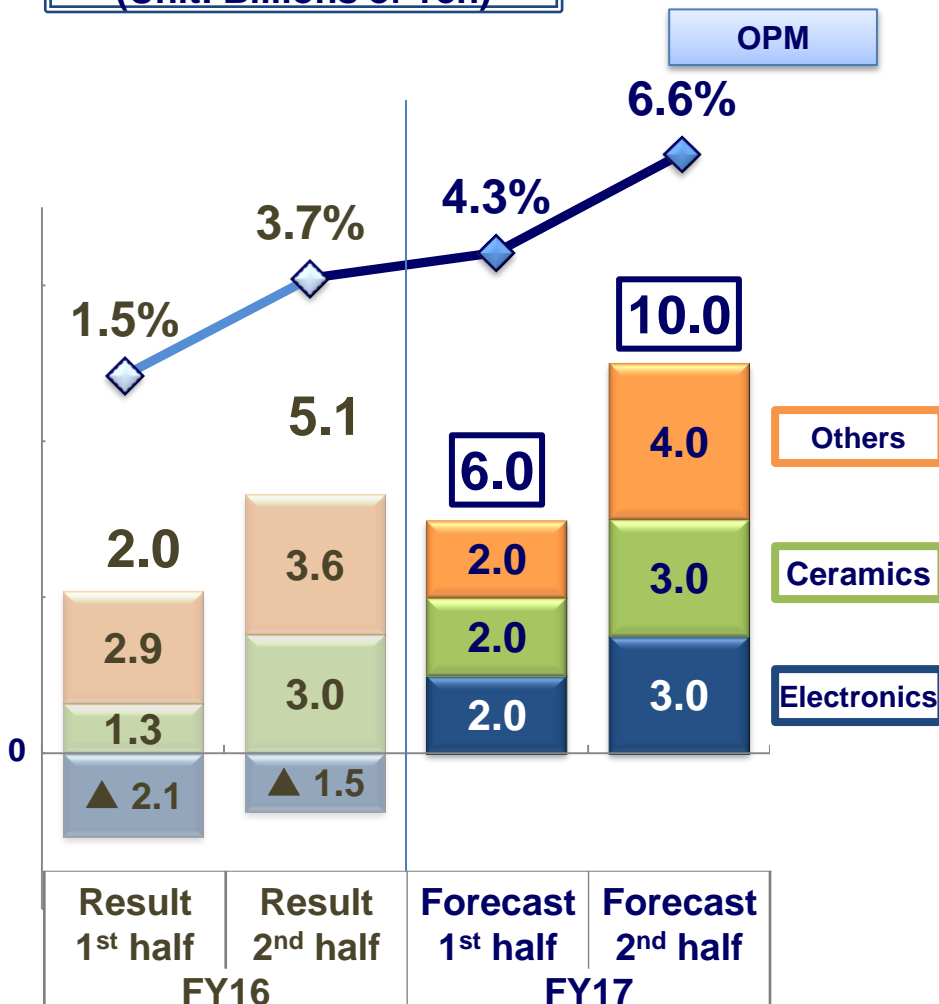
Forecast of Net Sales and Operating Income in Half Year of FY2017



Net Sales
(Unit: Billions of Yen)



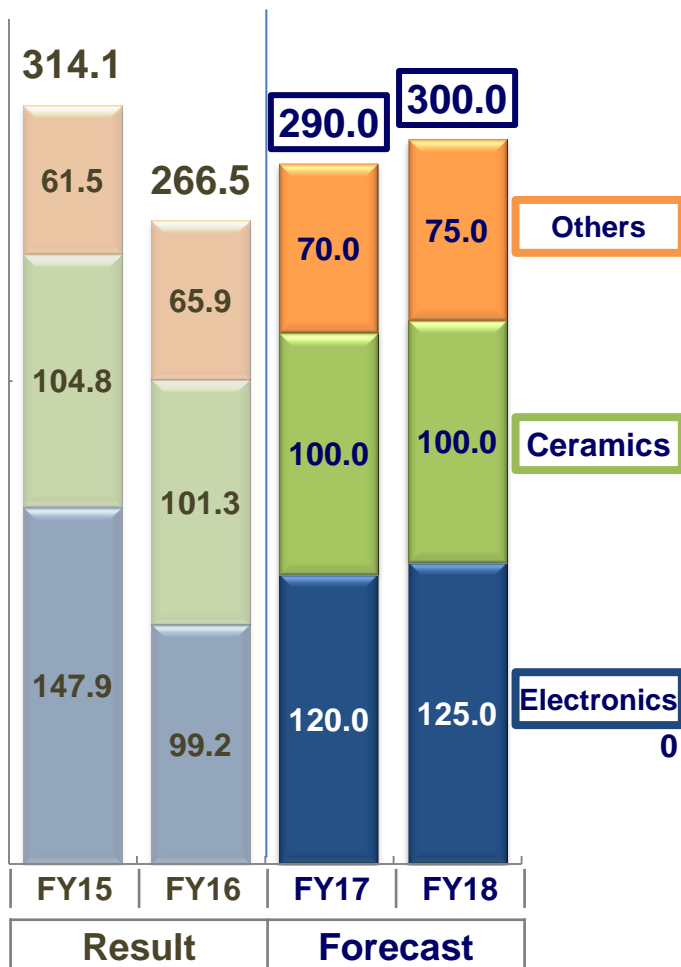
Operating Income
(Unit: Billions of Yen)



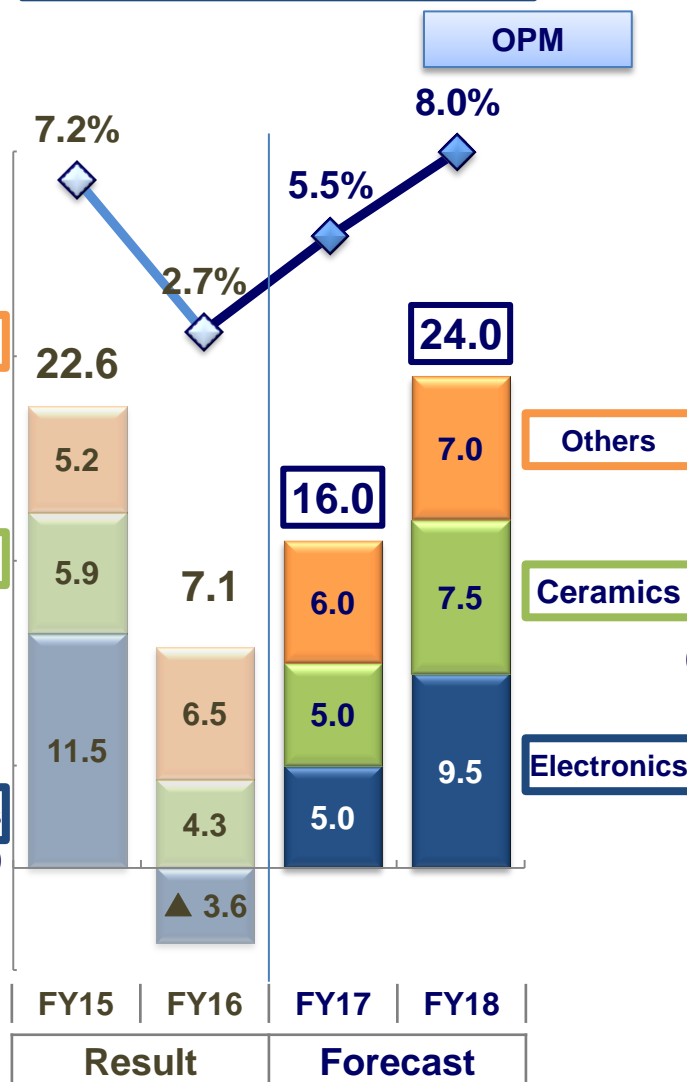
106	109	110	110	Exchange rate (USD)
119	117	115	115	Exchange rate (EUR)

Business forecast of 2017~

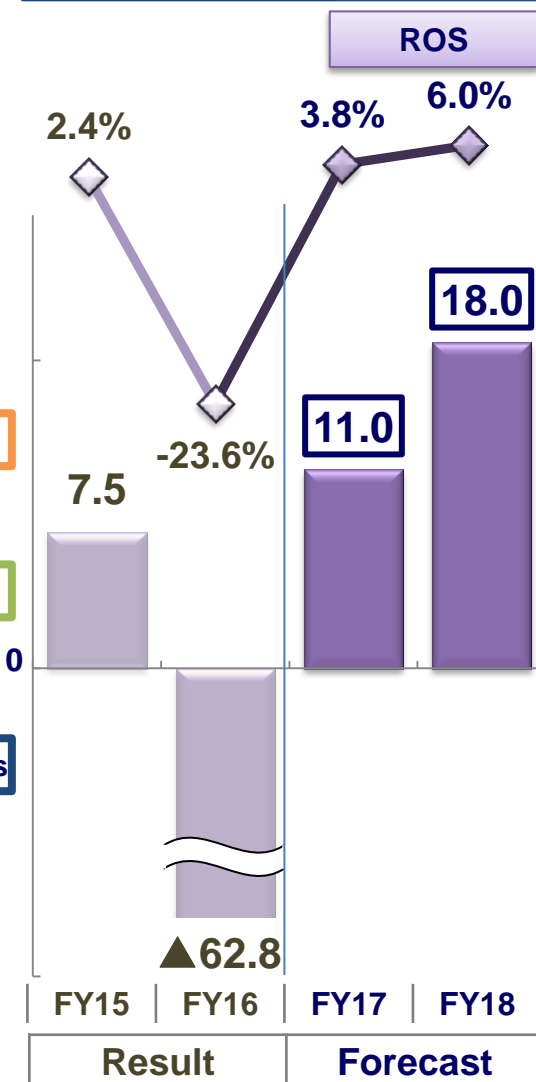
Net Sales
(Unit: Billions of Yen)



Operating Income
(Unit: Billions of Yen)



Net Income
(Unit: Billions of Yen)



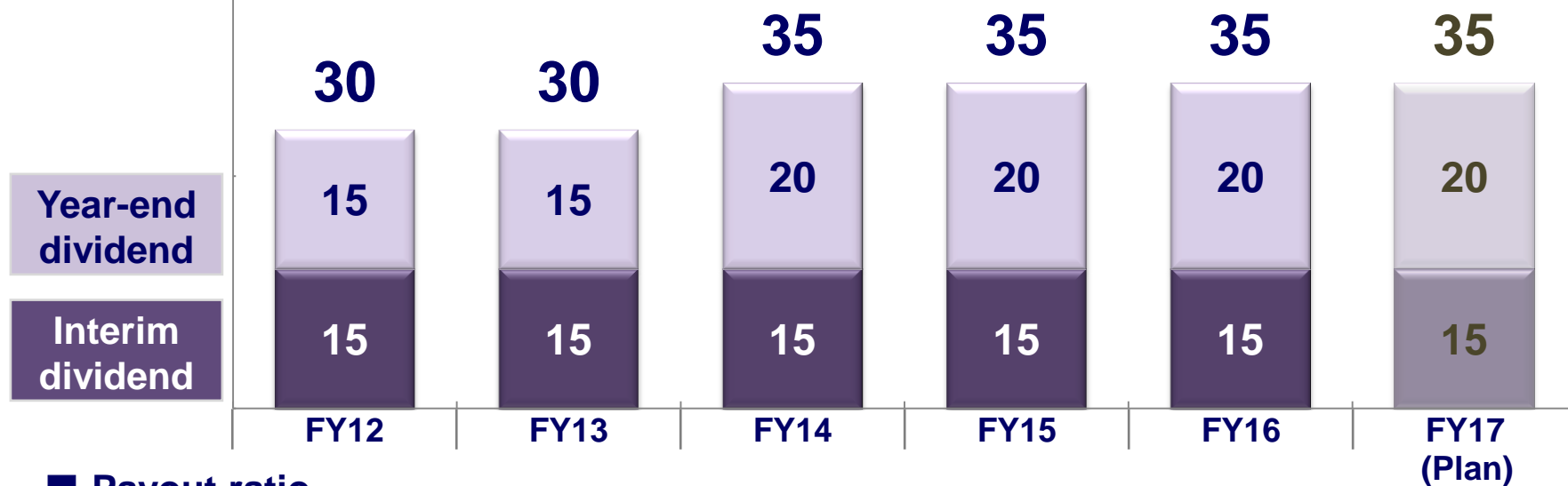
Return to Shareholders

Return to Shareholders

- ☐ Continue stable dividend
- ☐ Determined special benefit plan for shareholders

Dividend per Share

(Unit: Yen)



■ Payout ratio

187.8%	23.7%	25.3%	63.3%	-	42.3%
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■ Acquisition and retirement of treasury stocks (Unit: Million shares)

Acquisition	5.0	-	-	5.0	-	TBD
Retirement	-	-	-	10.0	-	

For better Corporate Governance

Organization design change and supervisory function reinforcement of the Board of Directors

Organization design change

【Background #1】

Respond to the change of business environment

【Background #2】

Globalization of the business

【Background #3】

Request of Corporate Governance code

【Demand】

1. Build lean Board of Directors that enables quick decision-making to respond to change of business environment
2. Simpler design of the organization for global standard
3. Enforce supervisory function by adopting Outside Directors

Transition to Company with Audit and Supervisory Committee

Supervisory function Reinforcement of the Board of Directors

★ : New candidate

Plan of Board of Directors (currently 11 → 7)

Hiroki Takenaka	Chairman of the Board, Representative Director
Takeshi Aoki	President & CEO, Representative Director
Tsuyoshi Nishida	Executive Vice President, Representative Director
Kozo Kodama	Executive Vice President, Representative Director
Chiaki Yamaguchi	Outside Director (President, TOWA REAL ESTATE co.,Ltd)
Toshio Mita	Outside Director ★ (Senior Advisor, Chubu Electric Power Company)
Koichi Yoshihisa	Outside Director ★ (President, Meijo University)

Plan of Audit and Supervisory Committee (currently 4 → 5)

Keiichi Sakashita	full-time member
Yoichi Kuwayama	full-time member
Fumio Kato	Outside member (Certified Public Tax Accountant)
Masaki Horie	Outside member (Certified Public Accountant)
Nobuko Kawai	Outside member ★ (Attorney)

- ※ Ratio of outside directors to the board (12 members): 50%
- ※ Ratio of outside directors to the committee: 60% (majority)