



Financial Results of the 1st half of FY2016

IBIDEN Co., Ltd.(4062)

November 14th , 2016

Forecasts in this statement have been made based on the premise, prospect and plan of IBIDEN as of November 14th , 2016.

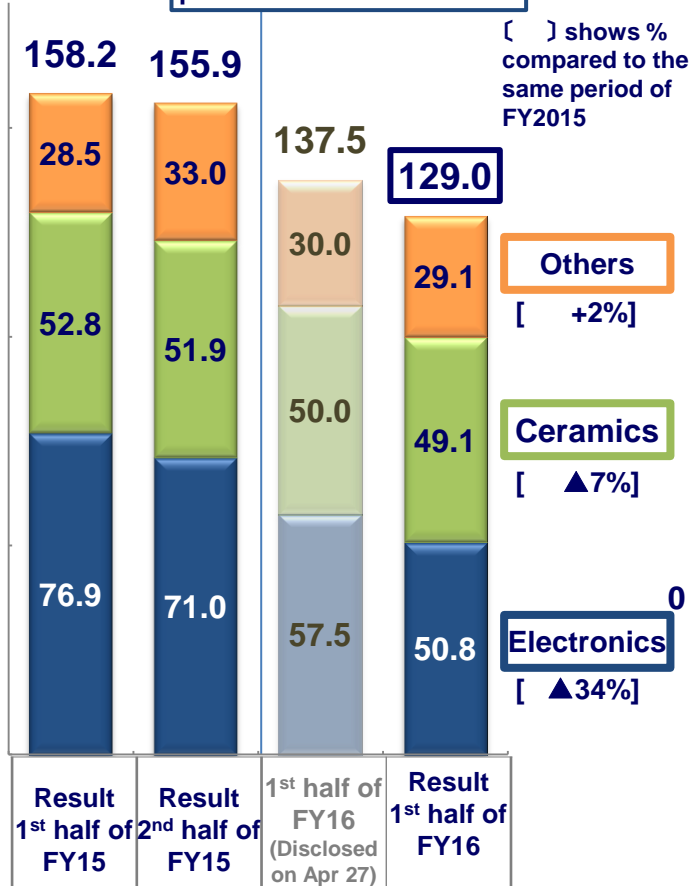
Actual results may widely differ from this statement due to any uncertain factor such as international economy, market competition and exchange fluctuation.

[Consolidated] Results of the 1st half of FY2016

Results of Net Sales, Operating Income and Net Income in 1st half of FY2016

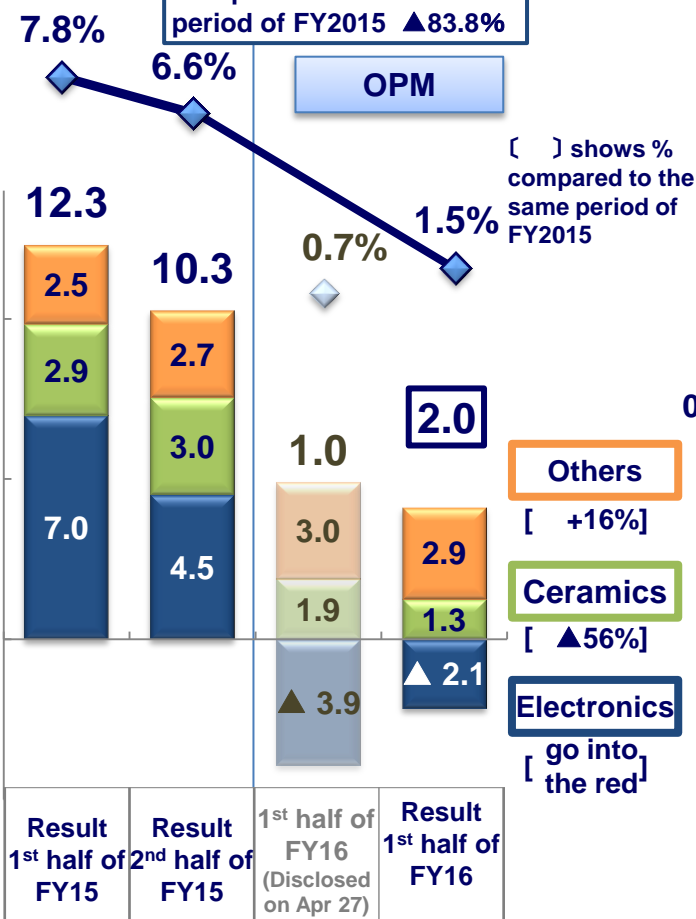
Net Sales (Unit: Billions of Yen)

Compared to the same period of FY2015 ▲18.5%



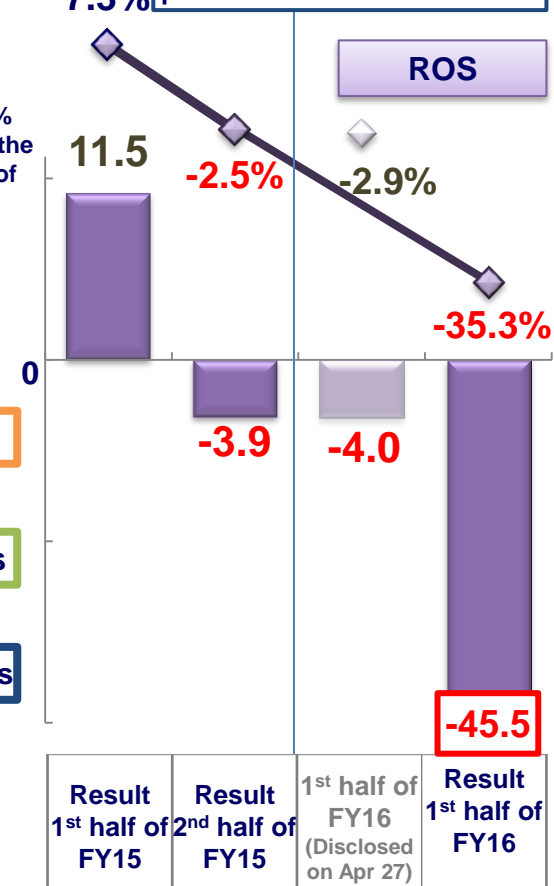
Operating Income (Unit: Billions of Yen)

Compared to the same period of FY2015 ▲83.8%



Net Income (Unit: Billions of Yen)

Compared to the same period of FY2015 ▲57.0B Yen



121	119	110	106	Exchange rate (USD)
133	130	120	119	Exchange rate (EUR)

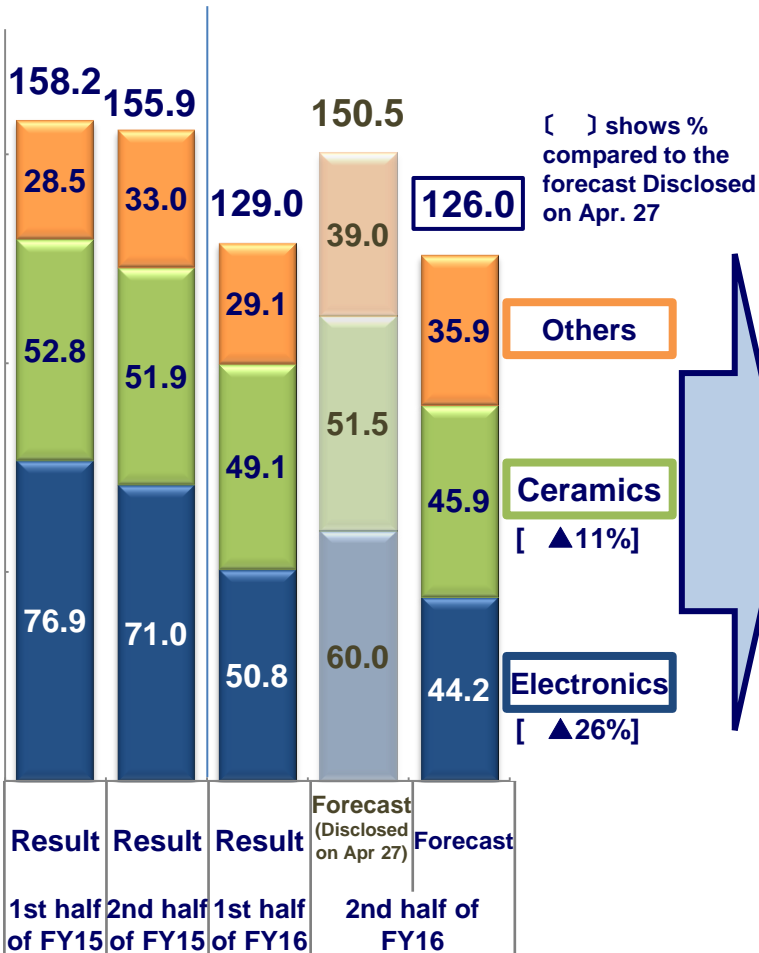
[Consolidated] Forecasts of FY2016

FY2016 2nd Half / Sales difficulties continue



Net Sales (Unit: Billions of Yen)

Compared to the forecast
Disclosed on Apr 27 ▲16.3%



Biz structure reform

【Electronics business】

1. Still in downtrend in PC and Smart phones
 2. Tough competition
(Excess suppliers capacity)
 3. Not prospective for recovery of orders in 2H
- Impair fixed assets and others by 50.0B Yen to keep balance with foreseeable orders for quick recovery in 2017.

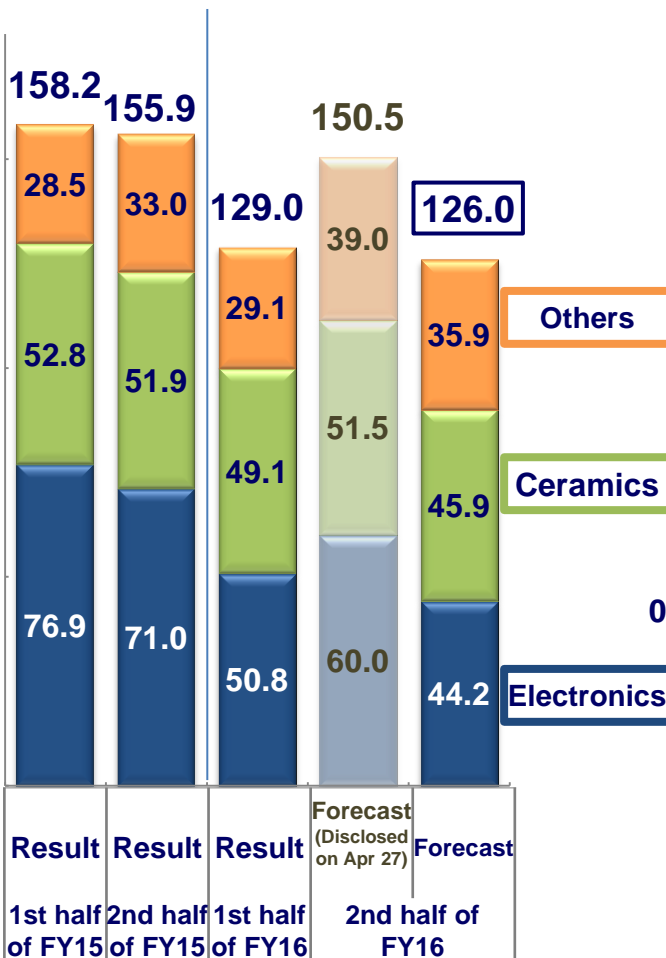
【Ceramics business】

Allot 5.0B Yen for restructuring (production equipment, business strategy) to meet future emission regulations.

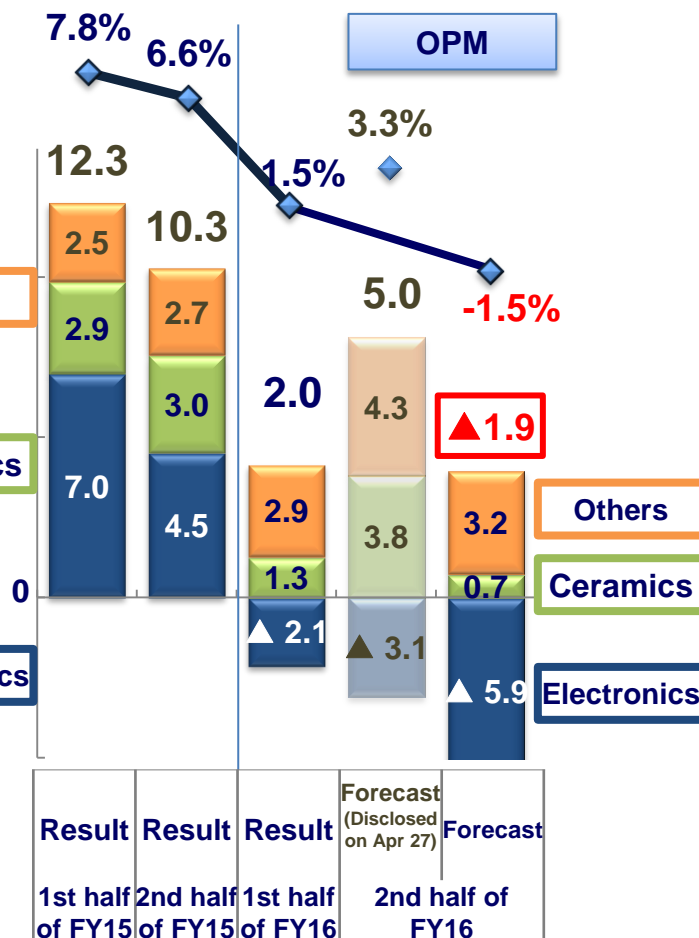
Forecasts of Net Sales, Operating Income and Net Income in Half Year of FY2016



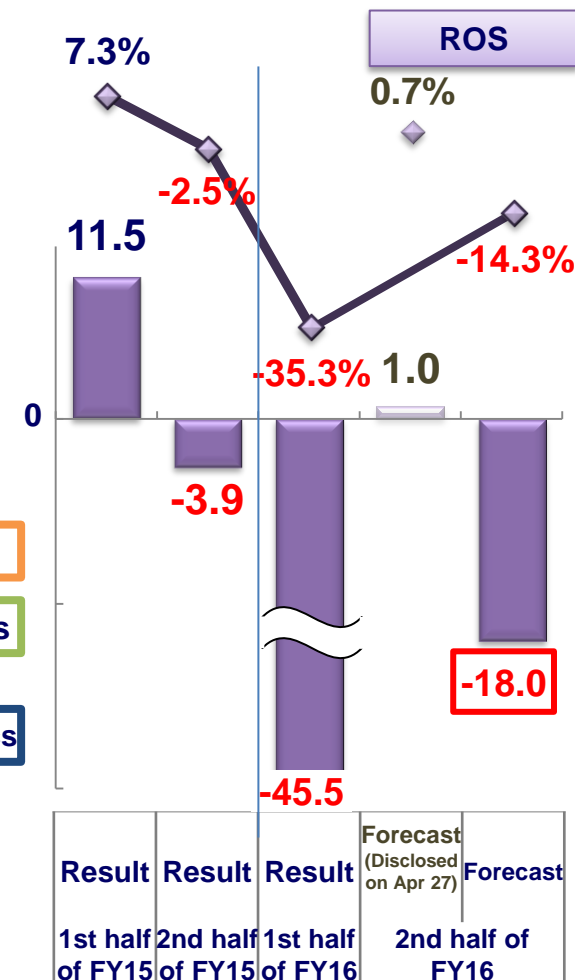
Net Sales
(Unit: Billions of Yen)



Operating Income
(Unit: Billions of Yen)



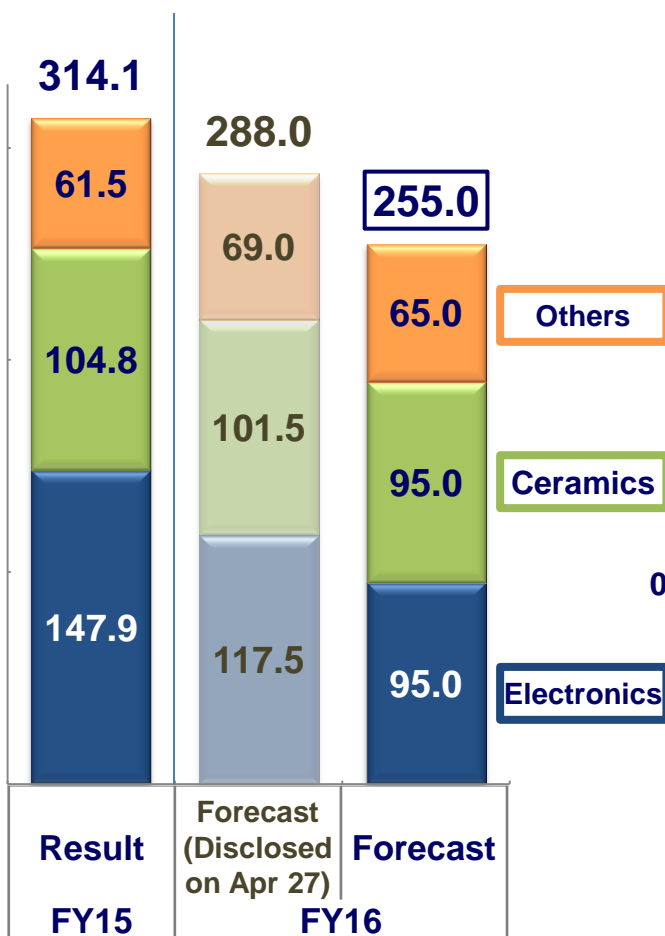
Net Income
(Unit: Billions of Yen)



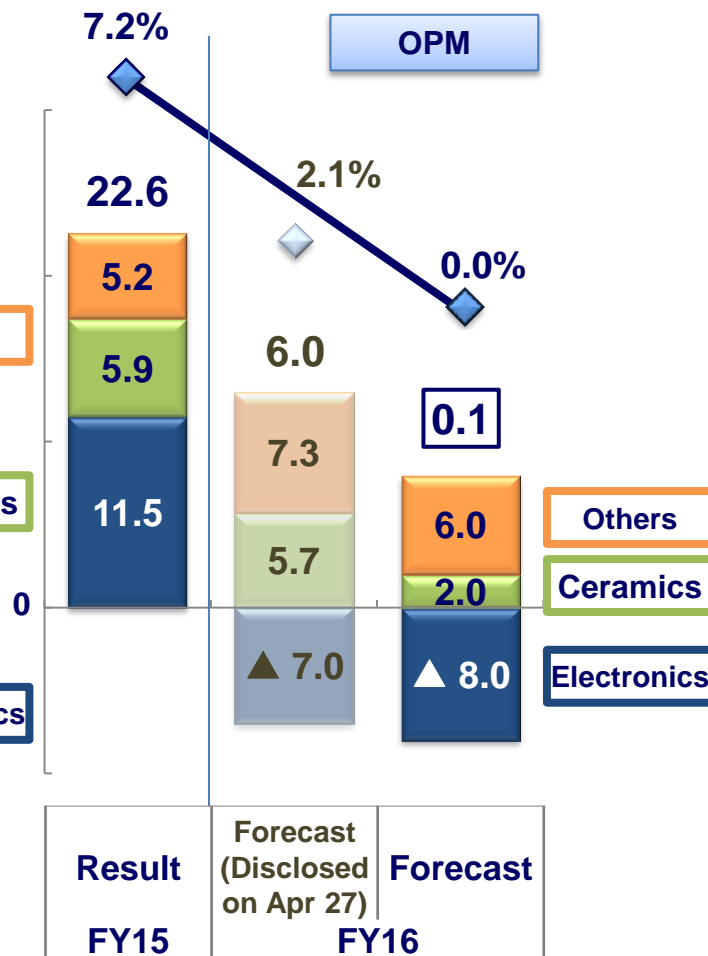
121	119	106	110	100	Exchange rate (USD)
133	130	119	120	110	Exchange rate (EUR)

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

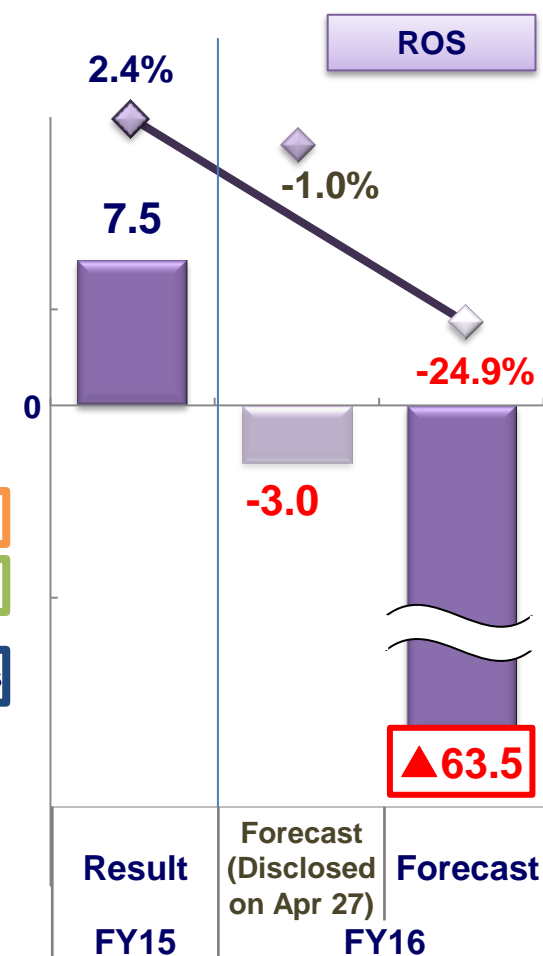
Net Sales
(Unit: Billions of Yen)



Operating Income
(Unit: Billions of Yen)



Net Income
(Unit: Billions of Yen)



120	110	103	Exchange rate (USD)
132	120	115	Exchange rate (EUR)

Plan of Balance sheet and Cash flow

Balance sheet (Unit: Billions of Yen)

FY15 Result		FY16 Plan	
476.1		389.0	
Current assets 213.6	Current liabilities 113.7	Current assets 189.0	Current liabilities 96.0
	Long-term liabilities 30.8		Long-term liabilities 55.0
Fixed assets 262.5	Net assets 331.5	Fixed assets 200.0	Net assets 238.0
■ Fixed assets 262.5		200.0	
■ Owned capital 327.3		234.0	
■ Capital adequacy ratio 68.8%		60.2%	

Change

▲62.5

▲93.3

▲8.6%

Cash flow (Unit: Billions of Yen)

	FY15 Result	FY16 Plan
Free cash flow	20.1	1.0
Cash flow from financing activities	▲20.5	▲5.0
Effect of exchange rate changes on cash and cash equivalents	▲2.2	▲6.9
Cash and cash equivalents at end of year	107.9	97.0
Interest-bearing debt	70.1	70.1
Capital expenditures	41.0	27.5
Depreciation and amortization	44.1	35.0

Reduce the compensations for executives to seriously take the responsibilities not meeting business targets and making special losses listed in FY2016 report.

(1) Details of reduction

President & CEO	50% of monthly compensation
Executive vice president	30% of monthly compensation
Executive/Sr. managing director	20% of monthly compensation
Executive officer / Councilor	15% of monthly compensation
Managing officer	10% of monthly compensation

(2) Period of reduction

From November 2016 to March 2017 (5 months)

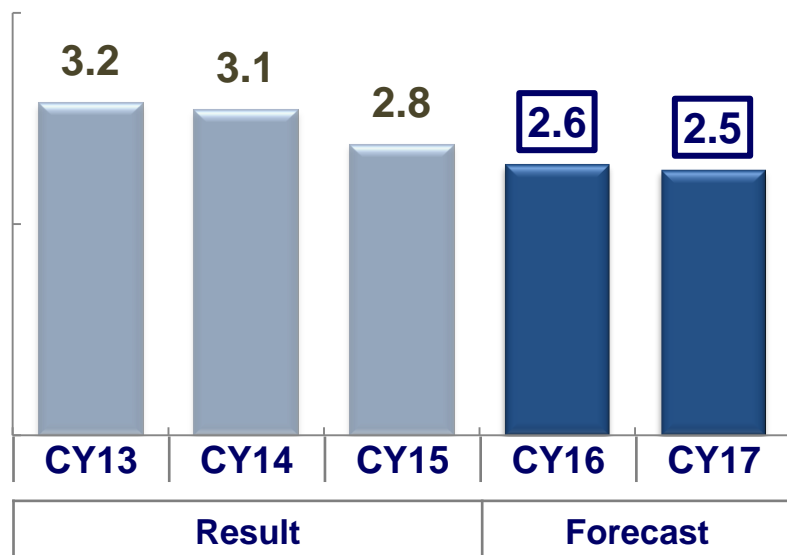
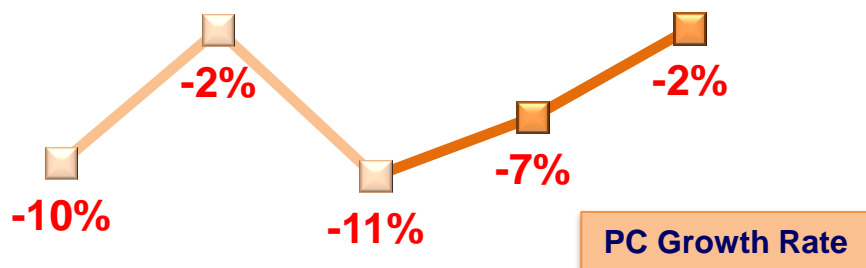
Profit recovery plan FY2017~

[Electronics] Market Trends

- PC market: Estimated continuous negative growth
- High-end Smartphone market: Negative growth(2016) → Zero growth(2017)

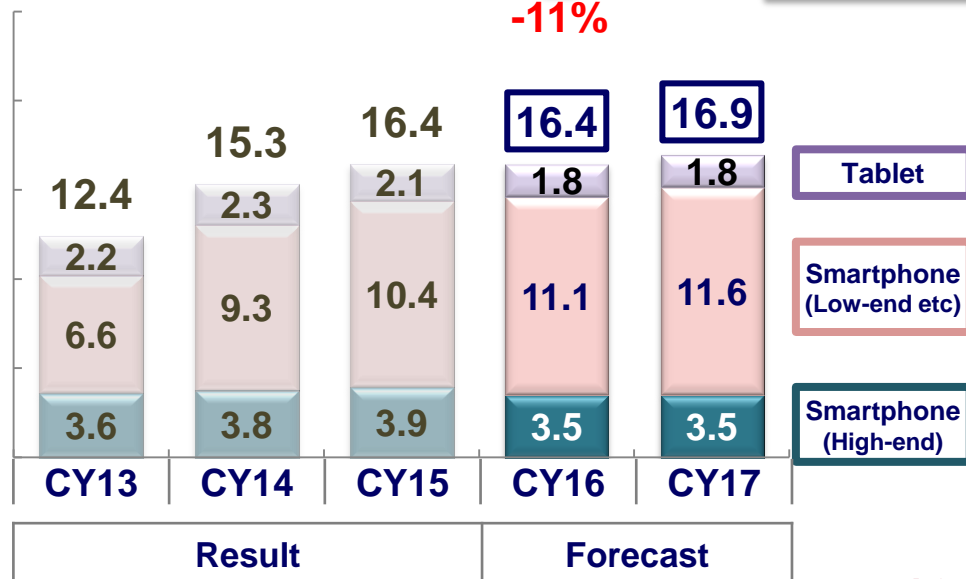
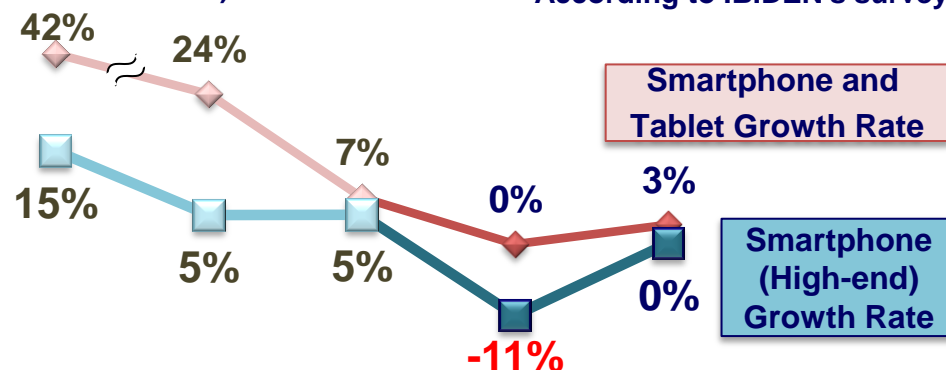
Market of PC (PKG)

(Unit: 100M Units) *According to IBIDEN's survey



Market of Smartphone / Tablet Market (CSP-PWB)

(Unit: 100M Units) *According to IBIDEN's survey



[Electronics]

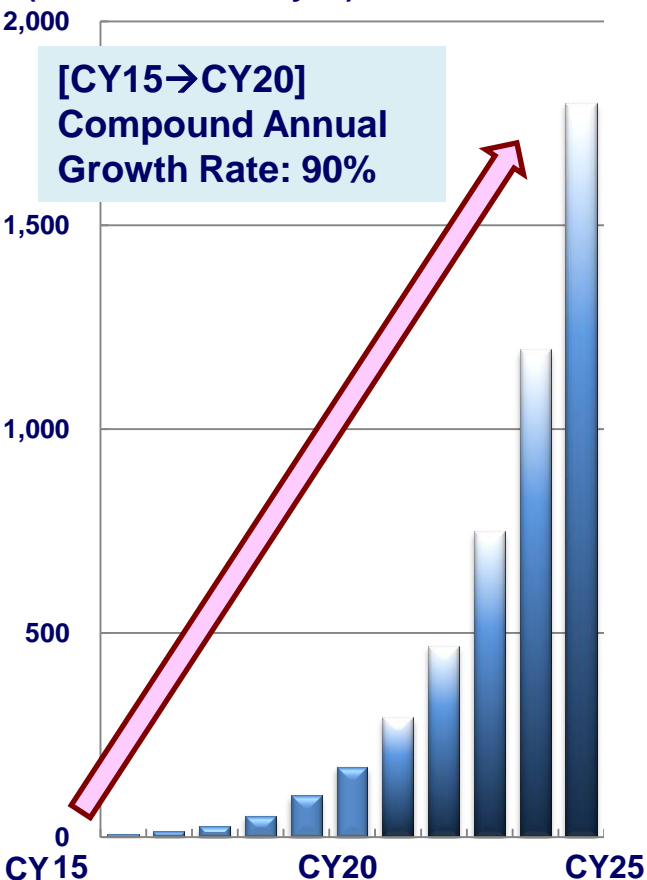
Develop new customers from growing markets

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

Market of IoT device

*According to IBIDEN's survey

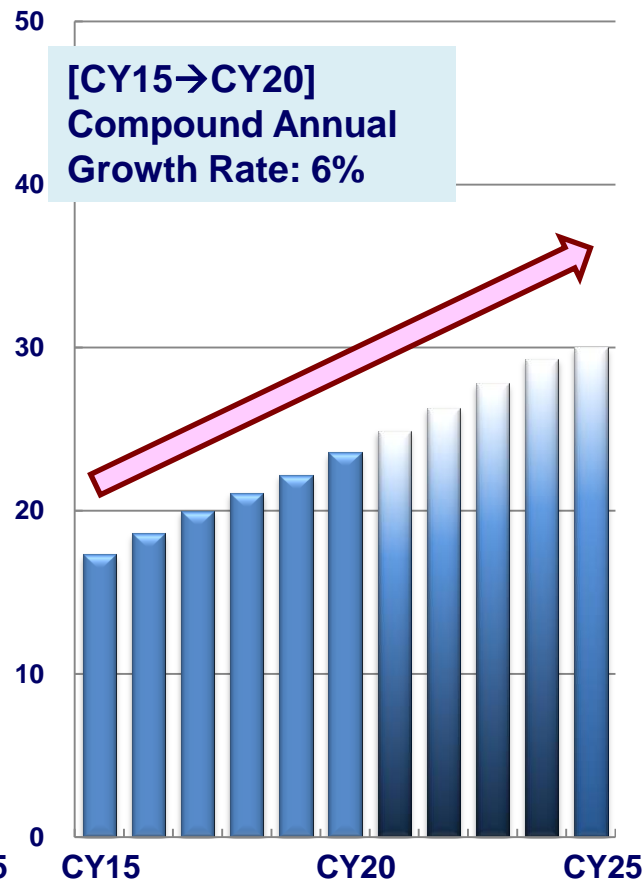
(Unit: Trillions of yen)



Market of In-vehicle device

*According to IBIDEN's survey

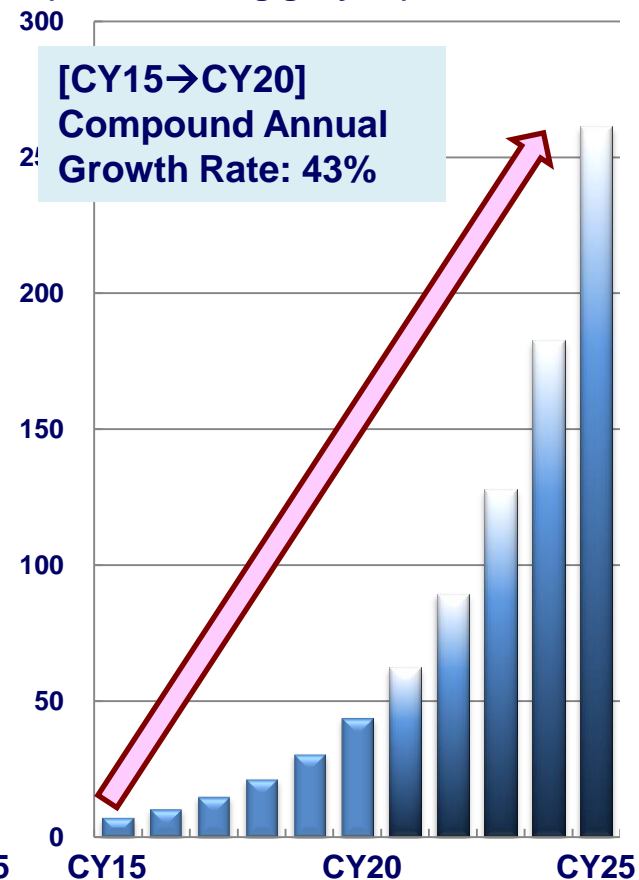
(Unit: Trillions of yen)



Market of Data center (Data Traffic)

*According to IBIDEN's survey

(Unit: Trillion gigabytes)



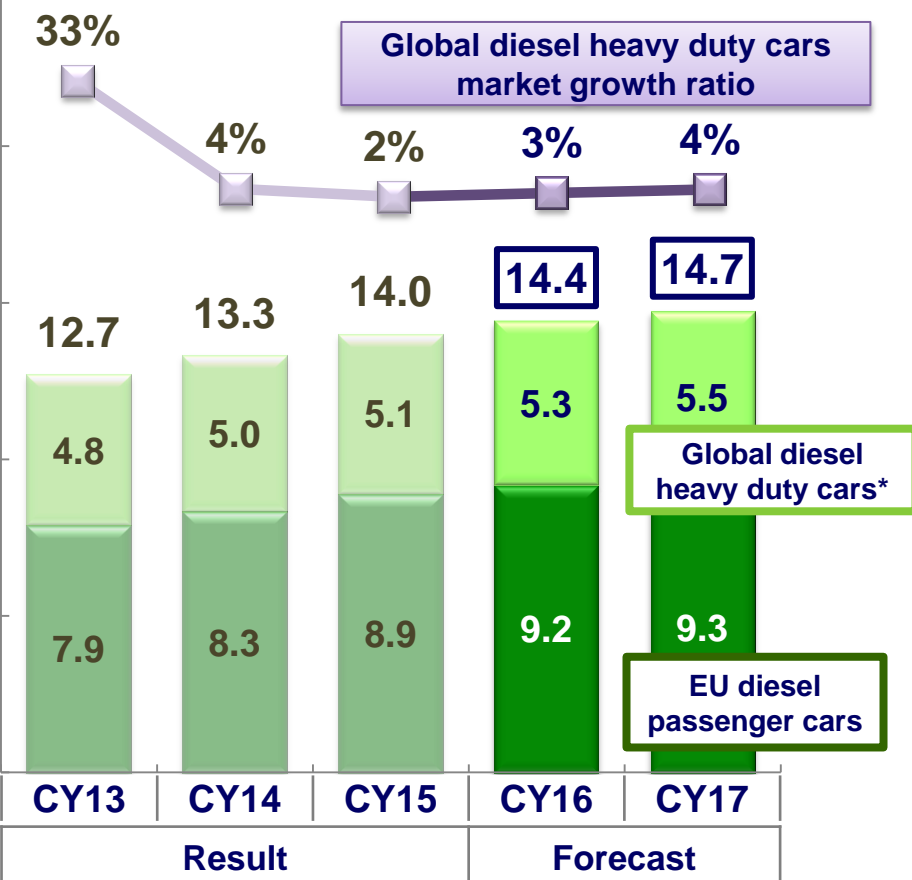
[Ceramics] Market Trends

□ Global automotive market is steadily growing.

Market of DPF

(Unit: Million Unit)

*According to IBIDEN's survey



*Include construction/farm machineries.

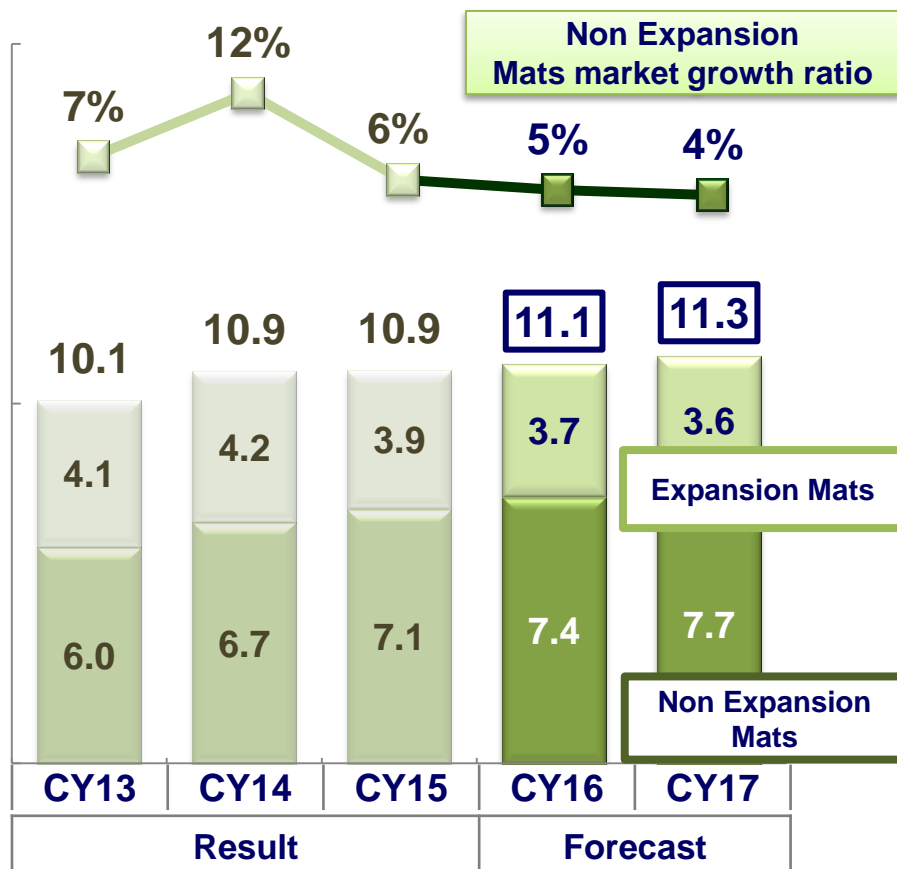
1 DPF applied to the said machineries is counted as

3 DPFs applied to a passenger cars

Market of Mats

(Unit: 1,000ton)

*According to IBIDEN's survey



For Ibiden's future growth



Strengthen 3 major business [Electronics / Ceramics / Others]

① Electronics business segment:

- Expand [IoT/In-vehicle device/ Data center] related business on basis of PC and smart phones.
- Outdo FO-WLP by developing fine and thin packaging technology

② Ceramic business segment:

- Emission market --- Expand business in heavy-duty vehicles and emerging market with not only existing DPF/AFP but SCR.
- New ceramic market --- Develop business in new applications (Automotive-SCR, Airplane, Electric power generation)

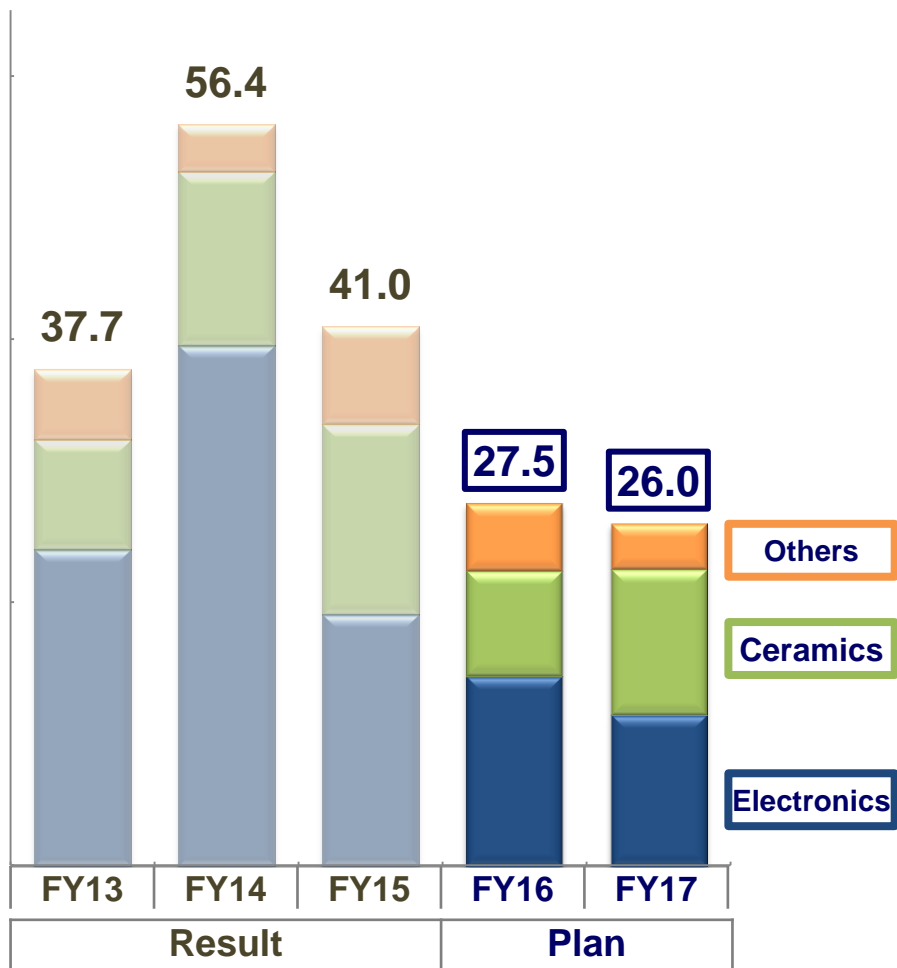
③ Other business segment(Domestic + Electric power business):

- Steadily expand group companies' business by distinctive new products and unique technologies.
- Sustain existing electric power business (mainly Hydro / Solar energy) as a solid source of earnings.

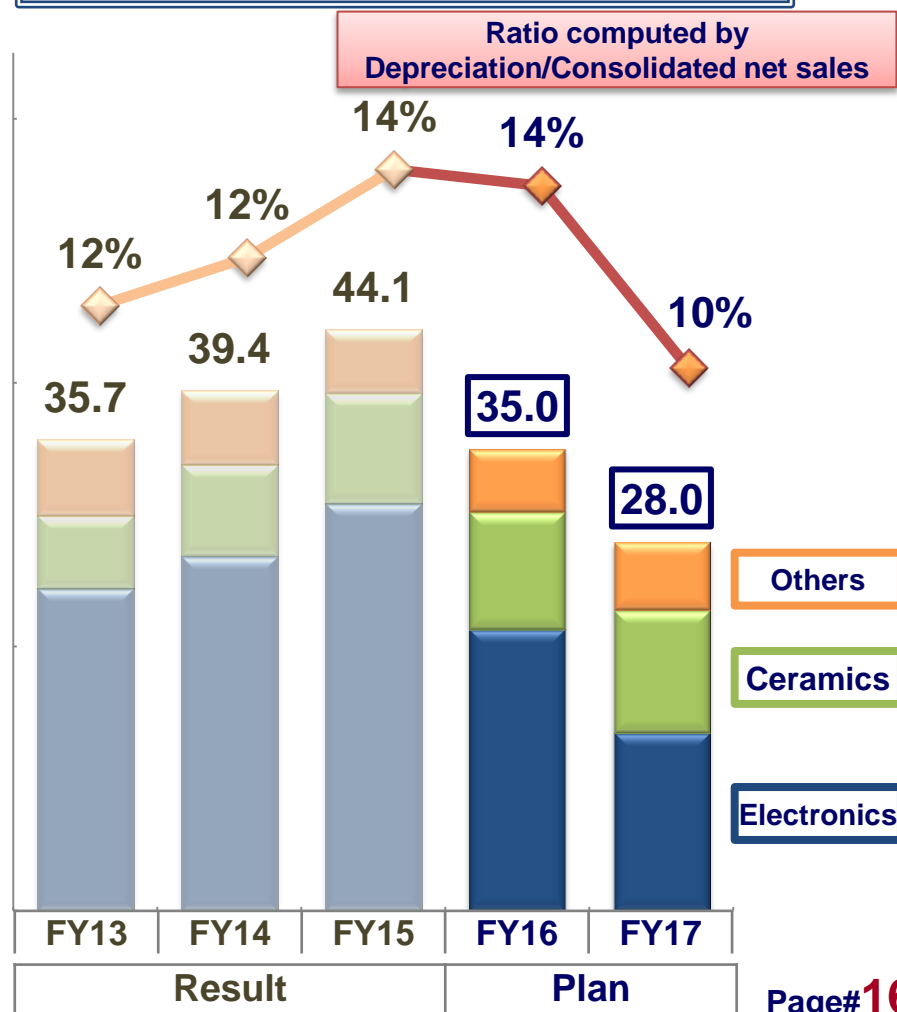
Plan of Capital Expenditure and Depreciation

- Continue investment to assure competitiveness in the leading edge of technology.

Capital Expenditure (Unit: Billions of Yen)

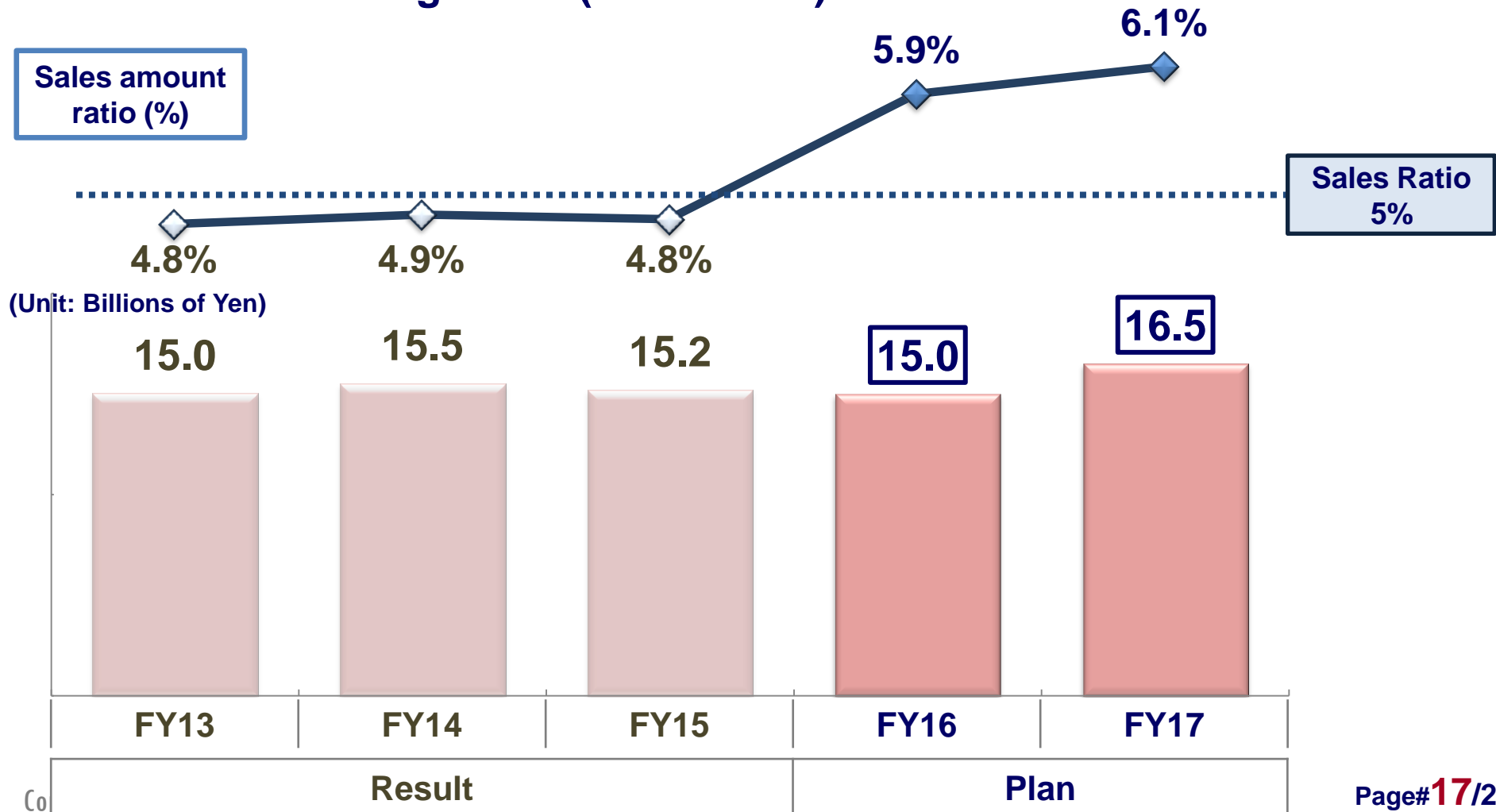


Depreciation (Unit: Billions of Yen)



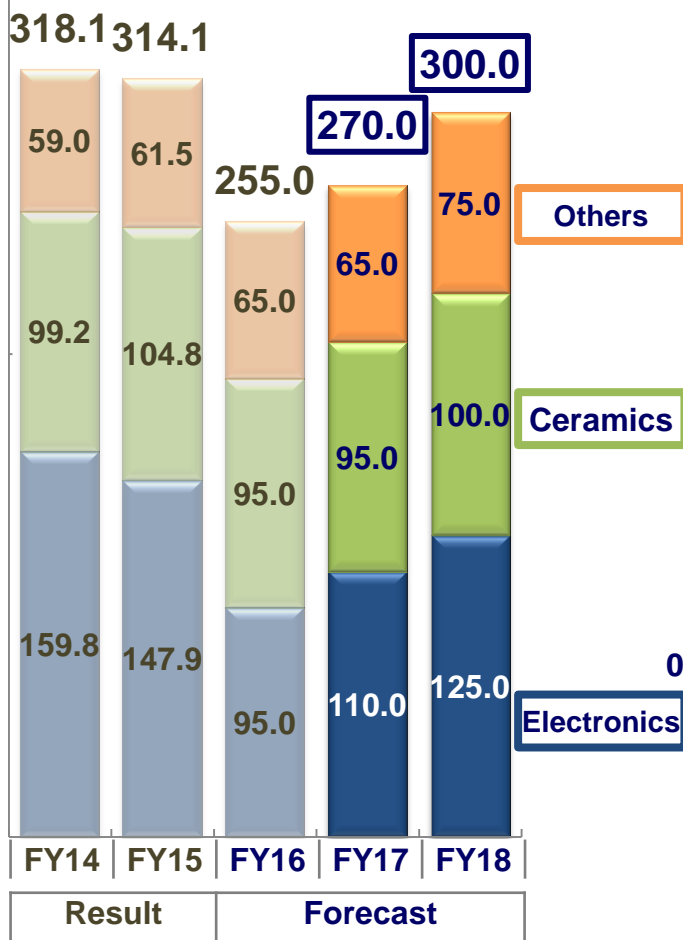
R&D Expenditure plan =Aim for 400.0B yen in 2020= **IBIDEN**

- Increase by 10% in next year (2017)
- Carry out quick launch of new businesses in Electronics(IoT/In-vehicle/Data-center), Ceramics(Automotive-SCR/Airplane/Power generation) and other new segments (Bio-related).

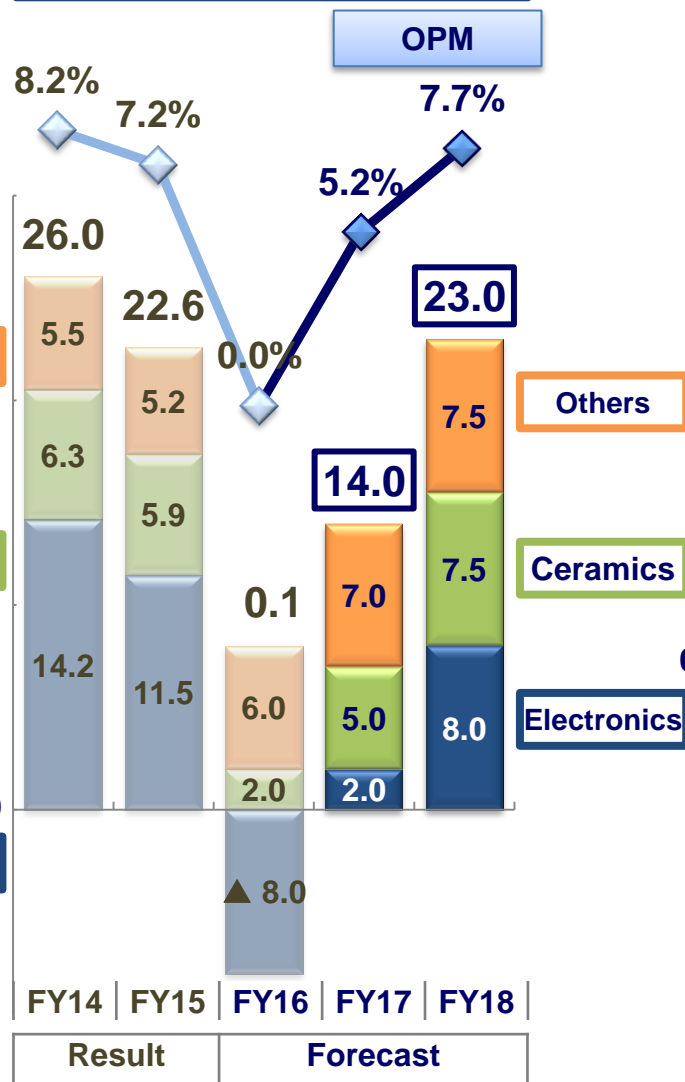


Business forecast of 2017~

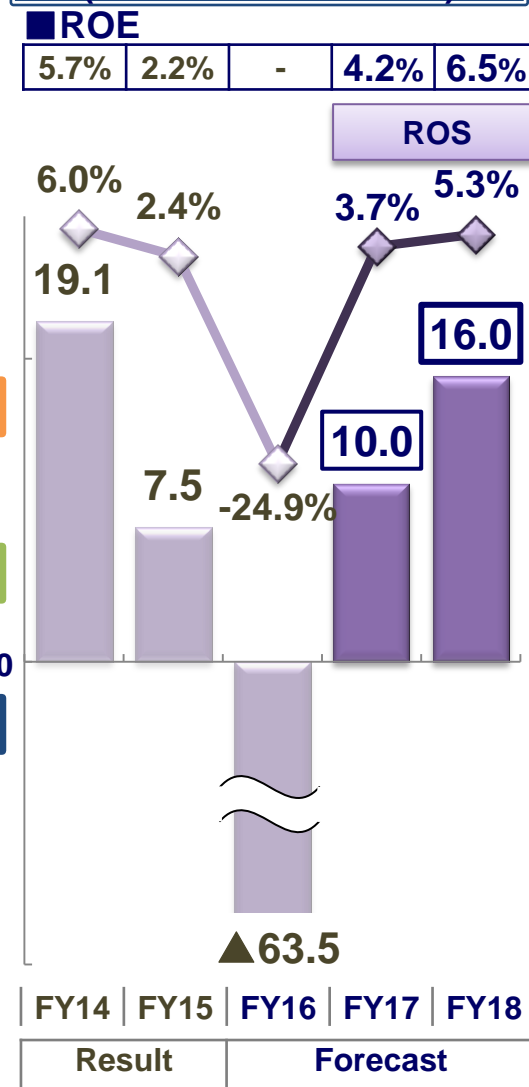
Net Sales
(Unit: Billions of Yen)



Operating Income
(Unit: Billions of Yen)



Net Income
(Unit: Billions of Yen)



Return to Shareholders

Return to Shareholders

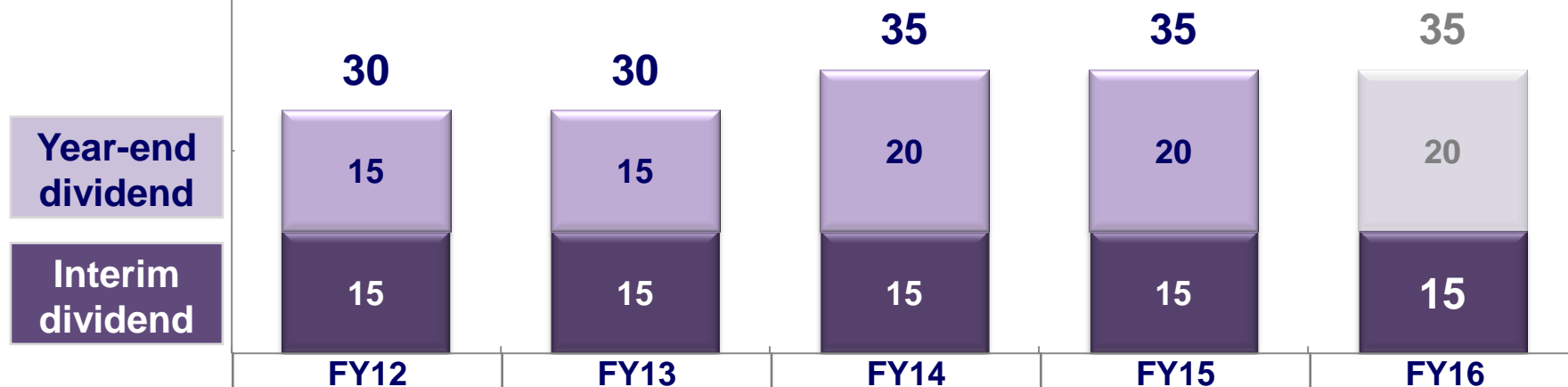
☐ Continue stable dividend.

➔ Interim dividend: 15 yen(fixed), Year-end dividend: 20 yen(plan)

☐ Consider stockholder incentives program.

Dividend per Share

(Unit: Yen)



■ Payout ratio

187.8%	23.7%	25.3%	63.3%	-
--------	-------	-------	-------	---

■ Acquisition and retirement of treasury stocks (Unit: Million shares)

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