

August 1, 2016

Consolidated Financial Results For the First Quarter Ended June 30, 2016

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 quarterly report: August 10, 2016

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2016 First quarter (From April 1, 2016 to June 30, 2016)

(1) Operating results (Percentage figures indicate the change from the same quarter 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>%</i>	<i>Millions of yen</i>	<i>%</i>	<i>Millions of yen</i>	<i>%</i>	<i>Millions of yen</i>	<i>%</i>
FY 2016 first quarter	65,505	(11.8)	1,254	(66.6)	(1,276)	-	(1,584)	-
FY 2015 first quarter	74,276	3.5	3,758	7.7	4,111	33.2	2,797	29.8

Note: Comprehensive income

FY2016 first quarter: (26,844) million yen (-)% FY2015 first quarter: 9,454 million yen (606.6 %)

	Net income(loss) Per share	Diluted net income Per share
	<i>Yen</i>	<i>Yen</i>
FY 2016 first quarter	(11.90)	—
FY 2015 first quarter	20.26	—

(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 2016 first quarter	435,890	301,998	68.3	2,237.47
FY 2015	476,110	331,520	68.8	2,459.63

Note: Equity for reference

As of June 30, 2016: 297,766 million yen As of March 31, 2016: 327,333 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: No

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 June 30 2016: 140,860,557 shares As of March 31, 2016: 140,860,557 shares

2. Number of treasury stock outstanding:

As of June 30 2016: 7,778,692 shares As of March 31, 2016: 7,778,279 shares

3. Average number of shares:

First quarter FY2016: 133,082,071 shares First quarter FY2015: 138,084,595 shares

Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of June 30, 2016	As of March 31, 2016	Increase (Decrease)
Assets			
Current assets			
Cash and deposits	101,447	104,765	(3,318)
Notes and accounts receivable – trade	49,396	57,578	(8,182)
Short-term investments securities	-	3,199	(3,199)
Merchandise and finished goods	11,822	12,758	(935)
Work in process	9,815	9,900	(84)
Raw materials and supplies	12,702	14,445	(1,743)
Deferred tax assets	2,218	2,211	7
Other - current assets	8,225	9,043	(818)
Allowance for doubtful accounts	(286)	(290)	4
Total current assets	195,340	213,612	(18,271)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	81,305	87,738	(6,433)
Machinery, equipment and vehicles	77,581	86,293	(8,711)
Land	18,947	19,143	(196)
Lease assets	125	146	(21)
Construction in progress	16,641	16,825	(184)
Other - property, plant and equipment	5,372	5,780	(408)
Total property, plant and equipment	199,972	215,928	(15,956)
Intangible assets	4,457	5,168	(710)
Investments and other assets			
Investment securities	33,088	39,060	(5,971)
Long-term loans receivable	47	39	8
Deferred tax assets	1,482	679	802
Other - investments and other assets	1,817	1,935	(117)
Allowance for doubtful accounts	(317)	(313)	(3)
Total investments and other assets	36,119	41,401	(5,282)
Total noncurrent assets	240,549	262,498	(21,948)
Total assets	435,890	476,110	(40,220)

(Continued)

<i>Millions of yen</i>			
	As of June 30, 2016	As of March 31, 2016	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable – trade	27,437	34,668	(7,231)
Short-term loans payable	30,065	30,065	(0)
Current portion of bonds	15,000	15,000	-
Accounts payable - other	14,081	15,405	(1,323)
Income taxes payable	758	1,715	(956)
Deferred tax liabilities	85	1	84
Provision for bonuses	1,454	3,507	(2,053)
Provision for directors' bonuses	-	69	(69)
Notes payable – facilities	2,332	1,560	772
Other - current liabilities	12,982	11,750	1,231
Total current liabilities	104,198	113,743	(9,545)
Noncurrent liabilities			
Bonds payable	25,000	25,000	-
Long-term loans payable	46	62	(16)
Lease obligations	85	101	(16)
Deferred tax liabilities for land revaluation	68	68	-
Defined benefit liability	389	464	(75)
Deferred tax liabilities	2,668	3,683	(1,014)
Other - noncurrent liabilities	1,435	1,465	(29)
Total noncurrent liabilities	29,693	30,845	(1,152)
Total liabilities	133,891	144,589	(10,697)
Net assets			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	64,579	64,579	-
Retained earnings	184,352	188,598	(4,245)
Treasury stock	(18,302)	(18,302)	(0)
Total shareholders' equity	294,781	299,028	(4,246)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	8,190	12,477	(4,287)
Deferred losses on hedges	-	197	(197)
Revaluation reserve for land	160	160	-
Foreign currency translation adjustment	(5,365)	15,469	(20,835)
Total accumulated other comprehensive income	2,984	28,304	(25,320)
Non-controlling interests	4,232	4,187	44
Total net assets	301,998	331,520	(29,522)
Total liabilities and net assets	435,890	476,110	(40,220)

(Concluded)

Consolidated Statements of Income

	<i>Millions of yen</i>		
	Three months ended June 30, 2016	Three months ended June 30, 2015	Increase (Decrease)
Net sales	65,505	74,276	(8,770)
Cost of sales	51,722	56,586	4,864
Gross profit	13,783	17,689	(3,905)
Selling, general and administrative expenses	12,529	13,930	1,401
Operating income	1,254	3,758	(2,504)
Non-operating income (expenses)	(2,530)	352	(2,883)
Interest income	70	77	(6)
Dividends income	708	479	228
Foreign exchange losses, net	(1,187)	843	(2,030)
Interest expenses	(56)	(79)	23
Depreciation of inactive noncurrent assets	(2,124)	(906)	(1,217)
Other, net	57	(61)	119
Ordinary income(loss)	(1,276)	4,111	(5,388)
Extraordinary income (loss)	33	1,486	(1,452)
Gain on sales of property, plant and equipment	157	2	155
Gain on sales of Investment securities	-	2,136	(2,136)
Loss on disposal of property, plant and equipment	(111)	(636)	525
Loss on liquidation of an affiliate	-	(6)	6
Other, net	(12)	(9)	(2)
Income(loss) before income taxes	(1,242)	5,598	(6,840)
Income taxes	(275)	(2,753)	2,478
Net income(loss)	(1,518)	2,844	(4,362)
Profit attributable to non-controlling interests	(66)	(47)	(18)
Profit(loss) attributable to owners of parent	(1,584)	2,797	(4,381)

Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Three months ended June 30, 2016	Three months ended June 30, 2015	Increase (Decrease)
Net income(loss)	(1,518)	2,844	(4,362)
Other comprehensive income(loss)			
Valuation difference on available-for-sale securities	(4,293)	139	(4,432)
Deferred gains or losses on hedges	(197)	32	(230)
Foreign currency translation adjustments	(20,835)	6,438	(27,273)
Total other comprehensive income (loss)	(25,326)	6,609	(31,936)
Comprehensive income (loss)	(26,844)	9,454	(36,299)
(Breakdown)			
Comprehensive income (loss) attributable to owners of parent	(26,904)	9,406	(36,310)
Comprehensive income attributable to non-controlling interests	60	48	11

Segment Information

FY 2015 first quarter (From April 1, 2015 to June 30, 2015)

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

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

<i>Millions of yen</i>							
For three months period ended June 30, 2015							
	Reportable Segment					Adjustment (*2)	Quarterly Consolidated Statements of Income
	Electronics	Ceramics	Total	Others (*1)	Total		
Sales to third parties	33,620	27,268	60,888	13,387	74,276	-	74,276
Inter-segment sales and transfers	7	19	26	1,147	1,173	(1,173)	-
Net sales	33,627	27,287	60,915	14,534	75,449	(1,173)	74,276
Segment income	1,222	1,344	2,566	1,136	3,703	55	3,758

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

*2 The ¥55 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 2016 first quarter (From April 1, 2016 to June 30, 2016)

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

A summary of net sales and income business segment for three months ended June 30, 2016 was as follows:

<i>Millions of yen</i>							
For three months period ended June 30, 2016							
	Reportable Segment					Adjustment (*2)	Quarterly Consolidated Statements of Income
	Electronics	Ceramics	Total	Others (*1)	Total		
Sales to third parties	26,011	25,771	51,783	13,721	65,505	-	65,505
Inter-segment sales and transfers	-	33	33	1,295	1,329	(1,329)	-
Net sales	26,011	25,804	51,816	15,017	66,834	(1,329)	65,505
Segment income(loss)	(1,001)	962	(39)	1,292	1,253	0	1,254

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

*2 The ¥0 million adjustment to segment income (loss) is elimination for intersegment transactions.

*3 Segment income (loss) 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

Material subsequent events

There are no applicable matters to be reported.