

February 4, 2016

Consolidated Financial Results For the Third Quarter Ended December 31, 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/>

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(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for FY 2015 Third quarter (From April 1, 2015 to December 31, 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>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
FY 2015 third quarter	239,273	2.0	19,169	(2.2)	20,788	(18.7)	17,669	11.9
FY 2014 third quarter	234,654	1.7	19,592	(1.8)	25,575	1.2	15,787	(4.5)

Note: Comprehensive income

FY2015 third quarter: 13,649 million yen (69.2 %) FY2014 third quarter: 44,319 million yen (1.5 %)

	Net income Per share	Diluted net income Per share
	<i>Yen</i>	<i>Yen</i>
FY 2015 third quarter	128.74	—
FY 2014 third quarter	114.33	—

(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>
FY 2015 third quarter	513,883	359,408	69.1	2,669.68
FY 2014	519,847	360,091	68.5	2,578.85

Note: Equity for reference

As of December 31, 2015: 355,289 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 December 31 2015: 140,860,557 shares As of March 31, 2015: 150,860,557 shares

2. Number of treasury stock outstanding:

As of December 31 2015: 7,777,663 shares As of March 31, 2015: 12,775,618 shares

3. Average number of shares:

Third quarter FY2015: 137,252,080 shares Third quarter FY2014: 138,086,507 shares

Consolidated Balance Sheets

	<i>Millions of yen</i>		
	As of Dec 31, 2015	As of Mar 31, 2015	Increase (Decrease)
Assets			
Current assets			
Cash and deposits	109,563	106,646	2,916
Notes and accounts receivable – trade	54,012	59,655	(5,642)
Short-term investments securities	7,199	5,197	2,002
Merchandise and finished goods	14,085	13,201	883
Work in process	13,651	9,865	3,785
Raw materials and supplies	15,763	14,938	824
Deferred tax assets	2,710	2,877	(166)
Other - current assets	9,996	9,739	257
Allowance for doubtful accounts	(345)	(347)	2
Total current assets	226,637	221,772	4,864
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	89,561	93,487	(3,925)
Machinery, equipment and vehicles	91,023	86,210	4,812
Land	19,218	19,056	162
Lease assets	177	584	(407)
Construction in progress	24,571	31,392	(6,821)
Other - property, plant and equipment	6,255	5,422	833
Total property, plant and equipment	230,807	236,153	(5,345)
Intangible assets	5,739	6,870	(1,131)
Investments and other assets			
Investment securities	47,810	52,287	(4,476)
Long-term loans receivable	32	31	0
Deferred tax assets	1,204	1,310	(106)
Other - investments and other assets	1,968	1,761	206
Allowance for doubtful accounts	(314)	(340)	25
Total investments and other assets	50,700	55,051	(4,350)
Total noncurrent assets	287,246	298,074	(10,827)
Total assets	513,883	519,847	(5,963)

(Continued)

	<i>Millions of yen</i>		
	As of Dec 31, 2015	As of Mar 31, 2015	Increase (Decrease)
Liabilities and net assets			
Liabilities			
Current liabilities			
Notes and accounts payable – trade	35,973	33,265	2,708
Short-term loans payable	24,195	25,665	(1,470)
Current portion of bonds	15,000	-	15,000
Accounts payable - other	14,984	14,928	55
Income taxes payable	827	6,680	(5,852)
Deferred tax liabilities	20	35	(15)
Provision for bonuses	1,404	3,958	(2,553)
Provision for directors' bonuses	—	167	(167)
Notes payable – facilities	2,174	1,837	336
Other - current liabilities	15,147	11,627	3,519
Total current liabilities	109,727	98,166	11,561
Noncurrent liabilities			
Bonds payable	25,000	40,000	(15,000)
Long-term loans payable	10,080	10,189	(109)
Lease obligations	117	358	(241)
Deferred tax liabilities for land revaluation	71	71	-
Net defined benefit liability	497	504	(6)
Deferred tax liabilities	7,451	8,897	(1,446)
Other - noncurrent liabilities	1,528	1,567	(38)
Total noncurrent liabilities	44,747	61,589	(16,842)
Total liabilities	154,475	159,756	(5,280)
Net assets			
Shareholders' equity			
Capital stock	64,152	64,152	-
Capital surplus	68,579	68,354	(3,774)
Retained earnings	198,737	210,423	(11,686)
Treasury stock	(18,301)	(37,115)	18,814
Total shareholders' equity	309,168	305,815	3,352
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	18,385	21,003	(2,617)
Deferred losses on hedges	153	(1)	154
Revaluation reserve for land	156	156	-
Foreign currency translation adjustment	27,425	29,126	(1,700)
Total accumulated other comprehensive income	46,120	50,284	(4,163)
Non-controlling interests	4,119	3,991	128
Total net assets	359,408	360,091	(682)
Total liabilities and net assets	513,883	519,847	(5,963)

(Concluded)

Consolidated Statements of Income

	<i>Millions of yen</i>		
	Nine months ended Dec 31, 2015	Nine months ended Dec 31, 2014	Increase (Decrease)
Net sales	239,273	234,654	4,619
Cost of sales	180,147	173,764	6,383
Gross profit	59,125	60,889	(1,764)
Selling, general and administrative expenses	39,956	41,297	(1,340)
Operating income	19,169	19,592	(423)
Non-operating income (expenses)	1,619	5,982	(4,363)
Interest income	210	275	(64)
Dividends income	868	791	76
Foreign exchange gains, net	1550	5,399	(3,848)
Interest expenses	(236)	(270)	34
Bond issuance cost	-	(103)	103
Depreciation of inactive noncurrent assets	(1,173)	(458)	(715)
Other, net	390	348	50
Ordinary income	20,788	25,575	(4,786)
Extraordinary income (loss)	(155)	(1,463)	1,307
Gain on sales of property, plant and equipment	13	108	(95)
Gain on sales of Investment securities	2,193	-	2,193
Gain on reversal of subscription rights to shares	-	353	(353)
Gain on liquidation of subsidiaries and associates	344	-	344
Loss on disposal of property, plant and equipment	(2,591)	(1,004)	(1,586)
Impairment loss	(89)	(670)	580
Loss on valuation of investment securities	(1)	(1)	0
Loss on liquidation of subsidiaries and associates	(6)	(18)	12
Loss on disaster	-	(173)	173
Other, net	(18)	(56)	38
Income before income taxes	20,633	24,111	(3,478)
Income taxes - current	(5,150)	(8,225)	3,075
Income taxes for prior periods	2,350	-	2,350
Income taxes	(2,799)	(8,225)	5,426
Profit	17,833	15,886	1,947
Profit attributable to non-controlling	(164)	(98)	(65)
Profit attributable to owners of parent	17,669	15,787	1,882

Consolidated Statements of Comprehensive Income

	<i>Millions of yen</i>		
	Nine months ended Dec 31, 2015	Nine months ended Dec 31, 2014	Increase (Decrease)
Income before minority interests	17,833	15,886	1,947
Other comprehensive income			
Valuation difference on available-for-sale securities	(2,638)	6,184	(8,822)
Deferred gains or losses on hedges	154	-	154
Revaluation reserve for land	-	77	(77)
Foreign currency translation adjustments	(1,700)	22,171	(23,872)
Other comprehensive income(loss)	(4,184)	28,433	(32,617)
Comprehensive income	13,649	44,319	(30,669)
(Breakdown)			
Comprehensive income attributable to owners of parent	13,506	44,187	(30,681)
Comprehensive income attributable to non-controlling interests	143	132	11

Segment Information

FY 2014 third quarter (From April 1, 2014 to December 31, 2014)

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

A summary of net sales and income business segment for nine months ended December 31, 2014 was as follows:

<i>Millions of yen</i>							
For nine months period ended December 31, 2014							
	Reportable Segment					Adjustment (*2)	Quarterly Consolidated Statements of Income
	Electronics	Ceramics	Total	Others (*1)	Total		
Sales to third parties	121,437	73,662	195,099	39,554	234,654	-	234,654
Inter-segment sales and transfers	21	80	102	4,881	4,983	(4,983)	-
Net sales	121,459	73,742	195,202	44,435	239,637	(4,983)	234,654
Segment income	11,372	4,909	16,282	3,225	19,508	84	19,592

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

*2 The ¥84 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 third quarter (From April 1, 2015 to December 31, 2015)

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

A summary of net sales and income business segment for three months ended December 31, 2015 was as follows:

	Millions of yen						
	For nine months period ended December 31, 2015						
	Reportable Segment						Quarterly Consolidated Statements of Income
	Electronics	Ceramics	Total	Others (*1)	Total	Adjustment (*2)	
Sales to third parties	118,607	78,856	197,464	41,808	239,273	-	239,273
Inter-segment sales and transfers	22	112	134	6,180	6,315	(6,315)	-
Net sales	118,630	78,969	197,599	47,989	245,589	(6,315)	239,273
Segment income	11,501	4,319	15,820	3,243	19,063	105	19,169

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

*2 The ¥105 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.