

June 5, 2007

To the shareholders of IBIDEN CO., LTD.

2-1, Kanda-cho, Ogaki, Gifu Pref.

IBIDEN CO., LTD.

Hiroki Takenaka

President , Representative Director

IBIDEN CO., LTD.
Notice of the 154th Ordinary General Meeting of Shareholders

We hereby cordially invite you to attend the 154th Ordinary General Meeting of Shareholders of IBIDEN CO., LTD. (the "Company") to be held as mentioned below.

Particulars:

1. Date and hour June 22, 2007 (Friday), 2:00 p.m.

2. Place 2-1, Kanda-cho, Ogaki-city, Gifu Pref.

In the Multipurpose Hall on the second (2nd) floor of the IBIDEN Headquarters
Building

3. Items on the agenda

Matters to be reported:

1. Reports on the business report, the consolidated financial documents for the 154th fiscal year (from April 1, 2006 to March 31, 2007) and Audit reports from the accounting auditor and the board of auditors on the consolidated financial documents for the 154th fiscal year (from April 1, 2006 to March 31, 2007).
2. Reports on the non-consolidated financial documents for the 154th fiscal year (from April 1, 2006 to March 31, 2007).

Proposals to be acted upon:

- | | |
|--------------------|---|
| Proposal 1. | Election of fourteen (14) Directors |
| Proposal 2. | Election of two (2) Corporate Auditors |
| Proposal 3. | Granting of retirement benefits to retiring director; and terminating payment in connection with the abolition of the retirement benefits system for officers |
| Proposal 4. | Payment of director's bonus |

- Proposal 5.** Revision of directors' remuneration
- Proposal 6.** Issuance of New Share Acquisition Rights (shinkabu-yoyakuken) as stock option remuneration to directors
- Proposal 7.** Authorizing the Board of Directors to decide on the terms of offering New Share Acquisition Rights, which are to be issued as stock options

4. Rules regarding the General Meeting of Shareholders

In the case when a shareholder redundantly votes by using multiple voting measures, including the paper ballot, internet, etc., the last vote shall be deemed to be the valid vote; provided, however, in the case when a shareholder's multiple votes arrive on the same day, a vote via internet shall be given priority over a vote via paper ballot.

The information contained hereunder is an English translation of the Notice of the 154th Ordinary General Meeting of Shareholders originally prepared in Japanese language.

The English translation is for general reference purpose only, and subject to errors and omissions. All the information is deemed accurate, but is not guaranteed.

CONSOLIDATED BALANCE SHEET

As of March 31, 2007

(In millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current Assets	204,045	Current Liabilities	135,412
Cash and deposits	38,072	Trade notes payable and trade accounts payable	71,473
Trade notes receivable and trade accounts receivable	91,876	Short-term borrowings	5,726
Marketable Securities	23,158	Other accounts payable	22,920
Inventories	37,377	Accrued income taxes	15,613
Deferred income taxes	4,106	Deferred income taxes	39
Other current assets	10,852	Accrued bonuses for employees	4,076
Allowance for doubtful receivables	1,398	Accrued bonuses for directors	312
		Notes payable for equipment	5,888
		Other current liabilities	9,360
Fixed Assets	230,813	Long-term Liabilities	23,628
Tangible fixed assets	173,464	Bonds	12,178
Buildings and Structures	50,763	Long-term borrowings	428
Machinery, equipment and vehicles	68,758	Deferred income taxes to revaluation	179
Land	16,256	Accrued retirement benefit for employees	1,394
Construction in progress	33,264	Accrued retirement benefit for directors	1,483
Other tangible fixed assets	4,422	Deferred income taxes	7,343
		Goodwill	361
Intangible fixed assets	5,262	Other long-term liabilities	258
Goodwill	1,566	Total Liabilities	159,041
Other intangible fixed assets	3,695	(Net Assets)	
		Shareholders' Equity	254,745
Investments and other assets	52,086	Common stock	63,064
Investment securities	44,904	Capital surplus	67,696
Long-term loans receivables	4,064	Retained earnings	133,571
Deferred income taxes	2,587	Treasury stock	9,587
Other assets	1,548	Valuation and translation adjustments	17,827
Allowance for doubtful receivables	1,019	Net unrealized holding gain on other securities	13,373
		Deferred gains on hedging instruments	0
		Surplus arising from land revaluation	48
		Translation adjustments	4,404
		Warrants	117
		Minority interest in consolidated subsidiaries	3,127
		Total Net Assets	275,817
Total Assets	434,859	Total Liabilities and Net Assets	434,859

(Note) Figures are rounded down to the nearest millions.

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2006
to March 31, 2007)

(In millions of yen)

Account	Amount	
Net Sales		398,635
Cost of sales		283,389
Gross profit		115,246
Selling, general and administrative expenses		46,286
Operating income		68,960
Non-operating income		
Interest income	934	
Dividends income	445	
Amortization of goodwill	97	
Equity in earnings of unconsolidated subsidiaries and affiliates	1,327	
Foreign exchange gain	2,961	
Other income	782	6,548
Non-operating expenses		
Interest expenses	825	
Loss on sales of marketable securities	20	
Rental costs for equipments	246	
Other expenses	770	1,863
Ordinary Income		73,645
Extraordinary income		
Gain on sales of fixed assets	154	
Gain on sales of investment securities	97	
Rebate	256	
Insurance money received	87	
Gain on change in retirement benefit scheme	44	
Prior year adjustment gain	1	
Other extraordinary income	74	714
Extraordinary loss		
Loss on disposal of fixed assets	1,089	
Loss on impairment loss	38	
Loss on sales of investment securities	45	
Loss on devaluation of investment securities	166	
Damage from disaster	17	
Compensation for complaints	1,071	
Prior year adjustment loss	35	
Other extraordinary loss	230	2,695
Income before income taxes		71,664
Current income taxes	23,288	
Deferred income taxes	210	23,007
Minority interests		279
Net income for the year		48,307

(Note) Figures are rounded down to the nearest millions.

Consolidated Statement of Changes in Net Assets

(From April 1, 2006
to March 31, 2007)

(in millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	62,779	63,904	89,231	3,358	212,555
Change during the year					
Issuance of common stocks	284	284			569
Cash dividends			3,679		3,679
Bonuses to directors			243		243
Net income			48,307		48,307
Purchases of treasury stock				9,038	9,038
Sales of treasury stock		3,507		2,810	6,318
Decrease from equity-swap of consolidated subsidiaries			43		43
Net change during the year for accounts except shareholders' equity					
Total change during the year	284	3,792	44,340	6,228	42,189
Balance as of March 31, 2007	63,064	67,696	133,571	9,587	254,745

	Valuation and translation adjustments					Warrants	Minority interests	Total Net Assets
	Net unrealized holding gain on securities	Deferred gains on hedging instruments	Surplus arising from land revaluation	Translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2006	13,621	-	48	2,155	15,826	-	8,064	236,445
Change during the year								
Issuance of new stocks								569
Cash dividends								3,679
Bonuses to directors								243
Net income								48,307
Purchases of treasury stock								9,038
Sales of treasury stock								6,318
Decrease from equity-swap of consolidated subsidiaries								43
Net change during the year for accounts except shareholders' equity	247	0	-	2,248	2,001	117	4,937	2,818
Total change during the year	247	0	-	2,248	2,001	117	4,937	39,371
Balance as of March 31, 2007	13,373	0	48	4,404	17,827	117	3,127	275,817

(Note) Figures are rounded down to the nearest millions.

BALANCE SHEET

As of March 31, 2007

(In millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current Assets	126,434	Current Liabilities	93,758
Cash and deposits	16,252	Trade notes payable	7,188
Trade notes receivable	1,049	Trade accounts payable	31,152
Trade accounts receivable	44,302	Other accounts receivable	23,934
Marketable Securities	23,158	Accrued expense	1,596
Finished products	10,948	Accrued income taxes	11,887
Raw materials	1,335	Deposit received	9,457
Work-in-process	4,592	Accrued bonuses for employees	2,357
Supplies	2,334	Accrued bonuses for directors	180
Prepaid expenses	357	Notes payable for equipment	5,558
Short-term loans receivables	7,747	Other current liabilities	446
Other accounts receivable	10,946		
Accrued income	5	Long-term Liabilities	17,569
Deferred income taxes	2,536	Bonds	12,178
Other current assets	1,100	Accrued retirement benefit for directors	882
Allowance for doubtful receivables	231	Deferred income taxes	4,508
		Total Liabilities	111,328
Fixed Assets	200,486		
Property, Plant and Equipment	84,279	(Net Assets)	
Buildings	20,719	Shareholder's Equity	202,258
Structures	4,052	Common stock	63,064
Machinery and equipment	22,920	Capital surplus	66,020
Automotive equipment	19	Capital reserve	63,490
Tool, instrument and fixtures	2,033	Other capital surplus	2,529
Land	9,682	Retained earnings	82,761
Construction in progress	24,851	Legal reserve	3,548
Intangible fixed assets	2,813	Other retained earnings	79,212
Software	2,156	Reserve for depreciation for tax purpose	156
Other intangible assets	657	General reserve	8,600
Investments and other assets	113,394	Earned surplus brought forward	70,456
Investment securities	39,167	Treasury stock	9,587
Stock of subsidiaries and affiliates	38,285	Valuation and translation adjustment	13,217
Long-term loans receivables	35,383	Net unrealized holding gain on other securities	13,217
Prepaid expenses-long	173	Deferred gains on hedging instruments	0
Other assets	437	Warrants	117
Allowance for doubtful receivables	52	Total Net Assets	215,593
Total Assets	326,921	Total Liabilities and Net Assets	326,921

(Note) Figures are rounded down to the nearest millions.

STATEMENT OF INCOME

(From April 1, 2006
to March 31, 2007)

(In millions of yen)

Account	Amount	
Net Sales		235,663
Cost of sales		168,783
Gross profit on sales		66,880
Selling, general and administrative expenses		30,279
Operating income		36,600
Non-operating income		
Interest income	1,411	
Interest income on securities	48	
Dividends income	1,052	
Commission income	1,055	
Foreign exchange gain	2,349	
Other income	735	6,652
Non-operating loss		
Interest expenses	373	
Interest expenses on bonds	87	
Other expense	337	797
Ordinary Income		42,455
Extraordinary income		
Gain on sales of fixed assets	130	
Gain on sales of investment securities	60	
Insurance money received	75	
Other extraordinary income	92	357
Extraordinary loss		
Loss on disposal of fixed assets	944	
Loss on devaluation of investment securities	166	
Loss on sales of investment securities	23	
Prior year adjustment loss	0	
Other extraordinary loss	169	1,304
Income before income taxes		41,508
Current income taxes	16,757	
Deferred income taxes	1,758	14,999
Net income for the year		26,509

(Note) Figures are rounded down to the nearest millions.

Statement of Changes in Net Assets

(From April 1, 2006
to March 31, 2007)

(in millions of yen)

	Shareholders' Equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings			Total retained earnings
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings			
						Reserve for depreciation for tax purpose	General reserve	Earned surplus brought forward	
Balance as of March 31,2006	62,779	63,205	-	63,205	3,548	175	8,600	47,723	60,047
Change during the									
Issuance of new stocks	284	284		284					
Reversal of reserve for depreciation for tax purpose (Note 1)						9		9	-
Reversal of reserve for depreciation for tax purpose						9		9	-
Cash dividends (Note 1)								1,473	1,473
Cash dividends								2,206	2,206
Bonuses to directors (Note 1)								115	115
Net income								26,509	26,509
Purchases of treasury stock									
Sales of treasury stock			2,529	2,529					
Net change during the year for accounts except shareholders' equity									
Total change during the year	284	284	2,529	2,814	-	18	-	22,732	22,713
Balance as of March 31,2007	63,064	63,490	2,529	66,020	3,548	156	8,600	70,456	82,761

	Shareholders' Equity		Valuation and translation adjustment			Warrants	Total Net Assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Deferred gains on hedging instruments	Total valuation and translation adjustment		
Balance as of March 31,2006	3,344	182,688	13,436	-	13,436	-	196,124
Change during the year							
Issuance of new stocks		569					569
Reversal of reserve for depreciation for tax purpose (Note 1)		-					-
Reversal of reserve for depreciation for tax purpose		-					-
Cash dividends (Note 1)		1,473					1,473
Cash dividends		2,206					2,206
Bonuses to directors (Note 1)		115					115
Net income		26,509					26,509
Purchases of treasury stock	9,038	9,038					9,038
Sales of treasury stock	2,795	5,324					5,324
Net change during the year for accounts except shareholders' equity			218	0	218	117	100
Total change during the year	6,243	19,569	218	0	218	117	19,468
Balance as of March 31,2007	9,587	202,258	13,217	0	13,217	117	215,593

(Notes)

- 1 . Appropriation accounts for the annual meeting of stockholders held on June, 2006.
- 2 . Figures are rounded down to the nearest millions.

REFERENCE MATERIALS FOR GENERAL MEETING OF SHAREHOLDERS

Proposal 1 Election of fourteen (14) directors

The term of office of all directors (thirteen (13) directors) will end upon the closing of this ordinary general meeting of shareholders. Therefore, the Company seeks to elect fourteen (14) directors by increasing the number of directors by one director in order to fortify the management of the Company.

The candidates for directors are as follows:

No.	Name (Date of birth)	Career, Position in the Company and Representation of Other Companies	Number of Shares held in the Company
1	Yoshifumi Iwata (May 4, 1939)	March 1962 Entered Ibdien June 1985 Director June 1989 Managing Director June 1993 Executive Managing Director August 1997 Senior Vice President & Representative Director June 1999 President & Representative Director April 2007 Chairman & Representative Director (to present)	81,200
2	Hiroki Takenaka (January 1, 1951)	April 1973 Entered Ibdien June 1997 Director June 2001 Managing Director June 2005 Director & Senior Executive Officer April 2006 In charge of Ceramics Business Group April 2007 President & Representative Director (to present)	29,400
3	Yoshitsugu Aoyama (September 2, 1945)	April 1968 Entered Ibdien June 1991 Director June 1998 Managing Director June 2001 Executive Managing Director June 2004 Representative Director & Executive Managing Director June 2005 Senior Vice President & Representative Director (to present)	44,100
4	Osamu Fujikawa (February 3, 1947)	April 1969 Entered Ibdien June 1993 Director September 1998 Managing Director June 2001 Executive Managing Director	37,400

No.	Name (Date of birth)	Career, Position in the Company and Representation of Other Companies	Number of Shares held in the Company
		<p>June 2004 Representative Director & Executive Managing Director</p> <p>June 2005 Representative Director & Senior Executive Officer</p> <p>April 2006 Senior Vice President & Representative Director (to present)</p>	
5	Mafumi Kunishima (April 6, 1949)	<p>April 1973 Entered Ibdien</p> <p>June 1999 Director</p> <p>June 2001 Managing Director</p> <p>June 2001 General manager, Electronics Business Operations</p> <p>June 2005 Director & Senior Executive Officer</p> <p>April 2006 In charge of Electronics Business Group</p> <p>April 2007 Senior Vice President & Director (to present)</p>	24,090
6	Yoshio Hirabayashi (November 19, 1948)	<p>April 1972 Entered Ibdien</p> <p>June 2001 Director</p> <p>April 2003 General Manager, Strategic Planning Operations (to present)</p> <p>June 2003 Managing Director</p> <p>June 2005 Director & Managing Executive Officer</p> <p>April 2007 Director & Senior Executive Officer (to present)</p>	20,800
7	Hironobu Kodaka (November 7, 1950)	<p>April 1974 Entered Ibdien</p> <p>June 2001 Director</p> <p>June 2005 Director & Managing Executive Officer</p> <p>April 2006 General Manager, PWB Operations, Electronics Business Group</p> <p>April 2007 In charge of PWB Operations, Electronics Business Group (to present)</p> <p>April 2007 Director & Senior Executive Officer (to present)</p>	20,250
8	Masataka Sekiya (January 9, 1947)	<p>April 1969 Entered Ibdien</p> <p>June 2001 Director</p> <p>April 2003 Deputy General Manager, R&D Operations (to present)</p> <p>June 2005 Director & Managing Executive Officer</p> <p>April 2006 In charge of Process Engineering Division</p> <p>April 2007 General Manager, Process Engineering Division (to present)</p>	15,200

No.	Name (Date of birth)	Career, Position in the Company and Representation of Other Companies	Number of Shares held in the Company
9	Toshiaki Matsuo (June 27, 1949)	<p>April 1973 Entered Ibdien</p> <p>June 2001 Director</p> <p>June 2001 Deputy General Manager, Electronic Substrate Operations</p> <p>June 2005 Director & Managing Executive Officer (to present)</p> <p>April 2006 General Manager, Business Improvement Operations</p> <p>April 2007 General Manager, Process Improvement Operations (to present)</p> <p>[Representation of other companies]</p> <p>March 2003 President & Representative Director of TIBC Corporation</p>	20,500
10	Katsumi Mabuchi (April 18, 1951)	<p>July 1975 Entered Ibdien</p> <p>April 2000 PKG Division Manager, Electronics Business Operations</p> <p>June 2003 Director</p> <p>April 2004 Deputy General Manager, Electronics Business Operations</p> <p>April 2005 PKG Division Manager, Electronics Business Operations</p> <p>June 2005 Executive Officer</p> <p>April 2006 General Manager, PKG Operations, Electronics Business Group</p> <p>April 2006 Managing Executive Officer (to present)</p> <p>April 2007 General Manager, APKG Operations, Electronics Business Group (to present)</p>	17,500
11	Keiichi Sakashita (April 21, 1956)	<p>April 1981 Entered Ibdien</p> <p>April 1998 Group Manager, Engineering Group of Ceramics Division</p> <p>April 2001 Division Manager, Environment Materials, Ceramics Business Group</p> <p>June 2003 Corporate Officer</p> <p>April 2004 Deputy General Manager, Ceramics Business Group</p> <p>June 2005 Executive Officer</p> <p>April 2006 General Manager, Automotive Ceramic Operations, Ceramics Business Group</p> <p>April 2007 In charge of Ceramics Business Group (to present)</p> <p>April 2007 Managing Executive Officer (to present)</p>	6,900
		February 1978 President & Representative Director of	

No.	Name (Date of birth)	Career, Position in the Company and Representation of Other Companies	Number of Shares held in the Company
12	Yoshitoshi Toyoda (August 29, 1925)	<p>Toyoda Automatic Loom Works, Ltd. (now Toyota Industries Corporation)</p> <p>June 1984 Director (to present)</p> <p>June 1993 Chairperson & Representative Director of Toyoda Automatic Loom Works, Ltd. (now Toyota Industries Corporation)</p> <p>June 1999 Director & Honorary Chairperson of TICO (to present)</p>	15,450
13	Seiichi Takayanagi (June 9, 1929)	<p>June 1992 Vice President & Representative Director of Toshiba Corporation</p> <p>June 1994 Standing Advisor of Toshiba</p> <p>July 1998 Advisor to Toshiba</p> <p>June 1999 Director (to present)</p> <p>July 1999 Technical Advisor to Toshiba</p> <p>January 2002 Chairman of International Electro-technical Commission (IEC)</p> <p>September 2003 Member of the International Professional Committee in the Japanese Industrial Standards Committee (to present)</p>	0
14	Norio Sato (December 10, 1945)	<p>June 1998 Director of Toyota Motor Corporation</p> <p>June 2001 Managing Director of Toyoda Automatic Loom Works, Ltd. (now Toyota Industries Corporation)</p> <p>June 2003 Representative Director & Executive Managing Director of Toyota Industries Corporation</p> <p>June 2004 Representative Director & Executive Vice president of Toyota Industries Corporation (to present)</p> <p>June 2005 Director (to present)</p> <p>[Representation of other companies]</p> <p>June 2004 Representative Director & Executive Vice president of Toyota Industries Corporation</p>	1,200

Notes:

1. Mr. Toshiaki Matsuo, a candidate for director, is the President of TIBC Corporation, to which the Company subcontracts the manufacture of electronic products pursuant to an entrustment agreement.

2. The Company has no special interests with other candidates.
3. Mr. Yoshitoshi Toyoda, Mr. Seiichi Takayanagi, and Mr. Norio Sato are candidates for outside directors.
4. Reasons for election of a candidate as an outside director; the number of years of the term of office after being elected as an outside director of the Company; and the liability limitation agreement executed with outside directors

(1) Reasons for election of a candidate as an outside director; the number of years of the term of office after being elected as an outside director of the Company

(i) The Company seeks to elect Mr. Yoshitoshi Toyoda to be an outside director, on the basis of the advice and supervision he can provide based on his abundant and wide-ranging experience and knowledge, including corporate management. His term of office as an outside director of the Company is to be 23 years as of the closing of this ordinary general meeting of shareholders.

(ii) The Company seeks to elect Mr. Seiichi Takayanagi to be an outside director, on the basis of the advice and supervision he can provide based on his abundant and wide-ranging experience and knowledge, including corporate management. His term of office as an outside director of the Company is to be 8 years as of the closing of this ordinary general meeting of shareholders.

(iii) The Company seeks to elect Mr. Norio Sato to be an outside director, on the basis of the advice and supervision he can provide based on his abundant and wide-ranging experience and knowledge, including corporate management. His term of office as an outside director of the Company is to be 2 years as of the closing of this ordinary general meeting of shareholders.

(2) Liability limitation agreement executed with outside directors

The Company has executed an agreement limiting liability for damage stipulated in Article 423.1 of the Corporate Law with Mr. Yoshitoshi Toyoda, Mr. Seiichi Takayanagi, and Mr. Norio Sato, who are outside directors. A summary of the contents of the agreement is as follows:

(i) Liability for damage incurred due to an outside director's failure to perform his/her duties as an outside director shall be up to the amount of 20,000,000 yen or the minimum liability stipulated in Article 425.1 of the Corporate Law, whichever is higher.

(ii) The above liability limitation is applied only if an outside director performed the duties which caused his/her liability, without any knowledge that would cause his/her liability and without gross negligence.

5. There are no further matters to be specified other than the above regarding the matters to be stated in the proposal relating to the election of the directors stipulated in Article 74 of the Enforcement Regulations of the Corporate Law.

Proposal 2 Election of two (2) Corporate Auditors

The term of office of Mr. Yoshitsugu Takahashi and Mr. Yasuhiro Kumagai will end upon the closing of this ordinary general meeting of shareholders. Therefore, the Company seeks to elect two (2) Corporate Auditors. The Company has obtained consent from the board of corporate auditors regarding submission of this proposal. The candidates for Corporate Auditors are:

No.	Name (Date of birth)	Career, Position in the Company and Representation of Other Companies	Number of Shares held in the Company
1	Yoshitsugu Takahashi (August 2, 1945)	<p>April 1969 Entered Ividen</p> <p>April 1999 Deputy Head, Presidents Office</p> <p>June 1999 Corporate Officer</p> <p>April 2002 General Manager, Strategic Planning Operations</p> <p>June 2003 Standing Corporate Auditor of the Company (to present)</p>	17,300
2	Yasuhiro Kumagai (August 7, 1940)	<p>October 1971 Registered as certified tax accountant</p> <p>January 1976 Opened Kumagai Yasuhiro certified tax accountant office (present : Kumagai Jimusho & Co.)</p> <p>January 2003 Senior partner, Kumagai Jimusho & Co. (to present)</p> <p>June 2003 Corporate Auditor of the Company (to present)</p>	0

Notes:

1. Each candidate has no special interest with the Company.
2. Mr. Yasuhiro Kumagai is a candidate for an outside corporate auditor.
3. Reasons for election of a candidate as an outside corporate auditor; the number of years of the term of office after being elected as a corporate auditor of the Company; eligibility to be an outside corporate auditor; and liability limitation agreement executed with outside corporate auditors

- (1) Reasons for election of a candidate as an outside corporate auditor; the number of years of the term of office after being elected as a corporate auditor of the Company

The Company seeks to elect Mr. Yasuhiro Kumagai to be an outside corporate auditor, for the supervision over overall management and the effective advice he can provide based

on his professional experience and knowledge as a certified tax accountant. His term of office as a corporate auditor of the Company is to be 4 years as of the closing of this ordinary general meeting of shareholders.

(2) Eligibility to be a candidate for an outside corporate auditor

Mr. Yasuhiro Kumagai is well versed in corporate finance and accounting as a certified tax accountant, and has experience of being directly engaged in corporate management. Therefore, the Company judges that he would properly perform the duties as an outside corporate auditor.

(3) Liability limitation agreement executed with an outside corporate auditor

The Company has executed an agreement, limiting liability for damage stipulated in Article 423.1 of the Corporate Law, with Mr. Yasuhiro Kumagai who is an outside corporate auditor. A summary of the contents of the agreement is as follows:

- (i) Liability for damage incurred due to an outside corporate auditor's failure to perform his/her duties as an outside corporate auditor shall be up to the amount of 18,000,000 yen or the minimum liability stipulated in Article 425.1 of the Corporate Law, whichever is higher.
 - (ii) The above liability limitation is applied only if an outside corporate auditor performed the duties which caused his/her liability, without any knowledge that would cause his/her liability and without gross negligence.
4. There are no further matters to be specified other than the above regarding the matters to be stated in the proposal regarding the election of the corporate auditor, as stipulated in Article 76 of the Enforcement Regulations of the Corporate Law.

Proposal 3 Granting of retirement benefits to a retiring director; and terminating payment in connection with the abolition of the retirement benefits system for officers

The Company desires to pay retirement benefits to Mr. Takeshi Sugimoto who will retire from his director's office upon the expiration of his term as of the closing of this ordinary general meeting of shareholders, to reward him for his services during his tenure of office, within a reasonable payment limit, in accordance with certain criteria determined by the Company. The Company desires to leave it entirely up to the board of directors regarding the specific amount, time of grant, method of payment, etc.

A summary of the details of the retiring director is as follows:

Name	Career, Position in the Company and Representation of Other Companies
Takeshi Sugimoto	June 1991 Director
	June 1997 Managing Director
	June 1999 Executive Managing Director
	June 2004 Representative Director & Executive Managing Director
	June 2005 Senior Vice President & Representative Director (to present)

The Company resolved to abolish the retirement benefits system for officers as a part of the reform of the remuneration system for officers, as of the closing of this ordinary general meeting of shareholders, at the board of directors meeting held on May 15, 2007. In connection with this, the Company desires to pay the retirement benefits corresponding to the term of office from the officer's election to the closing of this ordinary general meeting of shareholders, as a terminating payment within a reasonable payment limit, in accordance with certain criteria determined by the Company, to Mr. Yoshifumi Iwata, Mr. Hiroki Takenaka, Mr. Yoshitsugu Aoyama, Mr. Osamu Fujikawa, Mr. Mafumi Kunishima, Mr. Yoshio Hirabayashi, Mr. Hironobu Kodaka, Mr. Masataka Sekiya, Mr. Toshiaki Matsuo, Mr. Yoshitoshi Toyoda, Mr. Seiichi Takayanagi and Mr. Norio Sato (twelve (12) directors including three (3) outside directors) who will be re-elected in the case where Proposal 1 is approved as proposed; Mr. Yoshitsugu Takahashi and Mr. Yasuhiro Kumagai (two (2) corporate auditors) who will be re-elected in case where Proposal 2 is approved as proposed; and Mr. Yutaka Kawase and Mr. Tadao Kuribayashi who are currently serving their term of office (two (2) corporate auditors), at the time of the retirement of each person.

The Company desires to leave it entirely up to the board of directors as to the directors, and the board of corporate auditors as to the corporate auditors, regarding the specific amount, the granting method, etc.

If this Proposal is approved, the total payment of the retirement benefits for the directors is scheduled to be equal to or less than 840 million yen (including 24 million yen or less for outside directors and 816 million yen or less for other directors) and 32 million yen or less for corporate auditors.

A summary of the directors and corporate auditors who are eligible for the terminating payment in connection with the abolition of the retirement benefits system for officers is as follows:

Name	Career, Position in the Company and Representation of Other Companies
Yoshifumi Iwata	June 1985 Director June 1989 Managing Director June 1993 Executive Managing Director August 1997 Senior Vice President & Representative Director June 1999 President & Representative Director April 2007 Chairman & Representative Director (to present)
Hiroki Takenaka	June 1997 Director June 2001 Managing Director June 2005 Director & Senior Executive Officer April 2007 President & Representative Director (to present)
Yoshitsugu Aoyama	June 1991 Director June 1998 Managing Director June 2001 Executive Managing Director June 2004 Representative Director & Executive Managing Director June 2005 Senior Vice President & Representative Director (to present)
Osamu Fujikawa	June 1993 Director September 1998 Managing Director June 2001 Executive Managing Director June 2004 Representative Director & Executive Managing Director June 2005 Representative Director & Senior Executive Officer April 2006 Senior Vice President & Representative Director (to present)

Name	Career, Position in the Company and Representation of Other Companies	
Mafumi Kunishima	June 1999	Director
	June 2001	Managing Director
	June 2005	Director & Senior Executive Officer
	April 2007	Senior Vice President & Director (to present)
Yoshio Hirabayashi	June 2001	Director
	June 2003	Managing Director
	June 2005	Director & Managing Executive Officer
	April 2007	Director & Senior Executive Officer (to present)
Hironobu Kodaka	June 2001	Director
	June 2005	Director & Managing Executive Officer
	April 2007	Director & Senior Executive Officer (to present)
Masataka Sekiya	June 2001	Director
	June 2005	Director & Managing Executive Officer (to present)
Toshiaki Matsuo	June 2001	Director
	June 2005	Director & Managing Executive Officer (to present)
Yoshitoshi Toyoda	June 1984	Outside Director (to present)
Seiichi Takayanagi	June 1999	Outside Director (to present)
Norio Sato	June 2005	Outside Director (to present)
Yoshitsugu Takahashi	June 2003	Standing Corporate Auditor (to present)
Yutaka Kawase	June 2005	Standing Corporate Auditor (to present)
Tadao Kuribayashi	June 1998	Corporate Auditor (to present)
Yasuhiro Kumagai	June 2003	Corporate Auditor (to present)

Proposal 4 Payment of directors' bonus

The Company desires to pay a directors' bonus to thirteen (13) directors as of the end of this business year (including the three (3) outside directors) in the total amount of 180 million yen (including 7 million yen for outside directors and 173 million yen for other directors). The Company desires to leave it entirely up to the board of directors regarding the amount to be paid to each director.

The bonus amounts for outside directors and other directors are calculated considering the performance and dividend of retained earnings for this business year.

Previously, the directors' bonus was approved as a part of the appropriation of earnings at the ordinary general meeting of shareholders; however, in connection with the enforcement of the Corporate Law and the changes in the manner of handling bonuses in accordance with the new accounting standards, the Company submits the directors' bonus as an individual proposal.

Proposal 5 Revision of directors' remuneration

Regarding the directors' remuneration of the Company, it was resolved that the total amount be equal to or less than 25 million yen per month (excluding the salaries to be paid to the employees who are employees and directors at the same time) at the 145th ordinary general meeting of shareholders held on June 24, 1998, to be continued to the present date.

In view of the required integrations into monthly remuneration in connection with the abolishment of the retirement benefits system for the officers and various circumstances including the subsequent change in the economic situation, the Company desires to revise the directors' remuneration to be equal to or less than 45 million yen per month (including 3 million yen or less for outside directors and 42 million yen or less for other directors; the 85 million yen or less per year as remuneration by way of stock options that is proposed under Proposal 6 shall be separated; and excluding the salaries to be paid to the employees who are employees and directors at the same time, as before).

The Company currently has thirteen (13) directors (including three (3) outside directors); however, if Proposal 1 is approved as proposed, that number will be fourteen (14) (including three (3) outside directors).

If this Proposal is approved as proposed, the Company will introduce for directors (excluding outside directors), a system to obtain Company stocks (guideline for holding Company stocks) by contributing a certain amount out of the director' monthly remuneration (in the case where this Proposal is approved) to the director stock ownership plan ("Contribution"). Due to the introduction of such a system, the Company intends to ensure that the directors of the Company share an awareness of interests with the shareholders, and that the directors' management responsibility for improving the corporate value of the Company group will be clarified. The details of the Contribution will be determined by the internal rules relating to the guideline for holding the Company stocks to be established in the future; and will be the amount equivalent to the amount to be transferred from the reserves for the retirement benefits for officers per year for each director calculated in accordance with the current rules for the payment of the retirement benefits for officers, divided by 12.

Proposal 6 Issuance of New Share Acquisition Rights (*shinkabu-yoyakuken*) as stock option remuneration to directors

The Company asks for your approval to revise the remuneration amount in the form of money for the Company's directors to be equal to or less than 45 million Yen per month under Proposal 5. Separately from such monthly remuneration amount for directors, considering various circumstances including the abolition of the retirement benefits system, the Company's management size and business category, and the recent changes in the economic situation, the Company asks for your approval that the remuneration amount relating to the New Share Acquisition Rights that are to be allocated to directors as stock options be made equal to or less than 85 million Yen per year (including 14 million yen or less for outside directors and 71 million yen or less for other directors). It is noted that the amount of the New Share Acquisition Rights that are to be allocated to directors as stock options shall be calculated by applying the Black-Scholes Model.

Since the allotment of the New Share Acquisition Rights that are to be allocated to directors as stock options falls under "remuneration not paid in the form of money" stipulated in Article 361.1(3) of the Corporate Law, the Company asks for your approval as to the specific details of such non-monetary remuneration as well. The Company currently has thirteen (13) directors (including three (3) outside directors), and if Proposal 1 is approved as proposed, there will be fourteen (14) directors (including three (3) outside directors).

The details of New Share Acquisition Rights to be issued to directors as stock options are as follows:

- (1) Class and number of shares to be issued for the purpose of New Share Acquisition Rights
Up to 57,000 shares of the common stock of the Company may be delivered upon the exercise of the New Share Acquisition Rights that are to be issued on any day within one (1) year of the day following this ordinary general meeting of shareholders.
If it is appropriate to change the said ceiling number of shares upon the Company splitting or consolidating the shares of its common stock, or reducing etc. its capital, the Company will make adjustment, as it deems necessary, to a reasonable extent.
- (2) Total number of New Share Acquisition Rights
The ceiling of New Share Acquisition Rights, that are to be issued on any day within one (1) year from the day following this ordinary general meeting of shareholders, shall be five hundred and seventy (570).

The number of shares to be issued for the purpose of one (1) New Share Acquisition Right shall be one hundred (100); provided that, in case of an adjustment in the number of shares as provided in (1) above, the same adjustment shall be made.

(3) Method used to calculate the amount of assets to be contributed upon the exercise of New Share Acquisition Rights

The amount of assets to be contributed upon the exercise of each New Share Acquisition Right shall be the amount payable per each share to be received upon the exercise of a New Share Acquisition Right as decided below ("Exercise Price"), multiplied by the number of shares to be received upon the exercise of (1) New Share Acquisition Right, provided in (2) above.

Exercise Price shall be calculated by multiplying by 1.05 the average daily closing price of Ibiden's shares, ordinarily traded on the Tokyo Stock Exchange, in the month preceding the month during which the allocation date of the New Shares Acquisition Rights occurs (excluding days when no trading took place). However, if the price so calculated is lower than the closing price on the allocation date of the New Share Acquisition Rights (or the closing price on the last day of trading, when there is no closing price on such allocation date), the Exercise Price shall be the closing price on the allocation date of the New Share Acquisition Rights (or the closing price on the last day of trading, when there is no closing price on such allocation date). Any fraction less than one yen (¥1) resulting from the calculation shall be rounded off upwards.

After the allocation date of New Shares Acquisition Rights, if it is appropriate for the Company to adjust the Exercise Price upon the Company splitting or consolidating its ordinary shares, or by reducing its capital, the Company will make the adjustment, as it deems necessary, to a reasonable extent.

(4) Period during which New Shares Acquisition Rights may be exercised

From August 1, 2009 to July 31, 2011.

(5) Conditions for exercise of New Share Acquisition Rights

- (i) If a person, who has received New Share Acquisition Rights (hereinafter called "Holder(s) of New Share Acquisition Rights") loses his/her eligible position as director or executive officer of the Company or its consolidated subsidiaries, he/she may exercise his/her rights only within six (6) months from the date of loss of such position.

- (ii) Heirs of a Holder of New Share Acquisition Rights may exercise New Share Acquisition Rights only within six (6) months after the date of the death of the Holder of the New Share Acquisition Rights.
- (iii) New Share Acquisition Rights may not be transferred, used as collateral, including a pledge, or otherwise disposed of.
- (iv) Other conditions for exercising the rights shall be as stipulated in the "New Share Acquisition Rights Allotment Agreement" to be made between the Company and Holders of New Shares Acquisition Rights pursuant to the resolutions adopted at this ordinary general meeting of shareholders and at a meeting of the Board of Directors relating to the issuance of New Share Acquisition Rights.

(6) Limiting Acquisition of New Share Acquisition Rights by Transfer

Any acquisition of New Share Acquisition Rights by way of Transfer shall require approval of the Board of Directors of the Company.

(7) Other Details on New Share Acquisition Rights

Other details concerning New Share Acquisition Rights not stated in the above details and (1) through (6) above shall be decided by a resolution of a meeting of the Board of Directors relating to the issuance of New Share Acquisition Rights.

Proposal 7 Authorizing the Board of Directors to decide on the terms of offering New Share Acquisition Rights, which are to be issued as stock options

Pursuant to the provisions of Articles 236, 238 and 239 of the Corporate Law (Law No. 86 of 2005), the Company asks for your approval with respect to authorizing the Board of Directors to decide on the terms for the offering of New Share Acquisition Rights, which are to be issued as stock options for executive officers (“Shikko-yakuin”), corporate officers (“Riji”), and employees of the Company, and directors of its consolidated subsidiaries.

1. Reason for making offers on especially favorable conditions to potential subscribers of the New Share Acquisition Rights.

To heighten the level of commitment and morale of executive officers, corporate officers, and employees of the Company, and directors of its consolidated subsidiaries, the Company proposes the issuance of New Share Acquisition Rights which will be allocated, for no consideration, to executive officers, corporate officers, and employees of the Company, and directors of its consolidated subsidiaries.

2. The details and ceiling number of the New Share Acquisition Rights, for which the terms of offer may be decided on the basis of matters decided in this ordinary general meeting of shareholders, are as follows:

- (1) Class and number of shares to be issued for the purpose of New Share Acquisition Rights

The ceiling number shall be 200,000 shares of the common stock of the Company.

If the Company splits or consolidates its ordinary shares, the Company shall adjust the number of shares for the purpose above according to the following formula:

Number of shares after adjustment =

$$\text{Number of shares before adjustment} \times \text{Ratio of split (or consolidation)}$$

If any unavoidable event, requiring an adjustment in the number of shares for the purpose of the New Share Acquisition Rights occurs, after a resolution is made in this ordinary general meeting of shareholders, such adjustment shall be made to a reasonable extent.

The said adjustment shall be made only with respect to those numbers of shares, for which New Share Acquisition Rights have not been exercised by the time of the adjustment, and any fraction of a share resulting from the adjustment shall be discarded.

(2) Total number of New Share Acquisition Rights

The ceiling number shall be 2,000.

The number of shares to be issued upon the exercise of one (1) New Share Acquisition Right shall be one hundred (100); provided that, in case of an adjustment in the number of shares as provided in (1) above, the same adjustment shall be made.

(3) Payment for New Share Acquisition Rights

No payment of money shall be required.

(4) Method used to calculate the amount of assets to be contributed upon the exercise of New Share Acquisition Rights

The amount of assets to be contributed upon the exercise of each New Share Acquisition Right shall be the amount payable per each share to be received upon the exercise of a New Share Acquisition Right as decided below ("Exercise Price"), multiplied by the number of shares to be received upon the exercise of one (1) New Share Acquisition Right, provided in (2) above.

The Exercise Price shall be calculated by multiplying by 1.05, the average daily closing price of Ibiden's shares ordinarily traded on the Tokyo Stock Exchange in the month preceding the month during which the allocation date of the New Share Acquisition Rights occurs (excluding days when no trading took place). However, if the price so calculated is lower than the closing price on the allocation date of the New Share Acquisition Rights (or the closing price on the last day of trading, when there is no closing price on such allocation date), the Exercise Price shall be the closing price on the allocation date of the New Share Acquisition Rights (or the closing price on the last day of trading, when there is no closing price on such allocation date). Any fraction less than one yen (¥1) resulting from the calculation shall be rounded off upwards.

If the Company splits or consolidates its ordinary shares after the allocation date of the New Share Acquisition Rights, the Exercise Price shall be adjusted according to the following formula and any fraction less than one yen (¥1) resulting from the adjustment shall be rounded off upwards:

Exercise Price After Adjustment =

$$\text{Exercise Price Before Adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

If the Company issues new ordinary shares at a price lower than the current price or disposes of its own shares (excluding any sale of its own shares based on a demand made by a shareholder with fractional unit shares for sale of the fractional unit shares and any conversion or exercise of New Share Acquisition Rights (including those attached to corporate bonds) by which the sale of ordinary shares may be demanded), the Exercise Price shall be adjusted by the following formula and any fraction less than one yen (¥1) resulting from the adjustment shall be rounded off upwards.

EPAA=

$$\text{EPBA} \times \frac{\text{NOIS} + \frac{\text{Number of newly issued shares} \times \text{Payment per share}}{\text{Share price before new issuance}}}{\text{NOIS} + \text{Number of newly issued shares}}$$

where:

EPAA: Exercise Price after adjustment,

EPBA: Exercise Price before adjustment,

NIOS: Number of issued and outstanding shares

In the above formula, "Number of issued and outstanding shares (NIOS)" means the total number of shares issued by the Company less the number of ordinary shares held by the Company as the Company's own shares, and the "Number of newly issued shares" shall be re-read as "Number of the Company's own shares to be disposed", and the "Share price before new issuance" shall be re-read as "Share price before the disposition of the Company's own shares", respectively, in the case of the disposition of the Company's own shares. Further, after the allocation date of New Share Acquisition Rights, if it is appropriate for the Company to adjust the Exercise Price upon the Company reducing the capital, etc., the Company shall make the adjustment, as it deems necessary, to a reasonable extent.

- (5) Period during which New Share Acquisition Rights may be exercised
From August 1, 2009 to July 31, 2011.

(6) Conditions for exercise of New Share Acquisition Rights

- (i) If a person, who has been allocated New Share Acquisition Rights (hereinafter called "Holder(s) of New Shares Acquisition Rights"), loses his/her eligible position as director, executive officer, corporate officer, or employee of the Company or its consolidated subsidiaries, he/she may exercise his/her rights only within six (6) months from the date of the loss of position.
- (ii) Heirs of a Holder of New Share Acquisition Rights may exercise New Share Acquisition Rights only within six (6) months after the date of the death of the Holder of New Share Acquisition Rights.
- (iii) New Share Acquisition Rights may not be transferred, used as collateral, including a pledge, or otherwise disposed of.
- (iv) Other conditions for exercising the rights shall be as stipulated in the "New Share Acquisition Rights Allotment Agreement" that is to be made between the Company and Holders of New Share Acquisition Rights pursuant to resolutions to be adopted at this ordinary general meeting of shareholders and a meeting of the Board of Directors relating to the issuance of New Share Acquisition Rights.

(7) Matters concerning the increase of the capital fund and capital reserve in the case of the issuance of shares upon the exercise of New Share Acquisition Rights:

- (i) The amount of the increase in the capital fund, in the case of the issuance of shares upon the exercise of New Share Acquisition Rights, shall be half the ceiling amount for a capital fund increase, that is to be calculated in accordance with Article 40, Paragraph 1 of the Corporate Accounting Rules, and any fraction less than one yen (¥1) resulting from the calculation shall be rounded off upwards.
- (ii) The amount of the increase in the capital reserve, in the case of the issuance of shares upon the exercise of New Share Acquisition Rights, shall be the ceiling amount for the capital fund increase referred to in (i) above less the amount by which the capital fund is increased as provided in (i) above.

(8) Acquisition of New Share Acquisition Rights

New Share Acquisition Rights may be acquired without compensation, if a merger agreement under which the Company becomes an expired corporation through merger, is approved at the general meeting of shareholders or if a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary of another company through a share exchange or share transfer is approved at the general meeting of shareholders.

(9) Limiting Acquisition of New Share Acquisition Rights by Transfer

Any acquisition of New Share Acquisition Rights by way of transfer shall require approval of the Board of Directors of the Company.

(10) Other Details on New Share Acquisition Rights

Other details concerning New Share Acquisition Rights not stated in the above details and (1) through (9) above shall be decided by a resolution of a meeting of the Board of Directors relating to the issuance of New Share Acquisition Rights.

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