



# IBIDEN Co.,Ltd.

## Corporate Social Responsibility Report 2016



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## Top Message



Last year marked the half-way point of our five-year medium-term management plan, Challenge IBI-TECHNO 105 Plan, launched in fiscal year 2013. Under this medium-term management plan, the IBIDEN Group has placed priority on establishing a corporate structure designed to adapt to changes in the business environment, and sustain and grow its businesses constantly, envisioning the next 100 years ahead of us.

The IBIDEN Group has also strived to become a company that is trusted by society by carrying out Global CSR Management under the medium-term management plan, and fulfilling its responsibilities in the global community.

The IBIDEN Group will promote creating a company that responds to global issues and contributes to developing an affluent society by carrying out a number of activities unique to the IBIDEN Group, in order to reform and improve its operations on a worldwide basis, while setting its eyes on issues relating to the global community that will continue to change.

**The IBIDEN Group will Cultivate Human Assets and Strive Constantly to Improve Competitiveness based on the Spirit of IBI-TECHNO Innovation.**

IBI-TECHNO Innovation embodies our unique operational improvement activities, in which employees of all business divisions act using the “Genchi (actual scene), Genbutsu (actual thing), and Jigakari (solving problems on-site)” method to achieve results through the “5S,” “jikotei kanketsu (defect-free process completion),” and “cross-sectional teamwork.” All employees of the IBIDEN Group use their skills and knowledge to solve problems on-site by applying creativity and ingenuity, which leads to improving the skills of individual employees, job satisfaction, and fostering human assets. Those activities not only result in achieving management goals, but also bring a sense of satisfaction derived from a job well done among employees, promoting a spirit of teamwork. As we challenge ourselves to achieve higher goals, success will follow through a virtuous cycle.

### **The IBIDEN Group Manages Rules to Comply with Routine Work**

To strengthen the CSR activities that the IBIDEN Group has established thus far, we have developed and operate a comprehensive structure, the IBIDEN Management System, which is designed to integrate all the results achieved and manage all activities systematically. We have incorporated rules such as international standards requiring compliance in the management system to fulfill our responsibilities as a company, cultivating a spirit among employees to observe them as a matter of course in routine work. In this management cycle, we check operational status and understand problems as we aim to further improve the level of operations.

### **We will Work on Issues to be Addressed through Full Participation, Led by Example as Demonstrated by the Management.**

It is important for each and every employee to be aware of the quality of operations and act accordingly as the IBIDEN Group moves forward with its CSR management, aimed at reinforcing the management base. Based on this idea, the management, including officers, demonstrates the ideal behavior to be emulated, and each employee acts with a high level of awareness based on understanding and consideration. To address issues, we work to solve problems through cross-sectional teamwork, not by individuals or individual divisions, with members in various divisions and ranks putting their heads together. The entire Group will continue to promote CSR management, which addresses social issues, as part of our efforts to earn the trust of stakeholders and attain sustainable growth.

### **We will build a trustworthy relationship with our stakeholders.**

We need to initiate and maintain dialogues with our stakeholders and undertake actions by working closely with them. The IBIDEN Group continues its proactive disclosure of information regarding its financial condition, products and CSR and promotes transparent management practices in an attempt to help stakeholders gain an understanding of how the Group is run and decisions are made. We hope you will get to know the Group's range of undertakings discussed in this report, and we welcome your feedback and opinions.

# The IBIDEN Group's CSR Management

## IBIDEN WAY

The power that has enabled IBIDEN “to overcome many adversities with all our employees and to continue to exist,” and “the wisdom and vitality that have achieved dramatic growth in recent years” - these have persisted throughout IBIDEN's long history. The systematization that carries this on, transcending borders, is the “IBIDEN WAY.”



### MISSION

It is the fundamental perspective of the existence value and purpose of this company.

We contribute to the progression of society through innovative technology, with respect for both individuals and the global environment.

### SPIRIT

We share our spirits with all staffs globally. And through accomplishing these, “Corporate Philosophy” will be realized.

- Trust through Integrity
- “Wa” Teamwork and Synergy
- Challenge with Passion
- IBI-TECHNO Innovation

## Consolidated medium-term management plan “Challenge IBI-TECHNO 105 Plan”

We reinforce our capacities for total productive management, management of technology, management of business and management capability in order to establish a robust corporate culture resilient to any market changes.

Consolidated medium-term management plan “Challenge IBI-TECHNO 105 Plan”
<b>Period</b> FY2013 to FY2017 【5 year term】
<b>Pillar of the strategy</b> 1. Reconstruct and enhance competitiveness of core operations 2. Work on the creation of new business 3. Develop and promote CSR management globally

Today's business environment surrounding IBIDEN Group is extremely volatile, faced by the fierce competition between companies seeking global survival.

In April 2013, we launched our consolidated medium-term management plan, “Challenge IBI-TECHNO 105 Plan,” envisioning next 100 years ahead of us. By redefining and strengthening our management of business, management of technology, total productive management, and management capability, we will solidify and restructure our core business competitiveness. By emphasizing the global implementation of TPM activities, we boost our onsite capabilities, while at the same time engaging in the creation of innovative technologies in the fields of materials, facilities, and production processes.

Also, based on our core technologies nurtured through the company's distinguished history, we will set up specific goals and engage ourselves in the development of new electronic and ceramic products, as well as product development and business implementation in new business areas.

Furthermore, in our effort to successfully run our CSR management, we put our emphasis on “human resource management” to nurture people who can thrive globally.

Through the steady implementation of the consolidated medium-term management plan, we will further reinforce our revenue base, and everyone in the Group will actively take up new challenges to realize a new level of growth.

## CSR Policy and Promotional structure

All CSR activities at the IBIDEN Group are based on our MISSION of “We contribute to the progression of society through innovation technology, with respect for both individuals and the global environment.” We pursue activities that enhance the reliability and transparency of management through business so that we will be able to build a relationship based on trust with society, as well as strive to flourish as a going concern and contribute to social advancement.

The direction and the ideal of our CSR activities are shared throughout the entire Group and presented as the IBIDEN Group Charter of Behavior (hereinafter called “Group Charter of Behavior”), which takes into account our role as a global corporation and reflects requests and demands from our stakeholders including our major customers around the world.

### IBIDEN Group Charter of Behavior (July. 2011)

#### **Article 1: Compliance with laws, regulations, and ethics**

We comply with laws, regulations and ethical requirements of the countries and regions where its business operations are based. We work against corruption in all its forms, and carry out open and fair corporate activities with the intention of becoming a company that enjoys the confidence of the international community. We also protect and properly manage personal and customer data and other types of information.

#### **Article 2: Development together with stakeholders**

We develop together with our stakeholders, so we enhance the transparency of management and build a trustworthy relationship through communication. We also actively engage in community-based activities that contribute to society as a good corporate citizen.

#### **Article 3: Providing customer delight**

We provide customer delight, so we have a good understanding of social trends, future needs and develop. We provide safe and secure products and services to maximize our customer's satisfaction by growing IBI-Techno.

#### **Article 4: Management based on global standards**

We manage our group based on global standards. We respect human rights and other international norms of behavior. Also, we respect culture and customs in each country or region concerned when carrying out our corporate activity.

#### **Article 5: Harmony with nature**

We harmonize with nature in all areas of our corporate activities. We manage to develop technologies to achieve good balance between the environment and business, and we provide environmentally friendly products and services by promoting energy and resource conservation activities.

#### **Article 6: Attractive and vibrant company**

We aim to become an attractive and vibrant company on the basis of fair, equitable and result oriented employee evaluation personnel system. We aim to have a safe and comfortable working environment. We create a rewarding corporate culture that the employee can respect for each diversity, and fully exercise their skills and abilities.

### The Basic Policy of CSR Management

The Group strives to contribute to social advancement while achieving continuing existence by implementing CSR management. The vision of the Group's CSR management has been developed along four themes in our mid-term plan based on corporate philosophy and charter of behavior: internal control, human resource management, environment management, and social contribution. We believe that working from these four viewpoints will allow us to build on our relationship based on trust with our stakeholders by further expanding activities in a wide range of areas.

#### **<CSR Policy>**

We aim to enhance our corporate value

- By raising awareness of the need for IBIDEN to act responsibly and honestly in the interest of sustainable operations
- By fulfilling our responsibilities in a well-balanced manner from an economic, environmental and social standpoint
- By working in partnership with all of our stakeholders.



**<Conceptual diagram of CSR management>**



## IBIDEN Group Charter of Behavior and Corporate Governance

We recognize that the entire Company including the management must participate in the effort if we are to fully realize the spirit of the IBIDEN Group Charter of Behavior. The management also understands that it should lead by example to ensure that these efforts take place thoroughly throughout the Company as well as among our Group companies, and to encourage our suppliers to participate. Furthermore, we pay continuous attention to the voices of people both inside and outside the Company and have put in place an effective corporate structure. Should an incident occur that violates the Group Charter of Behavior, the management will have in place a system to solve problems, which will communicate its position, investigate the cause and implement a prevention of recurrence. Moreover, we will communicate accurately and in a timely manner the information regarding the incident including accountability. Finally, after authority and responsibility are clarified, severe consequences will be imposed.

## Framework for CSR Promotion

The Company has set up CSR Promotion Division in April 2006 as the division responsible for the promotion of CSR activities.

We designated a management person in charge of the promotion in each division who performs duties such as promoting CSR activities and compliance, supervising the implementation of compliance, hosting educational sessions and trainings for the members of the division, and reporting of compliance violations within the division as well as the improvement of the violation risks. We convene a conference for management persons responsible for CSR promotion two times in fiscal year 2015. During the conference, the participants confirm the company-wide promotion items and their progress as well as share anecdotal examples of promotional activities at their workplace or within the group companies.

Furthermore, we have designated September as CSR Month and encourage each and every employee to increase his or her awareness of CSR by increasing the number of educational activities related to compliance.

## Managing Activities Related to the IBIDEN Group Charter of Behavior

The IBIDEN Group Charter of Behavior was established to reflect the international movement as well as requests of external stakeholders in implementing CSR management, in accordance with the Company's corporate philosophy, the IBIDEN WAY. As an international common understanding, we value and reflect the ISO26000 Guidance, responsibilities required of a company by the UN Global Compact and the code of conduct stipulated by EICC®, the electronics industry association, (though the Company is not a member) in the Charter of Behavior as part of the supply chain. Moreover, we also assess and reflect items emphasized by domestic initiatives such as the Charter of Corporate Code of the Japan Business Federation (Keidanren) the Company is affiliated with in the Charter of Behavior.

In order to develop these ideas into specific activities, we implement activities in three phases (responses as the Company, individual's activities and expansion of activities to suppliers) based on global standards and requests from and assessment items of outside organizations.

We have compiled items that should be managed by IBIDEN as a company in the IBIDEN Social Responsibility Management Standards (hereinafter called "SR Management Standards"). We have created IBIDEN Standards for Employee Behavior (hereinafter called "Standards for Employee Behavior") for each employee as standards for specific activities.

The Standards for Employee Behavior serve as compliance behavioral guidelines for each employee, based on which IBIDEN Group companies have established their own standards for employee behavior. We have also established IBIDEN Group Supplier CSR Guidelines (hereinafter called "CSR Guidelines") for our suppliers, and provide guidance on compliance with CSR Guidelines through explanations about standards, fact-finding surveys, and audits.

In drawing up these three standards and guidelines, the division in charge of promoting CSR prepared drafts, which were issued after discussions by the Management Council with participation by top management. We have broken them down into specific practical procedures, including internal rules and guidelines, in the IBIDEN Management System (hereinafter called "IMS") and operate them to constantly improve systems and activity levels.



IBIDEN Social Responsibility Management Standards (July, 2015, second edition)



For more information on each of the activities, please refer to the following page.

SR Management Standards, Standards for Employee Behavior ..... P13 "Compliance"  
CSR Guidelines ..... P17 "CSR Management in the Supply Chain"


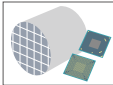



## Dialogue and Cooperation with Stakeholders

Since its operations began as a hydroelectric power generation business that provided electricity to the community, the IBIDEN Group has won the support of all residents in the community as well as many other people.

We continue to look for opportunities to communicate with our stakeholders to thoroughly understand the expectations and demands that they have concerning the Group.

We believe it is important for building a trustworthy relationship with all stakeholders and sustainable development to continue working on expectations and request items obtained as a result of communication throughout the supply chain led by the Company.

### ■Example of Communication (As of march 31, 2016)

Stakeholders		Example of Communication		Responsible division
Employees 	Employees at our 34 Group companies (consolidated), both in Japan and abroad, number 14,290. Grounded in the basic principle of respect for individuals, we value the creativity and varied characteristics of each and every employee.	Labor and Management Committee, Training and development, Appraisal interview Health and Safety Committee, Compliance counter	P22~27 P28 P15	HR & GA Division Environment & Safety Division CSR Promotion Division
Customers 	We contribute to the lives of our customers, grounded in innovation technology, by offering diverse, high quality products, from electronic components to ceramic and building materials	Improvement of customer satisfaction, provision of CSR information Code of conduct audit	P55 P6	Business Administration Division (Each Operation) CSR Promotion Division
Suppliers 	The IBIDEN Group operates businesses in Japan and abroad, and conducts procurement from numerous suppliers	CSR briefing for suppliers Safety & Health Promotion Meeting Implementation of CSR survey and audit, Compliance counter for supplier	P18 P29~31 P18	Global Purchasing Division Environment & Safety Division CSR Promotion Division
Local communities 	IBIDEN has major facilities in 18 countries around the world, and conducts global corporate citizen activities that suit the culture and climate of each country and region.	Regular exchanges with community associations, Social contribution activities	P34 P50~54	Each plant HR & GA Division
Shareholders / Investors 	IBIDEN has about 140 million issued shares, with a total of 32,391 shareholders (as of the end of March 2016)	General meetings of shareholders Investor briefings, Response to research and evaluation organizations	P10 P7	HR & GA Division Office of the President CSR Promotion Division

## Assessment by Third-Party Organizations and Our Actions

### Corporate Evaluation by External Organizations

In recent years, increasing attention has been paid to socially responsible investment (SRI), referring to corporate investment from a social perspective, taking into account considerations such as the environment and social contribution rather than concentrating exclusively on profitability and other corporate and financial targets. The Company conducts gap analyses between targets and results of external corporate evaluations such as SRI evaluation organizations, and identifies elements that are lacking within the Company. The CSR Promotion Division is responsible for analyses. For items which can be improved during the following fiscal year, the relevant departments develop improvement strategies within the action policy. IBIDEN has been awarded "Prime" status by oekom research AG, a Germany-based CSR rating agency, in its CSR rating. (As of June 2016)



### CSR-Related Audits

We respond to observance of the code of conduct of the industry and CSR-related audits conducted by third-party organizations based on customer requirement. During audits, a gap analysis is conducted on the difference between industry standards and the Company's current efforts, and issues that need to be addressed are identified. We take seriously the issues pointed out during these audits and make improvements by analyzing the causes and implementing corrective actions as well as preventive measures. Furthermore, we are working toward creating a system that meets industry standards by improving upon these issues.

In fiscal year 2015, we underwent official audits of industry standards at the managerial side on labor, human rights, health and safety, environment, and ethics in Malaysia and Japan. There were no findings regarding labor, human rights, and ethics, and we have maintained an excellent compliance rate.

Unfortunately, there were findings resulting from the lack of a thorough commitment to internal rules in terms of health and safety. Accordingly, we are developing a system for in-house inspections and improvements to prevent a recurrence.

To perform in-house inspections and internal audits more effectively, we will train certified internal auditors who are well versed in the audit standards of industry associations and implement a cycle of operational improvements by further raising the level of internal audits. In addition, we will undertake external CSR audits on a regular basis to verify the effectiveness of internal audits and enhance the credibility of our CSR activities.

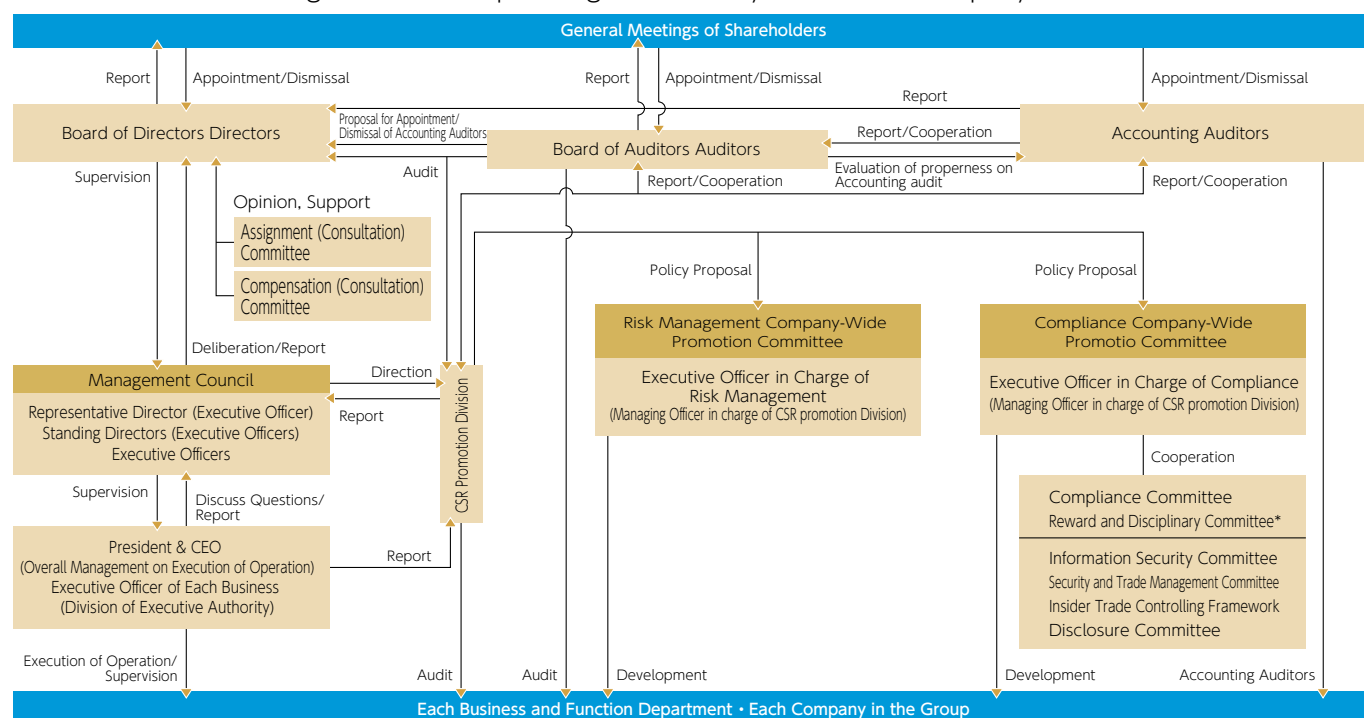
# Internal Control

The enhancement of our Group's internal control system is undertaken through the activities focused on strengthening corporate governance and advancing compliance and risk management, which are carried out immediately under the responsible executive officer.

## Basic Views on Corporate Governance

The Group considers corporate governance to be a key management mechanism for transparent, fair, prompt and resolute decision-making, and all Group companies are thus actively committed to improving corporate governance. As part of our Group's corporate governance, we are enhancing internal control by proactively undertaking activities to advance compliance and risk management and we are expanding/strengthening the management oversight functions of our board of directors and the audit functions of our corporate auditors. These steps will enable us to construct a transparent corporate governance system worthy of the trust of shareholders and other stakeholders and fulfill our corporate social responsibilities, and will help us improve our corporate value through sustained growth.

Indicated below is a diagram of the corporate governance system of the Company.



\*Established on an ad hoc basis when related issues arise

The board of directors and organization are noted in the Corporate Information (Please refer to "Board of Directors/Organization" on page 61.)



## **Basic Overview of the Corporate Governance Structure**

To ensure fair and transparent company management, two outside directors attend board of directors meetings and there provide advice on company management. Fair and transparent procedures are also applied to nominate these outside directors and to determine their compensation.

In addition, we have clearly delineated the management responsibilities of directors and sought to strengthen our management practices, and we have set the term of office for directors at one year and the number of directors at 18 or less (11 directors as of June 2016) so that we can flexibly construct the optimal management structure to correspond to changes in the business environment. An executive officer system has been introduced to permit rapid management decision-making and quicker execution of operations. The board of auditors and individual corporate auditors have also been given robust check-and-balance functions to help them monitor decision-making by the board of directors and the execution of operations by representative directors.

## **Outside Directors**

The Company has taken the steps necessary to ensure that two outside directors are assigned and permitted to provide needed insights on the agenda and deliberations of the board of directors meetings so that they can contribute to appropriate corporate governance at the Company and offer advice on our standards of conduct.

## **Efforts to Strengthen the Functions of Corporate Auditors**

Corporate auditors attend board of directors meetings and other important meetings and audit directors' performance of their professional duties, and full-time corporate auditors collaborate with the Audit Group, CSR Promotion Division, the Company's internal audit organization, and with accounting auditors in conducting audits of the Company and the Group companies in accordance with all applicable laws, regulations and rules. The presence of two outside corporate auditors with a considerable level of knowledge in financial and accounting matters suitably ensures that the above functions are performed.

## **Posting of Information on Securing Independent Executives**

The Company has determined that Mr. Saito and Mr. Yamaguchi as outside directors and Mr. Kato and Mr. Horie as outside corporate auditors present no potential conflict of interest with general shareholders and, convinced that we can count on them to contribute to appropriate corporate governance at the Company and to offer advice on our standards of conduct, we have assigned them as independent executives. In fiscal year 2015, the overall attendance rate by outside directors on the board of directors meetings was 98.7%, in which the outside directors have expressed their opinions in an active manner regarding supervision of corporate management, management policy, management improvement measures, and other matters based on their own knowledge. The Company believes that they have successfully undertaken their responsibilities expected of them by the Company.

## Compensation of Directors and Corporate Auditors (Fiscal Year 2015)

### Board Policies and Procedures in Determining the Compensation of the Senior Management and Directors

The compensation for the Company's directors and executive officers comprises monthly compensation and bonuses. The monthly compensation for directors is calculated based on the directors' job positions, within the limits approved by the general meeting of shareholders, and is approved by the board of directors. Bonus allotments for directors are based on the degree to which each director contributed to the Company's operations, within the scope of the total amount of bonuses calculated using the stipulated formula approved by the general meeting of shareholders, and are approved by the board of directors.

The monthly compensation of executive officers is approved by the board of directors. In determining this compensation, broad consideration is given to a suitable balance with the monthly compensation for directors, assessments of individual executive officers' job performance, and other factors. The amounts of bonuses to be paid are approved by the board of directors. Bonus amounts are calculated in accordance with the degree of the executive officer's contribution to the company's business results and other factors. Compensation Consultation Committee including outside directors as committee members, prior to a resolution of the board of directors, deliberates on compensation and bonus of the board of directors, and reports to President & CEO. Outside directors, being in positions independent of the execution of operations, are only paid a set basic compensation.

Classification	All directors		External directors only		All auditors		External auditors only	
	Number of recipients (Persons)	Amount paid (Millions of yen)	Number of recipients (Persons)	Amount paid (Millions of yen)	Number of recipients (Persons)	Amount paid (Millions of yen)	Number of recipients (Persons)	Amount paid (Millions of yen)
Basic remuneration	15	313	2	22	7	88	4	21
Bonuses	8	75	-	-	-	-	-	-
Total		388		22		88		21

1. The resolution setting the upper limit of remuneration for the directors at not more than 45 million yen per month was approved at the 154th general meeting of shareholders held on June 22, 2007. Of the total, the amount for outside director's accounts for 3 million yen or less, with the remaining 42 million yen or less paid to the other directors. Compensation under stock option plans is set separately. Salary for directors as company employees is also excluded from the figures.
2. In addition to the remuneration mentioned above in 1, at the 158th general meeting of shareholders held on June 22, 2011, the resolution was approved stipulating that directors, excluding the outside directors, are to receive as bonus equal to 0.5% of the consolidated net income for the fiscal year as well as 1.6% of the total amount of annual dividends for the applicable fiscal year. However, the maximum limit was also set at not more than ¥500 million by the resolution with amounts less than ¥1 million being rounded down.
3. Although bonuses for directors amounted to ¥113 million based on the above calculation, recognizing the severe operating environment and the difficulties in the Company's severe performance during the fiscal year, bonuses for directors totaling ¥75 million were approved by the Board of Directors' meeting held on May 16, 2016.
4. In addition to the above payments, subsidiaries of the Company paid a total amount of ¥8 million as monthly remuneration to the three directors of said subsidiaries who also served concurrently as directors of the Company.
5. The maximum limit of remuneration for corporate auditors was approved at not more than ¥9 million per month at the 159th general meeting of shareholders held on June 20, 2012.

### Policies and Procedures for the Selection of Corporate Managers and the Assignment of Director and Corporate Auditor Candidates by the Board of Directors

Corporate manager and director candidates are selected/assigned from the perspective of placing the right person in the right job, with due consideration given to the number of people that would enable precise and prompt decision-making and to a balance of knowledge, experience, and skills among the corporate management team/board of directors overall. Corporate auditor candidates are also selected/assigned from the perspective of placing the right person in the right job, with due consideration given to a balance among knowledge of financial, accounting and legal matters, knowledge about the Company's business, and other perspectives pertinent to corporate management. A corporate auditor candidate with the consent of the board of auditors is selected by resolution of the board of directors in comply with policies above. Assignment Consultation Committee including outside directors as committee members, prior to a resolution of board of directors, deliberates on assignment such corporate director candidates and corporate auditor candidates and reports to President & CEO.

### Guidelines on Training for Directors and Corporate Auditors

The Company has established a system to provide financial and other support to our directors and corporate auditors to allow them to attend when necessary outside training sessions, seminars, etc., that will enable them to acquire the knowledge they need and better understanding of their roles and duties. Corporate auditors are encouraging newly-assigned directors in particular to participate in courses for new directors conducted by the Japan Audit & Supervisory Board Members Association (JASBA) and other organizations to enhance their understanding of the knowledge needed in their new positions. To enable corporate auditors to play a key part in corporate governance, the Company has them participate in courses and study sessions conducted by JASBA as well as in outside networking events so that they can acquire the knowledge they need as corporate auditors and better understand their roles and duties as corporate auditors. We are arranging courses on the Companies Act and other content suited to the circumstances at the time to be conducted by outside experts for directors and corporate auditors.

## Timely disclosure, Communication with Shareholders and Investors

### Relationships with Stakeholders and Timely Disclosure

Based on the Disclosure Rules help shareholders understand the Group and to facilitate proper assessments of the Group, we disclose in a fair, timely, and appropriate manner with the decision of the Disclosure Committee, consisting chiefly of the president and the information disclosure officer.

In addition to making every effort to comply with the Financial Instruments and Exchange Act and relevant rules, and the stock exchange's regulations, we maintain our social credibility in the securities market through strict management to observe regulations on insider trading in accordance with the insider trading guidelines.

### Communication with Shareholders and Investors

The Company issued approximately 140 million shares and had about 32,000 shareholders as of March 31, 2016. We held a general meeting of shareholders in the multi-purpose hall in the IBIDEN Headquarters Building on June 17, 2016. We have sought to establish a more open environment by adopting the voting rights exercise platform from fiscal year 2006 and making possible the exercise of voting rights via the Internet and mobile phones for shareholders who are unable to attend the meeting. (The ratio of voting rights exercised at the 162nd general meeting of shareholders: 73.42%).

We seek to enhance information by attaching the details of the business report to the notice of ordinary general meeting of shareholders, starting from fiscal year 2011, and providing them to shareholders via Shareholder Information.

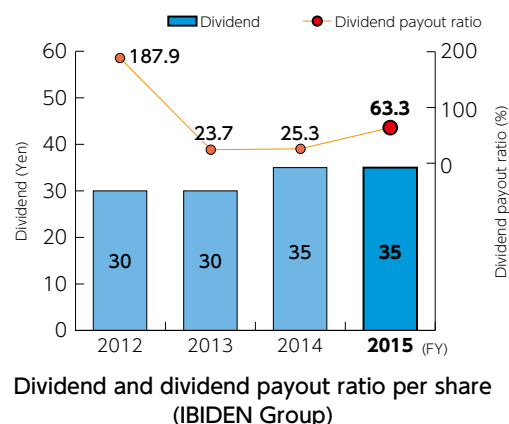
As for other IR activities, we hold periodic briefings for analysts and institutional investors after the announcement of business results for the full year and those for the interim term, and release materials for the briefings on our website. Furthermore, we take part in a range of events as briefings for individual investors, providing them with opportunities to invest in shares of the Company. (Please refer to "Disclosure of Financial Information" on page 59.)

### Policy Concerning the Decision on the Distribution of Retained Earnings

Our fundamental policy on distribution of profits to shareholders is to continue stable dividend payments by establishing a stable management base in the long term and improving performance, taking into account, in a comprehensive manner, management indicators such as the consolidated financial results, etc., of the Group, in addition to non-consolidated financial results, dividend payout ratio and ROE.

Based on this policy, our target dividend payout ratio for the medium and long term is 30%.

As for retained earnings, we strategically invest in research and development and manufacturing facilities to expand businesses for the medium and long term for the purpose of increasing the corporate value and reinforcing long-term competitiveness. We also acquire treasury stock while considering the financial conditions as part of the distribution of profits to shareholders.



## Risk Management

In expanding businesses globally, risks surrounding business management are complex and diverse, and it is essential for corporate activities that we appropriately deal with such risks. We are required to sort out potential risks such as the occurrence of a large-scale natural disaster, prevent and minimize them and appropriately handle them even when such risks become apparent.

### Basic Approach

The IBIDEN Group enables business continuity by analyzing various risks surrounding management, accurately handling losses of business resources that have a great negative impact on the ease of our business operations, ensuring the safety of our shareholders, customers and officers, and reducing and preventing losses of business resources.

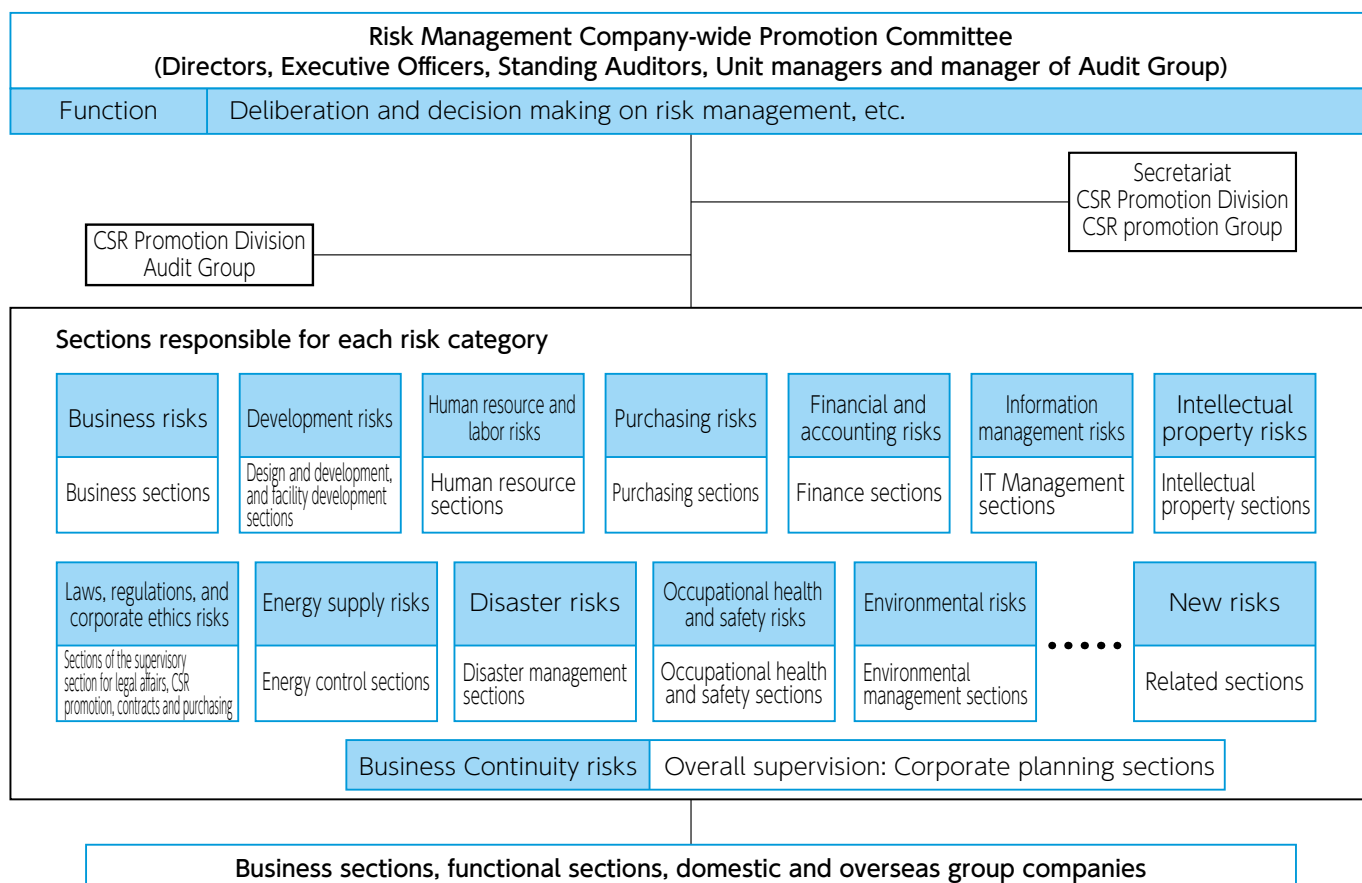
### Action Plan

1. We devote efforts to maintaining the health and safety of employees and suppliers and to conserving operating resources.
2. We conduct ourselves so as not to impinge upon the safety, health, or profits of our shareholders, customers, and local and international society.
3. In cases where risk is manifested, we work to achieve prompt response and recovery through responsible action.
4. We reflect social demands related to risk in our risk management.
5. We provide required information in order to avoid or reduce possible damage caused by misunderstanding and a lack of understanding.

### Structure for Advancing Risk Management

Based on the resolution of the Board of Directors, the Group has established Risk Management Regulations to create a risk management structure and its management process. We also created the Risk Management Company-wide Promotion Committee, which is tasked with improving risk management. The Risk Management Company-wide Promotion Committee is responsible for considering and deciding on general risk management issues. It also examines and reports the progress of actions to address major risks.

To execute the policy endorsed by this Committee, a section responsible for each risk category is established to carry out activities geared to IBIDEN's circumstances and business model, as well as with those of its Group firms.



\*A promotion manager appointed at each section

## Advancing Risk Management

Based on its basic policy and Risk Management Regulations, the Group is actively developing risk management promotion activities by, for example, setting up a department responsible for each risk category, strengthening the accountability structure, and offering seminars and workshops geared toward officers and employees. The managing officer of the CSR Promotion Division who also acts as the officer responsible for risk management conducts these risk-management promotion activities and reports to the Risk Management Company-Wide Promotion Committee (Secretariat: CSR Promotion Division; CSR Promotion Group) headed by the president and CEO.



Twice a year holding of the Risk Management Companywide Promotion Committee meeting

Should the internal audit or other mechanisms discover business actions that may create risk of loss, the managing officer of the CSR Promotion Division is immediately tasked to understand the details of the said risk as well as the scope of its potential loss. He then gives instructions on swift and systematic measures and attempts to prevent the loss from occurring. Furthermore, in case of a large-scale accident or a disaster, he immediately sets up the headquarters to thoroughly understand the situation, implement first responses, and prevent further loss to minimize the loss.

## Risk Assessment and Addressing Risks

The IBIDEN Group undertakes risk management activities so that we may continue to reliably conduct our business operations. We regularly detect and assess risks to reduce risks in important areas: operational divisions are working on the risks related to strengthening our business competitive edge, while functional divisions are addressing the risks bringing serious repercussions to the Company's business.

These risk management activities are implemented in conjunction with the policy management of each Division.

In fiscal year 2015, we discussed information security management as a common theme at a meeting of the Risk Management Promotion Subcommittee held monthly. A section responsible for each risk category carried out reviews of risk reduction activities for risk events in the risk category, conducted activities to address issues, and worked on raising the level of risk management.

### Fiscal year 2015 Risk Management Promotional Subcommittee Information Security Management Themes (Excerpts)

System for information management: Legal section

Physical security: General Affairs section

IT security: IT Management section

Information leakage from PCs, etc.: IT Management section, CSR Promotion section

## Business Continuous Plan

We consider the risk of disruptions to production caused by the occurrence of a large-scale accident or a disaster in areas where our plants are located as an important risk theme, and are taking measures to prepare for the occurrence of a disaster. As for measures to be taken when disasters such as earthquakes occur, we believe that lifesaving comes first, followed by the early supply of products to customers.

With regard to concrete risk themes in the event of a natural disaster, including confirmation of the safety of employees, supply of materials by suppliers, equipment failure and occurrence of utility problems, a system is being build, mainly led by divisions that cope with such risks. The details of activities are reviewed by the Risk Management Promotion Committee. In fiscal year 2015, we prepared emergency response procedures and drills, in which damage assumptions and headquarters were specified. In fiscal years 2014 and 2015, we developed procedures for handling communication internally and externally in the event of a disaster or a problem. In addition, we updated the safety confirmation system and conducted drills that simulated a large-scale earthquake with a maximum seismic intensity of 6, and we are considering a plan for company-wide initial response drills that simulate a large-scale disaster.



## Compliance

To comply with laws and regulations and corporate ethics as a company is the most fundamental and important thing in undertaking business activities. We may lose our trust or business opportunities due to a material scandal or misconduct. Honest behavior is required of each officer and employee so that there is no act in violation of laws and regulations and ethics that has a significant impact on corporate activities.

### Basic Policy

By achieving thoroughgoing commitment to “compliance with domestic and international laws, our articles of incorporation, internal regulations and corporate ethics (hereinafter called Compliance)” and through open and fair corporate activities, we aim to be a company that international society relies on.

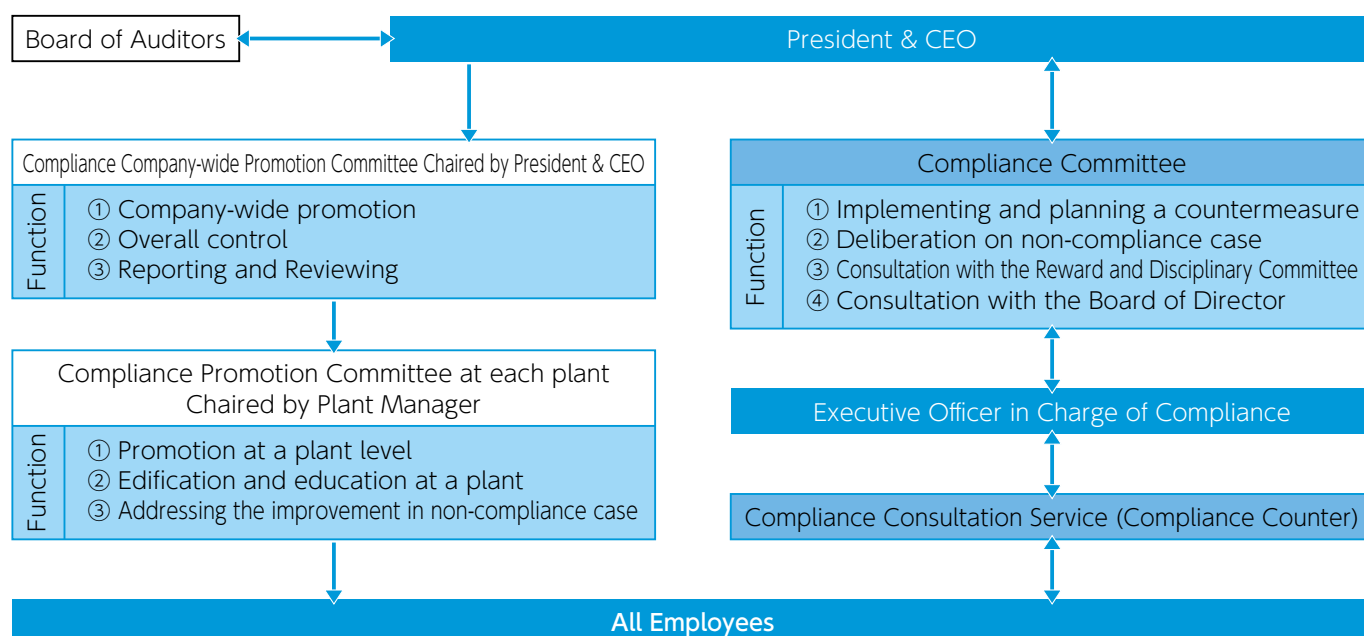
The IBIDEN Group adopted the IBIDEN Standards for Employee Behavior in December 1998 and the Compliance Promotion Regulations in August 2003, to facilitate its compliance activities. We continue to increase awareness of compliance, adopting a management approach that seeks to earn the trust and respect of all stakeholders.

### Structure for Promoting Compliance Program

The Group vigorously pursues further development of its compliance promotion activities (streamlining of the compliance-related rules and regulations, verifying the status of implementation of compliance activities, promotion activities, workshops and other functions geared toward the officers and employees) based on our basic policy and Compliance Regulations, the “IBIDEN Standards for Employee Behavior,” which sets the standards for compliance implementation. The executive officer in charge of the CSR Promotion Division as well as compliance implements promotion activities then reports to the Compliance Company-Wide Promotion Committee (Secretariat: CSR Promotion Division) chaired by the President and CEO.

In addition to the formal channel of reporting, the Group has established a compliance consultation service to facilitate reporting when an officer or employee discovers a violation of compliance. Through this service, officers and employees may report violations nominally to employees in charge of the compliance consultation service or anonymously to outside experts. The latter ensures that the rights of the whistleblower are protected by protecting his or her privacy and prohibiting prejudicial treatment. The executive officer in charge of compliance strives to educate officers and employees through training to achieve thorough understanding of the compliance consultation system. Should an incident related to compliance occur, the Compliance Committee chaired by an executive officer is called and discussions take place on appropriate actions to address the situation as well as preventative measures for future incidents. Serious incidents such as those highly relevant to directors are reported to the Board of Directors.

Flow Chart of Compliance Promotion



## **Compliance Company-Wide Promotion Committee**

In August 2003, the Compliance Company-Wide Promotional Committee headed by the president was formed in an effort to bolster compliance-related awareness across the Group. The committee carries out group-wide, pro-compliance activities and reviews such undertakings. Compliance-related policies and plans decided by the committee are communicated to each plant, which in turn rolls out individual actions in accordance with them. All group companies both in Japan and abroad have set up their own compliance organizations mandated to formulate and conduct individual actions.

The Compliance Company-Wide Promotion Committee is held twice a year. In fiscal year 2015, the committee was held in May and November. Each plant of IBIDEN confirms the progress in its activity goals and plan, established at the beginning of the fiscal year, at the Compliance Promotional Committee at each plant held periodically every month. Other Group companies also review activity goals periodically.

## **Managing Compliance Activities**

The Company, based on Compliance Regulations, put in writing internal operation rules for meetings to promote compliance activities, laws and regulations, and compliance with standards for corporate ethics. We have stipulated standards mainly for managers to appropriately establish and operate structures for compliance activities as a company in the SR Management Standards, and created specific in-house rules and guidelines. The Company has also established Standards for Employee Behavior as standards for each member of the Company, including officers and employees, to practice compliance sincerely. We revise these standards periodically based on global rules, expectations, and items requested by stakeholders, and in compliance with the laws and regulations of countries in which we operate as we expand business globally. Furthermore, we reflect revisions to the standards in in-house compliance promotion structures and education to raise the compliance level of the Company and each of its members.

## **Standards for Employee Behavior**

While a copy of the Standards for Employee Behavior is distributed to all officers and employees, it is also disclosed on our homepage so that everyone can access it. Copies of the Standards for Employee Behavior are also distributed to employees of contractors who work on the plants, asking them to act in accordance with the Standards for Employee Behavior.

The IBIDEN Group Companies, including overseas major manufacturing sites, have also been promoting education on compliance with each company's standards for employee behavior. In addition, the booklet we distribute to employees has information on the Division in charge and where to consult so that employees feel comfortable making an inquiry when they have questions. The IBIDEN Group is committed to becoming a corporate group and a good corporate citizen that earns the trust of the international community, while each officer and employee faithfully implements the Standards for Employee Behavior.



**The IBIDEN Standards for Employee Behavior**  
(July 2015 : Revised)

## **Compliance Training**

When promoting compliance activities, it is crucial that employee awareness is continuously maintained at a high level.

The Company has been building educational system for employees to regularly receive training by job grade, in which the programs start immediately after hiring. (Please refer to "Development of Human Resources" on page 23.) These programs include group discussions on causes of violations of the Standards for Employee Behavior and actions taken in response to the violations. They educate every single trainee in consciously deciding on the right action in a given situation.

We also enable new employees to deepen their understanding of CSR and what violation of compliance is through discussions based on familiar cases.

In compliance training, it is important that employees understand the contents of the training. We promote employees' understanding by confirming it through tests. At overseas bases such as those in Malaysia, which employs many immigrant workers, training is provided on the Standards for Employee Behavior and other educational topics in workers' native language so that they can fully understand the contents of the training.

In fiscal year 2015, IBIDEN provided e-learning training to approximately 91% of all employees. Going forward, we will continue to promote education for compliance and CSR.



**Compliance Training**

## Day-to-Day Compliance Training

Raising awareness through repeated training is important to thoroughly implement compliance. To deepen the understanding of the details of the Standards for Employee Behavior, we have issued Case Examples for Enlightenment (Case Book), which introduces cases of violation of the Standards and points to remember for compliance, to raise employees' awareness of compliance. We continuously issue a new Case Example to introduce points that should be particularly noted during certain periods and practical case examples based on changes in the external environment and cases of violation that have occurred inside and outside the Group. We work to improve employees' awareness by posting these case examples on the CSR portal site on our intranet and in the company cafeteria, where many employees gather, and distributing booklets in which case examples are compiled to all employees on a regular basis.

At all our domestic plants, all employees participate in reading through the Case Book during daily meetings, such as morning assembly, to learn points to be noted in daily activities.

## Compliance by the Top Management and Prevention of Misconduct

When establishing a compliance system, it is crucial that all officers and managers be at the forefront of the efforts. In the labor regulations for directors, prohibited matters, such as violation of laws and internal standards and acts of conflict of interest, as well as responsibilities that should be fulfilled are clarified. Also, the Standards for Employee Behavior are established as standards of compliance by not only general employees but also directors. The Standards for Employee Behavior include items officers need to be particularly aware of, such as restrictions on competition and transactions with conflicts of interest (directors are required to comply with this), in addition to the prevention of misconduct.

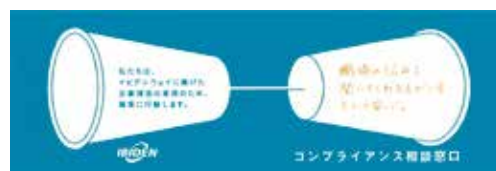
Since there are bribery prevention acts in various countries such as the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (UKBA), which we need to comply with in expanding businesses globally, we should re-acknowledge the impact and points to remember when doing business overseas. Other than the establishment of the Standards for Employee Behavior, the Group has created a strict compliance system where business entertainment is not allowed without approval from a high-level authority such as the President. The IBIDEN Group's businesses do not have many direct dealings with government and municipal offices, so the overall risk of being charged with misconduct is not high according to the results of assessments of corruption risk at each site. However, we believe it is important to appropriately develop a system for preventing corruption in line with the current conditions of each site, in order to eliminate the possibility of corruption. In fiscal year 2016, we will promote reinforced education, in particular for managers, toward fair business practices.

## Whistleblowing System

In case of learning of any suspected compliance violation in the Group, employees are generally required to report it, to consult, and to take action using the chain of command between the superior and the subordinate. We have, however, established a compliance consultation service for quickly solving any problem that cannot be reported through the usual channels.

The compliance consultation service is based on protecting the rights of whistleblowers, in ways including securing the anonymity and privacy of persons who seek consultation and guaranteeing to ban giving them any disadvantageous treatment. We are establishing a compliance consultation service to make the service available to not only employees of the Group but also all those working at on-site workplaces. (Please refer to "IBIDEN Suppliers' Compliance Counter" on page 18.) To create an environment where employees feel comfortable consulting through a compliance consultation service, we endeavor to make the service known to everyone by distributing cards which describe how to use the service and putting up posters and to establish several windows for consultation within the Company, with a law firm and with outside organizations. While the consultation desk expects persons reporting to indicate their names in reporting to facilitate timely investigation as well as protection, anonymous consultation is also accepted. We have established procedures so that consultation cases can be investigated and handled while maintaining anonymity within the company. The officer responsible for compliance consultation directly investigates and handles serious cases. The results of investigations are reported to the person who sought the compliance consultation from the consultation desk that accepted the compliance consultation.

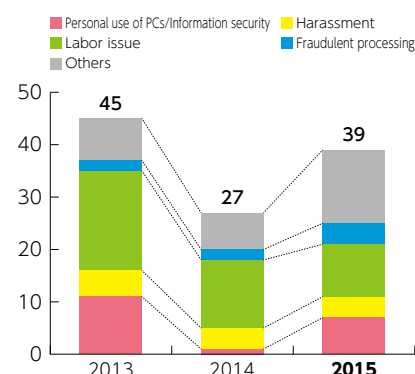
The process flow from consultation to investigation and feedback after consultation is explained to all employees through compliance education and other opportunities, in order to deepen their understanding of the consultation system. In addition, the person in charge of the consultation desk provides education for persons who conduct investigations, and checks if there were any reprisals against those who consulted or conducted an investigation, in order to enhance the reliability of the consultation desk. We will create an environment that facilitates consultations not only by the persons concerned but also by those around them who are aware of any problems, in order to detect and handle problems much earlier from now on.



Compliance consultation service card distributed to all employees

## Response to Compliance Deviations

In fiscal year 2015, 39 consultation cases (27 in the previous year) were reported within IBIDEN Group companies in Japan as a whole. Regarding the contents of consultations, the number of cases that had the potential to lead to harassment in relationships between a superior and a subordinate, resulting from insufficient communication and inappropriate use of words or ways of issuing instructions, still accounted for a large part, at four (four in the previous year). (Refer to Initiatives for Preventing Power Harassment on page 21.) We also strengthened compliance monitoring internally in response to compliance violation cases related to information security, such as off-the-job use of personal computers, and low moral standards, such as negligence in performing duties. In fiscal year 2016, we will place priority on improving the compliance level of each manager, in order to create an environment for managers to become aware of rules themselves and perform sufficient checks to ensure that no violations of rules occur in their workplaces. We will take a tough stance against in-house compliance violations and continue to promote creating a culture that does not allow violations of rules through thorough implementation of systems and education.



**Compliance consultation desk**  
Number of consultations/whistle-blowing cases\*  
(IBIDEN and domestic IBIDEN Group companies)  
\* Number of consultations accepted: Including consultation cases that cannot be confirmed from the facts

## Self-Check of Activities and Opinion Poll

We conduct a self-check on the status of compliance with the Standards for Employee Behavior and a survey on compliance awareness each year, covering all employees including those of domestic Group companies. In the self-check, all employees, including those holding managerial posts, diagnose the state of compliance with items of the Standards for Employee Behavior, and compliance-related challenges at each Group company or plant are clarified by summarizing the results of the diagnosis. Any problem identified in this process is addressed through remedial activities at Group companies and plants in the following fiscal year. We link little understood topics with educational programs. For instance, case studies illustrating compliance-related issues that many test-takers failed to answer correctly are published to increase their understanding.

In the opinion poll, we evaluate the degree of employee satisfaction with their workplace and superiors and compliance violation risk items from various aspects, and analyze characteristics by office organization and by Group company and plant. We reflect the results of polls in compliance activities and education programs of the following fiscal year. The results of the opinion poll in fiscal year 2015, again from the results of the poll in fiscal year 2014, indicated a lack of communication between superiors and subordinates. Accordingly, we will work on improving communication as an issue to be addressed in fiscal year 2016.

## Information Security Measures

Information concerning the operation, technologies and management of the Company is a valuable asset, and for a technology-development-oriented company like us, proper management of such information and prevention of leakage are important issues and responsibilities. Also, leakage of customers' and suppliers' confidential information leads to loss of trust in us from customers and suppliers and can cause damage to the Company. In order to implement information security management, we have established a framework for information security promotion and stipulated fundamental rules to comply with in utilizing and maintaining information assets we own such as trade secrets, personal information and information technologies (IT) under the "Regulations for Information Management." In the regulations, the division that manages trade secrets, personal information and IT under the information management supervisory division (Regal section) is clarified in the information management structure. To improve protection and utilization of information of the entire IBIDEN Group, we also established the Information Security Committee, chaired by the director in charge of Strategic Corporate Planning Operations. The committee decides upon measures concerning information security and confirms the status of progress in measures concerning information security at each division.

As for personal information at IBIDEN, the division in charge of human resources serves as the supervisory division and properly manages personal information in compliance with relevant laws and regulations, thereby confirming and correcting issues.

We have established a personal information protection policy and stipulated procedures necessary for collection, management and utilization of personal information. Our personal information protection policy is available on our website. We are promoting information management activities to prevent information from leaking at individual plants, while establishing rules as a company. As specific measures in terms of physical information security measures, we keep records of people, such as those of suppliers, entering and leaving plants, and restrict entering and leaving control areas, in order to manage the entry and exit of people as well as products.

In addition, we redefine security control areas at each plant and implement security measures appropriately for each area. We will continue to implement measures that prevent information from leaking by redefining security control areas on a companywide basis and strengthen the security management system of each area. In fiscal year 2015, we had no leakages of information that would seriously impact our stakeholders.



**Personal information protection policy upon the use of our website**



## System and Achievement of Legal Compliance

Compliance with laws and regulations is a fundamental requirement for corporate compliance activities, and the latest information on laws and regulations is required all the time. At the Company, based on the Compliance Regulations, the Legal sections list laws and regulations that affect the Company and monitor the status of their revision or abolition. The Legal group also notifies divisions in charge of each law and regulation of any revision or promulgation and, when any action is required, checks the results of such action.

In particular, we extract laws and regulations that have a significant impact on the IBIDEN Group as important laws and regulations and designate those with especially considerable impact as the “most important laws and regulations”. Important laws and regulations include those concerning finance, tax matters, IT control, labor and employment, political funds, import and export and others concerning compliance. As for the most important laws and regulations, we exercise management and thoroughly implement measures to prevent legal violation by clarification of compliance rules, training to keep everyone informed, regular review of the status of compliance and audits. For fiscal year 2015, we will enhance education and compliance structures for anticorruption especially in the Asian region at risk. In fiscal year 2015, we received corrective recommendation and guidance on issues regarding the labor management from regulatory authorities (please refer to “Thoroughgoing Compliance with Labor-Related Laws” on page 27), although we did not observe any cases of legal violation that would have a significant effect on business activities.

## CSR Management in the Supply Chain

To earn the trust of international community while operating business globally, both the Group and the entire supply chain must responsibly take actions that respond to social demands. Although our major businesses are positioned in the midstream of the supply chain that provides parts, we believe that promotion of CSR activities based on the fundamental policy of the IBIDEN Group with suppliers that supply the Group with materials, etc., and temporary help agencies as well as contractors that provide personnel and technological support to us leads to improvement of the corporate value and sustainable growth of the entire supply chain.

### Basic Purchasing Policy

1. We comply with laws, regulations and societal norms, and strive to build relationships of trust and mutual cooperation with suppliers.
2. We provide suppliers opportunity at a fair deal.
3. We continue to fulfill our social responsibilities including human rights and environmental protection through purchasing activities.

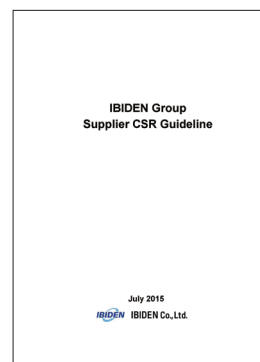
### IBIDEN Group Supplier CSR Guidelines

To realize the sustainable growth of globally developing businesses with suppliers, IBIDEN disclosed requests to suppliers based on its basic purchasing policies, (fiscal year 2008), thus pushing ahead with understanding procurement risks and initiatives to reduce such risks in the supply chain.

We unveiled the IBIDEN Group Green Procurement Guidelines in 2009 as a system for green procurement, designed to procure parts and materials that feature reduced environment impact, from suppliers who are focusing on environmental protection (See page 39). In addition, IBIDEN published the IBIDEN Group Supplier CSR Guidelines in 2011. In July 2015, we reviewed guide lines from the aspects of workers’ rights and health and safety, etc., in accordance with revisions to the Electronics Industry Code of Conduct and other changes in the external environment.

We ask new suppliers to pledge compliance in terms of labor, health and safety, environmental protection, ethics, and fair business practices as CSR guidelines in the basic transaction agreement, and check the status of efforts at suppliers using the CSR survey described below before commencing business transactions.

Through these activities, we identify risks from the perspectives of whether suppliers have established a safe business environment and their employees are respected and treated with dignity, and whether suppliers are being environmentally conscious in their business activities.



**IBIDEN Group  
Supplier CSR Guidelines  
(July 2015: Revised)**



## **Communication and Cooperation with Supplier**

We have released CSR guidelines on our company website to make them available for all our suppliers to view. In addition, we hold briefing sessions on CSR guidelines for our major suppliers to share specific challenges to be addressed not only within the IBIDEN Group but also with suppliers engaged in supplying materials, subcontracting, and dispatching temporary staff.

Starting from fiscal year 2011, we began activities to check and make improvements related to challenges faced by suppliers in their activities, and started conducting CSR surveys and CSR-related site visits and audits for suppliers, upon ensuring in-house resources by training auditors.

In fiscal year 2014, we substantially revised survey items in accordance with the CSR guidelines for labor, health and safety, environmental conservation, ethics, and fair trade, with a view to further raising CSR awareness at suppliers. After revising the survey items, we held briefings for suppliers to deepen their understanding of key changes in survey items and details of violation risks detected in previous surveys and audits, and asked them to strengthen their CSR activities.

We carry out CSR surveys of material suppliers, process contractors, on-site contractors, and worker dispatching companies in accordance with their individual risks, taking into account risks involving the contents, value, and importance of transactions. We conduct CSR survey every year, and in fiscal year 2015 we conducted a CSR survey on about 250 suppliers (covering suppliers whose aggregate transactions were more than 90% of the total amount of transactions). We have suppliers declare compliance with CSR guidelines and ongoing improvements when they reply to the survey. After analyzing and compiling the survey results, we give feedback to suppliers and ask them for scheduled improvement activities concerning points where improvements are desirable.

Regarding suppliers that are judged to be particularly important, we check the status of their activities through direct communication with them, such as carrying out audits on labor, health and safety, environmental conservation, ethics and fair trade, and ask them to focus on improving the supply chain. In fiscal year 2015, we performed on-site CSR audits on 10 material suppliers.

As priority items of the CSR survey in fiscal year 2015, we selected items concerning humane treatment, information security, and inappropriate interests, and conducted surveys on these items. The surveys we conducted on suppliers in fiscal year 2015 found that the average rate of compliance of material suppliers concerning items for which we have particularly requested compliance was about 96%, down one percentage point from the previous fiscal year.

The lower rate of compliance was due to an increase in the number of suppliers who were newly covered by the survey in fiscal year 2015, and we have given them follow-ups on challenges that need to be addressed. The average rate of compliance for the overall survey, revised in fiscal year 2015, stood at 85.6%. We did not find any material infringement that would lead to a violation of the rights of employees and threat to life from the results of surveys and audits carried out in fiscal year 2015.

In fiscal year 2016, the IBIDEN Group will continue to conduct the CSR survey and audits, led by the IBIDEN Headquarters, and its Group companies will promote activities for thoroughly penetrating the CSR guidelines among suppliers after selecting targets in accordance with individual risks.

## **IBIDEN Suppliers' Compliance Counter**

The Company promotes compliance (rules and regulations, ethical compliance) by establishing the IBIDEN Group Charter of Behavior and the IBIDEN Standards for Employee Behavior. As part of our continued efforts, we also set up a compliance counter for our suppliers in fiscal year 2011 to which suppliers can report any compliance problem while dealing with the Company. Similar to the compliance counter for our internal employees, the information will be handled with the utmost care for privacy and the supplier will never suffer prejudicial treatment for contacting the counter.

In fiscal year 2015, we continued to make the IBIDEN Compliance Counter for business partners known to all suppliers, in particular to contractors at our plants. As a result, the number of consultations accepted is increasing, albeit at a low level. We will continue to endeavor to make the Compliance Counter known to every supplier at briefing sessions for suppliers toward achieving early detection and resolution of issues. In fiscal year 2015, we set up the Consultation Counter for business partners, separately from the Compliance Counter for business partners, to enable our suppliers to point out problems and seek advice on problems in a more unreserved manner, and strengthen communication with them.

## **Responding to the Issue of Conflict Minerals**

Illegal mining of resources in conflict areas (the Democratic Republic of the Congo and its surrounding conflict regions) has become a major international issue as it abets human rights violations. The IBIDEN Group is very much concerned about the issue of conflict minerals (tin, tantalum, tungsten and gold) and is addressing the situation with a sense of social responsibility toward the products it offers.

Our “CSR Guidelines” clearly state that the suppliers should refrain from illegal mining in conflict areas as well as procuring resources that may support human rights violations. The Company tries its best to avoid contributing to illegal operations and human rights violations by not utilizing minerals illegally mined in conflict areas. Furthermore, we will conduct reasonable investigations into the mineral supply routes and disclose the findings in good faith. Responding to the issue of conflict minerals is carried out mainly by the CSR Promotion Division in cooperation with the division in charge of purchasing. The CSR Promotion Division consolidates information collected by the division in charge of purchasing, confirms and analyzes the content and compiles the status of use of conflict materials by the Company. The business administrative division accepts inquiries from the outside and provides information after obtaining approval of the director in charge of CSR promotion.

The Company has been sharing with its suppliers the issues involving conflict minerals as well as the Company’s approach during a briefing session. We also conduct supplier surveys to verify their supply routes, including the identification of smelters and refiners. We also conduct supplier surveys to verify their supply routes including the identification of smelters and refiners. Furthermore, we conduct sequential visits at some of our suppliers’ facilities and other related refining companies to explain the extent of the effort as well as verify the supply routes and their traceability (history of materials, parts, and process).

The Company uses Conflict Mineral Reporting Template of the CFSI in its investigations into subject material supply routes, and asks suppliers that use subject minerals to update their data on a regular basis.

Some of the package substrates and printed-wiring boards that we supply include tin and gold. As a result of the traceability survey on suppliers that use conflict minerals in fiscal year 2015, all smelters from which minerals supplied by our suppliers are derived have been verified. Tin was mainly derived from smelters in Southeast Asia, while gold was derived from ores coming from refineries of mainly Japanese recycling manufacturers. The conflict minerals we used are verified to have been derived from smelters/refiners that are compliant with the Conflict Minerals Free Program of CFSI or other equivalent program. The Company can say that these minerals do not include those derived from smelters that use raw materials from mines that play a part in conflicts in the Democratic Republic of the Congo and its surrounding conflict zones.

From now on, while we check the state of usage of conflict minerals and promote using certified smelters to suppliers that handle materials included in our products on a regular basis, we will conduct an investigation of traceability within the entire Group and facilitate establishment of a system that can aggregate the information of the Group. We will continuously pay attention to avoid being a party to human rights violations caused by conflict minerals within our supply chain by updating information on the supply chain on a regular basis and promoting the use of certified smelters.

In line with the IBIDEN WAY, we are committed to respecting the creativity and personality of each and every employee and to value a corporate culture that allows its diverse human resources to fully display their knowledge and capabilities.

## Philosophy for Human Resource Management and Promotional Structure

### Basic Approach

Employees are the driving force that enables us to run our business and provide the public with valued service. We aim to create vibrant workplaces in which each individual employee derives a sense of satisfaction and achievement from gaining a thorough understanding of the Company's management policies and business strategies, and from having a role to play that enables each employee to contribute to both the Company and society.

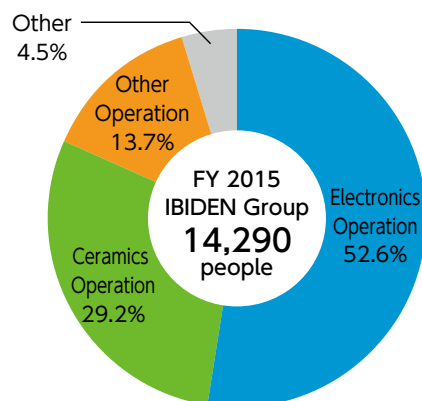
As one of the measures to achieve this goal, we have also introduced personnel systems and training programs to enable each employee to display his or her creativity and versatile personality.

### Constitution of Employees[IBIDEN]

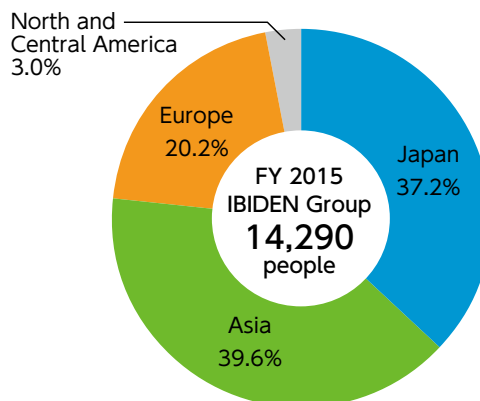
		FY 2014		FY 2015	
		Male	Female	Male	Female
Number of employees	Persons	3,232	317	3,220	394
Managerial positions	Persons	303	0	305	0
Officers*	Persons	27	0	34	0
Average age	Years	37.2	37.0	38.4	37.9
Length of service	Years	14.6	14.6	15.3	15.8
Number of workers who left the Company	Persons	71	8	116	11

\*Including managing officers, standing auditors

### Number of Employee by business segment [IBIDEN Group]



### Number of Employee by business area [IBIDEN Group]



\*Note: Number of employees by area is calculated based on the regions where bases of Group companies are located.

## Respect for Human Rights

In expanding businesses globally, we sometimes encounter differences in awareness of human rights and in support based on laws and regulations for human rights protection. Even in such cases, a role to avoid being a party to human rights violations and promote/respect human rights is required of us as one of our important corporate social responsibilities.

### Respect for Worker Rights

The IBIDEN Group clearly defines its policy to respect the basic rights of workers, as internationally declared, as well as to avoid involvement in any violation of human rights. The IBIDEN Standards for Employee Behavior spells out such basic policy, stipulating that officers and employees respect the basic principles and rights of labor and take actions that follow the common sense and rules of society while complying with the employment-related laws of each country such as the Labor Standards Law and labor regulations.

### Mechanism to Avoid Violation of Human Rights

The Company prepared "IBIDEN Social Responsibility Management Standards" as an in-house document in 2014, in which it specifies systems to be established and matters to be noted by managers as its responses to human rights issues. Specifically, the standards include prohibited items to avoid forced labor and procedures for confirming that workers have reached the minimum age to avoid child labor. These matters are put in the procedure manuals of functional divisions and business divisions, which actually operate the IBIDEN Management System, as necessary, so that they are certainly introduced into the system. For instance, confirmation of age is included in the employment procedure manual.

### Human Rights Education

To ensure respect for human rights, the Group offers education on fair employment and human rights, particularly to labor relations managers as well as managers and staff members in charge of recruitment interviews, calling their attention to the prevention of human-rights violations. We also strive to make the need to respect worker rights known to all employees through our Standards for Employee Behavior. In our new employee training or education programs offered at the time of hiring, we distribute these standards and Case Books including, supply a collection of examples of violation, and educate our employees to promote the understanding of human rights, as well as to ensure that the standards are reflected in their actions. At Group companies, we also focus on educational activities to make our policies, including the Standards for Employee Behavior and labor regulations, known to all employees.

### Initiatives for Preventing Power Harassment

We are taking steps to eliminate power harassment at the Group's plants in Japan. In 1998, we set up the Compliance Consultation Desk and conducted harassment training for officers and employees. However, there was a case in which an IBIDEN employee committed suicide due to reasons, including power harassment, in October 2013. We have taken it seriously that this incident occurred despite our efforts for implementing preventive measures, and have been working earnestly to ensure that such an incident will never occur again.

Specifically, we will conduct the following five broadly classified activities in taking steps to prevent occurrence, address, and prevent recurrences of harassment.

1. Notifying to utilize existing compliance consultation hotline. (Refer to "Whistleblowing System" on page 15.)
2. Establishing and promoting the use of human resources HOTLINE  
Identifying and addressing problems early minimizes damage. We promote reliability improvements and notification of the use of existing consultation desks. In addition, we have established the Human Resources HOTLINE. We will create an environment in which consultation desks are accessible to harassment victims, as well as an environment in which people around harassment victims can sense problems and report to consultation desks even if the victims are unable to do so themselves.
3. Newly setting up the Harassment Committee  
We will set up the Harassment Committee, which engages in information collection and investigations of cases in the event of problems and conduct activities to address problems, such as after-the-fact prevention and corrective measures, in April 2016. At the same time, we will assign trained harassment counselors to take actions for suspected harassment, and conduct surveys proactively. In this way, we will establish a framework for dealing with problems appropriately and preventing recurrence.
4. Providing education and training to senior management and workers  
We will strengthen harassment training in particular for managers. While we had already formulated Harassment Prevention Guidelines in 2013 and conducted training for all managers, we will continue harassment prevention activities, such as reviewing the contents of harassment training and providing re-education to employees in departments with high harassment risks. We will also conduct educational activities for all employees by conducting training and updating guidebooks, to create a culture that eliminates harassment with all employees working together.
5. Promoting mindset change for overworking and work-life balance

We will take measures to prevent a deterioration of the work environment induced by harassment, such as overwork. (Refer to Labor and Management Cooperation to Create a Worker-Friendly Workplace on page 26.) By linking with efforts for defect-free process completion, promoted by all employees, to improve the quality of work, we will cultivate a corporate culture that is free from excessive time pressures.

## **Assessment**

Being a party to human rights violations is an issue not just for the IBIDEN Group. We believe it is important to work on the issue of human rights with the entire supply chain and thus cooperate with our direct suppliers in dealing with such issues. In the IBIDEN Group Supplier CSR guidelines, we specifically request that labor-related human rights be observed, including bans on child labor and forced labor. In the guidelines, we clarify items we particularly require our suppliers to comply with, and evaluate the status of implementation through investigations and audits (See “CSR Management in the Supply Chain” on page 17).

A potential issue that could become a risk in terms of human rights is the problem of debt bondage among immigrant workers at the Group's site in Malaysia, where many immigrant workers work. The Company conducts periodic internal audits to check whether there are any problems, such as excessive money being collected during the employment process or in the working environment of immigrant workers.

As a result of the CSR investigation and audit in fiscal year 2015, no cases of violation of basic rights of workers, such as child labor and forced labor, or cases that might lead to violation of workers' human rights were found. We will continue to implement audits by internal and external third parties on a regular basis to maintain the state of compliance in conformity with the CSR guidelines.

## **Equitable Evaluation and Treatment**

### **Policies on Equitable Evaluation and Treatment**

The Company evaluates individual results equitably and handles personnel affairs fairly and equitably. Under a personnel system featuring fair and equitable evaluation, we will create a corporate culture in which each employee mutually respects diversity, can demonstrate his or her ability to the maximum and finds his or her job rewarding.

The Company adopts a job-based grade system, which helps revitalize all employees, under which work is evaluated into grades based on the volume and importance of job results and job grades are set accordingly. Furthermore, the relationship between positions available according to qualifications and job grades is clarified. Employees in the same evaluation rank in the same job grade are equitably treated, regardless of attributes such as their sex, age and race and nationality. We distribute a labor management guidebook that includes information on job grades and their evaluation system to all employees. The labor management guidebook is revised on a regular basis to reflect changes in laws and systems, with the aim of providing the latest information to our employees.

### **Fair and Equitable Employee Evaluation**

The Company has in place a results-oriented target management assessment system. Challenge goals closely related to the Company's business results are first established, and the results as well as the process for reaching those results are then evaluated fairly and equitably. Finally, individual results are directly reflected in their remunerations. Furthermore, our aim is that better “communication between the superior and the subordinate” will be encouraged through the process of goal-setting, interim interviews and evaluation interviews. The target management system also provides ample opportunities for “professional development” for the subordinate.

Based on a job-based grade system based on work and jobs, we realize optimum personnel arrangement and create a workplace that satisfies employees. We do so through establishing challenging goals under the target management assessment system and implementing fair and equitable evaluation, as well as a remuneration system that reflects results in remunerations, a human resource development system and various other systems.

### **For Equitable Evaluation and Treatment**

The human resource and labor section formulates various personnel systems, including the target management assessment system and remuneration system. Based on these systems, the Company pushes forward with proper treatment according to fair and equitable evaluation. To carry out fair and equitable evaluation, we periodically implement evaluator training for managers and the other evaluators, and provide training in establishing targets to all persons who are given goals. In addition, we strive to make known to all employees the target management assessment system and the remuneration system, by distributing a labor management guidebook that includes detailed explanations of these systems. For evaluators of employees transferred or seconded overseas who cannot participate in the evaluator training, we provide e-learning training and explain points to remember in a web conference to ensure fair evaluation. The Company also implements interviews by the Human Resource Division for those who are transferred or seconded and others as one of



the mechanisms for listening to the opinions of employees. We directly investigate into and remedy issues concerning measures of the company, awareness and evaluation about the workplace and superiors, work and evaluation/treatment of the employees themselves.

## Development of Human Resources

### Development of Global Human Resources

Operating for more than 100 years, the IBIDEN Group aims to put in place a human resource development system that strengthens its corporate structure and enables it to achieve consistent progress and growth. To this end, we nurture employees who can contribute to strengthening competitiveness and those who are capable of cross-cultural management.

Especially for employees who are seconded to overseas locations and those who are visiting or are assigned to overseas locations, we provide cross-cultural programs to improve communication skills with overseas staff and strengthen their local response while make efforts to upgrade their practical language skills. In addition to English, we began offering language training in Korean and other foreign languages. We also focus on nurturing the core staff of our overseas entities by inviting them to participate in training programs in Japan.

### Human Resource Development System of IBIDEN

To build a human resource development system that leads to the strengthening of its structure to become a company that moves forward consistently and grows, IBIDEN clarifies the desired candidate profile by qualification. It then roughly classifies the education it implements into: company-wide education; selective education; environmental/occupational health and safety education; and professional education. In company-wide education, we nurture employees who can define medium- and long-term visions by understanding the original way of doing business of the Company as well as CSR management and exploiting management tools, in addition to global human resources. Environmental/occupational and health and safety education is aimed at fostering employees who can help to create a pleasant and safe working environment. Professional education is designed to nurture specialists by occupation who have both improvement skills and motivation by clarifying the desired candidate profile, abilities and skills corresponding to qualifications and occupation.



Exercise in training session



New employees training program to participate in social contribution activities

In providing actual education, the sources develops a company-wide education system by incorporating the medium-term management plan and the needs of management and employees attending education programs.

Based on the education system, the annual education plan and contents of education are developed, and education is provided. After implementing each education program, the results are collected, recorded, and analyzed to be reflected in improvements for the next education plan. The results of attending education programs are fed back through superiors or the education management system, and are reflected in operations and on-the-job-training (OJT: employee training taking place in a working situation at the workplace) at each workplace.

Training records for fiscal year 2015 (IBIDEN)

- Total training hours: 53,245 hours/year;
- training hours per person: 13.7 hours/year/person

division in charge of human re-

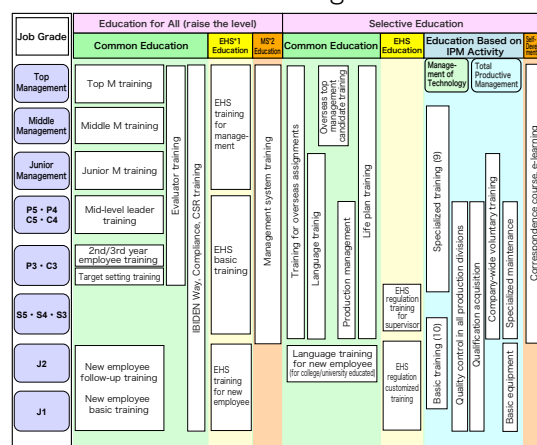


Diagram of Human Resource Development System

## Encouraging Career Development

We adopt a system that encourages personalized career development. We support career development through discussions in an interview with a superior concerning skills an employee wants to improve now and in the future and a superior's expectations and a support policy.

We launched a self-development correspondence course enrollment assistance system to help employees develop their abilities.

Life planning training is carried out every year through labor and management cooperation. This training program is provided to those aged 30, 40, and 50 years, covering the various systems necessary for personal and professional life planning. Training for those aged 30 and 40 years includes programs that allow them to take a fresh look at their life plans from various angles by means, such as participating in group work on career formation, lectures on asset formation, and health promotion. Training for those aged 50 years gives an opportunity for trainees to think about how they want to live and work from now on, in accordance with a virtual raising of the retirement age.

## Respecting Diverse Work Styles

Along with the progress in globalization and diversification of values, IBIDEN strives to realize a working environment and culture that allow a wide variety of employees to demonstrate their unique abilities and find their life and work meaningful.

## Supporting Work Life Balance

The Company considers it part of its social responsibility to create an environment in which children, our future leaders, can grow up healthy and safe. To this end, we actively encourage work-life balance (harmony between work and private life) by, for example, helping our employees to achieve a balance between work and child rearing.

In fiscal year 2015, 23 employees used the childcare leave system (Refer to the graph "Track record of the leave programs." ) The Company's childcare leave program allows employees to extend their childcare leave until the child's second birthday if there are unavoidable reasons (the statutory childcare leave is 18 months). Therefore, some employees take childcare leave of one year or more using this system. In addition, the Company offers reduced working hours of six hours a day until the child enters elementary school, which is longer than that prescribed by law, and about 35% of eligible employees are using this program.

Employees participate in the maternity/childcare leave program briefing provided by the Human Resource Division before they take the leave, and have an interview with their superior and staff from Human Resources Division before returning to work. At the interview, they talk about desired work style, family situation, and workplace situation, which leads to a smaller perception gap after returning to work. The Company also offers interviews with public health nurses for employees who have returned to work to enable them to consult on matters they feel hesitant about discussing with human resources staff or superiors. The return-to-work rate<sup>\*1</sup> and the retention rate<sup>\*2</sup> after returning to work in fiscal year 2015 stood at 92% and 93%, respectively. (The return-to-work rate and the retention rate were both 100% in fiscal year 2014.)

<sup>\*1</sup> The return-to-work rate (%) is calculated as the percentage of the number of employees who return to work after childcare leave divided by the number of employees planning to return to work after childcare leave.

<sup>\*2</sup> The retention rate is calculated as the percentage of the number of employees who were still employed 12 months after returning to work divided by the total number of employees who returned to work during fiscal year 2014.

Many employees use the flexible work time system, which allows employees to adjust their work hours a day themselves depending on their workload, leading to the promotion of diverse work styles within the whole company.

Of six employees who resigned from the Company to accompany their spouses under the re-employment system of those accompanying overseas transferees, which was introduced in fiscal year 2013, one was re-employed after returning to Japan. The experience this employee gained during her stay overseas has proved to be useful in her duties after re-employment.

To realize a working environment in which employees can work cheerfully and lively, we will continue to create a corporate culture in which employees mutually recognize various ways of working. Also, we will enhance the review of working forms, including discretionary work, and promotion of acquisition of annual leave.

## Promotion of Female Advancement

We started promoting women's participation and advancement in the workplace in fiscal year 2010. In conducting activities, we set the period through fiscal year 2012 as Phase I (period of awareness-raising and introducing measures) and the period starting from fiscal year 2013 as Phase II (period of reviewing and establishing measures), and conducted various activities, such as improving the work-life balance system and offering training.

Because female employees' awareness, as well as the corporate culture, has changed due to training, and because the Company has actively hired women in recent years, the ratio of female career-track employees

to all female employees has been increasing. However, the ratio of female career-track employees to all career-track employees is still low, and the number of female employees at the assistant manager level was two and no female employee was a manager or above at the end of fiscal year 2015.

Considering these circumstances, we drew up the general employer action plan based on the Law to Promote Women in Workplace.

## **IBIDEN Co., Ltd.: Action Plan Based on the Law to Promote Women in Workplace**

The following action plan will be implemented to develop a workplace environment where female employees can actively participate in the workplace with managerial positions.

### **1. Target period**

Five years from April 1, 2016 to March 31, 2021

### **2. Challenges facing the Company**

- (i) There are female employees of assistant manager position but not those of manager position or above.
- (ii) The ratio of female career-track employees is low.

### **3. Targets**

Promote five or more female employees to managerial positions (middle manager or above).

### **4. Details of action plan and timing of implementation**

Action Plan 1: Review education and systems that stimulate career build-up for female employees.

Fiscal year 2016: Consider training programs (candidates for managerial positions, younger employees, and superiors).

Fiscal year 2017: Launch training programs.

Fiscal year 2018: Develop standards for changing career courses and administer the standards flexibly.

Action Plan 2: Increase the number of workplaces in which female employees participate actively.

Fiscal year 2016: Plan a model workplace where female employees play a central function in operations.

Fiscal year 2017: Assign female employees to the model workplace.

Fiscal year 2019: Increase the number of model workplaces and expand them on a company-wide basis.

Action Plan 3: Conduct recruiting activities based on equal employment opportunities for men and women.

Fiscal year 2016 onward: Conduct recruiting activities to appeal to female students.

We will continue to support the proactive actions of female employees through "Growing corporate culture," "Career development and appointments" and "Supporting work-life balance," so that women with abilities and motivation can be active at all stages of their lives.

### **◆Three Core Activity Areas**

#### **【Growing corporate culture】**

We hold various events and training sessions to raise awareness throughout the Company and communicate these activities through our company bulletin.

#### **【Career development and appointments】**

We introduce educational programs to further enhance the ability of ambitious women and develop and introduce ideal role models for our female employees.

#### **【Supporting work-life balance】**

We implement childcare leave, short-term working hours and other programs to support a work-life balance so that both men and women can continue to work while they raise children. We introduce these programs by issuing a childrearing handbook.

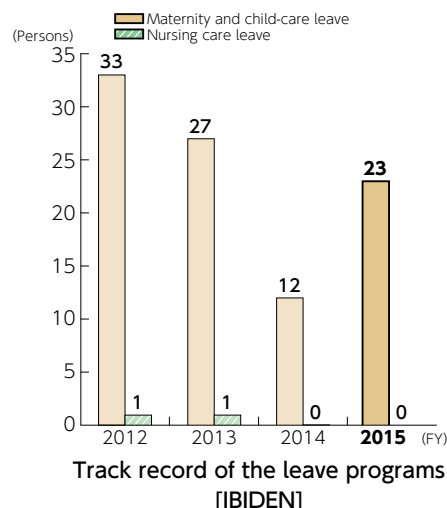
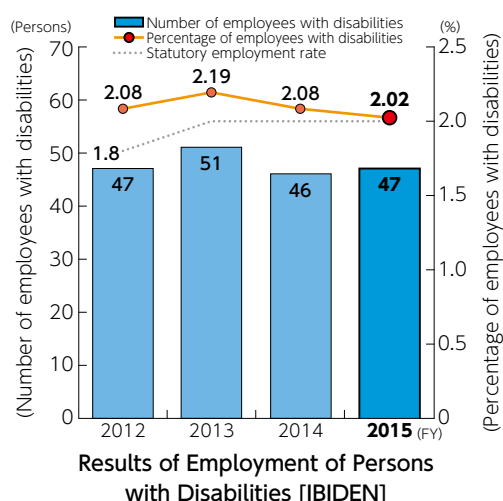
## **Employment of Persons with Disabilities**

In order to realize a society where persons with disabilities can live together as members of local communities, it is important to encourage their independence through work, and employees with disabilities are playing an active role in the Company. In Japan, the Employment Rate of Persons with Disabilities sets forth employment obligations, and from April 2013, the mandatory employment rate for private companies was raised from 1.8% to 2.0%. The number and employment rate of persons with disabilities in the Company in fiscal year 2015 was 47 ones and 2.02%. (See the graph "Results of Employment of Persons with Disabilities"). We will continue to respect the philosophy of normalization and maintain a working environment in which

employees with disabilities can fully demonstrate their abilities.

## Post-retirement Reemployment System

We instituted a post-retirement reemployment system in fiscal 2004 to enable our most experienced employees to display their capabilities as part of our valued workforce.



## Labor and Management Cooperation to Create a Worker-Friendly Workplace

Through a relationship of mutual trust, both the management and workers of IBIDEN work together to create a workplace that is friendly for all employees.

In fiscal year 2015, we continued, in the course of discussions between the management and employees, to set specific themes to work on cooperatively, such as ensuring rigorous time management, reducing overwork, promoting the use of paid leave, facilitating communication, promoting mental and physical health, and enhancing the target management assessment system in the areas of time management, creating a pleasant working environment, and enhancing personnel systems. The Central Labor Council, the Labor and Management Gathering, and the Labor and Management Committee meet every month to review the progress of collaborative themes, and all employees discuss and conduct activities toward improving the working environment.

### Working Hour Management

In an effort to raise employees' awareness of working hour management, we conduct activities that will lead to reducing overtime by urging employees to accurately declare how many hours they have worked and shifting from discussions on work hours to discussions on how to improve the efficiency of work, such as "how we can produce results" and "how we can make improvements going forward." In particular, we worked on grasping and dealing with essential problems early in the Jigakari (solving problems on-site) activities conducted by the Human resources/General Affairs Division. We also conducted activities with cooperation between the management and employees to reduce the number of employees whose average overtime during three months surpasses 60 hours and to facilitate employees to take seven days or more of paid leave.

### Creating a Worker-Friendly Workplace

We facilitated communication through cooperative activities between the management and employees. We are working to deepen understanding of the behavioral spirit of the IBIDEN Group by continuing to hold a IBIDEN WAY read-through session once a week, in order to further disseminate the spirit, and a gathering, mainly of management-level employees, to talk about the IBIDEN WAY, to promote the awareness of leaders who lead the IBIDEN Group. As activities to promote the mental and physical health of employees, in order to enable employees to work without anxiety, we introduced a new stress check system and use the results to check employees' mental health status and conduct organizational analyses. We also launched the Human Resource HOTLINE to grasp harassment problems in the workplace at an early stage and address them promptly.

### Expansion of Personnel System

To enhance competitiveness of business, we believe it is important that each employee challenges himself/herself to meet his/her own high expectations, achieves these expectations and raises their organizational capabilities. Experience in successfully achieving high expectations will accelerate the further growth of employees.



IBIDEN's target management assessment system is designed to realize: setting of high objectives to further motivate employees who produced results thanks to their high objectives and to allow employees who have failed to produce results to challenge themselves to meet their next objectives; well-balanced assessment; and feedback on evaluation results that is helpful. We provide evaluators with training programs through e-learning on how to give feedback on assessment results.

In fiscal year 2015, we introduced the long-term disability (LTD) insurance system as part of efforts to enhance our welfare benefit system, designed to provide a certain disability income payment if by any chance an employee becomes unable to work, in order to create an environment that allows employees, as well as their family members, to feel secure working for the Company.

## Communication between Labor and Management

In the Company, management policies, items related to production plans and items concerning hiring policies are explained to labor unions, and items that seriously affect employees are deliberated through the Central Labor Council, mentioned above. In addition, the Company provides opportunities for dialogue at various levels between the management and workers, including the Labor and Management Committee, which is held at each plant, with a view to facilitating a good labor-management relationship and corporate business activities.

## Thoroughgoing Compliance with Labor-Related Laws

The IBIDEN Group takes actions in line with common sense and the rules of society while complying with the employment-related laws of each country such as the Labor Standards Law and labor regulations. The Group monitors the state of revision or abolition of laws and regulations that should be observed, and promotes compliance with labor-related laws and regulations at its affiliated companies in each country and region. Also, the human resource and labor sections periodically monitor domestic Group companies to verify the status of compliance.

In fiscal year 2015, we were issued directives from supervisory authorities regarding overwork and working hour management. We have previously taken health and welfare measures based on working hour data entered by employees themselves. However, we will change the system and use entering/leaving time data to calculate the number of hours individual employees stay in the company and take health and welfare measures for employees where necessary. Meanwhile, we have had no record of violations of related laws pertaining to wage and social security and other labor laws throughout the Group.

## Measures for Occupational Health and Safety

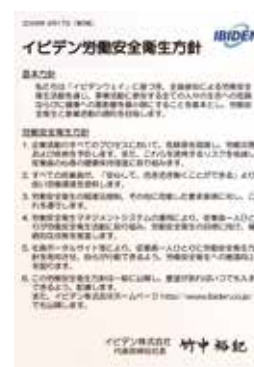
We established the Occupational Health and Safety Basic Policy under the IBIDEN WAY, formulated "Occupational Health and Safety Goals (2013-2017)," and focused on occupational health and safety, specifically, by following the Activity Guidelines for Fiscal Year 2013.

### Occupational Health and Safety - Basic Policy

We conduct the health and safety activity done with all concerned people under IBIDEN WAY, and aim to harmonize "health and safety" and "operation" with the fundamental rule to minimize the risk that may affect the life and health of person participating to IBIDEN's operations.

### Occupational Health and Safety Policy

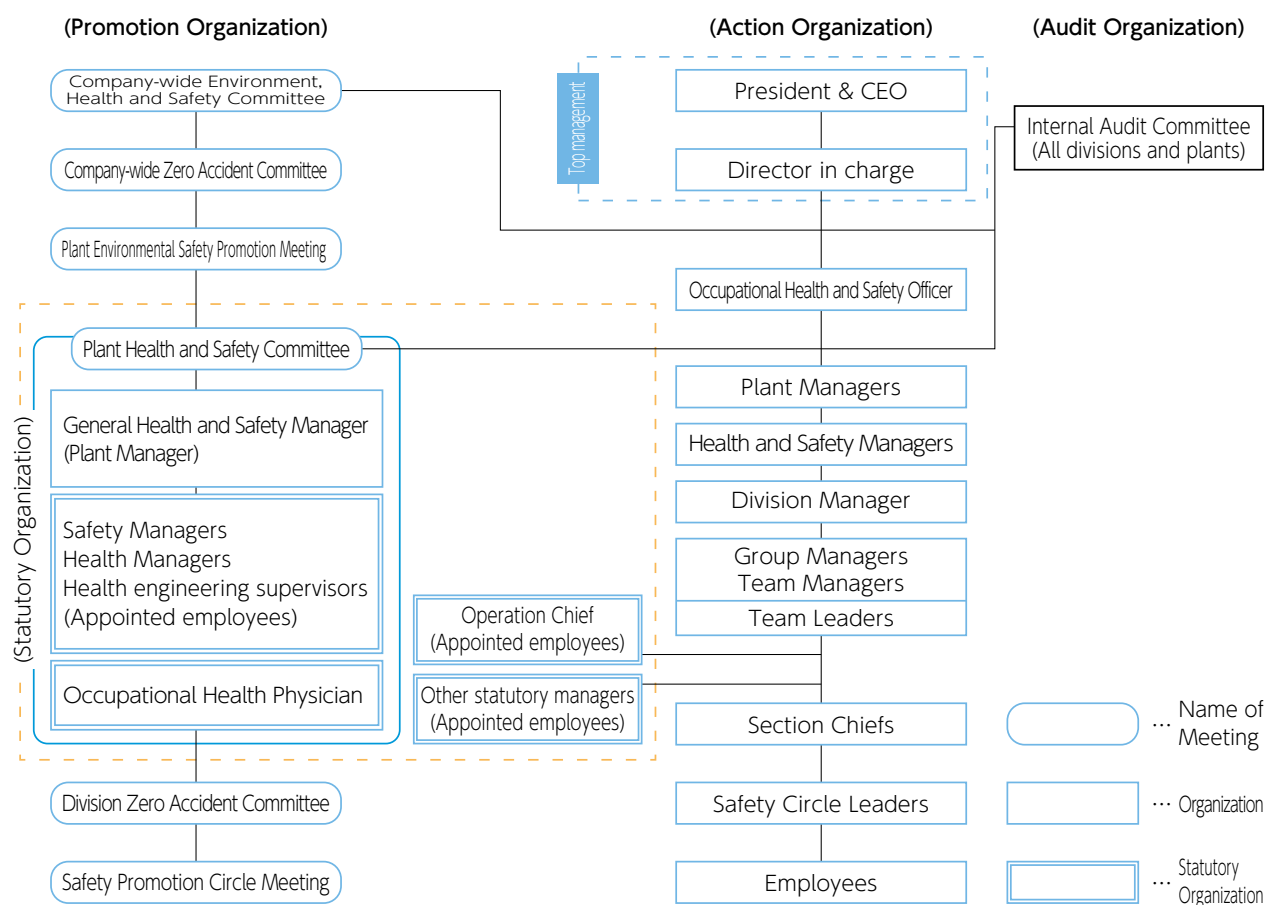
1. We will identify the sources of risks associated with each process in our corporate activities and take steps to prevent labor accidents and illnesses. We will strive to reduce the risks and to maintain and enhance the physical and mental health of our employees.
2. We will provide a good working environment that allows all employees to work vigorously without anxiety.
3. We will comply with laws and regulations relating to occupational health and safety and with other recognized requirements.
4. We will operate an occupational health and safety management system to ensure that every employee engages in occupational health and safety activities and to make continued improvements to attain our occupational health and safety goal.
5. We will ensure that every employee is aware of our occupational health and safety policy, using occupational health and safety cards and other means to raise their awareness of occupational health and safety and encourage proactive behavior.
6. We make this policy public and we make it available any time when requested. We also make this policy available on our website. <http://www.ibiden.com/>



Employee Carrying Occupational Health and Safety Card



## Organization Chart of Occupational Health and Safety Management



### Reviews and Sharing Information

President, officers, directors, and the presidents of affiliated companies participate in meetings of the Company-wide Environment/Health and Safety Committee held twice a year, aimed at sharing information on the status of activities based on environmental/occupational health and safety policies and recognition of issues in activities. The chairperson of the labor union is included among committee members.

The Company-wide Zero Accident Committee is attended by each Plant Manager and management persons responsible for promoting health and safety at affiliated companies, and it functions as a place for establishing common recognitions in order to implement the Plan-Do-Check-Act (PDCA) cycle of activities of the entire IBIDEN Group. Moreover, activities of the Zero Accident Committee are disseminated from committee meetings held monthly at each plant to safety circles (small group activities) in all workplaces of the Group. All employees participate in safety circle activities, in which safety improvement activities of workplaces are promoted through cooperation between the management and employees by conducting activities to facilitate communication and improve the workplace environment, such as pointing to hazardous places and case examples of potential accidents and hazards (Hiyari-hatto), and checking the progress of health and safety-related targets.

Health and safety management activities of the Company are conducted with on-site contractors and contractors who work on the plants of plants. Through workshops, we share information on laws and regulations concerning health and safety as well as the standards of the Company and on-site working rules and exchange opinions with the contractors to promote the creation of a working environment with no accidents. (As for Health and Safety Management System, see "Management System Certification Status" on page 33.)

## Activity Guidelines for Occupational Health and Safety and Results

### Activity Guidelines for Occupational Health and Safety

In fiscal year 2015, we focused our activities on “recurrence prevention,” “disaster prevention,” “health management,” and “health and safety education,” and we worked on occupational health and safety activities across the IBIDEN Group with the full participation of all employees to establish workplace safety and enable employees to work energetically.

1. To incorporate findings of safety patrol/potential accidents and hazards (Hiyari-hatto)/hazard information of KY (risk prediction) into risk assessment to enable systematic risk control.
2. To improve the effectiveness of risk assessment and reduce all types of accidents/incidents to zero.
3. To strengthen fire-protection control assuming all potential causes to prevent explosions and fires, including small fires.
4. To enhance the level of disaster prevention management to save lives in the time of a large-scale disaster.
5. To carry out activities in which all members participate based on the “Next Health 105 Plan.”
6. To aim for knowledge enhancement zero accidents by continuing a health and safety workshop for on-site contractors.

### Measures to Implement Intensively

#### 1. Basic activities

(1) Workplace safety group activities (potential accidents and hazards (Hiyari-hatto), etc.)

We implement on-site workplace safety group activities by workplace. Every year, we upgrade the guidelines and assessment standards for group activities and promote improvements to the level of safety activities. In fiscal year 2015, we carried out activities to achieve 100% correction and improvement of risks and hazards that became apparent as a result of potential accidents and hazards (Hiyari-hatto) actually experienced and risk prediction. (The cumulative correction rate of Hiyari-hatto was 99.6% as of the end of fiscal year 2015.) Through the group activities, we also conduct activities for ensuring safe behavior/safe work by raising the awareness of all employees through repetitive learning of safety confirmation points in the workplace.

(2) Safety patrol (office organization, Safety Management Section and plant) \*Communication with the method “Genchi (actual scene) Genbutsu (actual thing)”

We regularly conduct self-inspection of office organizations by workplace safety group and safety patrols such as plant health and safety patrols by plant supervisors, managers and labor union members more than once a month. In fiscal year 2015, we continued to have safety patrols, conducted by the officer in charge of safety, twice a year with the aim of disseminating the basic principles of safety-first. The safety patrol was conducted in the presence of the president of each business operation. Many of the occupational accidents that occurred in fiscal year 2015 were caused by specific factors. From the second half of the year, therefore, we started to conduct activities, such as setting safety enhancement items for each month to be used as focus points of inspection rounds and checks during patrols carried out by the division head. About 90 percent of occupational accidents that occurred in fiscal year 2015 were caused by unsafe behavior and unsafe conditions, and we will ensure through the implementation of checks through inspection rounds and guidance by operational managers.

#### 2. Specialized activities

(1) Thorough implementation of operational safety and environment assessment (safety design and test)

We thoroughly enforce the system of safety design, construction safety management and completion test by certified inspectors in accordance with IBIDEN Safety Standard (ISS) and submission of notifications in accordance with relevant laws and regulations. In fiscal year 2015, we held the IBIDEN Safety & Health Promotion Meeting for Contractors commenced in fiscal year 2013 for 90 contractors that have business relations with us (held three times a year).

(2) Health and safety risk assessment (in terms of facilities and operations)  
We conduct health and safety risk assessment (RA) of all sites in February every year. Before conducting RA, we provide RA training to leaders and superiors (managers) of safety groups of each division at all plants and give education on points in recognizing risks and how to estimate risks while observing actual operations. Starting from fiscal year 2014, we changed the contents of RA to enable risks related to ergonomic burden to be identified.

In fiscal year 2015, we itemized “workers being trapped/entangled in equipment,” “workers making contact with hazardous substances,” “workers falling over,” “workers slipping/falling,” “falling objects,” “collisions,” and “workers receiving cuts/scrapes” as company-wide specified risks. We conducted activities to reduce these risks ahead of schedule through monthly meetings of the Company-wide Zero Accident Committee. All the projected risk reduction plans were completed by the end of March 31, 2016.



IBiden Safety Standard (ISS)



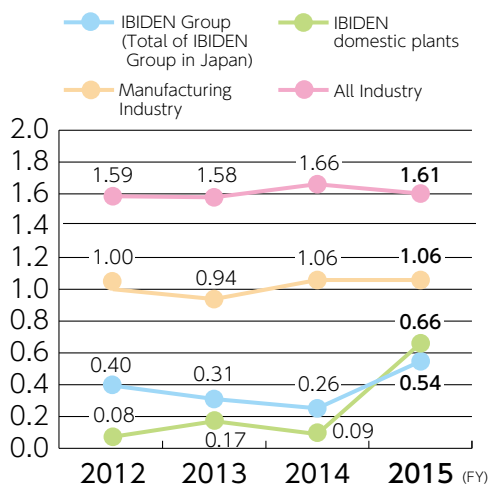
RA implementation training

### (3) On-Site Contractors

To promote health and safety activities for on-site contractors working at our plants, we implement the "IBIDEN On-Site Contractor Health and Safety Promotion Society" three times a year to raise the level of management of occupational health and safety at each company by making explanations of IBIDEN's policy on environment and occupational health and safety and administrative policies, sharing information on revision of laws and holding workshops on health and safety. In fiscal year 2015, we conducted two-way audits with contractors to check compliance activities regarding environment, health and safety on-site using actual things, and mutually pointed out what were good and what needed to be improved for improving the level of compliance activities.



Audit of on-site contractors



Occupational accident frequency rate\*

[IBIDEN and Domestic Group companies]

\*Number of occupational injuries (be equal or more than accidents requiring leave) for every million cumulative actual working hour

### Management Indicators

#### 1. Status of occurrence of occupational accidents

##### (1) IBIDEN domestic plants

At our seven plants, the number of occupational accidents increased from 14 in fiscal year 2014 to 18 in fiscal year 2015 (up 29% year-on-year; including minor injuries). Looking at the breakdown, 3 accidents were accompanied by lost work time in fiscal year 2015, indicating that the number of occupational accidents causing major injuries increased from the previous fiscal year. Given the circumstances, the Company saw this as an emergency situation in which serious accidents can occur anytime. In fiscal year 2016, therefore, the president clarified the "Safety First" policy, based on which we will promote zero accidents and zero risks with a top-down approach led by managers.

##### (2) Domestic affiliated companies

The number of occupational accidents increased from 9 in fiscal year 2014 to 11 in fiscal year 2015 (Up 22% year-on-year).

Although there were no serious accidents, three accidents were accompanied by lost work time. We conducted safety patrols at affiliated companies, but some accidents were caused due to a lack of penetration of safety guidance. Therefore, we are pressing on with improvements in affiliated companies as a whole.

The analysis of accidents occurring at plants and domestic affiliated companies has revealed that many occurred during unsafe work or under unsafe conditions. We will strengthen safety patrols/audits and give guidance to on-site managers on health and safety on-site and using actual things, in order to eliminate unsafe workplaces. In addition, there were many specified accidents, such as those caused by aisles. Therefore, we will conduct activities to prevent recurrence and occurrence of accidents with the focus on specified accidents. Moreover, we will work to create a workplace environment where employees can work safely by linking 5S activities with workplace safety to reduce the risk of accidents in the workplace.

### Trends in the Number of Occupational Accidents [IBIDEN and Domestic Affiliated Companies]

	IBIDEN domestic plants		Domestic affiliated companies		Total of domestic IBIDEN Group companies	
	2014	2015	2014	2015	2014	2015
Fatal accidents	0	0	0	0	0	0
Accidents accompanied by lost work time*1	1	3	3	3	4	6
Accidents not accompanied by lost work time	2	3	1	2	3	5
Minor injuries	11	12	5	6	16	18

\*1 : Including accidents resulting in disabilities

### Trends in the Number of Occupational Accidents [Production Bases of Overseas IBIDEN Group Companies]

	ASIA (Excluding Japan)		Europe/Central and South America*2		Total of overseas IBIDEN Group companies	
	2014	2015	2014	2015	2014	2015
Fatal accidents	0	0	0	0	0	0
Disabilities	0	0	0	0	0	0
Accidents requiring four or more days' leave*3	8	8	41	46	49	54

\*2 : Including IBIDEN Mexico starting from fiscal year 2015

\*3 : We unified the standards, which had differed from country to country before, and recounted the number.

### (3) Overseas major manufacturing companies

The number of occupational accidents accompanied by lost work time (four days or longer) was 54 in fiscal year 2015 compared to 49\* in fiscal year 2014.

We continually held a global EHS meeting every month between the headquarters and each major manufacturing company to follow the PDCA cycle of “pointing out problems,” “proposal of solutions for issues,” “support and guidance” and “audit for effectiveness.” In fiscal year 2015, we conducted site visits, audits, and safety patrols by the Headquarters at our four major overseas manufacturing sites to increase the level of the environment/health and safety management system.

### (4) Contract work

The number of occupational accidents was 5 in fiscal year 2015 against 1 in fiscal year 2014.

We continue to hold the “IBIDEN Safety & Health Promotion Meeting for Contractors” (held three times a year) to promote enhancement of the level of health and safety management by, for example, compliance with relevant laws and regulations and the Company’s rules, facilitation of active participation in our disaster-prevention activities and exchange of opinions in group exercises.

### 2. Overwork and persons suffering from mental health problems

We continued to strengthen working hour management and provide training for promotion of mental health. The total number of overworked employees decreased from the previous fiscal year due to a decrease in orders received. Accordingly, the ratio of employees who suffered from mental health problems is on the decrease. (The number of overworked employees to whom health and welfare measures were applied: decreased from 137 to 84; the ratio of employees who suffered from mental health problems: decreased from 1.14% to 0.8%).

We will promote training and preventive management so that superiors can manage on their own continuously.

## Managing Employee Health

### Next Health 105 Plan

While the “The second term of the National Health Promotion Movement in the 21st Century (Health Japan 21 (the second term))” is being promoted by the Ministry of Health, Labour and Welfare, the Company as well as its domestic Group Companies have been working on health promotion of employees by implementing the “Next Health 105 Plan”, the five-year plan from fiscal year 2013 to fiscal year 2017.

#### ★Health105 Plan

##### «Principles of activities»

- (1) It is fundamental that each employee “protects his/her health by him/herself”, and the Company supports it.
- (2) The “level of health of employees” and the “health performance of the Company” are a barometer of the Company’s expansivity and contribution to society.
- (3) To extend healthy life expectancy.
- (4) To overcome lifestyle-related diseases.

##### «Target»

- (1) To maintain and improve physical and mental health of employees.
- (2) To improve labor productivity.
- (3) To reduce medical expenses.

In fiscal year 2015, we broke down the activities into health promotion (maintenance and enhancement) activities and health management (improvement) activities to clarify the focus of activities. Activities were led by the Health Subcommittee and conducted in collaboration with each plant toward achieving the above-mentioned targets. In the company cafeteria, we held a healthy food promotion event to improve employees’ health consciousness. To prevent any employee from having to take a leave of absence due to mental health problems, we promote using the Stress Check System that allows each employee to check his/her level of physical and mental stress (self-care). We also compiled case examples and made them available to facilitate early detection and responses. In addition, we hold workshops conducted by occupational health physicians and training by job grade to raise the awareness of stress in the workplace among managers and supervisors (line care). Based on the results of the Stress Check System, we have an organizational analysis conducted by an occupational health physician, identify problems, and provide advice to the management. In addition, we have established a system for providing psychological support to employees who experience job changes due to organizational changes.

### Health105 Plan (FY2013 to 2017) Activity Plan and Management Indicators (IBIDEN)

items	Indicators	Performance in FY 2014	Target in FY2015
Increase in the number of persons who maintain a proper weight	BMI 18.5-24.9	67.6%	80.0%
Increase in the number of persons who have developed exercise habits	30 minutes or more/day, twice or more/week	17.2%	19.0%
Decline in the ratio of smokers	ratio of smokers	32.4%	31.0%
Improvement of ability to cope with stress	Mental disorders	0.82%	0.60%



# Environmental Management

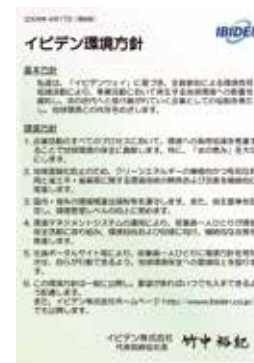
Keeping environmental preservation in business in mind, we will thoroughly eliminate the loss of resources and energy in order to contribute to social development efficiently. We will dedicate ourselves to environmental protection by offering technologies and products designed to reduce the environmental burden.

## Environmental Management - Basic Policy

We conduct the environmental load reduction activity with all concerned people under IBIDEN way, aim "Harmony with nature" by reducing the bad effect on global environment generated in our business operation, and fulfill the role as enduring company.

## Environmental Policy

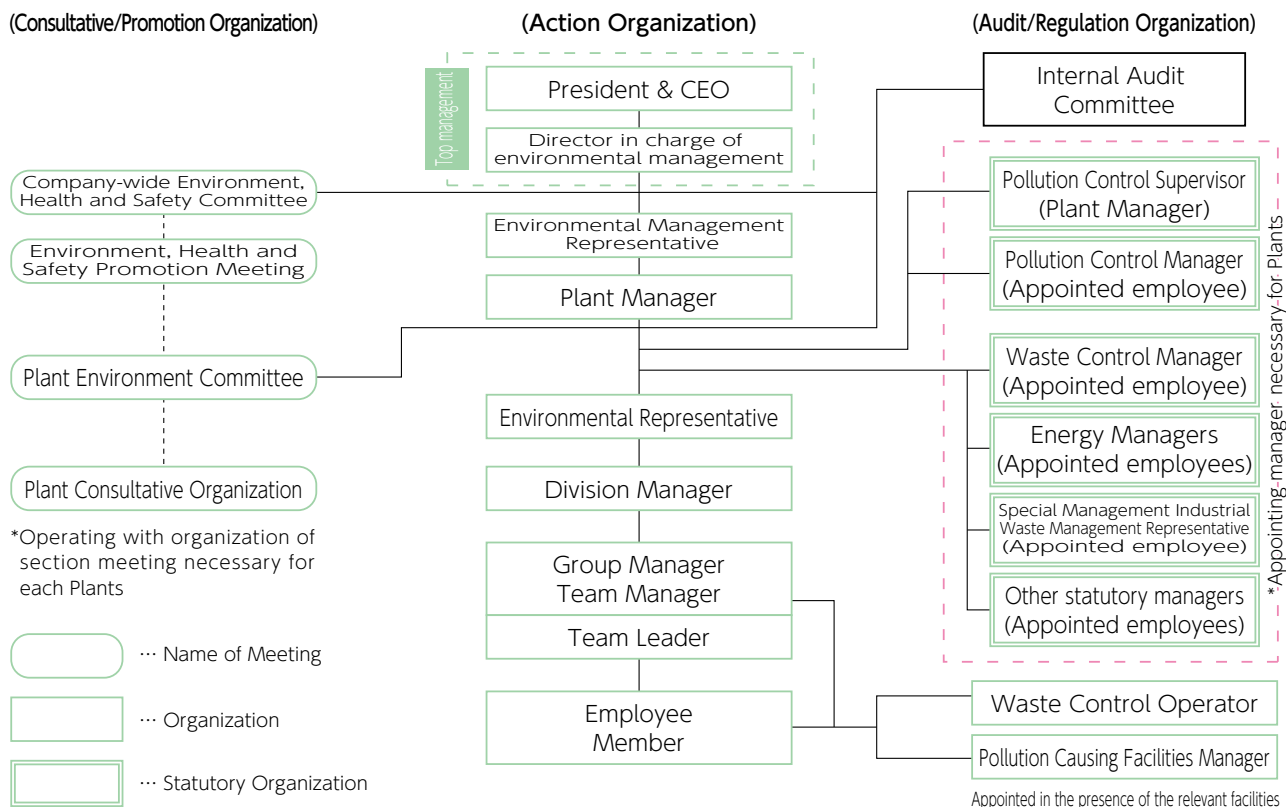
1. We contribute to protecting the global environmental by minimizing the environmental burden in every process of our company's activities. We especially value water and its benefits to the Earth.
2. We continuously promote positive and effective use of clean energy by developing and improving eco-technology that saves energy and resources.
3. We comply with environmental rules and regulations of domestic and international countries. We set our own standards and advance our environmental management capabilities.
4. We encourage all employees to share the purpose and goals of environmental protection and devote themselves to environmental protection activities. We accomplish this by utilizing an Environmental Management System.
5. We publicize this environmental policy by distributing a Policy Carrying Card to promote awareness of environmental protection and to inspire each employee to act voluntarily.
6. We make this policy public and we make it available any time when requested. We also make this policy available on our website. <http://www.ibiden.com/>



Employee Carrying Environmental Policy Card

## Organization chart of Environmental Management

Grounded in values that emphasize harmony with nature, we are working group-wide to promote environmental management. With the president as the head of the companywide environmental management system, we have established the workplace-based Environment Committee led by the head of each workplace to facilitate environmental management.



Apart from the activities mentioned above, we hold meetings organized by environmental protection promoters who are designated by each operational division, while the entire Group shares information on environmental protection mainly in the global environmental meetings along with eight major production bases and the energy conservation meetings attended by energy conservation promoters of each division.



## Management System Certification Status

### Domestic group companies certified with ISO 14001 and OHSAS 18001\*1

We are pursuing ISO14001 and OHSAS18001\*1 certification with an in-house management system as the means to continuously improve the environmental footprint caused by the Group's activities, products and services.

Together with IBIDEN Graphite Co., Ltd., and IBIDEN Engineering Co., Ltd. (Water Treatment Section), which are directly linked to our business activities, we obtained ISO14001 certification in January 2000 and OHSAS18001 certification in March 2003. From fiscal year 2011, we began operation of a management system that integrated ISO 14001 and OHSAS 18001. In fiscal year 2014, we upgraded it to the IBIDEN Management System (IMS), which integrated the entire management system including the quality management system, and launched operations. Our management systems have been verified both by semiannual internal audit and annual external audit, which indicates that it has been properly established and operated. Through the improvement of items identified by internal and external audits, the level of our management system are upgraded further.

Each workplace has an assigned full-time head (Plant manager), and the each Environmental Committee and the each Health and Safety Committee are led by the head of each workplace based on the Plan-Do-Check-Act (PDCA) cycle of activities. A meeting consisting of heads of workplaces is held monthly where information is exchanged on inter-workplace activities, with a goal to increase the level of all IBIDEN workplaces.

\*1 OHSAS18001: A standard for occupational health and safety management systems. OHSAS stands for Occupational Health and Safety Assessment Series.

Acquisition Status of the ISO14001 and OHSAS18001 Certifications for Domestic Group Companies						
Name of the Group Company	IBIDEN*2	IBIDEN Engineering (Head Office)	IBIDEN Greentec	IBIDEN Bussan	IBIDEN Industries	IBIDEN Jushi
ISO14001Cert.	Jan. 2000	Oct. 2002	Mar. 2004	May. 2005	Sep. 2005	Jun. 2009
OHSAS18001Cert.	Mar. 2003	Oct. 2013	Jan. 2013	May. 2013	Aug. 2012	Mar. 2013

\*2 The above certifications were acquired in Ogaki, Ogaki Central, Aoyanagi, Gama, Ogaki-kita, Kinuura, Godo, Head Office, and Energy Control Division as well as some domestic group companies including IBIDEN Engineering Co., Ltd. (Water Treatment Section), IBIDEN Graphite Co., Ltd., and IBIDEN KENSO Co., Ltd.

### Overseas group companies certified with ISO 14001 and OHSAS 18001

In our Group, not only Domestic group companies but also Overseas group companies are working to obtain ISO 14001 and OHSAS 18001 certification. In April 2016, IBIDEN Porzellanfabrik Frauenthal GmbH. obtained OHSAS 18001 certification. Currently IBIDEN DPF France S.A.S. is working to acquire the certification. In the future, we will continue with efforts to obtain this certification for overseas group companies as well as domestic group companies.

Acquisition Status of the ISO14001 and OHSAS18001 Certifications for Overseas Group Companies							
Name of the Group Company	IBIDEN Philippines	IBIDEN Electronics (Malaysia)	IBIDEN Electronics (Beijing)	IBIDEN Electronics (Shanghai)	IBIDEN Hungary	IBIDEN DPF France	IBIDEN Porzellanfabrik Frauenthal
ISO14001Cert.	Jun. 2003	Mar. 2013	Jul. 2003	Feb. 2005	Apr. 2007	Planning	Feb. 2002
OHSAS18001Cert.	Aug. 2013	Mar. 2013	Mar. 2007	—	Sep. 2014		Apr. 2016

## Environment and Occupational Health and Safety-Related Laws and Regulations

The IBIDEN Group deals with chemicals at many of its plants, some of which are adjacent to residential areas. Issues such as air pollution, wastewater, and noise pollution therefore require our special attention.

The Group sets its own standards for what is required by national, regional, or municipal regulations for activities and operations that may have a significant environmental impact, and regularly measures and monitors compliance. Furthermore, the Group publishes the monitoring results for each plant in “Environmental Data for Individual Plants and Group Companies” (see pages 45 to 49). To reassure the residents of surrounding areas, the Group, led by the plant managers, communicates with regional representatives about its business activities at its plants. In fiscal year 2015, no violations were found in environment measurement data and no leakages from the plant that would seriously damage the external environment occurred. Meanwhile, there was one leakage accident at a demolition work site contracted by an IBIDEN Group company, in which strongly alkaline drainage water was discharged from the rainwater drainage system.

Furthermore, we believe that respecting laws and regulations related to the environment as well as occupational health and safety is one of our most basic responsibilities as a corporation. In fiscal year 2015, we continued to promote strict compliance with laws and regulations amid a further tightening of regulations related to managing chemical substances. As a consequence, we had no violations. However, we received statutory guidance; therefore, we are pursuing reconfirmation and thorough implementation of the compliance evaluation system by implementing thorough checks on plants, environmental risk audits of IBIDEN Group companies, and confirmations of corrections made. Meanwhile, there were no records of penalties or sanctions incurred by the Group regarding violations of environmental and occupational health and safety laws and regulations.

Regulations on chemical substances are becoming strict also in Japan. For instance, the Industrial Safety and Health Act was revised to make it mandatory to investigate the risk and toxicity of chemical substances starting from June 2016. The IBIDEN Group will implement continuous monitoring of soil pollution risk caused by leakages of chemical substances as well as investigations, improvements, and maintenance of locations with potential risks through the Chemical Control Committee. In anticipation of revisions to laws in the future, we will stay ahead of revisions to laws in Japan and overseas, including the REACH system and the Industrial Safety and Health Act, to manage environmental risks systematically (Refer to “Appropriate Chemical Control” on page 39).

## Guidelines for Environmental Activities

In fiscal year 2015, to boost our competitiveness in environmental protection, we promoted activities such as a cut in energy costs, a reduction in resource losses, and management in compliance with chemical substance-related laws and regulations in the guidelines below. We were committed to the following:

1. Achieving zero violations with the global management system in compliance with chemical substance-related laws and regulations.
2. Enhancing the level of disaster prevention management to prevent irreparable environmental damage from occurring during a large-scale disaster.
3. Cutting energy costs and resource losses (water/chemicals/wastewater) through organizational activities involving technology divisions.
4. Reducing the environmental costs to a competitive level by clarifying/optimizing MTS\* of products/manufacturing conditions.
5. Reducing energy losses through energy management linked to energy burden.
6. Conducting a design review to manage our environmental costs and risks accurately and efficiently linked with the quality management system.
7. Raising environmental awareness through educational programs by job grade and specialized education, and increasing the weight of environmental activities among group activities.

We also enhanced the management system by promoting the IBIDEN Management System (IMS). Specifically, we are working on developing environmental/occupational health and safety-related regulations/guidelines and standards for technology, assessments based on the same standards within the entire Group, improving the level of assessments of environment/occupational health and safety compliance by plant for compliance with laws and regulations, and improving the management system from external viewpoints (customers, government, third parties).

\*MTS: Abbreviation of Module Target Spec and target value for designs of each process in order to manufacture good products.

## Coping with Climate Change Issues

Issues related to climate change are receiving increasing attention worldwide, and tighter laws and regulations on emissions are expected in the near future. These issues have the potential to become risk factors, such as increased energy/resource costs affecting the Group's business activities. On the other hand, it involves opportunities for us to contribute to solving problems and working to expand business at the same time by developing products that meet global regulations. Therefore, climate change is a very important issue for the Company.

In the structure for advancing risk management, the Environment & Safety Division, which is the division in charge of the environment, is responsible for risks related to climate change, which is environmental risk. Regarding the process for specifying assessments on climate change-related risks and opportunities, the energy conservation meetings conduct assessment of energy-related regulation risks. Action policies are broken down into company-wide priority activity items and policy management of the division in charge.

Under these circumstances, we have already set in motion our plan to comply and adapt to laws and regulations such as Japan's Act for Countermeasures against Global Warming and laws related to rationalization of energy usage (the Energy Conservation Act). Through private power generation initiatives to supply clean energy as well as energy conservation efforts in our manufacturing activities, we are working to cut direct greenhouse gas emissions.

### Measures to Supply Clean Energy

The IBIDEN Group can trace its history back to a scheme aimed at building a hydroelectric power plant upstream on the Ibigawa River to supply power and attract industry and thereby help revitalize the nearby city of Ogaki. The Group was established under the name Ibigawa Electric Company in 1912, but over time began to utilize electricity to evolve into an electrochemical company. We have continued to expand our business since then, including areas such as carbides, carbon, building materials, ceramic products and electronic products, as we have grown and developed hand in hand with local communities.

IBIDEN owns three hydroelectric power plants in the upstream section of Ibigawa River in Gifu Prefecture. Hydraulic power generation uses the potential energy of water to create clean energy without greenhouse gas emissions.



Hirose Power Plant (Updated in 2012)  
Power output: 8,900kW



Kawakami Power Plant (Updated in 2013)  
Power output: 4,400kW



Higashi-Yokoyama Power Plant  
(Completed the update in 2015)  
Power output: 14,600kW

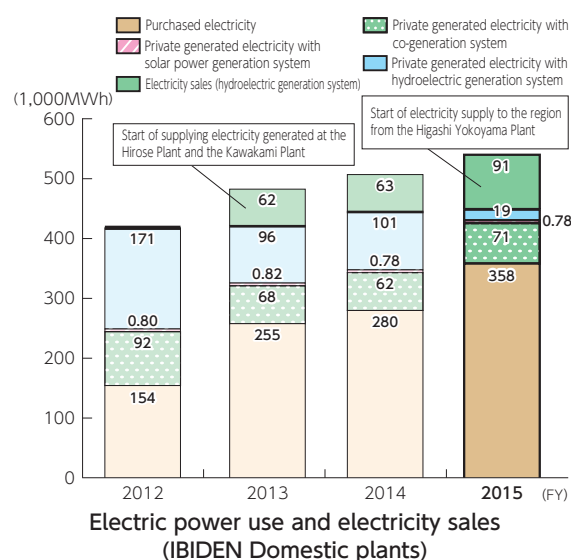
## Repair Work on Hydroelectric Facilities and Electric Power Supply for Demanders

To maintain and increase its power output, IBIDEN implements repair work at its three hydroelectric power plants (Higashi Yokoyama Power Plant, Hirose Power Plant, and Kawakami Power Plant) systematically by repairing water supply tunnels and updating generators to the latest models. In fiscal year 2015, the Company completed facility upgrade work on the Higashi Yokoyama Plant to boost its power generation capacity as scheduled.

IBIDEN's hydroelectric power plants satisfy the standards for the renewable energy buyback program (Feed-in Tariff program). In March 2013, we established a facility at the Ogaki-Kita Plant for connecting our power grid to that of electric power companies. We made electricity generated by each hydroelectric power plant available for sale to local electricity users, contributing to reduced CO2 emissions.

We introduced a co-generation system in 1992 to use clean energy instead of purchased electric power, increasing our clean energy supply. While generating power from turbines that operate by fuel combustion, this system also uses waste heat to produce steam, which is then employed in factories. As a consequence, the system excels in energy efficiency. In addition, we recently introduced large-scale solar power systems on the rooftop of our head office building in November 2005 and at the Ogaki Central Plant in March 2008.

To upgrade our private power generation systems, we are increasing hydroelectric power generation capacity and improving thermal power generation efficiency. We have expanded our use of natural energy and continued to improve the efficiency of environmentally sound co-generation systems.



**Hydroelectric power**  
Three hydroelectric power plants are working in the upstream section of the Ibigawa River.



**A co-generation system**  
Co-generation systems operate at our plants.



**Solar power generation**  
Solar cell panels have been installed and generating at our plant.



## Energy Conservation

As the Group consumes a large amount of energy through its production activities—whether it is the temperature control during the manufacturing process of electronics or the electric furnaces used for ceramics—energy conservation is an important issue for us. All manufacturing divisions are therefore managing the energy unit load as well as the energy consumption and setting specific targets for each division to improve the energy conservation practices throughout the entire Group.

The Energy Conservation Meeting is held monthly, and attendees, including employees of the manufacturing divisions and related functional divisions, have discussions, create action plans, report progress status, present case examples with the aim to share improvement information, and provide advice from the management, to operate a PDCA cycle of energy conservation improvements with the participation of all employees. The Energy Conservation Meeting also monitors risk factors, such as energy cost increases, and works on improvements based on the idea that increasing energy efficiency is linked directly to enhancing the Company's competitiveness.

In fiscal year 2015, we conducted activities with the focus on themes, such as reducing energy use of production facilities, energy-conserving designs, and verification, for new plant and production lines, and revitalizing cross-sectional activities on manufacturing/facility management/production technologies. In fiscal year 2016, we will go back to the basic activities of using energy whenever necessary, where necessary, and in necessary amount, in order to promote the efficient use of energy by adapting promptly to changes in production volume.

The results of our energy conservation activities will be measured using two indexes: the amount of energy consumption and the energy unit load (per production volume). Due to the launch of a new production base, both energy use and CO<sub>2</sub> emissions increased in fiscal year 2015 from the previous fiscal year.

In addition, CO<sub>2</sub> emission unit load rate per production volume, with the results for fiscal year 2012 indexed to 100, deteriorated significantly to 112 in fiscal year 2015. This is due to the following reasons: start of repair work at Higashi Yokoyama Hydroelectric Generating Plant and supply of electricity to electricity users in fiscal year 2015; increased energy consumption due to more sophisticated products, although the production volume was lower than in fiscal year 2014; and longer operating time of manufacturing facilities at production bases following the launch of new products.

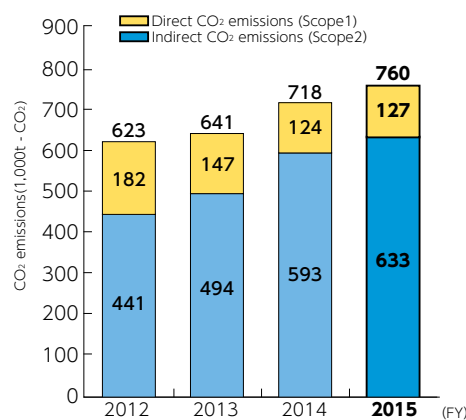
[When energy conservation activities of the IBIDEN Group are converted into contributions to reduction of CO<sub>2</sub> emissions, they reduced 25,300 tones of CO<sub>2</sub> in fiscal year 2015\*.]

While we use converted production volume for calculating production volume, we revised the conversion ratio in fiscal year 2015 by considering our line of products in recent years. At the same time, we reduced the target for CO<sub>2</sub> emissions for the period from fiscal year 2013 to 2017 by 3% (fiscal year 2017) compared to actual CO<sub>2</sub> emissions for fiscal year 2012. We will continue to strive to reduce energy consumption with thorough efforts to save energy.

[See the chart "Trends of CO<sub>2</sub> emissions." ]

We also provide society with about 356,000 GJ of electricity (equivalent to 48,800 tons of CO<sub>2</sub>) generated through private power generation using hydroelectric plants and in the renewable energy business at a Group company as clean energy without greenhouse gas emissions.

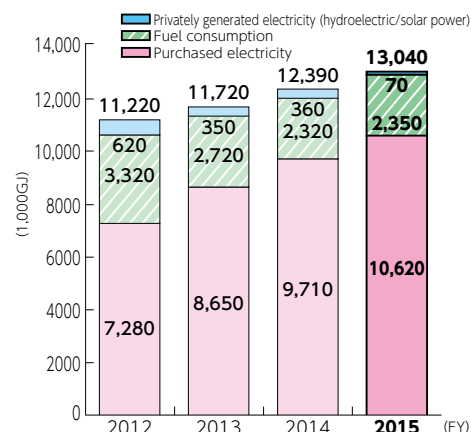
\* The above is an estimated amount obtained by converting the contents of improvement activities to CO<sub>2</sub> reductions.



Trends of CO<sub>2</sub> emissions\*1

\*1: CO<sub>2</sub> emissions show figures covering production-related locations in Japan and overseas. With regard to the CO<sub>2</sub> emission factor at the time of calculation, we used the factor provided by the "List of Calculation Methods/Emission Factors in the Calculation, Report and Publication System" of the Ministry of the Environment and the Ministry of Economy, Trade and Industry in Japan as well as by gas distribution companies.

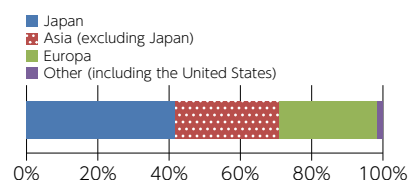
\*2: CO<sub>2</sub> emissions indicate emissions from all production bases related to production in Japan and overseas.



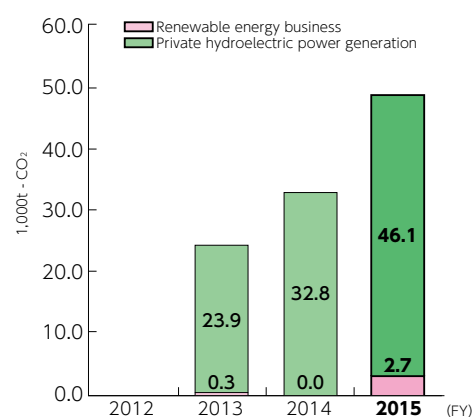
Amount of energy consumption (IBIDEN Group)

\*The conversion factor used in Japan (9.76 GJ/1,000 kWh) is used for converting the energy of purchased electricity. For others, the conversion factor of 3.6 GJ/1,000 kWh is applied to calculations.

\*Starting from fiscal year 2015, IBIDEN Mexico, S.A. de C.V. is included in the scope of environmental data.



Ratio of energy consumption by region in fiscal year 2015 [IBIDEN Group]



Trends in the volume of the contribution of the hydroelectric power generation/energy business (CO<sub>2</sub> equivalent)

\* Indicate CO<sub>2</sub> emissions reduction effect by comparing the aggregate amount of privately generated electricity sold to electricity users and the amount of electricity contributed by the Group in the energy business, such as solar power generation and small hydroelectric generation, with the power generation coefficient used by electric power providers (CO<sub>2</sub> emission coefficient of electric power companies—emission coefficient of power generation business × power generation in the power generation business)



## Resource Circulation

### Resource Circulating Activities

IBIDEN believes that it is an important responsibility of businesses to make effective use of the world's scarce resources and to take part in a global effort to conserve resources. We promote the so-called 3R activity, which consists of initiatives to Reduce, Reuse and Recycle the resources we consume. In doing so, we aim to improve the resources efficiency. Since 2004, IBIDEN has been maintaining a zero-emission\* status in terms of solid waste.

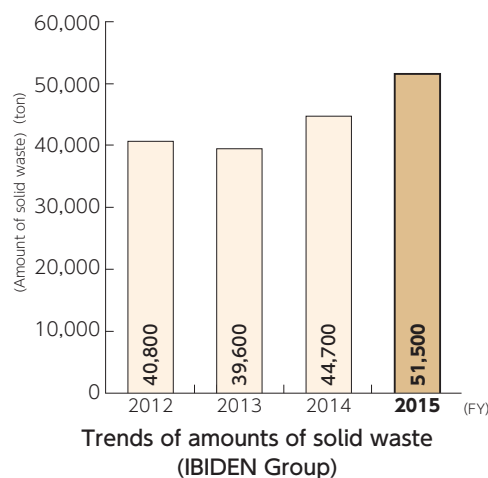
The IBIDEN Group sets an index to control solid waste per production volume and has been taking action to implement such control.

Our target is to improve it annually by 2% globally during the period between fiscal year 2013 and fiscal year 2017. Since fiscal 2013, we have been pushing ahead with on-site confirmation of waste management by promoting the recognition through visualization of the amount and cost of industrial waste. Through our taskforce team, we are pushing forward with turning what would have been waste into valuable resources by eliminating the difference between plants mainly concerning sorting of waste plastics.

In fiscal year 2015, production volume decreased from fiscal year 2014, but the amount of solid waste increased from a year ago due mainly to disposal of idle assets. Amount of waste per production volume, with the results for fiscal year 2012 indexed to 100, deteriorated significantly to 114 (target: 94). Regarding compliance with laws and regulations related to waste management, we maintain nearly 100% compliance through management with the electronic manifest system.

For fiscal year 2016, we will move forward with reduction of waste by waste management linked to production load, so that we will be able to achieve the plan for solid waste unit load rate. (Please refer to the Graph "Trends of amounts of solid waste".)

\* IBIDEN defines zero emission as a state in which no solid waste emitted from the production process is dumped directly in landfills.



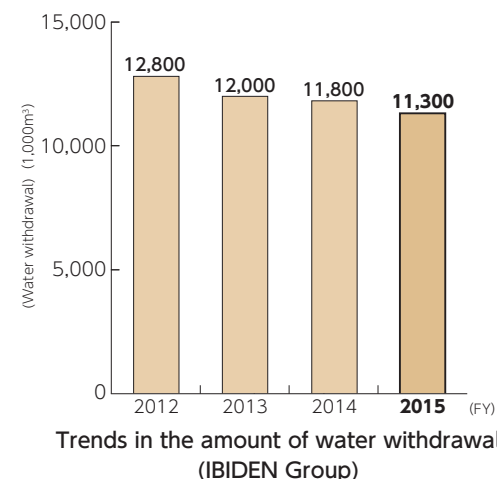
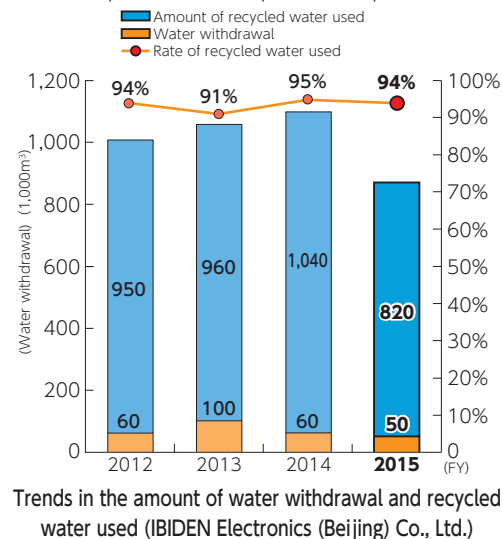
### Effective Utilization and Reduction of Water Resources (Water Conservation Efforts)

A large amount of water resources is used in the manufacturing process of electronic products, particularly for cleansing. Ogaki City in Gifu Prefecture, where our domestic production bases are concentrated, is rich in underground water thanks to the Ibigawa River system. However, water shortages are a serious problem in the world today. Based on the principle of so-called 3R activity—initiatives to reduce, reuse, and recycle resources—the Group carries out business activities by integrating environmental technologies into manufacturing technologies, which has reduced the amount of industrial water use. To ensure the optimum control of wastewater and effluent and the facilitation of 3R activity for water resources, relevant divisions have discussions monthly to check progress and report. IBIDEN Electronics (Beijing) Co., Ltd., which has a particularly high water resource risk, has been increasing the use of recycled water inside the industrial park since fiscal year 2012. As a result of such efforts, the ratio of water recycling has been maintained at over 90%.

The IBIDEN Group sets a benchmark for managing the water withdrawal per production volume. Our target is to improve it annually by 2% globally during the period between fiscal year 2013 and fiscal year 2017.

We reexamined high water-use processes and reduced the water withdrawal at plants that consume large amounts of water. As a result, the amount of water withdrawal per production volume in fiscal year 2015 stood at 83 (target of meeting the result for fiscal year 2014 was not achieved), with the result for fiscal year 2012 indexed to 100. We will continue with our efforts to reduce the water withdrawal unit load rate by saving and recycling water at all plants.

(Please refer to the Graph entitled "Trends in the amount of water withdrawal")



## Appropriate Chemical Control

### Responding to the Regulations regarding Chemical Substances in Products and Manufacturing Processes

IBIDEN uses various chemical substances in the plating process. Since chemical substances may cause pollution and human health hazards, management of chemical substances is subject to risks. As the laws and regulations on chemical substances in each country are increasingly rigorous, the management of chemical substance is one of the key issues for the Group from the point of view of compliance. To prevent chemicals from causing harm, we practice appropriate chemical control by reducing or completely eliminating the use of certain chemicals. We operate the Chemical Control Committee as an internal organization, establishing a system to swiftly identify and respond to community demands related to chemical substances as shown in the REACH system in Europe. We have also operated the systems for chemical control at overseas manufacturing bases. In Japan, the revised Occupational Safety and Health Act was enforced in fiscal year 2016. As a result, implementing risk assessments on chemical substances will become mandatory. We carried out risk assessments on chemical substances in each relevant division ahead of enforcement of the law addressing risk issues. The Company takes part in the industry-wide discussion and information-sharing on issues such as regulations regarding chemical substances by serving as a trustee for the Japan Electronics Packaging and Circuits Association and participating in its Environmental Safety Committee.

### Approach to the Supply Chain

Cooperation throughout the entire supply chain is essential to address environmental issues including chemical control as well as to push forward with CSR. We issue green procurement guidelines to our major suppliers in an effort to check the status of our business partners' measures for environmental management and chemical control and conduct surveys on the status of chemical substances that may cause a significant environmental burden. The Company conducts content examinations not only on substances already designated as examination items by regulation, but also those that are likely to receive such a designation in the near future. We are also organizing a structure that will allow us to work collaboratively with suppliers to address nations' environmental regulations in a timely manner.

To enhance chemical controls and reduce the environmental burden in the entire supply chain, we grasp the status of development of environmental/chemical control systems at suppliers in detail through regular investigations. Based on the results of investigations, we conduct activities to systematically improve points in their control systems that need to be improved. The target of an investigation is selected by linking with the procurement system to prevent any omissions, and information is gathered constantly on chemical substances that need to be controlled.

Furthermore, we developed rules and guidelines for our overseas bases to enable them to conduct their own examinations, and conducted surveys on the presence of chemical substances in procured items to fully grasp the situation even at overseas bases such as Malaysia and China. Moreover, the information gathered by the Company regarding chemical substance contents is managed by an IT system that has been designed to respond quickly to inquiries. We also systematically conduct on-site audits of priority suppliers (see pages 17 "CSR Management in the Supply Chain").



IBIDEN Group Green Procurement Guidelines

### Released and Transferred Amounts of PRTR\*-Listed Chemical Substances

With respect to domestic laws, to respond to the PRTR Law and the Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances, we are enhancing in-house chemical control systems to build a management structure that prevents any omissions and errors.

\* PRTR : Pollutant Release and Transfer Register

● Released and Transferred Amounts of PRTR-listed Chemical Substances in FY 2015

■ 14 chemical substances subject to mandatory reporting to Gifu and Aichi Prefecture ■ Specified Class I Designated Chemical Substance: 2

■ Class I Designated Chemical Substance: 12 ■ Total amounts released or transferred: approx. 394t/year

ID No.	Regulated Substance	Amount discharged (to air, public waterway, soil, or in-house landfill)				Amount transferred		Total amount discharged and transferred (kg/year)
		Discharged to air (kg/year)	Discharged to public waterway or river (kg/year)	Discharged to soil on facility grounds (kg/year)	Buried in landfill off-site facility grounds (kg/year)	Transferred to sewerage (kg/year)	Transferred off-site as waste material (kg/year)	
20	2-Aminoethanol	1,796	0	0	0	0	177,770	179,566
59	Ethylenediamine	0	0	0	0	0	0	0
71	Ferric chloride	0	0	0	0	0	0	0
76	ε-Caprolactam	0	0	0	0	0	80	80
237	Mercury and its compounds	0	0	0	0	0	37	37
272	Copper salts(water-soluble, except complex salts)	0	753	0	0	63	52,628	53,444
309	Nickel compounds	0	0	0	0	0	3,880	3,880
349	Phenol	28	0	0	0	0	0	28
368	4-tert-Butylphenol	0	0	0	0	0	19	19
395	Water-soluble salts of peroxodisulfuric acid	0	0	0	0	0	24,344	24,344
405	Boron compounds	0	0	0	0	0	3,262	3,262
408	Poly(oxyethylene)octylphenyl ether	0	0	0	0	0	1,214	1,214
411	Formaldehyde	1,498	0	0	0	0	114,055	115,553
412	Manganese and its compounds	0	0	0	0	0	12,772	12,772

[Surveyed] IBIDEN and IBIDEN Group companies covered by IBIDEN's environmental-management system

[Survey period] April 2015 through March 2016

## Understanding the Influence on Biodiversity

Initiated from the power of water, the Group's business activities are blessed with the benefit of biodiversity such as maintaining a stable water supply. And our activities also have some impact in the area of biodiversity. Just as we need to cope with the issues of global warming due to climate change, biodiversity conservation is one of the most important tasks to tackle.

Aiming to contribute to constant social advancement, in line with the values stressing "Harmony with Nature," IBIDEN will act responsibly as a global enterprise by working together with society.

### Conserving Biodiversity and Concrete Approach to its Sustainable Use

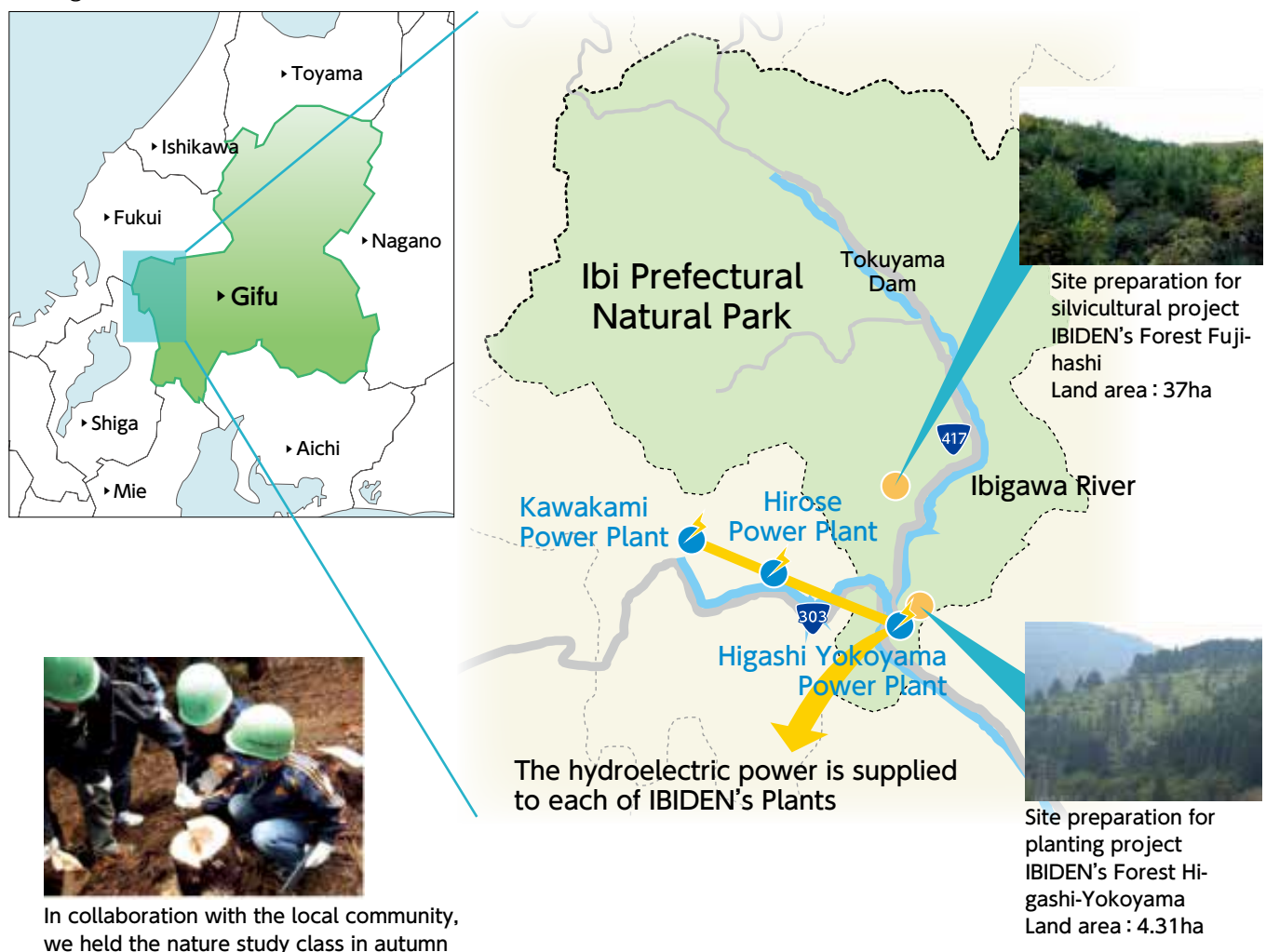
We will contribute to conserving biodiversity in local communities and its sustainable use by practicing forest conservation activities that support stable water source and social contribution activities in collaboration with the local community mainly upstream along the Ibi River, where the IBIDEN Group originated.

### Forest Preservation Activity Areas

In August 2008, IBIDEN signed an Agreement on Lively Forest Creation with the Gifu Prefectural Government, the Ibigawa Town Government and the Ibi Shizen Kankyo Rangers (a nonprofit organization). According to this agreement, we will plant trees, thin the forests and conduct improvement cutting in IBIDEN's Forest Higashi Yokoyama Forest in the Higashi Yokoyama district and IBIDEN's Forest Fujihashi Forest in the Tsurumi district over the next 10 years, in an effort to support sustainable reforestation activities in the future.

→ For details on forest preservation activities, please refer to "Social Contribution" on page 50.

<Target Areas of Forest Preservation Activities>



## Environmental Contribution through Business and Products

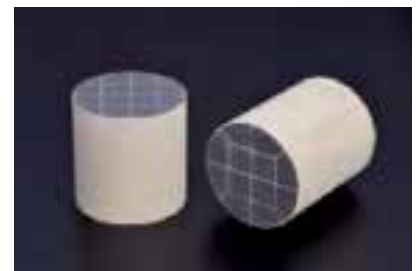
### Product Life Cycle Assessment

IBIDEN is promoting a design that takes into consideration safety/environmental rules and regulations, energy conservation and resource conservation from the initial stage of product development. In design reviews to examine product development/design, we have added environmentally conscious design guidelines for product and process safety, environmental regulations/safety of materials used and energy conservation consciousness reflected in the production process as examination items. We are building a system to confirm whether products developed and produced by IBIDEN are environmentally friendly.

By following environmentally conscious design guidelines, we conduct information searches on chemical substances in novel materials during the technical development phase. We promote environmentally conscious design as a routine activity by linking environmentally conscious design reviews with product design reviews. If any chemical substances in chemical substance information collected and extracted at the time of examining materials fall under control substances for compliance reasons, alternative substances are examined.

### Diesel Particulate Filter (DPF)

As environmental regulations are tightened, the market for automotive exhaust system components is likely to expand in the future. IBIDEN is working to reduce the environmental burden by launching next-generation, high-performance products such as diesel particulate filters (DPFs), installed into fuel-efficient, clean diesel vehicles.



SiC-DPF (Diesel Particulate Filter)

### Projects to Promote Renewable Energy

IBIDEN Engineering Co., Ltd., a member of the IBIDEN Group, has initiated projects in the field of energy solution by making optimal use of the Company's technologies to maintain hydroelectric power plants as well as manage co-generation systems. Established an integrated approach, in which its business includes design proposal, construction and maintenance, IBIDEN Engineering has a track record in many power generation business such as ranging from equipment for hydroelectric power plants and power substations to systems for solar power generation plans and small hydroelectric power plants.

Amidst the supply of renewable energy is required as the environmental problems have become increasingly more of a concern, in the fiscal year 2015, the Company constructed the Japan's largest water floating solar power generation plant, which employs in-house developed floats. The new plant started power generation (a certificated output of 1.99 MW and an annual output of approximately 2,400 MWh). Solar power generation output usually drops in the summer due to the rise in outside air temperature, however, the water floating system, possibly reflecting a cooling effect, is expected to boost power generation 5% compared to the land-based system. We will continue to promote business solutions for the energy problems.



Water floating solar power generation plant at the closed lumberyard parking site of the Kinuura Plan

### Projects That Contribute to Both Disaster Prevention and Environmental Protection

Japan's mountainous terrain has seen numerous incidents of destruction, such as the collapse of slopes due to natural disasters and the spread of development. There is thus a frequent need to create artificial slopes. To boost protection of the slope and ultimately prevent loss of life from landslides, practices for securing artificial slopes in difficult weather and soil conditions have undergone many changes over the years through trial-and-error experimentation with methods and technologies. Traditionally, the most common construction method has been concrete-based centered on the ability to prevent disasters. Today, however, in addition to disaster prevention, consideration of the environment needs to be incorporated to establish a "greener" construction method.

IBIDEN Greentec Co., Ltd., a member of IBIDEN Group, has succeeded in developing technologies that respond to the needs of the time and help create a better society. We will continue to develop new construction methods such as our "Totally Green" method to achieve both disaster prevention and environmental protection, which will lead to an environment where everyone can live safely and peacefully.



Slope constructed using the GT frame®



## Environmental Accounting

### 1. Environmental Accounting in Support of Environmental Management

In promoting environmental management, IBIDEN performs calculations and analyses to develop a quantitative understanding of investment and costs, seeking to understand the management resources spent on reducing the environmental burden and the results. We use environmental accounting to reflect the effects of investment and cost in the decision-making process at the management level.

### 2. Basis for Calculation

Accounting period	Fiscal year 2015 (April 1, 2015 to March 31, 2016)
Accounting scope	IBIDEN Co., Ltd. and major domestic manufacturing group companies (IBIDEN Engineering Co., Ltd., IBIDEN Graphite Co., Ltd., IBIDEN KENSO Co., Ltd., IBIDEN Jushi Co., Ltd., IBIDEN Bussan Co., Ltd.)
Calculation method	Calculations conform to the Environmental Accounting Guidelines (2005 edition) published by the Ministry of the Environment.

### 3. Main Environmental Protection Costs

The amount of investment during fiscal year 2015 increased about ¥2,400 million, up 135% compared to the previous fiscal year 2014. The major factor behind this increase in overall investment was new investment for upgrading hydroelectric power transmission facilities (Higashi Yokoyama Power Plant).

Costs in fiscal year 2015 decreased approximately ¥1,500 million, or 17%, compared to the previous fiscal year. This decrease was primarily attributable to a decrease in research and development costs as a result of commercializing various development projects.

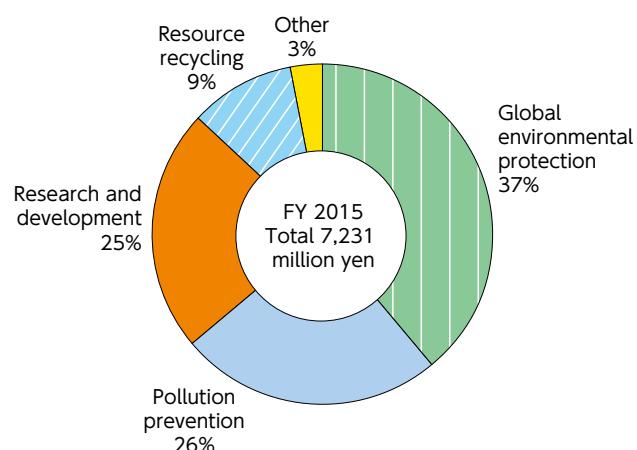
(Unit: Million yen/year)

Category		Investments (Note 1)			Costs (Note 1)		
		FY 2014	FY 2015	Year to Year	FY 2014	FY 2015	Year to Year
Business area cost	(1) Pollution prevention costs	42	60	+45%	1,990	1,846	-7%
	(2) Global environmental conservation costs	1,111	3,546	+219%	2,219	2,677	+21%
	(3) Resources circulation costs	4	15	+279%	829	642	-23%
(4) Upstream and downstream costs		0	0	—	17	20	+14%
(5) Administration costs		5	6	+19%	200	198	-1%
(6) Research & Development costs		639	607	-5%	3,418	1,827	-47%
(7) Social activity costs		0	0	—	24	22	-8%
(8) Environmental remediation costs		0	0	—	0	0	—
Total		1,800	4,234	+135%	8,697	7,231	-17%

Note 1: In cases when the total amount of investments and costs cannot be deemed to constitute environmental protection costs, we have calculated the difference or the proportional share.



#### 4. Distribution Ratio of Total Cost of Environmental Protection



- Research and development costs include the cost of researching and developing next-generation DPFs and other environmentally responsible products, aimed at controlling the environmental burden.
- Global environmental protection costs include maintenance and administration costs of hydroelectric power generation and cogeneration facilities.
- The environment is the main objective of costs associated with hydroelectric power generation and research and development of environmentally responsible products. The total cost is aggregated, as there is no appropriate pro rata basis.

#### 5. Economic Results and Real Effects of Environmental Protection Measures (Note 2)

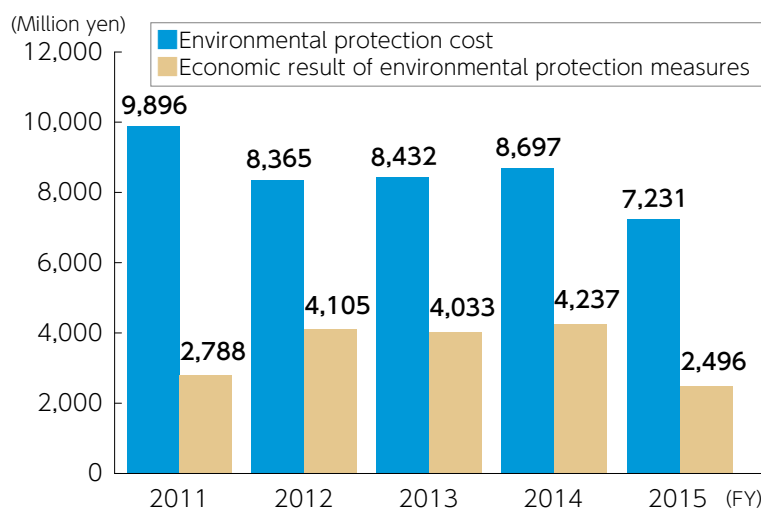
The economic effects of energy conservation for fiscal year 2015 decreased approximately ¥1,300 million, or 53%, compared to fiscal year 2014. This result was due mainly to a decrease in the economic effects of power generation resulting from the suspension of power generation at Higashi Yokoyama Power Plant during upgrade work on power transmission facilities (from June 2015 to February 2016). The economic effects of resource recycling for fiscal year 2015 fell about ¥400 million, or 24%, compared to the previous fiscal year. The decline was mainly due to a drop in gains on sales of valuables, such as liquid waste containing precious metals, as a result of a decrease in the amount of precious metals used due to lower production volumes in Japan following the transfer of electronics manufacturing operations overseas. Consequently, the overall real effects decreased approximately 1,700 million yen, or 41%, compared to fiscal year 2014.

(Unit: Million yen/year)

Description of effects		Amount		Year to Year
		FY 2014	FY 2015	
Real effects	1. Energy conservation effect and electric power marginal profit effect Results of effective hydroelectric power generation, improved power generation efficiency, reduced idle operation loss, improved productivity, improved air conditioning, improved steam energy, and thorough maintenance and control	2,526	1,188	−53%
	2. Economic effects of resource recycling (1) Reduced waste • Effects of reduced liquid waste treatment costs, improved yield rates, and reduced waste as a result of loss improvement (2) Recycling of waste • Effects of effective use of waste • Effects of disposal by sale of substrates containing precious metals, liquid waste containing precious metals, sludge containing copper and waste plastics	1,711	1,308	−24%
	Total	4,237	2,496	−41%




Note 2: These figures are not including estimated measure (assumed effect).


#### 6. Fluctuations in Environmental Protection Costs and Economic Results







## The IBIDEN Group's Material Balance (Input and Output)

The IBIDEN Group procures a variety of raw materials and is engaged in manufacturing activities using many of the Earth's resources, including water and energy. To provide earth-friendly products to our customers, we seek to grasp the environmental burden caused by our business activities on a global basis. We will continue to provide high-value-added products while setting medium- and long-term targets and reducing our environmental burden.

Energy use			
Category		IBIDEN *1	Group *2
	electricity Purchased electricity (MWh)*3	358,109	1,088,554
	Renewable energy	18,352	18,352
	Natural gas (1,000m³)	31,276	48,125
	LPG (t)	1,608	1,885
	Kerosene (1,000 ℓ)	145	145
	Diesel Oil (1,000 ℓ)	127	2,004
	Heavy oil (1,000 ℓ)	0	1,806

Water resources		
Category	IBIDEN	Group *4
 Groundwater (1,000m³)	5,151	6,692
Water works (1,000m³)	17	4,559

Raw Materials		
Category	IBIDEN	Group *2
 Metals (t)	1,194	5,625
Plastics and resins (t)	5,075	10,115
 Glass (t)	2	64
 Ceramic material, etc. (t)	13,981	49,913
Wood (t)	105	180
Paper (t)	8,510	8,858
 Agricultural product (t)	0	3,774
Chemicals (t)	79,713	145,698

\*1 IBIDEN: IBIDEN Domestic 7 Plants

\*2 Group: IBIDEN Domestic Plants and, five Japanese Group companies and ten overseas Group companies

\*3 Electric power: Privately generated electricity by the Group's thermal power other than above (78,000 Mwh)

\*4 Groundwater of the Group includes 40,000 m³ of rivers  
Water works include 823,000 m³ of recycled water at industrial parks.


INPUT





IBIDEN Group



OUTPUT

Atmosphere			
Category		IBIDEN *1	Group *2
CO <sub>2</sub> (1,000 t)	 Scope 1 *4	76	127
	Scope 2 *4	177	633
	Scope 3 *4, 5	97	117
NO <sub>x</sub> emissions (1,000 t)		0.06	0.11
SO <sub>x</sub> emissions (1,000 t)		0.00	0.004

Water system			
	Category	IBIDEN *1	Group *2
	Discharge to public sewer (1,000m³)	518	2,890
	Discharge to river (1,000m³)	3,098	5,342
	COD contamination (t)	10	51
	Nitrogen contamination (t)	7	7
	Phosphorous contamination (t)	0.2	0.2
Industrial wastewater (1,000 t)		15	34

Waste		
Category	IBIDEN	Group *2
 Material recycling (t)	12,788	36,064
Thermal recycling (t)	854	4,132
Reuse (t)	709	2,562
Amount of landfill waste after intermediate treatment (t) *6	1,602	6,946
Landfilled industrial waste (t)	0	1,765
Total generated waste (t)	15,953	51,468

\*1 IBIDEN: IBIDEN Domestic 7 Plants

\*2 Group: IBIDEN Domestic Plants and, five Japanese Group companies and ten overseas Group companies

\*3 This does not mean amount of final landfill disposal. Amount of waste which is finally disposed in a landfill (amount before volume reduction by incineration and such.)

\*4 About scope 1, 2, and 3

Scope 1	CO <sub>2</sub> emissions with direct greenhouse gas effects	Emissions from fuel used at plants and emissions of greenhouse gases other than CO <sub>2</sub>
Scope 2	Indirect CO <sub>2</sub> emissions	Emissions from the generation of purchased electricity
Scope 3	Other indirect emissions	CO <sub>2</sub> emissions along the supply chain that are not included in scope 1 and 2

\*5 Scope 3 Emissions by category

Category		Amount of emission (t - CO <sub>2</sub> )	Source of emissions
3	Fuel and energy-related activities not included in Scope 1 and 2.	51,350	Emissions from procurement of fuel and energy used by the IBIDEN Group
4	Transportation/shipping (upstream)	45,500	Emissions from transportation work undertaken by IBIDEN Group companies engaged in logistics operations based on contract from IBIDEN Co., Ltd.
5	Waste from plants	14,900	Emissions from treatment of waste discharged from plants of IBIDEN Co., Ltd.
6	Business trip	1,900	Emissions from employees of IBIDEN Co., Ltd. who were on business trips in Japan by passenger train using coupons and emissions from employees of IBIDEN Co., Ltd. who took business trips overseas by air on flight routes that have a large total number of passengers transported.
7	Commuting	3,100	Emissions from commuting of employees of IBIDEN Group companies

## Environmental Data for Individual Plants and Group Companies - Compliance Management

### Ogaki Plant

#### < No.1 Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	6.0~8.3	7.4	8.1

#### < No.2 Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	6.0~8.3	7.3	7.9
BOD	mg/L	160	15	5	3.4	8.2
COD	mg/L	160	Regulation of total emission	Regulation of total emission	3.5	6.8
SS	mg/L	200	30	30	5.5	13
Copper	mg/L	3	2	1	0.3	1.0
Lead	mg/L	0.1	0.1	0.03	0.01	0.02
Total chromium	mg/L	2	1	1	<0.02	<0.02
Hexavalent chromium	mg/L	0.5	0.25	0.25	<0.02	<0.02
Cyanide	mg/L	1	0.1	0.1	<0.01	<0.01
n-H mineral oils	mg/L	5	5	5	<1	<1
Nitrogen	mg/L	120	60	60	2.0	3.1
Phosphorus	mg/L	16	8	8	0.1	0.1
Boron and boron compounds	mg/L	10	10	10	0.1	0.2
Ammonia and ammonium compounds, nitrite and nitrate compounds	mg/L	100	100	100	1.1	1.4

#### < Air Measurement >

Item	Equipment	Unit	National standard	City standard	Voluntary standard	Average	Maximum
Soot	Boiler No.15	g/m <sup>3</sup> N	0.3	0.27	0.27	0.003	0.003
	Boiler No.16	g/m <sup>3</sup> N	0.3	0.27	0.27	0.002	0.002
	Boiler No.17	g/m <sup>3</sup> N	0.3	0.27	0.27	0.002	0.002
	Boiler No.18	g/m <sup>3</sup> N	0.3	0.27	0.27	0.002	0.002
	Boiler No.19	g/m <sup>3</sup> N	0.3	0.27	0.27	0.001	0.001
	Boiler No.21	g/m <sup>3</sup> N	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.22	g/m <sup>3</sup> N	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.23	g/m <sup>3</sup> N	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.24	g/m <sup>3</sup> N	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.25	g/m <sup>3</sup> N	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.26	g/m <sup>3</sup> N	0.1	0.09	0.09	<0.001	<0.001
	Gas Turbine No.1	g/m <sup>3</sup> N	0.05	0.05	0.05	<0.01	<0.01
	Gas Turbine No.2	g/m <sup>3</sup> N	0.05	0.05	0.05	<0.01	<0.01
NOx	Boiler No.15	ppm	260	260	260	85	85
	Boiler No.16	ppm	260	260	260	87	87
	Boiler No.17	ppm	260	260	260	87	87
	Boiler No.18	ppm	260	260	260	82	82
	Boiler No.19	ppm	260	260	260	94	94
	Boiler No.21	ppm	150	150	150	46	46
	Boiler No.22	ppm	150	150	150	48	48
	Boiler No.23	ppm	150	150	150	44	44
	Boiler No.24	ppm	150	150	150	45	45
	Boiler No.25	ppm	150	150	150	47	47
	Boiler No.26	ppm	150	150	150	41	41

#### < Noise Measurement >

Place	Unit	National standard	City standard	Voluntary standard	Average	Maximum
North (morning·evening)	dB	65	65	65	52	55
East (morning·evening)	dB	65	65	65	47	52
South (morning·evening)	dB	65	65	65	49	60
West (morning·evening)	dB	65	65	65	53	55
North (night)	dB	60	60	60	51	55
East (night)	dB	60	60	60	45	49
South (night)	dB	60	60	60	46	49
West (night)	dB	60	60	60	52	56

### Aoyanagi Plant

#### < No.5 Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	6.0~8.3	6.9	7.3
BOD	mg/L	160	15	5	6.5	10
COD	mg/L	160	Regulation of total emission	Regulation of total emission	2.7	6.5
SS	mg/L	200	30	30	11	22
Copper	mg/L	3	2	1	0.45	0.95
Lead	mg/L	0.1	0.1	0.03	<0.01	<0.01
Fluorine	mg/L	8	8	5	<0.1	0.1
Cyanide	mg/L	1	0.1	0.1	<0.01	<0.01
Ni	mg/L	—	—	—	<0.01	<0.01
n-H mineral oils	mg/L	5	5	5	<1	<1
Nitrogen	mg/L	120	60	60	1.9	2.5
Phosphorus	mg/L	16	8	8	0.1	0.3
Boron and boron compounds	mg/L	10	10	10	0.1	0.1
Ammonia and ammonium compounds, nitrite and nitrate compounds	mg/L	100	100	100	1.4	1.9
Selenium and its compounds	mg / L	0.1	0.1	—	<0.01	<0.01

#### < No.6 Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	6.0~8.3	7.7	7.9
BOD	mg/L	160	15	10	0.5	1.2
COD	mg/L	160	Regulation of total emission	Regulation of total emission	0.7	2.2
SS	mg/L	200	30	30	1.2	3
Cyanide	mg/L	1	0.1	0.1	<0.01	<0.01
Phenol	mg/L	5	0.4	0.4	<0.1	<0.1
n-H mineral oils	mg/L	5	5	5	<1	<1
Nitrogen	mg/L	120	60	60	1.0	1.4
Phosphorus	mg/L	16	8	8	0.1	0.1

#### < Air Measurement >

Item	Equipment	Unit	National standard	City standard	Voluntary standard	Average	Maximum
Soot	Boiler No.2	g/m <sup>3</sup> N	0.1	0.09	0.09	<0.001	<0.001
	Gas Turbine No.1	g/m <sup>3</sup> N	0.05	0.05	0.05	<0.001	<0.001
	Gas Turbine No.2	g/m <sup>3</sup> N	0.05	0.05	0.05	<0.001	<0.001
NOx	Boiler No.2	ppm	150	150	150	95	100
	Gas Turbine No.1	ppm	70	70	70	17	20
	Gas Turbine No.2	ppm	70	70	70	16	22

#### < Noise Measurement >

Place	Unit	National standard	City standard	Voluntary standard	Average	Maximum
East (morning·evening)	dB	65	65	65	52	57
West (morning·evening)	dB	65	65	65	52	54
South (morning·evening)	dB	65	65	65	49	55
North (morning·evening)	dB	65	65	65	48	60
East (night)	dB	60	60	60	50	53
West (night)	dB	60	60	60	50	52
South (night)	dB	60	60	60	46	51
North (night)	dB	60	60	60	44	47

## Gama Plant

### < No.1 Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	5.8~8.6	7.2	7.4
BOD	mg/L	160	15	15	2.2	5.3
COD	mg/L	160	Regulation of total emission	Regulation of total emission	2.6	5.2
SS	mg/L	200	30	30	2.1	13
Copper	mg/L	3	2	2	0.05	0.15
Lead	mg/L	0.1	0.1	0.1	<0.01	<0.01
Fluorine	mg/L	8	8	8	0.1	0.2
Cyanide	mg/L	1	0.1	0.1	<0.01	<0.01
n-H mineral oils	mg/L	5	5	5	<1	<1
Nitrogen	mg/L	120	60	60	2.7	3.9
Phosphorus	mg/L	16	8	8	0.05	0.08
Boron and boron compounds	mg/L	10	10	10	<0.1	<0.1
Ammonia and ammonium compounds, nitrite and nitrate compounds	mg/L	100	100	100	1.9	2.9
Selenium and its compounds	mg/L	0.1	0.1	—	<0.01	<0.01

### < No.2 Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	5.8~8.6	7.7	7.9
BOD	mg/L	160	15	15	0.7	3.4
COD	mg/L	160	Regulation of total emission	Regulation of total emission	1.3	4.1
SS	mg/L	200	30	30	1.1	2
n-H mineral oils	mg/L	5	5	5	<1	<1
Nitrogen	mg/L	120	60	60	1.1	1.4
Phosphorus	mg/L	16	8	8	<0.05	<0.05

### < Air Measurement >

Item	Equipment	Unit	National standard	City standard	Voluntary standard	Average	Maximum
Soot	Boiler No.13 Gas	g/miN	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.14 Gas	g/miN	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.15 Gas	g/miN	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.16 Gas	g/miN	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.17 Gas	g/miN	0.1	0.09	0.09	<0.001	<0.001
	Boiler No.18 Gas	g/miN	0.1	0.09	0.09	<0.001	<0.001
NOx	Boiler No.13 Gas	ppm	150	150	150	25	25
	Boiler No.14 Gas	ppm	150	150	150	31	31
	Boiler No.15 Gas	ppm	150	150	150	36	36
	Boiler No.16 Gas	ppm	150	150	150	30	30
	Boiler No.17 Gas	ppm	150	150	150	38	38
	Boiler No.18 Gas	ppm	150	150	150	41	41

### < Noise Measurement >

Place	Unit	National standard	City standard	Voluntary standard	Average	Maximum
East (morning·evening)	dB	65	65	65	48	61
South (morning·evening)	dB	65	65	65	49	52
West (morning·evening)	dB	65	65	65	56	59
East (night)	dB	60	60	60	45	53
South (night)	dB	60	60	60	48	51
West (night)	dB	60	60	60	55	58

## Ogaki Central Plant

### < Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	6.0~8.3	6.7	7.1
BOD	mg/L	160	15	5	6.3	13
COD	mg/L	160	Regulation of total emission	Regulation of total emission	4.5	8.8
SS	mg/L	200	30	30	3.8	11
Copper	mg/L	3	2	1	0.3	0.8
Lead	mg/L	0.1	0.1	0.03	<0.01	<0.01
Cyanide	mg/L	1	0.1	0.1	<0.01	<0.01
n-H mineral oils	mg/L	5	5	5	<1	<1
Nitrogen	mg/L	120	60	60	4.0	7.9
Phosphorus	mg/L	16	8	8	<0.05	0.05
Boron and boron compounds	mg/L	10	10	10	0.1	0.2
Ammonia and ammonium compounds, nitrite and nitrate compounds	mg/L	100	100	100	2.3	3.7

### < Air Measurement >

Item	Equipment	Unit	National standard	City standard	Voluntary standard	Average	Maximum
Soot	B-1-1 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-2 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-3 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-4 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-5 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-6 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-7 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-8 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-9 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
	B-1-10 Boiler	g/miN	0.1	0.09	0.09	<0.001	<0.001
NOx	B-1-1 Boiler	ppm	150	150	150	35	35
	B-1-2 Boiler	ppm	150	150	150	35	35
	B-1-3 Boiler	ppm	150	150	150	39	39
	B-1-4 Boiler	ppm	150	150	150	35	35
	B-1-5 Boiler	ppm	150	150	150	37	37
	B-1-6 Boiler	ppm	150	150	150	37	37
	B-1-7 Boiler	ppm	150	150	150	39	39
	B-1-8 Boiler	ppm	150	150	150	35	35
	B-1-9 Boiler	ppm	150	150	150	35	35
	B-1-10 Boiler	ppm	150	150	150	33	33

### < Noise Measurement >

Place	Unit	National standard	City standard	Voluntary standard	Average	Maximum
West (morning·evening)	dB	50	50	50	39	43
North (morning·evening)	dB	50	50	50	43	47
East No.1 (morning·evening)	dB	50	50	50	44	47
East No.2 (morning·evening)	dB	60	60	60	42	46
South (morning·evening)	dB	60	60	60	40	48
West (night)	dB	45	45	45	37	42
North (night)	dB	45	45	45	42	45
East No.1 (night)	dB	45	45	45	42	44
East No.2 (night)	dB	50	50	50	40	43
South (night)	dB	50	50	50	38	42

## Ogaki-Kita Plant

### < Total Wastewater Measurement >

Item	Unit	National standard	Town standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	6.0~8.3	7.5	7.8
BOD	mg/L	160	30	20	3.3	11
COD	mg/L	160	Regulation of total emission	Regulation of total emission	9.5	25
SS	mg/L	200	30	25	3.8	13
Copper	mg/L	3	2	1	0.01	0.02
Fluorine	mg/L	8	8	8	<0.1	<0.1
Phenol	mg/L	5	0.4	0.4	<0.1	<0.1
n-H mineral oils	mg/L	5	5	4	<1	<1
Nitrogen	mg/L	120	60	50	16	36
Phosphorus	mg/L	16	8	7	2.0	7.0
Boron and boron compounds	mg/L	10	10	10	0.1	0.3
Ammonia and ammonium compounds, nitrite and nitrate compounds	mg/L	100	100	100	11	26

### < Air Measurement >

Item	Equipment	Unit	National standard	Town standard	Voluntary standard	Average	Maximum
Hydrogen sulfide	Vacuum incinerator	ppm	0.02	0.02	0.02	<0.0005	<0.0005

### < Noise Measurement >

Place	Unit	National standard	Town standard	Voluntary standard	Average	Maximum
North (morning·evening)	dB	60	60	60	45	57
East (morning·evening)	dB	60	60	60	45	52
South (morning·evening)	dB	60	60	60	45	51
Western angle of Building D (morning·evening)	dB	60	60	60	45	58
West (morning·evening)	dB	60	60	60	47	55
Graveyard (morning·evening)	dB	50	50	50	45	53 <sup>*1</sup>
Graveyard West (morning·evening)	dB	50	50	50	44	56 <sup>*1</sup>
North (night)	dB	50	50	50	44	57 <sup>*1</sup>
East (night)	dB	50	50	50	44	48
South (night)	dB	50	50	50	44	48
Western angle of Building D (morning·evening)	dB	50	50	50	44	56 <sup>*1</sup>
West (night)	dB	50	50	50	47	50
Graveyard (night)	dB	45	45	45	43	52 <sup>*1</sup>
Graveyard West (night)	dB	45	45	45	43	54 <sup>*1</sup>

\*1 The data excess by the sound of insects.

## Godo Plant

### < Wastewater Measurement - West >

Item	Unit	National standard	Town standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	5.8~8.6	7.5	8.0

### < Wastewater Measurement - East >

Item	Unit	National standard	Town standard	Voluntary standard	Average	Maximum
pH		5.8~8.6	5.8~8.6	5.8~8.6	7.7	8.0

### < Noise Measurement >

Place	Unit	National standard	Town standard	Voluntary standard	Average	Maximum
East (morning·evening)	dB	65	65	65	43	50
West (morning·evening)	dB	65	65	65	45	48
South (morning·evening)	dB	65	65	65	45	54
North (morning·evening)	dB	65	65	65	44	58
East (night)	dB	60	60	60	44	51
West (night)	dB	60	60	60	45	49
South (night)	dB	60	60	60	44	53
North (night)	dB	60	60	60	42	49

## Kinuura Plant

### < Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8~8.6		6.0~8.4	7.5	7.6
BOD	mg/L	160		20	9	15
COD	mg/L	160		30	10	14
SS	mg/L	200		20	7	19
Copper	mg/L	3		0.2	0.01	0.01
Total chromium	mg/L	8		3.0	0.1	0.1
Fluorine	mg/L	5		0.2	0.1	0.1
Phenol	mg/L	5		1	1	1
n-H mineral oils	mg/L	120		30	24	24
Nitrogen	mg/L	16		3	0.54	0.54
Phosphorus	mg/L	10		3	0.01	0.01
Soluble manganese	mg/L	2		1	0.01	0.01
Zinc	mg/L	10		3	0.14	0.14
Solubility iron	mg/L	2		1	0.02	0.02
Coliform bacilli	piece/cm <sup>3</sup>	3,000		1,000	510	510
Boron and boron compounds	mg/L	10		3	0.1	0.1
Ammonia and ammonium compounds, nitrite and nitrate compounds	mg/L	100		50	14	14

### < Air Measurement >

Item	Equipment	Unit	National standard	City standard	Voluntary standard	Average	Maximum
Soot	Once-through boiler No.1	g/m <sup>3</sup> N	0.3		0.3	0.002	0.003
	Once-through boiler No.3	g/m <sup>3</sup> N	0.3		0.3	0.002	0.003
	Once-through boiler No.4 Gas	g/m <sup>3</sup> N	0.1		0.1	0.001	0.001
	Once-through boiler No.5 Gas	g/m <sup>3</sup> N	0.1		0.1	0.001	0.001
NOx	Once-through boiler No.1	ppm	260		100	68	74
	Once-through boiler No.3	ppm	260		100	62	73
	Once-through boiler No.4 Gas	ppm	150		100	15	15
	Once-through boiler No.5 Gas	ppm	150		100	13	13
SOx	Once-through boiler No.1	m <sup>3</sup> N/h	0.13		0.13	0.01	0.03
	Once-through boiler No.3	m <sup>3</sup> N/h	0.13		0.13	0.01	0.02

### < Noise Measurement >

Place	Unit	National standard	City standard	Voluntary standard	Average	Maximum
East (morning·evening)	dB	65		65	58	60

## IBIDEN Engineering Co., Ltd

### < Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.0~9.0	5.0~9.0	5.0~9.0	7.1	7.4
BOD	mg/L	600	600	600	8.6	16
COD	mg/L	—	—	—	3.4	5.2
SS	mg/L	600	600	600	5.8	11
Copper	mg/L	3	3	3	0.03	0.07
Lead	mg/L	0.1	0.1	0.1	<0.01	<0.01
Chromium	mg/L	2	2	2	<0.02	<0.02
Hexavalent chromium	mg/L	0.5	0.5	0.5	<0.02	<0.02
Fluorine	mg/L	8	8	8	0.13	0.15
Cyanide	mg/L	1	1	1	<0.01	<0.01
1·1·1 Trichloroethane	mg/L	3	3	3	<0.0005	<0.0005
1·1·2 Trichloroethane	mg/L	0.06	0.06	0.06	<0.0006	<0.0006
1·3 Dichloropropanes	mg/L	0.02	0.02	0.02	<0.0002	<0.0002
1·2 Dichloroethane	mg/L	0.04	0.04	0.04	<0.0004	<0.0004
1·1 Dichloroethylene	mg/L	1	1	1	<0.002	<0.002
Cis-1·2 Dichloroethylene	mg/L	0.4	0.4	0.4	<0.004	<0.004
Trichloroethylene	mg/L	0.3	0.3	0.3	<0.002	<0.002
Tetrachloroethylene	mg/L	0.1	0.1	0.1	<0.0005	<0.0005
Dichloromethane	mg/L	0.2	0.2	0.2	<0.002	<0.002
Carbon tetrachloride	mg/L	0.02	0.02	0.02	0.0006	0.0009
Cadmium	mg/L	0.1	0.1	0.1	<0.01	<0.01
Phenol	mg/L	5	5	5	<0.10	<0.10
n-H mineral oils	mg/L	5	5	5	<1	<1
Arsenic	mg/L	0.1	0.1	0.1	<0.01	<0.01
Alkyl mercury	mg/L	ND	ND	ND	ND	ND
Organic phosphorus	mg/L	1	1	1	<0.01	<0.01
Polyhalogenated biphenyl	mg/L	0.003	0.003	0.003	<0.0005	<0.0005
Zinc	mg/L	2	2	2	0.04	0.08
Manganese	mg/L	10	10	10	0.09	0.23
Benzene	mg/L	0.1	0.1	0.1	<0.001	<0.001
Boron and boron compounds	mg/L	10	10	10	<0.10	<0.10
1,4-dioxane	mg/L	0.5	0.5	0.5	<0.05	<0.05



## IBIDEN Bussan Co., Ltd

### < Wastewater Measurement >

Item	Unit	National standard	City standard	Voluntary standard	Average	Maximum
pH		5.8 ~ 8.6	5.8 ~ 8.6	6.1 ~ 8.3	7.4	7.6
BOD	mg/L	160	100	80	4.7	12
COD	mg/L	160	160	128	8.5	18
SS	mg/L	200	90	72	6.1	16
n-H mineral oils	mg/L	10	10	8	<1	<1
Nitrogen	mg/L	120	120	96	2.0	8.7
Phosphorus	mg/L	16	16	12.8	0.1	0.1

### < Air Measurement >

Item	Equipment	Unit	National standard	City standard	Voluntary standard	Average	Maximum
Soot	Boiler No.1	g/m <sup>3</sup> N	0.3	0.3	0.24	0.007	0.010
NOx	Boiler No.1	ppm	180	180	114	56	64

## IBIDEN Electronics (Beijing) Co., Ltd.

### < Wastewater Measurement >

Item	Unit	City standard	Voluntary standard	Average	Maximum
pH		6.5 ~ 9	6.8 ~ 8.4	7.1	7.4
BOD	mg/L	300	150	22	25
COD	mg/L	500	250	67	72
SS	mg/L	400	200	8	9
Copper	mg/L	1	0.5	0.15	0.25
Cyanide	mg/L	0.5	0.25	0.002	0.002
Ni	mg/L	0.4	0.2	0.06	0.18
n-H mineral oils	mg/L	10	5	0.14	0.18
animal oil and vegetable oil	mg/L	100	25	0.7	2.4

### < Air Measurement >

Item	Unit	City standard	Voluntary standard	Average	Maximum
H <sub>2</sub> SO <sub>4</sub>	mg/m <sup>3</sup>	5	4.5	0.49	3.75
HCl	mg/m <sup>3</sup>	30	25	0.55	3.84
HCN	mg/m <sup>3</sup>	0.5	0.45	0.03	0.08
Ammonia	mg/m <sup>3</sup>	30	25	0.64	1.15
Hydrogen sulfide	mg/m <sup>3</sup>	5	4.5	0.08	0.12
Soot	mg/m <sup>3</sup>	30	25	4.72	7.10
Toluene	mg/m <sup>3</sup>	12	10	0.08	0.20
NMHC	mg/m <sup>3</sup>	20	18	4.85	6.12

### < Noise Measurement >

Time	Unit	City standard	Voluntary standard	Average	Maximum
Daytime	dB (A)	65	64.5	56.8	59.0
Nighttime	dB (A)	55	54.5	46.6	49.2

## IBIDEN Electronics Malaysia Sdn. Bhd.

### < Wastewater Measurement >

Item	Unit	National standard	Voluntary standard	Average	Maximum
pH		5.5 - 9.0	6.2-8.3	6.7	7.3
BOD	mg/L	50	50	6	10
COD	mg/L	200	100	41	87
Total Suspended Solids, TSS	mg/L	100	100	41	97
Copper	mg/L	1	0.5	0.12	0.43
Lead	mg/L	0.5	0.5	ND(<0.05)	ND(<0.05)
Chromium (Hexavalent)	mg/L	0.05	0.05	0.01	0.01
Cyanide	mg/L	0.1	0.1	0.01	0.01
Nickel	mg/L	1	1	0.02	0.04
Color	ADMI	200	200	18	34
Oil & Grease	mg/L	10	10	5.0	5.0
Iron (Dissolved)	mg/L	5	5	0.97	2.67
Manganese (Dissolved)	mg/L	1	1	0.13	0.21
Formaldehyde	mg/L	2	2	0.03	0.04

### < Noise Measurement >

Time	Unit	National standard	Voluntary standard	Average	Maximum
Daytime (7 am - 10 pm)	dB	70	70	59	
Nighttime (10 pm - 7 am)	dB	60	60	56	

## IBIDEN Jushi Co., Ltd

### < Air Measurement >

Item	Equipment	Unit	National standard	City standard	Voluntary standard	Average	Maximum
Soot	Boiler No.1	g/m <sup>3</sup> N	0.3	0.3	0.24	0.004	0.004
	Boiler No.3		0.3	0.3	0.24	0.009	0.012
NOx	Gas Turbine	ppm	70	70	60	42	43
	Boiler No.1		180	180	144	34	34
	Boiler No.3		180	180	144	51	59
SOx	Boiler No.1	miN/h	7.07	7.07	5.65	0.09	0.09
	Boiler No.3		3.68	3.68	2.95	0.06	0.07

## IBIDEN Philippines, Inc.

### < Wastewater Measurement >

Item	Unit	Industrial park standard	Voluntary standard	Average	Maximum
pH		6.5-9.0	6.7-8.8	7.7	8.4
BOD	mg/L	500	400	58	274
COD	mg/L	800	700	300	678
Total Suspended Solids, TSS	mg/L	350	280	8	27
SS	mg/L	0.5	0.4	0.27	0.50
Copper	mg/L	1	0.8	0.12	0.41
Lead	mg/L	0.3	0.24	0.06	0.13
Chromium (Hexavalent)	mg/L	0.1	0.08	0.01	0.04
Cyanide	mg/L	0.2	0.16	0.04	0.07
Nickel	mg/L	0.5	0.4	0.08	0.15
Color	mg/L	150	120	37	146
Oil & Grease	mg/L	5	4	2.8	5.0
Iron (Dissolved)	mg/L	10	8	0.3	0.7
Manganese (Dissolved)	mg/L	1	0.8	0.05	0.16
Formaldehyde	mg/L	1	0.8	0.15	0.43

### < Air Measurement >

Item	Unit	National standard	Voluntary standard	Average	Maximum
NOx	mg/m <sup>3</sup>	2,000	1,600	48	59
SOx	mg/m <sup>3</sup>	1,500	1,200	10	11
Particulate Matter (PM)	mg/m <sup>3</sup>	150	120	9	14
Carbon Monoxide (CO)	mg/m <sup>3</sup>	500	400	2	4

### < Noise Measurement >

Time	Unit	National standard	Voluntary standard	Average	Maximum
Morning (5am - 9am)	dB	65	56	53	54
Daytime (9am - 6 pm)	dB	70	57	53	55
Evening (6 pm - 10 pm)	dB	65	55	53	54
Nighttime (10 pm - 5 am)	dB	60	56	52	53

## IBIDEN Graphite Korea Co., Ltd.

### < Air Measurement >

Item	Unit	National regulations	Voluntary standard	Average	Maximum
NOx	ppm	200	200	4	7
SOx	ppm	400	400	13	294
PM	mg /m <sup>3</sup>	100	100	1	13

## IBIDEN Hungary Kft.

### < Wastewater Measurement >

Item	Unit	National standard	Industrial park standard	Voluntary standard	Average	Maximum
pH		6.5-10.0	6.5-10.0	6.5-10.0	8.7	9.0
Electrical conductivity	μs/cm	2,500	2,500	2,500	1,689	1,908
Volume of sediment	ml/L	-	-	-	<5	<5
Available chlorine	mg/L	30	30	30	<0.2	<0.2
Chemical Oxygen Demand	mg/L	1,000	1,000	1,000	285	700
Biochemical Oxygen Demand	mg/L	500	500	500	160	394
Total inorganic nitrogen	mg/L	120	120	120	38	78
Total nitrogen	mg/L	150	150	150	45	95
Ammonium	mg/L	100	100	100	40	78
Total phosphorus	mg/L	20	20	20	6.2	9.1
Sulphate	mg/L	400	400	400	50	70
Organic solvent extract (grav.)	mg/L	50	50	50	8	17
Phenols	mg/L	10	10	10	0.06	0.11
Fe	mg/L	20	20	20	0.9	1.7
Mn	mg/L	5	5	5	0.06	0.11
Sulphide	mg/L	1	1	1	0.35	0.57
Total dissolved solid	mg/L	2,500	2,500	2,500	1,070	1,112
Total solids	mg/L	2,500	2,500	2,500	772	802
Fluoride	mg/L	50	50	50	0.3	0.4
Total hydrocarbons (TPH, C5-C40)	μg/L	-	-	-	1	2
Tars	mg/L	5	5	5	<2	<2

### < Noise Measurement >

Time	Unit	National standard	Industrial park standard	Voluntary standard	Average	Maximum
Nighttime (22 pm - 6 am)	dB	40	40	40	35	39

## IBIDEN Porzellanfabrik Frauenthal GmbH

### < Wastewater Measurement >

Item	Unit	National standard	Voluntary standard	Average	Maximum
pH		6.5 - 8.5	6.5 - 8.5	8.1	8.2
Temperature	°C	30	30	18.0	26.0
Chemical Oxygen Demand	mg/L	80	80	67	78
Total Suspended Solids, TSS	mg/L	70	70	3	5
Iron (Dissolved)	mg/L	2	2	0.61	0.74
Aluminium	mg/L	2	2	0.31	0.48
Ammonium	mg/L	10	10	2.30	3.20
Fluoride	mg/L	20	20	1.10	1.20

### < Air Measurement > \*1

Item	Unit	National standard	Voluntary standard	Average	Maximum
Nitrogen O xides (NOx)	mg/Nm³	350	120	27	49
Sulfur Dioxide (SOx)	mg/Nm³	350	50	0.0	0.0
Particulate Matter (PM)	mg/Nm³	20	20	0.2	0.2
Carbon Monoxide (CO)	mg/Nm³	100	100	4.7	8.0
Ammonia	mg/Nm³	30	10	0.4	0.6

\*1 Measurements are conducted every three years.

### < Noise Measurement >

Time	Unit	National standard	Voluntary standard	Average	Maximum
Daytime (6am - 10 pm)	dB		55	51	54
Nighttime (10 pm - 6 am)	dB		45	49	53 <sup>2</sup>

\*2 Countermeasures have been completed.

## IBIDEN DPF FRANCE S.A.S.

### < Air Measurement >

Item	Unit	National standard	Voluntary standard	Average	Maximum
Nitrogen Oxides (NOx)	Sintering L2 (curing oven)	mg / m3	100	100	<0.6
	Sintering L3 (curing oven)	mg / m3	100	100	7.40
	Sintering L4 (curing oven)	mg / m3	100	100	7
COV NM	Sintering L2 (curing oven)	mg / m3	20	20	11.70
	Sintering L3 (curing oven)	mg / m3	20	20	0.50
	Sintering L4 (curing oven)	mg / m3	20	20	0.90
Formaldehyde	Sintering L2 (curing oven)	mg / m3	5	5	<0.01
	Sintering L3 (curing oven)	mg / m3	5	5	<0.01
	Sintering L4 (curing oven)	mg / m3	5	5	<0.01
Acetaldehyde	Sintering L3 (curing oven)	mg / m3	5	5	0.0
	Sintering L4 (curing oven)	mg / m3	5	5	<0.01
	Sintering L4 (curing oven)	mg / m3	5	5	<0.01
Methanol CH3OH	Sintering L3 (curing oven)	mg / m3	10	10	<0.7
	Sintering L4 (curing oven)	mg / m3	10	10	<0.71
	Sintering L4 (curing oven)	mg / m3	10	10	<1.02
Methylethylketone	Sintering L3 (curing oven)	mg / m3	10	10	<0.31
	Sintering L4 (curing oven)	mg / m3	10	10	<0.33
	Sintering L4 (curing oven)	mg / m3	10	10	<0.44

### < Noise Measurement >

Time	Unit	National standard	Voluntary standard	Average	Maximum
Day time (9am - 5 pm)	Point 1	dB(A)	50	50	46.5
Day time (9am - 5 pm)	Point 2	dB(A)	52	51.5	50.5
Day time (9am - 5 pm)	Point 3	dB(A)	52	51.5	51.5
Night time (5 pm - 9 am)	Point 1	dB(A)	42	41.5	41.5
Night time (5 pm - 9 am)	Point 2	dB(A)	46	46	48 <sup>1</sup>
Night time (5 pm - 9 am)	Point 3	dB(A)	49	49	49.0

\*1 Repair work will be carried out in fiscal year 2016.

## IBIDEN Mexico, S.A. de C.V.

### < Wastewater Analysis >

Item	Unit	Industrial park standard	Voluntary standard	Average	Maximum
pH	-	6-8 (最大で8.6)	6-8	7.9	8.5
Temperature	°C	10 - 35	10 - 35	21.8	25.7
Biochemical Oxygen Demand,	mg/L	300	300	123	225
Chemical Oxygen Demand	mg/L	600	600	350	436
Total Suspended Solids	mg/L	300	100	14	15
Total Nitrogen, Kjeldahl	mg/L	30	30	5.8	9.1
Total Nitrogen	mg/L	30	30	5.8	9.1
Total phosphorous	mg/L	4	4	2.39	9.78 <sup>1</sup>
Oils and greases (Organic solvent extract)	mg/L	75	75	5.0	5.0
Settleable solids (10 min)	mg/L	5	5	0.10	0.10
Total arsenic	mg/L	0.2	0.2	0.02	0.02
Total cadmium	mg/L	0.2	0.2	0.02	0.02
Total cyanide	mg/L	2	2	0.03	0.03
Total copper	mg/L	4	4	0.02	0.02
Hexavalent chromium	mg/L	1	1	0.06	0.10
Total Mercury	mg/L	0.01	0.01	0.001	0.001
Total Niquel	mg/L	2	2	0.02	0.02
Total Lead	mg/L	0.5	0.5	0.02	0.02
Total Zinc	mg/L	10	10	0.11	0.44
Fecal coliforms	NMP/L	10x10E6 - 10x10E7	10x10E6 - 10x10E7	54	460
Electrical conductivity	mS/cm	1,500	1,500	715	1,150
Total dissolved solids (total salt 600°C)	mg/L	1,000	1,000	481	539
Flotating material	-	ND	ND	ND	ND
Sulfates	mg/L	35	35	19.5	31.9
Active substances to methylene blue	mg/L	0.5	0.5	0.32	0.32
Phenols	mg/L	ND	ND	ND	ND
Total detergents	mg/L	15	15	3.99	5.03
Free chlorine	mg/L	0.1	0.1	0.10	0.10
Amoniacal nitrogen	mg/L	18	18	0.89	2.89

### < Air Measurement >

Item	Unit	Industrial park standard	Voluntary standard	Average	Maximum
CO	ppm	500	500	127	568 <sup>2</sup>
NOx	ppm	375	375	29	129
Hg	ppm	0.025	0.025	0.001	0.001
Dust	mg/m3	1,500	1,500	2	4
CO2 from electric consumption	ton	25,000		1,022	12,267

### < Noise Measurement >

Place	Unit	Industrial park standard	Voluntary standard	Average	Maximum
North(Morning)	dB	68	68	51	51
South(Morning)	dB	68	68	57	57
East(Morning)	dB	68	68	58	60
West(Morning)	dB	68	68	54	54
East(Night)	dB	65	65	57	63

\*1 Countermeasures have been completed.

\*2 The Mexican regulations stipulate that the largest value is not to exceed a total of 36 days of management. The Company is within this limit.

# Social Contribution

We are pressing ahead with a global field of view to implement activities to contribute to the regions where we are deploying centers of business operations

## Philosophy for social contribution and promotional structure

### Basic Policy

We aim to contribute to local communities by taking advantage of our unique corporate characteristics, including our capacity to improve living environments and to offer opportunities for personal development. We take part in and support groups involved in activities of this nature. We also undertake our own community projects across the globe, tailoring them to local cultures and customs, and earning the trust of the international community.

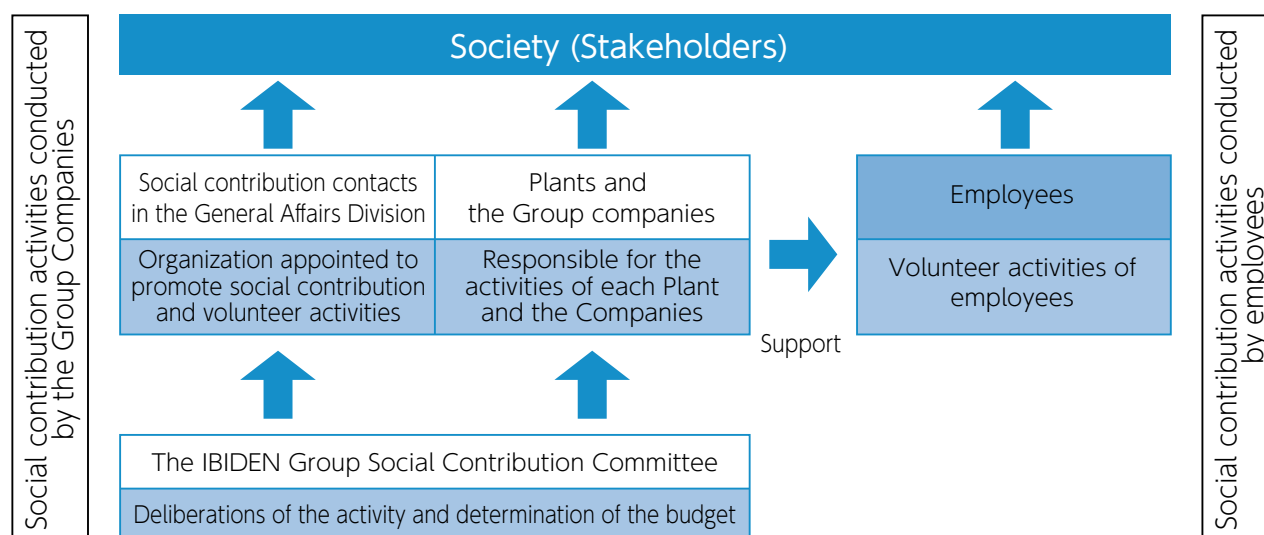
Focusing on our priority areas, which are “Protecting the global environment,” “Fostering the next generation,” “Contributing to social welfare and local communities,” and “Disaster relief activities,” we promote the social contribution activities of the IBIDEN Group, and at the same time, we encourage our employees to voluntarily participate in non-profit social contribution activities.

### Promotional Structure of Social Contribution Activities

We set up social contribution contacts in the Human Resources/General Affairs Division as a specialized organization in fiscal year 2008 and have been drafting policies and plans and organizing and operating activities. In fiscal year 2011, we established “social contribution rules.” They stipulate which activities are of priority and are to be conducted by the domestic IBIDEN Group, the formation of the Social Contribution Committee to facilitate smooth social contribution efforts, and the establishment of the Social Contribution Fund to support the Company’s social contribution activities and social contribution activity groups in which our employees participate.

The Social Contribution Committee, which consists of representatives of group companies in Japan, approves annual activities for social contribution and operates and manages the Social Contribution Fund. The Committee also examines the details related to the recognition and rewarding of collaborative activities with other groups promoting social contribution, such as NPOs and NGOs, and employees’ volunteer activities.

### Diagram of Social Contribution Promotion System



## Record of Social Contribution Activities

The IBIDEN Group conducted social contribution activities based on the four priority pillars.

Principal activities		Original program		Social contribution system	
Global environmental protection activities	Forest preservation activities Forest preservation activities implemented through the "IBIDEN's Forest"		Community cleanup activities Cleanup activities regularly conducted in communities around workplaces		Social Contribution Fund operation system Social Contribution Fund volunteer recognition program
Activities for fostering the next generation	Product-making experience Hydroelectric power plant visit and product-making experience through the IBIDEN Tour promoting learning from water		Plant tour Inviting local communities to a plant tour in each region		
Activities contributing to social welfare and local communities	In-house blood donation Cooperation through accepting blood donation buses at each plant		Sports event Holding the IBIDEN Cup Soccer Tournament etc.		
Disaster relief activities	Support for disaster victims Fund-raising campaigns				

## Protecting the Global Environment

Grounded in the values of harmony with nature, we are conducting activities that lead to environmental protection globally.

### Forest Building Activities: "IBIDEN's Forest"

In fiscal year 2008, we embarked on a forest building initiative as part of our global environmental protection activities. This activity takes place chiefly in Higashi-Yokoyama, the place where IBIDEN was founded, and where the Company operates its initial hydroelectric power generation business. Over the next 10 years, we will be planting trees, thinning the forests and conducting improvement cutting in the district, with an approximate total area of 40 hectares in the town of Ibigawa. Together with the local public, employees and their family members, we will continue to carry out sustainability activities aimed at maintaining harmony with nature.

In collaboration with the local authorities, its residents, and nonprofit organizations (NPOs), we undertake projects ranging from nature walks to community exchange using the forests and local cultures.

We held planting activities 34 times over a eight-year period until fiscal year 2015, with the participation of a total of 2,900 people (excluding staff members), and planted a total of more than 1,000 trees. We will continue to make efforts to build forests loved by communities while widening the circle of participants.



IBIDEN not only engages in reforestation projects to stop global warming but also provides a place where employees, their families and local residents can experience forest building.



In collaboration with local residents, we have been undertaking projects for a tree-planting ceremony and hands-on classes to experience Satoyama (Japanese countryside life).



#### [IBIDEN Hungary Kft.: Environmental Painting Exhibition]

During fiscal year 2015, IBIDEN Hungary Kft. held the third Environmental Painting Exhibition for children of the local elementary schools and its employees. Under the theme of “the earth we live in,” 40 works were received and exhibited in the company. The employees voted on the exhibition works and presented them with awards.



IBIDEN Hungary Kft.:  
Environmental Painting Exhibition

#### [IBIDEN Philippines, Inc.: Tree-Planting]

Following the previous fiscal year, we invited employees to take part in tree-planting activities, and thus planted 489 trees with 253 employee participants in fiscal year 2015. The costs of planting tree were supported mainly by donations of employees.



IBIDEN Electronics (Beijing) Co., Ltd.: Tree-Planting

#### [IBIDEN Electronics (Beijing) Co., Ltd.: Tree-Planting]

During fiscal year 2015, we held our sixth planting activity on the outskirts of Beijing, and a total of 161 employees planted trees such as 200 willows. We plan to continue such tree-planting activities.

#### [Actions for a cleaner community]

Since 1992, the IBIDEN Group's domestic companies have actively conducted community cleanup and beautification activities in the areas where they operate. In fiscal year 2015, more than 6,500 of our employees took part in the Group's actions. In addition, a number of the Group's alumni and employees serve as volunteer crew for cleanup activities organized by municipal governments (such as the city of Ogaki) and local NPOs.



Clean-River Action



Group alumni's environmental  
beautification action

#### [Participation in the CO<sub>2</sub> Reduction / Light-Down Japan 2015]

We take part in the CO<sub>2</sub> Reduction / Light-Down (i.e. lights-off) Campaign being run by the Ministry of the Environment as a means to stop global warming. During the campaign period, the lights for the rooftop signboard at our Aoyanagi Plant were switched off at certain times.

## Fostering the Next Generation

We are promoting activities for the development of young people to foster the next generation for the future.

#### [IBIDEN Tour – Learning from “Water” ]

Since fiscal year 2010, we have held educational tours to learn the mechanism of power generation and the power of natural energy through a visit to the Higashi-Yokoyama Power Plant, which has been operating since our foundation. In fiscal year 2015, a total of 13 participating school students and their parents, comprising 29 people, enjoyed experiences such as learning about the mechanism of electricity generated by the use of flowing water.



IBIDEN Tour

#### [IBIDEN Electronics (Beijing) Co., Ltd. “School Support Activities” ]

Since fiscal year 2012, we have donated educational equipment to improve the educational environment of the local schools. In fiscal year 2015, 15 employee participants donated stationeries to the local primary school.



## Contributing to Social Welfare and Local Communities

We are contributing to social welfare and local communities to cooperate with local communities as well as to facilitate local development.

### [Company Blood Donation Drives in Japan and Overseas]

The domestic Group companies has registered as a Japan Red Cross Blood Donation Supporter, running blood donation drives to provide a steady supply of donated blood. In fiscal year 2015, we ran a total of 14 events with 807 participants including the two sites organized by the overseas subsidiaries.



Employees donate their blood

### [Participation in the Mikoshi Parade in the Jumangoku Festival in Ogaki]

The IBIDEN Group is a regular participant in the Kigyo Mikoshi (portable shrine) Parade section of the Jumangoku Festival hosted by the city of Ogaki every October.

More than 100 employees have participated in the festival each year. We strongly advocate local revitalization efforts, and support the “festival spirit” together with local residents. Moreover, IBIDEN's scope of involvement expanded in fiscal year 2009, when its employees initiated cleanup activities after the festival around the thoroughfare leading to the main train station.



The Jumangoku Festival



Clean up Campaign

### [Support for the Ibigawa Marathon]

The IBIDEN Group serves as an official sponsor of the Ibigawa Marathon, a sporting event that takes place in the town of Ibigawa-cho each November. To support the event, we make parking spots available at our plant in Ibigawa-cho, and participate in volunteer activities such as providing staff for traffic control and water stations at parking spots.

### [Supporting the IBIDEN Cup Moms' Volleyball Tournament and Presenting the Volleyball Workshop with the IBIDEN Women's Volleyball Team]

The Group's Social Contribution Committee works with the Seinou Regional Moms' Volleyball Association to host annual the IBIDEN Cup Moms' Volleyball Tournament. The Group's Social Contribution Committee works with the Seinou Regional Moms' Volleyball Association to host annual the IBIDEN Cup Moms' Volleyball Tournament. In fiscal year 2015, the tournament was held as a 10th anniversary commemoration, in which 385 members from 32 teams took part.

The Company's women's volleyball team also hosted social events and skills workshops with mothers as well as children from local elementary, middle, and high schools to promote regional community revitalization through volleyball.



Moms' Volleyball Workshop

### [Contribution to human resource development in local communities]

To contribute to the revitalization of local industries, we cooperated with the promotion of technology-based human resource development programs such as environmental protection officer training in the region, by utilizing our abundant experience accumulated thus far. We also attended an environment-related course as an instructor in a local university to encourage the revitalization of human resource development from a number of aspects.

### [IBIDEN Philippines Inc. and IBIDEN Hungary Kft. Donated Personal Computers to Local Communities]

We have been implementing activities to donate unused personal computers to local elementary schools and high schools. In fiscal year 2015, IBIDEN Philippines, Inc. donated 223 desktop computers to seven local entities, while IBIDEN Hungary Kft. made a donation such as desktop computers and cameras for security measures to the local elementary schools.



Donation of PCs by IBIDEN Philippines

## Disaster Relief Activities

We implement disaster relief activities to contribute to the recovery and reconstruction of people's lives and social infrastructure in the communities.

### Examples of Disaster Relief Activities

#### [IBIDEN Electronics Malaysia Sdn. Bhd. / IBIDEN Co., Ltd.: Support to Employees Affected by the Nepal Earthquake]

The April 2015 Nepal earthquake inflicted serious damage to the Group's employees, who suffered the collapse of their houses and the loss of families. Our companies and volunteer employees initiated donations that would help the affected employees on the road to recovery as soon as possible.



Support to employees affected by the Nepal Earthquake

## Encouraging Volunteerism

We are promoting social contribution and volunteer activities to encourage our employees' voluntary, self-motivated participation in volunteer activities.

#### [Volunteer Encouragement Program]

IBIDEN and its domestic group companies provide special leave for volunteers (a special paid leave of up to 7 days a year) as a volunteering encouragement program. In addition, the Social Contribution Committee grants awards to employees according to our internal rules.

#### ["Chovola Activities": Simple Actions to Start Volunteering]

We began hosting small, casual volunteer activities ("Chovola" activities) as part of our effort to foster an atmosphere where employees can volunteer without making a very large commitment of time. The Company as well as its domestic group companies organized collection events for used stamps and postcards in fiscal year 2008 as well as bottle cap drives in fiscal year 2009, and the proceeds were given to local charity organizations and nonprofit organizations. In terms of cumulative amounts up to fiscal year 2015, we have collected more than 24.87 kg of used stamps and 1,290 used postcards/unused stamps. The total for the bottle cap drive exceeded 3,593 kg.

#### [Synchronized Action between Overseas Bases and Japan]

Since fiscal year 2009, the Company has been hosting fund-raising activities during the year-end/New Year period by asking former and current employees in Japan to donate unwanted books and CDs. Cooperated with the overseas Group companies, we contributed the collected proceeds to support activities of local charities and schools.

## Quality Management that Supports Customers-First Values

### Basic approach

By consistently developing cutting-edge technologies, IBIDEN contributes to the creation of a comfortable IT society as well as a society where cars and nature coexist through the proposal and supply of high-value-added products. Based on its “customer first” policy, the Group meets the needs of customers through unique technologies and designs that take into account the global environment. We understand that our greatest mission is to consistently supply safe and reliable products. We seek to achieve a high level of customer satisfaction by putting customer needs at the forefront of our product development process, accepting only the highest quality at the design stage, incorporating mechanisms that ensure quality into the product-making stage, and creating a management system that provides the necessary support.

The Group’s basic policy for the quality of electronics operation: Based on the concept of quality first, we will achieve customer satisfaction by clearly grasping customer needs and producing and providing reliable products through IBI-TECHNO.

The Group’s basic policy for the quality of ceramics operation: Through IBI-TECHNO, we will incorporate customers’ real and potential needs and add values to such needs while striving to provide moving experiences to customers through our product-making, which continually gives top priority to quality.

### Quality Assurance System

The IBIDEN Group has a quality assurance organization at each Operation.

To contribute to our customers and the community with quality products, we conduct design reviews and hold quality assurance meetings to study the design and specifications at each stage of the manufacturing process, from the development of cutting-edge technologies, through product planning and design, to mass production. Furthermore, to improve quality, we offer guidance and audits, including assessment by the top management, at workplaces in Japan and overseas, and also provide business partners with guidance for quality improvement. Moreover, we promote ongoing quality improvement activities under the initiative of the Quality Assurance Division for the purpose of increasing customer satisfaction with an emphasis on quality. In fiscal year 2015, we made efforts to reduce the losses caused by equipment and human errors through the thorough 5S and autonomous maintenance activities, and compliance with the standard operation procedures, and facilitated activities to fortify our competitive capabilities by using the method of “Genchi (actual scene), Genbutsu (actual thing), and Jigakari (on-site solution of problems)” and “cross-sectional teamwork activities.”



*Performance evaluation of SiC-DPFs with engine bench test*

**We are updating the engine and evaluation system to meet the latest exhaust emission regulations.**

### Quality Management System

In our electronics-related operation, since the acquisition of ISO 9001 certification in March 1995, we have been actively upgrading our quality management systems on an ongoing basis. We are striving to offer products that exceed the expectations and needs of our customers. In our ceramics-related operation, we obtained ISO/TS16949 certification, an international standard for quality management in the automobile industry, in Japan in October 2003. This certification was also obtained at global manufacturing locations in fiscal year 2006. We are building a system to offer high-quality products at a global level, upgrading the level of quality. From fiscal year 2014, to continuously improve our competitiveness and customer satisfaction, we started operation of the IBIDEN Management System, which integrated our existing management systems covering quality (ISO 9001), environment (ISO 14001), and occupational health and safety (OHSAS 18001).

### Measures for Enhancement of Customer Satisfaction

The Sales Division in charge of customer relations gathers various types of information on technologies and complaints and informs each division about them. Each Operation reviews the level of customer satisfaction, which they check on a regular basis in training camps. Measures to enhance customer satisfaction are taken under the leadership of the management. For the customer support that we provide primarily through the Sales Division and our state-of-the-art products, we have gained a high reputation from our customers including manufacturers of electrical equipment, semiconductors and automobiles.

## **Development of human resources that sustain quality**

So that we can benefit from the experience of our workers and develop human resources capable of creating new value, we offer systematic education to all employees (See “Development of Human Resource” on page 23).

Going forward, the focus will be on four IBI-TECHNO capabilities in Management of Business, Management of Technology, Total Productive Management, Management Capability, in accordance with the TPM approach for developing human resources that practice the customers-first principle. Determining the degree of progress at each step, we aim to boost skills and motivation. Accurately reviewing the ever-evolving value of our business activities from the customers’ perspective based on the level of customer satisfaction, we aspire to be an enterprise that continues to grow.

## **IBI-TECHNO Promotion Activities**

Since fiscal year 2015, TPM activities, mainly centered on reinforcing our manufacturing divisions, have evolved into IBI-TECHNO promotion activities in which all employees from all divisions take part in achieving customer satisfaction No. 1 by putting the IBIDEN Way into practice. The underlining philosophy is that our activities are designed first and foremost for our customers. Improving the four IBI-TECHNO (“Management of Business”, “Management of Technology”, “Total Productive Management” and “Management Capability”) will boost IBIDEN's corporate value and ensure a stable profit supported by strong competitiveness in the market. We also strive to give back to our stakeholders.

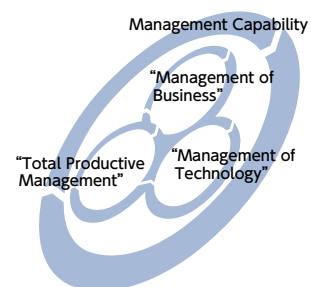
Activities to strengthen “Management of Business” : Set a target that is a testament to our high level of competitiveness and offers customer delight.

Activities to strengthen “Management of Technology” : Realize our own unique process/equipment and plant development with a high level of competitiveness.

Activities to strengthen “Total Productive Management” : Implement further improvements and manage maintenance.

We will reach all our business targets by promoting and achieving greater synergy effects among our three IBI-TECHNO capabilities through our activities to strengthen our management capability.

Competitiveness in the market stems directly from human resources. We continue to challenge ourselves to meet our own high expectations by using the method “Genchi (actual scene), Genbutsu (actual thing), and Jigakari (on-site solution of problems)” aiming to achieve results through cross-sectional teamwork that goes beyond hierarchy and organizational hurdles and promotes the spirit of teamwork, skills, and the sense of satisfaction derived from a job well done. As we challenge ourselves to achieve higher goals, the success of “spiral up” will follow.



**Image of “Spiral Up” for IBI-TECHNO promotion activities**

# Corporate Responsibility Goal Summary

To realize its corporate philosophy, the IBIDEN Group has deployed CSR activities based on the IBIDEN Group Charter of Behavior. Since fiscal year 2015, we have facilitated a review of our internal standards for CSR and focused on managing the practices based on the IBIDEN Management System. The activities implemented to address various issues are as follows.

Article 1: Compliance with laws, regulations, and ethics	
We comply with laws, regulations and ethical requirements of the countries and regions where its business operations are based. We work against corruption in all its forms, and carry out open and fair corporate activities with the intention of becoming a company that enjoys the confidence of the international community. We also protect and properly manage personal and customer data and other types of information.	
Item implemented in fiscal year 2015 and management indices for outcomes	Item for implementation plan and targets in fiscal year 2016
<ul style="list-style-type: none"> <li>Conducted internal audits on compliance with the laws and regulations, and corporate ethics as well as addressed the issues based on the results of the self-audits, through the IBIDEN Management System (IMS).</li> <li>Implemented education of the IBIDEN Standards for Employee Behavior and monitoring the status of compliance with it: 5,000 participants. (IBIDEN, domestic Group companies, and on-site contractors)</li> <li>Set an individual theme for each plant and Group company among the issues identified from monitoring of compliance.</li> <li>Facilitated common theme activities. (IBIDEN and domestic Group companies)</li> </ul>	<ul style="list-style-type: none"> <li>Starting full-scale operation of a system to ensure compliance with laws and regulations and corporate ethics through the IMS.</li> <li>Improving understanding of the IBIDEN SR Management Standards by the administrator, and implementing workplace inspections on the basis of the criteria.</li> <li>Continuously conducting education and compliance monitoring of the Standards for Employee Behavior.</li> </ul>
<ul style="list-style-type: none"> <li>Continuously implemented education regarding competition laws and anticorruption laws.</li> <li>Conducted the Audit group's internal audits focused on frauds and ethics violations: No record of legal violations which have a major impact on business activities.</li> </ul>	<ul style="list-style-type: none"> <li>Conducting the fraud prevention education for the administrator.</li> <li>Expanding internal checks on frauds and ethics violations through the IMS.</li> </ul>
<ul style="list-style-type: none"> <li>Enhanced IT security with higher firewall security, limited access to high-security zone of the website, and strict management of data encryption, etc.</li> <li>Ensured adherence to internal rules on the use of PCs to prevent information leakage and conducted monitoring for it.</li> <li>Commenced a review of security area in plants to strengthen physical security. (IBIDEN): No record of significant information leakage.</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing preventive measures against information leakage.</li> <li>Setting security zone, and starting the new operation on the basis of the new criteria.</li> </ul>

Article 2: Development together with stakeholders	
We develop together with our stakeholders, so we enhance the transparency of management and build a trustworthy relationship through communication. We also actively engage in community-based activities that contribute to society as a good corporate citizen.	
Item implemented in fiscal year 2015 and management indices for outcomes	Item for implementation plan and targets in fiscal year 2016
<ul style="list-style-type: none"> <li>Conducted practical scenario creation and training for initial response at the time of a large-scale disaster.</li> <li>Considered the protocols for initial response measures after disasters occur.</li> <li>Identified collaboration themes and issues to be addressed for effective communication between labor and management, and addressed the issues (IBIDEN).</li> <li>Continuously implemented information exchange with local residential associations.</li> </ul>	<ul style="list-style-type: none"> <li>Standardizing disaster prevention management for initial response at the time of a large-scale disaster, and deploying it.</li> <li>Implementing regular ongoing labor-management communication.</li> <li>Continuously conducting close information exchange with local communities.</li> </ul>
<ul style="list-style-type: none"> <li>Revised the CSR guidelines for suppliers based on the revisions of industry standards, and raised awareness; implemented CSR surveys based on the revised CSR guidelines; and continuously conducted audits and followed up improvement activities: Compliance rate in the CSR survey was 85.6%.* No significant violations occurred. (IBIDEN)</li> </ul>	<ul style="list-style-type: none"> <li>Continuously implementing CSR surveys for suppliers which expanded the scope of survey, and the audits.</li> <li>Raising the level of supply chain capabilities through following up on improvement activities of CSR surveys and audits.</li> </ul>
<ul style="list-style-type: none"> <li>Continuously held the IBIDEN Tours, and held plant tours for families and local students.</li> <li>Expanded social contribution programs tailored to the region, such as sports, exchange in cultural events, and tree-planting activities.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously implementing programs for students and youth.</li> <li>Continuously implementing social contribution programs tailored to the needs of each region.</li> </ul>

Article 3: Providing customer delight	
We provide customer delight, so we have a good understanding of social trends, future needs and develop. We provide safe and secure products and services to maximize our customer's satisfaction by growing IBI-Techno.	
Item implemented in fiscal year 2015 and management indices for outcomes	Item for implementation plan and targets in fiscal year 2016
<ul style="list-style-type: none"> <li>Conducted activities to monitor customer satisfaction, identify issues, and address them: Acquisition of a high evaluation in terms of continuous quality improvement from major customers.</li> </ul>	<ul style="list-style-type: none"> <li>Monitored customer satisfaction, and highlighted various issues.</li> </ul>
* Additionally we are addressing with the following targets: monitor of market demands, challenges to new fields, and reform and improvement of existing fields.	



## Article 4: Management based on global standards

We manage our group based on global standards. We respect human rights and other international norms of behavior. Also, we respect culture and customs in each country or region concerned when carrying out our corporate activity.

Item implemented in fiscal year 2015 and management indices for outcomes	Item for implementation plan and targets in fiscal year 2016
<ul style="list-style-type: none"> <li>Revised the IBIDEN SR Management Standards and the IBIDEN Standards for Employee Behavior, raised awareness and started the educational activities through the Company's portal site. (IBIDEN)</li> <li>Grasped the level of CSR activities at each plant and Group company based on the CSR questionnaires, and improved the activities level of the entire Group by sharing the issues in the activities.</li> <li>Continuously facilitated information-sharing on examples of CSR activities at the CSR Promotion Conference. (IBIDEN and domestic Group companies)</li> <li>Expanded activities to promote awareness of the IBIDEN Way including the education for leaders.</li> <li>Conducted level-specific education on the Standards for Employee Behavior by using e-learning system: E-learning implementation rate was 91%. (IBIDEN)</li> <li>Continuously conducted education activities regarding the compliance consultation service, and prevented compliance violations or their reoccurrence through the use of case studies: The compliance consultation service was used in 39 cases. (IBIDEN and domestic Group companies)</li> <li>Established Human Resource HOTLINE to identify and understand such issues as harassment at an early stage.</li> <li>Implemented internal audits that integrated the existing management system through the IMS operation.</li> </ul>	<ul style="list-style-type: none"> <li>Revising the Standards for Employee Behavior and the SR Management Standards, and raising awareness.</li> <li>Monitoring and enhancing activity levels of plants and Group companies.</li> <li>Continuously facilitating information-sharing on examples of CSR activities at the CSR Promotion Conference.</li> <li>Expanding activities to promote awareness of the "IBIDEN Way."</li> <li>Conducting level-specific education on the Standards for Employee Behavior on a regular basis.</li> <li>Continuously conducting education activities for the compliance consultation service.</li> <li>Preventing compliance violations or their reoccurrence through the use of case studies.</li> <li>Establishing the Harassment Prevention Committee to deliberate the issues and prevent recurrence, and installing harassment counselors.</li> <li>Enhancing harassment training for managerial candidates and group leader/senior staff class.</li> <li>Expanding IMS to Group companies to simultaneously ensure group-wide policy and strengthen internal control.</li> <li>Acquiring certification for a new management system that integrates all the existing ones. (IBIDEN)</li> </ul>

## Article 5: Harmony with nature

We harmonize with nature in all areas of our corporate activities. We manage to develop technologies to achieve good balance between the environment and business, and we provide environmentally friendly products and services by promoting energy and resource conservation activities.

Item implemented in fiscal year 2015 and management indices for outcomes	Item for implementation plan and targets in fiscal year 2016
<p>(Energy conservation activities)</p> <ul style="list-style-type: none"> <li>Reduced energy usage by reviewing operating condition of production facilities.</li> <li>Expanded improvement themes for energy conservation to other sites and similar lines, and managed the activities: An increase of 5% in the energy unit load compared to fiscal year 2014. (IBIDEN domestic plants) An increase of 14%* in CO2 emission per basic unit of production compared to fiscal year 2012. (Target not achieved)</li> <li>* This increase reflected an increase in operating time accompanying the introduction of new products that were not counted on the amount of production volume.</li> </ul> <p>(Resource conservation activities)</p> <ul style="list-style-type: none"> <li>Reduced waste through waste management in conjunction with load curtailment.</li> <li>Implemented clarification and optimization of module target specification (MTS) of manufacturing conditions. There was an increase of 14% in the solid waste unit load rate compared to fiscal year 2012. (Target not achieved)</li> <li>Achieved a decrease of 17% in the water withdrawal unit load rate compared to fiscal year 2012. (Target achieved)</li> </ul> <p>(Environmental risk management)</p> <ul style="list-style-type: none"> <li>Continuously conducted a survey of the supply chain.</li> <li>Continuously implemented general inspection at plants and an environment risk audit of Group companies.</li> <li>Conducted eco-friendly design activities emphasizing compliance on the initiative of the R&amp;D divisions: An alkaline waste spill incident occurred in the dismantling work that our group company had undertaken.</li> <li>Held a tree-planting ceremony and forest conservation activities at "IBIDEN's Forest." (Higashi Yokoyama and Fujihashi)</li> <li>Conducted tree-planting activities at the Group companies (IEB and IPI) in Asia.</li> </ul>	<p>(Energy conservation activities)</p> <ul style="list-style-type: none"> <li>Ensuring appropriate use of energy to respond rapidly to changes in production volumes.</li> <li>Expanding energy cost savings as an organization activity that is linked with a business policy.</li> <li>Aiming to establish competitive environment costs through clarification and optimization of manufacturing conditions: A reduction of 3% (as a target for fiscal year 2017) in CO2 emission per basic unit of production compared to fiscal year 2012.</li> </ul> <p>(Resource conservation activities)</p> <ul style="list-style-type: none"> <li>Ensuring appropriate use of resources to respond rapidly to changes in production volumes.</li> <li>Expanding resources savings as an organization activity that is linked with business policies.</li> <li>Aiming to establish competitive environment costs through clarification and optimization of manufacturing conditions: Achieved a reduction of 8% or more (annually 2% reduction) in the solid waste unit load rate compared to fiscal year 2012. Achieved a reduction of 8% or more (annually 2% reduction) in the water withdrawal unit load rate compared to fiscal year 2012.</li> </ul> <p>(Environmental risk management)</p> <ul style="list-style-type: none"> <li>Promoting compliance through the global management system in compliance with chemical substance-related laws and regulations.</li> <li>Raising the level of disaster prevention capabilities to prevent irreversible damage to the environment at the time of a large-scale disaster.</li> <li>Implementing compliance management of the process up to the final disposal of industrial wastes.</li> <li>Implementing forest preservation activities through "IBIDEN's Forest."</li> </ul>

## Article 6: Attractive and vibrant company

We aim to become an attractive and vibrant company on the basis of fair, equitable and result oriented employee evaluation personnel system. We aim to have a safe and comfortable working environment. We create a rewarding corporate culture that the employee can respect for each diversity, and fully exercise their skills and abilities.

Item implemented in fiscal year 2015 and management indices for outcomes	Item for implementation plan and targets in fiscal year 2016
<ul style="list-style-type: none"> <li>Continuously executed accurate time management thoroughly and promoted a more efficient way to work. (Introduction of minimum rest periods of the Company's own accord: IBIDEN)</li> <li>Formulated action plan to establish a workplace in which female employees can exercise their full potential.</li> <li>Held briefing sessions before parental leave, and consultation interviews on/ after returning to work after parental leave: The rates of return to work and retention were 92% and 93%, respectively. (IBIDEN)</li> <li>Implemented target setting, training for assessors and operation of the target management assessment system. (IBIDEN)</li> <li>Started the career improvement training system to support employees' skill development. (IBIDEN)</li> <li>Conducted corrective activities for risk or hazard became apparent through small group activities.</li> <li>Implemented periodic risk reduction measures to company-wide specific risks.</li> <li>Performed checks and instructions by the inspection visit of division managers based on the safety enhancement measures set every month.</li> <li>Continued to hold health and safety workshops for contractors/on-site contractors each three times a year. The occupational accident frequency rate was 0.54. (IBIDEN and domestic Group companies) The number of occupational injuries that were equal to or greater than accidents requiring 4 days leave was 54*. (Overseas Group companies)</li> <li>* The number of occupational injuries in fiscal year 2014 was 49 on the same calculation criteria as fiscal year 2015.</li> <li>Promoted health through the Health105 Plan.</li> <li>Conducted thorough mental health education for management positions: Achieved a drop in the number of mental health problems. (IBIDEN)</li> </ul>	<ul style="list-style-type: none"> <li>Continuing accurate time management and strengthening management not to bring PCs home. (IBIDEN)</li> <li>Enhancing to take measures necessary for health and welfare of the laborers with long working hours a day. (IBIDEN)</li> <li>Promoting better communication between superiors and subordinates through improvement of evaluation interviews. (IBIDEN)</li> <li>Developing educational system and contents for assessors. (IBIDEN)</li> <li>Implementing thorough investigation of the cause of accidents and countermeasures across the Group (Zero recurrence).</li> <li>Incorporating hazard information (risk prediction) including findings of safety patrol and potential accidents and hazards (<i>Hiyari-hatto</i>) into risk assessment to enable systematic risk control.</li> <li>Improving the effectiveness of risk assessment.</li> <li>Strengthening fire-protection control assuming all potential causes to prevent fires, including small fires.</li> <li>Facilitating health promotion and health management activities mainly through the Health Subcommittees based on the health management (Health105 Plan).</li> </ul>

# Corporate Information

## Company Outline (As of March 31, 2016)

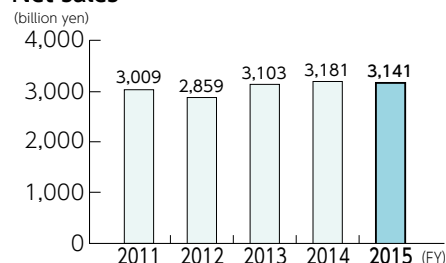
Trade name: IBIDEN CO., LTD.  
 Established: November 25, 1912  
 Capital: ¥64,152 million  
 Representative: Hiroki Takenaka, President & CEO  
 Number of employees: Consolidated 14,290 Non-consolidated 3,614  
 Office and Plants  
 Head office: 2-1, Kanda-cho, Ogaki City, Gifu 503-8604, Japan Tel: 0584-81-3111  
 Branches: Tokyo, Osaka  
 Plants: Gifu Prefecture (Ogaki, Ogaki Central, Aoyanagi, Gama, Ogaki-Kita, Godo);  
 Aichi Prefecture (Kinuura)  
 Number of Subsidiaries: Consolidated subsidiaries: 34 (15 in Japan, 19 overseas)

## Main Business Lines

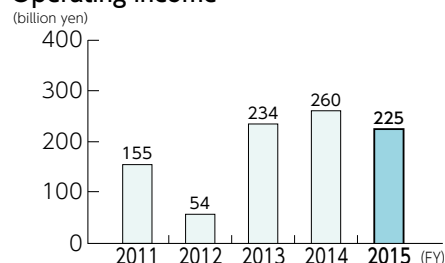
Business Segments	Main Products/Business Areas
Electronics Operation	Printed wiring boards and package substrates
Ceramics Operation	Environment-related ceramics products, graphite specialty products, fine ceramics products, High temperature insulation wool
Other Operations	Housing equipment, melamine decorative laminates and decorative laminates related products
	Design and construction of civil engineering works including slop protection construction and landscape gardening, as well as of environmental facilities
	Synthetic resin processing, agriculture, livestock, and fishery processing, oil products sales, provision of information and other services

## Change in Business Results (As of March 31, 2016)

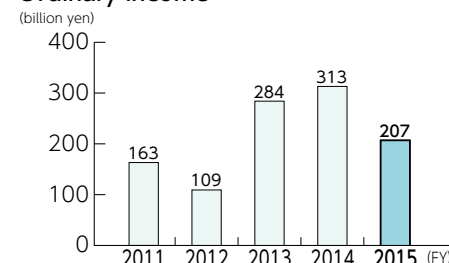
Net sales



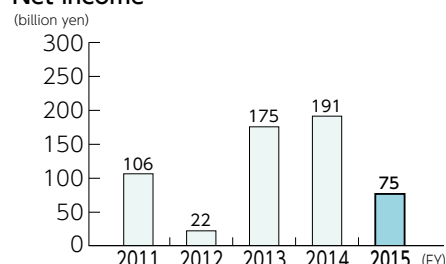
Operating income



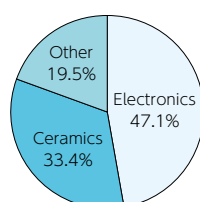
Ordinary income



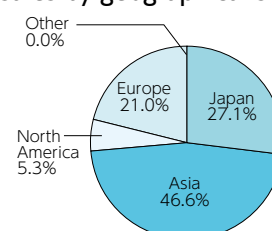
Net income



Net sales composition by business segments



Net sales by geographical segments



Net sales are classified by country or region based on the location of customers.

## Disclosure of Financial Information

IBIDEN takes steps to disclose information at appropriate times to shareholders and investors in a fair, accurate, and easy-to-understand manner. Pursuant to the Timely Disclosure Rule of the Tokyo Stock Exchange, our information disclosure standards require the disclosure of information relevant to our operations, scope of business, and assets that could significantly affect investment judgments, as well as any changes or suspension of important corporate information that has already been published. Our policy is to disclose such information proactively and fairly. We will also disclose corporate information that could significantly influence investment judgments even if the Timely Disclosure Rule does not apply, as accurately, promptly and appropriately as possible.



Website for shareholders and investors  
<http://www.ibiden.com/ir/index.html>

## Main Subsidiaries and Affiliates

Company- Japan	Location	Main Business
IBIDEN Greentec Co., Ltd.	Ogaki, Gifu	Design and construction of special works
IBIDEN Chemicals Co., Ltd.	Ogaki, Gifu	Manufacture and sales of chemical products
IBIKEN Co., Ltd.	Ogaki, Gifu	Sale of housing materials
IBIDEN Graphite Co., Ltd.	Ogaki, Gifu	Manufacture of graphite products
IBIDEN Industries Co., Ltd.	Ogaki, Gifu	Sale of products and equipments
TAK Co., Ltd.	Ogaki, Gifu	Information services
IBIDEN Jushi Co., Ltd.	Ibi-gun, Gifu	Manufacture of foamed-resin products
IBIDEN Bussan Co., Ltd.	Motosu, Gifu	Processing of agricultural and marine products
IBIDEN Engineering Co., Ltd.	Ogaki, Gifu	Design and construction of mechanical facilities
IBIDEN Career Techno Corp.	Ogaki, Gifu	Temporary staffing services
IBIDEN KENSO Co., Ltd.	Ogaki, Gifu	Sale of housing materials

Effective April 1, 2016, an absorption-type merger was implemented, by which IBIKEN Co., Ltd. became the surviving company of the absorption-type merger and IBIDEN KENSO Co., Ltd. became the company absorbed by the merger.

Company- Overseas	Location	Main Business
IBIDEN U.S.A. Corp.	U.S.A.	Investment and finance in U.S.A., and sales of products
Micro Mech, Inc.	U.S.A.	Manufacture of graphite products
IBIDEN México, S.A. de C.V.	Mexico	Manufacture of ceramic products
IBIDEN Europe B.V.	Netherlands	Investment and finance in Europe, and sales of the products
IBIDEN Hungary Kft.	Hungary	Manufacture of ceramic products
IBIDEN DPF FRANCE S.A.S.	France	Manufacture of ceramic products
IBIDEN Porzellanfabrik Frauenthal GmbH	Austria	Manufacture of ceramic products
IBIDEN Asia Holdings Pte., Ltd.	Singapore	Investment and finance in Asia
IBIDEN Electronics Malaysia Sdn. Bhd.	Malaysia	Manufacture of electronics substrates
IBIDEN Electronics (Beijing) Co., Ltd.	P.R.C.	Manufacture of electronics substrates
IBIDEN Graphite Korea Co., Ltd.	Korea	Manufacture of graphite products
IBIDEN Philippines, Inc.	Philippines	Manufacture of electronics substrates
IBIDEN Electronics (Shanghai) Co., Ltd.	P.R.C.	Sales of products
IBIDEN Singapore Pte. Ltd.	Singapore	Sales of products
IBIDEN Korea Co., Ltd.	Korea	Sales of products
IBIDEN Taiwan Co., Ltd.	Taiwan	Sales of products

The Company had 34 consolidated subsidiaries including the above companies as of March 31, 2016.

## Board of Directors/Organization

### Directors

#### Representative Directors:

Hiroki Takenaka  
Takeshi Aoki  
Tsuyoshi Nishida  
Kozo Kodama

#### Directors:

Takayuki Takagi  
Masahiko Ikuta  
Sotaro Ito  
Koji Kawashima  
Kazushige Ono

#### Outside Directors:

Shozo Saito  
Chiaki Yamaguchi

### Auditors

#### Standing Auditors:

Keiichi Sakasita  
Yoichi Kuwayama

#### Outside Corporate Auditors:

Fumio Kato  
Masaki Horie

#### Substitute Auditors:

Shogo Komori

### Executive Officers

#### President & CEO:

Hiroki Takenaka

#### Executive Vice Presidents:

Takeshi Aoki  
Tsuyoshi Nishida  
Kozo Kodama

#### Executive Managing Officers:

Takayuki Takagi  
Masahiko Ikuta

#### Senior Managing Officers:

Sotaro Ito  
Koji Kawashima

#### Managing Officers:

Kazushige Ono  
Syuichi Kubo  
Honchin Endo  
Yasuji Hiramatsu

Board of Directors

Board of  
Corporate Auditors

CSR Promotion Division

Strategic Corporate Planning Operation

Operation Manager  
Executive Managing Officer  
Masahiko Ikuta

Deputy Operation Manager  
Senior Managing Officer  
Koji Kawashima

Strategic Manufacturing Operation

Operation Manager  
Executive Managing Officer  
Takayuki Takagi

R&D Operation

Operation Manager  
Managing Officer  
Syuichi Kubo

Energy Control Division

Electronics Operation

Operation Manager  
Executive Vice President  
Tsuyoshi Nishida

Deputy Operation Manager  
Executive Vice President  
Kozo Kodama

Deputy Operation Manager & PWB-Business Unit Manager  
Managing Officer  
Honchin Endo

Ceramics Operation

Operation Manager  
Executive Vice President  
Takeshi Aoki

Deputy Operation Manager  
Senior Managing Officer  
Sotaro Ito  
Managing Officer  
Kazushige Ohno

DPF Unit

Unit Manager  
Senior Managing Officer  
Sotaro Ito

AFP Unit

Unit Manager  
Managing Officer  
Yasuji Hiramatsu

SCR Unit

Unit Manager  
Managing Officer  
Kazushige Ohno

FGM Unit

(As of June 17, 2016)

# Editorial Policy

The IBIDEN 2016 Corporate Social Responsibility Report, covering mainly the environmental and social aspects of the IBIDEN Group's policy and performance, is published to inform stakeholders about the IBIDEN Group's CSR activities in an easy-to-understand format. In recognition of the fact that CSR is closely linked to our corporate management, this report focuses on the key themes based on matters of interest to our stakeholders and our four themes—internal control, human resource management, environmental management, and social contribution—including in “Develop and promote CSR management globally” which is one of the pillars of our medium-term management plan.

## Period covered

This report focuses primarily on activities during fiscal year 2015 (April 1, 2015 to March 31, 2016), but also includes details of selected ongoing initiatives and more recent activities.

## Date of publication

August 2016 (previous report: September 2015, next report: August 2017)

## Guidelines used as reference

ISO26000:2010 Guidance on social responsibility  
G4 Sustainability Reporting Guidelines, Global Reporting Initiative (GRI)  
Environmental Reporting Guidelines (fiscal year 2012 version), Ministry of the Environment  
Environmental Accounting Guidelines (fiscal year 2005 version), Ministry of the Environment  
Note: GRI guideline comparison table can be found at the end of the report.

## Supplementary information regarding the contents

As for the basic unit data presented in the environmental management, the criteria for calculation of production volume conversion for the basis of the basic unit data has been changed in accordance with the current product configuration.

In case any revision was made to the data, reasons for such revision have been stated individually.

## Disclosure of CSR Information

The IBIDEN Group's CSR report is published on our website. We will update social and environmental information in an appropriate manner.

Furthermore, our website serves as a venue to disclose in a timely manner a wide range of information such as financial information including the Group's business report and its consolidated financial statements as well as nonfinancial information such as various policies and management indicators concerning CSR.

### Website

**IBIDEN Group's web site** <http://www.ibiden.com/>  
**IBIDEN Group's CSR web site** <http://www.ibiden.com/csr/>



## Process of Determining Reporting Items

### (1) List of Reporting Themes

Based on the IBIDEN Group Charter of Behavior, the issues that the IBIDEN Group should tackle, including the items of the IBIDEN SR Management Standards, are identified. Furthermore, themes in which our stakeholders might be interested are identified including industry-wide items such as the EICC Code of Conduct, requests received from customers, evaluations and feedback received from external agencies such as social responsibility investment (SRI), feedback on our CSR report, themes involving labor/management relationship, and direct communication with other stakeholders such as the member of the local community. A reference table listing these themes alongside the GRI Sustainability Reporting Guideline 4th Edition (hereafter the “G4 Guideline”) was then prepared. Themes that do not fall under any G4 Guideline categories are added to the list as new items.

### (2) Evaluation of Materiality

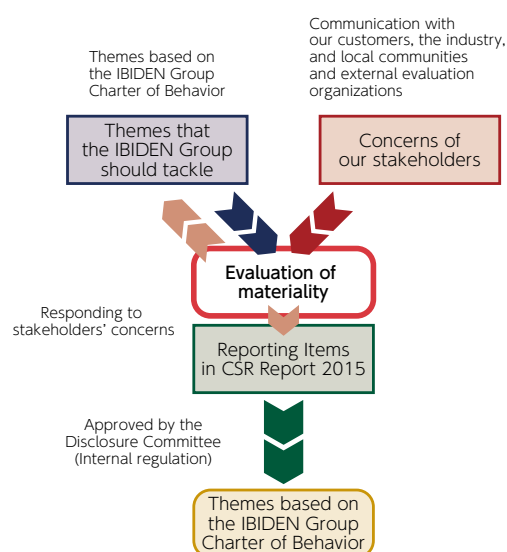
A degree of materiality of each issue is then calculated based on its effect on the IBIDEN Group and the materiality of the issue for our stakeholders. Items at the top of the list are then identified as priorities.

As a result, we have selected 20 reporting themes, including our own identified four items, with a high level of materiality out of the list in (1).

Materiality reporting themes are identified clearly at the end of this document in the G4 GRI Index table.

### (3) Reporting Items in the Report

Centered on these issues with a high level of materiality, the report explains why the items are material to the IBIDEN Group and describes the management structure as well as the indexes. Each reporting theme is divided into groups based on three viewpoints, of our “Implementation of CSR Management,” which is one of the pillars of our Consolidated Medi-



Flow chart of Determining Reporting Items



um-Term Management Plan.

This report is intended for the stakeholders who are highly interested in CSR. The report includes not only the reporting themes of high materiality but also items in which many of our stakeholders expressed a strong interest and wanted us to tackle. We also include the issues that the Company has been working hard to address, so that our stakeholders can gain a deeper understanding of our plan of action as well as our point of view.

#### (4) Disclosure of Reporting Content

This CSR report is published after undergoing the above-mentioned process to select reporting items and is based on the Company's disclosure rules. It was also approved by the Disclosure Committee.

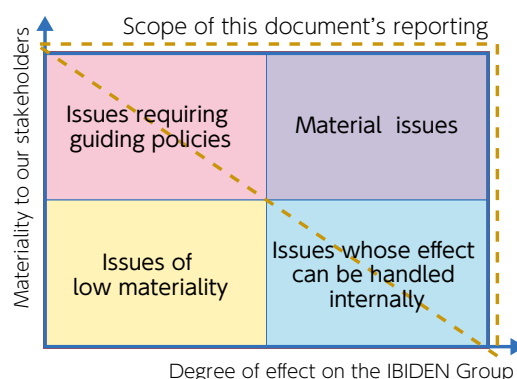


Figure: Issue Placement and Scope of Reporting

### Coverage

As a rule, the contents of this report relate to IBIDEN Co., Ltd. ( "we" / "IBIDEN" / "the Company" ) and domestic and overseas companies belonging to the IBIDEN Group. Parts of this report that do not relate to the IBIDEN Group ( "the Group" ) are specified on an individual basis. Selected environment data are only applicable to IBIDEN's domestic plants. Such data are marked as "IBIDEN domestic plants" and include IBIDEN Co., Ltd. and selected domestic Group companies.

The details of the scope (significant subsidiaries) of this report are as follows:

Domestic	Internal Control	Human Resource Management	Environmental Management	Environmental Data	Social Contribution	Remark
IBIDEN Greentec Co., Ltd.	○	○	○	◎	○	
IBIDEN Chemicals Co., Ltd.	○	○	○	◎	○	
IBIKEN Co., Ltd.	○	○	○	○	○	Except for manufacturing
IBIDEN Graphite Co., Ltd.*	○	○	○	◎	○	
IBIDEN Industries Co., Ltd.	○	○	○	◎	○	
TAK Co., Ltd.	○	○	○	○	○	Except for manufacturing
IBIDEN Jushi Co., Ltd.	○	○	○	◎	○	
IBIDEN Bussan Co., Ltd.	○	○	○	◎	○	
IBIDEN Engineering Co., Ltd.* <sup>1</sup>	○	○	○	◎	○	
IBIDEN CAREER TECHNO Corp	○	○	○	○	○	Except for manufacturing
IBIDEN KENSO Co., Ltd.* <sup>1</sup>	○	○	○	○	○	Except for manufacturing

\*<sup>1</sup> This is the domestic Group company included in "IBIDEN domestic plants." For IBIDEN Engineering Co., Ltd., the only water treatment division is included in "IBIDEN domestic plants."

Global	Internal Control	Human Resource Management	Environmental Management	Environmental Data	Social Contribution	Remark
IBIDEN U.S.A. Corp.	○	○	○	-	○	Except for manufacturing
Micro Mech, Inc.	○	○	○	○	○	
IBIDEN México, S.A. de C.V.	○	○	○	◎	○	
IBIDEN Europe B.V.	○	○	○	-	○	Except for manufacturing
IBIDEN Hungary Kft.	○	○	○	◎	○	
IBIDEN DPF France S.A.S.	○	○	○	◎	○	
IBIDEN Porzellanfabrik Frauenthal GmbH.	○	○	○	◎	○	
IBIDEN Asia Holdings Pte., Ltd.	○	○	○	-	○	Except for manufacturing
IBIDEN Electronics Malaysia Sdn. Bhd.	○	○	○	◎	○	
IBIDEN Electronics (Beijing) Co., Ltd.	○	○	○	◎	○	
IBIDEN Graphite Korea Co., Ltd.	○	○	○	◎	○	
IBIDEN Philippines, Inc.	○	○	○	◎	○	
IBIDEN Electronics (Shanghai) Co., Ltd.	○	○	○	○	○	
IBIDEN Singapore Pte. Ltd.	○	○	○	-	○	Except for manufacturing
IBIDEN Korea Co., Ltd.	○	○	○	-	○	Except for manufacturing
IBIDEN Taiwan Co., Ltd.	○	○	○	-	○	Except for manufacturing

\*<sup>2</sup> ◎ denotes bases as shown in the graphs including a basic unit ratio. Since fiscal year 2015, the environmental data has included those of IBIDEN Mexico, S.A. de C.V.

Please note that each report is completed by specifying the scope in the graphs and the text in the report. Furthermore, the effects on entities outside the Company such as its supply chain are described individually within the report.

# GRI Index Table

In making the IBIDEN CSR Report 2016, we referred to the GRI's\* latest G4 Sustainability Reporting Guidelines. This report is based on the Core option used as an objective measure of the extent to which the guidelines have been applied.

\*GRI (Global Reporting Initiative): An independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines.

Items on General Standard Disclosures that are required for the Core option are in blue.  

Items that are not required are posted on the index table below to enable better understanding of the Company's efforts.

General Standard Disclosures		IBIDEN Co., Ltd. CSR Report 2016		
		Pages	Assurance	Corresponding topics
<b>Strategy and Analysis</b>				
G4-1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	P2 P3  P4-5	-	Top Message IBIDEN WAY/Challenge IBI TECHNO 105 Plan CSR Policy and Promotional structure
G4-2	Description of key impacts, risks, and opportunities.	P2 P4-5 P11-12 P57-58	-	Top Message CSR Policy and Promotional structure Risk Management Corporate Responsibility Goal Summary
<b>Organizational Profile</b>				
G4-3	Name of the organization.	P59	-	Corporate Information
G4-4	Primary brands, products, and/or services.	P59	-	Corporate Information
G4-5	Location of organization's headquarters.	P59	-	Corporate Information
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	P59-60	-	Corporate Information
G4-7	Nature of ownership and legal form.	P7 P8  P59	-	Basic Views on Corporate Governance Overview of Corporate Governance System Corporate Information
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	P59-60	-	Corporate Information
G4-9	Scale of the organization, including: • Total number of employees • Total number of operations • Net sales (for private sector organizations) or net revenues (for public sector organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided	P59	-	Corporate Information
G4-10	a. Total number of employees by employment contract and gender. b. Total number of permanent employees by employment type and gender. c. Total workforce by employees and supervised workers and by gender. d. Total workforce by region and gender. e. Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	P20	-	Constitution of Employees
G4-11	Percentage of total employees covered by collective bargaining agreements.	*	-	Note: As partly disclosed on page 10, "Employee Situation," in the 163rd Annual Security Report
G4-12	Organization's supply chain	P17	-	CSR Management in the Supply Chain
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	P60	-	Main Subsidiaries and Affiliates
<b>Commitment To External Initiatives</b>				
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	P11-12	-	Risk Management
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	P4-5	-	CSR Policy and Promotional structure
G4-16	a. Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic This refers primarily to memberships maintained at the organizational level.	P4-5 P39	-	CSR Policy and Promotional structure Appropriate Chemical Control

General Standard Disclosures		IBIDEN Co., Ltd. CSR Report 2016		
		Pages	Assurance	Corresponding topics
Identified Material Aspects and Boundaries				
G4-17	a. All entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	P63	-	Coverage
G4-18	a. Process for defining the report content and the Aspect Boundaries. b. How the organization has implemented the Reporting Principles for Defining Report Content.	P62-63	-	Process of Determining Reporting Items
G4-19	a. All the material Aspects identified in the process for defining report content.	This table (P64-69)	-	GRI Index Table
G4-20	a. The Aspect Boundary within the organization for each material Aspect.	P62-63	-	Process of Determining Reporting Items Coverage
G4-21	a. The Aspect Boundary outside the organization for each material Aspect.	P63	-	Coverage
G4-22	a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	P62	-	Supplementary information regarding the contents
G4-23	a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	P62-63	-	Supplementary information regarding the contents Coverage
Stakeholder Engagement				
G4-24	a. A list of stakeholder groups engaged by the organization.	P4-6 P6	-	CSR Policy and Promotional structure Dialogue and Cooperation with Stakeholders
G4-25	a. The basis for identification and selection of stakeholders with whom to engage.			
G4-26	a. Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	P6	-	Dialogue and Cooperation with Stakeholders Assessment by Third-Party Organizations and Our Actions Process of Determining Reporting Items
		P60-61		
G4-27	a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	P6	-	Dialogue and Cooperation with Stakeholders Assessment by Third-Party Organizations and Our Actions Corporate Responsibility Goal Summary
		P57-58		
Report Profile				
G4-28	a. Reporting period (such as fiscal or calendar year) for information provided.	P62	-	Period covered
G4-29	a. Date of most recent previous report (if any).	P62	-	Date of publication
G4-30	a. Reporting cycle (such as annual, biennial).	P62	-	Date of publication
G4-31	a. Contact point for questions regarding the report or its contents.	Cover page	-	Contact point (a website is also available: <a href="http://www.ibiden.com/utility/inquiry.html">http://www.ibiden.com/utility/inquiry.html</a> )
GRI Content Index				
G4-32	a. 'In accordance' option the organization has chosen. b. GRI Content Index for the chosen option (see tables below). c. Reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	This table (P64-69)	-	GRI Index Table
Assurance				
G4-33	a. Organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, the scope and basis of any external assurance provided. c. Relationship between the organization and the assurance providers. d. Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	(There is no information about the external assurance.)		
Governance				
Governance Structure and Composition				
G4-34	a. Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	P7	-	Basic Views on Corporate Governance
G4-35	a. Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	P7 P11-12 P13-17 P28	-	Basic Views on Corporate Governance Risk Management Compliance
G4-36	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	P32	-	Organization chart of Occupational Health and Safety Management Environmental Management
G4-37	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	P7	-	Basic Views on Corporate Governance
G4-38	a. Composition of the highest governance body and its committees.	P7 P8 P61	-	Basic Views on Corporate Governance Overview of Corporate Governance System Board of Directors/Organization
G4-39	a. Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).		-	
G4-40	a. Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	P8 P9	-	Overview of Corporate Governance System Compensation of Directors and Corporate Auditors

General Standard Disclosures		IBIDEN Co.,Ltd. CSR Report 2015		
		Pages	Assurance	Corresponding topics
G4-41	a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures	P7 P8 P9  P13-17 *	-	Basic Views on Corporate Governance Overview of Corporate Governance System Compensation of Directors and Corporate Auditors Compliance Note: *As partly disclosed on page 32, "Board of Directors," page 35, "Corporate Governance," and page 77, "Related Party Transactions," in the 163rd Annual Security Report.
Highest Governance Body's Role in Setting Purpose, Values, and Strategy				
G4-42	a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	P4-5 P57-58	-	CSR Policy and Promotional Structure Corporate Responsibility Goal Summary
Highest Governance Body's Competencies and Performance Evaluation				
G4-43	a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	-	-	
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	-	-	
Highest Governance Body's Role in Risk Management				
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	P4-5 P6 P11-12	-	CSR Policy and Promotional structure Dialogue and Cooperation with Stakeholders Risk Management
G4-46	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	P11-12	-	Risk Management
G4-47	a. Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	P11-12	-	Risk Management
Highest Governance Body's Role in Sustainability Reporting				
G4-48	a. Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	P62-63	-	Process of Determining Reporting Items
Highest Governance Body's Role in Economic, Environmental, and Social Performance				
G4-49	Process for communicating critical concerns to the highest governance body.	P7 P8  P11-12 P13-17	-	Basic Views on Corporate Governance Overview of Corporate Governance System Risk Management Compliance
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	P13-17	-	Governance structure in our Group Compliance
Remuneration and Incentives				
G4-51	a. Remuneration policies for the highest governance body and senior executives. b. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	P9	-	Compensation of Directors and Corporate Auditors
G4-52	a. Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	-	-	
G4-53	a. Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	-	-	
G4-54	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-	-	
G4-55	a. Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-	-	
Ethics and Integrity				
G4-56	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	P3 P4-5 P13-17	-	IBIDEN WAY CSR Policy and Promotional Structure Compliance
G4-57	a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	P13-17	-	Compliance
G4-58	a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	P13-17	-	Compliance

Material aspects (material aspects for the Group: material items) disclosed in Specific Standard Disclosure items are selected based on the Sustainability Reporting Guidelines.

Page numbers in which the material items are described on this report are shown below.

Exceptional material aspects for the Company are in blue  . Material aspects that are not required for the guidelines are also described in the index table below.

Aspects	Specific Standard Disclosures		IBIDEN Co., Ltd. CSR Report 2016		
			page	Assurance	Corresponding topics
Category : Economic					
Management Approach (Specific DMAs for aspects are described each aspect.)	G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach	P3 P4-5 P6 P7-19 P32-44 P57-58	-	Challenge IBI-TECHNO 105 Plan CSR Policy and Promotional Structure Dialogue and Cooperation with Stakeholders Internal Control Environmental Management Corporate Responsibility Goal Summary
Economic Performance	G4-EC1	economic value generated and distributed	P9  P59 *	-	Timely disclosure, Communication with Shareholders and Investors Corporate Information Note: As described on page 42, "Financial Statements," in the 163rd Annual Security Report.
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	P11-12 P35-37	-	Risk Management Coping with Climate Change Issues
	G4-EC3	Coverage of the organization's defined benefit plan obligations	*		Note: As described on page 69, "Retirement Benefits," in the 163rd Annual Security Report.
	G4-EC4	Financial assistance received from government			
Market Presence	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation			
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation			
Indirect Economic Impacts	G4-EC7	Development and impact of infrastructure investments and services supported			
	G4-EC8	Significant indirect economic impacts, including the extent of impacts			
Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation			
Emergency countermeasures	Preparation for an emergency disaster		P11-12	-	Risk Management
Category : Environmental					
Management Approach (Specific DMAs for aspects are described each aspect.)	G4-DMA	a. Why the Aspect is material. Report the impacts that make this Aspect material. b. How the organization manages the material Aspect or its impacts. c. Evaluation of the management approach, including	P32-44 P57-58	-	Environmental Management Corporate Responsibility Goal Summary
Materials	G4-EN1	Materials used by weight or volume	P44	-	The IBIDEN Group's Material Balance (Input and Output)
	G4-EN2	Percentage of materials used that are recycled input materials			
Energy	G4-DMA		P35-37	-	Coping with Climate Change Issues
	G4-EN3	Energy consumption within the organization	P35-37 P44	-	Coping with Climate Change Issues The IBIDEN Group's Material Balance (Input and Output)
	G4-EN4	Energy consumption outside of the organization			
	G4-EN5	Energy intensity	P35-37	-	Coping with Climate Change Issues
	G4-EN6	Reduction of energy consumption	P35-37	-	Coping with Climate Change Issues
	G4-EN7	Reductions in energy requirements of products and services			
Water	G4-EN8	Total water withdrawal by source	P38 P44	-	Resource Circulation The IBIDEN Group's Material Balance (Input and Output)
	G4-EN9	Water sources significantly affected by withdrawal of water	P38 P44	-	Resource Circulation The IBIDEN Group's Material Balance (Input and Output)
	G4-EN10	Percentage and total volume of water recycled and reused	P38 P44	-	Resource Circulation The IBIDEN Group's Material Balance (Input and Output)
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P40	-	Understanding the Influence on Biodiversity
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas			
	G4-EN13	Habitats protected or restored	P40	-	Understanding the Influence on Biodiversity
	G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk			
Emissions	G4-DMA		P35-37	-	Coping with Climate Change Issues
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	P35-37 P44	-	Coping with Climate Change Issues The IBIDEN Group's Material Balance (Input and Output)
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	P35-37 P44	-	Coping with Climate Change Issues The IBIDEN Group's Material Balance (Input and Output)
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	P44	-	The IBIDEN Group's Material Balance (Input and Output)
	G4-EN18	Greenhouse gas (GHG) emissions intensity	P35-37	-	Coping with Climate Change Issues
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	P35-37	-	Coping with Climate Change Issues
	G4-EN20	Emissions of ozone-depleting substances (ODS)			
	G4-EN21	NOx, SOx, and other significant air emissions	P44	-	The IBIDEN Group's Material Balance (Input and Output)
Effluents and Waste	G4-EN22	Total water discharge by quality and destination	P44	-	The IBIDEN Group's Material Balance (Input and Output)
	G4-EN23	Total weight of waste by type and disposal method	P44	-	The IBIDEN Group's Material Balance (Input and Output)
	G4-EN24	Total number and volume of significant spills	P34	-	Environment and Occupational Health and Safety-Related Laws and Regulations
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally			
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff			



Aspects	Specific Standard Disclosures		IBIDEN Co., Ltd. CSR Report 2016		
			page	Assurance	Corresponding topics
Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	P41	-	Environmental Contribution through Business and Products
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category			
Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	P34	-	Environment and Occupational Health and Safety-Related Laws and Regulations
Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce			
Overall	G4-EN31	Total environmental protection expenditures and investments by type	P42-43	-	Environmental Accounting
Supplier Environmental Assessment	G4-DMA		P39 P41	-	Appropriate Chemical Control Environmental Contribution through Business and Products
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	P17-19 P39	-	CSR Management in the Supply Chain Appropriate Chemical Control
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	P17-19 P34 P39	-	CSR Management in the Supply Chain Environment and Occupational Health and Safety-Related Laws and Regulations Appropriate Chemical Control
Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	P13-17 P34	-	Compliance Environment and Occupational Health and Safety-Related Laws and Regulations

#### Category : Social Sub-Category : Labor Practices and Decent Work

Management Approach (Specific DMAs for aspects are described each aspect.)	G4-DMA	a. Why the Aspect is material. Report the impacts that make this Aspect material. b. How the organization manages the material Aspect or its impacts. c. Evaluation of the management approach	P20-29 P55-56	-	Human Resource Management Corporate Responsibility Goal Summary
Employment	G4-DMA		P21-22	-	Respect for Human Rights
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	P20	-	Human Resource Management
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation			
	G4-LA3	Return to work and retention rates after parental leave, by gender	P24-26	-	Respecting Diverse Work Styles
Labor/Management Relations	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements			
Occupational Health and Safety	G4-DMA		P31	-	Managing Employee Health
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	P28	-	Organization chart of Occupational Health and Safety Management
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	P29-31	-	Activity Guidelines for Occupational Health and Safety and Results
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation			
Training and Education	G4-LA8	Health and safety topics covered in formal agreements with trade union	P29-31	-	Activity Guidelines for Occupational Health and Safety and Results
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	P23-24	-	Development of Human Resources
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	P23-24 P24-26	-	Development of Human Resources Respecting Diverse Work Styles
Diversity and Equal Opportunity	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	P22-23	-	Equitable Evaluation and Treatment
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity			
Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation			
Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	P17-19	-	CSR Management in the Supply Chain
Labor Practices Grievance Mechanisms	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	P21-22	-	Respect for Human Rights
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	P13-17	-	Compliance
Working hours	Management of working hours		P26-27	-	Labor and Management Cooperation to Create a Worker-Friendly Workplace

#### Category : Social Sub-Category : Human Rights

Management Approach (Specific DMAs for aspects are described each aspect.)	G4-DMA	a. Why the Aspect is material. Report the impacts that make this Aspect material. b. How the organization manages the material Aspect or its impacts. c. Evaluation of the management approach	P13-17 P17-19 P20-31 P56-58	-	Compliance CSR Management in the Supply Chain Human Resource Management Corporate Responsibility Goal Summary
Investment	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening			
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	P21-22	-	Respect for Human Rights
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	P13-17 P21-22	-	Compliance Respect for Human Rights
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights			
Child Labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	P21-22	-	Respect for Human Rights
Forced or Compulsory Labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	P21-22	-	Respect for Human Rights
Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations			
Indigenous Rights	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken			
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments			
Supplier Human Rights Assessment	G4-DMA		P17-19 P21-22	-	CSR Management in the Supply Chain Respect for Human Rights
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	P17-19 P21-22	-	CSR Management in the Supply Chain Respect for Human Rights
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	P21-22	-	Respect for Human Rights
Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	P13-17	-	Compliance

Aspects	Specific Standard Disclosures		IBIDEN Co., Ltd. CSR Report 2016		
			page	Assurance	Corresponding topics
Category : Social Sub-Category : Society					
Management Approach (Specific DMAs for aspects are described each aspect.)	G4-DMA	a. Why the Aspect is material. Report the impacts that make this Aspect material. b. How the organization manages the material Aspect or its impacts. c. Evaluation of the management approach	P13-17 P17-19 P50-54 P57-58	-	Compliance CSR Management in the Supply Chain Social Contribution Corporate Responsibility Goal Summary
Local Communities	G4-DMA		P34  P50-51	-	Environment and Occupational Health and Safety-Related Laws and Regulations Philosophy for social contribution and promotional structure
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	P50-54	-	Social Contribution
	G4-SO2	Operations with significant actual or potential negative impacts on local communities	P34	-	Environment and Occupational Health and Safety-Related Laws and Regulations
Anti-corruption	G4-DMA		P13-17	-	Compliance
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	P11-12	-	Risk Management
	G4-SO4	Communication and training on anti-corruption policies and procedures	P13-17	-	Compliance
	G4-SO5	Confirmed incidents of corruption and actions taken	P13-17	-	Compliance
Public Policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary			
Anti-competitive Behavior	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	P13-17	-	Compliance
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	P13-17	-	Compliance
Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	P17-19	-	CSR Management in the Supply Chain
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	P13-17 P17-19	-	Compliance CSR Management in the Supply Chain
Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	P13-17	-	Compliance
Category : Social Sub-Category : Product Responsibility					
Management Approach (Specific DMAs for aspects are described each aspect.)	G4-DMA	a. Why the Aspect is material. Report the impacts that make this Aspect material. b. How the organization manages the material Aspect or its impacts. c. Evaluation of the management approach	P13-17 P17-19 P55-56 P57-58	-	Compliance CSR Management in the Supply Chain Quality Management that Supports Customers-First Values Corporate Responsibility Goal Summary
Customer Health and Safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement			
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes			
Product and Service Labeling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements			
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes			
	G4-PR5	Results of surveys measuring customer satisfaction			
Marketing Communications	G4-PR6	Sale of banned or disputed products			
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes			
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	P13-17	-	Compliance
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			
Conflict Minerals	Responding to conflict minerals		P17-19	-	CSR Management in the Supply Chain



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Please use the survey form always available on our web site to tell us what you think.