

Human Resource Management

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

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.

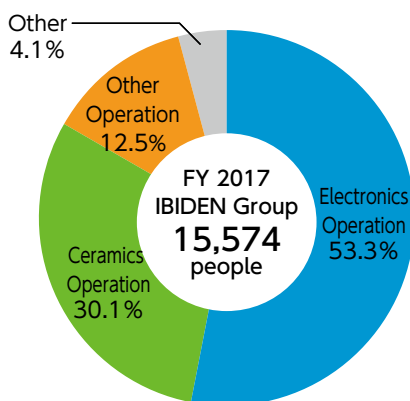
As one of the measures to achieve this goal, we have also introduced personnel systems and training programs to enable each employee to display his or her creativity and versatile personality.

Constitution of Employees[IBIDEN]

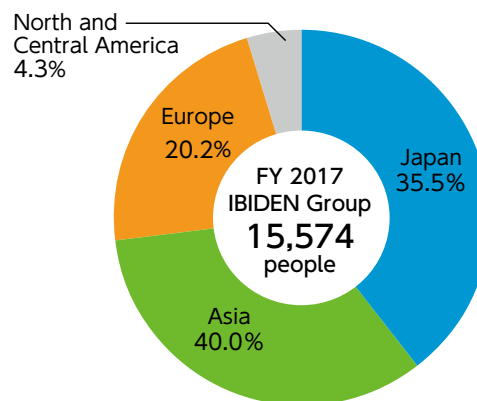
		FY 2016		FY 2017	
		Male	Female	Male	Female
Number of employees	Persons	3,162	382	3,131	384
Managerial positions	Persons	319	0	320	1
Officers*	Persons	32	0	36	1
Average age	Years	39.2	38.8	39.9	39.5
Length of service	Years	16.2	16.8	16.8	17.4
New employees	Persons	51	7	51	12
Number of workers who left the Company	Persons	126	17	96	12

*Including directors, managing officers

Number of Employee by business segment [IBIDEN Group]



Number of Employee by business area [IBIDEN Group]



- As of March 31, 2018
- Number of employees does not include temporary employees (1,779 employees on average).
- 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

IBIDEN and its domestic affiliated companies have established “IBIDEN Social Responsibility Management Standards” as an internal document which specifies systems to be established and matters to be noted by managers as its response 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 and education programs offered on hiring, we educate each of 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 Counter, and we conduct harassment training for officers and employees.

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

1. Promoting the use of the existing compliance consultation hotline and creating an environment that facilitates its use (refer to “Whistleblowing System” on page 15)
2. Promoting the use of a human resources hotline to identify and address problems promptly.
3. Conducting information collection and investigation on problems by the Harassment Committee and harassment counselors and implementing preventive and corrective measures.
4. Providing education and training to senior management and workers (in fiscal 2017, 695 managers participated in education and training programs, for an enrolment rate of 94%)*
*Targeting managers of IBIDEN and some of its domestic Group companies, excluding those transferred or seconded overseas.
5. Promoting a change in mindset for overwork and work-life balance (refer to “Labor and Management Cooperation to Create a Worker-Friendly Workplace” on page 26)

In addition to the above, we have conducted a questionnaire survey of employees on harassment. Based on the survey results, we will check the effects of and review our harassment prevention measures to create an environment where each employee can work enthusiastically and without anxiety.

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. (See “CSR Management in the Supply Chain” on page 17).

A potential issue that could become a risk is the problem of debt bondage among immigrant workers at the Group’s site, 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. We checked with our affiliated companies and on-site contrac-

tors in Japan to look for problems in management of immigrant workers such as foreign technical interns. While we did not find any serious problems such as debt bondage, we have made improvements to the wording of labor regulations and in-house work-related rules. As a result of the CSR investigation and audit in fiscal year 2017, 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. To enhance business competitiveness, we believe it is important for each employee to challenge himself/herself to meet his/her own high expectations, achieve these expectations, and raise his/her organizational capabilities. Experience in successfully achieving high expectations will accelerate the future growth of employees.

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 compensation. Furthermore, our aim is for better "communication between superiors and subordinates" to be encouraged through the process of goal-setting, interim interviews, and evaluation interviews. The aim is to facilitate communication between subordinates and superiors by discussing not only short-term career goals but also medium- and long-term career goals, and sharing the career image of subordinates, as well as to provide opportunities for "professional development" for subordinates in the process of target management.

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. We will introduce the assessment feedback system and create a system by which employees can check their final assessment results by utilizing the support system for human resource development, in order to establish a transparent assessment system. We provide evaluators with training programs through e-Learning on how to give feedback on assessment results to ensure proper administration of feedback (e-Learning training enrollment rate of evaluators: 90.5%).

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. We also focus on nurturing the core staff of our overseas entities by inviting them to participate in training programs in Japan.



Exercise in training session



Presentation of results at new employees training

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.

In providing actual education, the division in charge of human resources 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 2017 (IBIDEN)

- Total training hours: 56,464 hours/year
- Training hours per person: 15.8 hours/year/person

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.

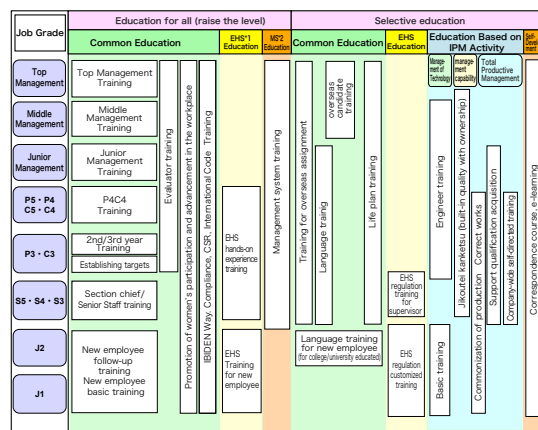


Diagram of Human Resource Development System

Establishing the Human Resource Development Center

We have established the Human Resource Development Center within the Technological Development Division for the purpose of training engineers to continue to inherit and pass on our technologies for the next hundred years. The Human Resource Development Center trains engineers who work at our four development centers (Automotive Functional Component Development Center, Next-Generation Mobility Product Development Center, Advanced Ceramic Material Development Center, and Bio-Material Product Development Center), as well as those involved in the electronics and ceramics businesses. The Center also provides development support and guidance. Training ranges from the fundamental education required for engineers to training in specialized fields. Nurturing people to be well-equipped with skills for the next generation of technological developments will lead to enhanced technological strengths for IBIDEN.



Training for process design

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.

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 2017, 23 employees used the childcare leave system(Refer to the graph “Track record of the leave programs.”) Employees participate in the maternity/childcare leave program briefing provided by the Human Resources Division before they take leave, and have an interview with their superior and staff from the Human Resources Division before returning to work. In fiscal 2017, 11 employees had such interviews prior to their return to work, and a total of 100 employees have had such interviews since its introduction. 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*1 and the retention rate*2 after returning to work were 94% and 100%, respectively, in fiscal 2017 (both rates were 100% in fiscal 2016).

*1 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.

*2 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 2016.

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, three 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.

In fiscal 2017, the President delivered a message anew at the start of the Stage 2 of our initiatives for promoting women’s participation and advancement in the workplace, announcing the Company’s policy to not only endeavor to develop a workplace environment where female employees can achieve a work-life balance but also actively promote the career advancement of female employees.

Because the awareness of female employees and the corporate culture have changed due to such activities, 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 there were three female employees at the assistant manager lev-

el and two at the manager level or above at the end of fiscal 2017 (IBIDEN). In fiscal 2018, we plan to appoint more female leaders with the purpose of revitalizing the corporate culture by promoting more female employees with expanded functions to play active roles in the 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】

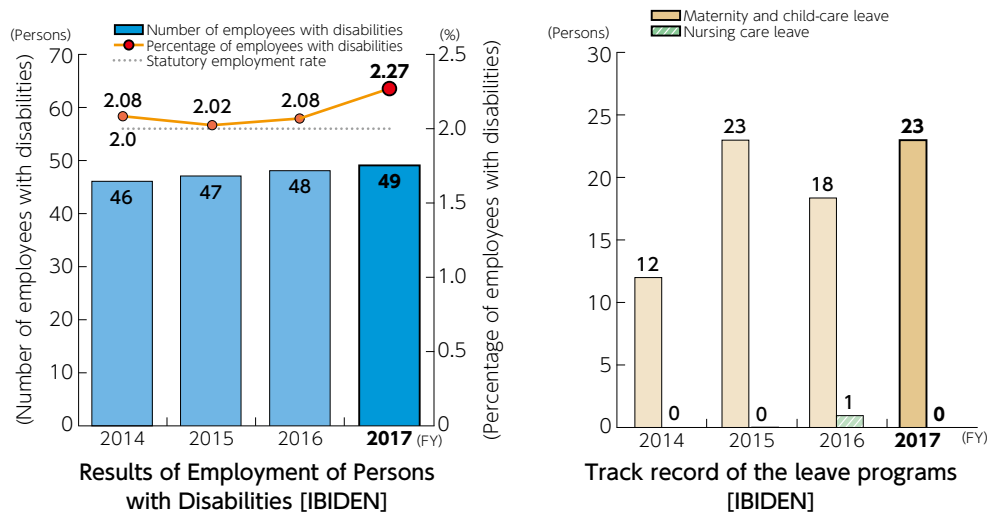
We have established childcare programs, such as childcare leave and short-term working hours, which surpass those prescribed by law, to support a work-life balance so that both men and women can continue to work while they raise children. In addition, we conduct an interview with female employees who have taken childcare leave before returning to work to reduce people’s perception gap after their return to work.

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 2017 was 49 ones and 2.27%. (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 2017, 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 Japan, work style reform is being promoted and rectifying long working hours is regarded as an important task. While the government is strengthening legal restrictions related to working hours, mental disorders and work related accidents that are deemed to be caused by long working hours have become serious problems. As a result, companies are being required to make further efforts toward rectifying long working hours.

The Company has been working to raise employees' awareness about working hour management. It is doing this by strengthening check criteria to promote proper work hour management, with rectification of long working hours as the theme of cooperation between labor and management. In addition, we hold training on working hour management for managers to further raise their awareness of the need for subordinates' labor management. In the meantime, we have launched awareness-raising activities to encourage employees to leave work by 7 p.m. as part of our efforts to achieve work style reforms.

Creating a Worker-Friendly Workplace

We have continuously conducted cooperative activities between the management and employees to facilitate communication. We have continued to hold an IBIDEN WAY read-through session once a week 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. The purpose is to deepen employees' understanding of the behavioral spirit of the IBIDEN Group.

In addition, we have launched a training program for improving workplace communication skills for on-site managers, such as section chiefs, from the perspective of labor management. We have also enhanced our compliance consultation services to reinforce gathering of harassment information and promoted harassment occurrence- and recurrence-prevention measures by the Harassment Committee.

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 have continued to provide evaluators with training programs through e-learning on how to give feedback on assessment results.

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 2017, we were issued guidance from the supervisory authorities regarding overwork and working hour management. Accordingly, we will step up our efforts to reduce overwork. Meanwhile, we had no record of violations of related laws pertaining to wages 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 2017.

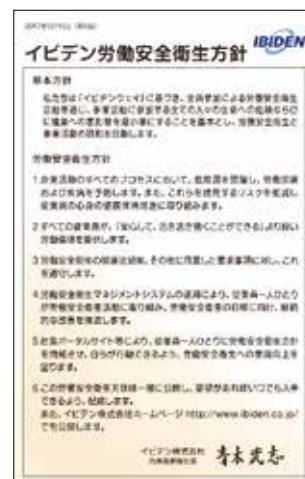
Occupational Health and Safety - Basic Policy

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

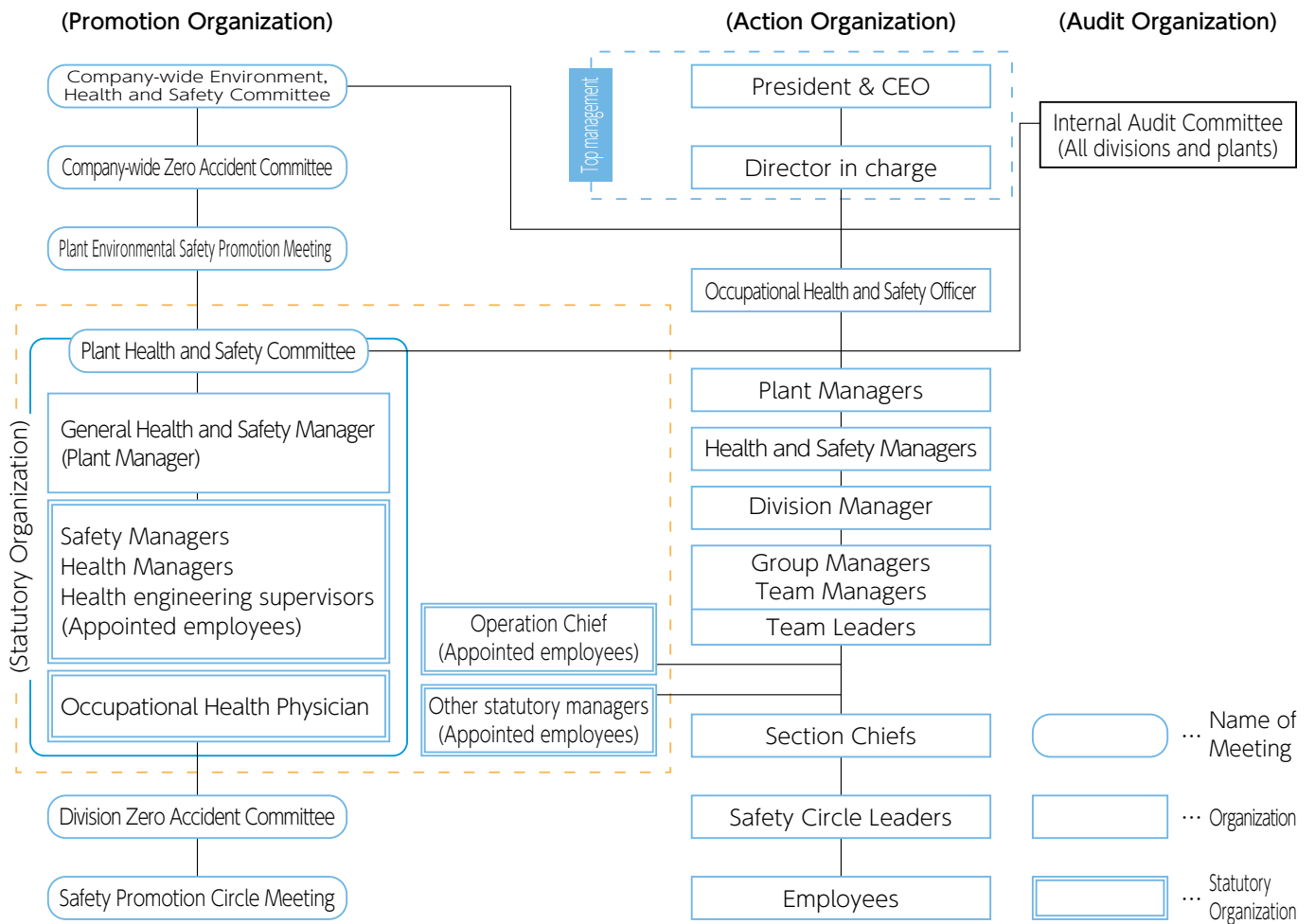
1. We will identify the sources of risks associated with each process in our corporate activities and take steps to prevent labor accidents and illnesses. We will strive to reduce the risks and to maintain and enhance the physical and mental health of our employees.
2. We will provide a good working 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



(as of March 31, 2018)

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 at least once a year, which aims to share information on the status of activities based on environmental/occupational health and safety policies and recognition of work-related issues. The chairperson of the labor union is also a committee member. Meetings of the Company-wide Zero Accident Committee, held monthly, are attended by each Plant Manager and management persons responsible for promoting health and safety at affiliated companies. The Committee functions as a place for establishing common ground 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 2017, we focused our activities on recurrence prevention, accident/incident prevention, health management, and disaster prevention. We worked on occupational health and safety activities to enable employees to work with high spirits and to establish a safe and comfortable workplace across the IBIDEN Group with employee awareness of the "People First" policy.

1. Recurrence prevention: Prevent the recurrence of occupational accidents/potential accidents that have become obvious.
 - (1) To pursue the root cause of accidents through thorough causal investigation in the event of an occupational accident, and determine and implement countermeasures across the IBIDEN Group.
 - (2) 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. Accident/incident prevention: Prevent accidents/incidents by identifying potential risks
 - (1) To improve the effectiveness of assessment of risk and potential accidents and hazards (Hiyari-hatto) and risk prediction, and eliminate all types of accidents/incidents.
 - (2) To establish fire-protection control assuming all potential causes to prevent explosions and fires, including minor fires.
3. Health management: Promote the creation of a worker-friendly workplace by improving the work environment and communication.
 - (1) To carry out activities in which all members participate based on the "Next Health 105 Plan."
4. Disaster prevention: Establish and operate a system for initial response at the time of a large-scale disaster.
 - (a) To enhance the level of disaster-prevention management to save lives in the event of a large-scale disaster.

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 across IBIDEN. Every year, we upgrade the guidelines and assessment standards for group activities and promote improvements in the level of safety activities. Through our group activities, we also work to ensure safe behavior/safe work by raising the awareness of all employees through repetitive learning of safety confirmation points in the workplace.

Fiscal year 2017 results: All workplace safety groups carried out risk prediction training at least twice a month (execution rate: 100%), of which 88.5% of workplace safety groups conducted risk prediction training three times a month or more. In addition, we established a system of recording the minutes of meetings of all workplace safety groups to allow communication of the content of meetings to members who are absent.

- (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 addition, we had the Operation Manager conduct safety patrols twice a year, and had the division head conduct monthly safety patrols with a focus on monthly safety enhancement items, to disseminate the basic principles of safety-first.

- (3) Raising the awareness through safety education

The IBIDEN Group is implementing education and training for ensuring compliance with safety and health rules to foster a corporate culture of placing priority on health and safety and legal compliance. We provide systematic safety education, such as education and training for employees taking on a new assignment so that all employees can receive safety education. IBIDEN implements hazard-simulation safety education among employees to provide hands-on experience of the dangers of disaster. Doing this rather than giving them only theoretical knowledge of safety education enables them to increase their safety awareness and acquire the ability to avoid risks.

Fiscal year 2017 results: A total of 73 persons received hazard-simulation safety education for managers and supervisors, and a total of 995 persons received hazard-simulation safety education for workers.

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 com-



Safety education
(dangerous experience training)



IBiden Safety Standard (ISS)

pletion test by certified inspectors in accordance with IBIDEN Safety Standard (ISS) and submission of notifications in accordance with relevant laws and regulations. We hold the IBIDEN Safety & Health Meeting for Contractors as a measure to raise the level of construction safety management, and promote reliable dissemination and through penetration of information on law revisions and thoroughly implement contract work safety standards. Fiscal year 2017 results: Achieved a 100% filing rate of statutory notification before deadline.

(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 at all plants including education on points related to recognizing risks and how to estimate them while observing actual operations. Specialized department staff and managers visit sites to check the appropriateness of risk assessment for items identified as high risk as a result of risk assessment.

In addition, we itemized workers being trapped or entangled in equipment, workers making contact with hazardous substances, workers falling, workers slipping or falling, explosions and fires, collisions, and workers suffering cuts and scrapes as company-wide specified risks. We conduct reviews at monthly meetings of the Company-wide Zero Accident Committee to systematically reduce these risks.

Results for fiscal year 2017: All the projected risk reduction plans were completed. (The target was achieved ahead of schedule at IBIDEN plants.)



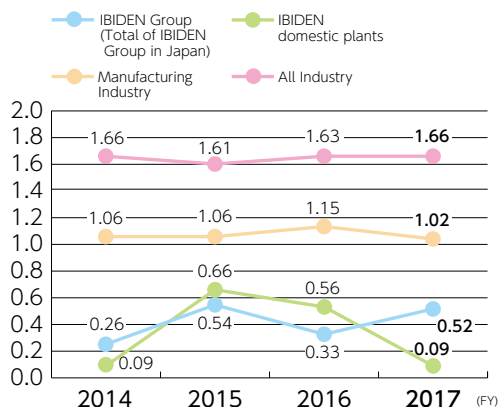
RA implementation training



Audit of on-site contractors

(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 2017, we continued to conduct two-way audits with contractors to check compliance activities regarding the environment, health and safety on-site using actual things, and mutually pointed out what was good and what needed to be improved for raising the level of compliance activities.



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

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

	IBIDEN domestic plants		Domestic affiliated companies		Total of domestic IBIDEN Group companies	
	2016	2017	2016	2017	2016	2017
Fatal accidents	0	0	0	0	0	0
Accidents accompanied by lost work time*1	4	1	2	7	6	8
Accidents not accompanied by lost work time	2	1	2	7	4	8
Minor injuries	6	8	9	5	15	13

*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		Total of overseas IBIDEN Group companies	
	2016	2017	2016	2017	2016	2017
Fatal accidents	0	0	0	0	0	0
Disabilities	0	0	0	0	0	0
Accidents requiring four or more days' leave	6	6	19	20	25	26

Management Indicators (Status of Occurrence of Occupational Accidents)

(1) Number of occupational accidents that occurred at IBIDEN domestic plants: 10 in fiscal year 2017 (down 17%, including minor injuries)

By continuing with thorough activities to prevent specified accidents, we are making improvements in reducing the sources of risks. However, we have not yet achieved zero accidents.

(2) Number of occupational accidents that occurred at domestic affiliated companies: 19 in fiscal year 2017 (up 46%, including minor injuries)

Both the number of accidents and the severity of accidents, including accidents accompanied by a loss in work time, are on the increase. In particular, the number of serious accidents accompanied by lost work time increased sharply (from two in fiscal year 2016 to seven in fiscal year 2017), thus requiring us to urgently take countermeasures. The analysis of occupational accidents that occurred in IBIDEN domestic Group companies has shown that similar occupational accidents have occurred repeatedly, with the recurrence rate at 20% or more.

Under these circumstances, we will take steps toward achieving zero occupational accidents in the IBIDEN Group in fiscal year 2018 and thereafter. As an example of recurrence prevention measures, we will promote activities designed to implement funda-

mental measures to prevent recurrence of similar accidents through identification of problems at the time of occurrence and analysis of the root cause.

(3) Number of occupational accidents that occurred at overseas major manufacturing companies: 26 in fiscal year 2017 (up 4%; occupational accidents accompanied by lost work time (four days or longer))

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."

(4) Number of occupational accidents in contract work: Achieved zero accidents in fiscal year 2017 (three in fiscal year 2016)

In order to maintain good results, we will 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. We will do this through, 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.

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 (second term))" is being promoted by the Ministry of Health, Labour and Welfare, the Company and its domestic Group Companies worked on promoting employee health by implementing the "Next Health 105 Plan," the five-year plan from fiscal year 2013 to fiscal year 2017. From fiscal year 2018 and thereafter, we will conduct health promotion activities under the new "Smart Health 110 Plan."

★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.

Activities were led by the Health Subcommittee and conducted in collaboration with each plant toward achieving the targets. In the company cafeteria, we held a healthy food promotion event to improve employees' health consciousness. Each plant conducts activities aimed at establishing a habit of exercising among employees according to the characteristics of the workplace, such as holding a walk rally, bowling competition, and ground golf competition and setting up a fitness room.

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.

In recognition of the series of health promotion activities, the Company, as well as TAK Co., Ltd., IBIDEN Engineering Co., Ltd., and IBIDEN Bussan Co., Ltd., which are IBIDEN Group companies, have been recognized under the 2018 Certified Health and Productivity Management Organization Recognition Program by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as organizations engaging in activities to promote health management of employees from a management perspective.

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

items	Indicators	FY 2017	FY2018
		Performance	Target
Increase in the number of persons who maintain a proper weight	BMI 18.5-24.9	65.5%	80.0%
Increase in the number of persons who have developed exercise habits	30 minutes or more/day, twice or more/week	17.6%	20.0%
Decline in the ratio of smokers	ratio of smokers	31.1%	30.0%
Improvement of ability to cope with stress	Mental disorders	0.80%	0.50%