

## 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.

We also work to reduce the losses caused by equipment and human errors by means of the thorough 5S and autonomous maintenance activities. We also ensure compliance with the standard operating procedures, and promote activities to enhance our competitive capabilities by using the method of “Genchi (actual scene), Genbutsu (actual thing), and Jigakari (on-site solution of problems)” as well as “cross-sectional teamwork activities.”

### 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. We also work to reduce the losses caused by equipment and human errors by means of the thorough 5S and autonomous maintenance activities. We also ensure compliance with the standard operating procedures, and promote activities to enhance our competitive capabilities by using the method of “Genchi (actual scene), Genbutsu (actual thing), and Jigakari (on-site solution of problems)” as well as “cross-sectional teamwork activities.”

### Quality Management System

In the electronics-related business, 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 the Ceramic Operation and the Electronics Operation, divisions related to the automobile industry have sequentially obtained ISO/TS16949 certification, an international standard for quality management in the automobile industry, since October 2003, and completed acquisition of ATF16949:2016 certification by fiscal year 2017 to respond to the change of the standard from ISO/TS16949 to IATF16949. In addition, to continuously improve our competitiveness and customer satisfaction, we have operated the IBIDEN Management System that integrated our existing management systems covering quality (ISO 9001), environment (ISO 14001), and occupational health and safety (OHSAS 18001). Going forward, we will continue to build a system that can provide high-quality products at a global level and upgrade the level of quality.

### 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 Resources” 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

IBIDEN has conducted IBI-TECHNO promotion activities in which all employees from all divisions take part in achieving No. 1 customer satisfaction 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.

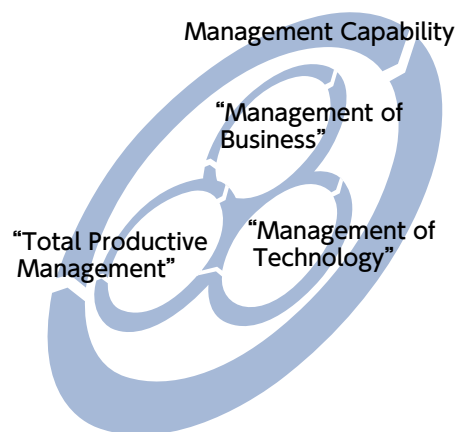


Image of “Spiral Up” for IBI-TECHNO promotion activities