

Company name: IBIDEN CO., LTD.

Representative: Koji Kawashima, President & CEO, Representative Director

Stock exchange listings: Tokyo and Nagoya Stock Exchange (Code number: 4062)

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## **Summary of the Results of the** **“Analysis and Evaluation of the Effectiveness of the Company's Board of Directors”**

In order to enhance the overall effectiveness of the Board of Directors, we conduct an analysis and evaluation of the Board's effectiveness through a continuous process that examines whether the entire Board of Directors is functioning effectively and takes appropriate measures based on the results, such as improving areas of concern and strengthening strengths.

The analysis and evaluation for FY2024 has been completed, and a summary of the results is disclosed below.

### **1. Summary of the evaluation process**

(1) A questionnaire survey on the effectiveness of the Board of Directors was conducted for all directors, including external directors (including Audit and Supervisory Committee Members) (hereinafter referred to as "all directors"), by an external organization. The results of the survey were discussed and resolved at the Board of Directors meeting held on March 28, 2025.

### **(2) Evaluation Items**

The following are the major categories that were evaluated:

- ① Composition of the Board of Directors
- ② Operation and Discussion of the Board of Directors
- ③ Monitoring Function of the Board of Directors
- ④ Performance of Outside Directors
- ⑤ Support System and Training for Directors
- ⑥ Dialogue with Shareholders (Investors)
- ⑦ Your Own Initiatives and Summary
- ⑧ Activities and Overview of Audit and Supervisory Committee

### **(3) Evaluation Method**

- ① The survey was conducted anonymously.
- ② A five-point scale was used for the evaluation, with an average score of 3.5 or higher for all directors on each item being considered effective.  
[Evaluation Scale] 5: Appropriate (sufficient), 4: Generally appropriate (sufficient), 3: Neither, 2: Somewhat inappropriate (insufficient), 1: Inappropriate (insufficient)
- ③ The data was aggregated separately for inside and outside directors by an external organization (Sumitomo Mitsui Trust Bank).

- ④ The analysis focused on items where individual scores were significantly lower than other items, where there were large gaps between inside and outside directors, or where there were large gaps compared to the average for other companies.
- ⑤ The results of the evaluation and analysis were disclosed to the Board of Directors, and the Board of Directors resolved the "Evaluation Results of the Effectiveness of the Entire Board of Directors".

## 2. Summary of the evaluation result

Based on the aggregated results of the questionnaire commissioned to an external organization and the advice of external experts, the overall average score for all major categories (listed in 1.(2) above) was higher than 4.0. Therefore, we have analyzed and evaluated that the effectiveness of the entire Board of Directors is ensured.

On the other hand, we recognize that there is room for improvement and ingenuity mainly in the following areas, and we will take priority in addressing them.

### (1) Identified Issues

- ① Detailed verification of “Benefits and Risks of Holding Cross-Shareholdings” in comparison with capital cost.
- ② Construction of internal control system in an entire group level including subsidiaries, and sufficient supervision and monitoring of actual operation.

### (2) Future Actions

- ① Our Company conducts a “Current Status and Holding Policy of Cross-Shareholdings” once a year at the Board of Directors meeting. From the perspective of improving capital liquidity and efficiency, on February 4, 2025, we disclosed that, by the end of 2027 financial year (end of March 2028), we aim to reduce our cross-shareholdings by at least 50 % based on the market value as of the end of 2023 financial year (end of March, 2024). Furthermore, fundings generated by the sales of the cross-shareholdings are going to be allocated to strategic investment for sustainable growth, investment for strengthening management and business foundation, and return to shareholders. For more details, we plan to provide additional explanation as well as “Medium-Term Plan for Generation and Allocation of our Funds” (Cash Allocation Policy).
- ② Our Company systematically conducts on-site audits of both domestic and international subsidiaries by the Audit Committee, based on the audit plan. We are also enhancing our internal audit department to improve the accuracy of audits. As for results of audit (identified issues) and challenges for improvement, we construct the internal control system and supervise and monitor the operation status in addition to preparing opportunities to share the results with President & CEO, Representative Director and the President of Operations, the President of Functions and the Presidents of the Domestic Subsidiaries. Also, we appoint and assign executives or managers from functional departments as non-executive officers to key domestic and international subsidiaries, providing management guidance aiming for establishment of firm governance in each subsidiary.  
Furthermore, governance management of the parent company at the group and global level is overseen by Strategic Corporate Planning Division, and the division augmented personnel to the necessary level this year. We will continue to strengthen the structure, including the potential formation of a dedicated organization.

On the other hand, while we already prepare regular opportunities for discussion such as meetings with each subsidiary and meetings involving the entire subsidiaries, where subsidiaries exchange opinions on management issues including profitability and competitiveness of the core businesses in the medium-

and long-term, we set opportunities for reporting to the board of directors enabling discussion from more multi-faceted views.

In the last fiscal year's effectiveness evaluation analysis, we identified "Establishing forums for further discussion of sustainability-related risks and opportunities" and "Establishing forums for reporting and discussing the progress and challenges of large capital investment projects after investment" as issues to be addressed.

Regarding " Establishing forums for further discussion of sustainability-related risks and opportunities," in addition to the previously reported climate change response, we have been reporting the progress of safety and health activities, which are particularly high-risk sustainability issues, to the Board of Directors and holding discussions since last year. Furthermore, to comprehensively discuss risks and opportunities with management and business leaders (the President of Operations, the President of Functions), ensure consistency in internal activities and external communication based on consensus, we have newly established the "Sustainability Management Committee" in September 2024.

Regarding " Establishing forums for reporting and discussing the progress and challenges of large capital investment projects after investment," we have been deliberating and reporting on the additional investment in the Ono Plant and the current status and future utilization plan of the Gama Plant to the Board of Directors. Starting this year, we will establish a forum to report and discuss the progress and review necessity of ongoing investment projects approved by the Board of Directors at least twice a year.

Based on the results of this evaluation and our response to the issues, the Board of Directors will continue to improve the Effectiveness of the Company's Board of Directors.