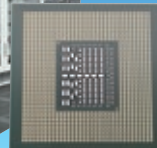




**IBIDEN Co., Ltd.**  
**Integrated Report 2021**  
Year Ended March 31, 2021



Power to overcome  
many adversities with  
all our employees and  
to continue to exist

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#### Editorial Policy

We have published this report with the aim of deepening the understanding of the Company's medium- to long-term initiatives toward value creation for all stakeholders including shareholders and investors. In this report, we have compiled information on the mechanisms for future value creation by comprehensively editing financial and non-financial information with a focus on value creation stories. This report has been issued following deliberation and approval of the Management Council and subsequent reporting to the Board of Directors.

#### Notices on Forward-Looking Statements

This report includes forward-looking statements and future plans based on information currently available to IBIDEN Co., Ltd. Statements contain potential risks and uncertainties and may differ from actual business results and future operational developments. Therefore, the accuracy of forward-looking statements and statements on future plans are not guaranteed.

#### Information Disclosure Structure

##### Financial Information WEB

**Investor Relations**  
<https://www.ibiden.com/ir/>

**Securities Report**  
<https://www.ibiden.co.jp/ir/library/securities/>

##### Non-Financial Information WEB

**ESG Information**  
<https://www.ibiden.com/esg/>

**About IBIDEN**  
<https://www.ibiden.com/company/>

**Corporate Governance Report**  
<https://www.ibiden.com/ir/library/governance/>

Integrated  
Report  
2021

#### Period Under Review for Reporting

April 1, 2020 to March 31, 2021  
※ Some information outside the applicable period is also included.

#### Scope of Reporting

IBIDEN Co., Ltd. and its group companies  
※ Some items individually state the scope of reporting.

#### Guidelines Used as Reference

- Ministry of Economy, Trade and Industry / Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation
- IIRC / The International <IR> Framework
- Task Force on Climate-related Financial Disclosures (TCFD)



# Passing Down the Legacy of 110 Years

“Create what will be needed by the society in the future based on core technologies.”

Since established in 1912 as a hydroelectric power generation company, we have changed our business structure according to changes in the times and overcome many adversities.

We have been aware of cohabitation backed by personnel who worked to achieve high targets as greater power and always appreciated the “blessings of nature.”

## 1912



**Founded as a power generation company**  
Established Ibigawa Electric Power Co., Ltd.. Appointed Yujiro Tachikawa as the first president.

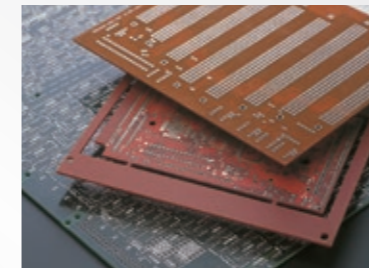
**Transformed into a manufacturing company**

Through the postwar recovery, expanded the electric furnace business, which formed the foundation for carbon products.

## 1951



## 1974



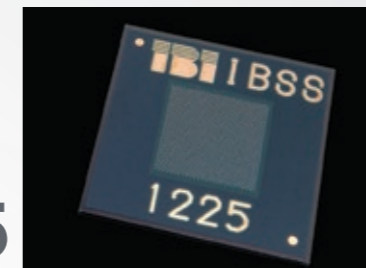
**Overcame oil crisis by creating new businesses**

Entered into the electronic circuits business. Established the first printed substrate plant.

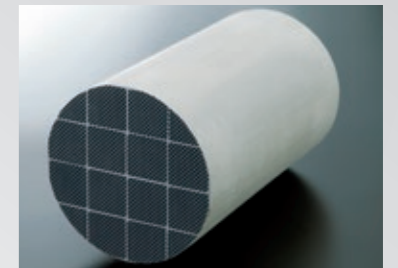
**Electronics Operation grew significantly**

Started transaction with a largest mobile phone manufacturer.

## 1995



## 2000



**Ceramics Operation made a phenomenal growth by offering eco-friendly products (DPF)**

Silicon carbide diesel particulate filters were adopted by a major automobile manufacturer.

Present

## 2020-2021

IC Package Substrate for PC-Data Center



Diesel Particulate Filter



Net sales  
**323.461** billion yen  
Operating income  
**38.634** billion yen

**Businesses and technology development to help resolve social issues**

Greening business

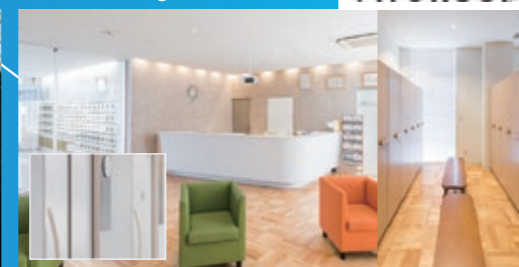


Slope greenification system (GT frame Method®)



Wall greenification system (Healing Wall)

Antiviral coating materials



**Viruhael**

No. of employees  
**13,161**

Rate of employees taking childcare leave and other related leave\*

Male **91%**

Female **100%**

**Diverse human resources**

Higashi-Yokoyama Power Plant



Kinuura Plant  
Water floating solar power generation plant



**Use of clean energy**

Renewable energy generation  
**174,267** MWh  
GHG emissions  
**586** thousand tons of CO<sub>2</sub>

\* Figures are for IBIDEN Co., Ltd.. "Childcare leave and other related leave" refers to childcare leave and special leave for childbirth that can be taken for the purpose of rearing a child up to one year of age. Both types of leave apply to both male and female employees.

# To The Next Stage

## IBIDEN WAY

### MISSION

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

### SPIRIT

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

“Power to overcome many adversities with all our employees and to continue to exist”

“Wisdom and vitality that have achieved dramatic growth in recent years”

# IBIDEN WAY

## MISSION

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

## SPIRIT

### Trust through Integrity

Gaining customer and societal trust through “Genchi Genbutsu.”

\* Genchi Genbutsu: Go and See for yourself to thoroughly understand the situation

### “Wa” Teamwork and Synergy

Integrating knowledge and wisdom from the employee involvement for greater power.

### Challenge with Passion

Anticipating change, and acting boldly to create new value.

### IBI-TECHNO Innovation

Evolving by overcoming hurdles through creativity and ingenuity.

※ “IBI-TECHNO”

The common spirit of all company people, expressing our determination to create new technologies through fusions and composites of our proprietary technologies.

## Co-Creation of Value with Society

### IBIDEN Group’s ESG Management and Contribution to the SDGs

#### IBIDEN Group’s approach to ESG

IBIDEN Group upholds a “harmonious relationship with the natural environment” and the “realization of the progression of society” as key goals in its Corporate Philosophy. The Group has continued to grow by developing products that can lead to solving social problems with its innovative technologies. Considering that contribution to the progression of society and solving social problems through its business are the essence of its Corporate Philosophy, the Group has engaged in ESG (environment, society, and governance) activities.

#### ■ Evolving from CSR to ESG Activities

Based on the Corporate Philosophy and Group Charter of Behavior, the Group has built a foundation for meeting its Corporate Social Responsibility as part of its CSR management. Lately, we have conducted relevant activities as part of our ESG management, being highly rated by external evaluation for our performance of the activities from the perspective of ESG (environment, society and governance). In the future, we will offer solutions to social problems with our technologies to achieve a sustainable society, which the international community jointly aims to realize, through our businesses and operational activities

#### ■ IBIDEN Group and the SDGs

We believe that to positively contribute to achieving the Sustainable Development Goals (SDGs) through its businesses is a mission that IBIDEN should fulfill for society based on the IBIDEN WAY. We will tackle social problems faced by our society, with our innovative technologies evolved from and combined with the core technologies of the Group, through responsible corporate activities in harmony with human life and the global environment, thereby contributing to the achievement of the SDGs.



#### ■ Key issues and SDGs specifically addressed by the IBIDEN Group

The IBIDEN Group upholds the realization of a sustainable society as a key goal in its Corporate Philosophy. In working toward the goal, we recognize the following challenges as particularly critical from the perspectives of the importance for our company of changes in the business environment and the Group’s mid-term management plan, and the importance for external stakeholders such as the expectations and demands that customers, investors, and markets have concerning the Group. We will devote ourselves to solving these challenges by acting boldly through business operations while capitalizing on our technologies and strengthening our company’s basic activities.

#### Contribution through technologies and business activities

##### Achieve digital innovation

- IC Package Substrate of high function and reliability
- Innovation of fine wiring technologies

##### Improve air quality (environmental pollution)

- Diesel particulate filters (DPF)
- Exhaust gas reduction catalysts

##### Transition to a decarbonized society (climate change)

- Supply of clean energy
- Advanced ceramics products
- Forest conservation
- Enhanced disaster prevention, etc.

#### Contribution by enhancing basic activities

##### Activate human resources and corporate culture

- Promotion of diversity (female advancement, etc.)
- Realizing both rewarding work for employees and high productivity
- Safe and secure working environment

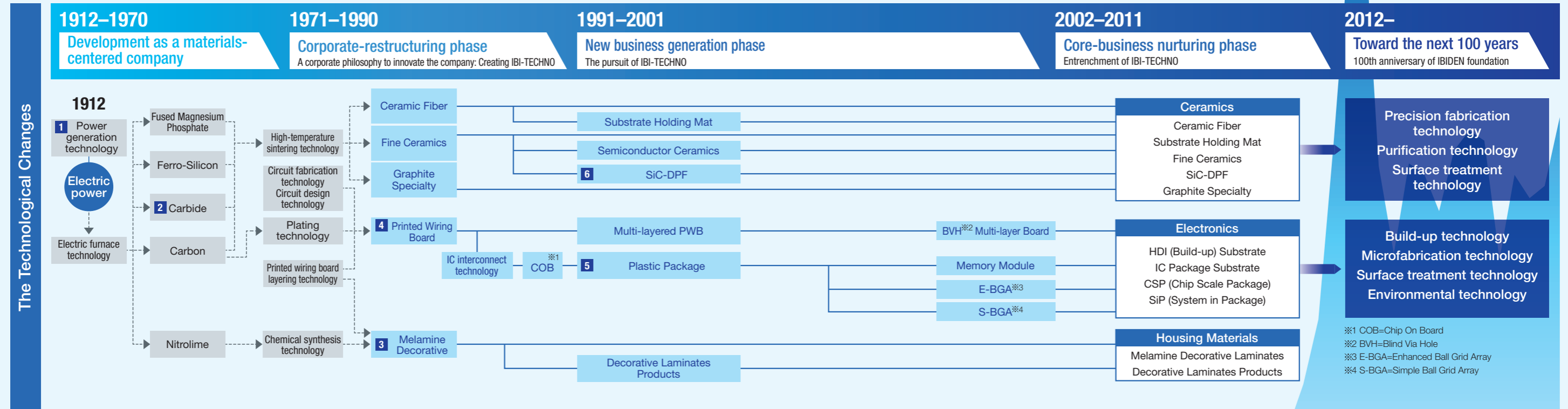
##### Reduce environmental impact in a product lifecycle

- Emission control of greenhouse gases
- Reduction in water usage and thorough control over wastewater
- Control of wastes and chemicals

\* We believe that our Group’s technologies and business activities can also widely contribute to goals other than SDGs specified above.

# Changes in Creating Value

IBIDEN's technology stems from hydroelectric power generation. The Company has expanded into the electrochemical business with the aim of utilizing electric power efficiently and has incorporated a variety of technologies such as high-temperature sintering technology, chemical synthesis technology, and printed wiring board layering technology. Changes in our technologies have been steadily inherited by the current Electronics Operation and Ceramics Operation.

(billion yen)  
400

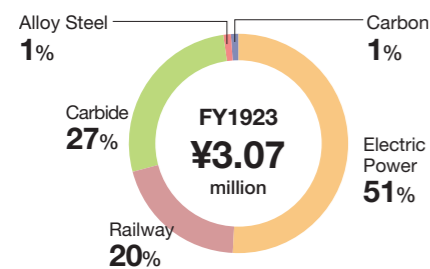
300

200

## Establishment

— Promotion of Regional Economy

Established as a power generation company with the aim of promoting the regional economy through hydroelectric power generation and then transformed into a “manufacturing company” to make effective use of electric power.

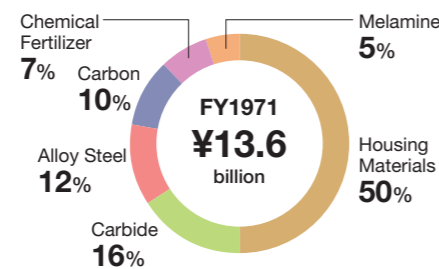


**1 Nishi-Yokoyama Power Plant**  
(1916-1963)

## Restructuring

— Expectations for New Businesses

During Japan's high economic growth period, we focused on the demand for housing construction and housing materials business grew by applying the technologies cultivated in the melamine operation.

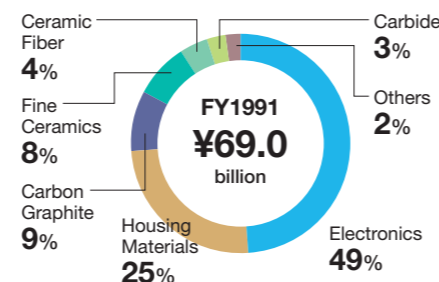


**2 Carbide**  
(1917-1991)

## Second Foundation

— Structural Reform

We were among the first to grasp the needs of the digital age, and succeeded in producing printed wiring boards and IC package substrates.



**3 IBI-BOARD**  
(1960-present)

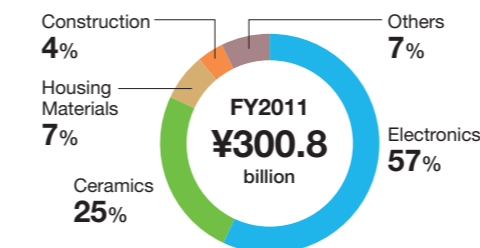


**4 Printed Wiring Board**  
(1972-present)

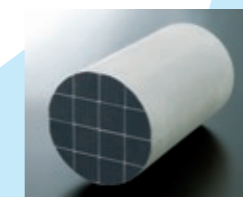
## Visible Evolution

— Expansion Overseas

In the Ceramics Operation, we have developed products that can contribute to the environment in the exhaust gas field in response to the growing awareness of environmental issues around the world.

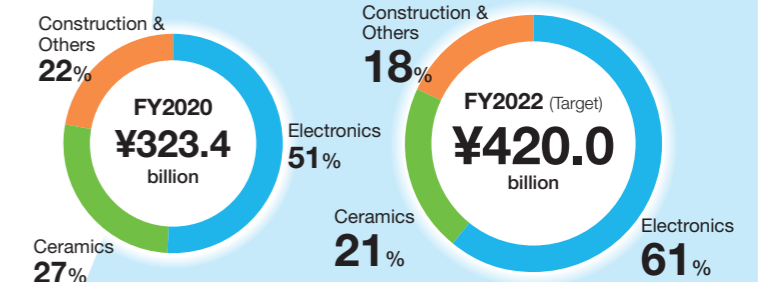


**5 IC Package Substrate**  
(1988-present)



**6 SiC-DPF**  
(1999-present)

## To The Next Stage 110 Plan



100

# Main Operations and Core Technology

## Electronics



Having access to information communication technology is important to build infrastructure for industrialization and innovation set out by SDG 9.

**Supports communication technologies such as data centers to realize global digital innovation by producing IC package substrates of high performance and reliability.**

Growth Strategy | P29



## Data Center

A large number of microprocessors are used at data centers that process huge quantities of data. The demand for IC packaging substrates used in data centers is on the rise as more and more services are handling big data. IBIDEN supports the superior reliability of data centers with IC packaging featuring high-functionality and high-reliability.



## Computer & Smartphone

At the heart of computers, semiconductors are small chips with a size of only a few millimeters to a few dozen millimeters. IC package substrates are used to implement these semiconductors with techniques that allow the chips to function at 100% performance. Various electronic devices and peripheral equipment are incorporated in smartphones featuring a variety of functions. Thin printed wiring boards with many layers are used to bring out the capabilities of multiple electronic devices within limits on size and thickness.

## Car Electronics

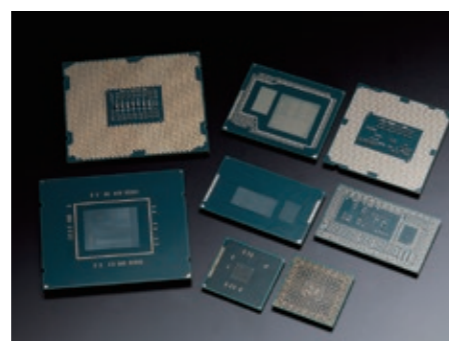
The number of electronic components and sensors installed on automobiles have dramatically increased against a backdrop of advancements in analysis using big data and high-speed communication networks. Semiconductors used on all systems that control automobiles, IC package substrates to which these are installed, as well as motherboards on which those packages are implemented, are used widely as components for automobiles that require strict reliability.



## Core Technologies in Electronics

### IC Package Substrate

Focusing on MPUs (micro processor unit) for personal computers and the Data Center, and GPUs (graphic processor unit) for AI and vehicle-mounted applications, we provide state-of-the-art IC packaging substrates. IC packaging substrate is an important component that functions together with IC chips. IBIDEN has always enhanced added values along with IC chip evolution.



IC package substrates

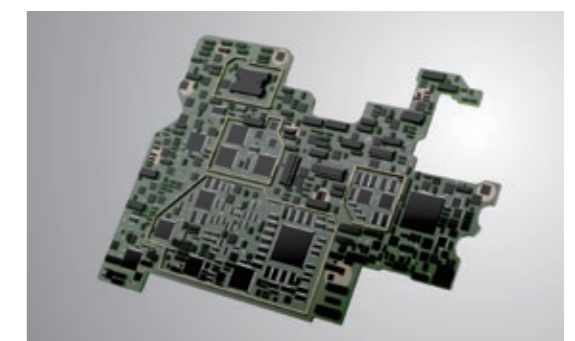


IC Package Substrate for desktop PC

IC Package Substrate for mobile PC

### Printed Wiring Board

Focusing on high-end smartphones, we provide high-function and high-density printed circuit boards. A printed circuit board is an important component that supports the manufacturing of small and high-function products in line with the full-fledged dissemination of 5G. IBIDEN meets its customers' needs using Modified Semi Additive Process (MSAP) which enables free circuit design and high-density wiring.



Printed Wiring Board for Smartphones



Visit our website for details of our electronics operation.  
<https://www.ibiden.com/product/electronics/merchandise/>



# Main Operations and Core Technology

## Ceramics



Aiming to create towns where people can continue to live their lives for generations as set out by SDG 11, we need to control the negative effects that our lives and activities have on the environment.

Contributes to the global improvement of air quality through the supply of diesel particulate filters (DPF), substrate holding mats (AFP) and SCR Catalysts (SCR) that purify exhaust gas from vehicles.

Growth Strategy | P31



## Automobile

Many products are being used, including SiC-DPF (diesel particulate filter), which removes the black smoke emitted by diesel engines, catalysts for cleaning exhaust gases installed in exhaust pipes, and felt-like ceramic fibers (alumina fibers) that prevent leakage of exhaust gas by stabilizing catalysts.



## Others

Technologies and products created from “IBI-TECHNO” are inherited to domestic group companies, have unique competitiveness and are contributing to various fields.

Growth Strategy | P33

Auto sales and repair  
[IBIDEN Industries Co., Ltd.]

Automobile parts  
tool boxes  
[IBIDEN Jushi Co., Ltd.]



Operating system and network construction, sales of custom software, including comprehensive health testing systems [TAK Co., Ltd.]



Development and production of dehydrated food, development of textured vegetable protein [IBIDEN Bussan Co., Ltd.]



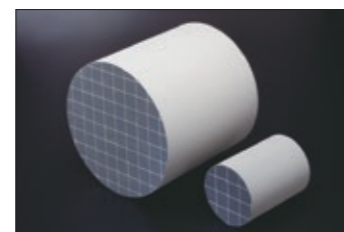
Sale and distribution of industrial gasses and the related product [IBIDEN Chemical Co., Ltd.]



## Core Technologies in Ceramics

### Automotive Exhaust System Components (DPF-AFP)

Diesel Particulate Filter (DPF), have grown as a standard component of the industry due to their performance and reliability. In the category of Substrate Holding Mat (MAT), we also provide products that meet market trends, achieving a high reputation and share in the market. We will continue to develop high-performance products and to reduce damage to the environment for the next generation.



SiC-DPF



Substrate Holding Mat

### Graphite Specialty (FGM)

Made with the excellent properties of high strength, high purity and high durability, our graphite products are contributing to the growth of leading-edge industries of every type including high-grade materials for semiconductor manufacturing equipment, electrode materials for electric-discharge machining use, materials for solar cell manufacturing equipment, and more.



### Catalyst for Industrial Plants (SCR)

NOx reduction catalysts are used by customers around the world as a key component of systems to effectively and efficiently reduce the NOx content of exhaust gas, helping to improve the global environment.

### High Temperature Insulation Material

Offering excellent heat resistance and insulating performance, this is available as both material and formed products, and is widely used in industrial products such as sintered bodies and fuel cells.

## Construction

Our own and innovative technology, which is a fusion of slope facing technology and landscaping, contributes to create better symbiosis between human beings and the natural environment.

### TOPICS

Won the Minister of Land, Infrastructure, Transport and Tourism Award at 19th “Rooftop / Wall Greening Technology Contest”

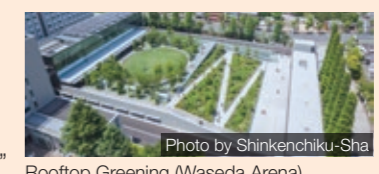


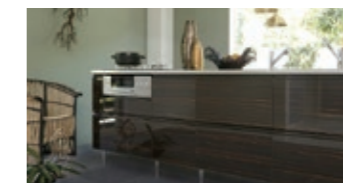
Photo by Shinkenichiku-Sha  
Rooftop Greening (Waseda Arena)

Contributing SDGs



## Housing Materials

To realize a safer and more secure living space, we contribute by providing high-performance products including antiviral coating material centered on melamine decorative laminates.



IBI-BOARD:high-pressure decorative laminates



Viruhael: antiviral melamine decorative laminates

Contributing SDGs



## Electric Power Business

The Company, which began with hydroelectric power generation, still owns three hydroelectric power plants today, including the Higashi Yokoyama Power Plant. In 2016, renovations were conducted to support the renewable energy feed-in tariff (FIT), supporting the Company's business as stable sources of revenue over the medium to long term. Technologies fostered in hydroelectric power generation are deployed in various power generation operations, such as solar power, and contribute to providing renewable energy that puts little stress on the environment.

Contributing SDGs



Visit our website for details of our ceramics operation.  
<https://www.ibiden.com/product/ceramics/merchandise/>



Visit our website for details of our other operation.  
<https://www.ibiden.com/product/group/>

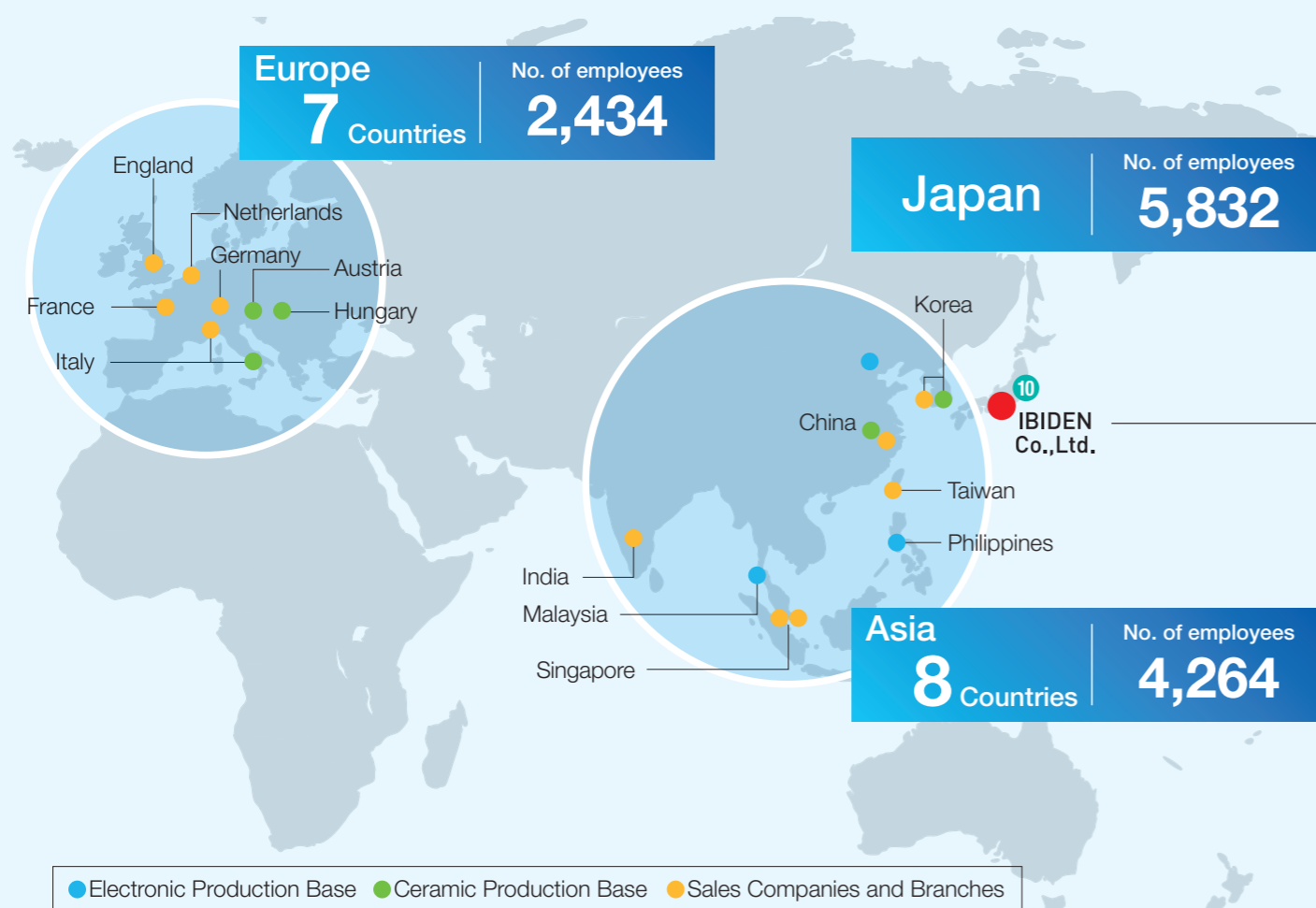
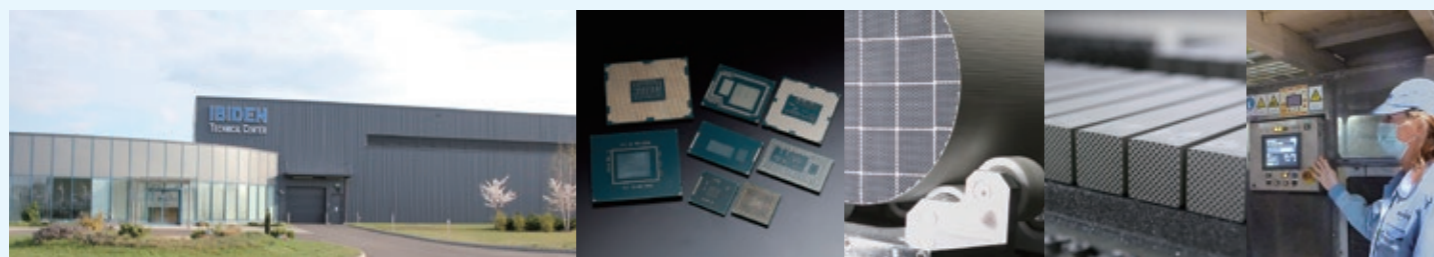


Visit our website for details of our group companies in Japan.  
<https://www.ibiden.com/company/profile/globalization-japan-group/>

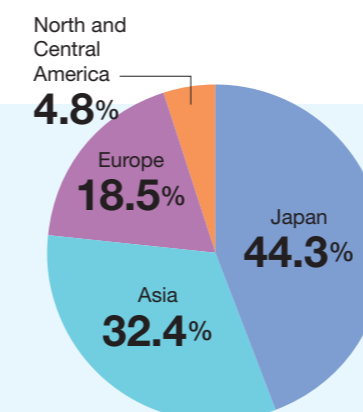


## Global Support Structure

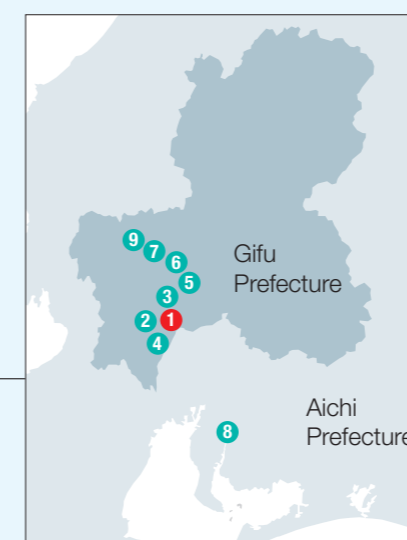
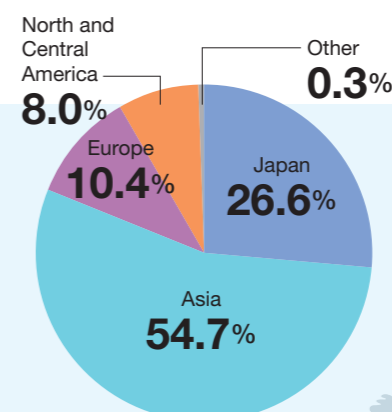
Since establishing IBIDEN U.S.A. Corp. in the United States as a foothold for overseas expansion in 1987, the Company has achieved full-blown expansion in overseas areas. Maintaining technology and quality fostered in Japan, we have established a global support structure by adapting to business environments, customer needs, and geographical risk.



Ratio of employees by region  
(Ibiden Group)

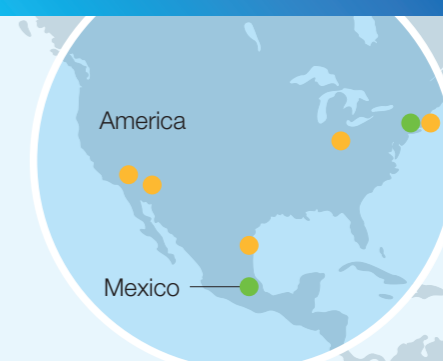


Ratio of net sales by region



- ① Training Center & Head Office
- ② Ogaki Plant
- ③ Ogaki Central Plant
- ④ Aoyanagi Plant
- ⑤ Gama Plant
- ⑥ Godo Plant
- ⑦ Ogaki-Kita Plant
- ⑧ Kinuura Plant
- ⑨ Power Plants (Higashi-Yokoyama, Hirose, and Kawakami)
- ⑩ Tokyo Branch

**North and Central America**  
2 Countries | No. of employees 631



● **Electronics operation** Operates mainly in Asia with the mother plant based in Japan



Ogaki Central Plant  
(IC Package Substrate)



IBIDEN Philippines, Inc.  
(IC Package Substrate)



IBIDEN Electronics  
Malaysia Sdn. Bhd.  
(Printed Wiring Board)



IBIDEN Electronics  
(Beijing) Co., Ltd.  
(Printed Wiring Board)

● **Ceramics operation** We have a supply system in the three regions of Asia, Europe and North America.



Kinuura Plant  
(Substrate Holding Mat)



IBIDEN Hungary Kft.  
(SiC-DPF, Substrate Holding Mat)



IBIDEN Mexico, S.A. de C.V.  
(SiC-DPF)



IBIDEN Fine Ceramics  
(Suzhou) Co., Ltd.  
(Substrate Holding Mat)

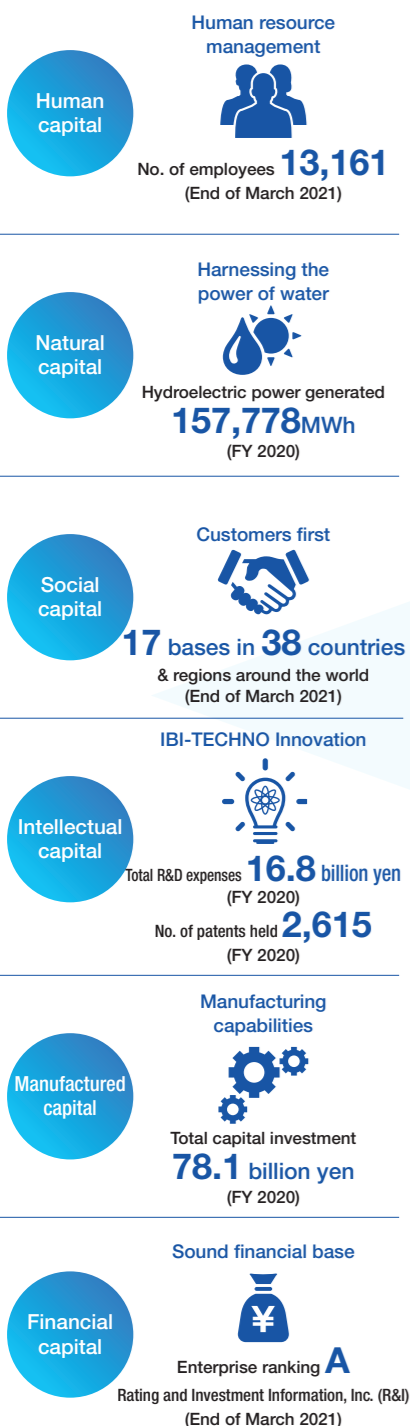
## Value Creation Story

We will realize sustainable value creation through innovating “IBI-TECHNO”, with respect for both “individuals” and “the global environment”.

Our company, which was founded as a hydroelectric power generation company intended to promote the regional economy, has long valued people and the global environment, and as a technology development company has contributed to society's development with its state-of-the-art technologies. From now, we will also continue to take up challenges in new value creation by continuously innovating “IBI-TECHNO,” which is to develop new technologies by evolving and uniting our original technologies.

Investment in Value Creation / Evolution of Core Technologies and Correspondence

### Major inputs



### External environmental risks

Sudden fluctuations in PC demand

Electric passenger vehicle market

Accelerating Climate Change

Pandemics

Geopolitical risks

Decrease in domestic working population

### Opportunities

Expansion of ICTs

Transition to a low-carbon society or decarbonized society

Strengthening of environmental regulations in emerging countries

Increase in populations of emerging countries

Growing needs for reducing environmental burdens in manufacturing processes

## Mid-term management plan To The Next Stage 110 Plan

(5 years from FY 2018 to FY 2022)



### Contributing to the SDGs in business processes

Diversity Improvement of productivity



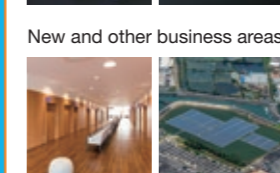
Compliance  
Risk management

Energy conservation  
Resource circulation

**Outcomes**  
Management targets for FY 2022  
Net sales  
**420 billion yen**  
Operating income  
**60 billion yen (14.3%)**

### Outputs

Products in core business



### Outcomes

Strengthening the business foundation

Reinforcement of human resources  
Management of both high job satisfaction and high productivity

Sustainable utilization of natural capital  
Low-impact manufacturing systems

### Outcomes

Value that IBIDEN offers to society



**Innovating and disseminating ICT**  
IBIDEN utilizes its high-function and fine IC package substrates and printed wiring boards to contribute to the evolution of digital technology.



**Reduction environmental burdens**  
IBIDEN utilizes its exhaust gas purification ceramic filters to contribute to the control of air pollution.



**Mitigating climate change**  
IBIDEN applies the existing technologies for circulation in a low-carbon society or decarbonized society to contribute to the dissemination of high-insulation materials and renewable energy.



ESG-central operation

Corporate governance

IBIDEN WAY

## Changes in Business Environment and Medium- to Long-Term Management Strategy

For more than a century, we have continued to grow by quickly perceiving changes in the environment and responding to them. We have recognized risks and opportunities and the impact they have, based on sudden changes in the external environment and business results and issues accumulated from the past, and are addressing highly important issues under the Management Strategy.



### Issues recognized in the previous medium-term management plan

#### Electronics

- Mitigate high dependency on specific large-scale users.
- Select and concentrate on manufacturing structures and product lineups in response to changes in the market.

#### Ceramics

- Develop products with new materials that can support weight reduction and comfort toward the proliferation of EVs.

## Risks and Opportunities Related to Changes in Business Environment and Our Measures

|               | Risks and Opportunities  | Impact on the Company  | Expected duration           | Responsive Measures for Specific Impact   |
|---------------|--|--|-----------------------------|---|
| Risks         | Sudden fluctuations in PC demand                                 | A sudden change to the product mix and order volume in response to changing demands of IC Package Substrate for PC   | short-term<br>} medium-term | Resource allocation that allows us to respond flexibly to a change in made-to-order product mix and establishment of production framework   |
|               | Electric passenger vehicle market                                | Decline in exhaust gas-related products and decrease in DPF demand due to an accelerated diffusion of EVs and hybrid vehicles  | medium-term<br>} long-term  | Transition to a production and supply structure focused on growth markets in response to the contraction of the European diesel passenger vehicle market and EV product development   |
|               | Accelerating Climate Change                                      | Rising energy procurement costs due to tighter climate change-related regulations  | medium-term<br>} long-term  | Realization of energy efficient production processes, including increasing power generation facilities with high power generation efficiency by driving GX and effective use of in-house-generated renewable energy           |
|               |  | Suspension of operations at our plants or disruption of supply chains due to increased natural disasters   | short-term<br>} long-term   | Enhancing a framework to immediately implement business continuity and recovery plans in the event of local disasters due to natural disasters  |
|               | Pandemics  | Sluggish supply chains on a global scale, including the limitations on operations in various countries due to the spread of infectious diseases and travel restrictions  | short-term<br>} medium-term | Maintaining business continuity levels that are essential to corporate survival, and resuming and recovering operations systematically while putting top priority on the safety of employees and communities                  |
|               | Decrease in domestic working population                          | Unexpected suspension of shipments or operations due to sudden changes in systems, laws, regulations, etc., arising from political and social tensions in specific regions   | short-term<br>} medium-term | Flexible operations to mitigate the impact of unexpected events in specific regions, including a global production structure, and alternative production and shipments by leveraging its network                              |
|               | Decrease in domestic working population                          | Shortage of human resources due to the declining working population caused by the declining birthrate and aging population in Japan  | medium-term<br>} long-term  | Improving efficiency through the use of digital technologies (via DX), etc., and supporting active participation of diverse human resources which we have been working on   |
| Opportunities | Expansion of ICTs  | Increase in demand for finer cutting-edge, next-generation packages with high functionality, in which we excel, in line with market expansion in such areas as data centers and AI due to the spread of 5G and IoT | short-term<br>} long-term   | Increasing large-scale production capacity centered on the Ogaki Central Plant to meet the demand for next-generation high-function IC package substrate, and efficient production through DX and improvement of productivity |
|               | Transition to a low-carbon society or decarbonized society       | Growing demand for new technologies at the time of transition to low carbon and decarbonization  | short-term<br>} long-term   | R&D of products that contribute to carbon capture and fixation, use of renewable energies and enhancing businesses that contribute to greening  |
|               | Strengthening of environmental regulations in emerging countries | Increase in demand for ceramic products in large vehicle markets in developing countries due to stricter exhaust gas regulations and expansion of market scale   | short-term<br>} medium-term | Establishment of a global ceramic product supply system in the three regions of Asia, Europe, and North America to meet demand in growing markets   |
|               | Increase in populations of emerging countries                    |  |                             |   |
|               | Growing needs for reducing environmental burdens                 | Requests for reduction in environmental impact of the entire supply chain, including customers and investors   | short-term<br>} long-term   | Promoting use of renewable energy and introducing technologies to reduce environment burden and improvement activities throughout the supply chain  |

### Incorporating into the medium-to-long term growth strategy

Key issues recognized by assessing the impact of risks and opportunities are being addressed under the medium-term management plan and ESG/SDGs initiatives.

#### Medium-Term Management Plan

P19-24 Message from the President

#### ESG and SDGs Initiatives

P5 IBIDEN Group's ESG Management and Contribution to the SDGs  
P27-28 Environment Strategy

## Message from the President

To build a sustainable society, we will respond to climate change in a manner that is integrated with our business strategy.

We express our heartfelt gratitude and respect to those who are committed to recovery in areas affected by the frequently occurring natural disasters around the world and to those who support healthcare operations amid the ongoing vigilance against COVID-19. We would also like to offer our heartfelt prayers for the return of normalcy to those who are having to struggle financially or suffer inconvenience in areas with high levels of infection.

### Adapting to changes in the social environment

Recognizing once again the importance of IBIDEN's DNA, we will continue to contribute to solving social issues and achieving the SDGs while promoting DX and GX initiatives and human resource development.

Since the formulation of the "To the Next Stage 110 Plan," the medium-term management plan we launched in FY2018, we have been responding to demand for high-performance servers used in data centers and other facilities, which has been driven by the advancement of digital technology. However, with the global proliferation of teleworking and online education due to COVID-19, the demand for IC package substrates for personal computers has rapidly expanded. We have been responding to this demand, which can be said to be a demand from society, and in FY2020 we steadily increased our capacity. And with climate change becoming increasingly serious, we are considering new initiatives such as utilizing renewable energy, which is also a business we have inherited. In terms of our own operations, too, we have been working to build a system for early restoration of production through business continuity and recovery planning and contribute to local communities in the face of the growing impact of infectious diseases and the potential risk of natural disasters.

I am reminded of the importance of IBIDEN's DNA, which is to quickly detect the demands of the world as the social environment changes and utilize our core technologies to respond flexibly, thereby fulfilling our social responsibilities. Society will continue to change in the

future, and one of our guiding principles is the SDGs, a set of common global goals to be met by 2030. In the Electronics Operation, as digital technology, the foundation of industrial and technological innovation, continues to advance, we will contribute by further evolving our IC package substrate technology and ensuring stable supplies. In the Ceramics Operation, we will contribute to solving social issues through the development and supply of products that minimize the adverse effects of human activities on the environment, such as exhaust gas and greenhouse gases, with the aim of creating communities in which people can continue to live in safety and comfort.

In the realms of environment, social, and governance, we have been contributing to society through our business activities, based on the principle of ESG-central operation. And in doing that, we have followed a process that is adapted to global standards. For example, we have endorsed the TCFD recommendations. Now, in order to keep our business activities themselves in step with the tide of social change, we have launched initiatives in the spheres of Digital Transformation (DX) to improve productivity and Green Transformation (GX) to contribute to a decarbonized society. We have embedded both of these initiatives in our business strategy, but it is our diverse and knowledgeable human resources that will drive the strategy forward. We recognize the importance of creating an environment in which diverse human resources can play an active role (diversity) and of respecting and acknowledging each other's individuality (inclusion) so that abilities can be demonstrated to the greatest possible extent.

President&CEO

Takeshi Aoki

Message from the President

Progress with the medium-term management plan

In the Electronics Operation, we will, as the market leader, concentrate our resources on cutting-edge technologies, and in the Ceramics Operation, we will aim to achieve the goals of the medium-term management plan by adapting to the ever-changing environment.

Here we describe the progress of the medium-term management plan, our current roadmap for management. As mentioned above, the Group has started implementing a medium-term five-year plan called “To The Next Stage 110 Plan” from FY2018. Under this plan, in addition to pursuing steady growth in existing businesses, which comprise Electronics, Ceramics, and the operations of domestic affiliates, we are endeavoring to build a well-balanced portfolio by accumulating new businesses to serve as new revenue sources.

As for the current business environment for the Electronics Operation, demand for high-performance IC

package substrates is increasing rapidly due to the growth of the PC and tablet markets in conjunction with the proliferation of teleworking and distance education, the expansion of the data center market, and the emergence of new fields such as image analysis for automobiles. High-performance IC package substrates require advanced technological capabilities, but our ultra-fine wiring technology is among the finest in the world, and we boast a substantial share of the market. In 2018, we decided to invest a total of ¥130 billion in the first and second phases to boost production capacity for high-performance IC package substrates. We completed Phase 1 investment as planned, commencing mass production in April 2020, and we are also on track with Phase 2 investment. In April 2021, we announced an additional investment plan worth ¥180 billion, with a view to starting mass production in FY2023. We will strive to increase our market share in state-of-the art fields, which are among IBIDEN’s strengths, through the targeted deployment of resources to meet the rising demand for high-performance IC package substrates.

Regarding the current business environment for Ceramics Operation, while the trend toward electrification

and de-dieselification continues, especially in the passenger car market, demand for DPFs for large vehicles is expected to increase due to stricter emission regulations, especially in emerging countries. In response to these changes in the business environment, we have shuttered our French production site and centralized manufacturing in Hungary, thereby establishing an optimal and efficient production system comprising three manufacturing bases Japan, Mexico, and Hungary. In the future, we intend to generate stable profits by responding to the growing demand in emerging countries. And in the area of substrate holding mats (AFP), in FY2019 we decided to establish IBIDEN Fine Ceramics (Suzhou) Co., Ltd. to capture demand against the backdrop of stricter environmental regulations in China, and operations commenced in the first half of 2021. By getting this plant on a stable growth trajectory as soon as possible, we will ensure that we tap demand from growing markets. In addition, we will take immediate steps to respond to the major trend in the automotive industry toward electrification. We are currently developing materials for electric vehicles, which are in the new energy vehicle (NEV) field, and plan to commercialize them as soon as possible. We will properly grasp changes in the business environment, such as the electrification of automobiles, and promote selection and concentration from existing businesses to growth businesses. We will also be engaging in R&D so as to create products that meet new demand.

Under the medium-term management plan, which ends in FY2022, we expect to reach net sales of ¥420 billion, operating income of ¥60 billion, and the operating income ratio of 14.3%, with the Electronics Operation constituting a powerful driving force. In particular, the operating income ratio reached approximately 11.9% in FY2020, far exceeding the previous year’s 6.7%, thanks to improved earnings from high-value-added, high-performance IC package substrates and higher productivity in the output of high-performance DPF products. As such, the Group is shifting to a stronger and more stable earnings structure. We will continue striving to achieve the goals of the medium-term management plan by steadily capturing demand in growing markets and putting the plant and equipment from large-scale investments into operation as planned.

Integrating our climate change response with business strategy

To achieve net zero greenhouse gas emissions, we will continue to address climate change issues while pursuing a growth strategy centered on the Electronics Operation.

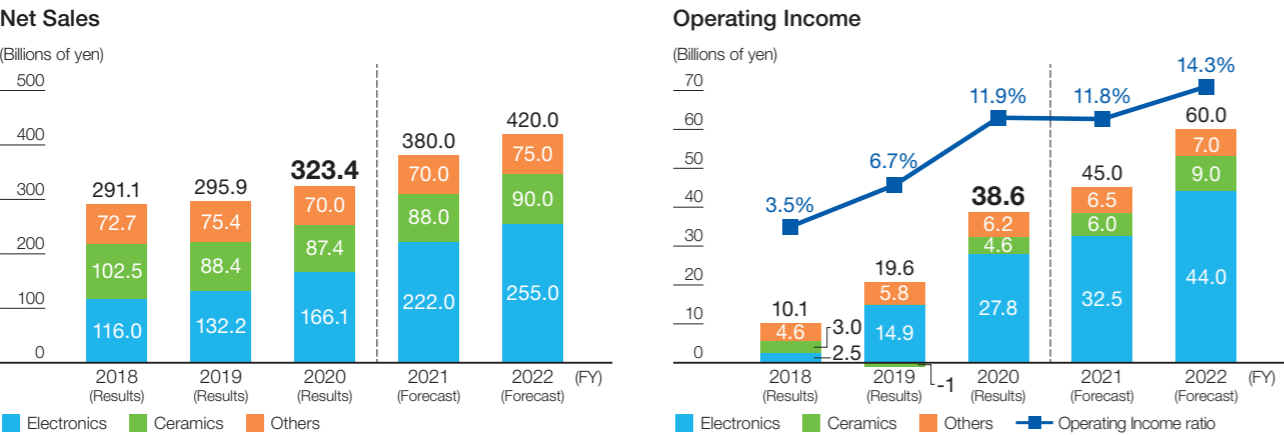
Our current mainstay businesses are the Electronics and Ceramics Operations, but the original business that we inherited was hydroelectric power generation. We used the current of the Ibi River to produce electricity. For more than 100 years, we have developed our business by converting the blessings of water into energy. We also use a great deal of water in the Electronics Operation, one of our current core businesses. Both then and now, water resources have always been part of the natural capital that is essential for conducting our business. “Harmony with nature,” meanwhile, is also a value that we have inherited from our predecessors. As part of our environmental activities, we have pursued a variety of energy-saving initiatives, as well as action aimed at conserving resources. In response to climate change issues, which are now starting to become apparent on a global scale, we believe it is necessary to assess the changes in the social and business environment caused by these climate-change impacts in terms of both risks and opportunities, and incorporate them into our business strategies in a more in-depth manner than before.

So in March 2021, in addition to pursuing growth strategies centered on Electronics, we positioned action on climate change issues as one of our key management tasks and set medium-term milestone targets for FY2030, which we will attain on the way to realizing our environmental vision of net zero greenhouse gas emissions by FY2050 (see p.28). The driving force behind this medium- to long-term goal will be the Green Innovation Division, which we newly established in FY2021 and will be taking action alongside our business sections. Personnel from our environmental departments and business sections will be working together to formulate and implement measures characterized by deep involvement from the production frontline. Specifically, we will be introducing renewable energy such as solar, biomass, and small hydroelectric power. And during a period of transition ahead of that, we will deploy low-carbon energy sources such as high-efficiency gas engine cogeneration systems. We will also be expanding greenery and innovating our production technology. We will continue to pursue activities in cooperation with our business partners in order to reduce the risks associated

Mid-Term Management Plan To The Next Stage 110 Plan



Targeted Management Indicators



Message from the President



with climate change and to achieve a high level of environmental impact reduction that meets the requirements of our customers.

With FY2030 as a milestone, we will expand the use of renewable energies such as hydroelectric power generation, the domain in which we got started as a company, to achieve net zero greenhouse gas emissions as early as possible before our long-term goal of FY2050.

Development of human resources to support enhanced productivity and growth

We will improve productivity by pursuing DX, and will create an environment in which diverse human resources can play active roles as a foundation to support further growth.

In addition, we consider DX to be an important part of advancing our growth strategy. At the Ogaki Central Plant, which produces high-performance IC package substrates, we are working to raise productivity by using the latest IT technology. For example, we are improving quality through the digitization of production information and achieving efficient automatic transportation through interfacing with IT systems. In the future, we plan to use AI technology to further optimize production. The Ogaki Central Plant and the Gama Plant, where we are constructing a new

building, are also introducing the latest energy-saving technologies, and will evolve into work sites that symbolize IBIDEN today, turning our business strategy, as well as DX and GX, into reality.

In functional departments, we endeavored to develop an environment compatible with teleworking, which allows work to be performed safely even amid the COVID-19 pandemic. For example, we went paperless and moved forward with robotic process automation (RPA) for certain tasks so as to speed up decision-making. Going forward, we will continue to improve productivity through the integration of Group systems and to assign the right people to the right jobs. We will also put in place a structure to build a strong organization that supports business growth with the optimal number of people.

The people who will ultimately master these technologies are our human resources, which we value the most. Looking ahead to future growth, we will require even more diverse skills from even more diverse human resources. From this April, we have integrated the Human Resources Development Center into the human resources department, and are putting in place a structure to ensure that the education of personnel who support manufacturing is consistent with our human resources strategy. In addition, we need to continue establishing workplace environments in which diverse human resources can work comfortably as one of our strategies. For some time now, we have, in addition to improving human resource systems and training, been promoting work style reforms that lead to increased employee

motivation, and have been creating workplace environments that are comfortable to work in regardless of gender while also emphasizing work-life balance.

From the standpoint of diversity, we launched a program called the Act on Promotion for Women's Empowerment in FY2017, and since then we have gradually increased the proportion of female managers by reforming awareness of the workplace, including the supervisors of female employees, and supporting the development and promotion of female employees at the junior manager level. In addition, with a view to enabling diverse human resources to play even more active roles, we have established IBIDEN OASIS Co., Ltd. to provide stable employment to people with disabilities who have the desire to work, and introduced a system to extend the retirement age of personnel in Japan so that highly-skilled senior employees can continue working until later in life. And from a global perspective, we have created a system that allows overseas human resources, such as people from our subsidiary in the Philippines, to work in Japan. Through initiatives like these, we are enhancing the environment so as to enable diverse human resources to play active roles.

Our corporate ambitions for sustainable growth

We aim to achieve sustainable growth for society and our company by creating what will be needed by the society based on core technologies, while establishing a structure that can respond to changes in the business environment.

We aim to both bring about a decarbonized society, which is a shared global goal nowadays, and achieve growth as a company. To advance toward these two goals simultaneously, we will need to continue to invest in our business. And to develop next-generation technologies and launch new products at early stage, we intend to maintain our investment in R&D by keeping total R&D expenses at 5% or more of net sales. We will continue to invest in R&D and manufacturing in response to changes in the market, and use the cash generated from our business to invest for further growth, thereby expanding our business and improving our profitability. For shareholder returns, our approach to capital allocation for the time being will be to prioritize investment for growth, while continuing to pay stable dividends.

We aim to achieve sustainable growth by pressing ahead with the establishment of governance structures

that are optimized for the circumstances of the Company at the time. So far, we have made the transition to a Company with Audit and Supervisory Committee in 2017, discontinued the Executive Officer position in 2020, and now we are working on the design of a compensation system that clarifies the responsibilities of Directors and Senior Executive Officers with respect to business performance. As a result, we believe that we have put in place a structure that can respond with speed to the rapidly changing business and social environment. At the General Meeting of Shareholders held in June 2021, we welcomed two Directors who are Audit and Supervisory Committee Members. Each of them has a wealth of expertise gained from experience working at Japanese financial institutions or major electronics manufacturers, and we expect them to monitor and provide advice on overall management from a new perspective. We will continue to strengthen our governance structure in response to changes in the business and social environment.

In the 110 years since our founding, we have, from time to time, flexibly restructured our business portfolio to achieve the next level of growth, even in the face of changes in the business environment that have threatened the survival of the Company. We believe that the sustainable growth of society leads to the sustainable growth of the Company. It is our responsibility as a corporate citizen to contribute to a sustainable society through our business, and helping achieve the SDGs is one of the ways to do this. We intend to contribute to a sustainable society by maintaining our current core businesses of the Electronics and Ceramics Operations, and applying the core technologies we have developed through these businesses to sustainability.

In response to the social environment we are currently facing, which is dominated by the issues of infectious disease and climate change, to the major changes in the business environment surrounding our core businesses, and to new changes that will occur in the future, we will continue to “create what will be needed by the society in the future based on core technologies.” Doing so will provide a guidepost for overcoming difficulties and continuing to grow sustainably, which can be said to be the Company's DNA. To continue to serve our stakeholders, we will build a strong organization that can respond to changes in the business environment and work together as a Group to generate new innovation and provide new value to our customers and society.

# Financial Strategy

## Financial base

The Group is working to further solidify its financial base with the aim to achieve sustainable growth and generate stable profit in implementing the medium-term management plan “To The Next Stage 110 Plan,” which started in FY2018.

Our mainstay Electronics Operation, serving as a driving force to achieve targets under the medium-term management plan, is in a very volatile industry. To respond

to such volatility, we need a solid financial base so that we can generate profit while maintaining a high equity ratio. To this end, we are targeting a 10% ROE while keeping the equity ratio of around 60%. Furthermore, we will retain a single A rating assigned by Rating and Investment Information, Inc. (R&I) to secure a flexible financing for proactively making investment.

### Target financial ratios

Equity ratio  
**60%**

ROE commensurate with  
the cost of capital  
**ROE 10%**

Credit rating  
**Retain a single  
A rating**

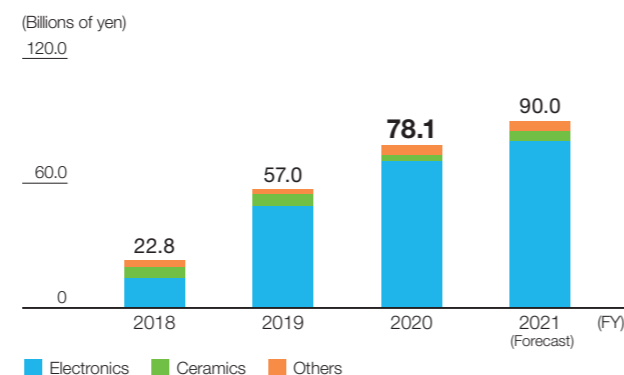
## Progress with the medium-term management plan

Our target performance indicators for FY2022, the final year of the medium-term management plan, are net sales of ¥420 billion, operating income of ¥60 billion, and an operating income ratio of 14.3%.

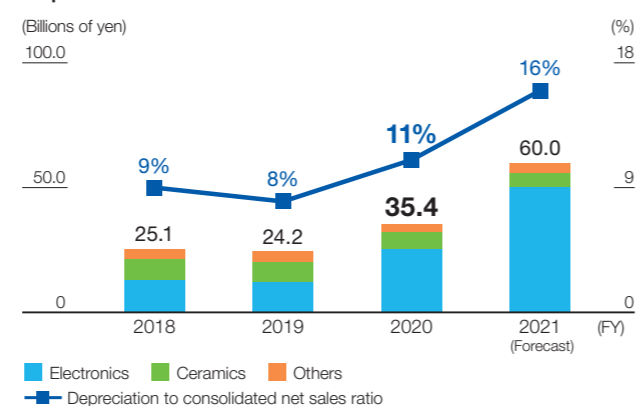
To achieve the medium-term management plan, we decided to make a large-scale investment totaling ¥60 billion (Phase 2 investment) in April 2020, in addition to the capital investment decided in November 2018 totaling ¥70 billion (Phase 1 investment) in the Electronics Operation. The equity ratio temporarily declined to about 50% as a result of financing the largest-ever investment; however, we successfully rolled out Phase 1 investment as planned in October 2020. As a result, the equity ratio at the end of FY2020 improved to 54.61%. Phase 2 investment is progressing well and mass production and shipment will start from this fiscal year as planned. Furthermore, we made investment to construct a new production base for the Ceramics Operation, which will be our third production base in China, so that we can start production as scheduled.

Going forward, we will steadily recoup the investment and promptly restore the equity ratio to 60% to build a financial base that enables us to drive further growth.

### Total capital investment



### Depreciation and amortization

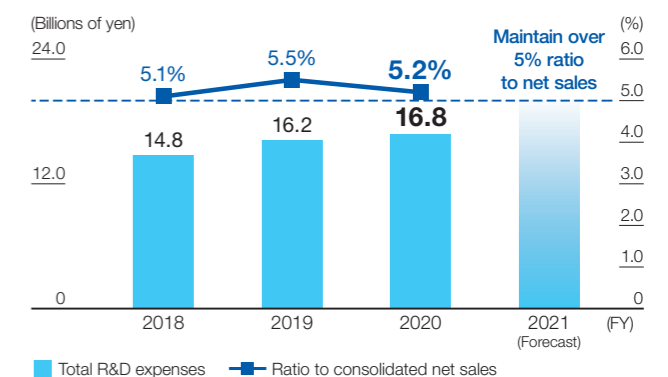


## R&D activities

To achieve further growth, we will strategically invest in R&D and aim to enhance long-term competitiveness.

By maintaining R&D expenses at over a 5% ratio to net sales, we aim to develop next generation products and move towards rapid commercialization. In FY2020 we launched two projects and are accelerating commercialization activities. With the evolution of our core technology and open innovation, we will actively pursue product development that will serve as a pillar of new businesses and solidify the future earning base.

### Total R&D expenses

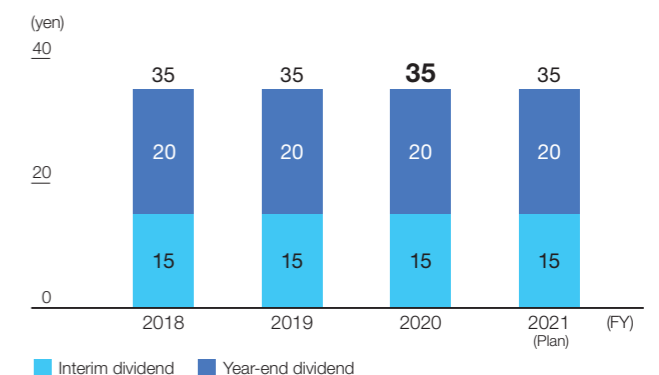


## Shareholder returns

For shareholder returns, we make a comprehensive examination of the balance between retaining sufficient earnings for investment in the business and long-term steady dividend payments to shareholders. For the time being, we will prioritize large-scale investments for IC package substrates in Electronics Operation to respond to the next generation, and also maintain our policy of paying stable dividends.

We will continue to meet the expectation of stakeholders including shareholders by achieving sustainable growth and stable profit based on a solid financial base.

### Dividends per share



Visit our website for details of our investor relations.  
<https://www.ibiden.com/ir/>



# Environment Strategy | Response to Climate Change



In August 2020, we announced our support for the recommendations of the TCFD.



Executive Vice President,  
Representative Director

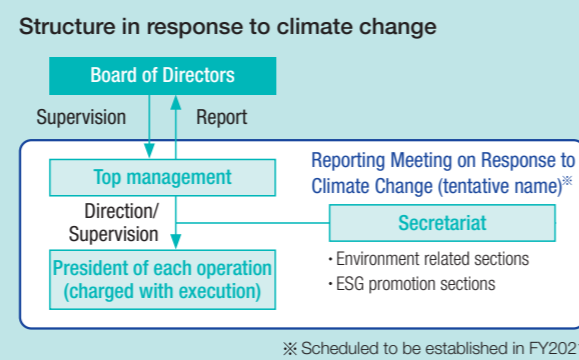
Kozo KODAMA

The Group considers its response to climate change as one of the top management priorities. To implement a growth strategy while at the same time responding to climate change, the Group will work together as one to innovate production technologies that enable low-carbon operations and developing technologies contributing to a decarbonized society. By making these efforts, we will achieve net zero GHG emissions at the earliest possible stage by 2050.

## Governance

At a meeting chaired by the President & CEO, we discuss the risks and opportunities surrounding us that arise from climate change and countermeasures. Subsequently, the president of each operation, who is charged with execution, leads implementation in the Company.

Material issues and their progress are subject to supervision of the Board of Directors, which regularly receives report from the director in charge of Strategic Manufacturing Operation, who is in charge of company-wide environment.



## Strategy

We identify highly important business risks and opportunities in accordance with the degree of change in business environment driven by climate change and its effect, and then respond to such risks under the Medium-Term Management Plan. For example, from the viewpoint of strengthening competitiveness of existing businesses, we are working to transition to a production and supply structure given the change in the passenger vehicle market.

In addition, with a correct recognition of the risks and opportunities arising from climate change, we assess their impact on our business strategy and conduct a scenario analysis to be used for formulating a future business strategy. Through the scenario analysis we verify the appropriateness of our current responses and identify the future issues.

## Risk Management

In the company-wide risk management process, we analyze a wide variety of risks surrounding management and addresses items that will seriously impact our business. The company-wide Risk Management Committee chaired by the President & CEO is held annually to confirm material risks and decide how to respond to them including how to avoid them or how to mitigate impacts in case they occur.

Visit our website for details of our risk management.  
<https://www.ibiden.com/esg/governance/risk-management/>



## Climate Change Scenario, Impact on Main Operations, and Countermeasures

We assess and analyze the impact of risks and opportunities arising from climate change on our main operations: Electronics Operation and Ceramics Operation.

We evaluate impacts of transition risk and physical risk on our operations based on scenarios\*1 and consider the countermeasures against them. The transition risk involves

risks and opportunities associated with changes in government policies, regulations, markets, and technologies caused by acceleration of the transition to a decarbonized society. The physical risk involves those related to rising temperature, environmental change, and an increase in natural disasters caused by climate change.

### Major risks and impacts on operations

|                  | Risks and opportunities  | Impacts   | Countermeasures   |
|------------------|--|---|---|
| Transition risks | <Government policies and regulations><br>Increases in carbon price and other relevant taxes  | An increase in manufacturing costs due to an increase in carbon price and other energy related taxes**2                       | Reduce our own emissions by developing low-carbon manufacturing technology  |
|                  | <Markets><br>A sharp increase in procurement costs of raw materials                          | A global increase in procurement costs of some materials due to an increase in demand for metals and rare metals              | Ensure stable procurement by reinforcing supply chain resource management   |
|                  | <Technologies><br>Changes in demand for products and technologies to mitigate climate change | A decrease in internal combustion engines for passenger vehicles due to rapid electrification in the passenger vehicle market | <ul style="list-style-type: none"> <li>Shift to the heavy commercial vehicle market, which is expected to grow even during the transition period</li> <li>Develop and launch ceramic products for electric power and energy saving markets</li> </ul> |
| Physical risks   | Intensification of meteorological disasters  | Suspension of supply of some raw materials due to local meteorological disasters  | Reinforce supply chain BCP for key materials by for example securing alternative manufacturing sites  |

※1 The followings are the major scenarios and reference data used for the analysis:  
To conduct the transition risk analysis, we referred primarily to the 2°C Scenario (2DS) and the Reference Technology Scenario (RTS) from Energy Technology Perspectives (ETP) of the International Energy Agency (IEA). To conduct the physical risk analysis, we referred primarily to the Representative Concentration Pathways (RCPs) 2.6 and 8.5 developed by the Intergovernmental Panel on Climate Change (IPCC), together with the Climate Change Knowledge Portal (CCKP) of the World Bank.

※2 Impact on manufacturing costs  
The Group procures both electricity and fuel directly from suppliers. Should the carbon tax be assessed on fuel, the price of allowances under the EU's Emissions Trading System (ETS) will be about 700 to 800 million yen based on the fact that our latest emissions are equivalent to about 140,000 t-CO<sub>2</sub>. On the other hand, if we have to pay allotted charges as a consideration for the purchased electricity, based on the latest electricity we bought (about 1,000 GWh per year on average), we have to pay about 1,000 million yen of charges assuming the charges of about 1 yen /kWh.

## Metrics and Targets

In FY2020, we set the FY2030 target for the reduction of GHG emissions to achieve our Environmental Vision 2050.



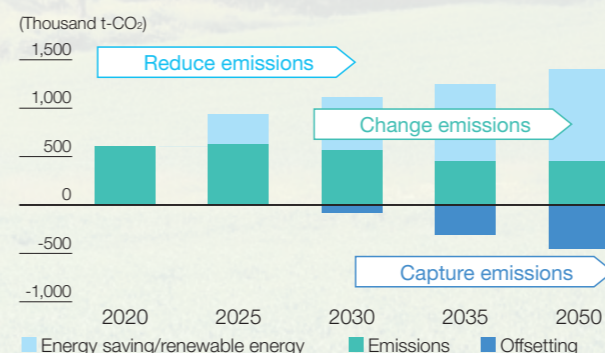
### FY2030 Target

To reduce total emissions by 16% and carbon intensity by 50% or more compared to FY2017.

### FY2050 Target

To achieve net zero GHG emissions at the earliest possible stage by 2050.

### Basic approach to achieving net zero GHG emissions



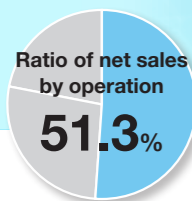
In addition to existing energy-saving activities, we have promoted to use hydro-electric generation, solar electricity, and low-carbon energy. Going forward, we will take further steps to shift to low-carbon production processes and further expand the use of renewable energy in cooperation with our suppliers to create a production system capable to sustain our competitive advantage even after the transition to a decarbonized society.

In FY2021, we formed a dedicated division to supervise our energy-saving activities across the Group. To facilitate the future initiatives, we will consider introducing an internal carbon pricing system.

Visit our website for details of our environmental initiatives.  
<https://www.ibiden.com/esg/environment/>



## Growth Strategies for Operations Electronics



### Contributing to society through our operations



President of PKG Operation  
**Koji KAWASHIMA**



President of MLB Operation  
**Shinji MIYAZAKI**

Diffusion of information technology has a great potential to enrich people's lives further. Information and our daily lives are becoming more closely interconnected, and access to information communication technology (ICTs) are gaining more importance around the world. IBIDEN's Electronics Operation supports communication technology such as data centers with highly functional and highly reliable IC package substrates and contributes to the realization of digital innovation of the world.

## Business Environment

### Risks and Opportunities

| Risks and Opportunities |   | Impact on the Company  |
|-------------------------|---|--|
| Risks                   | Sudden fluctuations in PC demand        | A sudden change to the product mix and order volume in response to changing demands of IC Package Substrate for PC   |
|                         | Decrease in domestic working population | Shortage of human resources due to the declining working population caused by the declining birthrate and aging population in Japan  |
| Opportunities           | Expansion of ICTs                       | Increase in demand for finer cutting-edge, next-generation packages with high functionality, in which we excel, in line with market expansion in such areas as data centers and AI due to the spread of 5G and IoT |

### Market Trends

#### Market of PC

Forecast Growth of PC Market due to Prevailing Remote Work and On-Line Education in the World

#### Market of Data Center

Maintain High Level Growth by Continuous Digitization and Cloud System in Business Activities

#### Market of High-end Smartphone

Show Negative Trend Currently and Predict Prospect for Growth in the Mid-and-Long Term Due to 5G Service Launch

### Our Strengths



#### Technologies

IC packaging substrate featuring high-functionality and high-reliability as well as high-function and high density printed wiring boards, which are realized by multilayering, refined wiring, and miniaturization through the multi-year experience



#### Trusted relationship with customers

Sharing the future roadmap with the world's leading customers



#### Manufacturing structure to meet strong demand

Aggressive investment on an unprecedented scale to increase high-quality, high-efficiency production capacity through the introduction of cutting-edge equipment

## Growth Strategy

In response to the strong demand for highly functional IC package substrates, we completed the phase two investment for mass production of cutting-edge IC package substrates as planned, successive to the phase one. We will increase the market share through an additional investment in the cutting-edge field with competitive advantage.

Taking a flexible response to the market change and the effective use of managerial resources into

consideration, we will select the manufacturing systems and product lineup, which we should focus on.

An exponential growth requires a large number of human resources. An environment in which diverse human resources can play active roles, an improvement in individual skill, and a more effective operation through DX enhance our productivity.

|                         | Phase 1 investment  | Phase 2 investment  | Additional investment (released in April 2021)  |
|-------------------------|---|---|---|
| Location                | Ogaki Central Plant (2nd Building) and Ogaki Plant                            | Ogaki Central Plant (2nd Building), etc.  | Gama Plant  |
| Total Investment amount | ¥70 billion   | ¥60 billion   | 180 billion yen (planned)   |
| Operation timing        | Started operation in FY2019 sequentially to go into mass production in FY2020 | Started operation from the end of FY2020 sequentially to go into mass production in FY2021 (plan) | Scheduled to start operation sequentially to go into mass production in FY2023 (plan) |

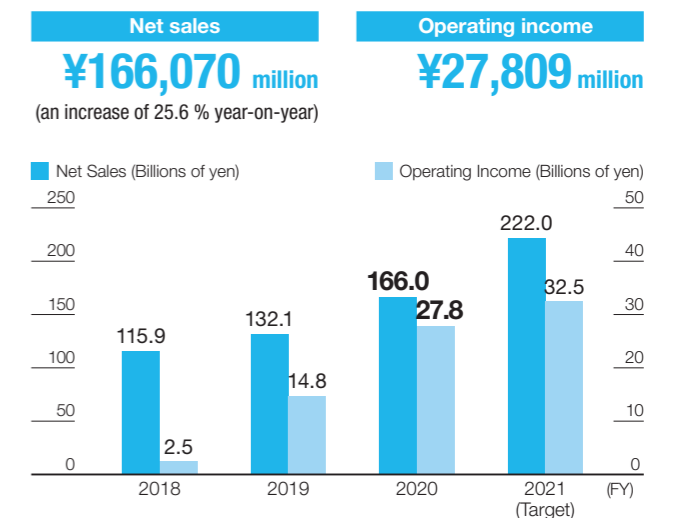
## Results for FY2020 and Target

### IC Package Substrates (PKG) Operation

Net sales increased from the previous year because demand for PKG for PCs was strong and the cutting-edge manufacturing facilities of PKG went into mass production in Ogaki Central Plant, as planned (phase one investment).

### Motherboard and Printed Wiring Board (MLB) Operation

The sales of modular substrates remained strong, but the sales to certain Chinese smartphone makers decreased due to the trade friction between the U.S. and China. As a result, net sales decreased compared to the previous fiscal year.



## TOPICS | Effectively utilizing diverse human resources

Malaysian are tolerant of different cultures. IBIDEN Electronics Malaysia (IEM), the manufacturing site in Malaysia, has promoted reform based on the belief that maximizing the power of foreign workers is key to improving productivity.

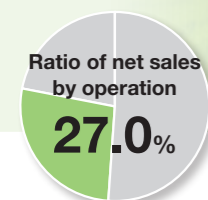
Based on the fair recruitment and treatment in accordance with the Responsible Business Alliance (RBA)\* Code of Conduct, we have structured a system where the foreign workers coming from outside of Malaysia can demonstrate their abilities. We aimed to build an environment in which they are highly motivated to work by taking a top-down approach to sharing our policies and target among every employee. The productivity and quality improved greatly because the whole IEM, led by the local employees, undertook restructuring.

\* RBA: Responsible Business Alliance



## Growth Strategies for Operations

## Ceramics



## Contributing to society through our operations



President of Ceramics Operation  
**Norihiko YAMAMURA**

Aiming to create towns where people can continue to live their lives for generations, we must minimize the negative effects that our lives and activities have on the environment.

Currently, many countries are introducing tighter environmental regulations across the world, and the entire industrial world needs to contribute to the creation of a cleaner environment.

IBIDEN's Ceramics Operation contributes to the improvement of air quality across the world through provision of diesel particulate filters (DPF) that purify exhaust gas, substrate holding mat (AFP) and SCR catalysts.

## Business Environment

## Risks and Opportunities

| Risks and Opportunities |  | Impact on the Company  |
|-------------------------|--|--|
| Risks                   | Electric passenger vehicle market                                | Decrease in DPF demand due to a decline in exhaust gas-related products and accelerated diffusion of EVs and hybrid vehicles                                   |
| Opportunities           | Strengthening of environmental regulations in emerging countries | Increase in demand for ceramic products in large vehicle markets in developing countries due to stricter exhaust gas regulations and expansion of market scale |
|                         | Increase in populations of emerging countries                    |  |

## Market Trends

## Passenger Car Market

Maintain a Given Number of Passenger Cars with Internal Combustion Engines

## Medium &amp; Heavy Commercial Vehicle Market

Expand Market against the Background of Emission Control in China and Emerging Countries

## Our Strengths

|  |  |  |
|--|--|--|
|  | <b>Technologies</b>                        | Unique ceramics technologies driven by high-temperature sintering technology |
|  | <b>Trusted relationship with customers</b> | Sharing the future roadmap with the world's leading customers                |
|  | <b>Global manufacturing system</b>         | Supply system in the three regions of Japan (Asia), Europe and North America |

## Growth Strategy

In the DPF Operation, we are going to establish a system where we can sustain our business in the medium-to long-term and generate stable income. This is prompted by expanding the sales of the products for heavy commercial vehicles of which we expect demand will increase on the back of tighter control on emissions, especially in the emerging countries.

In the AFP Operation, we will put the Ceramics Operation as a whole on a stable growth track by launching mass production at IBIDEN Fine Ceramics (Suzhou) Co., Ltd. in the first half of FY2021 as planned to ensure to capture demand from the growing market.

## Results for FY2020 and Target

## Diesel particulate filters (DPF)

As a result of the improved productivity of highly functional products as well as an increase in sales of products for heavy commercial vehicles which enjoy strong demand due to tightened emission control, both net sales and operating income rose from the previous year.

## Substrate holding mats (AFP)

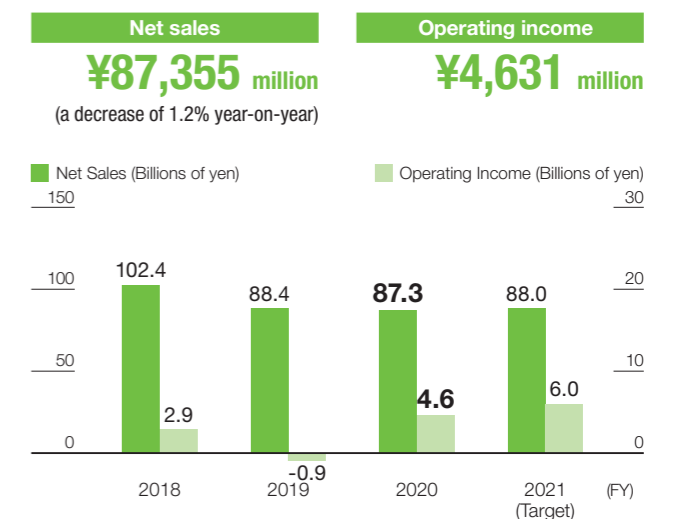
Given the recovery of the automobile market, especially in China, from the second quarter (July-September period), both net sales and operating income remained strong.

## SCR Catalysts (SCR)

Net sales increased from the previous fiscal year due to a stable growth in the sales of stationary SCR catalysts used mainly at coal fired power plants and factories.

## Graphite Specialty (FGM)

Net sales declined from the previous fiscal year due to a slowdown in the automobile and airline industries caused by the COVID-19 pandemic.



## TOPICS | Started operation of a new manufacturing site in China

IBIDEN Fine Ceramics (Suzhou) Co., Ltd. successfully started operation in the first half of FY2021. This is our third integrated manufacturing plant following Kinuura Plant and IBIDEN Hungary Kft.

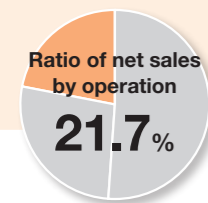
A Chinese new emission control enacted across the nation from 2021 is tighter than the existing European regulation. We expect the Chinese regulation will help boost demand of the high-functional sealing materials for the passenger vehicles, buses and trucks, despite the trend towards electrification.

We will enhance our production capacity and customer support in China, the world's largest automobile market.



Ground-breaking ceremony of IBIDEN Fine Ceramics (Suzhou) Co., Ltd.

## Growth Strategies for Operations Other



### Contributing to society through our operations

#### Construction

Our own and innovative technology, which is a fusion of slope facing technology and landscaping, contributes to create better symbiosis between human beings and the natural environment.



#### Housing Materials

To realize a safer and more secure living space, we contribute by providing high-performance products including antiviral coating material centered on melamine decorative laminates.



## Growth Strategy

We will ensure that the Other Operations will grow as the third pillar of revenue following the Electronics and Ceramics Operations by developing new products that meet customer needs, such as new products featuring

each domestic group company's unique competitive edge and antivirus products, as well as by enjoying stable earnings from the power generation business.

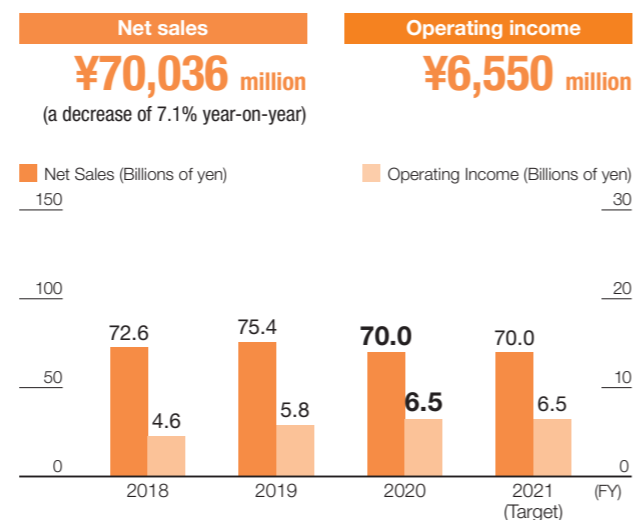
## Results for FY2020 and Target

### Construction

Although orders received for the power-generating plants showed resilient, a delay in some private construction projects and a decline in completed large-scale construction projects due to the spread of COVID-19 reduced the net sales compared to the previous fiscal year.

### Housing Materials and Other Operations

Although net sales of antiviral melamine decorative laminates and related materials increased due to a rising awareness on anti-virus amid the spread of COVID-19, sales of petroleum products such as gasoline decreased driven by the lockdown. As a result, net sales decreased compared to the previous fiscal year.



## Growth Strategies for Operations R&D

### Contributing to society through our operations



President of R&D Operation  
**Sotaro ITO**

The Company has leveraged the accumulated technologies to produce the products which can serve to solving social issues and achieved high growth. We are striving to create new value even in the underlying drastic change.

For example, the SDGs of "Greater adoption of clean and environmentally sound technologies and industrial processes" is one of the important themes for the manufacturing industry to pursue in improving sustainability. We are continuously working on the development of a wide variety of products and materials by utilizing our core technologies to help realize a low carbon/ decarbonized society as a countermeasure against climate change.

## Application of Technologies to Solve New Social Issues

We established four development centers in FY2017, and we have been working on the research and development of new products that aim to resolve social issues and reflect customers' needs by utilizing our existing core technologies.

We dissolved the development centers which paved the way for development, launching two internal projects, one for biomaterial products and the other for next-

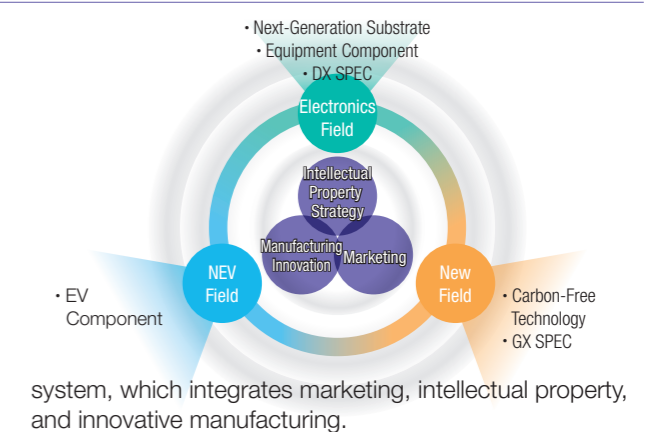
generation mobility products. Currently, these projects are transferred to a group company and the Company's business section, respectively, to be commercialized for business expansion.

Going forward, in light of social change, we work to develop the products which contribute to solving social issues, leveraging our core technologies.

## Target Field and Development concept

In the Ceramics Operation, which is facing a drastic market change, our efforts to develop new products will focus on the NEV (new energy vehicle) field including materials for electric vehicles and the emerging Green Transformation (GX) field including decarbonization technologies to solve climate change issues, while reinforcing our mainstay electronics business with next generation IC package substrates and other products.

To accelerate the processes of development, market launch, and mass production in view of future customer needs and social issues, we will establish a development



## For Further Creation of Innovation

We believe that it is essential for us to not only utilize internal resources but also collaborate with external bodies to create further innovation. We are building partnerships with various organizations and proactively promoting open innovation that will help solve various issues by combining the technology and knowledge possessed by different fields.

In addition, we will pursue the possibility of promoting innovation inside the Company by, for example, encouraging the development of internal venture projects.

In FY2020, we newly joined the NAGOYA Movement, a program hosted by Nagoya City to support match-ups between start-ups and operating companies and subsequent business incubation.

# Harmony with Nature

Harmony with Nature | Our recognition of SDGs issues



- We will contribute to the supply of renewable energy including hydroelectric power generation, which is the origin of our business and solar power generation.
- We will reduce environmental loads from the whole supply chain by properly managing the harmful chemical substances.
- We will reduce the environmental effect within our operational process. (reduction in water usage and waste)
- We will contribute to the reduction of greenhouse gas emissions through our products and business.

## Basic Approach

We conduct the environmental load reduction activity with all concerned people under IBIDEN way. By doing so, we strive to solve environmental challenges through our business operation and, in our capacity as a company, aggressively promote improvements in the environment for the next generation, with the ultimate goal of creating harmony with the global environment and building an enriched society.

## Use of clean energy

Refer to page 27-28 for details on the Environment Strategy / Response to Climate Change

### Blessings from Our Ancestors with Hydroelectric Power Generation

Hydraulic power generation is clean energy without greenhouse gas emissions. IBIDEN has owned and operated hydraulic power generation plants since our foundation, and currently operates three facilities located at the upstream section of Ibigawa River in Gifu Prefecture (27.90MW in total).



Higashi-Yokoyama Power Plant

### Contribution to Expansion of the Renewable Energy Market by the Power Generation Business

Our Group company, IBIDEN Engineering Co., Ltd. has a track record in many power generation projects ranging from equipment for hydroelectric power plants and power substations to systems for solar power generation plants and small hydroelectric power plants, through an integrated approach, in which its business includes design proposal, construction and maintenance.

We will continue to promote business solutions for energy problems within and beyond the Group.



Water floating solar power generation plant (Certificated output:1.99MW)

### Low Carbon Energy by In-house Power Generation

IBIDEN installed a highly energy efficient in-house power generation gas cogeneration system to generate low carbon energy.

Moreover, we install solar power generation equipment in each plant to generate renewable energy. In the future, we aim to establish a system whereby each plant is connected to our own power grid so that privately generated electricity can be optimally supplied in accordance with demand between each plant.



Gas engine cogeneration system

## Chemical Control

A variety of chemical substances are used in the manufacturing process in the Group. They may cause environmental pollution or pose health hazards to humans. It is a great responsibility for businesses to properly manage chemical substances to secure product safety, reduce environmental burdens, and promote occupational safety. Regarding chemical substances, the laws and regulations of each country, including the REACH Regulations and the RoHS Directive, as well as the standards demanded by our customers, are becoming increasingly stringent.

To prevent risks caused by chemical substances, we are working to properly manage chemical substances throughout the entire supply chain by identifying substances whose use should be eliminated or reduced in the Green Procurement Guidelines.

Visit our website for details of our environmental initiatives.  
<https://www.ibiden.com/esg/environment/>



Visit our website for details of our environmental data.  
<https://www.ibiden.com/esg/data/environment/>



## Blessing of water

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.

We carry out risk assessment of water resources in-house by referring to data released by the World Resources Institute (WRI) and other data, and we have thus identified IBIDEN Electronics (Beijing) Co., Ltd. as our Group companies with a high water resource risk. IBIDEN Electronics (Beijing), which uses particularly large amounts of water, has been increasing the use of recycled water inside its industrial park since fiscal year 2012. As a result of such efforts, the ratio of water recycling has been maintained at over 90%.

### TOPICS Initiatives IBIDEN Electronics (Beijing) Co., Ltd. takes to comply with the environmental regulations

Beijing City has tightened its gas emission standard significantly, and IBIDEN Electronics (Beijing) Co., Ltd. has been named as a company subject to the regulation.

As a countermeasure, we checked all facilities in the factory to drive a thorough emission improvement measure on our manufacturing facilities such as leak prevention by sealing liquid medicament tank. As a result, we succeeded in a material reduction in emission (down by around 80 to 90%) and obtained a certificate as a green company from Beijing City in April 2020. The emission reduction also improved the factory environment such as odor, which raised employee satisfaction.



## Environmental Contribution through Business and Products

Our automobile exhaust parts contribute to realizing cleaner air by reducing particulate matter in emission gas. We will continue to develop high-efficiency and high-function intake and exhaust systems based on our ceramic molding and sintering technology which aim for cleaner emissions.

Our Group company, IBIDEN Greentec Co., Ltd. continues to provide new construction methods that



Slope constructed using the GT frame®

achieve both disaster prevention and environmental protection, such as the "Totally Green" method.

IBIDEN Engineering Co., Ltd. engages in the construction and maintenance of the renewable energy facilities.



Solar power generation equipment

Human Resource Development

Human Resource Development | Our recognition of SDGs issues



- We aim to realize a work environment where diverse human resources, including female employees, people with disabilities and foreign workers, can exercise their abilities, thereby creating an active corporate culture.
- By utilizing IT tools and taking other measures to achieve efficiency, we will realize both rewarding work for employees and high productivity.
- We will foster a corporate culture that minimizes risks for employees and negative impact on their health, and gives priority to safety.

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.

For the development of human resources which is one of the pillars of our Medium-Term Management Plan, we have been implementing five measures of (1) Creation of environment in which diverse employees can play active roles as part of the work style reform to achieve a good work-life balance.; (2) Productivity improvement; (3) IT utilization; (4) Human resource training system; and (5) Thorough working hour management.

Creation of Environment in which Diverse Employees Can Play Active Roles

Our Group aims to realize a work environment and climate in which diverse human resources can exercise their individual abilities and can feel reasons for living and job satisfaction amidst a trend of advancing globalization and diversification of values.

Female Advancement

The Company launched an initiative called Act on Promotion for Women's Empowerment in FY2017, and has been promoting activities to achieve a goal of having at least five female managers (i.e. middle manager and above). As a result, we achieved the goal in April 2021. The number of female managers and candidates is steadily increasing.

Scope: IBIDEN Co., Ltd.

|                        | April 2016 | April 2021 |
|------------------------|------------|------------|
| Division manager level | 0          | 2          |
| Middle manager level   | 0          | 3          |
| Junior manager level   | 3          | 15         |

Renewed target

Term: Five years from April 1, 2021 to March 31, 2026  
To promote at least 10 female employees to a managerial position

TOPICS Acquisition of "Platinum Kurumin" Certification

In September 2020, IBIDEN was certified as Platinum Kurumin as the first private firm located in Gifu Prefecture.

Under the Act on Advancement of Measures to Support Raising Next-Generation Children, Ministry of Health, Labour and Welfare authorizes the companies that are actively supporting work and childcare balance as Kurumin certified companies. Platinum Kurumin is a special authorization awarded to the selective Kurumin certified companies that meet the higher standard. Especially, they recognized the following aspects: childcare leave taken by male employees, activities to promote women's active participation in the workplace, and initiatives for working hour management are recognized. All of them resulted in winning the certification.



Acquisition of Childcare Leave and other related leave by Male Employees

Due to the efforts we made to enhance and promote the worklife balance support system, more male employees are proactively participating in child rearing and becoming aware of the importance of the balance between work and personal life. In FY2020, the acquisition rate of childcare leave and the average number of days for childcare leave taken by male employees are as follows.

Scope: IBIDEN Co., Ltd.

|  | FY2020  |
|--|---------|
| Rate of employees taking childcare leave and other related leave※1 by male employees | 91%     |
| Average number of days of childcare leave※2 taken by male employees                  | 56 days |

※ 1 "Childcare leave and other related leave" refers to childcare leave and special leave for childbirth that can be taken for the purpose of rearing a child up to one year of age. Both types of leave apply to both male and female employees.  
※ 2 It is a statutory childcare leave system, and the acquisition rate of childcare leave taken by male employee is 17%.

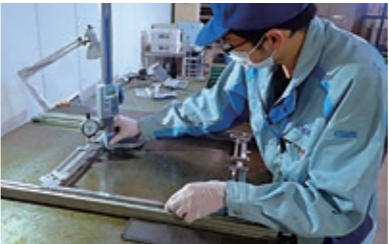
Skill Development for Persons with Disabilities

In April 2019, IBIDEN OASIS Co., Ltd. was certified as a special subsidiary company, and started its operation. In addition to its basic operations of environmental maintenance in the IBIDEN Group plants, the company made efforts in FY2020 to develop new skills by receiving orders of agricultural work from outside of the Group and creating original goods.



Senior Employees Playing Active Roles

In response to an increase in senior employees and changes of the social environment in Japan, we introduced a system to extend the mandatory retirement age to 65 from FY2020. We also established a reward system based on the employees' roles and achievements to keep them motivated and encourage them to play an active role. In April 2021, we also established a division to perform jigs and tools maintenance with a view to expand the workplace where senior employees can demonstrate their skills.



Support for Junior Employee Retention

In a bid to support new employees in becoming a part of their assigned workplaces and contributing to the company early on in their careers, we have established a mentor system in which senior members around new employees in the workplace support them. Under this system, new employees appoint senior members as their own mentors. The mentors then provide their mentees with advice on how to arrange their work and on their specialized fields, help the mentees cooperate with other divisions and departments, and listen to the mentees when they seek advice on a variety of matters, whether job related or otherwise, thereby supporting every new employee in starting his/her career development.



Productivity Improvement and IT Utilization

We promote the use of IT technology aggressively to keep competitive advantage continuously. At Ogaki Central Plant where high-function IC package substrates are put into mass production, we use ICT to network all equipment information to maximize production efficiency, stabilize and enhance product quality, and reduce cost. Advanced data analysis driven by accumulating various data from facility abnormality to quality information and processing information helps accelerate an improvement. We facilitate to digitalize the operational process in functional departments by introducing a system to approve without Inkan (a personal stamp used instead of signature in Japan) and RPA\*. Such initiatives help to

enhance efficiency by creating an environment that enables to keep the operation safe while working remotely even in the spread of COVID-19.  
※ RPA: Robotic Process Automation  
(RPA is a technology to automate routine computer tasks with software robot)



Smart manufacturing system

Human Resource Training System

The Company has established Systematic human resource training systems in an effort to develop the human resources necessary to accurately grasp changes in the business environment and create new products and technologies. Specifically, we implement standardized education across the Company (stratified training programs by age group and by job grade) and provide specialized education for selected personnel based on our basic education and training structure. The training programs by age group were completely revised from life plan-based training to career plan-based training in line with changes in our times such as the extension of the mandatory retirement age to 65, while in specialized education, we opened the Human Resource Development Center in 2017. Following the integration of the Center into the Human Resources Division in April 2021, systems are in place

for conducting the education of personnel capable of underpinning manufacturing operations, in a manner consistent with the company's personnel strategy. We also focus on the development of personnel who can flourish globally by promoting not only foreign language but also cross-cultural communication training programs.



Fundamental training on facilities

Visit our website for details of our human resource management.  
<https://www.ibiden.com/esg/social/talent-management/>

Human Resource Development

Through Work Hour Management

In Japan, rectifying the practice of long work hours has become one of the important issues to be addressed. Even though laws and regulations relating to work hours have been tightened, mental illness and occupational accidents caused by long work hours have become a serious problem, and companies are being asked to further efforts to rectify the practice.

IBIDEN and its Group companies in Japan set a goal of reducing the average annual work hours per employee to less than 2,000 hours. Based on this goal, presidents of Operations established their policies on work hours and

heads of departments set their targets, and are tracking progress toward those targets. Measures to encourage employees to take annual paid holidays and reduce overtime are also being taken. As a result of these measures, labor management has become more complicated.

To make managers better able to handle the complex labor management processes, we provide them with necessary training and make sure that all of them understand the processes.

Respect for Human Rights

**■ Respect for Worker Rights and Human Rights Education**

The IBIDEN Group clarifies in the IBIDEN Standards for Employee Behavior our respect for the basic rights of workers as internationally declared and that we will not aid in the infringement of human rights including the use of any form of forced or involuntary labor or child labor.

We provide training on fair employment and human rights to those in charge of labor affairs management as well as staff members and managers in charge of hiring while striving to keep all employees well-informed on workers' rights through our Standards for Employee Behavior.

In Japan, we provide managers and employees with human rights-related training programs in efforts to prevent any form of abuse of power. Our manager training programs teach participants things they should know and practice as managers, including daily communication skills, responses when being consulted by staff members and the handling of information.

**■ Human Rights Due Diligence**

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.

We periodically undergo formal audits by the industry coalition RBA at our bases mainly for the electronics business. In August 2021, IBIDEN Philippines, Inc. was recognized as a "Factory of Choice," a certification recognizing a company that strives to comply with the RBA Code of Conduct and fulfill its social responsibilities at a high level.



Measures for Occupational Health and Safety

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

**■ Strengthening Activity for Zero Occupational Accidents**

Focusing on "Reducing the number of recurrences of occupational accidents to zero," and "Preventing new occupational accidents" as pillars of our activities, we are working on occupational health and safety activities to enable all employees to work with high spirits and establish a safe and comfortable workplace across the IBIDEN Group, with employee awareness of the "Safety First" policy.

The occupational accident frequency rate of the Company and group companies in Japan stands at 0.71, which is lower than the average in the all industry throughout Japan, and the number of work-related accidents in our Group from fiscal year 2019 to fiscal year 2020 is trending downward. With a view to further reducing occupational accidents, we are making an effort to strengthen our management so as to prevent similar

accidents from occurring by analyzing the causes and true reasons of past accidents, and by taking the necessary recurrence prevention measures.

**■ Care for health and safety of employee in response to COVID-19**

The Group created a task force and also opened a COVID-19 hotline (by phone and E-mail) to provide employees and their families with a 24-hour consultation service.

In addition, in response to a new way of working, we have started to prepare working rules on teleworking, established network environment promptly, and implemented a working time monitoring system. As a result, the managerial staff and the employees in functional departments are able to work from home flexibly, while performing an accurate work management.

**■ Promoting Health and Productivity Management\***

Our group believes that the physical and mental health of each and every employee constitutes the basis for supporting the Group's competitiveness, and actively helps employees maintain good health.

Having established, as a promoting structure, the Health Subcommittee, which consists of the Health Management Promotion Center (industrial physicians, public health Nurses), Labor Union, Health Insurance Society, Environment, Health and Safety Division, Human Resources Division, and full-time staff for health promotion at plants, the Group actively provides employees with information for and raise their awareness of their health promotion and management.

As measures to support employees' mental health, the employees, workplaces, the Health Management Promotion Center, and Human Resources respectively play their roles, and use external resources for the prevention and treatment of mental health issues.

\* Registered trademark of the Workshop for the Management of Health on Company and Employee

**■ Acquired Recognition for "the Certified Health & Productivity Management Outstanding Organization – White 500"**

We were again certified as the Health & Productivity Management Outstanding Organization for 2021. In the program, the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi recognize outstanding enterprises engaging in efforts for health and productivity management.

Our activities to encourage employees to get into the habit of exercising by joining walking events, etc. and the excellent support system of our Health Management Promotion Center were highly evaluated.



| Large Enterprise Category  | Small and Medium Enterprise Category                    |
|--|---|
| White 500*<br>IBIDEN Co., Ltd.   | IBIDEN Engineering Co., Ltd.<br>IBIDEN Bussan Co., Ltd. |
| TAK Co., Ltd.<br>IBIDEN Jushi Co., Ltd.<br>IBIDEN Industries Co., Ltd. |   |

\* Top 500 enterprises certified in the Large Enterprise Category

With Respect for Both Individuals and the Global Environment  
Relationship with the Society

**■ Partnership with the Local Government in Preparation for the Occurrence of Disasters**

In November 2020, IBIDEN signed an agreement with Ogaki City to allow the city to use its private water supply sources upon request from the city, should an earthquake or other natural disaster hit the local areas, creating the need to help affected citizens or otherwise to take emergency measures. We also have an agreement to make our gymnasium available for use as a shelter during disasters subject to a request from the city. As another form of cooperation, we have a system in place for opening a part of the parking space for our employees for use as an evacuation site.



Agreement Signing Ceremony

**■ Support our stakeholders amid the spread of COVID-19**

With an aim to contribute to the health and safety of our stakeholders, the Company donated face masks, hand soap, and mouthwash to the communities that the Company and the Group companies engage with in Japan.

In overseas countries, we donated face masks and gloves to the hospitals and municipalities, while we donated computers to support the students who are difficult to study online with personal computers.



IBIDEN Electronics Malaysia SDN. BHD donated PCs.

Visit our website for details of our human resource management.  
<https://www.ibiden.com/esg/social/talent-management/>



Visit our website for details of our social data.  
<https://www.ibiden.com/esg/data/social/>



Visit our website for details of our social contribution activities.  
<https://www.ibiden.com/esg/social/contribution/>



# Supply Chain Management

Contributing SDGs



## Basic Approach

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.

Basic Procurement Policy

1

We will comply with laws, regulations and customs and build relationships based on mutual cooperation and trust with suppliers.

2

We will offer fair trading opportunities to suppliers.

3

We will fulfill our human rights, environmental and other social responsibilities through our procurement activities.

### IBIDEN Group Supplier CSR Guidelines

In 2009, we issued the IBIDEN Group Green Procurement Guidelines, which stipulated the rules to procure the parts and raw materials that are low environmental burden. Also in 2011, we published the IBIDEN Group Supplier CSR Guidelines (hereinafter “CSR Guidelines”), which laid out

the requirements on labor, health and safety, environmental protection, ethics and fair business practices for the entire supply chain including risk of human-rights abuse such as forced labor, fraud prevention, and green procurement.

## Measures for Supply Chain Management

### Communication and Cooperation with Supplier

We conduct CSR surveys for suppliers to check the actual situation of suppliers and promote improvements. If deemed necessary for any of the suppliers to improve on any important items, we conduct audits and site visits to confirm the status and request that such supplier make corrections and improvements as needed. We ask new suppliers to pledge to comply with the CSR Guidelines, and check the status of ethical efforts including labor, environment, safety and anti-corruption of suppliers using the CSR survey before commencing business transactions.

Our supply chain management is not limited to the suppliers from whom we procure materials, but extends

to our contractors and staffing companies. To ensure the soundness of the supply chain, we periodically share information through personal interviews and confirm the current status in cooperation with our suppliers.

### Suppliers’ Compliance Counter

We set up a “compliance counter” for our suppliers to which suppliers can report any compliance problem while dealing with the Company. As with the compliance counter for our internal employees, information will be handled with the utmost care for privacy and the supplier will never suffer prejudicial treatment for contacting the counter.

## Responsible Sourcing of Resources (Conflict Minerals※)

The Group is very concerned about the issue of responsible sourcing of conflict minerals 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.

※ The targets are tin, tantalum, tungsten, gold, and cobalt.

Visit our website for details of our supply chain management  
<https://www.ibiden.com/esg/social/suppliers/>



# Quality Management

## 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.

The Basic Policy for the Quality

Electronics

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.

Ceramics

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.

### IBIDEN Management System “IMS”

IBIDEN globally adopts the IBIDEN Management System (IMS) which aims to continuously improve the Group’s business competitiveness and customer satisfaction level. Based on quality management systems ISO9001 and IATF16949, we integrated environment management system ISO14001, occupational health and safety management system ISO45001, and corporate management systems to improve the quality of every single operation process. We will continue to build and operate systems that allow us to provide high quality products globally so that we can offer products and services exceeding the expectations of society and our customers.

### Measures to improve quality

IBIDEN is striving to contribute to society and customers through product quality. We hold design review meetings and quality assurance meetings at each process phase from development of cutting-edge technologies, product planning, and to mass production in order to check the design and specification. To improve quality further, we offer guidance and audits, including assessment by the president, at workplaces in Japan and overseas and group companies on quality improvement. In addition, we also provide support and guidance to our suppliers for the purpose of quality improvement.

## TOPICS | ISO Multi-site Certification

So far, the Group has acquired management certification at each site globally. However, to establish the management system with the same quality level at each site around the world, we are working to obtain multi-site certification. In FY2020, five domestic and overseas sites are simultaneously examined, and then obtained several multi-site certifications, including ISO9001, ISO14001, ISO45001, and IATF16949, which demonstrates our unified management system is effective, including overseas sites. (Examination period: January 2021 to March 2021)

Going forward, we will expand the number of applicable sites, leveraging the unified management system as a company operating globally.

| Status of certification |                         |                                    |                                |                                 |                     |                                    |                               |
|-------------------------|-------------------------|------------------------------------|--------------------------------|---------------------------------|---------------------|------------------------------------|-------------------------------|
| IBIDEN Co., Ltd.※1      | IBIDEN Philippines Inc. | IBIDEN Electronics Malaysia        | IBIDEN Electronics (Beijing)   | IBIDEN Graphite Korea Co., Ltd. | IBIDEN Hungary Kft. | Micro-Mech,Inc.                    | IBIDEN Mexico, S.A. de C.V.※2 |
| Certified in FY2020     | Certified in FY2020     | Expected to be certified in FY2021 | Plan to apply in FY2022 onward | Certified in FY2020             | Certified in FY2020 | Expected to be certified in FY2021 | Certified in FY2020           |

※1 Including the Group companies operating within IBIDEN plants such as IBIDEN Engineering Co., Ltd. (water treatment), IBIDEN Chemical Co., Ltd, IBIDEN Graphite Co., Ltd., and IBIKEN CO., LTD. (construction painting)

※2 Some of them are expected to be certified in FY2021.

Corporate Governance

Basic Views

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 Audit and Supervisory Committee Members. 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.

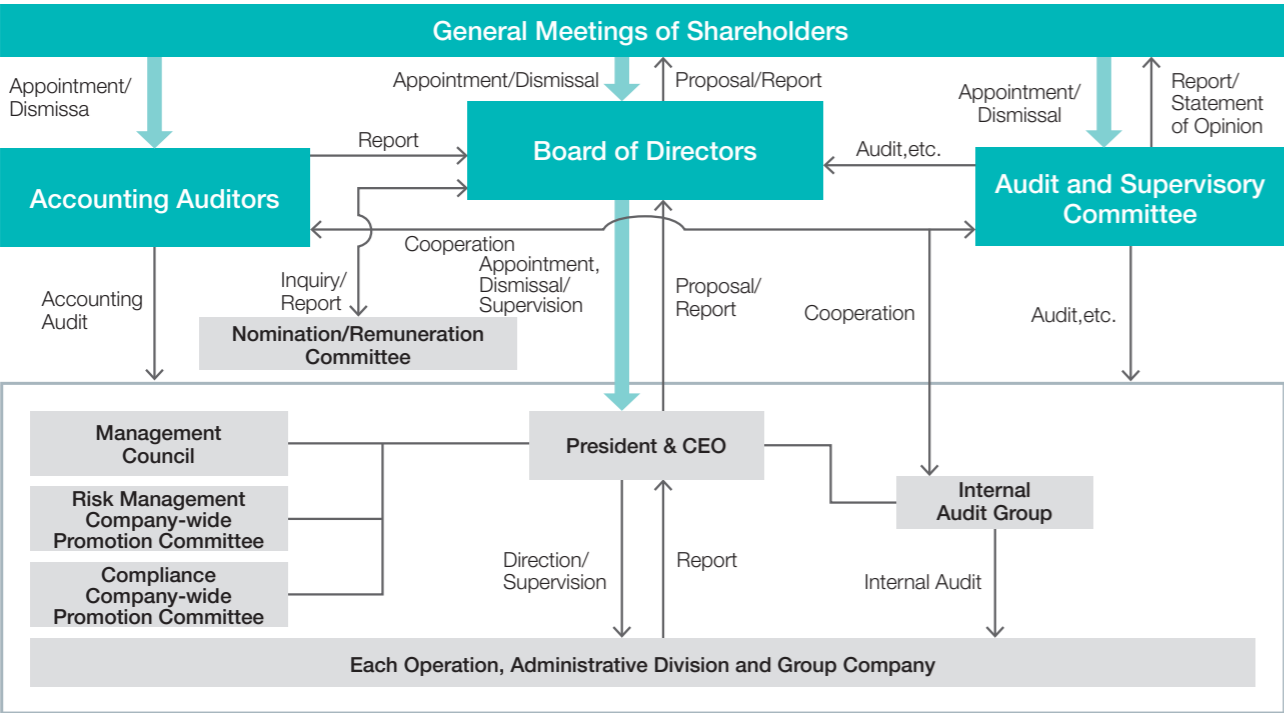
Overview of the Corporate Governance Structure

The Company has adopted the organizational form of a company with Audit and Supervisory Committee. To ensure fair and transparent company management, six (6) Outside Directors attend Board of Directors meetings and there provide advice on company management. For fair and transparent procedures applied to nominate these Outside Directors and to determine their compensation, the Company has voluntarily established Nomination/Remuneration Committee.

An Executive Officer System has been introduced to permit rapid management decision-making and quicker

execution of operations, which can clarify each role for Executive Directors and Senior Executive Directors and can get the right person in the right place with flexibility and mobility. The Audit and Supervisory Committee has 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.

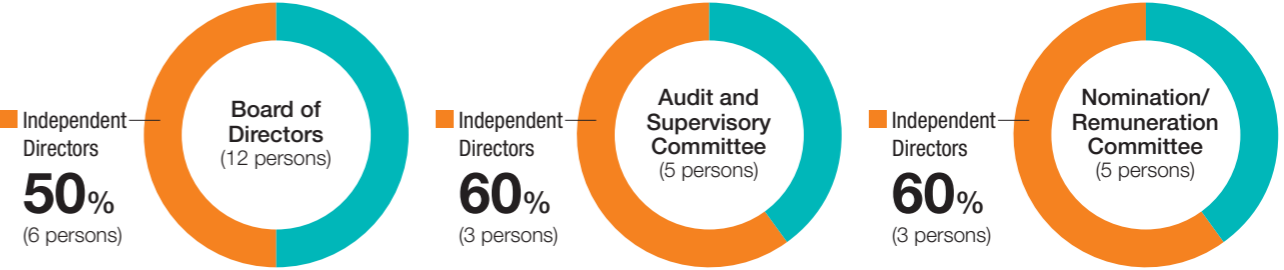
Chart of IBIDEN Group's Internal Control System



Posting of Information on Securing Independent Directors

Our company adopts a principle of ensuring that outside directors account for one-third or more of the Board of Directors so that they can contribute to appropriate corporate governance at the Company and offer advice on our standards of conduct. The Company has determined that Mr. Yamaguchi, Mr. Mita and Ms. Asai as Outside Directors and Mr. Kato, Mr. Horie and Ms. Yabu as Outside Audit and Supervisory Committee Members 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 Directors.

Ratio of Outside Directors · Independent Directors (As of June 18, 2021)



Toward Strengthening Corporate Governance

Against this backdrop, in 2017, we transitioned to a Company with an Audit and Supervisory Committee with the aim of streamlining management, accelerating decision-making, and reinforcing supervisory function. Concurrently, we increased the number of Outside Director, and since then, have worked to strengthen the supervisory function of the Board of Directors by keeping the ratio of Outside Directors, while taking diversity among the directors into consideration.

Moreover, we considered the further acceleration of decision-making and execution speed as necessary for maintaining and increasing our competitiveness. Accordingly, as of April 1, 2020, we streamlined the structure of our executive system.

History of Corporate Governance Enhancement

|   | 2016   | 2017   | 2020                               | June 2021                |
|---|--|--|------------------------------------|--------------------------|
| Institutional Design                                |  | Shift from a Company with a Board of Auditors to Company with an Audit and Supervisory Committee |                                    |                          |
| Executive system                                    |  | Discontinuation of Executive Officer position  |                                    |                          |
| Board of Directors                                  | Directors (From FY2017 and later, Directors who are not Audit and Supervisory Committee Members) | Inside 9 persons   | Reduction to 4 Corporate Directors |                          |
|   |  | Outside 2 persons  | Increase to 3 Outside Directors    |                          |
|   | Audit & Supervisory Committee Member (Auditors in FY 2016)                                       | Inside 2 persons   | Increase to 3 Outside Directors    |                          |
|   |  | Outside 2 persons  | Increase to 3 Outside Directors    |                          |
|   | Of which female Directors  | 0 person   | Increase to 1 Director             | Increase to 2 Directors  |
| Evaluation of Effectiveness of Board of Directors   | Started analysis and evaluation (self-evaluation)  |  |                                    | (third-party evaluation) |
| Compensation of the Senior Management and Directors | Introduction of a New Stock Compensation Plan  |  |                                    |                          |

Corporate Governance

Evaluation of Effectiveness of Board of Directors

The Company conducts annual analysis and evaluation on the effectiveness of the Board of Directors to improve the function of the overall board.

Process



Challenges and Issues Recognized and Further Company Actions

| Challenges and Issues  | Further Company Actions   |
|--|---|
| All the IBIDEN companies including affiliated and subsidiary companies should be amply supervised and monitored at the point of establishment and management of the internal control system. | The Company has governance management to the worldwide affiliated and subsidiary companies by Strategic Corporate Planning Operation, which functions amply. Furthermore, we will examine establishment of a full-time organization if necessary when they expand their business. |
| Dialogues with shareholders and inverters should be sufficiently fed back to Board of Directors.   | The Company intends to report and share all the questions and answers in IR Meeting and summaries in engagement activities and individual dialogues to Board of Directors.  |

Policy on Cross-Shareholding

From a medium-to long-term views to improve corporate value, we evaluate whether the shares held for the purpose of strategic investment should be kept in light of the importance to our business strategy and strengthening business alliances on an individual basis. Subsequently, we sell the shares deemed unnecessary to reduce cross-shareholding.

Furthermore, the Board of Directors annually reviews the risk and benefit associated with the listed shares held for the purpose of strategic investment, as well as the profitability based on our capital cost. When the shares deemed necessary to continue to be held, the Company discloses the purpose of them in the securities reports.

Transition of Cross-Shareholdings (Non-consolidated)

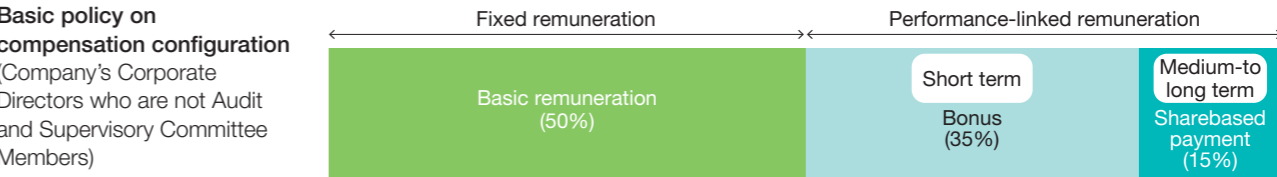
|  | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 |
|--|--------|--------|--------|--------|--------|--------|--------|
| Total Number of Stocks                         | 60     | 53     | 53     | 55     | 54     | 50     | 49     |
| Recorded amount in balance sheet (million yen) | 49,801 | 36,562 | 41,464 | 49,985 | 37,509 | 33,026 | 66,431 |
| Ratio in consolidated total assets (%)         | 9.6    | 7.7    | 10.2   | 11.4   | 8.7    | 6.4    | 11.5   |

Compensation of the Senior Management and Directors

Based on the corporate philosophy, the Company has designed its officers' compensation system in a way that clarifies management responsibilities while also providing an incentive toward improving our corporate value over the medium-to-long term through sustained growth.

The remuneration for the Company's Corporate Directors who are not Audit and Supervisory Committee Members and Senior Executive Officers

It comprises (1) a fixed monthly remuneration, (2) bonuses, as - 3 - performance-linked remuneration, and (3) stock compensation, at a ratio of roughly 50%, 35%, and 15%, respectively.



<Company's Corporate Directors who are not Audit and Supervisory Committee Members>

**Monthly remuneration**  
The monthly remuneration for Corporate Directors who are not Audit and Supervisory Committee Members is calculated within the limits approved by the general meeting of shareholders, based on the remuneration table provided in the internal regulations according to their job positions, with broad consideration to their job responsibilities and external remuneration survey data, among others. The Board of Directors has resolved to subsequently re-entrust the determination of such remuneration to President & CEO, who is best qualified to make a comprehensive assessment of each recipient including their job performance, in accordance with deliberations and reports by the Nomination/Remuneration Committee on individual payment amounts.

**Bonus**  
Bonuses are paid in cash once a year after the end of each fiscal year within the scope of a total amount based on a prescribed formula approved by the general meeting of shareholders.

<Senior Executive Officers>

**Monthly remuneration**  
The monthly remuneration for Senior Executive Officers is calculated based on the remuneration table provided in internal regulations according to their job positions, with broad consideration to the suitable balance with Corporate Directors who are not Audit and Supervisory Committee Members, evaluation of their individual job performance, and external remuneration survey data. The Board of Directors has resolved to entrust the determination of such remuneration to President & CEO in accordance with deliberations and reports by the Nomination/Remuneration Committee.

**Bonus**  
Bonuses are calculated based on the degree of contribution to the Company's operating results made by each Senior Executive Officer, and the Board of Directors has resolved to entrust the determination of such bonuses to President & CEO in accordance with deliberations and reports by the Nomination/Remuneration Committee.

Outside Directors who are not Audit and Supervisory Committee Members and Members of the Audit and Supervisory Committee

Outside Directors who are not Audit and Supervisory Committee Members and Members of the Audit and Supervisory Committee, being in positions independent of the execution of operations, are only paid fixed remuneration of a certain amount within the limits approved by the general meeting of shareholders.

| Amount of compensation, etc., of Directors (FY2020)          |                   |                                |                         |                                      |       |                    |
|--|-------------------|--------------------------------|-------------------------|--------------------------------------|-------|--------------------|
| (Millions of yen)  |                   |                                |                         |                                      |       |                    |
| Position   |                   | Number of recipients (persons) | Total remuneration paid | Total amount of remuneration by type |       |                    |
|  |                   |                                |                         | Basic remuneration                   | Bonus | Sharebased payment |
| Directors who are not Audit and Supervisory Committe Members | Directors         | 4                              | 411                     | 185                                  | 155   | 71                 |
|  | Outside Directors | 4                              | 36                      | 36                                   |       |                    |
|  | Subtotal          | 8                              | 447                     | 221                                  | 155   | 71                 |
| Directors who are Audit and Supervisory Committe Members     | Directors         | 2                              | 68                      | 68                                   |       |                    |
|  | Outside Directors | 3                              | 36                      | 36                                   |       |                    |
|  | Subtotal          | 5                              | 105                     | 105                                  |       |                    |
| Total  |                   | 13                             | 552                     | 326                                  | 155   | 71                 |

※ These figures are rounded down to nearest million yen.

Messages from Outside Directors



The Nomination/Remuneration Committee will discuss how to create a structure and culture that will enable the Company to achieve persistent growth and make choices that are in the long-term interests of stakeholders.

Chiaki YAMAGUCHI

Outside Director, Chairman of  
Nomination / Remuneration Committee

Outside Directors make up the majority of the Nomination/Remuneration Committee membership, making it a highly transparent and independent body. As the chairman, I strive to administer the Committee in such a way that the agenda items are actively and appropriately considered and discussed at every meeting.

The Company has established an Executive Officer System to create a pool of candidates for executive posts. As such, it is endeavoring to develop human resources. Human resources are the driving force for further growth, and the role of leaders is of particular importance. I would like to encourage the creation of a mechanism whereby efforts and results are fully rewarded. As for the question of who the right people to lead the Company's development on a permanent basis are, I will respect the judgment of those on the execution side, as they know the business well, but as an Outside Director, I will also

place particular emphasis on looking at changes in the environment, examining matters from a social perspective, and verifying the situation from the standpoint of shareholders.

The Company has a long history of surmounting huge waves over and over again, and the IBIDEN WAY embodies this history. I would like to see the Company grow strong yet nimble by constantly endeavoring to apply the IBIDEN WAY to its day-to-day business. These days, matters such as the environment and human rights must be given a high level of consideration, so I would like to benefit shareholders by making use of my own experience in international business and corporate management, as well as by sharpening my good judgement and common sense, to provide candid advice to executive personnel.



Amid a rapidly changing business environment, I will engage in active discussions at Board of Directors meetings by for example raising issues and providing advice that will contribute to sustainable growth, from an independent perspective as the holder of Ph.D. in Economics and through the utilization of the knowledge I have acquired on the frontline of manufacturing.

Noriko ASAI

Outside Director

The Company's business environment is changing at an extremely fast pace. To respond to the trust of its stakeholders, the Company is working on reforms. In terms of governance, in addition to making changes to institutional design, it has streamlined the executive system to realize a business execution structure conducive to flexible action based on transparent and fair decision-making. Outside Directors, meanwhile, are engaged in active discussions from diverse perspectives based on their diverse backgrounds.

The Company's original business was hydroelectric power generation, and supported by the expectations and aspirations of local communities, it has achieved growth by boldly taking risks and courageously embracing challenge when the time required it. To push through with reform, determination is vital. In our more than 100 years of history, we have possessed the strength to make

change the norm. Specifically, we have taken on risks at times of transition when our very survival was at stake, and been able to achieve huge leaps forward as a result of making breakthroughs.

Amid new trends such as DX and carbon neutrality, we are required to make quick decisions to develop new technology and spur innovation. The management issues we face are becoming more complex than ever, and involve great risk and uncertainty. I have visited and inspected more than 3,000 manufacturing sites, and the reality is never as one would expect. IBIDEN's treasure is its human resources, people who can take on the challenges of difficult times. As an Outside Director, I will, by raising issues and providing advice, continue to make use of my expertise and experience to contribute to the sustainable growth of the Company as it looks ahead to the next 100 years.



As Chairman of the Audit and Supervisory Committee, I will share information with each Committee member, initiate discussions aimed at ensuring the Company thrives, and continue to supervise and audit the Board of Directors to ensure that it operates appropriately.

Fumio KATO

Outside Director, Outside Member of  
Audit and Supervisory Committee,  
Chairman of Audit and Supervisory  
Committee

The Company, with its roots in hydroelectric power generation, has continued to grow to this day based on its mission of "contributing to the progression of society through innovative technology, with respect for both individuals and the global environment." As part of this, the Chairman and the President, who have established Electronics and Ceramics Operations as the current pillars of earnings by grasping the trend of the times, are a powerful presence, and I have confidence in their excellent management sense and experience backed by solid achievements. As a result of the characters of these top management personnel, the Board of Directors has a very open atmosphere and allows for frank exchanges of opinions.

Another of our roles as Outside Directors is to monitor management from the perspective of shareholders.

Among the most recent examples, we have provided advice on large scale capital expenditures for business expansion based on our respective knowledge and experience from an impartial and objective standpoint, while making it clear that we will respect management's decision, as long as the measure concerned will help the Company achieve sound and sustainable growth.

The Audit and Supervisory Committee welcomed two new members in FY2021. I would like them to share knowledge and information from their respective standpoints and exchange opinions more closely at meetings. In the future, I will also exchange opinions with executives in the field through visits to plants and Group companies, strive to ensure compliance for sound growth, and help the Company to live up to the trust that society places in it.

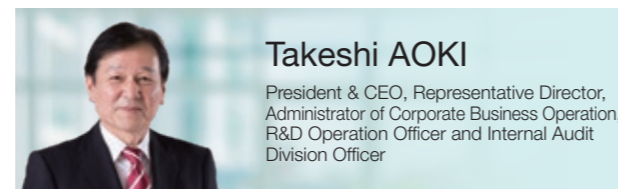
# Senior Management and Directors

(As of September 2021)


**Hiroki TAKENAKA**

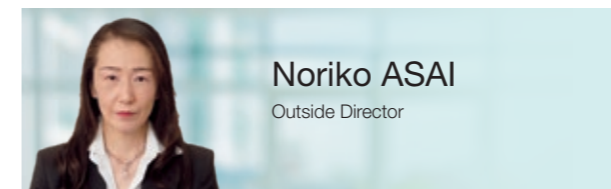
Chairman of the Board, Representative Director,  
Chairman of the Board Meeting,  
Administrator of Corporate Business Operation

|         |      |  |
|---------|------|--|
| April   | 1973 | Joined IBIDEN Co., Ltd.  |
| June    | 1997 | Director   |
| June    | 2001 | Managing Director  |
| June    | 2005 | Director & Executive Managing Officer  |
| April   | 2007 | President & CEO, Representative Director,<br>Administrator of Corporate Business Operation (present) |
| January | 2015 | Corporate Executive Director of R&D Operation  |
| March   | 2016 | Corporate Executive Director of Affiliates and Subsidiaries  |
| June    | 2017 | Chairman of the Board, Representative Director(present)  |
| June    | 2018 | Corporate Executive Director of Electronics Operation  |


**Takeshi AOKI**

President & CEO, Representative Director,  
Administrator of Corporate Business Operation,  
R&D Operation Officer and Internal Audit  
Division Officer

|       |      |  |
|-------|------|--|
| April | 1981 | Joined IBIDEN Co., Ltd.  |
| April | 2008 | Corporate Officer  |
| June  | 2013 | Director & Corporate Officer   |
| April | 2014 | Director & Managing Officer,<br>Vice President of Ceramics Operation   |
| March | 2016 | Executive Vice President, Representative Director,<br>President of Ceramics Operation                          |
| April | 2017 | Administrator of Corporate Business Operation (present),<br>Corporate Executive Director of Ceramics Operation |
| June  | 2017 | President & CEO, Representative Director (present)   |
| June  | 2018 | Corporate Executive Director of R&D Operation (present)  |
| April | 2019 | Corporate Executive Director of Internal Audit Division<br>(present)   |


**Noriko ASAI**

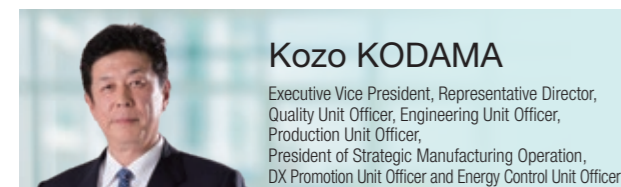
Outside Director

|       |      |   |
|-------|------|---|
| April | 1997 | Assistant Instructor of the School of Economics at<br>Nagoya University |
| March | 1999 | Nagoya University Ph.D. in Economics                                    |
| April | 2007 | Professor at the School of Management of Chukyo<br>University (present) |
| June  | 2015 | Outside Director of CKD Corporation (present)                           |
| June  | 2020 | Outside Director of IBIDEN Co., Ltd. (present)                          |
| June  | 2021 | Outside Director of OKUMA Corporation (present)                         |


**Yoichi KUWAYAMA**

Full-time Member of Audit and Supervisory  
Committee

|       |      |  |
|-------|------|--|
| April | 1983 | Joined IBIDEN Co., Ltd.  |
| April | 2008 | Corporate Officer  |
| April | 2011 | President of DPF Unit  |
| April | 2012 | Managing Officer   |
| June  | 2012 | Director & Managing Officer  |
| April | 2014 | Director & Executive Managing Officer,<br>President of Ceramics Unit |
| March | 2016 | Corporate Executive Director of Audit                                |
| June  | 2016 | Full-time Corporate Auditor  |
| June  | 2017 | Full-time Member of Audit and Supervisory Committee<br>(present)     |


**Kozo KODAMA**

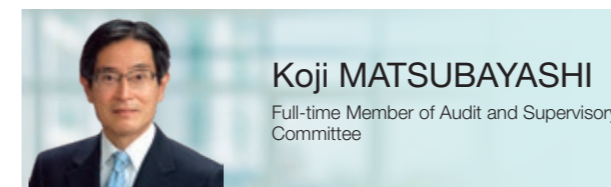
Executive Vice President, Representative Director,  
Quality Unit Officer, Engineering Unit Officer,  
Production Unit Officer,  
President of Strategic Manufacturing Operation,  
DX Promotion Unit Officer and Energy Control Unit Officer

|          |      |   |
|----------|------|---|
| April    | 1986 | Joined IBIDEN Co., Ltd.   |
| April    | 2012 | Corporate Officer,<br>Vice President of IBIDEN Philippines Inc.   |
| January  | 2015 | Managing Officer, Vice President of Electronics Operation   |
| June     | 2015 | Director & Managing Officer   |
| March    | 2016 | Executive Vice President, Representative Director (present)   |
| April    | 2017 | President of Corporate Strategic Manufacturing Operation<br>(present),<br>Corporate Executive Director of CSR Promotion Division<br>and Energy Control Division |
| February | 2018 | Chairman of IBIDEN Electronics Malaysia   |
| June     | 2018 | Corporate Executive Director of Quality Unit, Engineering<br>Unit & Production Unit (present)   |
| December | 2018 | President of MLB Operation, President of IBIDEN<br>Electronics Beijing (present)  |
| Apri     | 2021 | DX Promotion Unit Officer, Energy Control Unit Officer<br>(present)   |


**Masahiko IKUTA**

Executive Vice President, Representative  
Director,  
President of Strategic Corporate Planning  
Operation,  
PKG Operation Officer and IR Officer

|         |      |  |
|---------|------|--|
| April   | 1985 | Joined IBIDEN Co., Ltd.  |
| April   | 2010 | Corporate Officer  |
| October | 2013 | President of Strategic Corporate Planning Operations<br>(present),<br>Corporate Executive Director of IR (present),<br>Corporate Executive Director of FGM Operation |
| June    | 2014 | Director & Managing Officer  |
| March   | 2016 | Director & Executive Managing Officer  |
| April   | 2017 | Corporate Executive Director of Affiliates and Subsidiaries  |
| June    | 2017 | Executive Managing Officer   |
| June    | 2018 | Director & Executive Managing Officer  |
| April   | 2019 | Corporate Executive Director of PKG Operation  |
| April   | 2020 | Director & Senior Executive Officer  |
| April   | 2021 | Executive Vice President, Representative Director<br>(present),<br>Corporate Executive Director of Electronics Operation<br>(present)                                |


**Koji MATSUBAYASHI**

Full-time Member of Audit and Supervisory  
Committee

|         |      |   |
|---------|------|---|
| April   | 1987 | Joined The Sumitomo Bank, Ltd.  |
| October | 1994 | Deputy Chicago Branch General Manager                                       |
| October | 1996 | New York Deputy US Credit Director of US Headquarters                       |
| April   | 2001 | Manager of Sale Credit Division 1 in Sumitomo Mitsui<br>Banking Corporation |
| April   | 2010 | Deputy Manager of Corporate Sales in Saitama                                |
| May     | 2014 | London Credit Manager and Joint Audit Manager in<br>Europe Region           |
| April   | 2017 | Singapore Audit Manager   |
| October | 2020 | Joined IBIDEN Co., Ltd<br>Manager of Internal Audit Unit (present)          |
| June    | 2021 | Full-time Member of Audit and Supervisory Committee<br>(present)            |


**Fumio KATO**

Outside Director,  
Outside Member of Audit and Supervisory  
Committee,  
Chairman of Audit and Supervisory Committee

|          |      |  |
|----------|------|--|
| July     | 2000 | Deputy Manager of Investigation Department Nagoya<br>Regional Taxation Bureau  |
| July     | 2001 | Superintendent of Showa Tax Office   |
| August   | 2002 | Registered as certified tax accountant, Established Fumio<br>Kato Certified Tax Accountant Office, Representative of<br>Fumio Kato Certified Tax Accountant Office (present) |
| July     | 2004 | Outside Corporate Auditor of Seino Holdings Co., Ltd.<br>(retired June 2020)   |
| November | 2014 | Outside Corporate Auditor of HIMARAYA Co., Ltd.  |
| June     | 2015 | Outside Corporate Auditor of IBIDEN Co., Ltd.  |
| November | 2015 | Outside Director who is an Audit and Supervisory<br>Committee Member of HIMARAYA Co. Ltd. (present)  |
| June     | 2017 | Outside Corporate Director who is Audit and Supervisory<br>Committee Member of IBIDEN Co., Ltd. (present)  |


**Chiaki YAMAGUCHI**

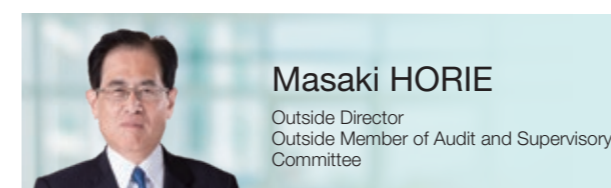
Outside Director, Chairman of Nomination/  
Remuneration Committee

|      |      |  |
|------|------|--|
| June | 2003 | Full-time Corporate Auditor of Toyota Motor Corporation<br>(retired on June 2011)  |
| June | 2011 | Executive Managing Director of Toyota Industries<br>Corporation  |
| June |      | Representative Director & Senior Vice President of Toyota<br>Industries Corporation (retired on June 2015)   |
| June | 2014 | Outside Director of IBIDEN Co., Ltd. (present)   |
| June | 2015 | President & Representative Director of Towa Real Estate<br>Co., Ltd. (retired on June, 2018),<br>Outside Director of Nakanihon KOGYO Co., Ltd. (retired<br>on June 2019) |
| June | 2018 | Outside Auditor of Central Nippon Expressway Company<br>Limited (present),<br>Corporate Advisor of Towa Real Estate Co., Ltd. (retired<br>on June 2019)                  |
| June | 2019 | Contract Officer for Special Duties of Towa Real Estate Co.,<br>Ltd. as former President & Representative Director (present)   |


**Toshio MITA**

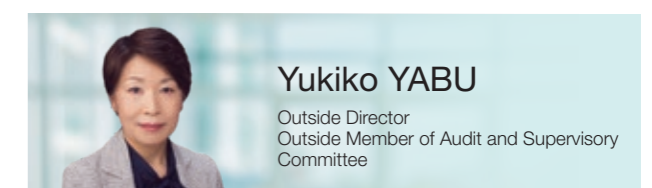
Outside Director

|       |      |  |
|-------|------|--|
| April | 1969 | Joined Chubu Electric Power Co., Inc.  |
| June  | 2003 | Managing Officer, Tokyo Office Manager of Chubu Electric<br>Power Co., Inc.                                  |
| June  | 2005 | Director, Senior Managing Executive Officer, President of<br>Sales Company of Chubu Electric Power Co., Inc. |
| June  | 2006 | President & CEO of Chubu Electric Power Co., Inc.  |
| June  | 2007 | President &CEO, Representative Director of Chubu<br>Electric Power Co., Inc.                                 |
| June  | 2010 | Chairman of the Board at Chubu Electric Power Co., Inc.  |
| June  | 2015 | Advisor of Chubu Electric Power Co., Inc.<br>Outside Auditor of NYK Line (retired on June 2019)              |
| June  | 2017 | Outside Director of IBIDEN Co., Ltd. (present)   |
| June  | 2018 | Outside Auditor of Nagoya Railroad Co., Ltd. (present)   |
| June  | 2019 | Outside Auditor of Chubu-Nippon Broadcasting Co., Ltd.<br>(present)  |
| July  | 2020 | Corporate Advisor of Chubu Electric Power Co., Inc. (present)  |


**Masaki HORIE**

Outside Director  
Outside Member of Audit and Supervisory  
Committee

|           |      |   |
|-----------|------|---|
| April     | 1973 | Joined PricewaterhouseCoopers Co., Ltd.   |
| November  | 1980 | Joined Ito Accounting & Consultancy Office  |
| July      | 1997 | Senior Partner of Ito Accounting & Consultancy Office   |
| January   | 2001 | Senior Partner of Chuo-Aoyama Audit Corporation   |
| September | 2006 | Senior Partner of Arata Audit Corporation   |
| July      | 2010 | Established Masaki HORIE Certified Public Accountant<br>Office, Director of the Office (present)              |
| June      | 2011 | Outside Corporate Auditor of Tokai Rika Co., Ltd. (retired<br>June 2015)                                      |
| June      | 2015 | Outside Corporate Auditor of Futaba Industrial Co., Ltd.  |
| June      | 2016 | Outside Corporate Director of Futaba Industrial Co., Ltd.<br>(present)<br>Outside Auditor of IBIDEN Co., Ltd. |
| June      | 2017 | Outside Corporate Director who is Audit and Supervisory<br>Committee Member of IBIDEN Co., Ltd. (present)     |


**Yukiko YABU**

Outside Director  
Outside Member of Audit and Supervisory  
Committee

|         |      |   |
|---------|------|---|
| April   | 1981 | Joined Matsushita Electric Industrial Co., Ltd.   |
| January | 2006 | Director of Lifestyle Value Research Laboratory, R&D<br>Headquarters, Home Appliances Company, Panasonic<br>Corporation                               |
| January | 2011 | Director of Global Consumer Research Center, Corporate<br>Brand Strategy Division, Panasonic Corporation  |
| April   | 2013 | Director and Group Manager responsible for consumer<br>research at the Global Marketing Planning Center,<br>Appliances Company, Panasonic Corporation |
| March   | 2014 | Retired from Panasonic Corporation  |
| June    | 2014 | Outside Director of DUSKIN CO., LTD. (retired 2017)   |
| June    | 2015 | Outside Director of TAKARA HOLDINGS INC. (retired 2018)   |
| June    | 2016 | Outside Director of Daiwa House Industry Co., Ltd. (present)  |
| June    | 2019 | Outside Director of Furukawa Electric Co., Ltd. (present)   |
| June    | 2021 | Outside Corporate Director who is Audit and Supervisory<br>Committee Member of IBIDEN Co., Ltd. (present)   |

# Overview of the Board of Directors

(As of June 18, 2021)

In selecting Director candidates, to allocate a right person to right work, as a comprehensive deliberation, the sufficient number of the Board of Directors Members that enables the Board of Directors to make eligible and prompt decision and overall balance of knowledge, experience and skill with diversity including gender, internationality, career and age among the members of the Board of Directors are considered while referring to the reports by the Nomination/Remuneration Committee.

| Name              | Diversity Score                             |                              |                           |             |          |                        |                           |            |                               |                    |
|-------------------|---|------------------------------|---------------------------|-------------|----------|------------------------|---------------------------|------------|-------------------------------|--------------------|
|                   | Independence<br>(Outside<br>Directors only) | Experience as<br>a President | Finance and<br>accounting | Electronics | Ceramics | Marketing<br>and sales | International<br>business | Innovation | Manufacturing<br>technologies | Risk<br>management |
| Hiroki TAKENAKA   |   | ●                            |                           | ●           | ●        | ●                      | ●                         | ●          |                               | ●                  |
| Takeshi AOKI      |   | ●                            |                           | ●           | ●        | ●                      | ●                         | ●          | ●                             | ●                  |
| Kozo KODAMA       |   |                              |                           | ●           |          |                        | ●                         |            | ●                             |                    |
| Masahiko IKUTA    |   |                              | ●                         | ●           | ●        | ●                      | ●                         |            |                               |                    |
| Chiaki YAMAGUCHI  | ●   | ●                            |                           |             |          | ●                      | ●                         |            |                               | ●                  |
| Toshio MITA       | ●   | ●                            |                           |             |          | ●                      |                           |            |                               | ●                  |
| Noriko ASAI       | ●   |                              |                           |             |          |                        |                           | ●          |                               | ●                  |
| Yoichi KUWAYAMA   |   |                              |                           |             | ●        |                        |                           |            |                               | ●                  |
| Koji MATSUBAYASHI |   |                              | ●                         |             |          |                        | ●                         |            |                               | ●                  |
| Fumio KATO        | ●   |                              | ●                         |             |          |                        |                           |            |                               |                    |
| Masaki HORIE      | ●   |                              | ●                         |             |          |                        |                           |            |                               |                    |
| Yukiko YABU       | ●   |                              |                           | ●           |          |                        |                           | ●          |                               | ●                  |

※1 Above scores don't represent all the insights the candidates own.  
※2 For candidates for Outside Directors (including Audit & Supervisory Board Members), the skill set required for the Board of Directors, which the Company particularly expects them to own are stated.

## Reasons for Selecting as Outside Director

|   | Name             | Reasons for selecting   |
|---|------------------|---|
| Directors who are not Audit and Supervisory Committee Members | Chiaki YAMAGUCHI | Mr. Yamaguchi has plentiful and wide-ranging experience and knowledge in corporate management and other fields as Representative Director & Senior Vice President of Toyota Industries Corporation and President & Representative Director of Towa Real Estate Co., Ltd. We expect him to provide us with proper advice and supervision based on his insight. |
|   | Toshio MITA      | Mr. Mita has plentiful and wide-ranging experience and knowledge in corporate management and other fields as President & CEO of Chubu Electric Power Co., Inc. We expect him to provide us with proper advice and supervision based on his insight.   |
|   | Noriko ASAI      | Ms. Asai has abundant and wide-ranging academic knowledge and expertise in business economics as an academic expert. We expect her to provide us with proper advice and supervision based on his insight.   |
| Directors who are Audit and Supervisory Committee Members     | Fumio KATO       | Mr. Kato can provide insights and oversight of company operations based on his wealth of knowledge and experience in tax-related matters as Tax Accountant. We expect him to provide us with proper advice and supervision based on his insight.  |
|   | Masaki HORIE     | Mr. Horie has the expertise with his high-level wealth of knowledge and experience as Certified Public Accountant. We expect him to provide us with proper advice and supervision based on his insight.   |
|   | Yukiko YABU      | Ms. Yabu has abundant and wide-ranging knowledge, expertise and experience in R&D and marketing with perspectives of general consumers in a leading electric company. We expect her to provide us with proper advice and supervision based on his insight.  |

● Corporate Directors ● Outside Directors ● Chairperson

| Internal control - Governance | Male<br>Female | Members of each committee and meeting |                                 |                                     |                    |  |   |
|-------------------------------|----------------|---------------------------------------|---------------------------------|-------------------------------------|--------------------|--|---|
|                               |                | Board of Directors                    | Audit and Supervisory Committee | Nomination / Remuneration Committee | Management Council | Risk Management Company-wide Promotion Committee | Compliance Company-wide Promotion Committee |
|                               | ●              | ●<br>(10/10)                          |                                 | ●<br>(7/7)                          | ●                  | ●  | ●   |
| ●                             | ●              | ●<br>(10/10)                          |                                 | ●<br>(7/7)                          | ●                  | ●  | ●   |
|                               | ●              | ●<br>(10/10)                          |                                 |                                     | ●                  | ●  | ●   |
| ●                             | ●              | ●<br>(10/10)                          |                                 |                                     | ●                  | ●  | ●   |
| ●                             | ●              | ●<br>(10/10)                          |                                 | ●<br>(7/7)                          |                    |  |   |
|                               | ●              | ●<br>(10/10)                          |                                 | ●<br>(6/7)                          |                    |  |   |
|                               | ●              | ●<br>(8/8)                            |                                 | ●<br>(5/5)                          |                    |  |   |
| ●                             | ●              | ●<br>(10/10)                          | ●<br>(11/11)                    |                                     | ●                  | ●  | ●   |
| ●                             | ●              | ●<br>(-)                              | ●<br>(-)                        |                                     | ●                  | ●  | ●   |
| ●                             | ●              | ●<br>(10/10)                          | ●<br>(11/11)                    |                                     |                    |  |   |
| ●                             | ●              | ●<br>(10/10)                          | ●<br>(11/11)                    |                                     |                    |  |   |
| ●                             | ●              | ●<br>(-)                              | ●<br>(-)                        |                                     |                    |  |   |

Within brackets ( ) is attendance at Board of Directors and committee meetings in FY2020. (Meetings attended / Total meetings)

## Policy for the Development of Next Generation Management Executives

For the development of next generation management executives, we newly established a Senior Management system in FY2020. We position employees in Senior Management positions as next generation management executive candidates, and have these employees

participate in Executive training. In addition, by developing the educational program for employees in Senior Management positions, we will develop human resources in a planned way.

## Communication with Shareholders and Investors

IBIDEN takes steps to disclose information at appropriate times to shareholders and investors in a fair, accurate, and easy-to-understand manner.  
We held a general meeting of shareholders in the multi-purpose hall in the IBIDEN Headquarters Building on June 18, 2021. We have sought to establish a more open environment by adopting the voting rights exercise platform and making possible the exercise of voting rights via the Internet and smart phones, etc., for shareholders who are unable to attend the meeting. In addition, to ensure prompt disclosure, the Notice of Ordinary General Meeting of Shareholders is available on our website and platform by a week before mailing it to shareholders. This

year, we took a video of the day of the General Meeting of Shareholders, and then released in the Investor Relations section on our website as well.  
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.

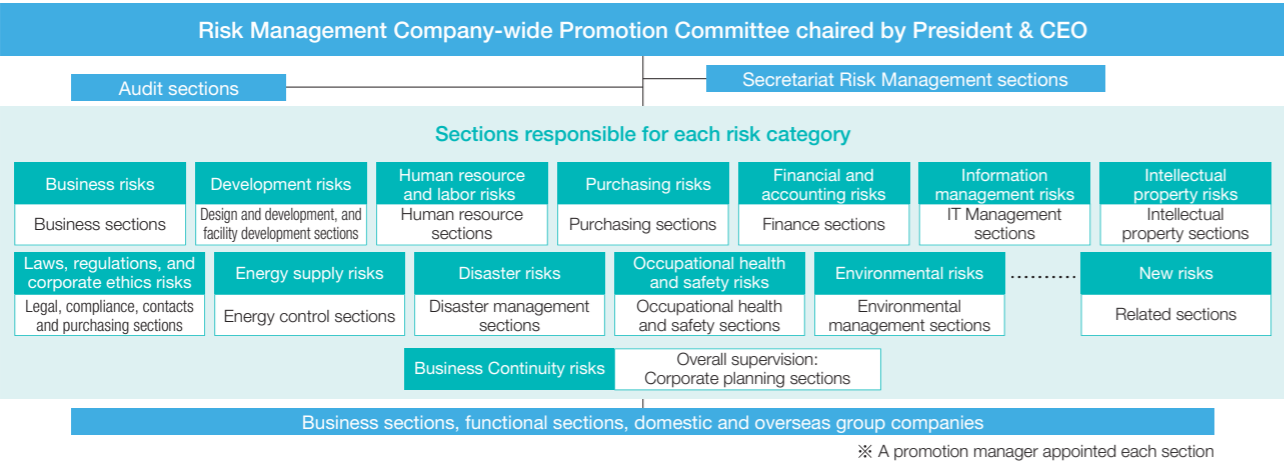
Risk Management

Risk Management 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.

Structure for Advancing Risk Management

We established Risk Management Company-wide Promotion Committee as an organization to promote risk management, where we review and decide the overall risk management, and report the countermeasures to the major risks and the progress. To embody the policies the Committee decided, we assign a department in charge by each risk category to promote the risk management activities suitable to the situation and operational type of domestic and overseas Group companies.



Activities for Advancing Risk Management

**1 Business Continuity Plan and Readiness for Natural Disaster**  
Considering the occurrence of large-scale natural disasters, such as earthquakes or floods, in areas where our plants are located as an important risk, we are taking measures to prepare for the occurrence of such disasters. In the event of a large-scale natural disaster, we believe that lifesaving comes first, followed by the early recovery of product supply to customers. Accordingly, we have established a system to deal with specific risks including the confirmation of the safety of employees and equipment failure.

**2 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 information including confidential information of customers and suppliers and prevention of leakage are important issues and responsibilities.  
We have established a framework for information security promotion, and laid down a basic policy for proper use and custody of the information assets we own such as trade secrets, personal information and IT security environment under the “Regulations for Information Management.”



Compliance

Compliance Basic Policy

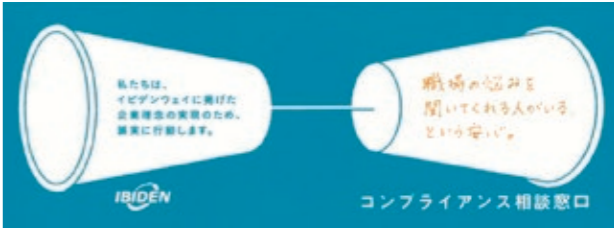
By achieving thoroughgoing commitment to “compliance with domestic and international laws, our articles of incorporation, internal regulations and corporate ethics” (Compliance) and through open and fair corporate activities, we aim to be a company that international society relies on.

Structure for Promoting Compliance Program



**Whistleblowing System**  
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 consultation counters have been operated with due consideration for the protection of rights of whistleblowers, such as anonymity assurance, privacy protection and ensuring no disadvantageous treatment.  
Should an incident related to compliance occur, the Compliance Committee chaired by the Executive Officer

in charge of compliance promotion is called and discussions take place on appropriate actions to address the situation as well as preventative measures for future incidents. Serious incidents in particular are reported to the Board of Directors.



Compliance consultation service card

Bolstering Compliance Activities

**1 Compliance Education**  
When promoting compliance activities, it is crucial that employee awareness is continuously maintained at a high level. The Company has established an environment enabling all those working at on-site workplaces (including part-time workers and contract workers) to systematically receive education and training immediately after their employment regarding the Standards for Employee Behavior, which sets forth the compliance standards to be followed by officers and employees. In addition, we are promoting special education programs, including ones focused on various laws and regulations and corporate taxation.

**2 Efforts for Fraud Prevention including Anti-bribery**  
The Group upholds the IBIDEN Group Charter of Behavior to make efforts to prevent every form of corruption. In the Standards for Employee Behavior also, we demand ethical behavior and strictly prohibit unlawful actions and acts of conflict of interest including bribery. To avoid misconduct, we have appropriately developed a system for ensuring a certain prevention of corruption in line with the current conditions of each site, including measures such as stricter authorization when paying social expenses, the establishment of Gift-giving and -receiving Guidelines, and the development of a Whistleblowing System.



Main Financial Data (Consolidated)

Fiscal years ended on March 31

|  |                   | 158th<br>FY2010 | 159th<br>FY2011 | 160th<br>FY2012 | 161th<br>FY2013 | 162th<br>FY2014 | 163th<br>FY2015 | 164th<br>FY2016 | 165th<br>FY2017       | 166th<br>FY2018 | 167th<br>FY2019 | 168th<br>FY2020 |
|--|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|-----------------|-----------------|
| Net sales  | (Millions of yen) | 304,968         | 300,863         | 285,946         | 310,268         | 318,072         | 314,119         | 266,459         | 300,403               | 291,125         | 295,999         | 323,461         |
| Operating income   | (Millions of yen) | 33,811          | 15,515          | 5,419           | 23,442          | 26,039          | 22,570          | 7,141           | 16,702                | 10,137          | 19,685          | 38,634          |
| Operating income to net sales ratio                            | (%)               | 11.09           | 5.16            | 1.90            | 7.56            | 8.19            | 7.19            | 2.68            | 5.56                  | 3.48            | 6.65            | 11.94           |
| Ordinary profit  | (Millions of yen) | 33,575          | 16,256          | 10,890          | 28,401          | 31,314          | 20,798          | 2,301           | 17,603                | 12,600          | 21,364          | 40,716          |
| Profit (loss) attributable to owners of parent                 | (Millions of yen) | 19,740          | 10,647          | 2,232           | 17,479          | 19,107          | 7,530           | (62,848)        | 11,583                | 3,306           | 11,329          | 25,698          |
| Total assets   | (Millions of yen) | 394,580         | 425,871         | 430,040         | 462,113         | 519,847         | 476,110         | 405,783         | 436,425 <sup>※1</sup> | 423,056         | 518,619         | 578,518         |
| Return on assets   | (%)               | 5.20            | 2.59            | 0.52            | 3.92            | 3.89            | 1.51            | (14.25)         | 2.76 <sup>※2</sup>    | 0.77            | 2.41            | 4.68            |
| Total net assets   | (Millions of yen) | 271,249         | 274,901         | 286,705         | 322,562         | 360,091         | 331,520         | 260,940         | 286,367               | 276,305         | 273,934         | 321,863         |
| Equity ratio   | (%)               | 66.98           | 63.35           | 65.61           | 68.91           | 68.50           | 68.75           | 63.21           | 64.43 <sup>※3</sup>   | 64.03           | 51.74           | 54.61           |
| Return on equity   | (%)               | 7.45            | 3.97            | 0.81            | 5.82            | 5.67            | 2.20            | (21.53)         | 4.31                  | 1.20            | 4.20            | 8.80            |
| Interest-bearing debt  | (Millions of yen) | 23,463          | 63,737          | 63,925          | 61,574          | 75,855          | 70,128          | 70,062          | 70,005                | 70,030          | 150,030         | 150,175         |
| Free cash flow   | (Millions of yen) | 23,391          | (21,920)        | (13,224)        | 11,729          | 6,659           | 20,060          | 2,532           | 5,736                 | 519             | (11,987)        | (43,390)        |
| Capital expenditures   | (Millions of yen) | 60,335          | 47,313          | 43,262          | 37,731          | 56,350          | 40,955          | 20,997          | 22,409                | 22,892          | 57,076          | 78,189          |
| Depreciation and amortization                                  | (Millions of yen) | 40,697          | 42,387          | 42,697          | 35,702          | 39,428          | 44,056          | 33,147          | 24,566                | 25,136          | 24,222          | 35,413          |
| Research and development costs                                 | (Millions of yen) | 14,553          | 16,123          | 15,125          | 15,031          | 15,512          | 15,203          | 14,111          | 15,368                | 14,753          | 16,200          | 16,841          |
| Net assets per share   | (yen)             | 1,861.11        | 1,885.53        | 2,043.29        | 2,305.93        | 2,578.85        | 2,459.63        | 1,927.53        | 2,012.60              | 1,938.59        | 1,920.19        | 2,262.99        |
| Basic profit (loss) attributable to owners of parent per share | (yen)             | 137.21          | 74.41           | 15.97           | 126.58          | 138.37          | 55.29           | (472.26)        | 83.21                 | 23.66           | 81.08           | 183.94          |
| Dividends per share  | (yen)             | 40              | 30              | 30              | 30              | 35              | 35              | 35              | 35                    | 35              | 35              | 35              |
| Dividend payout ratio  | (%)               | 29.15           | 40.32           | 187.81          | 23.7            | 25.29           | 63.30           | —               | 42.06                 | 147.90          | 43.17           | 19.03           |
| Numbers of employees   | (persons)         | 13,051          | 11,374          | 11,879          | 14,122          | 14,306          | 14,290          | 13,961          | 15,574                | 14,718          | 13,019          | 13,161          |

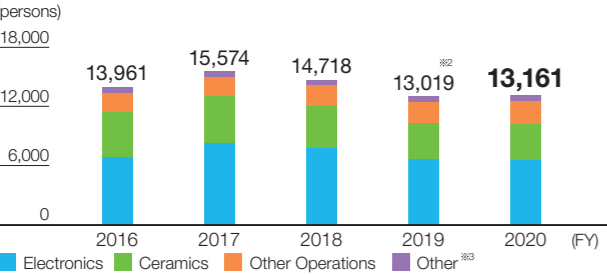
※1 Net assets per share are calculated based on the total number of shares issued and outstanding at the end of the fiscal year.  
※2 Basic earnings (loss) per share is calculated based on the average number of shares issued and outstanding during the period. The average number of shares issued and outstanding during the period is based on the number of shares after deducting the number of treasury shares.

※3 "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28, February 16, 2018) have been applied from the beginning of the 166th term, and the main management indicators, etc. (\*1, 2, 3) related to the 165th term are indicators, etc. after retroactively applying the said accounting standard, etc.

Main Non-Financial Data

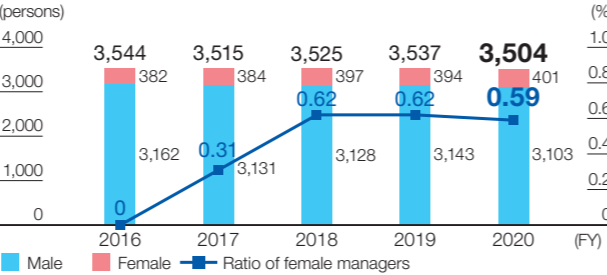
Number of consolidated employees by business<sup>※1</sup> (persons)

13,161



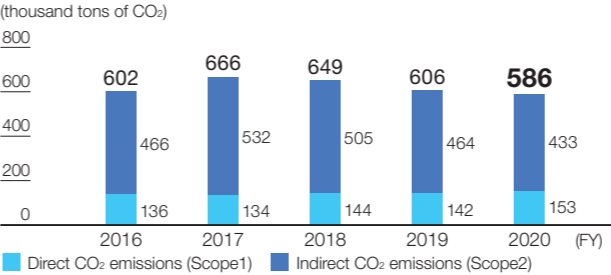
Number of non-consolidated employees by gender<sup>※4</sup> (persons) and ratio of female managers<sup>※5</sup> (%)

0.59%



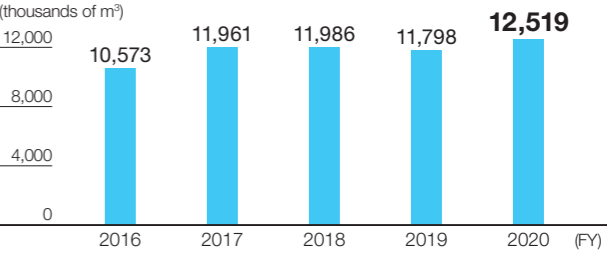
GHG emissions<sup>※6, ※7</sup> (thousand tons of CO<sub>2</sub>)

586 thousand tons of CO<sub>2</sub>



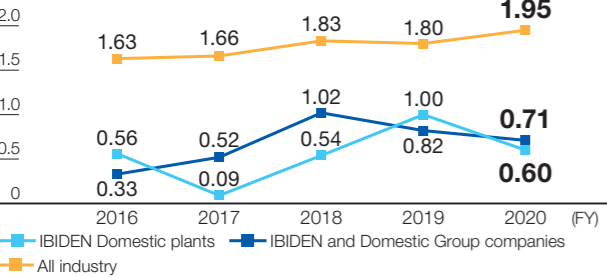
Water withdrawal<sup>※6</sup> (thousands of m<sup>3</sup>)

12,519 thousands of m<sup>3</sup>



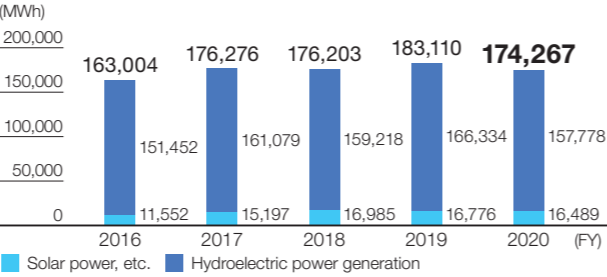
Occupational accident frequency rate<sup>※6</sup>

0.71



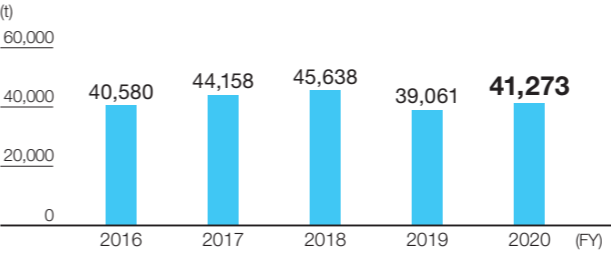
Renewable energy generation<sup>※6</sup> (MWh)

174,267 MWh



Solid waste<sup>※6</sup> (t)

41,273t



※1 This indicates the number of persons in employment, and does not include temporary employees.  
※2 A decrease of 1,699 in the number of employees in fiscal 2019 is mainly attributable to personnel reduction in consolidated overseas manufacturing companies.  
※3 This indicates employees of the Management Division.  
※4 Figures are for IBIDEN Co., Ltd.. This indicates the number of persons in employment, and does not include temporary employees. Also, the number of non-consolidated employees does not include seconded employees.  
※5 This indicates the number of work-related injury or death cases (equivalent to or more serious than cases of occupational accidents resulting in lost workdays) among a total of 1 million actual working hours.  
※6 Figures are for IBIDEN Group.  
※7 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.  
From fiscal year 2020, when calculating the indirect CO<sub>2</sub> emissions (Scope 2), we use the conversion factors (IEA Emissions Factors 2020) published by the International Energy Agency when the CO<sub>2</sub> emission factors of electric utility companies are uncertain, in order to provide information closer to the actual state.

# Analysis of Our Business Performance and Financial Condition

## Overview of the Fiscal Year Under Review

During the fiscal year under review, the global economy saw a sharp slowdown in economic activity in the first half of the year amid the global pandemic of COVID-19. However, from the second quarter (July-September) onward, the economy picked up mainly in China. The domestic economy was also sluggish in the first half of the fiscal year with a sharp downturn affected by COVID-19. However, some signs of recovery are seen in parts of exports and production from the second quarter (July-September).

The semiconductors and electronic components market grew upward as a whole due to the strong personal computer market with the spread of teleworking and remote education, while the markets centered around the server market for data centers remained firm.

The exhaust system components market in the automotive industry remained under harsh conditions due to a continued decrease in the ratio of diesel passenger vehicle sales in the European passenger vehicles market, along with a significant decrease in global automobile sales in the first quarter (April-June) affected by COVID-19. However, in the second half of the fiscal year, the market

recovered to the level of the previous fiscal year on the back of the market recovery mainly in China from the second quarter (July-September).

Given this situation, to achieve the new five-year medium-term management plan “To The Next Stage 110 Plan” that started in April 2018, we proactively allocated management resources into growing markets based on human resource development, and have been working on measures for the realization of stable growth by increasing competitiveness of our existing businesses along with expanding new businesses.

As a result, net sales for the fiscal year under review amounted to ¥323,461 million, an increase of ¥27,462 million (9.3%) compared to the previous fiscal year. Operating income totaled ¥38,634 million, an increase of ¥18,948 million (96.3%) compared to the previous fiscal year. Ordinary profit amounted to ¥40,716 million, an increase of ¥19,352 million (90.6%) compared to the previous fiscal year. Profit attributable to owners of parent for the period stood at ¥25,698 million, an increase of ¥14,368 million (126.8%) compared to the previous fiscal year.

## Analysis of Financial Situation

### 1 Assets

Total assets at the end of the fiscal year under review were ¥578,518 million (an increase of 11.5% compared to the end of the previous fiscal year). Current assets amounted to ¥285,364 million (a 5.0% decrease), and fixed assets were ¥293,153 million (a 34.2% increase).

The significant contributing component in the decrease in current assets was a decrease of ¥48,267 million in cash and deposits.

The significant contributing component in the increase in fixed assets was an increase of ¥22,533 million in buildings and structures, an increase of ¥27,450 million in machinery and equipment and an increase of ¥33,736 million in investment securities.

### 2 Liabilities

Total liabilities at the end of the fiscal year under review were ¥256,655 million (a 4.9% increase). Current liabilities amounted to ¥131,899 million (a 9.2% increase), and long-term liabilities were ¥124,755 million (a 0.7% increase).

The significant contributing component in the change in current liabilities was the transfer of ¥15,000 million of bonds, which were under long-term liabilities at the end of the previous fiscal year to current portion of bonds in current liabilities.

### 3 Net assets

Total net assets at the end of the fiscal year under review were ¥321,863 million (a 17.5% increase).

The significant contributing component in the increase in total net assets was an increase of ¥20,801 million in retained earnings and an increase of ¥19,406 million in net unrealized holding gain on other securities.

As a result, the equity ratio increased from 51.7% at the end of the previous fiscal year to 54.6%. In addition, net assets per share increased from ¥1,920.19 at the end of the previous fiscal year to ¥2,262.99.

## Analysis of Management Results

### 1 Net Sales and Operating Income

Net sales amounted to ¥323,461 million (an increase of 9.3% year-on-year).

Cost of sales was ¥238,011 million (an increase of 4.5% year-on-year). The cost-to-sales ratio increased 3.4 percentage points to 73.6%.

Accordingly, operating income totaled ¥38,634 million (an increase of 96.3% year-on-year).

### 2 Non-operating Income and Expenses and Ordinary Profit

Non-operating income and expenses increased from ¥1,678 million (net) in the previous fiscal year to ¥2,082 million (net) in the fiscal year under review. This was mainly due to a decrease of ¥146 million in bond issuance expenses.

Accordingly, ordinary profit amounted to ¥40,716 million (an increase of 90.6% year-on-year).

### 3 Extraordinary Income or Loss

Extraordinary income or loss worsened from loss of ¥3,839 million (net) in the previous fiscal year to loss of ¥8,550 million (net) and extraordinary loss (net) increased. This was mainly due to an increase of ¥3,611 million in loss on impairment of fixed assets and an increase of ¥996 million in compensation expenses.

Accordingly, profit before income taxes amounted to ¥32,165 million (an increase of 83.5% year-on-year).

### 4 Income Taxes (Including Income Taxes – Deferred)

Income taxes increased from ¥5,987 million in the previous fiscal year to ¥6,246 million in the fiscal year under review.

Accordingly, profit amounted to ¥25,918 million (an increase of 124.6% year-on-year).

### 5 Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests increased from ¥207 million in the previous fiscal year to ¥220 million in the fiscal year under review.

### 6 Profit Attributable to Owners of Parent

Profit attributable to owners of parent was ¥25,698 million (an increase of 126.8% year-on-year).

Basic earnings per share was ¥183.94.

Return on equity (ROE) stood at 8.8%.

## Cash Flow Conditions

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review amounted to ¥126,884 million, down ¥47,999 million compared to the end of the previous fiscal year.

The following is a summary of cash flow activities.

### 1 Cash Flow from Operating Activities

Net cash provided by operating activities totaled ¥38,954 million (versus ¥26,096 million in the previous fiscal year). This primarily reflected increases from ¥35,413 million in depreciation and amortization, ¥32,165 million in profit before income taxes, despite decreases from ¥17,721 million in an increase in notes and accounts receivable, and ¥9,968 million in an increase in inventories.

**2 Cash Flow from Investing Activities**  
Net cash used in investing activities totaled ¥82,345 million (versus ¥38,083 million in the previous fiscal year). This was mainly due to payment of ¥75,350 million for purchases of property and equipment.

**3 Cash Flow from Financing Activities**  
Net cash used in financing activities totaled ¥6,236 million (versus ¥74,483 million in net cash provided in the previous fiscal year). This was mainly due to payment of ¥4,896 million cash dividends paid.

Consolidated Balance Sheet (March 31, 2021)

Consolidated Balance Sheet

|  | Millions of yen      |                      | Thousands of<br>U.S. dollars<br>(Note) |
|--|----------------------|----------------------|--|
|  | 2021                 | 2020                 | 2021                                   |
| <b>Assets</b>                                |                      |                      |  |
| Current assets:                              |                      |                      |  |
| Cash and deposits                            | ¥ 126,885            | ¥ 175,152            | \$ 1,146,100                           |
| Notes and accounts receivable:               |                      |                      |  |
| Trade  | 89,796               | 69,013               | 811,093                                |
| Other  | 6,063                | 3,351                | 54,766                                 |
| Allowance for doubtful accounts              | (109)                | (136)                | (987)                                  |
| Inventories:                                 |                      |                      |  |
| Merchandise and finished goods               | 13,653               | 12,417               | 123,324                                |
| Work in process                              | 18,735               | 13,249               | 169,221                                |
| Raw materials and supplies                   | 24,636               | 19,615               | 222,531                                |
| Other current assets                         | 5,706                | 7,584                | 51,540                                 |
| Total current assets                         | 285,365              | 300,245              | 2,577,588                              |
| Property, plant and equipment:               |                      |                      |  |
| Land   | 19,972               | 19,800               | 180,395                                |
| Buildings and structures                     | 213,557              | 180,432              | 1,928,980                              |
| Machinery and equipment                      | 471,579              | 433,064              | 4,259,593                              |
| Leased assets                                | 566                  | 269                  | 5,109                                  |
| Construction in progress                     | 38,590               | 48,731               | 348,570                                |
| Accumulated depreciation and impairment loss | 744,264<br>(529,436) | 682,296<br>(508,782) | 6,722,647<br>(4,782,187)               |
| Property, plant and equipment, net           | 214,828              | 173,514              | 1,940,460                              |
| Investments and other assets:                |                      |                      |  |
| Investment securities:                       |                      |                      |  |
| Unconsolidated subsidiaries and affiliates   | 25                   | 17                   | 224                                    |
| Other  | 68,173               | 34,444               | 615,782                                |
| Long-term loans receivable                   | 9                    | 9                    | 78                                     |
| Deferred income taxes                        | 3,488                | 4,463                | 31,509                                 |
| Other assets                                 | 6,873                | 6,171                | 62,082                                 |
| Allowance for doubtful accounts              | (242)                | (244)                | (2,191)                                |
| Total investments and other assets           | 78,326               | 44,860               | 707,484                                |
| Total assets                                 | ¥ 578,519            | ¥ 518,619            | \$ 5,225,532                           |

|   | Millions of yen |           | Thousands of<br>U.S. dollars<br>(Note) |
|---|-----------------|-----------|--|
|   | 2021            | 2020      | 2021                                   |
| <b>Liabilities and net assets</b>                                     |                 |           |  |
| Current liabilities:  |                 |           |  |
| Short-term borrowings and current portion of long-term debt           | ¥ 35,131        | ¥ 30,030  | \$ 317,324                             |
| Notes and accounts payable:   |                 |           |  |
| Trade   | 42,564          | 39,002    | 384,459                                |
| Other   | 29,254          | 32,463    | 264,241                                |
| Lease obligations   | 395             | 267       | 3,568                                  |
| Accrued expenses  | 5,915           | 6,153     | 53,429                                 |
| Income taxes payable  | 5,624           | 3,018     | 50,801                                 |
| Accrued bonuses for employees   | 4,803           | 3,907     | 43,380                                 |
| Accrued bonuses for directors and audit and supervisory board members | 155             | 132       | 1,400                                  |
| Provision for loss on liquidation of subsidiaries and affiliates      | 225             | 764       | 2,034                                  |
| Other current liabilities   | 7,834           | 5,000     | 70,765                                 |
| Total current liabilities   | 131,900         | 120,736   | 1,191,401                              |
| Long-term liabilities:  |                 |           |  |
| Long-term debt  | 115,044         | 120,000   | 1,039,152                              |
| Lease obligations   | 172             | 39        | 1,558                                  |
| Liability for retirement benefits                                     | 1,079           | 827       | 9,743                                  |
| Provision for share-based compensation                                | 353             | 250       | 3,181                                  |
| Deferred income taxes   | 7,118           | 1,645     | 64,294                                 |
| Other long-term liabilities   | 990             | 1,187     | 8,938                                  |
| Total long-term liabilities   | 124,756         | 123,948   | 1,126,866                              |
| <b>Net assets:</b>  |                 |           |  |
| Shareholders' equity:   |                 |           |  |
| Common stock:   |                 |           |  |
| Authorized – 230,000,000 shares                                       |                 |           |  |
| Issued – 140,860,557 shares in 2021 and 2020                          | 64,152          | 64,152    | 579,466                                |
| Capital surplus   | 64,433          | 64,579    | 582,003                                |
| Retained earnings   | 149,380         | 128,578   | 1,349,290                              |
| Less treasury stock, at cost  | (3,286)         | (2,575)   | (29,684)                               |
| Total shareholders' equity  | 274,679         | 254,734   | 2,481,075                              |
| Accumulated other comprehensive income:                               |                 |           |  |
| Net unrealized holding gain on other securities                       | 28,639          | 9,232     | 258,681                                |
| Surplus arising from land revaluation                                 | 160             | 160       | 1,447                                  |
| Translation adjustments   | 12,436          | 4,192     | 112,327                                |
| Total accumulated other comprehensive income                          | 41,235          | 13,584    | 372,455                                |
| Non-controlling interests   | 5,949           | 5,617     | 53,735                                 |
| Total net assets  | 321,863         | 273,935   | 2,907,265                              |
| Total liabilities and net assets                                      | ¥ 578,519       | ¥ 518,619 | \$ 5,225,532                           |

Consolidated Statement of Income

|   | Millions of yen |           | Thousands of<br>U.S. dollars<br>(Note) |
|---|-----------------|-----------|--|
|   | 2021            | 2020      | 2021                                   |
| Net sales                                     | ¥ 323,461       | ¥ 295,999 | \$ 2,921,700                           |
| Cost of sales                                 | 238,011         | 227,845   | 2,149,864                              |
| Gross profit                                  | 85,450          | 68,154    | 771,836                                |
| Selling, general and administrative expenses  | 46,815          | 48,468    | 422,865                                |
| Operating income                              | 38,635          | 19,686    | 348,971                                |
| Other income (expenses):                      |                 |           |  |
| Interest and dividend income                  | 1,222           | 1,323     | 11,040                                 |
| Interest expense                              | (258)           | (195)     | (2,334)                                |
| Gain (loss) on sales of investment securities | 65              | (25)      | 585                                    |
| Other, net                                    | (7,498)         | (3,264)   | (67,721)                               |
| Profit before income taxes                    | 32,166          | 17,525    | 290,541                                |
| Income taxes:                                 |                 |           |  |
| Current                                       | (8,070)         | (6,471)   | (72,896)                               |
| Deferred                                      | 1,823           | 484       | 16,470                                 |
|   | (6,247)         | (5,987)   | (56,426)                               |
| Profit  | 25,919          | 11,538    | 234,115                                |
| Profit attributable to:                       |                 |           |  |
| Non-controlling interests                     | (220)           | (208)     | (1,991)                                |
| Owners of parent                              | ¥ 25,699        | ¥ 11,330  | \$ 232,124                             |

Note : U.S. dollar amounts have been converted for convenience only at the rate of ¥110.71 = US\$1, the rate of exchange on March 31,2021.

Consolidated Statement of Comprehensive Income

|  | Millions of yen |          | Thousands of<br>U.S. dollars<br>(Note) |
|--|-----------------|----------|--|
|  | 2021            | 2020     | 2021                                   |
| Profit   | ¥ 25,919        | ¥ 11,538 | \$ 234,115                             |
| Other comprehensive income (loss):                     |                 |          |  |
| Net unrealized holding gain (loss) on other securities | 19,472          | (3,207)  | 175,884                                |
| Translation adjustments                                | 8,267           | (5,812)  | 74,671                                 |
| Total other comprehensive income (loss)                | 27,739          | (9,019)  | 250,555                                |
| Comprehensive income (loss)                            | ¥ 53,658        | ¥ 2,519  | \$ 484,670                             |
| Comprehensive income (loss) attributable to:           |                 |          |  |
| Owners of parent                                       | ¥ 53,349        | ¥ 2,326  | \$ 481,879                             |
| Non-controlling interests                              | 309             | 193      | 2,791                                  |

Consolidated Balance Sheet

Consolidated Statement of Changes in Net Assets

| Millions of yen   |  |                 |                    |                      |                               |   |  |                            |                                  |                     |
|---|--|-----------------|--------------------|----------------------|-------------------------------|---|--|----------------------------|----------------------------------|---------------------|
|   | Number of<br>shares<br>issued<br>(Thousands) | Common<br>stock | Capital<br>surplus | Retained<br>earnings | Treasury<br>stock, at<br>cost | Net<br>unrealized<br>holding gain<br>on other<br>securities | Surplus<br>arising from<br>land<br>revaluation | Translation<br>adjustments | Non-<br>controlling<br>interests | Total net<br>assets |
| Balance at March 31, 2019   | 140,861                                      | ¥ 64,152        | ¥ 64,579           | ¥ 122,145            | ¥ (2,602)                     | ¥ 12,415  | ¥ 160  | ¥ 10,013                   | ¥ 5,443                          | ¥ 276,305           |
| Cash dividends  | —  | —               | —                  | (4,897)              | —                             | —   | —  | —                          | —                                | (4,897)             |
| Profit attributable to owners of parent                                       | —  | —               | —                  | 11,330               | —                             | —   | —  | —                          | —                                | 11,330              |
| Purchases of treasury stock   | —  | —               | —                  | —                    | (3)                           | —   | —  | —                          | —                                | (3)                 |
| Retirement of treasury stock  | —  | —               | —                  | —                    | 30                            | —   | —  | —                          | —                                | 30                  |
| Other changes   | —  | —               | —                  | —                    | —                             | (3,183)   | —  | (5,821)                    | 174                              | (8,830)             |
| Balance at March 31, 2020   | 140,861                                      | ¥ 64,152        | ¥ 64,579           | ¥ 128,578            | ¥ (2,575)                     | ¥ 9,232   | ¥ 160  | ¥ 4,192                    | ¥ 5,617                          | ¥ 273,935           |
| Cash dividends  | —  | —               | —                  | (4,897)              | —                             | —   | —  | —                          | —                                | (4,897)             |
| Profit attributable to owners of parent                                       | —  | —               | —                  | 25,699               | —                             | —   | —  | —                          | —                                | 25,699              |
| Purchases of treasury stock   | —  | —               | —                  | —                    | (763)                         | —   | —  | —                          | —                                | (763)               |
| Retirement of treasury stock  | —  | —               | 0                  | —                    | 52                            | —   | —  | —                          | —                                | 52                  |
| Changes in liabilities for written put options over non-controlling interests | —  | —               | (146)              | —                    | —                             | —   | —  | —                          | —                                | (146)               |
| Other changes   | —  | —               | —                  | —                    | —                             | 19,407  | —  | 8,244                      | 332                              | 27,983              |
| Balance at March 31, 2021   | 140,861                                      | ¥ 64,152        | ¥ 64,433           | ¥ 149,380            | ¥ (3,286)                     | ¥ 28,639  | ¥ 160  | ¥ 12,436                   | ¥ 5,949                          | ¥ 321,863           |

| Thousands of U.S. dollars   |              |                 |                   |                         |   |                                       |                         |                           |                  |
|---|--------------|-----------------|-------------------|-------------------------|---|---------------------------------------|-------------------------|---------------------------|------------------|
|   | Common stock | Capital surplus | Retained earnings | Treasury stock, at cost | Net unrealized holding gain on other securities | Surplus arising from land revaluation | Translation adjustments | Non-controlling interests | Total net assets |
| Balance at March 31, 2020   | \$ 579,466   | \$ 583,321      | \$ 1,161,395      | \$ (23,265)             | \$ 83,393                                       | \$ 1,447                              | \$ 37,860               | \$ 50,727                 | \$ 2,474,344     |
| Cash dividends  | —            | —               | (44,229)          | —                       | —   | —                                     | —                       | —                         | (44,229)         |
| Profit attributable to owners of parent                                       | —            | —               | 232,124           | —                       | —   | —                                     | —                       | —                         | 232,124          |
| Purchases of treasury stock   | —            | —               | —                 | (6,890)                 | —   | —                                     | —                       | —                         | (6,890)          |
| Retirement of treasury stock  | —            | 1               | —                 | 471                     | —   | —                                     | —                       | —                         | 472              |
| Changes in liabilities for written put options over non-controlling interests | —            | (1,319)         | —                 | —                       | —   | —                                     | —                       | —                         | (1,319)          |
| Other changes   | —            | —               | —                 | —                       | 175,288   | —                                     | 74,467                  | 3,008                     | 252,763          |
| Balance at March 31, 2021   | \$ 579,466   | \$ 582,003      | \$ 1,349,290      | \$ (29,684)             | \$ 258,681                                      | \$ 1,447                              | \$ 112,327              | \$ 53,735                 | \$ 2,907,265     |

Consolidated Statement of Cash Flows

|   | Millions of yen |            | Thousands of<br>U.S. dollars (Note) |
|---|-----------------|------------|-------------------------------------|
|   | 2021            | 2020       | 2021                                |
| <b>Operating activities</b>   |                 |            |                                     |
| Profit before income taxes  | ¥ 32,166        | ¥ 17,525   | \$ 290,541                          |
| Adjustments to reconcile profit before income taxes to net cash provided by operating activities: |                 |            |                                     |
| Depreciation and amortization   | 35,413          | 24,222     | 319,875                             |
| Loss on impairment of fixed assets  | 4,069           | 458        | 36,757                              |
| Reversal for accrued bonuses for employees  | 894             | 470        | 8,073                               |
| Reversal for accrued bonuses for directors  | 23              | 43         | 208                                 |
| Reversal of allowance for doubtful accounts   | (29)            | 21         | (264)                               |
| Increase (decrease) in liability for retirement benefits  | 195             | 36         | 1,758                               |
| Interest and dividend income  | (1,222)         | (1,323)    | (11,040)                            |
| Interest expense  | 258             | 195        | 2,334                               |
| Share of profit of entities accounted for using equity method                                     | (1)             | (0)        | (7)                                 |
| Gain on sales of property, plant and equipment  | (75)            | (7)        | (678)                               |
| Loss on disposal of property, plant and equipment   | 2,563           | 2,198      | 23,150                              |
| Gain (loss) on sales of investment securities   | (65)            | 25         | (585)                               |
| Loss (gain) on valuation of investment securities   | 30              | —          | 266                                 |
| Loss from suspended operation   | —               | 92         | —                                   |
| Loss on liquidation of subsidiaries and affiliates  | —               | 458        | —                                   |
| Decrease (increase) in notes and accounts receivable, trade                                       | (17,722)        | (9,624)    | (160,073)                           |
| Decrease (increase) in inventories  | (9,969)         | 2,520      | (90,043)                            |
| Increase (decrease) in notes and accounts payable   | (1,450)         | 6,808      | (13,101)                            |
| Increase (decrease) in accrued expenses   | (238)           | (34)       | (2,151)                             |
| Other, net  | (1,304)         | (13,072)   | (11,777)                            |
| Subtotal  | 43,536          | 31,011     | 393,243                             |
| Interest and dividends received   | 1,222           | 1,324      | 11,041                              |
| Interest paid   | (258)           | (195)      | (2,334)                             |
| Income taxes paid   | (5,545)         | (6,044)    | (50,087)                            |
| Net cash provided by operating activities   | ¥ 38,955        | ¥ 26,096   | \$ 351,863                          |
| <b>Investing activities</b>   |                 |            |                                     |
| Purchases of property, plant and equipment  | ¥ (75,350)      | ¥ (37,269) | \$ (680,608)                        |
| Proceeds from sales of property, plant and equipment  | 638             | 844        | 5,760                               |
| Purchases of intangible assets  | (1,173)         | (1,226)    | (10,597)                            |
| Purchases of investment securities  | (6,199)         | (26)       | (55,995)                            |
| Proceeds from sales of investment securities  | 96              | 177        | 864                                 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation                  | (584)           | —          | (5,275)                             |
| Increase in short-term loans receivable   | 0               | (1)        | 2                                   |
| Collection of long-term loans receivable  | 0               | 0          | 2                                   |
| Other, net  | 227             | (582)      | 2,054                               |
| Net cash used in investing activities   | (82,345)        | (38,083)   | (743,793)                           |
| <b>Financing activities</b>   |                 |            |                                     |
| Increase in short-term borrowings, net  | (37)            | —          | (337)                               |
| Increase in long-term debt  | 10,009          | 70,000     | 90,401                              |
| Repayment of long-term debt   | (10,000)        | —          | (90,326)                            |
| Proceeds from issuance of bonds   | —               | 35,000     | —                                   |
| Redemption of bonds   | —               | (25,000)   | —                                   |
| Purchases of treasury stock   | (763)           | (3)        | (6,890)                             |
| Proceeds from sales of treasury stock   | 52              | 30         | 472                                 |
| Cash dividends paid   | (4,897)         | (4,897)    | (44,229)                            |
| Cash dividends paid to non-controlling interests  | (15)            | (15)       | (132)                               |
| Repayments of lease obligations   | (586)           | (565)      | (5,294)                             |
| Other, net  | —               | (66)       | —                                   |
| Net cash (used in) provided by financing activities   | (6,237)         | 74,484     | (56,335)                            |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                               | 1,628           | (1,106)    | 14,704                              |
| <b>Increase (decrease) in cash and cash equivalents</b>   | (47,999)        | 61,391     | (433,561)                           |
| <b>Cash and cash equivalents at beginning of year</b>   | 174,884         | 113,493    | 1,579,661                           |
| <b>Cash and cash equivalents at end of year</b>   | ¥ 126,885       | ¥ 174,884  | \$ 1,146,100                        |

Note : U.S. dollar amounts have been converted for convenience only at the rate of ¥110.71 = US\$1, the rate of exchange on March 31,2021.

Corporate Information / Stock Information (As of March 31, 2021)

Corporate Data

|                        |  |
|------------------------|--|
| Trade name             | IBIDEN CO., LTD.   |
| Established            | November 25, 1912  |
| Capital                | ¥64,152 million  |
| Number of employees    | Consolidated: 13,161<br>Non-consolidated: 3,504  |
| Plants                 | Head office 2-1, Kanda-cho, Ogaki City, Gifu 503-8604, Japan<br>Tokyo branch Marunouchi Bldg. 29F, 2-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-6329, Japan<br>Plants Gifu Prefecture: Ogaki, Ogaki Central, Aoyanagi, Gama, Ogaki-Kita, Godo<br>Aichi Prefecture: Kinuura |
| Number of subsidiaries | Consolidated subsidiaries: 38<br>(15 in Japan, 23 overseas)  |

Stock Information

|                                    |   |
|------------------------------------|---|
| Fiscal year-end                    | March 31  |
| Annual meeting of shareholders     | June  |
| Independent Auditors               | KPMG AZSA LLC   |
| Domestic stock exchange listings   | Tokyo, Nagoya   |
| Date of record for dividend payout | Interim dividend: September 30<br>Year-end dividend: March 31 |
| Authorized shares                  | 230,000,000   |
| Shares issued and outstanding      | 140,860,557<br>(including 960,476 shares of treasury stock)   |
| Number of shareholders             | 25,241  |

Principal Shareholders (top 10)

| Name of Shareholder                                  | The number of shares held (thousands) | Percentage of owned shares to outstanding shares (%) |
|--|---------------------------------------|--|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 12,136                                | 8.68   |
| Custody Bank of Japan, Ltd. (Trust Account)          | 10,897                                | 7.79   |
| DENSO Corporation                                    | 7,712                                 | 5.51   |
| Toyota Industries Corporation                        | 6,221                                 | 4.45   |
| The Ogaki Kyoritsu Bank, Ltd.                        | 4,150                                 | 2.97   |
| The Juroku Bank, Ltd.                                | 4,130                                 | 2.95   |
| IBIDEN Partner Shareholding Association              | 4,040                                 | 2.89   |
| STATE STREET BANK AND TRUST COMPANY 505001           | 3,043                                 | 2.18   |
| IBIDEN Employee Shareholding Association             | 2,601                                 | 1.86   |
| TAIJU LIFE INSURANCE COMPANY LIMITED                 | 2,539                                 | 1.82   |

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.

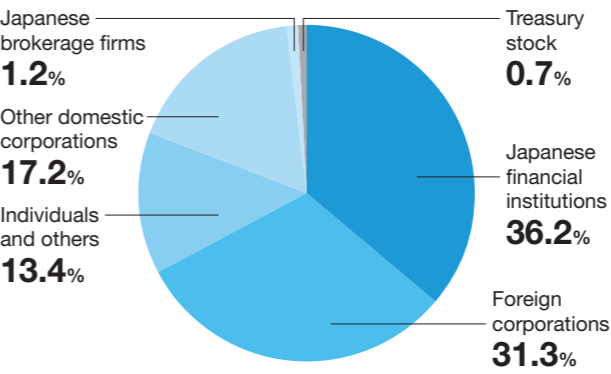
We will also disclose corporate information that could significantly influence investment judgments even if the Timely Disclosure Rule does not apply, as accurately, promptly and appropriately as possible.



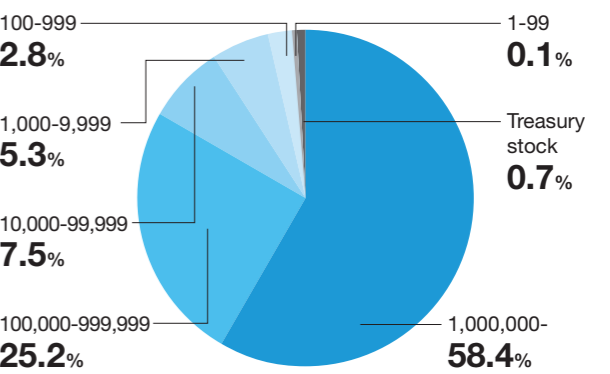
Website for shareholders and investors  
<https://www.ibiden.com/ir/>



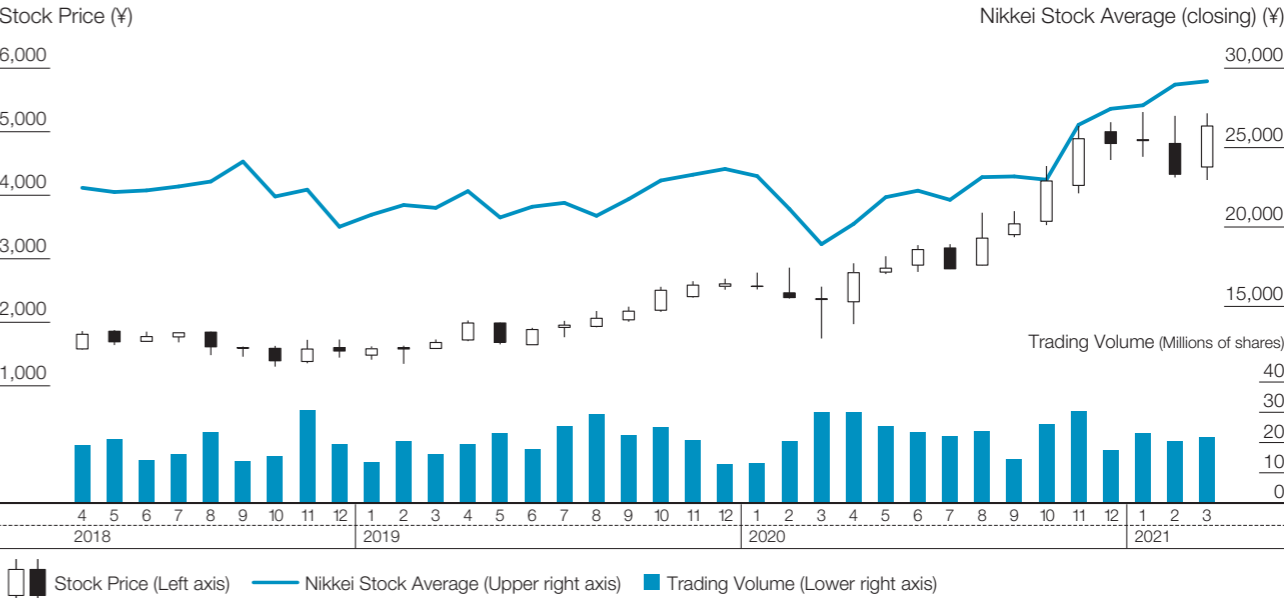
Breakdown by Type of Shareholder



Breakdown by Size of Holding



Stock Price Range and Trading Volume (Common Stock)



External Corporate Evaluation regarding ESG (As of the end of September, 2021)

Our company, after being assessed by external assessment bodies, was selected as a component of major ESG investment-related indexes.



FTSE4Good Index Series ※1



FTSE4Good



FTSE Blossom Japan Index ※1



FTSE Blossom Japan



MSCI ESG Leaders Indexes ※2



MSCI Japan ESG Select Leaders Index

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX ※2

• MSCI ESG Ratings AAA ※3



MSCI ESG RATINGS AAA

• S&P/JPX Carbon Efficient Index

• SOMPO Sustainability Index

※1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that IBIDEN Co., Ltd. has been independently assessed according to the FTSE4Good criteria and FTSE Blossom Japan criteria, and has satisfied the requirements to become constituents of both Index Series. Created by the global index provider FTSE Russell, these indices are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. These indices are used by a wide variety of market participants to create and assess responsible investment funds and other products. Visit below website for each index details.  
FTSE4Good: <http://www.ftse.com/products/indices/FTSE4Good>  
FTSE Blossom Japan Index: <http://www.ftse.com/products/indices/blossom-japan>

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