



IBIDEN Co., Ltd.
Integrated Report 2023
Year Ended March 31, 2023



**Moving on to our
New Stage 115 Plan**

Moving on to our New Stage 115 Plan



Executive Vice President,
Representative Director
Masahiko Ikuta

Introduction

At the IBIDEN Group, we publish our Integrated Report with the aim of informing shareholders, investors, and other stakeholders about the Group's medium- to long-term initiatives toward value creation.

In this report, we have compiled financial and non-financial information comprehensively with a focus on initiatives to enhance sustainable corporate value, and have summarized our value creation story and specific initiatives to realize our medium- to long-term strategy. Given the achievements and issues of the previous medium-term management plan, this year's integrated report specifically explains the new medium-term management plan formulated in FY2023, including our approach to human capital management, which is one of the reinforcement activities of the new plan strategy.

In preparing the report, all sections of the company work together in good faith, going through deliberation and approval by the Management Council of its contents and subsequent reporting to the Board of Directors.

We will continue to disclose information to our stakeholders timely and appropriately and engage in dialogue with you to facilitate further understanding of the Group.

SPIRIT

Trust
through
Integrity

MISSION

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

Challenge
with
Passion

IBI-TECHNO
Innovation

“Wa”
Teamwork and
Synergy

CONTENTS

Introduction

- 03 Creating New Value to Forge the Future
- 05 IBIDEN WAY
IBIDEN Group's Alignment with the SDGs
- 07 Changes in Creating Value
- 09 Performance Highlight
- 11 Main Businesses and Core Technology
- 15 Global Support Structure

Value Creation

- 17 Value Creation Story
- 19 Changes in Business Environment and
Medium- to Long-Term Management Strategy

- 23 Message from the President
- 28 Financial Strategy
- 30 Approach to ESG-central Operation and
Implementation Framework
- 31 Growth Strategies for Operations

ESG Management

- 38 Harmony with Nature
- 42 Human Capital Management
- 46 Relationship with the Society
- 47 DX Strategy
- 48 Supply Chain Management /
Quality Management

- 49 Corporate Governance
- 53 Messages from Outside Directors
- 55 Senior Management and Directors
- 59 Risk Management
- 60 Compliance

Financial and Corporate Data

- 61 Main Financial and Non-Financial Data
- 63 Analysis of Our Business Performance and
Financial Condition
- 65 Consolidated Financial Statements
- 69 Corporate Information /
Stock Information

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.

Period Under Review for Reporting April 1, 2022 to March 31, 2023
※ Some information outside the applicable period is also included.

Scope of Reporting IBIDEN Co., Ltd. and its group companies
※ As a general rule, this report covers IBIDEN Co., Ltd. and consolidated subsidiaries. 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
- IFRS Foundation / The International <IR> Framework
- Task Force on Climate-related Financial Disclosures (TCFD)



Information Disclosure Structure

Financial Information	Investor Relations https://www.ibiden.com/ir/	
	Securities Report https://www.ibiden.co.jp/ir/library/securities/	
Non-Financial Information	ESG Information https://www.ibiden.com/esg/	
	About IBIDEN https://www.ibiden.com/company/	
	Corporate Governance Report https://www.ibiden.com/ir/library/governance/	

Creating New Value to Forge the Future

In our 110-year journey since the birth of Ibigawa Electric Power Co., Ltd., we have faced many hardships, but each time we have created a new business.

Our Electronics Operation, which supplies IC package substrates essential for state-of-the-art devices, has been driving advancements in electronics technology. Our Ceramics Operation, specializing in automotive exhaust system components, continues to deliver vital components in the era of new energy vehicles (NEV).

Our goal is not limited to achieving carbon neutrality. We also provide solutions to global health and food issues. We continue to embrace the challenge of creating new value that addresses societal issues, just as we did 110 years ago, as we do today, and as we will in the future.

Ceramics Operation Made a Phenomenal Growth by Offering Eco-Friendly Products (SiC-DPF)

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

Electronics Operation Grew Significantly

Started transaction with a largest mobile phone manufacturer.

Overcame Oil Crisis by Creating New Businesses

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

Transformed into a Manufacturing Company

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

Founded as a Power Generation Company

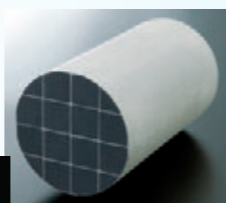
Established Ibigawa Electric Power Co., Ltd.. Appointed Yujiro Tachikawa as the first president.



1912

Past

100th Anniversary



2000

1995



1974



1951

Diverse Human Resources



Present

110th Anniversary

120th Anniversary

Future

New Field (GX*)



* green transformation

NEV Field



Electronics Field



Businesses and Technology Development to Help Resolve Social Issues

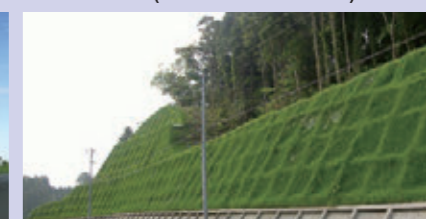
IC Package Substrate for PC-Data Center



SiC-DPF for Large Commercial Vehicles



Slope greening for environmental conservation (GT Frame Method®)



Use of Clean Energy

Higashi-Yokoyama Power Plant Hydroelectricity

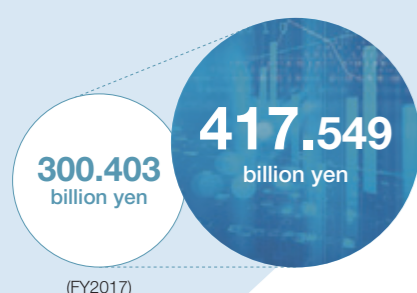


Kinuura Plant Water Floating Solar Power Generation

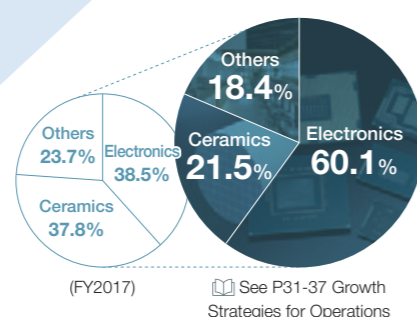


At a Glance

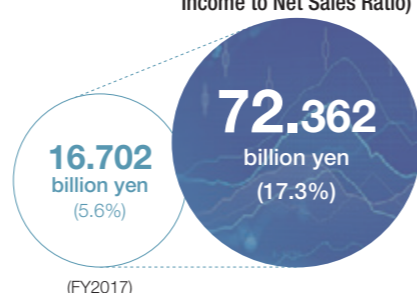
Net Sales



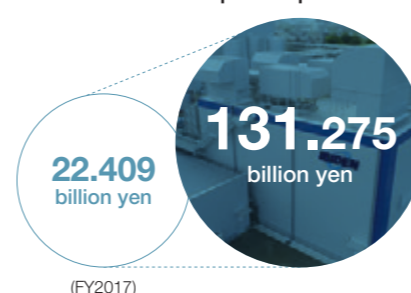
Ratio of Net Sales



Operating Income (Operating Income to Net Sales Ratio)



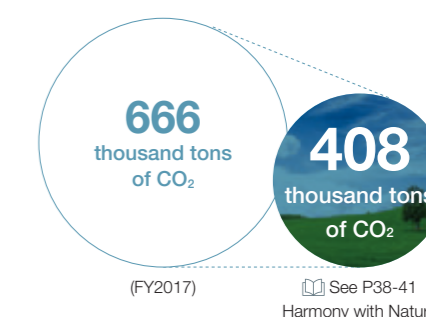
Capital Expenditures



Number of Employees



GHG Emissions



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

IBIDEN Group’s Alignment with the SDGs

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 solve issues facing society.

Contribution through Cultivated Technological Expertise

As a corporate group oriented toward technology development, IBIDEN Group is dedicated to making contributions to the achievement of the SDGs through its technological expertise, in the environment and other areas. Our primary focus aligns with SDG 9: Industry, innovation and infrastructure. In the Electronics Operation, we are committed to driving global digital innovation by supplying cutting-edge electronic components that enhance access to information and communication technology, ultimately enrich people’s lives around the world.

Contribution through Basic Activities

Our mission clearly specifies “with respect for both individuals and the global environment” at the beginning. We energize the workforce that support our business and revitalize our corporate culture. Simultaneously, we are making every effort to minimize the impact on the global environment through our business activities. We will focus on revitalizing our workforce and corporate culture, which includes promoting diversity and ensuring health and safety, and managing greenhouse gas emissions and waste throughout the supply chain.

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.

Innovative Technology



Technology

SUSTAINABLE DEVELOPMENT GOALS

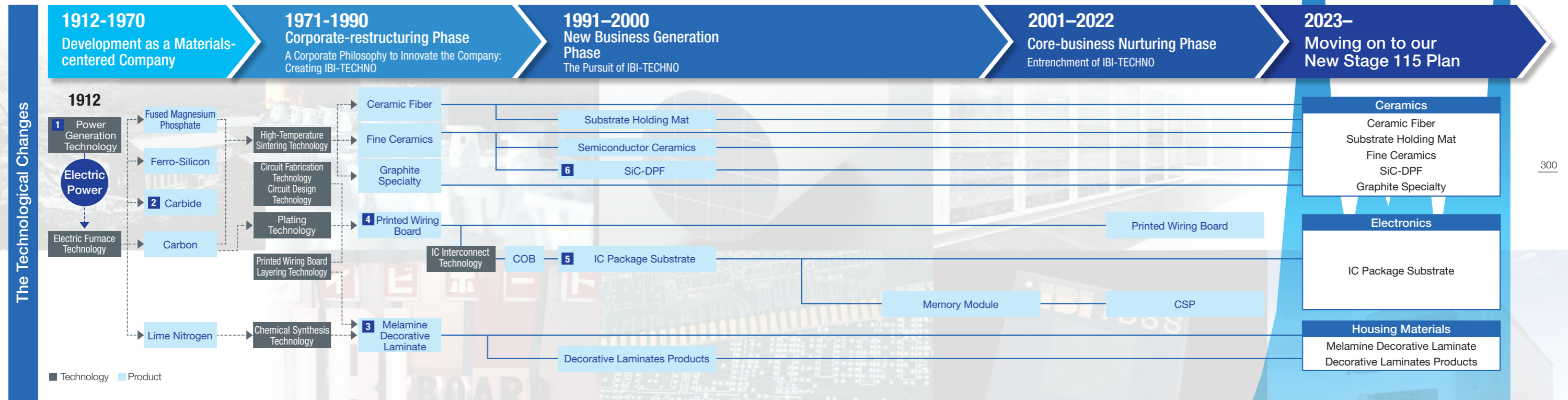
Basic Activity



Respect for Both Individuals and the Global Environment

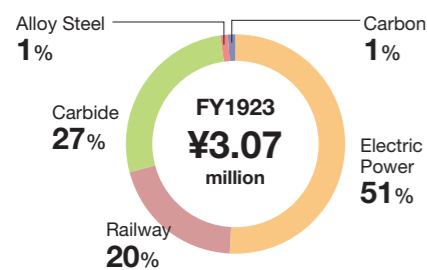
Changes in Creating Value

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.



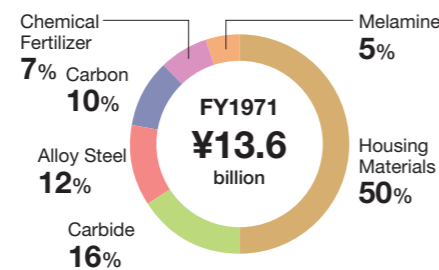
Establishment — Promotion of Regional Economy

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.



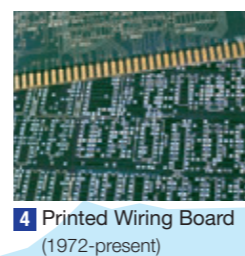
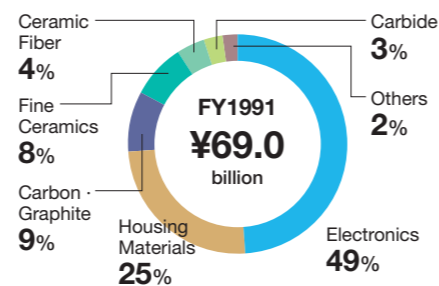
Restructuring — Expectations for New Businesses

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.



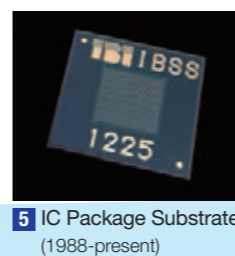
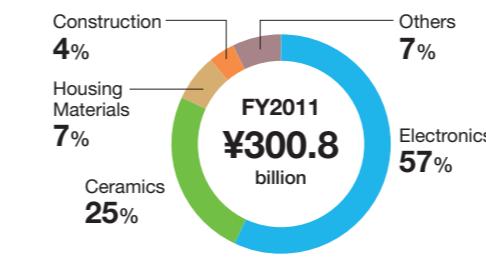
Second Foundation — Structural Reform

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



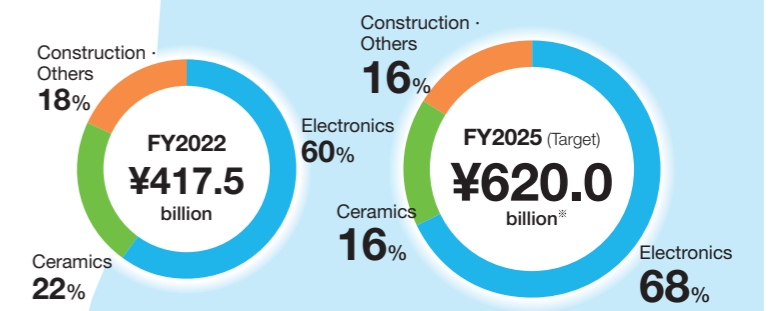
Visible Evolution — Expansion Overseas

In 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.



Moving on to our New Stage 115 Plan

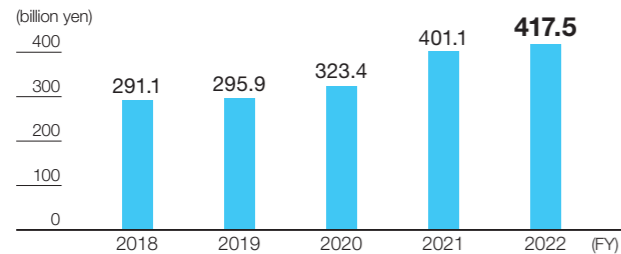
We will drive its business toward achieving sustainable growth with the five main reinforcement activities and basic activities as a manufacturer in response to the changing business environment.



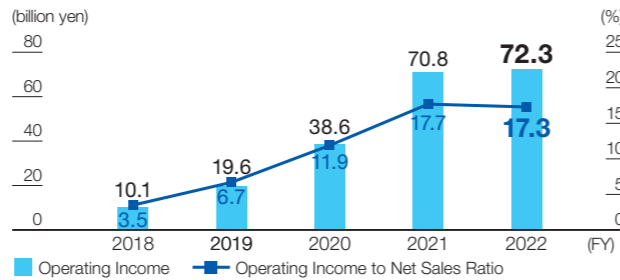
Performance Highlight

Financial Highlight

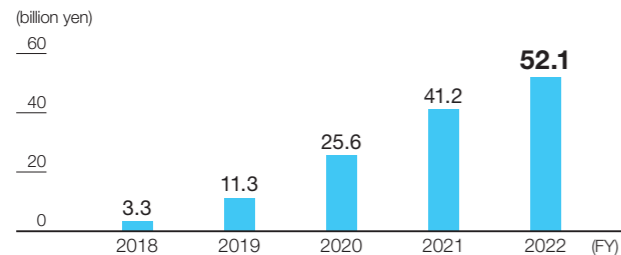
Net Sales
417.5 billion yen



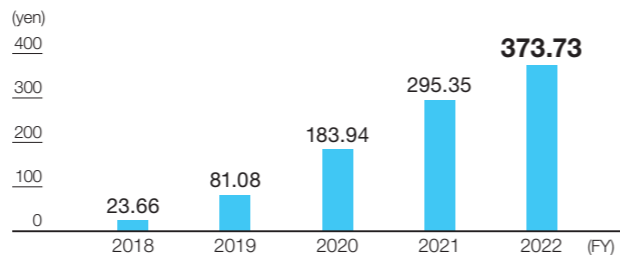
Operating Income
72.3 billion yen
Operating Income to Net Sales Ratio **17.3%**



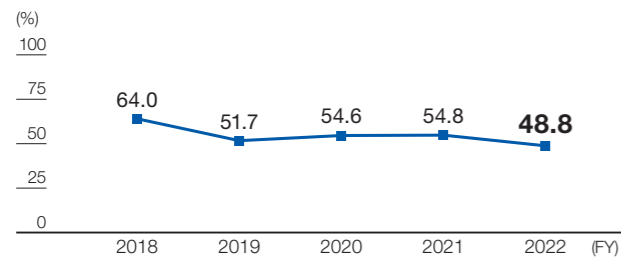
Profit Attributable to Owners of Parent
52.1 billion yen



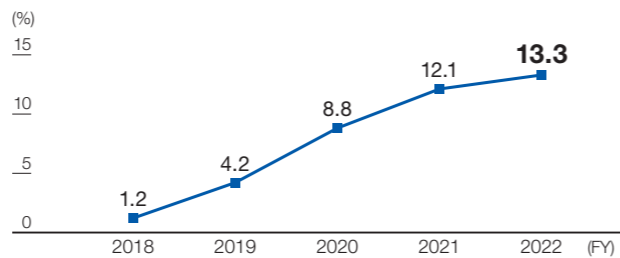
Basic Profit Attributable to Owners of Parent Per Share
373.73 yen



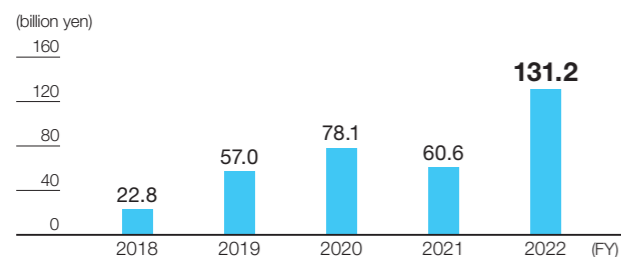
Equity Ratio
48.8%



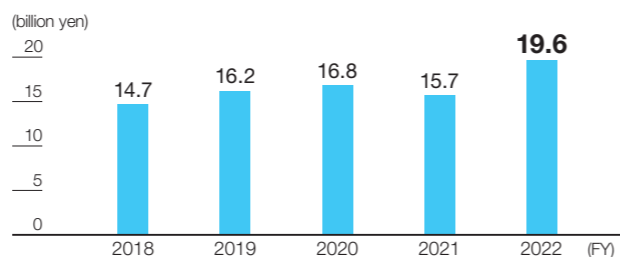
Return on Equity
13.3%



Capital Expenditures
131.2 billion yen

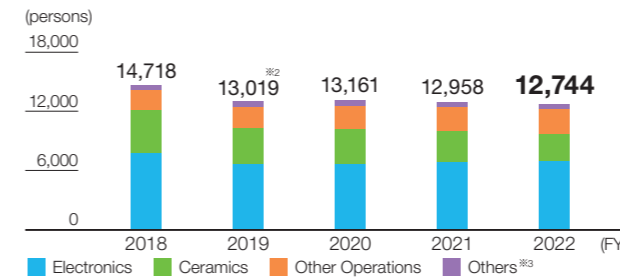


Research and Development Costs
19.6 billion yen

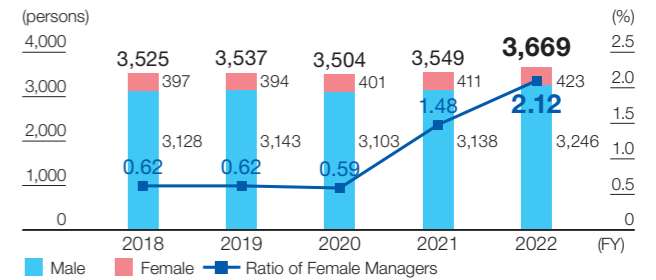


Non-Financial Highlight

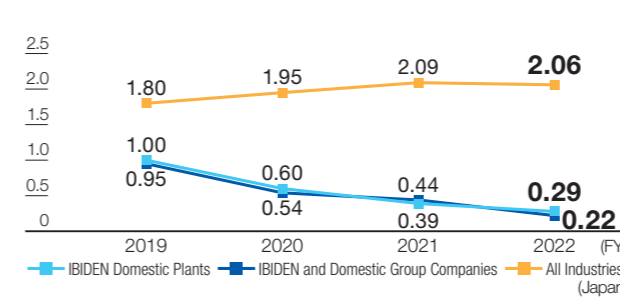
Number of Consolidated Employees by Business^{※1}
12,744



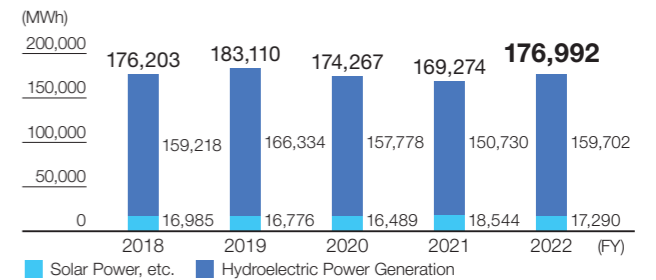
Number of Non-Consolidated Employees by Gender^{※4}
3,669
Ratio of Female Managers^{※5}
2.12%



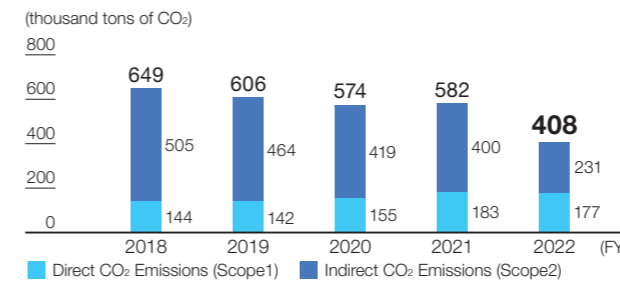
Occupational Accident Frequency Rate^{※6}
0.22



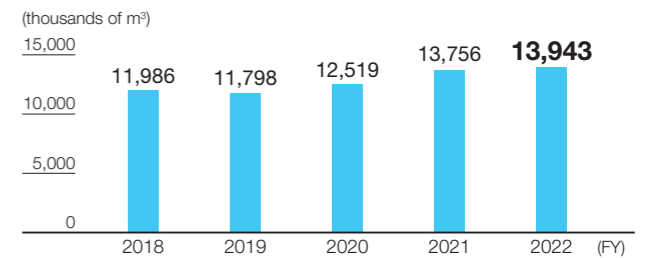
Renewable Energy Generation^{※7}
176,992MWh



GHG Emissions^{※7, ※8}
408 thousand tons of CO₂



Water Withdrawal^{※7}
13,943 thousands of m³



※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 Starting from FY2022, figures are calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
 ※6 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.
 ※7 Figures are for IBIDEN Group.
 ※8 With regard to the CO₂ 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 CO₂ emissions (Scope 2), we use the conversion factors (IEA Emissions Factors 2020) published by the International Energy Agency when the CO₂ emission factors of electric utility companies are uncertain, in order to provide information closer to the actual state. The CO₂ emissions in fiscal year 2021 are recalculated using the emission factors as of January 2023.
 Please note that we have revised the method of calculating waste volumes since FY2021. More detailed data are now available on our website.

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



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



Main Businesses and Core Technology

Electronics



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

Supports information and communication technology such as data centers, AI to realize global digital innovation by producing IC package substrates of high performance and reliability.

Growth Strategies | P31



Data Center

A large number of microprocessors are used at data centers that process huge quantities of data. The demand for IC package 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 package substrates featuring high-functionality and high-reliability.



IC Package Substrate

AI

In the development of artificial intelligence (AI), including new areas such as generative AI, there is a necessity for high-performance semiconductors that offer superior information processing capabilities. We contribute to the development of the information society with high-performance IC package substrates that support advanced semiconductor processing.

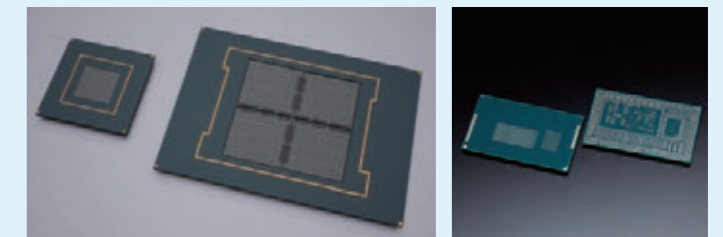


Computer

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.

IC Package Substrates

An IC package substrate is a significant part working in conjunction with IC chips. IBIDEN engages in the cutting-edge fields such as CPUs (central processing units) for PCs and data centers and GPUs (graphics processing units) for AI and automated driving. In this context, IC package substrates are becoming increasingly important as semiconductors become more sophisticated.



(Left) IC Package Substrate for Desktop PCs
(Right) IC Package Substrate for Data Centers

IC Package Substrate for Mobile PCs

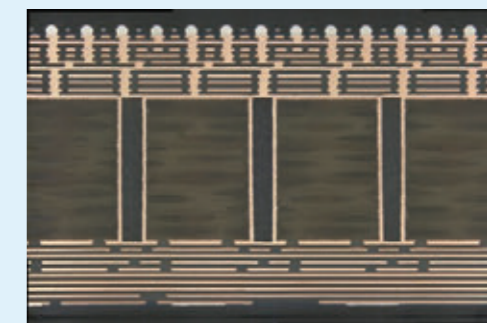
Core Technologies in Electronics

In recent years, as semiconductors have become more sophisticated, there has been a new emphasis on processors running at higher speeds and with lower power consumption, especially for AI systems and data center servers. To meet the demand, the number of connections to IC chips (I/O count) on an IC package substrate has increased remarkably, and the specifications are becoming more challenging, involving larger substrates, multiple laminations, and finer electronic circuits on the substrate.

While specifications are becoming more challenging to meet, we are dedicated to achieving high-quality and stable manufacturing. We accomplish this by harnessing our technology, expertise, and state-of-the-art production facilities that we have cultivated over the past 40-plus years.

We also share a technology roadmap for the future with the world's leading semiconductor manufacturers and are working on the development of new packaging technologies such as 2.5D and 3D, along with the necessary elemental technologies and equipment.

We will continue to drive global digital innovation by leveraging our expertise in IC package substrates, which are essential for advanced semiconductors.



Cross Section of IC Package Substrate (Refined wiring and printed wiring board layering technologies)

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



Main Businesses 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 (SiC-DPF) and substrate holding mats (AFP) that purify exhaust gas from vehicles.

Growth Strategies | P33

Automobile

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



Others

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

Growth Strategies | P37

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



Sale and distribution of industrial gasses and the related product [IBIDEN CHEMICAL CO., LTD.]

Development and production of dehydrated food, development of textured vegetable protein [IBIDEN BUSSAN CO., LTD.]



Auto sales and repair [IBIDEN INDUSTRIES CO., LTD.]

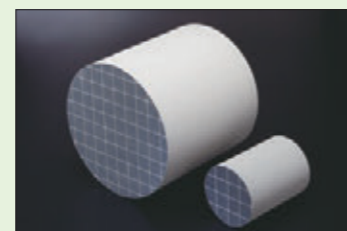
Automobile parts tool boxes [IBIDEN JUSHI CO., LTD.]



Core Technologies in Ceramics

Automotive Exhaust System Components (DPF-AFP)

Although the electrification of passenger cars and other vehicles will continue, demand for vehicles with internal combustion engines is expected to continue due to the use of synthetic fuels and biofuels. We deliver high-performance automotive exhaust system components mainly for heavy-duty commercial vehicles, and thereby contribute to reducing environmental impact.



SiC-DPF



Substrate Holding Mat

Graphite Specialty (FGM)

As electric vehicles become more widespread, demand for silicon carbide semiconductors (power semiconductors) as well as silicon semiconductors is expanding. We are engaged in the growth field with high-quality, high-value-added products, leveraging our expertise in high-purity graphite materials and processing and surface treatment technologies.



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.



Slope Facing Business (GT frame Method) [IBIDEN GREENTEC CO., LTD.]



Rooftop Greening (Waseda Arena) [IBIDEN GREENTEC CO., LTD.]

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 [IBIKEN CO., LTD.]



Viruhael: Antiviral Melamine Decorative Laminates [IBIKEN CO., LTD.]

Contributing SDGs



Electric Power Business

The Company, which began with a hydroelectric power generation business, 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/>



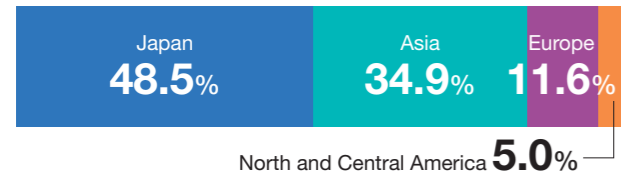
Visit our website for details of our group companies in Japan
<https://www.ibiden.com/company/profile/globalization-japan-group/>



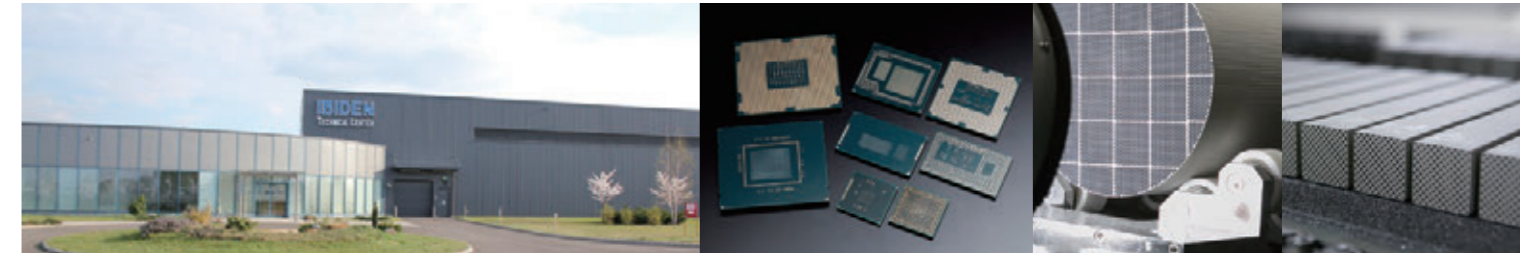
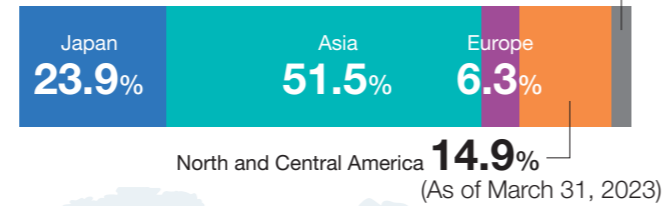
Global Support Structure

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.

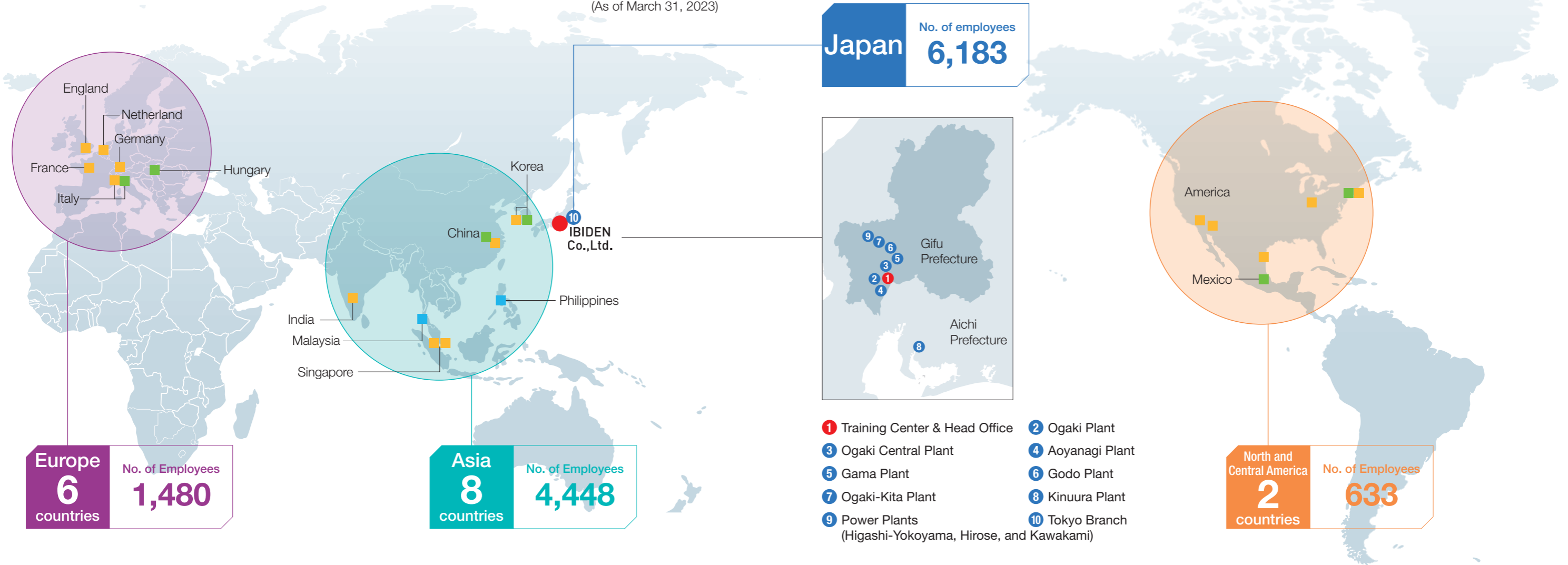
Ratio of Employees by Region (Ibiden Group)



Ratio of Net Sales by Region



■ Electronic Production Base ■ Ceramic Production Base ■ Sales Companies and Branches



Electronics Business

Operates mainly in Asia with the mother plant based in Japan.



Ogaki Central Plant | Gama Plant ※under renovation | IBIDEN Philippines, Inc | IBIDEN Electronics Malaysia SDN. BHD.

Ceramics Business

We have a supply system with four bases in Asia (Japan and China), Europe, and North America.



Kinuura Plant (Substrate Holding Mat) | IBIDEN Fine Ceramics (Suzhou) Co., Ltd. (Substrate Holding Mat) | IBIDEN Hungary Kft. (SiC-DPF, Substrate Holding Mat) | IBIDEN Mexico, S.A. de C.V. (SiC-DPF)

Value Creation Story

We will realize sustainable value creation through innovating “IBITECHNO”, 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

Human Capital
Self-reliance personnel resources capable of creating a competitive edge to drive the strategy
No. of employees **12,744**
(As of March 31, 2023)

Natural Capital
Hydroelectric power generation utilizing the blessings of nature, supporting business from the foundation
Hydroelectric power generated **159,702MWh** (FY2022)

Social Capital
A global support structure adapting to business environments, customer needs, and country risks
33 bases in 16 countries & regions around the world
(As of March 31, 2023)

Intellectual Capital
Development of various products and materials by applying existing core technologies
Total R&D expenses **19.6 billion yen** (FY2022)
No. of patents held **2,561** (FY2022)

Manufactured Capital
High-quality and high efficiency production capacity backed by advanced facilities
Total capital investment **131.2 billion yen** (FY2022)

Financial Capital
A solid financial base underpinning sustainable growth and stable profit
Enterprise ranking **A**
Rating and Investment Information, Inc. (R&I) (As of March 31, 2023)



External Environmental Risks


- Sudden fluctuations in digital-related demand
- Electrification of passenger vehicle market
- Surging energy prices
- More severe and frequent natural disasters
- Geopolitical risks
- Cyber risk
- 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
- Growing needs for reducing environmental burdens in manufacturing processes

Value that IBIDEN Offers to Society


9 INNOVATE AND INFRASTRUCTURE
Innovating and Disseminating ICT
IBIDEN utilizes its high-function and fine IC package substrates to contribute to the evolution of digital technology.



11 SUSTAINABLE ENERGY AND ENVIRONMENT
Reduction Environmental Burdens
IBIDEN utilizes its SiC-DPF and substrate holding mats to contribute to the control of air pollution.



13 CLIMATE ACTION
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.



Outcomes **FY2025 Performance Targets** (Based on disclosed information as of May 2023)

Net Sales 620 billion yen*	Operating Income (Operating Income to Net Sales Ratio) 125 billion yen* (20%)
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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
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Outputs **Products in Core Business**

IC Package Substrate


Ceramic Products for Circulation


New and Other Business Areas




Contributing to the SDGs in Business Processes

- Diversity / Improvement of Productivity (SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth)
- Compliance / Risk Management (SDG 12 Responsible Consumption and Production, SDG 16 Peace, Justice and Strong Institutions)
- Energy Conservation / Resource Circulation (SDG 6 Clean Water and Sanitation, SDG 7 Affordable and Clean Energy)

ESG Management
Corporate Governance

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

Achievements and Issues of To The Next Stage 110 Plan

Changes in the Business Environment

Pillars of our activities and priority implementation items	Achievements in the previous MTMP	Issues for the new MTMP
1. Strengthening Competitiveness of Existing Businesses		
Electronics • Maintain market share in existing fields (mobile, PC) • Expand in new fields (IoT, AI, data centers, in-vehicle)	<ul style="list-style-type: none"> Selected and concentrated business areas (Withdrawal from CSP business, sale of IBIDEN Electronics (Beijing) Co., Ltd.) Expanded business through concentration of management resources on IC package business 	<ul style="list-style-type: none"> Carrying out construction at Gama Plant and Ono Plant as planned to expand IC package business Expanding market share of high value-added products, mainly for server applications
Ceramics • Expand exhaust gas business in emerging markets	<ul style="list-style-type: none"> Concentrated management resources into growth fields (markets in heavy-duty commercial vehicles and semiconductor manufacturing equipment) Selected and concentrated production bases (Liquidation of IBIDEN DPF France S.A.S.; sale of IBIDEN Ceram GmbH) 	<ul style="list-style-type: none"> Production in optimal locations utilizing four bases responsive to changes in the business environment Capturing demand in growing China and emerging markets
Domestic • Grow stably by building a unique competitive edge (business model)	<ul style="list-style-type: none"> Overcame COVID-19 and achieved stable growth mainly in businesses outside the Group 	<ul style="list-style-type: none"> Expanding core businesses with a unique competitive edge Continuing implementation of selection and concentration
2. Expanding New Businesses		
<ul style="list-style-type: none"> Expedite commercialization of development center Open innovation through alliances Foster entrepreneurs through an in-house venture system 	<ul style="list-style-type: none"> Narrowed down the area of development Commercialized new products for electric vehicles Established a development system for packaged substrates of two generations ahead 	<ul style="list-style-type: none"> Business expansion through stable mass production of new products for electric vehicles Building new businesses in PKG and new areas
3. Development of Human Resources		
<ul style="list-style-type: none"> Implement work style reforms to achieve work-life balance 	<ul style="list-style-type: none"> Overhauled the human resources system Established a group human resources management system Reinforced activities of manufacturing foundation (Total Productive Maintenance, Quality Control) 	<ul style="list-style-type: none"> Implementing balanced human capital management from the perspectives of management and employees (well-being[※]) Transforming management through digital transformation (DX) in both production and administrative divisions
4. Driving ESG-Central Operation		
<ul style="list-style-type: none"> Corporate governance Environmental management Social contribution Shareholder returns 	<ul style="list-style-type: none"> Established Environmental Vision (targets) and developed a green transformation (GX) promotion system Achieved a balance between a rapid decision-making system and a monitoring and supervisory function Maintained high ESG ratings (MSCI, FTSE) 	<ul style="list-style-type: none"> Establishing a specific roadmap toward net zero greenhouse gas emissions in the 2040s Responding to the higher level of governance Contributing to the SDGs through technologies and business activities

※Work environment that is healthy both physically and mentally and that is socially satisfying

Numerical Targets and Results

Numerical Targets	Achievements
Consolidated Net Sales: 430 billion yen	Consolidated Net Sales: 417.5 billion yen
Consolidated Operating Income: 45 billion yen	Consolidated Operating Income: 72.3 billion yen
Consolidated Operating Income to Net Sales Ratio: 10.5%	Consolidated Operating Income to Net Sales Ratio: 17.3%

Changes in the Business Environment from Macro Perspective



Risks and Opportunities Related to Changes in Business Environment and Our Measures Impact on the Company

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, data centers	short-term } medium-term	Resource allocation that allows us to respond flexibly to a change in made-to-order product mix and establishment of production framework
	Electrification of Passenger Vehicle Market	Deferral of exhaust gas-related regulations and Decrease in DPF demand due to accelerated diffusion of EVs and hybrid vehicles	medium-term } 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
	Soaring Energy Prices	Rising energy procurement costs due to tighter climate change-related regulations, impact of geopolitical tensions, etc.	short-term } long-term	Realization of energy efficient production processes, including increasing power generation facilities with high power generation efficiency and effective use of in-house-generated renewable energy
	Increasing Intensity and Frequency of Natural Disasters	Suspension of operations at our plants or disruption of supply chains due to increased natural disasters	short-term } long-term	Enhancing a framework to immediately implement business continuity and recovery plans in the event of local disasters due to natural disasters
	Geopolitical Risks	Unexpected suspension of procurements, shipments or operations due to sudden changes in systems, laws, regulations, etc., arising from political and social tensions in specific regions	short-term } medium-term	Flexible operations to mitigate the impact of unexpected events in specific regions, including a global production structure, alternative shipments and production by leveraging its network, and multiple purchasing
	Cyber Risks	Occurrence of cyber accidents and attacks (information leaks and system failures) due to diversification and complexity of IT services, tools, and applications	short-term } long-term	Enhancing technical and physical information security measures, developing business continuity and recovery mechanisms, and continuing security education
	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 } 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 ICT	short-term } long-term	Increasing large-scale production capacity centered on the Ogaki district 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 } 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 related regulations and expansion of market scale	short-term } medium-term	Establishment of a global ceramic product supply system in four bases, Asia (Japan and China), Europe, and North America to meet demand in growing markets
	Growing Needs for Reducing Environmental Burdens	Requests for reduction in environmental impact of the entire supply chain from customers and investors, etc.	short-term } long-term	Promoting use of renewable energy and introducing technologies to reduce environment burden and improvement activities throughout the supply chain

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

New Medium-Term Management Plan

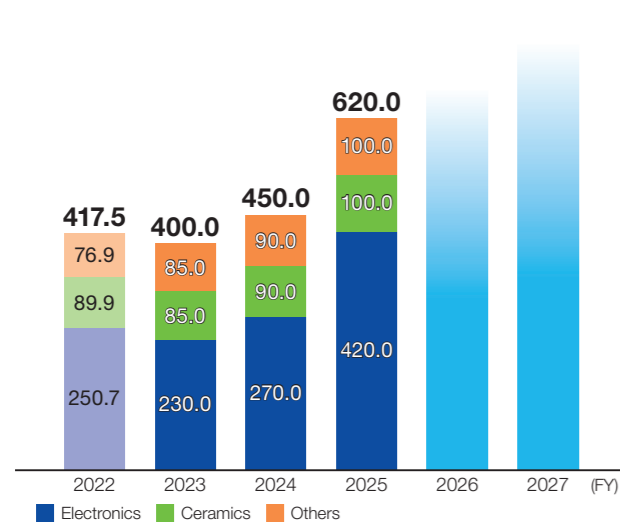
About 「Moving on to our New Stage 115 Plan (MNS 115 Plan)」

(FY2023-FY2027)

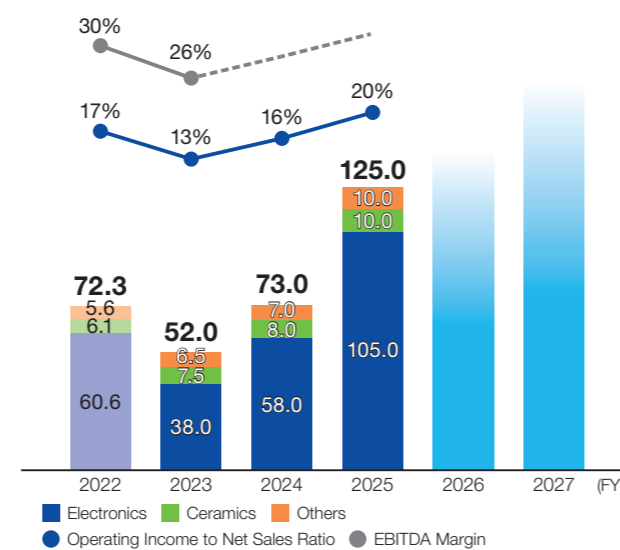
In light of the achievements and issues in the previous medium-term management plan, “To The Next Stage 110 Plan,” and further considering the risks/opportunities and their impact on changes in the external environment, we have formulated a new medium-term management plan. We aim to achieve further growth through expansion of existing businesses and launch of new products by strengthening business competitiveness and commercializing new products under the five main reinforcement activities of the new medium-term management plan. In terms of human resources necessary for growth, we will enhance our human capital by developing independent human resources with a sense of purpose. We will also continue to promote ESG management, such as addressing climate change, in our business activities.

Performance Targets

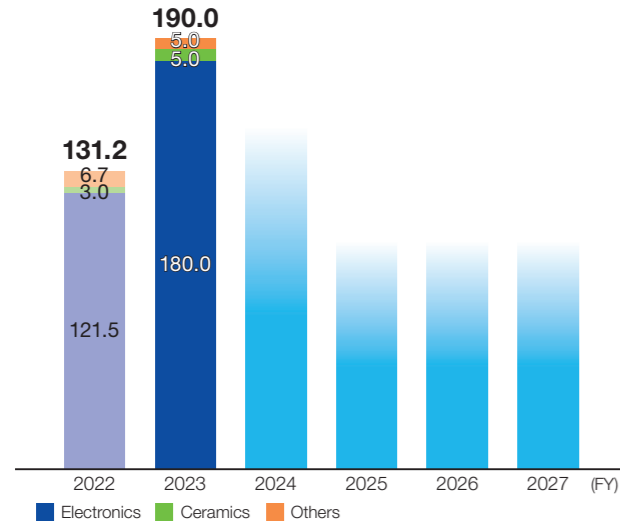
Net Sales (billion yen)



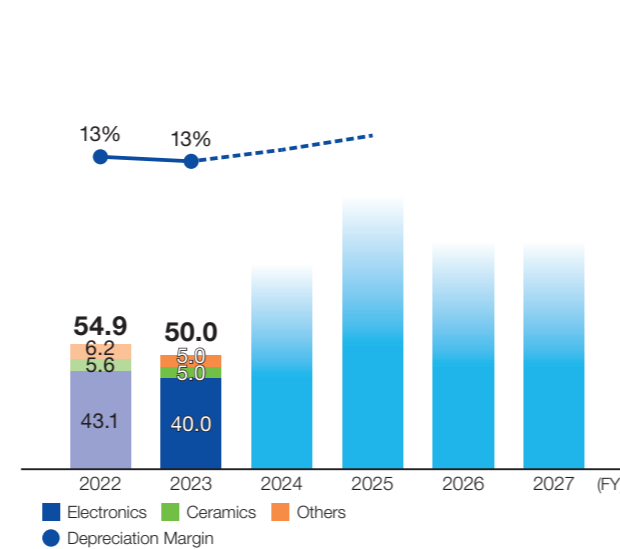
Operating Income (billion yen)



Capital Expenditures (billion yen)



Depreciation (billion yen)



※Based on disclosed information as of May 2023

Five Main Reinforcement Activities and Priority Action Items

- 1** Make Our Business Operations Even More Competitive **Power to Earn**

 - 1 Sustain mindset to take on the challenge of innovation, refusing to accept existing values and business models as the norm
 - 2 Implement a solid business model secured by high product quality that enables us to maintain competitiveness and by contracts
 - 3 Strengthen global management by rolling out a company-wide integrated system
- 2** Commercialize New Products **Power to Grow**

 - 1 Commercialize new products based on market changes, customer needs, and convenience with creative business models
 - 2 Achieve growth on a consolidated group basis through the development of new products and businesses with the participation of affiliates
- 3** Promote the Manufacturing Reform **Power to Maintain**

 - 1 Strengthen on-site capabilities by developing knowledge workers through continuous practice of “improvement and maintenance”
 - 2 Achieve One Factory concept that enables integrated operation of domestic and overseas factories
 - 3 Pass on skills through data-driven approach and mechanism (basic technology) analysis and utilize external knowledge efficiently
- 4** Reform the Corporate Culture **Power to Change**

 - 1 Implement human capital management from the perspectives of management and employees (well-being)
 - 2 Respond to changes with purpose-driven, independent human resources and a flexible organizational structure
- 5** Proceed with ESG Management **Power to Sustainability**

 - 1 Achieve CO₂ emission reduction targets by promoting GX through energy management and environmental management
 - 2 Revitalize and establish activities by linking the SDGs to business
 - 3 Establish an industry-leading governance structure by responding to increasingly challenging external requirements

Basic Activity



Message from the President



President&CEO

Takeshi Aoki

We accurately gain an understanding on changes in the business environment and social challenges, making transformation a norm as we take on the challenge of new value creation.

IBIDEN's Purpose Inherited since Our Founding

The IBIDEN WAY, the source of our ability to create products needed by society in response to the changing times

FY2022 marked the 110th anniversary of our founding and the final year of our previous medium-term management plan "To The Next Stage 110 Plan." The overall environment surrounding the Company's business continued to be uncertain and challenging, with soaring energy prices triggered by Russia's invasion of Ukraine and rising prices of various materials due to the rapid depreciation of the yen following monetary tightening in Europe and the US, despite progress toward normalization of economic activities.

Under these circumstances, in addition to responding to the rapid changes in the environment, we have been making strategic moves toward the next stage of growth, including the start of construction of Gama Plant and Ono Plant.

As a result, net sales, operating income, ordinary profit, and profit attributable to owners of parent on a consolidated basis reached record highs, with a year-on-year increase in both sales and income for the fourth consecutive year.

While we were able to celebrate our 110th anniversary with high levels of performance, we, at the same time, have been reviewing our past medium-term management plans and discussing how to develop a new medium-term management plan. This was an opportunity for us to take a fresh look not only at the reasons why we successfully built up a track record, but also at the reasons why we had been allowed to exist over the past 110 years.

The Company's business began with hydroelectric power generation, which was our founding business. Since then, the Company's core business transitioned from the housing materials business, which grew significantly during the period of high economic growth; to the Electronics Operation, which was quick to respond to the needs of the digital age after the 1970s and successfully developed plastic IC Package Substrates; and the Ceramics Operation, which saw an increase in demand for products in the automotive exhaust system field as awareness of environmental issues grew. The reason why IBIDEN has been able to continue to grow by

shifting its business portfolio according to the times is undoubtedly because each and every one of our employees has inherited IBIDEN's DNA of accurately understanding the changes of the times, boldly taking up challenges with the core technologies we have developed, and creating new technologies and products. Our philosophy, which has contributed to the development of an abundant society by valuing the blessings of the global environment in the form of water resources and the creativity and ingenuity of each and every one of our employees to create products needed by an affluent society, is expressed in our mission: "We contribute to the progression of society through innovative technology, with respect for both individuals and the global environment," which is encapsulated in the IBIDEN WAY. We believe that this IBIDEN WAY, which has been built and refined by our predecessors, is the reason we have been able to survive for over 110 years.

Currently, Digital Transformation (DX) and Green Transformation (GX) are driving a major societal change. As we look to the next 100 years, we will continue to take on the challenge of creating the necessary technologies and products and moving to a new stage by responding to the needs of the times and changes in the environment, an idea that we have cherished.

Reviewing the Previous Medium-Term Management Plan to Realize Issues

Further promoting selection and concentration of businesses to establish a structure that enables optimal use of management resources for the next stage of growth

Looking back at the period of the previous medium-term management plan from FY2018 to FY2022, as mentioned above, the social environment changed dramatically, including Russia's invasion of Ukraine and COVID-19. At the time of development of the previous medium-term management plan, the Electronics Operation aimed to maintain our market share in existing fields such as the personal computer market and to expand our business in new fields such as IoT, AI, and for data centers. While we have further promoted selection and concentration of our business by withdrawing from the CSP*1 business and selling IBIDEN Electronics (Beijing), we have also been

Message from the President

concentrating our management resources on the IC package business by making large investments to meet the growing demand for data center applications. The Ceramics Operation aimed to concentrate management resources in growth areas such as the market of environmental regulations for heavy commercial vehicles and the semiconductor manufacturing equipment industry in the FGM*2 business, and to expand the exhaust system business in emerging markets. In doing so, we have pursued selection and concentration of production bases by liquidating IBIDEN DPF France and selling IBIDEN Ceram in order to effectively utilize limited resources.

As a result, although we failed to reach the target of ¥430 billion in consolidated net sales for FY2022, the final year of the previous medium-term management plan, we achieved the consolidated operating income ratio of 17.3%, which significantly exceeded the target ratio of 10.5%. The EBITDA margin also increased from 12% in FY2018 to 30% in FY2022, demonstrating that we steadily increased our earning power through the growth of high value-added products such as high-function IC Package Substrates. We feel a certain sense of accomplishment in that our earning power is increasing, even in a challenging external environment.

As the remaining issues from the previous medium-term management plan, the Electronics Operation is particularly focusing on the expansion of our share of high value-added products, mainly for servers, through the construction as planned of two plants: Gama Plant and Ono Plant, where we are making the largest ever investment for the expansion of our IC package business. The Ceramics Operation needs to realize optimal location production by utilizing four bases, two in Asia (Japan and China), one in Europe, and one in North America, to respond to changes in the business environment, and to ensure that we can capture demand in the growing Chinese and emerging markets.

In addition, to expand new businesses, we have narrowed down to three development areas for commercialization under the previous medium-term management plan: the NEV*3 field, the electronics field, and the new field. In the NEV field, we launched the NEV Unit in April 2023 to achieve stable mass production of new products for electric vehicles and promote business expansion. We think it necessary to work to establish new businesses in the electronics field and new field as well.

As a foundation to overcome these challenges and to support further growth, we recognize the importance of implementing human capital management that emphasizes talent development and employee well-being, as well as implementing management reform through DX in both production division and functional divisions to strengthen competitiveness.

*1 CSP: Chip Scale Package, a small chip-size package substrate mainly used in devices such as smartphones

*2 FGM: Fine Graphite Material/machining

*3 NEV: New Energy Vehicles including electric vehicles

Initiating “Moving on to our New Stage 115 Plan” to Head towards a New Stage

Nurturing *five powers* as reinforcement activities in the new medium-term management plan to enhance competitiveness

For the next leap, we have formulated a new medium-term management plan for the next five years (from FY2023 to FY2027) called “Moving on to our New Stage 115 Plan” (abbreviated as MNS 115 Plan). The new medium-term management plan focuses on five main reinforcement activities (powers to be strengthened) and foundational activities as a manufacturing company to respond to changes in the business environment, whereby the entire IBIDEN Group will work together to achieve sustainable growth. The five main reinforcement activities for achieving sustainable growth are summarized (with taglines) as follows: “Make our business operations even more competitive (power to earn),” “Commercialize new products (power to grow),” “Promote the manufacturing reform (power to maintain),” “Reform the corporate culture (power to change),” and “Proceed with ESG management (power to sustainability).”

For “Make our business operations even more competitive (power to earn),” our first priority is to maintain a mindset of taking on the challenge of innovation, rather than accepting existing values and business models as the norm. Without being bound by the current business model, it is important to maintain high competitiveness through product strength, and to establish a mutually agreed-upon solid business model, thereby achieving enhanced competitiveness together with customers.

Ensuring the growth of the Electronics Operation, where we are making large investments, is an essential element for strengthening competitiveness. In the Electronics Operation, the new medium-term management plan anticipates significant sales growth based on the assumption that Gama Plant and Ono Plant will become fully operational. Although growth in demand for semiconductors is slowing down due to slowdown in demand for personal computers and restrained investment by large users of high-performance servers, we are sharing a future-oriented roadmap with our customers and planning the business accordingly. While the Electronics Operation is subject to rapid changes in the market, we will reduce risk by establishing a production system that can flexibly respond to any delays or changes in the roadmap due to changes in the business environment at existing and newly established plants.

In the Ceramics Operation, we expect the supply shortage of semiconductors and the rapid trend toward electrification and the move away from diesel in the passenger car market, especially in developed countries, to ease to a certain extent. However, risk factors such as continuing high raw material costs and energy prices

especially in Europe are still a concern. We aim to build a business foundation that will continue to generate profits even in the face of market changes by strengthening our sales capabilities in growth markets such as China and India, and also by continuing production in optimal locations from a logistics and cost perspective through making the most of our four bases in Japan, China, Hungary, and Mexico. We expect to increase sales of the Ceramics Operation from ¥89.9 billion in FY2022 to ¥100 billion in FY2025 and improve the operating income ratio from 6.8% to 10%, respectively, thereby transforming the business into a profitable one.

For “Commercialize new products (power to grow),” we will promote the commercialization of new products based on market changes, customer needs, and convenience through innovative business models in order to create new businesses and new products following the Electronics and Ceramics Operations. Currently, we are allocating resources to the electronics field, NEV field, and new field, engaging in activities to nurture future businesses. We understand that cultivating the next pillar of business requires accurate business strategy planning, product development without backtracking, and a seamless start-up process. In the NEV field, we will accelerate the start of mass production and overseas expansion by integrating manufacturing, sales, and technology through the creation of a business unit. In the new field, we will achieve growth as a group on a consolidated basis through new product and new business development with the participation of subsidiaries and associates.

In order to create new products and new businesses, it is important to strengthen our business intelligence, which enables to make comprehensive decisions based not only on customer information but also on industry and market information. In a rapidly changing era, we will analyze and understand various data from different angles, draw up future scenarios, and formulate corporate strategies, which will lead to commercialization.



Realizing the transformation of manufacturing and corporate culture under the slogan of “Each and every employee takes on the challenge of transformation”

In order to maximize the “power to earn” and “power to grow,” it is important to strengthen the foundation that supports them, namely, by “promote the manufacturing reform (power to maintain)” and “reform the corporate culture (power to change).”

For “Promote the manufacturing reform (power to maintain),” the Company has grown by advancing numerous reforms in *monozukuri*, or manufacturing, since its founding. To sustain this ability and continue to grow, a solid foundation and basic strength as a manufacturer are indispensable. Bearing this in mind, we will cultivate efficient and high-level manufacturing capabilities by advancing integrated management of Japanese and overseas bases under the concept of One Factory*4 with the objective of enhancing on-site capabilities; promoting DX to realize sophisticated workplaces and mechanisms by utilizing digital technologies that enable data-driven approach and mechanism analysis; and improving productivity and transferring skills to younger employees.

For “Reform the corporate culture (power to change),” our goal is to build an organization that can flexibly adapt to market changes by increasing the number of purpose-driven, self-sustained personnel who are highly responsive to changes in the market environment. In particular, at manufacturing sites, which are the foundation of IBIDEN, it is necessary to develop knowledge workers, human resources who can think, devise, and innovate on their own, and to enhance our on-site capabilities. As the foundation for this, we are advancing human resource education and development through specialized education, relearning or recurrent education as needed, and reskilling to acquire new skills.

People are the key to growth and creating greater value. As part of human capital management, we are advancing practices from both management and employee perspectives. Particularly from the viewpoint of employee well-being, we aim to create an environment where individuals can actively thrive by fostering a cycle where the company’s growth is personally felt and individual growth contributes to the company.

For “Proceed with ESG management (power to sustainability),” the fifth reinforcement activity we advocate, contributing to social issues through our business has been a significant theme we have addressed since our founding, in addition to strengthening the foundation for value creation. If the global environment and society are not sound, sustainable corporate growth cannot possibly be expected. To nurture the “power to sustainability,” which is essential for contributing to sustainable development of society as well as our sustainable growth, it is crucial

Message from the President



for each employee to take action based on an understanding of what we should achieve through our business activities to address social issues indicated, for example, in the SDGs.

Our contributions to the SDGs through our technology and business activities include “response to climate change and transition to a decarbonized society.” Our initiatives toward the transition to a decarbonized society are an essential element for the Company to grow. We have established the GX Promotion Division as a dedicated company-wide department. The division is working together with business units to seek innovations in production technology and facility improvements to promote low-carbon operations. It also considers expanding the use of renewable energy and initiating the use of new energy sources. Furthermore, we are considering measures not only for our own activities but also for those of our entire supply chain. In addition, looking at the electronics market, the need for energy saving is increasing along with the sophistication of data processing capacity, and this trend is expected to intensify in the future. We will continue to improve our technological capabilities to meet these needs with our products.

The Company has grown by contributing to the development of an abundant society through innovative technologies. This is the way the Company should be and will never change. We will continue to aim for further corporate growth by developing businesses that meet the needs of society, with the awareness that our business and technological advancement are directly linked to contribution to the creation of a sustainable society.

*4 One Factory: A system that consolidates and shares information among production bases in Japan and overseas, and aims to build and deploy highly competitive and stable quality around the world in a flexible manner, just like a single factory.

Embracing change as a constant, we take on the challenge of a new stage while enhancing competitiveness

The Company has initiated steps towards a new stage by setting management goals in our new medium-term management plan that we will exceed the highest-ever sales and operating income achieved in the final year of our previous medium-term management plan. On the other hand, the current growth of demand for semiconductors has been slowing down due to the fact that the demand for personal computers, which has increased as a result of telework and online education becoming the norm, has run its course, and the recovery of investment by large users of high-performance servers used in data centers has been delayed. Therefore, we anticipate a plateau in both sales and profits for FY2023 to FY2024. This is a phase we had anticipated, and we are actively pursuing thorough improvements at the operational level and are committed to enhancing our competitiveness for the next stage. We will establish a framework that outlines the growth trajectory of our business in line with the timing of market recovery and increased demand.

In the new medium-term management plan, we strongly focus on the idea that change is constant. We believe that the shortcut to achieving our significant goals lies in enhancing our competitiveness together with our customers, business partners, and employees, without fearing drastic changes to our current business model. Following the spirit of the IBIDEN WAY that we have nurtured thus far, we will flexibly respond to environmental changes and face these challenges.

Our approach involves sharing our thoughts with all stakeholders, including customers, shareholders, and employees, and creating new value. Currently, we are making investments aimed at continuous growth using the cash generated by that growth, but we are also comprehensively considering and making decisions about shareholder returns, balancing between growth investment and long-term stable dividends. We will continue to engage in dialogues with all our stakeholders and take on the challenge of moving to the Company's new stage toward realizing a sustainable society as our Group-wide efforts. We ask for your continued unwavering support for the Company going forward.

Financial Strategy

Financial Base

The Group has started a new medium-term management plan, “Moving on to our New Stage 115 Plan,” in FY2023. Under the new plan, we have set goals to maintain a solid financial base and are working to achieve sustainable growth and generate stable profit toward the next 100 years. Our mainstay Electronics Operation, serving as a driving force behind our earnings, is in an industry with large market fluctuations. To respond to such volatility, we need to build a solid financial base demonstrated by a high equity ratio.

While the equity ratio currently stays below 50% primarily due to an increase in borrowings for growth

investments, we assume that the ratio will recover to 60% or higher over the medium term by improving earning power through investments and steadily reducing interest-bearing debt. In addition, we aim to achieve at least 10% ROE as a metric indicating that we generate profits commensurate with the cost of capital.

With these plans for expanding our revenue base, we aim to stably maintain a single A rating from Rating and Investment Information, Inc. (R&I), or even seek to obtain a higher rating, to allow for more flexible fund procurement.

Target Financial Ratios

<p>Equity Ratio</p> <p>Recovery to 60 %</p>	<p>ROE Commensurate with the Cost of Capital</p> <p>10 % or higher</p>	<p>Credit Rating Retain</p> <p>a single A rating</p>
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Growth Investments

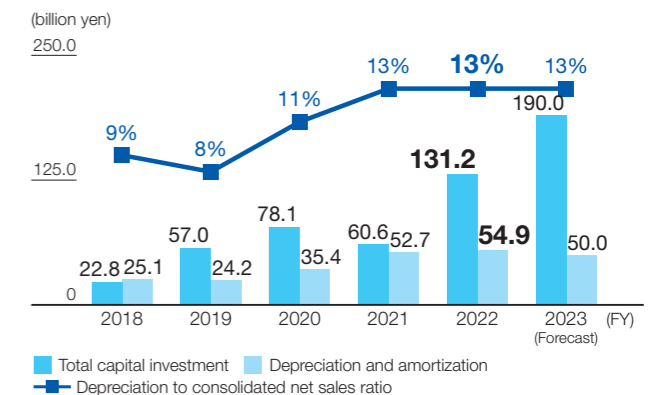
The Group has grown by adapting technologies derived from core technologies to meet the needs of customers and society and by making aggressive capital investments in growing markets.

Under the previous medium-term management plan, “To The Next Stage 110 Plan,” we made capital investments with a focus on the Electronics Operation, including a major ¥130 billion investment primarily at Ogaki Central Plant, to ensure that we can capture medium- to long-term demand in the PC and server markets.

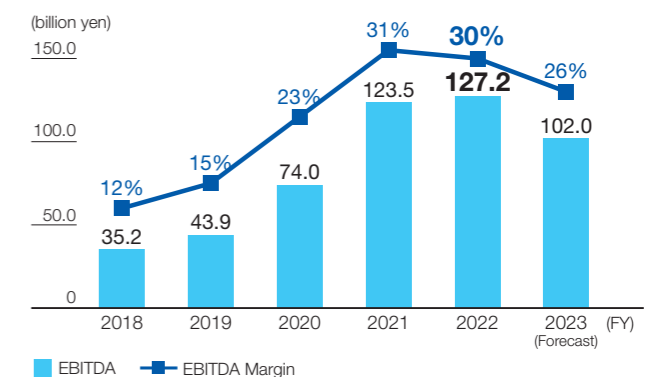
In addition, we aimed to expand the Group's operations and improve profitability for greater shareholder value. Specifically, to increase production capacity for IC package substrates, which are expected to see further growth in demand in the Electronics Operation, we acquired a new industrial site in Ono-cho, Ibi-gun, Gifu Prefecture, following the construction of a new plant costing a total of ¥180 billion at Gama Plant.

Going forward, the burden of depreciation associated with capital investment is expected to increase. However, we will secure profits by increasing the proportion of high-value-added products mainly for state-of-the-art, high-performance servers. This will allow us to maintain a high level of EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), a source of investment recovery, thereby minimizing the investment recovery risk resulting from the large-scale capital investments.

Total Capital Investment/Depreciation and Amortization



EBITDA/EBITDA Margin



Financial Strategy

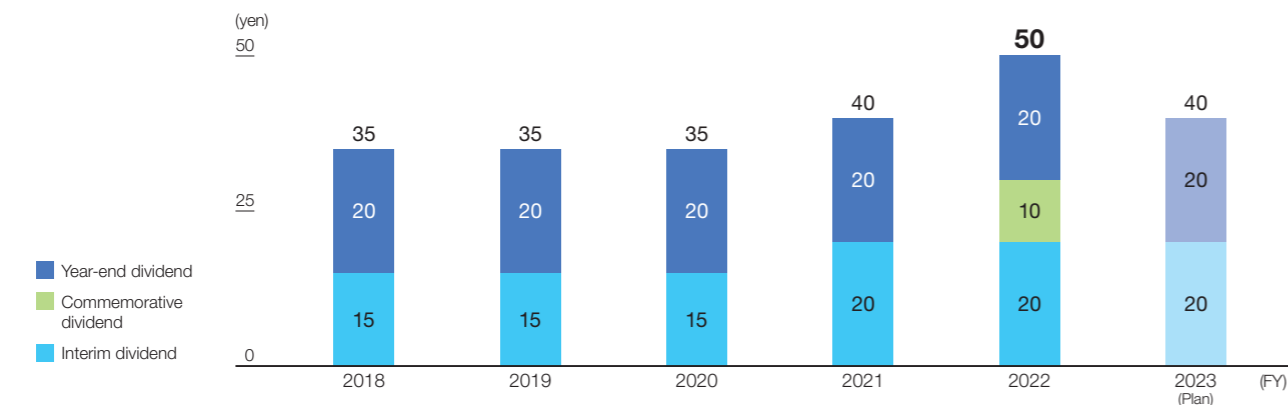
Shareholder Returns

Currently, we are enjoying improved profitability as a result of full-fledged operation of facilities that were built during the period of the previous medium-term management plan or before, and also as a result of the further streamlining of business operations and progressing of structural reforms. Consequently, ROE rose from 12.1% in FY2021 to 13.3% in FY2022.

In implementing shareholder returns, we comprehensively consider the balance between capital

investment and long-term, stable payment of dividends. Nevertheless, our approach to capital allocation for the time being is to prioritize capital investment for IC package substrates in preparation for business expansion. The annual dividend per share for FY2022 was ¥50 (including a commemorative dividend), an increase of ¥10 from FY2021.

Dividends Per Share



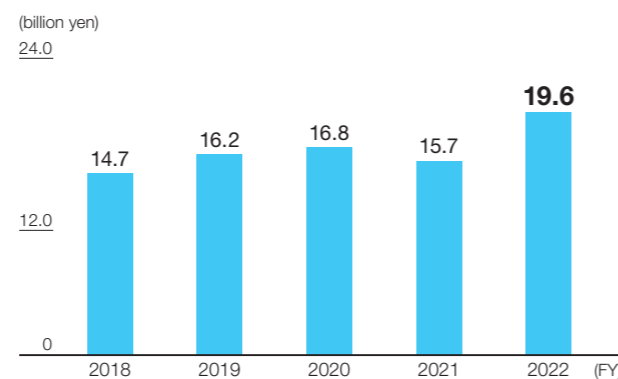
R&D Activities

The Group's R&D activities are widely conducted by the Company's R&D sections and production technology sections as core functions, as well as technology sections of each Operation and subsidiaries and associates.

The R&D sections have built a business development system incorporating multiple functions to quickly identify customers' future needs and social issues and link them to commercialization. In addition to deepening the existing core technologies, they also explore business opportunities in new technology areas.

The production technology sections consistently engage in providing support for further improving productivity and quality by leveraging DX, and developing new construction methods and facilities.

Total R&D Expenses



R&D by Major Segment (FY2022)

Segment	R&D expenses (billion yen)	Status of Activities
Electronics	16.9	We engage in product design and development of elemental technologies and process technologies to expand our business into evolving markets, as well as high-density, high-performance IC package substrates and printed circuit boards to meet the demand for high-speed transmission and low loss.
Ceramics	2.5	We develop components that contribute to improved safety of new energy vehicles (NEV), those required for semiconductor-related applications, and those designed for high-performance exhaust systems still in demand.

Approach to ESG-central Operation and Implementation Framework

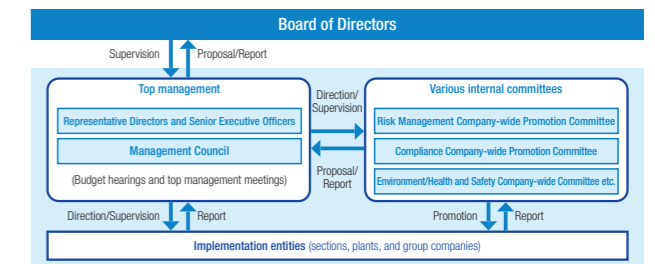
Promoting ESG-central Operation

By fulfilling our corporate social responsibility, we aim to contribute to the development of society as well as the enduring existence of our Group. 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.

Governance Structure for Sustainability

The Management Council and other executive meeting bodies deliberate sustainability-related risks and opportunities surrounding the Company and measures against them, and major issues are proposed or reported to the Board of Directors. In addition, implementing measures against the sustainability issues is delegated from the management to the implementation entities through various internal committees.



Risk Management for Sustainability

The Risk Management Company-wide Promotion Committee chaired by President & CEO leads the company-wide risk management process, where we analyze a wide variety of risks surrounding management and address events that will significantly impact our business.

The major risks and opportunities related to sustainability, such as climate change and human capital, are identified and assessed by the sections responsible for relevant risk categories at the meeting bodies, and then the response policy is deliberated and determined.

Key issues and SDGs addressed by the IBIDEN Group

The IBIDEN Group recognizes the important issues it must contribute to through its business change and mid-term management plan to realize a sustainable society as stated in our Corporate Philosophy. Also, from the perspective of the importance for external

stakeholders, such as the expectations and demands that customers, investors, and markets have, we will make contribution by taking on challenges through technology and business activities and strengthening our fundamental activities.

Contribution through Technologies and Business Activities

Achieve Digital Innovation

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

Improve Air Quality (environmental pollution)

- 11 SiC-DPF
- Substrate holding mat for catalysts for cleaning exhaust gases

Transition to a Decarbonized Society

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

New Challenges to Resolve Social Issues

13 Climate Action

Material for Battery
Develop and commercialize next-generation NEV Production for carbon neutrality

2 Zero Hunger

LEAFENERGY
Support healthy plant growth for sustainable agriculture

Contribution by Enhancing Basic Activities

5 Gender Equality

8 Decent Work and Economic Growth

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

12 Responsible Consumption and Production

13 Climate Action

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

Growth Strategies for Operations

Electronics

Ratio of net sales by operation
60.1%



President of Electronics Operation
Koji Kawashima

Contributing to Society through Our Businesses

The evolution and penetration of information technology is essential to enriching people's lives. Information and our daily lives are becoming more closely interconnected, and access to information communication technology (ICTs) are gaining more importance around the world.

By creating highly functional and highly reliable IC package substrates, IBIDEN's Electronics Operation supports advanced information and communication technologies such as data centers and contributes to the realization of digital innovation around 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, data centers
	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 ICT

Market Trends

Market of PC*

Inventory adjustments due to a sharp decline in demand from the second half of 2022 will continue until the first half of 2023, but inventories are expected to normalize from the second half of FY2023 onward, with a gradual recovery trend expected.

Market of Data Center*

Although it is expected to remain flat in FY2023 due to temporary investment restraints in hyperscalers, it is expected to return to a high growth trajectory from FY2024 onwards as demand expands, including in new fields such as AI, and investment appetite recovers.

*Note: Further upsizing, multi-layering and fine patterning are expected in high-performance IC package substrates, in which we excel.

Our Strengths

Technologies	IC package substrates featuring high-functionality and high-reliability which are realized by multilayering, refined wiring 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

The growth in demand for semiconductors has been slowing due to the rapid deceleration in demand for personal computers and the curbing of investments by large-volume users of high-performance servers used mainly in data centers. Demand for high-performance IC package substrates is expected to increase from the second half of FY2023. This is due to peaking-out of the inventory adjustment in the personal computer market,

recovery of investment sentiment with the expansion of the server market for data centers resulting from the development of DX and the advancement of the AI field, and emergence of new fields such as autonomous driving. We will strive to increase our market share in high-value-added products, which are among IBIDEN's strengths, through proceeding the construction at Gama Plant and Ono Plant as planned.

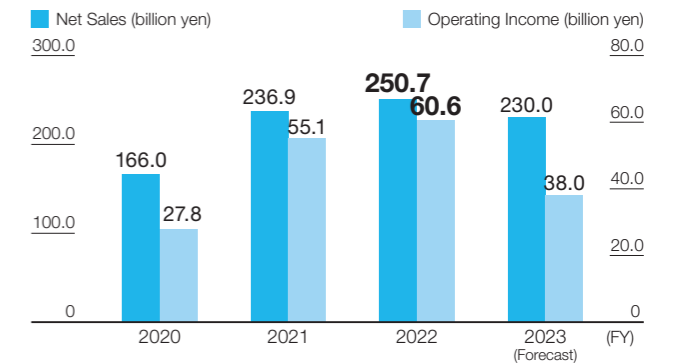
Results for FY2022

IC Package Substrates (PKG) Operation

Both net sales and operating income of the segment as a whole rose from the previous fiscal year because demand for server applications generally remained firm while demand for personal computer applications decelerated after the summer.

Net sales
¥250,708 million
(an increase of 5.8% year-on-year)

Operating Income
¥60,647 million
(an increase of 10.0% year-on-year)



Motherboard and Printed Wiring Board (MLB) Operation

Net sales remained unchanged from the previous fiscal year while operating income decreased because sales of products for smartphones remained strong while those of modular substrates decreased.

TOPICS

Performed a groundbreaking ceremony at the industrial site in Ono-cho, Ibi-gun, Gifu Prefecture

In December 2022, we held a groundbreaking ceremony at the industrial site in Ono-cho with which we entered into a basic agreement in September 2021. With an eye on all fields that are expected to have a future market growth, a building is planned to be completed in the first half of FY2025 as a major factory to support the new medium-term management plan that has been launched in FY2023.

We will ensure the safety in construction of the building with the understanding and cooperation of the community residents and parties concerned.



Approval of supply securing plan for Ono plant

The capital investment plan for manufacture of high-performance FC-BGA substrates for semiconductors at Ono Plant has been certified by the Minister of Economy, Trade and Industry as a "Supply Securing Plan" based on the Economic Security Promotion Act. Based on this, subsidies will be granted for capital investment plans at Ono Plant.

The server market for data centers is expected to expand thanks to the progress of digitization, such as the spread of ICT, as well as the evolution of AI and the improvement of the level of autonomous driving. In addition to semiconductor front-end processes (IC chips), the importance and added value of the back-end processes (FC-BGA substrates) are also increasing.

Our company will build a mass production system for high-performance FC-BGA substrates at our Ono plant, which will be the largest of our plants in Japan, and contribute to the development of semiconductor-related industries and the realization of a digital society.

Growth Strategies for Operations

Ceramics



President of Ceramics Operation
Norihiko Yamamura

Contributing to Society through Our Businesses

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 and substrate holding mats (AFP).

In the Graphite Specialty (FGM) Operation, we will support communication technology and contribute to the realization of digital innovation primarily through supplying materials for semiconductor manufacturing equipment.



Business Environment

Risks and Opportunities

Risks and Opportunities		Impact on the Company
Risks	Electrification of Passenger Vehicle Market	Deferral of exhaust gas-related regulations and Decrease in DPF demand due to accelerated diffusion of EVs and hybrid vehicles
	Soaring Energy Prices	Rising energy procurement costs due to tighter climate change-related regulations, impact of geopolitical tensions, etc.
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 related regulations and expansion of market scale

Market Trends

Passenger Vehicle Market

Although the shift to electrification will continue, new technologies such as synthetic fuels and biofuels are expected to extend the lifespan of vehicles equipped with internal combustion engines to a certain extent.

Medium & Heavy Commercial Vehicle Market

Expected to expand market against background of emission control in China and emerging countries.

Our Strengths

Technologies	Unique ceramics technologies driven by high-temperature sintering technology
Trusted relationship with customers	Sharing the future roadmap with the world's leading customers
Global manufacturing system	Supply system in the four bases, Asia (Japan and China), Europe, and North America.

Growth Strategy

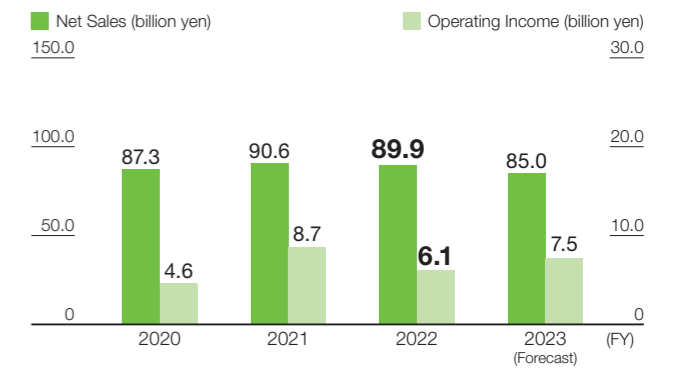
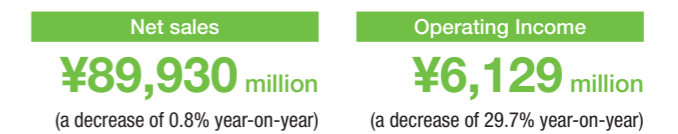
In the DPF and AFP Operations, which are among our main businesses, we expect the shortage of semiconductors to ease and the rapid trend toward electrification and de-dieselification in the passenger car market mainly in developed countries to slow down to a certain extent, although costs of raw materials and energy prices mainly in Europe are expected to remain high. We will continue the production in optimal places from a logistics and cost perspective by leveraging the four sites

in Japan, Hungary, Mexico, and China. We will also ensure the growing demand in the Chinese and emerging markets and promote the expansion of sales of components for electrified vehicles, thereby returning to the medium- to long-term growth path. In the FGM Operation, we will expand the business through active capital investment in response to the medium- to long-term growth in demand for power and other semiconductors.

Results for FY2022

Diesel Particulate Filters (DPF)

Net sales declined from the previous fiscal year, although we refocused our sales efforts to increase orders for products for heavy commercial vehicles in response to the accelerated electrification in passenger vehicles mainly in the European market. Operating income decreased from the previous fiscal year partially due to impacts of the surges in costs of raw materials and energy prices.



Substrate Holding Mats (AFP)

Net sales increased from the previous fiscal year as a result of sales expansion in the Chinese market under the stable mass production system of IBIDEN Fine Ceramics (Suzhou) Co., Ltd. However, operating income remained unchanged from the previous fiscal year due to impacts of the surge in costs of raw materials.

Graphite Specialty (FGM)

Both net sales and operating income increased from the previous fiscal year thanks to the surge in demand for products mainly for semiconductor manufacturing equipment.

TOPICS

“Outstanding Contribution Award for Stable Foreign Trade Growth” Presented by Suzhou City

Established in April 2020, IBIDEN Fine Ceramics (Suzhou) Co., Ltd. (ISU) achieved profitability in about three months after starting mass production. ISU growing on stable basis, as indicated by our receipt of ISO14001/ISO45001 certification in June 2022, and IATF16949, a highly demanding quality management standard in the automobile industry, in October 2022.

With this background, ISU was granted by Suzhou City the Outstanding Contribution Award for Stable Foreign Trade Growth. The winners of this award are selected from among approximately 500,000 companies in Suzhou City from the perspectives of (1) installment of a functional headquarters, (2) increase in the sales and profit ratio, and (3) intention to make further investment. This year, the award went to 90 companies.

At ISU, we will continue to expand sales of high-quality products in the Chinese market.



Growth Strategies for Operations R&D



President of R&D Operation
Keiji Yamada

Contributing to Society through Our Businesses

Social environment is exposed to rapid changes brought about, for example, by the advancement in digital technology and the increase in the global demand for decarbonization. Accordingly, issues affecting the whole society are becoming more evident, including those set out in SDGs. IBIDEN gives priority to contributing to the advancement of society by identifying social needs and changes in the global market, and leveraging our innovative technology to promptly commercialize products that solve such issues.

Driven by our corporate DNA of “creating what will be needed by the society in the future based on our cultivated core technologies,” we have accumulated knowledge, research, and data as the source of our competitiveness. We will quickly achieve successful commercialization through efficient development by fully utilizing information we have accumulated and digital technologies and through covering missing parts with stronger collaboration with industry, academia and government.



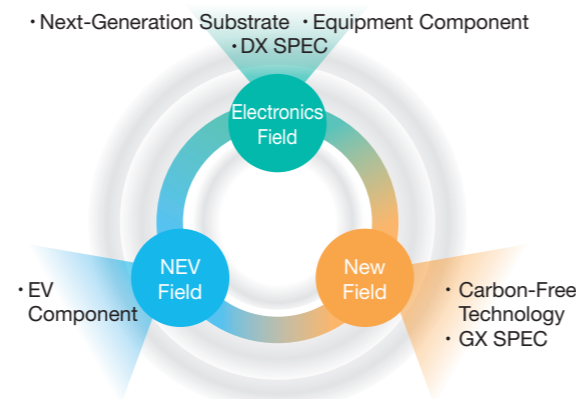
Challenges in New Business Fields

Our R&D is aimed at contributing to SDGs by helping resolve social issues as required by the society.

In the electronics field, where the technology is key to supporting progress of digital innovation, we are developing next-generation IC package substrates and new packaging technology further ahead of the next-generation substrates. In the Ceramics Operation, we are developing and expanding commercialization of products such as battery safety materials in the new energy vehicle (NEV) field amid significant changes in the market toward a decarbonized society.

Furthermore, we are developing and commercializing products that contribute to solving social issues in new fields such as carbon recycling based on the green transformation (GX) technology to respond to climate change, and bio-business that contributes to environment conservation and food crisis.

We will continue contributing to building infrastructure for industry and technological innovation by constantly evolving our own technologies.



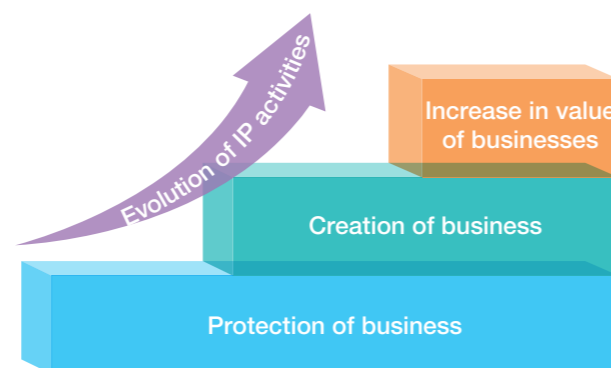
Intellectual Property Strategy

As a technology development-oriented company that has created new value from its core technologies cultivated over its long history, we consider the intellectual property strategy to be crucial to ensure our technological competitive advantage.

The basic strategy focuses on protection of our business. We will promote acquisition of IP rights on our core technologies to maintain our products' competitiveness by building a network of patents for our business and products, while avoiding infringement of our competitors' patents. Specifically, we aim to build a higher barrier to entry and a more competitive advantage of our business, particularly by increasing applications of core patents on our differentiated technologies.

At the same time, we will analyze and utilize patent information to provide information useful for formulating business and R&D policies and making relevant decisions, which may lead to creating businesses. Furthermore, we

will perform value analysis of our patents and products, whereby we will ensure highly profitable IP rights leading to competitive advantage of our business. In this way, we will evolve our IP activities so that they can contribute to enhancing the value of businesses.



System to Bridge R&D and Commercialization

Driven by our corporate DNA of “creating what will be needed by the society in the future based on our cultivated core technologies, we engage in development activities by identifying the global market and social needs and working closely in partnership with our customers. The R&D Operation currently has three business development units.

The strengths of our R&D practice lie in that we always set commercialization of products as a goal and that our knowledge, research, and data we have obtained over the years are accumulated in a way readily available to fulfill the purpose. From these accumulations, we will accelerate development through the use of digital technology and collaboration with industry, academia, and government, as well as utilizing our extensive in-house evaluation system to quickly achieve successful commercialization leading to mass production. In April 2023, we established the NEV Unit, which supervises one of the three development fields, in the R&D Operation.

To develop human resources engaged in R&D, we actively support the acquisition of qualifications and

encourage exchange of knowledge and insight with external organizations and academic institutions. In addition, we are working to develop an open-minded culture and enhance motivation by setting aside time for developers to allow themselves to think outside the box on their own initiative.



Development Results

TOPICS 1 NEV Field: Commercialization of Battery Safety Materials

To respond to the rising demand for technologies that contribute to global low-carbon and decarbonization, the passenger vehicle market is shifting significantly toward electrification. We have promoted development of battery safety materials for EVs by leveraging the technologies we have cultivated in the field of ceramics.

From the development stage, our engineers have been working with our customer battery manufacturers to understand the issues and needs they face and propose technologies that will lead to solutions. As a result, we successfully commercialized products in a short period of time.

We have established the NEV Unit in FY2023. We will expand the business of battery safety

materials by establishing constituent technologies toward product mass production, further expansion of distribution channels, and product development in expectation of future safety needs.



TOPICS 2 New Field: Expansion of Sales of a Plant Activator

Agriculture is facing a number of challenges such as global demand for reducing chemical pesticides and fertilizers, unfavorable weather, an increase in natural disasters, and a shortage of labor. Focusing on these issues, we have developed a naturally derived plant activator LEAFENERGY®, which supports stable growth, quality, and harvesting, by utilizing our knowledge of organic chemistry gained through our existing business.

For contribution to sustainable agriculture, we have conducted a demonstration test in Yabu City in Hyogo Prefecture, with which we entered into a comprehensive partnership agreement, and have promoted development of a product that contributes

to improved agricultural productivity in semi-mountainous areas. We plan to put new products suitable for solving issues on the market by listening to comments from farmers, further expanding sales of related products.



Growth Strategies for Operations

Others

Ratio of net sales by operation
18.4%

Contributing to Society through Our Businesses

- 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.
- Others** Contributing in a variety of fields, including environmental engineering technology and medical software packages, with a view to a new society.

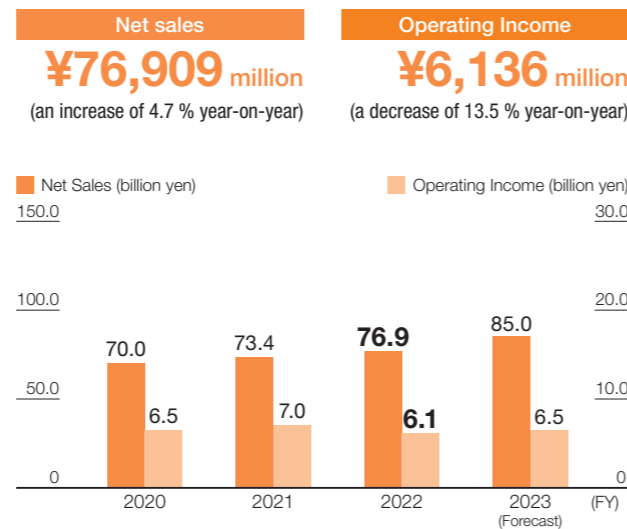


Growth Strategy

We will ensure that the Other Operations will grow as the third pillar of revenue following the Electronics and Ceramics Operations by expanding business with products featuring each domestic company's unique competitive edge, as well as by enjoying stable earnings from the electric power business.

Results for FY2022

- Construction** Net sales increased from the previous fiscal year due to strong orders received for construction of power generators and steady progression of large-scale construction in the power plant business.
- Housing Materials** Net sales increased from the previous fiscal year due to effects of revision of the selling price and an increase in sales of antiviral melamine decorative laminates and related materials despite impacts of a surge in costs of raw materials.
- Other Operations** Net sales increased from the previous fiscal year due to strong sales of medical examination and rehabilitation systems and completion of large-scale orders for selling electronic medical records in the health care business. Operating income, however, decreased from the previous fiscal year due to impacts of a surge in costs



of raw materials mainly in the synthetic resin processing business.

TOPICS

Successfully Developed a Plant-Based Shrimp Substitute

IBIDEN BUSSAN Co., Ltd., which is one of the IBIDEN Group companies, successfully developed a shrimp substitute made from plant materials as main ingredients. The company has established a mass production system for the product by applying the technology we use to manufacture our ceramic products.

Shrimp cultivation involves many issues including overdose of antibiotics and water pollution. The shrimp substitute developed by IBIDEN BUSSAN Co., Ltd. is expected not only to be demanded by those with crustacean allergies who cannot eat shrimps and vegans (strict vegetarians) but also to reduce environmental loads.



Harmony with Nature

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.

Response to Climate Change

Structure in Response to Climate Change (Governance)

The risks and opportunities of climate change surrounding us and the proposed countermeasures are discussed at the Company-wide Environment and OHS Committee. Subsequently, the president of each operation is responsible for the implementation in the Company. The director in charge of GX promotion regularly reports how the entire company plans to respond to climate change and how these plans are executed to the Board of Directors, which supervises the matter. To turn the policy into the activities in which all employees participate, the environment committee established at each plant discusses and decides on its own activities.

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. The risks related to climate change are also regarded as major risks. These risks and opportunities are recognized by sections responsible for each risk category, followed by the confirmation and assessment in the appropriate meeting such as the Environment Committee

and each department meeting as necessary, and then the response policy is discussed and determined.

Strategy

To reduce environmental burden and make the globe a better place for the next generation, we set the Environmental Vision 2050 to strive for the harmony with nature. The response to climate change is one of our major management pillars. To strike a balance between business growth and the response to climate change, the Group will work together to innovate production technologies that enable low-carbon operations and to develop technologies contributing to a decarbonized society.

Moreover, to recognize the risks and opportunities arising from climate change properly, we assess their impact on our business strategy and conduct a scenario analysis to prepare a future business strategy. Through the scenario analysis, we try to confirm the appropriateness of our current responses while identifying prospective issues. We identify highly important business risks and opportunities, which arise from the change in business environment due to climate change and its effects, and then respond to such risks under the medium-term management plan.



Metrics and Targets

We set the FY2030 target for the reduction of GHG emissions to achieve our Environmental Vision 2050.

Target for Carbon Neutrality
To achieve net zero GHG emissions at the earliest possible stage by 2040's.

Milestone Targets for FY2030
To reduce total emissions by 30% and carbon intensity by 50% or more compared to FY2017.

Note: We revised the target set in FY2020.

Roadmap toward Target for Carbon Neutrality

	2020s	2030s	2040s
Actions to Reduce Emissions (facility improvement and technological innovation)	Introduction of high energy efficient production facilities		
	Introduction of production technologies that reduce GHG emissions		
	Optimization of production efficiency and energy use efficiency through DX		
Energy Transformation	Considering use of new energy (fuel)	Introduction of new energy (fuel)	
	Procurement of renewable energy electricity (overseas)	Procurement of renewable energy electricity (in Japan)	
		Use of in-house power generation with renewable energy	
Others (technology development)	Development of technologies that promote carbon capture		(Creation of GHG emission credits with capture technologies [offsetting])

Harmony with Nature

Climate Scenario Analysis

With the impact of climate change, such as the fluctuation of markets and severe disasters becoming more apparent, we conduct scenario analysis to assess and analyze the impact of climate risks and opportunities on our business.

Reference Scenario and the Circumstances Affecting Our Business (excerpt)

- (1) The transition risks where markets and regulations change as measures progress to keep temperature changes below 2°C (or 1.5°C).
- (2) The physical risks where the countermeasures for climate change are not aggressively taken, global temperature increases by 4°C, and the impact of climate change materializes significantly.

For the transition risks, we refer to the assumed scenarios from various reports issued by International Energy Agency (IEA), while for the physical risks, the IPCC's Representative Concentration Pathway (RCP) scenarios.

Transition Risks (2°C scenario)	Opportunities	<ul style="list-style-type: none"> Emergence and growth of new markets (new energy vehicles [NEV]), high energy efficient electronic devices) Increase value of renewable energy
	Risks	<ul style="list-style-type: none"> Rapid shrink of certain market (internal combustion engine) Rise in the cost of energy and material procurement (carbon taxes, emission credits trades, soaring demand for rare metals)
Physical Risks (4°C scenario)	Risks	<ul style="list-style-type: none"> Intensification of weather disasters (increasing frequency of typhoons, river and coastal flooding, extreme hot weather, heat waves) Decrease in available water resources (water scarcity and water quality changes)

Major Risks and Opportunities of Climate Changes on Business Operation

	Major Potential Impacts	Response Policies
Risks	Fuel efficiency regulations and emission reduction policies in various countries will accelerate electrification in the passenger vehicle market, while dwindle the diesel market where an internal combustion engine is mainly used, reducing demand for products for passenger vehicles.	Demand for ceramic products has shifted from passenger vehicles to large commercial vehicles. Stricter emission control will propel the demand for ceramics from large vehicle market.
	Introduction of carbon taxes on fossil fuel and emission credits trade will raise the cost of purchased electricity and fuel. If the current level of energy consumption continued, the estimated impact would be approx. 3,000-3,500 million yen*.	In preparation for the introduction of future taxation and emission credits trade, the Group sets our emission reduction target globally, controlling emission from each plant.
	It is expected that extreme weather events occur more frequently and disasters cause more severe damage. Especially, increased flood risk at production sites in Southeast Asia is estimated to multiply the damage.	The Group lays out a business continuity and recovery plan in the event of natural disaster, and prepares for the facility damage in anticipation of flooding.
Opportunities	Tighter emission control in various countries propels demand for the technologies and products serving for decarbonization in the market. Among our related businesses, demand for the products that enable power-saving servers and electrification of passenger vehicles will also grow.	The Group makes a further capital expenditure for production increase of IC package substrates catering for high-function servers. We also apply the cultivated core technologies to launch new products such as those for electric vehicles.
	The Group has three hydroelectric power generation, with an aggregate capacity of 27,900 kW. While demand for carbon-free renewable energy rises amid tighter emission control policies, the Group is able to procure renewable energy steadily from the off-grid power plant.	To maintain high power generation capacity on an ongoing basis, the Group does maintenance of the hydroelectric facilities, and conducts periodical upgrade of the equipment.

* Calculated from the assumed prices of the carbon tax and electricity levy if the current decarbonization policy were to be implemented, based on the current GHG emissions from fuel consumption (ca. 150-180 thousand tons) and purchased electricity consumption (approx. 1,000-1,200 GWh).

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.

Use of Clean Energy

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). Moreover, we install solar power generation.



Hydroelectricity (Higashi-Yokoyama Power Plant)

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

IBIDEN ENGINEERING CO., LTD., one of the Group companies, engages in the energy solution business. It 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 (Kinuura Plant)

Low Carbon Energy by In-house Power Generation

IBIDEN employs a highly energy efficient in-house power generation gas engine cogeneration system that generates electricity and steam. We aim to establish a system whereby each plant is connected to our own power grid so that privately generated electricity and waste heat recovery can be optimally utilized in accordance with demand between each plant.



Cogeneration system (Ogaki Central Plant)

TOPICS

The IBIDEN Group Switches to 100% Renewable Electricity at an IC Package Substrate Manufacturing Base in South East Asia

From March 2022, IBIDEN Electronics Malaysia SDN. BHD., from August 2022, IBIDEN Philippines, Inc. converted its electricity consumption to renewable energy sources.

The IBIDEN Group has strived to enhance the energy efficiency of its manufacturing processes toward the goal of reducing greenhouse gas emissions. The Group will continue to accelerate its efforts to achieve this goal through the use of renewable energy. The two bases are expected to reduce a total of over 100,000 tons of CO₂ emissions a year, which is equivalent to over 17% of the entire Group's total emissions (581,000 tons) for FY2021.



IBIDEN Electronics Malaysia SDN. BHD.



IBIDEN Philippines, Inc.

Harmony with Nature

Visit our website for details of environmental data including climate change responses indicators.
<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 assess the water risks at each plant in reference to the database, such as the Aqueduct released by the World Resources Institute (WRI).

Although we do not have any plants with high water risk, we are making group-wide efforts to conserve water and have set a target in our medium-term management plan to reduce the basic unit of water withdrawal per net sales by 5% compared to FY2022.

※Tools for assessing the water risks

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

Resource Circulating Activities

IBIDEN believes that it is an important responsibility of businesses to make effective use of the world's scarce resources and to take part in a global effort to conserve resources. We promote the so-called 3R activity, which consists of initiatives to Reduce, Reuse and Recycle the resources we consume. In doing so, we aim to improve the resources efficiency.

Currently, each plant and Group companies are working on sorting out and recycling wastes. Together with improved production efficiency, we set a goal of reducing the waste basic unit per net sales by 5% compared to FY2022 in our medium-term management Plan.

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.

Environmental Contribution through Business and Products

Under our mission, the Group aims to contribute to the growth of a wealthy society through our products and services that our business activities offer.

Our automobile exhaust system components contribute to cleaning air by reducing particulate matters in exhaust gas. We will continue to develop high-efficiency and high-function exhaust gas purification systems based on our ceramic molding and sintering technology which aim for cleaner emissions.



Slope constructed using the GT frame®



Solar power generation equipment

Human Capital Management

Basic Approach

Employees are the driving force that enables us to run our business and provide the public with valued service. We aim to create a satisfying work environment where individual employees gain a thorough understanding of the Company's policies and business strategies and have a role to play that enables them to contribute to both the Company's growth and society.

In the new medium-term management plan, we have set changing of our corporate culture as one of the reinforcement activities and selected human capital management as a priority implementation item. We drive our activities through discussions from the perspectives of management and employees (well-being) and determining of performance indicators from the measures required for our growth.

Implementation of Human Capital Management

In order to achieve the management strategy according to the new medium-term management plan, we will establish a system to maximize the individual abilities of our employees by adjusting our organizational structure to flexibly respond to changes in the business environment, developing purpose-driven and self-sustained human resources, and hiring DX talents to promote use of digital technology.

In addition, we promote personal development of our employees with diverse knowledge by providing an environment where they can play active roles, regardless of gender, nationality and other personal identities. We encourage all the employees to realize that their personal development can lead to contributing to social progress as well as the company's growth, thereby helping them to flourish at a vibrant workplace and enjoy even better work-life balance.



Indicators and Targets on Human Capital

We have set management indicators and employee indicators to realize the new medium-term management plan.

Some of the management indicators are hiring necessary employees to meet the needs to expand businesses in Japan, maintaining the optimal composition of regular and non-regular workers, and maintaining the preset hours of training per employee to enhance training programs for personal development.

We also work on reduction of the occupational accident frequency rate by establishing safe work environment for our employees and spreading safety-first mind throughout the environment. These initiatives are described later in detail.

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.

Human Capital Management

Development of Self-sustained Human Resources

Self-sustained human resources have a sense of ownership, think what to do on their own, and swiftly address to matters. We aim to develop human resources who can realize their personal development and company growth and create competitiveness on their own.



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.

As a medium-term target, the Company aims to provide 17 hours of training per employee in a year by FY2027.

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.

In addition, we create an environment that enables to keep the operation safe even in an emergency such as the spread of infectious diseases and cyberattacks by providing environment and robust security for tele work.



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.

To make managers better able to handle the complex labor management processes, we provide them with necessary training, added a chat bot that immediately answers questions twenty-four hours a day every day on the company intranet, and make sure that all of them understand the processes.

Creation of Environment in which Diverse Employees Can Play Active Roles (Diversity & Inclusion)

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

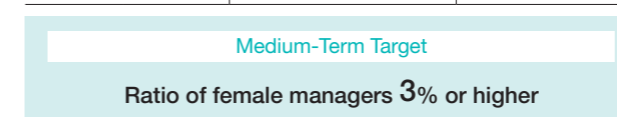
Since FY2017 when the Company launched a training program called the Action on Promotion for Women's Empowerment, we have been reforming awareness of the workplace including that of the supervisors of female employees, in addition to supporting development and promotion of female employees.

We consider promoting more female employees to a managerial position is crucial, and have set a medium-term target as below.

※Junior manager or higher-ranked manager

Scope: IBIDEN CO., LTD.

		April 2016 (Prior to the training program)	April 2023
Number of female managers	JM※	2	17
	MM※ or higher	0	8
Ratio of female managers※		0%	2.4%



※JM: Junior manager, MM: Middle manager. Management ratios are calculated based on the number of MM and above.

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. The acquisition rate of Rate of male employees taking childcare leave (statutory) and the average number of days of statutory childcare leave taken by male employees are as follows.

Scope: IBIDEN CO., LTD.

	FY2021	FY2022
Rate of male employees taking childcare leave (statutory)	26.4%	45.3%
Average number of days of statutory childcare leave taken by male employees	55 days	45 days

Interaction with Overseas Employees as Technical Interns

The Company accepts employees from IBIDEN Philippines, Inc., our overseas group company, through the technical intern training program. Allowing the interns to learn state-of-the-art technologies in Japan and to bring the knowhow to their countries will help upgrade the technical levels of our overseas group companies.

We conduct programs for cross-cultural training and financial literacy as well as for Japanese language training and provide support in daily lives by the specialized staff so that overseas employees can work safely and without worry in an unfamiliar environment.



Japanese language training for technical interns

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



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 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 as well as within the Group and thus conduct surveys of our direct suppliers, and cooperate and communicate with them in dealing with such issues.

We periodically undergo formal audits by the industry coalition RBA at our bases mainly for the Electronics Operation to verify the state of due diligence in the Company. To maintain the current favorable compliance rates, we will promote a daily inspections and operational improvement cycle.

Human Capital Management

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.

Basic Activities and Specialized Activities of Occupational Health and Safety

As part of the basic activities intended to develop a corporate climate in which the top priority is always placed on health & safety and compliance with laws and regulations, we have continued to engage in "Workplace Safety Circles' Activities," "Safety Patrol," and "Raising Awareness through Safety Education."

We are providing safety education in a systematic way, so that all employees can take the relevant training. The introduction of our hazard-simulation safety education has led to employees raising their safety awareness and acquiring the ability to avoid risks. We also provide employees assigned to a new workplace with overall education designed for newly appointed personnel, including health and safety education. Furthermore, we offer special education on health and safety to employees involved in hazardous operations.

The Workplace Safety Circles, in which all workers working in the premises of IBIDEN participate, promote raising awareness of safety through repetitive learning of safety confirmation points in the workplace and risk prediction training.

As part of our specialized activities, we have reduced risks by assessing the equipment and operations with thorough implementation of the Operational Safety and Environment Assessment, which is a mechanism of safety design, legal compliance, and completion tests, and the Health and Safety Risk Assessment, which targets all sites.

Strengthening Activity for Zero Occupational Accidents

Our group aims to achieve zero serious accidents, as a medium-term and a frequency rate of occupational accidents of 0.10 or less 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 our group in FY2022 stands at 0.22, which is lower than the average in all industries throughout Japan. 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.

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.

In FY2022, we held a hybrid event that our employees and their families can join in-person or online and get into the habit of exercising in their daily lives.

Acquired Recognition for "the Certified Health & Productivity Management Outstanding Organization - White 500"

We were again certified as the Health & Productivity Management Outstanding Organization for 2023. 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.



Certified category	Company Name
White 500*	IBIDEN CO., LTD.
Large Enterprise Category	TAK CO., LTD.
	IBIDEN JUSHI CO., LTD.
	IBIDEN INDUSTRIES CO., LTD.
Small and Medium Enterprise Category	IBIDEN ENGINEERING CO., LTD.
	IBIDEN BUSSAN CO., LTD.
	IBIDEN HUMAN NETWORK Co., Ltd.

*Top 500 enterprises certified in the Large Enterprise Category

TOPICS

IBIDEN Electronics Malaysia SDN. BHD. (IEM) Granted the National OSH Award of Excellence, the Highest Award



At the 2020/2021 National Occupational Safety and Health (OSH) Award Ceremony, hosted by the Malaysian National Council for OSH, IEM won the National OSH Award of Excellence, the highest award in the field of safety and health, for the first time. This award is presented to companies that have established excellent safety and health management frameworks, have generated excellent results, and strive to further increase their safety and health levels. In the area of large-scale manufacturers, the top honor was awarded to IEM as a result of the selection from among 19 companies nominated for the final screening.

Encouraged by this award, IEM will strive to further ensure and improve its safety and health.

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

Basic Approach

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

IBIDEN Made Donation to Ogaki City, Gifu Prefecture for Future City-planning

At the 110th anniversary of its foundation, the Company made a donation to Ogaki City for the future city-planning.

In order to achieve sustainable growth we aim at, we have promoted initiatives to establish business continuity and resilience, to promote diversity and inclusion in workplace and to support child-rearing workers, including female advancement promotion and childcare leaves. As the Basic Concept of Ogaki City Future Vision is aligned with our aims for sustainable growth, we made a donation to the city at our 110th anniversary so that the Company and the city can speed up initiatives together.

This donation will serve as a fund for keeping the city invigorated through regular meetings we will hold with the responsible division of the city. Possible use of the fund includes strengthening the disaster preparedness of the whole city, like the enhancement of the disaster-relief system and the support system during disaster, and expanding public services, such as childcare and female empowerment purposes.



SDGs Classes Held at Ogaki Higashi Senior High School

As part of the Environmental SDGs Ogaki Future Creation Project, organized by Ogaki City, the ESG Division of IBIDEN held a series of three classes for second-year students of Ogaki Higashi Senior High School. In the



classes, while explaining IBIDEN's SDGs-related activities, members of the promotion group considered together with high school students what they could cooperate on in order to contribute to achieving the SDGs. After learning about the challenge of the SDGs, high school students proposed various ideas, including a joint disaster reduction activity.

We will continue to consolidate our ties with the local community through initiatives such as support for HR development in the local community based on the theme of the SDGs.

Regional Alliance for Promotion of Employment of Persons with Disabilities

IBIDEN OASIS Co., Ltd. was certified as a special-subsidary and started its operation in April 2019. We will work with organizations related to the employment of persons with disabilities to stably employ disabled persons with a desire to work, and will provide support for occupational self-reliance through the creation of a safe work environment and the development of their potential abilities.

We will also collaborate with local communities to increase employment opportunities for disabled persons, such as by cooperating in the research of a model for an at-home training program using ICT devices to provide employment opportunities to orthopedically impaired or sickly students attending special-needs schools in collaboration with the education board of Gifu Prefecture. By expanding the scope of employment, we will further support the independence of persons with disabilities and contribute to our business.

Conserving Biodiversity and Concrete Approach to its Sustainable Use

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

In these activities, we also work together with organizations outside of the Company including local municipal governments, and we participate in the Keidanren Initiative for Biodiversity Conservation promoted by Keidanren (Japan Business Federation) and other organizations for information sharing.

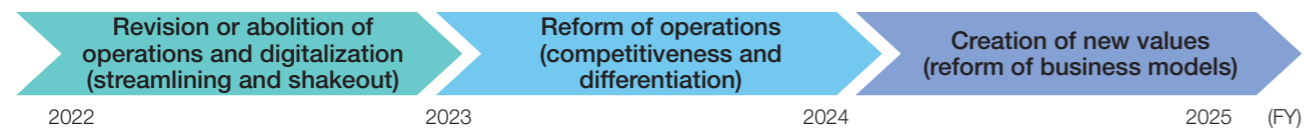
DX Strategy

Basic Views and Roadmap

Through Digital Transformation (DX), the Company aims at enhancing its productivity and manufacturing competitiveness by promoting DX of both the manufacturing processes and the functional divisions.

Through DX of the manufacturing processes, we will centralize management of information on facilities such as processing conditions and abnormalities, information on

inspection machines that affects quality, and information of production control to accelerate reform of the processes. Through DX of the functional divisions, we will revise or abolish uneven, overburdened, or wasteful operations and digitalize the rest, not only to improve but to renovate and reform the operations.



Promotion Structure and Focused Activity Areas

We have been promoting DX in all sections and departments, and in FY2022, we established the DX Promotion Management Division under the Strategic Corporate Planning Operation to control the digitalization company-wide and consolidate in-house systems into an organized one. We have a plan to make our new plant smart, and established the DX Promotion Unit under the Electronics Operation to proactively conduct our initiatives.

Under the One Factory concept, we will optimally use our managerial resources and maximize our production

efficiency by introducing and organizing a company-wide IT platform to capitalize on digital data.

In addition, we deploy initiatives to enhance on-site capabilities in the transformation of manufacturing under the new medium-term management plan. Utilizing digital technologies such as data-driven approaches and mechanism analyses will cultivate efficient and high-level manufacturing capabilities.

TOPICS

Digitalization of Expert Skills and Experiential Knowledge

In the manufacturing processes, conventional production instructions on when, where, what and how much to process were determined according to experiences (intuition and know-hows) of expert workers in order to control production at an optimized efficiency. From now, workers need to deal with more diverse and complex product mix and production conditions with detailed understanding of the manufacturing sites.

The Company has been analyzing the judgment criteria of experts based on their experiences for years, and has organized the skills that were tacit knowledge. Based on the organized skills, we produced our own mathematical optimization logic and successfully developed a program to provide production instructions optimal to different processes.

We have automated bottleneck processes and processes for products that require special materials, among other processes. Now we are working on deployment of an automation platform that provides optimal production instructions in every process to respond to various specifications and changes in the production environment.

Going forward, the entire production processes, including the transportation, will be automated at a new plant, where automatically created production plans can be synchronized with the manufacturing system, thereby enabling mass production.

Development of Human Resources Engaged in DX

The Company has disseminated information on plans for DX and advanced cases to all employees through the intranet and prepared a company-wide training system to reform their awareness and advance their knowledge on DX.

We will develop our DX talents (DX promoters) who have knowledge on operations and can fully utilize digital tools through training to improve skills for data visualization software and other tools, in coordination with the Group-wide promotion to streamline the operations we have made.

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.

TOPICS

Revision of Supplier CSR Guidelines

The variety of ESG-related risks, such as climate changes and infringement of human rights, is increasing on the supply chain year by year. We need to strengthen our measures against those risks across our supply chain as well as inside the Company.

As one of the measures, we revised the Supplier CSR Guidelines in June 2023 to use consistent expressions along the global standard requirements. In addition, we started to enhance the management of our suppliers and the whole supply chain.

In FY2022, we reviewed question items in the CSR survey to capture our suppliers' situation more easily. When any issues are found in the survey, we inquire relevant suppliers and require improvements. In addition to implementing the cycle of survey and improvement, we also hold meetings for our suppliers to better understand our ESG-related initiatives every year, thereby striving to refine the supply chain on an ongoing basis.

As a response to the ESG issues on individual suppliers, we are planning to require the individual suppliers with higher greenhouse gas (GHG) emissions to reduce the emissions in order to promote decarbonization across the whole supply chain. The GHG emissions including the emissions of our supply chain (Scope 3) is disclosed in our website.

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"

We globally roll out the IBIDEN Management System (IMS) for the aim of continuous improvement of our business competitiveness and customer satisfaction. We integrate our environmental management system (ISO14001), occupational health and safety management system (ISO45001), and corporate management systems with our quality management systems (ISO9001 and IATF16949) as its basis to improve the quality of every single operation process. We continue to build and maintain systems that allow us to globally provide high quality products, thereby offering products and services exceeding the expectations of society and our customers.

Measures to Improve Quality

We aim to contribute to the society and our customers through the quality of our products. We hold design review meetings and quality assurance meetings at each process phase from development of cutting-edge technologies, product planning and design to mass production in order to consider design and specifications. For improved quality, we offer guidance and audits, including evaluation by President & CEO, to our domestic and overseas plants and group companies. Our suppliers also receive guidance to improve quality.

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



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



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/

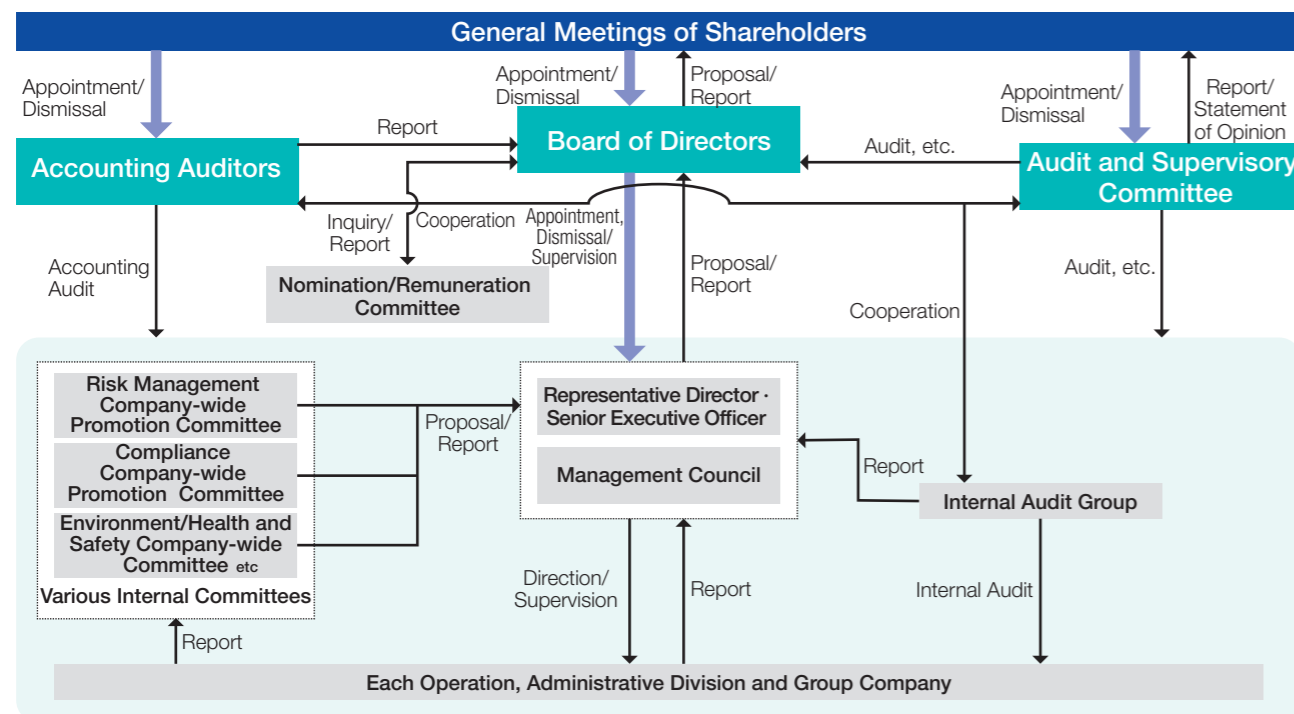
strengthening the management oversight functions of our board of directors and the audit functions of our Audit and Supervisory Committee Members. These steps will enable us to construct a transparent corporate governance system worthy of the trust of shareholders and other stakeholders and fulfill our 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

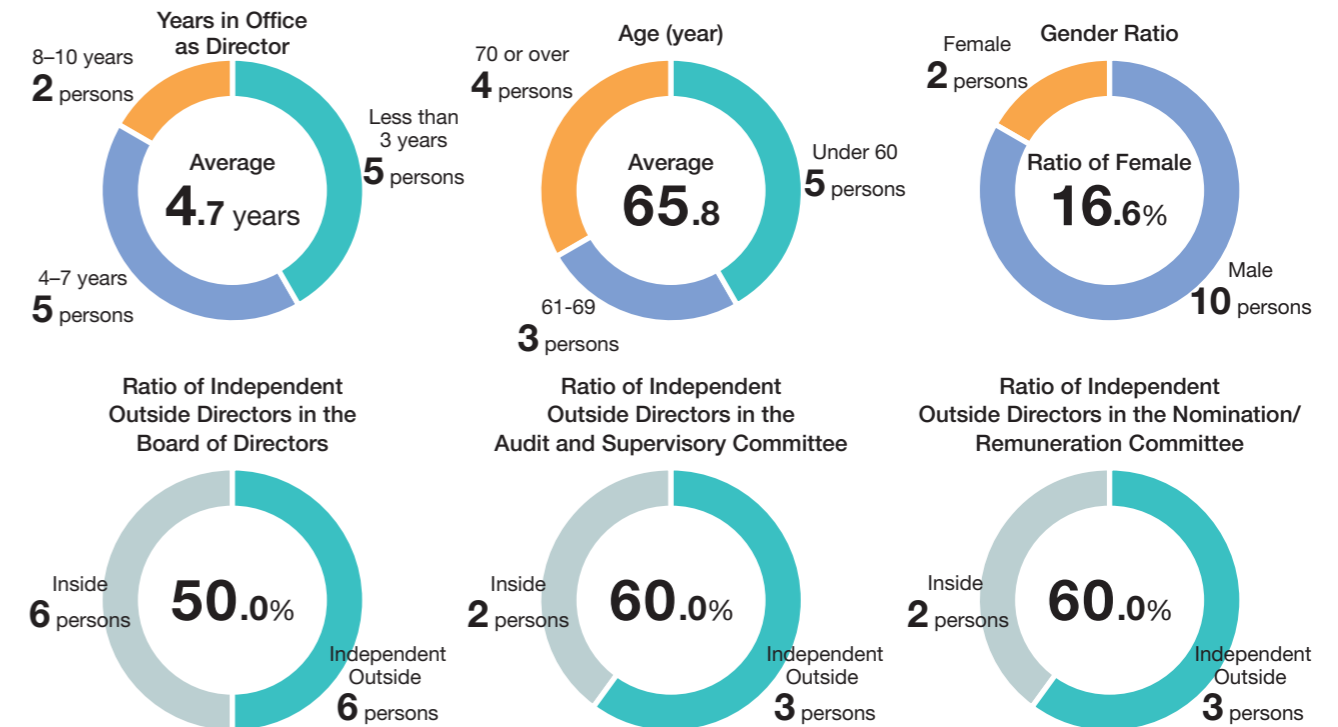


Posting of Information on Securing Independent Directors

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.

Corporate Governance Highlight (As of June 15, 2023)



Toward Strengthening Corporate Governance

FY	History of Corporate Governance Enhancement
2017	<ul style="list-style-type: none"> Shift from a Company with a Board of Auditors to Company with an Audit and Supervisory Committee Introduction of a New Stock Compensation Plan Increase of the numbers of Outside and female Directors
2020	<ul style="list-style-type: none"> Discontinuation of Executive Officer position Increase of the numbers of female Directors Change of the evaluating method of effectiveness of Board of Directors from self- to third-party evaluation
2021	<ul style="list-style-type: none"> Major revision of authority regulations including rules for presenting proposals to the Board of Directors (transfer of substantial authority to execution divisions)

The Electronics and Ceramics Operations, which are both our main businesses, are confronted with a rapidly changing business environment. With the aim of streamlining management, expediting decision-making, and reinforcing audit and supervisory functions, we have worked on corporate governance enhancement, including institutional design change in FY2017.

In April 2022, the Company moved to the Prime Market of the Tokyo Stock Exchange, which requires a higher level of governance structure. We will continue our efforts to further improve the system, such as increasing the female ratio in the Board of Directors.

Corporate Governance

Evaluation of Effectiveness of Board of Directors

The Company conducts annual analysis and evaluation on the effectiveness of the Board of Directors, in order to improve the function of the Board of Directors as a whole, through a continuous process of reviewing whether the Board of Directors is functioning effectively as a whole and taking appropriate measures such as rectifying problems and enhancing strengths based on the result of such review. We discuss the results at the Board of Directors meetings and disclose the summary thereof.

Process



Challenges and Issues Recognized and Further Company Actions

FY2021		FY2022	
Challenges and Issues	Company Actions Taken	Challenges and Issues	Direction for Further Company Actions
① Review of matters to be deliberated at the Board of Directors meeting (standards for the submission of agenda items, enhancement of discussion on the medium-term strategy)	From FY2022, the Company has implemented significant revisions of rules on administration authority including revisions of standards for the submission of agenda items to the Board of Directors and considerably transferred authority to each Operation. For the enhancement of discussion on the medium- and long-term strategy at the Board of Directors meeting, ahead of the resolution by the Board of Directors on the next mid-term management plan to start from FY2023, the Company will provide adequate information to Outside Directors, and take enough time for deliberation including prior explanations.	Comprehensive discussion of ESG, SDGs, and other basic sustainability policies, and efforts and disclosures to improve them	Since FY2021, we have presented an annual <i>Climate Change Response Status and Plan Report</i> at the Board of Directors meeting. We will also hold regular discussions on non-climate-related ESG issues (e.g., occupational health and safety) and their corresponding initiatives and disclosure. As part of the process of preparing the Integrated Report, the Board of Directors reports on and discusses this issue. We have disclosed our understanding and response policy on the SDGs in the Integrated Report. Moving forward, we will expand our focus beyond reporting ESG risk issues to exploring business opportunities associated with SDGs and discuss our policies, initiatives, and disclosures for addressing these issues.
② Enhancement of opinion exchange "between Outside Directors and Inside Directors" and "among Outside Directors" at places other than a Board of Directors meeting	The Company will, not sticking to face-to-face communications, make efforts and consideration in terms of operations, for example, offering opportunities of discussion on management issues only by Outside Directors.		

Policy on Cross-Shareholding

Our basic policy when engaging in investment for purposes other than pure investment is to verify the need for holding each individual stock from the perspective of its importance in implementing our business strategy and strengthening business alliances for the sake of improving our corporate value over the medium-to-long term. Meanwhile, the Company is aiming to reduce cross-shareholdings by appropriately selling those shares deemed unnecessary.

Transition of Cross-Shareholdings (Consolidated)

FY	2018	2019	2020	2021	2022
Carrying amount (million yen)	39,142	34,461	68,198	64,638	61,342
Net assets (million yen)	276,305	273,934	321,863	370,728	425,606
Percentage in net assets (%)	14.2	12.6	21.2	17.4	14.4

Furthermore, the Company verifies the benefits and risks of holding listed shares for cross-shareholding purposes along with profitability in light of capital costs and other factors at the Board of Directors on an annual basis. Regarding the shares that are deemed necessary to be held by the Company, we disclose the purpose of such holding in Securities Reports.

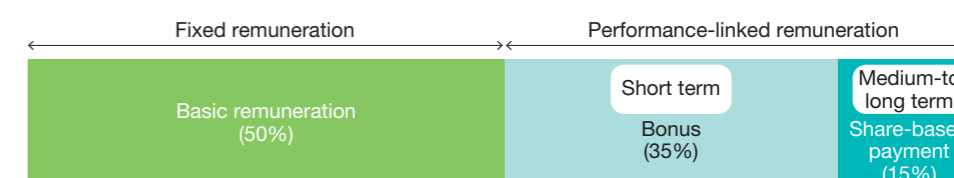
Compensation of the Senior Management and Directors

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.

Basic policy on compensation configuration
(Company's Corporate Directors who are not Audit and Supervisory Committee Members)



<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 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 (FY2022)

(million yen)

Position	Number of recipients (persons)	Total remuneration paid	Total amount of remuneration by type			
			Basic remuneration	Bonus	Share-based payment	
Directors who are not Audit and Supervisory Committee Members	Directors	5	441	182	186	72
	Outside Directors	3	37	37		
	Subtotal	8	479	220	186	72
Directors who are Audit and Supervisory Committee Members	Directors	2	53	53		
	Outside Directors	3	37	37		
	Subtotal	5	90	90		
Total	13	570	311	186	72	

※These figures are rounded down to nearest million yen.

Messages from Outside Directors



Towards achieving the new medium-term management plan

Chiaki YAMAGUCHI

Outside Director, Chairman of
Nomination/Remuneration Committee

Challenges and response to changes in the new medium-term management plan

In the new medium-term management plan starting from this fiscal year, ambitious management targets have been set, taking into account the issues identified in the process of implementing the previous plan, and concrete measures to achieve the targets have been outlined centered around five reinforcement activities. The plan aims to do our utmost to meet strong customer demands, and it's especially important for the Electronics Operation, which engages in a rapidly changing industry, to always be aware of various scenarios and unexpected changes, and to be a flexible organization that can respond swiftly in case such a situation ever arises.

For this reason, it is necessary to forge a collaborative atmosphere involving not just our subsidiaries but also our business partners, where everyone joins together to take on challenges. I believe that the Company's DNA lies in bringing together the individuality, sensibility, and intelligence of all employees, evaluating situations from diverse perspectives, and having everyone engage in problem-solving with a sense of ownership, which is how we have overcome difficulties by accumulating diverse wisdom.

Communication and discussions with management

In developing the new medium-term management plan, discussions and interviews have taken place in various settings, including the Board of Directors meeting. As a result, we have confirmed that the plan is highly reliable, based on the accumulation of information in each department and verification of various business environments. We recognize that it is important to continue our discussions in anticipation of possible changes in the environment over the next five years, and

to this end, we recognize the importance of creating mechanisms for collecting and sharing information, improving our sensitivity to quickly recognize crises, and ensuring the diversity and flexibility of our organization to make this possible. There is a need for a commitment to achieving big goals, but depending on the situation, this may also involve adjustments or changes to the process and schedule, and even if it is painful, decisive action is necessary. The Company's management has the experience of making such difficult decisions, which will benefit us in the future.

Towards a new stage

In the 111th year since our founding, we have resiliently and flexibly overcome 110 turbulent years, starting with hydroelectric power generation, while changing our business model. I consider this history to be something to be proud of, and sincerely wish that we seriously learn how difficulties have been dealt with and continue to challenge ourselves for higher accomplishments. I would like to contribute to the Company's continued development in the future by making recommendations so that our employees learn from our past footsteps, including our failures, without letting them fade away, and pass their learnings on to the next generation as part of IBIDEN's DNA.



Aiming for a socially trusted and sustainable company

Masaki HORIE

Outside Director, Outside Member of
Audit and Supervisory Committee

Our structure for building a sustainable business

Although there are many factors that contribute to changes in the business environment, items related to ESG, such as the impact on the global environment and local communities, are also attracting attention. For example, companies' efforts towards realization of a carbon-neutral society are accelerating, and automobile manufacturers are rapidly advancing the development of electric vehicles. In our Ceramics Operation, which supplies products for internal combustion engines, we are exposed to business risks due to these social changes.

We were quick to respond to these waves of social changes and have promptly shifted our main product, DPF, to the market for large commercial vehicles based on our market assessment of legal and regulatory developments and technological trends in developing countries. In order to capture business opportunities, we have established an organization specializing in the NEV business in our R&D section and have built a structure capable of rapidly transitioning from product development to commercialization. Although these are just examples, they are cases in which the business and R&D sections have incorporated responses to social changes into their strategies, which were then discussed at the Board of Directors meetings and led to decision-making.

Monitoring functions and perspectives on SDGs

The Audit and Supervisory Committee, led by Full-time Members of the Audit and Supervisory Committee, conducts interviews on business operations from each business section, and Outside Members of the Audit and Supervisory Committee regularly participate in these interviews to share information. In addition to information about the future prospects of our business and the current environment for orders, we continuously monitor whether each business section is addressing risks related

to social changes and contemplating building a sustainable business, after receiving explanations about previously mentioned efforts towards carbon neutrality and initiatives related to ESG.

As matters that require further strengthening of our involvement in building sustainable businesses in the future, it is important to monitor from the perspective of whether we have integrated the risks and opportunities of the SDGs, which are the goals of society, into our business strategies and implemented relevant activities, and whether each business section, which has different characteristics, is considering how to respond appropriately to environmental changes and build sustainable businesses.

Expectations for sustainability in the new medium-term management plan

One of the reinforcement activities in the new medium-term management plan is "Proceed with ESG management (power to sustainability)." As such it's extremely important for the Group, which places importance on people and the global environment as part of our corporate philosophy, to enhance the sustainability of our business. We believe that addressing specific issues such as human rights risks and carbon neutrality will earn us external valuation as a trusted company, thereby improving our corporate value and positively affecting business expansion and the acquisition of human resources.

In order to achieve this, it is necessary for the Group to ensure that each business and each workplace is aware of how they should implement their activities from a global perspective across all Group companies in Japan and overseas. In addition, there are issues to be addressed in cooperation with the supply chain, such as carbon neutrality. Because these issues involve technical development described above and it takes time to yield results, we will continue monitoring and intensifying our involvement as the Audit and Supervisory Committee.

Senior Management and Directors (As of September 2023)



April 1981 Joined IBIDEN Co., Ltd.
April 2008 Corporate Officer
June 2013 Director & Corporate Officer
April 2014 Director & Managing Officer
March 2016 Executive Vice President, Representative Director,
President of Ceramics Operation
April 2017 Administrator of Corporate Business Operation (present),
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



April 1985 Joined IBIDEN Co., Ltd.
April 2010 Corporate Officer
October 2013 President of Strategic Corporate Planning Operations
(present), Corporate Executive Director of IR (present),
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 (present),
Corporate Executive Director of Electronics Operation
April 2022 Deputy Administrator of Corporate Business Operation
(present), DX Promotion Officer (present)



April 1997 Assistant Instructor of the School of Economics at
Nagoya University
March 1999 Nagoya University Ph.D. in Economics
April 2007 Professor at the School of Management of Chukyo
University
June 2015 Outside Director of CKD Corporation (retired on June 2023)
June 2020 Outside Director of IBIDEN Co., Ltd. (present)
June 2021 Outside Director of OKUMA Corporation (present)
October 2021 Guest Faculty Member of Graduate School /School of
Economics of Nagoya University (present)



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, 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
(present)



April 1987 Joined IBIDEN Co., Ltd.
April 2008 Director
April 2010 Corporate Officer, President of PKG Operation
April 2014 Human Resources Director of Strategic Corporate
Planning Operations
March 2016 Executive Managing Officer
April 2017 President of Electronics Operation
April 2019 President of PKG Operation (present)
April 2020 Senior Executive Officer
April 2022 Electronics Business Officer (present)
June 2022 Director & Senior Executive Officer (present)
April 2023 President of Electronics Operation (present)



May 1989 Joined IBIDEN Co., Ltd.
April 2005 Group Manager of PKG Group, Quality Control Division,
Electronic Substrate Operation
April 2009 Quality Assurance Division Manager of DPF Unit
April 2018 President of IBIDEN Hungary Kft. (secondment)
April 2021 Senior Management
April 2022 Production Division Manager of ECP Unit
April 2023 Senior Executive Officer (present),
GX Promotion Unit Officer (present),
President of Strategic Manufacturing Operation (present),
IPIA Planning Division Manager (present),
Energy Control Unit Officer (present),
Internal Audit Division Officer (present)
June 2023 Director & Senior Executive Officer (present)



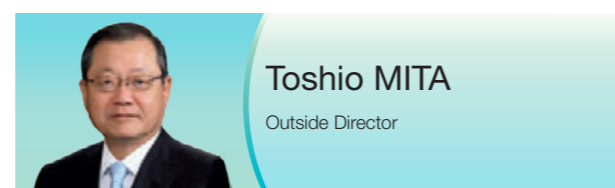
April 1987 Joined The Sumitomo Bank, Ltd.
October 1994 Deputy Chicago Branch General Manager
October 1996 New York Deputy US Credit Director of US Headquarters
April 2001 Manager of Sale Credit Division 1 in Sumitomo Mitsui
Banking Corporation
April 2010 Deputy Manager of Corporate Sales in Saitama
May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



July 2000 Deputy Manager of Investigation Department Nagoya
Regional Taxation Bureau
July 2001 Superintendent of Showa Tax Office
August 2002 Registered as certified tax accountant, Established Fumio
Kato Certified Tax Accountant Office, Representative of
Fumio Kato Certified Tax Accountant Office (present)
July 2004 Outside Corporate Auditor of Seino Holdings Co., Ltd.
(retired June 2020)
May 2009 Chairman of the Fixed Asset Valuation Review Committee
of Kitagata-cho, Motosu-gun, Gifu (present)
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 Committee
Member of HIMARAYA Co. Ltd. (retired March 2022)
June 2017 Outside Corporate Director who is Audit and Supervisory
Committee Member of IBIDEN Co., Ltd. (present)



April 1972 Joined TOYOTA MOTOR CORPORATION
June 2003 Full-time Corporate Auditor of Toyota Motor Corporation
(retired on June 2011)
June 2011 Executive Managing Director of Toyota Industries
Corporation
June 2012 Representative Director & Senior Vice President of Toyota
Industries Corporation (retired on June 2015)
June 2014 Outside Director of IBIDEN Co., Ltd. (present)
June 2015 President & Representative Director of TOYOTA FUDOSAN
CO., LTD., formerly Towa Real Estate Co., Ltd. (retired on
June, 2018),
Outside Director of Nakanihon KOGYO Co., Ltd. (retired on
June 2019)
June 2018 Contract Officer for Special Duties of TOYOTA MOTOR
CORPORATION (retired on June 2023),
Outside Auditor of Central Nippon Expressway Company
Limited (retired on June 2022) Corporate Advisor of
TOYOTA FUDOSAN CO., LTD., formerly Towa Real Estate
Co., Ltd. (retired on June 2019)
June 2019 Contract Officer for Special Duties of TOYOTA FUDOSAN
CO., LTD., formerly Towa Real Estate Co., Ltd. as former
President & Representative Director (present)



April 1969 Joined Chubu Electric Power Co., Inc.
June 2003 Managing Officer, Tokyo Office Manager of Chubu Electric
Power Co., Inc.
June 2005 Director, Senior Managing Executive Officer, President of
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
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. 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.
(present)
July 2020 Corporate Advisor of Chubu Electric Power Co., Inc.
(present)



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
Office, Director of the Office (present)
June 2011 Outside Corporate Auditor of Tokai Rika Co., Ltd. (retired
June 2015)
June 2015 Outside Corporate Auditor of Futaba Industrial Co., Ltd.
June 2016 Outside Corporate Director of Futaba Industrial Co., Ltd.
(present), Outside Auditor of IBIDEN Co., Ltd.
June 2017 Outside Corporate Director who is Audit and Supervisory
Committee Member of IBIDEN Co., Ltd. (present)



April 1981 Joined Matsushita Electric Industrial Co., Ltd.
April 2006 Director of Lifestyle Value Research Laboratory, R&D
Headquarters, Home Appliances Company, Panasonic
Corporation
January 2011 Director of Global Consumer Research Center, Corporate
Brand Strategy Division, Panasonic Corporation
April 2013 Director and Group Manager responsible for consumer
research at the Global Marketing Planning Center,
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
Committee Member of IBIDEN Co., Ltd. (present)

Overview of the Board of Directors (As of June 15, 2023)

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. Besides, we disclose the skill set required for the Board of Directors of the Company.

Name	Expected skills								
	Independence (Outside Directors only)	Corporate Management and Strategy	Finance, Accounting and Tax	Knowledge of Our Business	International Business	Innovation	Manufacturing Technologies	Risk Management	Internal Control Governance
Takeshi AOKI		●		●	●	●			●
Masahiko IKUTA		●	●	●				●	●
Koji KAWASHIMA		●		●	●		●		
Ayumi SUZUKI				●			●	●	●
Chiaki YAMAGUCHI	●	●	●		●			●	●
Toshio MITA	●	●						●	●
Noriko ASAI	●	●				●		●	
Yoichi KUWAYAMA				●	●			●	●
Koji MATSUBAYASHI			●					●	●
Fumio KATO	●		●						●
Masaki HORIE	●		●						●
Yukiko YABU	●					●		●	●

Note: The above skills matrix does not cover all skills that the candidates for Directors and the Audit and Supervisory Committee Members have, but shows those that the Company particularly expects them to have within the skill set required for the Board of Directors.

Skill Set Required for the Board of Directors

Required skills	Reasons
Corporate Management and Strategy	Extensive knowledge, experience, and skills are required to make critical management decisions as a manager responsible for corporate management and organizational operations in Japan and overseas amidst a rapidly changing and uncertain business environment.
Finance, Accounting and Tax	As a manufacturer focused on the IC package substrate business, it is essential to make continuous capital investments and procure flexible and cost-competitive financing to support these investments. At the same time, it is necessary to build a sound and strong financial structure to prepare for risks. Therefore, specialized and advanced knowledge, such as finance, accounting, tax, is required to monitor and oversee that these are achieved in optimum balance and that financial and tax compliance is ensured.
Knowledge of Our Business	Deep knowledge of the Company's business is required in order to make high-level business management decisions, including business policies, and to appropriately manage and supervise the business execution by business sections, which is required for the Board of Directors of monitoring role.
International Business	Our main customers are from overseas, and we have production and sales bases all over the world. Therefore, international business experience and skills are required to make management decisions based on country risks including geopolitical risks as well as market and customer trends.
Innovation	To realize our mission of "contributing to the progression of society through innovative technology" as a technology development company, it is necessary to correctly recognize social issues and customer needs, and to create innovations to solve them, not only with our own proprietary technologies, but also in collaboration with external parties. A deep knowledge of innovation is required to properly monitor and supervise these activities.
Manufacturing Technologies	As a manufacturing company focused on cutting-edge IC package substrates and advanced ceramic components, we need to build superior competitiveness in our own production facilities and manufacturing processes in order to survive in the global competitive environment. A deep knowledge of manufacturing and technology is required to properly monitor and supervise these activities.
Risk Management	In order to sustainably improve corporate value over the medium- to long-term, we must be sensitive to changes in the external environment, and identify and respond to risks appropriately. To make this possible, a high level of sensitivity to risk and risk management skills that enable prompt and determined management decisions are required.
Internal Control Governance	In order to establish, monitor, and supervise a corporate governance system and fair and transparent decision-making processes that earn the trust of shareholders and other stakeholders, advanced knowledge of internal control and corporate governance and a high level of awareness of legal compliance are required.

Refer to the Corporate Governance Report for details on the governance system, including the reasons for the appointment of outside directors. <https://www.ibiden.com/ir/library/governance/>



● Corporate Directors ● Outside Directors ● Chairperson

Gender	Members and attendance of each committee and meeting					
	Board of Directors	Audit and Supervisory Committee	Nomination / Remuneration Committee <small>(8/2)</small>	Management Council	Risk Management Company-wide Promotion Committee	Compliance Company-wide Promotion Committee
Male	● 11/11		7/7	12/12	● 1/1	● 1/1
Female	11/11			● 12/12	1/1	1/1
	9/9 <small>(8/1)</small>			12/12	1/1	1/1
	—			—	1/1	1/1
	11/11		● 7/7			
	11/11		7/7			
	11/11		7/7			
	11/11	13/13		12/12	1/1	1/1
	11/11	13/13		12/12	1/1	1/1
	11/11	● 13/13				
	11/11	13/13				
	11/11	13/13				

(※1) Attendance after taking office on June 17, 2022.

(※2) The five Nomination/Remuneration Committee Members are the above four Directors and Hiroki TAKENAKA, Senior Advisor (the former Chairperson of the Board).

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 15, 2023. 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. Furthermore, in

consideration of shareholders who are unable to attend General Meetings of Shareholders at the venue, we have introduced livestreaming of General Meetings of Shareholders on our website for shareholders and investors since last year. 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. The opinions of shareholders ascertained through dialogue are fed back to the Board of Directors, the President & CEO, and relevant Directors and sections as necessary to share and utilize the information.

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



Risk Management

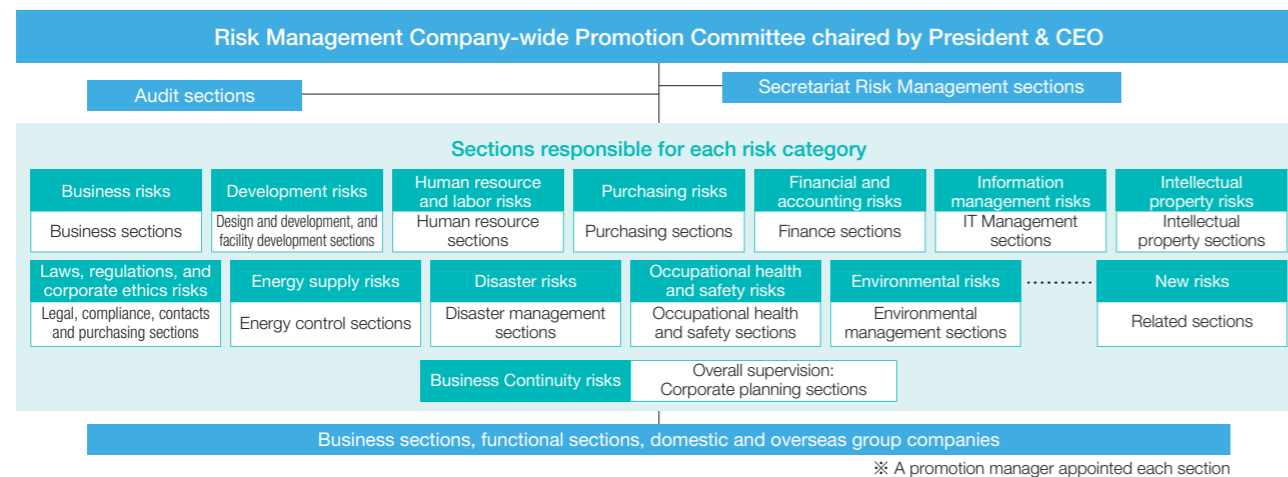
Risk Management Basic Approach

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

We have identified large-scale disasters, including natural disasters such as earthquakes or floods, equipment accidents, infectious diseases, cyberattacks, and serious crimes, as risks that can have significant impacts on our business continuity. We also have established an initial response policy and are working on countermeasures in preparation for the event of such a crisis.

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 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 to block illegal access, etc. from the outside, 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."

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

To raise awareness of compliance across the Group, we established Compliance Company-wide Promotion Committee, which promotes, manages, reports and reviews the company-wide compliance activities. The policies and plans the Committee decides are announced to each plant as well as domestic and overseas Group companies, and then rolled out.

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. The company's consultation counter includes a counter through which the whistleblower can report nominally to the person in charge of the consultation service, and a counter through which the whistleblower can report anonymously to an outside expert. 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.

Bolstering Compliance Activities

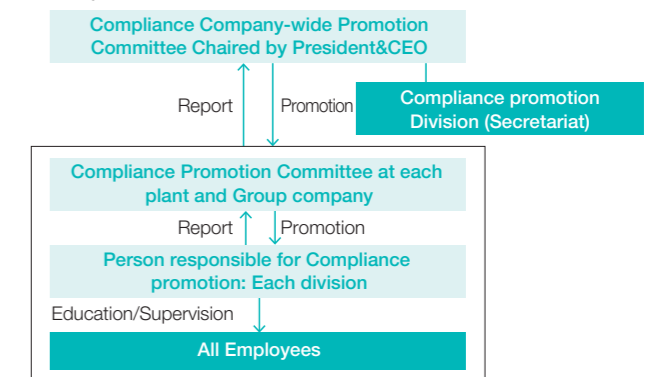
1 Compliance Education

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.

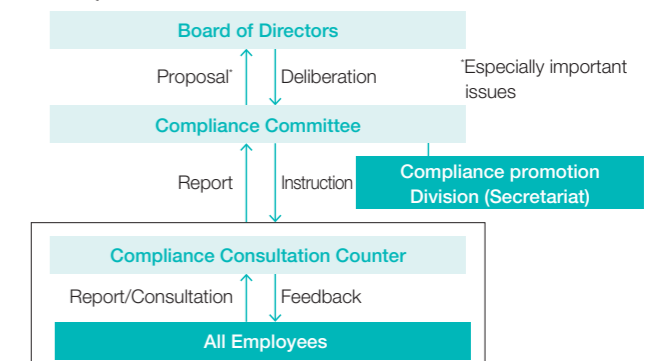
Visit our website for details of our compliance.
<https://www.ibiden.com/esg/governance/compliance/>



Compliance Promotion



Compliance Consultation



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 and Non-Financial Data Fiscal years ended on March 31

		160th FY2012	161th FY2013	162th FY2014	163th FY2015	164th FY2016	165th FY2017	166th FY2018	167th FY2019	168th FY2020	169th ^{※4} FY2021	170th FY2022
Financial Data												
Net sales	(million yen)	285,946	310,268	318,072	314,119	266,459	300,403	291,125	295,999	323,461	401,138	417,549
Operating income	(million yen)	5,419	23,442	26,039	22,570	7,141	16,702	10,137	19,685	38,634	70,821	72,362
Operating income to net sales ratio	(%)	1.90	7.56	8.19	7.19	2.68	5.56	3.48	6.65	11.94	17.66	17.33
Ordinary profit	(million yen)	10,890	28,401	31,314	20,798	2,301	17,603	12,600	21,364	40,716	74,394	76,176
Profit (loss) attributable to owners of parent	(million yen)	2,232	17,479	19,107	7,530	(62,848)	11,583	3,306	11,329	25,698	41,232	52,187
Total assets	(million yen)	430,040	462,113	519,847	476,110	405,783	436,425 ^{※1}	423,056	518,619	578,518	664,332	857,508
Return on assets	(%)	0.52	3.92	3.89	1.51	(14.25)	2.76 ^{※2}	0.77	2.41	4.68	6.64	6.86
Total net assets	(million yen)	286,705	322,562	360,091	331,520	260,940	286,367	276,305	273,934	321,863	370,728	425,606
Equity ratio	(%)	65.61	68.91	68.50	68.75	63.21	64.43 ^{※3}	64.03	51.74	54.61	54.88	48.89
Return on equity	(%)	0.81	5.82	5.67	2.20	(21.53)	4.31	1.20	4.20	8.80	12.12	13.32
Interest-bearing debt	(million yen)	63,925	61,574	75,855	70,128	70,062	70,005	70,030	150,030	150,175	170,030	270,030
Free cash flow	(million yen)	(13,224)	11,729	6,659	20,060	2,532	5,736	519	(11,987)	(43,390)	40,650	21,728
Capital expenditures	(million yen)	43,262	37,731	56,350	40,955	20,997	22,409	22,892	57,076	78,189	60,615	131,275
Depreciation and amortization	(million yen)	42,697	35,702	39,428	44,056	33,147	24,566	25,136	24,222	35,413	52,715	54,914
Research and development costs	(million yen)	15,125	15,031	15,512	15,203	14,111	15,368	14,753	16,200	16,841	15,733	19,682
Net assets per share	(yen)	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	2,611.43	3,002.08
Basic profit (loss) attributable to owners of parent per share	(yen)	15.97	126.58	138.37	55.29	(472.26)	83.21	23.66	81.08	183.94	295.35	373.73
Dividends per share	(yen)	30	30	35	35	35	35	35	35	35	40	50
Dividend payout ratio	(%)	187.81	23.70	25.29	63.30	—	42.06	147.90	43.17	19.03	13.54	13.38
Non-Financial Data												
Numbers of employees	(persons)	11,879	14,122	14,306	14,290	13,961	15,574	14,718	13,019	13,161	12,958	12,744
Numbers of non-consolidated employees	(persons)	3,549	3,554	3,549	3,614	3,544	3,515	3,525	3,537	3,504	3,549	3,669
GHG emissions ^{※5}	(thousand tons of CO ₂)	623	641	718	762	602	666	649	606	574	582	408
Of which Scope 1 ^{※5}	(thousand tons of CO ₂)	182	147	124	127	136	134	144	142	155	183	177
Of which Scope 2 ^{※5}	(thousand tons of CO ₂)	441	494	593	635	466	532	505	464	419	400	231
Water withdrawal	(thousands of m ³)	12,769	12,044	11,754	11,251	10,573	11,961	11,986	11,798	12,519	13,756	13,943
Renewable energy generation	(MWh)	172,043	97,379	165,271	118,015	163,004	176,276	176,203	183,110	174,267	169,274	176,992
Of which hydroelectric power generation	(MWh)	—	—	163,630	111,682	151,452	161,079	159,218	166,334	157,778	150,730	159,702
Of which solar power generation and others	(MWh)	—	—	1,641	6,333	11,552	15,197	16,985	16,776	16,489	18,544	17,290
Occupational accident frequency rate ^{※6}		0.40	0.31	0.26	0.54	0.33	0.52	1.42	0.95	0.54	0.44	0.22

※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.

※4 "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the 169th term, and the main management indicators, etc. related to the 169th term are indicators, etc. after applying the said accounting standard, etc.

※5 With regard to the CO₂ 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 CO₂ emissions (Scope 2), we use the conversion factors (IEA Emissions Factors 2020) published by the International Energy Agency when the CO₂ emission factors of electric utility companies are uncertain, in order to provide information closer to the actual state. The CO₂ emissions in fiscal year 2021 are recalculated using the emission factors as of January 2023.

※6 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. This is for IBIDEN and Domestic Group companies up to FY2017, and IBIDEN Group from FY 2018.

Analysis of Our Business Performance and Financial Condition

Overview of the Fiscal Year Under Review

During the fiscal year under review, the global economy continued to be uncertain and unstable despite some recovery from the impact of COVID-19. This instability was driven by several factors, including the global monetary tightening and rising energy prices due to the ongoing geopolitical situation. Additionally, financial instability emerged toward the end of the period. The domestic economy showed signs of moderate recovery, with economic activities gradually returning to normal. However, the situation remained less optimistic due to rising prices and downside risks in the global economy.

The semiconductors and electronic components market as a whole remained on a growing trend. Such growth was attributable to the server market, particularly for data centers, which remained generally solid, even though the PC market continued to experience an adjustment phase after the summer, driven by a sharp slowdown in demand.

The market for exhaust system components in the automotive industry remained unstable due to the prolonged impact of the supply chain disruption triggered by COVID-19, although the impact of the global semiconductor shortage is on the path to recovery.

Given this situation, we entered the final year of the five-year medium-term management plan "To The Next Stage 110 Plan," which started in FY2018. In order to achieve our goals, we have been taking steps towards the next stage of growth, building on a foundation in human resources development, by proactively allocating management resources into growing markets to strengthen the competitiveness of our existing businesses and expand new businesses.

As a result, net sales for the fiscal year under review amounted to ¥417,549 million, an increase of ¥16,410 million (4.1%) compared to the previous fiscal year. Operating income totaled ¥72,362 million, an increase of ¥1,541 million (2.2%) compared to the previous fiscal year. Ordinary profit amounted to ¥76,176 million, an increase of ¥1,782 million (2.4%) compared to the previous fiscal year. Profit attributable to owners of parent for the period stood at ¥52,187 million, an increase of ¥10,954 million (26.6%) compared to the previous fiscal year.

Analysis of Financial Situation

1 Assets

Total assets at the end of the fiscal year under review were ¥857,508 million (an increase of 29.1% compared to the end of the previous fiscal year). Current assets amounted to ¥476,825 million (a 31.3% increase), and fixed assets were ¥380,682 million (a 26.4% increase).

The significant contributor to the increase in current assets was an increase of ¥116,827 million in cash and deposits.

The significant contributor to the increase in fixed assets was an increase of ¥85,024 million in construction in progress.

2 Liabilities

Total liabilities at the end of the fiscal year under review were ¥431,902 million (a 47.1% increase). Current liabilities amounted to ¥223,321 million (a 43.0% increase), and long-term liabilities were ¥208,581 million (a 51.8% increase).

The significant contributor to the increase in current liabilities was an increase of ¥45,000 million in short-term borrowings.

The significant contributor to the increase in long-term liabilities was increases of ¥50,000 million in bonds and ¥25,000 million in long-term debt.

3 Net assets

Total net assets at the end of the fiscal year under review were ¥425,606 million (a 14.8% increase).

The significant contributor to the increase in net assets was an increase of ¥45,192 million in retained earnings.

As a result, the equity ratio decreased from 54.88% at the end of the previous fiscal year to 48.89%. In addition, net assets per share increased from ¥2,611.43 at the end of the previous fiscal year to ¥3,002.08.

Analysis of Management Results

1 Net Sales and Operating Income

Net sales amounted to ¥417,549 million (an increase of 4.1% year-on-year).

Cost of sales was ¥290,033 million (an increase of 3.2% year-on-year). The cost-to-sales ratio increased 0.6 percentage points to 69.5%.

Accordingly, operating income totaled ¥72,362 million (an increase of 2.2% year-on-year).

2 Non-operating Income and Expenses and Ordinary Profit

Non-operating income (net of non-operating expenses) increased from ¥3,573 million in the previous fiscal year to ¥3,814 million in the fiscal year under review. This was mainly due to an increase of ¥852 million in interest income and a decrease of ¥646 million in foreign exchange gains.

Accordingly, ordinary profit amounted to ¥76,176 million (an increase of 2.4% year-on-year).

3 Extraordinary Income or Loss

Extraordinary losses (net of extraordinary income) decreased from ¥15,142 million in the previous fiscal year to ¥4,474 million in the fiscal year under review. This was mainly due to a decrease of ¥2,381 million in loss on retirement of non-current assets.

Accordingly, profit before income taxes amounted to ¥71,702 million (an increase of 21.0% year-on-year).

4 Income Taxes (Including Income Taxes – Deferred)

Income taxes increased from ¥17,688 million in the previous fiscal year to ¥19,288 million in the fiscal year under review.

Accordingly, profit amounted to ¥52,413 million (an increase of 26.1% year-on-year).

5 Profit Attributable to Non-controlling Interests

Profit attributable to non-controlling interests decreased from ¥331 million in the previous fiscal year to ¥226 million in the fiscal year under review.

6 Profit Attributable to Owners of Parent

Profit attributable to owners of parent was ¥52,187 million (an increase of 26.6% year-on-year).

Basic earnings per share was ¥373.73.

Return on equity (ROE) stood at 13.32%.

Cash Flow Conditions

Cash and cash equivalents (hereinafter "net cash") at the end of the fiscal year under review amounted to ¥302,419 million, up ¥116,827 million compared to the end of the previous fiscal year.

The following is a summary of cash flow activities.

1 Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥125,748 million (versus ¥108,372 million in the previous fiscal year). This primarily reflected the cash inflow factors of ¥71,702 million in profit before income taxes, ¥54,914 million in depreciation and amortization, and a decrease of ¥15,819 million in notes and accounts receivable, partially offset by the cash outflow factor of a decrease of ¥12,029 million in notes and accounts payable.

2 Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥104,019 million (versus ¥67,722 million used in the previous fiscal year). This was mainly due to a decrease of ¥103,233 million for purchases of property, plant and equipment.

3 Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥92,585 million (versus ¥13,935 million in the previous fiscal year). This primarily reflected the cash inflow factors of ¥70,000 million in long-term debt and ¥50,000 million in proceeds from issuance of bonds, partially offset by the cash outflow factors of ¥20,000 million in redemption of bonds and ¥6,994 million in cash dividends paid.

Consolidated Financial Statements

Consolidated Balance Sheet

	Millions of yen		Thousands of U.S. dollars (Note)
	2023	2022	2023
Assets			
Current assets:			
Cash and deposits	¥ 302,420	¥ 185,592	\$ 2,264,637
Notes and accounts receivable:			
Trade	75,942	88,483	568,684
Other	2,950	5,148	22,089
Allowance for doubtful accounts	(60)	(94)	(449)
Electronically recorded monetary claims	3,563	3,600	26,683
Inventories:			
Merchandise and finished goods	30,872	26,823	231,178
Work in process	21,191	19,786	158,687
Raw materials and supplies	27,133	27,960	203,181
Other current assets	12,815	5,972	95,970
Total current assets	476,826	363,270	3,570,660
Property, plant and equipment:			
Land	20,360	20,108	152,466
Buildings and structures	227,466	216,977	1,703,353
Machinery and equipment	540,210	503,270	4,045,303
Leased assets	628	636	4,704
Construction in progress	119,038	34,014	891,405
Accumulated depreciation and impairment loss	907,702 (600,735)	775,005 (549,084)	6,797,231 (4,498,541)
Property, plant and equipment, net	306,967	225,921	2,298,690
Investments and other assets:			
Investment securities:			
Unconsolidated subsidiaries and affiliates	27	26	203
Other	61,316	64,612	459,157
Long-term loans receivable	8	8	61
Deferred tax assets	5,534	3,951	41,439
Other assets	7,069	6,793	52,937
Allowance for doubtful accounts	(238)	(248)	(1,786)
Total investments and other assets	73,716	75,142	552,011
Total assets	¥ 857,509	¥ 664,333	\$ 6,421,361

	Millions of yen		Thousands of U.S. dollars (Note)
	2023	2022	2023
Liabilities and Net Assets			
Current liabilities:			
Short-term borrowings and current portion of long-term debt	¥ 65,030	¥ 40,030	\$ 486,970
Notes and accounts payable			
Trade	23,496	36,612	175,950
Other	27,076	22,259	202,754
Electronically recorded obligations:			
Operating	12,169	10,562	91,127
Facilities	26,602	4,802	199,204
Lease obligations	93	135	698
Accrued expenses	7,695	7,055	57,623
Income taxes payable	14,269	14,910	106,852
Accrued bonuses for employees	5,139	5,385	38,479
Accrued bonuses for directors and audit and supervisory board members	186	173	1,393
Provision for loss on liquidation of subsidiaries and affiliates	—	177	—
Other current liabilities	41,566	14,061	311,268
Total current liabilities	223,321	156,161	1,672,318
Long-term liabilities:			
Long-term debt	205,000	130,000	1,535,121
Lease obligations	167	200	1,253
Liability for retirement benefits	574	579	4,296
Provision for share-based compensation	548	493	4,104
Deferred tax liabilities	825	5,095	6,179
Other long-term liabilities	1,468	1,077	10,985
Total long-term liabilities	208,582	137,444	1,561,938
Net Assets:			
Shareholders' equity:			
Common stock:			
Authorized – 230,000,000 shares			
Issued – 140,860,557 shares in 2023 and 2022	64,152	64,152	480,400
Capital surplus	64,494	64,494	482,959
Retained earnings	229,804	184,612	1,720,865
Less treasury stock, at cost	(3,127)	(3,265)	(23,416)
Total shareholders' equity	355,323	309,993	2,660,808
Accumulated other comprehensive income:			
Net unrealized holding gain on other securities	24,431	26,626	182,947
Surplus arising from land revaluation	160	160	1,199
Translation adjustments	39,324	27,796	294,468
Total accumulated other comprehensive income	63,915	54,582	478,614
Non-controlling interests	6,368	6,153	47,683
Total net assets	425,606	370,728	3,187,105
Total liabilities and net assets	¥ 857,509	¥ 664,333	\$ 6,421,361

Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars (Note)
	2023	2022	2023
Net sales	¥ 417,549	¥ 401,139	\$ 3,126,771
Cost of sales	290,034	281,059	2,171,885
Gross profit	127,515	120,080	954,886
Selling, general and administrative expenses	55,153	49,259	413,007
Operating income	72,362	70,821	541,879
Other income (expenses):			
Interest and dividend income	2,506	1,411	18,767
Interest expense	(370)	(281)	(2,774)
Gain (loss) on sales of investment securities	295	91	2,211
Other, net	(3,091)	(12,790)	(23,148)
Profit before income taxes	71,702	59,252	536,935
Income taxes			
Current	(23,773)	(19,049)	(178,024)
Deferred	4,484	1,360	33,581
	(19,289)	(17,689)	(144,443)
Profit	52,413	41,563	392,492
Profit attributable to:			
Non-controlling interests	(226)	(330)	(1,694)
Owners of parent	¥ 52,187	¥ 41,233	\$ 390,798

Note : U.S. dollar amounts have been converted for convenience only at the rate of ¥133.54 = US\$1, the rate of exchange on March 31, 2023.

Consolidated Statement of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note)
	2023	2022	2023
Profit	¥ 52,413	¥ 41,563	\$ 392,492
Other comprehensive income (loss):			
Net unrealized holding gain (loss) on other securities	(2,196)	(1,989)	(16,447)
Translation adjustments	11,532	15,377	86,357
Total other comprehensive income (loss)	9,336	13,388	69,910
Comprehensive income (loss)	¥ 61,749	¥ 54,951	\$ 462,402
Comprehensive income (loss) attributable to:			
Owners of parent	¥ 61,519	¥ 54,580	\$ 460,681
Non-controlling interests	230	371	1,721

Consolidated Financial Statements

Consolidated Statement of Changes in Net Assets

Millions of yen

	Number of shares issued (Thousands)	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, 2021	140,861	¥ 64,152	¥ 64,433	¥ 149,380	¥ (3,286)	¥ 28,639	¥ 160	¥ 12,436	¥ 5,949	¥ 321,863
Cumulative effects of changes in accounting policies	—	—	—	(19)	—	—	—	—	—	(19)
Cash dividends	—	—	—	(5,596)	—	—	—	—	—	(5,596)
Profit attributable to owners of parent	—	—	—	41,233	—	—	—	—	—	41,233
Purchases of treasury stock	—	—	—	—	(11)	—	—	—	—	(11)
Retirement of treasury stock	—	—	1	—	32	—	—	—	—	33
Change of scope of consolidation	—	—	—	(386)	—	—	—	—	—	(386)
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	60	—	—	—	—	—	—	60
Other changes	—	—	—	—	—	(2,013)	—	15,360	204	13,551
Balance at March 31, 2022	140,861	¥ 64,152	¥ 64,494	¥ 184,612	¥ (3,265)	¥ 26,626	¥ 160	¥ 27,796	¥ 6,153	¥ 370,728
Cash dividends	—	—	—	(6,995)	—	—	—	—	—	(6,995)
Profit attributable to owners of parent	—	—	—	52,187	—	—	—	—	—	52,187
Purchases of treasury stock	—	—	—	—	(9)	—	—	—	—	(9)
Retirement of treasury stock	—	—	0	—	147	—	—	—	—	147
Other changes	—	—	—	—	—	(2,195)	—	11,528	215	9,548
Balance at March 31, 2023	140,861	¥ 64,152	¥ 64,494	¥ 229,804	¥ (3,127)	¥ 24,431	¥ 160	¥ 39,324	¥ 6,368	¥ 425,606

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, 2022	\$ 480,400	\$ 482,959	\$ 1,382,448	\$ (24,449)	\$ 199,387	\$ 1,199	\$ 208,144	\$ 46,073	\$ 2,776,161
Cash dividends	—	—	(52,381)	—	—	—	—	—	(52,381)
Profit attributable to owners of parent	—	—	390,798	—	—	—	—	—	390,798
Purchases of treasury stock	—	—	—	(65)	—	—	—	—	(65)
Retirement of treasury stock	—	0	—	1,098	—	—	—	—	1,098
Other changes	—	—	—	—	(16,440)	—	86,324	1,610	71,494
Balance at March 31, 2023	\$ 480,400	\$ 482,959	\$ 1,720,865	\$ (23,416)	\$ 182,947	\$ 1,199	\$ 294,468	\$ 47,683	\$ 3,187,105

Consolidated Statement of Cash Flows

Millions of yen

Thousands of
U.S. dollars (Note)

	2023	2022	2023
Operating activities			
Profit before income taxes	¥ 71,702	¥ 59,252	\$ 536,935
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:			
Depreciation and amortization	54,915	52,715	411,221
Loss on impairment of fixed assets	844	1,219	6,319
Reversal for accrued bonuses for employees	(246)	582	(1,844)
Reversal for accrued bonuses for directors	13	18	97
Reversal of allowance for doubtful accounts	(44)	(10)	(326)
Increase (decrease) in liability for retirement benefits	(5)	(500)	(39)
Interest and dividend income	(2,506)	(1,411)	(18,767)
Interest expense	370	281	2,774
Share of profit of entities accounted for using equity method	(2)	(2)	(11)
Gain on sales of property, plant and equipment	(82)	(136)	(614)
Loss on disposal of property, plant and equipment	3,732	6,113	27,947
Gain (loss) on sales of investment securities	(295)	(91)	(2,211)
Loss on sales of shares of subsidiaries and associates	—	7,098	—
Loss on valuation of investment securities	—	630	—
Decrease (increase) in notes and accounts receivable-trade	15,820	(1,922)	118,463
Decrease (increase) in inventories	(2,345)	(17,602)	(17,559)
Increase (decrease) in notes and accounts payable	(12,029)	4,368	(90,080)
Increase (decrease) in accrued expenses	640	1,140	4,790
Other, net	17,746	5,734	132,897
Subtotal	148,228	117,476	1,109,992
Interest and dividends received	2,507	1,411	18,772
Interest paid	(370)	(280)	(2,774)
Income taxes paid	(24,617)	(10,234)	(184,339)
Net cash provided by operating activities	¥ 125,748	¥ 108,373	\$ 941,651
Investing activities			
Purchases of property, plant and equipment	¥ (103,234)	¥ (66,200)	\$ (773,055)
Proceeds from sales of property, plant and equipment	192	433	1,441
Purchases of intangible assets	(799)	(1,014)	(5,984)
Purchases of investment securities	(40)	(36)	(296)
Proceeds from sales of investment securities	402	225	3,012
Sale of shares of subsidiaries resulting in change in scope of consolidation	—	(1,164)	—
Collection of long-term loans receivable	0	0	2
Other, net	(540)	33	(4,057)
Net cash used in investing activities	(104,019)	(67,723)	(778,937)
Financing activities			
Increase in short-term borrowings, net	—	(101)	—
Increase in long-term debt	70,000	—	524,188
Repayment of long-term debt	—	(44)	—
Proceeds from issuance of bonds	50,000	35,000	374,420
Redemption of bonds	(20,000)	(15,000)	(149,768)
Purchases of treasury stock	(9)	(11)	(65)
Proceeds from sales of treasury stock	147	33	1,098
Cash dividends paid	(6,995)	(5,596)	(52,381)
Cash dividends paid to non-controlling interests	(15)	(49)	(110)
Repayments of lease obligations	(542)	(233)	(4,064)
Other, net	—	(64)	—
Net cash provided by financing activities	92,586	13,935	693,318
Effect of exchange rate changes on cash and cash equivalents	2,513	4,122	18,818
Increase (decrease) in cash and cash equivalents	116,828	58,707	874,850
Cash and cash equivalents at beginning of year	185,592	126,885	1,389,787
Cash and cash equivalents at end of year	¥ 302,420	¥ 185,592	\$ 2,264,637

Note : U.S. dollar amounts have been converted for convenience only at the rate of ¥133.54 = US\$1, the rate of exchange on March 31, 2023.

Corporate Information / Stock Information (As of March 31, 2023)

Corporate Data

Trade name	IBIDEN CO., LTD.
Established	November 25, 1912
Capital	¥64,152 million
Number of employees	Consolidated: 12,744 Non-consolidated: 3,669
Plants	Head office 2-1, Kanda-cho, Ogaki City, Gifu 503-8604, Japan Tokyo branch Marunouchi Bldg. 29F, 2-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-6329, Japan Plants Gifu Prefecture: Ogaki, Ogaki Central, Aoyanagi, Gama, Ogaki-Kita, Godo Aichi Prefecture: Kinuura
Number of subsidiaries	Consolidated subsidiaries: 34 (15 in Japan, 19 overseas)

Stock Information

Fiscal year-end	March 31
Annual meeting of shareholders	June
Independent Auditors	KPMG AZSA LLC
Domestic stock exchange listings	Tokyo Stock Exchange, Prime Market Nagoya Stock Exchange, Premier Market
Date of record for dividend payout	Interim dividend: September 30 Year-end dividend: March 31
Authorized shares	230,000,000
Shares issued and outstanding	140,860,557 (including 963,861 shares of treasury stock)
Number of shareholders	31,969

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)	22,660	16.2
Custody Bank of Japan, Ltd. (Trust Account)	14,029	10.0
Toyota Industries Corporation	6,221	4.4
The Ogaki Kyoritsu Bank, Ltd.	4,150	3.0
The Juroku Bank, Ltd.	4,130	3.0
IBIDEN Partner Shareholding Association	4,103	2.9
TAJU LIFE INSURANCE COMPANY LIMITED	2,539	1.8
IBIDEN Employee Shareholding Association	2,348	1.7
Sumitomo Mitsui Banking Corporation	2,308	1.7
STATE STREET BANK WEST CLIENT - TREA TY 505234	2,076	1.5

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.

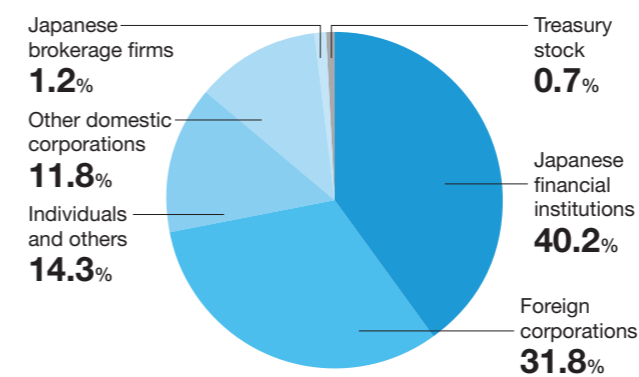
Pursuant to the Timely Disclosure Rule of the Tokyo Stock Exchange, our information disclosure standards require the disclosure of information relevant to our operations, scope of business, and assets that could significantly affect investment judgments, as well as any changes or suspension of important 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.

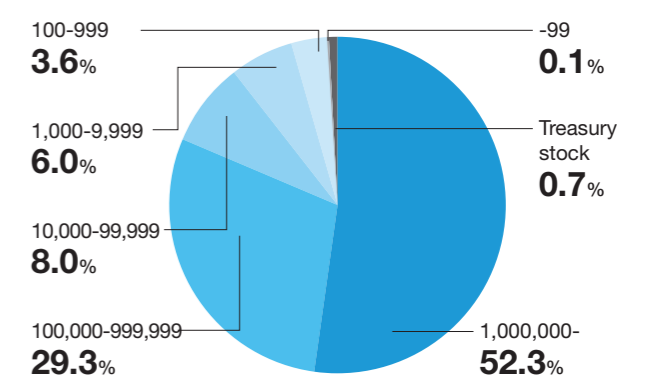
Website for shareholders and investors
<https://www.ibiden.com/ir/>



Breakdown by Type of Shareholder



Breakdown by Size of Holding



External Corporate Evaluation regarding ESG (As of the end of September, 2023)

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

FTSE4Good Index Series ※1

FTSE Blossom Japan Index ※1

FTSE Blossom Japan Sector Relative Index ※1

MSCI ESG Leaders Indexes

2023 MSCI ESG Leaders Indexes Constituent

• MSCI ESG Ratings AAA

MSCI Japan ESG Select Leaders Index

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

• S&P/JPX Carbon Efficient Index

• SOMPO Sustainability Index

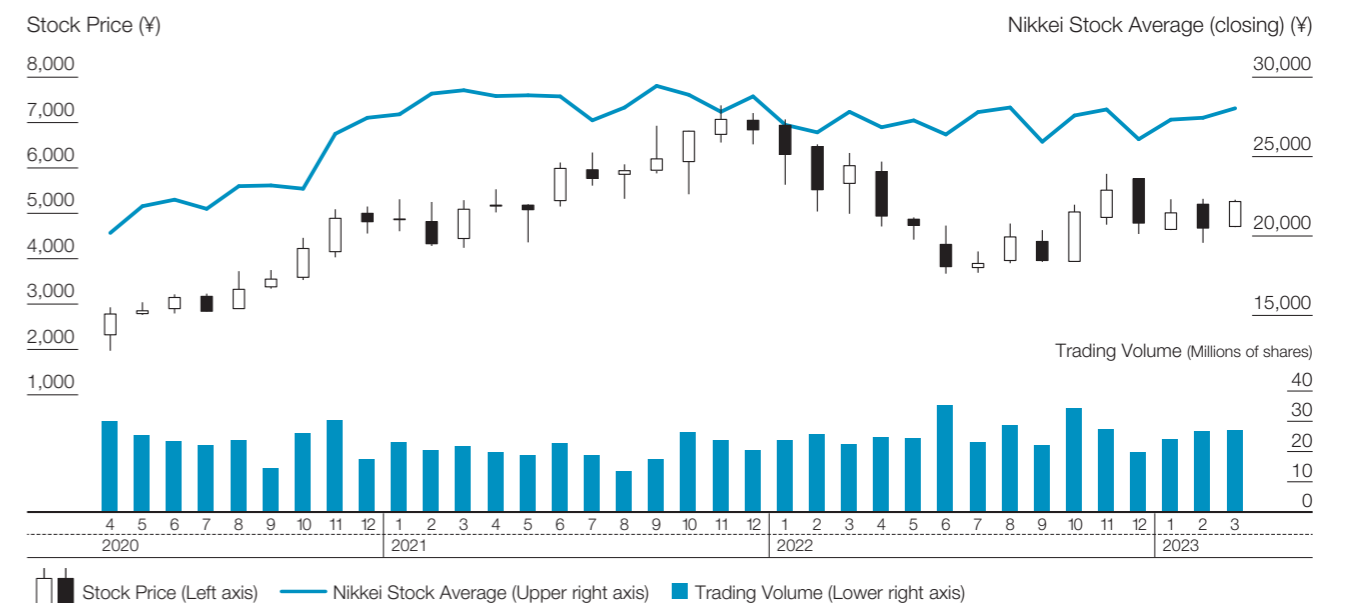
• iSTOXX MUTB Japan Platinum Career 150 Index

※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, FTSE Blossom Japan criteria and FTSE Blossom Japan Sector Relative criteria, and has satisfied the requirements to become constituents of these 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 and FTSE Blossom Japan Sector Relative Index: <http://www.ftse.com/products/indices/blossom-japan>

※2 The inclusion of IBIDEN Co., Ltd. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of IBIDEN Co., Ltd. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

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Stock Price Range and Trading Volume (Common Stock)





IBIDEN Co., Ltd.

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