

## Corporate Governance Report

[TRANSLATION]

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Last Update: October 29, 2021

**IBIDEN Co, Ltd.**

Takeshi Aoki, President & CEO

Contact: Yasuhito Hirose

Division Manager

Corporate Planning Division

(0584) 81-7973

Securities Code: 4062

<https://www.ibiden.com/>

The corporate governance of IBIDEN Co., Ltd., (“the Company”) is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information**

#### **1. Basic Views**

Our Group (hereinafter, collectively referred to as “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 the Group’s corporate governance, we are enhancing internal controls by proactively undertaking activities to advance compliance and risk management. Furthermore, we are enhancing and strengthening the management oversight functions of the Board of Directors and the audit functions of our Audit and Supervisory Committee. 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.

#### **[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

The Company implements each of the Corporate Governance Code’s principles. (Full Compliance)

#### **[Disclosure Based on the Principles of the Corporate Governance Code]**

We disclose in accordance with the Corporate Governance Code as revised on June 11, 2021.

[Supplementary Principle 1.2.4 Exercise of Shareholder Rights at General Meeting of Shareholders]

The Company recognizes the need to create an environment that facilitates the smooth exercise of voting rights by institutional investors and overseas investors based on the composition of our own shareholders. The Company participates in a voting rights electronic exercise platform and promptly discloses English-language versions of Convocation Notices on TDnet and the Company’s website at the same time as the Japanese-language versions.

[Principle 1.4 Cross-Shareholdings]

##### **1. 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. 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.

## 2. Standards for Exercising Voting Rights

We exercise voting rights for these shares based on careful examination of individual agenda items from a corporate governance and social responsibility perspective as well as our approach to medium-to-long term improvement of the corporate value of the companies whose shares we hold and shareholder returns.

### [Principle 1.7 Related Party Transactions]

When the Company engages in transactions with its Directors, the Company submits material facts relating to such transactions to the Board of Directors for resolution, in accordance with standards for the submission of agenda items to the Board of Directors stipulated under the Rules of the Board of Directors. The Company provides all of its officers and the presidents of its major subsidiaries with a questionnaire concerning the existence of related-party transactions annually, thereby establishing a system to manage related-party transactions. In the case of important transactions between the Company and a major shareholder, we also require a resolution at the Board of Directors in accordance with standards for the submission of agenda items to the Board of Directors.

### [Supplementary Principle 2.4.1 Ensuring Diversity, Including Active Participation of Women]

The Company is proceeding with the establishment of a system for fostering human resources focused on the development of human resources who can contribute to strengthening competitiveness and who are capable of conducting cross-cultural management for continuous growth and development. We are also creating a work environment and corporate culture in which diverse human resources can exercise their individual abilities amidst a trend of advancing globalization and diversification of values. In particular, in Japan, we consider it important to further promote female employees to managerial positions and are continuously implementing initiatives for the active participation of women in the workplace. We disclose the Company's views and targets on the promotion of core human resources, including the promotion of female, non-Japanese and midcareer employees, as well as our policies for human resources development and the progress on the development of internal environment in the Company's Integrated Reports and on our website.

Human Resources Management: <https://www.ibiden.com/esg/social/talent-management/>  
Promotion of the Active Participation of Women (Action Plan):  
[https://www.ibiden.co.jp/esg/items/jyosei\\_katsuyaku\\_plan2021\\_2026.pdf](https://www.ibiden.co.jp/esg/items/jyosei_katsuyaku_plan2021_2026.pdf) (Japanese only)  
Social Data: <https://www.ibiden.com/esg/data/social/>

### [Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company is not subject to this principle as it does not adopt a defined benefit corporate pension plan. The Company has adopted an optional defined contribution pension plan as a means of forming assets after the retirement of employees. Under the defined contribution pension plan system, the Company is not responsible for retirement benefits as participants manage their contributions by themselves, so the Company has no investment risk.

### [Principle 3.1 Full Disclosure]

#### (i) Company Objectives (e.g., business principles), Business Strategies and Business Plans

We have posted the Company's corporate philosophy, spirit, and our mid-term management plan on the Company's website.

Corporate Philosophy, Spirit: <https://www.ibiden.com/company/philosophy/>

Mid-Term Management Plan: <https://www.ibiden.com/company/plan/>

(ii) Basic Views and Guidelines on Corporate Governance Based on Each of the Principles of the Code

We have set forth our basic policy on Corporate Governance as described in “1. Basic Views” above, and publish our basic views on the Company’s website and in Securities Reports.

Basic Views on Corporate Governance: <https://www.ibiden.com/esg/governance/corporate-governance/>

(iii) Board Policies and Procedures in Determining the Remuneration of the Senior Management and Directors

The policy on determining the amount and the calculation method of remuneration for the Company’s Senior Management and Directors, as described below, was resolved at the 947th meeting of the Company’s Board of Directors held on February 26, 2021, taking into account the deliberations and reports by the Nomination/Remuneration Committee.

a. Policy on determining the amount and the calculation method of remuneration of the Senior Management and Directors and the method of determination

The Group upholds the corporate philosophy that “We contribute to the progression of society through innovative technology, with respect for both individuals and the global environment.” Based on this philosophy, the Company has designed its Senior Management and Directors’ remuneration 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 Inside Directors who are not Audit and Supervisory Committee Members and Senior Executive Officers is comprised of (1) a fixed monthly remuneration, (2) bonuses, as performance-linked remuneration, and (3) stock remuneration, at a ratio of roughly 50%, 35%, and 15%, respectively. The monthly remuneration for Inside 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 comprehensive consideration given to their responsibilities and other reference points such as external remuneration survey data. The Board of Directors has resolved to delegate the determination of individual remuneration to the President & CEO (Takeshi Aoki, mainly in charge of overseeing overall business execution), who is best qualified to make a comprehensive assessment of each recipient including their job performance, taking account of the deliberations and reports by the Nomination/Remuneration Committee on individual payment amounts. In addition, bonuses are paid in cash once a year after the end of each fiscal year within the total amount that is calculated based on a prescribed formula approved by the general meeting of shareholders. The amount allocated to each individual is determined based on the degree of contribution by each Inside Director who is not an Audit and Supervisory Committee Member to the Company’s operations. The Board of Directors has resolved to delegate the determination of individual bonuses to the President & CEO, who is best qualified to make a final assessment on the degree of contribution by each recipient to the Company’s operating results, taking account of the deliberations and reports by the Nomination/Remuneration Committee on individual payment amounts.

The monthly remuneration for Senior Executive Officers is calculated based on the remuneration table provided in internal regulations according to their job positions, with comprehensive consideration given to the appropriate balance with Inside Directors who are not Audit and Supervisory Committee Members, evaluation of their individual job performance, and other reference points such as external remuneration survey data. The Board of Directors has resolved to delegate the determination of such remuneration to the President & CEO, taking account of the deliberations and reports by the Nomination/Remuneration Committee. In addition, bonuses are calculated based on the degree of contribution by each Senior Executive Officer to the Company’s operating results. The Board of Directors has resolved to delegate the determination of such bonuses to the President & CEO, taking account of the 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, being in positions independent of business execution, are only paid fixed remuneration of a certain amount within the limits approved by the general meeting of shareholders.

b. Summary of the resolutions of the general meeting of shareholders regarding remuneration of the Senior Management and Directors

(1) At the 164th Ordinary General Meeting of Shareholders held on June 16, 2017, the amount of monthly remuneration for Directors who are not Audit and Supervisory Committee Members was resolved to be 30 million yen (not more than 5 million yen for Outside Directors (of whom there were three (3) at the time of the resolution), and not more than 25 million yen for other Directors (of whom there were four (4) at the time of the resolution)).

(2) At the 164th Ordinary General Meeting of Shareholders held on June 16, 2017, the total amount of bonuses to be paid to Inside Directors who are not Audit and Supervisory Committee Members (of whom there were four (4) at the time of the resolution) was resolved to be the sum of 0.5% of profit attributable to owners of parent for each fiscal year and 1.6% of the total amount of annual dividends for such fiscal year (provided, however, that the sum shall not exceed 440 million yen annually, with any amount less than 1 million yen resulting from the calculation to be rounded down). Profit attributable to owners of parent and the total amount of annual dividends have been adopted as performance indicators for the calculation of the total amount of bonuses, as an indicator that functions as incentive toward the Group's sustained growth and the enhancement of corporate value, while also being linked to the interests of the shareholders.

(3) With regard to stock remuneration for Inside Directors who are not Audit and Supervisory Committee Members, a resolution was passed at the 164th Ordinary General Meeting of Shareholders held on June 16, 2017, to introduce a stock remuneration plan using a trust for a period of three (3) years, with the amount of cash contribution during the trust period of up to 270 million yen, for Inside Directors who are not Audit and Supervisory Committee Members (of whom there were four (4) at the time of the resolution), to clarify the link between the Company's stock value and the remuneration for Directors, and thereby elevate their awareness of contributing to improving operating results and increasing corporate value over the medium-to-long term. Under the plan, points are granted according to the amount of payment calculated using a formula provided in internal regulations on the basis of the recipients' position and the amount of monthly remuneration and bonus for the previous fiscal year, converted at one point to one share (provided, however, that the total number of points to be granted is limited to 100,000 points per fiscal year), and shares are accordingly granted to the recipients at the time of their retirement.

(4) At the 164th Ordinary General Meeting of Shareholders held on June 16, 2017, the amount of remuneration for Directors who are Audit and Supervisory Committee Members (of whom there were five (5) at the time of the resolution) was resolved to be not more than 13 million yen per month.

(iv) Board Policies and Procedures in the Appointment/Dismissal of the Senior Management and the Nomination of Directors and Audit and Supervisory Committee Member Candidates

Candidates for Senior Management and Directors who are not Audit and Supervisory Committee Members are appointed and nominated from the perspective of placing the right person in the right job, with due consideration given to the number of people that would enable precise and prompt decision-making and to a balance of knowledge, experience and skills among the Senior Management and the Board of Directors overall. Candidates for Audit and Supervisory Committee Members are also nominated from the perspective of placing the right person in the right job, while ensuring a balance of expertise in finance, accounting, and governance, knowledge about the Company's business, and other various perspectives pertinent to corporate management. Based on the above, the nomination of Audit and Supervisory Committee Member candidates is resolved by the Board of Directors with the agreement of the Audit and Supervisory Committee. Prior to the resolution at the Board of Directors, the nomination of Director candidates is deliberated by the

Nomination/Remuneration Committee, which is chaired by an Outside Director who is not an Audit and Supervisory Committee Member and established as an advisory body to the Board of Directors, and the details of such deliberation are reported to the Board of Directors.

(v) Explanations with respect to the Individual Appointment/Dismissal and Nomination in the Appointment/Dismissal of the Senior Management and the Nomination of Director Candidates by the Board of Directors based on (iv)

We include the career histories of Director candidates and the reasons for appointment in the reference materials for the general meeting of shareholders. The nomination of Senior Executive Officers is resolved by the Board of Directors, taking account of the deliberations and reports from the Nomination/Remuneration Committee.

The standards for dismissal are set forth in Director Regulations for Directors and in Senior Executive Officer Regulations for Senior Executive Officers. We have put procedures in place to resolve at the general meeting of shareholders for Directors and at the Board of Directors for Senior Executive Officers, taking account of such standards and the deliberations at the Nomination/Remuneration Committee.

[Supplementary Principle 3.1.2 Full Disclosure]

In light of our own shareholder composition, the Company has established an English-language version of the Company's website and provides English-language translations for information of Results Briefings, summaries of Financial Results, Notices of Ordinary General Meeting of Shareholders, Integrated Reports and important news releases. We also disclose these on the Company's website, and promote the provision of information to overseas shareholders in English.

[Supplementary Principle 3.1.3 Full Disclosure]

The Company widely discloses our initiatives on sustainability, including information on investments in human capital and intellectual properties on the Company's website. Concerning the status of climate change-related activities, we disclose governance, scenario analysis-based strategies, risk management, and metrics and targets in Integrated Reports and elsewhere based on the TCFD recommendations.

ESG Information (Sustainability Initiatives): <https://www.ibiden.com/esg/>

Integrated Reports: <https://www.ibiden.com/ir/library/annual/>

Harmony with Nature (Environmental Initiatives): <https://www.ibiden.com/esg/environment/effort/>

[Supplementary Principle 4.1.1 Roles and Responsibilities of the Board of Directors]

The Company has established Rules of the Board of Directors in accordance with laws, regulations, and the Articles of Incorporation to set and clarify agenda standards stipulating what the Board of Directors itself may consider and decide. We have established regulations governing organizations, job classifications and division of duties as well as rules on administration authority for other decision-making and business execution to clarify the scope of corporate management's ability to execute.

[Principle 4.8 Effective Use of Independent Outside Directors]

The Company has currently appointed six (6) independent Outside Directors (including three (3) who are Audit and Supervisory Committee Members), accounting for a half of 12 directors in total.

The six (6) independent Outside Directors are utilizing their specialist expertise and wide-ranging experience in corporate management cultivated through their careers in the management of the Company. This has been demonstrated by their actively expressed opinions concerning the oversight of management, management policies and management improvements based on their respective expertise. They are adequately fulfilling the roles and responsibilities expected by the Company for the sustained growth and improvement in corporate value over the medium-to-long term.

We will consider the proportion of Outside Directors as appropriate, giving comprehensive consideration to factors such as the size of the business, sector, organizational structure and the environment surrounding the Company.

[Supplementary Principle 4.8.3 Effective Use of Independent Outside Directors]

The Company has no controlling shareholders as of October 29, 2021.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

In appointing an independent Outside Director who is not an Audit and Supervisory Committee Member, we focus on their extensive experience and high level of insight regarding corporate management or our industry, in addition to the requirements stipulated in the Companies Act and the criteria established by the financial instruments exchanges on which the Company is listed. In appointing an Outside Director who is an Audit and Supervisory Committee Member, we focus on their extensive experience and high level of knowledge in finance, accounting, governance, etc. The Company registers persons who satisfy the above conditions and who pose no potential conflict of interest with general shareholders as independent directors.

[Supplementary Principle 4.10.1 Use of Optional Approach]

Six (6) out of 12 Directors in total on the Company's Board of Directors currently assume the office of independent Outside Directors (including three (3) Audit and Supervisory Committee Members).

The Company has established the Nomination/Remuneration Committee as an advisory body to the Board of Directors with the aim of strengthening the independence, objectivity and accountability of the decision-making process concerning the nomination and remuneration of Directors and Senior Executive Officers.

We ensure the independence of the Nomination/Remuneration Committee by having a committee of five (5) members with voting rights (Chairman of the Board, President and three (3) independent Outside Directors who are not Audit and Supervisory Committee Member) and the chairman of the Committee elected from among the independent Outside Directors who are not Audit and Supervisory Committee Members.

The Nomination/Remuneration Committee deliberates the details on matters such as the appointment, dismissal and remuneration of Directors and Senior Executive Officers and reports to the Board of Directors.

<Members of the Nomination/Remuneration Committee>

Chairman	Independent Outside Director who is not an Audit and Supervisory Committee Member	Chiaki YAMAGUCHI
Members	Chairman of the Board, Representative Director	Hiroki TAKENAKA
	President & CEO, Representative Director	Takeshi AOKI
	Independent Outside Director who is not an Audit and Supervisory Committee Member	Toshio MITA
	Independent Outside Director who is not an Audit and Supervisory Committee Member	Noriko ASAI

[Supplementary Principle 4.11.1 Overall Balance of Knowledge, Experience and Skill, Diversity, and Size of the Board of Directors]

In nominating Director candidates, the Company refers to reports from the Nomination/Remuneration Committee, giving comprehensive consideration from the perspective of placing the right person in the right job regardless of gender, age, ethnicity or nationality. We give due consideration to the number of people that would enable precise and prompt decision-making by the Board of Directors and to a balance of knowledge, experience and skills as well as diversity, including gender, international experience, work experience and age among the members of the Board of Directors overall.

In addition, we disclose the skills matrix and the policies and procedures for appointing Directors in the Notices of Ordinary General Meeting of Shareholders and Integrated Reports. Please refer to pages 9-11 in the Notice of the 168th Ordinary General Meeting of Shareholders (Japanese only) and pages 51-52 of the Integrated Report, posted on the Company's website. The Company's independent Outside Directors include persons with management experience at other companies.

Notice of the 168th Ordinary General Meeting of Shareholders:

[https://www.ibiden.com/ir/items/168sokai\\_eng.pdf](https://www.ibiden.com/ir/items/168sokai_eng.pdf)

Integrated Reports: <https://www.ibiden.com/ir/library/annual/>

[Supplementary Principle 4.11.2 Concurrent Service of Directors as Directors or Senior Management at Other Listed Companies]

In the event that Directors concurrently serve as directors of other listed companies, the Company limits such positions to a reasonable number and discloses significant concurrent positions, including positions at other listed companies, in our business reports and in the reference materials for the general meeting of shareholders.

[Supplementary Principle 4.11.3 Overview of the Results of the Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole]

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. An overview of the results of analysis and evaluation for FY2020 is provided below.

#### 1. Overview of the Evaluation Process

1) An external institution (Sumitomo Mitsui Trust Bank, Limited) was entrusted with conducting a questionnaire survey on the effectiveness of the Board of Director, targeting all Directors including Outside Directors (including Audit and Supervisory Committee Members; hereinafter, collectively referred to as “All Directors”). The Board of Directors discussed and resolved the results at the Board of Directors on March 30, 2021.

#### 2) Evaluation Items

The following are the headings of the evaluation items:

- ① Composition of the Board of Directors
- ② Operation and discussions of the Board of Directors
- ③ The Board of Directors’ monitoring function
- ④ Support and training for Directors
- ⑤ Dialogue with shareholders and investors
- ⑥ One’s own initiatives and general overview

#### 3) Evaluation Method

- ① The survey was carried out anonymously.
- ② Evaluated on a five-grade scale, it was judged that effectiveness was secured when the average grade of all Directors for each item was 3.5 or more. (5=Excellent, 4=Good 3=Average 2=Below Average 1=Poor)
- ③ The data was aggregated and analyzed by the external institution by separating Inside Directors from Outside Directors.

- ④ The analysis focused on items for which individual evaluation grades were substantially below other items, and items for which there were significant differences between the evaluation grades of Inside Directors and those of Outside Directors or compared with the average evaluation grades of other companies.
- ⑤ The results of the evaluation and analysis were disclosed to the Board of Directors, and the Board of Directors made a resolution on the Results of the Evaluation of the Effectiveness of the Board of Directors.

## 2. Overview of the Results of the Analysis and Evaluation

Based on the aggregate results of the questionnaire survey entrusted to the external institution as well as advice from experts at the institution, the average of all the headings (listed in 1.-2) above) scored an effectiveness grade of 4.0 or above, resulting in the analysis and evaluation that the effectiveness of the Board of Directors as a whole was secured.

On the other hand, we recognize that there are issues and room for improvements on the items listed below, and will address these as a priority.

### 1) Recognized Issues

- ① Adequate oversight and monitoring of the establishment and operational status of internal audit systems for the entire Group, including subsidiaries.
- ② Adequate feedback to the Board of Directors about the status of dialogue with shareholders and investors.

### 2) The Company's Response

- ① The Company systematically implements the audits of subsidiaries by Audit & Supervisory Committee Members and by internal audit departments based on auditing plans. We oversee and supervise the establishment and operational status of internal control systems by setting up opportunities to share the results of the audits (identified matters) and issues for improvement with the President & CEO, the heads of respective business and functional divisions and the Presidents of affiliates and subsidiaries in Japan. In addition, the global governance management of the Group by the parent company is the jurisdiction of the Corporate Planning Division, and we acknowledge that it is functioning as required. However, we will consider it as an issue to be examined, including the establishment of a specialized organization, in accordance with the expansion of the scale of business in future.
- ② The Company conducts engagement activities and individual dialogue with shareholders and investors as appropriate in addition to semiannual IR Presentation Meetings by the President & CEO. When requested by shareholders or investors, the details are reported to the Board of Directors. The Company will report to and share with the Board of Directors the questions and answers in IR Presentation Meeting and summaries of engagement activities and the details of individual dialogue.

#### [Supplementary Principle 4.14.2 Training Policy for Directors]

The Company has established a system to provide financial and other support to its Directors to allow them to attend outside training sessions, seminars, etc., as appropriate, in order to enable them to acquire the knowledge they need and better understand their roles and duties. In particular, the Company is encouraging newly appointed Inside Directors who are not Audit and Supervisory Committee Members to participate in courses for new directors to enhance their understanding of the knowledge needed in their positions. To enable full-time Audit and Supervisory Committee Members to play a key part in corporate governance, the



Company has them participate in outside networking events in addition to courses and study sessions conducted by the Japan Audit & Supervisory Board Members Association (JASBA) so that they can acquire the knowledge they need and better understand their roles and duties as Audit and Supervisory Committee Members. Together with these initiatives, we regularly hold courses given by external experts on the Companies Act and other content suited to the circumstances of the times for Inside Directors who are not Audit and Supervisory Committee Members and Senior Executive Officers.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

The Company positively responds to requests for dialogue (interviews) from shareholders to the extent reasonable so as to contribute to its sustainable growth and improvement of corporate value over the medium-to-long term. At the Company, the Board of Directors examines, approves and discloses the policy concerning the establishment of systems and initiatives to promote constructive dialogue with shareholders.

i) The Executive Officer in charge of the Strategic Corporate Planning Operation oversees the Company's IR activities as the officer in charge of IR, with the Corporate Planning Division of the Strategic Corporate Planning Operation serving as the principal division responsible for these activities.

ii) The Company is committed to positively responding to dialogue with shareholders through various measures such as results briefings. Each of the internal divisions in charge of IR, corporate planning, finance, legal and general affairs, which support such dialogue, ensures information sharing and works in close collaboration.

iii) The Company's principal IR activities are as follows:

- ① Ordinary General Meeting of Shareholders: Annual (Chaired by the President & CEO)
- ② Results Briefing for analysts and institutional investors: Twice a year (Briefings provided by the President & CEO after the second-quarter and full-year financial statements are released)
- ③ Press Briefings: Quarterly
- ④ Briefings for Overseas Investors: Participate in IR forums hosted by securities companies as appropriate (Briefings provided by the President & CEO)
- ⑤ The Company's website: Posting IR-related materials (Including information of Results Briefings, summaries of Financial Results, Notices of Ordinary General Meeting of Shareholders, timely disclosures, news releases, Integrated Reports and Securities Reports).

iv) The Company aims to share and utilize information, providing feedback about the opinions expressed by shareholders and other information understood from dialogue to the President & CEO as well as to relevant directors and divisions, as necessary.

v) The Company thoroughly controls access to insider information by restricting dialogue with investors during the silent period between quarterly settlement date and the day on which the quarterly results are announced, and in accordance with internal Disclosure Rules and guidelines for managing insider trading. We also use the IBIDEN Standards for Employee Behavior to educate all employees on points to bear in mind when handling insider information.

## 2. Capital Structure

Foreign Shareholding Ratio	More than 30%
----------------------------	---------------

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,136,600	8.68
Custody Bank of Japan, Ltd. (Trust Account)	10,897,231	7.79
DENSO Corporation	7,712,900	5.51
Toyota Industries Corporation	6,221,500	4.45
The Ogaki Kyoritsu Bank, Ltd.	4,150,000	2.97
The Juroku Bank, Ltd.	4,130,200	2.95
IBIDEN Partner Shareholding Association	4,040,504	2.89
STATE STREET BANK AND TRUST COMPANY 505001	3,043,814	2.18
IBIDEN Employee Shareholding Association	2,601,485	1.86
TAIJU LIFE INSURANCE COMPANY LIMITED	2,539,700	1.82

Controlling Shareholder (except for Parent Company)	-
Parent Company	Nil

[Supplementary Explanation]

1. The listing of major shareholders is based on the shareholder registry as of March 31, 2021.
2. The percentage is calculated after deducting 960,476 shares of treasury stock from the total number of issued shares.
3. Treasury stock does not include 300,031 shares held by Custody Bank of Japan, Ltd. (Trust Account) (The Stock Distribution Trust for Directors and Senior Management).

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, First Section Nagoya Stock Exchange, First Section
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 10 to less than 50

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

-

### 5. Other Special Circumstances which may have Material Impact on Corporate Governance

-

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with Audit and Supervisory Committee
-------------------	--

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	23 including 7 or under Directors who are Audit and Supervisory Committee Members
Term of Office Stipulated in Articles of Incorporation	1 year for Directors who are not Audit and Supervisory Committee Members 2 years for Directors who are Audit and Supervisory Committee Members
Chairperson of the Board	Company Chairperson
Number of Directors	12 including 5 Directors who are Audit and Supervisory Committee Members
Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Chiaki YAMAGUCHI	From another company									△			
Toshio MITA	From another company									△			
Noriko ASAI	Academic												○
Fumio KATO	Tax Accountant												○
Masaki HORIE	CPA												○
Yukiko YABU	From another company												○

\*Categories for "Relationship with the Company"

\*"○" When the director presently falls or has recently fallen under the category;

"△" When the director fell under the category in the past

\*"●" When a close relative of the director presently falls or has recently fallen under the category;

"▲" When a close relative of the director fell under the category in the past

a. Executive of the Company or any of its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of an affiliate (subsidiary of the Company's parent company) of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which the Company's Outside Directors/*kansayaku* are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Chiaki YAMAGUCHI	○	As Representative Director & Senior Vice President of	Mr. Yamaguchi has extensive and wide-ranging experience

		<p>Toyota Industries Corporation until June 2015, Mr. Yamaguchi was engaged in business execution for that company. Although our company has sold products to Toyota Industries Corporation, these sales accounted for less than 2% of our company's sales for FY2020, so we deem this to be insignificant.</p>	<p>and knowledge in corporate management as Representative Director &amp; Senior Vice President of Toyota Industries Corporation and President &amp; Representative Director of Towa Real Estate Co., Ltd. As he presents no potential conflict of interest with general shareholders, we are convinced that we can expect him to offer appropriate advice and oversight of the business based on his expertise.</p>
Toshio MITA	○	<p>As President &amp; CEO, Representative Director of Chubu Electric Power Co., Inc. until June 2010, Mr. Mita was engaged in business execution for that company. Although our company consumes that company's electric power and has transaction relationship based on renewable energy feed-in tariffs (FIT), the amount paid by our company and the amount received by our company accounted for less than 2% of both companies' consolidated sales for FY2020, so we deem this to be insignificant. Mr. Mita is also currently serving as Advisor to Chubu Electric Power Co., Inc., Auditor for Nagoya Railroad Co., Ltd., and Auditor of Chubu-Nippon Broadcasting Co., Ltd., but has no involvement in business execution at those companies.</p>	<p>Mr. Mita has extensive and wide-ranging experience and knowledge in corporate management as President &amp; CEO, Representative Director of Chubu Electric Power Co., Inc. As he presents no potential conflict of interest with general shareholders, we are convinced that we can expect him to offer appropriate advice and oversight of the business based on his expertise.</p>
Noriko ASAI	○	<p>Ms. Asai is currently an Outside Director of CKD Corporation. Although our company has bought products from CKD Corporation through a specialized trading company, these sales accounted for less than 2% of our company's sales for FY2020, so we deem this to be insignificant.</p>	<p>Ms. Asai has a high level of knowledge as an academic expert in business administration. As she presents no potential conflict of interest with general shareholders, we are convinced that we can expect her to offer appropriate advice and oversight of the business based on her expertise.</p>

Fumio KATO	○	None	Mr. Kato has extensive knowledge and experience in tax-related matters as a Tax Accountant. As he presents no potential conflict of interest with general shareholders, we are convinced that we can expect him to offer appropriate advice and oversight of the business based on his knowledge and experience.
Masaki HORIE	○	Mr. Horie is currently an Outside Director of Futaba Industrial Co. Ltd. Although our company has sold products to Futaba Industrial Co. Ltd., these sales accounted for less than 2% of our company's sales for FY2020, so we deem this to be insignificant.	Mr. Horie has extensive knowledge and experience as a Certified Public Accountant. As he presents no potential conflict of interest with general shareholders, we are convinced that we can expect him to offer appropriate advice and oversight of the business based on his knowledge and experience.
Yukiko YABU	○	None	Ms. Yabu has extensive experience and advanced expertise in areas such as general consumer marketing and product development through her involvement at a leading electric company. As she presents no potential conflict of interest with general shareholders, we are convinced that we can expect her to offer appropriate advice and oversight of the business based on her knowledge and experience.

**[Audit and Supervisory Committee]**

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	5	2	2	3	Outside Director

Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee	Nil
--	-----

Reason for Adoption of the Current Corporate Governance System

The Company has appointed two (2) full-time Audit and Supervisory Committee Members and deems it unnecessary to appoint full-time Directors and/or staff to support the Audit and Supervisory Committee.

Cooperation among Audit and Supervisory Committee, Accounting Auditors and Internal Audit Departments

Full-time Audit and Supervisory Committee Members hold an audit consultative meeting with the Accounting Auditor and internal audit departments on a quarterly basis, and cooperate in conducting audits of the Company and Group companies in accordance with all applicable laws, regulations, and rules.

**[Voluntary Establishment of Nomination/Remuneration Committee]**

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
---	-------------

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination/Remuneration Committee	Nomination/Remuneration Committee
All Committee Members	5	5
Full-time Members	-	-
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	-	-
Other	-	-
Chairperson	Outside Director	Outside Director

Supplementary Explanation

The Company is strengthening the management oversight functions of the Board of Directors by ensuring transparency and objectivity in procedures for nomination and determination of remuneration for Directors and Senior Executive Officers, etc. To further enhance corporate governance, the Company established the Nomination/Remuneration Committee, as an advisory body to the Board of Directors. The Nomination/Remuneration Committee, the majority of which are Independent Directors, is chaired by an Outside Director who is not a member of the Audit and Supervisory Committee.

**[Independent Directors]**

Number of Independent Directors	6
---------------------------------	---

Matters relating to Independent Directors
---

—

**[Incentives]**

Incentive Policies for Directors
----------------------------------

Performance-linked Remuneration, Other
--

**[Supplementary Explanation]**

Details are provided in I. 1. [Disclosure Based on the Principles of the Corporate Governance Code] [Principle 3.1 Full Disclosure] (iii).

**[Director Remuneration]**

Disclosure of Individual Directors' Remuneration
--

Partial Individual Disclosure
-------------------------------

Supplementary Explanation
---------------------------

Persons who have a total remuneration etc. of 100 million yen or more are disclosed individually in Securities Reports.

Policy on Determining Remuneration Amounts and Calculation Methods
--

Established
-------------

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods
--

Details are provided in [Disclosure Based on the Principles of the Corporate Governance Code] [Principle 3.1 Full Disclosure] (iii) Board Policies and Procedures in Determining the Remuneration of the Senior Management and Directors.

**[Supporting System for Outside Directors (Outside Audit and Supervisory Committee Members)]**

The Company has introduced a system to allow for information sharing with Outside Directors once a basic outline of agenda items for the Board of Directors meetings is fixed, thereby enabling Outside Directors to sufficiently consider the relevant matters beforehand. Moreover, we have put in place a support system whereby the proposing Director or the Secretariat of the Board of Directors provides Outside Directors with explanations prior to the Board of Directors meetings for agenda items such as highly specialized capital expenditure proposals.

**[Status of Retired Representative Directors and Presidents, etc.]**

Information on retired representative directors and presidents, etc. holding advisory positions (Councilors and Advisors)
---

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without remuneration, etc.)	Date when former role as president, etc. ended	Term of Employment
------	------------------------	------------------	---	--	-----------------------

Junichiro TAGA	Honorary Advisor	Engaged in external activities of various economic bodies and industry groups (not involved in management)	Part-time Without remuneration	June 27, 1991	-
Yoshifumi IWATA	Honorary Advisor	Engaged in external activities of various economic bodies and industry groups (not involved in management)	Part-time With remuneration	March 31, 2007	-

Number of retired representative directors and presidents, etc. holding advisory positions (Councilors and Advisors)	2
--	---

#### Other Matters

The Advisors are not involved in any decision-making of the Company's management, even though they engage in external activities of various economic bodies and industry groups, utilizing the experience and expertise gained through the management of the Company over many years. When appointing Councilors and Advisors, we strive to ensure transparency and objectivity with the appointment made by the Board of Directors after consultation with the Nomination/Remuneration Committee.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

[Overview of Current System and Reasons for Adopting Current System]

To ensure fair and highly transparent company management, the Board of Directors includes six (6) Outside Directors who provide advice on the management. We have established the Nomination/Remuneration Committee to ensure fair and highly transparent procedures when determining nominations and remuneration, etc. We have introduced an Executive Officer System to clarify the roles of Executive Directors and Senior Executive Officers and to enable flexible and agile placement of the right person in the right job, in order to achieve speedy management decision-making and quicker business execution. The Audit and Supervisory Committee, with its powerful checking functions, also monitors the decision-making of the Board of Directors and the business execution by representative directors and others.

[Matters related to Outside Directors]

The Company has appointed six (6) Outside Directors, based on the principle that Outside Directors shall comprise at least one third of the Board of Directors, to ensure contribution to appropriate corporate governance at the Company and the provision of advice on our standards of conduct. We have ensured actions necessary for the above purpose such as providing appropriate input of necessary comments regarding agenda items and deliberations at the Board of Directors.

[Efforts to Strengthen the Functions of Audit and Supervisory Committee Members]

Audit and Supervisory Committee Members attend Board of Directors meetings and other important meetings and audit Directors' execution of their duties, while full-time Audit and Supervisory Committee Members collaborate with internal audit departments and the Accounting Auditor in conducting audits of the Company and its subsidiaries in accordance with all applicable laws, regulations and rules. We have



appropriately ensured the performance of the above functions through the presence of three (3) Outside Audit and Supervisory Committee Members with a considerable level of expertise in finance, accounting, governance, etc.

[Details on the Status of Securing Independent Directors]

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. We are convinced that we can expect them to contribute to appropriate corporate governance at the Company and to offer advice on our standards of conduct, so we have appointed them as Independent Directors.

### 3. Reasons for Adoption of Current Corporate Governance System

The Company transitioned to a Company with Audit and Supervisory Committee in June 2017 for speedier decision-making by the Board of Directors and to strengthen the oversight function through measures such as giving Audit and Supervisory Committee Members voting rights at the Board of Directors. We have a structure of six (6) Outside Directors (including three (3) who are Audit and Supervisory Committee Members) to ensure that the Company's management decision-making is fair and highly transparent.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize General Shareholders Meetings and Facilitate Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of the General Meeting of Shareholders	Notices are sent out early so that shareholders can read over the notification of the meeting well in advance.
Scheduling AGMs Avoiding the Peak Day	General meeting of shareholders are held outside of peak days to allow as many shareholders as possible to attend the general meeting of shareholders.
Allowing Electronic Exercise of Voting Rights	Voting rights can be exercised via the Internet and smartphone.
Participation in Electronic Voting Platform and Other Measures to Improve the Environment for Exercise of Voting Rights by Institutional Investors	The Company participates in the voting rights electronic exercise platform for institutional investors operated by ICJ Co., Ltd.
Providing Convocation Notice in English	English-language versions of notices are posted on our English-language website and platform.
Other	Notices are posted in both Japanese and English on our websites and on the platform at least one (1) week before being mailed to shareholders.

### 2. IR Activities

	Supplementary Explanations	Explanation by the Representative
Preparation and Publication of Disclosure Policy	We have established Disclosure Rules but not made them publicly available.	

Regular Investor Briefings for Individual Investors	—	No
Regular Investor Briefings for Analysts and Institutional Investors	We hold biannual briefings for analysts and institutional investors after the announcements of both interim results and year-end financial statements.	Yes
Regular Investor Briefings for Overseas Investors	The Company participates in IR forums hosted by securities companies.	Yes
Posting of IR Materials on Website	We post information of Results Briefings, summaries of Financial Results, Notices of Ordinary General Meeting of Shareholders, Securities Reports, timely disclosures, news releases and Integrated Reports on the Company's website.	
Establishment of Department and/or Manager in Charge of IR	Corporate Planning Division, Strategic Corporate Planning Operation	
Other	As a general rule, all briefing information is translated into English and promptly disclosed either at the same time as or after the disclosure of the Japanese original.	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	We explain our respect for our stakeholders in the IBIDEN Standards for Employee Behavior and in the IBIDEN Social Responsibility Management Standards.
Implementation of Environmental Activities, CSR Activities etc.	We prepare Integrated Reports and publish details on our activities under the title "ESG" on the Company's website.
Development of Policies on Information Provision to Stakeholders	We have established disclosure guidelines under our Disclosure Rules.
Other	—

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

- (1) System to ensure that the execution of professional duties by Directors and employees complies with laws, regulations and the Articles of Incorporation
- ① The Group's basic compliance policy requires full compliance with domestic and foreign laws and regulations, the Articles of Incorporation, internal rules and corporate ethical standards (hereinafter, "compliance") by all executives and employees in order to become a company trusted by the international community through its open and fair corporate activities.
  - ② The compliance promotion activities (maintenance of relevant rules, confirmation of the compliance status, and promotion activities) are implemented by the Division Manager in charge of Compliance Promotion appointed by the Executive Officer in charge of the Division, who reports to the Compliance Company-wide Promotion Committee chaired by the President & CEO (Secretariat: Compliance Promotion Division).

- ③ In addition to formal reporting lines, the Group has established multiple compliance consultation desks as a reporting structure in the event that an act that breaches compliance is detected. Executives and employees may report in their own names either to the person in charge at the compliance consultation desk or anonymously to outside specialists.
- ④ In the event that a compliance-related problem arises, a Compliance Committee chaired by the Division Manager in charge of Compliance Promotion appointed by the Executive Officer in charge of the Division is convened to deliberate on how to respond to or resolve the matter and on how to prevent recurrences. Serious problems, particularly those involving Directors, are reported to the Board of Directors.
- ⑤ The Company verifies and operates internal control systems to ensure appropriateness and reliability of financial reports. The Company also discloses information pertaining to the management of the Group in a fair, timely and appropriate manner.
- ⑥ The Company has appointed six (6) Outside Directors to ensure the legality of Directors' execution of their professional duties, and has ensured powerful checking functions.

(2) Systems for saving and managing information relating to Directors' execution of their professional duties Information, documents and other materials relating to resolutions by the Board of Directors, decisions on business execution by Directors as well as supervision, oversight, etc. thereof will be appropriately stored and managed in compliance with internal rules.

(3) Regulations on managing the risks of loss, and other systems

- ① The Group has a basic risk management policy to enable the Group to continue its business by analyzing the various risks surrounding its business operations to ensure the safety of shareholders, customers, and executives and employees, reducing losses of management resources and preventing recurrences.
- ② Risk management promotion activities are implemented by the Division Manager in charge of Risk Management appointed by the Executive Officer in charge of the Division and reported to the Risk Management Company-wide Promotion Committee chaired by the President & CEO (Secretariat: Risk Management Division).
- ③ If an internal audit uncovers any act of business execution that poses a risk of loss, the Executive Officer in charge of the Corporate Planning Division systematically issues instructions for a prompt response and measures to prevent loss. In the event of a large-scale accident or disaster, the Executive Officer immediately establishes a task force and endeavors to minimize the loss.

(4) System for ensuring that Directors execute their professional duties efficiently

- ① The performance targets and budgets based on the consolidated mid-term management plan as well as the Group's fiscal year plans formulated each year are presented and each respective Executive Officer in charge of operations undertake activities to achieve the targets. The Executive Officer in charge of the Corporate Planning Division periodically verifies whether progress is being made toward the established targets in line with the initial schedule through performance reports from the respective Executive Officers at Management Council meetings.
- ② Regarding the management of business execution, all the relevant agenda items to be submitted to the Board of Directors or Management Council meetings shall be submitted without fail.
- ③ Authority for the day-to-day execution of professional duties shall be appropriately delegated in accordance with the regulations governing organizations, job classification and division of duties as well as rules on administration authority. Professional duties shall be executed properly and efficiently by persons delegated with decision-making authority in accordance with the decision-making standards prescribed in the approval regulations.

(5) Systems to ensure the propriety of operations within the corporate group comprised of the Company and its subsidiaries

- ① The division in charge of corporate planning shall be the organization responsible for oversight and management of internal controls at all of the Company's subsidiaries, and it collaborates with other internal control promotion divisions to provide guidance and support to all subsidiaries.
- ② The Company has adopted a system by which the important business executions by the Directors or the Boards of Directors of subsidiaries are reported in advance to the Company in accordance with the Group companies' resolution management regulations, enabling the Company to execute decision-making properly.
- ③ The Division Manager in charge of Audits appointed by the Executive Officer in charge of the Internal Audit Group adequately exchanges information with Directors in charge of the internal audit offices or other equivalent departments of subsidiaries, and thereby ensures the effectiveness of the Group's internal audit system.

(6) Relevant items required to make the Audit and Supervisory Committee's audit system effective

- ① At present, no assistant employee has been assigned to support the duties of the Audit and Supervisory Committee. In the event that the Audit and Supervisory Committee requests the assignment of an assistant employee to support such duties, the Company will assign a full-time assistant or an assistant who concurrently serves in another position.
- ② The assignment and personnel transfer of such assistant will require the consent of the Audit and Supervisory Committee. The assistant will perform his/her duties under the direction of the Audit and Supervisory Committee.
- ③ Executives and employees report and provide information on serious violations of laws, regulations or the Articles of Incorporation or illegal actions that occur in the course of the execution of professional duties, and on matters that could cause significant harm to the Company, and other matters requested by Audit and Supervisory Committee Members in accordance with the Rules of the Audit and Supervisory Committee and Auditing Standards of the Audit and Supervisory Committee prescribed by the Audit and Supervisory Committee. The Company shall not treat executives and employees disadvantageously on the grounds of the provision of such information to the Audit and Supervisory Committee.
- ④ The Company has a system in place by which executives and employees may request the attendance of a full-time Audit and Supervisory Committee Member at various meetings when deemed necessary to ensure the operations are being conducted properly and to enable such Audit and Supervisory Committee Member to directly ascertain the status of deliberations and reports. In addition, the Audit and Supervisory Committee shall meet periodically with the representative Directors and Accounting Auditors to exchange views.
- ⑤ When deemed necessary by the Audit and Supervisory Committee, the Company will allocate funds for hiring external specialists, etc. to support the audits.

(7) Other

To satisfy the requirements of the Financial Instruments and Exchange Act on establishing internal controls over financial reports, the Company verifies and operates its internal control system to ensure the adequacy of financial reports as the Group in accordance with the Company's basic plans and policies. We have improved the systems for monitoring and internal audits in order to ensure the reliability of internal controls and consistently undertake promotion activities.

## 2. Basic Views on Eliminating Anti-Social Forces

(1) Basic views on eliminating anti-social forces

The Group's basic policy is that all executives and employees must adopt a resolute attitude in opposition to anti-social forces and groups and pay careful attention to prevent any actions that might violate laws or corporate ethical standards, in accordance with the IBIDEN Standards for Employee Behavior.

(2) Efforts to eliminate anti-social forces

- ① The IBIDEN Standards for Employee Behavior stipulates that “Any of us contacted by, or alarmed about the potential for trouble with anti-social forces or groups shall immediately consult the divisions in charge of handling the issue without attempting to respond in a personal capacity.” This policy has been thoroughly made known to executives and employees through compliance education.
- ② The organizations responsible for dealing with such matters are the Strategic Corporate Planning Operation and the General Affairs Division, both of which designate persons responsible for preventing unreasonable demands.
- ③ The Company keeps in close contact at all times with legal counsels and with the competent police units to handle unreasonable demands from anti-social forces. We collect and manage information on anti-social forces, including through regular participation in liaison meetings held by the police.
- ④ We have included specific articles that stipulate the exclusion of anti-social forces in the terms and conditions of agreements that apply to transactions with the Company.

**V. Other**

**1. Adoption of Anti-Takeover Measures**

Adoption of Anti-Takeover Measures	Not Adopted
------------------------------------	-------------

Supplementary Explanation
---------------------------

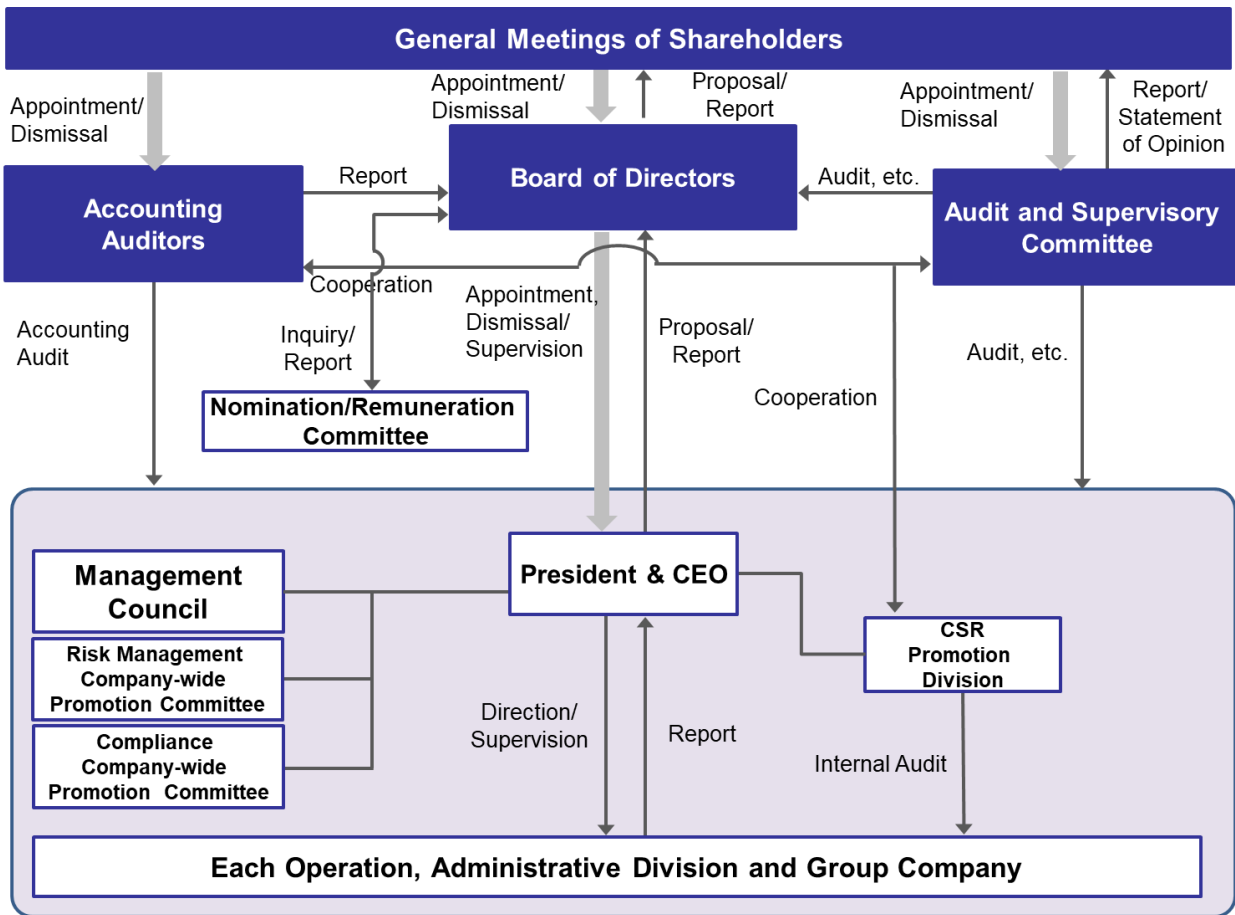
—

**2. Other Matters Concerning to Corporate Governance System**

—

[Chart (Reference)]

**[Chart of IBIDEN Group's Internal Control System]**



[Outline of Internal Timely Disclosure System (chart)]

**[Chart of IBIDEN Group’s Internal Timely Disclosure System]**

