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**IBIDEN CO., LTD.**

Financial Presentation for the Year Ended March 31, 2025

May 9, 2025

## **Event Summary**

[Company Name] IBIDEN CO., LTD.

[Company ID] 4062

[Event Language] JPN

[Event Type] Financial Presentation

[Event Name] Financial Presentation for the Year Ended March 31, 2025

[Date] May 9, 2025

[Time] 10:00 – 11:00 JST  
(Total: 1 hour, Presentation: 20 minutes, Q&A: 40 minutes)

[Venue] Webcast

[Number of Speakers] 3

Koji Kawashima President & CEO, Representative Director

Shinji Miyazaki Senior Executive Officer,  
President of Strategic Corporate Planning Division

Yasuhito Hirose Senior Management, Strategic Corporate Planning Division Manager

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**Key Q&A: FY2024 Earnings Results Presentation**

<Questioner 1>

[Q] What kind of profit improvement do you expect in the future for the business with major CPU customers?

[A] Demand for both PCs and servers is gradually recovering, and prices are partially rebounding. We will continue to focus on profitable orders. Furthermore, due to the impairment loss on fixed assets at our Philippine factory in FY2024, we expect stable profits.

[Q] Regarding the outlook for the business with major GPU customers in FY2025, it seems that in the past, increasing capacity would ensure better utilization. Do you expect this trend will continue? Also, with the entry of competitors, I believe selling prices will decline and profitability will decrease. How do you anticipate this business will evolve from the first half to the second half of FY2025?

[A] GPUs are becoming larger and more multi-layered due to product generation changes, which increases loads on SAP capacity. Next-generation products are scheduled to be released in FY2025, and the generation after that in FY2026. The SAP capacity required to manufacture the same number of IC package substrates will be doubled. Customer demand currently exceeds our capacity, and meeting that demand is our priority. We anticipate that competitors will enter the market, but their market share will remain limited. Therefore, we believe we have negotiating power regarding selling prices.

[Q] Looking at the FY2025 operating profit margin for the electronics segment, the plan is for it to remain flat from the first half to the second half. However, I believe there is potential for upswing in both CPU and GPU businesses. Are you taking a conservative approach to the operating profit margin, or are there special factors that would prevent the operating profit margin from increasing in the second half?

[A] In the second half, sales are projected to increase due to the startup of the Ono Plant. However, depreciation costs will also increase significantly, so we expect the operating profit margin to remain flat.

<Questioner 2>

[Q] Please tell us about the current market share and future market share forecast for IC package substrates for AI servers.

[A] We estimate that competitors' market share will be a maximum of about 30%.

[Q] You mentioned that the Ono Plant will begin operations in Q2 FY2025. If our capacity is insufficient to meet the demand for IC package substrates for AI servers, what options are available to you?

[A] Currently, customer demand exceeds our capacity, so we are discussing with customers how we should expand the capacity. There are various options, such as utilizing the existing Ogaki Central Cell 5, the Ono Plant, or the Gama Plant, but we have not yet finalized the details. We want to expand our capacity as soon as possible, but it takes time to procure equipment. Therefore, we expect it will be difficult to expand our capacity beyond the current plan for FY2025.

[Q] Regarding the utilization of Ogaki Central Cell 5, is it correct to assume that if you obtain the agreement of the major CPU customer, you can utilize it for the major GPU customer?

[A] We are already moving in that direction.

<Questioner 3>

[Q] Regarding the Mid-Term Forecast (p.14), please explain your perspectives on AI servers, general-purpose servers, and ASICs (hyperscalers' custom chips). For the sales growth of AI servers (+250%), are you also anticipating price declines, and what is your future pricing strategy for FY2030? For ASICs, the production items at the Ono Plant include networking, so please tell us whether this area will grow rapidly in the near future.

[A] Regarding AI servers, we believe we can secure a good position in FY2025, but we do not expect the same situation will continue until FY2030. We believe that certain competitive dynamics will come into play. Even after the completion of the currently planned capital investments at the Ono Plant, half of the building volume will still remain. We aim to achieve sales growth (+250%) by utilizing the remaining half and the Gama Plant.

For general-purpose servers, we are developing our plans with pricing assumptions that take into account the competitive environment compared to AI servers.

For ASICs, we have had to decline orders due to insufficient capacity, but we will now begin activities to get orders. We are already receiving inquiries from some customers, and we aim to capture business from more customers towards FY2030.

[Q] What is the most concerning aspect of the competitive environment looking towards FY2030?

[A] We expect competitors to aggressively try to capture market share. We believe that we can compete effectively in the area of advanced products for AI servers, as the manufacturing difficulty will further increase. However, we anticipate a harsh competitive environment in areas where the difficulty is slightly lower than the most advanced products, as the technological capabilities of other companies will also improve.

[Q] Regarding Ceramics (graphite specialty) in the Mid-Term Forecast, the measures listed include power semiconductors and atomic power. Is it correct to understand that you are targeting the high-temperature gas reactor field with isotropic graphite? Also, please tell us about the growth potential, how you will obtain national certification, whether it will become a core part of your business, and so on.

[A] We believe that isotropic graphite is effective for atomic power, and we are currently working towards its adoption while building cooperative relationships with various organizations. Although we cannot provide details, we want to prepare for the increasing power consumption in the future, including servers.

<Questioner 4>

[Q] Regarding AI servers, three months have passed since a competitor entered the market in February 2025, and I believe you have a good understanding of their capabilities. I have the impression that you have a certain level of confidence regarding market share. What aspects do you believe give your company a competitive advantage? I assume there are assembly yields and product yields as well, but please tell us as much as you can.

[A] We have a sense that our product yields are superior, and we believe we have a cost advantage. We cannot provide quantitative data on assembly yields, but based on conversations with customers, we have the impression that our products are well-regarded for their ease of use. Including information from material manufacturers, we believe that we have an overall advantage.

[Q] I believe that supporting the roadmaps shown on page 12 of the presentation materials will also be a factor in determining market share. What is the level of expectation from customers?

[A] We feel a high level of expectation from our customers. For example, when developing new products, they prioritize sharing roadmaps and inquiries with us, so we believe we have earned their trust.

[Q] I believe that advanced products for major CPU customers will increase as a business. Are you not taking action to get orders?

[A] We will naturally provide support if requested. We have sufficient capacity for that company, so we want to prioritize receiving orders. However, the actual order quantities for current products have been lower than the customer's forecast, so we are taking a cautious approach when formulating our earnings forecast.

<Questioner 5>

[Q] Regarding the Mid-Term Forecast, the plan is for AI servers to increase significantly towards FY 2030, but I understand that AI servers are currently for one major customer. What kind of customers are you anticipating in FY2027 to FY2030?

[A] Most of our growth will come from the continued growth of our major customer. They have solidified their market share not only in hardware (semiconductors) but also in software, creating a high barrier to entry for competitors. However, we anticipate various developments, such as hyperscalers developing their own chips. Therefore, we aim to attract new customers by expanding Ogaki Central Cell 5 and the Ono Plant.

[Q] I understood that you were intentionally not entering the market for ASIC IC package substrates because the specifications were not very high. Is it correct to assume that they will become more advanced in FY2027 to FY2030?

[A] The technological trends are generally the same, and we anticipate that larger sizes, more layers, and power delivery issues will emerge in the future. We believe that there will be opportunities for us to enter the market depending on the timing of generation changes.

[Q] What are the assumptions for the capacity situation at the Ono Plant and the Gama Plant in FY2027 to FY2030 in the Mid-Term Forecast? Also, when are you specifically considering converting to Ogaki Central Cell 5? Please tell us about the status of discussions with the other party, including their agreement.

[A] Until FY2027, we are assuming that we will utilize approximately half of the building space at the Ono Plant. For FY2030, we are anticipating the operation of the remaining half and the Gama Plant. We want to start operations at the Gama Plant as soon as possible, but due to market uncertainty, we have not yet factored in its utilization in our FY2027 earnings forecast. Regarding Ogaki Central Cell 5, discussions with the customer are mostly complete, and we have received their agreement to allocate capacity to AI servers. We would like to proceed as early as FY2025.