

Message from the C.E.O.



The IDEC Group responds to increasingly diverse social needs with technology-backed solutions

Performance for the year ended March 31, 2017

Advancements in robotics helped to increase sales of safety-related products, including enabling switches. Furthermore, explosion-proof products showed steady growth. As a result, our sales in Japan were ¥27,939 million (up 1.3% from the previous year). Despite strong safety-related products sales in the Asia Pacific region centering on China and the North America region, our overseas sales were ¥15,486 million (down 2.5% from the previous year) as the strong Yen impacted currency conversion.

Taking into consideration each of these factors, consolidated sales and operating income were ¥43,426 million (down 0.1% from the previous year) and ¥3,547 million (up 11.7% from the previous year), respectively, while the operating income margin was 8.2%. The total per-share cash dividend payment for the year was ¥40, including the regular dividend of ¥36 and the special dividend of ¥4, and the DOE (dividends on equity) was 3.7%.

Business strategies for future growth

The IDEC Group has identified sales of ¥100 billion and an operating income margin of 15% as two key long-term goals. To achieve these goals, we continue to build strategic corporate partnerships through various initiatives including mergers and acquisitions. In March 2017, we acquired APEM Group a French company. While continuing our efforts to strengthen core business segments, we are expanding new businesses in response to social challenges and needs, such as labor shortages caused by declining populations, by providing solutions to automated agriculture plants and collaborative robot systems.

We will continue to increase the value of our company by implementing our corporate mission of “making contributions to a social economy through business growth,” so everyone can benefit from our success.

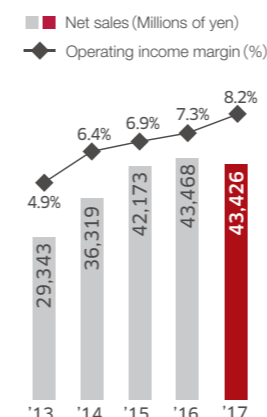
We appreciate your support and encouragement as we carry out our endeavors.

Toshi K. Funaki
Chairman and
Chief Executive Officer

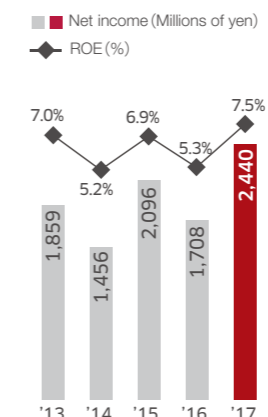
Financial Highlights

<p>Net sales</p> <p>43,426 million yen</p> <p>Year on year Down 0.1%</p>	<p>Operating income</p> <p>3,547 million yen</p> <p>Year on year UP 11.7%</p>	<p>Domestic net sales</p> <p>27,939 million yen</p> <p>Year on year UP 1.3%</p>	<p>Overseas net sales</p> <p>15,486 million yen</p> <p>Year on year Down 2.5%</p>
--	---	---	---

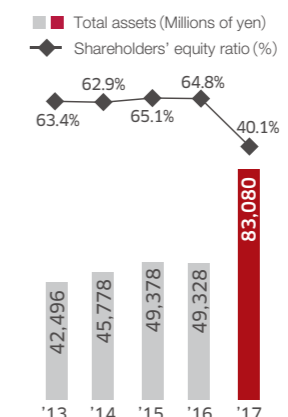
Net sales



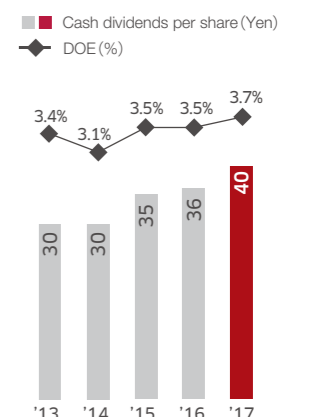
Net income



Total assets



Cash dividends per share



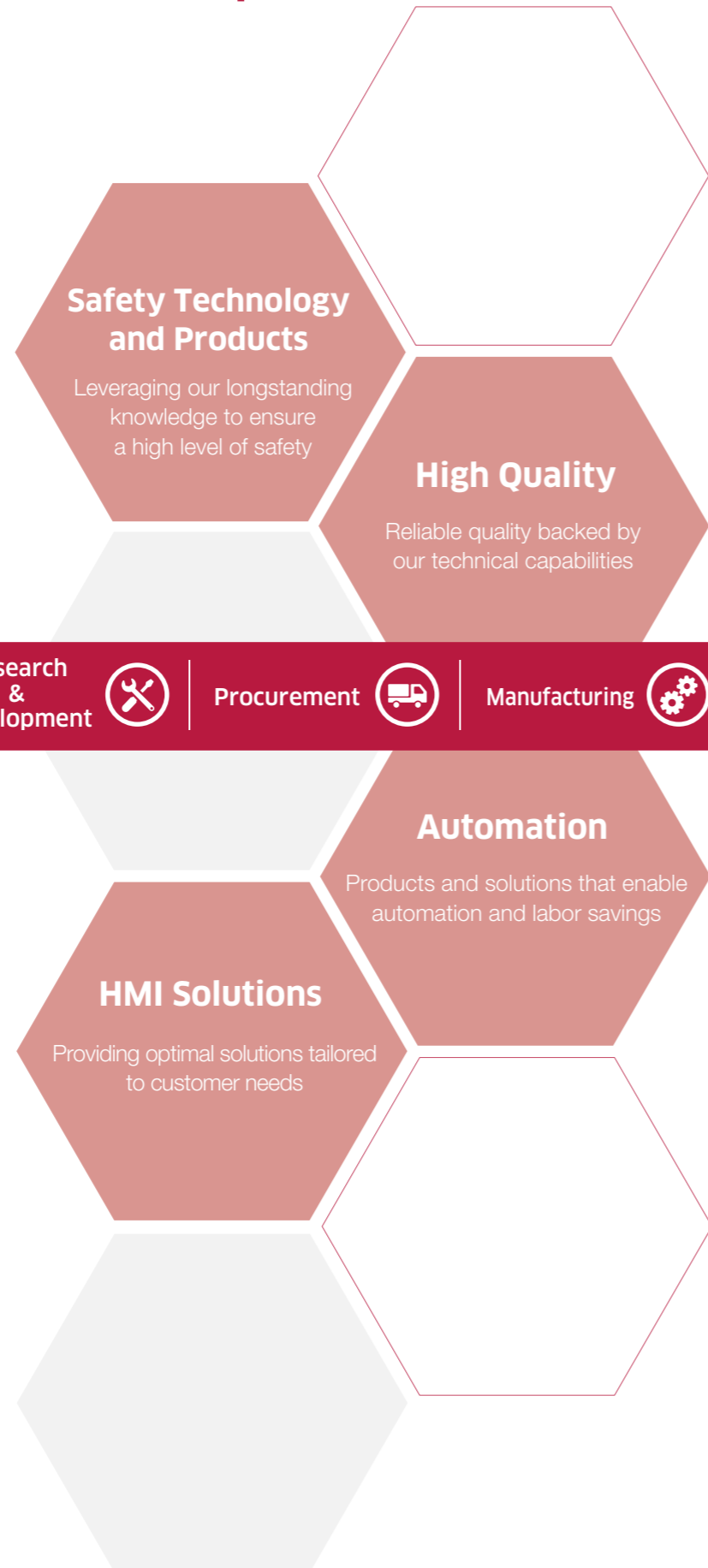
Value Creation Process

As a part of efforts to support the future of manufacturing and daily life, IDEC creates value through products that provide safety. At the same time, the Company undertakes a wide range of activities in a bid to resolve societal challenges.

Societal Challenges

- Growing shortage of labor
- Further aging of society
- Frequent occurrence of industrial accidents
- Onset of global warming
- Decline in food self-sufficiency ratio

Core Competencies



Safety Technology and Products

Leveraging our longstanding knowledge to ensure a high level of safety

High Quality

Reliable quality backed by our technical capabilities

Automation

Products and solutions that enable automation and labor savings

HMI Solutions

Providing optimal solutions tailored to customer needs

Our Value in Action



Output

~ Creating value for society ~

- Development and increased use of safe products
- Providing collaborative robot systems
- Developing IoT-compatible products
- Designing environmentally-friendly products
- Helping industrialize agriculture

Outcome

~ Resolving societal challenges ~

- Increasing productivity and efficiency
- Realizing safety
- Ensuring a smaller environmental footprint

Product Groups

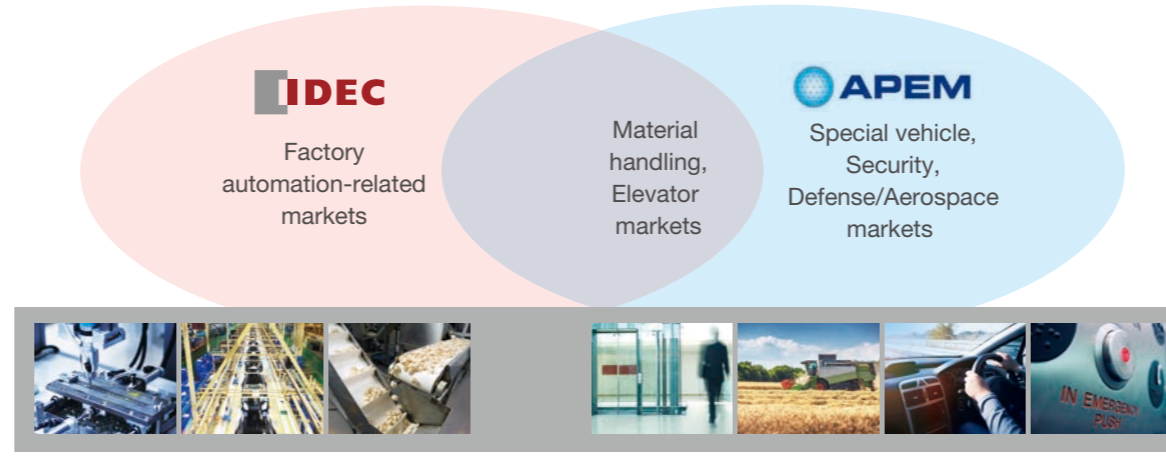
HMI (Human-Machine Interface) Solutions

- Control switches
- Emergency-stop pushbutton switches
- Pilot lights



In addition to the FA industry, IDEC covers a broad market

following its acquisition of APEM.



APEM's Products



Safety / Explosion-proof Solutions

- Interlock switches
- Safety laser scanners
- Control boxes
- Explosion-proof equipment



Automation Solutions

- Programmable controllers
- Operator interfaces
- Photoelectric switches
- Auto-ID devices



Panel Solutions

- Control relays / Terminal blocks / Switching power supplies and other control panel equipment
- Industrial LED illumination units



Others

- Power conditioners
- Fine bubble generators
- Collaborative robot systems
- Mega-solar projects

