



Toshi K. Funaki
Chairman and Chief Executive Officer

IDEC continues to take on the challenges of contributing toward a safe and sustainable society while striving to become a truly global company

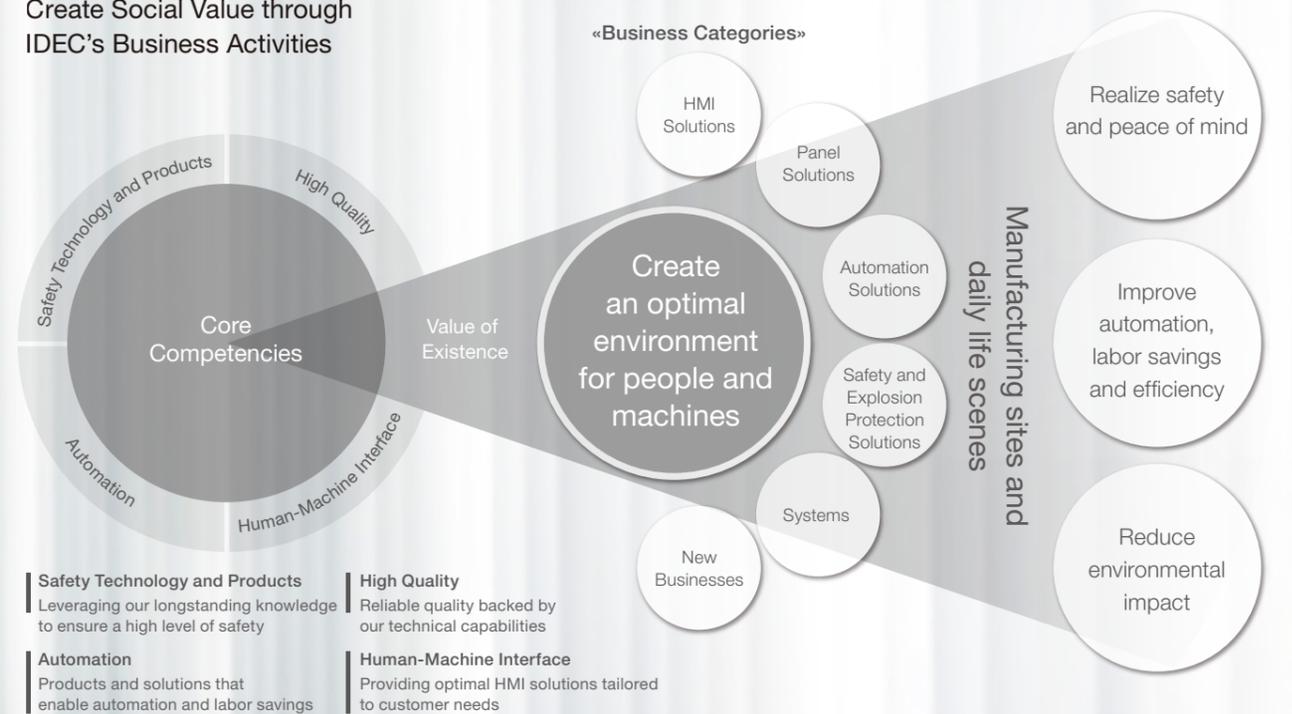
In pursuit of the corporate mission of making social contributions as part of all its endeavors since its founding, IDEC has been dedicated to providing a wide range of products and services centering on control and safety technologies.

Having celebrated its 70th anniversary in March 2017, IDEC added the APEM Group headquartered in France to the IDEC Group, changing the geographic revenue structure and transitioning into a global business. Now, more than 50% of its Group-wide revenue is generated outside of Japan. To pursue sustainable growth on a global scale, we are advancing toward our 100th anniversary and beyond with the spirit of taking on challenges, being a team player, and encouraging self-development while striving for constant improvement. This is essential because we believe that no company can enjoy success in the future if it remains satisfied with what it does in the present.

As part of our transformation strategy, we established the CSR (Corporate Social Responsibility) Committee in April 2018. To further promote our CSR activities as a participant in the United Nations Global Compact, we have adopted Sustainable Development Goals (SDGs). To achieve these SDGs, the CSR Committee is now leading our efforts to solve social issues through our business activities. We believe that by doing so we will increase corporate value.

The IDEC Group is committed to taking an active part in building a safe and sustainable society.

Create Social Value through IDEC's Business Activities



We promote CSR activities in the focused fields of the environment (E), social (S), and governance (G), adding to them safety (Sa) and quality (Q), which are our strengths.



We contribute to achieving the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015. The SDGs are comprised of 17 goals to be achieved by 2030 and 169 targets to be met for the purpose of achieving these goals.



Increase Corporate Value and Ensure Sustainable Growth through Innovations and Challenges

Performance for the fiscal year ended in March 2018

In Japan, increased capital spending boosted sales of our core products, including safety devices and Human-Machine Interface (HMI) solutions, which is a category that includes control switches.

Outside Japan, APEM sales revenues, especially in Europe, made a significant contribution to IDEC's overall HMI solution product sales after its acquisition in 2017. In China and the Asia Pacific region, rising demand for manufacturing automation brought a steady sales increase in panel solution products and safety devices. Sales growth for automation solution products, including operator interface sales, was especially strong in the Americas.

As a result, consolidated fiscal year-end world-wide sales, operating income, and operating income margin were \$ 562 million (up 45.3% from previous year), \$ 57 million (up 81.9% from previous year), and 10.2%, respectively. Both consolidated sales and income set a new record.

We issued an annual cash dividend of \$0.47 per share. Dividends on equity (DOE) was 4.0%.

Business Development

Our long-term objective is to achieve \$1 billion in sales and 15% or higher in operating income margin. APEM Group joined the IDEC Group in March and Welcat Inc., an automatic identification device manufacturer, joined in August of 2017. Throughout fiscal year 2019, we will be focusing on uniting and creating worldwide synergies with APEM Group and Welcat Inc. to build a solid foundation and reach these performance goals. Our plan for the fiscal year includes advancing our core business segments by accelerating growth of our safety-related business.

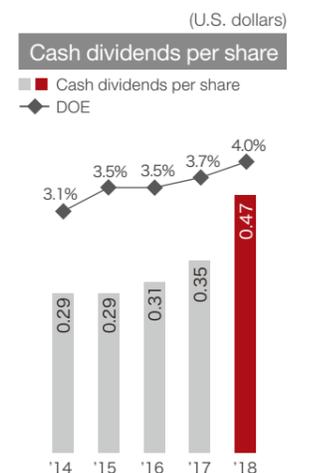
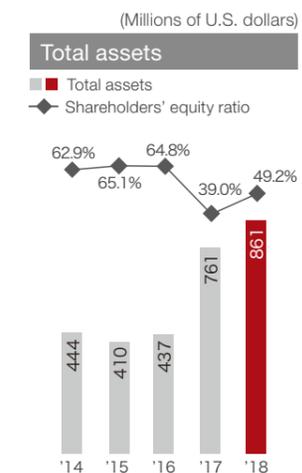
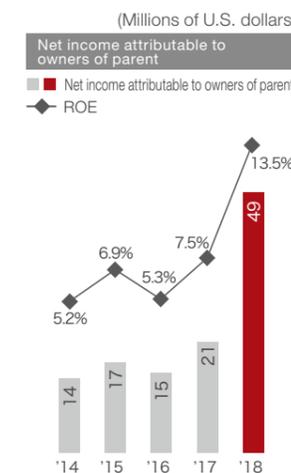
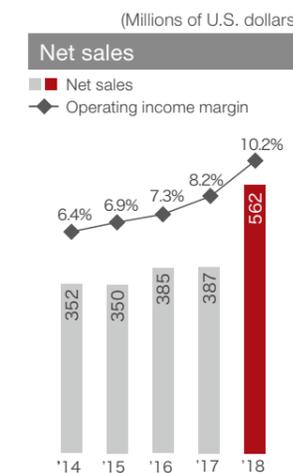
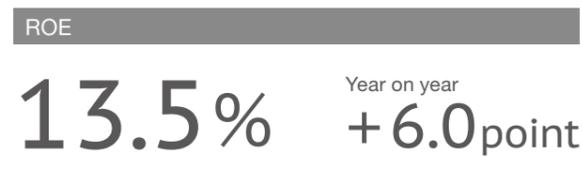
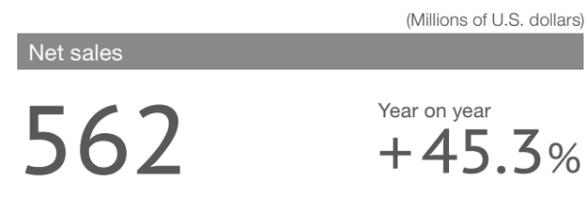
We have been paying close attention to our new businesses, including renewable energy, next-generation agriculture solutions, and collaborative safety robot systems, to support social and environmental causes. Our work in these areas will continue.

IDEC is committed to increasing corporate value and ensuring sustainable business growth through innovations and challenges.

To our shareholders, customers, business associates, employees, and local and global communities, we sincerely thank all of our stakeholders for your support.



Financial Highlights



* Amounts in U.S. dollars are calculated at the prevailing exchange rate as of March 31 in every fiscal year.
Exchange rate (1 U.S. dollar) : FY2014 (¥102.92), FY2015 (¥120.27), FY2016 (¥112.69), FY2017 (¥112.20), FY2018 (¥106.27)