

Aiming for sustainable growth by transforming IDEC into a truly global company

The IDEC Group holds the long-term vision of contributing to global socioeconomic development through continued business growth attained by advancing control technologies we have developed over many decades. At the same time, we have taken on the challenge of inventing new technologies. To realise this vision, in 2017 we acquired APEM Group, a Human-Machine Interface (HMI) manufacturer based in France. This acquisition strengthened our position in the HMI field, which is one of our core businesses.

Adding APEM Group to the IDEC Group broadened our HMI product lineup, such as control switches, and has helped open up new markets. The move brought IDEC closer to the top position in the global HMI market. In the field of safety devices, where we excel, we continue to lead in setting new safety standards. This is based on our new generation concept, "Safety2.0" and our promotion of the use of safety devices. Our intention is for the IDEC brand to be recognized as "the world's safest."

Beyond improving on our strengths, we will focus on expanding new businesses by leveraging our wide collection of technologies in industrial controls, environmental conservation and fine-bubbles. We believe that growth in our new business ventures will support environmental, economic and social progress. By transforming IDEC into a truly global company, we strive to achieve \$1 billion in sales and 15% or higher in operating income margin.

Mikio Funaki

Senior Executive Vice President



Our efforts to transform IDEC into a truly global company

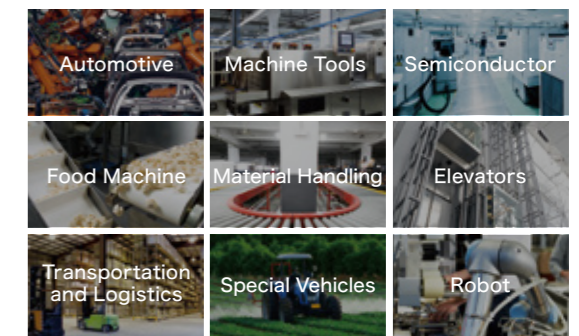
	Fiscal Year 2018	Fiscal Year 2019 (Plan)	Long-Term Objective
Net sales	562 <small>Millions of U.S. dollars</small>	595 <small>Millions of U.S. dollars</small>	1,000 <small>Millions of U.S. dollars</small>
EBITDA margin (Note)	15.8%	17.0%	20.0%
Operating income margin	10.2%	11.5%	15.0%
Overseas sales ratio	52.9%	52.8%	60.0%

(Note) Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA): Operating income + Depreciation + Goodwill amortization + interest expenses
 *Exchange rate (1 U.S. dollars): FY 2018 (¥106.27), FY 2019 (¥105.00), Long-term objective (¥100.00)

1. Boost core businesses

Focus on industries with high growth potential where IDEC excels

We have full-time teams assigned to different industries to offer flexible support to diverse social issues and customer needs. This is in response to factors such as growing IoT, advanced automation, stronger safety requirements. We provide value-added and competitive solutions worldwide by improving the efficiency of marketing resources and reinforcing our relationships with customers.



2. Expand new businesses

Take advantage of our core technology to create new values

IDEC, known for its technologies in manufacturing, is revolutionizing agriculture by using solar power in next-generation plants. Our renewable energy business and other new businesses, which utilize our collaborative safety robot systems and fine-bubble technologies, are creating new value and making social contributions.

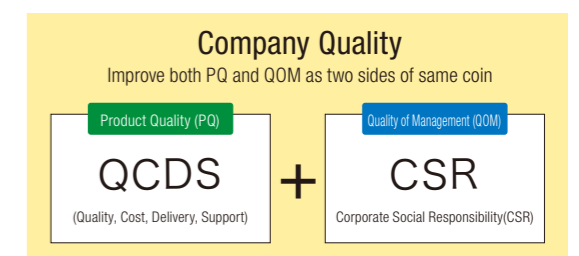


3. Reinforce our management base

Maximize corporate value

A corporation is evaluated not only by the quality of its products, but also by a wide spectrum of management attributes, including ecological and social contributions and corporate governance.

We are working tirelessly to maximize corporate value through Group-wide CSR activities, promotion of diversity, and global human resource development.



Expand global business and accelerate growth

Arnaud Mondy

Senior Executive Officer
Sales & Marketing



With the acquisition of APEM and its very complementary geographic coverage to IDEC's, we significantly increased our global presence. By leveraging the respective sales channels of each company and consolidating our sales, distribution and manufacturing locations, we will further increase efficiency and drive further growth.

We are building a system that enables us to provide products, solutions and services that are best suited to the various market needs in the key regions; each being managed by regional headquarters in Americas, Europe, Greater China and Singapore.

We will enhance digital marketing globally, and create an effective system to increase sales by providing timely information according to customer requirements, as well as enhancing marketing and sales activities based on data.

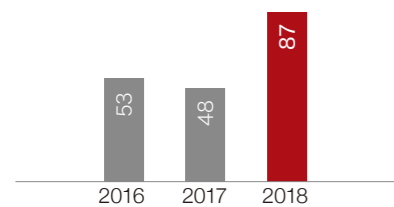


Regional Strategies and Sales



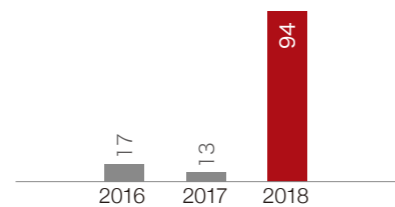
Americas

- Expand automation and safety business through enhancement in technology and partnerships
- Leverage IDEC-APEM collaboration to expand HMI product solutions with a broadened customer base
- Maximize presence through focusing on selling solutions to key verticals
- Establish a foundation for environmental business



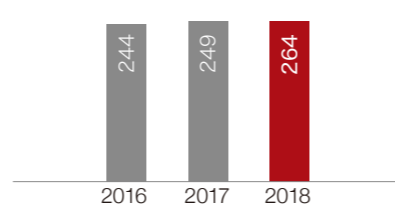
EMEA

- Consolidate APEM and IDEC operations in Europe
- Leverage APEM extensive sales network to increase sales of IDEC products
- Increase IDEC brand awareness by launching new products and increased promotional activities
- Expand presence in EMEA region



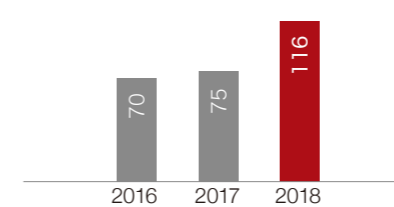
Japan

- Leverage strong IDEC network to develop sales of APEM products and new offers
- Implement sales channel strategy focusing on HMI products
- Leverage IDEC Group strengths to further develop our Auto-ID business
- Focus our efforts on robust industries
- Drive international standards



Asia Pacific

- Develop alliances with local partners in growing markets and industries
- Broaden our presence in India and other emerging countries
- Strengthen collaboration with channel partners to increase our coverage
- Focus on key industries segments



Greater China

- Provide solutions to industries impacted by China Manufacturing 2025 initiative
- Introduce new products designed for the Chinese market
- Reorganize the sales network and enhance the collaboration with our sales partners
- Strengthen our organization to meet the growing demand for safety

Millions of U.S. dollars
* Exchange rate (1 U.S. dollar) : FY2016 (¥112.69), FY2017 (¥112.20), FY2018 (¥106.27)