Vegetable oil ink was used in the printing of this report in consideration of the environment.
Message from the C.E.O.

For 70 years, we have provided control technology-based products and services to the world. Once only seen in the industrial environment, our products today are used in familiar places all around us where safety, user-friendly operability and reduced environmental impact are desired.

One of our corporate principles is to conduct business with consideration for social contribution. Guided by this principle, IDEC Group members are free from traditional and conventional ways of thinking or doing, and encouraged to constantly improve themselves by broadening their knowledge and working hard toward progress. They never forget the basic objective of valuing customers’ perspectives and responding to them by providing solid technology. I am certain that having such individuals in the company creates a path toward social contribution and new opportunities, raising the IDEC Group to a higher status as a preferred supplier and demonstrating our value to customers.

We are committed to making the point of contact where people interface with machines easy, safe and secure. We create new possibilities.
**Message from the C.E.O.**

"IDEC grows for the progress of society."

We maximize our company value by responding to social needs.

---

**Performance for Fiscal Year 2015**

Domestic revenues reached ¥26,529 million (up 14.8% from prior year) as sales from our environmental and automation-recognition device sectors grew, and industrial and safety business also exceeded prior year sales. Overseas sales were ¥15,644 million (up 18.4% from prior year) due to sales increases in control devices, including switches and relays, and factory automation systems such as programmable controllers. Our consolidated total sales were ¥42,173 million (up 16.1% from prior year) and operating income was ¥2,910 million (up 24.2% from prior year), achieving increases in both sales and operating income.

---

**Our Efforts toward Medium-Term Business Plan**

The IDEC Group continues to focus on increasing profitability in our core business lines and expanding new lines, as those are our key strategies during the medium-term plan years. In our core business units, we are strengthening control solution-oriented services to meet the needs of customers, which differentiates us from our competitors and leads us to higher market share and profitability. For this purpose, we acquired the CONET Group in May 2014. With our combined strengths, we have established a strong system providing optimum control system products and engineering services expeditiously and flexibly in response to customer requirements. For overseas markets, our software development company in China is playing an important role in responding to the growing need for labor savings and advanced automation. In addition, our manufacturing and sales base in Thailand will soon be fully operational, expanding our business in Southeast Asia.

In our new business units, especially the renewable energy sector where we expect growth as society demands it, we are developing products and services using our core technology and promoting a one-stop service for mega solar power plants, from design and installation to maintenance. Also, in efforts to expand our Auto-ID device business, we are developing IDEC brand products using our knowledge of controls in partnership with DATALOGIC of Italy, a world-leading automation-recognition device and system manufacturer.

Under the IDEC principle, "IDEC Grows for the Progress of Society," we continue efforts to raise our corporate value and return profits to IDEC’s stakeholders by meeting social needs. I would like to take this opportunity to thank everyone associated with the IDEC Group and ask for your continued support and guidance.

Toshi K. Funaki  
Chairman and  
Chief Executive Officer

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**Financial Highlights**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (in millions of yen)</th>
<th>Year-on-year Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic net sales</td>
<td>¥26,529</td>
<td>up 14.8%</td>
</tr>
<tr>
<td>Overseas net sales</td>
<td>¥15,644</td>
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</tr>
<tr>
<td>Net sales</td>
<td>¥42,173</td>
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</tr>
<tr>
<td>Operating income</td>
<td>¥2,910</td>
<td>up 24.2%</td>
</tr>
</tbody>
</table>
Making manufacturing sites safer and work environments more comfortable

Control products that interface between people and machines are used in a variety of locations, from various factory sites to everyday situations. Through the use of such products, the IDEC Group is improving the future of manufacturing and daily life with our proprietary control technology.
Making lives better every day
Our Business

Providing the world with products derived from our uncompromising pursuit of absolute safety and ease of use

IDEC is expanding its product offerings as part of an ongoing pursuit to create products of greater quality, durability, safety and design. IDEC will continue to develop a rich diversity of products to answer the global needs of customers in the fields of industrial automation and control, as well as in new areas.

Creating comfortable and easy-to-operate control systems for familiar environments

We take great pride in making products of high value that are price competitive in global markets. To achieve this goal, we make the best use of our manufacturing knowledge and experience, engage in originality in design, globalize our procurement and manufacturing, automate production processes, and develop software in-house.

Interlock switches

HSSL

These miniature interlock switches with solenoid are suitable for installation in small and medium-sized industrial machinery.

Emergency-stop switches

XW Series

This lineup of indicator-type switches creates the UNFIP state of contact points to be checked simply and confidently even from great distances.

Terminal blocks

BY series

Depending on the application, there are two types of terminal blocks available: a screw-type for excellent vibration resistance, and a spring clamp type that saves time and labor during wiring.

Power relays

RL series

Compact and high-capacity (1-pole: 30A, 2-pole: 25A), these high-load power relays contribute to saving panel space.

Operator interfaces

HG Series

In addition to pursuing ease of use and functionality, these power supply reduces and a super-bright LCD backlight. This produces drop-in replacements that convey information and can be connected to various devices.

Switching power supplies

DIN rail mount

These sensors employ our original optical design and production technology to ensure stable detection capabilities, and feature a protective structure that is resistant to water and dust. A broad lineup is available, including a model for transparent body detection.

SmartAXIS controllers

FT1A

FT1A controllers are a high-performance solution for limited I/O applications, while the FT1A Touch is an all-in-one touchscreen interface and logic controller in compact housing. FT1A is perfect for small systems that require a graphical user interface and versatile I/O controls.
Remote monitoring systems

Our systems can monitor the operational status of the electric power production of various equipment in real time over the Internet from remote locations, and notify the customer by e-mail if an abnormality occurs.

Explosion-proof & Systems Business

Delivering reliability, safety and comfort to production sites through explosion-proof and system-engineering technologies

In order to improve safety and productivity in hazardous environments, IDEC has strengthened its lineup of explosion-proof products that conform to the ATEX Directive (European guidelines for explosion protection), IECEx explosion-proof product certification and UL standards. IDEC is also tackling the creation and expansion of hydrogen explosion-proof products in preparation for an increase in the use of hydrogen-based energy. IDEC will continue to promote the development and construction of system infrastructures that meet the needs of its customers now and in the future.

LED Business

Delivering optimum lighting for any setting by customizing for application and situation

Since the 1980s, IDEC has offered LED technology to meet the needs of our customers. This includes white LED devices, interior lighting for large equipment, custom LED lighting (dimmer control systems), high bay lighting and lighting for low temperature applications. Maximizing technology that we have cultivated over the years, IDEC continues to offer new concepts in lighting that illuminate a variety of settings.

Custom-made LED devices

IDEC provides high quality, high reliability LED devices for lighting. It also satisfies customers' needs through semi-custom manufacturing by matching product specs to the required power supply, size, form and color.

Remote monitoring systems

IDEC researched the optimal wavelength for plant growth in order to construct lighting units that can provide the uniform light distribution needed to support a variety of plant cultivation environments.

Explosion-proof control boxes EC2BG

In addition to compliance with the ATEX Directive, which is an important requirement for overseas plants, these control boxes are also UL-certified. EU2B devices include pushbuttons and pilot lights.

Barriers

IDEC barriers feature an intrinsically safe, explosion-proof structure that ensures maximum safety in an explosive atmosphere and can be used with a variety of safety inputs.

LED grow lights

IDEC researched the optimal wavelength for plant growth in order to construct lighting units that can provide the uniform light distribution needed to support a variety of plant cultivation environments.

Commercial range hood LED lighting

Employing dust- and water-resistant technology, IDEC cultivated when developing its factors, automated products, the LED lighting is suitable for use in harsh environments, including those with steam and oil.

Using IDEC’s original optical design, this LED lighting reduces glare, making it an ideal choice for manufacturing sites.

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Control and operation panel design and manufacture

Involved from the design to the manufacture of control panels and operation panels, IDEC has established an integrated system that includes parts procurement, design and production of control panels, creation of screen display and in-machinery wiring, and extends all the way to local setup and inspection.

Software design
PLC programming software, such as ladder programming, that supports different control solutions, is developed by IDEC software engineers with an excellent understanding of systems.

Harness processing
From thick power lines like power supply cables to ultrafine signal wires, IDEC is able to process a wide variety of harness types and sizes.

Robotics
With advanced simulation capabilities, IDEC provides automation and safety systems for applications that employ robots.

Healthcare
IDEC offers the best solutions for high-level control in the field of healthcare, where increasingly sophisticated management and traceability are required in the areas of medical negligence prevention, pharmaceuticals, medical devices and systems, and automated testing equipment.

Retail
IDEC provides the latest POS system solutions, including self-checkout systems, for a wide range of stores. It also offers mobile devices ideal for retailers and supply chain management complexes.

Distribution and Logistics
Utilizing high-speed vision systems, high-speed laser scanners and automatic vision-based measurement systems, IDEC provides the latest solutions for airport automatic baggage sorting systems and door-to-door delivery services.

Factory Automation
IDEC delivers automatic-recognition solutions used in production automation, quality control, traceability, receiving, shipping and inventory control across a wide range of manufacturing industries.
Improving peoples’ lives and the health of the earth through environmental and energy technologies

“Sunlight, water, soil, food...” In order to continue to protect the natural resources that are essential for all of us to survive, IDEC takes full advantage of the control and environmental technologies it has cultivated to create both environmental and energy solutions.

**Environmental & Energy Business**

**Our Business**

**Agricultural Solutions**

**Plant factory utilizes solar light**

IDEC promotes factory-style greenhouse cultivation lit by sunlight and artificial lighting. It supports agriculture by assisting in the management of soil and plant growth by automatically controlling temperature, light, water and other factors. This leads to higher efficiency and higher yields of flavorful, high quality and safe produce. IDEC also offers comprehensive services that cover everything from design and construction to farming analysis.

**Takehiko Tajika**

Executive Director

IDEC SYSTEMS & CONTROLS CORPORATION

**Energy Solutions**

**HEMS (Home Energy Management System)**

IDEC’s state-of-the-art HEMS controller can monitor, control, and optimize residential demand for utilities, such as electricity, gas, and water, by using a visual display. In addition, IDEC offers an online service that manages power conditioners, power generation and operation conditions.

**Takahiro Ogawa**

Agrisystem Department

Environment and Energy Business Division

IDEC SYSTEMS & CONTROLS CORPORATION

**Mega-solar business**

IDEC’s one-stop service encompasses system design, selection and purchase of applicable hardware and software, installation, submission of numerous applications, involvement in approval processes, and maintenance.
Our Technology

Technology Report

The integration of research and development, intellectual property and international standards guides us to success in global markets.

Engaging in the control device and system business since its founding, the IDEC Group has always pursued absolute safety where people and machines co-exist. Our commitment to safety has produced countless technologies and products over many decades. We also proactively make machines co-exist. Our commitment to safety has produced countless technologies and products over many decades. We also proactively make

Through our past experience, we established a system of integrating R&D, intellectual property and international standardization. We have been effectively operating research and development management under this tri-axial integration system while driving ahead with the development of advanced applied technologies such as ultrafine bubble generation and photonics technologies. This has lead to the development of competitive products in the global market and technologies that can be used as models for international standardization.

Dr. Toshihiro Fujita
Senior Executive Officer and
IDEC Group Chief Technology Officer

International standardization
Participation in setting international standards on safety and fine bubbles

We believe that effectively balancing “open” (disclosure) and “closed” (non-disclosure) access to our new technology enables us to develop markets, expand our market share and succeed globally. Therefore, we are participating as a Japanese representative on technical committees of standard-setting organizations such as ISO and IEC and are involved actively in the process of establishing international standards for safety and fine bubble technologies, rather than merely increasing the number of our patents.

Innovation through incorporation of resources inside and outside of the IDEC Group, and relentless advancement of research and development management under this tri-axial integration intellectual property and international standardization. We have been effectively balancing “open” (disclosure) and “closed” (non-disclosure) access to our new technology enabling us to develop markets, expand our market share and succeed globally.

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Clear Vision

Providing products and services that support market needs.

Sustainable growth through the global business strategy of "local production for local use."

Since its founding in Japan in 1945, the IDEC Group has firmly established the IDEC brand as one that represents a high level of technology and product quality. In Japan, where manufacturing site safety and environmental improvements are called for, we continue to expand business by providing products and solutions using technology built over decades to support a wide range of market needs. For growing Asian regions, we are focusing on product development, manufacturing and building an effective sales infrastructure in China, and establishing a new business hub in Thailand through region-based business activities under our "local production for local use" policy.

Applying a "market-in" approach, we will achieve sustainable growth by providing high-quality products and innovative solutions for which IDEC is known.

Mikio Funaki
Senior Executive Vice President

Progress of Medium-Term Management Plan

Higher yield in existing businesses, expansion in overseas sales

We are continuing our efforts to increase market share and profitability in our backbone business of industrial and safety products, including switches. Also, by uniting IDEC Group companies, we are accelerating the control solution services that are a perfect fit for the needs of customers. Our objectives outside of Japan include a business expansion in Southeast Asia through our manufacturing and sales hub in Thailand and growth in China through improvements in development, manufacturing and distribution systems in that region.

Expansion of new businesses

To expedite new market penetration, we will boost the product development and solutions-oriented services of our Auto-ID business, which we began full-scale in fiscal year 2015. At the same time, in order to respond to demand for environmental improvements, we will expand our renewable energy-related business, including industrial-scale solar power generation. In addition, we will promote the automation of farming, by making effective use of IDEC Group’s core technology.
**Products and Events**

**April 2014 to March 2015**

- **2014**
  - **April 7**
    - New LDVH-200 series LED high bay illumination units
      - IDEC added these easy-to-use and lightweight LED illumination units, featuring both excellent efficiency and low glare, for use in applications with high ceilings.
  - **September 10**
    - New HSSL interlock switches with solenoid
      - This miniature switch is beneficial for small and medium-sized machinery and conforms to the latest international safety standards.
  - **October 10**
    - Transistor-output model added to the PT14 Touch series
      - This controller is perfect for systems that are connected to analog equipment, such as thermostats.
  - **November 14**
    - New RV18 thin interface relays
      - This thin interface relay is only 6mm wide and employs a spring clamp terminal with excellent contact reliability and vibration resistance.
  - **January 15**
    - WB1F embedded 1D CCD scanner
      - This new scanner is 60% smaller than the industry standard, thus contributing to the miniaturization of medical analysis equipment.

- **2015**
  - **August 1**
    - VMV hazardous location LED luminaries
      - New explosion-proof LED lighting features long-life and a wide operating temperature range, delivering eco-friendly lighting in hazardous locations where explosive gas is present.
  - **May 9**
    - Exhibition at Taipei International Industrial Automation Exhibition
      - Representing the entire IDEC Group, IDEC TAIWAN CORP. and CONET’s Taiwan subsidiary jointly exhibited and promoted IDEC control and safety solutions.
  - **October 9**
    - In-house solar power generation facilities opened in Ibaraki City and Otsu City
      - Solar power plants owned by IDEC and operated by IDEC SYSTEMS & CONTROLS opened in Ibaraki City in Osaka Prefecture and Otsu City in Shiga Prefecture.
  - **November 9**
    - Exhibited in the Auto-ID & Communications Expo
      - At the exhibition, IDEC was able to increase market awareness of the IDEC brand and demonstrate a commitment to healthcare and other focus fields.
  - **December 11**
    - Sayo-IDEF Mosuyama solar power plant completed
      - Under a limited partnership between IDEC and the township of Sayo, Hyogo Prefecture, a 5MW solar power plant was constructed and is now in full operation.

**CONET CO., LTD. brought into IDEC group**

The CONET Group, known for its technology-based control solutions, is now part of the IDEC Group. This enables IDEC to provide first-class control system products while facilitating faster engineering services to meet customers’ demand for improved productivity, lower cost of labor, and safer environments. Combining CONET’s strengths with its own, IDEC is aiming at a fast expansion of its control solution business.

**Auto-ID devices developed exclusively in-house**

IDEC launched its first proprietary automation-recognition product, the WB1F stationary one-dimensional CCD scanner. This compact, easy-to-use scanner is designed to scan objects at close range and can be installed in any orientation. Target applications for this product include medical testing and diagnostic equipment.
Sales by Product Group
Sales rose in core products groups, including industrial components, control and FA systems, and environmental business segments

All product groups achieved sales growth. New business segments, including the automatic-identification business and environmental businesses, showed a significant increase in sales while the industrial component group including switches showed a steady increase.

### Sales by Region
Increased revenues in North America and Asia, as well as in major domestic markets

Our core domestic markets grew with a boost from the solid economy. Growth was also seen overseas, especially in North America and the Asian region, centered on China.

### Changes in net sales

<table>
<thead>
<tr>
<th>Region</th>
<th>Net sales (Millions of yen)</th>
<th>Year-on-year %</th>
<th>Sales ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>26,529</td>
<td>up 14.8</td>
<td>62.9%</td>
</tr>
<tr>
<td>North America</td>
<td>5,698</td>
<td>up 16.4</td>
<td>13.5%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>7,879</td>
<td>up 28.3</td>
<td>18.7%</td>
</tr>
<tr>
<td>Europe</td>
<td>1,940</td>
<td>down 6.1</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Sales grew for industrial components, such as control switches and safety devices, as well as in environmental businesses, especially the solar power segment. In addition to strong sales of control switches and control relays in China and its surrounding regions, sales of programmable controllers also grew.

Sales of industrial components including control switches and control relays, and programmable controllers, increased. Although industrial components showed strong results, programmable controller sales were negatively affected by a geographical shift in demand.
## Financial Highlights

### Profit and Loss Status (Years ended March 31)

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>¥42,173</td>
<td>¥36,319</td>
<td>¥29,343</td>
</tr>
<tr>
<td>Gross profit</td>
<td>17,117</td>
<td>15,406</td>
<td>13,062</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>14,207</td>
<td>13,063</td>
<td>11,627</td>
</tr>
<tr>
<td>Operating income</td>
<td>2,910</td>
<td>2,342</td>
<td>1,434</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>3,160</td>
<td>2,482</td>
<td>1,696</td>
</tr>
<tr>
<td>Net income</td>
<td>2,096</td>
<td>1,456</td>
<td>1,859</td>
</tr>
</tbody>
</table>

### Cash Flow Status (Years ended March 31)

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by/(used in) operating activities</td>
<td>1,925</td>
<td>4,633</td>
<td>2,204</td>
</tr>
<tr>
<td>Cash provided by/(used in) investing activities</td>
<td>(1,169)</td>
<td>(2,493)</td>
<td>(3,800)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>756</td>
<td>2,139</td>
<td>(1,595)</td>
</tr>
<tr>
<td>Net cash provided by/(used in) financing activities</td>
<td>(891)</td>
<td>(1,928)</td>
<td>1,261</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,677</td>
<td>1,699</td>
<td>1,335</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>1,761</td>
<td>2,277</td>
<td>5,701</td>
</tr>
</tbody>
</table>

### Financial Status (As of March 31)

#### Total assets

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>49,378</td>
<td>45,778</td>
<td>42,496</td>
<td>410,562</td>
</tr>
<tr>
<td>Total interest-bearing liabilities</td>
<td>6,710</td>
<td>6,006</td>
<td>6,939</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>32,121</td>
<td>28,801</td>
<td>26,958</td>
</tr>
</tbody>
</table>

#### Per Share Information/(in U.S. dollars)

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share (EPS) on a diluted basis</td>
<td>69.30</td>
<td>48.99</td>
<td>61.01</td>
</tr>
<tr>
<td>Book value per share (BPS)</td>
<td>1,062.53</td>
<td>959.56</td>
<td>914.98</td>
</tr>
<tr>
<td>Cash Dividends per share (annual)</td>
<td>35</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

### Financial Indicators

#### Return on equity (ROE)

<table>
<thead>
<tr>
<th>2015</th>
<th>6.9%</th>
<th>5.2%</th>
<th>7.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity ratio</td>
<td>65.1%</td>
<td>62.9%</td>
<td>63.4%</td>
</tr>
<tr>
<td>Current ratio</td>
<td>170.8%</td>
<td>159.0%</td>
<td>154.1%</td>
</tr>
</tbody>
</table>

#### Dividends on equity (DOE)

| 2015       | 3.5%       | 3.1%       | 3.4%                     |

#### Notes

1. In this Annual Report, amounts are given by dropping the decimal portion of the number whereas ratios are rounded to the nearest whole number.
2. Free cash flow = Net cash provided by/(used in) operating activities + Net cash provided by/(used in) investing activities.
5. Accounts in U.S. dollars are calculated at the prevailing exchange rate as of March 31, 2015 (¥1 = U.S. $0.0083). For the convenience of readers abroad.

## Consolidated Balance Sheet

### As of March 31, 2015 and 2014

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
<th>2015</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes and accounts receivable-trade</td>
<td>6,018</td>
<td>5,919</td>
<td>50,680</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>8,618</td>
<td>7,821</td>
<td>70,000</td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
<td>5,459</td>
<td>3,741</td>
<td>45,392</td>
</tr>
<tr>
<td>Work in process</td>
<td>1,138</td>
<td>1,138</td>
<td>9,794</td>
</tr>
<tr>
<td>Flow materials and supplies</td>
<td>2,395</td>
<td>2,677</td>
<td>19,917</td>
</tr>
<tr>
<td>Advances in payments-trade</td>
<td>55</td>
<td>154</td>
<td>558</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>754</td>
<td>641</td>
<td>6,275</td>
</tr>
<tr>
<td>Others</td>
<td>744</td>
<td>572</td>
<td>6,187</td>
</tr>
</tbody>
</table>

#### Notes

1. This annual report reflects the consolidated financial statements of the company and its subsidiaries. For the financial details, please refer to the Company’s Consolidated Financial Statement, which is available on the Securities and Exchange Commission’s (SEC) website at www.sec.gov.
2. Accounts in U.S. dollars are calculated at the prevailing exchange rate as of March 31, 2015 (¥1 = U.S. $0.0083). For the convenience of readers abroad.
### Consolidated Statement of Income

<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2015</th>
<th>2014</th>
<th>Thousands of U.S. dollars (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>42,173</td>
<td>36,319</td>
<td>350,660</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>26,056</td>
<td>20,913</td>
<td>206,333</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>17,117</td>
<td>13,406</td>
<td>142,327</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>14,207</td>
<td>13,063</td>
<td>118,127</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>2,910</td>
<td>2,342</td>
<td>24,200</td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td>174</td>
<td>202</td>
<td>1,670</td>
</tr>
<tr>
<td><strong>Non-operating income</strong></td>
<td>207</td>
<td>186</td>
<td>1,194</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>25,056</td>
<td>20,913</td>
<td>206,333</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>42,173</td>
<td>36,319</td>
<td>350,660</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>24,200</td>
<td>19,796</td>
<td>198,081</td>
</tr>
<tr>
<td><strong>Income taxes-deferred</strong></td>
<td>71</td>
<td>73</td>
<td>1,574</td>
</tr>
<tr>
<td><strong>Total extraordinary loss</strong></td>
<td>3,155</td>
<td>2,419</td>
<td>23,165</td>
</tr>
<tr>
<td><strong>Loss on abandonment of noncurrent assets</strong></td>
<td>1,039</td>
<td>797</td>
<td>8,944</td>
</tr>
<tr>
<td><strong>Loss on step acquisitions</strong></td>
<td>22</td>
<td>22</td>
<td>207</td>
</tr>
<tr>
<td><strong>Extraordinary income</strong></td>
<td>442</td>
<td>442</td>
<td>3,945</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>2,910</td>
<td>2,342</td>
<td>24,200</td>
</tr>
</tbody>
</table>

### Consolidated Statement of Cash Flow

<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2015</th>
<th>2014</th>
<th>Thousands of U.S. dollars (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash provided by/in operating activities</strong></td>
<td>42,173</td>
<td>36,319</td>
<td>350,660</td>
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<tr>
<td><strong>Gain on bargain purchase</strong></td>
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<td>442</td>
<td>3,945</td>
</tr>
<tr>
<td><strong>Gain on abolishment of retirement benefit plan</strong></td>
<td>207</td>
<td>186</td>
<td>1,194</td>
</tr>
<tr>
<td><strong>Gain on sales of noncurrent assets</strong></td>
<td>207</td>
<td>186</td>
<td>1,194</td>
</tr>
<tr>
<td><strong>Income taxes paid</strong></td>
<td>174</td>
<td>202</td>
<td>1,670</td>
</tr>
<tr>
<td><strong>Income taxes-deferred</strong></td>
<td>71</td>
<td>73</td>
<td>1,574</td>
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<tr>
<td><strong>Extraordinary income</strong></td>
<td>442</td>
<td>442</td>
<td>3,945</td>
</tr>
<tr>
<td><strong>Net cash provided by/in operating activities</strong></td>
<td>1,925</td>
<td>1,563</td>
<td>16,009</td>
</tr>
<tr>
<td><strong>Gain on bargain purchase</strong></td>
<td>442</td>
<td>442</td>
<td>3,945</td>
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<td>442</td>
<td>3,945</td>
</tr>
<tr>
<td><strong>Net cash provided by/in operating activities</strong></td>
<td>1,563</td>
<td>1,101</td>
<td>12,844</td>
</tr>
<tr>
<td><strong>Gain on bargain purchase</strong></td>
<td>442</td>
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</tr>
<tr>
<td><strong>Net cash provided by/in operating activities</strong></td>
<td>1,101</td>
<td>719</td>
<td>8,295</td>
</tr>
<tr>
<td><strong>Gain on bargain purchase</strong></td>
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</tr>
<tr>
<td><strong>Extraordinary income</strong></td>
<td>442</td>
<td>442</td>
<td>3,945</td>
</tr>
<tr>
<td><strong>Net cash provided by/in operating activities</strong></td>
<td>719</td>
<td>365</td>
<td>3,344</td>
</tr>
</tbody>
</table>

---

**Note 2:** Footnotes and additional information related to the above statements are not provided in the text. For a complete understanding, please refer to the full report.
The Ten Principles of the United Nations Global Compact

**Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

**Labour**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The effective abolition of child labour; and

Principle 5: The elimination of all forms of forced and compulsory labour;

Principle 6: The elimination of discrimination in respect of employment and occupation.

**Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The United Nations Global Compact is an initiative for enterprises voluntarily acting as good global citizens. IDEC continues to make social contributions to society through its environmental business operation. IDEC continues to make social contributions to society through its business operations and adheres to the Ten Principles of the United Nations Global Compact, as well as the IDEC Group Corporate Ethics and Code of Conduct. Please visit our website for more information on IDEC Group’s CSR activities: http://jp.idec.com/ja/aboutIDEC/csr

Maximizing and balancing safety and productivity

Safety Principle

IDEC, based on its principles of management with respect for fellow humans and its contribution to society through business activities, is constantly seeking to provide safer and more pleasant environments not only within the IDEC Group but in the global society.

Developing safety devices that fit the needs of a wide range of customer segments.

Takeo Yasui
Product Marketing Department
Industrial & Safety Products Division

### Safeguarding and explosion products developed in fiscal year 2015

**HSSL**

Conforming to the newest international safety standards, the HSSL is an ideal safety switch for small to medium-size machines applications. It adds value to machines where the implementation of safety measure had not been a priority.

**EF1A**

Certified by IDEC, European standards ATEX, and North American standards UL-US, the EF1A hazardous location LED illumination units can be used anywhere in the world.

Pursuing the improvement of industrial safety, we continue to promote safety awareness and practices within and outside IDEC.

Kaoru Okada
Senior Manager & Safety Solution Team
International Standardization & Intellectual Property Strategy Department

### To Ensure Industrial Safety

### Safety and explosion products

**HSSL**

- sCertified by IECEx, European standards ATEX, and North American standards UL-US
- Conforming to the newest international safety standards
- Effective safety switch for small to medium-size machines applications
- Offers added value to machines where safety measures had not been a priority

**EF1A**

- Certified by IDEC, European standards ATEX, and North American standards UL-US
- Hazardous location LED illumination units
- Can be used anywhere in the world

### Training safety professionals

IDEC is a strong promoter of accredited safety assessors who can make decisions in designing safety products and recommending safety measures. As of March 31, 2015, a total of 352 IDEC group employees were certified safety assessors. The table shows the number of assessors in each level within IDEC.

<table>
<thead>
<tr>
<th>Safety Assessors Level</th>
<th>Number of Assessors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety basic assessors</td>
<td>147 people</td>
</tr>
<tr>
<td>Safety lead assessors</td>
<td>15 people</td>
</tr>
<tr>
<td>Safety assessors</td>
<td>15 people</td>
</tr>
<tr>
<td>Safety assessor</td>
<td>1,386 people</td>
</tr>
</tbody>
</table>

IDEC has been providing assessment courses for engineers since fiscal year 2010. As of March 31, 2015, 1,386 people attended in the fiscal year 2015, achieving the cumulative total of 32,892 attendees.

### Promoting safe manufacturing

**Safety consulting**

- We offer safety consulting to maximize both safety and productivity
- Identifying hazardous sources, assessing risks, and implementing safety measures

**Publication of a book on explosion-proof and safety**

- We made our explosion-proof engineering knowledge available to the public through the publication of an explosion-proof safety book
- Covering a wide range of subjects including design, explosion-proof electrical devices, and compliance with current international standards, construction, installation, inspection, and maintenance

### Educational campaign for safety

**Conducting seminars and lectures**

- We held 81 seminars throughout Japan and a total of 1,386 people attended in the fiscal year 2015, achieving the cumulative total of 32,892 attendees.
- Lectures on “explosion-proof safety”

IDEC Report
**Earth Preservation**

**Environmental Principle**

Recognizing the goal of a harmonious existence with the earth that we all share, we make environmental safety and quality a top priority in all aspects of our business while pursuing sustainable business growth.

**Approach to Product Quality**

**Quality Assurance Principles**

With “ease of use” as a primary goal of our products, all of us participate in planning and building a quality assurance system that creates excellent products customers will purchase and use with confidence in the most economical ways.

**Quality Assurance System**

We have a comprehensive quality assurance system in place.

**Superior IDEC quality achieved by solid teamwork throughout the company.**

**Claim Handling**

Claims are processed quickly by the quality assurance department through information sharing and coordination with the product development and manufacturing engineering departments under the direction of the Risk Management Committee, led by the C.E.O. who has the ultimate decision making authority.

**Quality Training**

Ongoing quality training is provided in house, and IDEC employees are encouraged to take official examinations for certifications from accredited institutions to prove their knowledge and skills. Certified experts then share with others through QC group activities the ideas and techniques they have learned. This process leads to quality improvements and claim reduction throughout the company.

**Regulatory Guidelines**

We adopted early on and have been adhering to the fundamental principle that product quality is the core of product value. To provide products that can be used for a required time to the complete satisfaction of users, we establish QA action guidelines for each stage.

**Quality Assurance System**

We established a comprehensive quality assurance system that creates excellent products customers will purchase and use with confidence in the most economical ways.

**Factors to be Considered**

- Reliability
- Recyclability
- Ease of maintenance
- Ease of disposability
- Resource-saving
- Environment-saving
- Energy-saving
- Refuse-saving
- No use of regulated hazardous materials and chemicals
- Prolonged product life
- Ease of disassembly
- Testability

**Design evaluation standard for environmentally-conscious products**

**IDEC business protecting the global environment**

**Mega-solar power business**

In an effort to reduce the use of non-renewable energy, we have been expanding the business of solar power generation for industrial use. In fiscal year 2015, we completed three solar power plants in succession: Three IDEC-owned solar plants in Kanon City, Osaka and Otsu City, Shiga and Amagasaki City, Hyogo, and a jointly held plant with the Town of Sayo in Hyogo. The IDEC Group, acting as a power plant operator/power supplier, makes direct and increasing contributions to global environmental protection and the improvement of local communities.

**Environment Management Certifications**

The IDEC Group has been constantly improving its environment management system. The Headquarters/Engineering Research Center was certified to ISO 14001 compliant by JQA (Japan Quality Assurance Organization) in 1997. Today, a total of four locations including our headquarters (which houses Engineering & Research Center), Tsukuba Plant, Fukusaki / Takino Plant, and Amagasaki Plant are ISO 14001 compliant. In fiscal year 2015, an environmental assessment was conducted at the above four locations by an authorized third-party assessor in accordance with the environment management system standard. As a result, we have passed or surpassed the requirements, as shown on the table below.

**Environmental burden reduction drive**

Guided by ISO14001 Environmental Management System, everyone at IDEC is making his or her best effort to reduce electricity, water, paper, waste, and CO2 emissions to meet the set company-wide yearly goals.

**Changes in electricity consumption**

<table>
<thead>
<tr>
<th>Year</th>
<th>in KW</th>
<th>in KWH</th>
<th>in KWH</th>
<th>in KWH</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>11.343</td>
<td>11.015</td>
<td>10.774</td>
<td>10.265</td>
</tr>
</tbody>
</table>

*1: Standard unit of consumption represents the consumption per million yen in fiscal year 2015.*
*2: Data collected from in-house production site: Tsukuba, Fukusaki, Takino, Amagasaki, Hamamatsu, Fukusaki, Takino, and Tsukuba Distribution Center.*
*3: More information can be viewed on our website.*

**IDEC Group’s development policy and evaluation standard**

**Product development based on the “saving” principle.**

Since developing our product principles in 1978, the IDEC Group has focused on ways to save energy, space, maintenance and materials during the product planning and development process. This principle remains today. We continue to develop environmentally-friendly products, meeting our own set of strict design criteria.

**PV panel support**

Recyclable wooden panel support

**Advancing towards a quality assurance system**

**Approach to Product Quality**

**All of us think and accept challenges together**

Product Quality is a foundation for all of our corporate activities.

**Quality Assurance Center**

**Global quality assurance team**

- Setting and managing QC procedures, standards and rules throughout the IDEC Group.
- Quality evaluation and testing team
- Testing products, analyzing claims and identifying causes.

**Manufacturing quality assurance team**

- Responding to customer claims and monitoring the adherence to established IDEC standards.
- Standards management team
- Auditing, monitoring and auditing standard compliance approves for products and manufacturing plants.

**Quality Assurance Guidelines**

- Quality Assurance System
  - Corporate management
  - Quality assurance system

**Quality assurance guidelines**

**Regulatory Guidelines**

We adopted early on and have been adhering to the fundamental principle that product quality is the core of product value. To provide products that can be used for a required time to the complete satisfaction of users, we establish QA action guidelines for each stage.

**Quality Assurance System**

We have a comprehensive quality assurance system in place.

**Superior IDEC quality achieved by solid teamwork throughout the company.**

**Approach to Product Quality**

**Quality Assurance Principles**

With “ease of use” as a primary goal of our products, all of us participate in planning and building a quality assurance system that creates excellent products customers will purchase and use with confidence in the most economical ways.

**Approach to Product Quality**

**Quality Assurance System**

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With “ease of use” as a primary goal of our products, all of us participate in planning and building a quality assurance system that creates excellent products customers will purchase and use with confidence in the most economical ways.
HRM Principle

To make IDEC a rewarding place to work and fulfill one’s life

HR policies are developed with the spirit of respect for humanity as the underlying principle and for the purpose of creating work environments in which people thrive. The development of human resources is to allow employees to fulfill their own missions and responsibilities by understanding the intent and the meaning of IDEC’s corporate missions and principles, realizing them, and embodying them.

Providing education opportunities to support individual growth.

Serina Fujita
Career Development Team
Human Resources Department

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Corporate Governance/Compliance

More transparency, more efficiency to maintain trustworthiness

Two of our underlying goals are to bring happiness to those who are associated with the IDEC Group and to build a healthy and transparent management system. These goals are guided by the corporate mission of making social and cost-effective contributions by satisfying the needs of customers with our control technology, while fulfilling the corporate policy of respecting humanity.

Encouraging diversity in workplace

We embrace workforce diversity and create a work environment where employees with different backgrounds and capacities can demonstrate their own abilities to the fullest.

Noriaki Miyake
Director
IDEC LOGISTICS SERVICE CORPORATION

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Rationalizing a safe working environment

To ensure safe and healthy workplaces, we adhere to our safety and health system and accident prevention standards, as well as all industrial safety and health laws. We promote voluntary and planned activities to maintain a safe working environment. Our efforts include a risk assessment system in which potential hazards are investigated and appropriate measures are taken to eliminate the assessed risks. We care for employees’ psychological needs through education, counseling and return-to-work assistance, as our focus is creating a working environment in which each employee can fulfill his or her own potential.

Promoting diverse human resources.

Satoshi Miyake
Director
IDEC LOGISTICS SERVICE CORPORATION

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Auditing System

Evaluating and assisting business activities independently and objectively

Yasuo Matsuda
Senior Manager
Internal Auditing Department

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Global Advisory Board

We believe that maintaining transparency and efficiency in our management is a fundamental of corporate governance.

Kaijiro Fujita
Director

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Human resource development

IDEC supports employees’ self-guided career development by offering systematic employee training, including position-based training courses and product/technology training, and cross training through job rotations. IDEC also provides a wide range of self-guided managerial development programs from basic management and strategy planning skills, and hands-on experiences, to cross-department training in order to provide managerial and executive candidates with wide knowledge, skills and operational experience so they can take the lead in a new role.

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Work-Life Balance

In an effort to enhance the system in which all IDEC employees can work free of worry, IDEC expanded the scope of eligibility for the short work hour program in fiscal year 2013 to help employees who care for young children or family members. IDEC is making efforts to provide a work environment where employees can enjoy life motivation and job satisfaction, while maintaining a good balance between work and personal life.

Childcare-Related Programs

We are creating a working environment in which each candidate with wide knowledge, skills and operational training in order to provide managerial and executive programs from basic management and strategy planning provides a wide range of self-guided managerial development training, and cross training through job rotations. IDEC also provides a wide range of self-guided managerial development programs from basic management and strategy planning skills, and hands-on experiences, to cross-department training in order to provide managerial and executive candidates with wide knowledge, skills and operational experience so they can take the lead in a new role.

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Corporate Governance

Since a corporate officer system was installed in 1998 to manage the corporation efficiently, we have maintained two separate bodies of “operation performing” and of “auditing.” Also, outside directors and outside auditors have been appointed to serve the board of directors and the board of auditors, respectively, to further strengthen the auditing and guiding functions.

Global Advisory Board

The Global Advisory Board was established to receive a wide range of opinions and advice from influential individuals and experts in corporate management, academia and other fields in Japan and overseas.

Romano Volta
Dr. Romano Volta, IDEC global advisory board member, is a founder of DATALOGIC, a world-leading company and systems for factory automation headquartered in Italy.

Risk Management

A book titled “IDEC Group Corporate Ethics and Code of Conduct,” describing our fundamental principles and action guidelines in conducting business activities, has been distributed to all IDEC Group employees in Japan and overseas. With a company-wide training system in place, numerous training programs are designed and offered to each employee to ensure they are made familiar with corporate policies and procedures.

Pursuing a sustainable approach to business activities

The IDEC Group strives to create a sustainable business environment by maintaining trustworthiness in our business operations and constantly improving our business activities.

Yasuo Matsuda
Chief Executive Officer
IDEC Corporation

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Corporate Officers

Maintaining sound, transparent and efficient management is a high priority

We place high value on transparency and efficiency in corporate management as shown by the separation of the auditing function and the operating function to force creative tension between the two, and by actively appointing outside directors and outside auditors.
Global Network

Aiming to be a leading group in the evolving worldwide control equipment industry

The IDEC Group, consisting of 22 companies in 10 countries, is responding globally to increasingly diverse customer needs while expanding operations in growing markets.

[Message from IDEC Group]

Eiji Kawai
Senior Manager
Autamation Sales Department
Domestic Sales Division

Tony Funaki
Senior Manager
International Business Development Department
Sales & Marketing

Shunichi Ohtsuki
General Manager
IDEC ELECTRONICS TECHNOLOGY SHANGHAI CORPORATION

Honda Matsumoto
General Manager
IDEC ASIA (THAILAND) CO., LTD.

Yasuhiro Kuruma
Director
IDEC CORPORATION

Rajiv Salhotra
Director of Sales
IDEC CORPORATION

Arnaud Mondi
Senior Executive Officer
Sales & Marketing

Frank Lisker
Operations Manager
IDEC Elektrotechnik GmbH

[Diagram of the IDEC Group organization structure]

[Japan] [Asia / Pacific] [North America] [Europe]
The history of the IDEC Group began in November 1945, shortly after World War II, with the founding of Izumi Shokai and the manufacturing and sale of electrical appliances in a corner of Osaka’s Doshomachi district. “Gather people’s strength through a sense of togetherness and build a company that grows with a stream of great ideas as if it were a fountain that never runs dry...” That was the founder’s wish reflected in the company name of “IZUMI”.

IZUMI consists of two Chinese characters, IZ (Izumi) literally meaning “togetherness” and U (IJ), literally meaning “ubiquitous”.

**Historical Highlights**

- **1940**
  - Founded Izumi Shokai in 1945
  - Began retail and wholesale of electrical equipment and devices

- **1947**
  - Incorporated Izumi Denki Co., Ltd.
  - Began manufacture and sales of industrial switches, pilot lights and terminal blocks

- **1950**
  - Completed rebuilding of the Mikuni Plant
  - Began manufacture and sales of switches

- **1954**
  - Developed high-quality switch boxes. They were well received by the machinery and equipment manufacturers.

- **1960**
  - Installed stock in the Second Section of Osaka Securities Exchange

- **1962**
  - Opened Osaka Office in Yodogawa-ku, Osaka
  - Founded corporate name and logo

- **1970**
  - Stock listed in the First Section of the Tokyo and Osaka Stock Exchanges

- **1973**
  - Completed rebuilding of the Mikuni Plant

- **1974**
  - Began manufacture and sales of industrial switches, pilot lights and terminal blocks

- **1980**
  - Established Nippon Electric Control Equipment Industries Association (NECA) as one of the charter members
  - Listed stock in the Second Section of Tokyo Stock Exchange

- **1988**
  - Established IDEC Corporation (California, U.S.A.)

- **1995**
  - Established IDEC IZUMI SUZHOU CO., LTD.

- **1998**
  - Established IDEC IZUMI TAIWAN CORPORATION
  - Listed stock in the First Section of the Tokyo and Osaka Stock Exchanges

- **2000**
  - Stock listing upgraded to the First Section of the Tokyo Stock Exchange

- **2000**
  - Established IDEC SHENZHEN CORPORATION

- **2001**
  - Established IDEC ASIA THAILAND CO., LTD.

- **2007**
  - Established IDEC IZUMI BEIJING CO., LTD.

- **2008**
  - Established IDEC IZUMI ASIA PTE LTD.

- **2010**
  - Established IDEC IZUMI SHANGHAI CORP.

**Corporate History**

**Historical Highlights**

- **1940**
  - Began retail and wholesale of electrical equipment and devices

- **1945**
  - Founded Izumi Shokai

- **1946**
  - Began manufacture and sales of industrial switches, pilot lights and terminal blocks

- **1947**
  - Incorporated Izumi Denki Co., Ltd.

- **1952**
  - Began manufacture and sales of industrial switches, pilot lights and terminal blocks

- **1960**
  - Completed rebuilding of the Mikuni Plant

- **1963**
  - Installed stock in the Second Section of Osaka Securities Exchange

- **1968**
  - Established IDEC Corporation

- **1970**
  - Installed stock in the Second Section of Tokyo Stock Exchange

- **1975**
  - Established IDEC Electronic (Hong Kong) Limited

- **1980**
  - Established IDEC Corporation (Germany)

- **1985**
  - Established IDEC Electronics (California, U.S.A.)

- **1990**
  - Listed stock in the First Section of the Tokyo and Osaka Stock Exchanges

- **1995**
  - Established IDEC IZUMI SUZHOU CO., LTD.

- **1996**
  - Established IDEC IZUMI TAIWAN CORPORATION

- **1997**
  - Established IDEC IZUMI ASIA PTE LTD.

- **1998**
  - Established IDEC IZUMI BEIJING CO., LTD.

- **1999**
  - Established IDEC IZUMI SHANGHAI CORP.

- **2000**
  - Established IDEC ASIA THAILAND CO., LTD.

**Products, past to present**

- Big hit product, SB metal switch box with revolutionarily high-speed shut-off function
- Explosion-safe control box containing pushbutton switches and pilot devices
- Long selling product, easy-to-operate miniature control unit with excellent design and safety features
- Miniature controller developed exclusively for small machine control
- Safety circuit system solution with a large selection of safety components
- Operator interface with bright LED backlight provide excellent visibility
- IDEC controllers make it easy to control lighting, temperature and water quality for growing plants on an industrial scale

**New dimension for sustainable society**

To ease environmental problems such as growing CO₂ emissions and food shortages due to an increasing population, IDEC is promoting LED lighting, renewable energy and automated farming.
Corporate Data

Corporate Name: IDEC CORPORATION
Incorporated: March 26, 1947
Capital Stock: ¥10,056,605,173
Employees: 2,109 (consolidated, as of March 31, 2015) Excluding contract and temporary employees
Stock Listings: Tokyo Stock Exchange, First Section
Head Office: 2-6-64, Nishi-Miyahara, Yodogawa-ku, Osaka 532-0004 Japan Phone: +81-6-6398-2500
Tokyo Head Office: 2-15-1 Konan, Minato-ku, Tokyo 108-6014 Japan Phone: +81-3-5782-7690
Plants: Tsuchiya, Amagasaki, Fukusaikai, Takino, Hamamatsu
Sales Branches: Sendai, Tokai, Osaka, Okayama, Toyama, Hiroshima, Okayama, Oita, Fukuoka
Distribution Center: Tatsuno

Organizational Chart

- Internal Auditing Department
- Quality Assurance Center
- Corporate Business Planning & Administration Department
- Human Resources Department
- IT Center
- Sales & Marketing HQ
- R&D Strategy Division
- Manufacturing & SCM Division
- Domestic Sales Division
- Industrial & Safety Division
- Electronics & Automation Division
- Explosion-proof & Systems Division
- LED Division
- Auto-ID Division
- Solar Smart Division

Stock Information

Shares of the Company

<table>
<thead>
<tr>
<th>Number of shares authorized</th>
<th>Number of shares issued</th>
<th>Number of shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>150,000,000</td>
<td>38,224,485</td>
<td>9,923</td>
</tr>
</tbody>
</table>

Note: Treasury stock held at the end of the period totaled 7,992,853 shares, representing changes in amounts in response to shareholders’ requests for sales or additional purchases.

Distribution of Shareholders

- Financial institutions 7,182 thousand shares (9%)
- Financial corporations 4,715 thousand shares (6%)
- Other corporations 1,877 thousand shares (2%)
- Securities companies 387 thousand shares (1%)
- Other individuals and others 10,081 thousand shares (13%)
- Corporate data

Major Shareholders - Top 10

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Number of shares (Thousands of shares)</th>
<th>Holdings (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Trustee Services Bank, Ltd.</td>
<td>2,744</td>
<td>9.08</td>
</tr>
<tr>
<td>Funaki Kisan Ltd.</td>
<td>1,041</td>
<td>3.44</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd.</td>
<td>1,007</td>
<td>3.33</td>
</tr>
<tr>
<td>Trust &amp; Custody Services Bank, Ltd.</td>
<td>822</td>
<td>2.73</td>
</tr>
<tr>
<td>Mizrahi Bank, Ltd.</td>
<td>812</td>
<td>2.69</td>
</tr>
<tr>
<td>Kajima Fujita</td>
<td>777</td>
<td>2.57</td>
</tr>
<tr>
<td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td>
<td>624</td>
<td>2.07</td>
</tr>
<tr>
<td>Tsuneo Funaki</td>
<td>575</td>
<td>1.90</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>514</td>
<td>1.70</td>
</tr>
<tr>
<td>DATALOGIC S.P.A</td>
<td>477</td>
<td>1.58</td>
</tr>
</tbody>
</table>

Note: The description of major shareholders above conforms to the content disclosed in the Annual Securities Report.

As of March 31, 2015

The IDEC logo symbolizes: 1) Connection among people in various settings, support, and innovation. 2) Business expansion, future growth and being a leader in all things.

The blank white letter “i” adjacent to the special IDEC red “I” symbolizes connections among people: coworkers, business associates, and the rest of society. The white (negative) and red (positive) relationship also symbolizes behind-the-scenes support and innovation.

The color gray on the left conveys new opportunities, value creation, business expansion, progress, and IDEC always going one step ahead of the competition through collaborations and partnerships.

Corporate color

The IDEC red expresses dynamic action, energy, passion, and speed.

IDEC tagline

“Think Automation and beyond…” We are creating the future of manufacturing.

We do not believe that advancement in automation is merely advancement in automation technology. The evolution of automation encompasses the evolution of people-friendly technology and other elements, such as safety features, ease of operation, reliability, and environmental considerations, which add value to the existing automation technology. By advancing all of these elements, we are constantly expanding the possibilities of automation into a new dimension.