CEO Message

By creating an optimum environment for humans and machines, we will contribute to solving diversified societal challenges and aim for sustainable growth.

In addition to realizing safety and ANSHIN society, we are implementing measures to improve the well-being of all people.

We are making innovative changes toward sustainable growth and a high-profit structure by contributing to solving societal challenges through our business activities.

Aiming to improve the well-being of all people

Committed to “Management with respect for humanity,” IDEC has been working on the life-work balance and health-oriented management, as well as providing society with a wide range of products that realize safety and ANSHIN. Since our founding, we have been making efforts to improve “safety, ANSHIN, and well-being” in order to realize a society in which everyone can live healthily, happily, and vigorously.

For our employees, we have established an IDEC Healthcare Center and a fitness gym to help them maintain their physical and mental health. For society, we seek to improve the well-being of all people by creating an optimum environment for humans and machines, which is our Mission, through “Collaborative Safety / Safety2.0,” where humans and machines coexist.
Return to shareholders
Stable dividend payment and appropriate return of profit to shareholders are one of our main priorities, along with the enhancement of our financial position and operational base. We paid an annual dividend of $0.45 per share in FY2021.

Cash dividends per share and dividend payout ratio
- Cash dividends per share (U.S. dollars)
  - 0.35
  - 0.44
  - 0.47
  - 0.48
  - 0.45
- Dividend payout ratio (%)
  - 36%
  - 49.6%
  - 44.4%
  - 0.46
  - 0.45

Measures to take in FY2022
Although the outlook for the global economy is uncertain, changes in the industrial structure, which stem from the Internet of things (IoT), digital transformation (DX), and emerging needs of anti-infection measures, have made it essential for us to establish a business structure that accommodates the changing times. With this background in mind, we are taking specific measures in line with our four basic strategies: promotion of our growth strategy; improvement in profitability; enhancement of the management base; and enhancement of ESG initiatives, in order to achieve the IDEC Group’s Vision and Mission. Through these measures we will make innovative changes toward sustainable growth and a high-profit structure. In FY2022 (April 2021 – March 2022) we are aiming to achieve consolidated net sales of ¥566 million, record-high operating income of ¥58 million, and operating income margin of 10.3%. As part of this strategy, we are accelerating efforts to increase sales in growth markets, such as India and China. We established a sales base in India in January 2020, and are engaged in sales activities aimed at full-scale sales expansion. In China, we aim to further expand business by optimizing our manufacturing and logistics systems, strengthening sales of safety-related products, which is growing in demand, and developing digital infrastructure, including e-commerce. In addition, we will reorganize our global bases as a way to promote local production and local consumption, and develop products that meet the needs of each region and industry, in order to increase sales and improve profitability.

With regard to profit improvement, we will continue to integrate materials and products and reduce SKUs1 in order to reduce costs, increase production efficiency, and transform our business into a high-profit structure. In terms of strengthening the management base, we are promoting efficiency by streamlining the administrative operations of group companies, and developing a communications platform to accommodate flexible working practices.

Addressing societal challenges
In order to address global societal challenges, we are working to strengthen our ESG initiatives. The main initiatives are as follows:

- Reduce CO₂ emissions by actively using renewable energy
- Promote development of eco-friendly products and consider eco-friendliness in materials
- Plan and implement various kinds of training and programs, such as those regarding the empowerment of women and LGBT education
- Aim to achieve "decent work" that allows employees to balance their private life and work life, by implementing measures to increase the rate of employees taking various types of leave to maintain and improve their health
- Implement measures based on the results of the effectiveness assessment
- Establish a Nomination Committee to promote the development of candidates for next-generation executives
- Establish a crisis management system for the IDEC Group

Present and future approaches to the basic strategy

Promotion of growth strategy
- Launch new products which are linked to growth potential
- Strengthen sales that help solve customers’ technical problems
- Restructure and strengthen sales channels
- Expand business areas

Improvement in profitability
- Consolidate materials and products, reduce SKUs
- Reduce inventory and shorten delivery times
- Accelerate cost reduction
- Select and concentrate businesses

Enhancement of management base
- Promote workstyle reform
- Promote structural reform
- Facilitate active communication
- Promote Post Merger Integration (PMI) process to strengthen the foundation

Enhancement of initiatives for ESG
- Further disseminated “The IDEC Way”
- Considered a personnel system reform based on the results of the employee engagement survey result, etc.
- Adopted a global IT infrastructure and raised efficiency
- Secured personnel and enhanced their training in accordance with the management environment

*SKUs: Number of items
Note: Exchange rate (1 U.S. dollar) FY2022 (¥106)

Promoted by the spread of COVID-19, “non-contact,” “remote monitoring and operation,” “automation,” and “labor saving” are attracting renewed attention as key words. The IDEC Group has a number of products that best meet these needs, and is therefore providing optimal solutions needed by society and promoting workplace problem solving. For example, the smart RFID reader, launched in 2020, is a contactless product that reads IC cards, etc. Our products can be used in a safe and secure way not only in our mainstay factory automation (FA) industry, but also in non-FA industries, such as medical care. We are therefore actively developing new sales channels. We are reviewing our sales organization, mainly in Japan. In addition to strengthening the components business by using existing sales networks, we are also working to develop a system to provide a variety of solutions that solve customer problems via collaboration among our development department, manufacturing technology department, and group companies. The global COVID-19 pandemic has significantly changed people’s consciousness, lifestyles, and social needs. We believe that change is a great opportunity for our subsequent growth. As a truly global company, we will thereby aim for sustainable growth by contributing to solving diverse societal challenges through our various products and solutions based on control and safety technologies.

Pioneer the new norm for a safer and sustainable world.
To create the optimum environment for humans and machines.