



Think Automation and beyond...

Financial Results for the First Quarter FY2024 (April 1, 2023 to June 30, 2023)

August 3, 2023

IDEC CORPORATION

Securities code : 6652



Net Sales

■ Net Sales JPY18.2 billion (YoY -9.8%)

- In EMEA, sales of industrial switches moved firmly. In Americas, there was an influence of distribution Inventory, but sales increased due to forex impact, etc.
- In Asia Pacific, sales decreased due to the impact of the economic slowdown in China and Southeast Asia.
- In Japan, sales decreased due to customers' weak export demand and the influence of distribution Inventory.

Income

■ Operating Income JPY1.7 billion (YoY -47.2%)

■ Ordinary Income JPY2.0 billion (YoY -43.2%)

■ Net Income* JPY1.5 billion (YoY -42.6%)

*Net income attributable to owners of parent company

- Income also decreased due to the increased SG&A caused by forex impact and the influence of decreased sales.

Consolidated performance [Consolidated statement of income] -1



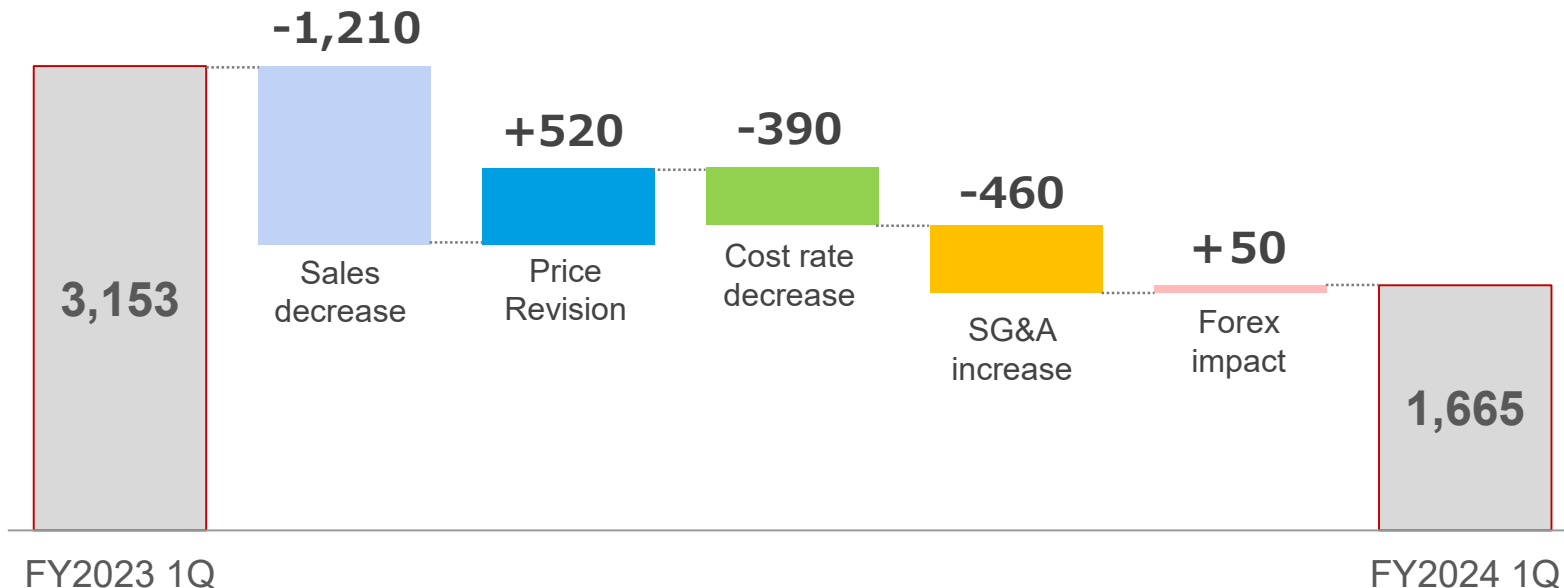
(Unit: million yen) ※Round down to the millions	FY2023 1Q		FY2024 1Q		
	Actual	Sales Ratio	Actual	Sales Ratio	YoY
Net sales	20,157	100.0%	18,180	100.0%	- 9.8%
Gross operating income	8,629	42.8%	7,900	43.5%	- 8.4%
SG&A	5,476	27.2%	6,235	34.3%	+13.9%
Operating income	3,153	15.6%	1,665	9.2%	- 47.2%
Ordinary income	3,562	17.7%	2,022	11.1%	- 43.2%
Net income attributable to shareholders of parent company	2,555	12.7%	1,467	8.1%	- 42.6%
Earnings per share(EPS) (before diluting) (JPY)	88.09	—	50.16	—	- 37.93
USD-yen rate (JPY)	129.73		137.49		+7.76
EUR-yen rate (JPY)	130.40		149.58		+19.18
CNY-yen rate (JPY)	19.60		19.56		- 0.04

*Since this 1Q, APEM Group has changed its account closing date from December 31 to March.

Changing factors of consolidated operating income

Although there was a positive effect by price revision, operating income **decreased by approximately 1.5 billion yen** due to decreased sales and the influence of increased SG&A caused by forex impact.

(unit: million yen) *Round down to the million



Consolidated performance [Consolidated income statement] -2



(Unit: million yen) ※Round down to the millions	FY2023								FY2024		
	1Q (Apr.to Jun.)		2Q (Jul.to Sep.)		3Q (Oct.to Dec.)		4Q (Jan.to Mar.)		1Q (Apr. to Jun.)		
	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	YoY
Net sales	20,157	100.0%	23,022	100.0%	20,927	100.0%	19,761	100.0%	18,180	100.0%	- 9.8%
Gross income	8,629	42.8%	10,376	45.1%	9,750	46.6%	8,620	43.6%	7,900	43.5%	- 8.4%
SG&A	5,476	27.2%	5,970	25.9%	5,878	28.1%	5,990	30.3%	6,235	34.3%	+13.9%
Operating income	3,153	15.6%	4,406	19.1%	3,871	18.5%	2,629	13.3%	1,665	9.2%	-47.2%
Ordinary income	3,562	17.7%	4,577	19.9%	3,523	16.8%	2,738	13.9%	2,022	11.1%	-43.2%
Net income attributable to owners of parent company	2,555	12.7%	3,138	13.6%	2,305	11.0%	2,145	10.9%	1,467	8.1%	-42.6%
Earnings per share(EPS) (before diluting) (JPY)	88.09	-	107.94	-	79.03	-	73.31	-	50.16	-	-37.93

Sales by regions

(Unit: million yen) *Round down to the millions (Sales ratio)	FY2023 1Q	FY202 1Q	YoY
Japan	8,319 (41.3%)	6,681 (36.8%)	-19.7%
Overseas	11,837 (58.7%)	11,498 (63.2%)	- 2.9%
Americas	3,457 (17.2%)	3,707 (20.4%)	+ 7.2%
EMEA (Europe, Middle East, Africa)	3,314 (16.4%)	3,776 (20.7%)	+13.9%
Asia Pacific	5,065 (25.1%)	4,015 (22.1%)	-20.7%
Total	20,157 (100.0%)	18,180 (100.0%)	- 9.8%

Japan

YoY **-19.7%**

- Due to the influence of customers' weak export demand and distribution Inventory, sales decreased.

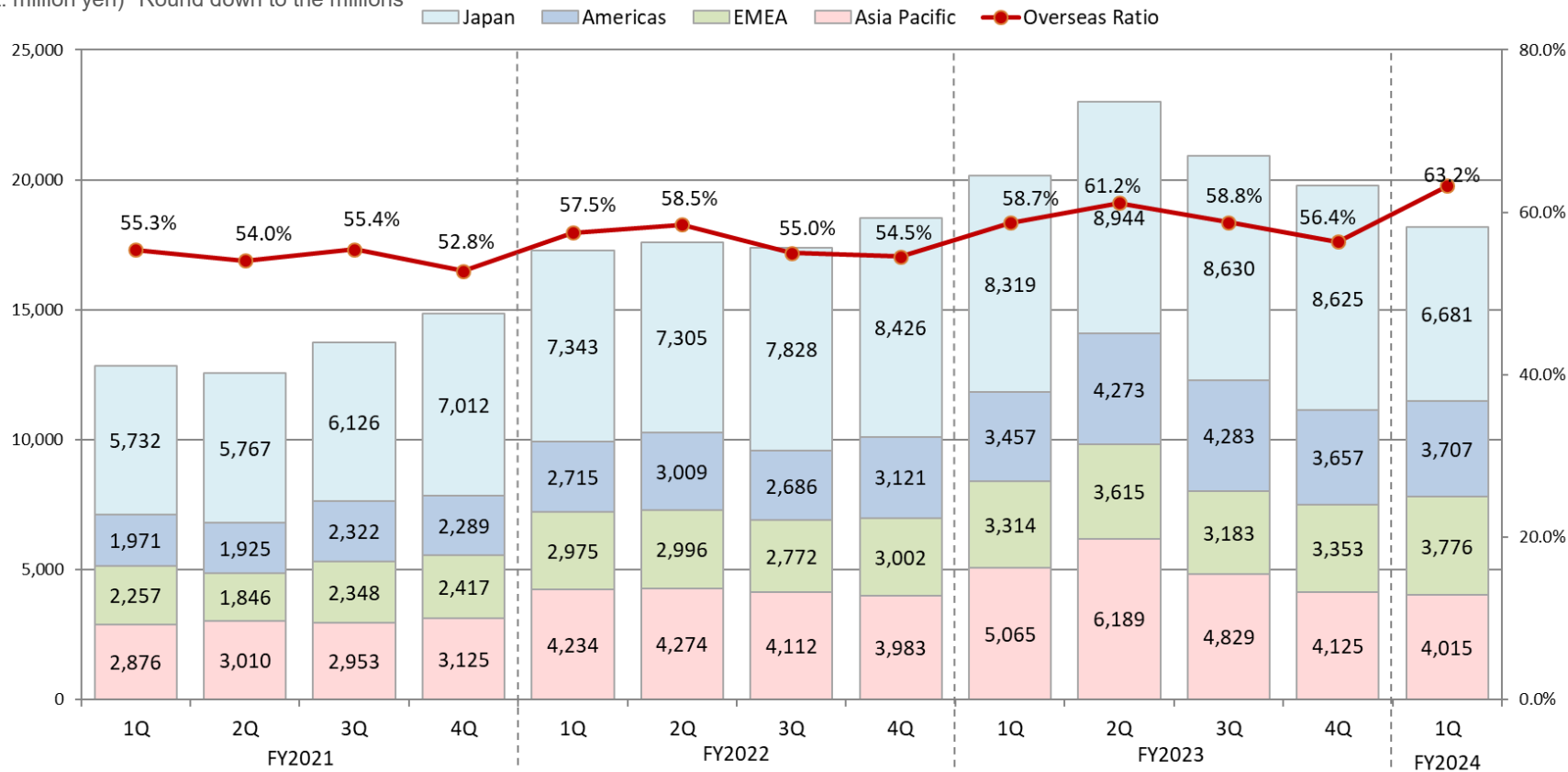
Overseas

YoY **- 2.9%**

- In Americas, sales increased due to the recovery of supply for major automation products and the influence of forex.
- In EMEA, sales expanded due to the strong movement of major HMI business in addition to the forex impact.
- In Asia Pacific, sales decreased due to the influence of economic slowdown in China.

Sales by regions (per quarter transition)

(Unit: million yen) *Round down to the millions



Sales by products



(Unit: million yen) *Round down to the millions (Sales ratio)	FY2023 1Q	FY2024 1Q	YoY
HMI	8,880 (44.1%)	8,594 (47.3%)	- 3.2%
Industrial Relays & Components	4,002 (19.9%)	2,948 (16.2%)	-26.3%
Automation & Sensing	2,158 (10.7%)	2,341 (12.9%)	+ 8.4%
Safety & Explosion Protection	3,841 (19.1%)	3,104 (17.1%)	-19.2%
Systems	950 (4.7%)	911 (5.0%)	- 4.2%
Others	323 (1.5%)	280 (1.5%)	-13.4%
Total	20,157 (100.0%)	18,180 (100.0%)	- 9.8%

*The classification by product partially changed from FY2023.

HMI (Human-Machine Interface)

While sales of operator interfaces expanded by improved delivery schedule of electronic components, sales of switches decreased due to adjustment of inventory stocks and decreased demand for semiconductors and machine tools.

Industrial Relays & Components

Sales of control relays decreased in China.

Automation & Sensing

Sales of programmable logic controllers for Americas moved firmly due to improved delivery schedule of electronic components.

Safety & Explosion Protection

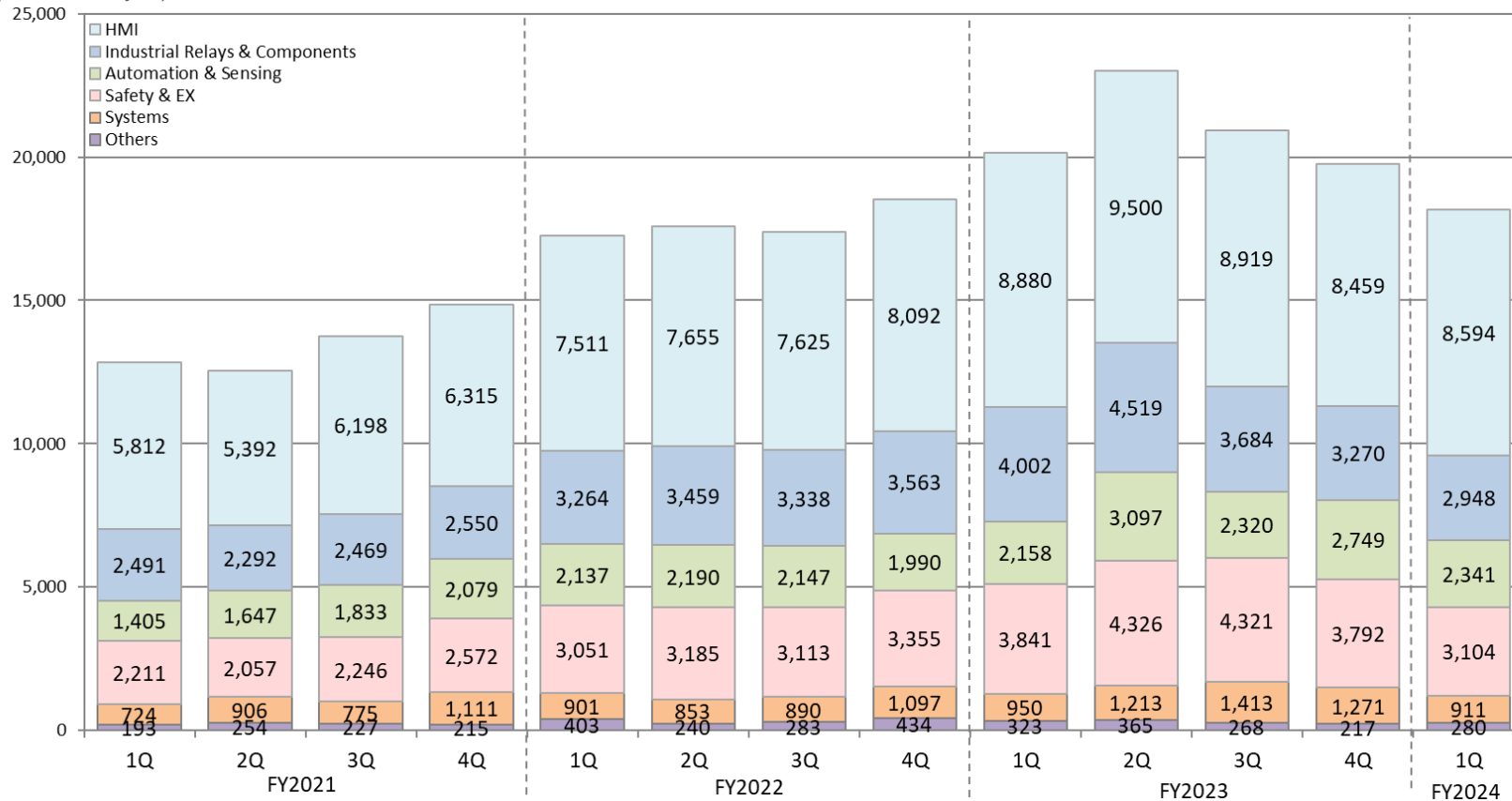
Sales of safety-related products decreased due to the economic slowdown in China mainly and decreased demand for semiconductor and machine tool industries.

Systems

Sales of control panels for semiconductor and logistic-related equipment decreased in Asia Pacific.

Sales by products (per quarter transition)

(Unit: million yen) *Round down to the millions



Orders received



(Unit: million yen) *Round down to the millions	FY2023 1Q		FY2024 1Q			
	Amount of orders received	Backlog	Amount of orders received	YoY	Backlog	YoY
Japan	11,057	19,875	6,550	-40.8%	12,329	-38.0%
Americas	4,874	6,405	2,681	-45.0%	3,863	-39.7%
EMEA (Europe, Middle East, Africa)	3,555	7,428	4,164	+17.1%	9,947	+33.9%
Asia Pacific	3,746	7,232	2,257	-39.7%	3,392	-53.1%
Total	23,233	40,942	15,655	-32.6%	29,532	-27.9%

Order received (per quarter)

- Order received in Japan has bottomed and has been in a gradual recovery trend.
- In EMEA, it increased compared to 4Q due to forex impact.
- In Americas and Asia Pacific, it decreased due to the influence of distribution Inventory, etc.

(Unit: million yen) *Round down to the millions	FY2023								FY2024	
	1Q (Apr. to Jun.)		2Q (Jul. to Sep.)		3Q (Oct. to Dec.)		4Q (Jan. to Mar.)		1Q (Apr. to Jun.)	
	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog
Japan	11,057	19,875	8,524	17,940	8,736	17,057	6,193	13,514	6,550	12,329
Americas	4,874	6,405	4,515	6,635	3,703	6,038	2,668	4,972	2,681	3,863
EMEA (Europe, Middle East, Africa)	3,555	7,428	4,418	8,229	3,457	8,531	3,683	8,975	4,164	9,947
Asia Pacific	3,746	7,232	2,901	5,411	2,588	4,211	2,924	4,085	2,257	3,392
Total	23,233	40,942	20,359	38,218	18,486	35,838	15,470	31,547	15,655	29,532

Highlights of assets

- While cash and deposits decreased, fixed assets, inventory assets, and trade receivables increased. Therefore, total assets increased by 2.37 billion yen compared to the end of previous FY.

Highlights of liabilities

- Due to the decreased overdue income tax, etc., total liabilities decreased by 1.36 billion yen compared to the end of previous FY.

Highlights of net assets

- Although earned surplus decreased, foreign currency translation adjustment increased. Therefore, net assets increased by 3.72 billion yen compared to the end of previous period.

(Unit: million yen) *Round down to the millions	FY2023 (previous FY)	FY2024 (end of June)	YoY
Current asset	54,518	54,892	+374
Fixed asset	49,717	51,709	+1,991
Current liabilities	32,059	33,296	+1,237
Non-current liabilities	13,362	10,766	-2,596
Net assets	58,813	62,538	+3,724
Total assets	104,235	106,601	+2,366
Shareholders' equity ratio	56.1%	58.3%	+2.2%

Cash Flows by operation activities

- It was approximately -0.41 billion yen due to the payment of income tax, increased inventory assets and decreased trade payables, etc.

Cash Flows by investing activities

- Due to the acquisition of fixed assets, etc., it was approximately 80 million yen.

Cash Flows by financing activities

- It was approximately -2.33 billion yen due to repayment of borrowings and expenses including dividends.

	FY2023 1Q	FY2024 1Q	YoY
CF from operation activities	-158	-414	-256
CF from investing activities	-602	78	+681
Free cash flows (FCF)	-760	-336	+424
CF from financing activities	-1,917	-2,327	-409
Cash and cash equivalents at end of period	13,039	12,969	- 70
Capital expenditures	772	928	+155
Depreciation and amortization	841	946	+105

Forecast for the FY2024

■ Forecasts remain unchanged

(Unit: million yen) ※Round down to the millions	FY2023		FY2024		
	Actual	Sales ratio	Forecast	Sales ratio	YoY
Net sales	83,869	100.0%	81,000	100.0%	- 3.4%
Gross operating income	37,376	44.6%	38,500	47.5%	+3.0%
SG&A	23,315	27.8%	24,700	30.5%	+5.9%
Operating income	14,060	16.8%	13,800	17.0%	- 1.9%
Ordinary income	14,403	17.2%	13,800	17.0%	- 4.2%
Net income attributable to shareholders of parent company	10,144	12.1%	9,500	11.7%	- 6.4%
Earnings per share(EPS) (before diluting) (JPY)	348.37	—	326.23	—	- 22.14
USD-yen rate (JPY)	135.51		130		- 5.51
EUR-yen rate (JPY)	138.15		140		+1.85
CNY-yen rate (JPY)	19.75		18.50		- 1.25

Consolidated business forecast for the FY2024

(Unit: million yen) *Round down to the millions	FY2023	FY2024	
	Actual	Forecast	YoY
HMI	35,760	36,200	+ 1.2%
Industrial Relays & Components	15,476	13,900	-10.2%
Automation & Sensing	10,327	10,200	- 1.2%
Safety & Explosion Protection	16,282	15,700	- 3.6%
Systems	4,848	4,000	-17.5%
Others	1,174	1,000	-14.8%
Total	83,869	81,000	- 3.4%
Domestic sales	34,519	33,300	- 3.5%
Overseas sales	49,349	47,700	- 3.3%
(Ratio of overseas sales)	(58.8%)	(58.9%)	

Currency	Exchange assumption	Effect by 1 yen change of exchange rate *For CNY, effect by 0.1 yen change	
		Net sales	Operating income
USD	JPY130	Approx. 80 mil. yen	Approx. 20 mil. yen
EUR	JPY140	Approx. 140 mil. yen	Approx. 10 mil. yen
CNY	JPY18.5	Approx. 60 mil. yen	Approx. 15 mil. yen

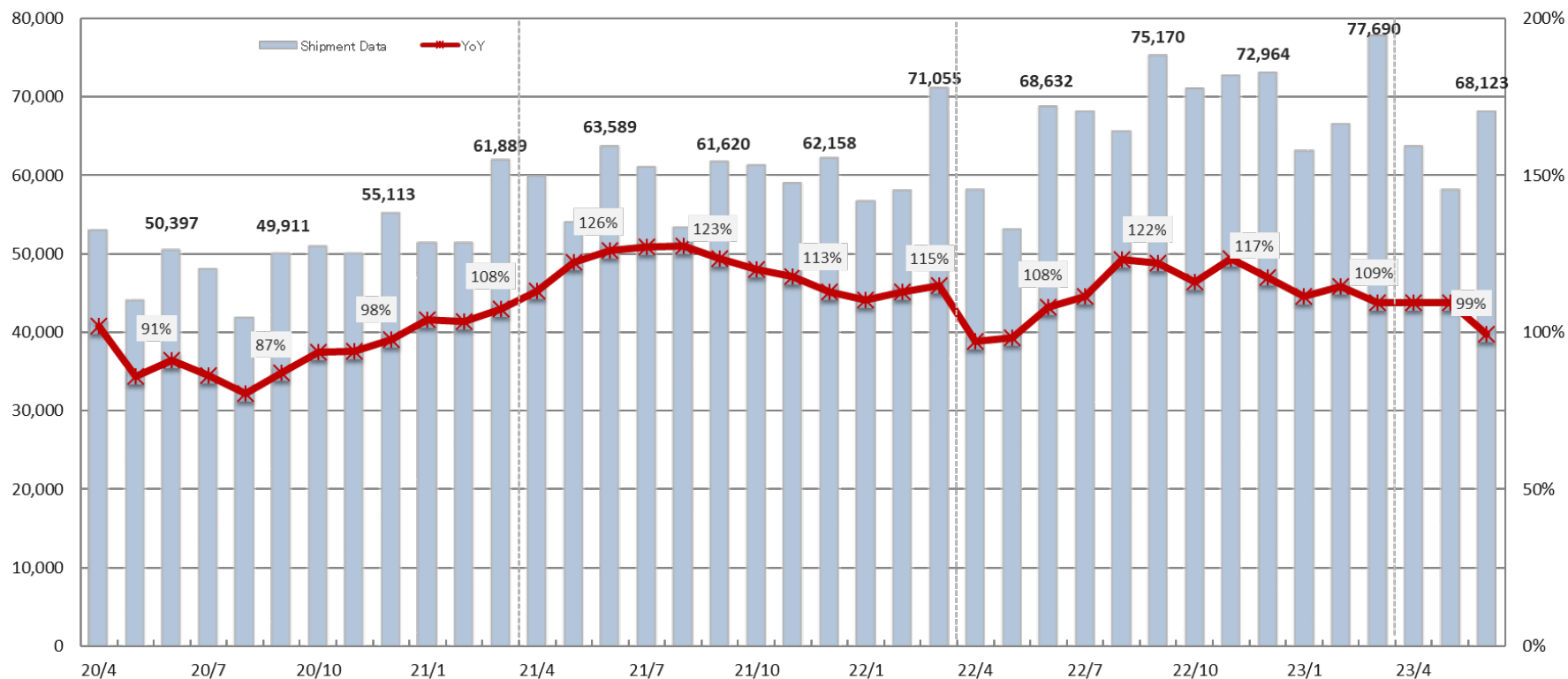
References

Industry Trend (Transition of shipment data of NECA*)

*Nippon Electric Control Equipment Industries Association

Transition of the industrial shipment and YoY status (between April 2020 and June 2023)

(Unit: million yen)



Sales classification by segment

HMI (Human-Machine Interface)	Industrial Relays & Components	Automation & Sensing	Safety & Explosion Protection	Systems	Others
<ul style="list-style-type: none"> Industrial switches Joysticks Pilot lights Operator interfaces   <div style="background-color: red; color: white; padding: 2px; text-align: center; font-weight: bold;">APEM products</div>  	<ul style="list-style-type: none"> Switching power supplies Terminal blocks Industrial relays/sockets Circuit protectors LED illumination units     	<ul style="list-style-type: none"> Programmable logic controllers Photoelectric switches Automatic identification devices     	<ul style="list-style-type: none"> Safety-related products Explosion protection products      	<ul style="list-style-type: none"> Collaborative robot systems Interface complex systems Security systems Other various systems   	<ul style="list-style-type: none"> Environmental energy-related business Next generation agricultural solutions  

- Mr. Takao Funaki assumed the position of Director at the general shareholders meeting in June 2023. He is responsible for procurement & SCM, and manufacturing in addition to the business in North America.
- Mr. Marc Enjalbert, the Executive Officer in charge of APEM has concurrently served manufacturing since July to establish a framework for promoting manufacturing innovation globally.



Takao Funaki
Director, Senior Executive Officer



Marc Enjalbert
Executive Officer in charge of APEM and Manufacturing

- **The integrated report, “IDEC Report 2023”** was published in June 2023.
(<https://us.idec.com/idec-us/en/USD/integrated-report-2023>)
- By the classification of both financial and non-financial information systematically, the report is composed to make wide range of stakeholders understand our processes for improving company value and initiatives for realizing sustainable society comprehensively.



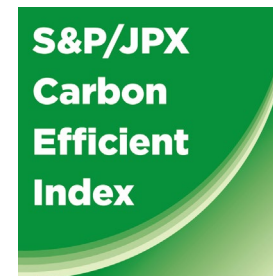
- IDEC was selected as FTSE indexes for the second consecutive year, followed by 2022.
- We were also selected as compositions of SOMPO Sustainability Index in addition to S&P/JPX Carbon Efficient Index for the third consecutive year since 2021.



**FTSE Blossom
Japan Index**



**FTSE Blossom
Japan Sector
Relative Index**



This material contains our plans and performance forecast, which we have planned and expected in accordance with available information as of August 3, 2023.

Therefore, actual performances may vary from aforementioned plans and expected values due to unforeseeable events and factors.

The original language is Japanese in financial results materials. The English version is translated into the original Japanese version. In the case of any discrepancy between the English translation and the Japanese original, the latter shall prevail.

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