



*Think Automation and beyond...*



IDEC CORPORATION

2-6-64 Nishi-Miyahara, Yodogawa-ku, Osaka 532-0004  
Phone: +81-6-6398-2500  
<http://www.idec.com/>

IDEC Report 2015



Vegetable oil ink was used in the printing of this report in consideration of the environment.





# Index



*Corporate Profile*

- 02 Message from the C.E.O.
- 05 Our Business



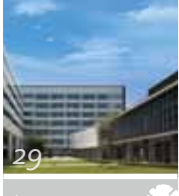
*Technology Report*

- 17 Our Technology



*Annual Report*

- 19 Medium-Term Management Plan
- 21 Products and Events
- 23 Financial Highlights



*CSR Report*

- 29 CSR Report



*Corporate Data*

- 35 Corporate Officers
- 37 Global Network
- 39 IDEC History
- 41 Corporate Data & Stock Information

## Think Automation and beyond...

We make the point of contact, where people interface with machines, easy, safe and secure. We create new possibilities.

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, while creating new possibilities beyond that point. The IDEC Group continues its efforts to brighten the future of manufacturing and our lives as we move into the centennial of IDEC's existence.

# “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.

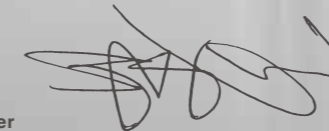
In our new business units, especially the renewable energy sector where we expect growth as society demands it, we are developing products and services

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.

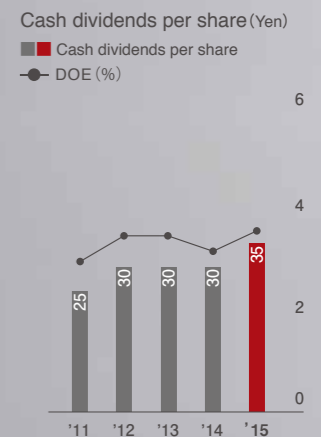
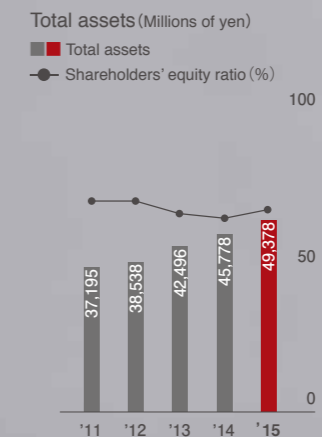
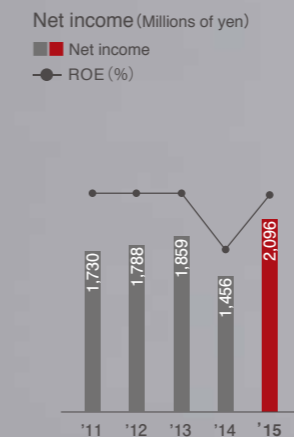
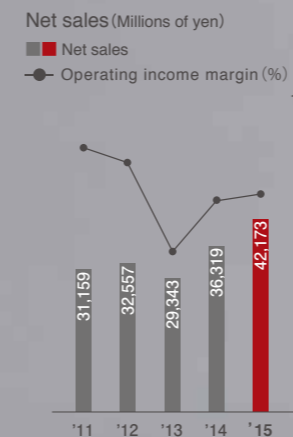
Under the IDEC principle, “IDEC Grows for the Progress of Society,” we continue efforts to raise our corporate value and return profits to IDEC’s stakeholders by meeting social needs. I would like to take this opportunity to thank everyone associated with the IDEC Group and ask for your continued support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



**Toshi K. Funaki**  
Chairman and  
Chief Executive Officer



Financial Highlights Core product sales exceeded those of the prior year. Sales from new businesses increased.





# 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.



## Hazardous Locations

- 


**Display enclosures w/ touchscreen EX4R**  
Assist in system construction in explosive environments.
- 


**Flameproof and increased safety, large-size control boxes EC2C**  
Certified to meet overseas standards, including ATEX (the European directive for explosion protection).
- 

**Hazardous location LED units VMV**  
Save energy in factories and warehouses where explosive gas is present.

## Automation


- 

**Miniature switches and pilot lights LB Series**  
Add style to operation panels.
- 

**LED SignalLight Towers LD6A**  
Warn of abnormalities in various locations, using both light and sound.
- 

**Operator interfaces HG3G**  
Deliver realistic images and bright displays in a compact body.

## Safety


- 


**Interlock switches HS6B**  
One of the world's smallest 3-contact interlock switches.
- 


**Small teaching pendant HG1U**  
Maintain a safe teaching environment for various machines.
- 

**2-pole force-guided relays RF2**  
Provide added safety while saving on cost and installation space.

## Transport Systems

- 

**LED high bay illumination units LG1H**  
Distribute light evenly to maintain the most favorable lighting for a workspace.
- 

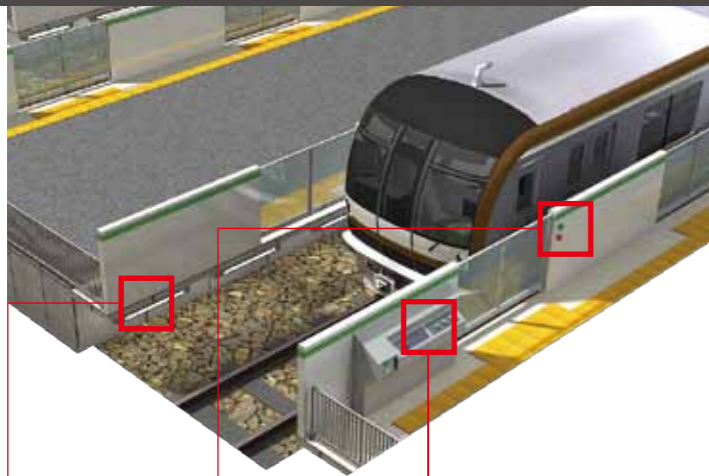
**Bluetooth 2D imagers**  
Improves work efficiency with high operability and superior performance.
- 

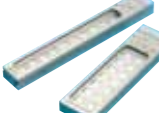
**Miniature laser photoelectric switches SA1E-L**  
Reliably detects small and fast-moving objects.

# Making lives better every day



## Public transportation facilities



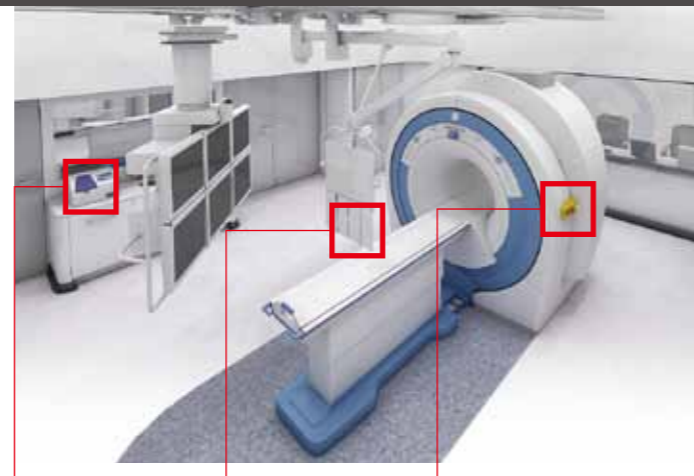
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**LED illumination units LF1D/2D**  
Rugged construction makes these units ideal for lighting vehicle undercarriages for maintenance.
- 

**Super-bright pilot lights AP22**  
Superior visibility makes these units perfect as warning indicators.
- 

**SmartAXIS controllers FT1A**  
Play an active part in controlling the movable barriers that prevent falls from station platforms.

## Hospitals



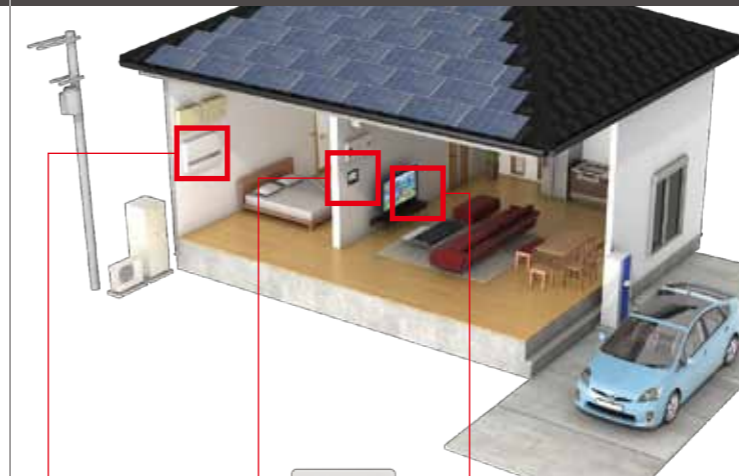
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**Embedded 1D CCD scanners WB1F**  
Contributes to the miniaturization of medical testing equipment.
- 


**Grip switches for medical equipment**  
Extremely popular due to their outstanding operability.
- 


**Emergency-stop switches X Series**  
Stops machines and vehicles in case of emergency.

## Environment and energy



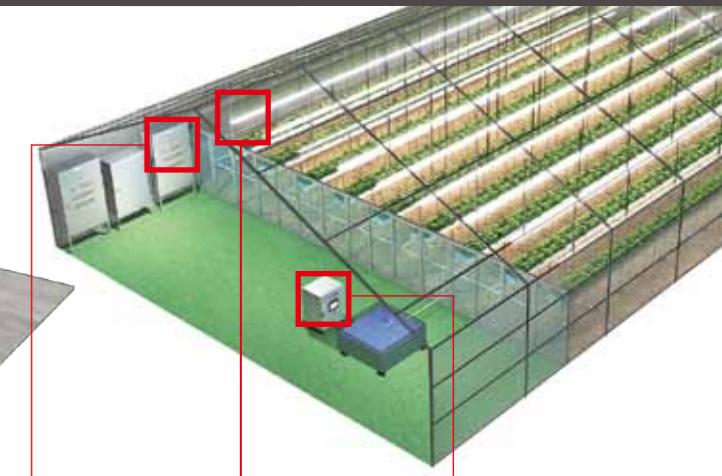
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**Power conditioners PJ1A**  
The industry's smallest power conditioner.
- 


**HEMS (Home Energy Management System) controller**  
Provides a visual representation of the energy used in a home.
- 


**Monitoring unit**  
Monitors the status of power generation and the overall system 24/7.

## AgriBusiness



- 

**Control technology**  
This technology offers high-precision control of light and water, as well as temperature and humidity.
- 

**LED technology**  
Promotes photosynthesis while suppressing the occurrence of disease.
- 

**GALF technology**  
Produces ultrafine bubbles in water, which activate micro organisms.



Teruhiko Takeshita (Left)  
Prothais Morgane (Right)  
Product Marketing Department  
Industrial & Safety Products Division



Takashi Honda  
Product Marketing & Development Department  
Electronics & Automation Division

**Industrial & Safety 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.



Yasuharu Kawanaka  
Division General Manager  
Industrial & Safety Products Division

**Electronics & Automation Business**

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.

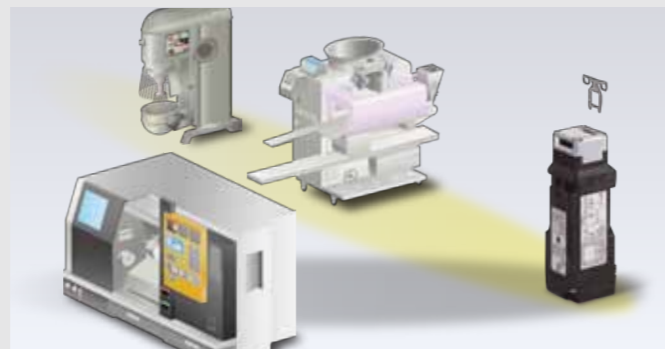


Tomonori Nishiki  
Division General Manager  
Electronics & Automation Division

**Interlock switches HS5L**

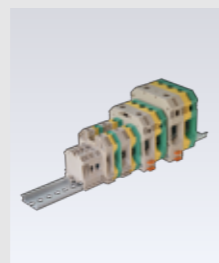
These miniature interlock switches with solenoid are suitable for installation in small and medium-sized industrial machinery.

HS5L in action



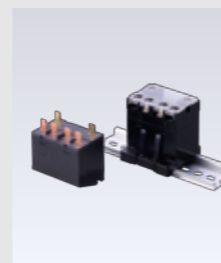
**Emergency-stop switches XW Series**

This lineup of indicator-type switches enable the ON/OFF 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.

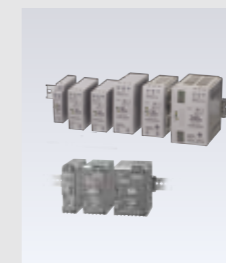
**SmartAXIS controllers FT1A**

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.



**Operator interfaces HG Series**

These operator interfaces improve both display and communication performance via built-in high-resolution liquid crystals and a super-bright LED backlight. This produces crisp, vivid screens that quickly convey information and can be connected to various devices.



**Switching power supplies DIN rail mount**

In addition to pursuing ease of use and functionality, this power supply reduces space inside the panel through a slimmer design, contributing to both miniaturization and lower costs.



**Miniature photoelectric switches SA1E**

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.



**Takanori Yoshino (Left)**  
Explosion-proof & Systems  
Production Department  
Explosion-proof &  
Systems Division

**Koichi Nakajima (Right)**  
System Marketing &  
Development Department  
Explosion-proof &  
Systems Division



**Makoto Kawai (Left)**  
**Sota Takeuchi (Right)**  
LED Production Department  
LED Division

**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.



**Hideyuki Kajiwara**  
Division General Manager  
Explosion-proof &  
Systems Division

**LED Business**

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

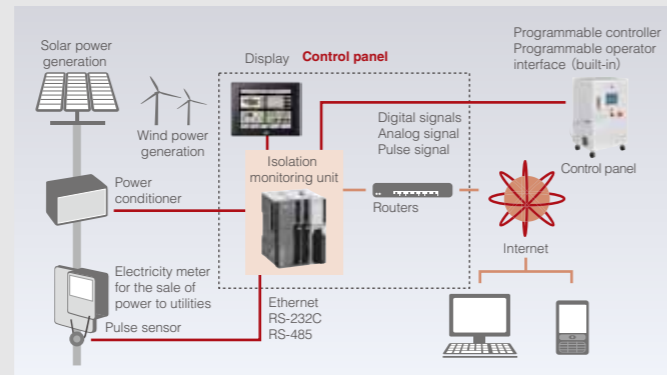
Since the 1980s, IDEC has offered LED technology to meet the needs of our customers. This includes white LED devices, internal lighting for large equipment, custom LED lighting (ie dimmer control systems), high bay lighting and lighting for low temperature applications. Maximizing technology that we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



**Tomoyuki Nakano**  
Division General Manager  
LED Division

**Remote monitoring systems**

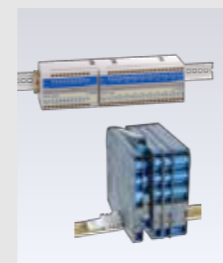
Our systems can monitor the operational status of the electric power production of various equipment in real time over the Internet from remote locations, and notify the customer by e-mail if an abnormality occurs.



**Explosion-proof LED illumination units**  
This equipment results in energy savings and less maintenance at business locations and warehouses that handle explosive gas. With explosion-proof construction in a compact, lightweight unit, this series offers a variety of models providing everything from high bay lighting to low bay lighting, and lighting for tanks.



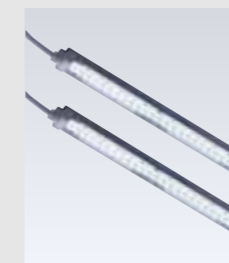
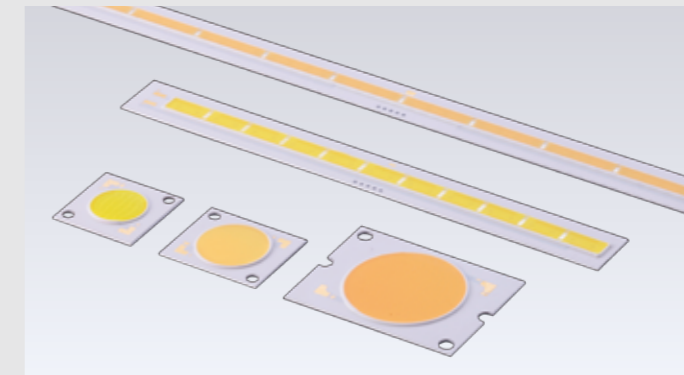
**Explosion-proof control boxes EC2B**  
**Explosion-proof control units EU2B**  
In addition to compliance with the ATEX Directive, which is an important requirement for overseas plants, these control boxes are also UL-certified. EU2B devices include pushbuttons and pilot lights.



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

**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.



**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 factory automation products, this LED lighting is suitable for use in harsh environments, including those with steam and oil.

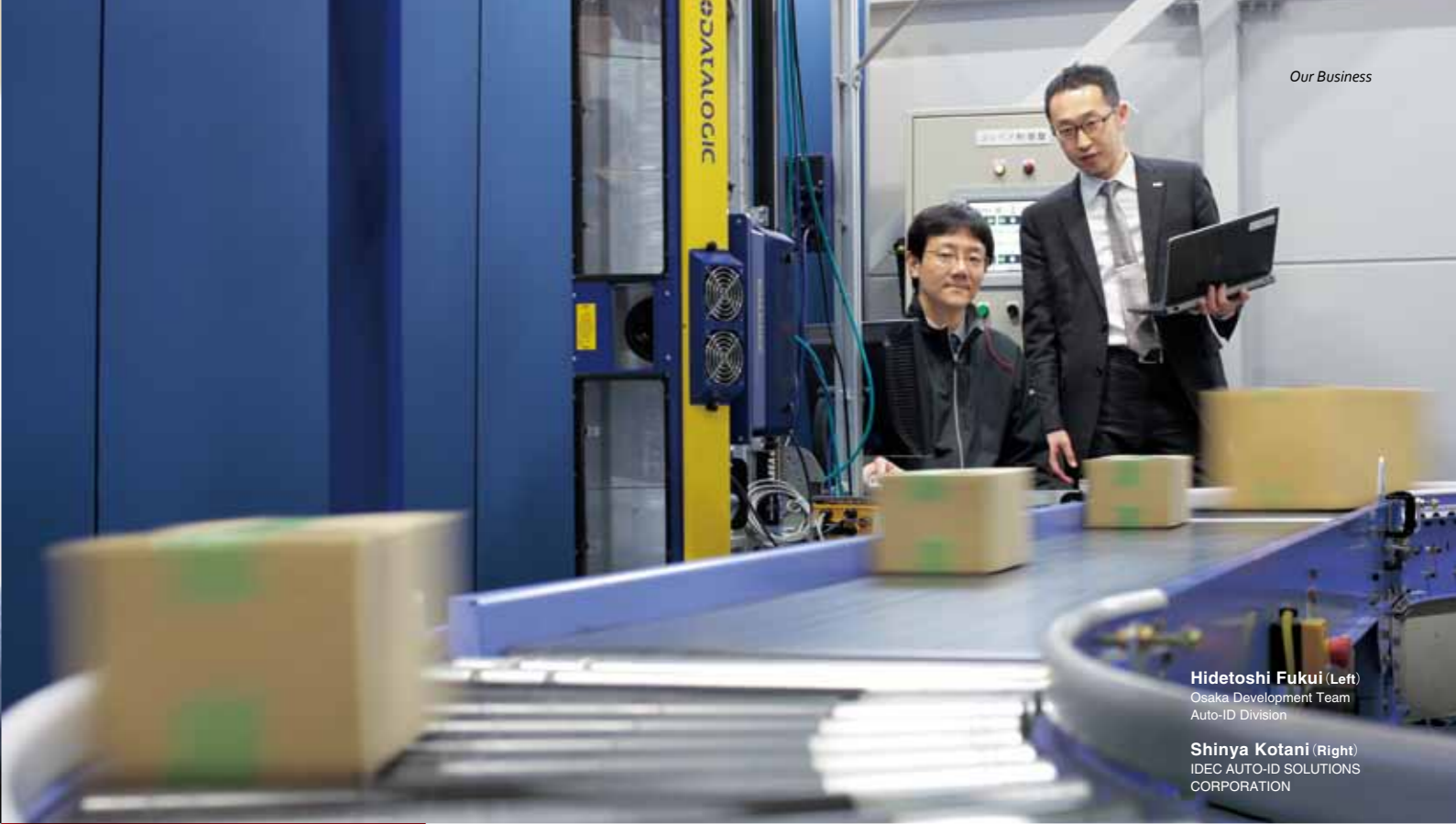


**LED high bay illumination units LG1H**  
Using IDEC's original optical design, this LED lighting reduces glare, making it an ideal choice for manufacturing sites.



**Yasuhiro Tanigo (Left)**  
Director  
CONET CO.,LTD.

**Tadashi Abe (Right)**  
Sales Department  
IDEC ENGINEERING SERVICE CORPORATION



**Hidetoshi Fukui (Left)**  
Osaka Development Team  
Auto-ID Division

**Shinya Kotani (Right)**  
IDEC AUTO-ID SOLUTIONS CORPORATION

**Control Solutions Business**

Solving customers' problems with integrated technologies

IDEC provides the best control system products to meet customer needs. It also offers flexible engineering services to improve productivity at manufacturing sites, saving labor and ensuring a safe environment.



**Kiyotaka Takenaka (Left)**  
President  
CONET CO.,LTD.

**Chitoshi Uemura (Right)**  
President  
IDEC ENGINEERING SERVICE CORPORATION

**Auto-ID Business**

Meeting the expanding market and customers' needs through a wide range of Auto-ID devices

Automatic-recognition systems, such as barcode systems, continue to evolve. Not only does IDEC provide the best possible system to meet each customer's requirements, it offers innovative solutions by incorporating new technologies and grasping market needs ahead of others.



**Hirotosugu Harada**  
Division General Manager  
Auto-ID Division  
President  
IDEC AUTO-ID SOLUTIONS CORPORATION

**Control and operation panel design and manufacture**

Involving 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.



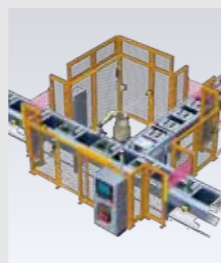
**Software design**

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, to a wide range of stores. It also offers mobile devices ideal for retailers and supply chain management companies.



**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.



Environmental & Energy Business



**Takahiro Ogawa**  
Agrisystem Department  
Environment and Energy Business Division  
IDEC SYSTEMS &  
CONTROLS CORPORATION

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.



**Satoshi Kanokozawa**  
Smart Energy Department  
Environment and Energy Business Division  
IDEC SYSTEMS &  
CONTROLS CORPORATION



**Takehiko Tajika**  
Executive Director  
IDEC SYSTEMS &  
CONTROLS CORPORATION

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.



Fine bubble generator for plant activation agriGALF

This device encourages sound, healthy plant growth based on a soil management technique of producing fine air bubbles to activate microorganisms.



Control technology

Employing this technology, temperatures, humidity, water conditions, lighting, and pump operation are centrally controlled, providing the ideal environment for greenhouse cultivation.

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.



Power conditioners

A new outdoor-type unit is available for IDEC's lineup of power conditioners, which have gained popularity due to their high efficiency and workability.



HEMS controller

Cloud system



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.



# 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 IDEC's own technology and products models for international standardization by serving on the technical committees of organizations such as ISO and IEC as a representative of Japan.

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 led 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

## Technology Management Policy

## Providing products and services backed by solid technologies

Guided by our corporate principle of “creating optimal work environments between people and machines,” we invent technologies and functions to respond to the changing needs of the global community by analyzing and utilizing massive amounts information. Our approach to innovation includes the tri-axial integration of R&D, intellectual property and international standardization, the integration of our core-technologies, incorporation of outside technologies, and communications through multiple channels.



Innovation through incorporation of resources inside and outside of the IDEC Group, and relentless advancement

**Ikkan Nishihara**  
Senior Manager  
Strategic Technology Department

### International standardization

Participation in setting international standards on safety and fine bubbles

We believe that effectively balancing “open” (disclosure) and “closed” (secrecy) access to our new technology enables us to develop markets, expand our market shares 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.



Dr. Fujita, Senior Executive Officer, was recognized by Japan's Ministry of Economic, Trade, and Industry for his efforts and contributions to international standardization.



Our 3-position enabling switch set an IEC international safety standard.

### Collaboration with corporations, governments, and academia

Innovation through cooperation

Our participation in the internationally-renowned “Photonics Advanced Research Center” projects led by Osaka University involves the development of ultrafine bubble generation, nano-scale measurements, and applied technology in collaboration with the university and other corporations. This university-industry collaboration system is an incubator for IDEC's new business fields.



IDEC/Osaka University joint laboratory



Strategy of acquiring Intellectual property (IP) that becomes the model for international standard

**Toshiyuki Kasama**  
Intellectual Property Strategy Team  
International Standardization &  
Intellectual Property Strategy Department

### IP strategy

IP strategy with standardization focus

Recognizing the importance of international standards, our development system integrates R&D, IP, and international standardization. Our IP Department has also been making concentrated and strategic efforts in patent applications while following standards trends closely, drawing a patent map and studying the possibility of influencing international standardization.

as of March 31, 2015

IDEC-owned domestic and international intellectual property	
Japanese Patent rights, Utility model rights	249
Japanese Design rights	364
Japanese Trademark rights	139
International Patent rights, Utility model rights*	97
International Design rights*	44
International Trademark rights*	120

\* Total number held outside Japan

### Protective measures against counterfeit products

Aggressively going after violators of our intellectual property

We have been taking swift and firm action in China and other countries, using all available and appropriate legal means, to fight against violators of our intellectual property rights. Many IDEC products, including safety products, are made to protect the lives and property of customers and users. Inferior counterfeit products can malfunction in case of emergency, failing to protect the lives and property of our customers. Therefore, not only to protect our rights but also to ensure safety for everybody concerned, we continue to fight aggressively against counterfeit products.



Medium-Term Management Plan

# Clear Vision

Providing products and services that support market needs.

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

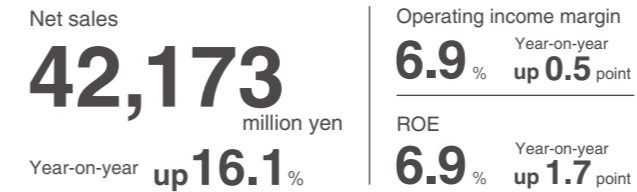
Since its founding in Japan in 1945, the IDEC Group has firmly established the IDEC brand as one that represents a high level of technology and product quality. In Japan, where manufacturing site safety and environmental improvements are called for, we continue to expand business by providing products 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.

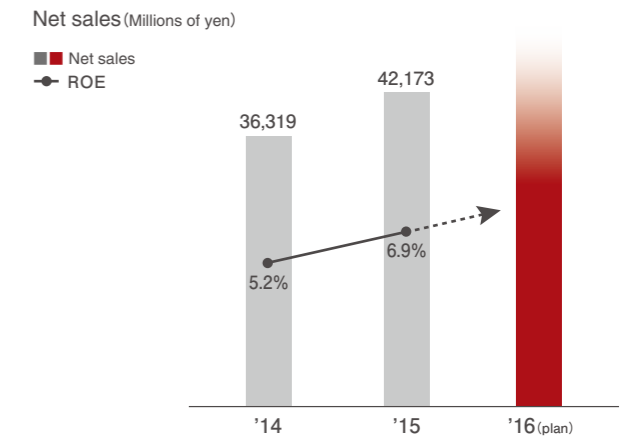
Mikio Funaki  
Senior Executive Vice President



## Progress of Medium-Term Management Plan



Our sales for fiscal year 2015, the second year of a three-year medium-term plan, were ¥42.1 billion, exceeding the sales objective set in the beginning of the plan for the third year. We continue to strive for increasing profits and return on equity into fiscal year 2016.

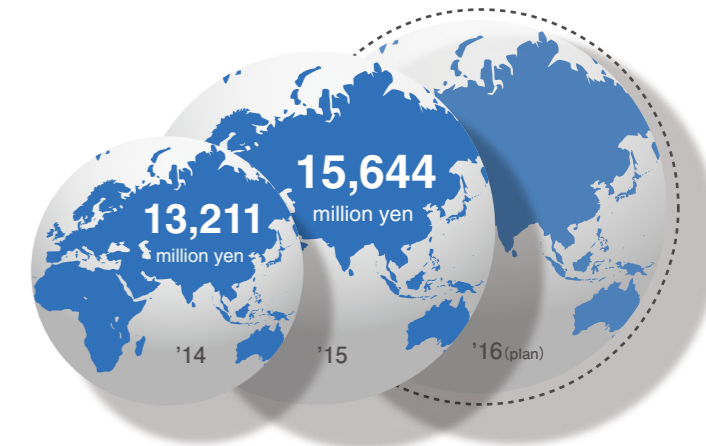


## Higher yield in existing businesses, expansion in overseas sales

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.

- Expanding control solutions business
- Strengthening business structure in China
- Developing new markets in Southeast Asia

## Overseas Sales

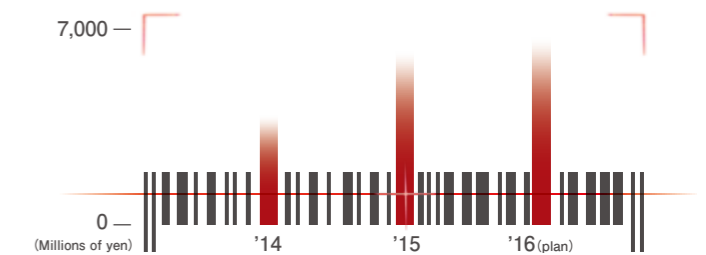


## Expansion of new businesses

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.

- Expanding Auto-ID business
- Strengthening environmental and energy businesses
- Realizing agribusiness

## New Business Sales



# Products and Events

April 2014 to March 2015

**2014**  
**7**  
**LED product**

**New LG1H-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.



**2014**  
**10**  
**Safety product**

**New HS5L interlock switches with solenoid**

This miniature switch is beneficial for small and medium-sized machinery and conforms to the latest international safety standards.



**2014**  
**10**  
**Automation product**

**Transistor-output model added to the FT1A Touch series**

This controller is perfect for systems that are connected to analog equipment, such as thermostats.



**2014**  
**10**  
**Industrial product**

**New RV8H slim interface relays**

This thin interface relay is only 6mm wide and employs a spring clamp terminal with excellent contact reliability and vibration resistance.



**2015**  
**1**  
**Explosion-proof product**

**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.



**2015**  
**1**  
**Automatic-recognition product**

**WB1F embedded 1D CCD scanner**

This new scanner is 60% smaller than the industry standard, thus contributing to the miniaturization of medical analysis equipment.



Topics 2

April • 4    May • 5    June • 6    July • 7    August • 8    September • 9    October • 10    November • 11    December • 12    January • 1    February • 2    March • 3



**2014**  
**4**

**Participation in a project demonstrating advanced agricultural technology and business models, sponsored by the Ministry of Agriculture, Forestry and Fisheries of Japan.**

In collaboration with farming corporations, IDEC has been implementing a cultivation technique using water infused with oxygen-rich ultrafine bubbles to boost tomato production.



**2014**  
**5**

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

CONET CO., LTD. and CONET SYSTEM CORP. became members of the IDEC Group, expanding IDEC control solution services.



**2014**  
**8**

**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.



**2014**  
**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.



**2014**  
**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.



**2014**  
**11**

**Sayo-IDEC 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.

Topics 1

## CONET CO., LTD. brought into our corporate 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.



Topics 2

## 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.

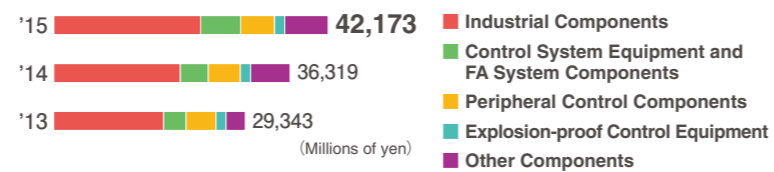


### Sales by Product Group

Sales rose in core products groups, including industrial components, control and FA systems, and environmental business segments

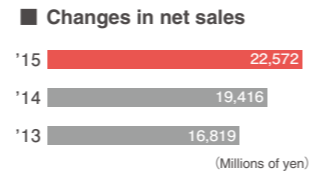
All product groups achieved sales growth. New business segments, including the automatic-identification business and environmental businesses, showed a significant increase in sales while the industrial component group including switches showed a steady increase.

Changes in sales by product group



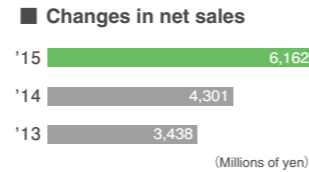
#### Industrial Components

Net sales **22,572** million yen  
Year-on-year **up 16.3%**  
Sales expanded for core products, such as control switches, relays and safety products.



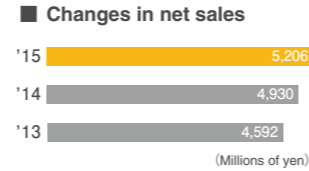
#### Control System Equipment and FA System Components

Net sales **6,162** million yen  
Year-on-year **up 43.2%**  
Sales grew for programmable controllers, as well as automatic-identification products, which IDEC launched full scale in fiscal year 2015.



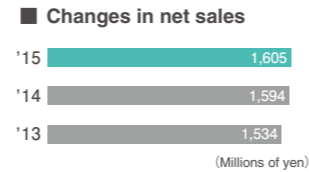
#### Peripheral Control Components

Net sales **5,206** million yen  
Year-on-year **up 5.6%**  
Connection devices mainly for the domestic market, such as terminal blocks and power supplies, saw a rise in sales.



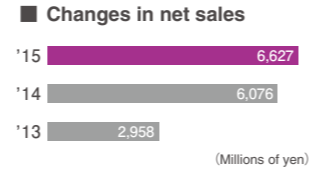
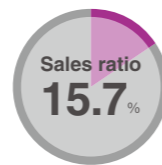
#### Explosion-proof Control Equipment

Net sales **1,605** million yen  
Year-on-year **up 0.7%**  
Sales of hazardous location LED lighting units increased, especially in Japan.



#### Other Components

Net sales **6,627** million yen  
Year-on-year **up 9.1%**  
Sales from environmental business, especially from the industrial solar power sector, grew.

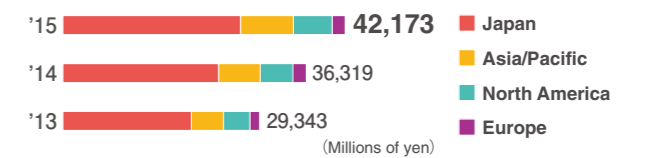


### Sales by Region

Increased revenues in North America and Asia, as well as in major domestic markets

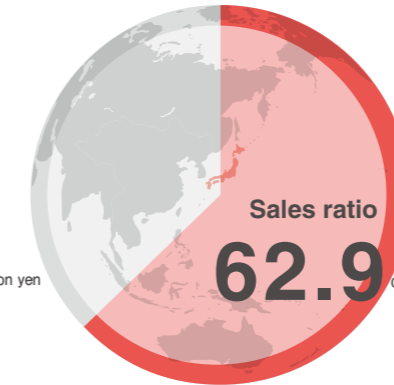
Our core domestic markets grew with a boost from the solid economy. Growth was also seen overseas, especially in North America and the Asian region, centered on China.

Changes in sales by region

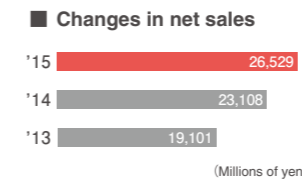


#### Japan

Net sales **26,529** million yen  
Year-on-year **up 14.8%**

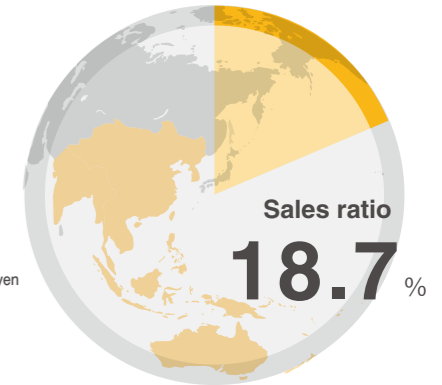


Sales grew for industrial components, such as control switches and safety devices, as well as in environmental businesses, especially the solar power segment.

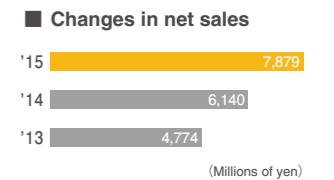


#### Asia/Pacific

Net sales **7,879** million yen  
Year-on-year **up 28.3%**

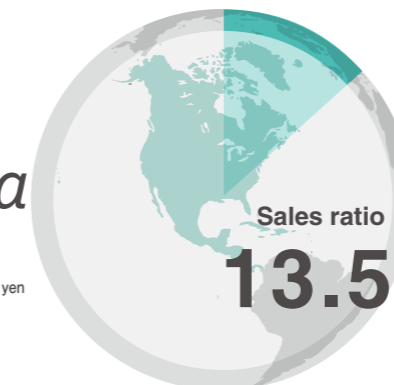


In addition to strong sales of control switches and control relays in China and its surrounding regions, sales of programmable controllers also grew.

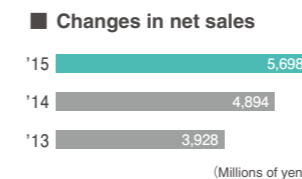


#### North America

Net sales **5,698** million yen  
Year-on-year **up 16.4%**

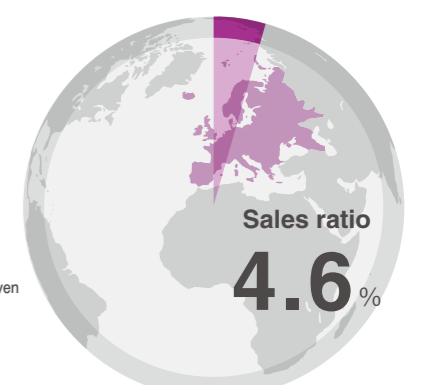


Sales of industrial components including control switches and control relays, and programmable controllers, increased.

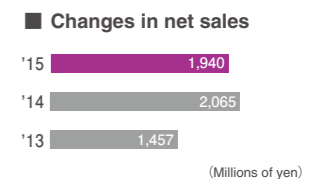


#### Europe

Net sales **1,940** million yen  
Year-on-year **down 6.1%**



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)	Millions of yen			Thousands of U.S. dollars (Note 5)
	2015	2014	2013	2015
Net sales	¥42,173	¥36,319	¥29,343	\$350,660
Gross profit	17,117	15,406	13,062	142,327
Selling, general and administrative expenses	14,207	13,063	11,627	118,127
Operating income	2,910	2,342	1,434	24,200
Ordinary income	3,160	2,482	1,696	26,277
Net income	2,096	1,456	1,859	17,429
<b>Cash Flow Status (Years ended March 31)</b>				
Net cash provided by (used in) operating activities	1,925	4,633	2,204	16,009
Net cash provided by (used in) investing activities	(1,169)	(2,493)	(3,800)	(9,722)
Free cash flow (Note 2)	756	2,139	(1,595)	6,286
Net cash provided by (used in) financing activities	(891)	(1,929)	1,261	(7,414)
Depreciation and amortization	1,677	1,699	1,335	13,945
Capital expenditures	1,761	2,277	5,701	14,642
<b>Financial Status (As of March 31)</b>				
Total assets	49,378	45,778	42,496	410,562
Total Interest-bearing liabilities (Note 3)	6,710	6,006	6,939	55,793
Total Shareholders' equity	32,121	28,801	26,958	267,081
<b>Per Share Information (Yen/U.S. dollars)</b>				
Earnings per share (EPS) on a diluted basis	69.30	48.99	61.01	0.57
Book value per share (BPS)	1,062.53	959.56	914.98	8.83
Cash Dividends per share (annual)	35	30	30	0.29
<b>Financial Indicators</b>				
Return on equity (ROE)	6.9%	5.2%	7.0%	6.9%
Shareholders' equity ratio	65.1%	62.9%	63.4%	65.1%
Current ratio	170.8%	159.0%	154.1%	170.8%
Dividends on equity (DOE) (Note 4)	3.5%	3.1%	3.4%	3.5%

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

3. Interest-bearing liabilities = Short-term loans payable + Long-term loans payable

4. Dividend on equity (DOE) = Annual dividends / Shareholders' equity

5. Accounts in U.S. dollars are calculated at the prevailing exchange rate as of March 31, 2015 (US\$1=JP¥120.27) for the convenience of readers abroad.

## Consolidated Balance Sheet

As of March 31, 2015 and 2014		Millions of yen		Thousands of U.S. dollars (Note 2)
		2015	2014	2015
<b>Assets</b>	Current assets			
	Cash and deposits	7,995	7,743	66,478
	Notes and accounts receivable-trade	6,816	5,919	56,680
	Securities	841	1,133	7,000
	Merchandise and finished goods	5,459	3,741	45,392
	Work in process	1,177	1,138	9,794
	Raw materials and supplies	2,395	2,677	19,917
	Advance payments-trade	68	154	567
	Deferred tax assets	754	641	6,275
	Others	744	572	6,187
	Allowance for doubtful accounts	(41)	(39)	(347)
	Total current assets	26,212	23,683	217,947
	Noncurrent assets			
	Property, plant and equipment			
	Buildings and structures, net	9,056	9,010	75,301
	Machinery, equipment and vehicles, net	1,182	778	9,832
	Tools, furniture and fixtures, net	842	992	7,008
	Land	8,254	7,591	68,630
	Lease assets, net	238	244	1,981
	Construction in progress	292	285	2,433
	Total property, plant and equipment	19,867	18,903	165,188
	Intangible assets			
	Software	304	392	2,535
	Lease assets	0	3	5
	Goodwill	426	370	3,549
	Others	98	85	821
	Total intangible assets	831	851	6,911
	Investments and other assets			
	Investment securities	1,179	857	9,811
	Long-term loans receivable	530	603	4,409
	Deferred tax assets	200	416	1,663
	Others	599	560	4,984
	Allowance for doubtful accounts	(42)	(97)	(355)
	Total investments and other assets	2,467	2,339	20,514
	Total noncurrent assets	23,165	22,095	192,615
	Total assets	49,378	45,778	410,562
<b>Liabilities</b>	Current liabilities			
	Notes and accounts payable-trade	3,280	4,373	27,276
	Electronically recorded obligations-operating	1,359	—	11,303
	Short-term loans payable	6,310	5,897	52,465
	Current portion of long-term loans payable	192	83	1,596
	Lease obligations	100	127	836
	Income taxes payable	674	293	5,606
	Accounts payable-other	931	773	7,742
	Accrued expenses	1,540	1,465	12,808
	Advances received	92	873	769
	Deposits received	678	733	5,642
	Others	185	272	1,540
	Total current liabilities	15,345	14,893	127,588
	Noncurrent liabilities			
	Bonds payable	50	—	415
	Long-term loans payable	208	25	1,731
	Lease obligations	155	132	1,294
	Net defined benefit liability	1,035	1,435	8,613
	Provision for directors' retirement benefits	68	57	567
	Asset retirement obligations	88	66	734
	Long-term accounts payable-other	77	138	641
	Others	3	—	31
	Total noncurrent liabilities	1,687	1,856	14,029
	Total liabilities	17,032	16,749	141,618
<b>Net assets</b>	Shareholders' equity			
	Capital stock	10,056	10,056	83,616
	Capital surplus	9,721	9,722	80,831
	Retained earnings	17,587	16,139	146,230
	Treasury stock	(6,859)	(7,045)	(57,032)
	Total shareholders' equity	30,506	28,873	253,646
	Accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	295	117	2,461
	Foreign currency translation adjustment	1,389	(72)	11,550
	Remeasurements of defined benefit plans	(69)	(117)	(576)
	Total accumulated other comprehensive income	1,615	(72)	13,435
	Subscription rights to shares	14	61	117
	Minority interests	209	166	1,743
	Total net assets	32,345	29,029	268,943
	Total liabilities and net assets	49,378	45,778	410,562

Notes: 1. This annual report omits the consolidated statement of changes in net assets and all notes to the financial statements. For detailed explanation of the financial statements, please refer to the Company's Financial Report submitted to the Financial Services Agency's EDINET (Electronic Disclosure for Investors' Network) system.

2. Amounts in the consolidated financial statements on Pages 26 to 28 are converted from amount in yen to U.S. dollars at the prevailing exchange rate as of March 31, 2015 (U.S.\$1 = ¥120.27), for the convenience of readers abroad.

## Consolidated Statement of Income

Years ended March 31	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2014	2015
Net sales	42,173	36,319	350,660
Cost of sales	25,056	20,913	208,333
Gross profit	17,117	15,406	142,327
Selling, general and administrative expenses	14,207	13,063	118,127
Operating income	2,910	2,342	24,200
Non-operating income			
Interest income	28	22	240
Dividends income	15	16	124
Equity in earnings of affiliates	—	8	—
Foreign exchange gains	231	103	1,921
Rent income	108	97	898
Others	101	90	844
Total non-operating income	484	338	4,030
Non-operating expenses			
Interest expenses	45	59	382
Equity in losses of affiliates	7	—	64
Depreciation	74	94	621
Compensation expenses	26	—	222
Others	79	44	662
Total non-operating expenses	234	198	1,952
Ordinary income	3,160	2,482	26,277
Extraordinary income			
Gain on sales of noncurrent assets	3	7	30
Gain on bargain purchase	—	15	—
Gain on abolishment of retirement benefit plan	—	101	—
Gain on reversal of subscription rights to shares	26	—	218
Total extraordinary income	29	123	249
Extraordinary loss			
Loss on step acquisitions	—	8	—
Loss on sales of noncurrent assets	2	11	22
Impairment loss	30	211	249
Loss on abandonment of noncurrent assets	1	24	14
Total extraordinary loss	34	255	286
Income before income taxes and other adjustments	3,155	2,350	26,240
Income taxes-current	1,110	811	9,235
Income taxes-deferred	(71)	67	(591)
Total income taxes	1,039	878	8,644
Income before minority interests	2,116	1,471	17,596
Minority interests in income	20	15	166
Net income	2,096	1,456	17,429

## Consolidated Statement of Cash Flow

Years ended March 31	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2014	2015
Net cash provided by (used in) operating activities			
Income before income taxes and other adjustments	3,155	2,350	26,240
Depreciation and amortization	1,677	1,699	13,945
Impairment loss	30	211	249
Amortization of goodwill	59	9	495
Gain on bargain purchase	—	(15)	—
Increase (decrease) in allowance for doubtful accounts	(59)	(4)	(490)
Increase (decrease) in net defined benefit liability	45	(347)	376
Interest and dividends income	(43)	(38)	(365)
Interest expenses	45	59	382
Foreign exchange losses (gains)	(18)	(1)	(153)
Equity in (earnings) losses of affiliates	7	(8)	64
Loss (gain) on sales of noncurrent assets	(0)	3	(7)
Loss on abandonment of noncurrent assets	1	24	14
Decrease (increase) in notes and accounts receivable-trade	69	274	581
Decrease (increase) in inventories	(754)	(484)	(6,270)
Increase (decrease) in advances received	(780)	831	(6,490)
Decrease (Increase) in accounts receivable	24	59	202
Increase (decrease) in notes and accounts payable-trade	(719)	782	(5,983)
Increase (decrease) in accounts payable-other	116	165	964
Increase (decrease) in accrued expenses	5	63	48
Increase (decrease) in deposits received	(57)	(218)	(479)
Increase (decrease) in long-term accounts payable-other	(61)	134	(508)
Others	(45)	142	(380)
Subtotal	2,698	5,694	22,434
Interest and dividends income received	43	38	362
Interest expenses paid	(53)	(61)	(442)
Income taxes paid	(763)	(1,037)	(6,344)
Net cash provided by (used in) operating activities	1,925	4,633	16,009
Net cash provided by (used in) investing activities			
Purchase of short-term investment securities	—	(1,103)	—
Proceeds from sales of short-term investment	441	—	3,667
Purchase of property, plant and equipment	(1,375)	(1,927)	(11,434)
Proceeds from sales of property, plant and equipment	22	1,404	190
Purchase of intangible assets	(154)	(242)	(1,282)
Purchase of investment securities	—	(0)	—
Proceeds from sales of investment in securities	6	0	56
Payments of long-term loans receivable	(22)	(600)	(186)
Collection of long-term loans receivable	24	3	201
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(122)	(7)	(1,019)
Others	10	(19)	83
Net cash provided by (used in) investing activities	(1,169)	(2,493)	(9,722)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	214	(800)	1,783
Repayment of long-term loans payable	(213)	(133)	(1,772)
Purchase of treasury stock	(0)	(0)	(4)
Proceeds from exercise of stock option	157	53	1,310
Cash dividends paid	(900)	(884)	(7,489)
Cash dividends paid to minority shareholders	(1)	(1)	(12)
Repayments of lease obligations	(147)	(163)	(1,228)
Net cash provided by (used in) financing activities	(891)	(1,929)	(7,414)
Effect of exchange rate change on cash and cash equivalents	387	339	3,224
Net increase (decrease) in cash and cash equivalents	252	549	2,096
Increase in cash and cash equivalents from newly consolidated subsidiary	—	162	—
Cash and cash equivalents at beginning of year	7,743	7,031	64,382
Cash and cash equivalents at end of year	7,995	7,743	66,478

# CSR Report

Since its founding, the IDEC Group has engaged in Corporate Social Responsibility (CSR) activities guided by a corporate philosophy that each and every IDEC member contributes to society through the growth of business while respecting human rights and leading a meaningful life. Two of its most prominent contributions to society are: promoting safety based on many years of experience designing and developing safety products, and contributing to improvement of the global environment through its environmental business operation. IDEC continues to make social contributions through its business and adhere 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 web site for more information on IDEC Group's CSR activities.  
<http://jp.idec.com/ja/aboutIDEC/csr>



## 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 elimination of all forms of forced and compulsory labour;  
 Principle 5: the effective abolition of child labour; and  
 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 members of society by demonstrating responsible, creative leadership, and participating in a global framework to achieve sustainable growth."

## To Ensure Industrial Safety

### 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.



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

##### HS5L interlock switches

Conforming to the newest international safety standards, the HS5L is an ideal safety switch for small to medium-size machine applications. It adds value to machines where the implementation of safety measures had not been a priority.

##### EF1A hazardous location LED illumination units

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



HS5L



EF1A

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

#### Takeo Yasui





Product Marketing Department  
 Industrial & Safety Products Division

#### Training safety professionals

##### Training and certifying safety assessors

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 number of assessors in each level within IDEC:

-  **Safety lead assessors – 15 people**  
(provide assessment to third parties as an assessor leader)
-  **Safety assessors – 35 people**  
(exercise knowledge and skills as an assessor)
-  **Safety sub-assessors – 155 people**  
(have basic assessor knowledge)
-  **Safety basic assessors – 147 people**  
(have basic knowledge of safety for machine operation or electric equipment for explosion-proof)

\*A safety assessor certification is offered jointly by Japan Certification Corp, Nippon Electric Control Equipment Industries Assoc. (NECA), the Society of Safety Technology and Application, Japan (SOSTAP), and TUV Rhineland Japan.

#### Promoting safe manufacturing

##### Safety consulting

We offer safety consulting to maximize both safety and productivity: identifying hazardous sources, assessing risks, proposing 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 designing explosion-proof electrical devices in compliance with current international standards, construction, installation, inspection and maintenance.



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

#### Kazuya Okada

Standardization & Safety Solution Team  
 International Standardization & Intellectual Property Strategy Department

#### 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"



Earth Preservation

## Improve individual and world environments through our business

### 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.



#### ■ 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 Ibaraki 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.



Mega-solar power business



Recyclable wooden panel support

Assisting the global environmental and local community efforts through our mega-solar power business.

#### Tsuyoshi Nagata

Engineering Department  
Environment and Energy Business Division  
IDEC SYSTEMS & CONTROLS CORPORATION

#### ■ 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.

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

Factors to be Considered	Product design outcome
Reusability	Ease of recycling
Recyclability	Ease of disassembly
	Ease of disposal
Resource saving	Reduction in volume and weight
Energy saving	Reduction in consumption of electricity
	Prolonged product life
Environmental safety	No use of regulated hazardous materials and chemicals



#### ■ Environment Management Certifications

The IDEC Group has been constantly improving its environment management system. The Headquarters/Engineering Research Center was certified as 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.



Headquarters / Engineering Research Center



Tsukuba Plant

Reducing environmental burdens at manufacturing sites.

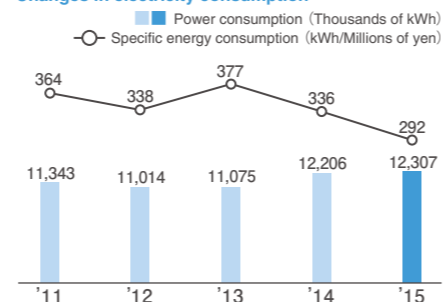
#### Satoshi Nishiyama

General Affairs Team  
Amagasaki Plant

#### ■ 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



1. Specific unit of consumption represents the consumption/emission/discharge per annual sales.  
2. Data collected from Headquarters, Tsukuba, Amagasaki, Hamamatsu, Fukusaki, Takino facilities and Tatsuno Distribution Center.  
3. More information can be viewed on our website.

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 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.

##### Quality Assurance Center

- Global quality assurance team**  
Setting and managing QC procedures, standards and rules throughout the IDEC Group.
- Manufacturing quality assurance team**  
Responding to customer claims and monitoring the adherence to established IDEC standards.
- Quality evaluation and testing team**  
Testing products, analyzing claims and identifying causes.
- Standards management team**  
Acquiring, maintaining and auditing standard compliance approvals for products and manufacturing plants.

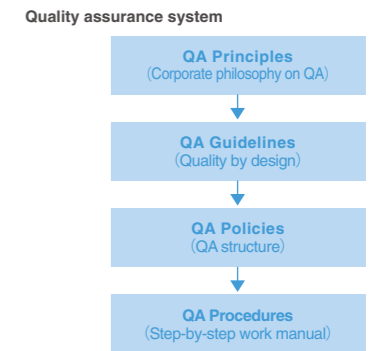
Superior IDEC quality achieved by solid teamwork throughout the company.

#### Atsushi Matsumoto

Senior Manager  
Quality Assurance Center

#### ■ Quality assurance 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 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.

Raising quality awareness through continuous quality training.

#### Shigeki Makimoto

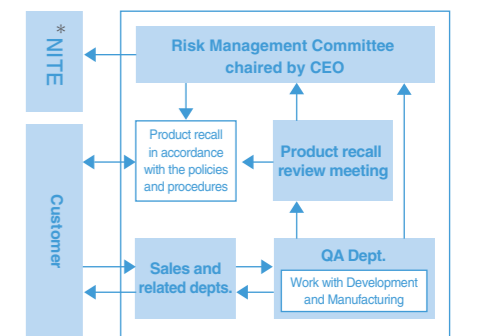
Global Quality Assurance Team  
Quality Assurance Center



QC training

#### ■ 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.



\* National Institute of Technology, an incorporated administrative agency authorized by the government to evaluate risk management

Approach to human rights and employees

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

HRM Principle

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.



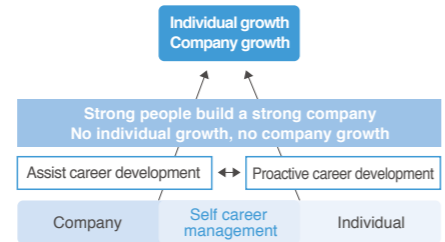
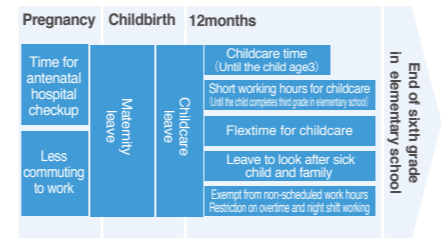
Human resource development

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 era.

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



Providing education opportunities to support individual growth.

Noriko Fujita  
Career Development Team  
Human Resources Department



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. IDEC LOGISTICS SERVICE CORP. actively employs people with disabilities and is registered with the Hyogo Prefecture Government as a sponsor of the employment of disabled while also extending employment to foreign nationals as technical interns. As of March 2015, IDEC LOGISTICS SERVICE has 15 employees with disabilities (9% of total work force) and 3 employees with foreign nationalities.

Realizing 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.



Technical training offered to Vietnamese interns

Promoting diverse human resources.

Satoshi Miyake  
Director  
IDEC LOGISTICE SERVICE CORPORATION

Corporate Governance/Compliance

More transparency, more efficiency to maintain trustworthiness

Fundamental Management Policy

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.

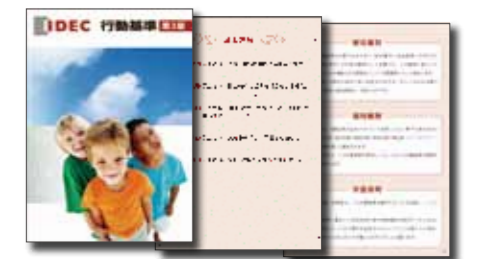


Corporate Governance

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.

Compliance

A booklet 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 on a regular basis to management and employees in accordance with their areas of responsibilities and the number of years worked for IDEC. In fiscal year 2015, "the Ethics and Code of Conduct" was updated and distributed in accordance with the revisions in contacts for internal reporting and the workplace harassment policy.



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

Keiji Fujita  
Director

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 of automatic-identification devices and systems for factory automation headquartered in Italy.



Auditing System

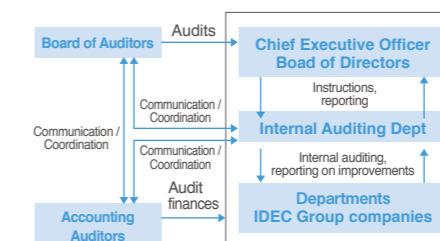
Our auditors independently and fairly evaluate the process and performance of various business activities for legality and effectiveness while helping the company achieve its goals. Main auditing activities include risk management and control evaluating the validity of the corporate governance process and recommending improvements. Completely independent from business operations, auditors also monitor and evaluate the effectiveness of each IDEC Group company's internal control processes that affect the reliability of financial reports.

Risk Management

"Risk Control Procedures" were established to avert risks and to minimize damage if a crisis occurs. The Risk management Committee led by the C.E.O. was established to avoid risks during normal business hours and to set up and maintain an emergency system that can deal with a crisis quick. This includes a procedure for confirming the safety of people as one of the initial emergency measures when a disaster strikes.

Evaluating and assisting business activities independently and objectively

Yasuo Matsuda  
Senior Manager  
Internal Auditing Department



## Corporate Officers

# Maintaining sound, transparent and efficient management is a high priority

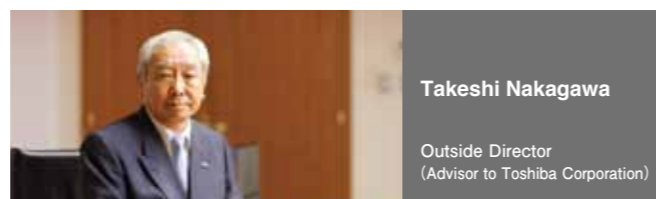
We place high value on transparency and efficiency in corporate management as shown by the separation of the auditing function and the operating function to force creative tension between the two, and by actively appointing outside directors and outside auditors.

Directors	Chairman and C.E.O.	<b>Toshi K. Funaki</b>	Executive Officers	Senior Executive Officer Chief Technology Officer	<b>Toshihiro Fujita</b>
	Senior Executive Vice President	<b>Mikio Funaki</b>		Senior Executive Officer Quality Assurance	<b>Hideyuki Kitayama</b>
	Director	<b>Keijiro Fujita</b>		Senior Executive Officer Sales & Marketing	<b>Arnaud Mondi</b>
	Outside Director	<b>Takeshi Nakagawa,</b> Advisor to Toshiba Corporation		Senior Executive Officer Global Business Development	<b>Peter Tarantino</b>
	Outside Director	<b>Nobuo Hatta</b>		Executive Officer Industrial & Safety Products Division	<b>Yasuharu Kawanaka</b>
Outside Director	<b>Takuji Yamamoto</b>	Executive Officer Manufacturing & SCM	<b>Yasuharu Maruyama</b>		
Auditors	Standing Corporate Auditor	<b>Masayuki Furukawa</b>	Executive Officer Domestic Sales	<b>Eichi Tada</b>	
	Outside Corporate Auditor	<b>Hirokazu Taniguchi</b>	Executive Officer Human Resources	<b>Hirosuke Mikasa</b>	
	Outside Corporate Auditor	<b>Masanori Sakamoto</b>	Executive Officer Corporate Business Planning and Administration	<b>Yoshihiko Nishiyama</b>	
	Outside Corporate Auditor	<b>Masataka Kawahito</b>			

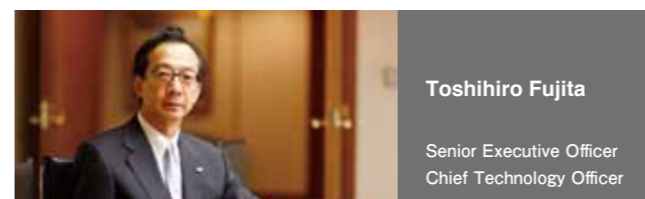
### Directors



### Outside Directors



### Executive Officers

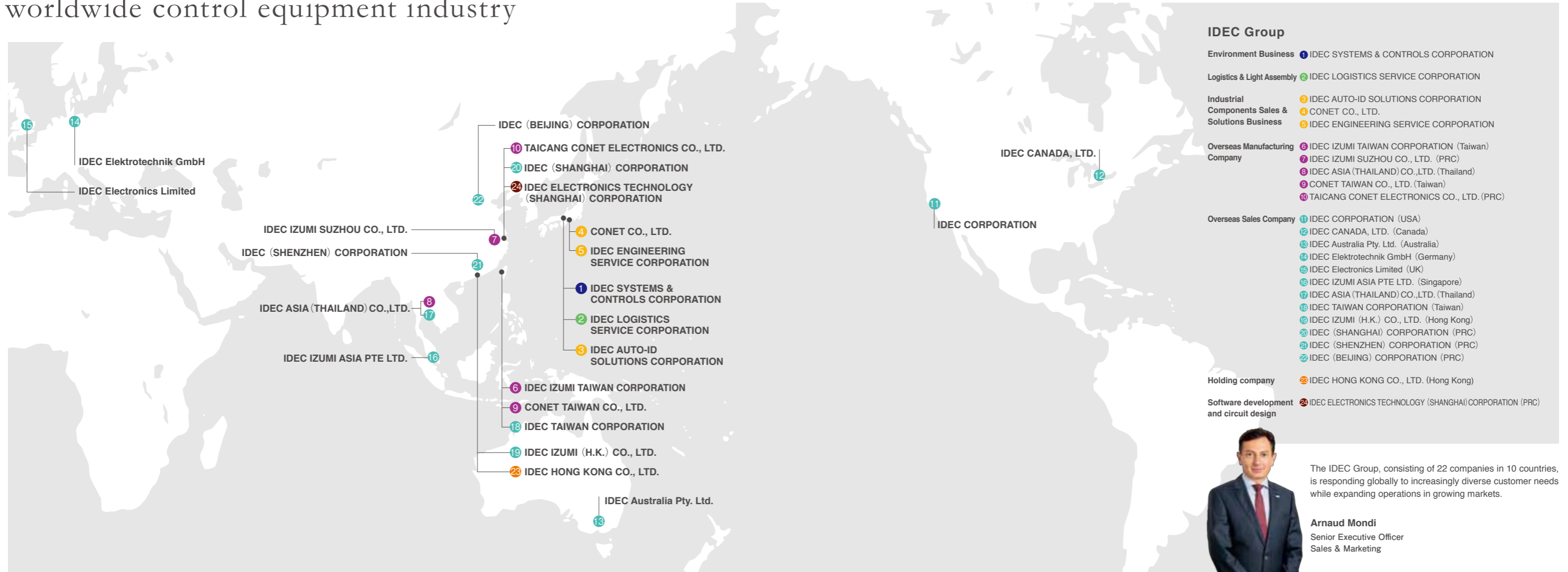


### Advisor



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.

**Arnaud Mondy**  
Senior Executive Officer  
Sales & Marketing

[ Message from IDEC Group ]

Japan

Asia / Pacific

North America

Europe



情熱・アイデア・実行

**Eiji Kawai**  
Senior Manager  
Automation Sales Department  
Domestic Sales Division



Innovation through customer focus

**Tony Funaki**  
Senior Manager  
International Business Development  
Sales & Marketing HQ



動いてから考える。

**Shunichi Ohzono**  
General Manager  
IEDEC IZUMI TAIWAN CORPORATION



挑戦!

**Hiroki Matsumoto**  
General Manager  
IEDEC ELECTRONICS TECHNOLOGY  
(SHANGHAI) CORPORATION



お客様の立場を考慮  
WIN-WINの実現!

**Yasuhisa Kuruma**  
Director  
IEDEC ASIA (THAILAND) CO., LTD.



Re-engineer, Re-structure, execute.

**Rajiv Salhotra**  
Director of Sales  
IEDEC CORPORATION



The FUN of WINNING  
more AUTOMATED

**Elias El-Ters**  
Sales Manager  
IEDEC CORPORATION



Satisfying customers' special  
requirements makes our business grow.

**Frank Lisker**  
Operations Manager  
IEDEC Elektrotechnik GmbH

# IDEC History

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 strengths 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: 和 (Wa), literally meaning "togetherness", and 泉 (Izumi), literally meaning "fountain".)

## The evolution of our logo

IZUMI



## Corporate History



■ Founded Izumi Shokai in 1945  
Began retail and wholesale of electrical equipment and devices

■ Incorporated Izumi Denki Co., Ltd. in 1947  
Began manufacture and sales of switches

■ Opened Osaka Office in Yodogawa-ku, Osaka

■ Began manufacture and sales of industrial switches, pilot lights and terminal blocks

■ Completed rebuilding of the Mikuni Plant  
■ Opened Kyoto Plant in Nagaokakyo City

■ Established Nippon Electric Control Equipment Industries Association (NECA) as one of the charter members

■ Established IZUMI SEIKI TAIWAN CO., LTD. (current IDEC IZUMI TAIWAN CORPORATION)

■ Established IDEC CORPORATION (California, U.S.A.)

■ Established IDEC Elektrotechnik GmbH (Hamburg, Germany)



■ Exhibited at Hannover Messe in Germany

■ Created a new corporate identity and the IDEC trademark and changed English corporate name

■ Listed stock in the Second Section of Osaka Securities Exchange

■ Opened Fukusaki Plant in Hyogo

■ Moved the Head Office to new location in Yodogawa-ku, Osaka

■ Established IDEC Electronics Limited (UK)

■ Listed stock in Second Section of the Tokyo Stock Exchange

■ Opened Takino Plant in Hyogo

■ Stock listing upgraded to the First Section of the Tokyo and Osaka Stock Exchanges

■ Opened Tsukuba Plant in Ibaraki

■ Established IDEC TAIWAN CORPORATION

■ Opened IDEC Technology Research Center in Yodogawa-ku, Osaka

■ Established IDEC IZUMI (H.K.) Co., Ltd.

■ Opened Tatsuno Distribution Center in Hyogo

■ Opened Tokyo Head Office in Minato-ku, Tokyo

■ Established IDEC IZUMI ASIA PTE LTD. (Singapore)

■ Established IDEC IZUMI SUZHOU CO., LTD.

■ Established IDEC (SHANGHAI) CORPORATION

■ Changed corporate name and logo  
Held the "IDEC Beyond Forum"

■ Established IDEC (SHENZHEN) CORPORATION

■ Established IDEC (BEIJING) CORPORATION

■ Opened the New Head Office in Yodogawa-ku, Osaka  
■ Opened Amagasaki Plant in Hyogo  
■ Made IDEC DATALOGIC CO., Ltd. a wholly-owned subsidiary and changed trade name to IDEC AUTO-ID SOLUTIONS CORPORATION

■ Established IDEC ELECTRONICS TECHNOLOGY (SHANGHAI) CORPORATION

■ Made CONET CO., LTD. a wholly-owned subsidiary

■ Established IDEC ASIA (THAILAND) CO., LTD.

1940

1950

1960

1970

1980

1990

2000

2010

## Historical Highlights

### ● High-quality switch boxes desired during post-war years of reconstruction

Noting the shortage of various types of switch boxes required for machinery and equipment at that time, Izumi Shokai, IDEC's predecessor founded in 1945, developed high-quality switch boxes. They were well received by the industry and recognized under the strict standards of the U.S. military stationed in Japan as their designated products. Izumi Shokai also manufactured and sold fire-proof, explosion-proof devices to textile, chemical factories and petrochemical plants, supporting Japan's post-war recovery in manufacturing.

#### Products, past to present



Big hit product, SB metallic switch box with revolutionarily high-speed shut-off function



Explosion-safe control box containing pushbutton switches and pilot devices

### ● Supporting Japan's rapid growth behind the scenes Transforming into a comprehensive control device manufacturer

Throughout the 1950's and the 1960's, in response to factory automation and mechanization, needs for instrumentation and control technology escalated. Factory equipment and systems required controls to stay in optimal operating condition. We began manufacturing control products that were in high demand using our proprietary technology.



Long selling product, easy-to-operate miniature control units with excellent design and safety features



Miniature controller developed exclusively for small machine control

### ● The value of our safety devices highly recognized in supporting coexistence of people and machine

In an environment where people interface with machines, such as automated facilities with industrial robots, system designs that are productive but also safe for operators became crucial.



Safety circuit system solutions with a large selection of safety components



Operator interfaces with bright LED backlight provide excellent visibility

### ● New dimension for sustainable society

To ease environmental problems such as growing CO<sub>2</sub> emissions and food shortages due to an increasing population, IDEC is promoting LED lighting, renewable energy and automated farming.



IDEC controllers make it easy to control lighting, temperatures and water quality for growing plants on an industrial scale



Agribusiness launched to solve food and farming problems

## Corporate Data

### 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:** Tsukuba, Amagasaki, Fukusaki, Takino, Hamamatsu  
**Sales Branches:** Sendai, Takasaki, Omiya, Mito, Tokyo, Tama, Yokohama, Nagano, Niigata, Toyama, Kanazawa, Hamamatsu, Nagoya, Kyoto, Osaka, Okayama, Fukuyama, Hiroshima, Shikoku, Fukuoka  
**Distribution Center:** Tatsuno



Head Office

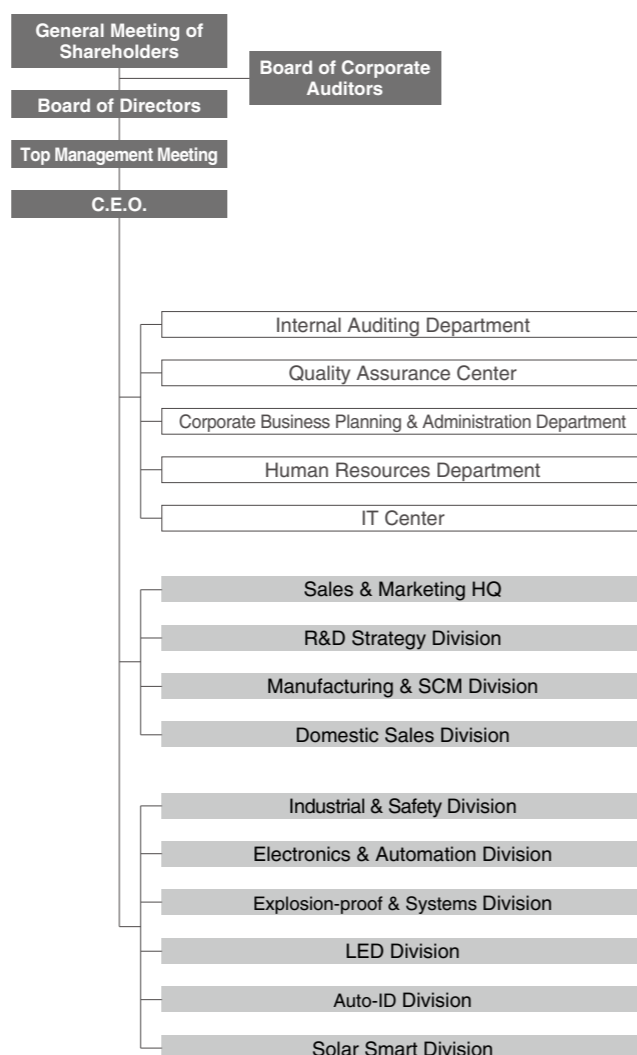
Tokyo Head Office



Amagasaki Plant

Takino Plant

### Organizational Chart



## IDEC logo and corporate tagline



### Message embedded in the IDEC logo

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.

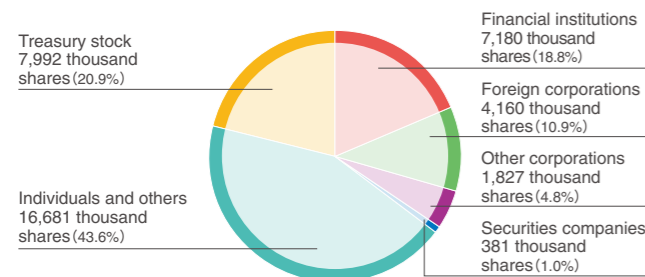
## Stock Information

### Shares of the Company

Number of shares authorized	Number of shares issued	Number of shareholders
150,000,000	38,224,485	9,923

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



### Major Shareholders (Top 10)

Shareholders	Number of shares (Thousands of shares)	Holdings (%)
Japan Trustee Services Bank, Ltd.	2,744	9.08
Funaki Kosan Ltd.	1,041	3.44
The Master Trust Bank of Japan, Ltd.	1,007	3.33
Trust & Custody Services Bank, Ltd.	822	2.72
Mizuho Bank, Ltd.	812	2.69
Keijiro Fujita	777	2.57
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	624	2.07
Tsuneo Funaki	575	1.90
Nippon Life Insurance Company	514	1.70
DATALOGIC S.P.A	477	1.58

Note: The description of major shareholders above conforms to the content disclosed in the Annual Securities Report. As of March 31, 2015