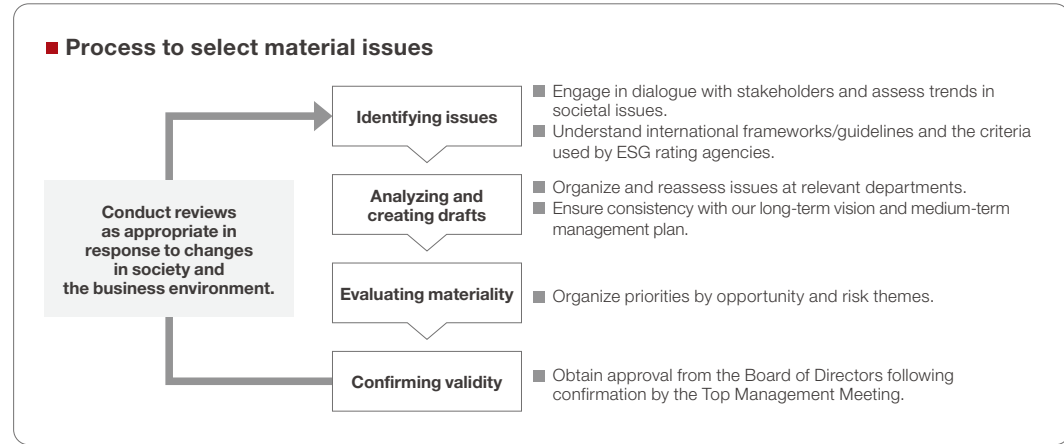


Materiality

Along with formulating its long-term vision for 2050 and interim vision for 2030 in 2023, IDEC reviewed material issues, incorporating enhancement of its human capital and governance under the heading “business foundation”.

IDEC again reviewed some of its material issues in light of the external environment and other factors and, in addition to adding respect for human rights in 2024, also changed its interim vision for 2030.

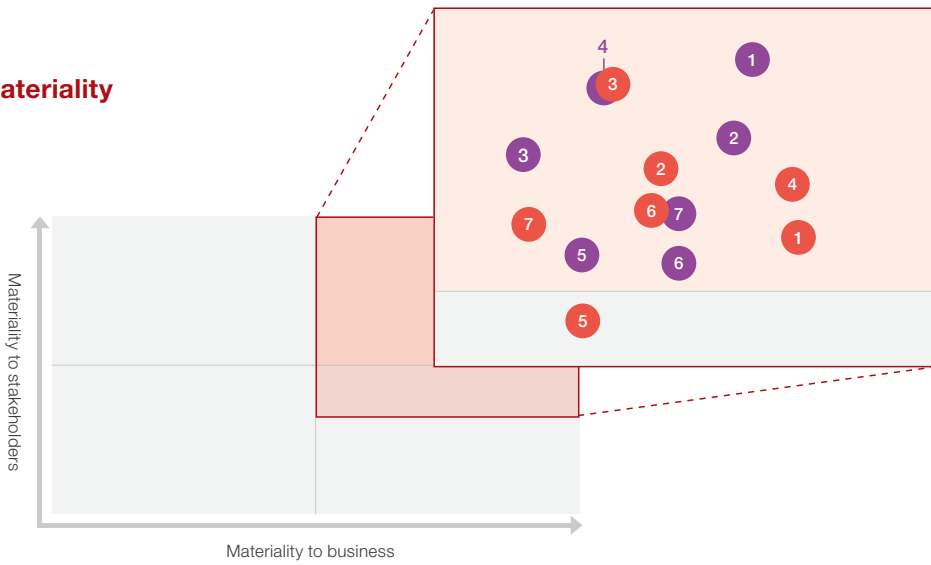


Material issues	Vision for 2030	Related SDGs
Productivity improvement Improvement of productivity using control technology	<ul style="list-style-type: none"> Contribute to improving the productivity and efficiency of our customers and society around the world by providing the IDEC Group's long-cultivated control technology, products, and system solutions. 	
Safety, ANSHIN, and well-being Pursuit and realization of safety, ANSHIN, and well-being	<ul style="list-style-type: none"> Realize the optimum environment for both humans and machines to resolve societal issues to create safe and comfortable environment and achieve healthy, happy, and vigorous lives. Improve safety, productivity, and well-being through technology development, human resource development, management, and rulemaking. 	
Climate change Response to climate change	<ul style="list-style-type: none"> Contribute to the reduction of the environmental impact of customers and society through the use of the IDEC Group's technologies and products. Reduce CO₂ emissions through the in-house use of renewable energy. 	
Business foundation Establishment of a management structure that promotes value creation, respect for human rights, and development of a corporate culture and human resources	<ul style="list-style-type: none"> Ensure a thorough understanding of “The IDEC Way” and stimulate the company by creating an attractive work environment that gives employees a sense of purpose. Conduct business with the highest ethical standards, respect human rights both at our company and in the value chain, and further strengthen corporate governance and compliance. Strengthen human capital to cultivate employees who will be able to create new value and innovate. 	

Identifying issues and evaluating materiality

Looking ahead to 2030, we evaluated various societal issues from the perspectives of opportunity and risk and mapped them on the twin axes of materiality to stakeholders and materiality to the IDEC Group.

The themes that are especially significant for realization of a sustainable society in the context of our four material issues are as follows.



Material issues	Opportunities	Risks
Productivity improvement	1 Improvement in customers' productivity and efficiency by providing control technology and products	1 Decline in competitiveness due to lack of response to technological innovation, environmental changes, and customer needs
	2 Improvement in customers' productivity and efficiency by providing solutions	2 Decline in customer satisfaction due to quality and delivery time problems
Safety, ANSHIN, and well-being	3 Creation of safe and healthy working environment by providing control and safety-related products and various systems	3 Personal and social hazards resulting from accidents related to products and services
	4 Reduction in labor accidents by providing safety-related products	4 Fraud and falsification of inspections, standards certification, and permits
Climate change	5 Reduction of environmental impact and strengthening of competitiveness through promotion of development of eco-friendly products	5 Cost and supply instability due to soaring energy prices and shortage of raw materials
	6 Creation of a work environment that gives people a sense of purpose and promotion of the digital transformation to increase labor productivity, secure outstanding talent, and gain new business opportunities	6 Insufficient investment in human capital and a deficient working environment, reducing labor productivity and impeding employee retention
Business foundation	7 Recruitment of people with diverse values and training and development of human resources to create innovation and strengthen competitiveness	7 Decline in employee engagement and social credibility due to inaction of human rights issues or violations of legislation or standards