



*Think Automation and beyond...*

# Financial Results

## for the Third Quarter FY2022

(April 1, 2021 to December 31, 2021)

February 3, 2022

IDEC CORPORATION

Securities code : 6652



## Net Sales

■ Net Sales JPY52.3 billion (YoY 1.3 times)

- As the demand for capital investment of manufacturing industry transferred in a too exceeded and high level, sales of all regions and all product segments moved strongly.

## Profit

■ Operating Income JPY7.2 billion (YoY 2.6 times)

■ Ordinary Income JPY7.5 billion (YoY 2.8 times)

■ Net Income\* JPY5.3 billion (YoY 3.3 times)

\*Net income attributable to shareholders of parent company

- Profit improved significantly YoY due to sales improvement and cost rate decrease.

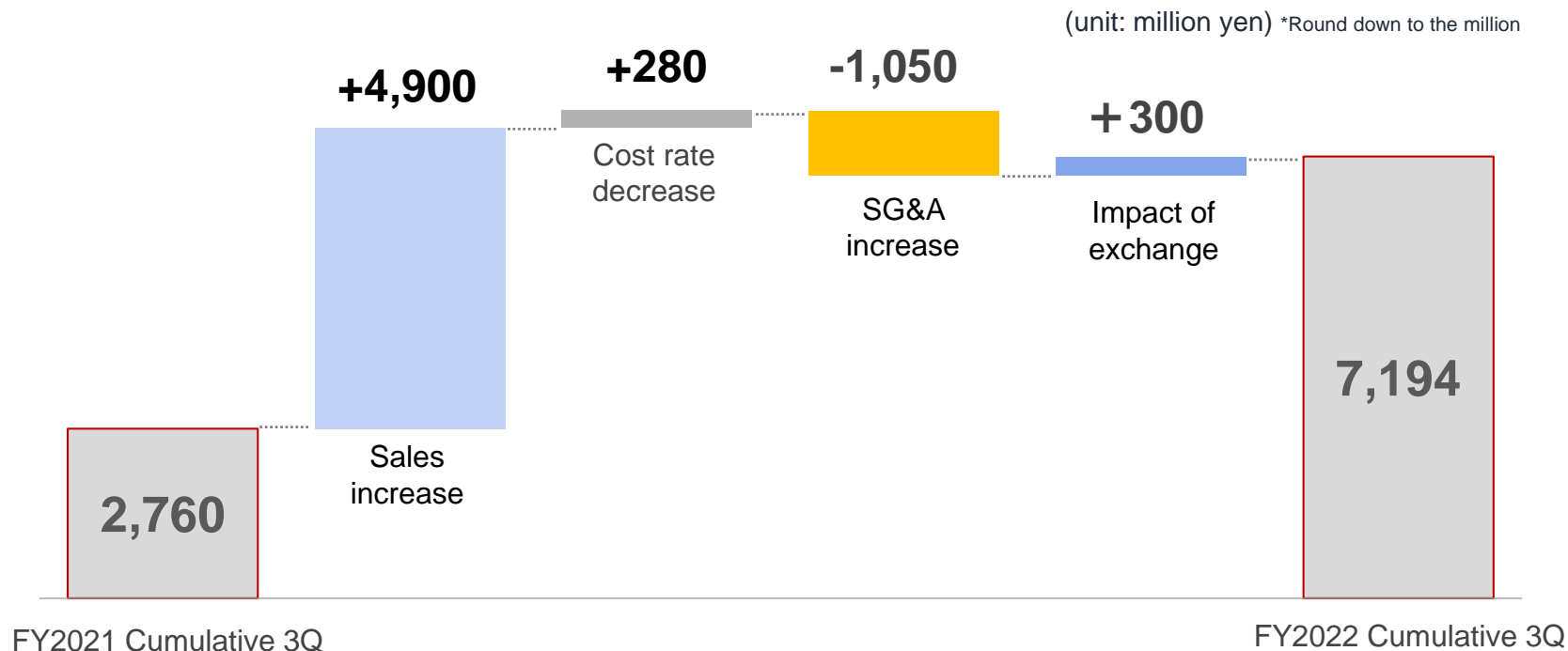
# Consolidated Performance [Consolidated Income Statement] -1



	FY2021 Cumulative 3Q		FY2022 Cumulative 3Q		
	Actual	Sales Ratio	Actual	Sales Ratio	YoY
(Unit: million yen) *Round down to the millions					
Net sales	39,138	100.0%	52,255	100.0%	+ 33.5%
Gross operating income	16,520	42.2%	22,434	42.9%	+ 35.8%
SG&A	13,760	35.2%	15,239	29.2%	+ 10.8%
Operating income	2,760	7.1%	7,194	13.8%	+160.6%
Ordinary Income	2,649	6.8%	7,491	14.3%	+182.8%
Net income attributable to shareholders of parent company	1,589	4.1%	5,303	10.1%	+233.7%
Earnings per share(EPS) (before diluting) (JPY)	52.53	—	176.81	—	+124.28
USD-yen rate (JPY)	106.11		111.14		+5.03
EUR-yen rate (JPY)	120.94		129.86		+8.92

# Changing Factors of Consolidated Operating Income

Operating income increased by approximately 4.43 billion yen YoY due to sales increase and impact of exchange, etc.



# Consolidated Performance [Consolidated Income Statement] -2

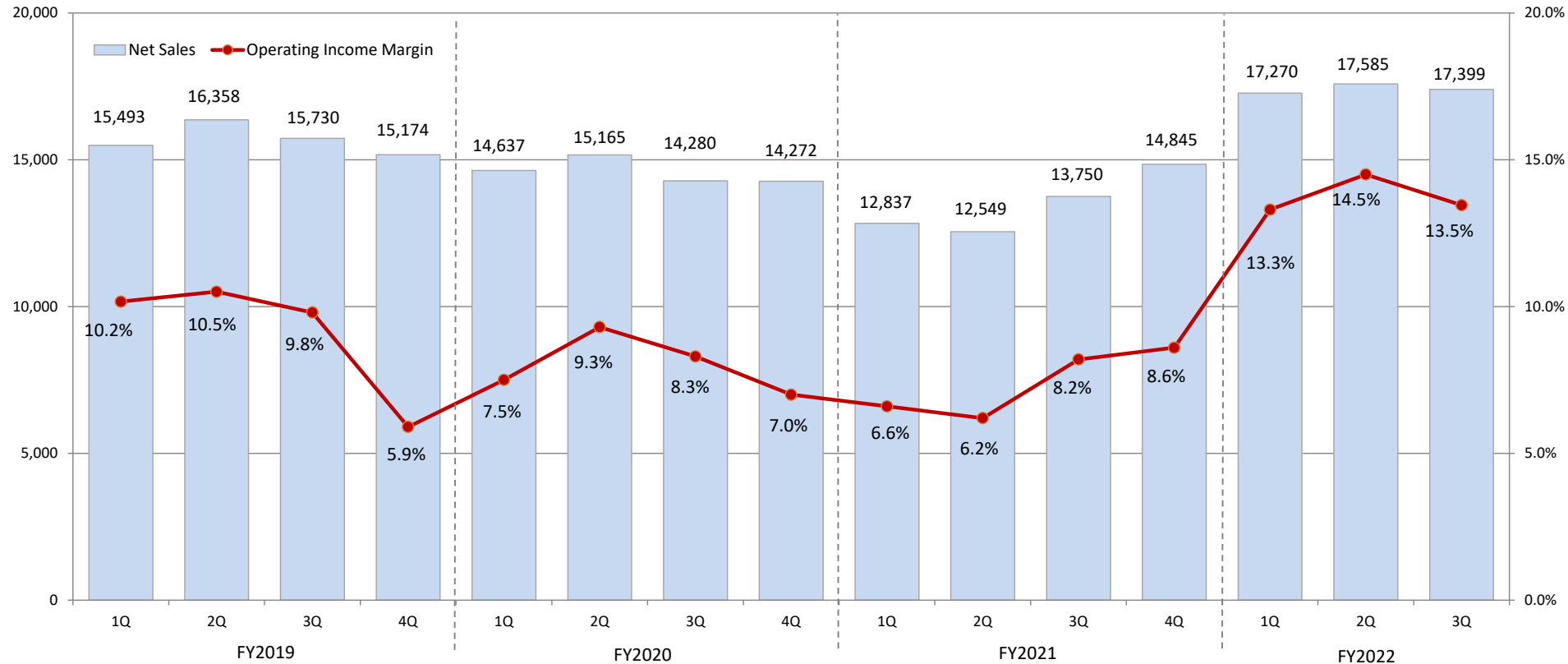


	FY2021				FY2022						
	3Q (Oct.to Dec.)		4Q (Jan.to Mar.)		1Q (Apr.to Jun.)		3Q (Oct.to Dec.)		3Q (Oct.to Dec.)		
	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	YoY
(Unit: million yen) *Round down to the millions											
Net sales	13,750	100.0%	14,845	100.0%	17,270	100.0%	17,585	100.0%	17,399	100.0%	+26.5%
Gross operating income	5,741	41.8%	6,263	42.2%	7,300	42.3%	7,619	43.3%	7,514	43.2%	+30.9%
SG&A	4,607	33.5%	4,981	33.6%	4,999	28.9%	5,066	28.8%	5,173	29.7%	+12.3%
Operating income	1,133	8.2%	1,281	8.6%	2,300	13.3%	2,552	14.5%	2,340	13.5%	+106.4%
Ordinary income	1,130	8.2%	1,454	9.8%	2,436	14.1%	2,586	14.7%	2,468	14.2%	+118.5%
Net income attributable to shareholders of parent company	499	3.6%	1,213	8.2%	1,799	10.4%	1,727	9.8%	1,776	10.2%	+255.9%
Earnings per share(EPS) (before diluting) (JPY)	16.65		40.47		60.01		57.58		59.22		

# Net Sales and Operating Income Margin (per quarter transition)



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



# Sales by Region

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

	FY2021 Cumulative 3Q	FY2022 Cumulative 3Q	YoY
Japan	17,626 (45.0%)	<b>22,477</b> <b>(43.0%)</b>	+27.5%
Overseas	21,511 (55.0%)	<b>29,778</b> <b>(57.0%)</b>	+38.4%
Americas	6,219 (15.9%)	<b>8,411</b> <b>(16.1%)</b>	+35.2%
EMEA (Europe, Middle East, Africa)	6,452 (16.5%)	<b>8,744</b> <b>(16.7%)</b>	+35.5%
Asia Pacific	8,840 (22.6%)	<b>12,621</b> <b>(24.2%)</b>	+42.8%
Total	39,138 (100.0%)	<b>52,255</b> <b>(100.0%)</b>	+33.5%

## Japan

YoY **+27.5%**

- As the demand of semiconductor-related, automobile-related, machine tool, and robot industries, etc. has recovered significantly and expanded rapidly, received order of main industrial switches increased at the too exceeded level, and the sales expanded.

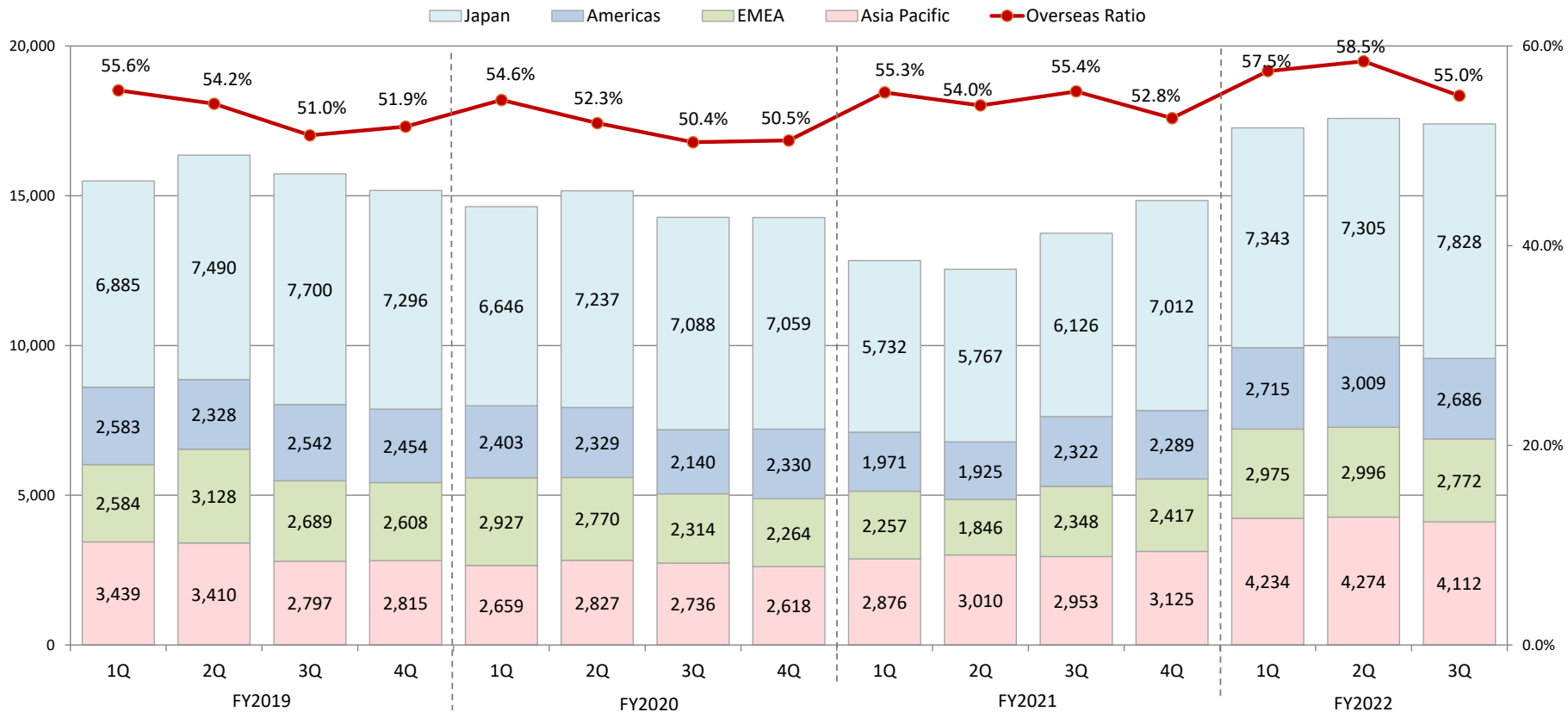
## Overseas

YoY **+38.4%**

- As the recovery of demand has progressed in Asia and Pacific, Americas and Europe, sales of each product segment increased.

# Sales by Regions (per quarter transition)

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





# Sales by Products



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

	FY2021 Cumulative 3Q	FY2022 Cumulative 3Q	YoY
Industrial Switches	18,329 (46.8%)	<b>24,542</b> <b>(47.0%)</b>	+33.9%
Industrial Relays & Components	7,253 (18.5%)	<b>10,062</b> <b>(19.2%)</b>	+38.7%
Automation & Sensing	5,769 (14.8%)	<b>7,527</b> <b>(14.4%)</b>	+30.5%
Safety & Explosion Protection	4,704 (12.0%)	<b>6,549</b> <b>(12.5%)</b>	+39.2%
Systems	2,227 (5.7%)	<b>2,645</b> <b>(5.1%)</b>	+10.0%
Others	853 (2.2%)	<b>928</b> <b>(1.8%)</b>	+37.5%
Total	39,138 (100.0%)	<b>52,255</b> <b>(100.0%)</b>	+33.5%

\*The product classification has been partially changed since FY2022, and the past values have also been converted for comparison.

## Industrial Switches

Sales expanded in all regions due to the rapid expansion of the demand for capital investment.

## Industrial Relays & Components

Sales of control relays have moved strongly in main Americas and China.

## Automation & Sensing

The demand for programmable logic controllers and operator interfaces has recovered rapidly in Japan, Americas, and EMEA.

## Safety & Explosion Protection

The demand for capital investment has recovered steadily, and sales of Japan and overseas increased.

## Systems

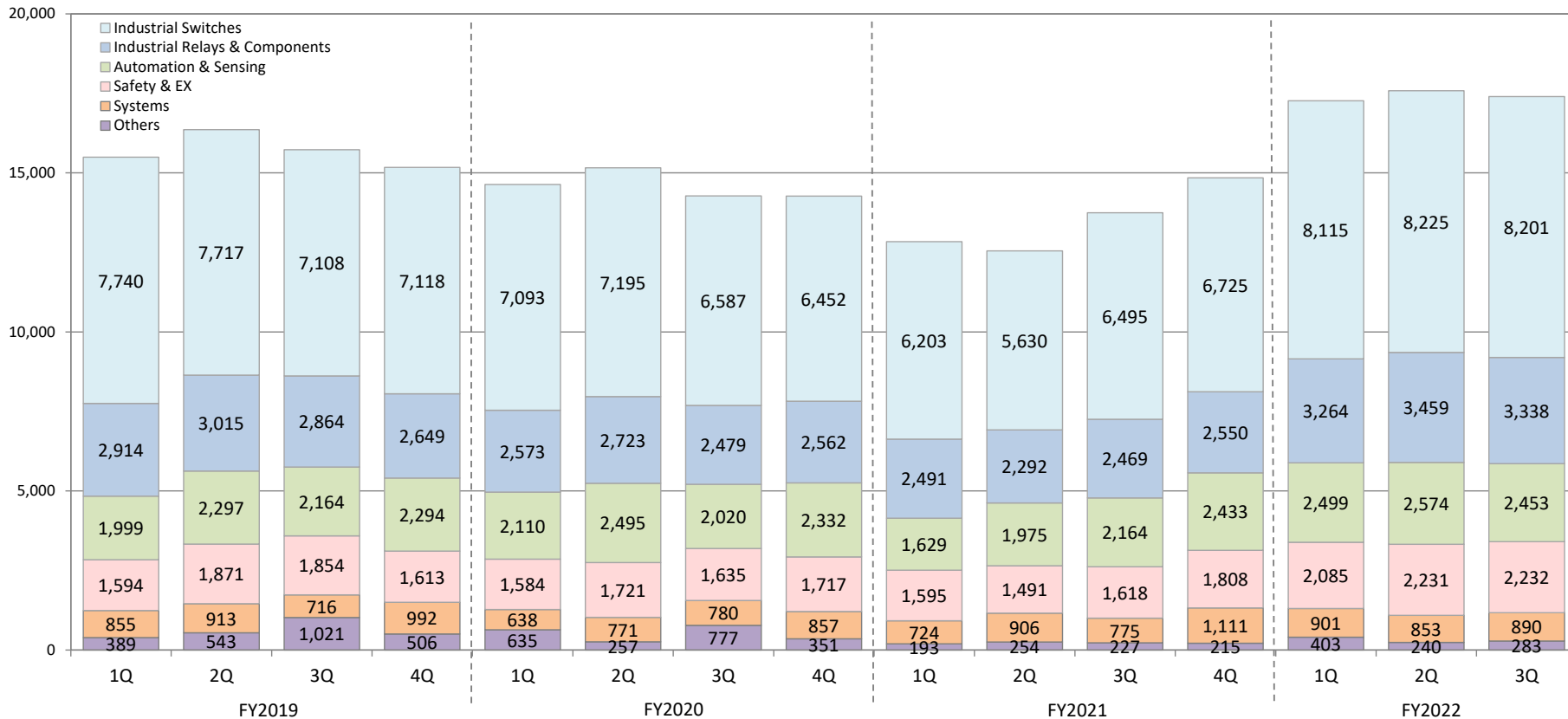
Sales of control panels for semiconductor and liquid crystal manufacturing equipment increased in Japan.

## Others

Sales of environment and energy-relating business have recovered in Japan.

# Sales by Products (per quarter transition)

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



# Order Received

	FY2021 Cumulative 3Q		FY2022 Cumulative 3Q			
	Amount of order received	Backlog	Amount of order received	YoY	Backlog	YoY
(Unit: million yen) *Round down to the millions						
Japan	20,499	4,732	<b>35,174</b>	+71.6%	<b>16,069</b>	+239.5%
Americas	6,604	1,615	<b>10,952</b>	+65.8%	<b>4,459</b>	+176.1%
EMEA (Europe, Middle East, Africa)	6,395	3,106	<b>11,182</b>	+74.9%	<b>5,853</b>	+ 88.5%
Asia Pacific	6,690	1,918	<b>12,469</b>	+86.4%	<b>5,345</b>	+178.6%
Total	40,188	11,372	<b>69,779</b>	+73.6%	<b>31,727</b>	+179.0%

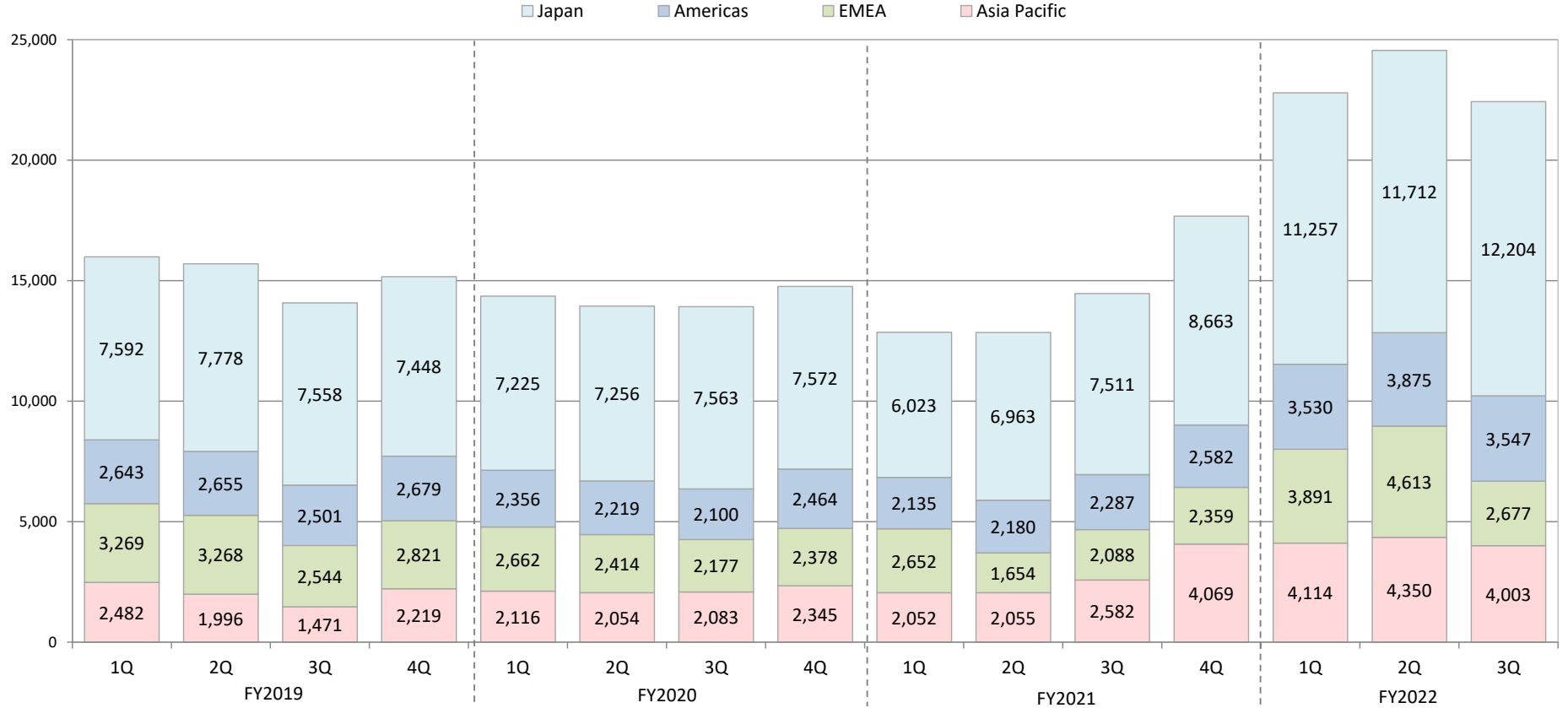
# Order Received (per quarter transition)



	FY2021				FY2022						
	3Q (Oct. to Dec.)		4Q (Jan.to Mar.)		1Q (Apr. to Jun.)		2Q (Jul. to Sep.)		3Q (Oct. to Dec.)		
	Order received	Backlog	Order received	Backlog	Order received	Backlog	Order received	Backlog	Order received	Backlog	
(Unit: million yen) *Round down to the millions											
Japan	7,511	4,732	8,663	5,789	11,257	8,941	11,712	12,448	12,204	16,069	
Americas	2,287	1,615	2,582	1,895	3,530	2,537	3,875	3,520	3,547	4,459	
EMEA (Europe, Middle East, Africa)	2,088	3,106	2,359	3,150	3,891	4,309	4,613	5,923	2,677	5,853	
Asia Pacific	2,582	1,918	4,069	3,368	4,114	3,939	4,350	4,801	4,003	5,345	
Total	14,470	11,372	17,675	14,203	22,795	19,728	24,551	26,694	22,432	31,727	

# Order Received (per quarter transition)

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



## Highlights of assets

- Intangible fixed assets, cash and deposits decreased while inventory assets and trade receivables increased. So, total assets increased by 3.53 billion yen compared to the end of previous FY.

## Highlights of liabilities

- Trade payable increased while borrowing decreased. So, total liabilities decreased by 1.37 billion yen compared to the end of previous FY.

## Highlights of net assets

- Due to the increase of earned surplus, exchange account, and adjustment account, net assets increased by 4.89 billion yen compared to the end of previous FY.

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

	FY2021 (previous FY)	FY2022 (end of December)	YoY
Current asset	39,815	43,992	+4,176
Fixed asset	48,436	47,785	-650
Current liabilities	18,959	19,342	+383
Non-current liabilities	26,180	24,429	-1,750
Net assets	43,111	48,005	+4,893
Total assets	88,252	91,778	+3,526
Shareholders' equity ratio	48.7%	52.0%	+3.3%

## Cash Flows by operation activities

- It was 6.11 billion yen increased by approximately 1.81 billion yen YoY due to the increase of trade receivables and inventory assets, and the posting of net income before tax.

## Cash Flows by investing activities

- Due to the acquisition of fixed assets and business transfer, etc., it was -2.14 billion yen decreased by approximately 0.3 billion yen of expenses YoY.

## Cash Flows by financing activities

- It was -5.6 billion yen due to repayment of borrowings and expenses including dividends.

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

	FY2021 Cumulative 3Q	FY2022 Cumulative 3Q	YoY
CF from operation activities	4,300	6,107	+1,806
CF from investing activities	-2,439	-2,142	+297
Free cash flows (FCF)	1,860	3,964	+2,103
CF from financing activities	-2,412	-5,595	-3,182
Cash and cash equivalents at end of period	13,502	13,831	+328
Capital expenditures	2,661	1,498	-1,163
Depreciation and amortization	2,266	2,436	+ 169

# Forecast for FY2022



# Consolidated Business Forecast for FY2022



Business forecast has not been changed since the first quarter.

(Unit: million yen) *Round down to the millions	FY2021		FY2022		
	Actual	Sales ratio	Revised forecast	Sales ratio	YoY
Net sales	53,983	100.0%	69,000	100.0%	+ 27.8%
Gross operating income	22,783	42.2%	29,500	42.8%	+ 29.5%
SG&A	18,742	34.7%	20,300	29.4%	+ 8.3%
Operating income	4,041	7.5%	9,200	13.3%	+127.6%
Ordinary income	4,104	7.6%	9,200	13.3%	+124.2%
Net income attributable to shareholders of the parent company	2,803	5.2%	6,900	10.0%	+146.1%
Earnings per share(EPS) (before diluting) (JPY)	92.83	—	230.04	—	+ 137.21
USD-yen rate (JPY)	106.10		108.00		+1.90
EUR-yen rate (JPY)	121.88		128.00		+ 6.12

# Consolidated Business Forecast for FY2022



(Unit: million yen) *Round down to the millions	FY2021	FY2022	
		Revised forecast	YoY
Industrial Switches	25,054	32,400	+29.3%
Industrial Relays & Components	9,803	13,900	+41.8%
Automation & Sensing	8,203	9,200	+12.2%
Safety & Explosion Protection	6,513	8,500	+30.5%
Systems	3,516	4,000	+16.6%
Others	891	1,000	+13.8%
<b>Total</b>	<b>53,983</b>	<b>69,000</b>	<b>+27.8%</b>
Domestic sales	24,638	29,300	+18.9%
Overseas sales	29,344	39,700	+35.3%
(Overseas sales ratio)	54.4%	57.5%	

# Initiatives of FY2022

## Initiative Policy

To enhance IDEC's corporate value by driving transformational changes to achieve sustainable growth, and to become a "lean & smart" high-profit organization, while resolving social issues through our business activities.

### Promotion of growth strategy

- Accelerate product development and launch based on the regional and industrial needs
- Expand business in China, and promote local production and local consumption
- Restructure sales channels, and strengthen sales that help solve customer's technical problems
- Establish strategic partnerships including M&A and collaboration

### Enhancement of management base

- Promote workstyle reform
- Strengthen foundation by promoting PMI
- Promote structural reform for a high-profit structure

### Improvement in profitability

- Promote product consolidation for group total optimization
- Reduce inventory and shorten delivery times by reviewing production system and processes
- Promote strategic cost down themes
- Select and concentrate unprofitable products and businesses.

### Enhancement of initiatives for ESG

- [E] Promote efforts to reduce environmental impacts
- [S] Promote diversity
- [G] Improve management transparency and efficiency

- **Build a technical sales structure** all together with IDEC group including SQUSE joined IDEC group this FY
- **Realize the customer success** by providing system solutions with our strongest **core elements of HMI and safety**
- Promote development of new products and expand sales network by **collaborating with leading companies** of various industries

## 【Japan】

- ✓ Increase efficiency and **reduce fixed costs** by consolidating sales offices
- ✓ **Strategic expansion of system solutions** with our core elements of HMI and safety

## 【Global】

- ✓ Develop new customers and promote sales expansion with the use of digital media
- ✓ **Prompt plan and develop products to meet local needs**
- ✓ **Promote supply chain reform and cost down**
- ✓ Realize the sales synergy of IDEC and APEM

## 【Strategic partnership】

- ✓ Strengthen the capacity for product development with the establishment of IDEC ALPS Technologies

- **Optimize product prices** for improving profitability
  - **Improve the new product ratio** that use new technologies and improve added value
- 
- ✓ **Improve gross margin** with the price revision on the basis of the increase of material prices and the revision of customer trades and product mix.
  - ✓ **Reduce fixed costs** with reorganization of business bases and structural reform
  - ✓ Promote the consolidation of products
  - ✓ Reorganize global production bases and supply chain
  - ✓ Increase efficiency with the introduction of new equipment and increase production capacity

- **Increase the efficiency of operations and streamline the management** with the **acceleration of the digitalization** of all group companies

## 【Digital marketing】

- ✓ **Promote DMT (Digital Marketing Transformation) project** globally, and increase the efficiency of developing new customers and sales processes
- ✓ Distribute webinars and IR briefings for Japan and overseas, and **increase digital contents**

## 【DX / operational reform】

- ✓ **Promote the efficiency and optimization of all group companies** with the reforms of sales support and personnel system
- ✓ Promote the review of operational reform and core system
- ✓ Establish LMS (Learning Management System), and utilize it to support and train agencies

## 【Workstyle reform】

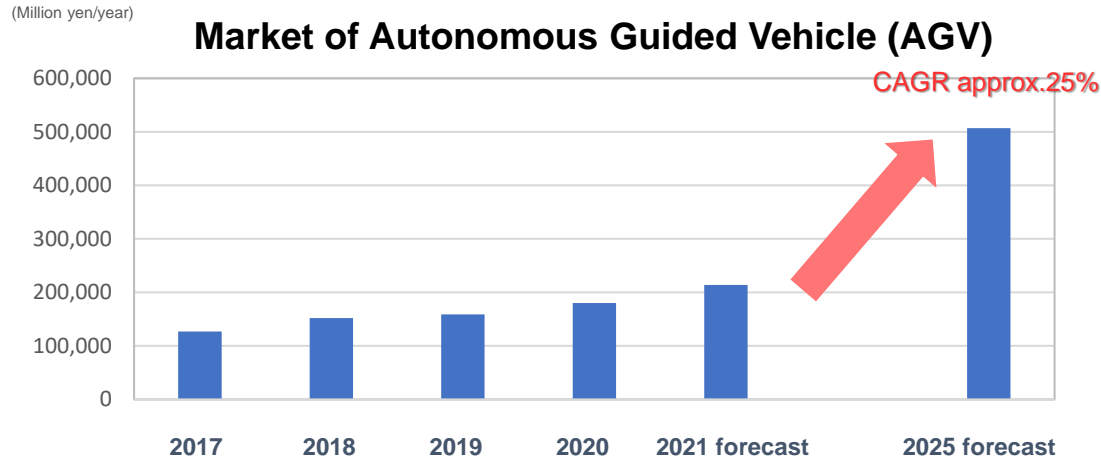
- ✓ Promote remote work, and review the system on the premise of the flexible working style
- ✓ Establish the communication base with the use of Office365

# Conclusion of the Partnership Contract with ez-Wheel



# The Background and Purpose of the Partnership (1)

- In order to compensate for the serious labor shortage, AGV/AMR and the power assisted technology have been started to be used in many industries and the diversity of application has been promoted. AGV/AMR market is expected to grow on average 25% per year in the coming years.



- IDEC recognized the issue that the solution capable of building the system to reduce labor shortage easily and safely was necessary. While seeking a solution, IDEC met ez-Wheel that could bring a solution to this issue, and signed a partnership contract with them.

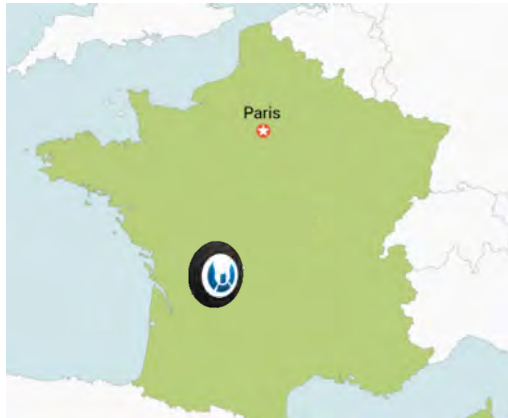
# The Background and Purpose of the Partnership (2)

- With this partnership, IDEC intends to eventually offer to our customers a full solution to build their AGVs and AMRs, including software.
- The solution offered by ez-Wheel is not only in line with IDEC's mission "to create the optimum environment for humans and machines", but also meets market trends of improving people wellbeing at work and making customers' systems towards mobile robotics safe.





Company name	ez-Wheel SAS
Representative's name and title	Antoine Juan, Chief Executive Officer
Business description	Development, manufacture, and sales of autonomous electric wheels
Foundation	November, 2009



Location: Angoulême, France

ez-Wheel announced the world's first safety autonomous mobile wheels integrating safety motion monitoring function for mobile robots in 2020.



ez-Wheel received the “Motek-fair handling award 2020” at the world's largest material handling exhibition

## Electric Power Assist Wheel

The electric power assist wheel can reduce the impact of transporting heavy loads.

### Wellbeing

The power for realizing a worker-friendly environment

Food Processing



Logistics



Medical and Care



Outdoor Environment



In order to respond to modern serious issues such as labor shortage and aging society, IDEC builds a new partnership with ez-wheel offering electric power assist wheel and safety wheel drive.



## Safety Wheel Drive

The autonomous transportation by the safety wheel drive can solve the labor shortage.

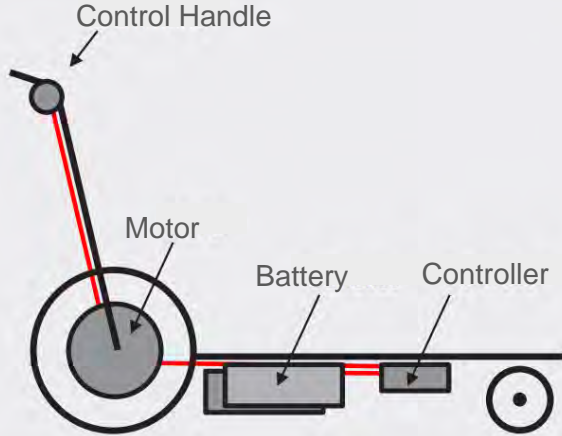


AMR

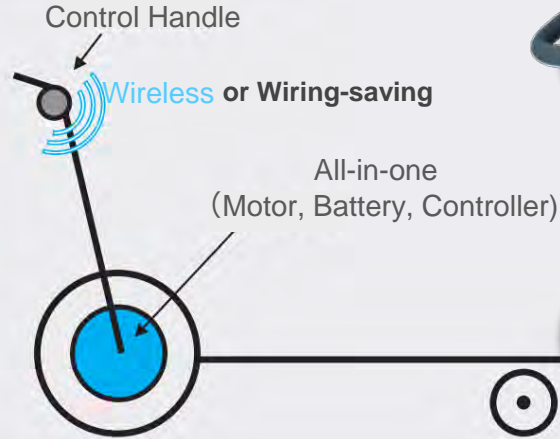


As a first step, IDEC will launch these products officially in Japan, on an exclusive basis in April, 2022.

## Conventional Electric Power Assist



## Wireless Electric Power Assist



- A simple composition with all-in-one structure **changes currently used cart into an electric assist one easily,** and **reduces impact of transporting heavy loads.**
- The lineup includes a "**wireless type**" that communicates wirelessly between the handle and wheel and requires no wiring, and a "**wiring-saving type**" that can be configured with simple wiring.

**Manual Devices for Controlling**

- Tiller Controls
- Push Pull Sensitive Controls
- Joysticks
- Industrial Switches
- Emergency-stop Switches

**External Battery**

Internal battery or external battery is available.

**Suspension Brackets for Fixing**

**Devices for Wireless Communication**

The interface displays the battery level of wheel and the system status.

**The most appropriate composition for application is available with various accessories.**

## Automobile



## Manufacturing



## Food Processing



## Logistics



## Medical



## Outdoor



The all-in-one wheel solution developed for AGV/AMR applications

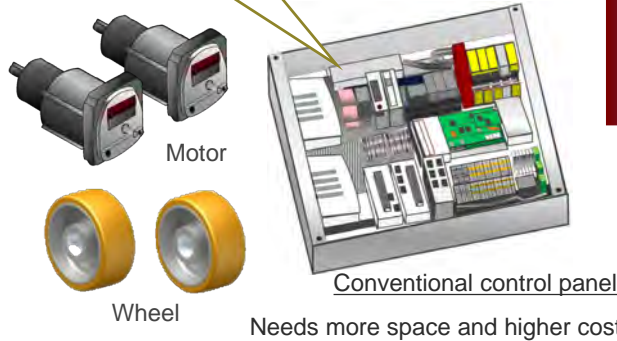
All the functions, such as “safety motion function” required by the international safety standard for operating in the same area with workers, are included in one Safety Wheel Drive (SWD).





## Controlled equipment necessary for autonomous motion

Motor driver	Contactor
Industrial PC	Industrial relay
Safety PLC	Switching power supply
Wi-Fi router	Terminal block
Battery	Cable
Battery management, etc.	



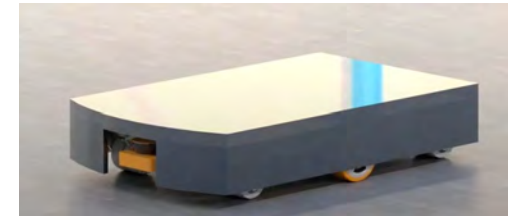
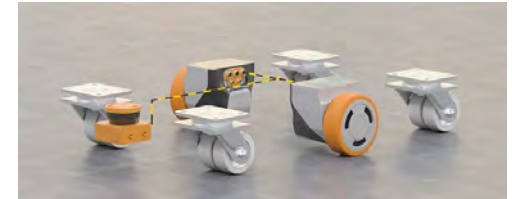
## Safety Wheel Drive

All-in-one wheel

Drive control necessary for autonomous motion  
+  
“Safety motion monitoring function” complied with the international safety standard of “ISO3691-4”



- Save significant man-hour/wiring-saving
- Shorten the development period
- Totally water proof structure of IP66
- Improve flexibility of AGV/AMR designs



- The “**wheel with all-in-one structure**” equipping drive control and safety function necessary for autonomous motion **enables to build AGV and AMR easily.**

# The safety function necessary for vehicles operating in the area coexisting with workers (ISO3691-4)



Operate in a restricted area surrounded with safety fences



Operate in the coexisting area with workers



ISO3691-4 was approved by CEN (European Committee for Standardization) in 2020, and it has been standardized as EN standard in advance. In Japan, it is also scheduled to be complied with JIS in 2022.

When complying with ISO3691-4, “**safety equipment for detecting workers**” and “**safety motion monitoring function**” in the routes are required for operating in the area coexisting with workers.

Safety equipment for detecting workers in the route



### Safety Laser Scanner

Comply with IEC61496-2:2013  
IEC61496-3:2018

electro-sensitive protective equipment (ESPE)

SE2L series



### Safety Edge Switch

Comply with ISO13856-2:2013  
ISO13856-3:2013

Push pull sensitive protective equipment

E22BK series

Safety motion monitoring function

**STO (Safe Torque OFF)**

**Safe torque block**

**SBC (Safe Brake Control)**

**Safety brake control**

**SLS (Safety Limited Speed)**

**Limit the speed for safety**

**SDI (Safe Direction)**

**Safe rotation directive limit,  
etc.**

\*Safety motion monitoring function is generally mounted by safety motion controller and safety encoder.

It is necessary that vehicles should avoid the contact with workers safely by safety equipment, and vehicle motion **should be monitored safely by safety motion monitoring function.**

If there is no safety equipment for detecting workers and safety motion monitoring function, vehicle speed must be restricted under approximately 1 km/h, and its motions should be limited significantly.

# AMR system's basic composition with SWD

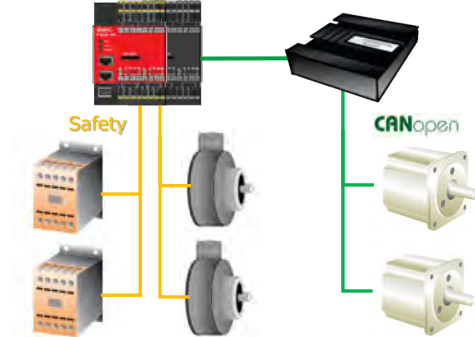


## Functions consolidated to SWD Core

### Safety controller

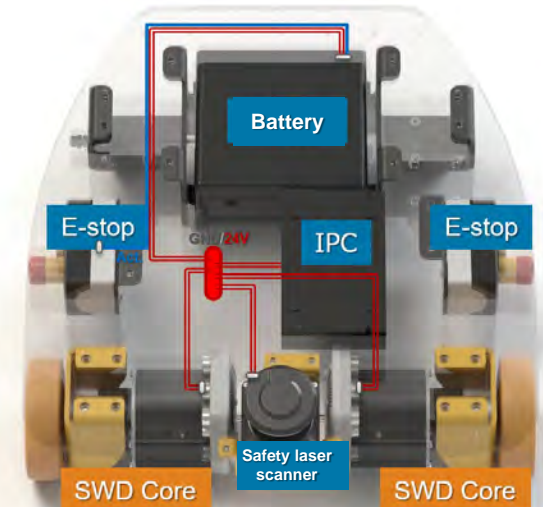
Processes signals from safety motion monitoring, safety relay, and safety equipment (E-stop and laser scanner)

### Motor driver



The motion safety functions are consolidated to SWD.

AMR/AGV are constructed with a simple composition.



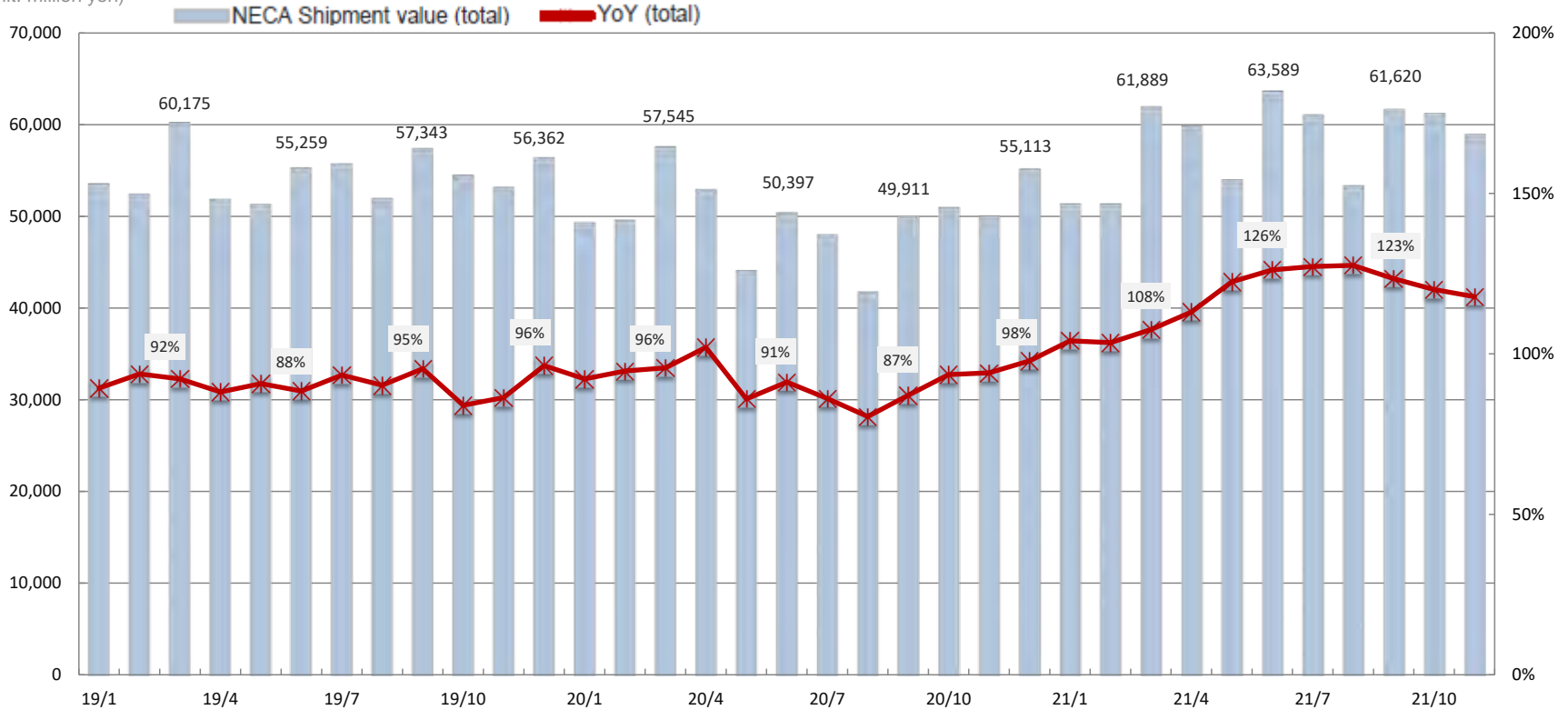
# References

# Industry Trend (Transition of shipment data of Nippon Electric Control Equipment Industries Association (NECA))



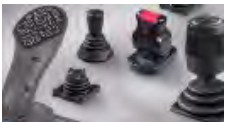























## Transition of the industrial shipment and YoY status (between October, 2018 and September, 2021)

(Unit: million yen)



# Sales classification by segment

Industrial Switches	Industrial Relays & Components	Automation & Sensing	Safety & Explosion Protection	Systems	Others
<ul style="list-style-type: none"> <li>Industrial switches</li> <li>Joysticks</li> <li>Pilot lights</li> </ul>  <p><b>APEM products</b></p>  	<ul style="list-style-type: none"> <li>Switching power supplies</li> <li>Terminal blocks</li> <li>Industrial relays/sockets</li> <li>Circuit protectors LED illumination units</li> </ul>    	<ul style="list-style-type: none"> <li>Programmable logic controllers</li> <li>Operator interface</li> <li>Photoelectric switches</li> <li>Automatic identification devices</li> </ul>      	<ul style="list-style-type: none"> <li>Safety-related products</li> <li>Explosion protection products</li> </ul>      	<ul style="list-style-type: none"> <li>Collaborative robot systems</li> <li>Interface complex systems</li> <li>Security systems</li> <li>Other various systems</li> </ul>   	<ul style="list-style-type: none"> <li>Environmental energy-related business</li> <li>Next generation agricultural solutions</li> </ul>  

This material contains our plans and performance forecast, which we have planned and expected in accordance with available information as of February 3, 2022.

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

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

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