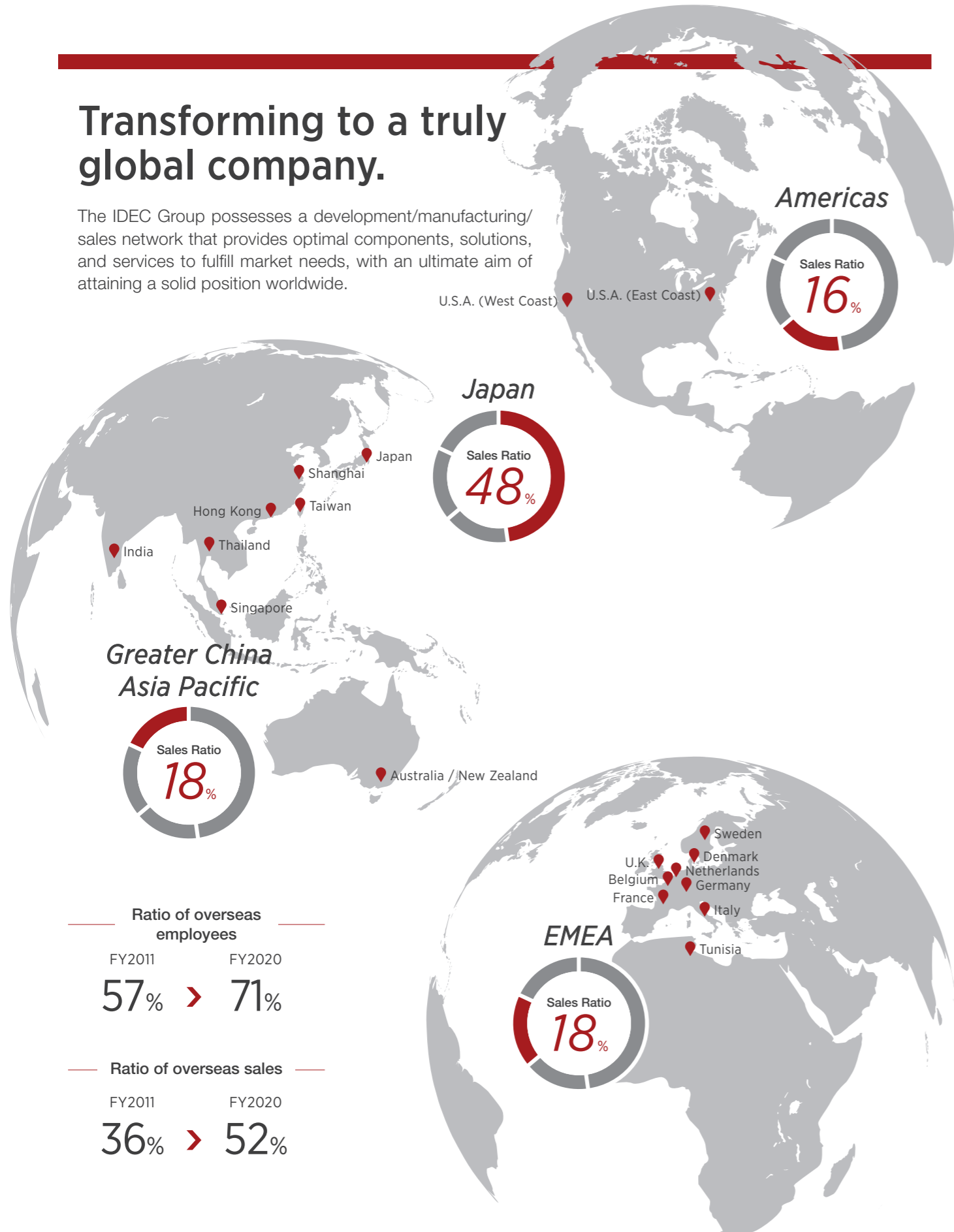


Regional Strategy

# Transforming to a truly global company.

The IDEC Group possesses a development/manufacturing/sales network that provides optimal components, solutions, and services to fulfill market needs, with an ultimate aim of attaining a solid position worldwide.



Ratio of overseas employees  
FY2011 57% > FY2020 71%

Ratio of overseas sales  
FY2011 36% > FY2020 52%

Major eight industry sectors

The IDEC Group focuses on eight industry sectors where its long-cultivated factory automation (FA) knowledge and know-how can be used and growth potential is high. While we provide a wide range of solutions aimed at flexibly responding to societal challenges and customer needs, such as dissemination of IoT, advance in automation, and ensuring safety in manufacturing sites, a focused approach to selected industry sectors by each region lies behind our expansion of global business.



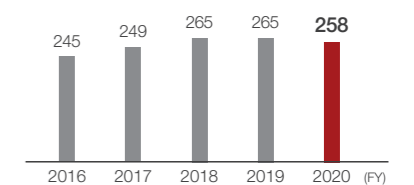
## Japan

Manufacturing bases 6 | Sales bases 28 | Distributors 90 | Employees 1,080 | Sales ratio 48%

Business overview

Sales of automation devices such as automatic identification devices were favorable but sales of industrial switches and other products declined in FY2020 due to a deteriorating market environment for major customer industries, including machine tools. We reorganized manufacturing base, made progress in adopting automation, and raised operational efficiency.

Sales trends (Millions of U.S. dollars)



Product features

The IDEC Group's product mix in Japan is diverse with industrial switches representing the largest sales portion, followed by safety & explosion protection devices, industrial components, automation devices, and new businesses.

Customer industry features

The customer industry base is wide, with relatively higher sales to machine tools, robotics, semiconductors, and automotive.

TOPIC

In May 2019, we opened a new Assembly Center in which product assembly functions of various locations were consolidated. An assembly support system using RFID cards, wearable terminals, and tablets was introduced and we intend to prevent shipment mistakes and raise efficiency and productivity.



Note: Amounts in U.S. dollars are calculated at the prevailing exchange rate as of March 31 in every fiscal year.  
Note: Exchange rate (1 U.S. dollar): FY2016 (¥112.69), FY2017 (¥112.20), FY2018 (¥106.27), FY2019 (¥111.01), FY2020 (¥108.83)

## Regional Strategy

# Americas

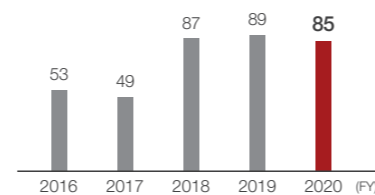
| Manufacturing base **1** | Sales bases **4** | Distributors **190** | Employees **211** | Sales ratio **16%** |

### Business overview

Sales of automation devices increased in FY2020 but sales of industrial switches and industrial components, decreased.

Business in the Americas was affected by the appreciation of the yen against the U.S. dollar but we promoted sales and marketing of automation devices and safety-related devices with a focus on oil and gas, and food machine industries.

Sales trends (Millions of U.S. dollars)



### Product features

The main products we supply to the Americas are industrial components, our area of strength since we established a U.S. sales company, as well as automation devices and industrial switches.

### Customer industry features

Our main targets include the oil and gas, food machines, and semiconductor industries.

### TOPIC

IDEC and APEM intend to use each other's sales channels and also develop new channels for generating synergies. The marketing function for automation devices is being enhanced to further expand business.



# EMEA (Europe, Middle East, Africa)

| Manufacturing bases **7** | Sales bases **8** | Distributors **110** | Employees **1,076** | Sales ratio **18%** |

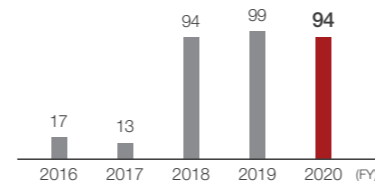
### Business overview

Sales of industrial switches of APEM were strong up to the first half of FY2020 but weakened in Europe in the second half, due to the weakening business sentiment and the impact of the stronger yen.

Efforts have been made to generate synergies of APEM and IDEC.

As an example, APEM's sales channels are used to expand sales of IDEC products in Europe.

Sales trends (Millions of U.S. dollars)



### Product features

Sales of industrial switches and safety-related devices of IDEC increased thanks to use of APEM's sales channels.

### Customer industry features

Sales to special vehicles and other industries, other than the FA industry, represent a large portion. They are sold in a broader region, including France, the U.K., and Germany.

### TOPIC

Using IDEC's manufacturing technology, APEM began introducing new automatic assembly machines at a manufacturing base in Denmark from 2019. In addition, we are raising productivity and efficiency by the reorganization of APEM's bases.



# Greater China

| Manufacturing bases **4** | Sales bases **11** | Distributors **140** | Employees **1,114** |

### Business overview

Sales of our mainstay industrial relays and other industrial components, and industrial switches, decreased in FY2020 being affected by the U.S.-China trade friction and the COVID-19.

In addition to the enhancement of a governance system in Greater China, we pushed forward to establish a sales system in Taiwan in order to expand system solution business.

### Product features

Industrial switches and industrial components are the main business. We also focus on sales expansion of safety-related devices which demand is increasing.

### Customer industry features

Our strong industry segments are machine tools, elevators, semiconductors, and special vehicles.

### TOPIC

We consolidated sales companies of IDEC and APEM in Shanghai and moved the office to the same building as our development base, IDEC ELECTRONICS TECHNOLOGY (SHANGHAI) CORPORATION. We intend to use strengths of both companies and establish a new system as "One IDEC" in order to expand business opportunities.



# Asia Pacific

| Manufacturing base **1** | Sales bases **4** | Distributors **50** | Employees **202** | Sales ratio **18%\*** |

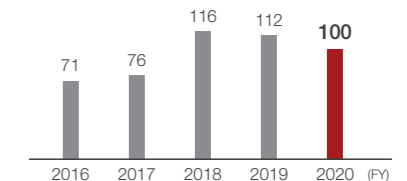
\* Including Greater China

### Business overview

Sales of industrial switches, safety-related devices, and industrial components decreased in FY2020.

We intend to establish a stronger base by expanding sales channels.

Sales trends\* (Millions of U.S. dollars)



### Product features

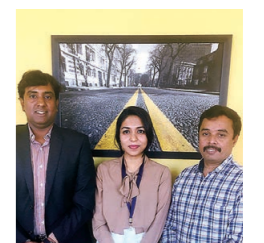
Our main business in Asia Pacific is industrial switches and industrial components. We also intend to promote sales of touch sensors (Tokyo sensor products) in order to offer greater safety and ANSHIN.

### Customer industry features

We established a regional headquarters in Singapore to focus more on the automotive industry and public spending-related projects. We also established a sales subsidiary in India, aiming for business expansion in India's growth market.

### TOPIC

A sales subsidiary was established in India, where steady, stable growth is anticipated. With a particular focus on the automotive industry, we will propose solutions using our various products for promoting business expansion.



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