



Think Automation and beyond...

Financial Results

for the First Quarter FY2025

(April 1, 2024 to June 30, 2024)

August 2, 2024

IDEC CORPORATION

Securities code : 6652



Net Sales

■ Net Sales JPY16 billion (YoY -12.2%)

- Sales decreased due to the impact of distribution inventories in Japan and overseas.
- Although 1Q sales decreased YoY, 1Q order received was almost same as that of the last 4Q.

Profit

■ Operating Profit JPY0.3 billion (YoY -83.6%)

■ Ordinary Profit JPY0.5 billion (YoY -75.6%)

■ Net Profit* JPY0.3 billion (YoY -79.5%)

*Profit attributable to owners of parent

- Profits also declined due to factors such as a decline in sales.

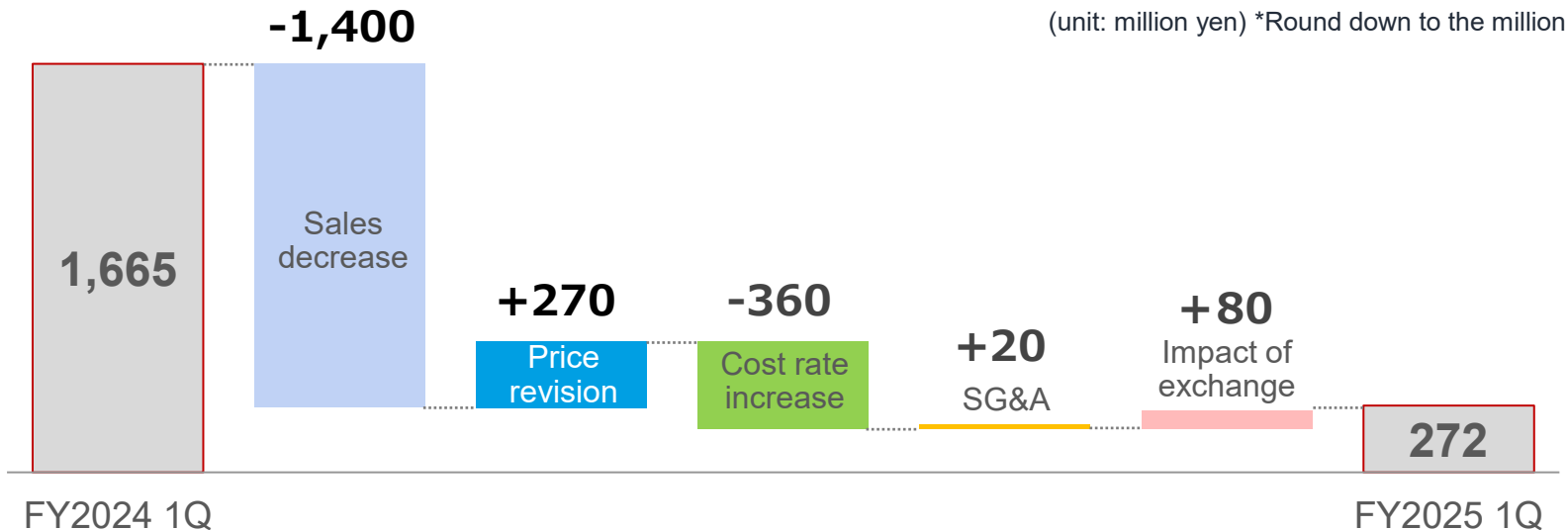
Consolidated performance [Consolidated statement of income] -1



(Unit: million yen) *Round down to the millions	FY2024 1Q		FY2025 1Q		
	Actual	Sales Ratio	Actual	Sales Ratio	YoY
Net sales	18,180	100.0%	15,962	100.0%	-12.2%
Gross profit	7,900	43.5%	6,861	43.0%	-13.2%
SG&A	6,235	34.3%	6,589	41.3%	+ 5.7%
Operating profit	1,665	9.2%	272	1.7%	-83.6%
Ordinary profit	2,022	11.1%	494	3.1%	-75.6%
Profit attributable to owners of parent	1,467	8.1%	300	1.9%	-79.5%
Basic earnings per share (JPY)	50.16	—	10.21	—	- 39.95
Average exchange rate for USD	137.49		155.86		+18.37
Average exchange rate for EUR	149.58		167.84		+18.26
Average exchange rate for CNY	19.56		21.47		+ 1.91

Changing factors of consolidated operating profit

Despite positive effects of price revisions, operating profit **decreased by approx. 1.4 billion yen** YoY due to the decrease in high-profitable sales of Japan and the impact of the increase in cost rate.



Consolidated performance [Consolidated income statement] -2



(Unit: million yen) ※Round down to the millions	FY2024								FY2025		
	1Q (Apr. to Jun.)		2Q (Jul. to Sep.)		3Q (Oct. to Dec.)		4Q (Jan. to Mar.)		1Q (Apr. to Jun.)		
	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	YoY
Net sales	18,180	100.0%	19,620	100.0%	16,540	100.0%	18,370	100.0%	15,962	100.0%	-12.2%
Gross profit	7,900	43.5%	8,553	43.6%	6,848	41.4%	7,716	42.0%	6,861	43.0%	-13.2%
SG&A	6,235	34.3%	6,172	31.5%	6,244	37.8%	6,090	33.2%	6,589	41.3%	+5.7%
Operating profit	1,665	9.2%	2,381	12.1%	603	3.6%	1,625	8.9%	272	1.7%	-83.6%
Ordinary profit	2,022	11.1%	2,507	12.8%	532	3.2%	1,858	10.1%	494	3.1%	-75.6%
Profit attributable to owners of parent	1,467	8.1%	1,706	8.7%	263	1.6%	969	5.3%	300	1.9%	-79.5%
Basic earnings per share (JPY)	50.16	—	58.14	—	8.86	—	32.94	—	10.21	—	-39.95

Sales by regions

(Unit: million yen) *Round down to the millions (Sales ratio)	FY2024 1Q	FY2025 1Q	YoY
Japan	6,681 (36.8%)	4,937 (30.9%)	-26.1%
Overseas	11,498 (63.2%)	11,025 (69.1%)	-4.1%
Americas	3,707 (20.4%)	3,572 (22.4%)	-3.6%
EMEA (Europe, Middle East, Africa)	3,776 (20.7%)	3,977 (24.9%)	+5.3%
Asia Pacific	4,015 (22.1%)	3,474 (21.8%)	-13.5%
Total	18,180 (100.0%)	15,962 (100.0%)	-12.2%

Japan

YoY

-26.1%

- Sales decreased due to a standstill in major industries and the impact of an adjustment phase in distribution inventories.

Overseas

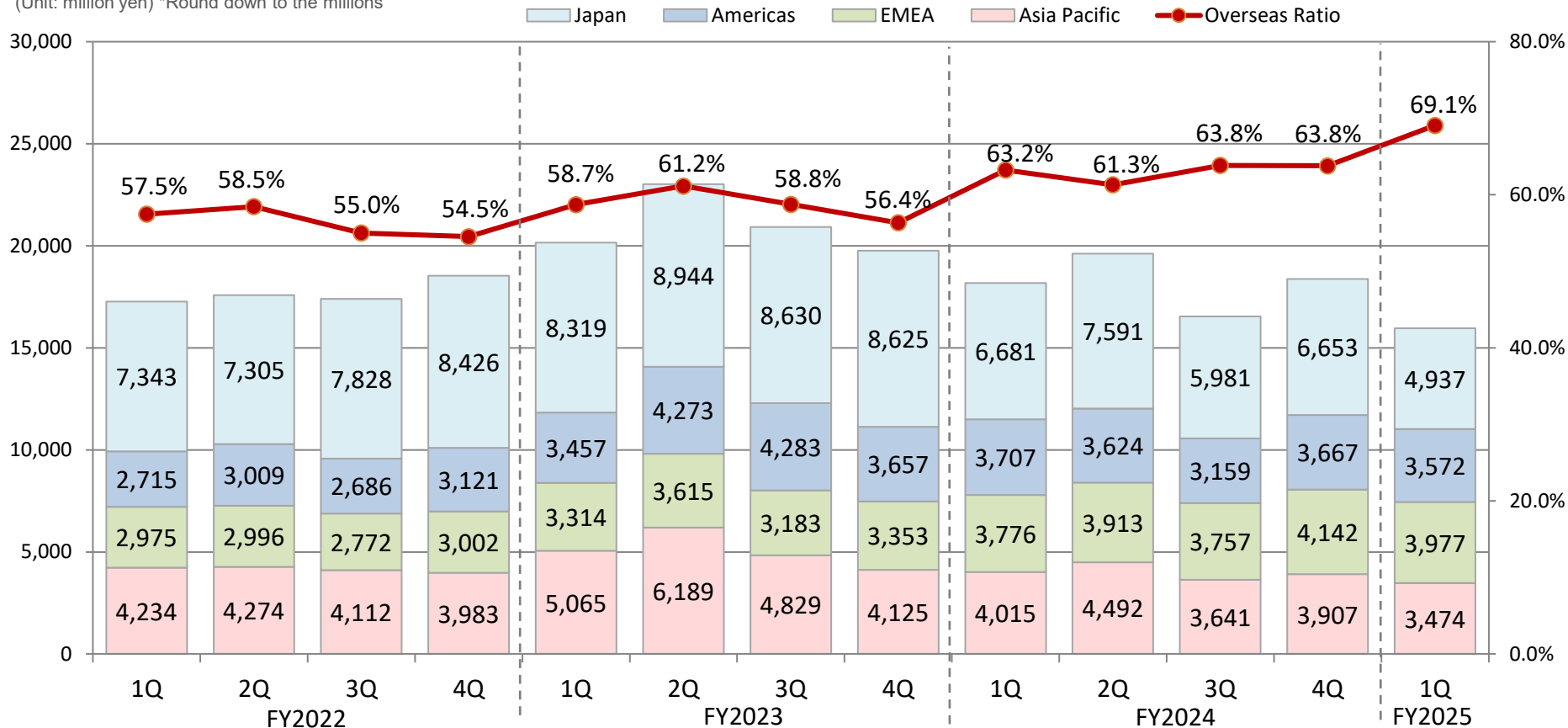
YoY

-4.1%

- Although the distribution stock of Americas has become stable to a certain level, sales decreased YoY.
- Although the sales on EMEA's local currencies basis decreased, sales converted into yen increased due to the impact of yen depreciation.
- In Asia-Pacific, sales decreased due to economic slowdown of Chinese economy.

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)	FY2024 1Q	FY2025 1Q	YoY
HMI	8,594 (47.3%)	8,149 (51.1%)	-5.2%
Industrial Relays & Components	2,948 (16.2%)	2,533 (15.9%)	-14.1%
Automation & Sensing	2,341 (12.9%)	2,071 (13.0%)	-11.5%
Safety & Explosion Protection	3,104 (17.1%)	2,350 (14.7%)	-24.3%
Systems	911 (5.0%)	714 (4.5%)	-21.6%
Others	280 (1.5%)	142 (0.8%)	-49.1%
Total	18,180 (100.0%)	15,962 (100.0%)	-12.2%

HMI (Human-Machine Interface)

Sales of switches and operator interfaces decreased due to the impact of the distribution inventory adjustment in Japan, Americas and Asia Pacific.

Industrial Relays & Components

Sales of control relays decreased in main China.

Automation & Sensing

Sales decreased because many backlogs of programmable logic controllers were cleared.

Safety & Explosion Protection

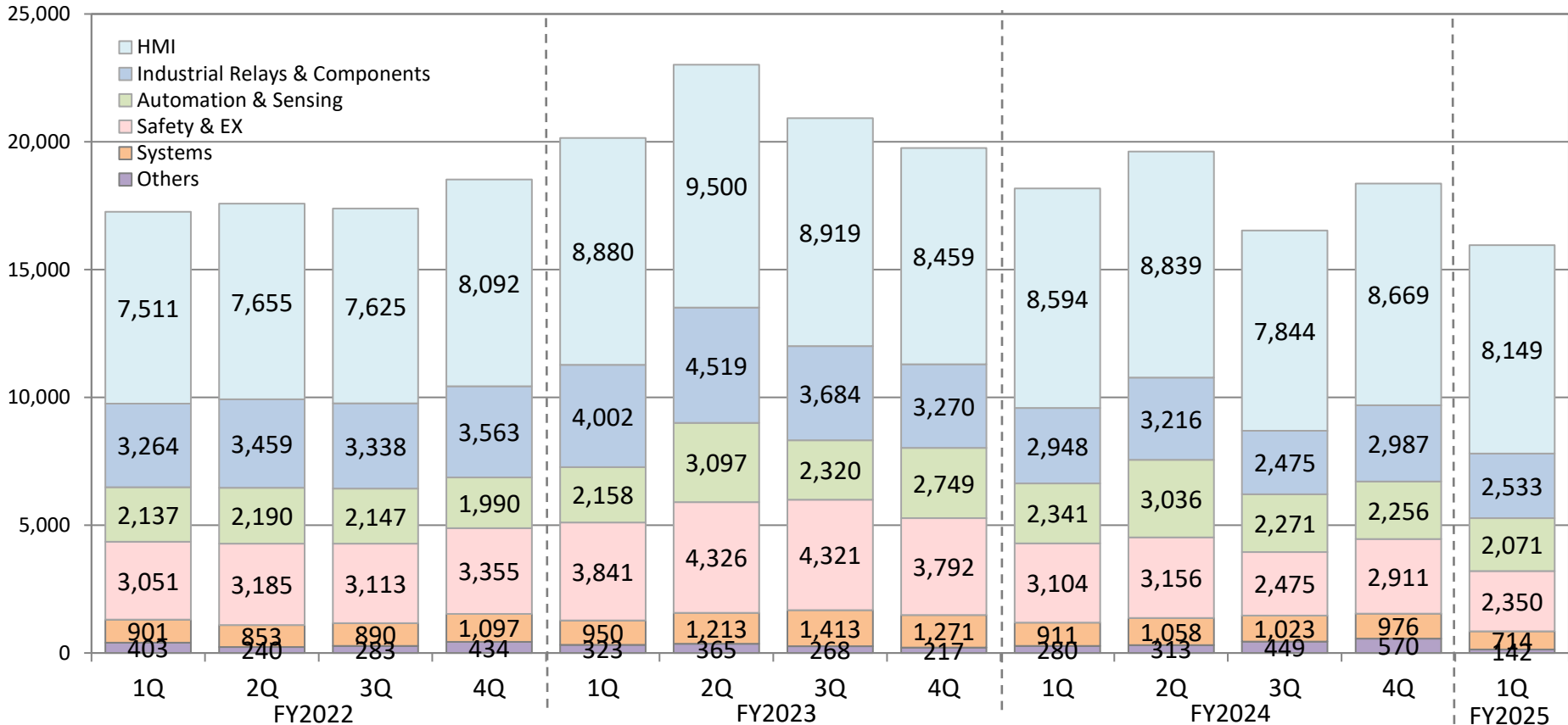
Sales of safety-related products decreased due to the distribution inventory adjustment mainly in Japanese and Chinese markets and lower demands from major industries including semiconductor and machine tool industries.

Systems

Decrease in control panels for semiconductor manufacturing and logistic-related equipment in Asia Pacific.

Sales by products (per quarter transition)

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



Orders received

(Unit: million yen) *Round down to the millions	FY2024 1Q		FY2025 1Q			
	Amount of orders received	Backlog	Amount of orders received	YoY	Backlog	YoY
Japan	6,550	12,329	6,551	+ 0.0%	7,013	-43.1%
Americas	2,681	3,863	3,403	+26.9%	2,750	-28.8%
EMEA (Europe, Middle East, Africa)	4,164	9,947	4,136	-0.7%	8,038	-19.2%
Asia Pacific	2,257	3,392	2,907	+28.8%	3,205	-5.5%
Total	15,655	29,532	16,999	+ 8.6%	21,008	-28.9%

Orders received (per quarter transition)



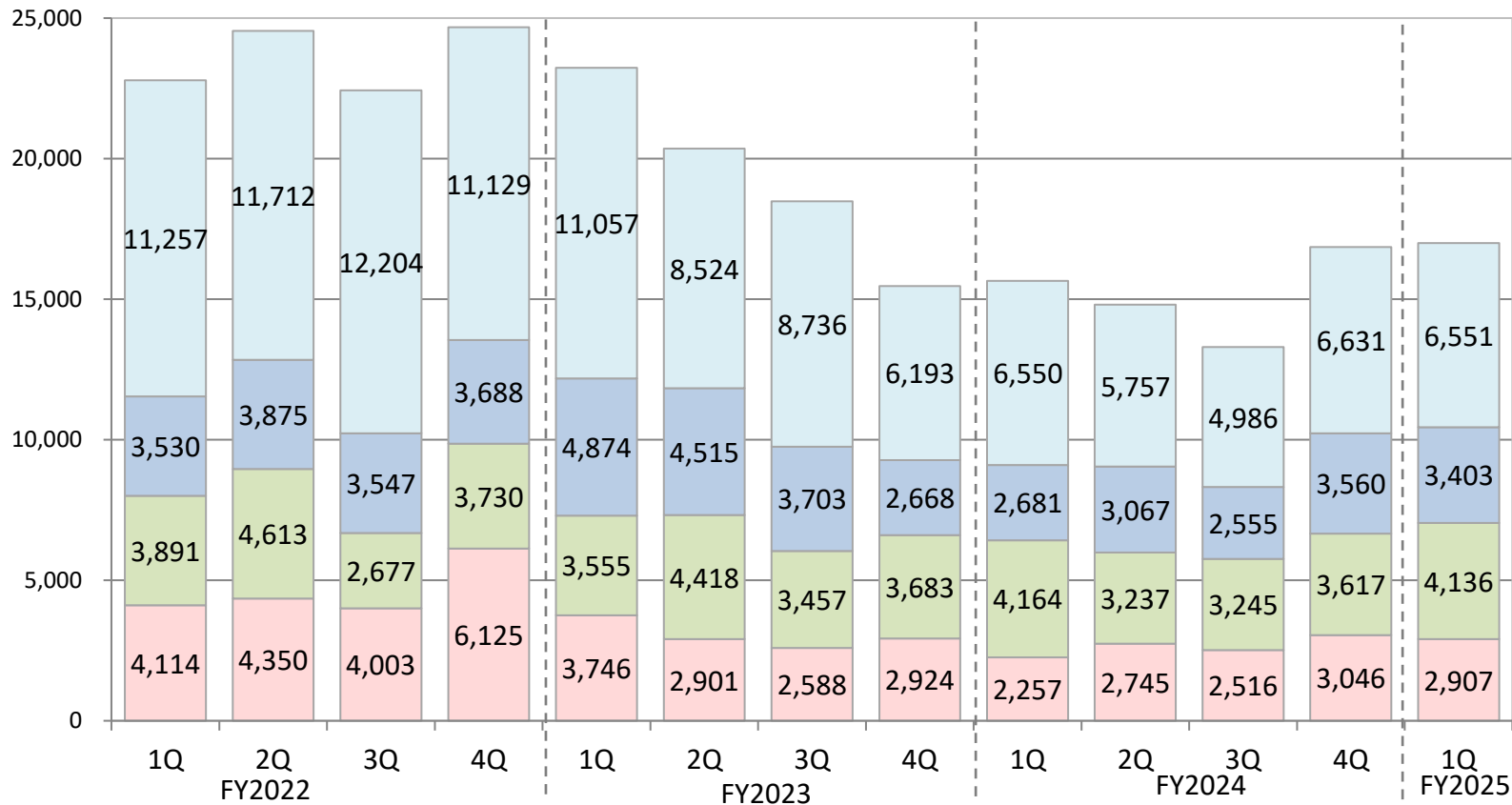
- In Japan and Americas, order received has been in a flat trend compared to that of last 4Q due to the impact of the distribution inventory and market environment.
- In EMEA, 1Q order received was relatively strong due to yen depreciation. On the other hand, 2Q order received has been uncertain due to the impact of EU market environment.

(Unit: million yen) *Round down to the millions	FY2024								FY2025	
	1Q (Apr. to Jun.)		2Q (Jul. to Sep.)		3Q (Oct. to Dec.)		4Q (Jan. to Mar.)		1Q (Apr. to Jun.)	
	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog
Japan	6,550	12,329	5,757	9,140	4,986	7,012	6,631	6,135	6,551	7,013
Americas	2,681	3,863	3,067	3,233	2,555	2,771	3,560	2,853	3,403	2,750
EMEA (Europe, Middle East, Africa)	4,164	9,947	3,237	9,340	3,245	8,641	3,617	7,993	4,136	8,038
Asia Pacific	2,257	3,392	2,745	3,005	2,516	3,058	3,046	2,988	2,907	3,205
Total	15,655	29,532	14,808	24,720	13,305	21,485	16,856	19,971	16,999	21,008

Orders received (per quarter transition)

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

Japan Americas EMEA Asia Pacific



Highlights of assets

- Total assets increased by 0.95 billion yen from the end of the previous period, mainly due to increase in fixed assets, inventory assets, cash and deposits, while trade receivables decreased.

Highlights of liabilities

- Liabilities decreased by 0.51 billion yen from the end of previous period due to decrease in loans payable.

Highlights of net assets

- Although earned surplus decreased, foreign currency translation adjustment increased. Therefore, net assets increased by 1.46 billion yen from the end of previous period.

(Unit: million yen) *Round down to the millions	FY2024 (previous FY)	FY2025 (end of June)	YoY
Current asset	54,921	54,541	-379
Non-current asset	52,217	53,549	+1,332
Current liabilities	23,830	21,533	-2,297
Non-current liabilities	17,301	19,088	+1,787
Total net assets	66,006	67,469	+1,462
Total liabilities and net assets	107,138	108,091	+952
Equity-to-asset ratio	61.2%	62.0%	+0.8%

Cash Flows by operation activities

- It was approx. 4.04 billion yen due to decrease in trade receivables and contract assets, depreciation and amortization.

Cash Flows by investing activities

- It was approx. -0.35 billion yen due to acquisition of tangible fixed assets, etc.

Cash Flows by financing activities

- It was -3.31 billion yen due to repayment of borrowings and expenses including dividends.

(Unit: million yen) *Round down to the millions	FY2024 1Q	FY2025 1Q	YoY
CF from operation activities	-414	4,036	+4,451
CF from investing activities	78	-347	-425
Free cash flows (FCF)	-336	3,689	+4,026
CF from financing activities	-2,327	-3,309	-982
Cash and cash equivalents at end of period	12,969	15,957	+2,987
Capital expenditures	928	854	-74
Depreciation and amortization	946	1,019	+73

Forecast for the FY2025

Forecast for the FY2025



(Unit: million yen) *Round down to the millions	FY2024		FY2025		
	Actual	Sales ratio	Forecast	Sales ratio	YoY
Net sales	72,711	100.0%	71,700	100.0%	-1.4%
Gross profit	31,019	42.7%	31,200	43.5%	+0.6%
SG&A	24,743	34.0%	26,000	36.3%	+5.1%
Operating profit	6,276	8.6%	5,200	7.3%	-17.1%
Ordinary profit	6,920	9.5%	5,200	7.3%	-24.9%
Profit attributable to owners of parent	4,407	6.1%	4,000	5.6%	-9.2%
Basic earnings per share (JPY)	150.10	—	136.23	—	-13.87
Average exchange rate for USD	144.59		148.00		+3.41
Average exchange rate for EUR	156.74		160.00		+3.26
Average exchange rate for CNY	20.13		20.50		+0.37

Forecast for the FY2025

(Unit: million yen) *Round down to the millions	FY2024	FY2025	
	Actual	Forecast	YoY
HMI	33,948	34,700	+2.2%
Industrial Relays & Components	11,629	11,000	-5.4%
Automation & Sensing	9,904	9,900	-0.0%
Safety & Explosion Protection	11,647	11,300	-3.0%
Systems	3,969	3,200	-19.4%
Others	1,612	1,600	-0.8%
Total	72,711	71,700	-1.4%
Domestic sales	26,907	25,200	-6.3%
Overseas sales	45,804	46,500	+1.5%
(Ratio of overseas sales)	(63.0%)	(64.9%)	-1.4%

Introduction of Integrated Report (IDEC Report 2024)

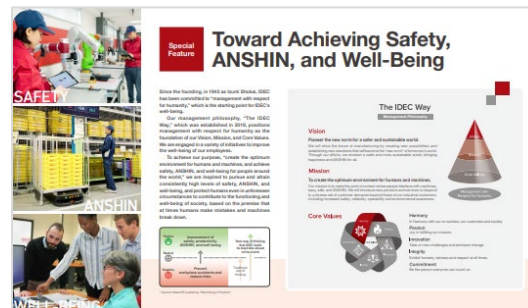
- The FY2025 integrated report was issued.
- It contains useful information on not only explanation about business and financial performances, but non-financial information including ESG.

(*Further information is available from a following URL.)

<https://us.idec.com/idec-us/en/USD/integrated-report-2024>



CEO Message



Special Feature



Interview with Directors

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Business Strategy



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Data and Company Overview



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- Diverse initiatives for IDEC's purpose of "achieve safety, ANSHIN, and well-being" are listed.

[Listed contents]

- Maintaining and improving employee health and building a safety culture
- Vision Zero activities
- Development of safety personnel
- Well-being survey
- Promotion of collaborative safety (Safety2.0)
- Products and solutions that contribute to solving social issues.

Special Feature

Toward Achieving Safety, ANSHIN, and Well-Being

Since the founding, in 1943 as Ibusi Shokai, IDEC has been committed to "management with regard for humanity," which is the starting point for IDEC's well-being.

Our management philosophy, "The IDEC Way," which was established in 1976, positions management with regard for humanity as the foundation of our Vision, Mission, and Core Values. We are engaged in a variety of initiatives to improve the well-being of our employees.

To achieve our purpose, "create the optimum environment for humans and machines, and achieve safety, ANSHIN, and well-being for people around the world," we are inspired to pursue and attain consistently high levels of safety, ANSHIN, and well-being, and protect human even in unforeseen circumstances to contribute to the functioning and well-being of society, based on the premise that all forces humans make mistakes and machines break down.

The IDEC Way

Vision
 Pursue the new frontier in a safer and sustainable world.
 We will show the future of manufacturing by creating new conditions and challenges to overcome and transcend the current "follow-up model" through which the industry is run and new sustainable social systems are established.

Mission
 To create the optimum environment for humans and machines.
 Our purpose is to create an environment where people and machines can work together harmoniously. To achieve this, we will continue to improve our products and services, and create a safe and healthy work environment for our employees.

Core Values

Humanity
 To respect each other as individuals, and to build trust and respect.

Prudence
 To act with integrity and responsibility.

Innovation
 To create new value through continuous change.

Integrity
 To be honest, transparent, and respectful of all stakeholders.

Commitment
 To be responsible and committed to our work.

Safety 2.0

As a company that develops and produces products for products for people, we are committed to safety. We have established a safety culture that is based on the premise that all forces humans make mistakes and machines break down. We are committed to creating a safe and healthy work environment for our employees.

Vision Zero activities

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- Two female managers interviewed with an external director and an internal director.
- The further expanded information on compliance and risk management is listed.

■ Interview with Directors

Interviewing IDEC's employees, from Management (General Affairs & Legal Affairs Manager for the Strategic Planning Division and Risk Management Manager of the Compliance Communication Department) and external board members, an outside director and two female directors, we do our best to get an insight into the Board of Directors.

Q How would you rate the situation and operations of IDEC's Board of Directors?

A I think the Board's independence is self-evident, but a sign of it is that outside directors and female directors sit on the Board of Directors. In addition, we do our best to get an insight into the Board of Directors. For example, we do our best to get an insight into the Board of Directors. For example, we do our best to get an insight into the Board of Directors.

Q If you have a report from the Board of Directors, how do you think about the Board's independence and operations?

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■ Governance

1 Outside directors represent more than half of all directors, and all of them are independent directors

60% of the Board of Directors are independent directors.

2 Outside directors represent 30% of the Board of Directors

30% of the Board of Directors are outside directors.

3 Business foundation

70% of the Board of Directors are business foundation.

4 Outside directors actively participate in outside director exchange sessions and other events

100% of the Board of Directors actively participate in outside director exchange sessions and other events.

Evolution of governance

Corporate governance initiatives

Management Philosophy/Policy

Institutional design

Directors (outside directors)

Rate of female directors

Remuneration system

100% of the Board of Directors actively participate in outside director exchange sessions and other events.

- Environmental initiatives are introduced comprehensively.
- Information disclosed is based on the IFRS sustainability disclosure standards and transition of Scope 1 to 3 values is also listed.

Environmental Initiatives

Realize a sustainable society

As a company that aims to create an optimum environment for humans and machines, and to achieve the safety, ANEHA, and well-being for people around the world, the IDEC Group's Environmental Policy is to make the contribution of the global environment a top priority in all aspects of its business activities, and to pass on a sustainable society to future generations.

Related material issue

Climate change

Our environmental policy of 2015 is:

- Renewable energy utilization ratio of 30% by FY2025
- Reduction rate of CO₂ emissions 24% by FY2025
- Reduction rate of industrial wastes 24% by FY2025
- Cumulative rate of enhanced eco-friendly products to total new products 80% or higher (Sustainable Area Ratio %)

55 IDEC Report 2024

The environmental management of the IDEC Group

In addition to a vision envisaging the achievement of carbon neutrality by 2050, in April 2024, the IDEC Group revised its Environmental Policy, which summarizes its corporate philosophy and action guidelines for environmental issues. As the impact of climate change on the global environment increases, not only is there an increase in the level of interest in climate change from various stakeholders, such as investors, shareholders, customers, and local residents, but also an increase in social demands and expectations of companies with regard to environmental issues. In view of this, we aim to achieve sustainable growth while contributing societal issues such as global warming and response to climate change as a global company, based on the vision, philosophy, and action policy of our Environmental Policy.

Specifically, we have set sustainability KPIs, with implementing initiatives to reduce environmental impact as one of our basic strategies and are implementing an action plan that reflects our mitigation opportunities to achieve these targets.

At the same time, the IDEC Group has set initiatives of reducing CO₂ emissions of Scope 1 and 2 by 24% by FY2025 and 50% by FY2031 (compared to FY2023), which are on the path to achieving carbon neutrality by 2050. Through the efforts of the entire Group, we are pushing forward steadily, beginning with what we can do.

Development of eco-friendly products

Since the founding in 1945, the IDEC Group has been developing its business with consideration for the environment, under the "Save all" policy introduced in 1985, based on the concept of saving and reducing. We revised the Procedure Manual for the Development of Eco-Friendly Products (PF2023) and are working to develop products with a focus on environmental considerations from the first stage of the product development process.

The procedure manual outlines the degree of environmental consideration based on IDEC's own criteria, such as resource conservation, energy saving improvement, and longevity. Based on these criteria, we develop products with the aim of achieving decarbonization. Products evaluated as having a high degree of contribution are certified as eco-friendly products and disclosed in catalogs and other media by affixing IDEC's own original eco-mark, in accordance with ISO 14021 (Type II).

One of our targets for FY2025 is to achieve a cumulative ratio of 80% or higher of enhanced eco-friendly products among new products launched in FY2023 or later. The cumulative achievement rate up to FY2024 was 73.0%.

Evaluation items for eco-friendly products (excerpt)

Measurement of environmental friendliness	Average saving product design
Resource-saving (product)	Reduction of materials used
Resource-saving (packaging materials, etc.)	Reduction of packaging materials, paper/ink and label-use
Resource-saving (weight reduction)	Minimization and weight reduction compared to existing products
Reduction of greenhouse gas	Improvement of production efficiency
Recycling	Adoption of recyclable materials
Adoption of eco-friendly materials (parts)	Application to components, packaging materials, and transportation materials
Ease of product dismantling	Design with no adhesives, screws, rivets, etc.
Longer service life	Adoption of long-life parts, reuse of materials, etc.

Examples of enhanced eco-friendly products

The "FT2 series" integrates a programable logic controller (PLC) and a operator interface to create a rational automation system. To provide value to customers in terms of environmental consideration, we consider reducing power consumption through integration, space saving, and reducing the number of man-hours required for wiring by adopting push-in terminals.

Eco-Friendly points

Reduced power consumption

- FT1 series: 8.7W
- FT2 series: 5.0W (40% reduction)

Space saving

- Compact model: 17.5 (mm) x 28 (mm) x 28 (mm)
- FT2 series: 37.5 (mm) x 30 (mm) x 30 (mm) (1/3 reduction)

Approx. 104mm

Approx. 104mm

Information disclosure based on the IFRS Sustainability Disclosure Standards

Governance

The Environmental Strategy Committee, a specialist committee of the Sustainability Committee chaired by the CEO, plays a key role in efforts to disclose climate-related financial information.

The Environmental Strategy Committee is composed of employees from various departments and meets monthly under direction by the Senior Executive Chair in charge of the Environment. Decisions made by the Environmental Strategy Committee are discussed by the Sustainability Committee, reported to the Top Management Meeting for approval, then reported to the Board of Directors for the approval.

Progress on plans and the reduction management plan started in 2022 are reviewed quarterly, meeting, and reported to the Board of Directors and the Top Management Meeting. In FY2024, we also introduced an environmental risk management forum, or an annual risk management table, which is a risk management table that includes environmental risks, and we have been reviewing the status of achievement of the risk management table.

Risk management

For one of the climate-related risks and opportunities identified by the Environmental Strategy Committee, we conducted the likelihood of occurring, degree of impact, and amount of potential financial impact, and analyzed them on a global and regional basis.

The identified risks and risk items that have been assessed as important in our reporting are managed by relating to our responsibility and our material issues.

The Environmental Protection Department implements environmental risk management forum, or an annual risk management table, and we have been reviewing the status of achievement of the risk management table.

Framework of the environmental governance

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    graph TD
        Board[Board of Directors] --- TopM[Top Management Meeting]
        TopM --- Sustainability[Sustainability Committee]
        Sustainability --- Environmental[Environmental Strategy Committee]
        Sustainability --- Environmental2[Environmental Strategy Committee]
        Sustainability --- Environmental3[Environmental Strategy Committee]
        Sustainability --- Environmental4[Environmental Strategy Committee]
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CO₂ emissions

Item	2023	2024	2025 (Target)	2031 (Target)
CO ₂ emissions (Scope 1 and 2)	1,162	973	-	-
CO ₂ emissions (Scope 1 and 2) per unit	946	812	-	-
CO ₂ emissions (Scope 1 and 2) per unit (excl. R&D)	897	753	-	-
CO ₂ emissions (Scope 1 and 2) per unit (excl. R&D) (excl. R&D)	841	682	614	474
CO ₂ emissions (Scope 1 and 2) per unit (excl. R&D) (excl. R&D) (excl. R&D)	649	524	363	263

Return on Carbon (ROC)

Integrated Report: Human Rights, Supply Chain Management

- Contents about “Respect for Human Rights” and “Supply Chain Management” are newly listed.
- In Human Right pages, process for addressing human rights and assessment of impacts of human rights are listed for the first time.
- In Supply Chain Management pages, CSR self-assessment and surveys into responsible minerals sourcing are introduced.

Respect for Human Rights

Management with respect for humanity

Since our foundation, we have embraced “management with respect for humanity” and developed our business by considering the human rights of the employees working in the IDEC Group, and those of stakeholders.

International principles and guidelines for conduct supported by the IDEC Group

- The Principles of the United Nations Global Compact
- The Human Rights Guiding Principles on Business and Human Rights
- International Labor Organization ILO’s Declaration on Fundamental Principles and Rights at Work, Children’s Rights and Business Principles
- The Responsible Business Alliance (RBA) Code of Conduct

Internal control system

■ Human rights and compliance training attendance rate: **100%** (business group average)

Basic approach

Since the founding in 1948, the IDEC Group has advocated “management with respect for humanity,” and has positioned this as the foundation of our every action in “The IDEC Way,” our corporate philosophy. We respect humanity and endeavor to avoid discrimination of any form, including on the basis of race, skin color, age, gender, sexual orientation, gender identity, sexual orientation, ethnicity, nationality, disability, pregnancy, religion, political party affiliation, labor union affiliation, experience with military service, protected genetic information, and marital status.

As a company engaged in business globally, we support international principles and norms including the United Nations Guiding Principles on Business and Human Rights, work to respect human rights, and recognize the need to mitigate or prevent any adverse impacts our corporate activities have on the human rights of various stakeholders.

We have established a Human Rights Policy to ensure that all people involved with the IDEC Group have a strong awareness of human rights and contribute to the sustainable development of society. We newly formulated the IDEC Human Rights Statement and revised our Human Rights Policy in 2023. We respect all business partners including our suppliers to understand and support this policy, and we continually encourage our business partners to respect it.

Implementation structure

We established a Human Rights Subcommittee within the Risk Management Committee, a specialized committee of the Sustainability Committee chaired by the CEO in 2024.

The Human Rights Subcommittee, working under the executive officer in charge of strategic planning, monitors the details of initiatives and activities concerning human rights globally, clarifies action items, and implements them in coordination with related functions as necessary.

The details of activities are documented over and reported to the Sustainability Committee under the supervision of the Board of Directors.

Process for addressing human rights

During FY2024, we clarified our procedures for implementing actions that address and promote human rights. Going forward, we will continue to promote various initiatives in line with these procedures.

Process for addressing human rights	FY2024
Establishment of policies	■ Revision of the IDEC Human Rights Statement and revision of the IDEC Human Rights Policy (Disclosure of the statement and the policy on the website in Japanese, English and Chinese (Simplified and Traditional))
Assessment of impacts on human rights	■ Assessment of impacts on human rights ■ Identification of high priority human rights issues ■ Revision of CSR self-assessment to address, and implementation of internal human rights assessment in light of high priority human rights issues
Preventive and corrective measures (plans)	■ Revision of specific efforts to implement preventive and corrective measures for identified high priority human rights issues
Monitoring (plans)	■ Working of the status after the implementation of preventive and corrective measures ■ Discussion by the Board of Directors and Risk Management Committee
Disclosure of information (plans)	■ Disclosure of activities on the IDEC website and integrated report (IDEC Report)
Establishment of human rights remedy mechanism	■ Establishment of a grievance mechanism for internal and external stakeholders to address remediation on human rights

Supply Chain Management

Basic approach

Supply chain management in line with the concept of sustainability, including aspects such as compliance, human rights, labor, health and safety, and consideration for the global business operations, is essential for the IDEC Group to conduct its business operations. As our basic policy on purchasing, we have established a Purchasing Policy, a Responsible Minerals Sourcing Policy, and a Code of Conduct for Procurement Activities. To engage in CSR activities together with our suppliers, who are important partners, we have established the IDEC Group CSR Procurement Guidelines and IDEC Group Green Procurement Guidelines in accordance with international standards, and require suppliers to comply with the guidelines, perform CSR self-assessments, and conduct surveys on specific measures. We also engage in “White label” logistics in cooperation with logistics companies.

Going forward, the IDEC Group will continue working together with its business partners to build a strong and resilient supply chain, and engage in more sustainable activities to fulfill its social responsibilities.

Purchasing Policy

In engaging in new transactions, the IDEC Group will provide an environment in which all suppliers can trade with in a fair and impartial manner. To increase customer satisfaction even further, we will strive to build a supply chain management (SCM) system on a global basis, aiming to secure an adequate range of supplies around the world. Together with strong procurement materials with outstanding quality, cost, and delivery (QCDS) performance and low environmental impact, we will aim to realize consistency and co-prosperity with suppliers in our global business partners, and contribute to a sustainable society.

Global

To enable global procurement activities, including parts and materials used for production from global suppliers in the global locations.

Fair and impartial

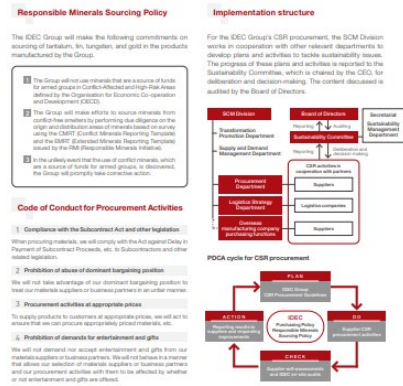
Providing equal opportunities for transactions, the Group will engage in fair transactions regardless of company size or nationality. Relations shall be built based on mutual cooperation and trust through transactions reflecting comprehensive, fair evaluation of matters, such as quality, price, delivery time, stability of supply, and CSR.

Green procurement

Procurement transactions shall be conducted in compliance with laws and regulations, and standards related to environmental protection and proactive efforts shall be made to lessen environmental impact through matters, such as development of environmental management systems together with suppliers, through management of chemical substances, and promoting recycling of materials. To procure low-carbon materials with low environmental impact.

CSR procurement

CSR procurement shall be advanced. Based on consideration for matters, such as legal and regulatory compliance, respect for human rights, occupational health and safety, related efforts for responsible minerals sourcing, environmental protection, consistency with social, timely and appropriate disclosure of information, and protection of confidential information.



- IDEC achieved to be selected into diverse indexes by continuous initiatives.
 - We have been selected as FTSE indexes for the third consecutive year since 2022.
 - In 2024, we were selected as a “Group 1”, the highest estimation among five stages, of Morningstar Japan ex-REIT Gender Diversity Tilt index.
 - We were also selected as JPX-NIKKEI Mid Small Index in addition to S&P/JPX Carbon Efficient Index.



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index

MORNINGSTAR GenDi J

Japan ex-REIT Gender Diversity
Tilt Index

TOP CONSTITUENT 2024

2024



Sompo Sustainability Index



JPX-NIKKEI Mid Small



References

Currency	Exchange assumption	Effect by 1 yen change of exchange rate *For CNY, effect by 0.1 yen change	
		Net sales	Operating income
USD	JPY155.86	Approx. 50 mil. yen	Approx. 5 mil. yen
EUR	JPY167.84	Approx. 130 mil. yen	Approx. 10 mil. yen
CNY	JPY21.47	Approx. 30 mil. yen	Approx. 20 mil. yen

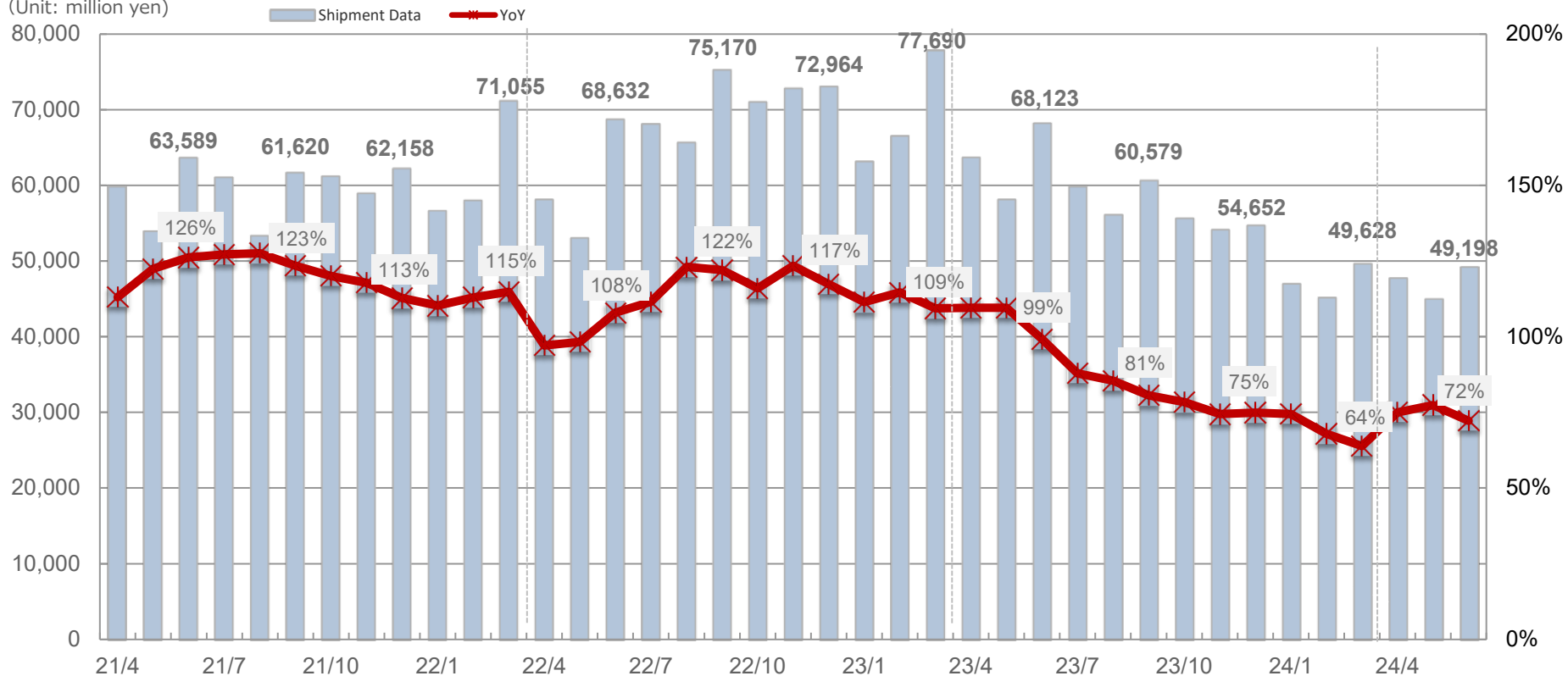
Industry Trend (Transition of shipment data of NECA*)

*Nippon Electric Control Equipment Industries Association



Transition of the industrial shipment and YoY status (between April 2021 to June 2024)

(Unit: million yen)



Sales classification by segment

HMI	Industrial Relays & Components	Automation & Sensing	Safety & Explosion Protection	Systems	Others
<ul style="list-style-type: none"> • Industrial switches • Joysticks • Pilot lights • Operator interfaces   <div data-bbox="61 606 324 642" style="background-color: red; color: white; padding: 2px;">APEM products</div>  	<ul style="list-style-type: none"> • Switching power supplies • Terminal blocks • Industrial relays/sockets • Circuit protectors • LED illumination units     	<ul style="list-style-type: none"> • Programmable logic controllers • Sensors • Automatic identification devices    	<ul style="list-style-type: none"> • Safety-related products • Explosion protection products       	<ul style="list-style-type: none"> • Collaborative robot systems • Interface complex systems • Security systems • Other various systems   	<ul style="list-style-type: none"> • Environmental energy-related business 

This material contains our plans and performance forecast, which we have planned and expected in accordance with available information as of August 2, 2024.

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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