



Think Automation and beyond...



IDEC CORPORATION

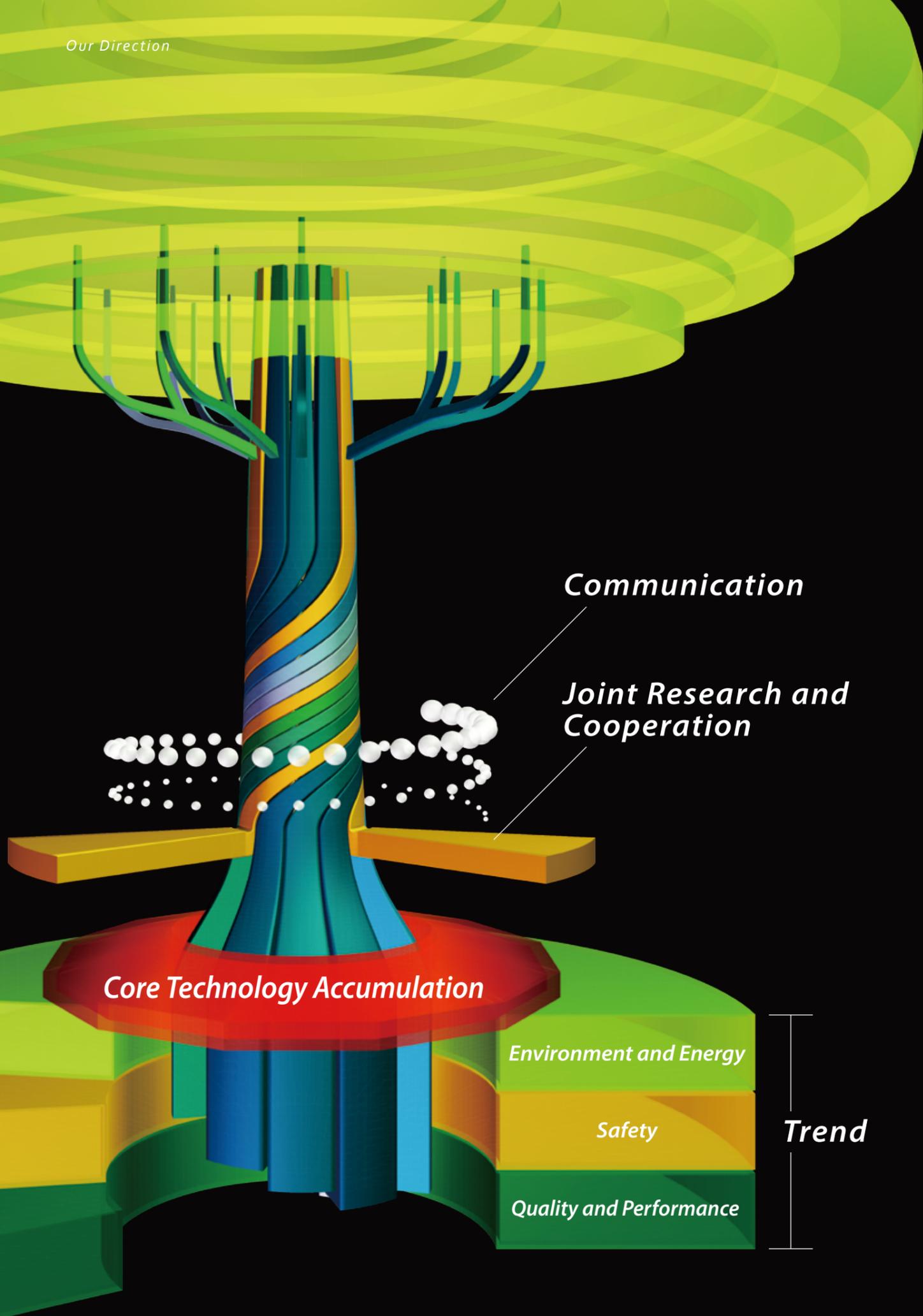
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IDEC Report 2013



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





IDEC BIG TREE

IDEC Breakthroughs & Inspiring Growth

Technology • Research • Evolution • Excellence

In the 60 years since IDEC's inception, our industry's priorities have evolved: from "quality and performance" as a basic need, to "safety and security" protecting people, to "environment and energy" benefiting the earth today.

Throughout this time, affirming our corporate mission of "creating the most suitable environment in which people and machines work," we have provided technology-backed products and services to our customers.

On the occasion of completing our new headquarters building, we confirm that we make a greater contribution to society. To raise our social contributions to the next level, we make every effort to create new technologies and features under the "IDEC BIG TREE" concept by combining our core technologies with technologies developed by industry, government and academia, and by communicating effectively through multiple channels.

We strive to continue providing value to people while working in the manufacturing industry and in their everyday life, like a sturdy tree deeply rooted in society.

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Think Automation and beyond...

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

For more than 60 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 impacts are desired.

— What is our mission in this ever-changing era? And how do we use our accumulated technology and experiences to fulfill this mission? —

Following the corporate philosophy of conducting business with consideration for social contribution, we have been constantly asking the question – how can we contribute to our society? IDEC employees are free from traditional and conventional ways of thinking or doing, allowing them 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 innovative technology. I am certain that having such individuals in the company creates a path toward social contribution and new possibilities, raising the IDEC Group to a higher status as a chosen preferred supplier demonstrating the best 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.

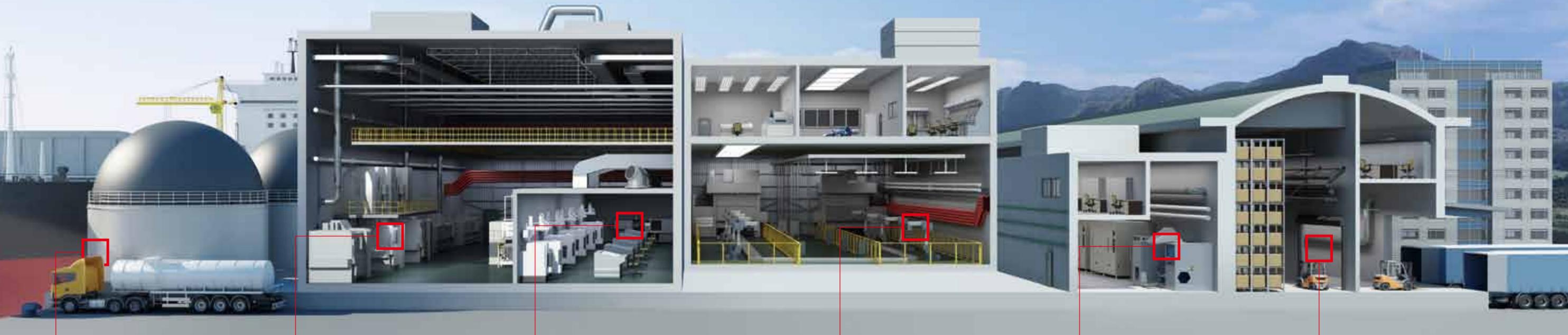


Toshi K. Funaki
Chairman and
Chief Executive Officer



Making manufacturing sites safer and work environments more comfortable

Control units 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 propriety control technology.



Petroleum and chemical plants

Metal processing lines

Molding lines

Assembly lines

Inspection lines

Shipment and conveyor lines



Our lineup of explosion-proof products employ technical measures to prevent the generation of ignition sources and are in use at sites containing multiple hazards where explosive gases exist.



Safety devices, such as interlock switches and emergency stop switches, and stylish operating switches are used in printing machines and machine tools.



Operating switches and light towers that signal an error in operation, and other IDEC products, are an essential part of plastic molding machines.



IDEC teaching pendants equipped with enabling switches and other safety devices are well-suited for automated systems and industrial robots.



Our sensors for detecting the presence or absence of, as well as, the volume of the contents on the inspection line. This is in addition to LED illumination units that support visual inspection, effectively used in various inspection processes.



A variety of IDEC products related to traceability are in daily operation, such as laser markers for marking products and barcode readers for sorting and managing shipments.

☑ Display enclosures w/ touchscreen EX4R

Assist in system construction in explosive environment.



☑ Flameproof and increased safety control boxes EC2B

Perfect for explosion-proof safety in overseas factories.



☑ Sliding actuator HS9Z

Easier-to-use safety switches mean a safer work environment.



☑ Miniature switches and pilot lights LB Series

Add style to operation panels.



☑ 3rd Generation Emergency-stop switches X Series

Stop machines and vehicles in case of emergency.



☑ LED Signilight Towers LD6A

Warn of abnormalities in various locations, using both light and sound.



☑ LED illumination units LF1D / LF2D

Rugged construction and high degree of environment protection make these units ideal for machine lighting.



☑ Small teaching pendant HG1U

Provide a safe teaching environment for various machines.



☑ Flat LED illumination units LF1F

Supports visual inspection via uniform illumination.



☑ Miniature laser photoelectric switches SA1E-L

Reliably detects small and fast-moving objects.



☑ LED illumination units for high ceilings LG1H

Create optimal lighting for any workspace with wide voltage and light distribution ranges.



☑ Ultra-compact two-dimension code readers Matrix Series

Assist in management and traceability of various items through high-speed processing.



Making our lives better every day



Public transportation facilities

Restaurants and stores

Office buildings

Solar power generation

Automated vegetable farming

Soil remediation



Our programmable controllers and sensors are used in the control of movable barriers for preventing commuters from falling off train station platforms as well as in systems for detecting the position of the train.

SmartAXIS controllers FT1A

These controllers play an active part in the control of the movable barriers that prevent falls from station platforms.



Super-bright pilot lights AP22

Superior visibility makes these units perfect as warning indicators.



We support ordering systems in restaurants with touch panel displays for inputting orders and with RFID solutions for managing food freshness etc.

Programmable operator interfaces HG3G

Extensively utilized as ordering terminals in restaurants etc.



LED for freezer / refrigerated display cases LF1E

IDEC supports the food business with a lineup of lighting to fit any showcase.



IDEC's core product group of switches, pilot lights, and relays take an active part in the control of elevators, parking garages and monitoring systems.

Programmable controllers FC5A

Features a high-performance networking function.



Miniature control units LBW series

The flush silhouette design makes these optimal for elevator operation key switches.



The key to increasing the efficiency of electricity generation in solar power generation systems, IDEC power conditioners and monitoring systems are proving useful in the expansion of renewable energy.

Power conditioners PJ1A

The compact design enables installation in narrow indoor spaces.



Monitoring units

Monitor the power and operating status of a power conditioner in real time.



With our control technology, ultra-fine bubble generation technology and LED technology, IDEC is contributing to plant-cultivation factories that are highly anticipated to serve as the industry's trump card in improving food self-sufficiency.

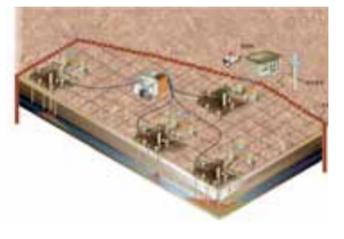
LED technology

IDEC has accumulated the optimal LED lighting technology towards promoting photosynthesis and suppressing disease.



Control technology

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



By applying our ultra-fine bubble generation technology and control technology, we can provide soil purification solutions that offer advantages in both installation times and cost.

GALF technology

An IDEC-proprietary expertise, GALF technology has shown results for 20 years in generating ultra-fine bubbles for water quality purification and other applications.



8-channel multi-unit

Useful for pouring bubble water and collecting contaminants as a slave unit in soil remediation systems that employ GALF technology.



Industrial, Safety Business
Operation Component

The environment in which people interface with machines demands safety, reliability and ease of use

Developer's voice

We develop products that meet domestic and international market needs based on dialog with our customers and multi-faceted marketing research.

Yasunori Kawanaka (Left)
General Manager
Operation Component
Product Marketing & Development
Industrial & Safety Business Unit

Yasuo Onishi (Right)
Operation Component
Product Marketing & Development
Industrial & Safety Business Unit

Shuji Takada (Center)
Western Sales Department
Control Components Sales Group



We offer products integrated with HMI technology, which IDEC has refined for decades. They are ergonomically designed, easy to use, and reflect our relentless quest for the highest level of safety.

Industrial, Safety Business
Electromagnetic and Safety Product

Developer's voice

With our Product Marketing & Development Department united in developing easy-to-manufacture products, we are able to respond flexibly from development to production at the most advantageous location for each sales region.

Hirofumi Ohno (Right)
Industrial & Safety Production Department
Industrial & Safety Business Unit

Takeshi Kondo (Left)
Electromagnetic & Safety Product
Product Marketing & Development
Industrial & Safety Business Unit



Achieving premier global QCD (Quality/Cost/Delivery) through continuous improvement to our manufacturing and supply systems.

Director's voice

While pursuing product quality, durability and high levels of safety, we are developing a more stylish product lineup through superior design and the manufacture of products that can be adopted both in the industrial equipment field and domains such as food machinery and medical care. We are also strengthening our global deployment of manufacture and sales bases in order to better respond to Japanese and international market trends and customer needs.

Yasuharu Kawanaka
Vice President
Industrial & Safety Business Unit



Miniature switches and pilot lights
Flush silhouette switches
LB / LBW series

With the industry's shortest body, these control units are ideal for use in compact, space-saving machinery or equipment. The flush silhouette type enables a 2mm panel face height and an elegant panel design. A new lineup of ring illumination type devices is also available.



Director's voice

Along with proposing the most appropriate safety product and system according to the specific risk, we also combine safety education and consulting services to improve safety at our customers' production sites. We provide devices to unite productivity and safety in order to protect people even if a machine fails or an operator error occurs.

Takao Fukui
Business Unit Deputy General Manager
Industrial & Safety Business Unit



Control relays
RV8H

Slim, 6mm-wide, space-saving interface relays. The thin and high contact-capacity design is suitable for various applications, such as control panels and machine tools.



Emergency stop switches
XW Series

This new lineup of indicator type switches enable the ON/OFF state of contact points to be checked simply and surely even from a remote location. By designing the form with consideration to hygiene and operability, and utilizing an original safety structure, these switches offer outstanding safety.



HMI single-board switch-panel

Instead of individual switch products, we have unitized the operation section towards delivering single-board panel that fit the purpose of use in response to specific customer needs. This also enables us to propose comprehensive solutions for control-related equipment.



Display lights

The diverse product lineup for this series fits most any situation and application. Various indicators that fuse our advanced experience in LED and safety technology deliver improved safety through improved visibility and also contribute to the realization of energy savings due to their reduced power consumption.



Force guided relays
RF2V

These 2-pole force guided relays support the goal of reducing the cost of implementing safety measures. These safety circuits detect failures in contact points due to welds, damages and other factors. Expanding output for safety relay modules and safety controllers is also easy.



Circuit protectors
NC1V

Perfect for control circuit protection, these circuit protectors adopt our original "SS (Saving & Safety) Terminals" as their main circuit terminals, greatly reducing wiring time. Plus, they offer an electric shock-proof safety design.



Safety products

From interlock switches, enabling switches, and emergency stop switches to the safety controllers that compose safety circuits, IDEC offers an abundance of safety components and equipment to provide the best possible system solutions for safety circuits.

Electronics, Automation Business

Developing user- and environmentally-friendly control systems to improve user experience.

Developer's voice

We are concentrating IDEC's experience and knowledge to create products that can be utilized around the globe.

Tsuyoshi Saito (Left)
Product Marketing & Development
(Hardware Development)
Electronics & Automation Business Unit

Chieko Kita (Right)
Product Marketing & Development
(Firmware Development)
Electronics & Automation Business Unit



The scope of our business is expanding into people's daily lives beyond the traditional factory automation field.

Director's voice

Through the pursuit of original designs, the globalization of parts sourcing and production systems, overall automation, and the use of IDEC's know-how, we are continually working to deliver even greater added value and the manufacture of products that are cost competitive throughout the global market.

Tomonori Nishiki
Vice President
Electronics & Automation Business Unit



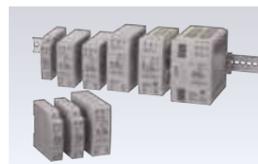
SmartAXIS controllers FT1A

With a control function added to the industry's first miniature display with 3.8inch TFT color LCD, the Touch model FT1A controller offers added value to existing equipment and machinery and improves the human-machine experience. These new controllers also include the Pro and Lite models that are built into the control board and enable control that suits a variety of applications.



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 an operating environment that conveys information and can be connected to various devices in a broad range of scenarios.



Switching power supplies DIN rail mount

In addition to pursuing ease of use and functionality, this power supply reduces the space inside the control board 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 strongly resistant to water and dust. A broad lineup is available, including a model for transparent body detection.

Auto-ID Business

Our Auto-ID technology saves time, increases system efficiency, and improves performance and productivity.

Developer's voice

We identify market trends promptly in order to propose Auto-ID systems that reach the high end of accuracy and speed.

Akihiro Tagawa (Right)
Sohei Okamoto (Center)
Osaka Development Group
Auto-ID Business Unit

Kenji Tanaka (Left)
Marketing Department
IDEC DATALOGIC Co., Ltd.



Our advanced automation recognition technology can quickly develop Auto-ID systems that respond to rapidly changing global requirements.

Director's voice

Automatic recognition systems like barcodes continue to evolve, and we continue to develop powerful products to take us into the next generation by concentrating high-end technology that unites optics, precision machinery, electronics, software, and original ideas with the engineering capabilities and reliability we have cultivated over the years at IDEC.

Hiroshi Hayakawa
General Manager
Auto-ID Business Unit



Various Auto-ID business products

From a broad product group, IDEC selects and proposes the optimal system in line with various usage environments, such as high-speed vision systems that instantly recognize the target content from all directions, high-speed laser scanners that play an active role in automatic sorting equipment, two-dimensional code readers that can handle large volumes of information, ultra-compact barcode readers that can be easily incorporated into existing equipment, presentation scanners that are appropriate for use with cash registers, as well as ergonomic and functional handheld scanners.



Systems for the transport industry

Systems that can automatically read the barcodes on carry-on luggage tags are in use in airports the world over.



Systems for the manufacturing industry

Systems that can automatically read the inscribed two-dimensional codes for tracing cell phones and automotive parts boast state-of-the-art optical technology that enables a highly-accurate reading.



Systems for the medical industry

In recent years, barcodes have come to be utilized for managing medication and patient charts, etc., at medical sites. We also offer antibacterial equipment for use in such medical applications.

Explosion-Proof and Systems Business

For 50 years, we've combined advanced technology and understanding of explosion-proof products to take safety to the next level.



Developer's voice

Along with evolving technological and manufacturing processes, we provide value that's only available from IDEC based on our customers' needs.

Kenji Uchimura (Right)
General Manager
Product Marketing & Development
Explosion-Proof & Systems Business Unit

Shunichi Ozono (Left)
General Manager
Explosion-Proof & Systems Production Department
Explosion-Proof & Systems Business Unit

Improving workplace safety and productivity while responding to a wide variety of customer needs.

LED Business

Providing optimum lighting for any setting with our state-of-the-art LED device manufacturing technology.



Developer's voice

We have completed an integrated production line for a new generation of LED devices to provide a broader range of users with eco-friendly LED.

Yutaka Otsuhata (Left)
General Manager
Product Marketing & Development
LED Business Unit

Shigemune Mitsugochi (Right)
General Manager
LED Device Sales Department
LED Business Unit

Asami Ueyasu (Center)
General Manager
Product Marketing & Development
LED Business Unit

Not just energy savings and environmental advantages. We provide optimal lighting customized for applications and settings, everything from devices, machines, and factories, to stores.

Director's voice

We have assembled a new product lineup to raise productivity at industrial sites while ensuring safety in explosion-proof environments. We will continue to answer the needs of our customers around the globe in this way while making sure our products conform to the ATEX Directive (European guidelines for explosion protection), IECEx explosion-proof product certification, and UL standards. Our Systems Business is also continually combining technology and products to create new possibilities and new added value.

Hideyuki Kajiwara
Vice President
Explosion-Proof & Systems Business Unit



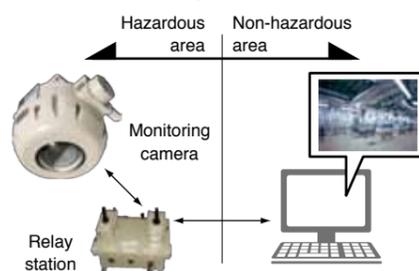
Explosion-proof monitoring camera system

IDEC offers systems that incorporate an explosion-proof surveillance camera for remote monitoring, such as for monitoring equipment in hazardous areas.

Diagram at right: Explosion-proof dome-shaped network camera

Utilizes only LAN (PoE) wiring so no power supply wiring is necessary. The dome-shaped structure enables remote monitoring over a wide area.

[Example system configuration]



Safety relay barriers EB3N

These intrinsically safe explosion-proof relay barriers achieve machine safety in explosive environments. They conform to Japan's TIS standard and are certified under machine safety standards.



Explosion-proof LED illumination units

Our lineup of explosion-proof LED lighting combines IDEC's explosion-proof technology with our LED technology to achieve longer life and both power and space savings, even in locations where there is a danger of explosion, like petrochemical complexes and gasoline stations.



Display enclosures w/ touchscreen EX4R

This display enclosure with touch switch incorporates a bright, easy-to-see, 12.1inch high-definition color LCD that can be used even in hazardous areas where hydrogen gas is present.

Director's voice

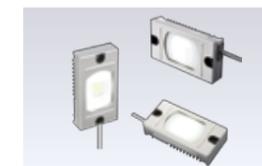
Since the 1980s, IDEC has met the various needs of our customers through LED technology such as white LED devices, internal lighting for large equipment, custom LED lighting such as dimmer control systems, and lighting for high ceiling and low temperature applications. These products deliver high performance and quality through consistent and integrated development and manufacturing of small devices to large equipment. Maximizing the technology that we have cultivated over the years, IDEC continually offers new concepts in lighting that illuminate our daily and industrial settings.

Tomoyuki Nakano
Vice President
LED Business Unit



White LED devices SS-COB

These high-quality, high-reliability white LED devices excel in their chromatic stability and heat-shock tolerance due to our adoption of the world's first gelled plastic sealing method.



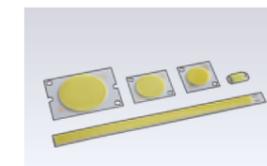
LED illumination units LF1D/LF2D

These dust-, water- and oil- resistant (IP67) super-bright LED illumination units are indispensable as interior lighting for machines such as machine tools and food processing equipment.



LED illumination units for high ceilings LG1H

As well as greater energy efficiency, these products offer a longer service life, thus reducing the frequency of replacing lamps in high places, work that can be dangerous. Designed for use in high ceilings, they can achieve full lighting intensity instantaneously, even faster than mercury lamps.



Custom made LED devices

IDEC is able to satisfy all our customers' needs through semi-custom manufacturing, like matching product specs to the required power supply, size, form and color.

Solar Smart Business

Offering residential solar solutions by building on our existing industrial power conversion strengths.



Developer's voice
The maximization of power conversion efficiency is our never-ending theme and we tirelessly work to further integrate development, production, and sales to that end.

Kazunori Tanimoto (Right)
Development Group
Solar Smart Business Unit

Hiroshi Tanabe (Left)
Quality Management Group
Solar Smart Business Unit

The industry's smallest power conditioner combined with our ground service makes possible highly efficient and effective power management.

Environmental Business

Our environmental technology is designed to protect individuals, communities and the world we live in.



Developer's voice
The IDEC Group is acting as one grow and promote renewable energy, and improve the food self-sufficiency rate.

Yoshiaki Ishida (Right)
General Manager
Environment Business Unit
IDEC SYSTEMS & CONTROLS CORPORATION

Masakazu Kashiwa (Left)
Product Marketing & Development
Explosion-Proof & Systems Business Unit

Creating solutions that improve and safeguard our environment, IDEC develops environmental technology that helps us improve the quality of our lives.

Director's voice

Electric power management systems, the core of solar power generation systems, always require advanced technical capabilities and reliability. At IDEC, we are furthering technical development to maximize the power conversion efficiency of solar panels and promote renewable energy by capturing the technology and know-how we have accrued in the industrial domain.

Takehiko Tajika
General Manager
Solar Smart Business Unit



Solar power management systems

In addition to high-efficiency power conditioners, we offer total support for solar power systems from such peripheral equipment as connection boxes, booster units and operation monitoring systems to Cloud services.



Power conditioner PJ1A

The industry's most compact units (4kW model) deliver high performance at 95% power conversion efficiency. Connecting multiple units for industrial use is also possible.



Monitoring units

Status of operations such as power generation and power consumption can be checked on a TV connected directly to the monitoring unit or over the Internet using a personal computer or mobile phone.



Monitoring service

Connect our monitoring system to the Internet and we can monitor your operational status 24 hours a day; you can leave your system to us in total confidence.

IDEC SYSTEMS & CONTROLS CORPORATION
(Company name changed from IDEC CONTROLS LIMITED)

Taking advantage of the control and environmental technologies that the IDEC Group has developed, IDEC SYSTEMS & CONTROLS CORPORATION has been reborn as an environmental solution company and is offering comprehensive proposals from construction to management of solar power facilities and plant-cultivation factories, as well as providing soil remediation solutions and more.



Mega-solar business

IDEC has launched "Mega-Solar", our industrial solar power generation business. From system design, the selection and supply of the optimal hardware and software, installation, and the submission of various applications to upkeep and maintenance, this new business serves as a one-stop total solution.



Ultrafine bubble generator FZ1N Series (GALF)

These compact ultrafine bubble generators employ our original fluid control technology to produce the industry's highest level of continuous and stable ultrafine bubbles.



Soil remediation

By applying the ultrafine bubble generation technology and control technology that we have accumulated for decades now, IDEC provides soil remediation solutions that offer advantages in both installation times and cost.



Sunlight-induced plant factory

Aiming at accumulating further knowledge in climate control for plant cultivation, IDEC's plant factory is carrying out proof tests on the effect of ultrafine bubble generators on cultivation and photosynthesis promotion, and experiments on preventing disease through the use of LED lighting.

Medium Term Management Plan Summary: Fiscal Year 2014 ~ Fiscal Year 2016

Clear Vision

Raising core business profitability and expanding environmental businesses to ensure steady growth into the future.

Mid-Term Objectives : ¥40,000,000,000 in overall sales, 15% operating profit ratio

In pursuit of higher margins in our core businesses and strong positioning in the global market

Southeast Asia and emerging countries such as India are rapidly industrializing while Japan continues to reduce domestic manufacturing capacity due to the Yen's strength over a prolonged period. At the same time, industries in Latin America are expanding, fueled by healthy market growth in North America.

Since its founding in 1945, the IDEC Group has been expanding business outside of Japan, particularly in industrialized countries in North America and Europe. Through industrial automation, we have firmly established the "IDEC" brand in these areas while elevating our technology and product quality.

Our operations in China, with its tremendous

industrial growth, are steadily moving forward. We are now advancing into Southeast Asia, India and South America, where extraordinary growth is expected. In order to increase our profit margin in advanced, mature market areas, we will take a "Selection and Concentration" approach, in which we focus on specialized areas by adding value to products and services as well as leverage our accumulated technologies and the well-known "IDEC" brand.

Conversely, in emerging market areas, we will take a "Market-In" approach, providing uniquely IDEC products that fit the market's needs. We aim to embed ourselves deeply and succeed in each market, in each region.

Mikio Funaki
Senior Executive Vice President

Improvement of Core Businesses

Improving profitability of our core businesses and strengthening global marketing strategies

Sales Objectives : ¥32,000,000,000 in core businesses

Boosting of Core Businesses

- Switch Business: Providing customer solutions using our technology and entering new markets through partnerships to increase overall market share
- Safety Business (machine safety·explosion safety) : Strengthening domestic business and exploring the Asian market
- LED Business: Developing new markets with our technology-integrated products and offering competitive pricing to expand the LED device business

Expanding Sales Overseas

- Developing markets in Southeast Asia, centering on IDEC ASIA (THAILAND) CO.,LTD. Also, developing markets in South America
- Strengthening the "Market In" system and providing products and services that are catered to the specific needs of each market in each region
- Strengthening the international logistic functions and building an optimal global supply chain system

Expansion of New Businesses

Focusing on environment and energy-related businesses

Sales Objective : ¥8,000,000,000 in new business

- Moving a comprehensive solar energy business into full gear From a one-stop provider of residential power management systems and a builder of industrial photovoltaic facilities, to an operator of our own power generation plant
- Expanding our soil remediation business and other businesses that utilize our proprietary GALF (Gas Liquid Form) technology
- Starting an agricultural automation business based on hands-on knowledge acquired from running our own fully-automated agriculture laboratories
- Streamlining the development/manufacturing/sales structure within the IDEC Group to increase automated recognition device market share

Corporate Infrastructure Building

Increasing profitability through a corporate culture change and work restructuring

Mid-term objective: Operating income margins of 15% by improving corporate infrastructure

- Valuing customer perspectives, providing the best value to customers, and winning acclaim as a "chosen preferred supplier"
- Corporate infrastructure for growth Higher profitability through strategically positioning domestic and international manufacturing plants Efficient development/manufacturing efforts through close collaboration between the two departments housed side-by-side at the newly constructed Technology Center
- Commitment to increasing efficiency by adhering to PLM (product lifecycle management)



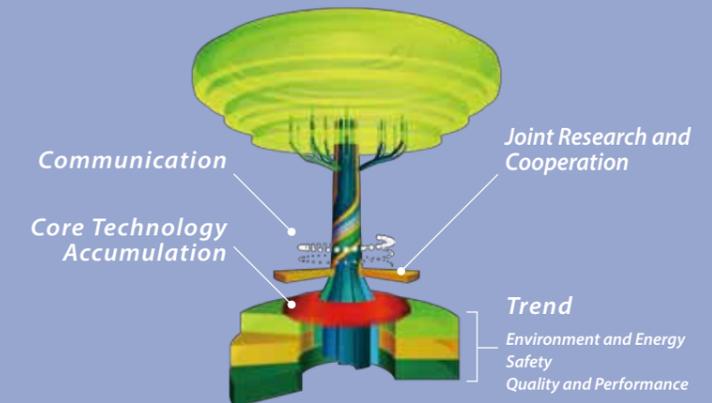
Innovation

Our new home base for optimizing manufacturing for the future.
A big step toward IDEC's 100th anniversary.

The construction of the new IDEC headquarters/technology center was completed in March 2013, combining R&D and manufacturing engineering divisions under one roof.

The new headquarters/technology center

The new headquarters/technology center is designed to be an anchor for our core technologies in manufacturing, safety, and environment. It's intended to be IDEC's focal location for the next three decades as we move toward the 100th anniversary of IDEC.



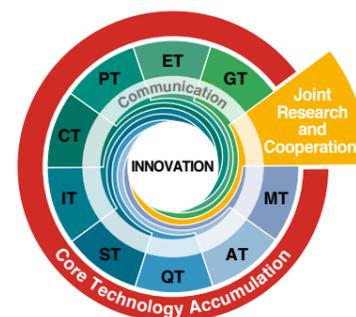
"IDEC BIG TREE" concept



The new headquarters/technology center consists of two wings: the glass-covered high-rise wing projects our ascent toward the future, and the lower wing, extending parallel to the ground, presents a sense of stability.

Our core technologies growing through alliances

Bringing our core work in nine areas, including Control Technology (CT), Safety Technology (ST), and Green Technology (GT), to the new headquarters/technology center, we aim to have these technologies grow and blossom through cooperation among industry, government, and academia.



Our nine core technologies will grow through alliances with others.

Place for collaboration and integration

The open design of the building removes barriers among different departments. It encourages face-to-face interaction among product developers and manufacturing engineers, leading to fast product development and fast manufacturing.



Open office encourages communication.

Worldwide

New structure in place Market expansion into Southeast Asia

IDEC ASIA (THAILAND) CO., LTD established as a new operation base for manufacturing and sales. The headquarters building was constructed on a 17,245m² property in Saraburi Province in Thailand.



To expand business in the growing Southeast Asian market, manufacturing in Thailand began in fiscal 2013, and a large-scale sales and marketing operation will follow in fiscal 2014.

Global Business Expansion

In 1975, IDEC's first sales company outside of Japan opened in North America. This was followed by new sales companies in Europe and then in Asia. The first manufacturing plant outside Japan opened in Taiwan in 1983, and then another opened in Suzhou, China in 2002. With IDEC ASIA (THAILAND) added to the list, the IDEC Group, with a total of 15 companies in 9 countries, continues to expand local networks and strengthen operations globally.



Hiroaki Hamano, V.P. of Marketing Group

Local procurement, local manufacturing A "market-in" supply system

Local procurement, local manufacturing, and local marketing, using resources in China and Southeast Asia, can reduce costs and create a speedy and efficient supply system for market-driven products.



"Market-in" manufacture/supply system

Increasing local trade and logistics and strengthening local customer service lead to growth.

IDEC Singapore functioned as an exporter to the Southeast market for many years. Now, having established a business hub in Thailand, we can greatly improve our responsiveness to this region by increasing local trade and logistics, and providing technical support, maintenance support, and technical training that are catered to users in each specific region in order to expand our overall market share.



Actively participating in various trade shows and promoting the IDEC brand in many countries in Asia

Next Stage

Stepping up in environmental businesses
Building new business models

We are actively engaged in developing new businesses by applying our proprietary technologies in fine bubble generation, systemization, and controls.

Our new business pursuits include solar photovoltaic power generation, as we believe in and promote renewable energy to improve the environment.



In November 2012, we announced IDEC's entrance into the industry of power products (IPP) and power management. Making good use of decades of accumulated knowledge, we are moving expeditiously into a comprehensive environmental business.

Fukusaki Mega Solar Project and Agriculture Research Facilities

During fiscal year 2014, we will begin operating a 3-megawatt solar power plant in the town of Fukusaki, Hyogo Prefecture, in Japan. Our primary aim is to learn through our direct involvement in operation and management of the solar power plant. Directly collected knowledge will help us accelerate the growth of the new venture.



Entry into soil remediation business

Applying our fine bubble generation technology and control technology, we will begin offering on-site soil treatment solutions with shortened work time and reduced costs. IDEC SYSTEMS & CONTROLS, one of the IDEC Group companies, was licensed as a contractor to perform civil engineering work. This allows us to be a one-stop soil cleanup solution provider.



On-site soil remediation offers cost and time advantages.

Moving fast with power management business

The solar energy market in Japan has been growing at an explosive rate since the passing of the public utility regulation allowing renewable energy to be sold at a fixed rate. Our solar power business, started in fiscal year 2013, has already introduced the industry's smallest size power conditioner and exclusive cloud service to manage power efficiently and is making contributions to Japan's increasing use of renewable energy.



The industry's smallest power conditioner

Financial Highlights

Signs of Growth for Focused Products, Such as Environment-Related Goods, in an Uncertain Economic Environment

Net sales **29.343** billion yen Operating income **1.434** billion yen Net income **1.859** billion yen Operating income margin **4.9%**

Domestic net sales **19.101** billion yen

Year-on-year **Down 11.3%**

Exports have been affected by the slowdown in overseas economies, new capital investment has decreased, and domestic sales have dropped in comparison with the previous year.

Although the markets for explosion-proof, disaster-prevention, and industrial LED products have grown and we are witnessing the startup of environmental-related businesses like management systems for solar power generation, sales of our control device product group, including our core control switches, have fallen.

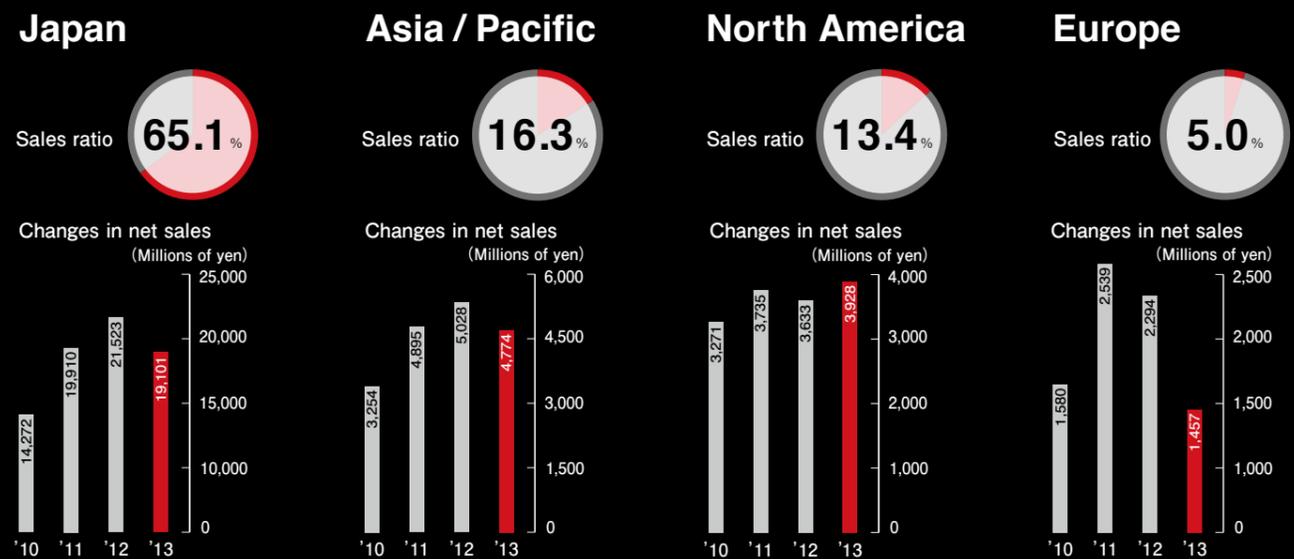
Overseas net sales **10.241** billion yen

Year-on-year **Down 7.2%**

The U.S. economy has been slowly expanding, but the effect of the stagnation in demand in Europe and China has resulted in a weakening trend in foreign sales.

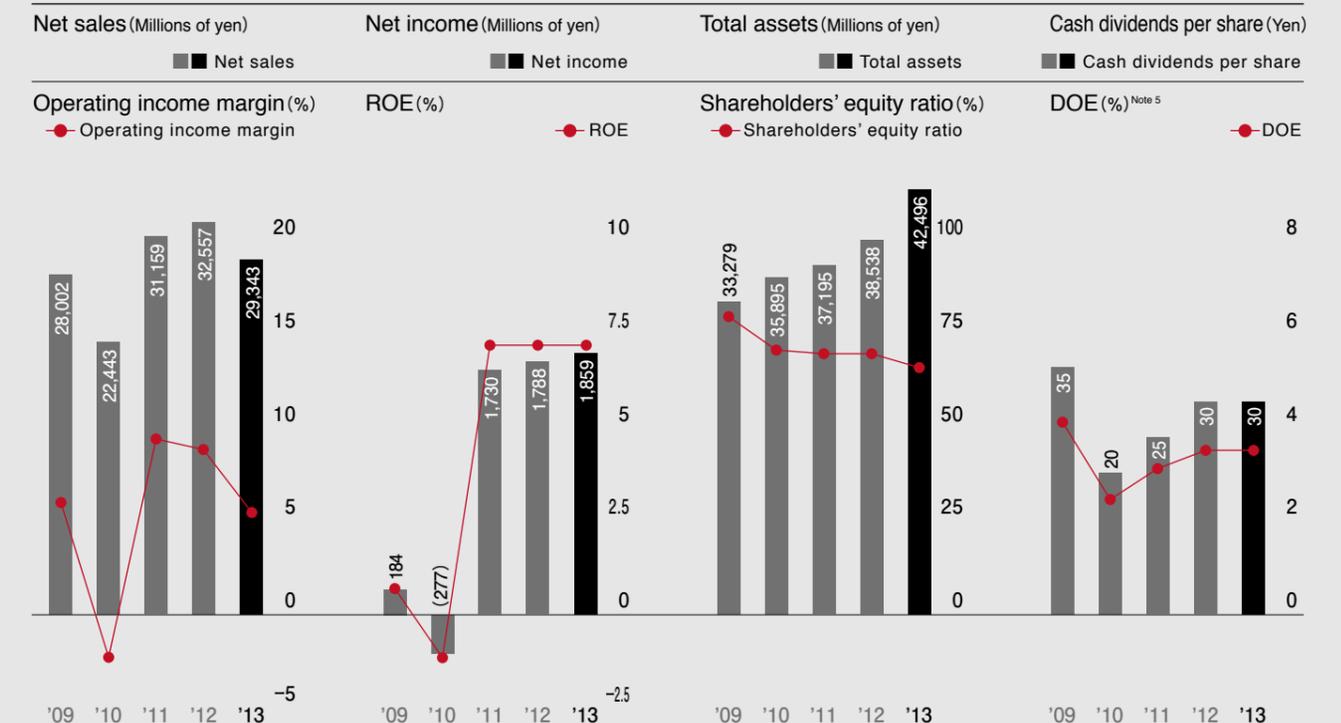
Although sales of products like our programmable operator interfaces and programmable controllers have expanded in North America, sales of our core products, such as control switches, have decreased especially in the Asian region.

Sales by Region



	Millions of yen			Thousands of U.S. dollars ^{Note 6}
	2013	2012	2011	2013
Profit and Loss Status (Years ended March 31)				
Net sales	¥29,343	¥32,557	¥31,159	\$312,193
Gross profit	13,062	14,416	13,868	138,979
Selling, general and administrative expenses	11,627	11,647	11,030	123,712
Operating income (loss)	1,434	2,769	2,837	15,266
Ordinary income (loss)	1,696	2,785	2,605	18,047
Net income (loss)	1,859	1,788	1,730	19,788
Cash Flow Status (Years ended March 31)				
Net cash provided by (used in) operating activities	2,204	2,239	2,752	23,453
Net cash provided by (used in) investing activities	(3,800)	(2,806)	(137)	(40,431)
Free cash flow ^{Note 2}	(1,595)	(567)	2,615	(16,978)
Net cash provided by (used in) financing activities	1,261	(169)	(1,296)	13,423
Depreciation and amortization	1,335	1,337	1,227	14,205
Capital expenditures	5,701	4,741	1,712	60,657
Financial Status (As of March 31)				
Total assets	42,496	38,538	37,195	452,135
Total interest-bearing liabilities ^{Note 3}	6,939	3,447	2,498	73,833
Total Shareholders' equity	26,958	26,030	25,098	286,818
Per Share Information (Yen/U.S. dollars)				
Earnings per share (EPS) on a diluted basis ^{Note 4}	61.01	57.36	55.61	0.64
Book value per share (BPS)	914.98	836.67	806.72	9.73
Cash Dividends per share (annual)	30	30	25	0.31
Financial Indicators				
Return on equity (ROE)	7.0%	7.0%	7.0%	7.0%
Shareholders' equity ratio	63.4%	67.5%	67.5%	63.4%
Current ratio	154.1%	196.1%	209.6%	154.1%
Dividends on equity (DOE) ^{Note 5}	3.4%	3.4%	2.9%	3.4%

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. Indices before adjustment for residual securities are listed for periods when a loss was posted.
 5. Dividend on equity (DOE) = Annual dividends / Shareholders' equity
 6. Accounts in U.S. dollars are calculated at the prevailing exchange rate as of March 31, 2013 (US\$1=JP¥93.99) for the convenience of readers abroad.

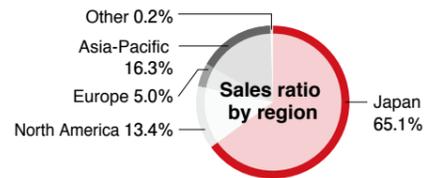


Financial Report

Sales of products related to explosion-proof control equipment increase, especially in Japan

Summary of performance by region and product

The business environment for this term continued to be extremely difficult due to factors including the prolonged financial instability in Europe, the slowdown in Chinese and other Asian markets, and the reduction in capital investment in Japan. However, among such harsh circumstances, we actually experienced an increase in sales, centered on Japan, of products related to explosion-proof control equipment.

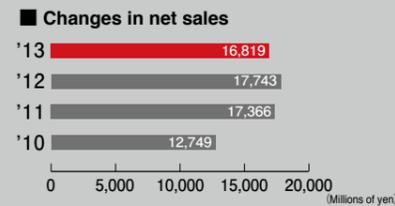


Industrial Components

Year-on-year
Down **5.2%**



This product lineup consists of control panel equipment, such as control switches and indicators, that serve as the core of HMI (Human-Machine Interface), safety products that ensure safety at industrial sites, industrial LED products for machines and other devices, as well as other relays and sensors.

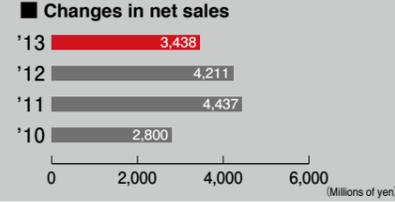


Control System Equipment and FA System Components

Year-on-year
Down **18.4%**



These are products such as programmable controllers that play the role of the brains in machines and devices, and programmable operator interfaces and pendants that produce the appropriate operating environment for machinery and equipment.

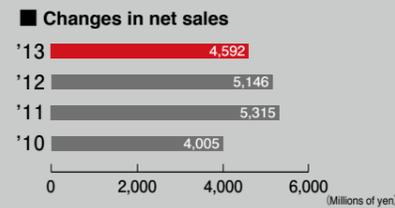


Peripheral Control Components

Year-on-year
Down **10.8%**



These include such products as the switching power supplies, communication terminals, terminal blocks, sockets and control boxes used in the control panels that are the foundation of control in machines and other equipment.

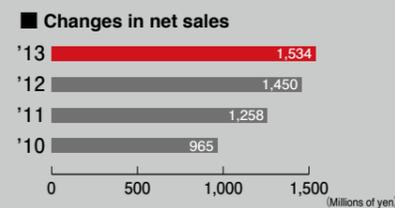


Explosion-Proof Control Equipment

Year-on-year
Up **5.7%**



These are products such as intrinsically-safe, flameproof, increased safety explosion-proof equipment, and disaster prevention and related equipment for preventing accidents at industrial sites like petroleum and chemical plants where explosive gases exist.

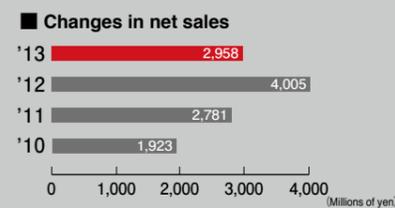


Other Components

Year-on-year
Down **26.1%**



This lineup includes fusion-molded goods like HMI solution products and security products that aid in the proposal and construction of the optimal environment that considers all aspects of HMI, as well as commercial LED lighting, solar power products for power management systems, and ultra-micro bubble generators (GALF), which all connect to resolving environmental issues.



Consolidated Balance Sheet

As of March 31, 2013 and 2012	Millions of yen		Thousands of U.S. dollars (Note 2)
	2013	2012	2013
Assets			
Current assets			
Cash and deposits	7,031	6,836	74,807
Notes and accounts receivable-trade	5,614	6,203	59,737
Merchandise and finished goods	3,699	3,628	39,355
Work in process	903	718	9,613
Raw materials and supplies	2,055	1,990	21,869
Deferred tax assets	613	602	6,528
Others	661	375	7,035
Allowance for doubtful accounts	(37)	(38)	(399)
Total current assets	20,541	20,317	218,546
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	5,695	5,386	60,600
Machinery, equipment and vehicles, net	707	685	7,524
Tools, furniture and fixtures, net	512	494	5,447
Land	8,738	6,648	92,967
Lease assets, net	337	368	3,593
Construction in progress	3,781	1,850	40,237
Total property, plant and equipment	19,772	15,433	210,371
Intangible assets			
Software	404	472	4,304
Lease assets	9	17	104
Others	17	17	185
Total intangible assets	431	506	4,594
Investments and other assets			
Investment securities	824	1,172	8,773
Long-term loans receivable	6	11	68
Deferred tax assets	475	662	5,054
Others	543	538	5,787
Allowance for doubtful accounts	(99)	(103)	(1,061)
Total investments and other assets	1,750	2,280	18,622
Total noncurrent assets	21,954	18,221	233,588
Total assets	42,496	38,538	452,135
Liabilities			
Current liabilities			
Notes and accounts payable-trade	2,928	3,435	31,161
Short-term loans payable	6,697	3,197	71,261
Current portion of long-term loans payable	133	100	1,417
Lease obligations	156	152	1,663
Income taxes payable	517	635	5,507
Accounts payable-other	515	526	5,488
Accrued expenses	1,312	1,399	13,963
Deposits received	948	811	10,087
Others	123	104	1,317
Total current liabilities	13,334	10,361	141,867
Noncurrent liabilities			
Long-term loans payable	108	150	1,154
Lease obligations	208	252	2,218
Provision for retirement benefits	1,558	1,450	16,580
Provision for directors' retirement benefits	57	57	613
Asset retirement obligations	63	62	673
Total noncurrent liabilities	1,996	1,973	21,240
Total liabilities	15,330	12,335	163,107
Net assets			
Shareholders' equity			
Capital stock	10,056	10,056	106,996
Capital surplus	9,690	9,690	103,105
Retained earnings	15,567	14,640	165,629
Treasury stock	(7,519)	(6,395)	(80,004)
Total shareholders' equity	27,795	27,992	295,726
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	7	72	78
Foreign currency translation adjustment	(844)	(2,035)	(8,987)
Total accumulated other comprehensive income	(837)	(1,962)	(8,908)
Subscription rights to shares	64	58	688
Minority interests	142	114	1,520
Total net assets	27,165	26,202	289,027
Total liabilities and net assets	42,496	38,538	452,135

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 28 to 30 are converted from amount in yen to U.S. dollars at the prevailing exchange rate as of March 31, 2013 (U.S.\$1 = ¥93.99), for the convenience of readers abroad.

Consolidated Statement of income

Years ended March 31	Millions of yen		Thousands of U.S. dollars (Note 2)
	2013	2012	2013
Net sales	29,343	32,557	312,193
Cost of sales	16,280	18,141	173,213
Gross profit	13,062	14,416	138,979
Selling, general and administrative expenses	11,627	11,647	123,712
Operating income (loss)	1,434	2,769	15,266
Non-operating income			
Interest income	25	24	270
Dividends income	25	15	276
Foreign exchange gains	139	—	1,483
Rent income	89	96	957
Equity in earnings of affiliates	17	8	189
Others	80	56	856
Total non-operating income	379	200	4,033
Non-operating expenses			
Interest expenses	48	52	513
Sales discounts	—	2	—
Foreign exchange losses	—	44	—
Depreciation	23	43	247
Others	46	42	492
Total non-operating expenses	117	185	1,253
Ordinary income (loss)	1,696	2,785	18,047
Extraordinary income			
Gain on sales of noncurrent assets	1,048	162	11,151
Gain on sales of investment securities	290	—	3,087
Gain on reversal of subscription rights to shares	0	28	4
Total extraordinary income	1,338	191	14,243
Extraordinary loss			
Loss on valuation of securities	49	93	526
Loss on sales of investment securities	3	—	32
Loss on abandonment of noncurrent assets	1	44	17
Loss on sales of noncurrent assets	0	0	7
Total extraordinary loss	54	138	584
Income (loss) before income taxes and other adjustments	2,980	2,837	31,707
Income taxes-current	865	918	9,210
Income taxes-deferred	240	108	2,562
Total income taxes	1,106	1,026	11,772
Income before minority interests	1,873	1,811	19,934
Minority interests in income (loss)	13	23	145
Net income (loss)	1,859	1,788	19,788

Consolidated Statement of Cash Flow

Years ended March 31	Millions of yen		Thousands of U.S. dollars (Note 2)
	2013	2012	2013
Net cash provided by (used in) operating activities			
Income (loss) before income taxes and other adjustments	2,980	2,837	31,707
Depreciation and amortization	1,335	1,337	14,205
Increase (decrease) in allowance for doubtful accounts	(8)	(14)	(90)
Increase (decrease) in provision for retirement benefits	94	84	1,006
Interest and dividends income	(51)	(39)	(547)
Interest expenses	48	52	513
Foreign exchange losses (gains)	0	44	2
Equity in (earnings) losses of affiliates	(17)	(8)	(189)
Loss (Gain) on sales of investment securities	(287)	—	(3,055)
Loss (gain) on valuation of securities	49	93	526
Loss (gain) on sales of noncurrent assets	(1,047)	(162)	(11,143)
Loss on abandonment of noncurrent assets	1	43	17
Decrease (increase) in notes and accounts receivable-trade	1,014	(400)	10,796
Decrease (increase) in inventories	86	0	919
Decrease (Increase) in accounts receivable	(145)	—	(1,544)
Increase (decrease) in notes and accounts payable-trade	(852)	(672)	(9,074)
Increase (decrease) in accounts payable-other	0	(29)	7
Increase (decrease) in deposits received	135	(570)	1,436
Others	(114)	173	(1,217)
Subtotal	3,221	2,771	34,276
Interest and dividends income received	50	39	541
Interest expenses paid	(48)	(73)	(513)
Income taxes paid	(1,019)	(497)	(10,851)
Net cash provided by (used in) operating activities	2,204	2,239	23,453
Net cash provided by (used in) investing activities			
Purchase of property, plant and equipment	(7,494)	(4,430)	(79,737)
Proceeds from sales of property, plant and equipment	3,192	856	33,970
Purchase of intangible assets	(103)	(81)	(1,099)
Receipt of government subsidies	90	—	960
Proceeds from withdrawal of time deposits	—	500	—
Purchase of investment securities	(2)	(216)	(22)
Proceeds from sales of investment in securities	649	—	6,905
Purchase of payments for investments by affiliated companies	(150)	—	(1,595)
Payments of long-term loans receivable	—	(9)	—
Collection of long-term loans receivable	5	2	53
Payments for lease and guarantee deposits	—	(112)	—
Proceeds from collection of lease and guarantee deposits	—	688	—
Others	12	(3)	133
Net cash provided by (used in) investing activities	(3,800)	(2,806)	(40,431)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	3,500	700	37,238
Proceeds from long-term loans payable	100	300	1,063
Repayment of long-term loans payable	(108)	(50)	(1,152)
Purchase of treasury stock	(1,134)	(0)	(12,074)
Proceeds from sales of treasury stock	10	—	116
Cash dividends paid	(933)	(929)	(9,930)
Cash dividends paid to minority shareholders	(1)	(1)	(12)
Repayments of lease obligations	(171)	(188)	(1,825)
Net cash provided by (used in) financing activities	1,261	(169)	13,423
Effect of exchange rate change on cash and cash equivalents	528	(66)	5,624
Net increase (decrease) in cash and cash equivalents	194	(802)	2,070
Cash and cash equivalents at beginning of year	6,836	7,639	72,736
Cash and cash equivalents at end of year	7,031	6,836	74,807

Products and Events

April 2012 to March 2013

| Safety product |
May 2012

SE4D safety light curtain with easy-to-use functionality

The SE4D hand-protection safety light curtain conforms to international safety standards and offers IP67-level protective construction even without a protective case. It also delivers global-level safety and environmental-resistant performance, like a response speed of 14ms or less, and comes standard with a muting control function.



| Explosion-proof product |
August 2012

Intrinsically-safe, flameproof EX4R-D44G display enclosure with touchscreen, and the industry's highest class display

The EX4R-D44G's "intrinsically safe, pressure- and explosion-proof construction" makes it applicable for Zone 1 and 2 hazard areas like those in petroleum plants, painting processes, and gas stations. With IDEC's HG4G model 12.1inch programmable operator interface built in, this indicator boasts 550 cd/m² of luminosity, 65,536 display colors, and high HMI performance even in those hazardous locations.



| LED product |
September 2012

Illumination unit with linear LED bulb LG1M, JEL801-compliant

LG1M straight-type base lighting with built-in LED lamp conforms to Japan Lighting Manufacturers Association's JEL801 standard and employs a GX16t-5 base system that focuses on safety to prevent accidents from the lamp being improperly inserted and/or falling out.



| Safety product |
February 2013

Φ22mm 3rd generation XW series emergency stop switches

Introducing our indicator-type XW Series Φ22 emergency stop switches with IDEC's original safety structure. Verification of the ON/OFF state of contact points is simple and sure even from a remote location, reducing maintenance time and improving operability.



| Safety product |
August 2012

New safety laser scanner SE1L, the smallest in its class. Can be used in various applications.

Serving as safety equipment that prevents people from approaching sources of danger, such as at manufacturing sites, the safety laser scanner SE1L can be utilized in many more locations (theme and amusement parks, service robots, etc.), not just manufacturing facilities.



| Industrial product |
August 2012

New LBW series flush silhouette switches! Shortest panel depth in the industry. Detachable structure.

We have enlarged the button area of our popular LB Series flush silhouette switch with a focus on even easier operability. And, just like the LB Series, these switches have an isolated structure for easy wiring, and a 2mm bezel height and 34.9mm panel depth that make for the shortest body in the industry.



| LED product |
November 2012

New LF1D-C, LF1D-H, and LF1D-J LED illumination units for use in industrial machines. 3 different lengths (100, 365, 510 mm) available.

Introducing new mini- and long-type models for the LF1D Series that have been evaluated highly as internal lighting for large equipment. By maintaining natural light through our original optical design and by preserving the outstanding environmental performance of that series, we are able to deliver an abundant variety of lighting that is optimal for small machinery and spot lighting to large-sized equipment.



| Electronics product |
March 2013

SmartAXIS series FT1A Controller, a powerful PLC with embedded I/O. Touch, Pro, and Lite models available.

Ideal for incorporation inside equipment, these controllers can be employed for use in a variety of applications and include the Touch model, the industry's first unit with built-in 3.8inch TFT color LCD, and the Pro and Lite models for inclusion in control boards.



4

April

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May

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June

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July

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August

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September

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October

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November

12

December

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January

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February

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March



April: Hamamatsu Plant put into operation. An integrated production system was installed to produce small LED devices to large LED lighting equipment.



June: 65th General Meeting of Shareholders held and 251 stockholders, the most ever, attended.



July: Exhibited at the Greenhouse Horticulture & Plant Factory Exhibition. Attention was focused on IDEC technology that creates "deliciousness."



September: Exhibited at Automation 2012 in India. This aimed at improving recognition of the IDEC brand in India's huge emerging market.



November: Agreement executed by IDEC and Sayo-town (Hyogo Prefecture, Japan) to manage a mega-solar power project through a limited liability partnership financed by both parties.



March: Exhibited at Lighting Fair 2013. We featured our LED device business and received an excellent response.

CSR Report

Being a company that stakeholders can trust is an important principle behind our business activities.



CSR at the IDEC Group

Adopting our corporate Ethics and the Ten Principles of the United Nations Global Compact, IDEC is committed to achieving the corporate principle that all employees have respect for humanity, and contribute to the social economy through the progress of our business enterprise, and lead a meaningful life.



IDEC's Stance on Social Responsibility

Since our founding, the IDEC Group has made "contributing to society through the growth of our business" one of our corporate philosophies. We have established "spreading safety" based on many years of experience in developing safety products, and "contributing to global environmental conservation" by developing and promoting environmentally-conscious products as the two main objectives of our Corporate Social Responsibility (CSR) activities. Furthermore, as a participant in the United Nations Global Compact (GC)*, we support their Ten Principles and are positively promoting that involvement in order to accomplish our social responsibility. We feel that becoming a corporation trusted by all stakeholders is the foundation of all our business activities. As well, we continue to expand our activities for the achievement of a sustainable society.

Toshi K. Funaki
Chairman and C.E.O.



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." As of March 31, 2013, it has over 11,000 corporate participants and other stakeholders from 145 countries.

Company-wide Action Items and Results

Based on the policy mentioned above, we have established objectives for each business unit and department. The objectives and achievements for fiscal 2013 are as shown in the following table.

CRS Effort	FY2013 Objectives	Achievement
Safety	Develop and expand sales of safety products	Safety product sales 100% of previous year, explosion-proof product sales 106% of previous year (Safety Bus. unit/Sales)
	Promote safety, reduce industrial accidents	Held 84 safety consulting/seminars (R&D Strategy)
	Safety training	Increased to 285 safety assessors (company-wide)
	Export compliance	Held in-house seminar and classes on export compliance (SCM Center)
Environmental	Reduce environmental impact	Reduced peak time power consumption by 4.6% due to energy saving measures (company-wide) Prepared global CSR procurement guidelines (Manufacturing)
	Develop and expand sales of environmentally-conscious products	Increased sales of power conditioners and environmental products such as nano/microbubble generators (Environmental Business Unit/Sales)
		Developed new LED lighting products and new products meeting energy saving specifications (LED Business Unit)
		Tightened the control of uncontrollable materials (QA Center)
	Promoted metal and plastic recycling (Manufacturing)	
Promote environmental businesses	Improved the performance of nano/micro-bubble generator, expanded application range (Environmental Business Unit) Promoted mega-solar and soil remediation businesses (Environmental Business Unit/Group Company)	
Human rights and human resources	Energize human resources	Instituted educational programs for each different class of employees (HR)
	Create safe work environment, reduce work-related injuries	Enhanced safety education, established guidelines for disaster prevention (HR), Promoted work place sanitation (Each business unit)
	Promote close relations with the local community	Increased contacts with neighboring companies in the same industrial area, opened close communications with town representatives, started a "no trash" activities (each business unit)
Corporate governance, compliances, and risk management	Improve environment for continued business, reduce IT asset management risk	Revised and clarified a policy on managing software licenses, Reviewed a policy on data security (IT)
	Strengthen corporate compliance structure	Updated compliance education system, provided compliance education (Admin)
	Strengthen risk management structure	Updated disaster and emergency response system (Admin)

CSR (Corporate Social Responsibility) through Business

Committed to making social contributions through business by fulfilling the IDEC Group missions.



Leading social and economic progress by contributing to safety and environmental causes and promoting international standardization.

The IDEC Group, since its founding, has been energetically pursuing safety where people and machines interface, focusing on developing machine safety and explosion-proof technologies. For many decades, we have provided not only safety products but also "technology intelligence" such as risk assessment and safety education, combining safe industrial workplaces with maximum productivity.

Throughout the history of the IDEC Group, we have been actively involved in international industrial standardization joining as a representative of Japan in international technical committees, including ISO and IEC. Not only are we making social contributions in the industrial safety field by providing world class technologies that set international standards, we also are advancing common values and creating and expanding new markets as the IDEC Group grows as a successful corporation.

Our business is indeed the IDEC Group's strategic CSR (corporate social responsibility) and CSV (creating shared value) activities. Some say that doing good for a society does not often result in economic and social progress. However, we believe that a corporation is responsible for making efforts to do good for society at the same time it is improving its own business. Our social responsibilities as a corporation lie in the promotion of economic and social values, which in turn leads to social progress.

We will continue our determined efforts to develop new technology and influence international industrial standardization not only in safety, but also in environmental fields, such that social and economic growth is shared by the growth of the IDEC Group on a global scale. CSR through business is a win-win approach.

Dr. Toshihiro Fujita
Senior Executive Officer and
IDEC Group Chief Technology Officer

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 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 2013

Emergency stop switches XW Series

The mechanical indicator provides visibility of the contact ON/OFF position from a distance; the euro-style sleek head design is dirt-resistant and hygienic while providing operational quality; our own "safe break action" design provides greater human safety.

Display enclosure with touchscreen EX4R-D44G

The intrinsically-safe, pressure-tight explosion-proof display with touch switches are ideal for use in hazardous zones 1 and 2 in petroleum and chemical plants, gas stations and other dangerous environments.



Aiming for safety in hazardous locations and user-friendliness

Yasunori Tsujioka
Product Marketing & Development
Explosion-Proof & Systems Business Unit

Research and development of safety technologies

Participation in international safety standardization

IDEC has been sending many of our specialists to international conferences and academic meetings to participate in the process of standard setting and to develop products meeting international standards. Technology and knowledge gained through such participation is, in turn, communicated to the world as a representative of Japan.



Promoting safe manufacturing

Safety consulting service

We offer consulting on safety, including identifying sources of hazards, evaluating risks, and recommending and implementing measures to minimize risks.

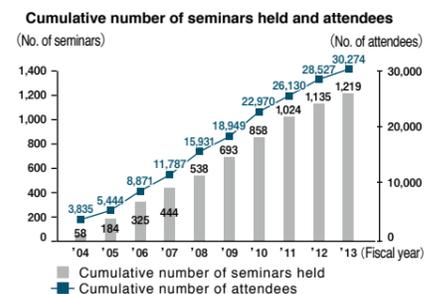
Holding seminars

We are holding seminars on safety in manufacturing and safety in potentially explosive work environments. During fiscal year 2013, 84 seminars were held throughout Japan, attended by a total of 1747 people.



IDEC's safety DNA passing on and improving

Tatsuyoshi Kuriyama
International Standardization & Intellectual Property Strategy Department
Standardization & Safety Solution Group



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, 2013, a total of 285 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 – 163 people**
(have basic assessor knowledge)
- Safety basic assessors – 72 people**
(have basic knowledge of safety for machine operation or electric equipment for explosion-proof)

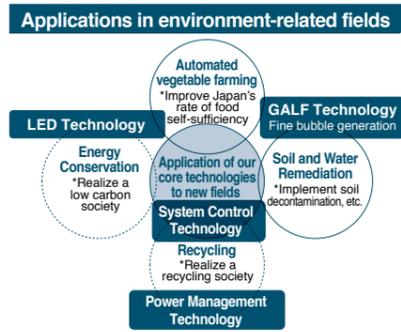
*A safety assessor certification is offered jointly by Japan Certification Corp, Nippon Electric Control Equipment Industries Assoc. (NECA), the Society of Safety Technology and Application, Japan (SOSTAP), and TUV Rhineland Japan.

Earth Preservation

Through manufacturing, we contribute to the improvement of customer's and the world environment

Environmental Principle

Recognizing the goal of a harmonious existence with the earth that we all share, we take environmental safety and quality as a top priority in all aspects of our business while pursuing sustainable business growth.



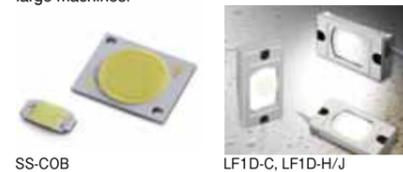
LED lighting products developed in Fiscal Year 2013

White LED Device SS-COB

A revolutionary white LED device of high performance and reliability produced by the world's newest technique applying gel resin sheet. Environment-friendly production lines with zero waste produced in the production process.

LED illumination units LF1D-C and LF1D-H/J Series

Environment-resistant, energy-saving LED units offer optimal lighting. A wide variation for a wide range of applications from small machines, spot lighting, to large machines.



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 environment-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 Recyclability	Ease of recycling
	Ease of disassembly
	Ease of disposal
Resource saving Energy saving	Reduction in volume and weight
	Reduction in consumption of electricity
	Prolonged product life
Environmental safety	No use of regulated hazardous materials and chemicals

We continue to offer products that effectively reduce environmental impact.

Yoshito Fukuta
Product Marketing & Development,
LED Business Unit



IDEC businesses leading to the protection of the earth

Mega solar panel frames made of wood

Recognizing the importance of renewable energy to reduce environmental impacts, we began an industrial solar power generation business. Through this business we aim to make a contribution to energy solutions. As a part of the business, we were the first company in Japan to apply wood to construct solar panel frames. We promote a recycle-based environment while using lumber from locally grown trees that is 100% recyclable (pulp, fuel, etc.)



Mega solar panel frames made of wood

Environmental business with the application of Ultrafine bubbles

Micro- and nano-scale bubble generators developed using our own fluid control technology are capable of producing continuously stable bubbles that are the industry's smallest in size. Many of our systems installed in the water treatment fields as pressure flotation equipment have been protecting the environment by cleaning and reusing water. In recent years, the effectiveness of such systems was recognized in the field of soil decontamination. Our unrivaled ultra-fine bubble generation systems have been attracting attention in and outside of Japan, with possible applications in fields as varied as food processing, cosmetics, machinery, cleaning, medicine, and agriculture. Furthermore, the range of applications is expanding along with our contributions to the environment.



Ultrafine bubble generator



Soil remediation

Hiroshi Yonezawa
General Manager
Technology Department
IDEC SYSTEMS & CONTROLS CORPORATION

The IDEC Group contributes to environmental protection through business.

Efforts in reducing environmental impact

Acquisitions of 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 and the IDEC Sales Office), Tsukuba Plant, Fukusaki/Takino Plant, and Kyoto Plant are ISO 14001 compliant.

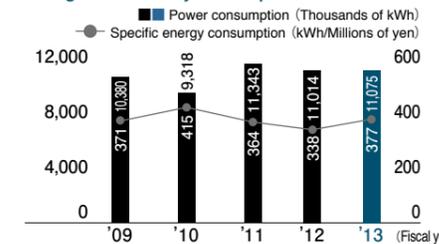
Result of External Assessment

In fiscal 2013, 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.

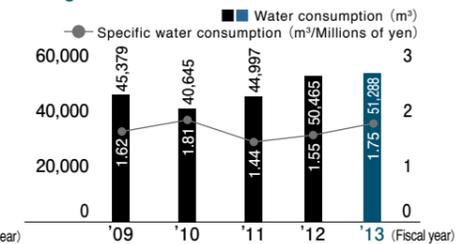
Assessment		Number of Items Pointed Out	*One or more requirements are not met, not in effect, or not maintained. ** Not applicable to "Improvement A" but not in conformity. *** Improvement thought to lead to a better environmental system.
Assessment Classification			
Strong	0		
Good	5		
*Improvement Required A	0		
**Improvement Required B	0		
***Opportunity for improvement	44		

Environmental performance

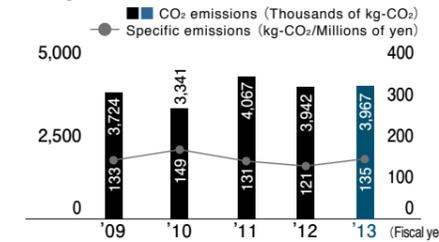
Changes in electricity consumption



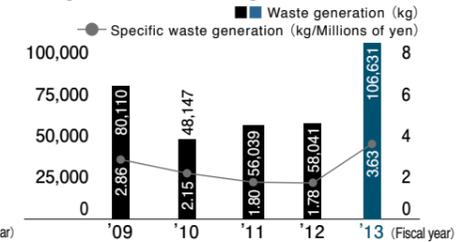
Changes in amount of water used



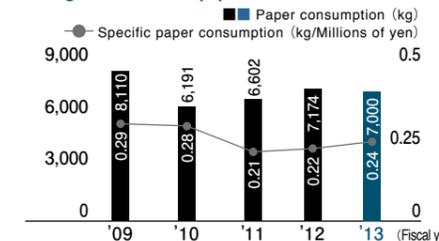
Changes in CO2 emissions



Changes in amount of waste generated



Changes in amount of paper used



- Notes:
- Specific unit of consumption represents the consumption/emission/discharge per annual sales.
 - Range of data aggregation: Headquarters, IDEC SALES OFFICE, Tsukuba Plant, Kyoto Plant, Fukusaki Plant, Takino Plant, and Tatsuno Distribution Center.
 - CO2 emission coefficient is based on 0.355t-CO2/1000kWh for Western Japan and 0.418t-CO2/1000kWh for Eastern Japan.
 - Index values temporarily increased during fiscal year 2013 due to a building construction and the relocation of the corporate headquarters.

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 become capable of fulfilling their own missions and responsibilities by understanding the intent and the meaning of IDEC's corporate missions and principles, realizing them, and embodying them.



Yoshihito Matsuyama (Left)
Hiroko Nonaka (Right)
Career Development Team
Human Resources Department



(from the left)
Lori Corman
Akshay Kapil
Cathy Rogers
Will Maynard
Christine Nguyen
IDEC USA
EAC member

Supporting each employee's effort to attain his or her career goal

People with work experience and even students have their own career expectations. Once employed, each individual is offered opportunities to study, be trained and gain work experience toward his or her

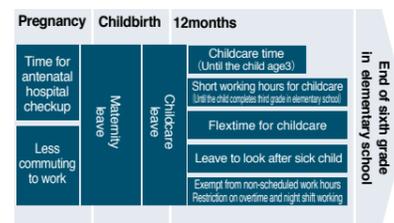
career goals. We believe that employees' individual growth supports the success of the company. It's a true win-win relationship between the employee and the company.

Work Smart and Have Fun

The backbone of a company is its employees. The relationship the employees have with one another creates a culture of unity, helpfulness, dedication, and success. To foster cooperative relationships among IDEC employees and to show its appreciation to its employees, IDEC USA management created the Employee Activities Committee (EAC). The EAC is made up of volunteers from each department and is responsible for organizing company activities.

The EAC holds monthly activities to bring employees and management together to interact with one another in a social atmosphere while taking a break from their emails, phone calls, Internet, and duties. Activities include a BBQ, a summer picnic, holiday parties and get-togethers in the office for a morning or afternoon snack. The EAC helps energize employees and enhance the everyday office culture and work environment.

Childcare-Related Programs



Creating pleasant working environment

Supporting employees' ability to balance work and family

In FY2013 we widened the scope of eligibility for a short work hour system in which employees help fellow workers who are caring for young children or family members. We did so because we wanted to establish a base for every employee to work free from worry. Under the new policy, employees can work short hours until a child reaches the third grade, two more years than the former program. The short work hours are extended to those caring for a family

member up to 3 aggregated years, previously 1 aggregated year. In addition, employees may be exempt from non-scheduled work hours, and their overtime and night shift will be limited until a child graduates from elementary school. The company supports employees' desire to balance work and family and makes efforts to provide a work environment where employees feel that the company is an exceptional business.



Human Resource Development

Employee training system

The IDEC Group provides systematic training for employees, as well as product and technology training. Also, we support self-guided career development by making job rotation opportunities available. Employees analyze their background and experience and make their own career plans, allowing greater self-enrichment.

They are provided with a Model Career Path describing skills, knowledge and work experiences required to reach their career goal. With the clear career plan and required training, the system allows them to attain their career goal in as short a time as possible.



Zero industrial accident for 20 years at the Tsukuba Plant

Ensuring safe work environments

Placing employee safety and health as the number one priority, the IDEC Group strictly observes industrial health and safety regulations. We have established a health and safety control system and disaster prevention standards. We also promote voluntary and well-planned activities and maintain safe and healthy work environments. We investigate

and analyze risks in the workplace to protect employees from harm. The company also provides seminars and consulting to care for employees' emotional and spiritual needs and supports their recovery and return to work.



Internship students and IDEC Taiwan staff at a tradeshow

The Group Wide HR Activities

Contributions to local communities

Through collaboration with universities in Taiwan and Japan, IDEC Taiwan began accepting student internships. The entire IDEC Group is making a conscious effort to assist local communities by offering job experience and training through the operation of exhibitions and hands-on work.

Active participation by local personnel

A wide range of employee training is offered at the headquarters and at various Group companies. At IDEC IZUMI Suzhou, activities by small employee groups, such as the 5S group to keep working areas clean and orderly and the suggestion group to give work improvement input to management, are good sources of identifying promising employees and promoting them to managerial positions as we move towards the development of local companies.

Corporate Governance/Compliance

More transparency, more efficiency To maintain trustworthiness

Corporate Governance



Keijiro Fujita
Director

Corporate governance system

We believe that maintaining the transparency and efficiency of our management for our stakeholders is an essential element of corporate governance. Thus, in 1998, a corporate officer system was installed, separating the operation function and the monitoring function to increase efficiency in corporate management. Day-to-day operations are mainly managed by the Management Committee and

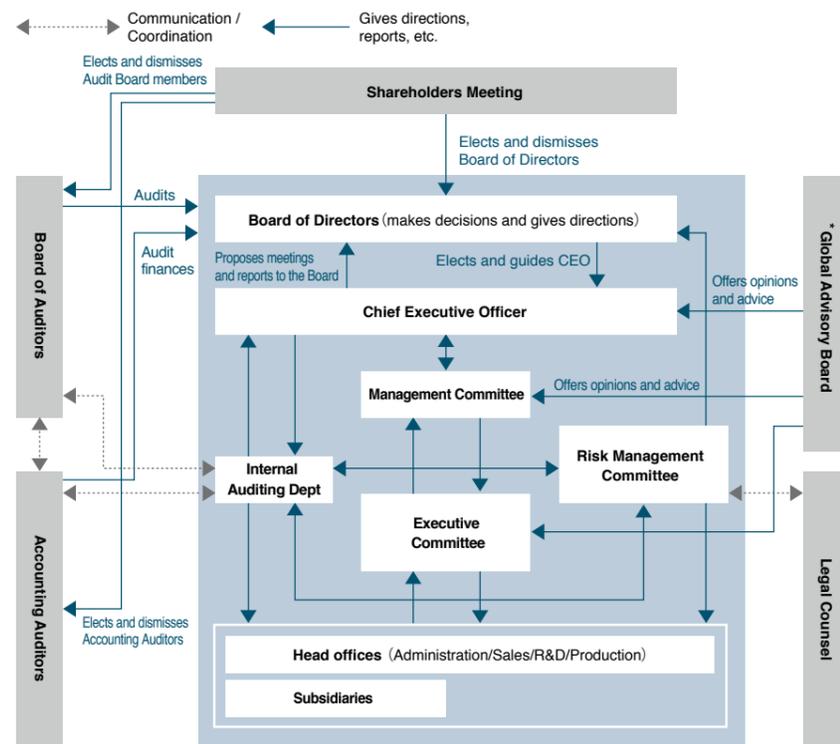
the Executive Committee, whose power and authority are granted by the Board of Directors, while the Board of Directors mainly makes important business decisions and monitors executives. To improve transparency in management and the monitoring functions, we began appointing outside directors and outside auditors.

Auditing System

IDEC is a company with auditors as regulated by law. Auditors are granted power to request directors and employees throughout the IDEC Group companies to submit reports as needed. We are making efforts to

devise an effective audit system and to ensure compliance with appropriate laws and regulations through business and financial audits.

IDEC Corporate Governance Organization Chart



* Global Advisory Board

The Global Advisory Board was established so that the CEO, the Management Committee and the Executive Committee would receive a wide range of opinions and suggestions on the operations of the entire IDEC Group from outside experts in Japan and overseas. The members include outside directors, business management, and university professors. Members, excluding outside directors, are appointed by the Management Committee.



Romano Volta
Dr. Volta, based in Italy, is a founder of a world-leading company of photoelectric devices and systems for factory automation.

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 and the corporate policy of respecting humanity.



Masayoshi Suehiro (Left)
General Manager
Internal Auditing Department
Toshiki Sugita (Right)
Internal Auditing Department

Independent and objective audit

Internal auditors independently and objectively audit various business activities for legality and compliance with established control procedures while supporting the company in achieving its business goals. Their duties include performing risk management and control, and evaluating the

validity of and improving the corporate governance process. Internal auditors also monitor, evaluate and improve the effectiveness of IDEC Group-wide financial reporting without being influenced by business operations.



Group discussion at compliance training

Compliance

IDEC Group corporate ethics and code of conduct

Booklets outlining the established rules and standards regarding ethics and conduct are distributed to executives and employees throughout the IDEC Group worldwide. Employee training is also provided on a regular basis. This year we added training specifically designed for managers to ensure compliance with established internal control procedures.

Corporate Ethics and Code of Conduct Outline

- We conduct business activities guided by the following five principles. The Code of Conduct may be revised as time changes, but these five principles remain unchanged as the base of our desire for our company to be fair and honest.
1. Law – We abide by the relevant laws of Japan and other countries.
 2. Social Ethics – We do not participate in unethical behavior.
 3. Impartiality and Fairness – We treat everyone with impartiality and fairness.
 4. Respect for Humanity – We respect human rights and do not discriminate.
 5. Public Morals – We do not corrupt public morals or disrupt peace and order.

Risk Management

Risk management structure

"Risk Control Procedures" are established to avert risks and to minimize damages if an accident occurs, and the Risk Management Committee is organized and led by the CEO. A system is in place in which accidents are prevented during normal times and emergency measures are taken should they occur. The emergency system, which extends to protecting lives, confirming the safety of people, continuation of vital operations, and fast recovery if such operations are interrupted, is one of the fundamental policies of the internal control system.

IDEC hotline

People are encouraged to contact the IDEC Hotline with problems and concerns related to corporate ethics. The hotline system was set up to prevent or detect early any violation of the corporate ethics.



Response to a Crisis

Approach to Product Quality

All of us think and accept challenges together
Product Quality is a foundation for all of our corporate activities



Atsushi Matsumoto
General Manager
Quality Assurance Center

“High Quality,” synonymous with “IDEC”

With “ease of use” for customers as a primary goal, it is important for us to have an excellent quality assurance system involving all levels from planning, manufacturing, and sales, to logistics.

We continue our best efforts to deliver superior products that customers will purchase and use with complete confidence.



Product Assurance System

IDEC is known for “High Quality” throughout the world.

Global Product Assurance
Setting and managing the quality standards and rules throughout IDEC in an effort to assure the high quality of our products on a global basis.

Manufacturing Quality Assurance
Rapid quality checks at manufacturing locations immediately upon receipt of customer claims. Responding quickly, improving products, and monitoring adherence to established manufacturing standards.

Inspection and Testing
Evaluating and analyzing new products and existing products. Analyzing claims, identifying causes and taking necessary actions swiftly in coordination with manufacturing quality assurance personnel.

Standards Management
Obtaining new industrial standards and specifications, having products certified by standards organizations, maintaining certifications and auditing.

Corporation with excellent product safety measures

Recognized by Japan’s Ministry of Trade and Industry for excellence in product safety measures.

In 2008 IDEC won a special award of excellence in product safety measures from the Ministry of Economy, Trade and Industry. Under this award system, which started in 2007, the Ministry receives applications every year from a broad range of corporations deeply engaged in product safety. In the first round, applications are reviewed on the basis of corporate safety culture and product safety activities from the standpoints of resilience, communications, human resources, and sustainability. In the

second and the final round, applications are judged from the standpoint of creativity/innovation to select winners. IDEC won this award having been recognized as a company who has been committed to providing products with high reliability and safety and whose safety culture in manufacturing has been passed on for decades. Our products have been subjected to rigorous risk analysis since the time the company was founded. We continue our efforts to make contributions to safety in manufacturing.



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.

IDEC known for Quality

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 assurance system



Quality by design

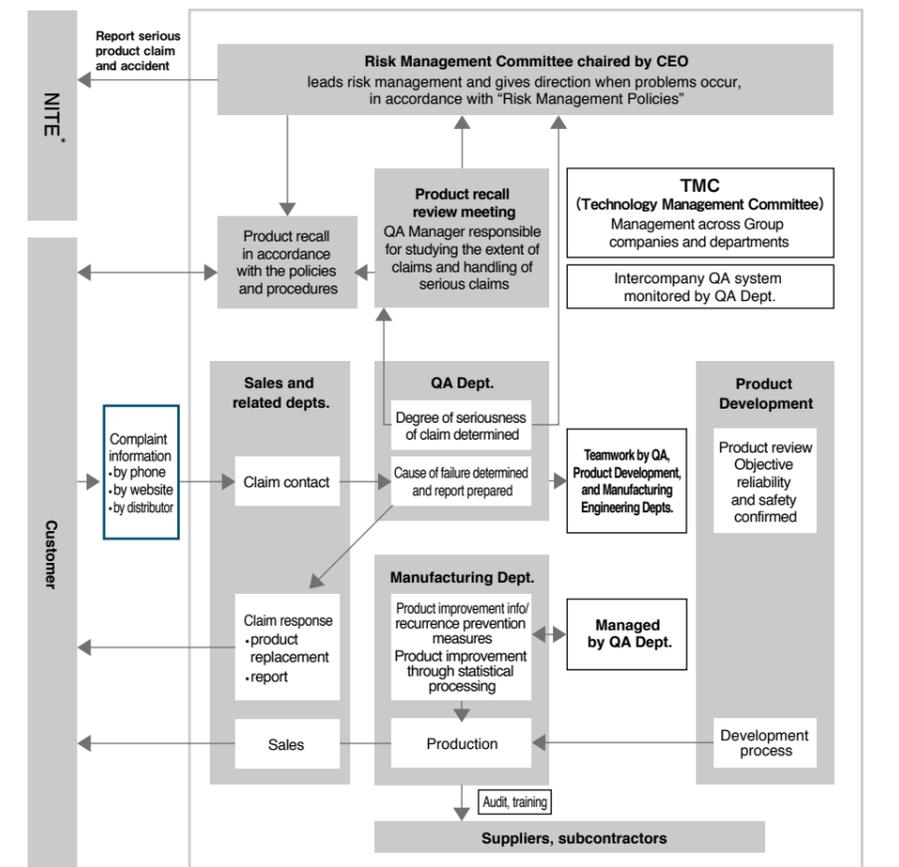
During this process, quality goals for each stage are clarified, and plans are made to attain the established goals within a rational and economic framework. Quality

by design is not an independent process but a cooperative process under comprehensive and unified plans.

Claim processing system at IDEC

Claims are processed expeditiously through information sharing and coordinated efforts among different functions overseen by the Risk Management Committee, chaired by the CEO, which has the ultimate decision making power.

■ IDEC Claim Processing System



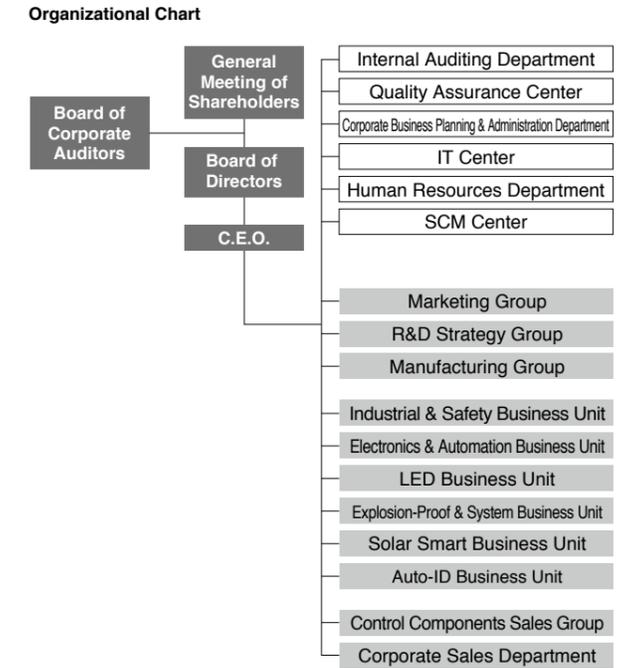
* National Institute of Technology, an incorporated administrative agency authorized by the government to evaluate risk management

Corporate Officers

Pursuing the establishment of a firm revenue base and expansion into new business domains

To meet customer needs, we strive to improve profitability by thoroughly strengthening the competitive edge of our main businesses under a timely and efficient product supply system that suits each business. We are also looking to the future in an aim at expanding business in high growth markets.

Directors	Chairman and C.E.O.	Toshi K. Funaki
	Senior Executive Vice President	Mikio Funaki
	Director	Keijiro Fujita
	Outside Directors	Akira Toyokura
Auditors	Standing Corporate Auditor	Takeshi Nakagawa, Advisor to Toshiba Corporation
	Outside Corporate Auditors	Nobuo Hatta
		Masayuki Furukawa
		Hirokazu Taniguchi
		Masanori Sakamoto Masataka Kawahito
Executive Officers	Senior Executive Officer Chief Technology Officer	Toshihiro Fujita
	Senior Executive Officer Manufacturing Strategy and Quality Assurance	Hideyuki Kitayama
	Senior Executive Officer Global Business Development	Peter Tarantino
	Executive Officer Human Resources	Hirosuke Mikasa
	Executive Officer Control Components Sales	Shigekazu Kawase
	Executive Officer Corporate Business Planning and Administration	Yoshihiko Nishiyama



Directors

	Toshi K. Funaki Chairman and C.E.O.		Akira Toyokura Outside Director
	Mikio Funaki Senior Executive Vice President		Takeshi Nakagawa Outside Director (Advisor to Toshiba Corporation)
	Keijiro Fujita Director		Nobuo Hatta Outside Director

Executive officers

	Toshihiro Fujita Senior Executive Officer Chief Technology Officer		Hirosuke Mikasa Executive Officer Human Resources
	Hideyuki Kitayama Senior Executive Officer Manufacturing Strategy and Quality Assurance		Shigekazu Kawase Executive Officer Control Components Sales
	Peter Tarantino Senior Executive Officer Global Business Development		Yoshihiko Nishiyama Executive Officer Corporate Business Planning and Administration

Global Network

Aiming to be a leading group in the evolving worldwide control equipment industry

Since our establishment, the mission of the IDEC Group has been to provide the world with highly reliable, safe products that our customers can be satisfied with. From here on as well, we will continue to work to raise the aggregate strength of the Group, to listen to our customers, to engage in product development that goes one-step further in improving reliability, safety, and operability, and to promote the construction of a production system that ensures a stable supply of those products.

Company Name (Location)	Main Business
① IDEC SYSTEMS & CONTROLS CORPORATION (Osaka)	Sales of security systems, and provide of industrial solar power generation systems and mega-solar equipment
② IDEC LOGISTICS SERVICE CORPORATION (Hyogo)	Assembly and installation of control equipment and devices, Contract logistics service provider
③ IDEC ENGINEERING SERVICE CORPORATION (Aichi)	Sales and engineering of control equipment and devices
④ IDEC DATALOGIC Co., Ltd. (Osaka)	Import and sales of control equipment and automatic recognition devices
⑤ IDEC CORPORATION (USA)	Manufacture and sales of control equipment and devices
⑥ IDEC CANADA, LTD. (Canada)	Sales of control equipment and devices
⑦ IDEC Australia Pty. Ltd. (Australia)	Sales of control equipment and devices
⑧ IDEC Elektrotechnik GmbH (Germany)	Sales of control equipment and devices
⑨ IDEC ELECTRONICS LIMITED (UK)	Sales of control equipment and devices
⑩ IDEC IZUMI ASIA PTE LTD. (Singapore)	Sales of control equipment and devices

Company Name (Location)	Main Business
⑪ IDEC ASIA (THAILAND) CO.,LTD. (Thailand)	Manufacture and sales of control equipment and components
⑫ IDEC IZUMI TAIWAN CORPORATION (Taiwan)	Manufacture and sales of control equipment and components
⑬ IDEC TAIWAN CORPORATION (Taiwan)	Sales of control equipment and devices
⑭ IDEC IZUMI SUZHOU CO., LTD. (PRC)	Manufacture and sales of control equipment and components
⑮ IDEC HONG KONG CO., LTD. (Hong Kong)	Holding company
⑯ IDEC IZUMI (H.K.) CO., LTD. (Hong Kong)	Sales of control equipment and devices
⑰ IDEC (SHANGHAI) CORPORATION (PRC)	Sales of control equipment and devices
⑱ IDEC (SHENZHEN) CORPORATION (PRC)	Sales of control equipment and devices
⑲ IDEC (BEIJING) CORPORATION (PRC)	Sales of control equipment and devices

Global Network



[Message from IDEC Group]

Towards a More Interconnected and Cooperative IDEC Global Network

Europe



Stephen Schiller
Managing Director
IDEC ELECTRONICS LIMITED (UK)

Inspire, Succeed & Grow...



Frank Lisker
Operations Manager
IDEC Elektrotechnik GmbH (Germany)

Steady growth in a challenging market

The European market is a very challenging one for IDEC. As it features various cultures and needs, we are engaged in activities to heighten the reputation of the IDEC brand every day by listening to our customers and offering precise advice and solutions.

Asia / Pacific



Shuhei Sugihara
General Manager
IDEC IZUMI ASIA PTE LTD. (Singapore)

Passion for work... THERE ARE NO BOUNDARIES!



Wataru Tokumoto
Managing Director
IDEC ASIA (THAILAND) CO.,LTD. (Thailand)

*人を大切にする
仕事のやりがいを実感に、おす！！*

In addition to our sales company in Singapore, we have also founded a new base of production and sales in Thailand in order to expand our sales network in Southeast Asia and reinforce the production system of the Group as a whole. While strengthening our supply capabilities in line with the demands of the Southeast Asia region, including the expanding market in India, we will promote further functional enhancements like developing products that specifically answer those markets' needs.

Japan



Chikara Kojima
General Manager
IDEC (SHANGHAI) CORPORATION (PRC)

誠心誠意を尽くす



Kazuhiro Yamamoto
General Manager
IDEC IZUMI SUZHOU CO., LTD. (PRC)

*不可能の反対語は可能ではない。
挑戦だ。*

In the Chinese market, we first set up a sales company in Hong Kong in 1995 and then prepared a network of sales bases in Shanghai, Shenzhen and Beijing. In 2002, we established a production company in Suzhou in order to construct an organization that could respond to growing demands. In the future as well, we will be strengthening local sourcing, production, and sales organizations to fit market needs and advance the expansion of our business in China.

North America



Rajiv Salhotra
Director of Sales
IDEC CORPORATION (USA)

*Increasing market share
through design presence!*

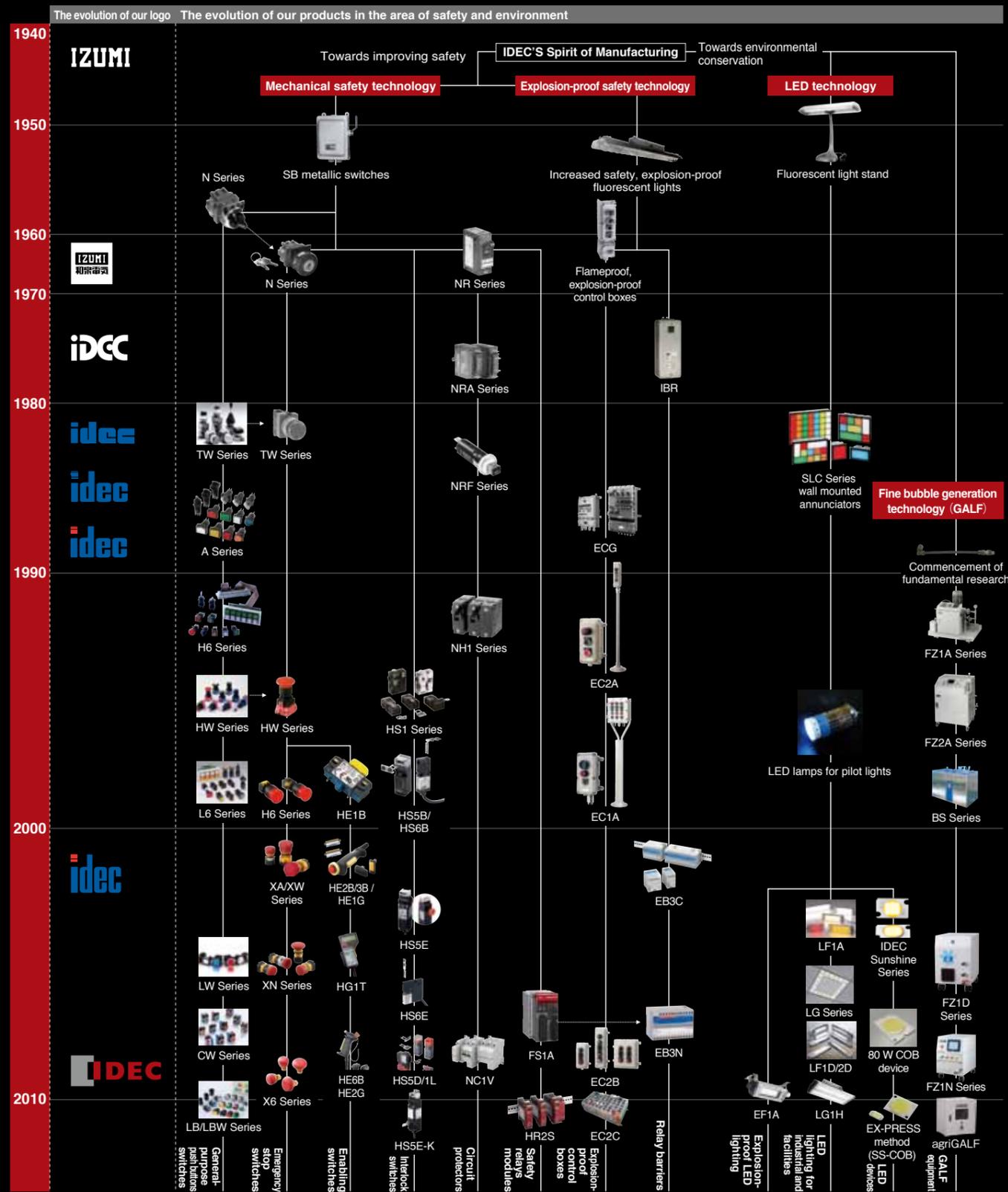


Nigel Cowling
National Manager
IDEC CANADA, LTD. (Canada)

*Differentiating ourselves by
bringing enhanced value.*

IDEC's strategy in North America includes looking from the customer's viewpoint in customizing solutions that suit their individual needs in order to raise our presence amongst machine builders. At the same time, our sales and support teams are always striving to provide the highest level of service to our distribution partners in order to maintain those strong relationships.

IDEC History —from Izumi Denki to IDEC



Corporate History

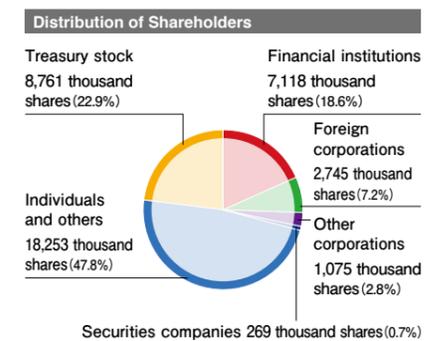
- 1940** Founded Izumi Shokai. Began retail and wholesale of electrical equipment and devices.
- 1945** Incorporated Izumi Denki Co., Ltd. (Chuo-ku, Osaka). Began manufacture and sales of switches.
- 1947** Moved the Head Office to Kita-ku, Osaka. Opened Osaka Office in Yodogawa-ku, Osaka and began operations.
- 1950** Moved the Head Office to Kita-ku, Osaka. Opened Osaka Office in Yodogawa-ku, Osaka and began operations.
- 1956** Began manufacture and sales of industrial switches, pilot lights and terminal blocks.
- 1958** Began manufacture and sales of industrial switches, pilot lights and terminal blocks.
- 1960** Opened Kyoto Plant in Nagaokakyo City, Kyoto and began operations. Moved the Head Office to Yodogawa-ku, Osaka.
- 1969** Opened Kyoto Plant in Nagaokakyo City, Kyoto and began operations. Moved the Head Office to Yodogawa-ku, Osaka.
- 1970** Opened Kyoto Plant in Nagaokakyo City, Kyoto and began operations. Moved the Head Office to Yodogawa-ku, Osaka.
- 1973** Established IZUMI SEIKI TAIWAN CO, Ltd (Taiwan) (current IDEC IZUMI TAIWAN CORPORATION)
- 1975** Established IDEC CORPORATION (California, U.S.A.)
- 1976** Established IDEC Elektrotechnik GmbH (Hamburg, Germany)
- 1980** Created a new corporate identity and the IDEC trademark and changed English corporate name.
- 1982** Listed stock in the Second Section of Osaka Securities Exchange.
- 1984** Opened Fukusaki Plant in Kanzaki-gun, Hyogo and began operations. Moved the Head Office to new location in Yodogawa-ku, Osaka.
- 1987** Established IDEC ELECTRONICS LIMITED (UK)
- 1989** Listed stock in Second Section of the Tokyo Stock Exchange. Completed first phase of Takino Plant construction (Kato City, Hyogo Pref.)
- 1990** Stock listing upgraded from Second Section to First Section of Tokyo and Osaka Stock Exchanges.
- 1991** Completed first phase of Tsukuba Plant construction (Ryugasaki City, Ibaraki Pref.)
- 1992** Established IDEC TAIWAN CORPORATION (Taiwan). Opened IDEC Technology Research Center in Yodogawa-ku, Osaka.
- 1995** Established IDEC IZUMI (H.K.) Co., Ltd. (Hong Kong, China)
- 1998** Opened Tatsuno Distribution Center in Tatsuno City, Hyogo and began operations. Opened Tokyo Head Office in Minato-ku, Tokyo and moved Tokyo Office into that head office.
- 2000** Established IDEC IZUMI ASIA PTE LTD. (Singapore)
- 2002** Established IDEC IZUMI SUZHOU CO., LTD. (Suzhou, China). Established IDEC (SHANGHAI) CORPORATION (Shanghai, China)
- 2004** Established IDEC IZUMI (H.K.) Co., Ltd. (Hong Kong, China). Make IDEC HONG KONG CO., LTD. a holding company. Reduced number of shares comprising the minimum stock trading unit.
- 2005** Changed names and logos. Established IDEC (SHENZHEN) CORPORATION (Shenzhen, China)
- 2006** Established IDEC (BEIJING) CORPORATION (Beijing, China)
- 2008** Opened IDEC Sales Office (Yodogawa-ku, Osaka)
- 2010** Opened Osaka Office (Yodogawa-ku, Osaka)
- 2012** Completed renovation on Hamamatsu Plant and commenced manufacture of LED products. Established IDEC ASIA (THAILAND) CO.,LTD. (Thailand)
- 2013** Opened the New Head Office in Yodogawa-ku, Osaka.

Stock Information

Shares of the Company

Number of shares authorized	150,000,000
Number of shares issued	38,224,485
Number of shareholders	11,451

Note: Treasury stock held at the end of the period totaled 8,761,517 shares, representing changes in amounts in response to shareholders' requests for sales or additional purchases.



Major Shareholders (Top 10)

Shareholders	Number of shares (Thousands of shares)	Holdings (%)
Japan Trustee Services Bank, Ltd.	2,233	7.58
The Master Trust Bank of Japan, Ltd.	1,430	4.85
Toshiyuki Funaki	845	2.87
Mizuho Bank, Ltd.	812	2.76
Keijiro Fujita	774	2.63
Trust & Custody Services Bank, Ltd.	752	2.55
Mikio Funaki	630	2.14
Nippon Life Insurance Company	629	2.14
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	624	2.12
Tsuneo Funaki	607	2.06

As of March 31, 2013
Note: The description of major shareholders above conforms to the content disclosed in the Annual Securities Report.

Corporate Data

Corporate Data

Corporate Name: IDEC CORPORATION

Incorporated: March 26, 1947

Capital Stock: ¥10,056,605,173

Employees: 2,102 (consolidated, as of March 31, 2013) Excluding contract and temporary employees

Stock Listings: Tokyo Stock Exchange, First Section; Osaka Securities 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

Sales Office: IDEC SALES OFFICE

Plants: Tsukuba, Kyoto, Fukusaki, Takino, Hamamatsu

Sales Branches: Sapporo, Sendai, Takasaki, Utsunomiya, Omiya, Mito, Tokyo, Tama, Yokohama, Mishima, Matsumoto, Niigata, Toyama, Kanazawa, Hamamatsu, Nagoya, Kyoto, Osaka, Okayama, Fukuyama, Hiroshima, Shikoku, Kitakyushu, Fukuoka

Distribution Centers: Tatsuno

