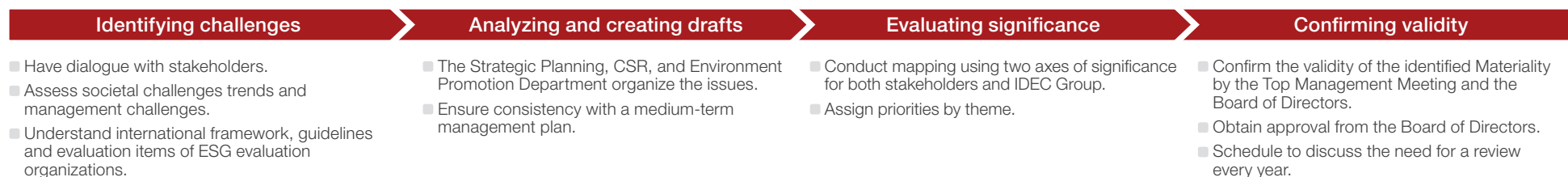


Materiality

We have identified the Materiality that corresponds to the content of a new medium-term management plan (P.12-18) which has started in FY2023. The IDEC Group is committed to creating the optimum environment for humans and machines, and to achieving safety, ANSHIN, and well-being for people around the world. This is our Purpose. We are contributing to the resolution of various societal challenges through our business in order to achieve our Purpose and a sustainable society.



Materiality Selection Process



Materiality

Looking toward 2030 and beyond, we evaluated both the opportunity and risk aspects of various societal challenges and mapped them on both axes of the significance to stakeholders and the significance to the IDEC Group. Among them, we have selected three themes that are of particular significance to the realization of a sustainable society: "Productivity improvement," "Safety, ANSHIN, well-being," and "Climate change." Going forward, we plan to promote specific initiatives by sharing each Materiality items across the IDEC Group and setting KPIs to realize the vision for 2030.



Category	No.	Opportunity Event
Productivity improvement	1	Improvement in customers' productivity and efficiency by provision of control technology and products
	2	Improvement in customers' productivity and efficiency by provision of solutions
	3	Knowledge accumulation and service development by promoting adoption of IoT equipment
Well-being	4	Creation of safe and healthy working environment by provision of control and safety devices and various systems
	5	Reduction in work time by streamlining work processes and labor-saving
Safety and ANSHIN	6	Reduction in labor accidents by provision of safety devices
	7	Safety awareness building and promotion of safety measures by providing safety consultations and seminars
Climate change	8	Enhancement in competitiveness through eco-friendly manufacturing
	9	Business expansion in renewable energy and other environmental fields
Cross-sectional issues	10	Fostering of a corporate culture that is based on environmental considerations
	11	Improvement in ESG relations with investors



Category	No.	Risk Event
Productivity improvement	1	Decline in competitiveness due to lack of response to technological innovation, environmental changes, and customer needs
	2	Decline in customer satisfaction due to quality and delivery time problems
Well-being	3	Deterioration of the workplace environment and well-being of employees due to harassment and long work times
	4	Personal and social hazards resulting from accidents related to products and services
Safety and ANSHIN	5	Fraud and falsification of inspections, standards certification, and permits
	6	Social unrest and impact on operations and product shipments caused by substances that cause pollution and health damage
Climate change	7	Cost and supply instability due to soaring energy prices and shortage of raw materials
	8	Supply chain disruption and business disruption due to abnormal weather and natural disasters
Cross-sectional issues	9	Decline in social credibility due to CSR and compliance violations, and lack of governance in the global supply chain
	10	Loss of social credibility due to information security accidents, non-compliance with laws and regulations, and lack of risk management
	11	Decline in diversity and autonomy of employees
	12	Decline in social credibility and employee engagement due to violations of human rights laws, regulations and norms