The Acquisition of the APEM Group
Overview of Acquisition

- On March 3, 2017, IDEC completed the acquisition of all shares of MMI Technologies, the holding company of the APEM Group, as agreed to with its owners on December 14, 2016.

- Acquisition Price was 29.5 billion JPY.

※ Exchange rate of 122 JPY/1 EURO
Purpose of Acquisition

Promotion of global business expansion to achieve long-term targets (Sales 100 billion yen, operating income margin 15%)

- Strengthen IDEC position in HMI to become one of the world largest player.
- Leverage IDEC and APEM respective strengths (applications, geographies…) to increase sales.
- Significantly increase IDEC sales and profitability.
Overview of the APEM Group

Manufacturers of industrial switches with a history of over 60 years.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>MMI Technologies (APEM Group)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office Location</td>
<td>Paris, France</td>
</tr>
<tr>
<td>Representative</td>
<td>Grégory Sachnine, President</td>
</tr>
<tr>
<td>Business Contents</td>
<td>Development, manufacture and sale of industrial switches, joysticks and keyboards</td>
</tr>
<tr>
<td>Capital</td>
<td>29.6 million EURO</td>
</tr>
<tr>
<td>Establishment</td>
<td>1952</td>
</tr>
<tr>
<td>Production Bases</td>
<td>USA, UK, France, Italy, Denmark, Tunisia, China</td>
</tr>
<tr>
<td>APEM Group Consolidated Employees</td>
<td>1,280 people (as of December 31, 2015)</td>
</tr>
</tbody>
</table>

**Trends in performance**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (€ M)</th>
<th>EBITDA (%)</th>
<th>EBIT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013.12</td>
<td>84.6</td>
<td>17.2%</td>
<td>14.4%</td>
</tr>
<tr>
<td>2014.12</td>
<td>92.9</td>
<td>17.7%</td>
<td>15.1%</td>
</tr>
<tr>
<td>2015.12</td>
<td>102.4</td>
<td>18.8%</td>
<td>16.2%</td>
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</table>
Thanks to the complementary product offerings, business models and geographical presence of the two companies significant revenues synergies are expected globally.

- In Europe - leverage APEM’s strong sales organization to increase the sales of IDEC products
- In Japan and Asia - leverage the experienced IDEC sales organization to increase the sales of APEM products and expand the sales of IDEC products to new customers.
- In North America - leverage the complementary sales organizations to significantly increase sales through cross selling to synergistic markets and applications.
Further Synergies Expected

- Enhance global leadership in electromechanical HMI with joint development of innovative solutions.

- Leverage respective manufacturing footprints to increase efficiency and better serve our customers.

- Increase efficiency through sharing best practices between IDEC and APEM experienced teams.
Major Product Series of the APEM Group

- Switches and switch panels for diversified industries
- Joysticks covering construction, agriculture & specialty vehicles, and aerospace & defense markets
Strengths of the APEM Group

- Globalized R&D capabilities in France, USA, UK and Denmark developing products that meet global needs.

- Focus on new products, from standard products to full customer solutions, adapted to specific customer requirements supporting diverse applications.

- Manufacturer of ruggedized products for harsh environments.

<table>
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<tr>
<th>Standard Products</th>
<th>Semi Customization</th>
<th>Full Customization</th>
</tr>
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<tbody>
<tr>
<td>Provide products used in various industries from small to large volumes</td>
<td>Provide added value by changing the shape and specification of standard products</td>
<td>Provide flexible planning and design expertise to meet customers' requirements</td>
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</table>
After acquisition, IDEC + APEM sales outside of Japan to exceed 50%.
Market Size after the Acquisition

- Access to new markets including security and special vehicles
- More than double the addressable market size

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<tr>
<th>Market Size</th>
<th>Approx. 150 billion JPY</th>
<th>Approx. 230 billion JPY</th>
</tr>
</thead>
</table>

- Industrial Automation
- Material Handling, Food processing
- Instrumentation, Security, Defense / Aerospace, Communication, Special Vehicle, Medical, Automobile, Marine . . .

Market Size Approx. 340 billion JPY
Sales after the Acquisition

- Revenue growth through the expansion of the product portfolio

Net Sales: Approx. 43 billion JPY

Human-Machine Interface

Safety & EX protection

Control & Sensing

Net Sales: Approx. 12 billion JPY

Human-Machine Interface

Panel switches

PCB switches

Joysticks

Switch Panels

LED indicators

Consolidated sales: Approx. 55 billion JPY

(EBITDA: Approx. 12%)  *Simple sum as of FY 2016