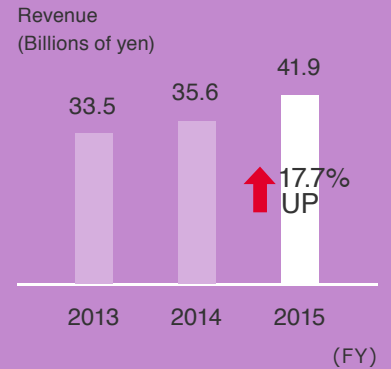


Industrial Systems

Development and production of bar code, QR code, and IC card scanners, industrial robots, and other factory automation equipment (through DENSO WAVE INCORPORATED)



Results for Fiscal 2015 and Growth Strategies

	FY2015	FY2014	Change YoY
Revenue (Billions of yen)	41.9	35.6	17.7%

In fiscal 2015, revenue increased mainly as a result of sales growth in industrial robots and controllers mainly in Japan.

Going forward, we will leverage our strengths in the high-precision control and unit size reduction of industrial robots, while working to further increase business not only in the production field but also in the pharmaceutical and medical fields. AUTO-ID products draw on our strengths, which include high-speed, high-precision reading and high-speed wireless communications. In addition to the QR code anti-counterfeiting field, which calls for reliability, we will enter the settlement business field with a device compatible with non-contact credit cards and work on market creation and expansion. Drawing on our strengths in authentication, control, and sensing technologies, we will propose and carry out the transformation of safe and secure social systems.

Fiscal 2015 Topics

New Products and Technologies

Received the Popular Prize selected by popular vote at the European Inventor Award ceremony held by the European Patent Office. This prize was presented to the QR code development team made up of engineers from Group company DENSO WAVE as well as TOYOTA CENTRAL R&D LABS, and was the first such award recognizing a team from Japan.

Received an award for excellence at the 6th Robot Awards. This award was received in recognition of the Intelligent Arm Support System (iArmS) developed jointly with Shinshu University and Tokyo Women's Medical University. Organized by Japan's Ministry of Economy, Trade and Industry as well as the Japan Machinery Federation, these awards are presented in recognition of highly acclaimed examples of robotics. The goals of the awards are to foster innovation in robotics technologies and expand their application, as well as driving demand for such technologies that excel in terms of their present or future potential contribution to market development.

Received the Good Design Award 2014. This award was received in recognition of the Company's industrial-use robot / pharmaceutical and medical-use robot, which was jointly developed with DENSO WAVE. This Grand Award was the highest award, which was presented to only one company from among 1,258 Good Design Award winners. This robot boasts a smooth and elegant configuration that eliminates grooves and slots. By ensuring a precise circular cross-sectional surface, successful steps have been taken to remove all gradations and gaps, where dirt and bacteria can easily accumulate. This in turn ensures that high sanitary conditions can be maintained.

Announced details of Frame QR, a new kind of QR code. At the same time, announced to provide Q-revo, a new solution service that employs the QR code. Each of these initiatives was a part of the celebrations to mark the 20th anniversary since the QR code's development.

Business Expansion and New Companies

Rolled out global measures that focused on regional and customer requirements for AUTO-ID products. Promoted an increase in sales of industrial robots by implementing a variety of measures including steps to bolster solution proposal-based marketing activities. Increased sales of industrial controllers by upgrading and expanding existing products and acquiring new development projects. In addition, undertook steps to build a new business model that employs the QR code.

Main Products

○ Automatic ID Data Capture Devices

Bar code handy scanners and handy terminals

QR code scanners and handy terminals

IC card readers/writers

Radio frequency-identification (RF-ID) systems



Industrial robot

○ Factory Automation (FA) Products

Industrial robots

Programmable controllers

○ Refrigeration and Air-Conditioning Systems

Cooling units for electronic devices (mobile phone base stations and other devices)

Spot coolers and heaters