Financial Results for the First Quarter FY2026

(April1, 2025 to June 30, 2025)

August 7, 2025
IDEC CORPORATION
Securities code：6652

We would like to begin the IDEC CORPORATION 1st quarter earnings call for the Fiscal Year Ending March 2026.

I would like to introduce today's attendees.
Managing Director, Takao Funaki.
Division General Manager of the Corporate Strategic Planning, Yasuyuki Ogawa.

Today, we will first explain the financial results overview.
After that, we will also explain the solutions business that we are promoting under our medium-term management plan.

Overview of consolidated financial results

Net Sales	■ Net Sales **JPY 15.7 billion** (YoY -1.4%) – Although distribution inventory has returned to normal, sales decreased due to factors such as the impact of the strong JPY, delays in the launch of a new logistics center in the U.S., and a drop in demand in Europe.
Income	■ Operating Profit **JPY 0.3 billion** (YoY +19.3%) ■ Ordinary Profit **JPY 0.6 billion** (YoY +27.1%) ■ Net Profit* **JPY 0.5 billion** (YoY +54.7%) * Quarterly Net Income attributable to owners of parent – Despite the impact of decreased sales, incomes increased due to reduced SG&A resulting from structural reforms.

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Regarding the results for this 1st quarter, although distribution inventory has returned to normal, sales decreased by 1.4% compared to the same period last year to JPY 15.7 billion due to the impact of foreign exchange because of the strong JPY, delay in the launch of the new logistics center opened in the U.S. in April, and a decline in demand in Europe.

Despite the impact of the decline in sales, operating profit increased by 19.3% compared to the same period last year to JPY 300 million due to a decrease in selling, general and administrative expenses resulting from structural reforms and other factors.

Consolidated performance [Consolidated statement of income] - 1

(Unit: Million Japanese Yen) *Round down to the millions	FY2025 1Q		FY2026 1Q		
	Actual	Sales Ratio	Actual	Sales Ratio	YoY
Net sales	15,962	100.0%	**15,736**	**100.0%**	**-1.4%**
Gross profit	6,861	43.0%	**6,643**	**42.2%**	**-3.2%**
SG&A	6,589	41.3%	**6,318**	**40.2%**	**-4.1%**
Operating profit	272	1.7%	**324**	**2.1%**	**+19.3%**
Ordinary profit	494	3.1%	**627**	**4.0%**	**+27.1%**
Profit attributable to owners of parent	300	1.9%	**465**	**3.0%**	**+54.7%**
Basic earnings per share (JPY)	10.21	―	**15.77**	―	**+5.56**
Average exchange rate for USD	155.86		**144.60**		**-11.26**
Average exchange rate for EUR	167.84		**163.81**		**-4.03**
Average exchange rate for CNY	21.47		**19.99**		**-1.48**

The consolidated performance summary is as shown on the screen.

Regarding cost of sales, material costs increased due to the impact of U.S. tariffs, although we reduced fixed costs such as labor costs and expenses.

But regarding selling, general and administrative expenses, it decreased by 4.1% compared to the same period last year due to a reduction in labor costs, and the operating profit margin was 2.1%.

Changing factors of consolidated operating profit

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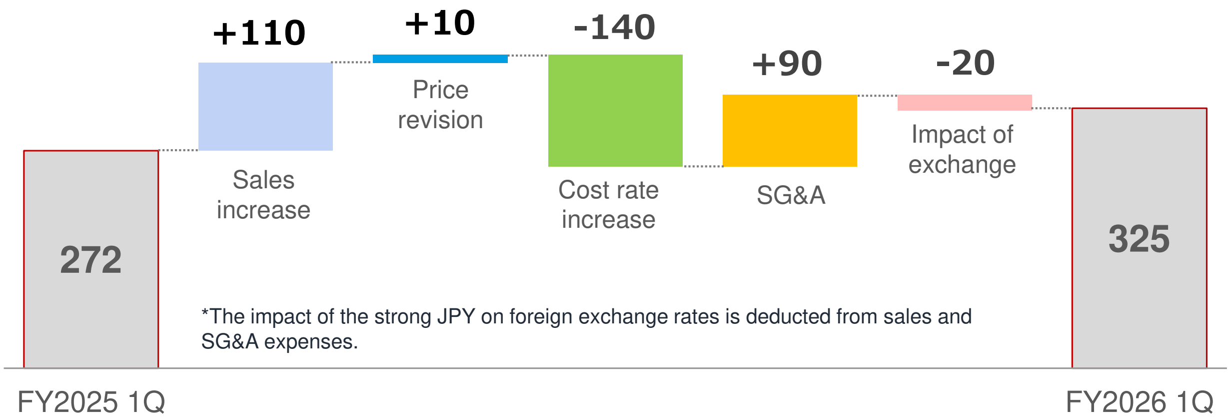
Operating income increased by approximately JPY 50 million compared to the same period last year due to cost reductions and other measures, although there was some impact from U.S. tariff policy.

(Unit: Million Japanese Yen) *Round down to the million



Regarding factors behind fluctuations in operating income, it increased slightly compared to the same period last year due to cost reductions and other measures, although there was some impact from U.S. tariffs.

And regarding the impact of U.S. tariffs, it is expected to be settled over a period of about a year through the sequential product price increases that have been implemented since the 1st quarter.

Consolidated performance [Consolidated income statement] - 2

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(Unit: Million Japanese Yen) ※Round down to the millions	FY2025								FY2026		
	1Q (Apr. to Jun.)		2Q (Jul. to Sep.)		3Q (Oct. to Dec.)		4Q (Jan. to Mar.)		1Q (Apr. to Jun.)		
	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	YoY
Net sales	15,962	100.0%	17,126	100.0%	16,381	100.0%	17,909	100.0%	15,736	100.0%	-1.4%
Gross profit	6,861	43.0%	7,526	43.9%	7,008	42.8%	8,040	44.9%	6,643	42.2%	-3.2%
SG&A	6,589	41.3%	6,248	36.5%	6,258	38.2%	6,688	37.3%	6,318	40.2%	-4.1%
Operating profit	272	1.7%	1,278	7.5%	750	4.6%	1,351	7.5%	324	2.1%	+19.3%
Ordinary profit	494	3.1%	969	5.7%	903	5.5%	1,110	6.2%	627	4.0%	+27.1%
Profit attributable to owners of parent	300	1.9%	980	5.7%	334	2.0%	162	0.9%	465	3.0%	+54.7%
Basic earnings per share (JPY)	10.21	–	33.29	–	11.34	–	5.52	–	15.77	–	+5.56

This is the quarterly trends.

The results for the 4th quarter of the previous fiscal year reflect the impact of seasonality as the end of the fiscal year, as well as sales from the solar power generation business that was transferred at the end of March and the advance recognition of sales related to the launch of the U.S. logistics center.
As a result, both sales and profits decreased in the 1st quarter of this fiscal year.

Additionally, a decline in profitable U.S. sales due to a delay in the launch of the U.S. logistics center which began operations in this April, also had an impact.

Sales by regions

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(Unit: Million Japanese Yen) *Round down to the millions (Sales ratio)	FY2025 1Q	FY2026 1Q	YoY
Japan	4,937 (30.9%)	**5,444 (34.6%)**	+10.3%
Overseas	11,025 (69.1%)	**10,291 (65.4%)**	-6.7%
Americas	3,572 (22.4%)	**3,055 (19.4%)**	-14.5%
EMEA (Europe, Middle East, Africa)	3,977 (24.9%)	**3,400 (21.6%)**	-14.5%
Asia Pacific	3,474 (21.8%)	**3,835 (24.4%)**	+10.4%
Total	15,962 (100.0%)	**15,736 (100.0%)**	-1.4%

Japan YoY **+10.3%**

- Sales are improving as distribution inventory has returned to normal.

Overseas YoY **-6.7%**

- Integrated two US group companies and established a new logistics center during this fiscal year, sales decreased due to the impact on shipments caused by delays to launch.
  (Current operations are stable)
- In EMEA, sales decreased due to weak demand in major industries in Europe.
- In the Asia Pacific market, sales increased due to growing demand in China and normalization of distribution inventory.

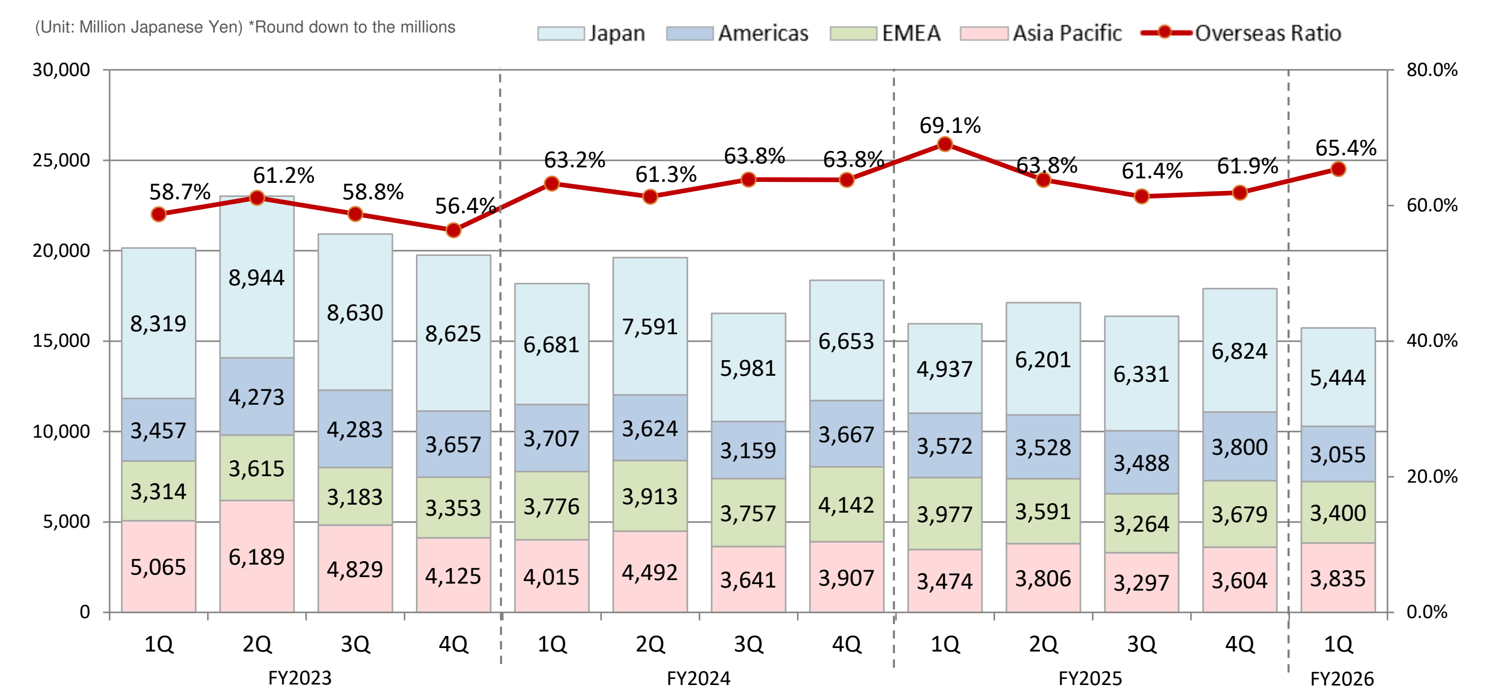
Regarding sales by region, sales in Japan are showing signs of improvement as distribution inventory returns to normal.

In the U.S., we merged two group companies and established a new logistics center during this fiscal year, but sales decreased due to a delay in the launch of this logistics center.
Now our current operations are stable, and we expect to be able to catch up to some extent in sales in the 2nd quarter.

In EMEA, sales decreased due to the significant impact of a decline in demand in major industries in Europe, such as Germany, etc.

In the Asia Pacific region, sales increased due to increase in demand in China and the normalization of distribution inventory.

Sales by regions (per quarter transition)



In quarterly trends, sales in Japan of this 1st quarter decreased compared to the 4th quarter of the previous fiscal year, as sales from the solar power generation business had been included up until the 4th quarter of the previous fiscal year.

And the overseas sales ratio was 65.4%.

Sales by products

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(Unit: Million Japanese Yen) *Round down to the millions (Sales ratio)	FY2025 1Q	FY2026 1Q	YoY
HMI	8,149 (51.1%)	**7,554 (48.0%)**	-7.3%
Industrial Relays & Components	2,533 (15.9%)	**2,905 (18.5%)**	+14.7%
Automation & Sensing	2,071 (13.0%)	**1,504 (9.6%)**	-27.4%
Safety & Explosion Protection	2,350 (14.7%)	**2,742 (17.4%)**	+16.6%
Systems	714 (4.5%)	**1,029 (6.5%)**	+44.1%
Others*	142 (0.8%)	**–**	–
Total	15,962 (100.0%)	**15,736 (100.0%)**	-1.4%

*Removed "Others" since FY2026 1Q due to the sale of IDEC SYSTEMS & CONTROLS CORPORATION (Solar power generation business).

HMI (Human-Machine Interface)

Although distribution inventory has almost returned to normal, sales decreased due to the impact of the European economic downturn and geopolitical risks.

Industrial Relays & Components

Increased sales of industrial relays and other products in the main Chinese market.

Automation & Sensing

Regarding our main product, programmable logic controllers (PLCs), sales decreased due to a fall in new orders caused by inventory adjustments of OEM customers.

Safety & Explosion Protection

In addition to distribution inventory almost returning to normal, sales of safety-related products in China remained strong.

Systems

Sales of control panels for semiconductor manufacturing equipment and logistics-related equipment increased in the Asia Pacific market.

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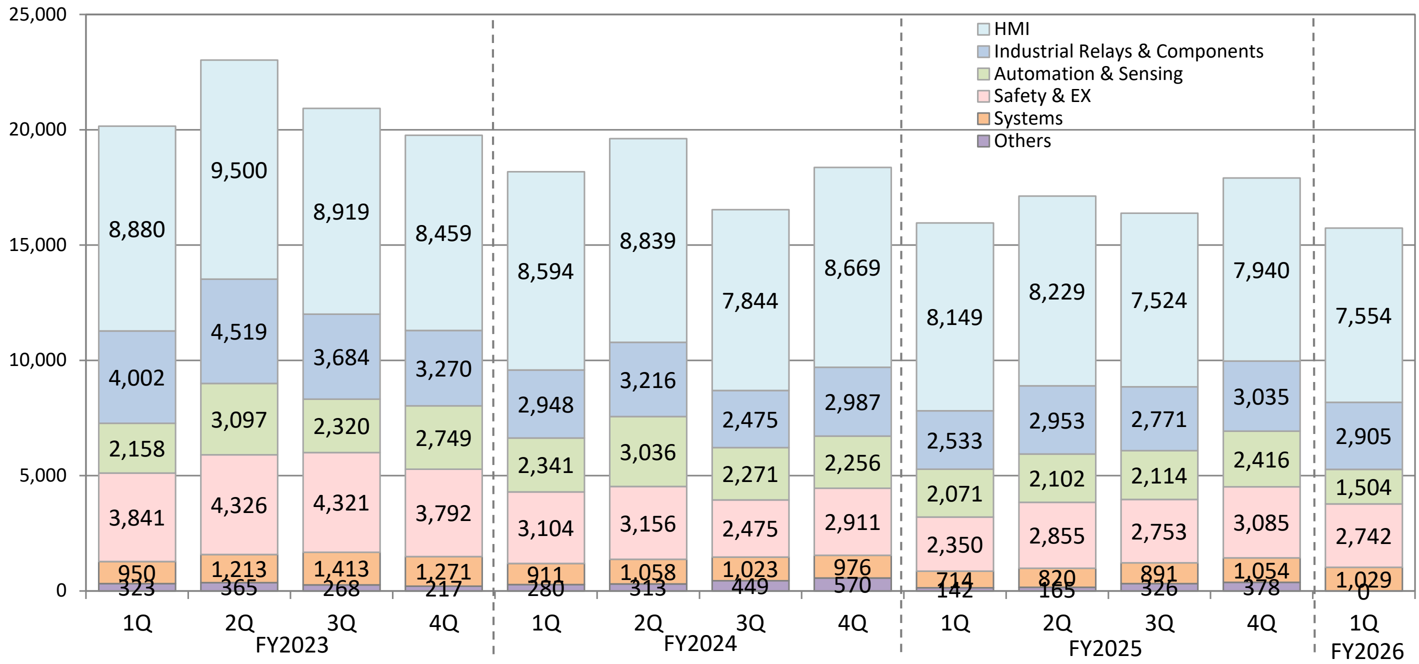
Regarding sales by product, in the HMI business, IDEC brand products performed well in all regions as distribution inventory normalized, but sales of APEM brand products decreased due to the impact of the economic downturn in Europe.

Industrial Relays & Components Business and Safety & Explosion Protection Business saw increased sales due to a recovery in demand in China.

Regarding Automation & Sensing business, sales of main products "Programmable logic controller" fell due to a decrease in new orders because of inventory adjustments by OEMs, despite strong sales in the U.S. and other countries.

Sales by products (per quarter transition)

(Unit: Million Japanese Yen) *Round down to the millions



The quarterly trends are as shown on the screen.

Orders received

(Unit: Million Japanese Yen) *Round down to the millions	FY2025 1Q		FY2026 1Q			
	Amount of orders received	Backlog	Amount of orders received	YoY	Backlog	YoY
Japan	6,551	7,013	**6,541**	-0.1%	**5,985**	-14.7%
Americas	3,403	2,750	**3,557**	+4.5%	**3,191**	+16.0%
EMEA (Europe, Middle East, Africa)	4,136	8,038	**2,989**	-27.7%	**7,086**	-11.8%
Asia Pacific	2,907	3,205	**2,421**	-16.7%	**3,269**	+2.0%
Total	16,999	21,008	**15,510**	-8.8%	**19,532**	-7.0%

We explain orders received on the next page.

Orders received (per quarter transition)

- In Japan, orders increased both year-on-year and compared to the fourth quarter, excluding orders for solar power generation business that was transferred at the end of March 2025.
- In US, demand for construction machinery and material handling industries is declining, but orders for other industries remains strong.
- In EMEA, both sales and orders decreased due to falling demand in major industries in Europe.
- In the Asia Pacific market, orders decreased in the first quarter because orders increased in the fourth quarter due to a review of distributor contracts in China. But actual demand remains strong.

(Unit: Million Japanese Yen) *Round down to the millions	FY2025								FY2026	
	1Q (Apr. to Jun.)		2Q (Jul. to Sep.)		3Q (Oct. to Dec.)		4Q (Jan. to Mar.)		1Q (Apr. to Jun.)	
	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog
Japan (excluding solar power generation business)	6,551 (6,224)	7,013	6,553 (6,407)	6,757	6,996 (6,685)	6,831	7,535 (6,320)	5,271	6,541	5,985
Americas	3,403	2,750	3,369	2,611	3,229	2,453	3,908	2,611	3,557	3,191
EMEA (Europe, Middle East, Africa)	4,136	8,038	3,061	7,370	3,450	7,500	3,776	7,522	2,989	7,086
Asia Pacific	2,907	3,205	2,459	2,585	2,908	2,742	4,573	4,353	2,421	3,269
Total	16,999	21,008	15,443	19,325	16,584	19,528	19,794	19,758	15,510	19,532

In Japan, orders for the solar power generation business were included up to the 4th quarter of the previous fiscal year. However, following the transfer of this business, it has been excluded from the figures starting in the 1st quarter of this fiscal year. Therefore, when comparing figures excluding orders for this solar power generation business, orders received increased compared to both the same period last year and the 4th quarter.

In the Americas, orders for APEM brand products decreased due to a decline in demand from the construction machinery and material handling industries, but orders from other industries have remained strong.

In EMEA, sales and orders received both decreased as demand of major industries in Europe continues to decline.

In the Asia Pacific region, in the 4th quarter of the previous fiscal year orders received increased due to a review of the distributor agreement in China. As a result, although orders received for the 1st quarter of this fiscal year decreased numerically, actual demand remains strong.

Consolidated performance [Consolidated balance sheet]

Highlights of assets

- Total assets decreased by JPY 1.92 billion compared to the end of the previous fiscal year due to inventories increased but cash and deposits decreased.

Highlights of liabilities

- Liabilities decreased by JPY 1.61 billion compared to the end of the previous fiscal year due to decrease in borrowings and accrued expenses.

Highlights of net assets

- Net assets decreased by JPY 310 million compared to the end of the previous fiscal year due to decrease in retained earnings although foreign currency translation adjustments increased.

(Unit: Million Japanese Yen) *Round down to the millions	FY2025 (previous FY)	FY2026 (end of June)	YoY
Current asset	51,480	49,189	-2,290
Non-current asset	55,736	56,101	+364
Current liabilities	27,662	27,040	-621
Non-current liabilities	15,744	14,754	-990
Total net assets	63,810	63,496	-313
Total liabilities and net assets	107,216	105,291	-1,925
Equity-to-asset ratio	58.9%	59.8%	+0.9%

Regarding assets, although inventory increased, total assets decreased by approximately JPY 1.92 billion compared to the end of the previous fiscal year due to factors such as a decrease in cash and deposits.

Liabilities decreased by approximately JPY 1.61 billion due to a decrease in borrowings and accrued expenses.

Equity-to-asset ratio increased 0.9% from the end of the previous fiscal year to 59.8%.

Consolidated performance [Consolidated cash flow statement]

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Cash Flows by operation activities

- JPY 1.79 billion due to depreciation, etc.

Cash Flows by investing activities

- \- JPY 0.85 billion due to acquisition of non-current assets.

Cash Flows by financing activities

- \- JPY 3.07 billion due to expenditures such as payment of borrowings and dividends.

(Unit: Million Japanese Yen) *Round down to the millions	FY2025 1Q	FY2026 1Q	YoY
CF from operation activities	4,036	1,795	-2,241
CF from investing activities	-347	-857	-510
Free cash flows (FCF)	3,689	937	-2,751
CF from financing activities	-3,309	-3,072	+236
Cash and cash equivalents at end of period	15,957	16,394	+437
Capital expenditures	854	987	+132
Depreciation and amortization	1,019	1,007	-12

Regarding cash flows from operation activities, depreciation expenses and other factors contributed to approximately JPY 1.79 billion, a decrease compared to the same period last year due to factors such as an increase in accounts receivable.

Cash flows from investing activities was minus JPY 0.85 billion due to the acquisition of non-current assets.

Forecast for the FY2026
(Fiscal year ending March 2026)

Next, regarding our forecast for the full year.

Forecast for the FY2026 *No Fix

(Unit: Million Japanese Yen) *Round down to the millions	FY2025		FY2026		
	Actual	Sales Ratio	Forecast	Sales Ratio	YoY
Net sales	67,380	100.0%	68,700	100.0%	+2.0%
Gross profit	29,437	43.7%	30,460	44.3%	+3.5%
SG&A	25,784	38.3%	25,710	37.4%	-0.3%
Operating profit	3,652	5.4%	4,750	6.9%	+30.0%
Ordinary profit	3,477	5.2%	5,020	7.3%	+44.4%
Profit attributable to owners of parent	1,778	2.6%	3,450	5.0%	+93.9%
Basic earnings per share (JPY)	60.36	–	117.06	–	+56.7
Average exchange rate for USD	152.62		145		-7.62
Average exchange rate for EUR	163.87		160		-3.87
Average exchange rate for CNY	21.11		20.50		-0.61

We have not changed the forecast announced in May.

Forecast for the FY2026 *No Fix

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(Unit: Million Japanese Yen) *Round down to the millions	FY2025	FY2026	
	Actual	Forecast	YoY
HMI	31,842	33,000	+3.6%
Industrial Relays & Components	11,294	11,500	+1.8%
Automation & Sensing	8,705	8,500	-2.4%
Safety & Explosion Protection	11,045	11,500	+4.1%
Systems	3,479	4,200	+20.7%
Others	1,013	—	—
Total	67,380	68,700	+2.0%
*Removed "Others" since FY2026 1Q due to the sale of IDEC SYSTEMS & CONTROLS CORPORATION (Solar power generation business).			
Domestic sales	24,294	24,800	+2.1%
Overseas sales	43,085	43,900	+1.9%
(Ratio of overseas sales)	(63.9%)	(63.9%)	

There are no changes to the forecasts by product or region.

Industry Trend

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【 Growth rate forecast compared to the previous period 】
△ : Minus　－ : Stable　○ : Expansion

Industry	Outlook for FY2026	Japan	US	Europe	China	APAC
Machine Tools	A certain level of growth is expected in each region except Europe.	○	○	△	○	○
Semiconductors	Semiconductor manufacturing equipment is also expected to grow in the medium to long term in the US and China, as the semiconductor market is expected to grow globally.	－	○		○	
Robotics	Growth is expected mainly in the US although there are concerns about the impact of the economic downturn in Europe.	○	○	－	○	
Vehicles	There is a sense of slowdown in each region due to the impact of US tariff policies and stagnant EV sales.	－	－		－	○
Special Vehicles	Due to geopolitical risks and the impact of tariff policies, sluggishness is expected to continue in each region.	－	△	△	△	
AGVs/AMRs	Global growth is expected to continue although there are concerns about the impact of tariffs.	○	○	○	○	

This is a summary of major industry trends by region for this fiscal year.

Machine tools, semiconductors, robotics, and AGVs/AMRs industries are expected to remain relatively strong.
But vehicles, special vehicles industries, and the European market remains uncertain.

The Solutions Business promoted under Medium-Term Management Plan

Next, a Managing Director Takao Funaki explain the solutions business that we are promoting under the new medium-term management plan that began this fiscal year.

I am Takao Funaki, a Managing Director.
I will explain the details.

The Medium-Term Management Plan's Outline

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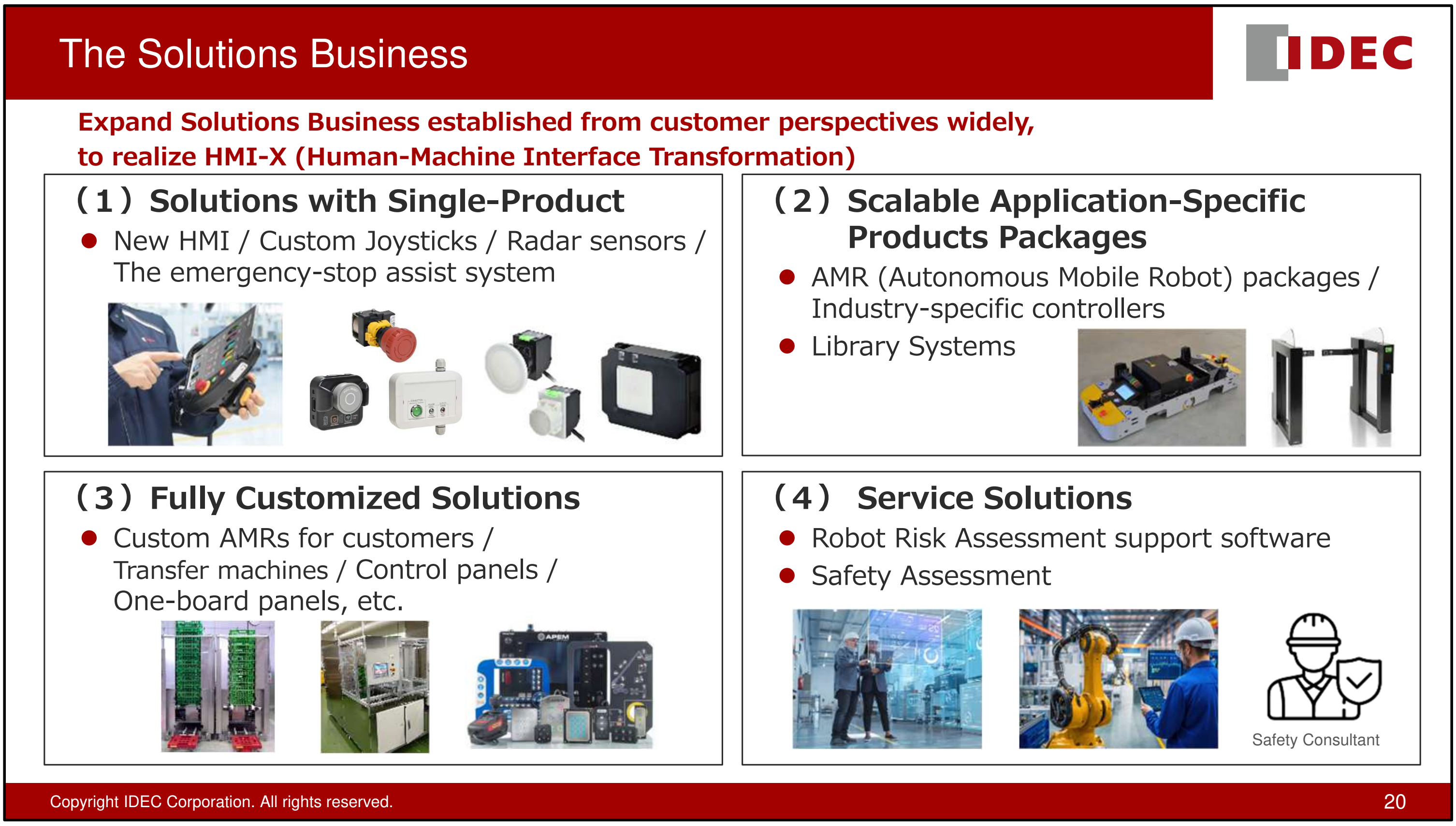
New IDEC	**Shift to a Customer-Centric Business Structure** and enhance responsiveness to market changes

Customer-Centric Business Structure	• Establish global structure to respond to customer needs • Expand Solutions Business to address customer challenges
Realizing "One IDEC"	• Optimize global sites and businesses • Establish digital technology-based compatible SCM system for customer satisfaction and efficiency • Establish systems to strengthen the "One IDEC" concept
FY2028 Targets	Net sales: JPY 77 billion or more ROIC: 7% or more Operating profit margin: 13% or more

For the purpose of being reborn as a "New IDEC", we are working on shifting to a customer-centric business structure and improving our ability to respond to market changes in our medium-term management plan.

We are promoting the establishment of a global system that responds to customer needs and the expansion of the solutions business that solves customer issues to realize a customer-centric business structure.
At this call, I would like to explain the solutions business that the IDEC Group is promoting.



We are enhancing the variety of solutions that are born from the customer's perspective, moving away from the traditional product-out approach, in order to realize HMI-X — a key initiative we have been pursuing since the previous medium-term management plan.

Our main solutions business fall into these four categories.

（1） Solutions with Single-Product

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■ Single-Products that meet various customer issues

（For example… ）

✓ **Safety Commanders** that allow to easily add safety features to operating tablets at manufacturing sites.

✓ **The emergency-stop assist system** that wirelessly operates emergency-stop switches from remote locations.

✓ **mmWave Radar Sensor** with our new technology that catch objects which existing sensors could not accurately detect.

Safety Commanders

The emergency-stop assist system

mmWave Radar Sensor

"Solutions with Single-Product" is a product that can solve a variety of customer problems on its own. For example, we have

"Safety commander" enables safety functions to be equipped with one touch to tablets which are increasingly being used at manufacturing sites;

"Emergency-stop assist system" enables wireless operation of emergency-stop switches from remote locations;

and "mmWave radar sensor" enables accurate detection of objects that could not be detected by existing sensors.

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■ Example of using the emergency-stop assist system

that wirelessly operates the emergency-stop switch
from remote location

- The emergency-stop switch installed on AGVs (Automatic Guided Vehicles) and AMRs (Autonomous Mobile Robots) are difficult to press while the vehicle is moving and to press the switch depending on the transported item. **Possible to stop safely and securely from a distance.**

The emergency-stop assist system

Here are two specific use cases.

This is an example of "Emergency-stop assist system". AGVs and AMRs are equipped with emergency-stop switches. However, when you want to make an emergency-stop while driving, it can sometimes be physically difficult to press the switch.
In such a situation, by using emergency-stop assist system's function you can safely and securely make the equipment stop from a remote location.

（1） Solutions with Single-Product Example

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■3D mmWave Radar Sensor
developed by IDEC ALPS Technologies Corporation

3D mmWave Radar Sensor

- Possible to detect in 3D space, unaffected by wind, rain, dust, etc. **Reduce workplace injuries by detecting people and obstacles in front of and behind construction machinery and forklifts** used at construction sites, factories and warehouses with many obstacles and blind spots.
- **Used to detect obstacles in unmanned vehicles** at inter-factory transport both indoors and outdoors which will increase in the future and AMRs, **contributing to labor savings.**
- **Detect anomalies in the event of accident such as loss of consciousness**, by catching the presence and movement of human in bathtubs and toilets, as well as movement on the water surface, with keeping their privacies. **（Coming soon）**

Next, I would like to explain "3D mmWave radar sensor" developed by IDEC ALPS Technologies. We released it in March 2025.

"3D mmWave radar sensor" is increasingly being adopted for construction machinery and can reduce workplace injuries by detecting people and obstacles at construction sites with many obstacles and blind spots.

And we plan to soon add a feature that can distinguish between a still object and a comatose person by detecting the subtle movements of a person's breathing.
This function makes it possible to detect accidents and abnormalities in spaces such as bathtubs and

toilets and is expected to be used in places other than production factories.

（2） Application-Specific Solutions

■Scalable Solutions specialized Application of Specific Industry

（For example…）

- ✓ **Controllers with software for specific industry**, that reduce customer start-up costs.
- ✓ **Library systems** that improve the efficiency of library operations and user convenience.
- ✓ **Package the solutions** that combined Safety Wheel Drive (SWD) and Assist Wheel Drive (AWD) from z-Wheel brand and HMIs and safety-related products.

Regarding the second "Application-Specific Solutions", I would like to explain our horizontal solutions products that specialized for applications in specific industries.

For example, we have products that equipped software for specific industries into existing programmable logic controllers, and library systems that group companies expand.

In this category, solutions packages that combine ez-Wheel's Safety Wheel Drives(SWD) and Assist Wheel Drives(AWD) with switches and safety devices are particularly expanding and are being rolled out globally.

（2） Application-Specific Solutions Example

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■AMR Solutions

- Provide development kit for AGVs and AMRs “The SWD Build KIT" that packaged with HMIs, safety-related products, and software which can be **flexibly customized for customer.**

- Automate transportation process of automobile manufacturers **by AMR solutions equipped software package "ez-Way“ that developed in-house based on Safety Wheel Drive (SWD)** which is possible to build flexible transportation solutions.

ez-way The Smart Navigation

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Regarding AMR solutions, in addition to significant reduction of development time and providing development kits that can be customized for in-house use, AMR solutions also offers solutions packages based on the SWDs and equipped with in-house developed software, which are being introduced in the transportation processes of automobile manufacturers.

（2） Application-Specific Solutions Example

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■Transportation Solutions

- In the transportation process, **improve labor saving, efficiency, and safety** by replacing conveyors and manual transport with electrically assisted trolleys equipped with Assist Wheel Drive (AWD) and **improve "Well-Being" by reducing the burden of work.**

- Increasing the number of installations at sites with many heavy object transport processes, such as automobile manufacturers and construction machinery manufacturers.

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In addition, at manufacturing sites where there are many processes for transporting heavy objects, the introduction of electrically assisted trolleys equipped with AWDs has improved labor saving, efficiency, safety, and also the well-being of workers by reducing their burdens of work.

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■Fully customized solutions based on customer needs in the wide range of industries

（For example…）

- ✓ **Fully customized One-board** of APEM-brand.
- ✓ **Suggest collaborative robot solutions** of IDEC Factory Solutions and **support for the design and production of control panels that comply with US UL standards.**
- ✓ **Traceability System** with automatic identification devices of IDEC AUTO-ID SOLUTIONS.
- ✓ **Transfer machines for the food factories** that customized based on customer needs.

Customized products of APEM-brand


Transfer machines

The third is "Fully customized solutions" based on customer needs in a variety of industries.

For example, we have product boxing equipment for food factories besides products developed mainly by our group companies, such as APEM's One-board products, IDEC Factory Solutions collaborative robot solutions, and IDEC AUTO-ID SOLUTIONS traceability systems.

（4） Service solutions

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■Various services utilizing IDEC's safety knowledge and expertise

(For example…)

- ✓ **Safety support**, such as safety education, risk assessment, and safety measures at production sites.

Safety Consultant

- ✓ **Safety consulting based on collaborative safety and support for formulating safety standards** in workplaces where robots and humans work together.

And the fourth is "Service solutions".

We have various services that have been mainly provided in Japan until now, such as risk assessment support and safety consulting services, which utilize IDEC's safety knowledge and expertise.
Currently, demand for safety-related businesses is expanding worldwide.
Going forward, we plan to further expand these our service solutions businesses globally.

This concludes my explanation regarding the solutions business.

References

FY2026 exchange rate and exchange rate sensitivity

Currency	Exchange Assumption	Effect by JPY 1 change of exchange rate *For CNY, effect by JPY 0.1 change	
		Net sales	Operating profit
USD	145	Approx. JPY 100 million	Approx. JPY 10 million
EUR	160	Approx. JPY 110 million	Approx. JPY 10 million
CNY	20.50	Approx. JPY 40 million	Approx. JPY 5 million

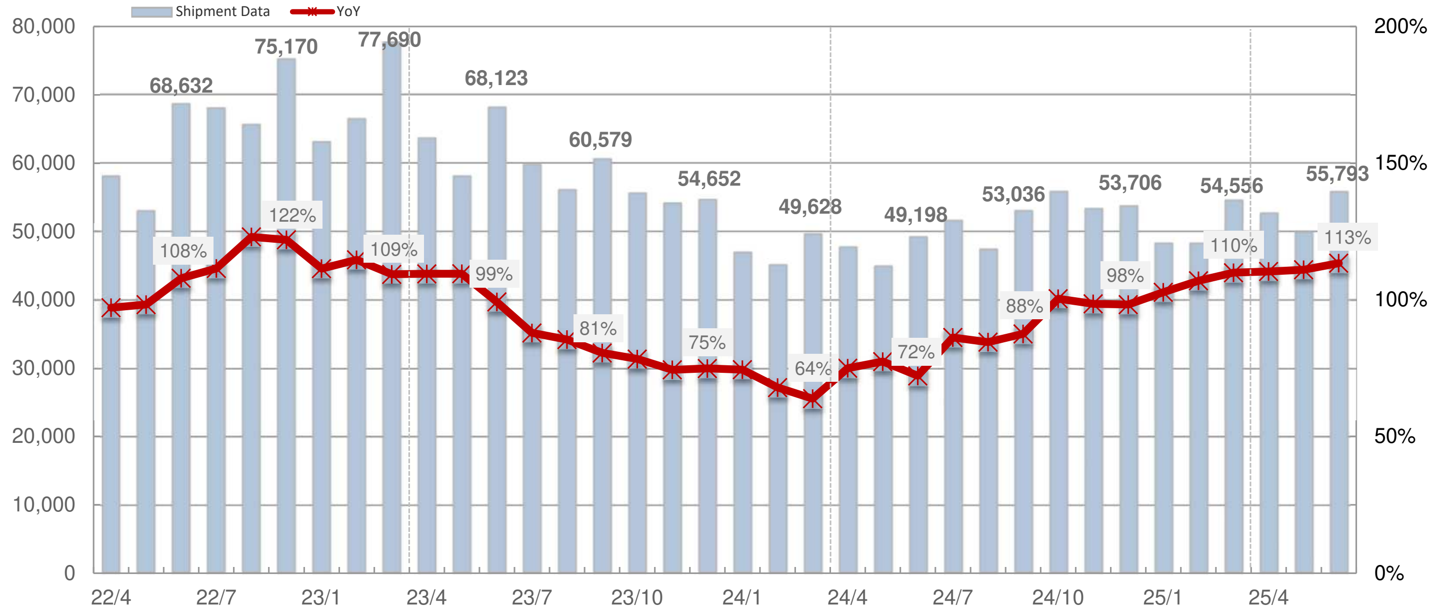
Industry Trend (Transition of shipment data of NECA*)

*Nippon Electric Control Equipment Industries Association

IDEC

Transition of the industrial shipment and YoY status (between Apr. 2022 to Jun. 2025)

(Unit: Million Japanese Yen)



Sales classification by segment

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Industrial Switches

- Industrial switches
- Joysticks
- Pilot lights
- Operator interfaces

APEM products

Industrial Relays & Components

- Switching power supplies
- Terminal blocks
- Industrial relays/sockets
- Circuit protectors
- LED illumination units

Automation & Sensing

- Programmable logic controllers
- Sensors
- Automatic identification devices

Safety & Explosion Protection

- Safety-related products
- Explosion protection products

Systems

- Collaborative robot systems
- Interface complex systems
- Security systems
- Other various systems

This material contains our plans and performance forecast, which we have planned and expected in accordance with available information as of August 7, 2025.
Therefore, actual performances may vary from aforementioned plans and expected values due to unforeseeable events and factors.
The original language is Japanese in financial results materials. The English version is translated into the original Japanese version. In the case of any discrepancy between the English translation and the Japanese original, the latter shall prevail.

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