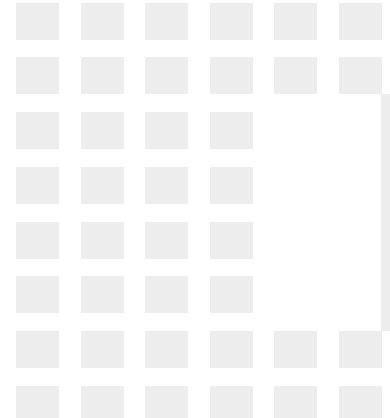




Think Automation and beyond...

Financial Results for the First Half FY2026 (April 1 – September 30, 2025)

November 7, 2025
IDEC CORPORATION
Securities code : 6652



We would like to begin the IDEC CORPORATION financial results briefing for the first half of the fiscal year ending March 2026.

I would like to introduce today's attendees.

Toshiyuki Funaki, Chairman and CEO

Takao Funaki, Managing Director

Yasuyuki Ogawa, Division General Manager of the Global Finance Division

Today's program will proceed as follows:

First, we will hear opening remarks from our CEO.

Next, we will present an overview of the financial results and provide details on the reform projects being advanced under the medium-term management plan.

Finally, we will conclude with a Q&A session.

My name is Toshiyuki Funaki, Chairman and CEO.
Thank you very much for attending today.

This fiscal year marked the 80th anniversary of IDEC's founding. As many of you may know from your experience with various companies, a company like IDEC—with a history spanning 80 to 100 years—has engaged in a wide range of corporate activities, primarily centered around manufacturing.

To commemorate our 80th anniversary, we have set a goal of becoming a "New IDEC."

Through this medium-term management plan, we aim to transform ourselves into a company that can adapt to the times and succeed in a competitive environment.

Details will be explained by the person in charge.
Now, I would like to begin. Thank you for your attention.

Overview of the First Half Consolidated Financial Results



Net Sales	<div> <div>■ Net Sales</div> <div> <u>JPY 34.1 billion</u> (YoY +3.1%) </div> </div> <ul style="list-style-type: none"> Although demand declined in Europe, sales in Japan and China remained strong due to the normalization of distribution inventory. In the U.S., sales were impacted in the first quarter by delays in launching the newly established logistics center, but recovered in the second quarter. <p>Sales also increased due to the effect of passing on additional U.S. tariffs to product prices.</p>
Profit	<div> <div> <div>■ Operating Profit</div> <div> <u>JPY 2.6 billion</u> (YoY +68.4%) </div> </div> <div> <div>■ Ordinary Profit</div> <div> <u>JPY 2.9 billion</u> (YoY +98.8%) </div> </div> <div> <div>■ Interim Net Profit*</div> <div> <u>JPY 1.8 billion</u> (YoY +37.0%) </div> </div> </div> <p><small>*Net profit attributable to owners of the parent</small></p> <ul style="list-style-type: none"> Profit improved significantly, driven by increased revenue and a reduction in SG&A expenses resulting from structural reforms.
Dividend	<div> <div>■ Interim Dividend</div> <div> <u>JPY 65</u> (Same period of the previous year: JPY 65) </div> </div>

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I will provide an overview of our financial results for the first half of the fiscal year.

Despite a decline in demand in Europe, sales in Japan and China remained strong, supported by the normalization of distribution inventory.

In the U.S., we experienced some delays in launching our new logistics center during the first quarter. However, we recovered in the second quarter and successfully passed on additional tariff costs to our selling prices, which contributed to higher sales. As a result, net sales for the first half increased by 3.1% YoY, reaching JPY 34.1 billion.

Turning to profitability: Operating profit improved significantly, driven by higher revenue and a reduction in SG&A expenses through structural reforms.

Operating profit rose by 68.4% YoY to JPY 2.6 billion. Both sales and profit exceeded last year's results and our initial plan.

Consolidated Performance [Consolidated Statement of Income] - 1



[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	1H FY2025		1H FY2026		
	Actual	Sales Ratio	Actual	Sales Ratio	YoY
Net Sales	33,088	100.0%	34,111	100.0%	+3.1%
Gross Profit	14,387	43.5%	15,228	44.6%	+5.8%
SG&A	12,837	38.8%	12,617	37.0%	-1.7%
Operating Profit	1,550	4.7%	2,611	7.7%	+68.4%
Ordinary Profit	1,463	4.4%	2,909	8.5%	+98.8%
Profit attributable to owners of parent	1,281	3.9%	1,755	5.1%	+37.0%
Basic earnings per share (JPY)	43.50	—	59.48	—	+15.98
Average exchange rate for USD	152.77		146.03		-6.74
Average exchange rate for EUR	166.05		168.05		+2.00
Average exchange rate for CNY	21.16		20.29		-0.87

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As shown here, with the increase in net sales, our gross profit margin reached 44.6%.

SG&A expenses also declined by 1.7% YoY, primarily due to labor cost reductions achieved through structural reforms.

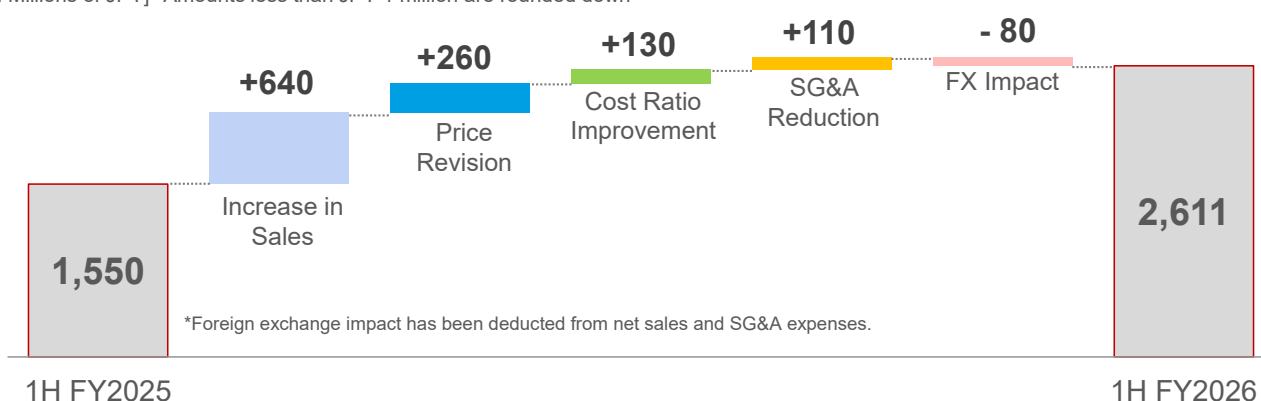
As a result, our operating profit margin improved to 7.7%.

Factors Behind Changes in Consolidated Operating Profit



Operating profit **increased by approximately JPY 1.06 billion** YoY, driven by higher revenue, price revisions, improved cost ratio from product mix, and SG&A reduction due to structural reforms, despite U.S. tariffs.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down



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Let me now explain the factors behind the change in operating profit.

Although we experienced some impact from U.S. tariffs, several positive drivers contributed to profit growth.

These include higher revenue, the benefits of global price adjustments, and improvements in cost ratios driven by changes in our product mix.

As for SG&A expenses, while overseas costs increased due to currency fluctuations and the integration of our U.S. sites, they declined on a consolidated basis due to reductions in labor costs from Japan's second-career support program implemented last fiscal year, as well as cost savings from the transfer of our solar power business at the end of March.

As a result, operating profit increased by approximately JPY 1.06 billion YoY.

Consolidated Performance [Consolidated Statement of Income] - 2



- Profit margins significantly improved, driven by strong performance in high-margin regions such as Japan and the Americas, along with increased sales of HMI and safety equipment.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2025						FY2026				
	2Q (Jul.- Sep.)		3Q (Oct.- Dec.)		4Q (Jan.- Mar.)		1Q (Apr.- Jun.)		2Q (Jul.- Sep.)		
	Actual	Sales Ratio	Actual	Sales Ratio	Actual	Sales Ratio	Actual	Sales Ratio	Actual	Sales Ratio	YoY
Net Sales	17,126	100.0%	16,381	100.0%	17,909	100.0%	15,736	100.0%	18,374	100.0%	+ 7.3%
Gross Profit	7,526	43.9%	7,008	42.8%	8,040	44.9%	6,643	42.2%	8,584	46.7%	+14.1%
SG&A	6,248	36.5%	6,258	38.2%	6,688	37.3%	6,318	40.2%	6,298	34.3%	+ 0.8%
Operating Profit	1,278	7.5%	750	4.6%	1,351	7.5%	324	2.1%	2,286	12.4%	+78.9%
Ordinary Profit	969	5.7%	903	5.5%	1,110	6.2%	627	4.0%	2,282	12.4%	+135.4%
Profit attributable to owners of parent	980	5.7%	334	2.0%	162	0.9%	465	3.0%	1,290	7.0%	+31.5%
Basic earnings per share (JPY)	33.29	—	11.34	—	5.52	—	15.77	—	43.71		—

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Looking at the quarterly breakdown, in the second quarter, sales increased both YoY and compared to the first quarter, driven by revenue growth in Japan, the Americas, and China.

With strong performance in high-margin regions such as Japan and the Americas, as well as growth in product categories like HMI and safety devices, profitability improved significantly.

As a result, the operating profit margin for the second quarter reached 12.4%.

Sales by Region



[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down (Sales Ratio)	1H FY2025	1H FY2026	YoY
Japan	11,138 (33.7%)	11,471 (33.6%)	+3.0%
Overseas	21,950 (66.3%)	22,639 (66.4%)	+3.1%
Americas	7,100 (21.5%)	7,311 (21.4%)	+3.0%
EMEA (Europe, Middle East, Africa)	7,568 (22.9%)	7,127 (20.9%)	-5.8%
Asia Pacific	7,281 (22.0%)	8,200 (24.1%)	+12.6%
Total	33,088 (100.0%)	34,111 (100.0%)	+3.1%

Japan

YoY **+3.0%**

- Sales are trending upward due to normalization of distribution inventory.

Overseas

YoY **+3.1%**

- Sales in Americas increased, driven by recovery in 2Q from initial delays in launching the new logistics center, and by higher sales resulting from price adjustments reflecting additional U.S. tariffs.
- Sales in EMEA declined, reflecting reduced demand in major European industries.
- Sales in Asia-Pacific increased, driven by growing demand in China's automotive and semiconductor industries, as well as the normalization of distribution inventory levels.

Regarding sales by region:

In Japan, sales showed an improving trend, supported by the normalization of distribution inventory.

In the Americas, sales declined in the first quarter due to delays in launching our new logistics center.

However, we recovered in the second quarter, and sales increased, driven by the successful pass-through of additional U.S. tariffs to selling prices.

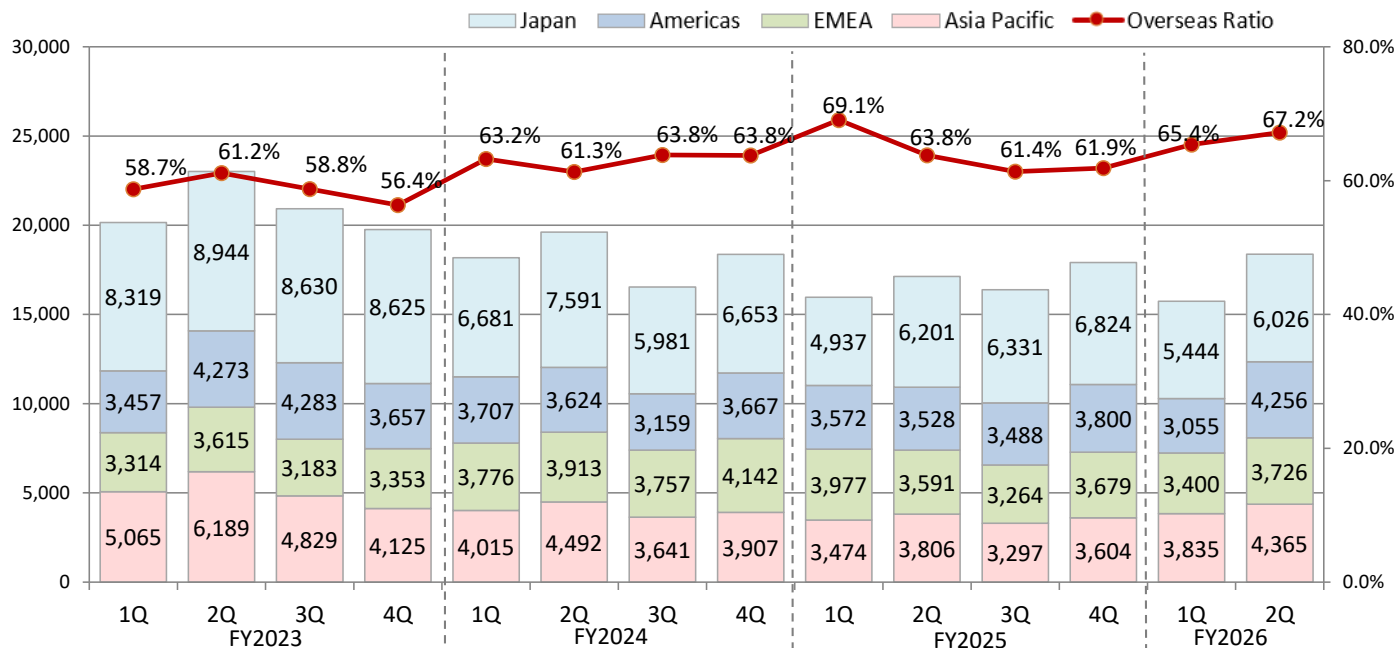
In EMEA, sales decreased as a result of weaker demand in major industries across Europe, particularly in Germany.

Meanwhile, in Asia-Pacific, sales grew, supported by expanding demand in sectors such as automotive and semiconductors in China, as well as the normalization of distribution inventory.

Sales by Region [Quarterly Trends]



[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down



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Looking at the quarterly trend, demand in Japan and China remained strong.

In the Americas, the decline in first quarter sales was fully recovered in the second quarter, leading to sales expansion.

Sales by Product



[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down (Sales Ratio)	1H FY2025	1H FY2026	YoY
HMI	16,378 (49.5%)	16,077 (47.2%)	-1.8%
Industrial Relays & Components	5,487 (16.6%)	6,281 (18.4%)	+14.5%
Automation & Sensing	4,174 (12.6%)	3,442 (10.1%)	-17.5%
Safety & Explosion Protection	5,206 (15.7%)	6,047 (17.7%)	+16.2%
Systems	1,534 (4.6%)	2,261 (6.6%)	+47.4%
Others*	308 (1.0%)	—	—
Total	33,088 (100.0%)	34,111 (100.0%)	+3.1%

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

HMI (Human-Machine Interface)

Although distribution inventory of industrial switches and operator interfaces for factory automation has nearly normalized, sales declined due to the economic slowdown in Europe and reduced demand in the special-purpose vehicle industry.

Industrial Relays & Components

Sales of control relays increased in core markets, including Asia-Pacific and North America.

Automation & Sensing

Sales of the core product, programmable logic controllers, declined due to a decrease in new orders resulting from inventory adjustments by OEM customers.

Safety & Explosion Protection

Sales of safety-related equipment remained stable in core markets such as Japan and Asia-Pacific, with particularly strong performance in China.

Systems

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

Regarding sales by product category:

In the HMI business, IDEC-branded products—such as industrial switches and operator interfaces for factory automation—performed well.

However, sales of APEM-branded products declined, primarily due to the economic slowdown in Europe and reduced demand in the special-purpose vehicle industry.

In the Industrial Components business, revenue increased as sales of control relays grew in our core Asia-Pacific and North American markets.

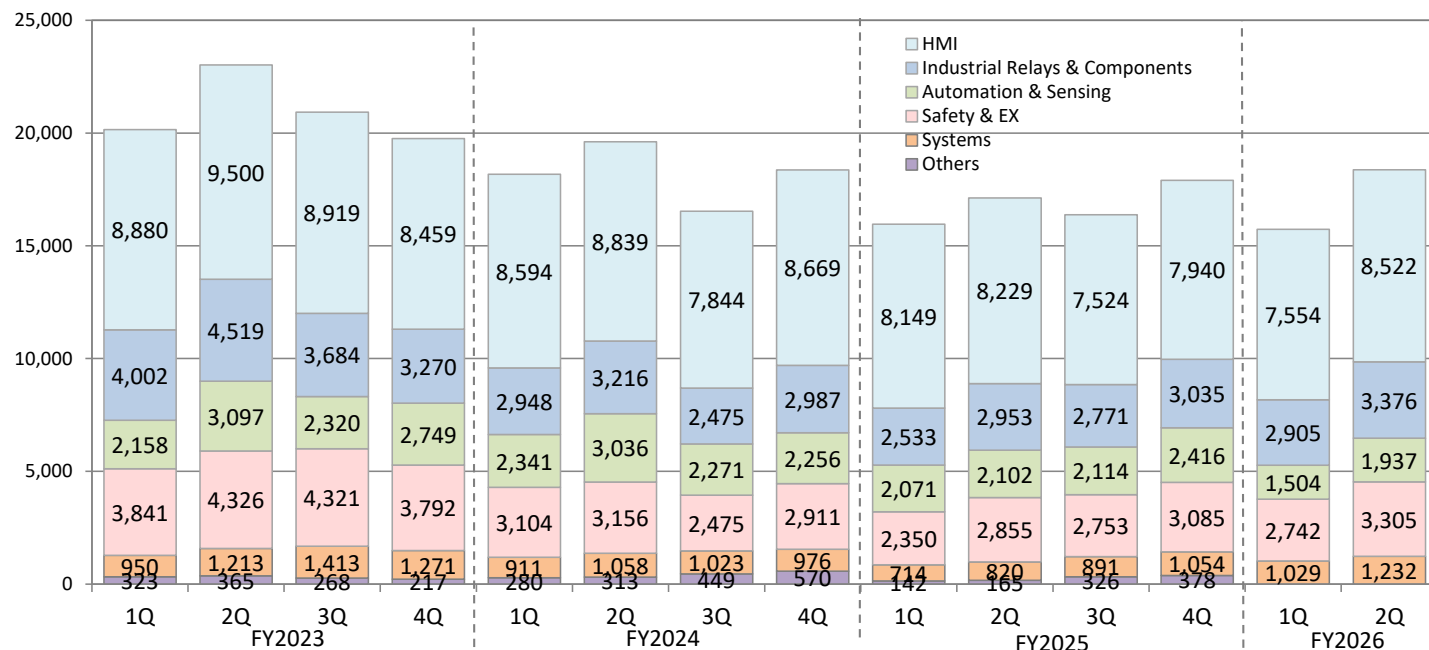
Additionally, the Safety & Explosion Protection business recorded steady sales of safety-related equipment in China, contributing to overall growth.

As for the Automation & Sensing business, sales decreased. This was mainly driven by a reduction in new orders for our flagship programmable logic controllers, following inventory adjustments by OEM customers.

Sales by Product [Quarterly Trends]



[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down



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Regarding second quarter sales:

Compared to the first quarter, sales increased across all product categories.

The HMI business recorded growth, driven by a recovery in sales in the Americas and EMEA regions.

Additionally, the Safety & Explosion Protection business achieved growth in core markets such as Japan and China.

Orders Received



[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	1H FY2025		1H FY2026			
	Amount of Orders Received	Backlog	Amount of Orders Received	YoY	Backlog	YoY
Japan	13,104	6,757	13,417	+2.4%	6,168	-8.7%
Americas	6,772	2,611	7,510	+10.9%	2,929	+12.2%
EMEA (Europe, Middle East, Africa)	7,198	7,370	6,756	-6.1%	7,072	-4.0%
Asia Pacific	5,367	2,585	5,429	+1.2%	2,591	+0.2%
Total	32,442	19,325	33,114	+2.1%	18,762	-2.9%

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Regarding orders received for the first half:
With the exception of EMEA, where market conditions remain weak, all other regions are showing signs of recovery.

Orders Received [Quarterly Trends]



- Order intake in Japan is exhibiting a recovery trend, supported by the normalization of distribution inventory levels.
- In the Americas, although demand from the construction machinery and material handling sectors is declining, demand from other factory automation industries remains solid.
- In EMEA, order intake is showing signs of improvement, partly supported by currency effects.
In Asia-Pacific, demand—particularly from China—remains solid.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2025						FY2026			
	2Q (Jul. - Sep.)		3Q (Oct. - Dec.)		4Q (Jan. - Mar.)		1Q (Apr. - Jun.)		2Q (Jul. - Sep.)	
	Orders Received	Backlog	Orders Received	Backlog	Orders Received	Backlog	Orders Received	Backlog	Orders Received	Backlog
Japan (Excluding Solar power generation business)	6,553 (6,407)	6,757	6,996 (6,685)	6,831	7,535 (6,320)	5,271	6,541	5,985	6,875	6,168
Americas	3,369	2,611	3,229	2,453	3,908	2,611	3,557	3,191	3,953	2,929
EMEA *Europe, Middle East, Africa	3,061	7,370	3,450	7,500	3,776	7,522	2,989	7,086	3,767	7,072
Asia Pacific	2,459	2,585	2,908	2,742	4,573	4,353	2,421	3,269	3,007	2,591
Total	15,443	19,325	16,584	19,528	19,794	19,758	15,510	19,532	17,604	18,762

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By quarter:

In Japan, orders for the solar power business continued through the fourth quarter of the previous fiscal year. However, following the transfer of that business, it has been excluded from figures since the first quarter.

When comparing numbers without this impact, orders received have been gradually recovering, supported by the normalization of distribution inventory.

In the Americas, demand for APEM-branded products remains weak due to a slowdown in the construction machinery and material-handling industries.

Nevertheless, orders in other factory automation sectors have remained solid.

In EMEA, orders are showing signs of improvement, partly due to favorable currency effects.

Meanwhile, in Asia-Pacific, orders continue to be strong, particularly in China.

Consolidated Performance <Consolidated Balance Sheet>



Highlights on Assets

- While inventories and fixed assets increased, cash and deposits declined, resulting in a reduction of approximately JPY 900 million in total assets compared to the end of the previous period.

Highlights on Liabilities

- Liabilities decreased by approximately JPY 3.2 billion compared to the end of the previous period, primarily due to reductions in borrowings and accrued expenses.

Highlights on Net Assets

- Net assets increased by approximately JPY 2.3 billion compared to the end of the previous period, primarily due to an increase in foreign currency translation adjustments.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2025 (previous FY)	FY2026 (end of September)	YoY
Current Assets	51,480	48,955	-2,525
Non-current Assets	55,736	57,361	+1,624
Current Liabilities	27,662	23,048	-4,614
Non-current Liabilities	15,744	17,132	+1,387
Total Net Assets	63,810	66,135	+2,325
Total Liabilities and Net Assets	107,216	106,316	-900
Equity-to-Asset Ratio	58.9%	61.7%	+2.8%

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Regarding assets:

Total assets decreased by approximately JPY 900 million compared to the end of the previous fiscal year. This was primarily due to a decline in cash and deposits, despite increases in inventories and fixed assets.

Inventories temporarily increased, partly due to the impact of U.S. tariffs. However, we plan to reduce them in a controlled manner toward the end of the fiscal year.

Regarding liabilities:

Liabilities decreased by approximately JPY 3.2 billion, primarily due to reductions in borrowings and accrued expenses.

Equity ratio:

The equity ratio improved by 2.8 percentage points from the previous fiscal year-end, reaching 61.7%.

Consolidated Performance <Consolidated Statement of Cash Flows>



Cash Flows from Operating Activities

- Cash flows amounted to approximately JPY 2.29 billion, primarily due to an increase in inventories, payment of corporate taxes, recognition of profit before income taxes and depreciation.

Cash Flows from Investing Activities

- Cash outflows amounted to approximately JPY 1.96 billion, primarily due to the acquisition of fixed assets.

Cash Flows from Financing Activities

- Cash outflows amounted to approximately JPY 4.8 billion, primarily due to loan repayments and dividend payments.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down			
	1H FY2025	1H FY2026	YoY
CF from Operation Activities	6,741	2,288	-4,452
CF from Investing Activities	-1,082	-1,959	-876
Free Cash Flows (FCF)	5,658	329	-5,328
CF from Financing Activities	-4,250	-4,802	-551
Cash and cash equivalents at end of period	16,131	14,274	-1,856
Capital Expenditures	1,980	2,298	+318
Depreciation and Amortization	2,037	1,985	-51

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Operating cash flows amounted to approximately JPY 2.29 billion, primarily due to an increase in inventories, payment of corporate taxes, recognition of profit before income taxes, and depreciation.

Investing cash flows were negative at JPY 1.96 billion, mainly due to the acquisition of fixed assets.

Forecast for the FY2026

(Fiscal year ending March 2026)

Next, I will explain the forecast for the fiscal year 2026.

Forecast for the FY2026 *No Fix



[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	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

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We have not revised the forecast announced in May.

Forecast for the FY2026 *No Fix



[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	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 1Q FY2026 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%)	

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We have also made no changes to our forecasts by product category or by region.

【 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 U.S. and China, as the semiconductor market is expected to grow globally.	—	○		○	
Robotics	Growth is expected mainly in the U.S. 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 U.S. 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.	○	○	○	○	

The outlook for major industries remains unchanged from the previous update.

While conditions in the automotive and special vehicle industries, as well as the European market, remain uncertain, we expect relatively solid performance in the machine tools, semiconductors, robotics, and AGVs/AMRs industries.

Progress of Reform Projects Under the Medium-Term Management Plan

Next, Takao Funaki, Managing Director, will provide an explanation of the reform projects being promoted under the new medium-term management plan, which commenced this fiscal year.

My name is Takao Funaki, Managing Director.
I will now provide a detailed explanation.



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 the 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

Operating Profit margin: 13% or more

ROIC: 7% or more

Under the medium-term management plan, we are implementing initiatives to transform into a “New IDEC.”

These efforts focus on shifting to a customer-centric business structure and enhancing our ability to respond to market changes.

Currently, the IDEC Group is driving multiple reform projects across the organization to build this customer-centric business structure and realize the concept of “One IDEC.”

As a "New IDEC," we are driving initiatives to transform into a **Global, Customer-Centric Corporate Culture** and lay the foundation for becoming a **highly profitable company**.

1

**Global Matrix
Management
Structure**

2

**Global
Optimization
of SCM**

3

**Transformation of
R&D Processes
and Structure**

Today, we would like to introduce major reform projects aimed at transforming IDEC into a global, customer-centric corporate culture and laying the foundation for becoming a highly profitable company as a "New IDEC".

These projects are:

1. Establishing a Global Matrix Management Structure
2. Optimizing Global Supply Chain Management
3. Transforming R&D Processes and Structure

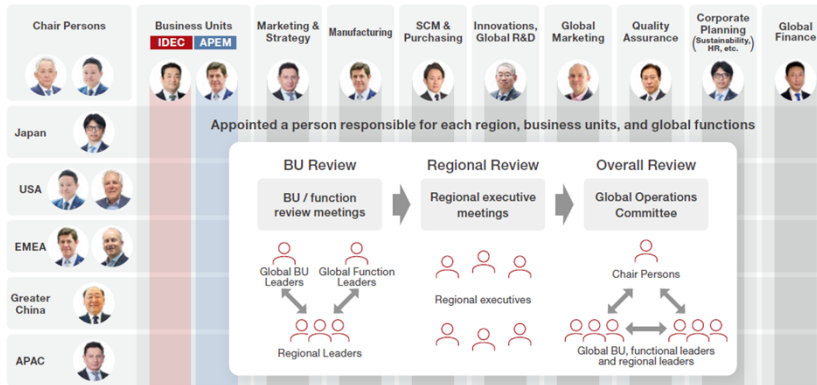
I will explain each of these three reforms in order.

(1) Global Matrix Management Structure



- Operations began under new structure in April.
- **The Global Operations Committee (GOC) was established and began operations.**
- **Achieving rapid decision-making** through clarifying responsibilities and monthly and quarterly meetings with information exchange.
- Discussing progress by region and function, reform projects, and key issues.
- Policies are determined by the GOC and submitted to the Top Management Meeting and the Board of Directors.

Global Matrix Management Structure



Highlights from the GOC Meeting



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First, let me introduce the initial initiative.

In April 2025, we launched the Global Matrix Management Structure and began operations under this new framework. At the same time, we established the Global Operations Committee, commonly referred to as the GOC.

This organization is structured along both business/function axes and regional axes, with designated leaders assigned to each. This approach clarifies responsibilities for business planning and aims to align global business strategies with regional strategies.

The GOC achieves swift decision-making through regular monthly and quarterly meetings to share information.

These meetings cover regional and functional updates, reform projects, and key issues.

After decisions are made within the GOC, they are submitted to the Top Management Meeting and the Board of Directors.

Progress on the medium-term management plan is also reviewed by the GOC, and currently, we are on track with the plan.

(1) Global Matrix Management Structure



- **To enhance overall group performance by leveraging the strengths and expertise of the IDEC and APEM brands to the fullest**, we have established two Business Units—IDEC and APEM—and are promoting business operations through mutual communication.

【Business Objectives】

- ✓ **Safety Business Sales** : JPY 11.0 billion (FY2025) ⇒ **1.5 times (FY2028)**
- ✓ **Solutions Business Sales Ratio** : 10% (FY2025) ⇒ **15% (FY2028)**
- ✓ **New Product Sales Ratio** : 10% (FY2025) ⇒ **15% (FY2028)**

In this organization, we have established two Business Units along the business axis: IDEC and APEM.

Until now, these units operated as separate entities. However, they have now been structured as Business Units to maximize the strengths and expertise of both brands and enhance the overall performance of the group. The two units promote business through mutual communication.

In the medium-term management plan, we have set three goals under the Business Unit axis:

Increase sales in the safety business by 1.5 times

Raise the proportion of solutions business sales and the ratio of new product sales from 10% to 15%

We are actively working toward achieving these goals.

(1) Global Matrix Management Structure



IDEC Business Unit

- Expand the product portfolio and pursue M&A and partnerships **to strengthen global presence as a safety equipment manufacturer.**
- **Expand products, services, and solutions that meet the growing needs of the “Collaborative Safety” field**, aiming to balance safety and productivity in environments where humans and machines work together.
- **Increase in sales of mobility-related products and solutions**, including AGVs and AMRs, in Japan, Europe, and the U.S.

HMI-X [Transformation]



APEM Business Unit

- Focus on four areas: material handling, construction, defense, and e-Transportation (such as electric vehicles).
- Aim to become the **No.1 supplier of HMI products for special vehicles**, while strengthening joystick development for the construction industry to expand presence.
- Concentrate on promising products through **selection and focus**, discontinuing low-sales and low-margin products.
- **Enhance added value** by developing **new features that customers need**, such as safety functions.



Within the IDEC Business Unit, we are committed to expanding our product portfolio and pursuing mergers, acquisitions, and strategic partnerships to strengthen our global presence as a safety equipment manufacturer.

Furthermore, to reinforce the "Collaborative Safety" field—which IDEC has promoted and where demand continues to grow, aiming to achieve both safety and productivity in environments where humans and machines work together—we are expanding our range of products, services, and solutions.

We are also striving to increase sales of mobility-related products and solutions, such as AGVs and AMRs, in Japan, Europe, and the United States.

As for the APEM Business Unit, its strength lies in highly robust products with superior environmental resistance. Accordingly, it is focusing on four areas: material handling, construction, defense, and e-Transportation (including electric vehicles).

We aim to become the No. 1 supplier of HMI products for special vehicles and are working to expand our presence by strengthening joystick development for the construction industry.

In addition, we are implementing a 'selection and focus' strategy by concentrating on products that meet customer needs in high-growth markets, while discontinuing products with low sales and profit margins.

At the same time, we are working to enhance the added value of our products by actively developing new features—such as safety functions—that customers demand.

(2) Global Optimization of SCM



■ Roll out SCP system globally

- Implemented in Japan and China by the previous fiscal year.
- **Promoting phased global implementation.**
- **Improving demand-supply planning** through collection and centralized management of demand-supply data from each region.



■ Shorten lead times by reviewing logistics network

- **Reviewed the logistics network concept** in the first half.
- **Verifying the To-Be** model for realization in the second half.
- **Planning to start building the To-Be model structure** from next fiscal year.

■ Improve purchasing efficiency through supplier selection and consolidation at IDEC and APEM

- Reviewed supplier evaluation criteria and began category-based supplier consolidation in the first half.
- **Preparing in the second half for global rollout** starting next fiscal year.

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For the second reform project- Optimizing Global Supply Chain Management -, we are deploying a supply chain planning system globally.

By collecting and centrally managing supply and demand data from each region, we aim to improve demand-supply planning and build a system that enables more flexible and faster responses.

Implementation has already been completed in Japan and China as of the previous fiscal year, and we are currently promoting global rollout in phases.

We have also begun efforts to shorten lead times by reviewing our logistics network.

In the first half of the year, we examined the future vision of the logistics network.

Starting in the second half, we plan to validate the To-Be model and prepare to begin system development in the next fiscal year.

We are also working to improve purchasing efficiency by

selecting and consolidating suppliers for both IDEC and APEM. In the first half, we reviewed supplier evaluation criteria and began consolidating suppliers by category. Preparations for global rollout will begin in the second half, with full implementation planned from the next fiscal year.

- **Review product development process based on customer needs to achieve a “customer-centric” business**
 - Conducted process analysis and review in the first half.
 - Designed and introduced **a new process to confirm customer needs** at each milestone of development meetings.
- **Establish a three-pillar structure (Japan, Americas, Europe); standardize development processes across the group and adjust resource allocation**
 - **Launched a Competence Center** in Europe **to strengthen** APEM switches and future-demand areas such as **functional safety** and **cybersecurity products**.
 - Standardizing development processes across IDEC Group within this fiscal year to reduce development time.

Lastly, regarding the transformation of R&D processes and structure:

To build a customer-centric business structure as outlined in the medium-term management plan, we are reviewing our product development processes to better reflect customer needs.

In the first half of the fiscal year, we conducted an analysis and review of the development process.

We introduced a new process that incorporates customer needs at each milestone of development meetings.

By making the development process more concurrent, we aim to shorten development lead times.

In Europe, in addition to APEM's switches, we have established a Core Competence Center to strengthen our offerings in functional safety and cybersecurity products, which are expected to see growing demand.

During this fiscal year, we will standardize the development process across the entire IDEC Group.

That concludes the explanation of the reform projects under the medium-term management plan.

References

FY2026 exchange rate and exchange rate sensitivity



Currency	Exchange Assumption	Estimated impact of a JPY 1 fluctuation *For CNY, estimated impact based on a JPY 0.1 fluctuation	
		Net Sales	Operating Profit
USD	JPY 145	Approx. JPY 100 million	Approx. JPY 10 million
EUR	JPY 160	Approx. JPY 110 million	Approx. JPY 10 million
CNY	JPY 20.50	Approx. JPY 40 million	Approx. JPY 5 million

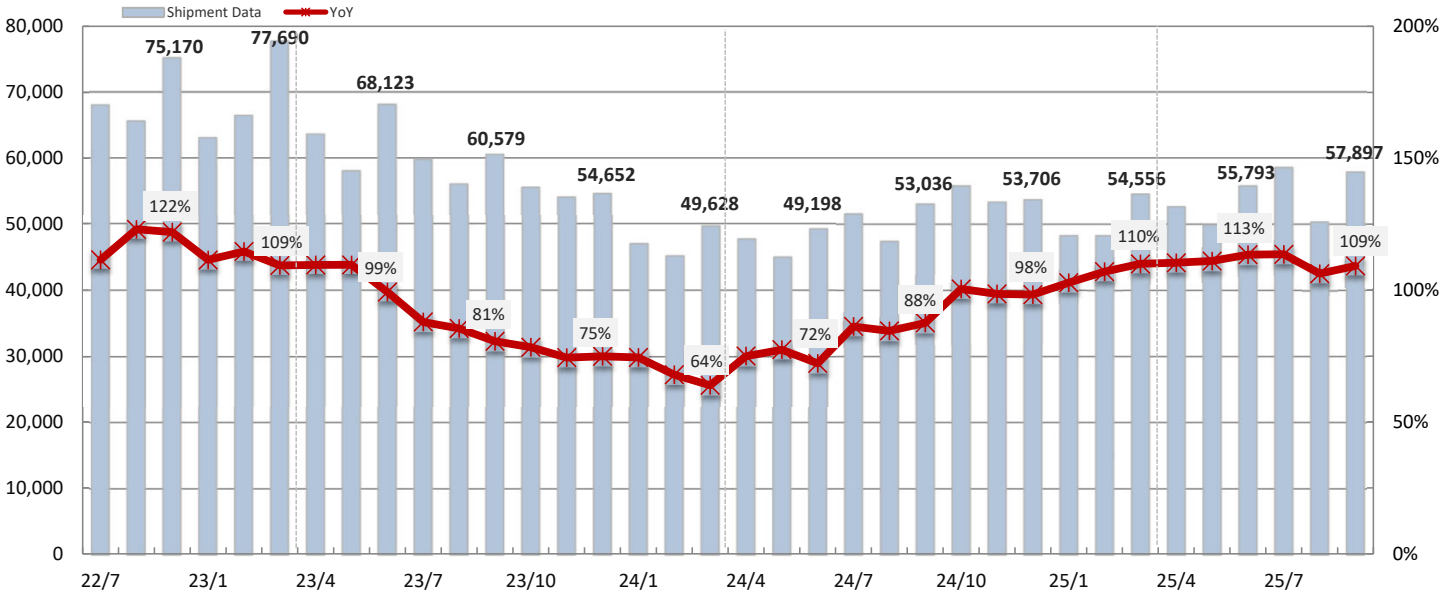
Industry Trend (Transition of shipment data of NECA*)

*Nippon Electric Control Equipment Industries Association



Transition of the industrial shipment and YoY status (between Jul. 2022 to Sep. 2025)







[Unit: Millions of JPY]



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Sales Classification by Segment



HMI	Industrial Relays & Components	Automation & Sensing	Safety & Explosion Protection	Systems
<ul style="list-style-type: none"> Industrial switches Joysticks Pilot lights Operator interfaces  <p>APEM products</p>  	<ul style="list-style-type: none"> Switching power supplies Terminal blocks Industrial relays/sockets Circuit protectors LED illumination units   	<ul style="list-style-type: none"> Programmable logic controllers Sensors Automatic identification devices  	<ul style="list-style-type: none"> Safety-related products Explosion protection products 	<ul style="list-style-type: none"> Collaborative robot systems Interface complex systems Security systems Other various systems   

This material contains our plans and performance forecasts, which we have planned and expected in accordance with available information as of November 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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