Financial Results for FY2026
(April 1, 2025 to March 31, 2026)

IDEC CORPORATION

Securities code: 6652

May 14, 2026

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We will now begin the IDEC Corporation Financial Results Briefing for the FY2026.
My name is Rieko Motoyama from Corporate Communications Office, and I will be serving as today's moderator.

Please allow me to introduce the attendees for today's session:
Toshiyuki Funaki, Chairman and CEO
Takao Funaki, Managing Director
Yasuyuki Ogawa, Division General Manager of the Global Finance Division
Thank you for joining us.

Today, we will begin with opening remarks from our CEO. This will be followed by an overview of our financial results, as well as an update on the progress of our medium-term management plan. After that, we will move on to the Q&A session.
Now, I would like to hand the floor over to our CEO.

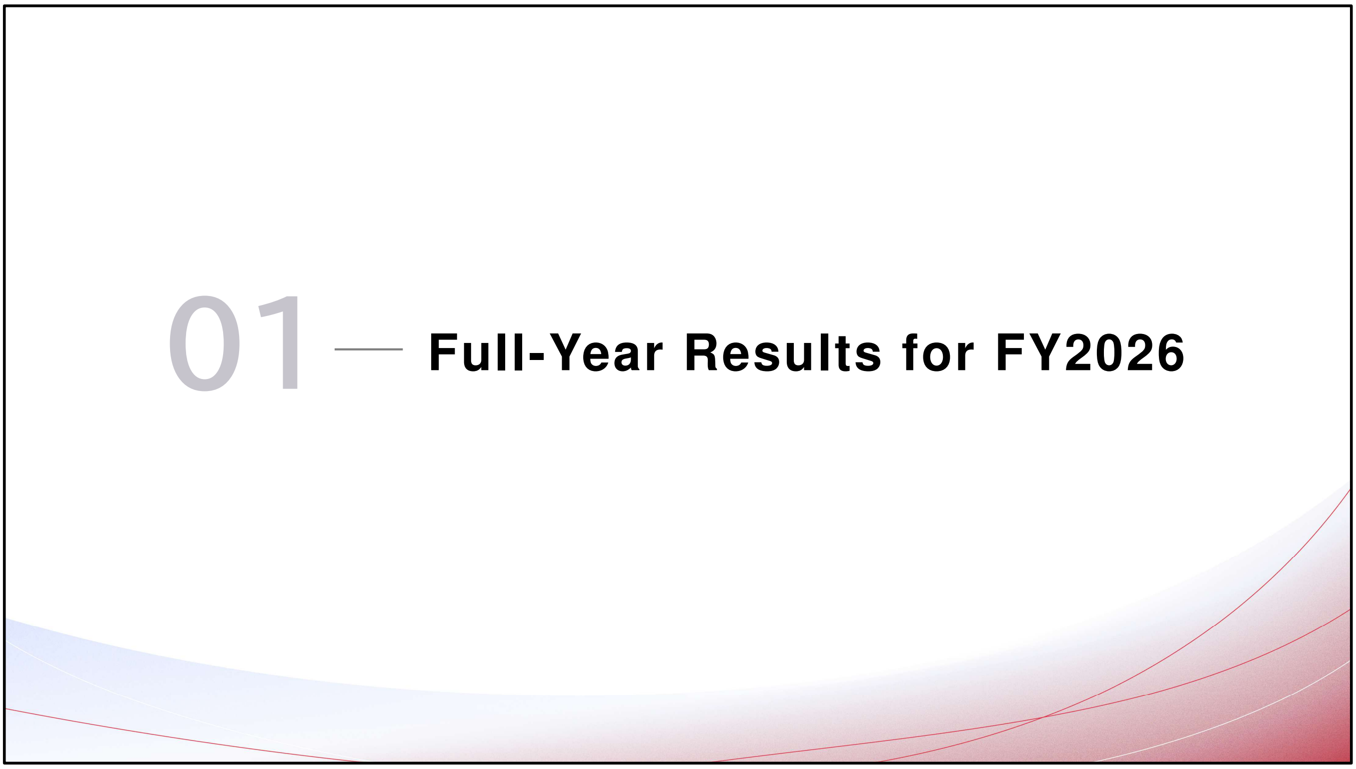
This is CEO, Toshiyuki Funaki.
Thank you very much for taking the time to join us today.

As we move forward with our mid-term management plan aimed at realizing "New IDEC," we achieved significant increases in both revenue and profit in the previous fiscal year—serving as the first year of this initiative.

With this “New IDEC” initiative, we’ve been introducing a range of measures over the past three years, shifting from a Japan-focused approach to a more global way of managing the business. That said, we’re still in the early stages, and there’s more work to be done.

Looking ahead, we’ll continue to drive this plan forward. As we move into the second and third years, you’ll see our management style evolve further—from Japan-centered to truly global—and we believe this will also lead to continued improvements in our performance.

I’m sure you have questions, and I, along with the team here today, would be happy to answer them. Thank you again.



Next, I would like to walk you through an overview of our financial results.

Key Points of our Financial Results

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Net sales	**Net sales JPY 72.9 billion** (YoY +8.3%) ● As channel inventory has been absorbed both in Japan and overseas, demand from major industries has expanded, driving sales growth across various regions, particularly in China and the United States. ● In the first year of the medium-term management plan, we achieved results that significantly exceeded initial targets.
Profit	**Operating profit JPY 6.1 billion** (YoY +67.5%) **Operating profit margin 8.4%** ● Earnings also improved significantly due to the increased revenue.
Dividends	**Annual dividends JPY 130** (Dividends payout ratio 99.1%)

This is the key highlights of our financial results for the fiscal year ended March 2026.
One of our key challenges in the previous fiscal year was the reduction of excess inventory in the distribution channel. This issue has been steadily absorbed both in Japan and overseas, while demand in our major industries has expanded. As a result, net sales increased across various regions, particularly in China and the United States, reaching 72.9 billion yen, up 8.3% year on year.

As the first year of our medium-term management plan, we significantly exceeded our initial targets. Operating profit improved substantially, supported by higher sales, and reached 6.1 billion yen, up 67.5% compared to the previous year. Our operating profit margin was 8.4%, exceeding our plan of 6.9%.

As for shareholder returns, the annual dividends will be 130 yen as planned, resulting in a dividend payout ratio of 99.1%.

Consolidated Results (Full Year)

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

	FY2025		FY2026		
	Actual	Sales ratio	Actual	Sales ratio	YoY
Net sales	67,380	100.0%	**72,967**	100.0%	+8.3%
Gross profit	29,437	43.7%	**32,349**	44.3%	+9.9%
SG&A	25,784	38.3%	**26,230**	35.9%	+1.7%
Operating profit	3,652	5.4%	**6,118**	8.4%	+67.5%
Ordinary profit	3,477	5.2%	**6,569**	9.0%	+88.9%
Profit attributable to owners of parent	1,778	2.6%	**3,873**	5.3%	+117.7%
Basic earnings per share (JPY)	60.36	–	**131.22**	–	+70.86

	FY2025	FY2026	YoY
Average exchange rate for USD	152.62	**150.67**	-1.95
Average exchange rate for EUR	163.87	**174.64**	+10.77
Average exchange rate for CNY	21.11	**21.22**	+0.11

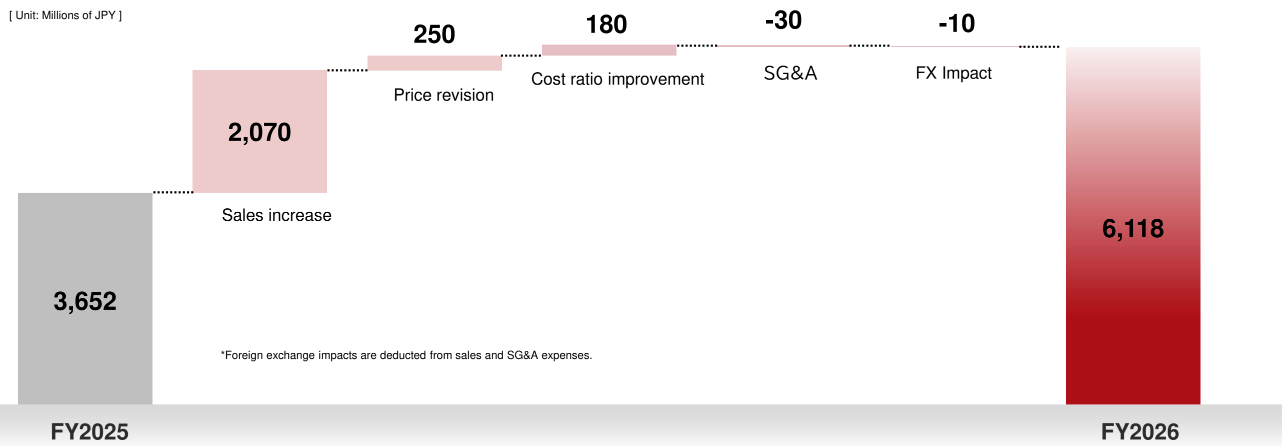
For the full-year consolidated results, our gross profit margin improved to 44.3%, mainly driven by higher sales.

SG&A expenses in Japan decreased due to lower labor costs, reflecting the implementation of our second-career support program in the previous fiscal year. Meanwhile, SG&A expenses overseas increased, primarily due to foreign exchange impacts.

As a result, the SG&A ratio came in at 35.9%.

Factors of Operating Profit and Loss Fluctuations

- Due to the increase in sales in each region, operating profit increased by approx. 2.46 billion yen compared to the previous fiscal year.



Regarding the factors behind the change in operating profit, we saw an increase of approximately 2.46 billion yen compared to the previous fiscal year.

This was mainly driven by higher sales across each regions, the positive impact of price revisions implemented globally, and improvements in our cost ratio.

Consolidated Results (Quarterly)

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[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2025 4Q (January-March)		FY2026 1Q (April-June)		FY2026 2Q (July-September)		FY2026 3Q (October-December)		FY2026 4Q (January-March)		
	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	**Actual**	**Sales ratio**	**Year-on-year**
Net sales	17,909	100.0%	15,736	100.0%	18,374	100.0%	18,906	100.0%	**19,950**	**100.0%**	**+11.4%**
Gross profit	8,040	44.9%	6,643	42.2%	8,584	46.7%	8,377	44.3%	**8,743**	**43.8%**	**+8.7%**
SG&A	6,688	37.3%	6,318	40.2%	6,298	34.3%	6,608	35.0%	**7,005**	**35.1%**	**+4.7%**
Operating profit	1,351	7.5%	324	2.1%	2,286	12.4%	1,769	9.4%	**1,738**	**8.7%**	**+28.6%**
Ordinary profit	1,110	6.2%	627	4.0%	2,282	12.4%	2,003	10.6%	**1,656**	**8.3%**	**+49.2%**
Profit attributable to owners of parent	162	0.9%	465	3.0%	1,290	7.0%	1,130	6.0%	**987**	**4.9%**	**+506.2%**
Basic earnings per share (JPY)	5.52	–	15.77	–	43.71	–	38.30	–	**33.44**	–	

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Looking at our quarterly performance, strong order trends supported solid sales across all regions, leading to growth in both revenue and profit both year on year and quarter on quarter.

The operating profit margin for the fourth quarter was 8.7%.

Sales by Region

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down (Sales ratio)	FY2025	FY2026	YoY
Japan	24,294 (36.1%)	**24,500 (33.6%)**	+0.9%
Overseas	43,085 (63.9%)	**48,466 (66.4%)**	+12.5%
Americas	14,389 (21.4%)	**15,944 (21.8%)**	+10.8%
EMEA (Europe, Middle East, and Africa)	14,512 (21.5%)	**15,657 (21.5%)**	+7.9%
Asia Pacific	14,184 (21.0%)	**16,865 (23.1%)**	+18.9%
Total	67,380 (100%)	**72,967 (100%)**	+8.3%

Japan
- Sales increased as channel inventory was worked down, demand in major industries gradually recovered and, orders began to take precedence despite the impact of the business transfer involving a Group company.

Americas
- Sales increased, driven by the pass-through of additional U.S. tariff costs to selling prices, as well as progress in clearing backlog.

EMEA
- Sales in Europe increased, supported by the impact of the weaker JPY, even though demand in major industries declined due to the economic downturn and geopolitical risks.

Asia Pacific
- Sales in Asia-Pacific remained strong, driven by growing demand in China's automotive and semiconductor industries, as well as the normalization of channel inventory levels.

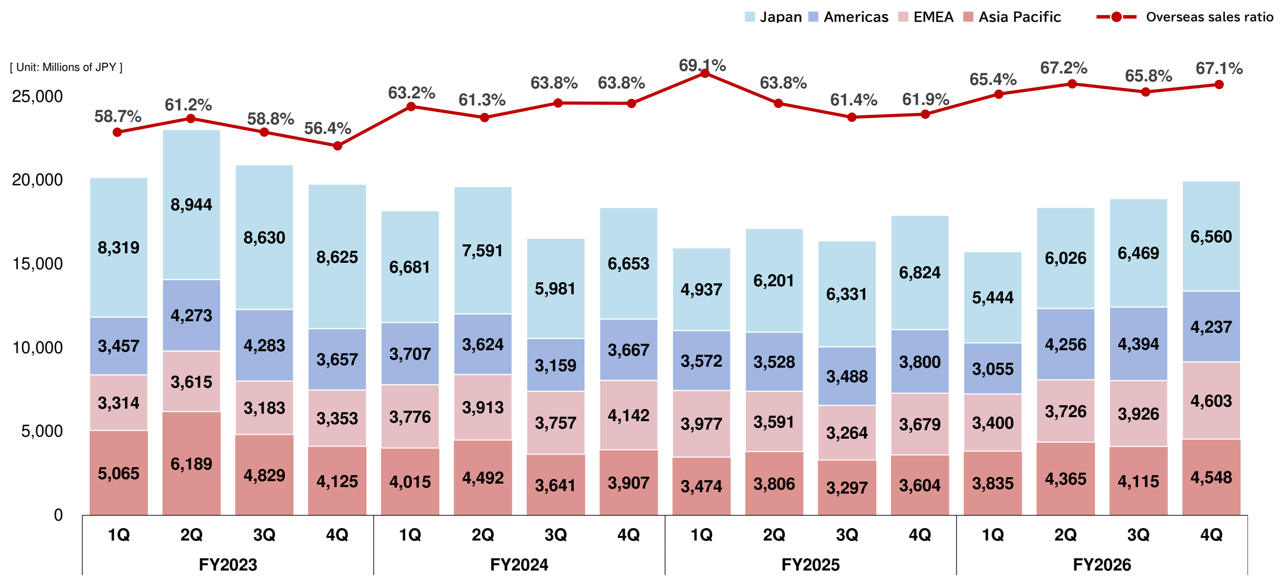
Turning to sales by destination, in Japan, demand in our key industries gradually recovered alongside the reduction of inventory in the distribution channel.
In addition, orders began to pick up ahead of sales.
As a result, despite the impact of a business transfer within the Group, sales increased.

In the Americas, sales rose 12.5% year on year, supported by price pass-throughs reflecting additional tariffs, as well as progress in reducing the order backlog.

In EMEA, although demand in our main industries declined due to the economic slowdown in Europe and geopolitical risks, sales increased by 7.9% year on year, mainly due to the weaker yen.

In the Asia-Pacific region, sales remained strong, increasing 18.9% year on year, driven by expanding demand in China, particularly in the automotive and semiconductor industries, as well as the normalization of distribution inventory.

Sales by Region (Quarterly)



*Rounded down to less than one million yen

Looking at the quarterly trend, supported by the reduction in distribution inventory and seasonal demand toward the fiscal year-end, sales increased both year on year and quarter on quarter.

As a result, the overseas sales ratio reached 67.1%.

Sales by Product

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down (Composition ratio)	FY2025	FY2026	YoY
HMI	31,842 (47.3%)	**34,085 (46.7%)**	+7.0%
Industrial Relays & Components	11,294 (16.8%)	**13,005 (17.8%)**	+15.2%
Automation & Sensing	8,705 (12.9%)	**8,193 (11.2%)**	-5.9%
Safety & Explosion protection	11,045 (16.4%)	**12,665 (17.4%)**	+14.7%
Systems	3,479 (5.2%)	**5,016 (6.9%)**	+44.2%
Others*	1,013 (1.4%)	**—**	—
Total	67,380 (100%)	**72,967 (100%)**	+8.3%

*Due to the sale of IDEC Systems & Controls Co., Ltd. (solar power generation business), etc., "Other" will be abolished from the fiscal year ending March 2026.

HMI
- Despite the impact of the economic slowdown in Europe and the decline in demand in the special vehicle industry, sales of industrial switches for factory automation remained strong, driven by the normalization of channel inventories.

Industrial Components
- Sales of control relays remain strong in core markets, including Asia Pacific and North America.

Automation & Sensing
- In the programmable controller market, which is our core product, North America grew steadily, but new orders decreased due to inventory adjustments from OEMs.
- In the previous fiscal year, there were large orders for automatic recognition equipment in Japan, and the overall sales decreased compared to the previous fiscal year.

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.

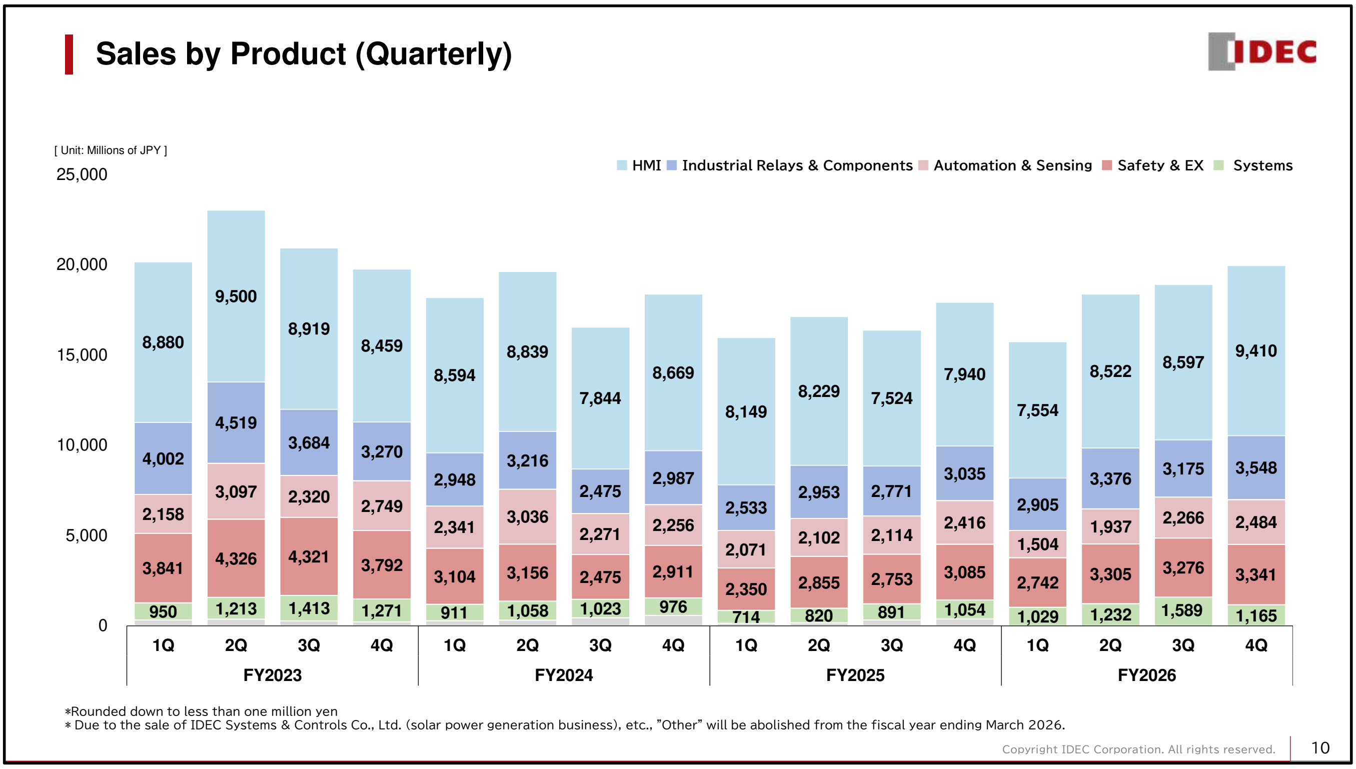
System
- Sales of control panels for semiconductor manufacturing and logistics-related equipment increased in Japan, Asia, and the Pacific.

Turning to sales by product segment, in the HMI business, although there was some impact from the economic slowdown in Europe and weaker demand in the special vehicle industry, sales increased by 7.0% year on year.
This was supported by the normalization of distribution inventory, as well as steady sales of industrial switches for factory automation applications.

In the Industrial Relays & Components business, sales grew by 15.2% year on year, driven by strong performance of control relays in our key markets, particularly Asia-Pacific and North America.

In the Automation & Sensing business, while our core product, programmable controllers, performed steadily in North America, our main market, new orders declined due to inventory adjustments at OEM customers.
In addition, the previous fiscal year included large orders for automatic identification equipment in Japan following the issuance of new banknotes.
As a result, overall sales in this segment decreased by 5.9% year on year.

In the Safety & Explosion protection business, sales increased by 14.7% year on year, supported by solid performance of safety-related products within our key markets of Japan and Asia-Pacific.



Looking at the quarterly trend, all of our major business segments achieved sales growth.

In particular, the HMI business recorded strong growth both year on year and quarter on quarter, driven by a recovery in APEM sales in Europe.

Order Received

- Led by China and the Americas, order trends in each region continued to recover.
  Both the amount of orders received and the backlog balance increased compared with the previous year.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2025		FY2026			
	Amount of orders received	Backlog	Amount of orders received	YoY	Backlog	YoY
Japan	27,635	5,271	**28,321**	+2.5%	**6,605**	+25.3%
Americas	13,910	2,611	**16,519**	+18.8%	**3,392**	+29.9%
EMEA (Europe, Middle East, and Africa)	14,425	7,522	**16,243**	+12.6%	**7,813**	+3.9%
Asia Pacific	12,849	4,353	**15,500**	+20.6%	**5,564**	+27.8%
Total	68,821	19,758	**76,585**	+11.3%	**23,376**	+18.3%

Regarding order received, the recovery trend continued across all regions, led by China and the Americas.
As a result, both order intake and the order backlog increased year on year.

Order Received (Quarterly)

- In the fourth quarter, typically the fiscal year-end period when orders increase, order intake expanded across all regions compared with the third quarter, led mainly by Japan and China.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2025 4Q (January-March) Amount of order received	FY2025 4Q (January-March) Backlog	FY2026 1Q (April-June) Amount of order received	FY2026 1Q (April-June) Backlog	FY2026 2Q (July-September) Amount of order received	FY2026 2Q (July-September) Backlog	FY2026 3Q (October-December). Amount of order received	FY2026 3Q (October-December). Backlog	FY2026 4Q (January-March) Amount of order received	FY2026 4Q (January-March) Backlog
Japan (excluding solar power generation business)	7,535 (6,320)	5,271	6,541	5,985	6,875	6,168	6,621	5,627	**8,282**	**6,605**
Americas	3,908	2,611	3,557	3,191	3,953	2,929	4,302	2,873	**4,706**	**3,392**
EMEA (Europe, Middle East, and Africa)	3,776	7,522	2,989	7,086	3,767	7,072	4,675	7,738	**4,812**	**7,813**
Asia Pacific	4,573	4,353	2,421	3,269	3,007	2,591	3,451	2,665	**6,620**	**5,564**
Total	19,794	19,758	15,510	19,532	17,604	18,762	19,050	18,906	**24,420**	**23,376**

Looking at the quarterly trend, the fourth quarter, which marks the fiscal year-end, typically sees an increase in order received, and this was also the case this year, with strong performance across all regions.

In particular, Japan and China recorded notable growth quarter on quarter.
In Japan, orders remained strong, especially for semiconductor-related equipment, and system orders from Group companies also increased.

In China, order received rose significantly in the fourth quarter, reflecting the typical year-end seasonal increase.

Consolidated Balance Sheet

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2025	FY2026	YoY
Current asset	51,480	**53,312**	+1,831
Non-current asset	55,736	**60,259**	+4,523
Current liabilities	27,662	**27,065**	-596
Non-current liabilities	15,744	**16,586**	+841
Total net assets	63,810	**69,920**	+6,110
Total liabilities and net assets	107,216	**113,572**	+6,355
Equity-to-asset ratio	58.9%	**61.0%**	+2.1%

Assets

- Total assets increased by approx. JPY 6.35 billion compared with the previous fiscal year, despite a decrease in cash and deposits. The increase was driven by growth in tangible fixed assets, trade receivables, and inventories.

Liabilities

- Liabilities increased by approx. JPY 0.24 billion from the previous fiscal year. This was mainly due to higher borrowings, despite decreases in accounts payable and trade payables.

Net assets

- Net assets increased by approx. JPY 6.11 billion from the previous fiscal year. This increase was mainly due to higher foreign currency translation adjustments.

Turning to the balance sheet, while cash and deposits decreased, tangible fixed assets—such as our new U.S. head office—as well as trade receivables and inventories increased.
As a result, total assets rose by approximately 6.35 billion yen compared with the end of the previous fiscal year.

Regarding liabilities, although accounts payable and accrued expenses declined, interest-bearing debt increased.
As a result, total liabilities increased by approximately 240 million yen compared with the end of the previous fiscal year.

The equity ratio improved by 2.1 percentage points from the previous fiscal year to 61%.

Consolidated Cash Flow

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[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2025	FY2026	YoY
CF from operating activities	11,248	**7,442**	-3,805
CF from investing activities	-4,097	**-5,296**	-1,199
Free cash flows (FCF)	7,150	**2,145**	-5,005
CF from financing activities	-2,905	**-3,690**	-785
Cash and cash equivalents at end of period	19,194	**18,142**	-1,052

CF from operating activities

- Cash flows amounted to approx. JPY 7.44 billion. This reflected income before income taxes, depreciation, and the recognition of structural reform expenses, despite the payment of income taxes.

CF from investing activities

- Cash outflows amounted to approx. JPY 5.29 billion, mainly due to expenditures for the acquisition of fixed assets.

CF from financing activities

- Cash outflows amounted to approx. JPY 3.69 billion, primarily due to dividend payments.

Turning to cash flows, operating cash flow totaled 7.44 billion yen.
While we made payments for income taxes, this was more than offset by factors such as depreciation and amortization, profit before income taxes, and the recording of business restructuring expenses.

Investing cash flow was negative 5.29 billion yen, mainly due to capital expenditures for the acquisition of fixed assets.

As a result, free cash flow amounted to 2.14 billion yen.

02 — **Forecast for the FY2027**

Next, I would like to walk you through our financial outlook for the FY2027.

Forecast for the FY2027

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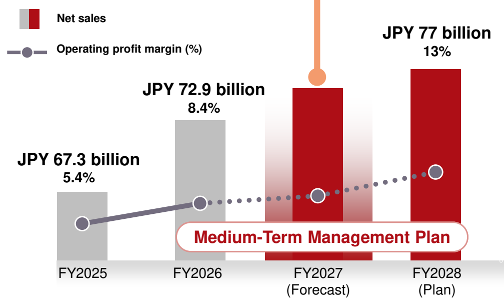
	Initial plan (Announced in May 2025)	Forecast (Announced on May 14, 2026)
Net sales	JPY 72 billion	**JPY 75.5 billion**
Operating profit (Margin)	JPY 7.2 billion (10%)	**JPY 7.2 billion (9.5%)**

Trends in sales and operating profit margin



- In the second year of the medium-term management plan, we reviewed the initial plan based on the global market environment.

Positive factors

- Due to strong global orders and foreign exchange effects, sales are expected to increase from initial expectations.
- Continue to reduce costs by reorganizing sites and reviewing product prices.

Negative factors

- Rising costs due to rising prices of raw materials such as resin and copper, as well as soaring transportation costs against the backdrop of rising geopolitical risks.
- In addition to human resource investment, SG&A expenses increased due to depreciation and amortization expenses related to investment in IT security and various systems, which have been implemented since the previous fiscal year.

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When we announced our medium-term management plan in May 2025, we initially set our targets for the FY2027—the second year of the plan—at net sales of 72.0 billion yen and an operating margin of 10%.
We have since revised this outlook to reflect the current global market environment, and we now forecast net sales of 75.5 billion yen and an operating margin of 9.5%.

Compared with our assumptions a year ago, positive factors include continued strength in order received globally, as well as the impact of foreign exchange, which is expected to support higher sales.

On the other hand, as for the downside factors, costs have increased beyond our initial expectations.
This is mainly due to higher raw material prices, such as resins and copper, as well as increased transportation costs reflecting heightened geopolitical risks.

In addition, SG&A expenses are expected to increase due to foreign exchange impacts, rising wages, and continued global talent investments.
Furthermore, depreciation expenses related to IT security enhancements and various system investments implemented in recent years will begin to be recognized from this fiscal year.

Going forward, we will continue our efforts to reduce costs, including optimizing our business locations and reviewing product pricing, while aiming to improve profitability.

Forecast for the FY2027

- Based on the strong order situation, forecast to increase sales and profit compared to the previous fiscal year.

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

	FY2026		FY2027		
	Actual	Sales Ratio	Forecast	Sales Ratio	YoY
Net sales	72,967	100.0%	**75,500**	100.0%	+3.5%
Gross profit	32,349	44.3%	**35,200**	46.6%	+8.8%
SG&A	26,230	35.9%	**28,000**	37.1%	+6.7%
Operating profit	6,118	8.4%	**7,200**	9.5%	+17.7%
Ordinary profit	6,569	9.0%	**6,750**	8.9%	+2.7%
Profit attributable to owners of parent	3,873	5.3%	**6,000***	76.9%	+54.9%
Basic earnings per share (JPY)	131.22	–	**203.25**	–	+72.03

*By selling the land and buildings of the former office building at the U.S. base, we expect to record an extraordinary profit of 3.9 billion yen.

	FY2026	FY2027	YoY
Average exchange rate for USD	150.67	**150.00**	-0.67
Average exchange rate for EUR	174.64	**180.00**	+5.36
Average exchange rate for CNY	21.22	**21.00**	-0.22

As mentioned earlier, supported by strong order received, we expect both revenue and profit to increase year on year.

The gross profit margin is expected to improve from 44.3% in the previous fiscal year to 46.6%.
However, as explained earlier, SG&A expenses are expected to increase, and we are forecasting an operating margin of 9.5%.

In addition, we expect to record an extraordinary gain of 3.9 billion yen from the sale of land and buildings that previously housed our U.S. sales subsidiary’s former head office

.

As a result, net income is expected to reach 6.0 billion yen, with earnings per share of 203.25 yen.

Forecast for the FY2027

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- Sales are expected to increase mainly in HMI, automation & sensing, and safety & explosion protection businesses.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down (Composition ratio)	FY2026	FY2027	
	Actual	Forecast	YoY
HMI	34,085 (46.7%)	**35,200 (46.6%)**	+3.3%
Industrial Relays & Components	13,005 (17.8%)	**13,000 (17.2%)**	-0.0%
Automation & Sensing	8,193 (11.2%)	**8,800 (11.7%)**	+7.4%
Safety & Explosion Protection	12,665 (17.4%)	**13,400 (17.7%)**	+5.8%
Systems	5,016 (6.9%)	**5,100 (6.8%)**	+1.7%
Total	72,967	**75,500**	+3.5%

Domestic sales	24,500	**25,400**	+3.7%
Overseas Sales (Overseas sales ratio)	48,466 (66.4%)	**50,100 (66.4%)**	+3.4% (—)

As shown here, our forecasts by product segment and region are as presented.

We expect revenue growth both in Japan and overseas, particularly in the HMI, Automation & Sensing, and Safety & Explosion protection businesses.

Capital Expenditure, Depreciation and Amortization, and R&D Expenses

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- Promoting various investments to achieve sustainable growth.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2026	FY2027 (Forecast)	YoY
Capital expenditure	5,937	**4,100**	-30.9%
Depreciation and Amortization	3,997	**4,600**	+15.1%
R&D expenses	2,945	**3,300**	+12.1%

Capital expenditure

- Implementation of various systems (ERP, SCP, etc.), enhancement of IT security, and capital investment in the new U.S. site are generally completed by the FY2026.
- For the FY2027, it is forecast to be JPY 4.1 billion.

Depreciation and Amortization

- Depreciation and amortization expense for capital expenditure through FY2026 will begin in the FY2027.

In addition, we continue to make various investments to support sustainable growth.

Regarding capital expenditures, major projects—including the implementation of systems such as ERP, the strengthening of IT security, and the establishment of new sites such as our new U.S. facility—have largely been completed by the previous fiscal year.
As a result, capital expenditures for this fiscal year are expected to be 4.1 billion yen.

On the other hand, depreciation and amortization related to these investments will begin to be recognized from this fiscal year.
Accordingly, depreciation and amortization is expected to increase by 15.1% year on year to 4.6 billion yen.

R&D expenses are planned at 3.3 billion yen.

Exchange Rates and Exchange Sensitivity

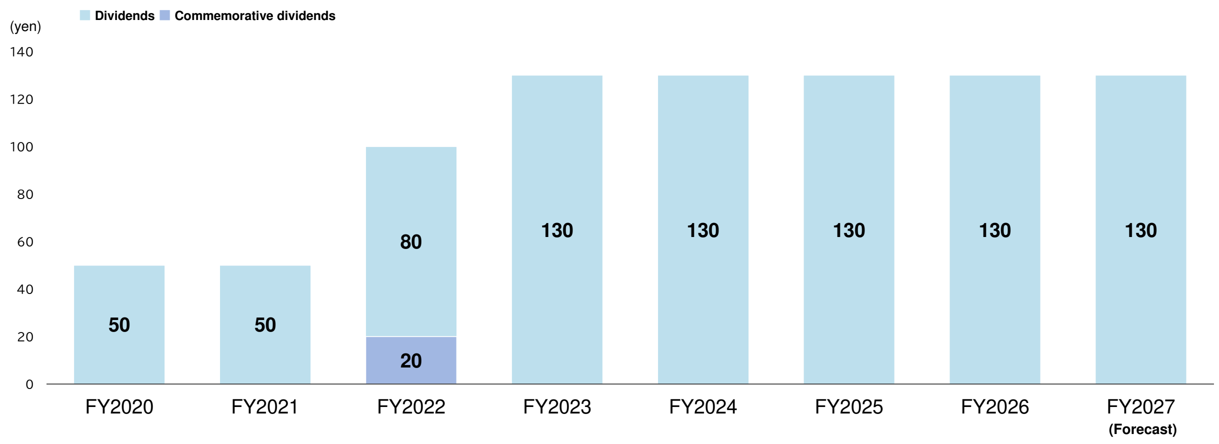
Currency	Exchange assumption	Estimated impact of a JPY 1 fluctuation *For CNY, estimated impact based on a JPY 0.1 fluctuation	
		Net sales	Operating profit
USD	JPY 150	Approx. JPY 120 million	Approx. JPY 10 million
EUR	JPY 180	Approx. JPY 90 million	Approx. JPY 7 million
CNY	JPY 21	Approx. JPY 40 million	Approx. JPY 5 million

For this fiscal year, our foreign exchange assumptions are 150 yen to the U.S. dollar, 180 yen to the euro, and 21 yen to the Chinese yuan.

The sensitivity to exchange rate fluctuations is as shown here.

Dividends

- Maintain an annual dividend of 130 yen (interim dividend of 65 yen, year-end dividend of 65 yen).



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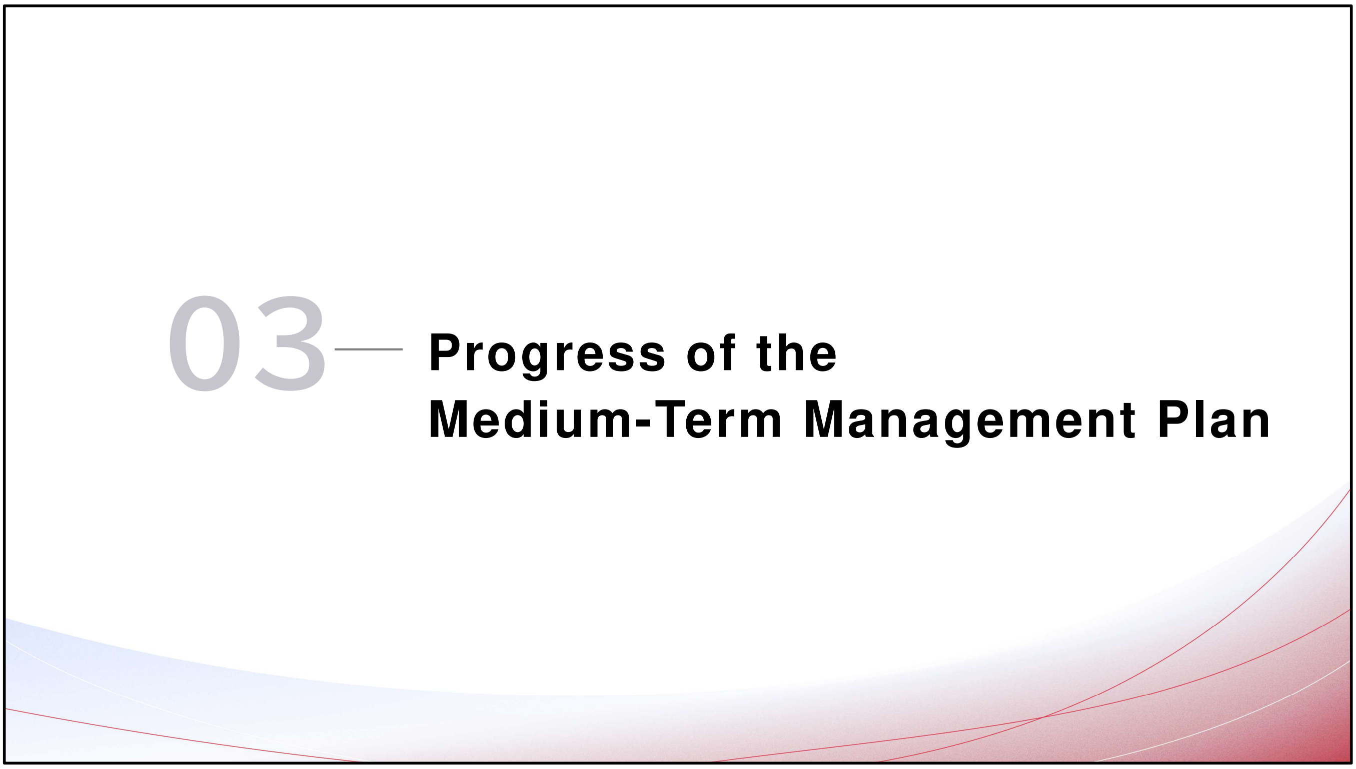
Regarding shareholder returns, we aim to maintain stable and sustainable dividends.

For this fiscal year, we plan an interim dividend of 65 yen and a year-end dividend of 65 yen, bringing the total annual dividend to 130 yen.

This concludes our presentation on the financial results.



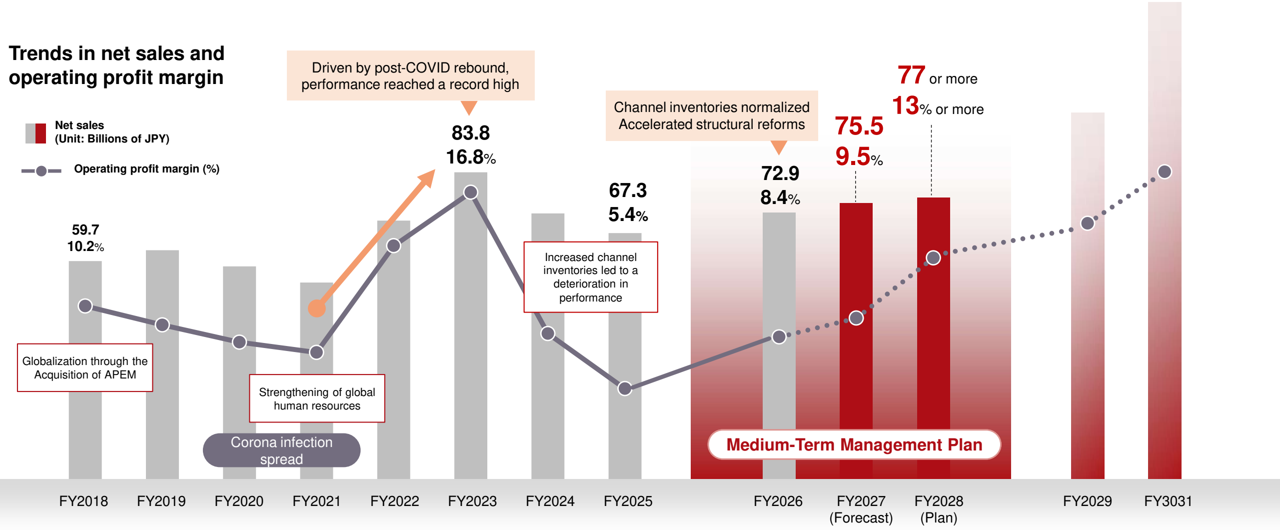
Next, we will move on to an update on the progress of our medium-term management plan, which will be presented by Director Takao Funaki.

This is Funaki, a Managing Director.
I would like to explain the progress of the medium-term management plan.

Medium-Term Management Plan

IDEC

- We are promoting a three-year medium-term management plan to strengthen our ability to respond to customer needs and transform into a global company with a high-profit structure.



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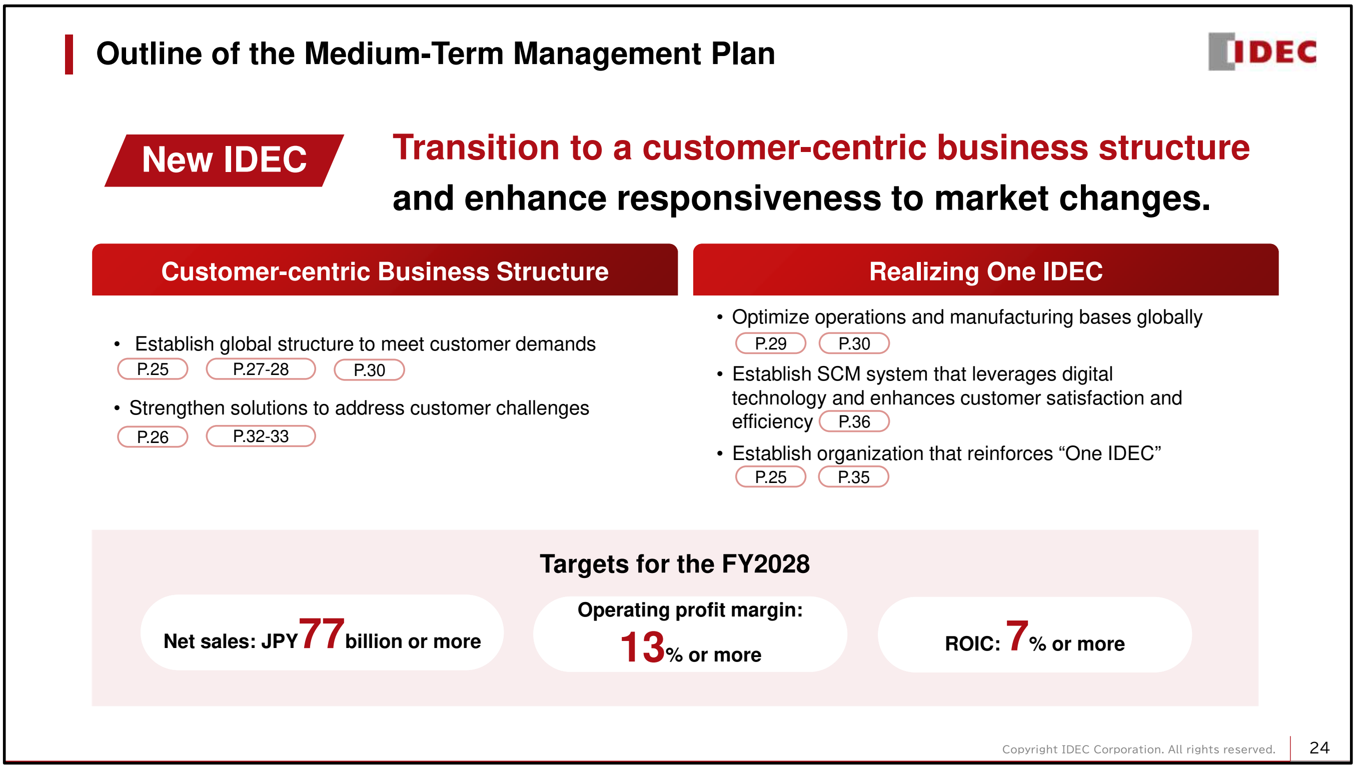
Currently, we are implementing a three-year medium-term management plan to enhance our ability to respond to customer needs and transform into a truly global company with a high level of profitability.

In the first year, we significantly exceeded our plan.
In the second year, we are targeting net sales of 75.5 billion yen and an operating margin of 9.5%.

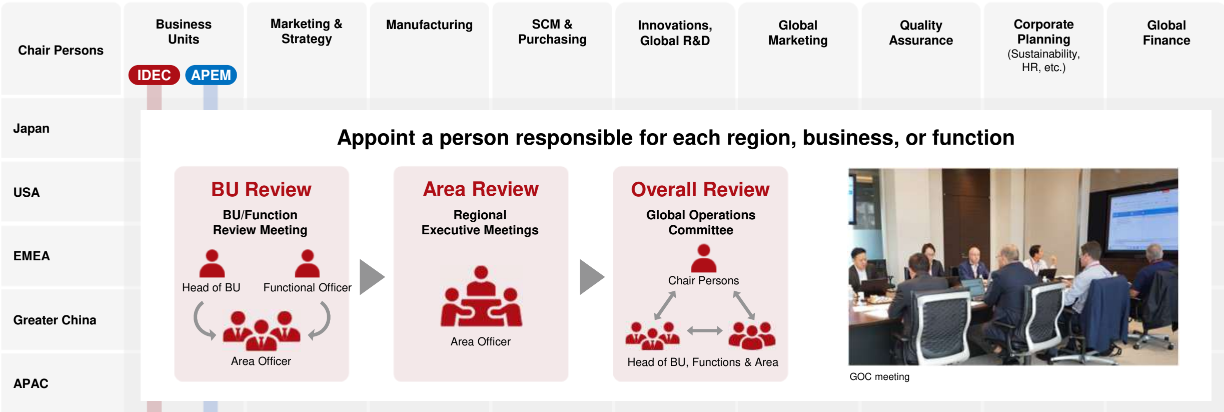


Our three-year targets are net sales of 77 billion yen or more, an operating margin of 13% or more, and an ROIC of 7% or more, and these targets remain unchanged.

To achieve our transformation into “New IDEC,” we are building a customer-centric business structure and working to realize “One IDEC.”

Renewal of the Global System

- Established a new global management matrix structure starting in April 2025.
- Established the Global Operations Committee (GOC) to review plans while regularly sharing information and checking progress, and steadily promoting annual and medium-term management plans.



In the previous fiscal year, we reorganized our global structure to better respond to customer needs and move toward becoming One IDEC.
In April 2025, we introduced a global management matrix system, with leaders assigned across both functional and regional axes.

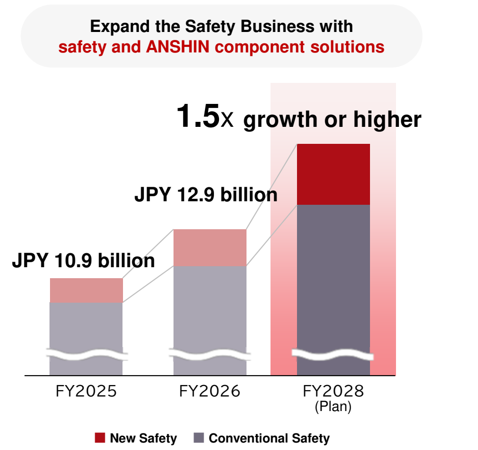
Under this new structure, the heads of each function and region meet on a monthly basis to share information and review progress.
In addition, we hold quarterly face-to-face meetings at our head office to deepen communication and review and address any areas where progress may be lagging.

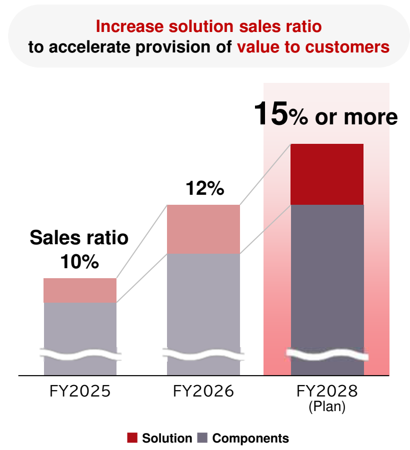
Through these initiatives, we have steadily advanced both our annual and medium-term management plans.

Business Strategy: KPIs

IDEC

- We will develop products and services that meet the latent needs of our customers and drive business growth based on our core pillars of “HMI, safety, and ANSHIN."





*Due to the review of safety-related products, the results for the FY2025 have been changed.

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Under the GOC framework, we are promoting our business strategies, with KPIs focused on expanding the Safety business and increasing the proportion of solution-based sales.

Leveraging our strengths in HMI, safety, and ANSHIN, we aim to accelerate business growth by developing products and services that address customers’ latent needs.

Both the Safety business and the proportion of solution-based sales are progressing generally in line with our plan.

Business Strategy： IDEC Business Unit

Features

Business

- ✓ Expand globally across four business axes: HMI, Safety & Explosion Protection, Industrial Relays & Components, and Automation & Solutions.

Regions

- ✓ Sales were highest in Japan, followed by Asia Pacific, the Americas, and EMEA.
- ✓ Promote global sales expansion actively.

- **Based on the concept of HMI-X [Transformation]**, develop products and solutions that solve problems that arise in an environment where humans and machines coexist, to help ensure that customers' sites are more safe and efficient.
- **Establish as system that enables the rapid delivery of products that match local needs.**
- **Promote global sales expansion and expand the lineup to meet the needs of "collaborative safety" aimed** at achieving both safety and productivity to strengthen the safety business.

HMI-X [Transformation]

The two Business Units are key to the business strategy to achieve the KPIs mentioned earlier.

The IDEC Business Unit operates globally across four business areas, including HMI and Safety & Explosion protection products, serving a wide range of industries.
Sales are highest in Japan, followed by Asia-Pacific, the Americas, and EMEA.

As part of our business strategy, based on the HMI-X concept, we are developing products and solutions that address challenges in environments where humans and machines coexist, helping to make customer operations safer and more efficient.

To further expand global sales, we have established a framework for local production for local consumption, enabling us to respond more quickly to local needs, particularly in our core HMI business.

In addition, to strengthen our safety business, which is another key strength, we are expanding our global sales and broadening our product lineup to meet growing demand for collaborative safety, aiming to achieve both safety and productivity.

Business Strategy : APEM Business Unit

IDEC

Features

Business

- ✓ Expanded three product lines for a variety of special vehicles: components, joysticks, and panel solutions in the HMI business.

Regions

- ✓ Europe has the highest sales ratio followed by the Americas.
- ✓ Promot sales expansion in Asia Pacific

- **Material handling, construction machinery, and defense** are key markets which are growing globally.
- Expand products **for special vehicles** in various industries with a trend towards Solutions with more added value.
- Develop products supporting **Safety and Cybersecurity** growing requirements.
- Promote expansion in Asia, where there is a lot of room for growth, while strengthening its core strengths in Europe and the United States

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The APEM Business Unit operates in the HMI domain, offering three product categories: components, joysticks, and panel solutions.

These products are used in special vehicles across a wide range of industries, including material handling, construction machinery, and defense.

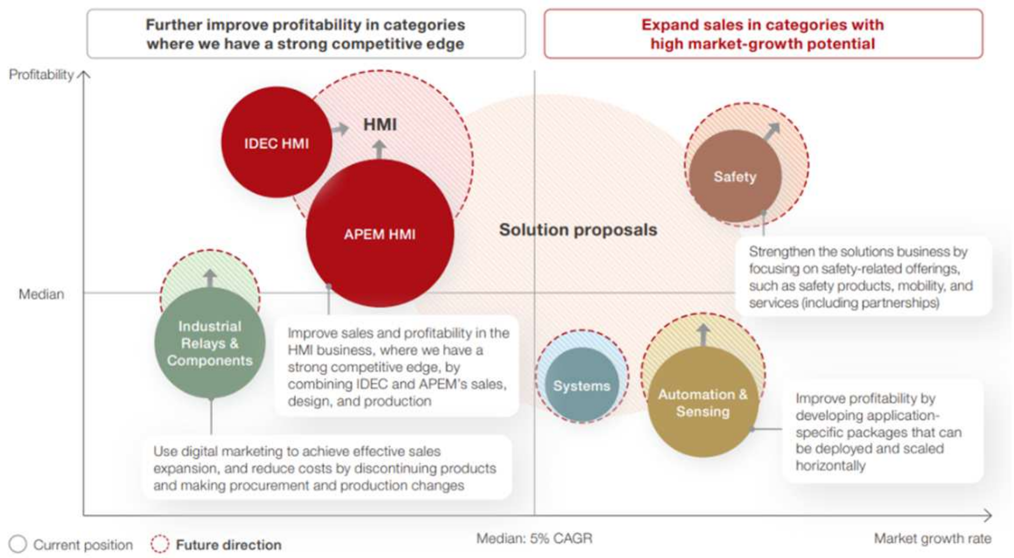
In terms of regional sales composition, Europe accounts for the largest share, followed by the Americas.

Looking ahead, we will continue to develop products that meet growing requirements for safety and cybersecurity.

At the same time, we will strengthen our presence in our core regions, while also driving expansion in high-growth markets such as Japan and the Asia-Pacific region.

Business Strategy: Business Portfolio

- Strong business profitability growth and enhanced solutions in high market growth categories.



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This is the business portfolio, where IDEC has strengths, and will strengthen profitable HMIs and safety-related businesses to increase sales and strengthen profitability.

Regional Strategy

IDEC

- Further expand overseas sales, mainly in the Americas, where the market is large and profitable.
- Promote local production for local consumption on a global scale, and quickly develop and sell products and solutions that match customer needs.

Japan

- Further enhancement of automation, robotics, mobility solutions, collaborative safety applications to meet safety need
- Improvement of sales efficiency by strengthening inside sales and technical sales
- Collaborating with distributors to improve sales accuracy and customer service

Americas

- Integration of IDEC and APEM operation of new headquarters to accelerate synergies and business expansion
- Expansion of products and solutions in response to growing demand in Automation, robotics, and safety needs
- Strengthening our focus on specific industries in the Americas, such as oil and gas In addition to our global focus industries.

EMEA

- Further enhancement of special vehicles for material handling, construction equipment, and defense
- Accelerate the deployment of mobility solutions
- Strengthening our approach based on robotics demand
- Expansion of sales of IDEC brand products such as safety equipment to APEM customers

Greater China

- Development of a variety of safety solutions to meet growing safety demands
- Promotion of "China for China" initiative by strengthening local marketing, R&D, and production, and strengthen product development to meet local needs
- Accelerating growth through partnerships with local manufacturers

Asia Pacific

- Expanded sales of HMIs, safety equipment, mobility solutions, etc. for the Indian market
- Accelerate growth by building local partnerships and localizing the assembly of key products
- Establishment of an engineering and software support center in India

Next, I would like to explain our regional strategies.

To further expand our business in the Americas, where the market is large and profitability is high, we are integrating and reorganizing our U.S. operations. Through these initiatives, we aim to further increase our global sales going forward.

We are also promoting the development of a globally optimized local production-for-local consumption framework, enabling us to rapidly develop and deliver products and solutions that meet local customer needs.

In addition, as global demand for automation, robotics, and safety continues to grow, we will accelerate the expansion of a wide range of products and solutions that leverage IDEC's strengths in safety and reliability.

Focus Industries and Trends

IDEC

- Semiconductor-related and AGVs and AMRs are expected to grow at a high rate globally, and the machine tool and robot industries are also expected to continue to grow to a certain extent.

-: Flat ○: Expand

		Outlook for the fiscal year ending March 2027 (Compared to the fiscal year ended March 2026)	Japan	United States	Europe	China	APAC
Machine tool		• Excluding Europe, growth is expected to continue to be at some level in each region.	○	○	—	○	○
Semiconductors		• With strong global growth expected, mainly in China and Japan, semiconductor manufacturing equipment is also expected to grow significantly.	○	○	—	○	
Robots		• It is expected to grow to a certain extent globally, mainly in the United States and China.	—	○	—	○	
Automotive		• Growth is expected to be limited.	—	—	—	—	—
Special Vehicles		• While defense-related products are expected to grow, construction machinery and equipment for material handling are expected to remain flat or increase slightly.	—	—	—	○	
AGV・AMR		• We expect to continue to grow strongly globally.	○	○	○	○	

The key industries where we are focusing our products and solutions are shown here.

For the FY2027, we expect particularly strong growth in semiconductor-related industries and the AGV/AMR sector, while also anticipating steady growth in the machine tool and robotics industries.

In addition, we will actively expand into new markets and industries with strong growth potential.

Solution Case Study (1)

IDEC

- IDEC's solutions that contribute to solving diverse customer needs and social issues.

Reduction of workload in the material handling process

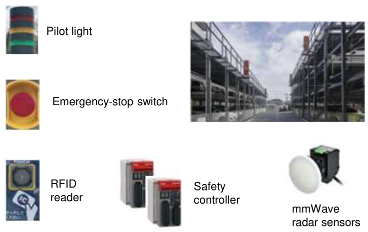
- Solutions using Assisted Wheel Drive (AWD) that can be easily electrically assisted by attaching to existing trolleys
- By saving costs and man-hours, it greatly reduces the worker's load and contributes to improving well-being. In addition, safety is ensured by slowing down and stopping by operating a switch at hand.

Reduction of development costs and man-hours for material handling process automation

- Equipped with a safety wheel drive (SWD), we provide the SWD Build KIT, a development kit for AGVs and AMRs that is packaged with various IMIs and safety-related equipment from IDEC by software, and supports the automation of the transportation process
- Flexible customization is possible to suit the customer's application, greatly reducing development costs and man-hours.

Enhancement of safety and convenience in parking lots

- Provides solutions that incorporate a variety of products to prevent serious accidents caused by operating the equipment without noticing that a person is in the machine parking lot.
- Prevent trapped accidents caused by operation errors or lack of confirmation, as well as accidents in which they get caught or fall.



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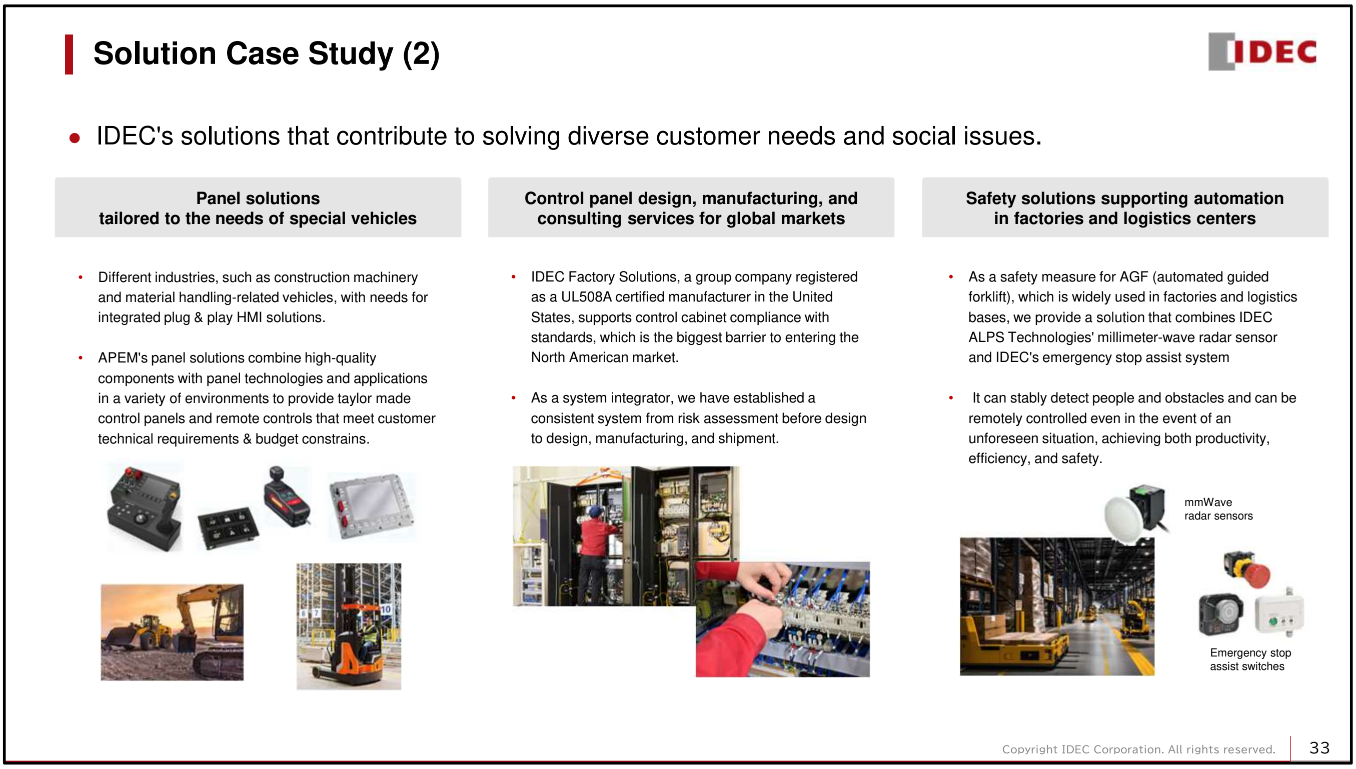
We have developed solutions to meet various customer needs, and here are some of them:

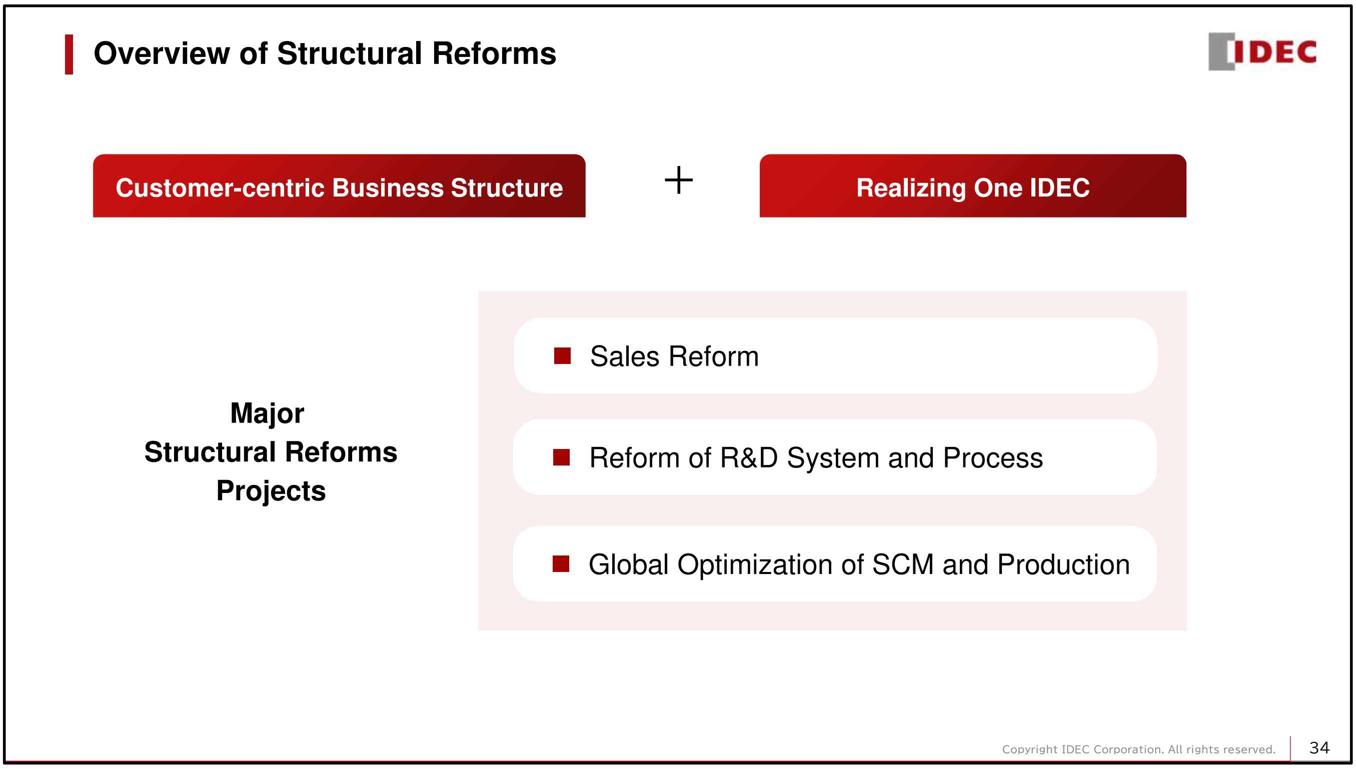
In recent years, the need for automation and labor-saving in transportation processes has increased, and solutions utilizing assist wheel drives and safety wheel drives have been increasingly adopted both in Japan and overseas.

In addition, to help prevent accidents in parking facilities and improve safety and convenience, sensors developed through a joint venture between Alps Alpine and IDEC are used in combination with IDEC's safety products.



In addition, we have a number of other solution examples that contribute to addressing various social issues.

These include APEM's panel solutions, which meet the diverse needs of special-purpose vehicles across industries, IDEC Factory Solutions' control panel business, and safety solutions that support automation in factories.



Finally, I would like to introduce the main structural reform projects that we have been promoting from the previous fiscal year to this fiscal year.

Sales Reform / R&D System and Process Reform

IDEC

- **Sales transformation: Globally standardize different sales processes at each location**
  - **Establish a proactive targeted sales approach** that provides value after deeply understanding customer needs.
  - By systematizing and standardizing internal knowledge and know-how, we **will further raise the overall level of solution proposals.**
  - Feedback customer needs to development and **develop a product development roadmap based on needs.**

- **R&D reform: Revamping the global R&D system and processes to build a customer-centric business structure**
  - Based on the information shared by related departments from the pre-development process, **switched to concurrent development through the three R&D sites in Japan, the U.S., and Europe.**
  - **Consider technical issues to be solved for customers**, and select these customer-centric themes as innovation themes.
  - By creating plans based on customer needs, we will reduce the rework of post-production processes and **promote development speed and quality improvement**.

Sales reform is one of our most important initiatives among the various projects we are currently undertaking.

To build a customer-centric business structure, we are standardizing sales processes globally, which have previously differed across regions.
We are also establishing a proactive, targeted sales approach based on a deep understanding of customer needs, while standardizing knowledge to further enhance the quality of our proposals overall.

In addition, by feeding back customer insights gathered through sales activities into our development teams, we are creating a needs-driven roadmap for product development.

At the same time, we have restructured our global R&D framework and processes.
In addition to introducing concurrent development across our three key bases in Japan, the United States, and Europe, we are taking a more customer-oriented approach to identifying technical challenges and developing solutions, and selecting high-potential themes as innovation initiatives.

Through these efforts, we aim to improve both the speed and quality of our development.

Global Optimization of SCM and Production

IDEC

- Based on local production for local consumption, we promote efficient supply chain management and base restructuring.
  - Promoting supply chain review and reorganization of production sites to **shorten lead times and improve on-time delivery rates.**
  - **Restructuring of multiple production sites to be promoted sequentially.**
  - Globally introduce SCP (Supply Chain Planning) system to **collect and centrally manage supply and demand information and improve supply and demand planning.**

Americas

- Production and assembly at the new head office in the United States
- Establishment of a new site in Mexico
- Transfer of production from other sites

Europe

- Aggregation of Locations
- Transfer of production to Europe and abroad

Japan + Asia Pacific

Japan

- Consolidation and establishment of new sites
- Outsourcing of non-core processes
- Transfer of production abroad
- Strategic expansion of production partners

Asia Pacific

- Production transfer, integration and consolidation of bases
- Consideration of local procurement and production in India

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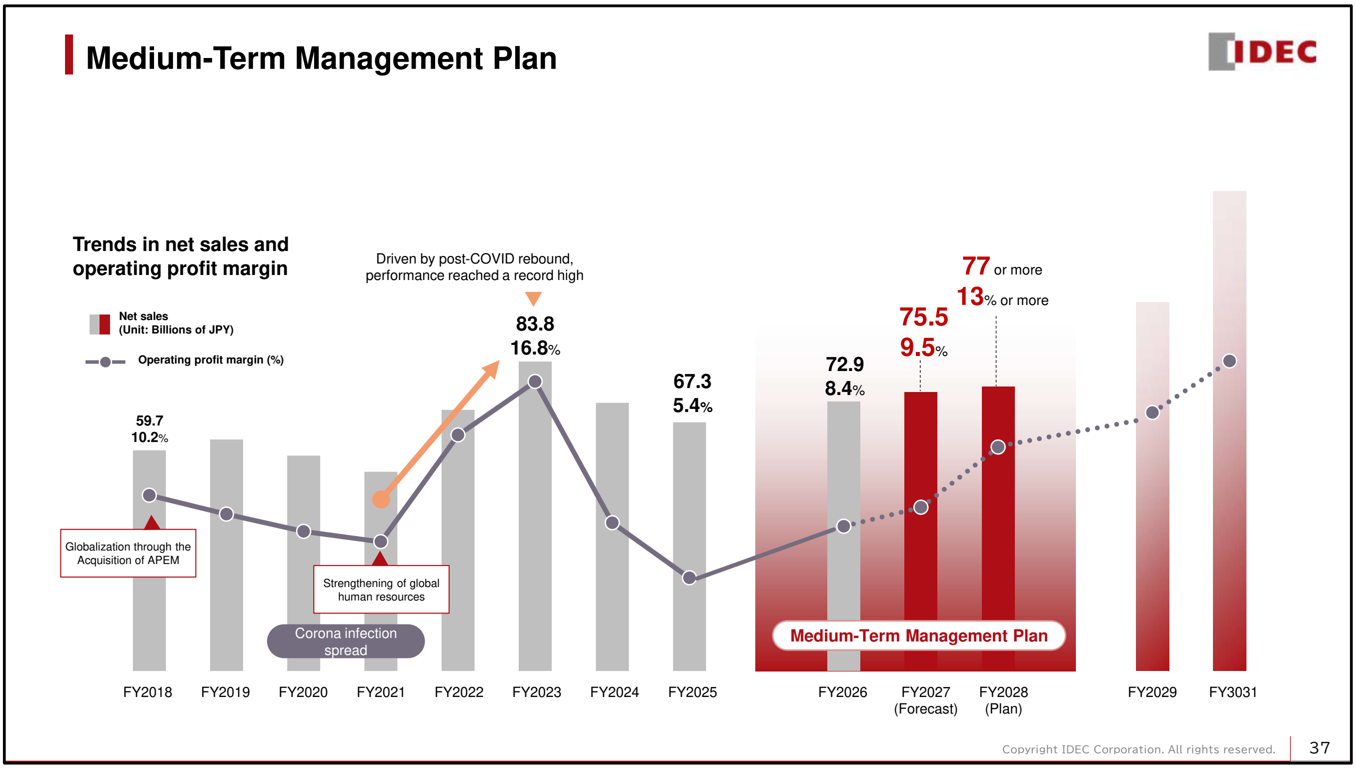
To globally optimize SCM and production, we will promote efficient supply chain management and reorganization of bases based on local production for local consumption.

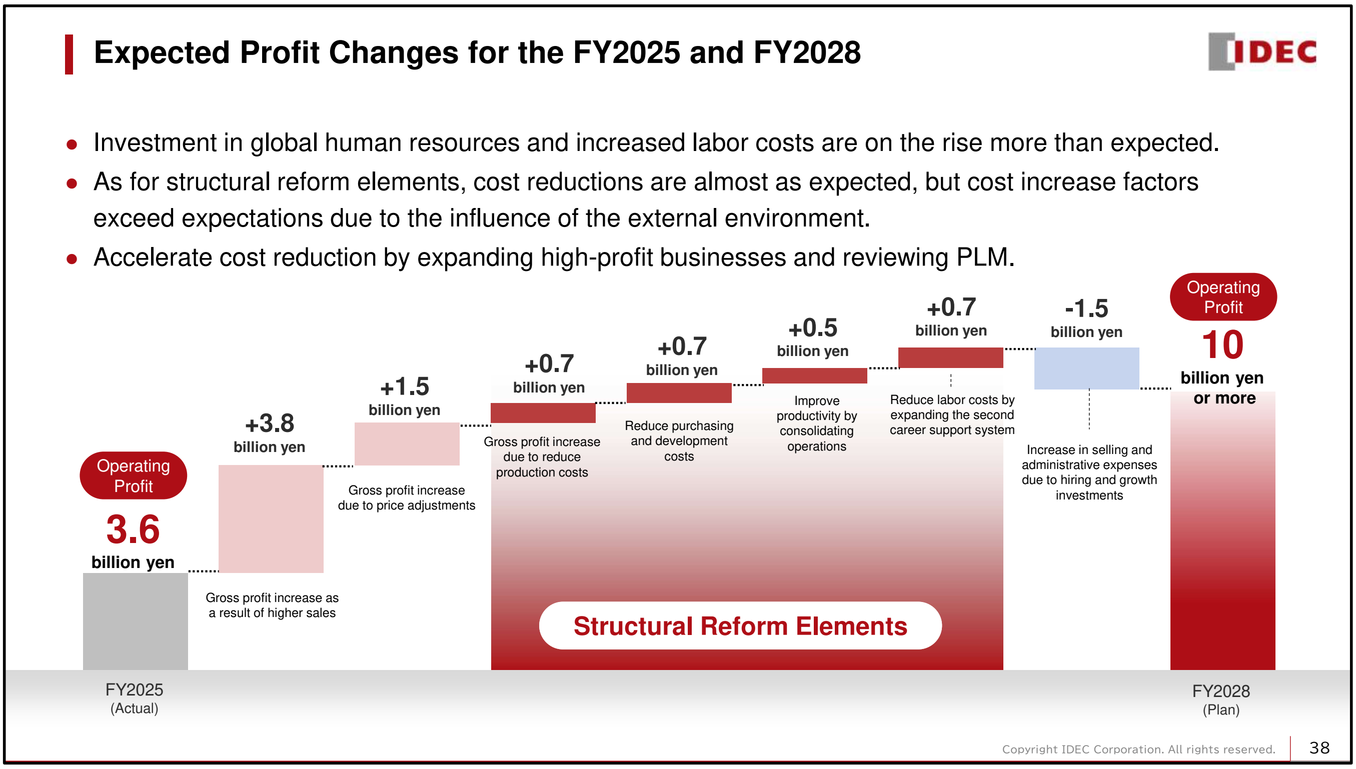
In the United States, we have established a new head office to start production and assembly, and we are working to strengthen our growing market in the Americas by starting operations at a new site in Mexico this year.

We will also proceed with initiatives in Europe, Japan, and Asia and the Pacific.



We are continuing to promote various structural reforms toward achieving our third-year targets of 77.0 billion yen in net sales and an operating margin of 13% or higher.

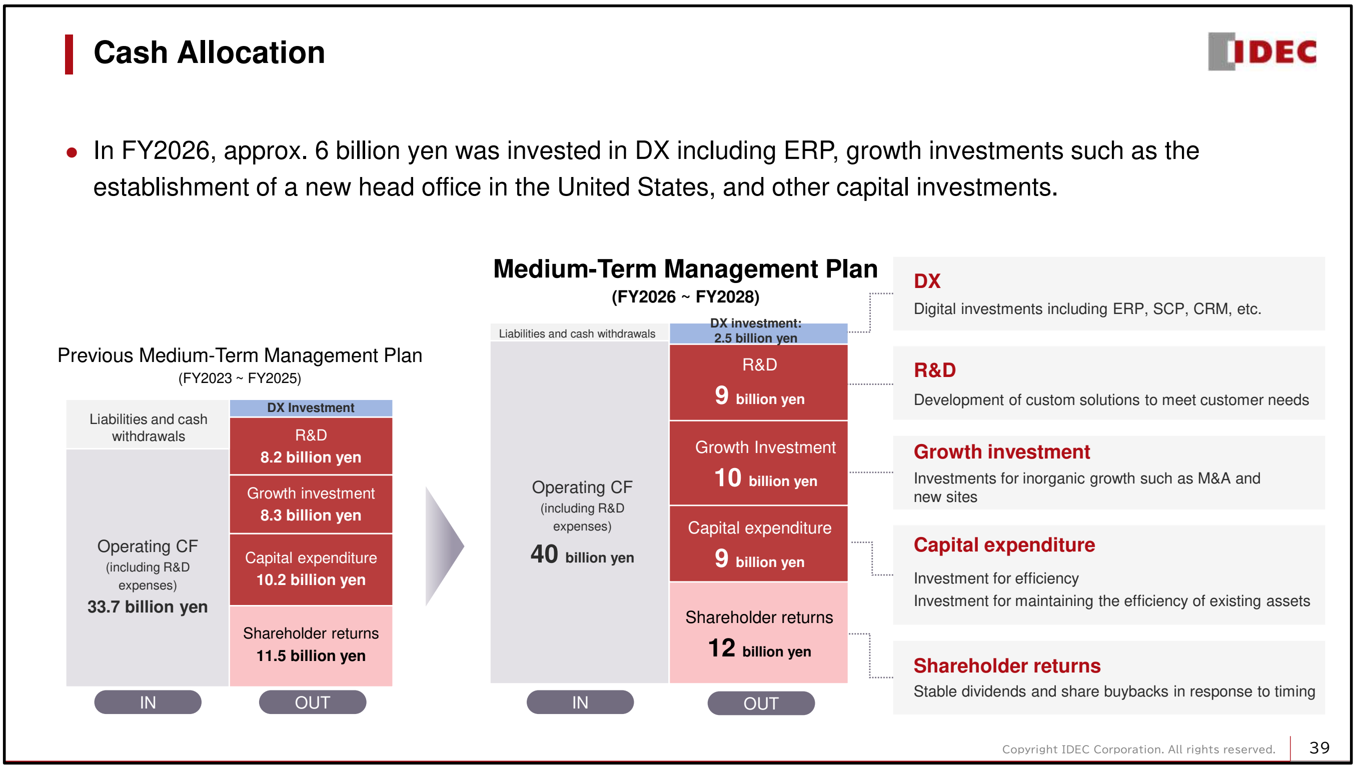
Starting this fiscal year, we will further accelerate these initiatives.



As shown here, the expected drivers of profit toward our third-year targets under the medium-term management plan—namely, an operating margin of 13% and operating profit of 10.0 billion yen—are outlined on this slide.

In line with our initial assumptions, structural reform initiatives are progressing largely as planned in terms of cost reductions.
However, on the cost side, increases have exceeded our expectations due to external factors. In addition, investments in DX, global talent, and personnel expenses are all on an upward trend.

Going forward, we will accelerate cost reductions and secure profits by further expanding high-margin businesses and promoting initiatives such as the review of PLM (Product Lifecycle Management).



This slide shows the cash allocation under our medium-term management plan. In the FY2026, we made growth investments of approximately 6.0 billion yen, including DX investments, the establishment of our new U.S. head office, and other capital expenditures.
As such, progress in the first year was largely in line with our plan.

Going forward, while maintaining stable shareholder returns, including dividends, we will accelerate growth and improve capital efficiency by investing in the development of custom solutions and new products that meet customer needs. We will also pursue M&A opportunities and continue to optimize our business locations.

To achieve our targets, the entire Group will work together under the “One IDEC” concept to drive these initiatives and transform into a renewed IDEC, aiming for sustainable growth.

This concludes my presentation.
Thank you very much for your attention.

References

Global Network

IDEC

Overseas sales ratio

66%

Countries/regions in which we operate

16

● Sales ■ Development ▲ Manufacturing

(As of the end of March 2026)

EMEA

● ■ ▲ APEM SAS (France)
● ■ ▲ APEM Components Ltd (UK)
● APEM Italia Srl (Italy)
● APEM GmbH (Germany)
● APEM AB (Sweden)
● APEM Benelux (Belgium)
■ ▲ MEC Aps (Denmark)
▲ SACEMA (Tunisia)
▲ SAMELEC (Tunisia)

Japan

● ■ ▲ IDEC CORPORATION
● ■ ▲ IDEC FACTORY SOLUTIONS CORPORATION
● ■ ▲ IDEC ALPS Technologies CORPORATION
● ■ IDEC AUTO-ID SOLUTIONS CORPORATION
● IDEC SALES SUPPORT CORPORATION
▲ IDEC LOGISTICS SERVICE CORPORATION

Americas

● ■ ▲ IDEC CORPORATION (USA)

Greater China

● IDEC (SHANGHAI) CORPORATION
● IDEC TAIWAN CORPORATION
● IDEC IZUMI (H.K.I) CO., LTD.
■ IDEC ELECTRONICS TECHNOLOGY (SHANGHAI) CORPORATION
▲ IDEC IZUMI SUZHOU CO., LTD.
▲ IDEC IZUMI TAIWAN CORPORATION

APAC

● IDEC IZUMI ASIA PTE LTD. (Singapore)
● IDEC CONTROLS INDIA PRIVATE LIMITED (India)
● ▲ IDEC ASIA(THAILAND) CO., LTD.(Thailand)

Sales Segment by Product

HMI

- Industrial switche
- Joystick
- Pilot Lights
- Operator interface
- Safety Commander

IDEC

APEM

Industrial Relays & Components

- Terminal blocks
- Industrial relay/socket
- Switching power supply
- Circuit Protector
- LED illumination units

Automation & Sensing

- Programmable logic controllers
- Sensors
- Assisted Wheel Drive (AWD)
- Safety Wheel Drive (SWD)
- Automatic identification devices

Safety & Explosion Protection

- Safety-related equipment
  - ・Emergency-stop switches
  - ・Enable switches
  - ・Interlock switches
  - ・Safety laser scanners, etc.

- Explosion protection products

Systems

- Control panel
- Collaborative robot system
- Security system
- Other systems

This material contains our plans and performance forecasts, which we have planned and expected in accordance with available information as of May 14, 2026.
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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