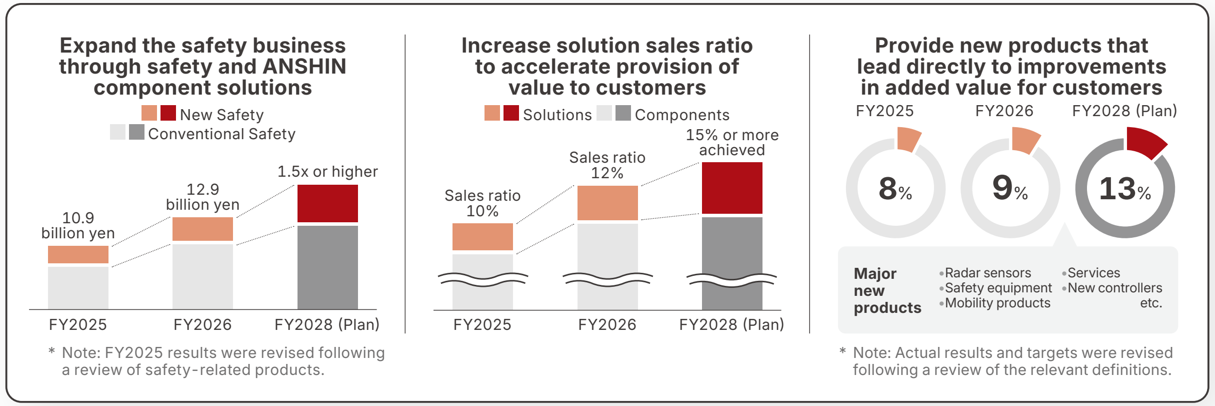
Business Strategy

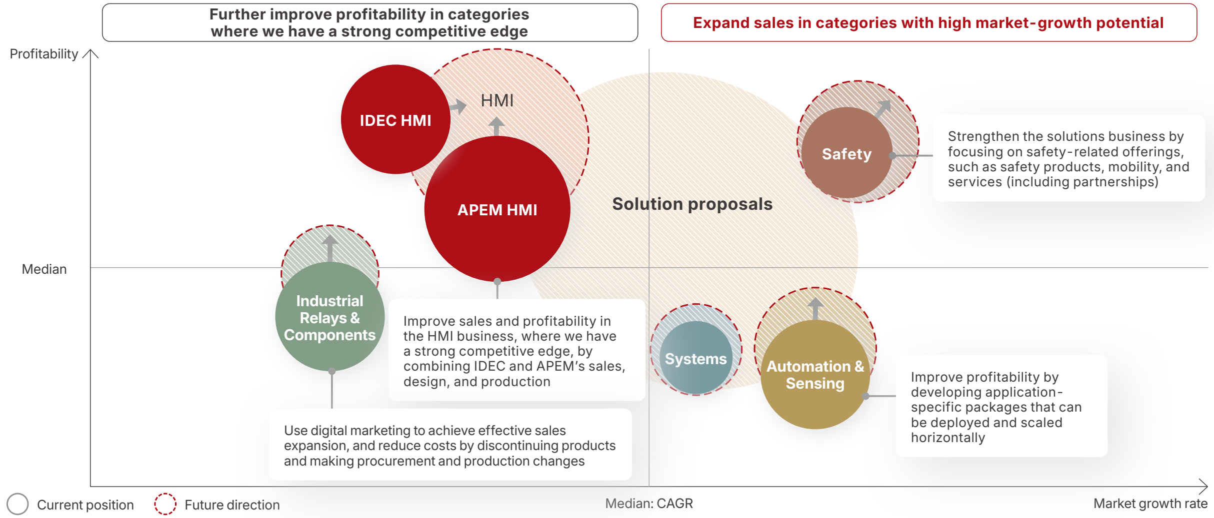
Initiatives to achieve the medium-term management plan

Under the medium-term management plan, we have established three KPIs as key business pillars. By leveraging the Group's strengths in HMI and safety businesses, we are promoting initiatives to achieve each KPI. In FY2026, the first year of the plan, we delivered results that exceed FY2025 across all KPIs.

In the safety business, sales have grown steadily, supported by expanding demand in Japan and China, and are expected to accelerate further going forward.



Core Business Portfolio Strategy



To expand our solution-based revenue, the IDEC Group will leverage its strengths by providing proposals that integrate sensing technologies with its HMI and safety technologies and expertise, as well as providing solutions that comply with safety standards. Through these initiatives, we aim to address our customers' challenges. Furthermore, by offering a range of solutions, from standalone product-based solutions to horizontally deployable, application-specific packages and fully customized solutions, we will address latent customer needs from diverse, customer-centric perspectives and enhance the value we provide.

With respect to the contribution ratio of new products, we have reviewed our R&D process starting in FY2026 and are advancing development based on plans that reflect customer needs, formulated through the collaboration between marketing and development functions from the pre-development stage. At each stage of the process, we conduct reviews as necessary and continuously incorporate the customer perspective into new product development.

In addition, by adopting a concurrent development structure in which multiple sites work in parallel, we will accelerate the speed from development to market launch. Through rapid new product development under this new framework, we aim to achieve our targets.

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Driving further expansion under "One IDEC"

The IDEC Group has established two business units—IDEC and APEM—to create an organizational structure that maximize the strengths and expertise of each brand. At the same time, by implementing common processes across marketing, product planning and development, production engineering, and quality assurance, we have built a framework that leverages the strengths of One IDEC, thereby promoting further global business expansion.

Our products and solutions are adopted by customers across a wide range of industries, and a key strength is that we are not dependent on any single specific industry. The IDEC brand is primarily focused on the factory automation (FA) industry, while the APEM brand is mainly focused in fields such as special vehicles.

Under the medium-term management plan, in addition to expanding sales in globally growing markets such as semiconductors, machine tools, robots, automated guided vehicles (AGVs), and autonomous mobile robots (AMRs), we will also pursue growth in new markets. By addressing emerging needs beyond those of our existing industries, we will accelerate the development and deployment of products and solutions that resolve a broad range of customer challenges.