IDEC Corporation
Summary of Q&A – 1Q FY2027 Results Briefing
(Held on August 6, 2026)

Q. What is the status of orders received and the outlook going forward?

A. Orders received have increased substantially, particularly in Japan, driven by strong demand from semiconductor manufacturing equipment customers, as well as some advance ordering. Given the strength of underlying demand, we do not expect orders to decline significantly going forward.

In EMEA, despite sluggish market conditions in the previous fiscal year, demand is gradually recovering, and the weaker yen is also contributing to an increase in orders received.

We currently expect orders received in the second quarter to remain at a high level.

Q. What is the status of parts procurement and production capacity?

A. We have secured parts through the end of the calendar year. One difference from the pandemic period is that some suppliers are now taking measures to manage incoming orders. However, we have secured the necessary parts at this point and expect to maintain stable procurement going forward.

As we expect the current level of demand to continue over the next one to two years, we are also taking steps to expand our production capacity.

Q. What was the impact of U.S. tariff refunds on operating profit?

A. A portion of the tariffs paid in the fiscal year ended March 2026 was refunded, and we basically intend to pass this benefit on to customers. However, due to a slight time lag and because we were not able to fully reflect all of the tariffs from the previous fiscal year in prices.

As a result, the combined impact of these factors contributed JPY 200 million to operating profit in the first quarter. We do not expect a material impact on profit going forward.

Q. What factors drove the improvement in the gross profit margin from the fourth quarter to the first quarter?

A. The improvement was driven by higher sales and improved efficiency. In addition, the sales mix shifted toward safety-related products, which carry relatively high profit margins and are widely used in applications such as semiconductor manufacturing equipment, contributing to the improvement in the gross profit margin.

Q. What is the outlook for the second quarter and the full-year earnings forecast?

A. Demand remains solid, and supply constraints have not become a major bottleneck. We also do not currently see any specific factors that would significantly weaken market conditions.
Regarding the full-year earnings forecast, we will carefully review the plan figures based on factors such as order trends, foreign exchange impacts, and the need for investment, as well as the impact of rising raw material prices. We will announce any revisions once finalized.

Q. What is the status of the new U.S. headquarters and related initiatives?

A. The manufacturing facility at our new U.S. headquarters has been in operation for more than six months, and the office building is scheduled for completion in August. In line with our strategy of local production for local consumption, we are strengthening our development and manufacturing capabilities close to our customers in order to deliver products and solutions that better meet local market needs.
We have also launched operations at our new factory in Mexico. Going forward, the new U.S. headquarters will focus on new product development and manufacturing, while production of existing products will be gradually transferred to Mexico.

Q. What was the impact of the Kumamoto earthquake?

A. Although a supplier was affected to a limited extent, there has been no material impact on our supply chain at this point.