Financial Results for the First Quarter FY2027 (April 1, 2026 to June 30, 2026)

IDEC CORPORATION

Securities code: 6652

August 6, 2026

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We will now begin the IDEC CORPORATION financial results briefing for the first quarter FY2027.

My name is Rieko Motoyama from the Corporate Communications Office, and I will be serving as today's moderator.

Please allow me to introduce today's attendees.
Takao Funaki, Representative Director and Senior Executive Vice President.
Yasuyuki Ogawa, Division General Manager of the Global Finance Division.
Thank you for joining us.

My name is Takao Funakki, Representative Director, Senior Executive Vice President.
Thank you for joining our financial results briefing today.

First, I would like to express my sincere sympathies to everyone affected by the Kumamoto earthquake.

We sincerely hope for the swift recovery and reconstruction of the affected areas.
At this time, we have not identified any material impact on the IDEC Group's business operations.

Let me begin by discussing our financial results.
FY2027 marks the second year of our medium-term management plan.
In the first quarter, both sales and profit increased significantly year on year, exceeding our plan.
As global investment in AI continues to expand, orders from semiconductor manufacturing equipment customers have grown significantly since the end of the previous fiscal year.
At the same time, demand is expected to recover across a broad range of other industries.
In light of these order trends, we are currently reviewing our full-year earnings forecast.
We will announce any revisions once our review has been completed.

As we work to realize the transformation to a “New IDEC,” we will further accelerate our structural reforms, build a more customer-centric business model, and advance initiatives to realize “One IDEC.”

01 First Quarter for FY2027

First, I would like to explain the key points of our first quarter financial results.

Key Points of Financial Results

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Net sales	**Net sales** JPY **21.4** billion（YoY +36.0%） ● Sales growth across all regions and products, supported by expanding global demand, particularly in the semiconductor equipment market, exceeding initial expectations.
Profit	**Operating profit** JPY **2.4** billion（YoY +656.4%） **Margin 11.5**% **Profit attributable to owners of parent** JPY **4.7** billion（YoY +922.0%） **Margin 22.2**% ● Significant profit growth driven by higher sales. ● Recorded JPY 4.1 billion in extraordinary income, primarily attributable to the sale of land and buildings at the former U.S. headquarters.

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In the first quarter of the previous fiscal year, net sales declined due to factors such as delays in the startup of the newly established logistics center in the U.S. and a decline in demand in Europe.
In the current fiscal year, orders have expanded globally, particularly for semiconductor manufacturing equipment.
As a result, sales increased across all regions and products, reaching JPY 21.4 billion, up 36% year on year, exceeding our expectations.

Profit also increased significantly, driven by higher sales.
Operating profit was JPY 2.4 billion, with an operating profit margin of 11.5%.

In addition, we recorded JPY 4.1 billion in extraordinary income, mainly from the transfer of land and buildings of our former headquarters in the U.S.
As a result, profit attributable to owners of parent was JPY 4.7 billion, with a profit margin of 22.2%.

Consolidated Results

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

	FY2026 1Q		FY2027 1Q		
	Actual	Sales ratio	Actual	Sales ratio	YoY
Net sales	15,736	100.0%	**21,405**	100.0%	+36.0%
Gross profit	6,643	42.2%	**9,735**	45.5%	+46.5%
SG&A	6,318	40.2%	**7,277**	34.0%	+15.2%
Operating profit	324	2.1%	**2,458**	11.5%	+656.4%
Ordinary profit	627	4.0%	**2,530**	11.8%	+303.1%
Profit attributable to owners of parent	465	3.0%	**4,754**	22.2%	+922.0%
Basic earnings per share (JPY)	15.77	—	**160.69**	—	+144.92

	FY2026 1Q	FY2027 1Q	YoY
Average exchange rate for USD	144.60	**159.57**	+14.97
Average exchange rate for EUR	163.81	**185.40**	+21.59
Average exchange rate for CNY	19.99	**23.44**	+3.45

The overall consolidated results are shown here.

Along with the increase in net sales, the gross profit margin improved to 45.5%, while the SG&A ratio was 34.0%.

Both operating profit and ordinary profit recovered significantly year on year.
In addition, due to the recording of extraordinary income, basic earnings per share for the quarter was JPY 160.69.

Factors of Operating Profit and Loss Fluctuations

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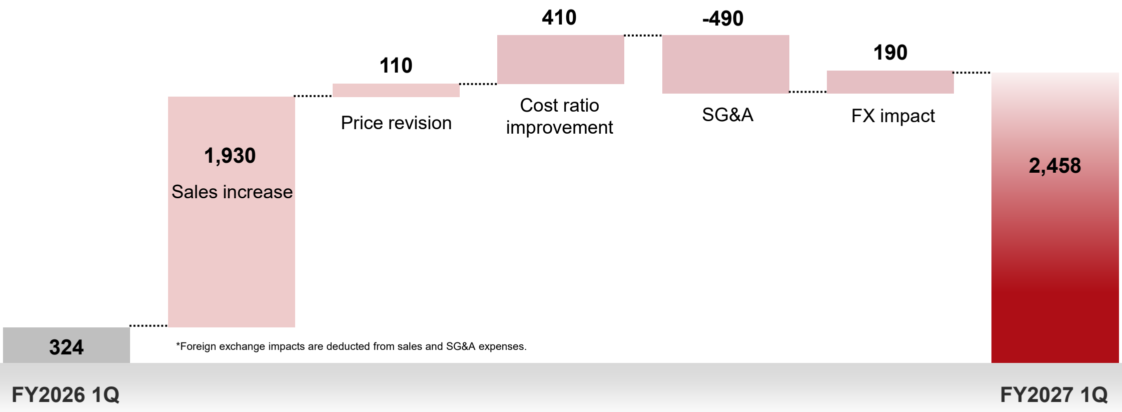
- Sales growth across all regions and product categories, supported by price revisions.
- Improved gross profit margin driven by a higher sales mix of safety-related products and U.S. tariff refunds.
- SG&A expenses increased, reflecting higher sales-related costs and rising labor costs due to inflation.
- Operating profit increased by JPY 2.13 billion year on year.



Regarding the factors behind the increase in operating profit, strong sales growth across all regions and product categories, together with the positive impact of price revisions, contributed to higher profit.

In addition, the gross profit margin improved due to a higher sales mix of high-margin safety-related products, as well as the impact of U.S. tariff refunds.

On the other hand, SG&A expenses increased as a result of higher sales-related expenses and rising labor costs driven by inflation.

As a result of these factors, operating profit increased by JPY 2.13 billion year on year.

Consolidated Results (Quarterly)

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2026 1Q (April-June)		FY2026 2Q (July-September)		FY2026 3Q (October-December)		FY2026 4Q (January-March)		FY2027 1Q (April-June)		
	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	Actual	Sales ratio	**Actual**	**Sales ratio**	**YoY**
Net sales	15,736	100.0%	18,374	100.0%	18,906	100.0%	19,950	100.0%	**21,405**	**100.0%**	**+36.0%**
Gross profit	6,643	42.2%	8,584	46.7%	8,377	44.3%	8,743	43.8%	**9,735**	**45.5%**	**+46.5%**
SG&A	6,318	40.2%	6,298	34.3%	6,608	35.0%	7,005	35.1%	**7,277**	**34.0%**	**+15.2%**
Operating profit	324	2.1%	2,286	12.4%	1,769	9.4%	1,738	8.7%	**2,458**	**11.5%**	**+656.4%**
Ordinary profit	627	4.0%	2,282	12.4%	2,003	10.6%	1,656	8.3%	**2,530**	**11.8%**	**+303.1%**
Profit attributable to owners of parent	465	3.0%	1,290	7.0%	1,130	6.0%	987	4.9%	**4,754**	**22.2%**	**+922.0%**
Basic earnings per share (JPY)	15.77	–	43.71	–	38.30	–	33.44	–	**160.69**	–	

This slide shows the quarterly trend.

Supported by strong order trends, both sales and profit remained strong in the first quarter, increasing from the fourth quarter.

SG&A expenses also increased compared with the fourth quarter, reflecting higher performance-linked compensation associated with the strong earnings results.

Sales by Region

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[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down (Sales ratio)	FY2026 1Q	FY2027 1Q	YoY
Japan	5,444 (34.6%)	**6,749 (31.5%)**	+24.0%
Overseas	10,291 (65.4%)	**14,656 (68.5%)**	+42.4%
Americas	3,055 (19.4%)	**4,257 (19.9%)**	+39.3%
EMEA (Europe, Middle East, and Africa)	3,400 (21.6%)	**4,657 (21.8%)**	+37.0%
Asia Pacific	3,835 (24.4%)	**5,740 (26.8%)**	+49.7%
Total	15,736 (100.0%)	**21,405 (100.0%)**	+36.0%

Japan
- Sales growth driven by strong demand from the semiconductor and robotics industries.

Americas
- Robust sales performance supported by growing demand from data centers and semiconductor equipment manufacturers.

EMEA
- Sales growth as demand in key industries gradually recovered in Europe.

Asia Pacific
- Strong sales growth driven by expanding FA demand associated with smart factory investments in the automotive and semiconductor industries.

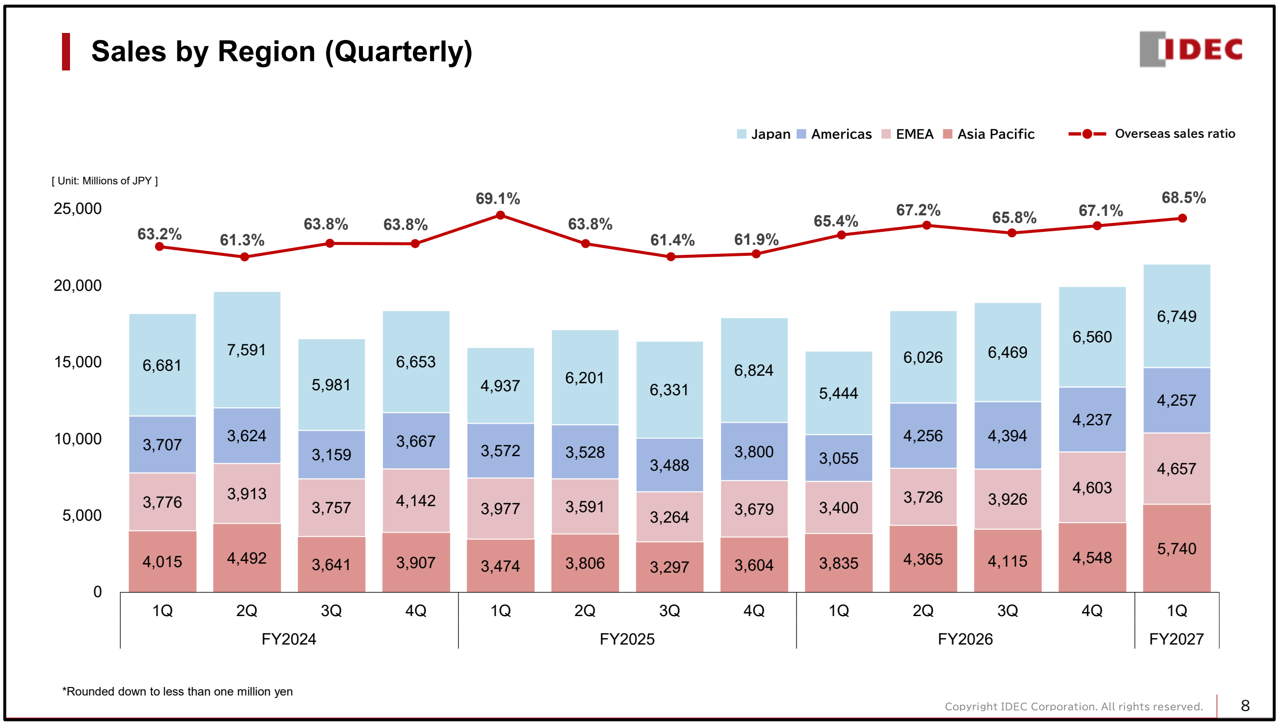
Turning to sales by region, sales increased significantly both in Japan and overseas on a year on year basis.

In Japan, sales grew strongly, driven by robust demand from the semiconductor and robotics industries.

In the Americas, sales also remained strong, supported by growing demand from data centers and semiconductor equipment manufacturers.

In Europe, demand in key industries has been gradually recovering from a decline, and sales have also been on an upward trend.

The Asia-Pacific region recorded the highest growth rate among all regions. Sales increased significantly, driven by growing demand for factory automation in China, where smart factory initiatives are progressing in automotive and semiconductor industries.



Looking at the quarterly trend, sales increased in all regions compared with the fourth quarter.

In particular, overseas sales grew strongly, led by the Asia Pacific region, bringing the overseas sales ratio to 68.5%.

Sales by Product

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down (Composition ratio)	FY2026 1Q	FY2027 1Q	YoY
HMI	7,554 (48.0%)	**10,322 (48.2%)**	+36.6%
Industrial Relays & Components	2,905 (18.5%)	**4,000 (18.7%)**	+37.7%
Automation & Sensing	1,504 (9.6%)	**2,087 (9.8%)**	+38.8%
Safety & Explosion protection	2,742 (17.4%)	**4,022 (18.8%)**	+46.7%
Systems	1,029 (6.5%)	**972 (4.5%)**	-5.5%
Others*	15,736 (100.0%)	**21,405 (100.0%)**	+36.0%

HMI
- Sales of industrial switches remained strong, supported by robust demand from the FA market, particularly from semiconductor equipment manufacturers.

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

Automation & Sensing
- Sales of programmable logic controllers, our flagship product, increased, driven by strong demand in North America, our key market, and growing shipments to 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.

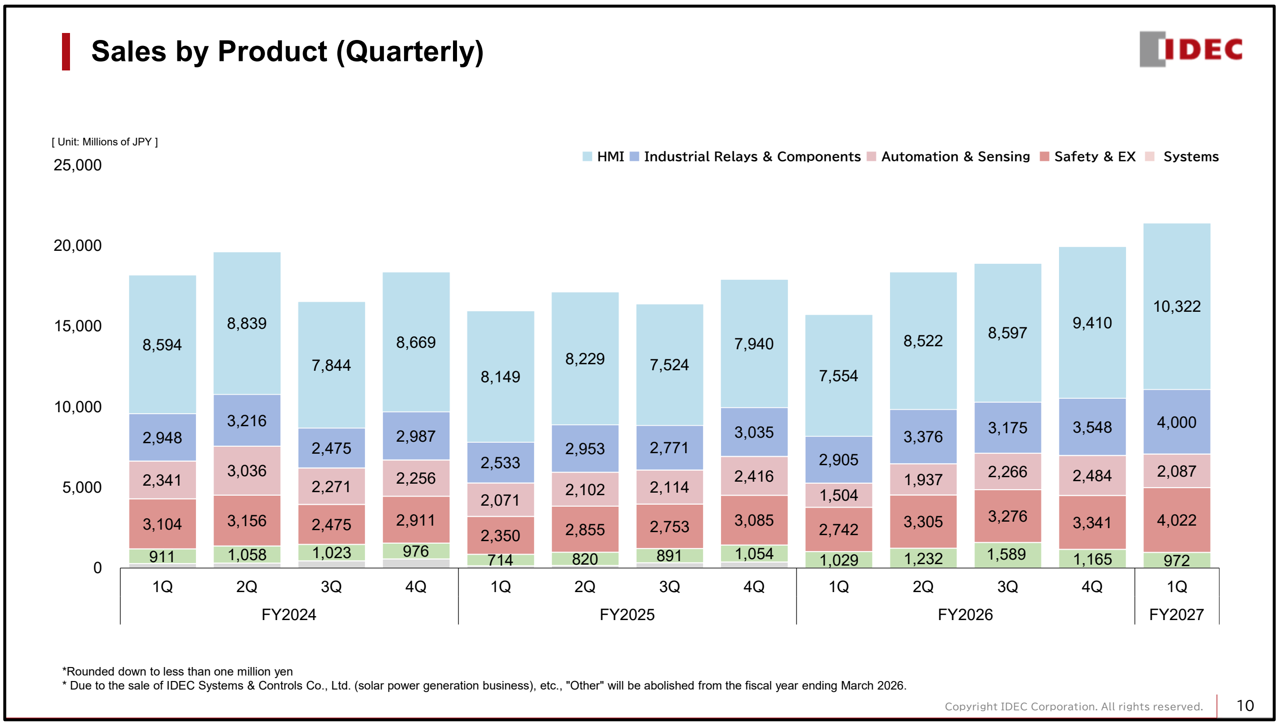
System
- Sales of control panels for semiconductor manufacturing and logistics-related equipment decreased in Japan, Asia Pacific.

Regarding the sales by product, in the HMI business, sales of our core product, industrial switches remained strong, driven by demand for factory automation, particularly from semiconductor equipment manufacturers.

In the Industrial Relays & Components Business, sales of control relays increased in both Asia Pacific, particularly China, one of our key markets, and North America.

In the Automation & Sensing business, sales of our core product, programmable logic controllers remained strong in North America, our main market. Shipments to OEM customers also increased, resulting in overall sales growth.

In the Safety & Explosion Protection business, sales of safety-related products remained strong in our core markets of Japan and Asia Pacific, particularly China, continuing the trend from the previous fiscal year.
In Systems, sales of control panels declined in Japan and Asia Pacific, reflecting lower demand from semiconductor manufacturing equipment, logistics-related equipment, and other applications.



Looking at the quarterly trend, sales increased compared with the fourth quarter in the HMI, Industrial Relays & Components, and Safety & Explosion Protection businesses.

Among these business, growth was particularly strong in HMI and safety-related products used in semiconductor manufacturing equipment. In addition, orders remain robust in the Industrial Relays & Components Business, which has significant exposure to the Chinese and U.S. markets.

Focus Industries and Trends

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- AI-related investments continue to support demand in the semiconductor equipment market, while demand remains solid across other industries as well.

-: Flat ○: Expand ◎:Strong

		Outlook for the fiscal year ending March 2027	Japan	United States	Europe	China	APAC
Machine tool		• Growth expected globally, particularly in China and Japan.	○	○	○	◎	○
Semiconductors		• AI-related investments are driving capital spending in the semiconductor equipment market, supporting strong growth across all regions.	◎	◎	○	◎	○
Robots		• Steady growth expected globally, led by the U.S. and China.	○	○	—	○	○
Automotive		• Automotive-related investments continue to expand in China.	—	—	—	○	○
Special Vehicles		• Recovery continues across key industries, including construction machinery, material handling, and defense.	—	—	○	○	
AGV･AMR		• Strong global growth expected to continue.	○	○	○	◎	

The focus industries in which we provide our products and solutions are shown here.

AI-related investment continues to drive capital spending on semiconductor manufacturing equipment across all regions, and we expect high growth in this area.

We also expect continued global growth in industries such as machine tools, robotics, AGVs, and AMRs, where demand remains robust.

Orders Received

- Orders received and order backlog increased significantly year on year across all regions.
- Orders received reached a record high.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2026 1Q		FY2027 1Q			
	Orders received	Order backlog	Order s received	YoY	Order backlog	YoY
Japan	6,541	5,985	**9,782**	+49.5%	**9,049**	+51.2%
Americas	3,557	3,191	**4,997**	+40.5%	**4,146**	+29.9%
EMEA (Europe, Middle East, and Africa)	2,989	7,086	**5,450**	+82.3%	**8,524**	+20.3%
Asia Pacific	2,421	3,269	**5,390**	+122.6%	**5,870**	+79.6%
Total	15,510	19,532	**25,620**	+65.2%	**27,591**	+41.3%

Regarding order, both orders received and order backlog increased significantly across all regions, led by Japan and China.

Orders received reached a record high.

Orders Received (Quarterly)

- Japan: Orders received continued to expand in 1Q, driven by sustained strong demand from semiconductor equipment manufacturers since 4Q of the previous fiscal year.
- EMEA: Orders received continued to recover.
- Asia Pacific: Orders received remained strong, supported by sustained demand in China.

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2026 1Q (April-June)		FY2026 2Q (July-September)		FY2026 3Q (October-December)		FY2026 4Q (January-March)		FY2027 1Q (April-June)	
	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog	Orders received	Order backlog
Japan (excluding solar power generation business)	6,541	5,985	6,875	6,168	6,621	5,627	8,282	6,605	**9,782**	**9,049**
Americas	3,557	3,191	3,953	2,929	4,302	2,873	4,706	3,392	**4,997**	**4,146**
EMEA (Europe, Middle East, and Africa)	2,989	7,086	3,767	7,072	4,675	7,738	4,812	7,813	**5,450**	**8,524**
Asia Pacific	2,421	3,269	3,007	2,591	3,451	2,665	6,620	5,564	**5,390**	**5,870**
Total	15,510	19,532	17,604	18,762	19,050	18,906	24,420	23,376	**25,620**	**27,591**

Looking at the quarterly trend, orders in the first quarter remained strong in all regions, even compared with the fourth quarter, when orders usually tend to increase at the end of the fiscal year.

In Japan, where strong demand from semiconductor manufacturing equipment customers continues to drive orders, order received reached JPY 9.7 billion.

Orders in EMEA are also recovering, while Asia Pacific continues to maintain a high level of orders, supported by sustained orders in China.

Consolidated Balance Sheet

[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2026 (previous FY)	FY2027 (end of June)	YoY
Current asset	53,312	**56,607**	+3,295
Non-current asset	60,259	**60,097**	-162
Current liabilities	27,065	**29,261**	+2,195
Non-current liabilities	16,586	**13,506**	-3,080
Total net assets	69,920	**73,938**	+4,018
Total liabilities and net assets	113,572	**116,705**	+3,133
Equity-to-asset ratio	61.0%	**63.0%**	+2.0%

Assets
- Total assets increased by JPY 3.13 billion, driven primarily by higher cash and deposits.

Liabilities
- Total liabilities decreased by JPY 0.88 billion, reflecting lower borrowings, despite increases in income taxes payable and trade payables.

Net assets
- Net assets increased by JPY 4.01 billion, supported by growth in retained earnings and foreign currency translation adjustments.

Regarding the balance sheet, total assets increased by JPY 3.13 billion compared with the end of the previous fiscal year, mainly driven by an increase in cash and deposits.

Liabilities decreased by JPY 0.88 billion compared with the end of the previous fiscal year, mainly driven by a decrease in borrowings, despite increases in income taxes payable and trade payables.

The equity-to-asset ratio increased by 2 percentage points from the previous fiscal year to 63%.

Consolidated Cash Flow

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[Unit: Millions of JPY] *Amounts less than JPY 1 million are rounded down	FY2026 1Q	FY2027 1Q	YoY
CF from operating activities	1,795	**3,428**	+1,633
CF from investing activities	-857	**3,671**	+4,529
Free cash flows (FCF)	937	**7,100**	+6,162
CF from financing activities	-3,072	**-4,839**	-1,766
Cash and cash equivalents at end of period	16,394	**20,748**	+4,354

CF from operating activities

- JPY 3.42 billion, driven by higher profit from sales growth, a decrease in trade receivables, and an increase in trade payables.

CF from investing activities

- JPY 3.67 billion, reflecting proceeds from the sale of land and buildings at the former U.S. headquarters, partially offset by investments in the new headquarters.

CF from financing activities

- JPY -4.83 billion, due primarily to dividend payments and the repayment of interest-bearing debt.

Regarding cash flow from operating activities, it was JPY 3.42 billion, driven by an increase in profit resulting from sales growth, as well as a decrease in trade receivables and an increase in trade payables.

Cash flow from investing activities was JPY 3.67 billion, mainly due to the transfer of land and buildings of our former headquarters in the U.S. and investments in the new headquarters.
As a result, free cash flows was JPY 7.1 billion.

Cash flow from financing activities was approximately negative JPY 4.83 billion, mainly due to dividend payments and the repayment of interest-bearing debt.

02 — Forecast for the FY2027

Forecast for the FY2027

- Given the time required to reassess our earnings forecast in light of the evolving external business environment, the forecast remains unchanged at this time.
- We will continue to carefully assess the impact of order trends, foreign exchange movements, and investment requirements on earnings, and will announce any revisions once finalized.

[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**	7.9%	+54.9%
Basic earnings per share (JPY)	131.22	–	**203.25**	–	+72.03

	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

Given the time required to reassess our earnings forecast in light of the evolving external business environment, the forecast remains unchanged at this time.

We will continue to carefully assess the impact of order trends, foreign exchange movements, and investment requirements on earnings, and will announce any revisions once finalized.

Forecast for the FY2027

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[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% (―)

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

- 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.

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

References

Outline of the Medium-Term Management Plan

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New IDEC

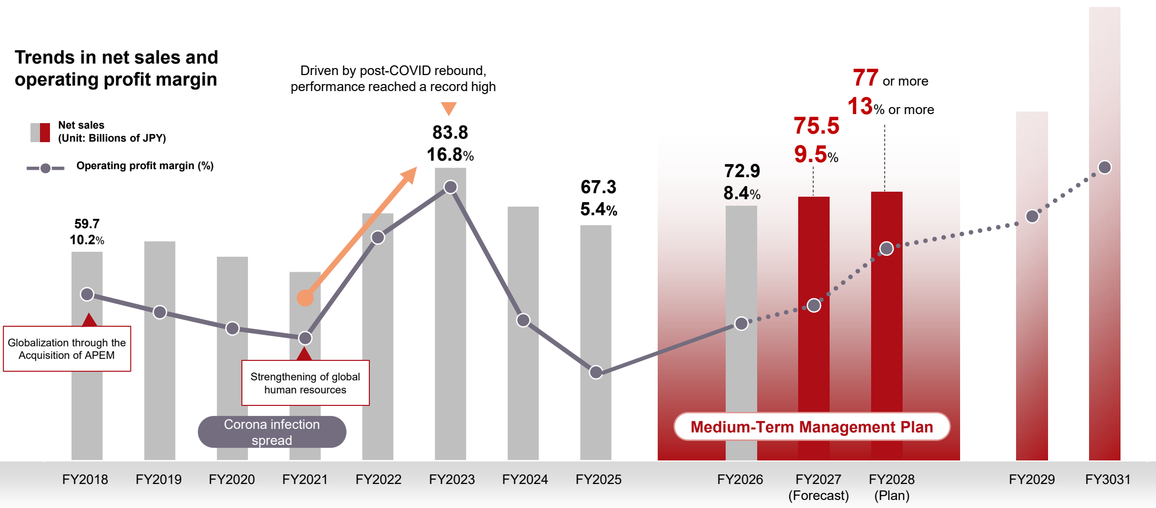
Transition to a customer-centric business structure and enhance responsiveness to market changes.

Customer-centric Business Structure	Realizing One IDEC
• Establish global structure to meet customer demands • Strengthen solutions to address customer challenges	• Optimize operations and manufacturing bases globally • Establish SCM system that leverages digital technology and enhances customer satisfaction and efficiency • Establish organization that reinforces “One IDEC”

Targets for the FY2028

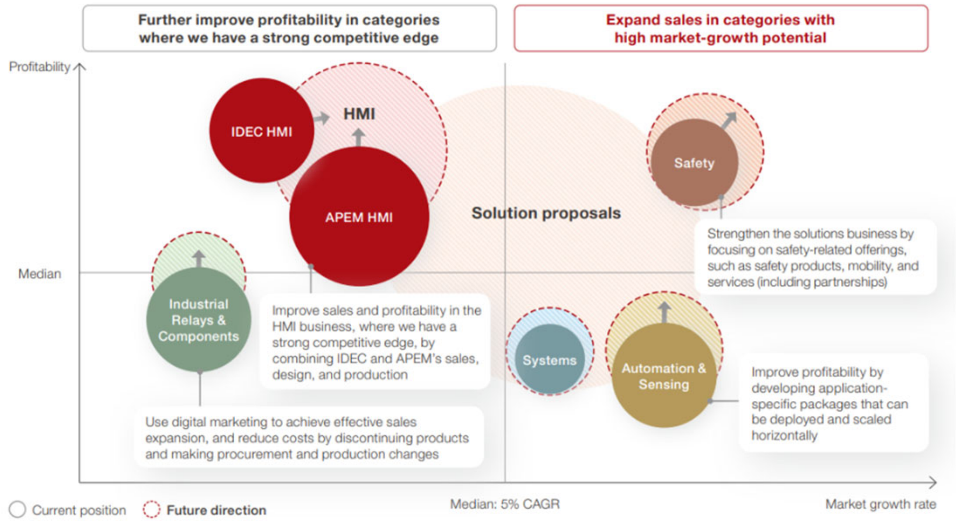
- Net sales: JPY 77 billion or more
- Operating profit margin: 13% or more
- ROIC: 7% or more

Medium-Term Management Plan



Business Strategy: Business Portfolio

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



Sales Segment by Product

HMI

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

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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 August 6, 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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