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(Stock Exchange Code 6652)

May 28, 2026

To Shareholders with Voting Rights:

2-6-64 Nishimiyahara, Yodogawa-ku, Osaka

IDEC CORPORATION

Toshiyuki Funaki

Chairman and Chief Executive Officer

(Mailing date) June 4, 2026

(Date of commencement of electronic provision measures) May 28, 2026

**NOTICE OF
THE 79TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

The 79th Annual General Meeting of Shareholders of IDEC CORPORATION (the “Company”) will be held for the purposes as described below.

- 1. Date and Time** Friday, June 19 2026 at 10 a.m. Japan time
(The reception is scheduled to start at 9:00 a.m.)
- 2. Place** 2F Hall at the Head Office of the Company located at
2-6-64 Nishimiyahara, Yodogawa-ku, Osaka
- 3. Meeting Agenda**
Matters to be reported
 - 1.** The Business Report, Consolidated Financial Statements for the Company’s 79th Fiscal Year (April 1, 2025 - March 31, 2026) and results of audits by the Accounting Auditors and the Audit and Supervisory Committee of the Consolidated Financial Statements
 - 2.** Non-Consolidated Financial Statements for the Company’s 79th Fiscal Year (April 1, 2025 - March 31, 2026)

Proposals to be resolved

- | | |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Proposal 1: | Election of Seven (7) Directors (Excl. Directors who are Audit and Supervisory Committee Members) |
| Proposal 2: | Election of Three (3) Directors who are Audit and Supervisory Committee Members |
| Proposal 3: | Election of One (1) Substitute Director who is Audit and Supervisory Committee Members |
| Proposal 4: | Delegation of Determination of Subscription Requirements for Stock Acquisition Rights to Be Issued as Stock Options to the Board of Directors of the Company |

For the purpose of convening this Annual General Meeting of Shareholders, we provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. by electronic means (matters on measures for electronic provision), and post it as “Notice of the 79th Annual General Meeting of Shareholders” on the Company website as well as the website of the Tokyo Stock Exchange (TSE) below. Please access and review it.

The Company website:

<https://www.idec.com/en/ir/meeting>

The website of TSE:

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

*On the website of TSE, enter the stock name (IDEC) or stock code (6652), search for it, and select “Basic information” and “Public documents/PR information” to confirm them.

Of the matters pertaining to measures for electronic provision, the following matters are not included in the documents to be delivered to shareholders pursuant to laws and regulations and the provisions of the Articles of Incorporation of the Company. Accordingly, the documents delivered to shareholders shall be part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Audit Report.

- 1 “Matters Concerning Stock Acquisition Rights of the Company,” “Matters Concerning Accounting Auditors,” “Matters Concerning Establishment of System to Ensure the Appropriateness of Business Operations and the Operational Status of Such System,” “Basic Policies on Company Control,” and “Policy for Determining the Dividends of Surplus, etc.” in the Business Report
- 2 “Consolidated Statements of Changes in Shareholders’ Equity” and “Consolidated Notes” of the Consolidated Financial Statements
- 3 “Non-consolidated Statements of Changes in Shareholders’ Equity” and “Non-consolidated Notes” of the Non-Consolidated Financial Statements
- 4 “Audit Report on the Consolidated Financial Statements by the Accounting Auditor,” “Audit Report by the Accounting Auditor,” and “Audit Report by the Audit and Supervisory Committee” of the audit reports

If any amendment is made to the matters pertaining to measures for electronic provision, we will post such fact and the matters before and after the amendment on the Company website and the TSE website on the left.

Information on Exercise of Voting Rights

When attending in person

Please submit your Voting Form to the receptionist at the Meeting. Voting via the Internet, etc. or in writing (by mail) is not necessary.

When mailing the Voting Form

Please express whether you approve or disapprove of each proposal on the Voting Form and mail it to us. Exercise deadline: Should arrive by 5:15 p.m. on Thursday, June 18, 2026

When exercising voting rights via the Internet, etc.

Please indicate whether you are for or against each of the agenda items on the Voting Rights Exercise Website. (<https://www.web54.net>).

Exercise deadline: Should send by 5:15 p.m. on Thursday, June 18, 2026

CEO Message

To Shareholders

Accelerating structural reforms to become a truly global company and to be reborn as “New IDEC.”

We would hereby like to express our appreciation for your continued support and patronage. November 2025 marked 80 years since the establishment of Izumi Shokai, the predecessor of the IDEC Group. The business environment has dramatically changed since then, and at present, nearly 70% of sales of the IDEC Group’s core products are from outside Japan. In order to respond to these changes and transform the Company into a “New IDEC,” we are promoting various structural reforms under the Medium-Term Management Plan that started in April 2025 by placing globalization at the center of our business strategy.

To become a company that continues to grow over the next 100 years, we need to break away from past approaches. In order to establish a customer-centric structure that aims to realize customer value and a resilient organizational foundation that can withstand rapid changes in the geopolitical environment, we are promoting fundamental global reforms in all of our activities. Through these reforms, we aim to further enhance our corporate value.

June 4, 2026

Chairman and Chief Executive Officer

Toshiyuki Funaki

At a Glance

Products that Boast the Top Share in Japan and Overseas

* FY2025 results
(according to in-house research)

👑 No.1 both Japan and globally
Three-position enabling switch

90%



👑 No.1 in Japan
Emergency-stop switch

70%



👑 No.1 in Japan
Industrial switch

50%



We have a lineup of over 100,000 models of a wide range of control equipment, and have earned a large market share for our various products thanks to recognition of our reliability and built up over many years.

Stable Dividends

We are working continuously to improve profitability and pay stable dividends while actively investing in areas necessary for corporate growth.

Dividend Yield

4.4%



Cash flows from operating activities

74 billion yen



Safety DNA

The 80th anniversary of founding



Since the founding in 1945, IDEC has been providing high-quality products globally, by manufacturing products that protect human lives.

International Standardization Activities

Over 20 years



Since the 1990s, IDEC has participated actively in the proposing and promoting the creation of international safety standards, and has been actively involved in activities to shape the rules itself.

Proposal 1: Election of Seven (7) Directors (excl. Directors who are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excl. Directors who are Audit and Supervisory Committee Members; the same applies hereinafter), Messrs. Toshiyuki Funaki, Mikio Funaki, Takao Funaki, Hiroshi Kobayashi, Hideyuki Ohkubo and Ms. Mariko Sugiyama, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to strengthen the management structure and business execution functions, the Company proposes the election of seven (7) Directors, including three (3) Outside Directors, by increasing the number of Directors by one (1).

This Proposal has been deliberated by the voluntary Nominating Committee, composed of outside directors, and it has been determined to be appropriate. It was also examined in the Audit and Supervisory Committee, and no objections were raised.

The candidates for Directors are as follows.

- (Notes)
1. There are no special interests between any of the candidates for Directors and the Company.
 2. Mr. Lei Lu is a candidate for a new Director.
 3. Candidates for Directors, Mr. Hiroshi Kobayashi, Mr. Hideyuki Ohkubo, and Ms. Mariko Sugiyama, are candidates for Outside Directors.
 4. Candidates for Directors, Mr. Hiroshi Kobayashi, Mr. Hideyuki Ohkubo, and Ms. Mariko Sugiyama, are designated as independent officers required by Tokyo Stock Exchange, Inc., as people who will not have conflicts of interests with general shareholders.
 5. There are business relationships between the Company and Mitsubishi Electric Corporation for which Mr. Hideyuki Ohkubo, the candidate for Director, served as Executive Officer, and Salesforce Japan for which Ms. Mariko Sugiyama, the candidate for Director, served as Executive Officer. However, the size of their business in fiscal 2026 was less than 1% of consolidated net sales, and there are no issues with their independence. There are no business relationships between the Company and Honda Motor Co., Ltd. for which Mr. Hiroshi Kobayashi, the candidate for Director, served as Director, and i-Learning Co., Ltd. for which Ms. Mariko Sugiyama, the candidate for Director, serves as Representative Director.
 6. Candidates for Directors, Mr. Hiroshi Kobayashi, Mr. Hideyuki Ohkubo, and Ms. Mariko Sugiyama, are currently Outside Directors of the Company. Mr. Hiroshi Kobayashi will have served 7 years, Mr. Hideyuki Ohkubo will have served 5 years, and Ms. Mariko Sugiyama will have served 4 years as Director at the conclusion of this Annual General Meeting of Shareholders.
 7. The Company has entered into agreements with candidates for Directors, Mr. Hiroshi Kobayashi, Mr. Hideyuki Ohkubo, and Ms. Mariko Sugiyama, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, limiting their liabilities for damages. Based on these agreements, the maximum amount of liabilities for damages shall be an amount provided by laws and regulations. Upon election of candidates as proposed, the Company intends to continue this agreement.
 8. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insured including Directors of the Company in the event that they are held liable for damages in the performance of their duties. If each candidate is elected, he or she will be the insured of the said insurance agreement. We plan to renew the agreement with the same level of compensation at the time of next renewal.

[Reference] Policy on Independence of Outside Executives

The Company proactively appoints outside directors who have a high level of expertise or a wealth of experience and insight in management and business execution. In addition, the Company considers an outside director to be independent if he/she falls under all of the following:

- (1) He/she is not and was not an executive of the Group (referring to the Company and its subsidiaries, hereinafter the same).
- (2) He/she is not a party that has the Group as a major business partner or an executive of such a party.
- (3) He/she is not a major business partner of the Group or its executive.
- (4) He/she is not a consultant, accountant or legal professional (or a person belonging to an organization of the same kind including corporation and partnership) who receives a large amount of monetary consideration or other property from the Group besides compensation as an officer.
- (5) He/she has not been an accounting auditor of the Group in any of the last three fiscal years. In the case where the accounting auditor is a corporation, partners, certified public accountants, and employees other than certified public accountants of such audit firm shall be included.
- (6) He/she does not receive donations or grants of a large amount from the Group.
- (7) He/she is not a major shareholder of the Group or an executive of such a shareholder.
- (8) He/she is not an executive of a company, between which and the Company outside directors are mutually appointed.
- (9) He/she is not the spouse or a relative within the second degree of relationship of a person who falls under any of (1) through (8) above (limited to an important person).
- (10) The total term of office does not exceed 10 years in principle.

Candidate No. 1 Reappointment

Name: Toshiyuki Funaki

Date of birth: August 30, 1947

Career summary (positions and responsibilities)

October 1975 Executive Vice President of IDEC CORPORATION (USA)
July 1985 Director of the Company
December 1990 Management Director of the Company
June 1994 Senior Executive Director of the Company
June 1997 Chief Executive Officer of the Company
April 2000 Representative Executive Officer of the Company (to present)
April 2002 Chairman, CEO of IDEC CORPORATION (USA)
June 2006 Chairman and Chief Executive Officer of the Company (to present)
February 2021 Chairman of Nominating Committee of the Company
October 2022 Chairman of Remuneration Committee of the Company

Number of shares of the Company held: 207,303 shares

Attendance at the Board of Directors meeting (FY2026): 100 % (7/7 times)

Significant concurrent positions

Chairman of IDEC CORPORATION (USA)

Reasons for Nomination of the Candidate for Director

Mr. Toshiyuki Funaki has served as Representative Director Chairman and President, and with his wealth of experience and achievements, the Company has judged that it would be best for him to assume his current role of driving the sustainable growth of the Group, and we have nominated him again as a candidate.

Candidate No. 2 Reappointment

Name: Mikio Funaki

Date of birth: January 17, 1953

Career summary (positions and responsibilities)

June 1979 Joined IDEC CORPORATION (USA)
June 1991 Vice President of IDEC CORPORATION (USA)
April 1993 Joined the Company
June 1997 Director of the Company
April 1999 Executive Officer in charge of IT of the Company
April 2002 President, COO of IDEC CORPORATION (USA)
May 2003 Senior Executive Director of the Company
May 2003 Senior Managing Executive Officer of the Company (to present)
June 2006 Senior Executive Vice President of the Company (to present)
January 2025 Director of IDEC CORPORATION (USA) (to present)

Number of shares of the Company held: 124,635 shares

Attendance at the Board of Directors meeting (FY2026): 100 % (7/7 times)

Significant concurrent positions

Director of IDEC CORPORATION (USA)

Reasons for Nomination of the Candidate for Director

Mr. Mikio Funaki has been engaged in management of the Group in Japan and overseas for years, and has abundant experience and achievements. The Company has judged that his knowledge will lead to sustainable growth of the Group, and we have nominated him again as a candidate.

Candidate No. 3 Reappointment

Name: Takao Funaki

Date of birth: October 19, 1975

Career summary (positions and responsibilities)

April 1996	Joined IDEC CORPORATION (USA)
June 2013	Joined the Company
April 2016	Chairman of IDEC Elektrotechnik GmbH
April 2017	Director of IDEC CORPORATION (USA)
January 2022	President of APEM, Inc.
April 2022	Executive Officer in charge of US Business of the Company
April 2023	Senior Executive Officer of Manufacturing & US Business of the Company
June 2023	Director, Senior Executive Officer of Manufacturing, Procurement & SCM and US Business of the Company
April 2024	Director, Senior Executive Officer of Manufacturing, SCM, & US Business of the Company
January 2025	President, COO of IDEC CORPORATION (USA)
April 2025	Director, Senior Executive Officer, Manufacturing, SCM, US & IT
July 2025	CEO of IDEC CORPORATION (USA) (to present)
July 2025	Managing Director of the Company (to present)

Number of shares of the Company held: 49,464 shares

Attendance at the Board of Directors meeting (FY2026): 100 % (7/7 times)

Significant concurrent positions

CEO of IDEC CORPORATION (USA)

Reasons for Nomination of the Candidate for Director

Mr. Takao Funaki has been engaged in management of the Group in Japan and overseas and planning and execution of regional business strategies mainly overseas, and has extensive experience and achievements. The Company has judged that his knowledge and experience will contribute to the further expansion of the Group's business, and we have nominated him again as a candidate.

Candidate No. 4 New

Name: Lei Lu

Date of birth: April 7, 1973

Career summary (positions and responsibilities)

December 2004	FP&A Manager, Rockwell Automation, Inc.
February 2013	Finance and supply chain management roles, including Sr. Business Controller Head of Finance for CDMA BU, Nokia
November 2014	SVP Finance, Bird Rock Bio, Inc.
July 2020	SVP, Finance and Acting CFO, ACEA Biosciences, Inc. / ACEA Therapeutics Inc.
August 2021	EVP Finance, HUYA Bioscience International
July 2025	SVP, Finance and Acting CFO, Prometheus Laboratories Inc.
July 2025	Joined the Company
	Executive Officer, Global Finance of the Company (to present)
	CFO of IDEC CORPORATION (USA) (to present)

Number of shares of the Company held: 0 shares

Significant concurrent positions

CFO of IDEC CORPORATION (USA)

Reasons for Nomination of the Candidate for Director

Mr. Lei Lu has extensive expertise in financial strategy, M&A, accounting and tax affairs, and financial planning and analysis (FP&A) at a global company, as well as a wide range of experience in international business around the world, and is leading efforts to strengthen the Group's financial strategy toward the achievement of its medium-term management plan. The Company has judged that incorporating his experience and knowledge into decision-making and supervision in the Board of Directors will contribute to the advancement of the Company's global management, sustainable growth, and the enhancement of corporate value, and we have nominated him as a candidate for Director.

Candidate No. 7 Reappointment Outside Independent

Name: Mariko Sugiyama

Date of birth: May 28, 1964

Career summary (positions and responsibilities)

April 1987 Joined IBM Japan, Ltd.

March 1994 Joined Oracle Corporation Japan

July 2010 Joined SAS Institute Japan

February 2012 Joined Salesforce.com, Co., Ltd. (currently Salesforce Japan Co., Ltd.)

August 2018 Executive Officer of Salesforce.com, Co., Ltd.

February 2022 Representative Director of Erawan, Inc.

June 2022 Director of the Company (to present)

January 2024 Representative Director of i-Learning Co., Ltd. (to present)

Number of shares of the Company held: 2,445 shares

Attendance at the Board of Directors meeting (FY2026): 100 % (7/7 times)

Significant concurrent positions

Representative Director of i-Learning Co., Ltd.

Reasons for Nomination of the Candidate for Outside Director and Outline of Expected Roles

Ms. Mariko Sugiyama has been engaged in a wide variety of businesses in the IT industry for a long time and is highly regarded for her abundant knowledge and experience. Based on her knowledge, she has supervised the Company and given the Company her productive advice from an independent perspective with no special interests, especially on the IT strategy and DX strategy of the Company. That is why the Company has nominated her again as a candidate. After election, she is expected to continue fulfilling the above-mentioned roles.

Proposal 2: Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of all three (3) Directors who are Audit and Supervisory Committee Members, Mr. Yasuo Himeiwa, Ms. Michiko Kanai and Ms. Eri Nakajima will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company propose the election of three (3) Directors who are Audit and Supervisory Committee Members (All are Outside Directors.).

This Proposal has been deliberated by the voluntary Nominating Committee, composed of outside directors, and it has been determined to be appropriate.

The Audit and Supervisory Committee has already agreed to this proposal. The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

(Notes)

1. There are no special interests between each candidate and the Company.
2. Candidates for Directors who are Audit and Supervisory Committee Members, Mr. Yasuo Himeiwa, Ms. Michiko Kanai, and Ms. Eri Nakajima, are candidates for Outside Directors.
3. Candidates for Directors who are Audit and Supervisory Committee Members, Mr. Yasuo Himeiwa, Ms. Michiko Kanai, and Ms. Eri Nakajima are designated as independent officers required by Tokyo Stock Exchange, Inc., as people who will not have conflicts of interests with general shareholders.
4. Candidates for Directors who are Audit and Supervisory Committee Members, Mr. Yasuo Himeiwa, Ms. Michiko Kanai, and Ms. Eri Nakajima, are currently Outside Directors of the Company and Mr. Yasuo Himeiwa will have served 6 years, Ms. Michiko Kanai will have served 10 years, and Ms. Eri Nakajima will have served 4 years as Directors at the conclusion of this Annual General Meeting of Shareholders.
5. The Company has entered into agreements with candidates for Directors who are Audit and Supervisory Committee Members, Mr. Yasuo Himeiwa, Ms. Michiko Kanai, and Ms. Eri Nakajima in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, limiting their liabilities for damages. Based on these agreements, the maximum amount of liabilities for damages shall be an amount provided by laws and regulations. Upon election of candidates as proposed, the Company intends to continue this agreement.
6. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds including the directors of the Company in the event that they are held liable for damages in the performance of their duties. If each candidate is elected as Director, each candidate will be insureds in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.

Candidate No. 1 Reappointment Outside Independent

Name: Yasuo Himeiwa

Date of birth: November 5, 1953

Career summary (positions and responsibilities)

August 1983 Joined Peat Marwick Mitchell Accountant Office (currently KPMG)
August 1990 Certified Public Accountant registered
August 1994 Director in charge of Europe of KPMG Project Japan
January 1996 Associate Partner at Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
February 2001 Partner at Audit Corporation ShinNihon (currently Ernst & Young ShinNihon LLC)
September 2003 Partner at KPMG AZSA & Co.
July 2009 Head of Osaka Global Japanese Practice at KPMG AZSA & Co.
May 2015 Chairman of General Partners' Meeting of KPMG AZSA LLC
June 2016 General Manager at Himeiwa Certified Public Accountant Office (to present)
June 2020 Director of the Company (Audit and Supervisory Committee Member)
February 2021 Member of Nominating Committee of the Company
June 2021 Board Member of the Company (Full-time Audit and Supervisory Committee Member) (to present)
October 2022 Remuneration Committee Member of the Company
June 2025 Chairman of Nominating Committee and Remuneration Committee of the Company (to present)

Number of shares of the Company held: 2,714 shares

Attendance at the Board of Directors meeting (FY2026): 100% (7/7 times)

Attendance at the Audit and Supervisory Committee (FY2026): 100% (9/9 times)

Significant concurrent positions

Certified Public Accountant (General Manager at Himeiwa Certified Public Accountant Office)

Outside Company Auditor of TAKARA BIO INC.

Outside Director (Audit and Supervisory Committee Member) of Sharp Corporation

Reasons for Nomination of the Candidate for Outside Director and Outline of Expected Roles

Mr. Yasuo Himeiwa has extensive knowledge and experience as a Certified Public Accountant, and he has contribute to reinforcing our company's auditing system from the viewpoint of finance and accounting, and given the Company his precise advice at the voluntary committees. Judging that he also has a fair and neutral standpoint in regards to audit independence, the Company has elected him again as a candidate for Director. After election, he is expected to continue fulfilling the above-mentioned roles.

Candidate No. 2 Reappointment Outside Independent

Name: Michiko Kanai

Date of birth: June 16, 1955

Career summary (positions and responsibilities)

April 1990 Registered in Osaka Bar Association
Joined Oh-Ebashi Law Offices (currently Oh-Ebashi LPC & Partners)
April 1998 Partner at Oh-Ebashi Law Offices
August 2002 Member at Oh-Ebashi LPC & Partners
June 2016 Director of the Company
June 2018 Director of the Company (Audit and Supervisory Committee Member) (to present)
February 2021 Member of Nominating Committee of the Company (to present)
October 2022 Member of Remuneration Committee of the Company (to present)
January 2026 Counsel at Oh-Ebashi LPC & Partners (to present)

Number of shares of the Company held: 13,310 shares

Attendance at the Board of Directors meeting (FY2026): 100 % (7/7 times)

Attendance at the Audit and Supervisory Committee (FY2026): 100% (9/9 times)

Significant concurrent positions

Lawyer (Member at Oh-Ebashi LPC & Partners)

Outside Director of KONDOTECH INC.

Outside Company Auditor (Audit and Supervisory Committee Member) of AS ONE CORPORATION

Reasons for Nomination of the Candidate for Outside Director and Outline of Expected Roles

As a lawyer, Ms. Michiko Kanai has contributed to strengthening the Company's auditing system regarding legal affairs based on her high-degree of expertise and acumen in corporate legal affairs, and given the Company her precise advice at the voluntary committees. Judging that she also has a fair and neutral standpoint in regards to audit independence, the Company has elected her again as a candidate for Director. After election, she is expected to continue fulfilling the above-mentioned roles.

Candidate No. 3 Reappointment Outside Independent

Name: Eri Nakajima

Date of birth: September 2, 1972

Career summary (positions and responsibilities)

April 1995 Joined the Environment Agency
April 2013 Policy Planning Division, Nature Conservation Bureau of the Ministry of the Environment Assistant Division Chief
April 2015 Deputy Governor of Nagano Prefecture
August 2020 Decarbonization Innovation Research Office, Global Environment Bureau of the Ministry of the Environment General Manager
December 2021 Specially Appointed Professor at Faculty of Economics and Law in Shinshu University
June 2022 Director of the Company (Audit and Supervisory Committee Member) (to present)
April 2023 Professor at Faculty of Policy Studies in Doshisha University (to present)

Number of shares of the Company held: 1,462 shares

Attendance at the Board of Directors meeting (FY2026): 100% (7/7 times)

Attendance at the Audit and Supervisory Committee (FY2026): 100% (9/9 times)

Significant concurrent positions

Professor at Faculty of Policy Studies in Doshisha University

Outside Director of Core Concept Technologies Inc.

Reasons for Nomination of the Candidate for Outside Director and Outline of Expected Roles

Ms. Eri Nakajima has been engaged in a wide range of fields in environmental administration such as global warming countermeasures and promotion of women's empowerment. Based on her abundant knowledge and experience, she has provided supervision and advice, etc. mainly for matters concerning environmental sustainability and diversity such as promotion of women's empowerment. Judging that she also has a fair and neutral standpoint in regards to audit independence, the Company has elected her again as a candidate for Director. After election, she is expected to continue fulfilling the above-mentioned roles.

Reference: Management system after the approval of Proposal 1 and 2 (planned)

Skills matrix expected of directors (○ indicates contributing areas/roles; ● indicates contributing areas with particularly high expectations)

		Name	Attendance (FY2025)	Corporate management and management strategy	International business	Industry knowledge	R&D and manufacturing	Sales and marketing	Financial and accounting	Legal affairs and risk management	Personnel affairs and development	IT and DX	Sustainable and ESG	Nominating Committee	Remuneration Committee	
			Board of Directors meeting													
Director	Chairman and CEO	Toshiyuki Funaki	7/7 times (100%)	●	●	●	○	○		○			○			
	Senior Executive President, COO	Mikio Funaki	7/7 times (100%)	●	●	●	○	○				○				
	Managing Director	Takao Funaki	7/7 times (100%)		●	○	○	●				●	○			
	Director, Senior Executive Officer	Lei Lu	-	○	●				●							
	Outside Independent	Hiroshi Kobayashi	7/7 times (100%)	○	●			●				○			✓	✓
	Outside Independent	Hideyuki Ohkubo	7/7 times (100%)	●		●	●					○				✓
	Outside Independent	Mariko Sugiyama	7/7 times (100%)		○			○				○	●			
Audit and Supervisory Committee	Outside Independent	Yasuo Himeiwa	7/7 times (100%)		○	○			●	○				✓	✓	
	Outside Independent	Michiko Kanai	7/7 times (100%)		○					●			○	✓	✓	
	Outside Independent	Eri Nakajima	7/7 times (100%)								○		●			

Corporate management and management strategy

Has experience in corporate management at companies in the position of a (representative) director, executive officer, etc., and has considerable knowledge.

International business

Has experience in international business at companies, and has considerable knowledge.

Industry knowledge

Has considerable knowledge in the industries the IDEC Group is involved in, such as the control instrument industry, and the FA industry.

R&D and manufacturing

Has experience in development and production in the development and production division of companies, and has considerable knowledge

Sales and marketing

Has experience in marketing and sales in the sales division of companies, and has considerable knowledge.

Financial and accounting

Has experience in finance and accounting as a certified public accountant, tax accountant or in the accounting and finance division of companies, and has considerable knowledge.

Legal affairs and risk management

Has experience in corporate legal affairs and risk management as a lawyer or in the legal division of companies, and has considerable knowledge.

Personnel affairs and development

Has experience in human resource functions such as organizational development and human resource development at companies, and has considerable knowledge.

IT and DX

Has considerable knowledge in the IT and digital fields.

Sustainable and ESG

Has considerable knowledge of sustainability and ESG.

Efforts to evaluate effectiveness

In order to improve the effectiveness of the Board of Directors, an evaluation of all directors except the CEO has been conducted using a questionnaire method every year since FY2016. Since FY2022, a third-party organization has conducted the questionnaire survey and analyzed the responses.

The evaluation of the effectiveness conducted in February 2026 showed that the performance of Outside Directors was rated high both in comparison to other companies and in comparison to the previous year, indicating that they are functioning effectively. It was also recognized that the opportunities for discussions focused on profitability and capital efficiency improved from the previous year.

On the other hand, the evaluation results expressed expectations for further enhancement of the support from the Secretariat and the opportunities for Outside Directors to exchange opinions, and found some issues regarding the effectiveness of the Nominating Committee and the Remuneration Committee.

Based on these evaluation results, we will work to increase the frequency of Outside Directors’ exchange sessions and enhance the content of these sessions in the fiscal year ending March 2027. In addition, we will further enhance the effectiveness of the Board of Directors by improving Secretariat support, including the provision of supplementary opportunities to share and explain information, along with the early provision of meeting materials.

Evaluation

- Opportunities for discussions with profitability, capital efficiency, etc. in mind improved from the previous year
- The performance of Outside Directors was rated high both in comparison to other companies and in comparison to the previous year, implying that they functioned effectively
- Continued expectations were expressed for the support from the Secretariat and the opportunities for exchange of opinions of Outside Directors
- The Nominating Committee and the Remuneration Committee need to further enhance their effectiveness and the adequacy of deliberations.

Challenges	Future initiatives
Exchange of opinions among Outside Directors	<ul style="list-style-type: none"> ● Outside directors’ exchange sessions held twice a year ● Creation of opportunities for information sharing, exchange of opinions, and interaction including Executive Officers, young employees, etc. (discussions, question and answer sessions)
Discussions on management strategy and the medium-term plan	<ul style="list-style-type: none"> ● Participation in company-wide policy briefings and the creation of opportunities to interact with functional leaders in order to deepen understanding and engagement.
Support structure including timing of the provision of materials	<ul style="list-style-type: none"> ● Appropriate allocation of agenda time and management of meeting proceedings ● Early provision of meeting materials and supplementary explanations of information necessary for deliberations ● Arrangement of opportunities for information sharing outside the Board of Directors meetings (explanation of policy, exchange sessions) ● Explanation of the roles and positioning of committees and sharing of relevant updates
Management of the Nominating and Remuneration committees Involvement in succession plans Deliberation on remuneration	<ul style="list-style-type: none"> ● Regular meetings to establish evaluation and decision-making criteria for successor selection, and implementation of initiatives in line with the succession plan

Proposal 3: Election of One (1) Substitute Director who is Audit and Supervisory Committee Members

The Company proposes the election of one (1) substitute director who is Audit and Supervisory Committee Members in preparation for the event that the number of directors who are Audit and Supervisory Committee Members falls below the required number stipulated by laws and regulations.

This Proposal has been deliberated by the voluntary Nominating Committee, a majority of whose members are outside directors, and it has been determined to be appropriate. The Audit and Supervisory Committee has already agreed to this proposal.

The candidates for Substitute Directors who are Audit and Supervisory Committee Members are as follows.

Candidate Outside Independent

Name: Motoharu Iyomasa

Date of birth: November 17, 1958

Career summary (positions and responsibilities)

August 1985 Joined Peat Marwick Mitchell Accountant Office (currently KPMG)

August 1993 Certified Public Accountant registered

May 2009 Partner at KPMG AZSA & Co. (currently KPMG AZSA LLC)

July 2021 General Manager at Iyomasa Certified Public Accountant Office (to present)

June 2025 Outside Audit & Supervisory Board Member of SUGIMOTO & CO., LTD
(to present)

Number of shares of the Company held: 0 shares

Significant concurrent positions

Certified Public Accountant (General Manager at Iyomasa Certified Public Accountant Office)

Outside Audit & Supervisory Board Member of SUGIMOTO & CO., LTD

Reasons for Nomination and Outline of Expected Roles

Mr. Motoharu Iyomasa has extensive knowledge and experience built up over the years as a Certified Public Accountant, and the Company believes that he would contribute to reinforcing our company's auditing system from the viewpoint of finance and accounting. Judging that he also has a fair and neutral standpoint in regards to audit independence, the Company has elected him again as a candidate. If he takes office as Director who is an Audit and Supervisory Committee Member, he is expected to fulfill these roles.

- (Notes)
1. There are no special interests between Mr. Motoharu Iyomasa and the Company.
 2. Mr. Motoharu Iyomasa is a candidate for Substitute Outside Director.
 3. The Company has judged that Mr. Motoharu Iyomasa is not likely to cause any conflicts of interest with general stockholders and that he is independent, therefore, in the event that he assumes office as a director who is Audit and Supervisory Committee Members, the Company will designate him as independent officers required by Tokyo Stock Exchange, Inc..
 4. In the event that Mr. Motoharu Iyomasa assumes office as a director who is Audit and Supervisory Committee Members, the Company will enter into an agreement with him, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, limiting her liabilities for damages. Based on this agreement, the maximum amount of liabilities for damages shall be an amount provided by laws and regulations.
 5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds including the directors of the Company in the event that they are held liable for damages in the performance of their duties. In the event that Mr. Motoharu Iyomasa assumes office as a director who is Audit and Supervisory Committee Members, he will be insureds in the said insurance agreement.

Proposal 4: Delegation to the Board of Directors of the Company of Determination of Matters Regarding Subscription of Stock Acquisition Rights to Be Issued as Stock Options

Pursuant to Articles 236, 238 and 239 of the Companies Act, the Company seeks approval for delegating to the Board of Directors the determination of matters regarding subscription of stock acquisition rights to be issued as stock options to the Company's Employees and the Directors and Employees of the Company's subsidiaries (hereinafter referred to as "Employees").

1. Reason for soliciting from non-shareholders who will subscribe to stock acquisition rights under especially favorable terms

In order to boost the motivation and morale of Employees, and to contribute to the improvement of the Group's performance and the enhancement of its international competitiveness, the Company shall issue without consideration, stock acquisition rights without the need of payment of cash, in the following manner.

2. Maximum number of stock acquisition rights, for which the Board of Directors shall be entitled to determine the matters for subscription, based on the resolution at the General Meeting of Shareholders

3,000 units

3. Amount of cash to be paid for the stock acquisition rights

To be issued without consideration (The stock acquisition rights shall not require the payment of cash.)

4. Details of the stock acquisition rights

- (1) Persons to whom the stock acquisition rights shall be allocated

Employees

- (2) Type and number of shares subject to the stock acquisition rights

The total number of shares of the stock acquisition rights shall not exceed 300,000 shares of the Company's common stock, and the number of shares subject to one unit of the said stock acquisition rights shall be 100 shares.

In the event that the Company conducts a stock split or stock consolidation, the Company may adjust the number of shares subject to the stock acquisition rights in accordance with the following formula. However, such adjustments shall only be made with respect to the number of shares subject to the stock acquisition rights that have not been exercised at the time of adjustment of the said stock acquisition rights. Any fractions of less than one share resulting from the adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or consolidation}$$

- (3) Value of assets contributed upon exercise of the stock acquisition rights

The value of assets to be contributed upon exercise of each unit of stock acquisition right shall be calculated by multiplying the amount to be paid in per share as set below by the number of shares subject to each unit of stock acquisition right.

The amount to be paid in per share shall be calculated by multiplying the average of the daily closing prices of common stock of the Company in the regular transactions at the Tokyo Stock Exchange for trading days (excluding days on which there is no trading) during each day of the month prior to the month of the allocation date, by 1.05, and any fractions of less than one yen shall be rounded up to the nearest one yen.

However, if the foregoing amount is less than the closing price of the common stock of the Company on the date of allocation of the stock acquisition rights (if there is no trading on that day, then the closing price for the immediate preceding trading day), it shall be the closing price on the date of allocation of the stock acquisition rights.

In the event that the Company conducts a stock split or stock consolidation after the date of allocation of the stock acquisition rights, the amount to be paid in shall be adjusted according to the following formula, and any fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\begin{array}{l} \text{Amount to be} \\ \text{paid in after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Amount to be} \\ \text{paid in before} \\ \text{adjustment} \end{array} \times \frac{1}{\text{Rate of split or} \\ \text{consolidation}}$$

Furthermore, in the event that the Company issues new shares or disposes its treasury stock at a price less than the market price, the amount to be paid in shall be adjusted according to the following formula, and any fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\text{Amount to be paid in after adjustment} = \frac{\text{Amount to be paid in before adjustment} \times \left(\frac{\text{Number of previously issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount to be paid in per share}}{\text{Market price per share prior to new issue}}}{\text{Number of previously issued shares} + \text{Number of increased shares through new issue}} \right)}{1}$$

- (4) Exercise period of stock acquisition rights
From July 1, 2028 to June 30, 2030
- (5) Conditions for exercise of stock acquisition rights
 - 1) At the time of exercise of the right, the stock acquisition right holder must be a Director, Executive Officer or employee of the Company or its subsidiary. However, right holder may exercise his or her stock acquisition right, if he or she has retired due to the expiration of his or her term of office, or if he or she has reached the mandatory retirement age, or has any other valid reason.
 - 2) Other conditions shall be set forth in the “Stock Acquisition Rights Allocation Agreement” between the Company and the person to whom the stock acquisition rights have been allocated pursuant to the resolution of the Board of Directors with regard to the issuance of the stock acquisition rights.
- (6) Matters concerning an increase in capital stock and capital surplus in the event of issuance of shares upon exercise of stock acquisition rights
The increased amount in capital stock in the event of the issuance of shares upon the exercise of stock acquisition rights shall be equal to one half of the maximum increase in the amount of capital or the like calculated in accordance with Article 17, Paragraph 1 of the Company Calculation Rules. Any fractions of less than one yen resulting from the calculation shall be rounded up.
Remaining amounts shall be incorporated into capital surplus.
- (7) Restrictions on acquiring stock acquisition rights by way of transfer
Any acquisition of stock acquisition rights by way of transfer shall require the approval of the Board of Directors of the Company.
- (8) Reasons for acquiring stock acquisition rights
 - 1) In the event that a proposal for approval of a share exchange agreement or share transfer, in which the Company is to become a wholly-owned subsidiary, is approved at the Company’s General Meeting of Shareholders, the Company may acquire stock acquisition rights without consideration on a date separately determined at the Board of Directors.
 - 2) If any person to whom stock acquisition rights have been allocated is no longer eligible under the terms for the exercise of the stock acquisition rights, the Company may acquire the stock acquisition rights without consideration on a date separately determined at the Board of Directors.
- (9) Handling of stock acquisition rights upon restructuring
In the event that the Company conducts a merger (limited to where the Company is dissolved as a result of the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange or a stock transfer (hereinafter collectively referred to as “Restructuring”), stock acquisition rights of one of the companies listed in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act, as the case may be, (hereinafter referred to as “Restructured Company”), will be each delivered to the holders of the stock acquisition rights remaining at the time the Restructuring takes effect (hereinafter referred to as “Remaining Stock Acquisition Rights”), in accordance with the following conditions.
However, the foregoing applies only where the delivery of the stock acquisition rights of the Restructured Company, in accordance with the following terms, is provided for in the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger agreement, share exchange agreement or stock transfer agreement.
 - 1) The type of shares of the Restructured Company subject to the stock acquisition rights
The Restructured Company’s common stock
 - 2) The number of shares of the Restructured Company subject to the stock acquisition rights
A decision will be made according to (2) above, upon considering the terms, etc., for the Restructuring.

- 3) Value of assets contributed upon exercise of the stock acquisition rights
The amount calculated by multiplying the exercise price, which has been adjusted considering the terms, etc., for the Restructuring, by the number of shares determined in accordance with 2) above.
- 4) Exercise period of stock acquisition rights
The exercise period shall be the same as the exercise period of the Remaining Stock Acquisition Rights.
- 5) Restrictions on acquiring stock acquisition rights by way of transfer
Any acquisition of stock acquisition rights by way of transfer shall require the approval of the Restructured Company.
- 6) Other terms shall be determined subject to the terms of the Restructured Company.
- (10) Other details of the stock acquisition rights
Other details of the stock acquisition rights shall be determined, together with the other matters for the subscription of the stock acquisition rights, at the Board of Directors meeting to be held with regard to the issuance of stock acquisition rights for subscription.

End

Business Report

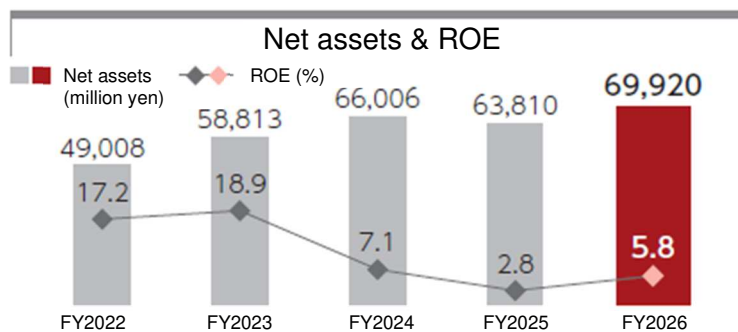
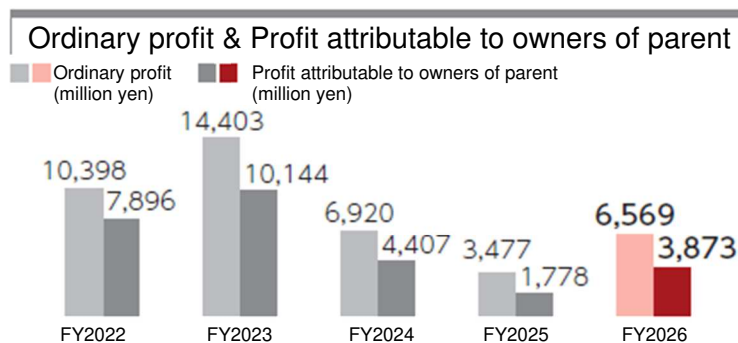
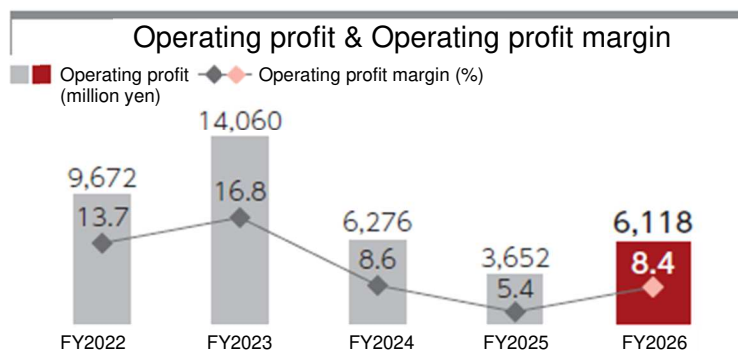
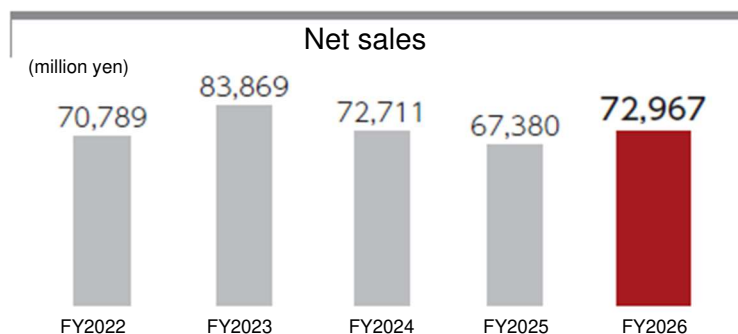
[Appendix]

Business Report for the 79th Period (From April 1, 2025 to March 31, 2026)

(Note) The listed amounts and numbers of shares in the business report do not show amounts less than the display unit, and for the percentages, fractions less than the display unit are rounded to the nearest unit.

1 Matters Concerning the State of Corporate Group

(1) Trends in Assets, Profits and Losses



(2) Business Progress and Results

Net sales

72,967 million yen
Year-on-year: Up 8.3%

Operating profit

6,118 million yen
Year-on-year: Up 67.5%

Ordinary profit

6,569 million yen
Year-on-year: Up 88.9%

Profit attributable to owners of parent

3,873 million yen
Year-on-year: Up 117.7%

During the consolidated fiscal year under review, the Japanese economy showed a moderate recovery, supported by improvements in the employment and income environment, despite ongoing inflation. On the other hand, the economic outlook remains uncertain due in part to concerns about economic slowdown resulting from tariff policies in the United States, sluggish demand mainly in the manufacturing industry in Europe, the stagnation of the real estate market in China, and increasing geopolitical risks associated with escalating tensions in the Middle East.

The IDEC Group's Medium-Term Management Plan, whose first year is the consolidated fiscal year under review, calls for a "shift to a customer-centric business structure" and "improved responsiveness to market changes on a global basis" as the New IDEC. The Group members are working together to promote structural reforms and achieve sustainable growth.

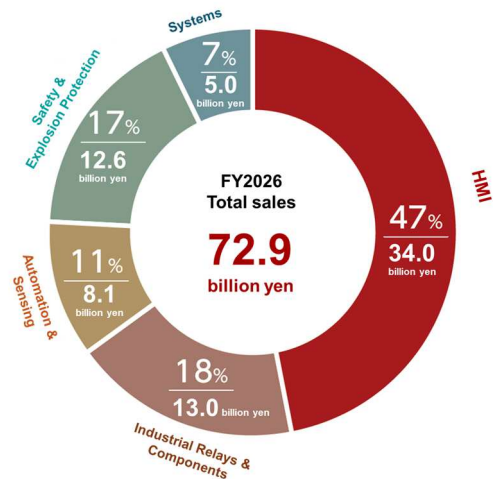
Under these circumstances, the IDEC Group's domestic net sales were 24,500 million yen (up 0.9% compared with the previous period) due in part to the elimination of distributor inventories and the current gradual recovery of demand in major industries leading to orders received ahead of sales, despite the impact of sale of a Group company's business. Overseas net sales were 48,466 million yen (up 12.5% compared with the previous period) due in part to expanding demand in the automobile and semiconductor industries in China in Asia Pacific, the ongoing normalization of agencies' distributor inventories, and the impact of additional U.S. tariffs passed on to selling prices in North America. As a result, consolidated net sales reached 72,967 million yen (up 8.3% compared with the previous period).

Due to increased profit as a result of higher sales, operating profit was 6,118 million yen (up 67.5% compared with the previous period) while ordinary profit was 6,569 million yen (up 88.9% compared with the previous period) due in part to foreign exchange gains. Profit attributable to owners of parent was 3,873 million yen (up 117.7% compared with the previous period).

Segment Overview

Provide diverse products and solutions as a leading company in the field of Human-Machine Interface (HMI), connecting humans and machines

IDEC Group's technologies and products contribute to solving various social challenges both at manufacturing sites such as factories, and in daily life scenes. By delivering safety, ANSHIN, and well-being for people in a diverse range of situations, we support the future of manufacturing and lifestyles.



HMI (Human-Machine Interface)

These products include control operation switches, joysticks, indicator lights, and operator interface, which form the core of the human-machine interaction environment.

Net sales 34,085 million yen
Year-on-year: Up 7.0%

Net sales of industrial switches for factory automation remained steady, in addition to the normalization of distributor inventories, despite the impact of economic slowdown in Europe and declining demand in the special vehicle industry.

Industrial Relays & Components

These products include switching power supplies, terminal blocks, control relays and sockets, and circuit protectors, which are incorporated into control panels for controlling and operating machinery and production lines, and are used as the basis for the control components of machinery and equipment.

Net sales 13,005 million yen
Year-on-year: Up 15.2%

Net sales of industrial relays remained steady in the core markets of Asia Pacific and North America.

Automation & Sensing

In addition to products that contribute to the automation of equipment in various industrial and life situations, programmable controllers that serve as the brains of machines and equipment, these products include automatic recognition devices that are used in various fields such as retail and logistics.

Net sales 8,193 million yen
Year-on-year: Down 5.9%

In programmable logic controllers, which are our core products, net sales decreased due to decreased new orders resulting from inventory adjustment at OEM suppliers, despite a steady increase in the core market of North America.

Safety & Explosion Protection

In addition to safety-related equipment such as emergency-stop switches, interlock switches and enabling switches that protect the safety of industrial workplaces, these products include explosion-protection related devices that, for example, prevent accidents at sites where explosive gases exist such as petroleum and chemical plants.

Net sales: 12,665 million yen

Year-on-year: Up 14.7%

In the core markets of Japan and Asia Pacific, net sales of safety-related products particularly in China remained steady.

Systems

It is a product group consisting, among others, of (i) various systems that systematize IDEC products according to customer needs and (ii) solutions of collaborative robot systems that build optimal systems by combining safety-related equipment and safety technologies.

Net sales: 5,016 million yen

Year-on-year: Up 44.2%

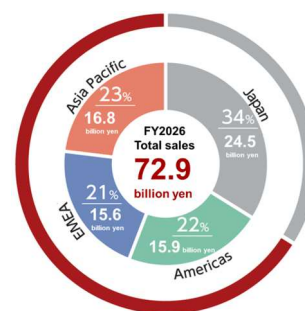
In Japan and Asia Pacific, sales of control panels for semiconductor manufacturing equipment and distribution facilities increased.

(3) State of Main Offices of the Company and Major Subsidiaries

We have actively promoted and continue to drive global business expansion through overseas business development and M&A.

Ratio of overseas sales Countries of operation

66% **16**



*EMEA: Europe, Middle East, and Africa

Main offices of the Company (as of March 31, 2026)

Location	Name
Osaka	Head Office, Technology Research Center
Hyogo	Takino, Fukusaki and Amagasaki Offices (each plant), Tatsuno Distribution Center

Major subsidiaries

Company name	Location	Share capital	Ownership percentage	Main business
IDEC SALES SUPPORT CORPORATION	Osaka	100 million yen	100%	Sale of and sales support for control equipment
IDEC AUTO-ID SOLUTIONS CORPORATION	Osaka	300 million yen	100%	Sale of automatic recognition devices
IDEC ALPS Technologies Co., Ltd.	Osaka	100 million yen	51%	Development, manufacture and sales of control equipment
IDEC LOGISTICS SERVICE CORPORATION	Hyogo	10 million yen	100%	Commissioned business for rigging assembly for control equipment and logistics operations
IDEC FACTORY SOLUTIONS CORPORATION	Aichi	33 million yen	100%	Manufacture and sales of control peripheral equipment and control-panel-related equipment
IDEC CORPORATION	United States	27,600 thousand USD	100% (27%)	Development, manufacture and sale of control equipment
MMI Technologies SAS	France	41,110 thousand euros	100%	Holding company
APEM SAS	France	10,222 thousand euros	100% (100%)	Development, manufacture and sale of control equipment
IDEC IZUMI SUZHOU Co., Ltd.	China	10,730 thousand USD	100% (14%)	Manufacture and sale of control equipment and parts
IDEC (SHANGHAI) CORPORATION	China	300 thousand USD	100% (100%)	Sale of control equipment
IDEC ELECTRONICS TECHNOLOGY (SHANGHAI) CORPORATION	China	2,000 thousand RMB	100% (100%)	Design and development of software and circuits for electronic products
IDEC HONG KONG CO., LTD.	Hong Kong	5,000 thousand HKD	100%	Sale of control equipment
IDEC IZUMI (H.K.) CO., LTD.	Hong Kong	22,300 thousand HKD	100% (70%)	Sale of control equipment
IDEC IZUMI TAIWAN CORPORATION	Taiwan	60,000 thousand TWD	100%	Manufacture and sale of control equipment and parts
IDEC TAIWAN CORPORATION	Taiwan	15,000 thousand TWD	100%	Sale of control equipment
IDEC ASIA (THAILAND) CO., LTD.	Thailand	250,000 thousand baht	100%	Manufacture and sale of control equipment and parts
IDEC IZUMI ASIA PTE LTD.	Singapore	1,000 thousand SGD	100%	Sale of control equipment
IDEC CONTROLS INDIA PRIVATE LIMITED	India	15,000 thousand rupees	100% (75%)	Sale of control equipment

(Note) 1. The figures in parentheses beside the ownership percentage indicate indirect ownership ratios (included numbers).
 2. On April 1, 2025, IDEC CORPORATION (USA) absorbed and merged APEM, Inc.
 3. IDEC IZUMI (H.K.) CO., LTD. was liquidated in June 2025.

Japan

Net sales: 24,500 million yen

Year-on-year: Up 0.9%

Net sales increased slightly despite the impact of the sale of a Group company's business, partly due to the normalization of distributor inventories and a gradual recovery in demand in major industries, which led to orders recovering ahead of sales.

Americas

Net sales: 15,944 million yen

Year-on-year: Up 10.8 %

Net sales increased due to the further elimination of order backlog from the beginning of the period, in addition to the impact of additional U.S. tariffs being passed on to selling prices.

EMEA (Europe, Middle East, Africa)

Net sales: 15,657 million yen

Year-on-year: Up 7.9 %

In the European market, net sales increased due to the depreciation of the yen, despite declining demand in major industries due to the economic slowdown and geopolitical risks.

Asia Pacific

Net sales: 16,865 million yen

Year-on-year: Up 18.9 %

Net sales grew due to the ongoing normalization of agencies' distributor inventories in addition to increasing demand in the automobile and semiconductor industries in China.

(4) Issues to be addressed

Evolution Toward a “New IDEC” -Transformation For the Future

Under the new medium-term management plan that commenced in FY2026, the IDEC Group has taken its first step toward a "New IDEC" in pursuit of realizing its vision for 2050.

In response to significant fluctuations in business performance caused by post-COVID supply chain disruptions and rapid changes in the market environment, we are promoting fundamental reforms to shift our business model to a customer-centric structure and enhance our ability to respond to market changes.

We believe that the realization of a “Truly Global Company” beyond these efforts represents the vision that “New IDEC” aims to achieve.



Medium-Term Management Plan

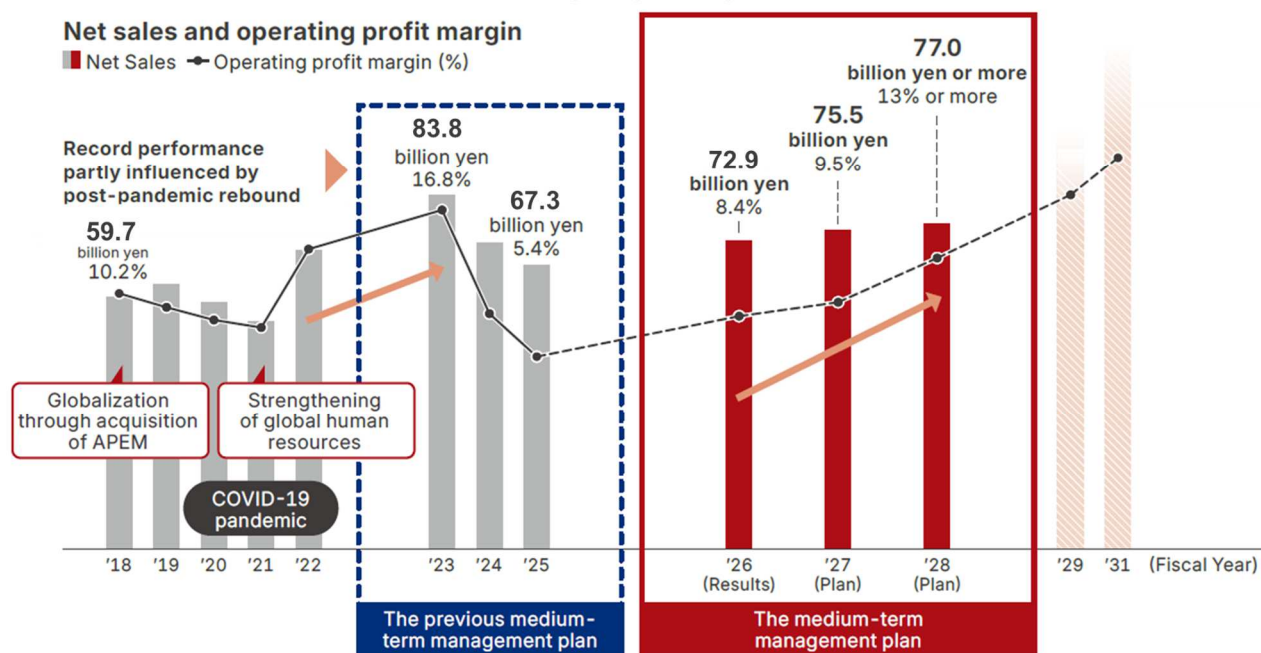
In the first year of the medium-term management plan that started in FY2026, we significantly increased both net sales and profit compared with the previous period. This was due in part to the effects of structural reforms that have been promoted since FY2025, improved global demand trends, and the impact of exchange rates including the depreciation of the yen. The operating profit ratio was 8.4%, and the profit level also improved.

Under the previous medium-term management plan, we worked to promote growth strategy, improve profitability, and enhance business foundation. However, due to the disruptions in the global supply chain following the pandemic, orders increased rapidly, resulting in net sales and profit levels for FY2023 that exceeded our underlying earning capacity. Subsequently, since market trends changed again, it took time to clear distributor inventories and the business performance deteriorated for two consecutive years.

Reflecting on it, under the ongoing medium-term management plan, we aim to transform our business into a customer-centric structure and improve our ability to respond to market changes, thereby promoting reform into a highly profitable enterprise, in order to transform the Company into a “New IDEC.”

In FY2027, we will focus on markets with a high growth rate, explore and promote partnerships and M&A, and promote proactive sales to identify customers’ latent needs, while also seeking to improve profitability by reducing the cost ratio through cost cutting and controlling selling, general and administrative expenses.

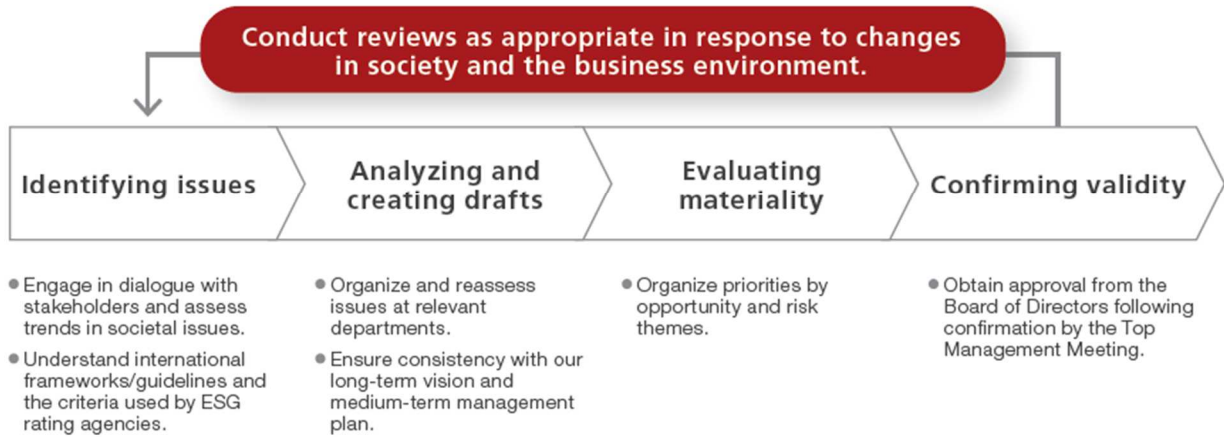
Transformation into a highly profitable global company, responsive to customer needs



Materiality

When formulating its long-term vision for 2050 and interim vision for 2030, IDEC also reviewed material issues, incorporating enhancement of its human capital and governance under the heading “business foundation.” In 2024, IDEC again reviewed some of its material issues in light of the external environment and other factors. In addition to adding respect for human rights, we also changed our vision for 2030.

Process to select material issues



Material issues	Productivity improvement Improvement of productivity using control technology	Safety, ANSHIN, and well-being Pursuit and realization of safety, ANSHIN, and well-being	Climate change Response to climate change	Business foundation Establishment of a management structure that promotes value creation, respect for human rights, and development of a corporate culture and human resources
Vision for 2030	<ul style="list-style-type: none"> Contribute to improving the productivity and efficiency of our customers and society around the world by providing the IDEC Group's long-cultivated control technology, products, and system solutions. 	<ul style="list-style-type: none"> Realize the optimum environment for both humans and machines to resolve societal issues to create safe and comfortable environment and achieve healthy, happy, and vigorous lives. Improve safety, productivity, and well-being through technology development, human resource development, management, and rulemaking. 	<ul style="list-style-type: none"> Contribute to the reduction of the environmental impact of customers and society through the use of the IDEC Group's technologies and products. Reduce CO2 emissions through the in-house use of renewable energy. 	<ul style="list-style-type: none"> Ensure a thorough understanding of “The IDEC Way” and stimulate the company by creating an attractive work environment that gives employees a sense of purpose. Conduct business with the highest ethical standards, respect human rights both at our company and in the value chain, and further strengthen corporate governance and compliance. Strengthen human capital to cultivate employees who will be able to create new value and innovate.
Related SDGs				

Sustainability Management

Basic Sustainability Policy

The IDEC Group has adopted the IDEC GROUP Code of Conduct, the CSR Charter, and the Ten Principles of the United Nations Global Compact as key guiding principles based on “The IDEC Way.”

The United Nations Global Compact is an international initiative that aims to realize a sustainable society by encouraging companies and organizations to demonstrate responsible and creative leadership based on Ten Principles in the four areas of Human Rights, Labour, Environment and Anti-Corruption.

The IDEC Group joined the United Nations Global Compact in 2009 and supports its Ten Principles.



Promotion framework

The IDEC Group has established the Sustainability Committee as a body responsible for formulating policies for its sustainability initiatives. The Committee is chaired by the CEO, with participation from Directors, including Outside Directors, and conducts discussions and decision-making at the management level.

Under the Committee, we have established five specialized committees covering the key areas of Environment, Social, and Governance (ESG), plus two additional areas reflecting the Group’s strengths—Safety and Quality— together referred to as “ESG+Sa+Q.” Each of these specialized committees is chaired by an executive officer and comprises members with relevant expertise and experience. In addition to initiatives in these five areas, “CSR Procurement,” aimed at promoting responsible procurement activities, has been positioned as a priority theme from the perspective of emphasizing responsibility throughout the supply chain.

The Sustainability Committee meets twice a year. Important matters discussed by the Committee are reported to and overseen by the Top Management Meeting and the Board of Directors.

Departmental managers (Sustainability Leaders) ensure that matters discussed and resolved by the Sustainability Committee, as well as their implementation, are thoroughly communicated to all employees through the Sustainability Workplace Training sessions.

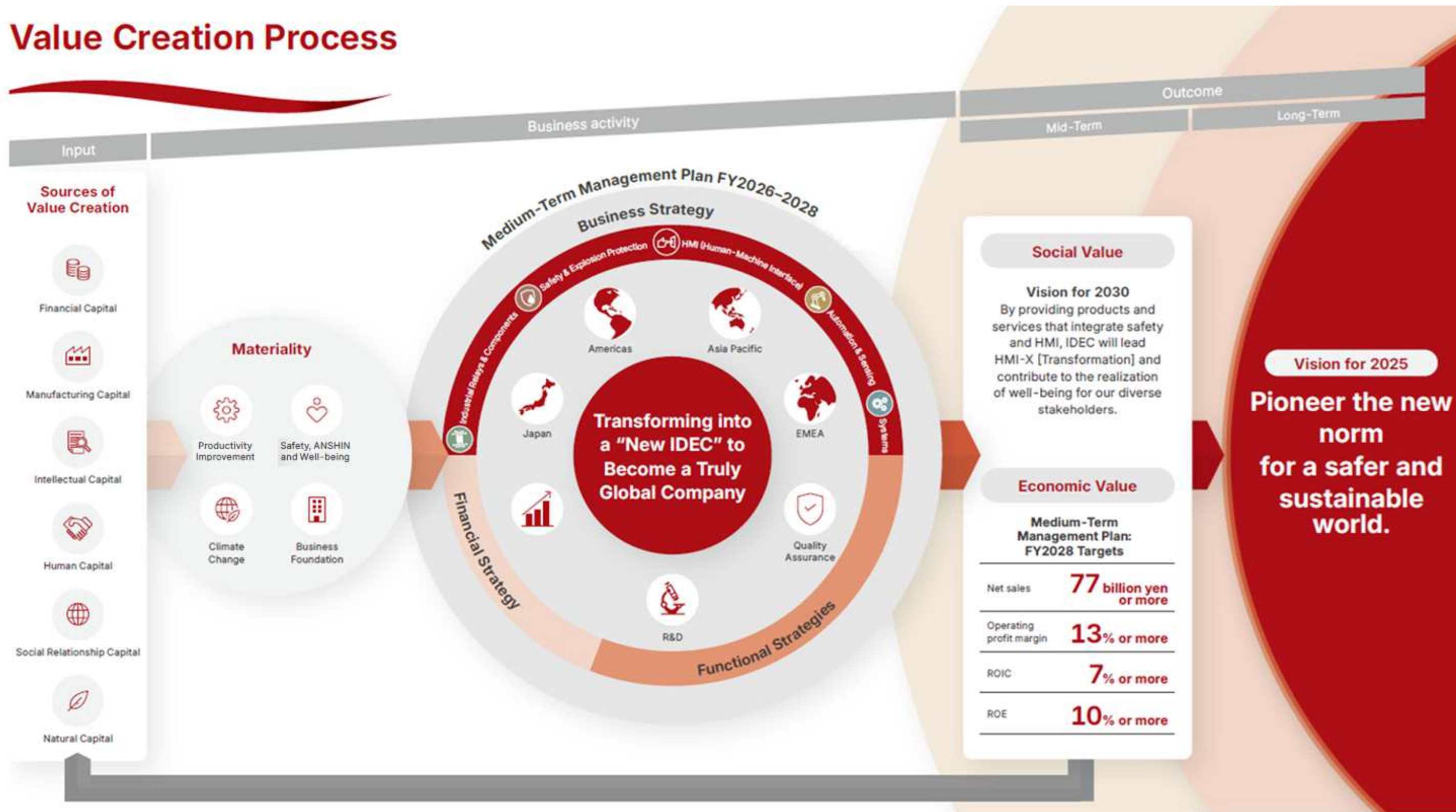


Commitment to sustainability

Guided by the CSR Committee established in 2018 (renamed the Sustainability Committee in 2024), we have been working to address social issues through our business activities. Specifically, we have been pursuing improvements in safety, health, and well-being of all stakeholders through our support and involvement in the Vision Zero campaign promoted by the International Social Security Association (ISSA) under the auspices of the International Labour Organization (ILO). In addition, we are addressing global environmental issues such as climate change and strengthening our corporate foundation by identifying and responding to risks and opportunities.

Reference

Value Creation Process



(5) State of Major Capital investment

Capital investment for the consolidated fiscal year under review of the IDEC Group (IDEC and its consolidated subsidiaries) totaled 5,937 million yen as a result of investments in production facilities aimed at improving product quality and productivity, investments in infrastructure facilities and system investments aimed at improving operational efficiency, and investments to strengthen the U.S. business.

(6) State of Major Fund Procurement

We did not conduct any major fund procurement during the consolidated fiscal year under review.

(7) Status of Employees (As of March 31, 2026)

1. Number of employees in the corporate group

Number of employees	Change from the end of the previous period
3,006	Up 69

2. Number of employees of the Company

Number of employees	Change from the end of the previous period
530	Down 73

(8) Status of Major Creditors (As of March 31, 2026)

Creditor	Balance of borrowings
MUFG Bank, Ltd.	13,757 million yen
Mizuho Bank, Ltd.	6,251 million yen
Sumitomo Mitsui Banking Corporation	3,980 million yen

(Note) The balance of borrowings of 1 billion yen or more is shown.

2 Matters Concerning Shares of the Company (As of March 31, 2026)

(1) Total Number of Shares Authorized to Be Issued 150,000,000

(2) Total Number of Shares Outstanding 31,374,485

(3) Number of Shareholders 20,191

(4) Major Shareholders (Top 10)

Name of shareholder	Number of shares owned thousand shares	Ratio of shareholding %
The Master Trust Bank of Japan, Ltd. (Account in trust)	5,389	18.24
Custody Bank of Japan, Ltd. (account in trust)	3,573	12.09
Custody Bank of Japan, Ltd. (account 4 in trust)	904	3.06
Namariya Ltd.	845	2.86
TKF Ltd.	732	2.48
THE BANK OF NEW YORK MELLON 140044	450	1.52
Kazutaka Fujita	400	1.35
JP MORGAN CHASE BANK 385781	370	1.26
Toshihiro Fujita	322	1.09
STATE STREET BANK AND TRUST COMPANY 505001	309	1.05

(Note) The ratio of shareholding is calculated after deducting treasury stock (1,826 thousand shares).

[Distribution by owner]

Individuals and others	11,180 thousand shares (35.64%)
Financial institutions	10,662 thousand shares (33.99%)
Foreign corporations, etc.	4,948 thousand shares (15.77%)
Other corporations	2,291 thousand shares (7.30%)
Financial instruments business operators	464 thousand shares (1.48%)
Treasury shares	1,826 thousand shares (5.82%)

(5) Shares Issued to Directors in Consideration of Execution of Duties in the Current Fiscal Year

Officer category	Number of Shares	Number of Recipients
Directors (Excl. Directors who are Audit and Supervisory Committee Members and Outside Directors)	2,780	1

3 Matters Concerning Company Officers

(1) Status of Directors (As of March 31, 2026)

Position	Name	Responsible operations and state of significant concurrent positions
Chairman and Chief Executive Officer	Toshiyuki Funaki	Chief Executive Officer Chairman of IDEC CORPORATION (USA)
Senior Executive Vice President	Mikio Funaki	Senior Executive Vice President Director of IDEC CORPORATION (USA)
Managing Director	Takao Funaki	Senior Executive Officer CEO of IDEC CORPORATION (USA)
Director	Hiroshi Kobayashi	Nominating Committee Member Remuneration Committee Member
Director	Hideyuki Ohkubo	Remuneration Committee Member
Director	Mariko Sugiyama	Representative Director of i-Learning Co., Ltd.
Director (Full-time Audit and Supervisory Committee Member)	Yasuo Himeiwa	Chairman of Nominating Committee Chairman of Remuneration Committee Certified Public Accountant (Manager, Himeiwa Certified Public Accountant Office) Outside Corporate Auditor, Takara Bio Inc. Outside Director (Audit and Supervisory Committee Member), Sharp Corporation
Director (Audit and Supervisory Committee Member)	Michiko Kanai	Nominating Committee Member Remuneration Committee Member Lawyer (Member at Oh-Ebashi LPC & Partners) Outside Director, KONDOTEC INC. Outside Director (Audit and Supervisory Committee Member), AS ONE Corporation
Director (Audit and Supervisory Committee Member)	Eri Nakajima	Professor at Faculty of Policy Studies in Doshisha University Outside Director (Audit and Supervisory Committee Member), Core Concept Technologies Inc.

(Notes)

- Changes in officers during the fiscal year under review
 - Director Takuji Yamamoto retired at the conclusion of the 78th Annual General Meeting of Shareholders held on June 20, 2025.
 - Director Takao Funaki was appointed as Executive Director on July 1, 2025.
- Directors Hiroshi Kobayashi, Hideyuki Ohkubo, and Mariko Sugiyama, and Director (Full-time Audit and Supervisory Committee Member) Yasuo Himeiwa, and Directors (Audit and Supervisory Committee Members) Michiko Kanai and Eri Nakajima are Outside Directors and designated as independent officers required by Tokyo Stock Exchange, Inc., as people who will not have conflicts of interests with general shareholders.
- Director (Full-time Audit and Supervisory Committee Member) Yasuo Himeiwa is a certified public accountant and has considerable knowledge about finance and accounting.
- All Outside Directors have entered into an agreement with the Company to limit their liability for compensation in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, and the amount of liability based on this agreement is capped by the amount stipulated in laws and regulations.
- In order to enhance the effectiveness of audits by the Audit and Supervisory Committee and strengthen its audit and supervisory functions, the Company has selected Yasuo Himeiwa as a full-time Audit and Supervisory Committee Member to enable him to grasp the status of business execution and identify issues early through the collection of information from directors and attendance at important internal meetings, as well as to ensure sufficient cooperation between the Internal Auditing Department and the Audit and Supervisory Committee.
- The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insured in the event that they are held liable for damages in the performance of their duties. (However, those that constitute illegal remuneration, benefits or intentional acts are excluded.) Of the insurance premiums of such agreement, approximately 10% are borne by the directors and executive officers of the Company. The insured parties of such agreement are officers, executive officers, and employees in managerial and supervisory positions of the Company and its subsidiaries.

(2) Remuneration, etc. of directors

1. Policy for determining the details of officers' remuneration, etc.

The Company have passed a resolution, at the Board of Directors meeting held on May 12, 2023, on the policy for determining the details of remuneration, etc. of individual directors. Upon such resolution of the Board of Directors, the Company consulted with the Remuneration Committee on the contents to be resolved in advance and receive a report. The outline of the policy is as follows:

1. Basic policy

In order to ensure that remuneration for the Company's directors (excl. outside directors and directors who are Audit and Supervisory Committee Members) functions sufficiently as an incentive for the sustainable improvement of corporate value, when determining the remuneration of each director, basic remuneration, performance-linked remuneration (bonus) and non-monetary remuneration (stock-based remuneration) shall be paid as fixed remuneration in accordance with their responsibilities in consideration of the scope and scale of management.

Outside directors and directors who are Audit and Supervisory Committee Members receive only base remuneration as fixed remuneration because they are responsible for supervising the management of the Company from an independent perspective.

2. Policy for determining the amount of basic remuneration (monetary remuneration) for each individual (including policy for determining the timing and conditions for granting remuneration)

The basic remuneration for the Company's directors is fixed monthly remuneration, which is determined by comprehensively taking into account the position, responsibilities and financial situation of the Company.

3. Policy for determining the details of performance-linked remuneration, etc., and non-monetary remuneration, as well as the number or calculation method (including policy for determining the timing and conditions for granting remuneration)

(1) Performance-linked remuneration (bonus)

In addition to the monthly basic remuneration, bonuses are paid monthly in 12 equal installments as performance-linked cash remuneration that reflects Key Performance Indicators (KPI), in order to raise awareness of improving performance each fiscal year and to clarify commitments to stakeholders on these matters. The Company shall calculate bonuses by multiplying the base amount for bonus calculation specified for each officer based on the Company performance payment factor (0% to 200%). The KPIs used for the calculation of bonuses shall be the consolidated operating profit ratio for each fiscal year and personnel evaluations related to performance, etc., for the departments they are in charge of (excl. executive directors).

(2) Non-monetary remuneration (stock-based remuneration)

(2)-1 Details of stock-based remuneration

Stock-based remuneration consists of performance share units (hereinafter, PSU) as a medium-term incentive and restricted stock (hereinafter, RS) as a long-term incentive. Share units and ordinary shares (with restrictions on transfer) calculated in accordance with the position shall be allotted annually at a fixed time.

If a director is a non-resident at the time of granting stock-based remuneration, an equivalent amount of phantom stock shall be granted instead of PSU and RS.

(2)-2 Policy for determining the calculation method for numbers

(2)-2-1 PSU

As for PSU, the Company shall issue shares of common stock of the Company with transfer restrictions in accordance with the number of fixed share units, which is calculated by multiplying the share units granted for each position by the payment factor corresponding to the degree of achievement of financial indicators and non-financial indicators, which are emphasized in the Medium-term Management Plan (1 share unit = 1 common share). The KPIs used to calculate PSU shall be the degree of achievement of the targets set forth in the Medium-term Management Plan as financial indicators, the degree of achievement of ESG-related targets as non-financial indicators, and personnel evaluations related to performance, etc., for the departments they are in charge of (excl. executive directors)

(2)-2-2 RS

As for RS, the Company shall allocate shares of common stock of the Company with transfer restrictions in a number equal to the base amount annually at a fixed time, determined in light of the business results of the Company, the scope of responsibilities of each director and various circumstances.

4. Policy for determining the ratio of monetary remuneration, performance-linked remuneration, etc., or non-monetary remuneration, etc., to the amount of remuneration, etc., for an individual director
The ratio of each type of remuneration for the Company's directors (excl. outside directors and directors who are Audit and Supervisory Committee Members) shall be set at base remuneration, bonus, PSU and RS = 60:25:10:5, with reference to other companies in the same industry and of the same scale, and in consideration of the level of salaries, social conditions, etc., of the Company's employees (This shall be the standard that serves as a guideline for achieving 100% of the performance targets).
The level of remuneration and the proportion of remuneration shall be reviewed based on a report from the Remuneration Committee, as appropriate, taking into consideration the Company's business environment, social conditions and other circumstances.
5. Matters concerning determining the details of remunerations, etc., for each director individually
When determining individual remunerations, etc., the Remuneration Committee shall discuss, in addition to each position, the business performance for executive directors, the expertise and outside management experience for outside directors, etc., and report the details to the Board of Directors. Ultimately, the Board of Directors, the majority of which consists of independent outside directors, shall leave individual remuneration to the discretion of the Representative Director Chairman and President. The Representative Director Chairman and President shall make their decisions on individual remuneration, etc., respecting the recommendations of the Remuneration Committee.
6. Malus and clawback of remuneration, etc.
In case a director of the Company has committed any serious misconduct or violation, based on the recommendation by the Remuneration Committee, the Company shall demand the forfeiture or return of all or part of the bonus and stock-based remuneration.

2. Total amount, etc. of remuneration and others for the fiscal year under review

Officer category	Total amount of remuneration and others	Total amount of remuneration and others by type				Number of eligible officers
		Base remuneration	Performance-linked remuneration, etc.			
			Short-term incentive	Medium-term incentive	Long-term incentive	
Director (excl. Audit and Supervisory Committee Members) (of those, Outside Directors)	371 million yen (27 million yen)	265 million yen (27 million yen)	69 million yen (-)	17 million yen (-)	18 million yen (-)	7 (3)
Director (Audit and Supervisory Committee Member) (of those, Outside Directors)	25 million yen (25 million yen)	25 million yen (25 million yen)	-	-	-	3 (3)
Total (of those, Outside Directors)	396 million yen (52 million yen)	290 million yen (52 million yen)	69 million yen (-)	17 million yen (-)	18 million yen (-)	10 (6)

- (Notes)
- The above amounts of remuneration include compensation paid to directors who retired during the current fiscal year.
 - At the 76th Annual General Meeting of Shareholders held on June 16, 2023, it was resolved that the maximum amount of monetary remuneration for directors (excl. Audit and Supervisory Committee Members) would be 700 million yen per year (of that, up to 50 million yen per year for outside directors) (employee salaries for directors who concurrently serve as employees are not included). A resolution was passed at the said Annual General Meeting of Shareholders that, aside from monetary remuneration, the total amount of monetary remuneration claims to be paid as remuneration under the PSU Plan shall not exceed 80 million yen for each fiscal year, and the total amount of monetary remuneration claims to be paid as remuneration under the RS Plan shall not exceed 20 million yen for each fiscal year. As of the conclusion of the said Annual General Meeting of Shareholders, the Company had seven directors (excl. Audit and Supervisory Committee Members) (of those, three are Outside Directors).
 - It was resolved at the 71st Annual General Meeting of Shareholders held on June 15, 2018, that the maximum amount of monetary remuneration for directors (Audit and Supervisory Committee Members) would be 80 million yen per year. As of the conclusion of the said Annual General Meeting of Shareholders, the Company had five directors (Audit and Supervisory Committee Members) (of those, four are Outside Directors).
 - The metric for performance-linked remuneration, etc. is the consolidated operating profit ratio as it is a basic indicator showing the profit status of the Group, and also the personnel evaluation for performance, etc. of the departments they are in charge of (excl. executive directors). Medium-term incentive includes CO2 reduction rate, and external ESG assessment in addition to the operating profit margin. The changes in the consolidated operating profit ratio including the fiscal year under review are described in “1. Trends in Assets, Profits and Losses” on page 20.
 - Performance-linked remuneration, etc. includes non-monetary remuneration, etc. which consists of shares of the Company, and the terms for allotment are as described in “1. Policy for determining the details of officers’ remuneration, etc.” on page 34. The total non-monetary claims for the fiscal year under review are 7 million yen. For details on the status of granting during the fiscal year under review, see “5. Issued to Directors in Consideration of Execution of Duties in the Current Fiscal Year” on page 32.
 - The Board of Directors has also determined that the content of the remuneration for each individual director (excluding directors who are Audit and Supervisory Committee Members) for the fiscal year under review is in accordance with the determined policy as the remuneration was deliberated by the Remuneration Committee, the majority of whose members are Outside Directors, and reported to the Board of Directors, and further deliberated by the Board of Directors, the majority of whose members are Outside Directors, and resolved to leave the decision entirely up to the Representative Director Chairman and President, and determined by the Representative Director Chairman and President respecting the recommendations by the Remuneration Committee.
 - During the fiscal year under review, a resolution was passed at a meeting of the Board of Directors held on June 20, 2025 (the majority of whose members are comprised of independent Outside Directors) to delegate to Toshiyuki Funaki, the Representative Director Chairman and President, the determination of the allocation method and amount of individual remuneration for directors (excluding directors who are Audit and Supervisory Committee Members). The reason for delegating this authority is because it is suitable for the Representative Director Chairman and President to conduct an evaluation while having a bird’s-eye view of the overall business performance of the Group. The resolution pertaining to the delegation is subject to discussions and reports of the Remuneration Committee, the majority of whose members are independent Outside Directors, and a resolution of the Board of Directors. Through these efforts, the Company also confirms the appropriateness of the exercise of such authority.

(3) Status of Outside Officers

1. Significant concurrent positions and their relationships with the Company

Concurrent positions are as described in "1. Status of Directors" on page 31, and there are no material business relationships, etc. with the Company.

2. Major activities during the fiscal year under review

Position	Name	Number of times of attendance		Overview of major activities and duties performed for expected roles
		Board of Directors	Audit and Supervisory Committee	
Outside Director	Hiroshi Kobayashi	7/7 (100%)	-	He has been mainly engaged in corporate management and domestic and overseas business in the automobile industry. Based on his acumen built on such extensive experience, he has made necessary and active remarks at the Board of Directors meetings when appropriate, and provided supervision and advice, etc. based on such acumen and from an independent standpoint with no vested interest in the Company. As such, he plays a proper role to secure the adequacy and appropriateness of decision-making. He also serves as a member of the Nominating Committee as well as of the Remuneration Committee.
	Hideyuki Ohkubo	7/7 (100%)	-	He has been mainly engaged in corporate management and the factory automation business for many years. Based on his acumen built on such extensive experience, he has made necessary and active remarks at the Board of Directors meetings when appropriate, and provided supervision and advice, etc. based on such acumen and from an independent standpoint with no vested interest in the Company. As such, he plays a proper role to secure the adequacy and appropriateness of decision-making. He also serves as a member of the Remuneration Committee.
	Mariko Sugiyama	7/7 (100%)	-	She has been mainly engaged in a wide variety of businesses in the IT industry for many years. Based on her acumen built on such extensive experience, she has made necessary and active remarks at the Board of Directors meetings when appropriate, and provided supervision and advice, etc. based on such acumen and from an independent standpoint with no vested interest in the Company. As such, she plays a proper role to secure the adequacy and appropriateness of decision-making.
Outside Director (Audit and Supervisory Committee Member)	Yasuo Himeiwa	7/7 (100%)	9/9 (100%)	Based on his expertise and acumen for finance and accounting built on his extensive experience mainly as a certified public accountant, he has made necessary and active remarks at the meetings of the Board of Directors as well as the Audit and Supervisory Committee when appropriate, and provided supervision and advice, etc. mainly for financial and accounting matters based on such expertise and acumen and from an independent standpoint with no vested interest in the Company. As such, he plays a proper role to secure the adequacy and appropriateness of decision-making, and contributes to the enhancement of the Company's audit system. He also serves as a Chairman of the Nominating Committee as well as of the Remuneration Committee.
	Michiko Kanai	7/7 (100%)	9/9 (100%)	Based on her expertise and acumen for laws built on her extensive experience mainly as a lawyer, she has made necessary and active remarks at the meetings of the Board of Directors as well as the Audit and Supervisory Committee when appropriate, and provided supervision and advice, etc. mainly for legal matters based on such expertise and acumen and from an independent standpoint with no vested interest in the Company. As such, she plays a proper role to secure the adequacy and appropriateness of decision-making, and contributes to the enhancement of the Company's audit system. She also serves as a member of the Nominating Committee as well as of the Remuneration Committee.
	Eri Nakajima	7/7 (100%)	9/9 (100%)	She has been widely engaged in environmental administration, especially global warming, and promotion of women's empowerment. Based on her acumen built on such extensive experience, she has made necessary and active remarks at the meetings of the Board of Directors as well as the Audit and Supervisory Committee when appropriate, and provided supervision and advice, etc. mainly for matters concerning environmental sustainability and diversity such as promotion of women's empowerment based on such expertise and acumen and from an independent standpoint with no vested interest in the Company. As such, she plays a proper role to secure the adequacy and appropriateness of decision-making, and contributes to the enhancement of the Company's audit system.

Consolidated Financial Statements
Consolidated Balance Sheet
As of March 31, 2026

(Million yen)

Item	Amount	Item	Amount
<u>Assets</u>		<u>Liabilities</u>	
Current assets	53,312	Current liabilities	27,065
Cash and deposits	18,172	Notes and accounts payable–trade	3,946
Notes and accounts receivable–trade, and contract assets	12,632	Electronically recorded obligations– operating	268
Electronically recorded monetary claims–operating	476	Short-term borrowings	8,300
Merchandise and finished goods	11,638	Current portion of long-term borrowings	6,286
Work in process	1,884	Lease liabilities	535
Raw materials and supplies	6,294	Accounts payable–other	933
Other	2,241	Accrued expenses	4,026
Allowance for doubtful accounts	(27)	Income taxes payable	697
Non-current assets	60,259	Contract liabilities	430
Property, plant and equipment	32,072	Deposits received	89
Buildings and structures	14,133	Provision for product warranties	45
Machinery, equipment and vehicles	2,889	Other	1,507
Tools, furniture and fixtures	1,623	Non-current liabilities	16,586
Land	7,558	Long-term borrowings	11,027
Leased assets	160	Lease liabilities	1,215
Right-of-use assets	1,518	Deferred tax liabilities	2,714
Construction in progress	4,188	Provision for retirement benefits for directors (and other officers)	31
Intangible assets	25,743	Retirement benefit liability	1,101
Trademark rights	2,401	Asset retirement obligations	82
Customer-related assets	7,465	Other	413
Software	1,030	Total liabilities	43,652
Software in progress	2,275		
Goodwill	11,580	<u>Net assets</u>	
Other	989	Shareholders' equity	52,049
Investments and other assets	2,444	Share capital	10,056
Investment securities	727	Capital surplus	6,285
Retirement benefit asset	581	Retained earnings	39,063
Deferred tax assets	512	Treasury shares	(3,356)
Other	645	Accumulated other comprehensive income	17,264
Allowance for doubtful accounts	(23)	Valuation difference on available- for-sale securities	45
		Foreign currency translation adjustment	17,001
		Remeasurements of defined benefit plans	217
		Share acquisition rights	606
		Total net assets	69,920
Total assets	113,572	Total liabilities and net assets	113,572

Consolidated Statement of Income
From April 1, 2025, to March 31, 2026

(Million yen)

Item	Amount	
Net sales		72,967
Cost of sales		40,618
Gross profit		32,349
Selling, general and administrative expenses		26,230
Operating profit		6,118
Non-operating income		
Interest income and dividend income	257	
Share of profit of entities accounted for using equity method	105	
Foreign exchange gains	624	
Gain on valuation of derivatives	156	
Other	344	1,488
Non-operating expenses		
Interest expenses	433	
Derivative loss	227	
Other	376	1,037
Ordinary profit		6,569
Extraordinary income		
Gain on sale of non-current assets	29	
Gain on reversal of stock acquisition rights	133	162
Extraordinary losses		
Loss on sale of non-current assets	5	
Loss on abandonment of non-current assets	3	
Settlement payments	301	310
Profit before income taxes		6,422
Income taxes—current	2,491	
Income taxes—deferred	56	2,548
Profit		3,873
Profit attributable to owners of parent		3,873

Non-Consolidated Financial Statements
Non-Consolidated Balance Sheet
As of March 31, 2026

(Million yen)

Item	Amount	Item	Amount
<u>Assets</u>		<u>Liabilities</u>	
Current assets	18,602	Current liabilities	19,188
Cash and deposits	3,675	Accounts payable–trade	2,200
Accounts receivable–trade	6,682	Electronically recorded obligations–operating	201
Electronically recorded monetary claims–operating	252	Short-term borrowings	8,000
Merchandise	1,756	Short-term borrowings from subsidiaries and affiliates	907
Finished goods	1,453	Current portion of long-term borrowings	5,982
Raw materials	1,463	Lease liabilities	69
Work in process	931	Accounts payable–other	1,021
Supplies	62	Accrued expenses	498
Prepaid expenses	459	Income taxes payable	115
Short-term loans receivable from subsidiaries and affiliates	1,252	Contract liabilities	0
Accounts receivable–other	530	Deposits received	74
Accounts receivable for supplied materials	17	Other	116
Other	105		
Allowance for doubtful accounts	(42)	Non-current liabilities	11,933
		Long-term borrowings	10,305
Non-current assets	49,565	Lease liabilities	89
Property, plant and equipment	9,581	Provision for retirement benefits	929
Buildings	4,003	Provision for loss on business of subsidiaries and associates	464
Structures	95	Other	145
Machinery and equipment	657		
Vehicles	29	Total liabilities	31,122
Tools, furniture and fixtures	312		
Land	4,090	<u>Net assets</u>	
Leased assets	145	Shareholders' equity	36,438
Construction in progress	247	Share capital	10,056
		Capital surplus	6,188
Intangible assets	3,053	Legal capital surplus	5,000
Software	792	Other capital surplus	1,188
Software in progress	2,261	Retained earnings	23,550
Other	0	Other retained earnings	23,550
		Reserve for tax-purpose reduction entry of non-current assets	316
Investments and other assets	36,930	Retained earnings brought forward	23,234
Investment securities	9	Treasury shares	(3,356)
Shares of subsidiaries and associates	25,920		
Investments in capital of subsidiaries and associates	1,808	Share acquisition rights	606
Long-term loans receivable from subsidiaries and associates	8,413		
Prepaid pension costs	466		
Deferred tax assets	498		
Other	295		
Allowance for doubtful accounts	(481)		
		Total net assets	37,045
Total assets	68,167	Total liabilities and net assets	68,167

Non-Consolidated Statement of Income
From April 1, 2025, to March 31, 2026

(Million yen)

Item	Amount	
Net sales		27,193
Cost of sales		15,768
Gross profit (loss)		11,424
Selling, general and administrative expenses		10,026
Operating profit (loss)		1,397
Non-operating income		
Interest income and dividend income	2,429	
Foreign exchange gains	732	
Commission income	200	
Other	406	3,768
Non-operating expenses		
Interest expenses	355	
Derivative loss	227	
Compensation expenses	75	
Other	42	700
Ordinary profit (loss)		4,466
Extraordinary income		
Gain on sale of non-current assets	12	
Gain on reversal of stock acquisition rights	133	146
Extraordinary losses		
Loss on abandonment of non-current assets	0	
Loss on valuation of shares of subsidiaries and associates	102	
Provision for loss on business of subsidiaries and associates	464	
Provision of allowance for doubtful accounts for subsidiaries and associates	500	1,066
Profit (loss) before income taxes		3,545
Income taxes—current	794	
Income taxes—deferred	252	1,047
Profit (loss)		2,498