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(Stock Exchange Code 6652)
May 30, 2025

To Shareholders with Voting Rights:

2-6-64 Nishimiyahara, Yodogawa-ku, Osaka
IDEC CORPORATION
Toshiyuki Funaki
Chairman and Chief Executive Officer

**NOTICE OF
THE 78TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.
The 78th 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 20 2025 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	<ol style="list-style-type: none">1. The Business Report, Consolidated Financial Statements for the Company’s 78th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditors and the Audit and Supervisory Committee of the Consolidated Financial Statements2. Non-Consolidated Financial Statements for the Company’s 78th Fiscal Year (April 1, 2024 - March 31, 2025)

Proposals to be resolved

Proposal 1:	Election of Six (6) Directors (Excl. Directors who are Audit and Supervisory Committee Members)
Proposal 2:	Election of One (1) Substitute Director who is Audit and Supervisory Committee Members
Proposal 3:	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 78th 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://jp.idec.com/idec-jp/ja/JPY/about-IDEC/ir/shareholders-meeting2025>

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

Voting rights at the Annual General Meeting of Shareholders are an important right for shareholders to participate in the management of the Company. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights in one of the following three ways.

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 exercising voting rights via the Internet, etc.

Please enter whether you approve or disapprove of each proposal on the voting website on the next page. Exercise deadline: Should send by 5:15 p.m. on Thursday, June 19, 2025

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 19, 2025

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 will mark 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. This ratio will increase further in the future. Accordingly, the IDEC Group is pursuing various structural reforms by placing globalization at the center of its business strategy. In April 2025, we significantly changed our management structure to a global matrix management organization, and we are assigning the right people to the right place regardless of region or location. However, we feel that we are still halfway to becoming a truly global company. In order to become a truly global company, we must not only change our management structure, but also change the way we think and work. We believe that this shift to “global thinking” is extremely important for the IDEC Group's future business expansion and development.

Aiming to be a corporate group that continues for over 100 years, we will accelerate organizational management and awareness-raising to become a truly global company.

May 30, 2025

Chairman and Chief Executive Officer

Toshiyuki Funaki

Proposal 1: Election of Six (6) Directors (excl. Directors who are Audit and Supervisory Committee Members)

The terms of office of all seven (7) Directors (excl. Directors who are Audit and Supervisory Committee Members; the same applies hereinafter), Messrs. Toshiyuki Funaki, Mikio Funaki, Takuji Yamamoto, Takao Funaki, Hiroshi Kobayashi, Hideyuki Ohkubo and Ms. Mariko Sugiyama, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of six (6) Directors, including three (3) Outside Directors.

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. 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. Candidates for Directors, Mr. Hiroshi Kobayashi, Mr. Hideyuki Ohkubo, and Ms. Mariko Sugiyama, are candidates for Outside Directors.
3. 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.
4. 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 2025 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.
5. 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 6 years, Mr. Hideyuki Ohkubo will have served 4 years, and Ms. Mariko Sugiyama will have served 3 years as Director at the conclusion of this Annual General Meeting of Shareholders.
6. 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.
7. 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) (to present)
June 2006	Chairman and Chief Executive Officer of the Company (to present)
February 2021	Chairman of Nominating Committee of the Company (to present)
October 2022	Chairman of Remuneration Committee of the Company (to present)

Number of shares of the Company held: **208,333 shares**

Attendance at the Board of Directors meeting (FY 2025): 100 % (7/7 times)

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.

Significant concurrent positions

Chairman, CEO, of IDEC CORPORATION (USA)

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: **122,275 shares**

Attendance at the Board of Directors meeting (FY 2025): 100 % (7/7 times)

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.

Significant concurrent positions

Director of IDEC CORPORATION (USA)

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. (to present)
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) (to present)
April 2025	Director, Senior Executive Officer, Manufacturing, SCM, US & IT (to present)

Number of shares of the Company held: **48,259 shares**

Attendance at the Board of Directors meeting (FY 2025): 100 % (7/7 times)

Reasons for Nomination of the Candidate for Director

Mr. Takao Funaki has been engaged in the promotion of digital marketing development based on the Group's global marketing strategy and planning/execution of regional business strategies mainly overseas, and has abundant experience and achievements. The Company has judged that his knowledge will lead to sustainable business expansion of the Group in the future, and we have nominated him again as a candidate.

Significant concurrent positions

President, COO of IDEC CORPORATION (USA)

President of APEM, Inc.

Candidate No. 4 **Reappointment** **Outside** **Independent**

Name: **Hiroshi Kobayashi**

Date of birth: **November 12, 1954**

Career summary (positions and responsibilities)

April 2003	Vice President of Honda Motor Europe Ltd.
June 2003	Director of Honda Motor Co., Ltd.
April 2004	President of Honda Canada Inc.
June 2005	Executive Officer of Honda Motor Co., Ltd.
June 2009	Director of Honda Motor Co., Ltd.
April 2011	Senior Executive Officer, Division General Manager in charge of Regional Operations (Asia & Oceania) of Honda Motor Co., Ltd.
	President of Asian Honda Motor Co., Ltd.
	President of Honda Automobile (Thailand) Co., Ltd.
June 2019	Director of the Company (to present)
February 2021	Nominating Committee Member of the Company (to present)
October 2022	Remuneration Committee Member of the Company (to present)

Number of shares of the Company held: **5,902 shares**

Attendance at the Board of Directors meeting (FY 2025): 100 % (7/7 times)

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

Mr. Hiroshi Kobayashi has been engaged in corporate management and automobile businesses in Japan and overseas for years, and based on his wealth of knowledge and experience, he has supervised the Company and given the Company his precise advice at the voluntary committees from an independent perspective with no special interests. That is why the Company has nominated him again as a candidate. After election, he is expected to continue fulfilling the above-mentioned roles.

Significant concurrent positions

Not applicable.

Candidate No. 5 **Reappointment** **Outside** **Independent**

Name: **Hideyuki Ohkubo**

Date of birth: **October 29, 1954**

Career summary (positions and responsibilities)

April 2010 Deputy Group General Manager in charge of Factory Automation Systems Group of Mitsubishi Electric Corporation
April 2012 Executive Officer in charge of charge of Factory Automation Systems of Mitsubishi Electric Corporation
April 2014 Representative Executive Officers, Senior Vice President, in charge of Export Control and Factory Automation Systems of Mitsubishi Electric Corporation
April 2015 Representative Executive Officers, Senior Vice President, in charge of Export Control and Total Productivity Management of Mitsubishi Electric Corporation
April 2016 Representative Executive Officers, Executive Vice President, in charge of Export Control and Total Productivity Management of Mitsubishi Electric Corporation
April 2017 Permanent Advisor of Mitsubishi Electric Corporation
June 2018 Senior Advisor of Mitsubishi Electric Corporation
June 2021 Director of the Company (to present)
October 2022 Remuneration Committee Member of the Company (to present)

Number of shares of the Company held: **4,413 shares**

Attendance at the Board of Directors meeting (FY 2025): 100 % (7/7 times)

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

Mr. Hideyuki Ohkubo has been engaged in corporate management and factory automation businesses for years, and based on his wealth of knowledge and experience, he has supervised the Company and given the Company his precise advice at the voluntary committees from an independent perspective with no special interests. That is why the Company has nominated him again as a candidate. After election, he is expected to continue fulfilling the above-mentioned roles.

Significant concurrent positions

Not applicable.

Candidate No. 6 **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: **1,735 shares**

Attendance at the Board of Directors meeting (FY 2025): 100 % (7/7 times)

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.

Significant concurrent positions

Representative Director of i-Learning Co., Ltd.

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

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

		Name	Attendance (FY2025)	Corporate management strategy	International business	Industry knowledge	R&D Production	Sales Marketing	Financial Accounting	Legal affairs Risk management	Personnel affairs Development	IT DX	Sustainable 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%)	●	●	●	○	○				○			
	Director, Senior Executive Officer	Takao Funaki	7/7 times (100%)		●	○	○	●				●	○		
	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 or in cases related to international business as a lawyer, certified public accountant, etc., and has considerable knowledge.

Industry knowledge

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

R&D and production

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.

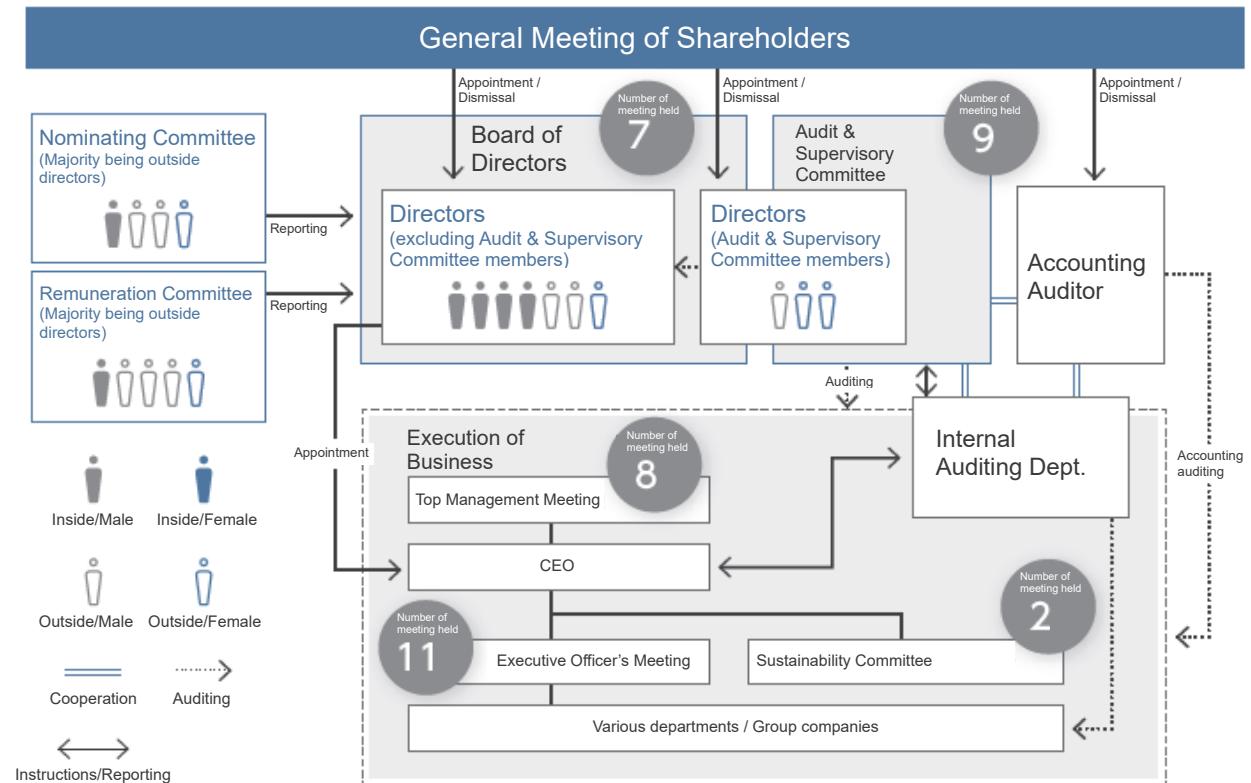
Governance

The IDEC Group is further enhancing its governance system to ensure management transparency and efficiency on behalf of its shareholders and other stakeholders.

The IDEC Group has separated the business executive function and the supervisory function of the management in order to realize efficient corporate management, and has proactively appointed outside directors since early on. In 2016, the IDEC Corporate Governance Policy was established to set forth and communicate our views on governance and our operating policy. In June 2018, we transformed into a Company with an Audit & Supervisory Committee. We established a voluntary Nominating Committee in 2021, and a Remuneration Committee in 2022.

We have ensured that outside directors constitute the majority of all directors since 2016. Today, the Board of Directors is a diverse body made up of men and women with different backgrounds and areas of expertise.

Corporate Governance Structure (The situation from April 2024 to March 2025)



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.

In the evaluation of the effectiveness for FY2025, the Board of Directors of IDEC was highly evaluated for the fact that it was composed of diverse directors and that it was able to engage in discussions based on expert remarks and advice. In addition, the evaluation improved from FY2024 due to improvements in the time for deliberation by the Board of Directors and the timing of provision of materials.

Meanwhile, as the evaluation declined due to lack of discussions on strategies such as profitability and capital efficiency in the management plan, and on sustainability, the overall evaluation turned out the same as last year.

Major initiatives in FY2025

- Early provision of materials
- Planning of agendas to secure the time for deliberation
- Enhancement of discussions at the Board of Directors
- Introduction and application of the new remuneration system through the Remuneration Committee
- Renewal of succession plans for top management and promotion of training programs

Evaluation of initiatives in FY 2025

- The timing of the provision of materials and the Board of Directors have been improved and are generally appropriate.
- The Board has had highly transparent, fundamental and balanced discussions on management issues.
- More in-depth discussions are needed on strategies and sustainability.

Main issues and initiatives for FY2026

Challenges	Major initiatives (plan)
Discussions based on strengthening capital efficiency and profitability	<ul style="list-style-type: none">◦ Establishment of a forum for discussion on projects related to the Medium-Term Management Plan and management issues
Enhancement and engagement of ESG initiatives	<ul style="list-style-type: none">◦ Setting up a place to exchange opinions with a narrowed theme
Improvement of effectiveness of the Board of Directors	<ul style="list-style-type: none">◦ Improvement and enhancement of materials for the Board of Directors meetings◦ Creating opportunities for explanation to promote understanding of the businesses
Conducting discussions based on dialogue with shareholders and investors	<ul style="list-style-type: none">◦ Establishment of discussions based on opinions from institutional investors◦ IR activities to general investors and their feedback
Management of the Nominating and Remuneration committees	<ul style="list-style-type: none">◦ Sharing of points for exchanging opinions at the committees with the Board of Directors

Proposal 2: 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)
March 2022	Outside Director (Audit and Supervisory Committee Member) of FUJI MEDICAL INSTRUMENTS MFG. CO., LTD.

Number of shares of the Company held: 0 shares

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.

Significant concurrent positions

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

(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 3: 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.

Number of shares after adjustment = Number of shares before adjustment × 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.

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

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.

$$\begin{aligned}
 \text{Amount to be paid in} &= \text{Amount to be paid in} \times \frac{\text{Number of previously issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount to be paid in per share}}{\text{Market price per share prior to new issue}}}{\text{Number of previously issued shares} + \text{Number of increased shares through new issue}}
 \end{aligned}$$

(4) Exercise period of stock acquisition rights

From July 1, 2027 to June 30, 2029

(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

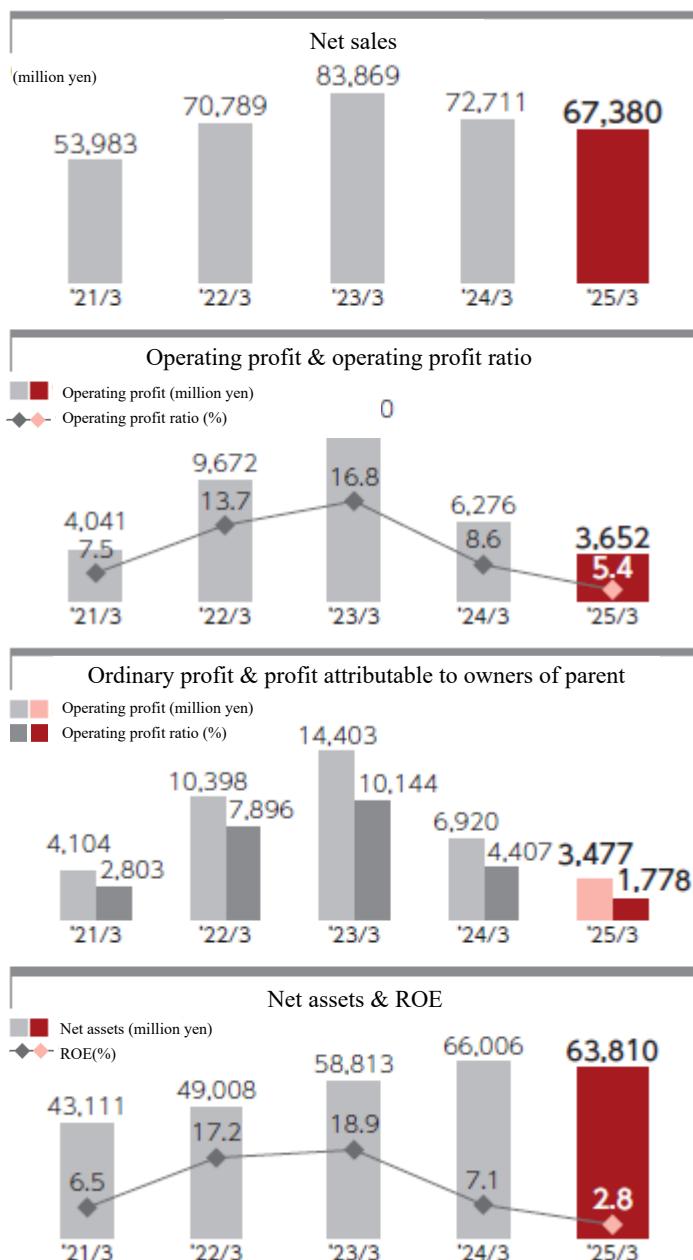
[Appendix]

Business Report for the 78th Period (From April 1, 2024 to March 31, 2025)

(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

67,380 million yen

Year-on-year: Down 7.3%

Operating profit

3,652 million yen

Year-on-year: Down 41.8%

Ordinary profit

3,477 million yen

Year-on-year: Down 49.8%

Profit attributable to owners of parent

1,778 million yen

Year-on-year: Down 59.6%

During the consolidated fiscal year under review, the Japanese economy showed a moderate recovery, supported by improvements in the employment and income environment and an increase in inbound tourism. On the one hand, the outlook remains uncertain due to factors such as rising prices of raw materials caused by rising resource prices and the weak yen, continuing price increases, the impact of the stagnation of the real estate market in China, and downside risks from the impact of tariff policies in the United States.

The IDEC Group's new Medium-Term Management Plan, which will start in the fiscal year ending March 2026, 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 will work together to promote structural reforms and achieve sustainable growth.

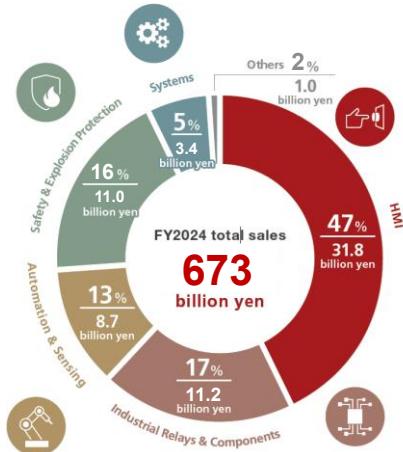
Under these circumstances, the IDEC Group's domestic net sales were 26,907 million yen (down 22.1% compared with the previous period) due to the impact of the ongoing trade inventory adjustment since the previous fiscal year, although the excess inventory in the market had largely been eliminated. Overseas net sales were 45,804 million yen (down 7.2% compared with the previous period) due to a decrease in net sales due to the impact of the trade inventory adjustment, although there were areas where net sales increased due to the depreciation of the yen. As a result, consolidated net sales reached 67,380 million yen (down 7.3% compared with the previous period).

Due to decreased profit as a result of lower sales, operating profit was 3,652 million yen (down 41.8% compared with the previous period) while ordinary profit was 3,477 million yen (down 49.8% compared with the previous period). Profit attributable to owners of parent was 1,778 million yen (down 59.6% 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 31,842 million yen

Year-on-year: Down 6.2%

With the mainstay items of switches and programmable indicators, market inventories generally returned to appropriate levels, but net sales declined due to the impact of trade inventory adjustments in the first half of the year.

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 11,294 million yen

Year-on-year: Down 2.9%

In Asia Pacific, our core market, sales of industrial relays decreased due to the impact of the economic slowdown, especially in the Chinese market, and the continued trade inventory adjustment.

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 8,705 million yen

Year-on-year: Down 12.1%

Although the order backlog of mainstay programmable logic controllers has been eliminated, new orders in Japan and the Americas declined, resulting in lower net sales.

Safety & Explosion Protection

In addition to safety-related equipment such as emergency-stop switch, safety 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: 11,045 million yen

Year-on-year: Down 5.2%

Sales of safety-related equipment declined, mainly due to the impact of trade inventory adjustment and lower demand in key industries such as machine tools and robots, particularly in Japan and Asia Pacific.

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: 3,479 million yen

Year-on-year: Down 12.3%

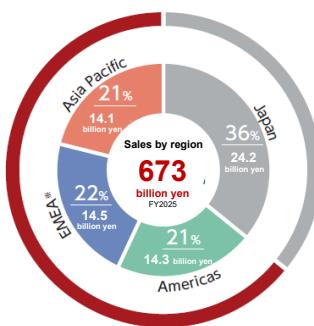
In Asia Pacific, sales of control panels for semiconductor manufacturing equipment and distribution facilities declined.

(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

64% **16**



*EMEA: Europe, Middle East, and Africa

Main offices of the Company (as of March 31, 2025)

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
IDECSALES SUPPORT CORPORATION	Osaka	100 million yen	100%	Sale of and sales support for control equipment
IDECSYSTEMS & CONTROLS CORPORATION	Osaka	170 million yen	100%	Provision of solar power systems and energy solutions
IDECAUTO-ID SOLUTIONS CORPORATION	Osaka	300 million yen	100%	Sale of automatic recognition devices
IDECALPS Technologies Co., Ltd.	Osaka	100 million yen	51%	Development, manufacture and sales of control equipment
IDECLOGISTICS SERVICE CORPORATION	Hyogo	10 million yen	100%	Commissioned business for rigging assembly for control equipment and logistics operations
IDECFACORY SOLUTIONS CORPORATION	Aichi	33 million yen	100%	Manufacture and sales of control peripheral equipment and control-panel-related equipment
IDECCORPORATION	United States	4,800 thousand USD	100%	Sale of control equipment
APEM, Inc.	United States	22,800 thousand USD	100% (100%)	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
IDECIZUMISUZHOU Co., Ltd.	China	10,730 thousand USD	100% (14%)	Manufacture and sale of control equipment and parts
IDECSHANGHAI CORPORATION	China	300 thousand USD	100% (100%)	Sale of control equipment
IDECELECTRONICSTECHNOLOGY (SHANGHAI) CORPORATION	China	2,000 thousand RMB	100% (100%)	Design and development of software and circuits for electronic products
IDECHONGKONG CO., LTD.	Hong Kong	5,000 thousand HKD	100%	Sale of control equipment
IDECIZUMI(H.K.)CO., LTD.	Hong Kong	22,300 thousand HKD	100% (70%)	Sale of control equipment
IDECIZUMITAIWAN CORPORATION	Taiwan	60,000 thousand TWD	100%	Manufacture and sale of control equipment and parts
IDECTAIWAN CORPORATION	Taiwan	15,000 thousand TWD	100%	Sale of control equipment
IDECAASIA(THAILAND)CO., LTD.	Thailand	250,000 thousand baht	100%	Manufacture and sale of control equipment and parts
IDECIZUMIASIA PTE LTD.	Singapore	1,000 thousand SGD	100%	Sale of control equipment
IDECCONTROLS 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. The Kiba Office (Tokyo) and Kyoto Office were closed on March 31, 2025.
 3. At the Board of Directors meeting held on August 3, 2023, the Company resolved to terminate all business activities of its subsidiary, IDECIZUMI (H.K.) CO., LTD. and to dissolve the company after making the necessary preparations. IDECIZUMI (H.K.) CO., LTD. is currently undergoing liquidation proceedings.

Japan

Net sales: 24,294 million yen

Year-on-year: Down 9.7%

Net sales decreased due to a sense of stagnation in key industries such as robots and machine tools, as well as the impact of the trade inventory adjustment.

Americas

Net sales: 14,389 million yen

Year-on-year: Up 1.6%

Trade inventories settled at a certain level in general with recovering orders, and net sales increased slightly due to the depreciation of the yen.

EMEA (Europe, Middle East, Africa)

Net sales: 14,512 million yen

Year-on-year: Down 6.9%

Net sales declined due to a fall in demand in key industries caused by the economic downturn and geopolitical risks.

Asia Pacific

Net sales: 14,184 million yen

Year-on-year: Down 11.7%

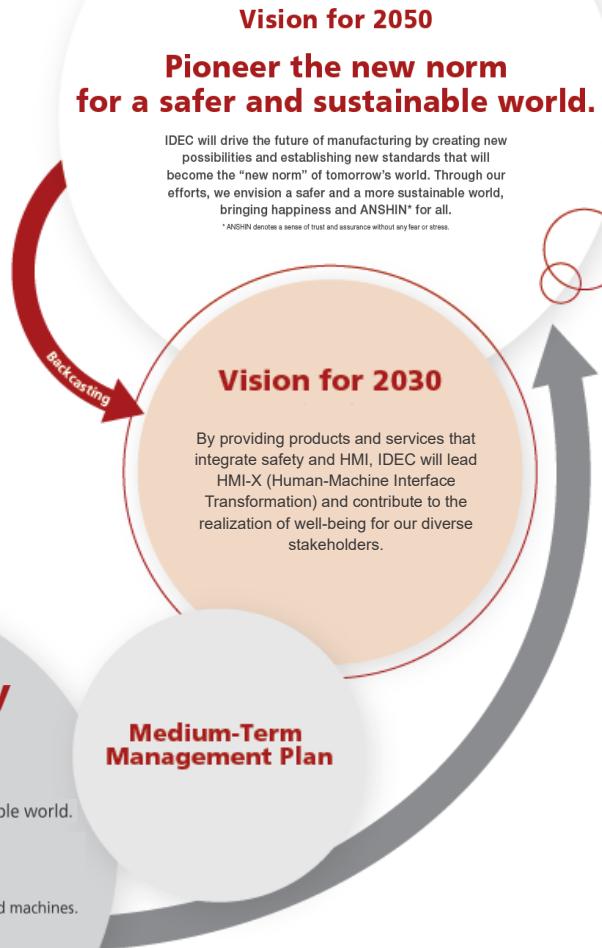
Net sales decreased due to the impact of the economic slowdown in China and Southeast Asia.

(4) Issues to be addressed

Long-term Vision

Since its foundation in 1945 as Izumi Shokai, the IDEC Group has provided a wide range of products and services. Leveraging core technologies created and enhanced through the development of industrial switches and other control devices for machines, we aim to contribute to society by creating safer, more pleasant interfaces between humans and machines, both at manufacturing sites such as factories, and in daily life.

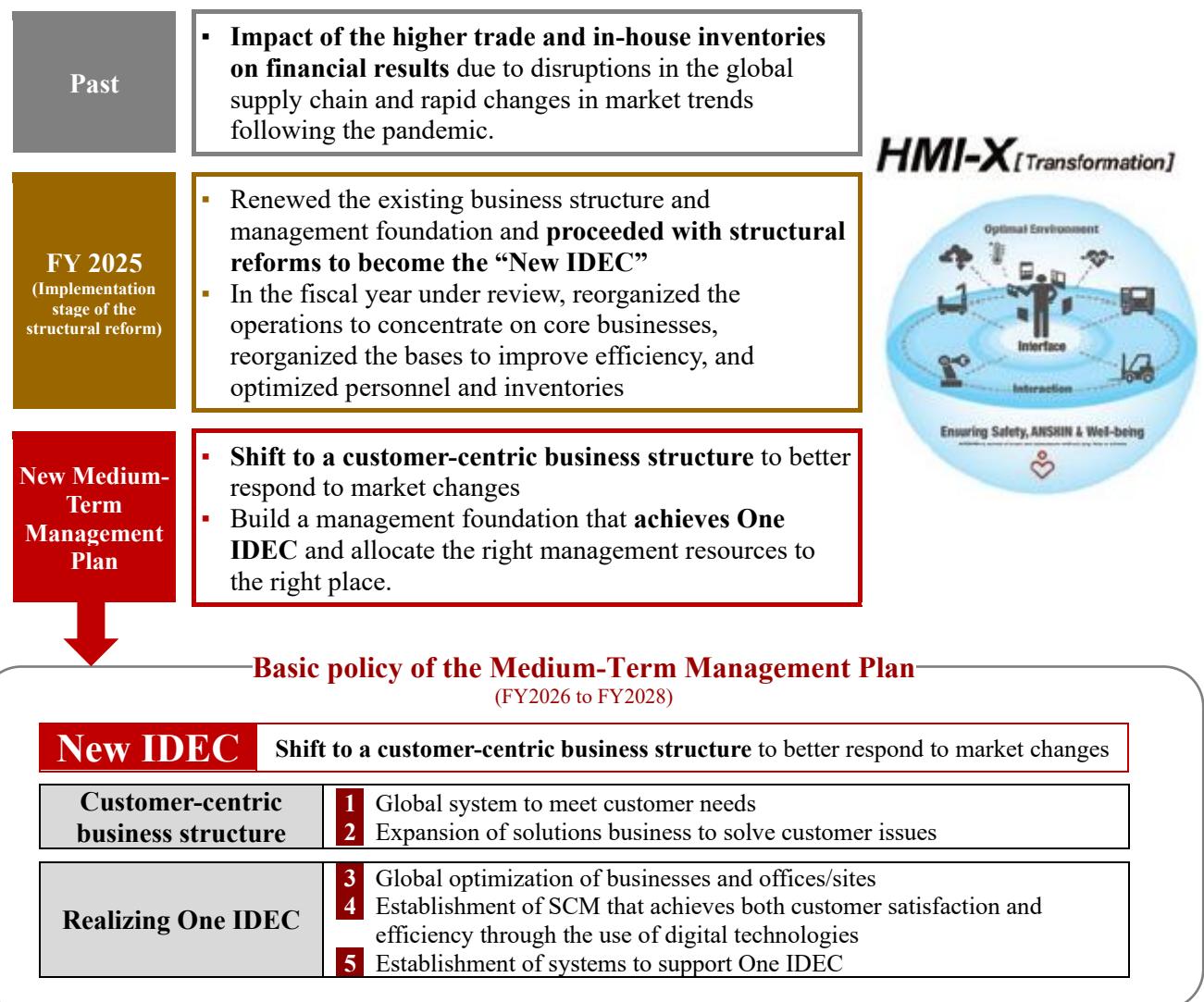
As we approach our 80th anniversary in 2025, we have formulated Vision for 2050, as a long-term vision for the next 100 years. In addition, we have also formulated Vision for 2030, using a backcasting approach to consider what we should do now to achieve our long-term vision. In this year's Integrated Report, we would like to tell stakeholders about our value creation story, which will help us achieve our ideal vision based on this Vision for 2030.



Medium-Term Management Plan

The IDEC Group announced its Medium-Term Management Plan in May 2022 and has implemented various initiatives under the new concept of HMI-X [Transformation]. However, due to disruptions in the global supply chain and rapid changes in market trends following the pandemic, its business performance deteriorated for the second consecutive year.

Under the new three-year Medium-Term Management Plan that begins in FY2026, we will transform our business into a customer-centric structure and improve our ability to respond to market changes, thereby promoting structural reforms that will transform the Company into a truly global company, the “New IDEC,” and expanding our business and improving profitability.



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



- Engage in dialogue with stakeholders and assess trends in societal issues.
- Understand international frameworks/guidelines and the criteria used by ESG rating agencies.
- Organize and reassess issues at relevant departments.
- Ensure consistency with our long-term vision and medium-term management plan.
- Organize priorities by opportunity and risk themes.
- Obtain approval from the Board of Directors following confirmation by the Top Management Meeting.

Material issues	Productivity improvement	Safety, ANSHIN, and well-being	Climate change	Business foundation
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. Improve safety, productivity, and well-being through technology development, human resource development, management, and rulemaking. 	<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 important guidelines based on “The IDEC Way.”

The United Nations Global Compact is an international initiative that aims to create a sustainable society by encouraging companies and other 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 Global Compact in 2009 and supports the ten principles.



Commitment to sustainability

Guided by the CSR Committee established in 2018 (renamed to the Sustainability Committee in 2024), we are working to focus on social challenges through our business activities. Specifically, we are pursuing improvements in safety, health, and well-being of all people inside and outside of the company through our support and registration with the Vision Zero campaign led by the International Social Security Association (ISSA) under the International Labour Organization (ILO). We are also working to address global environmental issues such as climate change and anticipating future needs by identifying risks and opportunities.

Implementation Structure

We established the Sustainability Committee, chaired by the CEO and including outside directors as members, to develop the IDEC Group's action policies. We have also established five specialized committees in the key areas of Environment, Social, Governance (ESG) plus two areas of our strengths, Safety and Quality; together referred to as “ESG+Sa+Q.” Each of these specialized committees is chaired by an executive officer and consists of members with specialist knowledge and experience. The Sustainability Committee meets twice a year. Important matters discussed by the committee are reported to and supervised by the Top Management Meeting and the Board of Directors.

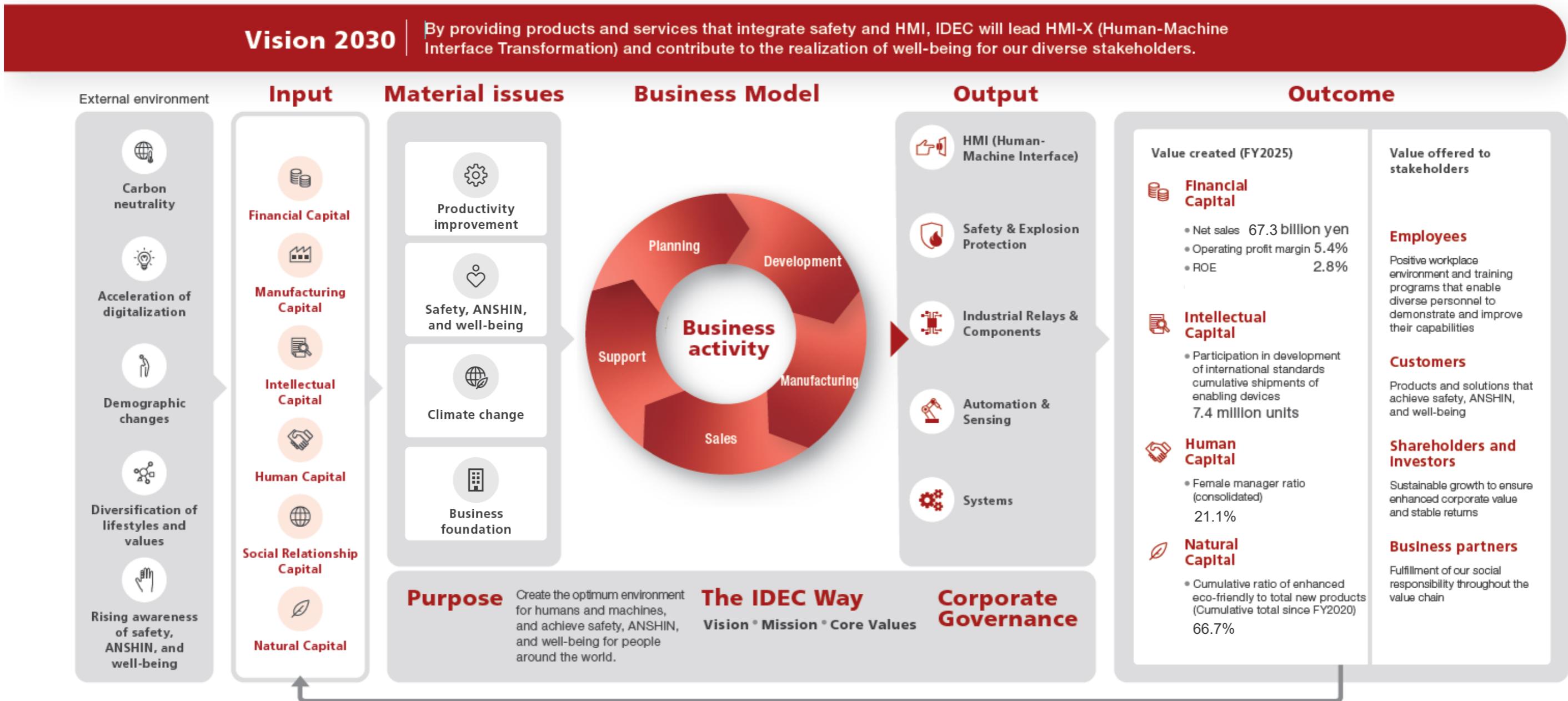
Departmental managers (Sustainability Leaders) thoroughly communicate matters discussed and approved by the Sustainability Committee and their implementation to each employee at the Workplace Training Sessions.



Value Creation Process

Vision 2030

By providing products and services that integrate safety and HMI, IDEC will lead HMI-X (Human-Machine Interface Transformation) and contribute to the realization of well-being for our diverse stakeholders.



(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 10,782 million yen as a result of investments in production facilities aimed at improving product quality and productivity, investments in infrastructure development 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, 2025)

1. Number of employees in the corporate group

Number of employees	Change from the end of the previous period
2,937	Down 150

2. Number of employees of the Company

Number of employees	Change from the end of the previous period
603	Down 55

(8) Status of Major Creditors (As of March 31, 2025)

Creditor	Balance of borrowings
MUFG Bank, Ltd.	12,686 million yen
Mizuho Bank, Ltd.	4,999 million yen
Sumitomo Mitsui Banking Corporation	4,740 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, 2025)

(1) Total Number of Shares Authorized to Be Issued	150,000,000
(2) Total Number of Shares Outstanding	33,224,485
(3) Number of Shareholders	16,868
(4) Major Shareholders (Top 10)	

Name of shareholder	Number of shares owned	Ratio of shareholding
The Master Trust Bank of Japan, Ltd. (Account in trust)	5,442 thousand shares	18.45 %
Custody Bank of Japan, Ltd. (account in trust)	3,950	13.40
JP MORGAN CHASE BANK 385632	878	2.98
Namariya Ltd.	845	2.87
TKF Ltd.	680	2.31
THE BANK OF NEW YORK MELLON 140044	434	1.47
Kazutaka Fujita	408	1.38
JP MORGAN CHASE BANK 385781	360	1.22
Toshihiro Fujita	336	1.14
STATE STREET BANK AND TRUST COMPANY 505001	312	1.06

(Note) The ratio of shareholding is calculated after deducting treasury stock (3,733 thousand shares).

[Distribution by owner]

Individuals and others	10,601 thousand shares (31.91%)
Financial institutions	10,434 thousand shares (31.41%)
Foreign corporations, etc.	5,866 thousand shares (17.66%)
Other corporations	2,230 thousand shares (6.71%)
Financial instruments business operators	357 thousand shares (1.08%)
Treasury shares	3,733 thousand shares (11.24%)

(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)	580	1

3 Matters Concerning Company Officers

(1) Status of Directors (As of March 31, 2025)

Position	Name	Responsible operations and state of significant concurrent positions
Chairman and Chief Executive Officer	Toshiyuki Funaki	Chief Executive Officer Chairman of Nominating Committee Chairman of Remuneration Committee IDEC CORPORATION Chairman, CEO
Senior Executive Vice President	Mikio Funaki	Senior Executive Vice President IDEC CORPORATION Director
Management Director	Takuji Yamamoto	In charge of Strategy of Corporate Management
Director	Takao Funaki	Senior Executive Officer of Manufacturing, Procurement & SCM and US Business IDEC CORPORATION President, COO APEM, Inc. President
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	Nominating Committee Member Remuneration Committee Member 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 Partner, 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)

1. 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.
2. Director (Full-time Audit and Supervisory Committee Member) Yasuo Himeiwa is a certified public accountant and has considerable knowledge about finance and accounting.
3. 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.
4. 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.
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 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)	400 million yen (27 million yen)	268 million yen (27 million yen)	70 million yen (-)	42 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)	425 million yen (52 million yen)	293 million yen (52 million yen)	70 million yen (-)	42 million yen (-)	18 million yen (-)	10 (6)	

(Notes) 1. 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).

2. 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).

3. 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 ROIC, CO₂ reduction rate, and external ESG assessment in addition to the operating profit ratio. 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 16.

4. 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 28. 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 33.

5. 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.

6. During the fiscal year under review, a resolution was passed at a meeting of the Board of Directors held on June 14, 2024 (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 29, 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 member 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, 2025

(Million yen)

Item	Amount	Item	Amount
<u>Assets</u>		<u>Liabilities</u>	
Current assets	51,480	Current liabilities	27,662
Cash and deposits	19,208	Notes and accounts payable—trade	3,784
Notes and accounts receivable—trade, and contract assets	10,364	Electronically recorded obligations—operating	682
Electronically recorded monetary claims—operating	635	Short-term borrowings	10,985
Merchandise and finished goods	11,226	Current portion of long-term borrowings	3,698
Work in process	1,468	Lease liabilities	559
Raw materials and supplies	5,813	Accounts payable—other	1,397
Other	2,834	Accrued expenses	3,381
Provision for doubtful accounts	(71)	Income taxes payable	796
Non-current assets	55,736	Contract liabilities	434
Property, plant and equipment	28,451	Deposits received	184
Buildings and structures	14,164	Provision for product warranties	45
Machinery, equipment and vehicles	3,134	Other	1,711
Tools, furniture and fixtures	1,779	Non-current liabilities	15,744
Land	7,340	Long-term borrowings	9,857
Leased assets	164	Lease liabilities	1,125
Right-of-use assets	1,434	Deferred tax liabilities	2,800
Construction in progress	432	Provision for retirement benefits for directors (and other officers)	31
Intangible assets	24,648	Retirement benefit liability	1,307
Trademark rights	2,318	Asset retirement obligations	78
Customer-related assets	7,231	Other	544
Software	874	Total liabilities	43,406
Software in progress	2,016		
Goodwill	11,212	Net assets	
Other	995	Shareholders' equity	51,832
Investments and other assets	2,636	Share capital	10,056
Investment securities	605	Capital surplus	9,620
Retirement benefit asset	397	Retained earnings	39,026
Deferred tax assets	1,037	Treasury shares	(6,870)
Other	618	Accumulated other comprehensive income	11,364
Provision for doubtful accounts	(23)	Valuation difference on available-for-sale securities	21
		Foreign currency translation adjustment	11,315
		Remeasurements of defined benefit plans	27
		Stock acquisition rights	612
Total assets	107,216	Total net assets	63,810
		Total liabilities and net assets	107,216

Consolidated Statement of Income
From April 1, 2024, to March 31, 2025

(Million yen)

Item	Amount	
Net sales		67,380
Cost of sales		37,943
Gross profit (loss)		29,437
Selling, general and administrative expenses		25,784
Operating profit (loss)		3,652
Non-operating income		
Interest income and dividend income	122	
Share of profit of entities accounted for using equity method	89	
Foreign exchange gains	64	
Gain on valuation of derivatives	290	
Other	247	814
Non-operating expenses		
Interest expenses	257	
Derivative loss	360	
Other	370	989
Ordinary profit (loss)		3,477
Extraordinary income		
Gain on sale of non-current assets	1,067	
Gain on reversal of stock acquisition rights	11	
Insurance claim income	290	
Gain on sales of shares of subsidiaries	1,200	2,569
Extraordinary losses		
Loss on sale of non-current assets	1	
Loss on abandonment of non-current assets	6	
Expenses for business restructuring	2,628	2,636
Profit (loss) before income taxes		3,410
Income taxes—current	1,674	
Income taxes—deferred	(42)	1,632
Profit (loss)		1,778
Profit (loss) attributable to owners of parent		1,778

Non-Consolidated Financial Statements
 Non-Consolidated Balance Sheet
 As of March 31, 2025

(Million yen)

Item	Amount	Item	Amount
<u>Assets</u>			
Current assets	25,456	Current liabilities	20,985
Cash and deposits	7,309	Accounts payable—trade	2,082
Accounts receivable—trade	6,228	Electronically recorded obligations—operating	589
Electronically recorded monetary claims—operating	250	Short-term borrowings	10,485
Merchandise	1,907	Short-term borrowings from subsidiaries and affiliates	574
Finished goods	1,553	Current portion of long-term borrowings	3,408
Raw materials	1,523	Lease liabilities	69
Work in process	708	Accounts payable—other	1,532
Supplies	57	Accrued expenses	1,274
Prepaid expenses	350	Income taxes payable	547
Short-term loans receivable from subsidiaries and affiliates	4,880	Contract liabilities	13
Accounts receivable—other	490	Deposits received	164
Accounts receivable for supplied materials	12	Other	243
Other	184		
		Non-current liabilities	10,252
		Long-term borrowings	8,931
		Lease liabilities	86
		Provision for retirement benefits	916
		Other	318
Non-current assets	43,991	Total liabilities	31,238
Property, plant and equipment	10,144		
Buildings	4,302	Net assets	
Structures	80		
Machinery and equipment	821	Shareholders' equity	37,597
Vehicles	37	Share capital	10,056
Tools, furniture and fixtures	434	Capital surplus	9,523
Land	4,090	Legal capital surplus	5,000
Leased assets	142	Other capital surplus	4,523
Construction in progress	235	Retained earnings	24,888
Intangible assets	2,618	Other retained earnings	24,888
Software	723	Reserve for tax-purpose reduction entry of non-current assets	316
Software in progress	1,894	Retained earnings brought forward	24,572
Other	0	Treasury shares	(6,870)
Investments and other assets	31,228		
Investment securities	9	Stock acquisition rights	612
Shares of subsidiaries and affiliates	26,022		
Investments in capital of subsidiaries and associates	1,755		
Long-term loans receivable from subsidiaries and affiliates	2,064		
Prepaid pension costs	315		
Deferred tax assets	751		
Other	332		
Provision for doubtful accounts	(23)		
Total assets	69,448	Total net assets	38,210
		Total liabilities and net assets	69,448

Non-Consolidated Statement of Income
From April 1, 2024, to March 31, 2025

(Million yen)

Item	Amount	
Net sales		26,092
Cost of sales		15,032
Gross profit (loss)		11,060
Selling, general and administrative expenses		10,105
Operating profit (loss)		954
Non-operating income		
Interest income and dividend income	3,037	
Foreign exchange gains	106	
Commission income	178	
Other	514	3,836
Non-operating expenses		
Interest expenses	172	
Derivative loss	359	
Other	106	638
Ordinary profit (loss)		4,153
Extraordinary income		
Gain on sale of non-current assets	227	
Gain on reversal of stock acquisition rights	11	
Insurance claim income	290	
Gain on sales of shares of subsidiaries	2,220	2,749
Extraordinary losses		
Loss on abandonment of non-current assets	2	
Expenses for business restructuring	1,952	1,954
Profit (loss) before income taxes		4,947
Income taxes—current	746	
Income taxes—deferred	(155)	591
Profit (loss)		4,356