



Financial Report for the Half Year Ended September 30, 2024

November 22, 2024

Icom Inc.



What kind of Company is Icom ?

November, 2024



Icom Inc.

Overview of Icom Incorporated

■ Who is Icom?

- Founded in 1954 and established in 1964, we are a company that handles everything from planning, design, manufacturing, and sales of **wireless communication devices**.
- We are **the only comprehensive radio equipment manufacturer** that can provide a wide range of wireless communication equipment under the same brand for land mobile, amateur, marine, and aviation use to meet the needs of various markets.

Total Employees: 1,034 (As of March, 2024)

Headquarters: **600** / Wakayama Icom: **278** /

Subsidiaries: **156**

Global company : Serve 180 countries/territories

Domestic Offices: **14** / Subsidiaries (Japan) **4** /
Dealers (Japan): **200** / Subsidiaries (Intl.): **9** /
Distributors (Intl.): **60** / Affiliates: **3**

60 years of Excellence:

A **total radio manufacturer** like no other that continues to grow with products born from a commitment to wireless communication as expressed in our corporate philosophy. Listed on Prime market (TSE)

Aiming to be a 100-year Company:

With RF technology as our core competence, we will become a 100-year company with “the creativity to create things from scratch” meeting user needs.

Overview of Icom Incorporated

■ What is Two-way Radio?

- A communication device that uses a portion of the radio waves managed by the Government.
- There are various types of radio uses, such as one-to-one, one-to-many, or communication with a registered system (the number of users is determined by the system configuration).
(Mobile phones are a type of radio, but the biggest difference is that they are managed by the carrier's network and can only communicate with one party (phone number) at a time).
- The type and shape of a radio will vary greatly depending on its intended use. The images below are just a few examples of the types we offer.



Overview of Icom Incorporated

■ What is Two-way Radio?

- Depending on the use of the radio, the types of users who use it vary widely. The following is a partial list.



■ Land Based

- **Amateur Radio:** Hobby use, Emergency comms
 - **Land Mobile Radio:** Military, Public safety, Security, Wide area sights, Transportation etc.
 - **IP Radio:** Enterprise, Schools, Airports, Railroads etc.
- ©2024 ICOM INCORPORATED



■ Sea Based

- Coastguard, Ports, Commercial vessels, Pleasure boats, Yachts, Fishing boats etc.



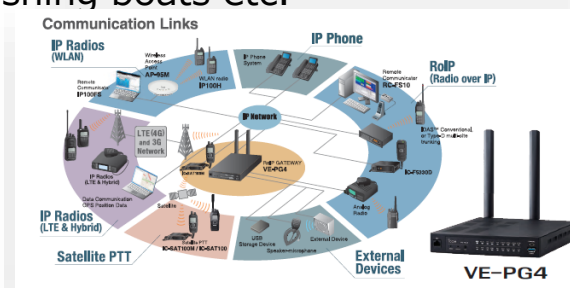
■ Air Based

- Airports, Runway Admin., Airport emergency use, Hobby pilots, Oil rigs, Military etc.



■ Space Based

- Military, BCP comms. users, Areas with no comms. infrastructure, Rescue, Utilities, Long distance yachts etc.



■ “Apples” can talk to “Oranges”

- Icom has expertise in radio equipment and IP networks, and can achieve communication between different radio types (different frequencies, analog/digital, telephone/satellite etc.).

Market Potential



Amateur Radio

Size Estimate: US\$300 million

Estimated number of active HAM's WW is 1.75 million (2021).



Land Mobile Radio

Size Estimate: US\$20 billion

Since around 2017, the entire market has been replaced by narrowband digital, and now the replacement by LTE is accelerating.



Marine Radio

Size Estimate: US\$ 3 billion

In the maritime radio market, Icom has been the leading manufacturer for over 40 years due to its brand recognition, product availability and technological innovation.



Airband Radio

Size Estimate: US\$2 billion

Icom is the benchmark for "ground use" applications. We were the first Japanese radio manufacturer to achieve TSO certification.



Network

Size Estimate: US\$8 billion

We targets niche users in the Japanese domestic market, rather than consumers, where price competition is fierce.



60 years as a Brand and Global Sales Network

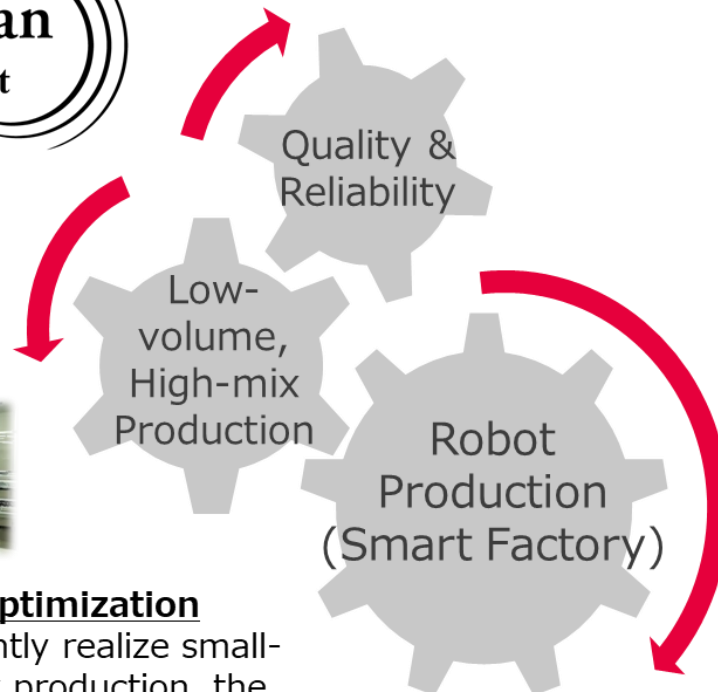
■ A Global Brand and Sales Network



Made In Japan

Icom's Commitment

Made in Japan
Quality you can trust



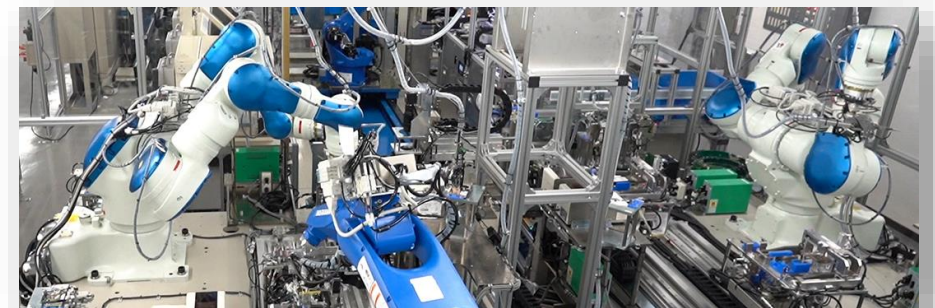
Assembly Line Optimization

In order to efficiently realize small-quantity, high-mix production, the assembly and inspection processes of radio equipment are not fully automated. Rather, labor saving is achieved by optimizing the combination of automated and manual labor to equalize work and improve the efficiency of work hours, thereby promoting an improved work environment for factory employees. In addition, the engineering department implements product design in consideration of the assembly environment, such as jigs on the line.



Smart Factory with Robotic Production and 5G

We have installed our own 5G gateway and "Public 5G" site and are promoting a 5G wireless network environment. In the future, we will promote robot production, smart factory using 5G, various sensors/cameras, and propose 5G solutions to our customers.



About Icom Incorporated

■ In Conclusion

- We are a total radio manufacturer that has been in business for 70 years and have been incorporated for 60 years. We are also the **only manufacturer*** that offers a product portfolio of land mobile, amateur, marine, aviation, IP radios, and wireless LAN products under the **same brand**.
- The Company has stable management fundamentals (including a large cash reserve, debt-free management, Prime market listing, and a high equity ratio), and is conscious of “sustainable management”.
- The Company has approximately 200 sales partners in Japan and approximately 60 overseas, and has a **global sales network**.
- We are committed to domestic production (**Made in Japan**), and we have two factories that operate with **smart factory** initiatives and industry-first* **automated production lines**, achieving high quality while providing cost-effective and competitive products

As per our corporate slogan, **“How the World Communicates”**, we aim to become a **100-year company**, remembering our founding spirit and core competencies.

*As researched by Icom Inc.



Half Year Financial Report September 30, 2024



Icom Inc.

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1. Summary of Financial Results HY September 2024

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- Increase/Decrease in Assets and Cash Flow
- Sales Increase/Decrease by Product Category
- Sales Composition by Product Category
- Sales Increase/Decrease by Region
- Sales Composition by Region
- Sales by Segment - Geographic Segment –

Financial Highlights HY September 2024



Sales: **17,898** (Million yen)
(YoY: ▲1.1%)

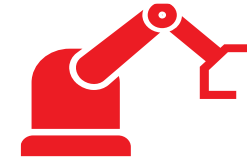


Op. Profit: **1,607** (Million yen)
(YoY: +0.4%)



R&D Expense:
1,985 (Million yen)
(YoY: +2.7%)

* End of September 2024: 6 new products



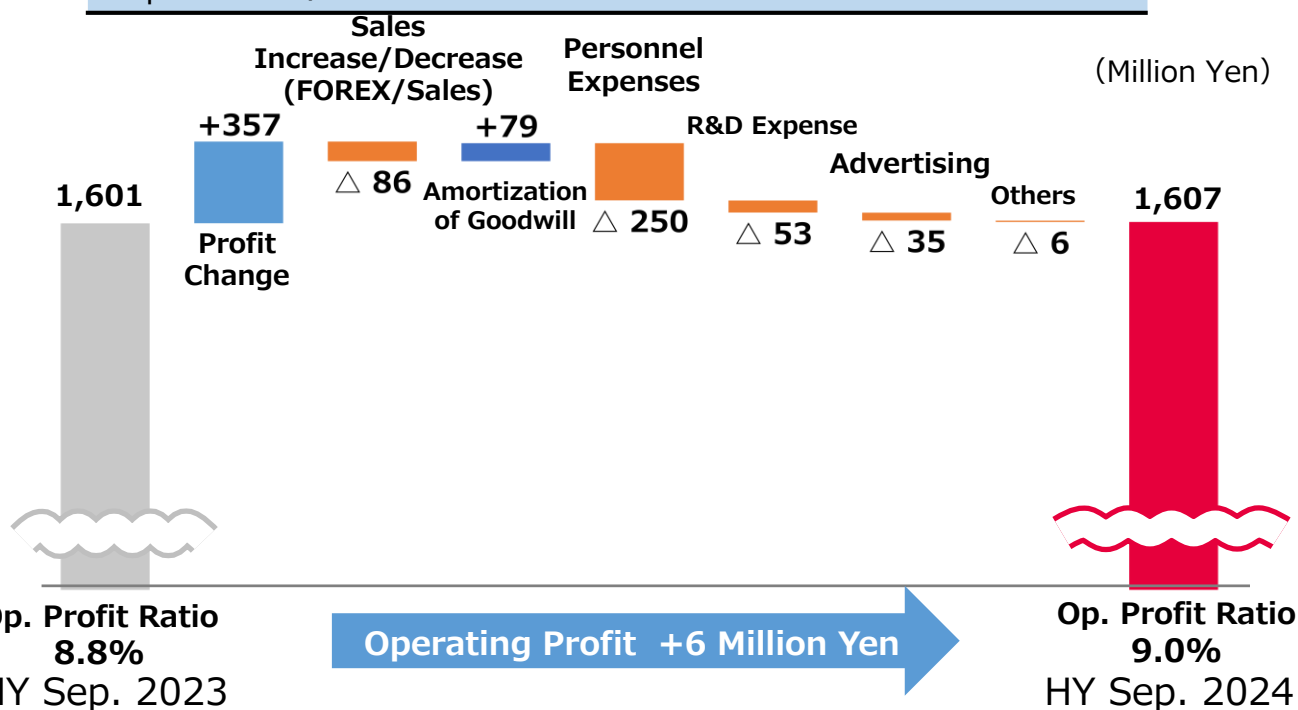
Robot Assembly:
94,401 (Units)
(YoY: ▲31.1%)

Increase/Decrease in Sales and Revenue

	(Million Yen)	
	HY September 2023	HY September 2024
Net Sales	18,099	17,898
Cost of sales	10,365	9,893
Gross Profit	7,734	8,004
(profit ratio)	42.7%	44.7%
Selling, general and administrative expenses	6,132	6,397
Operating income	1,601	1,607
(profit ratio)	8.8%	9.0%

During the current half year consolidated accounting period, sales of amateur radio communication equipment increased, supported by strong demand and new products. On the other hand, sales of land mobile radio communication equipment were on a par with the previous year, with growth in the stock business continuing from the previous year and sales of IP and satellite radios remaining strong, but sales of analog products decreased. In addition, the yen was weaker than expected against the US dollar (down 10.9% year-on-year) and the euro (down 10.6% year-on-year), and as a result, sales were almost the same as the previous year. Operating income was higher than the previous year due to an increase in the gross profit margin, despite an increase in selling, general and administrative expenses, such as personnel costs, due to the weaker yen.

※Status of the stock business as a percentage of net sales



	(Million Yen)	
	HY September 2023	HY September 2024
Net Sales	18,099	17,898
Product sales	16,634	16,202
Stock Business	1,465	1,696
(Percentage of Stock Business)	8.8%	10.5%

Increase/Decrease in Assets and Cash Flow

	(Million Yen)	
■ Assets	FY	HY
	March 2024	September 2024
Assets		
Current Assets	50,077	48,007
Fixed Assets	14,217	23,734
Total Assets	73,159	71,742
Liabilities		
Current Liabilities	5,988	4,782
Fixed Liabilities	1,425	1,667
Total Liabilities	7,414	6,449
Equity		
Shareholders' Equity	60,786	60,803
Accumulated other comprehensive income	4,985	4,488
Total Equity	65,745	65,292

	(Million Yen)	
■ Cashflow	HY	HY
	September 2023	September 2024
Net cash provided by operating activities	1,313	656
Net cash provided by (used in) investing activities	△ 1,599	△ 456
Net cash used in financing activities	△ 764	△ 1,033
Cash and Cash equivalents at the end of Period	27,554	24,791

■ Assets

Assets vs Previous Fiscal Year: ▲1,417 Mil yen

Increase: Other current assets, property, plant and equipment, investments and other assets

Decrease: Cash and deposits, investment securities, notes and accounts receivable, inventories (total)

Liabilities vs Previous Fiscal Year: ▲964 Mil yen

Increase: Accounts payable-trade, non-current liabilities

Decrease: income taxes payable, current liabilities, provision for bonuses

Net Assets vs Previous Fiscal Year: ▲452 Mil yen

Increase: Net income attributable to owners of the parent

Decrease: dividends of surplus, foreign currency translation adjustments

■ Cashflow

Cash Flows from Operating Activities: ▲656 Mil yen

Increase: Interim net income before taxes, depreciation, increase in accounts payable, foreign exchange losses, decrease in accounts receivable

Decrease: Income taxes payable, sales activities, etc., interest income and dividends received

Cash Flows from Investing Activities: +1,143 Mil yen

Increase: Decrease in time deposits with a deposit term of over 3 months, income from the sale of securities, and receipt of interest and dividends

Decrease: Expenditure on acquisition of tangible fixed assets, investment activities, etc., expenditure on acquisition of investment securities

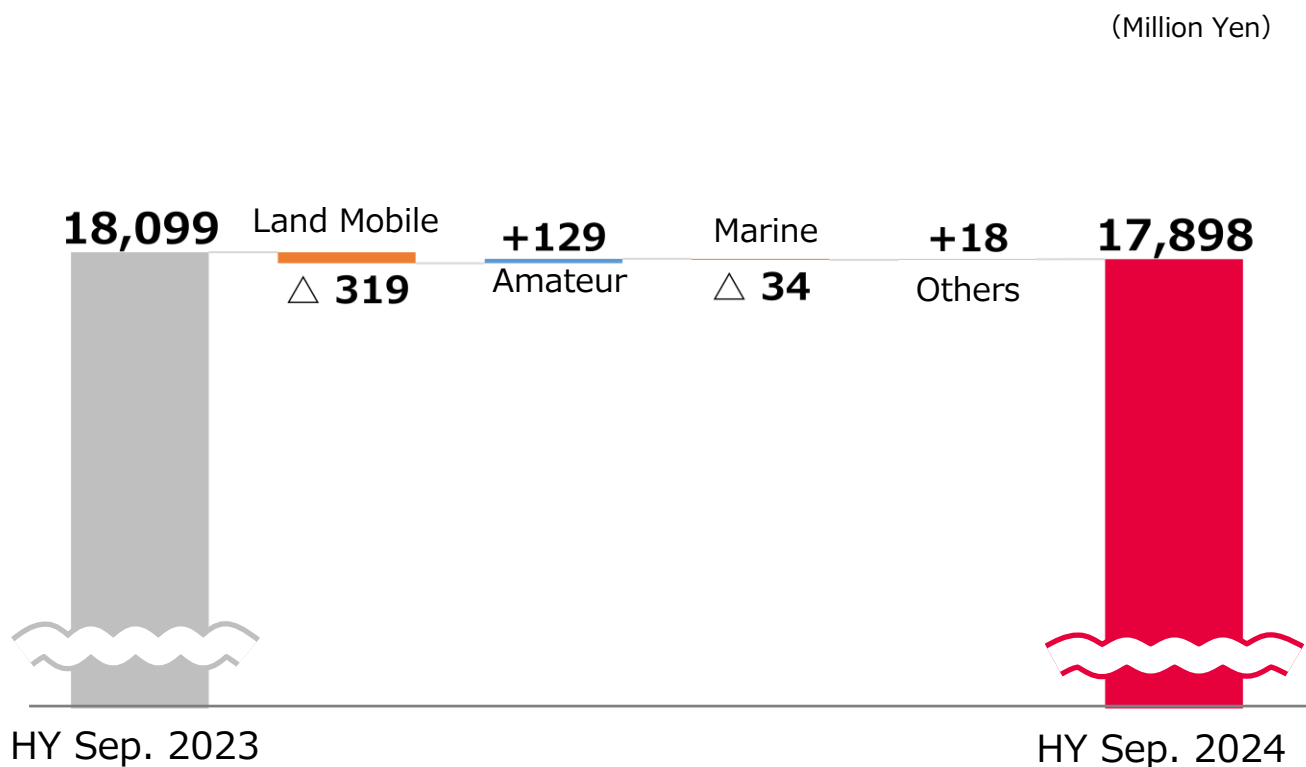
Cash Flows from Financing Activities: ▲268 Mil yen

Decrease: Dividends paid

Sales Increase/Decrease by Product Category

(Million Yen)

	HY September 2023	HY September 2024
Net Sales	18,099	17,898
Land Mobile	8,702	8,383
Amateur	3,030	3,162
Marine	1,990	1,956
Others (Option etc)	4,377	4,395



Land Mobile: 3.7% decrease YoY

Despite an increase in demand for BCP measures against geopolitical risks, there was a temporary oversupply in overseas markets due to the resolution of parts procurement difficulties, and a portion of the market inventory of some products was stagnant, resulting in a decrease in revenue.

Amateur: 4.4% increase YoY

In addition to continued strong demand, sales increased due to the effect of new products launched during the period.

Marine: 1.7% decrease YoY

Due to a decline in demand for boats caused by rising prices in export markets, sales slowed down in the second quarter, resulting in a decrease in revenue.

Others: 0.4% increase YoY

Sales of marine navigation equipment were sluggish due slower economic activity, but sales of aviation communication equipment and network equipment were strong, and results were on par with the previous year.

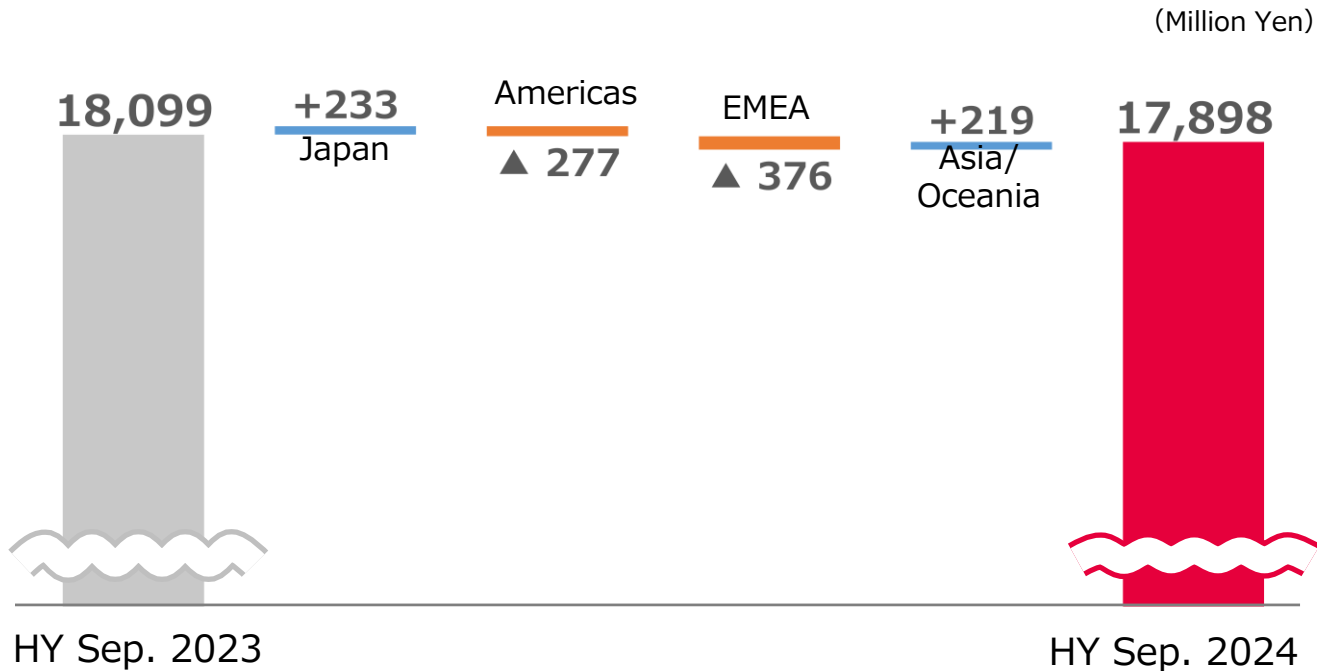
Sales Composition by Product Category



Sales Increase/Decrease by Region

(Million Yen)

	HY September 2023	HY September 2024
Net Sales	18,099	17,898
Japan	5,118	5,351
North America	5,791	5,514
Europe	4,254	3,879
Asia & Oceania	2,934	3,153



Japan: 4.6% increase YoY

For land mobile radio communications equipment, sales of license-free radio equipment, which is a key volume zone, were weak due to the impact of price competition in the market, but sales increased due to an increase in demand for IP radio equipment accompanying the recovery of economic activity, as well as the continued strong performance of the stock business.

Americas: 4.8% decrease YoY

Consumer orientated products were affected by an oversupply in the market, but stable business meant that sales were at the same level as the previous year. However, sales of land mobile radio communication equipment decreased due to a temporary oversupply of some products as parts supply was resolved, despite the positive factor of increased demand for satellite communication radios in Central and South America.

EMEA: 8.8% decrease YoY

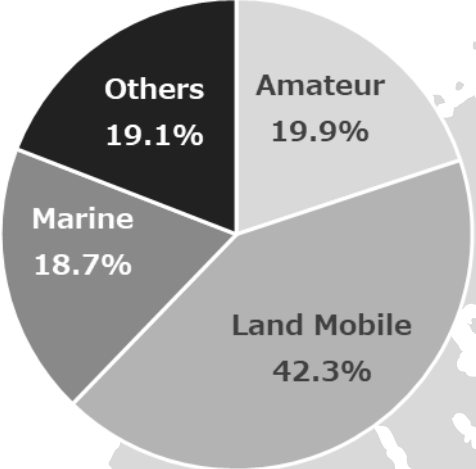
Although sales increased due to the acquisition of projects for land mobile radio communication equipment outside Europe, sales did not increase due to a temporary oversupply of products in the market caused by the sluggish economic activity in Europe, resulting in a decrease in revenue.

Asia & Oceania: 7.5% increase YoY

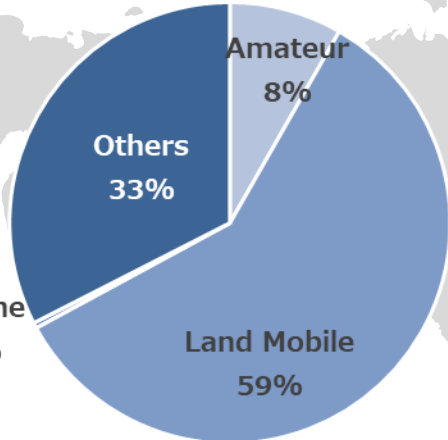
In addition to sales growth in Asia, where sales of strategic models were strong, sales of consumer products in Australia decreased due to sluggish demand, but sales of land mobile radio communication equipment increased due to increased sales of CB radios, satellite radio communication equipment, and IP radios.

Sales Composition by Region

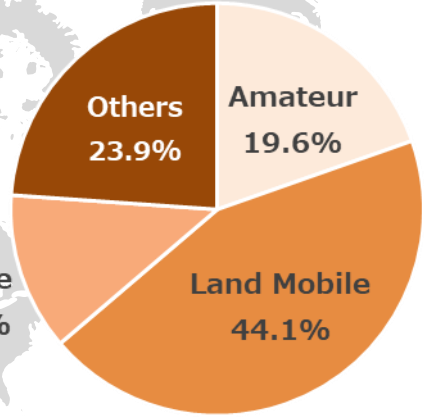
EMEA
 RATIO **21.6%**
 (YOY: Δ 7.8%)



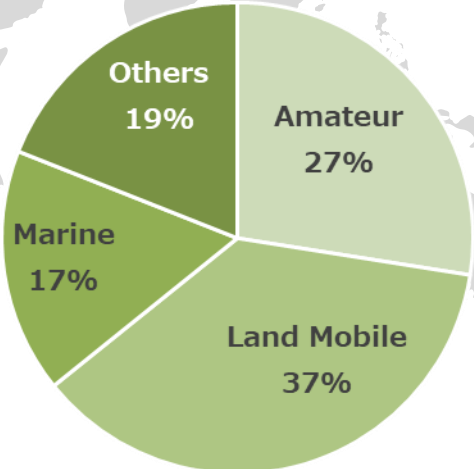
JAPAN
 RATIO **30.0%**
 (YOY: +4.6%)



AMERICAS
 RATIO **30.8%**
 (YOY: Δ 4.8%)

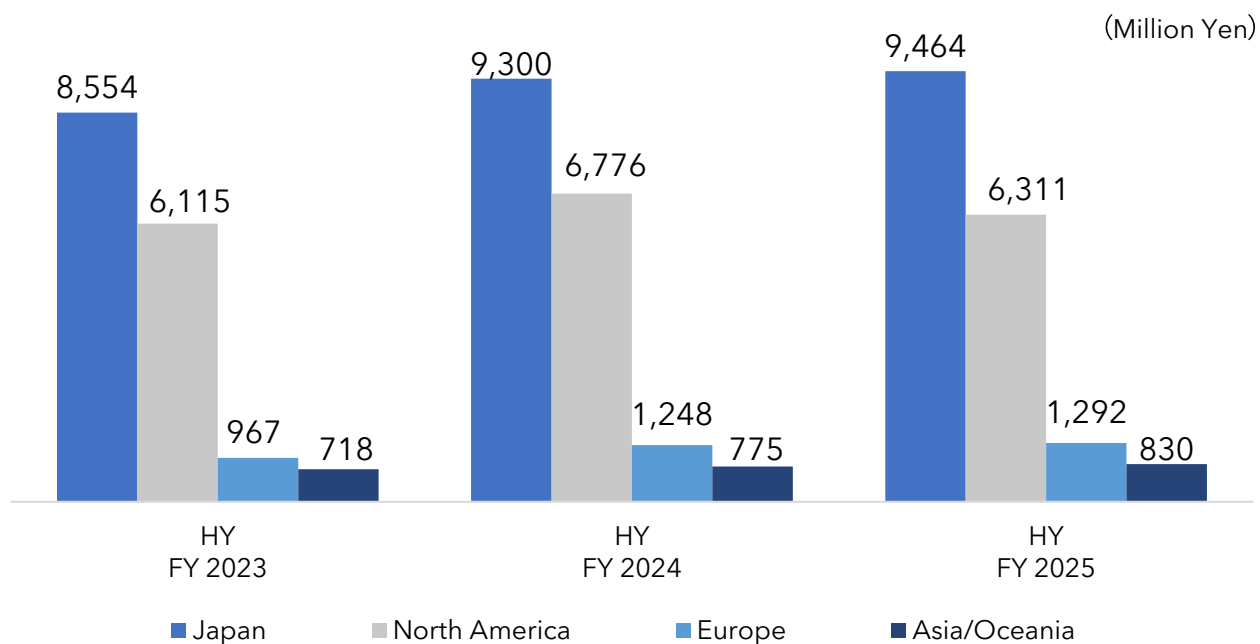


**ASIA/
 OCEANIA**
 RATIO **17.6%**
 (YOY: +7.4%)



Sales by Segment - Geographic Segment –

(Million Yen)		HY FY 2024		HY FY 2025		Change from Previous Period
		Period Total	Ratio	Period Total	Ratio	
Sales		18,099	100.0%	17,898	100%	△1.1%
* By Segment	Japan	9,300	51.4%	9,464	52.9%	+1.8%
	North America	6,776	37.4%	6,311	35.3%	△6.9%
	Europe (EMEA)	1,248	6.9%	1,292	7.2%	+3.5%
	Asia/Oceania/Other	775	4.3%	830	4.6%	+7.1%



*Companies in each Segment

Japan

Icom Inc., Wakayama Icom Inc.
Icom Information Devices Inc.,
Macrotechnos, Co. Ltd., Comforce Inc.

North America

Icom America, Inc., Icom Canada,
Icom Brazil, Icom Central America

Europe

Icom (Europe) GmbH,
Icom Spain, S.L.

Asia/Oceania

Icom (Australia), Pty., Ltd,
Icom Asia Co. Ltd., Purecom Co., Ltd.

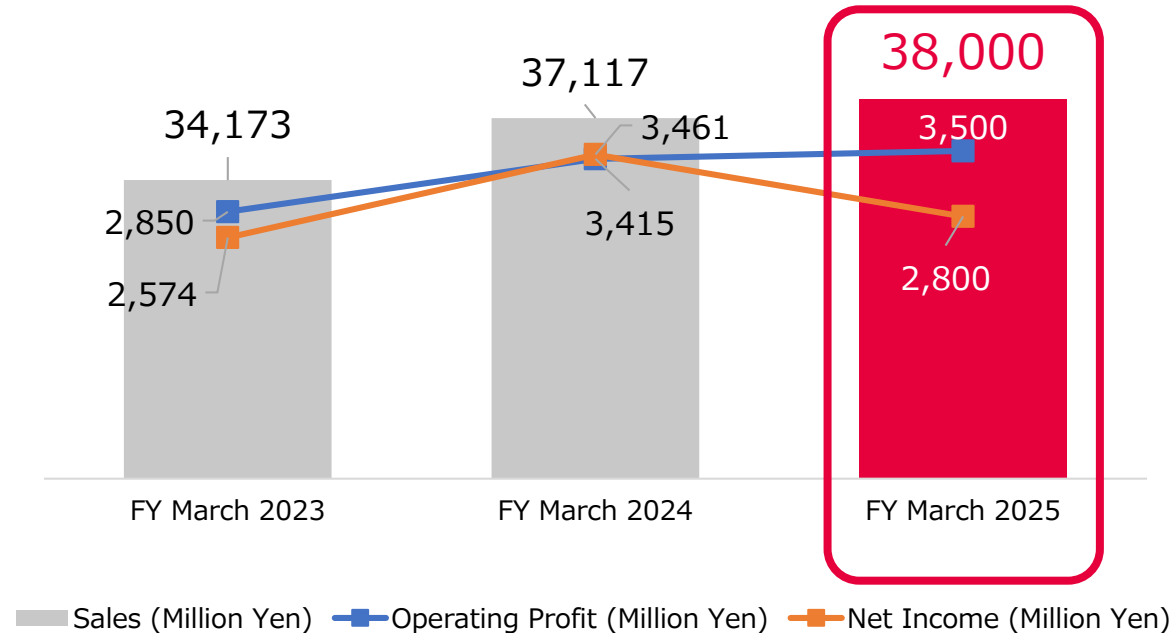
2. Future Outlook

- FY March 2025 Earnings Forecast
- FY March 2025 Dividend Forecast

FY March 2025 Earnings Forecast

FY March 2025 Consolidated Earnings Forecast

Sales 38,000 Million Yen	Operating Profit 3,500 Million Yen	Operating Profit Ratio 9.2%	
Net Income Attributable to Owners of the Parent 2,800 Million Yen		Net Income Ratio 7.4%	
Investment Plan	Capital Investment	Depreciation & Amortization	R&D Expense
	1,644 Million Yen	1,335 Million Yen	4,169 Million Yen
End of September 2024 Results	1,071 Million Yen	510 Million Yen	1,985 Million Yen



FY March 2025 Earnings Forecast

■ Sales

Economic trends in the fiscal year ending March 31, 2025 are expected to remain uncertain due to the situation in Ukraine and geopolitical risks in the Middle East, as well as rising prices and logistics costs caused by the weak yen. In addition, the delivery times for some key parts continue to be prolonged. In the market for wireless communication equipment, the Group's target market, demand is expected to fluctuate in some markets and product fields due to the impact of economic conditions, but we have kept our full-year earnings forecast for the fiscal year ending March 2025 unchanged.

■ Capital Investment

Continuation of the promotion of automation and “Smart Factory” in Wakayama Icom Incorporated. With continued commercialization of 5G-related equipment and research in microwave technology at 10 GHz and above, we will also invest in engineering equipment and facilities.

■ Assumed Exchange Rate

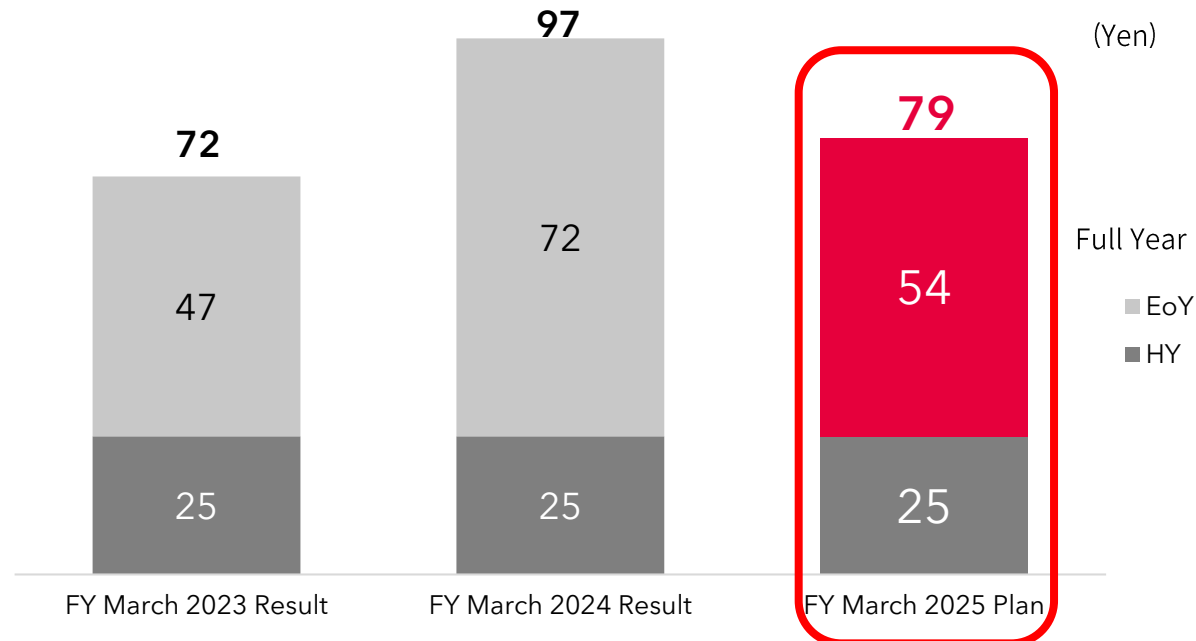
Exchange Rate	FY March 2025 Full Year Assumption	FY March 2024 Actual Results
USD	145.00 Yen	143.14 Yen
EURO	159.00 Yen	154.28 Yen

FY March 2025 Dividend Forecast

	Mid-term	End of Year	Full Year	Dividend Payout Ratio
FY March 2023 Result	25 Yen	47 Yen	72 Yen	40.1%
FY March 2024 Result	25 Yen	72 Yen	97 Yen	40.2%
FY March 2025 Plan	25 Yen	54 Yen	79 Yen	40.5%

* Dividend Reduction Planned

However, in accordance with our shareholder return policy, we will continue to pay a minimum annual dividend of 50 yen per share or a consolidated dividend payout ratio of 40%, whichever is higher. If the Company achieves higher-than-expected profits, it will consider further shareholder returns as appropriate.



3. **Topics**

- Launched Sustainability Website
- Acquired shares of Comforce Incorporated
- 60th Anniversary Event
- Others

Topics

■ Launched Sustainability Website

Sustainability management: Aim to be a 100 year old company

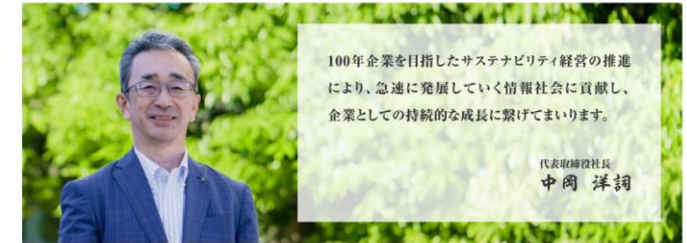
In our “Medium Term Business Plan 2026”, formulated in May 2023, we set **the promotion of sustainability management with the aim of becoming a 100 year old company** as a key theme.

We aim to improve our value proposition based on sustainability management that takes into account environmental, social and economic (ESG) sustainability, by strengthening the company's foundations to create high profit margins, and by contributing to the realization of a safe and prosperous society by providing advanced communication solutions in various fields around the world.

In promoting our business strategy to becoming a 100 year old company, we will not only adhere to CSR (Corporate Social Responsibility) such as compliance and observance of laws and regulations, but also work from the perspective of manufacturing products and services that contribute to **solving "global social issues"**.

- Japanese: https://www.icom.co.jp/sustainability/our_sustainability/
- English website coming soon

トップメッセージ



アイコムのサステナビリティ >



ステークホルダーエンゲージメント >



マテリアリティと実績 >



環境 (E) >



社会 (S) >



ガバナンス (G) >

アイコムの取り組み



コミュニケーション
人とひとが分かりあう、結びつく、協力しあう活動についての取り組み

活動についてはこちら >



安心・安全
災害や事故などを防いだり、被害の軽減に貢献する取り組みについて

活動についてはこちら >



次世代育成
未来を担う子ども・若者の夢や挑戦をサポートする取り組みについて

活動についてはこちら >

Topics

■ Acquisition of shares of Comforce Incorporated

In our "Medium Term Business Plan 2026," Icom aims to expand sales of wireless communication systems in addition to sales of two-way radio devices. In order to further strengthen its relationship with Comforce Inc., Icom has acquired all of the shares (made the company a subsidiary) in order to utilize Comforce Inc.'s* extensive experience of more than 20 years in wireless communication system construction and ODA projects to strengthen its proposal capabilities for domestic and overseas BCP (Business Continuity Plan) businesses.

In addition, in the "Medium Term Business Plan 2026," Icom will actively promote collaboration with other companies and corporate acquisitions, and this share acquisition and completion to a subsidiary is an example that illustrates this policy.

* Comforce Incorporated

As an affiliate of Icom, Comforce develops medium to large-scale wireless communication systems as well as network construction and installation, including ODA projects, and providing technical support for these projects both domestically and overseas using Icom's wireless communication products. Therefore, Comforce has highly transferable technology, experience, and skills in the know-how of being a system integrator (SI'er) for wireless communication equipment.



8 August, 2024

Notice Concerning Acquisition of Shares of System Integrator Company Comforce Incorporated

Icom Incorporated (Head office: Osaka, Japan; President: Hiroshi Nakaoka; hereinafter referred to as "Icom") has concluded a share transfer agreement with Comforce Incorporated (headquartered in Koto-ku, Tokyo; hereinafter referred to as "Comforce"), an affiliated company of Icom, to acquire all of its shares and make it a wholly owned subsidiary.

1. Reason for Share Acquisition

Icom has been manufacturing and selling a wide range of radio communication equipment from professional to amateur applications. Since its establishment, Icom has consistently focused on a "Made in Japan" manufacturing policy and has developed almost all our technologies, including software and hardware, in-house.

Comforce, as an affiliate of Icom, has been engaged in the construction and installation of medium to large wireless communication systems and networks, including ODA (Overseas Development Aid) projects, as well as technical support for such projects in Japan and overseas, using Icom's wireless communication products. Therefore, Comforce has highly transferable technical experience and skills in system integration (SI'er) know-how for wireless communication equipment.

In our "Medium-Term Business Plan 2026," Icom aims to expand sales of wireless communication systems and not just sales of stand-alone radio equipment. Icom's acquisition of shares to make Comforce a subsidiary will further strengthen our relationship with Comforce in order to strengthen our ability to make proposals for BCP (Business Continuity Plan) solutions in Japan and overseas, utilizing Comforce's extensive experience of more than 20 years in wireless communication system construction and ODA projects.

In addition, Icom will actively promote collaboration with other companies including acquisitions in accordance with the "Medium Term Business Plan 2026," and this acquisition of shares and conversion into a subsidiary is a project that realizes this policy.

2. Outline of the Subsidiary

1. Name	Comforce Incorporated
2. Address	2-17-16 Kiba, Beside Kiba SF, Koto-ku, Tokyo
3. Representative	Representative Director/President Kenichi Noda
4. Business	Construction, installation and support etc., of wireless communication systems
5. Date of Establishment	April 2002
6. Capital	Capital: 20 million yen

Topics

■ Thank you for 60 years. Aiming for 100.

This year, Icom Inc. is celebrating its 60th Anniversary. We would like to express our deepest gratitude to all those who have supported and helped us to get this far. Starting out with amateur radio, Icom has expanded its business to include land mobile, marine, aviation, receivers, wireless LAN equipment, IP radios and satellite radios.

We are proud to be the only radio manufacturer that can provide radio communication equipment in all major fields under the same brand.

We see our 60th Anniversary as a milestone on the path to our next goal of becoming a “100 year old company”. We will continue to provide a variety of wireless solutions and work even harder to achieve our 100th Anniversary, so that we can continue to be a company that contributes to the realization of a safe and prosperous society.

60th Anniversary Website:

- Japanese: <https://www.icom.co.jp/lp/60th/>
- English: <https://www.icomjapan.com/lp/60th/>



Topics

■ Others

➤ New products (6 models)

- Amateur : IC-7760/ID-52PLUS (Including the 60th Anniversary model)
- Land Mobile : IP510H/IC-DU45/IC-RP6300CR
- Network : AP-76M

➤ Awards

Marine VHF transceiver IC-M510EVO wins US NMEA award
(Icom's products have won NMEA awards for 11 years in a row)

<https://www.icom.co.jp/news/8119/>

➤ Sales record

IC-7300 (amateur radio) achieved cumulative sales of 100,000 units.

<https://www.icom.co.jp/news/7840/>

➤ Social Activities/CSR

- Disaster agreement signed with Kinokawa City, Wakayama Prefecture

<https://www.icom.co.jp/news/7992/>

- Donated 50 IP transceivers to the Hualien County Fire Department and other organizations as part of reconstruction support for the Taiwan Eastern Offshore Earthquake.

<https://www.icom.co.jp/news/8012/>

- Sponsored an event for elementary school students to experience communicating with the International Space Station <https://www.icom.co.jp/sustainability/topics/8041/>

Notes Regarding Forward-Looking Statements

Forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors.

Among these forward-looking business and accounting matters, the following are the principal risks that management recognizes as having the potential to materially affect the consolidated company's financial condition, results of operations, and cash flows.

Forward-looking statements are based on the judgment of the Group as of the end of the current fiscal year.

- (1) Risks related to production bases
- (2) Risks related to procurement of raw materials
- (3) Risks related to exchange rate fluctuations
- (4) Risks related to product warranties
- (5) Risks related to intellectual property rights
- (6) Risk of a large-scale infectious disease outbreak equivalent to a pandemic, and other risks

N.B. Please refer to Section 3 [Business and Other Risks] of the Annual Securities Report for details regarding the risks listed above.



How the World Communicates

～コミュニケーションで世界をつなぐ～

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Email: BMD@icom.co.jp

URL: <https://www.icomjapan.com/>

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