

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2026

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 0-5278

IEH Corporation
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

13-5549348
(I.R.S. Employer
Identification No.)

140 58th Street, Suite 8E,
Brooklyn, NY
(Address of principal executive offices)

11220
(Zip Code)

Registrant's telephone number, including area code: (718) 492-4440

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of Each Class:	Trading Symbol(s)	Name of Each Exchange on Which Registered:
Shares of common stock, \$0.01 par value	IEHC	OTCQX

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on September 30, 2025, based on a closing price of \$9.05 was approximately \$14,195,300.

As of June 12, 2026, the registrant had 2,470,272 shares of its common stock, par value \$0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

TABLE OF CONTENTS

	<u>PAGE</u>
<u>PART I</u>	1
ITEM 1. <u>BUSINESS</u>	1
ITEM 1A. <u>RISK FACTORS</u>	5
ITEM 1B. <u>UNRESOLVED STAFF COMMENTS</u>	14
ITEM 1C. <u>CYBERSECURITY</u>	14
ITEM 2. <u>PROPERTIES</u>	15
ITEM 3. <u>LEGAL PROCEEDINGS</u>	15
ITEM 4. <u>MINE SAFETY DISCLOSURES</u>	15
<u>PART II</u>	16
ITEM 5. <u>MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	16
ITEM 6. <u>[RESERVED]</u>	17
ITEM 7. <u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS</u>	17
ITEM 7A. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	22
ITEM 8. <u>FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</u>	22
ITEM 9. <u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	22
ITEM 9A. <u>CONTROLS AND PROCEDURES</u>	23
ITEM 9B. <u>OTHER INFORMATION</u>	24
ITEM 9C. <u>DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</u>	24
<u>PART III</u>	25
ITEM 10. <u>DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u>	25
ITEM 11. <u>EXECUTIVE COMPENSATION</u>	28
ITEM 12. <u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	32
ITEM 13. <u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u>	34
ITEM 14. <u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	34
<u>PART IV</u>	35
ITEM 15. <u>EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</u>	35
ITEM 16. <u>FORM 10-K SUMMARY</u>	37
<u>SIGNATURES</u>	38

IEH CORPORATION

Cautionary Note Regarding Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Section 27A of the Securities Act of 1933, as amended (the “Securities Act”). Any statements contained in this Annual Report on Form 10-K that are not statements of historical fact may be forward-looking statements. When we use the words “anticipates,” “plans,” “estimates,” “expects,” “believes,” “should,” “could,” “may,” “will” and similar expressions, we are identifying forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future financial events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Forward-looking statements involve risks and uncertainties described under “Risk Factors” in Part I, Item 1A, and elsewhere in this Annual Report on Form 10-K, as well as other reports filed with the Securities and Exchange Commission (“SEC”), including, but not limited to, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and may include statements related to, among other things: macroeconomic factors, including inflationary pressures, supply shortages and recessionary pressures; impact of the tariff ruling by the U.S. Supreme Court on sourcing of raw materials; accounting estimates and assumptions; pricing pressures on our product caused by competition; the risk that our products will not gain market acceptance; our ability to obtain additional financing; our ability to operate our accounting systems effectively; our ability to protect intellectual property; and our ability to attract and retain key employees. No forward-looking statement is a guarantee of future performance and you should not place undue reliance on any forward-looking statement. Our actual results may differ materially from those projected in forward-looking statements, as they will depend on many factors about which we are unsure, including many factors beyond our control.

Except as may be required by applicable law, we do not undertake or intend to update or revise our forward-looking statements, and we assume no obligation to update forward-looking statements contained in this report as a result of new information or future events or developments. Thus, you should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements. You should carefully review and consider the various disclosures we make in this report and our other reports filed with the SEC that attempt to advise interested parties of the risks, uncertainties and other factors that may affect our business.

Important factors that could cause actual results to differ materially from the results and events anticipated or implied by such forward-looking statements include, but are not limited to:

- changes in the market acceptance of our products and services;
- increased levels of competition;
- changes and uncertainties in political, economic or regulatory conditions generally and in the markets in which we operate, including, but not limited to, changes and uncertainties around tariffs and supply chain constraints;
- our relationships with our key customers;
- adverse conditions in the industries in which our customers operate;
- our ability to retain and attract senior management and other key employees;
- our ability to quickly and effectively respond to new technological developments;
- our ability to protect our trade secrets or other proprietary rights, operate without infringing upon the proprietary rights of others and prevent others from infringing on our proprietary rights; and
- other risks, including those described in the “Risk Factors” section of this Annual Report on Form 10-K as well as other reports filed with the SEC, including, but not limited to, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

IEH CORPORATION
PART I

Item 1. Business:

IEH Corporation (hereinafter referred to as “IEH” or the “Company”) began operations in New York, New York in 1941 and was incorporated as a New York corporation in March 1943, when Louis Offerman founded L. Offerman Tool & Die with his two sons, Bernard and Seymour.

In the late 1960’s, IEH bought a license to manufacture Hyperboloid sockets, and began making printed circuit board (“PCB”) connectors for the defense and aerospace industries, in accordance with the MIL-DTL-55302 military specification. We have been making these connectors and variations of them ever since, and today, we are one of the leaders in Hyperboloid connectors and contacts.

In use for nearly 60 years under demanding conditions, Hyperboloid technology has proven itself to be the leading design for integrity and reliability. On avionics platforms, military and commercial aerospace equipment, engine control systems, missiles and torpedoes, vehicular electronics, satellites and rocket launchers, medical devices, industrial and environmental controls, test equipment, pin grid array sockets and countless other rugged applications, Hyperboloid aims to be the highest reliability connector available.

At IEH, we design and manufacture Hyperboloid connectors that not only accommodate, but exceed military and aerospace specification standards. Years after inception, our Hyperboloid solutions continue to prove their reliability and benefits. Our engineers have long provided reliable and innovative Hyperboloid interconnect solutions for defense, commercial, aerospace and medical use.

We are a family managed business, as Louis’ great-grandson, Mr. David Offerman, is the President and Chief Executive Officer, and we believe that we still manufacture the highest quality products for the most demanding environments. But most importantly, we are always looking ahead. We are committed to developing new technology that meets the demands of our fast-paced customers, and we are steadfast about always exceeding our customers’ expectations.

IEH serves customers in the United States and internationally. Our customers include defense contractors, commercial aerospace equipment manufacturers, medical device manufacturers, oil and gas exploration firms, and commercial space launch companies. We sell both directly and through distributors. We maintain a Military Specification QPL (Qualified Product Listing), and an ISO (International Standards Organization) 9001:2015 Certification.

For the fiscal years ended March 31, 2026 and 2025, approximately 63.2% and 65.7%, respectively, of the Company’s sales were for defense applications, 25.2% and 19.9%, respectively, for commercial aerospace, and 11.6% and 14.4%, respectively, for commercial space launch, medical, oil and gas and industrial markets.

New Product Development:

IEH continues to expand the scope and range of its PCB connector offerings. We have also increased the breadth of our products by introducing high-speed connectors for data transmission, as well as hybrid power/signal connectors. New product developments are primarily driven by customer demand. IEH also continues to specialize in custom interconnects designed specifically for customer applications. Our engineers work in conjunction with customer engineers to create, refine and manufacture connectors and interconnect solutions that meet their specific, demanding needs. IEH engineers are renowned for their flexibility and creativity in solving customer interconnect challenges and providing innovative solutions.

Marketing and Sales:

The market for connectors and interconnect devices, domestic and worldwide, is highly fragmented as a result of the manufacture by many companies of a multitude of different types and varieties of connectors and interconnects. For example, connectors include: printed wiring board, rectangular I/O, circular, planar coaxial, IC socket and fiber optic. The Company has been servicing a niche in the market by manufacturing connectors containing Hyperboloid contact designs in the printed wiring board style of connectors.

The Company is continuously experimenting with innovative connection designs, which may cause it to alter its marketing plans in the future if a market should develop for any of its current or future innovative designs. The Company is continually reviewing product lines being sold in the connector and interconnect marketplace. We are committed to expanding our product offering and we consider that many of our current or future custom designs will become product lines.

The Company's products are marketed to Original Equipment Manufacturers ("OEM") directly and through authorized representatives and distributors serving primarily the defense, aerospace, medical, space, oil and gas, industrial, test equipment and commercial electronics markets. The Company is also involved in developing new connectors for specific uses, which result from changes in technology. The Company assists customers in the development and design of connectors for specific customer applications. This service is marketed to customers who require the development of connectors and interconnection devices specially designed to accommodate the customers' own products.

The Company is primarily a manufacturer and its products are essentially basic components of larger assemblies of finished goods. During the year ended March 31, 2026, two customers accounted for 34.0% of the Company's net revenues, each represented 23.5% and 10.5%, respectively. During the year ended March 31, 2025, two customers accounted for 31.9% of the Company's net revenues, each represented 17.8% and 14.1%, respectively.

The Company currently employs 17 independent sales representatives and distributors to market its products in all regions in the United States as well as in Canada, the European Union, Southeast Asia, Central Asia and the Middle East. These independent sales representatives also promote the product lines of other electronics manufacturers; however, they do not promote the product lines of manufacturers which compete directly with the Company's products. These sales representatives accounted for approximately 75% of the Company's net sales for the fiscal year ended March 31, 2026 (with the balance of Company net sales being generated via direct customer contact).

International sales accounted for approximately 5.8% and 5.7% of net sales for the fiscal years ended March 31, 2026 and 2025, respectively.

We also market our products and capabilities through our website, www.iehcorp.com. Our product series HBH Hybrid Power/Signal Hyperboloid Connectors, has a configuration tool that allows users to build their own hybrid connector and download 3D models to incorporate into their modules.

Backlog of Orders/Capital Requirements:

Our customers typically enter into supply arrangements for the purchase of our products which we will produce and deliver over time. On an as-needed basis, our customers place specific production orders, and these orders are generally filled and shipped within twelve to twenty-four weeks. Our backlog consists of supply arrangements where the anticipated unfulfilled shipping dates are generally within approximately twelve months. Because of the possibility of customer changes in delivery schedules or the cancellation of orders, our backlog as of any particular date may not be indicative of revenue in any future period. The backlog amounted to approximately \$27,782,000 at March 31, 2026 as compared to \$12,445,000 at March 31, 2025. The increase in total backlog as of March 31, 2026 compared with the previous year is primarily due to increases in defense orders primarily driven by geopolitical conditions around the globe and continued recovery of the commercial aerospace industry as prior production, labor and regulatory issues related to a major airplane producer have been resolved.

A portion of these backlog orders are subject to cancellation or postponement of delivery dates and, therefore, no assurance can be given that actual sales will result from these orders. The Company does not foresee any problems which would prevent it from fulfilling these orders.

Forward-Looking Business Trends:

Our operations are subject to global economic and geopolitical risks. For example, the ongoing and evolving conflicts in Eastern Europe and the Middle East have impacted economic activity as well as the availability and price of raw materials and energy. The Company continues to actively monitor these factors and find ways to mitigate the impact on its operations. The company also continues to monitor and evaluate the evolving situation around imposition of tariffs by the current administration and subsequent Supreme Court ruling(s) against tariff imposition and the resulting impact on sourcing of raw materials and revenue generated from global markets.

For additional information on risk factors that could impact our results, please refer to “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K.

Competition:

The design, development, manufacture and distribution of electrical connectors and interconnection devices is a highly competitive field. The Company principally competes with both large and small companies who also produce high performance connectors in printed circuits and wiring boards for high technology applications. The Company competes by adapting certain technologies to meet specific product applications, aiming to produce connectors cost-effectively, and through its production capabilities. In addition, there are many companies who offer connectors with designs similar to those utilized by the Company and are direct competitors of the Company.

The primary basis upon which the Company competes is product performance and production capabilities. The Company usually receives job orders after submitting bids pursuant to customer-issued specifications for connectors and interconnects. The Company’s bid can be for a new item that requires the item to perform under harsh environment requirements or it can be for a standard catalog item. The Company also offers engineering services to its customers in designing and developing connectors for specialized products and specific customer applications. This enables the Company to receive a competitive advantage over those companies who basically manufacture connectors based solely or primarily on catalog specifications.

Some of the Company’s competitors may have greater financial resources than the Company and no assurances can be given that the Company will be able to compete effectively with these companies in the future.

Suppliers of Raw Materials and Component Parts:

The Company utilizes a variety of raw materials and manufactured component parts, which it purchases from various suppliers. These materials and components are available from numerous sources and the Company does not believe that it will have a problem obtaining such materials and parts in the future, both locally or globally.

However, any delay in the Company’s ability to obtain necessary raw materials and component parts may affect its ability to meet customer production needs. In anticipation of such delays, the Company carries an inventory of raw materials and component parts to avoid shortages and to ensure continued production. However, as global supply chains continue to be constrained and impacted, by geopolitical and economic conditions, there can be no assurance that we will not be affected in the future, and we believe that raw materials and supply chains may continue to be affected in fiscal year 2027 and beyond in part due to global uncertainty.

Additionally, continuing inflationary pressures have been impacting virtually all aspects of our materials and suppliers, including power prices and labor costs, and are likely to impact our fiscal year 2027 results.

Human Capital Management:

Our employees are our greatest resource and an integral component to our operations. Their health, safety and well-being are a priority for us.

Talent

We are focused on sourcing, attracting, and retaining talent, especially those with technical backgrounds. We recognize and reward performance while continually working to develop, engage and retain high-performing employees. We have made significant investments to provide ongoing training and career development for our employees. We provide competitive compensation and comprehensive benefits.

As of March 31, 2026, we employed 176 people of which 174 are full-time employees. Around half of the employees engaged in manufacturing and testing activities are covered by a collective bargaining agreement with the United Auto Workers of America, Local 259 (the “Union”), which expires on March 31, 2027.

Safety/Health and Wellness

We are committed to providing a safe and healthy work environment for our employees. Aligned with our values, we strive to continuously monitor our work environment to keep our employees safe. We have an open-door policy for all employees to report concerns or safety issues. Our commitment to employee safety also includes ongoing safety communications with safety topics and providing safety training.

Governmental Regulations:

The Company is subject to federal regulations, principally under the Occupational Safety and Health Act (“OSHA”), Defense Supply Command Columbus (“DSCC”) and the Defense Logistics Agency (“DLA”).

OSHA provides federal guidelines and specifications to companies in order to insure the health and safety of employees.

DSCC oversees the quality and specifications of products and components manufactured and sold to the government and the defense industry. DSCC’s primary customer is the U.S. military. Many of our products appear on DLA Qualified Products Listing (“QPL”). To remain qualified, the Company submits its products to an outside testing laboratory approved by DLA which performs all required testing. After review by the Company of the testing results, the data is then submitted to DLA. The Company and its products are only approved and remain on the QPL if the Company has passed all testing requirements. Although DLA continuously requires suppliers to meet changing specifications, the Company has not encountered any significant problems meeting such specifications and its products have, in the past, been approved. The Company is unaware of any changes in the governmental regulations which are expected to materially affect the Company’s business.

The Company is also subject to various laws and governmental regulations concerning environmental matters. Compliance with these federal, state, and local laws and regulations related to protection of the environment has had no material effect on our business.

Available Information

Our website is www.iehcorp.com. On our website we make available at no cost our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished as soon as reasonably practicable after we electronically file such material with, or furnish them to, the SEC. The information contained on our website is not a part of this Annual Report on Form 10-K and not incorporated by reference herein.

Item 1A. Risk Factors:

In evaluating our Company and our business, you should carefully consider the risks and uncertainties described below, together with the other information in this Annual Report on Form 10-K. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may have a material adverse effect on our business, reputation, revenue, financial condition, results of operations or future prospects, in which case the market price of our common stock could decline, and you could lose part or all of your investment. The material and other risks and uncertainties summarized in this Annual Report on Form 10-K and described below are not intended to be exhaustive and are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business. This Annual Report on Form 10-K also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See the section titled "Cautionary Note Regarding Forward-Looking Statements".

Risks Related to Our Business:

We operate in a niche industry and our business results may vary from year to year depending upon, among other things, the nature of the ordering cycle of our products which makes it hard to predict demand for our business and may adversely impact our business and results of operations.

We manufacture PCB connector offerings for specialized applications and our customers include defense contractors, commercial aerospace equipment manufacturers, medical device manufacturers, oil and gas exploration firms, industrial equipment manufacturers and commercial space launch companies. Our products are typically a small part in a larger end product used by our customers. Supply shortages or other factors impacting third party suppliers that supply different parts to our customers for use in the same end product in which our product is used can impact demand for our products. In addition, due to the specialized nature of our products, we often manufacture limited quantities of our products. Since we are mostly producing customized products in smaller quantities, we are not able to achieve economies of scale, unable to obtain bulk discounts on our orders for raw materials and sometimes the fulfillment is delayed because our suppliers may prioritize larger orders. All of these factors may have an adverse impact on our business and results of operations.

In addition, the ultimate end product in which our products are used have long and irregular ordering cycles which may cause our business results to vary year to year. For example, some of our products are used in airplanes which often are operable for about thirty years and thus are replaced over longer time horizons than many other products and are susceptible to changes in the demand for travel. The ordering cycle for our customers is often irregular and hard to predict. This makes it difficult for us to anticipate when demand increases will occur and adjust our business and ordering to accommodate fluctuations in demand. If we are not able to ramp production up or down quickly enough in response to rapid changes in demand, we may not be able to effectively manage our costs, which could negatively impact operating results, and we may lose sales and market share.

The loss of certain substantial customers could materially and adversely affect us.

During the year ended March 31, 2026, two customers accounted for 34.0% of the Company's net revenues, each represented 23.5% and 10.5%, respectively. During the year ended March 31, 2025, two customers accounted for 31.9% of the Company's net revenues, each represented 17.8% and 14.1%, respectively. We believe that the loss of one or more of our larger customers could have a material adverse effect on our financial position and results of operations. We have experienced significant concentrations of customers in prior years. Furthermore, factors that negatively impact the businesses of our major customers could materially and adversely affect us even if the customer represents a relatively small part of our net sales.

We may need additional financing in the future and if we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our production or business efforts.

Although we have sufficient working capital in the short term, we may need to raise additional capital in connection with our continuing operations through the debt or equity markets in the future. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our business efforts. Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our business. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Additionally, market volatility resulting from macroeconomic conditions or other factors could also adversely impact our ability to access capital as and when needed. Moreover, the terms of any financing may adversely affect the holdings or the rights of our shareholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities would dilute all of our shareholders and may decrease our stock price. The incurrence of indebtedness could result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell, or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with partners or others and we may be required to relinquish rights to some of our intellectual property or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. If we are unable to obtain funding on a timely basis, our business, financial condition and results of operations may be materially affected.

The Company may have limited intellectual property protection.

The Company possesses certain proprietary intellectual property, including but not limited to, trade secrets, know-how and proprietary processes. The Company relies on this intellectual property, know-how and other proprietary information, and requires employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and the Company may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the business, results of operations or prospects.

We are a niche manufacturer of highly engineered products that are high value/short run, using a unique mix of labor and capital equipment.

Our engineers provide Hyperboloid interconnect solutions for defense, commercial, aerospace and medical use. Our products are specialized and require special equipment and skilled workers to operate our machinery. Our reliance on our skilled labor and capital equipment subjects us to a number of risks that could negatively affect our ability to manufacture our products and harm our business, including interruption of supply. We expect our overall reliance on our mix of labor and capital equipment to continue. Any significant delay or interruption in our mix of labor and capital equipment could impair our ability to meet the demand of our customers and could harm our business. With changes in demand, labor costs, and capital equipment costs, there can be no assurance that we will be able to maintain the labor and capital equipment mix and therefore maintain our margins.

A significant design, manufacturing or supplier quality issue could adversely affect profitability.

As a manufacturer of highly engineered products, the performance, reliability and productivity of the Company's products are some of its competitive advantages. While the Company prides itself on implementing procedures to ensure the quality and performance of its products and suppliers, a significant quality or product issue, whether due to design, performance, manufacturing or supplier quality issue, could lead to scrapping of raw materials, finished goods or returned products, the deterioration in a customer relationship, or other action that could adversely affect costs, future sales and profitability.

A shortage of availability or an increase in the cost of raw materials and other resources may adversely impact our ability to manufacture our products at cost effective prices and thus may negatively impact profit margins.

Our results of operations may be materially adversely impacted by difficulties in obtaining raw materials, supplies, power, labor and any other items needed for the production of our products, as well as by the effects of quality deviations in raw materials and the effects of significant fluctuations in the prices paid. Many of these materials and components are produced by a limited number of suppliers and their availability to us may be constrained by supplier capacity. In recent periods, we have seen the impact of inflation drive up costs of materials and labor significantly. Any material disruption to or continuing increases in prices of our raw materials and other resources could materially adversely affect our financial results. Profit margins will be materially and adversely impacted if we are not able to reduce our costs of production, introduce technological innovations, or pass through cost increases to customers.

We may be subject to work stoppages at our facilities or those of our principal customers and suppliers, which could seriously impact the profitability of our business.

Our unionized workforce and those of our customers and suppliers may experience work stoppages during collective bargaining agreement negotiations. The Company and the Union have a collective bargaining agreement, which expires on March 31, 2027.

In the future, if we are unable to negotiate an acceptable new agreement with the Union, upon expiration of the existing contract, we could experience a strike or work stoppage, which could seriously impact the profitability of our business. Contingency plans have been developed that would allow production to continue in the event of a strike but we cannot guarantee the effectiveness of such plans.

Our success is dependent on the performance of our management and the cooperation, performance and retention of our executive officers and key employees.

Our business and operations are substantially dependent on the performance of our senior management team and executive officers. If our management team is unable to perform it may adversely impact our results of operations and financial condition. We do not maintain "key person" life insurance on any of our executive officers. The loss of one or several key employees could seriously harm our business. Any reorganization or reduction in the size of our employee base could harm our ability to attract and retain other valuable employees critical to the success of our business.

If we lose key personnel or fail to integrate replacement personnel successfully, our ability to manage our business could be impaired.

Our future success depends upon the continued service of our key management, technical, sales, finance, and other critical personnel. We cannot assure you that we will be able to retain them. The loss of one or several key employees could result in significant disruptions to our operations, including adversely affecting the timeliness of product releases, the successful implementation and completion of Company initiatives, the effectiveness of our disclosure controls and procedures and our internal control over financial reporting, and the results of our operations. In addition, hiring, training, and successfully integrating replacement sales and other personnel could be time consuming, may cause additional disruptions to our operations, and may be unsuccessful, which could negatively impact future revenues.

We are a small business that competes globally in a competitive industry that is highly fragmented.

The market for connectors and interconnect devices, domestic and worldwide, is highly fragmented as a result of the manufacture by many companies of a multitude of different types and varieties of connectors and interconnects. The Company has been servicing a niche in the market by manufacturing connectors containing Hyperboloid contact designs in the printed wiring board style of connectors. The connector and interconnect device industry is competitive and fragmented and includes numerous small organizations capable of competing in the markets we target. Although large companies tend to not compete directly with us due to the customized and small batch nature of our business, large companies compete in adjacent industries and possess substantially greater financial and other resources than we do. Larger competitors' greater resources could allow those competitors to compete more effectively than we can. Our competitors have successfully built their names in the industry in which we compete. These various competitors may be able to offer products more competitively priced and more widely available than our offerings, and also have greater resources to acquire members and suppliers than us. Failure to compete in the industry in which we operate would adversely affect our results of operations.

A reduction in U.S. Government funding or a change in U.S. Government spending priorities could have an adverse impact on our business, financial condition, results of operations, cash flows and equity.

We expect changes in policy positions and spending priorities from the current Administration could impact our business. Our U.S. Government programs must compete with programs managed by other government contractors and with other policy imperatives for consideration for limited resources and for uncertain levels of funding during the budget and appropriations process. Although multi-year contracts may be authorized and appropriated in connection with major procurements, Congress generally appropriates funds on a U.S. Government fiscal year ("GFY") basis. Procurement funds are typically disbursed over the course of one to three years. Consequently, programs often initially receive only partial funding, and additional funds are obligated only as Congress authorizes further appropriations. We cannot predict the extent to which total funding and/or funding for individual programs will be changed as part of the annual appropriations process ultimately approved by Congress and the President or in separate supplemental appropriations or continuing resolutions, as applicable. Budget and appropriations decisions made by the U.S. Government are outside of our control and may have long-term consequences for our business. U.S. Government spending priorities and levels remain uncertain and difficult to predict, and are affected by numerous factors, including the U.S. Government's budget deficit and the national debt. A change in U.S. Government spending priorities or an increase in non-procurement spending at the expense of our programs, or a reduction in total U.S. Government spending on an absolute or inflation-adjusted basis, could have material adverse consequences on our current or future business. If Congress does not enact a full-year GFY 2026 appropriations bill, the U.S. Government may not be able to fulfill its funding obligations, and there could be significant disruption to all discretionary programs and corresponding impacts on the entire defense industry, which could adversely affect our business, results of operations, financial condition and cash flow. Any inability of the U.S. Government to complete its budget process for any GFY and resulting operation on funding levels equivalent to its prior fiscal year pursuant to a Continuing Resolution or shut down, also could have material adverse consequences on our current or future business.

Accounting Related Risks and Other Factors:

Failure to achieve and maintain effective internal control over financial reporting could result in our failure to accurately or timely report our financial condition or results of operations, which could have a material adverse effect on our business and stock price.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on the effectiveness of our system of internal control. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). As a public company, we are required to comply with the Sarbanes-Oxley Act and other rules that govern public companies. In particular, we are required to review on an annual basis our internal control over financial reporting, and on a quarterly and annual basis to evaluate and disclose changes in our internal control over financial reporting. We are also required to certify our compliance with Section 404 of the Sarbanes-Oxley Act, which requires us to furnish annually a report by management on the effectiveness of our internal control over financial reporting. In the event that we are unable to maintain or achieve compliance with the applicable provisions of the Sarbanes-Oxley Act and related rules, we may incur significant and additional expenses for remedial efforts that may negatively impact our financial performance, and such process may result in a diversion of management's time and attention. As a result, we and the market price of our common stock may be adversely affected.

Management performed an assessment of the effectiveness of our internal control over financial reporting as of March 31, 2026 and concluded that our internal controls over financial reporting and disclosure controls and procedures were not effective, as we have not fully established an effective control environment due to the ineffective design and implementation of Information Technology General Controls (“ITGC”). Our ITGC deficiencies included improperly designed controls pertaining to change management and user access rights over systems that are critical to our system of financial reporting. We have taken and continue to take remedial steps to improve our internal control over financial reporting. For further discussion of the material weaknesses identified and our remedial efforts, see Item 9A, Controls and Procedures.

We have identified steps to remediate the identified material weakness in our ITGC. However, we may not be able to fully remediate this material weakness until these additional steps have been operating effectively for a sufficient period of time. We cannot assure you that the measures we have taken to date and plan to take will be sufficient to remediate the material weaknesses we identified or avoid the identification of additional material weaknesses in the future. Moreover, because of the inherent limitations of any control system, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis, or at all.

The requirements of being a public company may strain our resources, divert management’s attention and affect its ability to attract and retain qualified board members.

As a public company listed in the U.S., we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and any rules promulgated thereunder. Our management team may not successfully or efficiently manage being a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. Operating a public company requires significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could harm our business, results of operations and financial condition. For example, the requirements of these rules and regulations may increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our systems and resources. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls for financial reporting. In order to maintain and improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight is required and, as a result, management’s attention may be diverted from other business concerns. The costs of compliance with public company reporting requirements and our potential failure to satisfy these requirements could have a material adverse effect on our operations, business, financial condition or results of operations.

In order to satisfy our obligations as a public company, we must hire, retain and train qualified accounting and financial personnel with appropriate public company experience. Failure to do so may result in increased costs and additional risks in connection with the quality of our financial reporting.

As a public company, we need to establish and maintain effective disclosure and financial controls and adhere to certain corporate governance practices. We need to hire, retain and train accounting and financial personnel with appropriate public company experience and technical accounting knowledge, and it may be difficult to recruit and retain such personnel. Even if we are able to hire appropriate personnel, our existing operating expenses and operations will be impacted by the direct costs of their employment and the indirect consequences related to the diversion of management resources from other business concerns.

RISKS RELATED TO OUR COMMON STOCK

Our stock price is volatile and could decline; there is currently a limited trading market for our common stock and we cannot predict how liquid the market might become.

On February 20, 2026, the Company's shares of common stock (the "common stock") were elevated to, and commenced trading exclusively on, the OTCQX Marketplace (the "OTCQX"). The OTCQX is the highest tier of the OTC Marketplace. Immediately prior to February 20, 2026, the Company's common stock had been trading on the newly structured OTCID Marketplace since July 1, 2025. For several decades the Company's common stock had been traded on the OTC Pink Sheet Current Information tier of the OTC Marketplace where transactions were limited to the "Expert Market."

On March 17, 2017, the Company's common stock was approved for trading on the OTCQB Marketplace, the middle tier of the OTC Marketplace. Thereafter, on March 22, 2019, the Company's common stock was approved for trading on the OTCQX and commenced trading thereon.

The price of our common stock has been, and is likely to continue to be, volatile. For example, our stock price during the fiscal year ended March 31, 2026 traded as low as \$6.50 and as high as \$19.75 per share and during the fiscal year ended March 31, 2025, our stock price traded as low as \$5.20 per share and as high as \$16.00 per share. Fluctuations may be exaggerated since the trading volume is and would likely be volatile, limited, and sporadic. These fluctuations may or may not be based upon any business or operating results. We cannot assure you that your investment in our common stock will not decline.

Except for a single dividend declared and paid in 2017, we have not paid dividends in the past and do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock.

Except for a single dividend declared and paid in 2017, we have never paid cash dividends on our common stock and do not anticipate doing so in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition and other business and economic factors affecting us at such time as our Board of Directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

The Offerman family has substantial influence over our management and policies, and their interests may conflict with ours or yours in the future.

Gail Offerman and Dave Offerman, our Chief Executive Officer, (the "Offerman Investors") beneficially own approximately 44% of our common stock as of June 12, 2026, and will generally vote together as a single class on matters submitted to a vote of our shareholders. As a result, the Offerman Investors may exert substantial influence on other actions requiring a shareholder vote, potentially in a manner that you do not support, including the election and removal of directors and the approval of any merger, consolidation or sale of all or substantially all of our assets. In addition, the ownership of such shareholders could preclude any unsolicited acquisition of us, and consequently, adversely affect the price of our common stock. In addition, the Offerman Investors exercise significant influence over the operations of our Company because the Company has been a business led by the Offerman family for generations. These shareholders may make decisions that are adverse to your interests.

We have reduced disclosure and governance requirements applicable to smaller reporting companies, which could result in our common stock being less attractive to investors.

We have a public float of less than \$250 million and therefore qualify as a smaller reporting company under the rules of the SEC. As a smaller reporting company, we are able to take advantage of reduced disclosure requirements, such as simplified executive compensation disclosures, exemption from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of internal control over financial reporting and reduced financial statement disclosure requirements in our SEC filings. Decreased disclosures in our SEC filings due to our status as a smaller reporting company may make it harder for our investors to analyze our results of operations and financial prospects. We cannot predict if investors will find our common stock less attractive due to our reliance on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be volatile.

There are risks related to the implementation of our perpetual accounting system.

Since 2020, we have been operating on a new perpetual accounting system, SAP's Business One system along with an add-on inventory and production module, Beas Manufacturing ("SAP System") in order to improve our financial reporting. Since implementation, we have been engaged in a multi-year process to refine the functionality of the SAP System, most significantly around the accounting for inventory and costs of products sold. We have identified the causes of the errors that led to the restatement of previously reported financials and have made enhancements to the SAP System to remediate those causes. There remains further work to improve and optimize the SAP System, and that work is ongoing. Any deficiency in further re-design of the SAP System could negatively impact the quality of our financial data and may result in inaccurate financials or delays in our periodic reports with the SEC, which may have a material adverse effect on our business, financial condition or results of operations.

Risks Related to General Economic Conditions and Other Factors:

Changes in general economic conditions, geopolitical conditions, U.S. trade policies and other factors beyond the Company's control may adversely impact our business and operating results.

The Company's operations and performance depend significantly on global, regional and U.S. economic and geopolitical conditions. The United States has from time to time experienced challenging economic conditions, including in connection with the COVID-19 pandemic, and the global financial markets have recently undergone and may continue to experience significant volatility and disruption. Our business, financial condition and results of operations may be materially adversely affected by changes in consumer confidence, levels of unemployment, inflation, interest rates, tax rates and general uncertainty regarding the overall future economic environment. A recession or slowdown in the economy may cause a decline in demand for our products and have a negative impact on our business.

We are also impacted by changes in trade policy. We have observed significant shifts in U.S. trade policy that could impact our supply chain and our business. While imposition of certain tariffs have been temporarily paused, it is hard to predict the direction of future trade policy. Changes to current policies by the U.S. or other governments could affect our business, including potentially through increased import tariffs and other influences on U.S. trade relations with other countries. The imposition of additional tariffs or other trade barriers could increase our costs in certain markets, and may cause our customers to find alternative sourcing. In addition, other countries may change their own policies on business and foreign investment in companies in their respective countries. Additionally, it is possible that U.S. policy changes and uncertainty about such changes could increase market volatility and currency exchange rate fluctuations. Market volatility and currency exchange rate fluctuations could have a material adverse effect on our business, financial condition, results of operations or cash flows. As a result of these dynamics, we cannot predict the impact to our business of any future changes to the U.S.'s trading relationships.

A number of other economic and geopolitical factors both in the United States and abroad could have a material adverse effect on the Company's business, financial condition, results of operations or cash flows, such as:

- a global or regional economic slowdown in any of the Company's market segments;
- postponement of spending, in response to tighter credit, financial market volatility and other factors;
- effects of significant changes in economic, monetary and fiscal policies in the United States and abroad including significant income tax changes, currency fluctuations and inflationary pressures;
- rapid material escalation of the cost of regulatory compliance and litigation;
- changes in government policies and regulations affecting the Company or its significant customers or suppliers;

- employment regulations and local labor conditions, including increases in employment costs;
- industrial policies in various countries that favor domestic industries over multinationals or that restrict foreign companies altogether;
- longer payment cycles;
- credit risks and other challenges in collecting accounts receivable; and
- ongoing conflicts in Eastern Europe and the Middle East have impacted economic activity as well as the availability and price of raw materials and energy the effect of which on world markets is still to be determined.

The global nature of our operations exposes us to numerous risks that could materially adversely affect our financial condition and results of operations.

We serve customers in the United States and abroad, with a sales presence in over 40 countries. Sales outside of the United States are subject to various risks that may not be present or as significant for our U.S. operations. Economic uncertainty in some of the geographic regions in which we sell our products could result in the disruption of commerce and negatively impact cash flows from our operations in those areas. Risks inherent in our international operations include, among others:

- Pandemic-related uncertainties in the countries in which we operate;
- Import and export regulations that could erode profit margins or restrict exports;
- Foreign exchange controls and tax rates;
- Foreign currency exchange rate fluctuations, including devaluations;
- Changes in regional and local economic conditions, including local inflationary pressures;
- Difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;
- Variations in protection of intellectual property and other legal rights;
- Inability or regulatory limitations on our ability to move goods across borders;
- Changes in laws and regulations, including the laws and policies of the United States affecting trade, tariffs and foreign investment;
- Restrictive governmental actions such as those on transfer or repatriation of funds and trade protection matters, including antidumping duties, tariffs, trade wars, embargoes and prohibitions or restrictions on acquisitions or joint ventures;
- Unsettled political conditions and possible terrorist attacks against U.S. or other interests; and
- Political tensions and armed conflict, such as the ongoing wars in Eastern Europe and Middle East.

If we are unable to anticipate and effectively manage these and other risks, it could have a material and adverse effect on our business, our results of operations and financial condition.

We are the primary source for various commercial and aerospace applications in certain parts of Asia and Europe. There is always a risk of being second sourced by domestic manufacturers, and trade tensions or nationalizing supply chains adversely impacting our business.

Sales to customers located outside the U.S. accounted for approximately 5.8% and 5.7% of our revenue in the fiscal years ended March 31, 2026 and 2025, respectively. Any weakness in the domestic economy could result in a decrease in demand for consumer products that contain our products, which could materially and adversely affect our business. In addition, there is a risk that manufacturers in Asia and Europe may compete with us and replace us. The imposition by the U.S. of tariffs on goods imported from overseas, countermeasures imposed in response, U.S. export restrictions on sales of products to certain overseas countries and other government actions that restrict or otherwise adversely affect our ability to sell our products may have a material adverse impact on our business. In addition, we may be subject to rules and regulations or the jurisdiction of other governmental agencies that may adversely affect our rights and obligations. In the event of a dispute, we will likely be subject to the exclusive jurisdiction of foreign courts.

Fluctuations in exchange rates could adversely affect our business and the value of our securities.

The value of our securities will be indirectly affected by the foreign exchange rate between the U.S. dollar and other currencies in which our sales may be denominated. Appreciation or depreciation in the value of the U.S. dollar relative to these foreign currencies would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

To date, we have not entered into any hedging transactions. While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure at all.

Changes in defense expenditures may reduce the Company's sales.

Approximately 63.2% and 65.7% of the Company's net revenues for the fiscal years ended March 31, 2026 and 2025, respectively, came from sales to the defense market. The Company participates in a broad spectrum of defense programs. Accordingly, the Company's sales are affected by changes in the defense budgets and policies of the U.S. government. A significant decline in U.S. government defense expenditures for programs in which we participate could have an adverse effect on the Company's business, financial condition and results of operations. U.S. government expenditures are also subject to political and budgetary fluctuations and constraints, which may result in significant unexpected changes in levels of demand for our products.

We may be adversely affected by natural disasters, pandemics and other catastrophic events and by man-made problems such as terrorism that could disrupt our business operations, and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our business operations are located in Brooklyn, New York and Allentown, Pennsylvania. If a disaster, power outage, computer hacking, or other event occurred that prevented us from using all or a significant portion of our facilities, that damaged critical infrastructure, such as enterprise financial systems, IT systems, manufacturing resource planning or enterprise quality systems, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. In addition, our suppliers' facilities are located in locations susceptible to natural disasters or similar events, such as tornadoes, fires, explosions or large-scale accidents or power outages, or IT threats, pandemics, acts of terrorism and other geo-political unrest, which could severely disrupt our operations and have a material adverse effect on our business, financial condition, operating results and prospects. All of the aforementioned risks may be further increased if we do not implement a disaster recovery plan or our partners' or manufacturers' disaster recovery plans prove to be inadequate. To the extent that any of the above should result in delays in the manufacture or distribution of our products, our business, financial condition, operating results and prospects would suffer.

Our business and operations would suffer in the event of system failures, cyber-attacks or a deficiency in our cyber-security.

Despite the implementation of security measures, our internal computer systems and those of our contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war, artificial intelligence related cyber-attacks, and telecommunication and electrical failures. The risk of a security breach or disruption, particularly through cyber-attacks or cyber-intrusion, including by computer hackers, foreign governments, and cyber-terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations or cause the release of highly sensitive confidential information.

Item 1B. Unresolved Staff Comments:

Not Applicable.

Item 1C. Cyber Security

All companies utilizing technology are subject to the risk of breaches of or unauthorized access to their computer systems. The Company maintains a cyber risk management program designed to identify, assess, manage, mitigate, and respond to cybersecurity threats. The Audit Committee of our Board of Directors and our management are actively involved in the oversight of our risk management program, of which cybersecurity represents an important component. We have established policies, standards, processes and practices for assessing, identifying, and managing material risks from cybersecurity threats and incidents. Our policies, processes and procedures include, among other things, external penetration testing using an experienced third-party company conducted every three years; a cybersecurity incident response and recovery plan; periodic and ongoing security awareness training for employees; the use of several comprehensive vulnerability analysis systems to evaluate software vulnerabilities both internally and externally; and mechanisms to detect and monitor unusual network activity. The Company also requires that all third-party vendors that have access to or handle sensitive information undergo a risk-based vendor security assessment. We also maintain controls and procedures that are designed to promptly escalate certain cybersecurity incidents so that decisions regarding public disclosure and reporting of such incidents can be made by management and our Board of Directors in a timely manner. There can be no guarantee that our policies and procedures will be properly followed in every instance or that those policies and procedures will be effective.

Our cyber risk management program is based on recognized best practices and standards for cybersecurity and information technology, including the National Institute of Standards and Technology Cybersecurity Framework. Our cybersecurity risks are identified and addressed through a comprehensive, cross-functional approach. The Company's Vice President of Engineering is primarily responsible for the implementation of defense capabilities and risk mitigation strategies in connection with the Company's information security and cybersecurity risks. The Company's Vice President of Engineering, in coordination with the Company's senior management, works collaboratively across the Company to implement the cyber risk management program. To facilitate the success of the Company's cybersecurity program, cross-functional teams throughout the Company address cybersecurity threats and respond to cybersecurity incidents. Through ongoing communications with these teams, the Company's Vice President of Engineering and senior management are informed about and monitor the prevention, detection, mitigation and remediation of cybersecurity threats and incidents in real time, and report such threats and incidents to the Audit Committee of the Board of Directors when appropriate.

Our Audit Committee takes the lead on behalf of our Board of Directors in monitoring risk management, which includes overseeing the Company's management of its cybersecurity and data privacy. The Audit Committee meets on a quarterly basis with our Vice President of Engineering, General Counsel and Chief Financial Officer, who provide quarterly reports concerning the Company's information security and cybersecurity risks.

Although we have not been materially impacted by any cybersecurity incident to date, we are subject to cybersecurity threats, as discussed in Item 1A. Risk Factors, including in the risk factor entitled "*Our business and operations would suffer in the event of system failures, cyber-attacks or a deficiency in our cyber-security.*"

Item 2. Properties:

The Company renewed its lease for its manufacturing facility located at 140 58th Street, Suite 8E, Brooklyn, New York on December 1, 2020, and entered into a 10-year lease agreement extension, running through November 30, 2030. The lease is approximately 20,400 square feet of space, of which it is estimated that 6,000 square feet are used as executive, sales and administrative offices and 14,400 square feet are used for its manufacturing, testing and plating operations. The basic minimum annual rental payments remaining on this lease is \$1,508,049 as of March 31, 2026.

The Company entered into a lease on January 29, 2021 for a building at 200 Cascade Drive, Bldg. 2, Suite H, Allentown, Pennsylvania 18109 running through March 30, 2028. The lease is approximately 28,800 square feet of space, of which it is estimated that 4,800 square feet are used as executive and administrative offices and 24,000 square feet are used for its manufacturing and testing operations. The basic minimum annual rental payments remaining on this lease is \$573,639 as of March 31, 2026.

Item 3. Legal Proceedings:

There are no legal proceedings that have occurred within the past year concerning our directors, or control persons which involved a criminal conviction, a criminal proceeding, an administrative or civil proceeding limiting one's participation in the securities or banking industries, or a finding of securities or commodities law violations.

On August 17, 2022, the SEC issued an Order Instituting Administrative Proceedings and Notice of Hearing pursuant to Section 12(j) of the Exchange Act. The stated purpose of the administrative proceeding is for the Commission to determine whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities of the Company registered pursuant to Section 12 of the Exchange Act. The Company filed an answer to the Order on October 3, 2022 and on October 13, 2022 we conducted a prehearing conference with SEC staff in the Division of Enforcement. On March 1, 2023 the SEC's Division of Enforcement filed a Motion for Summary Disposition, on March 15, 2023, IEH filed an opposition brief to the SEC Division of Enforcement's Motion for Summary Disposition, and on March 29, 2023, the SEC's Division of Enforcement filed a Reply in Support of its Motion for Summary Disposition. On December 22, 2023, the Company filed a Cross-Motion for Summary Disposition. The SEC's Division of Enforcement filed an opposition to the Company's Cross-Motion for Summary Disposition on February 21, 2024. On March 4, 2024, the Company filed a Reply in Support of its Motion for Summary Disposition. On February 18, 2025, the Company submitted a request for expediting the resolution of the administrative proceeding. On October 7, 2025, the Company filed a motion asking the SEC to grant the Company's December 22, 2023 Cross-Motion for Summary Disposition or, alternatively, to schedule a hearing so that the case can proceed to a prompt resolution. On January 14, 2026, the SEC granted the Company's motion for summary disposition, denied the Division of Enforcement's motion for summary disposition, and dismissed the administrative proceeding against the Company.

Item 4. Mine Safety Disclosures:

Not applicable.

IEH CORPORATION
PART II

Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities:

Principal Market:

On February 20, 2026, the Company’s shares of common stock (the “common stock”) were elevated to, and commenced trading exclusively on, the OTCQX Marketplace (the “OTCQX”). The OTCQX is the highest tier of the OTC Marketplace. Immediately prior to February 20, 2026, the Company’s common stock had been trading on the newly structured OTCID Marketplace since July 1, 2025. For several decades the Company’s common stock had been traded on the OTC Pink Sheet Current Information tier of the OTC Marketplace where transactions were limited to the “Expert Market.

On March 17, 2017, the Company’s common stock was approved for trading on the OTCQB Marketplace, the middle tier of the OTC Marketplace. Thereafter, on March 22, 2019, the Company’s common stock was approved for trading on the OTCQX and commenced trading thereon.

The shares are quoted under the ticker symbol “IEHC”. Investors are able to view real-time quotes at <http://www.otcm Markets.com>.

Market Information:

The range of high and low bid prices for the Company’s common stock, for the periods indicated, are set forth below as reported by the OTC Markets. The table below provides the high and low bid prices of the common stock during the periods indicated. These prices represent quotations between dealers without adjustment for retail mark-up, markdown or commission and may not represent actual transactions.

	<u>High Bid</u>	<u>Low Bid</u>
Fiscal Year ended March 31, 2025		
April 1, 2024 – June 30, 2024	\$ 9.50	\$ 5.20
July 1, 2024 – September 30, 2024	\$ 9.90	\$ 6.50
October 1, 2024 – December 31, 2024	\$ 16.00	\$ 7.95
January 1, 2025 – March 31, 2025	\$ 11.25	\$ 7.30
Fiscal Year ended March 31, 2026		
April 1, 2025 – June 30, 2025	\$ 11.00	\$ 6.50
July 1, 2025 – September 30, 2025	\$ 10.20	\$ 7.50
October 1, 2025 – December 31, 2025	\$ 11.20	\$ 8.50
January 1, 2026 – March 31, 2026	\$ 19.75	\$ 9.35

Holders:

The number of record holders of the Company’s common stock as of June 12, 2026 was 151. Such number of record owners was determined from the Company’s shareholder records, and does not include the beneficial owners of the Company’s common stock whose shares are held in the names of various security holders, dealers and clearing agencies.

Dividends:

Except for a single cash dividend declared and paid in 2017, we have never declared or paid a regular, quarterly cash dividend on our common stock, and we do not expect to pay any regular, quarterly cash dividend on our common stock in the foreseeable future. Payment of future dividends, if any, on our common stock will be at the discretion of our Board of Directors after taking into account various factors, including our financial condition, operating results, anticipated cash needs, and plans for expansion.

Securities Authorized for Issuance under Equity Compensation Plans:

Information regarding the Company’s equity compensation plans and the securities authorized for issuance thereunder is set forth herein under Part III, Item 12 below.

Recent Sales of Unregistered Securities:

None.

Issuer Purchases of Equity Securities:

None

Item 6. [Reserved]

Not Applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations:

Statements contained in this report, which are not historical facts, may be considered forward-looking information with respect to plans, projections, or future performance of the Company as defined under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those projected. The words “anticipate”, “believe”, “estimate”, “expect”, “objective”, and “think” or similar expressions used herein are intended to identify forward-looking statements. The forward-looking statements are based on the Company’s current views and assumptions and involve risks and uncertainties that include, among other things, the performance of the Company’s business, actions of competitors, changes in laws and regulations, including accounting standards, employee relations, customer demand, prices of purchased raw materials and parts, domestic economic conditions, and foreign economic conditions, including currency rate fluctuations.

The following discussion and analysis should be read in conjunction with our audited financial statements and related footnotes included elsewhere in this report, which provide additional information concerning the Company’s financial activities and condition.

Overview of Business:

The Company designs, develops and manufactures printed circuit board connectors and custom interconnects for high performance applications.

All of our connectors utilize the Hyperboloid contact design, a rugged, high-reliability contact system ideally suited for high-stress environments. We believe we are the only independent producer of Hyperboloid printed circuit board connectors in the United States.

Our customers consist of OEMs and distributors who resell our products to OEMs. We sell our products directly and through 17 independent sales representatives and distributors located in all regions of the United States, Canada, the European Union, Southeast Asia, Central Asia and the Middle East.

The customers we service are in the defense, aerospace, space, medical, oil and gas, industrial, test equipment and commercial electronics markets. We appear on the Military DLA Qualified Product Listing (“QPL”) MIL-DTL-55302 and supply customer requested modifications to this specification.

The customers we service by industry as a percentage of total revenue is provided below:

Industry	For the Fiscal Years Ended	
	March 31,	
	2026	2025
	%	%
Defense	63.2	65.7
Commercial Aerospace	25.2	19.9
Space	7.8	10.6
Other	3.8	3.8

We are exposed to and impacted by macroeconomic factors and federal state and local government policies. Current general economic conditions, including the current levels of inflation, increased energy costs and evolving tariff policies, have created uncertainties, resulting in market volatility. We have adopted particular measures to protect our employees at our manufacturing operations in Brooklyn, New York, and Allentown, Pennsylvania, and we expect to execute on our contracts through carefully designed arrangements.

Worldwide Supply Chain Disruptions

Worldwide supply chain disruptions, which were initially brought about by the impact of the COVID-19 pandemic, have persisted despite the recovery in the global economy and financial markets. The Company has experienced longer lead times for raw materials and has experienced raw material cost increases compared to prior fiscal years. These and other issues resulting from worldwide supply chain disruptions, including tariffs and the impact of trade policies from the current United States government administration, as well as the conflicts in Eastern Europe and the Middle East, are expected to continue into fiscal 2027 and could continue to have a material adverse effect on the Company's business, operating results and financial condition. The precise financial impact and duration, however, cannot be reasonably estimated at this time.

Critical Accounting Policies and Estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such differences may be material to the financial statements. The most significant accounting estimates inherent in the preparation of our financial statements include estimates associated with revenue recognition, valuation of inventories, stock-based compensation expense and provision for income taxes and also for deferred tax assets and liabilities and any valuation allowances recorded against deferred tax asset.

Our financial position, results of operations and cash flows are impacted by the accounting policies we have adopted. In order to get a full understanding of our financial statements, one must have a clear understanding of the accounting policies employed. A summary of our critical accounting policies is presented within the footnotes to the financial statements presented within this Annual Report.

Revenue Recognition

Pursuant to Accounting Standards Codification ("ASC") ASC Topic 606, "Revenue from Contracts with Customers," revenue represents the amount received or receivable for goods and services supplied by the Company to its customers. We recognize revenue and the related cost of products sold when the performance obligations are satisfied. The performance obligations are typically satisfied upon shipment of physical goods. In addition to the satisfaction of the performance obligations, the following conditions are required for revenue recognition: an arrangement exists, there is a fixed price, and collectability is reasonably assured.

We do not offer any discounts, credits or other sales incentives. Historically, the Company believes that it has had no collection issues with its customer base. The Company's policy with respect to customer returns and allowances as well as product warranty is as follows:

We may accept a return of defective product within one year from shipment for repair or replacement at the Company's option. If the product is repairable, the Company at its own cost, will repair and return it to the customer. If unrepairable, the Company, at its own expense, will replace the defective product with a new item. The cost of defective products is immaterial at this time. Billing terms vary by customer and product but generally do not exceed 30 days.

We provide engineering services as part of the relationship with our customers in developing the custom product. We are not obligated to provide such engineering service to our customers. We do not invoice our customers separately for these services.

We record a liability when receiving cash in advance of delivering goods or services to the customer. This liability is offset against the receivable recognized when those goods or services are delivered. Deposits from customers were \$18,471 and \$173,074, as of March 31, 2026 and 2025, respectively.

Valuation of Inventories

Raw materials are stated at the average cost on a first-in first-out basis which does not exceed net realizable value. Finished goods and work in process are valued at the lower of actual cost, determined on a specific identification basis, or the net realizable value of each product. The Company estimates which materials may be obsolete and which products in work in process or finished goods may be sold at less than cost, and adjusts their inventory value accordingly.

Accounting for Income Taxes

Our current provision for income taxes is based upon our estimated taxable income in each of the jurisdictions in which we operate, after considering the impact on taxable income of temporary and permanent differences resulting from different treatment of items for tax and financial reporting purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and any operating loss or tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those periods in which temporary differences become deductible. Should management determine that it is more likely than not that some portion of the deferred tax assets will not be realized, a valuation allowance against the deferred tax assets would be established in the period such determination was made.

Stock-Based Compensation Expense

Stock-based compensation expense is recognized in the Statement of Operations over the vesting term of the equity-based award. We chose the straight-line method of allocating compensation cost over the requisite service period of the related award in accordance with the authoritative guidance. When the terms of an equity-based award provide for immediate vesting, the fair value of the equity-based award is expensed immediately. The expected term of options granted to employees is calculated using the simplified method, which represents the average of the contractual term of the option and the weighted-average vesting period of the option, which, for options granted in fiscal 2026 and 2025, resulted in an expected term of approximately five years. We used our historical volatility to estimate expected volatility in fiscal 2026 and 2025. The risk-free interest rate is based on the U.S. Treasury yields in effect at the time of grant for periods corresponding to the expected life of the options. The dividend yield is 0% based on the fact that we have no present intention to pay dividends. Determining some of these assumptions requires significant judgment and changes to these assumptions could result in a significant change to the calculation of stock-based compensation in future periods.

Results of Operations:

Annual Results of Operations

Comparison of the Years Ended March 31, 2026 and March 31, 2025:

The following table summarizes our results of operations for the fiscal years ended March 31, 2026 and March 31, 2025:

	For the Fiscal Years Ended March 31,		Period-to- Period
	2026	2025	Change
Revenue	\$ 29,417,600	\$ 28,783,861	\$ 633,739
Operating expenses:			
Cost of products sold	23,866,707	21,309,983	2,556,724
Selling, general and administrative	6,410,508	6,154,214	256,294
Depreciation and amortization	772,264	744,802	27,462
Total operating expenses	31,049,479	28,208,999	2,840,480
Operating (loss) income	(1,631,879)	574,862	(2,206,741)
Other income (expense):			
Interest income (expense), net	292,349	425,291	(132,942)
Total other income (expense), net	292,349	425,291	(132,942)
(Loss) income before benefit from (provision for) income taxes	(1,339,530)	1,000,153	(2,339,683)
Benefit from (provision for) income taxes	42,746	(1,115)	43,861
Net (loss) income	\$ (1,296,784)	\$ 999,038	\$ (2,295,822)

Revenue for the fiscal year ended March 31, 2026 was \$29,417,600, reflecting an increase of \$633,739, or 2.2%, as compared to \$28,783,861 for the fiscal year ended March 31, 2025. The increase in revenues was primarily due to an increase in orders from commercial aerospace customers as the industry continues to navigate away from various production, labor and regulatory related challenges related to a major airplane producer. Our defense revenue remained mostly flat year over year as we continued to see strong demand in the sector offsetting a decline in revenue from space related programs.

Cost of products sold for the fiscal year ended March 31, 2026 was \$23,866,707 reflecting an increase of \$2,556,724, or 12.0%, as compared to \$21,309,983 for the fiscal year ended March 31, 2025. The increase was principally attributable to increases in input costs, including gold, tariffs on imports of parts from Asia and Europe, higher than expected health insurance premiums on direct labor and increases in direct labor costs.

Selling, general and administrative expenses for the fiscal year ended March 31, 2026 was \$6,410,508, reflecting an increase of \$256,294, or 4.2%, as compared to \$6,154,214 for the fiscal year ended March 31, 2025. The increase was principally due to an increase in legal fees associated with the dismissal of the motion against IEH by the SEC and due to hiring of additional sales personnel dedicated to foreign markets.

Depreciation and amortization for the fiscal year ended March 31, 2026 was \$772,264, reflecting an increase of \$27,462, or 3.7%, as compared to \$744,802 for the fiscal year ended March 31, 2025. The increase was principally attributable to machinery purchased for the Allentown location in order to reduce reliance on foreign vendors for assembly parts and components. The Company continues to monitor fixed assets investment closely against a backdrop of bringing cost effective capabilities in-house for assembly parts.

Total interest income (expense), net for the fiscal year ended March 31, 2026 was \$292,349, reflecting a decrease of \$132,942, as compared to \$425,291 for the fiscal year ended March 31, 2025. The decrease was primarily attributable to decrease in interest income earned on taxes prepaid for federal, state and municipal jurisdictions. Interest income earned on cash and cash equivalents remained relatively flat year over year.

The provision for income taxes for the fiscal year ended March 31, 2026, was a tax benefit of \$42,746, as compared to a provision of \$1,115 for the fiscal year ended March 31, 2025. The benefit for the fiscal year ended March 31, 2026 was principally attributable to adjustments to prior years' federal, state and local income taxes. The provision for the fiscal year ended March 31, 2025 was due to a federal provision of \$64,300, offset by an adjustment of \$63,185 for state and local income taxes.

Liquidity and Capital Resources:

Our primary requirements for liquidity and capital are working capital, inventory, capital expenditures, public company costs and general corporate needs. We expect these needs to continue as we further develop and grow our business. For the fiscal year ended March 31, 2026, our primary sources of liquidity came from cash flows generated by operating activities and cash reserves. Based on our current plans and business conditions, we believe that existing cash and cash equivalents, together with cash generated from operations will be sufficient to satisfy our anticipated cash requirements in fiscal year 2027 and into fiscal year 2028, and we are not aware of any trends or demands, commitments, events or uncertainties that are reasonably likely to result in a decrease in liquidity of our assets. We may require additional capital to respond to technological advancements, competitive dynamics or technologies, business opportunities, challenges, acquisitions or unforeseen circumstances and in either the short-term or long-term may determine to engage in equity or debt financings or enter into credit facilities for other reasons. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited. In particular, inflationary pressures and the conflicts in Eastern Europe and the Middle East, any economic uncertainty as a result of the current administration in the U.S. may result in significant disruption and volatility in the global financial markets, reducing our ability to access capital have resulted in, and may continue to result in, significant disruption and volatility in the global financial markets, reducing our ability to access capital. If we are unable to raise additional funds when or on the terms desired, our business, financial condition and results of operations could be adversely affected.

As of March 31, 2026, our cash and cash equivalents balance was \$9,647,698. For the fiscal year ended March 31, 2026, we recorded net loss of \$1,296,784. As of March 31, 2026, we had working capital of \$18,937,744.

Our principal source of liquidity is cash flows generated by operating activities and cash reserves.

Cash Flow Activities for the Year Ended March 31, 2026 Compared to the Year Ended March 31, 2025

The following table summarizes our cash flow activities for the fiscal years ended March 31, 2026 and March 31, 2025:

	For the Fiscal Years Ended		Period-to-
	March 31,		Period
	2026	2025	Change
Cash flow (used in) provided by			
Operating activities	\$ (631,130)	\$ 4,883,619	\$ (5,514,749)
Investing activities	(953,094)	(532,364)	(420,730)
Financing activities	692,094	48,750	643,344
(Decrease) increase in cash and cash equivalents	<u>\$ (892,130)</u>	<u>\$ 4,400,005</u>	<u>\$ (5,292,135)</u>

Net cash used in operating activities was \$631,130 for the fiscal year ended March 31, 2026, as compared to net cash provided by operating activities of \$4,883,619 for the fiscal year ended March 31, 2025. The increase in cash used in operating activities of \$5,514,749 was primarily due to the increase in net loss of \$2,295,822, increase in accounts receivable of \$2,205,540, increase in corporate tax receivable of \$1,040,342, increase in inventory purchases of \$1,371,313 offset by decrease in customer advance payments of \$554,848 and decrease in accounts payable of \$453,689.

Net cash used in investing activities was \$953,094 for the fiscal year ended March 31, 2026, an increase of \$420,730, as compared to use of \$532,364 for the fiscal year ended March 31, 2025. The increase in cash used in investing activities during the fiscal year ended March 31, 2026 was primarily attributable to an increase in investments in machinery for assembly parts.

Net cash provided by financing activities was \$692,094 for the fiscal year ended March 31, 2026, an increase of \$643,344, as compared to \$48,750 for the fiscal year ended March 31, 2025. This increase was attributable to financing proceeds received under our equipment line of credit facility and proceeds from the exercise of stock options.

Backlog of Orders

Our customers typically enter into supply arrangements for the purchase of our products which we will produce and deliver over time. On an as-needed basis, our customers place specific production orders, and these orders are generally filled and shipped within twelve weeks. Our backlog consists of supply arrangements where the anticipated unfulfilled shipping dates are within approximately twelve months. Because of the possibility of customer changes in delivery schedules or the cancellation of orders, our backlog as of any particular date may not be indicative of revenue in any future period. The backlog amounted to approximately \$27,782,000 at March 31, 2026 as compared to \$12,445,000 at March 31, 2025. The increase in total backlog as of March 31, 2026 compared with the previous year is primarily due to increase in defense orders as the Company sees strong growth in this sector in light of continuing geopolitical uncertainty and the continuing recovery in the commercial aerospace industry.

A portion of these backlog orders are subject to cancellation or postponement of delivery dates and, therefore, no assurance can be given that actual sales will result from these orders. The Company does not foresee any problems which would prevent it from fulfilling these orders.

Inflation

In the opinion of management, inflation has continued to impact the costs of our operations and depending upon the current duration and degree of higher inflation levels, is expected to have an impact upon our operations in the future. Management will continue to monitor inflation and evaluate the possible future effects of inflation on our business and operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not required.

Item 8. Financial Statements and Supplementary Data

See our audited Financial Statements for the fiscal years ended March 31, 2026 and 2025 which follow Item 16 of this Annual Report on Form 10-K.

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in paragraph (e) of Rules 13a-15 and 15d-15 under the Exchange Act) designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified under the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. As required by paragraph (b) of Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial officer) carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2026.

Management has used the framework set forth in the report entitled Internal Control—Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), known as COSO, to evaluate the effectiveness of our internal control over financial reporting. The following material weakness has been identified:

The Company has not established an effective control environment due to the ineffective design and implementation of Information Technology General Controls (“ITGC”). The Company’s ITGC deficiencies included improperly designed controls pertaining to change management and user access rights over systems that are critical to the Company’s system of financial reporting. The ITGC deficiencies, combined with a lack of properly designed management review controls to compensate for these deficiencies, represent a material weakness in the Company’s internal control over financial reporting.

As of March 31, 2026, our Chief Executive Officer and our Chief Financial Officer concluded that our internal control over financial reporting and disclosure controls and procedures were not effective based upon the identified material weakness noted above.

Management has been actively engaged in the planning for and implementation of remediation efforts to address the identified material weakness. The remediation plan includes improvements in the design and implementation of enhanced monitoring and user access and change management within the ITGC environment.

(b) Management’s Report on Internal Controls over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting refers to the process designed by, or under the supervision of, our principal executive officer and principal financial officer, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting cannot provide absolute assurance of achieving their objectives. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgement and breakdowns resulting from human failures. Due to their inherent limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. It is possible to design safeguards to reduce, but not eliminate, this risk. Management is responsible for establishing and maintaining adequate internal control over financial reporting for our Company.

Mitigation Step

In order to address the material weakness stated above, management undertook the following mitigation step:

- the implementation of improvements in the design and implementation of enhanced monitoring of ITGC controls;

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements or fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met.

This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to SEC rules, which permit us to provide only management's report in this Annual Report on Form 10-K.

Our management, including our Chief Executive Officer and Chief Financial Officer does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors or all instances of fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(c) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of our internal control over financial reporting that occurred during the three months ended March 31, 2026 that materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information

Insider Trading Arrangements and Policies

During the three months ended March 31, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

IEH CORPORATION
PART III

Item 10. Directors, Executive Officers and Corporate Governance

Executive Officers and Directors

As of March 31, 2026, the executive officers and directors of the Company are as follows:

Name	Age	Office	Class
David Offerman	51	Chairman of the Board of Directors, President and Chief Executive Officer	II
Subrata Purkayastha	44	Chief Financial Officer and Treasurer	
Allen Gottlieb	84	Director	II
Gerald E. Chafetz	82	Director	II
Eric C. Hugel	55	Director	I
Michael E. Rosenfeld	42	Director	I
John P. Spiezio	62	Director	I
Brian J. Glenn	46	Director	I

IEH's Certificate of Incorporation provides that the directors of the Company are to be elected in two (2) classes; each class to be elected to a staggered two (2) year term and until their successors are duly elected and qualified. As of March 31, 2026, the Board of Directors consisted of seven (7) members divided into two (2) classes with four (4) Class I Members (Mr. Hugel, Mr. Spiezio, Mr. Rosenfeld and Mr. Glenn) and three (3) Class II Members (Mr. Offerman, Mr. Gottlieb and Mr. Chafetz).

The Company currently has two (2) executive officers: Mr. David Offerman, President and Chief Executive Officer, and Ms. Subrata Purkayastha, the Treasurer and Chief Financial Officer. All officers are selected by and serve at the discretion of the Board of Directors.

David Offerman. On March 26, 2017, Mr. Offerman was elected to the positions of Chairman of the Board, President and Chief Executive Officer. David succeeded his late father, Michael Offerman, who passed away on March 24, 2017. David Offerman has been a member of IEH's Board of Directors since July 15, 2016. Prior to March 24, 2017, he was the Vice President – Sales and Marketing of the Company. He joined the Company in September 2004 as the National Sales Manager and was appointed to Vice President – Sales and Marketing in April 2011. Prior to joining IEH, Mr. Offerman worked as an account executive and sales manager in the telecommunication industry.

Mr. Offerman graduated from the University of Michigan in 1997 with a Bachelor of Arts in film and communications. In 2016, he received an MBA from the NYU Stern School of Business with a concentration in leadership and management. We believe Mr. Offerman's expertise in manufacturing, sales and strategy along with his extensive experience, qualifications, attributes and skills make him well qualified to serve as a director of our Company.

Subrata Purkayastha. On October 26, 2023, the Company promoted Subrata Purkayastha from interim Chief Financial Officer to permanent Chief Financial Officer and executed a new employment agreement with her effective as of November 1, 2023. Previously, on May 19, 2023, the Company appointed Subrata Purkayastha as its Interim Chief Financial Officer and Treasurer. Ms. Purkayastha's appointment became effective on May 19, 2023. Prior to this date, Ms. Purkayastha served as Controller of the Company since November 2021. Prior to joining the Company, from January 2019 to May 2021, Ms. Purkayastha served as Controller of Sprouts Foods, Inc., a producer and distributor of premium organic foods intended for babies and toddlers. From July 2017 to January 2019, Ms. Purkayastha served as Accounting Manager at Sprouts Foods, Inc. where she provided timely and accurate financial reporting to the Chief Executive Officer and Chief Financial Officer and private equity partners. Prior to Sprout Foods Inc., from July 2015 to June 2017, Ms. Purkayastha served as Accounting Manager of Champions Oncology, Inc., a publicly-traded company engaged in the development of advanced technology solutions and services to personalize the development of oncology drug development. Ms. Purkayastha holds a Bachelor of Science in Accounting from Carson-Newman University in Jefferson City, Tennessee and also received a Master's in Arts degree with a focus in International Banking and Finance from Fordham University. Ms. Purkayastha is also a Certified Public Accountant.

Allen Gottlieb. Mr. Gottlieb has been a board member since 1992. He has a BS from NYU in Accounting and Finance, and an LL.B. and JD from Brooklyn Law School. He currently operates his own firm specializing in Labor Relations and Human Resources consulting. He also has extensive entrepreneurial experience in manufacturing, distribution, logistics, and hospitality, in both domestic and international markets. The Board has determined that Mr. Gottlieb is an “independent director” in accordance with the OTCQX Market rules. The Company believes that his broad experience as well as his knowledge of IEH qualifies him to serve as a director of our Company.

Gerald Chafetz. Mr. Chafetz has been a member of the Company’s Board of Directors since 2009. He is President of GEC Enterprises, LLC since 2011. GEC Enterprises, LLC is a property management company headquartered in Boynton Beach, Florida. He was previously President of Capitol City Companies. Prior to founding Capitol City Companies, he had an extended 22-year executive career in the textile industry with several knitwear and high fashion manufacturers, including Arista Knitwear, Berwick Fashion Knitwear and Bege-dor Knitwear. Mr. Chafetz graduated from the University of Hartford in 1965 with a Bachelor of Science degree in business. The Board has determined that Mr. Chafetz is an “independent director” in accordance with the OTCQX Market rules. We believe Mr. Chafetz’s expertise in executive management and manufacturing along with his extensive experience, qualifications, attributes and skills make him well qualified to serve as a director of our Company.

Eric C. Hugel, CPA, CFA. Eric C. Hugel has been a member of IEH’s Board of Directors since July 15, 2016. Since May 2023, he has served as the Chief Financial Officer of Americraft Marine Group LLC, a company with the mission to support and strengthen the U.S. shipbuilding industry and infrastructure. From July 2014 to May 2023, Mr. Hugel served as the Co-Chief Executive Officer and Chief Financial Officer of Hugel Corporation, an online retailer. From March 2013 to February 2014, Mr. Hugel held the position of Senior Institutional Specialist in U.S. Fundamental Equity Research Analyst at McGraw Hill Financial – S&P Capital IQ providing investment advisory services. In particular he provided research and analysis in the U.S. aerospace and defense and industrial conglomerates sectors. From July 2002 through June 2012 he was a managing director at Stephens Inc. providing investment research and analytical services in the U.S. aerospace and defenses sectors. Mr. Hugel graduated from Lehigh University in 1993 with a Bachelor of Science in accounting. The Board has determined that Mr. Hugel is an “independent director” in accordance with the OTCQX Market rules. We believe Mr. Hugel’s expertise in manufacturing in the aerospace industry and finance along with his extensive experience, qualifications, attributes and skills make him well qualified to serve as a director of our Company.

Michael E. Rosenfeld has been a member of the Company’s Board of Directors since 2018. He is a co-founder, Principal, and Chief Operating Officer at Olive Tree Holdings, a real estate investment firm headquartered in New York City specializing in the acquisition, management and transformation of multifamily communities across dynamically growing markets within the U.S. To date, the firm has amassed a lifetime portfolio value of \$2 billion and has acquired and transformed over 17,000 units of workforce and affordable housing units across 9 states. During his tenure, the firm raised over \$465 million of outside equity and was one of the fastest growing multifamily owners in the nation. Previously, Michael worked for 11 years as the Chief of Staff to the Founder/Chairman of a private family investment office with a \$360 million commercial real estate portfolio comprised of over 1.5 million square feet from New York to Miami Beach. Mr. Rosenfeld received his Bachelor of Arts in Political Science from Emory University in 2006, and his Master of Business Administration (MBA) in Corporate Finance from the New York University Stern School of Business in 2016. The Board has determined that Mr. Rosenfeld is an “independent director” in accordance with the OTCQX Market rules. We believe Mr. Rosenfeld’s expertise in finance and accounting along with his extensive experience, qualifications, attributes and skills make him well qualified to serve as a director of our Company.

John P. Spiezio, appointed to the Board of Directors on August 1, 2023, has extensive experience in the aerospace and defense industries. After studying Economics, Computer Science, and Mathematics at Marquette University, he returned to New York and began his 33-year career as the third-generation leader at Hicksville Machine Works, Inc. (“HMW”), a supplier to prime aerospace & defense contractors throughout North America and Europe as well as the Department of Defense directly. Over that time he gained extensive experience in operations, business development, and governance of a business operating in this specialized industry. After HMW was sold in 2019, Mr. Spiezio worked, from March 2019 to April 2021, for a private equity firm engaged in building a vertically integrated company that could produce and supply entire integrated systems to the aerospace and defense industries. Mr. Spiezio serves on the corporate boards of MicroMetl Corporation and GRC Reality. Mr. Spiezio is also currently the Chairman of ADDAPT, an industry group focused on defense and aerospace suppliers based in New York State. Mr. Spiezio possesses significant expertise about the aerospace and defense industries and the markets in which we compete and as a Board member will be able to provide us with the benefits of such knowledge. In addition, his extensive executive leadership qualities and knowledge strengthens the Board’s collective qualifications, skills and experience. The Board has determined that Mr. Spiezio is an “independent director” in accordance with the OTCQX Market rules.

Brian J. Glenn. Mr. Glenn was elected to the Board of Directors of the Company in October 2023 to fill a newly created directorship previously authorized by the Board. Mr. Glenn will serve an initial term expiring at the Company's next annual meeting to be held and until his successor has been duly elected and qualified. Mr. Glenn currently serves as the Chief Investment Officer for Premier Path Wealth Partners, an independent SEC-registered investment advisory firm in Madison, New Jersey. Premier Path Wealth Partners manages more than \$1.0 billion in assets on behalf of business owners, high net worth families, trusts, and charities. In 2018, Mr. Glenn founded Olcott Square Investment Partners, an investment firm with a focus on companies that demonstrate durable advantages and secular growth prospects. From 2008 to 2018, Mr. Glenn worked at W.R. Huff Asset Management, an investment firm that employed a rigorous, primary research process managing concentrated investment strategies across the capital structure, where he helped steer investments in public equities, high-yield bonds, and leveraged loans. Mr. Glenn graduated from the College of New Jersey with a Bachelor of Science in Business Administration and earned his Master in Business Administration from Massachusetts Institute of Technology's Sloan School of Management. Mr. Glenn holds the designation of Chartered Financial Analyst and is a member of the CFA Society, New York. The Board has determined that Mr. Glenn is an "independent director" in accordance with the listing standards of the OTCQX Market rules. The Board appointed Mr. Glenn to the Audit Committee. He brings to our Board his experience in the capital markets and his background adds an important capability to the Board, and strengthens the Board's collective qualifications, skills, and experience.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own, directly or indirectly, more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities we issue. Officers, directors and greater than 10% shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file. Based solely on a review of the copies of such reports filed with the SEC and of written representations by certain officers and directors, we believe that all persons subject to the reporting requirements of Section 16(a) filed the required reports on a timely basis during the fiscal year ended March 31, 2026.

Director Independence; Meetings of Directors; Corporate Governance; Committees of the Board

Our Board of Directors currently consists of seven (7) individuals. Six (6) of our directors are "independent" as defined in the OTCQX Market rules. During the fiscal year ended March 31, 2026, our Board of Directors held four (4) meetings, the Audit Committee held four (4) meetings, and the Compensation Committee met on one (1) occasion,

During the fiscal year ended March 29, 2019, our Board of Directors approved the formation of an audit committee and a compensation committee, and each committee would initially have three (3) members consisting of independent directors. On October 11, 2023, the Board nominated the following directors to each such committee: (i) Audit Committee – Eric C. Hugel (Chair), John P. Spiezio and Brian J. Glenn; and (ii) Compensation Committee – Gerald Chafetz (Chair), Allen Gottlieb and Michael E. Rosenfeld. Each of these Board committees has a written charter approved by the Board of Directors.

For the fiscal year ended March 31, 2026, a general description of the duties of the committees were as follows:

Audit Committee. Our Audit Committee acts to: (i) review with management the finances, financial condition and interim financial statements of the Company; (ii) review with our independent registered public accounting firm the quarterly and year-end financial statements; (iii) review implementation with the independent registered public accounting firm and management any action recommended by the independent registered public accounting firm; and (iv) engage, retain and terminate our independent registered public accounting firm. Mr. Hugel, the Chair of the Audit Committee was also designated as our Audit Committee Financial Expert. On August 1, 2023, the Board appointed Mr. John P. Spiezio to its Audit Committee. On October 11, 2023, the Board appointed Mr. Glenn to the Audit Committee.

During the fiscal year ended March 31, 2026, all of the members of our Audit Committee were “independent” within the definition of that term as provided by OTCQX rules.

Compensation Committee. The Compensation Committee acts to: (i) review, approve and administer compensation arrangements for our executive officers; (ii) administer our equity-based compensation plans, (iii) establish and review general policies relating to the compensation and benefits of our executive officers and other personnel, (iv) evaluate the relationship between executive officer compensation policies and practices and corporate risk management to confirm those policies and practices do not incentivize excessive risk-taking, and (iv) evaluate and make recommendations to our Board of Directors regarding the compensation of our non-employee directors.

Security holder recommendations of director nominees. The Board did not adopt any modifications to the procedures by which security holders may recommend nominees to its Board of Directors.

Code of Ethics. The Company has adopted a Code of Ethics, which has been made available on its website <https://www.iehcorp.com/ethics-code>.

Insider Trading Policies and Procedures. The Company has adopted insider trading policies and procedures governing the purchase, sale, and/or other dispositions of its securities by directors, officers and employees or the Company itself, that are reasonably designed to promote compliance with insider trading laws, rules and regulations, and any listing standards applicable to the Company. A copy of such policies and procedures is incorporated by reference hereto as Exhibit 19.1.

Item 11. Executive Compensation

The following table sets forth below the summary compensation paid or accrued by the Company during the fiscal years ended March 31, 2026 and March 31, 2025, respectively, for the Company’s Chief Executive Officer and Chief Financial Officer:

Name and Principal Position	Year	Salary (\$)⁽¹⁾	Bonus (\$)⁽²⁾	Option Awards (\$)⁽³⁾	All Other Compensation (\$)	Total (\$)
David Offerman	2026	516,319	50,000	-	-	566,319
Chief Executive Officer, President	2025	491,745	50,000	141,500	-	683,245
Subrata Purkayastha	2026	262,493	30,000	-	-	292,493
Chief Financial Officer	2025	250,000	30,000	41,700	-	321,700

(1) Amounts reported in this column reflect the base salaries earned during the applicable year.

(2) Amounts reported in this column are related to the Cash Bonus Plan that was adopted in 1987.

(3) Amounts reported represent the aggregate grant date fair value of stock options granted under the 2020 Equity Based Compensation Plan, computed in accordance with FASB ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 2 to our audited financial statements included in the Annual Report

David Offerman – Employment Agreement

On December 24, 2024, the Company entered into a new employment agreement with David Offerman, its Chief Executive Officer and President. The employment agreement with Mr. Offerman became effective as of January 1, 2025, and will expire on December 31, 2029. Mr. Offerman's prior employment agreement expired on December 31, 2024. A copy of the full text of Mr. Offerman's new employment agreement was filed with the SEC on December 31, 2024 as Exhibit 10.1 to the Company's Current Report on Form 8-K, dated December 24, 2024. Under the new employment agreement, Mr. Offerman receives an initial base salary of \$491,745 per annum, subject to such increases, if any, as determined by the Board of Directors, or if the Board so designates, the Compensation Committee of the Board. Mr. Offerman is also eligible to receive an annual cash bonus of up to 100% of base salary for each fiscal year of employment based on performance targets and other key objectives established by the Board, or if applicable, the Compensation Committee.

During the term of his employment agreement, Mr. Offerman is also eligible to receive equity or performance awards pursuant to any long-term incentive compensation plan adopted by the Compensation Committee.

In the event of the termination of Mr. Offerman's employment by the Company without "cause" or by him for "good reason", as such terms are defined in his employment agreement, he would be entitled to: (a) a severance payment of 36 months of base salary; (b) continued participation in our health and welfare plans for up to 24 months; and (c) all accrued but unpaid compensation. Further, under the employment agreement, if within the three (3) year period of a "change in control" (as defined in the employment agreement) either Mr. Offerman's employment is terminated, or his title, position or responsibilities are materially reduced and he terminates his employment, the Company shall pay and/or provide to him substantially the same compensation and benefits as if his termination was without "cause" or for "good reason", subject to limitation to avoid the imposition of the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") if such payments would constitute an "excess parachute payment" as defined in Section 280G of the Code. Pursuant to his employment agreement, Mr. Offerman is subject to customary confidentiality, non-solicitation of employees and non-competition obligations that survive the termination of such agreement.

Subrata Purkayastha – Employment Agreement

On October 26, 2023, the Company agreed to promote Subrata Purkayastha from interim Chief Financial Officer to permanent Chief Financial Officer and to execute a new employment agreement effective as of November 1, 2023. Her new employment agreement is substantially similar to her then existing employment agreement, dated as of June 1, 2023 except as follows: (i) the term of the new employment agreement shall be for three (3) years commencing November 1, 2023 and expiring October 31, 2026; (ii) her initial annual salary shall be \$250,000 subject to such increases, if any, as determined by the Board of Directors, or if the Board so designates, the Compensation Committee of the Board.; and (iii) on October 26, 2023, she was granted 25,000 options to purchase the Company's common stock at an exercise price of \$8.00 per share.

She will also be eligible to receive a cash bonus and stock option awards based on performance targets and other key objectives established by the Compensation Committee of the Board of Directors of the Company. The employment agreement further provides for the payment of severance pay and continued participation in health and welfare plans for up to 12 months in the case of termination without cause. Ms. Purkayastha is subject to customary confidentiality and non-compete obligations that survive the termination of the agreement.

Cash Bonus Plan

In 1987, the Company adopted a cash bonus plan (the "Cash Bonus Plan") for non-union, management and administration staff. Unless otherwise approved by the Company's Compensation Committee of the Board of Directors, contributions to the Cash Bonus Plan are made by the Company only when the Company is profitable for the fiscal year. Bonus expense recorded for each of the years ended March 31, 2026 and 2025 was \$398,975 and \$386,570, respectively. As of March 31, 2026, and 2025, the Company's accrued bonus was \$338,266 and \$330,000, respectively. The Company paid the bonus amounts accrued as of March 31, 2026 and 2025 during June 2026 and June 2025, respectively.

Stock Option Plans

On November 18, 2020, the Board of Directors approved the Company's 2020 Equity Based Compensation Plan (the "2020 Plan") for submission to shareholders at the 2020 annual meeting of shareholders. On December 16, 2020, the Company's shareholders approved the adoption of the 2020 Plan, which provides for the grant of stock options and restricted stock awards to purchase up to 750,000 shares of the Company's common stock to award in the future as incentive compensation to employees, senior management and members of the Board of Directors of the Company.

Options granted to employees under the 2020 Plan may be designated as options which qualify for incentive stock option treatment under Section 422A of the Internal Revenue Code, or options which do not qualify (non-qualified stock options).

Under the 2020 Plan, the exercise price of an option designated as an incentive stock option shall not be less than the fair market value of the Company's common stock on the day the option is granted. In the event an option designated as an incentive stock option is granted to a ten percent (10%) or greater shareholder, such exercise price shall be at least 110 percent (110%) of the fair market value of the Company's common stock and the option must not be exercisable after the expiration of ten years from the day of the grant. The 2020 Plan also provides that holders of options that wish to pay for the exercise price of their options with shares of the Company's common stock must have beneficially owned such stock for at least six months prior to the exercise date.

Exercise prices of non-incentive stock options may not be less than the fair market value of the Company's common stock. The aggregate fair market value of shares subject to options granted to a participants(s), which are designated as incentive stock options, and which become exercisable in any calendar year, shall not exceed \$100,000.

On August 31, 2011, the Company's shareholder approved the adoption of the Company's 2011 Equity Incentive Plan ("2011 Plan") to provide for the grant of stock options and restricted stock awards to purchase up to 750,000 shares of the Company's common stock to all employees, consultants and other eligible participants including senior management and members of the Board of Directors of the Company. The 2011 Equity Incentive Plan expired on August 31, 2021 after which no further awards would be granted under such plan.

Outstanding Equity Awards as of March 31, 2026

The following table sets forth certain information regarding outstanding equity awards granted to our named executive officers that remain outstanding as of March 31, 2026.

Name	Option Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Un-exercisable	Option Exercise Price	Option Expiration Date
David Offerman	225,000	-	20.00	7/29/2029
	25,000	-	10.75	12/24/2034
Subrata Purkayastha	10,000	-	12.25	11/1/2031
	25,000	-	8.00	10/26/2033

Non-Employee Director Equity Awards

The following table sets forth certain information regarding outstanding equity awards granted to our non-employee directors that remain outstanding as of March 31, 2026.

Name	Option Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Un-exercisable	Option Exercise Price	Option Expiration Date
Allen Gottlieb	5,000	-	\$ 6.01	5/8/2033
	5,000	-	8.28	5/8/2035
Gerald E. Chafetz	5,000	-	6.01	5/8/2033
	5,000	-	8.28	5/8/2035
Eric C. Hugel	5,000	-	5.30	8/15/2026
	5,000	-	6.01	5/8/2033
	5,000	-	8.28	5/8/2035
Michael E. Rosenfeld	5,000	-	13.00	10/26/2028
	5,000	-	8.28	5/8/2035
John P. Spiezio	5,000	-	7.25	8/1/2033
	5,000	-	8.28	5/8/2035
Brian J. Glenn	5,000	-	8.00	10/11/2033
	5,000	-	8.28	5/8/2035

Non-Employee Director Compensation

The following table sets forth the compensation (cash and equity) received by our non-employee directors during the fiscal year ended March 31, 2026.

Name	Fees Earned or Paid in Cash	Option Awards (1)	Total
Allen Gottlieb	\$ 17,500	\$ 22,100	\$ 39,600
Gerald E. Chafetz	20,000	22,100	42,100
Eric C. Hugel	20,000	22,100	42,100
Michael E. Rosenfeld	17,500	22,100	39,600
John P. Spiezio	17,500	22,100	39,600
Brian J. Glenn	17,500	22,100	39,600

(1) Amounts reported represent the aggregate grant date fair value of stock options granted under the 2020 Equity Based Compensation Plan, computed in accordance with FASB ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 2 to our audited financial statements included in the Annual Report

Effective after March 31, 2023, non-executive directors were compensated through an annual director fee of \$10,000, payable quarterly. Each director shall also receive an annual fee of \$5,000 for service on each committee, payable quarterly. The chairman of each committee shall receive an additional annual fee of \$2,500, payable quarterly. Effective after May 14, 2026, the board director fee was increased by \$2,500 annually.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information as of June 12, 2026 with respect to: (i) the persons (including any “group” as that term is used in Section 13(d)(3) of the Exchange Act), known by the Company to be the beneficial owner of more than five percent (5%) of any class of the Company’s voting securities; (ii) each Named Executive Officer and Director who owns common stock in the Company; and (iii) all Executive Officers and Directors as a group. As of June 12, 2026, there were 2,470,272 shares of common stock issued and outstanding. The figures stated below are based upon Schedule 13Ds, Schedule 13D/As, Schedule 13G and Schedule 13G/A, Form 3s and Form 4s filed with the SEC by the named persons.

We have determined beneficial ownership in accordance with the rules of the SEC. Under these rules, beneficial ownership includes any shares of common stock as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options held by such person that are currently exercisable or will become exercisable within 60 days of June 12, 2026 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o IEH Corporation, 140 58th Street, Brooklyn, NY 11220.

Each of the shareholders listed has sole voting and investment power with respect to the shares beneficially owned by the shareholder unless noted otherwise, subject to community property laws where applicable.

Beneficial Owner	Beneficial Ownership	
	Number of Shares	Percent of Total
Greater than 5% Stockholders		
David Offerman ⁽¹⁾	652,127	24.0%
Gail Offerman ⁽²⁾	499,606	20.2%
Zeff Capital LP ⁽³⁾	232,862	9.4%
Intelligent Fanatics Capital Management LLC ⁽⁴⁾	104,147	4.2%
Directors and Named Executive Officers		
David Offerman ⁽¹⁾	652,127	24.0%
Subrata Purkayastha ⁽⁵⁾	35,000	1.4%
Gerald E. Chafetz ⁽⁶⁾	10,000	*
Allen Gottlieb ⁽⁷⁾	10,000	*
Michael E. Rosenfeld ⁽⁸⁾	10,000	*
Eric Hugel ⁽⁹⁾	15,000	*
John P. Spiezio ⁽¹⁰⁾	10,000	*
Brian J. Glenn ⁽¹¹⁾	18,379	*
All executive officers and directors as a group (8 persons)	<u>760,506</u>	<u>27.0%</u>

* Denotes ownership percentage of less than 1%.

All shares set forth above are owned directly by the named individual unless otherwise stated. The percentage ownership provided above is based upon 2,470,272 shares outstanding as of June 12, 2026.

(1) Owns vested options to purchase 250,000 shares of common stock.

- (2) Based on the Company's knowledge. The address of the principal business office of each of the reporting persons is 27110 Grand Central Parkway, APT. 10-V, Floral Park, NY 11005.
- (3) Based on a Schedule 13G dated January 4, 2022 filed by Zeff Capital, LP, Zeff Holding Company, LLC and Daniel Zeff. Each reporting person has shared voting and dispositive power with respect to 232,862 shares of common stock. The address of the principal business office of each of the reporting persons is 400 S. McCadden Pl., Los Angeles, CA 90020.
- (4) Based on a Schedule 13G dated August 29, 2025 filed by Intelligent Fanatics Capital Management LLC, IFCM MicroCap Fund LP and Ian J. Cassel. Each of the reporting persons has shared voting and dispositive power over 104,147 shares of common stock. The address of the principal office of each of the reporting persons is 350 Rumford Road Lititz, Pennsylvania 17543.
- (5) Owns vested options to purchase 35,000 shares of common stock.
- (6) Owns vested options to purchase 10,000 shares of common stock.
- (7) Owns vested options to purchase 10,000 shares of common stock.
- (8) Owns vested options to purchase 10,000 shares of common stock.
- (9) Owns vested options to purchase 15,000 shares of common stock.
- (10) Owns vested options to purchase 10,000 shares of common stock.
- (11) Mr. Glenn has sole ownership of 2,430 shares of common stock over which he has sole voting and investment power. Together with his spouse, Mr. Glenn has shared voting power and shared investment power over 2,876 shares of common stock. With respect to 3,073 shares of common stock Mr. Glenn has no voting power but has sole investment power. Mr. Glenn disclaims beneficial ownership of the foregoing 3,073 IEH shares of common stock. Mr. Glenn owns vested options to purchase 10,000 shares of common stock.

Equity Compensation Plan Information

The following table provides information as of March 31, 2026, regarding shares of common stock that may be issued under the Company's equity compensation plans (collectively, the "Equity Plan"). Information is included for both equity compensation plans approved by the Company's shareholders and not approved by the Company's shareholders.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	455,000	\$ 14.65	505,000
Equity compensation plans not approved by security holders	-	-	-
Total	455,000	\$ 14.65	505,000

Item 13. Certain Relationships and Related Transactions, and Director Independence

Other than the employment terms for its executive officers as described elsewhere in this Annual Report on Form 10-K, and as described below, there have been no related party transactions that are required to be disclosed pursuant to Item 404. Messrs. Gottlieb, Chafetz, Hugel, Rosenfeld, Spiezio, and Glenn are deemed independent directors of the Company pursuant to the SEC rules and regulations.

Item 14. Principal Accountant Fees and Services

On June 18, 2025, the Board of Directors engaged CBIZ CPAs P.C. (“CBIZ”) (PCAOB ID: 199) as the independent auditor of IEH for the fiscal year ended March 31, 2026.

Audit Fees. During the fiscal years ended March 31, 2026 and 2025, IEH audit fees were \$266,750 and \$372,045, respectively to CBIZ for fees related to the audit of the Company’s financial statements.

Audit Related Fees. During the fiscal years ended March 31, 2026 and 2025, respectively, \$0 and \$0 were paid.

Tax Fees. During the fiscal years ended March 31, 2026 and 2025, \$17,000 and \$15,965 were paid for tax related services, respectively.

All Other Fees. During the fiscal years ended March 31, 2026 and 2025, respectively, IEH did not pay any other fees for services to its independent auditor.

The Board of Directors has determined that the services provided by CBIZ and the fees paid to it for such services during the fiscal years ended March 31, 2026 and 2025, have not compromised the independence of CBIZ and have been approved by the Audit Committee.

IEH CORPORATION
PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Documents filed as part of this report.

1. The following financial statements of IEH Corporation and Report of Independent Registered Accounting Firm, are included in this report:

	Page Number
<u>Independent Auditors' Report – CBIZ CPAs P.C. (PCAOB ID: 199)</u>	F-2
<u>Balance Sheets</u>	F-3
<u>Statements of Operations</u>	F-4
<u>Statements of Changes in Stockholders' Equity</u>	F-5
<u>Statements of Cash Flows</u>	F-6
<u>Notes to Financial Statements</u>	F-7

2. List of financial statement schedules:

All schedules have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. List of Exhibits required by Item 601 of Regulation S-K. See part (b) below.

(b) Exhibits

The exhibits filed as part of this Annual Report on Form 10-K are set forth on the Exhibit Index, which Exhibit Index is incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit C-4 to Current Report on Form 8-K, dated February 27, 1991).
3.2	By-Laws of the Company (filed as Exhibit 3.2 on Annual Report on Form 10-KSB for the fiscal year ended March 27, 1994).
4.1	Form of Common Stock Certificate of the Company (filed as Exhibit 4.1 on Annual Report on Form 10-KSB for the fiscal year ended March 27, 1994).
4.2	Description of Securities (filed as Exhibit 4.2 on Annual Report on Form 10-K for the fiscal year ended March 31, 2022).
10.1(†)	2011 Equity Incentive Plan (filed as Exhibit A to definitive Proxy Statement dated August 31, 2011).
10.2(†)	2020 Equity Stock Based Compensation Plan (filed as Annex A to definitive Proxy Statement dated November 23, 2020).
10.3(†)	Employment Agreement between the Company and Subrata Purkayastha dated as of November 1, 2023 and effective as of November 1, 2023 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 7, 2023 and incorporated by reference herein).
10.4(†)	Employment Agreement between the Company and David Offerman dated as of December 24, 2024 and effective as of January 1, 2025 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 31, 2024 and incorporated by reference herein).
19.1	Insider trading policies and procedures (incorporated by reference to Exhibit 19.1 to the Registrant's Annual Report on Form 10-K, filed with the SEC on June 12, 2025).
21*	Subsidiaries of the Company
23.1*	Consent of CBIZ CPAs P.C.
31.1*	Certification of Chief Executive Officer pursuant to Section 17 CFR 240.13a-14(a) or 17 CFR 240.15d-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2*	Certification of Principal Financial Officer pursuant to Section 17 CFR 240.13a-14(a) or 17 CFR 240.15d-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certifications by Chief Executive Officer and Principal Financial Officer, pursuant to 17 CFR 240.13a-14(b) or 17 CFR 240.15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1*	The following information from IEH Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2026, formatted in Inline XBRL (Extensible Business Reporting language) and filed electronically herewith: (i) the Balance Sheets; (ii) the Statements of Operations; (iii) the Statements of Stockholders' Equity; (iv) the Statements of Cash Flow; and (v) the Notes to Financial Statements.
101.INS*	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL")
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Exhibits filed herewith.

** Exhibits furnished herewith.

† Indicates management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary.

None.

IEH CORPORATION

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, IEH Corporation has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

IEH CORPORATION

By: /s/ David Offerman
David Offerman
Chairman of the Board, President and
Chief Executive Officer
(Principal Executive Officer)

Dated: June 12, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/ David Offerman</u> David Offerman, Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	June 12, 2026
<u>/s/ Subrata Purkayastha</u> Subrata Purkayastha, Chief Financial Officer (Principal Financial Officer)	June 12, 2026
<u>/s/ Allen Gottlieb</u> Allen Gottlieb, Director	June 12, 2026
<u>/s/ Gerald E. Chafetz</u> Gerald E. Chafetz, Director	June 12, 2026
<u>/s/ Eric C. Hugel</u> Eric C. Hugel, Director	June 12, 2026
<u>/s/ Michael E. Rosenfeld</u> Michael E. Rosenfeld, Director	June 12, 2026
<u>/s/ John P. Spiezio</u> John P. Spiezio, Director	June 12, 2026
<u>/s/ Brian J. Glenn</u> Brian J. Glenn, Director	June 12, 2026

IEH CORPORATION
Index to Financial Statements

	Page Number
<u>Independent Auditors' Report – CBIZ CPAs P.C. (PCAOB ID: 199)</u>	F-2
<u>Balance Sheets</u>	F-3
<u>Statements of Operations</u>	F-4
<u>Statements of Changes in Stockholders' Equity</u>	F-5
<u>Statements of Cash Flows</u>	F-6
<u>Notes to Financial Statements</u>	F-7

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
IEH Corporation

Opinion on the Financial Statements

We have audited the accompanying balance sheets of IEH Corporation (the “Company”) as of March 31, 2026 and 2025, and the related statements of operations, changes in stockholders’ equity and cash flows for each of the two years in the period ended March 31, 2026, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and the results of its operations and its cash flows for each of the two years in the period ended March 31, 2026, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ CBIZ CPAs P.C.

CBIZ CPAs P.C.

We have served as the Company’s auditor since 2019 (such date takes into account the acquisition of the attest business of Marcum LLP by CBIZ CPAs P.C. effective November 1, 2024).

New York, NY
June 12, 2026

IEH CORPORATION
BALANCE SHEETS

	As of March 31,	
	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,647,698	\$ 10,539,828
Accounts receivable, net	4,719,223	3,210,840
Inventories, net	6,809,722	7,265,347
Corporate income taxes receivable	467,994	813,413
Prepaid expenses and other current assets	440,905	201,160
Total current assets	22,085,542	22,030,588
Non-current assets:		
Property, plant and equipment, net	3,309,007	3,128,177
Operating lease right-of-use assets	1,588,589	1,967,752
Security deposit	75,756	75,756
Total assets	\$ 27,058,894	\$ 27,202,273
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,426,067	\$ 876,730
Customer advance payments	18,471	173,074
Operating lease liabilities	449,056	395,325
Equipment financing line of credit	256,257	-
Other current liabilities	997,947	801,245
Total current liabilities	3,147,798	2,246,374
Non-Current liabilities:		
Operating lease liabilities, net of current	1,392,937	1,841,993
Equipment financing line of credit, net of current	159,667	-
Total liabilities	4,700,402	4,088,367
Commitments and Contingencies (Note 12)		
Stockholders' Equity		
Common Stock, \$0.01 par value; 10,000,000 shares authorized; 2,470,272 and 2,388,251 shares issued and outstanding at March 31, 2026 and March 31, 2025, respectively	24,703	23,883
Additional paid-in capital	8,821,894	8,281,344
Retained earnings	13,511,895	14,808,679
Total Stockholders' Equity	22,358,492	23,113,906
Total Liabilities and Stockholders' Equity	\$ 27,058,894	\$ 27,202,273

The accompanying notes are an integral part of these financial statements.

IEH CORPORATION
STATEMENTS OF OPERATIONS

	For the Fiscal Years Ended	
	March 31,	
	2026	2025
Revenue	\$ 29,417,600	\$ 28,783,861
Costs and expenses:		
Cost of products sold	23,866,707	21,309,983
Selling, general and administrative	6,410,508	6,154,214
Depreciation and amortization	772,264	744,802
Total operating expenses	<u>31,049,479</u>	<u>28,208,999</u>
Operating (loss) income	<u>(1,631,879)</u>	<u>574,862</u>
Other income, net:		
Interest income, net	292,349	425,291
Total other income, net	<u>292,349</u>	<u>425,291</u>
(Loss) income before benefit from (provision for) income taxes	(1,339,530)	1,000,153
Benefit from (provision for) income taxes	42,746	(1,115)
Net (loss) income	<u>\$ (1,296,784)</u>	<u>\$ 999,038</u>
Net (loss) earnings per common share		
Basic	<u>\$ (0.53)</u>	<u>\$ 0.42</u>
Diluted	<u>\$ (0.53)</u>	<u>\$ 0.41</u>
Weighted-average number of common and common equivalent shares:		
Basic	<u>2,424,216</u>	<u>2,381,824</u>
Diluted	<u>2,424,216</u>	<u>2,443,255</u>

The accompanying notes are an integral part of these financial statements.

IEH CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balances at April 1, 2024	2,380,251	\$ 23,803	\$ 7,966,074	\$ 13,809,641	\$ 21,799,518
Exercise of stock options	8,000	80	48,670	-	48,750
Stock-based compensation	-	-	266,600	-	266,600
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>999,038</u>	<u>999,038</u>
Balances at March 31, 2025	2,388,251	\$ 23,883	\$ 8,281,344	\$ 14,808,679	\$ 23,113,906
Exercise of stock options	82,021	820	275,350	-	276,170
Stock-based compensation	-	-	265,200	-	265,200
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,296,784)</u>	<u>(1,296,784)</u>
Balances at March 31, 2026	<u>2,470,272</u>	<u>\$ 24,703</u>	<u>\$ 8,821,894</u>	<u>\$ 13,511,895</u>	<u>\$ 22,358,492</u>

The accompanying notes are an integral part of these financial statements.

IEH CORPORATION
STATEMENTS OF CASH FLOWS

	For the Fiscal Years Ended	
	March 31,	
	2026	2025
Cash flows from operating activities:		
Net (loss) income	\$ (1,296,784)	\$ 999,038
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	772,264	744,802
Stock-based compensation expense	265,200	266,600
Inventory obsolescence provision	297,763	(62,904)
Operating lease right-of-use assets	502,874	502,877
Changes in assets and liabilities:		
Accounts receivable	(1,508,383)	697,157
Inventories	157,862	1,529,175
Corporate income taxes receivable	345,419	1,385,761
Prepaid expenses and other current assets	(239,745)	(7,442)
Accounts payable	549,337	95,648
Customer advance payments	(154,603)	(709,451)
Operating lease liabilities	(519,036)	(497,679)
Other current liabilities	196,702	(59,963)
Net cash (used in) provided by operating activities	<u>(631,130)</u>	<u>4,883,619</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(953,094)	(532,364)
Net cash used in investing activities	<u>(953,094)</u>	<u>(532,364)</u>
Cash flows from financing activities:		
Proceeds from equipment financing loan	415,924	-
Proceeds from exercise of stock options	276,170	48,750
Net cash provided by financing activities	<u>692,094</u>	<u>48,750</u>
Net (decrease) increase in cash and cash equivalents	(892,130)	4,400,005
Cash and cash equivalents - beginning of period	10,539,828	6,139,823
Cash and cash equivalents - end of period	<u>\$ 9,647,698</u>	<u>\$ 10,539,828</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ 5,509	\$ -
Income Taxes	<u>\$ 33,334</u>	<u>\$ 99,269</u>

The accompanying notes are an integral part of these financial statements.

IEH CORPORATION
Notes to Financial Statements

Note 1 DESCRIPTION OF BUSINESS:

Overview:

IEH Corporation (hereinafter referred to as “IEH” or the “Company”) began operations in New York, New York in 1941 and was incorporated as a New York corporation in March, 1943, when Louis Offerman founded L. Offerman Tool & Die with his two sons, Bernard and Seymour.

The Company designs and manufactures Hyperboloid connectors that not only accommodate, but exceed military and aerospace specification standards.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Revenue Recognition:

The core principle underlying Accounting Standards Codification (“ASC”) ASC Topic 606 “Revenue from Contracts with Customers” (“ASC 606”), is to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASC 606 sets out the following steps for an entity to follow when applying the core principle to its revenue generating transactions:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

The Company recognizes revenue and the related cost of products sold when the performance obligations are satisfied. The performance obligations are typically satisfied upon shipment of physical goods. In addition to the satisfaction of the performance obligations, the following conditions are required for revenue recognition: an arrangement exists, there is a fixed price, and collectability is reasonably assured.

The Company does not offer any discounts, credits or other sales incentives. Historically, the Company has not had an issue with uncollectible accounts receivable.

The Company will accept a return of defective products within one year from shipment for repair or replacement at the Company’s option. If the product is repairable, the Company at its own cost, will repair and return it to the customer. If unrepairable, the Company will provide a replacement at its own cost. Historically, returns and repairs have not been material.

IEH CORPORATION
Notes to Financial Statements

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue Recognition, continued

The Company's disaggregated revenue by geographical location is as follows:

	For the Fiscal Years Ended March 31,	
	2026	2025
Domestic	\$ 27,704,583	\$ 27,138,838
International	1,713,017	1,645,023
Total	\$ 29,417,600	\$ 28,783,861

The Company's disaggregated revenue by industry as a percentage of total revenue is provided below:

Industry	For the Fiscal Years Ended March 31,	
	2026	2025
	%	%
Defense	63.2	65.7
Commercial Aerospace	25.2	19.9
Space	7.8	10.6
Other	3.8	3.8
	100.0	100.0

Cash and Cash Equivalents:

Cash and cash equivalents represent cash and highly liquid investments with original maturities of three months or less. The Company places its cash and cash equivalents with high credit quality financial institutions that may exceed federally insured amounts at times.

Inventories:

Inventories are comprised of raw materials, work-in-process and finished goods, and are stated at cost, on an average basis, which does not exceed net realizable value. The Company manufactures products pursuant to specific technical and contractual requirements.

The Company reviews its purchase and usage activity of its inventory of parts as well as work in process and finished goods to determine which items of inventory have become obsolete within the framework of current and anticipated orders. The Company estimates which materials may be obsolete and which products in work in process or finished goods may be sold at less than cost. A periodic adjustment, based upon historical experience is made to inventory in recognition of this impairment. The Company's allowance for obsolete inventory was \$1,008,261 and \$710,498 as of March 31, 2026 and 2025, respectively, and was reflected as a reduction of inventory.

IEH CORPORATION
Notes to Financial Statements

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Concentration of Credit Risk:

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

At times, the Company's cash and cash equivalents in banks was in excess of the Federal Deposit Insurance Corporation insurance limits. The Company has not experienced any loss as a result of these deposits. The Company's accounts receivable are derived from revenue earned from customers or invoices billed to customers that represent unconditional rights to payment. Our customers are located within the U.S. and internationally. The Company believes there is no material exposure to any significant credit risks related to its accounts receivable and has not experienced any material losses in such accounts.

Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. The Company provides for depreciation and amortization on a straight-line basis over the estimated useful lives (5–7 years) of the related assets.

Maintenance and repair expenditures are charged to operations, and renewals and betterments are capitalized. Items of property, plant and equipment, which are sold, retired or otherwise disposed of, are removed from the asset and accumulated depreciation or amortization account. Any gain or loss thereon is either credited or charged to operations.

Income Taxes:

The Company's current provision for income taxes is based upon its estimated taxable income in each of the jurisdictions in which it operates, after considering the impact on taxable income of temporary and permanent differences resulting from different treatment of items for tax and financial reporting purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and any operating loss or tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those periods in which temporary differences become deductible. Should management determine that it is more likely than not that some portion of the deferred tax assets will not be realized, a valuation allowance against the deferred tax assets would be established in the period such determination was made.

IEH CORPORATION
Notes to Financial Statements

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Uncertain Tax Positions:

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for unrecognized tax benefits is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. The Company's policy is to record expense in the statement of operations.

Net (Loss) Income Per Share:

The Company accounts for earnings per share pursuant to ASC Topic 260, "Earnings per Share", which requires disclosure on the financial statements of "basic" and "diluted" earnings per share. Basic net (loss) income per common share is computed by dividing net (loss) income by the weighted average number of common shares outstanding for the reporting period. Diluted net (loss) income per common share is computed by dividing net (loss) income by the weighted average number of common shares outstanding plus common stock equivalents (if dilutive).

Basic and diluted net (loss) income per common share is calculated as follows:

	For the Fiscal Years Ended March 31,	
	2026	2025
Net (loss) income	\$ (1,296,784)	\$ 999,038
Net (loss) income per common share:		
Basic	\$ (0.53)	\$ 0.42
Diluted	\$ (0.53)	\$ 0.41
Weighted average number of common shares outstanding – basic	2,424,216	2,381,824
Dilutive effect of options to the extent that such options are determined to be in the money for the period	-	61,431
Weighted average number of common shares outstanding – fully diluted	2,424,216	2,443,255

Potentially dilutive securities outlined in the table below have been excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

	For the Fiscal Years Ended March 31,	
	2026	2025
Potentially dilutive options to purchase common shares	455,000	313,204

IEH CORPORATION
Notes to Financial Statements

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fair Value of Financial Instruments:

The carrying value of the Company's financial instruments, consisting of accounts receivable and accounts payable, approximate their fair value due to the relatively short maturity of these instruments. The Company is exposed to credit risk through its cash and cash equivalents but mitigates this risk by keeping these deposits at major financial institutions.

ASC Topic 820, "Fair Value Measurements and Disclosures", provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Fair value is defined as an exit price, representing the amount that would be received upon the sale of an asset or payment to transfer a liability in an orderly transaction between market participants.

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Significant unobservable inputs that cannot be corroborated by market data and inputs that are derived principally from or corroborated by observable market data or correlation by other means.

Use of Estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities at the date of the financial statements. The Company utilizes estimates with respect to determining the useful lives of fixed assets, the fair value of stock-based instruments, the calculation of inventory obsolescence, as well as determining the amount of the valuation allowance for deferred income tax assets, net. Actual amounts could differ from those estimates.

IEH CORPORATION
Notes to Financial Statements

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Segment Information:

The Company identifies its operating segments in accordance with Financial Accounting Standards Board (“FASB”) ASC Topic 280, “Segment Reporting”. Operating segments are defined as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company’s chief operating decision maker (“CODM”), its Chief Executive Officer, manages the Company’s operations on a combined basis for the purposes of allocating resources. Accordingly, the Company has determined it operates and manages its business in a single reportable operating segment.

The Company’s CODM reviews the segment net (loss) income that also is reported on the income statement as net (loss) income on a monthly basis, and reviews revenues by industry on a quarterly basis. The measure of segment assets is reported on the balance sheet as total assets.

Impairment of Long-Lived Assets:

The Company has adopted the provisions of ASC Topic 360, “Property, Plant and Equipment-Impairment or Disposal of Long Lived Assets,” and requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. There were no long-lived asset impairments recognized by the Company for the fiscal years ended March 31, 2026 and 2025, respectively.

Stock-Based Compensation:

Compensation expense for stock options granted to directors, officers and key employees is based on the fair value of the award on the measurement date, which is the date of the grant. The expense is recognized ratably over the service period of the award. The fair value of stock options is estimated using the Black-Scholes valuation model. The fair value of any other stock awards is generally the market price of the Company’s common stock on the date of the grant. It is the Company’s policy that any unrecognized stock-based compensation cost would be adjusted for actual forfeitures as they occur.

Fair value of the stock options granted during the fiscal years ended March 31, 2026 and 2025 were determined using the assumptions provided below.

	For the Fiscal Years Ended March 31,	
	2026	2025
Weighted average stock price	\$ 8.28	\$ 7.47
Expected life (in years)	5.0	5.0
Expected volatility	57.9%	52.3%
Dividend yield	-%	-%
Weighted average risk-free interest rate, per annum	4.0%	4.6%

IEH CORPORATION
Notes to Financial Statements

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Recent Accounting Standard Adopted:

In December 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-09 – Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 enhances the transparency of income tax disclosures, primarily by requiring public business entities to disclose specific categories in the rate reconciliation tabular presentation, as well as by providing additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 also requires disaggregated disclosures of federal and state income taxes paid. The Company adopted ASU 2023-09 in the fourth quarter of the year ended March 31, 2026 on a prospective basis. The adoption of this ASU had no material impact on the Company’s financial position, results of operations, or cash flows. Additional required disclosure has been included within Note 9 – Income Taxes.

Recent Accounting Standard Not Yet Adopted:

In November 2024, the FASB issued ASU 2024-03, – Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”). This ASU requires disclosures about specific types of expenses included in the expense captions presented on the face of the statement of operations as well as disclosures about selling expenses. The standard is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. Early adoption is permitted. The Company will evaluate the full extent of the adoption of ASU 2024-03, but believes it will not have a material impact on its financial statements and disclosures.

Subsequent Events:

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were available to be issued. The Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

Note 3 INVENTORIES:

Inventories are comprised of the following:

	As of March 31,	
	2026	2025
Raw materials	\$ 6,456,795	\$ 6,436,909
Work in progress	996,554	989,172
Finished goods	364,634	549,764
Allowance for obsolete inventory	(1,008,261)	(710,498)
	\$ 6,809,722	\$ 7,265,347

Note 4 PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment are as follows:

	As of March 31,	
	2026	2025
Computers	\$ 834,616	\$ 697,206
Leasehold improvements	2,974,141	2,940,271
Machinery and equipment	9,016,604	8,534,831
Tools and dies	5,813,887	5,529,923
Furniture and fixtures	388,994	372,917
Website development cost	9,785	9,785
	\$ 19,038,027	\$ 18,084,933
Less: accumulated depreciation and amortization	(15,729,020)	(14,956,756)
Property, plant and equipment, net	\$ 3,309,007	\$ 3,128,177

Depreciation and amortization expense for the fiscal years ended March 31, 2026 and 2025 was \$772,264 and \$744,802, respectively.

IEH CORPORATION
Notes to Financial Statements

Note 5 OTHER CURRENT LIABILITIES:

Other current liabilities are comprised of the following:

	As of March 31,	
	2026	2025
Payroll and vacation accruals	\$ 615,263	\$ 687,961
Sales commissions	192,278	29,604
Other current liabilities	190,406	83,680
	\$ 997,947	\$ 801,245

Note 6 LEASES:

Under ASC Topic 842, "Leases", lease expense is recognized as a single lease cost on a straight-line basis over the lease term. The lease term consists of non-cancelable periods and may include options to extend or terminate the lease term, when it is reasonably certain such options will be exercised.

The Company enters into contracts in the normal course of business and assesses whether any such contracts contain a lease. The Company determines if an arrangement is a lease at inception if it conveys the right to control the identified asset for a period of time in exchange for consideration. The Company classifies leases as operating or financing in nature and records the associated lease liability and right-of-use asset on its balance sheet. The lease liability represents the present value of future lease payments, net of lease incentives, discounted using an incremental borrowing rate, which is a management estimate based on the information available at the commencement date of a lease arrangement. With respect to operating lease arrangements, the Company accounts for lease components, and non-lease components that are fixed, as a single lease component. Non-lease components that are variable are expensed as incurred as in the statement of operations. The Company recognizes costs associated with lease arrangements having an initial term of 12 months or less ("short-term leases") on a straight-line basis over the lease term; such short-term leases are not recorded on the balance sheet.

Balance sheet information related to our leases is presented below:

	Balance Sheet Location	As of March 31,	
		2026	2025
<i>Operating leases:</i>			
Right-of-use assets	Operating lease right-of-use assets	\$ 1,588,589	\$ 1,967,752
Right-of-use liability, current	Operating lease liabilities	\$ 449,056	\$ 395,325
Right-of-use lease liability, long-term	Operating lease liabilities, non-current	\$ 1,392,937	\$ 1,841,993

The lease expense for the fiscal years ended March 31, 2026 and 2025 was \$564,077 and \$571,383, respectively. In addition to the base rent, the Company pays insurance premiums and utility charges relating to the use of the premises. The Company considers its present facilities to be adequate for its present and anticipated future needs.

The basic minimum annual rental remaining on the leases is \$2,081,688 as of March 31, 2026.

IEH CORPORATION
Notes to Financial Statements

Note 6 LEASES (Continued):

The weighted-average remaining lease term and the weighted average discount rate for operating leases were:

	As of March 31,	
	2026	2025
Other information		
Weighted-average discount rate – operating leases	6.00%	6.00%
Weighted-average remaining lease term – operating lease (in years)	4.0	4.9

The total remaining operating lease payments included in the measurement of lease liabilities on the Company’s balance sheet as of March 31, 2026 was as follows:

	Operating Lease Payments
For the fiscal year ended March 31:	
2027	\$ 547,460
2028	563,891
2029	408,429
2030	334,492
2031	227,416
Thereafter	-
Total gross operating lease payments	2,081,688
Less: imputed interest	(239,695)
Total lease liabilities, reflecting present value of future minimum lease payments	\$ 1,841,993

Note 7 REVOLVING LINE OF CREDIT:

On August 26, 2025, the Company entered into a revolving line of credit agreement (“Revolving Line of Credit”) with JPMorgan Chase Bank, N.A. (“Chase Bank”) for up to \$1.0 million, bearing interest at the Secured Overnight Financing Rate (“SOFR”) plus a margin of 2.15%. The Revolving Line of Credit contains certain financial covenants, including a fixed charge coverage ratio (the “FCCR”) of at least 1.20, tested annually, and matures on July 31, 2026. As of March 31, 2026, the Company’s FCCR was below the covenant requirement. Effective for the fiscal year ended March 31, 2026, Chase Bank waived the covenant exception. As of March 31, 2026, there was no outstanding borrowing under the Revolving Line of Credit. The Revolving Line of Credit is collateralized by a first-priority security interest in all property of the Company.

Note 8 EQUIPMENT FINANCING LINE OF CREDIT:

On September 8, 2025, the Company entered into a \$450,000 equipment financing arrangement with Chase Bank, bearing interest at a fixed rate of 5.51%, to be repaid over a 60-month period (“Equipment Financing Line of Credit”). The Equipment Financing Line of Credit is expected to be utilized to purchase machine tools for production. Funding is on an equipment project basis, and once a project is fully funded, the obligation for that project is to be repaid by the execution of term note payable to Chase Bank. The Equipment Financing Line of Credit contains certain financial covenants, consistent with the requirements under the Revolving Line of Credit. As of March 31, 2026, the Company’s FCCR was below the covenant requirement for the Equipment Financing Line of Credit. Effective for the fiscal year ended March 31, 2026, Chase Bank waived the covenant exception. As of March 31, 2026, the Company had an outstanding draw of \$415,924, of which \$256,257 is reflected within equipment financing line of credit on the balance sheet and \$159,667 is reflected within equipment financing line of credit, net of current on the balance sheet. The borrowings under the Equipment Financing Line of Credit are collateralized by a first lien on the related equipment financed under the arrangement.

IEH CORPORATION
Notes to Financial Statements

Note 9 INCOME TAXES:

The Company accounts for income taxes under the provisions of ASC Topic 740 (“ASC 740”), “Income Taxes”. Under ASC 740, deferred income tax assets or liabilities are computed based upon the temporary differences between the financial statement and income tax bases of assets and liabilities using the currently enacted marginal income tax rates. Deferred income tax expense or credits are based on the changes in the deferred income tax assets or liabilities from period to period.

The provision (benefit) for income taxes consists of the following:

	For the Fiscal Years Ended March 31,	
	2026	2025
Current:		
Federal	\$ (42,010)	\$ 64,300
State and local	(736)	(63,185)
Total current tax provision (benefit)	(42,746)	1,115
Deferred:		
Federal	-	-
State and local	-	-
Total deferred tax expense	-	-
Total provision (benefit)	\$ (42,746)	\$ 1,115

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets are as follows:

	As of March 31,	
	2026	2025
Deferred tax assets:		
Net operating loss	\$ 1,713,110	\$ 1,416,684
Stock options	832,484	903,449
Operating right-of-use liability	444,981	519,058
Inventory	255,855	187,534
Capitalized research and development costs	167,957	241,761
Research and development tax credits	27,632	-
Deferred expenses	18,995	-
Total deferred tax assets	3,461,014	3,268,486
Valuation allowance	(2,666,961)	(2,319,591)
Deferred tax assets, net of valuation allowance	794,053	948,895
Deferred tax liabilities:		
Depreciation	419,146	492,376
Operating right-of-use asset	374,907	456,519
Total deferred tax liabilities	794,053	948,895
Deferred tax asset (liability), net	\$ -	\$ -

The change in the Company’s valuation allowance is as follows:

	For the Fiscal Year Ended March 31,	
	2026	2025
Beginning of year	\$ 2,319,591	\$ 2,537,690
Increase (decrease) in valuation allowance	347,370	(218,099)
End of year	\$ 2,666,961	\$ 2,319,591

IEH CORPORATION
Notes to Financial Statements

Note 9 INCOME TAXES (Continued):

A reconciliation of the provision for income taxes with the amounts computed by applying the statutory Federal income tax rate to income before provision for income taxes is as follows:

	For the Fiscal Year Ended March 31, 2026	
U.S. federal statutory rate	\$ (281,301)	21.0%
State taxes, net of federal benefit ^(a)	(736)	-%
Valuation allowance	302,384	(22.6)%
Research and development tax credit	(27,632)	2.1%
Nontaxable or nondeductible items		
Stock-based compensation	(34,230)	2.6%
Home office and employee reimbursements	26,981	(2.0)%
Other		
True-up of tax provision	(28,212)	2.1%
Effective tax rate	\$ (42,746)	3.2%

(a) State and local taxes in California and Massachusetts comprise the majority of the state taxes, net of the federal benefit.

The reconciliation of the U.S federal income tax provision for the year ended March 31, 2026 above reflects the adoption of ASU 2023-09 in the fourth quarter of the fiscal year ended March 31, 2026, on a prospective basis. See Note 2, Summary of Significant Accounting Policies – Recent Accounting Standards Adopted, for additional information on the adoption of ASU 2023-09.

The reconciliation of the U.S. federal income tax provision at the statutory federal income tax rate of 21.0% for the year ended March 31, 2025 to our provision for income taxes, as previously disclosed, prior to the adoption of ASU 2023-09, was as follows:

	For the Fiscal Year Ended March 31, 2025	
U.S. federal statutory rate		21.0%
State taxes, net of federal benefit		2.2%
Stock-based compensation		(0.1)%
Other		3.0%
True-up of tax provision		(4.2)%
Valuation allowance		(21.8)%
Effective tax rate		0.1%

For the year ended March 31, 2026, the Company's effective tax rate was 3.2%, which consisted principally of a federal rate of 21%, the Company's estimate of state taxes, net of federal benefit, of -%, research and development tax credit of 2.1%, a true-up of the tax provision of 2.1%, offset by an increase in the valuation allowance for the Company's deferred tax assets of 22.6% at March 31, 2026.

For the year ended March 31, 2025, the Company's effective tax rate was 0.1%, which consisted principally of a federal rate of 21%, the Company's estimate of state taxes, net of federal benefit, of 2.2%, offset by a credit of (4.2%) for true-ups and a decrease (21.8%) in the valuation allowance for the Company's deferred tax assets at March 31, 2025.

IEH CORPORATION
Notes to Financial Statements

Note 9 INCOME TAXES (Continued):

Income taxes paid, net of (refunds), are as follows:

	For the Fiscal Year Ended March 31, 2026
Federal	\$ (396,010)
State and local	7,834
Total	\$ (388,176)

During the fiscal year ended March 31, 2026, income taxes paid, net of refunds was a net refund of \$388,176. The refund of federal income taxes was principally attributable to the receipt of a refund in the amount of \$418,000 related to the fiscal year ended March 31, 2024. State and local payments were principally attributable to payments to the state of Massachusetts.

As of March 31, 2026, for U.S. federal and state income tax reporting purposes, the Company has approximately \$9,718,000 of unused net operating losses (“NOLs”) available for carry forward to future years. As a result of the Tax Cuts and Jobs Act of 2017 (“TCJA”), for U.S. income tax purposes, NOLs generated in tax years beginning after December 31, 2017 may be carried forward indefinitely to offset future taxable income. The total amount of the Federal NOL as of March 31, 2026, may be carried forward indefinitely. The state and city NOLs may generally be carried forward for twenty years and may be applied against future taxable income. Further, the benefit from utilization of NOL carry forwards could be subject to limitations due to material ownership changes that could occur if the Company issues additional shares of common stock.

In July 2025, U.S tax legislation known as the “One Big Beautiful Act”, or OBBBA, was signed into law which makes permanent many of the tax provisions enacted in 2017 as part of the TCJA that were set to expire at the end of 2025. In addition, the OBBBA makes changes to certain U.S. corporate tax provisions, including depreciation and timing for the deductibility of research and development expenses. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The OBBBA did not have a material effect on the Company’s financial statements for the year ended March 31, 2026.

The Company remains subject to examination by tax authorities for fiscal tax years ended March 31, 2022 and later.

Based upon the Company’s recent taxable loss history, the Company performed an analysis and determined that a deferred tax asset valuation allowance of \$2,666,961 and \$2,319,591 was required for the fiscal years ended March 31, 2026 and 2025, respectively.

The Company has previously recorded liabilities for underpayment of income taxes and related interest and penalties for uncertain tax positions based on the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. At March 31, 2026 the amount included in corporate income taxes receivable is a liability of 177,618, inclusive of penalties and interest totaling \$72,644. This amount is unchanged from March 31, 2025.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits, excluding interest and penalties, for the fiscal years ended March 31, 2026 and 2025:

	For the Fiscal Year Ended March 31,	
	2026	2025
Unrecognized tax benefits, beginning of year	\$ 104,974	\$ 104,974
Decreases of tax positions taken in prior years	-	-
Increases based on tax positions taken in current year	-	-
Unrecognized tax benefits, end of year	\$ 104,974	\$ 104,974

IEH CORPORATION
Notes to Financial Statements

Note 10 EQUITY INCENTIVE PLANS:

2011 Equity Incentive Plan

On August 31, 2011, the Company's shareholder approved the adoption of the Company's 2011 Equity Incentive Plan ("2011 Plan") to provide for the grant of stock options and restricted stock awards to purchase up to 750,000 shares of the Company's common stock to all employees, consultants and other eligible participants including senior management and members of the Board of Directors of the Company. The 2011 Equity Incentive Plan expired on August 31, 2021 after which no further awards will be granted under such plan.

2020 Equity Incentive Plan

On November 18, 2020, the Board of Directors approved the Company's 2020 Equity Based Compensation Plan (the "2020 Plan") for submission to shareholders at the 2020 annual meeting of shareholders. On December 16, 2020, the Company's shareholders approved the adoption of the 2020 Plan, which provides for the grant of stock options and restricted stock awards to purchase up to 750,000 shares of the Company's common stock to award in the future as incentive compensation to employees, senior management and members of the Board of Directors of the Company.

Options granted to employees under both the 2011 Plan and the 2020 Plan (together the "Plans") may be designated as options which qualify for incentive stock option treatment under Section 422A of the Internal Revenue Code, or options which do not qualify (non-qualified stock options).

Under the Plans, the exercise price of an option designated as an incentive stock option shall not be less than the fair market value of the Company's common stock on the day the option is granted. In the event an option designated as an incentive stock option is granted to a ten percent (10%) or greater shareholder, such exercise price shall be at least 110 percent (110%) of the fair market value of the Company's common stock and the option must not be exercisable after the expiration of ten years from the day of the grant. The Plans also provide that holders of options that wish to pay for the exercise price of their options with shares of the Company's common stock must have beneficially owned such stock for at least six months prior to the exercise date.

Exercise prices of non-incentive stock options may not be less than the fair market value of the Company's common stock.

The aggregate fair market value of shares subject to options granted to a participant(s), which are designated as incentive stock options, and which become exercisable in any calendar year, shall not exceed \$100,000.

Stock-based compensation expense

Stock-based compensation expense is recorded in selling, general and administrative expenses included in the statement of operations. For the fiscal years ended March 31, 2026 and 2025, stock-based compensation expense was \$265,200 and \$266,600, respectively.

As of March 31, 2026, there was no unrecognized compensation expense related to unamortized stock options.

Stock option activity

The following table provides the stock option activity:

	<u>Shares</u>	<u>Weighted Avg. Exercise Price</u>	<u>Remaining Contractual Term (Years)</u>	<u>Aggregate Intrinsic Value (in thousands)</u>
Balance as of March 31, 2025	564,217	\$ 12.78	4.85	\$ 335
Granted	60,000	8.28		
Exercised	(122,217)	6.21		
Forfeited or Expired	(47,000)	6.00		
Balance as of March 31, 2026	<u>455,000</u>	\$ 14.65	5.25	\$ 2,203
Exercisable as of March 31, 2026	<u>455,000</u>	\$ 14.65	5.25	\$ 2,203

The weighted average grant date fair value per share was \$4.42 and \$3.81 for the fiscal years ended March 31, 2026 and 2025, respectively.

The aggregate intrinsic value in the table above represents the total pretax intrinsic value (i.e., the difference between the Company's closing stock price on the last trading day of the period and the exercise price, times the number of shares) that would have been received by the option holders had all option holders exercised their in-the-money options on those dates.

IEH CORPORATION
Notes to Financial Statements

Note 11 CASH BONUS PLAN:

In 1987, the Company adopted a cash bonus plan (the “Cash Bonus Plan”) for non-union, management and administration staff. Unless otherwise approved by the Company’s Compensation Committee of the Board of Directors, contributions to the Cash Bonus Plan will only be funded by the Company for payment of bonuses with respect to any fiscal year, when the Company is profitable for such fiscal year. Bonus expense recorded for each of the years ended March 31, 2026 and 2025 was \$398,975 and \$386,570, respectively. As of March 31, 2026 and 2025, the Company’s accrued bonus was \$338,266 and \$330,000, respectively. The Company paid the bonus amounts accrued as of March 31, 2026 and 2025 during June 2026 and June 2025, respectively.

Note 12 COMMITMENTS AND CONTINGENCIES:

The Company maintains its operations in facilities located in both New York and Pennsylvania.

On December 1, 2020, the Company entered into a 120-month extension of its lease agreement for an industrial building in Brooklyn, New York, expiring December 1, 2030. Monthly rent at inception was \$20,400, which escalates annually to a monthly rent of \$28,426 for the final year of the lease term. The Company maintains a security deposit of \$40,800, which is included in Security deposit on the accompanying balance sheet.

On January 29, 2021, the Company entered into an 87-month lease agreement for an industrial building in Allentown, Pennsylvania, expiring March 30, 2028. Monthly rent at inception was \$18,046, which escalates annually to a monthly rent of \$20,920 for the final year of the lease term. The Company maintains a security deposit of \$35,040, which is included in Security deposit on the accompanying balance sheet.

The Company has a collective bargaining multi-employer pension plan (“Multi-Employer Plan”) with the United Auto Workers of America, Local 259 (ID No. 136115077). The Multi-Employer Plan is covered by a collective bargaining agreement with the Company, which expires on March 31, 2027.

Contributions are made in accordance with a negotiated labor contract and are based on the number of covered employees employed per month. With the passage of the Multi-Employer Pension Plan Amendments Act of 1990 (the “1990 Act”), the Company may become subject to liabilities in excess of contributions made under the collective bargaining agreement. Generally, these liabilities are contingent upon the termination, withdrawal, or partial withdrawal from the Multi-Employer Plan. The risks of participating in a multiemployer plan are different from single-employer plans, for example, assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, if a participating employer stops contributing to the multiemployer plan, the unfunded obligations of the plan may become the obligation of the remaining participating employers, and if a participating employer chooses to stop participating in these multiemployer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan.

Based upon the Multi-Employer Plan’s consulting actuary, as of January 1, 2025, the UAW Local 259 Pension Plan was greater than 100% funded for purposes of the Annual Certification of Plan Status under IRC Section 432. The total contributions charged to operations under the provisions of the Multi-Employer Plan were \$28,583 and \$34,179 for the fiscal years ended March 31, 2026 and 2025, respectively. The Company has not taken any action to terminate, withdraw or partially withdraw from the Multi-Employer Plan nor does it intend to do so in the future.

The Company maintains a defined contribution benefit plan under section 401(k) of the Internal Revenue Code covering substantially all qualified employees of the Company, or the 401(k) Plan. Eligible employees are able to make contributions under the under the 401(k) Plan. The Company does not provide matching contributions.

IEH CORPORATION
Notes to Financial Statements

Note 13 CONCENTRATIONS:

During the fiscal year ended March 31, 2026, two customers accounted for 34.0% of the Company's net sales, each represented 23.5% and 10.5%, respectively.

During the fiscal year ended March 31, 2025, two customers accounted for 31.9% of the Company's net sales, each represented 17.8% and 14.1%, respectively.

As of March 31, 2026, one customer accounted for 19.7% of the Company's accounts receivable.

As of March 31, 2025, one customer accounted for 12.0% of the Company's accounts receivable.

During the fiscal year ended March 31, 2026, two vendors accounted for 28.5% of the Company's purchases, each represented 17.8% and 10.7%, respectively.

During the fiscal year ended March 31, 2025 three vendors accounted for 34.0% of the Company's purchases, each represented 11.7%, 11.2%, and 11.1%, respectively.

As of March 31, 2026, three vendors accounted for 43.0% of the Company's accounts payable, each represented 17.6%, 14.8%, and 10.6%, respectively.

As of March 31, 2025, one vendor accounted for 12.0% of the Company's accounts payable.

IEH CORPORATION

SUBSIDIARIES

None

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-224675) of our report dated June 12, 2026, with respect to the financial statements of IEH Corporation included in this Annual Report on Form 10-K for the year ended March 31, 2026.

/s/ CBIZ CPAs P.C.

New York, NY
June 12, 2026

CERTIFICATIONS

I, David Offerman, certify that:

1. I have reviewed this report on Form 10-K for the fiscal year ended March 31, 2026 of IEH Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 12, 2026

/s/ David Offerman

David Offerman
Chairman of the Board, President and
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Subrata Purkayastha, certify that:

1. I have reviewed this report on Form 10-K for the fiscal year ended March 31, 2026 of IEH Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 12, 2026

/s/ Subrata Purkayastha

Subrata Purkayastha
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of IEH Corporation (the "Company") on Form 10-K for the fiscal year ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, being, David Offerman, President and Chief Executive Officer (Principal Executive Officer), and Subrata Purkayastha, Chief Financial Officer (Principal Financial Officer), of the Company, respectfully certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) This Report on Form 10-K fully complies with the requirements of the Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 12, 2026

/s/ David Offerman

David Offerman
Chairman of the Board, President and
Chief Executive Officer
(Principal Executive Officer)

/s/ Subrata Purkayastha

Subrata Purkayastha
Chief Financial Officer
(Principal Financial Officer)

This Certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Company for purposes of Section 18 of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing. A signed original of the written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.