



# Financial Briefing for the Fiscal Year Ended March 31, 2025

**TOKYO ELECTRON DEVICE**

April 30, 2025

## Financial Report

Corporate Officer / Senior Vice President  
Jun Ninomiya

## Medium-Term Management Plan VISION2030 Forecast of Financial Results for the FY 2026

President & Representative Director, CEO  
Atsushi Tokushige



# Financial Report

Corporate Officer / Senior Vice President  
Jun Ninomiya

## Year-on-Year Comparison: Decrease in sales and income

Net sales:	10.9% decrease
Ordinary income:	18.0% decrease
Net income attributable to owners of parent:	11.1% decrease

## Full-year forecast: Rate of achievement

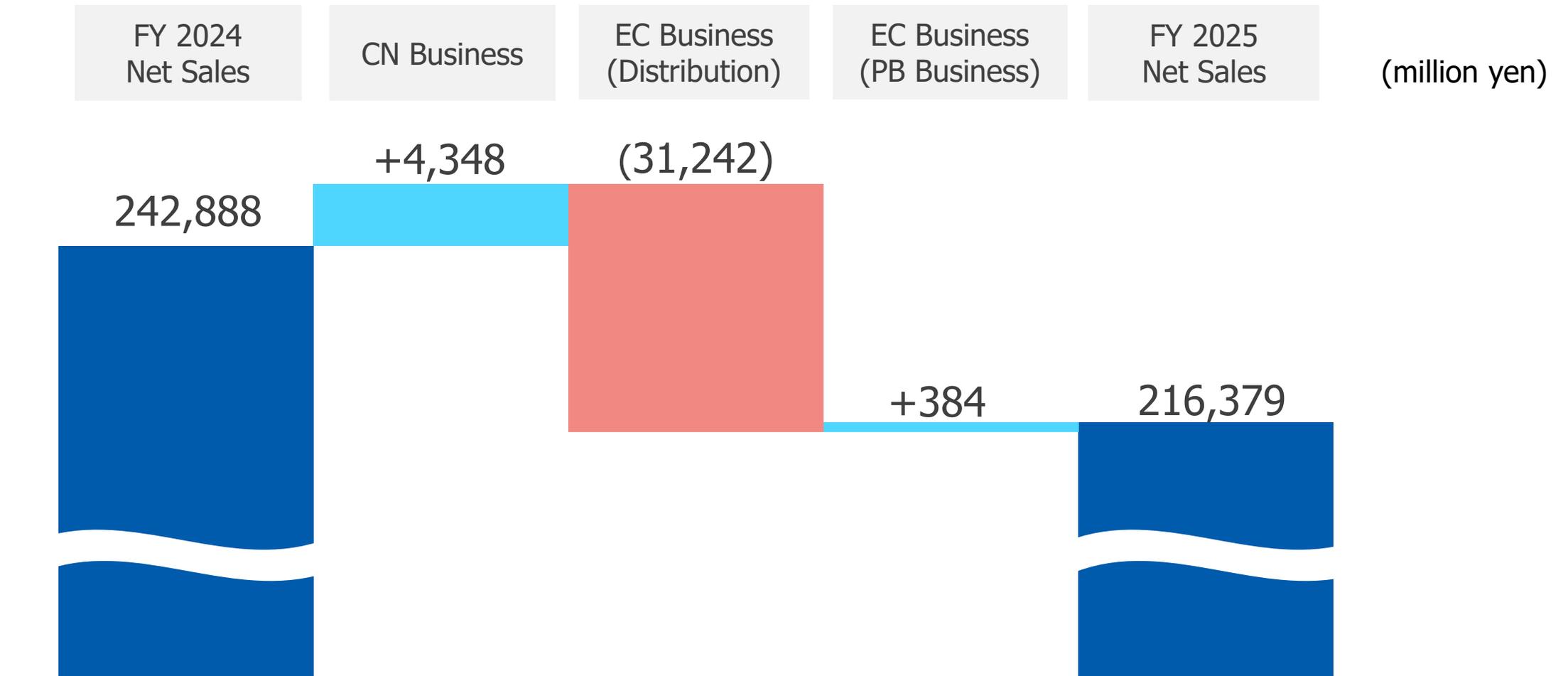
Net sales:	94.1%
Ordinary income:	89.9%
Net income attributable to owners of parent:	102.0%

# Summary of Financial Results: Comparison with Prior Year

	FY 2024	FY 2025	Change	FY 2025 Forecast
Net sales	242,888	216,379	(26,509)	230,000
Cost of sales	205,720	182,646	(23,073)	
Gross profit	37,168	33,732	(3,435)	
Selling, general & administrative expenses	21,739	21,274	(464)	
Operating income	15,428	12,457	(2,971)	
Non-operating income	414	471	57	
Non-operating expenses	1,920	1,513	(407)	
Ordinary income	13,922	11,415	(2,506)	12,700
Net income	9,986	8,874	(1,112)	8,700
Number of employees	1,357	1,383	26	

\*Net income is net income attributable to owners of the parent.

# Summary of Financial Results: Change in Net Sales



In the segment categories, the PB Business is included in the EC Business.  
 PB is an abbreviation of "Private Brand;" the title was changed from In-House Brand Business, which was used in the past.  
 The PB Business includes Tokyo Electron Device Nagasaki Limited and FAST CORPORATION.

# Sales and Income by Segment

- CN Business: Increased sales and income. Sales of network, storage devices, and security products were strong. Demand for maintenance and monitoring services is also growing.
- EC Business: Decreased sales and income. Commercial rights expand, but impact of supply chain inventory adjustments continues for the long term.

(million yen)

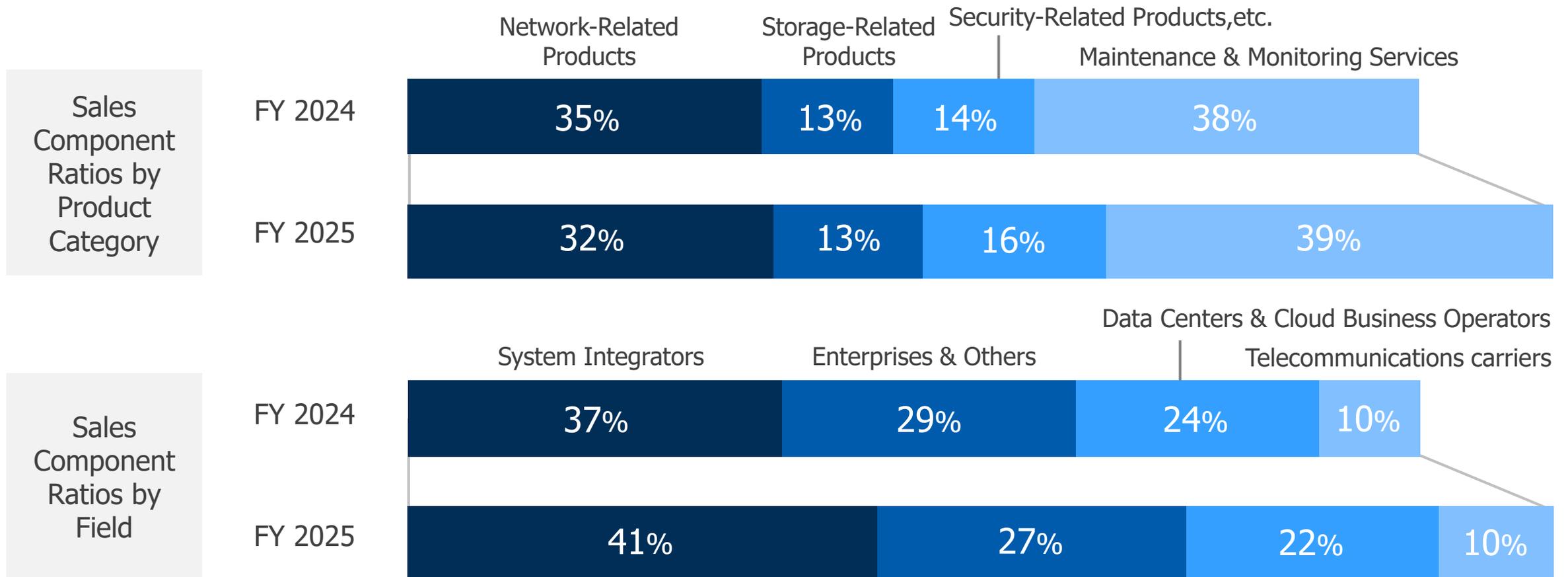
	FY 2024		FY 2025			
	Net Sales	Segment Income	Net Sales	Change	Segment Income	Change
Computer Networks (CN) business	32,978	3,463	37,327	4,348	5,266	1,802
Electronic Components (EC) business	209,909	10,459	179,051	(30,858)	6,149	(4,309)
Total	242,888	13,922	216,379	(26,509)	11,415	(2,506)

\*Segment income is ordinary income

\*In the segment categories, the PB Business is included in the EC Business

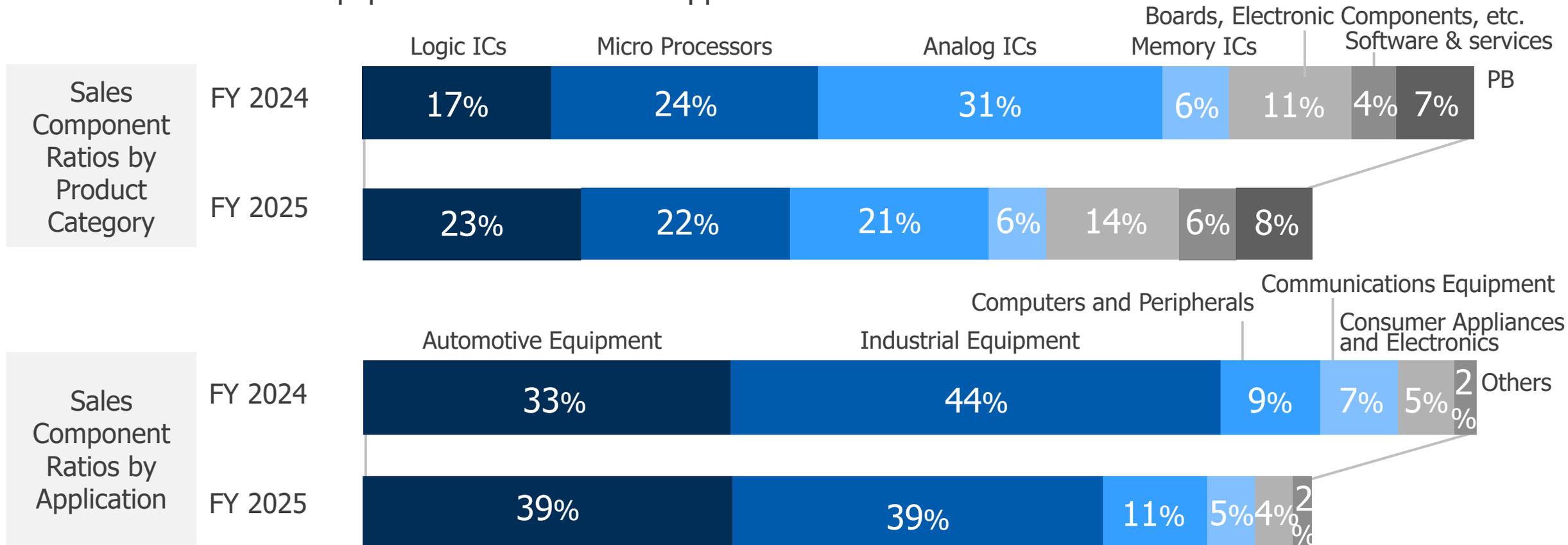
# Segment Information: CN Business

- Storage-Related Products: Sales to system integrators were strong.
- Security-Related Products, etc.: Sales to enterprises and system integrators were strong.
- Maintenance & Monitoring Services: Sales to telecommunications carriers and Data Centers & Cloud Business Operators were strong.



# Segment Information: EC Business

- Automotive equipment: Direct sales of some products led to a decrease in analog ICs, but sales of logic ICs and assembled electronic products increased due to the expansion of commercial rights.
- Industrial equipment: Decrease in analog ICs and processors due to prolonged stagnation in the Chinese market and direct sales of some products.
- Communications Equipment and Consumer Appliances and Electronics: Sales were weak.



# Consolidated Overseas Subsidiaries: Net Sales—EC Business



- Computers and peripherals: Sales increased.
- Automotive equipment, consumer appliances, industrial equipment: Sales were weak.

	FY 2024	FY 2025	Change	Rate of Change
Consolidated overseas subsidiaries net sales (million yen)	51,442	51,834	392	0.8%
Consolidated overseas subsidiaries net sales ratio	24.5%	28.9%		
Consolidated overseas subsidiaries net sales (\$1M)	355	339	(16)	(4.5%)
Exchange rate (yen)	144.59	152.62		

\*The net sales ratio is the ratio to EC Business net sales.

# PB Business: Net Sales—EC Business

- TED: Sales of wafer inspection systems grew. Sales of Design & manufacturing services for industrial equipment were weak.
- TED Nagasaki: Sales of electrical equipment were strong, but sales of semiconductor manufacturing equipment slowed, resulting in overall sluggish performance.

(million yen)

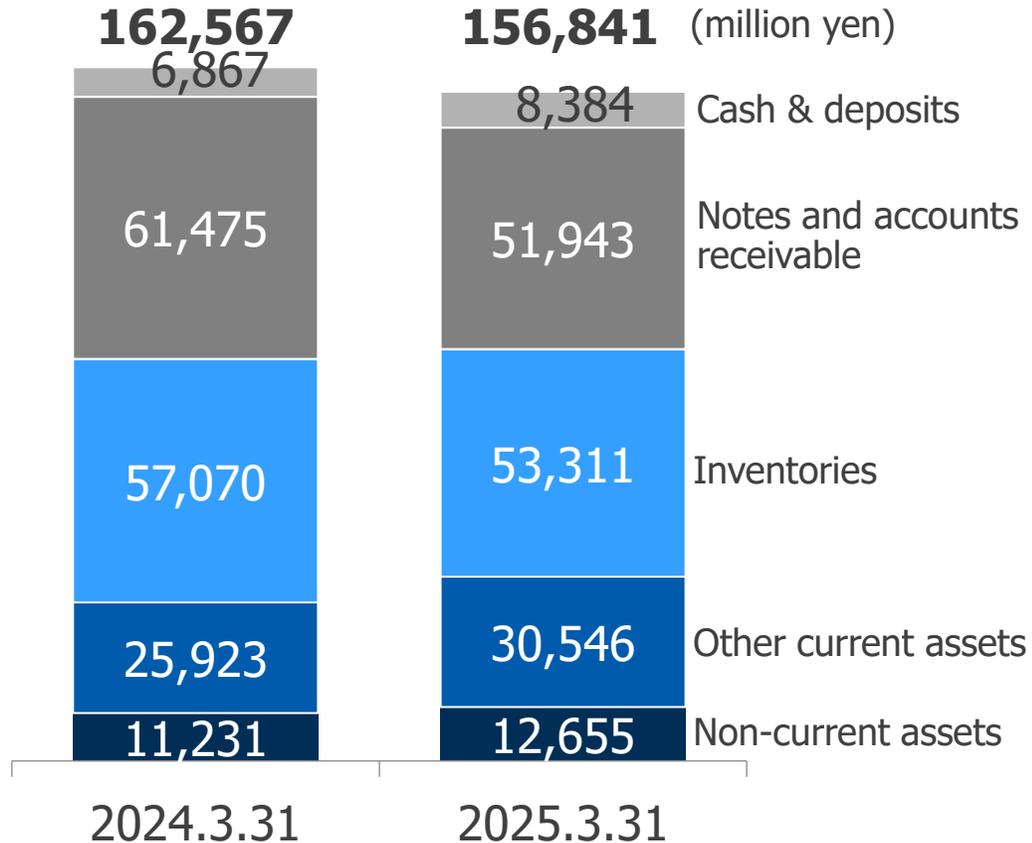
	FY 2024	FY 2025	Change	Rate of Change
PB business net sales	14,251	14,636	384	2.7%
Net sales ratio	6.8%	8.2%		

\*The net sales ratio is the ratio to EC Business net sales.

# Balance Sheet

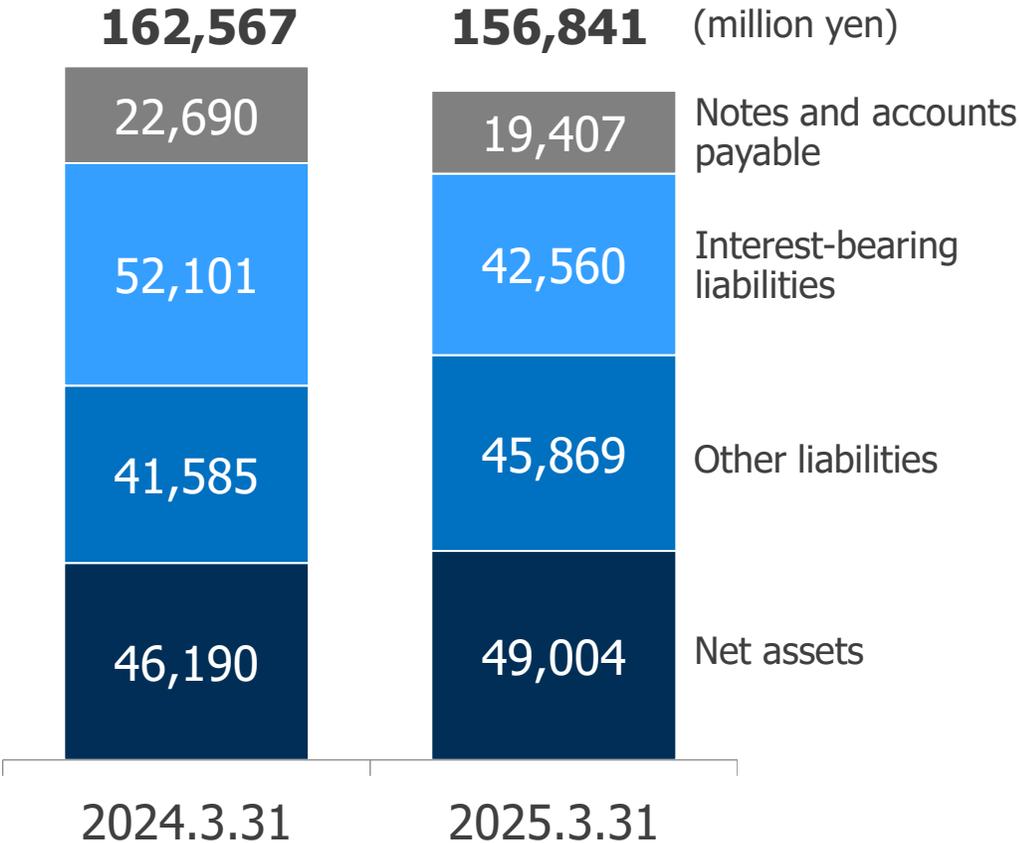
## Assets

- Notes and accounts receivable and Inventories decreased due to decrease in net sales
- Prepaid expenses increased due to growth in maintenance service business.
- Non-current assets increased due to relocation of head office.



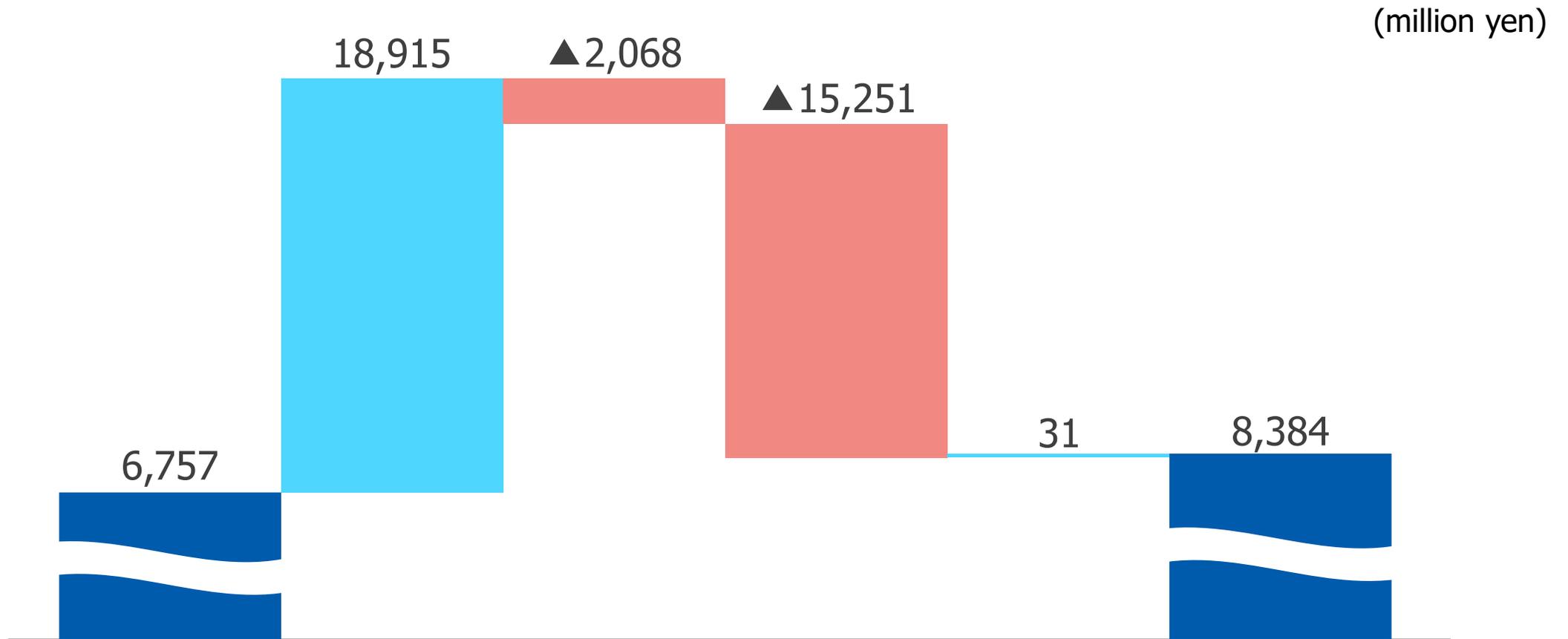
## Liabilities & Net Assets

- Notes and accounts payable decreased due to decrease in purchases.
- Interest-bearing liabilities decreased due to decrease in working capital
- Advances received increased due to growth in maintenance services.



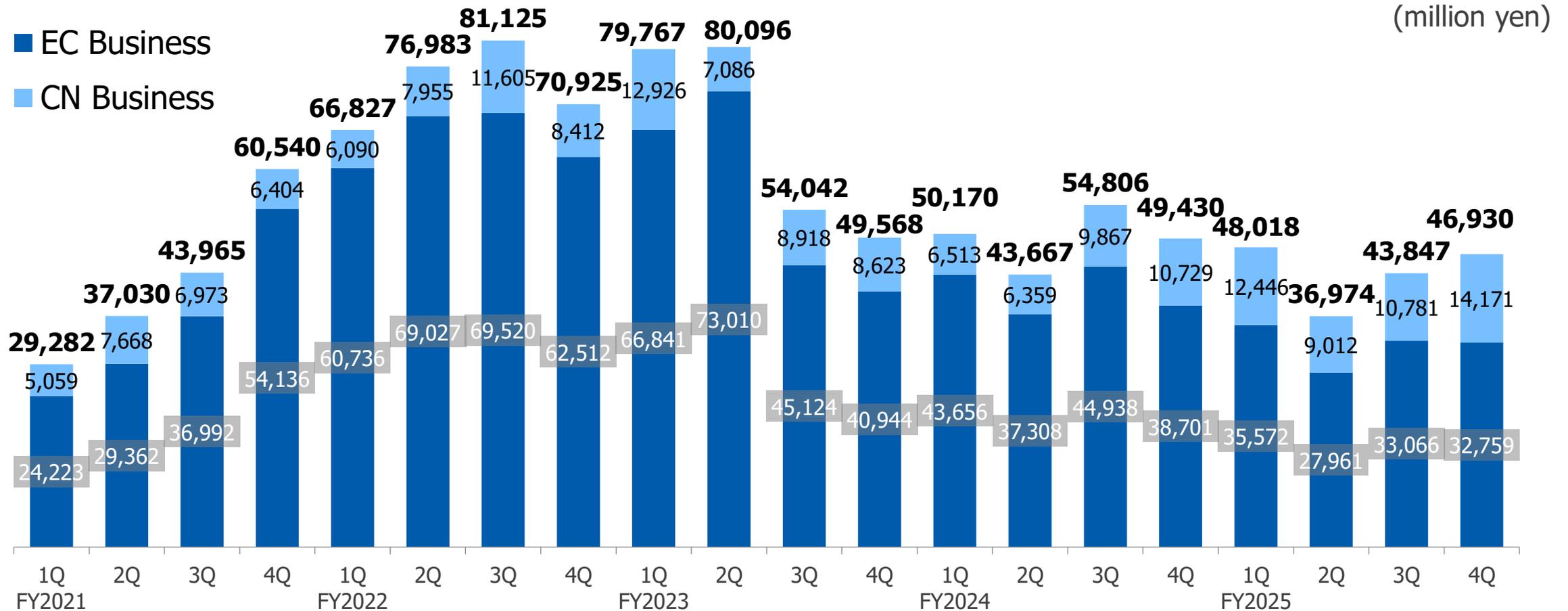
# Statement of Cash Flows

2024.3.31 Balance of Cash	Operating C/F	Investment C/F	Financial C/F	Exchange differences	2025.3.31 Balance of Cash
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# Changes in Orders Received

- CN Business: Security products are performing well.
- EC Business: Rebound from long-term orders and impact of customer inventory adjustments continues. The order level for the Q4 FY2025 was the same as that for the Q3 FY2025.





# Medium-Term Management Plan VISION2030

President & Representative Director, CEO  
Atsushi Tokushige

# VISION2025 Report of results

- Achieved target indicators of net sales, ordinary income ratio, and ROE for three consecutive years through the fiscal year ended March 2025.
- As a result of initiatives for profitable growth, the ordinary income ratio exceeded the 5.0%.

## FY 2025 Financial Targets

Net sales :200,000 ±10% million yen, Ordinary income ratio > 5.0%, ROE > 15.0%

(million yen)

	FY 2021 (reference year)	FY 2022	FY 2023	FY 2024	FY 2025 (final year)
Net sales	143,268	179,907	240,350	242,888	216,379
Ordinary income ratio	3.2 %	4.1 %	5.2 %	5.7 %	5.3 %
ROE (Shareholders' equity)	11.4 %	17.2 %	26.1 %	25.1 %	20.1 %

# VISION2025 Achievements

Certain results achieved through initiatives for profitable growth

## CN Business

- Expansion of recurring business



Security products and services



Engineering services

## EC Business

- Acquisition of new commercial rights
- streamlining operations



IT infrastructure development

## PB Business

- Launched wafer inspection system business



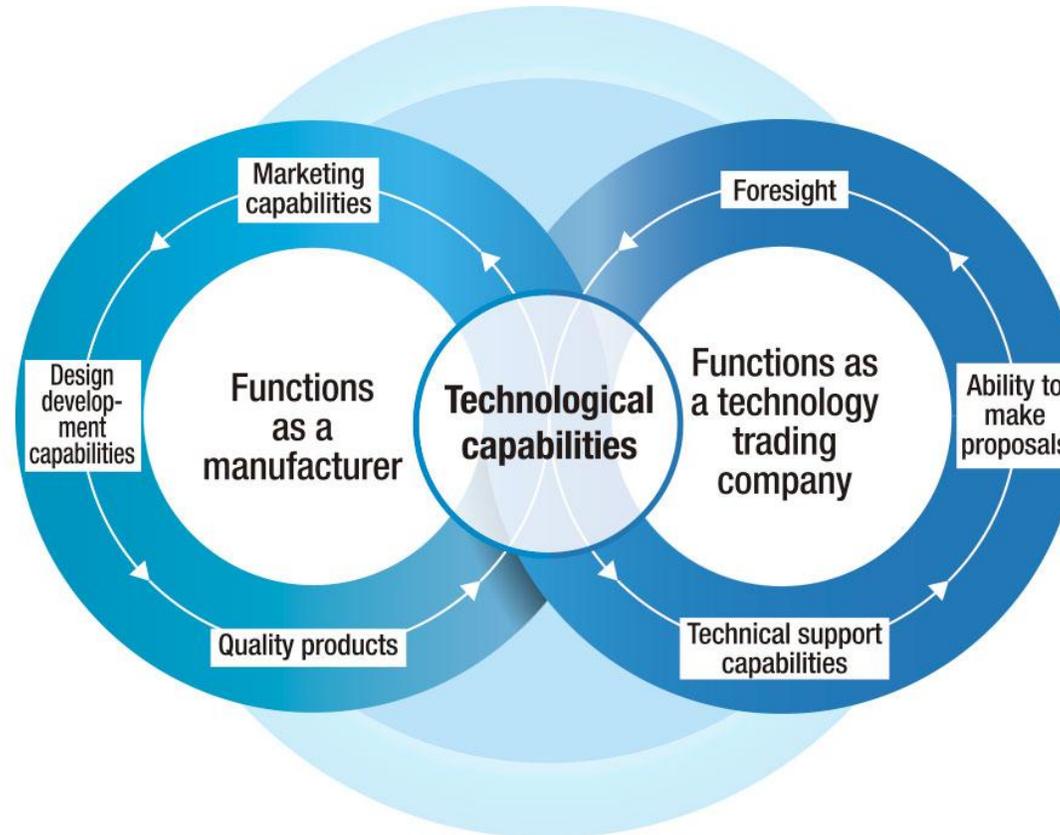
Wafer inspection system

**Continue initiatives to become a manufacturer and accelerate profit growth**

**To address social issues through leading-edge technology, primarily semiconductors and IT, and to contribute to the sustainable development of society by offering solutions to those issues that have value beyond expectations**



**A company that solves latent social issues  
with the capabilities of a manufacturer and  
a technology trading company**



## 1

### **Aim to solve latent social issues (customer issues) with the capability of being a manufacturer and technology trading company**

- All business units will work on in-house products (services) development and create Group synergies to propose solutions to problems with value that exceeds expectations
- The Technology Trading Company Department will acquire new distributor agreements and customer commercial rights to strengthen marketing to address potential issues
- Actively utilize M&A to quickly establish a business foundation that enables problem-solving



## 2

### **Take actions that contribute to sustainable profit growth**

- Actively invest in in-house products (services) development that can differentiate the Company's products
- Transition from a flow-type to a stock-type service business
- Invest to increase medium- to long-term profit (research and development, human resources recruitment, employee training, etc.)



## PB Business

- Business policy

Provide products centered on wafer inspection systems globally with measurement and inspection technology at the core.

Strengthen medical ODM and board OEM services by leveraging semiconductor-related technology and high-quality development and manufacturing infrastructure.



- Initiatives to accelerate profit growth

**Expansion of business domain and customer base through inspection system business.**

**Expansion of customers for design and manufacturing services**

- **Expansion of business domain and customer base**

## Semiconductor and FPD Manufacturing Market



Wafer inspection system



FPD inspection system

- **Development of system**
  - Si wafer / Epitaxial wafer
  - Advanced package(Semiconductor)
- **Expansion of customer base**
  - Semiconductor wafer
  - Semiconductor device
  - Flat panel display (LCD)

**Introducing profitable private brand products to market**

## CN Business

- Business policy

Provide solutions and services that support DX based on customer needs.

Increase customer satisfaction by supporting customers' use of digital technology.



- Initiatives to accelerate profit growth

**Expansion of solution areas**

**Strengthen service business**

- **Expansion of solution areas**

**Research the latest technologies in collaboration with overseas bases**



< **Examples of products and services** >

**Cloud utilization support**



**SaaS Security**



**Priority fields**



**Security**



**Network**



**Storage**



**Cloud**



**AI**

## **Building the most suitable solutions to support DX**

- **Strengthening service businesses**

## Providing reliable services tailored to each customer's phase



Technical support training

< Examples of in-house services >

TED B Lab

TED AI Lab

TED-SOC

## Strengthen customer relations and engagement

## EC Business

- Business policy

Focusing on growing markets such as industrial equipment, automotive-related equipment, cloud services, and OT security.

Developing solution-based businesses by utilizing our expertise in semiconductors.



- Initiatives to accelerate profit growth

**Focus on growing markets**

**Expansion of solution-based business**

# VISION 2030 Financial Model (Target Management Indicators)



Pursuing Sustainable Profit Growth with Profit and Revenue Growth  
(Profit Growth Outpacing Revenue Growth)

## Fiscal 2030

- Net sales  $\text{¥}300.0 \sim \text{¥}350.0$  billion
- Ordinary income ratio  $\geq 8\%$
- ROE  $\geq 20\%$

	Percentage of total sales	Ordinary income ratio
CN Business	15 %	12 %
EC Business	75 %	7 %
PB Business	10 %	10 %

## Further improvement of enterprise value through sustainable profit growth

### Growth Investment

Investment for sustainable growth

- Aggressive investment for technology development and business expansion (including M&A)
- Investment in internal and external DX to strengthen competitiveness
- Actively invest in human resource development

### Shareholder Return

Long-term high returns due to profit growth

- Achieve sustainable profit growth and improve enterprise value
- Shareholder returns according to financial results (dividend payout ratio: 40% target)

### Financial Soundness

Strengthen financial structure and appropriate financial leverage

- Equity ratio: 40% or more
- ROE: 20% or more
- Maintain appropriate inventory levels



# Forecast of Financial Results for the Fiscal Year Ending March 31, 2026

Expect a decrease in sales and income compared to the previous fiscal year.

- EC·PB business: Adjustments period will continue in the first half of the FY 2026, with a recovery trend expected to begin in the second half.
- CN business: Remaining steady

Continue to closely monitor the impact of US tariff measures on exchange rates, interest rates, inventories, etc.

# Assumptions of Business Plan

		FY2025	FY2026	
		2 <sup>nd</sup> Half	1 <sup>st</sup> Half	2 <sup>nd</sup> Half
		Adjustment Period		Recovery Period
EC · PB	Semiconductor, wafer market	Delays in eliminating excess inventory in the supply chain		Gradually optimized
	Industrial equipment market	•Sluggish due to impact of market conditions in China	Weak	Recovery trend
	Automotive equipment market	Steady	Weak	Recovery trend
	Market conditions in China	Prolonged stagnation		
	Commercial rights	•Direct sales of certain products •Contribution of new customer commercial rights	Contribution of new customer commercial rights	
CN	IT market conditions	IT market, especially security, remains steady		
Exchange rate trends		Average rate : 152.6 yen	Assumed range : 145~150 yen	

# Forecast of Financial Results for FY 2026



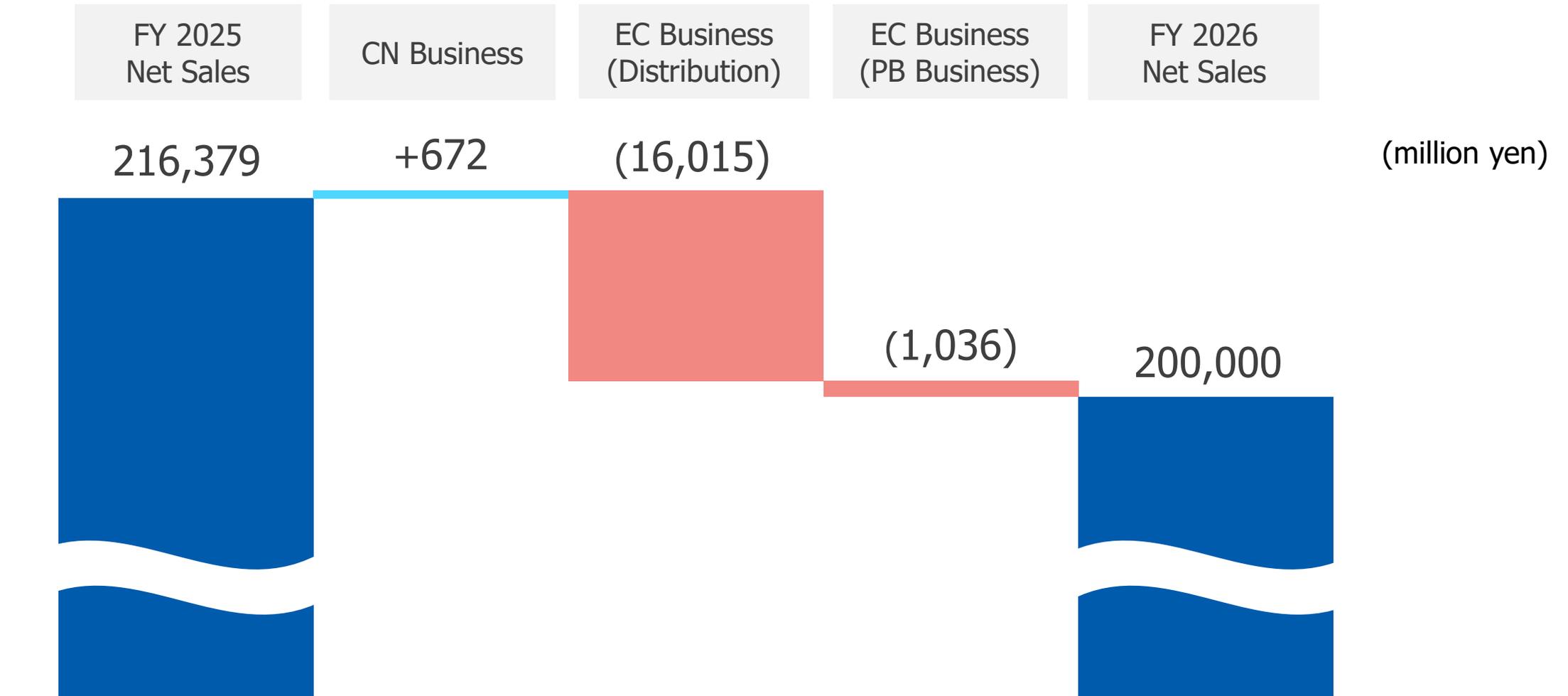
(million yen)

	FY 2025	FY 2026 (Forecast)			YoY Change	
	Full Year	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	Full Year	Change	Rate of Change
Net sales	216,379	91,400	108,600	200,000	(16,379)	(7.6%)
CN Business	37,327	19,000	19,000	38,000	672	1.8%
EC Business (Consolidated)	179,051	72,400	89,600	162,000	(17,051)	(9.5%)
EC Business	164,415	66,800	81,600	148,400	(16,015)	(9.7%)
PB Business	14,636	5,600	8,000	13,600	(1,036)	(7.1%)
Ordinary income (income ratio)	11,415 (5.3%)	3,300 (3.6%)	6,700 (6.2%)	10,000 (5.0%)	(1,415)	(12.4%)
Net income (income ratio)	8,874 (4.1%)	2,300 (2.5%)	4,700 (4.3%)	7,000 (3.5%)	(1,874)	(21.1%)

\*Net income is net income attributable to owners of the parent

# Forecast of Financial Results for the FY 2026:

## Changes in Net Sales



In the segment categories, the PB Business is included in the EC Business.  
The PB Business includes Tokyo Electron Device Nagasaki Limited.

# Shareholder Return: Dividend

## Dividends per share

(yen)

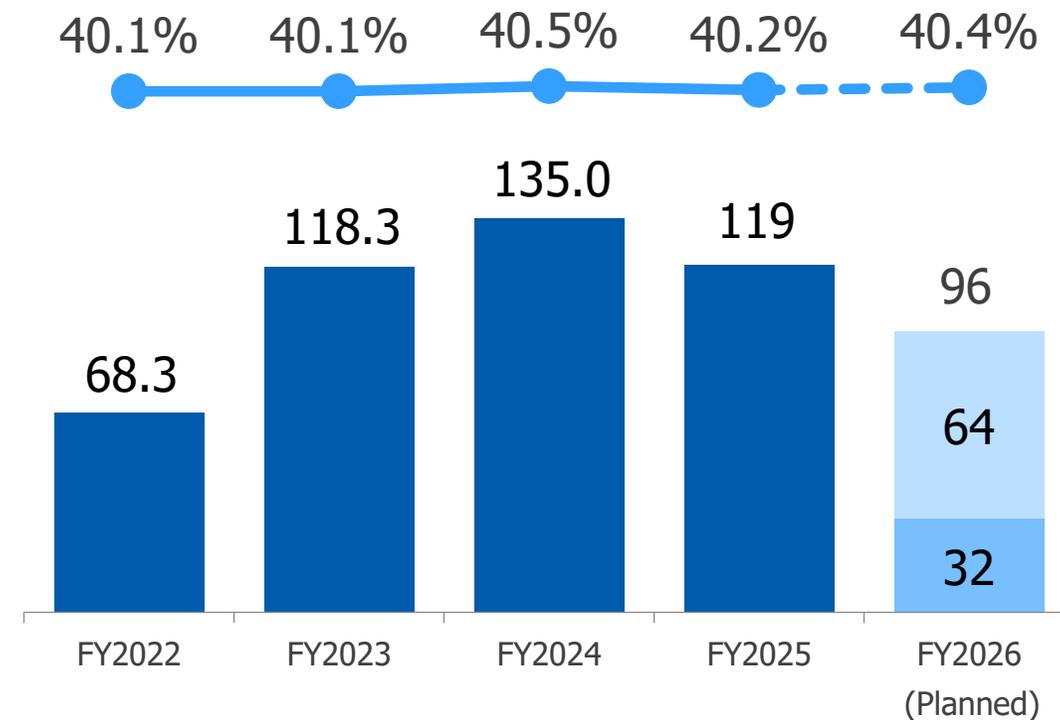
	FY 2025	FY 2026
Interim	52	(planned) 32
Year-End	67	(planned) 64
<b>Full-year</b>	<b>119</b>	(planned) <b>96</b>

## Dividend policy

- Long-term high returns through profit growth
- Performance-based shareholder returns  
Dividend payout ratio: approximate 40%

## Dividends / Dividend Payout Ratio

● Dividend Payout Ratio (%)  
■ Dividends Per Share (yen)



\*Conducted a share split at a ratio of three shares for one ordinary share on October 1, 2023 (Dividend amounts prior to September 2023 are shown assuming that the share split had taken place)



# Connect Beyond

## Cautionary Notes Regarding this Document

The forward-looking projections in this document were developed based on information available at this time. Please note that the Company's actual future results may differ from those indicated in this document due to various factors that have direct and indirect impacts on the Company's results.

If any material changes are made, the Company will announce them at that time.

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Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

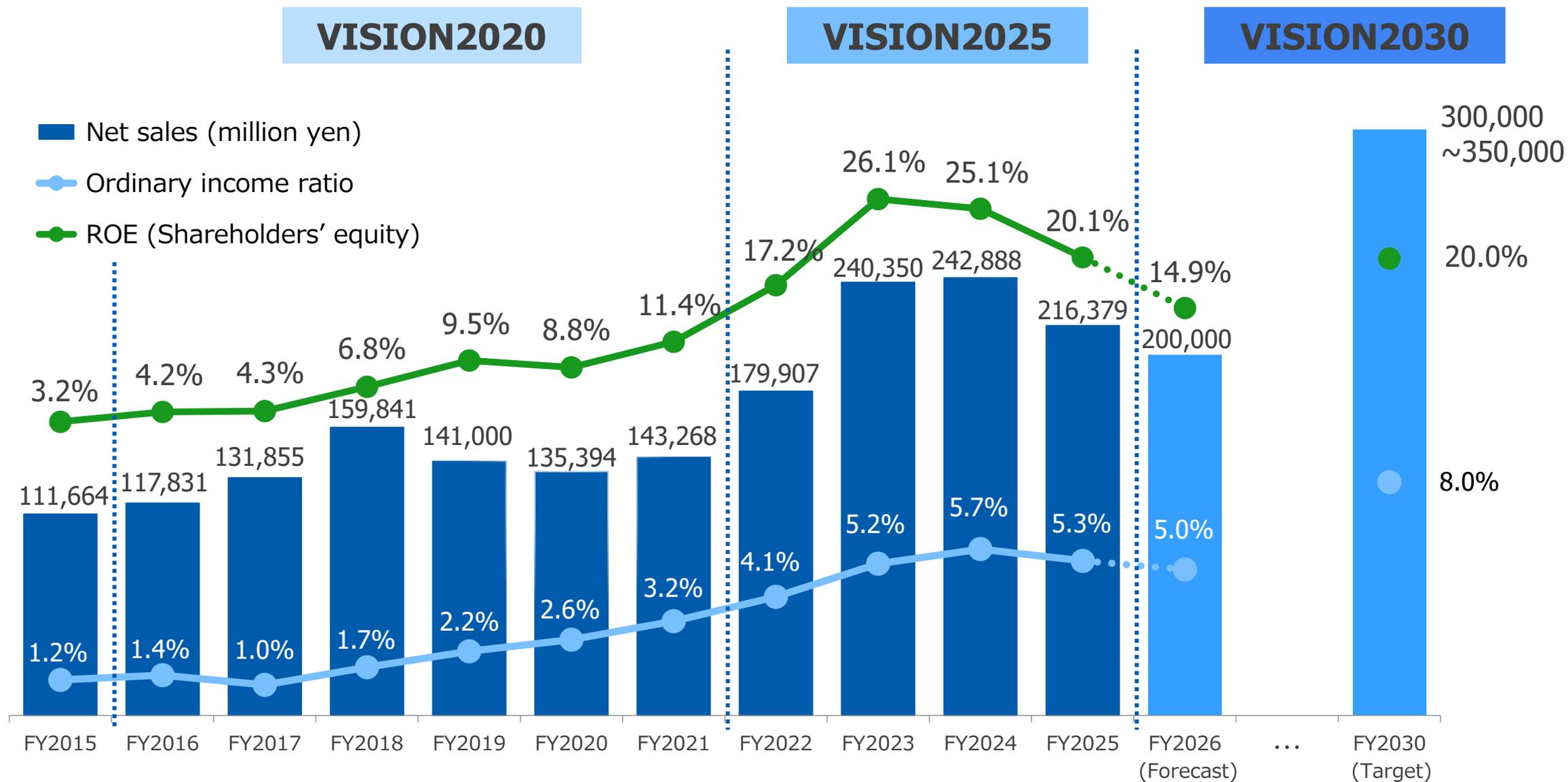


# Supplementary Materials

# List of Supplementary Materials

- Medium-Term Management Plan : Results and Plans P38
- Financial Highlight P39-40
- CN Business: Sales Component Ratios by Product Category P41
- EC Business: Sales Component Ratios by Product Category P42
- EC Business: Sales Component Ratios by Application P43
- Product Categories P44
- Change in Balance of Orders Received P45
- Sustainability Initiatives P46

# Medium-Term Management Plan: Results and Plan



# Financial Highlight (1/2)

	FY 2023				FY 2024				FY 2025			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	50,677	61,091	64,127	64,453	59,012	60,685	60,049	63,140	56,607	55,105	50,383	54,283
CN Business	5,407	7,263	7,191	9,393	7,099	7,253	6,587	12,037	8,741	8,946	8,460	11,179
EC Business	45,270	53,828	56,935	55,059	51,912	53,431	53,462	51,102	47,865	46,158	41,923	43,103
Cost of sales	43,247	52,459	55,409	54,990	50,091	51,594	51,049	52,984	47,411	47,876	42,131	45,226
Gross profit	7,430	8,632	8,717	9,463	8,921	9,090	8,999	10,156	9,195	7,228	8,252	9,056
Profit rate	14.7%	14.1%	13.6%	14.7%	15.1%	15.0%	15.0%	16.1%	16.2%	13.1%	16.4%	16.7%
Selling, general and administrative expenses	4,472	5,016	4,881	5,645	5,292	5,565	5,292	5,588	4,942	5,188	5,686	5,456
Operating income	2,957	3,615	3,835	3,817	3,628	3,524	3,707	4,568	4,252	2,040	2,565	3,599
Profit rate	5.8%	5.9%	6.0%	5.9%	6.1%	5.8%	6.2%	7.2%	7.5%	3.7%	5.1%	6.6%
Non-operating income	39	120	35	72	69	116	164	64	72	130	54	214
Non-operating expenses	836	688	585	-94	554	530	408	427	711	-363	831	333
Ordinary income	2,160	3,048	3,285	3,984	3,143	3,110	3,463	4,204	3,614	2,533	1,787	3,480
Profit rate	4.3%	5.0%	5.1%	6.2%	5.3%	5.1%	5.8%	6.7%	6.4%	4.6%	3.5%	6.4%
CN Business	381	522	131	984	579	683	712	1,487	1,153	1,015	1,017	2,079
EC Business	1,779	2,525	3,153	3,000	2,563	2,426	2,750	2,717	2,460	1,517	770	1,400
Extraordinary income	—	—	—	—	4	—	—	—	0	—	—	0
Extraordinary losses	0	2	0	6	0	1	32	4	0	1	0	4
Net income before income taxes	2,160	3,045	3,284	3,978	3,147	3,109	3,430	4,200	3,614	2,531	1,786	3,475
Profit rate	4.3%	5.0%	5.1%	6.2%	5.3%	5.1%	5.7%	6.7%	6.4%	4.6%	3.5%	6.4%
Net income	1,501	2,147	2,325	2,904	2,210	2,390	2,544	2,935	2,506	1,811	1,278	3,306
Profit rate	3.0%	3.5%	3.6%	4.5%	3.7%	3.9%	4.2%	4.6%	4.4%	3.3%	2.5%	6.1%
Net income attributable to owners of parent	1,479	2,104	2,316	2,876	2,186	2,364	2,519	2,915	2,494	1,810	1,269	3,300
Profit rate	2.9%	3.4%	3.6%	4.5%	3.7%	3.9%	4.2%	4.6%	4.4%	3.3%	2.5%	6.1%

# Financial Highlight (2/2)

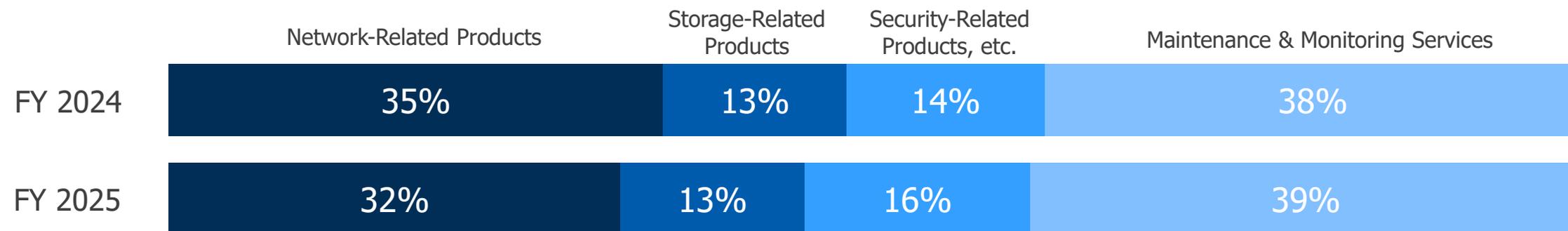
(million yen) 

	FY 2024													
	1Q		2Q		1 <sup>st</sup> Half		3Q		4Q		2 <sup>nd</sup> Half		Full Year	
		Change		Change		Change		Change		Change		Change		Change
Net sales	59,012	16.4%	60,685	-0.7%	119,698	7.1%	60,049	-6.4%	63,140	-2.0%	123,190	-4.2%	242,888	1.1%
CN Business	7,099	31.3%	7,253	-0.1%	14,353	13.3%	6,587	-8.4%	12,037	28.2%	18,625	12.3%	32,978	12.7%
EC Business	51,912	14.7%	53,431	-0.7%	105,344	6.3%	53,462	-6.1%	51,102	-7.2%	104,565	-6.6%	209,909	-0.6%
Cost of sales	50,091	15.8%	51,594	-1.6%	101,686	6.2%	51,049	-7.9%	52,984	-3.6%	104,034	-5.8%	205,720	-0.2%
Gross profit	8,921	20.1%	9,090	5.3%	18,011	12.1%	8,999	3.2%	10,156	7.3%	19,156	5.4%	37,168	8.5%
Selling, general and administrative expenses	5,292	18.3%	5,565	11.0%	10,858	14.4%	5,292	8.4%	5,588	-1.0%	10,880	3.4%	21,739	8.6%
Operating income	3,628	22.7%	3,524	-2.5%	7,153	8.8%	3,707	-3.4%	4,568	19.7%	8,275	8.1%	15,428	8.4%
Ordinary income	3,143	45.5%	3,110	2.0%	6,253	20.1%	3,463	5.4%	4,204	5.5%	7,668	5.5%	13,922	11.6%
CN Business	579	52.1%	683	31.0%	1,263	39.9%	712	440.4%	1,487	51.1%	2,200	97.1%	3,463	71.5%
EC Business	2,563	44.1%	2,426	-3.9%	4,990	15.9%	2,750	-12.8%	2,717	-9.4%	5,468	-11.1%	10,459	0.0%
Net income before income taxes	3,147	45.7%	3,109	2.1%	6,256	20.2%	3,430	4.4%	4,200	5.6%	7,631	5.1%	13,887	11.4%
Net income	2,210	47.3%	2,390	11.3%	4,601	26.1%	2,544	9.4%	2,935	1.1%	5,480	4.8%	10,081	13.5%
Net income attributable to owners of parent	2,186	47.8%	2,364	12.3%	4,551	27.0%	2,519	8.8%	2,915	1.4%	5,435	4.7%	9,986	13.8%

	FY 2025													
	1Q		2Q		1 <sup>st</sup> Half		3Q		4Q		2 <sup>nd</sup> Half		Full Year	
		Change		Change		Change		Change		Change		Change		Change
Net sales	56,607	-4.1%	55,105	-9.2%	111,712	-6.7%	50,383	-16.1%	54,283	-14.0%	104,666	-15.0%	216,379	-10.9%
CN Business	8,741	23.1%	8,946	23.3%	17,687	23.2%	8,460	28.4%	11,179	-7.1%	19,640	5.4%	37,327	13.2%
EC Business	47,865	-7.8%	46,158	-13.6%	94,024	-10.7%	41,923	-21.6%	43,103	-15.7%	85,026	-18.7%	179,051	-14.7%
Cost of sales	47,411	-5.3%	47,876	-7.2%	95,288	-6.3%	42,131	-17.5%	45,226	-14.6%	87,358	-16.0%	182,646	-11.2%
Gross profit	9,195	3.1%	7,228	-20.5%	16,423	-8.8%	8,252	-8.3%	9,056	-10.8%	17,308	-9.6%	33,732	-9.2%
Selling, general and administrative expenses	4,942	-6.6%	5,188	-6.8%	10,131	-6.7%	5,686	7.4%	5,456	-2.4%	11,143	2.4%	21,274	-2.1%
Operating income	4,252	17.2%	2,040	-42.1%	6,292	-12.0%	2,565	-30.8%	3,599	-21.2%	6,164	-25.5%	12,457	-19.3%
Ordinary income	3,614	15.0%	2,533	-18.5%	6,147	-1.7%	1,787	-48.4%	3,480	-17.2%	5,267	-31.3%	11,415	-18.0%
CN Business	1,153	99.0%	1,015	48.5%	2,168	71.7%	1,017	42.7%	2,079	39.8%	3,097	40.8%	5,266	52.0%
EC Business	2,460	-4.0%	1,517	-37.5%	3,978	-20.3%	770	-72.0%	1,400	-48.5%	2,170	-60.3%	6,149	-41.2%
Net income before income taxes	3,614	14.8%	2,531	-18.6%	6,146	-1.8%	1,786	-47.9%	3,475	-17.2%	5,262	-31.0%	11,408	-17.9%
Net income	2,506	13.4%	1,811	-24.2%	4,318	-6.1%	1,278	-49.8%	3,306	12.6%	4,585	-16.3%	8,904	-11.7%
Net income attributable to owners of parent	2,494	14.1%	1,810	-23.4%	4,305	-5.4%	1,269	-49.6%	3,300	13.2%	4,569	-15.9%	8,874	-11.1%

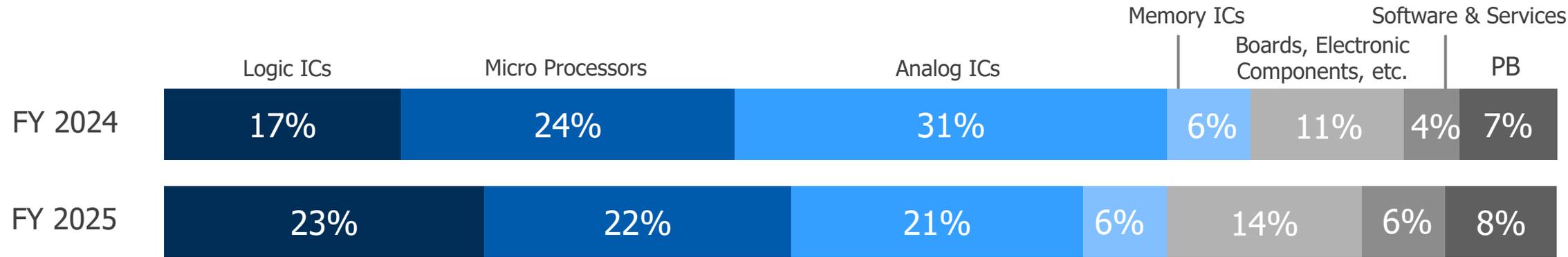
\*Change : percentage change from the previous year

# CN Business: Sales Component Ratios by Product Category



Product	Rate of Change	Main Causes	Main Suppliers
Network-related products	2.4%	Sales for data center and cloud business operators remained steady.	Arista Networks F5 Extreme Networks
Storage-related products	20.3%	Sales for system integrators were strong, including some large projects.	Pure Storage
Security-related products, etc.	25.9%	Sales of cloud security-related products for system integrators and enterprises were strong.	Netskope Nutanix SentinelOne
Maintenance & monitoring services	15.9%	Sales of storage-related products for telecommunications carriers and maintenance of network related products for data centers & cloud business operators were strong.	TED

# EC Business: Sales Component Ratios by Product Category



Product	Rate of Change	Main Causes	Main Suppliers
Logic ICs	13.1%	Sales of automotive equipment increased due to the acquisition of new commercial rights, despite the impact of direct sales of some specific products.	Infineon/ NXP / TI / Lattice / MaxLinear
Micro processors	▲21.5%	Sales decreased due to direct sales of some specific products and lower demand for communication equipment and industrial equipment.	Infineon / NXP / TI / Intel
Analog ICs	▲43.1%	Sales of industrial equipment, automotive equipment, and computer & peripherals decreased due to direct sales of some specific products.	TI / NXP / ams-OSRAM AG
Memory ICs	▲14.8%	Sales declined due to reduced demand in fields other than automotive equipment.	Infineon / Everspin Technologies
Boards, electronic components, etc.	13.8%	Sales of automotive equipment increased due to the acquisition of new commercial rights. And sales of computer & peripherals also increased.	NXP / ams-OSRAM AG / Intel / Western Digital
Software & services	21.9%	Sales of cloud service, Embedded OS and security software increased.	Microsoft / DELL / Trellicx
PB	2.7%	Sales of wafer inspection systems increased. On the other hand, sales of industrial equipment were sluggish.	TED / TED Nagasaki / FAST

# EC Business: Sales Component Ratios by Application



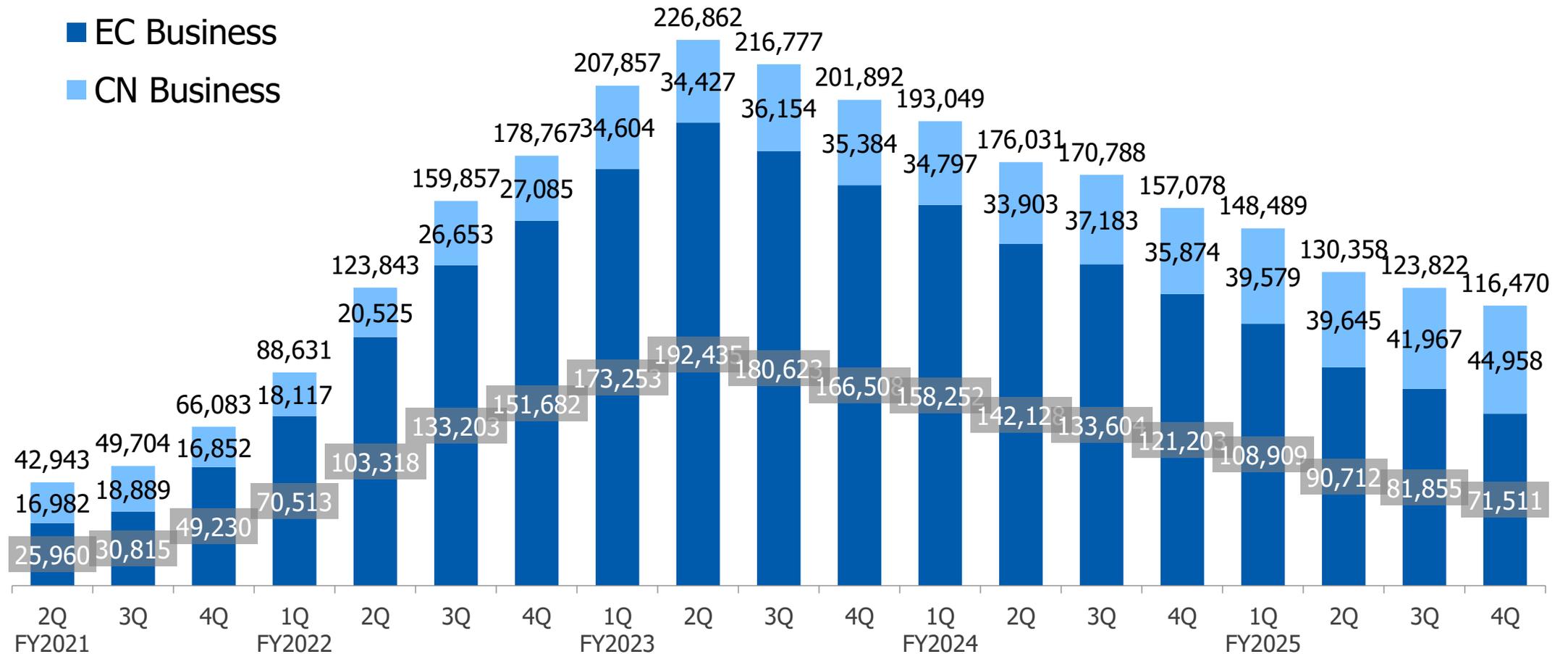
Application	Rate of Change	Main Uses	Sales Trends
Automotive equipment	▲0.3%	Medical and analyzing equipment, Semiconductor production equipment, FA equipment, Industrial robots, Fabricating equipment, Measuring equipment, Control systems, Electrical component mounting equipment, Inverters	Sales of logic ICs, and electronic components increased due to the acquisition of new commercial rights. Sales of analog ICs declined due to direct sales of some specific products.
Industrial equipment	▲25.0%	Car navigation systems, Automobile instruments, Advanced Driving Assistant systems, Displays, Automobile electronic control units (ECUs), Lithium ion batteries, Automobile inverters	Demand decreased for FA and semiconductor manufacturing equipment. Sales of analog ICs declined due to direct sales of some specific products. Sales of PB increased due to higher sales of wafer inspection systems.
Computers and peripherals	0.7%	Multifunctional printers, POS systems, Storage, Server, Projectors, PCs and peripheral devices	Sales of processors and electronic components for PCs increased. Sales of inspection equipment for printers increased. Sales of analog ICs declined due to direct sales of some specific products.
Communications Devices	▲42.0%	5G base stations, Optical transmission equipment, Satellite communications equipment, Wireless IP network equipment	Sales of processors for communication base stations declined. Sales of analog ICs declined due to direct sales of some specific products.
Consumer Devices	▲18.3%	Electronic musical instruments, Home gaming consoles, Digital cameras, Air conditioners, TVs and HDD recorders, Residential fuel cells	Sales of analog ICs for camera declined due to direct sales of some specific products. Sales of logic ICs for electronic musical instruments also declined.

# Product Categories

	Category	Main Products	Functions
CN Business	Network-related products	Network load distribution devices Ethernet switches	Distribute Internet connection loads Switching hubs
	Storage-related products	Flash storage	Connect to and store large volumes of data at high speed
	Security-related products	End points, networks, cloud	Protect computer systems, networks, data, etc. from attacks, damage, and unauthorized access
	Maintenance & monitoring services	Device maintenance services and security monitoring services	
EC Business	Logic ICs	Image processing ICs Communications and network applications ICs ASIC, PLD	ICs with packaged logic circuits, special-purpose ICs made for particular applications, special ICs made according to customer specifications
	Micro processors	CPUs, DSPs	Brains of electronic devices, calculation and control functions
	Analog ICs	Analog ICs	ICs used in common in various applications
	Memory ICs	SRAM, FRAM, MRAM Flash memory	Memory ICs, readable/writable memory products, read-only products
	Boards, electronic components, etc.	Boards, power supplies, optical components	ICs on printed circuit boards, power supplies, products with mounted connectors and other components (boards)
	Software & services	Software, cloud services	Software embedded in industrial equipment for enterprises Provision of subscription services
	PB	Design and manufacturing service, private brand products	Design, development and mass production of boards according to customer specifications Devices for manufacturing industries

# Change in Balance of Orders Received

(million yen)

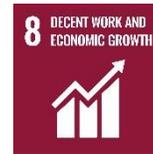


## Fundamental Policy

- Contribute to the sustainable development of a more prosperous society by providing a variety of solutions through our business activities.
- Aim for the sustainable development of the Group and the enhancement of corporate value by engaging in solutions to material issues

### Material issues

1. Leverage the resources that the Company has accumulated with a focus on electronics and IT to contribute to the realization of a sustainable society
2. With respect for fundamental human rights at the core, create work environments and personnel systems that facilitate work and provide meaningful work and pursue the sustainable development of the Company
3. Mitigate environmental burdens (environmental risks) that occur as a result of business activities and strive to maintain a sustainable relationship between society and the Company



## Human Capital / Diversity

- Develop human resources who can pursue customer satisfaction from a global perspective
- Create an environment that supports employees' desire to improve and develops their individual abilities
- Focus on developing next generation leaders

## Climate Change

- Aim for carbon neutrality in FY2050 and set target for FY2030 (50% reduction compared to FY2021)
- From October 2023, the Engineering Center (Tsuzuki, Yokohama) will switch to electricity derived from virtually renewable energy.