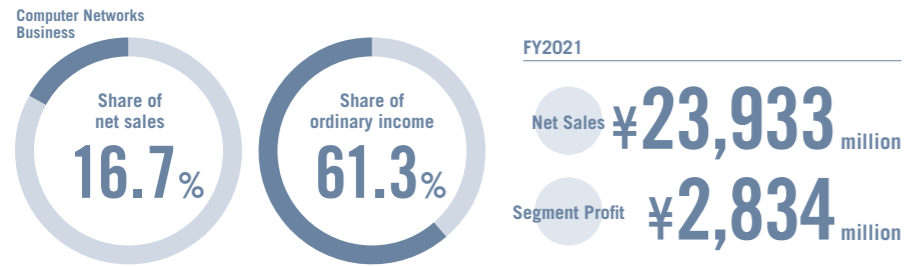


Computer Networks Business

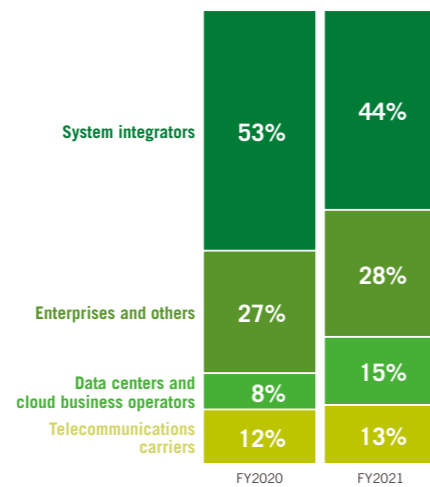
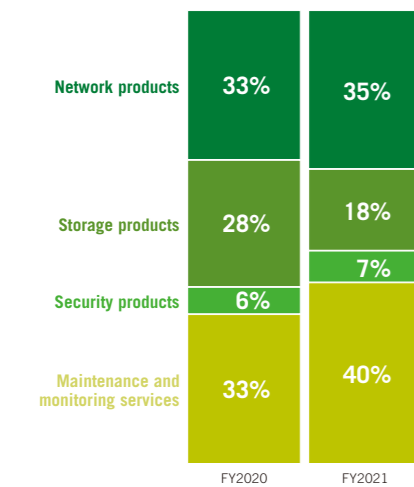


Business Overview

Reflecting the growing use of remote work due to the COVID-19 pandemic, demand for storage and security products increased. However, in March 2020, the Company's distributor agreement with one of its major business partners was cancelled. As a result, segment net sales to external customers in fiscal 2021 came to ¥23,933 million, down 5.2% year on year. Nevertheless, performance in operation and maintenance services associated with network and storage products was strong, and segment profit (ordinary income) came to ¥2,834 million, up 4.9%.

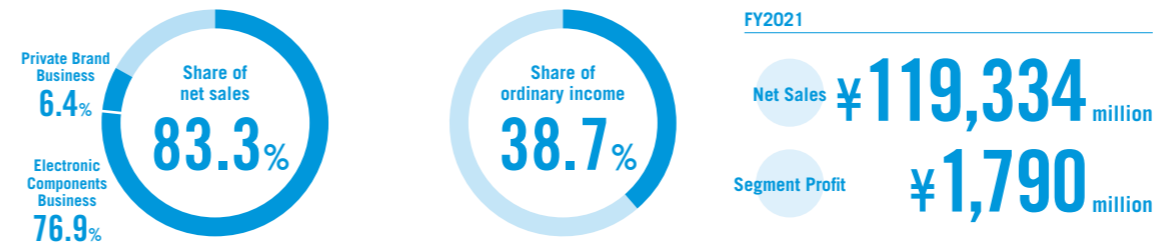
Sales by Product Category

Sales by Field



Category	Main suppliers	Function	Category	Main customers
Network products	F5 Networks Arista Networks Extreme Networks	Internet connection load balancing and switching hubs	System integrators	IT service companies in Japan
Storage products	Pure Storage Dell Technologies	High-speed connection and storage of bulk data	Enterprises and others	General companies, government agencies, research facilities and educational institutions
Security products	Nutanix Netskope	Protection of computer systems, networks and data from attacks, damage and unauthorized access	Data centers and cloud business operators	Data centers, internet-related service companies
Maintenance and monitoring services	TED	Device maintenance services and security monitoring services	Telecommunications carriers	Domestic telecommunications carriers

Electronic Components Business

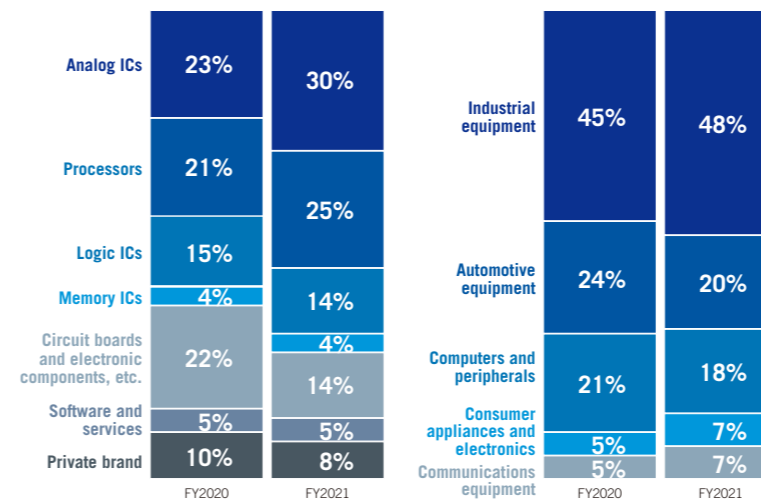


Business Overview

While the outlook remains unclear due to such factors as the COVID-19 pandemic and U.S.-China trade friction, growing data transmission volumes and the recovery of the automotive industry are driving global expansion in demand for semiconductor products, which has led to a supply shortage. Under these circumstances, the Group's product sales have been strong, and the expansion of customer commercial rights has progressed approximately as planned. As a result, segment net sales in fiscal 2021 came to ¥119,334 million, up 8.4% year on year. Due to the COVID-19 pandemic, operating costs decreased, and segment profit (ordinary income) came to ¥1,790 million, up 105.5%.

Sales by Product Category

Sales Component Ratio by Application



Category	Main suppliers	Function	Category	Main applications	Main customers
Analog ICs	Texas Instruments	ICs that perform amplification, oscillation or other processing of analog signals	Industrial equipment	Medical equipment / Broadcasting equipment / Surveillance cameras / FA equipment / Measuring equipment / Industrial robots / Machine tools / Semiconductor production equipment / Inverters	Tokyo Electron Hitachi FANUC Mitsubishi Electric
Micro processors	NXP Semiconductors Intel Texas Instruments	ICs with arithmetic and control functions that serve as the brains of electronic devices	Automotive equipment	Car navigation systems / Car audio equipment / Auto body-related products	Alps Alpine Nippon Seiki Hitachi Mitsubishi Electric
Logic ICs	Texas Instruments Excelitas Pixelworks Lattice Semiconductor	ICs that process digital signals / Special-purpose ICs made for particular applications / Custom ICs	Computers and peripherals	Multifunctional printers / Projectors / Office equipment / Storage / PCs and peripheral devices / POS terminals	Epson Sharp TOSHIBA Hitachi Fujifilm
Memory ICs	Infineon Technologies	Memory ICs	Consumer appliances and electronics	Digital cameras / Digital video cameras / TVs / DVD / AV equipment / Home gaming consoles / Remote controls / Major home appliance	Nintendo Yamaha
Circuit boards and electronic components, etc.	Western Digital NXP Semiconductors Intel Cosel Hagiwara Solutions	Products (circuit boards) equipped with ICs, power supplies, connectors and other components on printed-wiring assemblies	Communications equipment	Routers / Transmission equipment / Base stations	NEC FUJITSU Mitsubishi Electric
Software and services	Microsoft McAfee	Software embedded in industrial equipment for enterprises / Provision of subscription services	Private brand	TED TED Nagasaki Fast	Design, development and mass production of circuit boards according to customer specifications / Devices for manufacturing industries

Private Brand Business

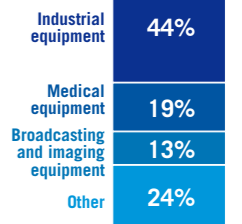


Business Overview

The Private Brand Business is, for the sake of segment grouping, included in the Electronic Components Business. It comprises contracted design and manufacturing services, private brand products and the consolidated subsidiaries FAST CORPORATION ("Fast") and TOKYO ELECTRON DEVICE NAGASAKI LTD. ("TED Nagasaki"). Although sales in TED Nagasaki's semiconductor production equipment business were firm, sales of TED's design and manufacturing services for industrial equipment and of Fast's products, other than inspection systems, were lackluster due to the COVID-19 pandemic. As a result, fiscal 2021 net sales came to ¥9,205 million.

Design and Manufacturing Services

Under the inrevium brand, we offer one-stop contracted design and manufacturing services, from specification development to the design, prototyping, evaluation, production trials and mass production of customer circuit boards. Through coordination with the Electronic Components Business, in addition to the sale of individual semiconductor components, we provide a range of high value-added products, including modules, substrates and embedded systems.



Private Brand Products

