

Company Name	TOKYO ELECTRON DEVICE LIMITED
Established	March 3, 1986
Capital	¥2,495 million
Employees	1,357 (consolidated, as of March 31, 2024)
World Headquarters	Yokohama East Square, 1-4 Kinko-cho, Kanagawa-ku, Yokohama City, Kanagawa 221-0056, Japan (Scheduled to move to Shibuya-ku, Tokyo in October 2024)
Group Companies	FAST CORPORATION / TOKYO ELECTRON DEVICE NAGASAKI LIMITED TOKYO ELECTRON DEVICE ASIA PACIFIC LIMITED / TOKYO ELECTRON DEVICE (SHANGHAI) LIMITED TOKYO ELECTRON DEVICE SINGAPORE PTE. LTD. / TOKYO ELECTRON DEVICE (THAILAND) LIMITED TOKYO ELECTRON DEVICE AMERICA, INC.
Affiliated Companies	Fidus Systems Inc.
Domestic Locations	Sendai, Iwaki, Mito, Omiya, Tachikawa, Shinjuku, Yokohama, Matsumoto, Hamamatsu, Nagoya, Osaka, Fukuoka, Imari
Overseas Locations	Hong Kong, Shenzhen, Shanghai, Dalian, Singapore, Bangkok, Silicon Valley, Detroit, Texas

Board Members

Corporate Directors

President & Representative Director, CEO
Atsushi Tokushige
Representative Director
Masami Hasegawa
Corporate Director
Yukio Saeki
Corporate Director
Tetsuo Tsuneishi

Outside Director (Independent Director)
Hiromi Onitsuka-Baur
Outside Director (Independent Director)
Kei Nishida
Outside Director (Independent Director)
Seiji Osaka

Audit & Supervisory Board Members

Audit & Supervisory Board Member (full-time)
Nobuo Kawai
Outside Audit & Supervisory Board Member (full-time)
Katsuyuki Matsui
Outside Audit & Supervisory Board Member (part-time)
Norika Yuasa
Outside Audit & Supervisory Board Member (part-time)
Kiyoyuki Kuwabara

For more information, please visit the Corporate Information page on our website.

➔ Leadership <https://www.teldevice.co.jp/eng/company/directors.html>

Stock Information (As of March 31, 2024)

Securities code: 2760

Listed on: Tokyo Stock Exchange Prime Market

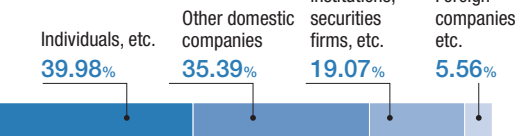
Number of authorized shares: 76,800,000

Number of issued shares: 31,336,500

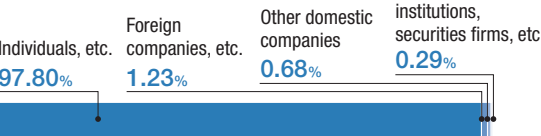
Number of shareholders: 24,265

Trading unit (Shares): 100

Distribution of Shares



Distribution of Shareholders

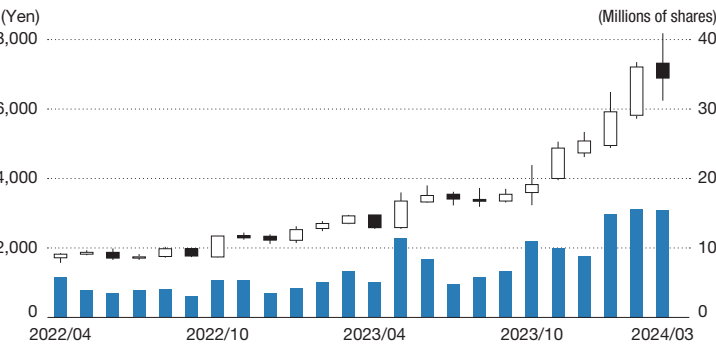


* "Individuals, etc." includes 1,476 treasury shares.

Major Shareholders

	Number of shares held	Shareholding ratio (%)
Tokyo Electron Ltd.	10,598,100	33.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,312,000	7.38
Tokyo Electron Device Employee Shareholder Association	1,568,041	5.00
Custody Bank of Japan, Ltd. (Trust Account)	830,700	2.65
The Master Trust Bank of Japan, Ltd. (BIP Trust Account 75723)	393,477	1.26

Stock Price / Trading Volume



* 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)

Investors Guide 2024

To Our Shareholders and Investors



Announced new medium-term management plan

What is TED's growth story for 2030?

Note on forward-looking statements

This Investors Guide was prepared on July 1, 2024. Forward looking statements, including business strategies and business forecasts, were made by the Company's management, based on information available at that time, and may be revised due to changes in the business environment. Therefore, please be advised that the Company cannot guarantee the accuracy or the reliability of the statements. For the latest information, please refer to our information releases or our website. Note also that product and service names remain the trademarks of their respective owners.

The Investors Guide

Each year, Tokyo Electron Device (TED) publishes an Investors Guide, which is a compact compilation of information that stakeholders such as shareholders and investors need to better understand our business.

This year's Guide looks back at the fiscal year that ended March 31, 2024, it provides an outlook for the fiscal year ending March 31, 2025, and it describes our newly announced medium-term management plan, VISION 2030, our policies, and the status of our efforts to promote sustainability.

(Note) In the event of a discrepancy between the information in this publication and the Japanese original, the Japanese original shall take precedence.

Our IR Site

For more information, please visit our IR site.

<https://www.teldevice.co.jp/eng/ir/>

Tokyo Electron Device IR Search



Our IR Communications

In order to increase our corporate value, we need to engage in constructive dialogue with our shareholders and investors, and we and our shareholders and investors need to better understand what each other are thinking. We seek to enhance dialogue by participating in financial results briefings for analysts and institutional investors and IR briefings for individual shareholders. In the fiscal year that ended March 31, 2024, we held two briefings for individual investors, we participated in an IR event for individual investors, and we appeared on a radio program. We are also focusing on disclosures via our IR site.



Key Points of the Investors Guide 2024

1. An easy-to-understand introduction to our strengths and business model
→ P.03 Our Strengths and Business Model
2. "VISION 2030," the new medium-term management plan, is announced
→ P.05 New Medium-Term Management Plan "VISION 2030"
→ P.07 Message from the President and CEO
3. Consolidated financial results reached a record high
→ P.07 Message from the President and CEO
→ P.11 Segment Information
4. Efforts are underway to address materiality to create a sustainable society
→ P.14 Sustainability Initiatives



At a Glance



TSE Prime Market Wholesale
Securities code: 2760



Net sales
¥242.8 billion
(Fiscal year that ended March 31, 2024)



Earnings per share (EPS)
¥333.46
(Fiscal year that ended March 31, 2024)



Return on equity* (ROE)
25.1%
(Fiscal year that ended March 31, 2024)



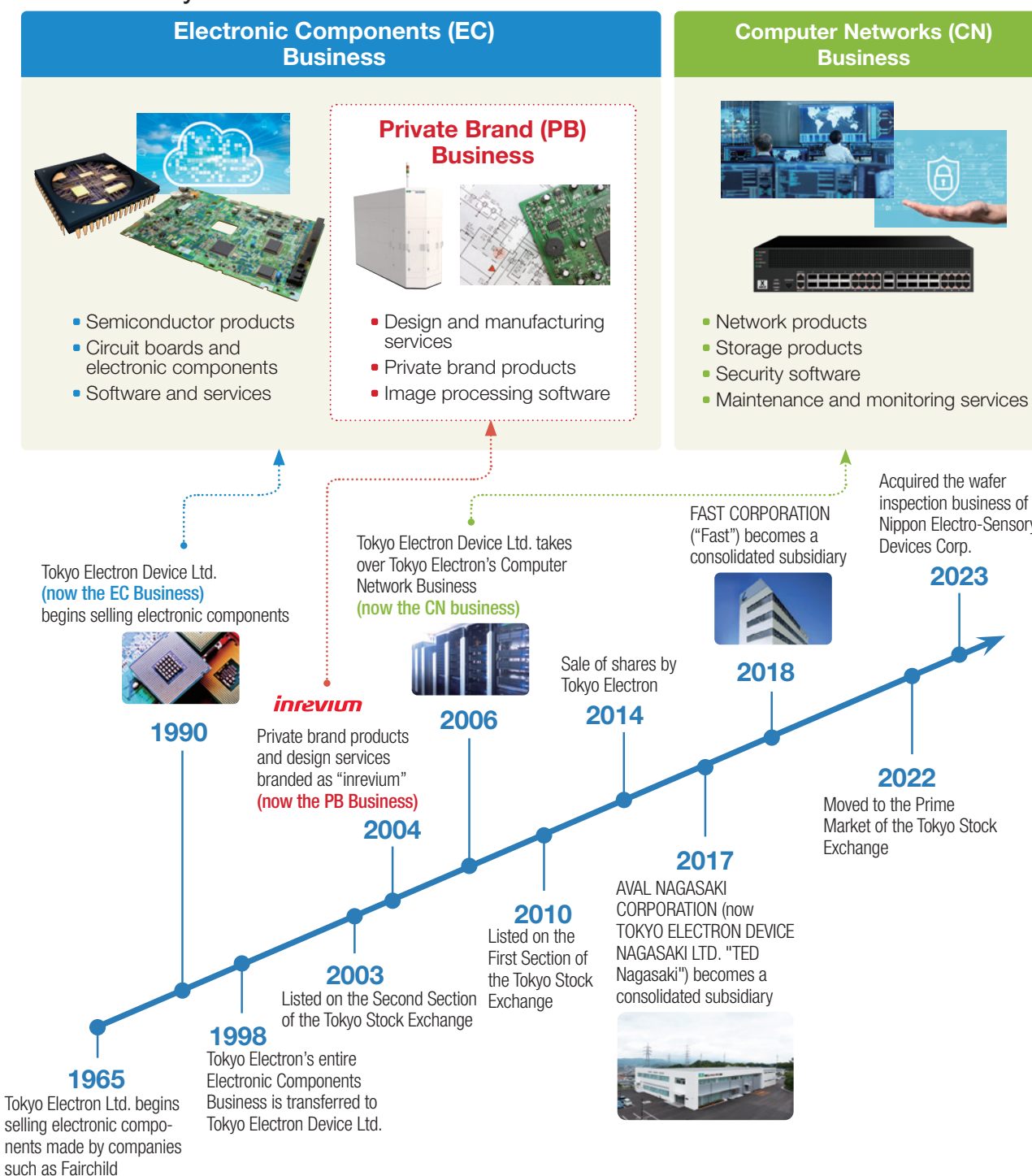
Number of employees
1,357
(approximately 30% of whom are engineers)



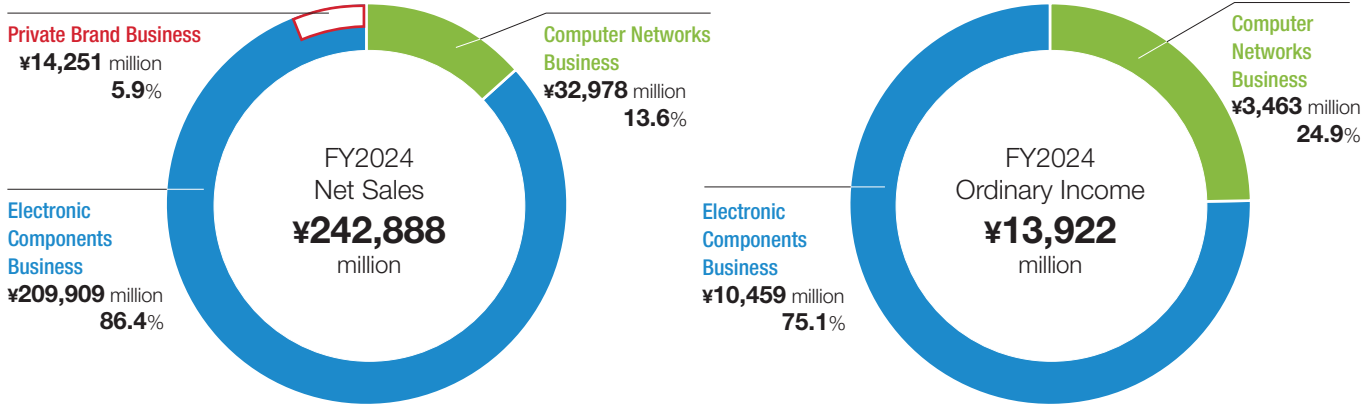
October 2024
Plans are to relocate our World Headquarters to **Shibuya Ward, Tokyo**

* Shareholders' equity

Our History and Business

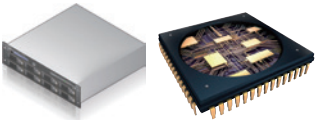


Tokyo Electron Device has come a long way as a technology trading company providing semiconductors and IT equipment that facilitate technological advancement. Our strengths are that we handle cutting-edge IT equipment and semiconductors from leading manufacturers, we have customers mainly in manufacturing, including the manufacture of industrial equipment and automotive equipment, but in other fields as well, and we can provide support and services that capitalize on our technological capabilities. In order to grow profits, we are currently working to become a DX vendor that provides in-house services by utilizing our functions as a technology trading company and to become a manufacturer that develops and provides private-brand products featuring our proprietary technologies.



Our Strengths

Products



- Foreign IT products in highly specialized and promising areas
- Semiconductor products from leading foreign manufacturers

Technology



- Technical support and maintenance & monitoring services for products
- Technical services providing cutting-edge technology
- Design and manufacturing services

Customers



- Customers in a wide range of fields
- More than 2,000 customers, including major manufacturers

Our Features

Our Business Process

Markets and Customers

CN

Computer Networks Business

Enhanced recurring-revenue services

- Foreign IT products and security products in highly specialized and promising areas
- Product maintenance and security monitoring services
- Focus on AI products and technical services



The IT infrastructure, cloud, security, and AI markets

- Systems integrators
- Enterprises
- Government and municipal offices
- Public educational institutions
- Research institutes
- Data centers
- Cloud business operators
- Telecommunications carriers

CN

Computer Networks Business

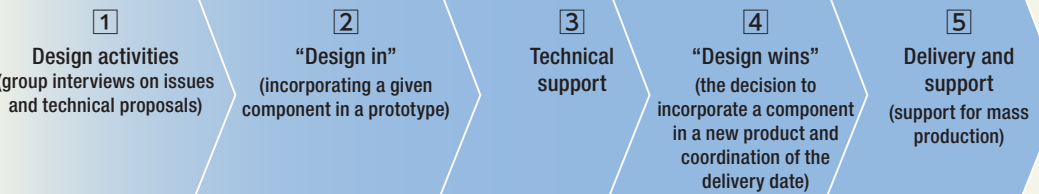
→ P.11

EC

Electronic Components Business

Facilitating further advances as a technology trading company

- A lineup of products from about 40 companies, most of which are leading foreign manufacturers
- Technical support from professional engineers
- Development of systems that utilize semiconductors
- Provision of cloud services



A wide range of markets primarily for industrial equipment and automotive equipment
Focusing on OT security* as well

- Industrial equipment
- Automotive equipment
- Computers and peripherals
- Communications equipment
- Consumer appliances

EC

Electronic Components Business

→ P.12

PB

Private Brand Business

Enhanced functions as a manufacturer

- Technological coordination between TED, Fast, and TED Nagasaki
- One-stop services for circuit board design, development, and mass production according to customer specifications
- Development of systems that utilize image processing technology
- Private brand products featuring proprietary technologies



Areas of industrial equipment such as medical equipment and semiconductor manufacturing equipment
The market for inspection equipment and robotic systems

- Industrial equipment
- Medical equipment
- Broadcasting and imaging equipment
- Research institutes

PB

Private Brand Business

→ P.13

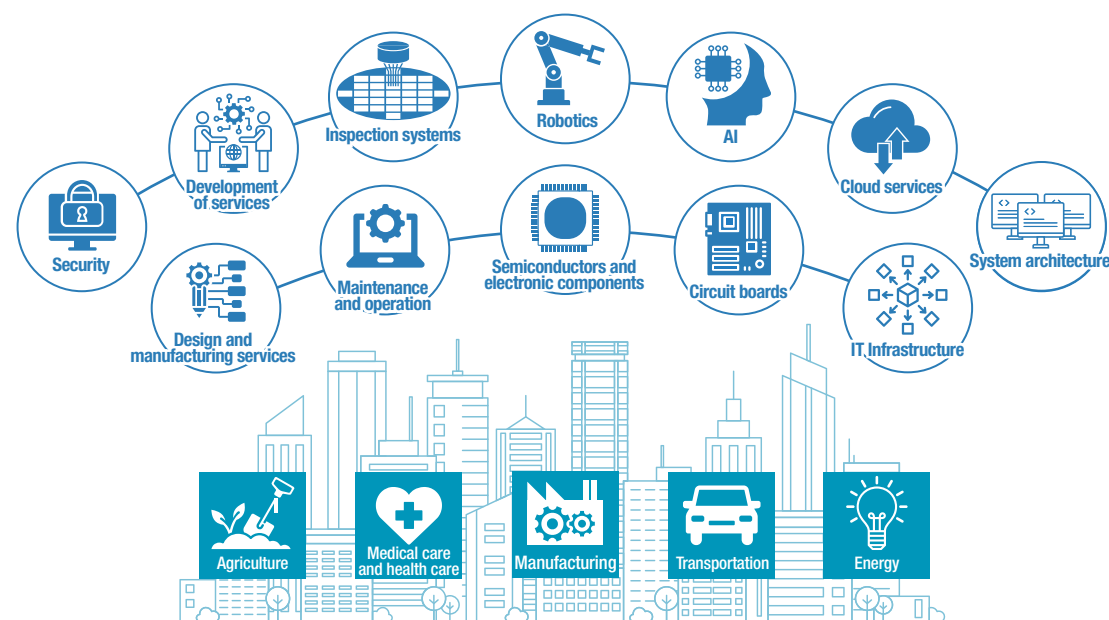
* Security for operational technology used in factories and industrial facilities

Addressing social issues with our capabilities as a manufacturer and technology trading company

VISION 2030, New Medium-Term Management Plan

MISSION

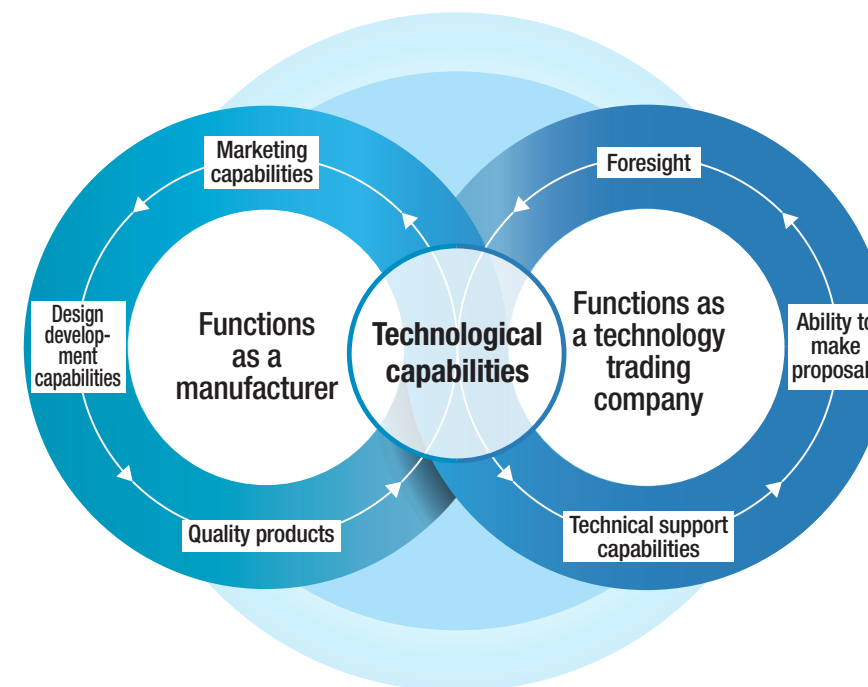
Address social issues through leading-edge technology, primarily semiconductors and IT, and to contribute to the sustainable development of society by offering solutions to those issues that have value beyond expectations



Latent Social Issues

VISION

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



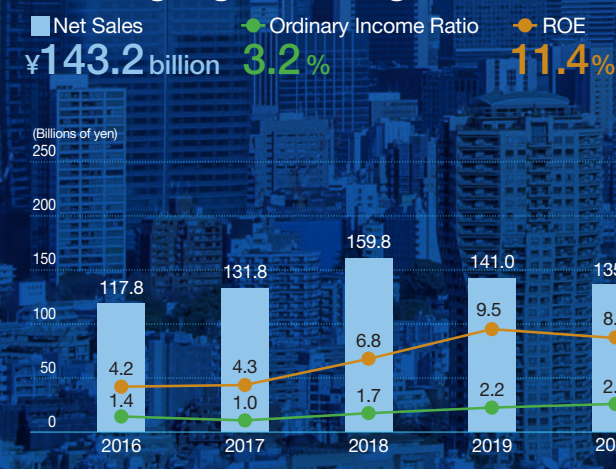
A Review of and the Outlook for the Medium-Term Management Plan

VISION 2020 Technology trading company × Manufacturer functions

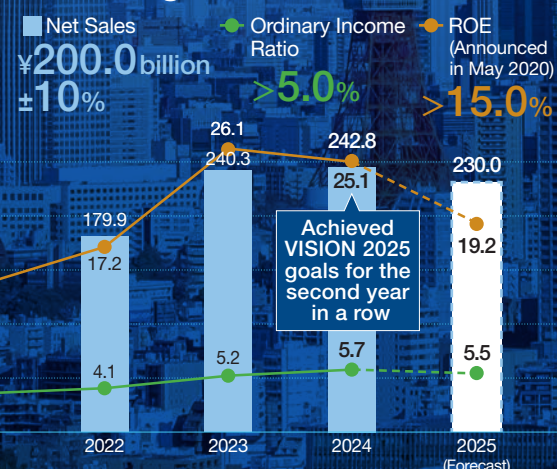
VISION 2025 To become a manufacturer with technology trading company functions

VISION 2030 Solve social issues with the power of being a manufacturer and technology trading company

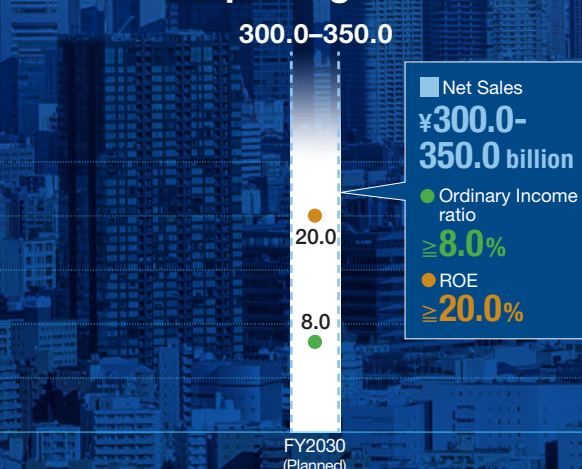
Building a growth engine



Launch growth businesses



Accelerate profit growth



We have been working on VISION 2020 and VISION 2025, which are our medium-term management plans.

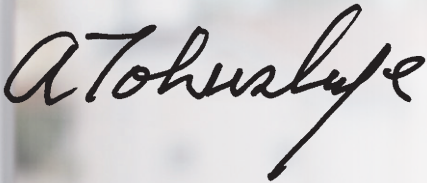
VISION 2020 was a six-year plan covering the period from the fiscal year that ended March 31, 2016 to the fiscal year that ended March 31, 2021. We built a growth engine in order to achieve consistent growth in profits through our core businesses, which are the EC Business and the CN Business, and to establish high-value-added businesses that capitalize on the foundation of our existing businesses.

VISION 2025 is a four-year plan that started in the fiscal year that ended March 31, 2022 and ending in the fiscal year ending March 31, 2025. Our Vision is “to become a manufacturer with technology trading company functions,” and we are promoting the launch of growth businesses by developing our functions as a technology trading company and by enhancing our functions as a manufacturer.

The new medium-term management plan, VISION 2030, will begin in the fiscal year ending March 31, 2026. Under that plan, we intend to accelerate growth in profits through the results of past efforts and new efforts.

Determinedly Taking on the Challenge of Change and Accelerating Growth in Profits

President & Representative Director, CEO



Career Summary

April 1986	Joined Tokyo Electron Limited
April 2005	Vice President of TED
June 2007	Corporate Director of the Company
June 2011	Managing Director, TOKYO ELECTRON DEVICE HONG KONG LTD. (now TOKYO ELECTRON DEVICE ASIA PACIFIC LTD.)
September 2013	CEO, inrevium AMERICA, INC. (now TOKYO ELECTRON DEVICE AMERICA, INC.)
January 2015	President & Representative Director of the Company (present)
June 2024	CEO of TED [to present] Corporate Officer of TED [to present]

Review of the Fiscal Year that Ended March 31, 2024

In the fiscal year that ended March 31, 2024, customers and commercial rights expanded, but sales in the EC Business decreased from the previous fiscal year due to stagnation in the Chinese market and the impact of the shift to direct sales by some semiconductor manufacturers. In contrast, the CN Business reported an increase in profit due to strong sales of security-related products and subscription-based licenses and services. For the fiscal year that ended March 31, 2024, the Group posted net sales of ¥242.888 billion (up 1.1% year on year), operating income of ¥15.428 billion (up 8.4% year on year), ordinary income of ¥13.922 billion (up 11.6% year on year), and net income attributable to owners of parent of ¥9.986 billion (up 13.8% year on year). Net sales and profits reached record highs.

Under the VISION 2025 medium-term management plan, we have achieved the targets (net sales of ¥200 billion ±10%, an ordinary income ratio of 5.0% or higher, and an ROE of 15.0% or higher) for two consecutive fiscal years since the fiscal year that ended March 31, 2023. We have met the forecasts for the ordinary income ratio and ROE for the fiscal year ending March 31, 2025 (net sales of ¥250 billion, an ordinary income ratio of 5.5%, and an ROE of 20.0%) that were announced in April 2023, one year ahead of schedule.

We took over the wafer inspection system business of Nippon Electro-Sensory Devices Corporation in October 2023. That has also contributed to our performance, and figures are included in the Electronic Components (EC) Business.

Forecast for the Fiscal Year Ending March 31, 2025

With regard to the business environment for the CN Business in the fiscal year ending March 31, 2025, the IT market mainly involving security is expected to remain strong. For the EC Business and PB Business, market adjustment is expected to continue, with the first half of the year being the bottoming out phase and the second half of the year shifting to a recovery phase. The main reason for this is that the market has been in an adjustment phase since the second half of the fiscal year that ended March 31, 2024, and consumption of inventory in the supply chain is taking time. The prolonged stagnation of the Chinese market in particular is widely affecting the area of industrial equipment, which is a core customer base for us. In addition, the impact of decreased sales due to the shift to direct sales by some semiconductor manufacturers will become most

evident in the first half of the fiscal year, but the contribution of new customers and commercial rights to our business performance is expected to begin in earnest in the second half of the fiscal year.

Based on these assumptions for the business plan, we plan to have net sales of ¥230 billion (down 5.3% year on year), ordinary income of ¥12.7 billion (down 8.8% year on year), and net income attributable to owners of parent of ¥8.7 billion (down 12.9% year on year) for the fiscal year ending March 31, 2025. Performance will fall below the results for the fiscal year that ended March 31, 2024, but we expect to exceed the VISION 2025 targets for three consecutive fiscal years since the fiscal year that ended March 31, 2023. We will continue to promote efforts to grow profits with an eye toward medium- to long-term growth.

Assumptions of the Business Plan

	FY2024		FY2025	
	1st Half Growth Period	2nd Half Adjustment Period	1st Half Bottoming Out Period	2nd Half Recovery Period
EC, PB	Semiconductor, wafer market conditions	High level of inventory in supply chain	To inventory level optimization	
	Market conditions in China	Prolonged stagnation	Recovery trend	
	Industrial equipment market	Sluggish due to impact of market conditions in China	Recovery trend	
	Automotive equipment market	Change to steady	Change to steady	
	Commercial rights	Contribution of new customer commercial rights Full-scale direct manufacturer-to-consumer sales	Contribution of new customer commercial rights	
CN	Market trends	Change to steady IT market, mainly in security	Change to steady IT market, mainly in security	
	New distributor agreements	Acquisition of new agreements	Acquisition of new agreements	
Exchange rate trends		Year-on-year change to weaker yen	Year-on-year change to weaker yen	
Net sales		¥242.8 billion	¥230.0 billion	
Ordinary income ratio		5.7%	5.5%	
ROE		25.1%	19.2%	

Our New Medium-Term Management Plan, VISION 2030

The financial indicators in the current medium-term management plan, VISION 2025, have been achieved for two consecutive fiscal years, but we have not necessarily realized or achieved our vision of “to become a manufacturer with technology trading company functions.” We need to focus more on this and

continue our commitment to “become a manufacturer.” Therefore, we have formulated a new medium-term management plan, VISION 2030, in order to increase corporate value and for the Group to continue making progress.

VISION 2030, New Medium-Term Management Plan (FY2026–FY2030)

MISSION

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

The Group will continue to address continuously emerging social issues from the perspective we have developed as a technology trading company. By providing solutions with value that exceeds the expectations to society (our customers), we will encourage the adoption of cutting-edge technologies and help to create a “super-smart society.”

VISION

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

Under the current medium-term management plan, VISION 2025, we have focused on enhancing our functions as a manufacturer to provide solutions to issues based on our Vision of “becom[ing] a manufacturer with technology trading company functions.” Numerous issues that involve every market, as exemplified by advances in AI, are expected to arise by 2030. We will need to fully utilize both our “functions as a manufacturer” and our “functions as a technology trading company” more than ever before. In our new medium-term management plan, VISION 2030, we have updated our Vision to be “a company that solves latent social issues with the capabilities of a manufacturer and technology trading company” in order to reaffirm to our stakeholders that the Group will pursue solutions to the aforementioned issues based on both our “functions as a manufacturer” and our “functions as a technology trading company.” Our firm commitment to sustainably increasing profitability by enhancing our functions as a manufacturer has not changed.

Companywide Policy

Aim to solve latent social issues (customer issues) with the capabilities 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

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.)

Management Policy by Business

- CN Business

 - Understand customer needs and offer solutions and services that support customer's DX
 - Support customer's use of digital technology and increase customer satisfaction
- EC Business

 - Focus on growth markets such as industrial equipment, automotive-related equipment, cloud services, and the OT security^{*1} field
 - Leverage specialized semiconductor knowledge and develop a solutions-based business
- PB Business

 - Provide products centered on wafer inspection systems globally with measurement and inspection technology at the core
 - Strengthen medical ODM^{*2} and board OEM^{*3} services by leveraging semiconductor-related technology and high-quality development and manufacturing infrastructure

^{*1}. Security for operational technology used in factories and industrial facilities
^{*2}. Original design manufacturing: A model where a company handles everything from product design to manufacturing
^{*3}. Original equipment manufacturing: In contrast to ODM, a model where a company is only commissioned or contracted to produce a product

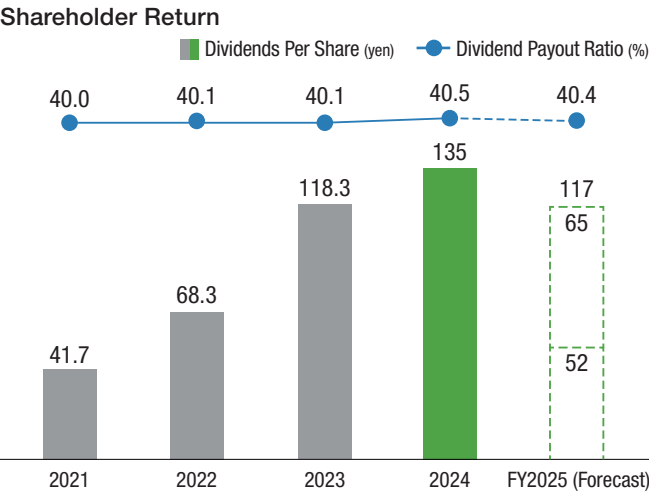
Financial Model (Target Management Indicators) (for FY2030)

Pursuing Sustainable Profit Growth with Profit and Revenue Growth (Profit Growth Outpacing Revenue Growth)	
Net sales	¥300.0 - ¥350.0 billion
Ordinary income ratio	≥ 8%
ROE	≥ 20%

Capital Policy

In order to further increase corporate value through sustainable growth in profits, there are three important elements of our capital policy: investment in growth, shareholder returns, and financial soundness.

Growth Investment	Investment for sustainable growth <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• Equity ratio: 40% or more• ROE: 20% or more• Maintain appropriate inventory levels



^{*} 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 at the beginning of the fiscal year ended March 31, 2021.)

Sustainability

We intend to help people live fuller lives and to develop a sustainable society through the various solutions we provide through our businesses. We also intend to facilitate the Group's sustainable development and to increase corporate value by working to address material issues. In terms of human capital and diversity in particular, we will focus on fostering the next generation of leaders, in addition to training human resources who seek to satisfy customers around the world and creating an

environment that fosters individual capabilities to help increase employee motivation. In order to achieve carbon neutrality in FY2050 as a response to climate change, we have set a target for FY2030 (a 50% reduction compared to FY2021). As part of this effort, we switched to electricity from virtually renewable energy sources at our Engineering Center (Tsuzuki Ward, Yokohama) in October 2023.

Enhancing Corporate Governance

We have introduced a new corporate officer system and we have created the new position of Chief Executive Officer (CEO) to clarify who is responsible for the Group's management and conduct of operations. As the highest executives in the Group, corporate officers have a company-wide perspective and are responsible for management and conduct of operations. In addition, corporate officers will further enhance the supervisory

capabilities of the Board of Directors by attending Board of Directors meetings to explain proposals and answer questions. Corporate officers are members of the Corporate Officer Committee, which is a newly created supreme body for executive decision-making. Corporate officers are responsible for prompt decision-making and the agile conduct of operations.

Message to Stakeholders

VISION 2025 is the medium-term management plan that ends in the fiscal year ending March 31, 2025. The plan has made steady progress, surpassing financial indicators and meeting the final-year forecast for the ordinary income ratio and ROE in the fiscal year that ended March 31, 2024. The fiscal year ending March 31, 2025 will be an adjustment phase, but we expect growth in the semiconductor market, security market, and IT market within the context of rising demand for a DX, EVs, and AI in the medium to long term. We continue to believe that developing flexible solutions and responding quickly to customer needs are essential. We will further increase our efforts to grow profits in the future, and we will seek to continue increasing corporate value. We would like to thank all of our stakeholders for their continued support.

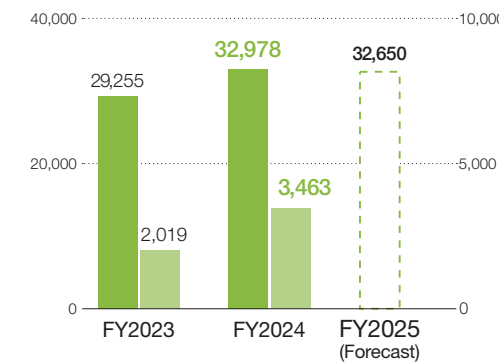


Segment Information

CN Computer Networks Business

◆ Net Sales and Segment Income (Millions of yen)

■ Net Sales (Left scale) ■ Ordinary Income (Right scale)



◆ Sales by Product Category

	Category	Main suppliers	Function
36%	Network-Related products	Arista Networks F5 Extreme Networks	Internet connection load balancing and switching hubs
17%	Storage-Related products	Pure Storage Dell Technologies	High-speed connection and storage of bulk data
11%	Security-Related products, etc.	Netskope Nutanix SentinelOne	Protection of computer systems, networks and data from attacks, damage and unauthorized access
36%	Maintenance and monitoring services	TED	Device maintenance services and security monitoring services

FY2023 FY2024

◆ Sales by Field

	Category	Main customers
39%	System integrators	IT service companies in Japan
26%	Enterprises and others	General companies, government agencies, research facilities and educational institutions
23%	Data centers and cloud business operators	Data centers, internet-related service companies
12%	Telecommunications carriers	Domestic telecommunications carriers

FY2023 FY2024

Summary of Business Results for the Fiscal Year that Ended March 31, 2024

Market conditions

- IT investment by companies, including migration to cloud computing and security measures, remained strong

Our status

- Strong sales of security-related products, subscription-based licenses, and services
- Sales of network-related products were also strong
- Profitability improved due to increased sales of maintenance and monitoring services and enhanced measures to avoid foreign exchange risks

Earnings Forecasts and Initiatives for the Fiscal Year Ending March 31, 2025

Assumptions of the business plan

- The IT market remains strong, and especially in security
- New distributor agreements

Earnings forecast

- Net sales: ¥32,650 million (down 1.0% year on year)

Initiatives

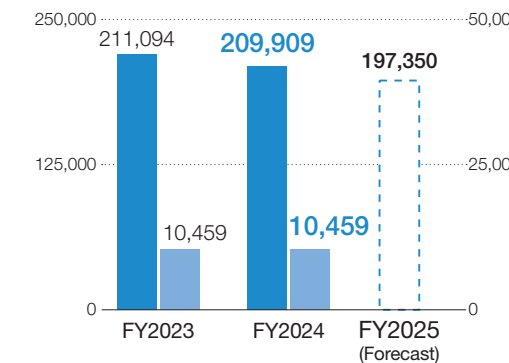
- Starting to handle new products (enhanced marketing at Tokyo Electron Device America, Inc.)
- Expanding recurring-revenue services (in-house services and technical consulting services)

Segment Information

EC Electronic Components Business

◆ Net Sales and Segment Income (Millions of yen)

■ Net Sales (Left scale) ■ Ordinary Income (Right scale)



◆ Sales by Product Category

	Category	Main suppliers	Function
35%	Analog ICs	Texas Instruments NXP Semiconductors	ICs that perform amplification, oscillation, or other processing of analog signals
19%	Microprocessors	NXP Semiconductors / Intel / Infineon Technologies / Texas Instruments	ICs with arithmetic and control functions that serve as the brains of electronic devices
17%	Logic ICs	Infineon Technologies / Texas Instruments / NXP Semiconductors / Lattice Semiconductor / MaxLinear	ICs that process digital signals / Special-purpose ICs made for particular applications / Custom ICs
4%	Memory ICs	Infineon Technologies / Everspin	Memory ICs
14%	Boards and electronic components, etc.	NXP Semiconductors / Hagiwara Solutions / PFU / ams OSRAM / Western Digital / Intel	Products (circuit boards) equipped with ICs, power supplies, connectors, and other components on printed-wiring assemblies
4%	Software and services	Microsoft / Trellex	Software embedded in industrial equipment for enterprises / Provision of subscription services
7%	PB	TED / TED Nagasaki / Fast	Design, development, and mass production of circuit boards according to customer specifications / Devices for the manufacturing industry

FY2023 FY2024

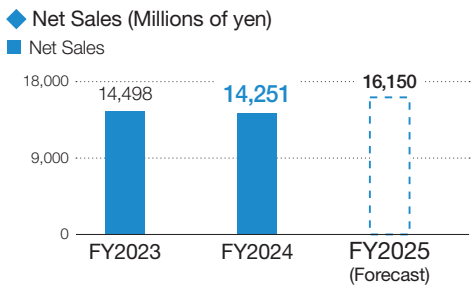
◆ Sales by Application

	Category	Main applications	Main customers
48%	Industrial equipment	Medical and analyzing equipment / Semiconductor production equipment / FA equipment / Industrial robots / Fabricating equipment / Measuring equipment / Control systems / Electrical component mounting equipment / Inverters	Tokyo Electron / Hitachi / FANUC / Mitsubishi Electric / YASKAWA Electric
21%	Automotive equipment	Automobile instruments / Car navigation systems / Advanced Driving Assistant systems / Displays / Automobile electronic control units (ECUs) / Lithium ion batteries / Automobile inverters	ALPS ALPINE / NIPPON SEIKI / Nidec / Panasonic / Mitsubishi Electric
13%	Computers and peripherals	Multifunctional printers / POS systems / Storage / Servers / Projectors / PCs and peripheral devices	Canon / Sharp / TOSHIBA / Hitachi / FUJITSU
10%	Communications equipment	5G base stations / Optical transmission equipment / Satellite communications equipment / Wireless IP network equipment	NEC / JVC KENWOOD / Nisshinbo / FUJITSU / Mitsubishi Electric
7%	Consumer appliances and electronics	Electronic musical instruments / Home gaming consoles / Air conditioners / Digital cameras / TVs and HDD recorders / Residential fuel cells	Canon / Panasonic / Mitsubishi Electric / Yamaha
1%	Others		

FY2023 FY2024

* Main suppliers and customers are referred to by commonly used abbreviations or their group names, rather than their full official corporate names.

Segment Information



Summary of Business Results for the Fiscal Year that Ended March 31, 2024

Our status

- TED contributed to sales of wafer inspection systems, and contracted design and mass production of medical equipment services also performed well
- TED Nagasaki: Sales of products for power generation and industrial equipment were strong, but the business of manufacturing substrates for semiconductor manufacturing equipment was sluggish
- Fast's inspection system sales were sluggish

Earnings Forecasts and Initiatives for the Fiscal Year Ending March 31, 2025

Earnings forecast

- Net sales: ¥16,150 million (up 13.3% year on year)

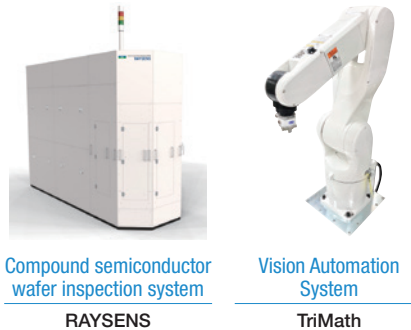
Initiatives

- Enhancing the wafer inspection system business (full-fledged delivery of equipment, sharing technology, and promoting sales to wafer manufacturers in Japan and overseas)
- Enhancing the production line at TED Nagasaki (increasing production capacity through capital investment)
- Vision automation system enhancements (functional enhancements)

Private Brand Products

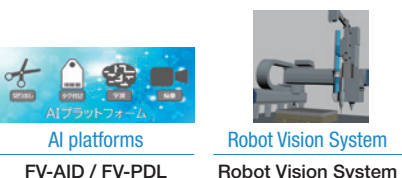
TED

TED develops and supplies manufacturing systems that integrate its proprietary technologies, including image processing, data science and robotics, to realize automation and labor saving in inspection and other processes.



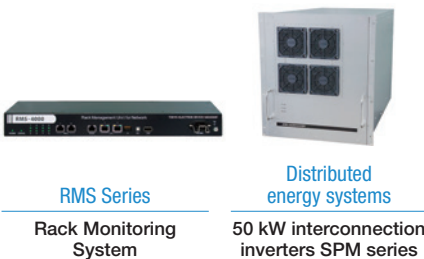
Fast

Fast is a manufacturer boasting image processing technologies, providing image processing software, machine vision technologies, and AI platforms for the visual inspection of non-uniform products for factory automation in the manufacturing sector.



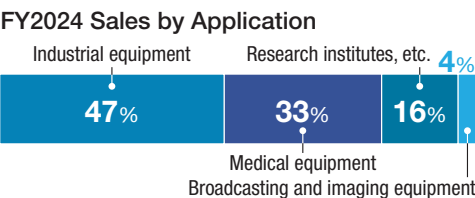
TED Nagasaki

TED Nagasaki boasts circuit board production lines capable of high-quality, small-lot, high-variety manufacturing and carries out mass production as part of contracted design and production services. TED Nagasaki also offers such private brand products as smart power supply systems, data center security systems and environmental monitoring products.



Design and Manufacturing Services

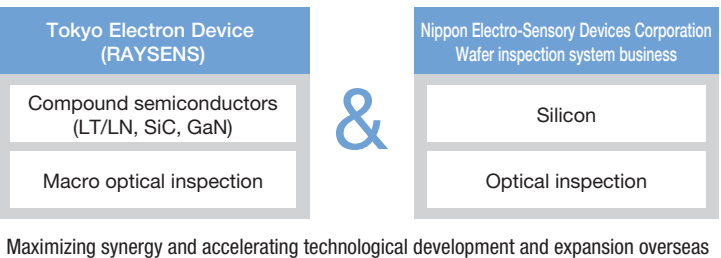
Under the inrevium brand, we offer one-stop contracted design and manufacturing services, from specification development to the design, prototyping, evaluation, production trials and mass production of customer circuit boards. Through coordination with the Electronic Components Business, we are reinforcing the development of high value-added products that use cutting-edge semiconductors.



Close-up Enhancing the wafer inspection system business

In October 2023, we took over the wafer inspection system business of Nippon Electro-Sensory Devices Corp., and we started manufacturing, selling, and maintaining silicon wafer inspection system. The inspection systems and inspected items differ from those of the compound semiconductor wafer inspection system that we have been working on, so we expect a synergistic effect in terms of technology and our customer base.

In the fiscal year ending March 31, 2025, we will begin full-fledged delivery of silicon wafer inspection systems, commercially produce and expand foreign sales of compound semiconductor wafer inspection system for SiC, and create a field support system. We will also promote R&D to develop next-generation products.



Sustainability Initiatives

As a **technology trading company** and **manufacturer**, we will work together with **our stakeholders** to contribute to the development of a sustainable society.

In April 2024, the Group laid out its VISION for 2030: to be “a company that solves latent social issues with the capabilities of a manufacturer and a technology trading company.” As a technology trading company and a manufacturer, the Group has grown its business by addressing the issues faced by its customers. In order to achieve sustainable development and increase corporate value, the Group will continue to implement various initiatives based on the materiality (key issues) it has identified, including human resource development and diversity, analysis of climate change risks and countermeasures, and introduction of renewable energy. In addition, we will help people live fuller lives and to develop a sustainable society through the various solutions we provide through our business by drawing on the resources the Group has amassed in electronics and IT.

We appreciate the continued understanding and cooperation of our stakeholders.

Kazuki Shinoda

Corporate Officer
Senior Executive
Vice President



Fundamental Policy on Sustainability-related Initiatives

In its VISION 2025 medium-term management plan, the Group has defined “Driving Digital Transformation” as its mission for the future, aiming to contribute to the arrival of Society 5.0 and its continuing development as a highly efficient, smart society achieved by leveraging data and digital technologies. Based on this perspective, the Group’s fundamental policy on sustainability-related initiatives is as follows.

Fundamental Policy

Based on the understanding that increasing corporate value and the continuity of business are intertwined with the sustainable growth of society, the Group will contribute to the sustainable development of a more prosperous society by providing a variety of solutions through its business activities. In addition, we will refer to various ESG frameworks and the Sustainable Development Goals (SDGs) as we strive to achieve the sustainable development of the Group and increase corporate value by seeking solutions to issues based on an awareness of the material issues shown below.

Material Issues

We recognize the following three issues as materiality (key issues) at this time.

Our Materiality and Related SDG Targets

- Contributing to a sustainable society by drawing on the resources the Company has amassed**
Leverage the resources that the Company has accumulated with a focus on electronics and IT to contribute to the realization of a sustainable society
SDG Targets: 3, 7, 9, 12, 13
- Creating working conditions and a personnel system based on respect for fundamental human rights**
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
SDG Targets: 3, 5, 8
- Reducing our environmental impact to maintain a sustainable relationship between society and the Company**
We will mitigate environmental burdens (environmental risks) that occur as a result of our business activities and strive to maintain a sustainable relationship between society and the Company
SDG Targets: 7, 12, 13

Materiality

1. Contributing to a sustainable society by drawing on the resources the Company has amassed

Latest Initiatives

The Group believes that its business itself, primarily in electronics and IT, contributes to the development of a sustainable society.

First, as an example of Goal 3, we issued a press release in November 2023 on the use of cloud IoT services to improve the efficiency of confirming that windows are closed at construction sites. This solution will prevent defects and reduce workers' working hours at construction sites by improving the efficiency of confirming that windows are closed.

As an example of Goal 13, TED Nagasaki issued a press release in December 2023 describing a sensor management unit and AC current monitoring unit that visually depict CO₂ emissions from office buildings in real time. The collection of sensor data and the measurement and visual depiction of CO₂ emissions will enable companies to understand the impacts of climate change and to take measures to reduce them.

We will continue to ensure that the Group's business contributes to a sustainable society by providing DX solutions.



A Cloud IoT Service, IoT INSIGHT CaaS, Improves Efficiency of Confirming That Windows Are Closed at KAJIMA CORPORATION's Construction Sites

https://www.teldevice.co.jp/pro_info/2023/press_231109.php [Japanese only]



Installed a Sensor Management Unit and AC Power Monitoring Unit in the Head Office Building of NEC Networks & System Integration Corporation.

https://www.teldevice.co.jp/pro_info/2023/press_231212.php [Japanese only]

Materiality

2. Creating working conditions and a personnel system based on respect for fundamental human rights

Strategy

We respect the growth of our employees and promote the development of human resources with a global perspective and who seek to satisfy customers. We emphasize employee motivation to improve and provide an environment that develops individual strengths and expertise through level-based education and various training programs, and we also focus on training the next generation of leaders. In addition, we are enhancing each business segment in terms

of personnel by hiring a certain number of new graduates and strategically hiring mid-career workers each year.

The Group respects cultures, ethnic groups, and individual traits and believes that sustainable growth is achieved by encouraging abilities based on diverse perspectives and values without limiting an employee's opportunity to play an active role by nationality, gender, sexual orientation, disability, age, or other factors.

For more information, please visit the Sustainability page on our website.

→ Human Capital / Diversity

https://www.teldevice.co.jp/eng/csr/human_capital.html

Metrics and Targets

The results and targets for human capital and diversity are shown on the right and are for Tokyo Electron Device Limited, which is the Group's main business.

*1. The Company has set the targets for rate of management positions held by women of 10% or more in fiscal 2025 and 12% or more in fiscal 2029.
*2. Refreshment leave is a system of special leave that enables employees to take longer, consecutive periods of leave, according to their years of service with the Company.

Metric	FY2023 result	FY2024 target
Rate of management positions held by women	12.1%	*1
Attrition rate	1.3%	3.0% or lower
Refreshment leave usage ^{*2}	78.0%	70.0% or higher
Paid time off usage	68.5%	70.0% or higher
Rate of employees undergoing annual health checkups	100.0%	100.00%

Materiality

3. Reducing our environmental impact to maintain a sustainable relationship between society and the Company

Strategy

Viewing climate change as a medium- to long-term risk, to consider organizational resilience and strategies based on related risks and opportunities, the Tokyo Electron Device Group references climate change scenarios (2°C and 4°C) developed by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) to examine the long-term impact that Tokyo Electron Device will experience up until fiscal 2050 and perform scenario analyses.

Risk Management

We established a TCFD Working Group that performs scenario analyses related to climate change risks. We are prioritizing climate-related risks based on the probability of risks and opportunities arising and the magnitude of their impact, and we are focusing our efforts on priority matters in particular. Moving forward, the Sustainability Committee will continually confirm those efforts.

Our process to manage climate-related risks is to analyze climate-related risks and then devise and promote countermeasures and manage their status through the Sustainability Committee and TCFD Working Group. The analyses and considerations of the Committee and Working Group will be reported to the Board of Directors as necessary to promote integrated risk management companywide.

Governance

Representatives from relevant departments have formed the TCFD Working Group and carried forward considerations and reviews on climate change-related basic policies, important matters, risks/opportunities, and other topics. Matters that the TCFD Working Group will examine and decide will be compiled by the Committee and reported to the Board of Directors. Agendas examined and decided in the Board of Directors will be shared with each department and reflected in their management plans and business operations.



At our Engineering Center, we have been using electricity from substantially renewable energy sources since October 1, 2023.

Metrics and Targets

In consideration of environmental issues, the Group provides eco-friendly products, prevents contamination and undertakes various other initiatives. Recognizing climate change response as an important management issue, the Group has adopted total greenhouse gas emissions (Scope 1 and 2) as an indicator for use in evaluating and managing the impacts of climate-related issues on management. The total emissions in fiscal 2021 and 2023 for the domestic consolidated Group were as follows. The Group aims to be carbon neutral by fiscal 2050 and has set a reduction target for fiscal 2030.

	FY2021 result	FY2023 result	FY2030 target
Scope 1 and 2 emissions	1,629 t-CO ₂	1,403 t-CO ₂	50% reduction from fiscal 2021 levels

Sustained development of the Company

Achievement of VISION 2030, the new medium-term management plan

Basic policy for human resource development

- Training human resources that have a global perspective and that are capable of satisfying customers and their needs, based on the premise that employee growth contributes to individual fulfillment and achievement
- Promoting employee development that emphasizes employees' desire to learn and improve
- Promoting the creation of an environment in which all employees can maximize their abilities by developing their individual strengths and expertise

Human resource development plan to train the next generation of leaders

Educational activities

Level-based education, career training, language training, business skills training, practical training, technical training

Meaningful work

- Personnel assignments
 - A system for reporting transfer requests
 - Operating a framework to put the right person in the right job over the short, medium, and long term

Compensation

- A flexible compensation system that treats employees according to their roles

Hiring

Personnel system

Working conditions

Respect for basic human rights

We respect the fundamental human rights of all people and will not engage in any conduct that offends individual dignity, such as unfair discrimination or harassment on the basis of one's position in the Company, employment status, age, sex, origin, ancestry, nationality, race, disability, religion, creed, marital status, etc.

The workplace

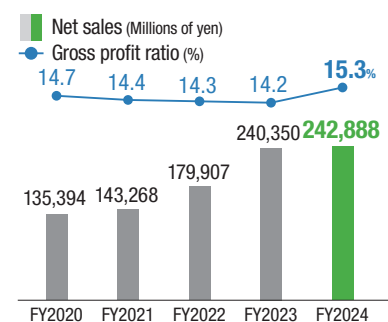
- Assistance using the Company's own vacation and leave programs related to childcare and nursing care
- A variety of harassment and compliance training programs
- Promoting fewer working hours by improving work efficiency, encouraging employees to take paid leave, specifying days when no overtime will be allowed, etc.
- Encouraging male employees to take childcare leave to foster a workplace culture that supports a balance between work and home life
- Implementing teleworking as a permanent system with no restrictions on use

Comfortable working conditions

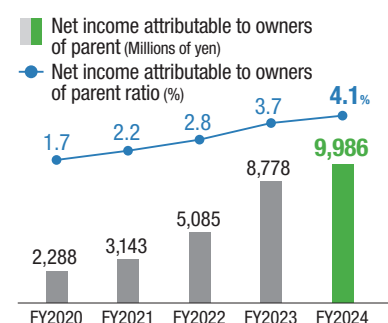
Financial Highlights (Millions of Yen)

Income	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	135,394	143,268	179,907	240,350	242,888
Gross profit	19,902	20,601	25,638	34,243	37,168
Gross profit ratio	14.7%	14.4%	14.3%	14.2%	15.3%
Selling, general and administrative expenses	16,091	15,981	17,506	20,016	21,739
Operating income	3,810	4,620	8,131	14,227	15,428
Operating income ratio	2.8%	3.2%	4.5%	5.9%	6.4%
Ordinary income	3,573	4,625	7,318	12,478	13,922
Ordinary income ratio	2.6%	3.2%	4.1%	5.2%	5.7%
Net income before income taxes	3,227	4,589	7,910	12,469	13,887
Net income attributable to owners of parent	2,288	3,143	5,085	8,778	9,986
Financial Position	FY2020	FY2021	FY2022	FY2023	FY2024
Current assets	68,668	82,721	98,895	134,309	151,336
Non-current assets	7,870	8,149	8,906	9,143	11,231
Total assets	76,539	90,870	107,801	143,452	162,567
Current liabilities	31,054	39,997	56,622	70,595	89,035
Non-current liabilities	18,344	21,220	19,160	33,859	27,341
Total liabilities	49,398	61,217	75,783	104,455	116,377
Net assets	27,141	29,652	32,018	38,997	46,190
Total liabilities and net assets	76,539	90,870	107,801	143,452	162,567
Cash Flows	FY2020	FY2021	FY2022	FY2023	FY2024
Cash flows from operating activities	8,651	△3,463	△891	△12,185	301
Cash flows from investing activities	△549	△469	△155	△199	△2,695
Cash flows from financing activities	△7,479	5,079	606	13,746	2,529
Cash and cash equivalents at end of period	4,218	5,391	5,028	6,442	6,757

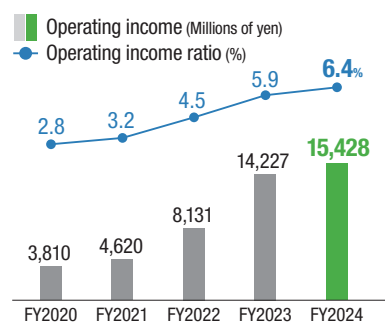
Profitability



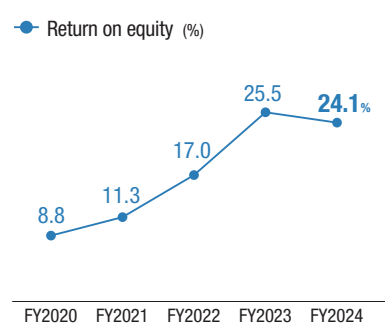
* Gross profit ratio = Gross profit / Net sales



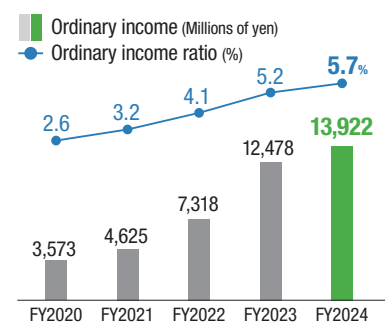
* Net income attributable to owners of parent ratio = Net income attributable to owners of parent / Net sales



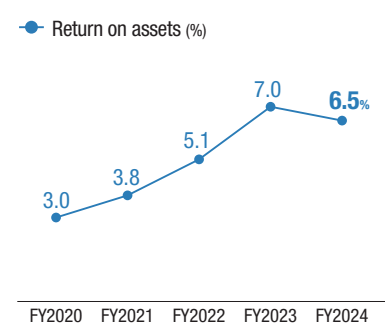
* Operating income ratio = Operating income / Net sales



* Return on equity = Net income attributable to owners of parent / Average net worth at the beginning and end of the term

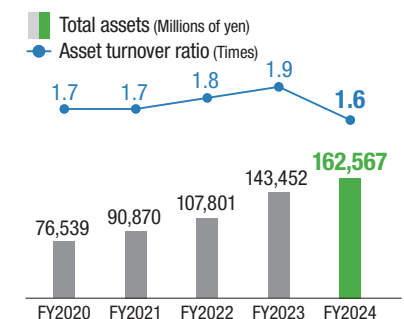


* Ordinary income ratio = Ordinary income / Net sales

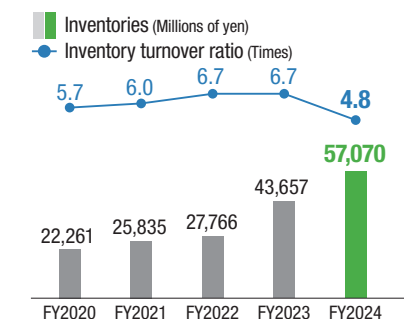


* Return on assets (ROA) = Net income attributable to owners of parent / Average total assets at the beginning and end of the term

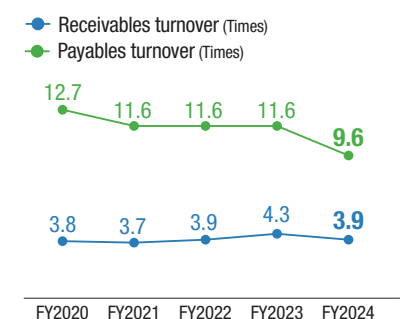
Efficiency



* Asset turnover ratio = Net sales / Average total assets at the beginning and end of the term



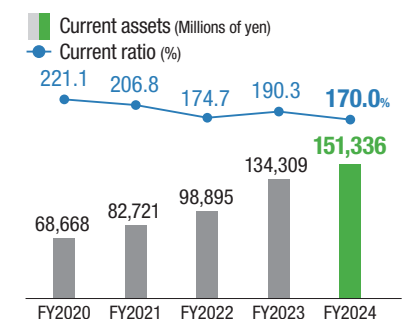
* Inventory turnover ratio = Net sales / Average inventories at the beginning and end of the term



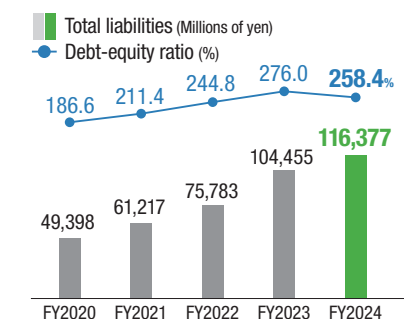
* Receivables turnover = Net sales / Average notes and accounts receivable at the beginning and end of the term

* Payables turnover = Cost of sales / Average accounts payable at the beginning and end of the term

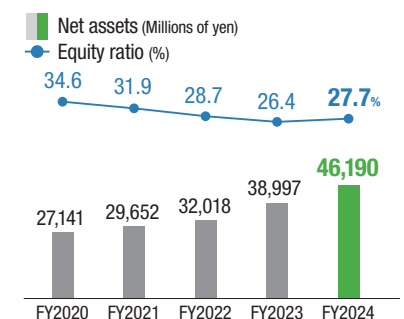
Soundness



* Current ratio = Current assets / Current liabilities

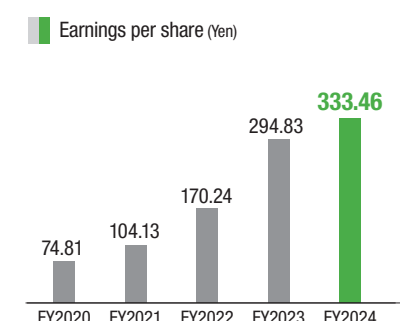


* Debt-equity ratio = Liabilities / Equity

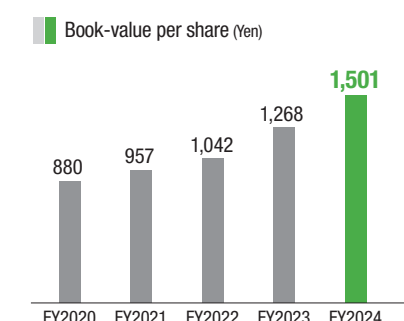


* Equity ratio = Equity / Total assets

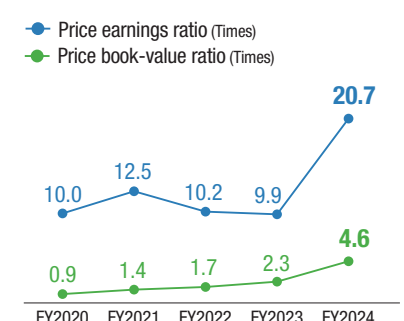
Per Share Data and Others



* Earnings per share (EPS) = Net income attributable to owners of parent / [Average number of shares issued in the term - Average number of shares of treasury stock in the term]

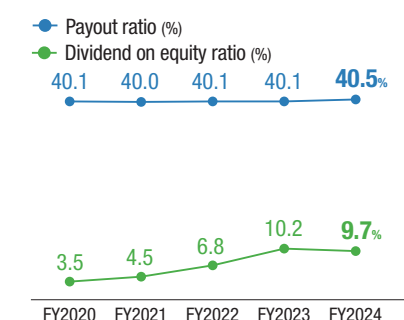
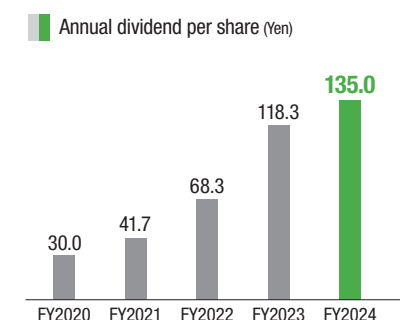


* Book-value per share = Net assets at the end of the term / [Number of shares issued at the end of the term - Number of shares of treasury stock issued at the end of the term]



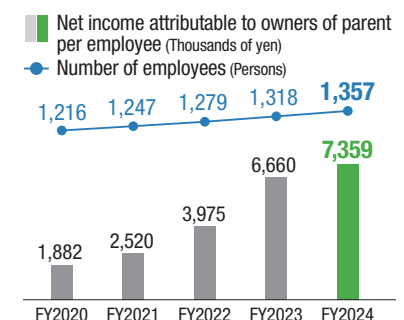
* Price earnings ratio (PER) = Share price at the end of the term / Net income per share

* Price book-value ratio (PBR) = Share price at the end of the term / Net assets per share



* Payout ratio = Paid interim dividend and year-end dividend / Net income

* Dividend on equity ratio = Total dividend / Average of net assets at the beginning and end of the term



* Net income attributable to owners of parent per employee = Net income attributable to owners of parent / Number of employees at the end of the term

* The amounts in the per share index graph above reflect a stock split (from one share to three shares) on the October 1, 2023.