CN Computer Networks Business

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

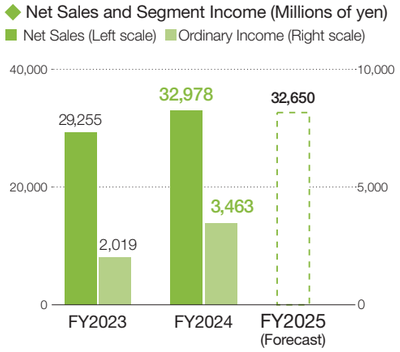
Earnings forecast

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

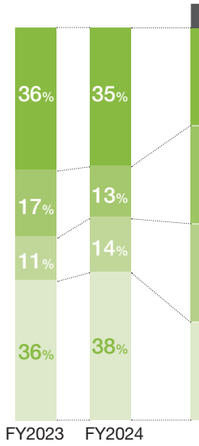
Initiatives

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

◆ Net Sales and Segment Income (Millions of yen)

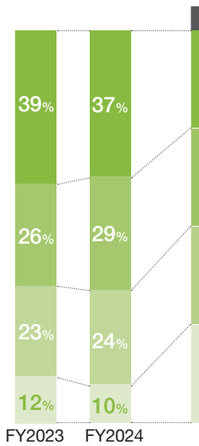


◆ Sales by Product Category



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

◆ Sales by Field



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

EC Electronic Components Business

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

Market conditions

- High levels of inventory in the supply chain as the supply of semiconductors gradually returns to normal

Our status

- Sales of automotive semiconductor products were strong due to the expansion of customer commercial rights
- Design and manufacturing services for industrial equipment and medical equipment also performed well
- Sales of products for industrial equipment and computers and peripherals declined due to stagnation in the Chinese market and semiconductor manufacturers' shift to direct sales

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

Assumptions of the business plan

- Adjustment will continue, and the business environment for semiconductors and industrial equipment will remain sluggish in the first half of the year but will begin to recover in the second half
- Direct sales by semiconductor manufacturers will have the most impact in the first half of the fiscal year, and new customer commercial rights will contribute in the second half of the fiscal year

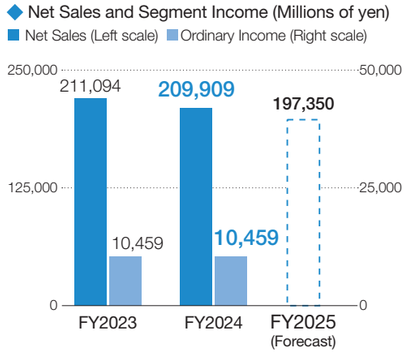
Earnings forecast

- Net sales: ¥197,350 million (down 6.0% year on year)

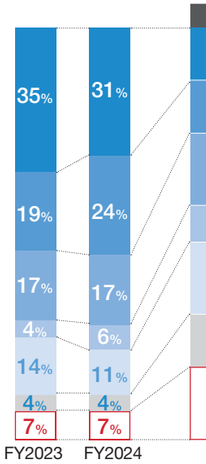
Initiatives

- Expanding the product lineup
  (new customer commercial rights, new supplier contracts)
- Promoting the solution business in collaboration with the PB business
  (system development services)
- Enhancing cloud AI and edge AI business
  (services and solutions with Microsoft at the heart)

◆ Net Sales and Segment Income (Millions of yen)

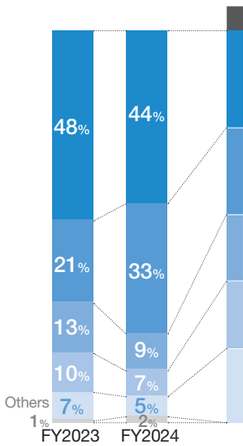


◆ Sales by Product Category



Category	Main suppliers	Function
Analog ICs	Texas Instruments NXP Semiconductors	ICs that perform amplification, oscillation, or other processing of analog signals
Microprocessors	NXP Semiconductors / Intel / Infineon Technologies / Texas Instruments	ICs with arithmetic and control functions that serve as the brains of electronic devices
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
Memory ICs	Infineon Technologies / Everspin	Memory ICs
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
Software and services	Microsoft / Trellix	Software embedded in industrial equipment for enterprises / Provision of subscription services
PB	TED / TED Nagasaki / Fast	Design, development, and mass production of circuit boards according to customer specifications / Devices for the manufacturing industry

◆ Sales by Application

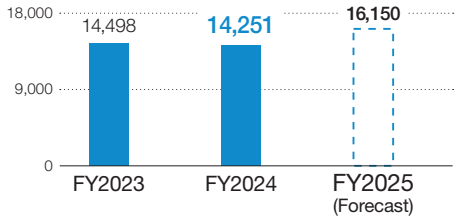


Category	Main applications	Main customers
Industrial equipment	Medical and analyzing equipment / Semiconductor production equipment / FA equipment / Industrial robots / Fabricating equipment / Measuring equipment / Control systems / Electrical component mounting equipment / Inverters	Tokyo Electron / Hitachi / FANUC / Mitsubishi Electric / YASKAWA Electric
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
Computers and peripherals	Multifunctional printers / POS systems / Storage / Servers / Projectors / PCs and peripheral devices	Canon / Sharp / TOSHIBA / Hitachi / FUJITSU
Communications equipment	5G base stations / Optical transmission equipment / Satellite communications equipment / Wireless IP network equipment	NEC / JVC KENWOOD / Nisshinbo / FUJITSU / Mitsubishi Electric
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

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

PB Private Brand Business

◆ Net Sales (Millions of yen)
■ Net Sales



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.

Compound semiconductor wafer inspection system
RAYSENS

Vision Automation System
TriMath

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.

AI platforms
FV-AID / FV-PDL

Robot Vision System
Robot Vision System

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.

RMS Series
Rack Monitoring System

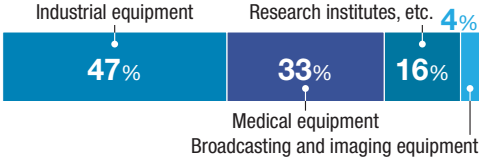
Distributed energy systems
50 kW interconnection inverters SPM series

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.

Design → Development → Mass production

FY2024 Sales by Application



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.

Tokyo Electron Device (RAYSENS)		Nippon Electro-Sensory Devices Corporation Wafer inspection system business
Compound semiconductors (LT/LN, SiC, GaN)	&	Silicon
Macro optical inspection		Optical inspection

Maximizing synergy and accelerating technological development and expansion overseas