

Launch of the Medium-Term Management Plan VISION 2030

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 of society (our customers), we will encourage the adoption of cutting-edge technologies and help to create a “super-smart society.”



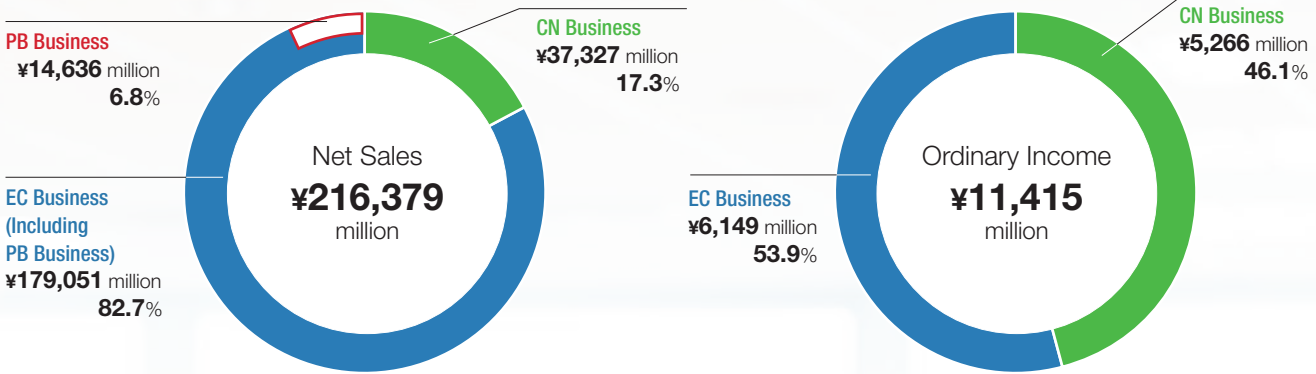
Akihito Ito

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]

Summary of Business Results for the Fiscal Year Ended March 31, 2025



Review of the Fiscal Year Ended March 31, 2025

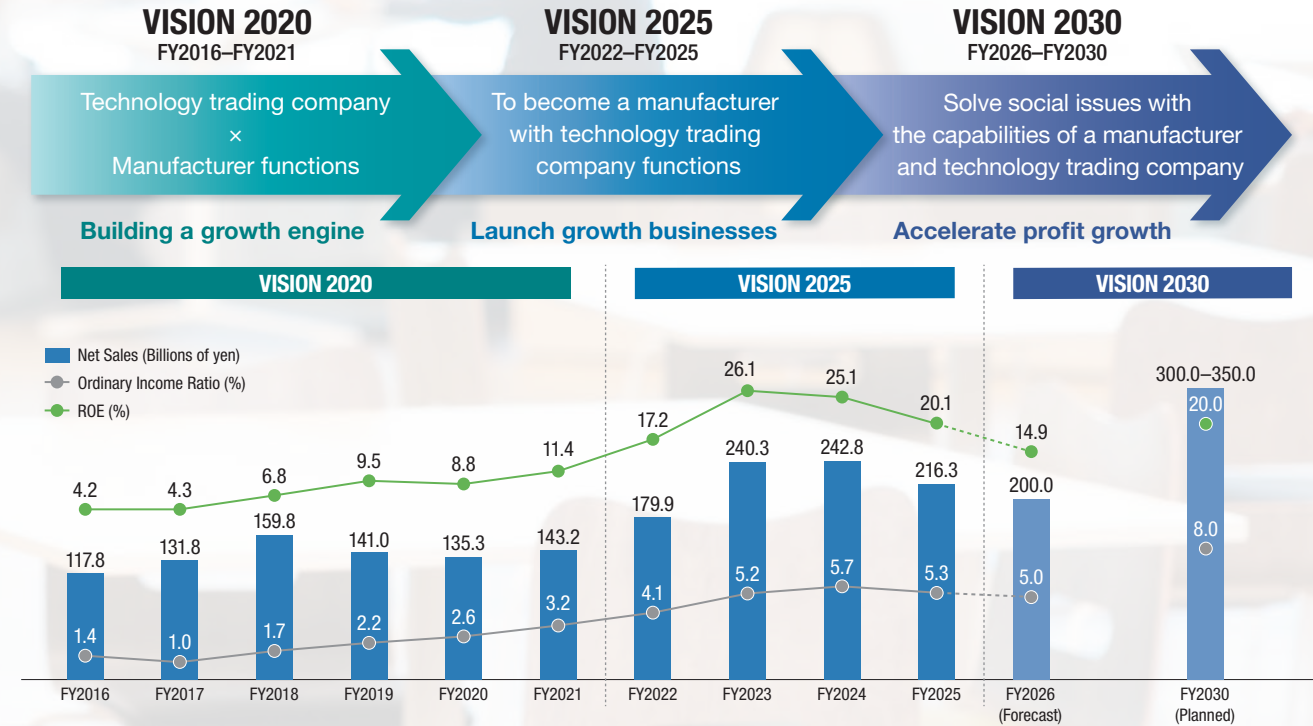
In the fiscal year ended March 31, 2025, the CN Business recorded strong sales of network, storage, and security-related products. There was also an increase in demand for maintenance and monitoring services, resulting in higher sales and profits compared to the previous fiscal year. However, in the EC Business, despite the expansion of customer commercial rights, the prolonged impact of inventory adjustments in the supply chain resulted in lower

sales and profits compared to the previous fiscal year. For the fiscal year ended March 31, 2025, the Group posted net sales of ¥216.379 billion (down 10.9% year on year), operating income of ¥12.457 billion (down 19.3% year on year), ordinary income of ¥11.415 billion (down 18.0% year on year), and net income attributable to owners of parent of ¥8.874 billion (down 11.1% year on year).

Review of the Medium-Term Management Plan VISION 2025 (Fiscal Year Ended March 31, 2022 to Fiscal Year Ended March 31, 2025)

In the medium-term management plan VISION 2025, we set goals of ¥200 billion ±10% for net sales, 5% for ordinary income ratio, and 15% for ROE. As a result of our efforts, we were able to achieve our numerical targets for net sales, ordinary income ratio, and ROE for three consecutive years through the fiscal year ended March 31, 2025. In addition, both net sales and ordinary income reached record highs in the fiscal year ended March 31, 2024, and we believe that the level of the ordinary income ratio, which is now in the 5% range, is the result of our efforts to achieve profit growth.

Efforts to achieve profit growth in each business segment have had some success. However, we cannot yet say that we have realized or achieved our VISION of “becoming a manufacturer with technology trading company functions,” and as such, we believe it is vital to continue our efforts with even greater focus and belief in our transformation into a manufacturer. As such, the medium-term management plan VISION 2030, which commenced this fiscal year, aims to further enhance our corporate value.



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

MISSION

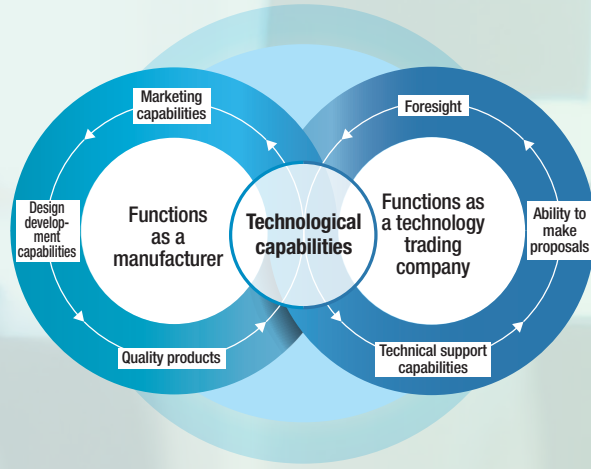
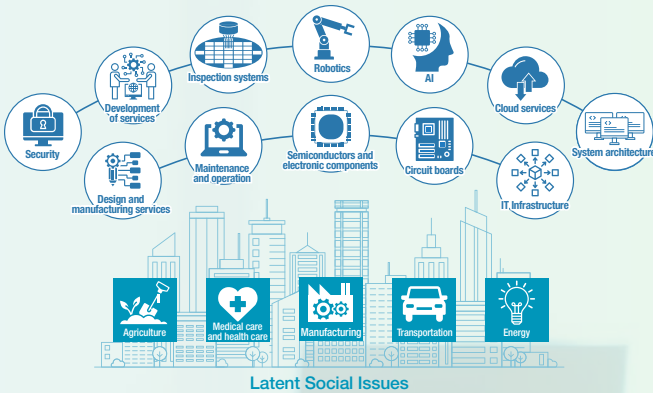
Address social issues through leading-edge technology, primarily semiconductors and IT, and to contribute to the sustainable development of society by offering solutions to those issues that have value beyond expectations

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 of 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

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 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.)

Financial Model (Target Management Indicators) (for FY2030)

Pursuing sustainable profit growth with profit and revenue growth (profit growth outpacing revenue growth)

Net sales	¥300-350 billion
Ordinary income ratio	≧8%
Return on equity* (ROE)	≧20%

*Shareholders' equity

Targets by Business

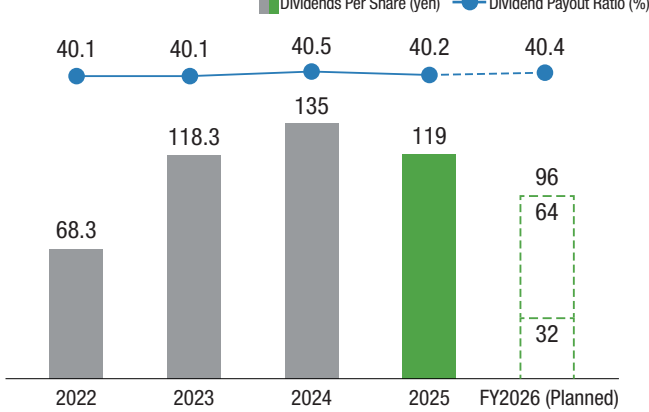
	Percentage of total sales	Ordinary income ratio
CN Business	15%	12%
EC Business	75%	7%
PB Business	10%	10%

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

Shareholder Return



* Conducted a share split at a ratio of three shares for one ordinary share on October 1, 2023 (Dividend amounts are shown assuming that the share split had taken place at the beginning of the fiscal year ended March 31, 2022.)

Forecast for the Fiscal Year Ending March 31, 2026

In terms of the business environment for the fiscal year ending March 31, 2026, for the CN Business, we expect the IT market to remain strong; for the EC and PB Businesses, we expect the market to continue to adjust in the first half of the year and shift to a recovery trend in the second half of the year.

Based on the business plan assumptions shown in the figure below, for the fiscal year ending March 31, 2026, we

plan to achieve net sales of ¥200 billion (down 7.6% year on year), ordinary income of ¥10 billion (down 12.4% year on year), and net income attributable to owners of parent of ¥7 billion (down 21.1% year on year). In addition, although we have not incorporated the U.S. tariff measures into our business plan at this stage, we will continue to closely monitor developments.

Assumptions of the Business Plan

		FY2025	FY2026	
		Second Half	First Half	Second Half
		Adjustment Period		Recovery Period
EC, PB	Semiconductor, wafer market conditions	Delays in eliminating excess inventory in the supply chain		Gradually optimized
	Industrial equipment market	Sluggish due to impact of market conditions in China		Recovery trend
	Automotive equipment market	Remained steady		Recovery trend
	Market conditions in China	Prolonged stagnation		
	Commercial rights	Shift of some products to direct sales Contribution of new customer commercial rights	Contribution of new customer commercial rights	
CN	IT market conditions	The IT market, especially security, remains steady		
	Exchange rate trends	Average rate: ¥152.6		Assumed range of ¥145–150

Message to Stakeholders

At TED, we are stepping up our efforts to realize a sustainable society and enhance our corporate value. In terms of sustainability, we aim to contribute to the enrichment of people's everyday lives and the development of a sustainable society through the diverse solutions our businesses provide. With respect to human capital and diversity in particular, we are focusing on developing human resources capable of pursuing customer satisfaction from a global perspective, and are working to create an environment that maximizes the potential of each and every employee. Further, in addressing climate change, we have set a goal of achieving carbon neutrality by FY2050, and are working to reduce greenhouse gas emissions by 50% from FY2021 levels by FY2030. [▶P.14](#)

We are also continuously working to strengthen our corporate governance. In addition to adopting a “company with an Audit & Supervisory Board” structure, we have established a Nomination Committee and a Compensation Committee to enhance the objectivity and transparency of our management. The Board of Directors effectiveness evaluation conducted for the fiscal year ended March 31, 2025 confirmed

improvements to the governance structure, a result of measures such as the introduction of a corporate officer system. Going forward, we will continue to engage in more in-depth discussions on ESG and human capital, and focus on strengthening the functions of the Board of Directors. [▶P.15](#)

We will continue to create an environment in which each and every employee can take on the challenge of solving social issues in the various fields in which we operate, thereby accelerating the creation of future value. I look forward to the continued support of all our stakeholders in the years to come.

