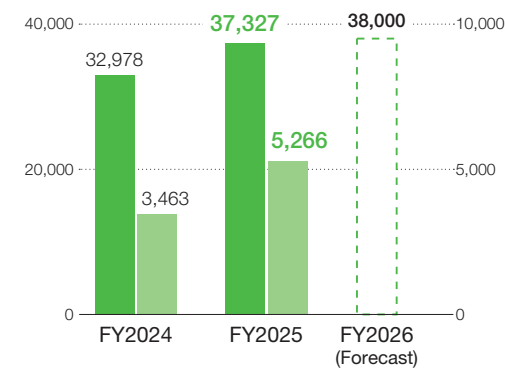


CN

Computer Networks Business

Net Sales and Segment Income (Millions of yen)
■ Net Sales (Left scale) ■ Ordinary Income (Right scale)



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

Market conditions

- Rapid increase in data volume and adoption of cloud computing in line with the drive for digital transformation (DX), resulting in strong IT investment in cloud migration and security measures

Our status

- Strong sales of network-related products, storage-related products, security-related products, and subscription-based licenses
- Increased demand for design/construction services and maintenance/monitoring services accompanying product sales

Sales by Product Category

		Category	Main suppliers	Function
35%	32%	Network-related products	Arista Networks F5 Extreme Networks	Network switches Internet connection load balancing
13%	13%	Storage-related products	Pure Storage	High-speed connection and storage of bulk data
14%	16%	Security-related products, etc.	Netskope Nutanix SentinelOne	Protection of computer systems, networks and data from attacks, damage and unauthorized access
38%	39%	Maintenance and monitoring services	TED	Device maintenance services Security monitoring services
FY2024	FY2025			

Sales by Field

		Category	Main customers
37%	41%	System integrators	IT service companies in Japan
29%	27%	Enterprises and others	General companies, government agencies, research facilities and educational institutions
24%	22%	Data centers and cloud business operators	Data centers, internet-related service companies
10%	10%	Telecommunications carriers	Domestic telecommunications carriers
FY2024	FY2025		

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

Growth Strategy

Message from the CN BU / BUGM

Corporate Officer
Senior Executive Vice President
Director, Computer Networks Business
Takayoshi Miyamoto



Management policy

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

Growth in IT equipment sales and subscription-based business for security products; a further focus on resiliency-enhancing security solutions

The CN Business has leveraged the Company's capabilities as a technology trading company to provide solutions targeting growth areas such as IT infrastructure, security, cloud computing, and AI.

During the period covered by VISION 2025, the shortage of semiconductors resulting from the COVID-19 pandemic, combined with long delivery times for IT equipment and unstable exchange rates, made it difficult to ensure profitability. Toward the final fiscal year of this period, however, delivery problems were resolved with the exception of some products, and the business environment has largely returned to normal. Under these conditions, we succeeded in winning orders for products including Pure Storage flash storage solutions and Arista Networks network switches. In addition, the subscription-based business saw steady growth, driven by orders for security products from Netskope and SentinelOne. Furthermore, we now have more opportunities to provide accompanying IT services to

support our customers, including construction, support, and operation/monitoring.

In recent years, cyberattacks have become more sophisticated and varied, further increasing the importance of corporate security measures. In particular, with the ongoing shift to digital business operations and cloud computing, risks such as information leaks and system failures have become critical issues directly impacting business management. This makes "resiliency" a key requirement for quickly responding to unexpected events, thereby allowing business operations to be sustained and restored. We offer automated security testing tools from Pentera that can diagnose system vulnerabilities in scenarios that closely resemble actual attacks, as well as next-generation backup solutions from Rubrik that enable rapid recovery in the event of a cyberattack or failure. In light of the growing need for security measures, we will continue to provide these solutions to our customers.

Providing robust support for DX by offering services and the latest solutions tailored to each customer's phase

During the period of VISION 2030, companies are likely to face a variety of challenges in responding to the rapid evolution of IT systems, including modernization (restructuring of aging systems), measures to deal with increasingly sophisticated and complex cybersecurity issues, optimization of cloud and hybrid environments, and the use of AI and risk management. In addition, the growing shortage of IT personnel could pose a major obstacle in terms of supporting companies' digital strategies. Given this environment, we will focus on the areas of IT infrastructure, security, cloud computing, and AI to support the foundations of applications, continuing to provide robust support for our customers' digital transformation (DX) efforts.

The field of AI, in particular, is attracting attention as a core technology that will determine future corporate competitiveness, and many companies have already launched initiatives in this area. With AI becoming more

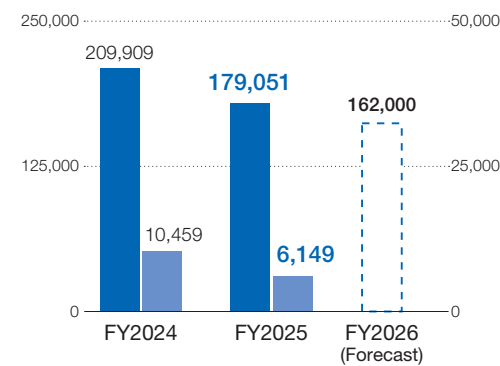
widely used in areas such as automating operations, enhancing decision-making, and improving customer experience, companies are aiming to maximize operational efficiency, create new business models, and uncover deeper customer needs through further utilization of AI. However, this also brings new challenges such as maintaining data quality, ensuring transparency and fairness in AI, and risk management. Accordingly, we have prepared solutions to these new AI challenges and will continue to strengthen our support so that our customers can incorporate AI into their operations with confidence, achieving sustainable value creation and enhanced competitiveness.

Creating value for our customers will remain our top priority, and we will continue to strengthen relationships and engagement with customers by offering a combination of services and state-of-the-art solutions tailored to each phase.

EC

Electronic Components Business

Net Sales and Segment Income (Millions of yen)
■ Net Sales (Left scale) ■ Ordinary Income (Right scale)



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

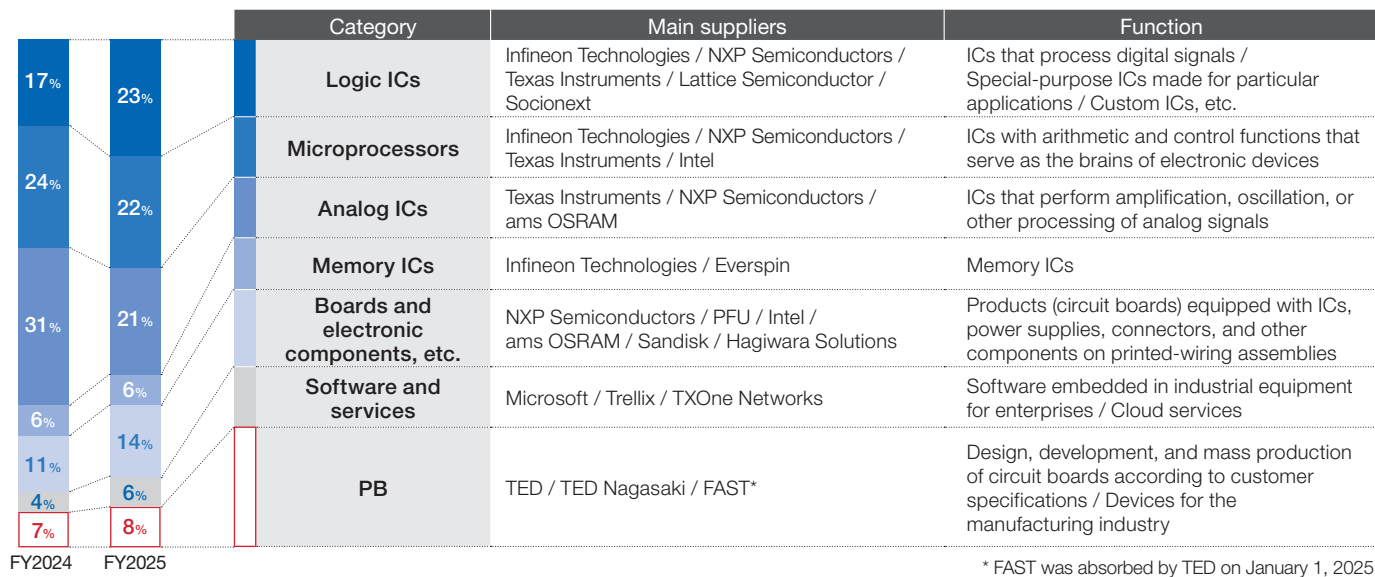
Market conditions

- Enduring effects of stagnant Chinese market and inventory adjustments in the supply chain

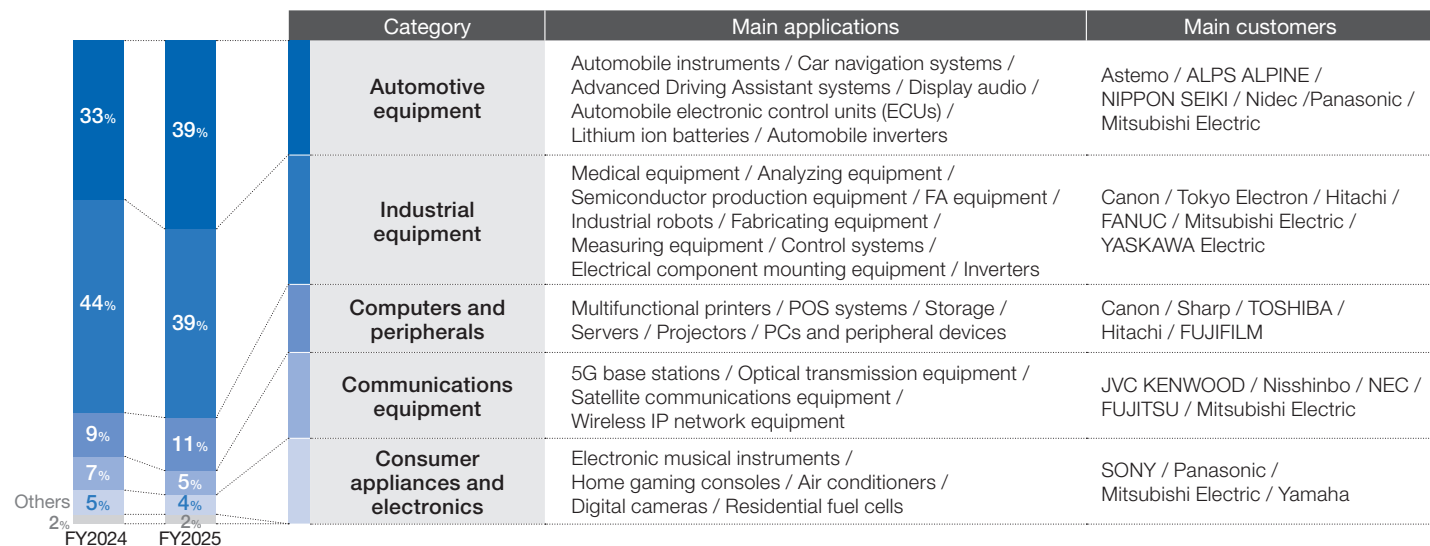
Our status

- Sales of automotive semiconductor products were strong, partly due to the expansion of customer commercial rights
- Wafer inspection system business contributed to business performance
- Sales of semiconductor products for industrial equipment declined
- Sales of semiconductor products for communications equipment and consumer appliances were weak

Sales by Product Category



Sales by Application



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

Growth Strategy

Message from the EC BU / BUGM

Corporate Officer
Senior Executive Vice President
Representative Director, Electronic Components Business

Masami Hasegawa



Management Policy

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

* Security for operational technology used in factories and industrial facilities

Growth in new customer commercial rights, operational efficiency improved, and solutions using the products we carry adopted in other industries

Under VISION 2025, the EC Business has undertaken activities to make the evolving functions of a technology trading company a reality.

Our first achievement has been the expansion of the customer base through the acquisition of new customer commercial rights. We have won high praise from both semiconductor manufacturers and customers for our design activities (consultations with customers on issues, technical proposals), technical support, and mass production support, and have expanded our commercial rights with new customers. We are focusing on customers in the fields of industrial and automotive equipment, where Japanese companies have a competitive edge in the global market, and will further intensify our sales activities by offering competitive products in these fields.

Our second achievement is improving operational efficiency through the development of IT infrastructure and the introduction of telework. Fixed costs were reduced by reviewing and digitizing business processes. This has enabled us to achieve a breakthrough in profit margins in the semiconductor trading company model, which had

previously been considered low-profit, and we are now able to set even higher targets for the future.

We have also promoted the development of solutions using the products we carry. The high-speed projector “DynaFlash” has been incorporated into KOSÉ Corporation’s “Makeup Simulator,” which offers a virtual makeup experience, taking advantage of the device’s ability to project up to 1,000 images per second using high-speed image processing technology. In January 2025, we co-exhibited at CES 2025, one of the world’s largest technology trade shows, held in Las Vegas, USA, and received the “CES Innovation Awards® 2025 Honoree” in the XR Technologies & Accessories category. In addition, our portable IoT gateway has been adopted by Greein Inc.’s “e-kakashi,” which supports smart agriculture through advanced data analysis using AI. It has been deployed both domestically and internationally, contributing to the resolution of global agricultural issues. Going forward, we will continue the steady development of businesses that have shown promise as a result of our development investments so far, with the aim of reaching the revenue generation phase.

Taking on the challenge of creating value in next-generation semiconductor manufacturing processes and expanding sales fields and our customer base through stronger partnerships

Semiconductors are currently approaching the limits of the performance improvements that can be achieved with conventional miniaturization strategies (Moore’s Law), with physical constraints and rapidly rising costs emerging in advanced processes. However, high-performance, low-power semiconductors are vital in fields such as AI, 5G, and autonomous driving, necessitating unprecedented design and manufacturing approaches. Against this backdrop, innovative manufacturing processes such as chiplet technology, GAAFET structures, 3D stacking, and optoelectronic integration are rapidly becoming practical. We will leverage the technical capabilities and market insight cultivated over many years in the semiconductor industry to take on the challenge of creating new value in next-generation semiconductor manufacturing processes. Specifically, we will do our part to make manufacturing processes more advanced and efficient by developing systemized substrate solutions using the semiconductors we handle for new manufacturing and inspection equipment, areas which are forecast to see increased demand in the future.

We will also actively pursue the creation and expansion of new businesses through collaboration with companies in

different industries. During the period of VISION 2025, we have created new value through collaboration with partner companies in the fields of cosmetics and agriculture, where the use of semiconductors had previously been limited. Going forward, we will continue to actively explore and discover new applications for semiconductors through partnerships that transcend industry boundaries.

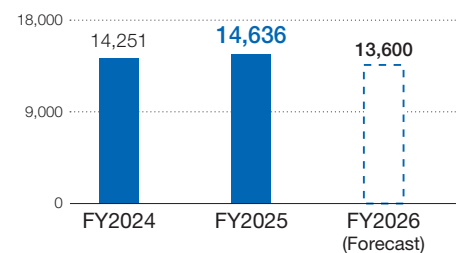
We have collaborated with partner companies in the sale of semiconductors and cloud services, and will further enhance and expand this partner strategy going forward. For customers and industries that have been difficult to approach due to personnel resource constraints, we will leverage the strengths and industry expertise of each of our partner companies to propose optimal products, thereby improving customer satisfaction and maximizing sales opportunities.

By focusing on growth markets and continuing to pursue solution-based businesses that make use of the products we carry, we will promote our business by both developing new markets and bolstering our presence in existing markets, thereby achieving sustainable growth and strengthening our revenue base.

PB Private Brand Business

Net Sales (Millions of yen)

■ Net Sales



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

Our status

- TED: Although design and manufacturing services for industrial equipment were sluggish, sales of wafer inspection system business contributed to business performance
- TED Nagasaki: Sales of in-house products for power equipment were strong, but sales of circuit boards for semiconductor production equipment slowed and remained weak
- On January 1, 2025, TED completed an absorption-type merger of FAST CORPORATION

Private Brand Products

TED

Combining its proprietary technologies such as image processing, data science, and robotics, TED develops and provides equipment that automates and streamlines operations at semiconductor and LCD panel manufacturing sites, factories, and logistics sites, as well as embedded solutions for various equipment and systems, including semiconductor manufacturing equipment, machine tools, processing machines, and inspection systems.

Work automation and efficiency equipment



Silicon wafer inspection systems

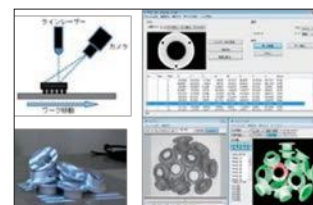


Compound semiconductor wafer inspection systems

Equipment and system-embedded solutions



Image processing software



3D measurement and inspection systems

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.



Rack monitoring system



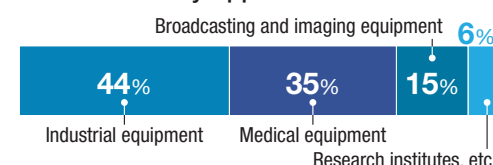
Distributed energy systems

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.



FY2025 Sales by Application



Close-up Growth of the semiconductor wafer inspection equipment market and our initiatives

The semiconductor wafer inspection equipment market is an area of focus where sustained growth is expected to continue. The proliferation of products such as smartphones, smart home appliances, industrial IoT devices, and electric vehicles (EVs), along with the growth in data centers driven by the expansion of cloud services and AI processing, is rapidly boosting demand for semiconductors. This has further increased the importance of quality control in the manufacturing process and made the need for wafer inspection equipment even greater.

Furthermore, with technological innovations, such as miniaturization and multi-layering of semiconductors, as well as the shift to larger diameter wafers of 300 mm or more, higher-precision inspection technology and yield management have become indispensable. These changes are driving performance improvements and greater diversification in inspection equipment, which in turn is fueling market growth.

In response to these changes in the market environment, TED is engaged in ongoing technological development to provide optimal inspection systems that meets the materials and inspection parameters demanded by our customers.



Growth Strategy

Message from the PB BU / BUGM

Corporate Officer
Senior Executive Vice President
Private Brand Business

Kazuki Shinoda



Management Policy

- Provide products centered on wafer inspection systems globally with measurement and inspection technology at the core
- Strengthen medical ODM*¹ and board OEM*² services by leveraging semiconductor-related technology and high-quality development and manufacturing infrastructure

*1. Original design manufacturing: A model where a company handles everything from product design to manufacturing

*2. Original equipment manufacturing: In contrast to ODM, a model where a company is only commissioned or contracted to produce a product

Strengthening the wafer inspection system business to enter the silicon wafer market and drive overseas expansion

In VISION 2025, we set forth our VISION of “becoming a manufacturer with technology trading company functions,” and we have made significant progress in transforming our PB Business into a manufacturing business as part of these efforts.

Our greatest achievement over the past four years has been the launch of our measurement and inspection system business, centered on wafer inspection systems. In 2020, we began selling compound semiconductor wafer inspection systems as private brand products, and have continuously worked to enhance their functions by increasing the diameter of wafers that can be inspected and expanding the number of inspection parameters. In addition, we are focusing on expanding sales of SiC wafer inspection systems, an area where growth is expected, in Asia and Europe. In 2023, we acquired the wafer inspection system business of Nippon Electro-Sensory Devices Corp. and entered the larger market for silicon wafer inspection equipment. We are also developing a system for field support (installation, maintenance, and repair of equipment) for our customers, with equipment deliveries beginning in earnest in the fiscal year ended March 31, 2025. In addition to acquiring a customer base and inspection technology, having been able

to secure personnel with advanced technical skills and experience is something we view as a major accomplishment.

In terms of other private brand products, we achieved the development and delivery of individual parts packaging robots utilizing the TriMath work process interlock controller. We also developed an automatic deburring system for the sheet metal processing field. Our track record in robot control, eliminating the need for human operators to teach tasks through real-time image recognition, is one of our most important achievements.

In design and manufacturing services, we expanded our customer base through sales activities and technical proposals in collaboration with our EC Business. Furthermore, the production management and procurement departments of TED and TED Nagasaki were integrated to promote operational efficiency in circuit board manufacturing.

In addition, as of January 1, 2025, we completed an absorption-type merger of FAST CORPORATION. Through this merger, the human resources of the PB Business have been consolidated into a single entity and the development organization has been restructured to further strengthen our technological development base.

Three strategies: research and development, strengthening of manufacturing infrastructure, and investment for growth

The PB Business will focus on growth markets and solve problems by addressing our customers' underlying needs. VISION 2030 sets out three strategies in this regard.

The first is research and development of next-generation measurement and inspection technologies. In response to the speed of technological innovation in the semiconductor manufacturing industry, we will focus on the development of measurement and inspection technologies that can meet new customer needs. We will enter and intensify our efforts in the silicon wafer field, and in the compound semiconductor wafer field, we will accelerate our expansion into overseas markets, particularly in the SiC field. In addition, we are also putting our efforts into the development of inspection systems for the advanced semiconductor packaging market. In LCD panel inspection systems, we will seek to improve competitiveness and profitability while maintaining our business with existing customers. Finally, we have also begun developing inspection systems for new materials and microelectronic components, and through marketing activities and customer development, we are pursuing the deployment of new products.

The second strategy is to strengthen our manufacturing infrastructure in order to enhance our capabilities as a

manufacturer. In the area of design and manufacturing services, TED is making efforts to strengthen its procurement and production engineering systems, centered on the TED Nagasaki Plant, and to improve design and manufacturing quality and operational efficiency through the development of IT systems. With respect to the manufacturing of measuring and inspection system, we will also strengthen cooperation with external partner factories and expand our manufacturing capacity.

The third strategy is growth investment via mergers and acquisitions. To date, we have built the foundation of our manufacturing capabilities through the incorporation of AVAL NAGASAKI (now TED Nagasaki) and FAST CORPORATION as consolidated subsidiaries and the acquisition of the wafer inspection system business of Nippon Electro-Sensory Devices Corp. Going forward, we intend to accelerate the growth of our business through mergers and acquisitions aimed at expanding our product lineup, both by expanding into new markets and by incorporating technological assets, including the acquisition of human resources.

Under VISION 2030, we will steadily implement these strategies to improve our competitiveness and achieve sustainable business growth.