



# Financial Briefing for the Fiscal Year Ended March 31, 2025

**TOKYO ELECTRON DEVICE**

April 30, 2025

## Financial Report

Corporate Officer / Senior Vice President  
Jun Ninomiya

## Medium-Term Management Plan VISION2030 Forecast of Financial Results for the FY2026

President & Representative Director, CEO  
Atsushi Tokushige



# Financial Report

Corporate Officer / Senior Vice President  
Jun Ninomiya

# Summary: Financial Results for the FY2025

## Year-on-Year Comparison: Decrease in sales and income

Net sales: 10.9% decrease  
Ordinary income: 18.0% decrease  
Net income attributable to owners of parent: 11.1% decrease

## Full-year forecast: Rate of achievement

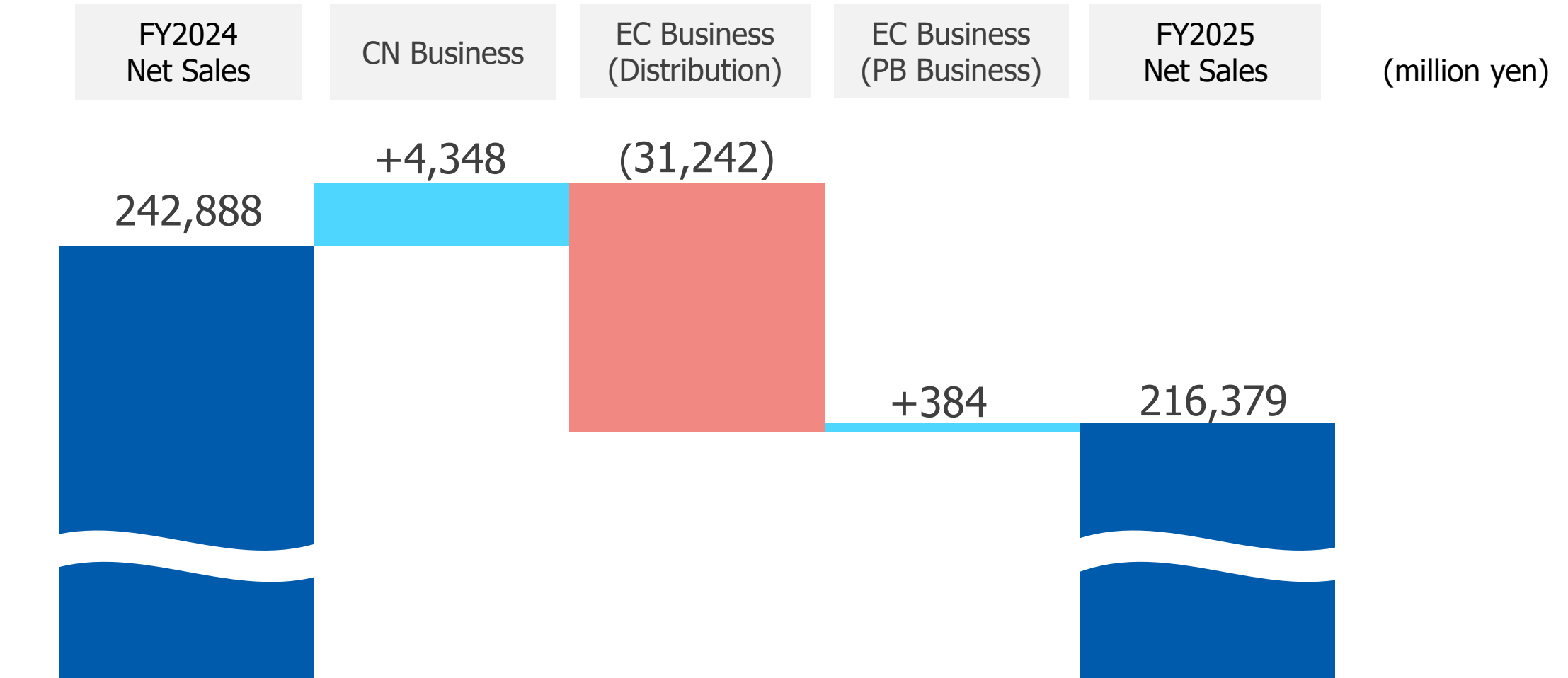
Net sales: 94.1%  
Ordinary income: 89.9%  
Net income attributable to owners of parent: 102.0%

# Summary of Financial Results: Comparison with Prior Year

|  | FY2024  | FY2025  | Change   | FY2025 Forecast |
|--|---------|---------|----------|-----------------|
| Net sales                                  | 242,888 | 216,379 | (26,509) | 230,000         |
| Cost of sales                              | 205,720 | 182,646 | (23,073) |                 |
| Gross profit                               | 37,168  | 33,732  | (3,435)  |                 |
| Selling, general & administrative expenses | 21,739  | 21,274  | (464)    |                 |
| Operating income                           | 15,428  | 12,457  | (2,971)  |                 |
| Non-operating income                       | 414     | 471     | 57       |                 |
| Non-operating expenses                     | 1,920   | 1,513   | (407)    |                 |
| Ordinary income                            | 13,922  | 11,415  | (2,506)  | 12,700          |
| Net income                                 | 9,986   | 8,874   | (1,112)  | 8,700           |
| Number of employees                        | 1,357   | 1,383   | 26       |                 |

\*Net income is net income attributable to owners of the parent.

# Summary of Financial Results: Change in Net Sales



In the segment categories, the PB Business is included in the EC Business.  
PB is an abbreviation of "Private Brand;" the title was changed from In-House Brand Business, which was used in the past.  
The PB Business includes Tokyo Electron Device Nagasaki Limited and FAST CORPORATION.

# Sales and Income by Segment

- CN Business: Increased sales and income. Sales of network, storage devices, and security products were strong. Demand for maintenance and monitoring services is also growing.
- EC Business: Decreased sales and income. Commercial rights expand, but impact of supply chain inventory adjustments continues for the long term.

(million yen)

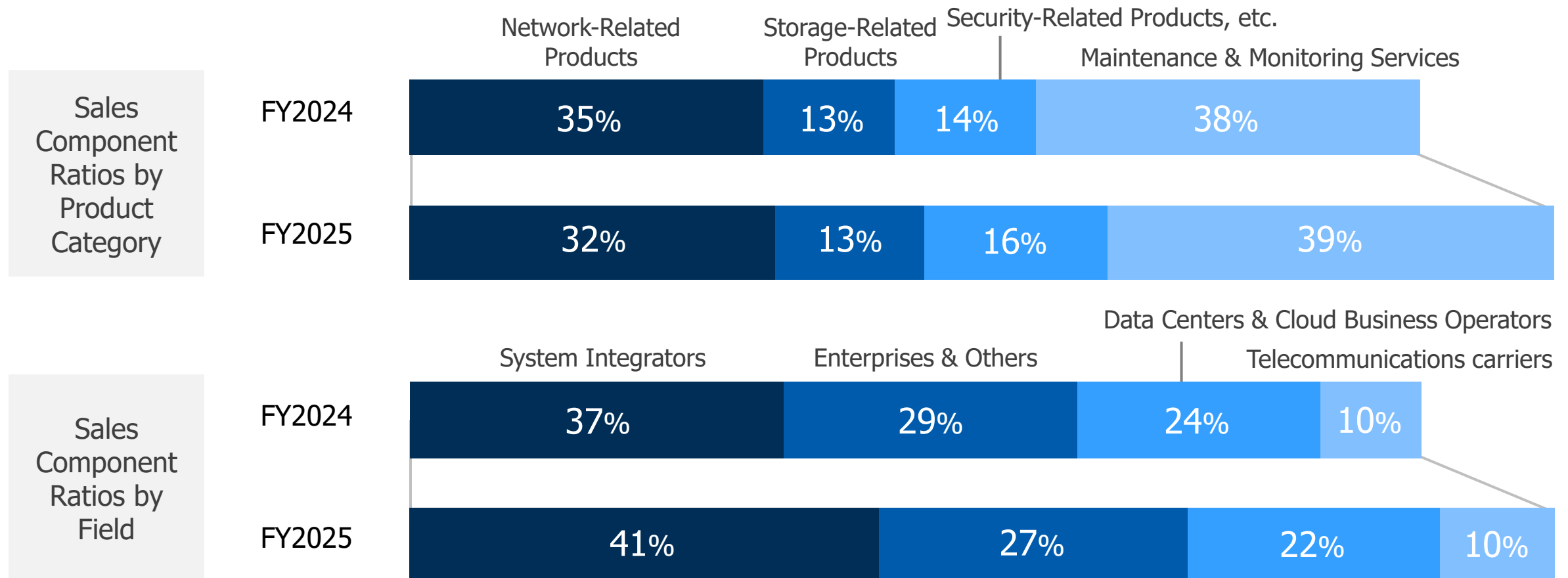
|                                     | FY2024    |                | FY2025    |          |                |         |
|-------------------------------------|-----------|----------------|-----------|----------|----------------|---------|
|                                     | Net Sales | Segment Income | Net Sales | Change   | Segment Income | Change  |
| Computer Networks (CN) business     | 32,978    | 3,463          | 37,327    | 4,348    | 5,266          | 1,802   |
| Electronic Components (EC) business | 209,909   | 10,459         | 179,051   | (30,858) | 6,149          | (4,309) |
| Total                               | 242,888   | 13,922         | 216,379   | (26,509) | 11,415         | (2,506) |

\*Segment income is ordinary income

\*In the segment categories, the PB Business is included in the EC Business

# Segment Information: CN Business

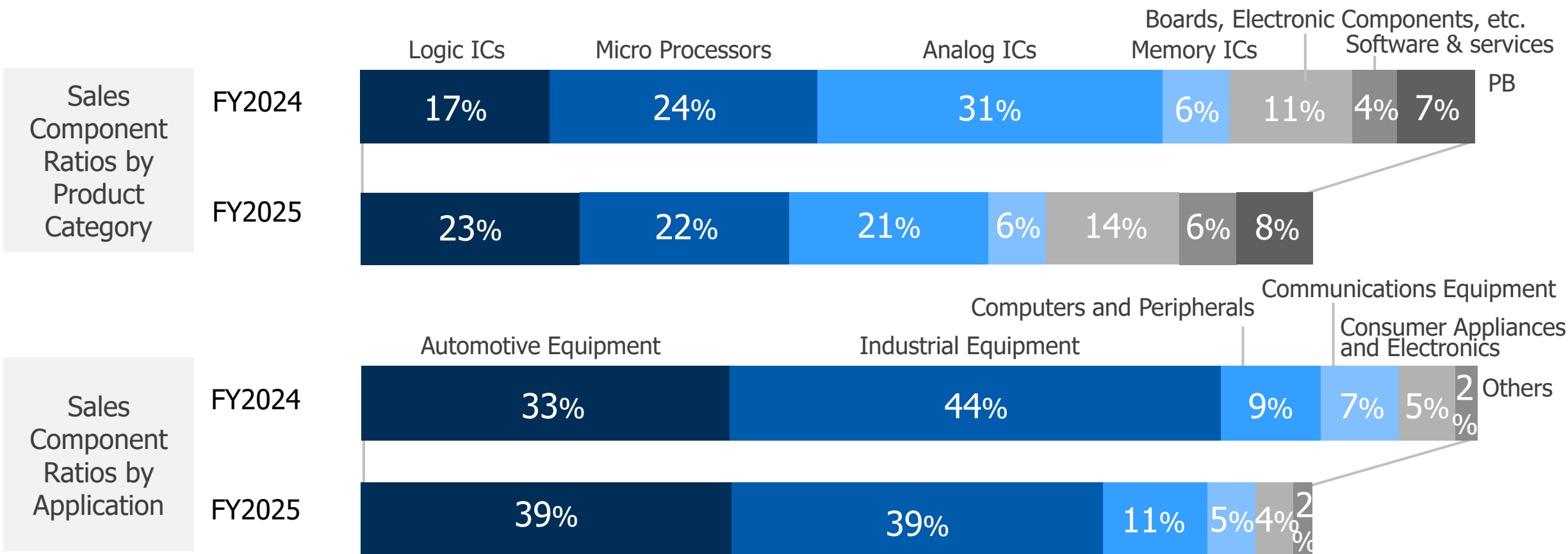
- Storage-Related Products: Sales for system integrators were strong.
- Security-Related Products, etc.: Sales for enterprises and system integrators were strong.
- Maintenance & Monitoring Services: Sales for telecommunications carriers and Data Centers & Cloud Business Operators were strong.





# Segment Information: EC Business

- Automotive equipment: Direct sales of some specific products led to a decrease in analog ICs, but sales of logic ICs and assembled electronic products increased due to the expansion of commercial rights.
- Industrial equipment: Decrease in analog ICs and processors due to prolonged stagnation in the Chinese market and direct sales of some specific products.
- Communications Equipment and Consumer Appliances and Electronics: Sales were weak.



# Consolidated Overseas Subsidiaries: Net Sales—EC Business

- Computers and peripherals: Sales increased.
- Automotive equipment, consumer appliances, industrial equipment: Sales were weak.

|  | FY2024 | FY2025 | Change | Rate of Change |
|--|--------|--------|--------|----------------|
| Consolidated overseas subsidiaries net sales (million yen) | 51,442 | 51,834 | 392    | 0.8%           |
| Consolidated overseas subsidiaries net sales ratio         | 24.5%  | 28.9%  |        |                |
| Consolidated overseas subsidiaries net sales (\$1M)        | 355    | 339    | (16)   | (4.5%)         |
| Exchange rate (yen)  | 144.59 | 152.62 |        |                |

\*The net sales ratio is the ratio to EC Business net sales.

# PB Business: Net Sales—EC Business

- TED: Sales of wafer inspection systems grew. Sales of Design & manufacturing services for industrial equipment were weak.
- TED Nagasaki: Sales for electrical equipment were strong, but sales of semiconductor manufacturing equipment slowed, resulting in overall sluggish performance.

(million yen)

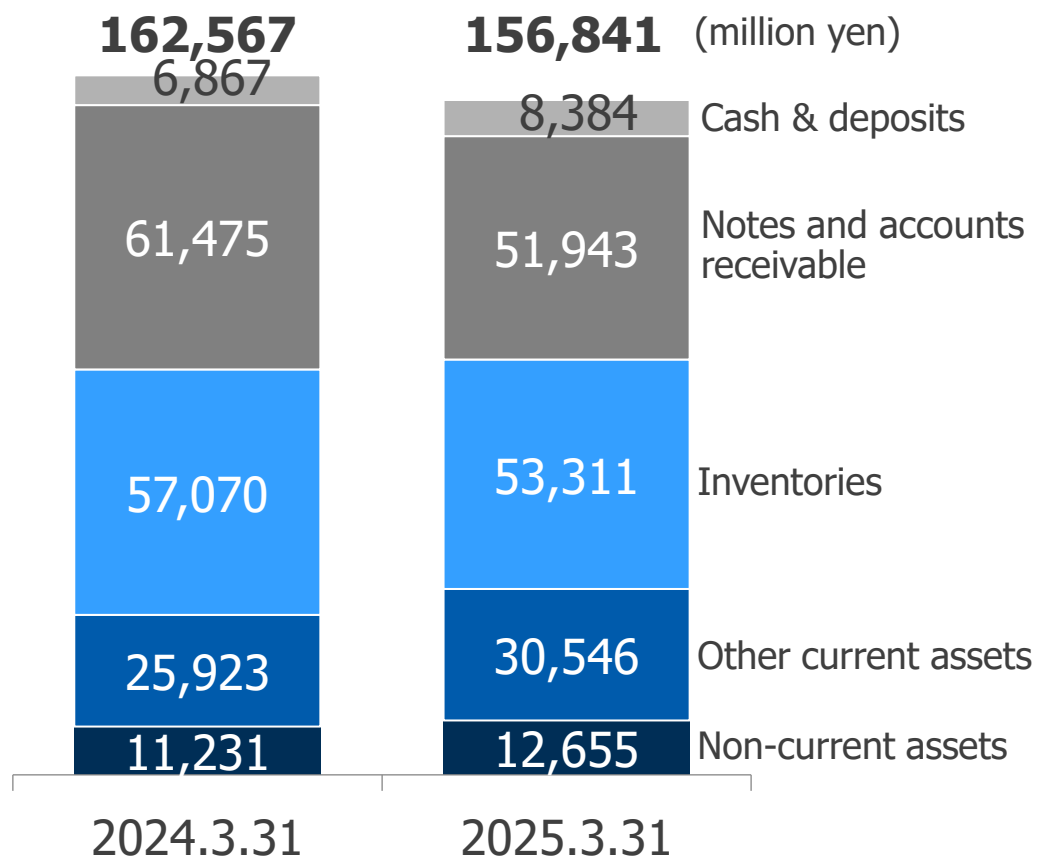
|                       | FY2024 | FY2025 | Change | Rate of Change |
|-----------------------|--------|--------|--------|----------------|
| PB business net sales | 14,251 | 14,636 | 384    | 2.7%           |
| Net sales ratio       | 6.8%   | 8.2%   |        |                |

\*The net sales ratio is the ratio to EC Business net sales.

# Balance Sheet

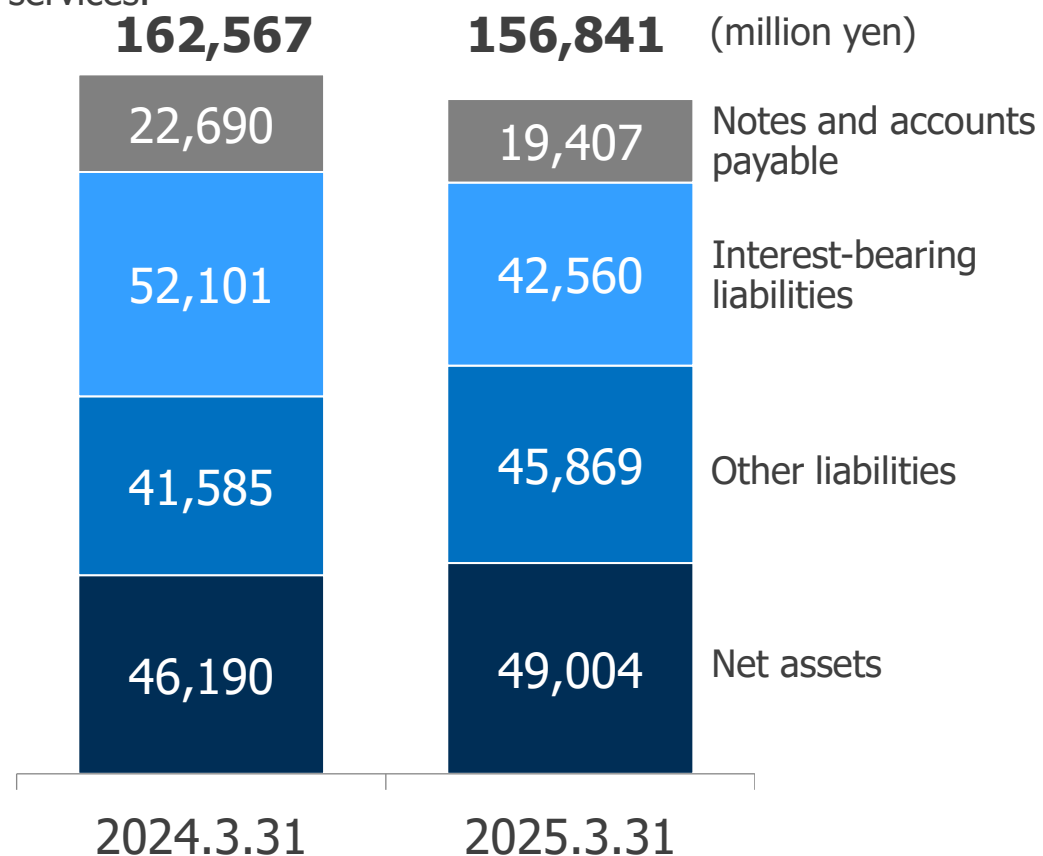
## Assets

- Notes and accounts receivable and Inventories decreased due to decrease in net sales.
- Prepaid expenses increased due to growth in maintenance service business.
- Non-current assets increased due to relocation of head office.

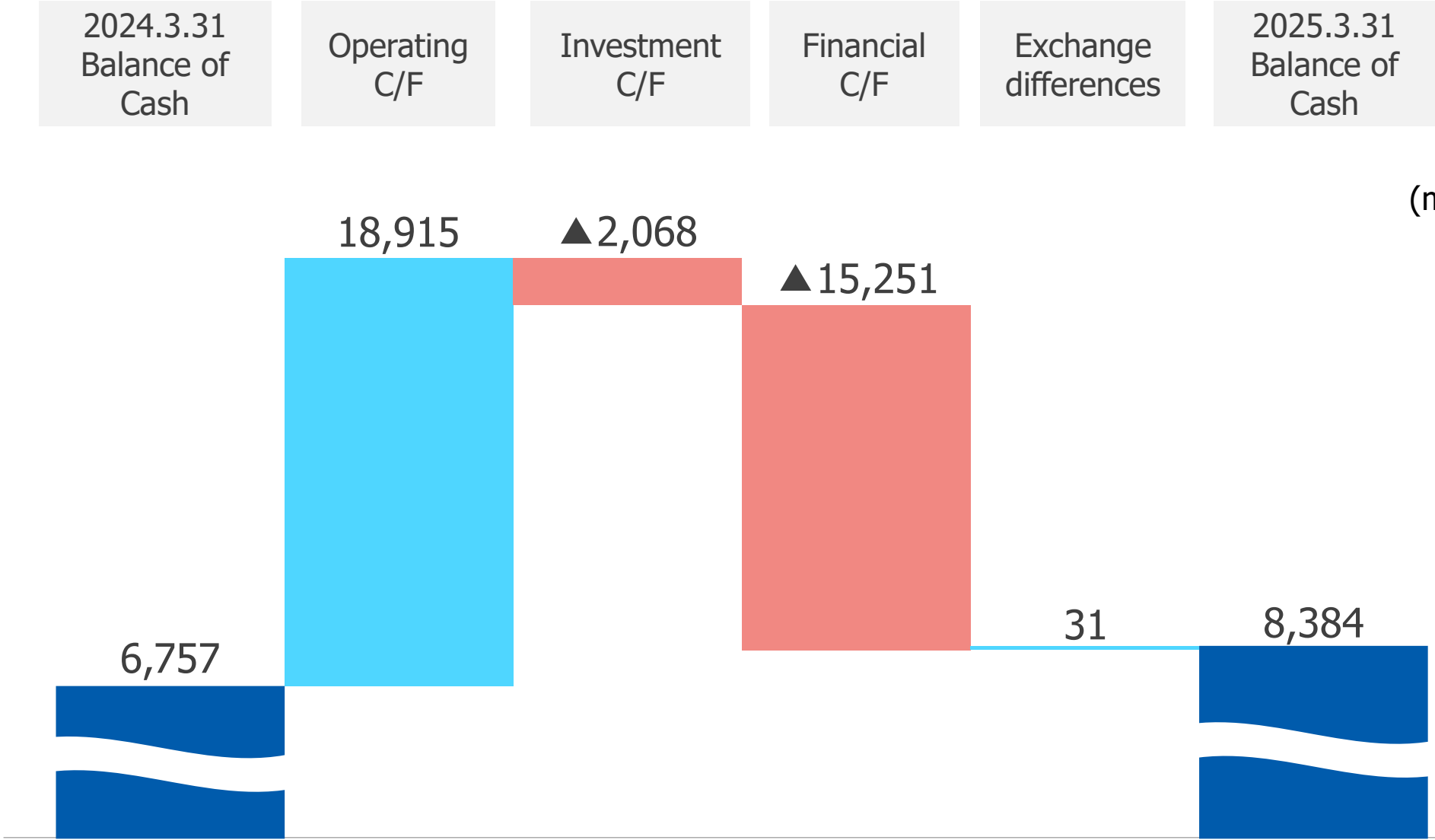


## Liabilities & Net Assets

- Notes and accounts payable decreased due to decrease in purchases.
- Interest-bearing liabilities decreased due to decrease in working capital.
- Advances received increased due to growth in maintenance services.

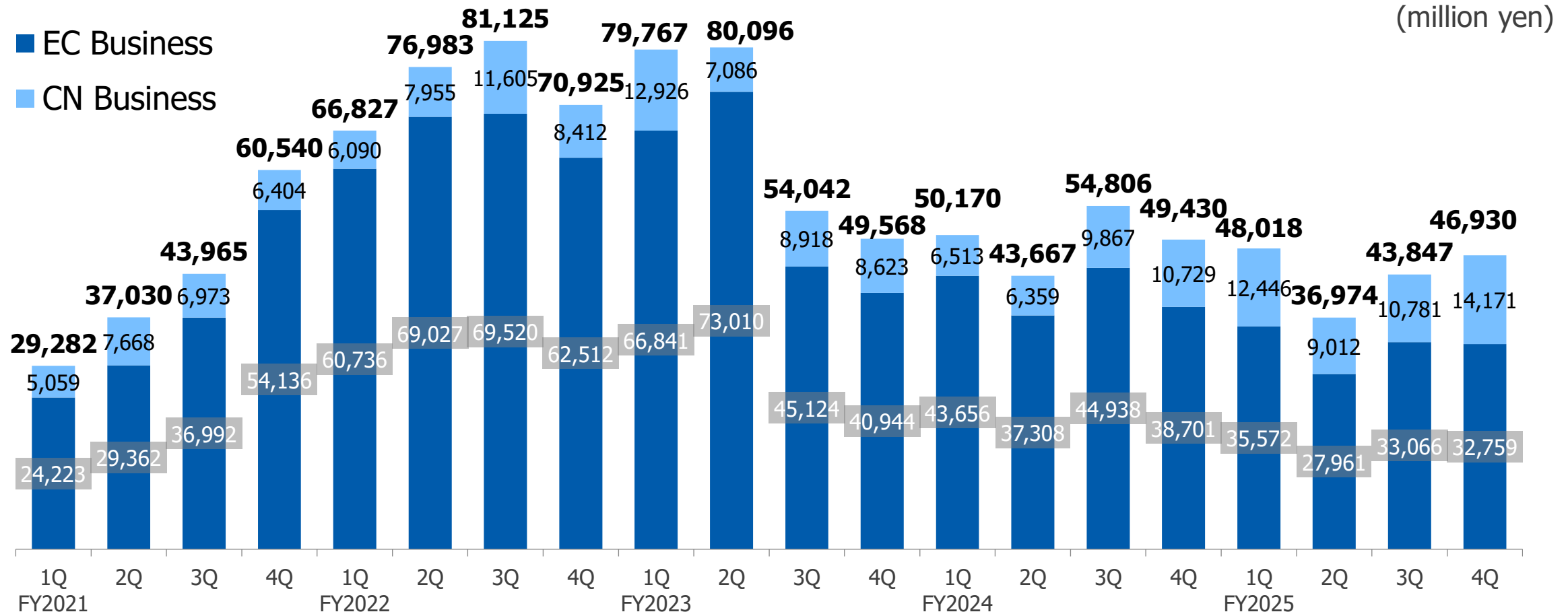


# Statement of Cash Flows



# Changes in Orders Received

- CN Business: Security products are performing well.
- EC Business: Rebound from long-term orders and impact of customer inventory adjustments continues. The order level for the Q4 FY2025 was the same as that for the Q3 FY2025.





# Medium-Term Management Plan VISION2030

President & Representative Director, CEO  
Atsushi Tokushige

# VISION2025 Report of results

- Achieved target indicators of net sales, ordinary income ratio, and ROE for three consecutive years through the fiscal year ended March 2025.
- As a result of initiatives for profitable growth, the ordinary income ratio exceeded the 5.0%.

## FY2025 Financial Targets

Net sales: 200,000  $\pm$ 10% million yen, Ordinary income ratio >5.0%, ROE >15.0%

(million yen)

|                               | FY2021<br>(reference year) | FY2022  | FY2023  | FY2024  | FY2025<br>(final year) |
|-------------------------------|----------------------------|---------|---------|---------|------------------------|
| Net sales                     | 143,268                    | 179,907 | 240,350 | 242,888 | 216,379                |
| Ordinary<br>income ratio      | 3.2 %                      | 4.1 %   | 5.2 %   | 5.7 %   | 5.3 %                  |
| ROE<br>(Shareholders' equity) | 11.4 %                     | 17.2 %  | 26.1 %  | 25.1 %  | 20.1 %                 |



# VISION2025 Achievements

Certain results achieved through initiatives for profitable growth

## CN Business

- Expansion of recurring business



Security products and services



Engineering services

## EC Business

- Acquisition of new commercial rights
- Streamlining operations



IT infrastructure development

## PB Business

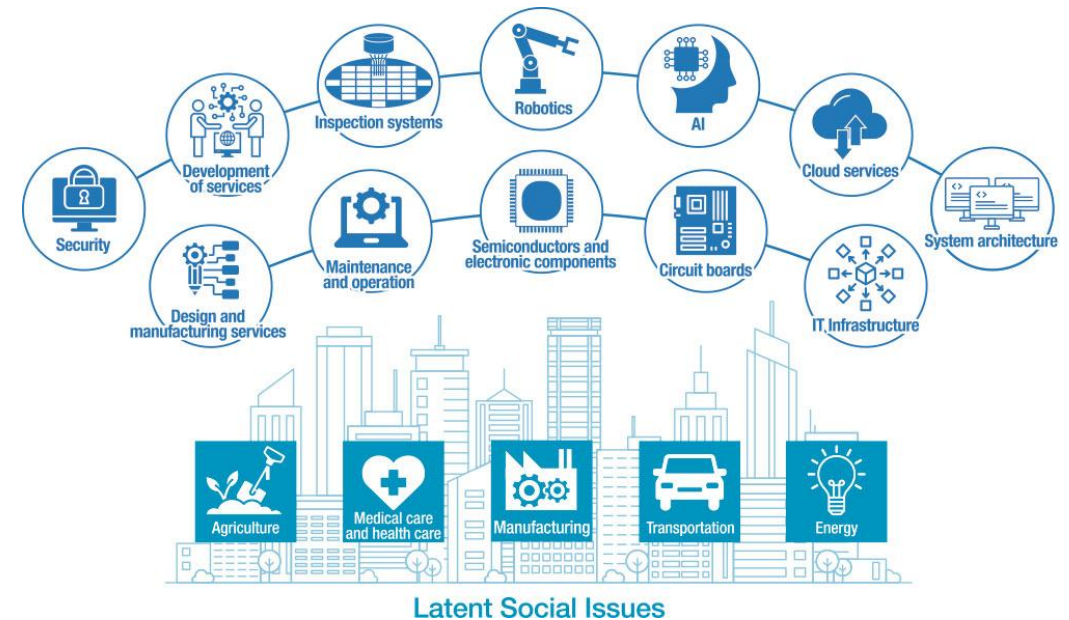
- Launched wafer inspection system business



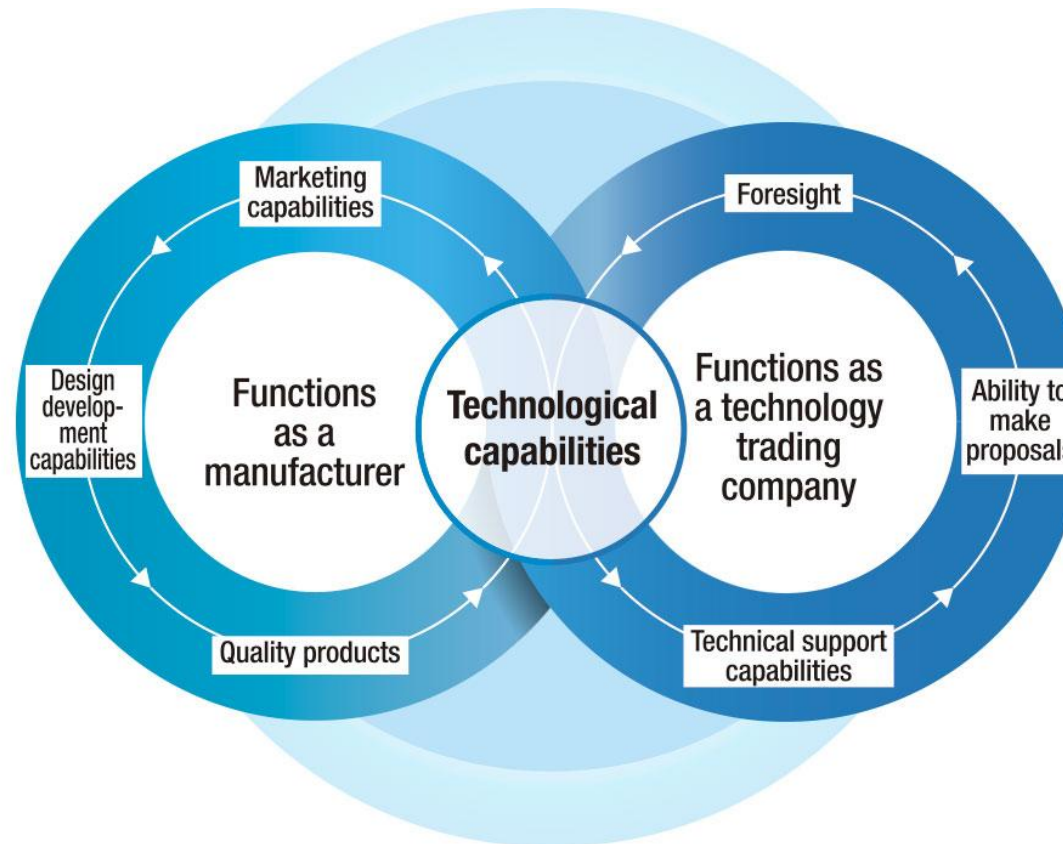
Wafer inspection system

**Continue initiatives to “become a manufacturer” and accelerate profit growth**

**To 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**



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



## 1

### **Aim to solve latent social issues (customer issues) with the capability 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



## 2

### **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.)



## PB Business

- Business policy

Provide products centered on wafer inspection systems globally with measurement and inspection technology at the core.

Strengthen medical ODM and board OEM services by leveraging semiconductor-related technology and high-quality development and manufacturing infrastructure.



- Initiatives to accelerate profit growth

**Expansion of inspection equipment systems and customer base**

**Expansion of customers for design and manufacturing services**

## ● Expansion of inspection equipment systems and customer base

### Semiconductor and FPD Manufacturing Market



Wafer inspection system



FPD inspection system

- **Development of systems**
  - Si wafer / Epitaxial wafer
  - Advanced package (semiconductor)
- **Expansion of customer base**
  - Semiconductor wafer
  - Semiconductor device
  - Flat panel display (LCD)

## Introducing profitable private brand products to market



## CN Business

- Business policy

Provide solutions and services that support DX based on customer needs.

Increase customer satisfaction by supporting customers' use of digital technology.



- Initiatives to accelerate profit growth

**Expansion of solution areas**

**Strengthen service business**

- **Expansion of solution areas**

**Research the latest technologies in collaboration with overseas bases**



## Priority fields



**Security**



**Network**



**Storage**



**Cloud**



**AI**

## <Examples of products and services>

**Cloud utilization support**



**DATADOG**

**SaaS Security**



**valence**

## Building the most ideal solutions to support DX



## ● Strengthening service businesses

### Providing reliable services tailored to each customer's phase



Technical support training

#### <Examples of in-house services>

**TED B Lab**

**TED AI Lab**

**TED-SOC**

## Strengthen customer relations and engagement

## EC Business

- Business policy

Focusing on growing markets such as industrial equipment, automotive-related equipment, cloud services, and OT security.

Developing solution-based businesses by utilizing our expertise in semiconductors.



- Initiatives to accelerate profit growth

**Focus on growing markets**

**Expansion of solution-based business**

# VISION 2030 Financial Model (Target Management Indicators)



Pursuing Sustainable Profit Growth with Profit and Revenue Growth  
(Profit Growth Outpacing Revenue Growth)

## Fiscal 2030

- Net sales ¥300.0 ~ ¥350.0 billion
- Ordinary income ratio  $\geq 8\%$
- ROE  $\geq 20\%$

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

## Further improvement of enterprise value through sustainable profit growth

### Growth Investment

**Investment for sustainable growth**

- 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**

- 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**

- Equity ratio: 40% or more
- ROE: 20% or more
- Maintain appropriate inventory levels



# Forecast of Financial Results for the Fiscal Year Ending March 31, 2026

# Summary: Forecast of Financial Results for FY2026

Expect a decrease in sales and income compared to the previous fiscal year.

- EC·PB business: Adjustments period will continue in the first half of the FY2026, with a recovery trend expected to begin in the second half.
- CN business: Remaining steady

Continue to closely monitor the impact of US tariff measures on exchange rates, interest rates, inventories, etc.

# Assumptions of Business Plan

|                      |                             | FY2025   | FY2026   |                      |
|----------------------|-----------------------------|--|--|----------------------|
|                      |                             | 2 <sup>nd</sup> Half   | 1 <sup>st</sup> Half                           | 2 <sup>nd</sup> Half |
|                      |                             | Adjustment Period  |  | Recovery Period      |
| EC<br>•<br>PB        | Semiconductor, wafer market | Delays in eliminating excess inventory in the supply chain                                 |  | Gradually optimized  |
|                      | Industrial equipment market | •Sluggish due to impact of market conditions in China                                      | Weak   | Recovery trend       |
|                      | Automotive equipment market | Steady   | Weak   | Recovery trend       |
|                      | Market conditions in China  | Prolonged stagnation   |  |                      |
|                      | Commercial rights           | •Direct sales of some specific products<br>•Contribution of new customer commercial rights | Contribution of new customer commercial rights |                      |
| CN                   | IT market conditions        | IT market, especially security, remains steady   |  |                      |
| Exchange rate trends |                             | Average rate: 152.6 yen  | Assumed range: 145~150 yen                     |                      |

# Forecast of Financial Results for FY2026

(million yen)

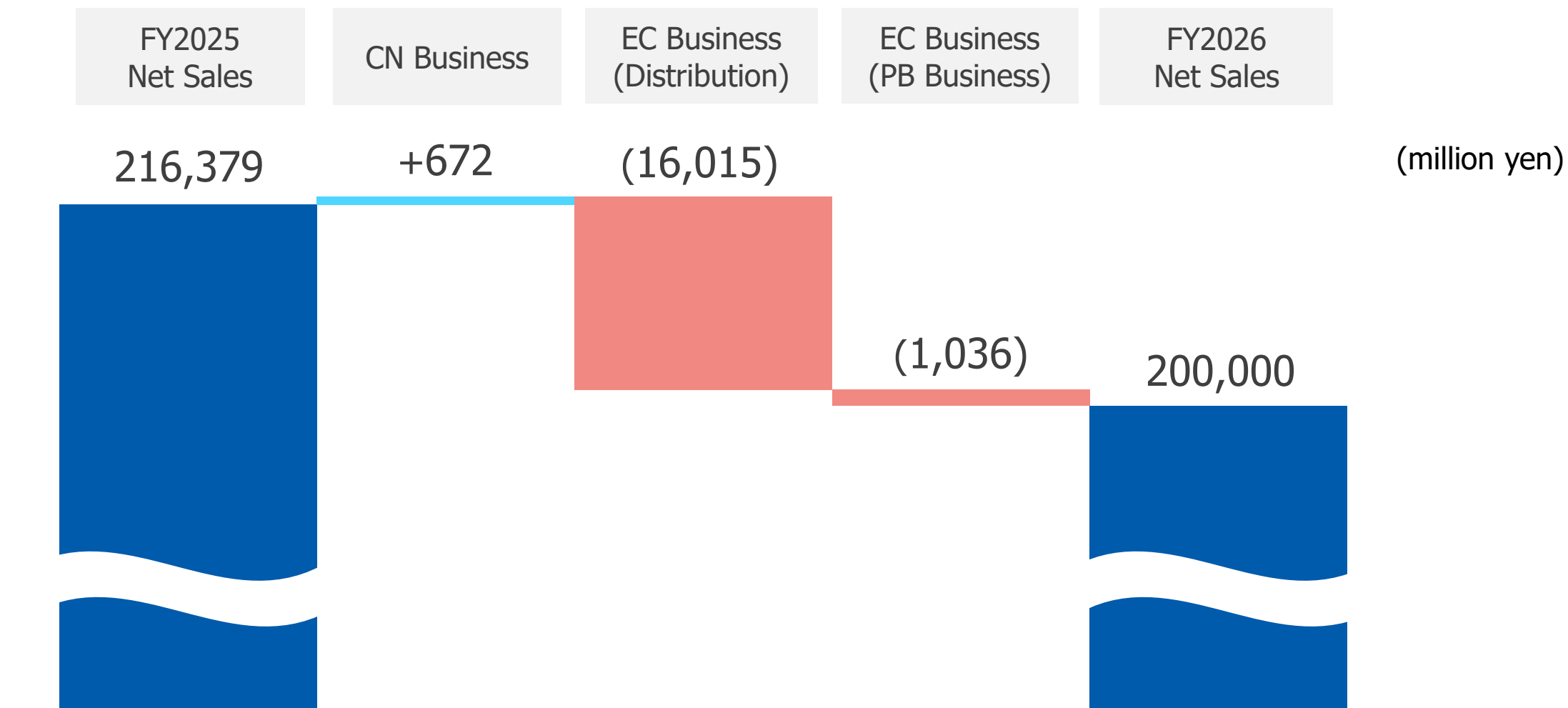
|                                   | FY2025           | FY2026 (Forecast)    |                      |                  | YoY Change |                |
|-----------------------------------|------------------|----------------------|----------------------|------------------|------------|----------------|
|                                   | Full Year        | 1 <sup>st</sup> Half | 2 <sup>nd</sup> Half | Full Year        | Change     | Rate of Change |
| Net sales                         | 216,379          | 91,400               | 108,600              | 200,000          | (16,379)   | (7.6%)         |
| CN Business                       | 37,327           | 19,000               | 19,000               | 38,000           | 672        | 1.8%           |
| EC Business<br>(Consolidated)     | 179,051          | 72,400               | 89,600               | 162,000          | (17,051)   | (9.5%)         |
| EC Business                       | 164,415          | 66,800               | 81,600               | 148,400          | (16,015)   | (9.7%)         |
| PB Business                       | 14,636           | 5,600                | 8,000                | 13,600           | (1,036)    | (7.1%)         |
| Ordinary income<br>(income ratio) | 11,415<br>(5.3%) | 3,300<br>(3.6%)      | 6,700<br>(6.2%)      | 10,000<br>(5.0%) | (1,415)    | (12.4%)        |
| Net income<br>(income ratio)      | 8,874<br>(4.1%)  | 2,300<br>(2.5%)      | 4,700<br>(4.3%)      | 7,000<br>(3.5%)  | (1,874)    | (21.1%)        |

\*Net income is net income attributable to owners of the parent



# Forecast of Financial Results for the FY2026:

## Changes in Net Sales



In the segment categories, the PB Business is included in the EC Business.  
The PB Business includes Tokyo Electron Device Nagasaki Limited.

# Shareholder Return: Dividend

## Dividends per share

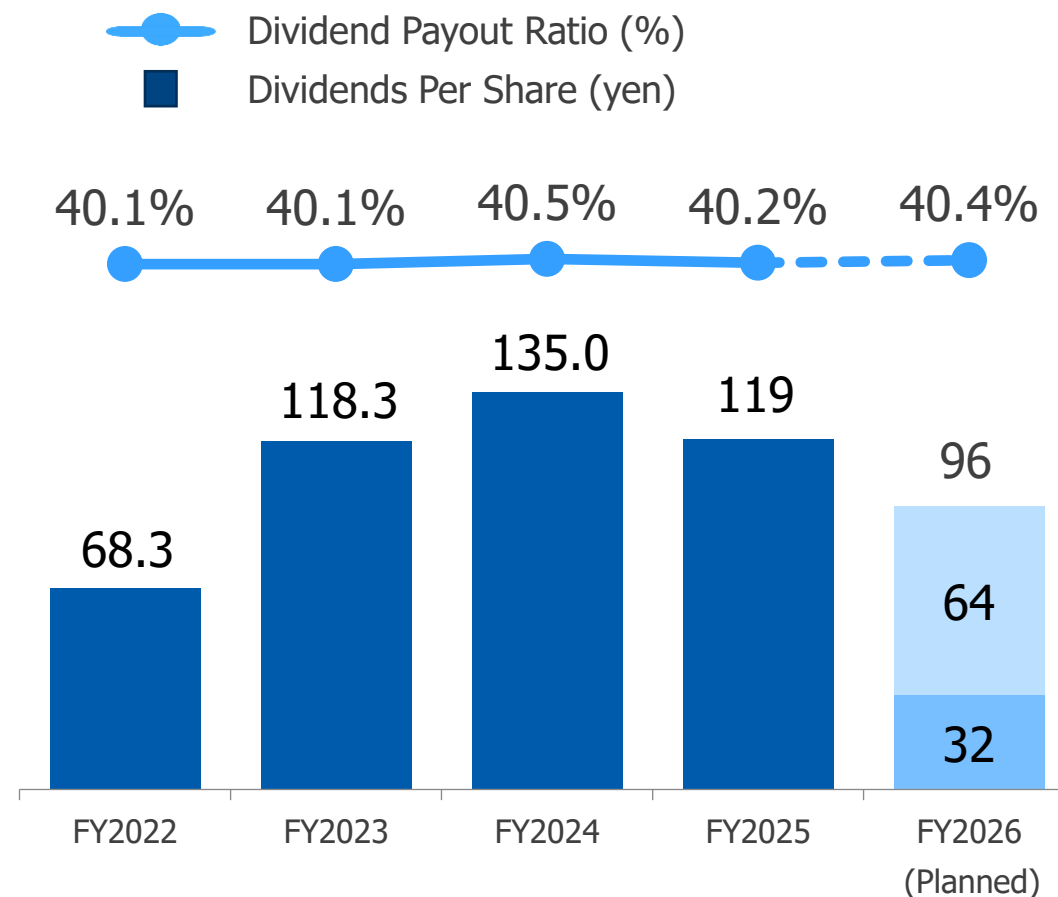
(yen)

|                  | FY2025     | FY2026              |
|------------------|------------|---------------------|
| Interim          | 52         | (planned) 32        |
| Year-End         | 67         | (planned) 64        |
| <b>Full-year</b> | <b>119</b> | (planned) <b>96</b> |

## Dividend policy

- Long-term high returns through profit growth
- Performance-based shareholder returns  
Dividend payout ratio: approximate 40%

## Dividends / Dividend Payout Ratio



\*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)



#### Cautionary Notes Regarding this Document

The forward-looking projections in this document were developed based on information available at this time. Please note that the Company's actual future results may differ from those indicated in this document due to various factors that have direct and indirect impacts on the Company's results.

If any material changes are made, the Company will announce them at that time.

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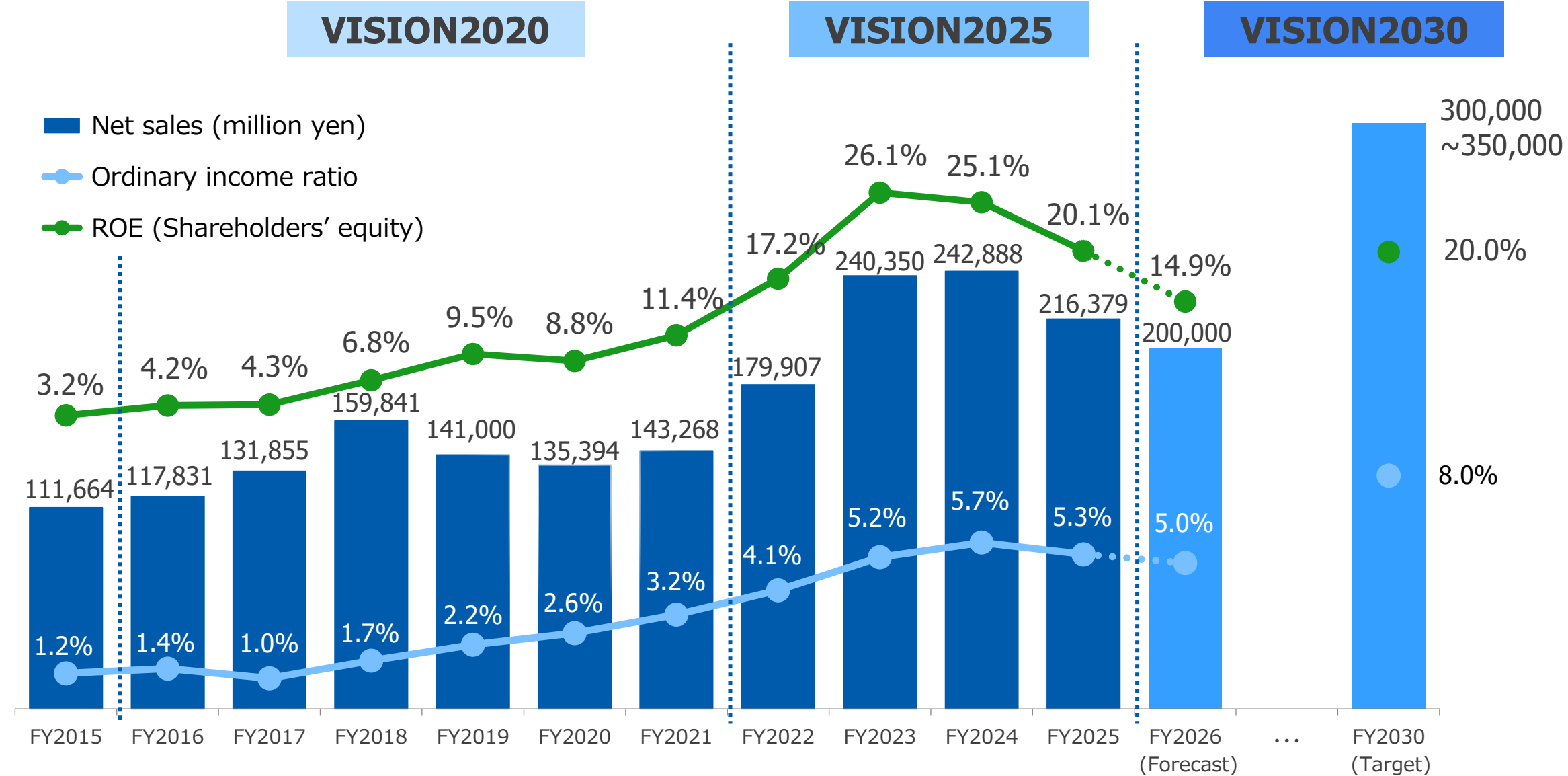


# Supplementary Materials

# List of Supplementary Materials

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# Medium-Term Management Plan: Results and Plan



# Financial Highlight (1/2)

|  | FY2023 |        |        |        | FY2024 |        |        |        | FY2025 |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3Q     | 4Q     |
| Net sales                                    | 50,677 | 61,091 | 64,127 | 64,453 | 59,012 | 60,685 | 60,049 | 63,140 | 56,607 | 55,105 | 50,383 | 54,283 |
| CN Business                                  | 5,407  | 7,263  | 7,191  | 9,393  | 7,099  | 7,253  | 6,587  | 12,037 | 8,741  | 8,946  | 8,460  | 11,179 |
| EC Business                                  | 45,270 | 53,828 | 56,935 | 55,059 | 51,912 | 53,431 | 53,462 | 51,102 | 47,865 | 46,158 | 41,923 | 43,103 |
| Cost of sales                                | 43,247 | 52,459 | 55,409 | 54,990 | 50,091 | 51,594 | 51,049 | 52,984 | 47,411 | 47,876 | 42,131 | 45,226 |
| Gross profit                                 | 7,430  | 8,632  | 8,717  | 9,463  | 8,921  | 9,090  | 8,999  | 10,156 | 9,195  | 7,228  | 8,252  | 9,056  |
| Profit rate                                  | 14.7%  | 14.1%  | 13.6%  | 14.7%  | 15.1%  | 15.0%  | 15.0%  | 16.1%  | 16.2%  | 13.1%  | 16.4%  | 16.7%  |
| Selling, general and administrative expenses | 4,472  | 5,016  | 4,881  | 5,645  | 5,292  | 5,565  | 5,292  | 5,588  | 4,942  | 5,188  | 5,686  | 5,456  |
| Operating income                             | 2,957  | 3,615  | 3,835  | 3,817  | 3,628  | 3,524  | 3,707  | 4,568  | 4,252  | 2,040  | 2,565  | 3,599  |
|  | 5.8%   | 5.9%   | 6.0%   | 5.9%   | 6.1%   | 5.8%   | 6.2%   | 7.2%   | 7.5%   | 3.7%   | 5.1%   | 6.6%   |
| Non-operating income                         | 39     | 120    | 35     | 72     | 69     | 116    | 164    | 64     | 72     | 130    | 54     | 214    |
| Non-operating expenses                       | 836    | 688    | 585    | -94    | 554    | 530    | 408    | 427    | 711    | -363   | 831    | 333    |
| Ordinary income                              | 2,160  | 3,048  | 3,285  | 3,984  | 3,143  | 3,110  | 3,463  | 4,204  | 3,614  | 2,533  | 1,787  | 3,480  |
| Profit rate                                  | 4.3%   | 5.0%   | 5.1%   | 6.2%   | 5.3%   | 5.1%   | 5.8%   | 6.7%   | 6.4%   | 4.6%   | 3.5%   | 6.4%   |
| CN Business                                  | 381    | 522    | 131    | 984    | 579    | 683    | 712    | 1,487  | 1,153  | 1,015  | 1,017  | 2,079  |
| EC Business                                  | 1,779  | 2,525  | 3,153  | 3,000  | 2,563  | 2,426  | 2,750  | 2,717  | 2,460  | 1,517  | 770    | 1,400  |
| Extraordinary income                         | —      | —      | —      | —      | 4      | —      | —      | —      | 0      | —      | —      | 0      |
| Extraordinary losses                         | 0      | 2      | 0      | 6      | 0      | 1      | 32     | 4      | 0      | 1      | 0      | 4      |
| Net income before income taxes               | 2,160  | 3,045  | 3,284  | 3,978  | 3,147  | 3,109  | 3,430  | 4,200  | 3,614  | 2,531  | 1,786  | 3,475  |
| Profit rate                                  | 4.3%   | 5.0%   | 5.1%   | 6.2%   | 5.3%   | 5.1%   | 5.7%   | 6.7%   | 6.4%   | 4.6%   | 3.5%   | 6.4%   |
| Net income                                   | 1,501  | 2,147  | 2,325  | 2,904  | 2,210  | 2,390  | 2,544  | 2,935  | 2,506  | 1,811  | 1,278  | 3,306  |
| Profit rate                                  | 3.0%   | 3.5%   | 3.6%   | 4.5%   | 3.7%   | 3.9%   | 4.2%   | 4.6%   | 4.4%   | 3.3%   | 2.5%   | 6.1%   |
| Net income attributable to owners of parent  | 1,479  | 2,104  | 2,316  | 2,876  | 2,186  | 2,364  | 2,519  | 2,915  | 2,494  | 1,810  | 1,269  | 3,300  |
| Profit rate                                  | 2.9%   | 3.4%   | 3.6%   | 4.5%   | 3.7%   | 3.9%   | 4.2%   | 4.6%   | 4.4%   | 3.3%   | 2.5%   | 6.1%   |

# Financial Highlight (2/2)

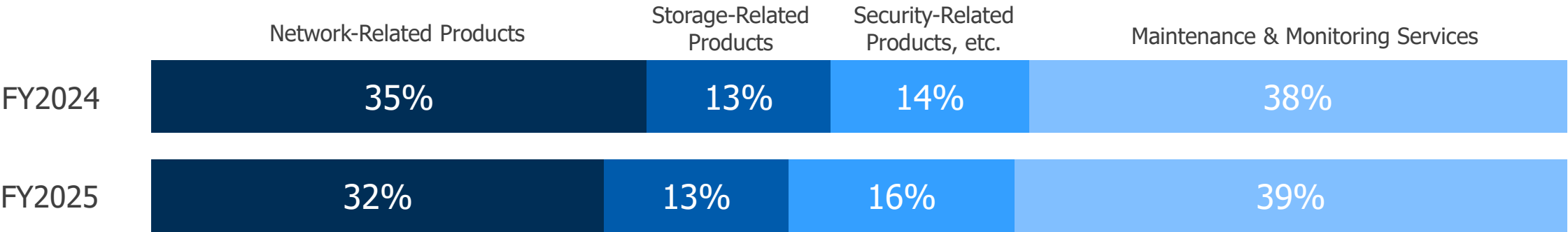
(million yen) 

|  | FY2024 |        |        |        |                      |        |        |        |        |        |                      |        |           |        |
|--|--------|--------|--------|--------|----------------------|--------|--------|--------|--------|--------|----------------------|--------|-----------|--------|
|  | 1Q     |        | 2Q     |        | 1 <sup>st</sup> Half |        | 3Q     |        | 4Q     |        | 2 <sup>nd</sup> Half |        | Full Year |        |
|  |        | Change |        | Change |                      | Change |        | Change |        | Change |                      | Change |           | Change |
| Net sales                                    | 59,012 | 16.4%  | 60,685 | -0.7%  | 119,698              | 7.1%   | 60,049 | -6.4%  | 63,140 | -2.0%  | 123,190              | -4.2%  | 242,888   | 1.1%   |
| CN Business                                  | 7,099  | 31.3%  | 7,253  | -0.1%  | 14,353               | 13.3%  | 6,587  | -8.4%  | 12,037 | 28.2%  | 18,625               | 12.3%  | 32,978    | 12.7%  |
| EC Business                                  | 51,912 | 14.7%  | 53,431 | -0.7%  | 105,344              | 6.3%   | 53,462 | -6.1%  | 51,102 | -7.2%  | 104,565              | -6.6%  | 209,909   | -0.6%  |
| Cost of sales                                | 50,091 | 15.8%  | 51,594 | -1.6%  | 101,686              | 6.2%   | 51,049 | -7.9%  | 52,984 | -3.6%  | 104,034              | -5.8%  | 205,720   | -0.2%  |
| Gross profit                                 | 8,921  | 20.1%  | 9,090  | 5.3%   | 18,011               | 12.1%  | 8,999  | 3.2%   | 10,156 | 7.3%   | 19,156               | 5.4%   | 37,168    | 8.5%   |
| Selling, general and administrative expenses | 5,292  | 18.3%  | 5,565  | 11.0%  | 10,858               | 14.4%  | 5,292  | 8.4%   | 5,588  | -1.0%  | 10,880               | 3.4%   | 21,739    | 8.6%   |
| Operating income                             | 3,628  | 22.7%  | 3,524  | -2.5%  | 7,153                | 8.8%   | 3,707  | -3.4%  | 4,568  | 19.7%  | 8,275                | 8.1%   | 15,428    | 8.4%   |
| Ordinary income                              | 3,143  | 45.5%  | 3,110  | 2.0%   | 6,253                | 20.1%  | 3,463  | 5.4%   | 4,204  | 5.5%   | 7,668                | 5.5%   | 13,922    | 11.6%  |
| CN Business                                  | 579    | 52.1%  | 683    | 31.0%  | 1,263                | 39.9%  | 712    | 440.4% | 1,487  | 51.1%  | 2,200                | 97.1%  | 3,463     | 71.5%  |
| EC Business                                  | 2,563  | 44.1%  | 2,426  | -3.9%  | 4,990                | 15.9%  | 2,750  | -12.8% | 2,717  | -9.4%  | 5,468                | -11.1% | 10,459    | 0.0%   |
| Net income before income taxes               | 3,147  | 45.7%  | 3,109  | 2.1%   | 6,256                | 20.2%  | 3,430  | 4.4%   | 4,200  | 5.6%   | 7,631                | 5.1%   | 13,887    | 11.4%  |
| Net income                                   | 2,210  | 47.3%  | 2,390  | 11.3%  | 4,601                | 26.1%  | 2,544  | 9.4%   | 2,935  | 1.1%   | 5,480                | 4.8%   | 10,081    | 13.5%  |
| Net income attributable to owners of parent  | 2,186  | 47.8%  | 2,364  | 12.3%  | 4,551                | 27.0%  | 2,519  | 8.8%   | 2,915  | 1.4%   | 5,435                | 4.7%   | 9,986     | 13.8%  |

|  | FY2025 |        |        |        |                      |        |        |        |        |        |                      |        |           |        |
|--|--------|--------|--------|--------|----------------------|--------|--------|--------|--------|--------|----------------------|--------|-----------|--------|
|  | 1Q     |        | 2Q     |        | 1 <sup>st</sup> Half |        | 3Q     |        | 4Q     |        | 2 <sup>nd</sup> Half |        | Full Year |        |
|  |        | Change |        | Change |                      | Change |        | Change |        | Change |                      | Change |           | Change |
| Net sales                                    | 56,607 | -4.1%  | 55,105 | -9.2%  | 111,712              | -6.7%  | 50,383 | -16.1% | 54,283 | -14.0% | 104,666              | -15.0% | 216,379   | -10.9% |
| CN Business                                  | 8,741  | 23.1%  | 8,946  | 23.3%  | 17,687               | 23.2%  | 8,460  | 28.4%  | 11,179 | -7.1%  | 19,640               | 5.4%   | 37,327    | 13.2%  |
| EC Business                                  | 47,865 | -7.8%  | 46,158 | -13.6% | 94,024               | -10.7% | 41,923 | -21.6% | 43,103 | -15.7% | 85,026               | -18.7% | 179,051   | -14.7% |
| Cost of sales                                | 47,411 | -5.3%  | 47,876 | -7.2%  | 95,288               | -6.3%  | 42,131 | -17.5% | 45,226 | -14.6% | 87,358               | -16.0% | 182,646   | -11.2% |
| Gross profit                                 | 9,195  | 3.1%   | 7,228  | -20.5% | 16,423               | -8.8%  | 8,252  | -8.3%  | 9,056  | -10.8% | 17,308               | -9.6%  | 33,732    | -9.2%  |
| Selling, general and administrative expenses | 4,942  | -6.6%  | 5,188  | -6.8%  | 10,131               | -6.7%  | 5,686  | 7.4%   | 5,456  | -2.4%  | 11,143               | 2.4%   | 21,274    | -2.1%  |
| Operating income                             | 4,252  | 17.2%  | 2,040  | -42.1% | 6,292                | -12.0% | 2,565  | -30.8% | 3,599  | -21.2% | 6,164                | -25.5% | 12,457    | -19.3% |
| Ordinary income                              | 3,614  | 15.0%  | 2,533  | -18.5% | 6,147                | -1.7%  | 1,787  | -48.4% | 3,480  | -17.2% | 5,267                | -31.3% | 11,415    | -18.0% |
| CN Business                                  | 1,153  | 99.0%  | 1,015  | 48.5%  | 2,168                | 71.7%  | 1,017  | 42.7%  | 2,079  | 39.8%  | 3,097                | 40.8%  | 5,266     | 52.0%  |
| EC Business                                  | 2,460  | -4.0%  | 1,517  | -37.5% | 3,978                | -20.3% | 770    | -72.0% | 1,400  | -48.5% | 2,170                | -60.3% | 6,149     | -41.2% |
| Net income before income taxes               | 3,614  | 14.8%  | 2,531  | -18.6% | 6,146                | -1.8%  | 1,786  | -47.9% | 3,475  | -17.2% | 5,262                | -31.0% | 11,408    | -17.9% |
| Net income                                   | 2,506  | 13.4%  | 1,811  | -24.2% | 4,318                | -6.1%  | 1,278  | -49.8% | 3,306  | 12.6%  | 4,585                | -16.3% | 8,904     | -11.7% |
| Net income attributable to owners of parent  | 2,494  | 14.1%  | 1,810  | -23.4% | 4,305                | -5.4%  | 1,269  | -49.6% | 3,300  | 13.2%  | 4,569                | -15.9% | 8,874     | -11.1% |



# CN Business: Sales Component Ratios by Product Category



| Product                           | Rate of Change | Main Causes  | Main Suppliers                            |
|-----------------------------------|----------------|--|---|
| Network-related products          | 2.4%           | Sales for data center and cloud business operators remained steady.  | Arista Networks<br>F5<br>Extreme Networks |
| Storage-related products          | 20.3%          | Sales for system integrators were strong, including some large projects.   | Pure Storage                              |
| Security-related products, etc.   | 25.9%          | Sales of cloud security-related products for system integrators and enterprises were strong.   | Netskope<br>Nutanix<br>SentinelOne        |
| Maintenance & monitoring services | 15.9%          | Sales of storage-related products for telecommunications carriers and maintenance of network related products for data centers & cloud business operators were strong. | TED                                       |

# EC Business: Sales Component Ratios by Product Category

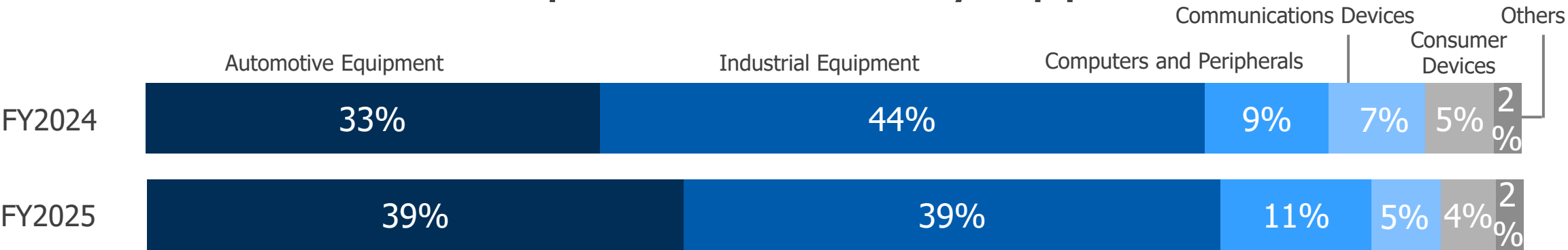


Memory ICs      Software & Services  
Boards, Electronic Components, etc.      PB



| Product                             | Rate of Change | Main Causes   | Main Suppliers                               |
|-------------------------------------|----------------|---|--|
| Logic ICs                           | 13.1%          | Sales for automotive equipment increased due to the acquisition of new commercial rights, despite the impact of direct sales of some specific products. | Infineon/ NXP / TI / Lattice / MaxLinear     |
| Micro processors                    | ▲21.5%         | Sales decreased due to direct sales of some specific products and lower demand for communication equipment and industrial equipment.                    | Infineon / NXP / TI / Intel                  |
| Analog ICs                          | ▲43.1%         | Sales for industrial equipment, automotive equipment, and computer & peripherals decreased due to direct sales of some specific products.               | TI / NXP / ams-OSRAM AG                      |
| Memory ICs                          | ▲14.8%         | Sales declined due to reduced demand in fields other than automotive equipment.   | Infineon / Everspin Technologies             |
| Boards, electronic components, etc. | 13.8%          | Sales for automotive equipment increased due to the acquisition of new commercial rights. And sales of computer & peripherals also increased.           | NXP / ams-OSRAM AG / Intel / Western Digital |
| Software & services                 | 21.9%          | Sales of cloud service, Embedded OS and security software increased.  | Microsoft / DELL / Trellox                   |
| PB                                  | 2.7%           | Sales of wafer inspection systems increased. On the other hand, sales for industrial equipment were sluggish.   | TED / TED Nagasaki / FAST                    |

# EC Business: Sales Component Ratios by Application



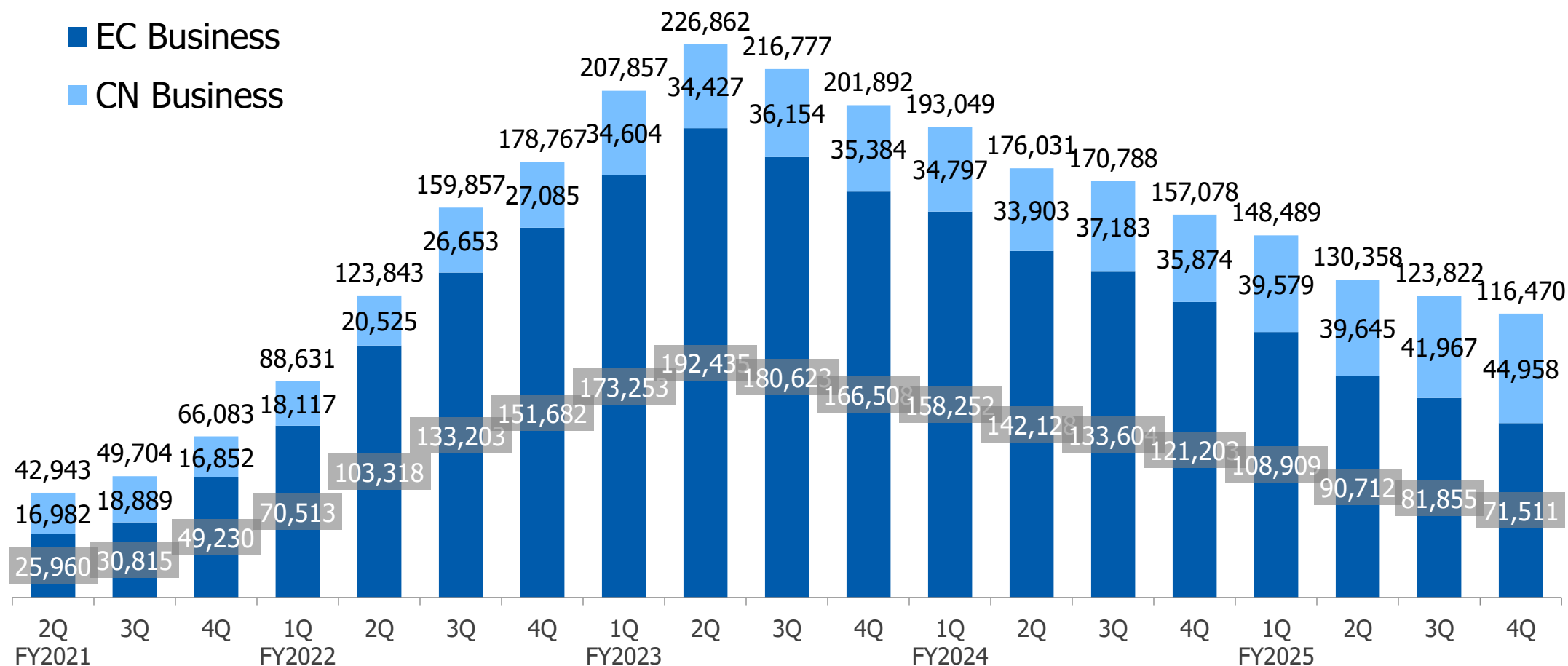
| Application               | Rate of Change | Main Uses   | Sales Trends  |
|---------------------------|----------------|---|---|
| Automotive equipment      | ▲0.3%          | Car navigation systems, Automobile instruments, Advanced Driving Assistant systems, Displays, Automobile electronic control units (ECUs), Lithium ion batteries, Automobile inverters                                 | Sales of logic ICs, and electronic components increased due to the acquisition of new commercial rights.<br>Sales of analog ICs declined due to direct sales of some specific products.                               |
| Industrial equipment      | ▲25.0%         | Medical and analyzing equipment, Semiconductor production equipment, FA equipment, Industrial robots, Fabricating equipment, Measuring equipment, Control systems, Electrical component mounting equipment, Inverters | Demand decreased for FA and semiconductor manufacturing equipment. Sales of analog ICs declined due to direct sales of some specific products. Sales of PB increased due to higher sales of wafer inspection systems. |
| Computers and peripherals | 0.7%           | Multifunctional printers, POS systems, Storage, Server, Projectors, PCs and peripheral devices  | Sales of processors and electronic components for PCs increased. Sales of inspection equipment for printers increased. Sales of analog ICs declined due to direct sales of some specific products.                    |
| Communications Devices    | ▲42.0%         | 5G base stations, Optical transmission equipment, Satellite communications equipment, Wireless IP network equipment   | Sales of processors for communication base stations declined. Sales of analog ICs declined due to direct sales of some specific products.   |
| Consumer Devices          | ▲18.3%         | Electronic musical instruments, Home gaming consoles, Digital cameras, Air conditioners, TVs and HDD recorders, Residential fuel cells  | Sales of analog ICs for camera declined due to direct sales of some specific products. Sales of logic ICs for electronic musical instruments also declined.   |

# Product Categories

|             | Category                            | Main Products  | Functions   |
|-------------|-------------------------------------|--|---|
| CN Business | Network-related products            | Network load distribution devices<br>Ethernet switches                           | Distribute Internet connection loads<br>Switching hubs  |
|             | Storage-related products            | Flash storage  | Connect to and store large volumes of data at high speed  |
|             | Security-related products           | End points, networks, cloud  | Protect computer systems, networks, data, etc. from attacks, damage, and unauthorized access  |
|             | Maintenance & monitoring services   | Device maintenance services and security monitoring services                     |   |
| EC Business | Logic ICs                           | Image processing ICs<br>Communications and network applications ICs<br>ASIC, PLD | ICs with packaged logic circuits, special-purpose ICs made for particular applications, special ICs made according to customer specifications |
|             | Micro processors                    | CPUs, DSPs   | Brains of electronic devices, calculation and control functions   |
|             | Analog ICs                          | Analog ICs   | ICs used in common in various applications  |
|             | Memory ICs                          | SRAM, FRAM, MRAM<br>Flash memory   | Memory ICs, readable/writable memory products, read-only products   |
|             | Boards, electronic components, etc. | Boards, power supplies, optical components                                       | ICs on printed circuit boards, power supplies, products with mounted connectors and other components (boards)                                 |
|             | Software & services                 | Software, cloud services   | Software embedded in industrial equipment for enterprises<br>Provision of subscription services   |
|             | PB                                  | Design and manufacturing service, private brand products                         | Design, development and mass production of boards according to customer specifications<br>Devices for manufacturing industries                |

# Change in Balance of Orders Received

(million yen)



## Fundamental Policy

- Contribute to the sustainable development of a more prosperous society by providing a variety of solutions through our business activities.
- Aim for the sustainable development of the Group and the enhancement of corporate value by engaging in solutions to material issues

## Material issues

1. Leverage the resources that the Company has accumulated with a focus on electronics and IT to contribute to the realization of a sustainable society
2. 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
3. Mitigate environmental burdens (environmental risks) that occur as a result of business activities and strive to maintain a sustainable relationship between society and the Company



## Human Capital / Diversity

- Develop human resources who can pursue customer satisfaction from a global perspective
- Create an environment that supports employees' desire to improve and develops their individual abilities
- Focus on developing next generation leaders

## Climate Change

- Aim for carbon neutrality in FY2050 and set target for FY2030 (50% reduction compared to FY2021)
- From October 2023, the Engineering Center (Tsuzuki, Yokohama) will switch to electricity derived from virtually renewable energy.