



Interim Financial Briefing for the Fiscal Year Ending March 31, 2025

TOKYO ELECTRON DEVICE

November 6, 2024

Financial Report

Corporate Director, Senior Executive Vice President: Yukio Saeki

Forecast for the Fiscal Year Ending March 31, 2025

President & Representative Director, CEO
Corporate Officer, Executive Vice President
Corporate Officer, Vice President

: Atsushi Tokushige
: Takayoshi Miyamoto
: Mitsutaka Kamimoto



Financial Report

Corporate Director

Senior Executive Vice President: Yukio Saeki

Summary of Interim Financial Results for the Fiscal Year Ending March 31, 2025

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

Net sales	6.7% decrease
Ordinary income	1.7% decrease
Net income attributable to owners of the parent	5.4% decrease

Compared to the interim earnings forecast

Net sales	+1.6%
Ordinary income	+11.8%
Net income attributable to owners of the parent	+13.3%

Summary of Financial Results: Comparison with Prior Year

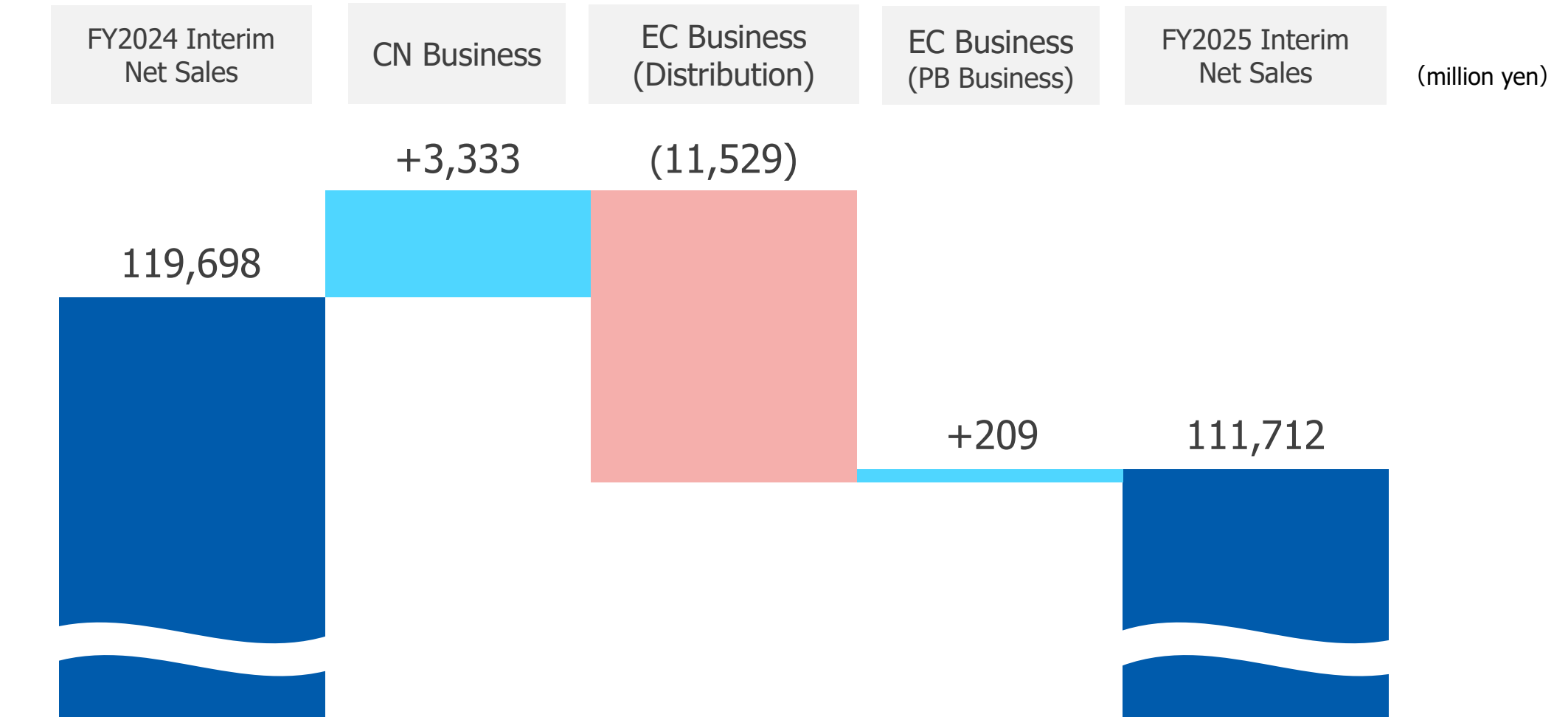


(million yen)

	FY2024 Interim	FY2025 Interim	Change	FY2025 Forecast Announced Apr. 30
Net sales	119,698	111,712	(7,986)	110,000
Cost of sales	101,686	95,288	(6,398)	
Gross profit	18,011	16,423	(1,588)	
Selling, general & administrative expenses	10,858	10,131	(727)	
Operating income	7,153	6,292	(860)	
Non-operating income	185	203	17	
Non-operating expenses	1,085	348	(737)	
Ordinary income	6,253	6,147	(106)	5,500
Interim net income	4,551	4,305	(245)	3,800
Number of employees	1,352	1,387	35	

* Interim net income is quarterly 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.
 The PB Business includes Tokyo Electron Device Nagasaki Limited and FAST CORPORATION.

Sales and Income by Segment

- CN Business: Equipment sales and security products were strong. Maintenance and monitoring services also increased.
- EC Business: Despite expansion of customer commercial rights, weak performance due to prolonged stagnation in the Chinese market, etc.

(million yen)

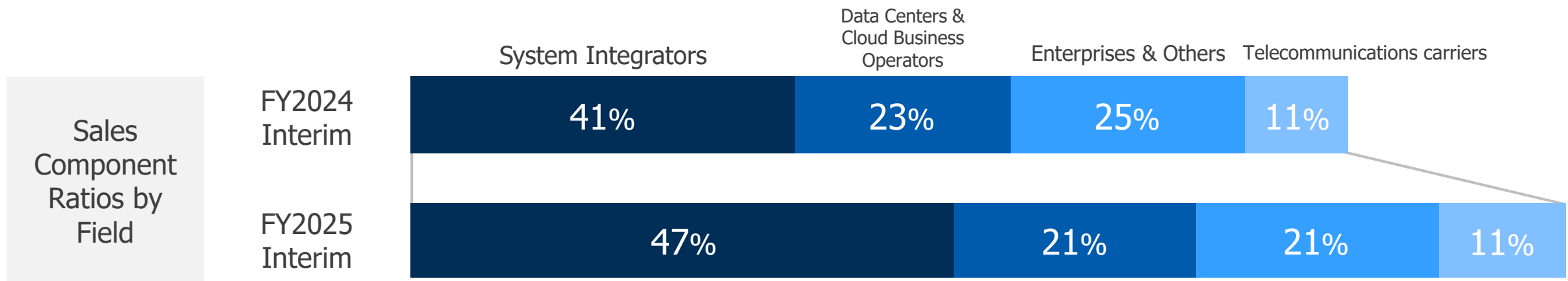
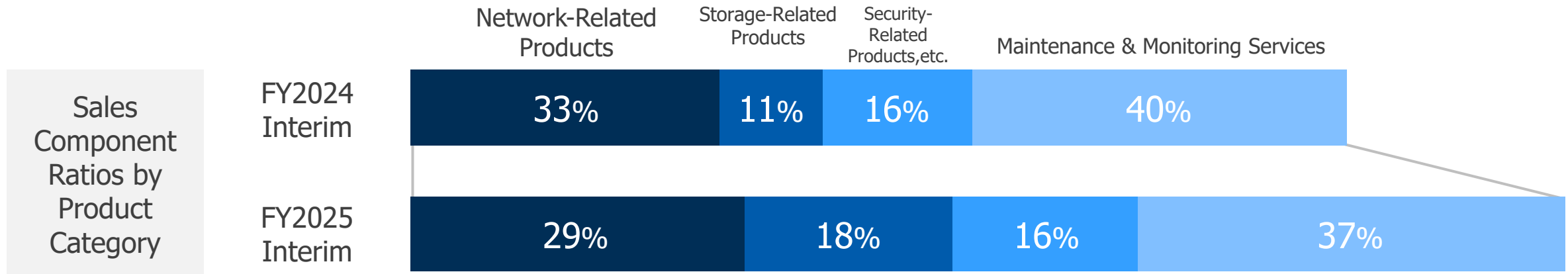
	FY2024 Interim		FY2025 Interim			
	Net Sales	Segment Income	Net Sales	Change	Segment Income	Change
Computer Networks (CN) business	14,353	1,263	17,687	3,333	2,168	905
Electronic Components (EC) business	105,344	4,990	94,024	(11,319)	3,978	(1,011)
Total	119,698	6,253	111,712	(7,986)	6,147	(106)

* Segment income is ordinary income

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

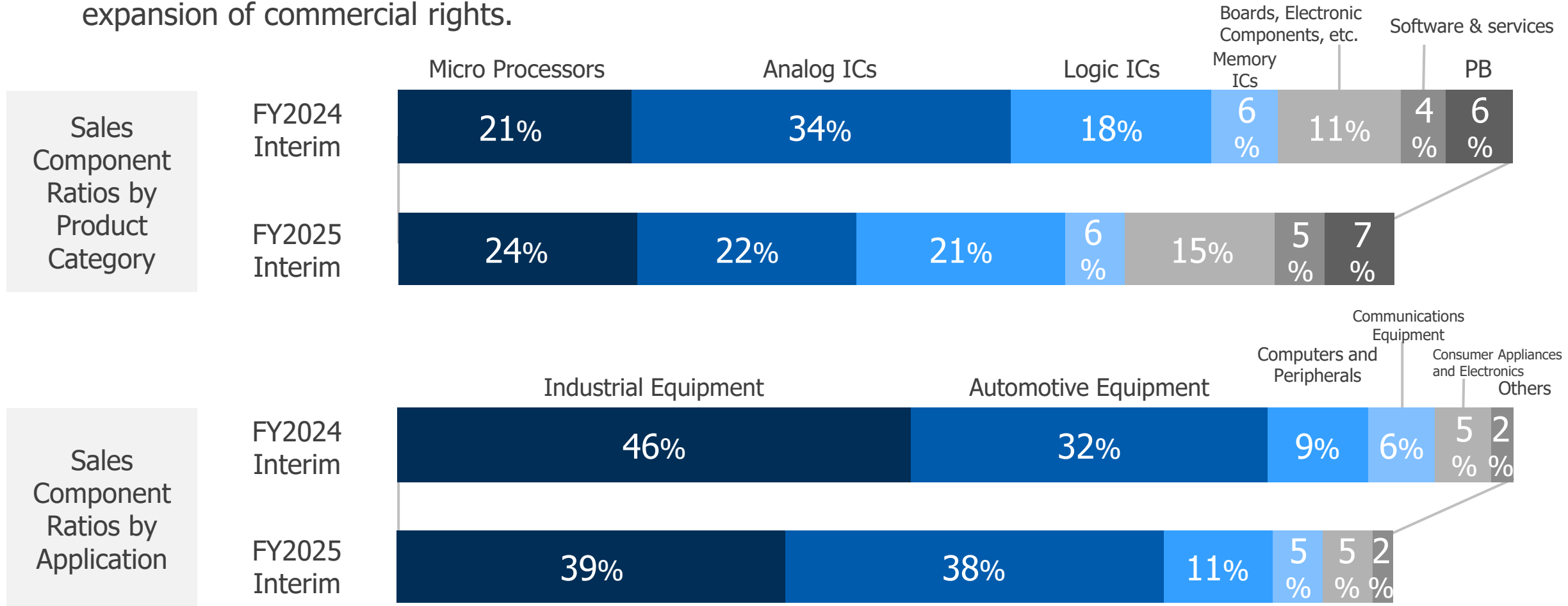
Segment Information: CN Business

- Storage-related products: Sales to system integrators were strong.
- Security-related products, etc.: System integrators and enterprise customers performed well.
- Maintenance and monitoring services: It was steady.



Segment Information: EC Business

- Industrial equipment: Customer inventories remained high. Sales were also weak due to a decrease in analog ICs as shift to direct manufacturer to customer sales.
- Automotive equipment: Processors, logic ICs, boards, electronic components, etc. increased due to the expansion of commercial rights.



Consolidated Overseas Subsidiaries: Net Sales—EC Business



- Recovery trend in computer and peripheral equipment applications

	FY2024 Interim	FY2025 Interim	Change	Rate of Change
Consolidated overseas subsidiaries net sales (million yen)	25,876	26,406	530	2.0%
Consolidated overseas subsidiaries net sales ratio	24.6%	28.1%		
Consolidated overseas subsidiaries net sales (M\$)	183	172	(10)	(5.8%)
Exchange rate (yen)	141.06	152.78		

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

PB Business: Net Sales (EC Business)

- TED : Design and manufacturing services were at the same level as the previous year. Increased due to full-scale delivery of wafer inspection systems.
- TED Nagasaki : Industrial and power equipment applications were steady, but semiconductor production equipment applications were weak.
- FAST : Inspection systems were steady.

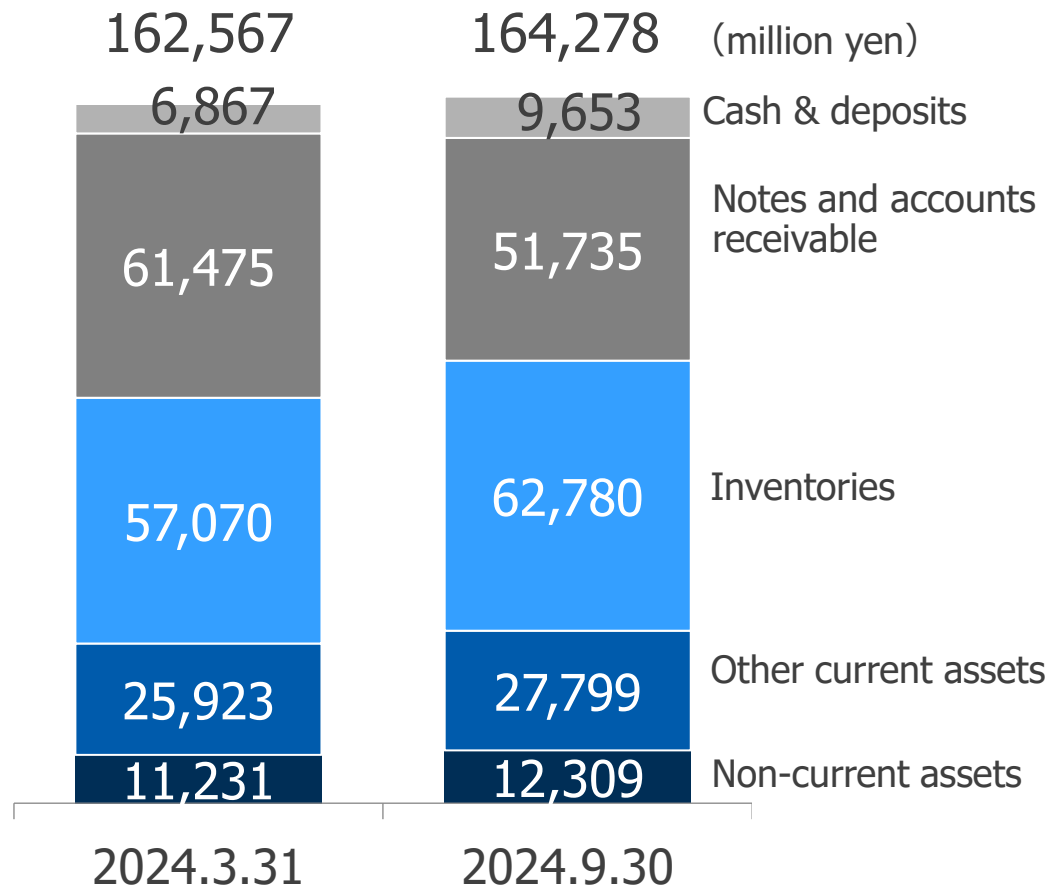
(million yen)

	FY2024 Interim	FY2025 Interim	Change	Rate of Change
PB business net sales	6,776	6,986	209	3.1%
Net sales ratio	6.4%	7.4%		

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

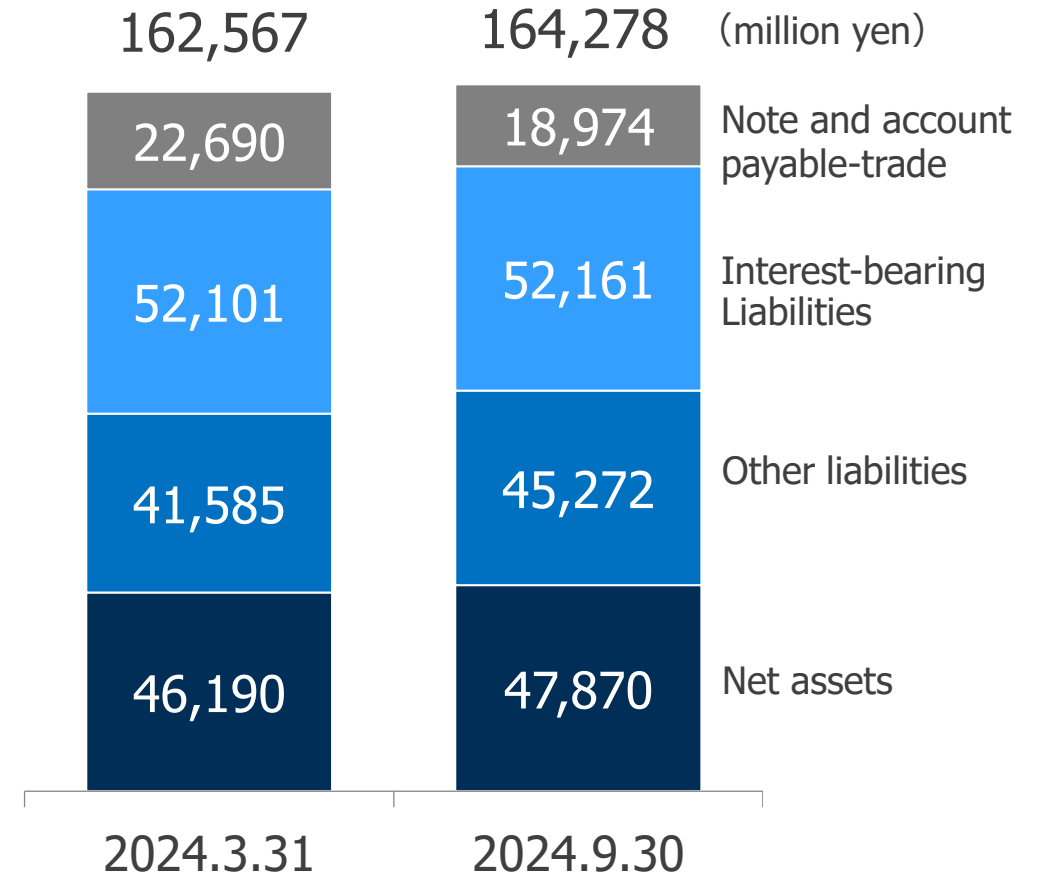
Assets

- Sales decreased compared to the previous 4Q, and accounts receivable decreased.
- Inventories increased with expansion of commercial rights, etc.

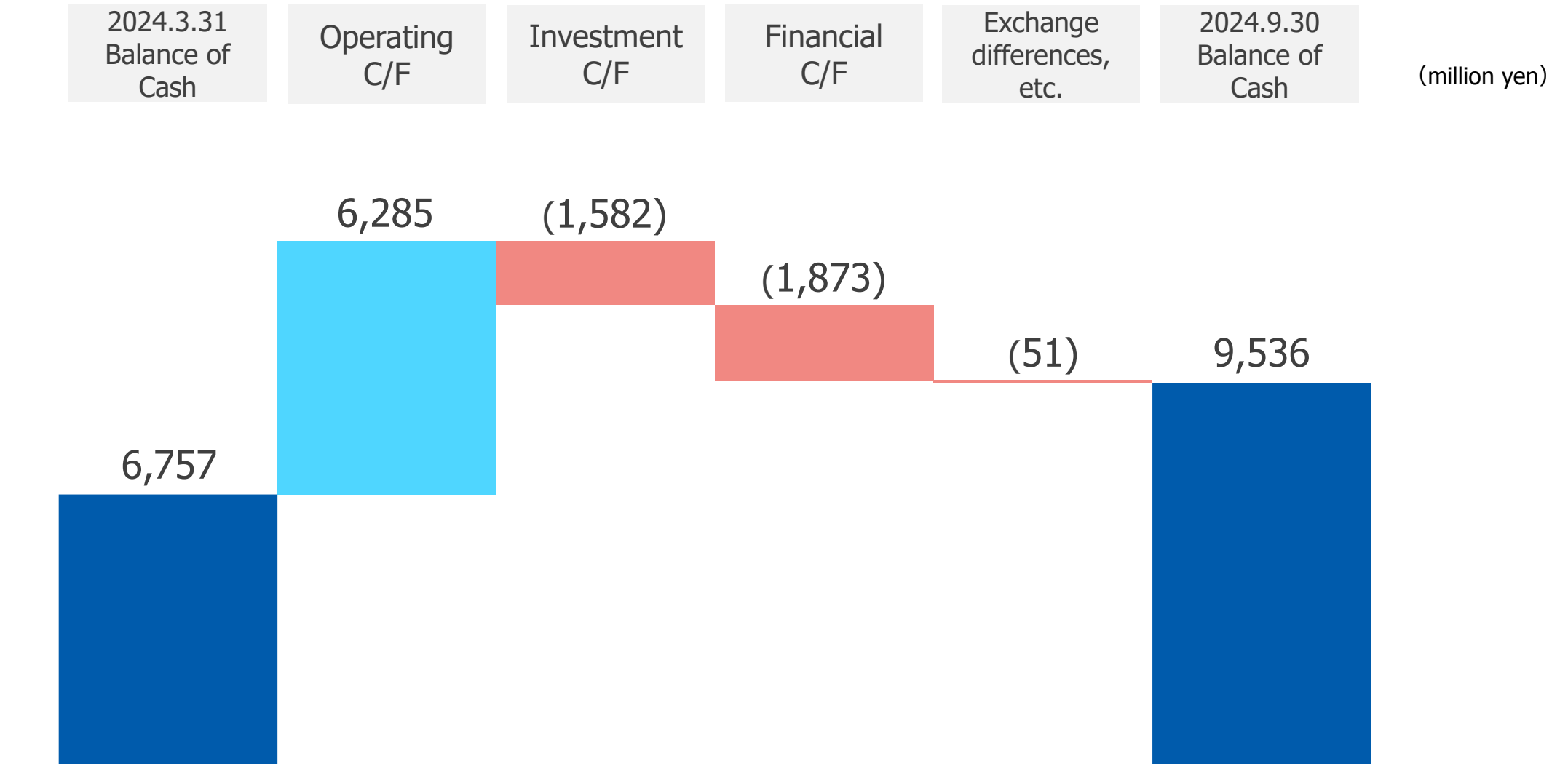


Liabilities & Net Assets

- In line with the decrease in purchases, notes and accounts payable-trade decreased.
- Due to growth in maintenance services, advances received increased.

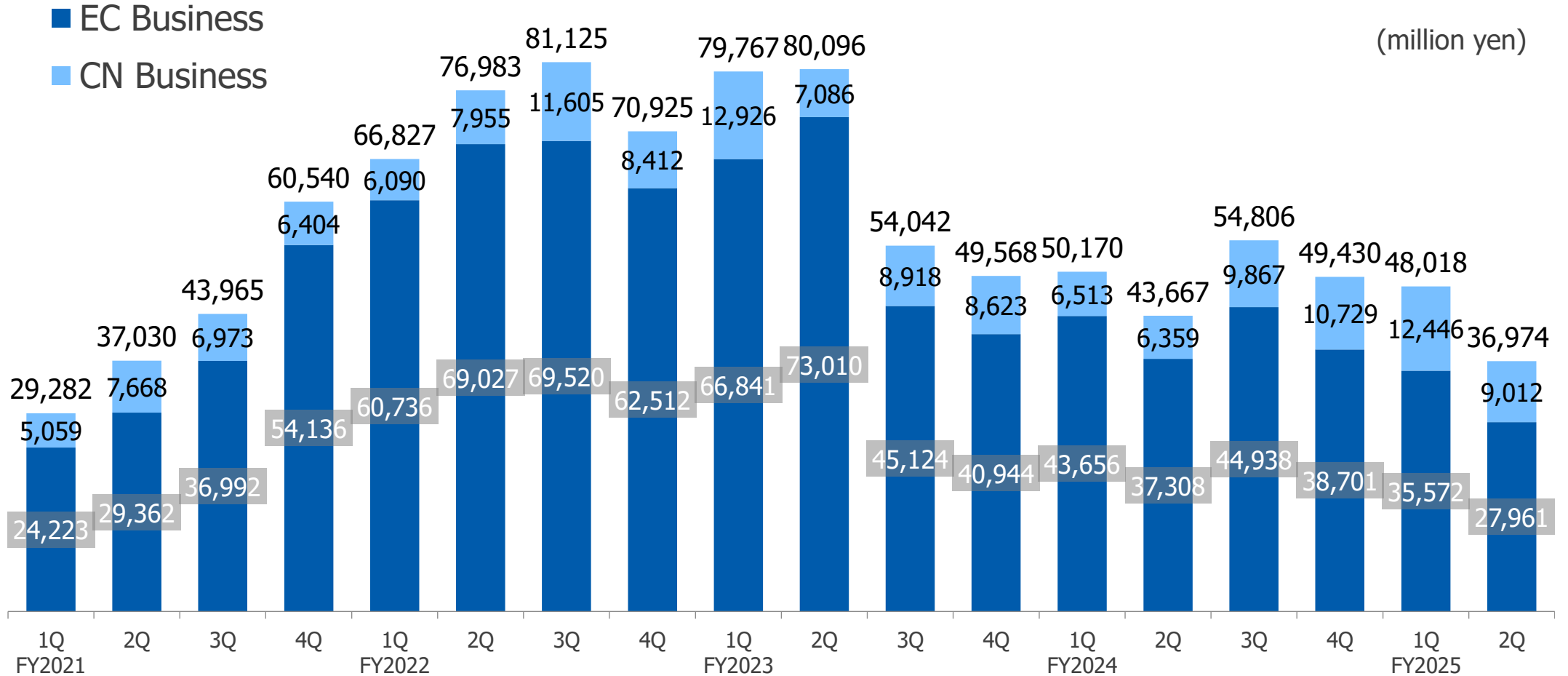


Statement of Cash Flows



Changes in Orders Received

- CN Business: IT investments were strong. There were large projects in FY2024/3Q and beyond. Orders for security products were strong.
- EC Business: Rebound from long-term orders and continued high levels of customer inventories.





Forecast for the Fiscal Year Ending March 31, 2025

President & Representative Director, CEO
Corporate Officer, Executive Vice President
Corporate Officer, Vice President

: Atsushi Tokushige
: Takayoshi Miyamoto
: Mitsutaka Kamimoto

Full-year forecasts for net sales, ordinary income, and net income remain unchanged from those announced at the beginning of the fiscal year.

The CN business is expected to see steady growth in the IT market, centered on security.

The turning point in the recovery of market conditions for the EC and PB businesses has been pushed back to the fourth quarter and beyond.

Assumptions of Business Plan

		FY2024	FY2025		FY2026	
		2nd Half	1st Half	2nd Half	1st Half	
		Adjustment Period	Bottoming Out Period		Recovery Period	
E C . P B	Semiconductor, wafer market conditions	High level of inventory in supply chain	To inventory level optimization gradually		To inventory level optimization gradually	
	Market conditions in China	Prolonged stagnation	Recovery trend gradually		Recovery trend gradually	
	Industrial equipment market	Sluggish due to impact of market conditions in China	Recovery trend gradually		Recovery trend gradually	
	Automotive equipment market	Change to steady	→			
	Commercial rights	Full-scale direct manufacturer-to-consumer sales by specific manufacturer	→	Contribution of new customer commercial rights		→
C N	Market trends	Change to steady IT market, mainly in security	→			
	New distributor agreements	Acquisition of new agreements	→			
Exchange rate trends		Year-on-year change to weaker yen	→	The yen will remain moderately strong (initial assumption ratio)		

Forecast of Financial Results for the Fiscal Year Ending March 31, 2025

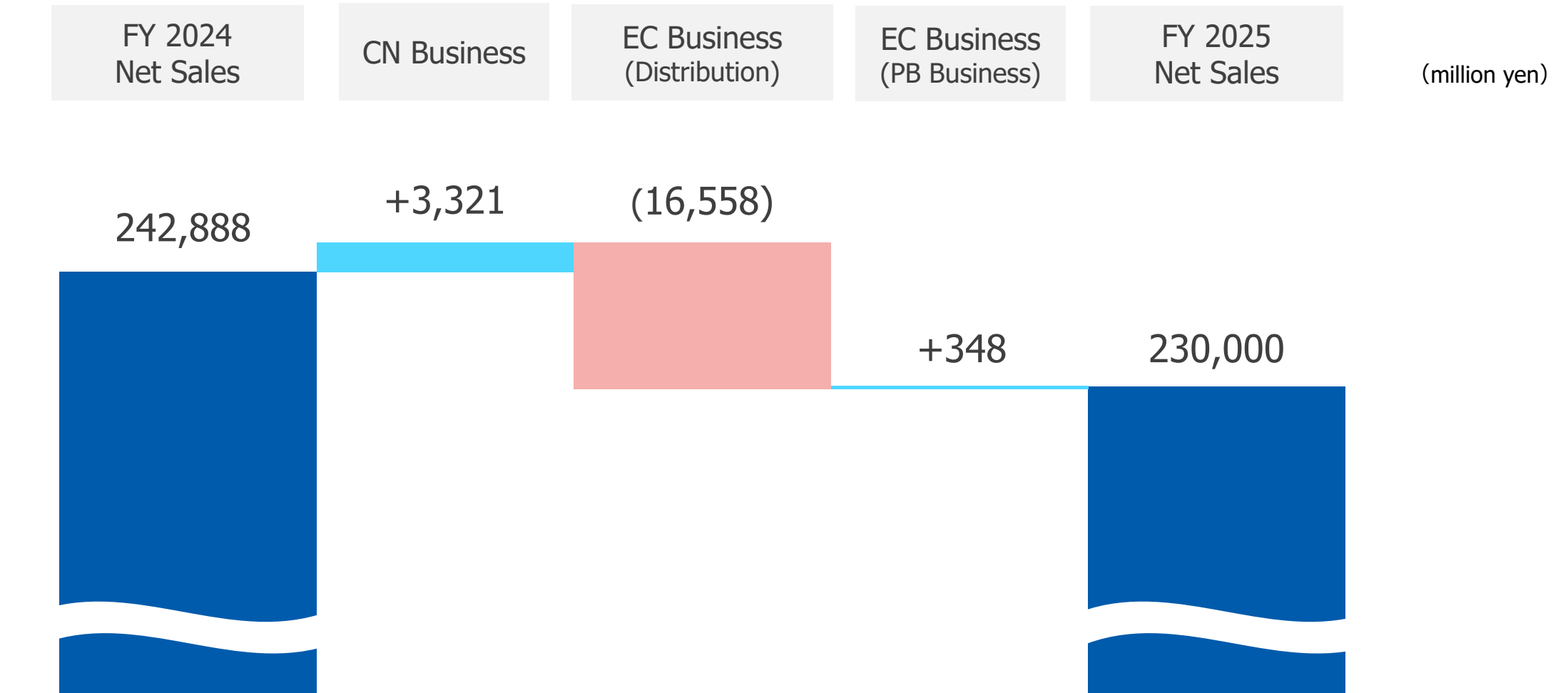


(million yen)

	FY2024	FY2025			YoY Change	
	Full year	1st Half Actual	2nd Half Forecast	Full Year Forecast	Change	Rate of Change
Net sales	242,888	111,712	118,287	230,000	(12,888)	(5.3%)
CN Business	32,978	17,687	18,612	36,300	3,321	10.1%
EC Business (consolidated)	209,909	94,024	99,675	193,700	(16,209)	(7.7%)
EC Business	195,658	87,038	92,061	179,100	(16,558)	(8.5%)
PB Business	14,251	6,986	7,613	14,600	348	2.4%
Ordinary income (income ratio)	13,922 (5.7%)	6,147 (5.5%)	6,552 (5.5%)	12,700 (5.5%)	(1,222)	(8.8%)
Net income (income ratio)	9,986 (4.1%)	4,305 (3.9%)	4,394 (3.7%)	8,700 (3.8%)	(1,286)	(12.9%)

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

Forecast of Financial Results for the Fiscal Year Ending March 31, 2025: 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 and FAST CORPORATION.

Initiatives for Profitable Growth

Promotion of promising businesses with a focus on strengthening manufacturer functions and service business

CN Business

Start handling new products

Expand stock business

- In-house services
- Technical consulting services

EC Business

Expand handling of products

**Promote solutions business
(coordination with PB)**

**Strengthen cloud AI and edge
AI business**

- Provide services and solutions with Microsoft as the core

PB Business

**Strengthen wafer inspection
systems business**

- Full-scale start of wafer inspections systems delivery
- Technology sharing
- Sales promotion to wafer manufacturers in Japan and overseas

**Strengthen TED Nagasaki
manufacturing line**

**Strengthen Vision automation
system**

Technology and product initiatives that anticipate change



Work with overseas offices to constantly research the latest technologies and find the best solutions



Expansion of the areas to be addressed (e.g., security)

Cloud Security



SaaS Security



Network & Application



Attack Surface Management



Zero Trust Security



Secret Management and Operational Automation



Endpoint Security



Security Information Event Management





PoC/PoV support

Support for verification of implementation effectiveness, technology, and other customer objectives

Cloud integration

Technical support for customer phases of migration to the cloud

Maintenance and technical support

Hardware Maintenance help desk
Technical information on the support site

Customer success

Visualization and analysis of usage conditions and support for implementation of measures to further increase the effectiveness of introduction

Onboarding

Training aimed at maximizing effectiveness in the early stages of implementation

Install

Construction work by experienced certified engineers

Operation and monitoring

24-hour, 365-day "one-stop" operation and monitoring
SOC service
NOC service

Account service

Dedicated engineers help customers solve a variety of issues they face



Growth Markets & Changing Needs

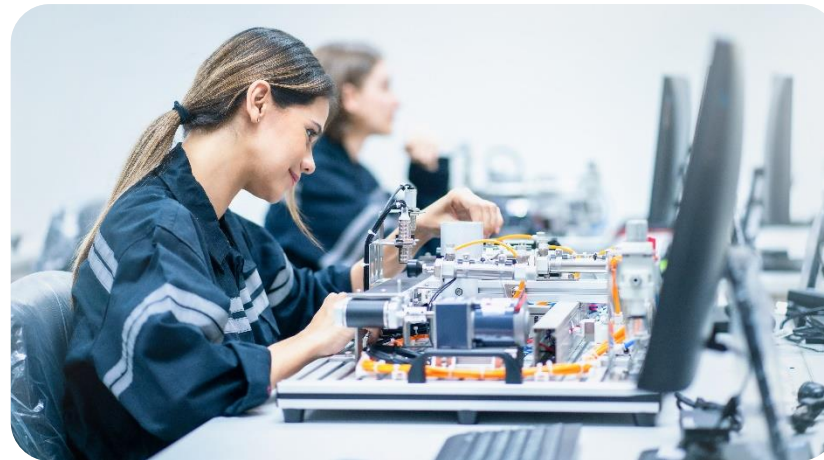
R & D

New measurement and inspection techniques



Manufacturing Infrastructure

Development, production, and system infrastructure resilience



M & A

Accelerating business growth



Semiconductor wafer

- Si/compound wafers (wafer fabrication)
- Advanced packaging process (device manufacturing)

Enhancement and acceleration



Wafer inspection system

Liquid crystal panel

- Steadfastly maintain business with existing customers

Optimization



Panel inspection equipment

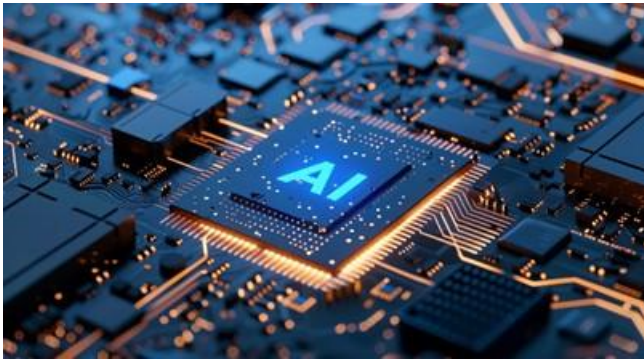
Electronic parts (components)

- Unresolved inspection needs within the manufacturing process

New development



Execution of sales agent agreement with Qualcomm



We sell SoCs with embedded high-performance, low-power consumption NPUs, as well as modules and circuit boards with embedded SoCs.

Promoting the use of edge AI in the industrial equipment sector

* NPUs : processor dedicated to AI

Developed own large-scale language model using Cerebras' CS-3



We have developed a large-scale language model for Japanese that utilizes our own data. We will be building use cases for generative AI in the future.

Supporting companies' development of independently generated AI

Absorption-type merger with FAST CORPORATION



We restructure the development system by maximizing the efficiency of management resources and consolidating human capital

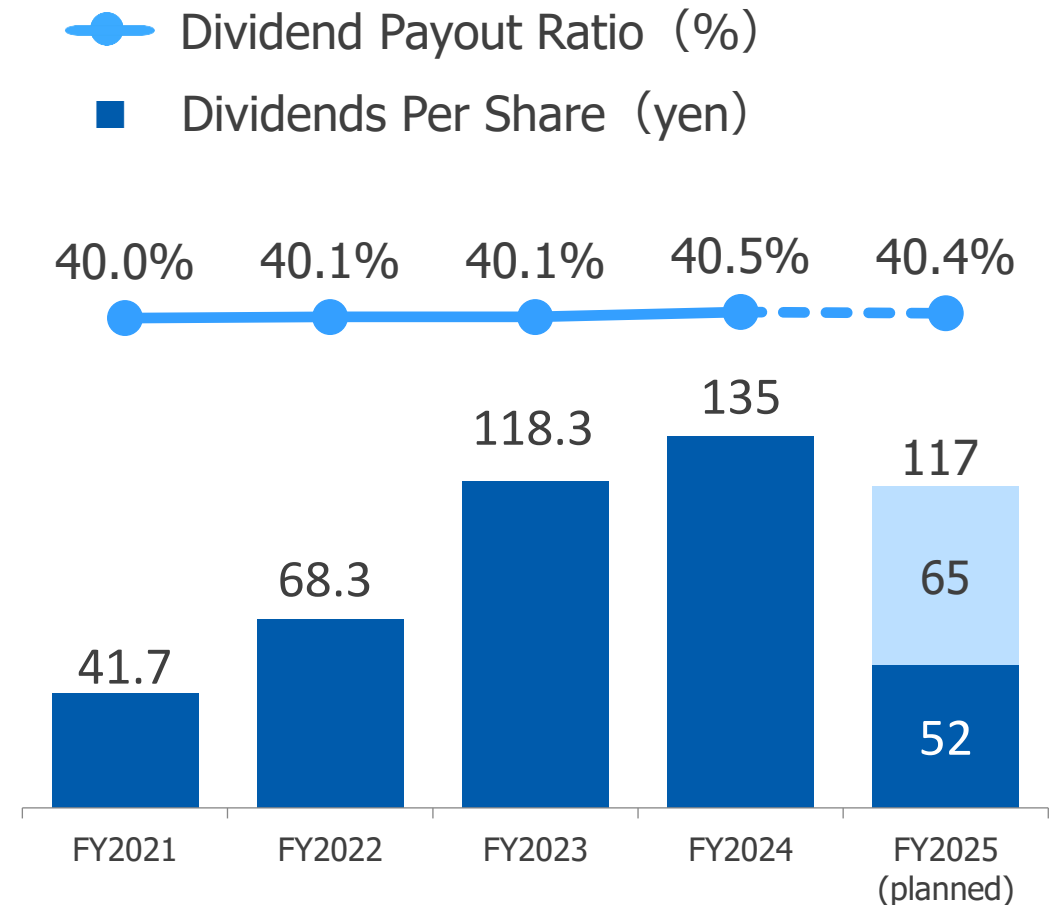
Reinforcement of technology development infrastructure

Dividends Per Share

(yen)

	FY2023	FY2024	FY2025
Interim	48.3	61	52
Year-End	70	74 (planned)	65
Full-year	118.3	135	(planned) 117

Dividends / Dividend Payout Ratio



Dividend policy

- Dividend payout ratio: 40%
- Stable, continuous dividends

* 3-for-1 stock split of common stock as of October 1, 2023 (Dividend amounts prior to September 2023 are presented assuming the stock split had taken place)



Connect Beyond

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.

The company names, product names, service names, and logos used in this document are the trademarks or registered trademarks of their respective holders.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Supplementary Materials

List of Supplementary Materials

- Review and Outlook of the Medium-Term Management Plan P30
- Medium-Term Management Plan VISION2025
 - Business Environment and OUR Mission P31
 - OUR VISION P32
- Medium-Term Management Plan VISION2030
 - OUR MISSION and VISION P33
 - Company-wide Policy and Management Policy by Business P34
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- Product Categories P43
- Change in Balance of Orders Received P44

Review and Outlook of the Medium-Term Management Plan

VISION2020

FY2016 – FY2021

Technology trading company
×
Manufacturer functions

Building a growth engine

(FY2021 Results)

Net Sales: ¥143.2 billion
Ordinary Income ratio: 3.2 %
ROE: 11.4 %

VISION2025

FY2022 – FY2025

To become a manufacturer
with technology trading
company functions

Launch growth businesses

(FY2024 Results)

Net Sales: ¥242.8 billion
Ordinary Income ratio: 5.7 %
ROE: 25.1 %

VISION2030

FY2026 – FY2030

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

Accelerate profit growth

(FY2030 Target Amount)

Net Sales: ¥300.0 ~ ¥350.0 billion
Ordinary Income ratio: ≥ 8.0 %
ROE: ≥ 20.0 %

BUSINESS ENVIRONMENT

Society 5.0 to Arrive

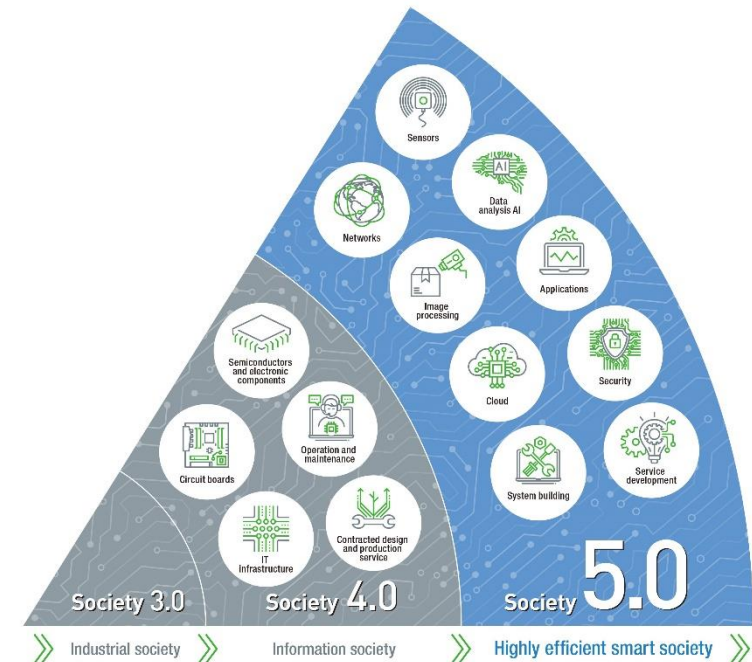
Highly efficient smart society amid
Slow Economic Growth



OUR MISSION

DRIVING DIGITAL TRANSFORMATION

Providing products and services that can
achieve digital transformation,
thus contributing to the sustainable
development of a highly efficient smart society



To become a manufacturer with technology trading company functions

Evolving technology trading company functions

- Business model that will generate profits from data, service, and stock businesses
- Maintain and expand customer base that contributes toward growth of business as a manufacturer
- Build a base for stable income

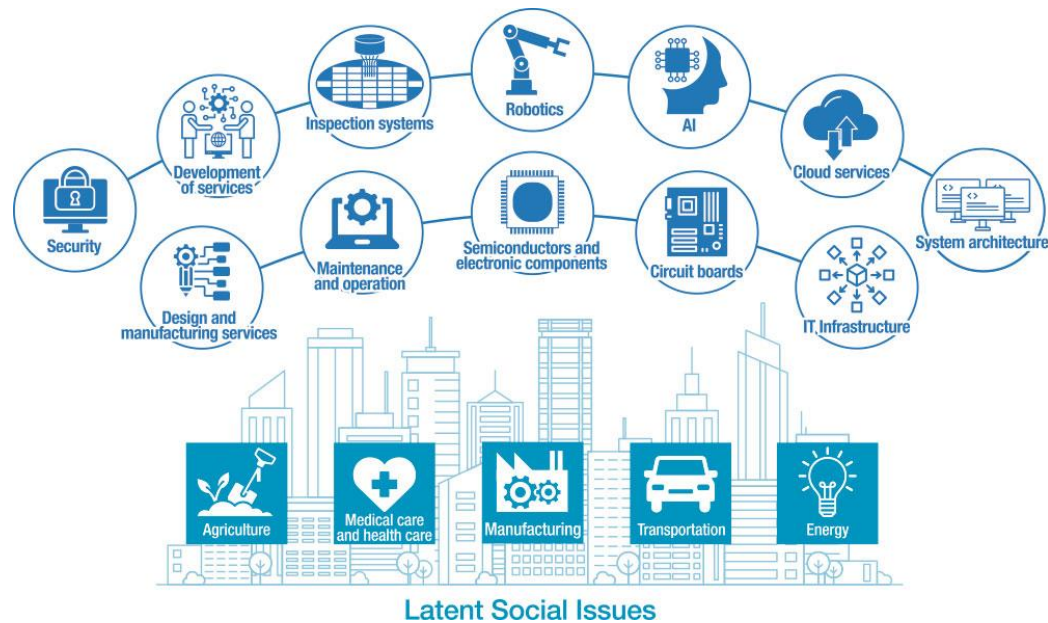
The kind of manufacturer we want to be

- Manufacturing system manufacturer
- Original design manufacturer (ODM)
- Design development division based on providing solutions to issue
- Highly efficient smart factories

Medium-Term Management Plan VISION2030: OUR MISSION and VISION

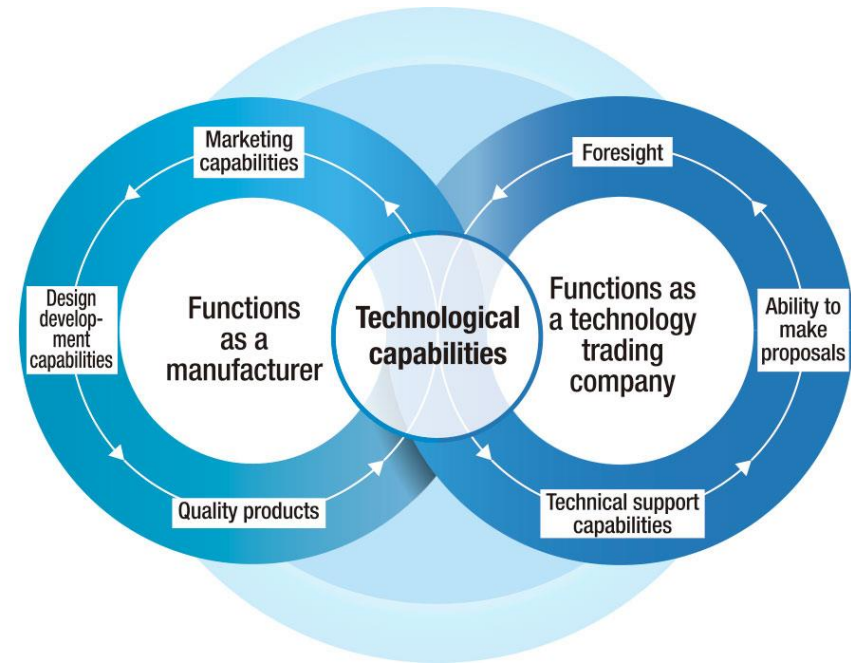
MISSION

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



VISION

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



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

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.)

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 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 and board OEM services by leveraging semiconductor-related technology and high-quality development and manufacturing infrastructure

Financial Model (Target Management Indicators)

Pursuing Sustainable Profit Growth (Profit Growth Outpacing Revenue Growth)

Fiscal 2030

- Net sales ¥300.0 ~ ¥350.0 billion
- Ordinary income ratio $\geq 8\%$
- ROE (Shareholders'equity) $\geq 20\%$

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

Capital Policy

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

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



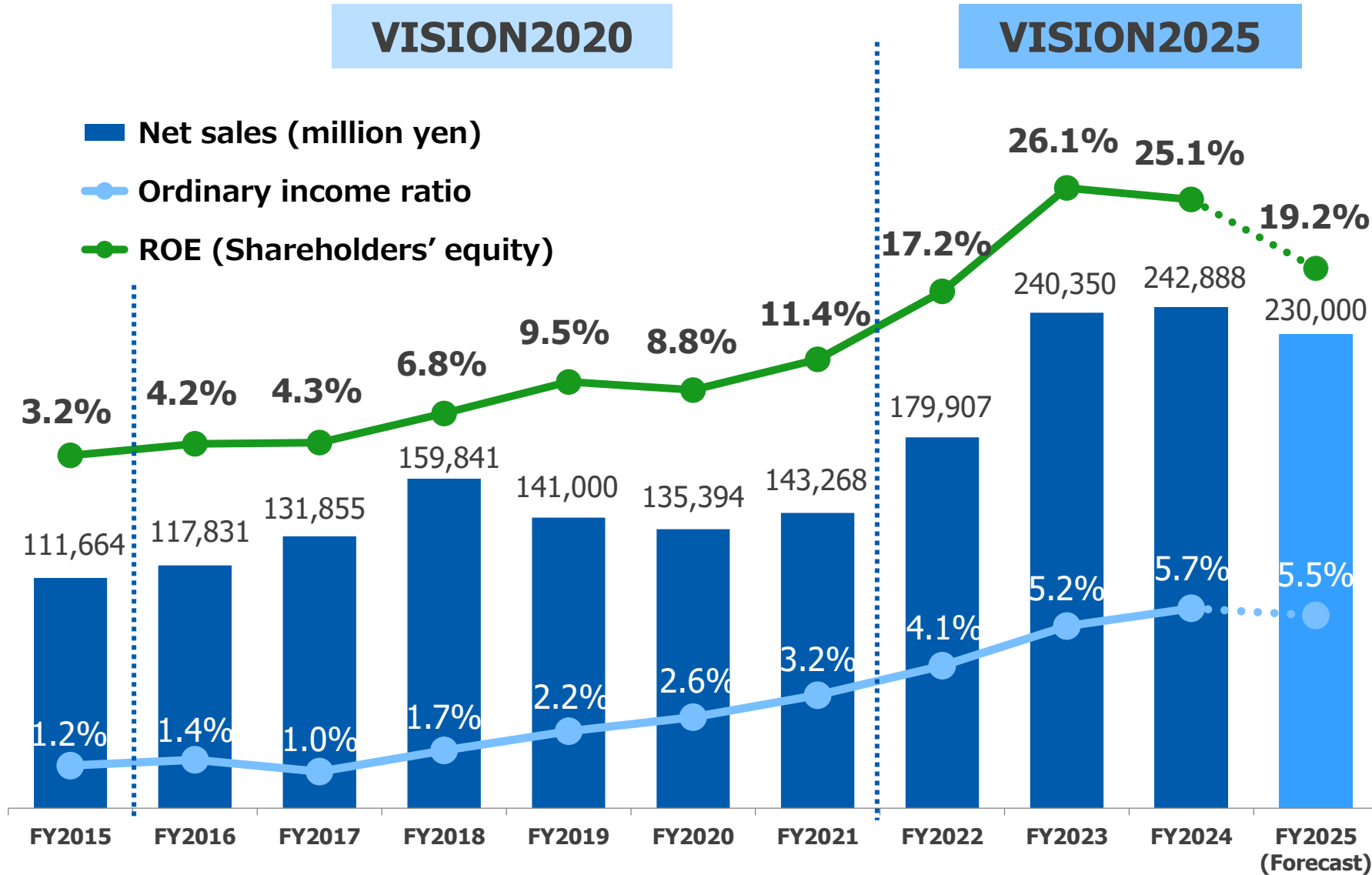
Human Capital / Diversity

- 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.

Medium-Term Management Plan: Results and Plan



VISION2030 (Financial Targets)

Net sales	¥300~ ¥350 B
Ordinary income ratio	≥ 8.0 %
ROE (Shareholders' equity)	≥ 20.0 %

* Announced Apr 30, 2024

VISION2025 (Financial Targets)

Net sales	¥200 B ±10%
Ordinary income ratio	> 5.0 %
ROE (Shareholders' equity)	> 15.0 %

* Announced May 15, 2020

Financial Highlight (1/2)



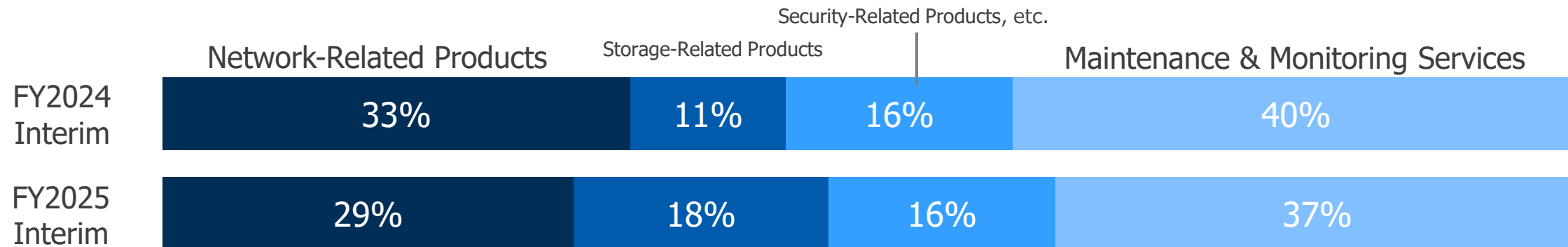
(million yen)

	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		
CN Business	5,407	7,263	7,191	9,393	7,099	7,253	6,587	12,037	8,741	8,946		
EC Business	45,270	53,828	56,935	55,059	51,912	53,431	53,462	51,102	47,865	46,158		
Cost of sales	43,247	52,459	55,409	54,990	50,091	51,594	51,049	52,984	47,411	47,876		
Gross profit	7,430	8,632	8,717	9,463	8,921	9,090	8,999	10,156	9,195	7,228		
Profit rate	14.7%	14.1%	13.6%	14.7%	15.1%	15.0%	15.0%	16.1%	16.2%	13.1%		
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		
Operating income	2,957	3,615	3,835	3,817	3,628	3,524	3,707	4,568	4,252	2,040		
Profit rate	5.8%	5.9%	6.0%	5.9%	6.1%	5.8%	6.2%	7.2%	7.5%	3.7%		
Non-operating income	39	120	35	72	69	116	164	64	72	130		
Non-operating expenses	836	688	585	-94	554	530	408	427	711	-363		
Ordinary income	2,160	3,048	3,285	3,984	3,143	3,110	3,463	4,204	3,614	2,533		
Profit rate	4.3%	5.0%	5.1%	6.2%	5.3%	5.1%	5.8%	6.7%	6.4%	4.6%		
CN Business	381	522	131	984	579	683	712	1,487	1,153	1,015		
EC Business	1,779	2,525	3,153	3,000	2,563	2,426	2,750	2,717	2,460	1,517		
Extraordinary income	0	0	0	0	4	0	0	0	0	0		
Extraordinary losses	0	2	0	6	0	1	32	4	0	1		
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		
Profit rate	4.3%	5.0%	5.1%	6.2%	5.3%	5.1%	5.7%	6.7%	6.4%	4.6%		
Net income	1,501	2,147	2,325	2,904	2,210	2,390	2,544	2,935	2,506	1,811		
Profit rate	3.0%	3.5%	3.6%	4.5%	3.7%	3.9%	4.2%	4.6%	4.4%	3.3%		
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		
Profit rate	2.9%	3.4%	3.6%	4.5%	3.7%	3.9%	4.2%	4.6%	4.4%	3.3%		

Financial Highlight (2/2)

	FY2024													
	1Q		2Q		1 st Half		3Q		4Q		2 nd Half		Full Year	
		Rate of Change		Rate of Change		Rate of Change		Rate of Change		Rate of Change		Rate of Change		Rate of 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 st Half		3Q		4Q		2 nd Half		Full Year	
		Rate of Change		Rate of Change		Rate of Change		Rate of Change		Rate of Change		Rate of Change		Rate of Change
Net sales	56,607	-4.1%	55,105	-9.2%	111,712	-6.7%								
CN Business	8,741	23.1%	8,946	23.3%	17,687	23.2%								
EC Business	47,865	-7.8%	46,158	-13.6%	94,024	-10.7%								
Cost of sales	47,411	-5.3%	47,876	-7.2%	95,288	-6.3%								
Gross profit	9,195	3.1%	7,228	-20.5%	16,423	-8.8%								
Selling, general and administrative expenses	4,942	-6.6%	5,188	-6.8%	10,131	-6.7%								
Operating income	4,252	17.2%	2,040	-42.1%	6,292	-12.0%								
Ordinary income	3,614	15.0%	2,533	-18.5%	6,147	-1.7%								
CN Business	1,153	99.0%	1,015	48.5%	2,168	71.7%								
EC Business	2,460	-4.0%	1,517	-37.5%	3,978	-20.3%								
Net income before income taxes	3,614	14.8%	2,531	-18.6%	6,146	-1.8%								
Net income	2,506	13.4%	1,811	-24.2%	4,318	-6.1%								
Net income attributable to owners of parent	2,494	14.1%	1,810	-23.4%	4,305	-5.4%								

CN Business: Sales Component Ratios by Product Category

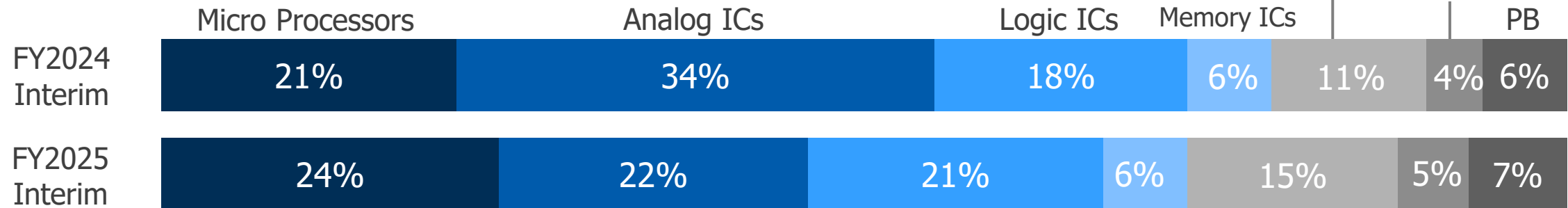


Product	Rate of Change	Main Causes	Main Suppliers
Network-related products	8.0%	There was an increase due to large projects for system integrators.	Arista Networks F5
Storage-related products	96.5%	There were large projects for system integrators due to demand for AI, etc., and business was strong.	Pure Storage
Security-related products, etc.	26.3%	Cloud security for system integrators and enterprises was strong.	Netskope SentinelOne Nutanix
Maintenance & monitoring services	14.4%	Maintenance of network-related products for system integrators and storage-related equipment for telecommunications carriers was strong.	TED

EC Business: Sales Component Ratios by Product Category

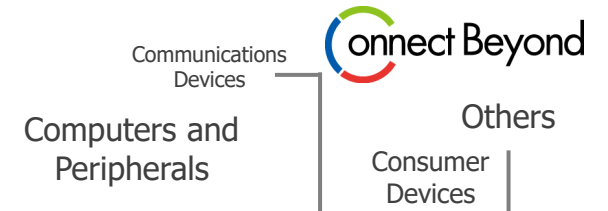


Boards, Electronic Components, etc. | Software & Services



Product	Rate of Change	Main Causes	Main Suppliers
Micro processors	(0.6%)	Although there was a significant increase in sales of automotive equipment due to the expansion of commercial rights, there was a slight decrease due to the shift to direct manufacturer to customer sales and a decrease in demand for telecommunications equipment.	Infineon / NXP / TI / Intel
Analog ICs	(42.8%)	Due to shift to direct manufacturer to customer sales, sales of industrial equipment, automotive equipment, and communication equipment decreased.	TI / NXP / ams-OSRAM AG
Logic ICs	7.1%	Despite the impact of shift to direct manufacturer to customer sales, sales of automotive equipment have increased due to the expansion of commercial rights.	Infineon / NXP / TI / Lattice / MaxLinear
Memory ICs	(12.5%)	Demand decreased in fields other than automotive equipment equipment.	Infineon / Everspin
Boards, electronic components, etc.	22.2%	Sales of automotive equipment increased due to the expansion of commercial rights. Sales of industrial equipment such as semiconductor manufacturing equipment were slow.	NXP / Western Digital / PFU / Intel / ams-OSRAM AG / ABAL DATA
Software & services	21.5%	Sales of security products for cloud services and embedded devices increased.	Microsoft / DELL / Trellix
PB	3.1%	Increased due to contribution of wafer inspection systems. Design and manufacturing services remained at the same level as the previous year.	TED / TED Nagasaki / FAST

EC Business: Sales Component Ratios by Application



Application	Rate of Change	Main Uses	Sales Trends
Industrial equipment	(23.5%)	Medical and analyzing equipment, Semiconductor production equipment, FA equipment, Industrial robots, Fabricating equipment, Measuring equipment, Control systems, Electrical component mounting equipment, Inverters	Decrease in demand for FA and semiconductor manufacturing equipment, etc. Decrease in analog ICs due to direct sales by manufacturers. Increase in PB due to contribution of wafer inspection systems.
Automotive equipment	6.9%	Car navigation systems, Automobile instruments, Advanced Driving Assistant systems, Displays, Automobile electronic control units (ECUs), Lithium ion batteries, Automobile inverters	Processors, logic ICs, and electronic components increased due to transfer of commercial rights Analog ICs are decreasing due to direct sales by manufacturers.
Computers and peripherals	10.1%	Multifunctional printers, POS systems, Storage, Server, Projectors, PCs and peripheral devices	Increase in processors for PCs and inspection equipment for printers.
Communications equipment	(33.1%)	5G base stations, Optical transmission equipment, Satellite communications equipment, Wireless IP network equipment	Decrease in processors for communication base stations Analog ICs also decreased due to direct sales by manufacturers.
Consumer appliances and electronics	(20.6%)	Electronic musical instruments, Home gaming consoles, Digital cameras, Air conditioners, TVs and HDD recorders, Residential fuel cells	Decrease in analog ICs for cameras due to direct sales by manufacturers Electronic components for logic ICs for electronic musical instruments also decreased.

Product Categories

	Category	Main Products	Functions
CN Business	Network-related products	Network load distribution devices Ethernet switches	Distribute Internet connection loads Switching hubs
	Storage-related products	Flash storage	Connect to and store large volumes of data at high speed
	Security-related products, etc.	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	Micro processors	CPUs, DSPs	Brains of electronic devices, calculation and control functions
	Analog ICs	Analog ICs	ICs used in common in various applications
	Logic ICs	Image processing ICs Communications and network applications ICs ASIC, PLD	ICs with packaged logic circuits, special-purpose ICs made for particular applications, special ICs made according to customer specifications
	Memory ICs	SRAM, FRAM, MRAM 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 Provision of subscription services
	PB	Design and mass production contract services, private brand products	Design, development and mass production of boards according to customer specifications Devices for manufacturing industries

Change in Balance of Orders Received

(million yen)

