TOMEN DEVICES

Integrated Report 2025



MISSION / VISION / VALUE

Since its establishment, the Tomen Devices Group has earned the customers' trust by providing attentive and carefully tailored services. The semiconductor market — our main business domain — is in the midst of a significant shift due to rapid technological innovation and fierce global competition. To be consistently chosen by our customers and other stakeholders in this rapidly changing era, it is essential that we grow more than ever before and maximize the value we provide to all our stakeholders. To achieve sustainable growth, we have defined the values we cherish in the form of MISSION, VISION, and VALUE. Through these practices, we will maximize our corporate value.

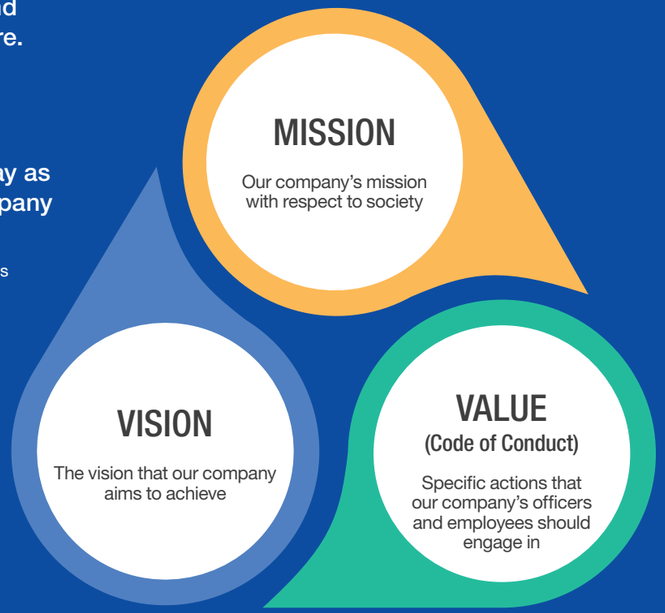
MISSION

Through innovation and global partnerships, we will contribute to our customers and society in the present and for the future.

VISION

To consistently create value and to stay as a competitive electronics trading company

- to become a trustworthy partner to our stakeholders by continuously fulfilling various needs and solving problems
- to build and expand a global service network based on our strong relationships with our counterparties
- to help build a sustainable society through providing energy-efficient electronics
- to foster an environment that supports the growth of individuals and unity as a team in which everyone takes pride



VALUE

We

- Respect each other.
  We will respect each and every individual and work to build a global and diverse organization.
- Improve everyday.
  We will work to actively broaden our horizons and grow together, without forgetting our original intentions.
- Tackle new challenges.
  We will take on challenges with curiosity and passion, and persevere to the end.
- Live up to the trust placed in us.
  We will respond sincerely to diverse needs and issues and work to be a company that is needed by our stakeholders.
- Ensure thorough compliance.
  We will comply with laws, regulations, and social norms, and conduct our business with integrity.
- Contribute to the next generation.
  We will act in a proactive and environmentally conscious manner and contribute to the development of a sustainable society.

Aim to be a company that is consistently chosen by all.

On the Publication of the Integrated Report 2025

To achieve sustainable growth and maximize the value of stakeholders, we need to communicate our future vision, along with the means and roadmap to achieve it, to our stakeholders more effectively than ever before. Therefore, in fiscal 2025, we have decided to publish our first Integrated Report (this report). To realize our vision of "To consistently create value and to stay as a competitive electronics trading company," we have shown how we aim to grow in the future by leveraging our long-standing strengths and characteristics, and summarized the value we create for society. Please note that the information provided in this report is based on facts as of the time of creation, and its accuracy has been verified. Through the publication of this report, we hope to receive candid feedback from our stakeholders and incorporate them into our management.



Nobumitsu Masuyama
Managing Director

Editorial Policy and Key Points of the Integrated Report 2025

This report explains the value created by the Tomen Devices Group through the business activities from both financial and non-financial perspectives. Specifically, we communicate our long-term growth while creating value for both the Tomen Devices Group and society, focusing on the following three key points.

Clear path to our growth from the perspectives of improving profitability, reducing the cost of capital, and strengthening growth potential	This report is divided into three perspectives of corporate value: improving profitability, reducing the cost of capital, and strengthening growth potential. Each of our initiatives is based on these perspectives, clearly demonstrating how each initiative contributes to enhancing corporate value.
Re-identification of material issues as a precondition for management	We have re-identified key management issues (material issues) to achieve a sustainable society through business growth. To address the re-identified material issues, we report on the progress of initiatives to date and future action plans during the current Medium-Term Management Plan period.
Visualization of the value creation process	We have visualized the value creation process in this report to achieve sustainable business growth based on our long-standing strengths and competitive advantages. Following this value creation process, this report is structured to provide a deeper understanding of our business that contribute to value creation.

Scope of reporting

Reporting period: April 1, 2024 – March 31, 2025
(Includes some of the latest information available at the time of publication)

Organizations in scope: Tomen Devices Corporation and four consolidated subsidiaries
(As of March 31, 2025)

Contact: ir@tomendevices.co.jp

Cautionary statement concerning forward-looking statements

This report contains forward-looking statements regarding the management strategy, business plans, and performance forecasts of Tomen Devices Corporation and its consolidated subsidiaries. These statements represent our current expectations based on information available at the time of publication. Accordingly, we ask for your understanding that actual management strategy, performance, etc. may differ significantly from the outlook described in this report due to changes in latent risks, uncertainties, and other factors.

Structure and Contents

This report is structured based on the three perspectives of enhancing corporate value: improving profitability, reducing the cost of capital, and strengthening growth potential. To contribute to a sustainable society by growing our business in line with our medium- to long-term vision, it is essential to advance initiatives that maximize our corporate value. Our business initiatives fall into one of the above three perspectives, and we express in an easy-to-understand manner that these activities contribute to the enhancement of corporate value. In the section on improving profitability, we introduce initiatives that generate stable and sustainable profits by contributing to the realization of a digital society and a decarbonized society. In the section on reducing the cost of capital, we cover initiatives aimed at reducing risks within the supply chain and similar initiatives. In the section on strengthening growth potential, we provide details on initiatives such as investing in human capital, which serves as the foundation for value creation across the Tomen Devices Group.



Corporate Value

The sum of financial value, such as market capitalization, and non-financial value (contributions to stakeholders) that will be reflected in financial value in the future



Profitability

Activities to maximize future earnings generation

Corporate Value = **Profitability** (Future cash flows) / **Cost of Capital** (Risk mitigation) − **Growth Potential**



Cost of Capital (Risk mitigation)

Risk mitigation initiatives and frameworks supporting sustainable growth



Growth Potential

Investments to promote medium- to long-term growth

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Kiyotaka Nakao

Representative Director
and President



Top Message

Pioneering the Future through Talent, Technology, and Networks Ambitiously Taking on Challenges to be chosen in the global market

We will Continue to Take on Ambitious Challenges Even in a Rapidly Changing Environment, and Steadily Build a Track Record of Growth.

I am pleased to announce the publication of the Tomen Devices Group's first Integrated Report. The business environment in the semiconductor industry is undergoing rapid and dramatic changes, making it challenging to predict the future. Therefore, I felt it was important to carefully and clearly communicate to our stakeholders, including shareholders and investors, how the Tomen Devices Group plans to grow in the future. In this Integrated Report, we have systematically organized our strengths and competitive advantages, which we have previously communicated sporadically, and clearly outlined our approach and initiatives for creating medium- to long-term value. We also intend to focus on constructive dialogue with our shareholders and investors through this report, aiming to achieve sustainable growth while incorporating their feedback.

Looking at the current global market conditions, in addition to the impact of U.S. tariff policies and the deterioration of U.S.-China relations, the recent boom in generative AI technology is causing significant shifts in market structures. As generative AI adoption accelerates, demand for high-performance semiconductors for data centers has surged, resulting in supply shortages and sharp price increases for certain products.

On the other hand, in fields outside of AI, Chinese local semiconductor products are increasing their market presence, leading to an intensification of price competition. In response to these environmental shifts, we find ourselves at a point where we need to review and adapt our strategy.

Even amid these conditions, we basically view the Samsung semiconductors and electronic components that we handle will continue on a growth trajectory. Looking ahead, the electronics market is expected to see sustained growth, driven primarily by demand from data centers and the automotive sector. As the global market continues to grow steadily, it is crucial for us to outperform the market growth and ensure our success into the future. We have achieved significant growth in the Chinese market to date. I attribute this success to our distinctive approach, deeply rooted in the local market since our initial entry, which has enabled us to actively engage in business with regional customers and gain competitiveness on par with local trading companies. In my view, the key to future growth lies in how we can leverage our expertise cultivated through these processes to expand into markets beyond China. Furthermore, to address our customers' core challenges, we will further enhance our ability to propose value-added solutions — from discrete components and modules to integrated hardware-and-software offerings — and thereby aim to achieve steady growth.

An Elite Team of Professionals Built Over 30 Years

Tomen Devices Corporation is a semiconductor trading company established in 1992 through the spin-off of part of Tomen Electronics Corporation's semiconductor division. As the sole partner in Japan of Samsung Electronics, a market leader in innovative technology, we have provided semiconductors and electronic components to customers both domestically and internationally for over 30 years since our founding.

Looking back at our characteristics, in addition to advanced Samsung products, we have Toyota Tsusho's global network spanning over 130 countries worldwide and its proprietary automotive expertise. Furthermore, by leveraging our technical expertise in electronics, particularly in memory semiconductors, and our deep customer relationships, we bring our unique strength in delivering tailored proposals and providing steadfast hands-on support throughout their next-generation product development. This approach has underpinned our growth to this day.

Moreover, supporting these strengths are our professional talent, who are our most important asset. Since our founding, we have encouraged each employee to take initiative in pursuing challenges and have worked to foster an environment where everyone can maximize their abilities and potential. Under this corporate culture, I believe that we have cultivated strong management skills, enabling us to effectively navigate complex stakeholder interests while carefully aligning the expectations of our business partners and customers to successfully conclude the deal. Supported by these strengths, we have maintained a transaction value of 2 billion yen per employee for the past five years and have steadily secured earnings despite our small, elite team. We recognize that our greatest strength lies in our professional talent, who have consistently delivered tangible value to our customers, and in our high productivity.

We Aim to Further Increase Our Presence in the Global Market through Business Expansion in Partnership with Local Communities.

China, with its huge population of 1.4 billion people, remains a market with high growth potential and is positioned as a critical market for us, considering that urbanization will continue to progress even in inland regions. In fact, the transaction volume of products for automotive in China has been growing steadily in recent years. As mentioned earlier, while many Japanese trading companies primarily conduct business with local Japanese companies, we have actively pursued transactions with local Chinese companies. Our locally hired and trained staff have built solid relationships with local manufacturers and business partners, steadily developing new clients. We believe this accumulated strength has become a unique competitive advantage that distinguishes us from other companies. On the other hand, one challenge is the rise of local Chinese semiconductor manufacturers. In the legacy product market, Chinese semiconductor manufacturers are increasing their presence, further intensifying price competition. Samsung's policy is to lead product development ahead of its competitors. While there are differences in the main product directions pursued by those manufacturers and us, we will continue to closely monitor the activities of local companies. Through partnership with Samsung, we aim to maintain our competitiveness in the field of cutting-edge technology products and pursue further growth in the Chinese market.

In addition, the U.S. market is the world's No. 1 semiconductor market, and we will explore market entry with the aim of strengthening our automotive business. Meanwhile, under the "China Plus One" strategy, Japanese manufacturers have been diversifying their production away from China, mainly to ASEAN, and have established systems related to procurement, manufacturing, and logistics. However, we understand that they are currently reviewing this strategy. Especially since the automotive business is a pillar of growth for us, we will consider business expansion going forward while closely working with our automotive customers.

As for other markets, we see great potential in India, which is home to the world's largest population. Rapid economic growth, advancing urbanization, and accelerating digitalization position India to be key market in the semiconductor and electronic components sector going forward. In addition to strengthening our presence in Taiwan in anticipation of expanding our data center, server/storage business, we also remain optimistic about expanding business domain in China, which continues to hold high potential. The barriers to conducting business are significantly lowered for companies associated with existing Chinese business partners. Even when acquiring new customers, I believe we can effectively leverage our long-standing relationships and know-how in the Chinese market. Furthermore, a key factor in our decision to enter new hardware businesses such as semiconductors and electronic components, is whether the country or region has a capability to develop and manufacture such products on its own. We are currently conducting feasibility studies for market entry into new regions, comprehensively considering factors such as the scale of local customers who actually manufacture products and the growth potential of those markets.



Path to Achieving the Goals of the Medium-Term Management Plan

In FY2025, the final year of our Medium-Term Management Plan, we forecast net sales of 470 billion yen and net profit of 6.4 billion yen (forecast announced October 30, 2025), while the performance targets were set at 500 billion yen in net sales and 6 billion yen in net profit.

Initially, we anticipated difficulties in achieving our goal due to the U.S. tariff policy and the rise of local Chinese semiconductor manufacturers. However, the growing demand for generative AI products led to a tight supply in the overall memory market and a rapid price hike. Consequently, our financial results have been better than anticipated, and we are on track to achieve our target for FY2025.

Even in this kind of environment, we recognize that to achieve growth beyond the Medium-Term Management Plan period, we must not only leverage Samsung's established strengths in high-quality products but also complement and enhance these products to deliver even greater value to our customers. In the server/storage business and the automotive business, positioned as our focused businesses, we are currently taking on the challenge of new initiatives while keeping abreast of changes in society and industrial structure.

Regarding our server/storage business, we are exploring the potential of the data center business as a new business domain. While Amazon, Google, Microsoft, and others dominate the cloud business today, there is a strong need for domestically produced data centers in Japan from a national security perspective. With government backing, major carriers are accelerating efforts to build their own data centers, which is expected to strengthen domestic infrastructure. We are also actively pursuing domestic businesses proposals in this field, where demand is expected to grow alongside the diffusion of generative AI. As for general servers, we have steadily gained customer trust through our unique, meticulous quality and reliability assessments, resulting in a consistent increase in domestic transactions. Furthermore, we are gradually increasing our presence in the Chinese market by working in tandem with Samsung to win and support customers, just as we do in Japan.

Another pillar of our focused businesses is the automotive business. Currently, Japanese companies account for over 20% of the global automotive market. While the number of automobiles is not expected to increase significantly, demand for semiconductors and electronic components in the automotive industry is anticipated to grow substantially due to the advancement of electronics, vehicle electrification, and autonomous driving. Customers in the automotive industry place particular emphasis on safety, demanding high quality and reliability in the components they use. In that regard, we believe that our value and strengths as a specialized trading company can be demonstrated in areas such as technical support, where it may be difficult for manufacturers alone. In fact, our support system is highly appreciated not only by domestic customers but also by local Chinese customers. In recent years, overseas sales in the automotive business have been steadily increasing, serving as a major driver of our growth. In April 2025, we have reorganized our automotive business, which was previously separated by region (Tokyo, Nagoya, Osaka, and overseas). This aims to consolidate our accumulated knowledge in order to deliver higher-quality services more efficiently, thereby addressing market growth and customer needs. We are promoting various initiatives with greater flexibility and speed than ever before.

No Growth without Professional Talent – Discussion on the Next Medium-Term Management Plan for Fostering a Sense of Ownership –

Our professional talent which are the core sources of our value creation, will become increasingly important as we further enhance our solution proposals, as mentioned earlier.

I believe it is important for a company to be a place where employees truly enjoy their work. It is often said that "the customer comes first," but it is the employees who deliver the service to the customer. We cannot provide high-quality products and services without an environment where employees feel a sense of job satisfaction and are highly motivated to perform their work. The more our employees grow, the better they can serve our customers with attentive and personalized service. Revenue is generated when our customers recognize this value. This creates a positive cycle where we can then provide returns to shareholders who place their trust in our growth. I want our employees, who serve as the starting point for this cycle, to fully demonstrate their abilities while enjoying their work and to continue taking on challenges with a spirit of ambition. Only then we can create our value.

To enable all employees to fully utilize their capabilities, we are currently advancing discussions on the next Medium-Term Management Plan (FY2026–FY2028), which will commence next year, involving not only executives but also the manager-level personnel. We are advancing discussions for the next Medium-Term Management Plan using a bottom-up approach that incorporates front-line perspectives to close the distance between management and the front lines more effectively than ever before and foster a sense of unity. Based on the medium- to long-term direction for us discussed at Board meetings, we are currently working to formulate a highly convincing and effective strategy. This effort is being led by the executive management team, including myself, and incorporates insights and ideas unique to the front lines. Our professional talent is those who take the Company's direction as their own, acting proactively and with a strong sense of personal responsibility. We will continue to focus on developing professional talent, reaffirming our awareness that this approach fosters a sense of unity throughout the organization and serves as the driving force that propels our business forward.

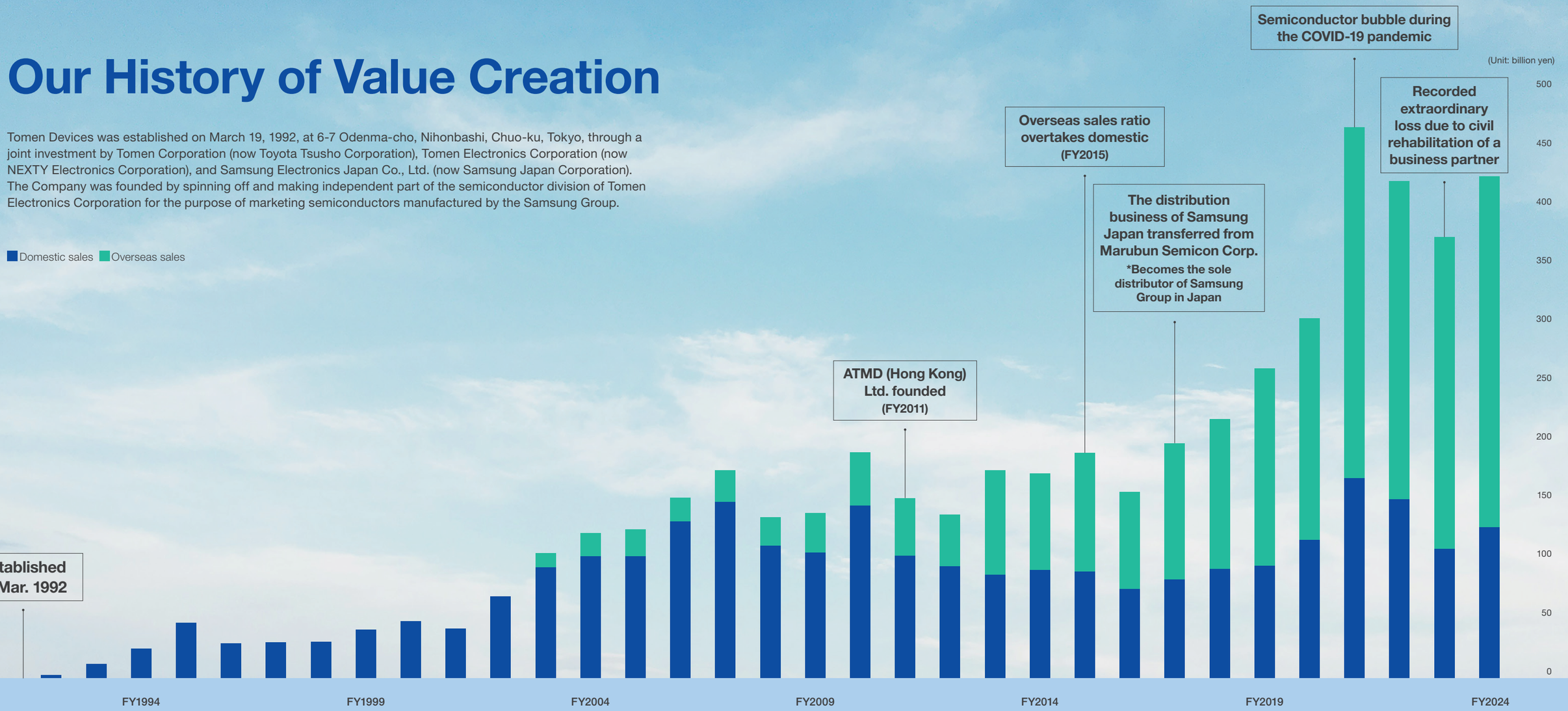
Contributing to our Customers and Society in the Present and for the Future, and Creating New Value

In this report, we have given shape to our vision for medium- to long-term value creation with a view to deepening mutual understanding and promoting constructive dialogue with our shareholders and investors. Finally, I recognize that enhancing corporate value requires sincere commitment to addressing key financial challenges such as improving our return on capital and enhancing shareholder returns. Regarding the PBR falling below 1.0x in particular, the entire management team shares a strong sense of urgency, recognizing it as a critical issue requiring early improvement. We are currently advancing initiatives to address this through two key approaches: enhancing ROE (Return on Equity) and improving PER (Price Earnings Ratio). In the area of shareholder returns, we will continue to discuss how to balance the continuity of stable dividends with growth investments to satisfy the expectations of our shareholders and investors. We recognize that maintaining and enhancing our financial soundness is directly linked to the sustainable and stable growth, so we will continue to advance initiatives aimed at maximizing corporate value.

We constantly consider how to deliver future products built with semiconductors and electronic components, communicate their benefits to customers, ensure technical support and quality, and then contribute to our customers and society in the present and for the future. Our business extends beyond mere trading. It is dedicated to making the world more prosperous and convenient than it is today, and we bear the mission of contributing to achieving a society where every individual can live with peace of mind. Semiconductors and electronic components are now indispensable everywhere, and we believe our raison d'être lies in consistently providing them to a wide range of customers. To meet our stakeholders' expectations, with our cutting-edge technology and global network, we strive to deliver our distinctive value that surpasses your expectations. Our entire team is dedicated to contributing the advancement of society, and we appreciate your continued support over the long term.

Our History of Value Creation

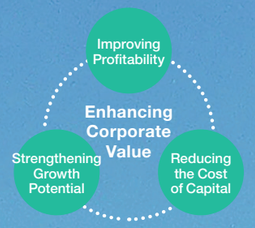
Tomen Devices was established on March 19, 1992, at 6-7 Odenma-cho, Nihonbashi, Chuo-ku, Tokyo, through a joint investment by Tomen Corporation (now Toyota Tsusho Corporation), Tomen Electronics Corporation (now NEXTY Electronics Corporation), and Samsung Electronics Japan Co., Ltd. (now Samsung Japan Corporation). The Company was founded by spinning off and making independent part of the semiconductor division of Tomen Electronics Corporation for the purpose of marketing semiconductors manufactured by the Samsung Group.



History

Mar. 1992	Tomen Devices Corporation was established for the purpose of marketing semiconductors.
Mar. 1993	Nagoya Sales Office was opened in Naka-ku, Nagoya.
Jan. 1995	Head Office was relocated to 10-15, Horidome-cho 1-chome, Nihonbashi, Chuo-ku, Tokyo.
Dec. 1995	Osaka Sales Office was opened in Chuo-ku, Osaka.
Jan. 2001	Head Office was relocated to 3-8, Ningyo-cho 1-chome, Nihonbashi, Chuo-ku, Tokyo.
Apr. 2001	Merged into Tomen Devices Corporation (formerly Tansho Co., Ltd.), the pro forma surviving entity, owing to a change in par value of shares
Jun. 2002	Tomen Devices Shanghai Co., Ltd. was founded in Shanghai, China. Tomen Devices Corporation was listed on JASDAQ.
Jan. 2004	Obtained ISO 14001 Environmental Management System Certification at the Head Office, Logistics Center, Osaka Sales Office and Nagoya Sales Office
Mar. 2004	Listed on the Second Section of the Tokyo Stock Exchange
Mar. 2005	Listed on the First Section of the Tokyo Stock Exchange
Mar. 2007	Head Office was relocated to 8-12, Harumi 1-chome, Chuo-ku, Tokyo.
Mar. 2012	ATMD (Hong Kong) Limited was founded in Hong Kong.
Jun. 2012	ATMD Electronics (Shenzhen) Limited was founded in Shenzhen, China.
Dec. 2012	Obtained ISO 9001 Quality Management System Certification and ISO 27001 Information Security Management System Certification for the Tokyo Head Office, Logistics Center, Osaka Sales Office and Nagoya Sales Office.
Mar. 2013	ATMD Electronics (Shanghai) Limited was founded in Shanghai, China.
Aug. 2017	Nagoya Sales Office was relocated to Nakamura-ku, Nagoya.
Apr. 2018	ATMD Electronics (Singapore) Pte. Ltd. was founded in Singapore.
Oct. 2018	Acquired the authorized distribution business of Samsung Japan from Marubun Semicon Corp.
Apr. 2022	Transitioned from the First Section to the Prime Section of the Tokyo Stock Exchange due to the market restructuring

Value Creation Process



We aim “To consistently create value and to stay as a competitive electronics trading company.” To achieve this, we leverage our core sources of value creation: “Global network and supply capacity,” “Business building capabilities,” “Professional talent,” and “Customer and financial base.” We strive to deliver value (Output) to our customers and end users while also creating value (Outcome) for society and the environment.

To address our medium- to long-term material issues, we will provide unique added value including dissemination of cutting-edge technologies, thereby striving to enhance sustainable corporate value.

Material Issues

Opportunities

Changes in automotive industry trends

Overseas market expansion and growing demand in the digital technology industry

External Environment

Risks

Growing presence of local Chinese products

Geopolitical instability

Material issues related to solving social issues

Promoting the advancement of digital technology and contributing to the creation of future industries and social transformation

Contributing to a decarbonized society and a sustainable global environment

Building a resilient supply chain with respect for human rights and the environment

Material issues related to management foundations

Promoting human capital management

Strengthening corporate governance and enhancing risk management

Open and lively organization and corporate culture

Business model

Accelerate growth businesses

Secure stable earnings from existing businesses

Build new business models

Cutting-edge, high-performance products

Global network and supply capacity

Business building capabilities

Professional talent

Customer and financial base

Output

Handling of cutting-edge and high-performance products, stable and efficient supply

Server/storage

Automotive

PC

Smartphone

Comprehensive solutions

New products

Helping customers grow their businesses

Finance functions and risk management built on a stable financial base

Improving Profitability

Strengthening Growth Potential

Reducing the Cost of Capital

Outcome

Realization of a safe and comfortable mobility society

Enhanced convenience in daily life through AI and digital technology

Realization of a green global environment

Returns to shareholders

Realization of a smart society

To consistently create value and to stay as a competitive electronics trading company

Core Sources of Value Creation



Transaction value per employee
2.14 billion yen

We maintain an outstandingly high level of transaction value per employee (annual sales divided by the number of our employees) with a track record of over 2.14 billion yen per employee. This figure is a testament to our employees' distinguished sales performance and to the customer trust that we have earned through our technical support and carefully tailored proposals for next-generation product development. By bridging suppliers and customers and providing consistent support throughout the process, from product design and development to manufacturing, we have created value beyond simply supplying products, thereby enhancing customer convenience. We consider our technical support and high productivity of each employee to be essential assets for sustained growth.

Over 30 years of business experience as a semiconductor-focused specialized trading company

For over 30 years, we have built a solid customer base centered on major domestic and overseas companies as a semiconductor trading company. As a result, we have achieved steady growth in both sales and profits since its foundation. In addition, by providing our semiconductor manufacturer suppliers with timely feedback on the latest market demand, trends, and product development trends collected from our broad customer base, we drive the development of even more competitive products and capture business opportunities through these products.

The semiconductor industry operates in an environment where structural economic fluctuations known as the silicon cycle occur periodically. This intense volatility inherent in this cycle, which can cause sharp price drops and reduced demand, significantly impacts business operations. However, as a subsidiary of Toyota Tsusho, we possess a stable financial base, enabling us to respond relatively flexibly to such shifts in the supply-demand balance.

Talent that exceeds customer expectations

Ability to distribute cutting-edge technologies and high value-added products

Customer and financial base

Locally rooted business building capabilities

The sole Japanese distributor of the Samsung Group, a global market leader

We are the only partner in Japan of Samsung Electronics, one of the world's leading semiconductor manufacturers. For over 30 years, we have supplied Samsung Group's semiconductors and electronic components to manufacturers in Japan and abroad.

As the technological innovation is required in the semiconductor industry in areas such as electric vehicles, IoT, AI, and 6G, our privileged access to Samsung Group products that have established market leadership, centered on memory semiconductors as key devices, contributes to our competitive advantage. Furthermore, leveraging our business coordination capabilities based on technical expertise and know-how regarding these products, we are deeply involved in the evolution of products and technologies that create a better future society, including collaborating with customers on the development of their next-generation products. In an era where AI and digital technologies, such as automated driving technology, are being implemented as part of our social infrastructure, we will strive to address customer needs by promoting Samsung products with cutting-edge technology and high-quality, as well as other advanced technologies and high value-added products.

Percentage of locally hired personnel in management positions at overseas subsidiaries
65%

We have steadily grown our overseas business since opening a subsidiary in Shanghai in 2002. As of the end of March 2025, we operate primarily through our four overseas subsidiaries established in Hong Kong, Shanghai, Shenzhen, and Singapore. With overseas sales ratio of 70%, we are expanding our business not only in the Chinese market but also throughout Southeast Asia.

We have achieved this growth by appointing local staff (locally hired employees) at our overseas subsidiaries. We have established a competitive advantage unmatched by our Japanese competitors by offering proposals tailored to each region's needs through our local staff, who are well-versed in local business practices. Our customer base and network, built through locally rooted business operations while understanding and respecting local laws, regulations, culture, and business practices, also enables seamless support for Japanese manufacturers relocating their production lines overseas.

Materiality

Approach to materiality

We have identified five material issues that we must resolve from a medium- to long-term perspective to realize the Tomen Devices Group vision “To consistently create value and to stay as a competitive electronics trading company.”

Starting in FY2025, we will strengthen our initiatives addressing these material issues. Furthermore, in the next Medium-Term Management Plan currently being formulated, we will aim to resolve them through our business strategy.

Materiality identification process

In FY2025, considering changes in the external environment surrounding the Tomen Devices Group and shifts in stakeholder interests, we reevaluated our previous material issues along two axes, “importance to the Tomen Devices Group” and “importance to stakeholders” and identified new material issues. To ensure objectivity, these material issues are discussed and approved by the Board of Directors after exchanging opinions with external experts and deliberation by the Management Committee.

STEP 1

Analysis of importance to stakeholders

Analyze the importance to stakeholders after organizing the external environment of the Tomen Devices Group while considering international frameworks and requirements

STEP 2

Analysis of importance to the Tomen Devices Group

Analyze the importance to the Tomen Devices Group based on input from the President and the heads of each business and functional unit

STEP 3

Deliberation by senior management

Compile the results of Step 1 and Step 2, exchange opinions with external experts, and deliberate at the Management Committee

STEP 4

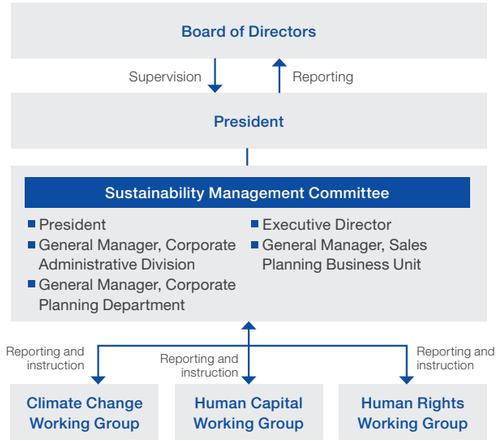
Approval by the Board of Directors

The final five material issues are identified after deliberation and approved by the Board.

Classification	Material Issues	Reasons for importance and policy for initiatives
Material issues related to solving social issues	Improving Profitability **Promoting the advancement of digital technology and contributing to the creation of future industries and social transformation**	The Tomen Devices Group vision is “To consistently create value and to stay as a competitive electronics trading company.” As the only domestic partner of Samsung, a leading global company, we will contribute to the realization of a sustainable society by supporting our customers’ industrial development through the provision of cutting-edge digital products.
	Improving Profitability **Contributing to a decarbonized society and a sustainable global environment**	Climate change is likely to cause more frequent and severe natural disasters, which could significantly impact not only the Tomen Devices Group’s business but also our customers. As an electronics trading company, we will strive to reduce the overall impact of climate change on society by consistently proposing semiconductor products and electronic components with the highest energy-saving performance to our customers. We will also work to reduce the environmental impact throughout our entire business activities.
Material issues related to management foundations	Strengthening Growth Potential **Building a resilient supply chain with respect for human rights and the environment**	In recent years, stakeholder demands regarding responses to human rights issues within the supply chain and environmental considerations have intensified. It has become essential that we address these risks in the semiconductor products and electronic components we handle. We will strive to mitigate risks in the supply chain through collaboration with our suppliers and customers, while also working to build a resilient supply chain.
	Strengthening Growth Potential **Promoting human capital management**	Our most valuable asset as an electronics trading company is our employees, who possess deep industry and product expertise and consistently provide service that exceeds customer expectations. We believe that when our employees find fulfillment in their work and grow professionally, it not only contributes to the growth of the Tomen Devices Group but also supports the growth of our customers’ businesses and ultimately leads to a more prosperous society.
	Reducing the Cost of Capital **Strengthening corporate governance and enhancing risk management**	We believe that establishing a system to appropriately manage and supervise our business activities is essential to earning the trust of our stakeholders, including shareholders and investors, and to continuously enhancing corporate value. We will strengthen corporate governance and risk management systems with a good balance between “offense” and “defense” for sustainable growth.

Materiality management

The Sustainability Management Committee, an advisory body to the President, deliberates on the formulation of basic policies and action plans, etc. for addressing risks and opportunities. Chaired by the President, the Sustainability Management Committee includes the heads of business units and corporate divisions as committee members. This structure enables Tomen Devices to make appropriate management decisions on sustainability issues that have impact on our businesses and to take swift action based on those decisions. Matters deliberated by the Sustainability Management Committee are reported to the Board, and resolutions are made by the Board as necessary. Prior to deliberations at the Sustainability Management Committee, working groups consisting of members from each business unit are formed to identify risks and opportunities for each issue, evaluate initiatives, manage progress, and consider countermeasures.



Fiscal Year	Agenda
FY2024	**Resolutions:** ■ The Annual Securities Report and TCFD disclosure proposal for FY2024 **Agenda items:** ■ Formulation of the value creation process ■ Review of materiality **Reporting items:** ■ Review of the previous fiscal year by each working group and setting goals for the current fiscal year ■ Activities and progress in the current fiscal year
FY2023	**Resolutions:** ■ The Annual Securities Report and TCFD disclosure proposal for FY2023 **Agenda items:** ■ Policy on addressing risks and opportunities associated with climate change **Reporting items:** ■ Activity reports by each working group
FY2022	**Reporting items:** ■ GHG emissions results for FY2022 and future approach **Agenda items:** ■ Composition of working groups ■ Policies on human rights, diversity & inclusion, and talent development, etc.

Medium-Term Management Plan

Our business environment

We are engaged in semiconductor and electronic component-related businesses not only in Japan but also globally, especially in China. We recognize the significant impact of rapid technological innovation, including AI and digital advancements as well as geopolitical risks stemming from such factors as U.S.-China trade friction. Trends such as the shift toward EVs and software in the automotive industry, the rising demand for semiconductors and electronic components, and the growth of overseas markets, particularly in emerging nations, could provide a tailwind for our business. On the other hand, for the Tomen Devices Group, highly dependent on the Chinese market, the rise of local suppliers in China leading to further intensified competition and unpredictable economic policies could pose significant business risks.

	Positives	Negatives
External environment	■ Forecast for double-digit growth in the global semiconductor market ■ Boost in memory demand driven by the spread of generative AI ■ Recovery in the semiconductor market (especially in memory)	■ Impact of rising prices and interest rates, yen depreciation, etc. on economic growth ■ Geopolitical risks including U.S.-China trade friction, the prolonged Ukraine conflict, and the future of U.S. tariff policy ■ Global warming and the increase in natural disasters
Internal environment	■ Market growth and sales channels in our focused businesses, such as server/storage and automotive ■ Finance functions and risk management based on a stable financial base ■ Offering Samsung products with the world's top energy-saving technology	■ Structure with a high proportion of sales in China ■ Business model vulnerable to memory market conditions ■ Slow recovery in consumer products



Overview of financial targets and strategies in the Medium-Term Management Plan

Meanwhile, the semiconductor market is expected to continue growing, and we have been positively embracing these opportunities while steadily executing our current management strategy. We are implementing the Medium-Term Management Plan (FY2023 - FY2025) to realize our vision "To consistently create value and to stay as a competitive electronics trading company."

Under the current Medium-Term Management Plan, we anticipate profit increase in growth areas mainly in the automotive business. For the final fiscal year of FY2025, we have set targets of 500 billion yen in net sales, 6 billion yen in net profit, and 10% ROE. We aim to achieve these figures for profit and ROE stably. To achieve these targets, we are driving our strategy by focusing on three areas: Core Businesses that secure stable and efficient earnings; Focused Businesses that aim for scale expansion by concentrating management resources primarily on the server/storage business and the automotive business; and Challenge Businesses that cultivate new ventures to become future second and third pillars.

Net sales	Target 500 billion yen
Net profit	Target 6 billion yen stably
ROE (Return on Equity)	Target 10% stably

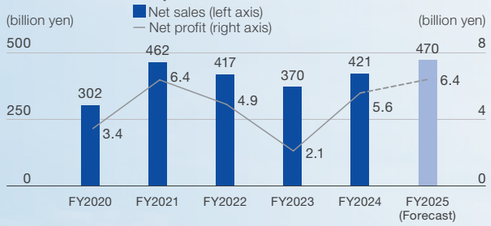
Key progress and future direction of the Medium-Term Management Plan (FY2023 - FY2025)

In the first year of the current Medium-Term Management Plan, net profit declined significantly due to the recording of extraordinary loss resulting from a business partner's filing for civil rehabilitation proceedings. In the second year, however, under a new management structure, our performance progressed steadily. This was driven by tailwinds from price increases for memory, our core products, during the first half of the year and increased demand for the server/storage driven by growth in AI-related fields. After the second half of the year, despite a fall in prices of some products, full-year net sales and net profit recovered significantly from the first year of the Medium-Term Management Plan, driven by growth of our automotive business, one of the focused businesses, and other factors. Furthermore, ROE, which indicates capital efficiency, improved significantly from 4.7% first year to 11.7% second year as a result of initiatives such as strengthening credit risk monitoring and implementing recurrence prevention measures, achieving the 10% target.

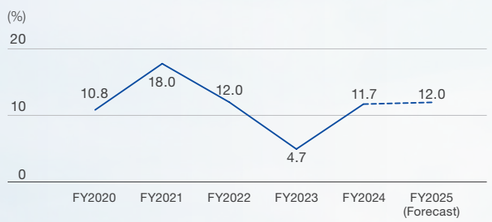
In the final year of the Medium-Term Management Plan, we expected a difficult management environment due to external uncertainties, including U.S. trade policies. However, after the first half of the fiscal year, the growing demand for generative AI products led to a tight supply in the overall memory market and a rapid price hike. As a result, our financial results are expected to reach 470 billion yen in net sales and 6.4 billion yen in net profit, and we are on track to achieve the targets of our current Medium-Term Management Plan.

Looking ahead to future sustainable growth, we will allocate resources to our growth areas, such as the generative AI servers and automotive business. We will further expand proposals for cutting-edge, high-performance products, and advance the provision of comprehensive solutions that combine our memory with higher value-added offerings. In addition, to generate stable cash flow, we are strengthening sales of memory for our core businesses, such as PCs, mobile phones, and smartphones as well as CMOS image sensors and displays. We are also actively considering entering new markets like India and other emerging countries to capture new business opportunities.

Net sales and net profit



ROE (Return on Equity)



Medium-Term Management Plan

Key achievements and evaluation

Category	Key achievements	Evaluation
Focused businesses	**Server/storage** ■ Strengthening relationships with EMS*1/ ODM*2 ■ Capturing local demand by establishing the Taiwan Office	○
	Automotive ■ Strengthening sales activities and collaboration through establishing specialized organizations (discovering new products and developing new customers) ■ Enhancing quality response through the establishment of a robust technical support system ■ FAE*3 Recruitment for Regional Support	○
	Foundry*4 / ASIC*5 ■ Personnel reinforcement	△
Core businesses	■ Strengthening sales of CMOS image sensors and displays for smartphones	○
Challenge businesses	■ Exploring Entry into emerging markets ■ Seeking new products and business opportunities	△

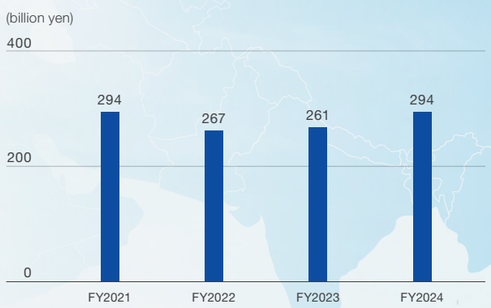
*1 EMS: Electronics Manufacturing Services (Contract manufacturer for electronic devices)
*2 ODM: Original Design Manufacturing (Contractor that undertakes the entire process from design to manufacturing)
*3 FAE: Field application engineer (sales support engineer with technical expertise)
*4 Foundry (Semiconductor Manufacturing Contract)
*5 ASIC: Application-Specific Integrated Circuit (application-specific integrated circuits customized to user specifications)

Overseas business expansion

Since establishing a local subsidiary in Shanghai in 2002, we have been pursuing full-scale overseas expansion. In addition to offering a wide range of high-quality Samsung products, we have steadily grown our overseas business by leveraging the Toyota Tsusho Group's overseas bases and logistics network. This enables us to meet diverse customer needs, such as those considering overseas relocation of their production lines and local customers seeking specialized technical support. We currently operate in countries and regions including China and Southeast Asia, with overseas operations accounting for approximately 70% of our total sales.

Under the current Medium-Term Management Plan, we are focusing on further expanding our customer base in the Chinese and Southeast Asian markets, strengthening sales activities for mobile devices and digital home appliances in emerging markets such as India where medium- to long-term market growth is anticipated, and further improving the profitability of our focused businesses of server/storage and automotive. To expand our customer base, our four overseas subsidiaries (ATMD) across eight locations are collaborating to broaden sales channels. They are making proposals with our high-performance products combined with attentive technical support, which are our advantages, to local customers with whom we have not previously done business. Additionally, in regions such as Taiwan and North America where demand is expected to continue growing, we are increasing personnel and strengthening sales activities. We are also reviewing payment terms with customers and suppliers to improve profitability and capital efficiency.

ATMD sales trend





ATMD (Hong Kong) Limited
• Taiwan Representative Office
ATMD Electronics (Shenzhen) Limited
• Nanchang Branch Office
ATMD Electronics (Shanghai) Limited
• Beijing Branch Office
• Hangzhou Branch Office
ATMD Electronics (Singapore) Pte. Ltd.

Product portfolio

The Tomen Devices Group is a technology-focused trading company that markets semiconductors and electronic components manufactured by Samsung Group to manufacturers of PCs, digital home appliances, mobile phones, and information and communication equipment.

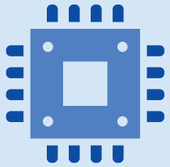
Memory



- DRAM (Volatile Memory)
- NAND (Non-Volatile Memory)
- MCP (Multi-Chip Package)*
- SSD (Solid State Drive)

* A product in which two or more semiconductor chips (e.g., DRAM and NAND) are stacked and integrated into a single package

SYSTEM LSI



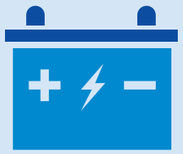
- DDI (Display Driver IC)
- CIS (CMOS Image Sensor)
- SoC (System on Chip)
- PMIC (Power Management IC)
- SiP (System in Package)

Display



- OLED (Organic Light Emitting Diode)
- LCD (Liquid Crystal Display)

Other



- LED
- Battery
- MLCC (Multi-Layered Ceramic Capacitor)
- Facilities, etc.

Application examples



Information equipment
- PC
- Server/storage



Digital home appliances
- TV
- Digital camera



Mobile communications
- Smartphone
- Mobile phone

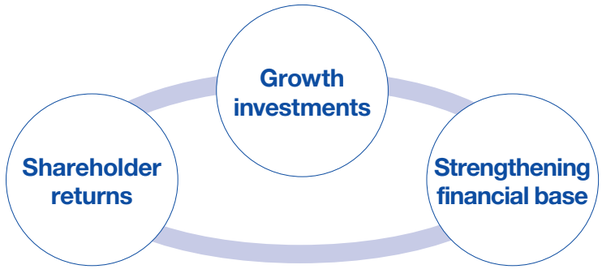


Other
- Automotive
- MFP

Financial and Capital Strategy

Basic approach

Our basic management policy is to maximize shareholder value and continuously enhance corporate value. In recent years, as listed companies are increasingly required to adopt capital-efficient management, we have set ROE target “aiming to achieve 10% stably” in our Medium-Term Management Plan. This objective aims to realize our ROE exceeding the cost of capital reflecting the expected returns of our shareholders and investors. We are committed to implementing management practices that prioritize capital efficiency. Regarding shareholder returns, we will maintain a sound financial structure even within the economic environment surrounding the semiconductor and electronic components industry. We will aim to continue stable dividends and work to increase our dividend payout ratio while balancing this with investments for the sustainable growth of the Tomen Devices Group.



Capital-efficient Management

We promote management with a strong emphasis on capital profitability. In other words, we aim to enhance corporate value by accurately understanding our own cost of capital and consistently generating ROE that exceeds this cost. We adopt the cost of equity (CAPM) as our cost of capital and currently recognize the cost of equity as approximately 7-8%. Therefore, we aim for sustainable growth by realizing the ROE target “aiming to achieve 10% stably” set in our Medium-Term Management Plan.

On the other hand, despite our current strong performance, PBR (price-to-book ratio), which reflects market valuation, stands at 0.76x (for FY2024), below 1.0x. To improve this PBR, we are working to enhance each indicator by decomposing PBR into ROE and PER.

Improving ROE is central to advancing our business strategy. We are aiming to expand our automotive and server/storage business—our focused businesses of our Medium-Term Management Plan—while also concentrating on discovering new products and developing new services. Additionally, to improve capital efficiency, we are working to reduce inventory costs and shorten the collection period for receivables. Advancing our non-financial strategy is also crucial for improving our PER. We will focus on developing talent to drive our medium- to long-term growth, enhancing information disclosure for our shareholders and investors, and fostering constructive dialogue through IR meetings and similar initiatives.

ROE improvement	1. Business strategy	❶ Growth strategies and strategic investments to enhance corporate value ❷ Improving profitability and optimizing product portfolio ■ Expanding market share of products not linked to memory market conditions, such as the automotive business and OLED/CIS ■ Developing new businesses and new projects ❸ Steady implementation of the Medium-Term Management Plan (clear target setting and monitoring of achievement levels)
	2. Financial strategy	❶ Improving capital efficiency ■ Inventory management (turnover improvement and inventory cost reduction) ■ Strengthening receivable management (shortening collection period and eliminating non-performing loans) ❷ Continuation of stable dividends and consideration of shareholder return measures
PER improvement	3. Non-financial strategy	❶ Deepening sustainability management (KPI setting, DX promotion, CSR activities) ❷ Proactive dialogue with shareholders and investors (publication of Integrated Report from FY2025, enhancement of English disclosure) ❸ Human capital investment (promoting health and productivity management, improving employee engagement) ❹ Strengthening the management foundation (restructuring the credit management system, auditing overseas subsidiaries, and enhancing internal training)

→ Enhancing corporate value PBR>1

Message

Utilizing capital efficiently to achieve the targets of the Medium-Term Management Plan

Review at the end of the second year of the Medium-Term Management Plan

In FY2024, sales were 421.7 billion yen, and profit was 5.6 billion yen, up significantly year on year, owing to the uptrend in memory product prices in the first half of the year and robust expansion in the server/storage and automotive businesses. For FY2025, the final year of our Medium-Term Management Plan, we initially anticipated a year-on-year decline in both sales and profit due to heightened uncertainty in the external environment, including U.S. trade policies, and our expectation that a full market recovery would not occur until the second half (H2) of the fiscal year. However, the growing demand for generative AI products led to a tight supply in the overall memory market and a rapid price hike. Therefore, our financial results are expected to reach 470 billion yen in net sales and 6.4 billion yen in net profit (announced on October 30, 2025). We remain committed to investing resources in our focused businesses and striving to achieve our targets.

Under the current Medium-Term Management Plan, we have also prioritized capital efficiency and implemented balance sheet management while strengthening controls over inventory and receivables. We have actively pursued reductions in inventory costs and shortening of the collection period for receivables. As a result, ROE at the end of FY2024 reached 11.7% against the approximately 7-8% cost of equity recognized by our Company, exceeding our target of 10%. We will continue our current efforts to improve capital efficiency while advancing discussions on the appropriate form of medium- to long-term capital policy through deliberations on the next Medium-Term Management Plan and other measures.

Growth investments, strengthening financial base and shareholder returns to realize sustainable corporate value enhancement

To continuously enhance corporate value, we believe it is essential to strike a balance between three key elements: strengthening the management foundation to enhance earning power, improving our financial standing, and delivering shareholder returns. To generate stable cash flow, we intend to allocate management resources to our focused businesses while also utilizing capital for strategic investments aimed at capturing new business opportunities. Furthermore, given the significant impact of market fluctuations on our business, maintaining and enhancing financial soundness is also a prerequisite for stable growth. Therefore, we are focusing on strengthening inventory and receivables control, particularly for our overseas operations, which involve large-scale business and significant risks, and are continuously striving to enhance our financial base. We intend to enhance shareholder returns in addition to growth investments and strengthening our financial base. Our current dividend policy includes “performance-linked dividends based on consolidated results” and “continuation of stable dividends.” While we are working to increase the dividend payout ratio, we plan to review this policy as we formulate the next Medium-Term Management Plan. For FY2025, we plan to pay a dividend payout ratio of 31.9%, based on our earnings forecast (announced on October 30, 2025).

Action plan for improving PBR

As of the end of FY2024, our PBR was below 1x, and we recognize that improving the PBR is an important management issue. Therefore, we have compiled an action plan for improving this situation and are promoting initiatives to improve both ROE and PER (→see p.21). We will continue to monitor the progress of our initiatives and aim to resolve the issue of the PBR falling below 1x as soon as possible. We will work together as one Company to present our stakeholders with a growth story that is uniquely ours. We would be grateful for your continued support.



Nobumitsu Masuyama
Managing Director

Material Issue

Promoting the Advancement of Digital Technology and Contributing to the Creation of Future Industries and Social Transformation

Basic policy

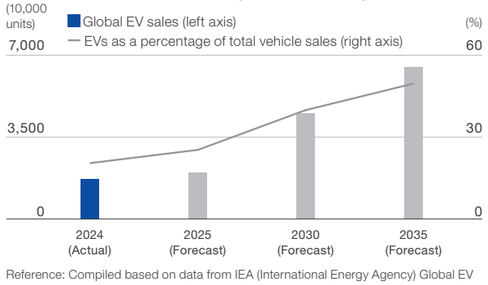
In FY2025, we have established a new material issue: “promoting the advancement of digital technology and contributing to the creation of future industries and social transformation.” As the AI and digital era arrives, the cutting-edge semiconductors and electronic components handled by the Tomen Devices Group contribute to enhancing the competitiveness of industries, including manufacturing, and also serves as important capital for enriching people’s lives. We believe it is our mission to contribute to the future they create.

To sustainably enhance corporate value over the medium- to long-term, we will not only maintain the strong relationship with the Samsung Group as a competitive advantage, but also combine our unique specialized expertise to solve customer issues and pursue business expansion.

Contributing to the evolution of mobility through the supply of cutting-edge semiconductors and electronic components

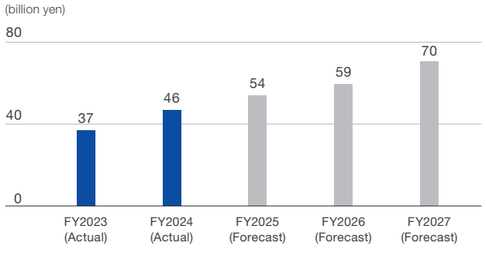
Contributing to the evolution of mobility driven by the automotive industry, a core industry in Japan, is particularly important for us to achieve sustainable and stable business expansion over the long term. The reasons include the further advancement and adoption of EVs, the evolution of autonomous driving technology, and the expansion of the role and impact of software in vehicle control, known as the shift toward software-defined vehicles (SDVs), all of which point to ongoing growth in the market for automotive products. In particular, as mobility evolves, the demand for increased memory capacity and the number of memory chips installed in vehicles will grow. This will lead to more business opportunities for a broader range of products, especially in the memory sector where we have a strong foothold. Furthermore, automotive products tend to be adopted for long-term use once selected, enabling the projection of stable sales and profits over the medium- to long-term. As a member of the Toyota Tsusho Group, we swiftly grasp diverse demands and trends in the automotive business while leveraging our information network across the Tomen Devices Group to advance this focused business, a pillar of our Medium-Term Management Plan.

Future forecast for EVs (BEV + PHEV)

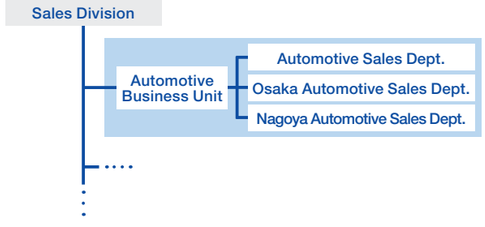


Reference: Compiled based on data from IEA (International Energy Agency) Global EV Outlook 2024 and Global EV Outlook 2025
Forecast based on STEP (Stated Policies Scenario)

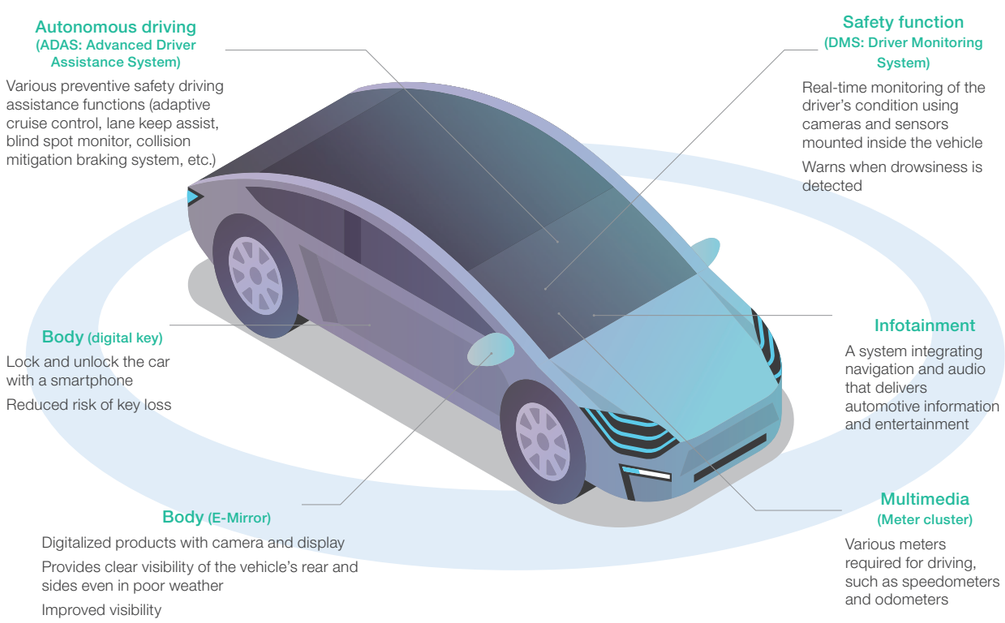
Automotive business sales plan



In light of these circumstances, we have established a new Automotive Business Unit under the Sales Division in April 2025. This unit promotes sales activities for automotive, strengthens collaboration with the Toyota Tsusho Group, and enhances our marketing capabilities to drive the discovery of new products and the development of new customers.



Semiconductors and Electronic Components for Automotive



Outlook for the automotive businesses to achieve the targets of the Medium-Term Management Plan and beyond

To achieve the sales, profit, and other targets set forth in the Medium-Term Management Plan, this year, the final year of the current plan, we will continue to meet customer expectations by focusing on the following core initiatives:

❶ identification of latent needs for memory; ❷ further strengthening business foundations in the Chinese market; and ❸ enhancing solution proposals that combine products other than memory.

Initiatives to further strengthen the automotive business	Details
❶ Identifying latent needs for memory	■ Strengthening customer relationships to identify latent needs for memory
❷ Further strengthening business foundations in the Chinese market	■ Strengthening approaches to local customers in the Chinese market with a view toward acquiring new customers and new business ■ Strengthening support for Japanese companies expanding overseas, particularly into the Chinese market
❸ Enhancing solution proposals that combine products other than memory	■ Strengthening bundled proposals of non-memory products (e.g., system LSIs, displays) to existing customers who have purchased our memory through promotions at trade shows and other events

Material Issue

Contributing to a Decarbonized Society and a Sustainable Global Environment

Basic policy

The Tomen Devices Group has identified “contributing to a decarbonized society and a sustainable global environment” as one of our material issues. Through our business activities, we believe that promoting climate change mitigation and other measures to reduce environmental impact will help reduce and avoid our medium- to long-term business risks. Furthermore, as an electronics trading company, our view is that proposing and supplying products with high energy-saving standards to our customers will contribute to improving our profitability. To appropriately manage risks and opportunities arising from climate change, we are advancing various initiatives under the supervision of the Board, with the Sustainability Management Committee taking the lead.

Reducing environmental impact through the supply of energy-efficient products

The Tomen Devices Group is a specialized trading company dealing in semiconductors and electronic components. We contribute to reducing the overall environmental impact of society by proposing and supplying highly energy-efficient products to our customers. Therefore, we position the expansion of sales of energy-efficient products as a key measure for addressing this material issue.

The semiconductor memory products such as MCPs and SSDs manufactured by Samsung Group, our primary supplier, feature the world’s highest level of energy-efficient performance. By offering such products to a wide range of customers, we will enhance the energy efficiency of these products and contribute to reducing their environmental impact throughout their lifecycle. As society as a whole moves toward decarbonization, we are increasingly being asked by our customers to propose products and solutions that contribute to reducing carbon footprint. As such, we believe our role in society will continue to grow significantly. We will continue to strive to resolve material issues through our business activities, aiming to realize a decarbonized society.

TOPIC – Contributing to GHG emission reduction through the expansion of low-power memory sales –

As a semiconductor trading company, we contribute to reducing GHG emissions by promoting Samsung Group’s semiconductor memory, which features industry-leading power-efficient performance.

In recent years, the evolution of semiconductor memory has increasingly emphasized not only higher performance but also lower power consumption. Particularly with the rapid global proliferation of AI, the massive power consumption associated with operating servers and storage for storing and processing vast amounts of data is expanding. Reducing this consumption has become an urgent challenge for data centers worldwide.

In the automotive business, which is one of our focus areas, the increasing computerization and electrification of vehicles have led to the installation of numerous semiconductor memory devices. We strive to reduce energy consumption during the product usage phase and, consequently, lower GHG emissions by proposing and promoting the adoption of new models and the transition from older models to newer ones to our customers.

Additionally, in the server/storage business, the adoption of the SSDs we handle and the replacement of HDDs with SSDs are progressing. HDDs offer high capacity and excellent cost performance, but considering power consumption during use, SSDs offer high performance and low power, leading to reduced power consumption and lower GHG emissions compared to HDDs.

We actively support these technological advancements and help our customers reduce their environmental impact, aiming to achieve both GHG emissions reduction in society as a whole and the sustainable growth for the Tomen Devices Group.

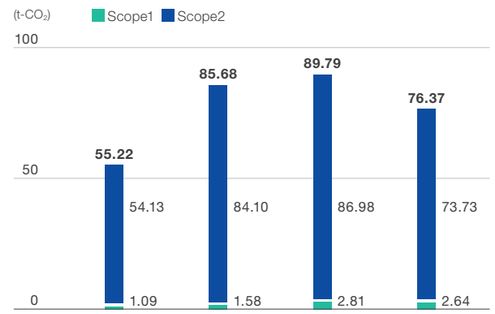
Promoting initiatives through the establishment of an Environmental Management System

The Tomen Devices Group not only complies with environmental laws and regulations but also has established Environmental Philosophy and Environmental Policy, and promotes initiatives to reduce the environmental impact of our business activities. We have established an Environmental Management System based on the international standard ISO 14001 for our head office and all domestic sales offices. Each department sets environmental objectives and targets, drives initiatives, and periodically reviews these activities to achieve continuous improvement. Furthermore, we strive to improve the effectiveness of our management system and the level of our environmental management by conducting regular internal audits.

Reduction of Scope 1 and 2 emissions

We are advancing initiatives to reduce GHG emissions in line with the Toyota Tsusho Group’s goals of reducing GHG emissions by 50% by 2030 (compared with 2019 levels) and achieving carbon neutrality by 2050. To reduce GHG emissions (Scope 1 and 2) associated with our activities, the Climate Change Working Group under the Sustainability Management Committee is taking the lead in promoting LED lighting at our head office and sales offices while thoroughly promoting energy-saving initiatives. In FY2024, Scope 1 and 2 emissions were reduced by 14.95% year on year to 76.37 t-CO_2. We will continue to promote activities aimed at achieving further reductions in GHG emissions.

Trends in Scope 1 and 2 GHG emissions results
(The Company and consolidated subsidiaries, Unit: t-CO_2)



*Scope 1 and 2 emissions are calculated on a calendar year basis (January to December)
*The increase in emissions from year 2021 to year 2022 is attributed to the Company beginning to operate its own warehouses in January 2022.

Reduction of Scope 3 emissions

As an electronics trading company, we aim to reduce GHG emissions across the entire supply chain by providing environmentally friendly products and services. To appropriately manage the Tomen Devices Group’s impact on climate change across the entire supply chain, we are working to identify Scope 3 emissions and, based on our Environmental Policy, strive to procure and supply resource- and energy-efficient products. Furthermore, dialogue with our suppliers and customers is essential to reduce GHG emissions in the supply chain. Therefore, we work to reduce GHG emissions in society as a whole through continuous dialogue and collaboration with the Samsung Group, our primary supplier, and our manufacturing customers.

Trends in Scope 3 GHG emissions results by category (only of the Company (non-consolidated), Unit: t-CO_2)

Category	2022/3	2023/3	2024/3	2025/3
Category 1 (Purchased goods and services)	—	—	—	521,965.63
Category 2 (Capital goods)	—	145.93	940.44	92.35
Category 3 (Fuel- and energy-related activities (not included in scope 1 or 2))	—	9.84	9.18	8.98
Category 4 (Upstream transportation and distribution)	—	1,634.33	1,684.45	1,514.50
Category 5 (Waste generated in operations)	—	9.59	1.99	1.10
Category 6 (Business travel)	33.99	115.40	218.31	216.66
Category 7 (Employee commuting)	10.01	21.99	31.28	30.70

*Scope 3 emissions are calculated on a fiscal year basis (April to March)

Disclosure Based on TCFD Recommendations

The Tomen Devices Group has identified “contributing to a decarbonized society and a sustainable global environment” as one of our material issues. After identifying medium- to long-term business risks stemming from climate change, we will disclose climate-related information for the Tomen Devices Group based on the four fundamental items of Governance, Strategy, Risk Management, and Metrics and Targets in accordance with the TCFD* recommendations, with the aim of appropriately disclosing information to our stakeholders. Furthermore, we will advance management efforts to reduce and avoid impacts from climate change.

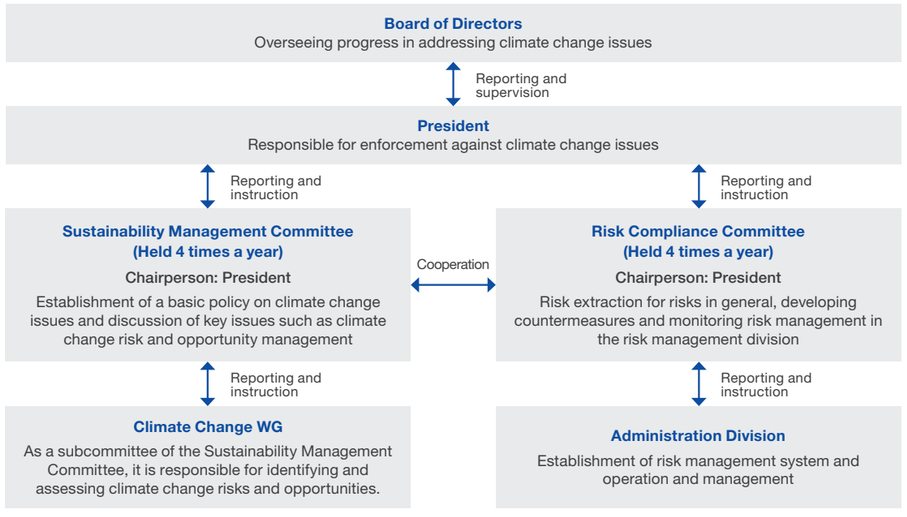
*TCFD: Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board at the request of the G20, which recommends understanding and disclosing the risks and opportunities posed by climate change in terms of financial impacts.

Governance

We recognize climate change as a critical management issue that can impact not only the Tomen Devices Group’s business activities but also those of our suppliers and business partners. The Sustainability Management Committee, an advisory body to the President, deliberates on important issues such as formulating basic policies on climate change and managing climate change risks and opportunities, and reports the results of these deliberations to the Board. Chaired by the President, the Sustainability Management Committee includes the heads of business and corporate divisions and has established a system to make appropriate decisions on climate change issues and promptly reflect the results in management.

Additionally, under the Sustainability Management Committee, we have established a Climate Change Working Group comprised of members from each business unit that periodically identifies and assesses climate change risks and opportunities. We will continue to assess climate-related risks and opportunities that impact our business and consider how to respond to them.

Climate change-related governance structure



Strategy

To assess climate-related risks and opportunities affecting our business activities, the Tomen Devices Group conducted an analysis of two climate change scenarios, a below 2°C scenario and a 4°C scenario, based on scenarios from the IEA (International Energy Agency) and IPCC (Intergovernmental Panel on Climate Change). Through scenario analysis, we qualitatively and quantitatively analyzed the impact of identified risks and opportunities on the Tomen Devices Group’s business and considered response policies for each risk and opportunity. Furthermore, as the Toyota Tsusho Group has set targets to reduce GHG emissions (Scope 1 and 2) by 50% compared with 2019 levels by 2030 and to achieve carbon neutrality by 2050, the most recent scenario analysis has set 2030 as a key benchmark year.

Reference scenario

Category	Scenario outline	Key references
Below 2°C scenario	Toward the realization of a decarbonized society, policies and regulations such as carbon pricing and energy conservation regulations will be strengthened, and demand for semiconductor products with high efficiency and low power consumption will increase.	IEA WEO2024, Net Zero Emissions by 2050 Scenario (NZE)
4°C scenario	New climate-change-related policies and regulations are not introduced, and the shift of demand to high-efficiency semiconductor products with low power consumption is limited. Meanwhile, the risk of damage to our locations will increase due to the increasing severity and frequency of natural disasters.	IPCC SSP5-8.5

Identified risks and opportunities

Classification	Division	Climate Change Factors	Risk/ Opportunity	Impact on Our Company	Degree of Impact*	Timing of Risk Occurrence*	Action Policies
Transition risk, Opportunity	Policy, legislation	Introduction of carbon tax	Risk	Increase in the cost of purchasing goods resulting from the introduction of carbon taxes causing suppliers’ manufacturing costs to increase	High	Short to medium term	Adjusting sales prices and switching to logistics operators with low GHG emissions
		Stricter CO_2 emission regulations	Risk	Increase in logistics costs resulting from progress in decarbonization using alternative aviation fuels such as SAF	Medium	Medium to long term	Reducing costs through the improvement of the efficiency of logistics leveraging the expertise of logistics partners
			Risk	Decline in net sales resulting from direct sales from suppliers to customers, which are promoted to reduce GHG emissions from logistics	High	Medium to long term	Providing high-value added services, which are impossible in direct sales, by fully leveraging DX based on commercial rights and human resources (networks)
	Tech-nology	Improvement of transportation technologies	Opportunity	Decline in logistics costs as a result of the improvement of technology and the fuel efficiency of aircraft	Medium	Medium to long term	Adjusting sales prices and maximizing sales quantity
	Market	Increased demand for products and services adapted to climate change impacts	Opportunity	Increase in sales of products including high-efficiency, low-power memory semiconductors, resulting from progress in the decarbonization of power-intensive data centers and electronic devices such as smartphones and PCs.	High	Short to medium term	Increasing Samsung’s share of the memory semiconductor and other markets as Samsung boasts world-leading energy-saving technologies
			Opportunity	Increase in net sales of high-efficiency, low-power automotive semiconductors which will result from progress in the decarbonization of automobiles (computerization and electrification)	High	Short to medium term	Expanding the Company’s market share across the entire automotive industry using the Toyota Tsusho Group’s global network and sales expertise
Physical risk	Acute	Increased severity and frequency of natural disasters/ extreme weather events (heavy rainfall, floods, typhoons, water shortages, etc.)	Risk	Loss of sales opportunities resulting from damage to our locations or supply chain	Medium	Medium to long term	Continuing to formulate, manage and operate the business continuity plan (BCP)
	Chronic	Rise in average temperature	Risk	Increase in the cost of relocating logistics bases due to sea level rise	Medium	Medium to long term	Continuing to formulate, manage and operate the business continuity plan (BCP)

*Degree of impact: High: More than 6 billion yen / Medium: More than 1 billion yen and up to 6 billion yen / Low: Up to 1 billion yen
Timing of Risk Occurrence: Short term: within three years / Medium term: three to six years / Long term: over six years

Risk Management

The Climate Change Working Group under the Sustainability Management Committee, comprised of members from each business unit, identifies and assesses climate change risks and opportunities. The identified climate-related risks and opportunities are managed through the Sustainability Management Committee, which meets four times a year. Furthermore, by collaborating with the Risk Compliance Committee responsible for managing Tomen Devices’ overall risks, we integrate climate-related risks and opportunities into our overall corporate risk management. The Risk Compliance Committee determines and prioritizes the importance of company-wide risks, including climate change risks and opportunities, based on two evaluation criteria: “likelihood/probability of loss” and “scale of loss/impact on management.”

Metrics and targets

The Tomen Devices Group is advancing initiatives to reduce GHG emissions in line with the Toyota Tsusho Group’s goals of reducing GHG emissions by 50% by 2030 compared with 2019 levels and achieving carbon neutrality by 2050. We will continue our efforts to reduce GHG emissions through thorough energy-saving activities within the Tomen Devices Group and at the logistics and other stages (see page 26 for GHG emissions results).

Material Issue

Building a Resilient Supply Chain with Respect for Human Rights and the Environment

Basic policy

In the supply chain of semiconductor products and electronic components handled by the Tomen Devices Group, demands from stakeholders related to sustainability are increasing significantly, such as addressing human rights issues and environmental considerations. As a member of the Toyota Tsusho Group, we believe that further strengthening the global value chain we have built to date will enhance the Tomen Devices Group's competitiveness. The Tomen Devices Group will advance our response to human rights and environmental issues within the supply chain through the implementation of the Supply Chain Sustainability Behavioral Guidelines established by the Toyota Tsusho Group. We will also strive to build a resilient supply chain through collaboration with our business partners, including suppliers.

Strengthening collaborative frameworks with our business partners

Toyota Tsusho Group Implementing the Supply Chain Sustainability Behavioral Guidelines

The Toyota Tsusho Group has established its Supply Chain Sustainability Behavioral Guidelines and is promoting sustainability initiatives that consider human rights, labor environment, and the natural environment. As a member of the Toyota Tsusho Group, we are also implementing initiatives based on these guidelines. Specifically, we notify suppliers whose annual purchases by the Tomen Devices Group exceed a certain amount and with whom we anticipate ongoing business of the guidelines.

Implementing human rights due diligence on business partners

We believe that respecting human rights is essential for achieving our Mission and Vision and are important social responsibilities that we should fulfill as a company. We have established the Tomen Devices Group Human Rights Policy and require all business partners, including suppliers, to understand and comply with this policy.

In FY2024, we conducted a human rights questionnaire targeting 12 companies, including the Samsung Group as a key supplier, to identify human rights risks within our supply chain. The results indicated there were no serious violations, etc. of human rights. In FY2025 and beyond, we plan to conduct risk assessments for suppliers who have been notified of the "Supply Chain Sustainability Behavioral Guidelines." We will continue striving to mitigate human rights risks in our business activities through human rights due diligence.

Human rights questionnaire

Theme	Main questions
Policy and structure	■ Have you established and communicated a human rights policy to prevent, avoid, and mitigate adverse human rights impacts? ■ Have you clearly designated supervisors and responsible personnel, established a reporting structure for human rights issues, and ensured awareness of these procedures?
Education	■ Do you conduct training for employees to promote their understanding of respect for human rights?
Human rights due diligence	■ Do you identify adverse human rights impacts arising from your business activities and implement measures to prevent and mitigate them?
Whistleblowing system	■ Have you established and publicized an independent internal whistleblowing contact point to which your employees can report any human rights-related issues that may arise?
Labor	■ Do you comply with the laws and regulations of each country (region) prohibiting forced labor, prohibit labor performed against an employee's will through physical or psychological coercion, and ensure this is widely known? ■ Do you prohibit and make known that employees under the age of 18 are not to perform hazardous or harmful work or late-night work? ■ Are wages at or above the minimum wage and overtime pay at the appropriate premium rate being paid in compliance with the laws and regulations of each country (region)?
Discrimination and harassment	■ Do you have policies and systems in place to prevent discrimination based on gender, age, nationality, race, color, ethnicity, religion, sexual orientation, disability, political opinion, etc., in recruitment and other processes, and do you ensure these are widely known?
Freedom of association	■ Do you comply with the laws and regulations of each country (region) concerning freedom of association and the right to collective bargaining, recognize employees' right to freely associate or not to associate, and engage in consultation and dialogue with employee representatives or employees?
Engagement with suppliers	■ Do you request or ask for cooperation from suppliers of raw materials, contracted processors, and other parties regarding initiatives to respect human rights?

Design-in support accompanying customers' new market entry and new product development

As the global adoption of AI accelerates, manufacturers are being called upon to further speed up the development and launch of new products to meet growing user demands.

As a trading company handling semiconductor products and electronic components, we stand between our suppliers and our customers who are manufacturers. We support our customers in the planning and development of their new products by leveraging the Tomen Devices Group's expertise and agility. Specifically, we not only propose parts and other components that better fit the product under development to our customers, but also promptly and accurately communicate product specifications and customer requirements to the Samsung Group, our primary supplier. We then provide support through a series of processes, including detailed adjustments, discussions, and negotiation to advance the products toward commercialization. Leveraging the Tomen Devices Group's knowledge of the latest technologies, we help our customers differentiate their products in the market by maximizing the use of Samsung Group's technological capabilities in the design and development of their products. Beyond providing support for the planning and development of new products, we will contribute to the sustainable growth of our customers and the development of industry by supporting the overseas expansion of Japanese companies by making maximum use of the Tomen Devices Group's strengths in local business coordination and the Toyota Tsusho Group's network.

TOPIC

Supporting our customers' development of next-generation products by leveraging our extensive knowledge of cutting-edge technologies



Shunta Ozaki
Manager, Osaka Sales Department

Currently, I am primarily responsible for sales of memory and OLED products for mobile devices. As price competition has intensified in recent years due to the rise of Chinese manufacturers, I realize that the added value we provide is becoming increasingly crucial.

Many consumers tend to prioritize cost over high performance, and our customers, electronics manufacturers, have also shifted their focus to mid-range products that offer an excellent balance between performance and price. On the other hand, Samsung's policy focuses on the research and development of cutting-edge technology, creating a situation where a gap can emerge between the needs of the two parties. Amid these circumstances, as product specialists, we strive to carefully listen to our customers' true needs, select the optimal products, and accurately convey their appeal. Furthermore, by continuing to provide support that exceeds customer expectations even after product deployment, we earn their trust and foster long-term business relationships with our company.

Ensuring a stable supply of products is also one of our important responsibilities. In uncertain market conditions, the importance of just-in-time supply—delivering just what is needed, when it is needed, and in the exact quantity required—becomes even more critical. OLED displays, in particular, are customized products whose size and design can be modified to meet specific requirements, necessitating coordination with suppliers and consideration of production lead times. To minimize the impact on our customers' businesses, we adjust delivery schedules in advance and level out procurement. I believe this ability to respond flexibly at the front lines is a strength unique to our company. We are always conscious of maximizing our customers' production efficiency and provide support by, for example, presenting alternative solutions to our customers in advance for parts and materials that may be at risk of supply disruptions in the future.

Our role is to gain profound understanding of the next-generation product concepts of our customers in the manufacturing and industrial sectors, align closely with the Samsung Group, and deliver them reliably as cutting-edge technology products. As a result, hearing both parties say, "We feel reassured because you're coordinating things for us," is what makes my work rewarding. I feel that not everyone is capable of consistently fulfilling this role. That is precisely why I will continue to help fulfill our responsibility as a bridge between technology and society by delivering valuable proposals.

Material Issue

Promoting Human Capital Management

Basic policy

As an electronics trading company, we believe that human capital is our most valuable asset for our sustainable business growth. Based on this understanding, we have identified “promoting human capital management” as one of our material issues. Amid unpredictable global environmental changes, we will continue to invest in the development of our employees so that each of them can thrive and grow as professionals, enabling us to achieve medium- to long-term growth and contribute to society. We will offer broader opportunities to our diverse workforce to play active roles as they pursue new challenges.

Furthermore, a series of initiatives related to promoting human capital management are discussed primarily by the Human Capital Working Group under the Sustainability Management Committee, chaired by the President. This working group is responsible for discussing policy formulation, initiatives, KPI setting, and monitoring methods. Important deliberation items are discussed and resolved by the Sustainability Management Committee before being reported to the Board.

Professional talent in the Tomen Devices Group

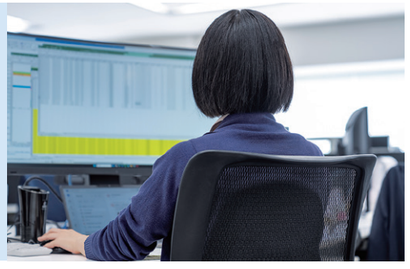
The Tomen Devices Group defines the common ideal employee profile as professional talent to realize its vision: “To consistently create value and to stay as a competitive electronics trading company.”

Clearly defining professional talent and actively investing in talent development to cultivate such individuals not only enhances employees’ skills and productivity but also boosts their motivation. This ultimately contributes to expanding business opportunities by earning the trust of our business partners and customers. Furthermore, maximizing corporate value through these initiatives will enhance our reputation in the labor market and society, enabling us to attract even more talented individuals. To create this virtuous cycle, we have established three talent development policies to enable all employees to thrive as professional.

Under these talent development policies, we promote a range of initiatives, including original training programs that combine job-class-specific training and specialized training for employees in their respective duties; an overseas training program (1 year) designed to develop globally capable talent through cross-cultural understanding and practical training at overseas subsidiaries; and a subsidy program for supporting self-development that encourages employees to pursue independent learning opportunities. In addition, we develop professional talent by enabling employees to acquire practical skills through on-the-job training under the supervision of experienced mentors.

Our definition of professional talent

Individuals who continuously develop the skills and knowledge required for their roles and cultivate the personal qualities needed to think and act independently, remaining self-directed and autonomous in adapting to changing environments



Talent Development Policy for individuals to play active roles and grow as professionals

01	02	03
We will promote talent development with the understanding that human capital is our most valuable asset.	We will implement structure for talent development that empower employees to continually take on challenges to enhance their skills and professional value.	We will provide employees with opportunities to learn voluntarily.

Promoting diversity & inclusion

We believe that respecting and recognizing our diversity, and encouraging participation and personal development, together enables us to help build a sustainable society and enhance our corporate value. As a global company, we prioritize performance and capability in our hiring and promotion practices, regardless of nationality, age, gender, or other attributes. This approach has enabled us to rapidly and robustly network our locally rooted businesses, thereby building a competitive advantage. We plan to expand support for self-directed career development to provide more employees with greater opportunities for growth. We will foster an environment and corporate culture where all employees can continue to take on new challenges, while advancing diversity & inclusion to enhance our overall organizational performance.

TOPIC Local staff supporting the growth of overseas business (ATMD)

The steady growth of our overseas subsidiaries (ATMD) in China and Southeast Asia has been driven by the contributions of our local staff (locally hired employees). The efforts of our local staff are a source of our competitive advantage. They are intimately familiar with local business practices and rules, and can quickly develop and build trust with local customers. We also provide our local staff, regardless of nationality, gender, age, or other attributes, with roles and workplace environments that maximize their individual performance. This enables us to build a network that is superior to other companies as a global enterprise while advancing our business.

(Example) Key responsibility of members in ATMD Shenzhen

- **Business manager (seconded from Tokyo Head Office)**
  Planning, execution, and monitoring of business strategies; coordination with other overseas location; reporting and coordination with Tokyo Head Office; risk management
- **Local staff (sales)**
  Developing local customers, gathering market and customer information through local networks
- **Local staff (in charge of suppliers)**
  Building strong supplier relationships through our global network and providing promotional support for advanced products

Building a comfortable work environment

In order to ensure that our employees can continue to work with peace of mind and stability, and to maximize their abilities, we will proactively work to create a comfortable work environment. To that end, we have established a Policy for Internal Environment Development and are advancing the creation of a flexible and comfortable work environment based on this policy, including the introduction of a remote work system and encouraging male employees to take childcare leave. Additionally, led by the Human Capital Working Group, we have formulated specific action plans concerning “improving labor productivity,” “active roles for diverse talent” and “health promotion.” The Sustainability Management Committee monitors the progress of these action plans for continuous improvement. In FY2025, to further promote health initiatives, we are certified as a Health Declaration Challenge Company, as defined by the National Federation of Health Insurance Societies Aichi Branch. Additionally, in fostering a supportive internal environment, during FY2025, we are establishing new measures to prevent employees from leaving their jobs due to childcare or nursing care responsibilities (such as setting up consultation desks) and promoting awareness to encourage their use. We will continue to examine flex-time systems and other programs for balancing work with childcare, nursing care, medical treatment and the like to further ensure work-life balance.

Policy for Internal Environment Development We will work to build a comfortable work environment, where diverse talent recognize each other and can fully demonstrate their personal qualities and capabilities.

01	02	03
We will provide a system that can maintain high labor productivity and an environment that enables close communication.	We will create a system for career formation that facilitates the achievement of the missions of the company and organizations and the self-actualization of employees.	We will focus on work-life balance in promoting good health and building our work environment.



Message

Enhancing Management Transparency and Further Strengthening Corporate Governance

Atsuko Honda
External Director
(Special Committee Chairperson)

Roles and Responsibilities as an External Director

I have nearly 30 years of experience as a judge and attorney. Over my career I have observed significant changes in society's values regarding corporations and the legal regulations that surround them. To cite an example, back when I passed the bar exam in 1992, a law like the Companies Act itself did not exist, and the relationship between companies and its shareholders was limited to such statutory procedures as exercising voting rights at the Shareholders Meeting*1. However, with the enactment of the Companies Act in 2006 and the revised Companies Act in 2015, which centered on corporate governance practices and parent-subsidiary company regulations, alongside the establishment of the Corporate Governance Code by the Tokyo Stock Exchange and subsequent revisions and amendments to these frameworks, companies now widely recognize the importance of building trust relationships with shareholders and other stakeholders. Furthermore, it is understood that for companies to build trust with stakeholders, they must thoroughly commit to compliance, including adherence to laws and regulations, strengthen corporate governance, and enhance management transparency.

I joined Tomen Devices Corporation as an External Director in 2016. Since then, I have felt that the importance of building trust with the stakeholders, as mentioned above, has grown year by year. Therefore, what is required of me as an External Director is to contribute to the thorough implementation of compliance and the strengthening of corporate governance. Particularly at Tomen Devices, a listed subsidiary of Toyota Tsusho Corporation, I believe my role is to represent the opinions of minority shareholders and other stakeholders, and reflect them in the Board's decision-making.

Additionally, I participate in monthly Board meetings and the Special Committee to enhance management transparency by supervising management from the perspectives of legality and appropriateness.

Activities of the Special Committee for the Protection of Minority Shareholders' Interests as a Listed Subsidiary

As mentioned earlier, Tomen Devices is a listed subsidiary of Toyota Tsusho, a publicly listed company and our controlling shareholder. We must ensure particularly high transparency regarding the reasonableness of transactions with the controlling shareholder and governance related to the protection of minority shareholders. Therefore, the Special Committee was established in September 2021 as part of our initiatives to strengthen governance, and I have served as its chairperson ever since its establishment. This committee, serving as an advisory body to the Board is composed solely of independent external officers*2. Its primary role is to supervise conflicts of interest between the controlling shareholder and minority shareholders and to enhance the Company's corporate governance system.

Given the importance described above, regarding the supervision of conflicts of interest between the controlling shareholder and minority shareholders, the primary role of the Special Committee, the committee considers transactions not only with the controlling shareholder, Toyota Tsusho, but also broadly with our Group companies. Furthermore, the necessity and reasonableness of transactions with the controlling shareholder and our Group companies are deliberated at the beginning of the fiscal year, considering comparisons with general market practices, and verified at the end of the fiscal year. Additionally, ad hoc deliberations may be held if new transaction cases arise during a fiscal year. As a result, we confirmed for FY2024 that there is no risk of impairment to minority shareholders' interests in transactions between our company and the controlling shareholder and our Group companies, and we subsequently reported this to the Board.

The Special Committee, as mentioned previously, is composed solely of independent external officers. However, I feel that open and candid discussions take place at every meeting. As Chairperson, I intend to continue leading discussions to ensure high-quality deliberations through diverse perspectives based on the varied careers of each independent external officer.

*1 Prior to the enactment of the Companies Act, the legal framework governing companies was stipulated by multiple laws, including Part II of the Commercial Code, the Limited Liability Companies Act, and the Act on Special Provisions of the Commercial Code Concerning Audit, etc. of Stock Companies.

*2 Independent External Directors and Independent External Audit & Supervisory Board Members

Activities of the Special Committee Related to Enhancing the Corporate Governance System

Regarding the enhancement of the corporate governance system, one of the Special Committee's objectives, we verify whether the Board is appropriately fulfilling its role and functions based on the results of the annual questionnaire to evaluate the effectiveness of the Board conducted for all Directors and Audit & Supervisory Board Members. We also examine improvement measures to strengthen governance. To ensure these deliberations are conducted in a neutral and objective manner, the results of the questionnaire are analyzed once every three years by a third-party organization.

The results of deliberations by the Special Committee are promptly reported to the Board. In this regard, concerning organizational structure and operations, it has been confirmed that the Board is composed with an optimal balance and is effectively fulfilling its expected supervisory function. Furthermore, a culture has been established where each Director actively engages and speaks up and open discussions take place, indicating that the organization and operations are generally effective. On the other hand, it was pointed out that discussions on our medium- to long-term vision, such as initiatives for sustainability issues, DX strategies, and human capital management, as well as deliberations on management strategies like business portfolio to achieve the vision, were insufficient at the Board level and require improvement. The Board reviews improvement measures based on the committee's recommendations. Approved improvement initiatives are then implemented primarily by the Board and the Secretariat and managed through a PDCA cycle.

Specifically, since 2022 we have held annual executive offsite meetings attended by all Directors and Audit & Supervisory Board Members. Over the course of approximately one day, we discuss our medium- to long-term vision and management strategies involving external experts. Our company has established an internal Sustainability Management Committee to enhance the Board's discussions on the medium-to long-term vision. Under this committee, working groups on climate change, human capital, and human rights, have been formed, each composed of members from various business units. These working groups identify and assess risks and opportunities related to such issues.

The outcomes of these executive offsite meetings, as well as the results of internal working groups examining the Company's issues, are shared with the Board as appropriate. This process contributes to enriching the Board's deliberations.

Our Approach to Management Strategy and Other Issues

In our review of the Board's effectiveness, we share the issues identified with our management team, particularly regarding discussions on business portfolio and other management strategies aligned with our vision. Since last fiscal year, the board has been discussing our medium- to long-term vision, including examining material issues requiring resolution as the foundation for formulating our new Medium-Term Management Plan starting next fiscal year.

New material issues were discussed and resolved at the FY2025 Board meetings. We currently are clarifying the details of initiatives, primarily on the executive side, as part of the next Medium-Term Management Plan to develop concrete strategies that will lead to the resolution of these material issues. The Board intends to continue discussions on the next Medium-Term Management Plan, after it is reviewed by the executive side, to ensure it aligns with our vision and meets the expectations of stakeholders, including minority shareholders, ahead of its announcement next fiscal year.

Through discussions on the new Medium-Term Management Plan, I myself recognize that our ability to present an effective strategy to our stakeholders will be a key test moving forward. So, I intend to actively participate in these discussions with a proactive stance. And on the defensive side, I am enhancing governance transparency by rigorously monitoring conflict of interest risks from an objective standpoint, thereby contributing to maximizing our corporate value.



Material Issue

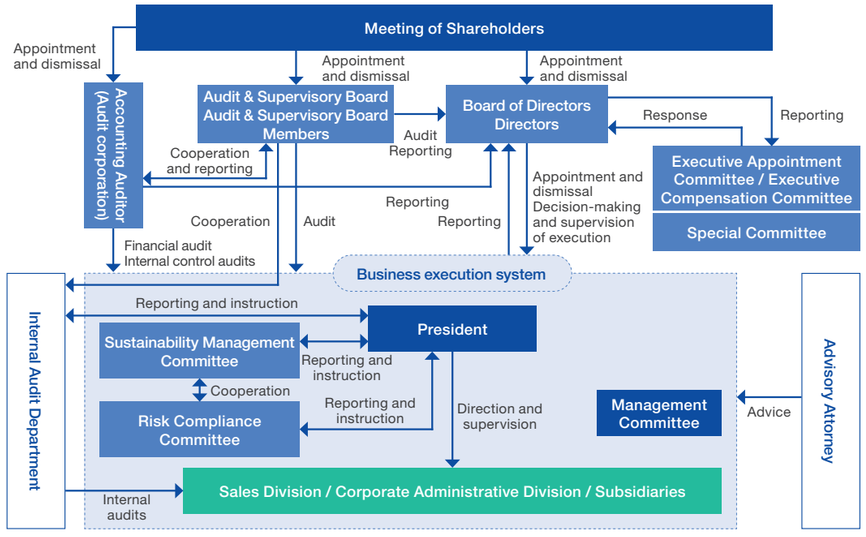
Strengthening Corporate Governance

Basic policy

The Tomen Devices Group believes that the fundamental principle of corporate governance is to ensure sound and sustainable growth by effectively utilizing its internal control system, which includes the supervisory function of the Board, the auditing function of the Audit & Supervisory Board, and internal policies and rules, organizational structures, and division of responsibilities. Furthermore, we believe that it is a fundamental responsibility of senior management to strive to instill an ethical mindset of legal compliance within Tomen Devices and to ensure the appropriateness, transparency, and reliability of information disclosure.

The Tomen Devices Group, in pursuit of its vision "To consistently create value and to stay as a competitive electronics trading company" has established "strengthening corporate governance and enhancing risk management" as one of material issues to advance fair and transparent business activities. We will strive to maximize corporate value through the enhancement of effective corporate governance.

Corporate Governance Structure Chart



Board of Directors

Approach to the composition of the Board of Directors

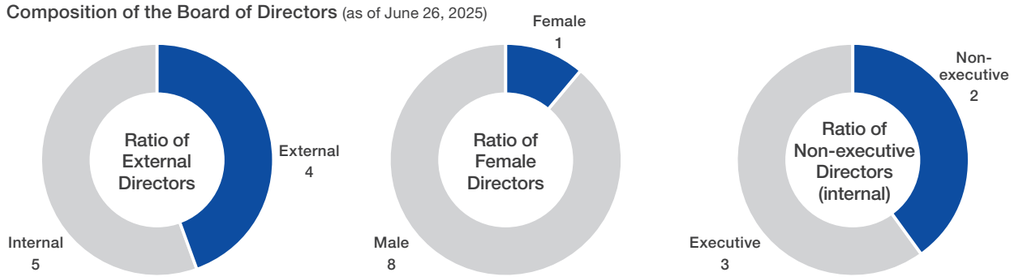
The Tomen Devices Group's Articles of Incorporation stipulate that the number of Directors shall be 10 or less, and the optimal number of Directors is selected in accordance with changes in the business environment. Additionally, the Executive Appointment Committee, established as a voluntary advisory committee to the Board, comprehensively reviews and reports to the Board on the appointment of candidates for Directors, taking into consideration accurate and prompt decision-making, appropriate risk management, monitoring of business execution, and a balance that covers each function and each business unit of Tomen Devices. Furthermore, we select External Directors with an emphasis on diversity, including their experience and professional backgrounds.

Selection criteria for External Directors

The Tomen Devices Group determines the appointment of Independent External Directors based on the requirements for External Directors stipulated in the Companies Act and the independence criteria stipulated by the Tokyo Stock Exchange. Regarding candidates for Independent External Directors, the Executive Appointment Committee deliberates on whether they possess the qualifications required for this role as defined below and submits its findings to the Board.

- A person with ability to demonstrate integrity and is able to proactively provide suggestions, proposals, and opinions on our management challenges
- A person with management experience or, alternatively, a wealth of expertise in law, industry, etc.

Composition of the Board of Directors (as of June 26, 2025)



Major reporting and resolution items for FY2024

Topics	Main reporting items	Main resolution items
Management strategy, management planning and monitoring	■ Management strategies and policies ■ Promotion of sustainability ■ Business execution reports and monthly reports (monthly financial statements, subsidiary business reports) and monitoring	■ Shareholder return policy ■ Human resources policy ■ Policies and conditions of transactions with major business partners ■ Financial results, proposed financial forecast and dividend forecast
Corporate governance, risk management	■ Advisory Committee (Executive Appointment Committee, Executive Compensation Committee, and Special Committees) reports ■ Audit & Supervisory Board reports ■ Risk Compliance Committee reports ■ Risk of conflict of interest with minority shareholders in transactions with controlling shareholders ■ Credit management	■ Evaluation of the effectiveness of the Board of Directors ■ Executive compensation ■ Election of candidates for Directors and Audit & Supervisory Board Members
Other		■ Matters related to Shareholders Meeting ■ Revision of policies

Evaluation of the effectiveness of the Board of Directors

We believe that improving the effectiveness of the Board, which is responsible for supervision of management, is essential to accelerating management decision-making and strengthening competitiveness in the market for sustainable enhancement of corporate value. Tomen Devices conducts an evaluation of the effectiveness of the Board for Directors and Audit & Supervisory Board Members via questionnaire, and discloses the results in the business report. To verify the effectiveness of the Board in a neutral and objective manner, an evaluation by a third-party organization is conducted once every three years. In the FY2024 effectiveness evaluation, it was confirmed that the Board has ensured effectiveness, taking into account the matters required by the Corporate Governance Code.

In addition, the Special Committee, an advisory body to the Board, has established a PDCA cycle for the operation of the Board, including the verification of the effectiveness evaluation and support for its improvement. We will strive to improve the matters identified as issues in the effectiveness evaluation and continue to promote initiatives aimed at strengthening corporate governance.

Overview of effectiveness evaluation

Format	Questionnaire
Implementation period	December 2024 – January 2025
Survey items	■ Composition of the Board of Directors ■ Operation of the Board of Directors ■ Topics of the Board of Directors deliberations and demonstration of its supervisory functions ■ Nomination and compensation of management team members ■ Risk management ■ Dialogue with shareholders, etc. ■ Structure that supports executives
Evaluation	■ The Board is generally appropriately structured to achieve an adequate balance and fulfill its supervisory function. ■ A culture where attendees actively speak up and lively discussions take place has become firmly established at the Board meetings.
Issues	■ Initiatives to address sustainability issues ■ Medium- to long-term issues such as DX strategy and human capital management ■ Discussion of business portfolio and other management strategies ■ Sharing the activities and deliberations of each advisory committee

Audit & Supervisory Board, Executive Appointment Committee, Executive Compensation Committee

Audit & Supervisory Board

Role of the Audit & Supervisory Board

The Tomen Devices Group has adopted a company structure with Audit & Supervisory Board. The Audit & Supervisory Board consists of three members (including two external members), whose role is to comprehend and monitor the status of business execution by the Directors. Each Audit & Supervisory Board Member attends meetings of the Board of Directors and other bodies, receives reports from Directors and key employees, requests explanations as necessary, and reviews important decision documents. To ensure effective and efficient audits, they coordinate with the Internal Audit Department and the accounting auditor to define audit targets and scope, and conduct their audits accordingly. Furthermore, the audit activities of the full-time member are reported to the external members at monthly meetings, thereby ensuring information sharing among all members.

Policy for the appointment of Audit & Supervisory Board Members

We select candidates for the position of Audit & Supervisory Board Member based on their ability to contribute to the sound corporate management and sustainable enhancement of corporate value of the Tomen Devices Group through the performance of their duties as Audit & Supervisory Board Members. In particular, we consider their extensive experience in corporate management and considerable expertise in finance and accounting.

For external members, we select individuals who meet the independence criteria stipulated by the Tokyo Stock Exchange, possess specialized knowledge and extensive experience to provide valuable opinions and insights, and are deemed capable of contributing to enhancing the soundness, appropriateness, and transparency of the Tomen Devices Group's management.

Key audit focus areas and primary activities for FY2024

The Audit & Supervisory Board determines key audit items requiring focused attention based on legal and statutory obligations, impact on management, risks, and urgency. Additionally, it deliberates whether Directors and management have violated laws, regulations, or the Articles of Incorporation in the execution of their duties or engaged in misconduct; the appropriateness of major decisions; statements made to the Board of Directors; the proper preparation of financial statements; and the annual audit plan.

Specific deliberation topics and details at the Audit & Supervisory Board meetings

- Appropriateness of Directors' execution of duties: Oversight through attending Board meetings, receiving reports and explanations from Directors and key employees, and attending important meetings
- Status of internal control system development and operation: Oversight of the Board of Directors' supervisory function, the Audit & Supervisory Board's audit function, and the effectiveness of internal regulations, organizational structure, and division of responsibilities
- Sustainability promotion status (monitoring): Oversight of the formulation and implementation status of various policies related to materiality, progress toward established goals and KPIs, etc.
- Evaluation of the accounting auditor, etc.: Discussion of the annual audit plan with the accounting auditor, approval of the accounting auditor's audit fees, discussion regarding the appropriateness of the accounting auditor's audit methods and results

Action policies for FY2025

Based on the activities and evaluations of FY2024, from the perspective of proactive risk management, the Audit & Supervisory Board will supervise whether the formulation process for the new Medium-Term Management Plan appropriately considers sound risk-taking alongside risk mitigation and avoidance.

From a defensive perspective, the Audit & Supervisory Board will continue its thematic audits focusing on key items at Tomen Devices and ATMD companies, while closely monitoring whether ATMD's operational execution and governance are functioning appropriately following the organizational changes.

Executive Appointment Committee

The Executive Appointment Committee consists of six Directors (four of whom are External Directors) and makes decisions regarding the appointment and dismissal of Directors and management personnel. To achieve sustainable growth for the Tomen Devices Group, we will strengthen corporate governance by enhancing management transparency and fairness through objective, independent third-party judgment in the appointment and dismissal of Directors.

In FY2024, the matters deliberated by the Committee included the composition of the Board, deliberations on policies for the appointment and dismissals and personnel matters for Directors, the formulation and operation of succession plans for the CEO and other officers, and other important items related to executive personnel. The results of these deliberations were reported to the Board. In considering candidates for Directors, the Committee makes comprehensive judgments with due consideration of accurate and prompt decision-making, appropriate risk management, monitoring of business execution, and a balance that covers each function and each business unit of Tomen Devices. Additionally, in discussions regarding succession planning, the committee advanced deliberations on the qualities required of CEO and other officers, the approach to succession planning, and personnel development policies.

Members*1		Number of meetings and attendance rate in FY2024	Main agenda items
Independent External Director	Tatsumi Maeda (Chairperson)	2/2 (100% attendance)	■ Composition of the Board of Directors ■ Policy for appointment and dismissal of Directors and human resources proposals ■ Formulation and implementation of succession plans for CEO and other executives ■ Other important matters concerning executive personnel
President	Kiyotaka Nakao	2/2 (100% attendance)	
Non-executive Director*2	Yosuke Komatsu	2/2 (100% attendance)	
Independent External Director	Atsuko Honda	2/2 (100% attendance)	
Independent External Director	Toshiyasu Asai	2/2 (100% attendance)	
Independent External Director	Taisei Koh	2/2 (100% attendance)	

Executive Compensation Committee

The Executive Compensation Committee consists of six Directors (four of whom are External Directors). It examines the design of executive compensation to ensure the sustainable growth of Tomen Devices and the realization of its management philosophy and policies. After verifying the individual payment amounts for each fiscal year and the Tomen Devices Group's performance, and in accordance with the policy for determining individual compensation, the specific compensation amount for each Director is deliberated based on the Director's responsibilities and Tomen Devices' performance.

The agenda items deliberated in FY2024 were the compensation system and compensation determination policy for Directors, details of individual Director compensation amounts, and other matters related to Director compensation. The results of these deliberations were reported to the Board. To function as an effective incentive for enhancing corporate value over the medium- to long-term, the ratio of each type of compensation for Executive Directors shall be appropriately set, taking into account the business environment and management conditions.

Members*1		Number of meetings and attendance rate in FY2024	Main agenda items
Independent External Director	Tatsumi Maeda (Chairperson)	2/2 (100% attendance)	■ Compensation system and policies of the Board of Directors ■ Details of individual Director compensation ■ Other important matters concerning Director compensation
Managing Director*2	Nobumitsu Masuyama	1/1 (100% attendance)	
Non-executive Director*2	Yosuke Komatsu	1/1 (100% attendance)	
Independent External Director	Atsuko Honda	3/3 (100% attendance)	
Independent External Director	Toshiyasu Asai	3/3 (100% attendance)	
Independent External Director	Taisei Koh	3/3 (100% attendance)	
Managing Director*3	Masakazu Tsunefuka	2/2 (100% attendance)	
Non-executive Director*3	Eiji Matsuzaki	2/2 (100% attendance)	

*1 Positions are as of March 31, 2025. For those who resigned during the fiscal year, positions shall be as of the time of resignation.
*2 Nobumitsu Masuyama and Yosuke Komatsu attended one Executive Compensation Committee meeting held after June 2024, as they assumed their positions in June 2024.
*3 Masakazu Tsunefuka and Eiji Matsuzaki attended two Executive Compensation Committee meetings held prior to June 2024 due to their retirement in June 2024.

Succession Planning Policy / Executive Compensation Policy and Special Committee

Succession Planning Policy / Executive Compensation Policy

Succession Planning: Approach to successor development

To continue creating value for both internal and external stakeholders, it is essential to establish a framework to secure and develop the management talent needed in a timely and appropriate manner. This talent base is indispensable for sustaining growth even as the external environment changes. As part of this process, we are formulating a succession plan for the senior management team, including the Chief Executive Officer (CEO). In the plan, based on our business environment, we clarify the talent requirements for each position from a medium- to long-term perspective, formulate a training policy, and steadily implement the process of selecting and evaluating candidates.

The succession plan is developed through discussions between the incumbent CEO and the Executive Appointment Committee, and the finalized plan is then approved by the Board. This fiscal year, we selected internal Director candidates through this process.

Basic approach to executive compensation

The basic policy for Director compensation is to establish a framework that motivates Directors to achieve medium- to long-term growth and to realize our management philosophy and policies, and that is linked to shareholder value. Compensation for each Director shall be set at an appropriate level based on their role and responsibilities. Specifically, compensation for Executive Directors consists of fixed compensation and performance-linked compensation. External Directors, whose role is primarily oversight, are paid only fixed compensation in light of their duties.

The fixed compensation for Executive Directors is calculated based on the nature of their duties and their contribution to performance. Performance-linked compensation is determined using consolidated ordinary profit, our primary indicator of corporate performance. For each fiscal year, we assess achievement against the year's target and the prior year's result, applying an "Evaluation Point Calculation Matrix" to calculate an attainment score. To function as an effective incentive for enhancing medium- to long-term corporate value, the ratio of fixed compensation to performance-linked compensation etc. shall be appropriately set, taking into account the business environment, management conditions and other elements.

Classification	Total amount of compensation, etc. (Million yen)	Total amount of compensation, etc. by type (Million yen)		Number of eligible officers (people)
		Fixed compensation	Performance-linked compensation	
Directors (excluding External Directors)	57	36	21	4
Audit & Supervisory Board Members (excluding external members)	22	22	-	1
External officers	44	44	-	6

Special Committee

We have established a standing Special Committee as an advisory body to the Board to supervise conflicts of interest and protect the interests of minority shareholders. The Special Committee is composed solely of Independent External Directors as appointed by a resolution of the Board. Transactions with Toyota Tsusho, the controlling shareholder, are conducted at fair market value, consistent with other general transactions. The Special Committee also deliberates on the necessity, rationality, and appropriateness of transactions with the controlling shareholder and its group companies, and reports its findings to the Board. To strengthen corporate governance, the Special Committee also reviews the evaluation of the effectiveness of the Board and follows up on improvements.

Composition	Number of meetings and attendance rate in FY2024	Main agenda items
Independent External Director Atsuko Honda (Chairperson)	2 times (100% attendance)	■ Matters related to transactions with parent company group • Reporting and verification of FY2023 results versus pre-approvals ■ Confirmation related to pre-application for FY2024 • Confirmation of transactions occurring during the fiscal year ■ Evaluation of the Board of Directors • Requests and areas for improvement based on the current fiscal year's questionnaire • Consideration and deliberation of actions and measures to be taken
Independent External Director Tatsumi Maeda	2 times (100% attendance)	
Independent External Director Toshiyasu Asai	2 times (100% attendance)	
Independent External Director Taisei Koh	2 times (100% attendance)	
Independent External Audit & Supervisory Board Member Jun Yamada	2 times (100% attendance)	
Independent External Audit & Supervisory Board Member Keita Gyouten	2 times (100% attendance)	

Discussion on protection of minority interests at Special Committee meetings as a listed company with a controlling shareholder

Tomen Devices has established a Special Committee as an advisory body to the Board to address conflicts of interest risks arising from transactions with our parent company and to safeguard the interests of minority shareholders. In FY2024, the Special Committee met twice to deliberate on transactions with Toyota Tsusho, the controlling shareholder, and its group companies. As a result, the Committee confirmed that there was no risk of harming minority shareholders' interests and reported to the Board.

Discussion on necessity, rationality, and appropriateness of intra-Group transactions

- After prudent deliberation on matters described in the pre-deliberation materials presented by the management such as the ongoing sales of goods and provision of services, we have concluded that these transactions are necessary, reasonable, and appropriate.
- If, during the current fiscal year, any new transactions or material changes to the terms of transactions described in the pre-deliberation materials presented by the management arise, those matters shall be submitted to the Special Committee for deliberation or reported to the Committee in advance.

Expertise and Experience of Directors and Audit & Supervisory Board Members

Basic requirements for Directors

We have set the precondition that all Directors must have: “knowledge and expertise in the field of electronics, or have experience and knowledge of general corporate management” as well as “having appropriateness and suitability as a director.” Furthermore, we expect external officers to provide objective advice on the appropriateness of the Board of Directors’ and the Audit & Supervisory Board’s decisions. We require individuals “to demonstrate integrity and to proactively provide proposals and opinions on our management issues,” as well as “to possess either executive experience or professional expertise in fields such as law, accounting, relevant industries.”

Regarding the appointment of Directors, the Executive Appointment Committee, chaired by an Independent External Director, deliberates on candidates’ qualifications, skills, and track records, as well as the skills and balance required for the Board. The committee then submits its recommendations to the Board. The Board discusses and submits the approved Director candidates to the General Meeting of Shareholders.

Skill matrix for Directors and composition of voluntary advisory committees

	Name		Corporate management	Sales and marketing	Accounting and finance	IT and digitization	Personnel affairs, labor, and talent development	Governance, legal affairs and risk management	Overseas experience	Executive Appointment Committee	Executive Compensation Committee	Special Committee
Director	Kiyotaka Nakao	Male	○	○		○		○	○	○		
	Nobumitsu Masuyama	Male	○		○		○	○	○		○	
	Hiroshi Nishimoto	Male	○	○					○			
	Tsuyoshi Yamada	Male	○	○	○	○		○	○			
	Shohei Seko	Male	○	○		○			○	○	○	
	Atsuko Honda	External Female					○	○		○	○	◎
	Tatsumi Maeda	External Male	○	○		○			○	○	◎	○
	Toshiyasu Asai	External Male	○	○		○			○	◎	○	○
	Taisei Koh	External Male	○		○			○	○	○	○	○
Audit & Supervisory Board Member	Tadashi Okamoto	Male	○		○		○	○	○			
	Jun Yamada	External Male			○			○	○			○
	Keita Gyouten	External Male	○	○	○	○			○			○

*◎ indicates the chairperson of the committee

Elements of the skill matrix and reasons for selection

Corporate management	To formulate growth strategies that contribute to medium- and long-term enhancement of corporate value and promote steady corporate management, we believe that experience in corporate management and solid knowledge of general management are necessary.
Sales and marketing	In the rapidly innovating and changing semiconductor industry, we believe that broad experience and knowledge of the semiconductor market and sales expertise are necessary to generate sustainable earnings while adapting to change.
Accounting and finance	To plan and execute financial and capital strategies, and to make decisions on M&A and other transactions, we believe broad experience and knowledge in accounting and finance in general are necessary.
IT and digitization	We believe that broad knowledge and experience across the IT and digital technologies are necessary to appropriately capture the technology and policy trends related to the IT and digital products and services we handle, thereby enabling discussions aimed at securing business opportunities and fostering innovation.
Personnel affairs, labor, and talent development	To maintain and enhance our competitive advantage in the future, we believe knowledge and experience in personnel affairs, labor, and talent development are necessary for cultivating our professional talent—the source of value creation—and providing an environment where such talent can thrive across diverse roles.
Governance, legal affairs and risk management	We believe knowledge and experience in corporate governance, legal affairs, and risk management are necessary to strengthen the management foundation, which is a prerequisite for sustainable corporate value enhancement, and to further enhance the effectiveness of governance.
Overseas experience	We believe extensive knowledge and experience in overseas business management as well as local lifestyles, cultures, and business environments are necessary for formulating business strategies and making appropriate market entry decisions for global business expansion.

Directors and Audit & Supervisory Board Members (as of June 26, 2025)



President
Kiyotaka Nakao

Attendance Board of Directors: 12/12

April 1991 Joined Toyota Tsusho Corporation
April 2012 Director, Toyota Tsusho Electronics Corporation
April 2017 Executive Managing Director, NEXTY Electronics Corporation
June 2019 Director of the Company
April 2024 Managing Director, Deputy General Manager of Sales Division
June 2024 President, General Manager of Sales Division (current position)

Reasons for appointment
Since joining Toyota Tsusho Corporation, he has been involved in the electronic device business for many years. After serving as Managing Director of Toyota Tsusho Electronics Corporation (currently NEXTY Electronics Corporation) and Director of the Company, he was appointed President in 2024. He has extensive work experience in the semiconductor industry and knowledge of corporate management, and we expect him to demonstrate leadership in enhancing corporate value over the medium- and long- term.



Director
Hiroshi Nishimoto

Attendance Board of Directors: –/–

March 1998 Joined TEAC Corporation
November 2003 Joined the Company
November 2008 Head of HDD Sales Promotion Dept.
November 2009 Head of LED Sales Dept.
September 2018 General Manager, ATMD ELECTRONICS (SHANGHAI) LIMITED (secondment)
April 2025 Deputy General Manager of Sales Division and General Manager of Automotive Business Unit of the Company (current position)
June 2025 Director of the Company (current position)

Reasons for appointment
Since joining the Company, he has been engaged in semiconductor sales for many years. After serving as head of ATMD ELECTRONICS (SHANGHAI) LIMITED, a subsidiary of the Company, he became a Director of the Company in 2025. With extensive experience in the Chinese market and a deep understanding of local market needs and customers, we expect him to lead our overseas operations.



Director
Shohei Seko

Attendance Board of Directors: –/–

April 1999 Joined Toyota Tsusho Corporation
April 2018 Europe Region Chief, Toyota Tsusho NEXTY Electronics Europe GmbH (secondment)
April 2022 Executive Officer, Head of Business Promotion Unit, NEXTY Electronics Corporation (secondment)
April 2024 Director, Head of Business Promotion Unit, NEXTY Electronics Corporation
April 2025 General Manager of Digital Solutions Planning Department, Digital Solutions Division, Toyota Tsusho Corporation (current position)
June 2025 Director of the Company (current position)

Reasons for appointment
Since joining Toyota Tsusho Corporation, he has worked in the electronic device business for many years as an Executive Officer and a Director of Toyota Tsusho Group companies before becoming a Director of the Company in 2025. With extensive knowledge and experience in the semiconductor industry and expertise in corporate management, we expect him to provide appropriate supervision and advice to the Board in a non-executive capacity.



External Director
Tatsumi Maeda

Attendance Board of Directors: 12/12

March 1975 Joined Kyoto Ceramic Co., Ltd. (currently Kyocera Corporation)
June 2001 Director, Kyoto Ceramic Co., Ltd.
April 2009 Representative Director, Vice President and Executive Officer, Kyoto Ceramic Co., Ltd.
April 2013 Representative Director and Vice Chairman, Kyoto Ceramic Co., Ltd.
June 2017 Advisor, Kyoto Ceramic Co., Ltd.
June 2019 External Member of the Board, Elematec Corporation (current position)
June 2021 External Director of the Company (current position)

Reasons for appointment
He has served as a Director of Kyocera Corporation and has extensive knowledge and broad experience in corporate management and was appointed as an External Director of the Company in 2021. Based on these experiences, he is expected to provide appropriate supervision and objective advice to the Board, representing the perspective of all shareholders, including minority shareholders.



External Director
Taisei Koh

Attendance Board of Directors: 12/12

July 1995 Passed the second stage examination of certified public accountants and joined Aoyama Audit Corporation
September 1999 Registered as a certified public accountant
November 2007 Established Starsia Co., Ltd. and took office as Representative Director (current position)
October 2020 Established Starsia Accounting Tax Corporation as Partner (current position)
April 2022 Secretary of the Tokyo Chapter of the Japanese Institute of Certified Public Accountants (current position)
June 2022 External Director of the Company (current position)

Reasons for appointment
In addition to expertise in finance and accounting through his long career as a certified public accountant, he has a deep understanding of Japanese and Korean corporate culture, including founding a company that supports Japanese and Korean businesses. He was appointed as an External Director of the Company in 2022. Based on these experiences, he is expected to provide appropriate supervision and objective advice to the Board, representing the perspective of all shareholders, including minority shareholders.



External Audit & Supervisory Board Member
Jun Yamada

Attendance Board of Directors: 12/12 Audit & Supervisory Board: 12/12

October 1975 Passed the second stage examination of certified public accountants and joined Fuso Audit Corporation (later merged with Chuo Shinko Audit Corporation and later renamed Chuo Audit Corporation and Misuzu Audit Corporation)
August 1979 Passed the third stage examination of certified public accountants, and registered as a certified public accountant
August 2007 Representative Partner, KPMG AZSA LLC
July 2010 Executive Board Member, Japanese Institute of Certified Public Accountants (JICPA); Deputy President, JICPA Tokai-kai
July 2014 Director, Jun Yamada Certified Public Accountant Office (current position)
June 2016 Audit & Supervisory Board Member of the Company (current position)

Reasons for appointment
He possesses extensive expertise in finance and accounting gained through years of experience as a certified public accountant, and assumed the role of Audit & Supervisory Board Member of the Company in 2016. Based on these experiences, he is expected to conduct appropriate audits of the Directors’ execution of their duties and the Company’s internal control from the position of an External Audit & Supervisory Board Member.



Managing Director
Nobumitsu Masuyama

Attendance Board of Directors: 10/10

April 1990 Joined Long-Term Credit Bank of Japan (currently, SBI Shinsei Bank, Limited)
June 1999 Joined The Yasuda Fire and Marine Insurance Co., Ltd. (currently, Sompo Japan Insurance Inc.)
March 2002 Joined Toyota Tsusho Corporation
May 2021 Senior Vice President and Treasurer & CFO, Toyota Tsusho America Inc. (New York) (secondment)
May 2024 Corporate Administrative Division of the Company (current position)
June 2024 Managing Director, General Manager of Corporate Administrative Division and General Manager of Human Resources & General Affairs Department (current position)

Reasons for appointment
He joined Toyota Tsusho Corporation after working for financial companies. Since then, he has been engaged in accounting and financial operations for many years, including serving as Senior Vice President and Treasurer and CFO of Toyota Tsusho America Inc. (New York), and became a Director of the Company in 2024. We expect him to apply this expertise in finance and accounting, personnel affairs, labor, and talent development, and knowledge of corporate management to develop and execute financial and capital strategies to enhance corporate value over the medium- and long-term.



Director
Tsuyoshi Yamada

Attendance Board of Directors: –/–

April 1995 Joined Toyota Tsusho Corporation
April 2023 Director, Managing Executive Officer, Eurus Energy Holdings Corporation
April 2025 Director, NEXTY Electronics Corporation (current position)
April 2025 Executive Officer, COO for Digital Solutions Division, Devices and Software Solutions SBU, Toyota Tsusho Corporation (current position)
June 2025 Director of the Company (current position)

Reasons for appointment
Since joining Toyota Tsusho Corporation, he has worked at several overseas Group companies and served as a director in Toyota Tsusho Group companies before becoming a Director of the Company in 2025. With experience in multiple overseas businesses and expertise in corporate management, we expect him to provide appropriate supervision and advice to the Board in a non-executive capacity.



External Director
Atsuko Honda

Attendance Board of Directors: 12/12

October 1992 Passed judicial exam
April 1999 Tokyo District Court
April 2010 Registered as attorney (Dai-Ichi Tokyo Bar Association), joined Anzai Law Office (current position)
June 2016 External Director of the Company (current position)
May 2023 Representative member of Public Interest, Tokyo Regional Minimum Wage Council (current position)
March 2024 Director (part-time), Yakult Dojin Association (current position)

Reasons for appointment
She possesses extensive expertise in law, particularly labor management, gained through years of experience as a judge and attorney, and assumed the role of External Director of the Company in 2016. Based on these experiences, she is expected to provide appropriate supervision and objective advice to the Board, representing the perspective of all shareholders, including minority shareholders.



External Director
Toshiyasu Asai

Attendance Board of Directors: 12/12

April 1978 Joined Nippon Denso Co., Ltd. (currently Denso Corporation)
January 2012 Head of Telecommunication Department and Executive Specialist, Denso Corporation
November 2017 Director and Senior Managing Executive Officer, DENSO TEN Limited
June 2019 Executive Vice President, Senior Executive Officer and Director, DENSO TEN Limited
July 2021 Advisor on Management Planning, Mobility Electronics Business Group, Denso Corporation
June 2022 External Director of the Company (current position)

Reasons for appointment
Having served as a Director at Denso Corporation and its group companies, he has extensive knowledge of business in the automotive business, our focus area, and experience in global corporate management. He was appointed as an External Director of the Company in 2022. Based on these experiences, he is expected to provide appropriate supervision and objective advice to the Board, representing the perspective of all shareholders, including minority shareholders.

Full-time Audit & Supervisory Board Member
Tadashi Okamoto

Attendance Board of Directors: –/– Audit & Supervisory Board: –/–

April 1989 Joined Tomen Corporation (currently Toyota Tsusho Corporation)
April 2016 Group Leader, Food & Lifestyle Accounting Group, Business Accounting Department, Toyota Tsusho Corporation
April 2019 Group Leader, Internal Control Administration Group, Audit Department, Toyota Tsusho Corporation
December 2020 Toyota Tsusho Myanmar Co., Ltd. (secondment)
April 2023 Director, General Manager of Corporate Division, Toyota Tsusho (Malaysia) Sdn. Bhd. (secondment)
June 2025 Audit & Supervisory Board Member of the Company (current position)

Reasons for appointment
Since joining Tomen Corporation (currently Toyota Tsusho Corporation), he has been engaged in accounting and finance operations for many years and served as Group Leader of Internal Control Administration Group, Audit Department at Toyota Tsusho Corporation. He was appointed as an Audit & Supervisory Board Member in 2025. He has specialized knowledge in finance and accounting along with deep insight into auditing, and is expected to conduct appropriate audits of the Directors’ execution of their duties and the Company’s internal control.



External Audit & Supervisory Board Member
Keita Gyouten

Attendance Board of Directors: 12/12 Audit & Supervisory Board: 12/12

April 1983 Joined NEC Corporation
April 2013 Head of Platform Procurement Division, NEC Corporation
June 2015 Director and Executive Officer, Nittsu NEC Logistics, Ltd.
July 2020 Executive Advisor, ANRITSU CORPORATION
January 2022 Executive Vice President, TAKASAGO, LTD.
June 2022 Audit & Supervisory Board Member of the Company (current position)

Reasons for appointment
He was involved in procurement and logistics operations at NEC Corporation for many years and also served as a Director of one of its group company. He was appointed as an Audit & Supervisory Board Member of the Company in 2022. He has experience in corporate management and is expected to conduct appropriate audits of the Directors’ execution of their duties and the Company’s internal control from the position of an External Audit & Supervisory Board Member.

*The Board of Directors and the Audit & Supervisory Board each held a total of 12 meetings during FY2024, and individual attendance is shown. Nobumitsu Masuyama attended all 10 meetings of the Board of Directors held since his appointment in June 2024.

Material Issue

Enhancing Risk Management

Basic policy

The Tomen Devices Group is a global electronics trading company, operating businesses such as proposing and selling semiconductors and electronic components that are significantly influenced by changes in regulations and demand in each country. Therefore, we believe that appropriately managing risk is inextricably linked to the sustainable enhancement of corporate value.

Based on this understanding, we have established “strengthening corporate governance” and “enhancing risk management” as material issues for medium- to long-term management. We are working to build a system that enables us to appropriately identify and evaluate risks related to the Tomen Devices Group’s business and swiftly implement countermeasures.

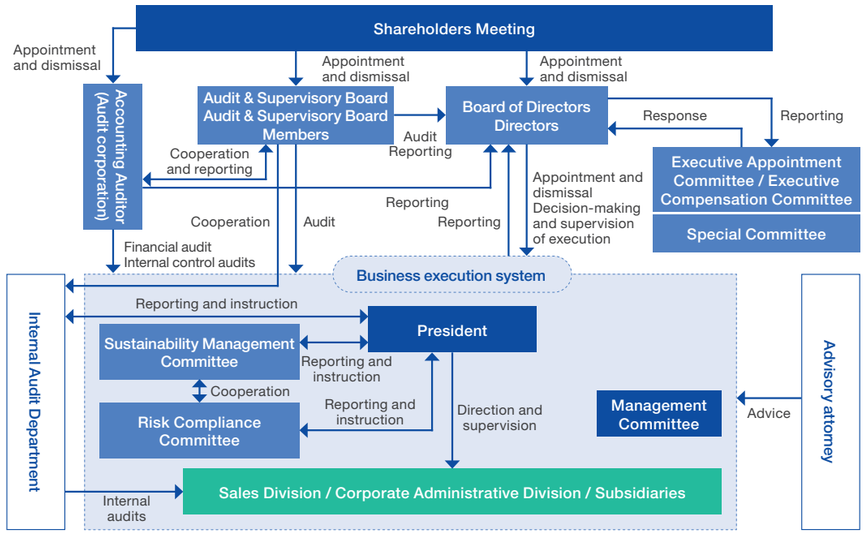
Risk management system and management process

We have established the Risk Compliance Committee, chaired by the President, to identify and evaluate risks related to all Group’s business and operations, formulate countermeasures, and develop management systems.

The Risk Compliance Committee meets quarterly to conduct risk monitoring, revise the risk map in line with the business environment, and review key risks while considering preventive and response measures. We evaluate key risks based on two dimensions: likelihood of occurrence and scale of impact on our business. Through collaboration between the Risk Compliance Committee and the Sustainability Management Committee, we integrate sustainability-related risks, including climate change, into the Tomen Devices Group-wide risk management system for identification and assessment. Furthermore, we regularly report to the Board on the risks identified and assessed by the Risk Compliance Committee, along with the status of related initiatives.

For key risks, the department responsible for such risk establishes relevant policies and procedures, builds and operates the risk management system, strives for early detection and prevention, and reports the status of risk management to the Risk Compliance Committee. Additionally, the Risk Compliance Committee is responsible for establishing and maintaining governance and management frameworks for legal and ethical compliance and for fulfilling our social responsibilities. It also establishes a group-wide management system to ensure swift response to emergencies, including the ability to activate an emergency response headquarters under Business Continuity Plan (BCP) and to ensure timely information management.

In FY2024, the Risk Compliance Committee identified “security export control” and “credit management” as key risks and implemented countermeasures. As a result, we recorded zero violations of security export control regulations and zero occurrence of non-performing or delinquent loans. We will continue to implement countermeasures in FY2025 to appropriately manage these risks.



Risks Related to Our Business

Key risks	Impact on business	Countermeasures
Risks of dependence on specific business partners	Our business operations primarily focus on the sales of Samsung Group products. Changes in the Samsung Group’s management strategy and geopolitical risks in its locations could impact the Tomen Devices Group’s business performance.	We have established a New Product Review Task Force to assess the potential and productivity across various fields to discover new products and business models that will become the second pillar of future management.
Risks associated with overseas business expansion	We are pursuing business expansion beyond Japan, with particular focus on China, and obstacles in overseas business activities are emerging as new risks. In addition to foreign exchange risk and geopolitical risk, we may face credit and country risk as well as obstacles related to the local business practices in developing partner relationships.	We strive to improve our understanding of the importance and fundamentals of security export control, and conduct thorough management to avoid legal violation risks, including implementing audits on management systems. As for credit risk, we also conduct monthly reviews of credit limit status to promptly identify any delinquent loans.
Risk of price fluctuations of products	Semiconductors and electronic components, the main products we handle, are subject to significant price fluctuations due to supply and demand dynamics, which may substantially impact our business performance.	We strive to mitigate the impact that price fluctuations have on our business performance by closely monitoring customer demand and supplier supply conditions, and by thoroughly managing inventory.
Risk from dependence on borrowings and interest rate trends	Changes to settlement terms with customers and suppliers, or increases in interest rates, may impact the Tomen Devices Group’s business performance.	Working capital needs are met through internal funds, borrowings from financial institutions, and securitization of receivables. We strive to reduce interest expenses by preparing and updating cash flow plans in a timely manner and by securing funding aligned with our funding needs and maturities.
Risks from exchange rate fluctuations	As we engage in U.S. dollar-denominated transactions, rapid exchange-rate fluctuations may impact our business performance.	For domestic U.S. dollar-denominated transactions, we strive to mitigate the impact of exchange-rate fluctuations by using forward exchange contracts. Furthermore, for our overseas purchases and sales, we strive to mitigate the impact of exchange-rate fluctuations by conducting transactions in U.S. dollars.
Risk of natural disasters	In the event that natural disasters such as major earthquakes or floods cause all or part of our operations to be suspended, this could impact our business performance. Furthermore, if the production and logistics capabilities of our suppliers and customers were to be disrupted for an extended period, this could impact our business performance.	To develop and maintain high-quality BCPs, we conduct BCP drills for all officers and employees and implement measures to ensure business continuity.

Initiatives to strengthen resilience

The Risk Compliance Committee develops and maintains BCPs, establishes preparedness systems and regular drills to prepare for emergencies. If our business continuity is threatened, the Risk Compliance Committee will set up an emergency response headquarters. As an example, in response to the COVID-19 pandemic, the Risk Compliance Committee set it up to gather timely and appropriate information, swiftly formulated countermeasures, and put them into action. We will continue to build a system capable of swiftly responding to risks and crises related to business continuity, striving to strengthen the resilience of the organization. Regarding BCP drills, we set training themes based on specific key risks identified each year and conduct regular drills in which all officers and employees participate.

Financial Data (11-Year)

	(Million yen)	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
PL	Net sales	171,882	189,372	156,677	197,569	217,632	260,367	302,385	462,822	417,621	370,676	**421,671**
	Ordinary profit	1,681	1,779	1,690	2,428	2,639	4,374	4,561	8,478	6,589	6,203	**7,377**
	Profit attributable to owners of the parent	1,056	1,177	1,230	1,741	1,902	3,382	3,446	6,379	4,906	2,096	**5,588**
	Net assets	24,637	25,485	26,448	27,876	29,278	31,917	32,801	39,364	44,198	45,508	**49,621**
BS	Total assets	54,603	56,656	70,519	67,673	79,694	92,510	119,889	116,990	107,177	130,213	**113,970**
CF	Operating cash flows	1,121	11,012	9,586	-2,229	-570	9,554	-11,583	5,896	-4,961	4,425	**9,210**
	Investing cash flows	-60	24	-37	-62	-229	-17	-30	-183	-263	494	**-21**
	Financing cash flows	-711	-7,328	3,024	-6,963	-1,055	-6,297	11,296	-7,597	8,584	2,904	**-16,853**
	Cash and cash equivalents at end of period	1,601	5,280	17,860	8,429	6,743	9,904	9,550	8,216	12,137	20,865	**13,172**
Per-share data	Net assets per share (yen)	3,612.04	3,735.11	3,873.53	4,080.26	4,280.46	4,653.66	4,729.45	5,673.96	6,353.93	6,691.54	**7,296.29**
	Basic earnings per share (yen)	155.33	173.14	180.86	256.03	279.72	497.32	506.68	938.04	721.37	308.23	**821.69**
	Dividends per share (yen)	40	50	60	80	90	150	170	300	300	200	**300**
	Dividend payout ratio (%)	25.8	28.9	33.2	31.2	32.2	30.2	33.6	32.0	41.6	64.9	**36.5**
Financial indicators	Equity-to-asset ratio (%)	45.0	44.8	37.4	41.0	36.5	34.2	26.8	33.0	40.3	34.9	**43.5**
	Return on equity (ROE) (%)	4.4	4.7	4.8	6.4	6.7	11.1	10.8	18.0	12.0	4.7	**11.7**
Share price information	Highest share price (yen)	1,985	2,250	2,287	3,815	3,030	4,140	4,400	7,940	7,170	6,960	**8,160**
	Lowest share price (yen)	1,678	1,607	1,713	2,080	2,004	2,201	2,925	3,860	5,140	4,640	**5,260**
	Total shareholder return (TSR) (%)	220.0	206.6	262.6	334.1	294.9	124.2	129.1	211.1	225.9	232.4	**211.4**
	(Benchmark index: TOPIX including dividends) (%)	130.7	116.5	133.7	154.9	147.1	85.9	142.10	145.00	153.40	216.80	**213.40**
Number of employees (consolidated)		121	116	127	134	170	172	178	188	187	187	**197**

Non-financial Data

ESG	SDGs	Details	Results 2022/3	2023/3	2024/3	2025/3	Target
E Environment		GHG emissions results (Scope 1 and 2)*1 *2 *3 (Unit: t-CO_2)	55.22	85.68	89.79	76.37	Reduce GHG emissions by 50% by 2030 compared with 2019 (76.91 t-CO_2)
		GHG emissions results (Scope 3)*4 (Unit: t-CO_2)					
		Category 1 (Purchased goods and services)	—	—	—	521,965.63	
		Category 2 (Capital goods)	—	145.93	940.44	92.35	
		Category 3 (Fuel- and energy-related activities not included in Scope 1 or 2)	—	9.84	9.18	8.98	
		Category 4 (Upstream transportation and distribution)	—	1,634.33	1,684.45	1,514.50	
		Category 5 (Waste generated in operations)	—	9.59	1.99	1.10	
		Category 6 (Business travel)	39.99	115.40	218.31	216.66	
		Category 7 (Employee commuting)	10.01	21.99	31.28	30.70	
		Management System Certification (non-consolidated basis)	Quality Management System (ISO 9001) Environmental Management System (ISO 14001)				
S Social*5		Number of employees (regular employees)	108	103	103	111	
		Of which, ratio of female employees	23.1%	24.3%	27.2%	30.6%	
		Number of employees in managerial positions	43	42	34	33	
		Of which, ratio of women in managerial positions	0.0%	0.0%	2.9%	3.0%	Ratio of women in managerial positions of approximately 15% by 2030
		Of which, ratio of foreign nationals in managerial positions	11.6%	16.7%	8.8%	9.1%	Keep ratio around 10%
		Of which, ratio of mid-career hired in managerial positions	67.4%	71.4%	88.2%	75.8%	Keep ratio around 60%
		Ratio of female employees in career-track positions hired	0.0%	0.0%	60.0%	30.0%	Ratio of female employees (career-track positions) of all workers hired of 20% or more by 2025
		Ratio of paid leave taken	72.3%	83.9%	88.5%	81.7%	Average across all employees of 70% or more
		Ratio of childcare leave taken by male employees	0.0%	100.0%	100.0%	— (No applicable person)	Ratio of childcare leave taken by male employees of 50% or more by 2025
		Ratio of employment of persons with disabilities	1.9%	1.7%	0.9%	1.5%	
		(Number of persons with disabilities under statutory employment)	(2)	(2)	(2)	(3)	
		(Number of persons with disabilities employed)	(2)	(2)	(1)	(2)	
		Average training hours per employee per year	—	14h 14min	18h 20min	19h 45min	20 hours or more per employee per year by 2025/3
G Governance		Number of Directors	8	9	9	9	
		Of which, female Directors	1	1	1	1	
		Of which, Independent External Directors	2	4	4	4	
		Ratio of Independent External Directors	25.0%	44.4%	44.4%	44.4%	
		Ratio of female Directors	12.5%	11.1%	11.1%	11.1%	
		Number of Audit & Supervisory Board Members	3	3	3	3	
		Of which, Independent External Audit & Supervisory Board Members	2	2	2	2	
		Ratio of Independent External Audit & Supervisory Board Members	66.7%	66.7%	66.7%	66.7%	
		Average age of Directors (years old)	58.9	58.9	59.9	59.1	
		Term of office as Director (year)	1	1	1	1	
		Number of Board of Directors meetings held	12	12	14	12	
		Attendance rate to the Board of Directors meetings	99.3%	99.5%	98.4%	100.0%	
		Number of Audit & Supervisory Board meetings held	12	12	12	12	
		Attendance rate to the Audit & Supervisory Board meetings	100%	100%	100%	100%	
		Number of Executive Appointment Committee members	3	6	6	6	
		Of which, Independent External Directors	2	4	4	4	
		Number of Executive Appointment Committee meetings held	3	4	3	2	
		Number of Executive Compensation Committee members	3	6	6	6	
		Of which, Independent External Directors	2	4	4	4	
		Number of Executive Compensation Committee meetings held	1	2	5	3	
		Number of Special Committee members	4	6	6	6	
		Of which, Independent External Officers	4	6	6	6	
		Number of Special Committee meetings held	2	4	4	2	

*1 The increase in emissions during 2022/3 to 2023/3 is attributed to the Company beginning to operate its own warehouses in January 2022.
*2 For Scope 1 and 2 only, the calculation period is from January to December. (Example: 2024/3 (Fiscal year ended March 31, 2024) → Calculation period is from January 2023 to December 2023)
*3 Total of the Company and its consolidated subsidiaries
*4 Only of the Company (non-consolidated)
*5 The scope applies only to the Company (non-consolidated)

Dialogue with Shareholders and Investors

Policy for dialogue

We aim to enhance corporate value by reducing the cost of capital through constructive dialogue with our shareholders and investors to eliminate information asymmetry. The Representative Director and President oversees dialogue, while the Managing Director, General Manager of the Corporate Administrative Division, is responsible for its implementation. Additionally, the Corporate Planning Department's Investor & Public Relation Office serves as the secretariat for IR activities, establishing a system for coordinating dialogue with each department.

Status of dialogue held in FY2024

Interactive format	Frequency	Our representative(s)
Financial results briefing	Twice a year (April/October)	Representative Director and President, Director and Vice President, Managing Director
Individual meetings	Total 40 times ■ Sell-side analysts: 4 times ■ Institutional investors (fund managers): 25 times ■ Institutional investors (analysts): 11 times	General Manager of Corporate Planning Department, Head of Investor & Public Relation Office
Shareholders Meeting	Once a year (June)	All Directors and Audit & Supervisory Board Members

Details of dialogue

Opinions received through dialogue with shareholders and investors are reported to management on an ongoing basis, and important matters are reported to the Board of Directors. Furthermore, we have raised these issues as topics for discussion at review meetings and study sessions held by Directors and Audit & Supervisory Board Members. We will continue to appropriately reflect the opinions of our shareholders and investors in our management decisions.

Main topics and details of dialogue in individual meetings

Topics of dialogue	Details of dialogues
Business environment and business performance	■ Current fiscal year progress and full-year outlook ■ Analysis of sales breakdown by product and application ■ Market conditions by application and region, and future sales outlook ■ Memory product price trends and their impact on earnings
External environment	■ Impact of foreign exchange ■ Risks and impacts of national policies
Shareholder composition and capital structure	■ Background to and significance of the composition of major shareholders ■ Significance of remaining a publicly listed company, independence
Shareholder returns policy	■ Dividend policy ■ Approach to shareholder returns (including the potential for enhancement)
Progress and outlook of the Medium-Term Management Plan	■ Review of FY2024 (second year of the Medium-Term Management Plan) ■ Outlook for FY2025 (final year of the Medium-Term Management Plan) ■ Strategies for achieving the plan
Status of initiatives to enhance corporate value	■ Initiatives to improve PBR ■ Future growth strategies
Others	■ Revision of TOPIX constituents ■ Industry volatility and countermeasures

Company Information (as of March 31, 2025)

Company Overview

Name	TOMEN DEVICES CORPORATION
Location	30F Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo 104-6230, Japan
TEL	03-3536-9150
Establishment	March 19, 1992
Main business activities	Trading of semiconductors and electronic components, etc.
Capital	2,054 million yen
Fiscal year-end	March 31

Basic stock information

Ordinary General Meeting of Shareholders June

Reference dates
Ordinary General Meeting of Shareholders: March 31
Year-end dividend: March 31

Means of official notice
Electronic notices will be posted on the Company's website (https://www.tomendevices.co.jp/en/). However, if electronic notification is not possible for unavoidable reasons, we will post information on the Nikkei.

Administrator of the shareholder register
Mitsubishi UFJ Trust and Banking Corporation
Contact Information
Securities Agency Department., Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo, Japan
Telephone: +81-42-204-0303
Mailing address
Securities Agency Department., Mitsubishi UFJ Trust and Banking Corporation, Shin-Tokyo Post Office Box No. 29, 137-8081
Telephone: +81-42-204-0303

Major shareholders (Top 10)

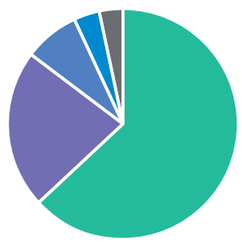
Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
Toyota Tsusho Corporation	1,811,000	26.6
NEXTY Electronics Corporation	1,599,000	23.5
SAMSUNG JAPAN CORPORATION	832,000	12.2
The Master Trust Bank of Japan, Ltd. (Trust account)	402,400	5.9
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	108,400	1.5
Custody Bank of Japan, Ltd. (Trust account)	94,600	1.3
Morgan Stanley MUFG Securities Co., Ltd.	83,950	1.2
BNYM AS AGT/ CLTS NON TREATY JASDEC (Standing proxy: MUFG Bank, Ltd.)	31,837	0.4
Ueda Yagi Tanshi Co., Ltd.	28,200	0.4
SMBC Nikko Securities Inc.	23,400	0.3

(Notes) 1. The ratio of shares held to the total number of issued shares (excluding treasury stock) is rounded down to one decimal place.
2. Of the shares held as indicated above, the number of shares related to trust operations is as follows. The Master Trust Bank of Japan, Ltd. 402,400 shares, Custody Bank of Japan, Ltd. 94,600 shares

Stock information

Total number of authorized shares	18,000,000 shares
Total number of issued shares	6,802,000 shares (Of which, treasury stock: 1,082 shares)
Number of shareholders	7,899 (up 1,120 year on year)

Stock information by holder



Other domestic corporations (including treasury stock)	63.3%
Individuals, etc.	22.2%
Financial institutions	7.7%
Foreign institutions	3.7%
Securities companies (financial instruments business operators)	3.1%

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