TOMEN DEVICES

Tomen Devices Corporation

Financial Results Briefing for the Fiscal Year Ended March 31, 2025 (FY2024)

April 24, 2025

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Topics

- Second highest net sales and profit ever
- Higher than the target of 10% set under the medium-term management plan

Net Sales

Y on Y

13.8%up

Net Profit

Y on Y

166.6% up

ROE

Target 10% stably

11.7%

Summary of FY2024 Financial Results

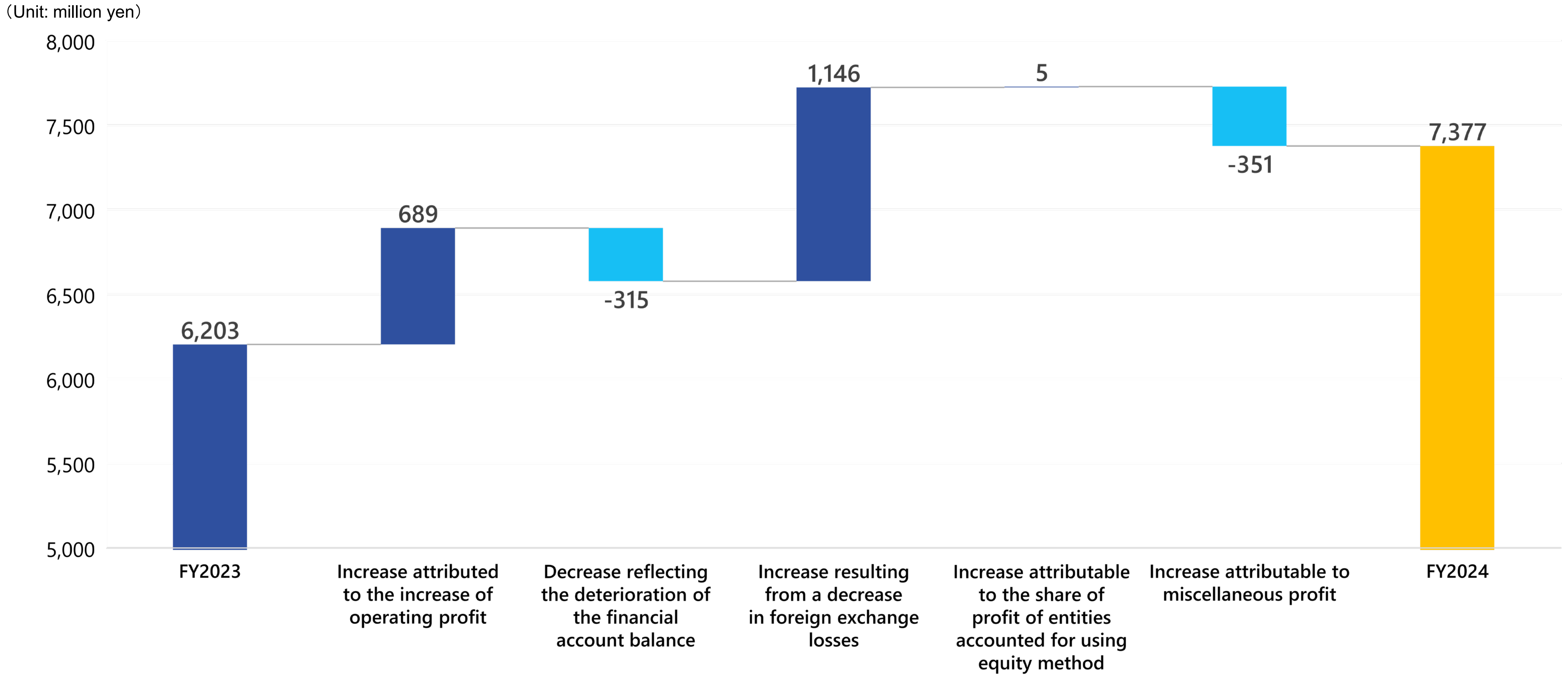
- In the semiconductor industry, AI-related sectors saw tremendous growth, but the momentum has remained insufficient for a full-scale market recovery.
- The prices of memory products, our mainstay products, were trending upward in the first half but were polarized in the second half.
- Net sales: Increased significantly year on year due in part to the increase in the price of memory products in the first half, but fell slightly below the target

(million yen)	FY 2023 Result	FY 2024 Result	YoY change		% of achievement (Forecast announced on Jan 29,2025)
			Amount	Percentage	
Net Sales	370,676	**421,671**	50,995	13.8%	98.1%
Operating Profit	9,480	**10,169**	689	7.3%	101.7%
Ordinary Profit	6,203	**7,377**	1,174	18.9%	102.5%
Net Profit	2,096	**5,588**	3,492	166.6%	101.6%
Earnings per share (yen)	308.23	**821.69**	513.46	166.6%	101.5%
Total Assets	130,213	**113,970**	-16,243	-12.5%	–
Net Assets	45,508	**49,621**	4,113	9.0%	–
Net Assets per share (yen)	6,692	**7,296**	604	9.0%	–
Equity ratio	34.9%	**43.5%**	–	8.6 pt	–
ROE	4.7%	**11.7%**	–	7.0 pt	–

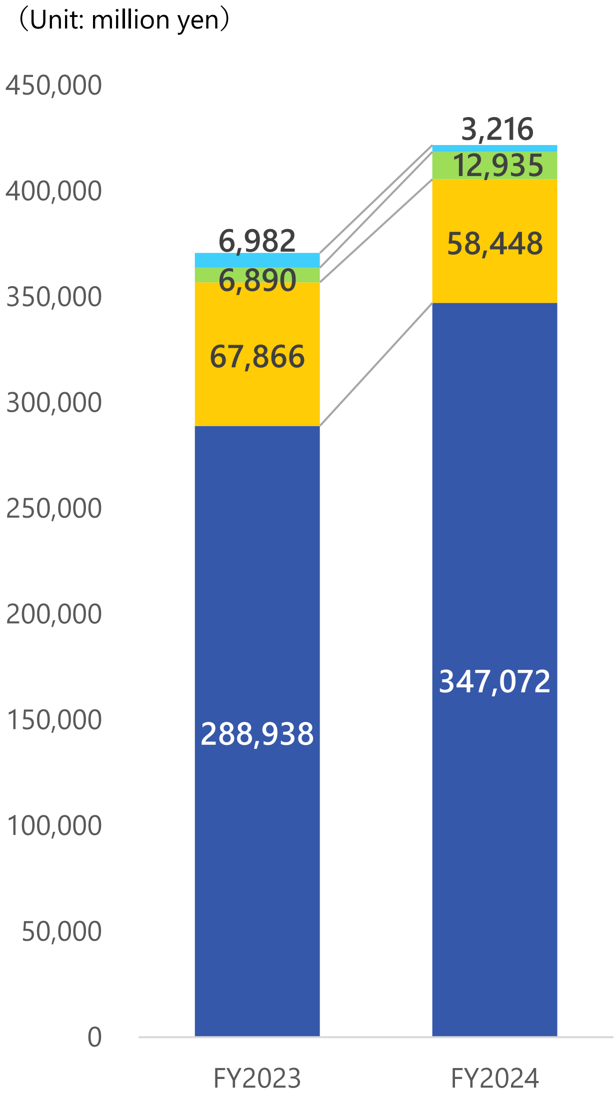
Note: Year-on-year comparisons of balance sheet-related items are based on results as of the end of the previous fiscal year.

Factors Driving Changes in Ordinary Profit

■ Major factors for the increase: Increase in operating profit and impact of exchange rate fluctuations



FY2024 Sales by Product



Memory

+ 20.1%

- Sales increased due to a rise in price in the first half and the expansion of sales of high-end DRAM etc. which were less affected by the decrease in prices in the second half.
- Sales of products for servers, storage, PCs and automotive applications increased.

System LSI

- 13.9%

- Overseas sales of high-resolution CMOS image sensors (CIS) for smartphones remained strong.
- Sales from the system in package (SiP) and foundry businesses decreased in Japan.

Display

+ 87.7%

- Sales of OLEDs for smartphones increased.
- Sales increased due to the adoption of OLEDs for automotive displays.

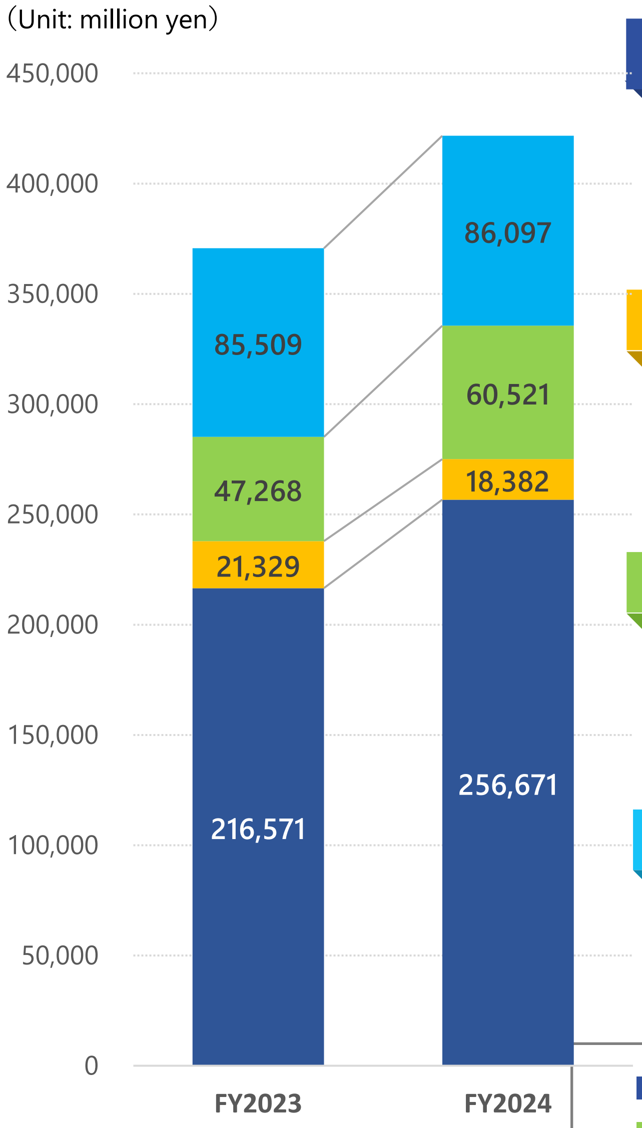
Others

- 53.9%

- Sales of LEDs for TV backlights increased.

■ Memory : DRAM, NAND FLASH, MCP, SSD etc. ■ System LSI : SoC, DDI, CIS, PMIC, SiP, Foundry etc.
■ Display : LCD, OLED ■ Others : LED, MLCC, batteries, equipment, etc.

FY 2024 Sales by Application



Information Equipment

+ 18.5%

- Sales of products for servers and storage were strong in the domestic market.
- Sales of memory products for PCs increased both in Japan and overseas.

Digital Home Appliances

- 13.8%

- Sales increased due to an increase in market shares of memory for TVs in overseas markets.
- Sales of products for applications other than the above declined both in Japan and overseas.

Mobile Communications

+ 28.0%

- Sales of the following two products for smartphones remained strong in overseas markets.
  - high resolution CMOS image sensors (CIS)
  - OLED

Others

+ 0.7%

- Sales of products for automotive applications increased. (Accounting for 54% of sales of others and 11% of total sales)
- Sales from the SiP and foundry businesses declined in the domestic market.

- Information Equipment: PC, servers, storage etc.
- Digital Home Appliances: TV, digital camera etc.
- Mobile Communications: Smartphone etc.
- Others: Car electronics, MFP, lighting, etc.

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Initiatives in FY2025

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Japan

- Focused businesses: Automotive business
  - ➡ Expanding business by reinforcing sales and support systems under the new organizational structure
- Further strengthening sales promotion and the expansion of products other than memory
  - ➡ Expanding market shares of OLED and CIS products

Overseas

- Memory products: Countermeasures against the rise of local manufacturers in China
  - ➡ Strengthening cooperation between Tomen Devices and ATMD. Acquiring and expanding market share in the area of products for automotive applications, where we have a competitive edge.
- Strengthen support for Asian (India) market
  - ➡ Strengthening approaches to OEMs and local clients (products for automotive applications and ones for information equipment) and winning new projects and market shares

Overall

- Initiatives to improve corporate value and PBR
  - ➡ Implementing measures under business strategy, financial strategy, and non-financial strategy, respectively
    (Reflecting them in the next medium-term management plan from a medium- to long-term perspective)

FY2025 Financial Result Forecast

- Both sales and profits are forecast to decrease from the FY2024 levels, with many uncertain factors such as the impact of the U.S. trade policy.
- Making a commitment to achieving net sales of 500.0 billion yen, profit of 6.0 billion yen, and ROE of 10% or higher maintained consistently as FY2025 quantitative targets under the medium-term management plan

(millions of yen)	FY 2024 Result	FY2025 Forecast	YoY change	
			Amount	Percentage
Net Sales	421,671	400,000	-21,671	-5%
Operating Profit	10,169	8,800	-1,369	-13%
Ordinary Profit	7,377	6,500	-877	-12%
Net Profit	5,588	4,800	-788	-14%
ROE	11.7%	9.4%	-2.3 pt	-

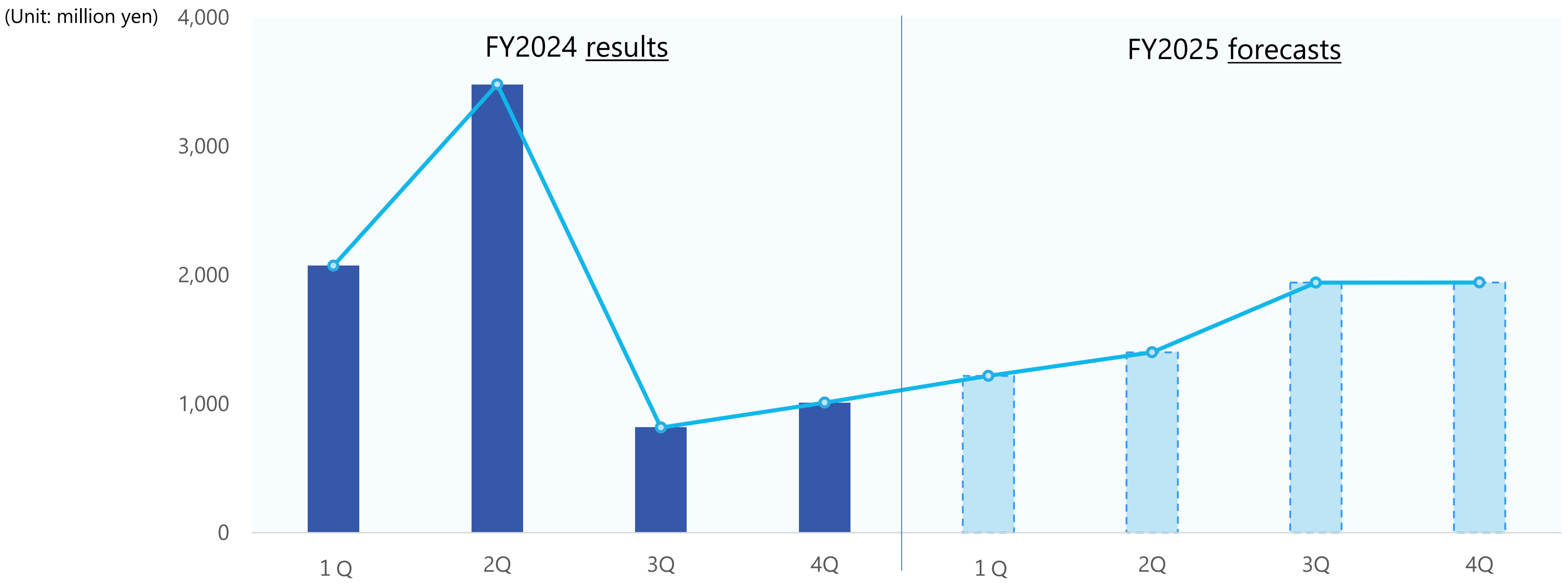
(Reference) Trends in Quarterly Results (Ordinary Profit)

FY2024 results

A high level of profit was gained in 1Q and 2Q, in part because of rising memory prices and our ability to achieve certain sales volume.
Profit declined from the 3Q, partly because the prices turned downward.

FY2025 forecasts (by quarter)

The profit is forecast to be sluggish in the 1st half of the fiscal year partly due to the impact of U.S. trade policy but is expected to increase in the 2nd half as the market recovers.



FY2025 Financial Result Forecast by Product

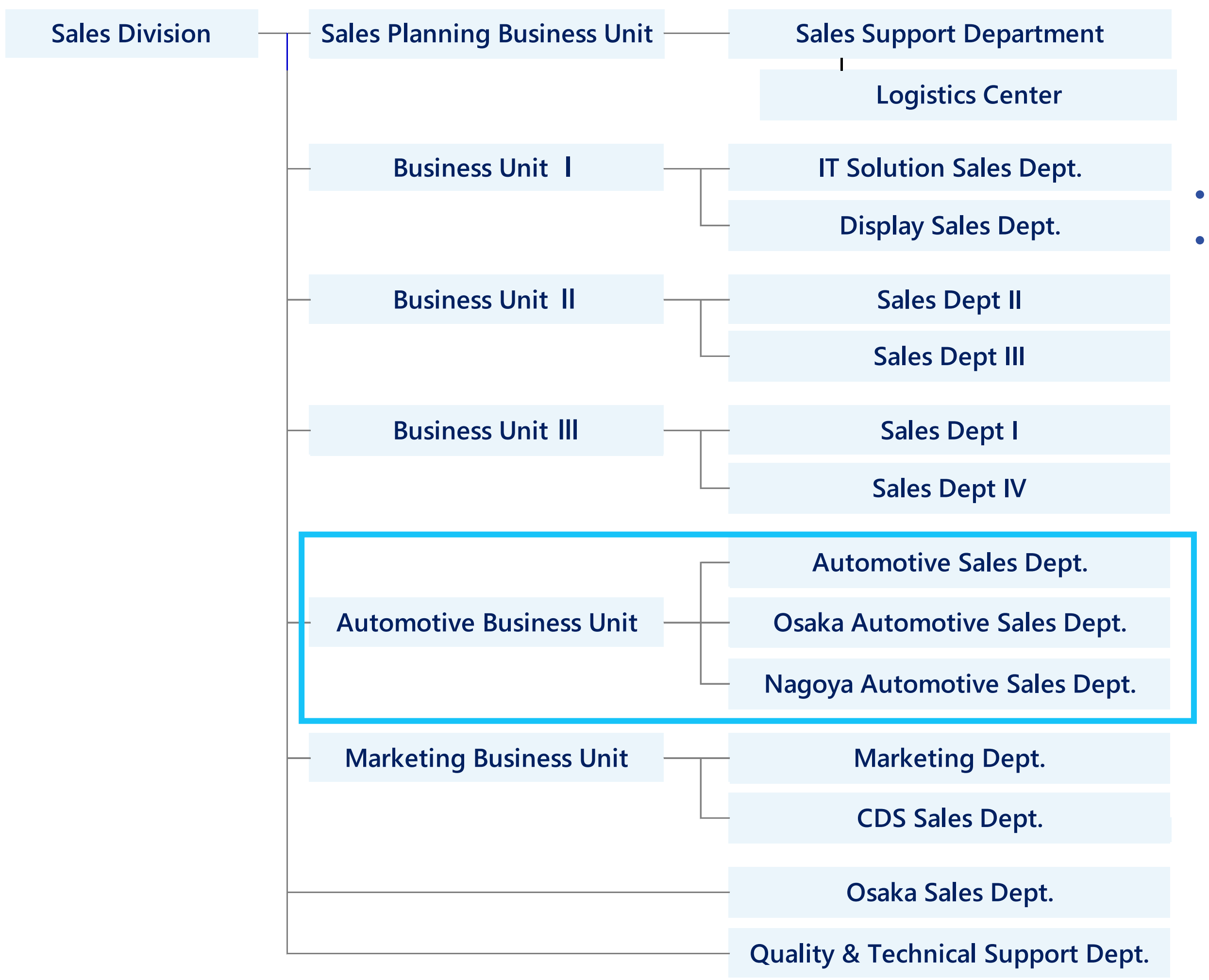
■ An overall decline is expected due to the impact of the U.S. trade policy.

(million yen)	FY2024		FY2025		YonY change	
	Result	Composition	Forecast	Composition	Amount	Percentage
Net Sales	421,671	100.0%	**400,000**	**100.0%**	-21,671	-5.1%
Memory	347,072	82.3%	**325,799**	**81.4%**	-21,273	-6.1%
System LSI	58,448	13.9%	**57,331**	**14.3%**	-1,117	-1.9%
Displays	12,935	3.1%	**14,627**	**3.7%**	1,692	13.1%
Others	3,216	0.7%	**2,243**	**0.6%**	-973	-30.2%

FY2025 Initiatives in the Automotive Business

The **Automotive Business Unit** was established under the Sales Division on April 1, 2025.

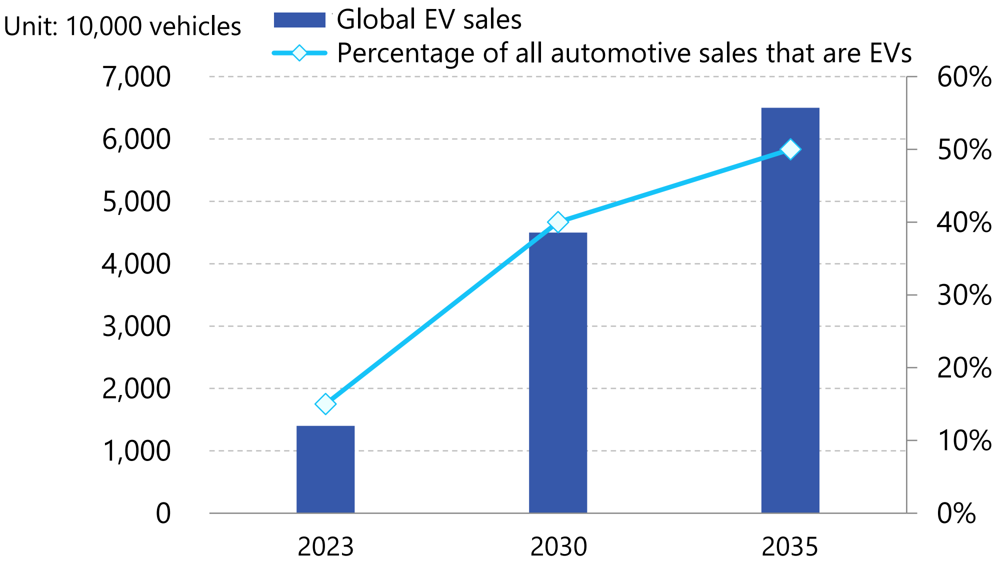
➡ Strengthening horizontal cooperation with the establishment of a dedicated department



Why we focus our efforts on the automotive business

- Potential of the market:
  Progress in shift to EVs, spread of EVs, evolution of automated driving technologies, and shift to SDVs
  → Increase in the number of memory products installed in vehicles and their capacity
  → Potential for adoption of a wide range of products
- Stability: Once a product is adopted, long-term sales can be expected
- Competitive edge: The Toyota Tsusho Group's knowledge and network in the automotive business

Forecast EV trend (BEV＋PHEV)



Source: International Energy Agency (IEA), Global EV Outlook 2024 Forecast based on Stated Policies Scenario (STEPS)

FY2025 Initiatives in the Automotive Business

■ Taking the following initiatives under the new structure

- Memory: Aiming to cultivate D/I and increase market share further
- Sales expansion (memory and OLEDs) to local Tier 1 manufacturers in China and strengthening overseas support
- Further strengthening sales expansion and promotion of products other than memory

[What to strengthen]

Category: System LSI
Product: CIS, SoC, Foundry
To be installed mainly in:

- ADAS
- IVI (Infotainment system)
- Driver console
- Camera system

Category: Display
Product: OLED
To be installed mainly in:

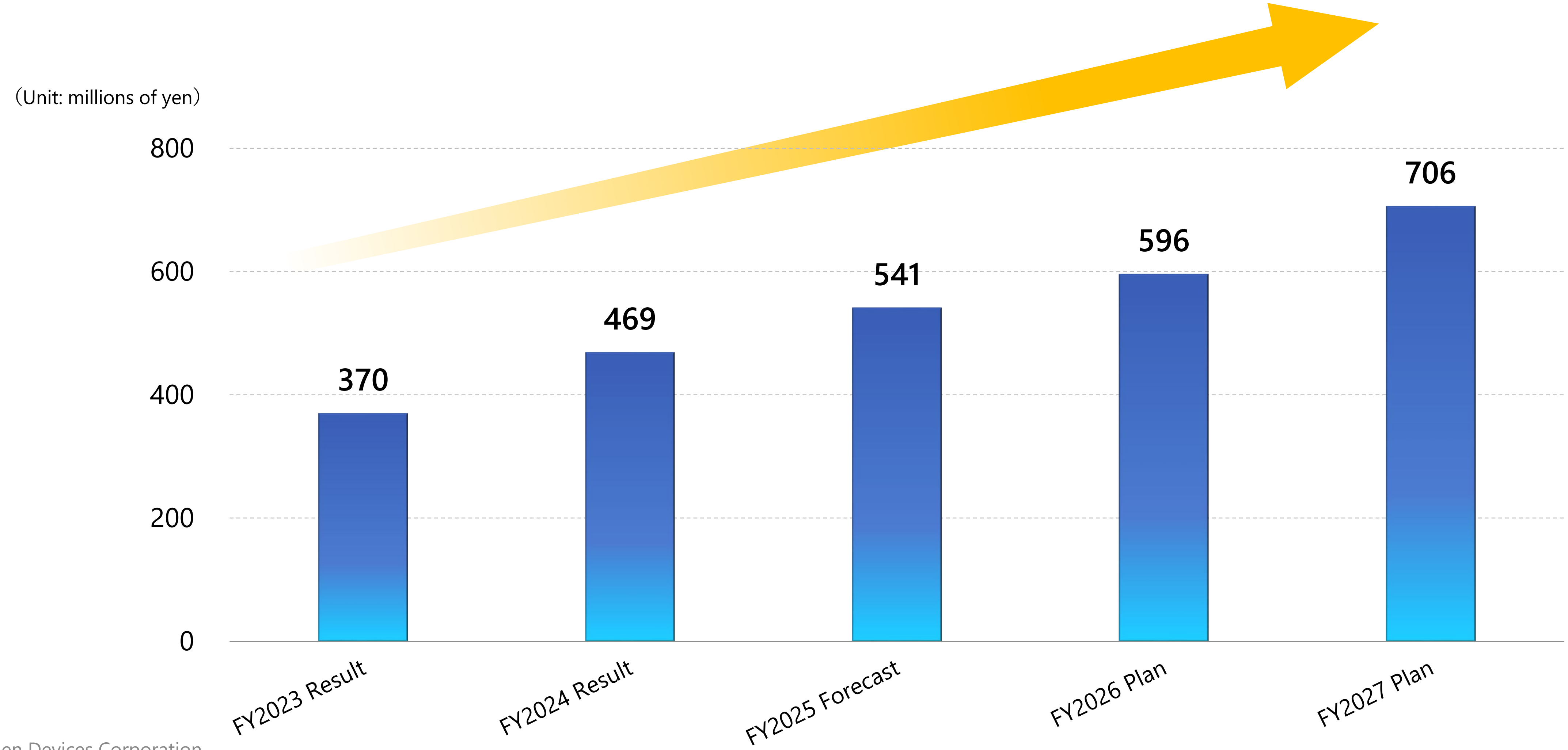
- Rear seat entertainment system
- IVI (Infotainment system)
- Driver console
- Camera system

Category: Others
Product: MLCC
To be installed mainly in:

- ADAS
- IVI (Infotainment system)
- Overall range of electrified parts

Sales Plan for Car Electronics Business

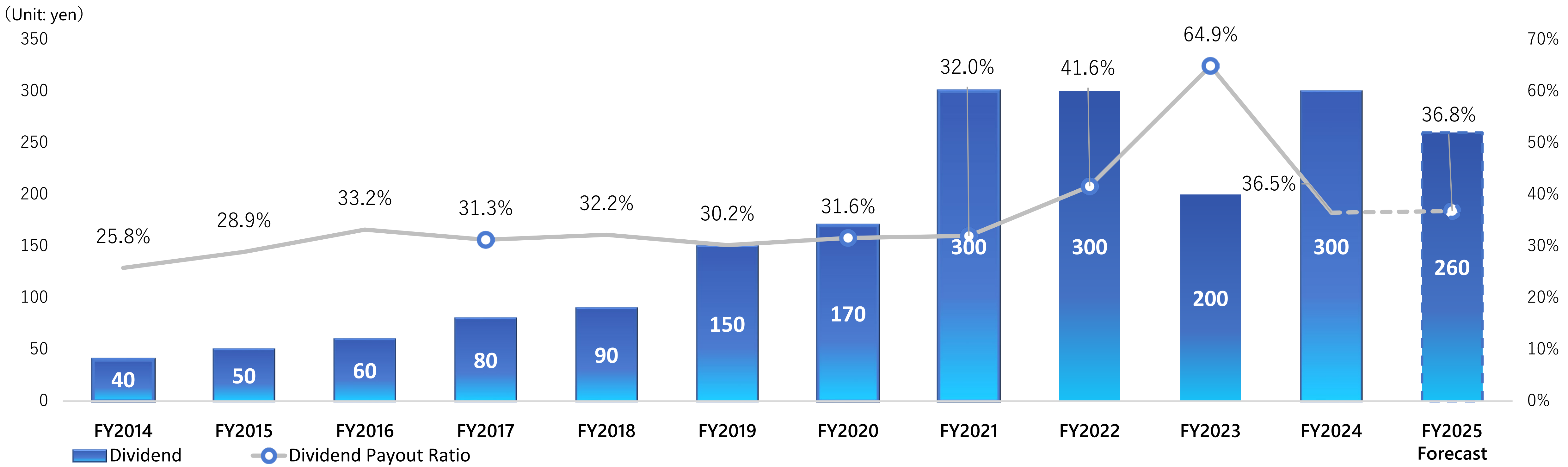
- Enhancing products other than memory and developing markets
- Establishing systems for quality initiatives and overseas support in response to the increase in projects



Approach to Shareholder Returns

Dividend Policy

- Performance-based dividends based on consolidated financial results
- Working to increase the payout ratio and aiming to continue to stably pay dividends
- Flexibly handling changes in the economic environment and demands for funds, etc.
- Using retained earnings to strengthen the management foundation in the rapidly changing economic environment to meet the demand for funds accompanying the expansion of business and strengthen the company's financial standing



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MISSION・VISION・VALUE

TOMEN DEVICES

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

MISSION

Our company's mission with respect to society

VISION

The vision that our company aims to achieve

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 relationship 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

(Code of Conduct)

Specific actions that our company's officers and employees should engage in

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 intensions.
- **Tackle new challenges**
  We will take on challenges with curiosity and passion , and persevere to the end.
- **Live up to the trust placed on us**
  We will respond sincerely to diverse needs and issues and work to be an 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

Medium-Term Management Plan (announced on Apr 23, 2023)

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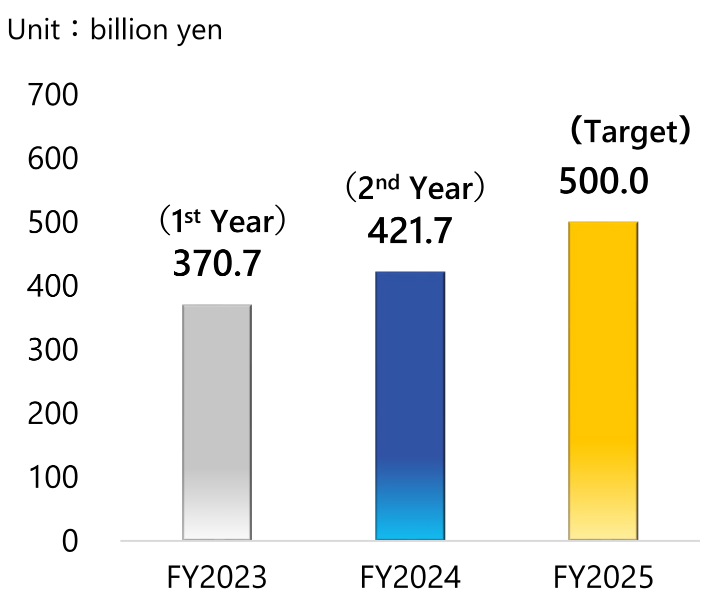
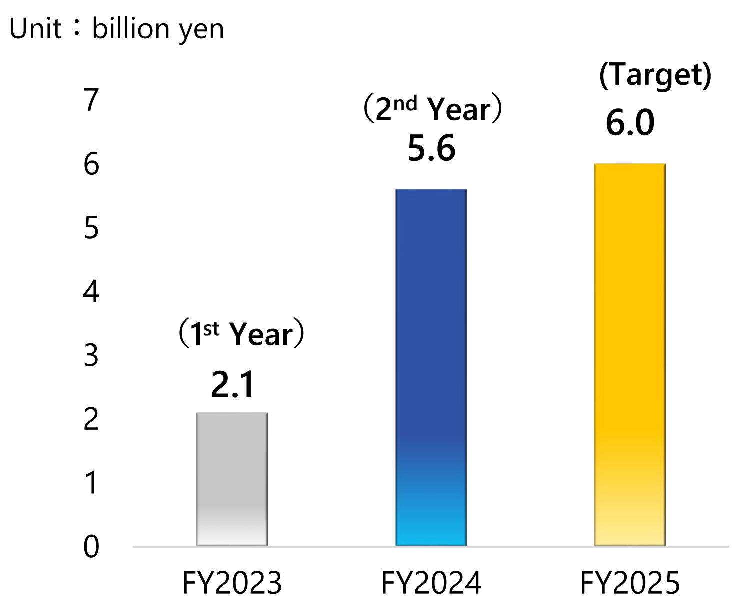
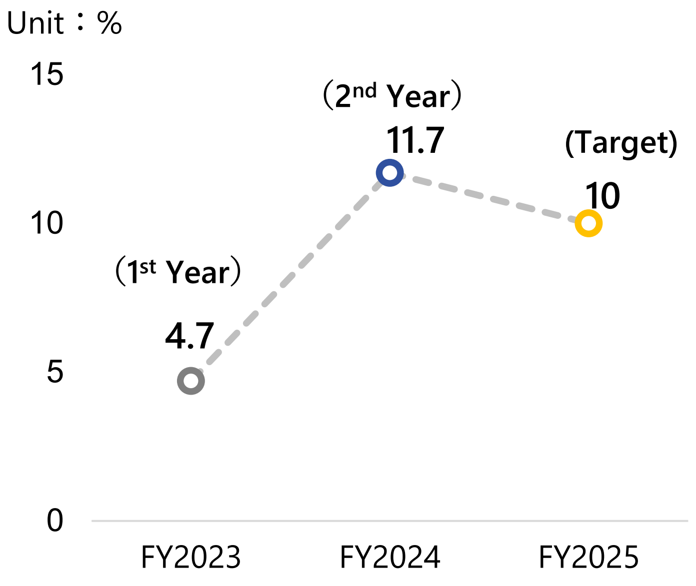
Quantitative Targets for FY2025

Net sales and profit remained steady until the second year of the medium-term management plan. However, in FY2025 as the final year, the environment is expected to remain challenging given the impact of the U.S. trade policy and market conditions. But we will make full efforts to achieve the quantitative targets.

Net Sales	Net Profit	ROE
Management Target	Management Target	Management Target
500 billion yen	**6** billion yen stably	**10** % stably







Business Policy

- Accelerated growth in focused business and strengthening of core business
- Creating a system to nurture the second and third pillars by exploring new business models

High

Growth potential

Challenge

03 Search for new business models

Focus

01 Accelerate growth businesses

Core

02 Secure stable revenue from existing businesses

Low

Profitability

High

Focused Biz

- Servers / Storage
- Automobile
- Foundry/ASIC

Core Biz

- Mobile phones
- PC
- TV and other home appliances

Challenge

Discovery of new products and business opportunities (organizing review meeting and making proposals to customers)

Review of Focused Businesses

Measures

- Investing management resources in focus businesses
- Cultivating existing businesses and taking on new projects
- Strengthening the customer support system
- Investing in human resources

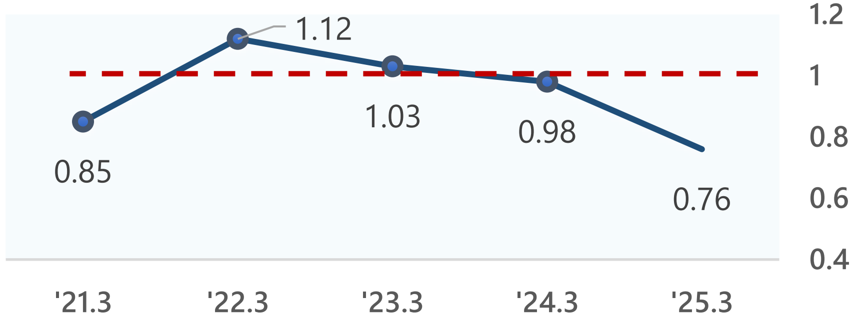
	Application	Product	Measure	Valuation	Initiatives
Focused businesses	**Servers / Storage**	Memory (DRAM, NAND and SSD)	• Increasing NAND flash market share • Pushing forward with the cultivation of the AI server business	High	• Creating TAM (demand for replacement of HDD with SSD) • Maintaining high market shares by enhancing support
	Car electronics	Memory, SoC, MLCC, LED, and OLED	• Strengthening the structure • Memory certification activities • Activities to expand sales of OLEDs and panels	High	• Establishment of the new Automotive Business Unit • Memory certification activities for new customers of automotive business in east Japan • Holding an OLED trade show
	Foundry/ ASIC	SYSTEM-LSI	• Strengthening efforts to win projects	Low	• Continuing to make proposals to win next-generation projects • Expanding sales of CIS for smartphones in China

Fostering Management That Is Conscious of the Cost of Capital and the Stock Price (Analysis of Current Status)

- While the company has continued to perform strongly, PBR has been below 1.0.
- The task for the future is to improve capital profitability.

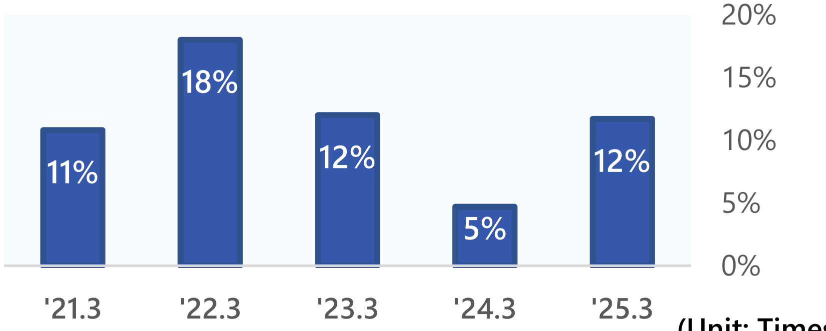
Price-book-value ratio (PBR)

PBR ＝ ROE × PER

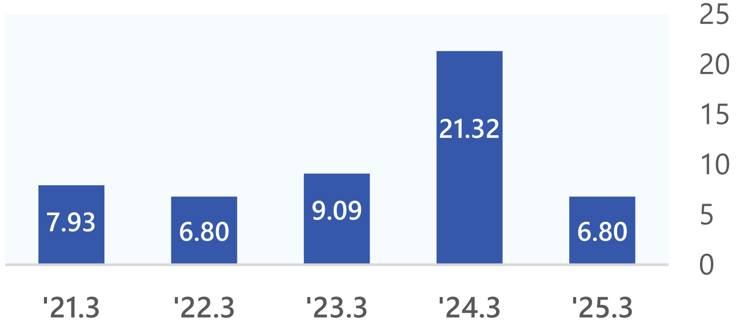


(Unit: Times)

ROE (Return on equity)



PER (Price-to-earnings ratio)



■ Cost of Capital (based on CAPM)

Cost of shareholders' equity (%) ＝ (1) Risk-free rate (%) ＋ (2) β Value × (3) Risk premium (%)

(1) Risk-free rate (%): (Risk-free interest rate)
(2) β Value: (Our inherent risk)
(3) Risk premium (%): (Active return expected from equity investment)

* Our cost of shareholder's equity is perceived to be around 7% to 8%.

* Analysis indicates that the cost of shareholders' equity will be exceeded by stabilizing ROE at 10%, which is a target in the medium-term management plan.

Measures to Foster Management That Is Conscious of the Cost of Capital and the Stock Price

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Targets and action plan for improving corporate value and PBR

- Achieving quantitative targets (net sales of 500.0 billion yen and profit of 6.0 billion yen maintained stably, and ROE of 10% maintained stably) in the final fiscal year of the medium-term management plan
- Strengthening investments in human resources to facilitate the personal development of each individual employee and aiming for the sustainable development of the company as a whole
- Increasing shareholder returns while also enhancing communication with stakeholders

Improving ROE	1. Business strategies	① Growth strategy and strategic investment to improve corporate value ② Enhancing earning power and optimizing the product portfolio • Increasing market shares of products which are not linked with the automotive business or memory market, including OLEDs and CIS • Cultivating new businesses and projects ③ Steadily executing the medium-term management plan (setting clear targets and monitoring the levels of achievement)
	2. Financial strategies	① Improving capital efficiency • Inventory control (improving the inventory turnover rate and reducing the cost of inventory) • Strengthening credit management (shortening payback period and eliminating bad debts) ② Continuing stable dividends and considering shareholder return measures
Improving PER	3. Non-financial strategies	① Deepening sustainability management (setting KPIs, promoting DX, and implementing CSR activities) ② Proactive dialogue with shareholders and investors (preparing to publish an integrated report and enhancing information disclosure in English) ③ Human resource investment (promoting health and productivity management and improving engagement) ④ Strengthening the management foundation (rebuilding the credit management system, auditing overseas subsidiaries and enhancing internal training)

→ Improving corporate value PBR>1

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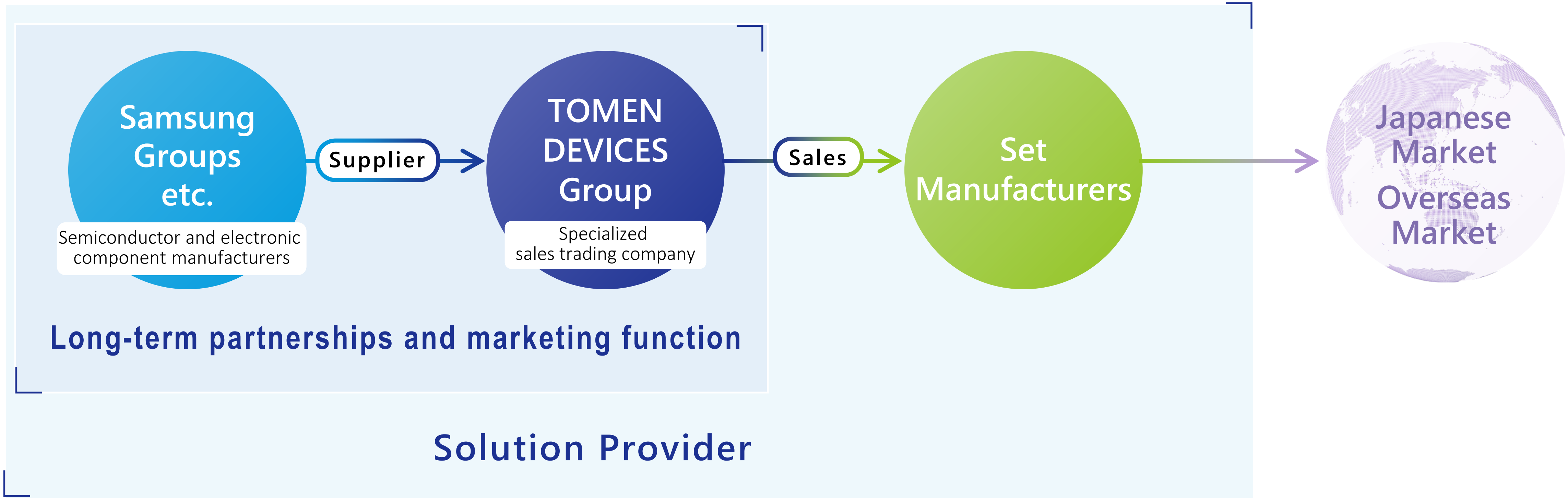
Corporate Profile

FUTURE × GLOBAL

Trade Name	TOMEN DEVICES CORPORATION
Establishment	March 19, 1992
Head Office	1-8-12 Harumi, Chuo-ku, Tokyo 104-6230, Japan
Representative	President Kiyotaka Nakao
Capital Stock	2,054 million yen
Number of Employees	197 (consolidated base) as of March 1, 2025
Website	https://www.tomendevices.co.jp/en/
Business Activities	Sales of semiconductors and electronic components
Listing	Tokyo Stock Exchange Prime Market (Stock Code: 2737)

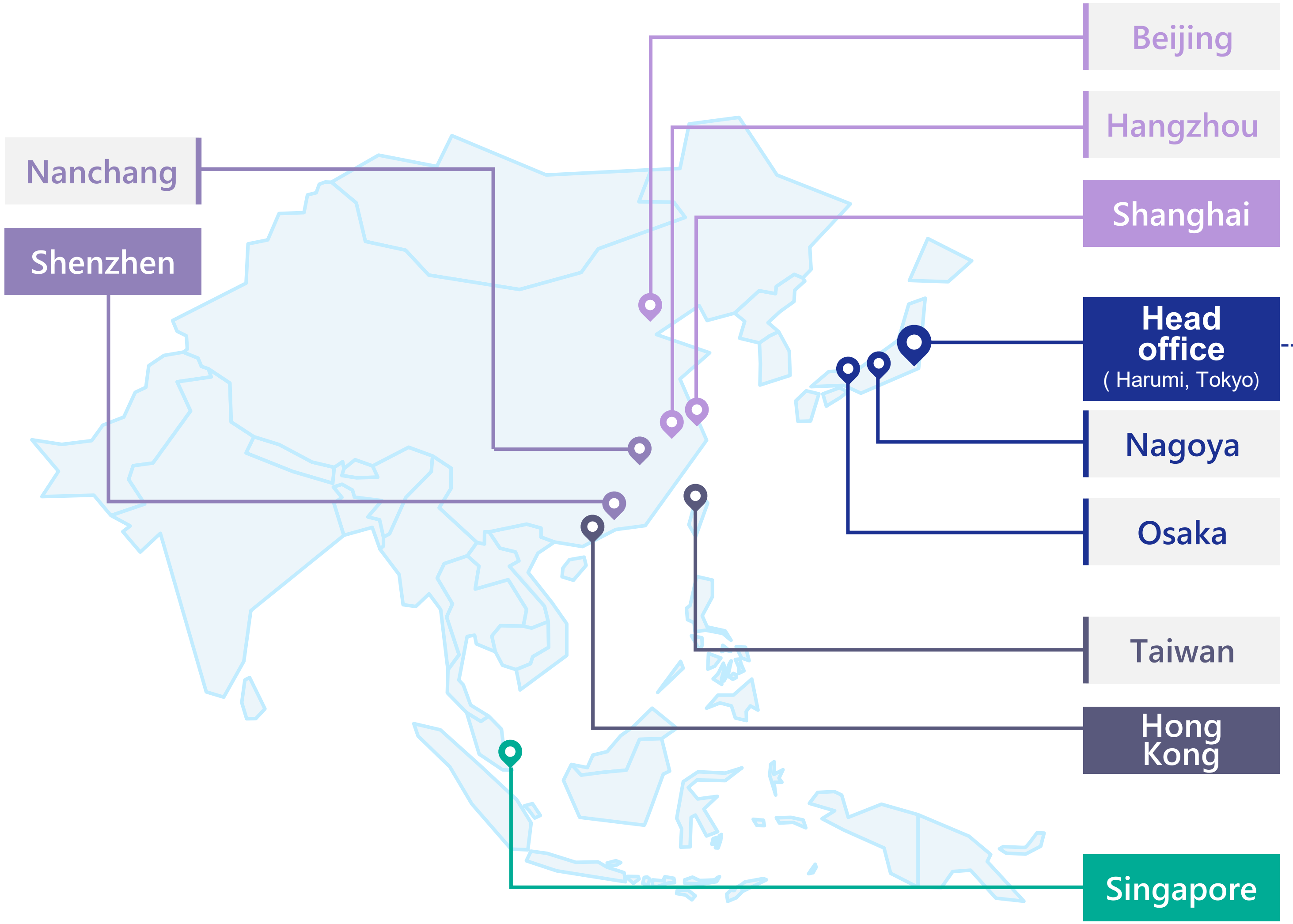
Business Contents

Tomen Devices Group is an electronics trading company that mainly distributes Samsung Group's semiconductor products and electronic components worldwide.



We strive to realize a low-carbon society by supplying cutting-edge, low-power semiconductors and electronic components.

Our Network (Overseas Subsidiaries)



Tomen Devices Corporation (Tokyo)

- Nagoya Sales Office
- Osaka Sales Office

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.

Our Features

Feature 1

The only distributor of Samsung Group in Japan

In October 2018, Tomen Devices acquired the distribution business of Samsung Japan from Marubun Semicon Corp., becoming the sole distributor in Japan.

Feature 2

Capable of proposing Samsung's cutting-edge semiconductors and electronic components **from the early stages of our customers' new product development.**

Feature 3

Top sales per capita and ordinary income per capita among semiconductor trading companies

FY2024 Results (Consolidated)

- Sales per employee: 2.14 billion yen
- Operating profit per person: 37 million yen

Products

Tomen Devices Group is a technology-based trading company that sells semiconductors and electronic components manufactured by Samsung Group to manufacturers of PCs, digital home appliances, and information and telecommunications equipment.

Memory

- DRAM
- NAND
- MCP
- SSD

System LSI

- Display Driver IC
- CMOS Image Sensor
- AP

Display

- OLED

Others

- Battery (Samsung SDI)
- MLCC (Samsung Electro-Mechanics)

Application Examples

Information Equipment

- PC
- Server/Storage

Digital Home Appliances

- TV
- Digital camera

Mobile Communications

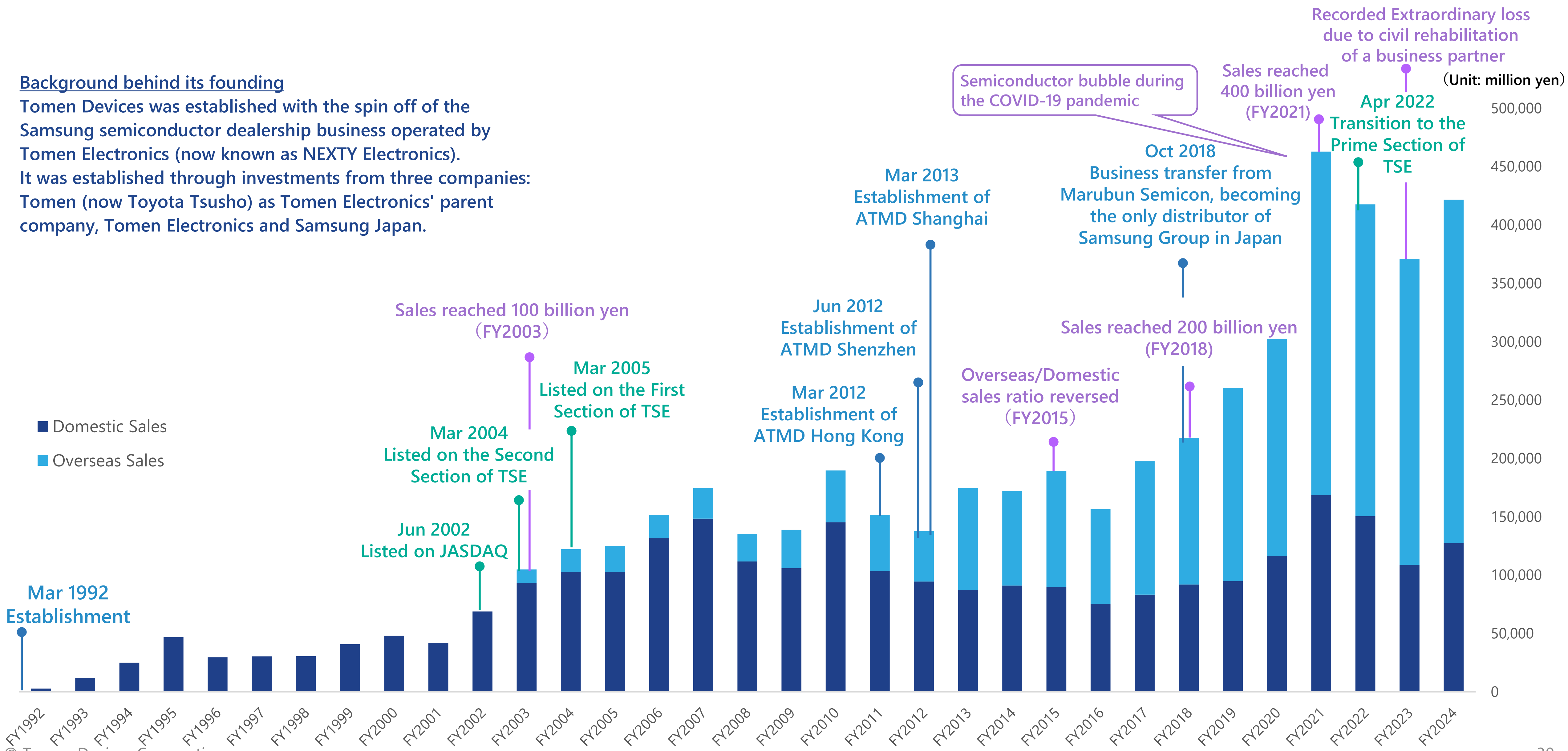
- Smart phone
- mobile phone

Others

- In-vehicle
- MFP

Our History

Background behind its founding
Tomen Devices was established with the spin off of the Samsung semiconductor dealership business operated by Tomen Electronics (now known as NEXTY Electronics).
It was established through investments from three companies: Tomen (now Toyota Tsusho) as Tomen Electronics' parent company, Tomen Electronics and Samsung Japan.



Sustainability Management Initiatives

Our material issues and initiatives

Aiming to enhance corporate value by addressing material issues and promoting CSR activities.

	Material issues	Initiatives	Target	Result
Climate change	• Helping save electricity and improve efficiency by selling and proposing low power consumption memory semiconductor products • Contributing to the global society by providing leading-edge, high-quality, high-performance, highly safe automotive semiconductor products	• Considering measures to achieve the policies regarding addressing climate change risks and opportunities • Expanding the scope of the calculation of Scope 3 emissions	• Reducing GHG emissions (Scope 1 and 2) by 50% (from the 2019 level) by 2030 • Achieving carbon neutrality by 2050	• Initiatives are being implemented to visualize avoided emissions. • Scope 3 Category 1 was added to the scope of calculation.
Human resources	• Promoting the creation of a structure for developing professional human resources	• Increasing training opportunities (introducing e-learning programs, considering job-class-specific training, etc.) • Overseas training programs and financial support for self-directed development	• Training hours per person: 20 hours/year	• 17.5 hours (provisional value)
Diversity	• Promotion of D&I (promotion of women, foreign nationals and mid-career hires to management positions) • Promotion of flexible work styles (enhancement of various systems such as childcare leave, nursing care leave and telecommuting systems)	• Increasing the percentage of female employees: Introducing a position change system, providing opportunities for personal development and training, and considering a system for enabling ex-employees to return to work • Increasing the percentage of female managers: Determining posts, developing candidates, and providing training for promotion to management positions • Developing the internal environment: Measures to increase the work-from-home system utilization rate for employees raising children or providing nursing care, measure to encourage employees to take paid leave, and informing employees of the childcare program for male employees and raising awareness internally	Targets to achieve by 2025 (1) 20% of the the total number of employees hired are women (career-track employees) (2) 50% or more of eligible male employees take childcare leave (3) 70% or more of paid leave is taken Target to achieve by 2030: (4) Approximately 10% of managers are women	(1) FY2024: 43% Position change system introduced: The position of one employee changed in April 2025 (2) No applicable people (3) 70.8% (provisional value) (4) 3%

Sustainability Management Initiatives

(Continued from the previous page)

	Our material issues	Initiatives	Target	Result
Human rights	• Working proactively to develop human resources who contribute to society by respecting human rights and developing and leveraging human resources	• Internal awareness-raising and provision of training and seminars	—	• Training on business and human rights, harassment, DE&I, etc. provided
Responsible procurement	• Practicing the Toyota Tsusho Group Supply Chain Sustainability Behavioral Guidelines	• Giving notices to suppliers • Implementing risk analysis, due diligence, etc. and considering measures	—	• Notices sent to a cumulative total of 42 suppliers • Human rights due diligence implemented for 12 suppliers

CSR initiatives (social contribution activities)

Environment

Participation in the **Tokyo Greenship Action**
Implemented green conservation activities in the Hachioji Tatemachi Green Space Conservation Area

Environment and Society

Joined "**Furugi de Vaccine"**
Purchased 41 kits for sending used clothes
Led to the donation of 157 polio vaccines

Held an **internal charity walk** and donated to the following two organizations

- OISCA, a public interest incorporated foundation
- gender = (gender equal), an NPO

Society (support for children)

Support for the social contribution activities of **Bungakuza**

- Gave children gift tickets for plays by Bungakuza
- Support for free picture book story-telling events for children

Sponsored the **Basketball Clinic**

- A basketball class for elementary school children hosted by the B League's Fighting Eagles Nagoya
- Also provided tickets to games as gifts

Disclaimer

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- The forecast performance, plan, business development, etc. of Tomen Devices Corporation described in this document have been prepared based on the information available as of the date of publication. They may change greatly depending on business risks, other risks and uncertain factors. Accordingly, actual results may differ from the forecast figures due to a number of factors going forward. In no way is this document intended to solicit investment in the Company by the users of the document. It is requested that users make investment decisions at their own discretion.

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