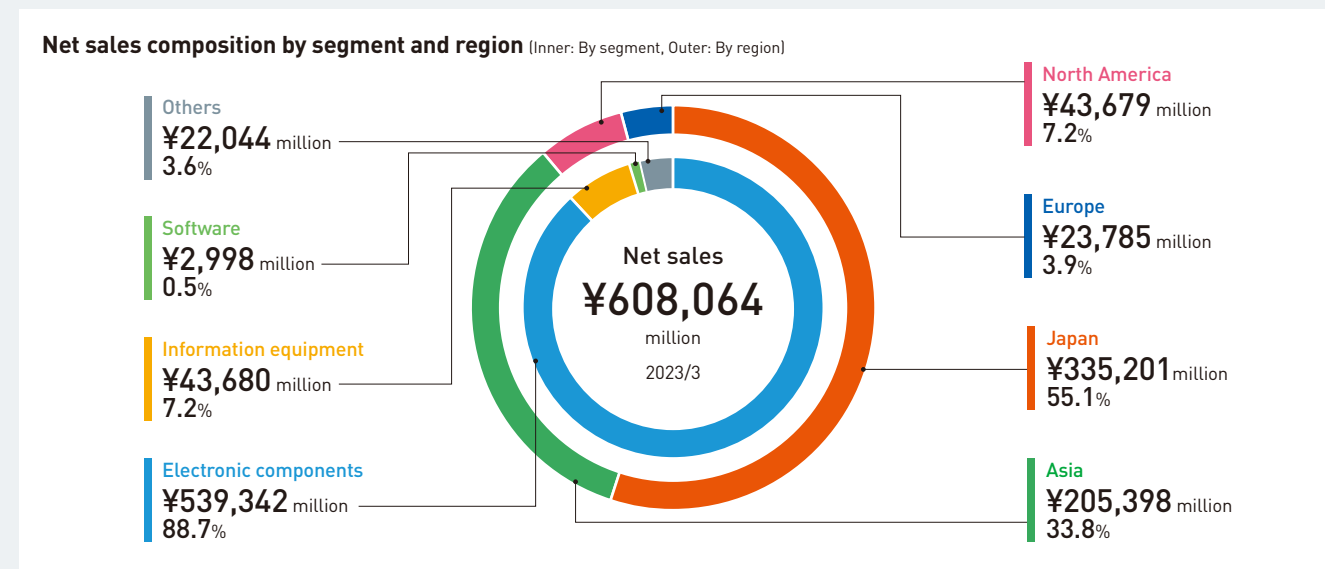
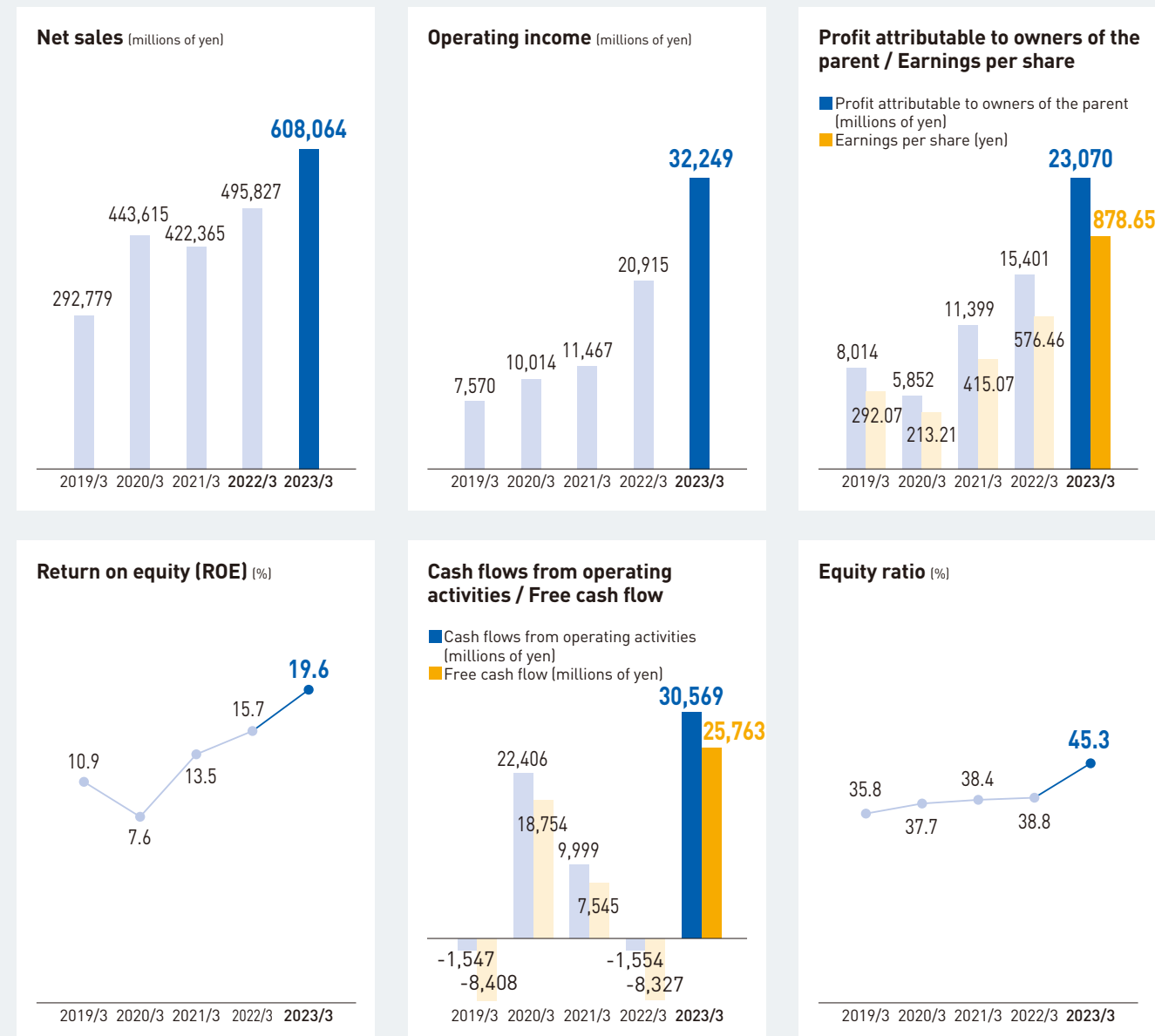
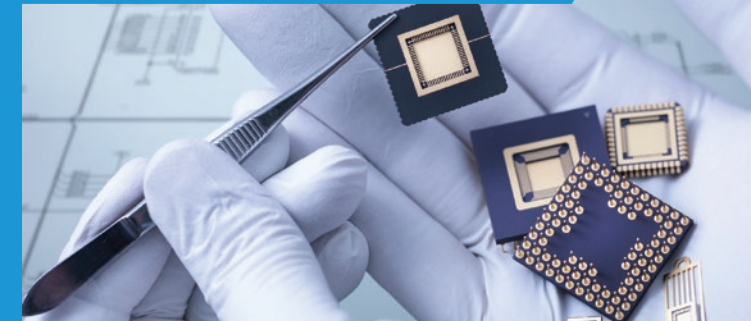


Financial Highlights

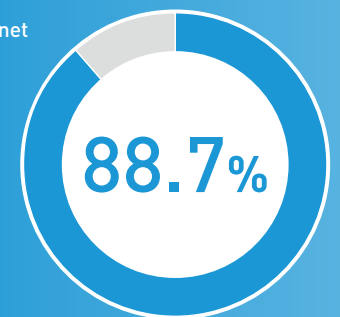


Outline of Business Segments

Electronic Components



Proportion of consolidated net sales



Business description

Development, manufacture and sale of semiconductors, general electronic components and other products, EMS, and other activities

Review of FY2023/3 performance

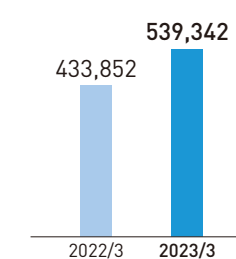
In the electronic component business, sales to a wide range of industries remained high as the supply-demand situation for semiconductors and electronic components improved from the second half of the fiscal year. For some parts whose supply has constantly fallen short of demand, we strove to secure sales volumes while proposing alternatives. In the EMS business, sales to the automotive industry grew significantly, while sales to the medical and office equipment industries remained strong, and the yen's depreciation since the beginning of the fiscal year boosted earnings on a yen basis.

As a result, net sales were ¥539,342 million (up 24.3% year-on-year) and segment income was ¥28,314 million (up 56.4% year-on-year).

Net sales

Up **24.3%**

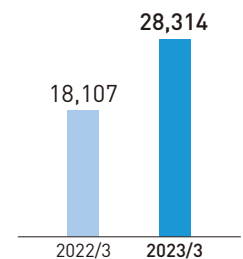
(millions of yen)



Segment income

Up **56.4%**

(millions of yen)



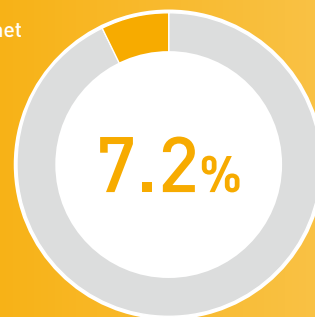
Business overview and opportunities / risks

	Business overview	Opportunities	Risks
Electronic component business	In the electronic component business, sales to a wide range of industries remained high as the supply-demand situation for semiconductors and electronic parts, which had remained tight, improved from the second half of the fiscal year. On the other hand, for some products for the in-vehicle market, supply shortages persisted, and the Group made concerted efforts to secure sales volume by taking advantage of its procurement capabilities as an independent trading company and to propose alternative products.	<ul style="list-style-type: none"> Advancement of automobile-related technologies represented by EV (electric vehicles) and CASE*. Expansion in demand due to the popularization of high-performance electronics related to ICT, such as those supporting the 5G mobile communication system, IoT and AI Continued tight supply-demand balance for some semiconductors and electronic components, including those for automotive applications <p>*Stands for Connected, Autonomous, Shared & Services, and Electric</p>	<ul style="list-style-type: none"> Soaring prices of resources and other commodities due to the prolonged conflict in Ukraine Financial system instability associated with policy rate hike measures Loss of commercial rights due to a change in commercial distribution at a sales destination or supplier Rebound from the significant increase in demand from the COVID-19 pandemic Impact of inventory adjustment by customers due to recession risk
	In the EMS business, sales to such major customers as manufacturers in the medical equipment-related and office equipment-related industries remained strong, while sales to automotive-related industries grew significantly. Furthermore, the yen's depreciation since the beginning of the period boosted earnings in yen terms.	<ul style="list-style-type: none"> Progress in a return to normal for socioeconomic activities and semiconductor shortages, and subsiding supply chain disruptions Increased demand from the industrial sector due to the elimination of shortages and extended delivery times for semiconductors and electronic components Increase in the number of fabless companies and rising demand for outsourcing Growing need for further automation and efficiency 	<ul style="list-style-type: none"> Shortage of human resources both in Japan and overseas Natural disasters such as earthquakes, or floods, or the spread of infectious diseases Suspension of factory operations due to other external political and economic factors

Information Equipment



Proportion of consolidated net sales



Business description

Sale of PCs, PC peripherals, home electric appliances, photographic and imaging products, and finished products, such as original goods

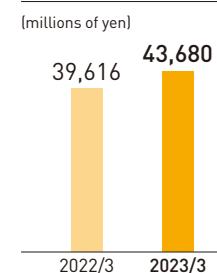
Review of FY2023/3 performance

Sales of PCs to corporate customers and educational institutions remained sluggish in terms of volume due to the prolonged replacement cycle, but they were strong in terms of value due to the contribution of sales of high-end products. In the LED installation business, large-scale nationwide projects, which had been delayed due to material shortages, progressed smoothly, contributing significantly to business earnings.

As a result, net sales were ¥43,680 million (up 10.3% year-on-year) and segment income was ¥2,449 million (up 17.4% year-on-year).

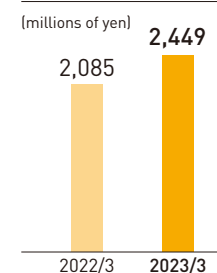
Net sales

Up 10.3%



Segment income

Up 17.4%



Business overview and opportunities / risks

	Business overview	Opportunities	Risks
Information equipment	Sales of PCs to corporate customers and educational institutions remained sluggish in terms of volume, but they performed well in terms of value due to the contribution of sales of high-priced products. Moreover, sales of security software and other PC peripheral products were robust. In the LED installation business, large-scale nationwide projects progressed smoothly, contributing significantly to business earnings.	<ul style="list-style-type: none"> Robust expansion of needs for information-related devices on the back of advances in ICT Growing needs for security related solutions among higher education institutions Discovery of new commercial products 	<ul style="list-style-type: none"> Loss of sales opportunities due to parts supply shortages Loss of commercial rights and product procurement routes due to changes in the distribution policies of buyers and suppliers Intensifying competition due to lower prices and more new market entrants

TOPICS

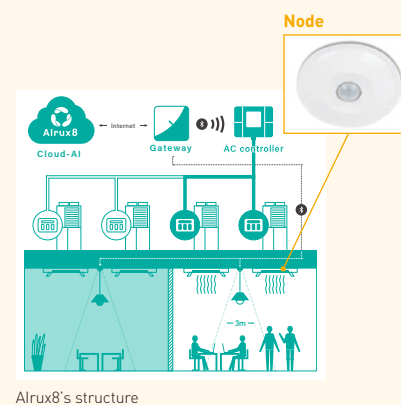
AI-based Power Cost Reduction System Reduces Power Usage

In January 2023, we became the first distributor in Japan to sell AlruX8, an electricity cost reduction system based on AI technology developed by TRaas On Product.

Using AI, the AlruX8 system collects and analyzes data, for example, congestion and absence status within a facility, through a centralized controller device called a Node that operates motion sensors. The system communicates with the IoT lighting equipment and air conditioning equipment installed in the facility and then, depending on the situation, including the time of day, day of the business week, and season, automatically adjusts the lighting brightness and air conditioning temperature settings in each lighting area group.

In Japan, where electricity and other energy prices continue to soar, energy cost reduction is a pressing issue for all companies, regardless of industry, and AlruX8 is a truly groundbreaking solution for reducing electricity consumption to achieve carbon neutrality, which is becoming increasingly important factor in the global trend to promote the SDGs.

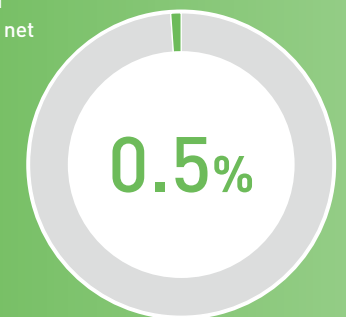
Through the sale of AlruX8, which solves these social issues, we will contribute to the realization of a sustainable society.



Software Business



Proportion of consolidated net sales



Business description

Production of computer graphics, planning and development of amusement products, and other activities

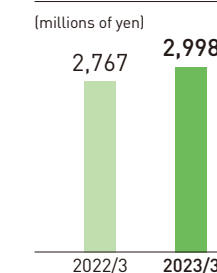
Review of FY2023/3 performance

Business profitability improved, with orders for large-scale projects and new projects in smartphone game and computer graphics production recovering, and progress in cost reductions.

As a result, net sales were ¥2,998 million (up 8.3% year-on-year) and segment income amounted to ¥286 million (compared with a segment loss of ¥26 million in the previous fiscal year).

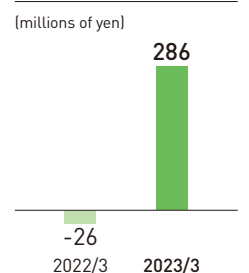
Net sales

Up 8.3%



Segment income

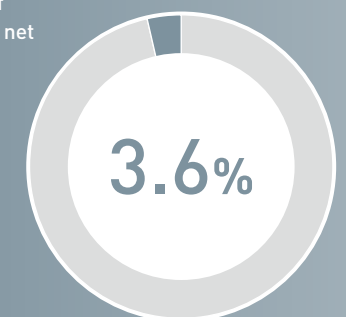
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Other Business



Proportion of consolidated net sales



Business description

Repair and provision of support for electronic equipment, manufacture and sale of amusement equipment, sale of sports goods, and other activities

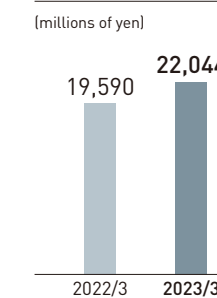
Review of FY2023/3 performance

In this segment, the PC product and PC peripheral recycling business performed well. Sales of arcade game machines for the amusement industry and golf equipment also recovered, reflecting the easing of restrictions on activities during the COVID-19 pandemic.

As a result, net sales amounted to ¥22,044 million (up 12.5% year-on-year), and segment income amounted to ¥1,101 million (up 76.0% year-on-year).

Net sales

Up 12.5%



Segment income

Up 76.0%

