

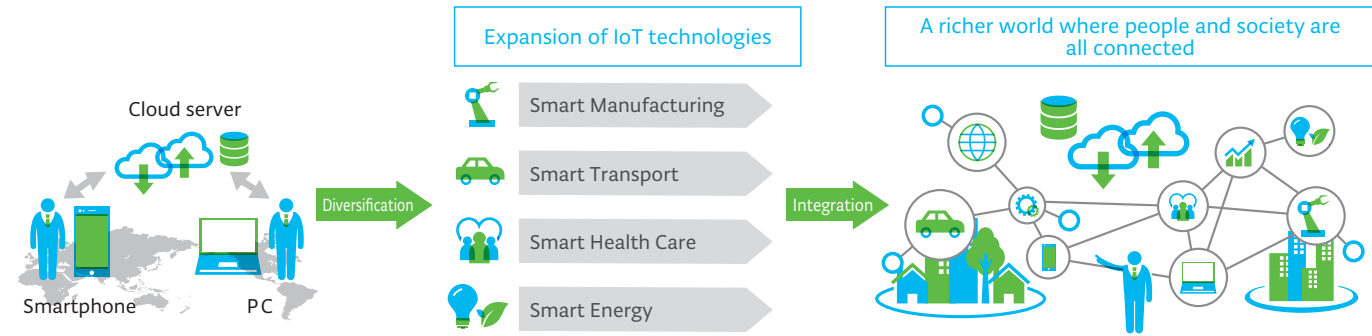
Medium- to Long-term Outlook

In order to build a strong and resilient society in which economic activities do not stop under any circumstances, the world will continue to push firmly ahead with implementing ICT (Information and Communication Technology), and computer technology supporting this technology is also expected to continue to develop further. The evolution and practical application of innovative technologies are expected to realize a sustainable world in which people and society are connected in every aspect. Under these circumstances, semiconductors are expected to become even more important as social infrastructure, and the semiconductor market will evolve in more diverse ways as technological demands for larger capacity, higher speed, and lower power consumption increase. In the semiconductor production equipment business, it is essential to provide new value through manufacturing methods that realize ultra-efficient productivity and reduced environmental impact along with the best solutions. At the same time, it is important to ensure that we achieve net zero greenhouse gas emissions by 2050, and to invest in human capital continuously and aggressively. Through the realization of our Vision, which specifies our medium-to long-term business aspirations and the direction of our near future, and through the practice of our Corporate Philosophy, which defines the purpose of our existence and mission in society, we will meet the expectations of all of our stakeholders.

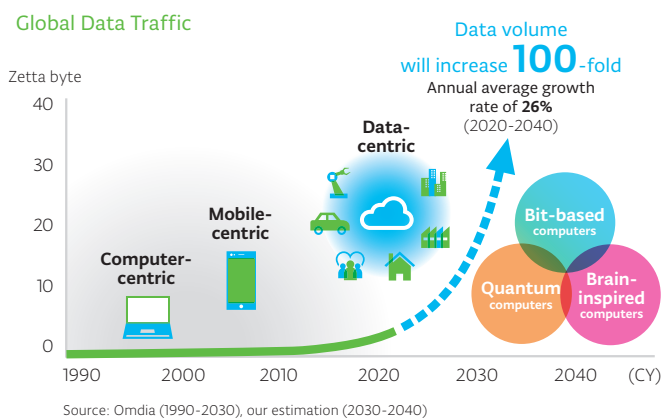
Evolution of Technology

In recent years, the expansion of smartphones, tablets and cloud servers has led to rapid digitization in society as a whole. Along with the spread of 5G/6G and the evolution of IoT and AI technology, a variety of services and solutions are being created that make advanced use of huge amounts of data, such as the shift to EVs for automobiles and autonomous driving, the development

of smart cities and smarter industries in the plant, agricultural, medical and energy sectors. These are expected to make our lives more convenient and contribute to solving various problems that society faces, such as environmental and population issues. It is expected that the evolution of technology will connect people and society in all aspects and realize a sustainable world.



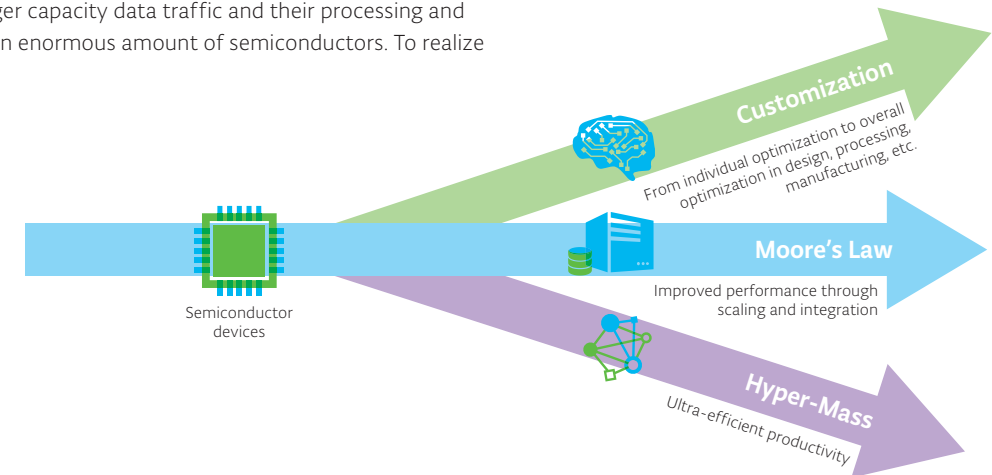
Along with the evolution of technology, the computer technology that handles information processing also continues to develop further. In addition to conventional bit-based computers such as PCs and data servers that perform mathematical processing, innovative technologies such as quantum computers and brain-inspired computers that copy the movements of the human brain are expected to emerge going forward. As these technologies spread throughout society, data traffic will increase dramatically, and it is predicted that by 2040 it will be 100 times the 2020 level. A sudden increase in power consumption due to computing is expected due to the processing of huge amounts of data, and there is a need for new technologies that achieve both improved performance and lower power consumption.



The Future of Semiconductors

The semiconductor market that supports computer technology is expected to evolve in more diverse ways in the future. The performance of semiconductors has been improved through scaling and integration, but the demand for further performance improvement to realize computer technology that can process large amounts of data at higher speed and with lower power consumption is increasing (Moore's Law). In addition, with the diversification of applications and services, it is necessary to optimize semiconductor design, manufacturing technology and the entire system according to the application (Customization). Furthermore, larger capacity data traffic and their processing and analysis require an enormous amount of semiconductors. To realize

a world in which everyone can enjoy the benefits of computer technology, it is necessary to reduce the cost of semiconductors through economies of scale (Hyper-Mass). For semiconductor production equipment manufacturers, the key to value creation in the future will be to solve the technological and cost challenges of scaling and integration, to quickly propose the best solutions to meet the diverse needs of semiconductor manufacturing customers and to provide manufacturing methods that achieve extremely high productivity and optimize environmental impact.



Toward the Realization of a Sustainable Society

Based on the concept of TSV (TEL's Shared Value), which is to solve social issues through our business activities, we are committed to providing further value through the continuous creation of innovative technologies. In June 2022, we established a new Vision and Medium-term Management Plan, and set key financial and sustainability indicators, and are promoting initiatives to achieve them.

In addition to our medium-term environmental goals, we have declared our long-term goal of achieving net zero greenhouse gas (GHG) emissions by 2050. While reducing our own emissions, including increasing to a rate of 100% renewable energy usage at all of our plants and offices, we will work with our customers and suppliers to develop technologies to improve the energy efficiency of our products, including energy-saving equipment and ancillary facilities and developing processes that use GHG alternative gases.

Furthermore, based on the idea that "our corporate growth is enabled by people, and our employees both create and fulfill company values," we will continue to actively invest in human capital. By striving to build mutual trust between the organization and employees and maintaining high levels of engagement, we will realize our Vision of "A company filled with dreams and vitality that contributes to technological innovation in semiconductors."

We will utilize our expertise as semiconductor production equipment manufacturers and all of our management resources for medium- to long-term profit expansion and continuous corporate value enhancement, and put into practice our Corporate Philosophy of "We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support."

