

April 1, 2020
NEXTY Electronics Corporation**Transfer of ODM Business from CATS and Establishment of New Company**

- To strengthen the ODM Business of NEXTY Electronics -

NEXTY Electronics Corporation (HQ: Minato-ku, Tokyo; President & Representative Director: Atsushi Aoki; hereinafter referred to as "NEXTY Electronics"), an electronics business company of Toyota Tsusho Group, announced that it has concluded an agreement concerning the transfer of the ODM business from CATS Co., Ltd. (HQ: Kohoku-ku, Yokohama-shi; CEO: Akifumi Nakai; "CATS" below) and established NEXTY Engineering Service Co. Ltd. in April 2020, for the purpose of strengthening the consignment of ODM projects and design functions.

【Background and Purpose】

At present, technologies in CASE (Connected, Autonomous, Shared & Service, Electric) fields are making remarkable advances, and the need to rapidly adapt to the new technologies is increasing day by day. New technologies such as those utilizing AI for advanced driver-assistance systems (ADAS) are being developed at an especially rapid speed, therefore OEM and Tier 1 manufacturers are concentrating their in-house resources in this area, which result in a lack of development resources for other new technologies. In addition, while IoT implementation is accelerating in non-automotive fields, outsourcing design and development to outsiders is increasing due to the lack of resources for in-house design & development and knowledge in as-yet unentered fields.

Therefore, NEXTY Electronics received the transfer of the ODM business from a capital tie-up partner CATS and established NEXTY Engineering Services Co., Ltd. to provide general manufacturing services from planning stage to production stage. The new company will utilize the knowledge accumulated thus far in a range of markets, including in-vehicle equipment, industrial equipment, consumer equipment, information and communication fields, as well as our network of alliances with reliable partners possessing proven track records, to offer solutions optimized for specific customer needs.

NEXTY Electronics is a leader company in the electronics sector thanks to our network that leverages the comprehensive capabilities of the Toyota Tsusho Group. NEXTY Electronics has also entered into sales agent agreements with 10 of the world's top 20 semiconductor manufacturers, and boasts an extensive knowledge of semiconductors and peripheral technologies.

CATS's ODM business engaged in in-house design and developments includes FPGA*¹ for hardware and software, and has provided high-quality products with trustworthy partners in for many years.

By combining the network and high sales capabilities of NEXTY Electronics with CATS's knowledge that ranges from design and development to manufacturing, we will be able to accelerate the implementation of electronics in diverse fields, such as next-generation mobility, to contribute to the creation of a more convenient and affluent society.

*1. FPGA (Field Programmable Gate Array): LSI enabling logic circuit programming while designers make changes directly

【Overview of NEXTY Engineering Services Co., Ltd.】

Corporate Name : NEXTY Engineering Services Co., Ltd.
Location : Shinagawa Front Bldg., 2-3-13 Konan, Minato-ku, Tokyo
(inside Tokyo head office of NEXTY Electronics)
Business description : ODM consignment, circuits, software design, production consignment
Capital : 100 million yen

For inquiries concerning this release:

NEXTY Electronics Corporation
Public Relations Team, Corporate Planning Dept.

Tel : 03-5462-9666