

Strengthening Our ODM/EMS System

- Establishment of NEXTY Engineering Service Co., Ltd. -

NEXTY Electronics Corporation ("NEXTY Electronics") has established an organization dedicated to providing customers with consultation on all manner of issues from ODM/EMS to planning and sales, for which the company has aggressively recruited project managers with expert knowledge of "Monozukuri" (Japanese style manufacturing) and professionals with extensive experience in manufacturing and quality fields.

In recent years, the technological evolution of CASE (Connected, Autonomous, Shared, Electric) in the field of Automotive-mounted technology is gaining momentum with each passing day. As OEMs and Tier 1 manufacturers scramble to respond to this trend, despite their eagerness to focus on new technologies such as AI utilization, they face a serious shortage of engineer resources to assign to these other areas. While the shift to IoT is also picking up speed in areas outside Automotive-mounted technology, customers are externally outsourcing increasingly more design and development work due to a lack of in-house design and development resources, technical knowledge and know-how.

Given this background, to further strengthen our ODM/EMS system, NEXTY Engineering Service Co., Ltd. ("NEXTY Engineering Service") was established on April 1, 2020 to handle ODM business transferred from our capital tie-up partner CATS Co., Ltd. ("CATS"). Doing this has enabled the company to not only provide services at every level of manufacturing from planning to manufacturing, but also more precisely respond to customers' needs in the areas of hardware, software, mechanical design, and mass production.

NEXTY Electronics is committed to delivering the best solution in every field by effectively utilizing its extensive partner alliances; know-how built up in automotive, industrial, consumer, and info-communication; and the highly-experienced personnel and developed technologies of its partner CATS.

NEXTY Electronics' ODM/EMS Services

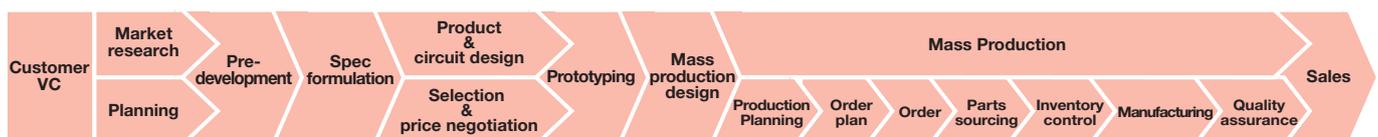
1. Services Offered

To respond flexibly to customer requests...

- ① We have established a system to handle everything from small-scale prototypes and PoC to mass production design and manufacturing, including overseas implementation.
- ② We offer a wide range of services to meet customer needs, from partial outsourcing of just design, prototyping or manufacturing, to outsourcing of the entire process from start-to-finish.
- ③ We work with the customer to define product specifications from the planning stage, handle design work for hardware, software, and structure, and provide the support needed to achieve the mass production of products with reliable quality.

Please do not hesitate to contact us for more information.

Scope of outsourcing services: From market research and planning to sales



2. Scope of outsourcing services: From market research and planning to sales

With our ODM Business Promotion Unit serving as the point of contact for customers, we have a solid structure in place to provide high-quality products with reliable partners who have proven experience in a variety of markets including not only vehicle-mounted technology, but also industrial/consumer equipment and info-communication markets.

Four Services & Systems

<p>① Project Management Services [From market research to sales]</p> <p>A project manager is assigned to each project in order to support it from requirements definition to mass production.</p>	<p>② Design Services [From pre-development to mass production design]</p> <p>We provide in-house design handled by hardware, software, and structure designers. We can also recommend from among highly-capable design partners.</p>	<p>③ Production Services [From production planning to quality assurance]</p> <p>We carefully select manufacturing partners and strictly control quality, cost and delivery time.</p>	<p>④ Quality Services [From manufacturing to quality assurance]</p> <p>We implement pre-shipment inspections at the outsource manufacturer as well as regular shipment inspections to ensure the delivery of reliable products.</p>
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Customer Support System



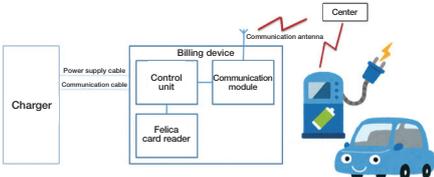
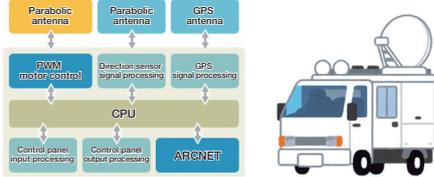
Benefits of NEXTY Electronics "ODM/EMS Services"

1. We work with our customers to define product requirements and develop customer-branded products
2. We provide comprehensive module development services that cover board development including the CPU; firmware development; FPGA development; and structure development
3. Our Quality Control Department strictly manages our manufacturing partners in accordance with ISO 9000 and ISO 14001 standards to ensure that high-quality products are provided
4. As a primary distributor of semiconductor components, we can ensure the best parts procurement available
5. We provide support for vendor surveys that take advantage of Toyota Tsusho Group's extensive sales channels

We are dedicated to the manufacture of high-quality products that meet our customers' needs by leveraging the broad range of technologies developed by highly-experienced experts.

Whatever your needs, just leave it to us!

Example of NEXTY Electronics "ODM/EMS Services"

EV Charger Billing Device	Parabolic Antenna Attitude Control System	Other
		 <ul style="list-style-type: none"> ■ Various system devices ■ Various control units ■ Development of various boards ...and many more.

<Realization Plan>

- Use SOC chip RX63N (Renesas Electronics Corp.)
- Mount RTOS (NORTi)
- Establish a TCP/IP environment using the mobile network
- Equip with a Felica reader

<Realization Plan>

- Install automatic tracking function using ZIPC*
- Install RAS function with ZIPC
- Incorporate three motors to control motion of the three axes
- Use built-in GPS technology and data processing

*Developed by CATS

About NEXTY Engineering Service

- **Trade name** : NEXTY Engineering Service Co., Ltd.
- **Established** : April 1, 2020
- **Head office** : Shinagawa Front Building, 3-13, Konan 2-chome, Minato-ku, Tokyo, 108-0075
- **Business office** : 751-2 Kachidacho, Tsuzuki-ku, Yokohama, Kanagawa, 224-0034

- **Capital** : 52.50 million yen (NEXTY Electronics Corporation 100%)
- **Business activities** : ODM, circuit/software design, contract manufacturing
- **Employees** : 12
- **Executives** : Yoshikuni Taniguchi, CEO and President
Hiroyuki Ishii, Director
Naoyoshi Mashiko, Director
Toshiaki Fujinaga Corporate Auditor

■ NEXTY Engineering Service' ODM Business

Roughly 30 years ago, Tesco, the predecessor of CATS, Inc., launched ODM business to handle orders for power control equipment. Around that same time, in the field of embedded software development, the company succeeded in developing "ZIPC," an original development support tool, thereby ushering in the company's software business.

As time passed, ODM business grew to specialize in the mass production segment, while the software business grew to become a pillar of CAT's business operations.

In taking over the ODM business, which has realized high levels of quality, reliability, and technological capability, NEXTY Engineering Service will continue to expand the company's base of operations by applying its vast experience and expertise in vehicle-mounted technology and info-communication fields with a particular focus on the industrial machinery segment, which requires reliable long-term manufacturing.

About CATS

- **Trade name** : CATS Co., Ltd.
 - **Established** : November 14, 1973
 - **Major shareholders** : NTT Data Corporation 51.5%; NEXTY Electronics Corporation 20%; NTT DATA MSE Corporation 16.4%; Others 12.2%
 - **Primary business activities** : Development of next-generation automotive (CASE) solutions, and technology R&D
- For more information, please visit the official website: <https://www.zipc.com/jp/>

Contact: NEXTY Electronics Corporation Sales Division, ODM Business Promotion Unit, Business Planning Dept., odm@nexty-ele.com