

# TAMURA CORPORATION

## FY2021 Annual Financial Results (2021/4/1-2022/3/31)

SUSTAINABLE  
DEVELOPMENT GOALS

May 13, 2022

Notice: This is a translation of the original Japanese presentation only for reference purposes. In the event of any discrepancy between this translation and the original Japanese document, the latter shall prevail.

**TAMURA**  
One and Only

# Agenda

1. FY2021 Financial Results
2. FY2022 Forecast
3. The 13<sup>th</sup> Medium-Term Management Plan
4. Summary

【Appendix】



**Masahiro Asada**  
President & Representative Director

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# **1. FY2021 FINANCIAL RESULTS**

## **(APRIL 1, 2021-MARCH 31, 2022)**

# Consolidated Profit Statement

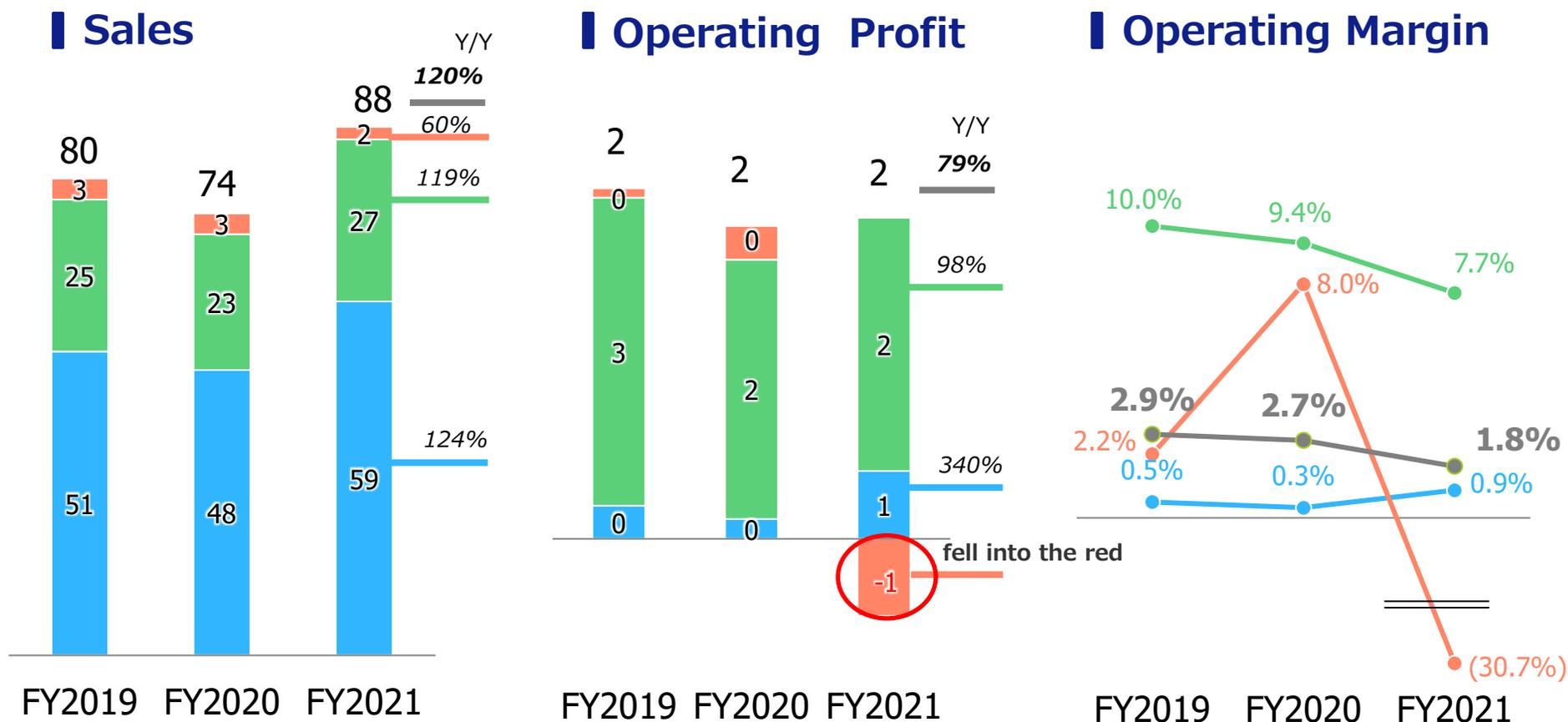
- ◆ Sales expansion, especially for industrial machinery and home appliances, supported by recovering economy
- ◆ Profit decline in both Components and Chemicals due to input cost increases such as copper, iron and tin
- ◆ Net loss recorded mainly because of JPY0.5b impairment loss accrued in relation to Bangladesh assets

[Billion yen]		FY2020			FY2021			FY2021	
		Actual	%	Y/Y	Actual	%	Y/Y	Forecast*	%
<b>Sales</b>		74	100.0%	(7.2%)	<b>88</b>	100.0%	+19.5%	88	100.0%
	Cost of Sales	53	71.3%	(7.9%)	<b>66</b>	74.7%	+25.3%	-	-
	SGA	19	26.0%	(4.6%)	<b>21</b>	23.5%	+7.9%	-	-
<b>Operating profit</b>		2	2.7%	(14.0%)	<b>2</b>	1.8%	(20.5%)	2	2.5%
<b>Ordinary profit</b>		2	3.2%	(5.0%)	<b>2</b>	2.3%	(16.1%)	2	2.7%
<b>Net profit</b>		1	0.7%	(47.0%)	<b>(0)</b>	-	-	1	1.3%
Exchange rate USD-JPY	Average	105.43		(2.99)	111.16		+5.73	109.00	
	End of term	110.71		+1.88	122.39		+11.68	109.00	
Dividends per share		JPY8.00		(JPY2.00)	JPY10.00		JPY+2.00	JPY10.00	
Dividend payout ratio		121.1%		+41.0pt	-		-	75.2%	
ROE		1.2%		(1.0pt)	(0.2%)		(1.4pt)	2.2%	

# Sales & Profit by Business

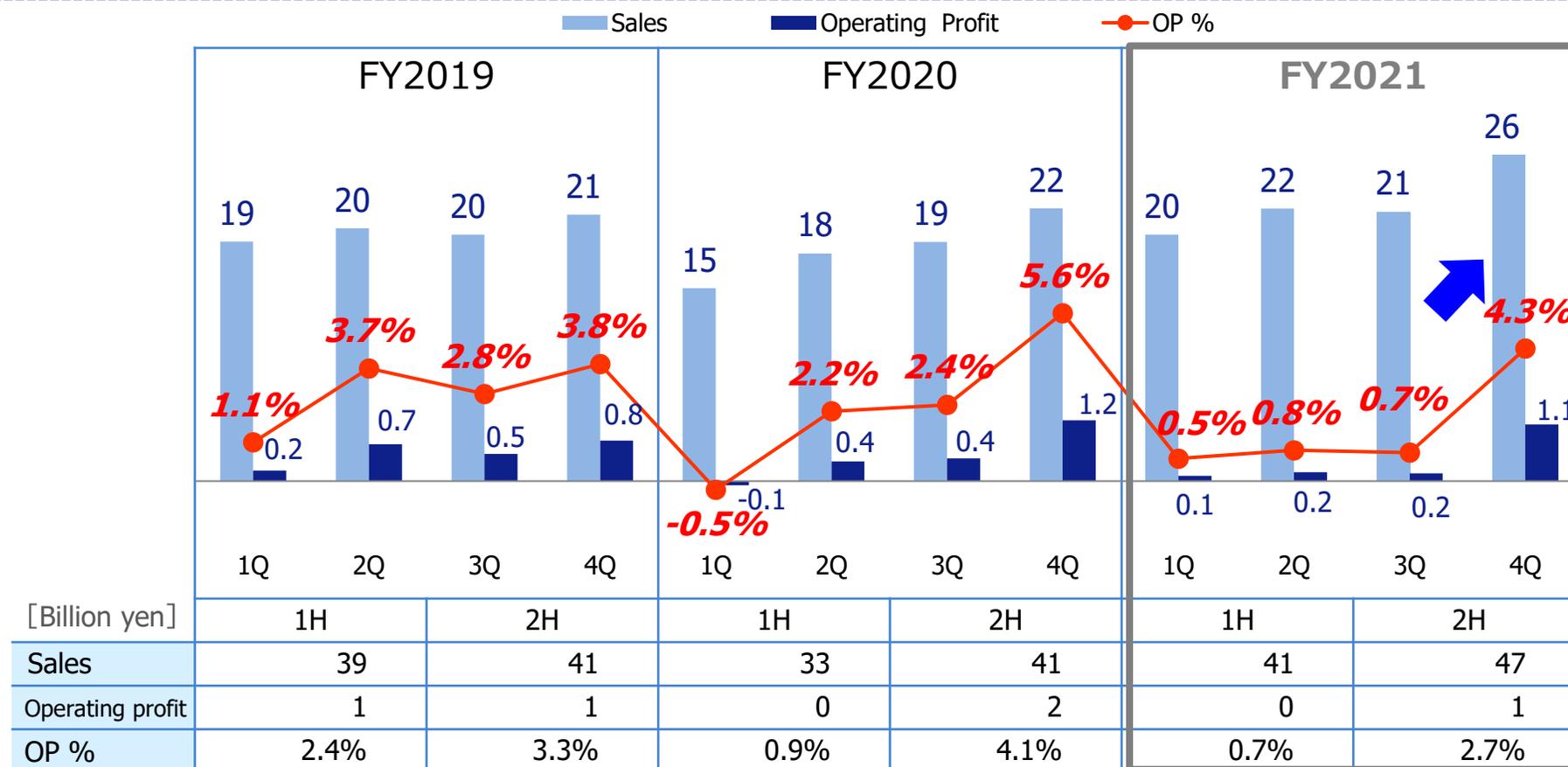
- ◆ Sales and profit improvement for Components supported by price increases; relatively low but stable results for Chemicals; and significant deterioration in Information Equipment mainly due to semiconductor shortages

■ Electronic Components ■ Electronic Chemicals/Soldering Systems ■ Information Equipment ■ Total [Billion yen]



# Sales & Profit Quarterly Trend

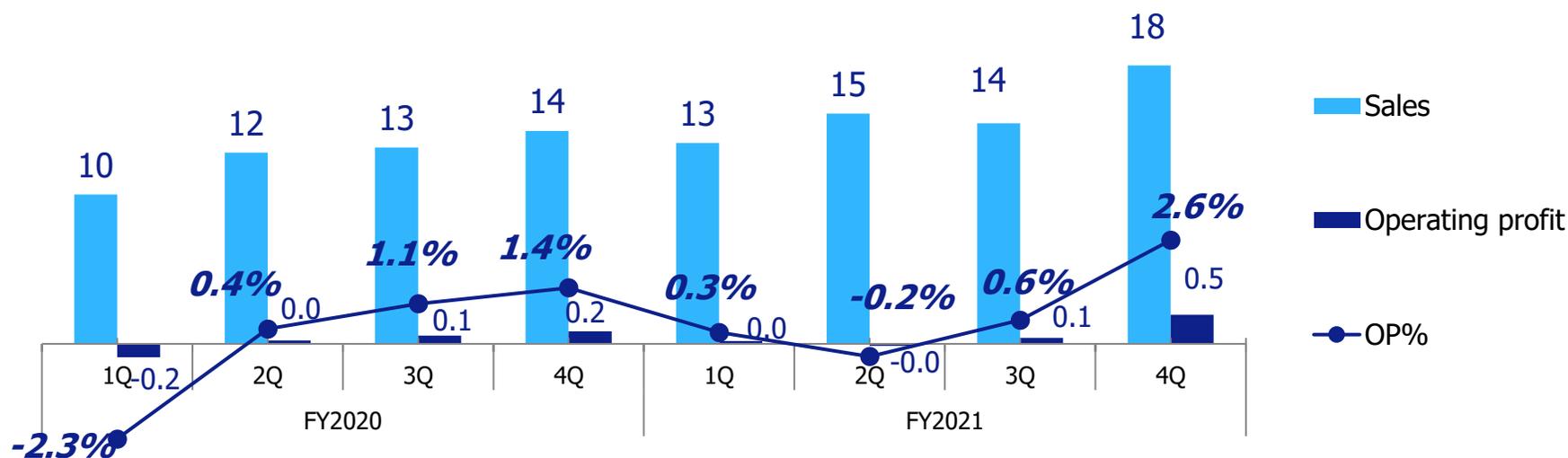
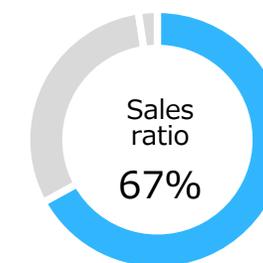
- ◆ Sales growth propelled by robust home appliance and industrial machinery markets and price increases in 2H
- ◆ Operating profit affected by raw material price hikes such as metals, while clear improvement seen in 4Q with price increases



# Electronic Components

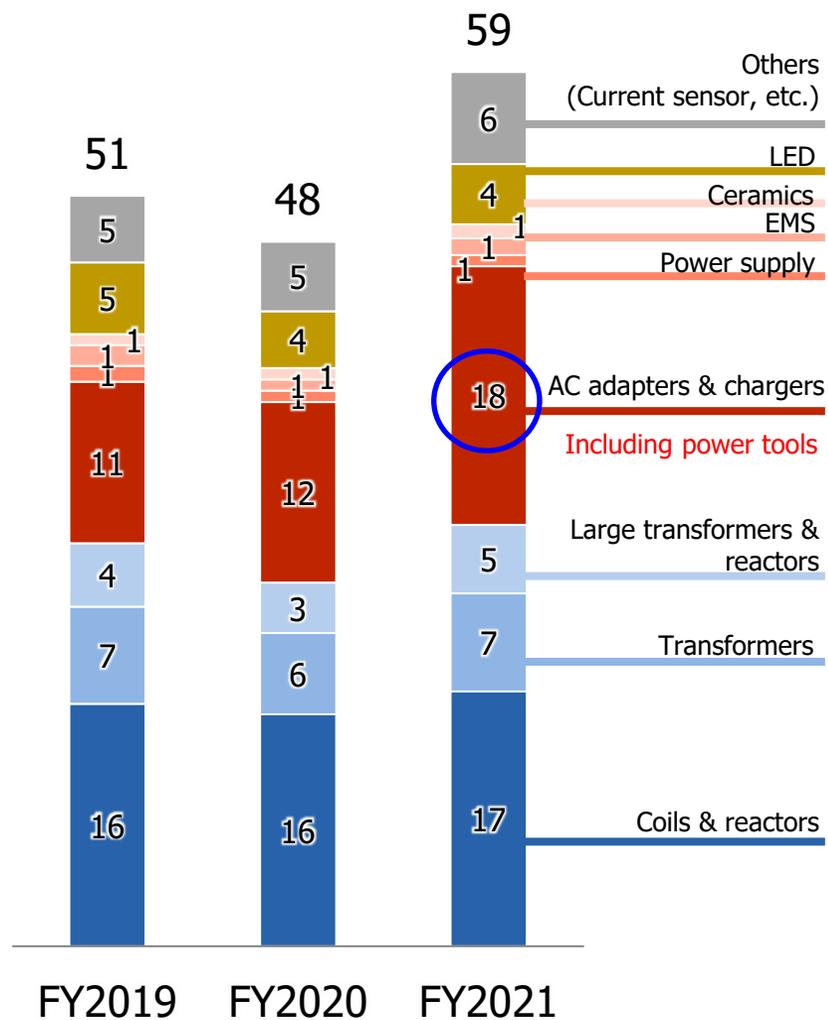
- ◆ Strong demand for power tool chargers, reactors for aircons and reactors and transformers for industrial machinery
- ◆ Decline in automotive reactors due to customer production shortfalls. Difficult market for vending machine LEDs
- ◆ Operating profit improving with pricing more linked to metal prices such as copper and iron in 2H

[Billion yen]	FY2020		FY2021		FY2021
	Actual	Y/Y	Actual	Y/Y	Forecast
<b>Sales</b>	48	(6.1%)	<b>59</b>	+24.1%	58
<b>Operating profit</b>	0	(40.0%)	<b>1</b>	+240.5%	1
<b>OP %</b>	0.3%	(0.2pt)	<b>0.9%</b>	+0.6pt	1.9%

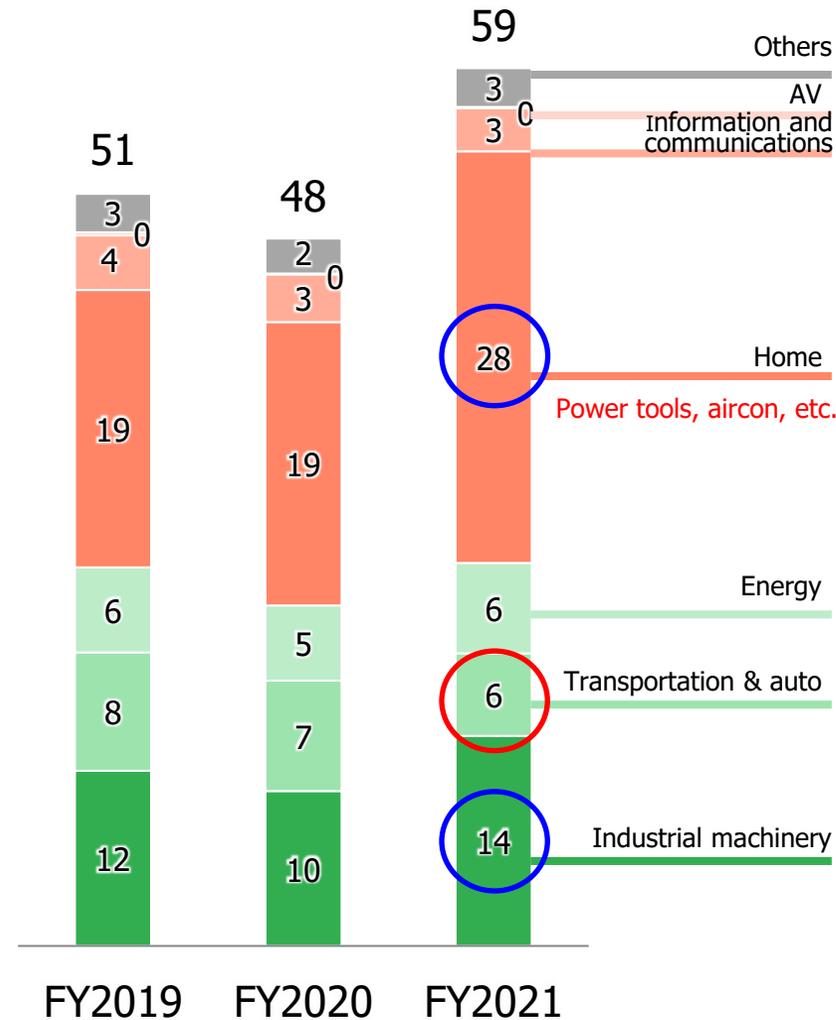


# Electronic Components

■ Sales by product [Billion yen]



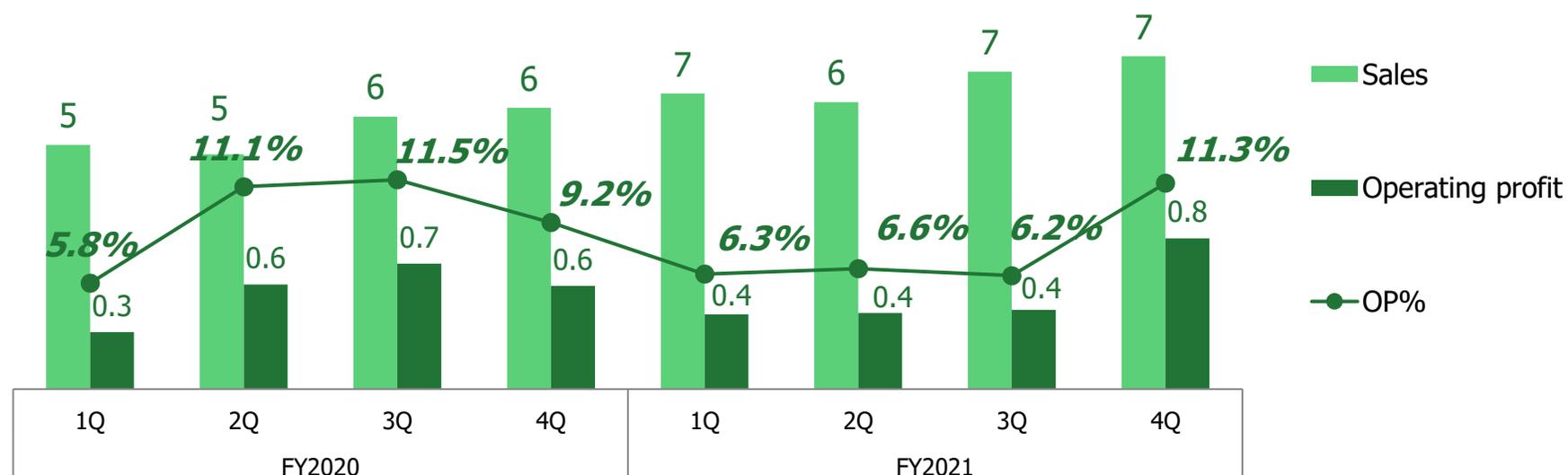
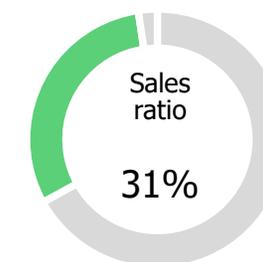
■ Sales by market [Billion yen]



# Electronic Chemicals & Soldering Systems

- ◆ Solid sales in the backdrop of recovering production in electronics market; Soldering Systems improving especially for automotive applications
- ◆ Lower operating profit due to significant price rises of raw materials, especially tin, for solder paste

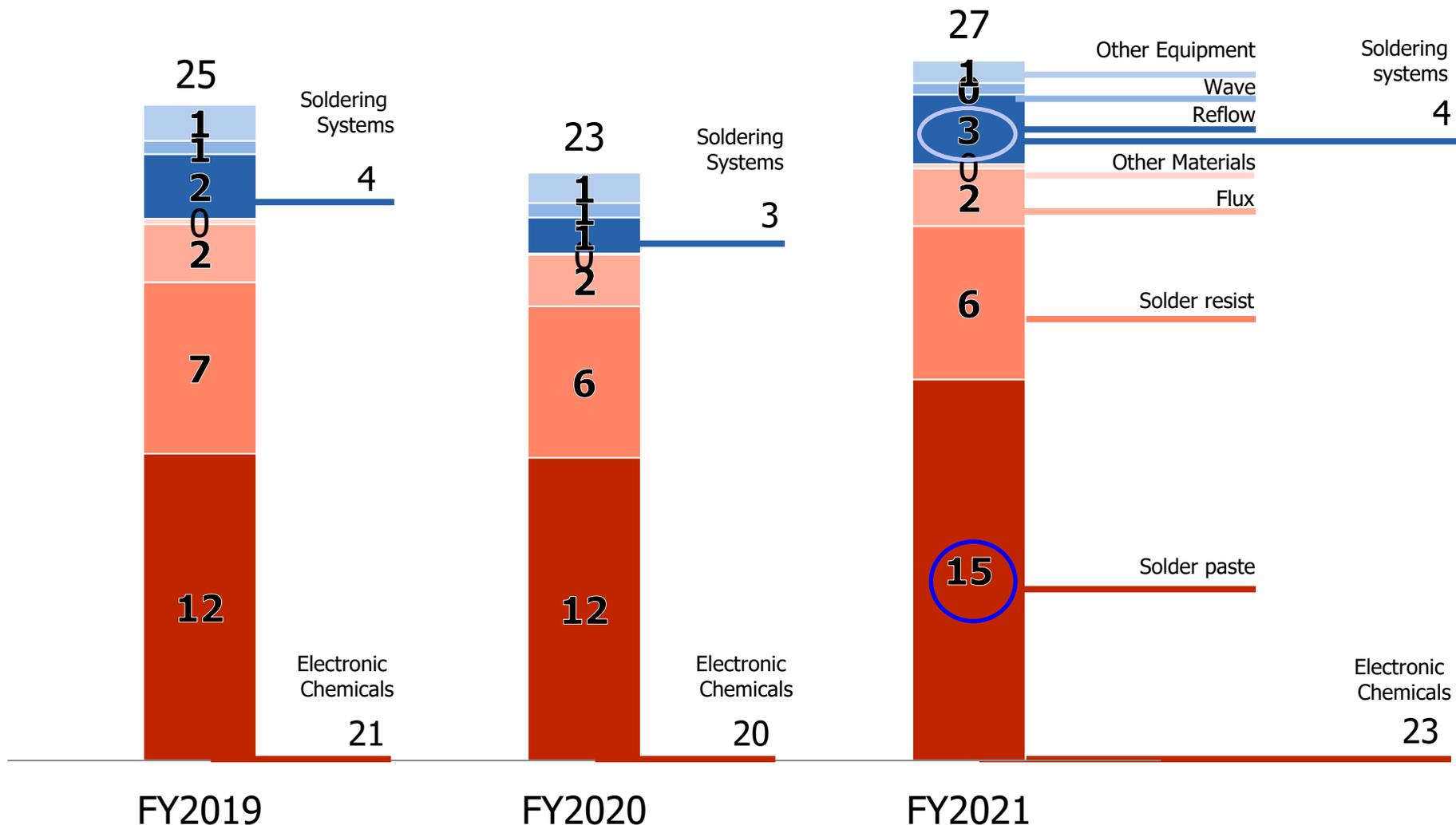
[Billion yen]	FY2020		FY2021		FY2021
	Actual	Y/Y	Actual	Y/Y	Forecast
<b>Sales</b>	23	(10.6%)	<b>27</b>	+19.3%	27
<b>Operating profit</b>	2	(15.8%)	<b>2</b>	(2.3%)	2
<b>OP %</b>	9.4%	(0.6pt)	<b>7.7%</b>	(1.7pt)	7.4%



# Electronic Chemicals & Soldering Systems

## Sales by product

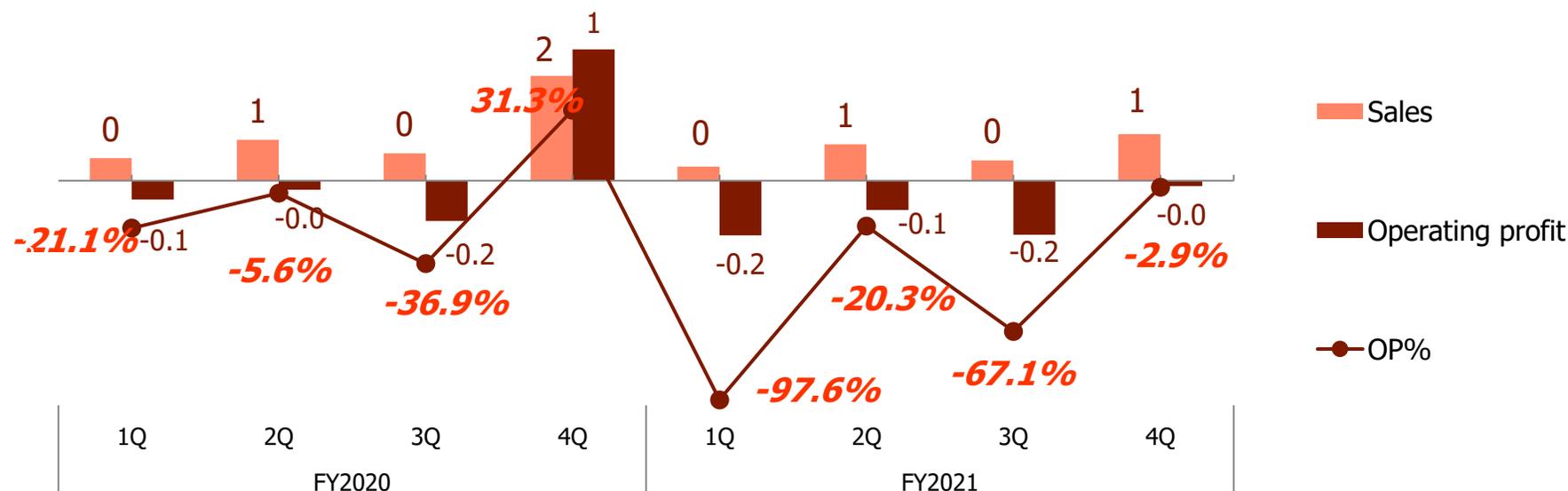
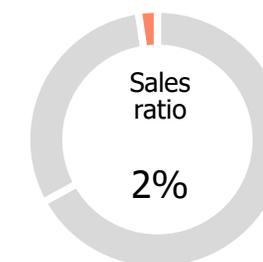
[Billion yen]



# Information Equipment

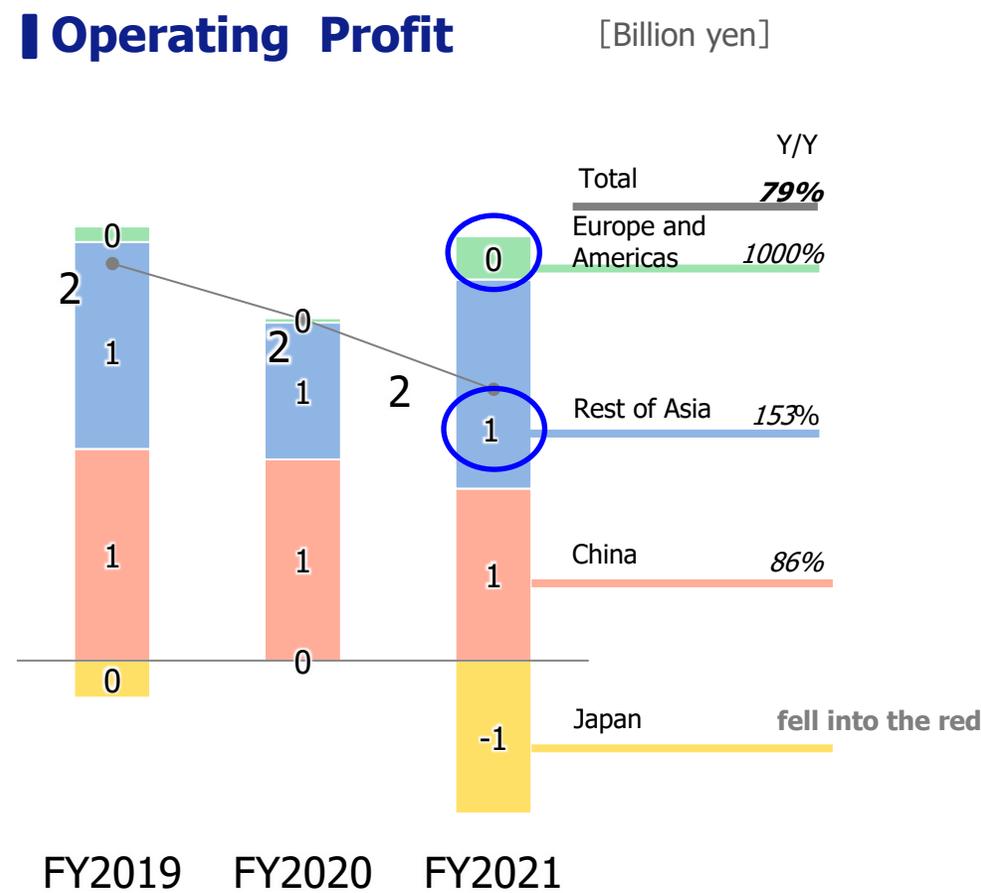
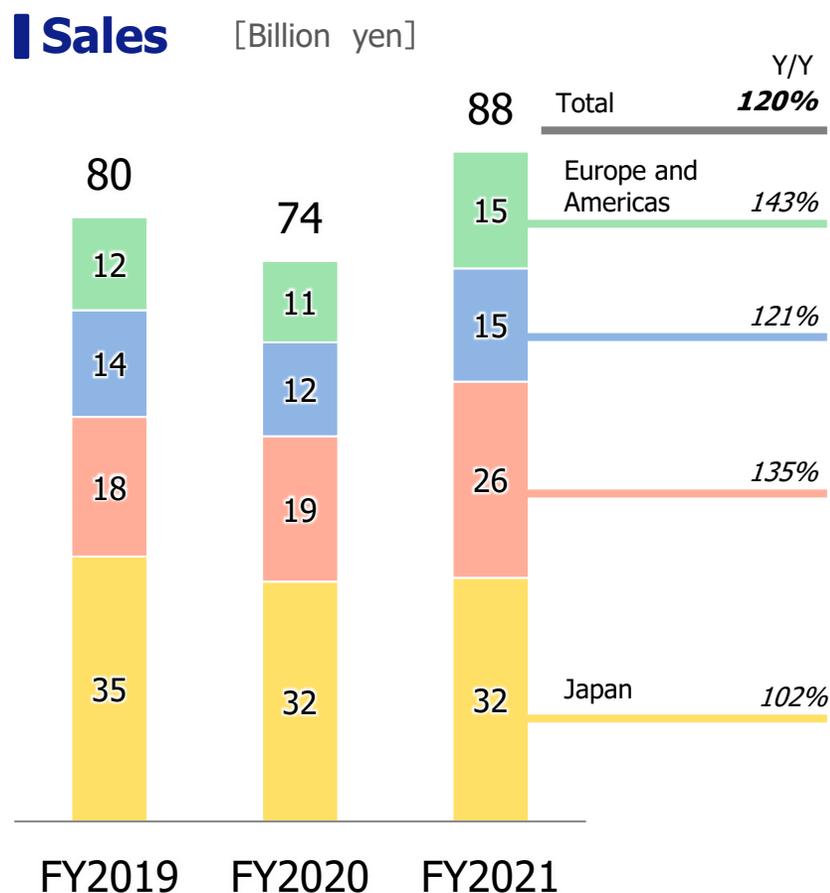
- ◆ Focused on new product development for future, including network technology for broadcasting equipment
- ◆ Operating loss incurred due to delays in shipments caused by semiconductor shortages

[Billion yen]	FY2019		FY2020		FY2021
	Actual	Y/Y	Actual	Y/Y	Forecast
<b>Sales</b>	3	(0.7%)	<b>2</b>	(40.2%)	3
<b>Operating profit</b>	0	+264.2%	<b>(1)</b>	-	(0)
<b>OP %</b>	8.0%	+5.8pt	<b>(30.7%)</b>	(38.7pt)	(12.5%)



# Sales & Profit by Area

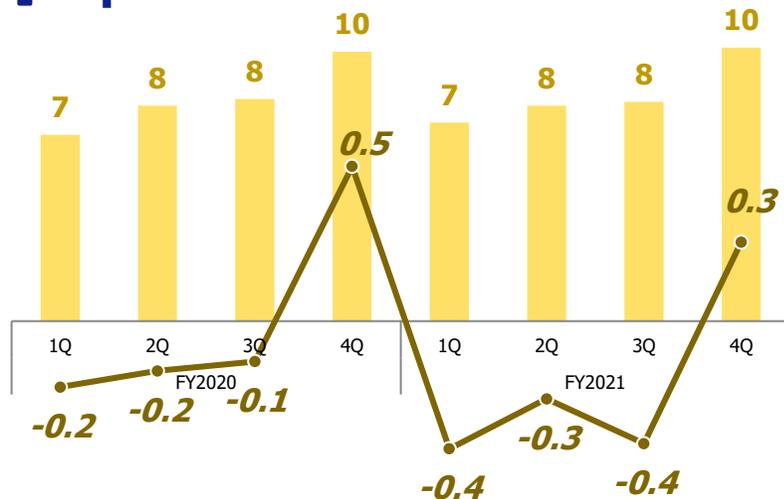
- ◆ Loss incurred in Japan with weak performance of Information Equipment results and automotive related sales, partially offset by strong sales for industrial machinery; China profit affected by raw material price increases
- ◆ Recovery from Covid-related slowdown in Rest of Asia (South Korea and ASEAN) as well as Europe and Americas



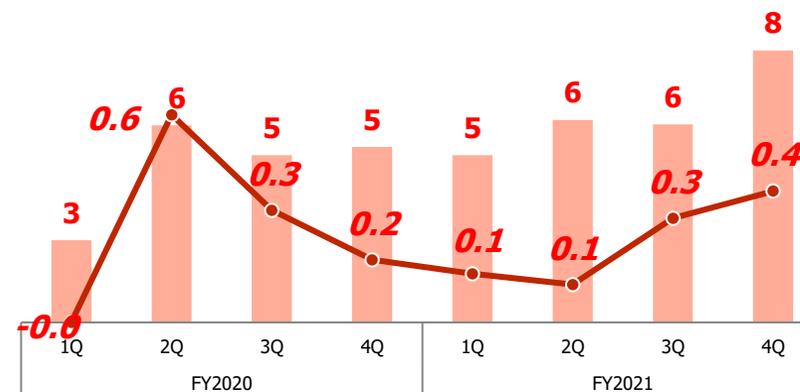
# Quarterly Trend of Sales & Profit by Area

■ Sales    ● Operating profit [Billion yen]

## Japan



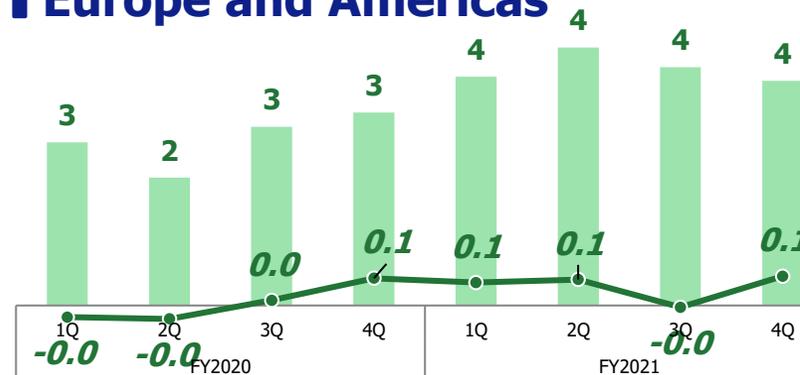
## China



## Rest of Asia



## Europe and Americas

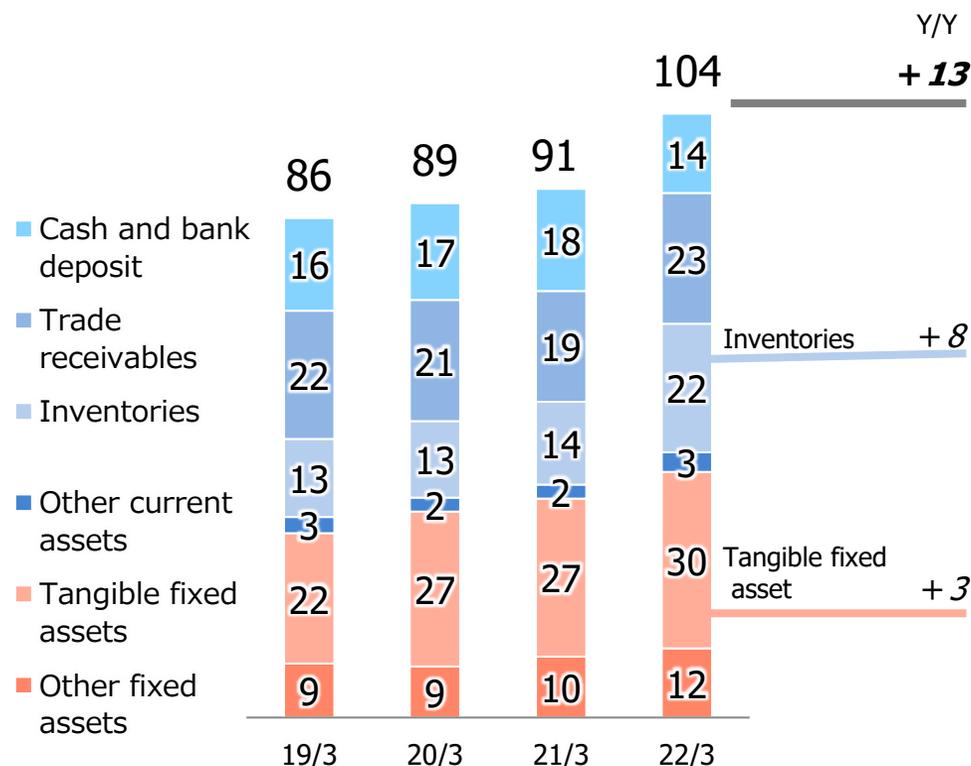


# Balance Sheet Items

- ◆ Increased inventories reflecting sales growth and stock building in response to components supply shortages
- ◆ Higher interest-bearing debt, resulting from increased inventories together with tangible asset increases due to new automotive parts plants and site integration in China, higher interest-bearing debt

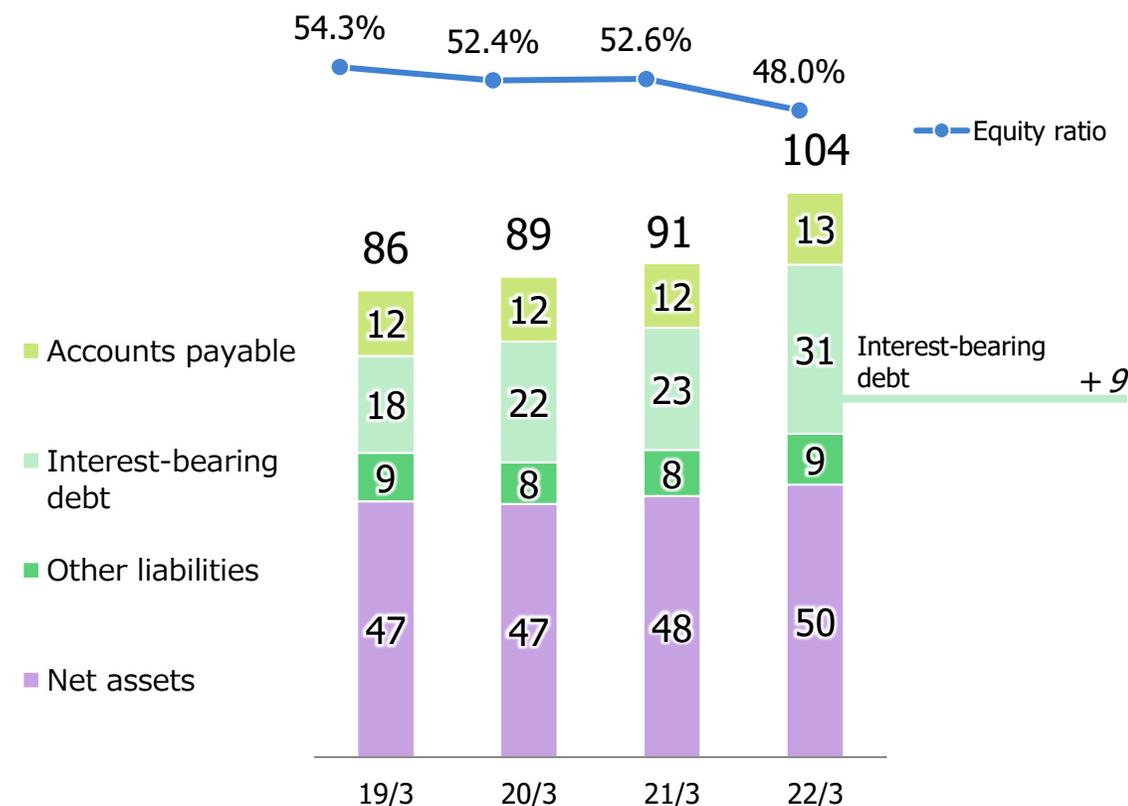
## Total assets

[Billion yen]



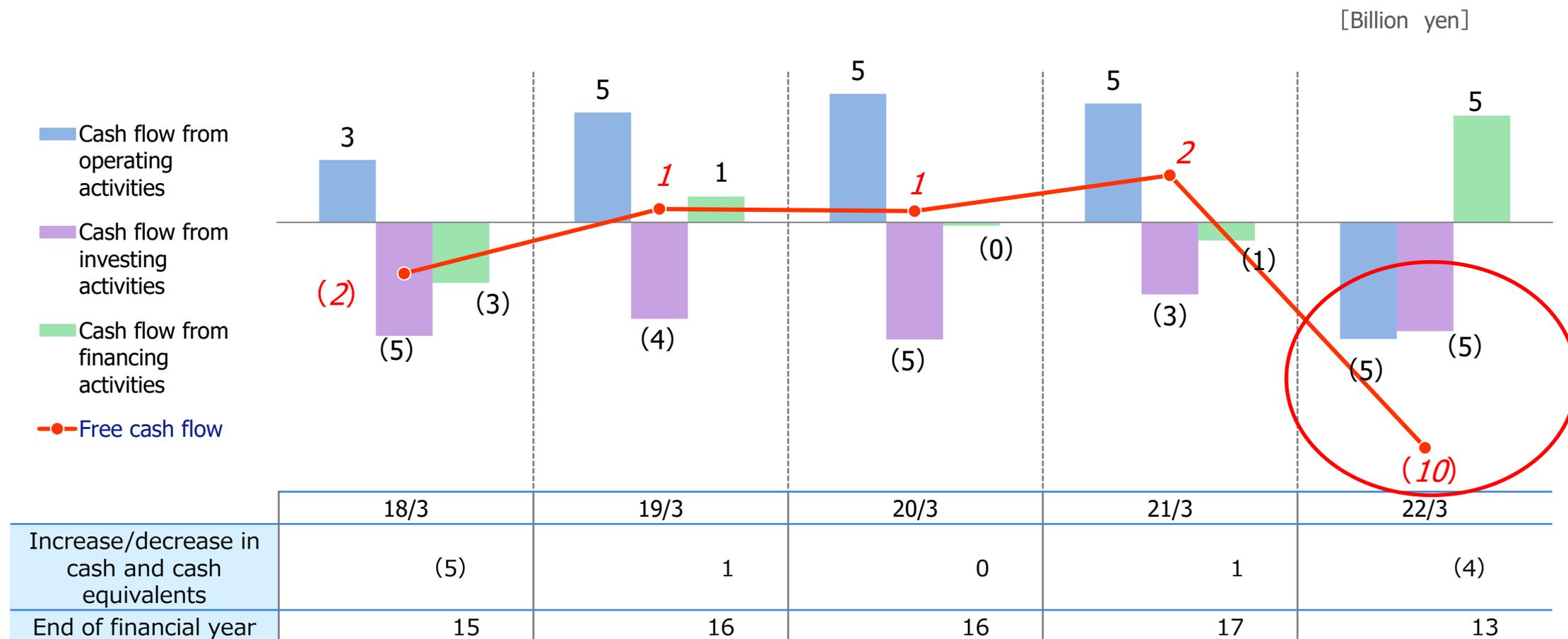
## Total liabilities and net assets

[Billion yen]



# Cash Flow

- ◆ Operating: lower profit before tax, increase in inventories, especially in Components
- ◆ Investing: higher capex in China incl. new plant & site integration; additional investment in Novel Crystal Technologies
- ◆ Financing: increased debt in relation to capex in China



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## **2. FY2022 FORECAST**

### **(APRIL 1, 2022-MARCH 31, 2023)**

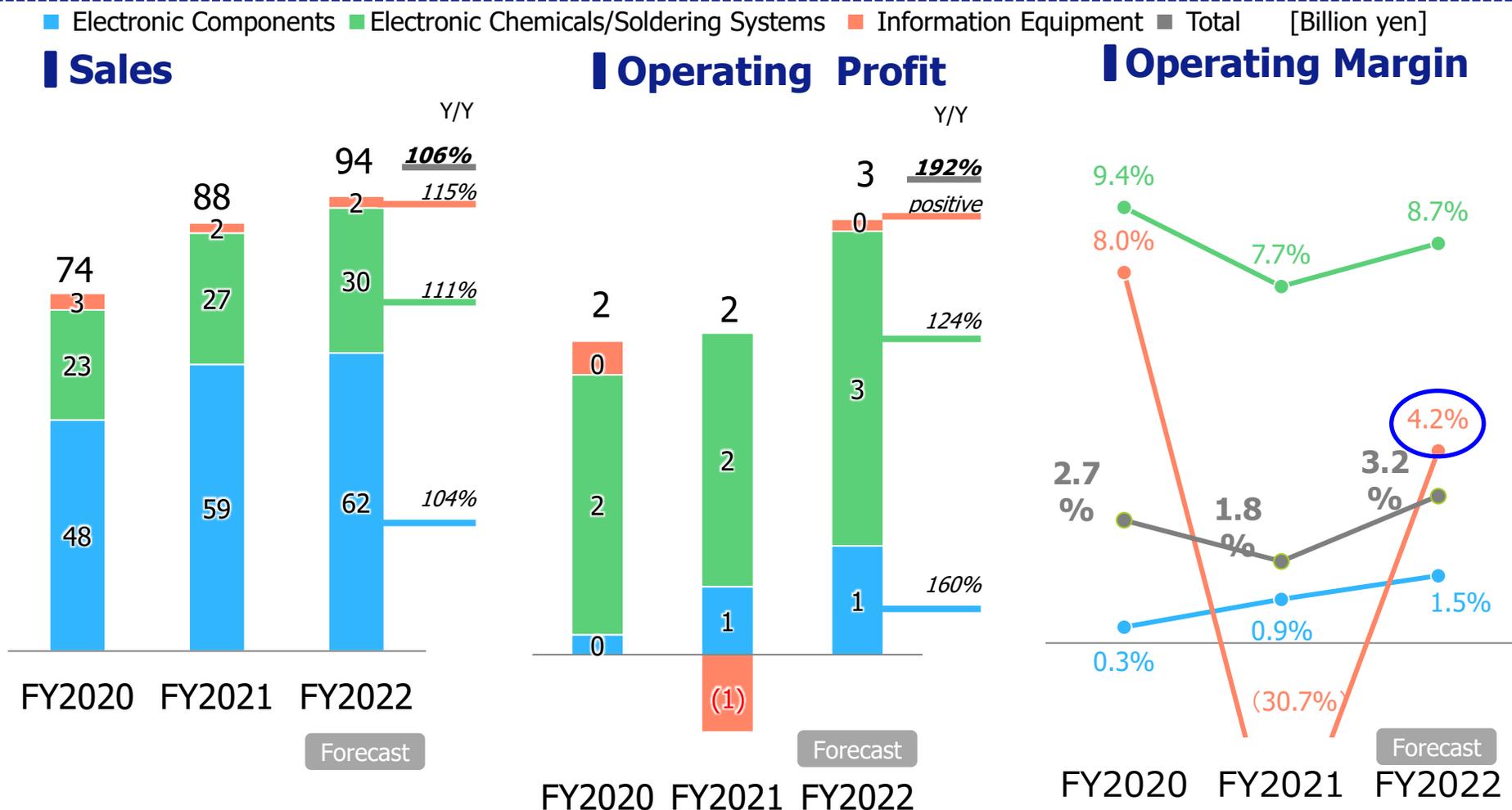
# FY2022 Forecast

- ◆ Sales expected to grow with high levels of orders for industrial machinery and home appliances
- ◆ Operating profit recovery forecast with wider application of price increases to reflect material price rises
- ◆ Conservative forecast with impacts of Shanghai lockdown and higher depreciation related to new auto parts plants

[Billion yen]		FY2021			FY2022		
		Actual	%	Y/Y	Forecast	%	Y/Y
<b>Sales</b>		88	100.0%	+19.5%	<b>94</b>	100.0%	+6.4%
<b>Operating profit</b>		2	1.8%	(20.5%)	<b>3</b>	3.2%	+91.7%
<b>Ordinary profit</b>		2	2.3%	(16.1%)	<b>3</b>	3.2%	+49.9%
<b>Net profit</b>		(0)	-	-	<b>2</b>	1.9%	Return to profit
Exchange rate USD-JPY	Average	111.16		+5.73	120.00		+8.84
	End of term	122.39		+11.68	120.00		(2.39)
Dividends per share		JPY10.00		JPY+2.00	JPY10.00		JPY0.00
Dividend payout ratio		-		-	45.6%		-
ROE		(0.2%)		(1.4pt)	3.6%		+3.8pt

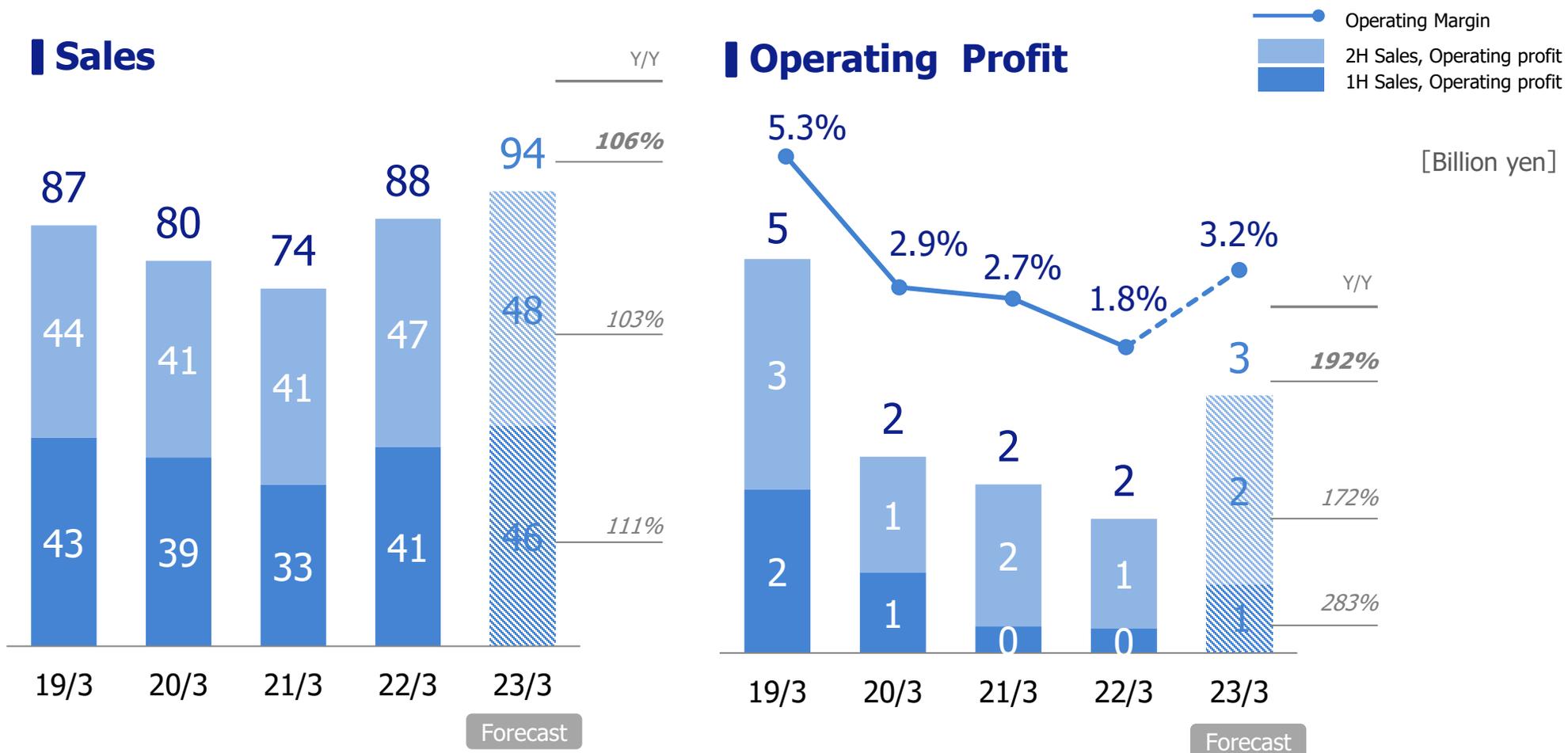
# Sales & Profit Forecast by Business

- ◆ Sales & profit to grow in all businesses with market normalization for Information Equipment and vending machines
- ◆ High levels of sales to continue but more conservative in 1H due to Shanghai lockdown



# Semiannual Forecast

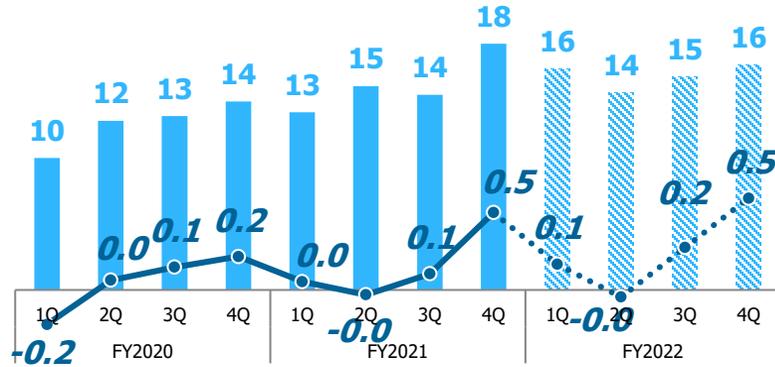
- ◆ Operating profit to improve in 2H as the impact of Shanghai lockdown and other factors to cease
- ◆ Priority is to improve profitability, significantly affected by COVID



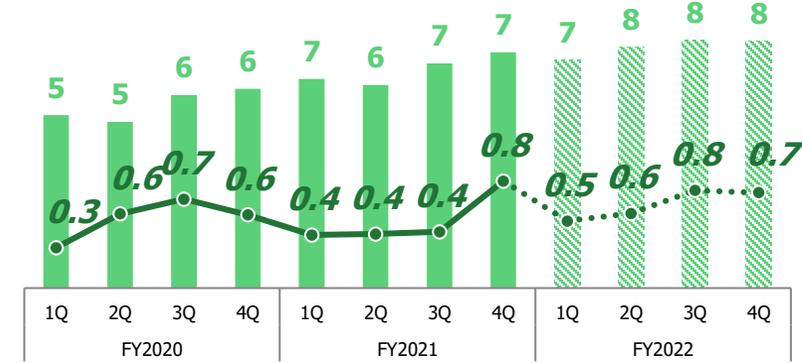
# Quarterly Forecast of Sales & Profit by Business

Sales Operating profit [Billion yen]

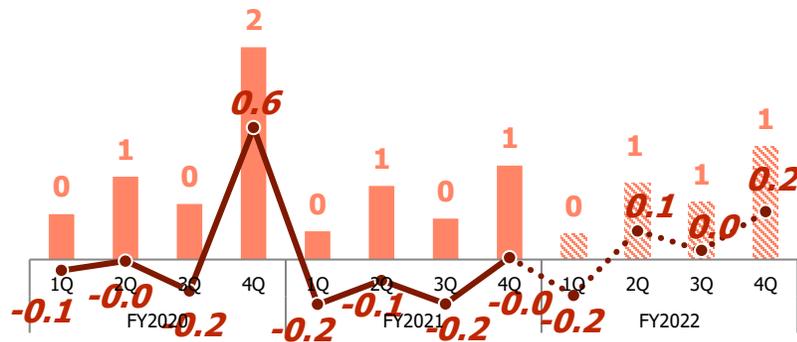
## Electronic Components



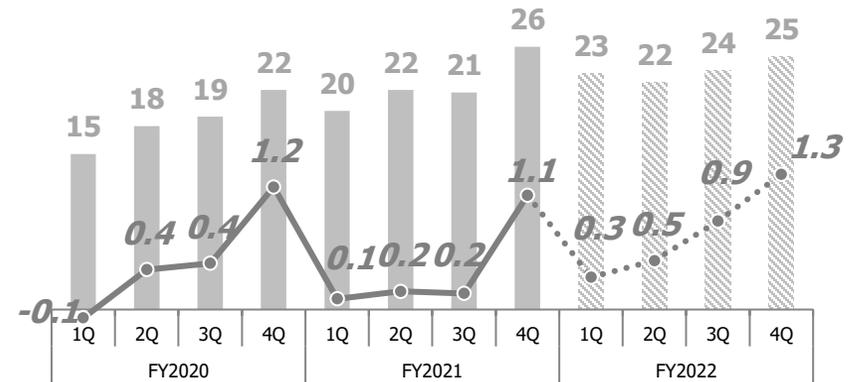
## Electronic Chemicals/Soldering Systems



## Information Equipment



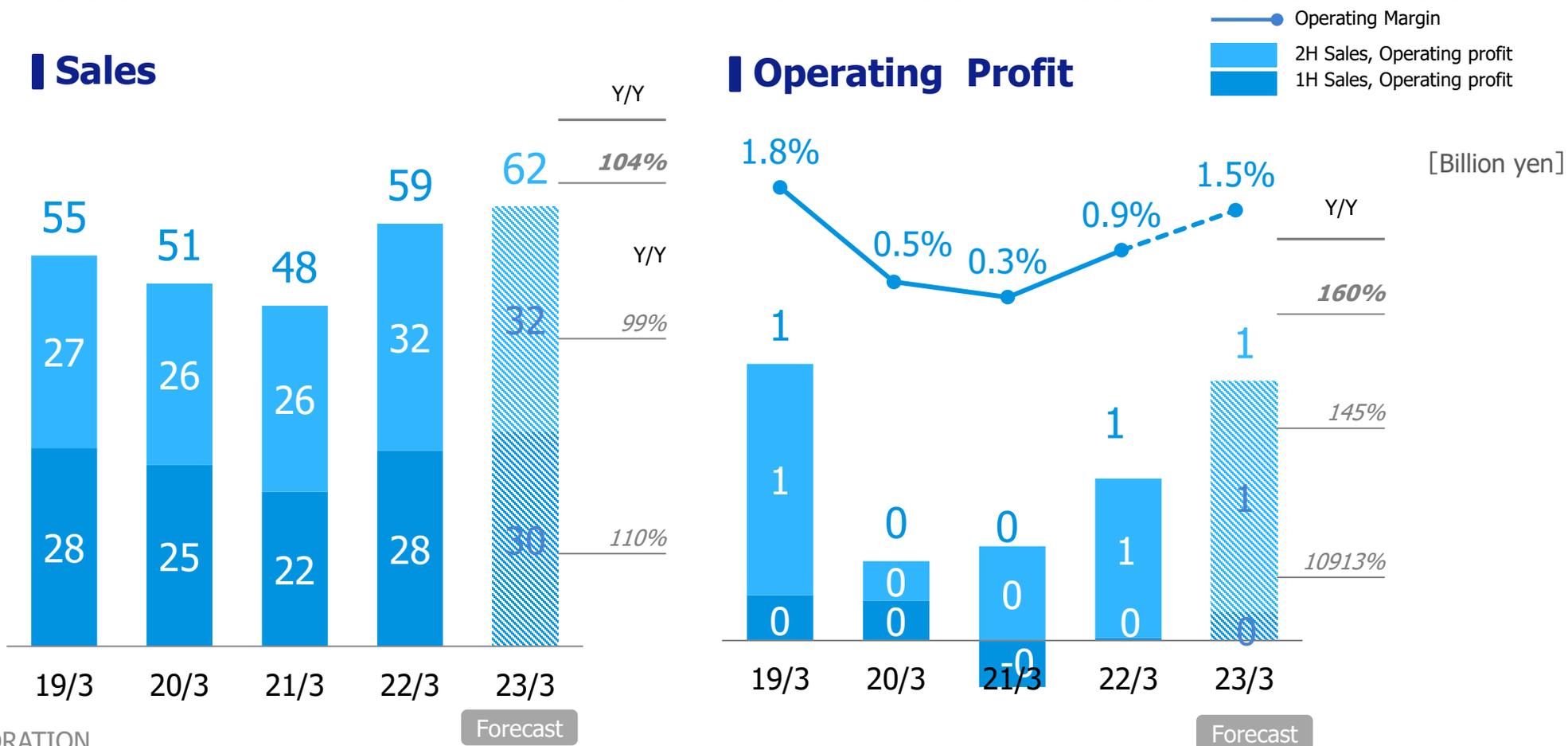
## Total



Seasonality: broadcasting equipment to increase in 2Q and 4Q

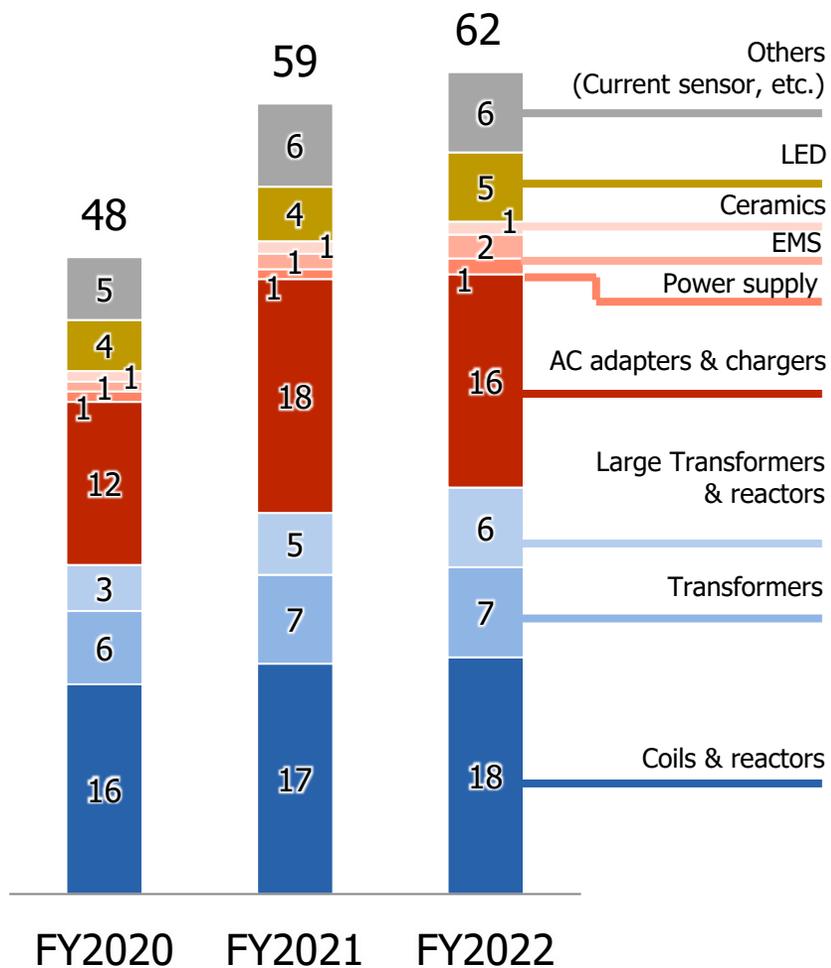
# Sales & Profit Forecast: Electronic Components

- ◆ Continued strong demand for power tool chargers and transformers and reactors for industrial machinery
- ◆ Moderate profit increase forecast, reflecting Shanghai lockdown, Japanese yen depreciation and increase in depreciation from new automotive parts plants

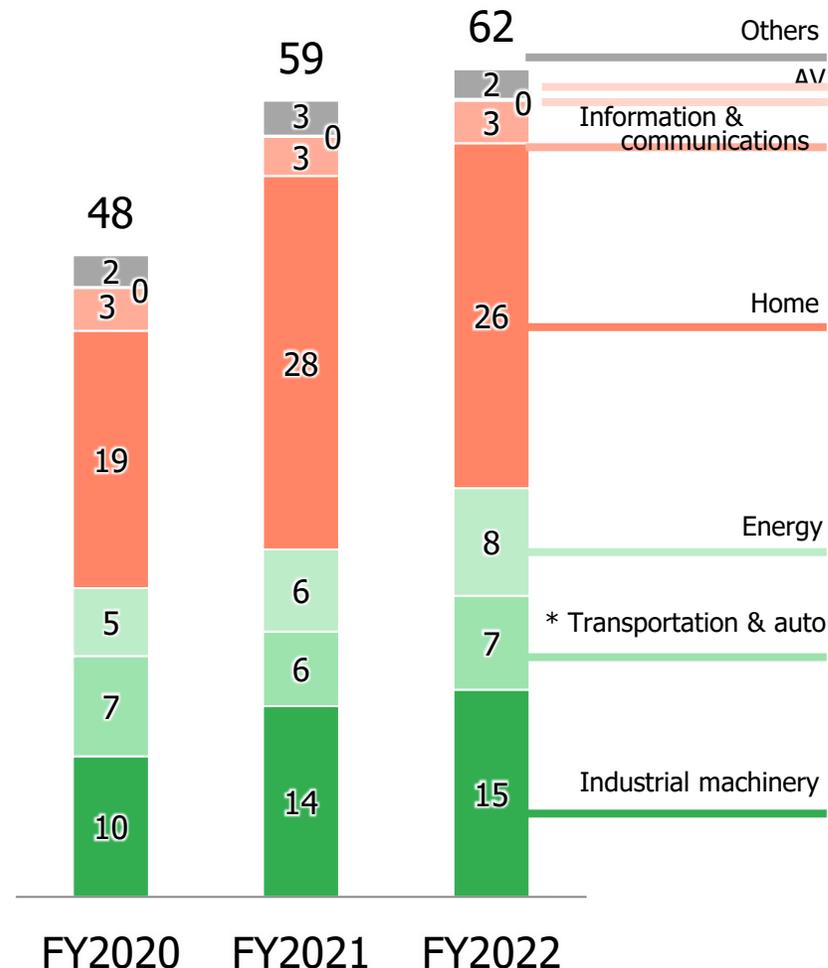


# Sales Forecast: Electronic Components

**Sales by product** [Billion yen]

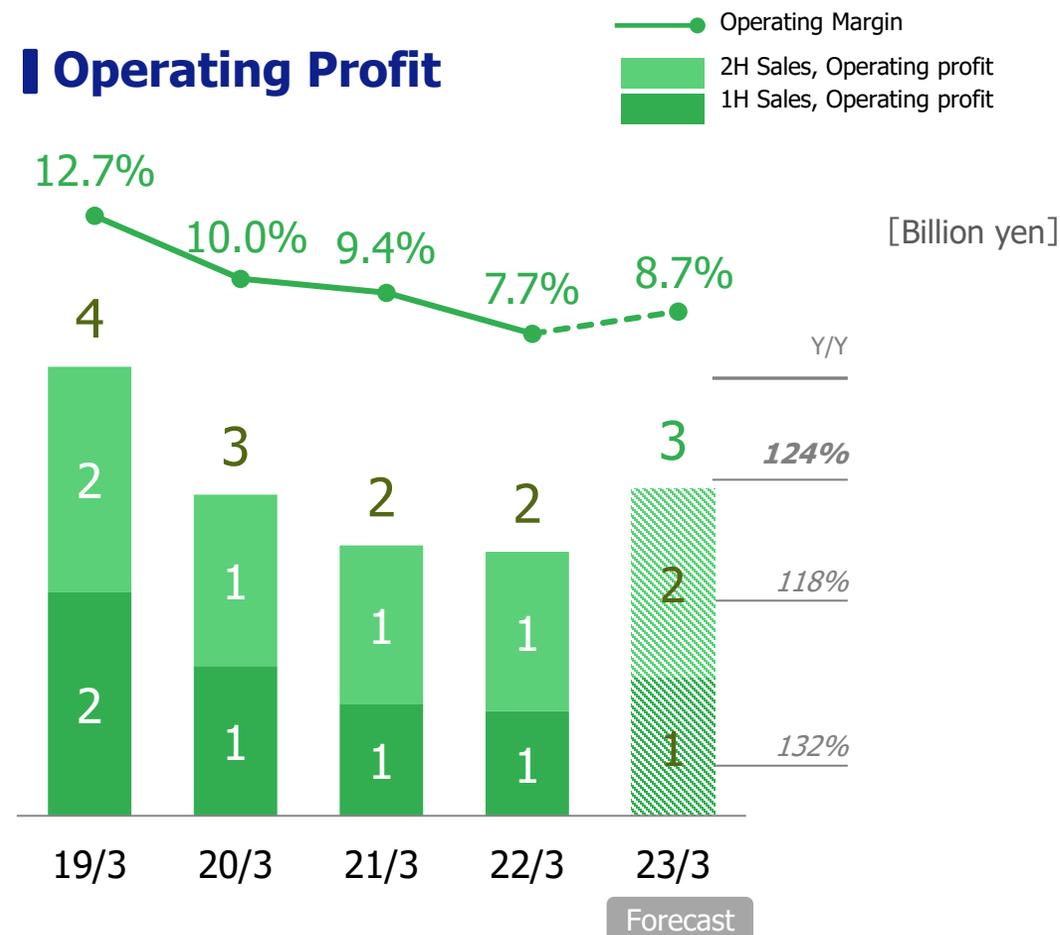
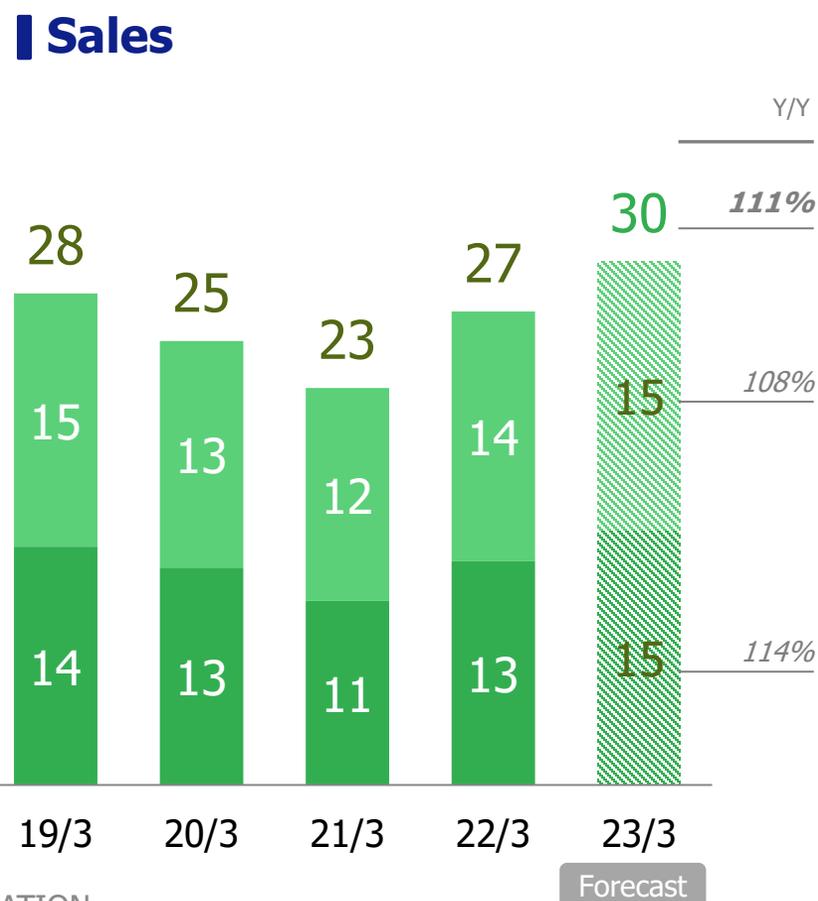


**Sales by market** [Billion yen]



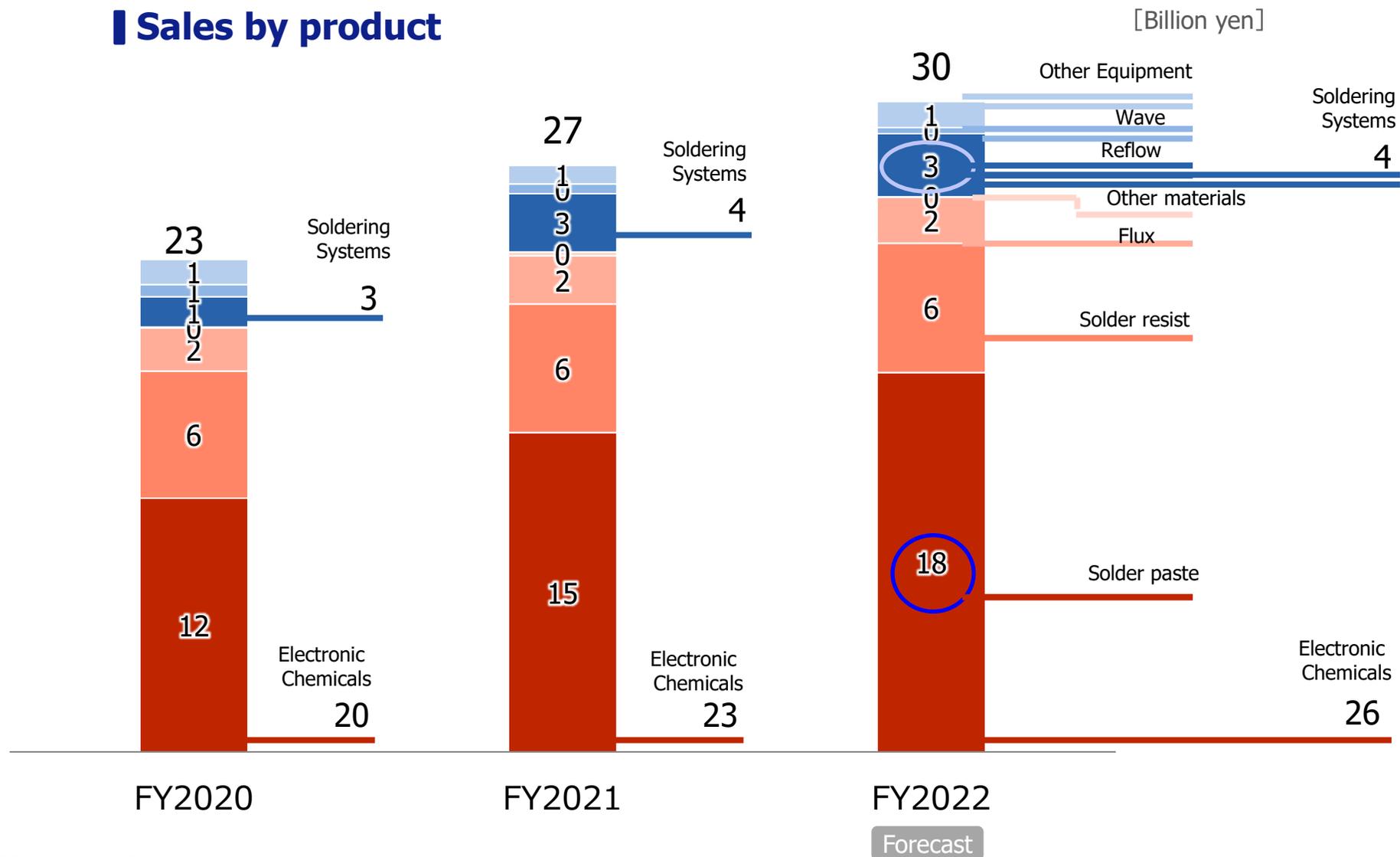
# Sales & Profit Forecast: Electronic Chemicals & Soldering Systems

- ◆ Lower profit in 1H due to prices rises of raw materials such as tin
- ◆ Shipment of reflow soldering systems to rise, especially to Japanese customers in automotive related markets



# Sales Forecast: Electronic Chemicals & Soldering Systems

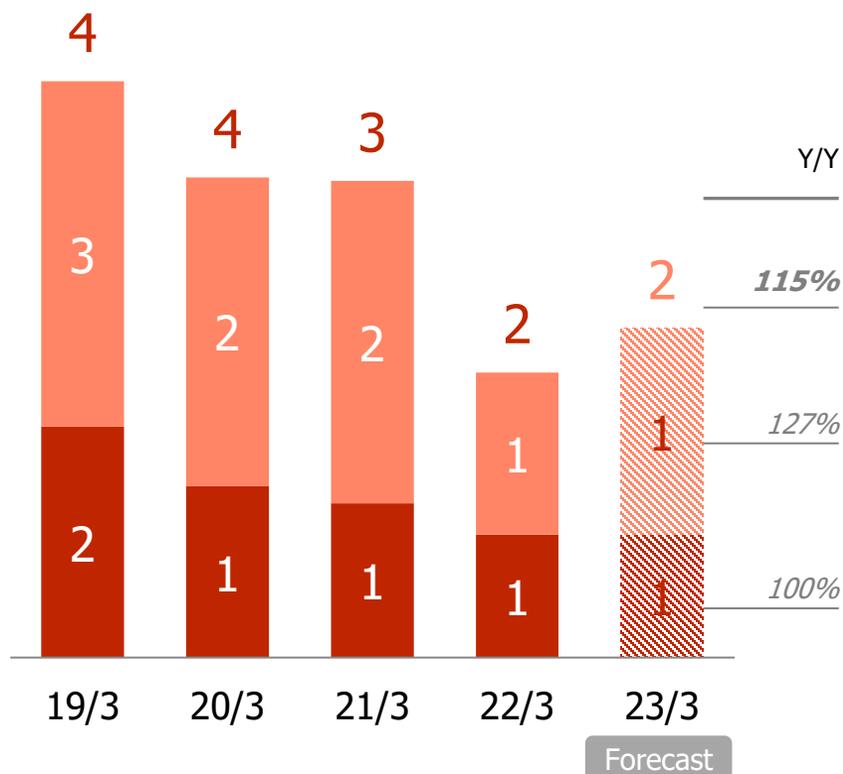
## Sales by product



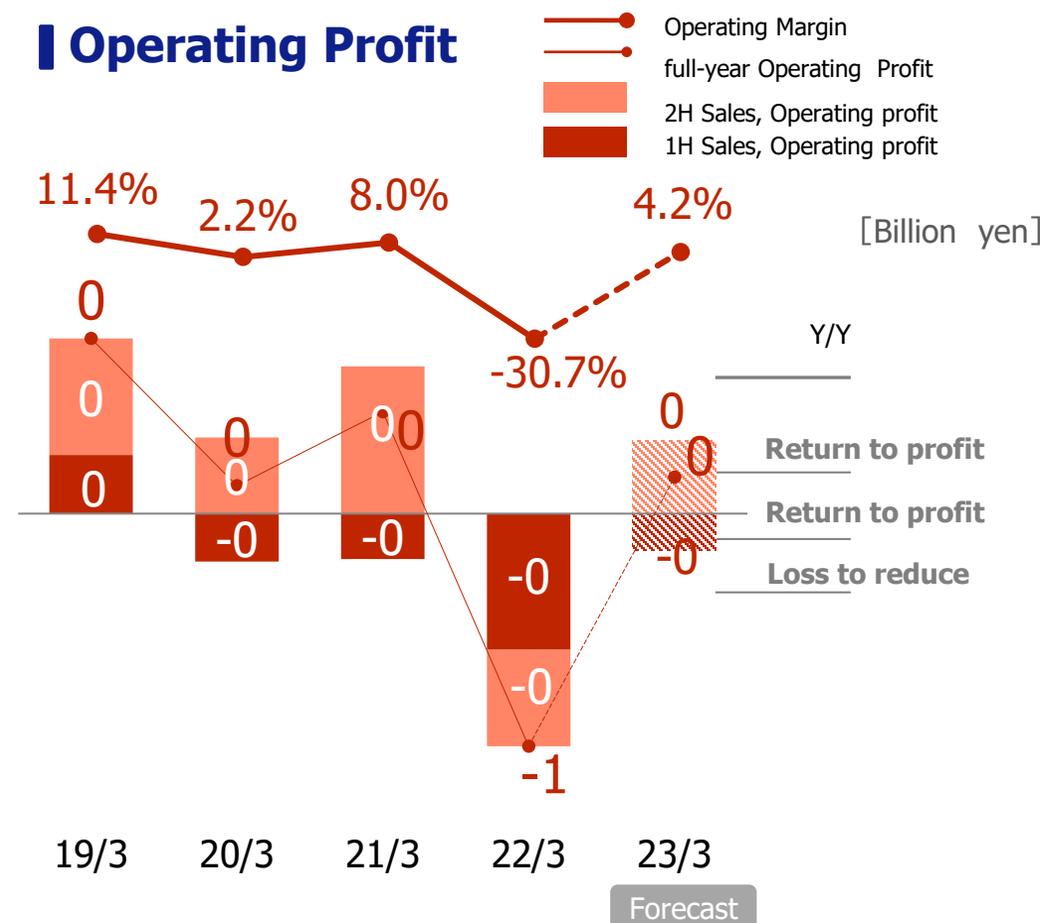
# Sales & Profit Forecast: Information Equipment

◆ While capital expenditure by broadcasters to remain subdued, shipments delayed from last financial year to realize in FY2022; together with monitoring equipment for communications market, returning to profit expected

## Sales

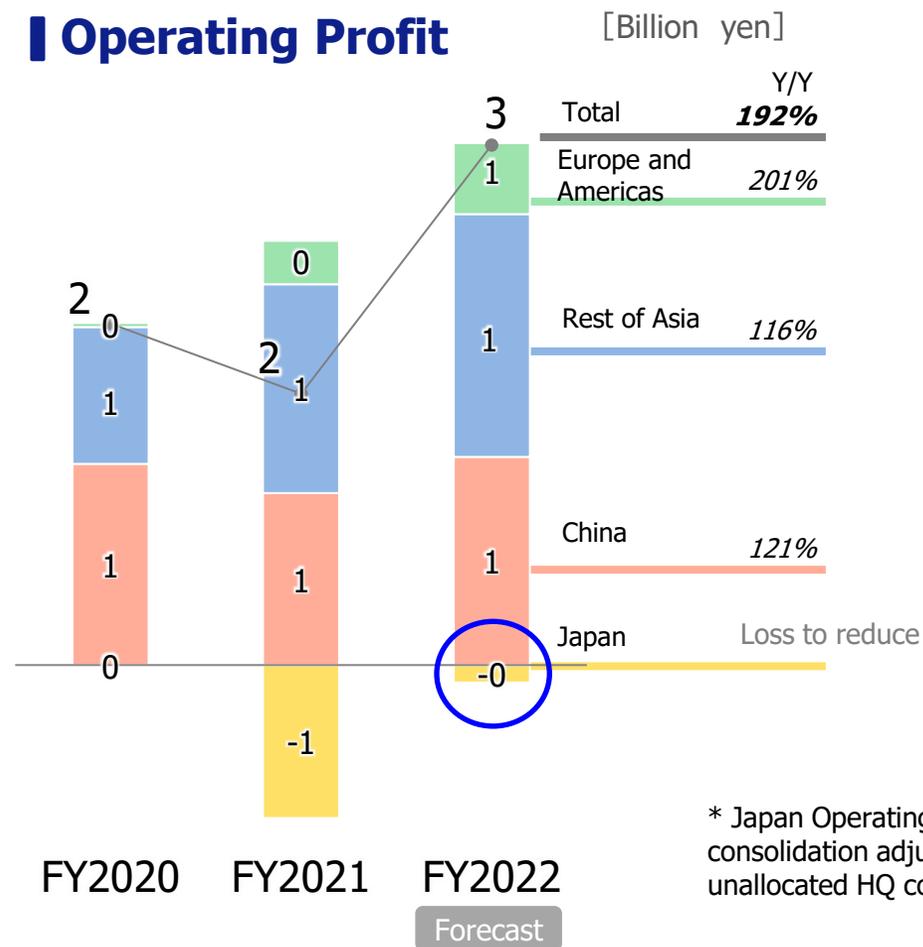
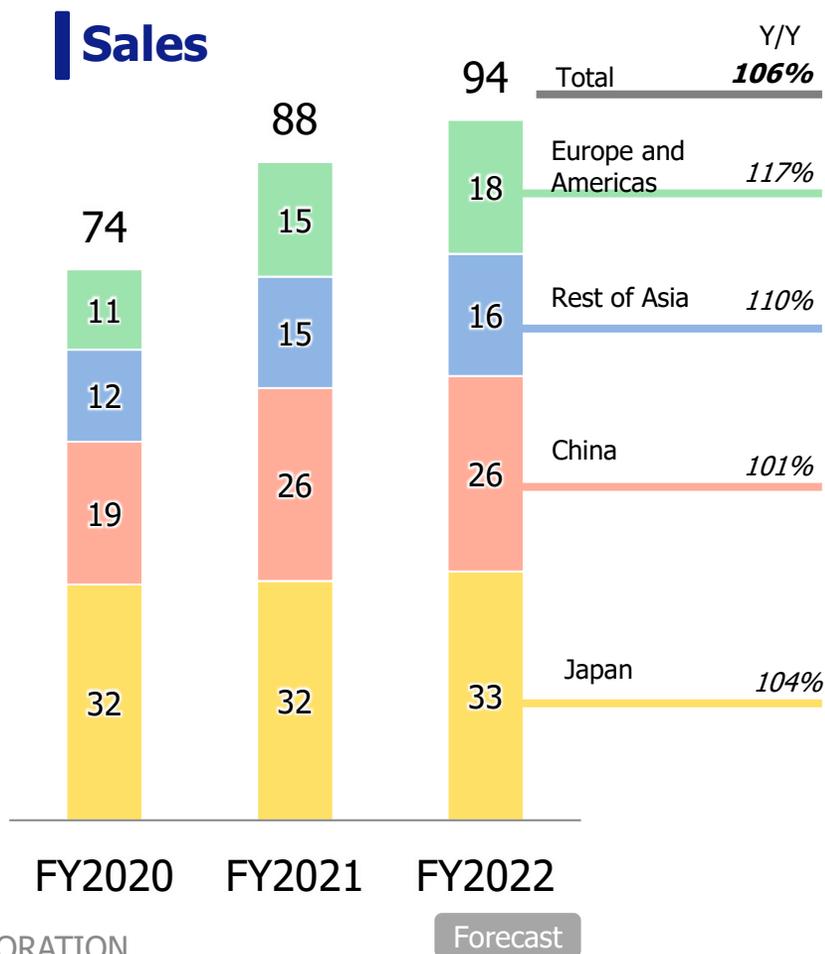


## Operating Profit



# Forecast of Sales & Profit by Area

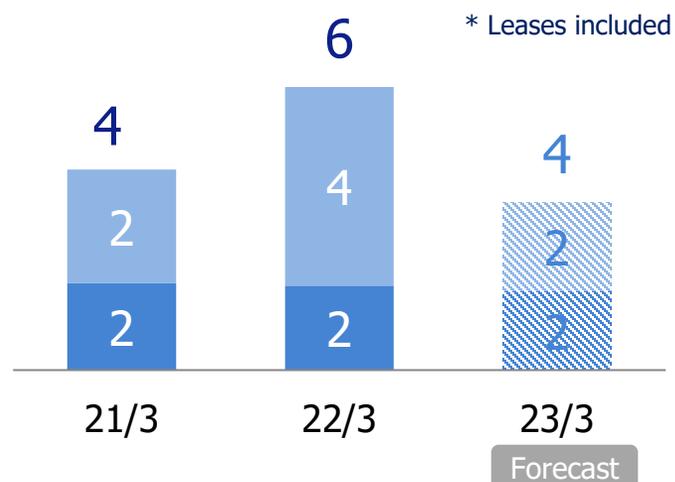
- ◆ Loss to decrease in Japan reflecting recovery in sales to broadcasting and vending machine markets, which shrunk temporarily in FY2021
- ◆ Europe and Americas to benefit from renewable energy sector growth



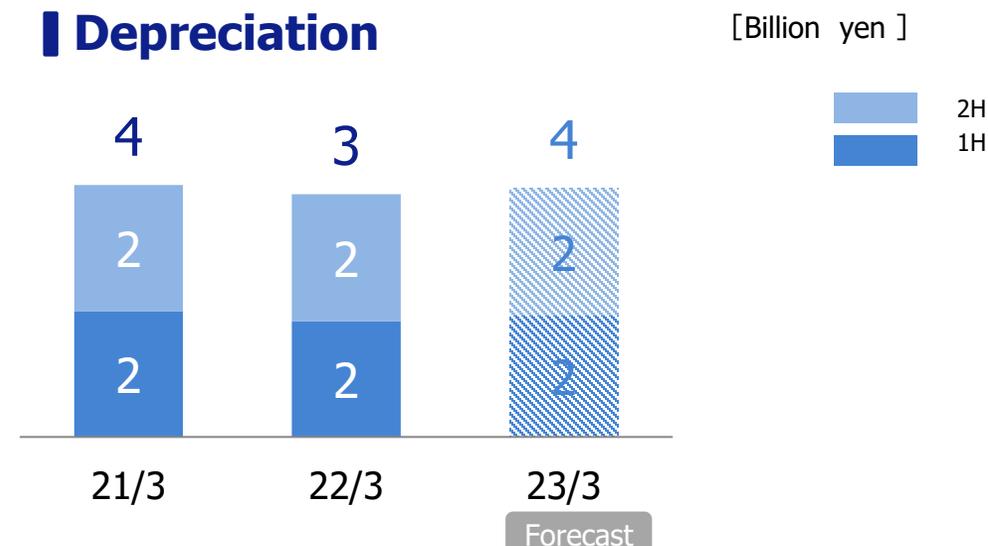
\* Japan Operating Profit includes consolidation adjustments and unallocated HQ cost such as R&D.

# Capital Expenditure, Depreciation & R&D

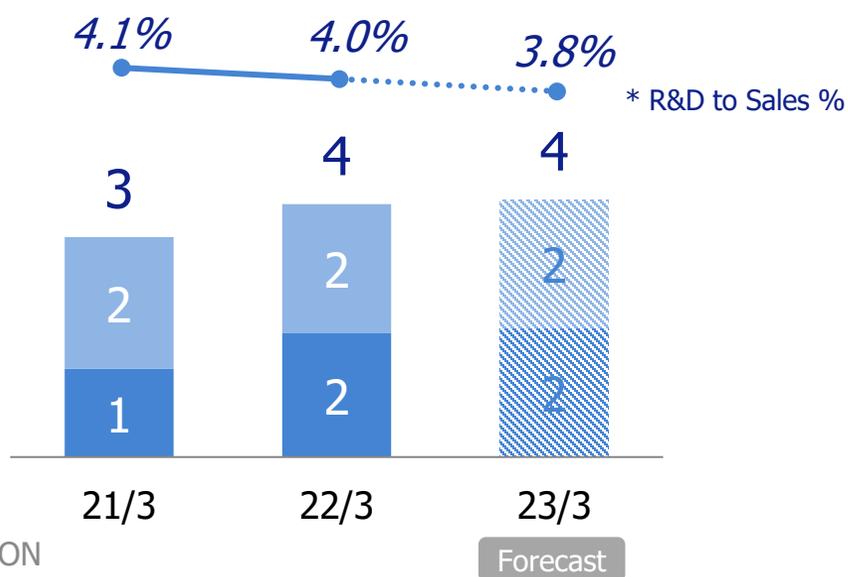
## Capital Expenditure



## Depreciation



## R&D



### Key Capex Projects

- Components: Site integration in China (Huizhou, Foshan)
- Chemicals: global capacity expansion

### Key R&D Projects

- New powder magnetic core for high frequency applications (reactors for automotive applications)
- high voltage/frequency gate drivers, high EMC performance currency sensors
- Functional insulation materials
- Environmentally-friendly reflow equipment

- R&D includes labor, capital and other expenditures associated with R&D activities

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## **3. THE 13<sup>TH</sup> MEDIUM-TERM MANAGEMENT PLAN**

The 13<sup>th</sup> Medium-term Management Plan

# Energize the Future 100

Transformation to create a robust future  
for the 100<sup>th</sup> anniversary & beyond

FY2023/3 - FY2025/3

SUSTAINABLE  
DEVELOPMENT  GOALS

  
**TAMURA**  
One and Only

# Agenda

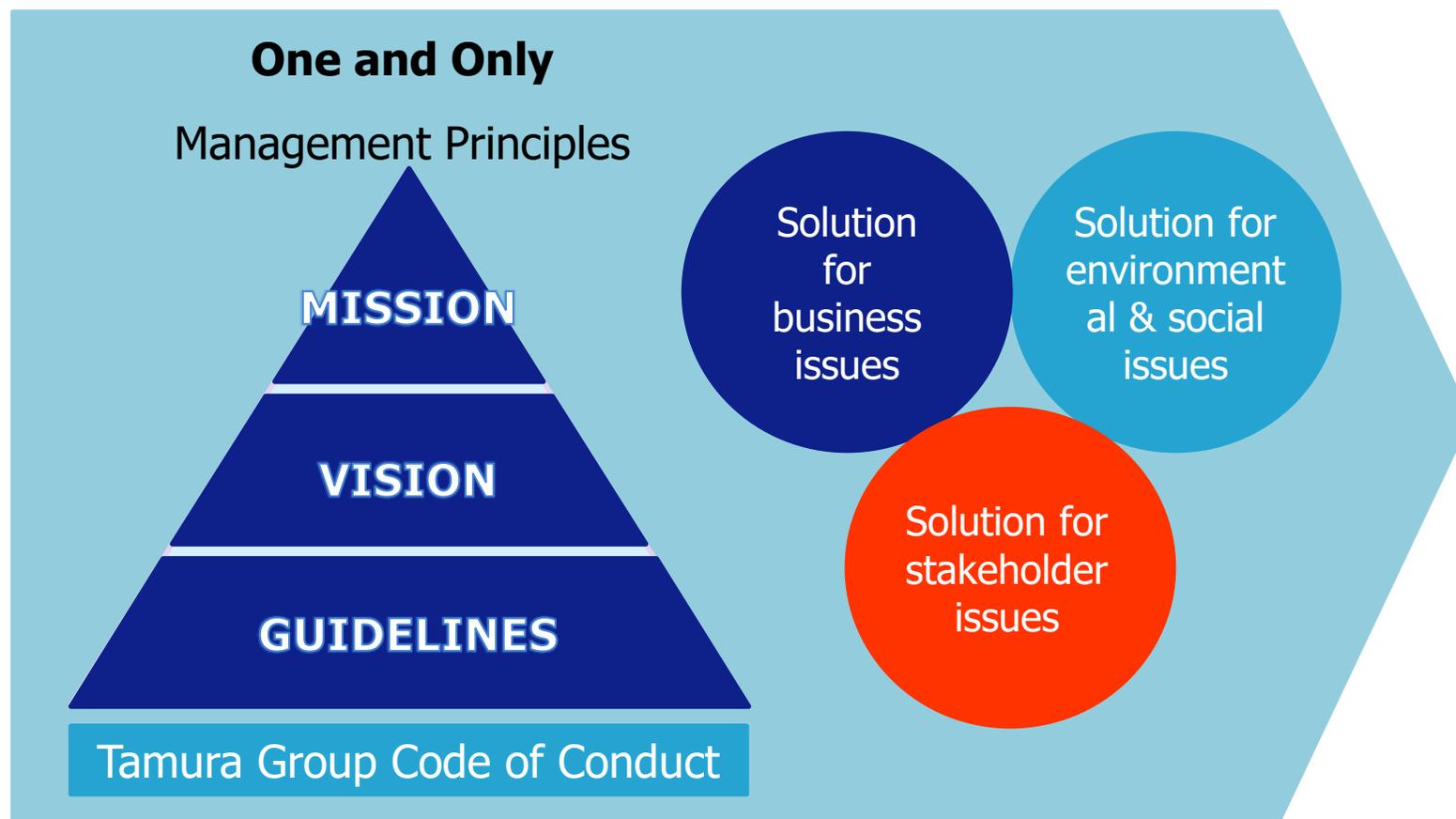
- Aspiration for 2050
- Review of the 12<sup>th</sup> Medium-term Management Plan and Assumptions
- The 13<sup>th</sup> Medium-term Management Plan
  - Overview
  - Financial Targets
  - Business Strategy
  - Sustainability Strategy

# Agenda

- Aspiration for 2050
- Review of the 12<sup>th</sup> Medium-term Management Plan and Assumptions
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# Aspiration for 2050

- ◆ Defined based on extensive discussions over three years, reflecting the spirits of foundation and management principles as well as addressing stakeholder requirements and business issues
- ◆ Announced at the same time as the new medium-term management plan



## Aspiration for 2050

A leading company well-recognized by global electronics markets to contribute to realizing decarbonized society

# Agenda

- Aspiration for 2050
- Review of the 12<sup>th</sup> Medium-term Management Plan and Assumptions
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# Review of the 12<sup>th</sup> Medium-term Management Plan

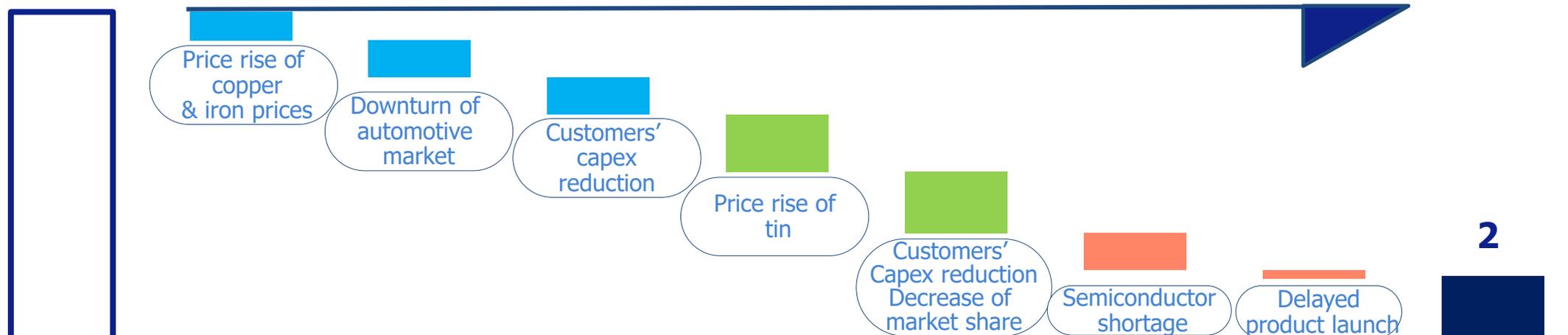
- ◆ Insufficient actions against sudden changes in business environment including material cost rises
- ◆ Significantly missing profitability target due to soaring costs of raw materials, logistics and energy

## Operating profit FY2022/3

[Billion yen]

8

Fell short of the target by 6bn



Plan

Electronic Components

Plan: 3 ➔ Actual result: 1

Electronic Chemicals & FA Systems

Plan: 4 ➔ Actual result: 2

Information Equipment

Plan: 1 ➔ Actual result: -1

Actual result

# Review of the 12<sup>th</sup> Medium-term Management Plan

- ◆ While falling short of financial targets, materialized the strategies which become basis for next medium-term plan, such as “One TAMURA “(business collaboration), sustainability strategy, management structure, production system, personnel system, IT infrastructure

The 12th Medium-term Management Plan Biltrite Tamura GROWING ANEW

## ✗ Financial targets

	Plan	Actual result	Achievement
Sales (Billion yen)	100	<b>88</b>	88%
Operating profit %	8.0%	<b>1.8%</b>	23%
ROE	9%<	<b>-0.2%</b>	—

## ✓ Strategies achieved

- Launched cross-business development project  
=>Development of new core technology
- Reorganization of China factories  
=>Newly built 2, Moved 1, Closed 1
- Job system & job satisfaction improvement  
=>ICT promotion, personnel system

ect.

One  
TAMURA

## ✓ Sustainable Management

- Defined Materiality and prepared for sustainability strategies

### Outcome

- 2018/10: Basic policy of SDGs
- 2019/4: Sustainability strategies
- 2020/5: Reduction target of GHG
- 2021/5: Defined materiality
- 2021/5: Revised Reduction target of 2030 GHG

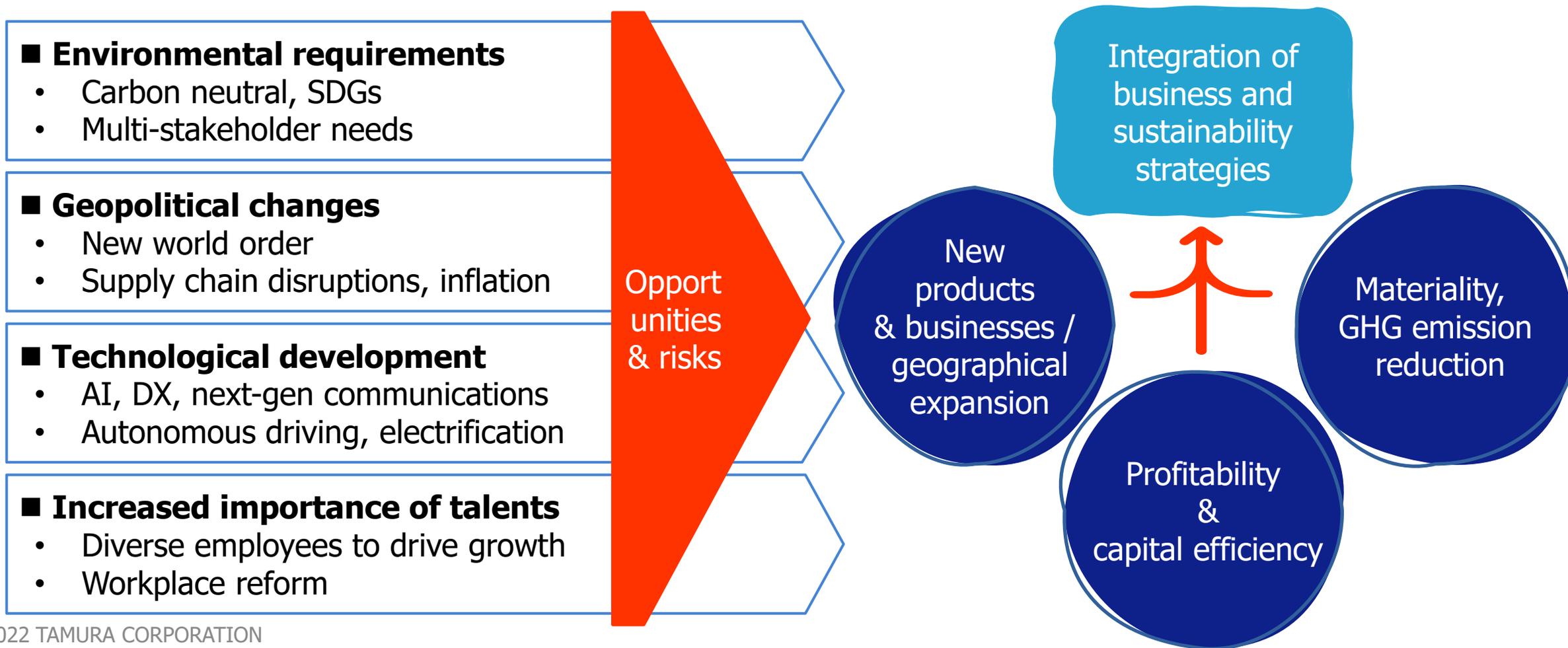
## The 13<sup>th</sup> Medium-term Management Plan

### Energize the Future 100

Transformation to create a robust future for the 100th anniversary & beyond

# Assumptions

- ◆ Against the backdrop of accelerating volatility in global economy such as supply chain disruptions and geopolitical risks, to focus on agility to create value by mitigating risks and taking opportunities



# Agenda

- Aspiration for 2050
- Review of the 12<sup>th</sup> Medium-term Management Plan and Assumptions
- **The 13<sup>th</sup> Medium-term Management Plan**
  - Overview
  - Financial Targets
  - Business Strategy
  - Sustainability Strategy

# Overview of the 13<sup>th</sup> Medium-term Management Plan (FY2023/3-FY2025/3)

◆ Defined based on Aspiration for 2050, review of previous plan and business environment

## Energize the Future 100

Transformation to create a robust future for the 100<sup>th</sup> anniversary & beyond



### Business Strategy: Growth & Efficiency

- Business growth contributing to carbon neutrality

Geographical expansion

New products & businesses

- Profitability & capital efficiency improvement

Operating profit margin 6%

ROE 8%



### Sustainability Strategy

To achieve 2030 GHG emission target and realize Aspiration for 2050 based on defined materiality

#### Materiality

- 1 Sustainable business growth
- 2 Product quality improvement
- 3 Proper supply chain management
- 4 Compliance
- 5 Fulfilling workplace
- 6 Cooperation with communities
- 7 Environmental protection & contribution to decarbonized society
- 8 Proactive information disclosure

### Aspiration for 2050

A leading company well-recognized by global electronics markets to contribute to realizing decarbonized society

# Group Financial Targets

- ◆ Priority on returning to profitability by taking swift actions, aiming for both profit growth and capital efficiency improvement with KPIs of operating profit, margin and ROE

## ■ Financial targets

	FY2022/3 (Actual)
Operating profit	2bn
Operating profit %	1.8%
ROE	-0.2%

### **The 13th Medium-term Management Plan**

	FY2023/3	FY2024/3	FY2025/3
Operating profit	3bn	5bn<	6bn<
Operating profit %	3.2%	5%	6%
ROE			8%

### Beyond

Operating profit %	8%
ROE	10%

## ■ Guidelines for achieving targets

Consolidated sales	88bn
Business OP%	
Electronic Components	0.9%
Electronic Chemicals & FA Systems	7.7%
Information Equipment	-30.7%
ROIC	1.6%

	FY2023/3	FY2024/3	FY2025/3
Consolidated sales	94bn	≒100bn	100bn<
Business OP%			
Electronic Components	1.5%	4%	5%
Electronic Chemicals & FA Systems	8.7%	9%	10%
Information Equipment	4.2%	12%	15%
ROIC			6%

Consolidated sales	130bn<
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ROIC	8%
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# Approach to Medium- to Long-term Growth

◆ Actions taken to become “One and Only” company, essential to the world and continuing to grow toward the 100<sup>th</sup> anniversary and beyond

1. Providing products and services that anticipate the change of the times, as was the spirit of foundation of the company  
=> to enhance technology contributing to **carbon neutrality** and focus on **energy-related markets**
2. Developing and providing products by leveraging the strengths of core technology  
=> to develop **materials** that can innovate **electronic** products
3. Improving profitability of **Electronic Components Business** to make it become mainstay of company profit together with **Electronic Chemical Materials & FA Systems Business**  
=> Leveraging cross business alliance within Tamura Group and allocating key technological and management resources to strategic sectors

# Business Areas Contributing to Carbon Neutrality

- ◆ To seek growth leveraging technical strengths in large capacity electric control & conversion efficiency for high-frequency applications in promising car electrification & renewable energy markets and responding to stricter energy saving regulations across the globe

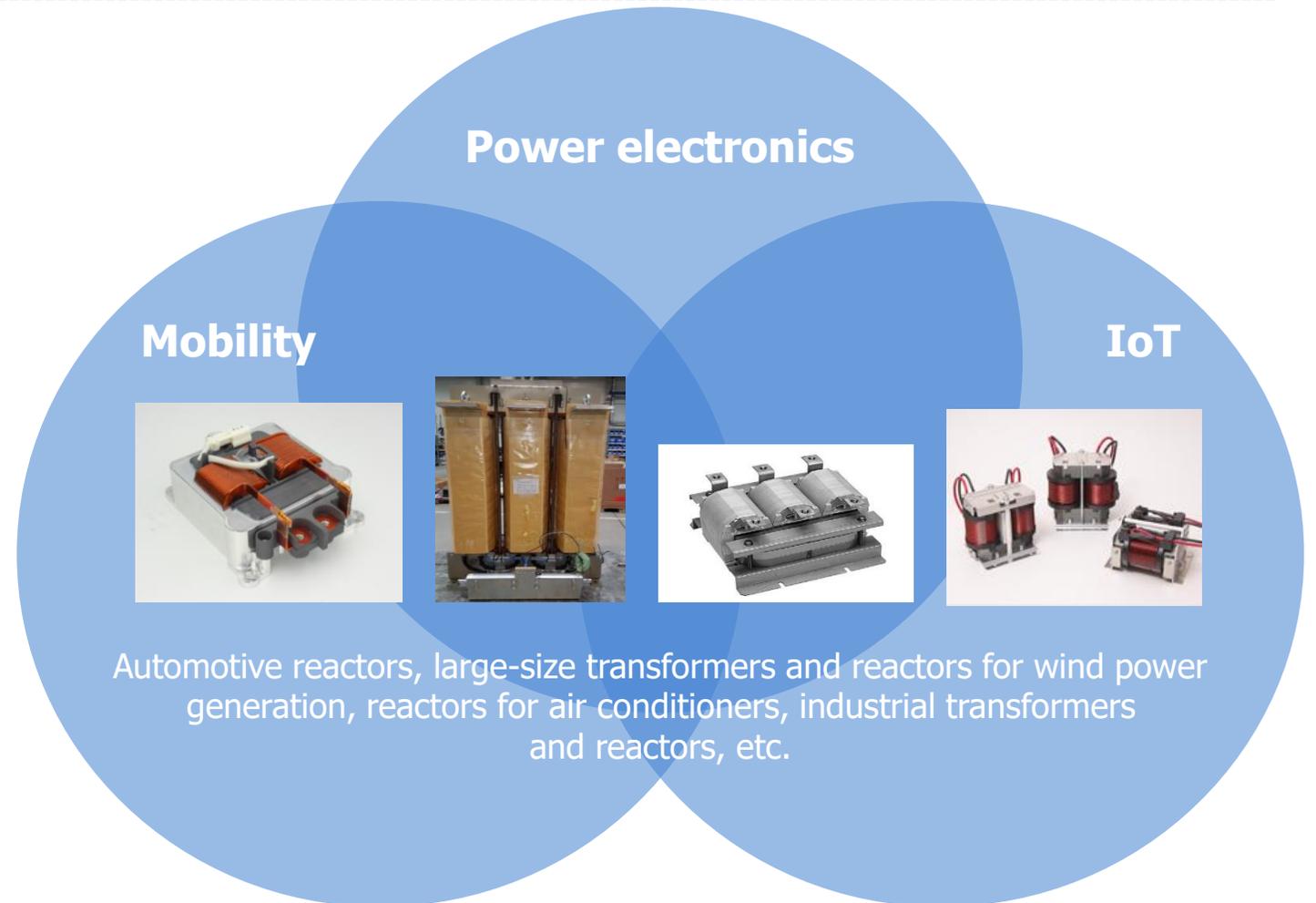
## Core technology

For high-frequency magnetic parts  
**Press-molded magnetic powder core**

For power semiconductor  
**High heat resistant soldering materials**

For reflow soldering equipment  
**Heat convection control**

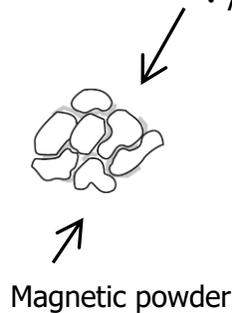
For high frequency, high voltage  
**Next-gen power semiconductor (Gallium oxide)**



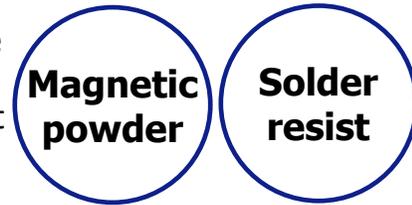
# Cross Business Product Development Based on Material Technology

## Press-molded magnetic powder core

- A core of magnetic powder with a particle size of 10s to 100s of  $\mu\text{m}$ , molded and thermally treated after insulated and mixed with lubricant
- Press-molded magnetic powder core is indispensable for high-frequency applications
- Such as highly acclaimed automotive reactors, Tamura Group leads the technology of press-molded magnetic powder core



## Material technologies of Electronic Chemicals Business



Joining materials  
 • Electrical insulation  
 • Adhesive bonding

## Expand sales of products differentiated by materials



- ◆ The electrification of automobiles leads to high demand for automotive reactors. Key technologies for electrification around motors or inverters are used also in industrial or home appliance market.
- ◆ Products of Tamura Group, such as transformers, reactors, current sensors or gate driver module contribute CO2 reduction in factories and support to realize carbon neutrality.
- ◆ Improving production efficiency and quality by using common core materials for the products of industrial, automotive and home appliance market.

# Core Technologies × Carbon Neutrality × Regional Strategy

## Reflow soldering system

- This machine joins the circuit of components and the board with the heated and melted solder
- With the technologies of solder paste or soldering flux for surface mounting, Tamura group can provide distinctive products



熱抵抗値2倍の炉体断熱新構造 New structure of the furnace body insulation thermal resistance value twice

安定時の平均有効電力 **8.2kW** (弊社従来機種 12.6kW)  
 Average effective power in stability **8.2kW** Our previous model 12.6kW

消費電力削減 約40%  
 Power consumption about 40% reduced

弊社ショールームにて 室温23℃ 装置運転6時間経過時に測定 At our showroom temperature 23℃ Measured after system operated for 6 hours

## Realization of carbon-neutral becomes urgent issue for all factories in the world



- ◆ Tamura Group products can save power and resource with high environmental performance and core technology. Further, they can streamline mounting lines and support manufacturing in evolving factories around the world.
- ◆ The newly-developed systems are equipped with convection control technology that efficiently circulates gas within the systems, making it possible to suppress flux adhesion to the inner surface of the furnace as well as reduce nitrogen consumption
- ◆ Tamura Group provides high-performance soldering systems compatible with other assembly equipment.
- ◆ Such systems are needed due to an increase in demand for in-vehicle PCBs associated with advances in automotive electronics or to development in smart factories typified by Industry 4.0.

# Core Technologies × Energy × Regional Strategy

## Large-size transformers and reactors



- ◆ Large-size transformers and reactors are used in large-scale wind power generation systems or high-voltage direct current (HVDC) transmission and distribution
- ◆ To lower transportation cost because of their weight, Tamura Group can supply the products from eight factories around the world

## Gate driver module



- ◆ Gate driver module is for driving high-power switching semiconductors used in inverters, etc.
- ◆ Suitable for both IGBT and SiC-MOSFET because of its low noise characteristics. This product can contribute to drastic simplification of equipment design
- ◆ Currently, demand is expanding for wind power generation in Europe

## Respond necessity of large-scale wind power generation systems and like with European-origin technologies

Engineers based in Europe started developing large-size transformers and reactors from 2010



Expand in large-scale wind power generation systems in Europe, US, and emerging markets

## Gate driver module supports energy conversion by power semiconductor

- ◆ Supplying products by locally, marketing large-size transformers and reactors in booming Brazil or Mexico

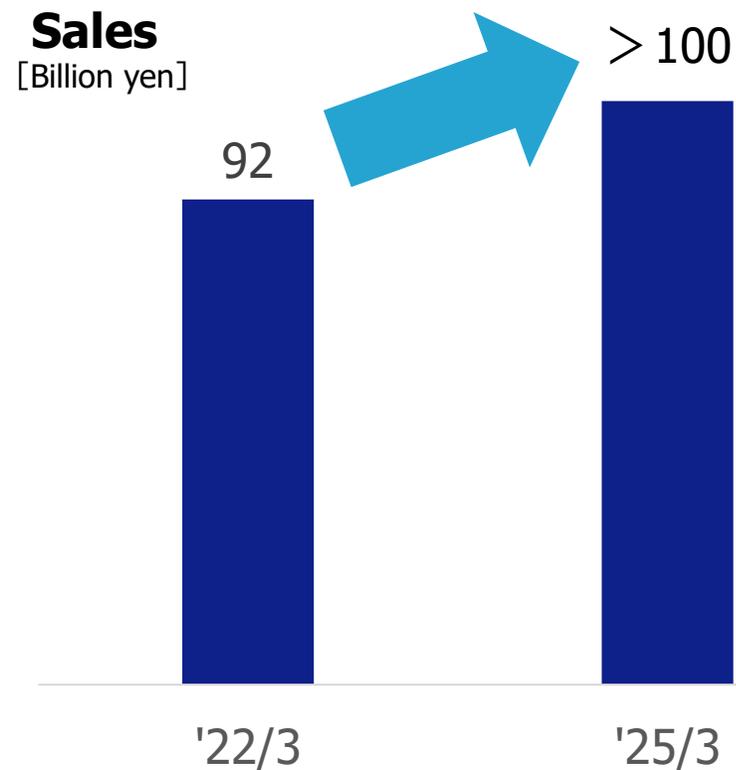
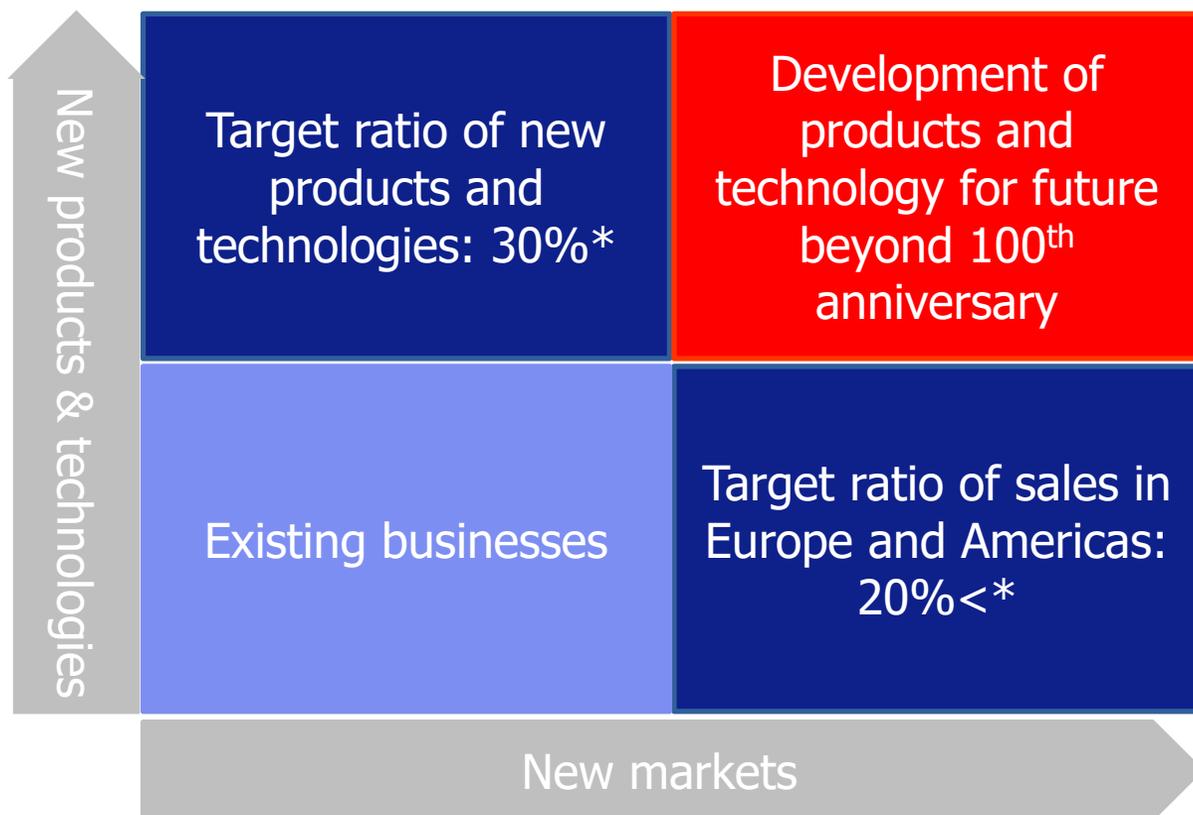


[Brazil: Indusul Industria De Transformadores]

# Growth: Geographical Expansion and New Products and Businesses

- ◆ Anticipating the saturation of existing products and markets as well as the advent of block economy, growth sought with new technologies and new markets, especially in Europe and Americas

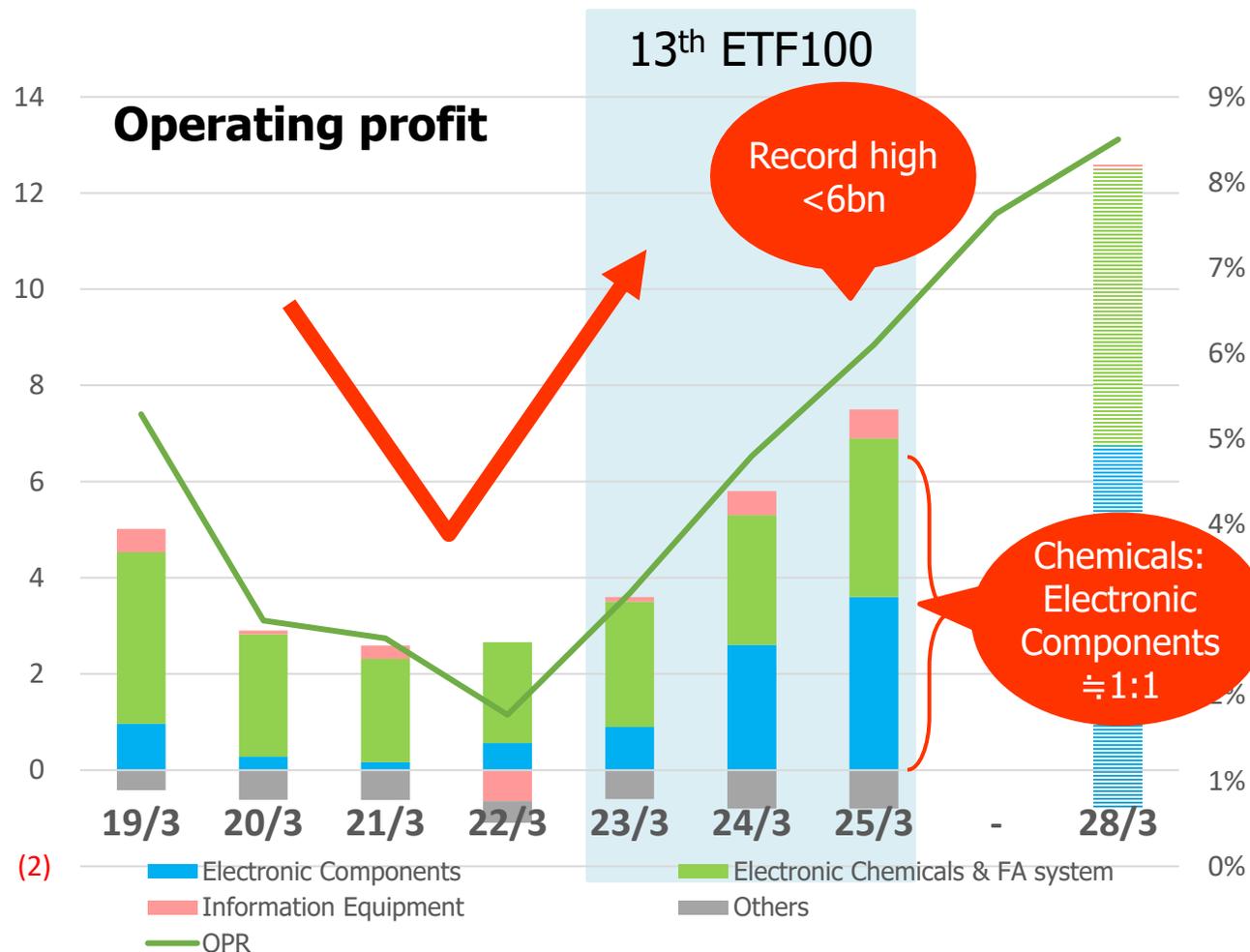
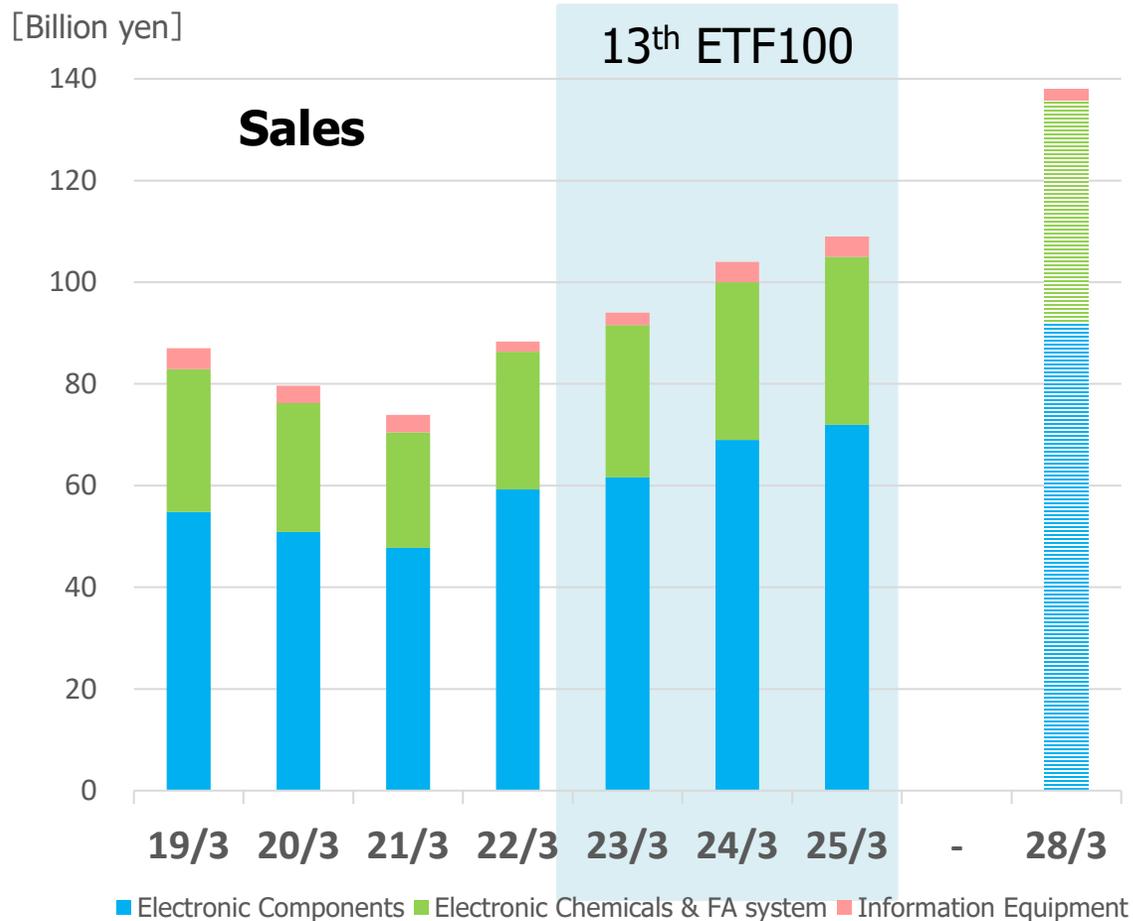
## Geographical Expansion and New Products & Businesses



\* Targets for FY2025/3

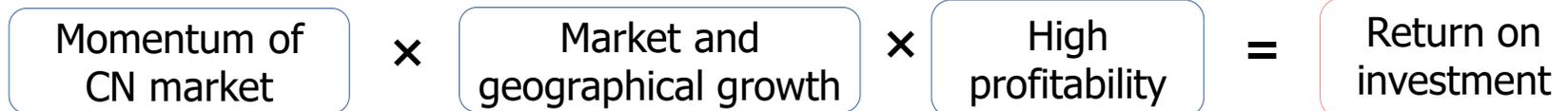
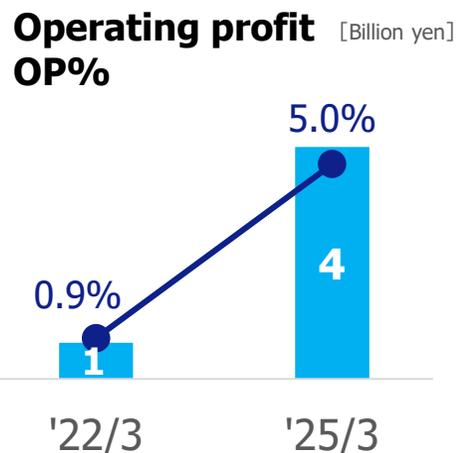
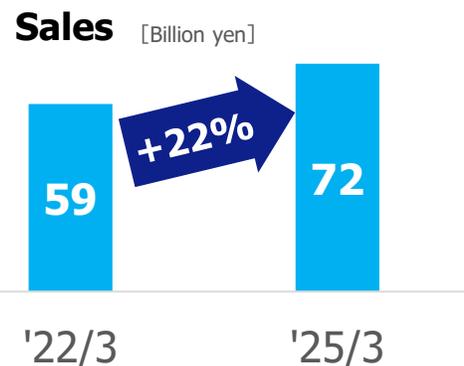
# Profitability

- ◆ Aiming for V-shaped recovery from Covid-19 and related impacts and record high operating profit
- ◆ Making the profit of Components business comparable to Chemicals business in FY 3/2025



# Business Strategy: Electronic Components

- ◆ Aiming to expand business with multipath approach, responding flexibly to changing needs under uncertainty
- ◆ Making semiconductor drive modules business comparable to power supply business through product development and geographical market expansion



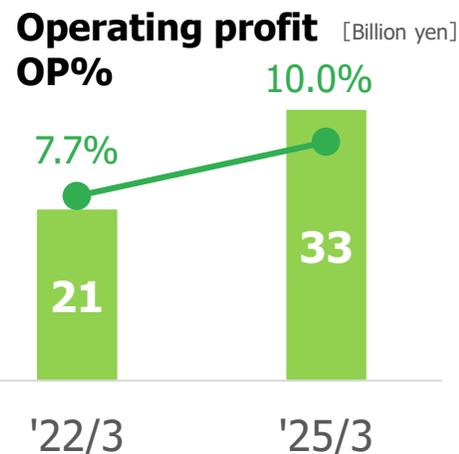
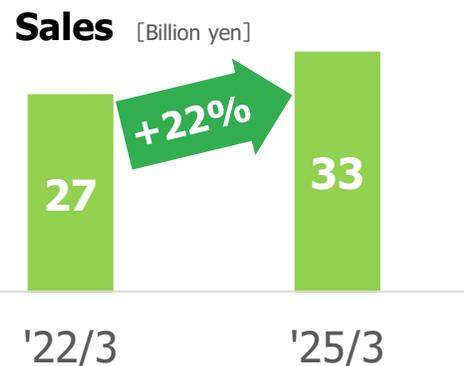
- Market opportunities: robust carbon-neutral market
  - Mobility: boosting reactors, transformers/reactors for car and industrial battery chargers  
High voltage/frequency gate drivers, EMC enhanced current sensors
  - Energy: large-size transformers and reactors, gate drivers
  - Region: Growth in Europe and US market (renewable energy, battery chargers)
- Profitability improvement
  - Return on investments in last three years
    - three automotive parts plants in Japan and China
  - Increase of high value-added modules
  - Differentiation by developing high frequency press-molded magnetic powder core
  - Production footprint reorganization to satisfy local content requirements



[TAMURA ELECTRONICS (SUZHOU) CO., LTD.]

# Business Strategy: Electronic Chemicals & FA Systems

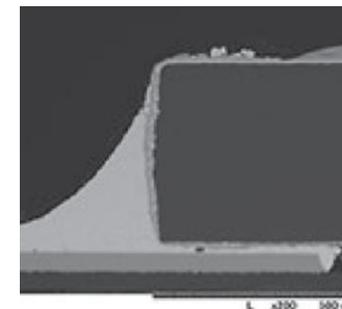
- ◆ More proactive pricing strategy, following significant impact of raw material price rises during the 12<sup>th</sup> plan period
- ◆ Improving business resilience by increasing high value-added products and reducing costs; creating markets with custom-in approach into growth areas



$$\text{New products} \times \text{New markets} \times \text{Production improvement} = \text{Preparation toward future profit expansion}$$

## ■ New product development

- High heat resistant soldering materials for next-generation power semiconductors
- Coverlay market products
- Solder paste for new semiconductor construction method
- Energy saving reflow soldering systems



High Heat Resistant Soldering Materials for Next-Generation Power Semiconductor

## ■ New market expansion

- Seeking approval of US and European customers for automotive solder paste
- Sales expansion of solder resist for Mini LED market
- Sales expansion of reflow soldering systems for non-Japanese customers

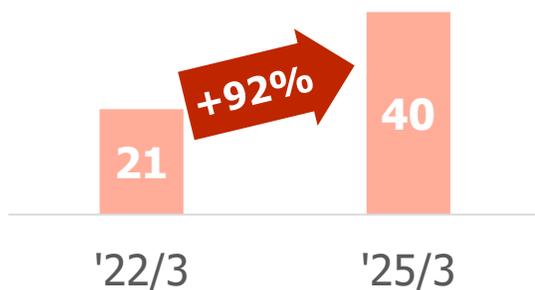
## ■ Production improvement

- Reorganization of production footprints for local supply

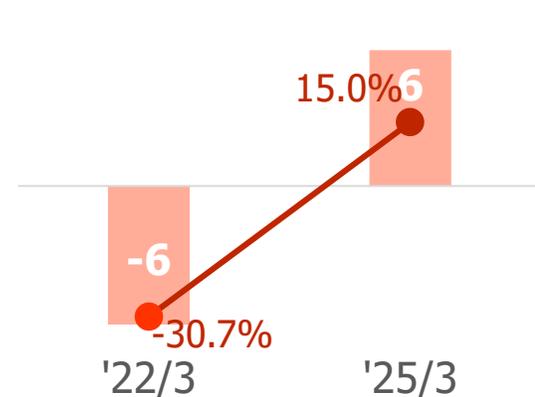
# Business Strategy: Information Equipment

- ◆ Securing semiconductors and other essential components; returning to and increasing profit with next-generation audio mixing consoles
- ◆ Coping with changes in technologies such as network-based broadcasting equipment

**Sales** [100 million yen]



**Operating income**  
OI%



Seizing market opportunity by responding to the needs of key customers in a timely manner

- ◆ Next-generation audio mixing consoles
  - Timely launch of new products, keep up with facility renovation demand of key broadcasting stations
  - Securing key components such as semiconductors
  - Streamlining business and production processes
  - Collaboration with adjacent technologies to cope with new requirements



[Wireless Intercom System]



[Audio Mixing Console]

# Sustainability Strategy

◆ Materiality, KPIs and Targets defined based on extensive management and Board discussions

Materiality	Target for FY2025/3	
① Sustainable business growth	Ratio of new product and market sales: 30%	
② Product quality improvement	Quality cost: 15% reduction against the average during the 12 <sup>th</sup> management plan period	
③ Proper supply chain management	SAQ survey on key suppliers: 100%	
④ Compliance	Compliance training: 100%	
⑤ Fulfilling workplace	Global) Improvement of employee survey score: 3pt p.a. Japan) Ratio of female, non-Japanese, mid-career employees: 10%, 5%, 50% respectively	
⑥ Cooperation with communities	Social contribution cost: 1% of ordinary profit	
⑦ Environmental protection & contribution to decarbonized society	Ratio of sustainability-contributing product sales: 27% GHG (scope 1&2) reduction: 33% or more from 2013	
⑧ Proactive information disclosure	Publication of integrated report Climate related disclosure based on TCFD	

# Carbon Neutrality Strategy

- ◆ To achieve 2030 GHG emission target and realize Aspiration for 2050
- ◆ Prioritizing reduction of scope 1&2 GHG, while preparing for scope 3 reduction target

## Target for the 13<sup>th</sup> Medium-term Management Plan

33% or more reduction from 2013\* by FY2025/3

- Target set by backcasting
- Priority on scope 2 reduction, accounting for 99.5% in emission

- PV installations
- Renewable energy certificate etc.

2/3  
Switching to renewable energy  
(Procurement improvement)

1/3  
Energy saving  
(Energy usage improvement)

- Visibility improvement
- Facility & equipment improvement
- Energy saving assessment etc.



### **GHG reduction target**

(announced in May 2021)  
51% or more reduction from 2013\*



# Talent Strategy

- ◆ By creating fulfilling workplace across the Group and securing diverse talents in Japan, aiming to be a company where people want to come to and work for

## Actions to create fulfilling workplace across the Group

- Ensuring an improvement in employee survey by taking actions based on PDCA cycle

Human rights and safety training

Psychological security actions roll-out

Updating programs



Improvement in employee survey score

Improvement: 3pt p.a. for the Group

## Diversity in Japan

- Securing diversity in people, responding to the requirements of global stakeholders and aiming to realize Aspiration for 2050
- Priority on the improvement of less-diverse Japan during the 13<sup>th</sup> plan period



Ratio among managers (FY2025/3)

Female: 10%

Non-Japanese: 5%

Mid-career: 50%

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## 4. SUMMARY

# Summary

## **Review of the 12<sup>th</sup> Medium-term Management Plan and Results of FY2022/3**

- Significantly affected by supply chain disruption and material price rises
- Profit target of the medium-term and annual plan largely missed, despite sales increase
- Clear improvement seen in 4Q with steady increase of demand

## **FY2023/3 Forecast**

- Despite uncertainties in business environment such as material price rises, parts shortages and exchange rate fluctuations, demand expected to remain robust in electronics market
- Aiming for V-shaped recovery with profitability improvement measures

## **The 13<sup>th</sup> Medium-term Management Plan**

- Integration of business and sustainability strategies, driving transformation to create a robust future for the 100<sup>th</sup> anniversary and beyond
- Business strategy: aiming for business growth contributing to carbon neutrality, together with profitability and capital efficiency improvement
- Sustainability strategy: actions taken based on defined materiality and its KPIs and targets

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# **【APPENDIX】 REFERENCE**

# Corporate Profile

- Capital: 12 billion yen
- Number of employees\*: 4,405
- Sales\*: 88 billion Yen
- President: Masahiro Asada
- Listed in Prime Market, Tokyo Stock Exchange



## China

Sales: 25 billion yen  
Number of employees: 1,759

## Other Asian Countries

Sales: 15 billion yen  
Number of employees: 1,084

## Europe and the Americas

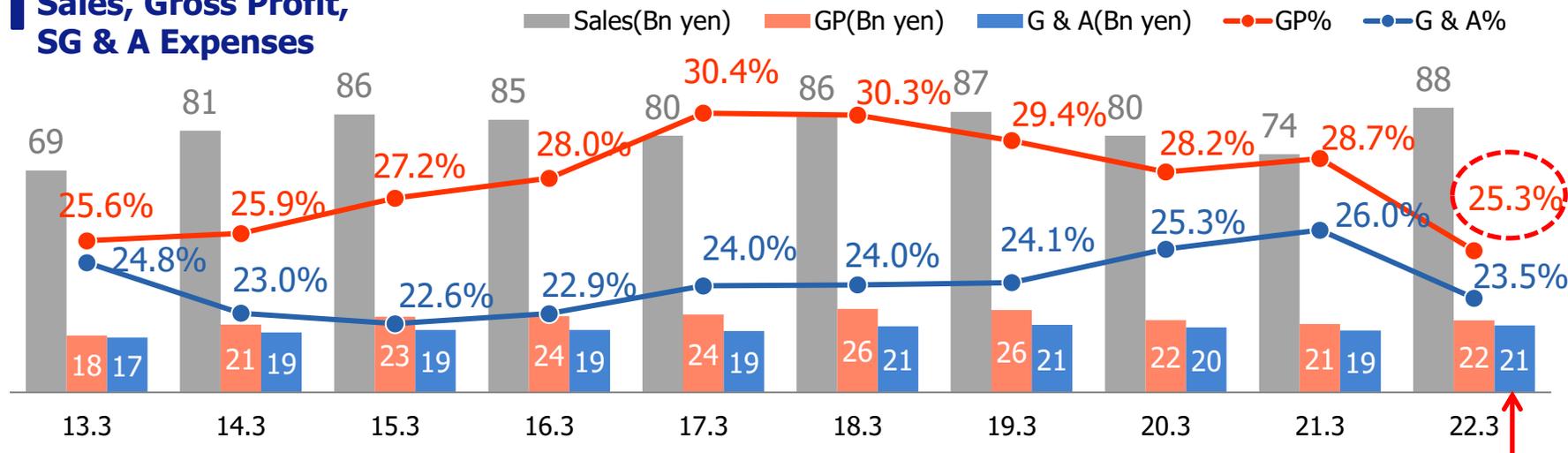
Sales: 15 billion yen  
Number of employees: 374

\*Sales: FY2022/3

\* Number of employees as at of 31<sup>st</sup> March 2022

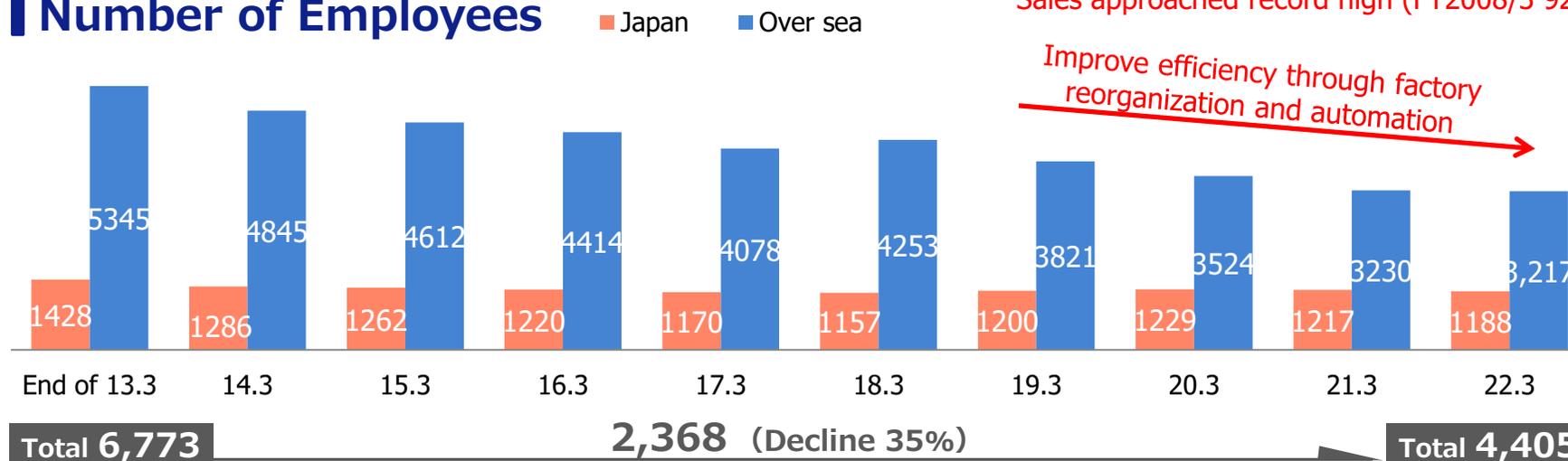
# Sales, Gross Profit, SG & A Expenses and the Number of Employees

## Sales, Gross Profit, SG & A Expenses



GP% declined due to soaring material prices  
Sales approached record high (FY2008/3 92bn yen)

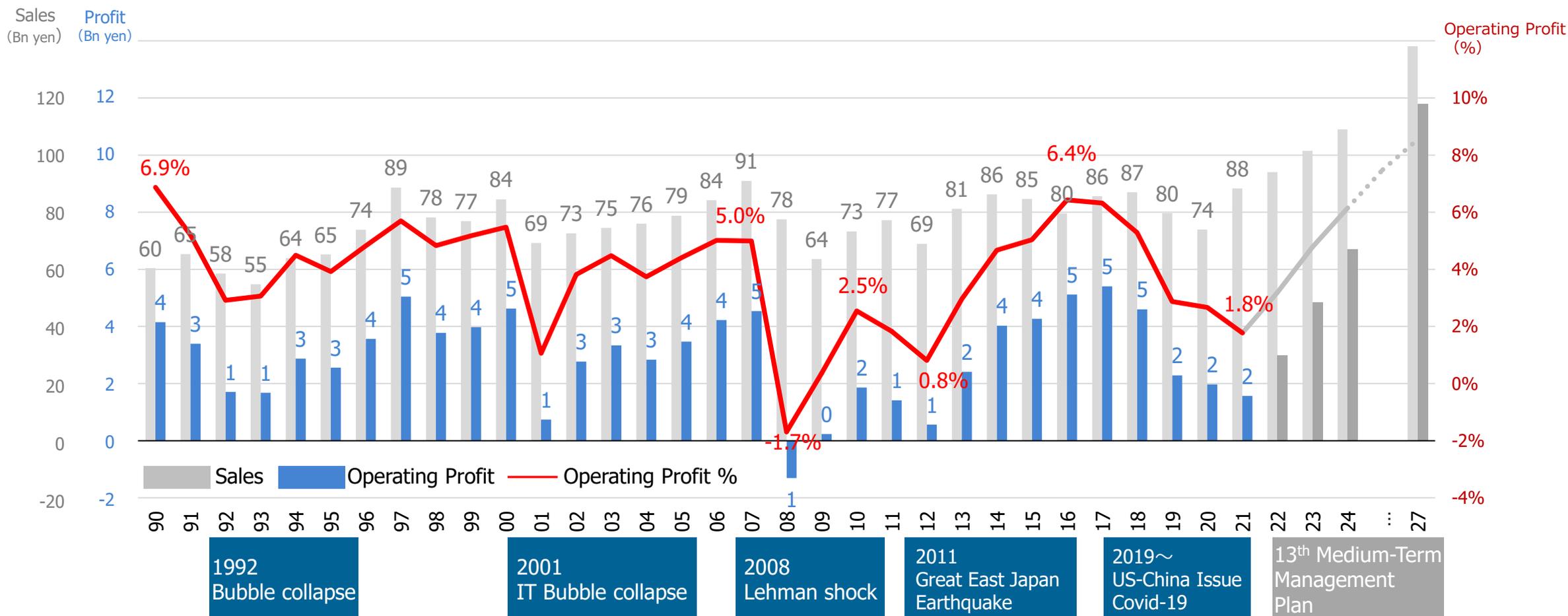
## Number of Employees





# Sales and Operating Profit

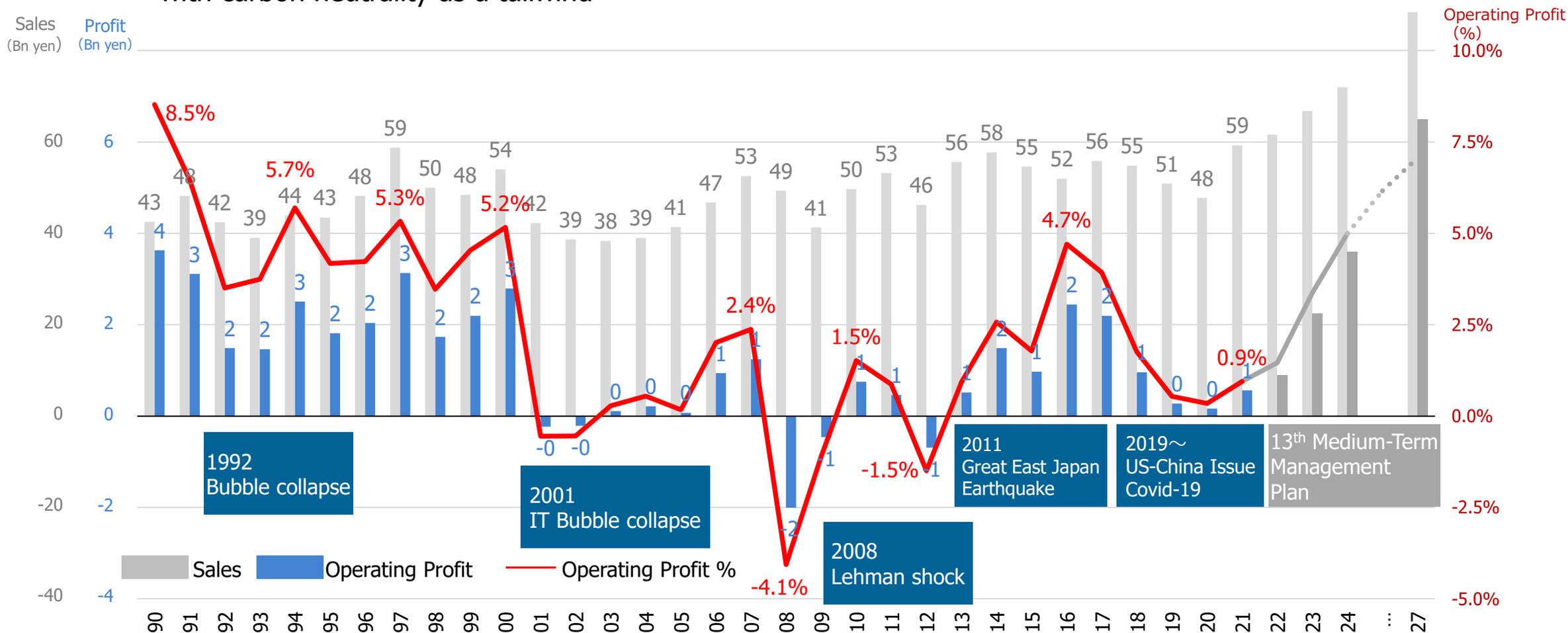
 Tamura Group has overcome various headwind over the last several decades. The 13<sup>th</sup> Medium-term Management Plan has been launched in April 2022, to recover from COVID-19 impacts and to seize the opportunities of future needs, driving continuous growth for the 100<sup>th</sup> anniversary and beyond



# Electronic Components: Sales and Operating Profit

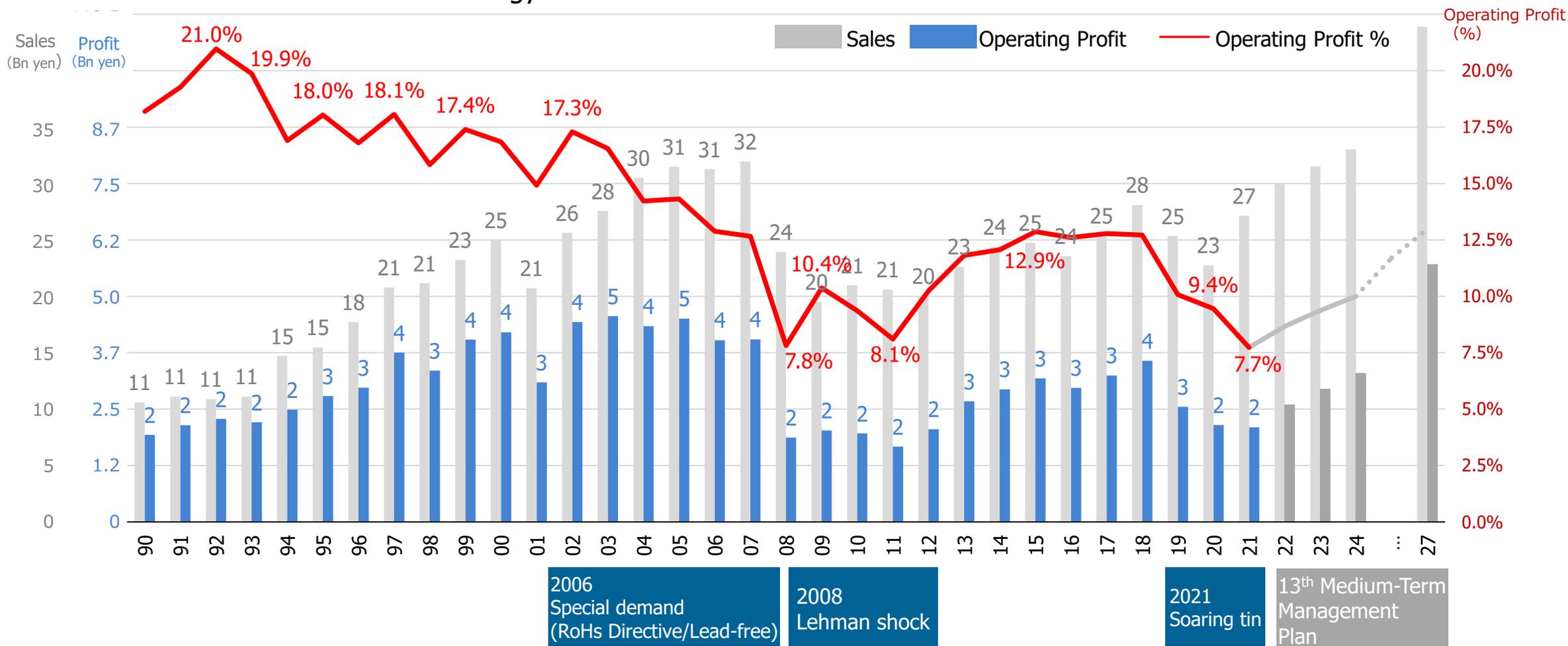


Shift of focus on profit from sales after the collapse of IT bubble in 2001  
 Recording highest sales in FY2022/3 and continuing to grow in sales and profit in power electronics market with carbon neutrality as a tailwind



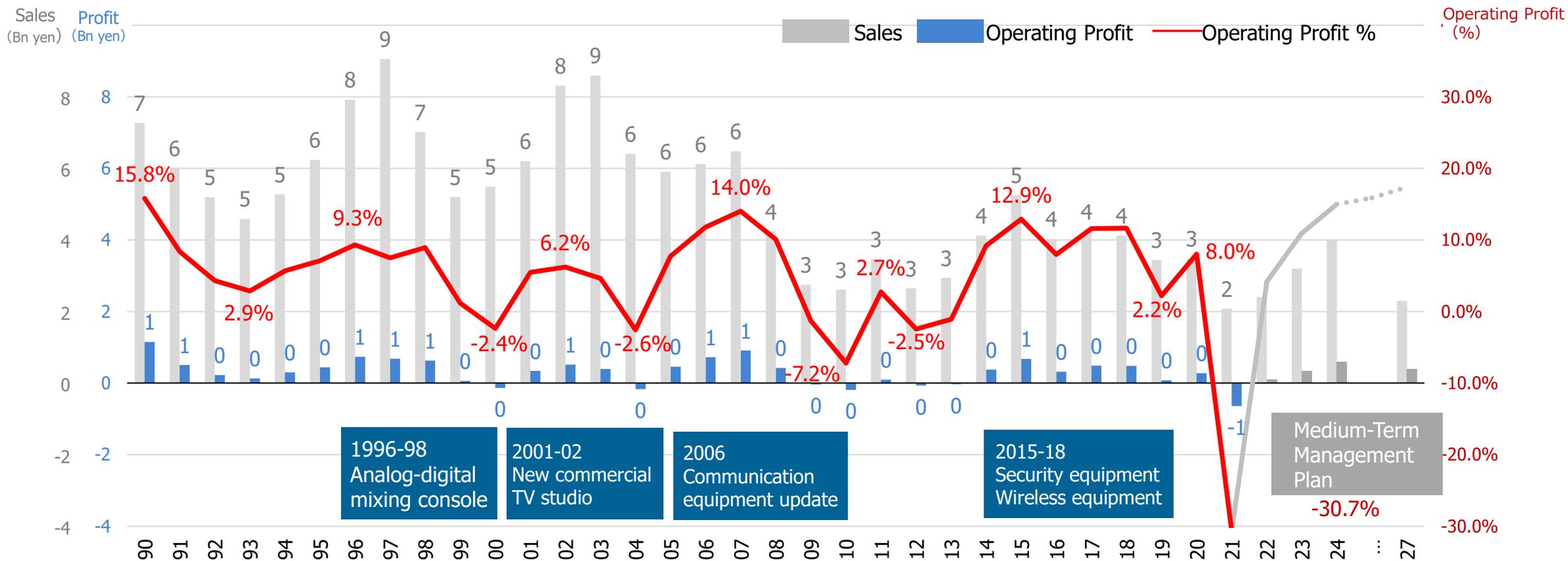
# Electronic Chemicals & FA systems: Sales and Operating Profit

Stable profits recorded regardless of economic fluctuations. Sales growth driven with the development of solder products in 2006 prior to the enforcement of the RoHS Directive. Seeking to support the growth of electronics market with material technology and environmental consciousness



# Information Equipment: Sales and Operating Profit

Consisting of broadcasting, wireless, communications and security equipment businesses, aiming to take opportunities of broadcasting stations renovations, after the downturn of demand due to seasonality and semiconductor shortages



# TAMURA in Your Daily Life

From Corporation Report 2021 <https://www.tamuracorp.com/>

**In Aerospace**  
Contributing to society by providing ultimate environmental resistance in the form of airplanes, rockets, and satellites  
Transformers/Reactors

**At Lighthouse**  
Achieving energy-saving, extended service life, and improved maintainability for the luminous source of the lighthouse, which requires ultra-high brightness and high straightness  
Power LED

**At Train Stations**  
Supporting railway operation in the audio-visual realm by conveying such information as arrival/departure times  
LED electric bulletin board  
Wireless microphone for railways

**In convenience stores and shops**  
LED light source contributes to energy savings for shop sign lighting and showcases  
Advertisement LED lighting  
LED lighting for showcases

**At Telecommunication Base Stations**  
Solder resist and paste underpins digital telecommunication systems as essential materials for substrates used in telecommunication base stations.  
Solder resist  
Solder paste

**In Broadcast Stations**  
Used in equipment for adjusting sound delivered to audiences, and wireless systems for in-house communication  
Audio mixing console  
DECT-based Intercom  
Portable audio mixer

**In Automatic Vending Machines on the Street**  
Realizing leading-edge functions for display, item selection, interface with a smartphone, etc.  
Product selection buttons  
Price display unit

**In Eco-Friendly Cars**  
Supporting safe, secure, and eco-friendly driving with highly reliable and efficient parts and materials  
Automotive reactors/Coils  
Solder wires/Solder bars  
Solder resist  
Solder paste

**In Wind and Solar Power Generation, by infrastructure**  
Offering parts and materials that contribute to efficiency improvement in renewable energy generation and DC transmission  
Large transformers and reactors  
Current sensors  
Gate driver module  
Power modules  
Self-assembling material  
White reflective material  
Flux

**In Manufacturing Plants**  
Playing active roles as components of robots and machine tools as well as devices indispensable for PCB assembly  
Current sensors  
Gate driver module  
Power modules  
Transformers/Reactors  
Soldering systems

**At Home**  
Components contributing to energy-saving in air conditioners or power conditioners, or sensors monitoring people's activities indoors.  
Reactors  
Human sensors  
Environment visualization sensors  
Current sensors  
Power modules

**In Smartphones and Tablet PCs**  
Employed as materials that support device evolution to realize multi-functionalization and miniaturization  
Solder resists for flexible PCBs  
Low alpha solder paste  
Type 6 solder paste  
Black absorbing material  
Photo imageable coverlay coat (film or liquid form)

# Caution Concerning Forward-looking Statements

The forward-looking statements, including the financial results forecast shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance.

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