

Energize the Future 100



SUSTAINABLE
DEVELOPMENT
GOALS

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

Energize the Future 100



TAMURA REPORT

Integrated report

2023

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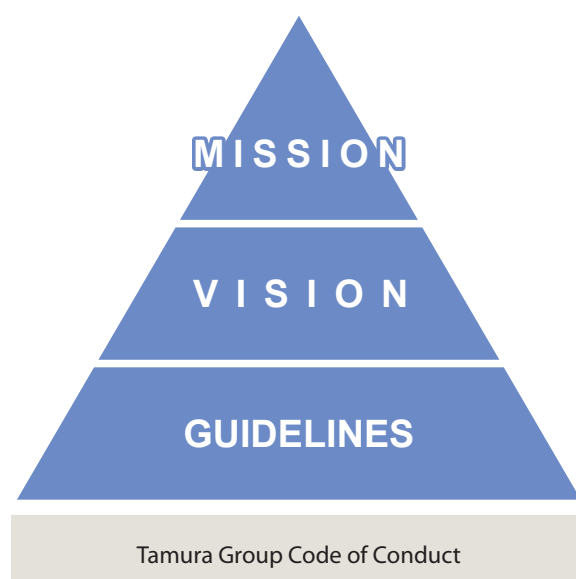
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Corporate Slogan

The Tamura Group aims to be
“your one and only company”

Corporate Philosophy



MISSION

The Tamura Group supplies an original range of products and services, highly regarded in the global electronics market, to satisfy the evolving needs of customers, employees and shareholders supporting the Group's growth.

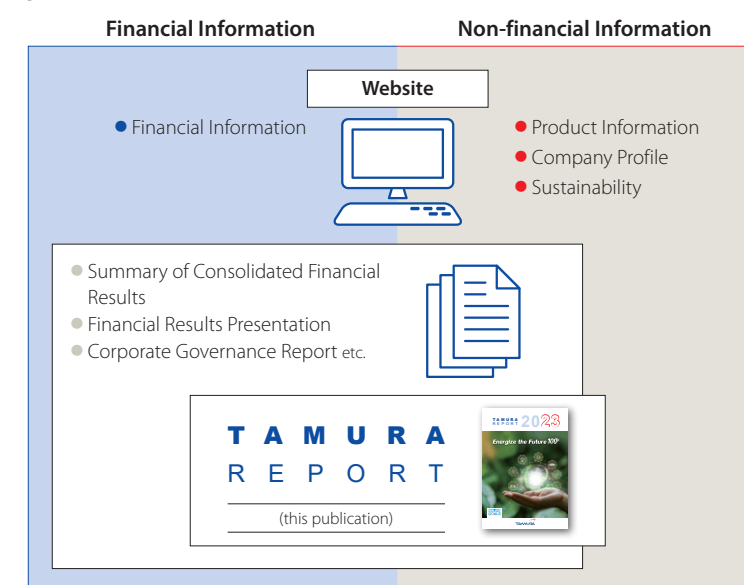
VISION

- 1 The management of the Tamura Group is based on businesses related to the requirements of the global electronics industry.
- 2 The business of the Tamura Group is based on technologies that support rapidly diversifying customer needs, with a special focus on high market value.
- 3 The Tamura Group evaluates its employees with fairness and highly rates excellent performance and exceptional productivity.
- 4 The Tamura Group is a responsible member of the global community and respects the laws and customs of the countries in which it conducts business activities.
- 5 The Tamura Group strives to protect the global environment, conserve natural resources and promote recycling.

GUIDELINES

1. We attach great importance to partnership.
2. We attach great importance to nurturing a spirit of creativity.
3. We attach great importance to individuality.
4. We attach great importance to social responsibility.

Information Schema



Editorial Policy

This report is aimed at reporting value creation through the Group's business activities and main sustainability initiatives, and shall be used as a tool for communication with stakeholders. For detailed financial and sustainability-related information, please visit the Group website.

Period covered

April 1, 2022 to March 31, 2023
(Includes some activities in or after April 2023)

Month of publication

January 2024

Guidelines used as reference

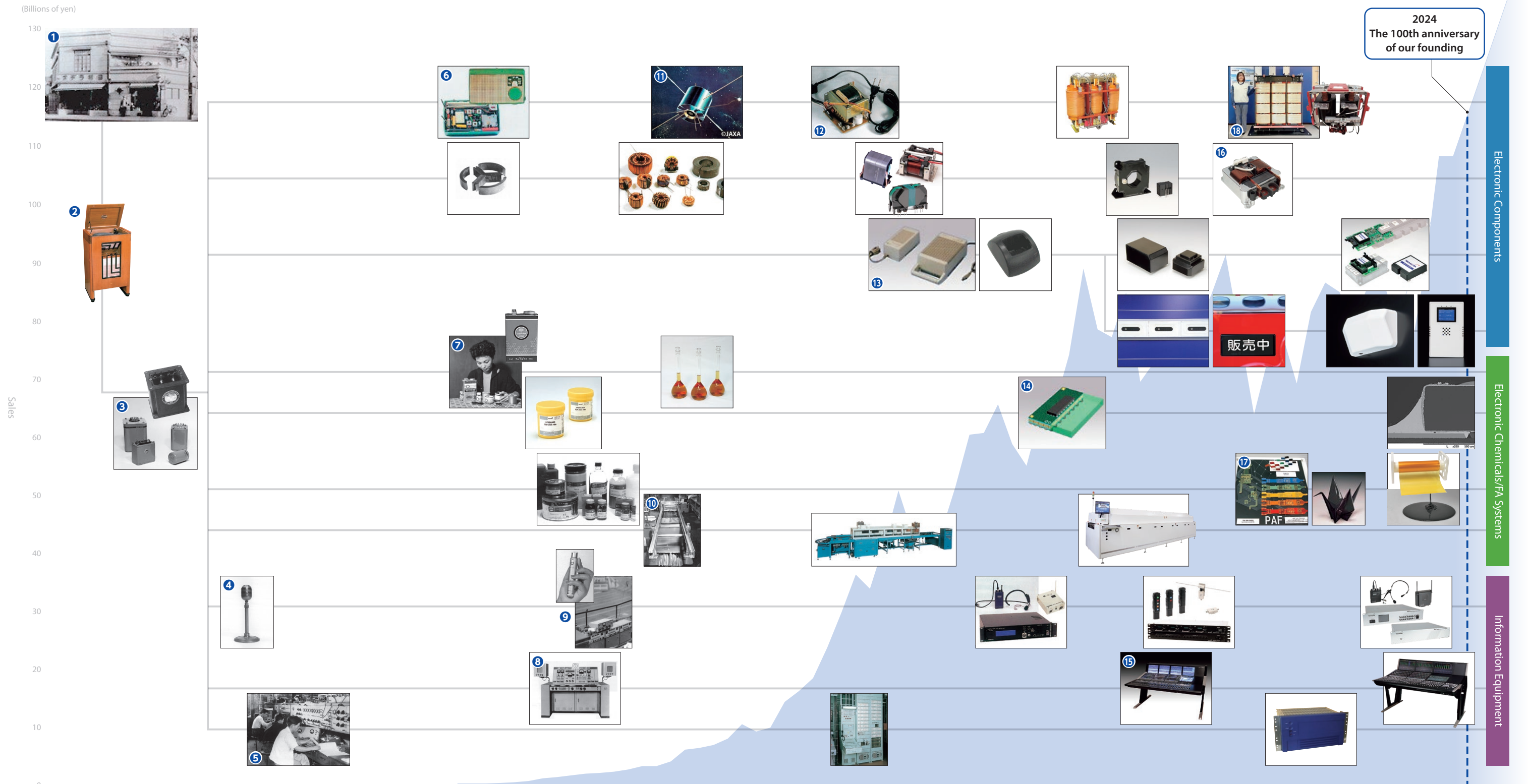
ISO 26000 Guidance Standards
“International Integrated Reporting Framework”
International Integrated Reporting Council (IIRC)

Contact information

Corporate Governance Division
<https://www.tamuracorp.com/inquiry/index.html>

Tamura's History

2024 will mark the 100th anniversary of our founding. Tamura's unique electronics technology serves as the Company's foundation. We have always made an effort to anticipate changes to provide products that are in demand in the world.



1924 (Photo ①)
Tamura Radio Shokai established in Shinjuku, Tokyo one year before the start of radio broadcasting in Japan

1933 (Photo ②)
Began sales of own brand electric phonographs

1935 (Photo ③)
Began in-house development of low-frequency transformer

1937 (Photo ④)
Began sales of moving-coil microphones

1939
Tamura Corporation is established with the intent of becoming a manufacturer of world-class products

1941 (Photo ⑤)
Tamura Corporation's Kashiwagi Laboratory is established to develop products such as communication instruments and repeating coils, laying the foundation for the Information Equipment Business

1944
The Oizumi Factory (currently the Head Office) is completed in Nerima Ward, Tokyo

1955 (Photo ⑥)
Tamura compact transformer is used in the first Japanese-made transistor radio. The Company begins full-scale mass production of components designed for consumer-use products

1956 (Photo ⑦)
Developed Solderite flux, Japan's first completely non-corrosive solder brazing agent, and established a specialized chemistry laboratory within the Company

1961 (Photo ⑧)
Developed our first audio mixing console for use as broadcast equipment

1962 (Photo ⑨)
Entered the low-power wireless device business. Tamura wireless microphones installed at stadiums for the Tokyo Olympic Games (1964)

1968 (Photo ⑩)
Developed our first automatic soldering system

1972 (Photo ⑪)
Developed transformers and coils installed in Urme (ISS), Japan's first working satellite

1972 (Photo ⑫)
Began supplying power transformers for consumer-level VTRs

1984
Began supplying high-frequency transformers for televisions and VTRs due to the proliferation of switching power supplies

1985 (Photo ⑬)
Began supplying switching-type external power adapters for laptop computers and other portable devices

1994
Succeeded in the practical application of a piezoelectric transformer using ceramics. Began supplying LCD backlight inverters used in laptop computers

1995 (Photo ⑭)
Developed solder paste for semiconductor packages, which is approved for use by a major semiconductor manufacturer as a solder paste for CPUs

2000
Implemented comprehensive lead-free solutions to promptly comply with enforcement of the RoHS directive in 2006

2003 (Photo ⑮)
Began delivering audio mixing consoles and other digital broadcasting equipment to television stations in preparation for terrestrial digital broadcasting

2009 (Photo ⑯)
Began mass production of reactors designed for hybrid vehicles

2010 (Photo ⑰)
Developed solder resists for flexible PCBs. These resists are used in smartphones, tablet devices, etc.

2010 (Photo ⑱)
Entered the market for large transformers and reactors used for renewable energy and other applications

2013
Achieved the world's first gallium oxide (Ga₂O₃) MOS transistor

Tamura's Products Supporting Society, Industry, and Daily Life

Electronic Components

Electronic Chemicals/FA Systems

Information Equipment

For Wind/Solar Power Generation and Data Centers

Large transformers and reactors



Current sensors/Power modules Gate driver modules

Self-assembling material

White reflective material/Flux

In Eco-friendly Cars

Automotive reactors/coils



Reactors/Coils for EV and HEV battery chargers

Solder wires/Solder bars Highly-reliable solder paste

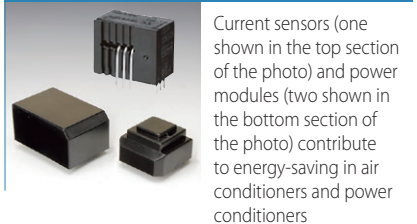


Highly reliable solder resists

In Air Conditioners and Power Conditioners

Reactors

Current sensors/Power modules



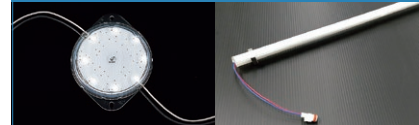
At Home

Human sensors/Environment visualization sensors



In Convenience Stores and Shops

LED lighting for signs and showcases



In Vending Machines

Product selection buttons/Price display units



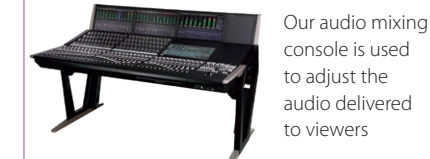
At Train Stations

Wireless microphone for railways



In Broadcast Stations

Audio mixing console DECT-based Intercom



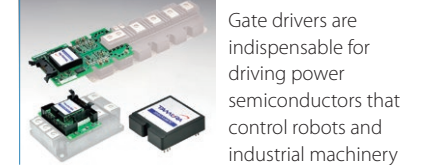
In Aerospace

Transformers/Reactors



In Industrial Machinery

Current sensors/Power modules Gate driver



Transformers/Reactors

In Manufacturing Plants

Soldering systems



At Telecommunication Base Stations

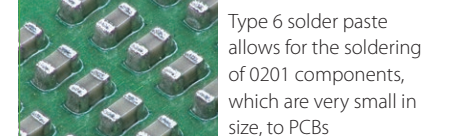
Solder paste

Solder resists

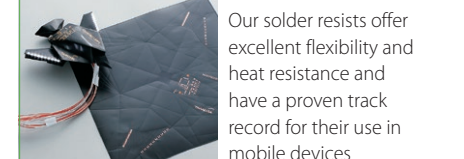
Substrate materials for telecommunication base stations supporting digital communication systems

In Smartphones and Tablet Devices

Solder paste Selective soldering material



Solder resists for flexible PCBs Photo imageable coverlay coat (PICC)



Value Creation Process Creating Value

The Tamura Group aims to increase corporate value by contributing to society through our business activities and is making continuous efforts to create new values towards solving social issues.

13th Medium-term Management Plan

Energize the Future 100

→ P.13



Important social issues

- Realizing a decarbonized society
- Conserving energy and resources
- Promoting diversity
- Promoting workstyle reform
- Preparing for natural disasters
- Responding to a super-aging society
- Co-existence with local community

Input

(FY2022 or as of March 31, 2023)

Financial capital

Total assets

111.8 billion yen

Shareholder's equity ratio

47.1 %

Manufactured capital

Capital expenditure

3.36 billion yen

Manufacturing bases

Japan:

5 manufacturing bases

Overseas:

15 manufacturing bases

Intellectual capital

Longstanding accumulation of technologies and know-how

R&D related expenses

3.51 billion yen

Human capital

Number of employees on a consolidated basis

4,576 employees

Social and relationship capital

Trusting relationship with stakeholders formed over the 99 years since our founding

Natural capital

Natural resources, such as raw materials and energy

Business Activity

Business Areas Contributing to Carbon Neutrality

→ P.14

Strong core technologies

Dust cores for high-frequency magnetic components

High heat resistant soldering materials for power semiconductors

Thermal convection control technology for reflow equipment

Technology related to next-generation power semiconductors

Strategic Markets

Power electronics

Mobility

IoT

Sustainability Strategy

→ P.24

Environment

Human capital

Supply chain management

Quality

Social contribution

Materiality

- Sustainable business growth
- Product quality improvement
- Proper supply chain management
- Compliance
- Fulfilling workplace
- Co-existence with local community
- Environmental protection & contribution to realizing a decarbonized society
- Proactive information disclosure

Corporate Governance

→ P.33

Corporate Philosophy

→ P.01

Output

Electronic Components

→ P.19



Electronic Chemicals/FA Systems

→ P.21



Outcome

(FY2024)

Financial capital

Operating profit

6 billion yen or above

Operating profit to net sales ratio

6 %

ROE

8 %

Manufactured capital

Restructuring of area-completion type global production system

Intellectual capital

Development of products and technologies to support the 100th anniversary of our founding and beyond

Human capital

Manager Ratios (Japan)

Female Managers:

10 %

Non-Japanese Managers:

5 %

Managers Hired Mid-career:

50 %

Social and relationship capital

SAQ implementation rate for major suppliers

100 %

Natural capital

CO₂ emissions reduction

33% or more
(compared to FY2013 level)

Aspiration for 2050

→ P.09

Top Message

We will strive to improve our corporate value by developing next-generation technologies and products to realize our Aspiration for 2050.



The Tamura Group is focused on achieving the targets of the 13th Medium-term Management Plan in order to realize its long-term vision "Aspiration for 2050." By aiming to realize a decarbonized society through our business activities, we will not only increase our corporate value but also contribute to resolving various social issues.

Masahiro Asada

Representative Director, President & CEO

Achieving record net sales of 100 billion yen

In FY2022, the global economy was generally on a recovery trend although unstable conditions continued due to soaring raw material and fuel prices, exchange rate fluctuations, inflation, the decoupling between the U.S. and China, and part procurement issues due to supply chain disruptions.

In the electronics market, automobile production declined due to a shortage of semiconductors, and production of smartphones and PCs declined due to a rebound from stay-at-home demand. Home appliances, including air conditioners, and industrial machinery, including robots, continued to experience firm demand. Business performance increased due to growth in electronic components sales in response to a backlog of orders that had increased due to difficulties in procuring raw materials as well as the effect of the yen depreciation in addition to the promotion of sales price revisions.

As a result, the Group's consolidated net sales for FY2022 reached a record high of 107.993 billion yen (up 22.3% year-on-year). Operating profit was 4.829 billion yen (up 208.6% year-on-year), and net income was 2.047 billion yen (compared to a net loss of 84 million yen in the previous fiscal year), returning the Company to profit.

There is concern that the global economy will also slow down in FY2023 due to the progress of inflation and other factors. In addition, since the impact of the decoupling between the U.S. and China has intensified pressure from European and American manufacturers to withdraw from China, forcing us to consider decentralizing our production bases, future conditions are expected to be uncertain.

Business strategy to realize our Aspiration for 2050

The Tamura Group's Aspiration for 2050 is to become "A leading company for realizing a decarbonized society that is highly valued in the global electronics market."

The key to achieving this goal is business growth in areas that contribute to carbon neutrality, such as power electronics, mobility, and IoT. We aim to realize our Aspiration for 2050 by achieving great results with our with all of our three-year Medium-term Management Plans while balancing our business strategy, which consists of two pillars (growth and efficiency), and sustainability strategy.

However, it is impossible to achieve this vision only with our existing product lines. Therefore, we need to establish new, world-leading technologies by 2030 and develop them to serve as new pillars of our business.

One of the main targets for this is next-generation power semiconductors. We are working on the development of related materials, parts, and products. By developing these products to create new businesses, we aim to make a leap

forward toward 2050.

Since we are at the very beginning of that effort right now, it can be said that we are at a very important turning point in our history.

Outlook for the Second Year of the 13th Medium-term Management Plan

The slogan for the 13th Medium-term Management Plan is "Energize the Future 100," which is an initiative that we are focusing on. These words express our determination to evolve into a more powerful Tamura Group and to create a strong and wonderful future for society as the first step toward the 100th anniversary of our founding and, in the distant future, the realization of our "Aspiration for 2050."

In FY2022, the first year of the Medium-term Management Plan, net sales exceeded 100 billion yen, a level which we could not achieve until now, partly due to the depreciation of the yen.

In FY2023, the second year of the plan, demand in Electronic Components in the Electronic Components business has been sluggish due to an increase in inventory adjustments by customers while order backlogs still remain. In addition, the tight supply and demand for semiconductors is also affecting the production of unit products used to drive semiconductors. Although these conditions will continue in the first half of the period, we expect a recovery from the second half of the period and beyond. Therefore, it is important for the Company to quickly grasp changes in demand and prepare a production system to respond to those changes.

Although the Electronic Chemicals/FA Systems business has had a difficult start due to the sluggish smartphone-related market and weak demand in the Chinese market, demand is expected to recover gradually. As the challenge is to strengthen the development of new high value-added products, we are currently working on the development of solder paste for next-generation semiconductors. We aim to launch this product during the period of the next Medium-term Management Plan. If successful, our Electronic Chemicals/FA Systems business will evolve to the next stage.

In the Information Equipment Business, we have recently launched the NTX series next-generation audio mixing consoles. We are the only Japanese manufacturer of a full IP audio mixing console, and expect sales to expand, especially among broadcasters.

The Group will continue to implement various measures in FY2023 with the aim of achieving performance targets for FY2024, the final year of the 13th Medium-term Management Plan and the year marking the 100th anniversary of our founding.

Top Message

Expectations for Tamura Group employees

The strength of Tamura Group employees lies in their skills cultivated over the past 100 years and spirit to never give up on achieving their goals. On the other hand, they are not so sensitive to changes in the surrounding environment, so they tend to wait for instructions from their superiors and their seniors.

Therefore, in order to actively increase communication where employees in lower positions convey their ideas to those in higher positions rather than having only "top-down" style communications, I am asking for leaders and managers to utilize various opportunities, such as town hall meetings, where they can talk directly with employees so that they can change their approach to communicating with them.

In addition, I expect all employees to "challenge themselves without fear of change," first changing their own team and then the Company as a whole. We will actively recruit experienced personnel and revitalize the organization with talented personnel who have gained experience outside the Company, thereby promoting corporate culture reform.

For securing diversity in human resources, we are working to increase the ratios of females, non-Japanese, and mid-career hires in managerial positions. With regard to female managers, we will increase the ratio of female employees to start with and promote them to managerial positions in line with the trend of promoting the participation of women in the workplace, aiming to increase the ratio of female managers to 10% by the end of FY2024. We are also increasing the number of our female outside directors. With regard to the ratio of non-Japanese managers, we have appointed two non-Japanese as executive officers, and will actively promote the appointment of non-Japanese employees to managerial positions.

Furthermore, as part of job satisfaction reform that I am personally leading, we will promote initiatives to improve employee engagement with the aim of becoming a company that people admire and a company where people gather. In particular, we will continue to focus on various measures to instill "psychological stability," which is the foundation for the development of job satisfaction. In addition, to the survey that we have been conducting in Japan, we will conduct an employee engagement survey on a global basis for the first time, and will promote initiatives to improve engagement at all Tamura Group sites, including overseas sites.

In order to realize job satisfaction reform, as President, I expect three things from employees. The first is "two-way communication," which transcends age and position so that we can understand each other's opinions and grasp a sense of the time to create an organization that is resistant to changes in the business environment. The second is to have "healthy ambitions." I want employees to be willing to take on new challenges and to do what they believe is important and

what they desire, even if it means sometimes clashing their superiors. The third is to "set high-level goals." Through hard work over time and daily study, employees change themselves. By always maintaining an awareness of these three things, I believe that diverse human resources will be able to find job satisfaction and will be a major force in opening up a new future for the Company.

Enhancing and strengthening our governance framework

Our basic policy of the Group's corporate governance is to maximize corporate value from the perspective of shareholders by emphasizing management efficiency and transparency through compliance management based on high corporate ethics as entrusted by shareholders. We place particular importance on risk management and internal control, and are currently conducting risk assessments to establish a company-wide and systematic risk management system.

In June 2023, Tamura Corporation transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. The purpose of the transition is to strengthen the supervisory function of the Board of Directors and to achieve more transparent corporate governance by having directors with voting rights on the Board of Directors become Audit & Supervisory Committee members. Although the Company has always been progressive in its approach, we decided to further strengthen our governance structure as we approach our 100th anniversary.

We also introduced a CXO system. Until now, the Company has been split into separate business segments, so we have strengthened our cross-sectional business promotion by implementing our "One Tamura" strategy. The purpose of the CXO system is to develop this further and to enable the Company to work in a unified manner and respond flexibly to the drastic changes of the times.

I want to see the Company build a robust governance structure where the Executive Officer Committee, which is comprised of the heads of divisions involved in business execution, and the Board of Directors are in proper contact with each other and be mutually enhanced through execution and supervision.

FY2023 earnings forecast and enhancement of sustainability

Despite a temporary slowdown due to the deterioration in economic conditions in FY2023, we expect solid demand to continue in the electronics market due to the increasing needs related to EVs, industrial machinery automation, clean energy, and energy saving. However, the FY2023 consolidated earnings forecast is below the original targets set for the second

year of the Medium-term Management Plan, with net sales of 108 billion yen and operating income of 4.6 billion yen.

In response to this difficult situation, the entire Group is working to improve sales and profitability, aiming to achieve FY2024 target, the final year of the plan and the year marking the 100th anniversary of its founding.

With regard to our sustainability strategy, we are implementing measures centered on the materiality defined in the 13th Medium-term Management Plan, including the review of risk management mentioned above. We also reviewed the Tamura Group Code of Conduct, which is the foundation for implementing the Tamura Group Mission, part of the Corporate Philosophy of the Tamura Group. Although the Tamura Group Code of Conduct was established in 2007, it was revised to comply with international standards to be in line with the changing times. We will work to ensure that all Group employees are familiar with it.

With regard to the environment, we worked to further expand the lineup of products that contribute to sustainability and to reduce greenhouse gas emissions, achieving a renewable energy usage rate of 100% at our business sites in Japan. In June 2022, the Company declared its support for the recommendations of the Task Force on Climate-related Financial

Disclosures (TCFD). Recognizing that climate change can be a risk and opportunity for corporate management, we have disclosed information based on the TCFD recommendations.

Aiming to contribute to society by enhancing corporate value

The Tamura Group has set Aspiration for 2050 as the final goal and aims to achieve this goal through a series of three-year Medium-term Management Plans, with 2024, the year marking the 100th anniversary of our founding, and 2030, the target year of the SDGs, as milestones.

We have designated the two years from January 2024 to December 2025 as our 100th anniversary period and are planning various events to express our gratitude for the support of our stakeholders over the years, such as making a compilation of our history and exhibitions for customers.

Looking beyond our 100th anniversary, the Group will continue to contribute to global society by promoting initiatives to enhance not only its own corporate value but also the value of society as a whole. I would like to ask all of our stakeholders for their continued understanding and support.



Progress of the 13th Medium-term Management Plan

We are working on achieving the targets of the the 13th Medium-term Management Plan "Energize the Future 100," which centers on FY2024, the 100th anniversary of the Group's founding. In addition, the Group is promoting measures in anticipation of Aspiration for 2050, established as our long-term vision.

Energize the Future 100

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

2050

Business strategy: Growth & Efficiency

- Business growth contributing to carbon neutrality

Geographical expansion

Creation of new products & businesses

- Profitability & capital efficiency

Operating Profit
6.0 billion yen
(6%)

ROE 8%

2024
100th
Anniversary

Sustainability Strategy

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

Materiality

- Sustainable business growth
- Product quality improvement
- Proper supply chain management
- Compliance
- Fulfilling workplace
- Co-existence with local community
- Environmental protection & contribution to realization of a decarbonized society
- Proactive information disclosure

Aspiration for 2050

A leading company for realizing a decarbonized society that is highly valued in the global electronics market

Long-term Vision

The long-term vision was reviewed at the time of the formulation of the 13th Medium-term Management Plan, which ends in 2024, the year in which the Tamura Group will celebrate its 100th anniversary. After several meetings which also included directors, with our founding spirit and Corporate Philosophy serving as foundations and based on factors including business issues, environmental/social issues, and stakeholder issues, we have established our long-term vision as "a leading company for realizing a decarbonized society that is highly valued in the global electronics market." The 13th Medium-term Management Plan serves as the first step toward realizing our long-term vision.

The 13th Medium-term Management Plan

Under the 13th Medium-term Management Plan "Energize the Future 100," we view the global trend toward carbon neutrality as a business opportunity and plan to advance reforms for the 100th anniversary of our founding and for a strong future beyond.

For the Tamura Group, which operates worldwide, we expect to continue to see significant changes in the business environment, including global environmental changes, geopolitical changes, technological advancements, and the increasing importance of human capital. In this environment, we believe that the foundation of corporate value creation is to seize opportunities with agility and reduce risks. In the 13th Medium-term Management

Plan, we will deepen the integration of our sustainability and business strategies, and work as one to develop measures for an uncertain future.

Progress of the Medium-term Management Plan

In the fiscal year ended March 31, 2023, sales reached a record high due to strong demand, price revisions, and the impact of foreign exchange rates. In addition, operating profit significantly exceeded the target, driven by improved profitability in our Electronic Components and Information Equipment businesses, making the first fiscal year of the plan a period that demonstrated favorable performance. As a business growth measure that contributes to achieving carbon neutrality, which is an initiative that we are focusing on, we are expanding capacity in the growing European and U.S. markets. We have decided to expand our factory in Mexico to increase production of large transformers and reactors used for renewable energy and other applications in the North American market and to establish a new production base for chargers and module products in Romania. (→ P.20)

On the other hand, we are reviewing strategies for automotive-related investments made during the 12th Medium-term Management Plan. Although the anticipated demand for automotive boosting reactors is not expected in the medium to long term, the mobility field is still positioned as an important market. In this field, we will continue to develop products and applications,

and aim to improve factory utilization rates and business profitability. (→ P.20)

Our financial targets were well exceeded in the first year, a reflection of our strong business performance.

In regard to sustainability measures, we are steadily implementing measures aimed at achieving a fulfilling workplace and realizing a decarbonized society, and are making progress toward our goals. (→ P.25)

Group Financial Targets

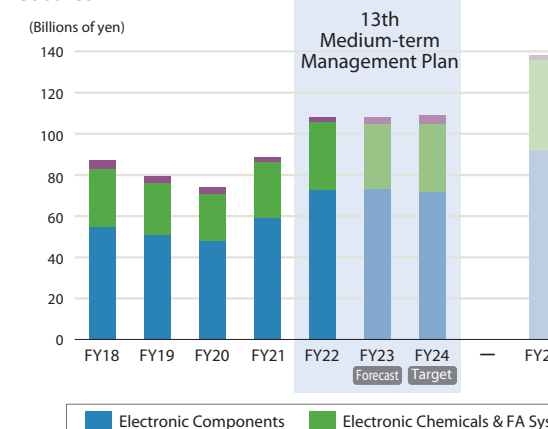
Financial targets for the 13th Medium-term Management Plan

	FY2022 Target	FY2022 Result	FY2023 Target	FY2023 Forecast	FY2024 Target	Beyond
Operating profit	3 bn yen	4.8 bn yen	5 bn yen or more	4.6 bn yen	6 bn yen or more	8%
Operating profit to net sales ratio	3.2%	4.5%	5%	4.3%	6%	10%
ROE		4.0%			8%	

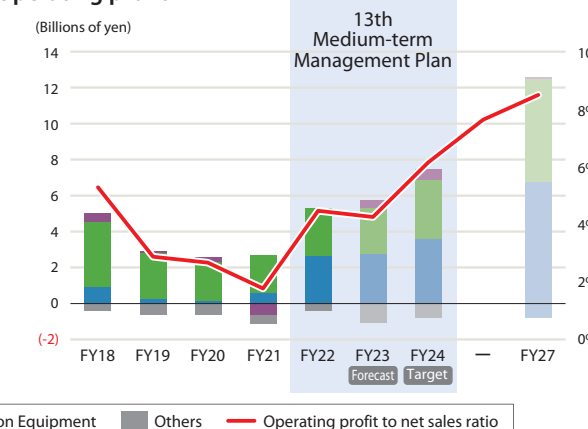
Guidelines for achieving targets

	94 bn yen	108 bn yen	≒ 100 bn yen	108 bn yen	100 bn yen or more	Beyond
Consolidated sales						130 bn yen or more
ROIC		3.8%			6%	8%

Net sales



Operating profit



Business Areas Contributing to Carbon Neutrality

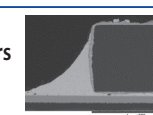
To meet the growing needs associated with the electrification of automobiles, expanding demand for renewable energy, and tighter energy conservation regulations in various countries, we will aim for growth by leveraging our high-frequency technology to respond to the increasing efficiency of high-capacity electrical control and energy conversion.

Growth created by strong core technologies

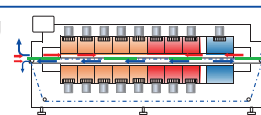
For high-frequency magnetic parts
Dust core



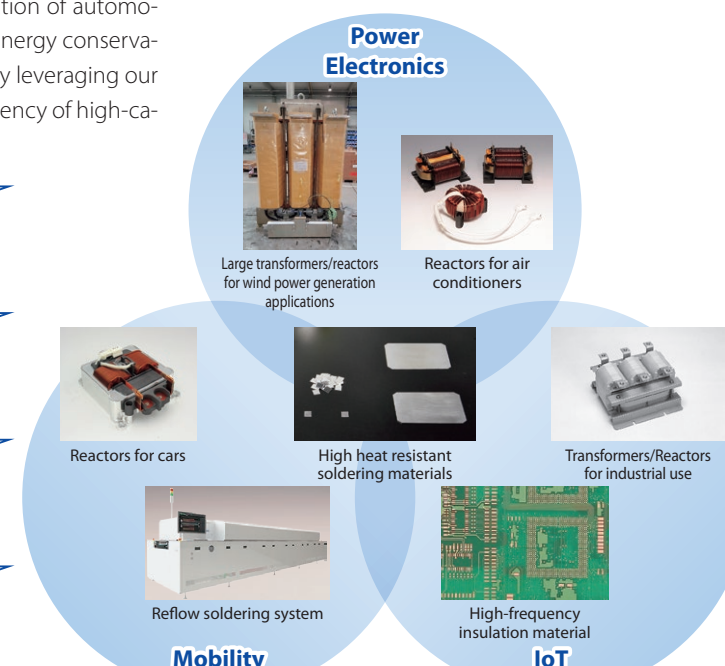
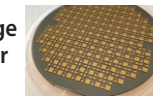
High heat-resistant bonding material for power semiconductors
High heat resistant soldering materials



For reflow soldering equipment
Heat convection control



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



Message from the CFO



Aiming to Achieve the Financial Targets of the Medium-term Management Plan

Introducing ROIC as an internal management indicator, we will work to improve profitability and asset efficiency in a way that the results can be seen.

Yusaku Hashiguchi

Director, Managing Executive Officer & CFO

Results for FY2022 and forecast for FY2023

In FY2022, the first year of the Medium-term Management Plan "Energize the Future 100," we recorded record-high net sales thanks to strong demand and penetration of price revisions, mainly for industrial machinery and home appliances, and the effects of the depreciation of the yen. In regard to profit, both ordinary profit and ordinary profit increased significantly. Profit attributable to owners of parent returned to the black despite recording an impairment loss at a consolidated subsidiary in China as an extraordinary loss.

In FY2023, net sales are expected to remain the same as the previous fiscal year with profits expected to decline due to inventory adjustments by customers, weakness (or possible weakness) in some markets, expenses related to core system upgrades, and extraordinary losses related to the pension buyout of an overseas subsidiary. However, as the financial targets for the final year of the Medium-term Management Plan have not been changed, we will continue to implement measures aimed at achieving them.

Balance Sheet and Cash Flows (as of March 31, 2023)

	FY2021	FY2022	Increase (Decrease)
Cash and deposits	13.7	14.4	0.7
Trade receivables	22.5	27.3	4.8
Inventories	22.1	25.7	3.6
Property, plant and equipment	30.4	29.4	(1.0)
Total assets	104.1	111.8	7.7
Trade payables	13.3	14.0	0.7
Interest-bearing liabilities	31.2	35.3	4.1
Net assets	50.2	52.9	2.7
Total liabilities and net assets	104.1	111.8	7.7

	FY2021	FY2022	Increase (Decrease)
Shareholder's equity ratio (%)	48.0%	47.1%	(0.9 pt)

Cash Flows	FY2021	FY2022	Increase (Decrease)
Cash flows from operating activities	(4.95)	2.18	7.13
Cash flows from investing activities	(4.62)	(2.64)	1.98
Cash flows from financing activities	4.54	0.59	(3.94)
Free cash flow	(9.57)	(0.46)	9.11
Net increase (decrease) in cash and cash equivalents	(4.30)	0.73	5.03
Cash and cash equivalents at end of period	12.89	13.62	—

Initiatives in FY2022 to achieve the Medium-term Management Plan

We have introduced ROIC as an internal management indicator to achieve the following financial targets for the final year of the Medium-term Management Plan:

Operating profit of 6 billion yen or higher, operating profit to net sales ratio of 6%, and ROE of 8%. The aim is to show the results of initiatives to improve profitability and asset

efficiency in a tangible manner and accelerate the measures that each business division has been working on for a long time.

In the Electronic Components Business, improving the operating profit to net sales ratio was a particular issue of focus. Since the material cost ratio is high and easily impacted by material prices and exchange rates (when importing materials), we have been working to set sales prices that are correlated with material prices and exchange rates. However, as a response to recent volatile material prices and exchange rates, we promoted the introduction of more tightly linked prices, leading to an improvement in operating profit to net sales ratio. In contrast, although the Electronic Chemicals/FA Systems Business is a business sector that drives the Company's profit side, operating profit to net sales ratio continued to decline due to the impact of the COVID-19 pandemic and soaring material prices. Therefore, we promoted setting of sales prices correlated with material prices in this business sector as well. Operating profit to net sales ratio declined significantly

Growth investments

In the 13th Medium-term Management Plan "Energize the Future 100," one initiative is to develop businesses that contribute to carbon neutrality. Therefore, we will invest in the European and U.S. markets, where carbon neutrality initiatives are leading the way and large business opportunities are present. Our Mexico factory produces large transformers and reactors for energy-related markets in North and Central America. Working to increase our production capacity to meet strong demand, we completed the expansion of the factory in September 2023. In Europe, we established a new production base in Romania to manufacture chargers and other module products. Production at our Romania location is scheduled to start in November 2024.

We will also work to rebuild the production systems at existing plants. In particular, our Foshan factory in China recorded an impairment loss in March 2023 because of a sluggish factory utilization rate resulting from a change in demand. Since the Foshan factory is an asset owned by the Company, we do not pay rental fees as we do for the use of other factories in China. We will increase the utilization rate of the Foshan factory by diversifying our products and

from the last quarter of FY2022 due to the use of inventories purchased during the material price surge. However, we expect the profit margin to improve from the second half of FY2023 due to the consumption of those inventories and the recovery of the market.

In terms of asset efficiency, we are working to optimize inventories. In order to prepare for the logistics disruption and shortage of parts due to the COVID-19 pandemic, both inventory value and inventory turnover days increased significantly. We are continuing our activities with the goal of returning the inventory turnover days to the level before the COVID-19 pandemic.

Furthermore, as a Company-wide initiative associated with the introduction of ROIC, a more detailed investment profitability calculation process based on cash flow performed before making a large-scale investment has been added. In addition to making investment decisions more cautiously, we are more aware of the importance of growth investment in the priority of projects.

reduce outflow of money.

Capital Expenditure, Depreciation, and R&D Expenses* (period ending March 31, 2024)

	FY2022	FY2023		
	Result	Forecast	Increase (Decrease)	Percentage Increase (Decrease)
Capital expenditure	3.36	3.94	0.59	17.5%
Depreciation <small>Note: Including leased assets</small>	3.93	3.98	0.05	1.3%
R&D related expenses <small>(Sales ratio)</small>	3.51 (3.2%)	4.23 (3.9%)	0.72	20.5%

* R&D-related expenses are calculated based on the Company's standards for expenses, labor costs, capital expenditure, etc. related to R&D themes.

Major capital expenditures

- Electronic Components: Production facility expansion
- Company-wide: Core server upgrades

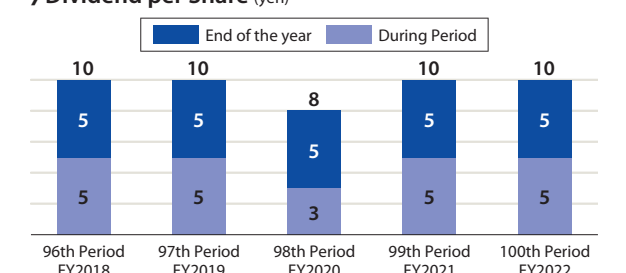
Major development investments

- High voltage/frequency gate drivers and EMC enhanced current sensors
- Development of high-performance insulating materials
- Eco-friendly reflow equipment
- High-efficiency power supplies using next-generation semiconductors

Shareholder returns

The Company considers providing stable dividends to shareholders to be the most important management issue. In line with our policy of providing shareholders with stable dividends, we consider cash dividends to be the main measure for returning profits to shareholders. However, we also give consideration to the total payout ratio while aiming for a stable increase in the dividend payout ratio.

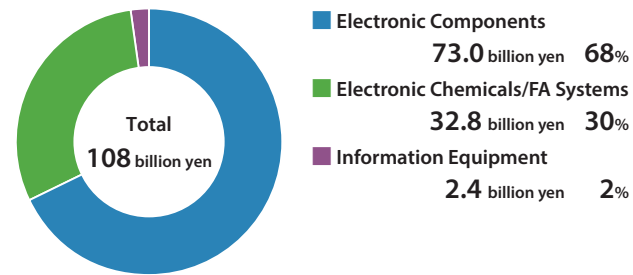
Dividend per Share (yen)



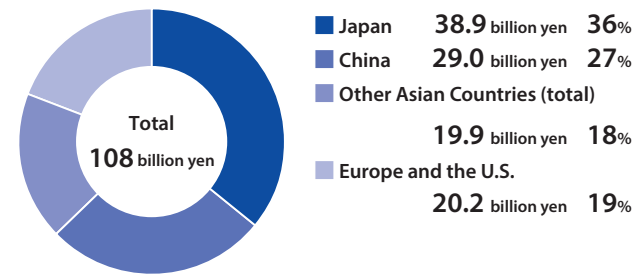
The Tamura Group at a Glance

FY2022 Sales by Business Segment/Region

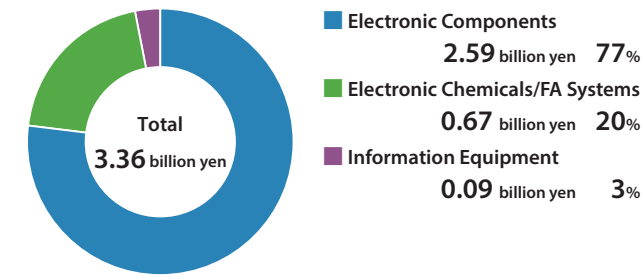
> FY2022 Sales by Business Segment



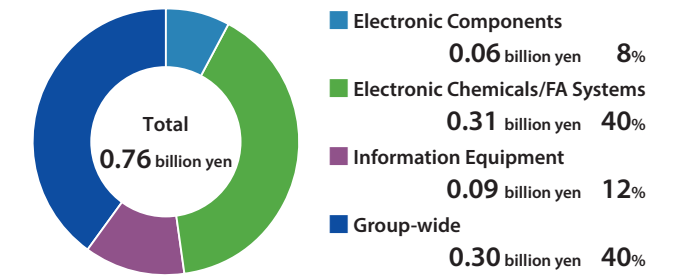
> FY2022 Sales by Region



> FY2022 Capital Expenditure



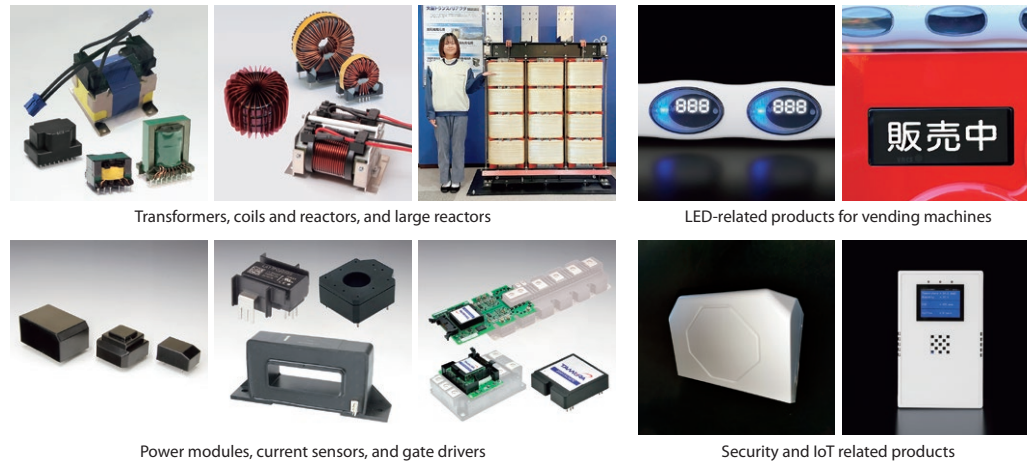
> FY2022 R&D Expenses



Electronic Components

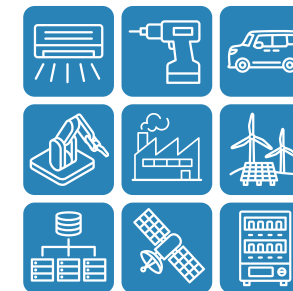
Main products

Transformers
Reactors
Coils
Large transformers and reactors
Battery chargers
Power modules
Gate driver
Current sensors
LED-related products etc.

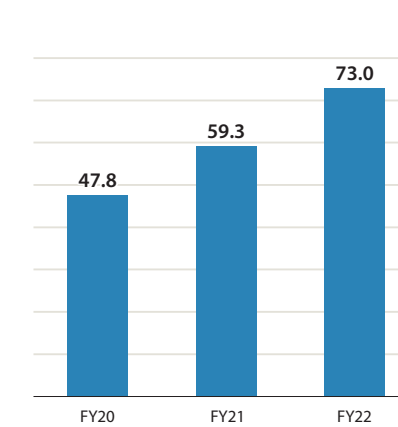


Applications

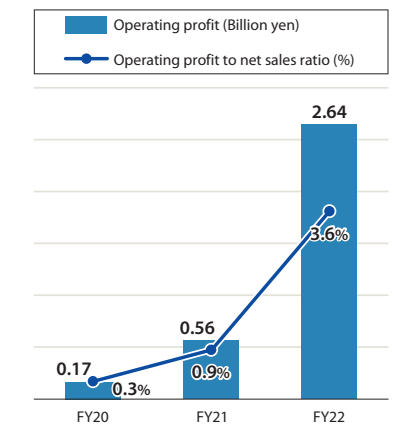
Home appliances, automobiles, industrial robots/machine tools, wind and solar power generation, data centers, rockets/satellites, vending machines, etc.



> Sales (Billion yen)



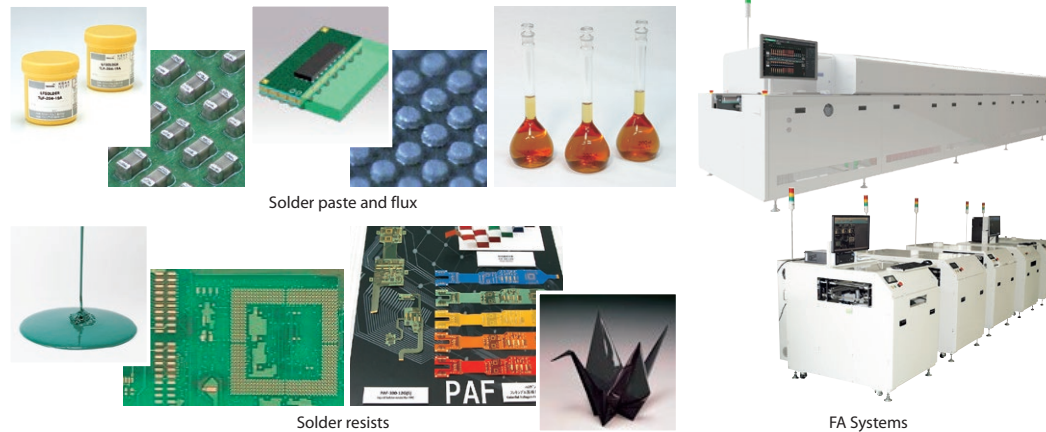
> Operating profit



Electronic Chemicals/FA Systems

Main products

Solder paste
Flux
Solder resists
FA Systems etc.

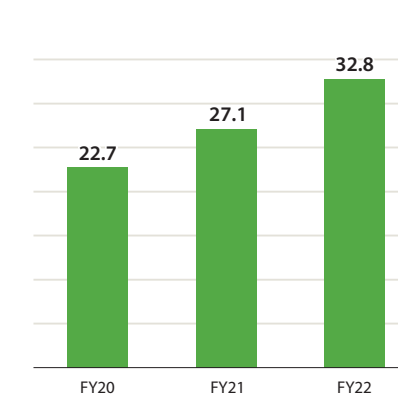


Applications

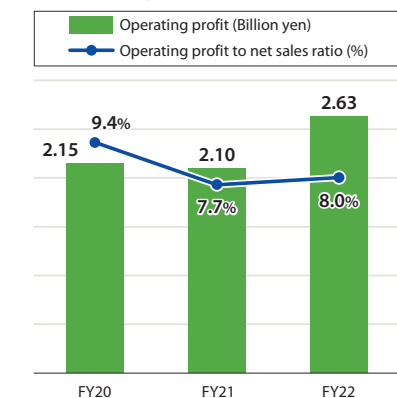
Automobiles, smartphones/PCs, home appliances, telecommunication base stations, PCBs, etc.



> Sales (Billion yen)



> Operating profit



Information Equipment

Main products

Audio mixing console
Wireless intercom
Wireless microphone etc.

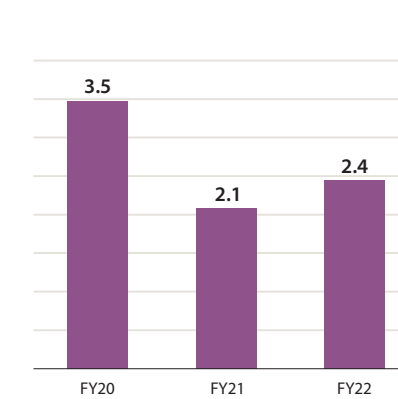


Applications

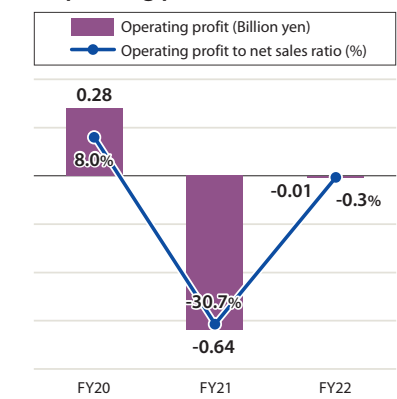
Broadcast stations, train stations, theaters, concert halls, etc.



> Sales (Billion yen)



> Operating profit





Electronic Components

Through our highly reliable and highly efficient power technology, we contribute to the future of power electronics, realizing safer and more secure lives as well as a decarbonized society.



Yuji Nakayama

Senior Executive Officer
Director of Electronic Components
Director of Unit Business Sector

Business Summary for FY2022

Sales of reactors for air conditioners and sales of transformers and reactors for industrial machinery remained strong throughout the fiscal year. However, sales of chargers for power tools declined in the fourth quarter of the period due to inventory adjustments by major customers. Sales of related products to automotive-related customers remained sluggish due to a gradual recovery in demand, although production adjustments due to the shortage of semiconductors showed signs of dissipation. Sales of LED products for vending machines remained stable at pre-COVID-19 levels. In regard to profit, profitability improved significantly due to the effect of price revisions and the effects of production improvement activities that have been implemented since the previous Medium-term Management Plan. As a result, both sales and profit increased, with record sales of 72.965 billion yen (up 23.1% year-on-year) and segment profit of 2.642 billion yen (up 370.1% year-on-year).

Business Performance Forecast for FY2023

Demand is expected to be sluggish in the first half of FY2023 due to inventory adjustments by major customers involving chargers for power tools and continued sluggish demand for in-vehicle boost reactors, as well as the cautious stance toward capital investment by customers related to air conditioner reactors and industrial equipment. On the other hand, demand for large transformers/reactors and LED products for vending machines is expected to remain firm.

Medium-term Management Plan

Financial Targets for FY2024

Consolidated sales	72 billion yen	Operating profit	3.6 billion yen	Operating profit to net sales ratio	5.0%
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Business Strategy

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

Momentum of CN market × Market and geographical growth × High profitability

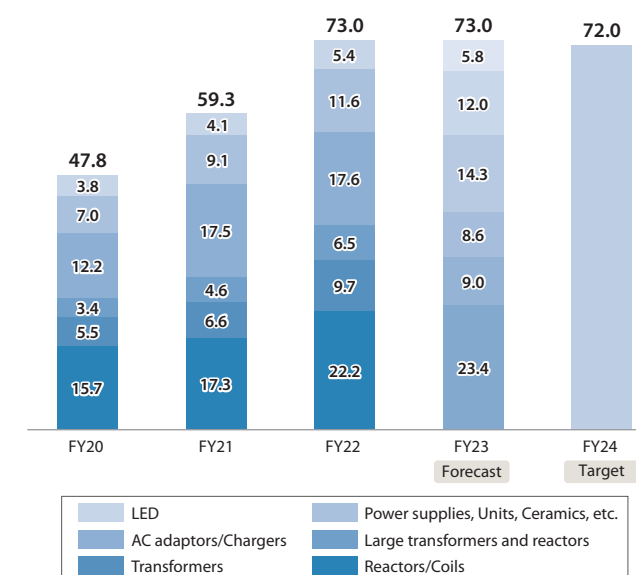
Market opportunities: robust carbon-neutral market

- Mobility: boosting reactors, transformers/coils for battery chargers (in-vehicle and stationary types) 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)

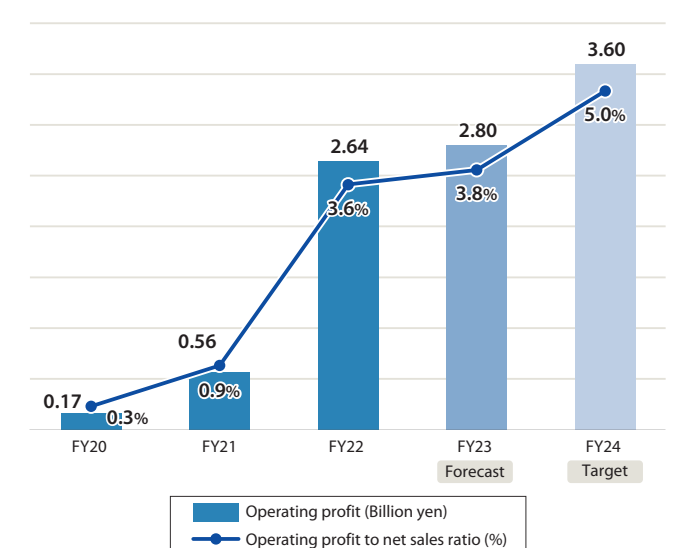
Profitability improvement

- Increase of high value-added modules
- Differentiation through the development of high-frequency dust cores
- Production footprint reorganization to satisfy local content requirements

Sales by Product (Billion yen)



Operating Profit/Operating Profit to Net Sales Ratio



Increase sales in Europe and the United States

Established a new production base in Romania for the Electronic Components business sector

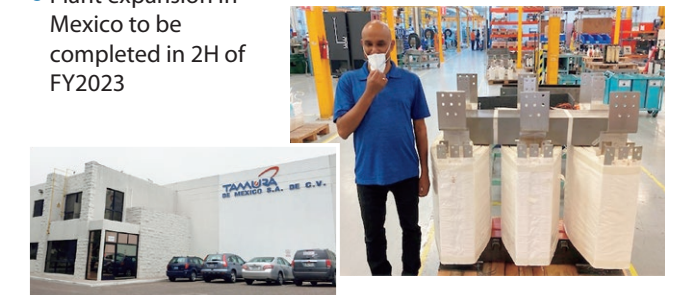
- Plans to produce chargers and other module products
- In response to demand growth in Europe due to expansion of renewable energy needs and electrification
- Also aiming to diversify manufacturing footprint globally

Outline of the new company
Establishment: December 2022
Location: Fetești-Gară, Ialomița, Roma
Start of commercial production:
Scheduled for November 2024



Plans to increase production of large transformers in Mexico

- Responding to robust demand for large transformers & reactors in US renewable energy market
- Plant expansion in Mexico to be completed in 2H of FY2023

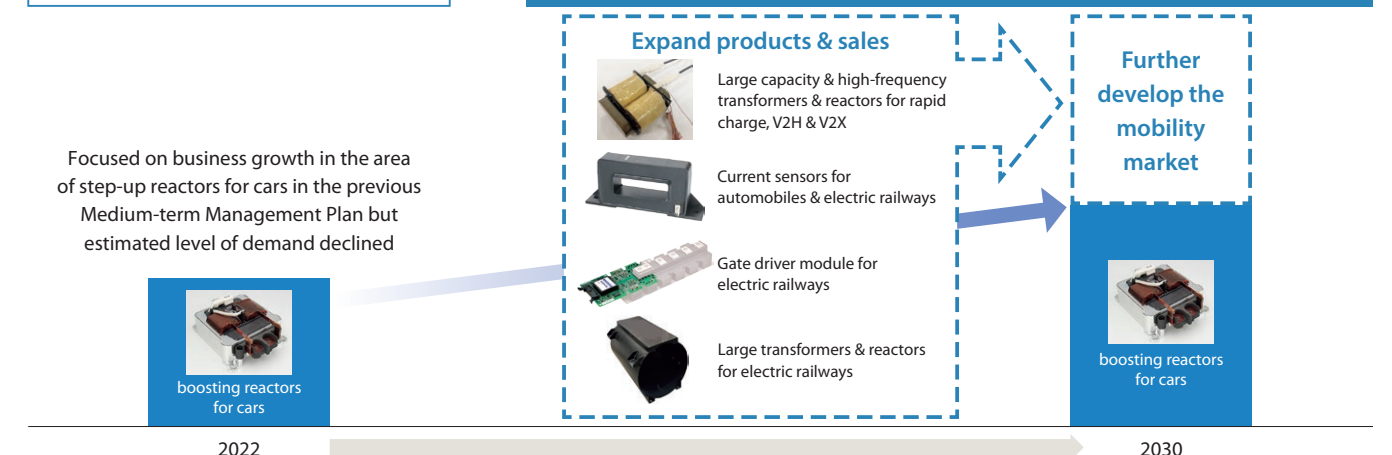


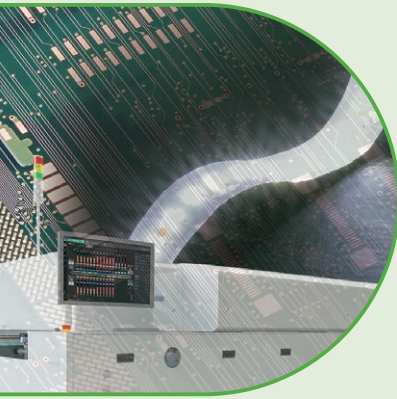
Review of the automotive business

Review of the business plan for boosting reactors for cars

- Estimated demand decreased by half due to changes in the business environment, such as the trend toward the transition to EVs and the promotion of in-house production by customers
- Review business plan and shift strategy from focusing on boosting reactors for automotive applications to a broader view of the entire mobility market.

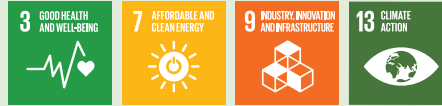
Automotive reactor market strategy





Electronic Chemicals/FA Systems

We contribute to the sustainable growth of the electronics industry with environmentally-friendly materials and equipment, excelling in highly reliable soldering technology required for high-density mounting.



Seiji Shibata

Senior Executive Officer
Director of Electronic Chemicals/FA
Systems Business Sector

Business Summary for FY2022

In the Electronic Chemicals business segment, sales increased due to solid sales of solder paste, efforts to revise prices, and the depreciation of the yen. Sales of solder resists were on par with the previous fiscal year, partly due to the effects of foreign exchange rates, despite the impact of production cuts by automobile-related customers and sluggish demand for flexible substrates for smartphones. In the FA Systems segment, a recovery trend continued, particularly among Japanese automobile-related customers. As a result, both sales and profit increased, with record sales of 32.752 billion yen (up 20.7% year-on-year) and segment profit of 2.626 billion yen (up 25.2% year-on-year).

Business Performance Forecast for FY2023

Due to weakness (or potential weakness) in some markets and continued price declines since the fourth quarter of the previous fiscal year, we anticipate severe conditions in the first half of the fiscal year, particularly in the Electronic Chemicals segment. In addition to the continued recovery in demand for products used in automobiles, demand for smartphones is expected to increase due to seasonal factors, and sales are expected to gradually recover from the second quarter onward.

Medium-term Management Plan

Financial Targets for FY2024

Consolidated sales	33 billion yen	Operating profit	3.3 billion yen	Operating profit to net sales ratio	10.0%
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Business Strategy

- ◆ Implement flexible pricing strategies in response to material price fluctuations
- ◆ Increase profit by developing high value-added products and reducing costs and create markets with custom-in approach into growth areas

New product development

× New markets

× Production improvement

New products

- 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

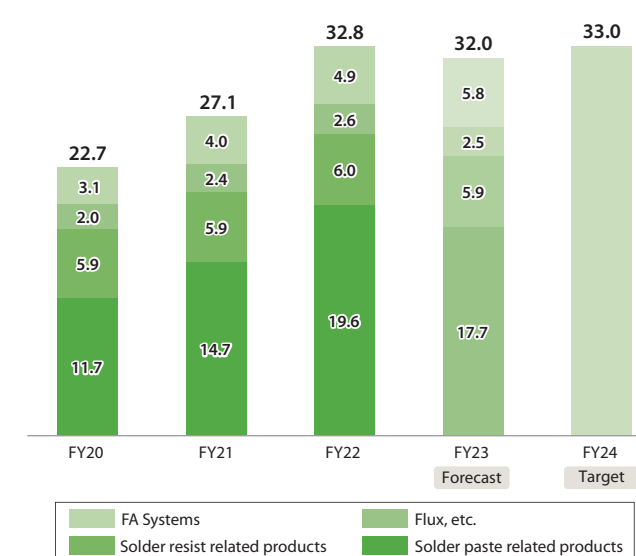
Production improvement

- Reorganization of production footprints for local supply

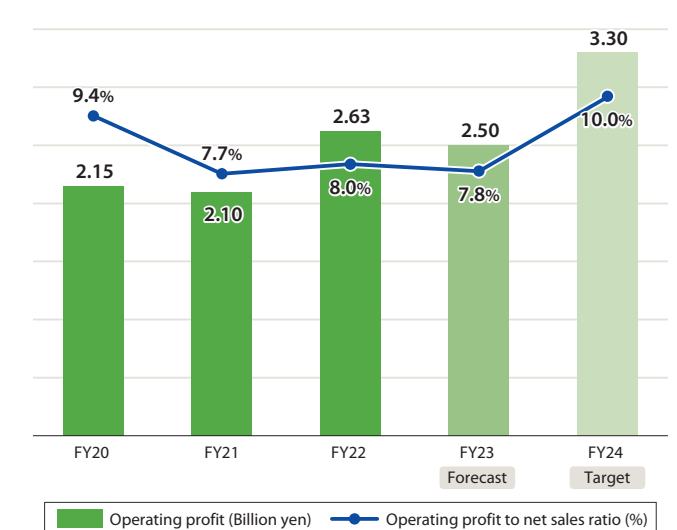
New market expansion

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

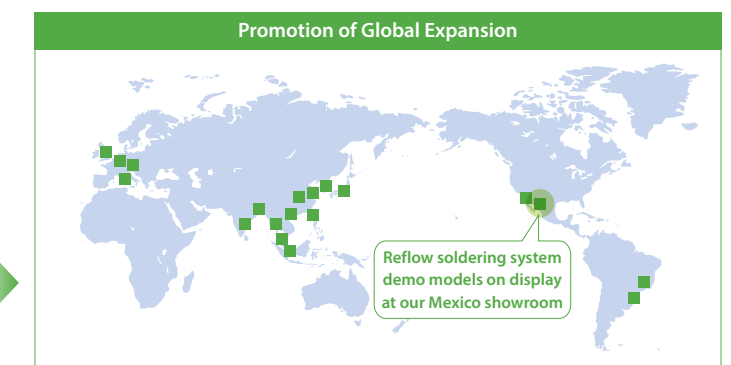
Sales by Product (Billion yen)



Operating Profit/Operating Profit to Net Sales Ratio



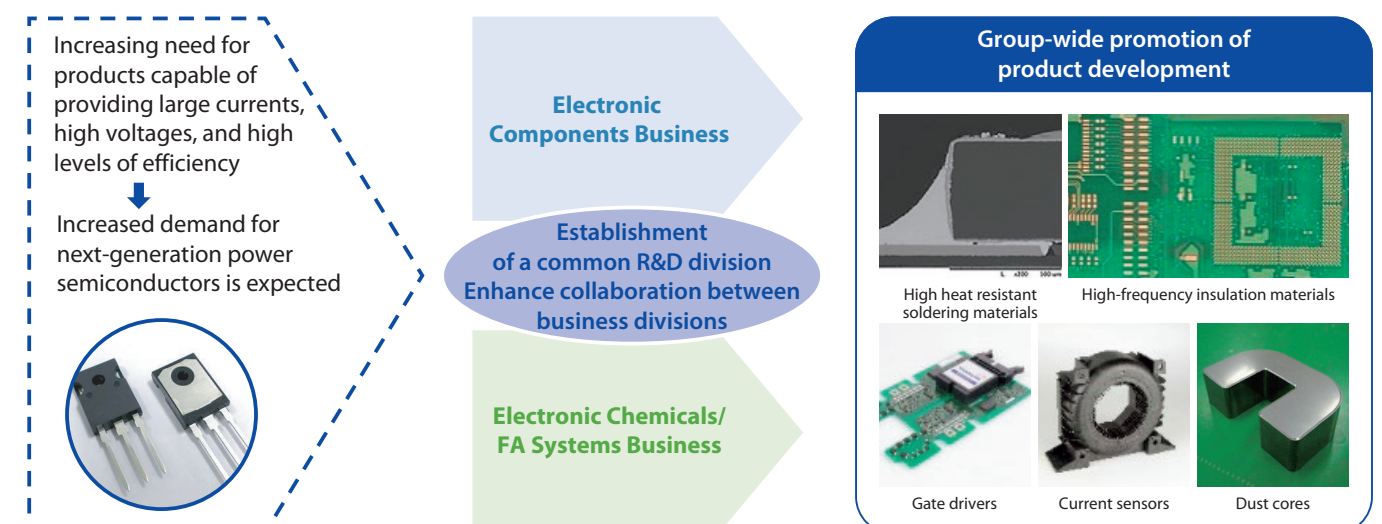
Global Expansion of Reflow Soldering Systems Business



- Flexible function design to meet the needs of non-Japanese customers
- Contribution to improved production efficiency and energy saving for customers:
The temperature change time when switching models is 1/3 of that of our conventional products
➡ Contributes to energy saving for the entire factory
- Equipment management using IoT (big data)

- We utilize our group network to expand our products to customers in China and ASEAN countries
- Reflow soldering system demo models on display at our Mexico showroom together with electronic chemicals. This will lead to acquiring customers from Europe and the US.

Interbusiness Product Development for Mobility Market





Information Equipment

By delivering quality sound, we aim to improve the safety and security of social infrastructure and deliver value and excitement to customers.



Business Summary for FY2022

In the broadcasting industry, the main market for the Information Equipment Business, there was a gradual shift to equipment upgrades from a phase of capital investment restraint. However, this did not lead to a full-fledged recovery of the segment. In regard to profit, losses were significantly reduced due to lower development costs compared to the previous year as a result of the completion of the development of the next-generation audio mixing console. As a result, sales reached 2.444 billion yen (up 17.6% year-on-year) and with a segment loss of 6 million yen (compared to a segment loss of 638 million yen in the previous period).



Kazuyoshi Ishida

Executive Officer
Director of Information
Equipment Business Sector

Business Performance Forecast for FY2023

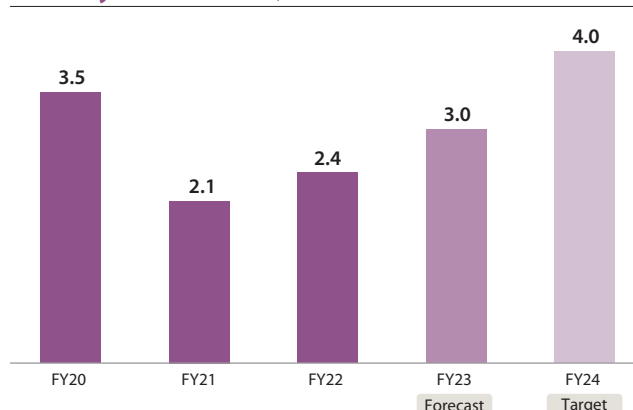
Sales of our next-generation audio mixing console are expected to expand in the second half of the fiscal year by steadily responding to customer demand for equipment upgrades.

Medium-term Management Plan

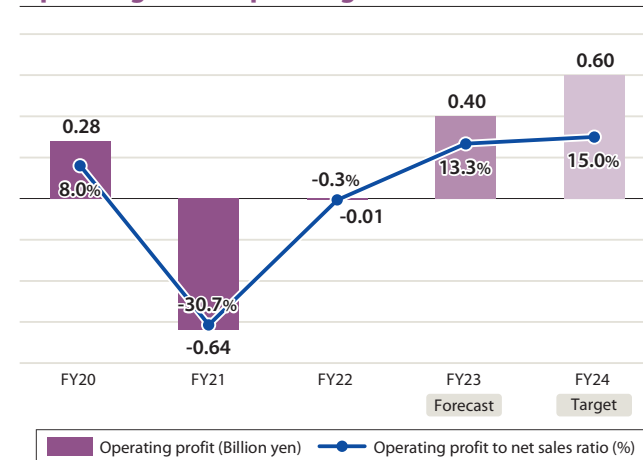
Financial Targets for FY2024

Consolidated sales	4 billion yen	Operating profit	0.6 billion yen	Operating profit to net sales ratio	15.0%
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Sales by Product (billion yen)



Operating Profit/Operating Profit to Net Sales Ratio



Business Strategy

- ◆ Secure semiconductors and other essential components. Return to and increase profit as soon as possible through sales of our next-generation audio mixing console.
- ◆ Cope with changes in needs and technologies such as network-based broadcasting equipment

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

Next-generation audio mixing console

- Keep up with facility renovation demand of key broadcasting stations
- Steadily secure key components such as semiconductors
- Streamlining business and production systems
- Promote collaboration with companies providing peripheral products and services to cope with technological changes such as creating related networks

NTX
series



Next-Generation Full IP Audio Mixing Console

Sustainability Strategy

Based on its Corporate Philosophy and founding spirit, the Tamura Group has established its long-term vision "Aspiration for 2050," aiming to become "A leading company for realizing a decarbonized society that is highly valued in the global electronics market." As the first step toward achieving this goal, we have formulated the 13th Medium-term Management Plan, which covers the three-year period from April 2022 to March 2025. In this Medium-term Management Plan, we are promoting initiatives by integrating our business and sustainability strategies.

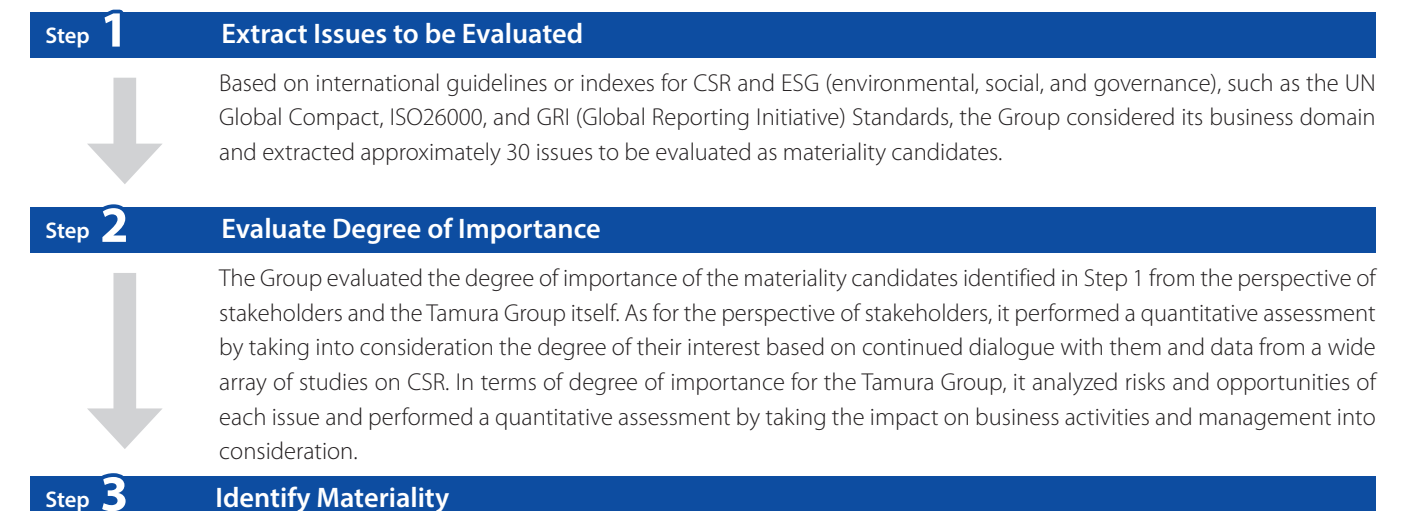
Identifying Materiality

At the Tamura Group, in addition to fulfilling our corporate social responsibility by promoting sustainability in the six areas of "compliance/ethics," "risk management," "human rights and labor," "environment," "quality," and "social contribution," we aim to achieve sustainable growth by clarifying the Group's vision from a long-term perspective and by strategically addressing sustainability issues. As part of these efforts, we set the year 2050 as our target, and the Sustainability Management Committee, an advisory body to the Board of Directors, discussed how we should face and approach various social issues, and identified materiality concerning sustainability in May 2021.

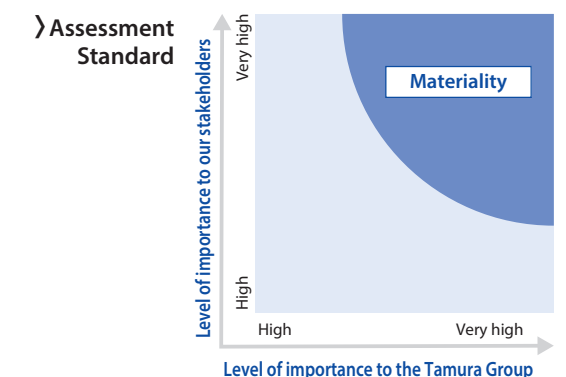
Furthermore, when we formulated our 13th Medium-term Management Plan in 2022, we have set our ideal vision for 2050 as our long-term vision, based on our founding spirit and Corporate Philosophy, with the aim of becoming "a leading company for realizing a decarbonized society that is highly valued in the global electronics market."

In addition, we reviewed materiality based on issues related to business, the environment and society, and stakeholders, and set management indicators and targets for FY2024 in conjunction with our Medium-term Management Plan.

Process of Identifying Materiality



The Group visualized the assessment results on a materiality matrix, and as for issues whose degree of importance was rated high by both stakeholders and the Group, related discussions were held by the Sustainability Management Committee, an advisory body to the Board of Directors, with the Board of Directors identifying the materiality items.



Environment

Progress of Sustainability Strategy

We are steadily implementing measures aimed at achieving a fulfilling workplace and realizing a decarbonized society, and are making progress toward our goals. To reduce greenhouse gas emissions, we have achieved a renewable energy usage rate of 100% at our business sites in Japan (Head Office, Sakado, Iruma, Sayama, and Kodama), a major step forward in achieving this goal. As part of job satisfaction reform, we have promoted a psychological

safety programs, in which internal volunteers participate, and conducted an employee engagement survey on a global basis for the first time.

The progress for each KPI is provided in the table below.

The Tamura Group will integrate its business and sustainability strategies to transform the Group to create a strong future for the 100th anniversary of its founding and beyond.

Materiality	Target for FY2024	Result for FY2022
1. Sustainable business growth	Ratio of new product and market sales: 30%	11.8%
2. Product quality improvement	Defect cost ratio: 15% reduction against the average during the 12th Medium-term Management Plan period	52% increase
3. Proper supply chain management	SAQ survey on key suppliers: 100%	Preparation of procurement guidelines/SAQ revisions
4. Compliance	Compliance training: 100%	94%
5. Fulfilling workplace	1. Global: Improvement of employee survey implementation score: 3 pt/year 2. Diversity at bases in Japan: Ratios of female, non-Japanese, and mid-career employees in managerial positions: 10%, 5%, and 50% respectively	1. Conducted survey for first time (to serve as a base for comparisons) 2. Achieved ratios of 7.8%, 0.6%, 40.3% respectively
6. Co-existence with local community	Social contribution cost: 1% of ordinary profit	1.4%
7. Environmental protection & contribution to realizing a decarbonized society	1. Ratio of sustainability-contributing product sales: 27% 2. GHG (Scope 1 & 2) reduction: 33% or more from 2013 level*	1. 20% 2. 45%
8. Proactive information disclosure	1. Publication of integrated report 2. Climate related disclosure based on TCFD	1. Published integrated report for the first time 2. Started TCFD-based disclosure

* 2013 figure adjusted on a like-for-like basis.

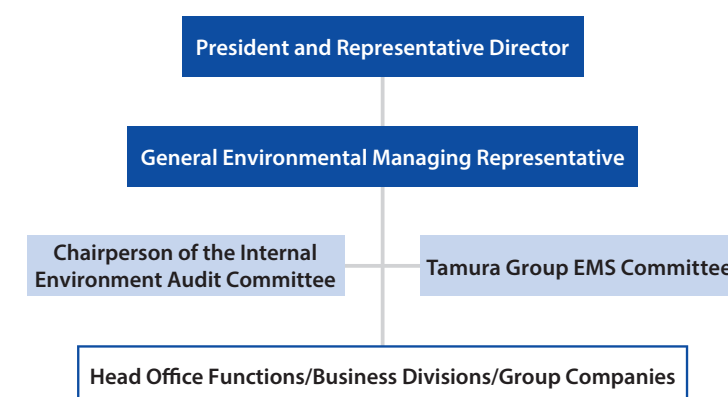
Environmental Management System

The Tamura Group began building a globally unified environment management system in FY2006 and had integrated 28 sites of 19 companies by FY2022 in an attempt to improve its environmental performance and enhance environmental governance.

In order to manage the environmental management system, the Tamura Group has established the Tamura Group EMS Committee, which is headed by the President and Representative Director, and consists of a General Environmental Managing Representative and persons in charge of the business divisions at each site serving as committee members.

The Tamura Group EMS Committee promotes the improvement of communication and horizontal deployment related to the operation of the system and the improvement of the environmental performance of the entire Group.

› Promotion Structure (as of July 1, 2023)



Tamura Group Environmental Policy

Environmental Concept

The Tamura Group conducts all its business activities in harmony with the environment by promoting sustainable resource use, climate change mitigation and adaptation, and biodiversity and ecosystem protection. These activities are based on the Group Mission Statement: "The Tamura Group supplies an original range of products and services, highly regarded in the global electronics market, to satisfy the evolving needs of customers, employees, and shareholders supporting the Group's growth."

Main Measures

Fully recognizing the global targets specified in the SDGs (Sustainable Development Goals) and the Paris Agreement and with the aim of achieving continuous business growth, the Tamura Group focuses on the following environmental protection activities in its business operations, including design, development, production, and after-sales service of electronic components, electrochemical materials, soldering equipment, and information equipment, by utilizing its environmental management system, effectively using resources observing pollution prevention practices as well as laws and regulations, and working on their consistent improvement.

1. The supply of eco-friendly products.
2. Control and reduction of environmental burden materials.
3. Promotion of energy conservation and saving resources.



TOPICS

Electricity of Five Major Business Sites Switched to Renewable Energy Source Equivalent Carbon dioxide emissions cut by approximately 6,900 tons annually using non-fossil fuel energy certificate

As part of our efforts to reduce greenhouse gas emissions generated by our business activities, Tamura switched the electricity contract for five of our business sites* in Japan to the Green Basic plan offered by TEPCO Energy Partner in March 2022.

The electricity used for the non-fossil certificate equivalent is treated in the same way as electricity derived from

renewable energy sources, and is considered to be electricity with zero CO₂ emissions. Through this initiative, we were able to reduce CO₂ emissions by approximately 6,900 tons in FY2022.

The Tamura Group will continue to promote the reduction of greenhouse gas emissions and contribute to the realization of a carbon-free society.

* Five business sites (Head Office, Sakado Factory, Iruma Factory, Sayama Factory, and Kodama Factory): The factories in the Greater Tokyo Area. Renewable energy use of 100% was achieved.

GHG reduction target

Since FY2022, we have been working to achieve our new greenhouse gas reduction targets (Scope 1 & 2) based on two pillars: Promotion of energy savings and procurement of renewable energy.

In the promotion of energy savings, we are working to visualize energy consumption, which is the first step in energy savings, utilize energy savings diagnoses, replace aging facilities with energy-efficient ones, improve the efficiency of operation control, and improve energy use efficiency.

As a result of this initiative, the target was achieved with a 45% reduction in energy consumption compared to the FY2022 target of 27%.

GHG reduction target

- Greenhouse Gas Emissions* (Scope 1 & 2):
FY2030 Reduction of **51% or more**
(compared to FY2013 level)

Renewable Energy Introduction Target

- Amount of renewable energy introduced:
FY2030 **More than double**
(compared to FY2019 level)
- Within Scope 1 (direct emissions from our own fuel use or production process) or Scope 2 (indirect emissions from the use of electricity or heat we purchased).
- Emissions related to new plants are added to those of past fiscal years including the base year to appropriately evaluate reduction efforts made after the start of operation.
- Emission coefficients represent those of electricity purchased based on agreements in principle.

Environment

Sustainability-Contributing Products

The Tamura Group carries out product environmental assessment in the development and design phases to minimize environmental impact, and strives to contribute to achieving a sustainable society through the development and provision of products that contribute to sustainability.

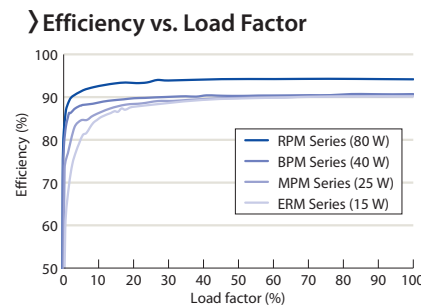
Power Modules (xPM series)

Since regulations on energy conservation are being tightened to achieve carbon neutrality, there is a growing demand for power sources that offer high-efficiency.

Our energy-saving power modules (xPM series) is comprised of five series, from 3 to 80 W class, and can be selected according to power and voltage levels. In addition, the module has significantly improved power consumption characteristics under no load and efficiency characteristics under light load (when the product is in a standby state). This series responds to the energy-saving issues of customers and contributes to the reduction of power consumption and the reduction of man-hours for product development.

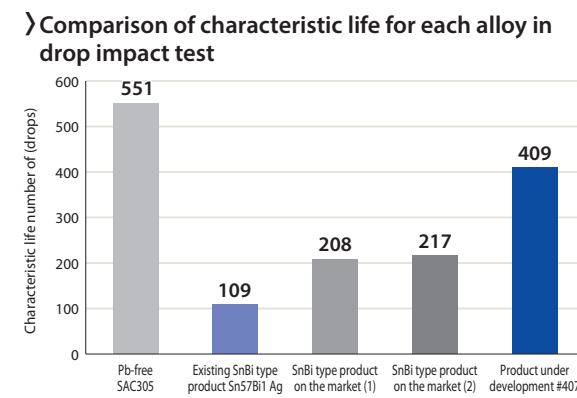
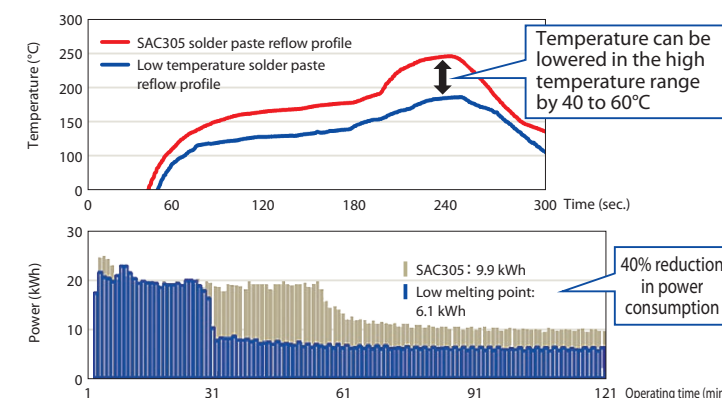


RPM Series (80 W)



Low Melting Point (SnBi+α) Solder Paste TLF407-18-HF

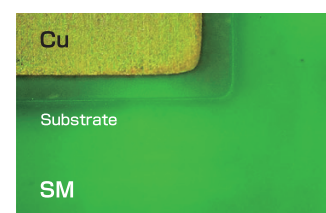
Amid growing interest in carbon neutrality, low melting point solder is attracting attention. Compared to SAC305 (Sn/3Ag/0.5Cu), a solder alloy which is widely used in the market, low melting point solder (SnBi series) has a melting point of about 80°C lower than that of SAC305 (Sn/3Ag/0.5Cu), making it possible to reduce power consumption during the reflow process. According to our calculations, it is expected to reduce annual reflow-oven electric power consumption by 40%. For TLF407-18-HF, we have developed and use a new alloy (SnBi+α) with improved drop impact resistance. Low melting point (SnBi series) solders normally do not offer suitable drop impact resistance. Since it can also be used in an atmospheric reflow process, which has normally been an issue for low melting point solders, nitrogen used in the N₂ reflow process is not required. This contributes to the reduction of environmental impact in addition to reducing power consumption as mentioned above.



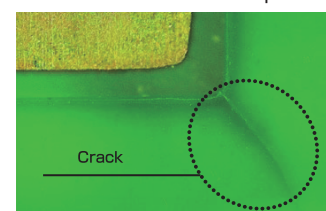
DSR-2200ACR-19M High-Reliability, Crack-Resistant Solder Resist for Automotive Use

The increasing popularity of eco-friendly cars (hybrid vehicles, electric vehicles, etc.) has ushered in an increase in the number of electronic control units (ECUs) installed in one car. To save space and reduce weight, the installation of ECUs in a harsher, higher-temperature environment is expected. Therefore, solder resist for PCBs used in ECUs needs to exhibit better resistance to a high-temperature environment.

This product is a matte-type alkaline development type soldermask for screen printing with improved high-temperature durability and low elasticity compared to conventional products, which significantly suppresses cracking in the solder mask in a thermal cycle test of -40°C ⇄ +160°C, which assumes a high-temperature environment, and has excellent high-temperature durability (160°C for 2,000 hours). It has high flexibility as well and can be used in PCBs that are bent when assembled (rigid flexible PCBs). It is a halogen-free product that contributes to space saving through the bending assembly.



This product



Conventional product

NTX Audio Mixing Consoles

NTX series audio mixing consoles is a digital mixing console suitable for live broadcasting and program recording. The main product in this series is X CORE, which is used to perform audio routing and audio signal processing. The X CORE has a MEDIA port that supports ST2110-30, AES67, and ST2022-7 standards, being compatible with IP-based next-generation broadcast systems. Compared to the NT Series, our previous audio mixing console series offering the same level of functionality, the main function sections (audio routing and audio signal processing sections) together use around 34% less power and the console uses around 68% less power, while the main function sections are smaller with controls placed closer together through high-density mounting.



Power consumption

NT Series	Decrease	NTX Series
Router and DSP (4 units)	➡ Approx. 34%	X CORE
NT880 (40 Fader)	➡ Approx. 68%	NTX800 (36 Fader)

Main function rack occupancy when product is in is maximum configuration

NT Series	Decrease	NTX Series
6U	➡ 2U decrease	4U

*U: Unit of height when a rack is mounted. 1U = approx. 44.45 mm.

Initiatives Associated with Our Declaration of Support for Information Disclosure Based on TCFD Recommendations

Governance

At the Tamura Group, the Board of Directors is responsible for determining basic policies and strategies and overseeing their execution with respect to climate change, human capital, and other sustainability issues in general. To ensure efficient and effective oversight, the Board of Directors has established the Sustainability Management Committee as an advisory body for support. The Sustainability Management Committee consists of the President and Representative Director, all five Directors who are Audit & Supervisory Committee members, and the Executive Officer in charge of Sustainability. It meets twice a year to supervise the progress of the sustainability strategy, deliberates on related agenda items, and reports to the Board of Directors.

Based on the basic policies and strategies, specific measures and initiatives are promoted by executive departments under the Executive Officer Committee chaired by the President and Representative Director.

Strategy

As we consider climate change to be a key issue, the Tamura Group declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in June 2022. We are committed to information disclosure based on the TCFD framework to promote constructive communication with stakeholders.

In the following paragraphs, we indicate the risks (transition risks and physical risks) and opportunities recognized by the Tamura Group related to climate change.

Transition risks include increased costs associated with compliance with carbon taxes and stricter greenhouse gas emission regulations, higher prices of raw materials such as petrochemicals and metal and mineral resources, and increased costs from capital expenditure in procurement of low-carbon raw materials and low-carbonization of our own manufacturing processes. Physical risks

Governance Structure



include intensifying natural disasters caused by climate change, damage to business sites due to changes in climate patterns, and loss of sales opportunities due to supply chain disruptions.

As for opportunities, we recognize that business opportunities will increase in the three areas of power electronics, mobility, and IoT, which are the Tamura Group's core businesses and growth areas that contribute to carbon neutrality, due to an increase in renewable energy generation facilities such as solar and wind power generation, an increase in electricity demand associated with a shift from fossil fuel use to electricity use and IoT promotion, and development in emerging countries. We are taking measures to maximize these opportunities.

For details on information disclosure based on the TCFD, please visit our website.

https://www.tamuracorp.com/sustainability/e_report/tcfd.html

Risk Management

In order to promptly and accurately address risks that may directly or indirectly affect management or business operations, the Tamura Group has established internal regulations, such as Risk Management Regulations, Crisis Management Regulations, Internal Reporting Regulations, and Information Management Regulations, and manages risks accordingly. Risks related to climate change are also managed under the aforementioned governance system as part of these efforts.

Indicators and Targets

Aiming to achieve carbon neutrality by 2050, the Tamura Group aims to reduce Scope 1^{*1} and Scope 2^{*2} greenhouse gas emissions by 51% compared to FY2013^{*3} levels by FY2030. We have set a target of reducing emissions by 33% by FY2024, the final year of the 13th Medium-term Management Plan.

Aiming to achieve these goals, in FY2022, we worked to reduce electricity consumption by saving energy in our own processes, installed solar power generation equipment, and procured renewable energy, achieving a 45% reduction in greenhouse gas emissions compared to our initial reduction target of 27%.

^{*1} Scope 1 (direct emissions): Amount of greenhouse gas emissions from the Company's plants, offices, vehicles, etc.
^{*2} Scope 2 (indirect emissions): Greenhouse gas emissions from the Company's use of electricity, etc. supplied by other companies.
^{*3} 2013 figure adjusted on a like-for-like basis.

Overview of impact of risks and opportunities associated with realizing a decarbonized society on business

Classification	Type	Description	Division	Company-Wide									Business Segment																										
			Temperature Rise	1.5°C									4°C									Electronic Components									Electronic Chemicals & FA Systems								
				1.5°C			4°C			1.5°C			4°C			1.5°C			4°C																				
				Time Axis	24	30	50	24	30	50	24	30	50	24	30	50	24	30	50	24	30	50	24	30	50	24	30	50											
Physical risk	Acute	Intensifying natural disasters					1	3	3					1	3	3					1	3	3					1	3	3									
	Chronic	Negative impact of the macroeconomy due to the materialization of physical risks					2	2	3																														
		Decrease in land and property values in areas with high risk of wind and flood damage					1	2	3																														
		Cost of countermeasures for storm surges and rising sea levels					1	2	3						1	2	3											1	2	3									
		Increased air conditioning costs due to higher average temperatures					1	2	3																														
		Decrease in efficiency of solar power generation facilities due to heat waves; replacement with more durable and weather-resistant products and equipment					1	2	3																														
Transition risk	Policies and regulations	Negative macroeconomic impacts from various regulatory tightening	1	3	2																																		
		Increased costs related to low-carbon initiatives	2	3	2						1	2	1						2	3	2																		
		Increased costs due to changes in packaging and shipping methods									1	2	2						1	2	2																		
		Increased costs of environmental measures for new and existing buildings	1	2	3																																		
		Increased operating costs for environmentally-friendly real estate	1	2	3																																		
		Increased costs associated with replacing gas-powered company-owned vehicles with EVs and FCVs	1	1	1																																		
		Replacement of equipment due to tightening of regulations	1	3	2																																		
	Market/Technology/Reputation	Increased costs of raw materials related to rising naphtha prices										1	2	3						1	3	3																	
		Increased raw material costs due to low-carbon manufacturing processes										—	2	2						—	2	3																	
		Increased cost of raw materials made using mineral resources										2	2	3						2	3	3																	
		Deterioration of corporate value due to lack of disclosure and difficulty in securing human resources																																					
		Reduction/Suspension of transactions due to a lack of low-carbon initiatives	2	3	3																																		
Opportunity	Expansion of product and service related markets	Contribution to business continuity of affected companies in the event of a natural disaster													1	3	3																						
		Increased demand for highly durable and weather-resistant products														1	2	3																					
		Increased demand for low-carbon and energy-saving products										2	3	3						2	3	3																	
		Increased demand for automated and labor-saving products										2	3	3																									
		Increased demand for products eligible for material recycling										2	3	3						2	3	3																	
		Increased demand for energy-saving facilities and products										1	3	3						2	3	3																	
	Reduction of greenhouse gas emissions	Increased demand for products associated with various regulatory tightening										1	3	2						1	3	2																	
		Reduction of tax burden due to using low-carbon materials in manufacturing processes										—	2	2						—	2	2																	
		Reduction of energy procurement costs due to the expansion of the renewable energy market	1	3	2																																		
	Enhancement of corporate value/ Securing of human resources	Higher-efficiency and decarbonization of our business activities achieved through the use of 5G and IoT technology	2	3	3																																		
		Enhancement of corporate value through appropriate information disclosure and stable securement of human resources over the medium to long term	2	3	3																																		

* Impact assessment ● Impact on operating income 1: 10 million yen or more, 2: 0.1 billion yen or more, 3: 0.5 billion yen or more ● Time axis: 24 means 2024, 30 means 2030, and 50 means 2050

Supply Chain Management/Quality/Social Contribution

Supply Chain Management

To deliver products that satisfy customers, we collaborate with our business partners on quality, the environment, and social responsibility throughout the entire supply chain.

Promoting CSR Procurement

In order to respond to the growing interest of stakeholders in the entire business process from product manufacturing to sales, the Tamura Group has established the Tamura Group Procurement Guidelines (hereinafter "Procurement Guidelines") to promote CSR initiatives throughout the supply chain. The Tamura Group Fundamental Purchasing Principles are set forth in the Pro-

curement Guidelines, and we ask for the understanding and co-operation of our suppliers with regard to CSR procurement. Since we have revised our Procurement Guidelines in June 2023, we will make efforts to have suppliers enter written agreements so that they follow the Procurement Guidelines and provide us with responses to the SAQ (Self-Assessment Questionnaire).

Quality

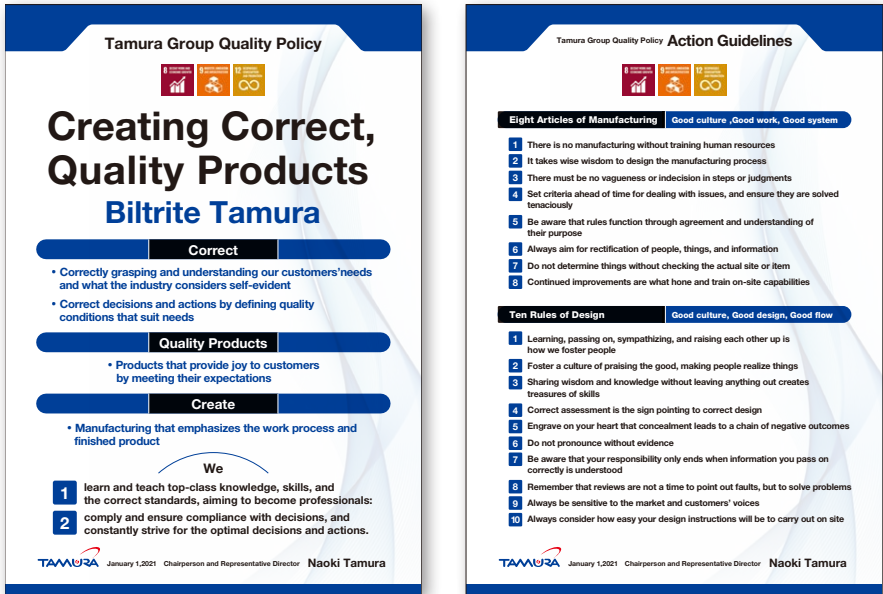
To uphold the policy of "Creating Correct, Quality Products," the Tamura Group has been promoting various quality improvement activities to further increase customer satisfaction, while endeavoring to establish the optimal quality management system for each business segment.

Tamura Group Quality Policy

In January 2021, we revised our Quality Policy, based on our belief that it is necessary to foster a corporate culture in which the idea of quality first is once again the norm, as quality is essential as one of the factors for further corporate growth. The new Quality Policy defines the Group's compass as "Creating Correct, Quality Products," which is what "Bilrite" meant when it was founded. In addition, by expressing the meaning of this Quality Policy as a concrete action guideline (Eight Articles of Manufacturing for production and 10 Rules of Design for development), we aim to establish Tamura's quality culture that transcends generations.

From FY2022 onward, we will continue to promote efforts that make employees more familiar with the Quality Policy through the use of short, explanatory videos and our in-house newsletter. In addition, based on quality reviews by top management, a checklist was created

and deployed, and activities were initiated to quantitatively determine how familiar employees are with the policy in each division and improve their level of awareness. We will continue to raise quality awareness throughout the entire Group.



Social contribution

For coexistence and harmony with the society, as well as to foster mutual understanding and build bonds of trust with national governments and local communities, we are promoting social contribution activities rooted in local communities and related regions. In FY2022, the total expenditure on social contribution

activities of the Tamura Group was approx. 60 million yen, which was approx. 1.4% of the ordinary profit. Despite many of our activities being suspended in FY2022 because of the COVID-19 pandemic the Group will continue efforts to promote these activities while working on new themes.

Human Capital

The Tamura Group believes that in order to promote business goals and realize sustainable business activities, it is important to have both the human resources to carry out these goals and an environment in which these human resources can demonstrate their abilities. Through these initiatives, we aim to be a company that people admire and a company where people gather over the long term.

Job Satisfaction Reform (Global)

In order to increase corporate value, we believe that it is important to be a company where all employees of the Tamura Group can fully demonstrate their abilities and work enthusiastically with a sense of fulfillment on a daily basis wherever they are in the world. First, we began implementing psychological safety initiatives in FY2019 as a foundation for achieving job satisfaction. In

FY2022, we introduced an engagement survey as an indicator to measure the effect of job satisfaction reform. The score achieved in this first survey was 49%. We will work to improve scores by analyzing the feedback from each employee and promoting better measures.

Diversity in Human Resources (Japan)

Aiming to be a company that can meet the expectations of global stakeholders, we actively promote the appointment of women, non-Japanese, and mid-career hires to managerial positions. The results for the fiscal year ended March 31, 2023 are

shown in the chart below (right side). We made progress toward achieving targets although we are still having issues with improving the ratio of non-Japanese in managerial positions.

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 engagement survey score		
Improvement: 3pt p.a. for the Group		
FY2022 (Actual)		
Positive: 49%		

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 13th plan period		
Ratio among managers (FY2025/3)		
Female: 10%	Non-Japanese: 5%	Mid-career: 50%
FY2022 (Actual)		
Female: 7.8%	Non-Japanese: 0.6%	Mid-career: 40.3%

Efforts to Enhance Human Capital

Revamping of the Personnel Management System

In April 2021, Tamura Corporation revamped its multi-track personnel system consisting of managers, full-time employees, and highly specialized professionals with the aim of becoming an organization that can fully demonstrate its capabilities while responding to the diversification of individual employees' values and work styles. Expecting the management level to demonstrate high management skills and create an environment where employees can work with peace of mind, we are promoting measures focused on the demonstration of team skills, such as the introduction of the concept of "psychological safety" and the implementation of 360-degree evaluations. Highly specialized personnel are given stricter role definitions with the mission to provide competitive products and services to the market by demonstrating a high level of expertise. We practice a merit-based treatment based on the results of their efforts.

In addition, we have reviewed the behavioral characteristics of personnel evaluations in general so that all genders and age groups can play an active role. In particular, for younger employees, we are reducing the grade level and significantly shortening the minimum promotion year to provide opportunities to engage in more advanced work at an early stage.

Psychological Safety

In order to realize the satisfaction of each and every employee, it is essential to have a team that ensures psychological safety. In 2019, we started activities to instill psychological safety and established the Psychological Safety Promotion Team as a Group-wide initiative. In 2022, by transforming our corporate culture into a culture that encourages two-way exchanges of opinions without being restricted by attributes such as age or position, we are creating a workplace where each and every employee strives to achieve a higher level and raising the level of organizational strength.



Psychological Safety Promotion Team activity

Health and Productivity Management Initiatives

In order to be a company where employees are satisfied with their jobs, it is of utmost importance that each and every employee can continue to work in good health. Therefore, the Tamura Group is working to improve health issues identified from the

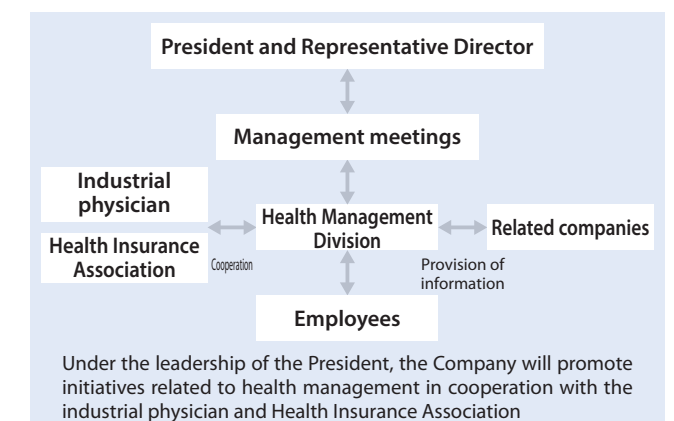
results of health checkups. Since the percentage of employees who feel that sleep provides adequate rest is low, we are promoting employee education to improve sleep quality, efforts to further reduce overtime hours, etc.

Health and Productivity Management Declaration (purpose of health and productivity management promotion)

Tamura Corporation aims to be a one-of-a-kind company that can provide customers with world-class products. To this end, we believe that the health of employees working at Tamura Corporation is the foundation of management. Therefore, we will work to create a healthy and rewarding company where employees can lead fulfilling lives.

Masahiro Asada
President and Representative Director

Health and Productivity Management Promotion Structure



Creating Environment That Supports Diverse Work Styles

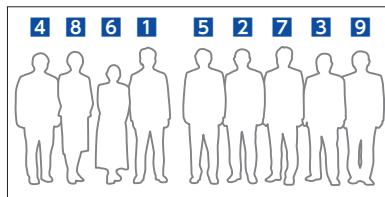
As a measure to respond to diverse work styles, we have introduced a system that allows employees to freely take multi-purpose leave such as for childcare, nursing care, and volunteer activities, as well as paid leave on an hourly basis. In addition, we have established a system to reemploy employees who have left the company

for certain reasons including childcare, nursing care, and the relocation of their spouse, and introduced a new limited regular employee system in FY2022 to support work and family life balance. We have also introduced a telecommuting system to improve infrastructure including the IT environment and regulations.

Tamura Group employees



Directors



Tamura Corporation transitioned to a company with an Audit & Supervisory Committee following approval at the Annual General Meeting of Shareholders held in June 2023.

At the same time, we introduced a CXO system to enhance governance and strengthen the executive structure under the new system.

1 Masahiro Asada

Representative Director, President & CEO

April 1982 Joined Tamura Corporation
 April 2003 Managing Director, Tamura Europe Limited
 April 2005 Senior Executive Officer, Tamura Corporation
 June 2007 Director/Senior Executive Officer, Tamura Corporation
 June 2009 Director/Managing Executive Officer, Tamura Corporation
 June 2016 Director/Executive Vice President, Tamura Corporation
 October 2018 Representative Director and Chairperson, Koha Co., Ltd.
 April 2019 President and Representative Director, Tamura Corporation
 July 2023 Representative Director, President & CEO, Tamura Corporation (current position)

2 Yusaku Hashiguchi

Director, Managing Executive Officer & CFO

April 1986 Joined Tamura Corporation
 June 2009 Senior Executive Officer, Tamura Corporation
 June 2014 Director of Corporate Management Division (current position)
 April 2015 Director/Senior Executive Officer, Tamura Corporation
 April 2018 Controller of Business Sectors at Head Office, Tamura Corporation (current position)
 June 2018 Director/Managing Executive Officer, Tamura Corporation
 April 2022 Non-Executive Director, Novell Crystal Technology, Inc. (current position)
 April 2022 Representative Director and President, Koha Co., Ltd. (current position)
 July 2023 Director, Managing Executive Officer & CFO, Tamura Corporation (current position)

3 Shoichi Saito

Director, Senior Executive Officer & CTO

April 1988 Joined Tamura Kaken Corporation
 April 2005 Executive Officer, Kaken Corporation
 June 2007 Director/Executive Officer, Kaken Corporation
 April 2010 Senior Executive Officer, Tamura Corporation
 June 2013 Director/Senior Executive Officer, Tamura Corporation
 August 2015 Managing Director, Tamura Corporation Singapore Pte. Ltd.
 April 2020 Managing Director, Tamura Europe Limited
 April 2022 In charge of R&D Strategy, Tamura Corporation (current position)
 Head of R&D Strategy Division, Tamura Corporation (current position)
 October 2022 In charge of Security Trade Control Department (current position)
 July 2023 Director, Senior Executive Officer & CTO, Tamura Corporation (current position)

4 Yohei Tamura

Director, Executive Officer

April 2010 Joined Yokogawa Electric Corporation
 April 2013 Transferred to Yokogawa Solution Service Corporation
 April 2016 Joined Tamura Corporation
 April 2018 Managing Director, Tamura Electronics (M) Sdn. Bhd.
 April 2019 Managing Director/President, Tamura Electronics (M) Sdn. Bhd.
 October 2021 Managing Director, Tamura Corporation (Thailand) Co., Ltd.
 April 2023 Head of President's Office, Tamura Corporation (current position)
 June 2023 Director/Executive Officer, Tamura Corporation (current position)

5 Akira Kubota

Lead Outside Director, Audit & Supervisory Committee Member

April 1978 Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)
 September 2005 Director-General of Research and Statistics Department, Economic and Industrial Policy Bureau
 July 2006 Joined Olympus Corporation
 June 2009 Executive Officer, Division Manager, Microtechnology R&D Division, Corporate R&D Center
 April 2014 Executive Officer, Division Manager, Microtechnology R&D Division, Corporate R&D Center
 April 2016 Executive Managing Officer, Unit Head, Medical Affairs & CSR Office
 May 2017 Executive Director, Nippon Control Equipment Industries Association (current position)
 June 2018 Outside Director, Tamura Corporation
 June 2023 Outside Director, Audit & Supervisory Committee Member (current position)

6 Haruko Shibumura

Outside Director, Audit & Supervisory Committee Member

April 1992 The 46th Legal Apprentice of the Supreme Court
 April 1994 Registered at the Daini Tokyo Bar Association
 April 1999 Joined Law Offices of Homma & Komatsu (currently Homma & Partners)
 April 1999 Partner Lawyer (current position)
 April 2009 Practicing-attorney-professor for civil advocacy of the Legal Training and Research Institute, the Supreme Court
 June 2015 Outside Auditor, NICHIREKI CO., LTD.
 June 2018 Outside Director, Tamura Corporation
 June 2019 Outside Director, Audit & Supervisory Committee Member, Astellas Pharma Inc.
 June 2019 Outside Auditor, NICHIREKI CO., LTD. (current position)
 June 2023 Outside Director, Audit & Supervisory Committee Member (current position)

7 Masashi Imamura

Outside Director, Audit & Supervisory Committee Member

April 1979 Joined Sony Corporation (currently Sony Group Corporation)
 April 2014 Representative Director and President, Sony Visual Products Inc.
 April 2015 EVP of Sony Corporation, in charge of production, logistics, procurement, quality, and environmental engineering platforms
 February 2019 Joined Zensho Holdings Co., Ltd. as Managing Executive Officer
 President and Representative Director, Zensho Factory Holdings Co., Ltd.
 June 2019 Managing Director, Zensho Holdings Co., Ltd.
 June 2022 Resigned from position at Zensho Holdings Co., Ltd.
 June 2023 Outside Director, Audit & Supervisory Committee Member (current position)

8 Akiko Toyoda

Outside Director, Audit & Supervisory Committee Member

April 1992 Joined Dai-ichi Kangyo Bank (currently Mizuho Bank)
 September 2000 Assigned to Mizuho Holdings, Inc. (currently Mizuho Financial Group, Inc.)
 January 2001 Assigned to Mizuho Securities Co., Ltd.
 October 2006 Joined Lazard Frères & Co.
 October 2008 Joined Huron Consulting Group Inc.
 July 2010 Japan arm becomes Trustees Corporate Finance Advisory Co., Ltd.
 December 2011 Joined Mizuho Corporate Advisory Co., Ltd.
 October 2016 Joined PwC Advisory LLC (current position)
 June 2023 Outside Director, Audit & Supervisory Committee Member (current position)

9 Yuji Yokoyama

Director, Audit & Supervisory Committee Member

April 1987 Joined Tamura Corporation
 April 2015 Director of Global Business Promotion Division, Electronic Components
 June 2015 Managing Director, Tamura Europe Limited
 April 2017 Assistant Director of Corporate Management Division
 April 2019 Executive Officer, Director of HPM Business, Electronic Components Business Segment, and Managing Director/President, Tamura Europe Limited
 April 2020 Assistant Director of Electronic Components (in charge of Europe and US operations)
 September 2020 Auditor
 June 2023 Director, Audit & Supervisory Committee Member (current position)

Discussion on Corporate Governance



Akira Kubota

Lead Outside Director, Audit & Supervisory Committee Member

Haruko Shibumura

Outside Director, Audit & Supervisory Committee Member

Masashi Imamura

Outside Director, Audit & Supervisory Committee Member

Akiko Toyoda

Outside Director, Audit & Supervisory Committee Member

Form of Corporate Governance That We Are Seeking under New Directors System

Company issues and the roles of Outside Directors

Tamura Corporation transitioned to a company with an Audit & Supervisory Committee following approval at the Annual General Meeting of Shareholders held in June 2023. At the same time, the directors system changed from a system with two outside directors and two outside auditors to a system with four outside directors. Directors Akira Kubota and Haruko Shibumura, who were appointed in June 2018, were joined by new directors Masashi Imamura and Akiko Toyoda, all of whom are members of the Audit & Supervisory Committee. We made major changes to our governance structure before the 100th anniversary of our founding to move the company forward into the next era by increasing the driving force of our business and adapting to external changes. For this discussion, all outside directors came together to exchange their opinions on current conditions at the Tamura Corporation, issues that the Company is facing, the direction to head in under the new governance structure, what each director is determined to do, and other topics.

Direction to pursue in order to enhance corporate value and related issues

Kubota: At first, a fundamental effort behind enhancing corporate value is the successful implementation of the 13th Medium-term Management Plan (* three-year period from April 2022 to March 2025). As this Medium-term Management Plan was discussed during Board of Directors meetings quite early on, we took time to consider strategies and initiatives. The Board of Directors monitors the progress of these initiatives, provides advice as necessary, and reviews them in accordance with changes in the external environment. In this way, I think it is important to clarify the direction in which the Company is heading.

Shibumura: In order to increase corporate value, it is important to clearly establish a medium- to long-term corporate strategy, clarify the authority and responsibilities of each management team, and move forward as one. In order to achieve this, we are currently promoting various measures, such as organization building. Since some of those measures are measures that should be taken to achieve the medium- to long-term vision, I would like for us to make it possible for the entire Group to know what direction the Company should be heading in.

Imamura: In transitioning to a company with an Audit & Supervisory Committee, the Company made a very unique decision to have all outside directors become

Audit & Supervisory Committee members. As a newly-appointed director, I am also feeling firsthand the desire to drastically change the Company.

A company like Tamura, which has been in business for 100 years, has something that can be called "core competence." Although we should continue to value this core competence, in an era in which the world is experiencing major changes, we cannot survive just by doing the same things we have done in the past. Now that Tamura has decided to change itself, I would like to use my own experience to give advice on what should be changed and what should be kept as is to improve corporate value in the future.

Toyoda: I have been involved in the planning of portfolio strategies throughout my career, so I hope to use that experience to help improve corporate value. Let's think about what kind of business portfolio Tamura should have in 10, 20, or even 50 years. Some means of achieving the ideal business portfolio include M&As while others are development investments aimed at organic growth. I would be happy if we as outside directors can help invigorate discussions within Tamura by proposing various measures from an external perspective.

The functions of the Audit & Supervisory Committee and Executive Officer Committee; Introduction of a CXO system

Shibumura: An extremely important decision that Tamura made was making a transition to a company with an Audit & Supervisory Committee. This is because it is a structure that requires preparedness on the executive side. From now on, the Board of Directors will have to delegate a large amount of executive authority, and the delegated executive officers will have to decide on matters and perform work independently. The Audit & Supervisory Committee audits the legality and appropriateness of this business execution. Auditing the appropriateness of business execution involves advising the executive side to "step on the brakes" when they are going too far with efforts and "step on the accelerator" when conditions appears to be stagnant. I want to see this system get on track as soon as possible.

At the same time, the introduction of the CXO system has made the responsibilities and authority of management more clear. Although the responsibility will be heavier, it should also be rewarding.

Toyoda: It is ideal for the "accelerator and brakes" to function in a well-balanced manner. I would like to ac-

tively express my opinion when they should step on the accelerator a little more.

Kubota: As a company that has been in business for 100 years, it seems that there is a tendency to think of work as an extension of conventional work. However, we must move past that mentality to develop our business. I think we need to find out more about the strategy internally, so I would like to hold discussions with executives to stimulate efforts.

Imamura: In these confusing times, it is important not to silently carry out what the top management says, but be able to think proactively and speak out. The CXO system is a new mechanism to achieve this, and I regard this new step forward very positively.

Shibumura: We have high expectations for the Executive Officer Committee and the CXO system. I would like to see a great deal of discussion about corporate strategies for creating the kind of Tamura that we should be, including among the younger generation.

Audit & Supervisory Committee first-year policies and initiatives

Shibumura: It is said that an Audit & Supervisory Committee can either improve or worsen a company. If successful, governance will be strengthened, improving the balance between governance and business activities. If conditions become worse, it means that it would have been better to have an Audit & Supervisory Board. In order to make improvements, we Audit & Supervisory Committee members, must properly share information with persons who execute business, and management. I think we must be able to see where and who is trying to do what and where the challenges are.

The role of the Audit & Supervisory Committee is to support execution in operating the Company with a sense of speed. In order to do so, we need to have the executive side feel that it was a good decision for Tamura Corporation to become a company with an Audit & Supervisory Committee. This year is the first step toward that, and at first I would like to exchange opinions in order get to know each other. I think the Audit & Supervisory Committee's first year is important because of the importance of building trust during this time.

Imamura: The main company roles are held by management and employees. Since it is important for Tamura to become a company that everyone can be truly proud to work for, I would like to be involved in activities to help achieve that goal. Reforms must be carried out with a

Discussion on Corporate Governance

Akira Kubota

Akira Kubota has a wide range of experience in government agencies, as well as experience and insight in business management, including research and development, at a major global company. Since 2018, he has contributed to strengthening the functioning of the Board of Directors as a Director and Nomination and Remuneration Advisory Committee of the Company with an independent perspective.

sense of speed. If not carried out correctly, however, it will be difficult to reverse the damage done. That said, reforms must be carried out correctly and swiftly. If mistakes are made in this area, we must start over immediately. I think the biggest risk is not to do anything at all.

Toyoda: There is no 100% right answer when it comes to corporate management, so it is important to repeatedly discuss matters and draw conclusions with a sense of understanding. I think it would be great if people outside the Company like us could be the catalyst for moving the Company forward. For this, I would like to create many opportunities to talk with people inside the Company and exchange opinions.

Kubota: I would like to propose that the Company's decision-making processes be reorganized. Until now, top management has been strong, so I could not say that there is a disposition to question management. From now on, executives should be more open about the reasons for management decisions, and to this end, it will be necessary to inspect and improve the function of meeting bodies.

Imamura: I feel that Mr. Kubota has just said something very important. We often hear the word "conjecture" in the news about governance failures, etc. It is difficult to see where and who decides what, so subordinates surmise the intention.

Shibumura: I also think that is a very important point. Transparency in decision-making processes and organizations is paramount to governance. Nothing should ever be out of reach or hidden, even if it is not a large matter.

Visualizing issues that are not apparent is the first step in governance, but many companies have not done so. As I have been involved in governance for many years, I don't think conjecture produces anything useful.

Policies and initiatives of the Nomination & Remuneration Advisory Committee

Kubota: Improving the executive selection process and developing a succession plan are among the Nomination & Remuneration Advisory Committee's major challenges. With regard to the appointment of officers, we are considering a style in which a wide pool of candidates are selected and then narrowed down. For this, it is necessary to review the criteria for appointing officers and determine what kind of appointment process to implement and when to implement it.

Shibumura: Succession plans are difficult to deal with because they do not go as planned at all. So, as Mr. Kubota stated, I think it is important to make preparations in advance. It is necessary to find human resources not only to serve as next-generation management but also for the generation after that, and consider how to train them. If there is a shortage of human resources, it may be necessary to consider the option of acquiring them from outside the Company. I think we should properly report the discussions of the Nomination & Remuneration Advisory Committee to the Board of Directors and make it transparent about where and what decisions are made.

Toyoda: Selecting candidates for executive positions is also a means of conveying the message to young people the type of person that will be appointed to important positions. Since it shows the direction the company is heading, I think the Nomination & Remuneration Advisory Committee plays a really important role. I want to support candidates who can look at the Company from a Company-wide and long-term perspective.

Haruko Shibumura

As a lawyer, Haruko Shibumura has a high level of insight into corporate legal affairs in general, including corporate governance and risk management, as well as extensive experience as an outside director. Since 2018, she has contributed to strengthening the governance of the Company from Board of Directors as a Director and Nomination and Remuneration Advisory Committee of the Company with an independent perspective.



Masashi Imamura

Masashi Imamura has held important positions in a major global electronics manufacturer in Japan and in the restaurant industry, and has extensive business experience in areas such as manufacturing, logistics, procurement, and quality, as well as knowledge of corporate management. In 2023, he was appointed as Director and Nomination & Remuneration Advisory Committee Member of the Company.

Imamura: I think the worst thing that can happen is that people doing the same things as others become leaders doing the same things as others. A leader does not need to be the same as everyone else. They need to possess a levels of knowledge and experience that are second to none. I believe that the most dangerous person is someone who has moved up to the position of President without making major mistakes throughout their career at the Company. Therefore, I want to create a system that can properly evaluate those who have failed and experienced a bottoming out. I would like to see useful information gathered so that the Nomination & Remuneration Advisory Committee can recommend that a particular person is the right person to enhance Tamura's corporate value in the future.

Shibumura: I completely agree with what Mr. Imamura said about uniformity being bad. I think it is not good from a governance standpoint that the executives of a company are all similar people of a similar generation. In that sense, the other issue is definitely the promotion of diversity, including the appointment of young people, non-Japanese, and women. Tamura has a lot of talented people, so we have to think together about how we can get young people, non-Japanese, and women to play an active role.

Expectations of executive sections and cooperation with the Board of Directors

Shibumura: Now, I want to see all top management, from the CEO down, to exercise a new level of authority. I hope that they will take this opportunity to create a climate in which they will climate in which employees

Akiko Toyoda

Akiko Toyoda has been engaged in cross border and domestic M&A financial advisory services for many years and has extensive knowledge of corporate business portfolio strategies, finance and accounting, taxation and legal affairs. In 2023, she was appointed as Director and Nomination and Remuneration Advisory Committee Member of the Company.



in the field will proactively voice their opinions. We Audit & Supervisory Committee members, want to be the driving force for achieving this, and I hope that executives will play a central role in this.

Toyoda: I would like you to ask yourself if that is the right way to go about things. I think there may be opposition to being told by people outside the Company who are unfamiliar with what is going on within in, but I want them to listen to us at least a little. If we get feedback on that, I think there is something we can tell them from our standpoint. I would be happy if we could open our hearts and have open conversations with each other.

Imamura: I want employees to be aware that they play a main role and that they are responsible for this Company. In order to improve the Company, we need to think about various things, and we need to gather a wide range of information. In such a situation, I hope that employees can make good use of outside directors.

Kubota: The employees of Tamura Corporation are highly conscious of making solid products, and I feel that this is a strength of the Company. On the other hand, employees may be lacking the ability to judge and act quickly without fear of change. In order to change this, it is necessary for each employee to be aware of it, but I think it is more important to create a system that changes the corporate culture.

The key to this is the management team on the executive side. I want the management to change the company by making quick decisions, taking action, or taking new challenges. The CXO, who is below the CEO, has the role of coordinating this. The CEO and CXO will formulate a large strategy and lead the executive team while indicating the direction to advance the business toward that goal. I hope that will be realized.

Corporate Governance

Basic Views on Corporate Governance

The Tamura Group's basic management philosophy is to view shareholders and other stakeholders with importance. Management team, entrusted by shareholders to manage the Company, has a strong sense of mission and a high sense of corporate ethics, and aims to promote compliance and maximize corporate value by improving management efficiency and transparency. We believe that corporate governance serves as the foundation that helps with these initiatives.

History of Corporate Governance Enhancement

Since introducing outside directors in 2002, we have worked to increase our ratio of outside directors. In addition, we introduced an executive officer system in 2005 to separate supervision and execution roles so that the Board of Directors can perform its functions more effectively.

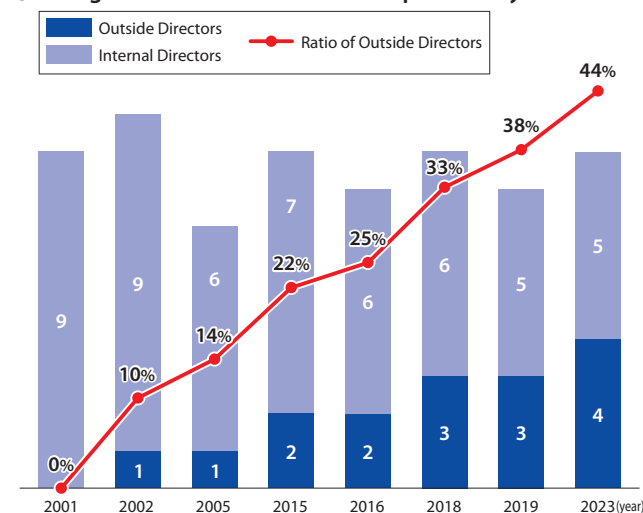
In June 2023, we transitioned to being a company with an

Audit & Supervisory Committee with the aim of further improving governance. The CXO system was also introduced in July 2023. In order to increase corporate value, we are promoting initiatives in both the enhancement of the supervisory system of the Board of Directors and the strengthening of the executive system.

History of Corporate Governance Enhancement

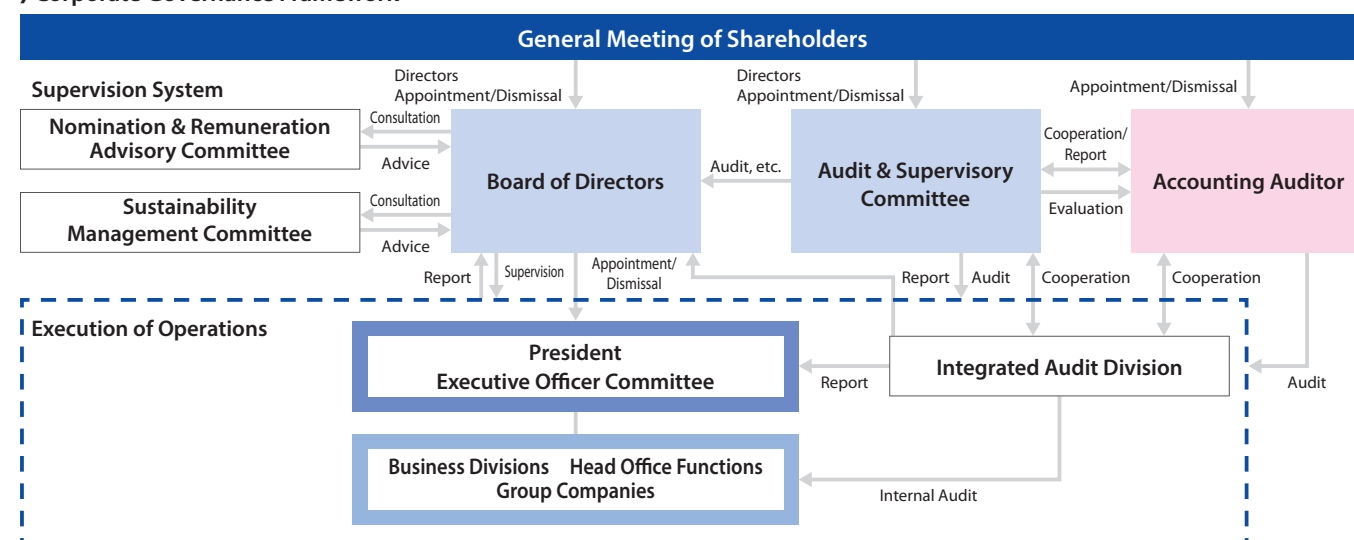
1994	Added outside Audit & Supervisory Board member to the Audit & Supervisory Board
2002	Added outside director to the Board of Directors (one outside director among ten directors)
2005	Introduced executive officer system Number of directors reduced from 10 to 7 (one outside director among seven directors) The lump-sum retirement allowance system for directors was abolished, and a performance-linked remuneration system and a stock option-based remuneration system were introduced. Established voluntary Executive Compensation Committee
2007	Established CSR Management Committee
2015	Established Nomination & Remuneration Advisory Committee Formulated independence criteria for outside directors
2016	Started Board of Directors effectiveness evaluations
2018	Appointed female outside director and expanded the number of outside directors to three (three outside directors among nine directors)
2022	Abolished the stock option-based remuneration system and introduce the stock remuneration system Changed the name of the CSR Management Committee to Sustainability Management Committee
2023	Transitioned to a company with an Audit & Supervisory Committee (four outside directors among nine directors) Introduced CXO system

Changes in Board of Directors Composition by Year



Corporate Governance Framework

Corporate Governance Framework



Board of Directors

The Board of Directors makes decisions on matters stipulated by laws and regulations and important management-related matters, and supervises the execution of duties by directors. The Board of Directors consists of nine members. Four of these directors are independent outside directors, accounting for more than one third of the Board of Directors. The Group has established its own Independence Criteria for outside directors, available on its website. The Group shall select such candidates of independent outside directors who meet our independence Criteria in addition to those set by the Companies Act and the Tokyo Stock Exchange. The Company holds Board of Directors meetings once a month, and extraordinary meetings of the Board of Directors are held as necessary.

Audit & Supervisory Committee

The Audit & Supervisory Committee makes decisions on audit policies, methods for auditing the status of operations and assets, and other matters related to the execution of duties by Audit & Supervisory Committee members, receives reports on important audit-related matters, and prepares audit reports. The Audit & Supervisory Board members may also make decisions on the selection and dismissal of full-time, selected, and specified Audit & Supervisory Committee Members, as well as on the content of proposals submitted to the General Meeting of Shareholders regarding the selection and dismissal of accounting auditors. In addition, the committee has the right to consent to the selection and remuneration of directors who are Audit & Supervisory Committee members, and the right to express opinions on the selection and remuneration of directors who are not Audit & Supervisory Committee members. In principle, the Audit & Supervisory Committee holds meetings once a month, and extraordinary meetings of the Audit & Supervisory

Committee are held as necessary.

Executive Officer Committee

The Company has adopted an executive officer system to accelerate management decision-making and to build a system that contributes to the efficient execution of duties by directors. The Executive Officer Committee, within the scope of authority delegated by the Board of Directors, receives reports on the execution of important operations of the Tamura Group and makes decisions on important matters or decides on matters to be brought before the Board of Directors.

Nomination & Remuneration Advisory Committee

With the objective of making fair and transparent decisions on the nomination and compensation of board members, etc., the Tamura Group has established a Nomination & Remuneration Advisory Committee which holds meetings several times a year. The Board of Directors will fairly and transparently deliberate and report to the Board of Directors on nominations for directors and executive officers, and on compensation for directors (excluding Audit & Supervisory Committee members), executive officers, directors, advisors, and counselors. The Nomination & Remuneration Advisory Committee is composed of the President and Representative Director and three independent outside directors, chaired by the Lead Outside Director.

Sustainability Management Committee

The Sustainability Management Committee reports on overall sustainability, including compliance and CSR, to the Board of Directors. Sustainability Management Committee meetings are held twice a year.

Nomination of Director Candidates Nomination Policy and Procedures

The Board of Directors shall consist of at least one-third of outside directors, and strives to select persons who meet the independence standards set by the Tokyo Stock Exchange and the Company. In addition, by adopting an executive officer system, which separates execution and supervision, we ensure that the Board of Directors has an appropriate number of members to function. The appointment and dismissal of directors and executive officers is carefully deliberated by the Board of Directors after report from the Nomination & Remuneration Advisory Committee based on the standards for appointment and dismissal of directors and executive officers.

Director Candidates (non Audit & Supervisory Committee member candidates)

The Company appoints candidates to the position of director who have the knowledge, experience, and qualifications to contribute to the fulfillment of the functions of the Board of Directors in consideration of the Company's business content, scale, management environment, etc., while taking into consideration the balance and diversity of the Board of Directors as a whole. The

Nomination & Remuneration Advisory Committee recommends candidates based on the nomination standards for directors. The Board of Directors then carefully deliberates and decides whether to nominate the candidate.

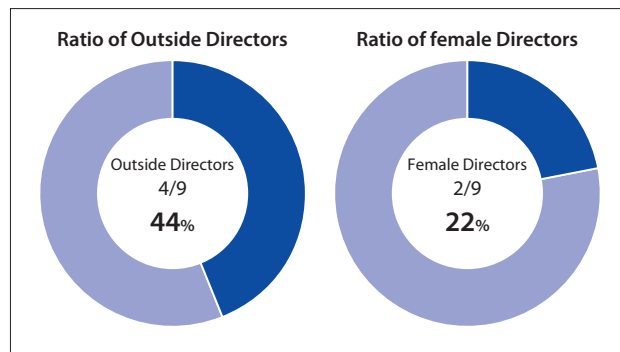
Director Candidates (Audit & Supervisory Committee member candidates)

Having the qualifications to contribute to improving the soundness and transparency of management by auditing the business execution status of Directors (excluding Audit & Supervisory Committee members) from a fair and objective standpoint, taking into account the Company's business content, scale, management environment, and auditing system, etc. in addition, candidates for Directors who are Audit & Supervisory Committee members are appointed personnel who have extensive knowledge and experience in business administration and business operations. The Nomination & Remuneration Advisory Committee recommends candidates based on the nomination standards for directors. After careful deliberation and resolution by the Board of Directors, a proposal is made to the Audit & Supervisory Committee and obtains its consent to make a decision.

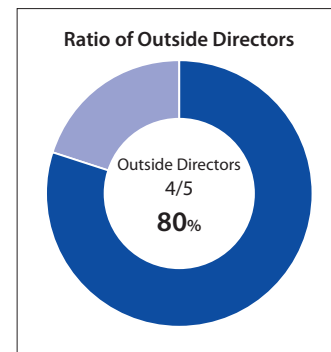
Key Experiences and Capabilities of Directors (Skill Matrix)

Name	Other posts	Administrative Skills		Executive Skills			Management skills	
		Corporate Management	Global Experience	R&D/Technology	Manufacturing/Quality	Sales/Marketing	Legal/Risk Management	Finance/Accounting
Masahiro Asada Representative Director, President & CEO	Board Chair / Nomination & Remuneration Advisory Committee Member	●	●		●	●		
Yusaku Hashiguchi Director, Managing Executive Officer & CFO		●	●	●				●
Shoichi Saito Director, Senior Executive Officer & CTO		●	●	●	●			
Yohei Tamura Director, Executive Officer			●			●		
Akira Kubota Lead Outside Director, Audit and Supervisory Committee Member	Lead Independent Outside Director, Nomination & Remuneration Advisory Committee Member	●	●	●				
Haruko Shibumura Outside Director, Audit & Supervisory Committee Member	Independent Outside Director, Nomination & Remuneration Advisory Committee Member, Lawyer						●	
Masashi Imamura Outside Director, Audit & Supervisory Committee Member	Independent Outside Director, Nomination & Remuneration Advisory Committee Member	●	●	●	●			
Akiko Toyoda Outside Director, Audit & Supervisory Committee Member	Independent Outside Director, Nomination & Remuneration Advisory Committee Member		●				●	●
Yuji Yokoyama Director, Audit & Supervisory Committee Member			●				●	●

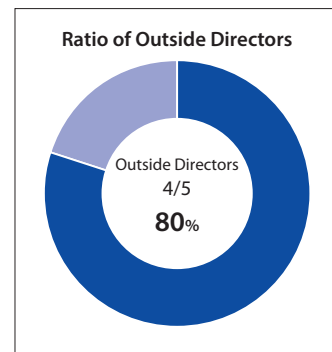
Composition of the Board of Directors



Composition of the Audit & Supervisory Committee



Composition of the Nomination & Remuneration Advisory Committee



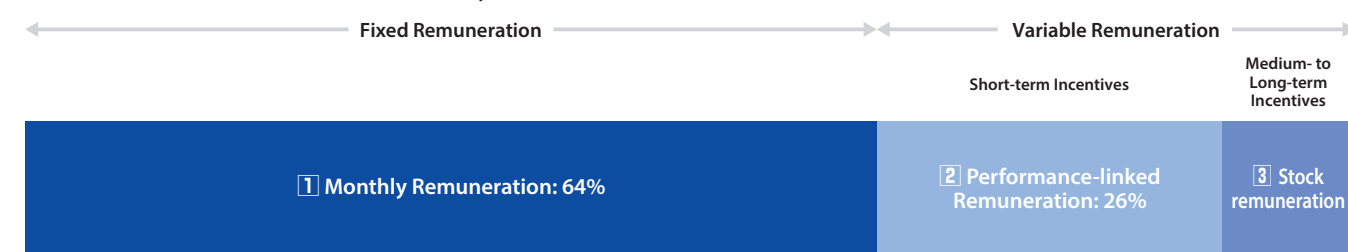
Compensation of Director Remuneration Compensation of Directors (excluding Directors that are Audit & Supervisory Board members)

The Company has established a policy for determining the details of remuneration, etc. for individual directors (excluding Directors that are Audit & Supervisory Board members) in the Director Remuneration regulations. In order to ensure fairness and transparency, the Nomination & Remuneration Advisory Committee, chaired by the Lead Outside Director and composed of a majority

of outside directors, reviews and reports on the policy, which is then decided by a resolution of the Board of Directors.

Remuneration for directors consists of monthly remuneration, performance-linked remuneration, and stock remuneration. The remuneration ratio by type is determined in a way that contributes to the provision of sound incentives for improving performance in each fiscal year and increasing corporate value over the medium to long term.

Remuneration structure (when KPIs are fully achieved)



1 Monthly Remuneration 2 Performance-linked Remuneration

Fixed remuneration for each individual director as stipulated in the director remuneration regulations

Bonuses for directors (excluding directors who are Audit & Supervisory Committee members) are calculated according to the performance of the fiscal year in accordance with the procedures stipulated in the director evaluation regulations and director remuneration regulations. Sales, profit attributable to owners of parent, ROE, etc. have been selected as evaluation indicators. These evaluation indicators were selected from the viewpoints of evaluating the improvement of profitability and shareholder value.

- **Calculation formula:** Monthly remuneration x base months x ratio of remuneration by position according to performance evaluation points

Performance evaluation points:

Percentage of planned achievement of each evaluation indicator (up to 120%) x weight

Evaluation Viewpoint	Evaluation Indicator	Weight
Increase in profitability	Sales	20%
	Operating profit	20%
	Profit attributable to owners of parent	20%
	Operating profit to net sales ratio	10%
	"Only One" product sales ratio	10%
	ROA	10%
Increase in share-holder value	ROE	10%
		100%

Method of determining the payment ratio by position

Performance Evaluation Range	Evaluation Rank	Representative Director	Director
110 or above	S	116%	112%
100 to 109	A	100%	100%
80 to 99	B	84%	88%
60 to 79	C	67%	71%
Less than 60	D	50%	54%

3 Stock Remuneration

This scheme is a trust established by the Company through contributions of money (hereinafter "Trust"). The Company acquires the Company's shares, and the Company's shares equivalent to the number of points granted by the Company to the directors are delivered to the directors through the Trust. There are two types of points awarded under this Trust: Fixed points based on position, etc., and performance-linked points based on position, achievement of performance targets, etc.

In principle, directors will receive delivery of the Company's shares at time of retirement.

Compensation of Directors who are Audit & Supervisory Committee Members

Remuneration, etc. for directors who are Audit & Supervisory Committee members is stipulated as monthly remuneration in the Audit & Supervisory Committee remuneration regulations. The monthly remuneration is determined through discussions among the Audit & Supervisory Committee members, taking into consideration the director's social position, contribution to the Company, and circumstances of their appointment.

Revisions of the Remuneration System due to Our Transition to a Company Structure with an Audit & Supervisory Committee

Due to our transition to a Company structure with an Audit & Supervisory Committee in June 2023, the officer positions subject to receiving remuneration and the maximum amount of remuneration have been revised.

● Before revisions	Monetary remuneration		Non-monetary remuneration
	Directors (excludes Outside Directors)	Outside Director	
	Monthly Remuneration	Monthly Remuneration	Stock remuneration
	Remuneration Limit: 250 million yen		
	Remuneration Limit: 50 million yen		
	Remuneration Limit: 48 million yen		
● After revisions	Monetary remuneration		Non-monetary remuneration
	Directors (excluding Directors that are Audit & Supervisory Board members)	Directors that are Audit & Supervisory Committee members	
	Monthly Remuneration	Monthly Remuneration	Stock remuneration
	Remuneration Limit: 200 million yen		
	Remuneration Limit: 98 million yen		

Total Amount of Remuneration, etc. for Directors and Audit & Supervisory Committee Members (FY2022)

Category	Total amount of Remuneration (Millions of yen)	Total amount of Remuneration by Type (Millions of yen)			Number of Eligible Officers
		Monthly Remuneration	Performance-linked Remuneration	Non-monetary remuneration, etc.	
Directors (numbers in parentheses pertain to outside directors)	178 (24)	125 (24)	48 (—)	4 (—)	8 (3)
Audit & Supervisory Board members (numbers in parentheses pertain to outside members)	27 (11)	27 (11)	— (—)	— (—)	3 (2)

Note 1: The breakdown of the total amount of non-monetary remuneration, etc. is the amount of expenses, totaling four million yen, recorded for the fiscal year under review for the stock remuneration scheme, which is recorded as expenses over multiple years according to the period covered by the remuneration.

Note 2: The amount paid to directors does not include employee salaries for directors who concurrently serve as employees.

Effectiveness Evaluation of Board of Directors

With the aim of improving the effectiveness of the Board of Directors, analysis/evaluation of the Board of Directors is conducted every year.

Analysis and Evaluation Method

For the fiscal year ending March 31, 2023, we evaluated the effectiveness of the Board of Directors as a whole, including the Nomination & Remuneration Advisory Committee, which was established on a voluntary basis. We entrusted an external organization to conduct a anonymous questionnaire survey of all directors and Audit & Supervisory Board members using a combination of multiple choice responses and open-ended responses (internal and external officers were provided with different questions), compile the responses, and conduct analysis and evaluation. At a meeting of the Board of Directors held June 2023, the Company received a report on the results of the survey and discussed improvement measures.

Initiatives to Address Issues Identified in the Previous Fiscal Year

Regarding issues identified as issues based on the evaluation of the effectiveness of the previous fiscal year (fiscal year ending March 31, 2022), the Board of Directors has decided to secure time for deliberations, discuss the CEO succession plan, etc., as well as executive training. It reviewed the agenda items and set the annual agenda in advance, promoted the sharing of discussions at the Nomination & Remuneration Advisory Committee and the CSR Management Committee (currently the Sustainability Management Committee) with the Board of Directors, and enhanced opportunities for participation in external seminars and in-house training.

Summary of Results of Effectiveness Evaluation of Board Meetings for the Fiscal Year Ending March 2023

As in the previous year, each Director and Audit & Supervisory Board Member expressed many constructive and motivating opinions, and the overall evaluation was positive. It was also confirmed that the Board of Directors is operating

in an appropriate manner. In addition, it was confirmed that the risk management system is properly in place and its operation is appropriately supervised, that outside directors and outside auditors contribute to constructive discussions at board meetings, that the board of directors considers issues multilaterally and fully, and that they support management’s decision-making. The Board of Directors also supports management’s decision-making. Based on the above, we confirmed that the effectiveness of the Company’s Board of Directors is ensured.

Future Challenges

Based on the progress made in addressing the issues identified as challenges based on the effectiveness evaluation in the previous fiscal year (fiscal year ended March 31, 2022), namely, deliberation time at Board of Directors meetings, discussion of management succession plans, etc., and training of officers, it was confirmed that further efforts will be needed in the future. It was also confirmed that there was a need to enhance feedback on dialogs with shareholders (investors).

Future Initiatives

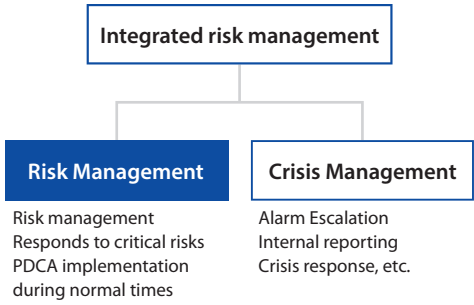
Based on the results of the effectiveness evaluation discussed above, improvement measures include: Implementation of a questionnaire survey of each director regarding agenda items and time allocation and setting agenda items based on the results; enhancement of explanations by the chair of the Nomination & Remuneration Advisory Committee to the Board of Directors regarding an overview of the agenda and deliberations of the Nomination & Remuneration Advisory Committee; expansion of opportunities for online seminars for all directors. In addition, we will promote initiatives to enhance opportunities and means for providing IR/SR information to the Board of Directors.

Going forward, in order to further improve the effectiveness of the Board of Directors, we will continue with these initiatives.

Risk Management/Compliance

Risk Management

The Tamura Group engages in risk management with the aim of maximizing corporate value by comprehensively, inclusively, and strategically identifying, assessing, and optimizing various risks that could affect the Company. We have established risk management and crisis management rules, whistleblowing rules, information management rules, and guidelines for establishing Group emergency measures, and have established a management system. In recent years, a variety of risks have emerged that have had a significant impact on society and the economy. The Tamura Group is also working to develop its traditional framework, which focused on risk and crisis management led by each department, into an integrated risk management system that identifies and manages company-wide risks.



Risk Management

The Tamura Group has established the Sustainability Management Committee as an advisory body to the Board of Directors, and has established a system to supervise risk management as part of sustainability-related matters. In the executive division, the Risk Management Committee was established in October 2023 as an advisory body to the Executive Officer Committee. The Risk

Management Committee is chaired by the Managing Executive Officer, Director & CFO, who is responsible for sustainability. Under this system, we will conduct a process of risk assessment, determination of critical risks and response plans, response and monitoring.

Entity	Board of Directors	Sustainability Management Committee	Executive Officer Committee	Risk Management Committee	Supervisory Division
Roles	Determines basic policies Determines critical risks Implements/supervises risk management process	Reports on basic policies	Determines possible critical risks that have undergone risk assessment Instructs/supervises countermeasure	Reports on risk management plans for the entire Company Conducts risk countermeasure progress management	Conducts risk management within division Responds to critical risks Reports on progress

Crisis Management

In the event of a crisis that may affect management, or if it becomes aware of the possibility of such a crisis, the Tamura Group has a system called alarm escalation that allows information to be immediately communicated to management and the Board of Directors, in addition to reporting through the regular reporting

line. In the event of an emergency that poses a serious risk to business continuity, we will establish a crisis management task force headed by the Representative Director, President & CEO to respond to the crisis through a Company-wide system.

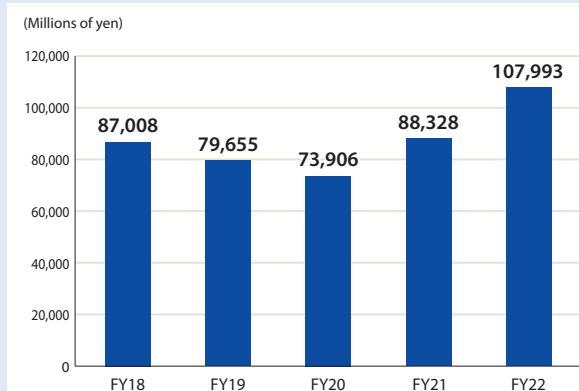
Compliance

The Tamura Group’s basic management philosophy is to shareholders and other stakeholders with importance. Management team, entrusted by shareholders to manage the Company, has a strong sense of mission and a high sense of corporate ethics, and aims to promote compliance and maximize corporate value by improving management efficiency and transparency. In accordance with its Corporate Philosophy, the Tamura Group has established the Ethics Compliance Standard, establishing a system to ensure that all employees of the Tamura Group comply with laws, regulations, social norms, the company’s Articles of Incorporation, and rules and regulations. In addition, in accordance with sustainability system regulations, the Sustainability Management Committee has been organized to establish and supervise the sustainability promotion system, including compliance. Furthermore, the Company has established a whistleblowing system as a point of contact for reporting or consultation regarding illegal or potentially illegal acts, etc., and strives to maintain and strengthen the system to ensure appropriate business execution. In addition to the internal contact point, we have established an independent contact point handled by a non-executive director and a contact point for business partners as channels to report issues.

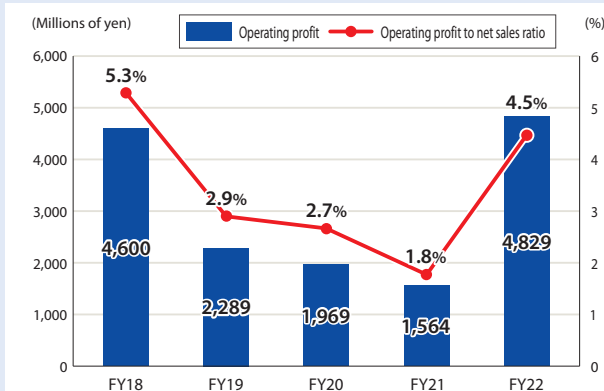
Main Financial and Non-financial Data

Consolidated Financial Results

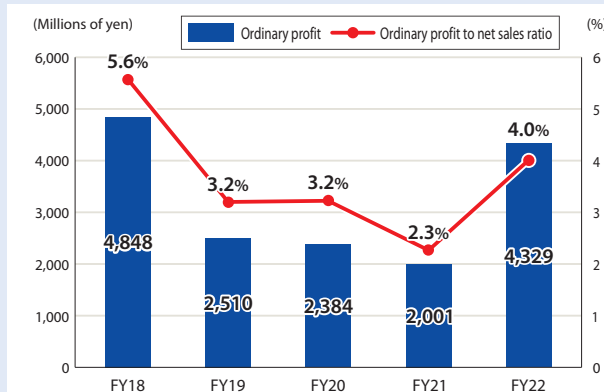
Net sales



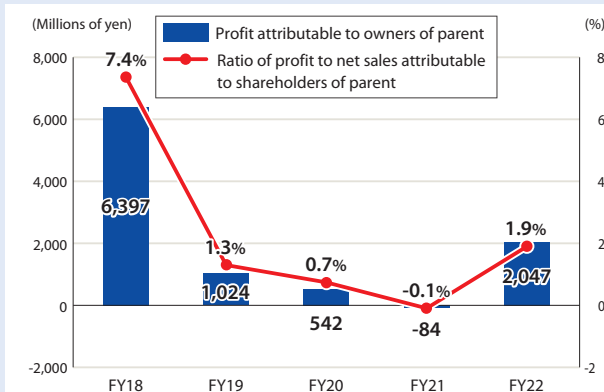
Operating profit/Operating profit to net sales ratio



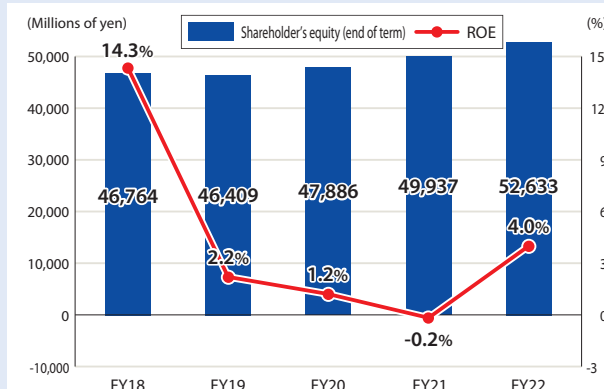
Ordinary profit/Ordinary profit to net sales ratio



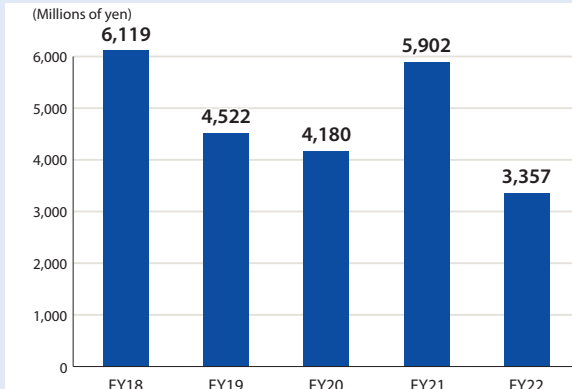
Profit attributable to owners of parent/Ratio of profit to net sales attributable to shareholders of parent



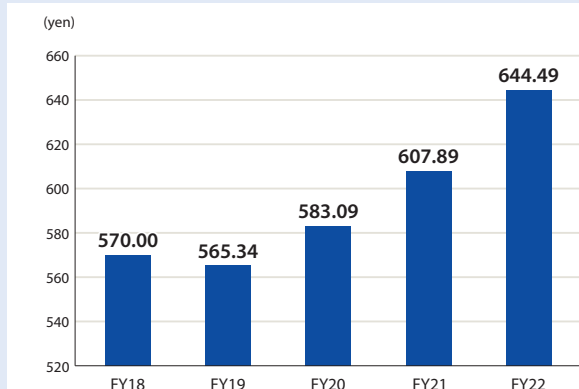
ROE (Return on equity)



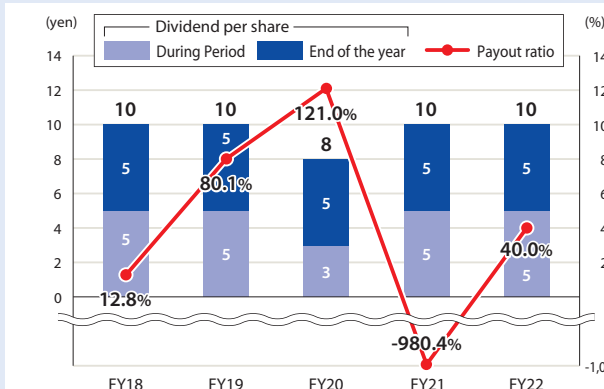
Capital expenditure



Net assets per share

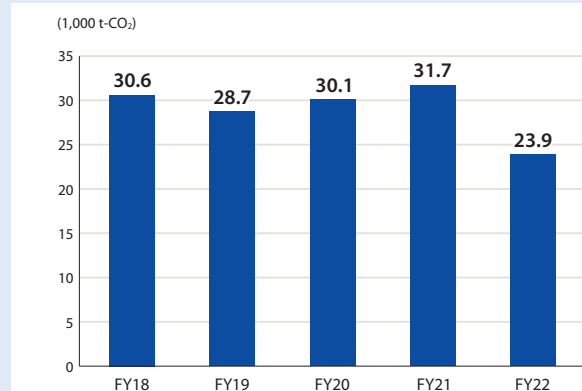


Dividend per share/Payout ratio



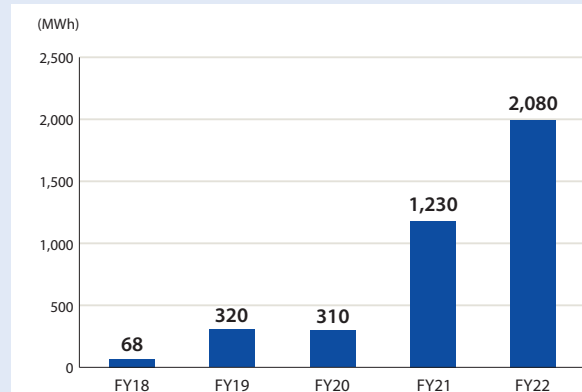
Non-financial results

Greenhouse gas emissions (Scope 1 & 2)

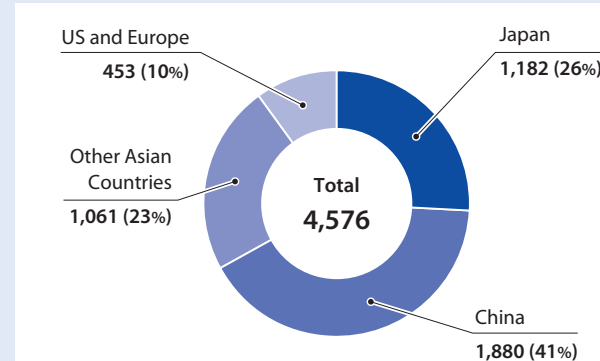


* Emission factors: Japan (market basis), others (IEA Emission Factors 2021)

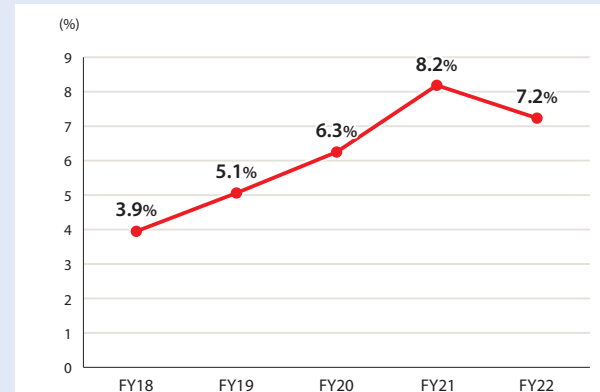
Use of renewable energy (self-produced energy)



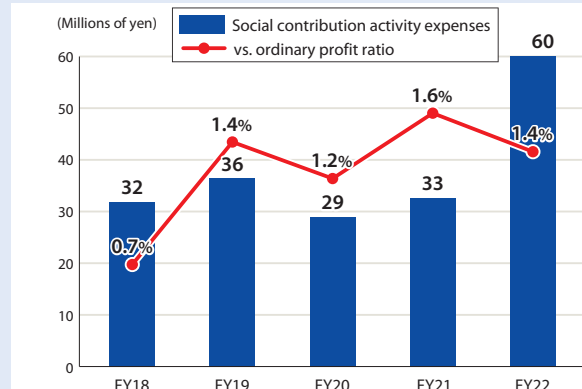
Number of employees by region (consolidated) (as of March 31, 2023)



Ratio of women in managerial positions (Tamura Corporation)

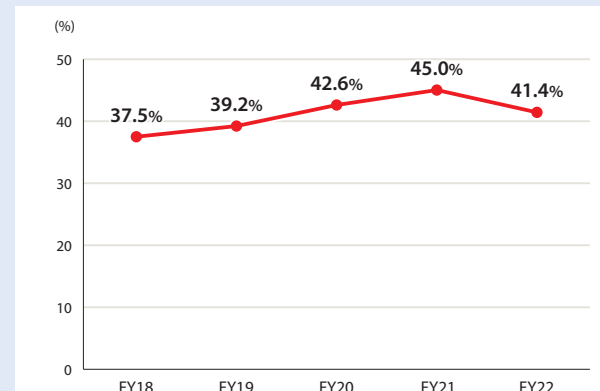


Social contribution activity expenses (consolidated)



* Calculated by converting payroll costs of those who are involved in offering money, goods, or facilities, and activities into monetary amounts

Ratio of mid-career employees in managerial positions (Tamura Corporation)



For details on non-financial data, please visit our website.

<https://www.tamuracorp.com/sustainability/data/index.html>

Summary of Consolidated Financial Results for the Past 11 Years

Data current as of March 31 of each period		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Results												
Net sales	(Millions of yen)	68,913	81,176	86,248	84,642	79,607	85,558	87,008	79,655	73,906	88,328	107,993
Operating profit	(Millions of yen)	561	2,409	4,029	4,266	5,117	5,407	4,600	2,289	1,969	1,564	4,829
Profit (loss) attributable to owners of parent	(Millions of yen)	(767)	1,797	3,106	1,783	3,727	3,630	6,397	1,024	542	(84)	2,047
Total assets	(Millions of yen)	66,658	74,767	80,239	76,411	75,939	82,097	86,073	88,593	91,064	104,055	111,786
Net assets	(Millions of yen)	28,135	31,895	38,164	36,488	38,588	42,996	47,155	46,664	48,143	50,221	52,918
Cash flows from operating activities	(Millions of yen)	3,630	2,940	3,132	8,345	8,140	2,652	4,669	5,456	5,049	(4,949)	2,180
Cash flows from investing activities	(Millions of yen)	(1,715)	(3,475)	(1,888)	(2,199)	(777)	(4,822)	(4,097)	(4,973)	(3,052)	(4,622)	(2,642)
Cash flows from financing activities	(Millions of yen)	(1,959)	1,335	(1,839)	(2,674)	(3,966)	(2,575)	1,096	(141)	(767)	4,536	591
Free cash flow	(Millions of yen)	1,915	(535)	1,244	6,146	7,363	(2,170)	572	483	1,997	(9,571)	(462)
Capital expenditure	(Millions of yen)	2,522	3,707	3,004	2,389	1,658	4,993	6,119	4,522	4,180	5,902	3,357
Depreciation	(Millions of yen)	2,066	2,183	2,352	2,659	2,259	2,001	2,219	3,266	3,491	3,361	3,915
R&D expenses	(Millions of yen)	1,162	1,096	1,233	1,240	1,209	1,268	1,067	1,035	874	951	757
Per-Share Indicators												
Book-value per share (BPS)	(yen)	341.91	386.77	463.03	442.05	468.04	519.59	570.00	565.34	583.09	607.89	644.49
Earnings per share (EPS) (figures in parentheses indicate a loss)	(yen)	(9.35)	21.92	37.88	21.75	45.44	44.27	78.00	12.48	6.61	(1.02)	25.01
Dividend per Share	(yen)	3	6	7	7	9	9	10	10	8	10	10
Financial Indicators												
Operating profit to net sales ratio	(%)	0.8	3.0	4.7	5.0	6.4	6.3	5.3	2.9	2.7	1.8	4.5
Shareholder's equity ratio	(%)	42.1	42.4	47.3	47.5	50.6	51.9	54.3	52.4	52.6	48.0	47.1
Return on equity (ROE)	(%)	(2.8)	6.0	8.9	4.8	9.8	9.0	14.3	2.2	1.2	—	4.0
Payout ratio	(%)	—	27.4	18.5	32.2	19.8	20.3	12.8	80.1	121.1	—	40.0
Number of Employees												
Number of employees (consolidated)	(persons)	6,733	6,131	5,874	5,634	5,248	5,410	5,021	4,753	4,447	4,405	4,576

Notes 1. "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and others standards have been applied from the beginning of FY2018. The management indices and other indicators for FY2014 through FY2017 are those after retroactive application of such accounting standards and others.

2. The "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and others were applied from FY2021, and to management indices, etc. provided in and after FY2021 are those after the application of such accounting standards.

3. Free cash flow = cash flow from operating activities + cash flow from investing activities

Consolidated Financial Statements

Consolidated Balance Sheet	(Millions of yen)	
	Previous consolidated fiscal year (as of March 31, 2022)	Current consolidated fiscal year (as of March 31, 2023)
Assets		
Current assets		
Cash and deposits	13,707	14,441
Notes receivable - trade	1,112	1,412
Accounts receivable - trade	20,816	25,149
Contract assets	16	19
Electronically recorded monetary claims - operating	581	706
Merchandise and finished goods	8,912	9,615
Work in process	2,475	2,711
Raw materials and supplies	10,729	13,364
Others	3,419	3,144
Allowance for doubtful accounts	(24)	(26)
Total current assets	61,746	70,537
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,549	24,552
Accumulated depreciation	(11,392)	(12,376)
Buildings and structures, net	12,157	12,176
Machinery, equipment and vehicles	18,039	19,865
Accumulated depreciation	(13,738)	(14,655)
Machinery, equipment and vehicles, net	4,301	5,210
Tools, furniture and fixtures	9,552	9,894
Accumulated depreciation	(8,130)	(8,370)
Tools, furniture and fixtures, net	1,422	1,523
Land	5,313	5,354
Leased assets	6,506	6,868
Accumulated depreciation	(1,774)	(2,251)
Leased assets, net	4,732	4,617
Construction in progress	2,471	486
Total property, plant and equipment	30,399	29,369
Intangible assets		
Goodwill	253	229
Leased assets	342	236
Others	720	762
Total intangible assets	1,316	1,228
Investments and other assets		
Investment securities	5,054	5,577
Retirement benefits assets	4,439	3,816
Deferred tax assets	381	598
Others	808	743
Allowance for doubtful accounts	(90)	(83)
Total investments and other assets	10,592	10,651
Total non-current assets	42,309	41,249
Total assets	104,055	111,786

	(Millions of yen)	
	Previous consolidated fiscal year (as of March 31, 2022)	Current consolidated fiscal year (as of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,640	10,479
Electronically recorded obligations - operating	2,631	3,475
Short-term borrowings	12,040	16,546
Current portion of long-term borrowings	803	730
Lease liabilities	814	852
Income taxes payable	440	703
Contract liabilities	76	149
Provision for bonuses	1,020	1,282
Provision for bonuses for directors (and other officers)	30	59
Others	3,364	3,241
Total current liabilities	31,862	37,520
Non-current liabilities		
Long-term borrowings	13,815	13,532
Lease liabilities	3,711	3,650
Deferred tax liabilities	1,536	1,192
Retirement benefits liability	2,517	2,513
Provision for share awards	—	8
Provision for share awards for directors (and other officers)	—	4
Others	389	444
Total non-current liabilities	21,970	21,348
Total liabilities	53,833	58,868
	(Millions of yen)	
	Previous consolidated fiscal year (as of March 31, 2022)	Current consolidated fiscal year (as of March 31, 2023)
Net Assets		
Shareholders' equity		
Share capital	11,829	11,829
Capital surplus	17,019	17,028
Retained earnings	18,102	19,326
Treasury shares	(235)	(575)
Total shareholders' equity	46,716	47,609
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	195	511
Foreign currency translation adjustment	2,097	4,105
Remeasurements of defined benefit plans	927	407
Total accumulated other comprehensive income	3,220	5,024
Share acquisition rights	181	176
Non-controlling interests	102	108
Total net assets	50,221	52,918
Total liabilities and net assets	104,055	111,786

Consolidated Financial Statements

Consolidated Statements of Income	(Millions of yen)	
	Previous consolidated fiscal year	Current consolidated fiscal year
	(April 1, 2021 to March 31, 2022)	(April 1, 2022 to March 31, 2023)
Net sales	88,328	107,993
Cost of sales	65,996	80,565
Gross profit	22,332	27,428
Selling, general and administrative expenses	20,767	22,599
Operating profit	1,564	4,829
Non-operating income		
Interest income	68	72
Dividend income	73	80
Share of profit of entities accounted for using equity method	221	341
Foreign exchange gains	21	—
Subsidy income	105	83
Others	413	235
Total non-operating income	904	813
Non-operating expenses		
Interest expenses	394	725
Foreign exchange losses	—	512
Others	73	75
Total non-operating expenses	468	1,313
Ordinary profit	2,001	4,329
Extraordinary income		
Gain on sale of non-current assets	9	195
Gain on sale of investment securities	2	1
Gain on reversal of foreign currency translation adjustment	—	193
Total extraordinary income	11	389
Extraordinary losses		
Loss on sale and retirement of non-current assets	89	97
Impairment losses	503	1,333
Loss on valuation of investment securities	100	—
Loss on valuation of shares of subsidiaries and associates	33	485
Loss on sale of investment securities	0	—
Loss on liquidation of subsidiaries and associates	75	5
Total extraordinary losses	801	1,921
Profit before income taxes	1,210	2,798
Income taxes - current	916	1,244
Income taxes - deferred	364	(504)
Total income taxes	1,280	740
Profit (loss)	(69)	2,057
Profit attributable to non-controlling interests	14	10
Profit (loss) attributable to owners of parent	(84)	2,047

Consolidated Statements of Comprehensive Income	(Millions of yen)	
	Previous consolidated fiscal year	Current consolidated fiscal year
	(April 1, 2021 to March 31, 2022)	(April 1, 2022 to March 31, 2023)
Profit (loss)	(69)	2,057
Other comprehensive income		
Valuation difference on available-for-sale securities	183	316
Deferred gains or losses on hedges	1	—
Foreign currency translation adjustment	2,440	1,908
Remeasurements of defined benefit plans, net of tax	66	(520)
Share of other comprehensive income of entities accounted for using equity method	254	113
Total other comprehensive income	2,947	1,818
Comprehensive income	2,877	3,875
(Breakdown)		
Comprehensive income attributable to owners of parent	2,861	3,850
Comprehensive income attributable to non-controlling interests	15	24

Consolidated Statements of Cash Flows	(Millions of yen)	
	Previous consolidated fiscal year	Current consolidated fiscal year
	(April 1, 2021 to March 31, 2022)	(April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	1,210	2,798
Depreciation	3,361	3,915
Impairment losses	503	1,333
Increase (decrease) in provision for bonuses	78	261
Increase (decrease) in provision for bonuses for directors (and other officers)	(17)	28
Increase (decrease) in provision for share awards	—	8
Increase (decrease) in provision for share awards for directors (and other officers)	—	4
Increase (decrease) in allowance for doubtful accounts	(36)	(9)
Increase (decrease) in retirement benefit liability	(155)	(13)
Interest and dividend income	(142)	(152)
Interest expenses	394	725
Foreign exchange losses (gains)	(163)	198
Share of loss (profit) of entities accounted for using equity method	(221)	(341)
Loss (gain) on sale of investment securities	(2)	(1)
Loss (gain) on valuation of investment securities	100	—
Loss (gain) on sale and retirement of non-current assets	80	(97)
Loss on valuation of shares of subsidiaries and associates	33	485
Loss on liquidation of subsidiaries and associates	9	5
Decrease (increase) in trade receivables	(2,544)	(3,783)
Decrease (increase) in inventories	(6,665)	(2,446)
Increase (decrease) in trade payables	913	400
Others	(508)	204
Subtotal	(3,772)	3,524
Interest and dividends received	232	271
Interest paid	(379)	(694)
Income taxes paid	(1,029)	(920)
Cash flows from operating activities	(4,949)	2,180
Cash flows from investing activities		
Payments into time deposits	(367)	—
Proceeds from withdrawal of time deposits	—	50
Purchase of property, plant and equipment	(3,294)	(2,460)
Proceeds from sale of property, plant and equipment	75	241
Payments for retirement of property, plant and equipment	(7)	(8)
Purchase of intangible assets	(93)	(180)
Purchase of investment securities	(492)	(267)
Proceeds from sale of investment securities	72	3
Proceeds from liquidation of subsidiaries and associates	—	4
Loan advances	(180)	(0)
Proceeds from collection of loans receivable	11	0
Other, net	(346)	(25)
Cash flows from investing activities	(4,622)	(2,642)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,411	3,409
Proceeds from long-term borrowings	4,802	165
Repayments of long-term borrowings	(4,029)	(827)
Repayments of lease liabilities	(823)	(1,006)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	0	0
Increase (decrease) in money trust of acquisition of treasury shares	—	(347)
Dividends paid	(817)	(817)
Dividends paid to non-controlling interests	(6)	(7)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(3)
Others	—	27
Cash flows from financing activities	4,536	591
Effect of exchange rate change on cash and cash equivalents	735	602
Net increase (decrease) in cash and cash equivalents	(4,300)	732
Cash and cash equivalents at beginning of period	17,187	12,887
Cash and cash equivalents at end of period	12,887	13,620

Corporate Information (as of March 31, 2023)

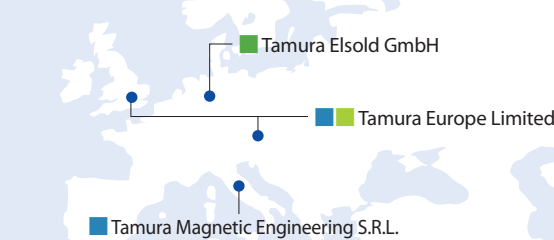
Company Profile

Company Name	Tamura Corporation
Founded	May 11, 1924
Incorporated	November 21, 1939
Capital	11,829 million yen
Number of Employees	Consolidated: 4,576 Non-consolidated: 889
Website	https://www.tamura-ss.co.jp/
Head Office	Nerima-ku, Tokyo



Global Network

EUROPE



- Tamura Corporation of China Limited
- Shanghai Xiangle Tamura Electro Chemical Industry Co., Ltd.
- Tamura FA System (Suzhou) Co., Ltd.
- Tamura Electronics (Suzhou) Co., Ltd.

- Tamura Electronic Material (Tianjin) Co., Ltd.
- Hefei Ecriee-Tamura Electric Co., Ltd.

- Op-Seed Co., (BD) Ltd.

- Earth Tamura Electronic (Myanmar) Co., Ltd.
- Tamura Elcomponics Technologies Pvt. Ltd.

- Tamura Corporation (Thailand) Co., Ltd.
- Tamura Electronics (M) Sdn. Bhd.
- Tamura Kaken (M) Sdn. Bhd.

ASIA

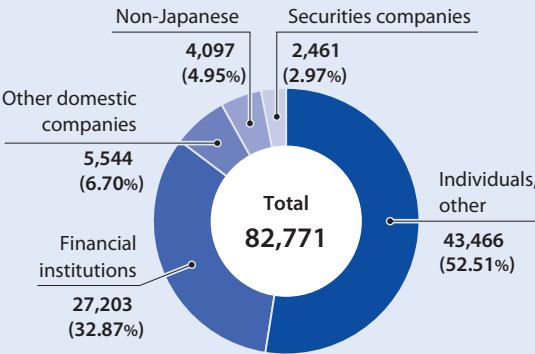
- Tamura Corporation Vietnam Co., Ltd.
- Tamura Corporation Singapore Pte. Ltd.

Stock Information

Basic stock data

Securities code	6768
Listed stock exchange	Tokyo Stock Exchange
Shares authorized	252,000,000
Shares issued and outstanding	82,168,201 (Not including 603,272 shares of treasury stock)
Number of shareholders	29,514

Share distribution (Unit: thousand shares)



Note: 603,272 treasury shares (0.72%) are included in individuals and others.

Main shareholders (top 10)

Shareholder name	Holdings information	
	Number of shares held (thousand shares)	Shareholding ratio
Master Trust Bank of Japan, Ltd. (Trust account)	10,836	13.18%
Tamura Cooperating Company Stockholding Association	3,560	4.33%
Custody Bank of Japan, Ltd. (Trust account)	3,400	4.13%
Sumitomo Mitsui Banking Corporation	3,200	3.89%
Mizuho Bank, Ltd.	1,999	2.43%
Resona Bank, Limited	1,911	2.32%
Sumitomo Mitsui Trust Bank, Limited	1,412	1.71%
Tamura Corporation Employee Stockholding Association	1,178	1.43%
Naoki Tamura	1,146	1.39%
Sumitomo Life Insurance Company	1,018	1.23%

Note: The 603,272 treasury shares are not considered in the calculation of shareholding ratios.

AMERICAS

- Tamura Kaken Corp., U.S.A.
- Tamura Corporation of America
- Tamura Power Technologies de Mexico, S.A de C.V.

- Tamura Chemical Korea Co., Ltd.
- Tamura Corporation of Korea
- Taiwan Tamura Technology Co., Ltd.
- Tamura Corporation of Hong Kong Limited
- Tamura Kaken (Dongguan) Ltd.
- Tamura Electronics (S.Z.) Co., Ltd.
- Tamura Electronics (Huizhou) Co., Ltd.
- Tamura Automotive Electronics (Foshan) Co., Ltd.

- Telepart-Tamura Industria e Comercio Ltda.
- Indusul Industria de Transformadores Ltda.

- Indusul Industria de Transformadores Ltda.