

# Values

## Corporate Slogan

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

### MISSION

#### Reason for Being

The mission that the Tamura Group should fulfill in society

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

#### Management Basic Policy

Our vision for the Tamura Group's business and the goals we declare to society

- 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

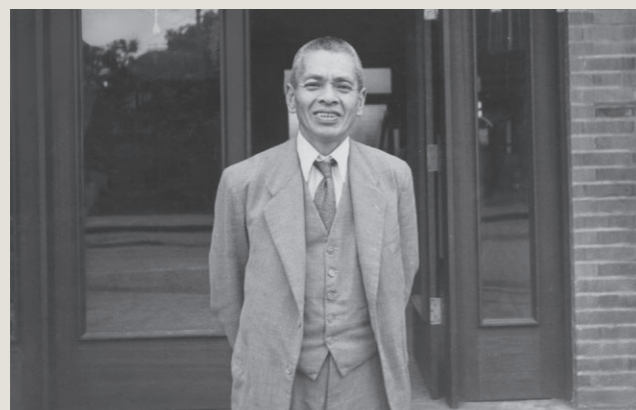
#### Action guidelines

The mindset that our officers and employees adopt in everyday thought and action

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.

#### Tamura Group Code of Conduct

An expression of the concrete code of conduct by which we carry out our business activities and work



#### The philosophy of our founder, Tokumatsu Tamura

Tamura Corporation doesn't necessarily seek to be a large company, but its products must be world-class. This must absolutely be the lifeblood of the Company.

#### Aiming for world-class products

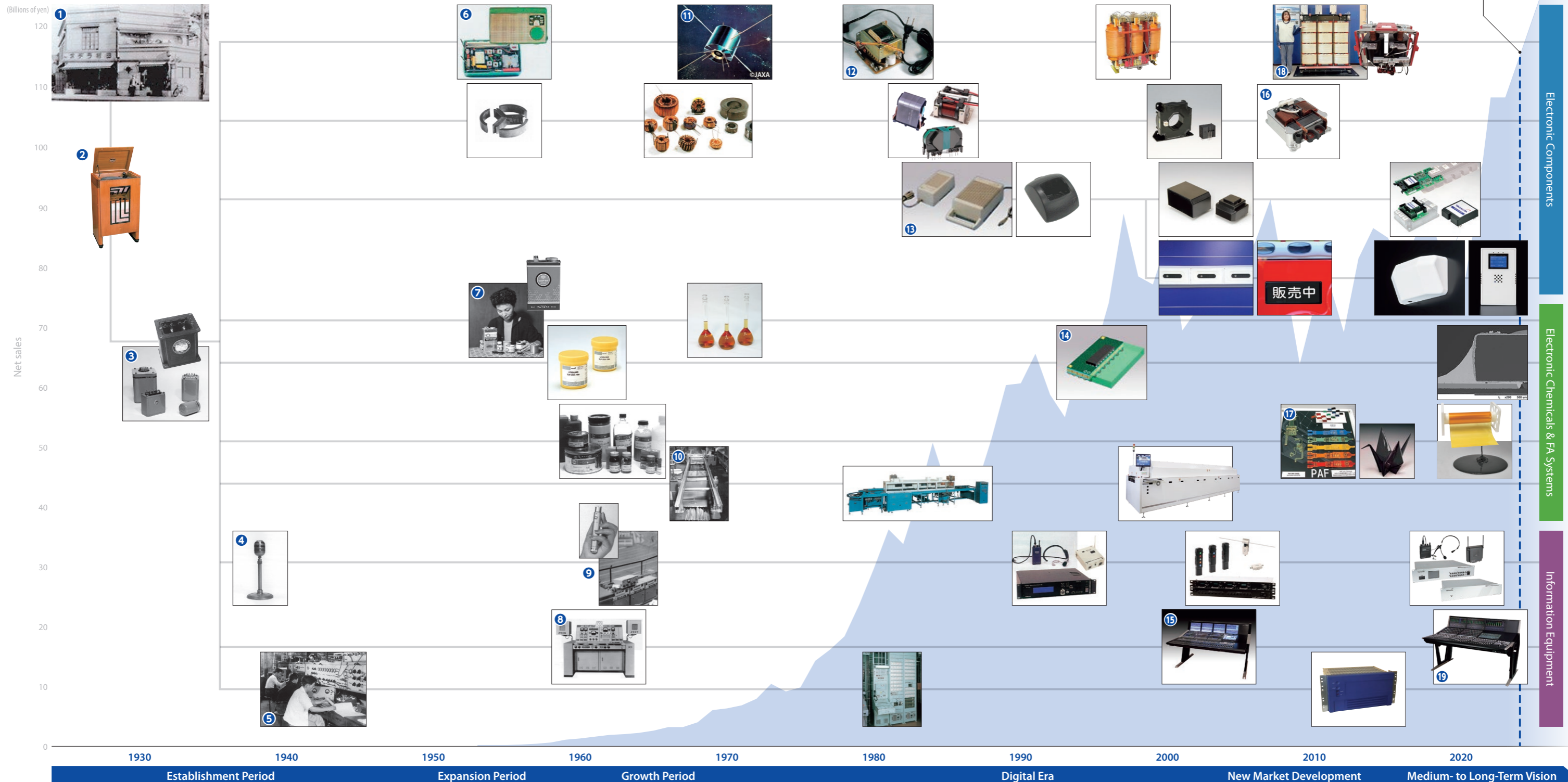
Our founder Tokumatsu Tamura admired the advanced science and technology of the United States. At the age of 20, he traveled alone to the U.S. to hone his skills as an engineer at Ford in Detroit. Upon returning to Japan, he had the opportunity to attend experimental radio broadcasts and, foreseeing the advent of the radio era, continued research through self-study. In 1924, he opened Tamura Radio Store and began selling radios and electronic components. He eventually focused on in-house development and production of the transformers that are key components for product and acoustic quality in radios, and laid the foundation for Tamura as transformer experts.

In 1939, he established Tamura Corporation with the aim of making the Company an electronic component manufacturer providing world-class products. Our spirit of constantly seeking progress and improvement to create the world's best products has been carried forward to our company today, where it has been developed into our Electronic Components, Electronic Chemicals/FA Systems, and Information Equipment businesses that have transformers at their core.

# Tamura's History

Tamura celebrated its 100th anniversary in 2024. 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.

2024  
The 100th anniversary  
of our founding



**1924 (Photo 1)**  
Tamura Radio Store 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 aim of providing 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 Ume (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 (Ga<sub>2</sub>O<sub>3</sub>) MOS transistor

**2023 (Photo 19)**  
Developed an audio mixing console compatible with broadcasting systems using IP transmission

# Tamura's Products

Electronic Components

Electronic Chemicals & FA Systems

Information Equipment

## Supporting Society, Industry, and Daily Life

Tamura's products have been supporting various industries and social infrastructure as materials, components, and devices that range from consumer products, such as automobiles and electronic equipment, to devices at manufacturing sites and renewable energy and aerospace fields.

### For Wind/Solar Power Generation and Data Centers

#### Large transformers and reactors



Contribute to efficiency improvement in renewable energy generation and DC transmission

#### Current sensors/Power modules Gate driver modules

#### Self-assembling material

#### White reflective material/Flux

### At Train Stations

#### Wireless microphone for railways



Supporting railway operation by providing a means to communicate arrival/departure times and other information

### At Telecommunication Base Stations

#### Solder paste

#### Solder resists

Substrate materials for telecommunication base stations supporting digital communication systems

### In Industrial Machinery

#### Current sensors/Power modules Gate drivers



Gate drivers are indispensable for driving power semiconductors that control robots and industrial machinery

#### Transformers/Reactors

### In Manufacturing Plants

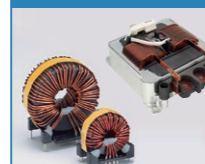
#### Soldering systems



Equipment for soldering and joining electronic components to printed circuit boards used in all types of electronic equipment

### In Eco-friendly Cars

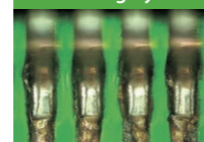
#### Automotive reactors/Coils



Provide optimal voltage control for HEVs and EVs

#### Reactors/Coils for EV and HEV battery chargers

#### Solder wires/Solder bars Highly reliable solder paste



Highly-reliable solder paste which prevents cracking even under harsh temperature conditions

#### Highly reliable solder resists

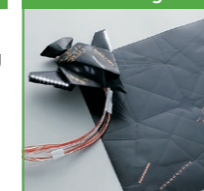
### In Smartphones and Tablet Devices

#### Solder paste Selective soldering material



Type 6 solder paste allows for the soldering of 0201 components, which are very small in size, to PCBs

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



Our solder resists offer excellent flexibility and heat resistance and have a proven track record for their use in mobile devices

### In Aerospace

#### Transformers/Reactors



Designed for use in airplanes, rockets, and satellites, our transformers/reactors offer the ultimate in environmental resistance

### In Broadcast Stations

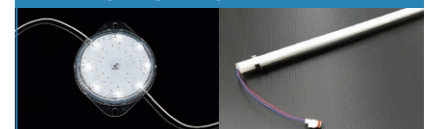
#### Audio mixing console DECT-based Intercom



Our audio mixing console is used to adjust the audio delivered to viewers

### In Convenience Stores and Shops

#### LED lighting for signs and showcases



LED light sources contribute to energy savings for signs and showcases at convenience stores and shops

### In Vending Machines

#### Product selection buttons/Price display units



We hold top share of the vending machine product selection button market in Japan through our products from our subsidiary, Koha.

### In Air Conditioners and Power Conditioners

#### Reactors

#### Current sensors/Power modules



Current sensors (one shown in the top section of the photo) and power modules (two shown in the bottom section of the photo) contribute to energy-saving in air conditioners and power conditioners

### At Home

#### Human sensors/Environment visualization sensors

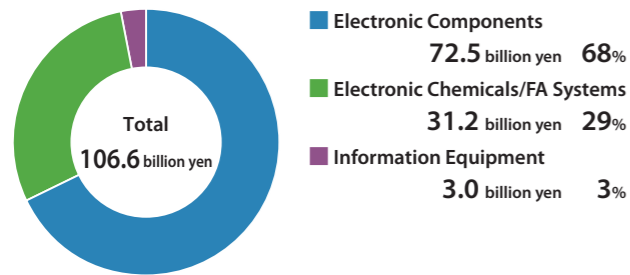


Sensors monitoring people's activities and level of comfort indoors

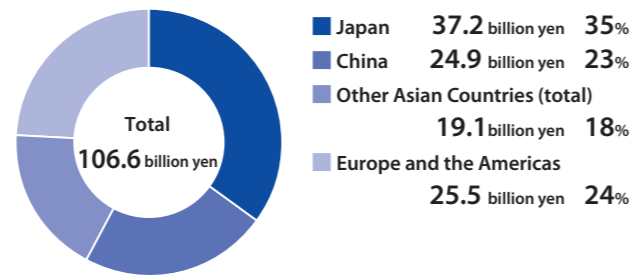
# The Tamura Group at a Glance

Tamura provides products and services that meet varied market needs in three fields of business: Electronic Components, Electronic Chemicals/FA Systems, and Information Equipment. From raw materials to complete systems, Tamura's technologies have contributed to the safety and comfort of people's daily lives as well as the realization of a decarbonized society.

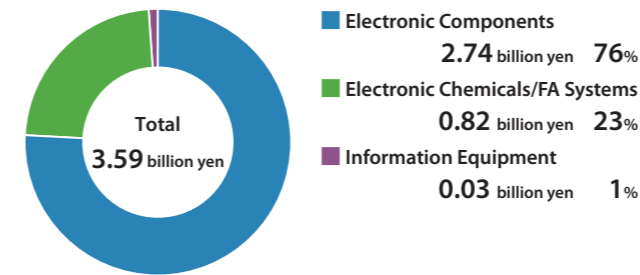
› FY2023 Sales by Business



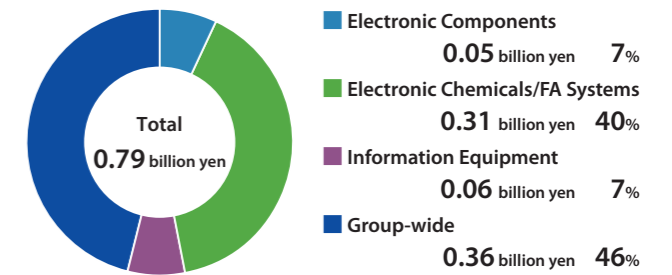
› FY2023 Sales by Region



› FY2023 Capital Expenditure



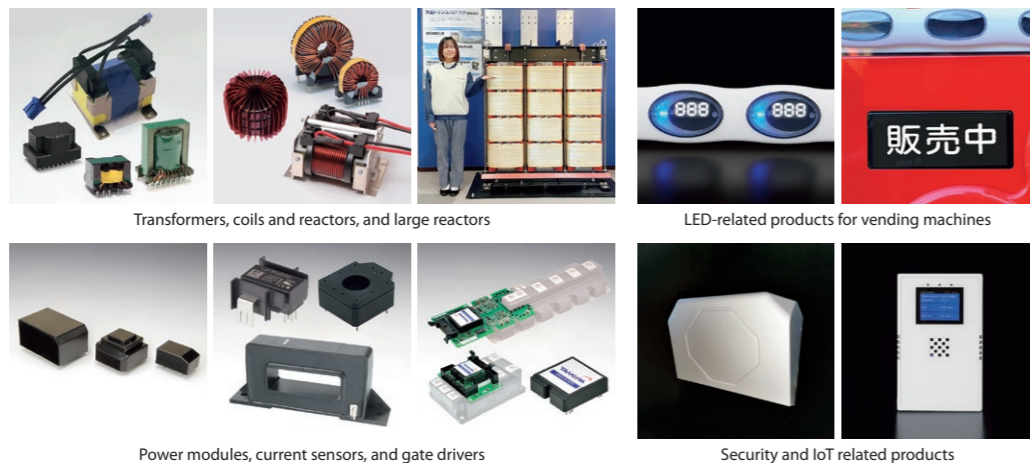
› FY2023 R&D Expenses



## Electronic Components

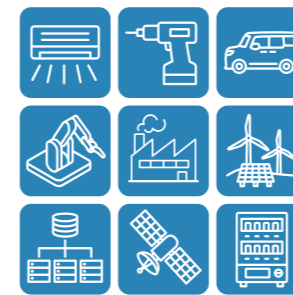
### Main products

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

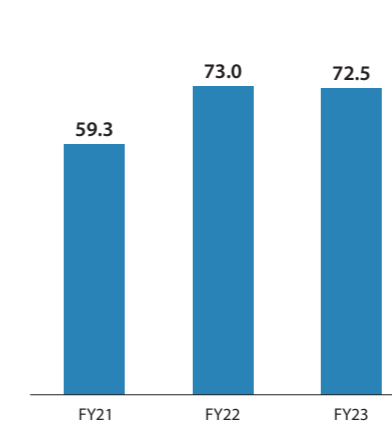


### Applications

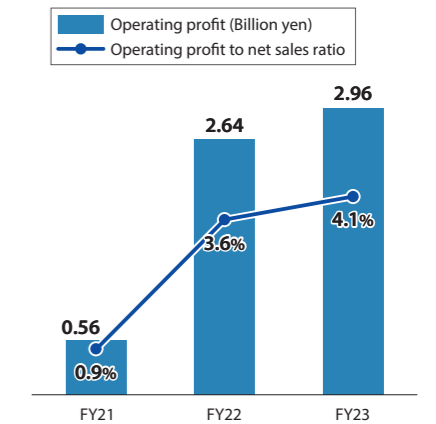
Home appliances, automobiles, industrial robots/machine tools, wind and solar power generation, data centers, rockets/satellites, vending machines, etc.



› Sales (billion yen)



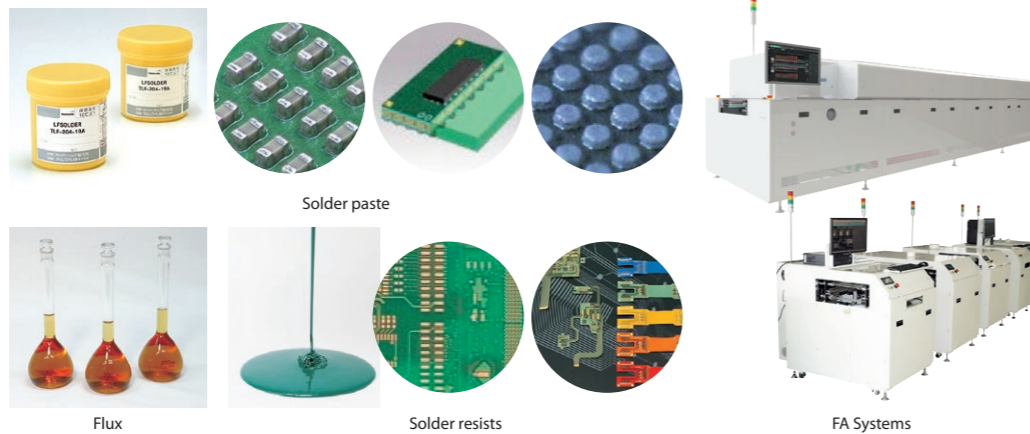
› Operating Profit/Operating Profit to Net Sales Ratio



## Electronic Chemicals & FA Systems

### Main products

- Solder paste
- Flux
- Solder resists
- FA Systems
- etc.

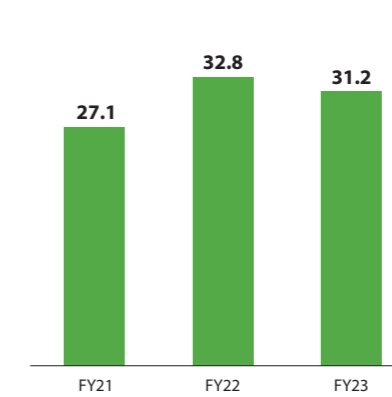


### Applications

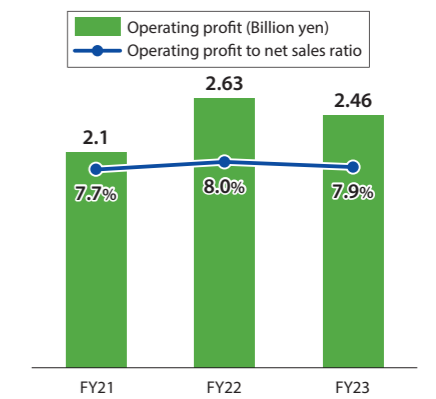
Automobiles, smartphones/PCs, home appliances, telecommunication base stations, PCBs, etc.



› Sales (billion yen)



› Operating Profit/Operating Profit to Net Sales Ratio



## Information Equipment

### Main products

- Audio mixing console
- Wireless intercom
- Wireless microphone
- etc.

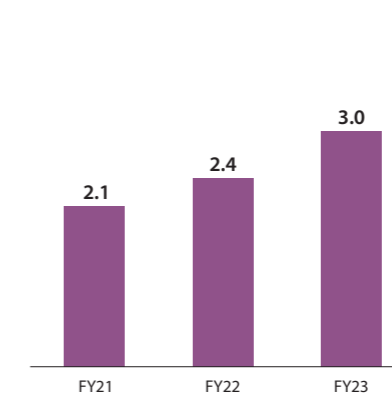


### Applications

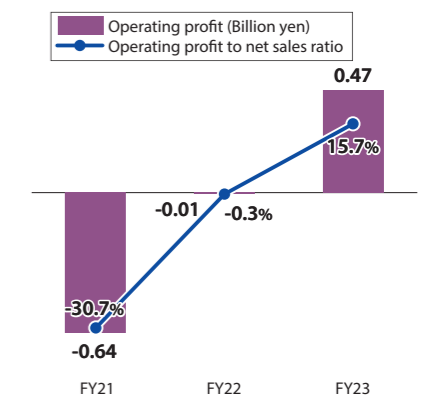
Broadcast stations, train stations, theaters, concert halls, etc.



› Sales (billion yen)



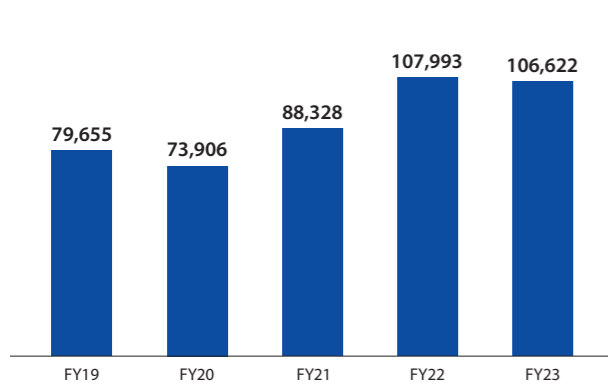
› Operating Profit/Operating Profit to Net Sales Ratio



# Main Financial and Non-financial Data

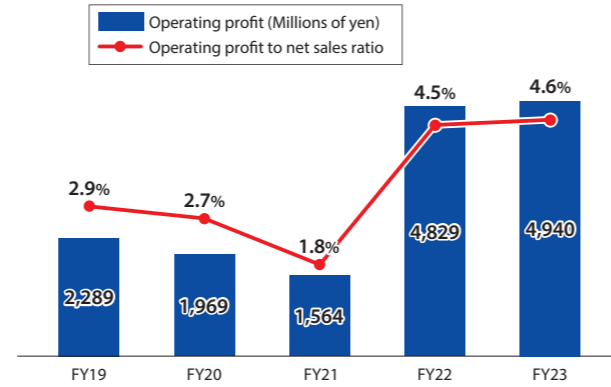
## Consolidated Financial Results

### Net sales (million yen)



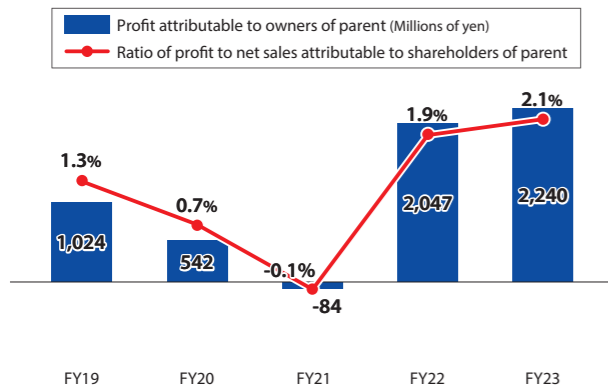
Looking at results by region, business conditions remained stagnant in China and Europe but solid in the North American market. In results by market, while automotive-related production activities continued their recovery trend, home appliance- and industrial equipment-related demand remained sluggish. As a result, revenue decreased slightly in FY2023.

### Operating profit/Operating profit to net Sales ratio



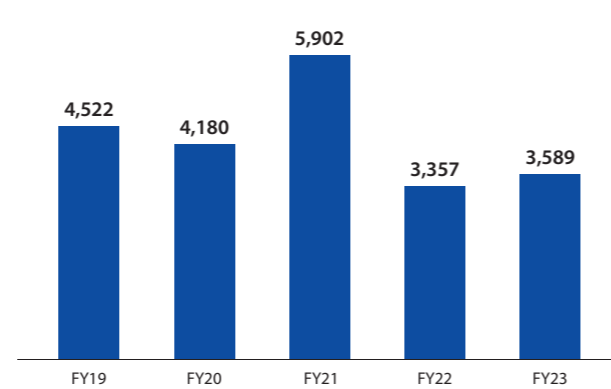
Although expenses have increased due to core system upgrades and other costs, profit increased in FY2023 while profit margin remained at the level of the previous year due to factors including improvement in the sales composition of the Electronic Components business, increased sales in the Information Equipment business, and the weaker yen.

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



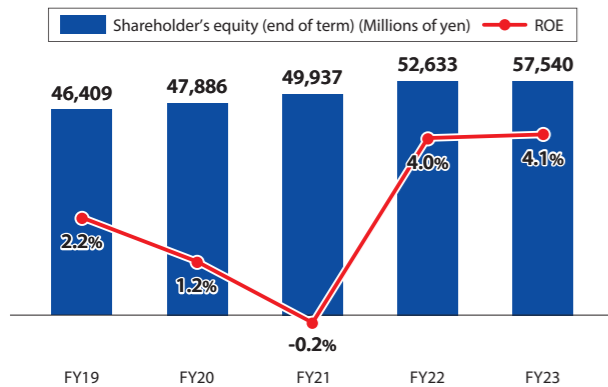
Although an extraordinary loss was recorded due to the pension buyout at our UK subsidiary, profit and profit margin increased in FY2023 due to causes including increased ordinary profit from increased operating profit and the recording of foreign exchange gains.

### Capital expenditure (millions of yen)



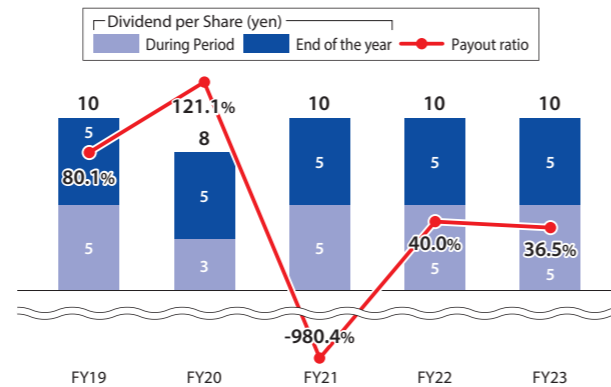
We are strengthening capital investment aimed at the growth markets of power electronics, mobility, and the IoT. In FY2023, we invested over 400 million yen in expansion at our Mexico factory and launched full-scale production in March 2024 to meet an increase in orders in the North American market.

### Shareholders' equity/ROE (Return on Equity)



ROE in FY2023 was unchanged from the previous year, as shareholders' equity increased due to factors including an increase in retained earnings and foreign currency translation adjustments affected by the weaker yen.

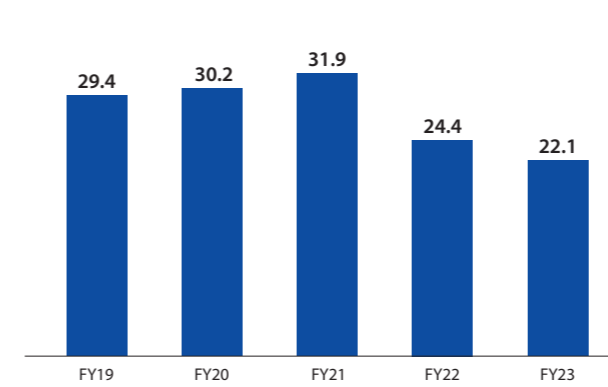
### Dividend per share/Payout ratio



Recognizing the appropriate return of profit to shareholders as a management priority, we strive to stabilize and enhance dividend levels and to ensure that annual dividends do not decline from the previous fiscal year.

## Non-financial results

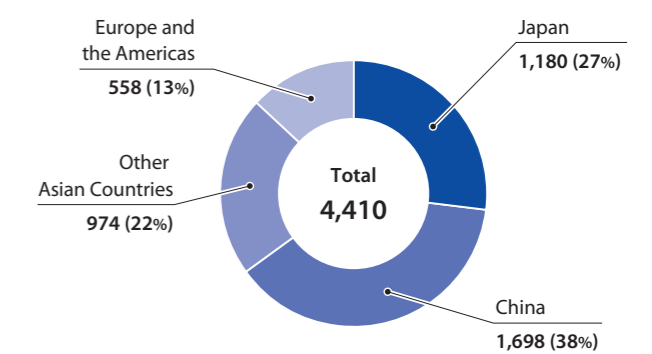
### Greenhouse gas emissions (Scope 1, 2) (1,000 t-CO<sub>2</sub>)



We have set a target of reducing FY2030 greenhouse gas emissions by at least 51% compared to FY2013, and are undertaking the use of renewable energy and thorough energy conservation. In FY2023, our greenhouse gas emissions were 39% lower than in FY2013.

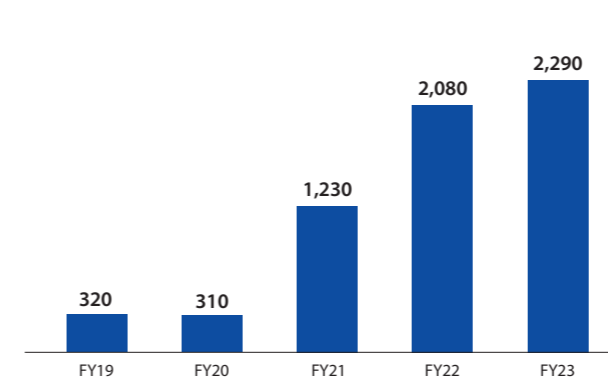
\*Emission factors: Japan (market basis), others (IEA Emission Factors 2023)

### Number of employees by region (as of March 31, 2024)



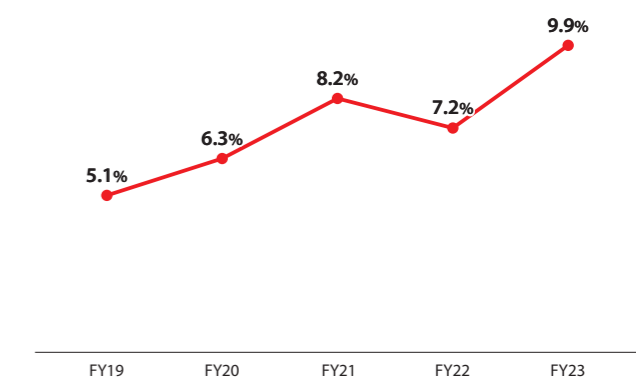
Our overseas base employee ratio is 73%. The percentage is higher in Asia where our major factories are sited, but it is also rising in Europe and the Americas as sales and production increase in those regions.

### Use of self-produced energy (renewable energy) (MWh)



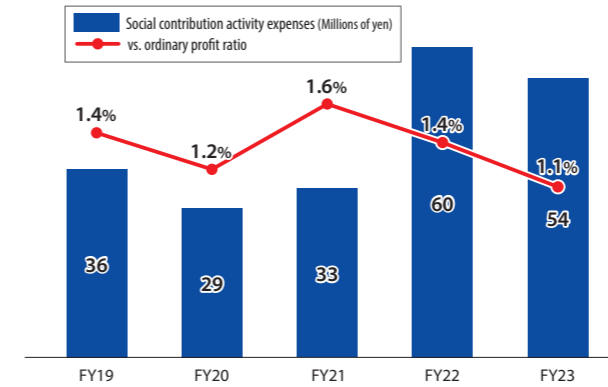
As a component of our efforts to reduce greenhouse gas emissions, we are introducing solar power generation equipment and other measures at domestic and overseas business sites. In FY2023, we installed new solar power generation equipment at bases in the Czech Republic and Malaysia.

### Ratio of women in managerial positions (Tamura Corporation)



In Japan, where diversity is lower than at our overseas bases, we are promoting the appointment of women, foreign nationals, and mid-career employees to managerial positions. We aim to increase the ratio of female managers to 10% by the end of FY2024.

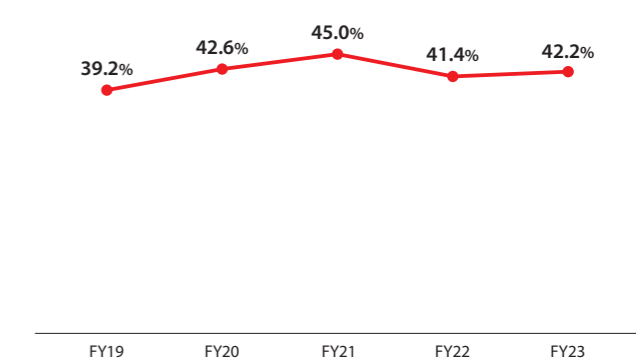
### Social contribution activity expenses (consolidated)



To deepen mutual understanding and build bonds of trust with national governments and local communities, we actively engage in business management that contributes to local communities. We aim to divert at least 1% of our ordinary profit to social contribution activity expenses.

\* 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)



In Japan, where diversity is lower than at our overseas bases, we are promoting the appointment of women, foreign nationals, and mid-career employees to managerial positions. We aim to achieve a 50% ratio of mid-career employees in managerial positions by the end of FY2024.

## Top Message

# The 100th anniversary of our founding marks a milestone along our path to the future. We will continue to forge ahead with the development of next-generation technologies and products.

The Tamura Group, having reached the 100th year since its founding, is undertaking its 13th Medium-term Management Plan aimed at achieving our "Aspiration for 2050" long-term vision. In the Medium-term Management Plan that begins in the next fiscal year, we will aim to solve environmental and other social issues by actively undertaking the development of next-generation technologies and products aimed at realizing a carbon-neutral society.

## Masahiro Asada

Representative Director, President & CEO

### Celebrating 100 years since our founding

On May 11, 2024, Tamura Corporation reached the 100th anniversary of its founding. A year before the official launch of radio broadcasts, our Company, an early entrant in the manufacturing and sales of receivers, became a manufacturer specializing in transformers and other magnetic components. Subsequently, as Japan's electronics industry developed, we expanded our business domains to create our Electronic Components business, Electronic Chemicals/FA Systems business, and Information Equipment business. During that time, we surmounted war and other changes in the global situation, unpredictable economic upheavals at home and abroad, and other harsh business conditions to continue advancing our corporate activities to the present. This has been made possible through many years of support from our business partners, shareholders, and other stakeholders, as well as through the untiring efforts of our predecessors and employees. I want to express my heartfelt gratitude to all of these people.

However, this 100th anniversary is but a single milestone along the Company's history. I have taken up the baton passed down by three generations of presidents before me, making me the fourth-generation president and the first to come from outside our founder's family. I believe that I have been entrusted with a

goal of growing the Company with the next 100 years in sight. Those of us here now, including our employees, are reaffirming our commitment to take up that goal and to work as one toward even greater advancement in the future.

### Business performance in the second year of the 13th Medium-term Management Plan

In FY2023, the second year of our 13th Medium-term Management Plan, a sense of uncertainty continued amid growing geopolitical risks and the Company was affected by economic stagnation in China and Europe. From the summer in particular, markets in China slowed significantly and a significant temporary decline in business performance was forecast for our Group.

In actuality, however, we were able to avoid the major decline in business performance that had been a concern. This was made possible by firmness in the North American market, market penetration of the selling price revisions we had implemented from FY2022 through market price-linking in electronic components and electronic chemicals as a measure to combat rising prices of materials and exchange rate fluctuations, and the recording of exchange rate gains during the fiscal year in contrast to exchange rate losses in the previous fiscal year, with the

depreciation of the yen further adding a tailwind.

Looking at business performance by segment, the Electronic Components business was significantly impacted by the slowdown in the Chinese market from summer onward, but remained solid overall due to significant increases in sales of LED products and automotive boosting reactors as semiconductor shortages eased. Looking at the Electronic Chemicals/FA Systems business, in the FA Systems business, capital investment has been constrained and demand dropped sharply in China as well as in Japan from around October. Overall, however, including in the Electronic Chemicals business, due to depreciation of the yen the decrease in sales was not significant. Our NTX Series entered the market in FY2023. A next-generation audio mixing console that supports IP-based broadcasting systems, it has won large orders associated with the rebuilding of broadcasting stations and equipment upgrades, leading significantly increased sales and profit in the Information Equipment business.

As a result, our Group's consolidated sales in FY2023 decreased slightly to 106.622 billion yen (down 1.3% year-on-year). Operating profit increased to 4.94 billion yen (up 2.3% year-on-year), ordinary profit was 4.956 billion yen (up 14.5% year-on-year), and profit attributable to owners of parent was 2.24 billion yen (up 9.4% year-on-year), all increasing from the previous year.

Looking at the business results forecast for FY2024, the final

year of the 13th Medium-term Management Plan, we expect growth in sales and profit particularly in the second half amid recovery in the electronics market, with sales of 112 billion yen, operating profit of 5.2 billion yen, and net income of 3.4 billion yen.

During formulation of the Medium-term Management Plan, we set operating profit targets of at least 5 billion yen (FY2023) and 6 billion yen (FY2024). We revised the target downward from the second year onward, taking into account the worsening business environment, including inventory adjustment by major customers and stagnation of demand in the Chinese market. However, results in FY2023 exceeded the revised target. The market environment remains on a recovery trend. I believe that it will be difficult to reach our original target of 6 billion yen in FY2024, but I hope for us to make every effort to enhance our business performance in this memorable 100th anniversary year and produce results that exceed our expected 5.2 billion yen for the fiscal year.

Top Message

Transition to a new executive structure and objectives

In June 2023, at the same time that we transitioned to the structure of a company with an Audit & Supervisory Committee, we introduced a new CXO structure and installed a CEO, CFO, and CTO. In June 2024, we further appointed a CSO, CHRO, and CLO\*.

Until then, our Company's top management, who specialize in single fields such as the Electronic Components business and the Electronic Chemicals/FA Systems business, have held responsibility for business divisions, with the President and Chairman from the founder's family bundling vertical lines of authority. However, with my appointment as a president from outside the founder's family, we have taken this opportunity to advance our "One Tamura" strategy that more powerfully makes the entire company visible to not only the President but also to management overall through horizontal lines of control.

We introduced the CXO system, centered on executive officers, in order to further strengthen and develop this strategy and to adapt to the drastic changes of the times through team-based corporate management. By bringing together the wisdom of experts in their fields, we aim to enhance the capabilities of every individual and to transition to a new generation of management. Toward that end, in July we also revised our officer structure to clarify the human resources profiles sought for our management. By ensuring transparency in the promotion of talent, we will work to hand over management duties to the next generation.

The speed of change in the world continues to accelerate. In order for our Company to survive, the people who will work here for the next 20 or 30 years must, as early as possible, come to view the Company as a matter of personal responsibility. I expect our new CSO to draw on his experience in Electronic Chemicals business and Electronic Components business sales to draft and implement strategies aimed at formulating the next Medium-term Management Plan.

We also face demands for more apt approaches to management strategy, personnel-related matters, sustainability, and various laws and regulations, as matters of our corporate social responsibility. By appointing a CHRO and CLO, we will also strengthen the functions of the Head Office and enhance its structure.



At the same time, in terms of research and development, the effects of horizontal lines of control are already becoming apparent. We are currently tackling the development of magnetic passive components for next-generation semiconductors, a task that is difficult to realize through knowledge of electronic chemistry and electronic components alone. With the CTO taking an overall view, we are fusing the materials capabilities and know-how of the Electronic Chemicals business with the knowledge and the design/development approaches that the Electronic Components business has built up over the years, to advance the development of new electronic components capable of accommodating and resisting high voltages.

\* CEO = Chief Executive Officer; CFO = Chief Financial Officer; CTO = Chief Technology Officer; CSO = Chief Strategy Officer; CHRO = Chief Human Resources Officer; CLO = Chief Legal Officer

Sustainability initiatives and promotion of work fulfillment reform

In our sustainability strategy, we have set and are tackling KPIs and goals based on our eight materialities. Looking at our situation in FY2023, although we are behind in meeting our final FY2024 targets for "Product quality improvement" and for ratio of non-Japanese managers within "Fulfilling workplace," we are making steady progress toward achieving targets for the other six items.

We have now begun to review the materialities that we have updated to the next stage while incorporating the opinions of various people, as we prepare for the next Medium-term Management Plan.

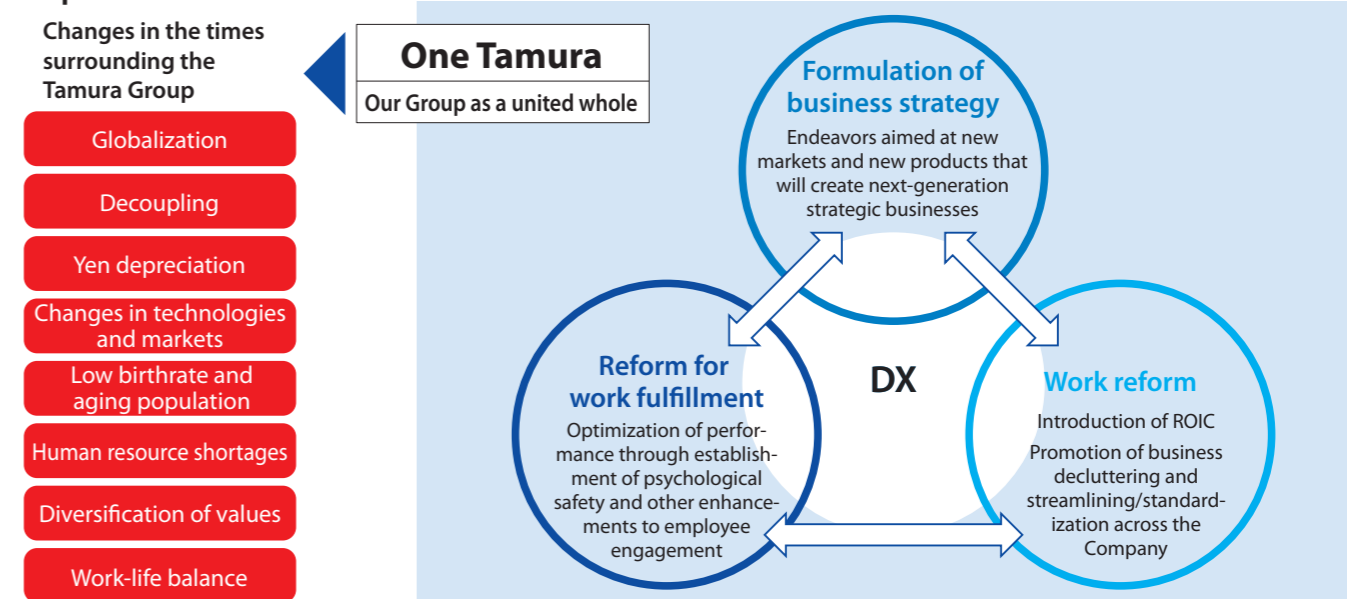
Ever since I assumed the office of President, I have undertaken formulation of business strategy, work reform, and work fulfillment reform as tripartite reforms. I have put forth a policy of focusing on the promotion of DX as the core of these initiatives. The upgrading of our core systems for accounting, a tool for work reform, has already been completed. The introduction of core systems for business is now under study as we closely investigate cost-effectiveness and other factors.

At the same time, I have personally taken the lead in tackling work fulfillment reform. Rather than "workstyle reform" that seeks simple comfort in work, I want employees to have work fulfillment, finding work enjoyable and feeling happy when coming to the Company. Toward that end, I have focused on creating a climate for working with peace of mind, through means including instilling psychological safety that allows the expression of opinions regardless of hierarchy. We are also conducting employee engagement surveys, including at overseas bases, to identify the results of our measures and to take the next actions.

Individual values concerning work will only become more diverse from here on out, and the work fulfillment sought by every person will change as well. I will continue doing all I can to build a company where employees trade opinions and where as many employees as possible identify with the Company and feel work satisfaction.

Tripartite reform

Our Group is unitedly tackling reforms to address the unpredictable changes of the times.



Policies under the next Medium-term Management Plan and initiatives to develop next-generation products

We are now making preparations to formulate the 14th Medium-Term Management Plan, with our new CSO taking the lead. We are beginning the task more than half a year earlier than usual. This is because of the need to set targets that take into account varied perspectives, including how we should meet the expectations of stakeholders and our social responsibilities as a company listed on Japan's Prime Market, and the need to take time in formulating the plan, incorporating development and other policies that look ahead to our next 100 years with an awareness of generational changes.

As an overview of our policy at present, we will study the reorganization and review of our production structure in China while we advance expansion strategies in Europe and the U.S. In line with the expansion of the U.S. data center market in particular, demand for our large transformers and reactors used in uninterruptible power supplies (UPSs) and power distribution units (PDUs) for server equipment is sharply increasing. In response, we built up the production capacity at our Mexico factory in March 2024 and further plan to build a second factory. We are also envisioning future market development in India, South America, and other regions.

As our direction for medium- and long-term product development, in addition to devices for the next-generation silicon carbide (SiC) and gallium nitride (GaN) power semiconductors that lead the greenhouse gas reduction and carbon neutrality market, we hope to seek business opportunities from our involvement in  $\beta$ -gallium oxide ( $\beta$ -Ga<sub>2</sub>O<sub>3</sub>) as research and development progress.

In gate driver modules and current sensors, we are already developing products through collaboration and co-creation with domestic and overseas power semiconductor manufacturers

and aim to expand sales in Europe and other regions.

In transformers and reactors, we are developing new magnetic passive components using completely different materials than used in the past, through industry-academic collaboration between our R&D Strategy Division and Tohoku University. In April 2024, we opened the Sendai Advanced Laboratory in Tohoku University to strengthen our research and development structure.

In addition, we continue our endeavors to establish a technical foundation for our next 100 years and to create new pillars of business, including the development of joining materials suited to the growing use of chiplets in next-generation semiconductors and logic semiconductors.

Heading into our next 100 years

Taking the two years of 2024 and 2025 as our 100th anniversary year, we will carry out a number of projects including the release of a 100th anniversary website, the compilation of a company history, and exhibits for customers, as we express our gratitude to all of our stakeholders and employees.

As I noted at the outset, though, our 100th anniversary is only a milestone for the Company. If we do not become a company that can adapt to the changes of the times and continue to evolve on our own, we will not be able to survive the world of the next 100 years.

I hope that all of our stakeholders will keep an eye on our endeavors in the new era and will continue their unwavering support for us.

# 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 toward solving social issues.

## The 13th Medium-Term Management Plan *Energize the Future 100* →P.19



### Important social issues

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

### Input

(FY2023 or as of Sunday, March 31, 2024)

**Financial capital**  
Total assets

**114.8 billion yen**  
Shareholder's equity ratio

**50.1%**

**Manufactured capital**  
Capital expenditure

**3.59 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

**4.06 billion yen**

**Human capital**  
Number of employees on a consolidated basis

**4,410 employees**

**Social and relationship capital**  
Trusting relationship with stakeholders formed over the 100 years since our founding

**Natural capital**  
Natural resources, such as raw materials and energy

### Business Activity

**Business Areas Contributing to Carbon Neutrality**

**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.31

Environment

Human Capital

Supply Chain Management

Quality

Social Contribution

**Materiality**

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

**Corporate Governance** →P.43

**Corporate Philosophy** →P.03

### Output

**Electronic Components** →P.25

**Electronic Chemicals & FA Systems** →P.27

**Information Equipment** →P.29

### Outcome

(FY2024 Target)

**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**  
CO<sub>2</sub> emissions reduction  
**33% or more**  
(compared to FY2013 level)

**Aspiration for 2050**

→P.19



# The 13th Medium-Term Management Plan



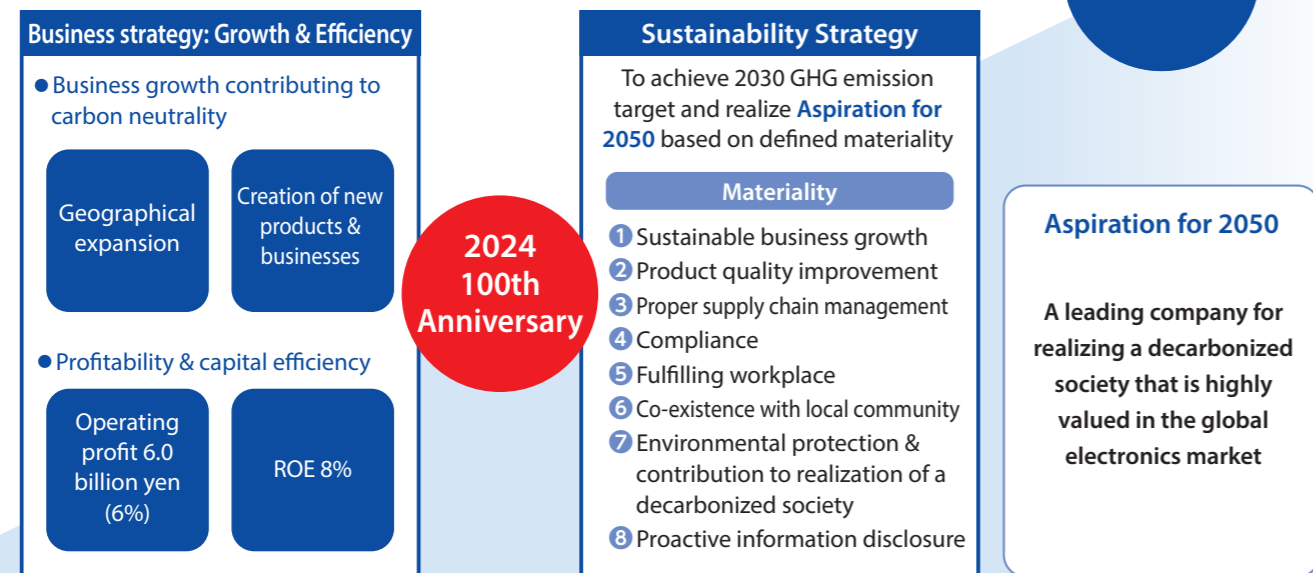
**In the final year of the 13th Medium-term Management Plan, we will tackle remaining issues head-on.**

**Mitsutaka Nakamura**

Director, EVP & CSO

## Energize the Future 100

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



### Our long-term vision and the 13th Medium-term Management Plan

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 celebrates its 100th anniversary. After several meetings which also included directors, and grounded in our founding spirit and Corporate Philosophy as well as factors including business issues, environmental/social issues, and stakeholder issues, we 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 a first step toward realizing our long-term vision. The plan, which covers the three years from FY2022 to FY2024, adopts a slogan of "Energize the Future 100." This embraces a meaning of transformation to create a robust future for our 100th anniversary & beyond. To achieve a robust future, we are working to deepen integration of our business strategy and sustainability strategy, promote our Medium-term Management Plan across the Group, and create corporate value.

### Progress of the 13th Medium-term Management Plan

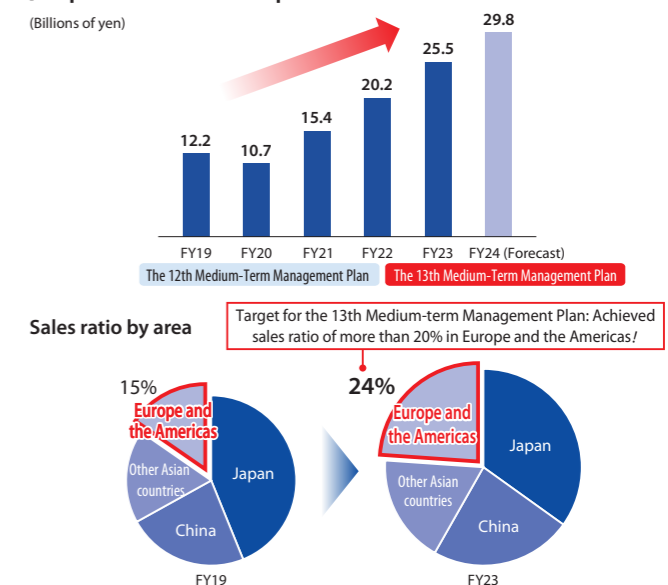
In the plan's first year of FY2022, we made a strong start that exceeded the targets of the plan amid firm demand, price revisions, and exchange rates impacts. In FY2023, however, the relaxation of stay-at-home demand and slowdown in the Chinese market caused demand to fall. Together with the recording of core system upgrade expenses, the result was that operating profit and operating profit to net sales ratio fell slightly short of the plan. In the plan's final year of FY2024, an uncertain business environment continued in the first half, creating a difficult outlook for the achievement of our financial targets. At the same time, measures to enhance profitability and asset efficiency are gradually yielding results in the form of greater profit margin.

We are carrying out business strategy based on two pillars: growth strategy and the enhancement of profit and capital efficiency. Our growth strategy is focused on three fields: power electronics, mobility, and the IoT, domains in which we can contribute to carbon neutrality and leverage our strengths. In the strengthening of our global expansion, we have been expanding sales with a goal of increasing our sales ratio of products for the European and the Americas markets, which are leading the way in carbon neutrality initiatives, to over 20%. As a result, we have already reached our target of a 24% sales ratio of products for Europe and the Americas for the fiscal year ended March 2024. Against a background of strong demand for large transformers and reactors in the North American market, we are boosting the production capacity of our Mexican factory and aim for further expansion in the Med-term Management Plan's final year of FY2024. (→P.26)

To advance research and development aimed at new magnetic passive components that are differentiated in their materials and that are compatible with the wide-band gap semiconductors that will support the power electronics of the future, we opened the Sendai Advanced Laboratory inside the Material Solutions Center of Tohoku University. (→P.24)

In our sustainability strategy, we are steadily progressing toward our targets by promoting measures focused on our eight materialities, including those involving a fulfilling workplace and realizing a decarbonized society. (→P.30)

### Expansion of the European and the Americas markets



### Group financial goals, results, and forecast

The 13th Medium-Term Management Plan	Achieved		Not achieved		14th Mid-Term Management Plan and beyond		
	FY2022 Plan	FY2022 Result	FY2023 Plan	FY2023 Result	FY2024 Plan	FY2024 Forecast	
Financial targets	Operating profit	3 bn yen	4.8 bn yen	5 bn yen or more	4.9 bn yen	6 bn yen or more	5.2 bn yen
	Operating profit to net sales ratio	3.2%	4.5%	5%	4.6%	6%	4.6%
	ROE		4.0%		4.1%	8%	5.8%
Guidelines for achieving targets	Consolidated sales	94 bn yen	108 bn yen	≈100 bn yen	106.6 bn yen	100 bn yen or more	112 bn yen
	ROIC		3.8%		3.8%	6%	4.3%

### Toward the 14th Medium-term Management Plan

Under the 13th Medium-term Management Plan, we have made progress toward the plan's goals in a number of areas, including enhancement of profit margin in the Electronic Components business and expansion of business in Europe and the Americas. At the same time, there are other measures that are still underway, including those to enhance profitability and capital efficiency for the Group as a whole.

Under the 14th Medium-term Management Plan that begins in April 2025, we intend to tackle these remaining issues head-on

and promote the "transformation to create a robust future" set out in the 13th Medium-term Management Plan. Accordingly, we are deepening discussions with the management team by starting the Medium-term Management Plan drafting process early. We will unite under One Tamura to confront the uncertain business environment and, together with our Group's stakeholders, will aim for sustainable growth and enhancement of our corporate value.

# Financial Strategy



**We aim to enhance our corporate value by increasing our business profit and capital efficiency.**

**Yusaku Hashiguchi**

Director, EVP & CFO

## FY2023 Actual

FY2023 marked the second year of our "Energize the Future 100" 13th Medium-term Management Plan. Against the backdrop of relaxation of stay-at-home demand and slowdown in the Chinese market, demand for home appliances and industrial equipment remains sluggish, with sales declining slightly year-on-year to 106.6 billion yen. However, operating profit increased to 4.9 billion yen due to effects of the weaker yen as well as improvements to sales composition in the Electronic Components business, the improvement of profitability due to the promotion of exchange rate-linked price revisions, and increased sales due to the ramping up of new product sales in the Information Equipment business. Ordinary profit and profit attributable to owners of parent increased year-on-year to 5 billion yen and 2.2 billion yen, respectively, due to increased dividend income from affiliated companies associated with increased sales revenue and the expansion of exchange rate gains, despite the incurring of pension buyout costs at our UK subsidiary.

Looking at our financial position, total assets at the end of March 2024 increased by 3 billion yen from the end of the previous fiscal year to 114.8 billion yen. Current assets increased by 1.3 billion yen

due to increased cash and deposits. Fixed assets increased by 1.8 billion yen due to investment in related companies and effects of stock market conditions on investment securities. By contrast, total liabilities decreased by 1.8 billion yen from the end of the previous fiscal year. This was due in part to our total interest-bearing liabilities (total of short-term borrowings, current portion of long-term borrowings, short-term lease debt, long-term borrowings, and long-term lease debt) decreasing by 1.4 billion yen in response to increased cash flow accompanying increased profit. Net assets increased by 4.9 billion yen from the end of the previous fiscal year to 57.8 billion yen due to retained earnings and an increase in foreign currency translation adjustment under the weak yen. The resulting shareholder's equity ratio was 50.1%. (Shareholder's equity ratio uses a ratio calculated by deducting share acquisition rights and non-controlling interests from net assets.)

Operating cash flow increased significantly year-on-year to 9.5 billion yen due to decreased trade receivables and inventories. We are promoting the reduction of inventories, using inventory turnover days as an indicator. With the increase in operating cash flow, free cash flow turned significantly positive at 6.8 billion yen.

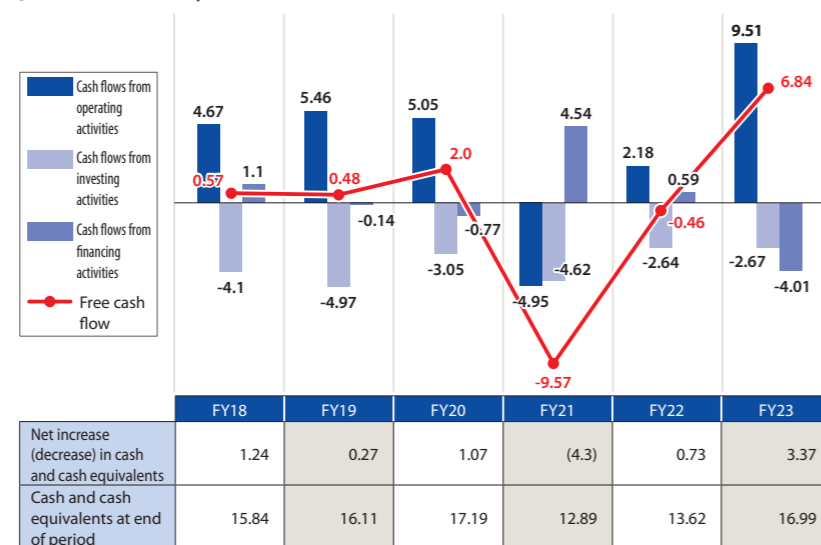
### Balance Sheet and Cash Flows (billion yen)

	FY22	FY23	Increase (Decrease)
Cash and deposits	14.4	17.5	3.0
Trade receivables	27.3	27.5	0.2
Inventories	25.7	23.8	(1.8)
Property, plant and equipment	29.4	29.9	0.5
<b>Total assets</b>	<b>111.8</b>	<b>114.8</b>	<b>3.0</b>
Trade payables	14.0	12.4	(1.5)
Interest-bearing liabilities	35.3	33.9	(1.4)
Net assets	52.9	57.8	4.9
<b>Total liabilities and net assets</b>	<b>111.8</b>	<b>114.8</b>	<b>3.0</b>

	FY22	FY23	Increase (Decrease)
Shareholder's equity ratio	47.1%	50.1%	3.0 pt

Cash Flows	FY22	FY23	Increase (Decrease)
Cash flows from operating activities	2.18	9.51	7.32
Cash flows from investing activities	(2.64)	(2.67)	(0.02)
Cash flows from financing activities	0.59	(4.01)	(4.6)
Free cash flow	(0.46)	6.84	7.3
Net increase (decrease) in cash and cash equivalents	0.73	3.37	2.64
Cash and cash equivalents at end of period	13.62	16.99	—

### Cash flow (billion yen)



## FY2024 forecast

We make the assumption that the FY2024 business environment will remain uncertain under the continuation of geopolitical risks, but the electronics market will make a gradual recovery from its inventory adjustment phase. While first quarter sales decreased slightly year-on-year, operating profit increased significantly. We expect sales and profit to increase in the second half, reaching sales of 112 billion yen and operating profit of 5.2 billion yen. While we expect to fall short of our financial targets for the final fiscal year of the Medium-term Management Plan, measures aimed at enhancing profitability and capital efficiency are solidly yielding results. We will continue working toward improvements aimed at reaching our targets.

### FY2024 Full-Year Results Forecast

(million yen)	FY23		FY24	
	Result	Forecast	Forecast	Full-year change
Net sales	106,622	112,000	112,000	5.0%
Operating profit (Operating profit to net sales ratio)	4,940 (4.6%)	5,200 (4.6%)	5,200	5.3%
Ordinary profit	4,956	5,000	5,000	0.9%
Profit attributable to owners of parent	2,240	3,400	3,400	51.7%
exchange rates (yen/U.S. dollar)	FY average	143.08	145.00	1.3%
	End of the year	151.41	145.00	(4.2%)
Dividend per share	10.00 yen	10.00 yen	10.00 yen	—
Payout ratio	36.5%	24.3%	24.3%	(12.2pt)
ROE	4.1%	5.8%	5.8%	1.7pt
ROIC	3.8%	4.3%	4.3%	—

## Initiatives to enhance corporate value

Under the 13th Medium-term Management Plan announced in May 2022, the Tamura Group aims to enhance our corporate value by boosting business profit and capital efficiency through the fusion of our business strategies and sustainability strategies atop the two pillars of growth and efficiency.

We set ROE of 8% as a target for capital efficiency in FY2024, and introduced ROIC as an internal indicator for achievement of ROE. Each of our businesses sets ROIC targets and is working to improve profit margin and reduce inventories while utilizing ROIC trees. While we do not expect to reach our FY2024 targets, we will

continue to advance measures aimed at surpassing ROE of 10% and ROIC of 8% in the future.

Looking at capital investment, we have added capital efficiency perspectives to our decisions on investment profitability and are making more careful, strict, and selective decisions on investments. We have also revised our strategic shareholding policy, enacting a new policy of reducing these holdings to 10% or less of consolidated net assets. We will also allocate cash obtained through these reductions to growth investments and connect these to increased corporate value.

## Growth investments

With the U.S. data center market showing strong activity, in FY2023 we expanded production capacity at our Mexican factory, which produces large transformers and reactors for the market. As we expect further growth of the market, we made the decision to raise production capacity another level in FY2024. As a future-oriented investment, we also opened the new Sendai Advanced Laboratory to promote the research and development of high-efficiency, high-power, high-frequency-driven passive devices and related materials. By endeavoring to commercialize new magnetic passive components and related products differentiated by materials, we aim to establish a technical foundation for the next 100 years of the Tamura Group and to create new pillars of business.

### Capital expenditure, depreciation, and R&D expenses\* (billion yen)

	FY23	FY24		Percentage Increase (Decrease)
	Result	Forecast	Increase (Decrease)	
Capital expenditure	3.59	2.21	(1.38)	(38.5%)
Depreciation Note: Including leased assets	3.94	4.09	0.15	3.8%
R&D related expenses (Sales ratio)	4.06 (3.8%)	4.48 (4.0%)	0.42	10.3%

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

## Shareholder returns

Recognizing the appropriate return of profit to shareholders as a top management priority, we strive to stabilize and enhance dividend levels and to ensure that annual dividends do not decline from the previous fiscal year.

# R&D and Intellectual Property



## The Tamura Group's research and development

Our Company was founded 100 years ago, launching its business with the sale and manufacture of radios and transformers, a component in radios. Since then, we have developed not only transformers but also a variety of electronic components. Focusing on the joining of components, we have further developed a wide range of businesses including joining materials (solder) and soldering systems. Over our long history, the technical capabilities that have made our name associated with transformers, flux, solder paste, and audio mixing consoles have fostered the relationships of trust with customers that are a strength of our Company. Today, the core of our Group's technologies consists of power electronics and its applied technologies that support the

Electronic Components business; conductive materials, joining technologies, and insulating material technologies that support the Electronic Chemicals/FA Systems business; and audio communications technologies that support the Information Equipment business. With these solid technical capabilities as our foundation, our Group develops diverse products that encompass materials, components, modules, and equipment. We currently have development and design departments in Japan and multiple other countries, and have established a structure capable of responding attentively and speedily to the needs of customers in every country and region.

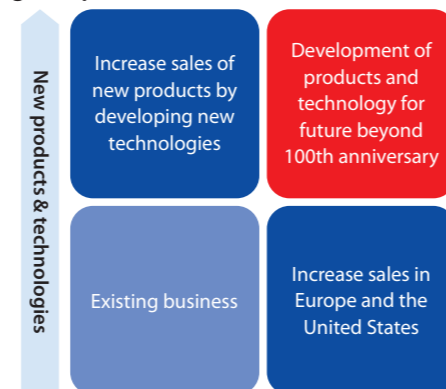
## Medium- to long-term development strategy

Under our "Energize the Future 100" 13th Medium-term Management Plan that runs through FY2024, we are focused on the three fields of power electronics, mobility, and the IoT, all business domains in which we can make contributions to carbon neutrality with medium- to long-term growth as our aim. Leveraging the strengths of our core technologies, we approach electronics from the side of materials to create "one and only" products. As we recognize that we cannot hope for dramatic growth through our existing products and existing markets alone, we seek to expand new markets and new technologies.

Doing so will require the strengthening of our business foundation and the creation of new businesses through product development grounded in the development of materials. The performance of electronic equipment is dependent upon the limit characteristics of the materials used. Developing outstanding materials leads to the development of outstanding components and modules, allowing the creation of highly competitive products. We aim to be a Group of highly profitable companies that grow sustainably through a strategy of approaching business from materials.

To strengthen our foundation of materials technologies, we need to set concrete goals and a roadmap with a view 10 years ahead. Accordingly, we formulated a new long-term development strategy and launched a cross-business technology development

### Growth by strengthening global development and creating new products and businesses



## Toward the creation of new magnetic passive components

Amid growing demand for high-capacity electricity energy aimed at the achievement of a carbon-neutral society, the migration of switching elements to wide-band gap semiconductors is anticipated. Fully drawing out the performance of wide-band gap semiconductors calls for technological evolution in power electronics circuits and in magnetic passive components such as transformers and reactors. For these, we are tackling the creation of new magnetic passive components.

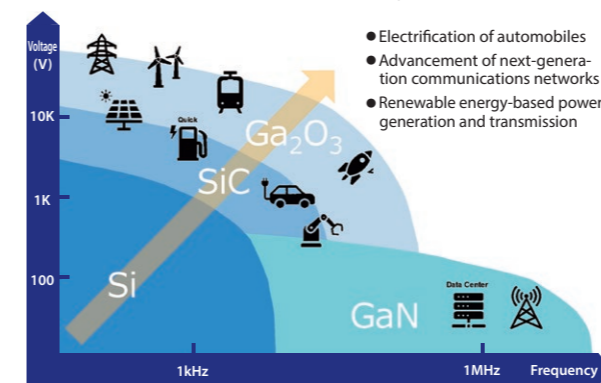
In April 2022, the Electronic Components business and Electronic Chemicals/FA Systems business, our two major businesses, established the R&D Strategy Division as a shared research and development department aimed at the creation of new businesses and products. In collaboration with Tohoku University, we have begun research and development of new magnetic passive

components differentiated by materials. In April 2024, we opened the Sendai Advanced Laboratory inside the Material Solutions Center of Tohoku University to strengthen and advance research and development.

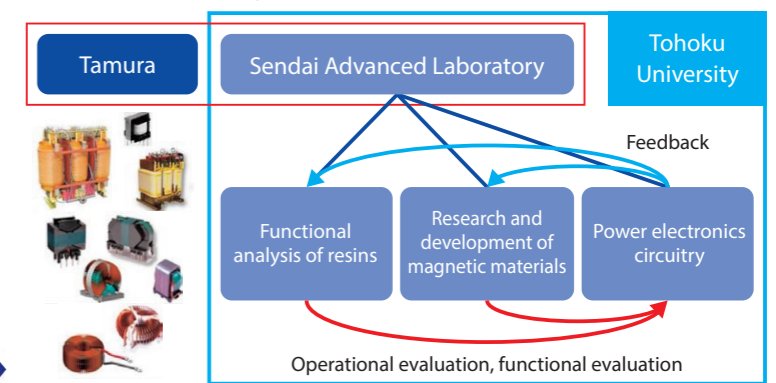
The Sendai Advanced Laboratory conducts research and development of new magnetic materials, AI-based analysis of resin functions, and operational and functional evaluation of prototype components incorporating these new materials into power electronics circuits, with a view toward social implementation.

Its endeavors are aimed at the establishment of the technical foundation for the Company's next 100 years and the creation of new pillars of business, as it works to commercialize new magnetic passive components and related products around 2030.

### Expansion of needs for wide-band gap semiconductors



### Creation of new magnetic passive components



## Our basic views on intellectual property

We conduct new business development in a hybrid format combining vertical integration within the Group and vertical division of work with outside partners. Within our Group, experts in wide-ranging fields from materials to equipment engage in development, conducting circuit design and component

development using newly developed materials. Our intellectual property strategy also aims to create a solid business foundation and to build a highly profitable Company capable of sustainable growth by securing an advantageous position in markets through multi-layered rights protection spanning materials to modules.

## TOPICS

### Awareness-raising activities for young employees

We carried out projects aimed at providing young employees with opportunities to acquire the ambition and strength needed to overcome turbulent upheavals. Led by the CTO, about 30 young employees from a variety of job backgrounds in different business divisions gathered to take part in study groups, tours, business study groups, and other activities. We strongly hope that by independently thinking and acting on their own and boldly tackling new endeavors, the employees will develop into talent who will lead the Tamura Group in the future.

