Sustainability Strategy

While formulating the 13th Medium-term Management Plan that ends in 2024, the year of our 100th anniversary, the Tamura Group also reviewed its long-term vision. We held repeated discussions grounded in our founding spirit and Corporate Philosophy, considered business issues, environmental and social issues, and issues for our stakeholders, and decided on "A leading company for realizing a decarbonized society that is highly valued in the global electronics market" as our "Aspiration for 2050" long-term vision.

Under our "Energize the Future 100" 13th Medium-term Management Plan, the first step toward achieving that vision, we view the global trend toward carbon neutrality as a business opportunity and are advancing reforms to create a robust future for our 100th anniversary and beyond.

As the Tamura Group expands worldwide, changes in the global environment, geopolitical changes, technological evolution, the growing importance of human capital, and other major changes in the business environment continue to occur. Amid this, we view agilely seizing opportunities and reducing risks as the foundation of corporate value. In our 13th Medium-term Management Plan, we are deepening the integration of our business strategies and sustainability and are working as a united company to advance our strategies.

Identifying materiality

We pursue our sustainability strategies in tandem with our business strategies, doing so with a focus on our materialities.

We carried out the identification of our materialities in a three-step process during the fiscal year ended March 2022, under our 12th Medium-term Management Plan. Referring to international CSR and ESG (Environmental, Social, and Governance) guidelines and indexes including the UN Global Compact, ISO 26000, and GRI (Global Reporting Initiative) Standards, as Step 1 we examined the Tamura Group's business domains and identified approximately 30 issues for evaluation as materiality candidates. In Step 2, we then evaluated those issues' degree of importance to stakeholders and to the Tamura Group. We evaluated importance to stakeholders based on surveys from stakeholders and feedback from divisions dealing with stakeholders. Regarding importance to the Tamura Group, we analyzed and assessed impacts on our business activities and management in terms of both risks and opportunities. In Step 3, we visualized the assessment results on a materiality matrix and, for issues of high importance to both stakeholders and the Tamura Group, identified materialities through deliberation by the Board of Directors.
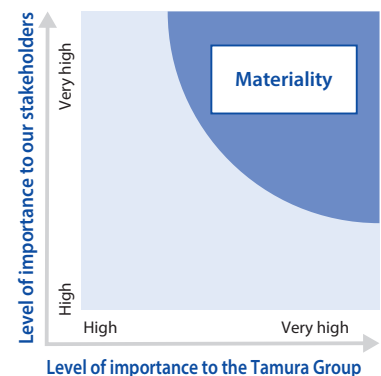
Eight materiality items and goals

Our current materialities were reviewed and set in line with the start of our 13th Medium-term Management Plan that plans an integration of business strategy and sustainability strategy, based on items identified during the period of the 12th Medium-term Management Plan. Our materialities are the eight items "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," and "Proactive information disclosure." For each item, we specify an ideal, set KPIs and quantitative targets, and undertake specific measures.

Sustainability Strategy

Promotion structure for sustainability strategy

In the domain of sustainability, the Tamura Group is working to advance strategies in the six areas of "compliance/ethics," "risk management," "human rights and labor," "environment," "quality," and "social contribution."

Regarding our governance and promotion structure in the area of sustainability, we took the transition of Tamura Corporation to the structure of a company with an Audit & Supervisory Committee in June 2023 as an opportunity to conduct a comprehensive review and redefine the roles of relevant corporate institutions. (See diagram at right)
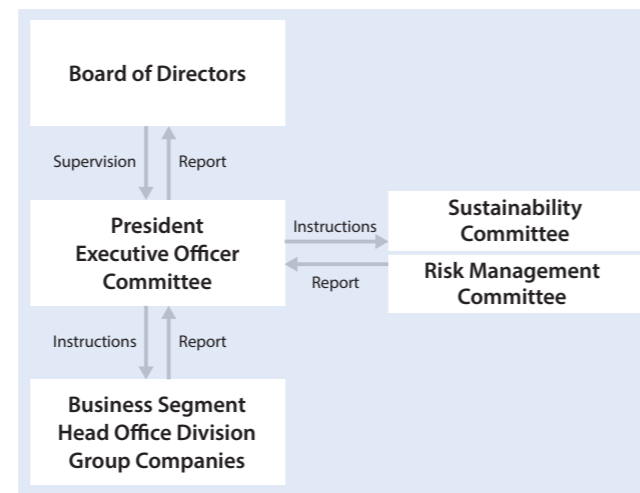
The Board of Directors is positioned as a supervisory body that decides basic policies and strategies concerning sustainability, and supervises their implementation. Executive divisions below the Executive Officer Committee that is chaired by the President carry out execution, with responsibility for the planning and implementation of specific measures. Following the change to our governance structure and based on discussions by the Board of Directors, we discontinued the Sustainability Management Committee positioned as an advisory body to the Board of Directors, and in April 2024 established the Sustainability Committee as a subcommittee of the Executive Officer Committee. This action was taken to clarify that executive divisions will engage in the integrated promotion of not only business strategy but also sustainability strategy, and to strengthen the driving force for doing so. The members composing the Sustainability Committee are the same as the members of the Executive Officer Committee.

We have begun operating the Sustainability Committee as a specialized committee for properly discussing cross-departmental and medium- to long-term issues and measures, including the promotion of our materialities. The committee generally meets twice a year to manage the progress of our sustainability strategy, deliberate on related agenda items, and report to the Executive Officer Committee, which in turn reports to the Board of Directors.

* This section contains information valid as of June 26, 2024.
* See p. 53 "Risk Management" for information on the Risk Management Committee.

〉 Governance structure diagram (April 2024 onward)

Progress of sustainability strategy

Looking at the status of our sustainability strategy grounded in our materialities, we must make further efforts to address delays in the progress of new product and new market sales ratios as set out under "Sustainable business growth," and to address increases in quality cost as set out under "Product quality improvement." In diversity of human resources, one of our indicators for "work fulfillment reform," we are struggling to grow the ratio of non-Japanese managers. Regarding the reduction of greenhouse gas emissions, a matter of particular focus within our materialities, we have achieved a renewable energy usage rate of 100% at our five main business sites in Japan (Head Office, Sakado, Iruma, Sayama, and Kodama) in the fiscal years ended in March 2023 and March 2024. At business sites overseas, too, we are expanding the use of solar power-based electricity and are taking major steps toward achieving our targets. In work fulfillment reform, a priority area together with the environment, the results of our global employee engagement survey improved by 7 points from the previous fiscal year through the promotion of internal communication, significantly exceeding our target of a 3-point improvement.

We will continue working to meet the targets set in the 13th Medium-term Management Plan and will enact measures with a focus on areas that are lagging.

〉 Goals and progress of our sustainability strategy

Materiality	Aspiration for 2050	FY2024 Target	FY2022 Result	FY2023 Result
(1) Sustainable business growth	Rooted in a corporate culture of constantly tackling things that are new or undone by others, we balance sustainable growth with solving social issues and achieve a presence valued by the world's electronics industry	Ratio of new product and market sales: 30%	12%	22%
(2) Product quality improvement	Based on our corporate culture in which the concept of quality first is a given, we continue to provide customers with products and services ranked the best in the world	Defect cost ratio: 15% reduction against the average during the 12th Medium-Term Management Plan period	52% increase	44% increase
(3) Proper supply chain management	We promote CSR procurement (labor, occupational health and safety, the environment, ethics, management system, etc.) and green procurement (environmentally friendly procurement, management of chemical substances in products, etc.) across the global supply chain	SAQ survey on key suppliers: 100%	Preparation of procurement guidelines/SAQ revisions	SAQ in progress
(4) Compliance	Across the Group, we understand our social responsibilities, observe laws, regulations, social norms, and corporate ethics, and are trusted by society as a member of the international community	Compliance training: 100%	94%	94%
(5) Fulfilling workplace	We are a company that people admire and where people come together (employees find pride, satisfaction, and happiness in work through respect for diversity and evaluation of individual employees from a fair perspective, regardless of race, nationality, gender, age, etc.)	(Global) Improvement of employee survey implementation score: 3 pt/year	Conducted survey for first time (to serve as a base for comparisons)	7 pt. improvement
		(Japan) Diversity promotion Ratios of female, non-Japanese, and mid-career employees in managerial positions: 10%, 5%, 50%	7.8%, 0.6%, 40.3%	9.9%, 0.6%, 42.2% (as of April 1, 2024)
(6) Co-existence with local community	We contribute to the development of countries and regions and are trusted as a member of the international community	Social contribution cost: 1% or more of ordinary profit	1.4%	1.1%
(7) Environmental protection & contribution to realization of a decarbonized society	We contribute to conservation of the global environment as a member of the international community (we aim for carbon neutrality (Scope 1, 2) globally and contribute to the realization of a decarbonized society throughout the supply chain)	Ratio of sustainability-contributing product sales: 27%	20%	24%
		Greenhouse gas (Scope 1, 2) reduction: 33% or higher (compared to 2013; standard values are adjusted for conditions at individual factories)	45%	39%
(8) Proactive information disclosure	We are trusted by stakeholders worldwide, are needed by society, and are able to meet the expectations of stakeholders	Publication of integrated report	Published integrated report for the first time	Issued with improvements
		Climate related disclosure based on TCFD	Started TCFD-based disclosure	Released with improvements

Environment

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 FY2023 in an attempt to improve its environmental performance and enhance environmental governance.

〉 **Promotion structure diagram (as of April 1, 2024)**

```
                    President
                       |
        General Environmental
        Managing Representative
                       |
        ┌──────────────┴──────────────┐
Chairperson of the Internal    Tamura Group
Environment Audit Committee     EMS Committee
                       |
        Head Office Functions/Business
        Divisions/Group Companies
```

GHG reduction target

Since FY2022, we have been working to achieve our re-set targets for greenhouse gas reduction (Scope 1, 2), doing so on the basis of 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.

In the procurement of renewable energy, we are working toward the introduction of solar power generation equipment and the strategic use of renewable energy certificates.

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.**

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.

TOPICS	**Introduction of solar power generation equipment at Tamura Electronics in Malaysia and Tamura Europe in the Czech Republic**

As a component of our efforts to reduce greenhouse gas emissions from our business activities, the Tamura Group introduced solar power generation facilities at Tamura Europe in the Czech Republic in July 2023 and at Tamura Electronics in Malaysia in October 2023. Through this initiative, the two companies are able to cover about 10% and 20% of their electricity usage, respectively, through renewable energy sources. The Tamura Group, will continue to promote the reduction of greenhouse gas emissions and contribute to the realization of a carbon-free society.

Tamura Europe (Czech Republic)　　Tamura Electronics (M)

Sustainability-contributing products

Aiming to contribute to a sustainable society, the Tamura Group works to minimize environmental impacts by conducting environmental assessments of products at the development and design stages. We also define products that are evaluated highly in environmental terms as "products that contribute to sustainability" and promote their development and sales. Products that contribute to sustainability include the following.

Heat dissipation ferrite (HDF) switching transformers that reduce the near magnetic field by 50%

High-capacity switching transformers used in power conditioners and fast EV chargers face demands for smaller size, higher efficiency, and higher frequency. There is also a growing need for solutions to the resulting effects of near magnetic field noise on peripheral components. Moreover, the dual active bridge (DAB) converter circuits and LLC converter circuits frequently used in recent years employ resonance coils to extract the leakage inductance required in circuits, a factor in cost increases.
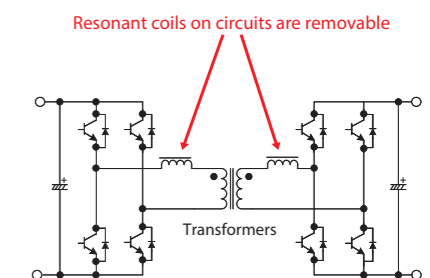
HDF switching transformers, developed to solve these problems, adopt a unique core shape to reduce the near magnetic field by 50%, achieving superior heat dissipation, small size, and high density. They adopt a split coil structure capable of reducing the magnetic coupling area between the primary and secondary windings, which easily enables optimal leakage inductance of about 10-20% leakage in circuits. This eliminates the need for resonant coils in circuits, which reduces costs, shrinks the installation footprint, and enables the miniaturization of devices.

HDF switching transformer
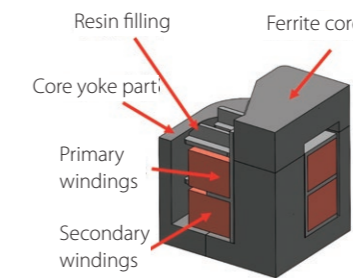
HDF switching transformer structure: Adopts unique core shape and a split coil structure for the primary and secondary windings

Resin filling　Ferrite core
Core yoke part
Primary windings
Secondary windings

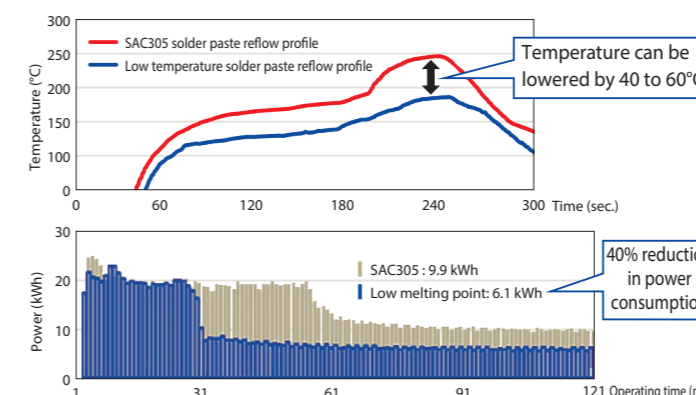Resonant coils on circuits are removable

Transformers

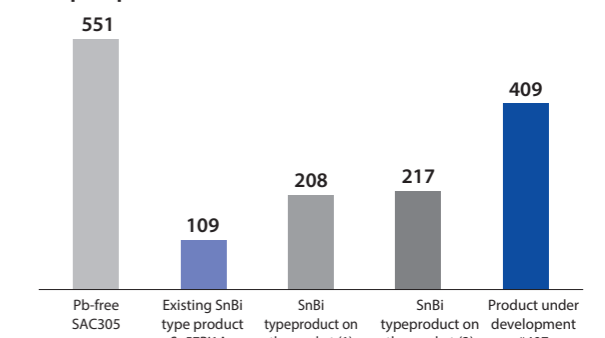**Example of bidirectional DAB circuit**

TLF407-LT01 solder for low-melting-point mounting (solder paste)

Amid growing interest in the sustainability of the global environment, low-melting-point solder that reduces the environmental impact of processes is coming under attention. Compared to conventional SAC305 (Sn-3Ag-0.5Cu) solder widely used in the market, the melting temperature of Sn-Bi-based solder is somewhat lower than its profile temperature, enabling reduced power consumption in the reflow process. Our estimates suggest a 40% reduction in annual power consumption.

Our new TLF407-LT01 uses a new alloy (Sn-Bi+α) that offers improved resistance to drop impact, an issue with Sn-Bi-based low-melting-point solder. It can also be used in atmospheric reflow processes that do not use nitrogen, reducing power consumption while contributing to reduced environmental impact.

SAC305 solder paste reflow profile
Low temperature solder paste reflow profile
Temperature can be lowered by 40 to 60℃

SAC305 : 9.9 kWh
Low melting point: 6.1 kWh
40% reduction in power consumption

〉 **Comparison of characteristic lifespans of alloys in drop impact tests**

Pb-free SAC305	Existing SnBi type product Sn57Bi1Ag	SnBi type product on the market (1)	SnBi type product on the market (2)	Product under development #407
551	109	208	217	409

Environment

Initiatives associated with our declaration of support for information disclosure based on TCFD recommendations

Governance

The Tamura Group is also tackling climate change as a component of sustainability. For that reason, our climate change governance structure is identical to that for sustainability governance. (➡ P.31 Promotion structure for sustainability strategy)

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 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. We address these risks through business continuity management (BCM) and through the operation of an alarm escalation system that promptly transmits information to the management team in the event of a loss or the possibility thereof.

With regard to opportunities, we recognize that business opportunities will increase due to factors including increased solar, wind power, and other renewable energy generation facilities, increased electricity demand associated with a shift from fossil fuel use to electricity use and the advance of the IoT, and development in emerging countries. To maximize these opportunities, we are advancing initiatives in power electronics, mobility, and the IoT, three fields that are core businesses of the Tamura Group as well as growth areas that contribute to carbon neutrality.

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 including 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 as a component of these risks under the governance structure described on P.31.

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.

Toward these targets, in FY2023 we undertook the reduction of electricity usage through energy saving in our in-house processes and promoted the installation of solar power generation facilities and the procurement of renewable energy, with the result that we greatly exceeded our reduction target of 30% for FY2023.

Item	FY2030 Target	Final fiscal year of Medium-term Management Plan FY2024 Target	FY2023 (Actual)
Decrease	51%	33%	39%

*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	Company-Wide 1.5°C 24	30	50	Company-Wide 4°C 24	30	50	Electronic Components 1.5°C 24	30	50	Electronic Components 4°C 24	30	50	Electronic Chemicals & FA Systems 1.5°C 24	30	50	Electronic Chemicals & FA Systems 4°C 24	30	50
Physical risk	Acute	Intensifying natural disasters				1	3	3				1	3	3				1	3	3
	Chronic	Negative impact on 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			
		Decrease in corporate value due to insufficient disclosure, difficulty in securing human resources, and reduction/suspension of dealings due to insufficient 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			
		Increased demand for products associated with various regulatory tightening							1	3	2				1	3	2			
	Reduction of greenhouse gas emissions	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															
		Higher-efficiency and decarbonization of our business activities achieved through the use of 5G and IoT technology	2	3	3															
	Enhancement of corporate value/Securing of human resources	Enhancement of corporate value through appropriate information disclosure and stable securing 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

▌ Initiatives for the supply chain

Guidelines for Responsible Corporate Conduct in the Supply Chain

The Tamura Group undertakes supply chain management in collaboration with business partners to develop sustainable business by providing products and services that satisfy customers.

In March 2007, we established the Tamura Group Procurement Guidelines and set a policy of conducting materials procurement from a global perspective as a global company, and of pursuing profit creation with companies that demonstrate understanding of the Tamura Group's vision and with which we can build lasting partnerships. Based on changes in the external environment and requests from stakeholders, we subsequently revised the content of the Tamura Group Procurement Guidelines and reissued them in 2023 under the name "Guidelines for Responsible Corporate Conduct in the Supply Chain."

Initiatives for proper supply chain management

"Proper supply chain management" is one of the materialities (key issues) at the center of our sustainability strategy. Under our 13th Medium-term Management Plan, we aim to achieve a 100% Self-Assessment Questionnaire (SAQ) implementation rate with respect to major suppliers.
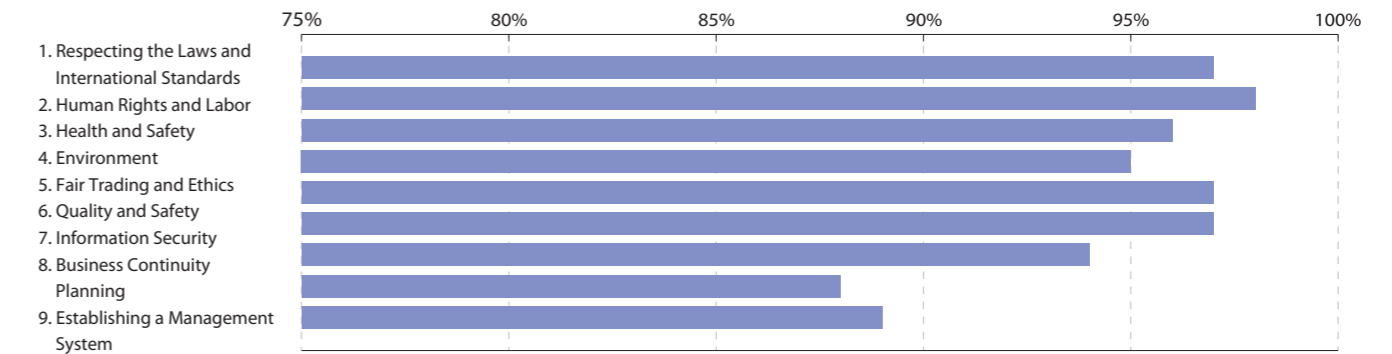
In the fiscal year ended March 2024, we identified business partners accounting for 80% of total global transaction amounts by business division, and named these major suppliers. We request that these partners conduct SAQ-based self-checks based on our Guidelines for Responsible Corporate Conduct in the Supply Chain.

The response rate was 76% as of the end of March 2024. However, while challenges exist in terms of the construction of business continuity and management structures, responses were otherwise generally good. We will aim to achieve a 100% response rate, tackle improvements to challenging areas in cooperation with business partners, and promote the enhancement of sustainability throughout the supply chain.

〉 SAQ questions

| Category	Question
1. Respecting the Laws and International Standards	(1) Respecting the Laws and Internationally Recognized Standards
2. Human Rights and Labor	(2-1) Prohibiting Forced Labor, (2-2) Prohibiting Child Labor and Respecting the Rights of Young Workers, (2-3) Decent Working Hours, (2-4) Adequate Wages and Allowances, (2-5) Prohibiting Inhumane Treatment, (2-6) Prohibiting Discrimination, (2-7) Freedom of Association and Right to Collective Bargaining
3. Health and Safety	(3-1) Occupational Safety, (3-2) Emergency Preparedness, (3-3) Occupational Injury and Illness, (3-4) Industrial Hygiene, (3-5) Physically Demanding Work, (3-6) Machine Safeguarding, (3-7) Health and Safety at Facilities, (3-8) Health and Safety Communication, (3-9) Worker Health Management
4. Environment	(4-1) Environmental Permits and Reports, (4-2) Reducing Energy Consumption and Greenhouse Gas Emissions, (4-3) Air Emissions, (4-4) Water Management, (4-5) Effective Utilization of Resources and Waste Management, (4-6) Chemical Substance Management, (4-7) Managing the Chemical Substances Contained in Products
5. Fair Trading and Ethics	(5-1) Preventing Corruption, (5-2) Prohibiting Inappropriate Provision and Improper Benefit, (5-3) Fair Information Disclosure, (5-4) Respecting Intellectual Property, (5-5) Conducting Fair Business, (5-6) Protecting Whistleblowers, (5-7) Responsible Minerals Procurement
6. Quality and Safety	(6-1) Ensuring Product Safety, (6-2) Quality Management, (6-3) Providing Accurate Information on Products and Services
7. Information Security	(7-1) Defense from Cyber Attacks, (7-2) Protecting Personal Information, (7-3) Preventing Leak of Confidential Information
8. Business Continuity Planning	(8-1) Developing and Preparing a Business Continuity Plan
9. Establishing a Management System	A. Establishing a Management System, B. Supplier Management, C. Proper Import/Export Control, D. Establishing a Grievance Mechanism, E. Disclosing the Activities

〉 SAQ results (scoring)

1. Respecting the Laws and International Standards
2. Human Rights and Labor
3. Health and Safety
4. Environment
5. Fair Trading and Ethics
6. Quality and Safety
7. Information Security
8. Business Continuity Planning
9. Establishing a Management System

TOPICS **Announcement of our Declaration of Partnership Building**

To promote the creation of new value throughout the supply chain while addressing social demands by further strengthening and continuously tackling the creation of better relationships and sound dealings with business partners, Tamura Corporation announced its "Partnership Construction Declaration."

パートナーシップ
構築宣言
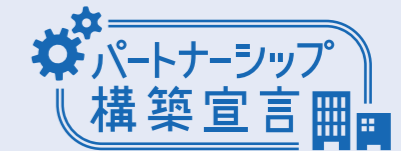
▌ Quality

Under the policy of "Creating Correct, Quality Products," the Tamura Group is advancing quality improvement activities to further enhance customer satisfaction while constructing an optimal quality management system for each business segment.

Based on our recognition that quality is indispensable to the sustainable advance of our business, in January 2021 we revised the Tamura Group Quality Policy to foster a corporate culture in which the concept of quality first is a given. The revised Quality Policy sets "Creating Correct, Quality Products", a concept that has been incorporated into the name "Biltrite" since our founding, as the Group's guiding compass. Moreover, in our Eight Articles of Manufacturing for production and 10 Rules of Design for development, we set out concrete conduct guidelines based on this Quality Policy. Through this, we aim to entrench Tamura's quality culture that will transcend generations.

In the fiscal year ended March 2024, we produced short explanatory videos and used in-house newsletters to make our Quality Policy known within the Company. Using quality reviews by top management based on quality management, we also created and deployed a checklist to quantitatively assess the policy's degree of penetration. We will continue undertaking actions to further improve quality across the Group.
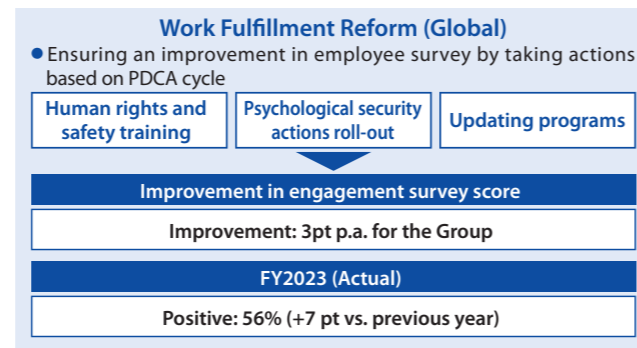
Human Capital

Jun Bamoto

SVP & CHRO
Director of Human Resources &
General Administration Division

The Tamura Group believes in the importance of the human resources who shoulder the promotion of business goals and the achievement of sustainable business. We are accordingly promoting a human resources strategy under the aims of "a company that people admire" and "a company where people gather."
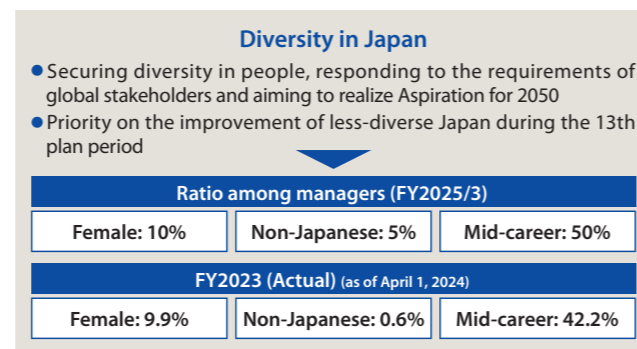
Work fulfillment reform

To continuously enhance our corporate value, we believe that it is crucial for everyone within the Tamura Group to work with vitality, find fulfillment in their roles, and maximize their potential. With this in mind, we are advancing work fulfillment reforms in a global scale. To measure the effectiveness of reforms, from FY2022 we have been conducting engagement surveys covering 26 domestic and overseas companies and about 2,700 people. The score for FY2023 improved to 56% from 49% in FY2022 (+7 pts). The survey's participation rate has also improved from 60% to 80%. From here on out, we will continue analyzing the voices of ever more employees as we work to realize environments for working energetically with fulfillment.

Work Fulfillment Reform (Global)
- 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

FY2023 (Actual)

Positive: 56% (+7 pt vs. previous year)

Diversity in human resources (Japan)

Aiming to be a company that meets the expectations of global stakeholders, we actively promote the appointment of women, non-Japanese, and mid-career hires to managerial positions in Japan, where diversity remains relatively limited compared to our overseas sites. The results for the fiscal year ended March 31, 2024 are shown in the chart. While issues remain with the ratio of non-Japanese managers, we made progress toward achieving targets. We will continue to tackle further development of the environment as we aim to achieve a company where diverse talent can play active roles.

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%

FY2023 (Actual) (as of April 1, 2024)

Female: 9.9%	Non-Japanese: 0.6%	Mid-career: 42.2%

Efforts to enhance human capital

Development of the next generation of management

We are working to develop the next generation of management that will lead the Tamura Group in the future. Following the introduction of our CXO structure in June 2023, we established the positions of CSO, CHRO, and CLO in June 2024 and are working to strengthen our executive structure. At the same time, we clarified the ideal profile for directors and executive officers. We further established a new Human Resources Development Committee and built a structure for systematically developing future management at the Company-wide level.

This committee evaluates and develops future management candidates who are selected in accordance with human resource pooling standards. It further formulates succession plans for key positions and career development plans that encompass young candidates at the section chief and senior staff levels. Through initiatives that envision end-to-end career paths all the way up to top levels, we will promote greater activation of human resources across the Company.

Psychological safety

To achieve work fulfillment for every employee and to ensure workforce diversity in Japan, we believe it is essential that we create an organizational culture where psychological safety is guaranteed. In 2019, we began activities to instill psychological safety and completed psychological safety training for all employees, including officers, by FY2021. From FY2022, we have held psychological safety workshops every six months with participants from all of our business sites in Japan, including affiliated companies. Over the two years through the fiscal year ended March 2024, about 70 people have participated. We plan to reach a total of 100 participants by the end of FY2024, and continue to promote the penetration of psychological safety at business sites after workshops have ended. From FY2023, we have also been developing measures through a multi-layered approach that includes selective training for managers on management techniques for enhancing psychological safety, and collaborative workshops by our manufacturing divisions and other manufacturers. Through these efforts, we are working to reform our corporate culture, create workplaces where all employees strive for greater heights, and raise the level of our organizational capabilities.

Career support for every employee

We wish to achieve a company in which every employee can work with fulfillment and energy, and to ensure that every employee has opportunities to regularly reflect on what "work fulfillment" means to them. Accordingly, we revised and enriched our career design training, originally focused mainly on employees in their 50s, to create a training program that also encompasses employees in their 20s to 40s, so that they can address specific career challenges of each age group. We also support the growth of independent-oriented employees through permanent internal job posting and career challenge systems.

Health and productivity management initiatives

To create a workplace where employees experience fulfillment, we promote health and productivity management grounded in the idea that the health of the Tamura Group's employees is the foundation for management. Drawing attention to the issue of sleep, identified from the past health checkup results, we have implemented emplyee training aimed at improving sleep quality, as well as measures to reduce overtime in the fiscal year 2023. With the increase in telework during the COVID-19 pandemic, back pain in employees caused by lack of exercise has also become a health issue. In FY2023, we held a seminar on back pain as a part of our support for employee health promotion.

* In March 2024, we received Health & Productivity Management Outstanding Organization 2024 (Large Enterprise Category) certification.

Seminar on back pain at the Sakado Factory

Creating an environment that supports diverse work styles

To date, we have implemented various systems to support diverse work styles such as telework, multipurpose paid leave for childcare, caregiving, and volunteering, time-based leave, and systems allowing full-time employees to limit their work location and hours. We have gradually expanded measures that meet employees' diverse workstyles, along with support for balancing work with family life. In particular, the postpartum paternity childcare leave system launched in October 2022 has helped raise the rate of men taking childcare leave from less than 10% in FY2021 to over 30% in FY2022 and FY2023. This marks a significant step toward the penetration of diverse values within the company.

Employee taking paternity childcare leave