

# 2024

## *Energize the Future 100*



SUSTAINABLE  
DEVELOPMENT  
GOALS



# Energize the Future 100

## Making impressive products without flaws for 100 years and beyond

Tamura Corporation celebrated its 100th anniversary on May 11, 2024.

It is through the support of our customers, shareholders, and other stakeholders, as well as our predecessors and employees in the Company, that we have been able to overcome numerous changes in the business environment to arrive at this day. We want to express our heartfelt gratitude to you all.

At the time of its founding, our Company began with the production and sale of radios and electronic components. Today we supply products and services that meet varied market needs in three fields of business: Electronic Components, Electronic Chemicals/FA Systems, and Information Equipment. We have tackled product development under the single-minded pursuit of our founder's philosophy: "Our products must be world-class. That must absolutely be our lifeblood."

We are confident that the core competencies we have thus cultivated will build our next 100 years.

Beyond our 100th anniversary, too, we will tackle the turbulent changes of the times while carrying forward our positive corporate culture, taking "your one and only company," our corporate slogan, as our guiding principle. As a global company that makes contributions to the world, we will continue to grow from here on out.



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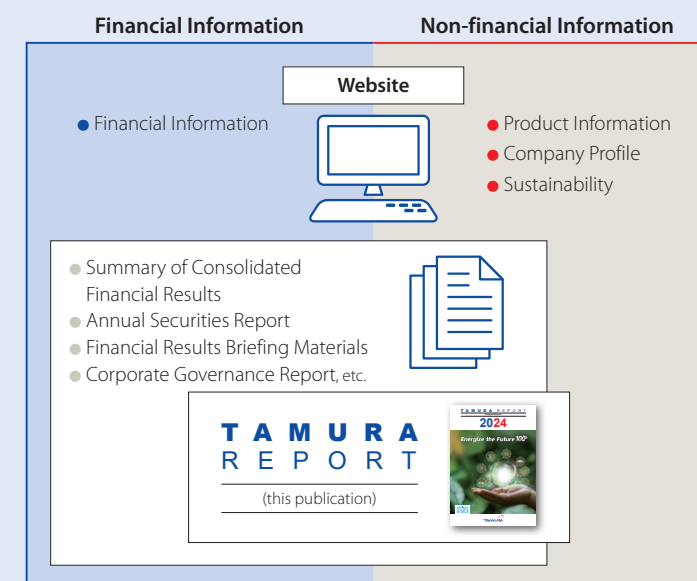
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### Information Schema



### Editorial Policy

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

### Period covered

April 01, 2023 to March 31, 2024  
(Includes some activities in or after April 2024)

### Month of publication

December 2024

### Guidelines used as reference

IFRS Foundation, "International Integrated Reporting Framework"  
Ministry of Economy, Trade and Industry, "Guidance for Collaborative Value Creation 2.0"

### Contact information

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



# 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

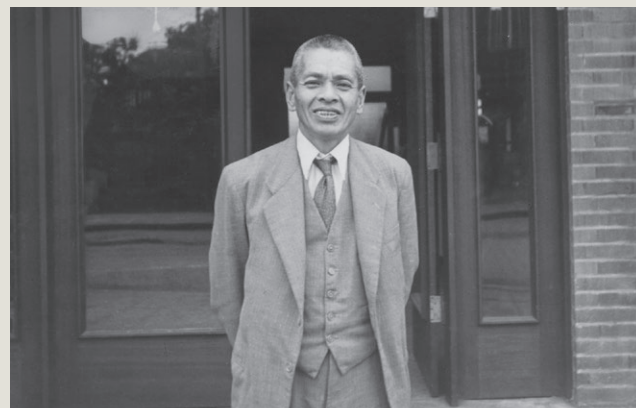
#### Action guidelines

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

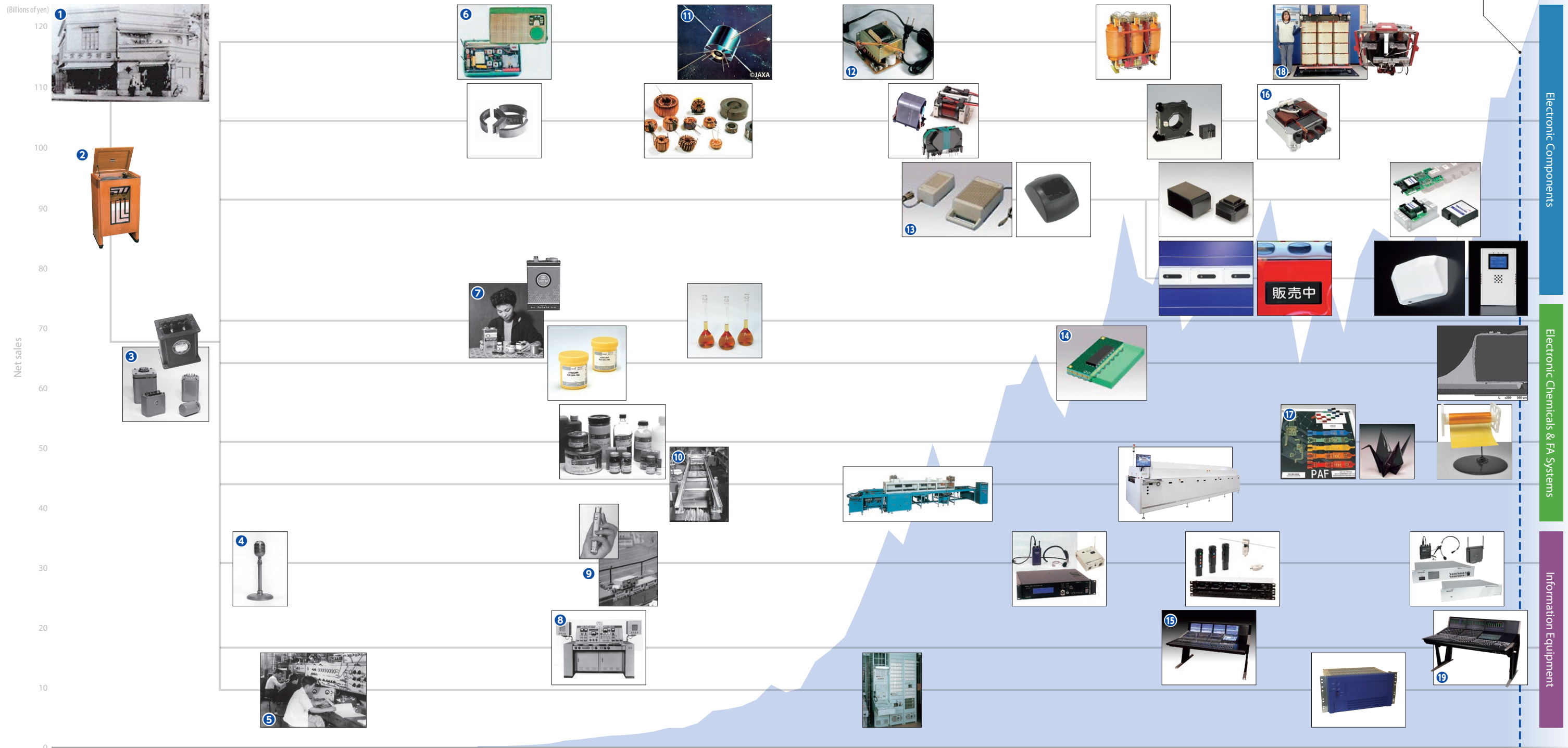
Our founder Tokumatsu Tamura admired the advanced science and technology of the United States. At the age of 20, he traveled alone to the U.S. to hone his skills as an engineer at Ford in Detroit. Upon returning to Japan, he had the opportunity to attend experimental radio broadcasts and, foreseeing 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

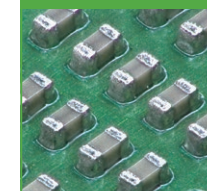


Highly-reliable solder paste which prevents cracking even under harsh temperature conditions

#### Highly reliable solder resists

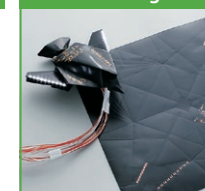
### In Smartphones and Tablet Devices

#### 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

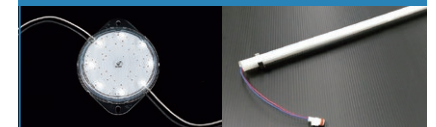
#### Audio mixing console DECT-based Intercom



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



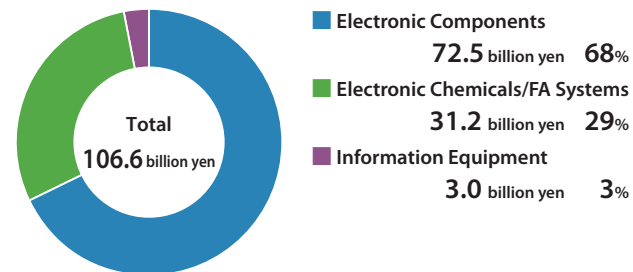
Sensors monitoring people's activities and level of comfort indoors



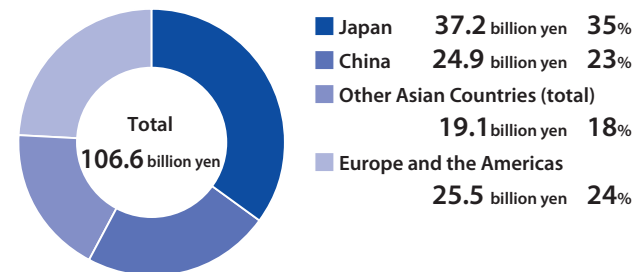
## The Tamura Group at a Glance

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.

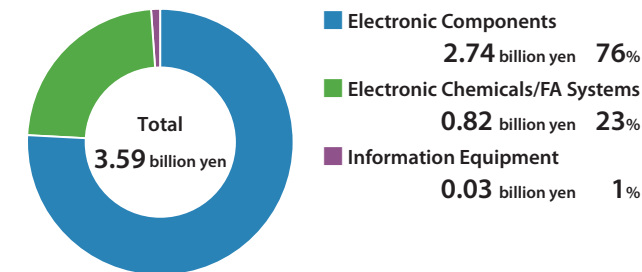
FY2023 Sales by Business



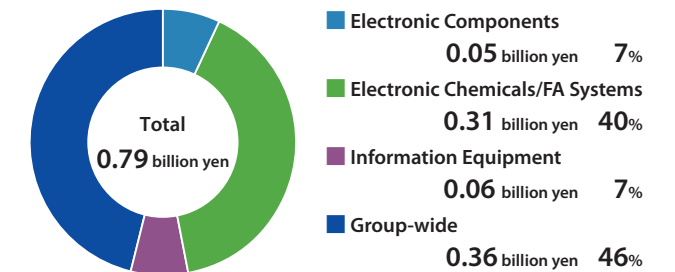
FY2023 Sales by Region



FY2023 Capital Expenditure



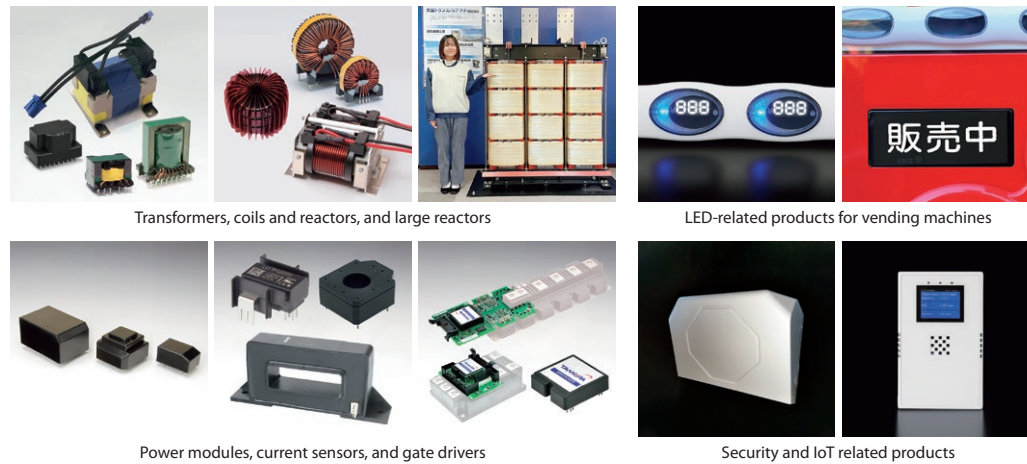
FY2023 R&amp;D Expenses



### Electronic Components

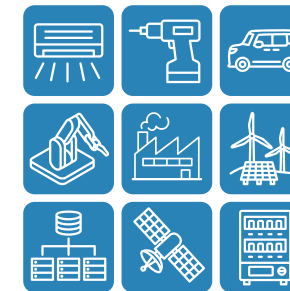
#### Main products

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

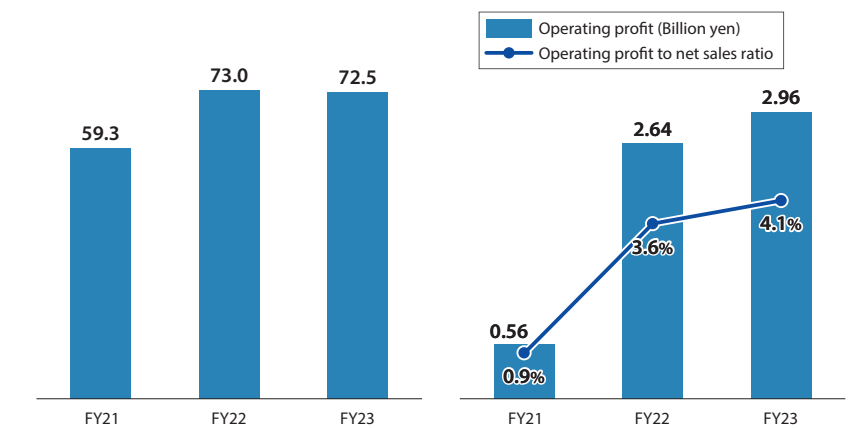


#### Applications

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



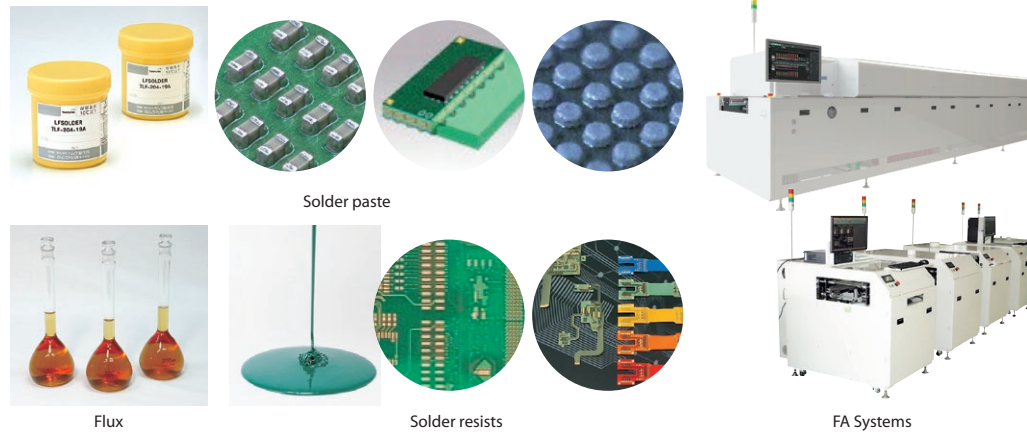
Sales (billion yen)



### Electronic Chemicals & FA Systems

#### Main products

Solder paste  
Flux  
Solder resists  
FA Systems  
etc.

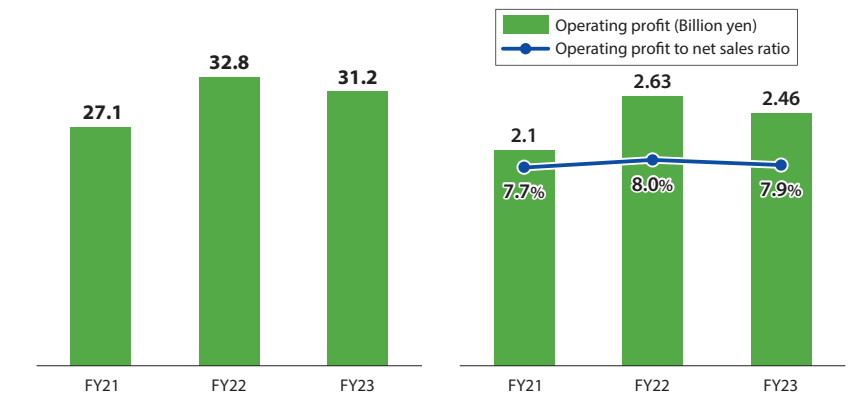


#### Applications

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



Sales (billion yen)



### Information Equipment

#### Main products

Audio mixing console  
Wireless intercom  
Wireless microphone  
etc.

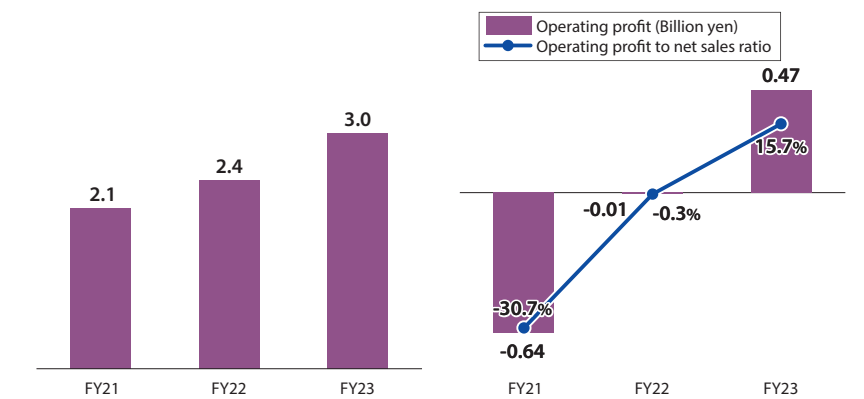


#### Applications

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



Sales (billion yen)

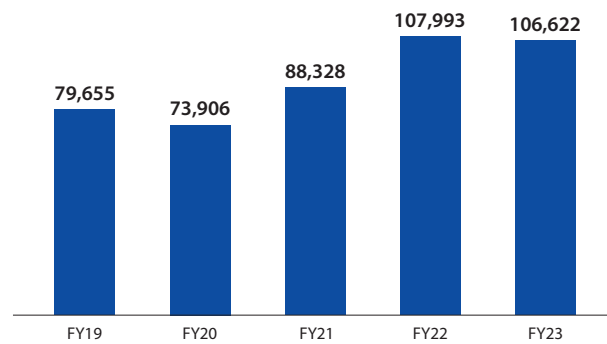




# Main Financial and Non-financial Data

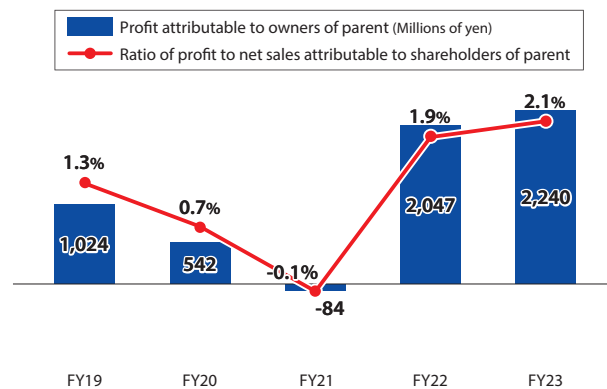
## Consolidated Financial Results

### › Net sales (million yen)



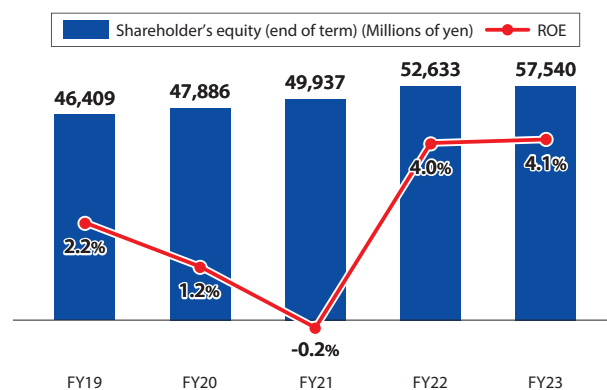
Looking at results by region, business conditions remained stagnant in China and Europe but solid in the North American market. In results by market, while automotive-related production activities continued their recovery trend, home appliance- and industrial equipment-related demand remained sluggish.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

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



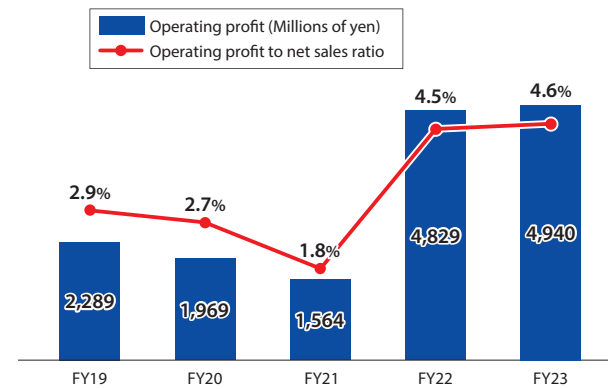
Although an extraordinary loss was recorded due to the pension buyout at our UK subsidiary, profit and profit margin increased in FY2023 due to causes including increased ordinary profit from increased operating profit and the recording of foreign exchange gains.

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



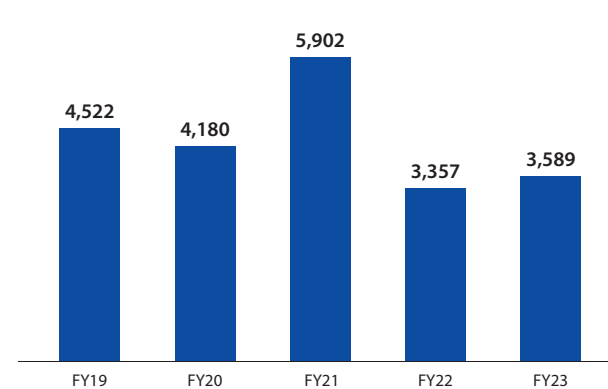
ROE in FY2023 was unchanged from the previous year, as shareholders' equity increased due to factors including an increase in retained earnings and foreign currency translation adjustments affected by the weaker yen.

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



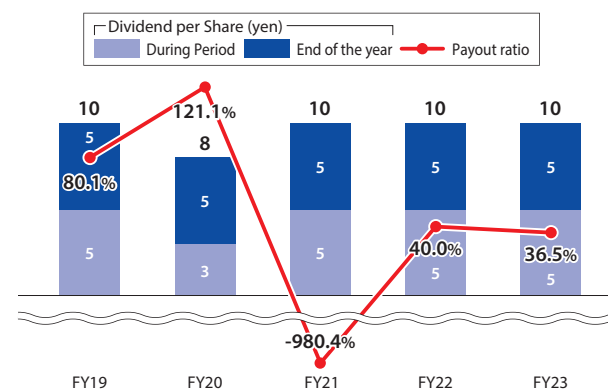
Although expenses have increased due to core system upgrades and other costs, profit increased in FY2023 while profit margin remained at the level of the previous year due to factors including improvement in the sales composition of the Electronic Components business, increased sales in the Information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

### › 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.

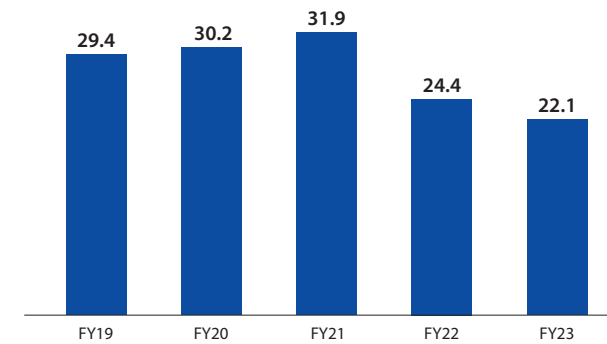
### › Dividend per share/Payout ratio



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

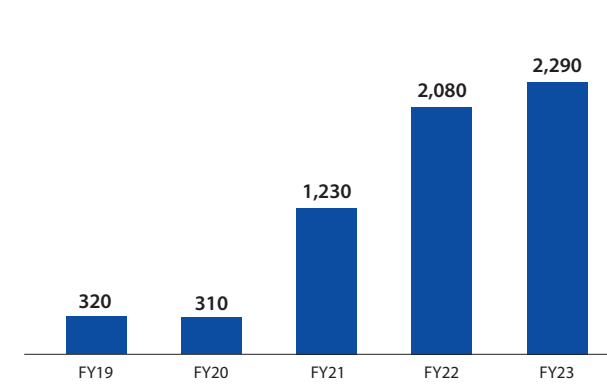
### › Greenhouse gas emissions (Scope 1, 2) (1,000 t-CO<sub>2</sub>)



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.

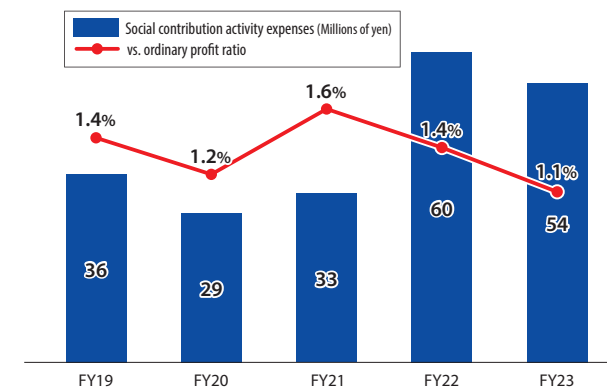
\*Emission factors: Japan (market basis), others (IEA Emission Factors 2023)

### › 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.

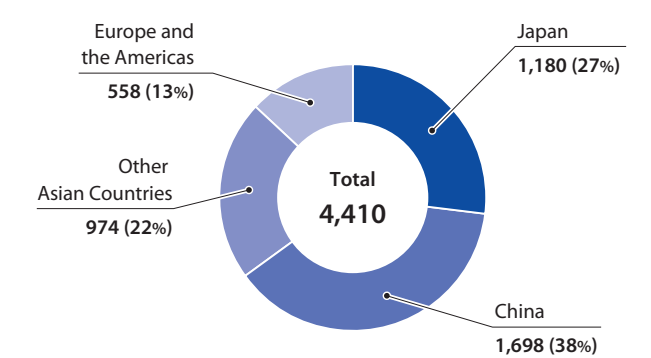
### › Social contribution activity expenses (consolidated)



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.

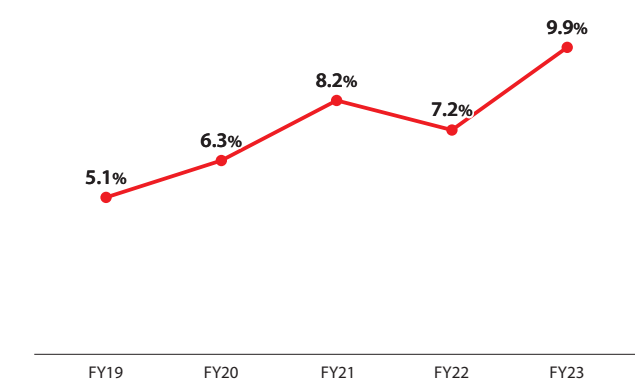
\* Calculated by converting payroll costs of those who are involved in offering money, goods, or facilities, and activities into monetary amounts

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



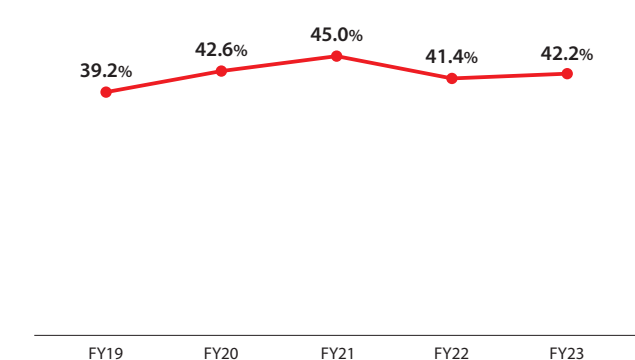
Our overseas base employee ratio is 73%. The percentage is higher in Asia where our major factories are sited, but it is also rising in Europe and the Americas as sales and production increase in those regions.

### › 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.

### › 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

Changes in the times surrounding the Tamura Group

Globalization

Decoupling

Yen depreciation

Changes in technologies and markets

Low birthrate and aging population

Human resource shortages

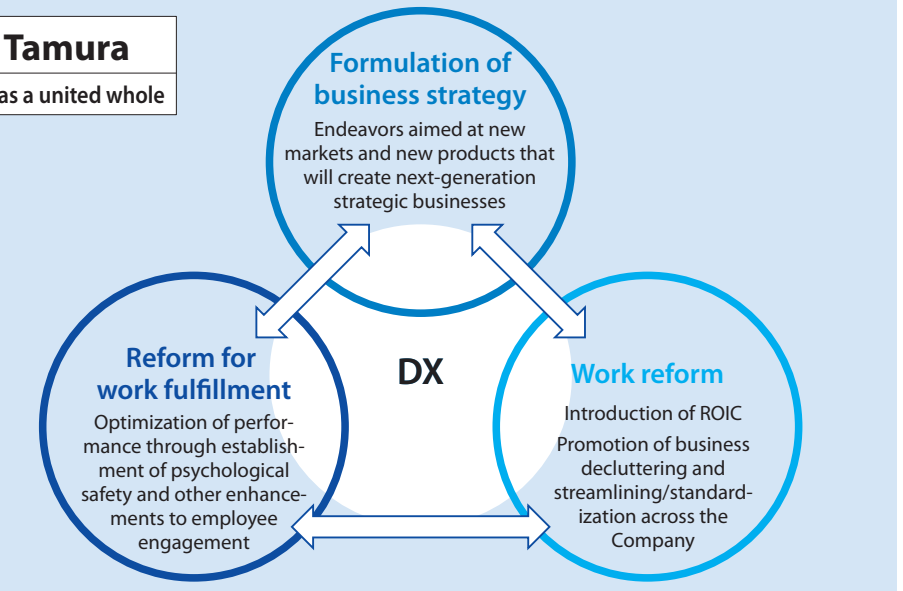
Diversification of values

Work-life balance

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

**One Tamura**

Our Group as a united whole



### 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

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

#### Corporate Governance

→P.43

#### Corporate Philosophy

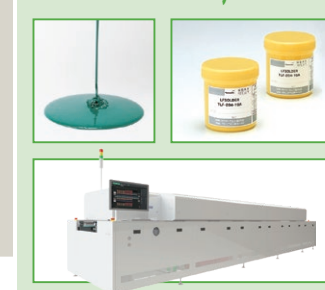
→P.03

### 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



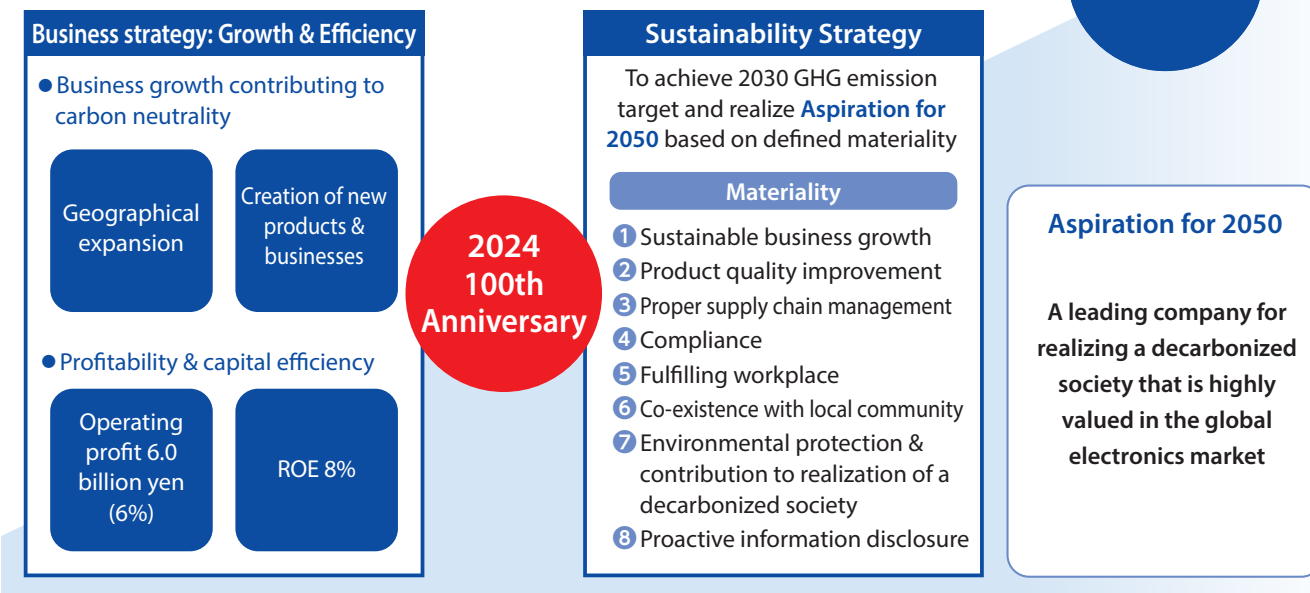
**In the final year of the 13th Medium-term Management Plan, we will tackle remaining issues head-on.**

**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

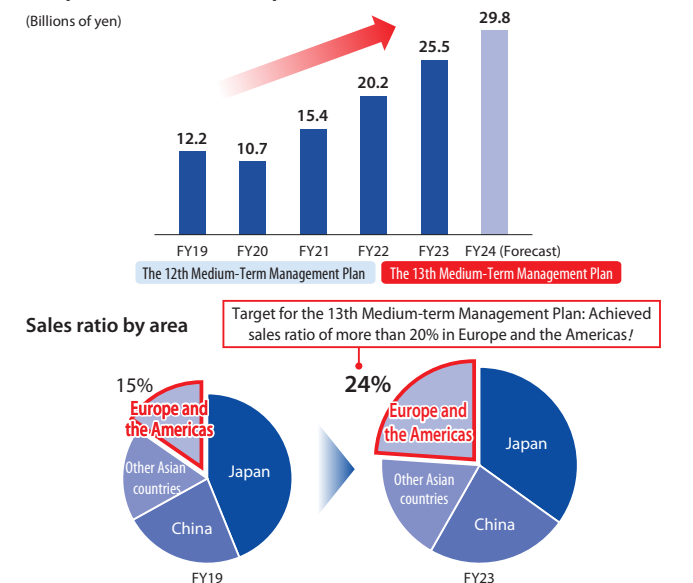
In the plan's first year of FY2022, we made a strong start that exceeded the targets of the plan amid firm demand, price revisions, and exchange rates impacts. In FY2023, however, the relaxation of stay-at-home demand and slowdown in the Chinese market caused demand to fall. Together with the recording 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	
Financial targets	FY2022 Plan	FY2022 Result	FY2023 Plan	FY2023 Result	FY2024 Plan	FY2024 Forecast	14th Mid-Term Management Plan and beyond		
	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	130 bn yen or more	
	ROIC		3.8%		3.8%	6%	4.3%	8%	

### 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.

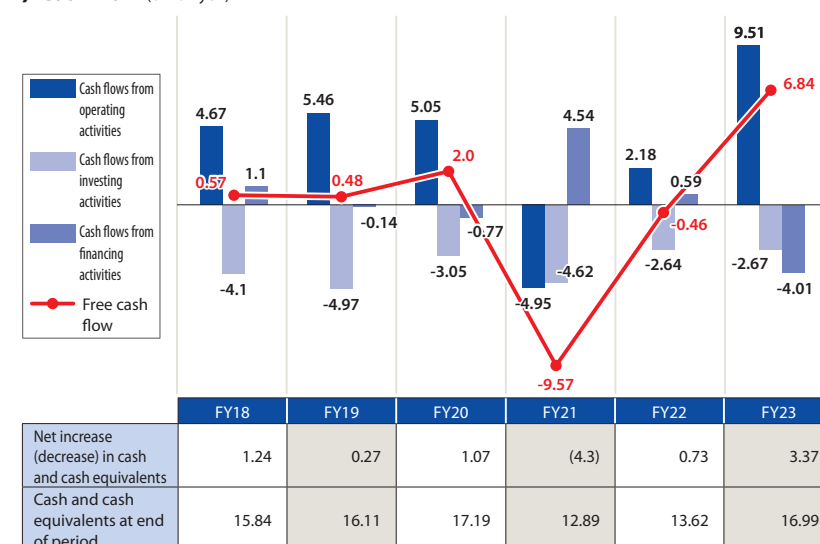
## Balance Sheet and Cash Flows (billion yen)

	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	Full-year change
Net sales		106,622	112,000	5.0%
Operating profit (Operating profit to net sales ratio)		4,940 (4.6%)	5,200 (4.6%)	5.3%
Ordinary profit		4,956	5,000	0.9%
Profit attributable to owners of parent		2,240	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	—
Payout ratio		36.5%	24.3%	(12.2pt)
ROE		4.1%	5.8%	1.7pt
ROIC		3.8%	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.

## 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.

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

	FY23	FY24		
	Result	Forecast	Increase (Decrease)	Percentage 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.



## R&D and Intellectual Property



**We will concentrate the collective strength of the Tamura Group to lay a new foundation for our next 100 years**

**Shoichi Saito**

Director, EVP & CTO

### 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

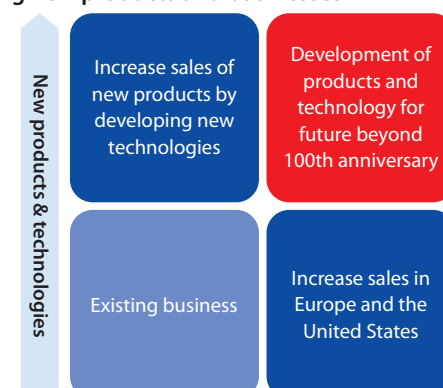
Under our "Energize the Future 100" 13th Medium-term Management Plan that runs through FY2024, we are focused on the three fields of power electronics, mobility, and the IoT, all business domains in which we can make contributions to carbon neutrality with medium- to long-term growth as our aim. Leveraging 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

project in 2020 to promote the strategy. Our intent is the creation of a new cornerstone for providing competitive products that can contribute to a decarbonized society, and the rebuilding and expansion of business based on this. We are tackling this through One Tamura, which concentrates the collective strength of the Group with a focus on the young generation.

### 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.

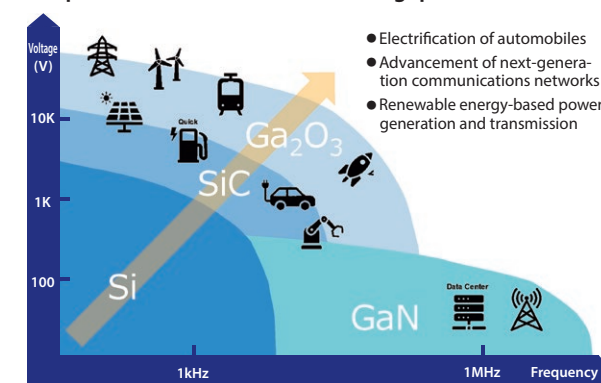
In April 2022, the Electronic Components business and Electronic Chemicals/FA Systems business, our two major businesses, established the R&D Strategy Division as a shared research and development department aimed at the creation of new businesses and products. In collaboration with Tohoku University,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

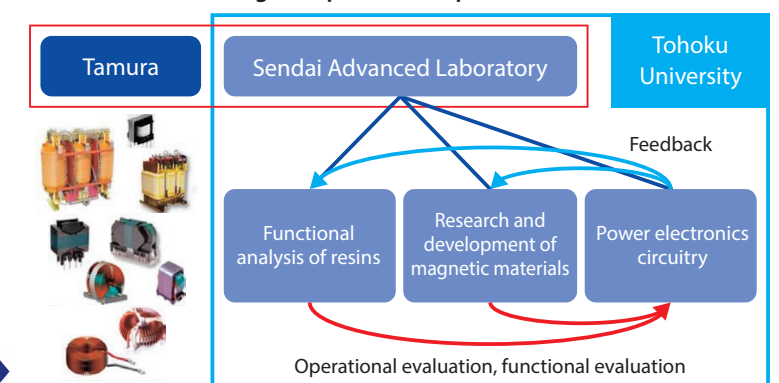
The Sendai Advanced Laboratory conducts research and development of new magnetic materials, AI-based analysis of resin functions, and operational and functional evaluation of prototype components incorporating these new materials into power electronics circuits, with a view toward social implementation.

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.



# Electronic Components



By creating the future of power electronics through speedy global development of electronic components that support high efficiency and high reliability, we will contribute to the realization of a decarbonized society



Ryo Nakatsu

SVP  
Director of Electronic Components Business Sector

## Our hopes for medium- to long-term growth

As market needs undergo rapid change aimed at the realization of a decarbonized society, our division aims for sustainable business growth through the speedy global deployment of electronic components that support high efficiency and high reliability in the power electronics market and in the electric railway and other mobility markets. Particularly in the European and U.S. regions where markets aimed at the realization of a decarbonized society are growing, we will work to further enhance our global presence through the provision of total solutions that include current sensors and gate driver modules for semiconductor drives together with large transformers and reactors. Amid the progress of technological innovation in the next-generation power semiconductors that promise to achieve power saving, we will reinforce our business foundation by strengthening our initiatives to develop products that support higher frequencies and larger capacities, and by optimizing our global production structure, including supply chains.

## Financial Targets for FY2024

Consolidated sales

72 billion yen

Operating profit

3.6 billion yen

Operating profit to net sales ratio

5.0%

## Core competencies (business strengths)

- ◆ **Technologies**
  - Technical capabilities that meet market needs for key parts used in power conversion equipment
  - Provision of wide-ranging solutions that span magnetic materials to components and modules
- ◆ **Production**
  - Global production structure adapted to local content requirements
- ◆ **Sales**
  - Building of strong relationships of trust with customers
  - Account management capabilities for global customers
- ◆ **Structures**
  - Global supply and service structure
- ◆ **Human Capital**
  - Fusion of young employees and senior management with extensive global experience
  - National staff well versed in characteristics of their areas at overseas bases

## Business Strategy

- ◆ Aim to expand business by flexibly meeting diverse needs in an uncertain business environment
- ◆ Work to expand the semiconductor drive module business and large transformers and reactors business through product development and geographical market expansion

Robust of CN market

Market and geographical growth

Profitability improvement

### Robust carbon-neutral market

- Mobility: boosting reactors, transformers/coils for battery chargers (in-vehicle and stationary types)  
High voltage/frequency gate drivers, EMC enhanced current sensors
- Energy: large-size transformers and reactors, gate drivers

### Market and geographical growth

- Europe and U.S.:  
Large transformers and reactors for the renewable energy market and data center market  
Gate driver modules and current sensors for the renewable energy market and HVDC market

### Profitability improvement

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

## Business highlights

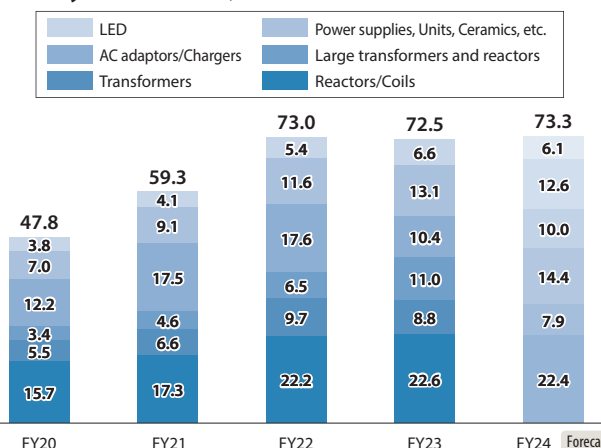
### Business summary for FY2023

Against the backdrop of stay-at-home demand running its course and slowdown in the Chinese market, chargers for power tools, reactors for air conditioners, and transformers and reactors for industrial machinery remained sluggish throughout the fiscal year as the impacts of inventory adjustments by major customers continued. At the same time, sales of automotive boosting reactors and LED products for vending machines increased as semiconductor shortages eased. In the U.S., large transformers and reactors for data centers remained strong. As a result, sales decreased to 72.535 billion yen (down 0.6% year-on-year), while segment profit increased to 2.959 billion yen (up 12.0% year-on-year) due to improved sales composition.

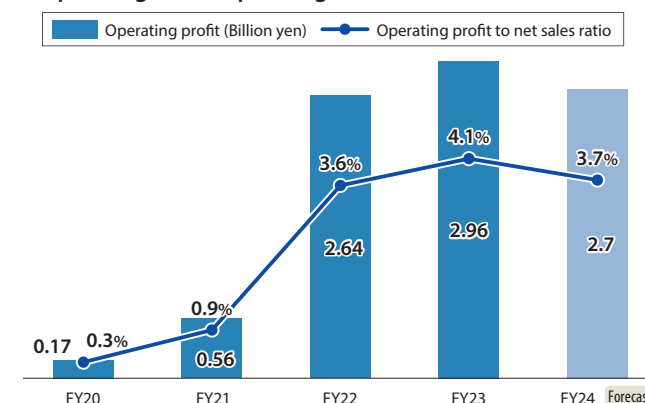
### Business performance forecast for FY2024

Orders are recovering in products including chargers for power tools, reactors for air conditioners, and transformers and reactors for industrial machinery, and we expect increases heading into the second half of the fiscal year. Demand for large transformers and reactors for data centers in the U.S. is expected to remain strong. To meet growing demand, we increased production capacity for products in Mexico, launching full-scale production in March 2024. At the same time, we expect sales of LED products for vending machines to decrease as upgrade demand runs its course. Based on the above, we expected increased sales but a slight decrease in profit.

### Sales by Product (billion yen)



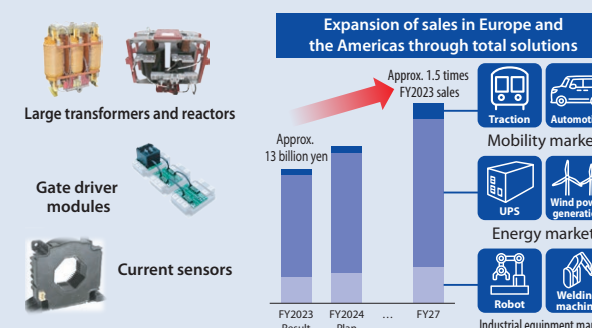
### Operating Profit/Operating Profit to Net Sales Ratio



## TOPICS

### Sales expansion strategy in the European and U.S. markets

In the European and U.S. markets, we are expanding sales by positioning large transformers and reactors, gate driver modules, and current sensors as strategic products. These components are the primary determinants of the characteristics of power electronics systems. Leveraging the strength of our ability to comprehensively supply key components, we aim to expand sales to railway and other mobility markets, power generation and power distribution system markets, and factory robot and other industrial equipment markets.



### Large transformers and reactors

In the North American market, renewable energy-related demand is growing following the enactment of the 2022 U.S. Inflation

Reduction Act, along with data center-related demand amid the proliferation of generative AI. To meet increasing orders for large transformers and reactors due to the market expansion, we have increased the production capacity of our Mexico factory.

### Expansion of production capacity at Mexico factory

- From March 2024:  
Approx. 1.5-fold expansion in production capacity (compared to FY2023)
- From second half of 2024:  
Approx. double production capacity expected (compared to FY2023)



### Gate driver modules

We are aiming for growth in the power semiconductor market, which is expected to expand five-fold between FY2022 and FY2035. We are engaged in technical collaboration in product development, joint matching evaluations, and other forms of collaboration and co-creation with a number of domestic and overseas power semiconductor manufacturers. In Europe in particular, we are targeting markets for renewable energy and for mobility, including electric railways.



We contribute to the advancement of a sustainable electronics industry by providing environmentally friendly materials and equipment through the mastery of high-reliability joining technologies and insulation technologies that support high-density mounting.



**Yoshiharu Soga**

SVP Director of Electronic Chemicals/  
FA Systems Business Sector

## Our hopes for medium- to long-term growth

Our Electronic Chemicals/FA Systems business consists of two businesses – soldering systems (mounting systems) and materials including solder (joining material) and solder resist (insulating material) – that are capable of generating synergistic effects on the circuit boards used in electronic products. Our long track record of supplying reliable products for the automotive, communication equipment, and semiconductor industries has yielded strong relationships with customers. We will continue to aim for growth of our businesses by capturing new business opportunities. In recent years, however, growth in our electronic chemicals business has been affected by outside forces, particularly fluctuations in exchange rates and base metal markets. The FA Systems business, which mainly handles high-performance models centered on flux recovery capabilities, has been affected by customers' constrained capital investment due to stagnating business conditions in China. Looking ahead, we are committed to vigorously advancing technology and product development that will allow us to support technological innovations in high-frequency devices and power semiconductors, provide customers with more compelling, high-performance products, and create a foundation for our next-generation businesses.

## Financial targets for FY2024

**Consolidated sales** 33 billion yen

**Operating profit** 3.3 billion yen

**Operating profit to net sales ratio** 10.0%

## Core competencies (business strengths)

- ◆ **Technologies**
  - Technical capabilities that have developed resists for flexible substrates and lead-free solder, and that meet market needs
  - Patent strategy and utilization closely aligned with our businesses
- ◆ **Production**
  - Global production structure based on mother factories in Japan
  - Field-oriented manufacturing that builds quality into products
- ◆ **Sales**
  - Strong trust from customers
  - Sales personnel equipped with deep technical knowledge
- ◆ **Structures**
  - Supply structure with global capabilities
  - Solid quality control structure capable of supporting advanced industries
- ◆ **Human Capital**
  - Development teams in which veteran and young employees create synergies
  - Senior management with extensive global experience

## Business Strategy

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

New product development

New markets

Production improvement

### New products

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

### Production improvement

- Reorganization of production footprints for local supply

### New market expansion

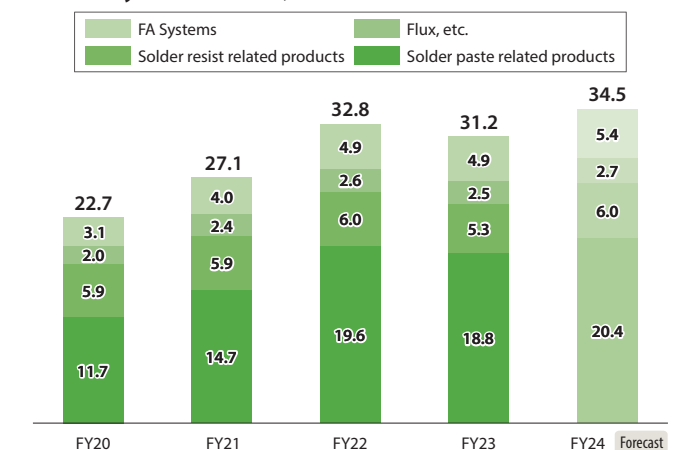
- Seeking approval of US and European customers for automotive solder paste
- Sales expansion of solder resists for Mini LED market
- Sales expansion of reflow soldering systems for non-Japanese customers

## Business highlights

### Business summary for FY2023

In the Electronic Chemicals business, automotive-related demand began to recover. Due to stagnation in the Chinese market and slowing demand for information equipment, however, sales of solder paste and solder resists declined from the previous fiscal year. Sales of solder paste for semiconductors also softened amid the slowing of semiconductor demand. The FA Systems business secured sales on par with the previous fiscal year by expanding sales to Japanese companies and strengthening maintenance service activities, despite the impacts of constrained capital investment in China. As a result, sales were 31.244 billion yen (down 4.6% year-on-year) and segment profit was 2.463 billion yen (down 6.2% year-on-year), resulting in a decrease in sales and profit.

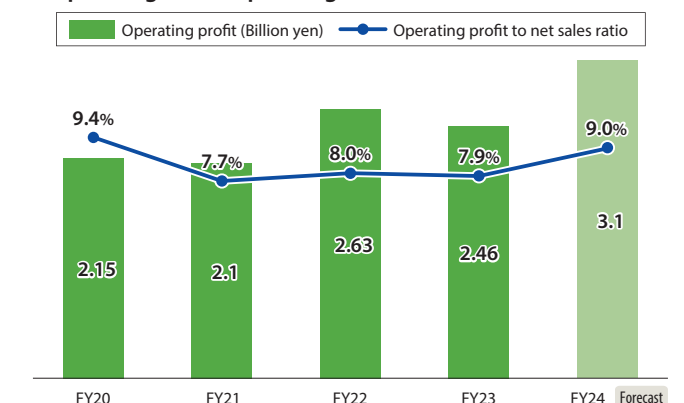
### Sales by Product (billion yen)



### Business performance forecast for FY2024

In the Electronic Chemicals business, recovery of the automotive-related market continues, with recovery expected in the semiconductor-related market as well in the second half. In the FA Systems business, we expect that constrained investment by customers will continue in the Chinese market but upgrade demand will continue in other regions. Accordingly, we expected increases in sales and profit.

### Operating Profit/Operating Profit to Net Sales Ratio



## TOPICS

### High heat resistant soldering materials for power electronics

For power electronics-related markets, we have developed and offer to customers superior joining materials that do not require pressurization and that feature high TCT resistance. In line with growing demand for wide-band gap semiconductors, the need for joining materials with even more outstanding characteristics is expected. In response, we are conducting research and development aimed at next-generation joining materials.

High heat resistant soldering materials for power electronics			
Item	Required properties		High heat resistant soldering materials
Joining temperature	Low	Energy conservation	△
Pressurization need?	None	Shortening of processes	○
Environmental burden	Low	Environmental contribution	○
TCT resistance <sup>*1</sup>	High-temperature	High heat stress compatibility	○
PCT resistance <sup>*2</sup>	High	High humidity compatibility	△
Thermal conductivity	High	Superior heat dissipation	△
Cost	Low	Cost reduction	△

<sup>\*1</sup> TCT: Temperature Cycling Test A test that checks resistance to thermal stress due to temperature changes  
<sup>\*2</sup> PCT: Pressure Cooker Test A test developed for the evaluation of moisture resistance



### Support for use of logic semiconductor chiplets

Given demands for enhancements to the performance of logic semiconductors, we expect that the use of chiplets in logic semiconductors will further progress. In soldering using plating, microballs (μ-Balls), and other conventional methods, a number of issues are expected, such as unevenness in solder amount. In cooperation with semiconductor substrate manufacturers, we are conducting research and development aimed at new soldering methods and joining materials that are superior to conventional methods in terms of alloy composition, productivity, and cost.

Soldering methods		Addressing soldering issues associated with use of semiconductor chiplets			
Plating method	μ-Ball method	Changes due to use of chiplets	Issues in soldering	New methods under development	Plating method
Scaling up of circuit boards	Division of I/O	Die shrinking	Alloys	○	△
			Unevenness	○	△
			Bump pitch	○	△
			Productivity	○	△
			Cost	○	△
			Carbon neutrality	○	△
			Missing bumps	△	○
			Voids	△	○

Address through composition



## Information Equipment



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



**Kazuyoshi Ishida**

VP Director of Information Equipment Business Sector

### Our hopes for medium- to long-term growth

In the Information Equipment business, we are working to secure independent profitability (business value creation) and stable profitability as a priority strategy under the 13th Medium-term Management Plan. Following the launch of the NTX Series next-generation audio mixing console, we began development of a compact audio mixing console and launched sales activities with the intent to go outside of Japan. In future-oriented collaboration with industry and academia, we are also conducting audio-related research and development that we expect will lead to the development of new products.

Our business unit will act as one and without fear to undertake the challenge of transforming mindsets focused on existing markets, creating new social value, and growing our business.

### Financial targets for FY2024

Consolidated sales	4 billion yen
Operating profit	0.6 billion yen
Operating profit to net sales ratio	15.0%

### Core competencies (business strengths)

◆ Structures	Maintaining an integrated structure as Japan's only manufacturer engaged in development, production, and maintenance of high-end audio mixing consoles at domestic business bases
◆ Sales	Deep relationships of trust with customers built up through over 60 years of initiatives in the audio mixing console business
◆ Production	Safe and reliable product capabilities and manufacturing capabilities that support public broadcasting infrastructure even during emergencies
◆ Technologies	Development capabilities and proposal capabilities tailored to customers' requirements
◆ Service	Capabilities for prompt, appropriate maintenance support

### Business strategy

- ◆ Cope with changes in needs and technologies such as network-based broadcasting equipment
- ◆ Seek to expand our business from existing markets to new markets through product development and regional expansion

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

#### NTX Series next-generation audio mixing console

- Compatible with IP-based next-generation broadcasting systems
- Solid response to upgrade demand in the broadcasting market



#### Development of a new compact audio mixing console

- A product with exceptional cost performance, equipped with features needed for radio broadcasting
- Scheduled for rollout in Japan and ASEAN regions

### Business highlights

#### Business summary for FY2023

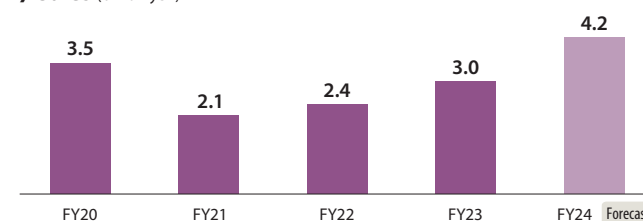
In response to upgrade demand by broadcasters, full-scale sales of our IP-compatible next-generation audio mixing consoles have yielded significant increase in both sales and profit.

Sales were 3.016 billion yen (up 23.4% year-on-year) and segment profit was 474 million yen (compared to a loss of 6 million yen in the segment in the previous fiscal year), resulting in increased sales and a shift to profitability.

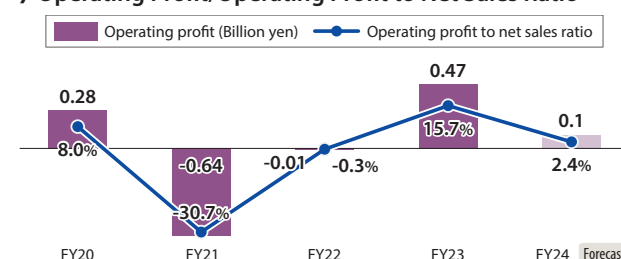
#### Business performance forecast for FY2024

We expect an increase in sales, including sales of next-generation audio mixing consoles under upgrade demand by broadcasters. However, we also expect a decrease in profit due to worsening of the sales composition and increased costs.

#### Sales (billion yen)



#### Operating Profit/Operating Profit to Net Sales Ratio



## 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.

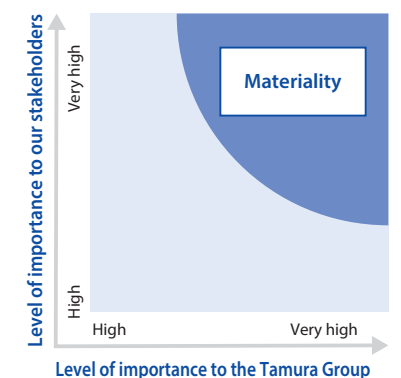
As the Tamura Group expands worldwide, changes in the global environment, geopolitical changes, technological evolution, the growing importance of human capital, and other major changes in the business environment continue to occur. Amid this, we view agilely seizing opportunities and reducing risks 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)

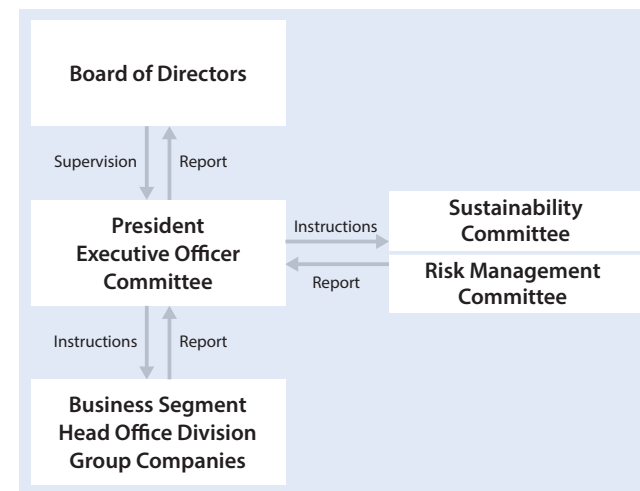
The Board of Directors is positioned as a supervisory body that decides basic policies and strategies concerning sustainability, and supervises their implementation. Executive divisions below the Executive Officer Committee that is chaired by the President carry out execution, with responsibility for 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

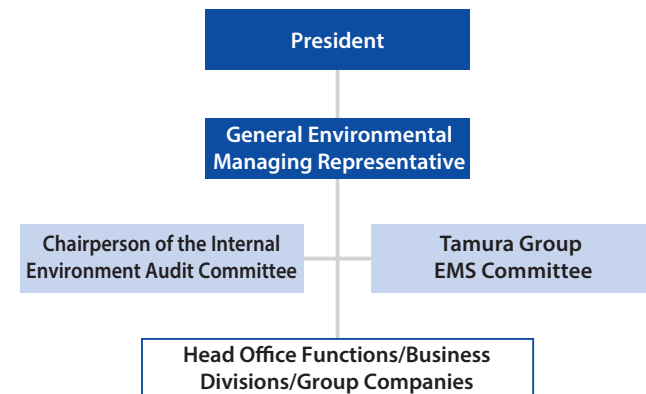


# Environment

## 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)



## 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

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.

### 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.

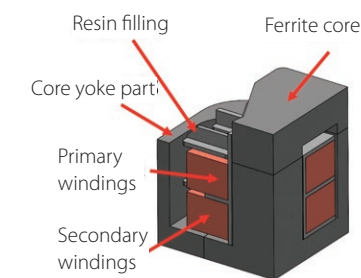
### Heat dissipation ferrite (HDF) switching transformers that reduce the near magnetic field by 50%

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.

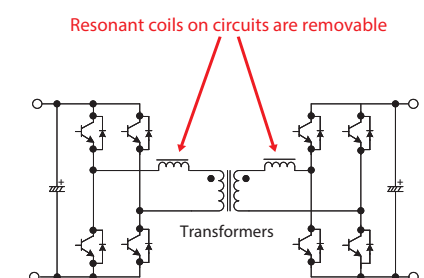
HDF switching transformers, developed to solve these problems, adopt a unique core shape to reduce the near magnetic field by 50%, achieving superior heat dissipation, small size, and high density. They adopt a split coil structure capable of reducing the magnetic coupling area between the primary and 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

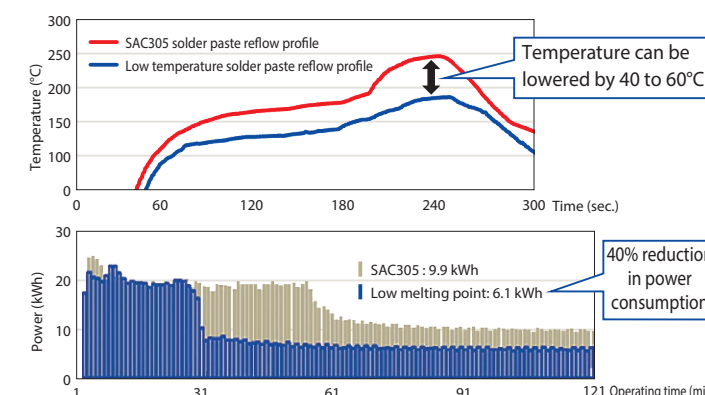


Example of bidirectional DAB circuit

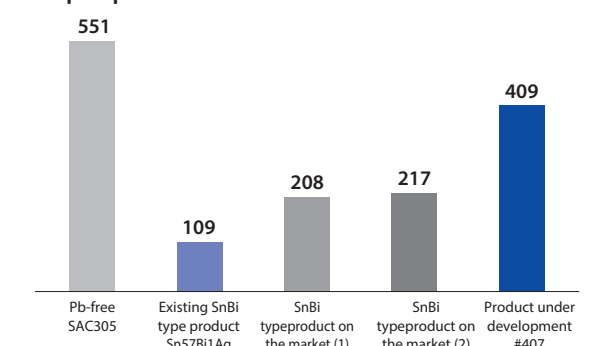
### TLF407-LT01 solder for low-melting-point mounting (solder paste)

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.



### › Comparison of characteristic lifespans of alloys in drop impact tests



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/tcfcd.html](https://www.tamuracorp.com/sustainability/e_report/tcfcd.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	Division	Company-Wide									Business Segment											
			Temperature Rise										Electronic Components						Electronic Chemicals & FA Systems					
				1.5°C			4°C			1.5°C			4°C			1.5°C			4°C					
				24	30	50	24	30	50	24	30	50	24	30	50	24	30	50	24	30	50			
Physical risk	Acute	Intensifying natural disasters					1	3	3					1	3	3					1	3	3	
	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																			
	Market/Technology/Reputation	Replacement of equipment due to tightening of regulations	1	3	2																			
		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			
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																			
	Enhancement of corporate value/Securing of human resources	Higher-efficiency and decarbonization of our business activities achieved through the use of 5G and IoT technology	2	3	3																			
		Enhancement of corporate value through appropriate information disclosure and stable 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.

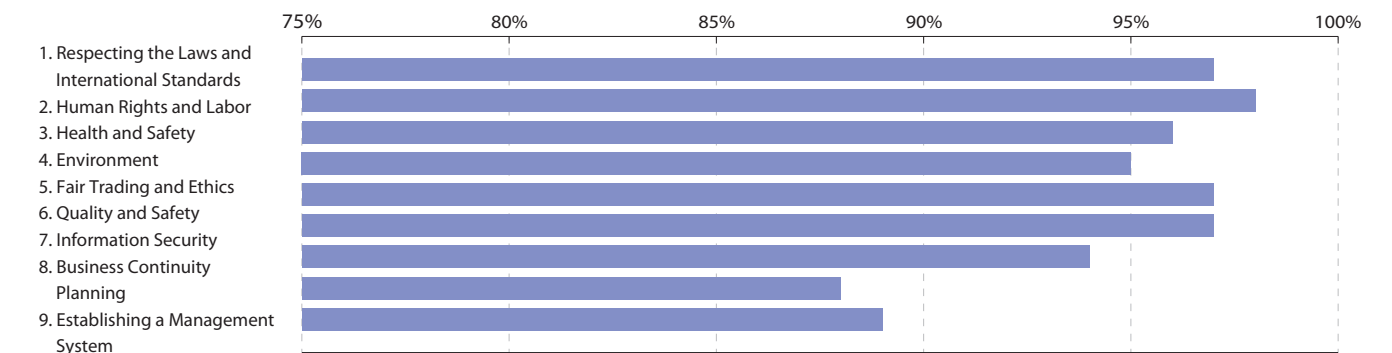
In the fiscal year ended March 2024, we identified business partners accounting for 80% of total global transaction amounts by business division, and named these major suppliers. We request that these partners conduct SAQ-based self-checks based on our Guidelines for Responsible Corporate Conduct in 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

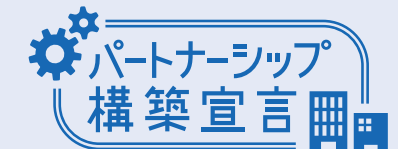
### SAQ results (scoring)



## 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."



## 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 "Bilrite" 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

## 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.

## Diversity in human resources (Japan)

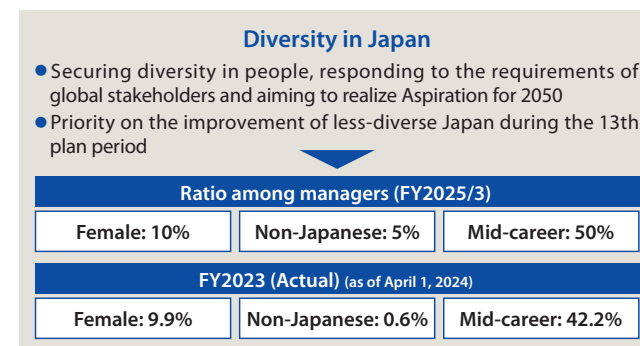
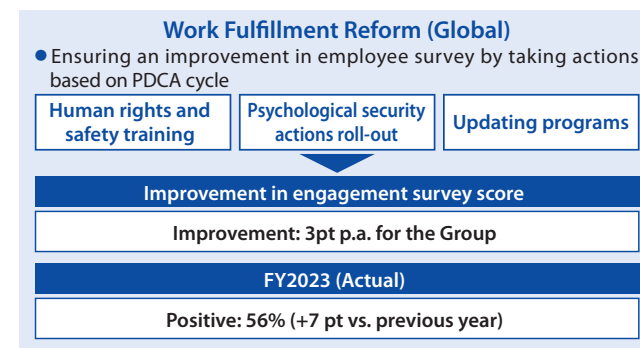
Aiming to be a company that meets the expectations of global stakeholders, we actively promote the appointment of women, non-Japanese, and mid-career hires to managerial positions in Japan, where diversity remains relatively limited compared to our overseas sites. The results for the fiscal year ended 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.

## 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.

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."



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

## 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

## 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 employee 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.

## 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

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.

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.



Seminar on back pain at the Sakado Factory

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



# Directors



In 2023, Tamura Corporation transitioned to the structure of a company with an Audit & Supervisory Committee and introduced a CXO system. To enhance our medium- to long-term corporate value, we are working to further enrich our corporate governance and strengthen our enforcement structure.

1

**Masahiro Asada**  
Representative Director, President & CEO

April 1982

Joined Tamura Corporation

April 2003

Managing Director, Tamura Europe Limited

April 2005

Senior Executive Officer, Tamura Corporation

June 2007

Director and Senior Executive Officer, Tamura Corporation

June 2009

Director/Managing Executive Officer, Tamura Corporation

June 2016

Director/Executive Vice President, Tamura Corporation

October 2018

Representative Director and Chairperson, Koha Co., Ltd.

April 2019

President and Representative Director, Tamura Corporation

July 2023

Representative Director, President & CEO, Tamura Corporation (current position)

2

**Yusaku Hashiguchi**  
Director, EVP & CFO

April 1986

Joined Tamura Corporation

June 2009

Senior Executive Officer, Tamura Corporation

June 2014

Director of Corporate Management Division

June 2015

Director and Senior Executive Officer, Tamura Corporation

June 2018

Director/Managing Executive Officer, Tamura Corporation

June 2018

Non-Executive Director, Novell Crystal Technology, Inc. (current position)

July 2023

Director, Managing Executive Officer & CFO, Tamura Corporation

October 2023

Representative Director and Chairperson, Koha Co., Ltd. (current position)

April 2024

In charge of Electronic Components business (current position)

June 2024

Director, EVP & CFO, Tamura Corporation (current position)

3

**Shoichi Saito**  
Director, EVP & CTO

April 1988

Joined Tamura Kaken Corporation

April 2005

Executive Officer, Tamura Corporation

June 2007

Director/Executive Officer, Tamura Corporation

April 2010

Senior Executive Officer, Tamura Corporation

June 2013

Director and Senior Executive Officer, Tamura Corporation

August 2015

Managing Director, Tamura Corporation Singapore Pte. Ltd.

April 2022

In charge of R&D Strategy, Tamura Corporation (current position)

October 2022

In charge of Security Trade Control Department (current position)

July 2023

Director, Senior Executive Officer & CTO, Tamura Corporation

April 2024

In charge of Electronic Chemicals/FA Systems business, Tamura Corporation (current position)

June 2024

Director, EVP & CTO (current position)

4

**Mitsutaka Nakamura**  
Director, EVP & CSO

September 1997

Joined Tamura Kaken Corporation

October 2016

Director of Electronic Chemicals Business Sector Sales, Tamura Corporation

October 2017

Executive Officer, Director of PWB Functional Materials Division, Electronic Chemicals/FA Systems Business Sector, Tamura Corporation

April 2019

Senior Executive Officer, Director of PWB Functional Materials Division, Electronic Chemicals/FA Systems Business Sector, Tamura Corporation

April 2021

President, Tamura Corporation (Thailand) Co., Ltd.

April 2022

Assistant Director of Electronic Components Business Segment, Tamura Corporation

April 2023

Director of Electronic Components Business Segment Sales, Tamura Corporation

June 2024

Director, EVP & CSO (current position), in charge of Management Strategy (current position)

5

**Yohei Tamura**  
Director, VP

April 2010

Joined Yokogawa Electric Corporation

April 2013

Transferred to Yokogawa Solution Service Corporation

April 2016

Joined Tamura Corporation

April 2018

Director, Tamura Electronics (M) Sdn.Bhd.

April 2019

Managing Director/President, Tamura Electronics (M) Sdn.Bhd.

October 2021

Managing Director, Tamura Corporation (Thailand) Co., Ltd.

April 2023

Head of President's Office, Tamura Corporation

June 2023

Outside Director, Tamura Corporation

July 2023

Executive Officer, Tamura Corporation

June 2024

Director, VP (current position), Director of Management Strategy Division (current position)

6

**Akira Kubota**  
Director, Audit & Supervisory Committee Member

April 1978

Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)

September 2005

Director-General of Research and Statistics Department, Economic and Industrial Policy Bureau

July 2006

Joined Olympus Corporation

June 2009

Executive Officer, Division Manager, Microtechnology R&D Division, Corporate R&D Center

April 2014

Executive Officer, Division Manager, Microtechnology R&D Division, Corporate R&D Center

April 2016

Executive Managing Officer, Unit Head, Medical Affairs & CSR Office

May 2017

Executive Director, Nippon Control Equipment Industries Association

June 2018

Outside Director, Tamura Corporation

June 2023

Outside Director, Audit & Supervisory Committee Member (current position)

June 2024

Counselor, Nippon Control Equipment Industries Association (current position)

7

**Haruko Shibumura**  
Director, Audit & Supervisory Committee Member

April 1992

The 46th Legal Apprentice of the Supreme Court

April 1994

Registered at the Daini Tokyo Bar Association

April 1999

Joined Law Offices of Homma & Komatsu (currently Homma & Partners)

April 1999

Partner Lawyer (current position)

April 2009

Practicing-attorney-professor for civil advocacy of the Legal Training and Research Institute, the Supreme Court

June 2015

Outside Auditor, NICHIREKI CO.,LTD.

June 2018

Outside Director, Tamura Corporation

June 2019

Outside Director, Audit & Supervisory Committee Member, Astellas Pharma Inc.

June 2019

Outside Director, NICHIREKI CO.,LTD. (current position)

June 2023

Outside Director, Audit & Supervisory Committee Member (current position)

June 2024

Outside Director (Audit & Supervisory Committee Member), Yokogawa Bridge Holdings Corp. (current position)

8

**Masashi Imamura**  
Director, Audit & Supervisory Committee Member

April 1979

Joined Sony Corporation (currently Sony Group Corporation)

April 2014

Representative Director and President, Sony Visual Products Inc.

April 2015

EVP of Sony Corporation, in charge of production, logistics, procurement, quality, and environmental engineering platforms

February 2019

Joined Zensho Holdings Co., Ltd. as Managing Executive Officer

June 2019

President and Representative Director, Zensho Factory Holdings Co., Ltd.

June 2019

Managing Director, Zensho Holdings Co., Ltd.

June 2022

Resigned from position at Zensho Holdings Co., Ltd.

June 2023

Outside Director, Audit & Supervisory Committee Member (current position)

9

**Akiko Toyoda**  
Director, Audit & Supervisory Committee Member

April 1992

Joined Dai-ichi Kangyo Bank (currently Mizuho Bank)

September 2000

Assigned to Mizuho Holdings, Inc. (currently Mizuho Financial Group, Inc.)

January 2001

Assigned to Mizuho Securities Co., Ltd.

October 2006

Joined Lazard Frères & Co.

October 2008

Joined Huron Consulting Group Inc.

July 2010

Japan arm becomes Trustees Corporate Finance Advisory Co., Ltd.

December 2011

Joined Mizuho Corporate Advisory Co., Ltd.

October 2016

Joined PwC Advisory

June 2023

Outside Director, Audit & Supervisory Committee Member (current position)

June 2024

PwC Advisory Senior Advisor (current position)

June 2024

Outside Director, Audit & Supervisory Committee Member, ENEOS Holdings, Inc. (current position)

10

**Yuji Yokoyama**  
Director, Audit & Supervisory Committee Member

April 1987

Joined Tamura Corporation

April 2015

Director of Global Business Promotion Division, Electronic Components

June 2015

Managing Director, Tamura Europe Limited

April 2017

Assistant Director of Corporate Management Division

April 2019

Executive Officer, Director of HPM Business, Electronic Components Business Segment, and Managing Director/President, Tamura Europe Limited

April 2020

Assistant Director of Electronic Components (in charge of Europe and U.S. operations)

September 2020

Auditor & Supervisory Board Member

June 2023

Director, Audit & Supervisory Committee Member (current position)



# Corporate Governance



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

## History of corporate governance enhancement

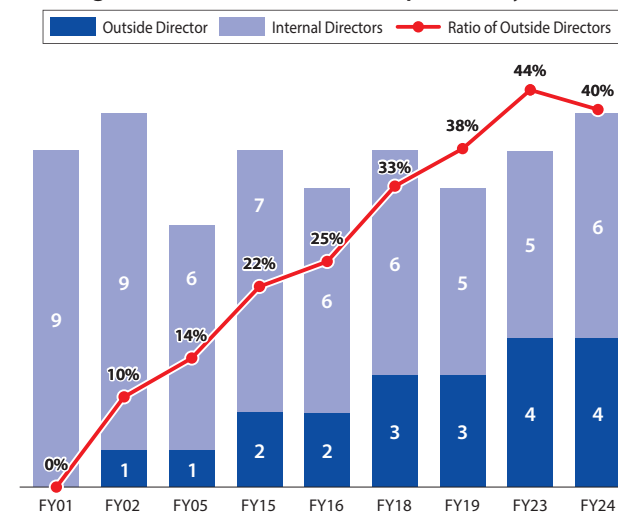
Since introducing outside directors in 2002, we have worked to increase our ratio of outside directors. In addition, we introduced an executive officer system in 2005 to separate supervision and execution roles so that the Board of Directors can perform its functions more effectively.

### History of Corporate Governance Enhancement

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

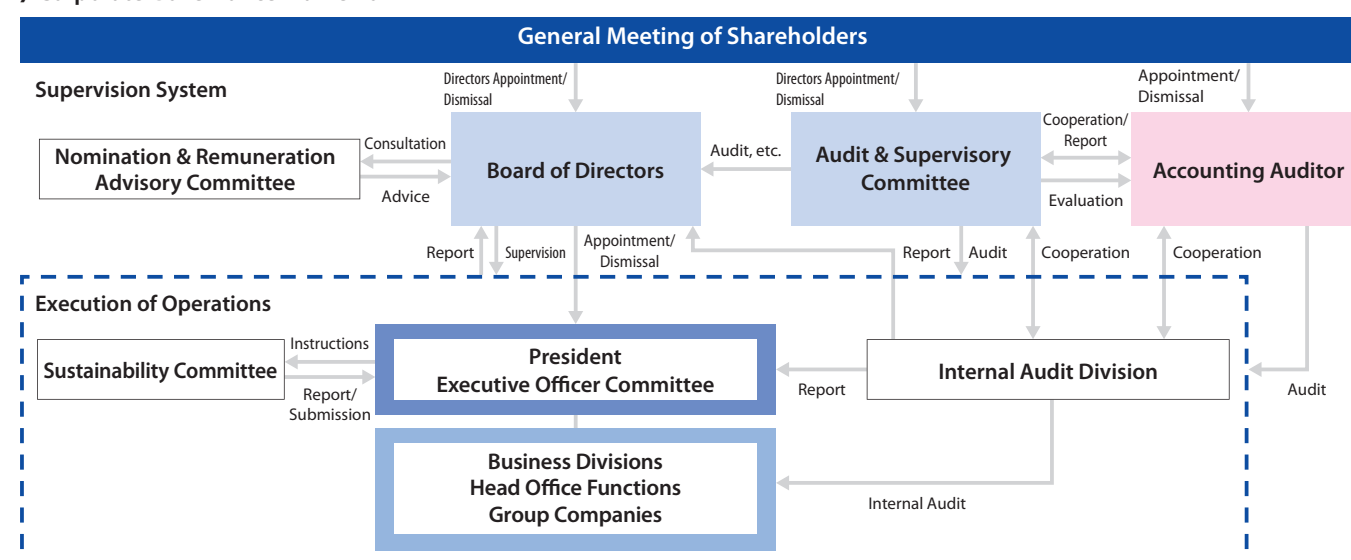
In June 2023, we transitioned to being a company with an Audit & Supervisory Committee with the aim of further improving governance. The CXO system was also introduced in July 2023. In order to increase corporate value, we are promoting initiatives in both the enhancement of the supervisory system of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

### Changes in Board of Directors Composition by Year



## Corporate governance framework

### Corporate Governance Framework



### Board of Directors

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

**Chair:** Masahiro Asada, President

**Composition:** 5 directors (Masahiro Asada, Yusaku Hashiguchi, Shoichi Saito, Mitsutaka Nakamura, Yohei Tamura) and 5 directors who are Audit & Supervisory Committee members (Akira Kubota, Haruko Shibumura, Masashi Imamura, Akiko Toyoda, Yuji Yokoyama); total 10 directors. Of these, Akira Kubota, Haruko Shibumura, Masashi Imamura, and Akiko Toyoda are independent outside directors.

### Audit & Supervisory Committee

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

**Chair:** Yuji Yokoyama, Audit & Supervisory Committee Member

**Composition:** 5 directors who are Audit & Supervisory Committee members (Akira Kubota, Haruko Shibumura, Masashi Imamura, Akiko Toyoda, Yuji Yokoyama). Of these, Akira Kubota, Haruko Shibumura, Masashi Imamura, and Akiko Toyoda are independent outside directors.

### Nomination & Remuneration Advisory Committee

With the objective of making fair and transparent decisions on the nomination and compensation of board members, etc. The company has established a Nomination & Remuneration Advisory Committee which holds meetings several times a year. The Committee conducts fair and transparent deliberations and reports to the Board of Directors on nominations for directors and executive officers and on compensation for directors (excluding directors who are Audit & Supervisory Committee members and outside directors), executive officers, trustees, advisors, and counselors.

**Chair:** Akira Kubota, Lead Outside Director

**Composition:** President, Masahiro Asada and 4 independent outside directors (Akira Kubota, Haruko Shibumura, Masashi Imamura, Akiko Toyoda); total 5 persons

### Executive Officer Committee

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

**Chair:** President, Masahiro Asada

**Composition:** Executive officers and persons appointed by the President

\*"Executive officer" in the Company refers to the positions of president, executive vice president (EVP), and senior vice president (SVP).

### Sustainability Committee

As a sub-organization to the Executive Officer Committee, the Sustainability Management Committee reports on sustainability overall, including compliance and CSR, to the Executive Officer Committee. Sustainability Committee meetings are held twice a year.

**Chair:** President, Masahiro Asada

**Composition:** Relevant executive officers, etc.



Corporate Governance

Nomination of director candidates

Nomination Policy and Procedures

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

Director candidates (non Audit & Supervisory Committee member candidates)

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

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

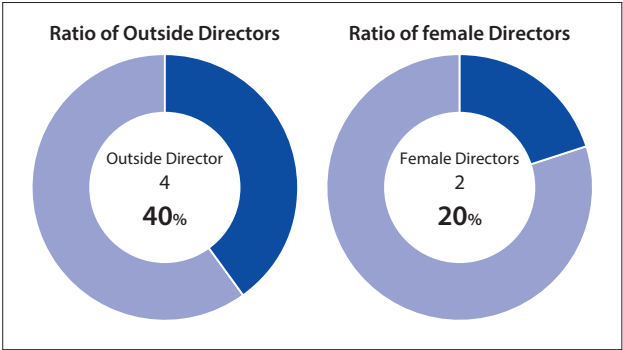
Director candidates (Audit & Supervisory Committee member candidates)

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

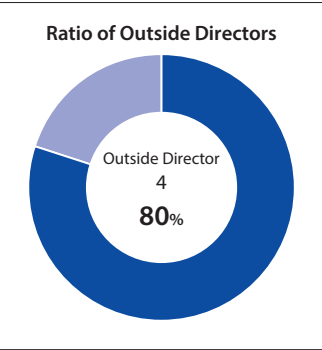
Main Areas of Expertise and Experience of Directors (Skill Matrix)

	Name	Positions, areas of responsibility, etc. in Company	Gender	Participation in meeting bodies and committees ★ = chair or committee chair			Main areas of expertise and experience of directors (Skill Matrix)						
				Board of Directors	Audit & Supervisory Committee	Nomination & Remuneration Advisory Committee	Corporate Management	Global Experience	R&D/Technology	Manufacturing/Quality	Sales/Marketing	Legal/Risk Management	Finance/Accounting
Directors who are not Audit & Supervisory Committee members	Masahiro Asada	Representative Director, President & CEO	Male	★		●	●	●			●	●	
	Yusaku Hashiguchi	Director, EVP & CFO	Male	●			●	●	●				●
	Shoichi Saito	Director, EVP & CTO	Male	●			●	●	●	●			
	Mitsutaka Nakamura	Director, EVP & CSO	Male	●			●	●			●		
	Yohei Tamura	Director, VP	Male	●				●			●		
Directors who are Audit & Supervisory Committee members	Akira Kubota	Outside Director Independent Officer/ Lead Outside Director	Male	●	●	★	●	●	●				
	Haruko Shibumura	Outside Director Independent Officer/ Attorney	Female	●	●	●						●	
	Masashi Imamura	Outside Director Independent Officer	Male	●	●	●	●	●	●	●			
	Akiko Toyoda	Outside Director Independent Officer	Female	●	●	●		●				●	●
	Yuji Yokoyama	Director	Male	●	★			●				●	●

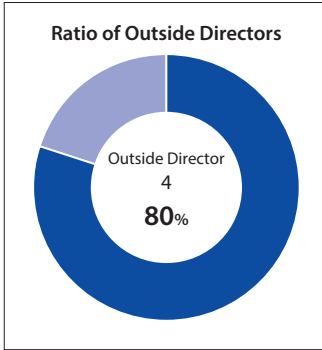
Composition of the Board of Directors



Composition of the Audit & Supervisory Committee



Composition of the Nomination & Remuneration Advisory Committee



Status of activities of the Board of Directors, the Audit & Supervisory Committee, and the Nomination & Remuneration Advisory Committee

Specific items considered by, and the status of activities of, the Board of Directors, the Audit & Supervisory Committee, and the Nomination & Remuneration Advisory Committee in FY2023 were as follows.

Specific items considered by the Board of Directors

- Determination of fiscal year business plan and checking of progress of the Medium-term Management Plan
- Approval of financial documents
- Approval of capital investment and financing
- Approval of changes to the corporate governance structure, including the transition to the structure of a company with an Audit & Supervisory Committee
- Approval of key personnel and organizational changes, including officer candidates
- Approval of officer compensation
- Approval of key regulations
- Approval of sustainability-related matters, including information disclosure

Specific items considered by the Audit & Supervisory Committee

- Determination of auditing policy and methods of auditing the status of work and assets
- Receipt of reports on key matters related to audits
- Selection of full-time, selected, and specified Audit & Supervisory Committee members
- Determination of the content of proposals to be submitted to the General Meeting of Shareholders regarding the selection and dismissal of accounting auditors

Specific items considered by the Nomination & Remuneration Advisory Committee

- Deliberation on the selection of director candidates
- Deliberation on the selection of executive officer candidates
- Deliberation on compensation and bonuses for directors and executive officers
- Deliberation on the revision of the compensation system for directors and executive officers

Status of conference and committee attendance in FY2023

Name		Board of Directors	Audit & Supervisory Committee	Nomination & Remuneration Advisory Committee
Masahiro Asada	Representative Director	16/16 (100%)	—	12/12 (100%)
Yusaku Hashiguchi	Director	16/16 (100%)	—	—
Shoichi Saito	Director	16/16 (100%)	—	—
Yohei Tamura	Director*1	12/12 (100%)	—	—
Akira Kubota	Independent Outside Director	16/16 (100%)	11/12 (91%)	12/12 (100%)
Haruko Shibumura	Independent Outside Director	16/16 (100%)	12/12 (100%)	12/12 (100%)
Masashi Imamura	Independent Outside Director*1	12/12 (100%)	12/12 (100%)	7/7 (100%)
Akiko Toyoda	Independent Outside Director*1	12/12 (100%)	12/12 (100%)	7/7 (100%)
Yuji Yokoyama	Audit & Supervisory Board Members Director*2	16/16 (100%)	12/12 (100%)	—

\*1: Appointed Director on June 28, 2023

\*2: Audit & Supervisory Board Member until June 28, 2023; appointed Director on June 28, 2023

## Corporate Governance

### Effectiveness evaluation of the Board of Directors

As a component of efforts to further enhance the effectiveness of the Board of Directors, every year the board evaluates its effectiveness and releases a summary.

#### Analysis and evaluation method

For the fiscal year ended March 2024, the evaluation addressed the effectiveness of the first year of the Company's transition to the structure of a company with an Audit & Supervisory Committee. The effectiveness of the Board of Directors overall, including the Audit & Supervisory Committee and the Nomination & Remuneration Advisory Committee, was evaluated. We entrusted an external organization to conduct a survey of all directors through an anonymous questionnaire (separated by internal and outside directors) that employs a combination of multiple-choice and open-ended responses, followed by analysis and evaluation of the compiled responses. All directors received a report on the results of the survey and will discuss improvement measures.

#### Summary of effectiveness evaluation of the Board Meetings for the fiscal year ended March 2024

##### Overview of questions

Composition, operation, discussions, and monitoring functions of the Board of Directors; performance of directors; support structure and training for directors; dialogs with shareholders (investors); the Audit & Supervisory Committee; the Nomination & Remuneration Advisory Committee; etc.

##### Summary of effectiveness evaluation

Quantitative evaluation scores decreased, primarily for outside directors, due to factors including the replacement of multiple directors. However, directors continued to express many constructive and ambitious opinions, and the effectiveness of the Board of Directors overall was confirmed.

##### Matters identified as issues

- Operation of the Board of Directors:  
Opinions on time spent on meetings and deliberations vary, and a need exists to form a consensus
- Deliberations by Board of Directors:  
A need exists to enrich discussions on corporate value, capital efficiency, and Medium-term Management Plans
- Performance of directors:  
Resolution of disparities in level of information and participation in discussions between internal and outside directors

#### Results of efficacy evaluation results and countermeasures in previous fiscal years

Year	Issue areas	Countermeasures
FY Ended March 2022	a) Operation of the Board of Directors b) Discussions of executive management succession plans c) Director training	a) Setting of annual agenda, changes to institutional design, review of executive structure b) Enhanced sharing of the content of Nomination & Remuneration Advisory Committee discussions with the Board of Directors c) Review of content of training
FY Ended March 2023	a) Operation of the Board of Directors b) Discussion of executive management succession plans c) Director training d) Dialogs with shareholders and investors	a) Enrichment of materials sent in advance and briefings on agenda for outside directors b) Introduction of succession plans c) Addition of outside seminar introductions, etc. d) Enrichment of feedback on the content of the dialogs with shareholders and investors

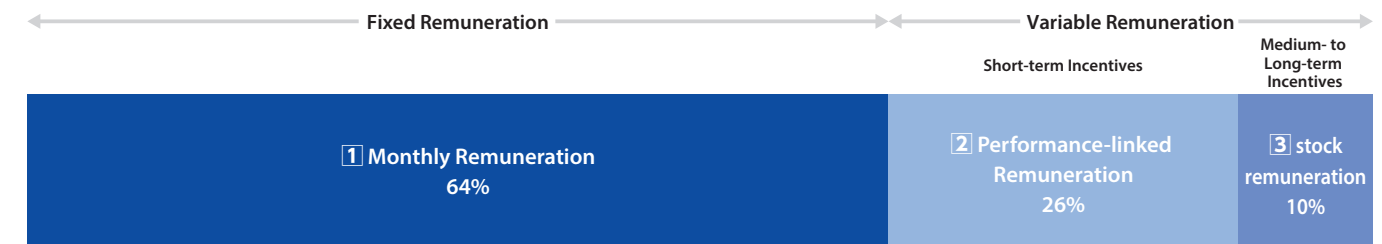
### Compensation of Director Remuneration

#### Compensation of directors (excluding directors who are Audit & Supervisory Committee members and outside directors)

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

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

#### Remuneration Structure When KPIs are fully achieved



##### 1 Monthly Remuneration 2 Performance-linked Remuneration

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

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

##### Total performance evaluation points:

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

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

##### Method of determining the payment ratio by position

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

##### 3 Stock Remuneration

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

#### Compensation of directors who are Audit & Supervisory Committee members and outside directors

Compensation, etc. for directors who are Audit & Supervisory Committee members and outside directors is stipulated as monthly remuneration in the Audit & Supervisory Committee remuneration regulations. The monthly remuneration is determined through discussions among the Audit & Supervisory Committee members, taking into consideration directors' social positions, contributions to the Company, and circumstances of appointment.

#### Total Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members (FY2023)

Category	Total amount of Remuneration (million yen)	Total amount of Remuneration by Type (million yen)				Number of Eligible Officers
		Monthly Remuneration	Performance-linked Remuneration	Retirement gratuity	Non-monetary remuneration, etc.	
Directors (excluding Audit & Supervisory Committee members) (Numbers in parentheses pertain to outside directors)	214 (6)	83 (6)	28 (—)	97 (—)	4 (—)	9 (3)
Director (Audit & Supervisory Committee Member) (Numbers in parentheses pertain to outside directors)	37 (24)	37 (24)	— (—)	— (—)	— (—)	5 (4)
Audit & Supervisory Board Members (Numbers in parentheses pertain to outside members)	9 (4)	7 (3)	— (—)	1 (1)	— (—)	3 (2)

Note 1: Effective June 28, 2023, the Company transitioned to the structure of a company with an Audit & Supervisory Committee. The amounts paid to Audit & Supervisory Board members involve the period prior to said transition, and the amounts paid to directors who are Audit & Supervisory Committee members involves the period following said transition.

Note 2: The breakdown of the total amount of non-monetary remuneration, etc. is the amount of expenses, totaling four million yen, recorded for expenses over multiple years according to the period covered by the remuneration.

Note 3: The amount paid to directors does not include employee salaries for directors who concurrently serve as employees.



## Messages from Outside Directors

### Q1

A year has passed since the transition to the structure of a company with an Audit & Supervisory Committee. What outcomes and issues have resulted so far?

### Q2

Please tell us about the status of activities in the Nomination & Remuneration Advisory Committee, as well as related outcomes and issues.



**Akira Kubota**

Lead Outside Director, Audit & Supervisory Committee Member

Based on his experience and high-level insights into the management of government bodies and major global companies, Akira Kubota actively puts forth statements and recommendations concerning global business development and risk management. As the lead outside director and the chair of the Nomination & Remuneration Advisory Committee, he works to strengthen the decision-making, auditing, and supervision functions of the Board of Directors and, based on wide-ranging knowledge that includes technology development, to actively contribute to the sustainable growth of the Group and the realization of medium- and long-term corporate value creation.

**A1** Looking back on the past year, I feel that discussions by the Board of Directors have become more active following the structural transition. We properly allocate time to closely examining the validity of preconditions and supporting data concerning the content of proposals. We also actively discuss envisioned risks, their impacts, and necessary measures against them. I think that going through this process makes proposals stronger, and sometimes brings about changes in conventional perspectives. I believe that the role of the Board of Directors is growing larger in this regard. At the same time, I try to exchange thoughts closely with the executive side to avoid loss of a sense of urgency, or hesitation to put forth bold proposals due to excessive effort devoted to verification and response.

**A2** To continue growing in the medium and long term, I believe that it is vital for the Company to develop and promote management executive talent. We are developing outstanding young employees, and are holding discussions on the key issue of formulating succession plans. To date, we have been improving the selection process for management executives while clarifying the required knowledge, skills, experience, and other qualities.

With regard to remuneration, we pay heed to levels themselves while considering ideal forms for a remuneration system, including whether any points in performance-linked remuneration require further improvement.

**A3** On the occasion of the 100th anniversary, I believe it is vital that we inspect and restructure the business composition, organization, and business processes of the Company to ensure that it can exert its strengths in manufacturing, its original starting point.

From materials to components, Tamura has end-to-end ownership of its core technologies. Its product development capabilities that make use of these technologies and its quality-focused production functions have been sources of competitiveness since its founding. The fact that the Company makes energy and electronics its business domains, with a view toward carbon neutrality, can also be seen as great strengths. However, the high degree of societal interest in these fields leads to fierce competition, and changes in the environment are remarkable as well. For that reason, I think it is essential that we repeatedly take on bold challenges from a proactive stance.

In formulating medium-term management plans, it is essential to further clarify core products and customer segments to be emphasized, and to draft a well-defined strategy. We are sharing information on issues such as the active appointment of young employees, diversity initiatives, and closer collaboration among global bases. Prompt action is needed. I hope for the Board of Directors to be actively involved from the early stages of plan formulation so that the Company as a whole can come together and move forward toward the goals.

**A4** Strengthening the operation of the Board of Directors to constructively work out proposals through active exchanges of ideas is a fundamental matter. It is important to respect Tamura's corporate culture in doing so, but at the same time, I believe it is necessary to proceed with essential discussions and decision-making while questioning conventional thinking in the Company, without being constrained by custom and precedents. I hope to promote strategic business development so that Tamura can fully exert its power and enhance its corporate value, while promptly pointing out and optimizing any points requiring correction.

### Q3

Heading into the formulation of the 14th Medium-term Management Plan, what do you see as Tamura's core competencies and the management issues it should focus on?

### Q4

What sort of role do you hope to play in the future as an outside director?



**Haruko Shibumura**

Outside Director, Audit & Supervisory Committee Member

Drawing on her high-level expertise as an attorney and wide-ranging experience as an outside officer, Haruko Shibumura actively puts forth statements and recommendations focused on matters related to corporate governance fundamentals, including risk management, compliance, and diversity. As a director who is an Audit & Supervisory Committee member and a Nomination & Remuneration Advisory Committee member, she makes beneficial contributions to strengthening the Company's governance and to realizing the sound and sustainable growth of the Group and the creation of medium- and long-term corporate value.

**A1** I think an outcome is that the Audit & Supervisory Committee has thoroughly executed on the proposition that it conduct not only legality audits but also validity audits. Over the past year, the Audit & Supervisory Committee has requested necessary information and briefings from the executive side, and heated discussions have been held. I believe that the process of organizing and analyzing key issues, providing feedback to the executive side, and requesting improvements where needed has become established. I think it must have been difficult for those responding on the executive side, but I also think that this tension itself was a needed change, and that we have achieved the initial goal of strengthening the effectiveness of audits. At the same time, I have the sense that issues remain in auditing methods. I feel that we need to explore more effective methods, such as strengthening cooperation with the internal audit department, deepening constructive discussions with the executive side, and performing on-site inspections of key bases.

**A2** I think it was an achievement that we were able to discuss the development of next-generation managers and succession planning, with design of related systems included. Regarding officer compensation, I think the challenge is to shift toward compensation design predicated on enhancement of corporate value, through means such as expanding the ratio of performance-linked compensation and linking compensation to sustainability indicators.

**A3** Tamura's unique technologies and quality. How do we connect those to growth? Technology development capabilities based on market analysis are important. Technology development capabilities based on market analysis are important. I believe that global market analysis and medium- and long-term management strategies that are not merely the accumulation of short-term numbers are essential, along with the appointment of high-level human resources and other reinforcement of teams to make these essential measures possible.

**A4** I want to continue making efforts toward optimizing governance. As an attorney, I have long been involved in incidents of corporate malfeasance and corporate risk. I am convinced that the matter of how to optimize governance – the creation of transparency in organizations without black boxes, the clarification of decision-making processes, and mechanisms for quickly surfacing issues that arise in the field – are more vital than anything. I also hope to continue expressing opinions on the promotion of diversity. Human resources are said to be the true assets of a company, and I strongly feel that we are in an era in which the opinions and values of young people and people from other cultures affect corporate value. Also, while I personally don't like to discuss things in terms of gender, the lack of women in management globally can only be uncomfortably perceived as a negative, so I hope to always speak up with global standards in mind.

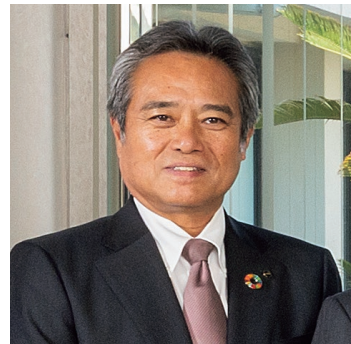
## Messages from Outside Directors

### Q1

A year has passed since the transition to the structure of a company with an Audit & Supervisory Committee. What outcomes and issues have resulted so far?

### Q2

Please tell us about the status of activities in the Nomination & Remuneration Advisory Committee, as well as related outcomes and issues.



**Masashi Imamura**

Outside Director, Audit & Supervisory Committee Member

Masashi Imamura has held key positions in one of Japan's leading global electronics manufacturers and in the restaurant industry. Drawing on his knowledge of corporate management and wide-ranging business experience covering manufacturing, logistics, procurement, and quality, he actively puts forth statements and recommendations on a wide range of matters including business development and business management processes as a director who is an Audit & Supervisory Committee member and as a Nomination & Remuneration Committee member. He makes beneficial contributions to the Group's business growth, the strengthening of its corporate position, and the creation of medium- and long-term corporate value.

**A1** As this is my first appointment as an outside director, the year was one in which I explored a variety of things. In terms of validity auditing, one of the roles of the Audit & Supervisory Committee, I have pointed out issues from the perspective of whether executive management decisions are being made through a process of rational information, investigation, and examination. I feel that sincere deliberations took place in Board of Directors meetings, by both internal and outside directors. At the same time, regarding ideals for execution and supervision functions, I feel the need for the executive side to undertake a greater delegation of authority that will let the Board of Directors evolve into a forum for discussions aimed at the sustainable growth of the Company and the enhancement of medium-term corporate value.

**A2** Through interviews with executive directors, executive officers, and outside directors, we discussed CXO and business manager succession plans, and recognized the existence of human resources who have major growth potential. At the same time, I feel that these human resources development measures for individually considering the growth of Tamura Corporation from the perspective of "One Tamura," and for considering issues and policy measures from the viewpoint of external stakeholders and taking action, should be regarded as key management issues.

**A3** A company that has continued for 100 years has a philosophy that has been handed down from generation to generation. Tamura always stays ahead of the changes of the times and creates world-class products that customers demand. Working means thinking on one's own, working on one's own, and creating things through one's own efforts. While Tamura further grows these strengths based on its founding philosophy, I think the challenges of an inwardly-oriented stance and uniform, identical ways of thinking are also present within the Company. In the era of VUCA (volatility, uncertainty, complexity, ambiguity) and an unpredictable future, I feel it is important to solidly grasp what should and should not be changed, and to tackle challenges without fear of failure.

**A4** From an outside perspective with a basis in my own experience and knowledge, I want to continue contributing to the enhancement of Tamura Corporation's corporate value and to the development of the human resources who will shoulder the future.

### Q3

Heading into the formulation of the 14th Medium-term Management Plan, what do you see as Tamura's core competencies and the management issues it should focus on?

### Q4

What sort of role do you hope to play in the future as an outside director?



**Akiko Toyoda**

Outside Director, Audit & Supervisory Committee Member

Akiko Toyoda has engaged in cross-border and domestic M&A financial advisory work for many years. Drawing on her wide-ranging knowledge of corporate business portfolio strategies, finance, accounting, taxation, and legal affairs, she actively puts forth statements and recommendations on the Company's management plans, investment plans, and business growth measures as a director who is an Audit & Supervisory Committee member and a Nomination & Remuneration Committee member. Through improvement to the strategy formulation and investment decision-making processes, she makes beneficial contributions to the creation of medium- and long-term corporate value for the Group.

**A1** One outcome of the participation of outside directors (Audit & Supervisory Committee members) with widely diverse backgrounds and experiences is that, with respect to matters for which consensus formation and decisions have conventionally been top-down or in the form of unspoken or tacit understanding within relevant divisions or departments, outside directors (Audit & Supervisory Committee members) not involved in everyday work raise questions and issues from multi-faceted perspectives, and, for good or bad, in brand new ways. This results in a certain feeling of tension and results in matters that had been seen as normal coming under review in the Company. Through this, I feel that discussions have become more active and the transparency of decision-making processes has further advanced.

I believe that the challenge from here on out will be to strengthen and clarify activities, particularly in the Audit & Supervisory Committee, by means such as cooperating more closely with the internal audit department.

**A2** Looking ahead five years, ten years, and further into the medium- and long-term future, we have held repeated discussions geared toward succession planning in a broad sense, including human resources development planning and building a next-generation management structure that will support Tamura's future business growth. I think that, as a result, we have been able to step forward in the direction of strengthening the development of next-generation management talent and creating a structure for smooth handover. Adding to the CEO, CFO, and CTO positions established last year, we established new CSO, CHRO, and CLO positions, building a structure focused on the importance of company-wide personnel strategy and of legal affairs management and governance strategy. This was one achievement. I see further strengthening of this as an issue for the future.

**A3** I see manufacturing backed by the aspirations and stance of "providing customers with world-class products" and "aiming to be a one-and-only company," the spirit of the Company's founding, as Tamura's core competency. I believe that by adhering to that aspiration and attitude, staying ahead of the needs of customers, striving for the technological development of quality products differentiated from those of other companies, and continuing to provide those products to semiconductor-related, energy-related, and other growth markets, the Company can enhance the profitability that is a key management issue and achieve its target ROE.

**A4** I have long been involved in the business portfolio strategies and growth strategies of client companies through M&A. Within the M&A process, I performed upside evaluations of business growth potential as well as downside evaluations involving the study of risks. Putting that experience to use, I hope to contribute to the maximization of corporate value through further energizing of internal discussions involving Tamura's business portfolio strategy and growth strategy, and through optimization of the decision-making process for investment decisions, from a medium- to long-term and objective perspective.



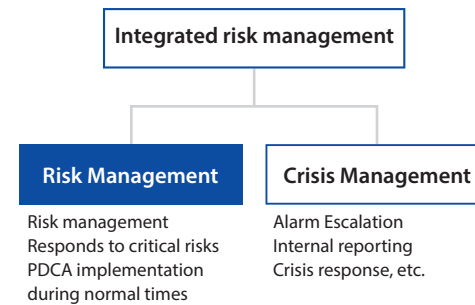
# Risk Management/Compliance

## Risk management

The Tamura Group engages in risk management with the aim of maximizing corporate value by comprehensively, inclusively, and strategically identifying, assessing, and optimizing various risks that could affect the Company. Toward that end, we have established internal structures for risk management and crisis management regulations, internal reporting regulations, information management regulations, guidelines for constructing Group emergency countermeasures, and other rules, and are building a structure for managing risks.

At the same time, in recent years a variety of risks have emerged that have had a significant impact on society and the economy. The Tamura Group has deemed its conventional mechanisms, focused on risk and crisis management led by individual depart-

ments, to be insufficient. In the fiscal year ended March 2024, we conducted reviews of our systems and developed a Group risk management system as enterprise risk management (ERM) for assessing and managing company-wide risks.



## Risk management

When introducing group risk management, we also reviewed our governance structure.

The Executive Officer Committee took the lead in clarifying roles in promoting risk management, including positioning the Board of Directors as a supervisory body and determining risk response policy for executive divisions. We also established a Risk

Management Committee to support the Executive Officer Committee and advance its management activities. The Risk Management Committee consists of Executive Officer Committee members with the President as Chair. The risk management processes of the Tamura Group are as follows.

### Group Risk Management (ERM) process

Step	Responsibility	Description
Risk assessment (once a year)	Risk Management Committee	The committee identifies the potential risks surrounding the Tamura Group and evaluates them from the three perspectives of probability of occurrence, degree of impact, and level of current response. It further identifies risks that should be prioritized and risks that require cross-departmental response as critical risks. It also determines risks' owners and formulates countermeasure proposals.
Consideration of proposed critical risks and countermeasure proposals	Executive Officer Committee	The proposed critical risks and countermeasure proposals identified by the Risk Management Committee are deliberated and submitted to the Board of Directors.
Approval	Board of Directors	The board approves critical risks and their countermeasures.
Implementation of countermeasures	Executive Officer Committee Executive divisions	Executive divisions undertake execution of countermeasures under instruction by the Executive Officer Committee.
Progress confirmation (twice a year)	Risk Management Committee	The committee checks the progress of countermeasures by executive divisions and reports to the Executive Officer Committee.
Confirmation of progress and corrections	Executive Officer Committee	The committee checks the progress of countermeasures by executive divisions and issues instructions on corrective measures as necessary. It reports results to the Board of Directors.
Confirmation of progress	Board of Directors	The board supervises the progress of risk management.

We conduct detailed risk assessments once every three years and simplified assessments in the remaining two years, with participation by persons responsible for business divisions and Head Office divisions. Assessments consist of quantitative and qualitative evaluations of nearly 100 items on the two axes of degree of impact and probability of occurrence. We map assessment results (see diagram at right) and identify critical risks. For identified risks, we determine the risks' owners and operate the PDCA cycle following the above process.

## Crisis management

The Tamura Group has established a system called alarm escalation that, as an adjunct to regular reporting lines, enables immediate communication of information to management and to the Board of Directors when a crisis that could affect management has occurred or the potential for such a crisis has come to light.

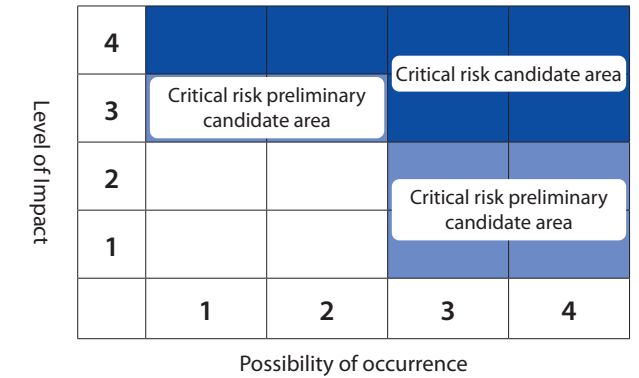
## Compliance

The Tamura Group advocates compliance with laws and regulations in its Corporate Philosophy and makes this compliance a top priority in the Tamura Group Code of Conduct.

Within the Group, we position compliance as an area that comes under sustainability, and determine and enact related policy within the promotional framework for sustainability strategy. Specifically, we execute related strategy through executive divisions headed by the Executive Officer Committee, under policy setting and supervision by the Board of Directors. The Sustainability Committee, a subcommittee of the Executive Officer Committee, also deliberates regularly on compliance-related matters. Compliance is one of the eight materialities identified by the Tamura Group. Under the 13th Medium-term Management Plan, we are raising our compliance training implementation rate. (➡ P.32)

To ensure the effectiveness of compliance, we are developing a reporting system for business partners and an ethics compliance consultation system, an internal reporting point of contact, based on the Ethics Compliance Standard and other internal regulations. By stipulating protection of anonymity for whistleblowers and the prohibition of retaliation against whistleblowers in the regulations, and by making the points of contact and systems known through our intranet and other means, we are working to facilitate reporting and consultation. In addition, as a means of rapid communication of information to the management team, the Board of

### Overview of risk map

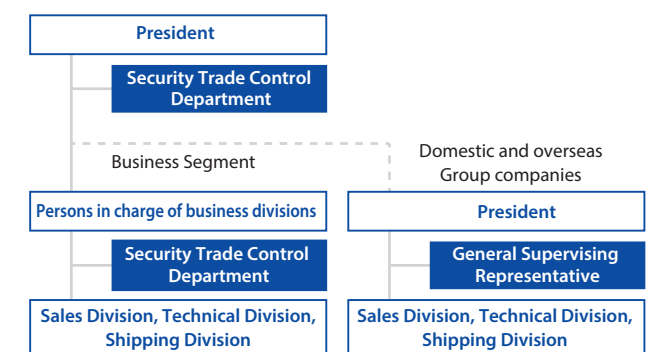


In the event of an emergency that poses a serious risk to business continuity, we will establish a crisis management task force headed by the President & CEO to respond to the crisis through a Company-wide system.

Directors, and the Audit & Supervisory Committee, we have also prepared the above-noted alarm escalation mechanism.

However, in the business that our Group engages in on a global basis, our current deployment of compliance measures has aspects that are centered on Japan. We are advancing initiatives to globally roll out our education and training and to enrich our whistleblowing system. In the fiscal year ended March 2024, we reworked our security trade control structure into a more global and systematic approach.

### Security trade control system diagram



Summary of Consolidated Financial Results for the Past 11 Years

Data current as of March 31 of each period		FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Operating Results												
Net sales	(million yen)	81,176	86,248	84,642	79,607	85,558	87,008	79,655	73,906	88,328	107,993	106,622
Operating profit	(million yen)	2,409	4,029	4,266	5,117	5,407	4,600	2,289	1,969	1,564	4,829	4,940
Profit (loss) attributable to owners of parent	(million yen)	1,797	3,106	1,783	3,727	3,630	6,397	1,024	542	(84)	2,047	2,240
Total assets	(million yen)	74,767	80,239	76,411	75,939	82,097	86,073	88,593	91,064	104,055	111,786	114,843
Net assets	(million yen)	31,895	38,164	36,488	38,588	42,996	47,155	46,664	48,143	50,221	52,918	57,796
Cash flows from operating activities	(million yen)	2,940	3,132	8,345	8,140	2,652	4,669	5,456	5,049	(4,949)	2,180	9,505
Cash flows from investing activities	(million yen)	(3,475)	(1,888)	(2,199)	(777)	(4,822)	(4,097)	(4,973)	(3,052)	(4,622)	(2,642)	(2,667)
Cash flows from financing activities	(million yen)	1,335	(1,839)	(2,674)	(3,966)	(2,575)	1,096	(141)	(767)	4,536	591	(4,012)
Free cash flow	(million yen)	(535)	1,244	6,146	7,363	(2,170)	572	483	1,997	(9,571)	(462)	6,838
Capital expenditure	(million yen)	3,707	3,004	2,389	1,658	4,993	6,119	4,522	4,180	5,902	3,357	3,589
Depreciation	(million yen)	2,183	2,352	2,659	2,259	2,001	2,219	3,266	3,491	3,361	3,915	3,940
R&D expenses	(million yen)	1,096	1,233	1,240	1,209	1,268	1,067	1,035	874	951	757	788

Per-Share Indicators

Book-value per share (BPS)	(yen)	386.77	463.03	442.05	468.04	519.59	570.00	565.34	583.09	607.89	644.49	703.85
Earnings per share (EPS) (figures in parentheses indicate a loss)	(yen)	21.92	37.88	21.75	45.44	44.27	78.00	12.48	6.61	(1.02)	25.01	27.42
Dividend per Share	(yen)	6	7	7	9	9	10	10	8	10	10	10

Financial Indicators

Operating profit to net sales ratio	(%)	3.0	4.7	5.0	6.4	6.3	5.3	2.9	2.7	1.8	4.5	4.6
Shareholder's equity ratio	(%)	42.4	47.3	47.5	50.6	51.9	54.3	52.4	52.6	48.0	47.1	50.1
Return on equity (ROE)	(%)	6.0	8.9	4.8	9.8	9.0	14.3	2.2	1.2	—	4.0	4.1
Payout ratio	(%)	27.4	18.5	32.2	19.8	20.3	12.8	80.1	121.1	—	40.0	36.5

Number of Employees

Number of employees (consolidated)	(persons)	6,131	5,874	5,634	5,248	5,410	5,021	4,753	4,447	4,405	4,576	4,410
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Notes 1. "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and others standards have been applied from the beginning of FY2018. The management indices and other indicators for FY2014 through FY2017 are those after retroactive application of such accounting standards and others.

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

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



Consolidated Financial Statements

Consolidated Balance Sheet	(million yen)	
	Previous consolidated fiscal year (as of Friday, March 31, 2023)	Current consolidated fiscal year (as of Sunday, March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	14,441	17,481
Notes receivable - trade	1,412	1,503
Accounts receivable - trade	25,149	25,317
Contract assets	19	2
Electronically recorded monetary claims - operating	706	699
Merchandise and finished goods	9,615	8,026
Work in process	2,711	2,524
Raw materials and supplies	13,364	13,286
Others	3,144	2,989
Allowance for doubtful accounts	(26)	(22)
Total current assets	70,537	71,809
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,552	25,256
Accumulated depreciation	(12,376)	(13,408)
Buildings and structures, net	12,176	11,848
Machinery, equipment and vehicles	19,865	21,333
Accumulated depreciation	(14,655)	(15,564)
Machinery, equipment and vehicles, net	5,210	5,769
Tools, furniture and fixtures	9,894	10,532
Accumulated depreciation	(8,370)	(8,778)
Tools, furniture and fixtures, net	1,523	1,754
Land	5,354	5,395
Leased assets	6,868	6,945
Accumulated depreciation	(2,251)	(2,663)
Leased assets, net	4,617	4,281
Construction in progress	486	802
Total property, plant and equipment	29,369	29,851
Intangible assets		
Goodwill	229	203
Leased assets	236	161
Others	762	740
Total intangible assets	1,228	1,106
Investments and other assets		
Investment securities	5,577	7,091
Retirement benefits assets	3,816	3,914
Deferred tax assets	598	515
Others	743	639
Allowance for doubtful accounts	(83)	(85)
Total investments and other assets	10,651	12,075
Total non-current assets	41,249	43,033
Total assets	111,786	114,843

	(million yen)	
	Previous consolidated fiscal year (as of Friday, March 31, 2023)	Current consolidated fiscal year (as of Sunday, March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,479	8,600
Electronically recorded obligations - operating	3,475	3,841
Short-term borrowings	16,546	16,152
Current portion of long-term borrowings	730	2,324
Lease liabilities	852	816
Income taxes payable	703	566
Contract liabilities	149	201
Provision for bonuses	1,282	1,234
Provision for bonuses for directors (and other officers)	59	38
Others	3,241	3,501
Total current liabilities	37,520	37,278
Non-current liabilities		
Long-term borrowings	13,532	11,237
Lease liabilities	3,650	3,368
Deferred tax liabilities	1,192	2,022
Retirement benefits liability	2,513	2,496
Provision for share awards	8	21
Provision for share awards for directors (and other officers)	4	6
Others	444	615
Total non-current liabilities	21,348	19,768
Total liabilities	58,868	57,046
<b>Net Assets</b>		
Shareholders' equity		
Capital	11,829	11,829
Capital surplus	17,028	17,032
Retained earnings	19,326	20,745
Treasury shares	(575)	(543)
Total shareholders' equity	47,609	49,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	511	1,191
Foreign currency translation adjustment	4,105	6,020
Remeasurements of defined benefit plans	407	1,263
Total accumulated other comprehensive income	5,024	8,475
Share acquisition rights	176	141
Non-controlling interests	108	114
Total net assets	52,918	57,796
Total liabilities and net assets	111,786	114,843

Consolidated Financial Statements

	(million yen)	
	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 01, 2022 to March 31, 2023)	(From April 01, 2023 to March 31, 2024)
Consolidated Statements of Income		
Net sales	107,993	106,622
Cost of sales	80,565	77,866
Gross profit	27,428	28,756
Selling, general and administrative expenses	22,599	23,816
Operating profit	4,829	4,940
Non-operating income		
Interest income	72	96
Dividend income	80	241
Share of profit of entities accounted for using equity method	341	250
Foreign exchange gains	—	33
Subsidy income	83	121
Others	235	351
Total non-operating income	813	1,094
Non-operating expenses		
Interest expenses	725	990
Foreign exchange losses	512	—
Others	75	88
Total non-operating expenses	1,313	1,078
Ordinary profit	4,329	4,956
Extraordinary income		
Gain on sale of non-current assets	195	9
Gain on sale of investment securities	1	72
Gain on reversal of foreign currency translation adjustment	193	—
Gain on sale of shares of subsidiaries and associates	—	2
Total extraordinary income	389	84
Extraordinary losses		
Loss on sale and retirement of non-current assets	97	47
Loss on sale of investment securities	—	2
Defined benefit plan expenses	—	975
Impairment losses	1,333	—
Loss on valuation of shares of subsidiaries and associates	485	—
Loss on liquidation of subsidiaries and associates	5	—
Total extraordinary losses	1,921	1,025
Profit before income taxes	2,798	4,015
Income taxes - current	1,244	1,252
Income taxes - deferred	(504)	520
Total income taxes	740	1,773
Net income	2,057	2,242
Profit attributable to non-controlling interests	10	1
Profit attributable to owners of parent	2,047	2,240

	(million yen)	
	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 01, 2022 to March 31, 2023)	(From April 01, 2023 to March 31, 2024)
Consolidated Statements of Comprehensive Income		
Net income	2,057	2,242
Other comprehensive income		
Valuation difference on available-for-sale securities	316	680
Foreign currency translation adjustment	1,908	1,787
Remeasurements of defined benefit plans, net of tax	(520)	856
Share of other comprehensive income of entities accounted for using equity method	113	131
Total other comprehensive income	1,818	3,456
Comprehensive income	3,875	5,698
(Breakdown)		
Comprehensive income attributable to owners of parent	3,850	5,692
Comprehensive income attributable to non-controlling interests	24	6

	(million yen)	
	Previous consolidated fiscal year	Current consolidated fiscal year
	(From April 01, 2022 to March 31, 2023)	(From April 01, 2023 to March 31, 2024)
Consolidated Statements of Cash Flows		
Cash flows from operating activities		
Profit before income taxes	2,798	4,015
Depreciation	3,915	3,940
Impairment losses	1,333	—
Increase (decrease) in provision for bonuses	261	(47)
Increase (decrease) in provision for bonuses for directors (and other officers)	28	(21)
Increase (decrease) in provision for share awards	8	12
Increase (decrease) in provision for share awards for directors (and other officers)	4	1
Increase (decrease) in allowance for doubtful accounts	(9)	(5)
Increase (decrease) in retirement benefit liability	(13)	954
Interest and dividend income	(152)	(337)
Interest expenses	725	990
Foreign exchange losses (gains)	198	25
Share of loss (profit) of entities accounted for using equity method	(341)	(250)
Loss (gain) on sale of investment securities	(1)	(70)
Loss (gain) on sale and retirement of non-current assets	(97)	37
Loss on valuation of shares of subsidiaries and associates	485	—
Loss (gain) on sale of shares of subsidiaries and associates	—	(2)
Loss on liquidation of subsidiaries and associates	5	—
Decrease (increase) in trade receivables	(3,783)	709
Decrease (increase) in inventories	(2,446)	2,915
Increase (decrease) in trade payables	400	(1,959)
Others	204	502
Subtotal	3,524	11,411
Interest and dividends received	271	505
Interest paid	(694)	(994)
Income taxes paid	(920)	(1,415)
Cash flows from operating activities	2,180	9,505
Cash flows from investing activities		
Payments into time deposits	—	(90)
Proceeds from withdrawal of time deposits	50	459
Purchase of property, plant and equipment	(2,460)	(2,993)
Proceeds from sale of property, plant and equipment	241	98
Payments for retirement of property, plant and equipment	(8)	(3)
Purchase of intangible assets	(180)	(87)
Purchase of investment securities	(267)	(510)
Proceeds from sale of investment securities	3	235
Proceeds from liquidation of subsidiaries and associates	4	—
Loan advances	(0)	(0)
Proceeds from collection of loans receivable	0	184
Others	(25)	40
Cash flows from investing activities	(2,642)	(2,667)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,409	(1,298)
Proceeds from long-term borrowings	165	151
Repayments of long-term borrowings	(827)	(1,071)
Repayments of lease liabilities	(1,006)	(968)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	0	0
Increase (decrease) in money trust of acquisition of treasury shares	(347)	—
Dividends paid	(817)	(819)
Dividends paid to non-controlling interests	(7)	(6)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3)	—
Others	27	—
Cash flows from financing activities	591	(4,012)
Effect of exchange rate change on cash and cash equivalents	602	547
Net increase (decrease) in cash and cash equivalents	732	3,372
Cash and cash equivalents at beginning of period	12,887	13,620
Cash and cash equivalents at end of period	13,620	16,992



Corporate Information (as of Sunday, March 31, 2024)

Company Overview

Company Name	Tamura Corporation
Founded	May 11, 1924
Incorporated	November 21, 1939
Capital	11,829 million yen
Number of Employees	Consolidated: 4,410 Non-consolidated: 895
Website	https://www.tamura-ss.co.jp/
Head Office	Nerima-ku, Tokyo



Global Network

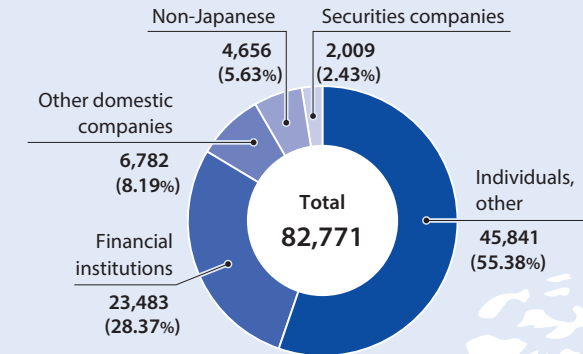
Head Office/Regional Headquarters
Electronic Components
Electronic Chemicals
FA Systems
Information Equipment

Stock Information

Basic stock data

Securities code	6768
Listed stock exchange	Tokyo Stock Exchange
Shares authorized	252,000,000
Shares issued and outstanding	82,247,343 (Not including 524,130 shares of treasury stock)
Number of shareholders	28,409

Share distribution (unit: thousand shares)

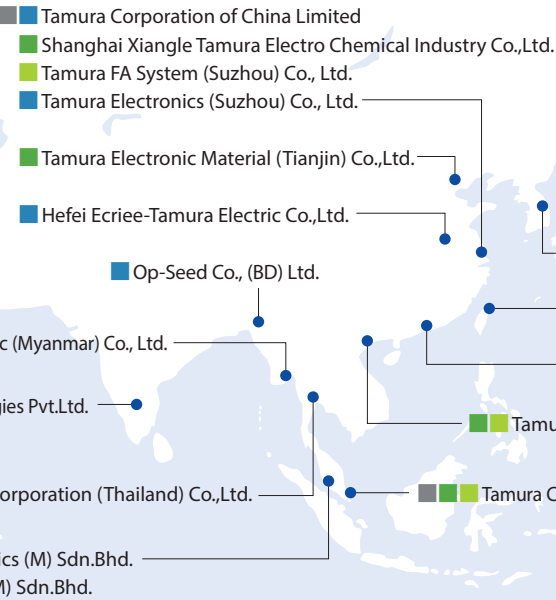
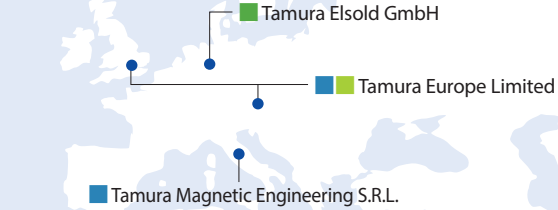


Main shareholders (top 10)

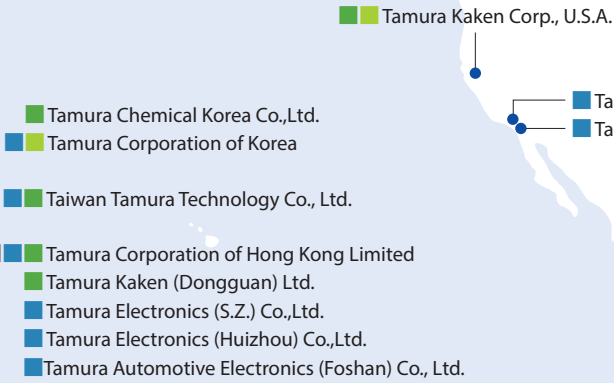
Shareholder name	Holdings information	
	Number of shares held (thousand shares)	Shareholding ratio
Master Trust Bank of Japan, Ltd. (Trust account)	9,422	11.45%
Tamura Cooperating Company Stockholding Association	3,656	4.44%
Custody Bank of Japan, Ltd. (Trust account)	3,367	4.09%
Sumitomo Mitsui Banking Corporation	3,200	3.89%
Mizuho Bank, Ltd.	1,999	2.43%
Tamura Corporation Employee Stockholding Association	1,238	1.50%
Tamura Kaihatsu	1,161	1.41%
Sumitomo Life Insurance Company	1,018	1.23%
Nippon Life Insurance Company	1,000	1.21%
Resona Bank, Limited	955	1.16%

Note: The 524,130 treasury shares are not considered in the calculation of shareholding ratios.

EUROPE



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