

INTEGRATED REPORT 2023

TACHIBANA ELETECH
Year ended March 31, 2023



Toward Further Progress with POSITIVE & SPEED

The world economy is undergoing major changes. In times like these, we need new challenges that are not bound by yesterday's conventional wisdom.

Tachibana Eletech will contribute to our customers with new proposals by leveraging our positive dynamism to face any adversity and our speed to anticipate the trends of the times.

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Forward-Looking Statements

Projections of operating results and changes in the business environment provided in this report are based on information available to the management as of the date the report was prepared. As such, these projections are exposed to uncertainties and potential risks that may affect the projections should they materialize. Readers are therefore cautioned that actual operating results and the business environment in the future may differ materially from the projections provided herein.

Note on financial figures

Financial figures in this integrated report are presented by rounding figures less than a full unit.

POSITIVE & SPEED

Continuing to build a strong platform to meet the needs of changing times



Hisanobu Nunoyama
President, CEO

Looking back on first year as president

Inheriting "People-Oriented Management"

I joined the company in 1984 when it was known as Tachibana Shokai, and worked in Singapore and Hong Kong for more than 20 years, and then at the Tokyo office for six years before returning to head office the Osaka, where I took over the management of the entire company, making use of my experience in leading the development of overseas and Japanese markets. In June 2022, when I assumed the post of president, my plan was to firmly pass on "People-Oriented Management" cultivated by Chairman Watanabe, with quality talent being the backbone to the capabilities of a technically driven trading company. The concept of "People-Oriented Management" that will turn the growth of each individual into the driving force for the Company's growth, must be the foundation of the trading company Tachibana Eletech, no matter how much the times and the business environment may change.

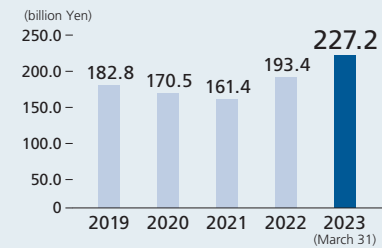
Strength in the "ability to protect customers"

After a year of implementing the medium/long-term management plan, "NEW C.C.J2200," I have come to see the bigger picture of the Tachibana Eletech Group's current capabilities and challenges. What I felt once more was the many strengths of Tachibana Eletech. Namely, our ability to protect our customers, our strong relationships with our suppliers, and our organizational management that takes advantage of the diverse capabilities of our employees.

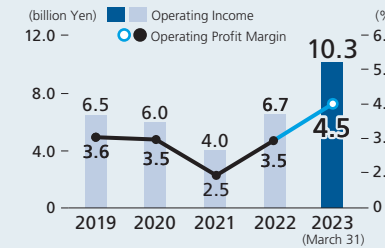
In Osaka, where the company was founded, the depth of clientele relations has been built over our more than 100-year history. Clients span a diverse range of industries, including manufacturing, distribution, construction, and logistics, and range from large corporations to small and medium-sized enterprises. Last year, while struggling with difficult issues such as shortages of products and pricing issues, we have done our utmost to provide customers with materials and technical services as needed. We have listened to our customers' problems to analyze and identify issues, and made the most of strong relationships with suppliers to lead them to solutions. We have leveraged these

Financial Highlights

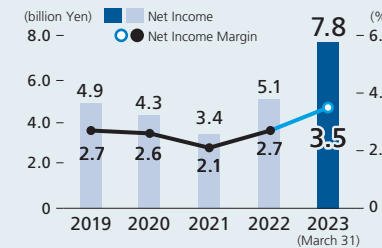
Net Sales



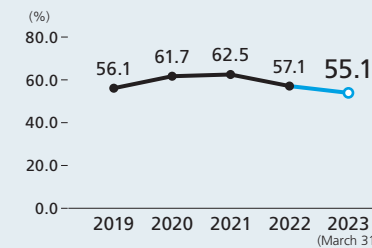
Operating Income, Operating Profit Margin



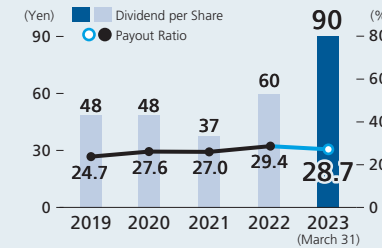
Net Income, Net Income Margin



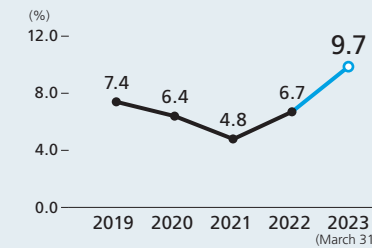
Equity Ratio



Dividend per Share, Payout Ratio

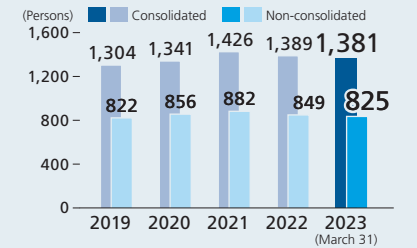


Return on Equity

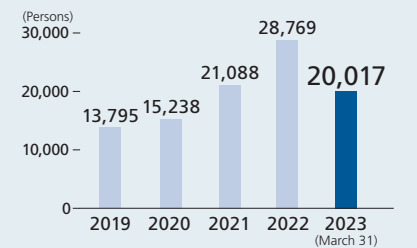


Non-Financial Highlights

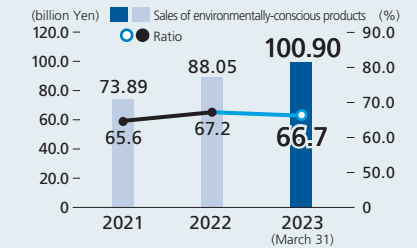
Number of Employees



Number of Total Shareholders



Sales and sales ratio of environmentally-conscious products (non-consolidated)



strengths, to expand our business across Japan and globally, and this is reflected in our business performance for the fiscal year ended March 31, 2023, which I report on.

Taking on the challenge of self-transformation for the next 100 years

On the other hand, we have also had our own challenges. It is difficult to change with the times. We celebrated our 100th year in business in September 2021, and we have made a fresh start toward our 200th year. However, because of our 100-year history and the accumulation of successes, we tend to rest on our laurels and become mired in conventional practices and preconceived notions. We will not be able to make the leap to our next 100 years unless we can break this habit. I renew my conviction that we must not be blind to own weaknesses, but must continue to take on the challenge of self-transformation.

POSITIVE & SPEED for an uncertain future!

The world in which we live is undergoing a wave of negative and rapid changes that includes escalating tensions between the U.S. and China, an unstable international situation represented by the invasion of Ukraine, soaring resource and energy prices, and rapid changes in exchange rates. This uncertain situation with an unpredictable future will probably continue for some time, but it is precisely because of this negative business environment that we must act aggressively, boldly, and swiftly without fear of failure, or we will not grow in the future. This is why I have been saying "POSITIVE & SPEED" ever since I became president. We must be aggressive in everything we do and increase the speed of our responses to our customers. I ask each and every one of our employees to make such efforts.

Performance for the fiscal year (ended March 31, 2023) and outlook for the next fiscal year

Sales exceeded ¥200 billion and profits across the board reached record highs

The Group worked to secure and expand inventories in order to fulfill its responsibility to supply customers amid continuing shortages for some products. As a result of focusing on sales activities that accurately grasped customer demands, we were able to achieve sales exceeding ¥200 billion. In particular, growth in Semiconductors and Electronic Devices business contributed significantly to our overall performance. In addition, performance was enhanced by significant growth of subsidiaries both in Japan and overseas.

In terms of securing profits, it was necessary to pass on price to increase customers. However by proposing alternative products and providing added value by leveraging on technical capabilities, we were able to gain customer satisfaction.

Changes in foreign exchange rates, such as the significant depreciation of the yen, also contributed to a boost in consolidated performance.

Careful assessment of unstable market trends, we aim to exceed ¥220 billion in net sales.

For the fiscal year ending March 31, 2024, we forecast net sales of ¥223 billion. Sales will be slightly lower than in the fiscal year ended March 31, 2023, but we will strive to maintain both sales and profits to the same level as the previous year.

While the impacts of COVID-19 fade, the protracted situation in Ukraine, the continued sharp rise in energy and resource prices, and the economy of China, many markets show signs of instability. In addition, as the shortage of products is on the way to being resolved, we must carefully assess how much inventory our customers have built up and whether there will be a lull in demand. We have, therefore, decided to start with a solid earnings forecast for the next year. We will aim to exceed the forecast by assessing the situation of our customers and improving the accuracy of our order placement process.

Key strategies for the year ahead

Respond to the need for factory automation, and make up-front investments, including localizing hiring at overseas offices

One of the areas of particular focus in the medium/long-term management plan “NEW C.C.J2200” that we are currently pursuing is to propose solutions in our core Factory Automation Systems. The need for labor saving and automation in factories is increasing both in Japan and overseas. We are actively addressing this need with robotics and M2M (technology that automates machines by directly exchanging data with each other). Automation is advancing more rapidly in China than in Japan due to rising labor costs. We intend to increase investment

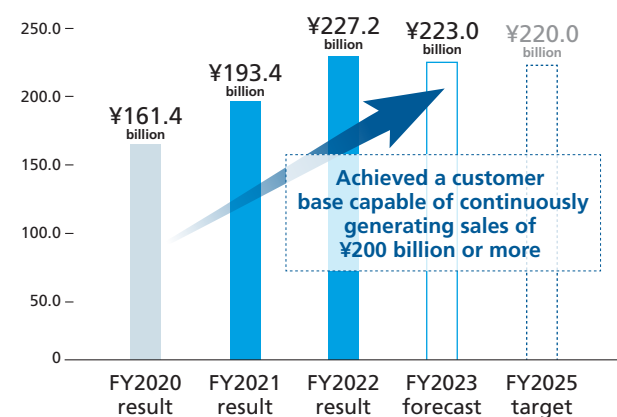
in people, and products, in this field and further establish our reputation in M2M.

We have been promoting localization and human resource development in our Overseas Operations. Some local employees have already served as presidents of local sales companies. We intend to continue foster locally-hired staff in China and other Asia markets and have them play key management roles. We also see India, which is transforming from a production center to a consumption center, as the next growth market. We will quickly detect trends among our customers and establish a system to be ready to move whenever there is a need.

Basic strategy

- 1 Sales strategy adapted for the new era**
- 2 Strengthen the foundation for structural improvement**
- 3 Become a JPY 200 billion company**

Medium/long-term management plan NEW C.C.J2200 performance and targets



Maximizing profits through precise demand forecasting and high value-added business

Along with growing sales, we must also focus on securing profits. The final part of net profit includes general expenses, which is linked to everything else such as distribution costs. In addition to purchasing costs, it is important to negotiate ahead of time before these overhead costs rise, so we must improve the accuracy of our sales efforts to make detailed forecasts and understand the needs of our customers. In the world of selling tangible products, and, on the other hand, in the world of product development support and solution proposals, the competition is how much added value our technical capabilities can provide compared to our competitors. We have invested aggressively in this area, including developing talent, and I expect to see the results of these investments in the next fiscal year.

Progress and challenges of the medium/long-term management plan NEW C.C.J2200

Focus on strengthening the foundation to maintain stable sales of over ¥200 billion

Fiscal year 2023 is the third year of the medium/long-term management plan NEW C.C.J2200 and the halfway point of the five-year plan. We reached the plan’s target of ¥220 billion in sales before the final year of the plan. We may have a choice but to aim even higher in terms of sales. However, we only achieved sales in excess of ¥220 billion thanks to a variety of external factors. There is no guarantee that these positive factors will continue, and the uncertain global situation shows no sign of abating. In an economic cycle that is constantly changing, it is necessary to consider that there will be periods of adversity. As such, while we cannot foresee the external environment, we intend to refine our initial goal of becoming a “company capable of sustained growth,” in other words, to create a foundation that will enable us to consistently post sales of ¥200 billion or more. We intend to continue to be a “JPY 200 billion company” and pave the way to becoming a “JPY 250 billion company” by improving our muscular corporate structure and working to expand our customer base.

Bolstering our foundation for structural reform

01 Bolstering our foundation for structural reform

Although we are promoting office automation in our internal practices, we have only started to make improvements. We recognize that DX, or digital transformation as it is often referred to, is a management strategy that uses digital technology to create maximum efficiency from an overall view of the entire business. From this perspective, the Group is still in the process of development. We will first complete office automation at the level of making business improvements, and then we will work on digital transformation to dramatically increase labor productivity by promoting the computerization and other measures to address the ever-changing supply chain, such as visualizing orders and order backlogs by connecting with customers’ EDI (electronic data interchange).

02 New Tachibana-style HR program

Seniority-based systems have limits. We must develop specialists in a wide range of areas such as engineering, sales, planning, and management, along with the right human resources for a technology-driven trading company. Engineers are specialists in the automation of customers’ factories, and in the case of ODM/OEM customers, they must understand the needs of end users and propose optimal solutions. Sales representatives working with engineers must have technical and product knowledge and understand the markets in the area and domain they are in charge of.

Evaluation and appropriate treatment of specialists will encourage them to succeed in the company. To this end, we will start reforming our HR program to visualize the abilities and



achievements of each individual and treat them fairly and equitably. A new “Tachibana-style JOB-type HR program” is scheduled to be launched in April 2024. Unfortunately, we have not yet fostered a corporate culture that would allow us to step into reforms all at once. So, we plan to wait a tentative period of about three years and move toward with full implementation in a reasonable manner while encouraging employees to change their mindsets.

To our shareholders and investors

Aiming to achieve sustained growth for another 100 years

As a technology-driven trading company dealing in electrical, mechanical, electronic, and information products, we aim to become a “200-year company” that will be here for another 100 years. We are currently working to build a foundation for steady growth toward this goal. We will aggressively make future-oriented investments even in a difficult environment, and although profits will therefore remain flat, we will achieve our sales target of ¥223 billion for the current fiscal year and realize stable dividends. We will work positively and with speed to resolve issues such as improving our condition and reforming internal awareness, in line with our slogan, POSITIVE & SPEED. Thank you for your continued support.

SUSTAINABLE GROWTH

Working to solve various social issues through our business activities as a good global citizen



Takeo Watanabe
Chairman, EO

Approach to sustainability

Achieving sustainable business growth in harmony with the global environment and society

For Tachibana Eletech, sustainability means contributing to the preservation of the global environment and achieving sustainable business growth while maintaining a good relationship with society.

In order to address this as a management issue, the Sustainability Committee was established in April 2023, which I chair.

The committee will promote company-wide sustainability initiatives by formulating basic sustainability policies, identifying important issues (materiality), setting targets based on these policies, and managing progress. We will further strengthen our environmental, social, and governance initiatives together with the committee which consists of management and key internal personnel.

E (Environmental) Initiatives

Working to reduce our own environmental impact and helping to reduce the environmental impact of our customers

Needless to say, we believe that the environment is an issue that must be addressed. We are committed to improving the environment ourselves, and to providing environmentally friendly

products to our customers.

Specifically, we are working to reducing the consumption of electricity for lighting and air conditioning in all of our office buildings and to go paperless by digitizing forms and introducing electronic document management.

We are also conscious of promoting environmentally friendly products to customers. For example, the penetration rate in Japan of LED lighting, which consumes less power and has a longer lifespan, is still only around 40%. We can contribute to reducing the environmental burden by expanding sales of these products. We are helping our customers to conserve energy and reduce CO₂ by providing "products + energy conservation technology" through our aggressive lineup of equipment and systems that support energy conservation efforts in all product categories.

S (Social) Initiatives

Contributing to sustaining local cultural and environmental conservation as a company from the Kansai region

In Europe, companies are at the center of local communities and solve social issues while being closely involved in the lives of citizens. In Japan, on the other hand, there must be a different form of social contribution. As a company originating from the Kansai region, we want to contribute to the preservation of traditional Kamigata (Kansai) culture and the development of local communities.

One example is the Reizei family of Kyoto, a family that has

passed down documents and traditions as a "house of waka poetry" for generations. The family has stored tens of thousands of documents, including national treasures and important cultural properties, in seven storehouses, two of which were destroyed in the 1995 Great Hanshin Earthquake. We are financially supporting the reconstruction of these buildings.

In addition, we launched the "Tachibana Eletech 100th Anniversary Forest" in Hirakata City, Osaka Prefecture as part of our 100th anniversary project. The natural green space in Hirakata City, is one of the best satoyama remaining in the city, but it is in a state of disrepair due to inadequate maintenance. We named this area "Nagomi no Sato" with the aim of creating a satoyama that can be enjoyed by the community. We will contribute to the environmental conservation by restoring beautiful satoyama forests by replacing bamboo groves with broadleaf trees.

Established "Nagomi-kai" to support the life and growth of employees

If we look not only to the outside world but also inward to society, the closest thing to us is our employees. We established "Nagomi-kai" with the aim of contributing to the happiness and peace of mind of employees. With the COVID-19 pandemic, relations among employees became weaker, and we must work to rebuilding warm connections within the company and enrich the hearts of employees.

Specific activities include the creation of a system to provide monetary compensation to employees in the event they are affected by disasters, etc. according to their individual circumstances, subsidies for employee self-improvement and friendship activities, and the holding of lectures useful for human development. Nagomi-kai supports the happiness and growth of our employees through these unique initiatives.

Introducing the "Tachibana JOB-type HR program"

As work styles diversify, including working from home and online work, there is a need to shift to a job-based HR program in which employees are evaluated based on their duties, roles, and achievements rather than on their working hours. We aim to introduce a Tachibana version of this system over the next three years, in which the roles and responsibilities of each individual are clearly defined and their professional skills are developed, while at the same time providing a human touch.

Diversity is essential for organizational development

Up until now, we have been stuck with outdated values concerning women. These old-fashioned notions must be changed as soon as possible in this day and age.

Men and women have different characteristics and strengths. Our organization cannot shine unless all people, regardless of gender, can demonstrate their diverse characteristics and

individuality as strengths. We will work on organizational reform to foster a corporate culture that respects diversity, not to mention revise systems such as gender equality, equal pay for equal work, acceptance of LGBTQ+ people, among others.

G (Governance) Initiatives

Raising awareness through dialogue to build effective governance

Governance that is sound, transparent, and capable of prompt decision-making is also an important management issue. To accomplish this, it is necessary not only to change the system, but also to change the mindset of management and managers. We are planning to increase opportunities for stakeholders to think and talk about how to strengthen governance in the future.

Of course, some rules and regulations may not be agreeable to all, but we believe that the process of gaining understanding and acceptance through dialogue is important.

Identifying materiality and visualizing ESG issues and KPIs

Currently, we are working on identifying materiality as a management issue. But instead of simply determining materiality items, we are, for example, in offering environmentally-conscious products, planning to visualize from various perspectives, such as which products should be combined with which related products and technologies, how much sales can be achieved by doing so, whether we should establish a dedicated organization for expansion, and whether we should train and assign specialists in each organization. All of this will be managed by data by establishing a KPI system.

A final word

Committed to sustainability and further development of business

We will promote sustainability based on the above policies, but most importantly, we must foster a corporate culture that emphasizes sustainability. It will take time to change the ways of thinking, but I feel that we must do it.

By seriously addressing sustainability, we at Tachibana Eletech believe that we can further grow and contribute to society through our business.

Creating new value by putting POSITIVE & SPEED into action

Social and industrial problem

Lower production efficiency

Deteriorating quality

Commoditization of products

Labor shortages due to decreasing birthrate and aging population

Urban overcrowding

Widening digital divide

Global warming induced climate change

INPUT

Strengths we leverage to solve problems

Financial capital

Steadfast financial foundation

→ See p.37

- Equity ratio 55.1%
- ROE 9.7%

Intellectual capital

Know-how as a technology-driven trading company

- 1/4 of all employees are engineers
- Factory line design technology

Human capital

Human resource development through People-Oriented Management

→ See p.25

- Employees: 1,381
- Core training to develop human resources held 42 times/year

Social capital

Relationships of trust cultivated in Japan and overseas

→ See p.41

- Consolidated group companies: 15

Natural capital

Capability to provide solutions to reduce environmental impacts

- Sales ratio of environmentally-conscious products: 67%

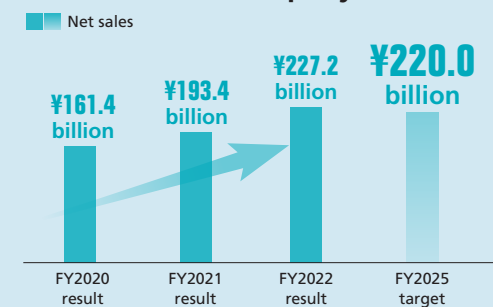
OUR BUSINESS

Our business activities

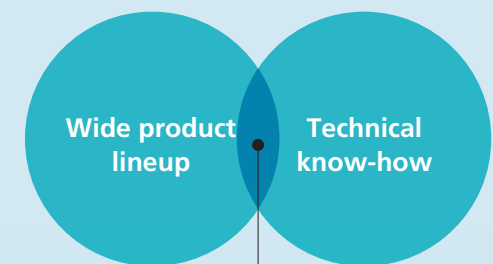
Medium/long-term management plan → See p.11

NEW C.C.J2200

Aiming to become a JPY 200 billion company



Core competence



Proposals including sale of products (tangible things) and system technologies (intangible things)

Foundation for growth

- **B**asic Sustainability Policy → See p.21
- **E**Reducing the environmental impact of our company and society → See p.23
- **S**trengthening human capital and solving social issues → See p.25
- **G**Effective governance system → See p.30

OUTPUT

Products & Services

Factory Automation Systems

Sales: **¥114.9 billion**

- Sales of FA equipment and system equipment robots, 3D printers, industrial mechatronics, and sensors essential for manufacturing sites

Semiconductors and Electronic Devices

Sales: **¥89.0 billion**

- Sales of highly integrated semiconductors and device products that meet customer needs

Building Services Systems

Sales: **¥17.5 billion**

- Sales of elevators, air conditioners, and other equipment and systems for buildings, factories, warehouses, and housing

Manufacturing (contracted production) Services

Sales: **¥5.7 billion**

- Contract manufacturing of metal processing and electronic devices

OUTCOME

Strengths and value provided

Strength

- Proposing solutions as a technology-driven trading company that integrate a wide range of technologies such as M2M, IT, and OT*
- Complete support with our comprehensive sales and technical capabilities based on our extensive track record

*Operational Technology: Technology to control and operate equipment and devices in factories and plants

Value provided

- Realization of customer manufacturing goals
- Resolving labor shortages on production lines and saving energy

Strength

- Grasping customers' needs through our wealth of experience and technological prowess, and providing the optimal solutions from standard designs to customized specifications
- Total support as a system consultant, including support for the development of microcomputer software and custom LSI

Value provided

- Contributing to society, which requires digital-analog integration amidst the acceleration of digitalization
- Flexible response to changes in the supply chain environment

Strength

- Complete solutions for buildings, factories, housing, and facilities
- Proposing environmentally-conscious products such as solar power, storage batteries, and chiller equipment

Value provided

- Contributing to the creation of comfortable environments that enriches people's lives and industries

Strength

- A one-stop service convenient for customers
- Fabless production system that allows us to accept orders from small lots

Value provided

- Manufacturing support from small lots

A prosperous and sustainable society

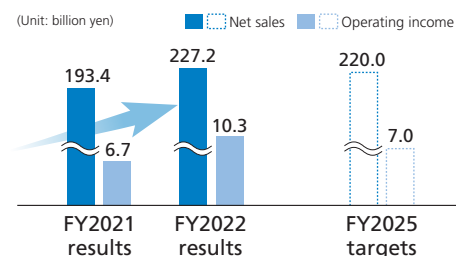
- Realize a new way of working
- Create the next generation of industry
- Create prosperous cities

Progress of business portfolio and medium/long-term management plan

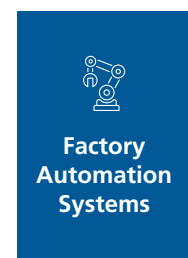
Tachibana Eletech has four business domains that it is expanding not only in Japan but also overseas. Each business is working to reduce risk by creating synergies and forming portfolios. Under the medium/long-term management plan "NEW C.C.J2200," we have set numerical targets for each business and are working to achieve them.

We are currently making progress ahead of the plans, and will strive to exceed our final targets for FY2025.

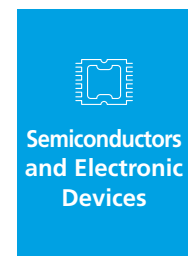
Company-wide net sales/operating income



Business activities



Through FA (Factory Automation), we provide our clients with value in terms of quality, efficiency, and labor savings. We propose systems that address a wide range of issues, from a single piece of equipment to an entire factory, based on our knowledge, experience, and technological capabilities cultivated through a wide range of work. Our sales engineers work with customers to achieve their manufacturing and factory development goals.



We support the digitalization and digital transformation of society through the sale of semiconductor devices. We not only propose and supply semiconductors and electronic device products that meet customer needs, from standard designs to customized specifications, but also provide solutions and consulting services that take into consideration all the processes leading up to the commercialization of products by our customers.



We are striving to create environments that enrich people's lives and industries by proposing valuable products and systems for facilities such as buildings, factories, warehouses, and housing.

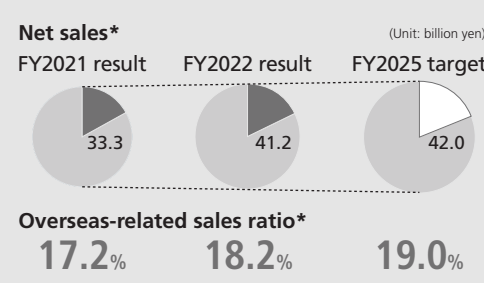
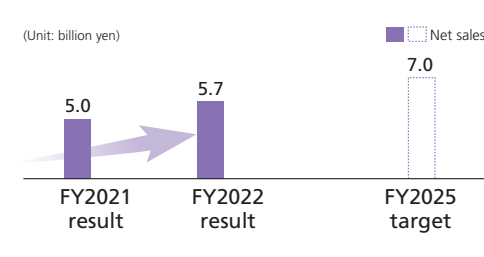
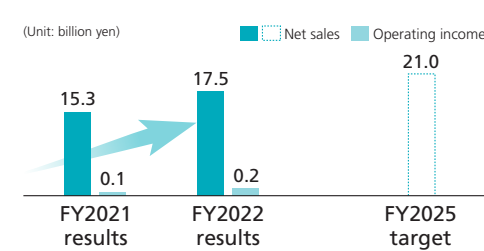
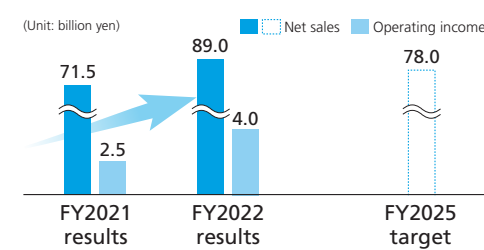
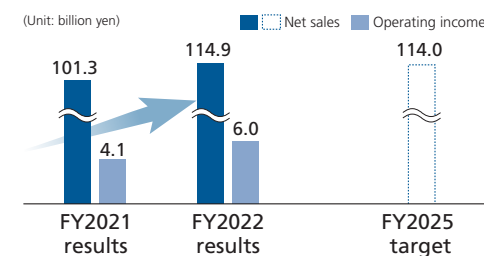


Through MMS (Metal Manufacturing Service) and EMS (Electronics Manufacturing Service), we are working to solve manufacturing problems as a "technology-driven trading company" with our design know-how and manufacturing partners.



We are strong supporters of our customers' expansion into Asia and overseas procurement (import) of products from different parts of Asia by procuring and supplying the necessary products and components to factories in Japan and abroad.

Net sales/Operating income by segment



Progress of medium/long-term management plan

We established the Factory Automation Systems Division, a dedicated sales department, in Tokyo, Nagoya, and Osaka in 2021 to strengthen system sales. Its lineup has been expanded since then. The FAE team, which is capable of providing technical support, was also established to provide support ranging from identifying projects to receiving orders. Our customers have high praise for the division's technical proposals. In terms of automating internal operations, we have integrated a CRM (Customer Relationship Management) system within Factory Automation Systems to enable more efficient sales activities by combining business card management, sales activity history, and other information.

We are proceeding with strategic projects to develop new customers, new suppliers, new products, and new markets, and we expect to see the results of these projects in the final year of the medium/long-term management plan in the form of additional sales to existing sales. We have also launched the Semiconductors & Electronic Devices Planning Division to support sales. It supports the sales force by using IT infrastructure to improve operational efficiency. In addition, a new sales support system will be launched in January 2024 to significantly reduce the sales workload.

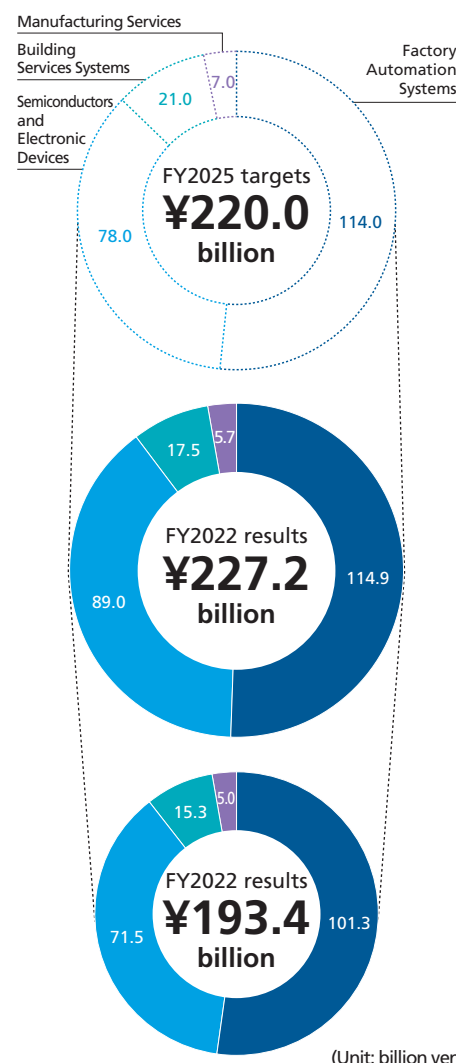
We are aiming for more than 10% share of internal sales to become the third pillar of our main business. To this end, we are working to standardize service levels in the region and gradually increasing the number of staff in the Tokyo metropolitan area and the Chubu area. We will also upgrade the Facility Systems Division, which is engaged in the renewable energy business, to the level of "headquarters," and expand activities as a pillar of our sustainability efforts.

We are also making progress with planned IT investments. We will utilize a system for purchasing and manufacturing "what you need, when you need it and as much as you need, and from where you need it" to streamline order and supply management operations, and thereby contribute to VAVE proposals to customers.

With "local production for local consumption" in mind, we have localized our bases. We have already developed local management positions, and human resources have emerged to fill the role of presidents of local sales companies. We will work toward further advancing localization.

*The figures for overseas businesses are included in each business segment.

Overall plan





Factory Automation Systems

Sales
composition ratio
50.6%



Takashi Nanmoto
Operating officer

Profile

1993 Joined
2020 General Manager of FA
Business Planning Office and
General Manager of FA Solutions
Promotion Department
2021 Current post
Operating officer
Senior General Manager
Factory Automation Systems

Main products



FA Equipment Department

Programmable controllers, inverters, AC servos, various motors, power distribution control equipment and control devices



FA System Solution Department

Proposal of complex systems spanning our business segments and provision of solutions required by production sites



Industrial Mechatronics Department

Electrical discharge machinery, laser beam machines, machine tools including machining center, 3D printers



Industrial Device Component Department

Digital connection devices, connectors, FA computers, network devices, touch monitors, Smart Glass

Performance Summary

Working together as a company to secure products for record sales and profits

A year has passed since I was appointed to the FA business, and I have again keenly felt that our company is needed and expected by our customers and suppliers in a wide variety of industries and business categories.

Amid the worsening shortage of products that began in the fiscal year ended March 31, 2022, we were able to fulfill our responsibility to supply customers by working together to secure enough products and achieved record-high sales and profits, thanks to the support of our customers and suppliers. This was a year in which we realized that our longstanding relationships with influential customers who are leading their industry are a great advantage for our company.

FA Equipment Department

Sales of our core products of programmable controllers, inverters, and AC servos were strong, and sales of low-voltage power distribution control equipment increased substantially, partly due to improved delivery times for some models, resulting in record high results. The semiconductor manufacturing equipment business was a major contributor to the strong performance,

while the logistics business also performed well as a result of the expansion of e-commerce, which led to a series of distribution center expansions. In addition, our customers in a wide range of industries, such as food and beverage, petrochemical, and steel, also performed well.

FA System Solution Department

The dedicated department that specializes in proposing solutions, including our robot business has started full-scale operations and promoted sales expansion activities in cooperation with the technology division. It focuses on responding to the needs for factory automation and labor-saving.

Industrial Mechatronics Department

Sales of laser processing equipment and machining centers grew substantially due to the effect of subsidies. In addition, we made efforts to promote new manufacturing technologies using 3D printers.

Industrial Device Component Department

Sales of touch monitors grew for semiconductor manufacturing equipment-related applications, while sales of connection devices increased substantially at subsidiaries. As a result, overall sales in our business increased by 13.4% year-on-year and operating income increased by 47.4%, resulting in an increase in both sales and profits.

In addition to participation in exhibitions, we have increased

the number of online exhibitions on our own website and held our own webinars. Our focus on proposing solutions to problems at manufacturing sites has been successful. One of the results of the exhibition was that young employees, who were responsible for everything from planning to implementation, were motivated to take the lead in soliciting ideas from within the company in the form of a contest.

Growth Strategy

Focusing on “discovering business” in sales to uncover customer needs

FA Equipment Department

In the first half of the year, we had a backlog of orders that exceeded the budget, but customers who made deliveries ahead of schedule in the previous fiscal year are adjusting their orders while monitoring inventory conditions. However, since demand for semiconductors will increase in fields such as EVs and data centers, many customers are eager to increase production with their semiconductor manufacturing equipment, which is our main area of business, so we do not expect demand for factory automation equipment to decline. In addition, we believe that the logistics industry, which is facing the “2024 problem,” will continue to do well as logistics warehouses become hubs and are being expanded.

FA System Solution Department

Our System Solution Department has experience in all types of manufacturing industries, from process-oriented in food, beverage, and chemical-related industries that use fluids as raw materials to discrete-oriented in the semiconductor and automobile industry that use solids as raw materials and components. As a reaction to the holding back of investments due to material shortages in the fiscal year ended March 31, 2023, we are seeing an increase in upgrade projects for equipment control, one of our strengths, in the next fiscal year. The Solution Department, which can provide a fusion of a wide range of technologies, including M2M (Machine-to-Machine), IT, and OT (Operational Technology: technology to control and operate equipment and devices in factories and plants), has attracted a great deal of attention and inquiries from customers, and we expect significant growth in the coming year. This is

where the “Tachibana for M2M” business comes into its own.

Industrial Mechatronics Department

After securing subsidy projects, we are developing major customers with high potential for equipment demand. We are aiming to achieve better results than the previous year by focusing not only on sales of single processing equipment but also on proposals for manufacturing line automation.

Industrial Device Component Department

Although touch monitors led the way in the fiscal year ended March 31, 2023, the next fiscal year started off sluggishly due in part to over delivery. However, we expect the figures to be similar to those for the previous year as the performance of our subsidiaries has also been strong.

We will naturally expand our product sales business centered on Mitsubishi Electric FA equipment, which is our mainstay business. But what Tachibana adds as value is technology and our ability to comprehensively coordinate diverse equipment and IT and telecommunications technologies. For this purpose, we established the Factory Automation Systems Division, which includes the Field Application Engineering Dept. This division, together with an engineering team, will realize “koto-uri,” the selling of intangible solutions, not just the tangible product, to solve customers' problems.

Our engineering team has a 50-year history. In our long history, we have analyzed in detail the projects of various manufacturing industry customers that we have contracted in the past, and we have created case studies of solutions based on our assumptions about what kind of demand we can expect in the future, and we are conducting hearings with our customers.

Our customers are facing a serious labor shortage, and automation and labor-saving on the production line is an urgent issue. How can we reduce the number of workers? We observe the customer's manufacturing line, consider what equipment and robots to install where and how to automate, and present a 3D simulation video once a plan has been formulated. We hope to uncover new needs through our “discovering business” sales approach, in which we make proposals based on the customer's reality.

VOICE

Emphasizing our support system in cooperation with the Technology Division to increase orders

I was involved in planning the theme and reviewing the content of our exhibit at FOOMA JAPAN 2023, a large-scale food industry exhibition. The most important aspect of our proposal at the exhibition was that we do not sell only equipment and software, but that we can solve customers' problems through our support system in cooperation with the Technology Division. We also had success in conducting a questionnaire in advance and were able to listen to customers' issues, leading to many business negotiations. We aim to further expand orders through collaboration between the sales and technology divisions.

Shodai Oka, Factory Automation Dept. 2 (Joined the company in 2013)



VOICE

Leveraging our strengths as a technology-driven trading company to consistently provide optimal systems

I am mainly involved in system implementation in the field of instrumentation (food, beverage, chemical, and pharmaceutical plants). Taking advantage of our unique ability to make proposals from a large array of products regardless of the manufacturer, we always try to incorporate new technologies and information, and examine and compare them with our own eyes. This means we are able to provide technical support that realizes optimal proposals for our clients' issues. In the future, my goal is to become an engineer who can handle large-scale projects and contribute to raising the level of our team's technical capabilities.

Naotoshi Yoshida, Control Technology Dept. (Joined the company in 2014)





Semiconductors and Electronic Devices

Sales composition ratio
39.2%



Sadayuki Takami

Director
Executive Operating Officer

Profile

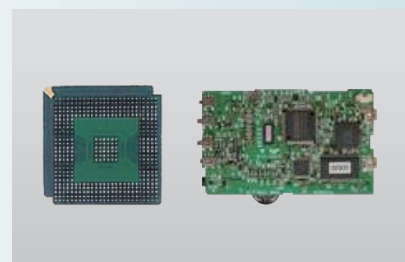
1980 Joined
2010 Operating Officer
2017 Current post
Director
Executive Operating Officer
In charge of Semiconductors and Electronic Devices

Main products



Semiconductors

Microcomputers, ASICs, power devices, memory modules, analog ICs, logic ICs



Electronic devices

Memory cards, contact image sensors, liquid crystals, connectors

Performance Summary

Securing products by getting ahead of the curve and achieving record sales

Semiconductors are the cornerstone of a digital society, and demand is expected to grow over the medium to long term. We intend to meet this social need by leveraging our strengths as a technology-driven trading company.

Following the year ended March 31, 2022, the market was even more buoyant in the year ended March 31, 2023. The reason for this is that demand has been recovering since 2021 as the COVID-19 pandemic waned.

Demand for semiconductors has risen sharply, starting with the automobile industry, and the supply-demand situation has tightened across all industries. In response to this trend, we had a very difficult time during the past two years in securing a sufficient quantity of products. Since our customers were adjusting their production and immediately producing products as soon as parts became available, we took the initiative in securing parts and materials in advance and were able to sell customers all parts and materials as soon as we had them in stock.

This resulted in overall sales in our business increasing by 24.3% over the previous year, reaching a record high.

Semiconductor Department

Microcomputers, logic ICs, and power semiconductors, recognized as the most important components by our main customers, grew substantially. Sales were also strong overseas, particularly among Japanese customers.

We believe this is the result of our continued efforts to offer customers a choice between Japanese and foreign semiconductors according to their respective characteristics in developing products and components that meet their specific applications. In addition, Tachibana Electronic Solutions Co., Ltd., which became a subsidiary in April 2020, achieved the record sales, making a significant contribution to our consolidated performance. This is the result of Tachibana Electronic Solutions's consistent sales and technical support activities in response to the shift to small and medium-sized customers that had not been covered by our business in the past.

Electronic Devices Department

Sales of memory and connection parts such as connectors grew significantly, while demand for LCD panels remained firm. It is worth mentioning that due to the unprecedented tightness of the situation, even customers who had previously been reluctant to do business with us due to differences in specifications, price, etc., have accepted our sales proposals. In some cases, they even changed their circuit boards to use our products. In addition

to memory, the special demand for connectors, capacitors, diodes, transistors, and other peripheral components also provided a breakthrough and greatly expanded our sales opportunities in the future.

Growth Strategy

Expanding the base of new customers and products, and strengthening product, sales, and technical capabilities

Semiconductor Department

Markets that were disrupted by shortages have returned to normal. Many of our customers are rethinking their just-in-time approach, holding their own inventories and refraining from placing excessive orders. This adjustment trend began in the Chinese market in the early fall of 2022, and Japanese customers followed suit in the early spring of 2023.

We are keeping a close eye on the timing of when this adjustment will bottom out and reverse. We expect the reversal to begin in the second half of 2023, but the key will be at what level the previous shortage of goods will return from, and whether we will be able to procure parts properly at that time. We will carefully monitor market trends and be prepared in advance to secure the products we need.

Electronic Devices Department

The supply-demand balance is loosening due to a sense of oversupply in the market, especially for general-purpose parts. However, new business has started with customers and suppliers with whom we did not have relationships in the past, and we expect to see new business and positive sales.

In addition, several strategic projects that have been ongoing since the previous medium-term management plan are making steady progress. We believe that the addition of the results of projects that are distinct from existing businesses, such as the expansion of LCD module applications and the expansion of storage sales, will certainly boost our bottom line.

Mergers and acquisitions happen all the time in the semiconductor industry.

Our main supplier, Renesas Electronics, is no exception, and is aggressively pursuing mergers and acquisitions, particularly with European and U.S. manufacturers, to expand its business

fields. Thanks to this, we are now able to procure increasingly more products from new manufacturers, such as power supplies, analog systems, and communication systems, which we did not have in our product lineup before, and this has greatly expanded sales opportunities for us.

We constantly analyze the characteristics, strengths, and weaknesses of these new products, and conduct simulations to determine how we can develop them in our sales activities. The knowledge and know-how that we have accumulated through this work has become our unique technical strengths.

On the other hand, for the past 10 years, the entire company has continued to acquire new customers through exhibitions. We have exhibited at EdgeTech + West 2023 for eight consecutive years, expanding our customer base and products we handle. As a result, we have a number of new business prospects in the pipeline that will match new customers with new commercial products.

Finally, it is people that support the expansion of the Semiconductor and Electronic Device business by expanding the base of new customers and new products. We are focusing on increasing our talent by expanding the number of new graduates as well as mid-career hires. In addition, the Semiconductors & Electronic Devices Planning Division, established as an indirect department responsible for strategic planning, is using IT infrastructure to improve operational efficiency and provide strong support for sales activities.

As described above, we have finally established an environment in which we can dynamically operate the three aspects of strengthening our product competitiveness, strengthening our technical capabilities through analysis and application of new products, and strengthening our sales capabilities. Even if the semiconductor supply-demand adjustment phase continues, we are confident that we will be able to recover from this and achieve positive results in the fiscal year ending March 31, 2024.

VOICE

Sales, engineering, and business partners united with their organizational strength to make proposals to customers

As a technology-driven trading company, our advantage lies in the organizational strength of our sales and engineering teams working together. Even as the shortage of semiconductors during the COVID-19 pandemic worsened, our members worked as one to grasp inventories and negotiate with suppliers to secure the products we needed. This allowed us to further build relationships of trust with our customers. Moreover, we believe that the increased range of products from our major customer Renesas Electronics is an opportunity for us to expand sales. We will continue to leverage our organizational strengths to realize the best possible proposals.

Ryoji Maruyama, Semiconductor Sales Dept. 2 (Joined the company in 2016)



VOICE

Supporting proactive solution proposals with our technical capabilities through repeated trial and error

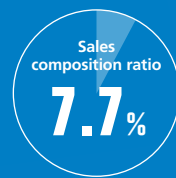
We are focusing on proposing solutions that combine microcomputers and other products, not just single microcomputers, that control electrical equipment. When I participated in the Grand Prix for distributors sponsored by Renesas Electronics, I was able to win first place with my proposal of "microcomputer + wind speed sensor + power supply IC." This is the result of repeated experiments in-house to come up with proposals to meet even the most difficult requests. I will continue to actively make proposals that are useful to our customers based on this achievement.

Sho Haraguchi, Semiconductor Technology Dept. 2 (Joined the company in 2018)





Building Services Systems



Mitsuru Tada
Operating officer

Profile

1981 Joined
2015 Operating officer,
General Manager Building
Services Systems
2023 Current post
Operating officer
In charge of Building Services Systems

Main products



Package air-conditioners and other air-conditioning equipment, equipment for all-electric housing (Eco Cute, IH cooking heaters), room air-conditioners, power receiving/transformation equipment, monitoring and controlling equipment



Manufacturing Services



Hisanobu Nunoyama
President, CEO
In charge of Manufacturing Services

Main products

MMS (Metal Manufacturing Service)

Structural members and pallets for multilevel car parking towers, piping members for ships

EMS (Electronics Manufacturing Service)

Controllers for water heaters, remote controllers for air-conditioners, etc., passenger car trunk closures

Performance Summary

Product supply recovered and new and upgrade projects increased

In air-conditioning equipment, sales of package air-conditioners for stores to wholesalers were strong, while sales of low-temperature equipment used in cold storage warehouses and other facilities increased substantially due to a recovery in product supply. In addition, sales of elevators and escalators increased significantly for logistics related products in response to demand for upgrades, as well as for low-rise housing complexes built by homebuilders. We believe this is the result of our continued efforts to carefully visit design firms and collaborate with manufacturers on spec-in activities.

Last year, demand for replacement of LED lighting, which consumes less power, increased owing to soaring electricity bills. Furthermore, due to the long-term shortage of gas water heaters, household equipment such as EcoCute and electric water heaters has increased significantly. In addition, sales of large power supplies for data centers, heating equipment, and air-conditioning equipment grew significantly.

As a result, overall sales in our business increased by 14.3% from the previous fiscal year.

Growth Strategy

Teaming up with Factory Automation Systems to achieve medium/long-term goals ahead of schedule

We are steadily clearing the backlog of orders carried forward in the first half of the year. The price of EcoCute is expected to rise in the future, so we have taken the initiative to secure supply. We have no concerns about the second half of the year, as we will enter it with a large backlog of orders, including large projects. Together with Factory Automation Systems, we are also focusing on expanding the handling of facility products company-wide.

This spring, the Building System Department, launched to expand sales of environmentally-conscious products that combine solar power and storage batteries, was upgraded to the status of a division. We have also incorporated a chiller (refrigeration/freezing) related technical team into the division, and hope to capture demand for both through the collaborative sales efforts of the solar and chiller teams, for example, by finding new business opportunities for chiller equipment through solar power generation system business negotiations. To achieve this, we are focusing on proactively securing the human resources necessary as well as further developing talent. We will also actively transfer employees between locations in Tokyo, Nagoya, and Osaka with a view to placing the right people in the right jobs, thoroughly engage in activities to ensure uniformity in service levels between bases that are positioned as the core of our medium/long-term goals, and in the fiscal year ending March 31, 2024, accelerate the target of the medium- to long-term plan and take on the challenge of achieving sales of ¥20.0 billion.

Performance Summary

Increased sales but in the red owing to weak yen and soaring material prices

Manufacturing Services provides manufacturing as a service. Our business model is to receive contracted manufacturing of parts and materials from our customers, and to deliver them after manufacturing and quality checks under our control, primarily by overseas partner companies. This segment embodies the unique aspect of our company as a “manufacturing trading company” to respond to the diverse needs of our customers. Manufacturing services is comprised of two departments.

MMS Department

In the MMS (Metal Manufacturing Service) department of contract metal processing, sales of components for multilevel car parking facilities increased. However, the soaring prices of metal materials and the weak yen in the first half of the fiscal year made it difficult to secure profits.

EMS Department

In the EMS (Electronics Manufacturing Service) department, which contracts to manufacture electronic devices and components, the LCD substrate business for consumer electronics increased significantly amid the impact of material shortages. This growth was due to the increase in production by end-users. Naturally, the volume of substrates we delivered also increased, but we were able to respond while struggling to supply parts, which led to positive results.

As a result, net sales increased 13.5% year on year, but operating income was negative due to soaring raw material costs and the sharp depreciation of the yen.

Growth Strategy

Pioneering new manufacturing contracts in Asia to become a trusted manufacturing trading company

MMS Department

We will continue to develop new contracted manufacturing in Asia by stationing employees at overseas partner factories and maintaining and improving a system that ensures quality control. However, the outlook for multilevel car parking facilities upgrades, which grew last year, is uncertain from the second half. Although there is some uncertainty about the status of orders from our customers and the growth of demand for upgrades, we expect an increase in demand for multilevel car parking facilities with charging equipment as EVs continue to gain popularity.

EMS Department

We will accelerate the value-added creation of “components + solutions,” in which electronic components are placed on electronic substrates and provided to customers. With new projects and an easing of component shortages, we expect deliveries to proceed as planned and achieve our goals.

Aiming to be a “manufacturing trading company,” Manufacturing Services business has been developing and contract manufacturing a wide variety of parts and materials, such as racks (shelves) for convenience stores and logistics, scaffolding for construction sites, home appliances and automobile-related parts, movable platform fences for stations, and boarding gangways for airports. We have won the trust of our customers by keeping costs down, strictly adhering to delivery dates, and delivering products and materials with reliable quality. We will continue to distribute risk with partner factories in Japan, China, and Thailand, while maintaining stable production and quality, and will continue to develop and maintain our quality assurance system.

In addition, we are investing in computerization to centrally manage information from sales to production in our business. We will utilize a system for purchasing and manufacturing “what you need, when you need it and as much as you need, and from where you need it” to streamline order and supply management operations, and thereby contribute to VAVE proposals to customers.

VOICE

Building good relationships with customers through speed and our organizational strength

In collaboration with Mitsubishi Electric, we received an order for electrical installation work for a high-rise building. This order came about by building a good relationship with the client through daily visits and interviews to identify potential needs and issues. As the person in charge of the project, I made it a point to obtain information as quickly as possible and to understand the content correctly. I shared the information I obtained from this process within the company, and we all came together as one to cooperate with each other in our areas of expertise. I feel that our company's strength lies in our ability to leverage this organizational strength.

Kenzo Sugiyama, Middle Japan Building Facilities & Services Systems Section, Nagoya Branch Office (Joined the company in 2016)



Overseas Operations



Hisanobu Nunoyama

President, CEO
In charge of Overseas Operations

Main products

Sales of industrial mechatronics products, including semiconductors, electronic devices, FA equipment, and electric discharge machines

Performance Summary

Record sales backed by strong demand

Overseas, the normalization of economic activities has progressed due to the relaxation of movement restrictions during the COVID-19 pandemic and the effects of various policies. Although the economy began to show signs of a gradual recovery, the outlook has remained uncertain due to the prolonged situation in Ukraine, soaring prices, and rapid exchange rate fluctuations.

We are developing almost all of our business overseas, with semiconductor devices performing the best. In the midst of a global shortage of products, we were able to respond to the needs of our local ODM and OEM customers to the greatest extent possible, taking into account end-user trends.

Despite the impact of lockdowns in China and the prolonged trade friction between the U.S. and China, overseas-related sales grew substantially and reached a record high, backstopped by strong demand, especially from Japanese customers. Sales were also at a record high on a U.S. dollar basis, which is used as an

indicator for overseas business. As a result, our overseas business sales ratio to total sales increased by one percentage point from the previous year to 18.2%.

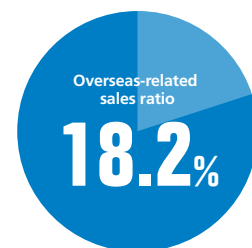
China

The current sales share between China and other Southeast Asian countries is approximately 7:1. China has its own huge market, and is manufacturing products for this market, so we need to ensure we satisfy specification requirements from the development stage. We have a quality control office on site, so we are able to respond quickly to any problems that may arise, and amidst the shortage of products, we were able to satisfy our customers by proposing alternatives that were comparable in quality and cost to what was available in the market.

On the other hand, we garnered highly praise from our Japanese clients operating overseas for our ability to optimize delivery in response to production adjustments closely linked with domestic offices, and for providing technical support for development in cooperation with both local and Japanese offices.

Southeast Asia

Thailand and Malaysia are production areas, not consumption areas, so the products we produce are almost exclusively exported. In our case, we have almost no customers from local



Subsidiaries and Affiliates

- Tachibana Overseas Holdings Ltd.
- Tachibana Sales (Singapore) Pte. Ltd.
- Tachibana Sales (Hong Kong) Ltd.
- Tachibana Sales (Taiwan) Ltd.
- Tachibana Sales (Shanghai) Ltd.
- Tachibana Sales (Bangkok) Co., Ltd.
- Tachibana Sales (Malaysia) Pte. Ltd.

manufacturers, and most of our customers are Chinese and Japanese companies that receive ODM and OEM from Europe and the United States. We are developing sales and technical support activities based on the characteristics of each area.

Growth Strategy

Further strengthening the localization of bases to expand manufacturing hubs in Southeast Asia

China

In China, localization is also progressing at the bases of our Japanese customers. Since our customers' material and technical staff are also Chinese employees, we must also have local sales and engineering staff to work with them. We have developed management positions for local personnel to oversee these employees, and they are already serving as presidents of local sales companies. These reliable employees play a central role in promoting our technical capabilities by participating in related exhibitions in Shanghai and Shenzhen.

Southeast Asia

Overseas, we are also developing our Manufacturing Services business in which we are contracted to manufacture metalworking and electronic devices and components. Until now, China has been our main manufacturing hub, but we are now seeking manufacturing contractors in Southeast Asia that can

provide lower cost and more stable quality manufacturing. We will expand our options to Vietnam, Thailand, Cambodia, and other countries to secure the most suitable outsourced production sites.

As described above, our overseas business is actively promoting the localization of bases, and the number of "local production for local consumption" projects, in which our local engineering units support the design and development of local customers, has been steadily increasing. We will strengthen cooperation with local IDH* and expand our Engineering Center offices to further enhance our technical proposal capabilities.

We have set a sales target of US\$300 million for the fiscal year ending March 31, 2024. In Japanese yen, this is ¥45.0 billion (converted at ¥150 to the dollar). In the first half of the year, we are keeping up the pace to reach that goal. We will focus on achieving our full-year target with this momentum and aim to become a leading technology-driven trading company in Asia for electrical and electronic fields.

*Independent Design House

VOICE

A united Tachibana Group working together to achieve further growth

For Tachibana Overseas Administration Business division, we have to consist the five general functions of Planning, Organizing, Staffing, Leading and Controlling. In the future, I would like to conduct overall management under trust, encourage open communication, be transparent, be flexible and maintain discipline. Our team member should assess the suitability of decisions and define the managerial activities in practical terms to the managers & staff. By following & maintaining Tachibana Group's unity of direction, all staff strive toward the same goals and TACHIBANA is more succeed.

Ren'e Cheng (joined the company in 1989)

Managing Director, Accounting & Administration Division, Tachibana Overseas Holdings Ltd.(TOH)
General Manager, Accounting & Administration Division, Tachibana Sales (Hong Kong) Ltd.(TSH)



VOICE

Accelerating the development of local markets in Asia

Main strategy for Semiconductors sales will be promoting non-Japanese components to those Japanese MNC located in this region that has R&D function. For those Japanese MNC without R&D we will collaborate with Tachibana Japan. As Tachibana group of companies already has suppliers from China and Taiwan. For non-Japanese companies we will mainly promote Japanese Suppliers components. Next area of business expansion will be Sustainability segments. As many factories now need to go Green and cut down CO₂ emission. TSS and TSM will target these factories with product that will help them to cut down the air-conditional power consumption and achieve lower CO₂ emission target.

Wang Min Kim (Joined the company in 1988)

Managing Director, Tachibana Sales (Singapore) Pte. Ltd. (TSS) and Tachibana Sales (Malaysia) Sdn. Bhd (TSM)



Sustainability Management

Basic Sustainability Policy

Our corporate philosophy is to be “a technology-driven trading company dealing in electrical, mechanical, electronic, and information products to contribute to the development of society through the delivery of superior products together with the latest technologies to our industrial customers.”

Based on this philosophy, we recognize that contributing to a sustainable environment and society and sustainably improving

our corporate value are important management issues, and we will solve social issues through our business activities and contribute to the realization of a sustainable environment and society.

Furthermore, by providing our unique services and solutions, we aim to improve customer satisfaction and realize a better society.

Policy for each area

1. Environment

- Expand the sale of environmentally-conscious products and the provision of solutions that save energy and resources.

Promote environmental solution business

- Actively promote energy conservation, resource conservation, and waste reduction through our business activities to reduce the impact on the environment.

Collaborate with local communities

2. Society

- Actively work to develop self-reliant human resources and continuously improve the work environment based on the concept of “People-Oriented Management,” which believes that if we are a company where employees are motivated to work and can experience their personal growth, they will feel happiness.

People-Oriented Management

- Work with local communities and expand our social contribution activities.

Efforts to reduce impact on environment

3. Governance

- Comply with laws and regulations, and conduct corporate activities based on social norms and decency.

Compliance

- Conduct appropriate risk management and faithfully meet the expectations of all stakeholders.

Risk Management (From CSR Policy)

Our initiatives (issues)

Field	Issues
Environment	<ul style="list-style-type: none"> Expand sales of environmentally-conscious products and promote the environmental solution business Promote solar power generation business Reduce in-house power consumption and gasoline consumption
Society	<ul style="list-style-type: none"> Evolve People-Oriented Management (shift to job-type management) Establish Nagomi-kai Social contribution activities Nagomi no Sato Contribute to the maintenance of traditional Japanese culture and cultural assets
Governance	<ul style="list-style-type: none"> Establish a governance system (deploy to group companies) Identify materiality (to be discussed at the Board of Directors in fiscal year ending March 31, 2024)

Established the Sustainability Committee

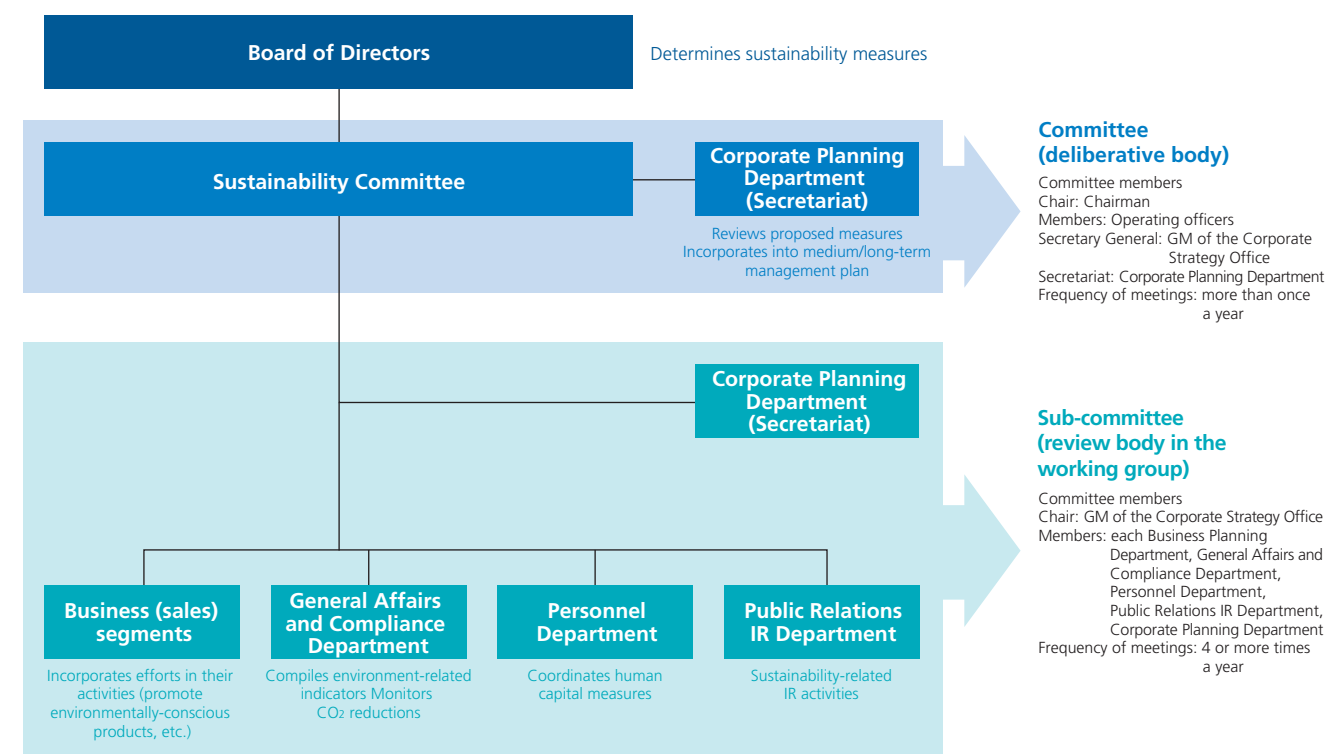
In April 2023, we established the Sustainability Committee. The committee will play a central role in bolstering our sustainability activities.

Purpose of establishing the committee

We established the Sustainability Committee to further strengthen our environmental, social, and governance initiatives based on our corporate philosophy of being “a technology-driven trading company dealing in electrical, mechanical, electronic, and information products to contribute to the development of society through the delivery of superior products together with the latest technologies to our industrial customers.”

Committee Initiatives

Under the supervision and direction of the Board of Directors, the committee promotes company-wide sustainability initiatives by formulating basic sustainability policies, identifying important issues (materiality), setting targets based on these policies, and managing the progress of these initiatives.



VOICE

All employees working together to accelerate and advance sustainability

In order to help realize a sustainable society and to ensure our company's growth, it is first necessary to build a system in which all employees recognize the importance of promoting sustainability and work together as one. To this end, we believe it is important to hold constructive discussions in a free and open atmosphere at the Sustainability Sub-committee, where the business segments (sales divisions) and administrative divisions meet. Moving forward, the Sustainability Committee will work to identify important issues (materiality) for our company. As the Secretary General of the Sustainability Committee, I will make every effort, however small, to create a system that enables all employees to view sustainability as their own personal matter and actively participate in the committee.



Kazuaki Urata
General Manager, Corporate Strategy Office and Manager of Public Relations IR Department

Environment

Initiatives to Reduce Environmental Impact

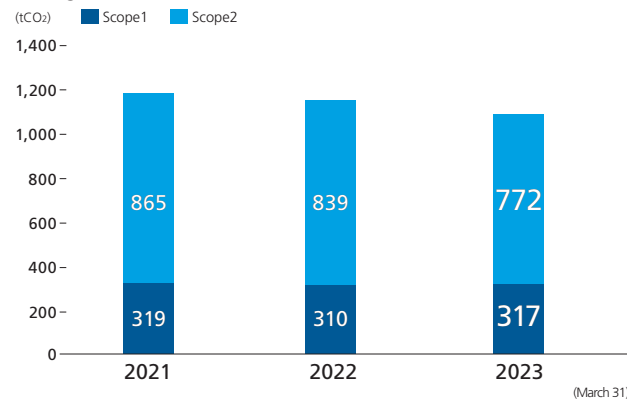
Realizing a Decarbonized Society

Reducing CO₂ Emissions

We are tackling the control of greenhouse gas emissions to help achieve a decarbonized society.

We contribute to the reduction of greenhouse gas emissions by providing solutions that help reduce environmental impact, while also working to reduce our own electricity and gas usage and shift to the use of renewable energy sources for electricity.

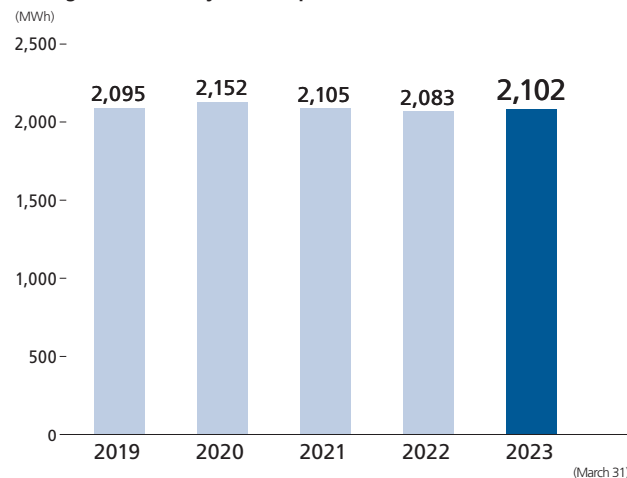
Changes in Greenhouse Gas Emissions (non-consolidated)



Reduction of Electricity Consumption

We contribute to electricity conservation and CO₂ reduction for our clients by providing them with an aggressive product lineup of equipment and systems, combined with energy conserving technology, to support energy conservation. We also enforce thorough energy conservation internally as well, and have adopted LED lighting with low electricity consumption for all of our office buildings. We have also achieved a significant reduction in electricity consumption for our overall buildings, while reducing the use of air conditioning by carefully monitoring temperature settings. We will continue to strive to reduce electricity consumption.

Changes in Electricity Consumption (non-consolidated)

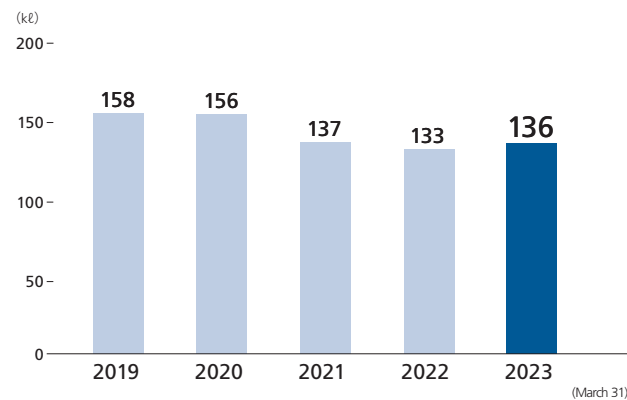


Reduction of Gasoline Consumption

We are currently in the process of replacing our gasoline engine vehicles with fuel-efficient and environmentally friendly hybrid vehicles in stages.

This enables us to contribute to reduced CO₂ emissions by reducing gasoline consumption. We will continue this transition until all our company vehicles have been replaced with hybrid vehicles.

Changes in Gasoline Consumption (non-consolidated)



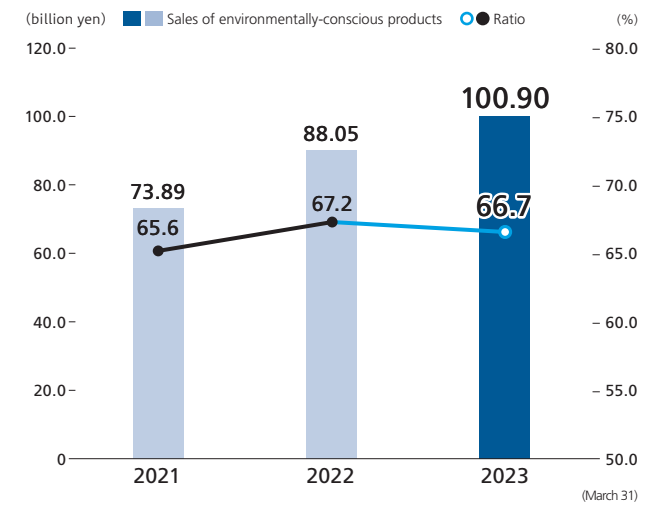
Increasing sales of environmentally-conscious products

Under our policy to expand the sale of environmentally-conscious products and the provision of solutions that save energy and resources, we have a proven track record as we continuously produce effective environmentally-conscious products that protect the environment, in areas such as solar power, LED lighting, and high efficiency industrial equipment.

About Our Environmentally-Conscious Products

Evaluation Category	Model Group, Model name
CO ₂ emissions reduction when using the product (finished product)	<ul style="list-style-type: none"> Processing equipment (Electric discharge, laser machinery etc.) Robots Eco Cute LED lighting and lighting equipment FA equipment systems Information and imaging systems Facility-related systems Multi-function system(Solutions) Logistics systems Robotics systems
CO ₂ emissions reduction contribution when using the product (parts)	<ul style="list-style-type: none"> Inverters AC servos Semiconductors (Microcomputers, memory, ASIC, analog ICs etc.) Electronic devices (Passive components, connectors, display components etc.) Motors(including geared motors) Industrial fans Low-voltage power distribution control Transformers High pressure equipment Sequencers
"Zero" Real CO ₂ Emissions	<ul style="list-style-type: none"> Photovoltaic power related 3D printer related

Sales and sales ratio of environmentally-conscious products (non-consolidated)



Photovoltaic panels: Contributing to a clean energy society with energy creation

In addition to energy-saving efforts, society has shown stronger interest and expectations in proactive approaches to energy creation. Photovoltaic power generation systems, which do not produce CO₂ when in operation, are spreading for both general homes and industry.

Tachibana Eletech was among the first in the industry to set up a dedicated team covering photovoltaic power generation systems, which is building up technology and know-how, and responding to demand by supporting the installation of photovoltaic power generation systems and creating optimal designs based on the installation environment and scale of our customers.

Delivery examples: Photovoltaic power generation, electric vehicle charging system

We delivered 50kW of solar power generation equipment along

with an electric vehicle charging system to a metals heat treatment processing manufacturer to help them achieve SDG targets, contribute to the realization of a decarbonized society, and reduce their electricity bill in the face of rising prices.

Our V2H system charges electric vehicles (EVs) during normal conditions, but is capable of supplying building power from EV batteries during power outages, making it an effective system for securing power for office lighting and computers as a BCP measure. The office devices to supply power to and the location to install the V2H for the most effective use were determined through repeated meetings with the client before designing and installing the system, and the client was well satisfied with delivery.



50kW of solar panels installed on the factory roof

An EV charging via the V2H system

Promoting the Adoption of LED Lighting Inside and Outside the Company

In addition to the economic benefits of LED lighting, such as low electricity consumption and longer lifespan, other advantages include low heat generation, a lack of toxic materials, and lower attraction to insects. At Tachibana Eletech, we operate a "LED Lighting Sales Promotion Project" by which we have supported energy conservation and cost reduction for countless customers. We are also working to spread the use of LED lighting within the company.

A permanent exhibit of high-ceiling LED light fixtures is installed in the exhibit space on the first floor of our headquarters where we support sales promotion for LED lighting.

VOICE

Achieving Factories and Facilities for a New Age through Sales Promotion of Environmentally-Conscious Products

The Facility Systems Division, of which I am the general manager, and which has the mission of sales promotion for environmentally-conscious products, was elevated from a department to a division. The strength of our facilities business is that we carry renewable energy equipment and equipment related to cooling, heating, and low temperatures, and that we provide one-stop services covering the design, procurement, and construction of that equipment. We leverage our hard earned installation experience and track record to offer the optimal proposal for each customer.

Furthermore, in our Factory Automation business, another strength of Tachibana, we have many customers in the manufacturing sector who manage factories and warehouses, and decarbonization is a shared issue they face. Therefore, we work to grow closer to our customers in the facilities business to expand our sales partners. We use renewable energy to achieve energy conservation (electricity conservation) and a reduction in CO₂ emissions. We are also strengthening our ability to propose the use of energy storage systems as a business continuity (BCP) measure.

Moving forward, we will further strengthen our organizational and sales capabilities to become a company capable of total coordination to achieve "factories and facilities for a new age" that combine environmentally-conscious product systems (EX) with systems to improve customer productivity (DX) in a single solution.



Hideyasu Nishizawa
General Manager,
Facility Systems Division

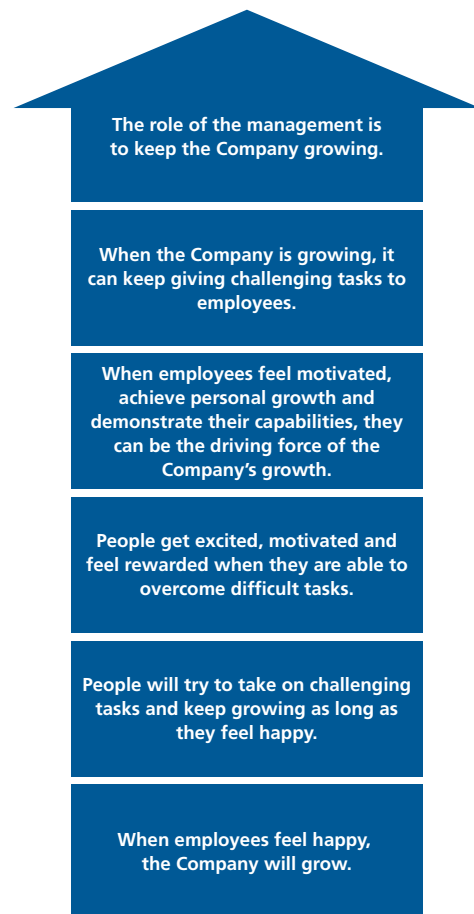
Social

HR Management

The Philosophy of "People-Oriented Management"

Tachibana Eletech is promoting "People-Oriented Management." Our philosophy is that if we are a company where employees are motivated to work and can experience their personal growth, they will feel happiness. Based on this philosophy, we are continuing our "C.A.P.UP 1500" and "Human Training Hall" initiatives which seek to create an environment that can heighten the personal growth of each and every employee. "C.A.P.UP 1500" is a structural reform project that aims to maximize the fundamental selling capabilities that a trading company should possess. The "Human Training Hall" is a "training hall" (dojo in Japanese) that fosters comprehensive human skills that includes improving in interpersonal communication skills and inheriting the "wisdom" and "ingenuity" of those before us.

Going forward, we will continue to promote "people-oriented management" that will turn the growth of each individual into the driving force for the Company's growth



Note: C.A.P.UP 1500

- **C:** Capability (Capability to act)
- **A:** Ability (Ability to get things done)
- **P:** Power (Power to put into practice), Potential (Possibility, latent ability)
- **1500:** Towards the target of JPY150 billion non-consolidated net sales

Human Capital Management

We will move forward to continue to develop our human resources and improve our internal systems and environment based on the concept of "People-Oriented Management," guided by the principles of "for people," "trust from people," "joy with people," and "nurturing people" so that our employees actively take on difficult challenges and overcome them to feel a sense of growth.

Additionally, in light of the declining working population, we believe that it is imperative that we work to encourage women to be more active than ever before. At the same time, we will strive to improve our internal structure and environment in order to respond to various changes in the business environment, such as the shift in society as a whole from a membership-type to a job-type personnel program, and to make our company more attractive to our employees.

Reforming our HR program

To date, we have been working to develop employees with execution and management skills under an HR program that emphasizes capability and ability. In light of the situation where job-type employment is becoming more prevalent throughout society, we will gradually develop grading standards based on job difficulty and performance with a view to a future shift to a job-type HR program. In this way, we will clarify the goals of employees' efforts and supervisors' goals for the development of their subordinates, and establish a path for career advancement.

Human Resource Development

Training system

In anticipation of the upcoming transition to a new HR program, we will develop a rank-based training system and implement it systematically. We have already conducted training programs for managers, young employees, and female leaders, and will systematically conduct more training programs in the future to develop employees' abilities and human resources.

In addition, at "Rissshikan," a training center with accommodations owned by Tachibana Eletech, we provide comprehensive employee education ranging from the cultivation of human skills to knowledge training.

The training center has a 24-mat "Human Training Hall" where employees can exchange opinions in a round-table discussion format in an atmosphere completely different from that of classroom training. The company provides all the food and beverages at these round-table discussions, thereby encouraging employees to actively use the facilities, and allows everyone from management to general employees, regardless of age or position, to get to know one another. These events provide valuable opportunities for employees to broaden their knowledge and personal perspectives. Although opportunities to use the "Human Training Hall" have been greatly reduced due to the COVID-19 pandemic, we will resume its active use in the future in an effort to revitalize internal communication and foster human skills among employees.



Training New Employees (Human Training Hall)

Major Training Achievements and Targets

Indicator (non-consolidated basis)	Results (Fiscal year ended March 31, 2023)	Target value (Fiscal year ending March 31, 2026)
Training for managers	10	15
Training to promote career advancement for women	1	10
Career advancement training for young employees	6	10
Training aimed at improving specialized abilities and skills	18	30
Number of times of Human Training Hall held	7 <small>*Reduced due to the impact of COVID-19</small>	50

New Graduates and Mid-Career Hires

We promote and appoint both new graduates and mid-career hires to management positions based on merit and performance. We will continue to hire and train a wide range of people with specialized abilities and skills, regardless of how they joined the company. As a result, we will encourage employees with various specialties, skills, and experience to demonstrate their abilities and play an active role, thereby driving the company's development.

VOICE

Implementing new recruitment activities in line with the changing times

I am in charge of recruiting new graduates and focus on hiring activities using the Internet. What I find difficult in recruiting is that many students are unfamiliar with our company and it is difficult for them to get an idea of how we work. I feel that we need to be creative in communicating information to students who do not have any work experience.

As part of my work, we have started new initiatives, such as creating videos introducing our operations and company, mainly for young employees, and uploading them to YouTube. Furthermore, we would like to increase our company's visibility by incorporating social media, which we have not been able to leverage until now.

We have also planned information sessions and roundtable discussions targeted at women. Many students, especially women liberal arts students, are often hesitant to our company's business as a technology-driven trading company, but I would love to tell them about the work styles of our female employees and increase the number of women who will be active in our company in the future.

I would like to implement recruiting activities in line with the changing times while retaining the "Tachibana style," such as digitizing handouts and moving the hiring process online to better suit the tastes of students.



Suzuka Matsubara
Personnel Department

Social

A Workstyle Driven by DX

We are working on the office automation (OA) of internal operations, one of the measures called for by our medium/long-term management plan, and we are moving forward with improving operations in terms of their efficiency.

In the fiscal year ended March 31, 2023, we converted from fixed phone lines to app use, and moved our phone exchange to a cloud-based system, distributing smartphones to all employees. This enables our employees to receive and make phone calls and emails whether inside or outside the company, increasing convenience and our ability to leverage working from home.

We also improved the internal communications environment to enable the use of cloud services.

Moving forward, we will continue to promote our OA and DX transformation to improve productivity while also strengthening security.

Promoting Diversity

Promoting Contribution by Women Leaders

We aim to create a workplace in which women can contribute equally. For example, we increased the number of leaders by three from six in the fiscal year ended March 31, 2020 to a total of nine in the fiscal year ended March 31, 2023.

The percentage of women in management positions is 11.9% for the group overall.

Moving forward we will transform our human resources policies, such as restructuring our job classification according to job description, in order to continue preparing an environment, including culture and climate, that enables female employees to exercise their abilities even more and further promotes wide ranging contribution by women.



Women's Leadership Training

Securing Diversity of Human Resources

We offer our employees promotions and elevation to management based on their capabilities and performance, irrespective of whether they are new hires or mid-career hires. Moving forward, we will continue to hire and train personnel with specialist capabilities and skills irrespective of how they join our company. Accordingly, these diverse employees, with a variety of expertise, skills, and experience, will exercise their abilities and drive the development of our company.

Work-Life Balance Initiatives

We are preparing an employment environment that is easy to work in by enabling employees to balance work with childcare and the family, and have created and executed various action plans to do so. For example, we are breaking away from an operational tendency to depend on specific individuals by standardizing, optimizing, and leveling operations, resulting in an environment which makes it easy for employees to take childcare leave and to return to work after leave.

Promotion of employment of the disabled

In order to expand employment opportunities for the disabled, we strive to promote the hiring of persons with disabilities and to provide a working environment that is friendly to persons with disabilities.

Products that Contribute to Solving the Issues Facing Society

Disaster Preparedness

Solar cells and storage batteries as a BCP measure

We actively propose the adoption of power generation facilities that combine solar power generation with lithium-ion storage batteries. The combination of a solar power generating system with storage batteries enables storing the excess power that is generated, and then supplying power from the batteries at times when power generation is low, resulting in efficient operations uninfluenced by weather and time of day. The storage batteries can also be used as an emergency power source to supply electricity during disasters. Furthermore, solar power generation combined with electric vehicles (EVs) and quick chargers allow electricity to be supplied to the EVs from the stored solar power.

Electricity used to charge the EVs can then be used to power buildings during disasters for even more efficient operations.

A charging and discharging equipment for PHEV vehicles that also serves as a power supply

PHEVs (plug-in hybrid electric vehicles) feature a gasoline engine which operates when there is insufficient battery power and are gaining attention as next-generation eco-cars. The device goes beyond simply powering the vehicle but also serves as a "power supply" which supplies electricity to homes, facilities, and other locations during a power-outage or disaster

Satoyama Conservation Activities

Nagomi-no-Sato

Tachibana Eletech has been engaged in nature conservation activities in Hirakata City, Osaka Prefecture since 2019 by leveraging Osaka's Satoyama conservation program "Adopt a Forest." The Satoyama area (an area of nature bordering between forest and farmland), was named "Nagomi-no-Sato (Place of Rest)," by taking the reading "Nagomi" from the character "Wa" in our company principle, "Wago no Kifu (Spirit of Harmony)."

The entire company is working together to tend the land, which had become overgrown with bamboo, including the planting of 125 cherry trees (Yoshino Cherry) in 2022.

During the fiscal year ended March 31, 2023, employees and their families dug up bamboo shoots to prevent bamboo from invading the cultivation area.

We are continuing to prepare the land, including planting more trees, so that we may make it public in the future.



Planting cherry trees



Digging for bamboo shoots

VOICE

Creating a formation of mutual operations support to achieve a workplace easy to work in

I serve as the leader of the Finance Affairs Group which is primarily comprised of women. I am working to improve operational efficiency by promoting office automation (OA) and digital transformation (DX) for operations while making sure to listen to the opinions of the members. Though I was worried when I first took over this role, I focused on the job with the assistance of those around me, and I feel that I have grown as a result.

During the Covid-19 pandemic, we experienced working from home for the first time. As a result of that experience, we have achieved a formation of mutual support, such as having members in the office take over those tasks which can only be done at the office to replace those working from home. Since the end of the work from home period, we have continued to mutually support and cover for each other flexibly to assist members with families and children. As a leader, I intend to continue to focus on developing a workplace that is easy to work in and where all employees can contribute irrespective of gender.



Akiko Hamakawa
Finance Affairs Group Leader

VOICE

Providing a "Place of Rest" by appealing the Nagomi-no-Sato activities in and outside of the company

I am in charge of PR and event hosting as a member of the Nagomi-no-Sato secretariat. I am working to promote the Nagomi-no-Sato activities in and outside of the company so that more employees and family members will learn about them and visit the site. I communicate about seasonal information, such as the blossoming of the cherry trees and hydrangea, and events such as bamboo shoot digging, via the internal news magazine, our website, and the signage on the first floor of our headquarters.

The activities tend to be experimental in nature because our company has never been involved in Satoyama conservation before, but we have been able to gain the help of local government personnel from Osaka Prefecture and Hirakata City as well as from the Osaka Green Trust. I have been able to learn much about the volunteer spirit and the spirit of contributing to the community through the activities. We will continue to work to create a "Place of Rest" for the enjoyment of our employees, their families, and the residents of Hirakata through the participation of as many employees as possible in the Satoyama conservation activities.



Yoshihiro Horikawa
Legal and Compliance Section Manager

Social

Quality Management

Quality Management System

While the design, development, and contract manufacturing divisions (Technology Headquarters, Semiconductor Technology Headquarters, MS Headquarters), which are engaged in the work of manufacturing, have previously acquired ISO9001 accreditation for quality management systems, all divisions engaged in the semiconductors and electronic devices business (sales, planning, technological support, and quality management) also acquired the accreditation in August of 2015. Efforts are underway to implement activities to improve the quality of products and services with the aim of raising awareness on quality management among all employees in the semiconductors and electronic devices business, and to improve customer satisfaction.

Quality Management System (semiconductors)

As semiconductors make up a very large share of the products we carry, we have established the Semiconductor Quality Control Office as a dedicated department for strengthening quality control. The Office has the following main responsibilities:

1. Deal with defects in semiconductor products:

When defects are discovered in delivered products, the Office works with the supplier to identify the cause and come up with countermeasures.

2. Manage environmental chemicals in semiconductor products:

In response to customer requests, the Office examines whether or not there are hazardous substances contained in products and prepares reports on the quantities.

3. Audit new suppliers:

The office conducts advanced investigations into whether or not new suppliers can deliver the required quality.

In the year ended March 2014, the Office increased its specialist staff in order to accommodate an increase in the number of requests for environmental chemical investigations and conflict mineral resource investigations made by customers.

The Office is currently pursuing quality enhancement efforts on such themes as the strengthening of the logistics management system, quality control education programs for sales representatives, and the creation of a database of environmental chemicals.

In the fiscal year ended March 31, 2023, we received about 348 inquiries related to product quality and about 10,189 inquiries related to environmental issues.

Audits Covering the Plants of Suppliers

We have been seeking out new suppliers both in Japan and overseas in response to customers' calls for higher-quality products and cheaper prices. With consideration to the subsequent broadening of the scope of suppliers, we have established a Quality Management Division in each business that manages supplier quality through activities such as auditing supplier factories. Tachibana Eletech periodically checks the factories, technologies, and production systems of supplying manufacturers from the viewpoint of quality management, and requests improvements when problems are found, and provides products to customers from a position of continuously taking responsibility for the quality and delivery of our products.

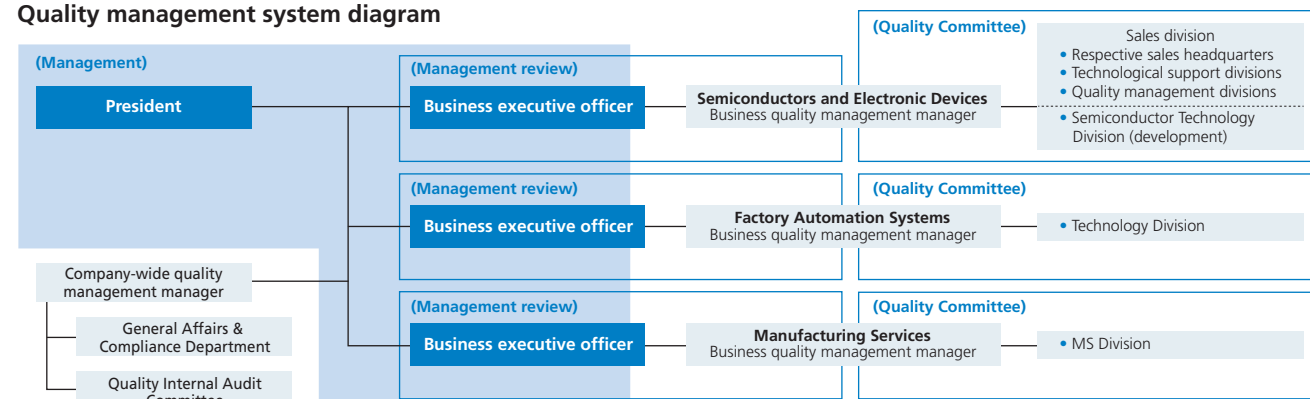
Furthermore, conflict mineral investigations have begun in earnest with the enforcement of the U.S. Dodd-Frank Act. Tachibana Eletech agrees with the measures and policies laid out in the act, carries out investigations into the use of conflict minerals contained in the products we handle and reports the results to customers.

Policy on the Environment and CSR Procurement

Tachibana Eletech created a policy on the environment and CSR procurement as part of its commitment to strengthen its CSR activities and maintain its fair business practices, based on the development of long-term and productive relationships with its suppliers.

All procurement activities must maintain fairness and the decision to begin or continue a business relationship is determined based on a comprehensive evaluation of the supplier's compliance with laws and social norms and its consideration for the environment.

Quality management system diagram



Governance

Corporate Governance

Corporate Governance Structure and Initiatives

Tachibana Eletech recognizes that corporate governance is the most important issue for our sustainable growth and enhancement of corporate value over the medium to long term. We are building a structure to realize management that serves the interests of all stakeholders, including shareholders by improving management efficiency and ensuring financial soundness and transparency.

1 Board of Directors

The Board of Directors consists of 10 members: seven directors (excluding directors who are members of the Audit and Supervisory Committee) and three directors who are members of the Audit and Supervisory Committee, of which five are external directors. These external directors provide advice and recommendations on the Company's management from their objective and professional perspectives, thereby enhancing the transparency and reliability of the Board of Directors and strengthening the management oversight function.

2 Audit and Supervisory Committee

The Audit and Supervisory Committee formulates and implements audit policies, audit plans, audit methods, the allocation of audit work, and exchanges opinions with the audit corporation. Two of the three directors who are members of the Audit and Supervisory Committee are external directors.

3 Accounting Auditor

Deloitte Touche Tohmatsu LLC has been contracted to serve as our accounting auditor in order to perform accounting audits in accordance with the Companies Act and the Financial Instruments and Exchange Act.

There are no special vested interests that exist between Tachibana Eletech and Deloitte Touche Tohmatsu and their audit engagement partners that perform audits for us.

4 Corporate Executive Committee

The Corporate Executive Committee is comprised of 15 operating officers selected by the Board of Directors. The operating officers carry out duties quickly and pertinently based on management policy decided upon at meetings of the Board of Directors and accommodate sudden changes in management environment in an agile and appropriate manner, under the supervision of the Board of Directors.

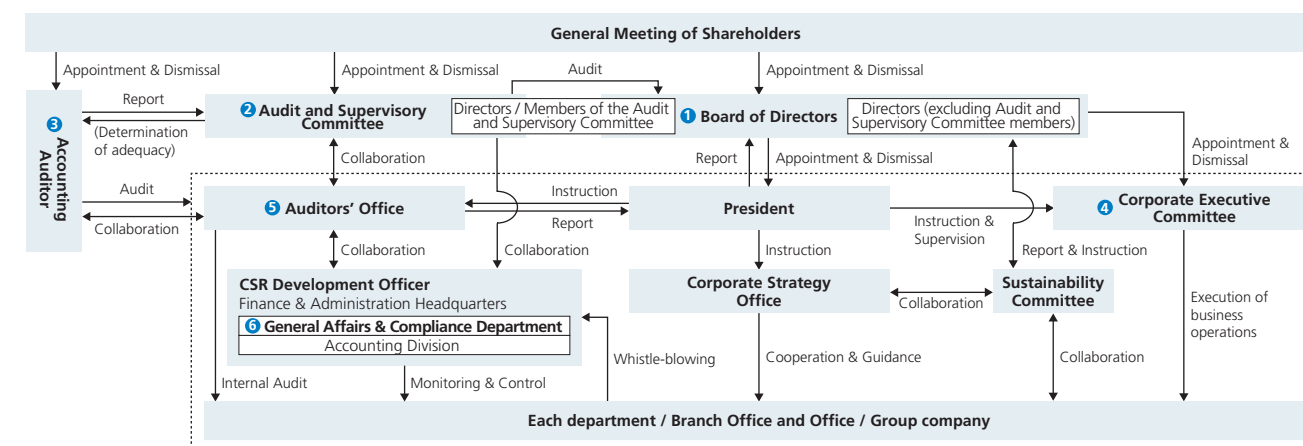
Meetings of the Corporate Executive Committee were convened 13 times in the fiscal year ended March 31, 2023.

5 Auditors' Office

The Auditors' Office is an independent organization that directly reports to the President that is responsible for carrying out internal audits. The office strives to improve the company's internal control by investigating the management of operations and assets in accordance with the Internal Audit Rules stipulated by the company.











6 General Affairs & Compliance Department

The General Affairs and Compliance Department promotes greater awareness of the hotline to all employees of the Tachibana Eletech Group. In the event of a compliance-related incident, the manager of the General Affairs & Compliance Department reports the matter to the CSR Development Officer, who promptly reports it to the president and members of the Audit and Supervisory Committee. In addition, the manager of the department consults with relevant parties to ensure a prompt and appropriate response.



Governance

Board members and skill matrix

	Independent Director	Expertise and Skills									Status of Attendance	
		Management	Sales & marketing	Technology	Global	Governance	Finance & accounting	Legal affairs & compliance	Human resources & development	Board of Directors Meetings	Board of Auditors Meetings / Audit and Supervisory Committee*	
 Takeo Watanabe Chairman,EO In charge of Governance		●	●	●	●	●	●	●	●	●	12 times in attendance (100%)	-
 Hisanobu Nunoyama President,CEO In charge of Manufacturing Services In charge of Overseas Operations		●	●	●	●	●	●	●	●	●	12 times in attendance (100%)	-
 Sadayuki Takami Director Executive Operating Officer In charge of the Semiconductors and Electronics Devices		●	●	●	●	●	●	●	●	●	12 times in attendance (100%)	-
 Yoshinori Matsuura Director Operating Officer In charge of Finance & Administration						●	●	●	●		-	-
 Takayasu Sato External Director Vice President of Kansai Branch Manager of business promotion Administrative Director, Smart City Promotion Department Mitsubishi Electric Corporation			●			●		●			8 times in attendance (100%)	-
 Masato Tsujikawa External Director Kansai Law & Patent Office Staff attorney Miyaji Engineering Group, Inc. External Director (member of the Audit and Supervisory Committee)	●	●				●		●			12 times in attendance (100%)	-
 Takao Tsuji External Director External Director, Feed One, Co., Ltd. External Director (member of the Audit and Supervisory Committee), SNT Corporation External Director, Fuji Soft Incorporated	●	●	●	●	●	●	●	●	●		8 times in attendance (100%)	-
 Kiyoshi Matsuhashi Director (member of the Audit and Supervisory Committee)						●	●	●			12 times in attendance (100%)	6 times in attendance (100%)
 Yasuhiro Otani External Director (member of the Audit and Supervisory Committee) Certified Public Accountant Representative employee of KVI Licensed Tax Accountant Corporation	●	●				●	●				12 times in attendance (100%)	6 times in attendance (100%)
 Hiroumi Shioji External Director (member of the Audit and Supervisory Committee) Attorney at law Senior Partner, Shioji Law Office External Director, Fuji Seal, Inc.	●	●				●	●				12 times in attendance (100%)	6 times in attendance (100%)

*On June 29, 2022, Tachibana Eletech transitioned from a company with a board of company auditors to a company with an audit and supervisory committee. In the fiscal year ended March 31, 2023, the Board of Company Auditors met twice and the Audit and Supervisory Committee met four times.

Relationship with Shareholders and the Investment Community

Tachibana Eletech is committed to proactively disclosing information to our shareholders and investors in a fair, timely and appropriate manner.

Measures for Shareholders' Meetings

The 94th General Meeting of Shareholders was held on June 28, 2023. We held tours of the lab room on the first floor of the head office before and after the meeting. Visitors were able to see our products, such as robots and 3D printers, and gain a better understanding of our business. After the meeting ended, a video of the general meeting was made available for a limited time on our website.



Shareholders' meeting Visitors tour the lab room

Enhancing Corporate Value through Investor Relations Activities

Standards of disclosure
To achieve honest and highly transparent management, we comply with all applicable laws and carry out business activities according to highly esteemed corporate ethics, and we strive to provide information to shareholders and the investment community in a timely manner.
Our disclosures are fully in line with the timely disclosure rules set by the securities exchange and other relevant laws, such as the Companies Act and the Financial Instruments and Exchange Act.

Dialogue with shareholders and investors
Our Investor Relations Department engages in dialogue with shareholders and investors on themes such as management policies, strategies, and shareholder returns. We hold earnings presentations for institutional investors and securities analysts and briefings for individual investors by the president as IR events, and we reflect the content of these dialogues into our management.

Earnings presentations for institutional investors and securities analysts

We hold earnings presentations for securities analysts and institutional investors twice a year in Tokyo—once for full-year

business results and another for interim results.
We held the earnings presentation for the fiscal year ended March 31, 2023 online. The content the presentation is available on demand from the Tachibana Eletech website for half a year.

Company briefings for individual investors

Every year, we hold company information sessions for individual investors with the aim of increasing name recognition, corporate awareness, and acquiring new investors and fans.
In the fiscal year ended March 31, 2023, we held an online information session for individual investors. The presentation covered the company profile, an overview of the interim financial results for the fiscal year ended March 31, 2023, and the basic policy of the medium/long-term management plan "NEW C.C.J2200."

Individual briefing sessions for institutional investors

We hold individual briefings for institutional investors with the goal of increasing our market cap through improved corporate value and achieving of a fair stock price.
In the fiscal year ended March 31, 2023, we provided individual remote and face-to-face presentations in an effort to help them understand our company's characteristics and strengths.

Rich IR Media

We offer a rich collection of IR tools to help educate shareholders and the investment community about our company and its business performance.

- Integrated report
- Shareholder newsletter
- Datasheet (5 years of consolidated financial statements)
- Stock Voice – an Internet TV show for individual investors
- IR section of our corporate website
- IR Video clip for the introduction of our company



Integrated report Shareholder newsletter Datasheet



Internet TV show Stock Voice IR section of our corporate website

Governance

Risk Management

All employees of the Tachibana Eletech Group comply with all relevant laws and ordinances while also respecting social norms. They strive to act as responsible and independent members of society with a sound conscious and all Tachibana Eletech Group employees carefully abide by the code of conduct set forth in our Compliance Management Regulations that contain guidelines on standards of conduct.

Risk Management System

Risk Management System

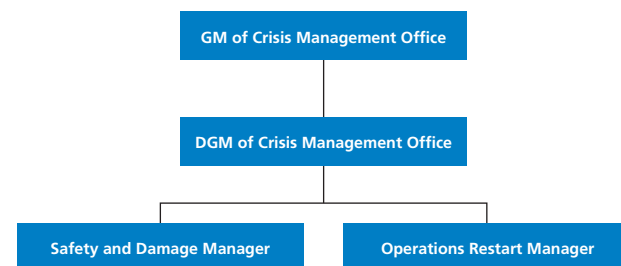
Operational risks are constantly evolving and their impacts may also change. We prevent crises by identifying risks every year and analyzing, assessing and addressing these risks. If such risks emerge, our goal is to minimize damages to every extent possible.

Crisis Management System

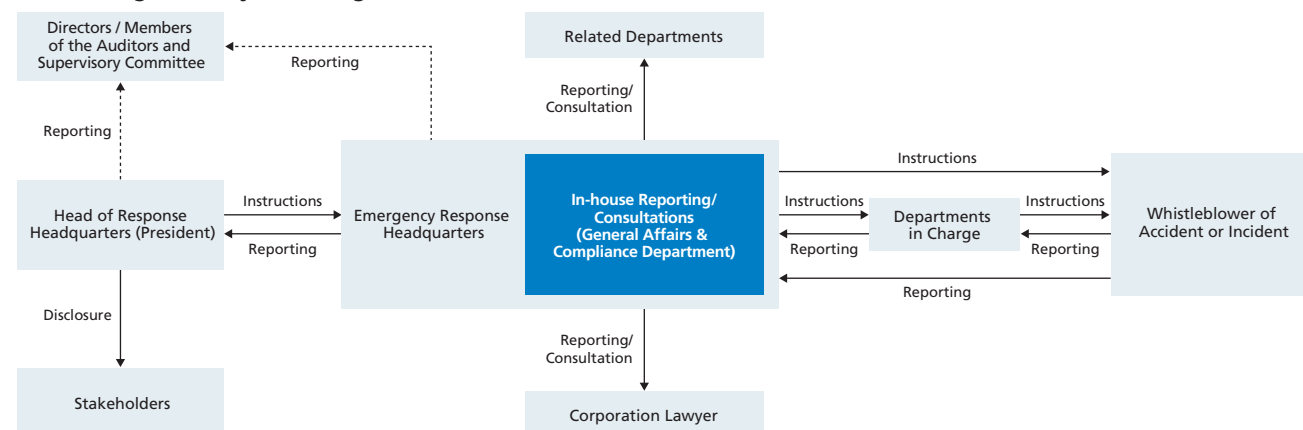
We established a crisis management system to address crises that threaten large numbers of lives and impede the company's operations.

Reports and orders concerning safety and damages along with the restart of operations will be handled using an information conveyance system that emphasizes promptness and accuracy.

Crisis Management Office Diagram



Risk Management System Diagram



Business Continuity Plan (BCP)

In order to ensure the safety of employees and continuation of business activities in preparation for major disasters, we have defined our response protocol at the time of disasters, while stockpiling emergency rations and training employees. We believe that safeguarding the lives of our employees and contributing to the continuity of our customers' businesses represents one aspect of our corporate social responsibilities, and have established a business continuity plan to respond to unpredictable situations.

Compliance Hotline

We have established a hotline for employees to report and receive consultation on compliance violations. This hotline is made known to all employees and is run appropriately to ensure that employees reporting a violation are not subjected to unfair treatment. This ensures the early detection of issues.

Management of Intellectual Properties

Tachibana Eletech considers intellectual property as vital management resources going forward.

We treat business activities, development activities and intellectual property activities in a unified manner, and in coordination with our business growth strategy, will proactively protect our intellectual property rights while enhancing our strengths in global intellectual property capability which contribute to the business and society.

Our company holds 3 patents, primarily in the field of technologies related to automobile safety equipment. While these technologies are often not directly seen, they nevertheless make vital, powerful contributions to society.

Additionally, we hold 7 trademark rights as a corporate identity which contributes to the penetration of our corporate image.

Message from an external director

Expectations of the Value Tachibana Eletech Creates

Takao Tsuji, External Director

April 1973 Joined Nissho Iwai (now Sojitz) Corporation
 April 2002 President & CEO, Nissho Electronics Corporation
 May 2014 President, JVCKENWOOD Corporation
 June 2022 Director, Tachibana Eletech (current position)
 External Director, Feed One Co., Ltd. (current position)
 External Director (member of the Audit and Supervisory Committee), SNT Corporation (current position)
 December 2022 External Director, Fuji Soft Incorporated (current position)



A "100-year company" that continues to take on challenges

Tachibana Eletech became a "100-year company" in 2021. I believe that companies this old have three common characteristics. These are: 1) respect for employees, 2) sincere contributions to the community, and 3) a willingness to take on innovative challenges. Tachibana Eletech, from successive managers to the current president, has consistently valued its employees, adhered to the "sampo yoshi" (good for the buyer, good for the seller, and good for the world) business philosophy, and has transformed itself through tireless challenges.

However, it will be difficult for us to promote innovation on our own in the future. For example, we have to collaborate with other companies and engage in open innovation. Fortunately, trading companies are in an industry where it is easy to collaborate with other companies, and it is my hope that it will continue to take on challenges without fear of failure by leveraging its strengths.

Communicating insights gained from management experience

I started my career at a general trading company and subsequently became involved in the management of many companies. From my experience, I want to pass on to Tachibana Eletech the culture that a trading company should have, which is to "pursue all possibilities, no matter the situation."

As such, we have started training all of our executives (department managers and section managers) from November 2022. The theme of the training is. "What it takes to survive in a world of VUCA (volatility, uncertainty, complexity, and ambiguity)." It explains that in order to advance our business in the face of unknown challenges, each employee must use his or her imagination and explore all possibilities. I hope to continue the training program and contribute to our "People-Oriented Management," in which the growth of people is the driving force behind the company's development.

Sustainability essential for future growth

For the fiscal year ended March 31, 2023, we achieved a record high of ¥227.2 billion in sales and over ¥10.0 billion in operating income. This was due in part to the strong economic environment, but also to the efforts of our management team and employees.

But from this point, the concept of "sustainability

management" is indispensable in order to further progress. What is also important in promoting sustainability management is for each and every employee to have a heightened sensitivity to sustainability and a perspective on how to incorporate it into their own work. I believe that if each department thinks of ideas that lead to sustainability through their business, it will lead to new growth for Tachibana Eletech.

Ensuring effective governance

I have felt for more than a decade while managing a company listed on the First Section of the Tokyo Stock Exchange (now the "Prime Market") is the importance of governance. It is not just formal governance, but effective governance.

Last year we transitioned to a company with an audit and supervisory committee, and I feel that the organizational structure is now functioning well. The Board of Directors has become more compact, and the members of the Audit and Supervisory Committee and external directors also participate in resolutions and actively express their opinions. In fact, when I expressed a different opinion on a certain measure, management immediately withdrew it, saying, "We would never have thought of it that way." When we see that management listens sincerely to what external directors have to say, we inevitably listen more attentively ourselves, too. I feel that the relationship between the two is working very well.

Becoming a trading company that creates excitement

As a technology-driven trading company, we aim to transform ourselves from selling products (tangible things) to one that sells systems (intangible things). What is important is the perspective of providing value to customers. What we should aim for is "customer excitement," which goes beyond customer satisfaction. We can say that we have truly provided value when we are able to create a business that makes customers say, "This is what I wanted!"

I will continue to support Tachibana Eletech as it moves toward becoming a technology-driven trading company that creates such excitement.

Governance

Policies

CSR Policy

Our basic policy on CSR is to encourage, in recognition of our social responsibilities, sound management practices by steadily realizing our management vision, corporate philosophy, and code of conduct. We also take a proactive stance in promoting CSR based on the pillars of compliance, risk management, quality / safety / environmental management, and social contribution founded on corporate governance.

1. Strengthen risk management

Management risks facing companies today have become larger and more diverse than ever before. This is why thorough risk management is essential for the continuity of business operations and enhancing corporate value. Our goal is to achieve management that is well respected by society because of its proper risk management, enhancements to corporate value and securing of talented human resources.

2. Develop talented human resources

We will move forward with a plan that enables each and every employee to think and act in order to fulfill our corporate social responsibilities through our CSR initiatives.

3. Enhance corporate brand value

We will promote our image as a company that fulfills its social responsibilities and will strive to enhance our corporate brand value as a company that is trusted by customers and investors.

4. Make contributions to society

In addition to economic contributions, we will strive to contribute to society by carrying out initiatives to reduce the burden on the environment, including the reduction of pollutants and CO₂ mitigation, and our involvement in immediate community activities.

5. Procurement considerate of CSR

We will build partnerships with our business partners through fair transactions that comply with CSR and related laws and regulations, such as various labor laws and regulations, regulations on management of contained chemical substances, and regulations on conflict minerals.

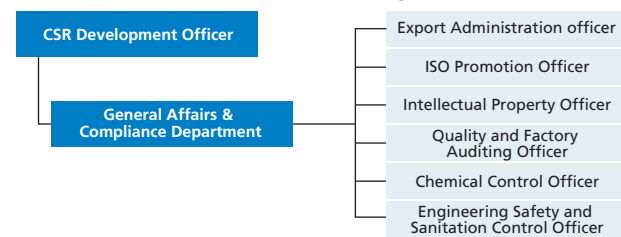
6. Disclosure

We will strive to proactively disclose information directly at exhibitions, investor briefings, and investor relations presentations, and indirectly to the general public using tools such as our corporate website and paper-based media.

CSR Implementation Structure

With our fundamental goal to contribute to society through sound business activities, we will pursue CSR on a daily basis under the leadership of CSR Development Officer and directed by the General Affairs & Compliance Department.

CSR implementation structure diagram



Acquisition of ISO Certification

The Tachibana Eletech Group conducts proper checks on the environment, quality, and information security, which we have positioned as our priority CSR issues, through ISO (International Organization for Standardization) assessments.

As part of our CSR activities, we have acquired ISO14001 certification for our environmental management system, ISO9001 certification for quality control and customer satisfaction, and ISO27001 for our information security management system. Refer to our corporate website for details about our certification.

Information Security Policy

It is our duty to implement appropriate security measures for trade secrets* and personal information to protect it from loss, theft, and unauthorized use in order to maintain the trust of our customers and remain competitive.

This Information Security Policy is our security policy for trade secrets and personal information, which sets forth appropriate protection measures.

Employees shall understand the purpose of this policy and must familiarize themselves with and comply with the Company's security regulations and relevant laws and regulations.

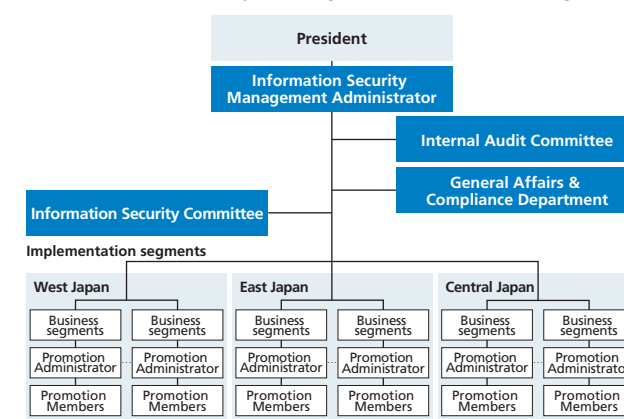
1. Implement appropriate security measures for trade secrets and personal information to strengthen the relationship of trust with customers.
2. Improve corporate ethics and fulfill our social responsibility as a company through the implementation of appropriate security measures and compliance with laws and regulations relating to trade secrets and personal information.
3. Establish and continuously improve the information security management system to realize information security measures.

*Trade secrets are defined as technically or commercially helpful information and information that is useful in the Company's business activities, held by the Company, and information that, if leaked or misused, would be detrimental to the Company or its stakeholders.

Information Security System

We handle the personal information of customers and information related to products and services according to a contract. Therefore, we are seeking to strengthen our information security system and maintain and manage it at a high level, from various security system implementations to conducting awareness education for employees, in order to protect myriad information assets handed from customers in a more rigorous manner.

Information security management structure diagram



Quality Policy

Basic Philosophy

We believe that our business activities must be beneficial to people and society, and we provide the latest technological products and system solutions that meet the requirements of our customers.

Code of Conduct

1. Improve customer satisfaction

We respond quickly to changes in technology and society, and provide products and services that always satisfy our customers.

2. Comply with the law

We will live up to the trust of our customers and society by complying with relevant laws, regulations, and social requirements related to our products and services.

3. Continuous improvement

We set and implement quality objectives and targets, and strive for continuous improvement to realize our quality policy.

4. Disseminate the policy

We make this quality policy known to all employees and disclose it outside the company.

5. Review and make improvements

We periodically review and improve this quality policy in response to social trends and changes in the business environment.

Environmental Policy

Basic Philosophy

Tachibana Eletech is deeply aware that environmental issues are spreading around the globe and represent a long-term and important issues that affect the future. Through sound business practices, we aim to achieve socioeconomic development in harmony with the global environment and contribute toward the realization of a sustainable society.

Corporate Principles

1. Effective use of resources and energy

We will recognize that natural resources and energy are finite and strive to use them effectively.

- We will actively promote energy conservation, resource conservation, waste reduction, recycling, and green purchasing in our business activities and strive to reduce our environmental impact.
- We will strive to improve operational efficiency by improving our business model activities.

2. Promotion of environmentally-conscious products and services

We will strive to provide the sale and service of environmentally-conscious products that save energy and resources throughout the life cycle of the products we offer.

3. Compliance with environmental laws and regulations

We will comply with environmental laws and regulations, and other requirements which we agree upon during the execution of our business activities, in order to strive to prevent environmental pollution.

4. Enhancement and improvement of environmental management system

Under our environmental management system, we will set and implement environmental objectives and targets, and periodically review them for continuous improvement.

5. Environmental education and social contribution activities

We will continuously educate all employees to improve their understanding and awareness of the environment, and engage in social contribution activities in cooperation with local communities.

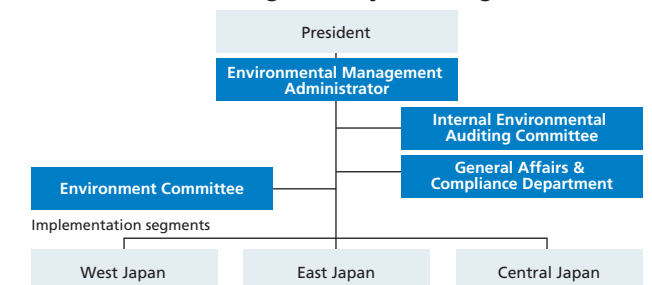
6. Promotion and publication of environmental policy

We will make this environmental policy known to all employees and publish it outside of the company as well.

Environmental Management System

We have acquired ISO14001 certification for all of our business sites in Japan as well as some other locations since 2001 and we continue to make efforts toward environmental conservation. The following diagram provides a breakdown of our environmental management system, which is led by the President. The entire company also carries out improvements using the PDCA cycle based on annual plans, as part of our spiral-up efforts.

Environmental management system diagram



11-Year Consolidated Financial Summary

(Unit: million yen)

Financial indicators	FY2012 (2013/3)	FY2013 (2014/3)	FY2014 (2015/3)	FY2015 (2016/3)	FY2016 (2017/3)	FY2017 (2018/3)	FY2018 (2019/3)	FY2019 (2020/3)	FY2020 (2021/3)	FY2021 (2022/3)	FY2022 (2023/3)
Net sales	123,792	141,884	147,421	162,142	160,218	178,324	182,875	170,541	161,440	193,431	227,266
Operating profit	2,853	4,367	4,860	5,616	5,172	6,395	6,596	6,038	4,033	6,710	10,316
Ordinary profit	4,101	5,630	5,737	5,740	5,341	6,605	7,033	6,401	4,388	7,412	11,001
Profit attributable to owners of parent	2,796	3,830	5,440	3,715	3,893	4,539	4,906	4,390	3,457	5,144	7,841
Cash flow											
Cash flow from operating activities	1992	1,552	2,193	2,732	2,112	4,199	510	5,176	4,948	(7,595)	(285)
Cash flow from investing activities	(2,752)	(311)	(3,070)	(3,524)	(1,811)	90	1,334	(1,401)	(1,302)	(968)	210
Cash flow from financing activities	(735)	199	(896)	(1,194)	(1,206)	(861)	(1,420)	(1,634)	(1,835)	702	88
Cash and cash equivalents at end of period	12,183	14,080	12,935	10,863	9,894	13,274	13,638	15,756	17,415	9,958	10,571
Interest-bearing debt	2,599	2,169	1,842	1,796	1,707	1,718	2,056	1,638	2,153	5,089	6,909
Fiscal year end											
Net assets	40,088	46,280	54,961	56,685	60,964	66,495	67,916	69,966	75,206	77,240	84,641
Total assets	82,674	88,233	100,560	98,893	104,070	121,187	121,170	113,432	120,265	135,172	153,635
Per share information											
Net assets per share (¥)	1,925.77	2,130.80	2,056.96	2,159.10	2,361.12	2,585.82	2,691.02	2,772.28	2,979.91	3,092.28	3,388.58
Profit per share (¥)	134.60	183.76	209.09	143.12	153.53	179.85	194.39	173.94	136.99	204.16	313.91
Annual dividends per share	20	23	23	26	28	40	48	48	37	60	90
Financial indicators											
Operating profit to net sales Operating income margin (%)	2.3	3.1	3.3	3.5	3.2	3.6	3.6	3.5	2.5	3.5	4.5
Return on equity (ROE) (%)	7.3	8.9	10.9	6.8	6.8	7.3	7.4	6.4	4.8	6.7	9.7
Equity ratio (%)	48.4	52.4	53.2	55.8	57.3	53.9	56.1	61.7	62.5	57.1	55.1
Payout ratio (%)	14.9	12.5	9.2	18.2	18.2	22.2	24.7	27.6	27.0	29.4	28.7
Price-earnings ratio (PER) (times)	6.7	7.6	7.2	8.2	9	11.7	8.6	8.3	11.8	8.1	6.3
Price book-value ratio (PBR) (times)	0.5	0.7	0.7	0.5	0.6	0.8	0.6	0.5	0.5	0.5	0.6
Stock price at March 31	907	1,393	1,504	1,178	1,384	2,107	1,663	1,448	1,614	1,647	1,989
Overseas sales/Ratio of overseas sales											
Overseas-related sales	19,476	26,059	27,397	25,744	22,324	25,481	23,930	23,205	23,859	33,343	41,269
Overseas-related sales ratio(%)	15.7	18.4	18.6	15.9	13.9	14.3	13.1	13.6	14.8	17.2	18.2
Sales by business											
Factory Automation Systems	63,593	72,175	76,120	93,138	93,395	104,157	107,423	99,946	88,071	101,381	114,917
Semiconductors and Electronic Devices	44,571	51,842	53,380	48,801	46,864	54,773	54,077	47,975	54,347	71,599	89,017
Building Services Systems	12,574	13,145	12,667	13,425	14,136	15,156	16,811	17,907	15,381	15,352	17,547
Others	3,052	4,721	5,252	6,775	5,821	4,236	4,563	4,711	3,640	5,097	5,784

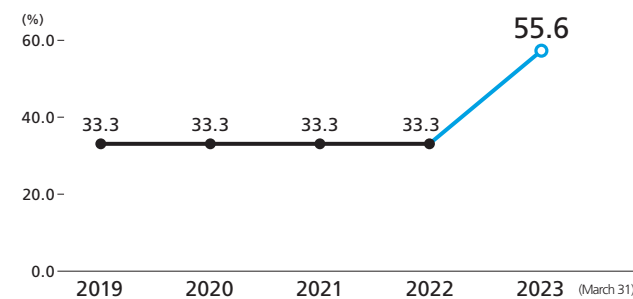
Note: The "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year ending March 31, 2019 (90th fiscal period).
The main management indicators, etc. for the fiscal year ending March 31, 2018 (89th fiscal period) are indicators after the retroactive application of the accounting standards, etc. in question.

5-Year Non-Financial Indicators Summary(non-consolidated)

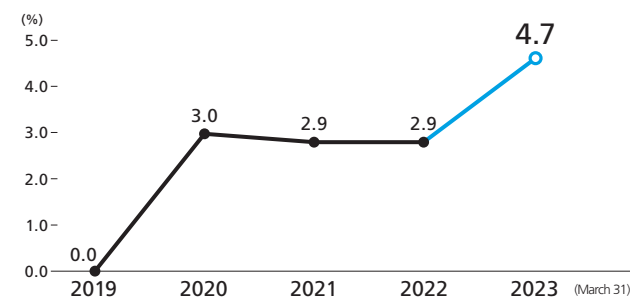
Non-financial indicators	FY2018 (2019/3)	FY2019 (2020/3)	FY2020 (2021/3)	FY2021 (2022/3)	FY2022 (2023/3)
Governance(G)					
Number of Directors of the Board	6	6	6	6	9
Ratio of Independent Directors on the Board (%)	33.3	33.3	33.3	33.3	55.6
Ratio of Independent Directors (%)	16.7	16.7	16.7	16.7	44.4
Number of consultations at the reporting center	0	0	0	0	0
Social(S)					
Number of employees	822	856	882	849	825
Ratio of female managers (%)	0.0	3.0	2.9	2.9	4.7
Number of new graduates recruited	40	42	35	13	11
Number of new mid-career recruits	17	24	15	16	35
Annual paid leave utilization rate (%)	40.0	45.9	45.6	48.6	54.2
"Number of participants in social contribution activities (persons)"	61	148	78	145	164
Environment(E)					
Sales ratio of environmentally-conscious products (%)	65.8	64.1	65.6	67.2	66.7
CO ₂ emissions (t-CO ₂)(Scope1)	366	363	319	310	317
CO ₂ emissions (t-CO ₂)(Scope2)	985	923	865	839	772
Gasoline consumption (Scope1)(t)	158	156	137	133	136
Electricity usage (Scope2)(MWh*)	2,095	2,152	2,105	2,083	2,102

*1MWh=1,000,000W

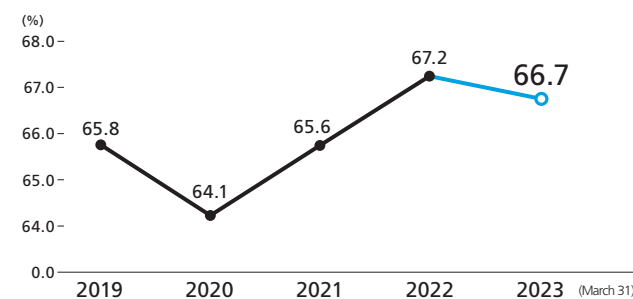
Ratio of Independent Directors on the Board



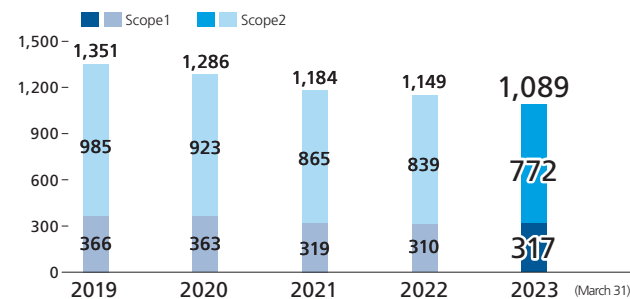
Ratio of female managers



Sales ratio of environmentally-conscious products



CO₂ emissions (t-CO₂)



Company Outline

Company Name in English
TACHIBANA ELETECH CO., LTD.

Date of Founding
September 1, 1921

Date of Establishment
July 12, 1948

Capital
5,874 billion yen

Number of Employees
825 (Consolidated 1,381) as of March 31, 2023

Stock Listings
The Prime Market of the Tokyo Stock Exchange

ISO Acquisitions
Product Quality Management System
ISO9001 JQA-QMA10303

Environmental Management System
ISO14001 EMS693431

Information Security Management System
ISO27001 IS 509430

Offices

Head Office 1-13-25 Nishi-honmachi, Nishi-ku, Osaka
Branch Offices Tokyo, Nagoya

Branches East Kanto, North Kanto, Kanagawa, Mikawa, Tokai, Hokuriku, Mie, Shiga, South Osaka, Kobe, Himeji, Hiroshima, Shikoku, Kyushu

Sales Offices Tohoku, Okayama

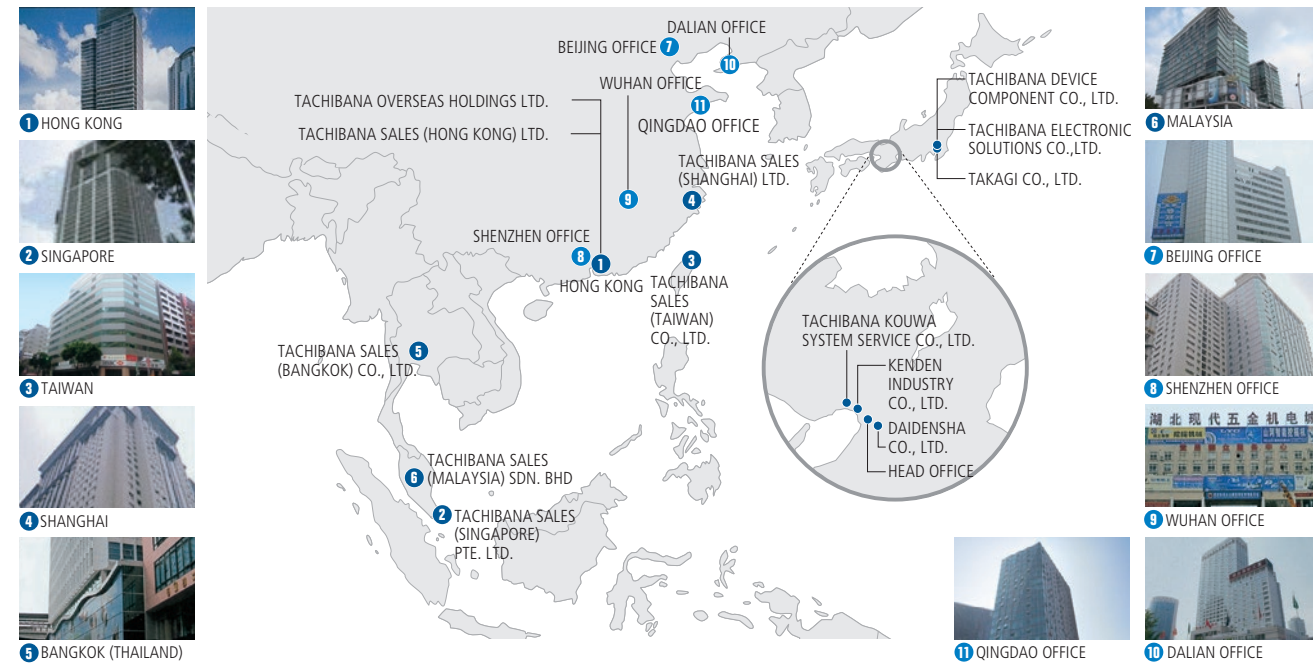
History

- 1921 Norimitsu Tachibana founded Tachibana Shokai. ①
- 1925 Special contract made with Mitsubishi Corporation.
- 1947 Special contract made with Mitsubishi Electric Corporation.
- 1948 Tachibana Shokai Ltd established. ②
- 1961 Head Office moved to Nishi-ku in Osaka City. ③
- 1962 Special contract with Mitsubishi Electric Corporation annulled to make new agency agreement.
- 1982 Singaporean branch office established.
- 1985 Osaka Software Center established.
- 1986 Listed as the specified brand in the Second Section (New Second Section) of the Osaka Securities Exchange.
- 1987 Tachibana Sales (Singapore) Pte. Ltd. established.
- 1988 Hong Kong branch office established.
- 1990 Listed as stock on the Second Section of the Osaka Securities Exchange.
- 1992 Tachibana Sales (Hong Kong) Ltd. established.
- 1994 Head Office newly built. ④
- 1997 Tachibana Sales (Taiwan) Co., Ltd. established.
- 2000 Shenzhen Semiconductor Technology Center established.
- 2001 Ritsuryokai established.
Renamed "Tachibana Eletech Co., Ltd". ⑤
Acquired ISO14001.
- 2002 Tachibana Sales (Shanghai) Ltd. established.
- 2003 Acquired ISO9001.
- 2004 Listed on the Second Section of the Tokyo Stock Exchange.
- 2005 Listed on the First Section of the Tokyo Stock Exchange and the Osaka Securities Exchange. ⑥
- 2006 Acquired ISMS.
- 2007 Tachibana Sales (Bangkok) Co., Ltd. established.
- 2007 Tachibana Overseas Holdings (in-house company) established.
Move from ISMS certification standard to ISO27001.
- 2008 Minami Osaka Building completed (the Minami Osaka branch office and the "Risshikan" training center with accommodation/dormitory). ⑦
- 2010 Tachibana Kouwa System Service Co., Ltd. established through the merger between Tachibana ES and Kouwa Kogyo.
Daidensha Co., Ltd. becomes wholly owned subsidiary. ⑧
Beijing Office, Shenzhen Office established.
- 2011 Wuhan Office established.
- 2012 Tachibana Overseas Holdings Ltd. incorporated as a supervising holding company for overseas subsidiaries. ⑨
Dalian Office established.
Conclude a capital and business tie-up agreement with Takagi Co., Ltd.
Tachibana Device Component Co., Ltd. established.
- 2013 Malaysia Office established.
- 2014 Qingdao Office established.
Acquisition of company building for the Tokyo Branch Office, and relocation ⑩
Conversion of Takagi Co., Ltd. to consolidated subsidiary ⑪
- 2015 Start of Medium/Long-Term Management Plan (C.C.J 2200)
- 2019 Conversion of Takagi Co., Ltd. wholly owned subsidiary.
- 2020 Tachibana Sales (Malaysia) Sdn.Bhd established.
Acquisition of all shares of Yashima Electronic Solutions Co., Ltd.; renamed Tachibana Electronic Solutions Co., Ltd. as a wholly-owned subsidiary.
- 2021 100th Anniversary
- 2022 The company is listed in the Prime Market of the Tokyo Stock Exchange.

Directors, Directors (Audit Committee Members) and Operating Officers

- | | |
|---|---|
| Takeo Watanabe
Chairman, EO | Hiroshi Yoneda
Managing Operating Officer |
| Hisanobu Nunoyama
President, CEO | Mitsuru Tada
Operating Officer |
| Sadayuki Takami
Director, Executive Operating Officer | Masaki Shiroshita
Operating Officer |
| Yoshinori Matsuura
Director, Operating Officer | Satoru Nagayasu
Operating Officer |
| Takayasu Sato
External Director | Hiroyuki Sano
Operating Officer |
| Masato Tsujikawa
External Director | Koji Kobayashi
Operating Officer |
| Takao Tsuji
External Director | Daisuke Tsunomura
Operating Officer |
| Kiyoshi Matsushashi
Director Audit & Supervisory Committee Member | Hiroyuki Ikeda
Operating Officer |
| Yasuhiro Otani
External Director Audit & Supervisory Committee Member | Kenji Konishi
Operating Officer |
| Hiroumi Shioji
External Director Audit & Supervisory Committee Member | Takashi Nanmoto
Operating Officer |
| | Masahiro Osato
Operating Officer |

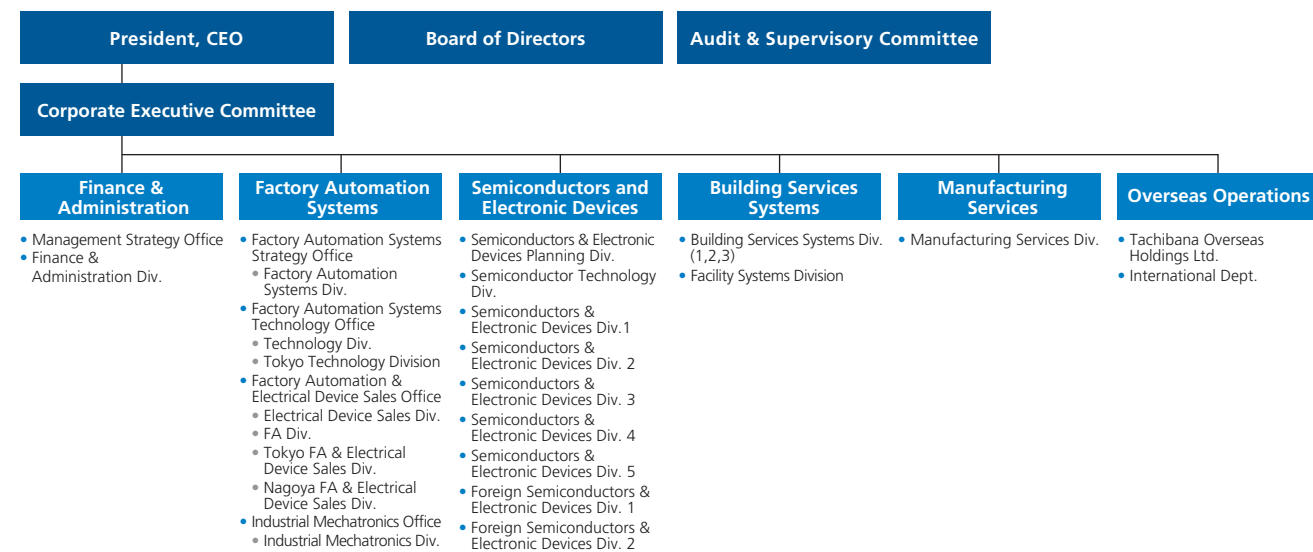
Subsidiaries and Affiliates ● Corporation ● Office



[Domestic]
KENDEN INDUSTRY CO., LTD.
 2-6-23, Mitejima, Nishiyodogawa-ku, Osaka 555-0012
 Tel. 81-6-6471-9451
TACHIBANA KOUWA SYSTEM SERVICE CO., LTD.
 2-5-1, Ohama-Cho, Amagasaki City 660-0095
 Tel. 81-6-6413-3623
DAIDENSHA CO., LTD.
 1-6-17, Nipponbashi-nishi, Naniwa-ku, Osaka 556-0004
 Tel. 81-6-6632-6111
TACHIBANA DEVICE COMPONENT CO., LTD.
 4-18-32 Shibaura, Minato-ku, Tokyo, Japan 108-0023
 Tel. 81-3-5418-9200
TAKAGI CO., LTD.
 2-2-7 Kitasenzoku, Ota-ku, Tokyo 145-0062
 Tel. 81-3-3783-6314
TACHIBANA ELECTRONIC SOLUTIONS CO., LTD.
 4-18-32 Shibaura, Minato-ku, Tokyo, Japan 108-0023
 Tel. 81-3-6699-1870

[Overseas]
TACHIBANA OVERSEAS HOLDINGS LTD.
 Unit 2605, 26F., One Kowloon No.1, Wang Yuen Street, Kowloon Bay, Kowloon, Hong Kong
 Tel. +852(2838)8103
TACHIBANA SALES (SINGAPORE) PTE. LTD.
 10 Anson Road #30-07 International Plaza Singapore 079903
 Tel. +65(6270)4567
TACHIBANA SALES (HONG KONG) LTD.
 Unit 2605, 26F., One Kowloon No.1, Wang Yuen Street, Kowloon Bay, Kowloon, Hong Kong
 Tel. +852(2838)8103
TACHIBANA SALES (TAIWAN) CO., LTD.
 Room #507, No.372, Linsen N. Rd., Zhongshan Dist., Taipei, 104, Taiwan R.O.C.
 Tel. +886(2)2541-8177
TACHIBANA SALES (SHANGHAI) LTD. Office: Beijing, Shenzhen, Wuhan, Dalian, Qingdao
 Room K, 18F, Huamin Empire Plaza, No.728 West Yanan Road, Shanghai, 200050, PRC
 Tel. +86(21)3100-1700
TACHIBANA SALES (BANGKOK) CO., LTD.
 62 Thaniya Building 8FL., Room No.803-804, Silom Road Suriyawong Bangrak, Bangkok 10500, Thailand
 Tel. +66(2)652-5191
TACHIBANA SALES (MALAYSIA) SDN. BHD.
 First Subang S-14-05, Jalan SS15/4G, 47500 Subang Jaya, Selangor, Malaysia
 Tel. +603(5888)6502

Organizational Structure



Investor Information

Authorized Number of Shares:
96,000 thousand

Issued Number of Shares:
25,025 thousand

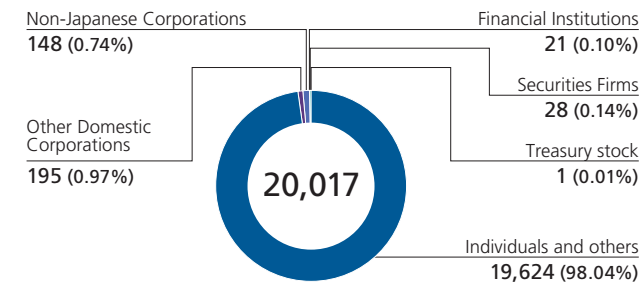
Number of Shareholders:
20,017

Major Shareholders

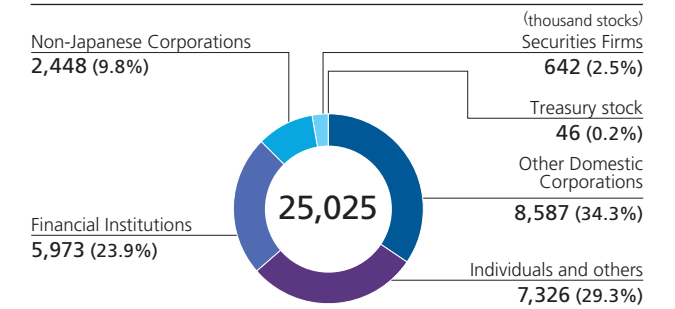
Shareholders	Shares (thousand stocks)	Ratio of shareholders (%)
Mitsubishi Electric Corporation	1,921	7.69
The Master Trust Bank of Japan, Ltd. (trust account)	1,795	7.19
Sansei Technos Co., Ltd	1,610	6.45
Tachibana Eletech's Employees Shareholders' Association	1,228	4.92
MUFG Bank, Ltd.	1,082	4.33
Kinden Corporation	754	3.02
Noritz Corporation	742	2.97
Custody Bank of Japan, Ltd. (trust account)	495	1.99
Nippon Life Insurance Company	471	1.89
Takebishi Corporation	459	1.84
Total	10,562	42.29

Notes: 1. Shown with less than 1,000 shares truncated.
2. Shareholding ratio is calculated excluding 46,921 shares of treasury stock

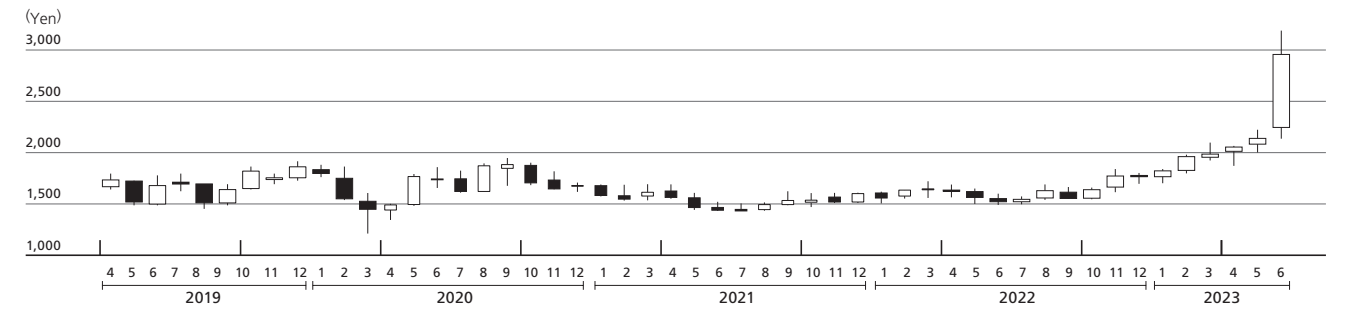
Distribution by Number of Shareholders



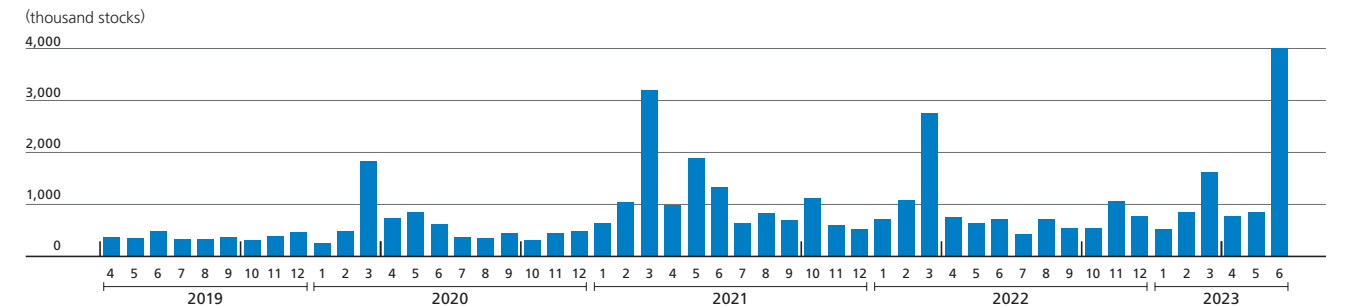
Distribution by Number of Shares Held



Share Price Trends (Tokyo Stock Exchange)



Trade Volume Trends (Tokyo Stock Exchange)





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