



# Materials for Company Information Session for Individual Investors

March 16, 2024, Saturday

**TENMA CORPORATION**

TSE Prime Market Securities Code: 7958



## The Fits series is celebrating its 38th anniversary. Total number of sales has exceeded 100 million units!

The Fit series has evolved as a storage product according to changes in living environments and with the times.

We will continue to deliver a "Happy Life" to our customers as a leading storage product manufacturer.



Fits



Fits unit



Fits plus



# TENMA Introduction Video



## Today's contents

- 1 TENMA
- 2 Earnings Forecast
- 3 Medium-term Management Plan
- 4 Shareholder Return

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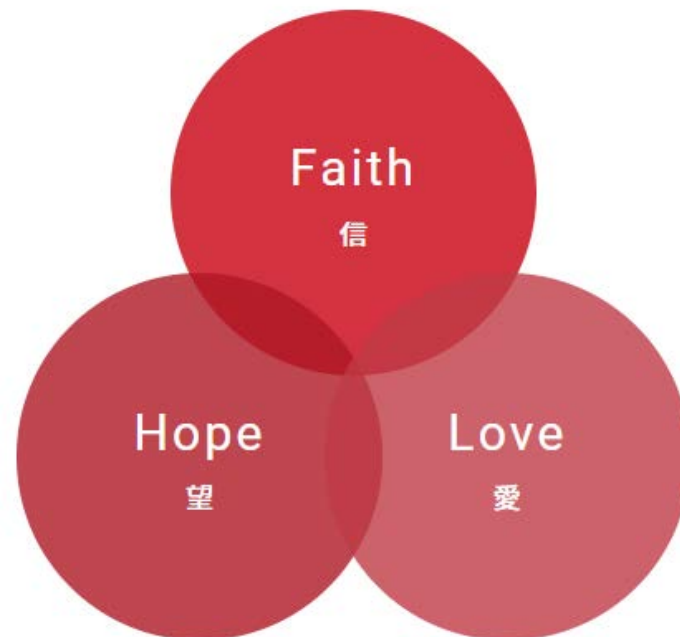
# Corporate Profile



As of March 31, 2023

<b>Company name</b>	<b>TENMA CORPORATION</b>
<b>Business Category</b>	<b>Manufacturing and sale of plastic products</b>
<b>Establishment</b>	<b>August 26, 1949</b>
<b>Headquarters</b>	<b>1-63-6 Akabane, Kita-ku, Tokyo</b>
<b>Capital stock</b>	<b>19.2 billion yen</b>
<b>Representative</b>	<b>Hirohiko Hirono Representative Director and President</b>
<b>Number of employees</b>	<b>Consolidated staff: 8,378, non-consolidated staff: 637</b>
<b>Net sales</b>	<b>Consolidated: 102.1 billion yen, non-consolidated: 20 billion yen</b>
<b>Stock</b>	<b>Tokyo Stock Exchange Prime Market securities code: 7958</b>

«Company motto»  
~Faith/Hope/Love~





# History

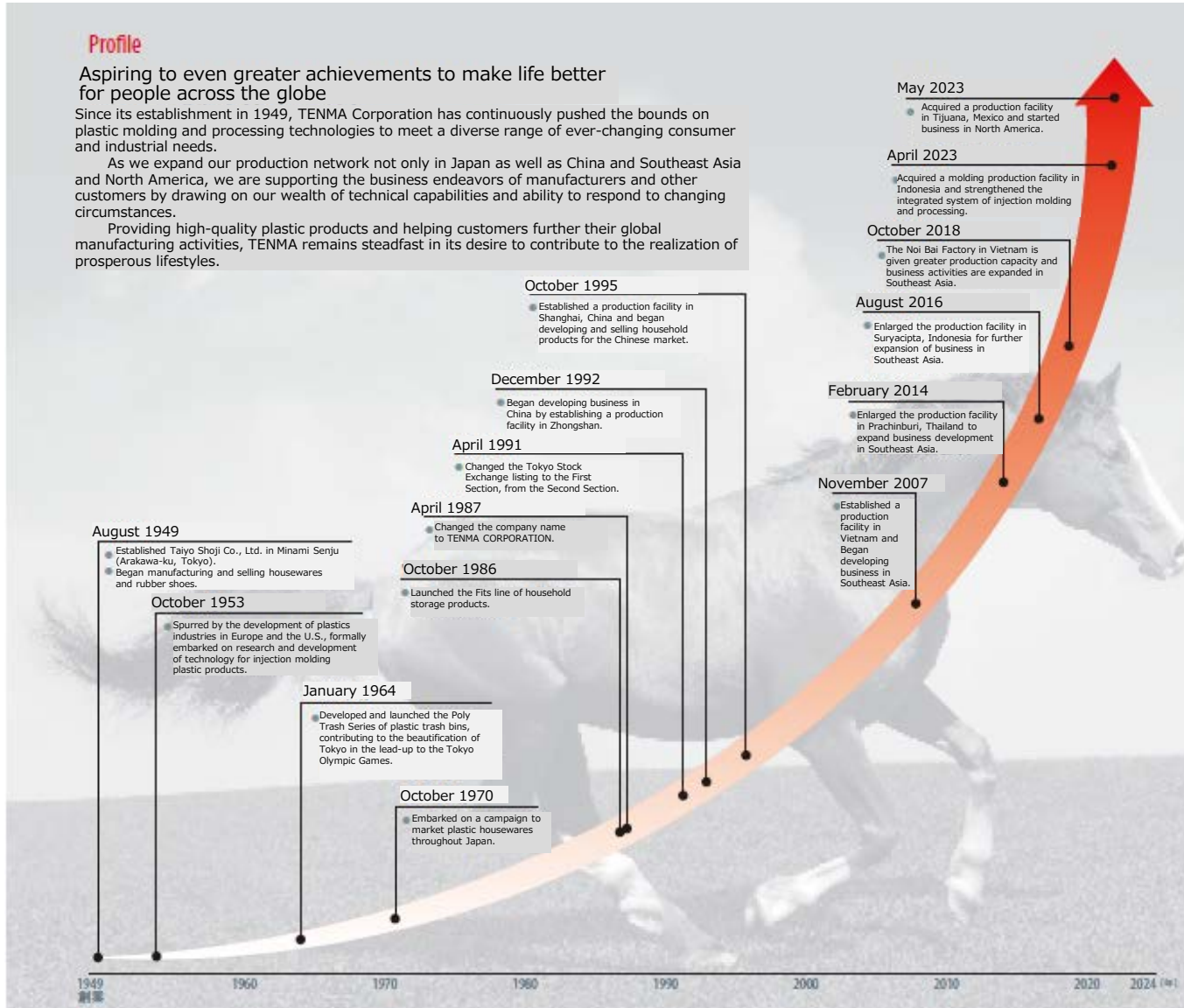
## Profile

Aspiring to even greater achievements to make life better for people across the globe

Since its establishment in 1949, TENMA Corporation has continuously pushed the bounds on plastic molding and processing technologies to meet a diverse range of ever-changing consumer and industrial needs.

As we expand our production network not only in Japan as well as China and Southeast Asia and North America, we are supporting the business endeavors of manufacturers and other customers by drawing on our wealth of technical capabilities and ability to respond to changing circumstances.

Providing high-quality plastic products and helping customers further their global manufacturing activities, TENMA remains steadfast in its desire to contribute to the realization of prosperous lifestyles.



1949  
Established in Arakawa-ku, Tokyo.

1953  
Embarked on research of technology for injection molding plastic products.

1986  
Launched the Fits case

1987  
Changed the company name to TENMA Corporation.

1991  
Changed the Tokyo Stock Exchange listing to the First Section.

1992  
Started business in China.

2007  
Started business in Southeast Asia.

2023  
Started business in North America.

# Domestic and International Networks

18 factories in total as production bases including 6 factories in Japan and 12 factories in 5 foreign countries.

The Company can manufacture a wide variety of products domestically and overseas with **1,000 or more** molding machines.

## [Japan]

- Shiga Factory 滋賀工場
- Headquarters 本社
- Yamaguchi Factory 山口工場
- TACMIC タクミック
- Hachinohe Factory 八戸工場
- Shin-Shirakawa Factory 新白河工場
- Noda Factory 野田工場

## [North America]



Tenma Plastic Mexico, S.A. de C.V

## [ASEAN]

- TENMA (THAILAND) CO., LTD. (プラチンプリ工場)
- TENMA (THAILAND) CO., LTD. (アマダシティ工場)
- SHANGHAI TENMA PLATECH & HOUSEWARES CO., LTD. 天馬精密工業(中山)有限公司
- TENMA PRECISION (SHENZHEN) CO., LTD. 天馬精密注塑(深圳)有限公司
- SHANGHAI TENMA PLATECH & HOUSEWARES CO., LTD. 上海天馬精塑有限公司
- TENMA (HCM) VIETNAM CO., LTD. (NB工場)
- TENMA VIETNAM CO., LTD.
- TENMA (HCM) VIETNAM CO., LTD. (BH工場)
- PT. Hyuk Jin Indonesia
- PT. TENMA INDONESIA (スルヤチプタ工場)
- PT. TENMA CIKARANG INDONESIA

# Feature of TENMA Group

## Plastic molding and processing manufacturer

In-house product business (houseware)



Contract-manufactured product business

Rare company with these two pillars

- Houseware items
  - Storage cases
  - Kitchen items
  - Sanitary items, and others

- OA equipment parts
- Home appliance parts
- Vehicle components
- Housing component, and others

Category leading consumer brand company

Contract manufacturing company with global companies in Asian growth markets as customers

Cumulative sales volume of Fits : more than 100 million units

Average annual growth rate : 6.2% (last 10 fiscal years)



## ▶ **In-house products and contract-manufactured products**

Providing high added value, utilizing development capabilities cultivated by in-house products and technical capabilities sophisticated by contract-manufactured products.

## ▶ **“Superb quality” delivered worldwide**

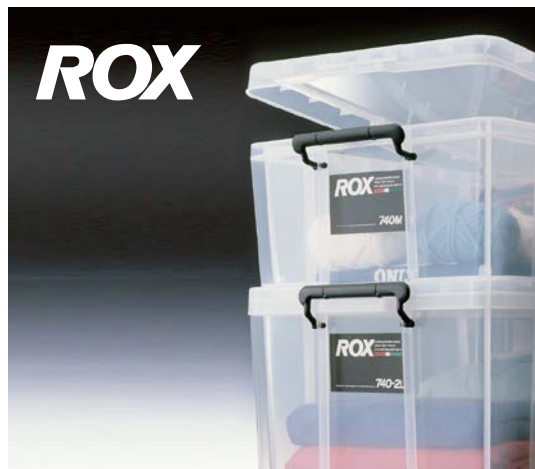
Manufacturing high-quality products, whether within Japan or abroad, under unified technical standards

## ▶ **Global network**

Promoting international business under a highly reliable supply chain including 12 factories in 5 foreign countries

# Examples of Products (In-House Product Business)

Cabinet boxes



# Examples of Products (In-House Product Business)



**PORISH** Landry



**FAVIE** Kitchen and Sanitary



**KORETO** Lunch boxes



**LILICY** Mug bottles



# Pictures of our Products at Exhibitions (In-House Product Business)

## [Japan]

[JAPAN DIY HOMECENTER SHOW 2023]  
(Aug 24 to 26 2023)



[The 96th Tokyo International Gift Show Autumn 2023]  
(Sep 6 to 8 2023)



[The 17th International Garden & Outdoor EXPO]  
(Oct 11 to 13 2023)



# Picture in Showing Products at Exhibitions (In-House Product Business)



**[Overseas]** [2023 Inspired home show in United States/Chicago]  
(Mar 4 to 7 2023)



[Ambiente 2024 In Germany/Frankfurt]  
(Jan 26 to 30 2024)



[TRADE EXPO INDONESIA 2023 in Jakarta]  
(Oct 18 to 22 2023)



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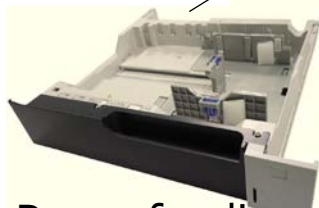


# Examples of Products (Contract-Manufactured Product Business)

## OA equipment parts



ADF units



Paper feeding units

## Home appliance parts



Air conditioners

Washing machines

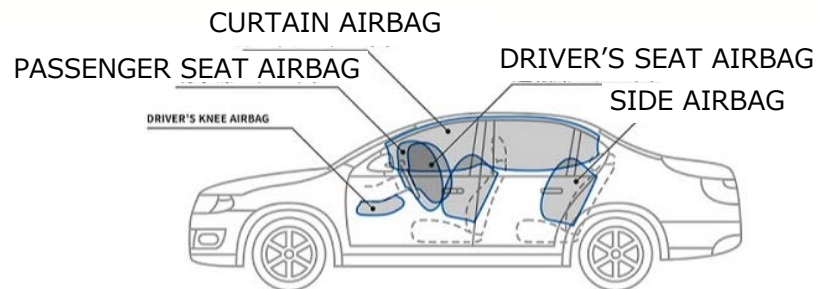


Vacuum cleaners



# Examples of Products (Contract-Manufactured Product Business)

## Vehicle components



## Seat belts



# Examples of Products (Contract-Manufactured Product Business)

## Housing components

Toilets



## Media cases

Disk cases



## Industrial supplies

Beer pitchers



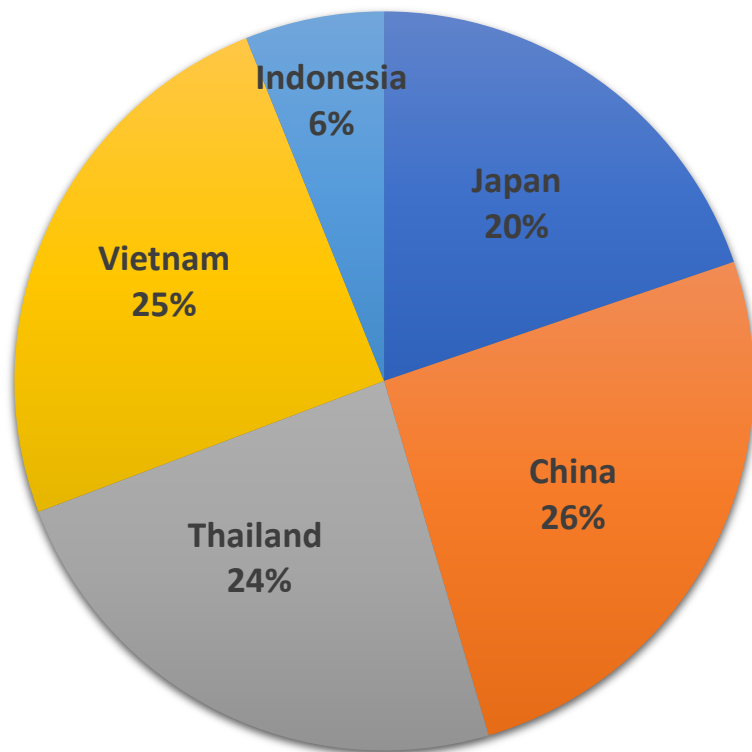
## Molds



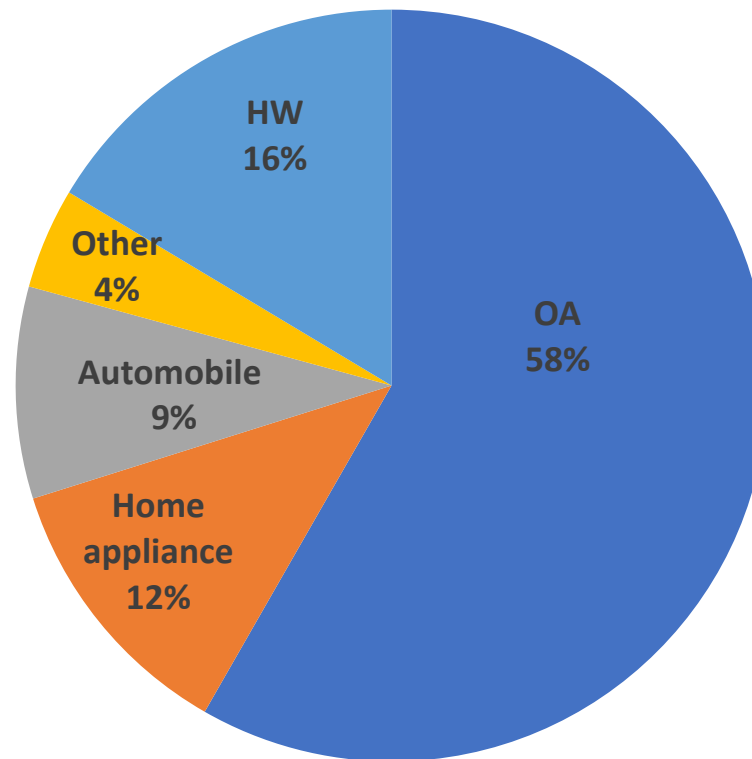
# Sales Composition (FY2023/3)



[By region]

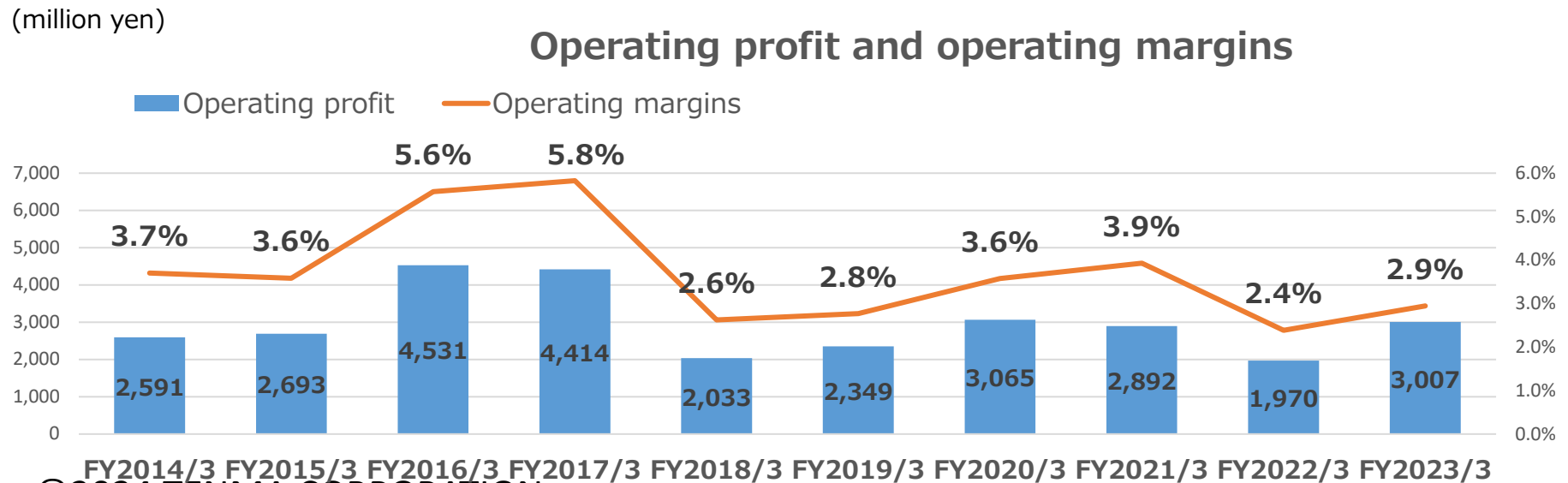
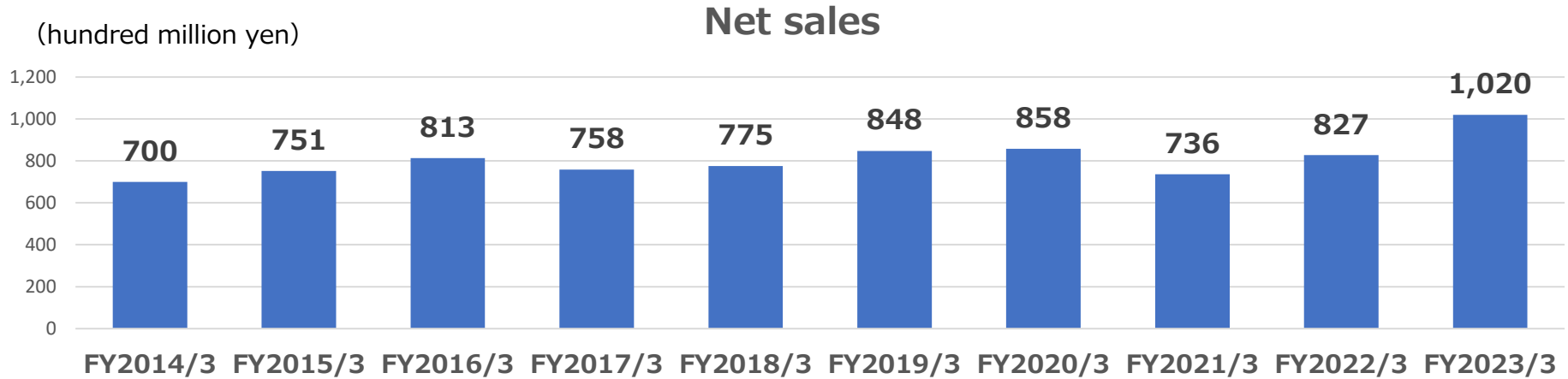


[By department]



# Trend in Consolidated Business Results TENMA

Happy life with TENMA



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# Earnings Forecast for FY2024/3



(million yen)

	FY2022/3 (actual results)	FY2023/3 (actual results)	FY2024/3 (forecast)	YoY
Net sales	82,697	102,053	94,000	92.1%
Operating profit	1,970	3,007	1,200	39.9%
Ordinary profit	2,430	3,801	3,800	100.0%
Net income attributable to owners of parent	1,058	2,800	2,900	103.6%

Note) The forecast for FY2024/3 represents numbers announced on November 9, 2023.

# Supplemental Explanation about Earnings Forecast



▶ The revised forecast was disclosed on November 9, 2023, based on the full-year earnings forecast as of interim account settlement.

(down 3 billion yen in net sales, down 2 billion yen in operating profit, unchanged ordinary profit, and down 0.2 billion yen in net income attributable to owners of parent)

## [Net sales]

▶ It was expected that the order environment would improve for the contract-manufactured product business in the second half, but there were production adjustments in many clients. Additionally, there was weak consumption of consumable goods in the in-house products business. Therefore, expected net sales were downwardly revised.

## [Profit]

▶ The expected operating profit was downwardly revised because of the lower capacity utilization ratio of molding machines resulting from decreased sales.

Ordinary profit is expected to achieve a level equal to the initial forecast because of recording gains on sales of securities for pure investment in non-operating income.

(Posting 1.65 billion yen gain on sale of securities was announced on January 15, 2024)

## [By department]

▶ OA and home appliances generally faced the effects of production adjustment while automobile-related (four-wheel vehicles) showed recovery.

▶ Houseware products are expected to record a slight sales decline YoY because of the repricing effect and efforts toward increasing the product lineup.

## [By region]

▶ Net sales are expected to increase YoY in Indonesia and Japan where vehicles-related (four-wheel vehicles) operates.

▶ Net sales are expected to largely decrease YoY in China where clients shifted production to Southeast Asia.



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# General Picture of the Third Medium-term Management Plan

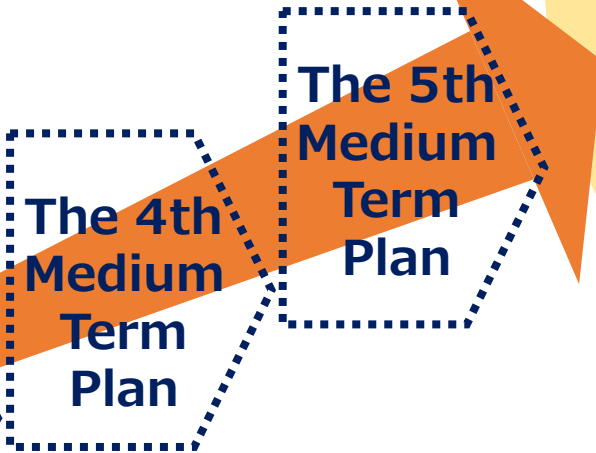


## Our roadmap to become a 100-year company

In 2049, TENMA will celebrate its 100 year anniversary. Aiming to be a "100-year company", TENMA Group has renewed its effort to visualize the "ideal image" of what it needs to become, as well as the necessary steps to get there, from a long-term perspective of 10 and 20 years.

**"Transformation period" to achieve our "ideal image"**

- 
- 
- 



**The 3rd Medium-Term Management Plan**  
Fiscal 2022 to fiscal 2024

### [Ideal Image]

#### Long-term vision

**Improving our Lives and the Environment Through Coexistence with Plastic**

#### Long-term targets

(Targets for Fiscal Year 2031)

Net sales: 110 billion yen	Operating profit: 9 billion yen
ROE 9% or more	ROIC 9% or more

\*These numbers are those as of preparation of these materials and will be reviewed later.

# Outline of the Third Medium-term Management Plan



## Long-term vision

Building a prosperous society in which people and plastics coincide in harmony

**Basic Policy 1** Promoting sustainable management

**Basic Policy 2** Building a foundation for growth

**Strategy (i)** Development of human assets

**Strategy (ii)** Address environmental issues

**Strategy (iii)** Strengthen corporate governance

[Basic Policy 1]  
**Promoting sustainable management**

**Strategy (iv)** Promotion of DX and factory automation

**Strategy (v)** Promotion of R&D

**Strategy (vi)** Expand business areas

[Basic Policy 2]  
**Building a foundation for growth**

# Major Examples of Initiatives by Strategy

## Strategy (i) Development of human assets

- ▶ Changed the personnel system to a structure to appropriately evaluate the efforts of each employee by renewing the system and adopting the target management system.
- ▶ Established a stable and pleasant working environment including establishment of the system to adopt non-regular employees as regular employees and expansion of the leave system.

[20% recycled material-used products]  
 (R series living with resin)



## Strategy (ii) Address environmental issues

- ▶ Established sustainable management (such as preparation of basic policies, identification of materiality and setting of GHG emission reduction target).
- ▶ Started sales of several recycled materials-mixed products.

[Fully recycled material-used products]



## Strategy (iii) Strengthen corporate governance

- ▶ Strengthened the whistle-blowing system and audit function using external bodies.
- ▶ Ensured transparency by keeping the ratio of independent outside directors at one-third.
- ▶ Held supplier meetings in overseas subsidiaries.

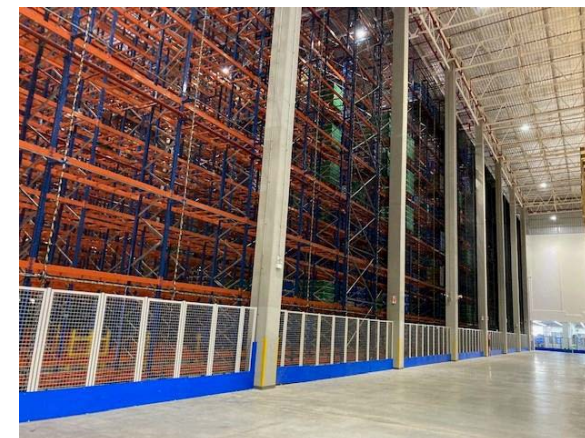
# Major Examples of Initiatives by Strategy

## Strategy (iv)

### Promotion of DX and factory automation

- ▶ Introduced automated warehouses in Thailand.
- ▶ Automated assembly process with robots.
- ▶ Started EC sales of in-house products in Indonesia and Thailand.

[Automated warehouse in Thailand]



## Strategy (v)

### Promotion of R&D

- ▶ Achieved practical realization of special molding technologies (such as DSI molding).
- ▶ Introduced decorative molding (high value added of in-house products).
- ▶ Research several environment-conscious materials.

[Pregnancy activity kit for male]

## Strategy (vi)

### Expand business areas

- ▶ Expanded vehicles business (M&As of manufacturing and sales companies such as vehicles parts in North America).
- ▶ Operating molding business (M&As of a molding operator in Indonesia)
- ▶ Expanded domains of in-house products such as mug bottles and lunchboxes.
- ▶ Started sales by agent of social issue-solving products (such as pregnancy activity kits for men).
- ▶ Actively showed in-house products at overseas exhibitions (in the United States and Germany, etc.).



## ▶ Strengthening earning power

- Deepening houseware product business in Japan and overseas
- Expanding business areas in the contract-manufactured product business which follows the OA area
- Maximizing M&A synergy
- Exploring new businesses and domains for the future, and others

\*ROE, with a target set at 4.6% for FY2024/3, the last year of the medium-term management plan, is expected to reach about 4.0%. Given the degree of achievement, the Company thinks profitability will be a challenge.

## ▶ Improving company recognition

- Improving public relations activities, and others

## ▶ Further initiatives for environmental issues

- Building an internal recycle facility
- Strengthening further development and sale of environment-conscious products, and others



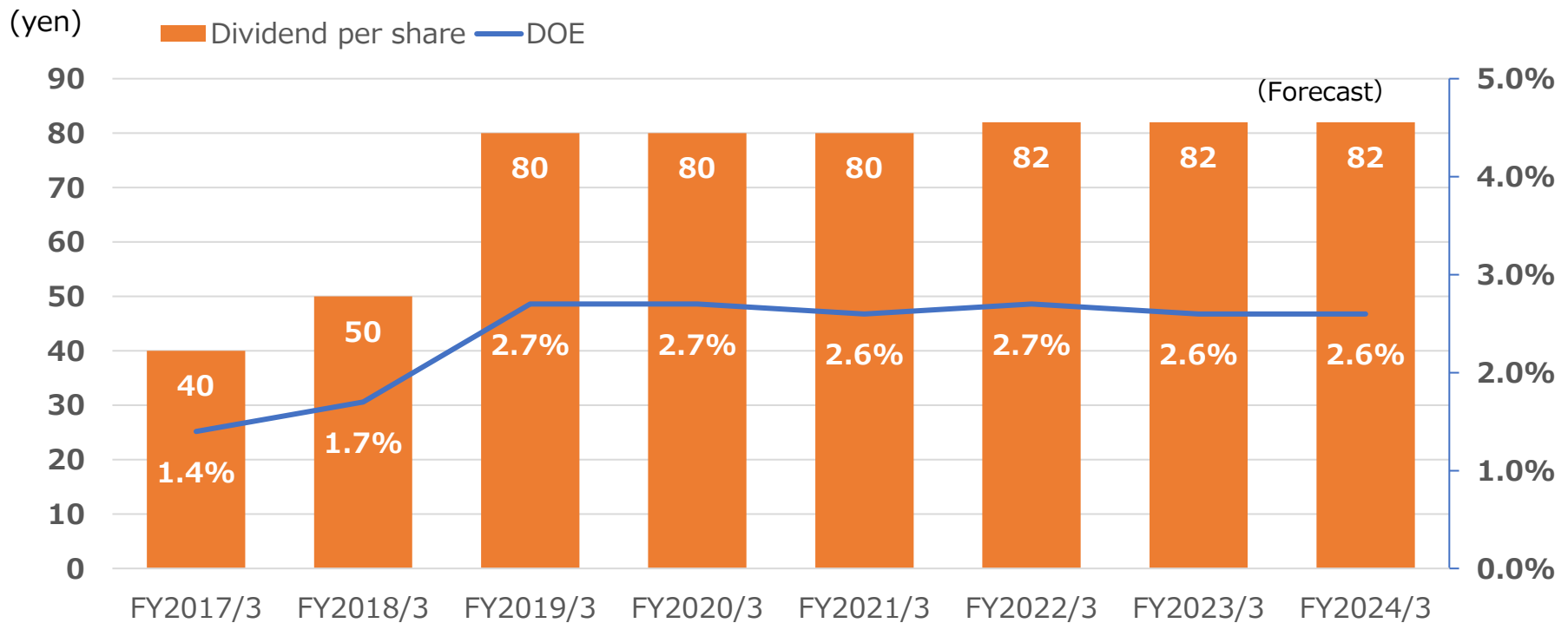
Increase enterprise value by implementing the fourth medium-term management plan including the above-mentioned, which will be announced in April-May of this year to resolve the issue, with PBR being below 1.0 considered as a managerial challenge

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# Dividend Policy

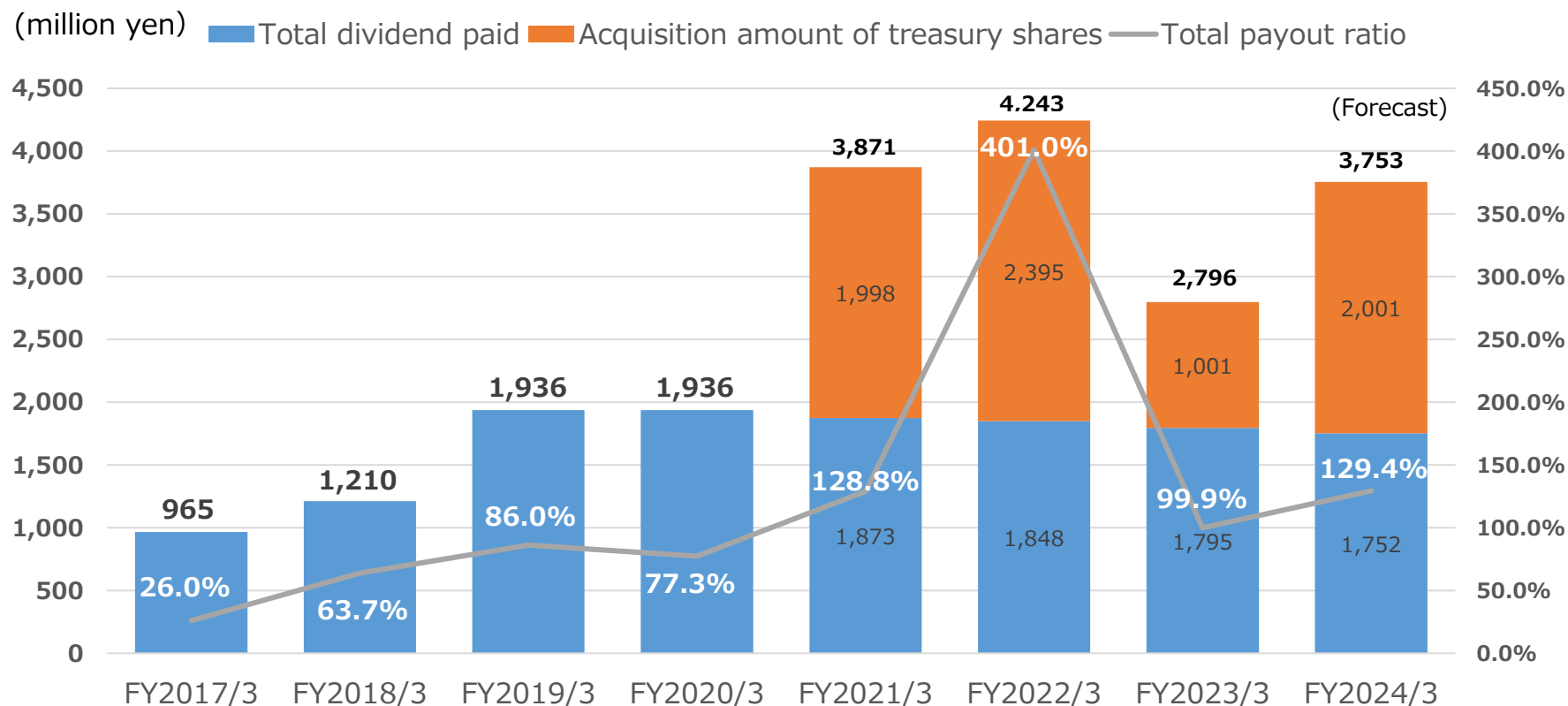
## Dividend policy

Maintain stable dividend with the consolidated dividend on equity ratio (DOE) goal of 2.5% or more.





# Total Payout Ratio



○The Company implements payments of stable dividend as well as the acquisition of treasury shares as shareholder return measures.

For acquisition of treasury shares, the long-term goal is set at 10 billion yen. For the last four periods, treasury shares acquired have totaled about 7.4 billion yen.

# Shareholder Benefits

- Applicable shareholders: Shareholders holding 100 shares or more who are registered on the Company shareholder registry as of every March 31
- Contents of benefits: Uniform present of our original “QUO card” worth 1,000 yen (once a year)
- Time of provision: The card will be enclosed in the Company’s stock-related documents (notice of convocation of the ordinary general meeting of shareholders and vote exercise documents) which are sent in early June every year.



# Dividend Simulation

**Update the information herein to the latest.**

- Annual dividend per share 82 yen (expected amount for FY2024/3)
- Stock price: 2,296 yen (closing price at Tokyo Stock Exchange on March 13, 2024)

**Dividend yield: 3.57%**

Stock price	Number of shares	Investment amount	Dividend (annual)
2,296 yen	100 shares	229,600 yen	8,200 yen
	300 shares	688,800 yen	24,600 yen
	500 shares	1,148,000 yen	41,000 yen



# Disclaimer about these Materials

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These materials are based on the information that the Company obtained at the time of their preparation. Our business activities and results in the future may differ from the future prospect stated herein.

These materials are designed not to solicit investment in our shares but to provide information about us.

Please understand that we do not have any responsibility if you bear any loss arising from use of this information.

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