



**TWINBIRD**

*Touch Hearts.*

INTEGRATED REPORT

2022

**TWINBIRD CORPORATION**

2084-2 Yoshida-Nishiota, Tsubame, Niigata 959-0292, Japan

TEL: +81-256-92-6111

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# Who We Are

Founded:	1951	Number of employees* <sup>2</sup> (including average temporary hires):	333
Tokyo Stock Exchange (Standard Market) securities code:	6897	Percentage of women* <sup>2</sup> :	34.2%
Net sales* <sup>1</sup> (consolidated):	¥12,869 million	Percentage of women among new hires* <sup>1</sup> :	50%
Operating income* <sup>1</sup> (consolidated):	¥719 million	Percentage of paid vacation taken* <sup>1</sup> :	66%
Equity ratio* <sup>2</sup> :	78.2%	Average hours of overtime worked per employee* <sup>1</sup> :	16.3 hours/month
DOE* <sup>2</sup> (DOE excluding commemorative dividend: 1.5%):	1.9%	Number of patents held* <sup>2</sup> :	96

\*1 Results for the fiscal year ended February 28, 2022  
\*2 As of February 28, 2022

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### Editorial Policy

The *Twinbird Integrated Report 2022* is intended to provide shareholders, investors, and other stakeholders with a deeper understanding of the Company by clearly communicating our efforts to enhance corporate value over the medium to long term.

### Scope of Disclosure

Twinbird Corporation and affiliated companies

### Period of Disclosure

The report covers the fiscal year ended February 28, 2022 (March 1, 2021 to February 28, 2022). However, some parts may include activities or information outside of that period.

### Referenced Guidelines

- Ministry of Economy, Trade and Industry: Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation
- The IFRS Foundation: International Integrated Reporting Framework

### Forward-Looking Statements

The performance forecasts and other forward-looking statements and projections in this report, including earnings forecasts, are based on widely-recognized current economic and social conditions generally accepted at the time this report was prepared and on certain assumptions that the Company deems reasonable, but the Company does not guarantee the accuracy of this information and it is subject to change without notice. The Company and its information providers are not responsible for any damages incurred based on this information, and the Company and its information providers assume no responsibility whatsoever.

## What is Twinbird?

### Brand Promise

We are Twinbird, a company of 300 people that has been rooted in the Tsubame-Sanjo area for more than 70 years.

### Brand Promise

We began as a plating company in Niigata, Japan, and in the eighties, entered the appliance market.

We're small in a rich natural environment and live by a simple philosophy:

Eliminate unnecessary and complicated functions and stick with the real things that enrich life.

Our appliances offer intrinsic value and reliability combined with timeless features and functions.

With this in mind, we've collaborated with local artisans and renowned master craftspeople.

A legend in specialty coffee, Mamoru Taguchi, helped develop our Full Automatic Coffee Maker.

We developed the Portable Vaccine Freezer as well as the Freezer Refrigerator used on the International Space Station based on the mass production of the free-piston Stirling Cooler.

Now, to mark our 70th anniversary,

we're announcing our two brand lines that all our products will fall under in the future.

Takumi Premium brings the skills of master craftspeople into your home.

Kando Simple for timeless necessities. Everything we make, we make to touch hearts.



## What is Twinbird?

### Our Management Philosophy Framework



## Our Management Philosophy

**01**

Develop products that offer emotional impact and amenity  
Continue to creatively develop products that thrill people and add new delight to their lives.

**02**

Build productive human relationships based on mutual trust  
Placing importance on a relationship of trust with the customer, act like a pair of birds aiming for mutual prosperity.

**03**

Share in the creation of a pleasant workplace and contribute to social development  
Increase your own significance by continuing to explore new jobs and potential, thereby contributing to social development.

**04**

Achieve personal growth and a fulfilling life  
Seek to grow as a person through your work and achieve a fulfilling life.

## Our Purpose

1. Enhance the value of people's lives by providing emotional impact and amenity
2. Drive regional economic growth and the creation of added value by leveraging the unique characteristics of the Tsubame-Sanjo area
3. Act globally and help solve domestic and international social issues

## Our Values

1. Stay committed to customers (end users) and put them first
2. See things through to the end with Tsubame-Sanjo craftsmanship
3. Take on urgent challenges and try new things
4. Work together across departments and job titles to achieve goals

## Our Vision

### No. 1 in Customer Satisfaction

Listen carefully to customers and continue providing products and services that satisfy customers through masterful manufacturing

### Corporate Name Change (Japanese Only)

ツインバード工業株式会社



株式会社ツインバード

### Transforming into a lifestyle manufacturer

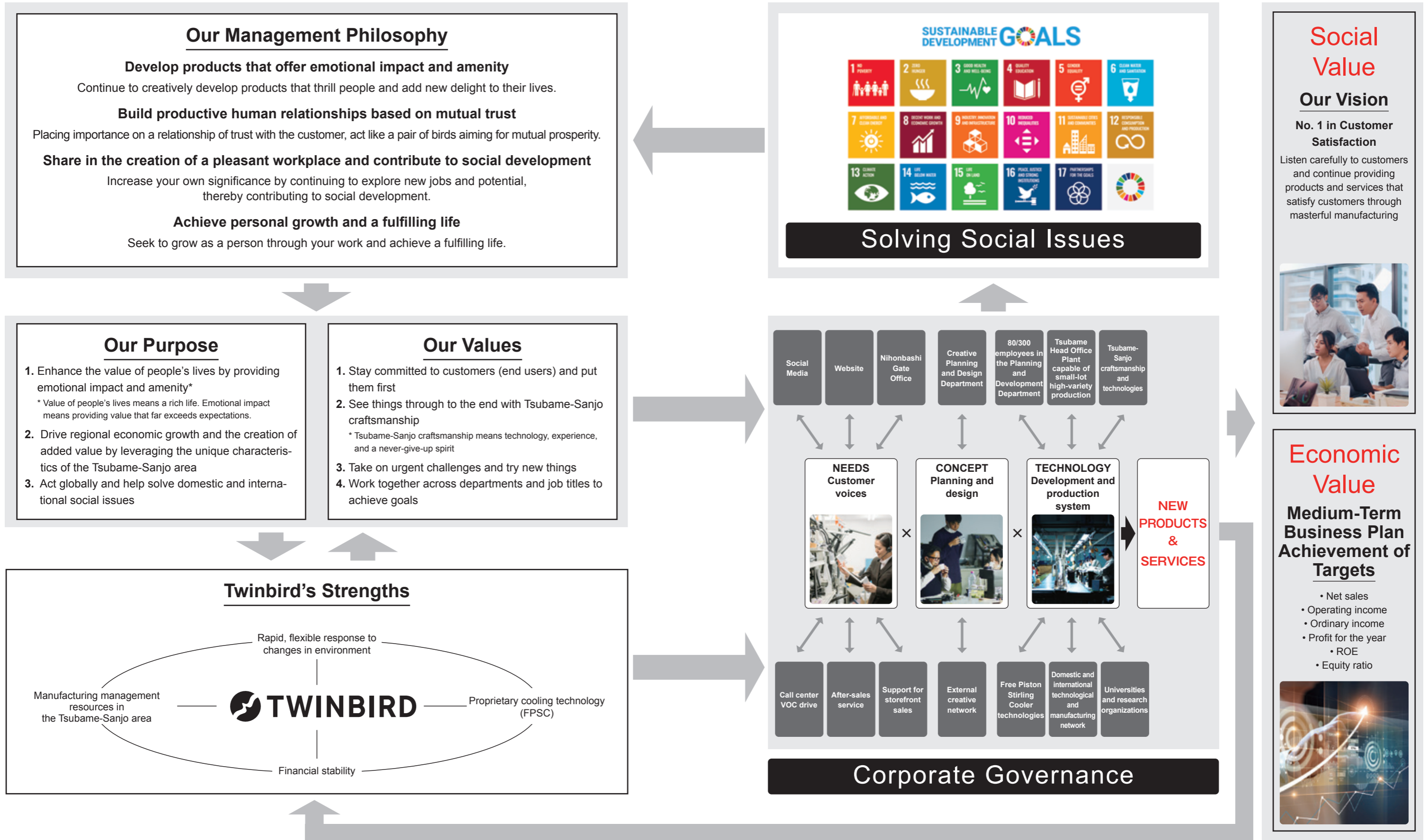
Last year, on Twinbird's 70th anniversary, we underwent a rebranding, renewed our corporate logo, and declared our new brand promise, "Touch Hearts."

Based on this change, we changed our corporate name in Japanese on October 13, 2022. However, our English name remains Twinbird Corporation.

While carrying on the tradition of dedication to craftsmanship in our manufacturing, we will continue to put quality first, and further transform ourselves into a lifestyle manufacturers that delivers plentiful lifestyles to our customers.

What is Twinbird?

# Twinbird's Vision for the Value Creation Process



## What is Twinbird?

### Our History



#### 1951–1971 Foundation Era

Determined to become the No. 1 plating plant in Niigata Prefecture, the Company gradually developed as a manufacturer.

- 1951 Jutaro Nomizu (aged 32) founded Nomizu Denka Himaku Kogyosho, a surface treatment business focused on metal plating in Kitayokkamachi, Sanjo City, Niigata Prefecture
- 1962 Founded Nomizu Denka Co., Ltd. in Nishihonjoji, Sanjo City, Niigata Prefecture  
Began manufacturing and exporting frying pans  
Began manufacturing and selling coat racks
- 1963 Began manufacturing and exporting metal candy trays
- 1968 Began zinc barrel-plating
- 1971 Began manufacturing and exporting two- and three-tiered serving stands



Three-tiered candy tray (1960s)

#### 1972–1981 Transformation Era

Twinbird products of this era spanned metal housewares to generic gifts.

- 1972 Founded the sales company Sakae Co., Ltd.
- 1973 Began selling silver-plated products
- 1975 Finished construction of the Sakae Building
- 1977 Established the Planning and Development Department, marking the start of Twinbird's own development
- 1979 Changed the company name to Twinbird Corporation
- 1981 Moved the Head Office to the town of Yoshida, Nishikambara District, Niigata Prefecture (today part of Tsubame City)



Pearl nickel plated trays (1973)

#### 1982–1996 Base Building Era

During this era, we built the foundation and sales network needed to become a gift and home electric appliance manufacturer.

- 1983 Began selling small home electric appliance gift products
- 1984 Jutaro Nomizu named chairman, and Shigekatsu Nomizu named president & CEO
- 1985 Established the Tokyo Branch  
Established the Osaka Branch and began R&D and import operations
- 1987 Absorbed Sakae Co., Ltd. through a merger
- 1988 Received the Niigata Prefecture Economic Promotion Award  
Opened sales offices in Kyushu (currently Fukuoka) and Nagoya
- 1989 Jutaro Nomizu retired from the position of chairman
- 1993 Opened a sales office in Niigata Prefecture
- 1994 Opened a sales office in western Tokyo (currently Tokyo Branch)
- 1996 Listed on the Niigata Stock Exchange and launched a website



HS-221 Hot Stream, electric water heater (1984)



SD-501 Shoes Pal U, shoe dryer (1988)

#### 1997–2010 Technology Building Era

During this era, we built a sales network and technologies for manufacturing small home electric appliances.

- 1997 Opened the Hong Kong Office (moved to Shenzhen Office)
- 2000 Listed on the Second Section of the Tokyo Stock Exchange
- 2002 Developed technology to mass produce the Free Piston Stirling Cooler (FPSC)

- 2004 Switched the domestic sales organization from area-based to sales channel-based
- 2007 Opened the Shenzhen Office, later transferred to Twinbird Electrical Appliance (Shenzhen) Co., Ltd.
- 2008 Published the customer-focused newsletter Nichijo
- 2009 Received the Monodzukuri Nippon Grand Award's Special Prize for FPSC



LK-H299 Touch sensor inverter fluorescent lamp (2001)



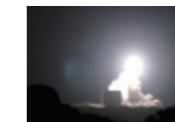
SH-2793 MOMIDASH PRO, scalp massage and cleaning brush (2006)

#### 2011– Second Transformation Era

We strive to expand globally while listening carefully to our customers and working with them to create shared value.

- 2011 Celebrated our 60th anniversary  
Shigeaki Nomizu named president & CEO, and Shigekatsu Nomizu named chairman  
Founded local Chinese subsidiary Twinbird Electrical Appliance (Shenzhen) Co., Ltd.  
Reformed after-sales service
- 2012 Launched the Voice of Customers (VOC) drive
- 2013 A refrigerator/freezer unit incorporating our FPSC was installed in the Japan Aerospace Exploration Agency (JAXA) Japanese Experiment Module "Kibo," a component of the International Space Station
- 2014 Started TWINBIRD branding  
Established the official Facebook page
- 2015 Opened our own building Twinbird Nihonbashi Gate Office to house the Tokyo Branch

- 2016 Renovated the showroom in the entrance of our Head Office  
Opened our official online store  
Held the inaugural TWINBIRD x Tsubame-Sanjo Summer Festival, a regional outreach event
- 2017 Entered the refrigerator and washing machine markets  
Opened Gate CAFE on the first floor of the Tokyo Branch
- 2018 Began sales of a fully automatic coffee maker  
Selected for inclusion by the Ministry of Economy, Trade and Industry in an expanded list of "Companies Driving Regional Growth"
- 2019 Moved the Osaka Branch and opened the Osaka Showroom
- 2020 Introduced a business unit system as a product planning and development framework
- 2021 70th anniversary of our founding  
Rebranding declaration  
Created a new corporate logo  
Relaunched our website  
Launched two new brand lines, "Takumi Premium" and "Kando Simple"
- 2022 Moved to the Tokyo Stock Exchange Standard Market  
Changed Japanese-language corporate name



Launch of Kounotori, H-IIB Launch Vehicle No. 4 (2013)



CM-D457B Fully automatic coffee maker (2018)



SC-DF25WL DEEP FREEZER (2021)

## Twinbird's Management

### President & CEO's Message



### Introduction

Reflecting on the fiscal year ended February 2022, the prolonged COVID-19 pandemic has transformed routines we previously took for granted, bringing about major changes in consumer values and behavior patterns. Simultaneously, uncertainty has increased in the surrounding environment amid changes like the rapid shift to digitalization and demand generated by stay-at-home lifestyles.

Amid this environment, nationwide recognition of the TWINBIRD brand has been growing, triggered by the large order we received for vaccine carriers, and in 2021, we decided to undergo a rebrand on the occasion of our 70th anniversary. In October 2022, the Company changed its domestic name in Japan to reflect its new brand strategy. We will continue to put quality first, and while remaining dedicated to masterful manufacturing refined in Tsubame-Sanjo, Niigata Prefecture, we will boldly transform ourselves into a lifestyle manufacturer that contributes to a sustainable society and provides essentially plentiful lifestyles in line with the changing needs of consumers, which are shifting from just products to favoring experiences and emotional value.

<p><b>Our Management Philosophy</b></p> <p>Develop products that offer emotional impact and amenity Build productive human relationships based on mutual trust Share in the creation of a pleasant workplace and contribute to social development Achieve personal growth and a fulfilling life</p>	
<p><b>Our Purpose</b></p> <p><b>Purpose</b></p> <ol style="list-style-type: none"> <li>Enhance the value of people's lives by providing emotional impact and amenity <small>* Value of people's lives means a rich life * Emotional impact means providing value that far exceeds expectations</small></li> <li>Drive regional economic growth and the creation of added value by leveraging the unique characteristics of the Tsubame-Sanjo area</li> <li>Act globally and help solve domestic and international social issues</li> </ol>	<p><b>Our Values</b></p> <p><b>Value standards</b></p> <ol style="list-style-type: none"> <li>Stay committed to customers (end users) and put them first with Tsubame-Sanjo craftsmanship <small>* Tsubame-Sanjo craftsmanship means technology, experience, and a never-give-up spirit</small></li> <li>Take on urgent challenges and try new things</li> <li>Work together across departments and job titles to achieve goals</li> </ol>
<p><b>Our Vision</b></p> <p><b>Vision</b></p> <p><b>No. 1 in Customer Satisfaction</b></p> <p>Listen carefully to customers and continue providing products and services that satisfy customers through masterful manufacturing</p>	<p><b>Brand Promise</b></p> <p><b>TWINBIRD</b> <i>Touch Hearts.</i></p>

### Thoughts on the Corporate Name Change

#### Transforming into a Lifestyle Manufacturer

The metalworking industry began to flourish in the Tsubame-Sanjo area of Niigata Prefecture in the Edo period (1603-1868) as a way for people to make a living apart from agriculture due to the frequent flooding of the Shinano River, and as a side job during the long, snowy winters. The earth below was rich in iron and copper resources, making conditions favorable. Today, the area produces more than 90% of the domestic market share for tableware like forks and spoons. The Company was originally founded as a plating processing business for tableware, and we still follow the spirit of quality-first craftsmanship today. Twinbird's mission is to deliver sustainable happiness to people across Japan and the world by, for example, providing people with the emotional experience of delicious food. Twinbird delivers this through its home electric appliances, enabled by the Tsubame-Sanjo area as a production center for cooking essentials.

At Twinbird, we had been developing various product brands, but going forward, they will be unified under the TWINBIRD brand to improve management efficiency. The new Japanese corporate name will accelerate our rebranding strategy by aligning both the Company and brand names, which will in turn help more customers recognize the TWINBIRD brand. We are aiming for the TWINBIRD brand to grow sustainably by introducing strategic new products that can be used for many years with peace of mind, as we bring plentiful lifestyles to our customers. Going forward, we will continue to create new value for our customers beyond the manufacturing domain.



"Not swayed by the times," "Enjoy using for a long time," and "Essential plentiful"

### Reflecting on the Fiscal Year Ended February 2022

#### Completing the Second Year of the Medium-term Business Plan 2020–2022

Fiscal 2021 marked the second year of the medium-term business plan (2020–2022). Despite expectations of a return to normal economic activity following widespread vaccinations and the lifting of Japan's state of emergency declaration, the outlook remained uncertain due to the spread of new mutant strains, and COVID-19 continued to have an impact. In addition, geopolitical risks such as the tensions between the United States and China, as well as conflict in Ukraine, continued to require close monitoring, exacerbating the rise in crude oil and raw material prices, logistics costs, and supply chain disruption that originated with the COVID-19 pandemic.

In this business environment, we have been promoting efforts to shift to a robust business structure, to strengthen our financial position, and to advance our growth business (the FPSC business) by enhancing the value of the TWINBIRD brand, improving management quality, and developing growth businesses as stated in the basic strategies of the medium-term business plan (2020–2022).

In the first half of fiscal 2021, the Free Piston Stirling Cooler (FPSC) products contributed significantly to our business performance thanks to demand for COVID-19 vaccines. In the second half of the year, we accelerated our rebranding strategy by introducing the Steam Microwave Oven into the Kando Simple brand in preparation for new lifestyles and the new year's sales season, when demand surges to the highest levels for the home electric appliance industry. As a result, the Company achieved three consecutive fiscal years of both increased profit and operating income, reaching the cumulative performance target of the medium-term business plan one year ahead of schedule. At the same time, we have made progress in strengthening our financial structure as planned, and in the second half of the fiscal year, we have been executing strategic investments (approximately ¥1 billion on a cash basis).

<p><b>ツインバード工業株式会社</b></p> <p><b>Old Twinbird</b></p> <p>Home electric appliance manufacturer that delivers home electric appliances with essential value</p>	<p><b>株式会社ツインバード</b></p> <p><b>New Twinbird</b></p> <p>Lifestyle manufacturer that delivers plentiful lifestyles</p>
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## Twinbird's Management

### President & CEO's Message

#### Management Policies for Fiscal 2022 (Third Year of the Medium-term Business Plan)

In the third year of the medium-term business plan (2020–2022), we will strengthen the sustainability of our business. To do so, we will make the most of our improved financial position achieved in the second year of the plan to execute bold strategic investments of approximately ¥1.8 billion per year (cash basis), 1.8 times the amount of the previous year, into strategic new product development, rebranding activities, and technology development for the FPSC business.

#### Enhancing TWINBIRD Brand Value

On the 70th anniversary of our founding, we underwent a rebranding to clearly express our desire to pursue home electric appliances that provide essential value and “TWINBIRD reborn”. Under this new reincarnation, we redesigned our corporate logo and formulated our brand promise, “Touch Hearts.” We also established two new brand lines, “Takumi Premium,” which allows customers to use craftsman techniques at home as much as they like, and “Kando Simple,” which provides long-lasting excitement and the comfort that only the true essentials can provide.

In October 2022, the second strategic new product for the “Kando Simple” brand was announced, a 354-liter capacity refrigerator with a window to view the contents from the outside, as well as a model that can be used without standing on your tiptoes.

In the third year of the medium-term business plan (2020–2022), we will first continue to promote the strategic new products of our “Takumi Premium” and “Kando Simple” brands on the basis of emotional and experience value, rather than price appeal. Secondly, we will continue ongoing communication with customers who purchase our strategic new products to ensure they become fans of our products. This will also improve the quality of our strategic media exposure and customer points of contact. On October 20, 2022, a press conference was held to announce our new products in Ginza, Tokyo (at Jiji Press Hall) in conjunction with the corporate name change. Thirdly, we are working to maximize the customer experience by building an online shop that expresses our brand's worldview, and through

the use of digital marketing that integrates both the physical and the digital. For example, in addition to electronics retailers and gift catalogs, we are expanding our own online store (direct to consumer sales), as well as to department stores and specialty stores.



Brand promise and two brand lines



HR-EI35B  
Refrigerator with a window to see the contents from the outside



HR-E935W  
Refrigerator that can be used without needing to stand on your tiptoes

We are also working on internal branding. To communicate Twinbird's purpose and vision with every director and employee, we are conducting Change Leader activities through internal events with Change Leaders as facilitators from each department, as well as workshops for all employees (opportunities for dialogue with employees) that we started earlier this year.

By agreeing on aspirations and principles with directors and employees, and then aligning their actions, we will communicate Twinbird's essence to customers and build a strong brand asset. We will continue to nurture the Twinbird brand as a valuable asset, loved by as many customers as possible in Japan and around the world.



Activities to align signals (internal branding)

#### [Enhancing Management Quality]

##### Optimizing the Product Portfolio (Halving the Number of Products)

From 2018 to the current fiscal year, the Company has increased sales per product while halving the number of products and is improving profitability, even accounting for ripple effects. During the fiscal year under review, we focused our product portfolio on high-value-added products and reduced the number of home electric appliance products by more than half. We are simultaneously maximizing sales per item by focusing on high value-added products and working to capture ripple effects by further trimming the number of products. We will continue to capture these positive effects, such as improved refinement, by focusing on product planning, increased development efficiency (by reducing the number of items to develop), cost reduction, stabilization of manufacturing quality, emphasis on promotions, and inventory reduction.

##### Progress Towards Digitalization (Promotion of Digital Transformation, Investment to Strengthen IT Infrastructure)

Currently, we are steadily making investments aiming to transform our business model through digital transformation (DX) for the future. The ongoing DX reforms are being conducted with two focus areas: building the foundation for Twinbird's future (defensive DX) and creating new business models, including direct-to-consumer (offensive DX). Defensive DX, starting with building up infrastructure and the security foundation, began with the financial system going live in November 2021, followed by the sequential launch of administrative systems including human resources, payroll, and contract management.

In the current fiscal year, we are steadily preparing for the launch of the supply chain management (SCM) system, which will be Twinbird's core system to visualize each product's profit and loss as we analyze and improve the profit margin.

With both security and efficiency as priorities, we will achieve a robust environment by employing the newest Cloud and SaaS-AP for our application. We are also considering future plans for a digital transformation of our business model.

#### [Developing Growth Businesses]

##### Future Development of the FPSC Business

###### Vaccine Carriers for the Medical Cold Chain

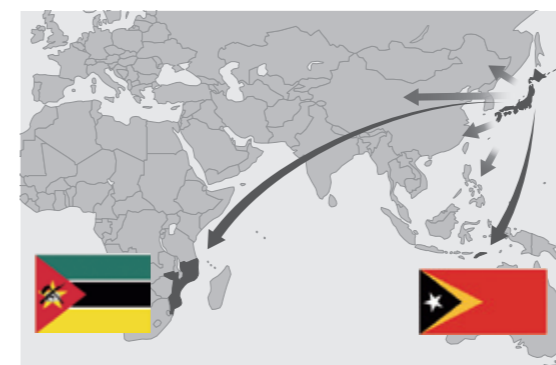
Twinbird's vaccine carrier Deep Freezer (SC-DF25WL) was widely used for transportation and storage of Moderna COVID-19 vaccines to medical institutions, which were the main destinations for vaccines distributed by Takeda Pharmaceutical Company Limited, as well as workplace vaccination sites. Cumulative shipments totaled approximately 12,000 units. Periodic maintenance (“refresh service”) is required to ensure these freezers retain the required level of superior reliability to fulfill their role in the medical cold chain, and we have received maintenance orders for 6,000 units in fiscal 2021 and 3,000 units in fiscal 2022. We are increasing our efforts to expand the demand base and continue capturing demand for our services.

##### Looking Ahead to Future International Expansion

As part of the global expansion of Twinbird's vaccine carrier business, we are participating in the “Last One Mile Support” program, a grant aid program organized by the Ministry of Foreign Affairs of Japan and Japan International Cooperation Agency (JICA), and are accelerating the development of new markets in Asia and Africa, after Timor-Leste and Mozambique.

To prepare for our future overseas expansion, we are also planning to acquire Performance, Quality and Safety (PQS) certification, a certification system for medical equipment approved by the World Health Organization (WHO). By fulfilling the equipment selection criteria of leading global NGOs and charitable organizations, including organizations tied to the United Nations (UN), we will strive to capture overseas demand.

Furthermore, we will continue to invest in development for business expansion over the medium to long term in the global cold chain market for vaccines (preventive medicine) and biologic therapeutics (antibody-based drugs, cell therapy drugs, and gene therapy drugs), which is expected to grow in the future, by leveraging our experience in successfully establishing safe and secure cold chains.



Deep Freezer 25L

Photos courtesy of JICA

## Twinbird's Management

### President & CEO's Message

#### Outside of the Medical Field

The signing of the Paris Agreement in 2015 has accelerated the transition toward decarbonization in countries across the world. The Japanese government has also set a goal to become carbon neutral by 2050, and both the public and private sectors are advancing diverse initiatives to achieve this goal. In the manufacturing industry, which accounts for about 25% of total CO<sub>2</sub> emissions, companies are working on technological innovation to reduce emissions. In response to these trends, Twinbird will continue to propose next-generation industrial cooling systems that contribute to decarbonization by taking advantage of FPSC's superior environmentally-friendly performance with its low power consumption, low heat emissions, and absence of chlorofluorocarbons (CFCs).

We will continue to help establish cold chains based on the newest technology and help expand medical services globally through our domestic and international networks to achieve "Good Health and Well-Being," one of the SDGs, so that our Stirling cooling technology will become standard in the medical field.

#### Formulating a New Medium-term Business Plan for 2030

#### Twinbird's Strengths Cultivated Over 70 Years of History

Since the Company's establishment in 1951 as a plating processing business, it has developed its business under our management philosophy of "develop products that offer emotional impact and amenity," with the Head Office located in the Tsubame-Sanjo area of Niigata Prefecture, which is known for its manufacturing.

The Company has since grown to become a publicly traded company by developing and manufacturing high-quality, fairly priced products while utilizing the Tsubame-Sanjo area's manufacturing management resources primarily in the gift market for ceremonial occasions. In line with changes in the external environment, we have transformed our business by shifting home electric appliances to our main product field. Since becoming Twinbird's third president in 2011, I have been working to transform our business by focusing on brand strategy.

I believe that the era of mass production and mass sales, as in the period of postwar rapid economic growth, has come to an end, and that the era of manufacturers who can adapt to diverse consumer needs has begun. 2021 marked the 70th anniversary of Twinbird's founding, and we announced our rebranding. In 2022, we will accelerate our rebranding strategy with the new Japanese corporate name.

In formulating the next medium-term business plan and strategy, we reviewed the strengths that Twinbird has been cultivating over its more than 70-year history. We found that we have four key strengths based on our unchanging desire to be useful to society through our management philosophy of "Develop products that offer emotional impact and amenity."

Tsubame-Sanjo is one of the world's leading manufacturing areas, with around 2,000 to 3,000 factories, and many expert craftspeople. I am proud of Twinbird's unique ability to create home electric appliances that maximize the management resources we are blessed with and the excellent technical skills and network of craftspeople that have been passed down over generations in this region.

Thanks to Twinbird's compact structure of just 300 employees and spirit of co-creation, when faced with internal challenges the Company has the ability to respond quickly and flexibly to changes in the environment by incorporating external resources and resolving issues. Twinbird's strengths include its financial stability, with a recent equity ratio in excess of 75%, as well as its proprietary cooling technology, Free Piston Stirling Cooler (FPSC). We continue to invest in this because we believe that a manufacturer with no unique technologies has no future.

#### Twinbird's Strengths


- ✓ Manufacturing management resources in the Tsubame-Sanjo area
- ✓ Proprietary cooling technology (FPSC)
- ✓ Ability to quickly and flexibly respond to changes in the environment
- ✓ Financial stability

### Efforts to Expand the FPSC Business: Environmentally Friendly Industrial Cooling System


**New applications for carbon neutrality measures such as CO<sub>2</sub> reduction in the industrial sector**

**Production lines requiring cooling processes**

Require extensive air conditioning to cool exhaust heat




Proposal







**FPSC technology features**

- Energy-saving
- Low exhaust heat
- Does not use CFCs



Contributes to CO<sub>2</sub> reduction/decarbonization by significantly reducing power consumption

We will continue promoting our FPSC technology to contribute to the Japanese government's goal of becoming carbon neutral by 2050.

#### 2030: Social Changes and Twinbird's Future

Currently, we are preparing Twinbird's long-term vision for 2030 and a new medium-term business plan (2023–2025) in anticipation of coming social changes, such as globalization, digitalization, decarbonization, and well-being.

The world has changed dramatically over the past ten years. Recent uncertainty has made it even more difficult to forecast the future, including the impacts of the exponential evolution of technology, changing geopolitical risks, changing values of consumers, and growing awareness of the need to realize a sustainable society. In this era, the year 2030 is expected to be even more difficult to predict, and we believe that speedy management that can respond flexibly to social changes will be necessary.

Over the long term, we aim to increase our brand value in the home electric appliance business by building an enthusiastic fan base among our customers, thereby improving profitability, as we expand Twinbird's business domain by leveraging its products. In the FPSC business, we will leverage the high reliability of our FPSC cooling systems, proven during the pandemic, and continue to expand operations in the growing global cold chain market.

Going forward, corporate management will be required to solve social issues such as Japan's super-aging society and decarbonization through its main business. We aim to enhance corporate value through the creation of both social and economic value by solving social issues. Therefore, we will conduct business from a mid- to long-term perspective to contribute to the sustainable growth of society.

#### In Conclusion





















At Twinbird, we changed our corporate name in Japanese on October 13, 2022 (our English name remains the same). Our quality-first, craftsmanship-focused manufacturing DNA has been passed down over the generations. I believe that our mission is to deliver inspirational experiences and continuing happiness to consumers through home electric appliances throughout Japan and the world. When the medium-term business plan (2020–2022) was announced, we had to immediately confront the COVID-19 pandemic, but our directors and employees handled the environmental changes together and continue positively implementing the changes. With an eye to the medium to long term, we will strive to become a company that can continue to exist and grow for a hundred years, or even three hundred years, so please look forward to Twinbird as we embark on a new journey with a new corporate name.

We look forward to your continued support and encouragement of Twinbird.



November 2022  
President & CEO

#### Our Business and the SDGs

Business activities	Relevant SDGs	Relevant purposes
<b>FPSC business (Free Piston Stirling Cooler)</b>	     	<ul style="list-style-type: none"> <li>• Providing safety and security through the establishment of cold chains for vaccines and other pharmaceuticals</li> <li>• Reduction of environmental burden by using helium gas, which has a global warming coefficient of zero, as the refrigerant</li> <li>• Development and manufacture of products that are enriched by technology and our expert network in the Tsubame-Sanjo area</li> </ul>
<b>Coexistence with regional communities</b>	 	<ul style="list-style-type: none"> <li>• Development and manufacture of products that are enriched by technology and our expert network in the Tsubame-Sanjo area</li> <li>• Contribution through donations and promotion of local attractions by providing Tsubame City and Niigata Prefecture's hometown tax donation gifts</li> <li>• Facilitation of consumer experiences of food, goods, and experiences through data sharing activities conducted by Gate CAFE</li> </ul>
<b>Enhance product planning and after-sales service based on customer opinions</b>		<ul style="list-style-type: none"> <li>• Established a customer service center and repair service center at the Head Office</li> <li>• Sell components and consumables, enhance convenience, and help lengthen the usable period</li> </ul>
<b>Diversity promotion</b>	 	<ul style="list-style-type: none"> <li>• Recognized as a Happy Partner Company (Happy Partner Companies program, which promotes gender equality and is sponsored by Niigata Prefecture)</li> <li>• Active promotion of female managers</li> <li>• Strengthening the hiring of women and promoting employment of people with disabilities</li> </ul>
<b>Creation of an environment where employees can work with passion and enthusiasm</b>	  	<ul style="list-style-type: none"> <li>• Promotion of diverse work styles through the implementation of remote work</li> <li>• Promotion of workplace environment improvement through employee surveys</li> </ul>
<b>Reduce environmental impact and implement recycling</b>	  	<p>Head Office will implement activities in FY2022 with the following objectives</p> <ul style="list-style-type: none"> <li>• Achieve energy consumption reduction (5% down from the previous year), waste reduction (5% down from the previous year), and expanded recycling (recycled amount up 3% from the previous year) by thoroughly sorting dismantled materials</li> </ul>
<b>Solar power generation business</b>	  	<ul style="list-style-type: none"> <li>• Installed 250kW solar power generation systems at Head Office premises</li> </ul>



## Twinbird's Management

### Brand Value Underpinned by Craftsmanship

#### Tsutomu Satoh

Senior Managing Director  
Group Executive, Production Division  
Director in Charge of Quality Assurance Division



### Our Supply Chain Underpins Brand Value

Since its founding, right through to the present day, Twinbird has upheld manufacturing with the highest levels of craftsmanship. Our supply chain has proven integral to maintaining this craftsmanship.

Supply chains have become increasingly global in recent years, resulting in higher efficiency as well as complexity. Due in part to logistics disruptions and temporary factory closings caused by the protracted Ukraine situation and lockdowns under China's zero-COVID policy, product imports and the supply system have grown more unstable for semiconductors, electronic components, and similar parts. In addition, raw material prices are soaring due to foreign exchange market volatility on the back of rapid yen depreciation.

In November 2021, the Company announced a rebranding, which clearly defines our target users around two brand lines. With Takumi Premium, you can enjoy the unlimited fruits of craftsmanship at home, while Kando Simple provides exactly what is required in the form of long-lasting

comfort and excitement. Of course, we are seeking optimal methods for product development and supply chains encompassing the standpoints of quality, price, and delivery.

Despite the challenging external environment caused by the unstable supply system and rapid yen depreciation, we view these trying conditions as opportunities. We will continue to fulfill our supply responsibilities with quality as a top priority by promoting manufacturing with a focus on Japan-based production that leverages the advantages of the Tsubame-Sanjo area's concentration of manufacturing technologies.

Drawing on our experience with the Deep Freezer vaccine carrier, we will continue building up a production system that can stably and swiftly supply high-quality products in a spirit of co-creation with local companies. In this way, we will continue steadily realizing our purpose of "Driving regional economic growth and the creation of added value by leveraging the unique characteristics of the Tsubame-Sanjo area."

### Supply Chain Optimization

The Company's supply chain encompasses many business partners, from domestic and overseas parts suppliers, manufacturing partners, and our own factories to sales and distribution partners.

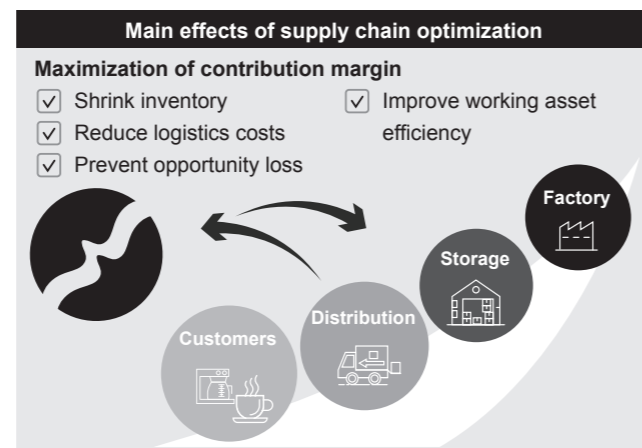
In the midst of the need to respond flexibly to market trends in supply and demand, we will further strengthen our ability to adjust our own supply and demand, in a manner consistent with the delivery of products (services) to customers, through appropriate supply, procurement, production, and sales.

#### PSI is shorthand for:

- Production
- Sales
- Inventory

Within PSI, we have been trying to maximize the efficiency of our shipping logistics by having our logistics department perform inventory management functions. We will promote supply chain management (SCM) to optimize the entire Company by visualizing the entire supply chain, from partner factories to customers, and unifying internal and external information.

Through the optimization of the supply chain, we aim to maximize profit margins by reducing inventory, cutting logistics costs, avoiding opportunity losses, and improving working asset efficiency.

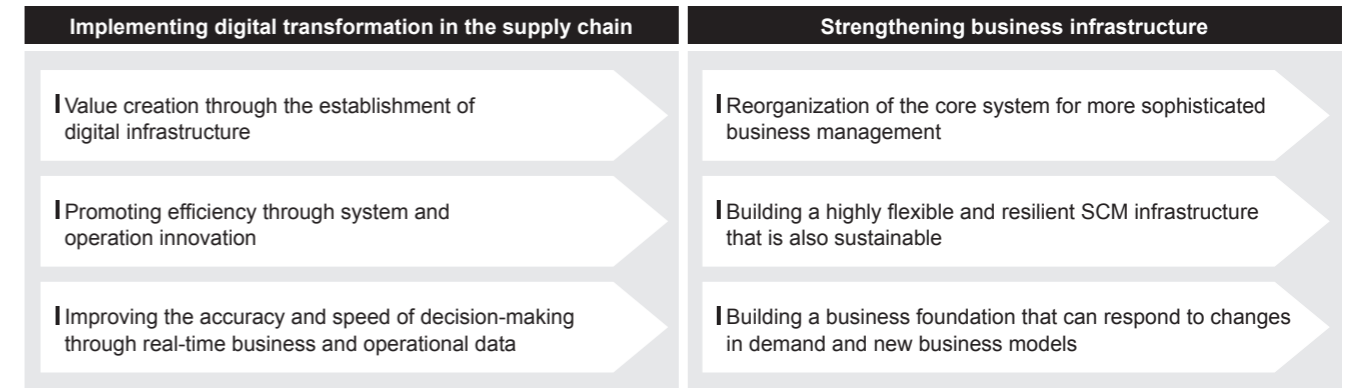


### Building a Flexible and Sustainable Supply Chain and Customer-driven Systems

Based on our vision of "No. 1 in Customer Satisfaction," we are building a flexible and sustainable supply chain that can supply products and services to our customers in a timely manner against the backdrop of changes in the social environment.

As part of digital transformation, we are promoting a reform mindset that looks ahead a step or two. We

investigate, refute, and redefine the current status of supply chain operations from a customer perspective, namely optimizing storage and making product supply more efficient. We are implementing an operational transformation across everything from sales to production and storage management as we rebuild systems indispensable to that transformation.



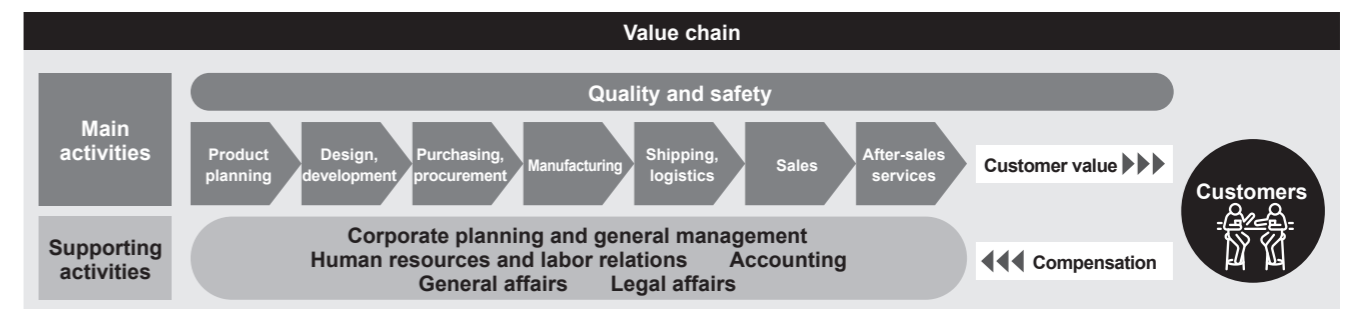
### Managing Risks and the Value Chain

The value chain is inseparable from the supply chain. By optimizing the supply chain with an eye to value, we will realize differentiation and competitive advantage over other companies, and aim to become even more profitable.

One of the risks facing the supply chain is a shortage of labor in production and logistics sites due to the decreasing working-age population. Increased natural disasters in recent years have had a major impact on corporate activities, including physical losses and disruptions to transportation networks. In order to continue our business activities in a stable and efficient manner, we will promote productivity

gains and environmental friendliness within Twinbird and throughout our entire supply chain. As a company with a global production network, risk management is also essential in overseas supply chains.

In order to provide better products and services to our customers in a stable manner, we will work together with our business partners to secure inventory through more resilient inventory distribution as we promote activities such as legal compliance, environmental protection, and community contribution.



## Twinbird's Management

### CFO's Message

# We Aim to Realize Sustainable Business Growth and Maximize Shareholder Value by Leveraging Our Strengthened Financial Base.



### Keizo Watanabe

Chief Financial Officer (CFO)  
Executive Officer, Group Executive,  
Corporate Planning and Administration Division

Under the Company's medium-term business plan (fiscal 2020–2022), we are working to strengthen our financial position by improving profitability and asset efficiency.

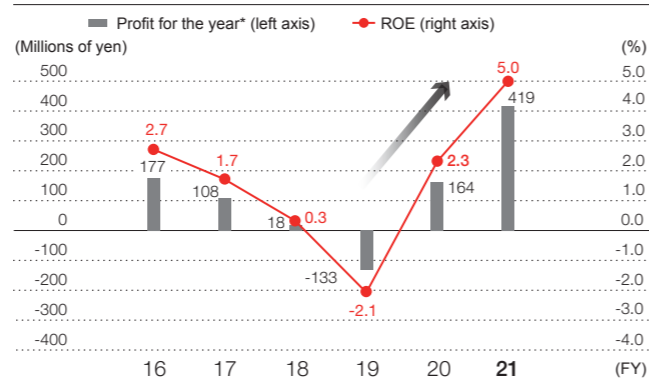
In fiscal 2021, a large project for our Deep Freezer for COVID-19 vaccines in the FPSC (Free Piston Stirling Cooler) business made a significant contribution to the Company's business performance. As a result, we achieved ROE of 5.0% and an equity ratio of 78.2%, further improving our financial position.

In fiscal 2022, we will continue to improve the profitability of the home electric appliance business by introducing strategic new products, focusing on high value-added products, maximizing sales per item, and capturing the ripple effect of narrowing the product lineup; despite the severe external environment including soaring costs and sharp exchange rate fluctuations.

In addition, we have been improving the efficiency of working capital by optimizing inventory levels in addition to other measures. We will strengthen the soundness of our financial base by further improving the cash conversion cycle (CCC) in conjunction with the optimization of the supply chain and value chain to further improve capital

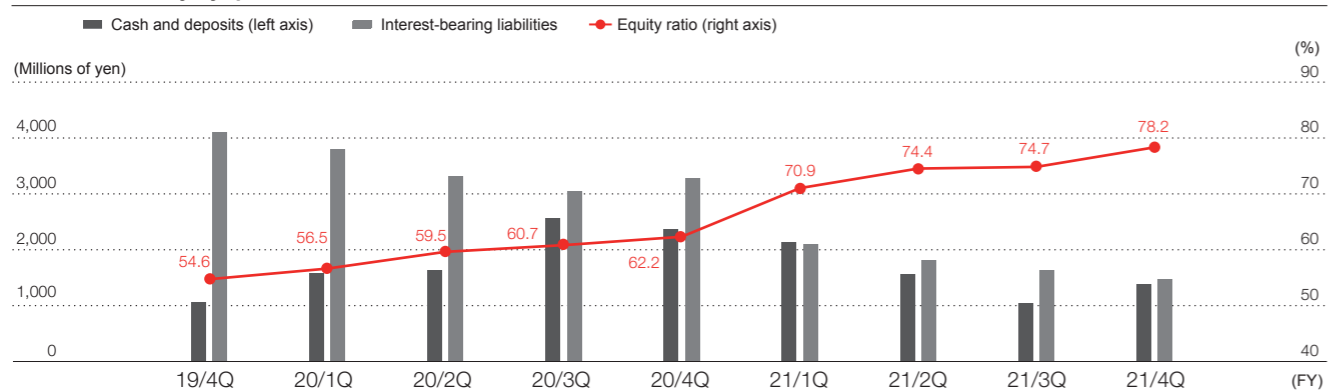
efficiency. We will utilize the financial base strengthened by these measures to allocate resources and investments appropriately and continuously increase the value of our business.

### ROE (return on equity)



\* Attributable to owners of the parent (negative figures reflect net loss)

### Financial stability by quarter



### Strategic Investment for Growth

In fiscal 2021, the second year of the three-year medium-term business plan, we were able to substantially achieve our three-year earnings target, ROE, and equity ratio targets. Having made progress in strengthening our financial position and secured sufficient investment capacity, we started (ahead of schedule) making strategic investments for new business development in fiscal 2021. Strategic investment in fiscal 2021 will total approximately ¥1 billion on a cash basis. Then, in fiscal 2022, we plan to make strategic investments of approximately ¥1.8 billion on a cash basis.

In terms of fund procurement, financial institutions evaluated our strengthened financial position, extending a syndicated loan totaling ¥2.5 billion, consisting of a ¥1.5 billion commitment line and a ¥1.0 billion term loan. This arrangement enables us to raise funds more flexibly when growth investments are appropriate. Future fundraising will be determined based on comprehensive consideration of the content and scale of investments, shareholder returns, optimal capital structure, and other factors, in addition to the utilization of this scheme.

### Carrying Out Stable and Sustainable Shareholder Returns

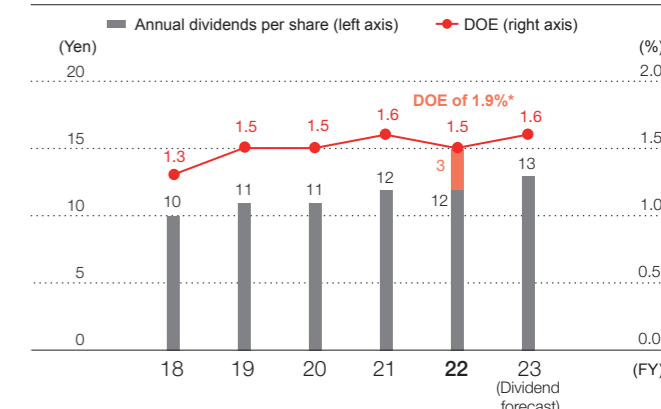
The Company recognizes that increasing shareholder value is an important issue. It is our policy to provide stable and sustainable returns (dividends and share buybacks) to our

shareholders by improving our business performance and strengthening our financial position.

Regarding dividends, we aim to stably secure dividends on equity ratio (DOE) of 1.5% or more and incrementally increase it. For fiscal 2022, we expect to pay an annual dividend of 13 yen per share.

We will flexibly implement share repurchases at an appropriate time, taking into consideration the business environment, business performance, the level of financial leverage, and the outlook for future business funding needs.

### Annual dividends per share and DOE



\* Including a 3 yen commemorative dividend for the 70th anniversary of the Company's founding

Medium-Term Business Plan (FY2020–2022) Financial Guidelines	
<b>Strengthen Financial Stability</b>	<ul style="list-style-type: none"> <li>Strengthen business earnings</li> <li>Reduce inventory, return receivables and payables to appropriate levels, sell or liquidize unused assets, and shrink cross-shareholdings</li> <li>Match business asset risks with funding procurement methods</li> <li>✓ Equity ratio: Stably maintain at 60% or more and retain financial soundness</li> </ul>
<b>Investments in Strategic Areas</b>	<ul style="list-style-type: none"> <li>Conduct key investments in the strategic areas of strategic product development, IT infrastructure upgrades, and branding</li> <li>Dynamically invest and choose funding procurement methods suited to business characteristics if there are strategic investment prospects</li> <li>✓ Choose and use appropriate funding (basic operating cash flow, asset recycling, new funding procurement) according to the business characteristics with the prerequisite of maintaining financial soundness</li> </ul>
<b>Shareholder Returns Policy</b>	<ul style="list-style-type: none"> <li>Ensure stable and sustainable shareholder returns (dividends and share buybacks)</li> <li>✓ Secure DOE of 1.5% or more and incrementally raise it as well as conduct dynamic share buybacks</li> </ul>

### Medium-Term Business Plan (FY2020–2022) Financial Targets and Progress

(Millions of yen)	FY2019	FY2020	FY2020	FY2021	FY2021	FY2022*	FY2022*
	Results	Results	Plan target	Results	Plan target	Forecast	Plan target
Net sales	12,159	12,505	12,200	12,869	12,600	13,000	13,180
Operating income	178	608	205	719	350	280	480
Operating income ratio	1.5%	4.9%	2.1%	5.6%	2.8%	2.2%	3.6%
Ordinary income	66	484	130	610	230	240	450
Net profit/loss attributable to owners of the parent	(133)	164	60	419	150	170	300
ROE	(2.1%)	2.3%	0.9%	5.0%	2.3% or higher	1.9% or higher	4.6% or higher
Equity ratio	54.6%	62.2%	Approximately 59%	78.2%	Approximately 60%	Approximately 79%	Approximately 62%

\* The medium-term targets and forecasts for fiscal 2022 are based on the figures after the application of the Accounting Standard for Revenue Recognition

### Road map 1 (FY2019–2020)

Improve profitability and asset efficiency and enhance net assets; secure investment capacity

### Road map 2 (FY2023 and beyond)

Aiming for growth in profitable businesses by leveraging our strengthened financial position

**Twinbird's Growth Strategy**

**Twinbird's Brand Value**

**Takayuki Asami**

Director, Group Executive, Marketing Division,  
General Manager, Brand Strategy Department,  
Director in Charge of Sales Division



**Twinbird's Purpose**

Twinbird's purpose is to "Enhance the value of people's lives by providing emotional impact and amenity." We define "value" here as a plentiful lifestyle, and through our products and services, we hope to enrich the daily lives of our customers by providing them with excitement and comfort in their daily lives.

We are not looking to provide products with lots of features or services beyond what is necessary, although the dictionary defines abundance as "more than enough."

Since Japan's rapid postwar economic growth, households have come to be overflowing with goods. In a sense, I think it can be said that our lifestyles have become more abundant, but at the same time, we are facing global-scale issues such as overexploitation of resources and environmental destruction. People's lives may be materially fulfilled, but it is difficult to say that they have become spiritually richer, as they are less connected to their families and friends.

**What We Consider True Abundance**

Twinbird believes true abundance to be a state of mind that values affluence over convenience, sustainability over newness, a reverence for history and nature rather than superficial luxury, and a respect for a healthy body and sustainable daily life (knowing what is enough), so as not to dilute the warmth that has been lost through efficiency and convenience.

In the words of Jose Mujica, former president of Uruguay, famous for being the world's poorest president, "But what are we thinking? Do we want the model of development and consumption of the rich countries?" We, too, are mindful of nature and the environment, and value spiritual and social enrichment more than material wealth.

**Twinbird's Brand Promise**

In 2021, we rebranded and created our new brand promise, "Touch Hearts."

The body of this brand promise is summarized in the following statement: what truly impresses people and truly

enriches lives is not adding excessive functions or changing models every year, but rather home electric appliances that are intrinsically valuable, with reliable quality, long-lasting functionality, and timeless design.

**Lifestyle Concept**

We believe that we are not just making products, but rather creating lifestyles, and that the main role is played by the customer's lifestyle.

We want to avoid shapes and colors that make a space noisy, while still resolving the problems in our lives. Is the essence of a hair dryer to dry quickly or to make hair

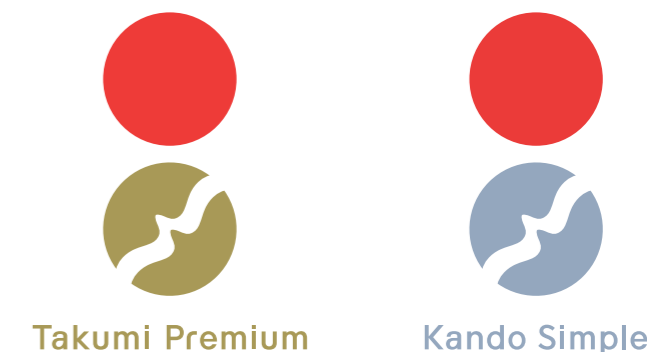
beautiful? Is the essence of a coffee maker to be able to drink coffee quickly, or is it to be able to make good coffee that takes a little longer but extracts the flavors properly?

We ask ourselves which is more essential. We want to deliver new value by rethinking the norm and common expectations of our customers.

**Our Brand Value**

We have launched two brand lines to more clearly articulate our beliefs. "Takumi Premium" provides essential richness that users do not yet know, and "Kando Simple," which solves users' essential problems in the simplest form (function and design).

We will become a brand that provides essential richness by fulfilling the "Touch Hearts." brand promise, while aiming to balance the sustainability of society, our customers, and ourselves based on our customers' lifestyles.



## Twinbird's Growth Strategy

### Dedicated Product Development at Twinbird

**Yoshiaki Kawamura**  
 Director,  
 Group Executive, R&D Division



#### What It Means to Be Dedicated

The Kojien dictionary defines the Japanese word *kodawari* (dedicated) as 1) touching or brushing against something, 2) being obsessed with minutiae, 3) paying close attention to details, and 4) voicing an objection. The meaning we use here is, of course, the third one. And product development is not limited to the narrow definition of making things but rather encompasses all relevant processes from planning and specific product manufacturing all the way to delivery to the customer.

Twinbird is a development-focused company and has developed and delivered a multitude of products related to home electric appliances. We have maintained a dedication to craftsmanship while building up our diverse lineup of products that are used in all aspects of daily life. As of

2019, we boasted a product lineup of more than 600 SKUs. We worked tirelessly in pursuit of carefully crafted products in a development-oriented approach that utilized various ideas focused on what customers would find appealing or convenient and how to quickly meet demands from our sales routes. As a result, many of our products have an accessible (inexpensive) price point with a strong trend toward small innovative home electric appliances. Under the medium-term business plan (2020–2022) formulated in 2020, we established our PVV (purpose, value, vision). Laying out our vision as “No. 1 in Customer Satisfaction” was the starting point of a major change in the dedication to our craft in product development.

#### Alongside Our Rebranding

Twinbird is currently attempting a major transformation.

We announced a rebranding in November 2021. Accordingly, we clearly established our intent to target users looking for products that really speak to them (and who want to take good care of the quality products they specifically selected) instead of reflexively reducing the number of products we have always offered. Based on the melding of design and skill, we organized each of the products that customers choose into the two new brands of

Takumi Premium and Kando Simple. Incorporating the technologies of the Tsubame-Sanjo area into each of our products, we are fostering greater experience value for the user and increasing the added value they feel. In this way, the number of products we manufacture will decrease, but the overall sales value of each item will significantly increase. As products eventually arrive at higher price points, they will still not feel at all expensive. We will continue creating products that people want with dedication to our craft.

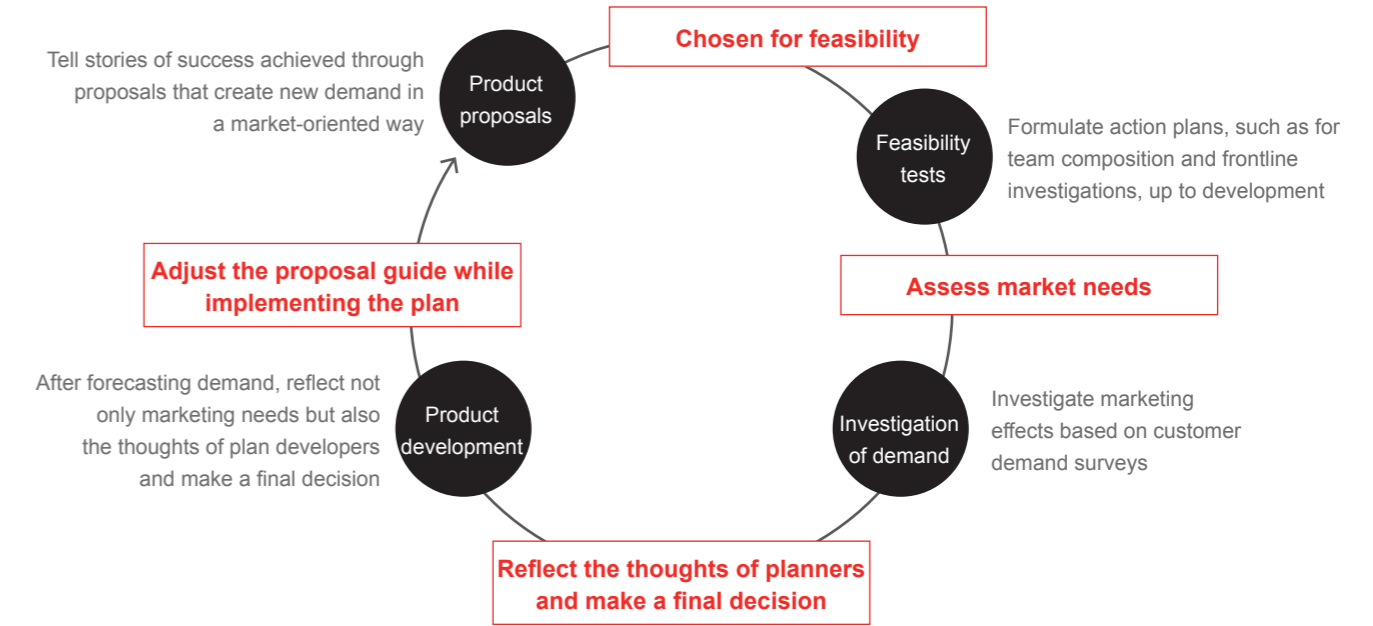
#### Changes in Manufacturing

In conventional manufacturing, overseas production accounts for over 70% of the total, especially original design manufacturing (ODM) in China. We have sought to enhance our cost competitiveness and shorten the lead time needed for market launch in the planning and development phase based on their platforms, but we hit two major hurdles. One is differentiating our products (the unique reasons customers seek us out). The other is the branding for our products (making the product line feel cohesive). In order to realize differentiation and branding, we cannot simply wait for and select from proposals as once was the case. Instead, because we do not have technical development resources in-house, we will continue co-creating with partners by selecting manufacturers who have potential,

understand the plans and basic technologies we are aiming for, and undertake development. We created and presented a robust product road map (three years) for the near future. This clarifies our evolving dedication to our craft in product development. In addition, we will strengthen our dedication to quality by focusing not only on the quality of the finished product, but also on the quality of the parts and the production lines. We thereby ensure customers will be able to continue using these beloved products far into the future as we realize a level of quality fit for No. 1 in Customer Satisfaction. This evolution in dedication to our craft with regards to customers, product planning, product development, and quality will firmly support Twinbird's home electric appliance business going forward.

Realizing a mechanism that continuously creates new demand, these projects are why Twinbird continues to lead the market.

—Through proposals based on marketing innovations, we foster a culture where it is easy to create products that generate new demand in the market.



### Good Design Award-Winning Products



2022



A refrigerator you can use without getting on your tiptoes



A refrigerator you can see inside of

2021

Steam microwave oven



Deep Freezer 25L  
1 other product



2020

Care Dryer



Flatbed microwave with sensor



2019



Fully automatic coffee maker



Bottle-shaped vacuum cleaner



Handheld garment steamer

2018

IH cookware  
Hot Trivet



2017

Fan COANDA AIR



2016

Wireless wearable neck speakers



2015

LED desk light Airled  
1 other product



We have consecutively won the Good Design Award, receiving praise for our designs, functions, and concepts tailored to customer needs.

## Twinbird's Growth Strategy

# Progress of the Medium-Term Business Plan (2020–2022)

### Junya Inoue

Executive Officer  
Deputy Group Executive, Corporate Planning and Administration Division,  
General Manager, Corporate Planning Department,  
and General Manager, Business Reform Department



I joined the management team in April 2022. Twinbird announced its rebranding in November 2021 and is now in the process of transforming from a brand that appealed to customers through price to a brand that appeals through added value. We will continue to further accelerate our rebranding initiatives, and I am very excited to take on the heavy responsibility of this major turning point as the

Deputy Group Executive of the Corporate Planning and administration Division of Twinbird, which underwent a name change in Japanese (but remains the same name in English). We will continue working hard to meet the expectations of our stakeholders and appreciate your guidance and support.

### Progress of the Medium-term Business Plan (2020–2022)

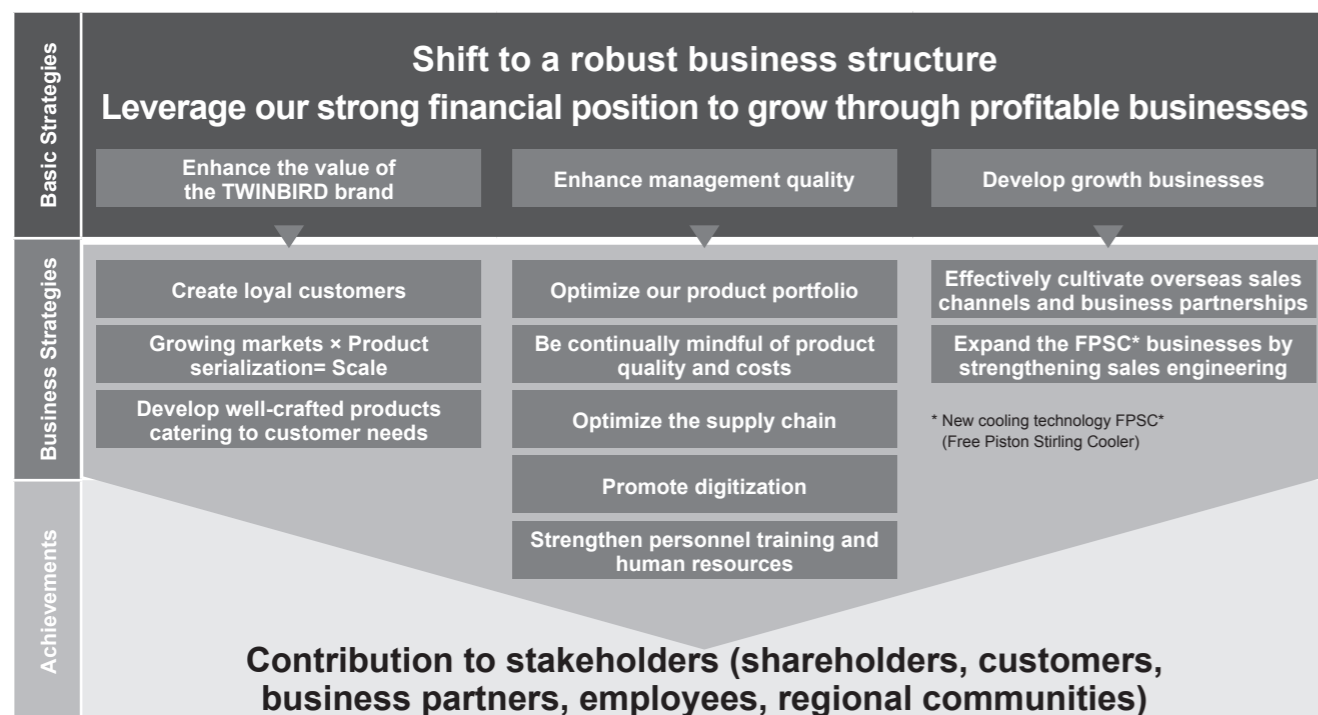
Twinbird announced its medium-term business plan (2020–2022) in April 2020, outlining the basic strategies of shifting to a robust business structure and leveraging our strong financial standing to grow through profitable businesses with the three basic policies of enhancing the value of the Twinbird brand, enhancing management quality, and developing growth businesses. I will now report the status of progress as we head toward February 2023, when the plan ends.

consecutive year. Net profit attributable to owners of the parent was ¥0.41 billion (+156%) and return on equity (ROE) was 5.0% (+2.7 points), and the equity ratio rose to 78.2% (+16.0 points). We achieved the three-year cumulative profit targets set in the plan one year ahead of schedule and were able to show the overall accomplishments of our basic strategies of shifting to a robust business structure and leveraging our strong financial standing to grow through profitable businesses.

The results of fiscal 2021 (ended February 28, 2022), the plan's second year, were net sales of ¥12.8 billion (+2.9% year on year) and operating income of ¥0.71 billion (+18.1%), achieving higher revenue and profit for the third

By segment, in the home electric appliance business, sales of fully automated coffee makers remained strong, exceeding a cumulative total of 70,000 units sold, and sales remained firm for the high value-added Takumi and Kando

### Basic and business strategies of the medium-term business plan (2020–2022)



brand products, including the steam microwave oven launched in the second half, helping improve our earnings structure. To stimulate explosive growth over the medium to long term, we implemented strategic investment of ¥1.0 billion (cash basis), mainly directed toward rebranding and new product development. As a result, however, segment profit fell 7.4% year on year.

In the FPSC business, we completed shipments of

additional orders of the Deep Freezer SC-DF25WL for Takeda Pharmaceutical, major projects, and the Ministry of Health, Labour and Welfare, as in the year before. We also received around 6,000 orders for refresh services for the third round of vaccinations and beyond. For these and other reasons, we recorded segment profit of ¥0.9 billion (+35.7%), which provided a major contribution to Twinbird's annual performance.

### Heading into the Final Year of the Medium-term Business Plan

The modern era is called the VUCA (volatility, uncertainty, complexity, ambiguity) with its drastic changes and unpredictable outlook. When the first infections of COVID-19 were detected in Wuhan in December 2019, nobody could have predicted how the effects would rapidly spread across the globe and torment people for the last three years. Japan was plunged into crisis as hospital beds filled up despite temporary halts in the rise of infections, shattering the myth of being a major hygienic country. During this national emergency, refrigeration transport units using our proprietary FPSC technology were selected for a national project. With support from everyone in the Tsubame-Sanjo area, Twinbird employees all came together and successfully manufactured over 10,000 units. Being able to help safeguard the lives and health of the Japanese people really boosted the confidence and morale of every employee. Taking the opportunity of these events to look back again on our history since our founding, Twinbird's strength is

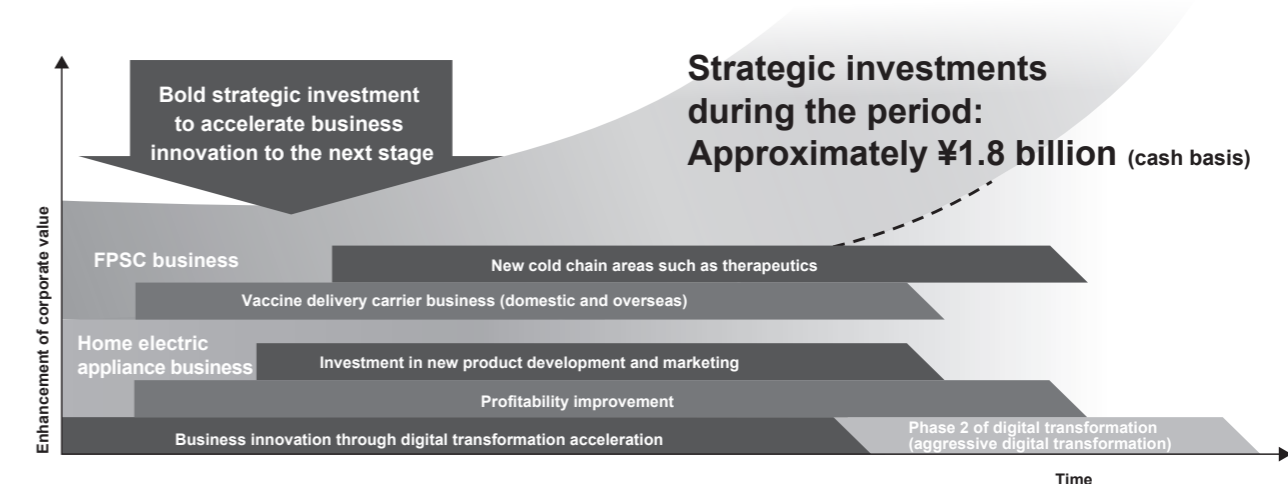
clearly the ability of its employees to come together during a crisis or an opportune time and swiftly respond to the changes.

As stated above, we were able to achieve our cumulative three-year profit targets outlined in the medium-term business plan one year ahead of schedule, delivering strong performance in terms of profitability and safety. Nevertheless, uncertainty is rising in the business environment surrounding the Company, stemming from such factors as the rapidly depreciating yen and, following Russia's invasion of Ukraine, soaring prices for raw materials and crude oil. Amid this situation, Twinbird will decisively demonstrate its ability to respond to change and continue plowing ahead to achieve its performance targets in the final year of the medium-term business plan.

To all our stakeholders, we extend our gratitude for your continued guidance and support.

### Business scenario: Monetization of the home electric appliance business and new development of the FPSC business

- 1. Enhance brand value:**
  - ✓ Invest in the development of new products that appeal to experience value
  - ✓ Invest in marketing
- 2. Further development of the FPSC business:**
  - ✓ Expand overseas
  - ✓ Plan to expand business in the pharmaceutical field after vaccines
- 3. Accelerating digital transformation:**
  - ✓ Invest in strengthening IT infrastructure and invest in each operational field individually based on the DX Road Map



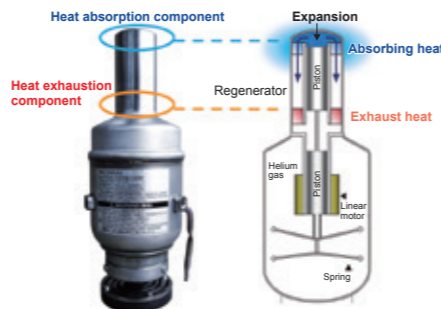
## Twinbird's Growth Strategy

### Future Prospects for the FPSC Business

**Tsuyoshi Miyai**  
Executive Officer  
For Special Mission to the Sales Division



We believe that FPSC is the most suitable product for Tsubame-Sanjo area, which has its background in precise metal processing technology. Our part processing precision is directly linked to FPSC's efficiency and reliability. By repeatedly undergoing endothermic reactions due to adiabatic expansion, our technology can reach temperatures below -100°C. It has received high praise from overseas customers who find it fascinating and unique.



#### Responding to Changes in Social Conditions

As uncertainty and danger casts a shadow across the globe, the FPSC business will continue offering concrete solutions that directly address various environmental and social problems using our proprietary technology.

The coolant for FPSC is helium gas, which is non-toxic and has a global warming potential of zero. This cooling technology is very sustainable and is expected to help achieve carbon neutrality goals. In addition, its safety and reliability have been

bolstered by its installation in Japan's "Kibo" (meaning "hope") experiment module of the International Space Station.

Since 2021, FPSC-equipped vaccine carriers have been used for last-mile support in the vaccination systems of developing countries, such as East Timor. Going forward, we will continue to contribute to safe and secure pharmaceutical transport systems for people around the world.

#### The FPSC Business's Global Expansion: Last-Mile Support

Since August 2021, we have delivered vaccine carriers to East Timor and Mozambique through the Japan International Cooperation Agency (JICA).

We are working to expand our reach further to other areas in Africa and Asia going forward.

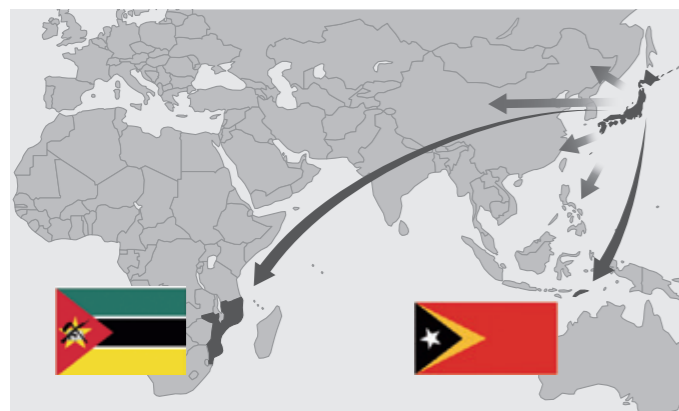


Photo via JICA

#### Specific Applications

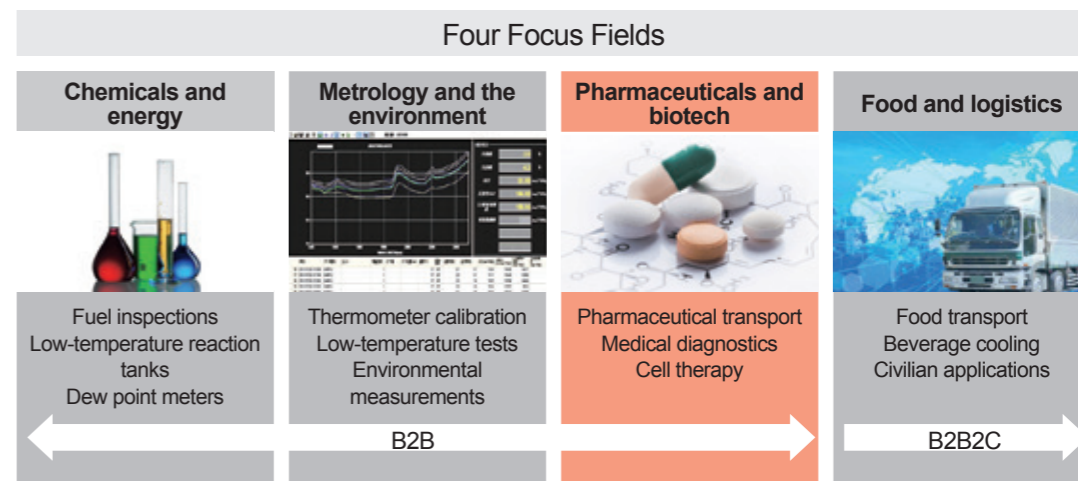
On the other hand, the question of what to use this ultra low temperature technology for has been limited to very specific needs in a relatively mature industry: the freezing and refrigeration (cooling) market.

The environment surrounding the freezing and refrigeration (cooling) market has changed drastically over the past three years since the start of the COVID-19 pandemic. The Deep Freezer for mRNA vaccines is now known worldwide, and fresh food delivery has become a commonplace, widespread part of our daily lives. These devices and services have gone from "nice to have" to truly indispensable.

In the pharmaceutical field, the ability to strictly control ultralow temperatures is expected to contribute to the global transport network for COVID-19 therapeutics and vaccines that are being developed. In particular, we expect that our

products will be useful in countries where it is difficult to establish a stable cold chain. In the pharmaceutical field, we will strengthen collaboration with pharmaceutical-related industries in various countries to contribute to the field of ultralow temperature transport, which is indispensable for the transport of the COVID-19 vaccine, as well as other future virus therapeutics and vaccines.

In the energy field, the technology is expected to be used for inspections to confirm safety in cryogenic environments; in the metrology field, it is expected to be used for calibration of thermometers and inspection of electronic components in low temperature regions; and in the logistics field, it is expected to be used for online delivery transportation, for which demand is rapidly increasing.



#### Product Strategy

FPSC is currently used in specialized cooling technologies. The cooling and freezing market has a wide range of peripheral areas. While the usefulness of FPSC has garnered acclaim for narrowly defined applications, we believe that the keys to market expansion are (1) further improvement of reliability and (2) versatile price proposals. Therefore, as a major direction, rather than pursuing the expansion of advanced functions, we would like to develop products that are both reliable and cost effective and can be used in more applications. Please look forward to the future development of the FPSC business.



Deep Freezer 25L

## Supporting Enhancement of Brand Value

### Transforming Our Sales Activities

**Jiro Ueno**

Executive Officer  
Group Executive,  
Sales Division



#### Transforming Sales Activities from “Sell-In” to “Sell-Out”

The mission of the sales department is to create many places in Japan and overseas where customers can experience the products in the Takumi Premium and Kando Simple brands, which were launched in fiscal 2021.

As Japan's population declines due to a low birth rate, members of the junior baby boom generation (those born between 1971 and 1974) are becoming core consumers. Always on the lookout for something better, members of this generation tend to favor products that demonstrate remarkable craftsmanship well adapted to their own unique lifestyle. In addition, regardless of generation, consumer mindsets toward home electric appliances are diversifying. Increasing numbers of people are now seen to be selecting appliances aligned with their own specific preferences. Takumi Premium brand fully automatic coffee maker is being purchased by customers who are especially attracted to the product's craftsmanship and customers who find that it aligns with their specific preferences.

Initially, however, sales struggled after the launch. We worked with business partners to hold tastings to boost awareness of its great flavor among customers, and regularly posted on social media platforms and online stores. The beneficial media exposure helped increase sales figures. As a result, we were able to sell a cumulative total of 70,000 units as of February 2022.

We announced our intention to implement a rebranding in November 2021 and revealed our specific rebranding plans

to our business partners in April 2022. We asked that they undertake initiatives centered on Takumi Premium and Kando Simple products. This requires a transformation in the sales organization from being cost-appealing to being value-appealing.

Up to now, Twinbird's sales activities have focused on “Sell-In,” which emphasizes delivery of products to retail stores. This approach, however, does not adequately communicate the real value to customers of value-added products like the fully automatic coffee maker.

Going forward, we will promote “Sell-Out” activities, which emphasize how to sell products at physical and online stores. How we unite with business partners will be crucial to creating mechanisms and spaces that fully convey the value of our products to customers, who are the end users. We will keep working with our partners to create markets where customers who visit physical stores and customers who visit online stores can experience our products in an environment where we can express our interpretation and the value of our products. Moreover, we are working to disseminate the Twinbird's brand interpretation in a way that unites physical and online stores so that customers can have the most amazing shopping experience.

We are undertaking this transformation of sales activities with the aim of enhancing customer satisfaction, making them fans of Twinbird, and ensuring they live a long, happy life with their Twinbird products.

#### Giving Back to the Community Through Proactive Efforts with Niigata Prefecture and Tsubame City

We are giving back to the local Niigata community where Twinbird's Head Office is located.

Twinbird products have been used as gifts in return for hometown tax donation in Tsubame City, Niigata Prefecture since fiscal 2018 and for the entire Niigata Prefecture since fiscal 2021. Thanks to this, many people select our products, including Takumi Premium fully automatic coffee maker. We

have received a lot of feedback about how much joy they get from using the products, and we are genuinely grateful.

Going forward, we will work even harder to give back to the community and spread the message about how attractive the area is while offering our products as hometown tax donation gifts for Niigata Prefecture and Tsubame City, especially Takumi Premium and Kando Simple products.

#### Markets that express Twinbird's brand interpretation

Rebuilding exhibitions with existing business partners and opening new retail stores where customers can gain a better sense of the Twinbird brand.



Takumi Premium sales display (one example)



Kando Simple sales display (one example)

#### Physical and digital integration

By conducting a comprehensive revamp of our website, we provide the most amazing shopping experience to customers who visit our online store (Japanese Only).



#### Contributing to regional revitalization (selected as a hometown tax donation gift)

##### —Giving back to the community through proactive efforts with Niigata Prefecture and Tsubame City

By offering our products as hometown tax donation gifts, we promote the attractiveness of the local area and give back to the community by increasing the amount of taxes collected.

Promoting the attractiveness of the region through tax gifts

Giving back to the community by increasing the amount of taxes collected

NIIGATA X TSUBAME

**TWINBIRD**

**SUSTAINABLE DEVELOPMENT GOALS**

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

## Supporting Enhancement of Brand Value

### Aiming to be No. 1 in Customer Satisfaction by Putting Quality First

**Eiichi Watanabe**

Executive Officer  
Group Executive,  
Quality Assurance Division



#### Quality System Coordination

Twinbird's products are manufactured at our own factories and at contracted manufacturers in Japan and overseas. To maintain and improve the manufacturing quality of our products, we use the ISO9001 quality management system as a shared "language" between the Head Office and the factories to ensure mutual coordination, improve customer

satisfaction, strengthen operational efficiency, manage risks and opportunities, and clarify the roles, responsibilities, and authorities of both the Head Office and each factory. We are aiming to be No. 1 in customer satisfaction by putting quality first, and that means sharing our targets for quality and our plans to achieve them.



#### Enhancing On-Site Quality Improvement

The five M's (Men, Method, Machines, Materials, Measurement) are very important management elements for maintaining on-site quality control for Twinbird's two brand lines, Takumi Premium and Kando Simple. Due to COVID-19, which started spreading rapidly in early 2020, overseas travel was restricted for more than two years, making it difficult to visit international contracted factories and manage 5M at manufacturing sites in person. In 2022, with vaccines working effectively, overseas travel has begun to resume, so we have reinstated our

international manufacturing quality system in order to maintain and improve the quality of our overseas contracted manufacturers. Our current system for preventing defective products includes the outsourcing of inspections through a local inspection company, and we will continue utilizing this system while also preventing defects from the start by improving on-site parts and processes. We are continuing our quality maintenance and improvement activities, and are always aiming to reduce defects to zero.

#### Upstream Manufacturing Quality

To create new products for Takumi Premium and Kando Simple brand lines, we will proactively work to develop new platforms as well as to select and cultivate new manufacturing contractors. To ensure that Twinbird's platform development matches up with our manufacturing contractors, we coordinate our quality management systems. To further improve on-site quality, both Twinbird and its manufacturing contractors

communicate their own quality policies, and proceed with the knowledge that both parties share a common understanding of the product development process. In the development of new products, we participate in various upstream quality assurance checks. By conducting evaluative inspections and managing any issues, we ensure quality at an early stage of development and improve the degree of perfection in our designs.

#### Aiming for Brand Quality

The Takumi Premium and Kando Simple brand lines' new products, soon to hit the market, will offer new value and experience to customers and be lovingly used for a long time to come. After these products launch, we will confirm for ourselves if the value and experience we offer has gone according to plan and been well-received. On the other hand, if the products are not received as intended, we will promptly correct course and ensure a satisfactory product is achieved. In order to quickly implement and respond to such customer feedback, problems, or questions, Twinbird will utilize its strength of its integrated quality and after-sales service

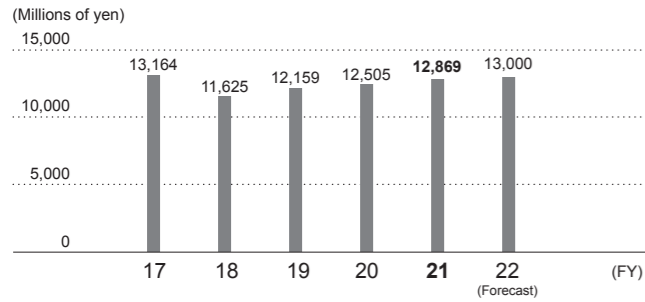
departments with the Head Office Plant and offer even more courteous service than ever before. We will strengthen our activities (phone service skills testing, corporate call handling diagnoses, phone service competitions, and corporate phone service contests) to improve our call center operators' customer treatment in order to more accurately communicate product information and solutions to customers' problems. To realize the quality branded products Twinbird strives for, we will continue to listen closely to our customers in our after-sales service to further improve customer satisfaction.



## Financial Highlights

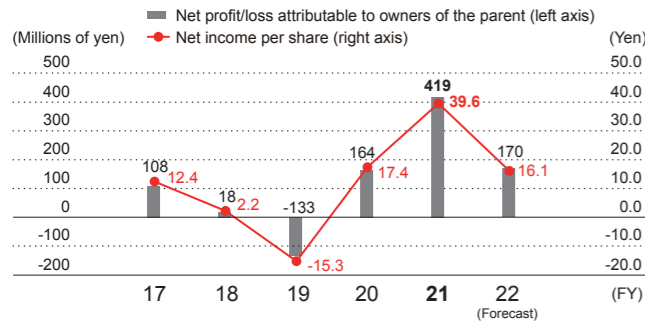
Note: Forecasts and figures for fiscal 2022 reflect the application of the Accounting Standard for Revenue Recognition.

### Net Sales



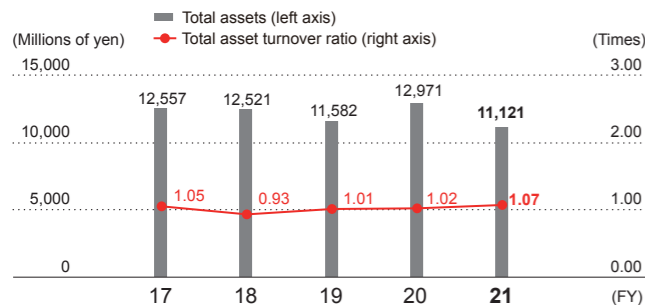
In line with our basic policy of focusing management on building a solid corporate structure and profit, we have shifted the greater part of our attention to achieving a robust business structure rather than expanding our business scale, and we are launching a series of strategic new products. Based on these efforts, we expect to increase sales for the fourth consecutive fiscal year.

### Net Profit/Loss Attributable to Owners of the Parent and Net Income per Share



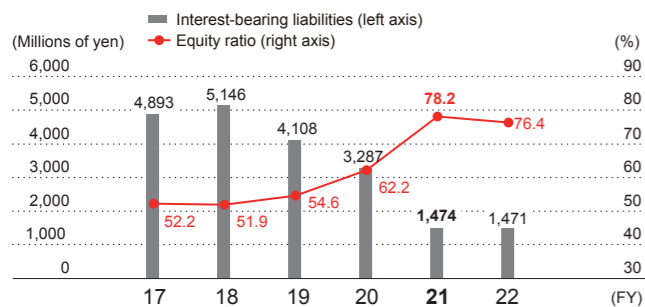
In fiscal 2019, the Company recorded a loss on revaluation of investment securities and in fiscal 2020, an impairment loss was recorded as an extraordinary loss.

### Total Assets and Total Asset Turnover Ratio



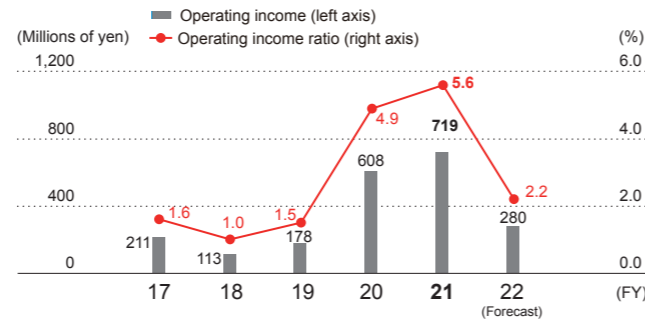
We have reduced total assets, and we will continue to reduce inventory and return receivables and payables to appropriate levels while improving the asset turnover ratio and selling and securitizing unused assets.

### Interest-Bearing Liabilities and Equity Ratio



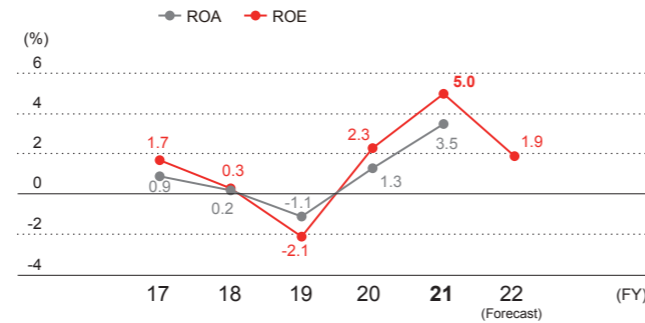
By reducing average total assets and raising equity capital, we have been able to repay our long- and short-term debt, and our financial position has improved significantly. This has allowed us to secure sufficient strategic investment capacity for future business development.

### Operating Income and Operating Income Ratio



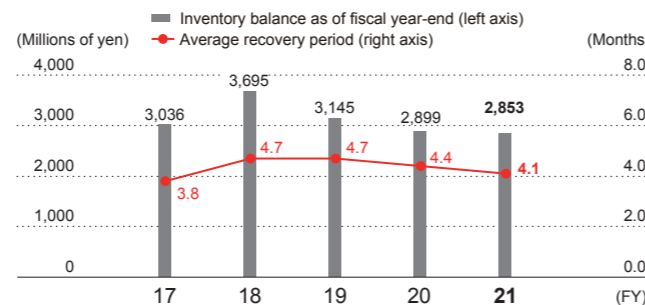
The main drivers of improved profitability were reduced numbers of low-margin products (SKUs) in the home electric appliance business and the expansion of the FPSC business. We expect a decrease in profit in fiscal 2022 due to higher procurement costs resulting from soaring expenses as well as bold strategic investments for future business growth.

### ROA and ROE



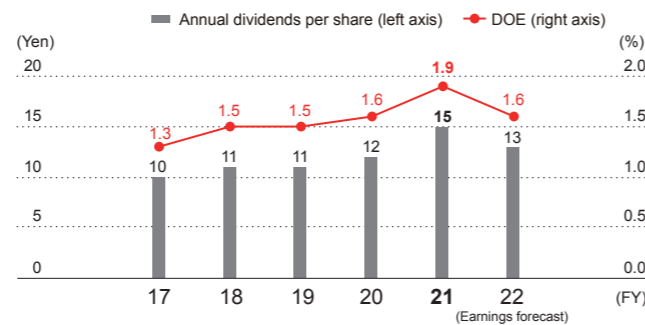
ROA and ROE, our profitability indicators, had been decreasing, but we were able to improve them by bolstering our equity capital. We will continue to improve profitability and asset efficiency.

### Inventories and Average Recovery Period



We will continue to return inventories to a more appropriate level in part by significantly revising the number of products (SKU basis), strengthening supply chain management, and disposing of accumulated inventory.

### Annual Dividends per Share and DOE

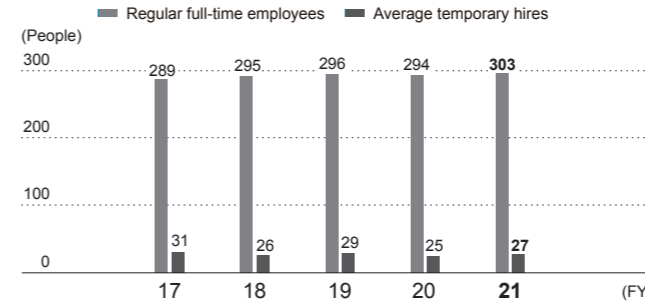


Our basic policy is to ensure stable and sustainable shareholder returns. The annual dividend of 15 yen per share for fiscal 2021 includes an additional dividend of 3 yen per share to commemorate the 70th anniversary of the Company's founding (excluding the commemorative dividend, the DOE is 1.5%). For fiscal 2022, we plan to increase the ordinary dividend by 1 yen for a DOE of 1.6%.

## Non-Financial Highlights (Non-Consolidated)

### Number of Employees

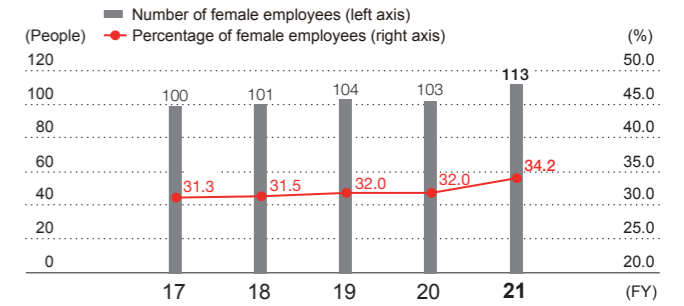
(as of the fiscal year-end, based on the securities report)



The total number of employees will remain about the same, but we will emphasize improving productivity.

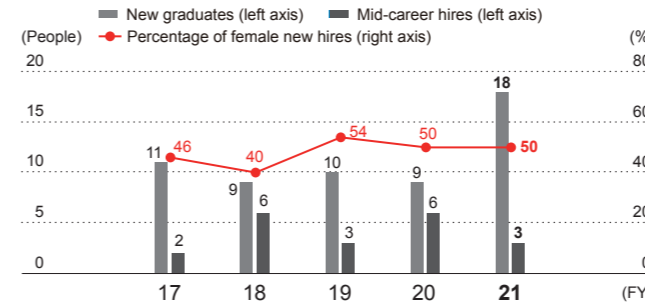
### Number and Percentage of Female Employees

(as of the fiscal year-end, based on the securities report)



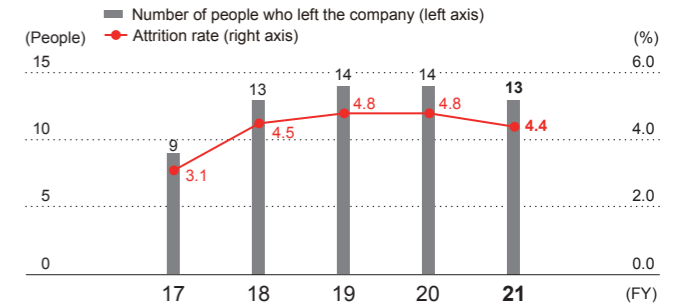
As a part of our efforts to promote diversity, we are focusing on creating a work environment where women can thrive.

### Number of New Hires and Percentage of Female New Hires



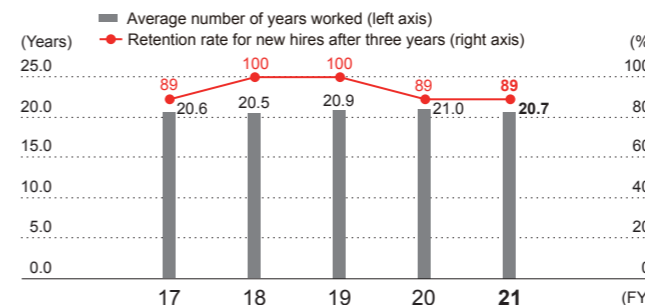
We are strengthening our strategic position by recruiting mid-career employees and regularly hiring new graduates. As part of our efforts to promote diversity, we are bolstering our hiring of female employees.

### Number of People who Left the Company and Attrition Rate



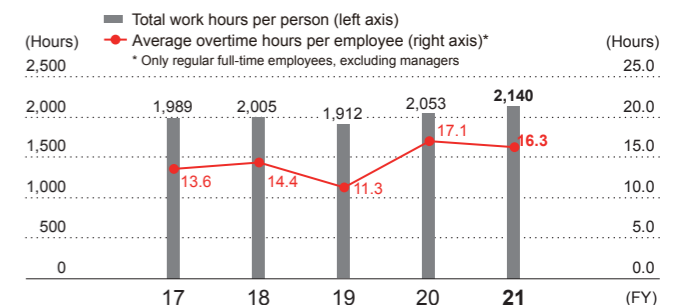
The number of people who have left the Company has remained at a low level compared with the industry average.

### Average Number of Years Worked and Retention Rate for New Hires after Three Years



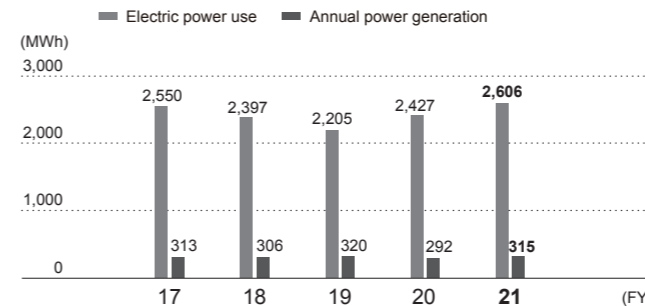
We will continue to maintain a high retention rate and further expand programs at TWINBIRD Academy, our internal corporate university.

### Total Work Hours per Person and Average Overtime Hours per Employee



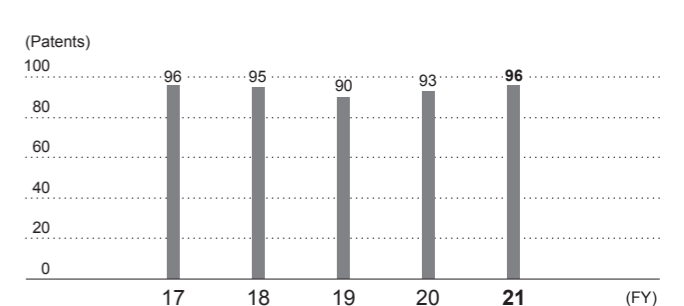
We will return total work hours per person to a more appropriate level by further promoting work-life balance and continually improving operational productivity.

### Electric Power Use (Head Office and Tokyo Branch) and Electric Power Generation



In consideration of the natural environment, we are promoting Twinbird's solar power generation business and reining in our net electric power use.

### Number of Patents Owned (in effect as of the fiscal year-end)



We are strengthening R&D and increasing the number of patents we hold, while working to enhance their quality, to differentiate our products and services.

## Twinbird's ESG

# Corporate Governance Initiatives

### Kazunori Kobayashi

Director,  
General Manager, Internal Audit Department,  
Director in charge of the Corporate Planning and  
Administration Division



### Compliance with the Corporate Governance Code

Twinbird confirms its compliance with the Corporate Governance Code every year, and the following items were not fully compliant as of May 2022.

- Responding to issues related to sustainability
- Ensuring diversity in the appointment of core personnel
- Planning and implementing succession for top executives

We recognize the importance of these issues for management. The Board of Directors and the Governance

Committee, which was established last year, both include outside directors, and both bodies have been discussing how to best share and address these issues with the management team.

In addition, we are considering these issues for possible inclusion in the Company's next medium-term business plan (2023–2025).

### Governance Committee

The Governance Committee was established in June 2021 with an independent outside director as chairperson. The Governance Committee is a forum for outside directors to express their opinions and discuss business strategy and governance systems. This enhances management fairness and transparency, with the goal of achieving sustainable growth and long-term improvement of corporate value. The purpose of the committee is to utilize the opinions and advice of the Company's outside directors who possess diverse knowledge and experience to improve business strategy discussion and governance.

One year has passed since the establishment of the Governance Committee, which meets approximately once

a month. Its discussions have been wide ranging, with topics including the long-term vision, medium-term management plan, ESG strategy, succession plans for top management, human resource strategy, branding strategy, quality reform, and a review of the Board of Directors' effectiveness evaluations. Leveraging their own individual specialization and expertise, each outside director has shared opinions on these matters. On several occasions, the Committee even exceeded its scheduled meeting time.

Through discussions of the Governance Committee, the outside directors have been able to arrive at a much deeper understanding of the Company, leading to much more vigorous Board of Directors meetings.

### Evaluation of the Effectiveness of the Board of Directors

Every year, we conduct a forty-question survey of each member of the Board of Directors on four topics, namely the Board's composition, operations, discussions, and its supporting systems.

The 2021 survey covering fiscal 2021 was conducted and analyzed in March 2022, and the results indicated that the Board of Directors is generally considered to be effective, as it was last year. In particular, the Board was highly praised for its appointment of a female director, and for the establishment and variety of thoroughly discussed topics of the Governance

Committee. However, issues requiring improvement were identified from the survey as follows.

- Securing director diversity
- Formulating a succession plan for the CEO
- Internal sustainability initiatives

In addition to discussing these issues and sharing information with the Governance Committee, we are considering these items for inclusion in the next medium-term business plan (2023–2025). We will further improve the effectiveness of the Board of Directors by steadily working to resolve each and every one of these issues.

## Risk Management

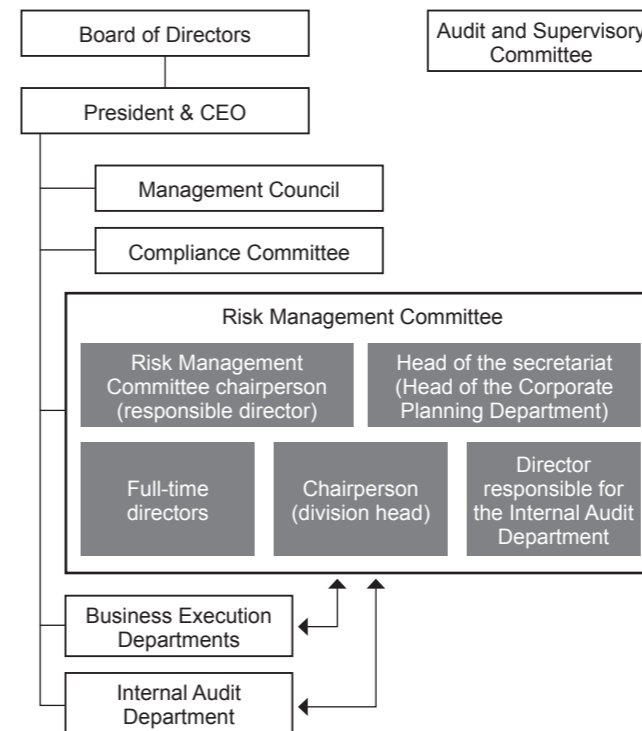
Risk management plays an important role in corporate governance. The Group has established a Risk Management Committee to accurately understand every potential risk in its business activities and to prevent them, as well as how to minimize losses in case of crisis, and has put in place systems to proactively handle risks.

The Risk Management Committee chairperson is responsible for risk management, and the committee is composed of five full-time directors, the chairperson, six department heads, and a director responsible for the Internal Audit Department, as well as those deemed necessary by the chairperson.

The Risk Management Committee conducts risk event identification, analysis, and evaluation, including major risks which have the potential to negatively impact the Group's business activities and examines their prevention and counter-measures, and reports the results to the Board of Directors.

In the unlikely event of a scandal or other problem, the Company will comprehensively understand the issue and quickly conduct crisis management. Then, when conditions have returned to normal, the Company will investigate counter-measures to prevent recurrence of such crises and instruct the Business Execution Departments to enact them.

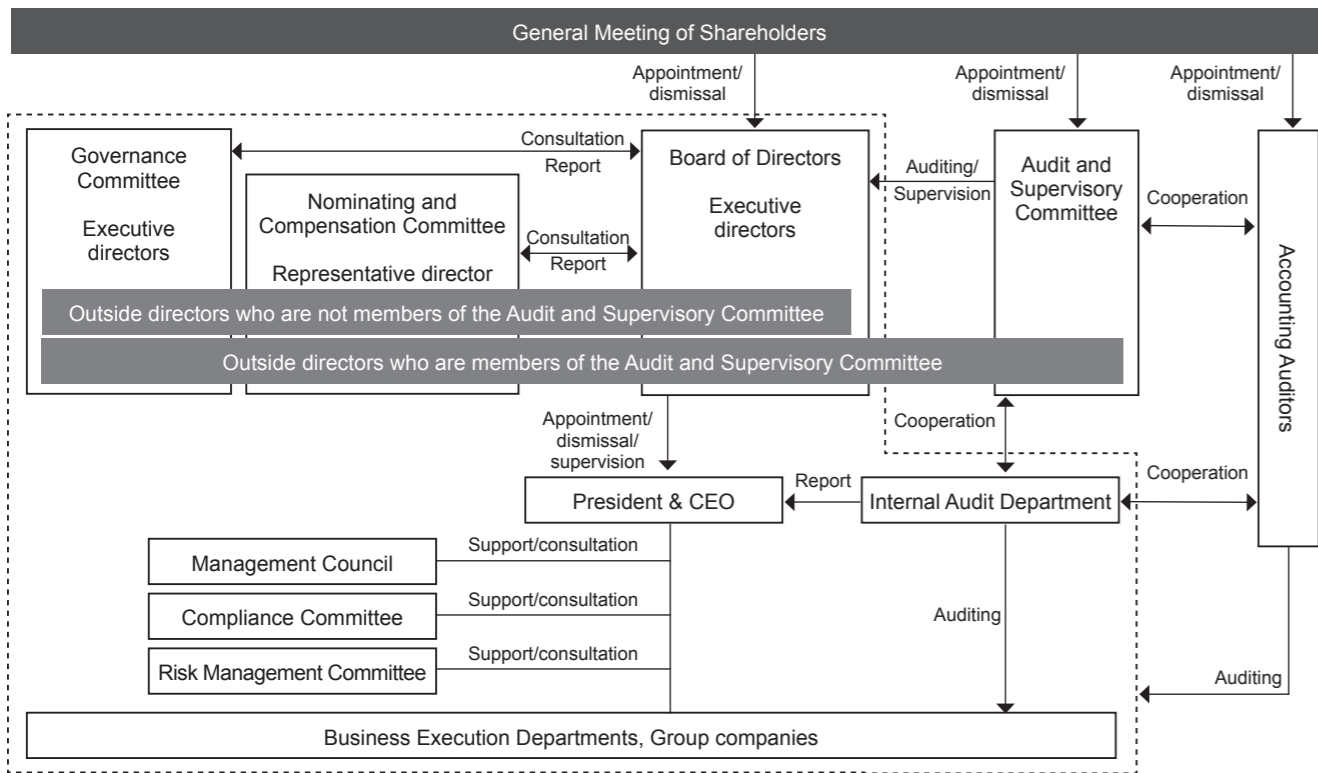
### Twinbird's risk management system



## Twinbird's ESG

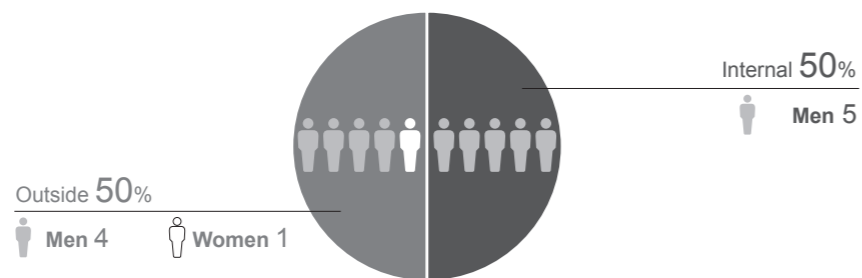
### Corporate Governance

#### Corporate governance structure



#### Ratio of outside directors

10 directors



#### Key expertise and experience of directors

Position	Name	Business management strategy	Industry knowledge	Sales Marketing	Planning and development Manufacturing and technology	Human resource strategies Human resource development	Finance Taxes Accounting	Global	Legal Risk management
President & CEO	Shigeaki Nomizu	○	○	○	○			○	
Senior Managing Director	Tsutomu Satoh	○	○		○				
Director	Kazunori Kobayashi	○	○						○
Director	Takayuki Asami	○	○	○				○	
Director	Yoshiaki Kawamura	○	○		○			○	
Outside Director	Yoshitaka Kato	○					○	○	
Outside Director	Takako Hagiwara	○				○		○	
Outside Director (Audit and Supervisory Committee Member)	Fumihiro Komamiya						○	○	○
Outside Director (Audit and Supervisory Committee Member)	Masazumi Shimada	○			○				
Outside Director (Audit and Supervisory Committee Member)	Takashi Komura								○

Note: The above summary does not include all of the knowledge and experience the directors possess.

#### Fundamental Stance on Corporate Governance

The following basic policies are central to our corporate governance:

- (a) Enhance the transparency of decision-making processes
- (b) Strengthen information disclosure and clarify accountability
- (c) Maintain strict compliance
- (d) Implement thorough risk management

In line with these policies, we strive to establish and maintain favorable relationships with shareholders, suppliers, local communities, employees, and all other stakeholders while developing systems for ensuring sound and rational business execution. Therefore, we constantly work to enhance the functions of the Internal Audit Department and the Compliance Committee and maintain a structure in which these bodies act in collaboration with the Audit and Supervisory Committee and accounting auditors.

#### Outline of our Management Structure for the Execution, Audit, and Supervision of Business

The majority of the Audit and Supervisory Committee's membership is accounted for by outside directors. At present, we are endeavoring to further strengthen corporate governance by upgrading the supervisory functions of the Board of Directors, which includes five outside directors, while appointing individuals well-versed in Twinbird's operations as executive directors to ensure a swift management approach that aligns with the Company's actual operational status.

#### (a) Board of Directors

The Board of Directors consists of seven directors, three of whom are members of the Audit and Supervisory Committee. In general, the Board of Directors holds periodic meetings on a monthly basis to discuss and make decisions pertaining to the Company's fundamental management policies and other important matters.

#### (b) Management Council

The Management Council, which consists of five executive directors, meets regularly once a month in general to deliberate and make decisions on important management matters based on the fundamental management policies established by the Board of Directors.

#### (c) Audit and Supervisory Committee

The Audit and Supervisory Committee includes three outside directors who concurrently serve as Audit and Supervisory Committee members. In general, the committee holds periodic meetings on a monthly basis to determine audit policies, receive reports on the status of audits, improve the content of audit items and carry out other audit-related tasks.

Audit and Supervisory Committee members also attend Board of Directors meetings to strengthen the committee's audit functions and help enhance management transparency.

Furthermore, the Audit and Supervisory Committee engages with the accounting auditors to ensure smooth information sharing and otherwise exchange opinions in the course of accounting audits. To this end, they also accompany these auditors and observe their audits.

#### (d) Nominating and Compensation Committee

The Nominating and Compensation Committee, a non-mandatory governance body established by the Company, acts as an advisory body to the Board of Directors. The committee deliberates such matters as proposals to be submitted to the General Meeting of Shareholders regarding the appointment and dismissal of directors. Also, the committee appoints and dismisses executive officers while discussing policies associated with the determination of compensation to be paid to individual directors and executive officers in addition to deliberating the content of such compensation. Thus the committee advises the Board of Directors. Currently, the committee consists of six directors, including outside directors who make up the majority, and is chaired by an outside director.

#### (e) Governance Committee

The new Governance Committee was established as an advisory body to the Board of Directors in June 2021. The committee deliberates and reports to the Board of Directors on the matters listed below.

The committee is composed of 10 directors and chaired by an independent outside director.

- (1) The composition, function, and evaluation of the Board of Directors, Audit and Supervisory Committee, and Nominating and Compensation Committee
- (2) Medium-term business plans (product strategy, sales strategy, overseas strategy, digital transformation, etc.)
- (3) Annual budgets (sales, costs, expenses, investment, profits, etc.)
- (4) Shareholder return policies (dividends, share buy-backs, shareholder benefits, etc.)
- (5) Risk management (climate change, quality issues, country risk, etc.)
- (6) Other matters deemed necessary by the Chairman of the Governance Committee with respect to corporate governance, etc.

#### Director Compensation System

Compensation for directors of the Company (excluding outside directors and directors who have concurrent membership in the Audit and Supervisory Committee) consists of basic compensation that takes into account the balance between their position, Japanese standards and employee salaries, and an executive bonus, as well as two forms of share compensation (a performance-linked share compensation system and a restricted share compensation plan) to further enhance their motivation to contribute to the improvement of the Company's medium- to long-term performance and corporate value. Bonuses are based on economic conditions, the Company's performance, the standards of other companies, and the bonus level of our employees.

Compensation for outside directors and directors who have concurrent membership in the Audit and Supervisory Committee consists only of fixed compensation, which is determined based on their duties and the external trends in compensation being paid to those in similar positions, as their sole role is to supervise and advise top management from an independent standpoint that sets them apart from

## Twinbird's ESG

### Corporate Governance

business execution.

Basic compensation for directors, excluding those who concurrently serve as Audit and Supervisory Committee members, is determined by the Board of Directors within the limit on the total amount approved by the General Meeting of Shareholders. After receiving advice from the Nominating and Compensation Committee, whose majority membership is accounted for by independent outside directors, the Board of Directors decides on such compensation upon the consent of the Audit and Supervisory Committee to ensure the independence and objectivity of its decisions. In addition, share compensation is paid to each recipient in the form of Company shares, with the number calculated based on the recipient's position and performance coefficient. Until a director steps aside from his/her position, the Company holds shares awarded as compensation in a stock benefit trust. Once the director steps down, said compensation is paid to the recipient.

For directors who concurrently serve as Audit and Supervisory Committee members, compensation, including bonuses, is determined via discussion between such directors within the limit on the total amount approved by the General Meeting of Shareholders.

The Board of Directors passed a resolution to introduce a performance-linked share compensation plan at its meeting held on April 8, 2016. In addition to providing directors with compensation paid in cash as described above, this move was intended to utilize a stock benefit trust to reward these individuals. Upon this resolution, the Board of Directors proposed the introduction of the plan to the 54th Ordinary General Meeting of Shareholders held on May 27, 2016. Based on this proposal, said General Meeting of Shareholders approved the plan and agreed to pay performance-linked share compensation to individuals who served as directors during the two fiscal years from March 1, 2016 to February 28, 2018. This plan has been in place since then. On April 12, 2018, the Board of Directors decided to propose the partial revision of the plan and the renewal of the period subject to the plan. These proposals were approved on May 29, 2018 at the 56th Ordinary General Meeting of Shareholders.

At the 59th Ordinary General Meeting of Shareholders on May 25, 2021, the Company resolved to introduce a restricted share compensation plan for eligible directors (directors, excluding outside directors and Audit and Supervisory Committee members). The total amount of restricted stock compensation is capped at ¥42 million per year, separate from the above compensation for directors and the compensation under the performance-linked share compensation plan, and the maximum number of restricted shares to be allotted per fiscal year is 40,000.

#### Performance-Linked Share Compensation Plan

This plan is designed to secure a clearer linkage between director compensation and the Company's stock value to ensure that directors receive the same benefits and are exposed to the same risks arising from stock price fluctuations as shareholders and are thus highly motivated to contribute to the medium- to long-term improvement of the Company's business results and corporate value. Under this plan, the stock benefit trust, which was established via funding from the Company, acquires shares, while the

Company provides recipients with shares through the trust in a number equivalent to points granted to each director based on a calculation using the formula presented below. (One point = One share; however, in the case of a share split, reverse share split, the allotment of shares requiring no contribution or other circumstances by which the number of shares to be granted to recipients per point is deemed inappropriate and in need of adjustment, the Company may carry out rational adjustments in light of the ratio of said share split or reverse share split or other factor.)

In addition, if new directors are appointed midway through the fiscal periods subject to the plan, the following formula is equally applied to the calculation of share compensation for such individuals. In general, recipients are eligible to receive share compensation only when they step aside from director positions.

Also, upon the finalization of the number of shares to be granted to each director under this plan, the trust converts 30% of such shares into cash. These portions are granted to recipients in cash at fair value instead of shares, with the aim of ensuring smooth tax withholding in which the Company sets aside funds for the payment of individual income and other taxes on behalf of recipients.

In cases where a director has passed away during the period subject to the plan, the Company will provide his/her bereaved families with shares that would otherwise have been granted to such director.

If due to the announcement of a tender offer aimed at acquiring the Company's shares (excluding a tender offer announced by the Company itself; hereinafter the "tender offer") the trust is compelled to sell shares entrusted to it by the Company in exchange for cash, the Company will not provide directors with shares, rather it will pay them in cash in an amount equivalent to proceeds from the sale of the shares according to the number of shares that would otherwise have been granted to them.

In cases where a director resigns during the term of office due to personal reasons (excluding for reasons deemed nonprejudicial by the Board of Directors, i.e., due to a disease, injury, or other situation arising from the execution of a director's duties) or upon dismissal or voluntary resignation due to damage the director caused the Company to sustain, points that have been granted to that individual can be entirely revoked upon the decision by the Board of Directors at the time of resignation or dismissal.

#### Formula for Calculating Points (Excerpt)

In general, points are granted to each recipient on the annual grant date to reward recipients for their performance during each evaluation period.\*1

The number of points is calculated using the following formula. Number of points to be granted = Basic points (determined by position)\*2x Performance coefficient\*3

Note: Numbers shall be rounded to the nearest whole number.

\*1 Evaluation period: Most recent fiscal year (from the beginning of March to the end of February of the subsequent year) ended prior to each annual grant date. The first evaluation period is defined as the period spanning March 1, 2016 to February 28, 2017.

\*2 Basic points: Determined by the position of the recipient at the beginning of the evaluation period. The number of basic points to be granted by position is presented in the chart below. However, the number of basic points to be granted to an individual who was appointed as director midway through the evaluation period shall be determined based on his/her position at the time of appointment.

\*3 Performance coefficient: See "Performance Coefficient" on the following page.

Position	Basic points to be granted
Chairperson	12,673
President	12,673
Vice president	11,521
Senior managing director	10,369
Managing director	8,065
Director (not in any positions listed above)	7,373

#### Performance Coefficient

The degree of director accomplishment is determined based on consolidated operating income recorded in the consolidated statement of income as part of the Company's *Yukashouken Houkokusho* (securities report) for the fiscal year that coincides with the evaluation period. Specifically, the Company calculates this coefficient based on the ratio of its operating income to the operating income forecast announced at the beginning of said fiscal year. If the

Company were to post an operating loss on a consolidated basis in the fiscal year that coincides with the evaluation period, the ratio would be zero. The details of calculation are as presented below.

The ratio of operating income to operating income forecast	Coefficient
120% or more	1.20
115% to less than 120%	1.15
110% to less than 115%	1.10
105% to less than 110%	1.05
100% to less than 105%	1.00
95% to less than 100%	0.95
90% to less than 95%	0.90
85% to less than 90%	0.85
Less than 85%	0.80

For more details, please also refer to the Company's *Yukashouken Houkokusho* (securities report). (Japanese only)

[https://www.twinbird.jp/wordpress/wp-content/uploads/2022/05/ir\\_news\\_20220530\\_2.pdf](https://www.twinbird.jp/wordpress/wp-content/uploads/2022/05/ir_news_20220530_2.pdf)

#### Director compensation for fiscal 2021

Category	Total compensation (¥ thousands)	Total compensation by type (¥ thousands)				Number of recipients
		Basic compensation	Bonus	Share compensation	Retirement benefits	
Directors (excluding those serving as Audit and Supervisory Committee members and outside directors)	69,214	57,708	—	11,506	—	2
Directors serving as Audit and Supervisory Committee members	11,850	11,850	—	—	—	3
Outside directors (excluding those serving as Audit and Supervisory Committee members)	7,200	7,200	—	—	—	2

Note: At the 59th Ordinary General Meeting of Shareholders held on May 25, 2021, a resolution was passed to grant restricted share compensation of up to ¥42 million per year to the two eligible directors separately from the above annual compensation as follows.

#### Restricted Share Compensation Plan for Directors and Executive Officers

The Company has introduced a share compensation plan that allocates restricted stock to directors (excluding outside directors and directors who have concurrent membership in the Audit and Supervisory Committee) and executive officers for a period of three years. The objectives of this system are to ensure that the Company's eligible directors and executive officers share the benefits and risks of stock price fluctuations with shareholders; to further raise their awareness of the need to contribute to stock price appreciation, medium- to long-term performance improvement and increased corporate value; and to encourage them to work together to achieve the goals of the medium-term business plan.

Specifically, upon a resolution by the Board of Directors, the directors (excluding outside directors and Audit and Supervisory Committee members) and executive officers are eligible for claims on monetary compensation in the form of share compensation. All of such claims are paid as compensation in-kind. Such directors and executive officers will thus be allotted shares with restrictions on transfer. In addition, other details of the allotment of shares with restrictions on transfer have been decided by the Board of Directors based

on conclusions reached through discussion by the Nominating and Compensation Committee and upon the confirmation of such decisions by the Audit and Supervisory Committee.

#### Status of Development of Internal Control Systems

The Company has established a basic policy on the development of internal control systems in accordance with relevant laws. In addition to preventing corporate misconduct, our efforts to develop and operate internal control systems are intended to maintain sound and sustainable corporate development. Believing that the success of these efforts represents a critical management issue, we are hard at work to secure the effectiveness, efficiency, and appropriateness of our business operations.

To this end, we are strengthening the functions of the Board of Directors, Management Council, and Audit and Supervisory Committee, all of which constitute key components of the Company's management structure for auditing and supervising business execution. Moreover, we have in place the Compliance Committee tasked with promoting thorough legal compliance as well as the Internal Audit Department, a dedicated body specializing in internal audits. We are also working to enhance the functions of these bodies.

## Twinbird's ESG

### Outside Directors' Dialogue



## During This Transitional Phase for the Company, What Kind of Discussions Go on at the Board of Directors, and What Kind of Role Should the Board Fulfill?

### What Issues are Being Discussed in Depth at Board Meetings during This Transitional Phase?

**Kato:** The Board of Directors and the Governance Committee have engaged in deep discussions about the change of the Japanese corporate name, branding strategy, strategic investments, and human resource utilization.

The Japanese corporate name change is a good example of how these discussions work. We were very impressed when we heard the explanation of why it was the right time to change the name and how the Company aims to step into the unknown by further expanding its scope and bringing in fresh talent. I am definitely looking forward to the impact that will be born from this enthusiasm. The Company's determination to make such a brave decision during this transition phase was clear to me.

Management execution can be divided into two types: top-down, in which bold decisions are made and implemented all at once; and bottom-up, in which a company takes time to collect the opinions of many people on the frontlines as the basis for action. Twinbird utilizes both management execution strategies in perfect harmony. During the past year, we have seen and experienced this harmony firsthand.

We approached the corporate name change from the bottom-up. We sought opinions from those in the field, and then managers discussed and compiled their opinions, and finally, executive management weighed in with their own opinions. Given this process, I was confident that the name change would be a success.

One example of a top-down approach was the vaccine carrier order we handled for the Ministry of Health, Labour and Welfare. President Nomizu convinced the other members of management with his enthusiasm, emphasizing that, if successful, it would make an enormous contribution to society. The Management Council then discussed the matter vigorously, the Board of Directors made its own rigorous checks, and in the end we decided to go with the President's decision.

President Nomizu truly believes in the Tsubame-Sanjo area's craftsmanship and wants to bring the world-class products it produces to the world. We would like to incorporate this desire in a way that will contribute to the SDGs as part of the new medium-term business plan and long-term vision that we are currently formulating.

**Komamiya:** I believe that one of the most important characteristics of Twinbird's governance is how the outside directors ask detailed questions and make recommendations on management matters at both Board of Directors and Governance Committee meetings. From this perspective, the rebrand was very effective in terms of sharing, with all employees, the vision for future product development and the direction the Company is aiming for.

A large proportion of Twinbird products are sold outside of the two new brand lines. The challenge lies in balancing those two categories. We must plan the development cycle by ascertaining how long products sold under the newly developed brand lines can remain highly profitable. It's also becoming more and more important to consider development costs and product development techniques, and I would like to contribute in this area as an outside director.

Finally, returning to the corporate name, I think that one positive effect of the change to Twinbird's corporate name in Japanese is that it made clear that we strive not to just manufacture and sell products, but rather to provide lifestyles.

**Shimada:** Outside directors mainly attend Board of Directors meetings, and briefings are held prior to these meetings to ensure that they understand the complete picture in advance. To increase the transparency and fairness of management, achieve the sustainable growth of the Group, and enhance corporate value over the medium to long term, the Governance Committee was established in 2021 as a forum for directors to engage in free and open discussion. As a result of the committee's establishment, the Board members now discuss governance topics in much greater depth.

Reflecting on the past year, although we had to contend with the COVID-19 pandemic, we also successfully celebrated the 70th anniversary of Twinbird's founding. Accordingly, the Board of Directors and Governance Committee discussed the rebranding with great passion and vigor. In these exchanges, I felt the Company's determination.

**Komura:** Since you all covered all the main points already, I'd like to speak about an episode that occurred during the rebranding. At a Board of Directors meeting, there was an explanation about changes to the Twinbird logo: the pair of birds design, the spacing of the lettering, and the change from sky blue to swallow black. I agreed with expanding the letter spacing of "TWINBIRD," but disagreed with the design and color changes, and argued my reasons in detail. I wasn't the only one who was against them. However, after intense dialogue with the executive side, I was convinced and agreed with the changes.

**Hagiwara:** This is a time of tremendous transition for Twinbird, what with the corporate name change in Japan

and the rebranding on its 70th anniversary. Executive management conveyed the strong determination and effort behind these decisions through in-depth discussions at the Governance Committee and Board of Directors meetings, and it was a very encouraging for me to see, with my own eyes, all of them come together to move forward, united.

In reality, it's not just the management ranks who will make the transition happen, but also every Twinbird employee. In a company like Twinbird made up of a relatively small group of elite professionals, I feel that it's necessary for every person to share the same commitment and be able to explain it in their own words. I think it's very encouraging to see Twinbird steadily working to make that happen. Continuity is essential in these efforts, so I will keep an eye on activities aimed at deepening this shared understanding throughout the Company from my position as outside director.

Although the direction of Twinbird's transition has been decided, it will still take time for the results to appear. I believe that we are now working through a period of struggle and confusion, even though we know our direction is correct.

Given these circumstances, the Board of Directors and Governance Committee go over not just the big-picture direction, but dive into the details, such as specific management figures, the state of sales on the ground, inventory, and employee motivation. It is these details that allow us to understand where we stand and respond accordingly.

Earlier, Mr. Kato spoke about harmony between top-down and bottom-up management styles. At Twinbird, the floor is always open for us to easily to express our opinions, but the president comes to the forefront to organize the meeting and express his own opinions when necessary, striking the perfect balance between the two styles.

### How Should Twinbird Strengthen Its Manufacturing to Enhance Corporate Value in the Future?

**Komamiya:** Until now, Twinbird's manufacturing was focused on providing convenient home electric appliances at affordable prices. Now, however, we are working on manufacturing that can realize products that offer higher quality lifestyles.

Balancing price with customer satisfaction is an important element of the rebranding. Our employees put their heart into developing products they believe in, and prices are proposed based partly on comparison with competitors. Looking at multiple perspectives, I would like to reexamine just how willing our target consumers are to buy our products at these prices. And, if the opportunity arises, I would like to help look for room for improvement in the product development system, as well.

## Twinbird's ESG

### Outside Directors' Dialogue



Takako Hagiwara



Yoshitaka Kato



Takashi Komura



Masazumi Shimada



Fumihiro Komamiya

**Komura:** In manufacturing, Twinbird has kept the spirit of local craftsmanship from the Tsubame-Sanjo area: “If no one else can make it, we’ll make it ourselves,” and “We’ll persevere, never give up, and always make good products.” This is part of Twinbird’s very DNA, and we strive to live up to it every day.

To nurture this spirit, we have in place a personnel training system, including the TWINBIRD Academy, our internal university. The fruits of this system are gradually becoming evident.

**Kato:** The Tsubame-Sanjo area has been a center for craftsmanship since the 16th century, and the FPSC is the result of the successful integration of that expertise. The reason this was possible boils down to a single, crucial point—Twinbird’s perseverance. The FPSC came to fruition after about twenty years of research. This was a major event in Twinbird’s history.

The importance of quality, respect for business partners, focus on the customer perspective, and cultivation of human resources in R&D are all crucial to Twinbird. These principles may sound commonplace, but the difference that has led to Twinbird’s success is the collaborative utilization of its regional roots and its strong perseverance. There is also our desire to stand out as much as we can. I’m looking forward to creating bold opportunities and putting considerable focus on diversity and women’s career advancement over the next few years.

**Shimada:** Twinbird’s home is the Tsubame-Sanjo area, world-renowned for its manufacturing, and the Company has been supported by its people since its founding seventy years ago. During this time, we have encountered and overcome a number of difficulties, and have evolved step by step by placing importance on the basics, even while dealing with changes in the market and other adversities.

We have been held fast to our management philosophy, “develop products that offer emotional impact and amenity.” Our newly established brand lines, “Takumi Premium” and “Kando Simple,” both align with this management philosophy.

In manufacturing, it is essential to remember that each step must dutifully serve the next, setting it up for success. It’s not enough to focus just on one’s own work; when we instead make sure to consider the next steps in the manufacturing process, teamwork improves, quality improves, productivity increases, and mistakes can be prevented. By thus treating each of our colleagues who perform the steps after us as if they were customers to serve, we come together to finish the product and deliver it to the actual customers. It’s also important to make these processes clear. These ongoing efforts are essential to good manufacturing. I also believe that the most important part of manufacturing goods is the cultivation of people—they are the most vital resource.

**Hagiwara:** I think one of Twinbird’s biggest strengths is that each and every employee is proud of the manufacturing we do. It will continue to be important for us to uphold this manufacturing by proactively passing on Twinbird’s cherished commitment, skills and the mindset of being able to handle change, and to create various mechanisms for conveying them positively. The passing down of both skills and the thought processes behind them is a source of pride for our craftspeople. This will lead to a beneficial cycle of the cultivation of human resources and, in turn, of the Company. I would like to see a more conscious effort to promote this.

Another one of Twinbird’s assets is the mindset of accepting others’ points of view. Twinbird’s current strength comes from a long history of first accepting the abilities of others, rather than simply rejecting their opinions, and then incorporating their ideas into our own to develop them further. I’m looking forward to seeing this expand dynamically.

### How Should Twinbird Contend with Social Issues and Carve out New Growth Fields for the Future?

**Kato:** To pioneer new business fields for FPSCs and other technologies, we must urgently address human resource development that emphasizes the talents of each individual. If we don’t, Twinbird will not be able to take advantage of the wave of opportunities rushing toward it in the future. To ensure that we don’t miss out on opportunities either in Japan or the world, we must bring together the talents the Company currently has, new talent joining the Company, and the strengths of others. I feel that it will be critical to create as many success stories as we can.

In this way, I expect FPSC to be a catalyst for dramatic growth. I intend to fulfill my role as outside director by giving advice on efficiently increasing growth potential and by conducting appropriate checks on governance.

**Komamiya:** Yes, the FPSC is a valuable technology that the Company successfully developed through many years of perseverance. This technology has great potential for the future of the Company. It will be crucial to pioneer new business avenues by taking advantage of the strengths of the FPSC, such as its precise temperature control. I think the Company should promote the FPSC globally—not only to sell Twinbird products and technologies, but also to make other companies aware of the advantages of our products and technologies so that they can bring us proposals for new ways to utilize it.

Domestic awareness of the FPSC has increased, but its international presence is still minor. I believe that there are many companies overseas that could become valuable new collaborators.

**Shimada:** Speaking of the FPSC, I recently went to a hospital to get my COVID-19 booster shot. While I was there, I just happened to see one of Twinbird’s Deep Freezers

being brought in! I was very impressed to see how useful it was on the ground in the medical field. I would love for the Company’s employees to share in the success of helping to solve a global medical issue, even with our small-town roots as a regional home electric appliance manufacturer, and I hope that they will keep working on new ideas for business transformation.

**Komura:** Global warming is another global issue that the FPSC can contribute to solving. The FPSC is environmentally friendly because the coolant it uses is helium gas, which has a global warming potential of zero and generates little heat. The Company also overcame the difficult challenge of mass production through many years of effort. In the future, I hope to see work on low-cost mass production and expand the business outside the bounds of the medical field to the cold chain as a whole.

**Hagiwara:** Providing products and services that solve social issues has become a priority shared by many Japanese companies. The FPSC is a great example of a proprietary strength that helps solve a social issue. How can we further improve and utilize Twinbird’s strengths? Since Twinbird is skilled at utilizing the strengths of others, directly and as motivation to refine its own capabilities, it will be important to be even more closely in touch with industry developments various social issues, both domestically and internationally. I’m excited to see Twinbird utilize the latent potential, just waiting to be unearthed, of the FPSC and Twinbird’s other technologies to create new products and services. I’m sure that if each and every employee takes on this perspective, it will further enhance Twinbird’s its ability to contribute to society.

## Twinbird's ESG

Management Structure (As of November 1, 2022)

### Directors and Audit and Supervisory Committee Members




**Shigeaki Nomizu**  
President & CEO

**Career Summary**  
Mar. 1989 Joined the Company  
Dec. 1999 Deputy General Manager, Hong Kong Representative Office  
Mar. 2004 General Manager, Overseas Sales Department  
Mar. 2005 Deputy Group Executive, Sales Division  
June 2007 Director, Deputy Group Executive, Sales Division  
Oct. 2009 President, Soei Co., Ltd. (current position)  
June 2010 Senior Managing Director, General Manager, Corporate Planning Office, Export Control Office, and Information Management Department of the Company  
June 2011 President & CEO (current position)  
Apr. 2014 Director, Twinbird Electrical Appliance (Shenzhen) Co., Ltd.  
May 2017 Chairman, Twinbird Electrical Appliance (Shenzhen) Co., Ltd.




**Tsutomu Satoh**  
Senior Managing Director  
Group Executive,  
Production Division  
Director in Charge of Quality Assurance Division

**Career Summary**  
Mar. 1979 Joined the Company  
Mar. 1994 General Manager, Production Control Department  
June 2007 Deputy Group Executive, R&D and Production divisions  
June 2008 Director, Deputy Group Executive, R&D and Production divisions  
June 2011 Managing Director, Deputy Group Executive, R&D and Production divisions  
Mar. 2012 Managing Director, Group Executive, Production Division  
Mar. 2014 Managing Director, Group Executive, Quality Assurance and Production Control Division  
May 2017 Senior Managing Director, Group Executive, R&D and Production Division  
Mar. 2020 Senior Managing Director, Director in Charge of R&D and Production Division, Group Executive, Quality Assurance Division  
Chairman, Twinbird Electrical Appliance (Shenzhen) Co., Ltd.  
Sep. 2020 Senior Managing Director, Director in Charge of R&D and Production Division  
Group Executive, Quality Assurance Division  
May 2021 Senior Managing Director, Managing Director in Charge of Production Division  
May 2022 Senior Managing Director, Group Executive, Production Division  
Director in Charge of Quality Assurance Division (current position)



**Masazumi Shimada**  
Outside Director  
(Audit and Supervisory Committee Member)

**Career Summary**  
Mar. 1982 Joined Shimada Printing Paper Co., Ltd.  
Apr. 1989 Managing Director, Shimada Printing Paper Co., Ltd.  
Feb. 1997 Representative Director and President (current position), Shimada Printing Paper Co., Ltd.  
June 2004 Appointed Outside Corporate Auditor & Supervisory Board Member of the Company  
May 2016 Appointed Outside Director (Audit and Supervisory Committee Member) of the Company (current position)



**Takashi Komura**  
Outside Director  
(Audit and Supervisory Committee Member)

**Career Summary**  
Nov. 1994 Passed the bar examination  
Apr. 1997 Registered as Attorney at Law  
Joined Ban Law Office (currently Ban Bill Law Office)  
Oct. 2002 Founded Komura Law Office as Representative (current position)  
May 2019 Appointed Outside Director (Audit and Supervisory Committee Member) of the Company (current position)



**Kazunori Kobayashi**  
Director (Newly Appointed)  
General Manager,  
Internal Audit Department  
Director in Charge of the Corporate Planning and Administration Division


**Career Summary**  
Feb. 2014 Left NCS Corporation (a Daiishi Bank group company)  
Mar. 2014 Joined the Company  
Executive Officer  
Mar. 2015 Executive Officer  
Group Executive, General Planning & Administration Division  
Mar. 2017 President & CEO, MAINTS CORPORATION  
Mar. 2019 Executive Officer  
Group Executive, Corporate Planning Division  
May 2019 Executive Officer  
Group Executive, Corporate Planning Division and General Administration Division  
Director and Deputy CEO, Twinbird Electrical Appliance (Shenzhen) Co., Ltd.  
July 2019 Executive Officer  
Group Executive, Corporate Planning Division  
Director  
May 2022 General Manager, Internal Audit Department  
Director in Charge of Corporate Planning Division and General Administration Division  
Director  
Nov. 2022 General Manager, Internal Audit Department  
Director in Charge of the Corporate Planning and Administration Division (current position)



**Takayuki Asami**  
Director (Newly Appointed)  
Group Executive,  
Marketing Division  
General Manager,  
Brand Strategy Department  
Director in Charge of Sales Division

**Career Summary**  
Jan. 2019 Left Sony Corporation (currently Sony Group Corporation)  
Feb. 2019 Joined the Company  
Executive Officer  
Mar. 2020 Executive Officer  
Group Executive, Marketing Division  
General Manager, Brand Strategy Department  
Tokyo Branch Manager  
May 2020 Director, MAINTS CORPORATION  
Nov. 2021 Director, Twinbird Electrical Appliance (Shenzhen) Co., Ltd.  
May 2022 Director  
Group Executive, Marketing Division  
General Manager, Brand Strategy Department  
Tokyo Branch Manager  
Director in Charge of Sales Division (current position)

### Executive Officers



**Keizo Watanabe**  
Executive Officer  
Chief Financial Officer  
Group Executive, Corporate Planning and Administration Division

**Career Summary**  
Prior to joining the Company in fiscal 2021, he was in charge of domestic and overseas finance and accounting at a manufacturer of instruments and sensors. He also has experienced serving as an executive officer and general manager of a finance control department and business management control department.



**Junya Inoue**  
Executive Officer (Newly Appointed)  
Deputy Group Executive,  
Corporate Planning and Administration Division  
General Manager, Corporate Planning Department and Business Reform Department

**Career Summary**  
Prior to joining the Company in fiscal 2022, he accumulated a wide range of experience in corporate planning, sales promotion, and information systems at a major construction materials and automotive parts manufacturer. He has also served as president of overseas subsidiaries, primarily in the United States.




**Yoshiaki Kawamura**  
Director (Newly Appointed)  
Group Executive,  
R&D Division

**Career Summary**  
Apr. 2008 President, Toshiba Consumer Products Thailand Co., LTD.  
Apr. 2019 Left TOSHIBA HOME TECHNOLOGY CORPORATION  
May 2019 Joined the Company  
Executive Officer  
Mar. 2020 Executive Officer  
Group Executive, R&D and Production Division  
Director and CEO, Twinbird Electrical Appliance (Shenzhen) Co., Ltd.  
Sep. 2020 Executive Officer  
Group Executive, R&D Division  
Director  
May 2022 Group Executive, R&D Division (current position)




**Yoshitaka Kato**  
Outside Director

**Career Summary**  
Oct. 1983 Joined Pricewaterhouse (currently PricewaterhouseCoopers Aarata LLC)  
Mar. 1988 Registered as a Certified Public Accountant  
Oct. 1990 Joined Fidelity Investments Management (Japan) Limited (currently Fidelity Investments (Japan) Limited)  
May 1994 Joined Yamada Accounting Office (currently Grant Thornton Yamada & Partners)  
Nov. 1999 Representative Partner, YUSEI Audit & Co. (currently Grant Thornton Taiyo LLC)  
Mar. 2002 General Representative Partner, YUSEI Audit & Co.  
Jan. 2017 Chairman and Representative Partner, YUSEI Audit & Co.  
June 2017 Appointed Outside Audit & Supervisory Board Member of Alfresa Holdings Corporation (current position)  
July 2018 Representative Director and President, Crowe Pro.C.A Inc. (currently Pro C.A Inc.)  
May 2019 Appointed Outside Director of the Company (current position)  
Mar. 2022 Outside Director, SBI SAVINGS BANK (current position)



**Eiichi Watanabe**  
Executive Officer  
Group Executive,  
Quality Assurance Division

**Career Summary**  
Prior to joining the Company in fiscal 1990, he was engaged in the introduction of new U.S. laser technology and electrical and electronic design of machine tools at a general engineering manufacturer.




**Jiro Ueno**  
Executive Officer (Newly Appointed)  
Group Executive,  
Sales Division

**Career Summary**  
Since joining the Company as a new graduate in fiscal 1994, he has worked in the Sales Division, primarily in the gift and mail order sales channel. After serving as General Manager of the Gift and Mail Order Sales Department, and Deputy Group Executive of the Sales Division, he was appointed Group Executive of the Sales Division in June 2021.



**Takako Hagiwara**  
Outside Director

**Career Summary**  
Apr. 1984 Joined Sony Corporation (currently Sony Group Corporation)  
Apr. 2014 Representative Director, Sony Hikari Corporation (currently Sony Kibou/Hikari Corporation)  
Representative Director, Sony Kibou Corporation (currently Sony Kibou/Hikari Corporation)  
Feb. 2015 Director and Chief Health Officer, Green House Co., Ltd.  
Managing Executive Officer, Green Food Management Systems Co., Ltd.  
Managing Director, G.H.F. Management Co., Ltd.  
Director, Green Hospitality Management Co., Ltd.  
Senior Managing Director, Senshu Global Co., Ltd.  
July 2020 Representative Director, DDD Corporation (current position)  
May 2021 Appointed Outside Director of the Company (current position)  
June 2021 Outside Director, Inabata & Co., Ltd. (current position)  
Outside Director, NEC Capital Solutions Limited (current position)



**Fumihiko Komamiya**  
Outside Director  
(Audit and Supervisory Committee Member)

**Career Summary**  
July 1985 Director, Fukui Prefecture Obama Tax Office  
July 1986 Deputy Director, International Tax Division, Tax Bureau, Ministry of Finance  
May 1988 JETRO San Francisco Office Representative  
July 1991 Deputy Director, Large Enterprise Examination Division, Large Enterprise Examination and Criminal Investigation Department, National Tax Agency  
Associate Professor, Faculty of Law, Niigata University (Graduate school)  
July 1997 Professor, Faculty of Law, Niigata University (Graduate school)  
Feb. 2005 Registered Attorney at Law  
Founded Komamiya Law and Tax Office as Representative (current position)  
May 2017 Appointed Outside Director of the Company  
Apr. 2018 Professor Emeritus, Niigata University (current position)  
Sep. 2018 Specially Appointed Professor, Graduate School of Professional Accountancy, Aoyama Gakuin University (current position)  
May 2019 Appointed Outside Director (Audit and Supervisory Committee Member) of the Company (current position)  
Appointed Auditor of Twinbird Electrical Appliance (Shenzhen) Co., Ltd.  
Appointed Outside Corporate Auditor, MAINTS CORPORATION  
Apr. 2020 Specially Appointed Professor, Graduate Institute for Entrepreneurial Studies (current position)



**Tsuyoshi Miyai**  
Executive Officer  
For Special Mission to  
the Sales Division

**Career Summary**  
Prior to joining the Company in fiscal 2013, he worked at a major material manufacturer where he took on R&D, new business development projects, and a broad range of other assignments, including the operation of a joint venture established in tandem with a U.S.-based firm in connection with the development of new applications for optical elements and bio materials.

## Twinbird's ESG

### Human Resources Initiatives: Cultivating Passionate Human Resources



## Future Human Resource Development

**Takako Hagiwara**  
Outside Director

Twinbird is expected to continue to expand its business and contribute to society with an eye to the global market. To ensure Twinbird's continued growth and development going forward, it will be important to cultivate human resources and develop the organization as a whole. During this time of promoting change, the cornerstone of our organization is that each and every employee shares the same Management Philosophy, Purpose, Values, and Vision. Employees should be proud of working at Twinbird, and always be aware of what the Company has built that it should continue to protect, as well as what it must challenge and change. This balance will enhance employees' ability to realize change.

To maintain an organization that is good at keeping up with changes, it is important to have employees with diversity of various attributes such as age, gender, experience, and background, and an environment where each individual is respected and encouraged to work passionately and competitively. To ensure that this diverse workforce is willing to take on challenges and perform at their full potential, it is important to ensure psychological safety. By raising awareness of mutual

understanding and trust, we expect employees to work on their own unconscious biases and to enhance communication, regardless of their attributes. New awareness and ideas are the starting point of innovation.

Creating opportunities for every employee to continue to grow, and raising awareness of these opportunities, will help Twinbird attract the best talent and increase employee engagement. In addition to refining specialist skills (including product planning and development, manufacturing, quality control, sales, administration, and customer support) to a high degree, both the organization and the individual gain strength through the cultivation of human resources who can view the business from a Company-wide perspective, including by being interested in areas outside of their primary domain. I hope that Twinbird will continue to nurture a group of human resources who are aware that the transformation and development of the Company is our own business, and who enjoy change and challenge.

I look forward to seeing Twinbird continue to be a place where each and every employee shines.

### Internal University "TWINBIRD Academy"

Helping employees achieve personal growth is essential to achieving the goals of the medium-term business plan. We also believe that our corporate growth directly hinges on the success of this endeavor. Based on this belief, in fiscal 2019 we established "TWINBIRD Academy," an internal university aimed at empowering each employee to spontaneously pursue the betterment of their knowledge and expertise no matter what their age or experience. The academy is striving toward the creation of a corporate culture in which everyone helps one another gain knowledge even as they themselves continue to study.

As of September 2022, more than 166 original programs are offered by TWINBIRD Academy. Looking ahead, we will focus mainly on enhancing the content of programs linked

with the medium-term business plan and the new human resource management system.

- characteristic 01: Web-based learning programs**  
Video-based and other programs are made available online to employees (anywhere, anytime) to help them pursue effective learning.
- characteristic 02: Joint training and external training opportunities (face-to-face)**  
In-house and external lecturers contribute their insights to support necessary learning to address the needs of employees in light of their job ranks and categories.
- characteristic 03: Facility tour and observance**  
Employees participate in on-site tours at Twinbird plants as well as facilities run by its suppliers to enhance their understanding of the Company's operations.
- characteristic 04: Assessment of proficiency and comprehension**  
Follow-up tests are used to confirm knowledge acquisition from the above programs.
- characteristic 05: Systematic management of completion status**  
Status of progress in knowledge acquisition is checked on an individual basis to support employees' personal growth.

#### Five concepts supporting TWINBIRD Academy

- 01: An educational system consistent with the Company's vision, philosophy, strategy, and human resource management system
- 02: A five-year program aimed at nurturing new hires and developing leaders, a group constituting an essential workforce component, during their earlier years
- 03: Creation of a human resource nurturing-oriented corporate culture in which everyone helps one another gain knowledge even as they themselves continue to study
- 04: Everyone acquires new insight through teaching
- 05: An innovative human resource development framework that takes advantage of a combination of digital and physical programs

### Promotion of Internal Branding Activities

In creating a brand, it is important to communicate the brand externally, but it is equally important for every employee to understand the brand and act with an awareness that they are directly involved in creating the brand. The Brand Strategy Department also works on internal branding activities to help the Company understand and implement the direction and ideal brand that Twinbird aims for. In 2020, based on our Management Philosophy, we formulated Purpose/Values/Vision (PVV) to serve as a more concrete indicator for our business operations, and began Change Leader Activities to accelerate the permeation of branding into each organization and department, on a personal level. In 2022, we began conducting PVV workshops to deepen the understanding of PVV through dialogue with each employee, in order to further increase permeation of PVV beyond a state of recognition. We are working to create an environment in which each employee can positively engage in branding by resolving issues identified through these workshops needing resolution outside of a single department, including those that will lead to a better understanding of the Tsubame-Sanjo spirit and a real sense of brand transformation.

By bringing together employees with varying positions, ages, and backgrounds to exchange opinions on the shared theme of PVV, the workshops also help enhance interdepartmental communication.



Promotion of internal branding activities

Although many employees were at first confused by the change, they brought their own individuality to PVV by participating in the workshops, and as a result of their continuous efforts to take home hints for actions to involve others, awareness in the Company is steadily heading in the same direction and branding is moving forward.

Twinbird will continue to implement further branding activities by increasing the number of this year's Change Leaders in fiscal 2022.

### TWINBIRD AWARD, an In-House Award System

The TWINBIRD AWARD is an initiative of the new human resource management system. In line with our human resource vision, this new award system recognizes employees who have taken on the challenge of creating new value and promoting the development of our "Inspiring Company (Person)."

For the TWINBIRD AWARD, employees or groups of employees submit themes that have contributed to business performance. Entries are reviewed by managers and selected for the award based on results from votes from all employees and directors.

With all employees gathered to celebrate their colleagues, the award ceremony was held as a general morning meeting that transcended the boundaries of departmental divisions. By visualizing and rewarding each department's efforts and contributions, we encourage taking on challenges and the realization of our corporate vision of "No. 1 in Customer Satisfaction." With our values (value standards), we strive to lead to the growth of individual employees and the Company as a whole.



Recipients of the president's award of the 2022 TWINBIRD AWARD



At TWINBIRD Academy



## Twinbird's ESG

### Human Resource Initiatives—Cultivating Passionate Human Resources

#### Human Rights Initiatives

As part of our commitment to respecting human rights, the Company conducts annual harassment training to raise awareness of compliance.

To create a safe workplace environment and ensure compliance with laws and regulations, we have established anti-harassment and compliance rules, as well as a consultation point of contact.

In addition, we conduct a survey every year to increase employee happiness, and responses are reviewed by both

the human resources department and management to ensure that every person's voice is heard.

The survey responses are categorized into human resource management system, benefits, and work style; internal facilities and information systems; corporate culture; and management issues. Then, management and the departments in charge consider policies and measures for improvement. Finally, the results are posted on the Company intranet so that employees can check them at any time.

#### Human Resource Vision and Human Resource Management Policy

In the face of rapid changes in the external environment, businesses are being called upon to accurately assess the needs of society and customers as they work to solve pressing challenges via a transition to new business models.

Accordingly, nurturing human resources capable of contributing to these endeavors is a matter of utmost importance.

Previously, the key management resources a business relied on were typically defined as "manpower," "goods," and "capital." Today, however, the success of a business depends much more on the capabilities of its human resources. With this in mind, our human resource development efforts are focused on securing excellent candidates and helping them realize their full potential.

The medium-term business plan (2020-2022) sets forth our corporate vision of being "No. 1 in Customer

Satisfaction." To realize this and clarify what we value in our employees (the values and decision criteria Twinbird upholds), we have established our human resource vision as "Becoming an Inspiring Company That Offers Emotional Impact and Realizes No. 1 Customer Satisfaction." Guided by this human resource vision, we also declared as our human resource management policy, "Supporting Your Pursuit of Ideals," in which we lay out the direction of and important standards for our human resource strategies.

Aiming to realize the vision and policy, in fiscal 2020 we introduced a new human resource management system designed to respect diversity in employee values pertaining to work and help each individual realize their full potential.

#### New Human Resource Management System

Under a new human resource management system, we have defined three job categories to better accommodate employees' diverse values and visions regarding their careers.

We call these job categories "Nests." Like those of their avian counterparts, these nests are designed to nurture human resources, helping them fully realize their competencies vis-à-vis their respective duties. First, the "managerial nest" consists of those holding key managerial positions whose goal is committing to the Company, and thus bearing organizational and staff management responsibilities.

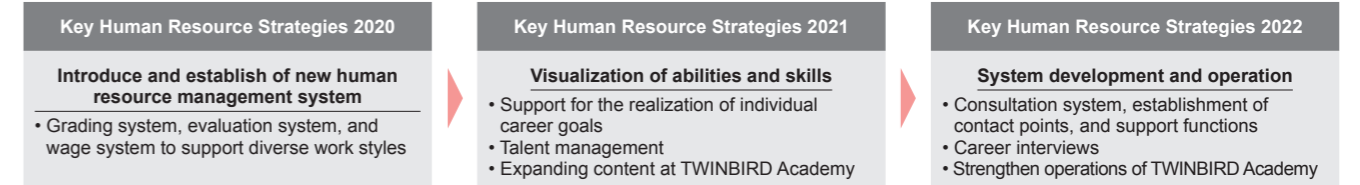
Second, the "professional nest" consists of those expected to contribute their specialist skills and experience in particular fields, and evaluations balance role goals with standards of conduct. Third, the "regular nest" consists of those tasked mainly with frontline operations and at the initial stages of developing their talents and career visions, and evaluations focus on standards of conduct. Based on these categories, we have established evaluation and wage systems finely tuned to reward these individuals in light of the roles they are expected to fulfill.

Human resource vision	Human resource management policy (strategic direction and important standards)	Managerial nest (management class)	Professional nest (specialist class)	Regular nest (operational class)
<p><b>"Becoming an Inspiring Company (Person) That Offers Emotional Impact and Realizes No. 1 in Customer Satisfaction"</b>**</p> <ul style="list-style-type: none"> <li>Professionals who strive to inspire hearts and spontaneously take action to this end</li> </ul>	<p><b>"Supporting Your Pursuit of Ideals"</b></p> <p>We will:</p> <ul style="list-style-type: none"> <li>Support those who take on higher goals</li> <li>Seek out potential innovators and offer them promotional opportunities</li> <li>Create work employees can be proud of</li> </ul>	<ul style="list-style-type: none"> <li>Reflect achievements of managerial employees in wage levels and set wage range robustly with the aim of retaining competitive human resources</li> </ul>	<ul style="list-style-type: none"> <li>Rewarded by flexibly adjusted wages commensurate with labor value</li> </ul>	<ul style="list-style-type: none"> <li>Eligibility for an annual wage hike contributes to confidence while encouraging workers to shape their career visions</li> </ul>

\* This refers to both a manufacturing company that produces inspiring products and an individual who strives to accomplish an inspiring job.

#### Respecting Diverse Values and Implementing the Human Resource Management System, Talent Development, and Career Support

By implementing the human resource management system, talent development, and career support according to the diverse work values and career plans of each individual, we seek to maximize organizational capabilities and "employee happiness" throughout their careers.



#### Promoting Diversity

As we strive to empower our diverse human resources to fully live up to their competencies and thereby achieve happiness via career development, we believe that it is important to create an organizational culture and working environment that encourages all to respect one another's values and personalities.

Accordingly, we are developing an inclusive workplace environment that allows all to work with confidence regardless of gender and helps them to strike a balance between duties and family life. We are also stepping up initiatives to help women raise their competencies and offer them higher positions. Thanks to these proactive efforts, in 2013 we were certified as a corporation registered under the Happy Partner Companies program sponsored by Niigata Prefecture (a certified Enterprise Promoting Gender Equality; registration No. 539). In 2019, we were additionally certified by the prefecture as "an Enterprise Supporting Child Rearing."

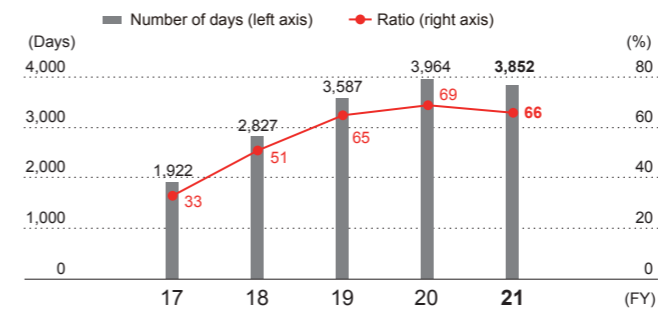


In addition, we have formulated an action plan for the development of the next generation and are promoting the usage of annual paid leave to enhance work-life balance. As a result, the ratio of annual paid leave used has made steady improvement each year since fiscal 2017.

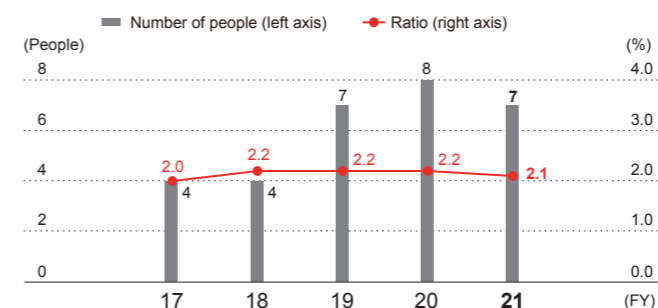
We have set the retirement age at 65 to ensure an environment in which veteran employees can work with confidence and are better positioned to pass down their abundant knowledge and experience to younger generations.

As a result of actively promoting the employment of people with disabilities, we achieved the legally mandated employment ratio in fiscal 2019. In cooperation with Public Employment Security Office and the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers, we accept company tours and participate as instructors in training sessions for vocational support to help promote employment of persons with disabilities.

Number and ratio of annual paid leave days used



Number and ratio of people with disabilities being hired



Workshop on employment of people with disabilities

## Twinbird's ESG

### Our Contribution to Society

## Harmoniously Coexisting with Regional Communities

### Interacting with Community Neighbors via the TWINBIRD × Tsubame-Sanjo Summer Festival

We host this annual event on the premises of the Twinbird Head Office to express our gratitude to the communities in which we operate. Held with the cooperation of other companies based in Tsubame-Sanjo, the event focuses on providing an inspiring summertime experience for all attendees, with opportunities to enjoy food and other regional specialties. The scale of the event has grown steadily, and the latest round held in 2019 attracted more than 2,500 people.

Note: In 2022, to protect the health and safety of all visitors and people involved, the event was cancelled.



Photos from the 2019 event

### Business Activities Employing Unique Manufacturing Resources in the Tsubame-Sanjo Region of Niigata Prefecture



地域未来牽引企業  
Logo of companies  
Driving Regional Growth

In December 2018, Twinbird was selected by the Ministry of Economy, Trade and Industry (METI) to be included in the list of "Companies Driving Regional Growth" as part of METI's additional selection campaign aimed at identifying businesses expected to play key roles in the future growth of regional economies.

Leveraging government-led support measures given to companies included in the list, Twinbird will act as an advocate for regional communities in the course of business operations. To this end, we will communicate the appeal of these communities to people at home and abroad, and thereby contribute to the vitalization of their economies.

## Initiatives for the Environment

### The Company's Head Office Obtained ISO14001 Certification in 2022.

The Company's main business is the development and manufacture of products, and we view environmental initiatives as one of our most important management issues. We ensure compliance with all relevant laws and regulations, and through the effective operation and continuous improvement of our environmental management system, we will actively work to reduce the environmental impact of our business activities and contribute to the realization of a sustainable society.

#### Environmental Policy

- In accordance with our management philosophy, "offering emotional impact and amenity," TWINBIRD will promote continuous actions in order to realize the sustainable society and strive to reduce environmental impact.
- TWINBIRD will comply with the laws, regulations and agreements relevant environment.
- TWINBIRD will utilize its environmental management system effectively and continuously improve the system.

Based on this Environmental Policy, we have set the following environmental targets for fiscal 2022 and are conducting activities accordingly.

- 1. Reduce environmental impact**
  - (1) Reduce energy use (down 5% compared to previous year)
  - (2) Reduce waste (down 5% compared to previous year)
- 2. Promoting recycling**
  - (1) Thorough dismantling and sorting (recyclables increased by 3% compared to previous year)

### Twinbird Supports the Natural Environment via Solar Power Generation

Utilizing renewable energy in its business operations, Twinbird installed solar power generation systems on the premises of its Head Office, with their maximum output totaling 250kW.



## Gate CAFE at TWINBIRD Nihonbashi Gate Office



TWINBIRD Nihonbashi Gate Office in Tokyo was opened in 2015 to provide a venue for direct interaction with users of its products. Within the office, a showroom equipped with a kitchen, living room and bathroom provides visitors with a hands-on opportunity to experience the Company's products. Employing this showroom, we are proposing home electric appliances that align with users' lifestyles and deliver what they truly need in various situations.

On the ground floor of the building, we have opened Gate CAFE to offer a taste of the specialties from the Tsubame-Sanjo area. The facility employs Twinbird products to cook foodstuffs from Niigata. The authentic meals it serves also feature cutlery manufactured in the prefecture.



#### CAFE

##### Offering a Taste of the Delicacies of Tsubame-Sanjo

Gate CAFE invites patrons to experience a taste of the healthy dietary lifestyle choices proposed by Twinbird. To this end, it serves low-carb bran breads as well as meals incorporating fresh vegetables and other foodstuffs delivered every morning from Niigata.

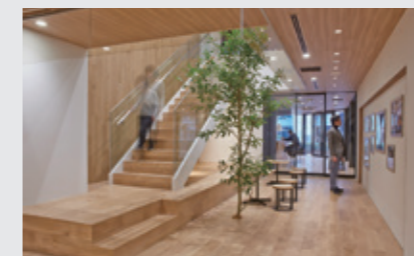
Gate CAFE  
Open from 8:00 to 17:30 (Last order: 17:00)  
Closed on Saturdays, Sundays, and national holidays



#### SHOWROOM

##### Offering Hands-on Experience of "Made in Tsubame-Sanjo"

At the antenna shop, visitors can get a close look at Twinbird products. Moreover, the shop displays Tsubame Tsuiki Douki, traditional handcrafted copperware that is well known as a premium brand representing the Tsubame-Sanjo area, as well as cutlery and other goods made by local manufacturers. In this way, the antenna shop is actively communicating the appeal of Tsubame-Sanjo by letting visitors know about the outstanding craftsmanship unique to the area.



#### EVENTS

##### Teaching People about Life in Tsubame-Sanjo

In line with a policy of taking heed of customers' voices, Twinbird organizes various events, including summer festivals and Facebook-based fan events. Employing Gate CAFE, the Company also holds events aimed at turning people into fans of Twinbird and Tsubame-Sanjo. These Gate CAFE events are also intended to promote the co-creation of new value in tandem with customers. To this end, we invite patrons who stop by to enjoy a taste of the rich dietary heritage of the Tsubame-Sanjo area while learning about the region's craftsmen, their outstanding techniques and their unparalleled passion for manufacturing.

## Data Section

## 10-Year Trends in Key Performance Indicators

			The 51st fiscal period	The 52nd fiscal period	The 53rd fiscal period	The 54th fiscal period	The 55th fiscal period	The 56th fiscal period	The 57th fiscal period	The 58th fiscal period	The 59th fiscal period	The 60th fiscal period
			Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
<b>Consolidated Statements of Income Items (millions of yen)</b>												
Net sales			12,396	11,144	13,357	13,611	13,406	13,164	11,625	12,159	12,505	12,869
Operating income			313	354	216	589	516	211	113	178	608	719
Ordinary income			324	327	523	410	256	105	57	66	484	610
Net profit/loss attributable to owners of the parent			150	226	338	330	177	108	18	(133)	164	419
Comprehensive income			540	306	1,334	(1,009)	(134)	179	39	(83)	317	748
Depreciation and amortization			82	83	102	154	185	202	195	195	177	157
R&D expenses			603	503	568	572	605	448	469	419	540	684
<b>Consolidated Balance Sheet Items (millions of yen)</b>												
Net assets			6,262	6,525	7,786	6,726	6,485	6,554	6,504	6,322	8,068	8,701
Total assets			9,475	9,605	13,792	12,907	12,518	12,557	12,521	11,582	12,971	11,121
<b>Consolidated Cash Flow Items (millions of yen)</b>												
Cash flows from operating activities			219	133	(175)	1,203	(162)	724	(1)	1,535	887	1,517
Cash flows from investment activities			(450)	(398)	(1,744)	(352)	(949)	(331)	(551)	(115)	(56)	(524)
Cash flows from financial activities			312	7	1,677	320	(107)	(3)	(46)	(1,163)	539	(1,985)
Cash and cash equivalents at the end of the year			1,084	851	633	1,794	557	947	365	627	1,989	1,009
<b>Per Share Data (yen)</b>												
Net assets per share			717.72	747.85	892.63	771.22	743.62	750.18	744.46	723.61	763.38	822.29
Profit/loss for the year per share			17.29	25.99	38.83	37.93	20.34	12.43	2.17	(15.32)	17.44	39.64
<b>Management Indicators (%)</b>												
Stability	Current A/L ratio	Current assets / Current liabilities	303.4	363.7	219.3	253.9	261.1	245.8	222.3	225.1	259.4	297.2
	Liquidity ratio	Liquid assets / Current assets	184.4	200.0	105.3	154.3	141.6	141.2	102.8	118.0	166.5	151.7
	Noncurrent ratio	Noncurrent assets / Net assets	49.5	48.9	71.1	69.4	79.7	76.6	78.2	75.3	55.4	55.4
	Long-term adaptation ratio	Noncurrent assets / (Net assets + Noncurrent liabilities)	42.0	40.7	55.2	48.3	53.3	52.9	55.4	55.7	46.1	53.5
	Equity ratio	Net assets / Total assets	66.1	67.9	56.5	52.1	51.8	52.2	51.9	54.6	62.2	78.2
Profitability	Profit margin (%)	Net profit for the year / Net sales	1.2	2.0	2.5	2.4	1.3	0.8	0.2	(1.1)	1.3	3.3
	Operating income ratio (%)	Operating income / Net sales	2.5	3.2	1.6	4.3	3.9	1.6	1.0	1.5	4.9	5.6
	Total asset turnover (times)	Net sales / Average total assets	1.31	1.17	1.14	1.02	1.06	1.05	0.93	1.01	1.02	1.07
	ROA (%)	Profit for the year / Average total assets (synonymous with Profit margin × Total asset turnover)	1.6	2.4	2.9	2.5	1.4	0.9	0.2	(1.1)	1.3	3.5
	Financial leverage (times)	Average total assets / Average net assets	1.6	1.5	1.6	1.8	1.9	1.9	1.9	1.9	1.7	1.4
	ROE (%)	Profit for the year / Average shareholders' equity (synonymous with ROA × Financial leverage)	2.5	3.5	4.7	4.6	2.7	1.7	0.3	(2.1)	2.3	5.0
Share price valuation status	Price earnings ratio (PER) (times)	Share price / Net profit for the year per share (synonymous with Market capitalization / Profit for the year)	13.59	8.58	8.01	8.33	30.72	58.73	229.27	(26.82)	80.26	16.70
	Price book-value ratio (PBR) (times)	Share price / Net assets per share	0.33	0.30	0.35	0.41	0.84	0.97	0.67	0.57	1.83	0.81
Shareholder returns	Cash dividends per share (yen)		5.00	5.00	7.00	10.00	15.00	10.00	11.00	11.00	12.00	15.00
	Dividend on equity ratio (DOE) (%)	Cash dividends per share / Net assets per share (synonymous with Total cash dividends / Net assets)	0.7	0.7	0.8	1.3	2.0	1.3	1.5	1.5	1.6	1.9
Growth potential	Total assets growth ratio (%)	(Total assets for the year – Total assets for the previous year) / Total assets for the previous year	0.8	1.4	43.6	(6.4)	(3.0)	0.3	(0.3)	(7.5)	12.0	(14.3)
	Net sales growth ratio (%)	(Net sales for the year – Net sales for the previous year) / Net sales for the previous year	(17.4)	(10.1)	19.9	1.9	(1.5)	(1.8)	(11.7)	4.6	2.9	2.9
<b>Other data</b>												
Number of employees (excluding average temporary hires) (non-consolidated basis)			296 [28]	289 [25]	278 [22]	278 [36]	275 [41]	289 [31]	295 [26]	296 [29]	294 [25]	303 [27]
Female employees [Percentage of female employees] (%)			—	—	—	—	—	100 [31.3]	101 [31.5]	104 [32.0]	103 [32.0]	113 [34.2]
New graduates [Percentage of female new hires] (%)			—	—	—	—	—	11 [46]	9 [40]	10 [54]	9 [50]	18 [50]
People who left the Company [Turnover rate] (%)			—	—	—	—	—	9 [3.1]	13 [4.5]	14 [4.8]	14 [4.8]	13 [4.4]
Average number of years worked			—	—	—	—	—	20.6	20.5	20.9	21.0	20.7
Retention rate for new hires after three years (%)			—	—	—	—	—	89	100	100	89	89
Total work hours per person (Of which, average overtime per employee)			—	—	—	—	—	1,989 [13.6]	2,005 [14.4]	1,912 [11.3]	2,053 [17.1]	2,140 [16.3]
Electricity use (Head Office and Tokyo Branch) [Power generation] (MWh)			—	—	—	—	—	2,550 [313]	2,397 [306]	2,205 [320]	2,427 [292]	2,606 [315]
Number of patents held (as of the fiscal year-end)			—	—	—	—	—	96	95	90	93	96

Notes: 1. Consumption and other taxes are not included in net sales.

2. R&amp;D expenses represent the sum of selling, general and administrative expenses as well as manufacturing costs.

3. The Company has been operating a stock benefit trust from the 55th fiscal period onward to reward its directors (excluding outside directors and directors who have concurrent membership in the Audit and Supervisory Committee). Company shares held by the stock benefit trust are, in the course of calculating net assets per share, deemed treasury stock and therefore excluded from the total number of shares outstanding at the end of the year. Similarly, in the course of calculating profit/loss for the year per share, shares deemed treasury stock are excluded from the calculation of average number of shares during the year.

4. Number of employees indicates number as of the end of each fiscal year.

5. Figures in parentheses represent negative numbers.

## Data Section

### Company Profile (As of October 13, 2022)

#### Corporate Outline

<b>Company name</b>	TWINBIRD CORPORATION
<b>Start of operations</b>	1951
<b>Inauguration</b>	1962
<b>Capital</b>	JPY 2,517.27 million
<b>Net sales</b>	JPY 12,800 million (consolidated basis for the fiscal year ended February 2022)
<b>Fiscal year-end</b>	End of February
<b>Business sector</b>	Manufacture and sale of home electric appliances, etc.
<b>Number of employees</b>	308 (consolidated, as of February 2022)
<b>Market listing</b>	Tokyo Stock Exchange (Standard Market)

#### Head Office, Main Branches, and Sales Offices

<b>Head Office</b>	2084-2, Yoshida-Nishiota, Tsubame, Niigata 959-0292 TEL. +81-256-92-6111 FAX. +81-256-92-7582
<b>Tokyo Branch</b>	TWINBIRD Nihonbashi Gate Office 14-4, Nihonbashi Kodenmachi, Chuo-ku, Tokyo 103-0001 TEL. +81-3-3663-8771 FAX. +81-3-3663-8641
<b>Osaka Branch</b>	4th floor, Shimamachi Daini Nomura Building, 4-9, Shimamachi 2-chome, Chuo-ku, Osaka-shi, Osaka 540-0034 TEL. +81-6-6946-0811 FAX. +81-6-6946-0833
<b>Niigata Sales Office</b>	2084-2, Yoshida-Nishiota, Tsubame, Niigata 959-0292 TEL. +81-256-92-6119 FAX. +81-256-93-4422
<b>Nagoya Sales Office</b>	3rd floor, Marunouchi 3-chome Building, 14-32, Marunouchi 3-chome, Naka-ku, Nagoya, Aichi 460-0002 TEL. +81-52-231-7551 FAX. +81-52-231-4221
<b>Fukuoka Sales Office</b>	7th floor, Octave Tenyamachi Building, 6-25 Tenyamachi, Hakata-ku, Fukuoka-shi, Fukuoka 812-0025 TEL. +81-92-281-2600 FAX. +81-92-281-2601
<b>Zhongshan Representative Office</b>	8th Zone 1821, 18th Floor, Lihe Commercial Center, No. 16 Zhongshan Third Road, East District, Zhongshan City, Guangdong Province, People's Republic of China

## Data Section

### Status of Stock (As of August 31, 2022)

#### Stock Information

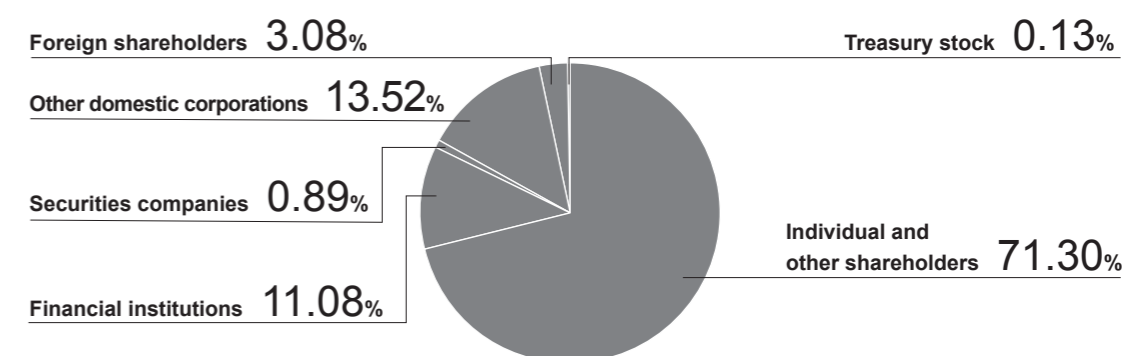
##### Number of shares

Total number of authorized shares	34,000,000
Total number of shares outstanding	10,878,600
	(including treasury stock totaling 14,584 shares)

##### Number of shareholders

15,124

##### Breakdown by type of shareholder (shareholding ratio)



##### Major Shareholders (Top 10)

Name	Number of shares held (thousands)	Shareholding ratio (%)
Soei Co., Ltd.	1,190	10.95
Twinbird Employee Shareholding Association	321	2.96
Development Bank of Japan Inc.	276	2.54
Shigeaki Nomizu	274	2.53
Shigekatsu Nomizu	270	2.49
Custody Bank of Japan, Ltd. (Trust Account)	259	2.39
Toshikatsu Nomizu	197	1.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	132	1.22
Daishi Hokuetsu Bank, Ltd.	109	1.00
Aioi Nissay Dowa Insurance Co., Ltd.	106	0.98

Note: The number of shares held is calculated by rounding off figures less than one thousand. With regard to the shareholding ratio, figures are calculated after deducting treasury stock (14,584 shares) and rounded to the nearest unit.