

SAKURA
享受智能 » 樂在生活

櫻花集團

SAKURA GROUP

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Company Profile

Chairman	Chang, Yung-Chieh
Paid-in Capital	NTD 2.21 billion
Production Base	Taiwan ▶ Head Office / Daya 2nd div. Shenkang / Wufeng Employees : 1,000
	China ▶ Kunshan, Jiangsu (Sakura China) Shunde, Guangdong (Sakura Shunde) Employees : 1,500
	Vietnam ▶ Binh Duong Employees : 110

1978
Founded

1992
Stock listing



Operation Locations

China

- 2 production bases
- Jiangsu, Zhejiang, Shanghai, Sichuan and Guangdong are the main sales core areas
- More than 10,000 sales locations



Sakura China

- Water heater · Range hood · Gas stove · Wall-hung boiler · Whole House Customization



Sakura Shunde

- Range hood · Electric stove · Grill

Vietnam

- 1 production base
- More than 2,000 sales locations

Binh Duong

- Gas stove



Head Office

- Dish Dryer

Taiwan

- 4 production bases
- More than 3,500 sales locations



Shenkang plant

- Range hood
- Punch/Sheet metal/Painting



Daya plant

- Water heater · Gas stove

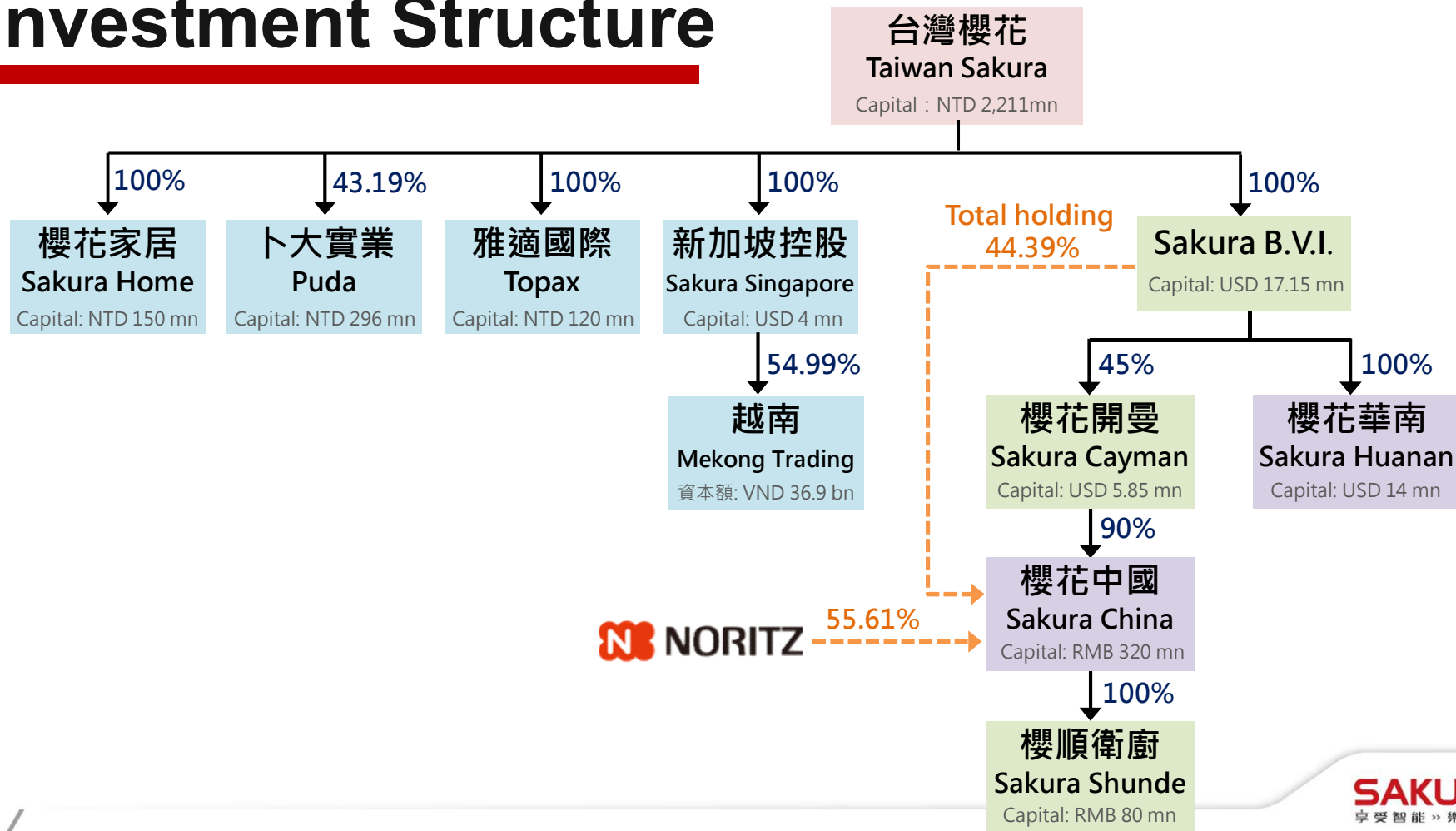


Wuri plant

- Kitchen solution

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Investment Structure



Brand Milestones



- 1978** “ **SAKURA** ” brand established
- 1980** “Free oil filters with a door-to- door delivery” as the free permanent service
- 1987** “Free examination of water heater” as the free permanent service
- 1994** “SAKURA (China) Bath and Kitchen Co., Ltd” officially began the production and sales activities
- 1995** Began to produce **kitchen cabinets** provided to constructors
- 1997** Established the franchising chain store “Sakura Kitchen Life Store”
- 2008** Got the agency of **SVAGO** and **Electrolux**, and stepped into the multi-brand era
- 2009** **SAKURA China** began to produce **kitchen appliances**
- 2010** Started producing and marketing the “solar water heater”
- 2014** Promoting the **four major upgrades**, and reshaping the consumer’s experience with us
- 2017** Sakura brand imposed **the ideal of intelligent products**
- 2020** Established “SAKURA HOME” to provide whole house decoration
Set up the first “SAKURA Department Store Counter ”
- 2021** The No. 1 ideal brand in consumers’ minds for 36 consecutive years

Brand Awards

- Received the **Taiwan Excellence Awards** for **19** consecutive years

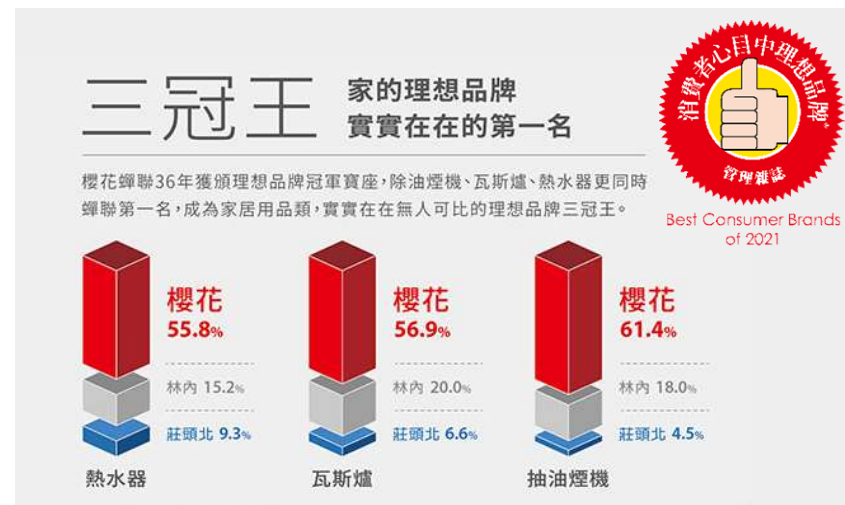


1997 ~ 2022

56 Excellence Awards

6 Excellence Silver Award

- The **No. 1** ideal brand in consumers' minds for **36** consecutive years

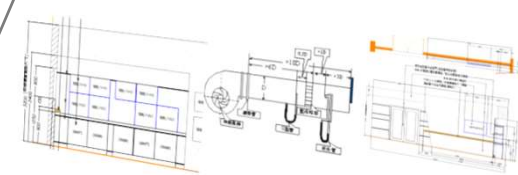


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Business Concept

Innovation
創新

Meet the needs of
local consumers



DFSS/DFMEA



More than 200 R&D personnel in the group
The number of patents exceeds 500



High-pressure leak test Ignition switch test



Constant temperature and moisture duration test Withstand voltage test

品質
Quality

服務
Service

Has the most test equipment
in the industry
Automated manufacturing

**NPS applied
comprehensively**



24/7 service hotline
On-duty service all year round

SAKURA CARE

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Business Prospection



以家庭為發展核心

願景
Vision

▶ **美好居家生活的創造者**
The creator of a better home life

滿足各式家庭
Meet the needs of
a variety of families

輕鬆擁有
Easy to afford

一站式服務
One-stop service

使命
Mission

▶ **以整體解決方案全心創造優質家庭生活**
Create high-quality family life wholeheartedly with overall solutions



策略
Strategy

Stable Growth of Existing Business

- Water Heater & Kitchen Appliance
- Kitchen Solution
- Import business
- Export business

New Business Development

- Water Purifier
- Whole House Customization
- Vietnam Market

Sustainable Development

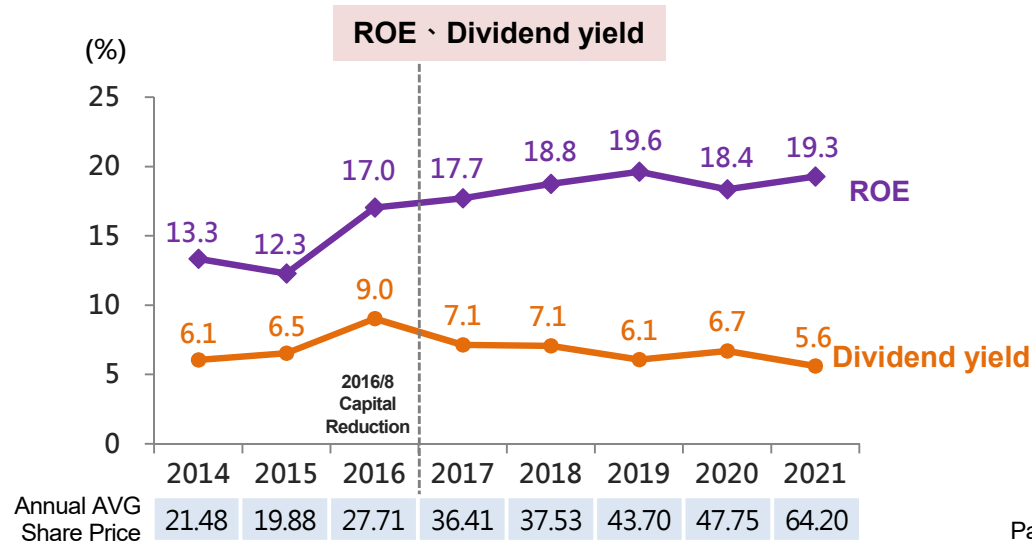
- New Plant Planning
- Talent Development
- Group resource integration



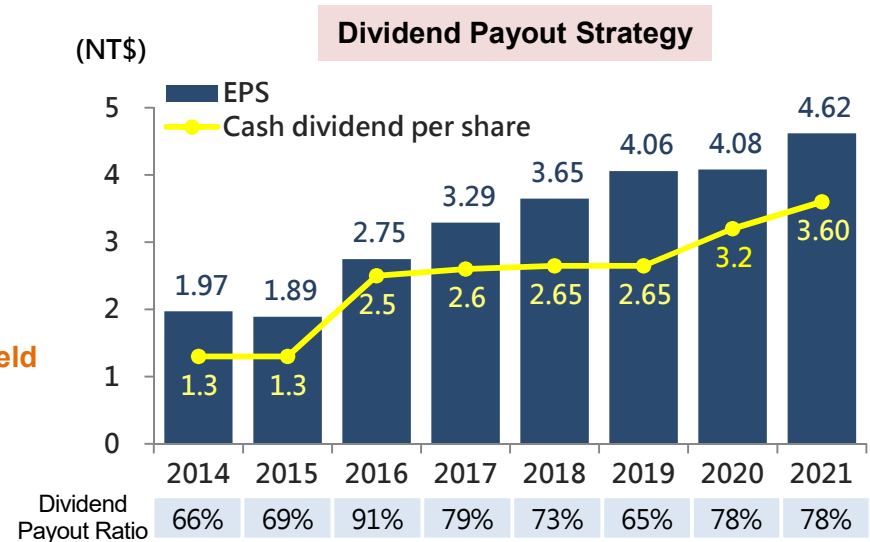
**2025 Target
10 billion
Revenue**

Core Mission

A value enterprise and the maximum of the value for consumers and shareholders.



Future ROE Goal > 20%



2022~2025 Capital expenditure for new factory plant is about NT\$ 0.9~1 bn

Multi-category operation

- Take the family as the core of the product layout



Multi-brand management



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Water Heater
Kitchen Appliance

1978

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2008

莊頭北
topax
百年堅持 一如初心

Kitchen Solution

1989

 櫻花整體廚房

 櫻花廚藝
kitchen life 生活館

TLK
KITCHENS

Bath Module

1989

PUDA 卜大整體浴室

Import
Kitchen Appliances

2008

 Electrolux

台灣廚電代理

svago

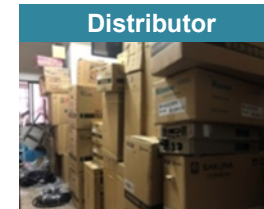
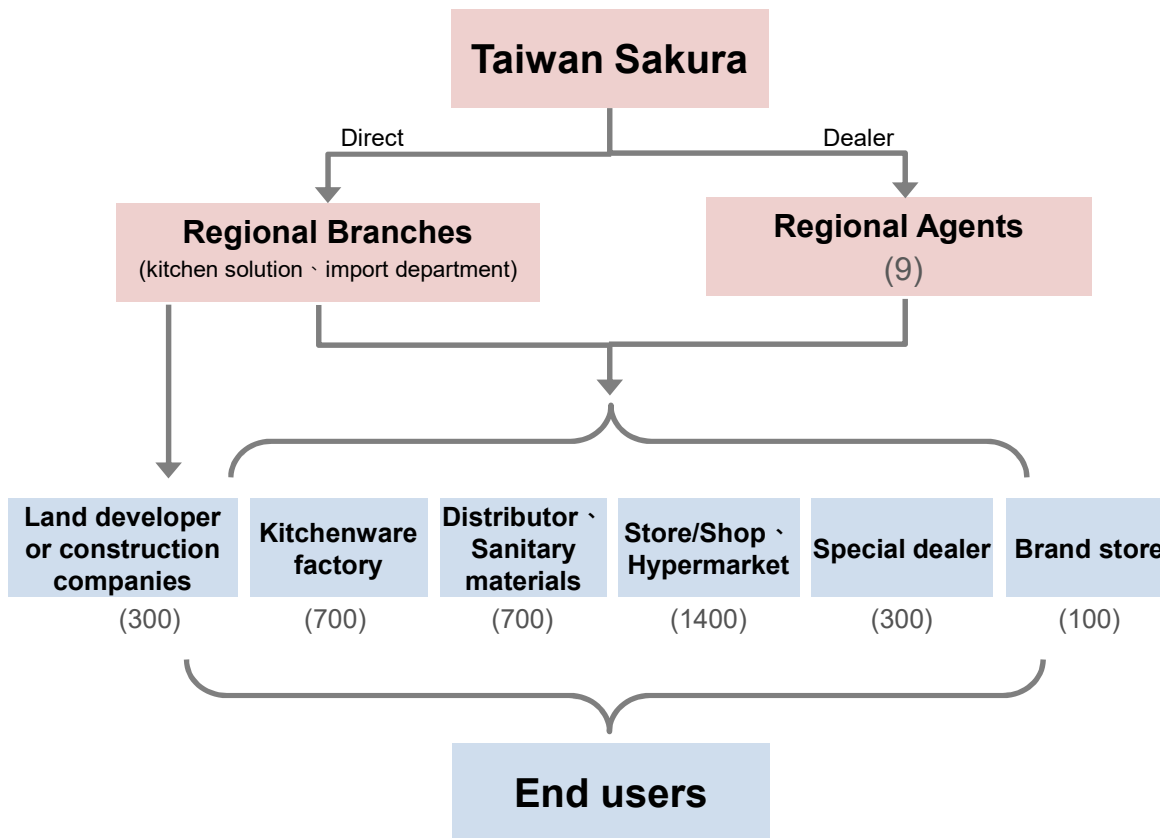
House Deco

2020

 櫻花家居

Sales channels

More than 3,500 sales locations
 Sakura's **channel penetration rate exceeds 80%**



Global Market Network

ODM/OEM

- ✓ Hong Kong
- ✓ Australia
- ✓ USA
- ✓ Brazil
- ✓ Dominican Republic

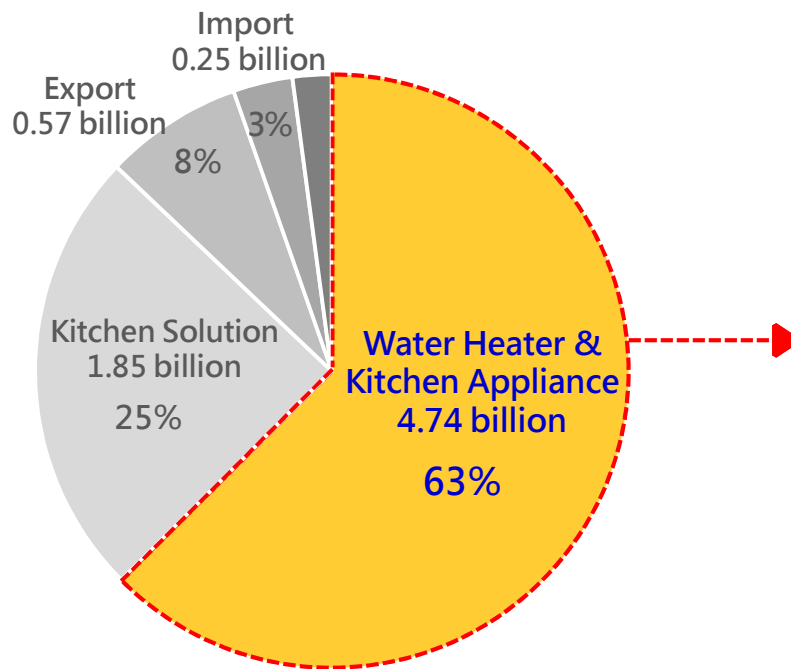
OBM

- ✓ Hong Kong
- ✓ Macau
- ✓ USA
- ✓ Canada
- ✓ Vietnam
- ✓ Myanmar
- ✓ Philippine
- ✓ Mexico
- ✓ Peru

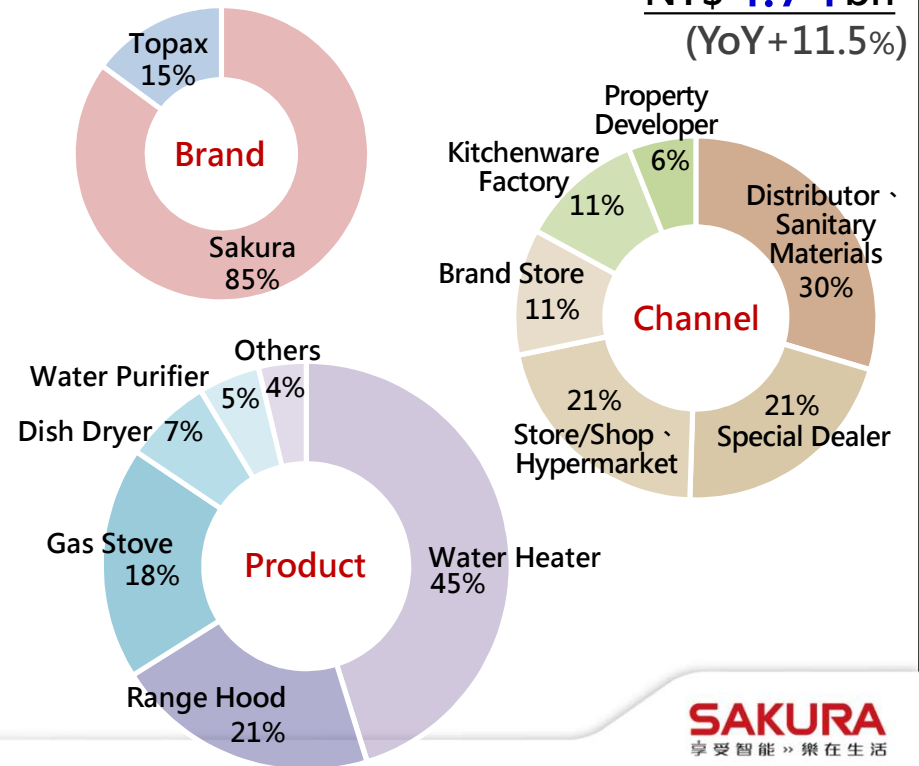


2021 Revenue Breakdown

Total Revenue : NT\$ 7.57 bn
(YoY+14.2%)

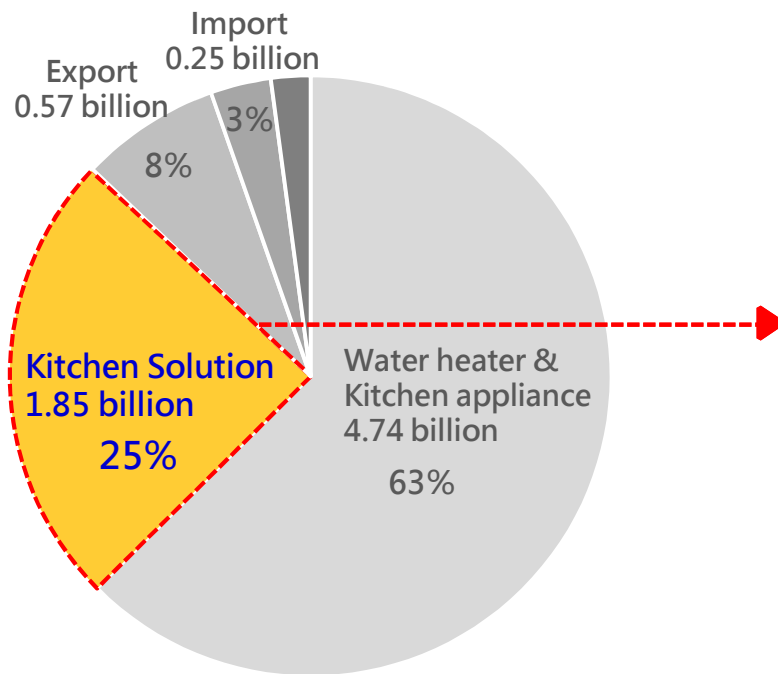


Revenue of Water Heater / Kitchen Appliance
NT\$ 4.74 bn
(YoY+11.5%)

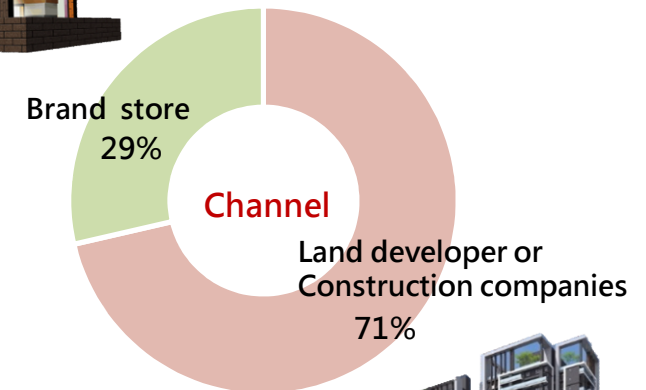


2021 Revenue Breakdown

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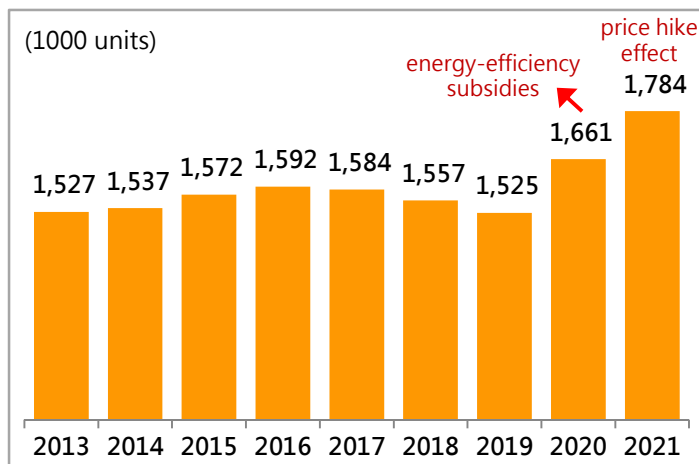
Revenue of Kitchen Solution : NT\$ 1.85 bn
(YoY+12.3%)



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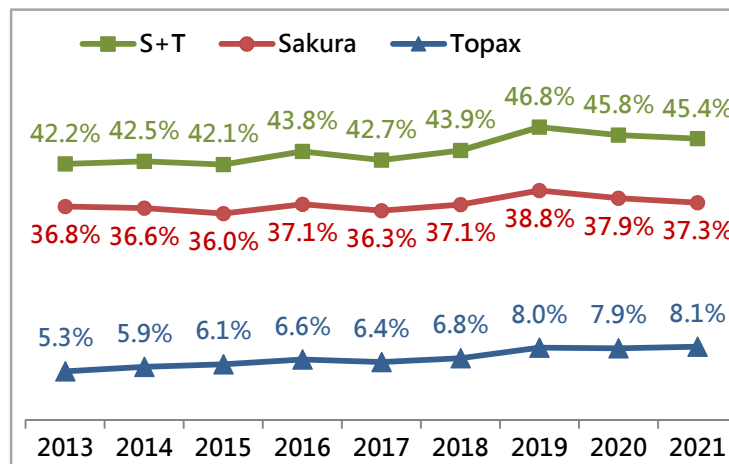
Taiwan Market _ Water Heater & Kitchen Appliance

Taiwan overall market

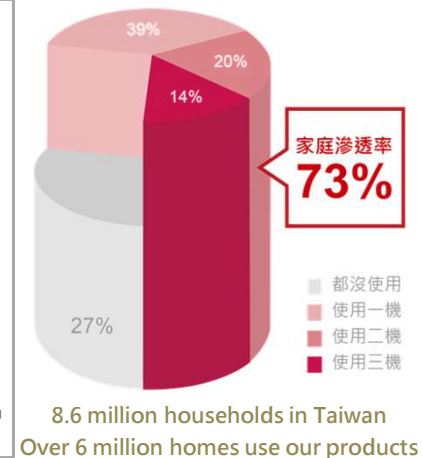


- ▶ **Stable market**
Market size 1.55m units

Market share in Taiwan



- ▶ **Dual brands strategy**
 - **Sakura** : Increase profits by promoting high-end models and stabilize the market share.
 - **Topax** : Increase market share, especially by low-priced kitchen appliances.



- ▶ **Household penetration rate in Taiwan: 73%**

Product Innovation



10L
RF Water Heater
NTD 7,800



16L
Intelligent Turbo Boost
Water Heater NTD 23,900

獨家專利
渦輪增壓技術

加倍水量
加倍舒暢

智能恆溫 專利渦輪增壓



Gas Stove
NTD 5,600



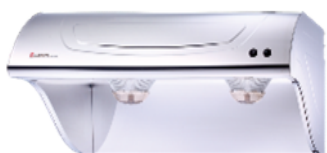
Intelligent Built-in Hob
with Double Vertex
Flames
NTD 18,600

專利一級雙焰火
入熱均勻、能源效率高

智慧輔助料理功能
定時/定溫/自動煲湯好便利

主動式安全監控
杜絕乾燥/油溫過熱風險

智能操控



Slope-side Range
Hood
NTD 6,640



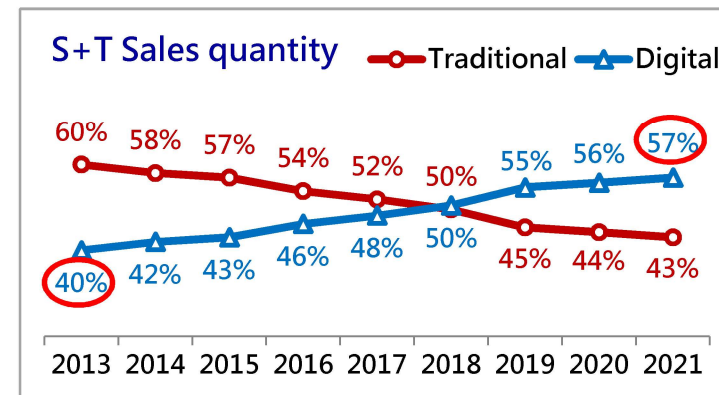
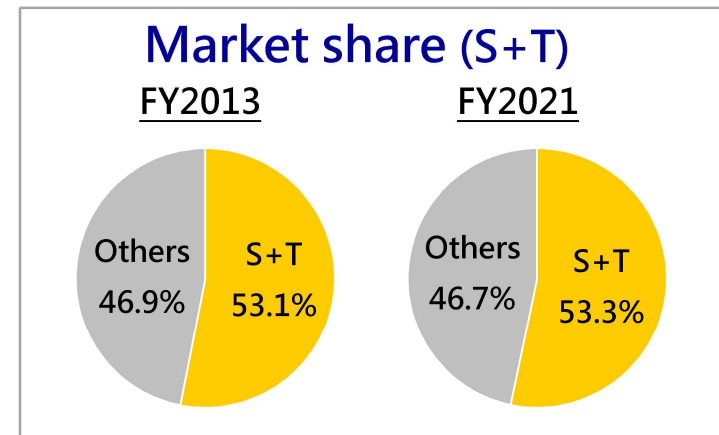
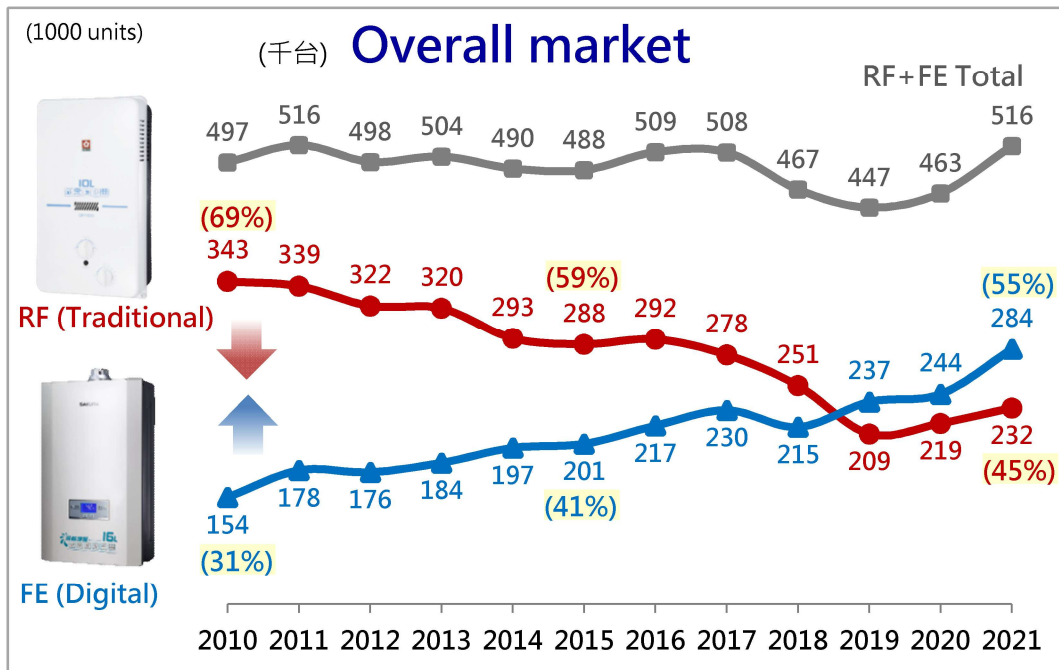
3D Ring Suction DC
motor Range Hood
NTD 25,600

獨家專利環吸技術

渦輪變頻
靜音除味

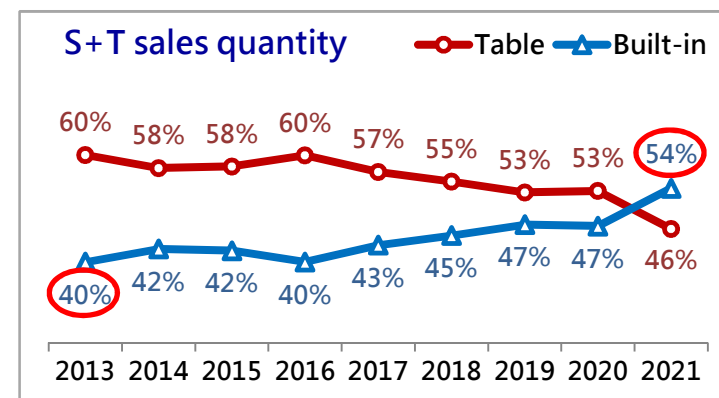
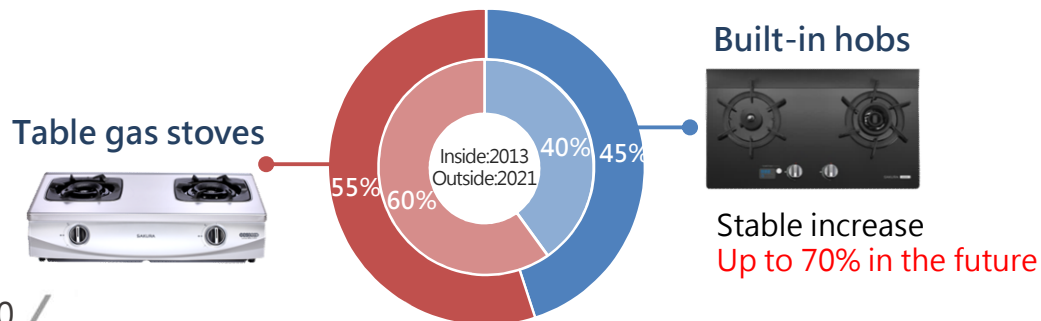
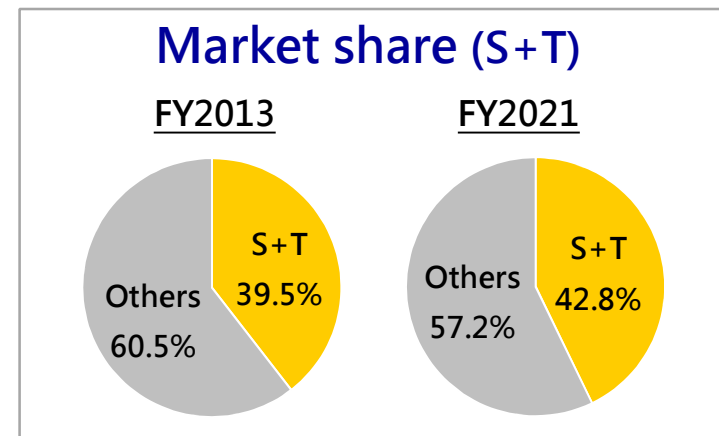
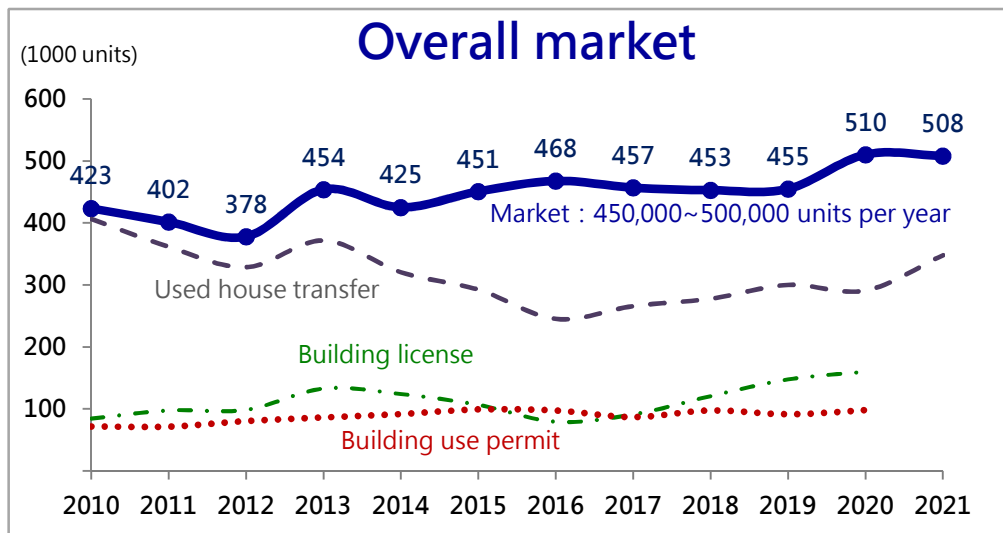
智能風控 專利環吸

Gas Water Heater

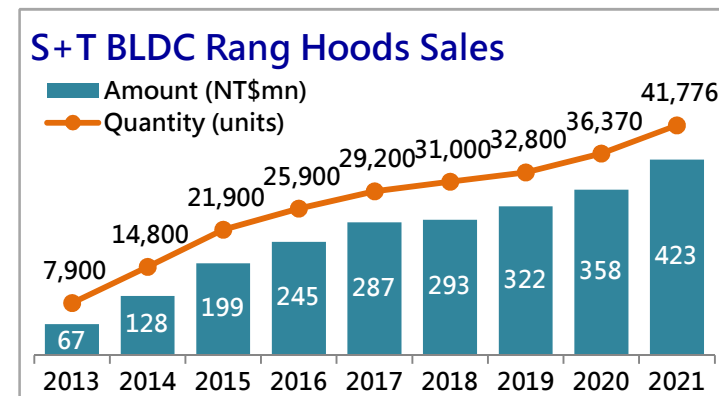
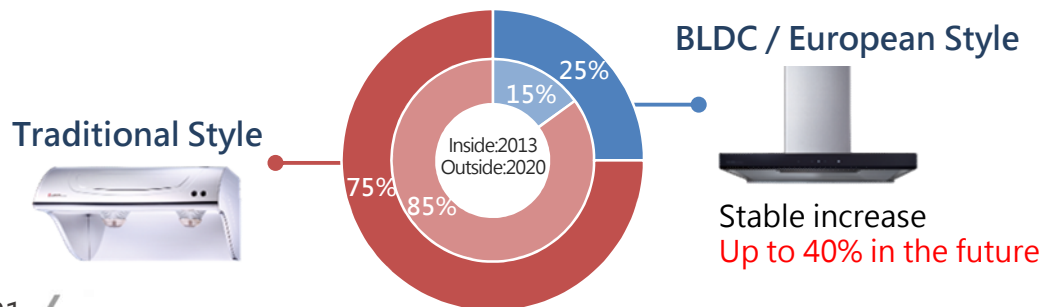
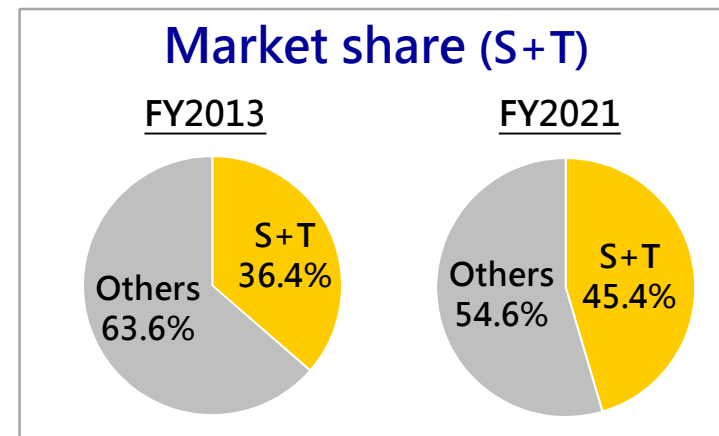
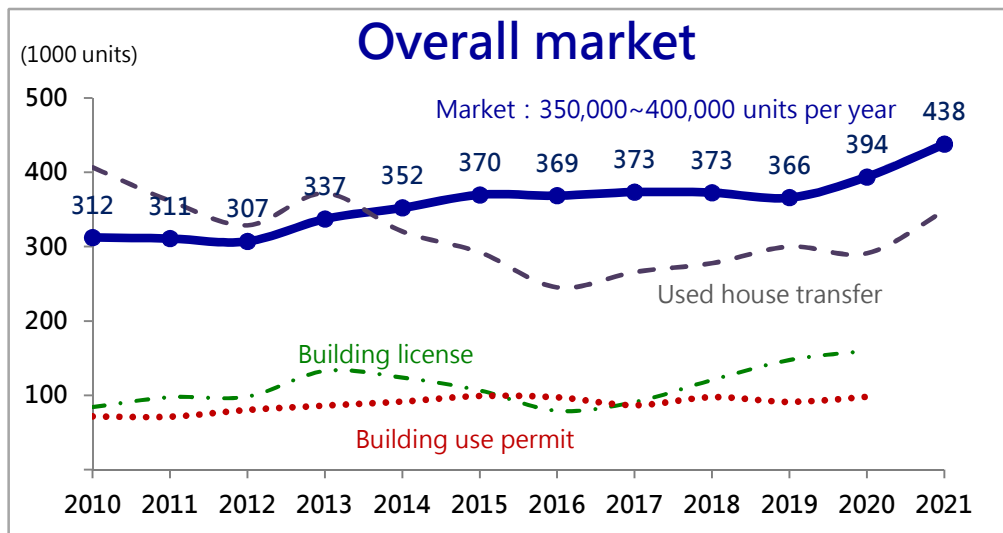


- The market of Water Heater is about 450,000~500,000 units per year.
- The digitals has surpassed the traditional ones in 2019.
- The market share of the digitals will be 70% in the future.

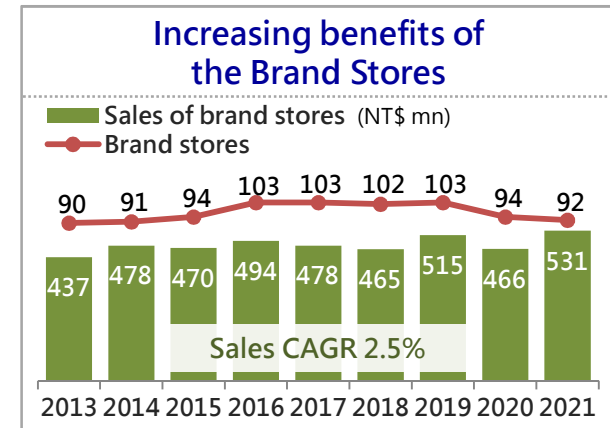
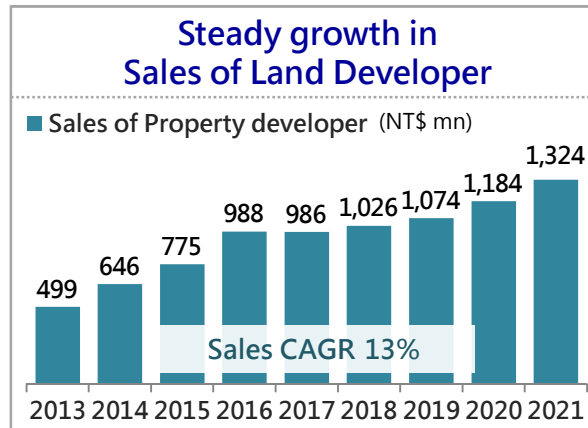
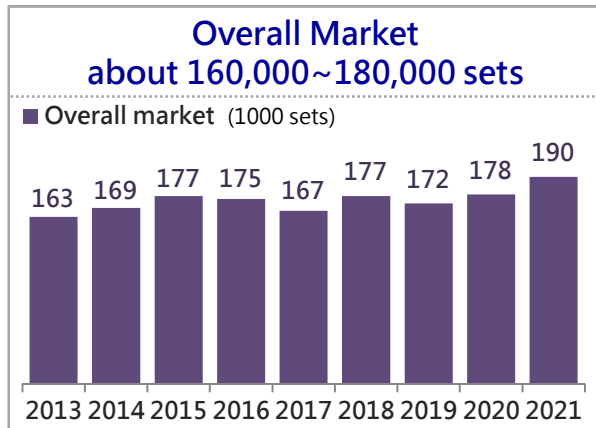
Gas Stove



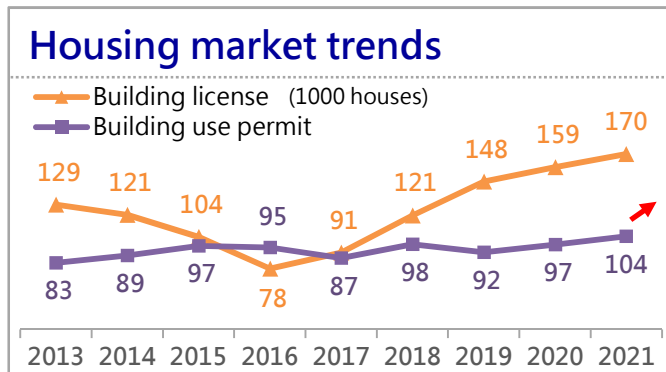
Rang Hood



Kitchen Solution



2020-2022 will develop 4th Generation Store and replace weak stores with new stores to enhance sales amount



Main strategies for future growth :

- **Land Developer** : Expand market share (target 30%) ; Optimize product mix, increase product ASP
- **Retail** : Develop 4th Generation Store, enhance sales amount
- **Manufactory** : Increase productivity then Increase gross margin

Development Plan_ Water Purifier



Water Purifier Market
(Machine + Filter)

NT\$ **10**bn



Agent specialized
>300 stores

Sales Amount
(Machine + Filter)

2019 2020 2021 2025 Goal
67mn → 156mn → 230mn → **NT\$ 1**bn

真正專業的淨水器 =

淨水器 +

淨水管家

Consumer

- 售前/中/後 完整服務
- 隨時可查詢使用履歷
- 濾心更換專屬通知

Dealer

- 借此平台與消費者互動
- 享有轉介商機
- 淨水專業知識訓練

Sakura

- 取得完整消費者名單，分析商機潛力
- 強化消費者品牌黏著度，深化經營消費者
- 透過大數據回饋，優化商品開發



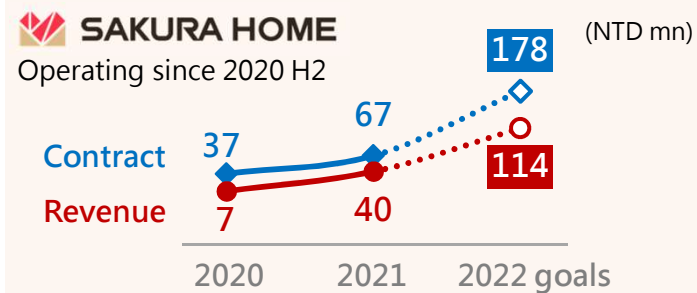
Development Plan_ Whole House Customization

▼ Taiwan Home Decor Market Size



- The overall industry is fragmented, and there is no absolute leading brand.
- Advantages of Sakura: Brand reputation, service capability, and a house type library with accumulated experience in construction projects.

▼ Performance of Sakura Home



▼ Operational Model Development

Design service process with consumer demand as the core

Brand store



Property Developer



Core Mission

Customer-Centricity

Core Business process

Overall Service Process Design

Set Up Resources

Product Module

Human Resources

Information System

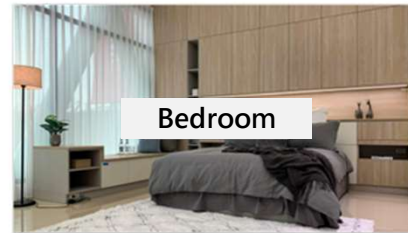
Business Models

Scale operations to Property Developer

B2C Business Model



SAKURA HOME Whole House Customization



Development Plan_Vietnam Market



Mekong Trading co. Ltd becomes a subsidiary of Taiwan Sakura from July 2021.

■ Main Products



Gas Stove
70%



Built-in Hob
15%



Induction Hob
4%



Rice Cooker
5%



Rang Hood
4%

■ Staged Goals

01 Short-term

- Use group resources to assist MK to quickly establish an operating system and improve operating efficiency.
- Analyze product benefits and integrate product lines.
- Adjust resources to balance channel development.

02 Medium-term

- Product expansion to develop niche products that meet the needs of the Vietnamese market.
- Develop regional agents and operate in second-tier cities.
- Improve brand favorability and nomination

03 Long-term

- Based in Vietnam, expand the ASEAN market

2022 New Product

業界首創
「熱水器」×「淨氯」×「抑垢」專利複合技術

櫻花美膚
沐浴熱水器



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2022 New Product



櫻花近吸除油煙機

靠越近·越強淨

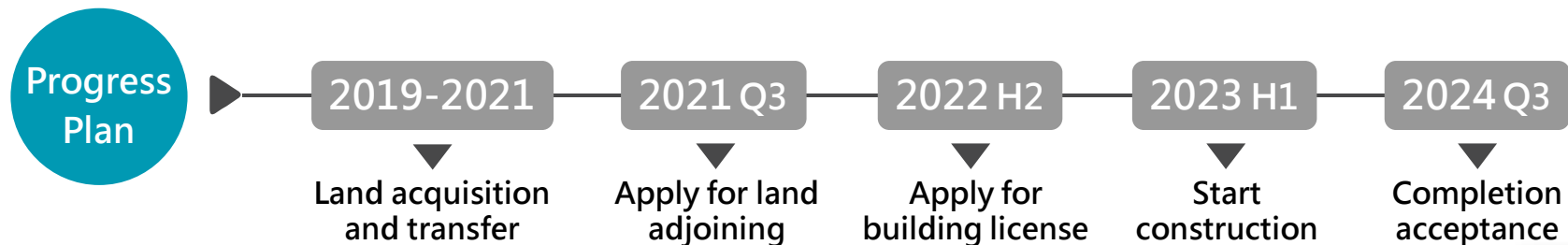
新型近吸排風結構，直線瞬吸暢快除煙

Wufeng New Plant Planning Progress



For the future growth demand of Kitchen Solution and Whole House Customization

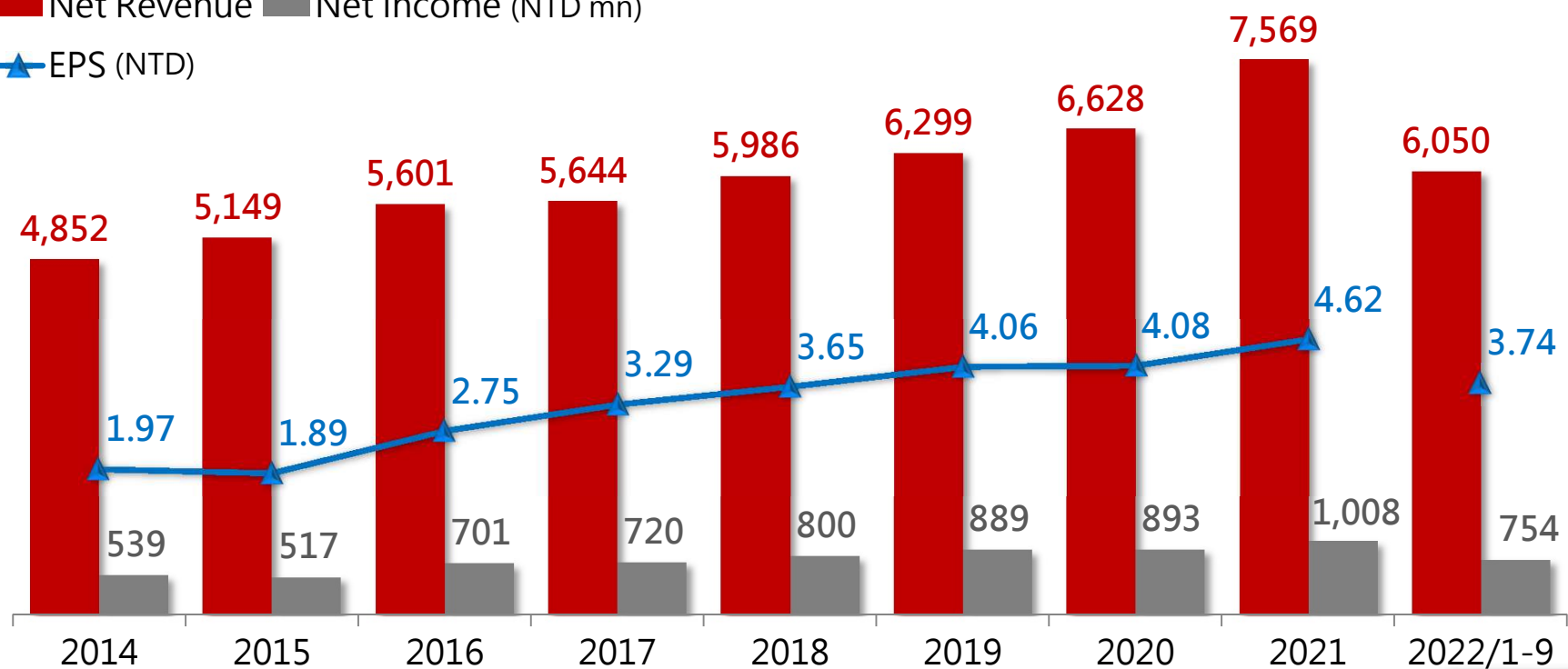
- Original plan :
Integrate Shenkang plant and Daya plant to optimize the production line.
- Post-change plan :
Production base of Kitchen solution customization.
- Total building area : about 21,800 square meters
- Production apacity : about 50,000 to 70,000 sets



Financial Highlights

■ Net Revenue ■ Net Income (NTD mn)

▲ EPS (NTD)



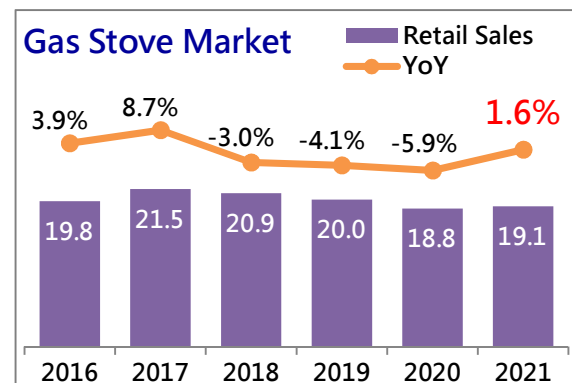
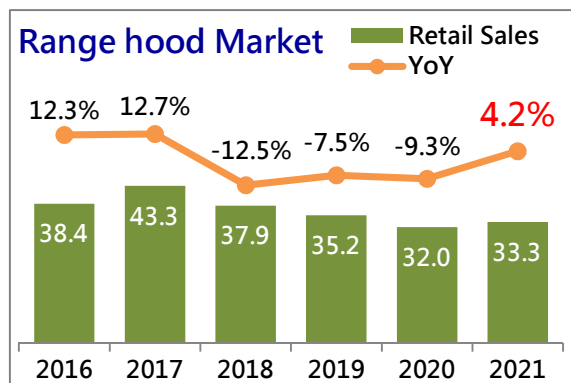
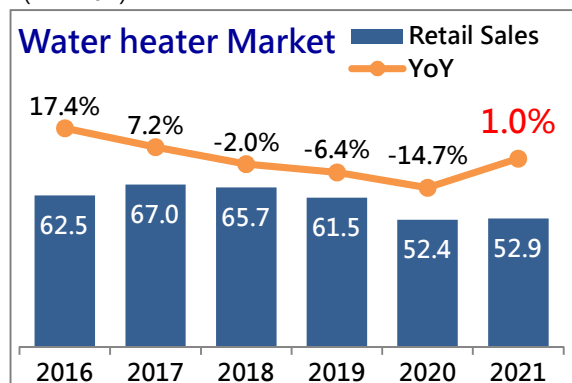
Financial Highlights

年度	2014年		2015年		2016年		2017年		2018年		2019年		2020年		2021年		2022/1-9	
	金額	%	金額	%	金額	%	金額	%	金額	%	金額	%	金額	%	金額	%	金額	%
營業收入	4,852	100.0%	5,149	100.0%	5,601	100.0%	5,644	100.0%	5,986	100.0%	6,299	100.0%	6,628	100.0%	7,569	100.0%	6,050	100.0%
營業成本	3,391	69.9%	3,531	68.6%	3,775	67.4%	3,736	66.2%	3,949	66.0%	4,055	64.4%	4,186	63.2%	4,881	64.5%	3,999	66.1%
營業毛利	1,461	30.1%	1,617	31.4%	1,825	32.6%	1,908	33.8%	2,037	34.0%	2,244	35.6%	2,442	36.8%	2,689	35.5%	2,051	33.9%
營業費用	960	19.8%	1,012	19.7%	1,124	20.1%	1,152	20.4%	1,208	20.2%	1,287	20.4%	1,377	20.7%	1,529	20.2%	1,255	20.7%
營業淨利	501	10.3%	606	11.8%	701	12.5%	756	13.4%	830	13.9%	958	15.2%	1,065	16.1%	1,160	15.3%	796	13.2%
營業外收支	136	2.8%	25	0.5%	148	2.6%	107	1.9%	163	2.7%	102	1.6%	60	0.9%	90	1.2%	149	2.5%
稅前淨利	637	13.1%	631	12.3%	849	15.2%	864	15.3%	993	16.6%	1,060	16.8%	1,125	17.0%	1,251	16.5%	945	15.6%
所得稅費用	98	2.0%	114	2.2%	148	2.6%	143	2.5%	193	3.2%	171	2.7%	232	3.5%	243	3.2%	190	3.1%
稅後淨利	539	11.1%	517	10.0%	701	12.5%	720	12.8%	800	13.4%	889	14.1%	893	13.5%	1,008	13.3%	754	12.5%
每股盈餘(元)	1.97		1.89		2.75		3.29		3.65		4.06		4.08		4.62		3.47	
EBITDA	596	12.3%	698	13.6%	804	14.3%	853	15.1%	933	15.6%	1,070	17.0%	1,200	18.1%	1,313	17.3%	920	15.2%
投資損益-櫻中	55	1.1%	(38)	-0.7%	91	1.6%	67	1.2%	85	1.4%	21	0.3%	1	0.0%	65	0.9%	54	0.9%

Sakura China

China Market - Water Heater & Kitchen Appliance

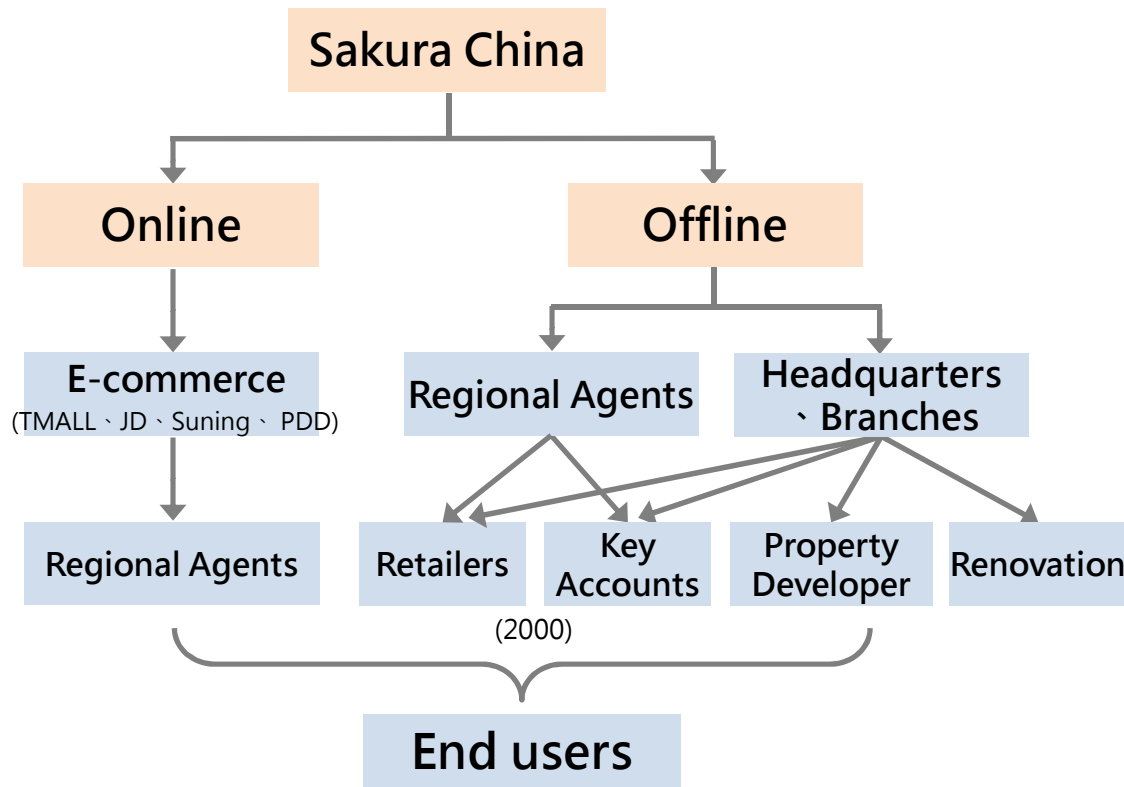
(RMB bn)



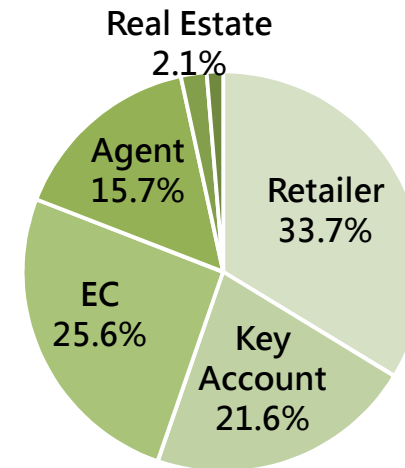
Source: : 奥维云网(AVC)

- Overall, under the control of COVID-19, retail sales of China's Kitchen and Bath Appliance market increased by 7% in 2021. The growth is mainly driven by emerging products, among which the Integrated stove market increased by 41%. The retail sales of Traditional Kitchen and Bath Appliances such as water heaters, range hoods and gas stoves increased by 1%, 4.2% and 1.6% respectively.
- Sakura China's total revenue of Kitchen and Bath Appliances increased by 2.4% in 2021. Especially the integrated stoves increased by 36%. Main products include water heaters, range hoods and gas stoves totally increased by 3.4%.

Sakura China - Sales Channels



Sales Breakdown by Channel, 2021



Key Account Channels :

- Department stores
- Hypermarket stores
- National/regional electric goods chain stores

Retailer Channels :

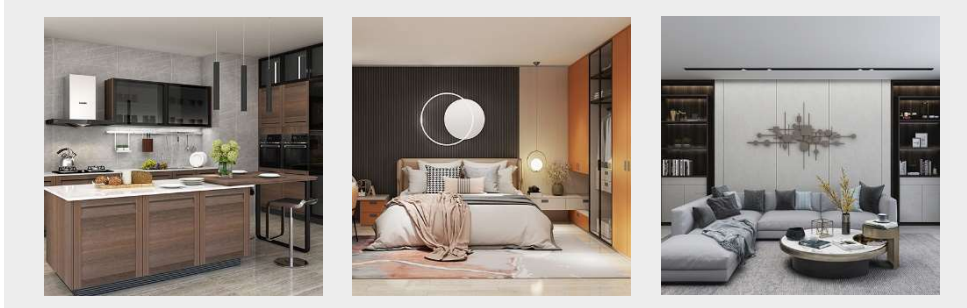
- Sakura brand stores
- Boutique stores
- Cabinet stores

Sakura China - Product structure

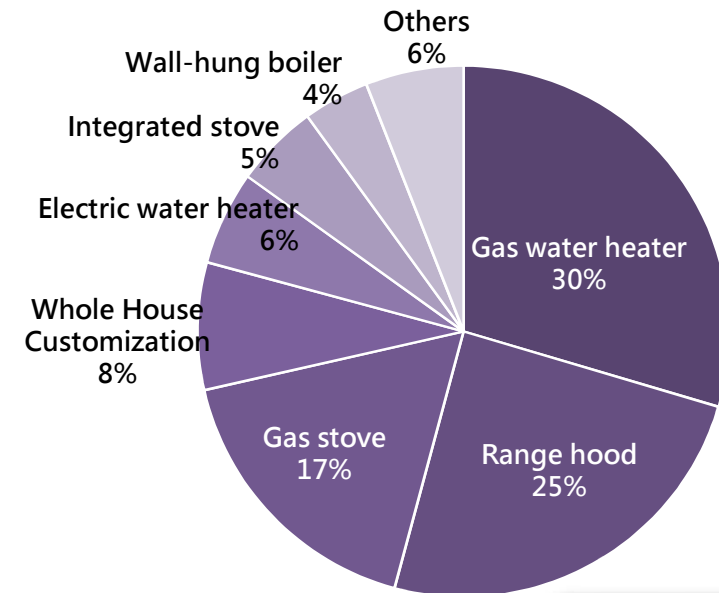
Water Heater/ Kitchen Appliance



Whole House Customization



Sales Breakdown by Product, 2021



Sakura China - Overall Business Strategies

產品 Product

- Expand product line and increase unit price through product mix.
- Increase resources to invest in future growth products.

通路 Channel

- Extended regional agents.
- Expand the coverage of offline retail stores.

管理 Management

- Process optimization, improve operational efficiency.
- Control fixed cost.



開放式廚房 就是找櫻花

清新無所味 收納有所位

魔術空間專家
Dr.Space

空氣清新專家
Dr.Nose

THANK YOU!