

SAKURA
享受智能 » 樂在生活

櫻花集團

SAKURA GROUP

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- The information provided in this presentation, including the forward-looking views mentioned, is the predictive information obtained by the company based on internal and external sources and the overall economic development. These abovementioned descriptions also include risks and uncertainties. The actual operating results of the company may differ from the above-mentioned predictive information. It is advisable to pay attention to possible changes and risks at any time.
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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



WORLD BUSINESS MAP

Deepen Taiwan, Focus on mainland China, Look to Asia



Production base

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

Vietnam

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

Binh Duong

- Gas stove



Taiwan

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



Sakura Shunde

- Range hood 、 Electric stove 、 Grill



Shenkang plant

- Range hood
- Punch/Sheet metal/Painting



Daya plant

- Water heater 、 Gas stove

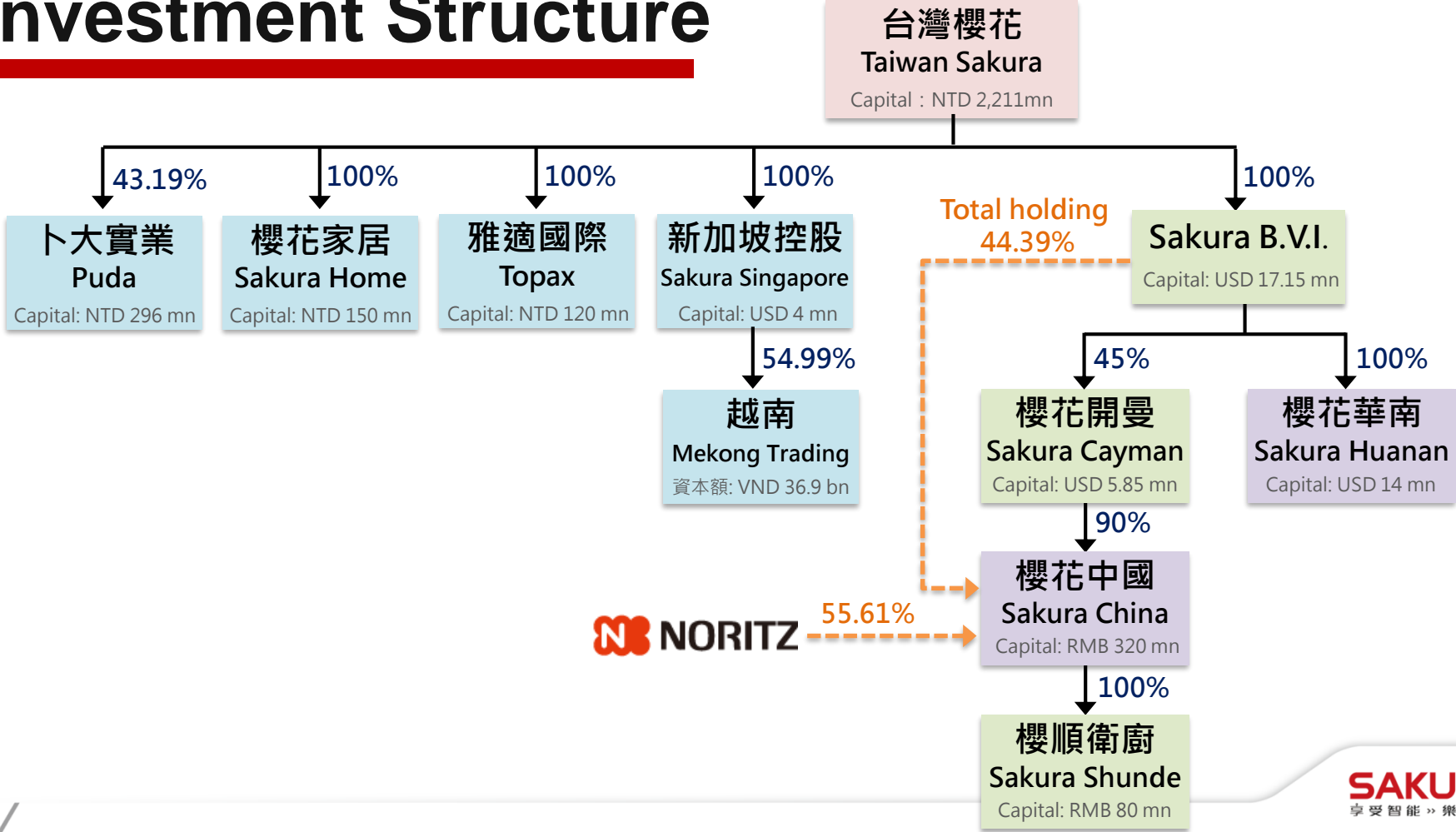


Wuri plant

- 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
- 2022** New Vision: “**The Creator of a Wonderful Home Life**”
Introducing **SAKURA i Care**, constantly safeguarding the consumer's user experience.

Brand Awards

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



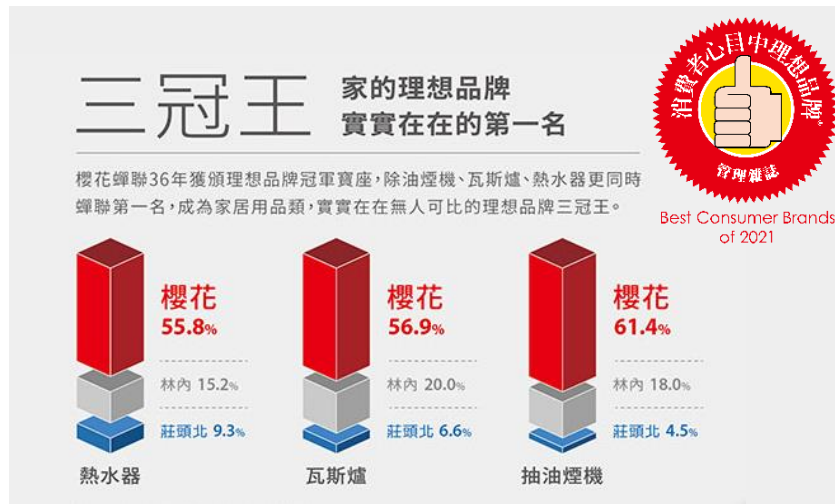
1997 ~ 2022

56 Excellence Awards

6 Excellence Silver Award



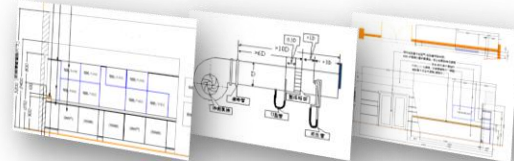
- The **No. 1** ideal brand in consumers' minds for **36** consecutive years



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

品質
Quality

服務
Service



High-pressure leak test



Ignition switch test



Constant temperature and
moisture duration test



Withstand voltage test

Has the most test equipment
in the industry
Automated manufacturing

**NPS applied
comprehensively**



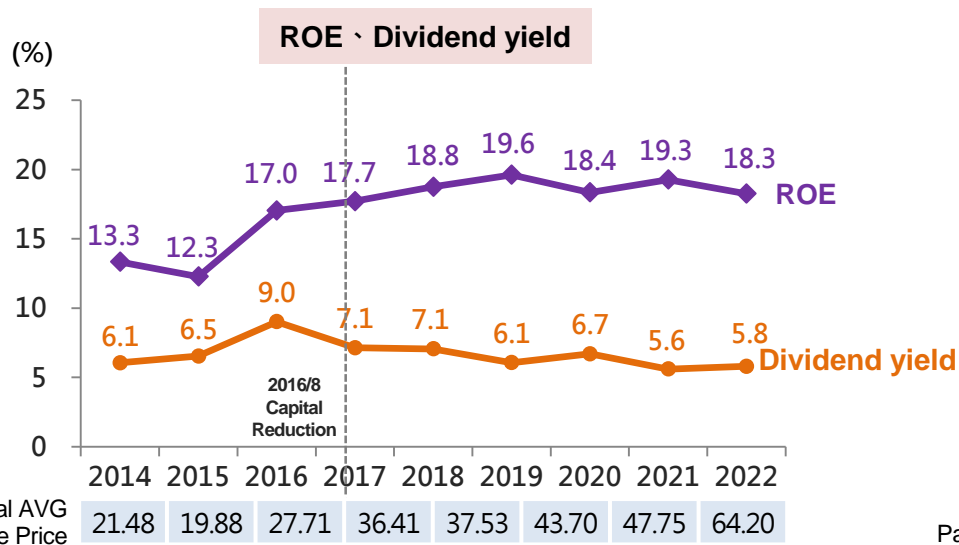
24/7 service hotline
On-duty service all year round

SAKURA i Care

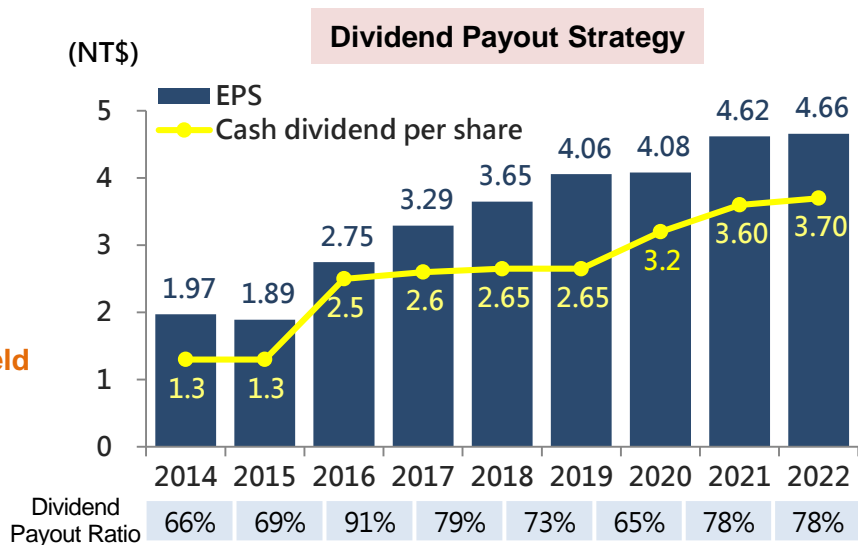
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Core Mission

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



Future ROE Goal > 20%



2023~2026 Capital expenditure for new factory plant is about NT\$ 1.2~2 bn

Multi-brand management



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SAKURA GROUP

■ Including renowned brands from both domestic and international markets.



To meet the needs of different customer segments.

Water Heater
Kitchen Appliance

Kitchen Solution

Bath Module

Import
Kitchen Appliances

House Deco

1978

1989

1989

2008

2020

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 櫻花整體廚房

PUDA 卜大整體浴室

 Electrolux

 櫻花家居

2008

TLK
KITCHENS

台灣廚電代理
svago

莊頭北
topax
百年堅持 一如初心

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Multi-category operation

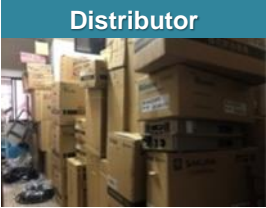
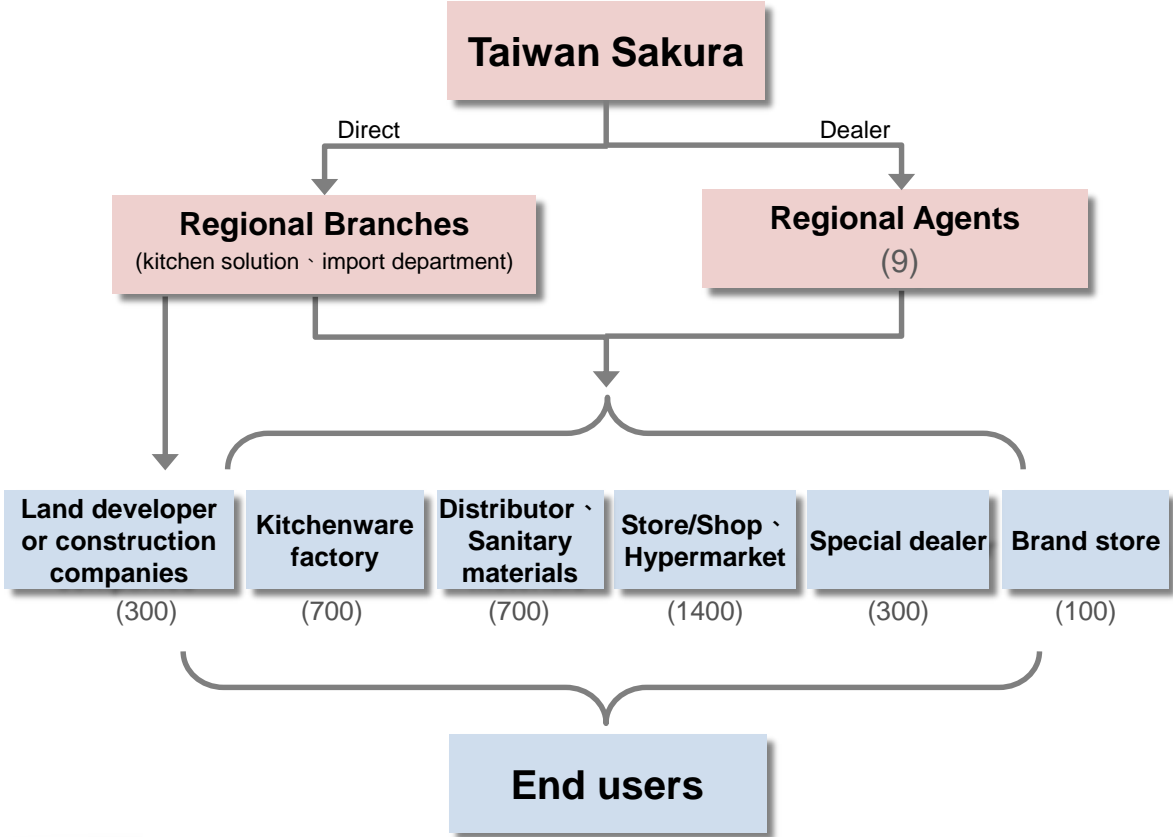
- Take the family as the core of the product layout → One-stop shopping



Multi-channel operation

More than 3,500 sales locations

Sakura's **channel penetration rate** exceeds **80%**



Business Prosppection

願景

美好居家生活的創造者

Vision

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

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

Mission



策略

Strategy

Brand value enhancement

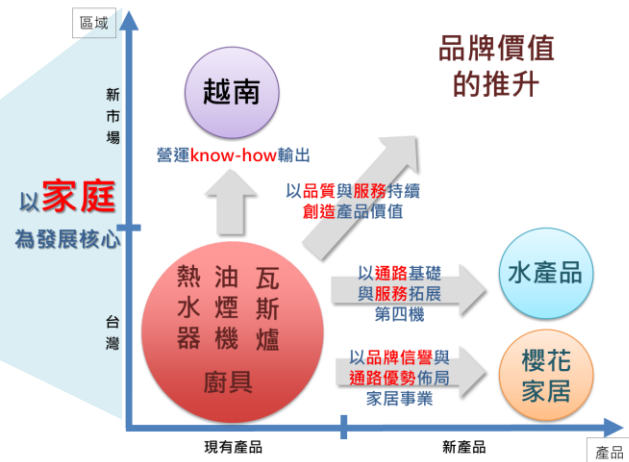
- **Consumer service experience:** establishing SAKURA I care service brand, and improve consumer service experience Satisfaction through the optimization and upgrading of the service system.

Core technology development

- **Competitiveness of core technology:** control the technology of main products, build competition barriers, focus on resource development technology, create added value, and ensure competitive advantage.
- **One-stop foot shopping platform:** Consumer-oriented, design consumer experience process, and develop a one-stop foot shopping platform model.

Group resource integration

- **Integration of marketing resources:** Through the kitchen sales business, extend the service to builders and establish long-term strategic partnerships.
- **Integration of management resources:** Adjust the organizational structure, merge subsidiaries, OBM and ODM operations, plan overseas markets as a whole, use the group's logistics resources to quickly establish an operating foundation, promote international marketing, expand overseas markets, and gradually complete the global regional layout.
- **Integration of production resources:** Integrate the supply chain and production resources of Taiwan, Yingzhong and Vietnam to enhance the competitiveness of technological innovation and production efficiency.



品牌價值的推升

以家庭為發展核心

熱水器
油煙機
瓦斯爐
廚具

現有產品

新產品

產品

營運 know-how 輸出

以品質與服務持續創造產品價值

以通路基礎與服務拓展第四機

以品牌信譽與通路優勢佈局家居事業

水產品

櫻花家居

Enhance brand value with

SAKURA *iCare*

One-stop intelligent service platform

Integrate and upgrade six major systems to enhance customer service experience



QRcode LINE CRM UCC Big data Satellite positioning



New experience with digital customer service



Smart Service for Instant Convenience

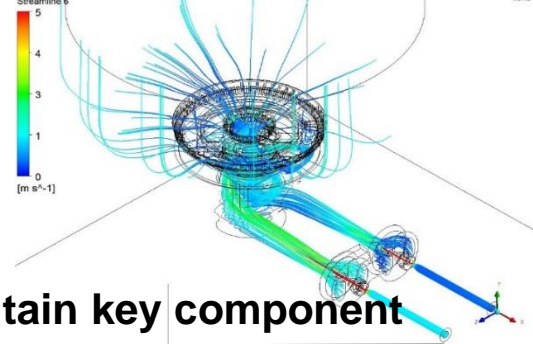
Sakura Smart AI Technology QRcode ·

One-click activation of intelligent services to keep consumers' better life forever as new



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Develop core technology to improve Core technology competitiveness



1.

Main product with patent monopoly power

Developing the main product technology path, focusing on the direction of resource input.

2.

Maintain key component

Strengthen basic research and enhance cost control capabilities.

Shower specialist

Level 1 energy efficiency · Smart thermostat · Patented turbocharging



▲ 四季溫渦輪增壓熱水器

▲ 美膚沐浴熱水器

Chinese culinary specialist

Level 1 energy efficiency Smart control



▲ 智能雙炫火系列

Kitchen air quality expert

Intelligent risk control patented cyclone suction



▲ 渦輪變頻AI風控系列/環吸系列

Water purification expert

All-in-One Cold and Hot Beverage Solution



▲ 廚下雙溫淨熱飲

Integration group resource

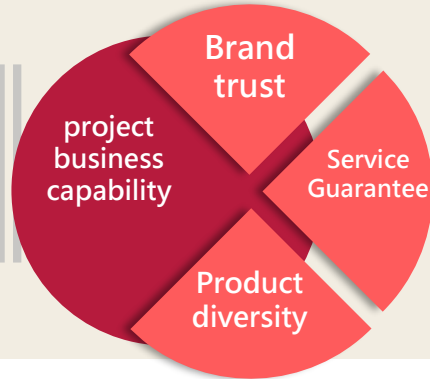
Marketing Resource integrate

1

Project nexus platform

Provide **one-stop service** for builders and become a long-term strategic partner of builders

one-stop
service



2

Channel projects

Explore the future channel business model



Integration group resource

Integration production resource

1

Enhance procurement ability

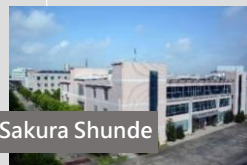
Integrate the procurement of cabinets and kitchen appliances and strengthen supplier relationship



2

Integrate supply chain strategy

Combining the production resources between three places to enhance technologic and speed competitiveness



Sakura Shunde



Sakura China



Binh Duong



Daya plant



Shenkang plant



Wuri plant

Smart Factory Investment Plan

Phase **1** - Establish Wufeng Plant
Support Kitchen Solution future growth

Phase **2** - Expanding Wuri Plant
Enhancing AI production and efficient
productivity for Water Heater &
Kitchen Appliance

Wufeng Plant schedule

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

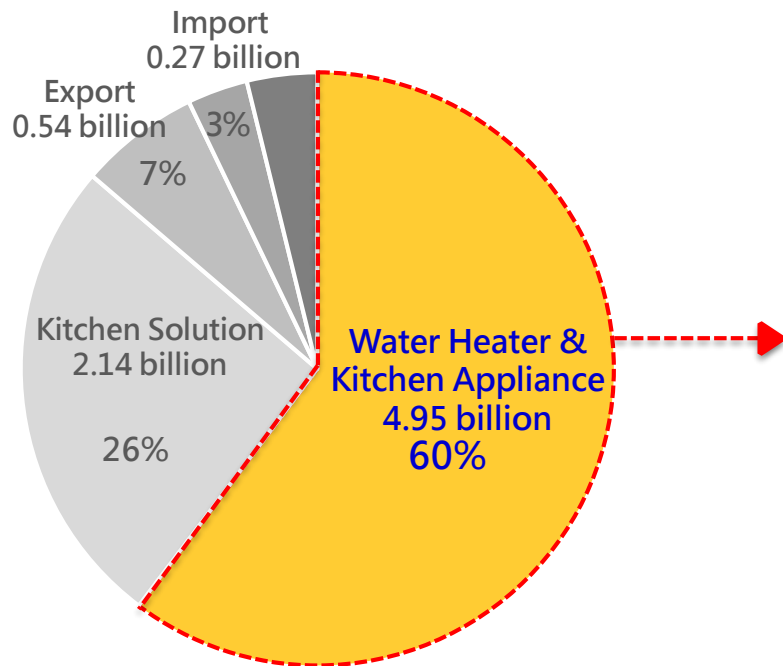
- Total building area : about 21,800 square meters
- Production capacity : about 60,000 sets



2022 Revenue Breakdown

Total Revenue : NT\$ 8.21 bn

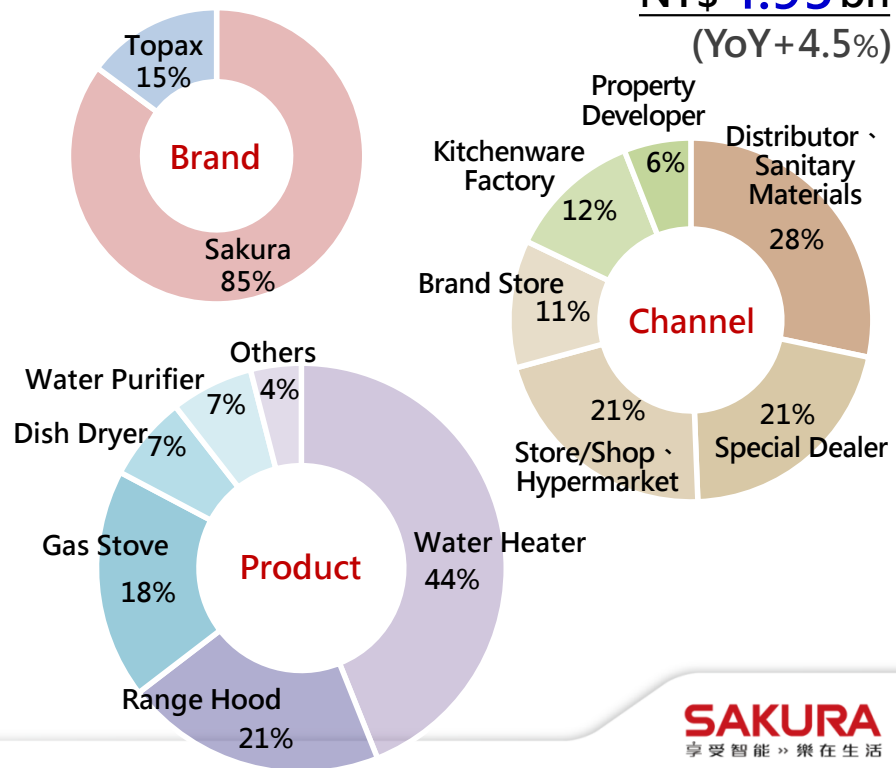
(YoY+8.5%)



Revenue of Water Heater / Kitchen Appliance

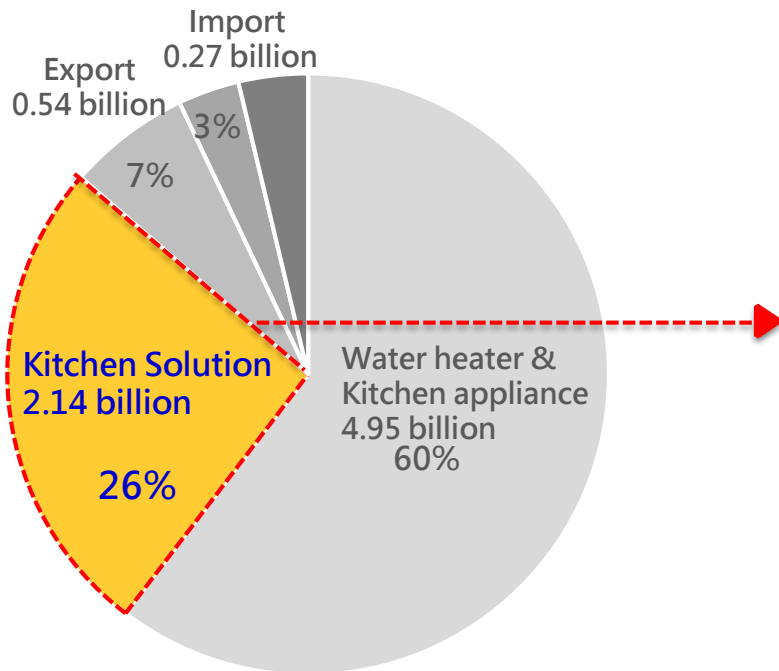
NT\$ 4.95 bn

(YoY+4.5%)

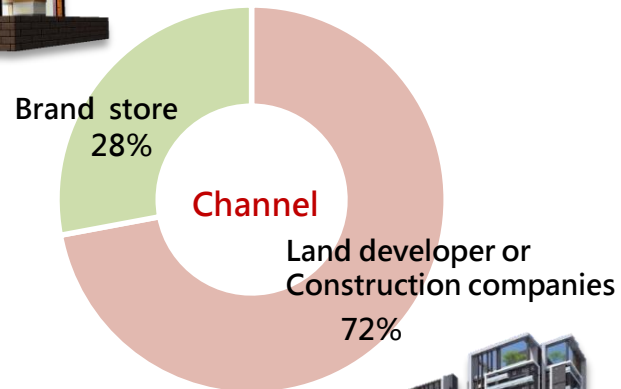


2022 Revenue Breakdown

Total Revenue : NT\$ 8.21 bn
(YoY+8.5%)

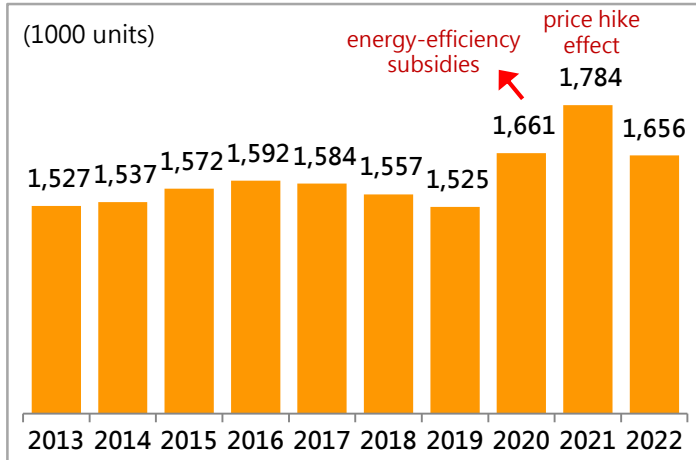


Revenue of Kitchen Solution : NT\$ 2.14 bn
(YoY+15.1%)



Taiwan Market _ Water Heater & Kitchen Appliance

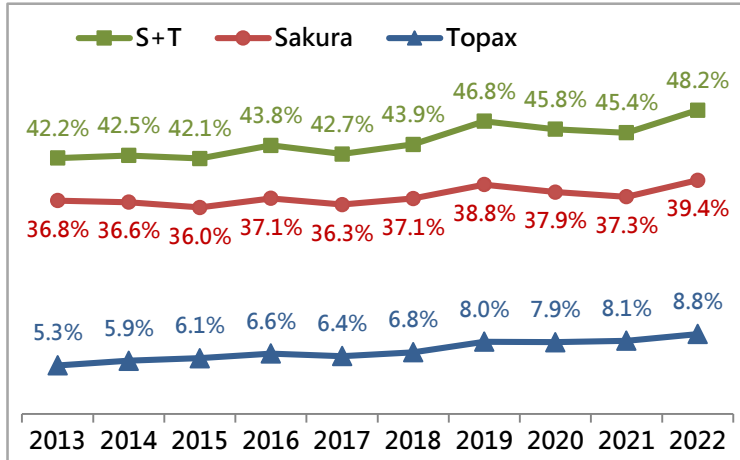
Taiwan overall market



► Stable market

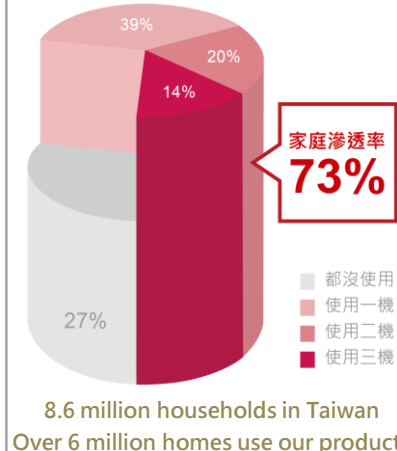
Market size 1.55m units

Market share in Taiwan



► Dual brands strategy

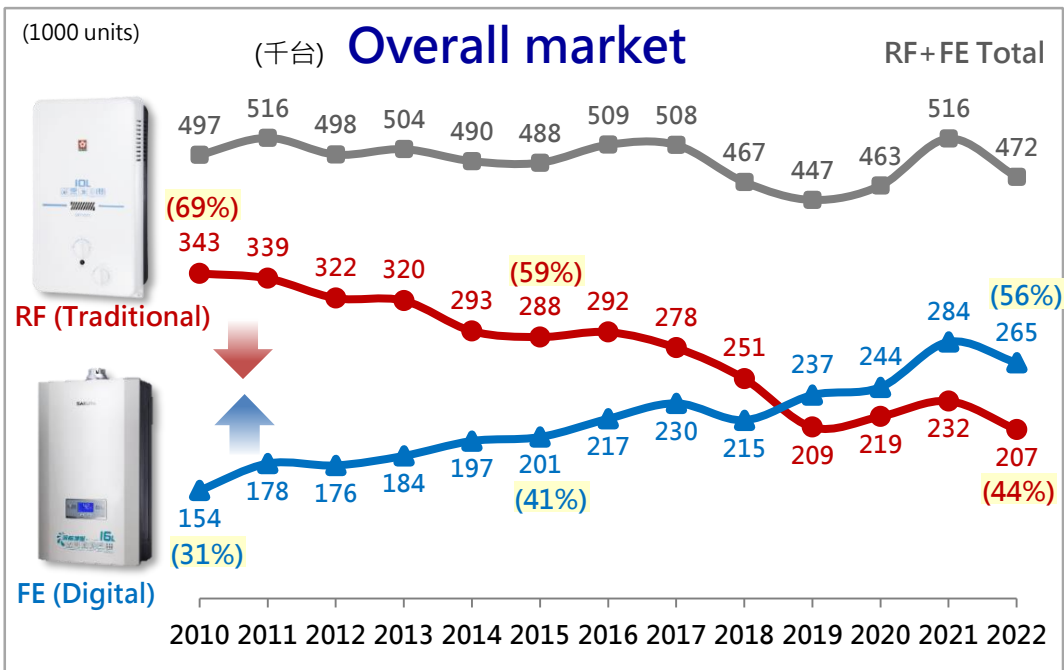
- **Sakura** : Increase profits by promoting high-end models and stabilize the market share.
- **Topax** : Increase market share, especially by low-priced kitchen appliances.



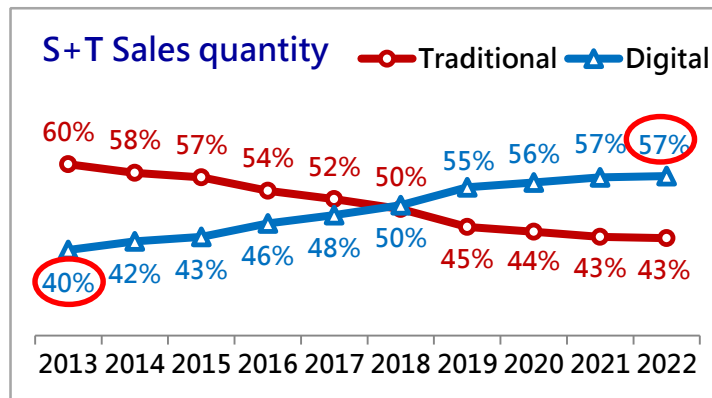
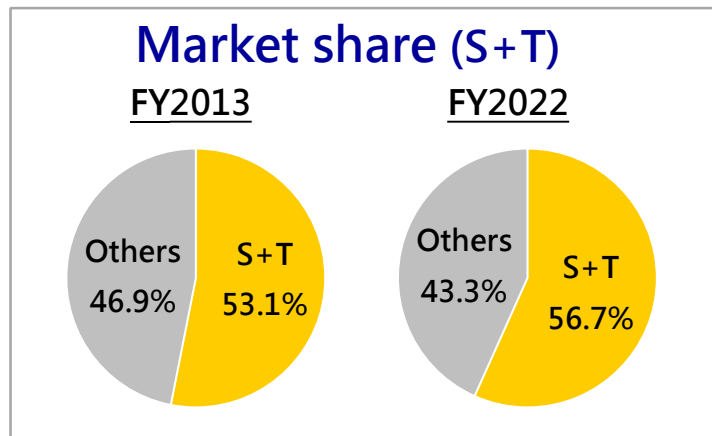
8.6 million households in Taiwan
Over 6 million homes use our products

► Household penetration rate in Taiwan: 73%

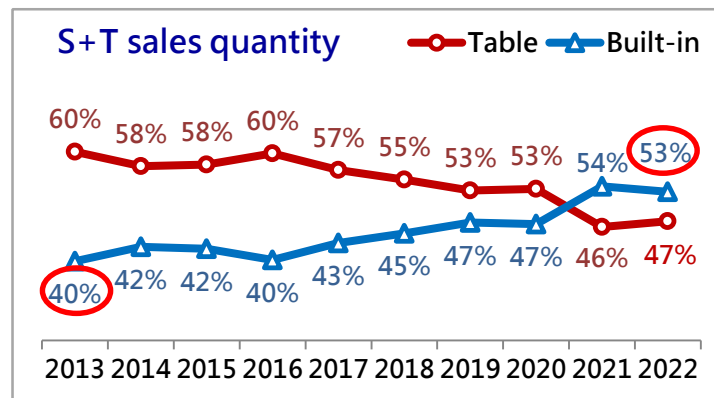
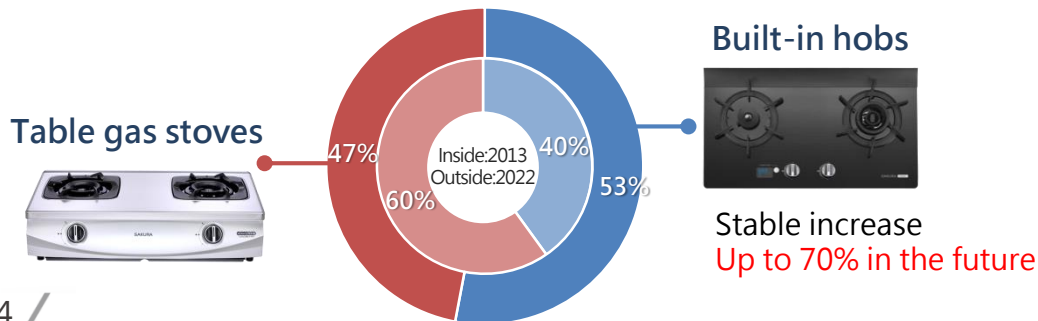
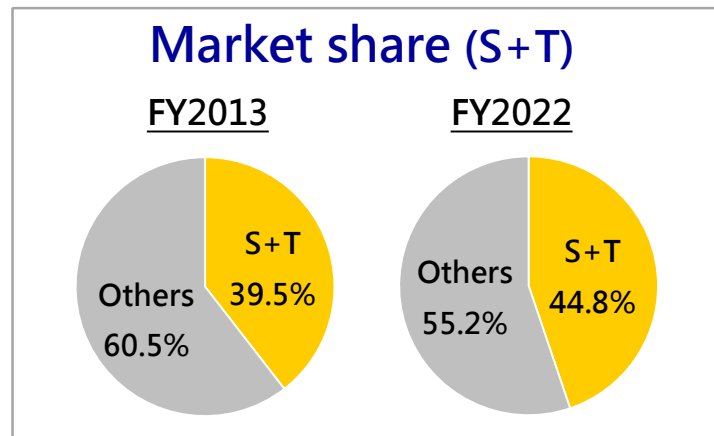
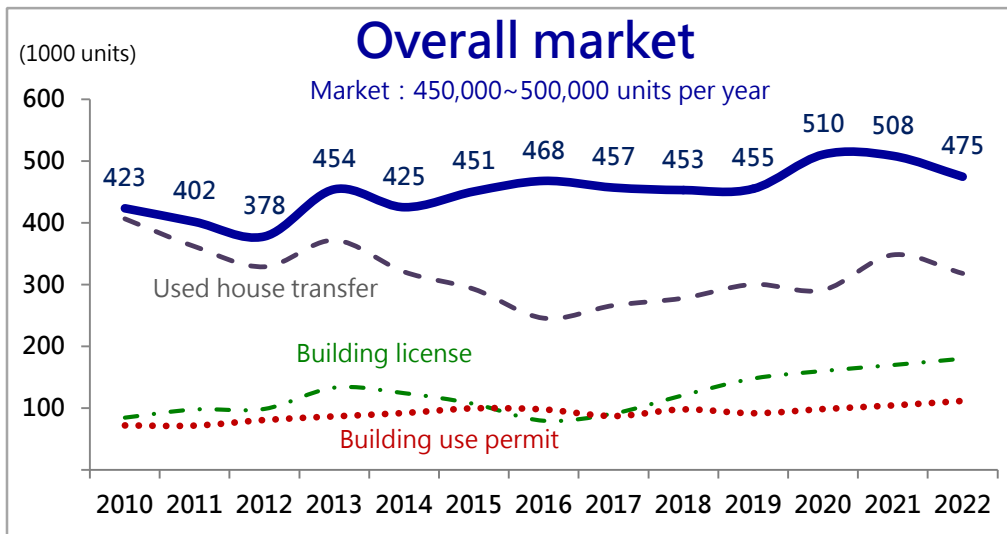
Gas Water Heater



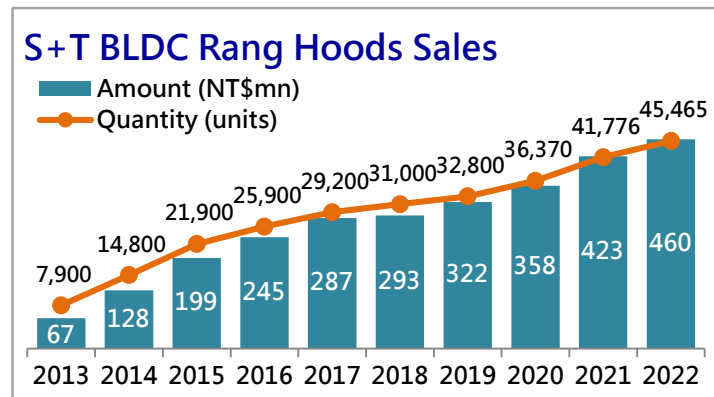
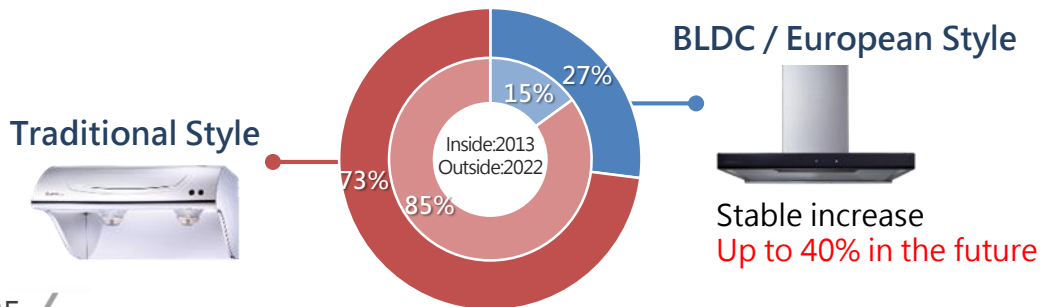
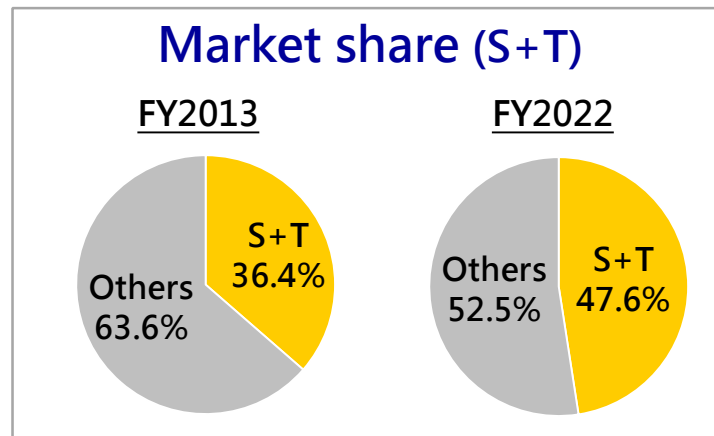
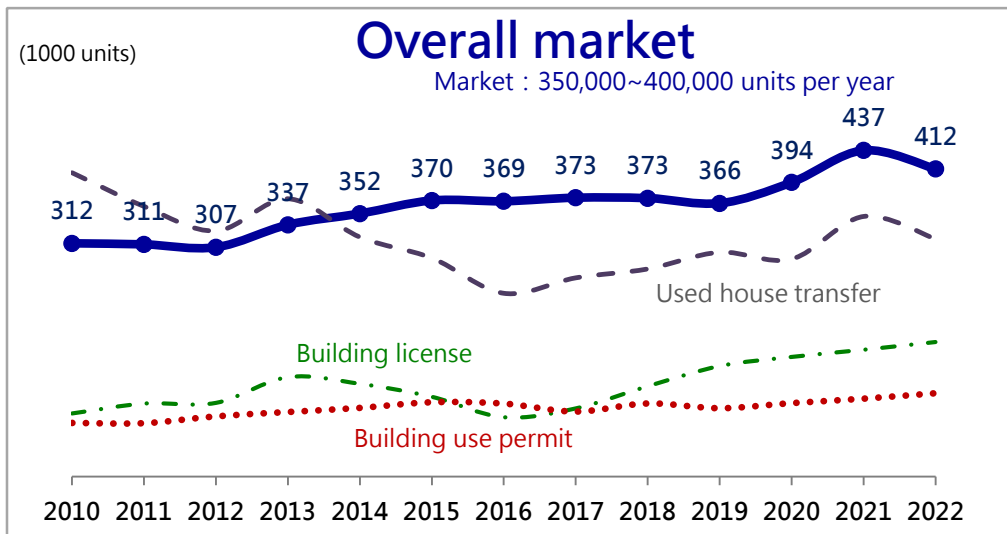
- The market of Water Heater is about 450,000~500,000 units per year.
- The digitals has surpassed the traditional ones in 2019.
- The market share of the digitals will be 70% in the future.



Gas Stove

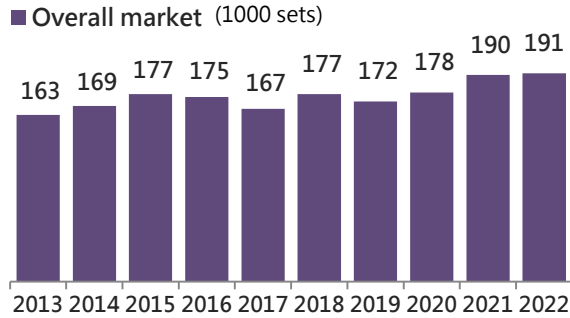


Rang Hood

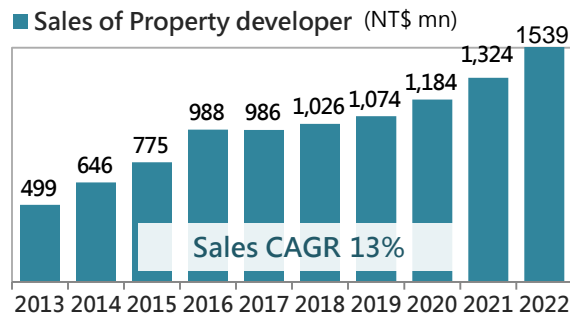


Kitchen Solution

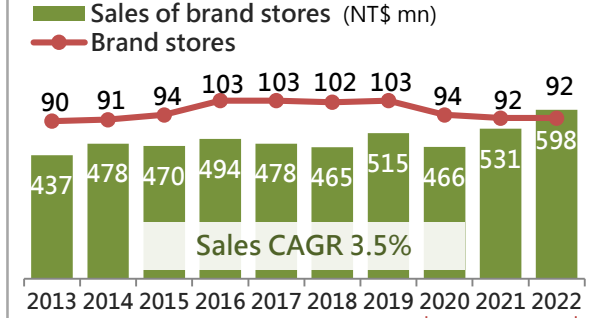
Overall Market about 160,000~180,000 sets



Steady growth in Sales of Land Developer

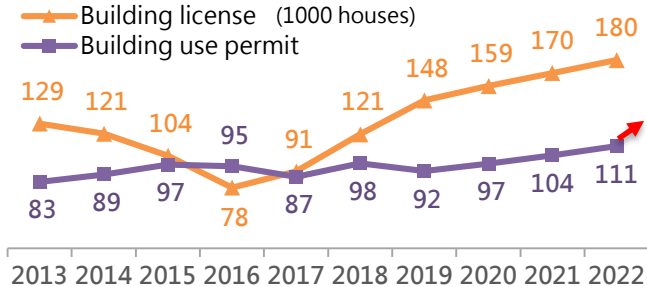


Increasing benefits of the Brand Stores



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

Housing market trends



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_ Whole House Customization

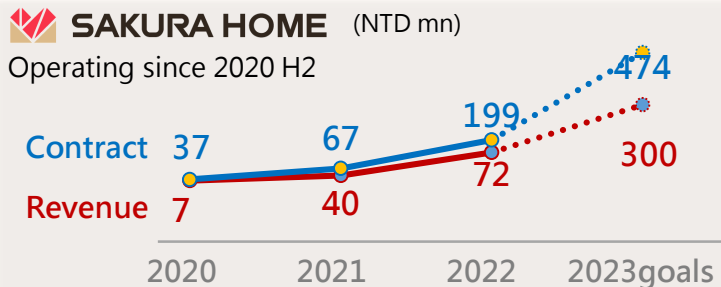
▼ Taiwan Home Decor Market Size



>100 bn

- 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

Focusing on builder customers and establishing strong partnerships to become their best strategic partner.

Property Developer



Core Mission

Property Developer

Core Business process

One-stop supply. One-stop service.

Set Up Resources

Product Module

Human Resources

Information System

Business Models

Scale operations to Property Developer



SAKURA HOME

Whole House Customization



6



7



Children's Room

Master Bedroom

Living and dining room



5



4



1



2



3

2+1 Room with Nordic style

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Overseas market

Look to Asia

Focus on mainland China

Deepen Taiwan

Integration of Group Management Resources

International Business Department

International Planning Office

Overseas subsidiaries

International Business Department

SKURA
CHINA

Vietnam
MIK

SAKURA
SHUNDE

Primary Regional Strategy

【International Business Dept】 Stable revenue and profit creation.

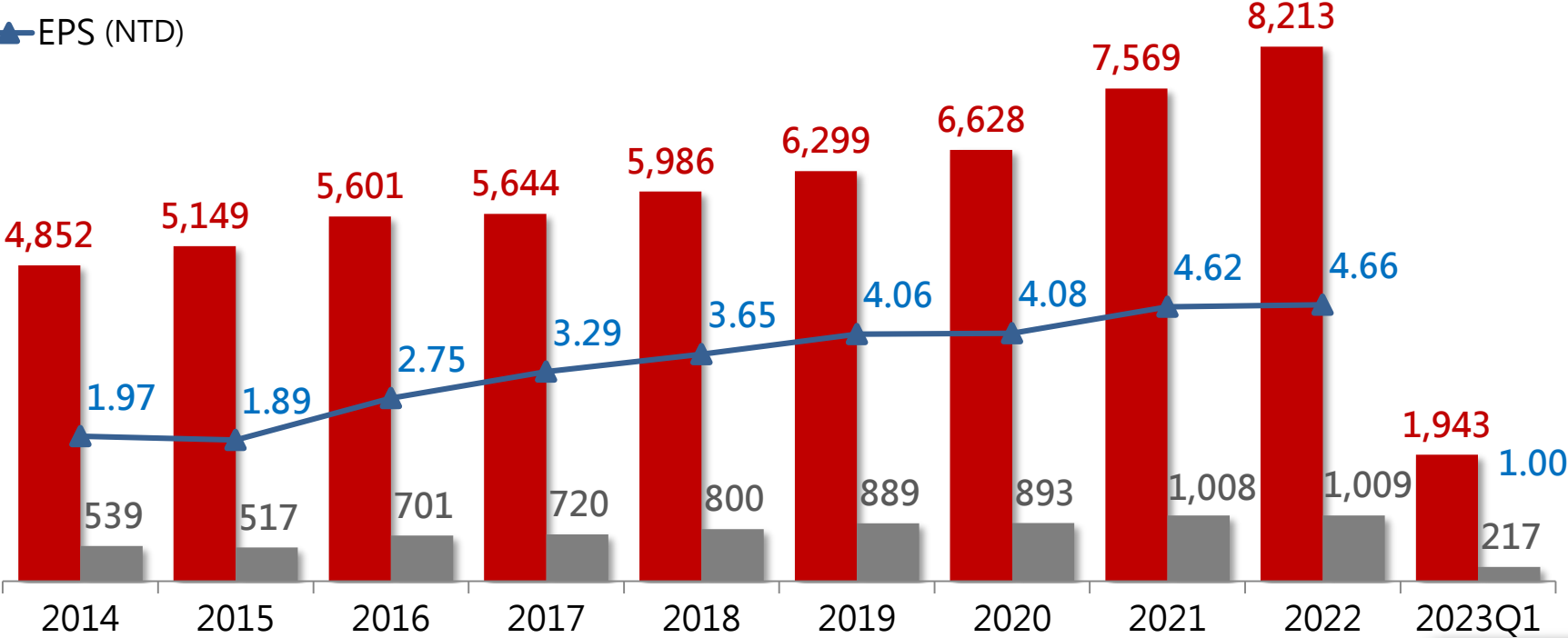
【Vietnam】 Brand management enhances brand awareness and reputation, establishing operational management systems.

【China】 Directly operate to seize market share. · Expand distribution network through agency. Optimize channel structure. Increase revenue scale. Create distinctive products and product line extensions to increase the unit price and gross profit.

Financial Highlights

■ Net Revenue ■ Net Income (NTD mn)

▲ EPS (NTD)



Financial Highlights

(NTD mn)	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023年Q1	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Revenue	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%	8,213	100.0%	1,943	100.0%
COGS	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%	5,475	66.7%	1,266	65.1%
Gross Profit Margin	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%	2,737	33.3%	677	34.9%
Operating Expenses	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%	1,626	19.8%	418	21.5%
Operating Profit	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%	1,112	13.5%	259	13.3%
Non-operation Income	136	2.8%	25	0.5%	148	2.6%	107	1.9%	163	2.7%	102	1.6%	60	0.9%	90	1.2%	162	2.0%	21	1.0%
Profit Before Tax	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%	1,274	15.5%	280	14.4%
Tax	98	2.0%	114	2.2%	148	2.6%	143	2.5%	193	3.2%	171	2.7%	232	3.5%	243	3.2%	264	3.2%	63	3.2%
Net Profit	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%	1,009	12.3%	217	11.2%
EPS (NTD)	1.97		1.89		2.75		3.29		3.65		4.06		4.08		4.62		4.66		1.00	
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%	1,285	15.6%	307	15.8%
Profit (loss) from Sakura China	55	1.1%	(38)	-0.7%	91	1.6%	67	1.2%	85	1.4%	21	0.3%	1	0.0%	65	0.9%	70	0.9%	16	0.8%

一起成為
美好居家生活的創造者

One Together,
The creator of a better home life

THANK YOU!!