

Second Quarter 2023 Financial Results

TAMRON
Focus on the Future

August 8, 2023
Tamron Co., Ltd.
(Code: 7740)
Tamron Co., Ltd.

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I. FY 2023 Summary

I-1. 1st Half Summary

Business Environment

- Economy is on a gradual recovery trend, despite continued uncertainty due to the prolonged Russia's invasion of Ukraine, energy problems, high global inflation, interest rate hikes in various countries, etc.
- The yen has been weakening significantly.
(JPY depreciated by 12 yen against both USD and EUR compared to the 1st half of 2022)
- Market environment: The market of interchangeable lens cameras and interchangeable lenses remained almost flat in volume but increased in value YoY.

Company's Results

- **Net sales increased, and all profits (operating income, ordinary income, and net income) showed a double-digit increase compared to the same period of the previous year.**
⇒ Operating income on net sales achieved more than 10% in all segments.
 - Gross margin **increased by 3.4 percentage points** as a result of controlling procurement costs and achieving lower product costs. (SG&A expenses including costs for exhibition participation and sales activities etc., have increased after Corona, compared to 1st half in 2022, and it was absorbed by the boost in gross profit.)
- 
- **Operating income, ordinary income, and net income in the 1st Half reached our historic high for two consecutive years.**
 - **Increased the interim dividend by 5 yen**

I -2. FY2023 Overview

Business Environment

- The business environment for the second half remains uncertain due to the following factors: continuing global inflation, the impact of interest rate hike policies.
- Higher component and material costs by rising prices of resources, and movements to adjust inventories in response to the alleviation of semiconductor shortages is expected.
- The yen is expected to depreciate continually.

Company's Forecast

【Forecast for 2H】

- In the industrial sector, impacts due to delayed market recovery in China after shifting to with COVID policy and movements to adjust inventories are expected
- SG&A expenses for sales activities and medium-to long term measures are expected to increase in addition to carry-over costs from the 1st half.
- Our main photographic products business expected to remain strong with increased purchasing opportunities under with COVID policy.



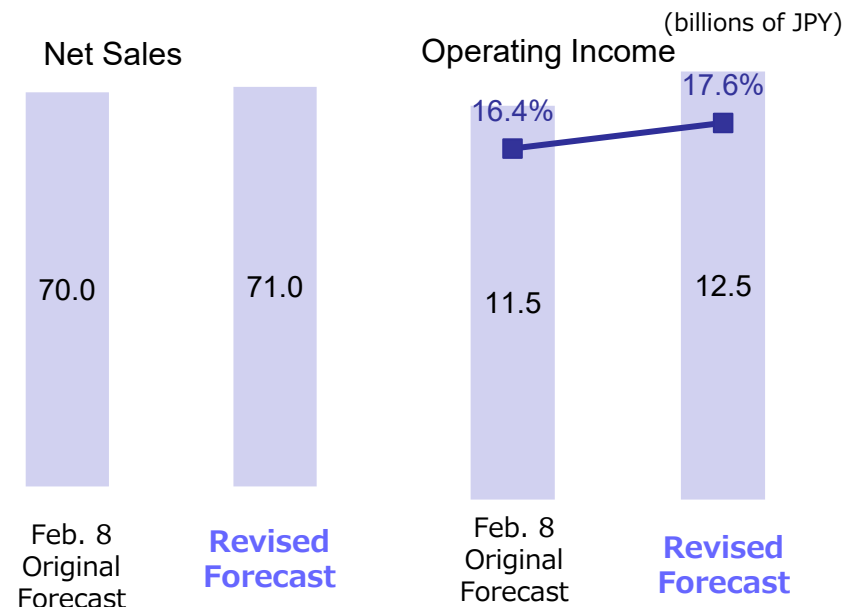
【Forecast for the full year】

Target to achieve double-digit growth in sales and profits. Forecast a record-high profit(operating income, ordinary income, and net profit) for the second consecutive fiscal year.

⇒Ensuring a profitable structure resilient to various changes while simultaneously pursuing investment and strategies for sustainable growth.

【Changes in FY2023 Forecast】

Revised upward in both sales and profits



I -3. Progress of Medium-Term Management Plan "Vision 23" (1) Consolidated Results

Vision23:Medium-Term Management Plan (Announced February 2021)

	Actual FY20	Target FY23
Net Sales	¥ 48.4B.	¥ 61.0B.
Operating Income	¥ 3.6B.	¥ 7.0B.
(% Sales)	7.4%	11.5%
ROE	3.9%	More than 9%

※Exchange rate assumption
1USD = 105JPY
1EURO = 123JPY

	Actual FY21	Actual FY22
Net Sales	¥ 57.5B.	¥ 63.4B.
Operating Income	¥ 7.4B.	¥ 11.0B.
(% Sales)	12.9%	17.4%
ROE	10.5%	14.8%

1USD = 109.91JPY
1EURO = 129.95JPY
1USD = 131.63JPY
1EURO = 138.19JPY

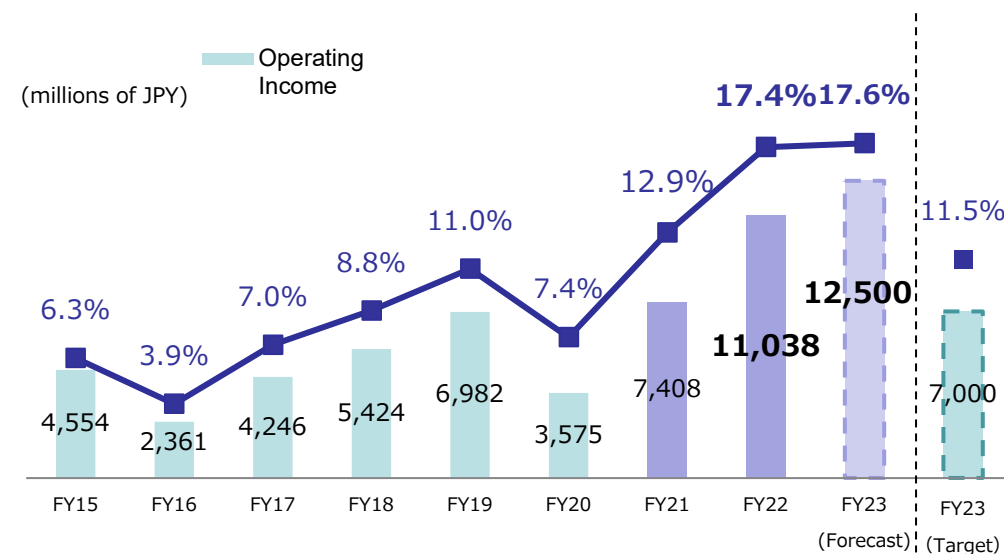
	Original Forecast FY23	New Forecast FY23
Net Sales	¥ 70.0B.	¥ 71.0B.
Operating Income	¥ 11.5B.	¥ 12.5B.
(% Sales)	16.4%	17.6%
ROE	13.2%	14.8%

1USD = 130.00JPY
1EURO = 138.00JPY
1USD = 136.01JPY
1EURO = 149.00JPY

➤ In 2021, the first year, we achieved the operating income target of "Vision23".
(Achieved a quick V-shaped recovery from the slump caused by COVID-19)

➤ In 2022, the second year, we achieved the target of "Vision 23" one year ahead of the schedule in all aspects of sales, operating income, and ROE.
(Achieved the net sales targets in the second year)
Operating income reached over 1.5 times of the target.
⇒Achieved a record high in 15 years surpassing the 10 billion yen for the first time

➤ In 2023, we will aim for even higher goals of continuous growth in revenue and profit far exceeding the target of "Vision 23" for three consecutive terms.
Working towards achieving over 70 billion yen in sales and targeting approx. 1.8 times the operating income of the target.



I -3. Progress of Medium-Term Management Plan "Vision 23" (2) Trends by Segment

Vision23 Medium-Term Management Plan

- ◆ Scale up the business of Surveillance & FA Lenses, Mobility & Healthcare, and others
- ◆ Build a business portfolio with operating income on net sales exceeding 10% in all segments

<Results of FY22>

- ◆ Surveillance & FA Lenses sales achieved 10 billions of yen, and automotive lenses sales achieved 5 billions of yen.
- ◆ The plan "Operating income on net sales exceeding 10% in all segments" was achieved one year ahead.

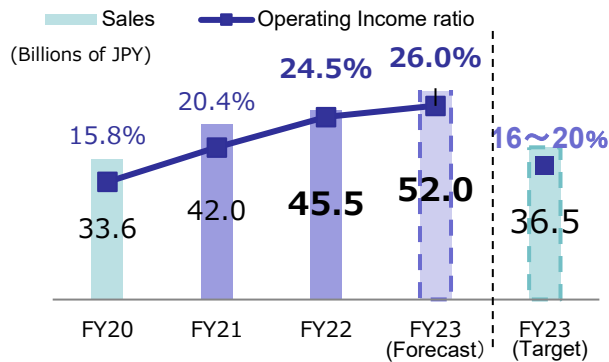


Photographic Products

◆ Maintaining high profitability as a core business

- Doubling size of lineup by focusing on products for mirrorless cameras
- Swift response to new formats
- Increasing instore share with OEM products

	Actual FY20	Target FY23
Net Sales	¥ 33.6B.	¥ 36.5B.
Operating Income ratio	15.8%	16~20%



➤ Net sales and operating income on net sales targets achieved significantly

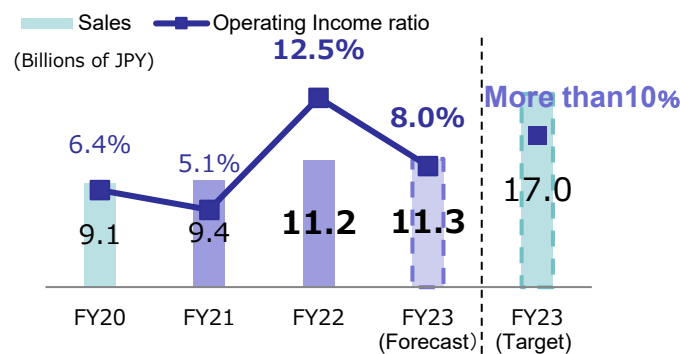
- ⇒ The number of Mirrorless model lineup: 8 (in 2020), 21 (as of Jan. 2022)
- ⇒ Newly launched 2 models. (for FUJIFILM X-mount and for Nikon Z-mount)

Surveillance & FA Lenses

◆ Growing sales and profits as a second key pillar

- Taking in the massive Chinese market and expanding business with new technologies including SWIR and module business
- Creating OEM products and expanding share in FA

	Actual FY20	Target FY23
Net Sales	¥ 9.1B.	¥ 17.0B.
Operating Income ratio	6.4%	More than 10%



➤ Net sales broke the 10-billion-yen mark, and operating income on net sales was achieved

- Achieved double-digit sales growth for two consecutive years in mainstay surveillance & FA lenses.
- FA lens product lineup renewed, new business for OEM products acquired

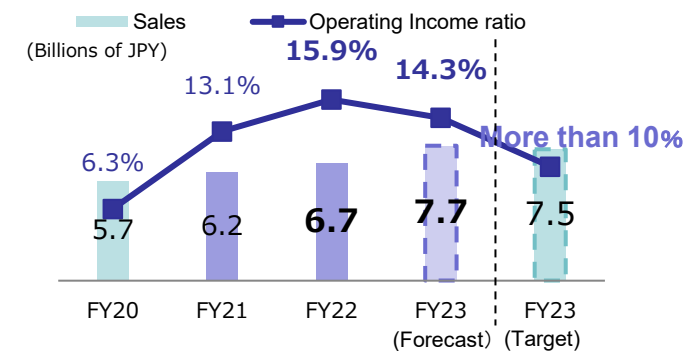
Mobility & Healthcare Products, Others

◆ Launch as a next-generation key pillar

◆ Create new business domains

- Bolster automotive lenses (sensing) and develop customers
- Full-scale launch of health care business, expand into the health care domain

	Actual FY20	Target FY23
Net Sales	¥ 5.7B.	¥ 7.5B.
Operating Income ratio	6.3%	More than 10%



➤ Net sales progressed as planned, and achieved operating income on net sales target

- Double-digit sales growth for two consecutive years in mainstay automotive products.
- Create a next-generation business in addition to medical business

I -4. Investment strategy & Initiatives to improve corporate value

Establishment of a new factory

In anticipation of sustainable growth, further strengthen the production system of the entire Group

- Respond to medium-to long-term business expansion
- Enhance steady supply system including supply chains and competitiveness of cost

<Plan of the new factory>

Name	Tamron Vietnam Thang Long Factory (tentative name)
Investment	Approximately 4 billion yen (Plan) ⇒Planned to invest 1.8 billion yen in 2023
Schedule	Start of Construction: October 2023 Start of Operation: January 2025 ⇒On schedule
Land area	Approximately 25,000m ²

Finance/Capital Policy

ROIC significantly exceeded WACC and ROE improved

2020		2022	
ROE < 3.9%	Cost of capital > 7.0%	ROIC < 5.2%	WACC > 6.7%
ROE > 14.8%	Cost of capital > 7.3%	ROIC > 12.4%	WACC > 7.1%

Improved profitability	Improved asset efficiency	Enhancing shareholder return and executing capital policy
<ul style="list-style-type: none"> • Reduced development and production costs • Reduced operational costs 	<ul style="list-style-type: none"> • Improved asset turnover ratio • Improved ROA • Improved ROIC 	<ul style="list-style-type: none"> • Continuing to provide stable shareholder return based on profits • Execution of flexible capital policy
<p>From 2020 ⇒ to 2022</p> <ul style="list-style-type: none"> • Gross profit margin: 38.0% ⇒ 43.5% • SG&A expense ratio : 30.6% ⇒ 26.1% • Improved non-operating profit/loss, reduced effective rate of duty 	<p>From 2020 ⇒ to 2022</p> <ul style="list-style-type: none"> • Asset turnover ratio: 0.8 times ⇒ 0.9 times • ROA: 5.9% ⇒ 16.1% • ROIC: 5.2% ⇒ 12.4% 	<p>[2020]</p> <ul style="list-style-type: none"> • Acquisition of treasury shares (as a percentage of total shares outstanding: 18.87%, acquisition amount: 8.9 billion yen) <p>[2021]</p> <ul style="list-style-type: none"> • Cancelled treasury shares (as a percentage of the total number of shares outstanding before the cancellation: 3.66%) <p>[2022]</p> <ul style="list-style-type: none"> • Record annual dividend: 120 yen

June 2023

Cancelled Treasury Stock

Cancelled 1,600,000 shares

(6.40% of issued shares before the cancellation)

Enhance corporate value: Increase in market capitalization to 100 billion yen

(1.4 times compared to the end of 2022)

Create bigger corporate value far exceeding the current scale of business

- Pursuing a strategy of transforming risks into opportunities through proactive investments and strategic initiatives(sustainability management)
- Maximizing both financial and non-financial values through various measures, including investor relations (IR) policies.

	Dec 31, 2022	Jul. 31, 2023
• PBR (Asset size & corporate value)	1.0times	1.6times
• PSR (Sales scale & corporate value)	1.2times	1.7times
• TSR (Shareholder value)	Growing continuously	

II. 1st Half Financial Results

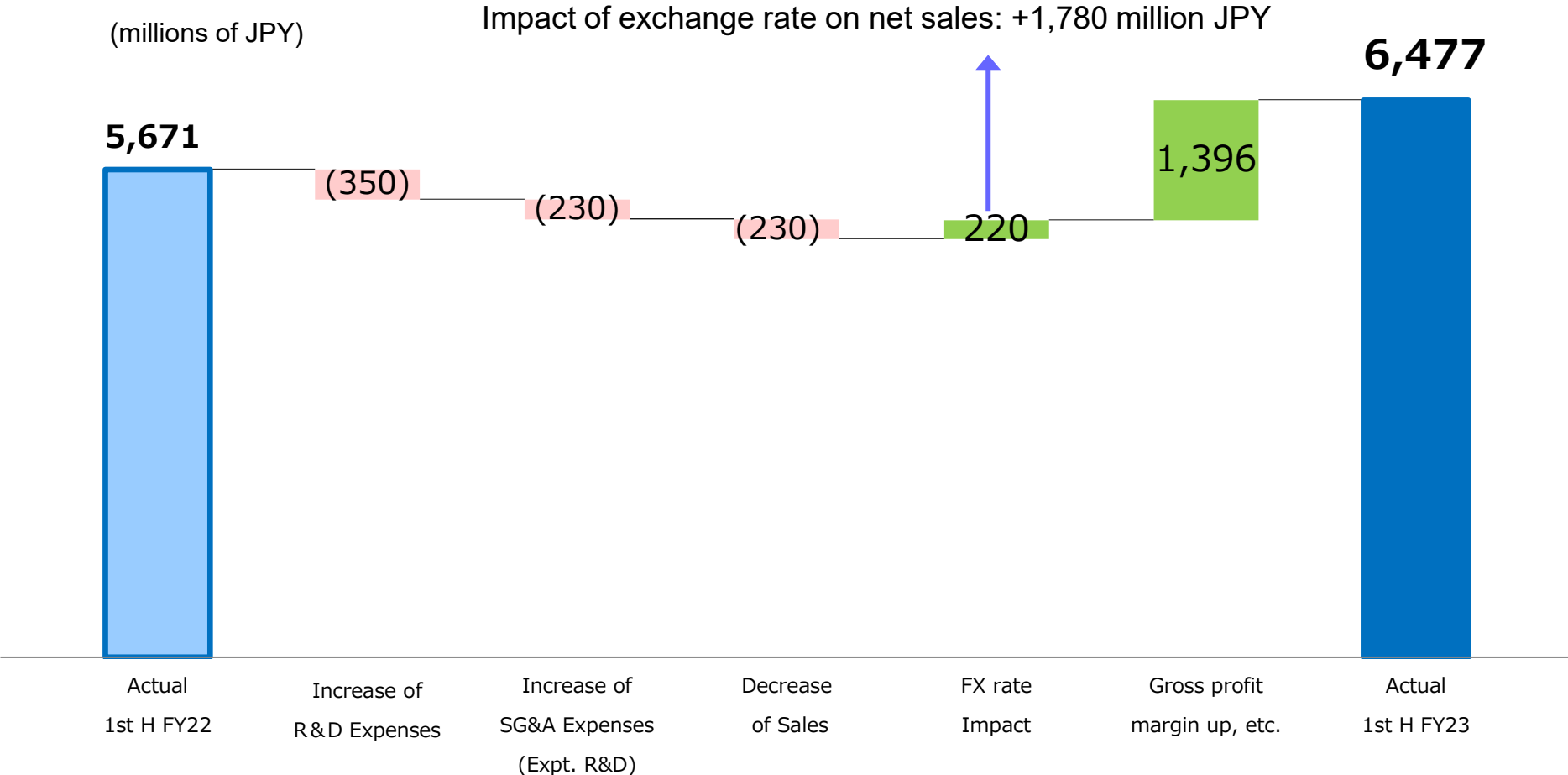
II-1. Consolidated Results for the First Half of 2023

- Double-digit increase in each profit due to sales increase and the improvement of gross profit by approx. 3.4%.
- Net sales were almost in line with the plan. Profits increased by double digits compared to the plan.

(millions of JPY)	Actual 1st H FY22	Forecast 1st H FY23 <small>*Apr. 28</small>	Actual 1st H FY23	Inc/Dec (YoY)		Inc/Dec (vs. Forecast)	
				Amounts	Ratio	Amounts	Ratio
Net sales	31,699	32,500	32,752	1,052	3.3%	252	0.8%
Gross Profit	13,283	-	14,845	1,561	11.8%	-	-
(% Sales)	41.9%	-	45.3%	3.4%	-	-	-
Operating Income	5,671	5,700	6,477	805	14.2%	777	13.6%
(% Sales)	17.9%	17.5%	19.8%	1.9%	-	2.3%	-
Ordinary Income	5,954	5,700	6,891	937	15.7%	1,191	20.9%
(% Sales)	18.8%	17.5%	21.0%	2.2%	-	3.5%	-
Net Income	4,565	4,540	5,329	763	16.7%	789	17.4%
(% Sales)	14.4%	14.0%	16.3%	1.9%	-	2.3%	-
JPY – 1 USD	123.15	131.22	135.01	11.86	-	3.79	-
JPY – 1 EUR	134.44	140.12	145.99	11.55	-	5.87	-

II-2. 1st Half Performance Variation Factors

➤ Operating income achieved a double-digit increase compared to the previous year even excluding the favorable impact of exchange rate improvement



II-3. 1st Half Results by Segment

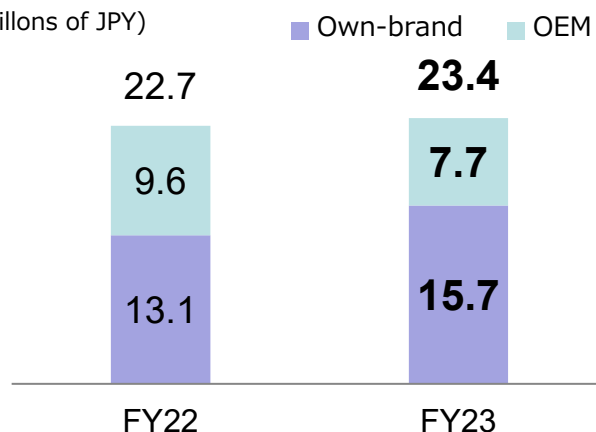
① Photographic Products

(millions of JPY)	Actual 1st H FY22	Forecast 1st H FY23 <small>*Apr. 28</small>	Actual 1st H FY23	Inc/Dec (YoY)		FX Impact vs. 1st H FY22	Inc/Dec (vs. Forecast)	
				Amounts	Ratio		Amounts	Ratio
Net sales	22,737	22,800	23,425	687	3.0%	1,160	625	2.7%
Operating Income	5,766	6,050	6,506	739	12.8%	80	456	7.5%
(% Sales)	25.4%	26.5%	27.8%	2.4%	-	-	1.3%	-

- Sales of our own brand interchangeable lenses showed favorable growth due to strong sales of new mirrorless models launched in the middle of 2021.
- OEM sales decreased compared to the strong sales to camera manufacturers in the previous year.
- **Operating income on net sales reached approx. 28%, exceeded the forecast**, due to the strong sales of own brand models.

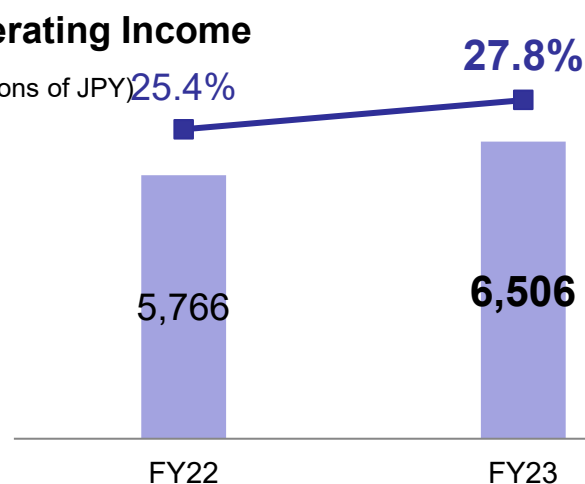
Net Sales

(Billions of JPY)



Operating Income

(millions of JPY)



*Ref. Market environment in the 1st half, FY23 YoY

	quantity	Money
SLR cameras	(37)%	(36)%
Mirrorless cameras	+22%	+21%
Interchangeable lens cameras Total	+2%	+12%
Interchangeable lenses	(3)%	+3%

II-3. 1st Half Results by Segment

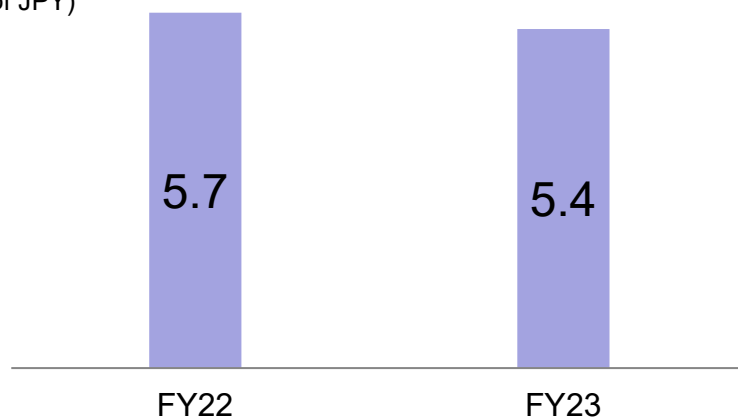
② Surveillance & FA Lenses

(millions of JPY)	Actual 1st H FY22	Forecast 1st H FY23 <small>*Apr. 28</small>	Actual 1st H FY23	Inc/Dec (YoY)		FX Impact vs. 1st H FY22	Inc/Dec (vs. Forecast)	
				Amounts	Ratio		Amounts	Ratio
Net sales	5,694	5,900	5,432	(262)	(4.6)%	600	(467)	(7.9)%
Operating Income	682	500	575	(106)	(15.7)%	130	75	15.1%
(% Sales)	12.0%	8.5%	10.6%	(1.4)%	-	-	2.1%	-

- Sales of surveillance and FA/machine vision lenses continued to grow due to strong sales in Japan and Europe.
- Sales of the lenses for video conferencing and camera modules decreased due to declined demand caused by market inventory adjustment.

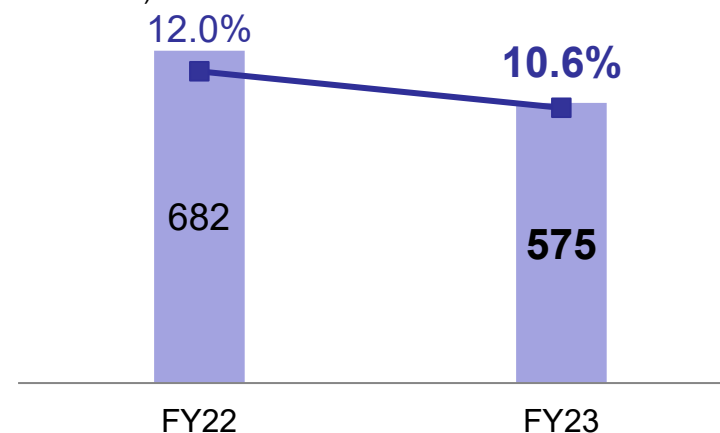
Net sales

(billions of JPY)



Operating Income

(millions of JPY)



II-3. 1st Half Results by Segment

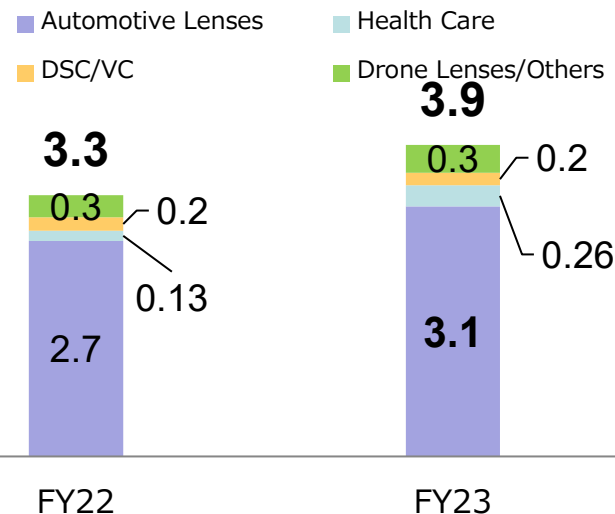
③ Mobility & Healthcare Products, Others

(millions of JPY)	Actual 1st H FY22	Forecast 1st H FY23 *Apr. 28	Actual 1st H FY23	Inc/Dec (YoY)		FX Impact vs. 1st H FY22	Inc/Dec (vs. Forecast)	
				Amounts	Ratio		Amounts	Ratio
Net sales	3,267	3,800	3,894	627	19.2%	20	94	2.5%
Operating Income	422	450	669	246	58.4%	10	219	48.8%
(% Sales)	12.9%	11.8%	17.2%	4.3%	-	-	5.4%	-

- Sales of automotive lenses continued to increase in double digits. Medical lenses also doubled revenue from sales.
- Operating income exceeded the forecast and operating income on net sales reached 17%, reflecting the increase of sales and cost containment efforts.

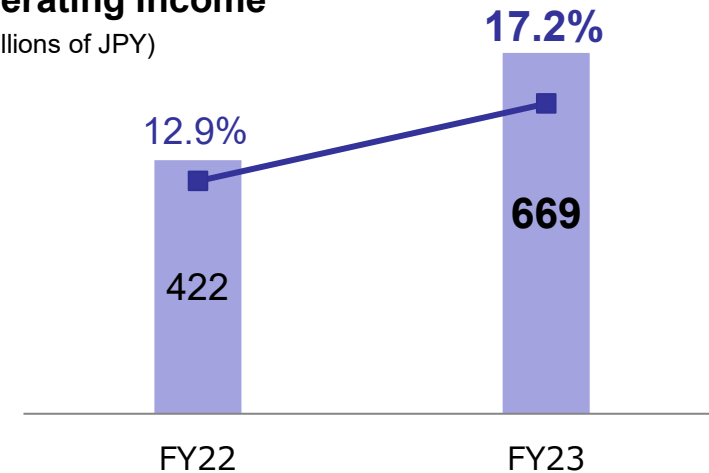
Net sales

(billions of JPY)



Operating Income

(millions of JPY)



III. FY2023 Financial Forecast

III-1. FY2023 Financial Forecast

- Double-digit growth in sales and profit in 2H; Double-digit growth in sales and every profit in the full year. (Net sales and operating income achieved about a double-digit increase compared to the previous year even excluding the favorable impact of exchange rate improvement.)
- Ensuring a profitable business structure with over 17% of operating income on net sales. Target to achieve record profits following last year.

(millions of JPY)	Actual FY22	Original Forecast FY23	Revised Forecast FY23	Inc/Dec (YoY)		Inc/Dec (vs. Forecast)	
				Amounts	Ratio	Amounts	Ratio
Net Sales	63,445	70,000	71,000	7,554	11.9%	1,000	1.4%
Operating Income	11,038	11,500	12,500	1,461	13.2%	1,000	8.7%
(% Sales)	17.4%	16.4%	17.6%	0.2%	-	1.2%	-
Ordinary Income	11,496	11,500	12,700	1,203	10.5%	1,200	10.4%
(% Sales)	18.1%	16.4%	17.9%	(0.2)%	-	1.5%	-
Net Income	8,350	8,370	9,400	1,049	12.6%	1,030	12.3%
(% Sales)	13.2%	12.0%	13.2%	-%	-	1.2%	-
JPY – 1 USD	131.63	130.00	136.01	4.38	-	6.01	-
JPY – 1 EUR	138.19	138.00	149.00	10.81	-	11.00	-

※The assumption of exchange rate for 2H:
 JPY130/USD ⇒ JPY137/USD
 JPY138/EUR ⇒ JPY152/EUR

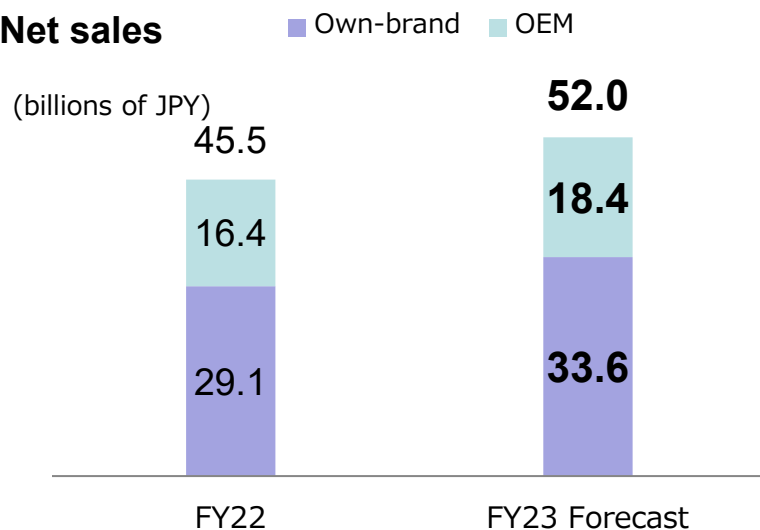
III-2. FY2023 Forecast by Segment

① Photographic Products

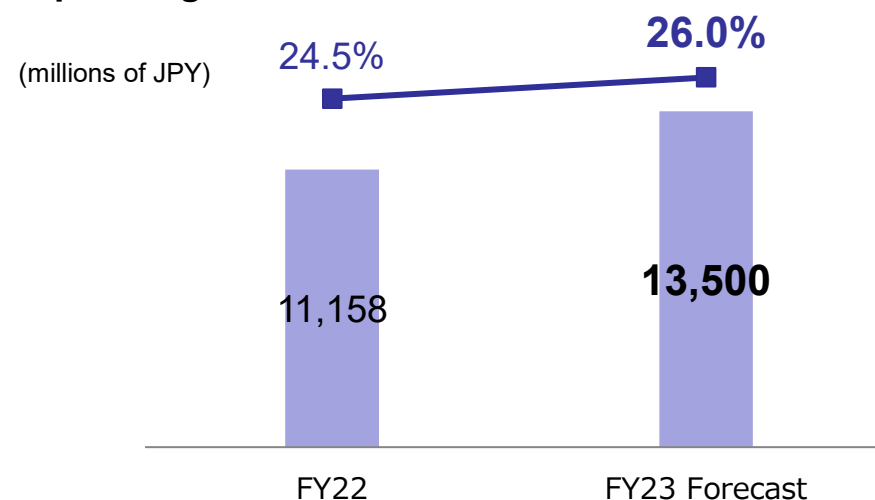
(millions of JPY)	Actual FY22	Original Forecast FY23	Revised Forecast FY23	Inc/Dec (YoY)		Inc/Dec (vs. Forecast)	
				Amounts	Ratio	Amounts	Ratio
Net sales	45,519	47,800	52,000	6,480	14.2%	4,200	8.8%
Operating Income	11,158	11,600	13,500	2,341	21.0%	1,900	16.4%
(% Sales)	24.5%	24.3%	26.0%	1.5%	-	1.7%	-

- Double-digit sales growth is planned in both own-brand and OEM
- Operating income on net sales improved further due to a higher gross profit margin. **Operating income is expected to increase by double digits.**

Net sales



Operating Income



Photographic Products - New Models

(New models from 2020 are mirrorless lenses only)

Category		Launched in 2020	Launched in 2021	Launched in 2022
Mirrorless	Fixed Focal	Launched in Jan.  20mm F/2.8 OSD M1:2 (F050)		
	Wide-angle Zoom		Launched in Jun.  11-20mm F/2.8 RXD (B060)	Launched in Jul.  17-70mm F/2.8 RXD (Model B070) FUJIFILM X-mount Launched in Oct.  20-40mm F/2.8 VC RXD (Model A062)
	Standard Zoom		Launched in Jan.  17-70mm F/2.8 VC RXD (B070) Launched in Oct.  28-75mm F/2.8 VXD G2 (A063)	
	Telephoto Zoom	Launched in May  70-180mm F/2.8 VXD (A056) Launched in Oct.  70-300mm F/4.5-6.3 RXD (A047)	Launched in Jun.  150-500mm VC VXD (A057) Launched in Oct.  35-150mm F/2-2.8 VXD (A058)	Launched in Sep.  50-400mm F/4.5-6.3 VC VXD (Model A067) Launched in Sep.  70-300mm F/4.5-6.3 RXD (A047) Launched in Oct.  150-500mm F/5-6.7 VC VXD (Model A057)
	All-in-one Zoom	Launched in Jun.  28-200mm F/2.8-5.6 RXD (A071)	Launched in Sep.  For Sony E-mount Launched in Oct.  For FUJIFILM X-mount 18-300mm VC VXD (B061) The company has simultaneously developed its first Fujifilm X-mount lens and Sony E-mount lens.	Our 3 rd model for Fujifilm X-mount Our First model for Nikon Z-mount Plan to launch 5 new models every year

Launched in May 2023

11-20mm F/2.8
III-A RXD (Model B060)
For Fujifilm X-mount



Compact, lightweight
F2.8 ultra wide-angle
zoom lens

To be Launched in the fall, 2023

35-150mm F/2-2.8
VXD (Model A058)
For Nikon Z-mount



World's first* mirrorless zoom
lens with maximum wide-open
aperture of F2

III-2. FY2023 Forecast by Segment

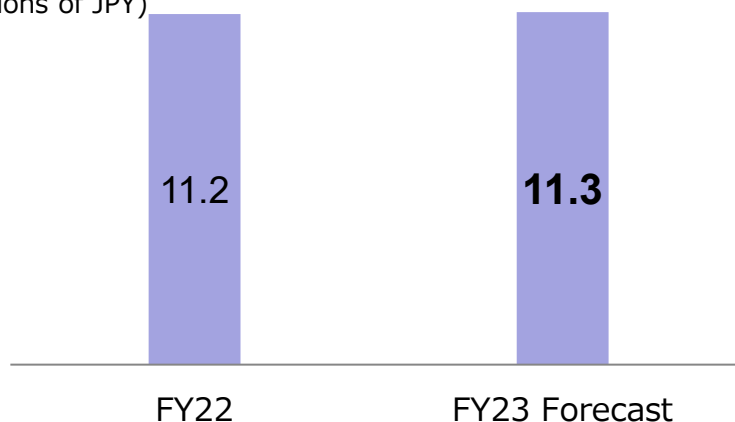
② Surveillance & FA Lenses

(millions of JPY)	Actual FY22	Original Forecast FY23	Revised Forecast FY23	Inc/Dec (YoY)		Inc/Dec (vs. Forecast)	
				Amounts	Ratio	Amounts	Ratio
Net sales	11,236	13,000	11,300	63	0.6%	(1,700)	(13.1)%
Operating Income	1,399	1,600	900	(499)	(35.7)%	(700)	(43.8)%
(% Sales)	12.5%	12.3%	8.0%	(4.5)%	-	(4.3)%	-

- Despite the impact of inventory adjustments, the sales of surveillance, FA lenses, and camera module is expected to grow. The total sales of segment will show a slight increase Influenced by a decrease in the lenses for TV conferences.
- The sluggishness in the Chinese market and the reduced demand for new models due to inventory adjustments after the post COVID-19 situation have led to delays in recovering development costs, resulting in an expected decline in profits.

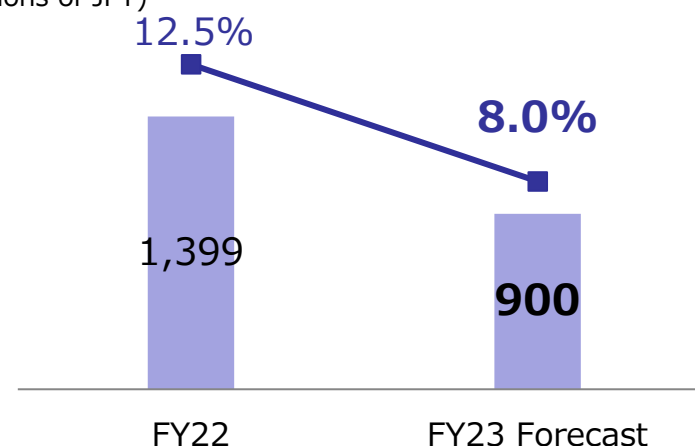
Net sales

(billions of JPY)



Operating Income

(millions of JPY)



III-2. FY2023 Forecast by Segment

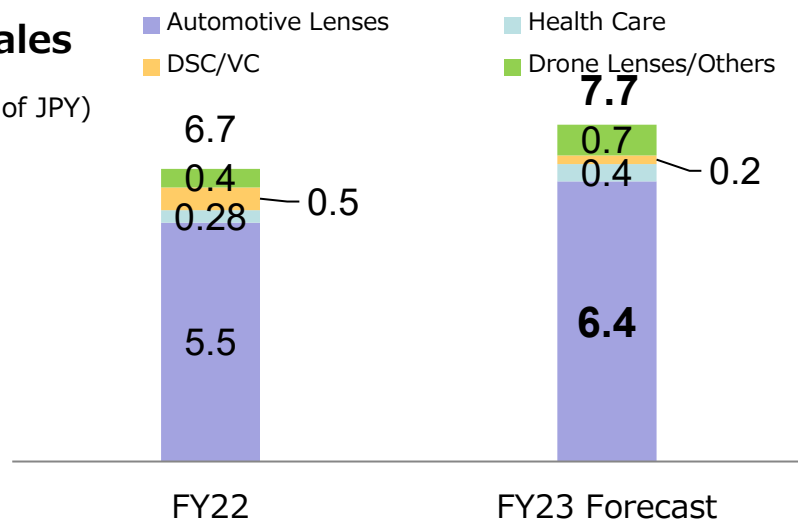
③ Mobility & Healthcare Products, Others

(millions of JPY)	Actual FY22	Original Forecast FY23	Revised Forecast FY23	Inc/Dec (YoY)		Inc/Dec (vs. Forecast)	
				Amounts	Ratio	Amounts	Ratio
Net sales	6,689	9,200	7,700	1,010	15.1%	(1,500)	(16.3)%
Operating Income	1,061	1,100	1,100	38	3.6%	-	-%
(% Sales)	15.9%	12.0%	14.3%	(1.6)%	—	2.3%	-

- **Continued double-digit sales growth** in automotive lenses and sales increase in drone lenses and healthcare components are expected.
- Profitability declined due to aggressive investment and increased development costs in new business fields, but profit growth was secured.
- Due to the decrease in demand caused by the impact of semiconductor shortage on automotive lenses, we have revised our sales forecast downward. However, we can maintain profitability by improving gross margins.

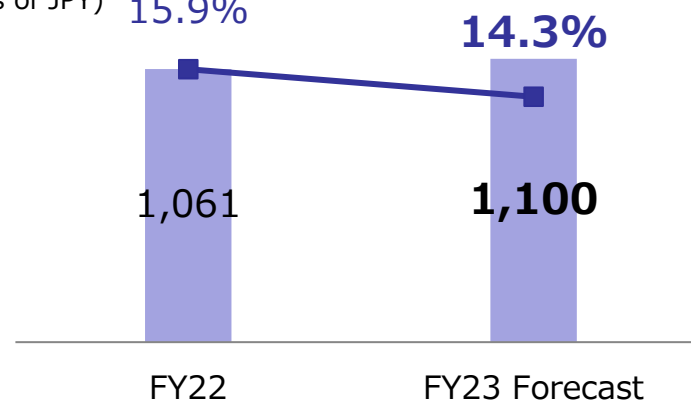
Net sales

(billions of JPY)



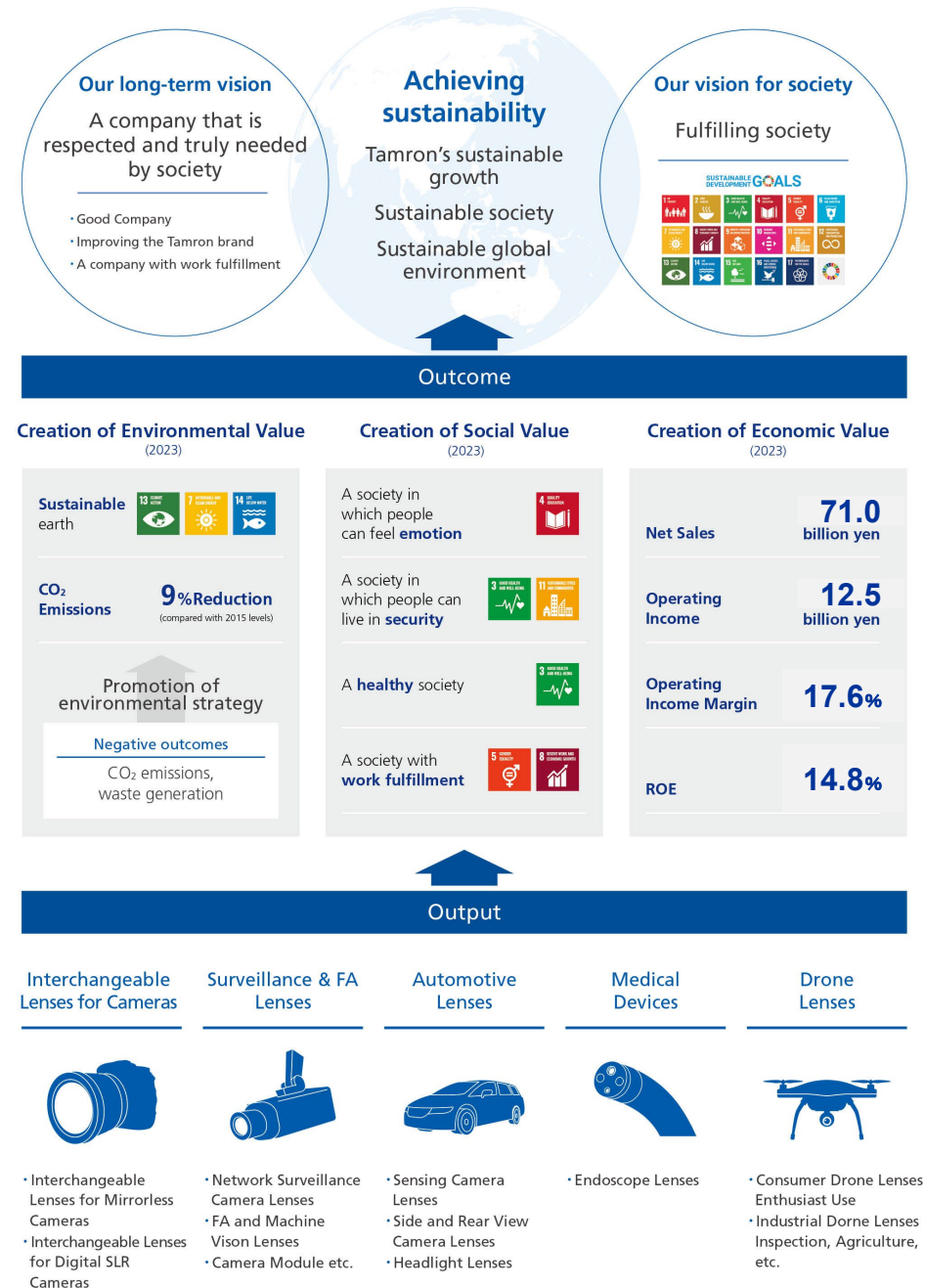
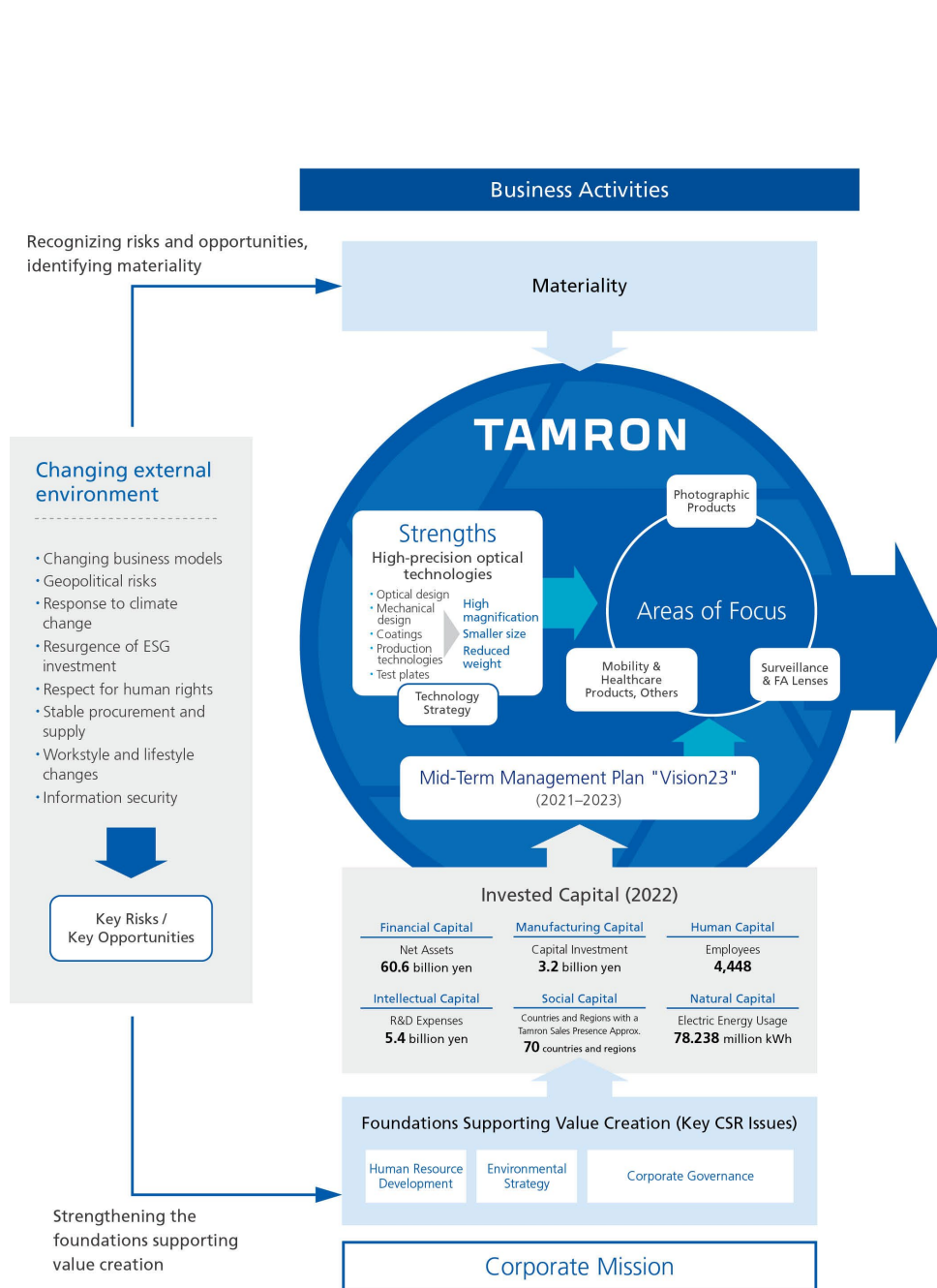
Operating Income

(millions of JPY)



IV. Sustainability and ESG Initiatives

IV- 1 . Value Creation Process



IV- 2 . Main initiatives and results



	Main initiatives	Results
E	Reducing CO ₂ emissions	2022 Target: 6% reduction (compared with FY2015 levels) →2022 Result: 15% reduction
	Energy-Saving Initiatives	2022:Start to purchase renewable energy and further improve purchase ratio of the energy.
	TCFD Initiatives	Endorsement of TCFD, Implementation of TCFD-compliant Information Disclosure
S	Improved Percentage of female managerial staff	Percentage of female managerial staff: 2021: 7% ⇒2022: Improve to 10%
	Reduced overtime	2022: Reduced by 24% compared with 2021
G	Business and human rights initiatives	Develop systems to strengthen respect for human rights (Established Human Rights Policy and Human Rights Due Diligence System in April 2023)
	Improved structure of the Board of Directors	March 2023: Increased the ratio of independent outside directors to 40% .(ensured diversity in terms of women, foreign nationalities, experience, etc.)
	Shortening of Director terms, Review of director compensation indices	2022: Shortened the term of directors to one year and added TSR (Total Shareholder Return) as a mid-term performance evaluation indicator for stock-based rewards. ⇒ Comply with all principles of the revised Corporate Governance Code (including principles for the prime market)

Expanding the scope of business

Expanding the scope of business utilizing technological capabilities

Legend

Sectors Tamron is considering entering in the future

Sectors in which Tamron is currently active

Achieving a fulfilling society across a wide range of fields

Promoting a technology strategy
Shifting from taking images to measuring in each industry

Agricultural sector

Monitoring of livestock and crops, dispersal of pesticides

Logistics sector

Wearable devices, unattended deliveries

Infrastructure sector

Surveying, building inspections, equipment inspections

Robotics sector

Smart homes, service robots

Home electronics sector

Digital cameras

Security sector

Urban surveillance, ITS (traffic monitoring), facial authentication

Automotive sector

ADAS / autonomous driving technologies

Spatial light communications sector

6G, space-based communications

Nursing and healthcare sector

VR, wearable devices

Industrial sector

FA cameras, AI, image processing

Infrared technologies

High-precision sensing technologies

Modularization technologies

Technologies reducing size and weight

High sensitivity technologies

Coating technologies

High heat resistance technologies

High-precision evaluation technologies

High durability technologies

Visible light technologies

Optical technologies

Production technologies

Mechanical technologies

Medical sector

Hard endoscopes, 3D endoscopes

Deep cultivation of existing technology field

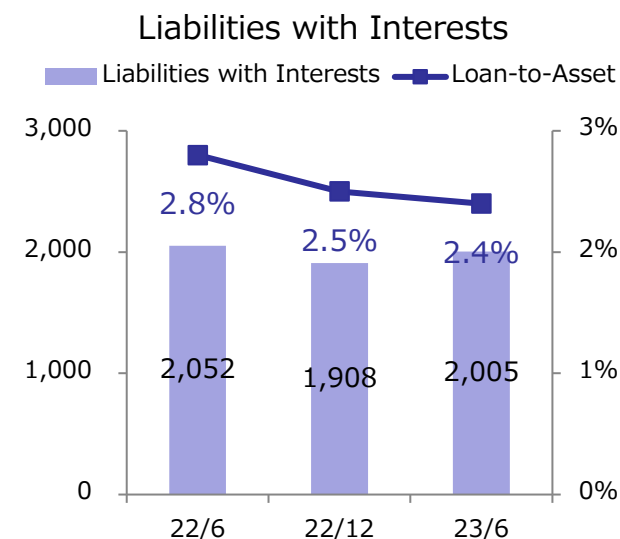
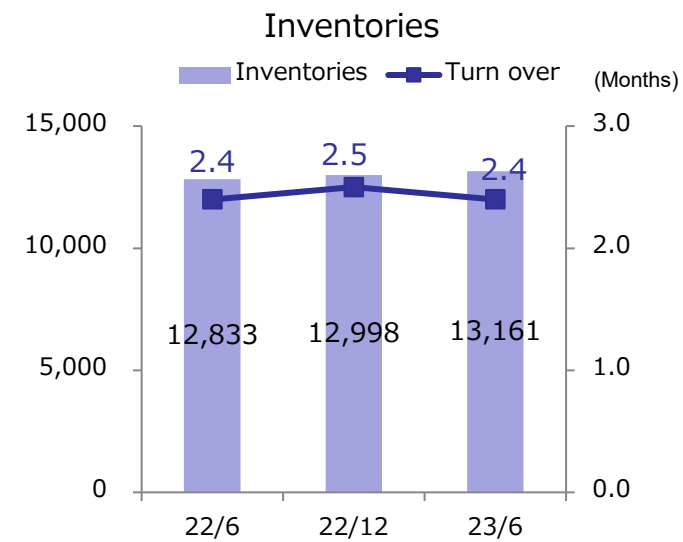
Entry into peripheral technology field

V . Information for Reference

IV-1. Financial Summary

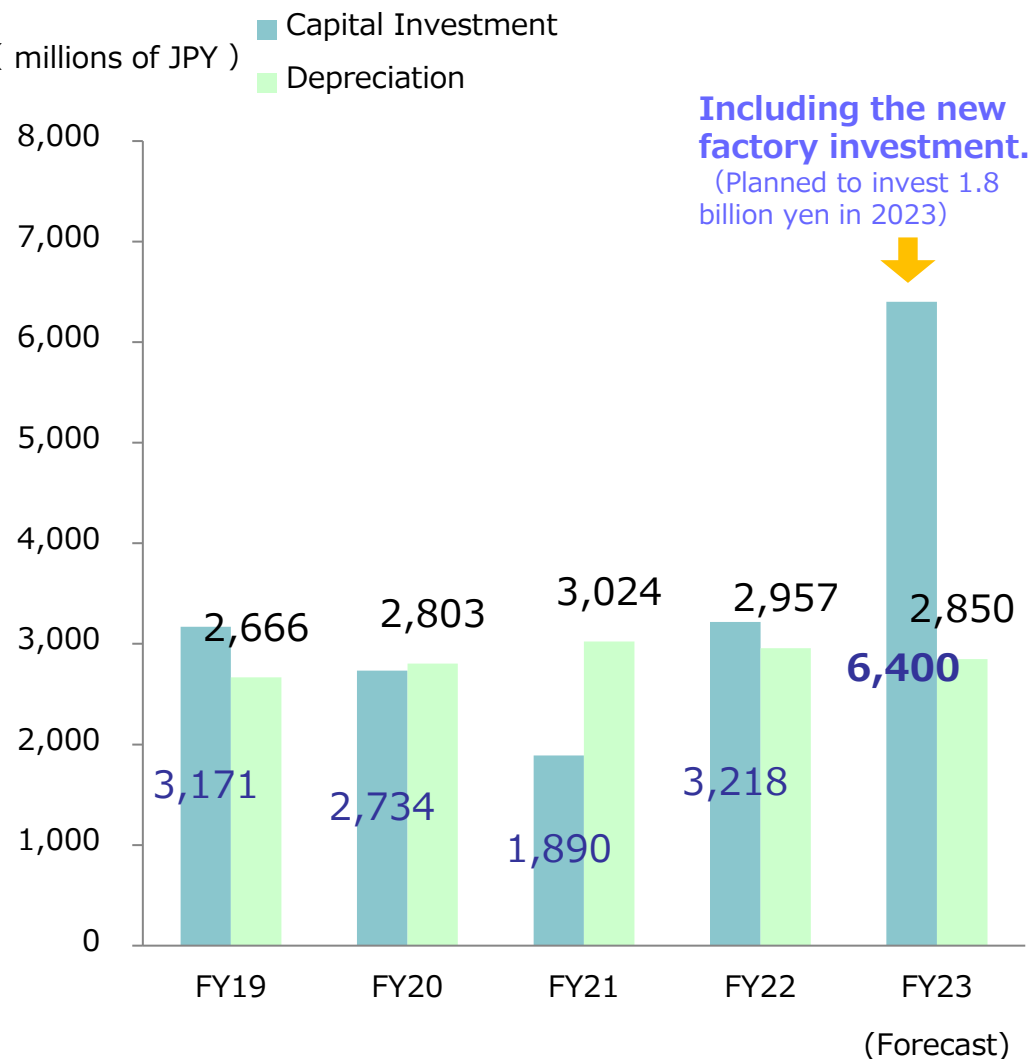
(millions of JPY)

	Dec 31, 2022	Jun 30, 2023	Change (vs. previous Year-end)
Cash & Deposits	29,948	32,394	2,446
Notes & Accounts Receivable	11,128	13,156	2,028
Inventories	12,998	13,161	163
Other Current Assets	1,230	1,508	277
Non-Current Assets	20,250	22,270	2,020
Total Assets	75,556	82,492	6,935
Total Current Liabilities	12,685	13,740	1,054
Total Non-Current Liabilities	2,295	2,706	411
Total Net Assets	60,574	66,044	5,469
Total Liabilities & Net Assets	75,556	82,492	6,935
Ratio of Net Assets	80.2%	80.1%	(0.1)%

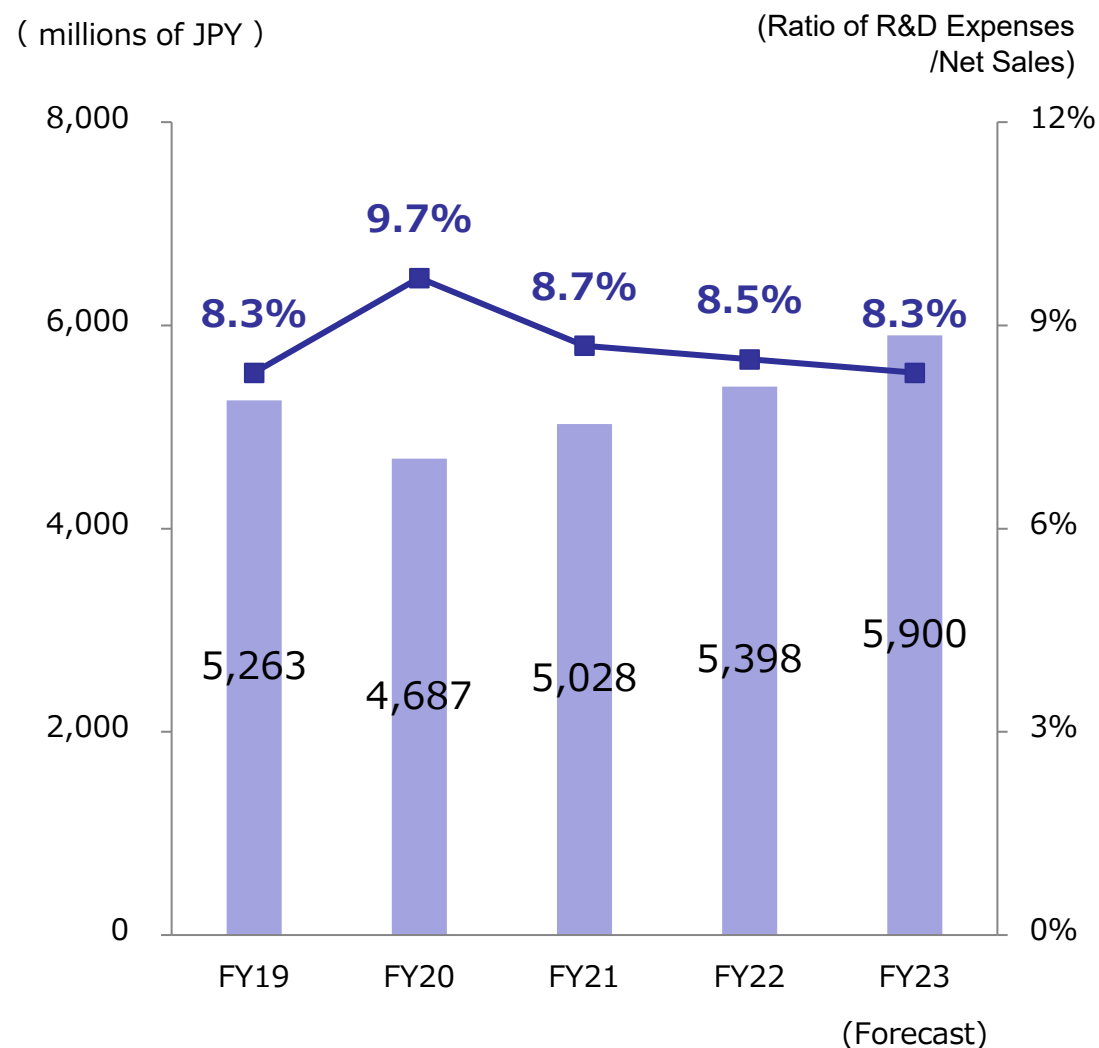


V - 2 . Capital Investment, Depreciation, & Research & Development Expenses

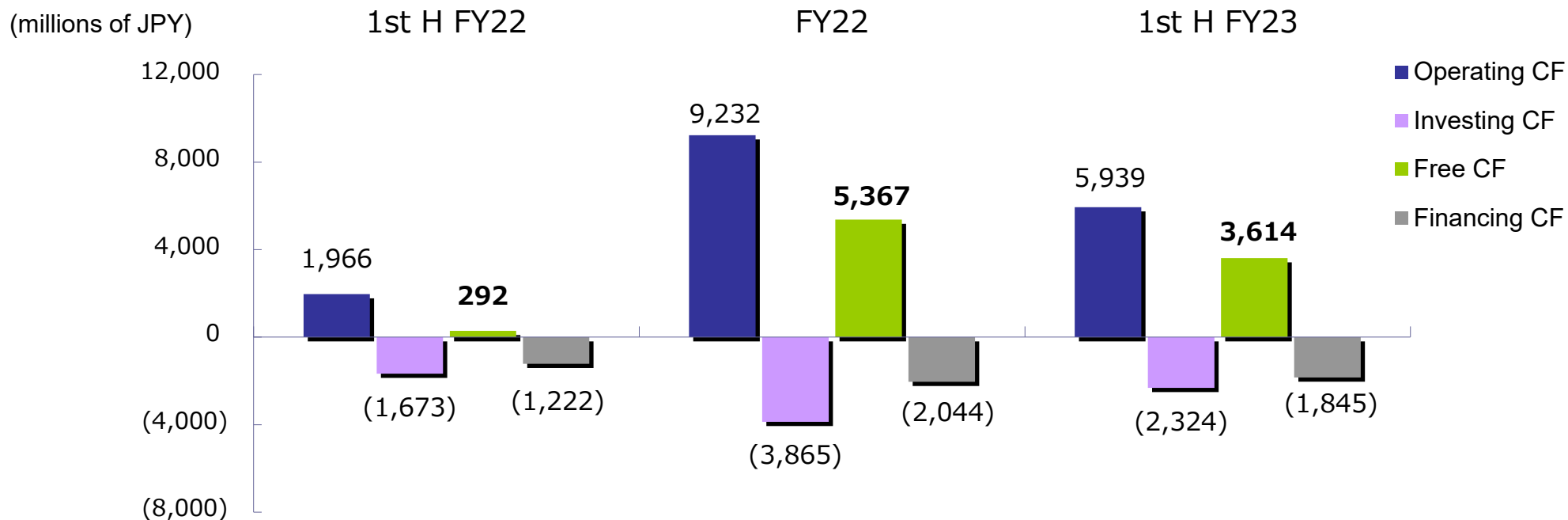
Capital Investment & Depreciation



Research & Development Expenses



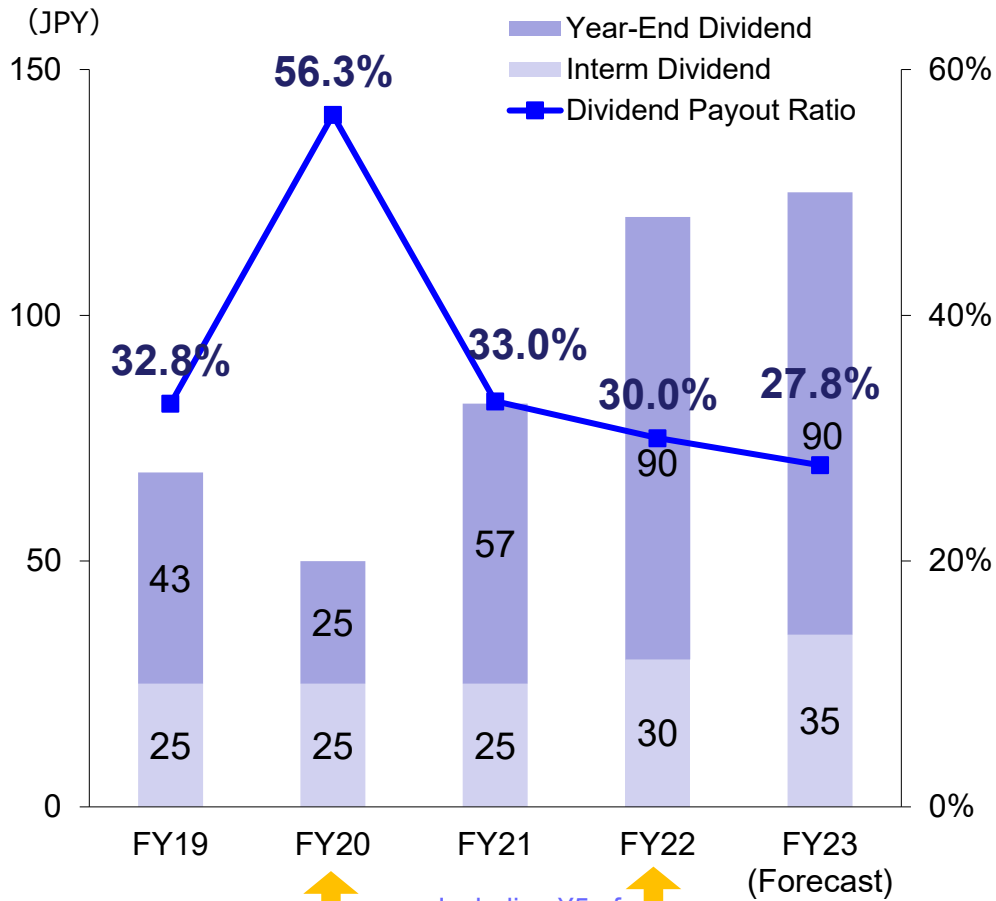
IV-3. Cash Flow Situation



	1st H FY22	FY22	1st H FY23
Cash Flow from Operating Activities	1,966	9,232	5,939
Cash Flow from Investing Activities	(1,673)	(3,865)	(2,324)
Free Cash flow	292	5,367	3,614
Cash Flow from Financing Activities	(1,222)	(2,044)	(1,845)
Cash & Cash Equivalents at the End of Period	26,182	29,948	32,394

V-4 . Cash Dividends Outlook & Key Performance Indicators

Cash Dividends

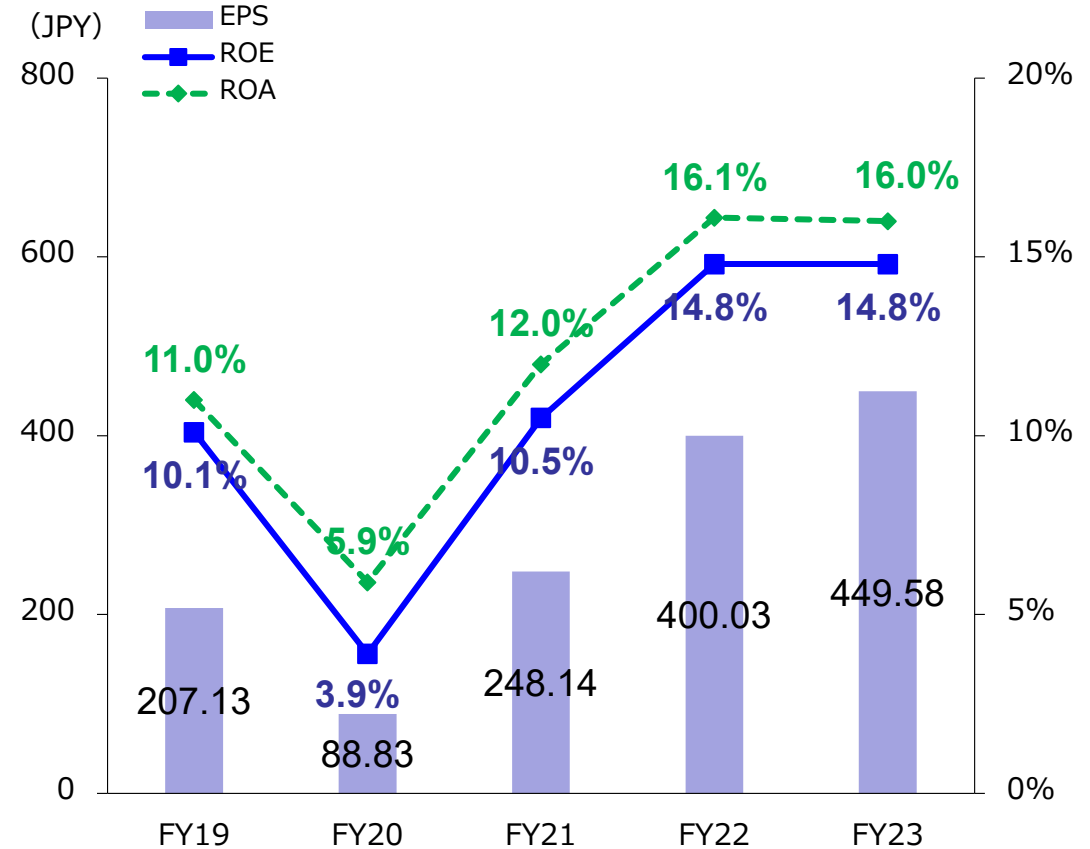


Acquired treasury stock (¥8.9Bil.) in Mar. 2020.

Including ¥5 of commemorative dividend in year-end dividend

Record-high dividend for three consecutive years

Key Performance Indicators



ROE = Net Income/Net Assets (Average for FY)
 ROA = Ordinary Income/Total Assets (Average for FY)

Dividend Policy

Continue to allocate profits to shareholders in a stable manner by taking into account R&D and capital investment, and by endeavoring to allocate profits based on business performance.

IV-5. Impact of Foreign Exchange Rate Fluctuations

① Actual 1st Half FY2023

(millions of JPY)

	Exchange rate		Impact	
	Actual 1st H FY22	Actual 1st H FY23	Net sales	Operating Income
USD	123.15	135.01	1,310	(150)
EUR	134.44	145.99	320	260
Others	-	-	150	110
Total	-	-	1,780	220

(Impact on previous year performance)

② Forecast 2nd Half FY2023

(millions of JPY)

	Exchange rate	Impact of ¥1 appreciation	
	Assumption 2nd H FY23	Net Sales	Operating Income
USD	137.00	(160)	(10)
EUR	152.00	(40)	(30)

Disclaimer

1. The purpose of this material is to provide information on the actual results for 1st Half of FY2023 and future business strategies. It is not an offer or a solicitation of an offer to buy or sell securities.
2. This material and the information provided verbally in the company's presentation are based on the data that are obtainable at the time of the presentation in compliance with the management policies and certain premises that are deemed reasonable by the company.
3. Please note that the actual results may sometimes differ from the forecasts contained herein due to various factors.
4. The company is not liable in any ways for any damages or losses incurred in connection with the use of any information or data contained herein or provided verbally in the company's presentation.