

TAMRON
Focus on the Future

Tamron Co., Ltd.

Integrated Report 2023

for the Year Ended December 2022



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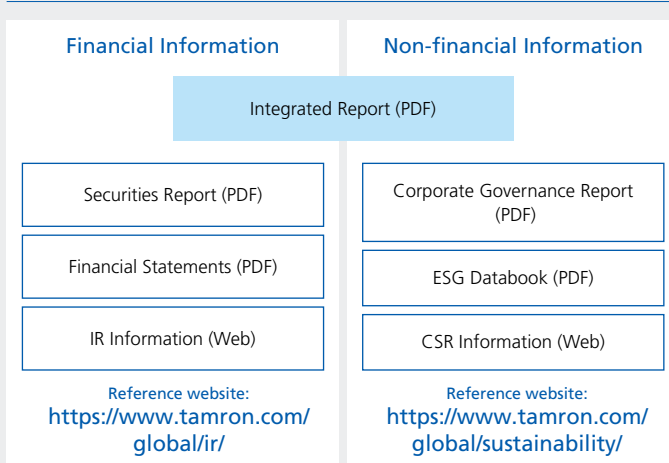
Editorial Policy

Tamron publishes an integrated report as an important tool for communicating with shareholders, investors and other stakeholders. The report contains information on management strategies, finances, human resources and the environment strategies as a way to share details of Tamron's sustainability and growth potential. In compiling this report, we have referenced the Guidance for Collaborative Value Creation from the Ministry of Economy, Trade and Industry, and the International Integrated Reporting Framework from the International Financial Reporting Standards (IFRS).

This report covers the period from January 1, 2022 to December 31, 2022 (including some information that falls outside the above period). The report concerns the 10 companies of the Tamron Group (including Tamron Co., Ltd.)

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Tamron's Information Framework



Tamron's Efforts to Achieve Sustainability

Tamron's sustainability efforts are achieving a sustainable environment, society and management under its corporate mission to “create emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society.” The feelings encapsulated in a single photo, the safety needed in a changing society. We carefully listen to the voices of our customers and society as we continually hone our optical technologies. Tamron's social mission is to bring emotion and reassurance to all stakeholders by expanding the possibilities of optics and offering products that can solve social issues.

Focus on the Future. To anticipate the future and shape a sustainable global environment and society, Tamron will continue to pursue the possibilities that light holds.

SUSTAINABLE DEVELOPMENT GOALS



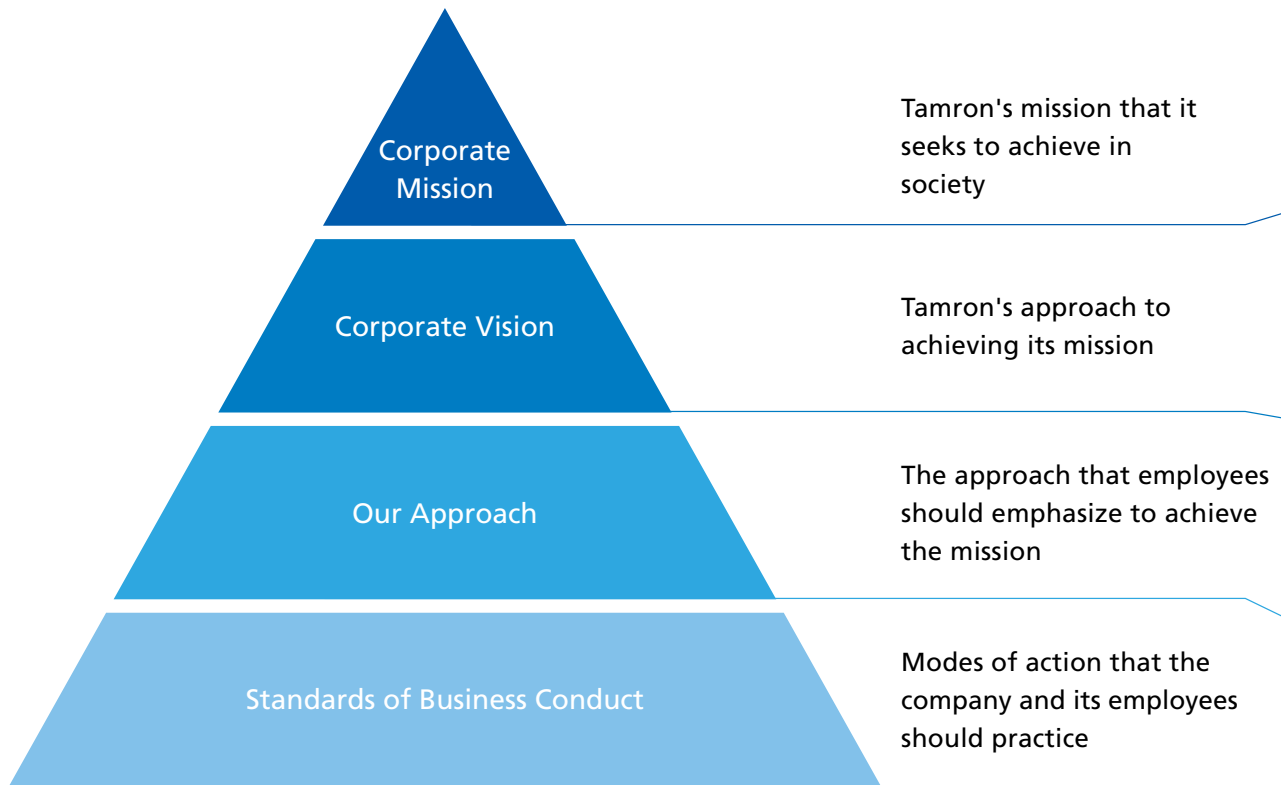
Publication of Integrated Report 2023

Integrated Report 2023 is edited and prepared by compiling financial and non-financial information concerning Tamron's initiatives with the cooperation of each division. I have verified the validity of this process and the information described herein. I hope that this report will give stakeholders a deeper understanding of the Company's activities. Thank you for your continued support.

Shiro Ajisaka

President & CEO
Tamron Co., Ltd.

Corporate Philosophy



Long-Term Vision

Our vision

A company that is respected and truly needed by society.

Good Company

Improving the Tamron brand

A company with work fulfillment

Corporate Mission

Tamron creates emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society.

Corporate Vision

Carving out the future with light

We pursue optical technologies, aiming for a fulfilling society that offers joy, emotion and reassurance. We expand the possibilities of light by addressing many of society's issues for the future providing value around the world.

Our Approach

- Sincerity** We genuinely approach all situations fairly and equitably through careful examination of the actual location, subject and circumstances.
- Challenge** We are open-minded, unconstrained by conventional wisdom, and embrace infinite possibilities.
- Creativity** We create value, addressing many of society's issues through teamwork.

Brand slogan / Statement

Focus on the Future

Tamron is focused on the future.

We are committed as an optical specialist to create new value and direction in optics with our long-accumulated optical technologies and address many social issues in the future. Tamron delivers emotion and reassurance around the world toward a more fulfilling society.

We will never stop rising to new challenges.

Tamron's history of growing with society and continuing

Company History | Becoming a global company providing products around the world

- 1950** Taisei Optical Equipment Manufacturing is founded
- 1952** Taisei Optical Equipment Manufacturing Inc. is established
- 1958** The Tamron brand is registered as a trademark
- 1969** The Hirosaki Factory is constructed
* Tamron now has three sites in Aomori (Hirosaki, Namioka and Owani)
- 1970** Company name is changed to Tamron Co., Ltd.
- 1979** Sales subsidiary is established in the United States
- 1982** Sales subsidiary is established in West Germany (at that time)



Members of the Urawa Plant at the time



Hirosaki Factory



Product History | Developing a wide range of products through technologies to de

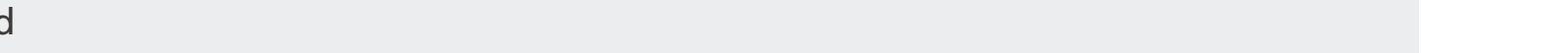
- 1950** Manufacture of cameras and binocular lenses is started
- 1957** The T mount interchangeable lens mount for SLR cameras is developed
* World-first
- 1966** Production of master test plates, ultra-precision lenses and prisms is started
- 1966** The Tamron Adapt-A-Matic range of lenses is developed
- 1981** 6x zoom video camera lens is developed



Master test plates
Ultra-precision lenses that serve as the standard for all optical lenses. For more than half a century, skillful techniques have been handed down by successive craftspeople, making Tamron one of the few optical manufacturers able to craft master test plates even today.

Widespread adoption of video cameras begins
VTR-equipped cameras and camera lenses developed to meet the demand with the widespread uptake of compact video cameras enjoyed sales. These products accounted for 50% of sales at the time.

ing to create emotion and reassurance



1984
Registered with the Japan Securities Dealers Association for over-the-counter trading

1995
Bronica Co., Ltd. is acquired

1997
Production subsidiary in China is established

2005
Sales subsidiary in China is established
* Expanding to seven group companies through the subsequent establishment of overseas sales subsidiaries

2006
Listed on the 1st section of the Tokyo Stock Exchange

2012
Production subsidiary in Vietnam is established

2022
Moved to the Prime Market of Tokyo Stock Exchange

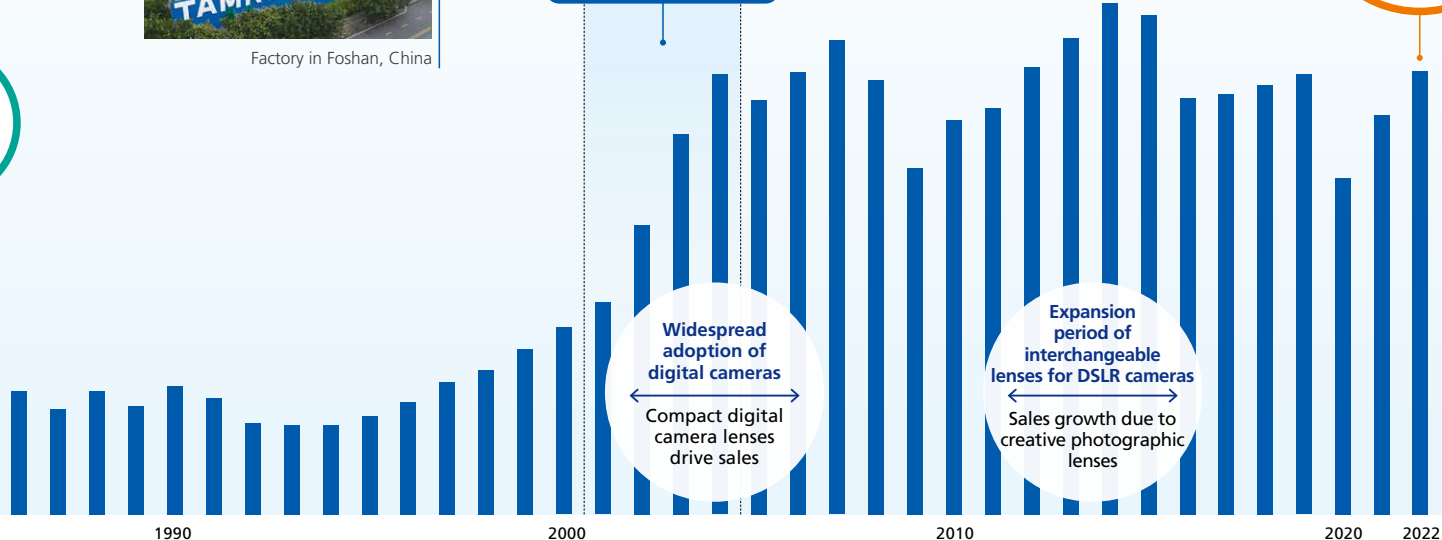


Factory in Foshan, China

Net sales	
2001 over 30 billion yen	2003 over 50 billion yen
2002 over 40 billion yen	2004 over 60 billion yen

2014
Net sales top 70 billion yen

2022
Tamron achieves record high operating income of 11 billion yen and profit of 8.4 billion yen



Develop high precision in lenses

1986
Varifocal lenses for CCTVs are developed
* Industry-first

1992
The AF28-200mm (71D) all-in-one zoom lenses for SLR cameras is released

2006
Sale of lenses for mobile phones is started

2008
Sale of automotive lenses is started

2016
Sale of compact camera modules is started

2017
Sale of drone lenses is started

2018
Sale of lenses for medical application is started

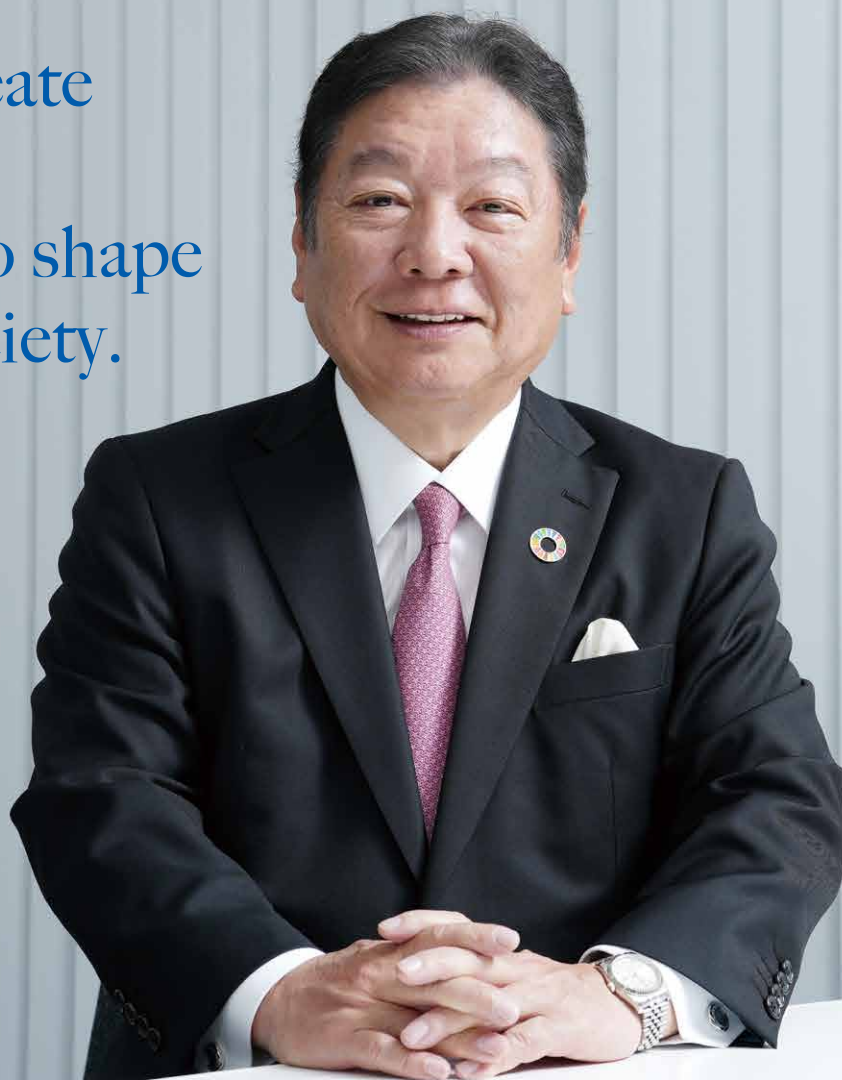


The beginning of all-in-one zoom lenses

The original model for the all-in-one zoom lens was a rounded piece of graph paper the size of a cigarette packet (The world's smallest and lightest in the world at the time). Starting with this first product, Tamron has made successful advancements with greater focal distances, more compact and lighter designs and new mounting mechanisms, establishing Tamron's position as the go-to manufacturer of all-in-one zoom lenses.



We aim to create emotion and reassurance to shape a fulfilling society.



Shiro Ajisaka

President & CEO
Tamron Co., Ltd.

Looking Back on the Fiscal Year under Review

The management environment in 2022 was affected by the spread of COVID-19 infections from the beginning of the year, but in part due to most of the world shifting course to a live-with-COVID approach, the effects gradually diminished.

However, the effects of high resource prices, high component and material costs and semiconductor shortages that continued from 2021 were prolonged. Combined with other developments such as the Russian invasion of Ukraine, accelerating inflation and weakening of the yen, 2022 was a year of dizzying changes to the management environment, despite a moderate recovery trend overall.

Under these conditions, Tamron achieved double-digit growth in net sales in every segment, controlled the effects of rising component and materials costs to the best of its ability, and focused on lowering its operating expenses and costs to absorb those impacts as much as possible. Additionally, although R&D

expenses that support the core of Tamron's business increased, by continuing with our approach of implementing appropriate SG&A expense control, we managed increase operating income by approximately 1.5 times.

In doing so, we achieved record-high operating income for the first time in 15 periods, with operating income, ordinary income and profit all surpassing previous highs by a healthy margin. This also marks the first time Tamron has topped the benchmark 10 billion yen in operating income, making a significant advance into 11 billion yen territory.

When I assumed the position of President & CEO, I advocated the policy of being "a good company that puts profit first." This has steadily taken root within Tamron, and as a result of each employee understanding it and putting it into practice in various situations, the policy manifested itself in a grand form in 2022.

To increase social value in addition to economic value, we also

achieve our targets in various areas, such as reducing CO₂ emissions based on Environmental Vision 2050, and raising the percentage of management positions filled by women as part of stepped up human resource initiatives.

By helping to shape a sustainable, fulfilling society, Tamron

aims to become a company that is respected and truly needed by society. The furtherance of sustainability expands social and non-financial value while enhancing corporate value, thus fulfilling stakeholder expectations. In recognition of this, we will continue to step up our efforts.

Progress of the Mid-Term Management Plan

Tamron got off to a new start in 2021 with the announcement of the Vision23 Mid-Term Management Plan. On the profit front we achieved the target set out in the Mid-Term Management Plan in the first year, managing to achieve v-shaped recovery back to the highly profitable pre-pandemic structure at an early stage. Then in 2022, the second year of the plan, we maintained the highly profitable structure while working to expand sales in areas of growth and development, namely Surveillance & FA Lenses and Mobility & Healthcare.

We also set the initial plan of achieving the target for net sales set in the Mid-Term Management Plan a year ahead of schedule.

As a result, despite the effects of an increasingly weak yen, we expanded net sales in our mainstay business as well as in growth and development areas. Not only were we able to achieve our Mid-Term Management Plan targets in terms of net sales, operating income and ROE, but we managed to boost operating income by around 1.6 times the level set out in the Mid-Term Management Plan and increase operating income margin to 17.4%.

In terms of progress on a per-segment basis, in our mainstay Photographic Products Business we achieved our mid-term targets for net sale and operating income margin in the first year, and made further improvements in the second year. Operating income margin rose by almost 10% over these two years, enabling us to firmly establish the segment as a highly profitable business. In terms of product launches, our lineup of own-brand products for mirrorless cameras has grown about 2.5-fold compared with 2020, and in addition to lenses for Sony E-mount, we started to offer lenses compatible with Fujifilm's X-mount and Nikon's Z-mount.

In the Surveillance & FA Lenses segment, despite falling short of planned net sales figures, revenue from mainstay surveillance and FA lenses recorded double-digit growth for two straight periods, increasing to more than 10 billion yen. We managed to raise operating income margin into the 10% range, our mid-term target, and achieved growth in net sales due to profit growth. We also renewed the FA lens product lineup and acquired new business for OEM products.

In the Mobility & Healthcare and Others segments, net sales of mainstay automotive lenses achieved double-digit growth for the second straight year, growing to more than 5 billion yen. We also launched the Health Care business as a new area of operations and created businesses for the next fiscal period while achieving the mid-term target of operating income margin in the 10% range in the first year and further improving it in the second year.

As a result, the development of a business portfolio with an operating income margin of 10% across all segments, which we had targeted for 2023, was successfully achieved a year earlier than planned in 2022.

In addition to growth in net sales and profit, we see the development of our desired operating portfolio through the development of each business to be a significant achievement. In 2023, the final year of the plan, we will not rest on these accomplishments; we will aim to reach net sales in the 70 billion yen range for the first time since 2015, again far outpacing the targets set in the Mid-Term Management Plan. We will also aspire to greater heights, planning to generate operating income of 11.5 billion yen, an increase in all profit levels.

▶ Progress of the New Mid-Term Management Plan

Net Sales	Operating Income	Operating Income Margin	ROE
61.0 ▶ 70.0 billion yen ▶ billion yen (Vision23) (2023 plan)	7.0 ▶ 11.5 billion yen ▶ billion yen (Vision23) (2023 plan)	11.5% ▶ 16.4% (Vision23) (2023 plan)	Over 9.1% ▶ 13.2% (Vision23) (2023 plan)

Sustainability Initiatives

Based on its corporate mission of “creating emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society,” Tamron aims to realize the sustainable society described in the Sustainable Development Goals (SDGs) together with customers, suppliers, shareholders, local communities, employees and all other stakeholders. To help achieve these goals through our core business, we have continued to support the Ten Principles of the United Nations Global Compact. Tamron recognizes these principles as standards to be put into practice by global companies. Accordingly, we have reflected them in the Tamron Standards of Business Conduct and have thoroughly integrated elements into our in-house training, including at overseas sites. We have also identified issues that are of high importance to society and Tamron (Key CSR issues), and work to solve them.

E (Environmental)

In terms of the environment, we recognize reducing CO₂ emissions as a key CSR issue in light of the importance of climate change due to global warming in recent years. To realize a fulfilling society in which all people can live lively and energetic lives, the shaping of decarbonized society is essential. As part of its action on this issue, in Environmental Vision 2050 Tamron set the targets of reducing CO₂ emissions by 30% compared with 2015 levels by 2030 and to zero by 2050, and is stepping up initiatives to meet these targets.

On the way to meeting our mid-term targets, since 2021 we have worked to reduce CO₂ emissions by 3% each year. In 2022 we achieved a 15% emissions reduction, far surpassing the target reduction of 6% compared with 2015 levels. This marks the second straight year we have achieved our reduction targets. In addition to reducing electricity use through energy saving efforts with the installation of high-efficiency air conditioning equipment and improved productivity in regular operations, from 2022 we began purchasing renewable energy credits. Additionally, Tamron has indicated support for the TCFD recommendations and made TCFD-compliant disclosures. We are working to further broaden these disclosures in the future.

Through the efficient use and re-use of plastics, the promotion of environmentally friendly design and other efforts, Tamron is also working to reduce industrial waste and improve recycling rates, and we are looking to increase our contributions to a resource recycling-oriented society. Meanwhile, on important issues related to the global environment including the management of harmful chemical substances and the mitigation of water risks, we will continuously work to reduce our impact in cooperation with stakeholders.

S (Social)

With society undergoing significant changes, innovation is essential in striking a balance between Tamron's sustainable growth and the development of a sustainable society. Since its founding, Tamron has pursued advanced optical technologies and combined innovation with technological prowess to continually develop and supply high quality products that are trusted by customers. And today, to shape a sustainable society and help develop a fulfilling society in a wider range of fields through our accumulated technologies, we are driving a shift in technical strategy from the conventional “taking images” to “measuring” in each field. To achieve this goal, our Optical Development Center and R&D Technology Center pursue the development of core optical, mechanical and production technologies, as well as core elemental technologies including R&D and optical development technologies, lens processing technologies, coating and filter technologies, actuator technologies, resin forming and molding technologies, thus contributing to the product development underway in the technical departments of each division. By implementing these initiatives, we will transform the role of our business from the conventional manufacturing to the provision of value through proprietary technology. In the future, we aim to progressively evolve optical technologies that capture images into optical technologies that take measurements, expanding our business domains into nursing and healthcare, robotics, logistics, agriculture, infrastructure and free-space optical communication, and further stepping up activities to create new business.

G (Governance)

In light of dialogue with shareholders and investors, and the purpose of the Corporate Governance Code, Tamron has continued to make improvements with the aim of enhancing the effectiveness of its governance system. In particular, in 2021 we held in-depth discussions in response to the revised Corporate Governance Code, and in 2022 we tried to make many more improvements, which led to Tamron being listed in the new Prime Market TSE section and implementing all principles of the revised Corporate Governance Code.

To address the composition of the Board of Directors, we have appointed members with experience in corporate management at other companies as outside directors, raising the percentage of independent outside directors to 36.4% of the Board in 2022, and 40% in 2023, reflecting efforts to make structural improvements ensuring a diverse and effective Board of Directors. At the same time, we have better clarified the management responsibilities of directors and strengthened systems to further raise their awareness of improved corporate value, such as by shortening the term of office for directors to one year, and adding total shareholder return (TSR) as one of the metrics used to determine director compensation.

“What Tamron Will Continue to Pursue as Its Vision Is Helping Shape a Fulfilling Society through Optical Products.”

Additionally, to further reinforce sustainability promotion functions, in addition to the existing CSR Committee, we have newly established a Risk Management Committee and Information Management Committee as part of efforts to reorganized the committee structure.

In terms of Tamron’s organizational structure, we have been implementing a series of streamlining measures based on the declared goal of “improving corporate structure” as an agenda for transformation instituted when I was appointed CEO. In 2016, when I became CEO, there were 27 division-level organizations. To clarify areas of responsibility and produce synergies, we have pursued consolidation to get that number down to 11 in 2023, representing a reduction of around 60%. From 2023, the agenda for transformation will change to “strengthening corporate structure,” an approach designed to strengthen our development into an organization that can respond to changes in the internal and external environment with speed and flexibility, including encouraging the delegation of authority.

We will continue efforts to build a corporate governance system that contributes to sustainable growth along with improved corporate value in the mid- to long-term.



To Our Valued Stakeholders

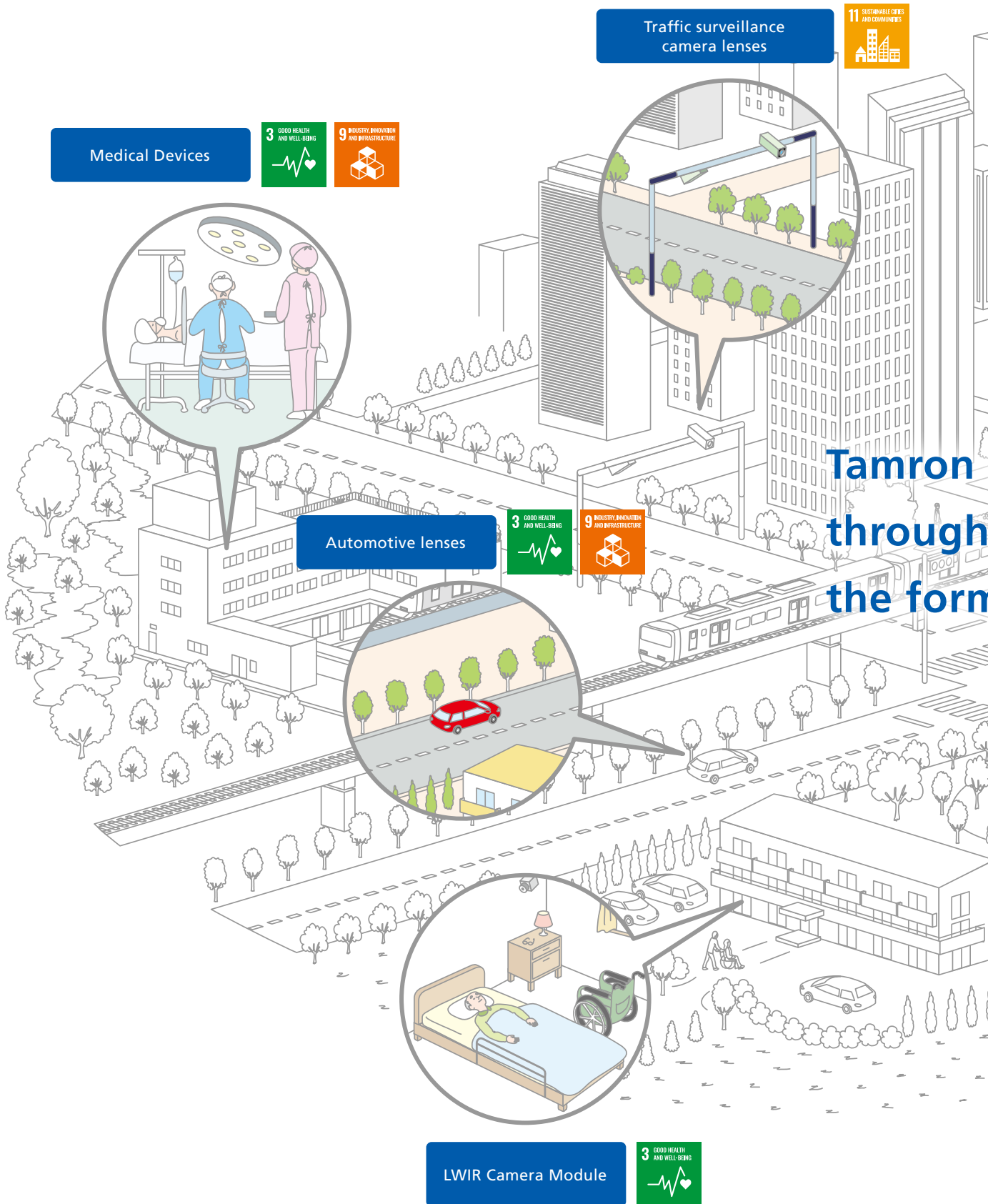
Over the past few years, the COVID-19 pandemic has raged and brought about significant changes throughout the world. The global outlook has also become increasingly uncertain, and the management environment has been subject to wild swings. Operating within this social climate, Tamron will continue to pursue its vision of helping to shape a fulfilling society through optical products. Tamron’s social mission is to bring excitement and reassurance to all stakeholders through the mastery of optical technologies and products that solve social issues. In other words, our mission is to work with our stakeholders to help solve social issues through fair and honest business activities. I believe that pursuing the sustainability of society and our own sustainable growth by achieving this mission represents Tamron’s sustainability.

As a company that operates globally, we will cooperate with our stakeholders to address a range of issues, not only within our own company but also in our supply chain, and to make steady progress toward our long-term vision of becoming a company that is respected and truly needed by society. We greatly appreciate your continued support and cooperation.

Shiro Ajisaka

President & CEO
Tamron Co., Ltd.

Tamron Products Promoting Sustainability (Sustainable Society)



Teleconferencing lenses



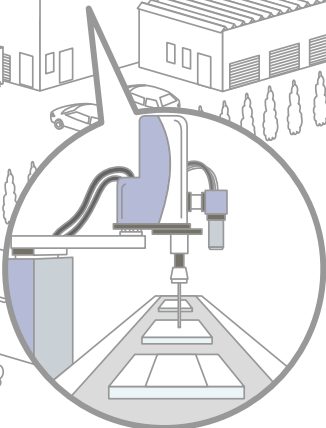
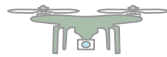
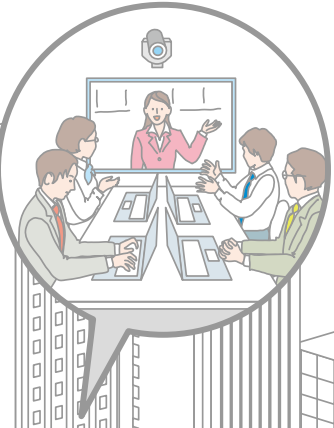
Network Surveillance Camera Lenses



Drone lenses



creates emotion and reassurance
a range of optical products, facilitating
nation of a sustainable society.



FA and Machine Vision Lenses

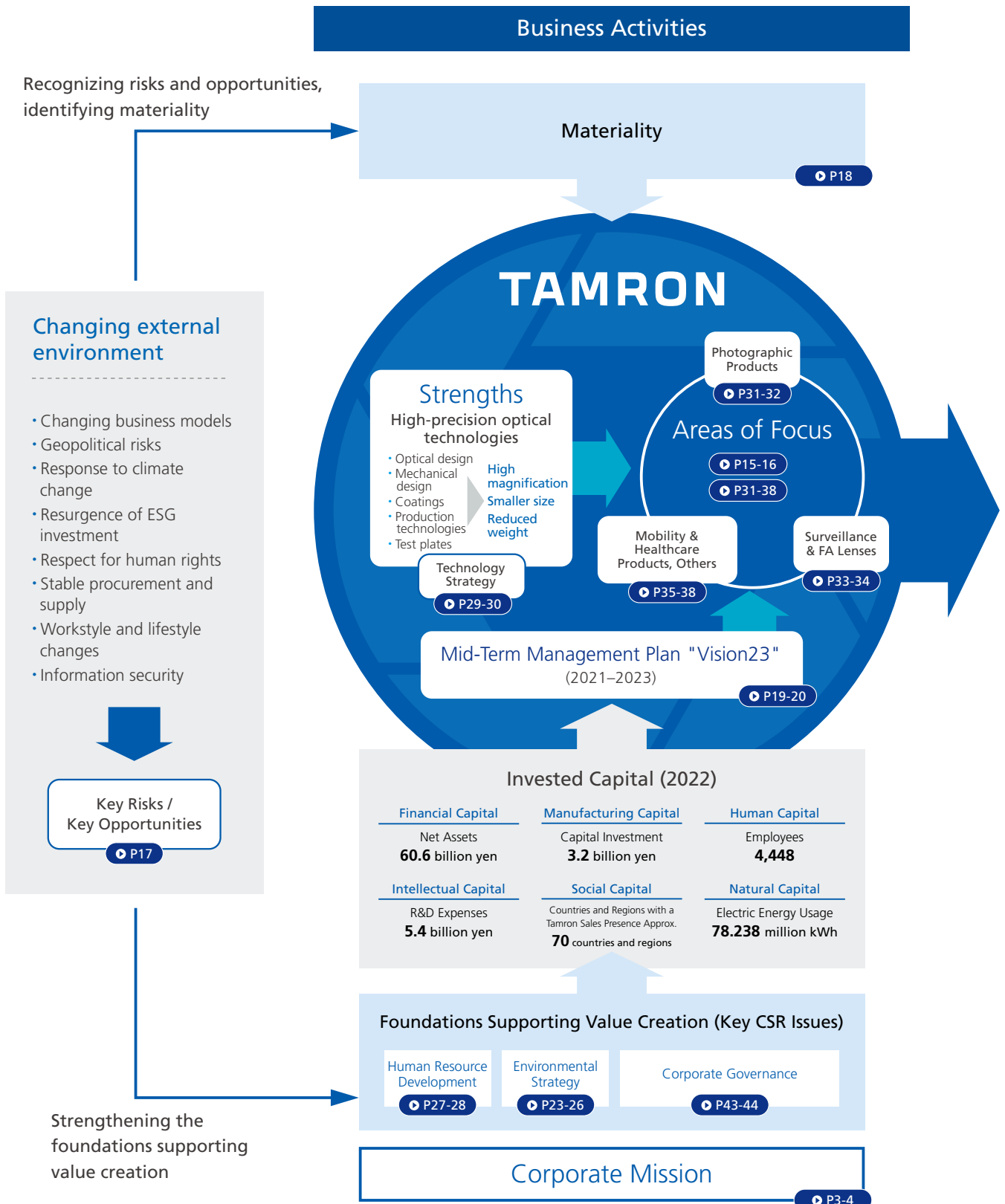


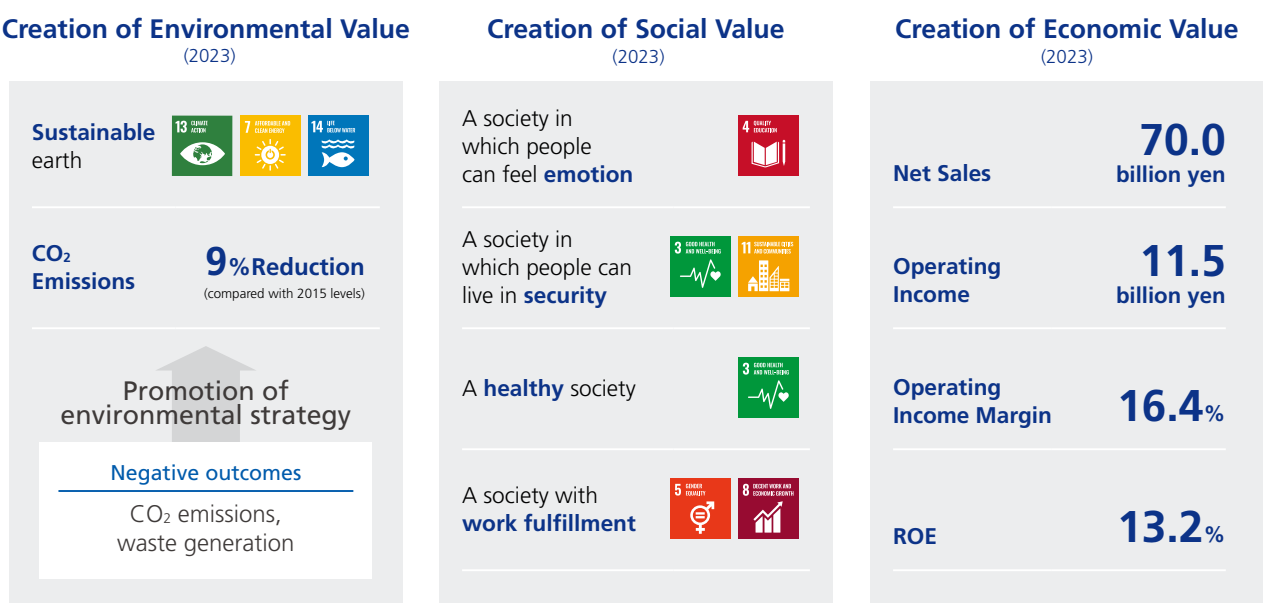
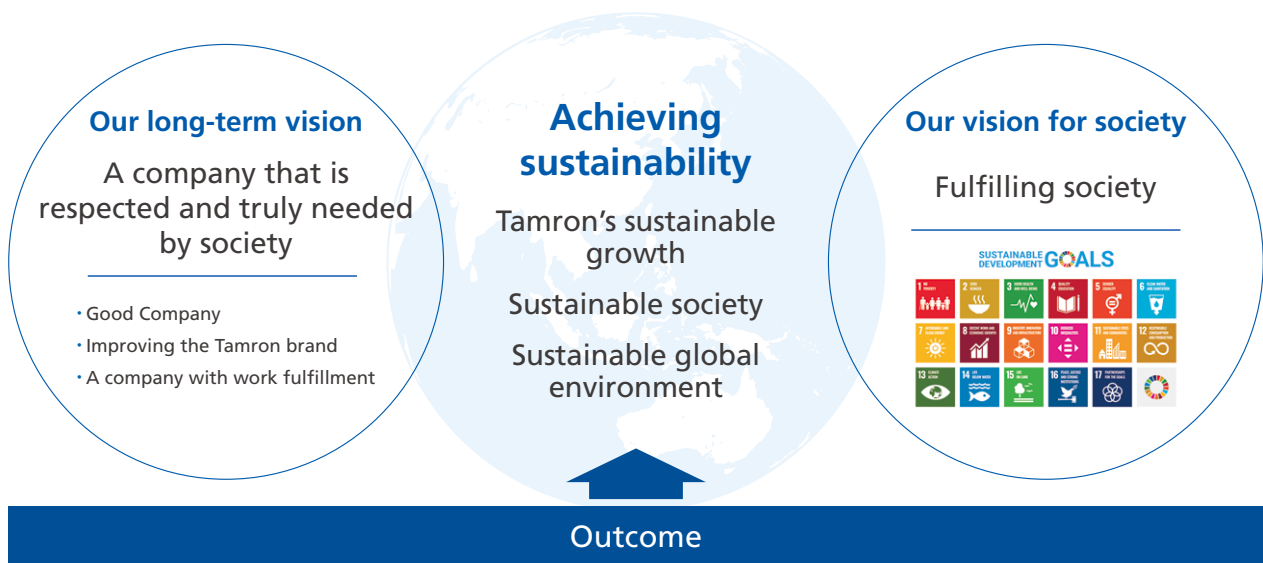
Interchangeable lenses for mirrorless cameras
Lenses for DSLR cameras
Lenses for compact digital cameras
Lenses for video cameras



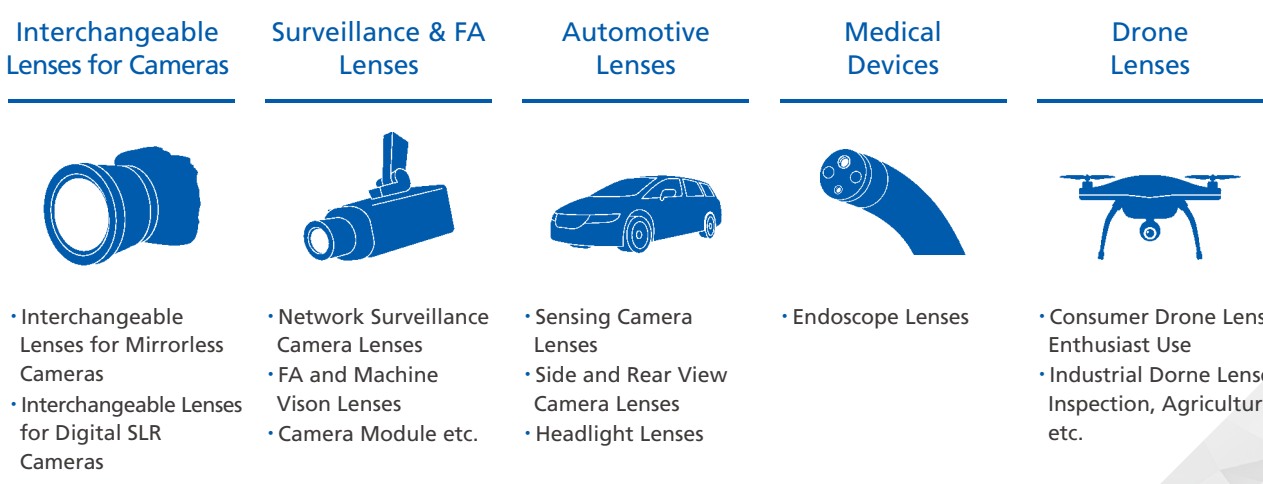
The Value Creation Process

Tamron utilizes its optical technologies to provide products that create emotion and reassurance. By creating environmental, social and economic value through these products and business activities, Tamron will achieve sustainability in society and its own sustainable growth.





Output

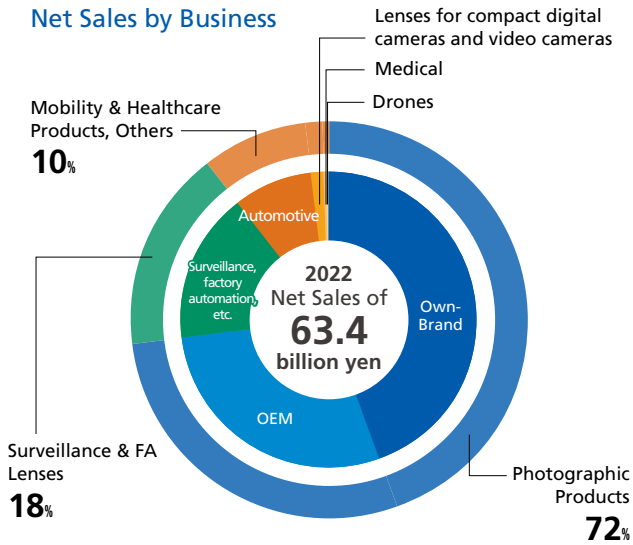


Business Development

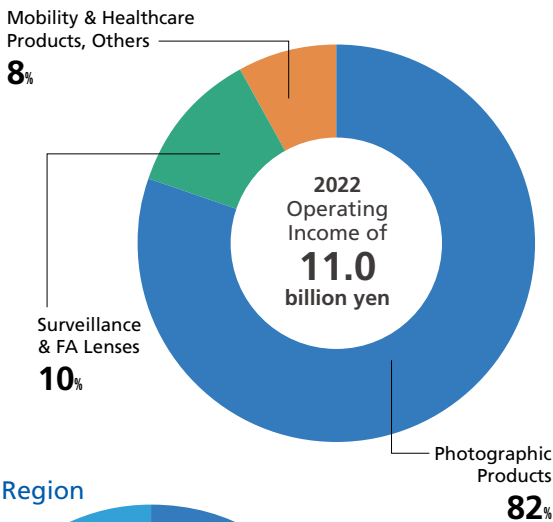
Using the profits earned from the mature photographic products market and the stable growth market for surveillance and factory automation as capital, Tamron aims to allocate management resources to new and high-growth markets, namely automotive, for medical applications to scale up its business.

Composition of Net Sales and Operating Income

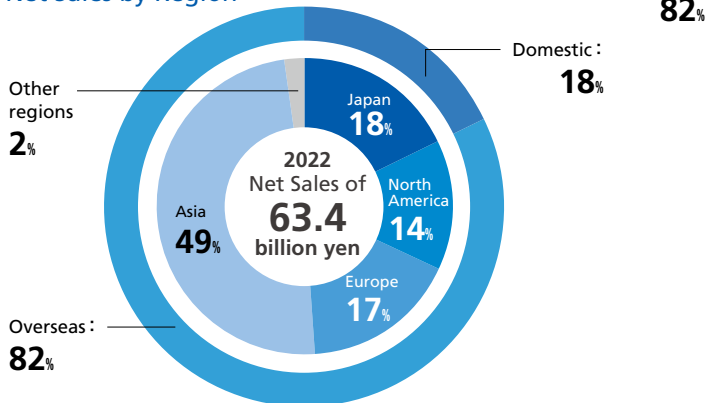
Net Sales by Business



Operating Income by Business



Net Sales by Region



Business Portfolio

Mobility & Healthcare Products, Others



Medical

Leveraging Tamron's strengths in very small diameter lenses and thin film technologies, we will contribute to progress in minimally-invasive medical procedures.



Small

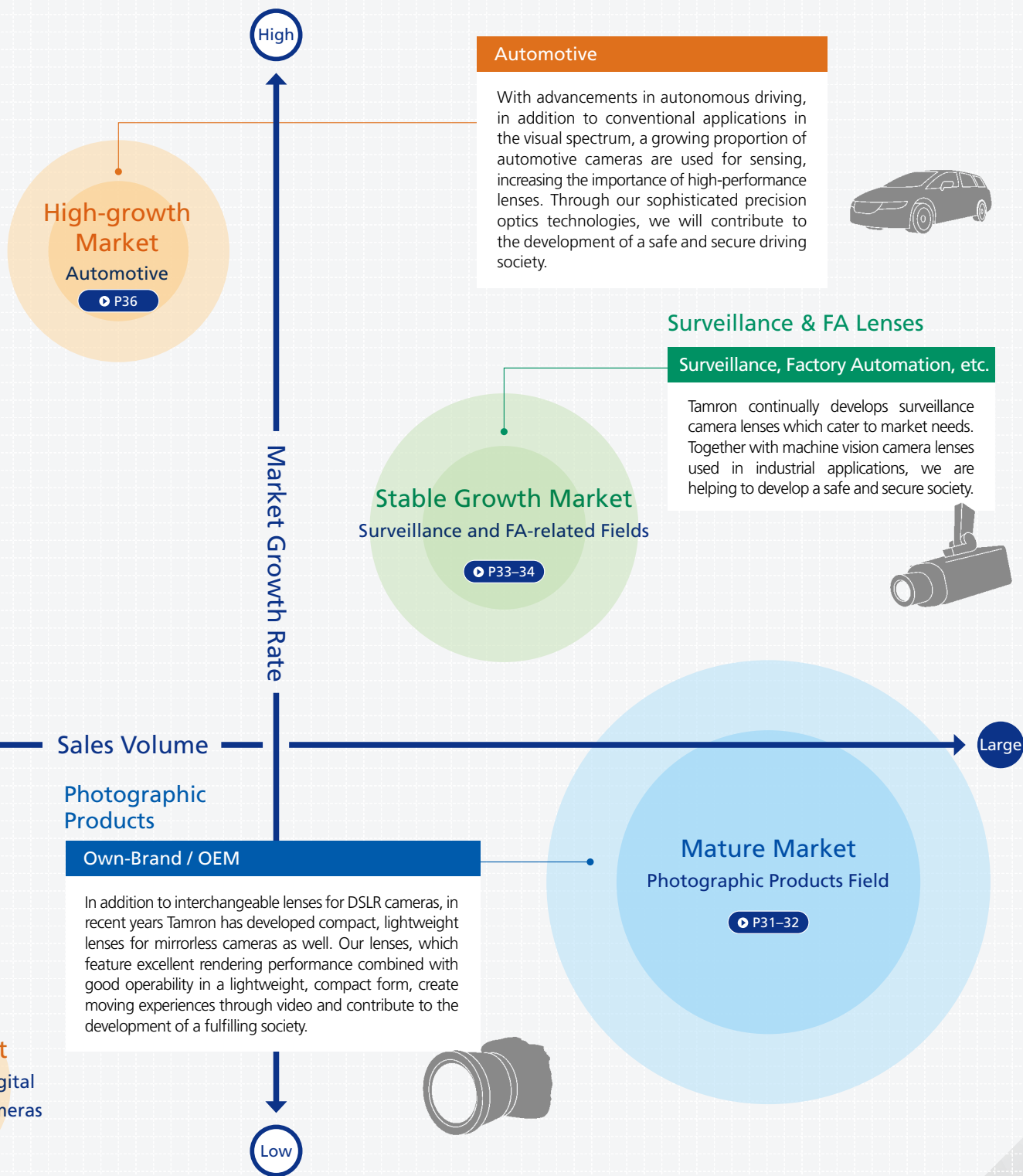
Lenses for Compact Digital Cameras and Video Cameras

Using techniques and expertise cultivated over many years combined with state-of-the-art technologies, Tamron will develop and supply optical lens units designed for image sensors with increasingly high resolutions, contributing to the development of film culture.



Mature Market
Lenses for Compact Digital Cameras and Video Cameras

P38



Market
act Digital
eo Cameras

Risk Management and Management Strategy

Risk Management

The business environment surrounding Tamron is changing with each day. Tamron implements risk management and controls risks based on both aspects, namely the risks that need to be prepared for to ensure Tamron's sustained growth, as well as growth opportunities themselves. Risks and opportunities recognized as key management issues are implemented through the "Basic Policies and General Principles" of the mid-term

management policy and through the management plans of each division. Each division then builds a management system to perform administration of the policies. In terms of CSR, important issues are recognized as priority CSR issues. For these, we set management targets and monitor our progress on the issues periodically through quarterly CSR Committee meetings.

Key Risks and Opportunities

● Key Risks ● Key Opportunities







Risk Factors	Key Risks / Key Opportunities	Response Methods
<ul style="list-style-type: none"> Shrinking digital camera market Reliance on photographic products business Reliance on specific customers 	<ul style="list-style-type: none"> Contraction of the digital camera market Reliance on photographic products business and specific customers Growth in the mirrorless camera market Growth in the industrial camera market 	<ul style="list-style-type: none"> Sales strategy specializing in interchangeable lenses for mirrorless cameras Expanding sales in the growing market for industrial lenses Actively investing in new businesses such as lenses for medical application
<ul style="list-style-type: none"> Rapid technological innovation 	<ul style="list-style-type: none"> Decline in competitiveness when the development of cutting edge technologies or their application in products is not advanced as scheduled Obtaining growth opportunities through the development of revolutionary technologies 	<ul style="list-style-type: none"> Technology development and creation of new businesses based on medium- to long-term strategies Open innovation between industry, academia and government
<ul style="list-style-type: none"> Investment in new businesses Investment in M&A activities, etc. 	<ul style="list-style-type: none"> Failures to investment in R&D and capital investment for new businesses Actively tackling M&A activities utilizing a robust financial structure Building the foundations of growth through new management resources acquisition 	<ul style="list-style-type: none"> Strategies aimed at the full-scale commercialization of medical products Engaging in analysis and discussion in the Management Meeting and Board of Directors from a range of perspectives including market trends, strategies, acquisition prices and potential risks
<ul style="list-style-type: none"> Product supply and demand 	<ul style="list-style-type: none"> Fluctuating product prices, too much or too little inventory Lack of procurement of glass materials 	<ul style="list-style-type: none"> Properly responding to fluctuating demand in each region and controlling production Multiple purchases and understanding alternative supplier candidates
<ul style="list-style-type: none"> Geopolitical risks 	<ul style="list-style-type: none"> Expanding various impacts due to global political, social and economic trend 	<ul style="list-style-type: none"> Continually monitoring the global political, social and economic climate to analyze the impact in relation to corporate activities
<ul style="list-style-type: none"> Climate change and global environmental issues <p>Please refer to pages 23–26 for details.</p>	<ul style="list-style-type: none"> Impact on production activities due to damage to plants in Japan or overseas Burden from carbon taxes and renewable energy purchase costs Increased order opportunities due to responding to decarbonized society at an early stage 	<ul style="list-style-type: none"> Implementation of strategies based on the Environment Vision 2050 (energy saving and introduction of renewable energy) Action and continual improvement based on business continuity planning (BCP) in Japan and overseas
<ul style="list-style-type: none"> Securing human resources 	<ul style="list-style-type: none"> Impact on new hires and continuing employment due to intensifying competition to hire and retain talented human resources Obtaining growth opportunities by hiring and retaining the employment of talented human resources 	<ul style="list-style-type: none"> Job-specific hiring, positional and grade systems, systems to solicit positional applications internally Creating a comfortable workplace environment by promoting a healthy work-life balance and diversity Promoting health and productivity management
<ul style="list-style-type: none"> COVID-19 pandemic 	<ul style="list-style-type: none"> Impact of stagnant economic activity on business performance Impact of decreasing demand on production activities Impact on health and safety of employees and stakeholders 	<ul style="list-style-type: none"> Building and operating a remote product development framework Development of work-at-home and telework environment
<ul style="list-style-type: none"> Complicity in human rights abuses 	<ul style="list-style-type: none"> Boycotts due to direct or indirect complicity in human rights abuses, impact on corporate activities due to legal violations 	<ul style="list-style-type: none"> Formulation of a human rights policy and implementation of human rights due diligence Request to supplier and confirmation through self-assessment questionnaires
<ul style="list-style-type: none"> Risks unique to the interchangeable lens business 	<ul style="list-style-type: none"> Defects due to improper matching between lenses and cameras 	<ul style="list-style-type: none"> Quality assurance inspections before product shipments Handling the overwriting of firmware after shipping
<ul style="list-style-type: none"> Product quality and safety 	<ul style="list-style-type: none"> Damage to brand value due to declining product quality or defects 	<ul style="list-style-type: none"> Building and improving quality assurance systems compliant Taking action and preventing release when quality defects occur
<ul style="list-style-type: none"> Information security 	<ul style="list-style-type: none"> Leaking of corporate information and personal information due to damaged information system functions caused by computer viruses and the like 	<ul style="list-style-type: none"> Developing information security systems Implementing management based on an information security policy
<ul style="list-style-type: none"> Compliance 	<ul style="list-style-type: none"> Damage to corporate value due to corporate behavior that violates laws or diverges from social normal, such as infringements upon intellectual property rights, bribery, and so on 	<ul style="list-style-type: none"> Building compliance management systems Disseminating and ensuring observance of the Compliance Code of Conduct

Check the section on "Business & Other risks" to learn more about priority risks and opportunities. https://www.tamron.com/global/ir/management/management_04.html

Materiality

Tamron regards materiality to achieve sustained growth together with society as an important matter in the formulation of business strategy and the decision-making process and has incorporated this into its mid-term management policy. Identified materiality comes under six categories: creating excitement

and peace of mind, creating new light, business structural reforms, contributing to a sustainable earth, empowering employees and developing the foundations of trust and sustained growth.

Key CSR Issues	Materiality	Mid-Term Management Policy
	Creating emotion and reassurance 	<ul style="list-style-type: none"> We will enhance our marketing, product planning and sales capabilities, provide products that respond to market trends and customer needs to excite customers, and work to expand our business through increased market share and other approaches with sales strategies adapted for each market.
<ul style="list-style-type: none"> Contributing to social issues through business 	Creating new light 	<ul style="list-style-type: none"> Besides expanding existing businesses, we will step up the creation of new businesses through enhanced marketing focused on the "resolution of social issues" in line with the guiding principles of the SDGs, and collaborative creation, including through M&A. In addition to developing elemental technologies focused on our core competency in optical technologies, we will pursue R&D in new technological fields and focus on a horizontal specialization (including collaboration between industry, academia and government) such as collaborative creation.
	Business structural reforms (improved productivity) 	<ul style="list-style-type: none"> We will accelerate the global expansion of our existing businesses, capture demand in the markets of developing countries with top priority placed on strengthening our position in Asian market, strive to boost profitability and bolster our operating foundations. To respond to severe changes to the external environment, we will reinforce our development structure in China, work to shorten lead times from development to mass production, and deliver products that meet customer needs in each market in a timely fashion. We will build a global structure of efficient production across three regions, and with the Fourth Industrial Revolution in mind, pursue further productivity improvements and cost reductions by way of automation, labor saving and personnel saving with the introduction of smart factories.
<ul style="list-style-type: none"> Reducing CO₂ emissions Recycling resources and reducing waste Environmentally friendly design Reducing harmful chemical substances Water management 	Contributing to a sustainable earth 	<ul style="list-style-type: none"> To contribute to the realization of a sustainable global environment, we will reduce greenhouse gas emissions as part of measures to combat climate change while also promoting the recycling of resources.
<ul style="list-style-type: none"> Human resource development Fostering the development of the next generation Developing comfortable workplace environments and promoting diversity 	Empowering employees 	<ul style="list-style-type: none"> We will promote improved work-life balance and diversity, foster the development of human resources, and develop workplace environments in which all employees can demonstrate their full potential.
<ul style="list-style-type: none"> Promoting CSR procurement 		
<ul style="list-style-type: none"> Enhancing product quality and safety management 	Developing the foundations of trust and sustained growth 	<ul style="list-style-type: none"> We will strengthen corporate governance to improve the effectiveness of strategies and tactics, and achieve sustained growth.
<ul style="list-style-type: none"> Improving the governance system Preparing for major disasters Enhancing internal reporting systems Expanding the disclosure of non-financial information 		

Vision23 Mid-Term Management Plan and Progress

In 2021 we launched the new Mid-Term Management Plan Vision23 with the aim of achieving new leaps ahead based on building a sustainable business base. We achieved the targets of the plan in the second year, one year ahead of schedule.

However, we will not be satisfied with achieving the plan, but will aspire to even greater heights going forward.

Positioning of the Mid-Term Management Plan Vision23

In our mid-term management plan Vision23, we have adopted the basic policies of executing investments and allocating resources to make dramatic progress from a long-term perspective, and have steadily developed the business foundations that will enable sustainable growth.

Working from this foundation, we will achieve high-quality, full-scale business growth and maximize corporate value in the next Mid-Term Management Plan, and have made a start in a united Group effort to take the next step towards achieving our long-term vision.



In 2023, the final year of the Vision23 plan, we will aim for net sales of 61 billion yen, and increase of roughly 25% over 2020 levels despite being lower than 2019. We will also aim for operating income exceeding 2019, which was a ten-year high, posting 7 billion yen in an effort to achieve a V-shaped recovery to a highly profitable structure we maintained before the COVID-19 pandemic.

	FY2020 Results	2023 Mid-Term Plan
Net Sales	48.4 billion yen	61.0 billion yen
Operating Income	3.6 billion yen	7.0 billion yen
Operating Income Margin	7.4%	11.5%
ROE	3.9%	More than 9%

* Exchange assumption

USD=105
EURO=123

Vision23 Consolidated Results

Mid-term Management Plan in terms of profit were achieved in the first year.

- Achieved a quick V-shaped recovery to the pre-COVID high profit structure
- Achieved a record gross margin of 40%
- Achieved increased net sales across all segments

- ◆ In the second year, targets of the Mid-Term Management Plan were achieved in every aspect a year ahead of schedule.
- ◆ On the profit front, we have accumulated profit, outpacing the Mid-Term Management Plan by around 1.6 times.

- Stable growth and improved profitability of the mainstay Photographic Products segment
- Double-digit growth in net sales in growth and development areas (Surveillance and FA, Mobility & Healthcare)
- Also achieved profit growth in Surveillance & FA as a second key pillar

- ◆ Achieved record high operating income for the first time in 15 periods. Operating income topped the benchmark of 10 billion yen for the first time ever.

* Operating Income, ordinary income and profit all surpassed previous record highs by a healthy margin.

Final year

We will aim for three straight periods of growth in net sales and profit, far exceeding the targets set out in the Mid-Term Management Plan.

	First year progress		Second year progress	
	FY2021 Results	FY2022 Initial Plan	FY2022 Results	
Net Sales	57.5 billion yen	61.0 billion yen	63.4 billion yen	
Operating Income	7.4 billion yen	7.6 billion yen	11.0 billion yen	
Operating Income Margin	12.9%	12.5%	17.4%	
ROE	10.5%	9.7%	14.8%	
	USD= EURO=	109.91 129.95	110 128	131.63 138.19

	FY2023 Plan
Net Sales	70.0 billion yen
Operating Income	11.5 billion yen
Operating Income Margin	16.4%
ROE	13.2%
	USD=130 EURO=138

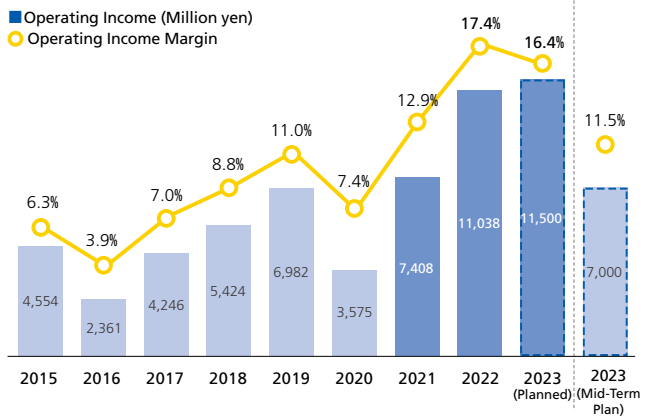
As a result, on the profit front we achieved the targets set out in our Mid-Term Management Plan in the first year, managing to achieve a v-shaped recovery to a pre-pandemic highly-profitable structure at an early stage.

Then in the second year, the targets of the Mid-Term Management Plan were achieved in every aspect a year ahead of schedule by expanding net sales in our mainstay business as well as in growth and development areas. In addition, we managed to achieve operating income surpassing the target in the Mid-Term Management Plan by around 1.6 times, with an operating income margin greater than 15%. As a result, we set new records for profit by a large margin.

In the final year of the plan, we will not rest on these accomplishments; we will aim to reach net sales in the 70 billion yen range for the first time since 2015, again far outpacing the targets set in the Mid-Term Management Plan. We will also aspire to greater heights, planning to generate operating income of 11.5 billion yen, an increase in all profit levels.

Consolidated Results and Plans

(Operating Income, Operating Margin)



New targets set in light of target achievement status up to 2022 and other factors

Vision23 Trends by Business

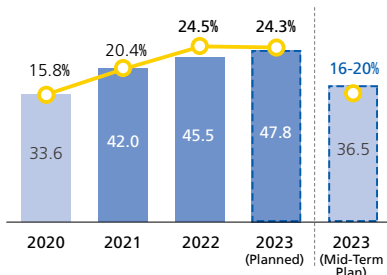
- ◆ Expand the size of business in Surveillance & FA, Mobility & Healthcare, and Other
 - ➔ Achieved net sales of 10 billion yen in Surveillance & FA, 5 billion yen in Automotive Lenses
- ◆ Build a business portfolio with a profit margin exceeding 10% in all segments
 - ➔ Achieved a profit margin exceeding 10% in all segments one year ahead of schedule

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 in-store share with OEM products

	FY2020 Results	2023 Mid-Term Plan
Net Sales	33.6 billion yen	36.5 billion yen
Operating Income Margin	15.8%	16-20%

■ Net Sales (Billion yen) ● Operating Income Margin



Achieved the net sales and profit margin targets by a wide margin

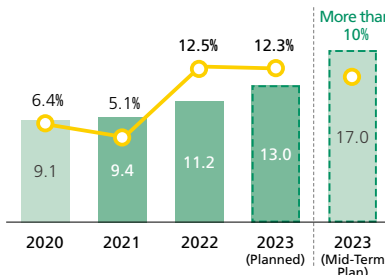
- * Lineup of lenses for mirrorless cameras: 8 (end of 2020) ⇒ 21 (end of 2022)
- * Newly introduced compatibility for two mounts

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 camera module business
 - Creating OEM products and expanding share in FA

	FY2020 Results	2023 Mid-Term Plan
Net Sales	9.1 billion yen	17.0 billion yen
Operating Income Margin	6.4%	More than 10%

■ Net Sales (Billion yen) ● Operating Income Margin



Broke 10 billion yen mark in net sales and achieved the target profit margin

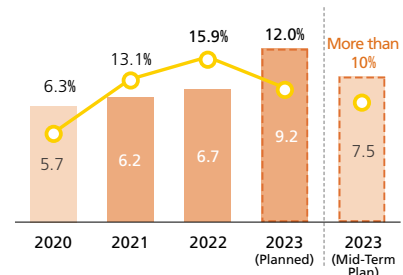
- * Double-digit net sales growth in the mainstay Surveillance & FA Lenses segment
- * FA lens product lineup renewed, new business for OEM products acquired

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

	FY2020 Results	2023 Mid-Term Plan
Net Sales	5.7 billion yen	7.5 billion yen
Operating Income Margin	6.3%	More than 10%

■ Net Sales (Billion yen) ● Operating Income Margin



Generated net sales as planned / achieved the target profit margin

- * Double-digit net sales growth in the mainstay Automotive Lenses business for second straight period
- * Created the next field of business in addition to health care

CSR Implementation

Tamron will continue to contribute to the creation of a sustainable and fulfilling society, where people can feel emotion through the creation of products that solve social issues.

Approach to CSR

Based on its Corporate Mission, Tamron seeks to increase its corporate value and achieve the realization of a sustainable society. Currently, as indicated by phenomena such as global warming, sustainability crises are growing steadily and progressively more severe. As concerns about social issues—such as human rights and labor issues—become increasingly serious, there are growing expectations for companies to work to resolve social issues. Tamron has identified issues that must be solved to enable sustainable growth for the company and society as key CSR issues. The key CSR issues that we have identified are incorporated into our management strategy, and we set targets for these issues each year as we engage in our corporate activities.

Sustainability System

Tamron has a CSR Committee that makes decisions on important matters relating to CSR management and checks progress in relation to various targets. Members of senior management gather to hold discussions overseen by the chairperson, who is Tamron's president. Details of the state of progress with regard to targets are reported on a quarterly basis, and decisions are made with regard to important matters relating to CSR.

Process for Identifying Key CSR Issues

Firstly, we identified social issues surrounding Tamron based on international guidelines. We then assessed the importance of those issues for various stakeholders, and the possibility and potential impact of any risks. After considering the validity of the results of our assessment, we identified key CSR issues and submitted them for final decision making by the CSR Committee.



Materiality	Key CSR Issues	Relevant Page in this Report	Website*1
Creating emotion and reassurance, creating new light	Contributing to social issues through business	P29-30	Technical Information*2
Contributing to a sustainable earth (E)	Reducing CO ₂ emissions	P24	Environment*3
	Recycling resources and reducing waste	P23, 49	
	Environmentally friendly design	P22	
	Reducing harmful chemical substances	P22-23	
Employee empowerment (S)	Water management	P22-23	Human Resources*3
	Human resource development (improve productivity)	P27-28	
	Providing comfortable workplace environments and promoting diversity	P27-28	
Developing the foundations of trust and sustained growth (G)	Fostering the development of the next generation	P22	Social contributions*3
	Expanding the disclosure of non-financial information	P49-50	External Recognition*3
	Enhancing product quality and safety management	P22	Quality and Product Safety*3
	Promoting CSR procurement	P22, 42	CSR Procurement*3 Human Rights*3
	Preparing for major disasters	P22	Risk (crisis management)*3
	Enhancing internal reporting systems	P22	Compliance*3
	Improving the governance system	P43-44	Corporate governance*3

*1 Links to detailed pages for each section are provided in the PDF version.

To those who are reading this report in print;

*2 Please check our website to learn more about our technical information : <https://www.tamron.com/global/technology/>

*3 Please check our website to learn more about our environment information to corporate governance : <https://www.tamron.com/global/sustainability/>

Initiative Aimed at Key CSR Issues (ESG)

Key CSR Issues	2022 Results	2023/Mid-Term-Goals	SDGs	
			Goal	Target
Contributing to social issues through business	Implementation of survey to gauge recognition and understanding of the Corporate Mission	Formulation of a human rights policy and building system of human rights due diligence	 	3.6 Halve the number of deaths from traffic accidents 9.4 Improve efficiency of resource utilization 9.5 Promote innovation
Reducing CO ₂ emissions	CO ₂ emissions (Scope 1 and 2) approximately 15.1% compared with FY2015 levels (6% target)	CO ₂ emissions (Scope 1 and 2) 2023: 9% or more reduction compared with FY2015 levels 2030: 30% reduction compared with FY2015 levels 2050: 100% reduction compared with FY2015 levels	 	7.3 Improve energy efficiency 13.2 Integrate climate change measures into strategies
Recycling resources and reducing waste	(1) Industrial waste emissions: 18.5% year on year increase (2) Plastic recycling rate: China Factory: 6.3% (10% target)	(1) Reducing industrial waste emissions: Reduction year on year (2) Plastic recycling rate: increase		12.2 Utilize resources efficiently 12.4 Minimize adverse effects on people's health and the environment 12.5 Reduce waste through recycling
Environmentally friendly design	Reduce bags used for user manuals: Reduction rate in new models 100%	Reduce bags used for user manuals		12.2 Utilize resources efficiently 12.4 Minimize adverse effects on people's health and the environment 12.5 Reduce waste through recycling
Reducing harmful chemical substances	Leaks of harmful chemical substances from business locations: 0 incidents	Leaks of harmful chemical substances from business locations: 0 incidents		
Water management	Water use Foshan Factory: 8.1% year on year increase Vietnam Factory: 11.2% year on year increase	Water usage (groupwide): advance activities for reduction of water usage		6.3 Improve water quality 6.4 Improve efficiency of water utilization
Human resource development Providing comfortable workplace environments and promoting diversity	(1) Overtime: 24% reduction (Head office: 4% reduction Aomori: 59% reduction) (2) Mental health check results: improved year on year (3) Percentage of female managerial staff: 10.0% (3.0 points improvement compared with FY2021) (4) Percentage of employees with disabilities 2.09%	(1) Overtime: no more than 115 thousand hours / year (head office) (2) Mental health check results: improve year on year (3) Percentage of female managerial staff: increase year on year (4) Percentage of employees with disabilities 2.3%	  	5.5 Women's leadership 8.2 Economic productivity 8.5 Equal pay for equal work 10.2 Inclusion of all people
Fostering the development of the next generation	Social contribution activity costs: 0.6% of previous year's consolidated operating income contributed Revision to regulations concerning social contribution activities	Implementation of activities allocating roughly 1% of average consolidated operating income over the past three years Increase in social contribution ratio aimed at fostering the development of the next generation (compared with 2022 levels)		4.3 Access to technical and vocational education
Expanding the disclosure of non-financial information	Disclosure of information on the TCFD recommendations in the Integrated Report	Enhancement of human resource-related disclosures		17 Strengthen the means of implementation and revitalize the global partnership for sustainable development
Enhancing product quality and safety management	Improved design quality and lower defect costs: year on year improvement	Improved design quality and reduced defect costs	 	9.1 Affordable and equitable access to infrastructure 12.4 Minimize adverse effects on people's health and the environment
Promoting CSR procurement	Preparation of SAQ survey sheets with content taking into account environmental and human rights issues	Implemented self-assessment questionnaire (SAQ) details to reflect changes to external conditions related to the environment and human rights issues		12.4 Minimize adverse effects on people's health and the environment
Preparing for major disasters	Creation of an earthquake initial response manual Running of safety confirmation response drills	Conducted disaster response headquarters simulations		11.b Disaster risk management
Improving the governance system	Complied with all principles of the revised Corporate Governance Code	Improving the governance system		—

Environmental Strategy

We will pursue decarbonization-oriented management to realize Environment Vision 2050.

▼ Related SDGs



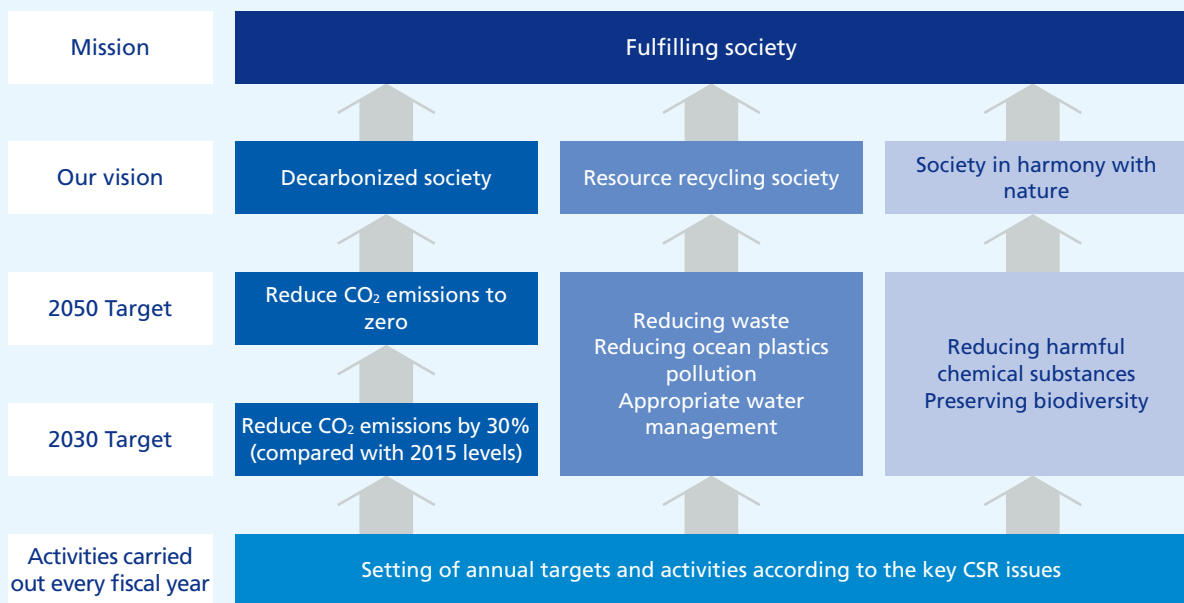
Environmental Vision 2050

Tamron has formulated the Environment Vision 2050 to help create a fulfilling society where all people can live lively and energetic lives, with consideration for recent trends in climate change caused by global warming. To build a

fulfilling society, we will engage in activities to achieve three visions, a decarbonized society, a resource recycling society and a society that exists in harmony with nature.

Environmental Vision 2050

We recognize that global environmental issues affect all of humanity. We will strive to reduce environmental impact, conserve the environment, and contribute to the development of a sustainable society that exists in harmony with the environment.



● Policies and measures to achieve a decarbonized society

- Promote energy savings and reduce CO₂ emissions generated by air conditioning equipment and the product manufacturing process
- Promote the introduction of renewable energies

● Policies and measures to achieve a resource recycling society

- Work to reduce and recycle waste, and contribute to the reduction of ocean plastic pollution (business sites: reduce waste plastic, products: use recycled materials for packaging plastics and reduce volume)
- Work to reduce water consumption and recycle water

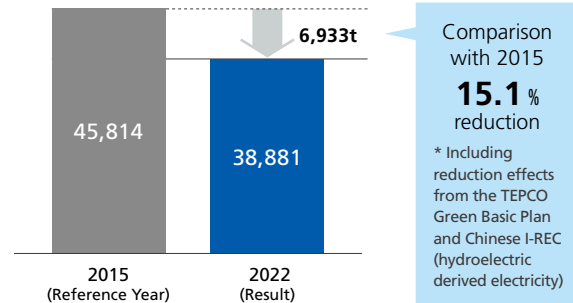
● Policies and measures to achieve a society in harmony with the environment

- Strive to preserve biodiversity through coordination and collaboration with local communities
- Endeavor to reduce harmful chemical substances and implement appropriate management

State of Achievement of Reducing CO₂ Emissions in 2022

In 2022, Tamron set the target of reducing CO₂ emissions by 6% compared with 2015 levels. In addition to the in-house consumption of renewable energy through solar power generation at the Foshan Plant in China and other sites, since May 2022 non-fossil fuel certificates have been issued for roughly 30% of the electricity used at the head office, achieving net-zero CO₂ emissions for the portion of electricity self-generated and covered by the certificates. Tamron Optical (Foshan) Co., Ltd. in China has also purchased I-REC applying to part of its electricity usage, achieving net-zero CO₂ emissions for the portion covered by the purchases. In part due to those effects, overall we were able to achieve our targets with a reduction of 15.1%, exceeding the target reduction.

CO₂ Emissions (Unit: t-CO₂)



Energy-Saving Initiatives

In 2017, Tamron Optical (Foshan) in China began installing solar power generation systems. At the end of 2020 additional generating systems were installed, and in 2022 CO₂ emissions were reduced by around 580 tons, which corresponds to roughly 2.5% of the emissions produced by the Foshan Plant. In addition, since May 2022 Tamron has subscribed to the Green Basic Plan*¹ that involves the issuance of non-fossil fuel

*¹ Green Basic Plan: A RE100-compatible effective renewable energy option that combines FIT non-fossil fuel certificates (with tracking) for the average electric power of all power sources provided by TEPCO Energy Partner, Inc. and non-FIT non-fossil fuel certifications (with information about power source attributes) specific to renewable energies.



Solar power generation system (improvement at Foshan plant, China)

certificates covering roughly 30% of the electricity used at the head office. Tamron Optical (Foshan) Co., Ltd. also purchased I-REC*² certificates covering part of its electricity usage in 2022. Combined, approximately 4,300 tons of CO₂ were reduced to effectively zero. In 2023, we have set the target of reducing CO₂ emissions by at least 9% compared with 2015 levels, and will make every effort to achieve this target.

*² I-REC: Renewable energy-based electricity certificates certified and issued according to the rulebooks and electronic tracking systems based on them provided by the Netherlands-based non-profit organization I-REC Standard.



Solar power generation system (improvement at Tamron Europe)

CSR Activities Pursued in Partnership with the Supply Chain

In keeping with its corporate philosophy and the Standards of Business Conduct, Tamron works with its suppliers to comply with laws and regulations and aims to build partnerships to provide high-quality products and services based on fair and transparent transactions. With regard to quality and the environment, we confirm the details of initiatives through onsite and document-based audits based on our own standards.

Since 2008, Tamron has engaged in CSR procurement. The Tamron

Supplier Code of Conduct, which is compliant with the latest edition of the RBA Code of Conduct, has been distributed to all suppliers along with a request for compliance. We also conduct SAQ surveys on the current state of CSR promotion as appropriate for suppliers in Japan and overseas. Going forward, we will continue to work with suppliers to consider measures to realize a decarbonized society.

Monitoring CO₂ Emissions in the Supply Chain

In addition to direct emissions from the burning of fuels such as petroleum and coal (Scope 1) and indirect emissions associated with the use of electricity, etc. (Scope 2), we continue to

calculate all over indirect emissions (Scope 3). Among Scope 3 emissions, in 2022 the largest percentage were Category 1 (emissions from purchased goods and services).

Please check our website to learn more about our CO₂ emissions including Scope 3 emissions. https://www.tamron.com/global/sustainability/environment/co2_reduction.html

Information Disclosures Based on TCFD Requirements

Governance

We recognize climate change as one of our key management issues. Tamron’s policy on risk response including climate change, its targets and other important matters are discussed and determined by the CSR Committee, which is chaired by the president and whose members are all full-time officers and divisional heads serving as CSR officers, including the vice-chairperson who serves as the Chief CSR Officer. Systems are in place to enable appropriate supervision by the Board of Directors, including the requirement that material matters be reported to the Board. The CSR Committee also checks the progress of targets laid out in Environmental Vision 2050.

Strategy

We conducted an evaluation of risks and opportunities based on the 1.5°C scenario. We recognize the relevant risks and opportunities as shown in the table on the right. It will also be necessary to contribute to worldwide initiatives as part of the shift to decarbonized society to ensure the sustained corporate activities of Tamron. Tamron formulated Environment Vision 2050 for this purpose. We will contribute to a sustainable earth by reducing CO₂ emissions to zero by 2050.

Risk Management

Tamron views opportunities and risks associated with climate change as one of the important perspectives to be considered when formulating its business strategy. The CSR Committee chaired by the president revises the analysis and evaluation of opportunities and risks. In addition, Chief Risk Management Officer has been assigned under the president to oversee and direct the control of important risks and responses to serious global events.

Indicators and Targets

We have set CO₂ emissions—which account for 98% of our greenhouse gas emissions—as one of our key climate change indicators, and manage targets related to CO₂ emissions.

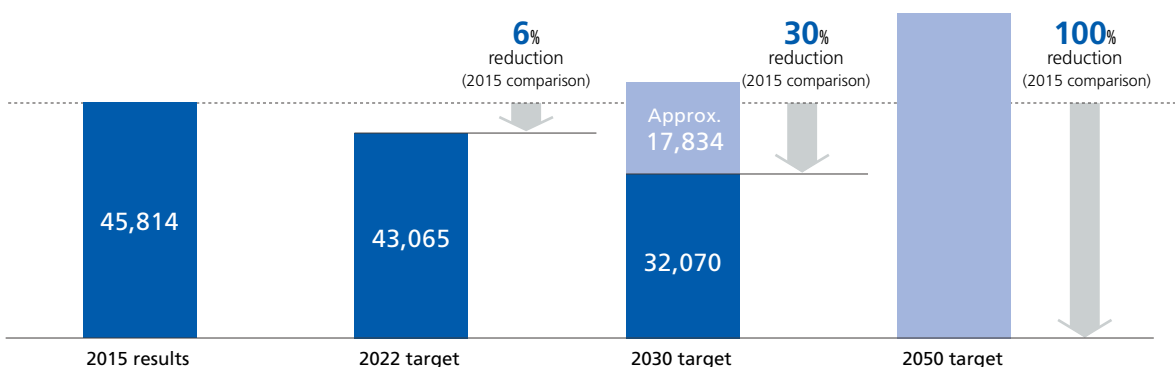
In Environmental Vision 2050, we aim to achieve zero CO₂ emissions in our business activities by 2050, and have also set the interim target of reducing CO₂ emissions by 30% compared with 2015 levels by 2030. We have also continued to calculate indirect emissions (Scope 3, hereafter). Category 1 (emissions produced from all products purchased or acquired) account for a large percentage of Scope 3 emissions, roughly 70% of the total. Going forward, we will consider reductions with a view to setting targets for Scope 3 emissions.

Reduction of CO₂ emissions

To realize the decarbonized society we aspire to create in Environment Vision 2050, we have set the interim target of reducing CO₂ emissions by 30% compared with 2015 levels

by 2030, and have set the target of making 3% reductions each year since 2021.

Greenhouse Gas Emission Targets Based on Environment Vision 2050 (Unit: t-CO₂)



Risks and opportunities based on the 1.5°C scenario

Category	Items	Business impacts	Materialization timing	Possibility	Extent of impact
Transition risks	Burden of carbon taxes Renewable energy	<ul style="list-style-type: none"> Burden of carbon taxes and risk of increased costs due to renewable energy purchases When we estimate our CO₂ emissions, carbon tax burdens and renewable energy purchase amounts in 2030 based on the 1.5°C scenario (NZE2050, World Energy Outlook 2021), there are risks of the following costs increasing. <ul style="list-style-type: none"> Higher operating costs due to an increased burden from carbon taxes 309 million yen / year (breakdown: Japan 81 million yen, China 215 million yen, Vietnam 12 million yen) Increased operating costs due to higher burden from renewable energy purchases needed to meet 30% reduction compared with 2015 23 million yen / year (breakdown: Japan 17 million yen, China 1 million yen, Vietnam 3 million yen) 	Short term to long term	Large	Medium
	Reputation	<ul style="list-style-type: none"> Damage to corporate value or risk of suspension of trade through inability to respond to the shift to a decarbonized society While the Tamron Group will adapt to a decarbonized society based on Environment Vision 2050, if concerns emerge among stakeholders about our response, there is a risk of declining net sales due to damage to corporate value, the suspension of trade or other developments. 	Medium-to-Long term	Small	Medium
Physical risks	Cessation of business activities due to natural disasters	<ul style="list-style-type: none"> Risk of suspension of product supply as a result of factory shutdowns and disrupted supply chains due to natural disasters of increasing severity (flooding and localized torrential rain) As a result of assessing risks for our production sites (three sites in Japan and two overseas, in China and Vietnam respectively), we confirmed that changes to future operational risks due to flooding (overflowing rivers) are limited. We will deal with short-term climate change risks related to the supply chain with business continuity planning (BCP). 	Long term	Medium	Small
Opportunities	Expanded demand for infrastructure inspection lenses	<ul style="list-style-type: none"> Expanded sales of lenses used in inspections of infrastructure contributing to improved social resilience such as disaster prevention and mitigation We view this as a medium-to-long-term growth opportunity and aim to expand net sales through activities reflected in our management strategy. 	Medium-to-Long term	Large	Large

* Assessment as of March 2022

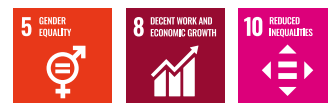
Assumptions for scenario analysis (as of 2030)

- 2030 emissions: approx. 49,904 t-CO₂ / year
- 2030 electricity rates: approx. 1,048 million yen / year
- 1.5°C scenario (NZE2050, World Energy Outlook 2021)

Human Resource Development

By strengthening the potential of human resources and improving workplace environments, we will create a company that offers job satisfaction.

Related SDGs



Basic Approach

The success of each and every employee is essential to the realization of a sustainable society and to Tamron's own sustainable growth. It is important to develop an environment in which each employee can fully demonstrate their potential, and fulfill their principal duties while being motivated and experiencing job satisfaction. At Tamron, we actively work to promote diversity, healthy work-life balances and health & productivity management. Additionally, we see human resources as valuable assets, provide opportunities for employees to develop and demonstrate their abilities with respect for diversity, and aim to be a company where employees can have a global perspective, value teamwork, demonstrate creativity and experience job satisfaction.

Strengthening the Potential of Human Resources

Human resource development

Through a Mission Leadership System where clear missions are defined for each leader and the entire team works to achieve them, Tamron strives to facilitate the growth of leaders and their employees while strengthening overall organizational capabilities. For managers and employees at similar career levels, we have also introduced the Post Qualification System which determines grades and compensation according to the level of responsibility and difficulty of all roles to be fulfilled as required by management, irrespective of seniority or ability. Employees who have developed a certain level of occupational skills are offered two career tracks under the Post Qualification System, the manager course or professional course. In this way, each employee can attain a working style that fits their aptitude and intentions.

Tiered and occupation-specific employee training

Tamron offers a range of employee training customized by tier and occupation. For new graduate hires, Tamron provides four-year training starting from initial recruitment to improve basic job knowledge and formulate mid-term career plans. Mid-career employees are given practical training commensurate with their positions, including the training of junior employees. For managers, we provide training to enhance their organizational management capabilities, goal management training, harassment training and other training to raise awareness of their roles.

Technical employees are offered classroom instruction to acquire technical skills and also undergo practical training in related departments as a way of creating opportunities for them to learn how their activities are directly related to actual operations. We also offer a range of employee training programs such as voluntary online English conversation classes in an effort to develop the capabilities of our human resources.

Diversity

To enhance corporate value in the medium and long term, it is important for a diverse range of individuals to demonstrate their full potential, innovate and create value. In addition to women, foreign nationals and others bearing diverse attributes, we also believe it is important to attract experienced talents on career paths in other industries and diversity in specialist fields in order to coalesce the diverse knowledge, experience and skills of all employees to enhance Tamron's competitiveness.

Women's empowerment

Women currently account for around 20% of Tamron employees, but in keeping with the guidelines for action declared in the Act on Advancement of Measures to Support Raising Next-Generation Children, we aim for at least 25% of new graduate hires to be female. We believe it is essential to empower female employees and raise the percentage of female managers in the face of a declining working population and industrial restructuring.

Empowering senior employees

Starting 2021, Tamron established the Meister Program, a new positional system for employees who are reemployed after reaching the mandatory retirement age, giving senior employees further opportunities to flourish.

For employees who possess advanced expert insight, technical capabilities, know-how, exceptional knowledge and skills, we have established Senior Meister and Meister positions. By giving these employees responsibilities and appropriate compensation, we encourage them to pass on their knowledge to successors and motivate them to be even more active.

Ensuring the success of mid-career hires

In addition to graduate recruitment, Tamron has established an internal system to hire mid-career employees with a wide range of knowledge and experience and developed environments in which they can demonstrate their capabilities. Mid-career hires account for around half of all employees, and integrating them with new graduate hires helps to boost the corporate value of Tamron.

Related Targets and Results

2022 Targets	Results
10% year-on-year reduction in overtime companywide	24% reduction (Head office: 4% reduction Aomori: 59% reduction)
Reduction in employees with high stress levels	7.5% reduction
Year-on-year improvement (7%) to the percentage of managerial positions (section manager and higher) filled by women	10.0%
Achieve target employment rate of people with disabilities (2.3%)	2.09%

Work-Life Balance

Tamron doesn't just place an importance on work. We also think it is important for employees to enjoy enriched private lives including childcare, family care, hobbies and studies, and run a number of initiatives with this sentiment in mind.

- Childcare leave
- Shorter hours for childcare (for employees with children up until the end of April of Grade 4 of elementary school)
- Caregiving leave
- Nursing care leave
- Paid leave in hourly increments
- Telework / working from home
- Flextime scheme (4 hours core time, calculated over a monthly period)

Promoting flexible workstyles

Moreover, since April 2021, we have revised our flextime system, allowing employees to set daily working hours according to their preferred work and private hours, under the condition that they work 4 hours of core time and meet the number of prescribed working hours per month. This has enabled us to work more flexibly.

From October 2022, we expanded employee eligibility to cover all full-time employees including managers. We have made progress in changing systems so that they pose advantages to both individuals and the company, such as allowing employees who were previously working under a shortened working hours scheme to raise children to switch to the flextime system, enabling them to work full-time.

As of December 2022, around 65% of head office employees take advantage of this system.

Support for achieving a balance between work and childcare

At the same location as our Head Office we have established the in-house Tamron Kids Day-Care Center (small-sized daycare center licensed by Saitama City). The Center is available to the local community as well as employees. In addition to support to help female employees return to work as soon as possible, we also help male employees take part in childcare.

Previously, the HR department had been informing individual employees and their supervisors about the ability for male employees whose spouses have given birth to take leave including spousal childbirth leave (special leave) as well as short-term childcare leave, but to coincide with registered legislation that took effect in 2022, we disseminated this information companywide. In addition, to all employees who have notified the Company of personal or spousal childbirth, we provide individual information about leave systems and confirm their intentions regarding childcare leave. Since 2020 the number of employees taking long-term leave in excess of one month has increased, and the number of male employees who have taken childcare leave at birth (commonly known as Postpartum Maternity Leave for Fathers), which was newly established in October 2022, is also on the rise. Going forward, we will continue to support both male and female employees in finding a balance between work and childcare responsibilities.

Initiatives to reduce overtime

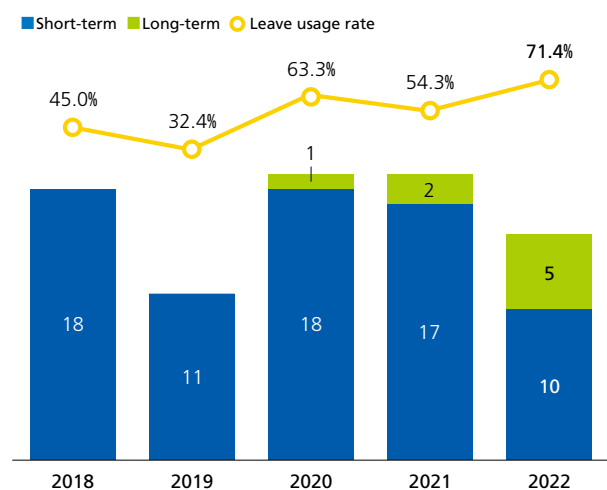
Tamron strives to improve productivity and works to reduce overtime hours based on the basic policy of achieving 10% year-on-year reductions. In 2022, overtime was significantly reduced at sites in Aomori Prefecture in particular, in part due to efforts to introduce smart factories. In the future, we will continue working to improve the work attendance literacy of each employee, and strive to reduce overtime hours through initiatives such as the visualization of work attendance data and the through management of targets.

Health & Productivity Management

Tamron believes that employees being able to work in good physical and mental health and with job satisfaction is the single most important factor directly link to improved corporate value. This is not limited to considerations for employee safety as required by law. Proactively working to maintain and advance employee health creates passion and vigor on the part of employees and leads to a more energetic organization.

We have continued to conduct mental checks twice a year, relay results including stress levels by age ground and organizational level to departmental managers, and reflect those activities in improvements to the workplace environment. Going forward, we hope to implement detailed measures to advance the health of employees and further promote health and productivity management.

Change in the Number and Rate of Eligible Male Employees Taking Childcare Leave



Shift from “Imaging” to “Measuring”

Leveraging its cutting-edge optical technologies as its strength, Tamron has provided products that meet the needs of customers across a wide range of fields, including the industrial sector. Looking ahead, Tamron will further accelerate innovation that will lead to the development of new businesses, achieving a fulfilling society across a wide range of fields.

Shogo Sakuraba
Corporate Vice President



Expand the scope of business utilizing technological capabilities

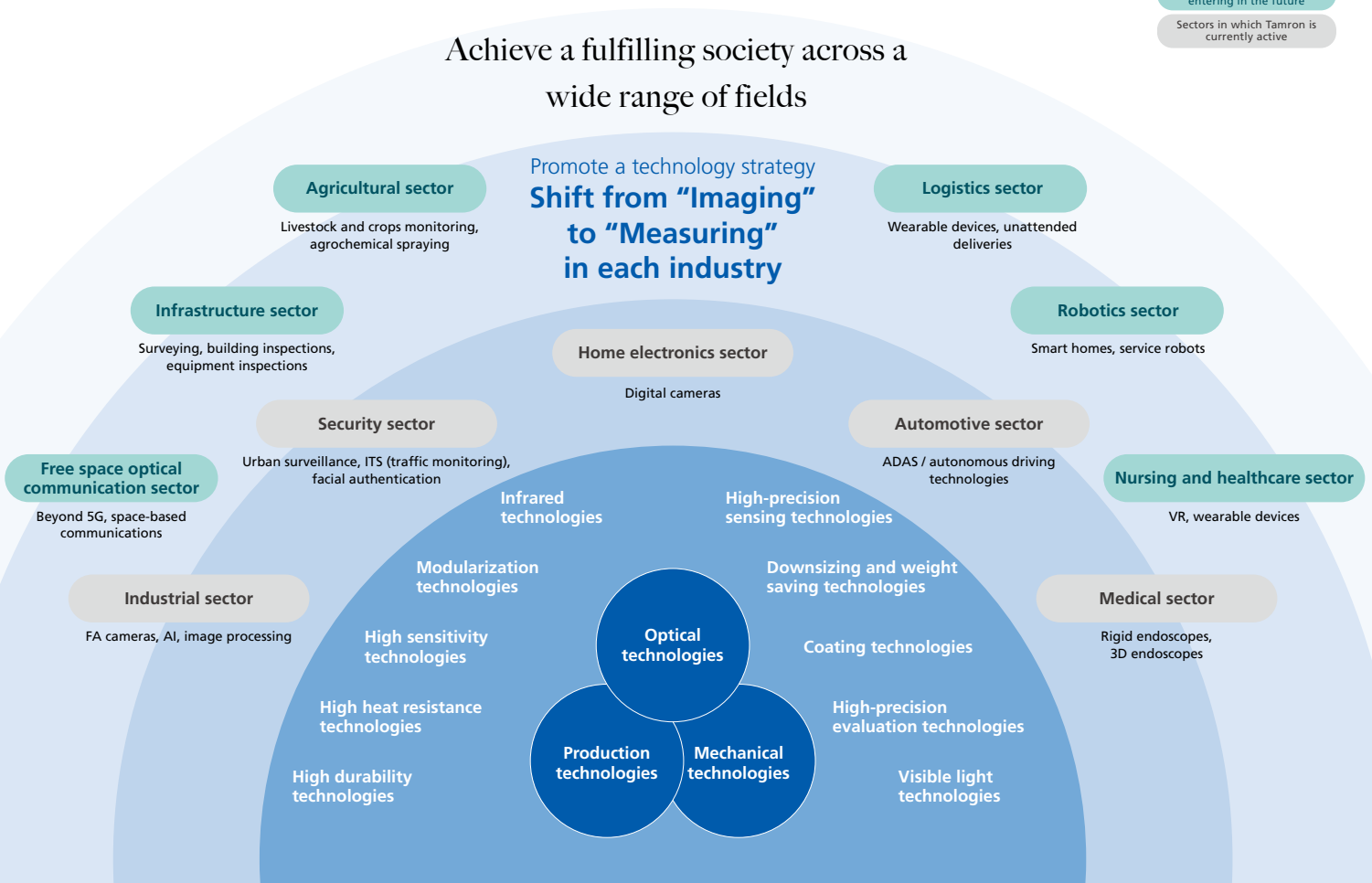
Achieve a fulfilling society across a wide range of fields

Promote a technology strategy
Shift from “Imaging” to “Measuring”
in each industry

Explanatory Notes

Sectors Tamron is considering entering in the future

Sectors in which Tamron is currently active



Shift from “Imaging” to “Measuring”

Since its founding in 1950, Tamron has continually refined its optical technologies, as symbolized by its photographic lenses. The optical technologies, outstanding mechanical technologies and production technologies that Tamron has cultivated throughout its history have been utilized in the products it has created over the years, from the Adapt-A-Matic and SP (Superior Performance) series, to the world's smallest and lightest all-in-one zoom lens, large-aperture zoom lenses, ultra-telephoto zoom lenses, VC (Vibration Compensation) mechanism lenses, the Ultrasonic Silent Drive (USD) and the liner motor focus mechanism (VXD).

The technologies cultivated through the development of these photographic lenses have enabled Tamron's entry into the areas of security (urban surveillance, ITS traffic monitoring, facial authentication), industry (FA), automotive (ADAS) and health care (endoscopes). The fields listed here correspond to the three segment classifications that describe Tamron's business domains, namely the Photographic Products, Surveillance & FA Lenses, Mobility & Healthcare, and Others.

Social Issues Recognized by Tamron and Entry into New Fields



Additionally, going forward Tamron will leverage the optical technologies it has developed to date with the aim of creating new products and new businesses that will help solve social issues.

Of the 17 goals that make up the Sustainable Development Goals (SDGs), the goals Tamron recognizes as important social issues include Goal 3: Good Health and Well-Being, Goal 9: Industry, Innovation and Infrastructure, Goal 11: Sustainable Cities and Communities, Goal 13: Climate Action, and Goal 16: Peace, Justice and Strong Institutions.

To solve these social issues, Tamron will shift its policy, switching its technical strategy from the conventional “Imaging” to “Measuring.” Tamron is pursuing the development of products that fulfill various needs of society by performing analysis and image processing utilizing information that is invisible to the human eye, a key strength of optical technologies, and

leveraging the ability to acquire information through methods other than imaging.

Specifically, we are working to apply optical technologies to medicine and health care to address Goal 3, autonomous driving, next-generation communications and artificial satellites for Goal 9, infrastructure inspections for Goal 11, agricultural and environmental analysis (measurement) for Goal 13, and surveillance and AI for Goal 16.

While focusing on keywords aimed at achieving those goals such as optical devices, filters (spectroscopy) and illumination optics, we will reinvigorate co-creation with outside partners, including collaboration between industry, government and academia, combined with in-house co-creation, leading to the development of innovations.

Achieving a Fulfilling Society across a Wide Range of Fields

In recognition of its 70th anniversary in 2020, Tamron established a new corporate mission: Tamron creates emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society. Tamron has also formed a long-term vision to be a company that is respected and truly needed by society.

In each industry, we will shift our technical strategy from “taking images” to “measuring,” with the aim of achieving a fulfilling society across a wide range of fields. We will expand the possibilities of optical technologies by addressing many of society's issues for the future, providing value around the world.

Photographic Products

"Human Focus"

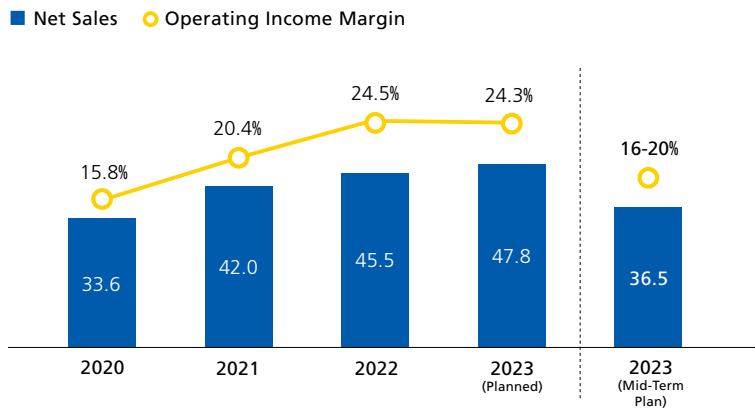
Tamron will remain user-centric and study people while designing and manufacturing lenses so that users around the world can fully continue to enjoy photography in their own way.

Related SDGs /

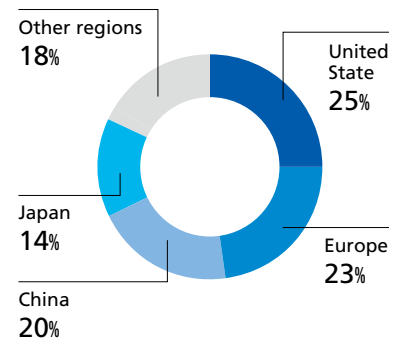


Summary of Business Results

State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



Sales Composition by Region (2022) (Own-Brand)



Vision23 Mid-Term Management Plan Progress and Future Policy

In the Photographic Products Business, we achieved our targets for net sales and operating income margin two years ahead of schedule in 2021, the first year of our Vision23 Mid-Term Management Plan. Then in 2022, the second year of Vision23, we achieved increases in both net sales and operating income, which rose to 45.5 billion yen and 11.2 billion yen respectively, while the operating income margin hit a record-high 24.5%.

There were also developments on the product launch front. Our lineup of own-brand lenses for mirrorless cameras went from eight at the end of 2020 to 21 by the end of 2022, over 2.5x growth. We also added support for two lens mounts in an effort to attract a wide customer base.

In 2023, we will aim for increases in both sales and profit, with net sales of 47.8 billion yen (up 5% from 2022) and an operating income margin in the 24% range. The biggest factor underpinning our expectation of increased sales is market stabilization due to a diminished impact from the COVID-19 pandemic. We also plan to release around five new appealing models in our lineup of own-brand products. With these new products, we aim to further increase our market share, and boost sales of mirrorless camera products to around 85% of total sales.

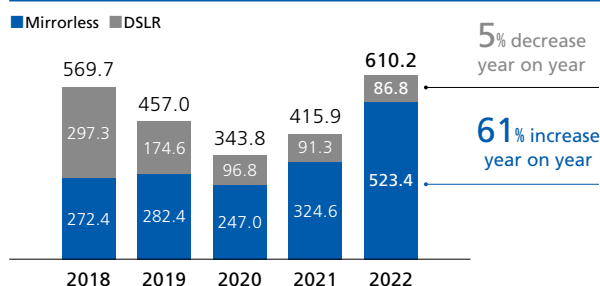
Segment Characteristics

Products Offered	Lenses for interchangeable lens cameras (mirrorless cameras and DSLR)
Production Methods	Own-Brand products / OEM products
Delivery Destinations	Electronics retail stores, online electronics retailers (Own-Brand products), major camera manufacturers (OEM products)
Users	Consumers

Market Situation

Interchangeable Lens Camera Market	47% increase year on year
Interchangeable Lens Market	29% increase year on year APS-C: 14% increase year on year Full Frame: 33% increase year on year

Interchangeable Lens Camera Market Environment (Billion yen)



2022 Results and 2023 Strategies

2022 Results

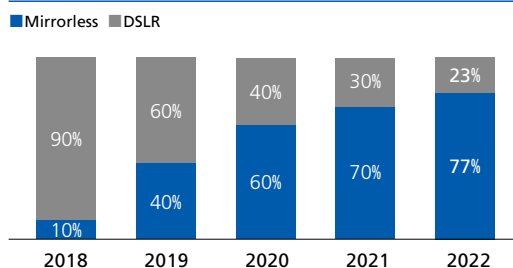
In terms of support for new lens mounts, Tamron released the 70-300mm F/4.5-6.3 Di III RXD (Model A047) for the Z-mount in September 2022, entering the market as the first third-party lens manufacturer in the world to come out with an AF lens for Z-mount. As for releases of lens for the X-mount, Tamron came out with the 17-70mm F/2.8 Di III-A VC RXD (Model

B070) in July 2022, and released the 150-500mm F/5-6.7 Di III VC VXD (Model A057) in October. Additionally for E-mount cameras, Tamron released the 20-40mm F/2.8 Di III VXD (Model A062), featuring a focus ring with an improved feel when adjusted, as part of efforts to flesh out its lineup of mirrorless camera lenses and expand the customer base.

2023 Strategies

We will continue our basic policy of launching around five appealing models in our lineup of own-brand products annually in an effort to expand our market share. As a result of these efforts, we expect our lineup of lenses for mirrorless cameras to increase to 26 by the end of 2023. Reflective of market demand, we will roll out these lenses for three camera mounts, E, X and Z.

Percentage of Own-Branded Mirrorless Products



Value Creation Initiatives

Tamron offers products that excite and surprise people. A typical example is the 50-400mm F/4.5-6.3 Di III VC VXD (Model A067) that was released in September 2022. By giving the product a 50 mm focal length at the wide end and adding half macro functionality, convenience has been vastly improved over previous models, and users can enjoy everything from table-top shots to ultra-telephoto photography with a single lens. By providing these kinds of products, Tamron will continue to help create new value.



50-400mm F/4.5-6.3 Di III VC VXD (Model A067)

Surveillance & FA Lenses

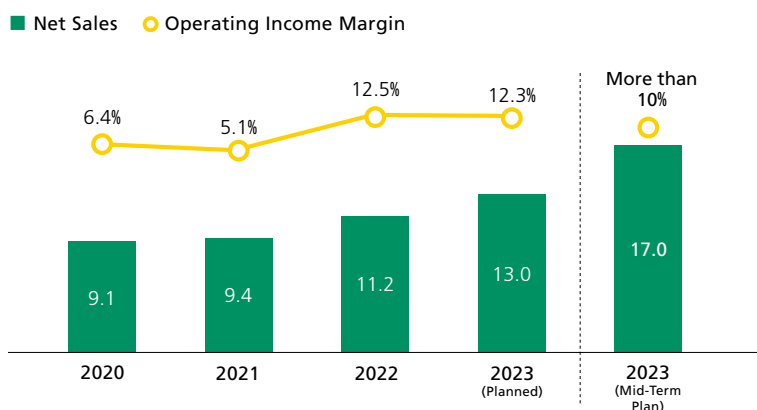
In the field of surveillance, lenses have the power to be the eyes of society and keep people safe. Going forward, we will continue to contribute to a safe and secure society by developing and marketing products that cater to the needs of the global market.

Related SDGs /

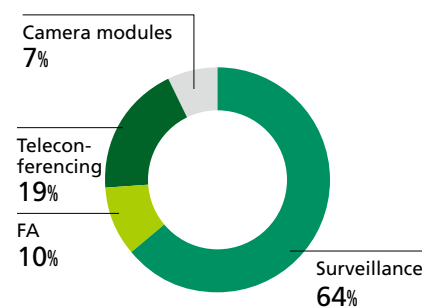


Summary of Business Results

State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



Sales Composition by Application (2022) (Surveillance & FA)



* Disclosure segments have been changed as of 2021 (only the Surveillance & FA Lenses segment has been made independent from the existing Commercial / Industrial-use Optics segment). The 2020 results are reclassified under the new disclosure segments.

Vision23 Mid-Term Management Plan Progress and Future Policy

In 2022, the second year of the Vision23 Mid-Term Management Plan, we achieved a recovery from the market downturn caused by the spread of COVID-19 infections in 2021 and the worldwide semiconductor shortage, with increased sales of products for surveillance cameras, factory automation (FA) and machine vision lenses, and teleconferencing lenses. As a result, we were able to achieve net sales in the range of 10 billion yen for the Surveillance & FA lenses segment overall. On the profit front we were also successful, with profit increasing significantly due to various factors including a reduced burden from up-front development investment in the FA field, and the effects of the weakening yen. Moreover, operating income margin rose into the 10% range targeted in

Vision23, and we successfully expanded the size of the business together with profit growth.

In 2023, we will fulfill our goal of achieving higher net sales and profits in each field, including surveillance, FA and camera modules, aiming to achieve double-digit growth in net sales and profit, reaching a record-high net sales of 13.0 billion yen (up 16% year on year) in the segment overall, with operating income of 1.6 billion yen (up 14% compared with 2022). Market expansion in the field of surveillance & FA lenses is expected to continue in the future. In response to this growth trend, Tamron will also focus on expanding sales of its existing products and developing new products with high added value.

Segment Characteristics

Delivery Customers	<ul style="list-style-type: none"> Major camera manufacturers and machine tool procedures from around the world, including the United States, Europe, South Korea, Taiwan and China.
Our Strengths	<ul style="list-style-type: none"> Ability to develop and manufacture 4K-compatible high-resolution products (with sights also set on 8K in the future)
Related Social Issues	<ul style="list-style-type: none"> Creating environments that enable safer and more secure lifestyles, including security and disaster prevention applications Developing fully automated or labor-saving inspection and surveillance of power generation sites, equipment and facilities, such as biomass power plants

Market Situation

Trends	Lockdowns initiated in response to the spread of COVID-19 have been lifted, and market trends are heading toward a gradual recovery due to economic measures put in place by governments around the world.
Demand for the Surveillance Segment	Market growth continues



2022 Results and 2023 Strategies

▶ 2022 Results

In the fields of surveillance lenses, due to the expanding demand for higher image resolutions and high-performance, high-quality products, Tamron has focused on developing products with high added value, including support for 4K resolutions. Additionally, in the field of FA lenses, Tamron completed a revamp of its lineup begun in 2020, and has managed to place a new focus on the development of OEM

projects. We have also stepped up marketing of industrial lenses compatible with the short-wave infrared (SWIR) range, which is expected to see growth in the future. In the area of camera modules, at the same time we began full-scale sales of a module whose began full-scale sales of a module whose developed was completed by 2021, we began develop of a new camera module to be launched in 2023 or later.

▶ 2023 Strategies

In particular, in the surveillance lens segment we will focus on the development of lenses compatible with high-resolution cameras which are experiencing growth in demand year after year, while in the FA lens segment we will work to strengthen sales of new products whose lineup refresh is now complete. At the same time, we will strive to maintain and strengthen

ties with key manufacturers in both segments. In the camera module business, we will strengthen the rollout of development products that complete with the National Defense Authorization Act (NDAA) while continuing to work on the development of OEM models.

Value Creation Initiatives

In the area of high-resolution FA and machine vision lenses, we contribute to improved productivity in the industrial field by providing vision functions to manufacturing machinery and manufacturing robots. Additionally, through temperature monitoring using far-infrared camera modules and SWIR-based substance identification, we offer safety and peace of mind in various scenarios, including health care and care of the elderly. Moreover, our lenses for surveillance cameras watch over cities and people's lives, helping to create sustainable cities and communities.



SWIR Lenses

Mobility & Healthcare Products, Others

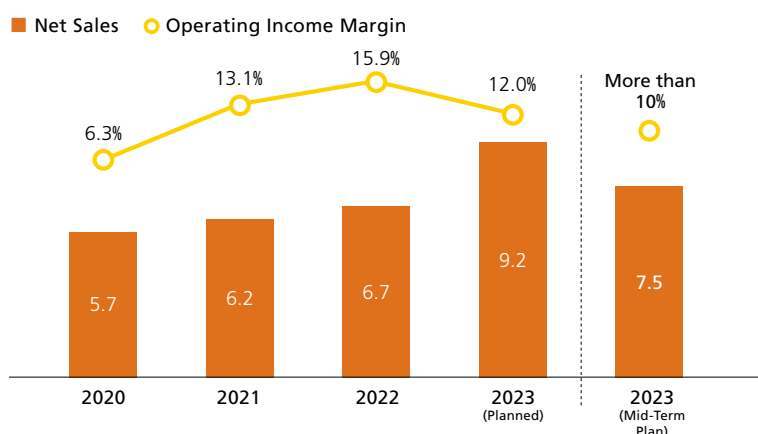
Our products and technologies contribute to people's peace of mind, safety and health, as the eyes of vehicles in the automotive field where autonomous driving is advancing, and as the eyes of doctors in the medical field with the advance of less-invasive procedures.

Related SDGs /

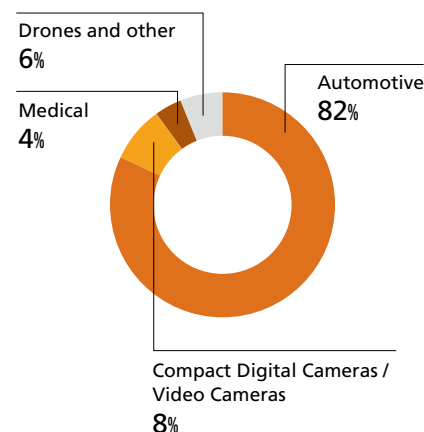


Summary of Business Results

State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



Breakdown of Net Sales by Category (2022)



* Displayed segments have been changed as of 2021 (the existing Optical Components Business and Commercial Industrial-use Optics Business aside from the Surveillance & FA Lenses segment have been integrated). The 2020 results are reclassified under the new disclosure segments.

Vision23 Mid-Term Management Plan Progress and Future Policy

In 2022, the second year of the Vision23 Mid-Term Management Plan, we managed to reach our target ahead of schedule for the second straight year, recording an operating income margin of greater than 10%. A major factor behind this was growth in the mobility field. Despite a decline in production due to the COVID-19 pandemic and semiconductor shortages, increased profits from double-digit sales growth in the key market of lenses for automotive sensing, improved productivity due to higher production volume, control of SG&A expenses and other factors led to high-level growth. In the health care field, we began mass production of a suite of products whose development had been underway since the new business development stages, and achieved double the net sales of 2021.

We have also produced strong results by securing new orders for the next-generation of products.

In 2023, we expect this performance to continue, and project that net sales will rise over 40% compared with 2022 levels in both the mobility and health care sectors. In the segment overall, we will target a 2.5 billion yen increase in net sales over 2022, which would even be 1.7 billion yen higher than the target set out in Vision2023. Although we forecast that semiconductor shortages will continue to have an impact, the size of the business will continue to grow steadily as the third pillar of Tamron's operations. In 2023 Tamron will continue to develop technologies and cultivate new customers, achieving business expansion in the mid-to-long term from 2024 onward.

Automotive Lenses

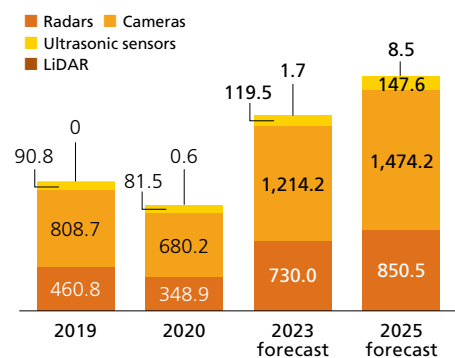
Segment Characteristics

Product Features	<ul style="list-style-type: none"> As our products related to people's safety, high levels of durability and quality are essential. Even after an order is received, we continue to work with customers and users through an iterative process of development and reliability testing over three or four years before moving on to mass production. As the product lifecycle is also very long, we can easily formulate long-term business plans.
Related Social Issues	<ul style="list-style-type: none"> Environmental issues such as global warming and fuel depletion Rural depopulation and aging, securing means of transportation due to personnel shortages

Market Situation

Trends	<ul style="list-style-type: none"> Due to the demand for advanced driving control, the resolution and functionality of ADAS* sensors is improving, and the number of sensors being installed is on the rise. <p>* ADAS is the acronym for Advanced Driver Assistance System. A system that provides advanced driving support including automated braking and sudden start prevention mechanisms.</p>
Autonomous Driving-related Market	<ul style="list-style-type: none"> Legislation is being developed in various countries ahead of the realization of fully autonomous driving Demand across a wide range of applications will increase for use in sensing

Size of the ADAS and Autonomous Driving Sensor Market (Billion yen)



Source: Forecast Size of the Global ADAS/Autonomous Driving Sensor Market
Yano Research Institute Ltd.

2022 Results and 2023 Strategies

▶ 2022 Results

Despite the impact of semiconductor shortages, demand for car models equipped with ADAS has risen. As a result of technological responses to accommodate higher resolutions and improvements to quality and production systems that enable high quality and mass production, we have enjoyed strong sales of automotive lenses for sensing, achieving

double-digit growth in net sales to 5.5 billion yen, successfully expanding the business to a size of over 5.0 billion yen.

Operating income also improved. As a result of higher net sales and suppression of SG&A expenses, an improved operating income margin was achieved.

▶ 2023 Strategies

We will focus on technological innovations aimed at achieving a safe and secure society, endeavoring to create an environment enabling the provision of high-quality products from a customer standpoint, informed by medium- to long-term perspectives.

Tamron will continue to regard automotive lenses for sensing as an area of focus, and aim to cultivate new customers in Europe and the United States, where it enjoys a large market share.

Value Creation Initiatives

The reduction of traffic accidents is an important challenge for society to provide safety and peace of mind in people's lives. Through products that utilize its strength in high-resolution sensing technologies, Tamron helps solve this social issue. By providing automotive lenses for sensing, which are needed for the advanced control that achieves ADAS, we will strive to develop industry and make further improvements to safety.



Automotive lenses

Medical

Segment Characteristics

Market Characteristics	<ul style="list-style-type: none"> As our products are involved with people’s lives, high quality and reliability are paramount Time to market is very long, when reliability assessments and other requirements following a development span lasting around three years. However, as the product lifecycle is also very long, we can easily formulate long-term business plan.
Related Social Issues	<ul style="list-style-type: none"> Financial pressure due to rising global health care costs In medical procedures such as diagnosis, examination and surgery, prices of medical equipment related to self-diagnosis and minimally invasive procedures* are skyrocketing <p><small>* Minimally invasive procedures are medical procedures that take a reduced (less invasive) toll on a patient’s body.</small></p>

Market Situation

Trends	<ul style="list-style-type: none"> With the development of advanced healthcare technologies spanning various fields from low and non-invasive procedures to AI-based diagnosis, robotics, gene treatment, regenerative medicine and immunotherapy, we are at a turning point of potential innovations bringing improvements to patients’ quality of life
Related Social Issues	<ul style="list-style-type: none"> Average annual growth rate of the medical device and healthcare market is 4.5% (forecast up to 2030)

2022 Results and 2023 Strategies

▶ 2022 Results

The market showed signs of recovery from the effects of the COVID-19 pandemic. Considering this, and in anticipation of medium- to long-term growth, Tamron has implemented new products focused on advanced health care and created a

technology road map. Moreover, as a result of developing business with new customers and achieving a steady business expansion, net sales doubled compared with 2021 levels, amounting to 280 million yen.

▶ 2023 Strategies

We will continue to develop and propose products that leverage Tamron’s strengths in spectroscopy and fluorescence, and strive to secure new products and strengthen ties with existing customers. As an optical integrator consistently

supporting the evolution of the medical field, Tamron will aim to create economic value and social value as it pursues new business development.

Value Creation Initiatives

Amid growing interest in people’s healthy lifespans, Tamron is researching technologies to visualize tumors, nerves and cells that cannot be seen with the naked eye with greater clarity and depth, with the aim of developing advanced medical devices capable of accurately diagnosing and analyzing affected areas through minimally invasive procedures. Tamron will continue to work on innovations to optical technologies so that it can contribute to improved patient quality of life (QoL).

TOPICS

Initiatives Aimed at Creating the Next Field of Business

In the medical device market, there has been an uptick in research and development into quantitative assessment, such as tumor follow-ups, determination of tumor margins, and the assessment of tissue perfusion.

To respond to these needs, Tamron will delve deeper

into existing visualization technologies to capture images with greater clarity and depth while also working to innovate technologies that will broaden the scope of visualization and accelerate the development of elemental technologies.

Other Businesses

2022 Results and 2023 Strategies

▶ 2022 Results

The market for compact digital camera lenses and video lenses continued to shrink, leading to a decline in sales.

Growth in drone lenses slowed, reflecting that growth of the consumer drone market has run its course. While the market

for industrial drones showed an expansionary trend, sales declined due to the elimination of existing products, along with their corresponding lenses, and lack of progress in bringing new models to market.

▶ 2023 Strategies

In compact digital camera lenses, no new models will be introduced, but in camcorder lenses, we plan to introduce products for professional/semi-professional video applications to the market and secure net sales that will be down slightly from 2022.

In the market for drone lenses, we aim to maintain and expand the scale of sales in industrial applications.

Financial Strategy

The Tamron Group will balance ensuring a robust financial structure with high capital efficiency, and follow a basic policy of strategically allocating management resources to improve corporate value through business strategy.

Strategically Allocating Management Resources by Balancing Robust Financial Structure with High Capital Efficiency

(1) Robust financial structure

We have implemented future-oriented R&D and capital investment for sustained growth while making preparations for flexible strategic investments (including M&A and alliances, etc.) and considering risk tolerance. Under these conditions, we aim to have at least two-thirds of our total assets comprised of owned capital and ensure sufficient liquidity on hand of two or three months. We have developed a financial structure that maintains financial health with a D/E ratio of 0.1x or less.

(2) Capital investment

We will actively pursue capital investment that contributes to improved corporate value. In addition to investment in new models and high-precision equipment, we are investing automation, streamlining, energy-saving production equipment, and other systems to boost productivity and improve business operations.

Over the three-year period from 2021 to 2023, we plan to make cumulative capital investments worth around 10 billion yen. This represents an increase of roughly two billion yen in cumulative investments over the preceding three-year period from 2018 to 2020 as we step up investments in anticipation of the medium and long term.

(3) R&D investment

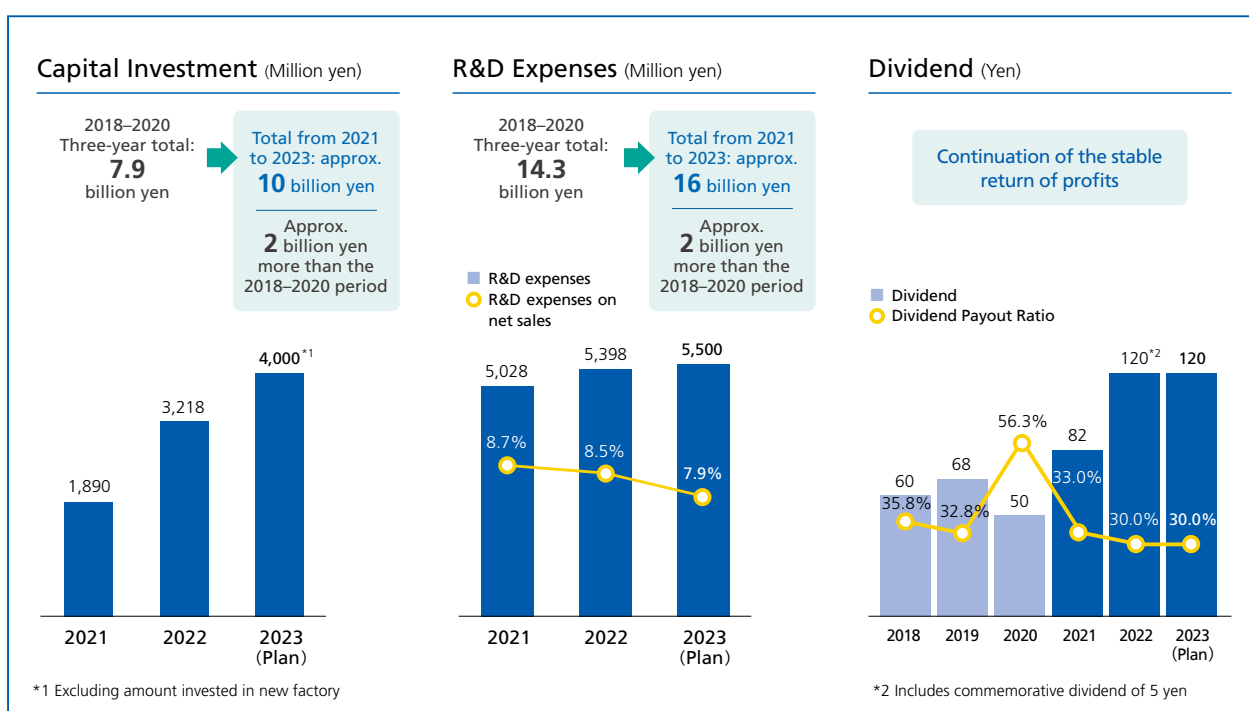
As a global optical manufacturer, investment in R&D is essential to maintain and improve high-level technologies, as well as to contribute to social needs and produce innovation from a long-term perspective.

Over the three-year period from 2021 to 2023, we place to make R&D investments worth around 16 billion yen, representing an increase of about two billion yen over the previous three years from 2018 to 2020. On a fiscal year basis, up to 2015 these investments amounted to around 5% of net sales, but this has gradually been raised to around 8% of net sales.

(4) Shareholder return and capital policy

We will steadily link growth investment to profit growth, work to increase earnings per share (EPS) as the allocation of profits based on business performance, and position the continuation of stable shareholder return as our basic policy.

In addition, in light of developments such as market conditions, financial status and capital efficiency, we will also implement capital policy including the acquisition of treasury shares on a flexible basis.



The Tamron Group pursues management that maintains an awareness of capital costs and places an emphasis on capital efficiency. In our mid-term management plan, we have set the goal of raising ROE to at least 9%, exceeding the cost of capital (approx. 7%), and have undertaken various initiatives with this in mind.

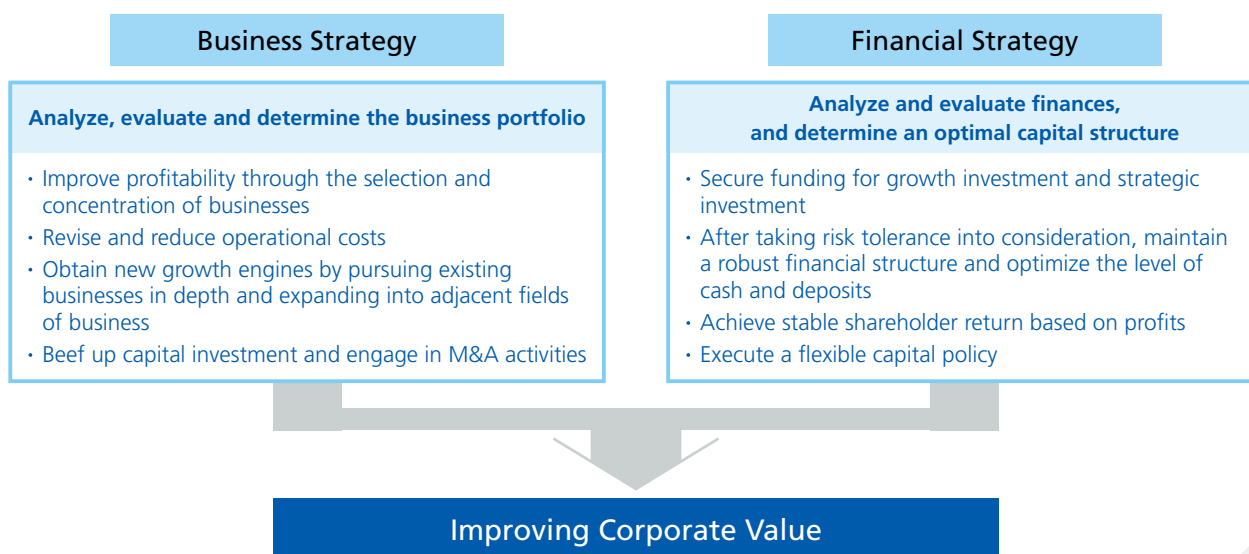
ROIC far exceeded WACC, and ROE improved



Initiatives to Raise ROE

ROE (composition)	Profitability $\frac{\text{Net Income}}{\text{Net Sales}}$	Asset Efficiency $\frac{\text{Net Sales}}{\text{Total Assets}}$	Financial Leverage $\frac{\text{Total Assets}}{\text{Net Assets}}$
	Improved profitability	Improved asset efficiency	Enhancing shareholder return and executing capital policy
Main Initiatives	<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
Results (2020 ⇒ 2022)	<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 	<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% 	<ul style="list-style-type: none"> [2020] Acquisition of treasury shares (as a percentage of total shares outstanding: 18.87%, acquisition amount: 8.9 billion yen) [2021] Cancelled treasury shares (as a percentage of the total number of shares outstanding before the cancellation: 3.66%) [2022] Record annual dividend: 120 yen

Improving Corporate Value through Both Business Strategy and Financial Strategy



Strike a balance between growth potential and efficiency to achieve a corporate structure capable of sustained growth

Strategic Investment

In the Vision23 Mid-Term Management Plan, Tamron aims to strengthen its core technological capabilities and create new businesses, and plans an increase in R&D expenses by 2 billion yen compared with the 2018-2020 period of the previous Mid-Term Management Plan, amounting to 16 billion yen. We also plan 10 billion yen in capital investment, a 2 billion yen increase over this same period, and will pursue growth-oriented and strategic investments to ensure sustainable growth in the medium and long term.

As a part of this approach, Tamron has decided to construct a new factory in Vietnam. This capital investment is intended to lay the groundwork for mid- to long-term business expansion. At the same time, taking geopolitical risks and other factors into account, we will build a

component supply system across the entire supply chain, strengthen our ability to control costs, and further enhance our Groupwide production structure.

Tamron currently maintains a production system spanning three regions around the world, and with the improvements made in Vietnam, we will work to boost production capacity, optimize allocations and ensure greater flexibility.

Looking to the next Mid-Term Management Plan starting in 2024, toward 2030 beyond that, and to our vision of “becoming a company that is respected and truly needed by society,” we will continue to execute strategic investments in an effort achieve sustainable Groupwide growth.

Establishment of a new factory

Purpose of the construction

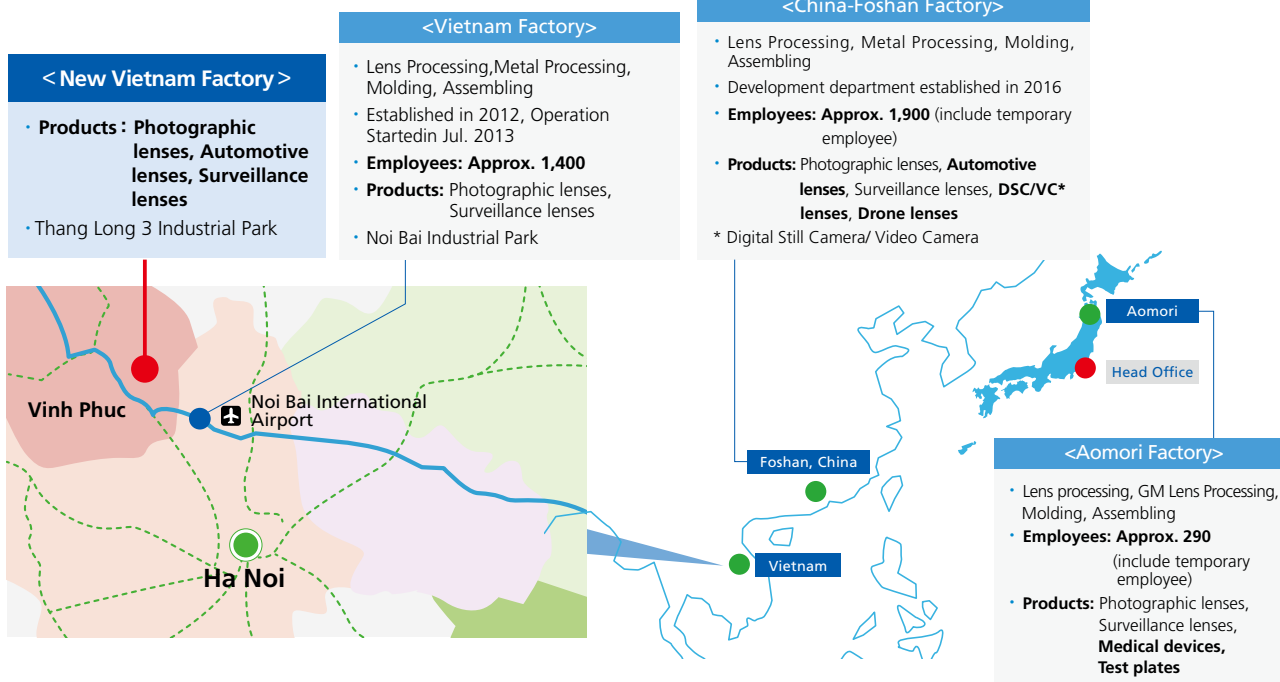
In anticipation of sustainable growth, further strengthen the production system of the entire Group

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

Overview of the new factory

Name	Tamron Vietnam Thang Long Factory (tentative name)
Investment	Approximately 4 billion yen
Schedule	Date of Construction Start: October 2023 (forecast) Start of Operation: January 2025 (forecast)
Land area	Approximately 25,000m ²

Tamron Group production system



Human Rights Initiatives

Tamron will endeavor to conduct its management and activities in consistent harmony with the international community in accordance with its human rights policy.

▼ Related SDGs



Formulation of a Human Rights Policy Statement

The Tamron's corporate mission reads: "Tamron creates emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society." Accordingly, Tamron has signed the United Nations Global Compact and supports the Ten Principles of the United Nations Global Compact as a company that operates globally. Based on its awareness of the importance of respecting human rights in supply chains, Tamron has defined the promotion of CSR procurement which includes respect for human rights as one of its key CSR issues and has since been implementing related initiatives.

The UN Guiding Principles on Business and Human Rights

(UNGP) clarify corporations' responsibilities regarding respect for human rights. In recent years, corporate respect for human rights is becoming increasingly significant in their efforts to ensure business continuity as well.

In view of its conventional activities and the social environment, its Board of Directors established the Tamron Human Rights Policy at a board meeting in April 2023.

Tamron will strive to ensure that this policy is observed in the business activities of the Group and encourage its suppliers and other business partners to carry out actions that respect human rights.

Tamron Human Rights Policy (summary)

1. Scope of application
2. Commitment to respect of human rights
3. Human rights issues that Tamron regards as important
4. Governance to fulfill Tamron's responsibility to respect human rights
5. Human rights due diligence
6. Correction
7. Stakeholder engagement
8. Information disclosure
9. Raising awareness and education
10. Process for formulating and revising the Human Rights Policy

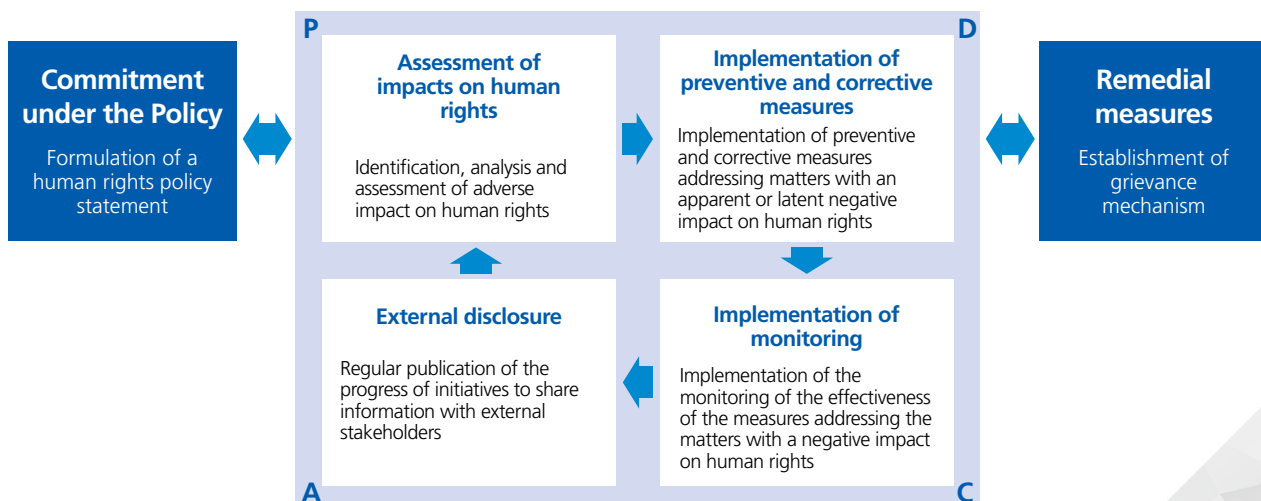
For the full text of the Tamron Human Rights Policy, visit the TAMRON's website.
https://www.tamron.com/global/sustainability/social/human_rights.html

Conduct Human Rights Due Diligence

In accordance with the Tamron Human Rights Policy, Tamron will implement human rights due diligence as a series of processes for identifying, preventing and correcting the negative impact of

itself and its suppliers' on human rights in an effort to correct or prevent any negative impact on human rights.

Diagram of the human rights due diligence process



Corporate Governance

Basic Policy

Based on its new corporate mission to "create emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society," Tamron aims to build good relationships with all stakeholders to achieve sustainable growth and improve corporate value. In support of those goals, we have adopted the basic approach of ensuring fair and transparent management practices while developing a highly effective corporate governance system that seeks to improve the speed and efficiency of decision making and business execution.

System Overview

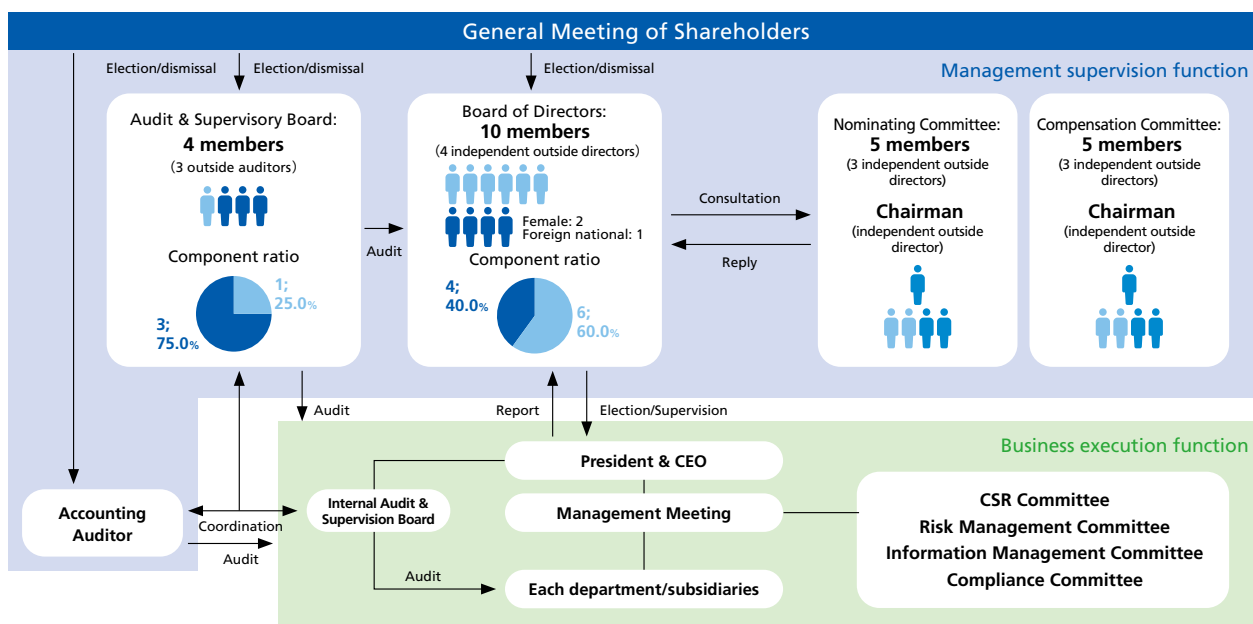
Tamron is a company with corporate auditors and includes a Board of Directors that functions as a body to make important decisions and supervise the execution of operations, as well as an Audit & Supervisory Board as an auditing body that is independent of the Board of Directors.

Tamron also appoints multiple independent outside directors possessing a wealth of knowledge, expertise and independence and has set up a Nominating Committee and Compensation Committee as advisory bodies to enhance supervisory functions. To the Board of Directors, Tamron appoints ten directors (four of whom are outside directors), including one foreign director and two female directors, as well as four Audit & Supervisory Board Members (three of whom are outside Audit & Supervisory Board Members).

Compliance with the Corporate Governance Code

Through the continual improvements to our corporate governance system, we implemented all of the principles found in the Corporate Governance Code prescribed by the Tokyo Stock

Exchange. We have also established Corporate Governance Guidelines that summarize our approach to corporate governance. The guidelines are available on the Tamron website.



● Board of Directors

Meetings of the Board of Directors are held once a month, in principle, attended by all Directors and Audit & Supervisory Board Members, for reviewing the execution of duties by the Directors and deciding on important issues as set forth in the basic policy of the company and the Companies Act.

● Audit & Supervisory Board

Meeting once a month in principle, the Audit & Supervisory Board audits the process of decision making by the Board of Directors and the execution of duties by Directors, by attending the Board of Directors meetings and checking approval documents.

● Nominating Committee and Compensation Committee

To enhance the independence and objectiveness of Board of Directors functions concerning the nomination, appointment and dismissal and compensation of directors, we have established a Nominating Committee and Compensation Committee, each of which are chaired by an outside director and whose membership comprises a majority of independent outside directors.

● Management Meetings

Tamron has established management meetings attended by directors and full-time Audit & Supervisory Board Members to discuss and consider issues related to management and the execution of duties, and to quickly respond to the changing management environment.

● CSR Committee

With the aim of fulfilling Tamron's corporate social responsibility and contributing to the development of a sustainable society, the CSR Committee, whose members include full-time directors, full-time Audit & Supervisory Board Members and executive officers, meets five times a year in principle. The committee makes decisions on and deliberates over basic matters, policies and important targets concerning CSR and promotion of the integrated management system, and also manages the progress of important targets.

● Risk Management Committee

With the aim of designating risk management policies, systems and methods of operation, preventing or systematically mitigating risks in the short-, medium- and long-terms and implementing related measures, the Risk Management Committee, whose members include full-time directors, full-time Audit & Supervisory Board Members and executive officers, meets twice a year in principle. The committee makes decisions on and deliberates over basic matters and policies for the promotion of risk management.

● Information Management Committee

With the aim of managing various information in the Tamron Group and supervising management matters, the Information Management Committee, whose members include the President & CEO, the director in charge of information management and executive officers, meets once a year in principle. The committee decides on, deliberates over, reports and supervises various measures aimed at strengthening management, including basic matters and policies for the promotion of information management.

● Compliance Committee

With the aim of ensuring legal compliance in the execution of business and ensuring behavioral practices that are consistent with social ethics, the Compliance Committee, whose members include the President & CEO, director in charge of compliance and executive officers, meets once a year in principle. The committee deliberates over basic compliance promotion matters.

Board of Directors Effectiveness Assessment

To self-assess the overall effectiveness of the Board of Directors, each year Tamron makes revisions to pertinent questions based on external changes such as corporate governance revisions and Tamron's own governance measures, surveys all directors and Audit & Supervisory Board Members by way of a questionnaire, and accepts individual opinions as needed.

Based on the results of the assessment, the Board of Directors deliberates over analysis, assessment and improvement measures, makes revisions to matters including the composition, size, compensation system and operating methods of the Board.

Major Initiatives to Enhance Corporate Governance and Progress on Improvements

Category	2016	2017	2018	2019	2020	2021	2022	2023
Officer Composition and Compensation	<ul style="list-style-type: none"> Established a Nominating Committee and Compensation Committee Appointed a foreign national as a director 	<ul style="list-style-type: none"> Considered the size and composition of the Board of Directors Established standards concerning the independence of outside officers 	<ul style="list-style-type: none"> Reduced the number of directors by three Appointed a female director Revised the compensation system and introduced a stock compensation scheme 	<ul style="list-style-type: none"> Considered the size and composition of the Board of Directors 	<ul style="list-style-type: none"> Reduced the number of directors by one 	<ul style="list-style-type: none"> Increase of one outside director Changes to the structures of the Nomination Committee and Compensation Committee 	<ul style="list-style-type: none"> Having independent outside directors account for at least a third of each committee Appointment of an individual with corporate management experience at another company as an outside director Review of director compensation indices 	<ul style="list-style-type: none"> Reduced the number of directors by one The percentage of independent outside directors on the board increased to 40%
Other	<ul style="list-style-type: none"> Began effectiveness assessment by conducting a questionnaire among officers 	<ul style="list-style-type: none"> Considered compliance with items of the Corporate Governance Code not yet in compliance 	<ul style="list-style-type: none"> Reduced the number of Board of Directors meetings Complied with all principles of the Corporate Governance Code Established Corporate Governance Guidelines 	<ul style="list-style-type: none"> Increased opportunities for medium-to-long-term discussion Improved methods and timing for providing materials in advance 	<ul style="list-style-type: none"> Revision to the Corporate Mission Formulation of a long-term vision 	<ul style="list-style-type: none"> Consideration of response to the revised Corporate Governance Code 	<ul style="list-style-type: none"> Shortening of Director terms of office to one year Disclosure of skills matrix Compliance with all principles of the revised Corporate Governance Code Revisions to the corporate governance guidelines 	<ul style="list-style-type: none"> Start new structure for sustainability-related committees Improvements to the details of direct reports made to the Board of Directors by the Internal Audit Supervision Board

Officer Compensation

Compensation for executive directors at Tamron comprises "basic compensation," which is a form of fixed compensation, "short-term incentive compensation," which is a kind of performance-linked monetary compensation based on factors such as business performance in a single fiscal year, and "medium-to-long-term incentive compensation," as a kind of performance-linked stock-based compensation. Our basic policy for maintaining and increasing incentives

is to keep an appropriate ratio of performance-based compensation and to use the medium- and long-term incentive compensation a performance and stock-based compensation, to clarify the link between business performance, stock prices, and director compensation and further heighten awareness of the importance of contributing to the improvement of business performance and the increase of corporate value over the medium and long term.

Compensation System

Types of Compensation	Percentage	Policy and Process for Determining the Method of Calculation
Fixed	Approx. 60%	In light of each person's position, level of contribution, levels in the industry or other companies of the same size and business performance, etc., compensation is determined by the Board of Directors following a review by the Compensation Committee chaired by an external director.
Variable	Approx. 20%	
Variable	Approx. 20%	

Assessment Indicators, etc.

Assessment Item	Assessment Indicator	Assessment Weighting		
		President	Directors assigned to business units	Other directors
Company-wide performance	Consolidated net sales	20%	10%	15%
	Consolidated operating income	50%	25%	30%
Performance of assigned business units	Assessment of business performance	—	35%	25%
Individual assessment	Assessment of individual strategic goals	30%		

* Assessment of business performance in a single fiscal year

Assessment Item	Assessment Indicator	Assessment Weighting
Company-wide performance	Consolidated net sales	20%
	Consolidated operating income	40%
Corporate Value	ROE	10%
	TSR	30%

* Assessment of medium-term business performance

Management Structure (As of March 29, 2023)

Board of Directors

President & CEO

Shiro Ajisaka

Member of Nominating Committee and Member of Compensation Committee



April 1978 Joined Tamron Co., Ltd.
 April 1990 President, TAMRON Europe GmbH.
 January 2005 Executive Officer, General Manager, Overseas Sales & Marketing Unit, Tamron Co., Ltd.
 January 2008 Senior Executive Officer, General Manager, Overseas Imaging Products Business Unit, Tamron Co., Ltd.
 March 2010 Director, Tamron Co., Ltd.
 March 2013 Managing Director, Tamron Co., Ltd.
 March 2014 Senior Managing Director, Tamron Co., Ltd.
 March 2015 Corporate Vice President, Tamron Co., Ltd.
 March 2016 President & CEO, Tamron Co., Ltd. (current post)

Corporate Vice President

Shogo Sakuraba

Optical Design & Engineering R&D Center,
 R&D Technology Center
 Risk Management



April 1981 Joined Tamron Co., Ltd.
 January 2005 Executive Officer, General Manager, Optical Design & Engineering R&D Unit, Tamron Co., Ltd.
 January 2008 Senior Executive Officer, General Manager, Optical Design & Engineering R&D Unit, Tamron Co., Ltd.
 March 2014 Director, Tamron Co., Ltd.
 March 2016 Corporate Vice President, Tamron Co., Ltd. (current post)

Managing Director

Hiroshi Otsuka

Corporate Strategy Unit
 Administrative Management Unit
 CSR
 Information Management



June 2006 Joined Tamron Co., Ltd.
 April 2010 Executive Officer, General Manager, Technology Development Strategic Planning Board, General Manager, Legal & IP Management Board, Tamron Co., Ltd.
 January 2015 Executive Officer, General Manager, Corporate Business Planning & Administration Board, Tamron Co., Ltd.
 April 2015 Senior Executive Officer, General Manager, Corporate Business Planning & Administration Board, Tamron Co., Ltd.
 March 2016 Director, Tamron Co., Ltd.
 March 2020 Managing Director, Tamron Co., Ltd. (current post)

Director (Outside Director, Independent Officer)

Yuichi Sato

Chairperson of Nominating Committee and member of Compensation Committee



April 1978 Joined Tokyo Shibaura Electric Co., Ltd. (now Toshiba Corporation)
 January 1980 Assistant, School of Engineering, Tokyo Institute of Technology
 April 1983 Assistant Professor, Faculty of Engineering, Saitama University
 April 1994 Professor, Faculty of Engineering, Saitama University
 April 2010 Dean, Faculty of Engineering, Saitama University
 April 2013 Dean, Graduate School of Science and Engineering, Saitama University
 April 2014 Executive Director, Vice President, Saitama University National University Corporation
 March 2018 Outside Director, Tamron Co., Ltd. (current post)

Director (Outside Director, Independent Officer)

Harumi Katagiri

Member of Nominating Committee and chairperson of Compensation Committee
 Supervisory officer at MORI TRUST Sogo Reit, Inc.
 Outside director at Japan Asia Investment Co., Ltd.



November 1993 Joined Asahi & Co. (now KPMG AZSA LLC)
 April 1998 Registered as a certified public accountant in Japan
 January 2000 Joined Century Audit Corporation (now Ernst & Young ShinNihon LLC)
 July 2009 Member of Ernst & Young Shin Nihon LLC
 July 2017 Opened the Harumi Katagiri certified public accountants' office (current post)
 March 2018 Outside Director, Tamron Co., Ltd. (current post)
 June 2019 Supervisory Director, Mori Trust Sogo Reit, Inc. (current post)
 June 2019 Outside Director, Japan Asia Investment Company, Limited (current post)

Director (Outside, Independent Officer)

Eriko Ishii

Member of Nominating Committee and member of Compensation Committee Attorney (Partner of Shin Saiwai Law Office) Outside Director, Sophia Holdings Co., Ltd.
 Supervisory Director, Canadian Solar Infrastructure Fund, Inc. Outside Corporate Auditor, ALMAD, INC.
 Outside Director, Sun Asterisk Inc. Executive Director of Ichigo Hotel REIT Investment Corporation



October 2004 Registered as an attorney (current post)
 October 2004 Joined Mori Hamada & Matsumoto LPC
 February 2011 Registered as an attorney in the State of New York (current post)
 July 2016 Partner of Shin Saiwai Law Office (current post)
 June 2018 Outside director of Sophia Holdings Co., Ltd. (current post)
 December 2018 Outside Corporate Auditor of SmartDrive Inc. (current post)
 May 2019 Supervisory Director of Canadian Solar Infrastructure Fund, Inc. (current post)
 June 2019 Outside Corporate Auditor of ALMAD, INC. (current post)
 March 2021 Outside Director, Tamron Co., Ltd. (current post)
 March 2021 Outside Director of Sun Asterisk Inc. (current post)
 October 2022 Executive Director of Ichigo Hotel REIT Investment Corporation (current post)

Audit & Supervisory Board Members

Full-Time Audit & Supervisory Board Members

Takahiro Yamaguchi

Member of Nominating Committee and member of Compensation Committee



March 1982 Joined Tamron Co., Ltd.
 April 2015 General Manager, Internal Audit & Supervision Board, Tamron Co., Ltd.
 April 2022 Meister, Internal Audit & Supervision Board, Tamron Co., Ltd.
 March 2023 Audit & Supervisory Board Members, Tamron Co., Ltd. (current post)

Full-Time Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members, Independent Officer)

Takashi Hirayama



April 1980 Joined the Saitama Bank, Ltd. (the present Saitama Resona Bank, Ltd.)
 June 2005 Executive Officer, Saitama Resona Bank, Ltd.
 January 2008 Managing Executive Officer in charge of finance and IPO preparation of AGS Corporation
 June 2010 Corporate Auditor of AGS Business Computer Corporation
 May 2011 General Manager of Information Processing Division, Managing Executive Officer of AGS Corporation
 October 2015 Managing Executive Officer in charge of operational audits of AGS Corporation
 March 2019 Full-Time Audit & Supervisory Board Members of Tamron Co., Ltd. (current post)

Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members, Independent Officer)

Masaya Nara

Attorney (Partner of Torikai Law Office)
 Outside Audit & Supervisory Board Members of RISO KAGAKU CORPORATION
 Outside Director of Kumagai Gumi Co., Ltd.



September 1990 Joined Yasuda Trust & Banking Co., Ltd. (the present Mizuho Trust & Banking Co., Ltd.)
 April 2009 Executive officer, General Manager of Investment Planning Division of Mizuho Trust & Banking Co., Ltd.
 June 2011 Full-time Audit & Supervisory Board Members of Mizuho Trust & Banking Co., Ltd.
 April 2014 Senior managing director of Mizuho Realty Co., Ltd.
 January 2017 Registered as an attorney
 March 2019 Independent Audit & Supervisory Board Members of Tamron Co., Ltd. (current post)
 January 2020 Partner of Torikai Law Office (current post)
 June 2021 Outside Audit & Supervisory Board Members of RISO KAGAKU CORPORATION (current post)
 June 2022 Outside Director of Kumagai Gumi Co., Ltd. (current post)

Managing Director

Shenghai Zhang

Global Production (Aomori Factory, China Factory, Vietnam Factory)
Mold & Tooling Technology Center



January 1997 Joined Tamron Co., Ltd.
April 2010 Executive Officer, Tamron Co., Ltd., Managing Director, TAMRON OPTICAL (FOSHAN) CO., LTD.
April 2014 Senior Executive Officer, Tamron Co., Ltd., Managing Director, TAMRON OPTICAL (FOSHAN) CO., LTD.
March 2016 Director, Tamron Co., Ltd.
March 2020 Managing Director, Tamron Co., Ltd. (current post)

Managing Director

Makoto Otani

OEM Component Business Unit
Industrial Optics Business Unit
Quality Control & Assurance
Supervision Unit



April 1984 Joined Tamron Co., Ltd.
April 2012 Executive Officer, General Manager, OEM Component Business Unit, Tamron Co., Ltd.
March 2015 Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.
April 2016 Senior Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.
March 2018 Director, Tamron Co., Ltd.
March 2023 Managing Director, Tamron Co., Ltd. (current post)

Managing Director

Tomohide Okayasu

Imaging Products Business Unit
Procurement Management Unit
Compliance



December 2000 Joined Tamron Co., Ltd.
April 2012 Executive Officer, General Manager, Product Development Management & Administration Unit, Tamron Co., Ltd.
January 2014 Executive Officer, General Manager, Imaging Products Business Unit, Tamron Co., Ltd.
April 2016 Senior Executive Officer, Tamron Co., Ltd.
April 2017 Senior Executive Officer, Tamron Co., Ltd. Vice Chairman, TAMRON USA, INC.
March 2018 Director, Tamron Co., Ltd.
March 2023 Managing Director, Tamron Co., Ltd. (current post)

Director (Outside, Independent Officer)

Fumio Suzuki

April 1973 Joined NIHON KOHDEN CORPORATION
April 1994 Director and President, Nihon Kohden America, Inc.
April 1998 General Manager of Corporate Planning Department, NIHON KOHDEN CORPORATION
April 1999 General Manager of Human Resources Department, NIHON KOHDEN CORPORATION
June 1999 Director, NIHON KOHDEN CORPORATION
June 2003 Managing Director, NIHON KOHDEN CORPORATION
June 2007 Corporate Director and Executive Operating Officer, NIHON KOHDEN CORPORATION
June 2008 Representative Director and President, NIHON KOHDEN CORPORATION
June 2015 Chairman and CEO, NIHON KOHDEN CORPORATION
March 2022 Outside Director, Tamron Co., Ltd. (current post)

Activities of Outside Officer

Classification	Name	Activities in 2022 (Attendance Rate)
Director	Yuichi Sato	Attended all 18 meetings of the Board of Directors held during the fiscal year. He has fulfilled his role properly, making appropriate remarks based on his wealth of experience as an executive director and vice president of Saitama University, especially in regard to research and development.
Director	Harumi Katagiri	Attended all 18 meetings of the Board of Directors held during the fiscal year. She has fulfilled her role properly, making appropriate remarks based on her professional knowledge and experience as a certified public accountant, especially in regard to finance and accounting.
Director	Eriko Ishii	Attended all 18 meetings of the Board of Directors held during the fiscal year. She has fulfilled her role properly, making appropriate remarks based on her professional knowledge and experience as a lawyer and her knowledge and experience as a director and corporate auditor of other companies, especially in regard to corporate legal affairs in general and M&A.
Director	Fumio Suzuki	He attended all 14 Board of Directors meetings held since taking office. He has fulfilled his role properly, making appropriate remarks based on his experience in corporate management and his wide knowledge and experience in the healthcare industry.
Audit & Supervisory Board Members	Takashi Hirayama	He attended all 18 Board of Directors meetings and all 15 Audit & Supervisory Board meetings held during the fiscal year. He has made appropriate remarks based on his wealth of business experience at financial institutions and the knowledge and experience of auditors and audit departments of other companies.
Audit & Supervisory Board Members	Masaya Nara	He attended all 18 Board of Directors meetings and all 15 Audit & Supervisory Board meetings held during the fiscal year. He has made appropriate remarks based on his professional knowledge and experience as a lawyer and his knowledge and experience as directors and corporate auditors of other companies.

Audit & Supervisory Board Members
(Outside Audit & Supervisory Board Members, Independent Officer)

Takashi Ueda

April 1981 Joined the Saitama Bank, Ltd (the present Saitama Resona Bank, Limited)
May 1997 General Manager of Isogo Branch of Asahi Bank, Ltd. (the present Resona Bank, Limited and Saitama Resona Bank, Limited)
June 2003 General Manager of Tokyo Sales Department 3 of Resona Bank, Limited
April 2008 General Manager of Saitama Sales Department of Saitama Resona Bank, Limited
June 2009 Executive Officer in charge of the Tokyo metropolitan area (Block) of Resona Bank, Limited
June 2011 Senior Managing Director of Resona Card Co., Ltd.
June 2017 Executive Officer in charge of Administration General Affairs & Human Resources Dept., Administrative Management Unit and Overseas Business Department of FUJISASH CO.,LTD.
April 2020 Executive Officer in charge of Group Internal Control and Audit Department of FUJISASH CO.,LTD.
June 2020 Director of FUJISASH CO.,LTD. (current post)
May 2021 Executive Officer in charge of Group Internal Control and Business Administrations Dept., Business Management Unit of FUJISASH CO.,LTD.
June 2021 Managing Executive Officer in charge of Group Internal Control and Business Administrations Dept., Business Management Unit of FUJISASH CO.,LTD. (current post)
March 2023 Outside Audit & Supervisory Board Members, Tamron Co., Ltd. (current post)

* Outside Audit & Supervisory Board Members Takashi Ueda was appointed in March 2023, and his activities are therefore not listed.

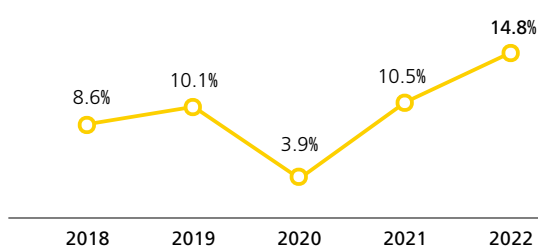
Financial and Non-Financial Highlights

Financial Highlights

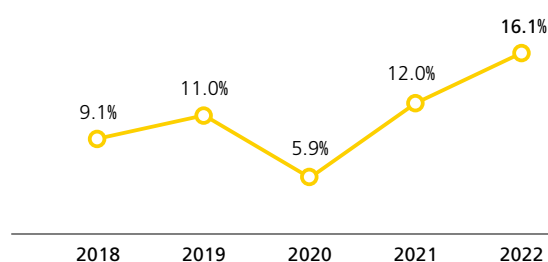
	2012	2013	2014	2015
Status of Profit and Loss				
Net sales	64,353	68,452	73,621	71,946
Gross profit	20,545	20,941	23,568	22,642
Operating income	5,503	5,233	6,076	4,554
EBITDA	8,685	8,674	9,888	8,209
Ordinary income	5,377	5,196	6,200	5,140
Profit attributable to owners of parent	3,894	3,197	3,846	4,048
Financial Position				
Net assets	40,805	47,087	51,995	49,001
Total assets	58,058	64,704	69,906	66,035
Cash and deposits	10,822	14,297	15,915	14,192
Inventories	12,363	11,055	10,536	12,875
Liabilities with interests	5,475	5,714	4,098	4,035
Status of Cash Flow				
Cash-flows from operating activities	3,736	9,602	6,208	6,214
Cash-flows from investing activities	(3,824)	(6,041)	(2,351)	(2,552)
Free cash-flow	(88)	3,561	3,856	3,662
Cash-flows from financing activities	(2,363)	(1,324)	(3,009)	(5,219)
Per-Share Information				
EPS	141.86 yen	116.48 yen	140.14 yen	153.98 yen
BPS	1,486.52 yen	1,715.37 yen	1,894.14 yen	1,890.45 yen
Dividend	50 yen	50 yen	50 yen	60 yen
Dividend Payout Ratio	35.2%	42.9%	35.7%	39.0%
Major Indicators				
Gross profit on net sales	31.9%	30.6%	32.0%	31.5%
Operating Income Margin	8.6%	7.6%	8.3%	6.3%
EBITDA Margin	13.5%	12.7%	13.4%	11.4%
Ordinary Income Margin	8.4%	7.6%	8.4%	7.1%
ROE	10.1%	7.3%	7.8%	8.0%
ROA	9.8%	8.5%	9.2%	7.6%
ROIC	8.3%	6.9%	7.6%	6.0%
Shareholders' equity ratio	70.3%	72.8%	74.4%	74.2%
D/E Ratio (times)	0.13	0.12	0.08	0.08
Inventory turnover (months)	2.3	1.9	1.7	2.1
PER (times)	17.2	21.9	17.0	14.6
PBR (times)	1.6	1.5	1.3	1.2
Capital Investment, Depreciation and R&D Expenses				
Capital investment	3,656	6,130	2,429	2,478
Depreciation	3,182	3,440	3,812	3,654
R&D expenses	3,492	3,217	3,699	4,052
R&D expenses on net sales	5.4%	4.7%	5.0%	5.6%

* EBITDA = Operating income + Depreciation

ROE

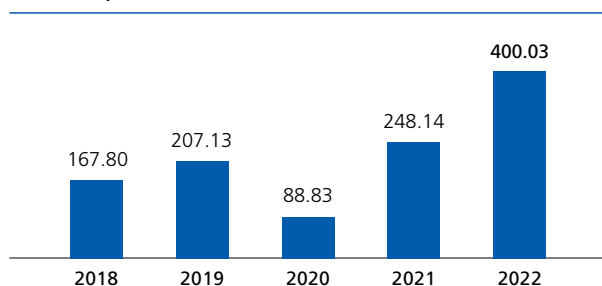


ROA

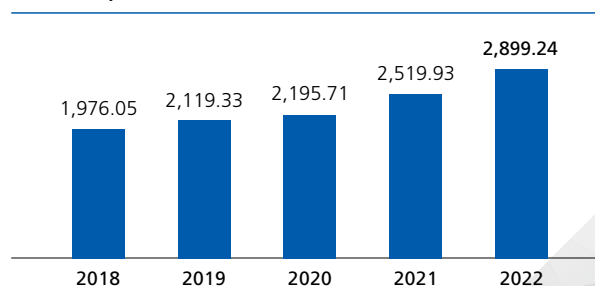


						Million yen
2016	2017	2018	2019	2020	2021	2022
59,903	60,496	61,815	63,285	48,375	57,539	63,445
18,901	20,596	21,905	24,229	18,370	23,207	27,623
2,361	4,246	5,424	6,982	3,575	7,408	11,038
5,726	7,808	8,588	9,649	6,378	10,433	13,995
2,855	4,100	5,877	7,403	3,750	7,531	11,496
1,482	2,838	4,330	5,330	1,958	5,173	8,350
47,321	49,940	50,852	54,539	45,777	52,536	60,574
60,910	63,868	64,704	69,297	58,190	67,065	75,556
16,030	19,431	22,438	28,384	21,417	25,797	29,948
10,100	10,473	10,811	9,388	8,604	11,233	12,998
4,063	3,145	2,998	2,643	2,200	2,027	1,908
6,537	7,661	7,523	10,925	7,554	8,660	9,232
(2,540)	(2,174)	(2,202)	(2,863)	(12,334)	(3,780)	(3,865)
3,997	5,487	5,321	8,062	(4,780)	4,879	5,367
(1,524)	(2,351)	(1,861)	(1,923)	(2,112)	(1,250)	(2,044)
57.19 yen	109.51 yen	167.80 yen	207.13 yen	88.83 yen	248.14 yen	400.03 yen
1,825.62 yen	1,926.65 yen	1,976.05 yen	2,119.33 yen	2,195.71 yen	2,519.93 yen	2,899.24 yen
55 yen	50 yen	60 yen	68 yen	50 yen	82 yen	120 yen
96.2%	45.7%	35.8%	32.8%	56.3%	33.0%	30.0%
31.6%	34.0%	35.4%	38.3%	38.0%	40.3%	43.5%
3.9%	7.0%	8.8%	11.0%	7.4%	12.9%	17.4%
9.6%	12.9%	13.9%	15.2%	13.2%	18.1%	22.1%
4.8%	6.8%	9.5%	11.7%	7.8%	13.1%	18.1%
3.1%	5.8%	8.6%	10.1%	3.9%	10.5%	14.8%
4.5%	6.6%	9.1%	11.0%	5.9%	12.0%	16.1%
3.2%	5.6%	7.1%	8.5%	5.2%	9.5%	12.4%
77.7%	78.2%	78.6%	78.7%	78.7%	78.3%	80.2%
0.09	0.06	0.06	0.05	0.05	0.04	0.04
2.0	2.1	2.1	1.8	2.1	2.3	2.5
33.9	22.1	9.4	12.2	20.6	11.5	7.4
1.1	1.3	0.8	1.2	0.8	1.1	1.0
2,484	2,425	2,047	3,171	2,734	1,890	3,218
3,365	3,562	3,164	2,666	2,803	3,024	2,957
4,002	4,111	4,373	5,263	4,687	5,028	5,398
6.7%	6.8%	7.1%	8.3%	9.7%	8.7%	8.5%

EPS (Unit: yen)



BPS (Unit: yen)



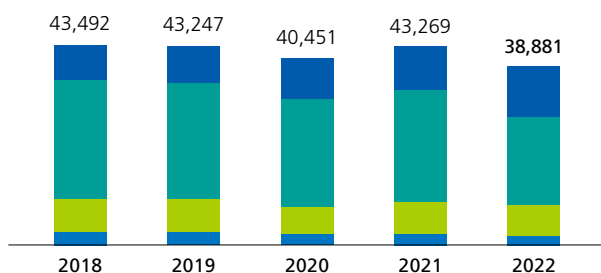
Please see our website for consolidated financial result. https://www.tamron.com/global/ir/library/library_02.html

Non-Financial Highlights

Tamron strives to be a company that limits its impact on the environment and is highly productive, where a diverse range of human resources can succeed.

CO₂ Emissions (t-CO₂)

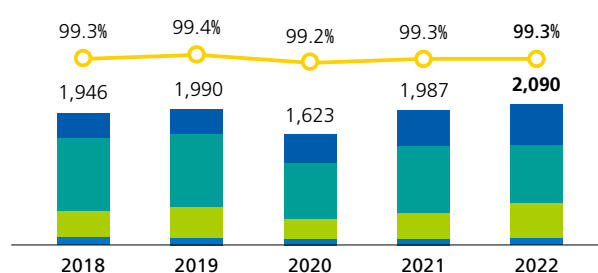
■ Head office ■ Aomori Factory ■ Foshan Factory ■ Vietnam Factory



In 2022, CO₂ emissions were reduced by 10% year on year, due to Tamron's head office subscribing to TEPCO's Green Basic Plan (electricity that involves the issuance of non-fossil fuel certificates) covering 30% of the electricity it uses starting in May, and Tamron Optical (Foshan) Co., Ltd. in China purchasing hydroelectricity-derived I-RECs. In terms of the achievement rate for Environment Vision 2050, a 15.1% decrease was achieved, greater than the targeted 6% decrease compared with 2015 levels. In 2023, Tamron will continue to consider ways to introduce renewable energies.

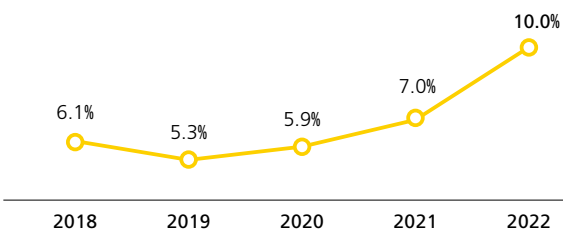
Waste Volume and Recycling Rate (t)

■ Head office ■ Aomori Factory ■ Foshan Factory ■ Vietnam Factory
○ Industrial Waste Recycling Rate (Japan)



Waste volume increased 5% year on year in 2022, and the industrial waste recycling rate in Japan was 99.3%. Waste volume increased 32% in Japan and declined 3% at overseas plants. The increase in domestic waste volume was mainly due to the temporary generation of waste such as wooden containers, crates and metal when repairs and layout alterations were made to the Aomori Factory.

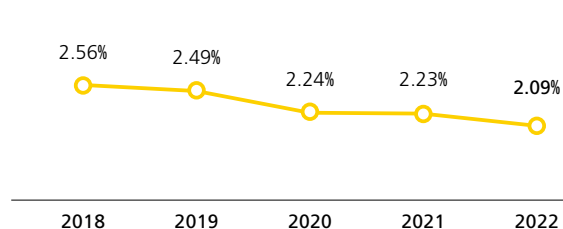
Percentage of Female Managerial Staff



The percentage of managerial positions filled by women improved 3 percentage points year over year to 10.0%. We will continue to promote diversity going forward, including improvements to this metric.

* In Japan, section manager and higher

Employment Rate for Disabled Persons

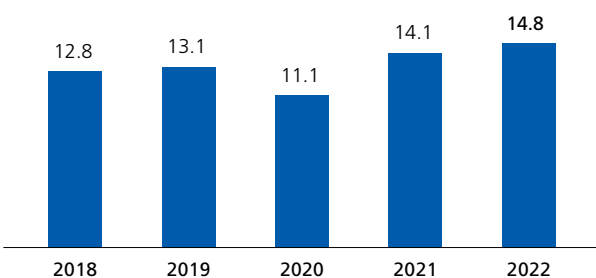


In 2022, the rate was 2.09%.

Tamron will continue to develop a comfortable working environment for a diverse range of people.

* Japan

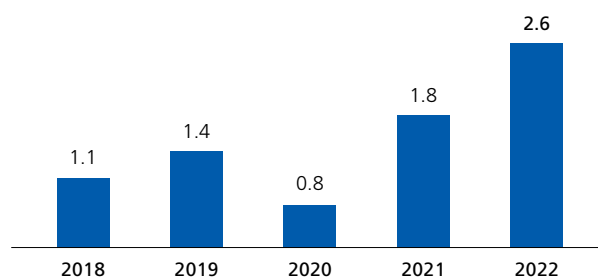
Net Sales per Employee (Million yen)



Continuing the trend from 2021, net sales per employee continued to rise in 2022, amounting to 14.8 million yen.

* Calculated based on the average number of employees at the end of the previous period and end of the period under review.

Operating Income per Employee (Million yen)



In a continuation of the significant improvements made in 2021, operating income per employee increased by more than 40% in 2022, reflecting a significant increase in productivity.

Tamron will continue pursuing reforms to shift to a profit-oriented corporate structure.

* Calculated based on the average number of employees at the end of the previous period and end of the period under review.

Please see our website. <https://www.tamron.com/global/sustainability/>

External Recognition

Certification Marks	Name	Overview of Recognition
	FTSE Russell FTSE Blossom Japan Sector Relative Index	FTSE Blossom Japan Sector Relative Index reflects the performance of Japanese corporations that demonstrate strong Environmental, Social and Governance (ESG) practices relative to their sector. Tamron is included as one of the companies making up the index.
	SOMPO Asset Management SOMPO Sustainability Index	The SOMPO Sustainability Index is a index consisting of about 300 stocks with excellent ESG. Tamron has been selected for investment by the fund since 2012.
	S&P Dow Jones Indices, Japan Exchange Group S&P/JPX Carbon Efficient Index	An index that focuses on the state of environmental information disclosure and carbon efficiency levels to determine weightings among the companies that make up the index. Tamron is included as one of the companies making up the index.
	Ministry of Economy, Trade and Industry 2023 Certified Health & Productivity Management Outstanding Organizations Recognition (Major Corporation Category)	The program aims to promote health and productivity management by selecting enterprises engaged in outstanding health and productivity management and introducing them to investors that emphasize improvements to corporate value from a long-term perspective. Tamron has been certified as a Health & Productivity Management Outstanding Organization in the Major Corporation category since 2020.
	Ministry of Health, Labour and Welfare Kurumin Mark	The Kurumin Mark is a program under the Act on Advancement of Measures to Support Raising Next-Generation Children to certify childcare supporting companies that have passed a review that includes items on the development of an environment conducive to taking childcare leave and support for balancing work with childcare. Tamron has been certified for the Kurumin Mark since 2015.
	Nihon Keizai Shimbun Nikkei Smart Work Management Survey: 2.5 Stars	The survey examines companies in four areas, namely "human resources," "innovation," "market development," as well as the "management fundamentals" required for the sustainable development of a company. Tamron received a 2.5-star rating in 2022.
	Nikkei Keizai Shimbun Nikkei SDGs Management Survey: 3.5 stars	The SDGs Management Survey assesses companies across four categories, namely SDGs strategy and economic value, social value, environmental value and governance, and examines how this translates into enhanced corporate value through contributions to problem solving and enhanced governance. Tamron received a 3.5-star rating in 2022.
	Saitama Prefecture Sai-no-Kuni Plant	The scheme designates plants exhibiting exceptional technical and environmental achievements as partners in the development of a richer Saitama Prefecture. Tamron has been designated since 2007.
	Saitama City Leading-edge Companies Certification	The scheme to certify companies developing research and development-oriented production exhibiting superior creativity and innovation in Saitama City. Tamron has been certified since 2009.

Head Office

Tamron Co., Ltd.

1385 Hasunuma, Minuma-ku, Saitama-shi, Saitama
337-8556, JAPAN

Founded / Incorporated

Founded: November 1, 1950

Incorporated: October 27, 1952

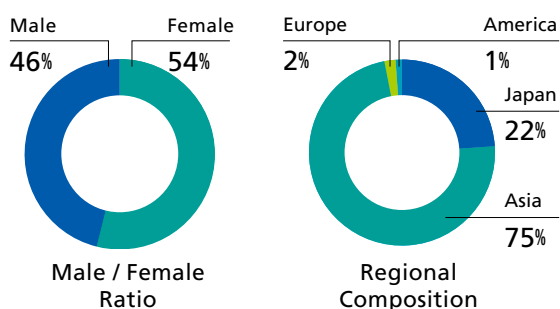
Capital

6,923 million yen

Employees

4,448 (consolidated), 945 (non-consolidated)

Breakdown of Employees (consolidated)



Stock Overview

Number of shares issued: 25,000,000 shares

Number of shares per unit: 100 shares

Number of shareholders: 4,243 shareholders

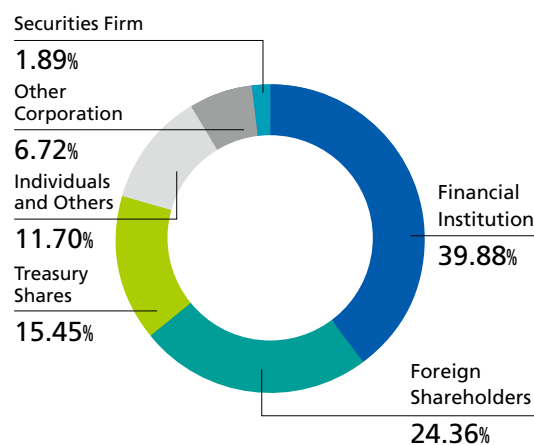
Stock Exchange

Prime Market, Tokyo Stock Exchange
Securities Code: 7740

Balance Date

December 31

Distribution of Shares by Owner



Status of Major Shareholders

Shareholders	Number of shares held (Thousands of shares)	Percentage of shares held
Sony Group Corporation	3,129	14.80
The Master Trust Bank of Japan, Ltd. (trust account)	2,352	11.12
GOLDMAN SACHS INTERNATIONAL	2,247	10.63
Custody Bank of Japan, Ltd. (trust account)	1,548	7.32
Saitama Resona Bank Limited	1,002	4.74
Nippon Life Insurance Company	670	3.16
ARGO GRAPHICS Inc.	541	2.55
JPMorgan Securities Japan Co., Ltd.	372	1.76
NAGAWA CO., LTD.	356	1.68
Tamron Business Partner Stockholding Association	283	1.34

Shareholding ratio is calculated by deducting the number of treasury shares (3,861 thousand shares) from total shares issued.

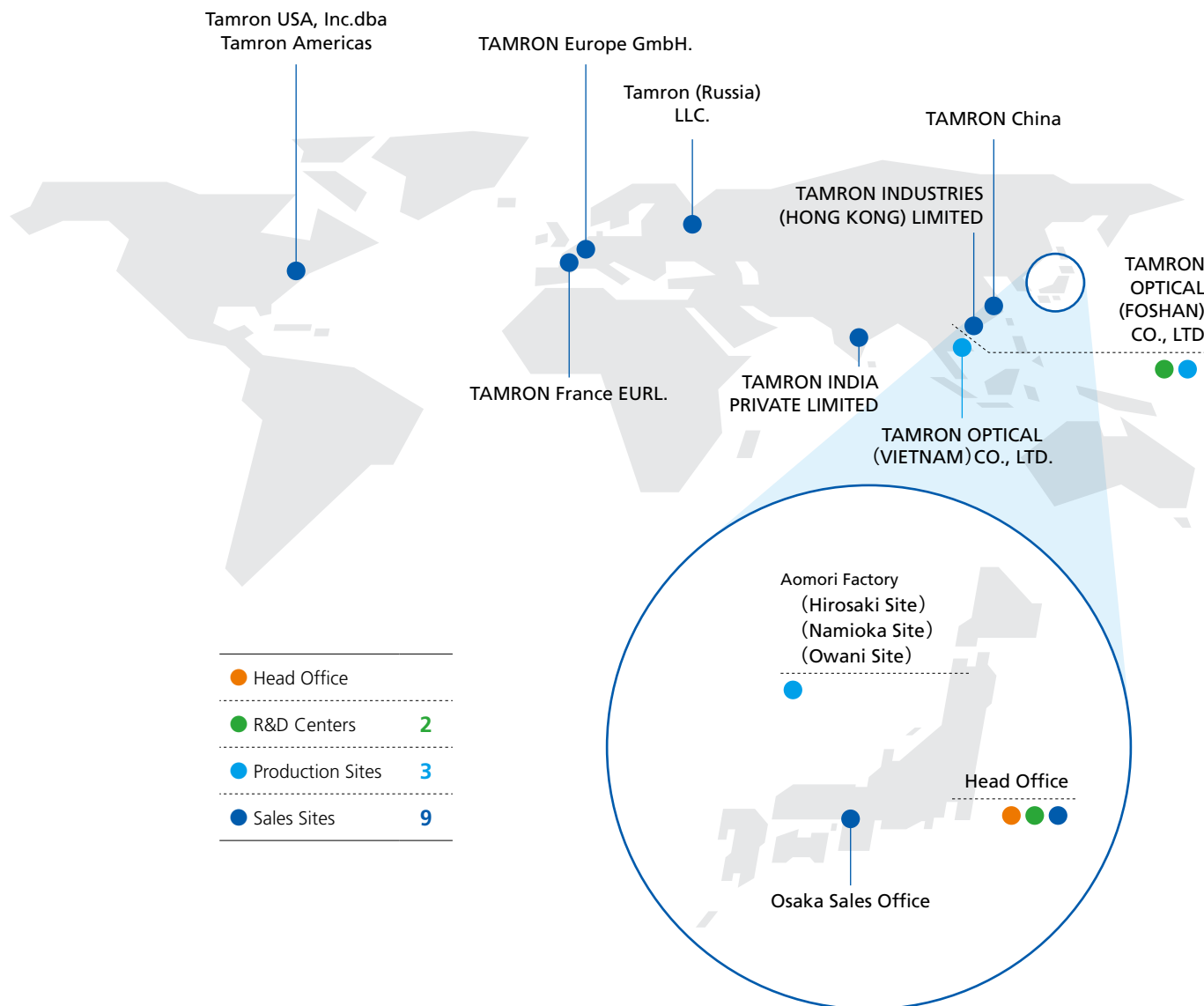
Manager of the Register of Shareholders

Sumitomo Mitsui Trust Bank, Limited

1-4-1, Marunouchi, Chiyoda-ku, Tokyo

Group Network

To ensure that it can respond flexibly to the needs of customers, Tamron has developed a global structure engaged in everything from R&D to planning, design, manufacturing, sales and customer support.



Main Functions and Characteristics

Head Office

- Optical design, mechanical design, electronics and software design, etc.
- Mold manufacturing, plastic injection molding

R&D Centers

- Research and development into the improvement of base technologies
- Research and development related to product development in new fields

Production Sites

- Lens processing, plastic molding, metal processing, assembly, etc.
- Tamron's plants in Japan (Aomori Prefecture) function as mother plants providing manufacturing technologies to Tamron's large-scale production sites at the Foshan Factory in China and the Vietnam Factory.
- This production structure spread across three sites around the world allows Tamron to handle various manufacturing tasks from small lot production to mass production.

Sales Sites

- In addition to seven overseas sales companies, Tamron has developed networks with sales centers and distributors in various regions.
- We also provide after-sales support through this network.

TAMRON

Focus on the Future

Tamron Co., Ltd.
Corporate Strategy Unit

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