

**TAMRON**

Focus on the Future

# FY2023 Financial Results

February 8, 2024

Tamron Co., Ltd. (Code: 7740)





# Contents

- I. Review of the previous medium-term management plan “Vision23”**
  - 1. Consolidated Results of the “Vision 23”
  - 2. Assessment of the “Vision 23” action plans by segment
- II. New medium-term management plan “Value Creation 26”**
  - 1. Positioning of the “Value Creation 26”
  - 2. Outline of the “Value Creation 26”
  - 3. Business Strategy of the “Value Creation 26”
  - 4. Financial Strategy of the “Value Creation 26”
  - 5. Management with a focus on capital costs and stock prices
  - 6. ESG/Sustainability Strategy
- III. FY2023 Financial Results**
  - 1. FY2023 Summary
  - 2. FY2023 Financial Results
  - 3. Factors Affecting Operating Profit Variability
  - 4. FY2023 Results by Segment
    - (1) Photographic Products
    - (2) Surveillance & FA Lenses
    - (3) Mobility & Healthcare Products, Others
- IV. FY2024 Financial Forecast**
  - 1. FY2024 Financial Forecast
  - 2. FY2024 Forecast by Segment
    - (1) Photographic Products
    - (2) Surveillance & FA Lenses
    - (3) Mobility & Healthcare Products, Others
- V. Reference Data**
  - 1. Financial Summary
  - 2. Capital Investment, Depreciation, and R&D Expenses
  - 3. Cash Flow
  - 4. Cash Dividends Outlook and Key Performance Indicators
  - 5. Impact of Foreign Exchange Rate Fluctuations



**I. Review of the previous medium-term management plan “Vision23”**

# I.-1. Consolidated Results of the “Vision 23”

## Medium-Term Management Plan “Vision23”

|                  | 2020     | 2023 Target  |
|------------------|----------|--------------|
| Net Sales        | ¥ 48.4B. | ¥ 61.0B.     |
| Operating Income | ¥ 3.6B.  | ¥ 7.0B.      |
| (% Sales)        | 7.4%     | 11.5%        |
| R O E            | 3.9%     | More than 9% |

※Exchange rate assumption

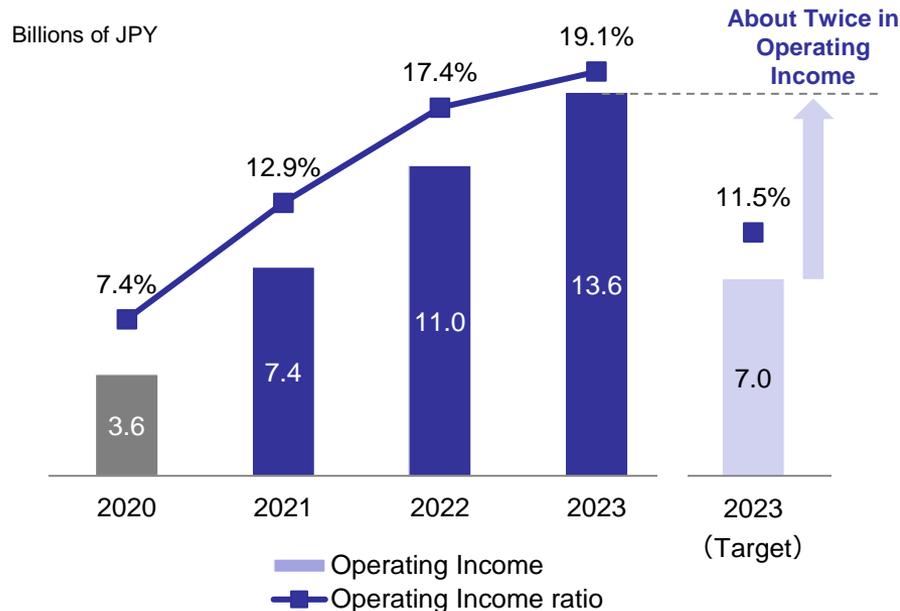
USD/JPY:105  
EUR/JPY:123

|                  | 1st year | 2nd year | Final year |
|------------------|----------|----------|------------|
|                  | 2021     | 2022     | 2023       |
| Net Sales        | ¥ 57.5B. | ¥ 63.4B. | ¥ 71.4B.   |
| Operating Income | ¥ 7.4B.  | ¥ 11.0B. | ¥ 13.6B.   |
| (% Sales)        | 12.9%    | 17.4%    | 19.1%      |
| R O E            | 10.5%    | 14.8%    | 16.5%      |

USD/JPY: 109.91  
EUR/JPY: 129.95

USD/JPY: 131.63  
EUR/JPY: 138.19

USD/JPY: 140.42  
EUR/JPY: 151.84



- ✓ **1<sup>st</sup> year realized the target of the operating income of Vision23**
  - ◆ Achieved V-shaped quick recovery from the slump of COVID-19
- ✓ **2<sup>nd</sup> year accomplished the targets of Vision23 one year ahead of the schedule in all aspects of sales, operating income, and ROE.**
  - ◆ Attained a record high operating income in 15 years (breaking through a milestone of 10 billion yen for the first time)

- ✓ **In the final year, we reached further growth.**
  - ◆ Substantially surpassed all targets of Vision23 (20% increase in revenue, about double increase in operating income)
  - ◆ Achieved a new record of operating income
  - ◆ Raising ROE to more than 16%

# I.-2. Assessment of the Vision 23 action plans by segment

## Results

- ◆ Our main photographic products business achieved high growth with a substantial improvement in profitability.
- ◆ Sales of automotive lenses achieved more than 7 billion yen, whereas, the sales growth of the surveillance and FA lenses was slow and resulted in a significant shortfall in sales targets.
- ◆ Delay in new business creation. The path to commercialization is uncertain in the next medium-term plan.
- ◆ The target of achieving over 10% operating income in all segments was realized a year ahead of the plan, except the final year.

### Photographic Products

Achieved the targets of net sales and operating income on net sales by a wide margin

- ◆ Successful expansion of the mirrorless lineup  
※2020 End 8 ⇒2023 End 25 models
- ◆ Compatibility with two new mounts
- ◆ High growth in the Chinese market

### Surveillance & FA Lenses

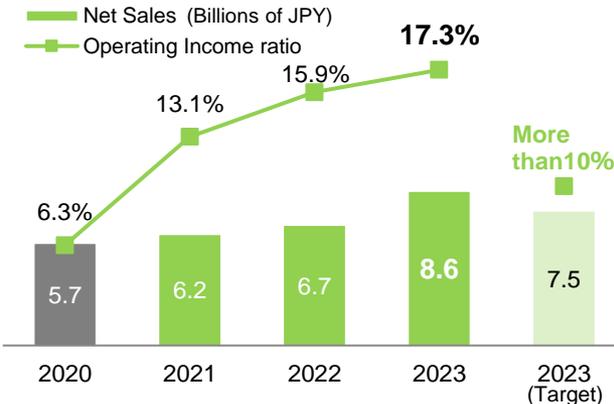
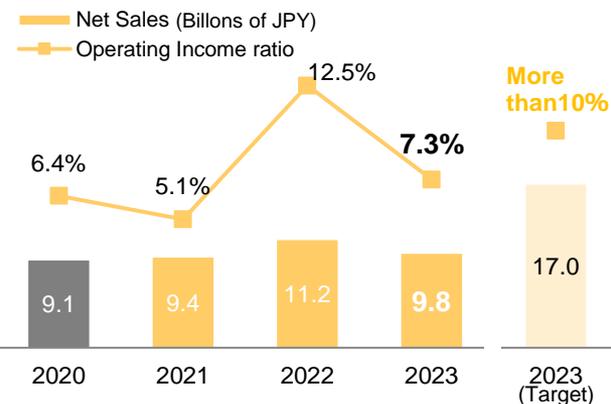
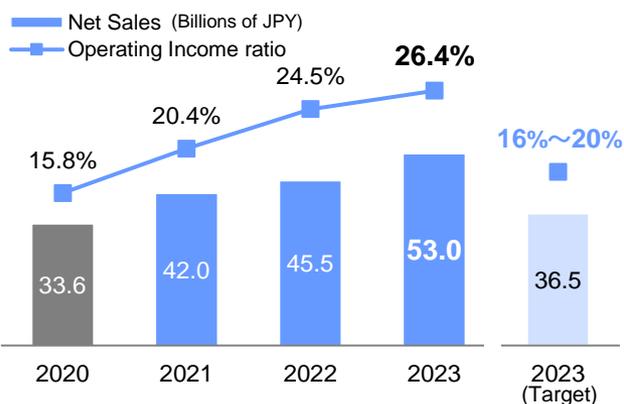
End up with a considerable shortfall in the target of both sales and the operating income

- ◆ Renewal of FA lens lineup, acquisition of OEM
- ◆ Slump of surveillance lens business in Chinese and US markets.
- ◆ Downturn in demand for TV conference lens
- ◆ Slow down in 2023 due to inventory adjustment etc.

### Mobility & Healthcare Products, Others

Achieved the targets of net sales and operating income on net sales by a wide margin

- ◆ Double-digit sales growth for three consecutive years in mainstay automotive products.
- ◆ The medical business has been launched, is steadily growing.
- ◆ While there is progress in technology themes, commercialization remains uncertain.





## **II. New medium-term management plan “Value Creation 26”**

# II.-1. Positioning of "Value Creation26"

## Launch of the new medium-term plan "Value Creation26"



**Under Vision23's achievements, we will overcome challenges, achieve high-quality leaps, and maximize corporate value through new endeavors.**

~Basic policy~

- ◆ Grow existing segments steadily and create new business
- ◆ Create a workplace with a fulfilling environment and high corporate value



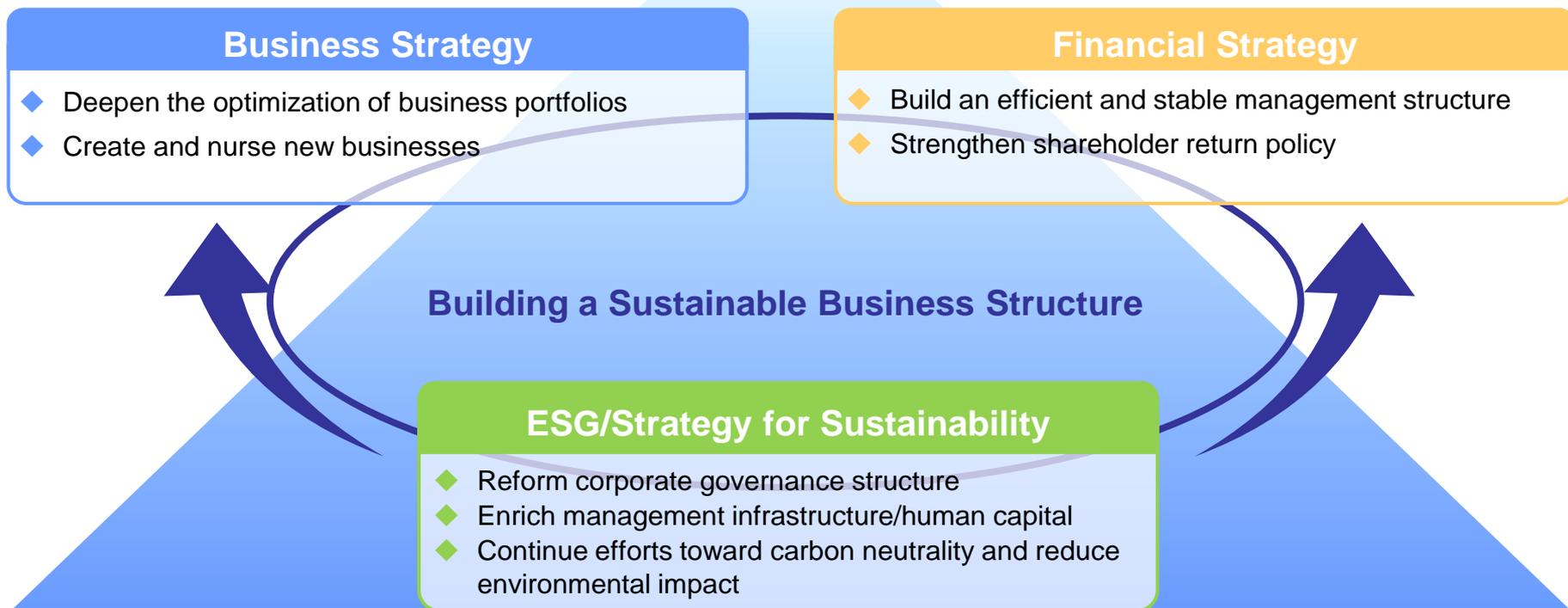
- ◆ Portfolio optimization
- ◆ Development & growth of new business
- ◆ Establish a functional strategy
- ◆ Development of human resources & Activate the organization

- ◆ Improve Profitability of core business
- ◆ Expand business in growing fields
- ◆ Improvement of corporate constitution

## Sustainable Enhancement of Corporate Value

# “Value Creation26”

Under Vision23’s achievements,  
we will overcome challenges, achieve high-quality leaps  
, and maximize corporate value through new endeavors.



## II.-2. Outline of "Value Creation26" ② Management Numerical Targets

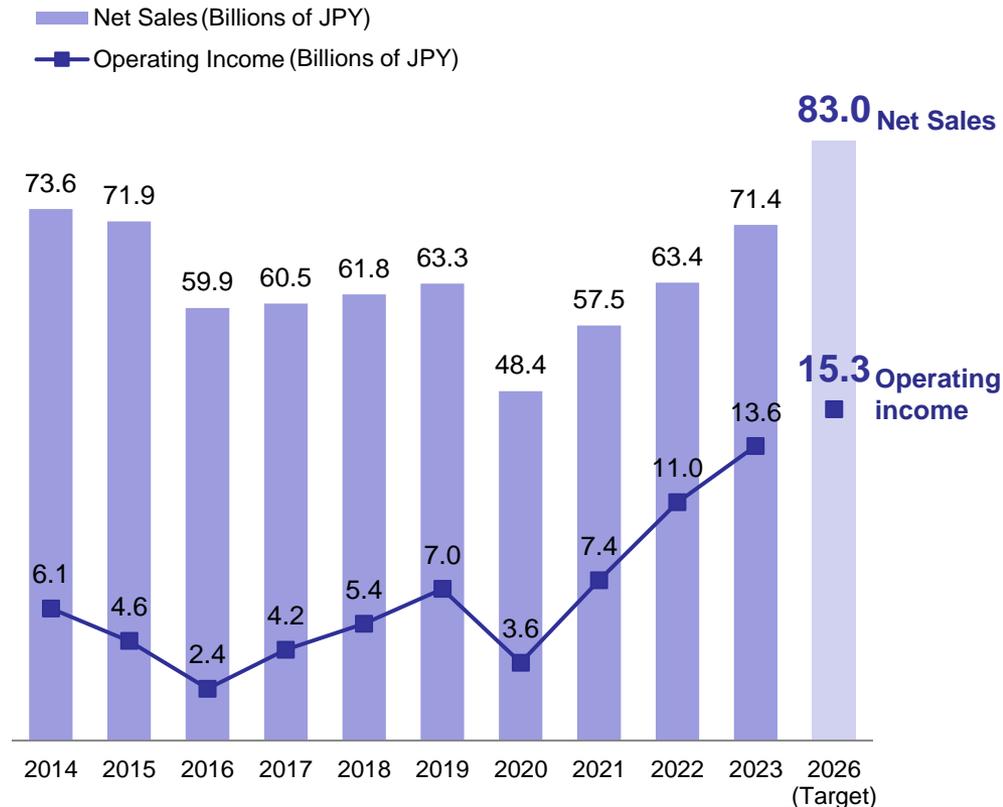
### 『Value Creation26』

|                  | Actual<br>2023 | Target<br>2026  |
|------------------|----------------|-----------------|
| Net Sales        | ¥ 71.4B.       | <b>¥ 83.0B.</b> |
| Operating Income | ¥ 13.6B.       | <b>¥ 15.3B.</b> |
| (% Sales)        | 19.1%          | <b>18.4%</b>    |

|                              | 2021-2023<br>Average               | Target<br>2026                            |
|------------------------------|------------------------------------|---|
| EBITDA<br>(% Sales)          | 21% level                          | <b>More than 22%</b>                      |
| ROE                          | 13% level                          | <b>More than 14%</b>                      |
| Shareholder<br>return policy | Dividend payout ratio<br>30% level | <b>Total payout ratio<br/>Approx. 60%</b> |

※Exchange rate assumption USD/JPY:140  
EUR/JPY:152

- ◆ Achieve growth in sales and profit while maintaining high profitability and efficiency. Targeting our first major milestone of 80 billion yen in sales and 15 billion yen in operating income.
- ◆ Create a corporate value that significantly exceeds current financial value and business scale.



# Business Strategy

### Ensure continuous growth by allocating appropriate resources to each business

- ◆ Advance the structure of the Photographic products business as a cash cow
- ◆ Expand scale in both “Surveillance & FA lenses”, and “Mobility & Healthcare Products, Others” business.
  - ➔ Target to increase sales composition ratio of “Surveillance & FA lenses”, and “Mobility and Healthcare, others” business by more than 15% each. (more than 40% sales growth from 2023 each)
  - ➔ Adjust the sales composition ratio of the Photographic products business from 3/4 to 2/3.

# Functional Strategy

### Evolution of each function to support growth in existing business growth and new business creation

#### Production · Procurement

- ◆ Reinforce the global tri-pilar production system by starting the 2<sup>nd</sup> plant in Vietnam.
- ◆ Increase the resilience of the supply chain, and enhance allocation flexibility
- ◆ Promote automation · labor saving · manpower reduction
- ◆ Re-emphasize independent profitability and establish competitive advantage.

#### Marketing · Sales

- ◆ Recover sales in US & European markets.
- ◆ Incorporate domestic demand in the Chinese market.
- ◆ Capture demand in emerging markets.
- ◆ Enhance digital marketing
- ◆ Strengthen the ability to identify the needs on a global basis.

#### R&D · New Business Creation

- ◆ Advance fundamental optics and elemental technologies.
- ◆ Improve productivity in product design and development
- ◆ Enhance the discovery of the seeds/connection of needs.
- ◆ Reinforce the function for new business creation
- ◆ Accelerate open innovation design

# II.-3. Business Strategy of the “Value Creation 26” ②Photographic Products

Inspire and enrich people’s lives



## Photographic Products



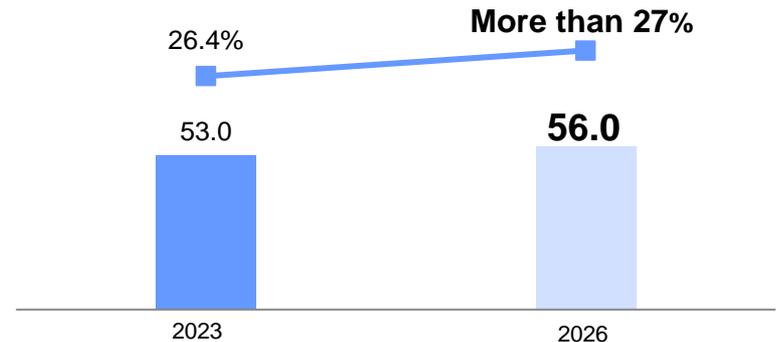
### Improve the high-profit structure as core business



- ◆ Accelerate the development of own-brand product
  - ※Current : 5 models/per year
  - ➔ **New Medium-Term : 6~7 models/per year**
- ◆ Continuously adapts to new formats
- ◆ Improving own-brand share
  - Recover sales in the US and Europe
  - Expand continuously in Chinese and Asian markets.
  - Explore developing markets (Latin America, Middle East, Africa)
  - ※Market Share by revenue : 5%
  - ➔ **New Medium-Term : 7~8%**
- ◆ Strengthen the relationship with OEM business partners

|                  | 2023    | 2026                 |
|------------------|---------|----------------------|
| Net Sales        | ¥53.0B. | <b>¥56.0B.</b>       |
| Own-brand        | ¥32.8B. | <b>¥37.0B.</b>       |
| OEM              | ¥20.2B. | <b>¥19.0B.</b>       |
| Operating Income | ¥14.0B. | <b>¥15.2B.</b>       |
| (% Sales)        | 26.4%   | More than <b>27%</b> |

■ Net Sales (Billions of JPY)  
 ■ Operating Income ratio



# II.-3. Business Strategy of the “Value Creation 26” ③ Surveillance & FA Lenses

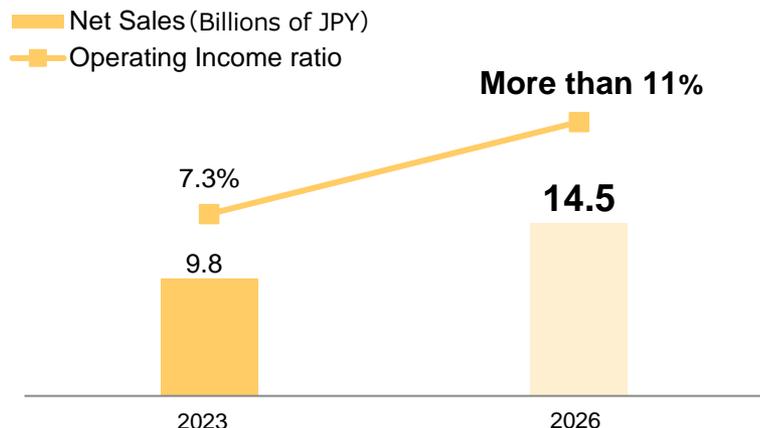
Create a secure and safe society

## Surveillance & FA Lenses

Re-transform into a growth business, targeting for more than 10% operating income on net sales

- ◆ Shift to dual strategy
  - ➔ Acquire more orders on volume zone products, in addition to high-value-added products.
- ◆ Develop customers in the FA market and other new business fields
  - ➔ Expand FA lens’s lineup, Increase sales of SWIR and Zoom, etc.
- ◆ Expand the camera module’s lineup
  - ➔ Achieve 4K · high magnification · miniaturization
  - ➔ Expand sales in both OEM and own-brand
- ◆ Select & review the business structure
- ◆ Strengthen the development · production · sales structure in China

|                      | 2023   | 2026                 |
|----------------------|--------|----------------------|
| Net Sales            | ¥9.8B. | <b>¥14.5B.</b>       |
| Severance lenses     | ¥5.9B. | <b>¥7.4B.</b>        |
| FA lenes, Others     | ¥1.6B. | <b>¥3.6B.</b>        |
| Camera module        | ¥0.8B. | <b>¥3.5B.</b>        |
| TV conference lenses | ¥1.5B. | -                    |
| Operating Income     | ¥0.7B. | <b>¥1.6B.</b>        |
| (% Sales)            | 7.3%   | More than <b>11%</b> |



## II.-3. Business Strategy of the “Value Creation 26”

### ④ Mobility & Healthcare Products, Others

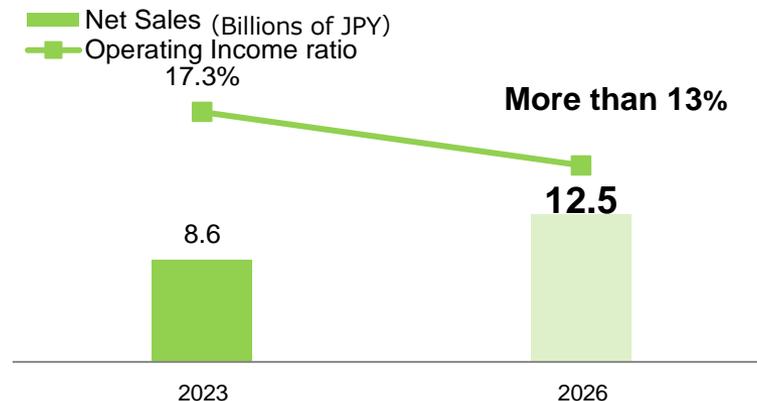
Healthy and secure lifestyle

## Mobility & Healthcare Products, Others

Further growth in automotive and medical business  
& accelerate creation of new business

- ◆ Focus on the sales of automotive lenses for sensing applications with the expansion of ADAS
- ◆ Establish a next-generation cost structure for cost competition
- ◆ Establish technologies for High pixels, durability, high heat resistance, and reliability assurance
- ◆ Reform order acquisition activities, and start early engagement from the upstream planning stage
  - ➔ **Grow the automotive business to a 10-billion-yen sales scale**
- ◆ Further step up the rigid endoscope business
- ◆ Full-scale entry into surgical microscopes and life sciences
  - ➔ **Expand the medical business to 1-billion-yen sales scale (target 3-billion-yen sales scale in 2030)**
- ◆ Planned to increase operating income whereas the operating income on net sales decreased due to advance investment to create new business

|                        | 2023   | 2026                 |
|------------------------|--------|----------------------|
| Net Sales              | ¥8.6B. | <b>¥12.5B.</b>       |
| Automotive lens        | ¥7.1B. | <b>¥10.2B.</b>       |
| Healthcare components  | ¥0.4B. | <b>¥1.4B.</b>        |
| DSC, VC, Drone, Others | ¥1.1B. | <b>¥0.9B.</b>        |
| Operating Income       | ¥1.5B. | <b>¥1.7B.</b>        |
| (% Sales)              | 17.3%  | More than <b>13%</b> |



### Building effective management while ensuring stability

#### Appropriate Capital Structure

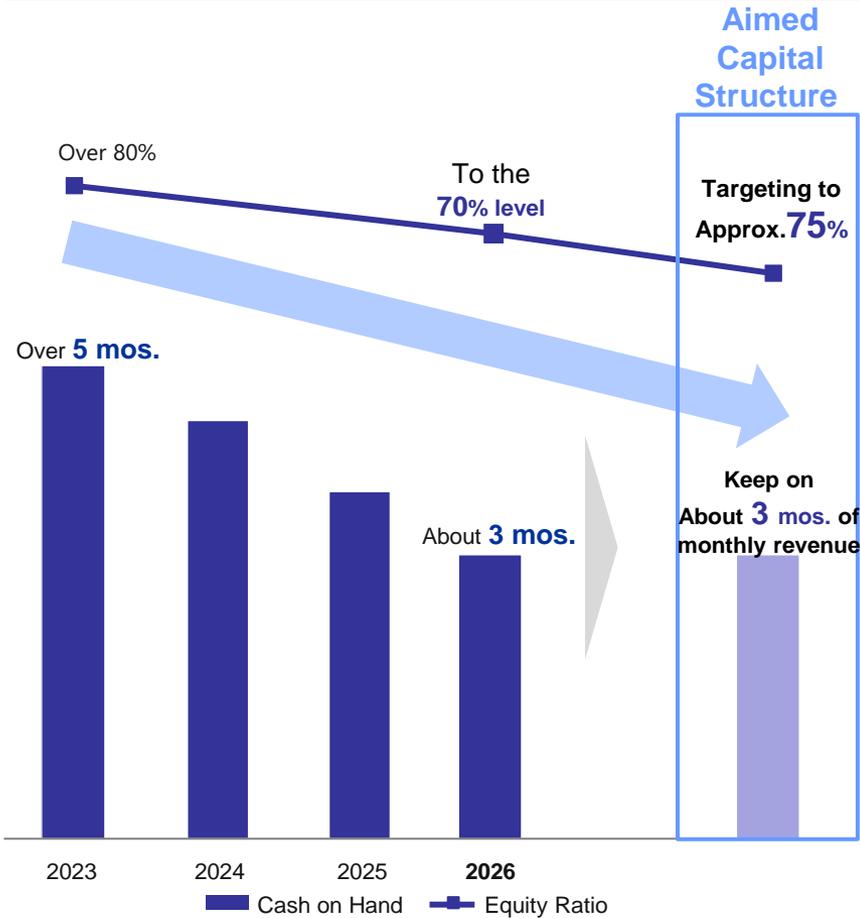
- ✓ Sustain an ROE of appx.14%
- ✓ Secure capital at twice of the cost
- ◆ Utilize available funds while ensuring financial safety, achieving efficient management
- ◆ Gradually reduce the equity ratio to be around 70%
- ◆ Aim for a liquidity reserve of approx. 3 month's worth of monthly turnover

#### Enhanced Shareholder Return

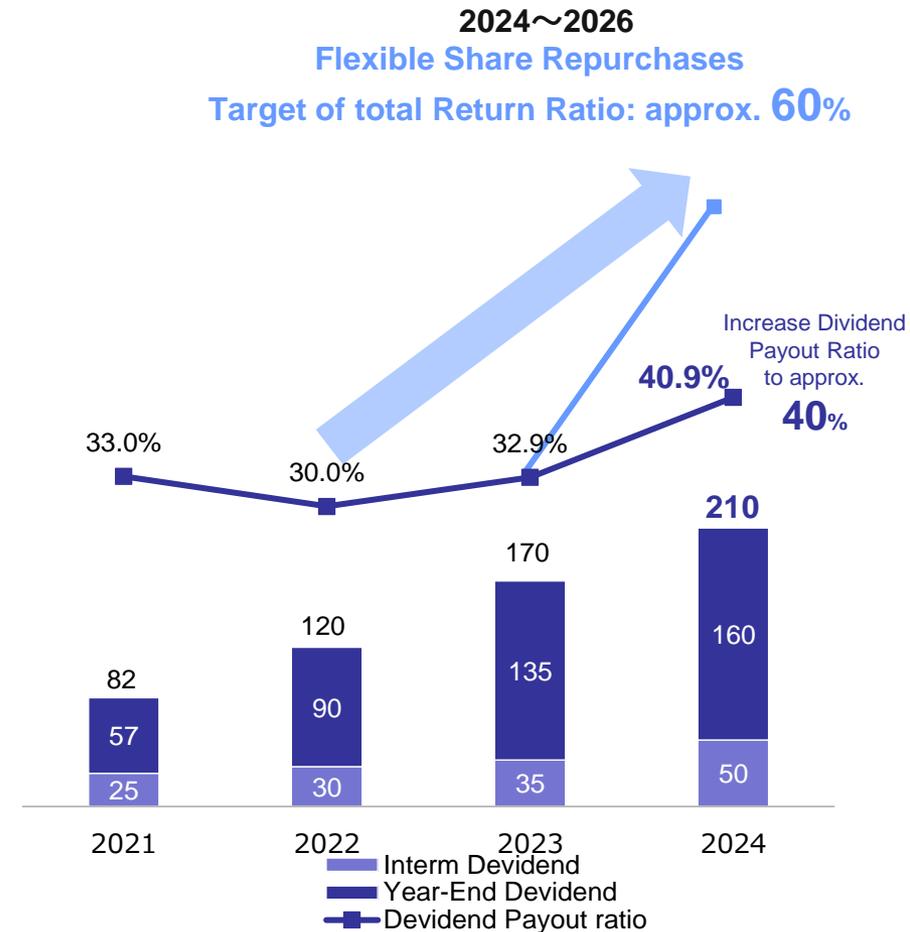
- ✓ Stable shareholder returns & flexible repurchase of treasury stock
- ✓ Aiming for total return ratio of 60%
- ◆ Set a minimum annual dividend of 100 yen  
Target dividend payout ratio of approx. 40%
- ◆ Aim for a total return ratio of approx. 60%  
Conduct flexible repurchase of treasury stock

# II.-4. Financial Strategy of the “Value Creation 26” ② Aimed Capital Structure

## Optimal Capital Structure



## Shareholder Return





# II.-4. Financial Strategy of the “Value Creation 26”

## ④ Strategic Investment—with an eye toward the 2030s and next 100 years

Accelerate expansion of business domain by leveraging tech/ Early commercialization of the new business by “Technology Strategy”

**Open Innovation Upfront Investment with an eye toward the 2030s and next 100 years**

**Business expansion aimed at contributing to earnings in the next medium-term and the 2030s  
New business creation through M&A**

**Strengthen the investment process**

### Industry-academia-government collaboration

- ◆ Collaboration and co-creation with companies and research institutions in different fields to generate new technologies
- ### Collaboration with VC
- ⇒ **VC investments (starting from 2024)**
- Obtaining cutting-edge technology, information, and business models
  - Investment assessment, internal incentive/system deployment

### Surveillance & FA

- ◆ FA, New field: Investment for business expansion (Customer acquisition /Lineup expansion /Partner alliance /Cost adaptability acquisition)

### Mobility & Healthcare Products, Others

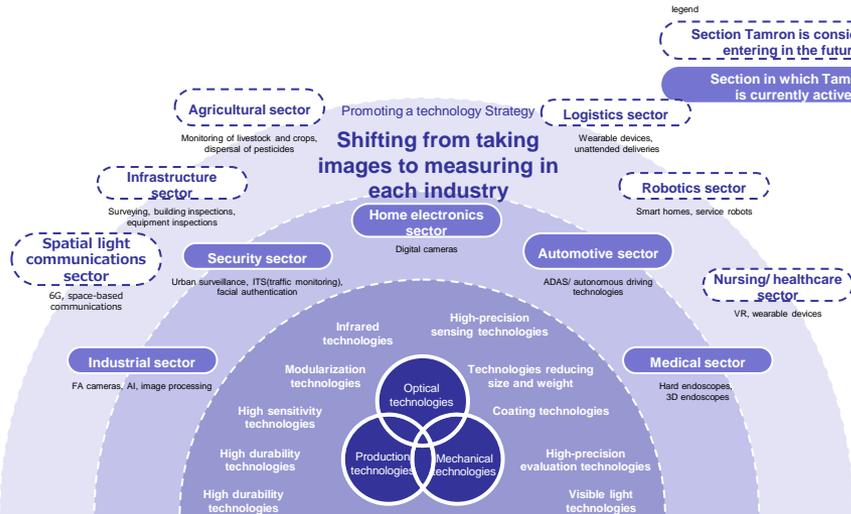
- ◆ Medical · Healthcare: Investment for business expansion
- ◆ Technology Theme: Investment for commercialization

- ◆ Assess investments from the perspective of validity, financial soundness, etc.
- ◆ Investment decisions based on IRR and hurdle rate settings, etc.
- ◆ Visualize the capital costs and profitability

⇒ **The long-term goal includes establishing Corporate Venture Capital (CVC) and expanding internal innovation systems.**

## Our Technology Strategy

### Achieving a fulfilling society across a wide range of fields



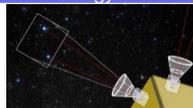
### Contributing to solving social issues <Our focus area>



Development of optics for satellite implementation  
Optics for free space optical communication



Development of optics for satellite implementation  
Optical technology for star trackers



- ✓ Goal 3 : Medical field, Nursing care/Health care
- ✓ Goal 9 : Automotive field, optical communication field
- ✓ Goal 11 : Infrastructure field
- ✓ Goal 13 : Agricultural field/ environmental analysis (measurement)
- ✓ Goal 16 : Security field/ AI

### <Examples of technical themes>

Optical Technology for High-Power Laser



Hyper-wide-angle fundus camera allowing wide field fundus photography



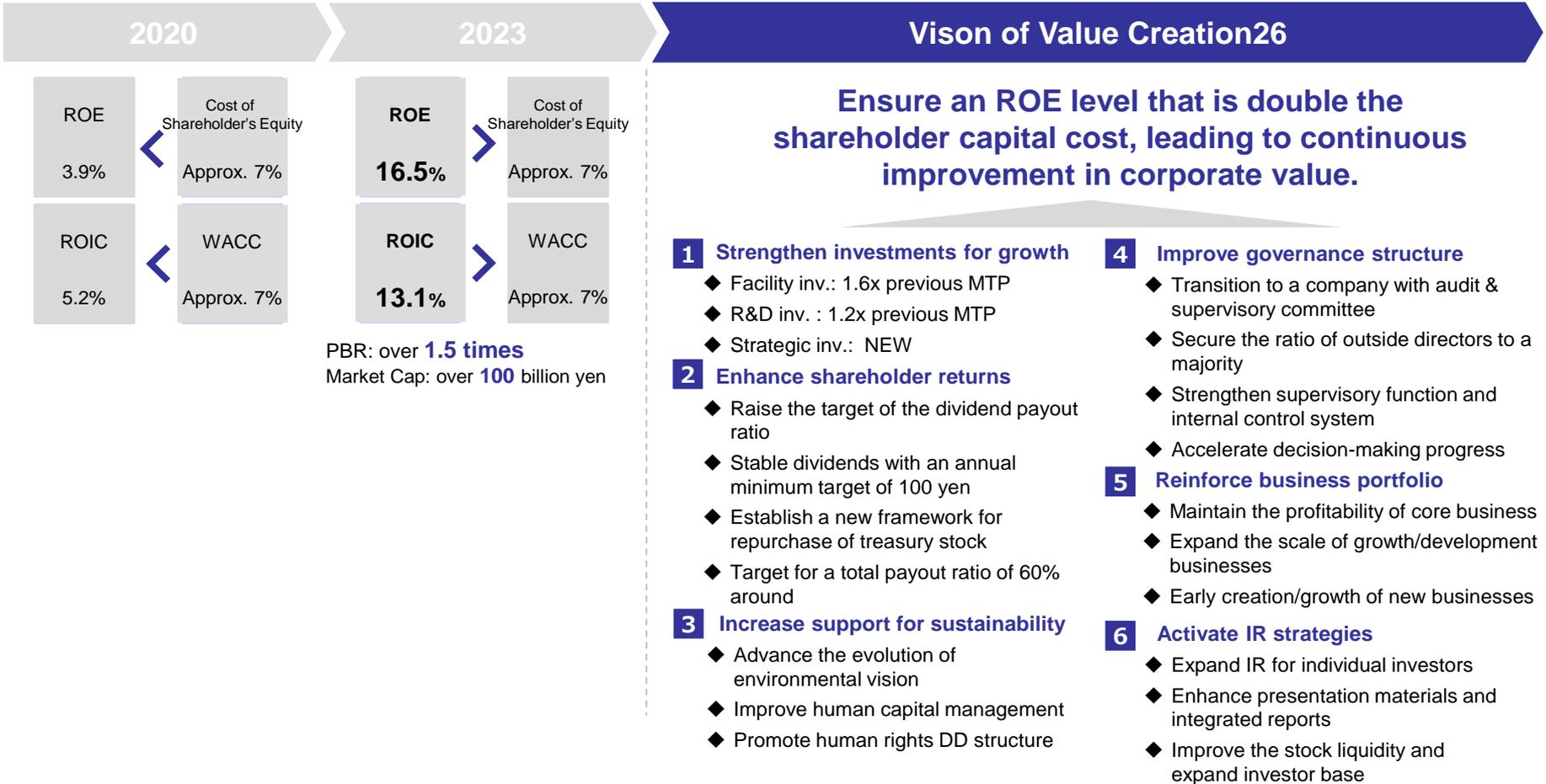
Infrared camera technology with Fresnel lens



# II.-5. Management with a focus on capital costs and Stock prices

## ① Status of action

By promoting management with awareness of capital costs, aimed to improve and maximize corporate value with achieving ROE over 14%, which is double of the cost of shareholder's equity (approx.7%)



# II.-5. Management with a focus on capital costs and Stock prices

## ② Stock Initiatives

### Repurchase of Shares of Common Stock

The purpose is to enhance shareholder returns, while improving capital efficiency and ensuring a flexible capital policy

|  |  |
|--|--|
| (1) Type of stock to be repurchased    | Common Stock   |
| (2) Number of shares to be repurchased | Up to 400,000 shares.<br>(Equivalent to 1.89% of outstanding shares, excluding treasury stock) |
| (3) Total repurchase amount            | Up to 2 billion yen  |
| (4) Repurchase period                  | From February 9, 2024 to March 31, 2024  |
| (5) Method of repurchases              | Market trading transactions on Tokyo Stock Exchange  |

※ Planned to cancel all the treasury stock repurchased as described above

### Stock Split

The purpose is to improve the liquidity of the Company's stock and expand the investor base by reducing the stock price per investment unit.

|                                 |   |                           |
|---------------------------------|---|---------------------------|
| (1) Stock Split Method          | Each share of common stock owned by shareholders recorded in the closing register of shareholders on the record date of June 30, 2024 will be split into 2 share per share. |                           |
| (2) Schedule of the stock split | Public notice of record date  | June 14, 2024 (scheduled) |
|                                 | Record date   | June 30, 2024             |
|                                 | Effective date  | July 1, 2024              |

# II.-6. ESG/Sustainability Strategy

## E nvironment

Reduce environmental burden through carbon neutral, in-house products designing and services

Promote and drive the evolution of the 2050 environmental vision

- ◆ **Reduce greenhouse gas emission**
  - Scope1,2
    - **18%** reduction (vs Yr.2015)
      - ※in 2030 : **30%** reduction
      - ※ in 2050 : **Zero emission**
  - Scope3
    - Set Measurement method and reduction targets
- ◆ **Improve contribution to resource-recycling-society**
  - Evolve towards a circular economy
- ◆ **Encourage initiatives for a society in harmony with nature**
  - Strengthen conservation of biodiversity and sustainable utilization
- ◆ **Refine CDP evaluation**

## S ocial

Promote human capital management, DE&I, and job satisfaction

Promote human capital management

- ◆ **Advance DE&I**
  - Female managerial ratio: over **12%**
  - Career recruitment ratio: over **60%**
  - Male parental leave adapt ratio: over **80%**
  - Broaden human resources programs (recruitment, development, evaluation)
- ◆ **Enrich human capital investments**
  - Double education and training expenses
  - Refresh HR system and expand functions
  - Reinforce the education of engineers (Increase R&G expenses)
- ◆ **Refine human rights DD system**
  - Implement SAQ, refine risk analysis, and make improvement
- ◆ **Promote health management**
- ◆ **Expand engagement activities**

## G overnance

Reform the Corporate Governance Structure

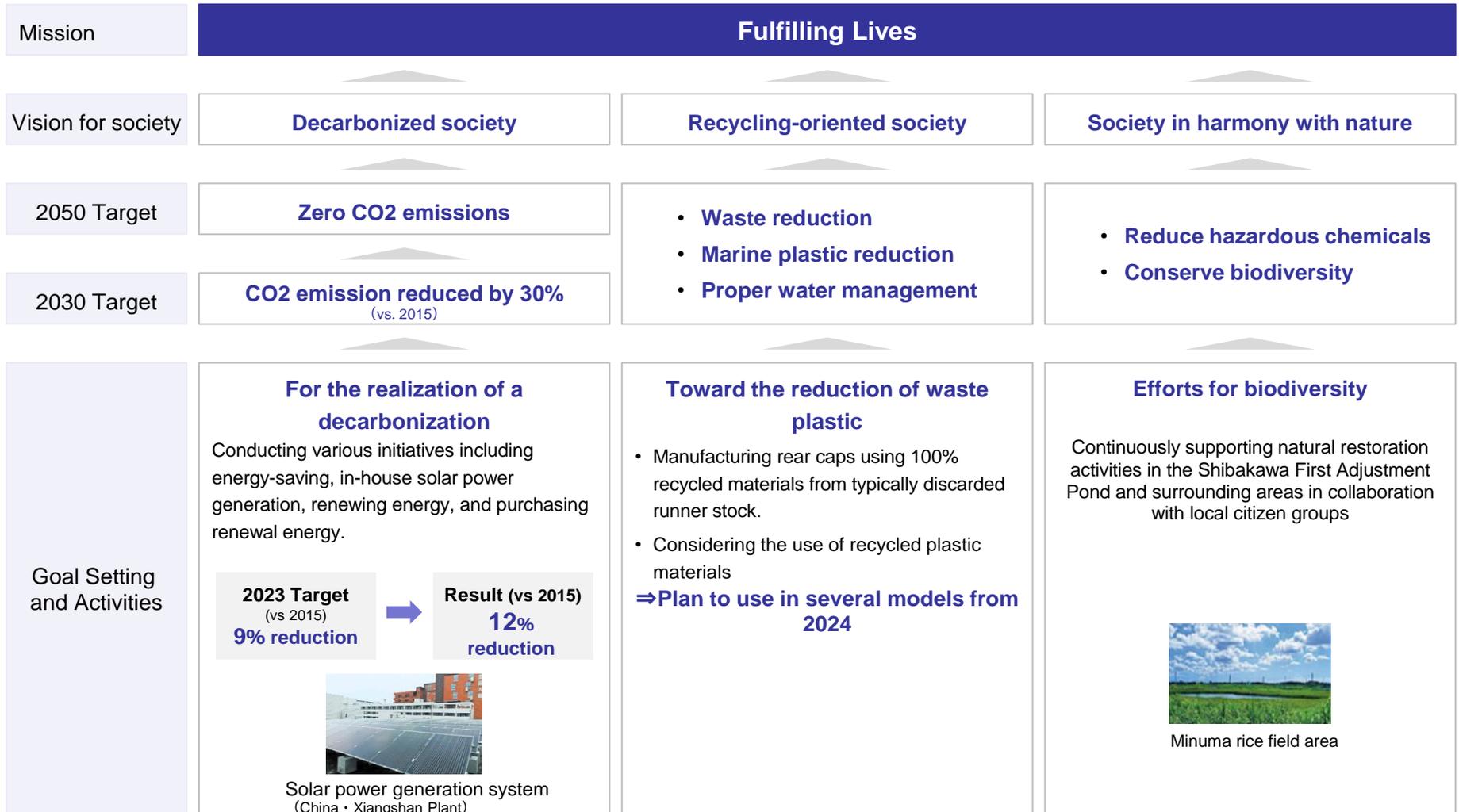
Strengthen supervision, speed up decision-making

- ◆ **Transition to a Company with an Audit & Supervisory Committee**
  - Strengthen supervisory functions, expedite decision-making
- ◆ **Increase the ratio of outside directors**
  - Secure the ratio of outside directors to a majority
- ◆ **Refine the assessment of the effectiveness of the Board of Directors**
  - Implementation with third-party involved
  - Strengthen supervision for each committee
- ◆ **Improve Board Advisory Committee**
  - Enhance the transparency
- ◆ **Enhance executive functions**
  - Promote authority delegation
- ◆ **Expand the internal control system**
- ◆ **Foster a better company culture**

# II.-6. ESG/Sustainability Strategy ① Environmental Vision 2050

To realize a spiritual-rich society where everyone can live fulfilling lives

## “Environmental Vision 2050”

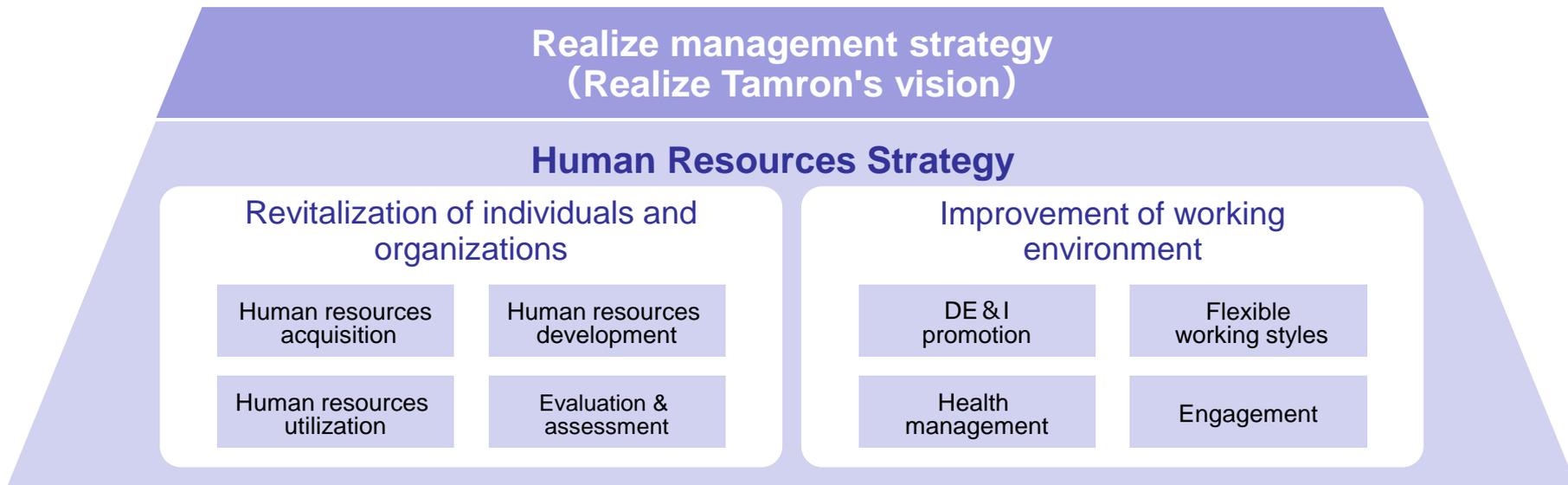


## II.-6. ESG/Sustainability Strategy

### ② Promote human capital management

#### Human Resources Strategy Basic Policy

- ◆ The key to realize Tamron's vision and management strategies is the human resource strategy aligned with the management strategies. For this purpose, we will accelerate the priority on revitalizing individuals and organizations, developing systems and environments that enable individuals and organizations to maximize their potential.
- ◆ To adapt to the changing business environments in line with the alternations in business structure and the progress of digitalization, we will upgrade the knowledge and skills of all employees, acquiring and strengthening key jobs and key skills in focused areas, and flexibly deploying personnel according to business environments.
- ◆ Tamron's human resource strategy consists of two elements: "revitalization of individuals and organizations" and "improvement of working environment". For each of the elements, we are steadily working to realize the strategy by incorporating the human resource strategy themes that we have positioned as important based on our management strategy, setting targets, planning, and implementing measures.



## II.-6. ESG/Sustainability Strategy ③Improve Governance

**Restore stakeholder's trust by thoroughly implementing measures to prevent a recurrence, along with the overall improvement of the corporate governance system, including the transition to a company with an audit & supervisory committee.**

- ◆ Establish a Governance Review Committee, to continuously monitor to ensure the proper implementation of preventive measures, and to study and of preventive measures will be implement improvements in other governance overall.
- ◆ Planned to regularly disclose the progress on recurrence prevention measures.

### Governance Review Committee

New

#### Goal · Role

- ◆ Consider a framework to improve the corporate governance system to strengthen the supervisory of the Board of Directors
- ◆ Create an implementation plan for preventive measures based on recommendations from the special investigation committee.
- ◆ Manage the progress of preventive measures overall based on the established plan.
- ◆ Develop rules and implement operations to prevent recurrence.

#### Constructure

##### Chairperson

- President & CEO

##### Members

- Directors · Auditors
- Managers to promote recurrence preventive measures.  
(Administrative Management Unit, Corporate Strategy Unit, Internal Audit & Supervision Board, Executive Assistant Section)

### Preventive Measures

- 1 Review the entertainment expenses of officers/Establish new rules for internal dining expenditure.**
  - ◆ Set upper limits for entertainment expenses for officers
  - ◆ Introduce new regulations for internal dining expenditure, ensuring awareness in the company.
- 2 Restrain and enhance audits toward officer-related expenses**
  - ◆ Establish a check flow within the internal control department for officer expenses' settlement.
  - ◆ Grant certain directives and approval authority to the audit committee over the internal audit department, including opinions on the audit plan.
  - ◆ Expand internal audit regulations, increase the frequency of internal audits, and review audit items
- 3 Monitor executive-related expenses by the Board of Directors (BOD)**
  - ◆ Detailed departmental budget information will be required for the presentation of the budget proposals to BOD.
  - ◆ Distribute a list of actual executive office entertainment expenses to BOD meetings.
- 4 Introduce stricter measures to nominate and operate the Nomination Committee**
  - ◆ Stricter adherence to the guidelines for nomination procedures of the committee officers
  - ◆ Improving the operation of the Nomination Committee (enhancing document provision, increasing meeting frequency, etc.).
- 5 Increase the awareness of all employees, conduct training for officers by external experts, and reinforce training for all staff.**
  - ◆ Conduct training for officers by external experts
  - ◆ Strengthen the training by the compliance committee for all staff members to promote the understanding of the internal reporting system.
  - ◆ Visualize organizational culture through surveys for all employees and cultivate a positive corporate culture.
  - ◆ Conduct training sessions and workshops for all employees with external directors and external auditors as instructors.

# II.-6. ESG/Sustainability Strategy

## ④ Progress on recurrence prevention measures

| Recurrence prevention measures  | Contents of the initiative   | Progress  | Completion (Target)  |
|---|--|---|--|
| <p>1 Review officer-related entertainment expenses, establish new rules for internal dining expenditures, and ensure awareness</p> <ul style="list-style-type: none"> <li>• Set upper limits for officer-related entertainment expenses</li> <li>• Introduce new internal rule regarding meal expenses for employees only and Inform employees.</li> </ul>  | <ol style="list-style-type: none"> <li>① Revise job authority details (set upper limits for entertainment expenses).</li> <li>② Specify self-approval prohibition</li> <li>③ Establish guidelines for approval, operation, and expenditure of entertainment expenses.</li> <li>④ Promote internal and departmental awareness through periodical education.</li> </ol>  | <p>① 24/2 done<br/>② 24/2 done<br/>③ 24/2 done</p>  | <p>④ 24/12<br/>Continuous awareness &amp; education</p>  |
| <p>2 Strengthen checks and audits on officer-related expenses</p> <ul style="list-style-type: none"> <li>• Set a check flow by the internal control department for officer-related expense settlement.</li> <li>• Grant auditors the authority to give instructions and approval to the internal audit office and the right to express opinions on the audit plans.</li> <li>• Expand internal audit regulations, increase the frequency of internal audits and review the audit items.</li> </ul>  | <ol style="list-style-type: none"> <li>① Introduce a control flow in the accounting dept. (pre-check at the time of Concur application).</li> <li>② Grant auditors the authority to give instructions and approval to the internal audit office.</li> <li>③ Grant auditors the right to express opinions on the internal audit plans approved by CEO.</li> <li>④ Revise internal audit regulations (clarify that, in case there is a conflict between the instructions and approvals of the president of the internal audit and the audit committee, the instructions and approvals of the audit committee take precedence).</li> <li>⑤ Increase the frequency of internal audits for the executive assistant section (from approximately once every 3 years to once every year).</li> <li>⑥ Review internal audit items (including officer-related expenses)</li> </ol> | <p>① 23/12 done<br/>⑥ 24/1 done</p>                 | <p>② 24/3<br/>③ 24/3<br/>④ 24/3<br/>⑤ 24/6<br/>※②~④ To be done on transition to a Company with Audit &amp; Supervisory Committee</p> |
| <p>3 Monitor officer-related expenses by the Board of Directors:</p> <ul style="list-style-type: none"> <li>• Detailed departmental budget information is required to present the budget proposal to the Board of Directors. Distribute the result of officer-related entertainment expenses at Board of Directors meetings.</li> </ul>   | <ol style="list-style-type: none"> <li>① Attach departmental expense details (including officer-related expenses) to Board of Directors resolutions for budget proposals</li> <li>② Distribute the list of officer-related entertainment expenses of the previous month at Board of Directors meetings.</li> </ol>   | <p>① 23/12 done<br/>② 24/1 done</p>                 | <p>② Held monthly</p>  |
| <p>4 Introduce stricter nomination procedures and Improve the operation of the Nomination Committee</p> <ul style="list-style-type: none"> <li>• Stricter nomination procedures by the Nomination Committee in line with governance guidelines</li> <li>• Improving the operation of the Nomination Committee (enhancing document provision, increasing meeting frequency, etc.).</li> </ul>  | <ol style="list-style-type: none"> <li>① Stricter nomination procedures by the Nomination Committee (confirm and document officer qualification item listed in governance.</li> <li>② Enhance the materials for consideration and nomination at the Board of Directors by the Nomination Committee.</li> <li>③ Increase the frequency and quality of Nomination Committee meetings (from 1-2 times a year to 4 times a year)</li> </ol>  | <p>① 24/1 done<br/>② 24/2 done<br/>③ 24/1 held</p>  | <p>③ 24/12<br/>Held regularly</p>  |
| <p>5 Reform the mindset of all executives and employees through training by external experts</p> <ul style="list-style-type: none"> <li>• Conduct special training for officers by external experts</li> <li>• Strengthen the training by the compliance committee for executives and employees and promote the understanding of the whistleblowing system.</li> <li>• Visualize the company culture through surveys for all employees and foster it.</li> <li>• Conduct training and seminars for all employees by outside directors and outside auditors as instructors.</li> </ul> | <ol style="list-style-type: none"> <li>① Conduct special training by corporate lawyer for executives (twice a year).</li> <li>② Conduct compliance training by the Compliance Committee etc. for all executives and staff (twice a year).</li> <li>③ Promote understanding of the whistle-blowing system through training for all employees and promote its use by the education.</li> <li>④ Understand the current state of corporate culture through engagement surveys for all employees and foster a corporate culture that prevents fraud and scandals through monitoring.</li> <li>⑤ Conduct training and seminars for all employees by outside directors and outside auditors (twice a year).</li> </ol>  | <p>③ 24/1 done</p>                                  | <p>① 24/12<br/>② 24/12<br/>③ 24/2<br/>④ 24/12<br/>⑤ 24/12<br/>※①②⑤は Held in 1st half/ 2nd half</p>                                   |
| <p>6 Overall improvement of the governance structure</p>  | <ol style="list-style-type: none"> <li>① Decision to transition to a company with an audit and supervisory committee.</li> <li>② Decision to secure a majority of outside directors.</li> <li>③ Report of the committee activities to the board of directors.</li> <li>④ Improvement of the effectiveness evaluation of the Board of Directors (third-party involvement in the effectiveness evaluation).</li> </ol>   | <p>① 23/12 done<br/>② 24/2 done<br/>③ 24/2 done</p> | <p>③ 24/11</p>   |

Note: After the transition to a company with an audit and supervisory committee scheduled for March 2024, matters that are scheduled to be handled by corporate auditors will be handled by directors who are audit and supervisory committee members.



# **III. FY2023 Financial Results**

# III- 1 . FY2023 Summary

## Environment

### Economy

- ◆ The economy is on a gradual recovery trend, despite continued uncertainty due to prolonged Russia's invasion of Ukraine, military conflict between Israel and Palestine, China's real estate development investment issues, energy problems, high global inflation, interest rate hikes in various countries, etc.
- ◆ Significant depreciation of JPY (a decrease of ¥9 against USD and ¥14 against EUR compared to the previous year)
- ◆ Material costs increase due to geopolitical risks as above and JPY depreciation.

### Market

- ◆ In the interchangeable lens camera and lens market, the quantity remains flat, but the total amount increases due to the strong performance of high-value-added products YoY.
- ◆ In the surveillance sector, camera manufacturers have adjusted their inventory levels due to the easing of semiconductor shortages.

## Company's Results

- ◆ Net sales showed a double-digit increase of 8 billion yen compared to the previous year, reaching 71.4 billion yen. Achieved double-digit growth in the section of photographic products, Mobility & Healthcare. However, there was about a 10% decrease in the surveillance and FA sector.
- ◆ Gross profit margin remained at the previous year's level as a result of controlling procurement costs and achieving lower product costs.
- ◆ Although SG&A expenses increased by 10% due to reactionary increase (removing business travel restrictions due to increased exhibition participation and sales activities) from the cost-cutting phase of the COVID-19 pandemic and increase in personnel costs etc., the increase was absorbed by the gross profit increase from higher sales.
- ◆ Operating income increased by 2.6 billion yen compared to the previous year (approximately 20% increase) : **marking a record-high profit for two consecutive fiscal years, exceeding 13 billion yen.**
- ◆ **Double-digit increase in all profits (operating income, ordinary income, and net income)**
- ◆ The year-end dividend was increased **by ¥45 compared to the previous year**, with the annual **dividend increasing by ¥50 compared to the previous year, to record high of ¥170.**

## III - 2 . 2023 Full-Year Financial Results

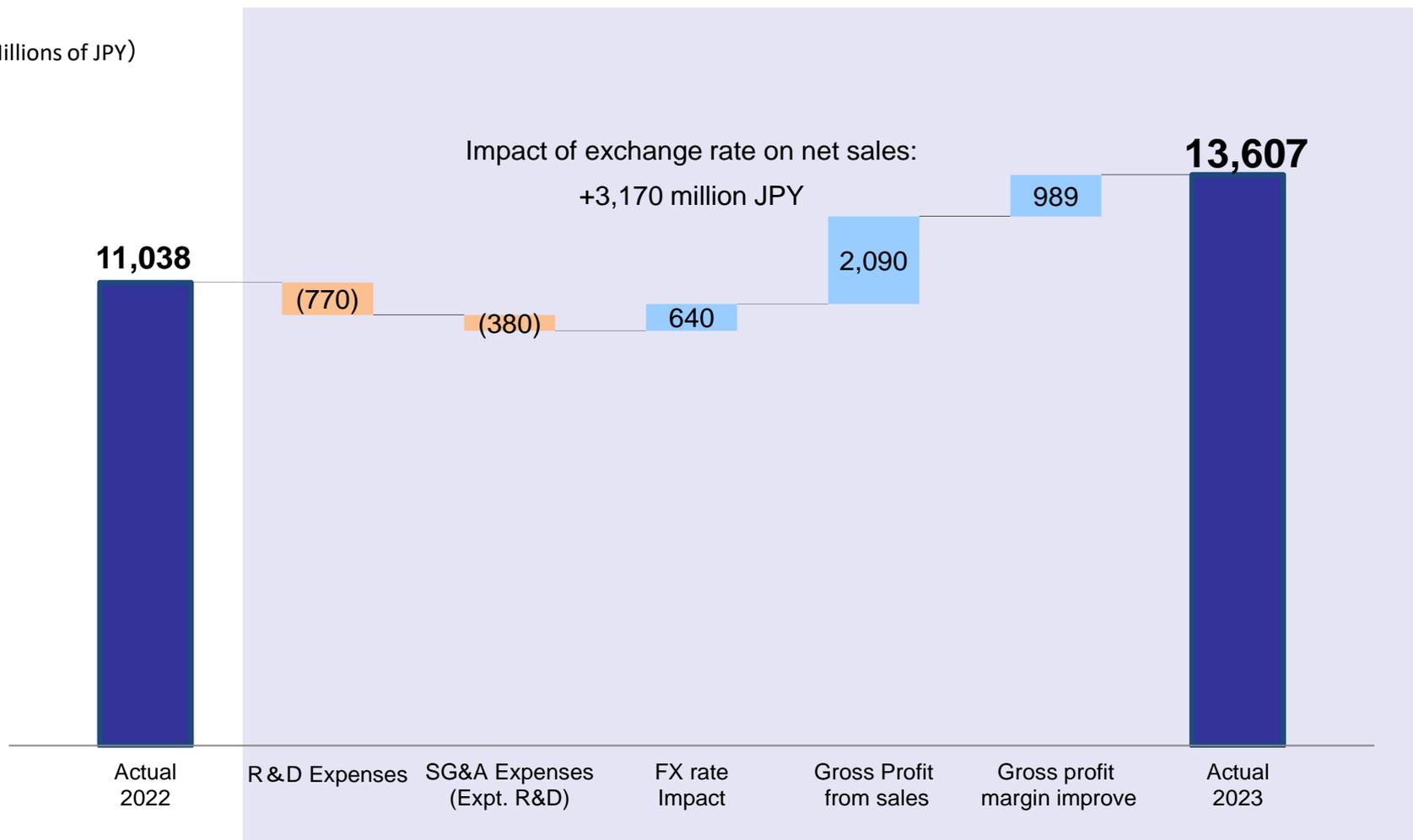
- ◆ Despite favorable foreign exchange effects, **sales and income increased by double digits** as the effects of customer production adjustments due to the difficulty of procuring electronic components because of semiconductor shortages, and the effects of raising component and materials costs were absorbed.
- ◆ While sales and profits in the surveillance and FA business decreased due to inventory adjustments at customers, overall sales and profits increased due to the strong performance of the other two businesses.

| (Millions of JPY)       | Actual 2022   | Revised Forecast<br>2023<br>(Announced on 4,<br>Dec.) | Actual 2023   | VS. 2022     |              | VS. Forecast 2023 |               |
|-------------------------|---------------|---|---------------|--------------|--------------|-------------------|---------------|
|                         |               |   |               | Inc./Dec.    | %            | Inc./Dec.         | %             |
| <b>Net Sales</b>        | <b>63,445</b> | <b>72,200</b>   | <b>71,426</b> | <b>7,980</b> | <b>12.6%</b> | <b>(773)</b>      | <b>(1.1)%</b> |
| <b>Gross Profit</b>     | <b>27,623</b> | <b>—</b>  | <b>31,657</b> | <b>4,033</b> | <b>14.6%</b> | <b>-</b>          | <b>-</b>      |
| (% Sales)               | 43.5%         | —   | 44.3%         | 0.8%         | -            | -                 | -             |
| <b>Operating Income</b> | <b>11,038</b> | <b>13,100</b>   | <b>13,607</b> | <b>2,568</b> | <b>23.3%</b> | <b>507</b>        | <b>3.9%</b>   |
| (% Sales)               | 17.4%         | 18.1%   | 19.1%         | 1.7%         | -            | 1.0%              | -             |
| <b>Ordinary Income</b>  | <b>11,496</b> | <b>13,500</b>   | <b>13,972</b> | <b>2,475</b> | <b>21.5%</b> | <b>472</b>        | <b>3.5%</b>   |
| (% Sales)               | 18.1%         | 18.7%   | 19.6%         | 1.5%         | -            | 0.9%              | -             |
| <b>Net Income</b>       | <b>8,350</b>  | <b>9,990</b>  | <b>10,812</b> | <b>2,461</b> | <b>29.5%</b> | <b>822</b>        | <b>8.2%</b>   |
| (% Sales)               | 13.2%         | 13.8%   | 15.1%         | 1.9%         | -            | 1.3%              | -             |
| USD/JPY                 | 131.63        | 140.42  | 140.68        | 9.05         | -            | 0.26              | -             |
| EUR/JPY                 | 138.19        | 151.84  | 152.17        | 13.98        | -            | 0.33              | -             |

# III- 3 . Factors Behind Variance in Operating Income

Net sales and operating income increased even without favorable foreign exchange effects  
 (Two-digit-increase in operating income by about 17% YoY)

(Millions of JPY)



# Ⅲ-4 . 2023 Full-Year Financial Results by Segment

## ① Photographic Products

| (Millions of JPY)       | Actual 2022 | Revised Forecast 2023 | Actual 2023 | VS. 2022  |       | VS. 2022  | VS. Forecast 2023 |        |
|-------------------------|-------------|-----------------------|-------------|-----------|-------|-----------|-------------------|--------|
|                         |             |                       |             | Inc./Dec. | %     | FX Impact | Inc./Dec.         | %      |
| <b>Net Sales</b>        | 45,519      | 53,500                | 53,032      | 7,513     | 16.5% | 2,270     | (467)             | (0.9)% |
| <b>Operating Income</b> | 11,158      | 13,800                | 14,008      | 2,849     | 25.5% | 460       | 208               | 1.5%   |
| (% Sales)               | 24.5%       | 25.8%                 | 26.4%       | 1.9%      | -     | -         | 0.6%              | -      |

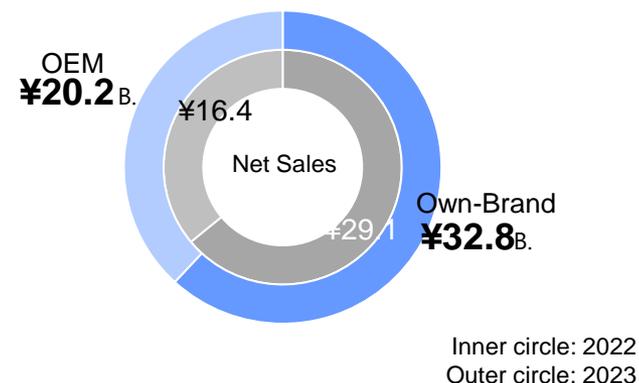
### Sales breakdown

(Billions of JPY)

|                  | Actual 2022 | Revised Forecast 2023 | Actual 2023 | VS. 2022  |       | VS. Forecast 2023 |        |
|------------------|-------------|-----------------------|-------------|-----------|-------|-------------------|--------|
|                  |             |                       |             | Inc./Dec. | %     | Inc./Dec.         | %      |
| <b>Own-Brand</b> | 29.1        | 33.6                  | 32.8        | 3.6       | 12.4% | (0.8)             | (2.5)% |
| <b>OEM</b>       | 16.4        | 19.9                  | 20.2        | 3.9       | 23.7% | 0.4               | 1.8%   |

| Market environment VS.2022         | quantify | money |
|------------------------------------|----------|-------|
| SLR cameras                        | (17)%    | (35)% |
| Mirrorless cameras                 | 19%      | 11%   |
| Interchangeable lens cameras Total | 1%       | 4%    |
| Interchangeable lenses             | (1)%     | 7%    |

- ◆ Sales of our own brand interchangeable **lenses increased even excluding favorable foreign exchange effects**, driven by the launch of new mirrorless models and strong sales in Japan and Chania.
- ◆ Although OEM sales decreased in 1<sup>st</sup> half compared to the strong sales in the previous year, full-year sales remained strong due to strong sales in 2<sup>nd</sup> half with positive impact of exchange rates.
- ◆ **Achieved record high operating income in the second consecutive year** following 2022 with improving gross profit, **continuing its trend of high profitability.**



# Photographic Products-New Models

2021

2022

2023

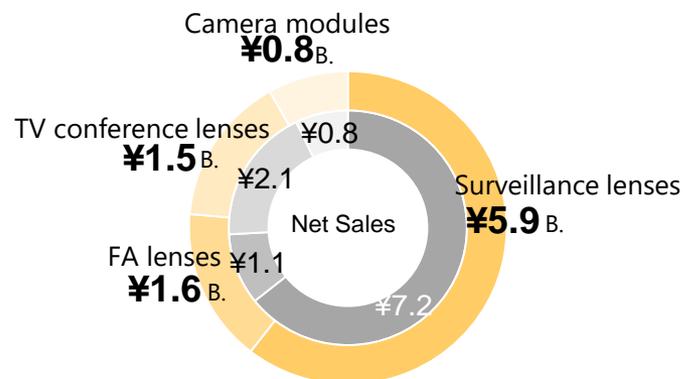
|                 | 2021  |  | 2022   |  | 2023   |  |
|-----------------|---|--|--|--|--|--|
| Wide-angle Zoom | <p>June</p>  <p>11-20mm F/2.8 RXD (B060)</p>         |  |  |  | <p>May</p>  <p>11-20mm F/2.8 RXD (B060)<br/>The 4th model for FUJIFILM X-mount</p>  |  |
| Standard Zoom   | <p>Jan.</p>  <p>17-70mm F/2.8 VC RXD (B070)</p>      | <p>Oct.</p>  <p>28-75mm F/2.8 VXD G2 (A063)</p> | <p>Jul.</p>  <p>17-70mm F/2.8 VC RXD (B070)<br/>The 2nd model for FUJIFILM X-mount</p>  | <p>Oct.</p>  <p>20-40mm F/2.8 VXD (A062)</p>   | <p>Oct.</p>  <p>17-50mm F/4 VXD (A068)<br/>For Sony E-mount</p>                     |  |
| Telephoto Zoom  | <p>June</p>  <p>150-500mm F/5-6.7 VC VXD (A057)</p>  | <p>Oct.</p>  <p>35-150mm F/2-2.8 VXD (A058)</p> | <p>Sep.</p>  <p>50-400mm F/4.5-6.3 VC VXD (A067)<br/>The 1st model for Nikon Z-mount</p>  <p>70-300mm F/4.5-6.3 RXD (A047)</p> | <p>Oct.</p>  <p>150-500mm F/5-6.7 VC VXD (A057)<br/>The 3rd model for FUJIFILM X-mount</p> | <p>Sep.</p>  <p>35-150mm F/2-2.8 VXD (A058)<br/>The 2nd model for Nikon Z-mount</p> | <p>Oct.</p>  <p>70-180mm F/2.8 VC VXD G2 (A065)<br/>For Sony E-mount</p>  <p>150-500mm F/5-6.7 VC VXD (A057)<br/>The 3rd model for Nikon Z-mount</p> |
| All-in-one Zoom | <p>Sep.</p>  <p>For Sony E-mount</p>               | <p>Oct.</p>  <p>For FUJIFILM X-mount</p>      | <p>Tamron has launched 5 new models a year</p>   |  |  |  |
|                 | <p>18-300mm F/3.5-6.3 VC VXD (B061)<br/>Developed our 1st model for Fujifilm X-mount and model for Sony E-mount at the same time.</p> |  |  |  |  |  |

## ② Surveillance & FA Lenses

| (Millions of JPY)       | Actual 2022 | Revised Forecast 2023 | Actual 2023 | VS. 2022  |         | VS. 2022  | VS. Forecast 2023 |       |
|-------------------------|-------------|-----------------------|-------------|-----------|---------|-----------|-------------------|-------|
|                         |             |                       |             | Inc./Dec. | %       | FX Impact | Inc./Dec.         | %     |
| <b>Net Sales</b>        | 11,236      | 10,000                | 9,786       | (1,450)   | (12.9)% | 710       | (213)             | △2.1% |
| <b>Operating Income</b> | 1,399       | 700                   | 716         | (682)     | (48.8)% | 290       | 16                | +2.3% |
| (% Sales)               | 12.5%       | 7.0%                  | 7.3%        | (5.2)%    | -       | -         | 0.3%              | -     |

| Sales Breakdown<br>(Billions of JPY) | Actual 2022 | Revised Forecast 2023 | Actual 2023 | VS. 2022  |         | VS. Forecast 2023 |         |
|--------------------------------------|-------------|-----------------------|-------------|-----------|---------|-------------------|---------|
|                                      |             |                       |             | Inc./Dec. | %       | Inc./Dec.         | %       |
| <b>Surveillance lenses</b>           | 7.2         | 6.2                   | 5.9         | (1.3)     | (17.5)% | (0.3)             | (4.6)%  |
| <b>FA lenses, etc.</b>               | 1.1         | 1.5                   | 1.6         | 0.4       | 38.9%   | 0.1               | 3.9%    |
| <b>TV conference lenses</b>          | 2.1         | 1.4                   | 1.5         | (0.6)     | (27.7)% | 0.1               | 7.9%    |
| <b>Camera Module</b>                 | 0.8         | 0.9                   | 0.8         | (0.1)     | (5.9)%  | (0.1)             | (10.8)% |

- ◆ **Although sales of FA lenses continued to increase significantly,** sales of surveillance lenses and camera modules decreased due to the prolonged impact of inventory adjustment at customers.
- ◆ The demand for TV conference lenses has continued to decline since 2020, and although the sales showed a recovery in 2022, it faced another decrease.
- ◆ The sluggishness in the Chinese market and the reduced demand for new models due to inventory adjustments after the post-COVID-19 situation have led to delays in recovering development costs, resulting in a decline in profits.



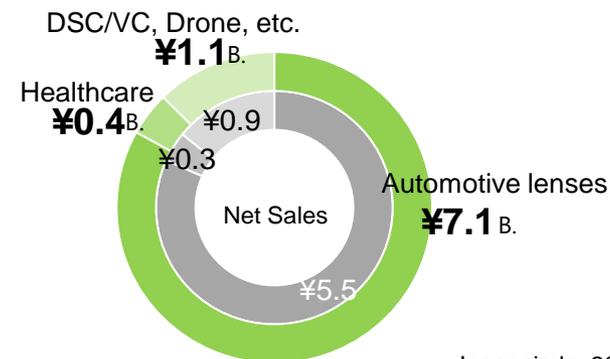
Inner circle: 2022  
Outer circle: 2023

### ③ Mobility & Healthcare, Others.

| (Millions of JPY)       | Actual 2022 | Revised Forecast 2023 | Actual 2023 | VS. 2022  |       | VS. 2022  | VS. Forecast 2023 |        |
|-------------------------|-------------|-----------------------|-------------|-----------|-------|-----------|-------------------|--------|
|                         |             |                       |             | Inc./Dec. | %     | FX Impact | Inc./Dec.         | %      |
| <b>Net Sales</b>        | 6,689       | 8,700                 | 8,607       | 1,917     | 28.7% | 190       | (92)              | (1.1)% |
| <b>Operating Income</b> | 1,061       | 1,400                 | 1,492       | 430       | 40.6% | (110)     | 92                | 6.6%   |
| (% Sales)               | 15.9%       | 16.1%                 | 17.3%       | 1.4%      | -     | -         | 1.2%              | -      |

| Sales Breakdown<br>(Billions of JPY) | Actual 2022 | Revised Forecast 2023 | Actual 2023 | VS. 2022  |       | VS. Forecast 2023 |        |
|--------------------------------------|-------------|-----------------------|-------------|-----------|-------|-------------------|--------|
|                                      |             |                       |             | Inc./Dec. | %     | Inc./Dec.         | %      |
| <b>Automotive lenses</b>             | 5.5         | 7.2                   | 7.1         | 1.7       | 30.9% | (0.1)             | (0.7)% |
| <b>Healthcare components</b>         | 0.3         | 0.4                   | 0.4         | 0.1       | 38.5% | (0.0)             | (3.0)% |
| <b>DSC/VC, Drone, etc.</b>           | 0.9         | 1.1                   | 1.1         | 0.1       | 12.8% | (0.0)             | (2.7)% |

- ◆ Sales of Automotive lenses **increased by over 30%** compared to the previous year due to strong demand for sensing applications.
- ◆ Despite a downturn in DSC/VC and drones, sales of healthcare components have doubled due to lineup expansion.
- ◆ While cultivating new fields, **operating income showed a significant increase of 40% compared to the previous year due to profit margin improvement** from strong sales of mainstay automotive lenses.



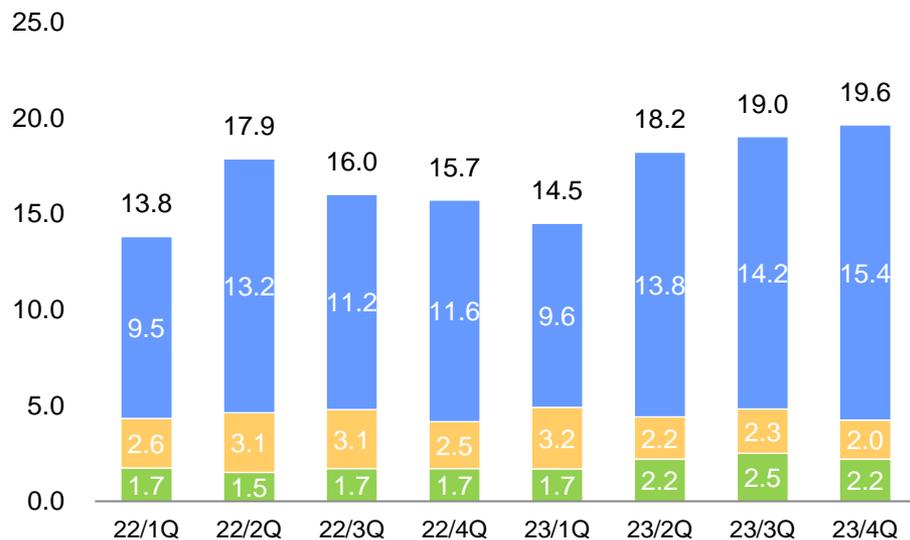
Inner circle: 2022  
Outer circle: 2023

## Summary of revenue and operating income by segment

| (Millions of JPY)                      |                  | 2023 1Q | YoY (%) | QoQ (%) | 2023 2Q | YoY (%) | QoQ (%) | 2023 3Q | YoY (%) | QoQ (%) | 2023 4Q | YoY (%) | QoQ (%) |
|--|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Photographic Products                  | Net Sales        | 9,615   | 1.3     | (16.8)  | 13,809  | 4.3     | 43.6    | 14,207  | 26.6    | 2.9     | 15,399  | 33.2    | 8.4     |
|  | Operating Income | 2,666   | 20.0    | 13.3    | 3,839   | 8.3     | 44.0    | 3,948   | 30.0    | 2.8     | 3,553   | 51.0    | (10.0)  |
| Surveillance & FA Lenses               | Net Sales        | 3,215   | 24.5    | 31.0    | 2,216   | (28.7)  | (31.1)  | 2,312   | (25.1)  | 4.3     | 2,041   | (16.8)  | (11.7)  |
|  | Operating Income | 288     | 37.8    | 25.1    | 286     | (39.4)  | (0.8)   | 102     | (78.8)  | (64.1)  | 37      | (83.6)  | (63.3)  |
| Mobility & Healthcare Products, Others | Net Sales        | 1,690   | (3.1)   | (1.4)   | 2,203   | 44.8    | 30.3    | 2,510   | 47.0    | 13.9    | 2,202   | 28.5    | (12.3)  |
|  | Operating Income | 284     | 13.5    | 1.2     | 385     | 123.8   | 35.3    | 507     | 41.9    | 31.8    | 314     | 12.0    | (37.9)  |
| Total                                  | Net Sales        | 14,521  | 5.1     | (7.7)   | 18,230  | 2.0     | 25.5    | 19,031  | 18.8    | 4.4     | 19,642  | 24.9    | 3.2     |
|  | Operating Income | 2,630   | 26.4    | 13.1    | 3,847   | 7.1     | 39.3    | 3,704   | 18.9    | 1.0     | 3,425   | 52.2    | (7.5)   |

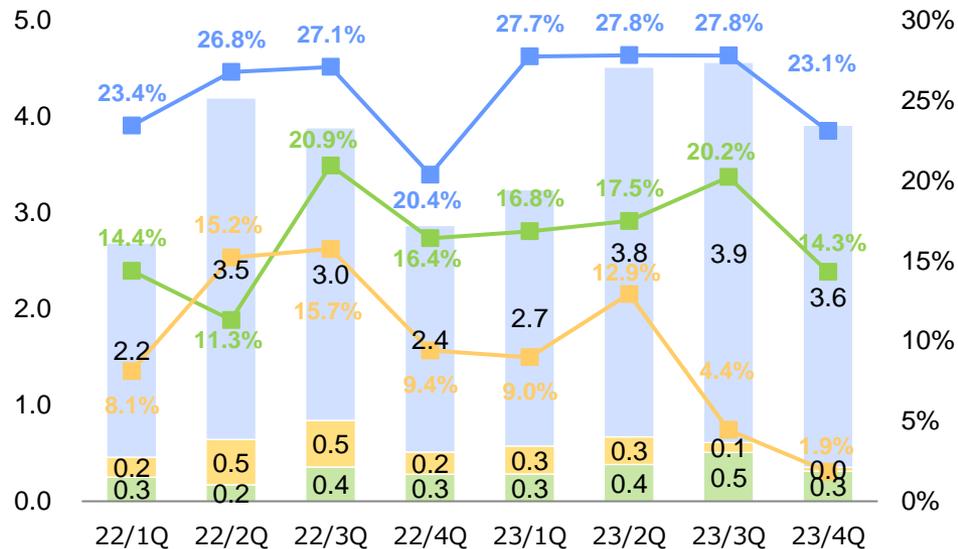
### Net Sales

(Billions of JPY)



### Operating Income/ Operating Income ratio

(Billions of JPY)





## **IV. FY 2024 Financial Forecast**

# IV- 1 . FY2024 Financial Forecast

## Environment

### Economy

- ◆ The situation remains highly uncertain due to the prolonged Russia's invasion of Ukraine, military conflict between Israel and Palestine, China's real estate development investment issues, energy problems, high global inflation, interest rate hikes in various countries, etc.

### Market

- ◆ In the interchangeable lens camera and lens market, the quantity remains flat, but the total amount increases due to the strong performance of high-value-added products YoY.
- ◆ In the surveillance sector, inventory adjustments at camera manufacturers are gradually calming down, and the automotive market is expected to continue high growth.

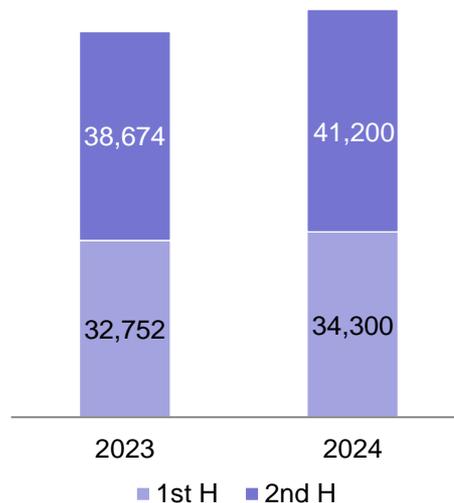
## Company's Forecast

- ◆ Although there is an impact of higher material costs by rising prices of resources, aggressive investment, and higher R&D, plan to absorb these costs and achieve an **increase in sales and profit**.
- ◆ **Aim to break the record high sales** (¥73.6 billion in 2014).
- ◆ Due to a change of policy on the distribution of profit, **the annual dividend is planned to be ¥210 per share, a significant increase from ¥40 compared to the previous year.**

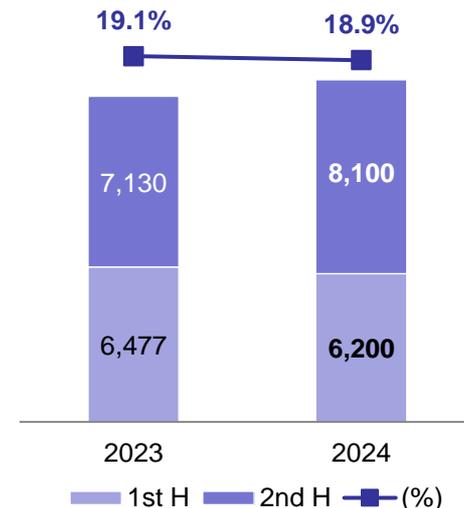
(Millions of JPY)

|                         | Actual 2023   | Forecast 2024 | VS. 2023     |               |
|-------------------------|---------------|---------------|--------------|---------------|
|                         |               |               | Inc./Dec.    | %             |
| <b>Net Sales</b>        | <b>71,426</b> | <b>75,500</b> | <b>4,073</b> | <b>5.7%</b>   |
| <b>Operating Income</b> | <b>13,607</b> | <b>14,300</b> | <b>692</b>   | <b>5.1%</b>   |
| (% Sales)               | 19.1%         | 18.9%         | (0.2)%       | -             |
| <b>Ordinary Income</b>  | <b>13,972</b> | <b>14,300</b> | <b>327</b>   | <b>2.3%</b>   |
| (% Sales)               | 19.6%         | 18.9%         | (0.7)%       | -             |
| <b>Net Income</b>       | <b>10,812</b> | <b>10,730</b> | <b>(82)</b>  | <b>(0.8)%</b> |
| (% Sales)               | 15.1%         | 14.2%         | (0.9)%       | -             |
| USD/JPY                 | 140.68        | 140.00        | (0.68)       | -             |
| EUR/JPY                 | 152.17        | 152.00        | (0.17)       | -             |

Net Sales (Millions of JPY)



Operating Income (Millions of JPY)



# ① Photographic Products

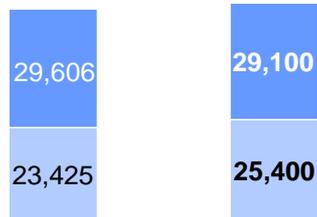
| (Millions of JPY)       | Actual 2023   | Forecast 2024 | VS. 2023     |             |
|-------------------------|---------------|---------------|--------------|-------------|
|                         |               |               | Inc./Dec.    | %           |
| <b>Net Sales</b>        | <b>53,032</b> | <b>54,500</b> | <b>1,467</b> | <b>2.8%</b> |
| <b>Operating Income</b> | <b>14,008</b> | <b>15,000</b> | <b>991</b>   | <b>7.1%</b> |
| (% Sales)               | 26.4%         | 27.5%         | 1.1%         | -           |

- ◆ Although OEM sales slightly decline, plan to **continue increase in Own-brand sales by expanding lineup and strengthening sales in overseas markets.**
- ◆ Accelerate the pace of new own-brand models launches
- ◆ **Scheduled to launch 6 new models in 2024, which will increase the new model sales ratio to 25%.**
- ◆ Despite higher material costs by rising prices of resources, plan to **maintain a high profitability structure and achieve profits growth.**

## 1st half, 2nd half Forecast

### Net Sales

(Millions of JPY)  
53,032

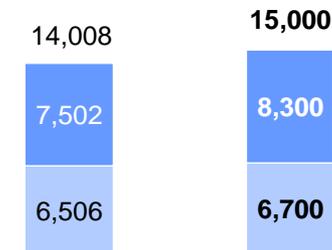


2023      2024

■ 1st Half ■ 2nd Half

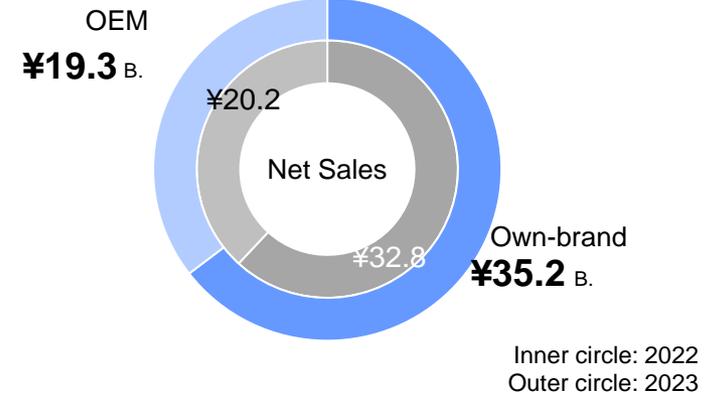
### Operating Income

(Millions of JPY)



2023      2024

■ 1st Half ■ 2nd Half

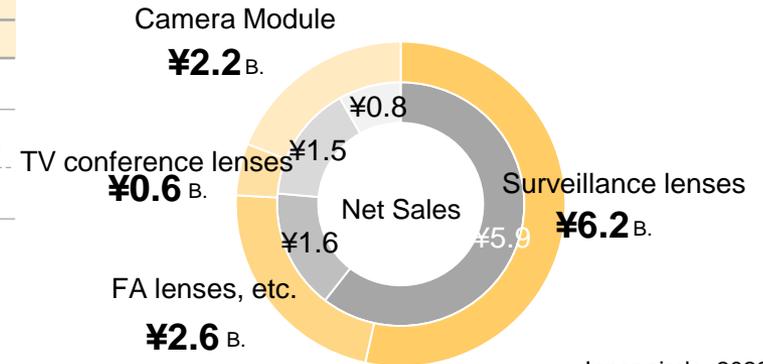
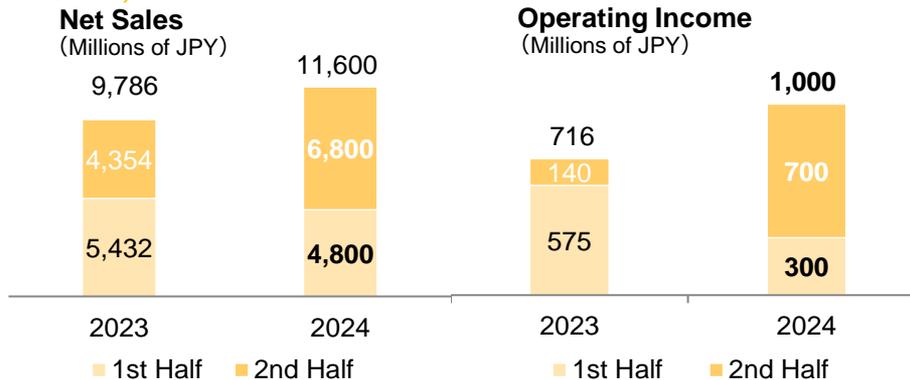


## ② Surveillance & FA Lenses

| (Millions of JPY)       | Actual 2023 | Forecast 2024 | VS. 2023  |       |
|-------------------------|-------------|---------------|-----------|-------|
|                         |             |               | Inc./Dec. | %     |
| <b>Net Sales</b>        | 9,786       | 11,600        | 1,813     | 18.5% |
| <b>Operating Income</b> | 716         | 1,000         | 283       | 39.6% |
| (% Sales)               | 7.3%        | 8.6%          | 1.3%      | -     |

- ◆ As prolonged inventory adjustments at camera manufacturers are gradually calming down and due to recovering from the stagnation phase in the Chinese market, sales of Surveillance lenses and Camera Module are expected to increase.
- ◆ While sales of TV conference lenses will decrease significantly, sales of FA lenses will continue to expand. New fields are also expected to contribute to sales.
- ◆ In addition, 2023 developed camera modules contributed to the sales. **The overall sales and operating income of Surveillance & FA are expected to grow by double digits.**

### 1st half, 2nd half Forecast



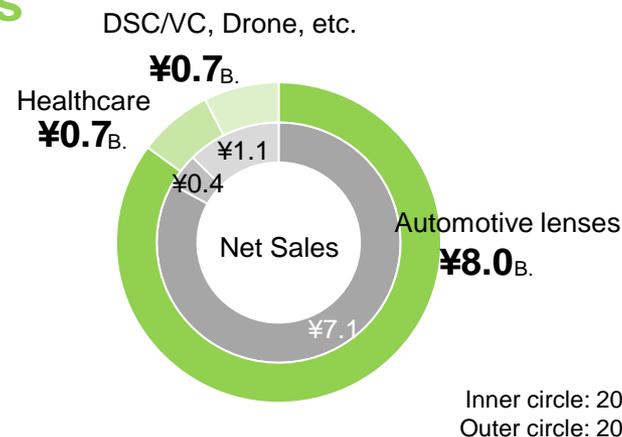
Inner circle: 2022  
Outer circle: 2023

### ③ Mobility & Healthcare Products, Others

| (Millions of JPY)       | Actual 2023  | Forecast 2024 | VS. 2023     |                |
|-------------------------|--------------|---------------|--------------|----------------|
|                         |              |               | Inc./Dec.    | %              |
| <b>Net Sales</b>        | <b>8,607</b> | <b>9,400</b>  | <b>792</b>   | <b>9.2%</b>    |
| <b>Operating Income</b> | <b>1,492</b> | <b>1,100</b>  | <b>(392)</b> | <b>(26.3)%</b> |
| (% Sales)               | 17.3%        | 11.7%         | (5.6)%       | -              |

- ◆ The strong sales of automotive lenses are expected to grow **continually by double digits**.
- ◆ The steady sales growth of healthcare segment is expected to **increase by 80%** compared to the previous year.
- ◆ Plan to maintain operating income on net sales of the healthcare segment by 10% by strengthening the development of elemental technologies in new fields.

#### 1st half, 2nd half Forecast



## Technology



### Optical Technology for High-Power Laser

Transmission & processing technology development for laser

<Technical Features>

- ◆ Optical design technology that produces Gaussian, Top-Hat, Dual (center/ring) beam.
- ◆ High quality beam performance suitable for high-precision laser applications with use of special techniques (lens material/shape)
- ◆ Achieving a high-quality laser beam profile by correcting the eccentricity of the laser beam and optical lenses.

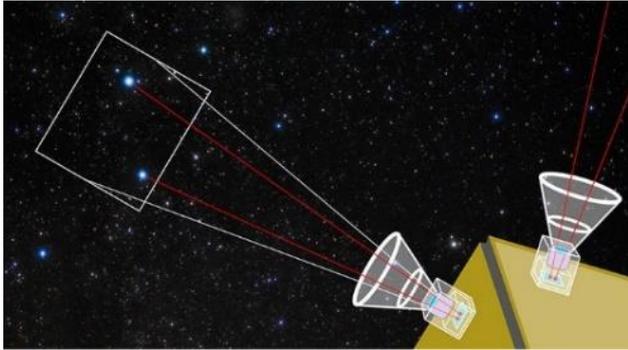


### Hyper-wide-angle fundus camera allowing wide field fundus

Joint development with Nara Institute of Science and Technology

<Technical Features>

- ◆ Tamron's prototype lens with compact and hyper-wide-angle optimized for fundus photography
- ◆ Various technologies illuminating stably near infrared through pupil to wide fundus, which are newly developed by Nara Institute of Science and Technology
- ◆ Hyper-wide-angle (180°) fundus photography was achieved by combining the two technologies
- ◆ Wide field of eye fundus image can be acquired without mydriatic (eye drop)

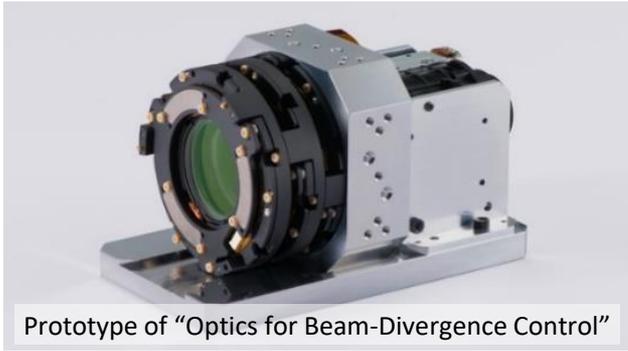


## Optical technology for star trackers

Design technology for straylight shield and radiation resistance

<Technical Features>

- ◆ Coating technology maintaining high optical performance even under radiation environment
- ◆ Stray light simulation technology to achieve an effective baffle design
- ◆ Lens design technology for radiation resistance



## Optics for free space optical communication

High-precision beam control technology

<Technical Features>

- ◆ Variable optical axis technology allowing to move the optical axis and to compensate for vibration
- ◆ Beam divergence control technology with variable optics
- ◆ Evaluation and measurement technology to achieve laser beam quality

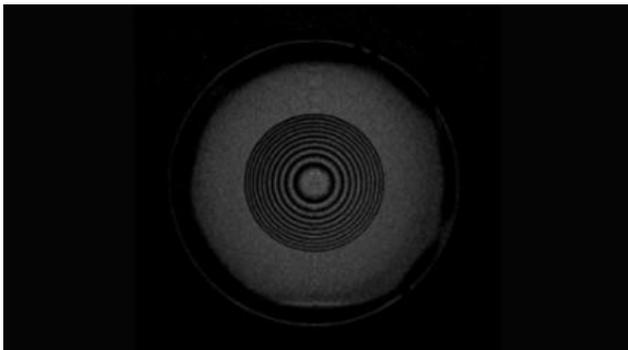
## Infrared camera technology with Fresnel lens

Hybrid Fresnel lens (Design and Manufacturing) x Image correction technology

Note: This technology has been improved as Tamron's original technology under the technical guidance of Professor Yan Jiwang of Faculty of Science and Technology, Keio University.

<Technical Features>

- ◆ Infrared camera technology fusing hybrid Fresnel lens with image correction technology
- ◆ Hybrid Fresnel lens (Molding technology for silicon material + high-density polyethylene)
- ◆ Realize various imaging field of views by optical design utilizing optical manufacturing method



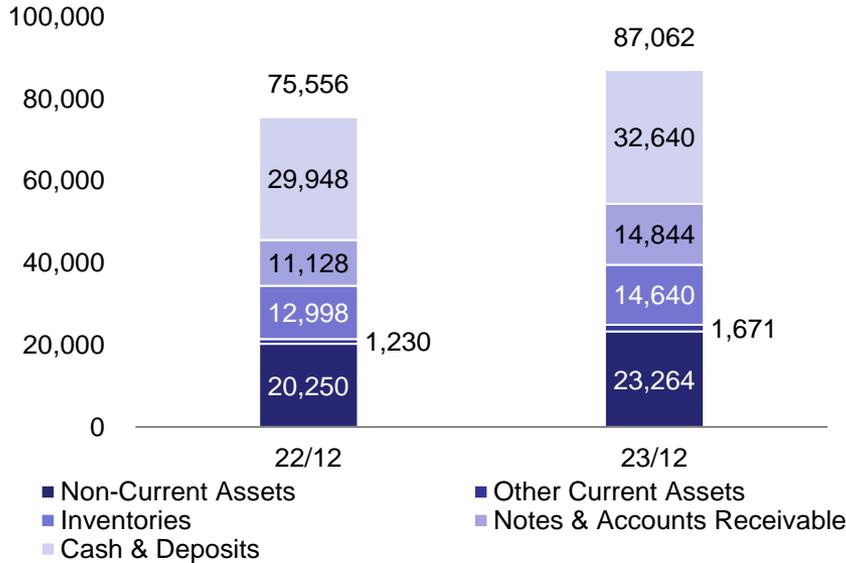
# V. Reference Data



# V - 1 . Financial Summary

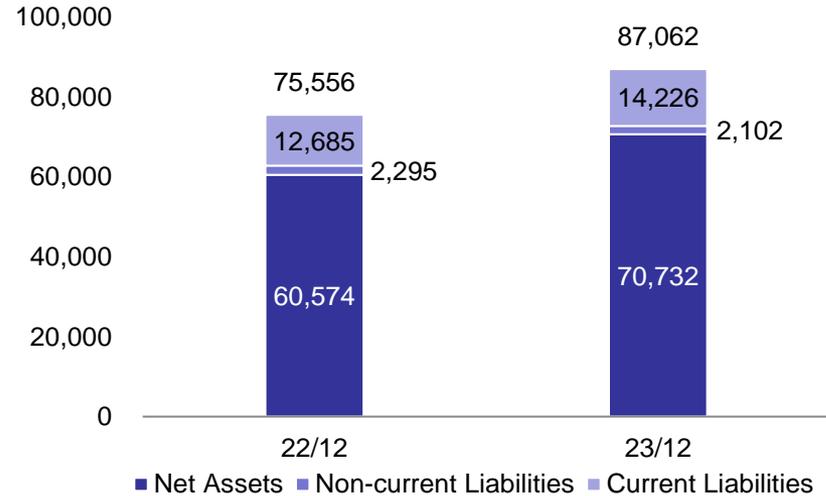
## Assets

(Millions of JPY)

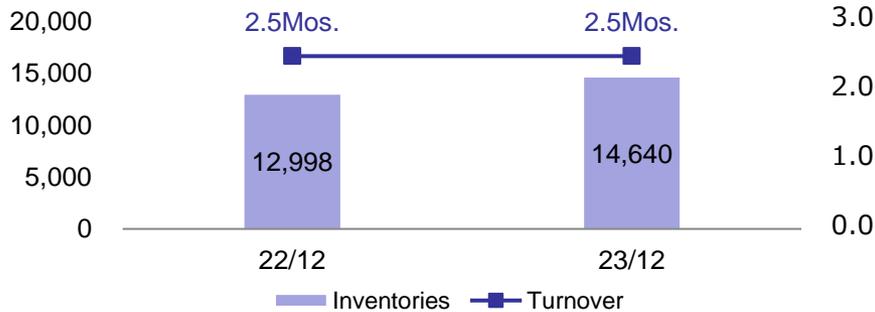


## Liabilities · Net Assets

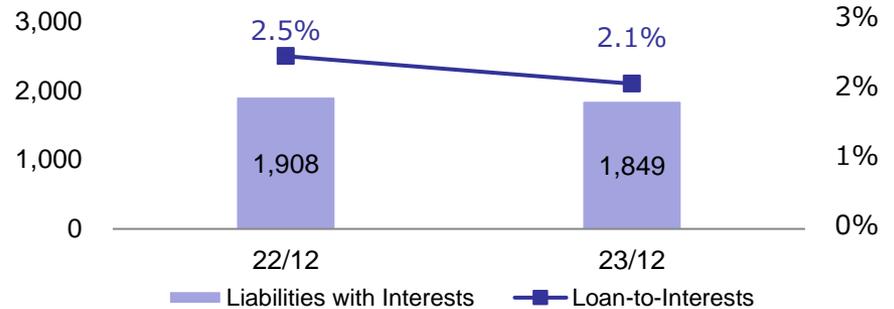
(Millions of JPY)



## Inventories

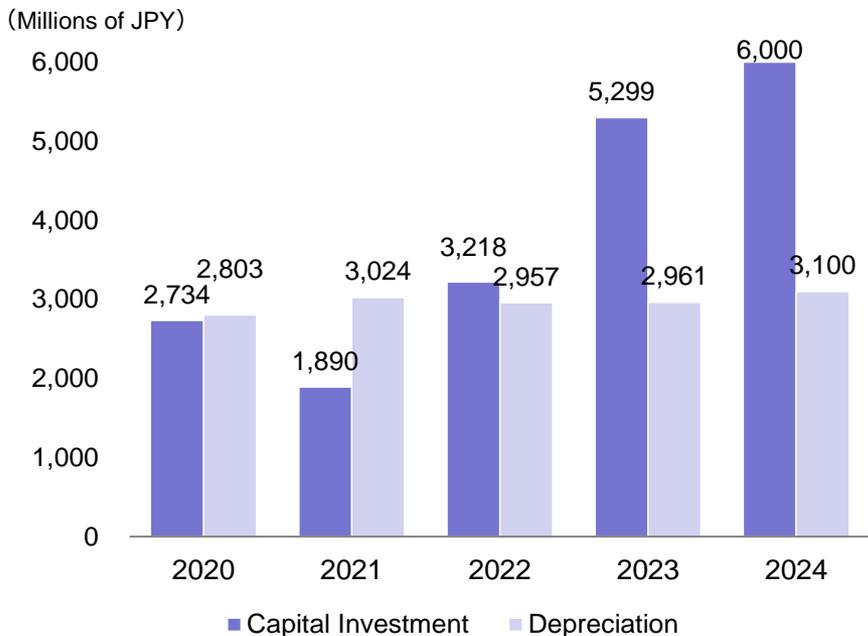
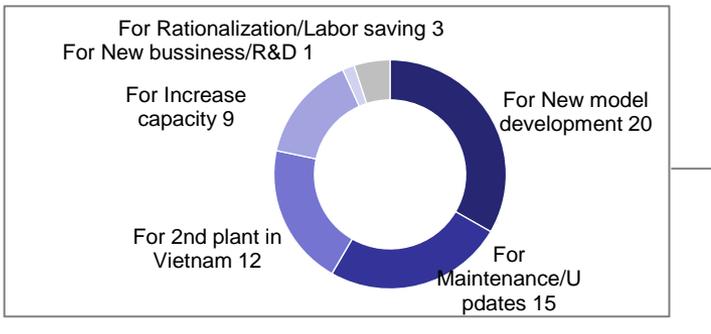


## Liabilities with Interests



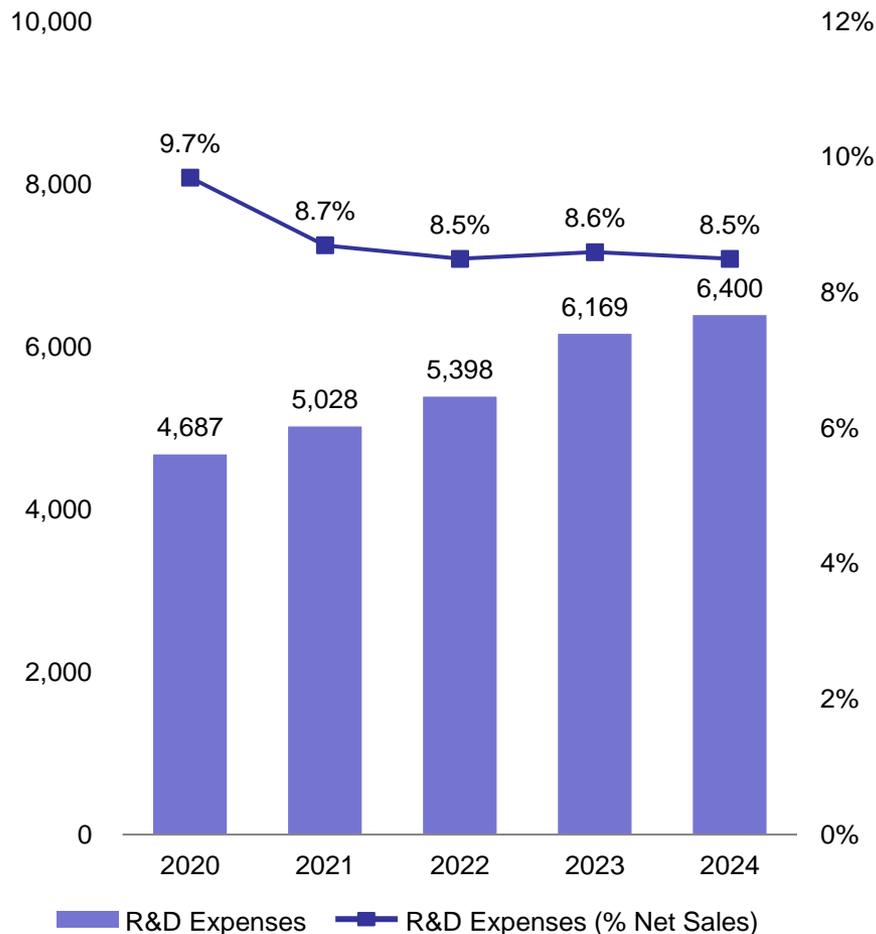
# V - 2 . Capital Investment, Depreciation, and R&D Expenses

## Capital Investment · Depreciation

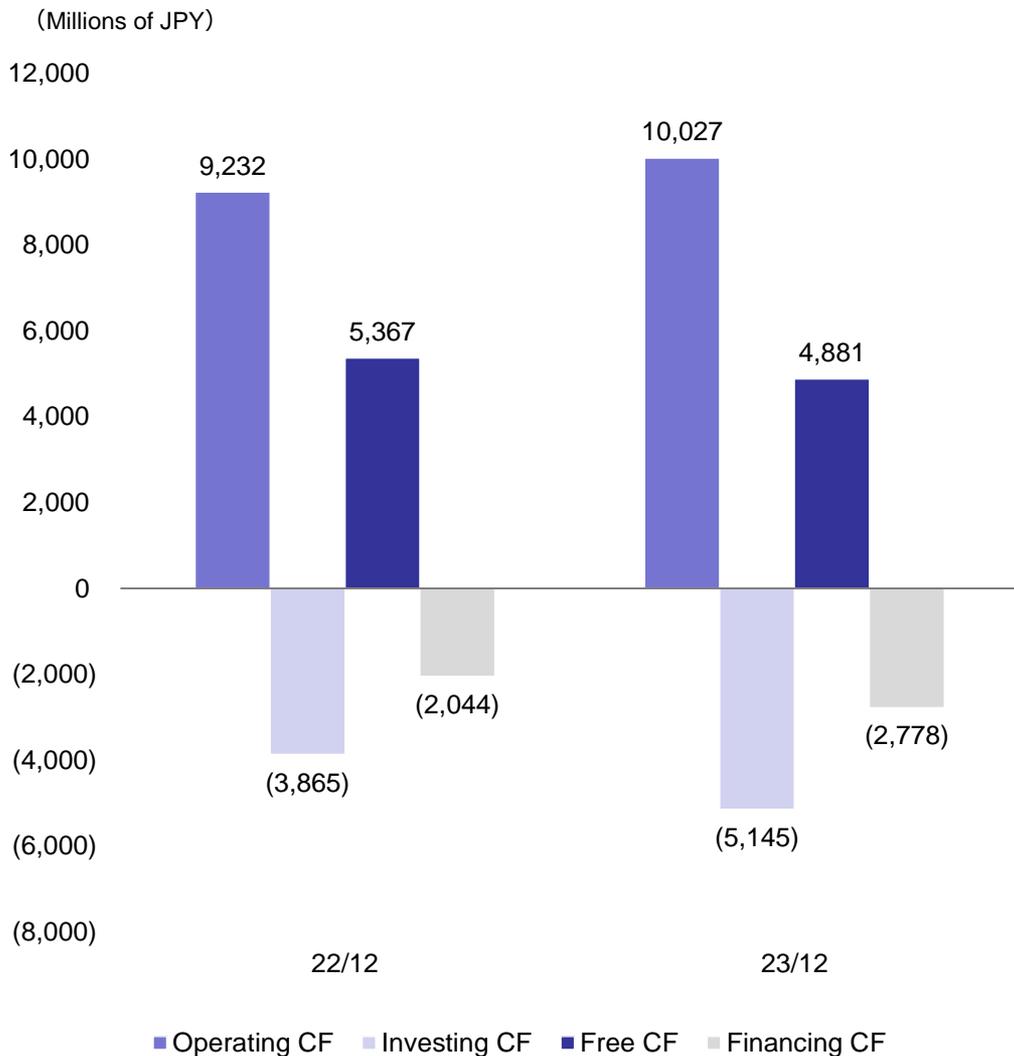


## R&D Expenses

(Millions of JPY)



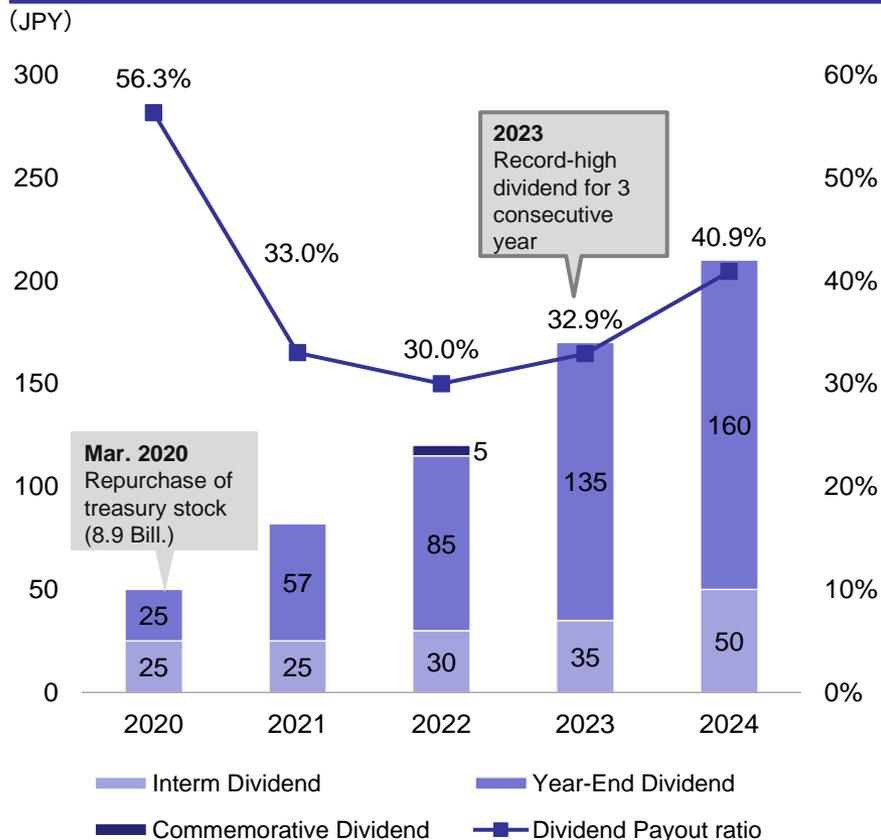
# V - 3 . Cash Flow



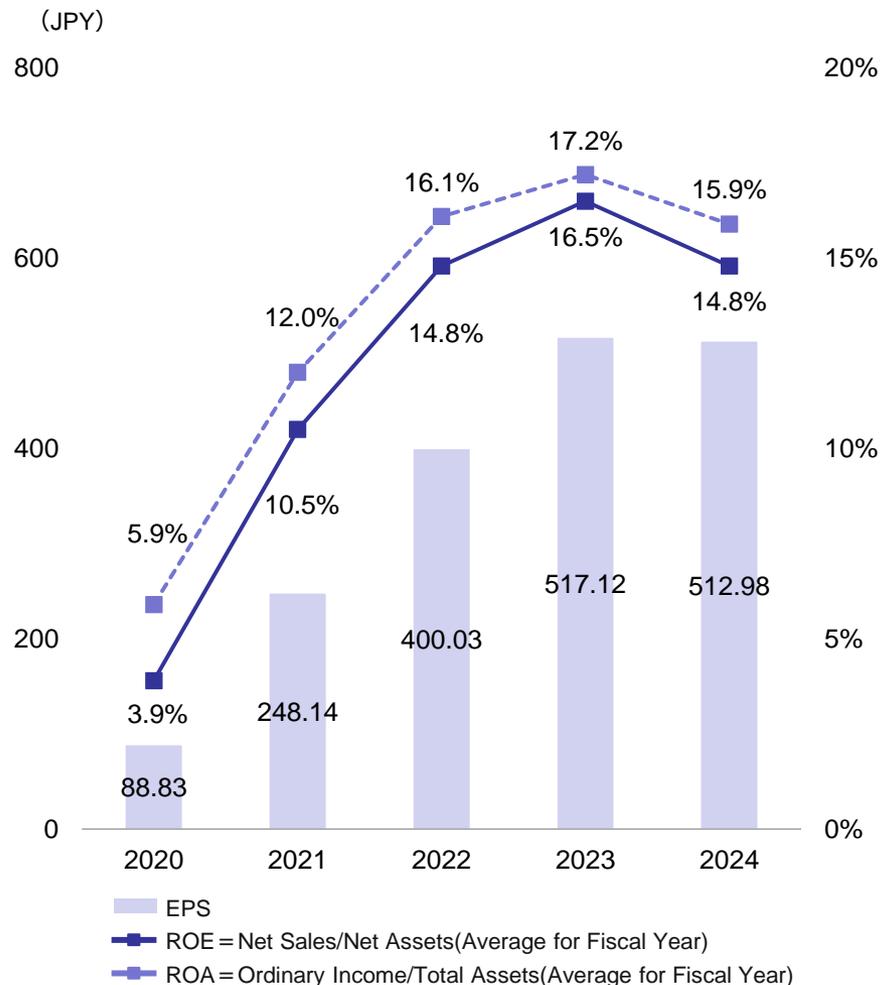
|  | 22/12        | 23/12        |
|--|--------------|--------------|
| Operating Activities CF                      | 9,232        | 10,027       |
| Investing Activities CF                      | (3,865)      | (5,145)      |
| <b>Free CF</b>                               | <b>5,367</b> | <b>4,881</b> |
| Financing Activities CF                      | (2,044)      | (2,778)      |
| Cash & Cash Equivalents at the End of Period | 29,948       | 32,640       |

# V - 4 . Cash Dividends Outlook & Key Performance Indicators

## Cash Dividends



## Key Performance Indicators



## Shareholder Return Strategy

- ◆ Target dividend payout ratio of **approx. 40%**  
(Set a minimum **annual dividend of ¥100**)
- ◆ Aim for a **total return ratio of approx. 60%**  
Conduct flexible repurchase of treasury stock

# V-5. Foreign exchange impact

## Actual 2023

|         | 2022   | 2023   | Impact (Millions of JPY) |                  |
|---------|--------|--------|--------------------------|------------------|
|         |        |        | Net Sales                | Operating Income |
| USD/JPY | 131.63 | 140.68 | 2,160                    | (190)            |
| EUR/JPY | 138.19 | 152.17 | 780                      | 650              |
| Others  | -      | -      | 230                      | 180              |
| Total   | -      | -      | 3,170                    | 640              |

(Foreign exchange impact on previous year results)

## Forecast 2024

|         | Exchange rate assumption<br>2024 | Impact of ¥1 appreciation (Millions of JPY) |                  |
|---------|----------------------------------|---|------------------|
|         |                                  | Net Sales                                   | Operating Income |
| USD/JPY | 140.00                           | (320)                                       | (40)             |
| EUR/JPY | 152.00                           | (70)  | (60)             |



# Disclaimer

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