



TAMRON

Focus on the Future

2nd Quarter 2025 Financial Results

August 7, 2025

Tamron Co., Ltd. (Code: 7740)

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I. 1st Half FY2025 Financial Results



I - 1 . 1st Half FY2025 Summary

Environment

Economy

- ◆ Along with sustained geopolitical risks, U.S. tariff policies are causing greater confusion and heightened uncertainty about the future.
- ◆ Compared to the previous year, the JPY has appreciated by 4 yen against the USD and by 2 yen against the EUR.
- ◆ Continuing higher material costs and rising labor expenses due to inflation.

Market

- ◆ The market for interchangeable lens cameras grew in both quantity and value, driven by steady demand for mirrorless cameras.
- ◆ The interchangeable lens market grew in quantity but declined in value as a reaction to high growth in the previous year.
- ◆ While the surveillance market has transitioned to steady growth following inventory adjustments, the FA market continues to face inventory adjustments.
- ◆ The automotive camera market grows continually due to the advancements in Advanced Driving Assistance System (ADAS).

Company's Results

- ◆ **Compared to the previous year: Sales and Profits declined due to lower revenue in photographic products following decline in the interchangeable lens market and the negative impact of yen appreciation.**
 - Net Sales: Revenue in Surveillance & FA lenses, Mobility & Healthcare, Other segments have remained almost the same level as last year, while sales of photographic products saw a reactionary drop in revenue following its high-growth phase of the previous year.
 - Operating Income: Lower revenue, negative exchange rate impacts, and increased SG&A expenses from strengthened R&D efforts led to a decline in Operating Income.
- ◆ **Compared to the Forecast: Achieved both sales and profits targets due to efforts focused on cost reduction and controlling SG&A expenses along with weaker yen compared to the assumed rate.**
 - While the initial plan projected lower sales and profits across all segments in the 1st half, the Surveillance & FA lenses, Mobility & Healthcare, Other segments achieved higher sales and profits when excluding foreign exchange effects.

Topics

- ◆ Jan.: **The Vietnam 2nd factory** started operations
- ◆ Feb.: **Repurchased treasury shares of ¥4 billion** (double the ¥2 billion in 2024)
- ◆ Apr.: **Established a partnership structure with “mapry” and took equity stake**
- ◆ May: **Cancelled 3.3 million treasury stocks (7.17% of issued shares before the cancellation)**
- ◆ Jul.: **Conducted a 4-for-1 stock splits** of shares of common stock
- ◆ Jul.-Aug.: Launched **the 2nd-generation “G2” Ultra Wide-Angle Zoom Lens (Model:A064) for Sony E mount and for Nikon Z mount**
- ◆ Aug.-Sep.: Launched **our 1st all-in-one zoom lens (Model: B061) for Canon RF mount and for Nikon Z mount**

I - 2 . 1st Half FY2025 Financial Results

Compared to the previous year:

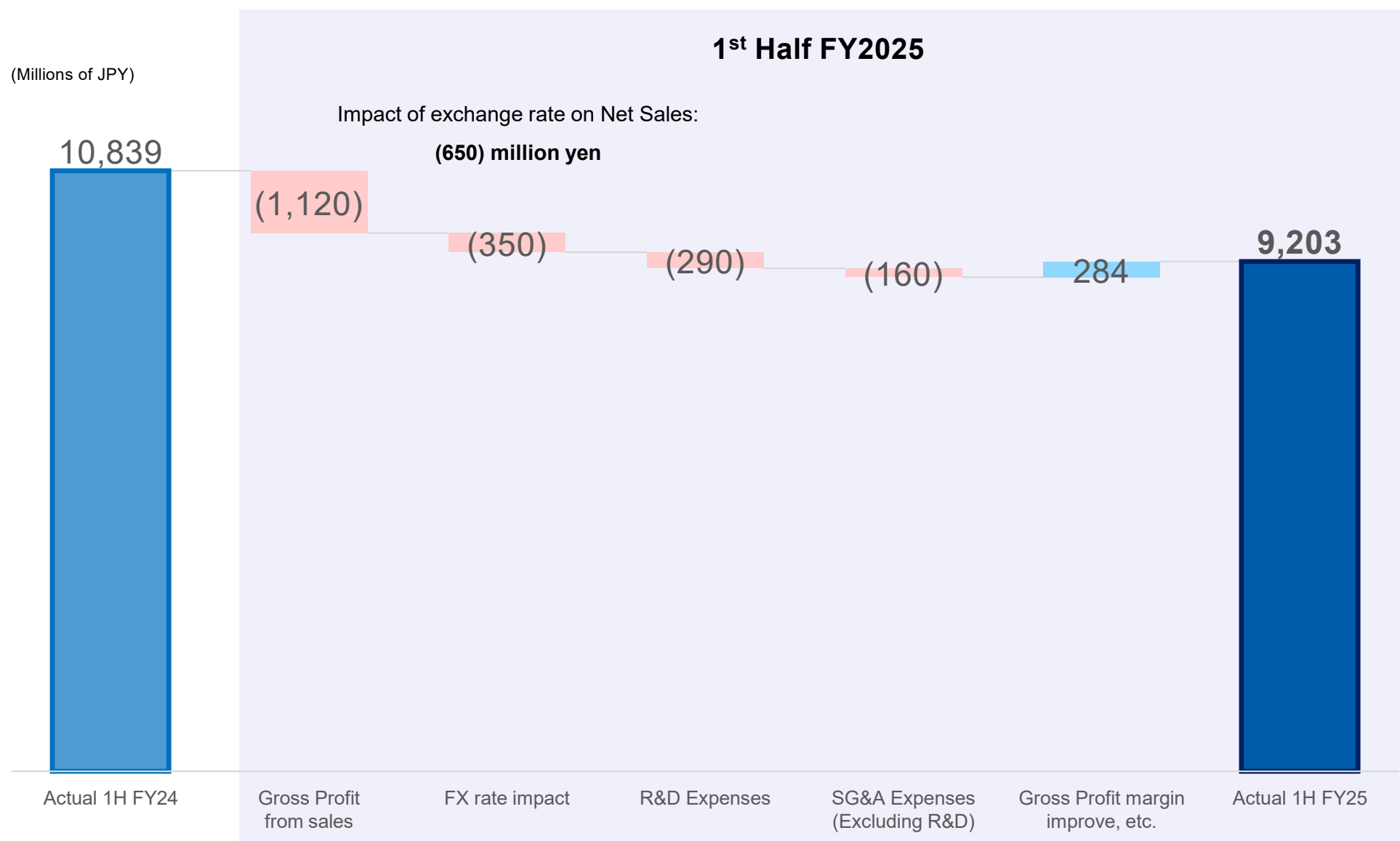
- ◆ Negative impact of exchange rate due to yen appreciation:
Net Sales: 650 million yen decreased
Operating Income: 350 million yen decreased
- ◆ The main photographic products segment saw a revenue drop as a reaction to last year's strong growth, leading to an overall decline in revenue. When excluding currency effects, this segment experienced a decrease of about 2.6 billion yen.
- ◆ Gross profit margin has improved due to material cost control and cost reduction (an improvement of +0.7pt excluding foreign exchange effects).

Compared to the forecast:

- ◆ **Net Sales targets were achieved, and profits outperformed by around 10%, securing a high Operating Income Margin of over 22%.**

(millions of JPY)	1H FY24 Actual	1H FY25 Forecast	1H FY25 Actual	Change (vs. 1H FY24 Actual)		Change (vs. 1H FY25 Forecast)	
				Amount	%	Amount	%
Net Sales	44,853	41,200	41,714	(3,138)	(7.0)%	514	1.2%
Gross Profit	20,205	-	18,917	(1,287)	(6.4)%	-	-
(% of Sales)	45.0%	-	45.3%	0.3%	-	-	-
SG&A Expenses	9,365	-	9,714	348	3.7%	-	-
Operating Income	10,839	8,400	9,203	(1,636)	(15.1)%	803	9.6%
(% of Sales)	24.2%	20.4%	22.1%	(2.1)%	-	1.7%	-
Ordinary Income	10,954	8,400	9,270	(1,684)	(15.4)%	870	10.4%
(% of Sales)	24.4%	20.4%	22.2%	(2.2)%	-	1.8%	-
Net Income	8,038	6,220	6,881	(1,157)	(14.4)%	661	10.6%
(% of Sales)	17.9%	15.1%	16.5%	(1.4)%	-	1.4%	-
JPY – 1 USD	152.37	144.00	148.43	(3.94)	-	4.43	-
JPY – 1 EUR	164.75	156.50	162.31	(2.44)	-	5.81	-

I - 3 . Factors Affecting Operating Income Variability



I - 4 . 1st Half FY2025 Results by Segment

① Photographic Products

- ◆ Own-Brand products: Despite growth in Japan and India, sales declined due to a slow recovery in Europe and the U.S., as well as a reactionary decline in China following its high-growth phase in 1st half of 2024.
- ◆ OEM products: Sales decreased, impacted by contraction of interchangeable lenses market and lower requirements for certain ordered models.
- ◆ Although the gross margin improved, Operating Income declined due to lower sales, higher SG&A expenses, and adverse foreign exchange impacts.

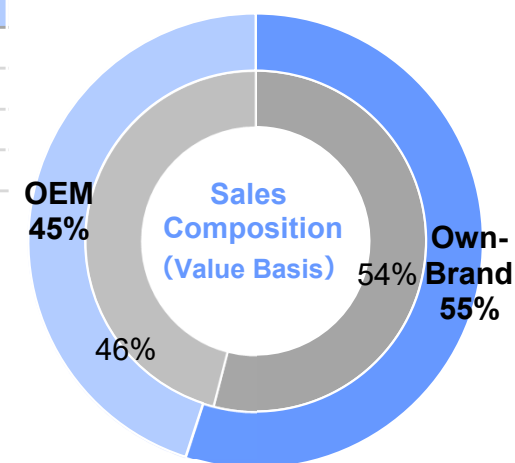
	1H FY24 Actual	1H FY25 Forecast	1H FY25 Actual	Change (vs. 1H FY24 Actual)		FX Impact (vs. 1H FY24)	Change (vs. 1H FY25 FC)	
				Amount	%		Amount	%
(Millions of JPY)								
Net Sales	33,097	30,200	29,982	(3,114)	(9.4)%	(530)	(217)	(0.7)%
Operating Income	9,979	8,700	8,403	(1,576)	(15.8)%	(320)	(296)	(3.4)%
(% Sales)	30.2%	28.8%	28.0%	(2.2)%	-	-	(0.8)%	-

Sales Breakdown

		1H FY24 Actual	1H FY25 Forecast	1H FY25 Actual	Change (vs. 1H FY24 Actual)		Change (vs. 1H FY25 FC)	
					Amount	%	Amount	%
Amount (Bns of JPY)	Own-Brand	18.0	17.7	16.5	(1.5)	(8.2)%	(1.2)	(6.9)%
	OEM	15.1	12.5	13.5	(1.6)	(10.8)%	1.0	8.0%
Quantity (10K units)	Own-Brand	23	24	23	0	0.5%	(1)	(4.3)%
	OEM	45	39	42	(3)	(5.7)%	3	8.6%

1H FY25 Market Environment (vs 1H FY24)

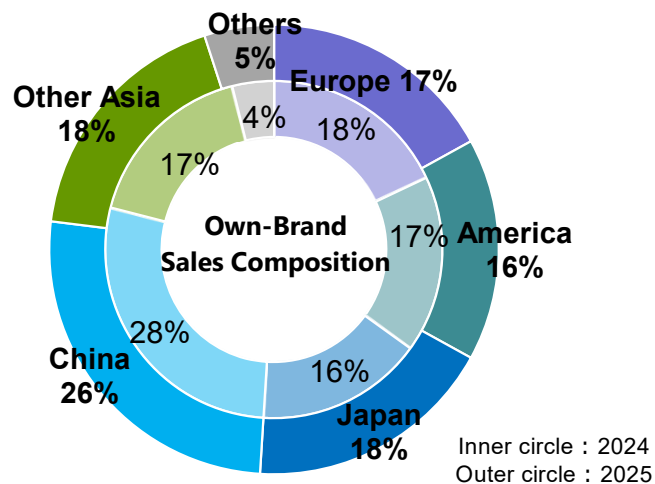
	Quantity	Amount
SLR cameras	(22)%	(24)%
Mirrorless cameras	23%	12%
Interchangeable lens cameras total	16%	10%
Interchangeable lenses	5%	(2)%



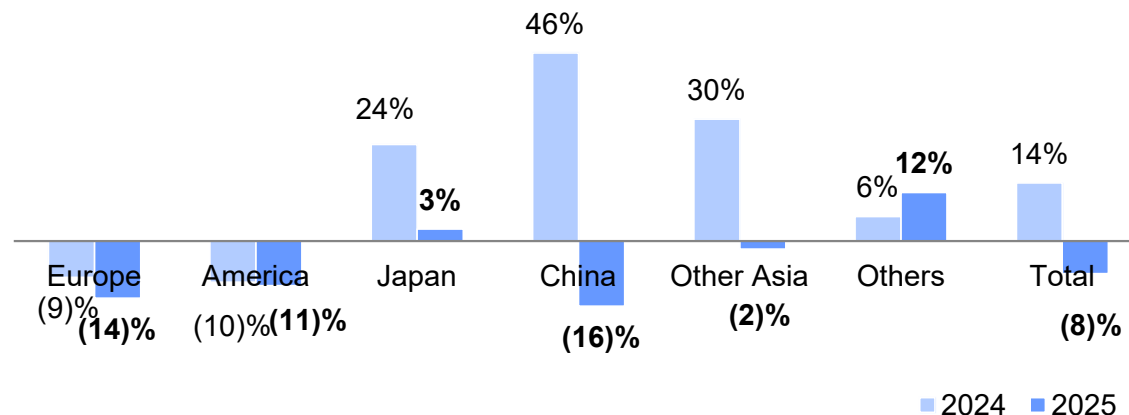
Inner circle: 1H FY24
Outer circle: 1H FY25

① Photographic Products (Own-Brand)

Sales Composition by Base
(Value Basis · 1H YoY)



Sales Growth Rate by Base
(JPY Rate Basis · 1H YoY)



Market Environment (From Jan. to Jun.)

Rate of Market Share of interchangeable lenses

(Value Basis · YoY)		2024	2025
Europe		21%	22%
America		23%	26%
Japan		11%	10%
China		26%	23%
Other Asia		14%	14%
Others		5%	5%
Total		100%	100%

Sales Growth Rate of Market Share of interchangeable lenses

(Value Basis · YoY)		2024	2025
Europe		7%	5%
America		18%	11%
Japan		23%	(15)%
China		57%	(15)%
Other Asia		29%	(2)%
Others		26%	10%
Total		26%	(2)%

I - 4 . 1st Half FY2025 Results by Segment

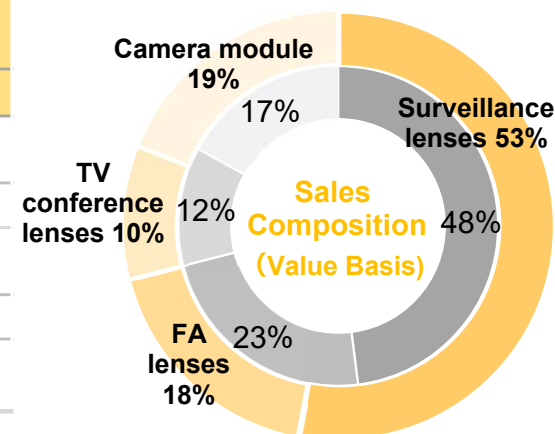
② Surveillance & FA Lenses

- ◆ Surveillance lenses and camera module: **Sales increased by double digits**, driven by stable growth in the market growth fueled by rising demand for high definition and high resolution, as well as the diversification of applications.
- ◆ FA/ machine vision lenses: Sales decreased, affected by customer inventory adjustments.
- ◆ TV conference lenses: Sales decreased due to weak market demand.
- ◆ Despite higher SG&A expenses, improved gross profit margins led to **Double-digit Operating Income growth**, with the **Operating Income Margin exceeding 15%**.

	1H FY24 Actual	1H FY25 Forecast	1H FY25 Actual	Change (vs. 1H FY24 Actual)		FX Impact (vs. 1H FY24)	Change (vs. 1H FY25 FC)	
				Amount	%		Amount	%
(Millions of JPY)								
Net Sales	6,011	5,500	5,976	(35)	(0.6)%	(70)	476	8.7%
Operating Income	866	500	929	63	7.3%	(0)	429	85.8%
(% Sales)	14.4%	9.1%	15.5%	1.1%	-	-	6.4%	-

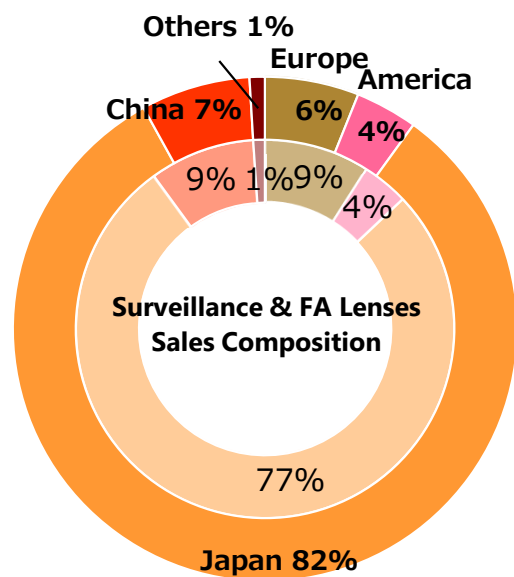
Sales Breakdown

		1H FY24 Actual	1H FY25 Forecast	1H FY25 Actual	Change (vs. 1H FY24 Actual)		Change (vs. 1H FY25 FC)	
					Amount	%	Amount	%
Amount (Bns of JPY)	Surveillance lenses	2.9	2.7	3.2	0.3	10.1%	0.5	17.0%
	FA lenses, etc.	1.4	1.2	1.1	(0.3)	(22.5)%	(0.1)	(11.4)%
	TV conference lenses	0.7	0.2	0.6	(0.1)	(22.5)%	0.4	194.2%
	Camera module	1.0	1.4	1.1	0.1	15.3%	(0.3)	(16.8)%
Quantity (10K units)	Total	52	55	59	7	12.5%	4	6.3%



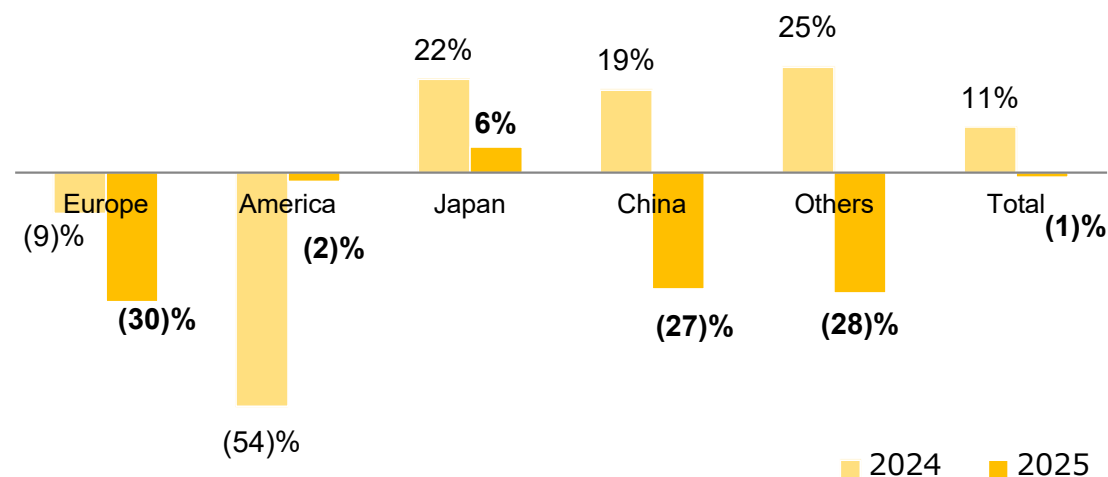
② Surveillance & FA Lenses

Sales Composition by Base
(Value Basis · 1H YoY)



Inner circle : 2024
Outer circle : 2025

Sales Growth Rate by Base
(JPY Rate Basis · 1H YoY)



I - 4 . 1st Half FY2025 Results by Segment

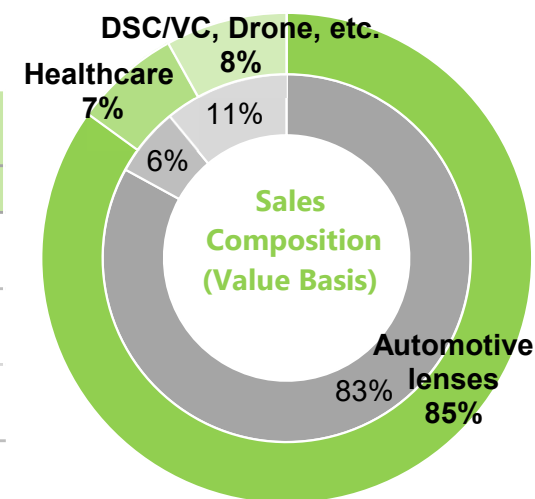
③ Mobility & Healthcare, Others

- ◆ Automotive lenses: Sales continued to grow, mainly for sensing applications, supported by strong demand driven by the widespread adoption of Advanced Driving Assistance System (ADAS).
- ◆ Healthcare components in the cultivation field **increased by double-digit** due to the increased lineup.
- ◆ Although Operating Income slightly decreased due to higher SG&A expenses associated with strengthened R&D for new business development but increased on a currency-neutral basis.

(Millions of JPY)	1H FY24 Actual	1H FY25 Forecast	1H FY25 Actual	Change (vs. 1H FY24 Actual)		FX Impact (vs. 1H FY24)	Change (vs. 1H FY25 FC)	
				Amount	%		Amount	%
Net Sales	5,744	5,500	5,755	11	0.2%	(50)	255	4.6%
Operating Income	1,359	650	1,342	(17)	(1.3)%	(30)	692	106.5%
(% Sales)	23.7%	11.8%	23.3%	(0.4)%	-	-	11.5%	-

Sales Breakdown

		1H FY24 Actual	1H FY25 Forecast	1H FY25 Actual	Change (vs. 1H FY24 Actual)		Change (vs. 1H FY25 FC)	
					Amount	%	Amount	%
(Bns of JPY)	Automotive lenses	4.8	5.0	4.9	0.1	2.2%	(0.1)	(2.1)%
	Healthcare components	0.3	0.2	0.4	0.1	28.8%	0.2	106.5%
	DSC/VC, Drone, etc.	0.6	0.3	0.5	(0.2)	(29.5)%	0.2	48.7%



Inner circle: 1H FY24
Outer circle: 1H FY25

I -5. Quarterly performance trends by segment

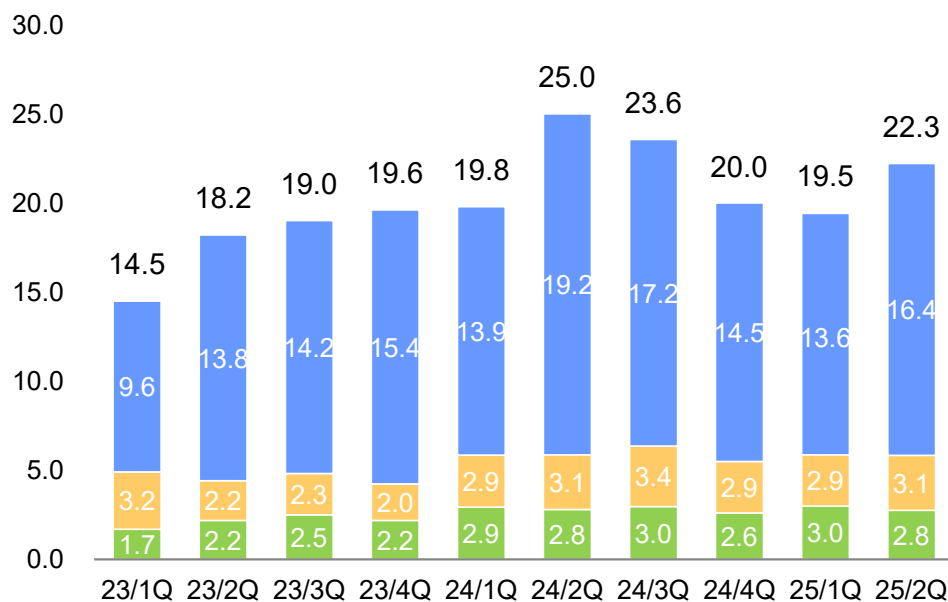
Summary of revenue and operating income by segment

(Millions of JPY)

		1Q FY24	YoY (%)	2Q FY24	YoY (%)	3Q FY24	YoY (%)	4Q FY24	YoY (%)	1Q FY25	YoY (%)	2Q FY25	YoY (%)	QoQ (%)
Photographic Products	Net Sales	13,944	45.0	19,152	38.7	17,228	21.3	14,510	(5.8)	13,569	(2.7)	16,413	(14.3)	21.0
	Operating Income	4,019	50.8	5,959	55.2	5,263	33.3	2,868	(19.3)	3,803	(5.4)	4,599	(22.8)	20.9
Surveillance & FA Lenses	Net Sales	2,939	(8.6)	3,072	38.6	3,403	47.2	2,899	42.0	2,878	(2.1)	3,098	0.8	7.6
	Operating Income	428	48.4	437	52.6	578	462.2	121	222.6	409	(4.5)	520	18.9	27.1
Mobility & Healthcare Products, Others	Net Sales	2,935	73.6	2,809	27.5	2,970	18.3	2,609	18.5	3,003	2.3	2,751	(2.0)	(8.4)
	Operating Income	729	156.3	630	63.8	745	46.8	371	18.0	729	0.0	613	(2.8)	(15.9)
Consolidated Financial Results	Net Sales	19,819	36.5	25,034	37.3	23,602	24.0	20,019	1.9	19,451	(1.9)	22,263	(11.1)	14.5
	Operating Income	4,547	72.9	6,292	63.6	5,892	59.1	2,469	(27.9)	4,235	(6.9)	4,967	(21.1)	17.3

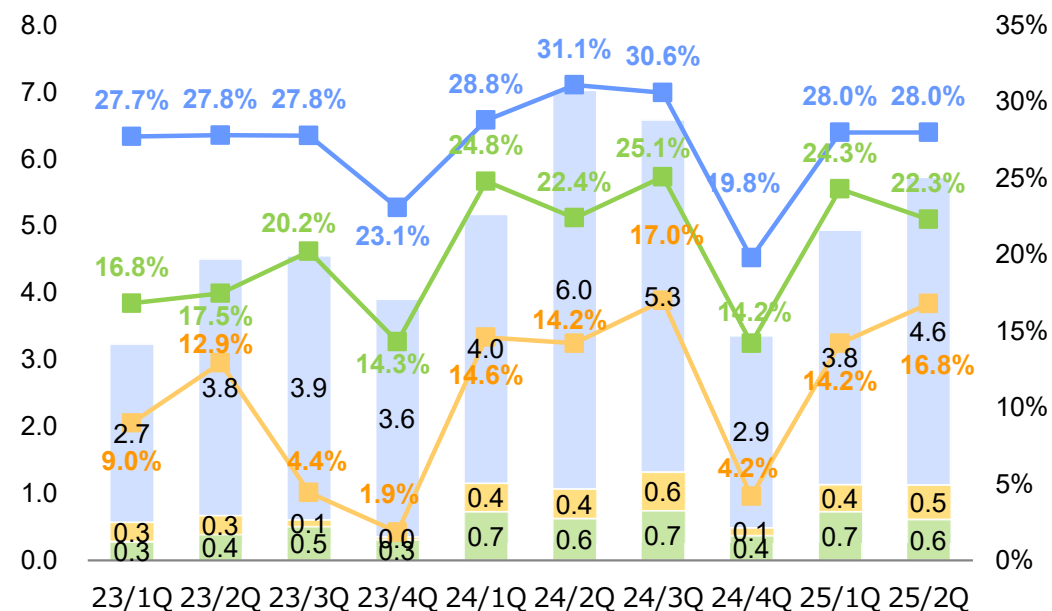
Net Sales

(Billions of JPY)



Operating Income/ Operating Income ratio

(Billions of JPY)





II. Financial Forecast FY2025

II -1. Impact of US tariffs

Production Strategy: Strengthen the global tripolar (Japan, China, Vietnam) production system with starting operation of Vietnam 2nd Factory

- ◆ Expand production capacity
- ◆ Strengthen risk management & stable supply system (risks: geopolitical risks, tariff risks, etc.)
- ◆ Strengthen cost response capabilities

Early establishment of a manufacturing system that can respond to long-term vision "Net sales 100 billion yen"

① Tamron Group's
production capacity

**Increase by 1.2 times
compared to current**

② Production ratio
(value basis)

	Current	2028
Vietnam	Approx. 25%	Approx. 45%
China	Approx. 65%	Approx. 45%
Japan	Approx. 10%	Approx. 10%

③ Parts procurement
rate from China

Current: Approx. 30%



2025~: **20% or below**

Direct impact of US tariff since Apr.

*Assumptions: Tariff increase for US products (VS 2024)

Feb to Mar: China +20%; Apr to Jul: Japan +10%, Vietnam +10%, China +30%;

Aug~: Japan +15% (Tariff rate 15%), Vietnam +20% (Tariff rate 22.3%), China +30% (Tariff rate 57.3%)

Tariff-affected business category	Sales ratio to the U.S.	Production location	Production Ratio FY 2025	Impact on operating Income FY 2025
Photographic products : Own-brand Share of total company sales: Approx. 42%	Approx. 18% of the category sales (7.5% of total company sales)	Vietnam	Approx. 60%	Approx. ¥380mn
		China	Approx. 15%	
		Japan	Approx. 25%	
Surveillance & FA Lenses : Surveillance lenses / FA lenses Share of total company sales: Approx. 10%	Approx. 4% of the category sales (0.5% of total company sales)	Vietnam	Approx. 25%	Approx. ¥20mn
		China	Approx. 70%	
		Japan	Approx. 5%	
Total	Approx. 8%			Approx. ¥400mn

The situation surrounding the tariff remains fluid, so we will continue to monitor this and consider possible measures to minimize the impact.

⇒ Although the indirect impact on the macro and sales is uncertain, we believe that the direct impact can be absorbed by further cost reduction and taking other measures as necessary.



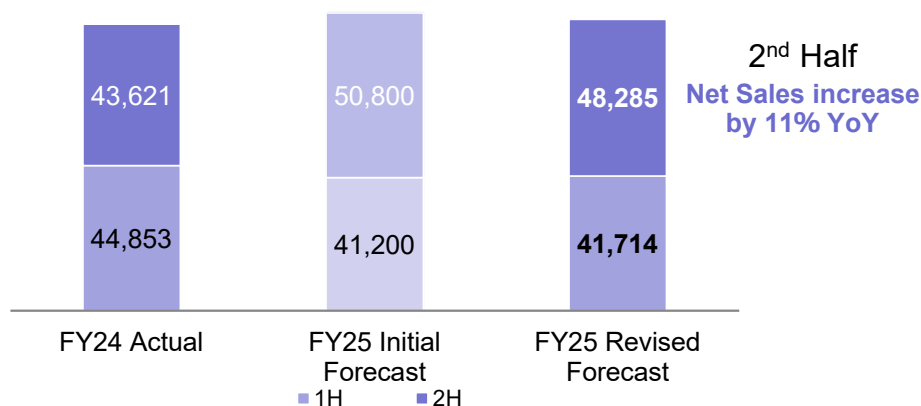
II -2. Financial Forecast FY2025

- While the 1st half outperformed the forecasts, the business environment in the 2nd half remains highly uncertain, due to unclear impact of the U.S. tariff policies and concerns over a slowdown in overseas economies.
 - The forecasts has been slightly revised downward based on the following assumptions:
 - ✓ The impact of U.S. tariffs is expected to be absorbed though cost reductions, etc.
 - ✓ The demand for some photographic is expected to decline despite sales growth in Surveillance & FA lenses segment in the 1st half.
- ⇒ **Transition to double-digit YoY growth in sales and profits in the 2nd half, leading to overall full-year growth in both sales and profits as initially planned.**

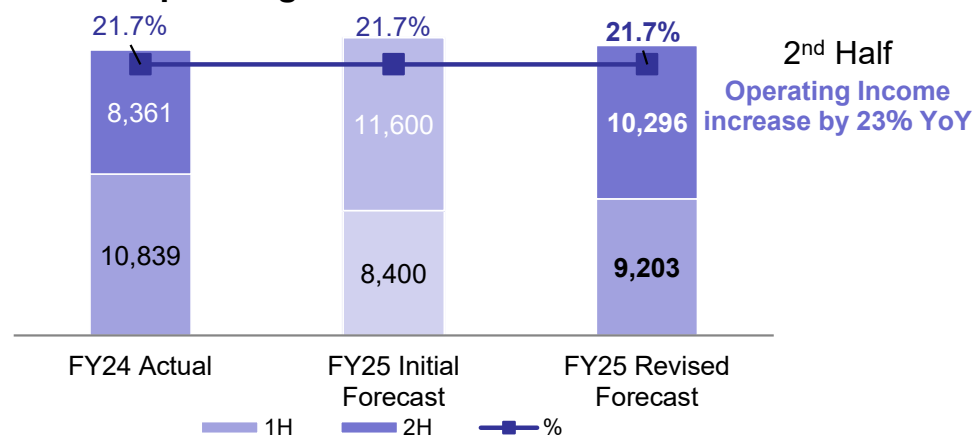
(millions of JPY)	FY24 Actual	FY25 Initial Forecast	FY25 Revised Forecast	VS. Actual 2024		VS. Initial Forecast 2025	
				Inc./Dec.	%	Inc./Dec.	%
Net Sales	88,475	92,000	90,000	1,524	1.7%	(2,000)	(2.2)%
Operating Income	19,201	20,000	19,500	298	1.6%	(500)	(2.5)%
(% of Sales)	21.7%	21.7%	21.7%	-%	-	-%	-
Ordinary Income	19,304	20,000	19,700	395	2.1%	(300)	(1.5)%
(% of Sales)	21.8%	21.7%	21.9%	0.1%	-	0.2%	-
Net Income	14,526	14,800	14,540	13	0.1%	(260)	(1.8)%
(% of Sales)	16.4%	16.1%	16.2%	(0.2)%	-	0.1%	-
USD/JPY	151.69	145.00	146.72	(4.97)	-	1.72	-
EUR/JPY	164.09	158.00	165.16	1.07	-	7.16	-

Net Sales (millions of JPY)

2H USD/JPY: 145.00
EUR/JPY: 168.00



Operating Income (millions of JPY)



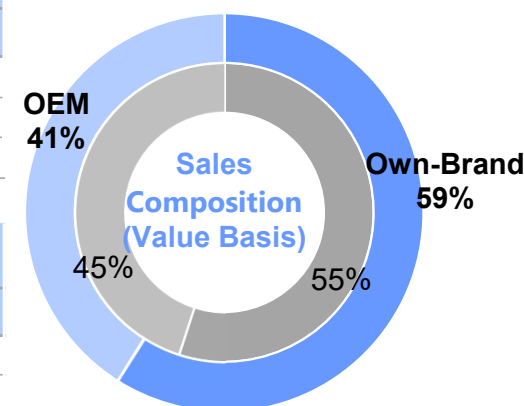
II -3. Financial Forecast FY2025 by Segment

① Photographic Products

- ◆ Own-Brand products: revenue is expected to turn to growth in Europe, the Americas, and China, **resulting in an overall increase YoY as initially planned.** With the effect of new product launches in the 2nd half,
- ◆ OEM products: While the 1st half outperformed the plan, demand for certain ordered models is expected to decrease in the 2nd half.
- ◆ With gross margin expected to rise due to an improved product mix from higher sales of own-brand products, **growth in sales and operating income, as well as an improvement in operating income on net sales, is anticipated in line with the initial plan.**

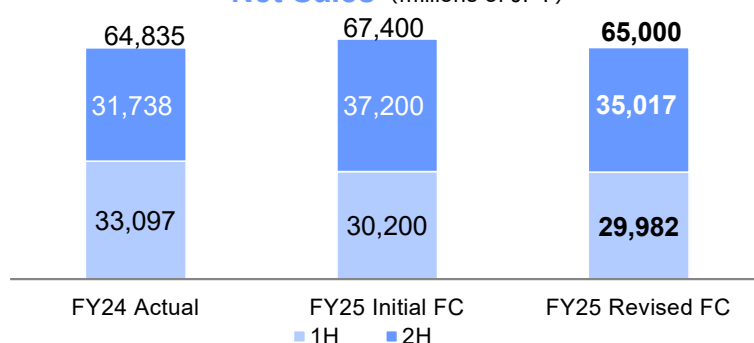
(Millions of JPY)	FY24 Actual	FY25 Initial Forecast	FY25 Revised Forecast	VS. Actual 2024		VS. Initial Forecast 2025	
				Inc./Dec.	%	Inc./Dec.	%
Net Sales	64,835	67,400	65,000	164	0.3%	(2,400)	(3.6)%
Operating Income	18,111	19,800	18,600	488	2.7%	(1,200)	(6.1)%
(% of Sales)	27.9%	29.4%	28.6%	0.7%	-	(0.8)%	-

Sales Breakdown		FY24 Actual	FY25 Initial Forecast	FY25 Revised Forecast	VS. Actual 2024		VS. Initial Forecast 2025	
					Inc./Dec.	%	Inc./Dec.	%
Amount <small>(Bil. of JPY)</small>	Own-Brand	36.0	38.4	38.4	2.4	6.8%	-	-%
	OEM	28.8	29.0	26.6	(2.2)	(7.9)%	(2.4)	(8.3)%
Quantity <small>(10K units)</small>	Own-Brand	47	51	53	6	12.8%	2	3.9%
	OEM	92	90	82	(10)	(10.6)%	(8)	(8.9)%

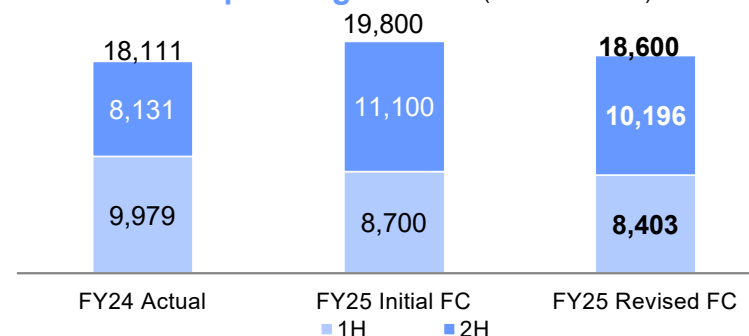


Inner circle: 2024
Outer circle: 2025

Net Sales (millions of JPY)



Operating Income (millions of JPY)





Photographic Products - New Models

Prior to FY2023: Approximately 5 new models a year ⇒ **Initial medium-term management plan: Targeting 6 to 7 new models a year**

⇒ **Achieved 7 new models launches in the first year of the plan** ⇒ **New medium-term management plan: Aiming to launch 10 new models a year by 2026**

	2023 (5 models)		2024 (7 models)			2025 (planned 6 models)	
For SONY E-mount Total: 21 models	Oct.  17-50mm F/4 VXD (A068)	Oct.  70-180mm F/2.8 VC VXD G2(A065)	Jun.  50-300mm F/4.5-6.3 VC VXD (A069)	Aug.  28-300mm F/4-7.1 VC VXD (A074)	Oct.  90mm F/2.8 VXD (F072)	Jul.  16-30mm F/2.8 VXD G2 (A064)	
For FUJIFILM X-mount Total: 4 models	May  11-20mm F/2.8 RXD (B060)						
For NIKON Z-mount Total: 8 models	Sep.  35-150mm F/2-2.8 VXD (A058)	Oct.  150-500mm F/5-6.7 VC VXD (A057)	Apr.  28-75mm F/2.8 VXD G2 (A063)	Sep.  50-400mm F/4.5-6.3 VC VXD (A067)	Oct.  90mm F/2.8 VXD (F072)	Aug.  16-30mm F/2.8 VXD G2 (A064)	Aug.  18-300mm F/3.5-6.3 VC VXD (B061)
For CANON RF-mount Total: 2 models					Dec.  11-20mm F/2.8 RXD (B060)	Sep.  18-300mm F/3.5-6.3 VC VXD (B061)	

II -3. Financial Forecast FY2025 by Segment

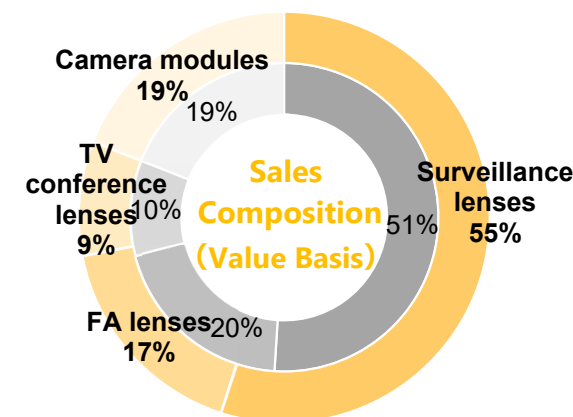
② Surveillance & FA Lenses

- ◆ Based on the strong performance in the 1st half, **both Sales and Operating Income have been revised upward.**
Initial Forecast: a slight increase in Sales and decrease in Operating Income.
⇒ **High-single-digit increase in both Sales and Operating Income, along with improved Operating Income margins.**
- ◆ Mainstay surveillance lenses: Sales are expected to **remain strong, achieving double-digit sales growth as seen in the 1st half.**
- ◆ Camera modules: Sales are expected to grow, although the launch of new models has been delayed.
- ◆ FA lenses and TV conference lenses: Despite continued inventory adjustments at customers for FA lenses and the shrinking market trend for TV conference lenses, sales are expected to remain at the same level as last year.

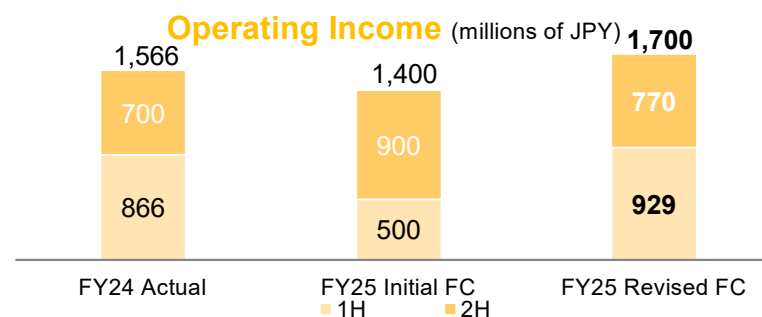
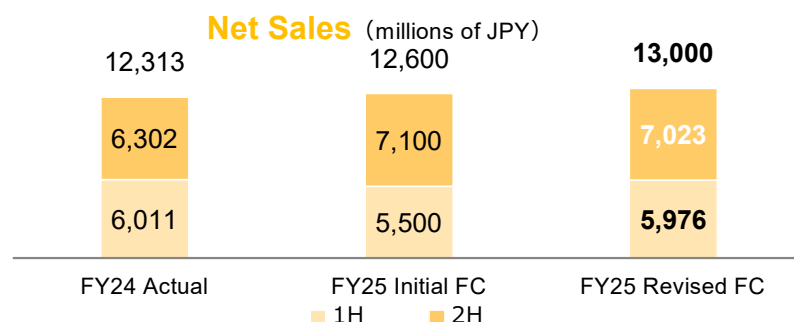
	FY24 Actual	FY25 Initial Forecast	FY25 Revised Forecast	VS. Actual 2024		VS. Initial Forecast 2025	
				Inc./Dec.	%	Inc./Dec.	%
(Millions of JPY)							
Net Sales	12,313	12,600	13,000	686	5.6%	400	3.2%
Operating Income	1,566	1,400	1,700	133	8.5%	300	21.4%
(% of Sales)	12.7%	11.1%	13.1%	0.4%	-	2.0%	-

Sales Breakdown

		FY24 Actual	FY25 Initial Forecast	FY25 Revised Forecast	VS. Actual 2024		VS. Initial Forecast 2025	
					Inc./Dec.	%	Inc./Dec.	%
Amount (Bil. of JPY)	Surveillance lenses	6.3	6.8	7.1	0.8	12.4%	0.3	4.4%
	FA lenses, etc.	2.4	2.4	2.2	(0.2)	(8.8)%	(0.2)	(8.3)%
	TV conference lenses	1.2	0.5	1.2	0.0	1.2%	0.7	140.0%
	Camera module	2.4	2.9	2.5	0.1	4.1%	(0.4)	(13.8)%
Quantity (10K units)	Total	115	135	133	18	15.9%	(2)	(1.5)%



Inner circle : 2024
Outer circle : 2025



II -3. Financial Forecast FY2025 by Segment

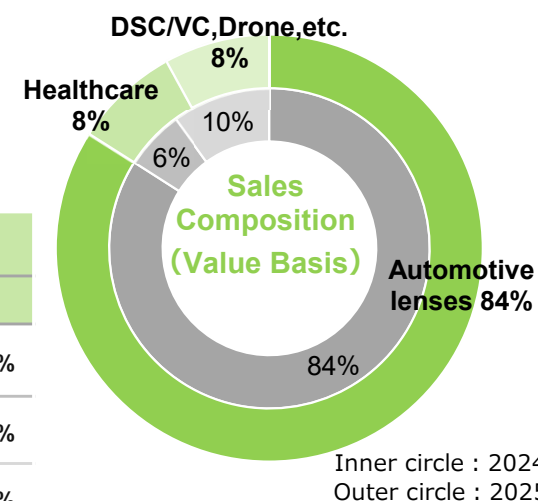
③ Mobility & Healthcare Products, Others

- ◆ Automotive lenses: Despite the downturn in the Chinese market, revenue is projected to continue increasing, **with the business targeting ¥10 billion in annual sales.**
- ◆ Healthcare components: Sales are projected to significantly exceed the initial forecast, **with steady growth expected to result in a YoY increase of approximately 1.5 times, with the goal of becoming a ¥1 billion business.**
- ◆ Although Operating Income expected to decline due to factors such as price reductions, adverse foreign exchange impacts, fostering the healthcare fields, and enhanced development of elemental technologies in new field, we plan to maintain a high operating income margin of over 15%.

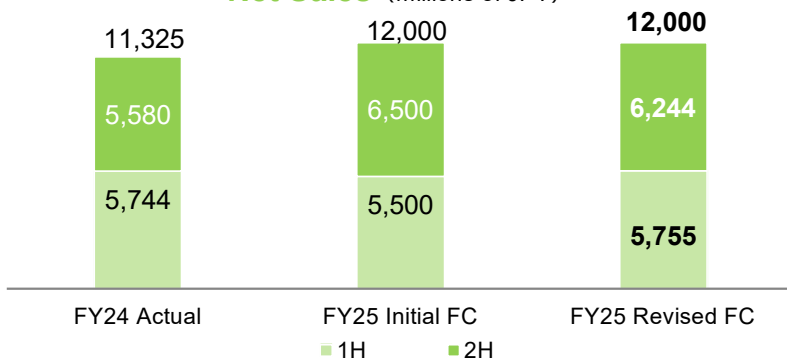
	FY24 Actual	FY25 Initial Forecast	FY25 Revised Forecast	VS. Actual 2024		VS. Initial Forecast 2025	
				Inc./Dec.	%	Inc./Dec.	%
(Millions of JPY)							
Net Sales	11,325	12,000	12,000	674	6.0%	-	-%
Operating Income	2,476	1,900	2,200	(276)	(11.2)%	300	15.8%
(% of Sales)	21.9%	15.8%	18.3%	(3.6)%	-	2.5%	-

Sales Breakdown

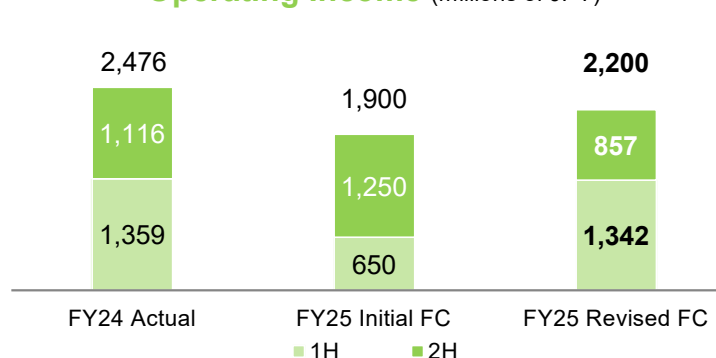
		FY24 Actual	FY25 Initial Forecast	FY25 Revised Forecast	VS. Actual 2024		VS. Initial Forecast 2025	
					Inc./Dec.	%	Inc./Dec.	%
Amount (Bil. of JPY)	Automotive lenses	9.5	10.6	10.1	0.6	6.0%	(0.5)	(4.7)%
	Healthcare components	0.67	0.7	1.0	0.3	49.1%	0.3	42.9%
	DSC/VC, Drone, etc.	1.1	0.7	0.9	(0.2)	(20.3)%	0.2	28.6%




Net Sales (millions of JPY)



Operating Income (millions of JPY)



The background of the slide features a light blue color with a pattern of overlapping hexagons and thin white lines, creating a geometric, honeycomb-like structure.

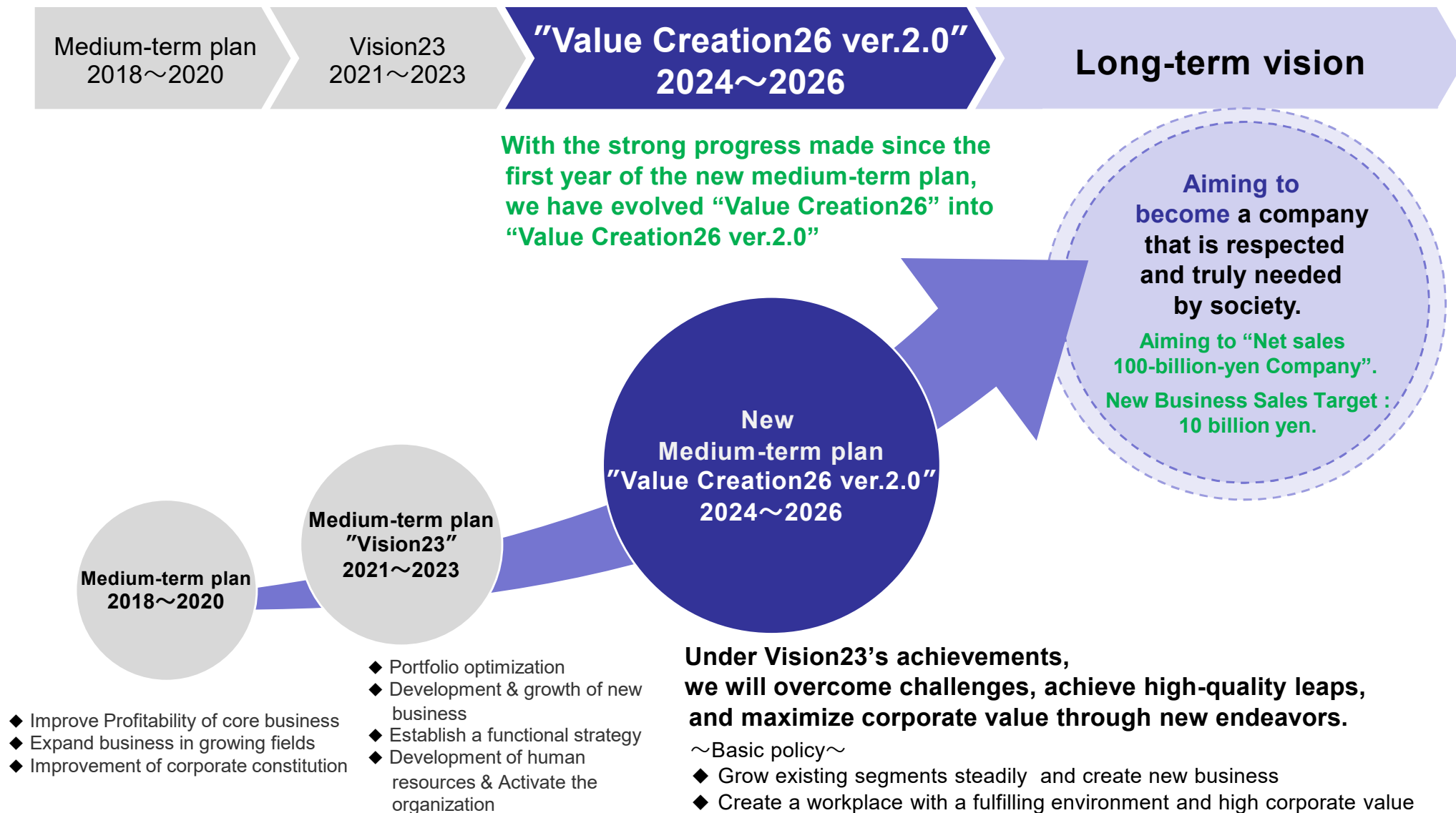
III. Medium-term management plan

“Value Creation 26 ver.2.0”

(announced in Feb. 2025)

III.-1. Positioning of the “Value Creation26 ver.2.0”

Launch of the new medium-term plan “Value Creation26”

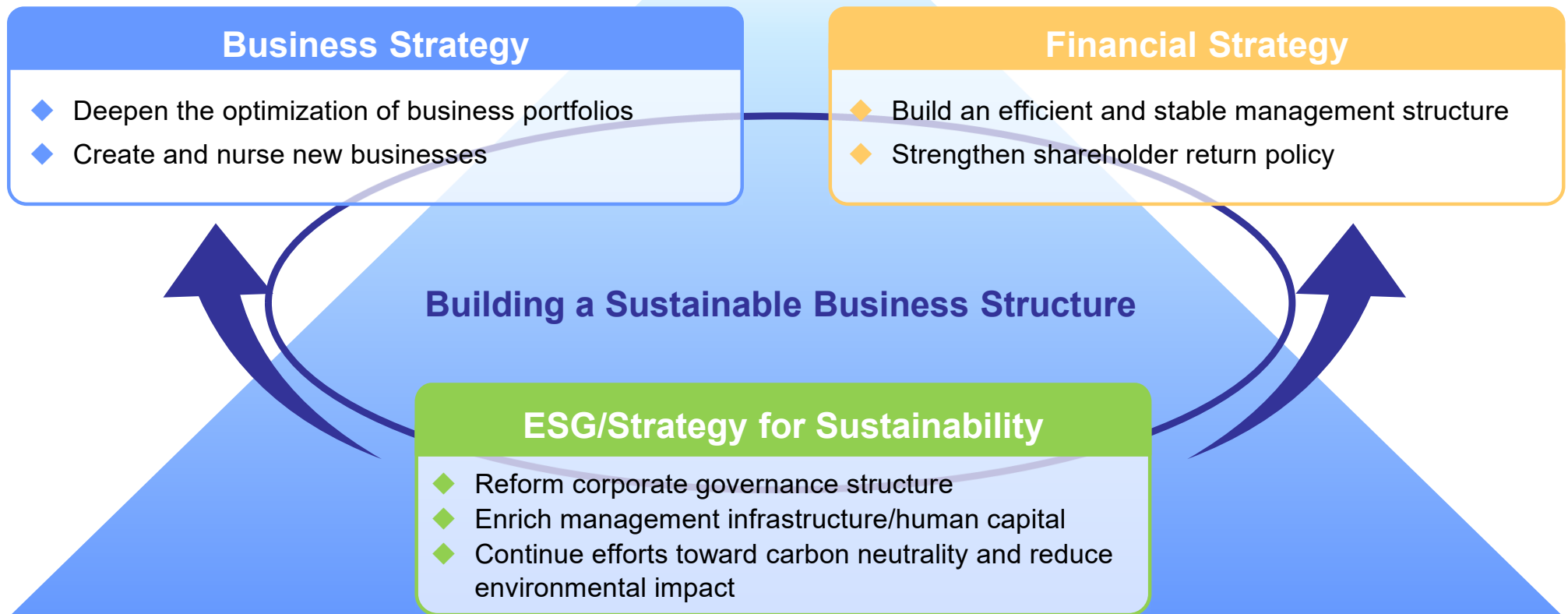


Sustainable Enhancement of Corporate Value

"Value Creation26 ver.2.0"

**We will overcome challenges, achieve high-quality leaps,
and maximize corporate value through new endeavors.**

Reaching long-term vision "Net sales 100-billion-yen Company"
in the next Medium-Term Plan





III.-2. Outline of the "Value Creation26 ver.2.0" ② Management Numerical Targets

『Value Creation26 ver.2.0』

Significant achievement of all targets in the first year of the new medium-term plan ⇒ Significant upward revision of targets

	Actual 2023	Announced in Feb. 2024 Target 2026	Upward Revision in Feb. 2025 Target ver.2.0 2026
Net Sales	¥ 71.4B.	¥ 83.0B.	¥ 95.0B.
Operating Income	¥ 13.6B.	¥ 15.3B.	¥ 20.5B.
(% Sales)	19.1%	18.4%	21.6%

	2021-2023 Average	Target 2026	Target ver.2.0 2026
EBITDA (% Sales)	21% level	More than 22%	More than 24%
ROE	13% level	More than 14%	More than 16%
Shareholder return policy	Dividend payout ratio 30% level	Total payout ratio Approx. 60%	Total payout ratio Approx. 60%

※Exchange rate
assumption

USD/JPY:140
EUR/JPY:152

USD/JPY:145
EUR/JPY:155

- ◆ Achieve growth in sales and profit while maintaining high profitability and efficiency.

FY2024 Results:

- **Record high Net sales for the first time in 10 fiscal years, reached the 80-billion-yen level** (near 90 billion yen)
- **Record-high profits for the three consecutive years, raised up to 25% compared to medium-term plan, Operating Income on Net Sales up to 20% level**

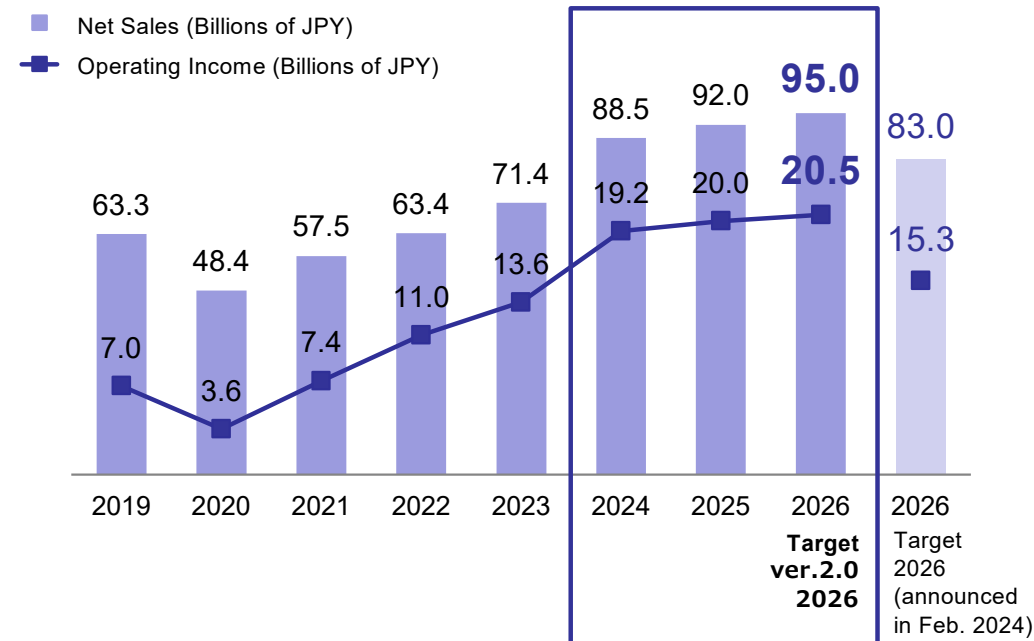
FY2026 Targets:

- Aiming to more than **1.3 times** in Net sales and **1.5 times** in Operating income compared to 2023.
- Aiming to grow business toward Net sales of **100 billion yen** and Operating income of **over 20 billion yen**.

- ◆ Create a corporate value that significantly exceeds current financial value and business scale.

※ Initial Medium-term management plan announced in Feb. 2024:

Aim for our first Net sales of 80 billion yen and Operating income of 15 billion yen or more.

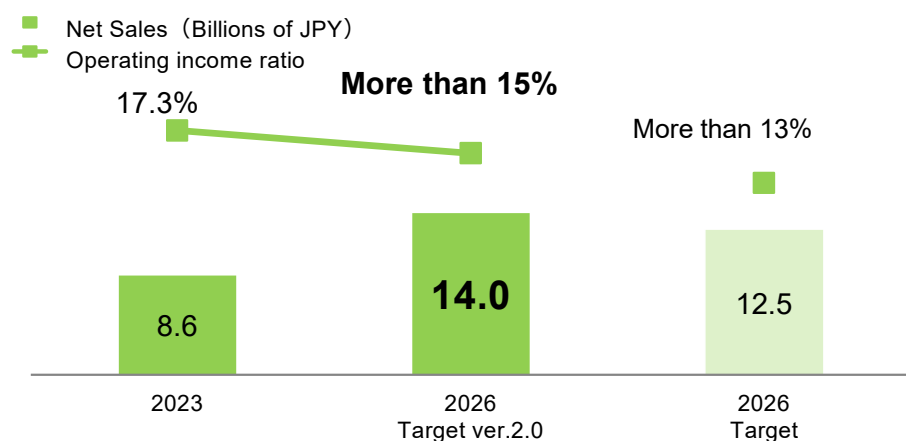
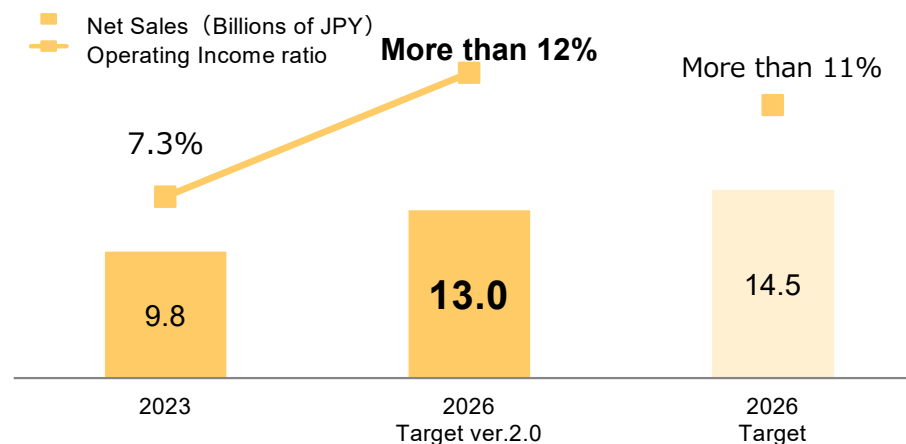
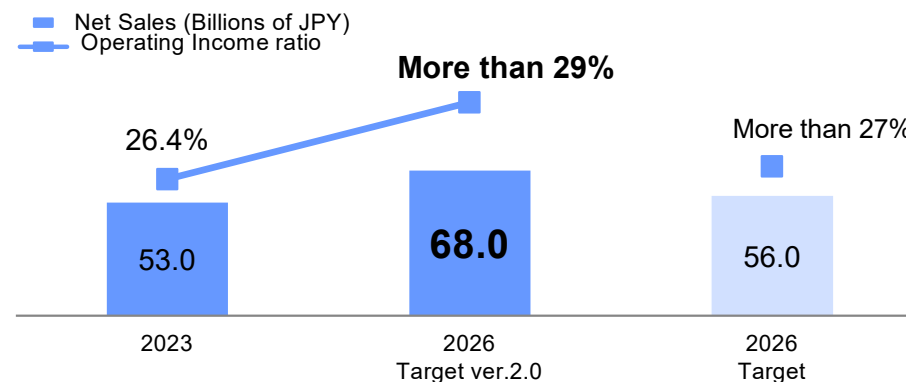


III-2. ③ Status of Management Numerical Targets by Segment

	Actual 2023	Target 2026	Target ver.2.0 2026
Net Sales	¥53.0B.	¥56.0B.	¥68.0B.
Own-brand	¥32.8B.	¥37.0B.	¥39.0B.
OEM	¥20.2B.	¥19.0B.	¥29.0B.
Operating Income	¥14.0B.	¥15.2B.	¥20.0B.
(% Sales)	26.4%	More than 27%	More than 29%

	Actual 2023	Target 2026	Target ver.2.0 2026
Net Sales	¥9.8B.	¥14.5B.	¥13.0B.
Surveillance lenses	¥5.9B.	¥7.4B.	¥7.0B.
FA lenses, Others	¥1.6B.	¥3.6B.	¥2.8B.
Camera module	¥0.8B.	¥3.5B.	¥3.2B.
TV conference lenses	¥1.5B.	-	-
Operating Income	¥0.7B.	¥1.6B.	¥1.6B.
(% Sales)	7.3%	More than 11%	More than 12%

	Actual 2023	Target 2026	Target ver.2.0 2026
Net Sales	¥8.6B.	¥12.5B.	¥14.0B.
Automotive lens	¥7.1B.	¥10.2B.	¥12.2B.
Healthcare components	¥0.4B.	¥1.4B.	¥1.1B.
DSC, VC, Drone, Others	¥1.1B.	¥0.9B.	¥0.7B.
Operating Income	¥1.5B.	¥1.7B.	¥2.2B.
(% Sales)	17.3%	More than 13%	More than 15%





Building effective management while ensuring stability

Appropriate Capital Structure

- ✓ Sustain an ROE of appx.16%
- ✓ 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 75%
 - ◆ Aim for a liquidity reserve of approx. 3 month's worth of monthly turnover

<Equity Ratio>

- The precision equipment industry has a high risk of technological innovation, and from the perspective of maintaining a financial structure that can achieve a rating of A-, a target equity ratio of around 75% is set.

<Liquidity on hand>

- As a globally expanding manufacturer, there is a need to prepare for unforeseen circumstances including geopolitical risks, and the monthly revenue for 3 months is a measure of liquidity on hand.

Enhance Shareholder Return

- ✓ Stable shareholder returns
& flexible repurchase of treasury stock
- ✓ Aiming for total return ratio of 60%
 - ◆ Set a minimum annual dividend of **80 yen**
Target dividend payout ratio of approx. **40%**
(Minimum annual dividend of 50 yen in initial Medium- Term plan increased by 1.6 times in the new plan “Ver. 2.0”)
 - ◆ Aim for a total return ratio of approx. **60%**
Conduct flexible repurchase of treasury stock

<Expansion of return ratio>

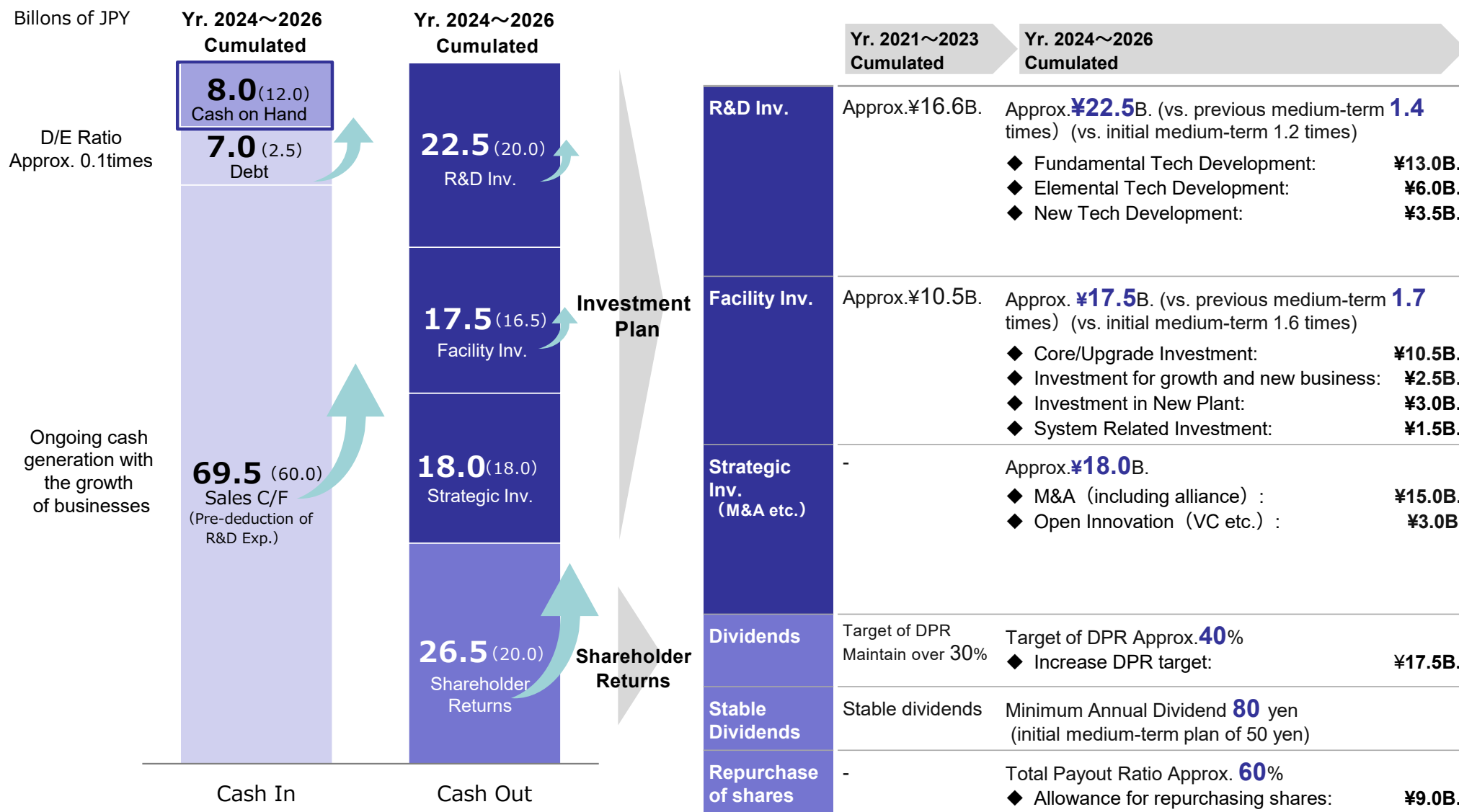
- Double increase the investment amount aimed at sustainable growth compared to the previous medium-term plan period, as well as double increase the return ratio (60% of total return ratio) with considering the targeted capital structure and cash levels, etc.
- After raising dividend payout ratio to 40%, setting the total return ratio from the viewpoint of improving the flexibility of capital policies.

<Stable dividend>

- While maintaining a high return ratio based on business performance, we also implement stable and continuous dividends within the range that can be distributed from our financial structure, even in times of sluggish business performance.
- The minimum stable dividend is set based on DOE (Dividend on Equity ratio) of 3% or more.

III.-3. Financial Strategy of the “Value Creation 26 ver.2.0” ③Cash Allocation

Compared to term of the previous medium-term management plan,
the amount of investment has set to be more than doubled, and
the return rate has also set to be doubled.



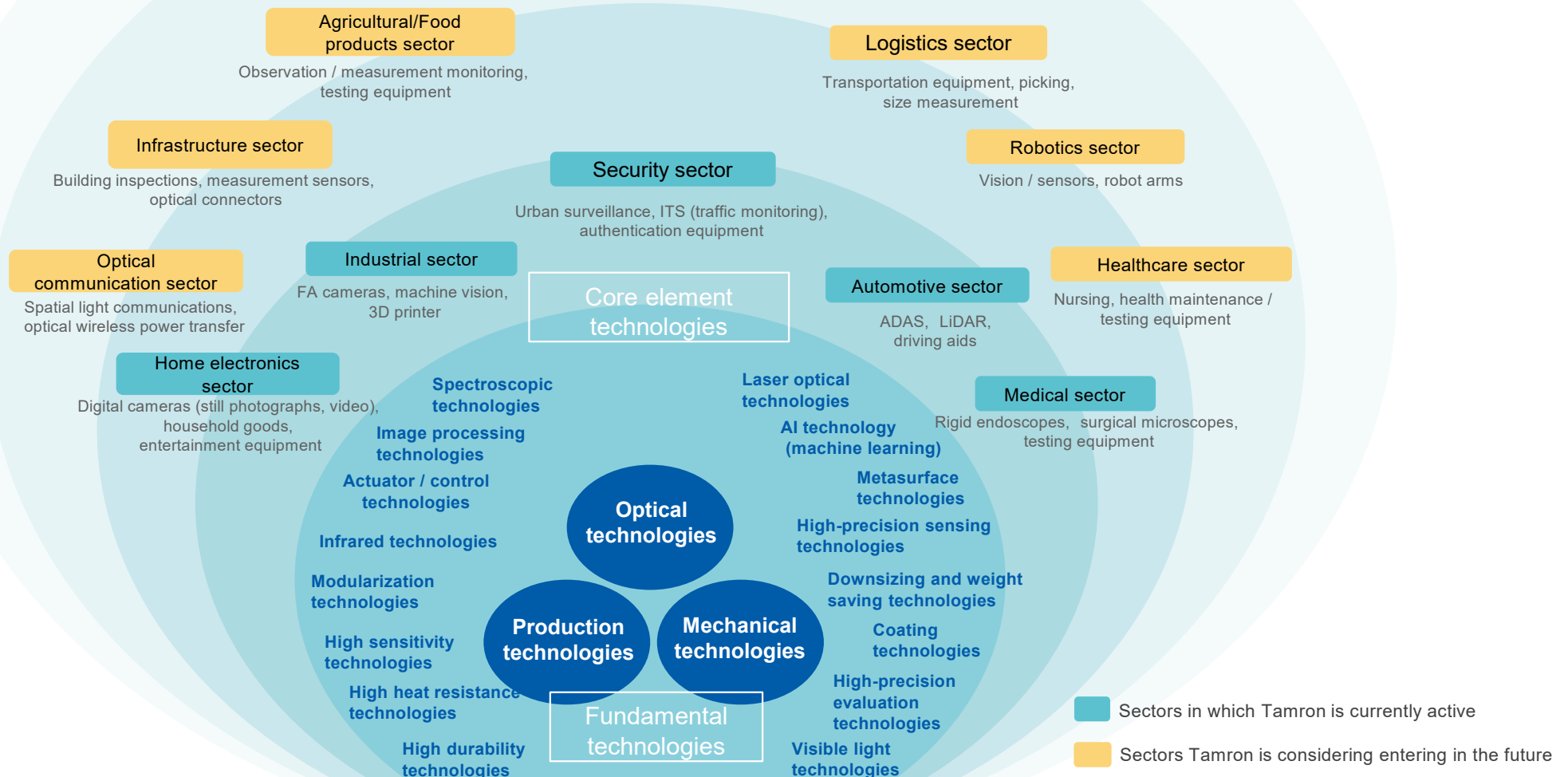
※() Figures in the initial medium-term management plan announced in Feb. 24



III.-3. Financial Strategy of the “Value Creation 26 ver2.0”

④ Strategy Investment – Technology Strategy ver.2.0

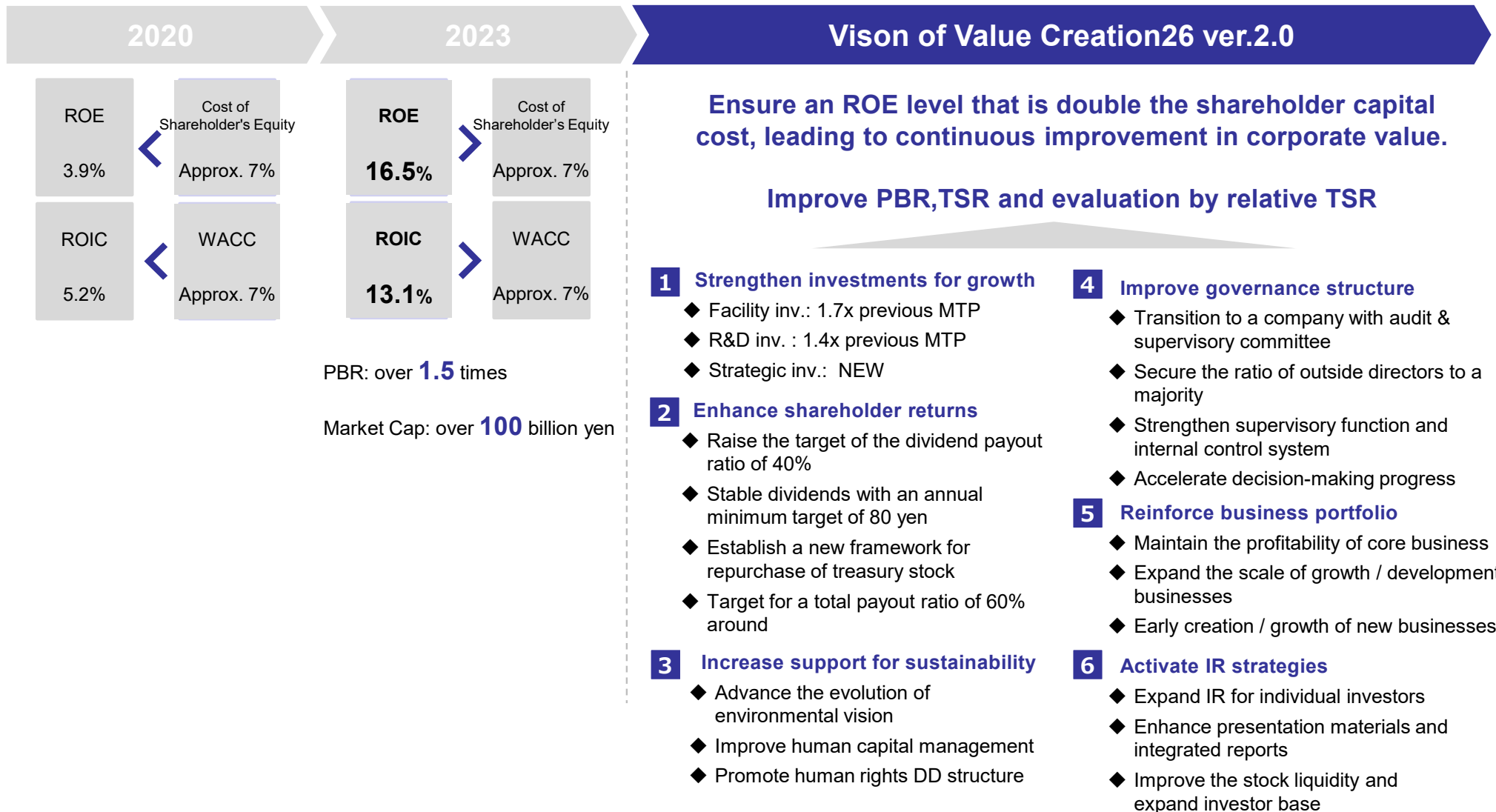
Making technologies that are next-generation solutions Tamron's technologies are evolving from imaging to measuring



III.-4. 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 16%, which is double of the cost of shareholder's equity (approx.7%)



III.-5. ESG/Sustainability Strategy of the “Value Creation26 ver.2.0”

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 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**

<Initiatives E.g.>

 - ✓ 15% reduction of CO2 in 2024 (vs2015)
 - ✓ Started introducing recycled plastic materials
 - ✓ Created businesses for Nature Positive
 - ✓ Improved CDP assessment to rating B

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**
 - ✓ Expand incentives for learning and challenge, cross-divisional achievements, and new business creation activities, etc.
 - ✓ Introduction of ESOP
 - ✓ Start using share point (internal communications tool)
 - ✓ Open in TAMRON Square (renovated to dining hall ⇒ multi-purpose space)
 - ✓ Begin engagement survey, introduction of talent management system

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**
 - ✓ Smoothly transit to a Company with an Audit & Supervisory Committee
 - ✓ Increase the ratio of outside directors to 54%
 - ✓ Addition of ESG indicators to performance assessment
 - ✓ Improve the operation and effectiveness of Nomination Committee, etc.

IV. Reference Data

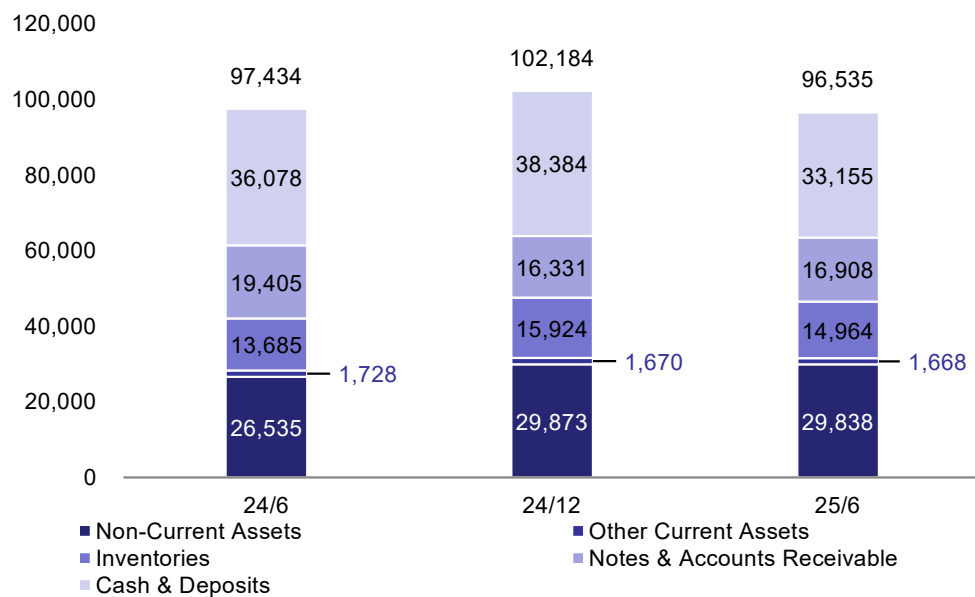




IV- 1 . Financial Summary

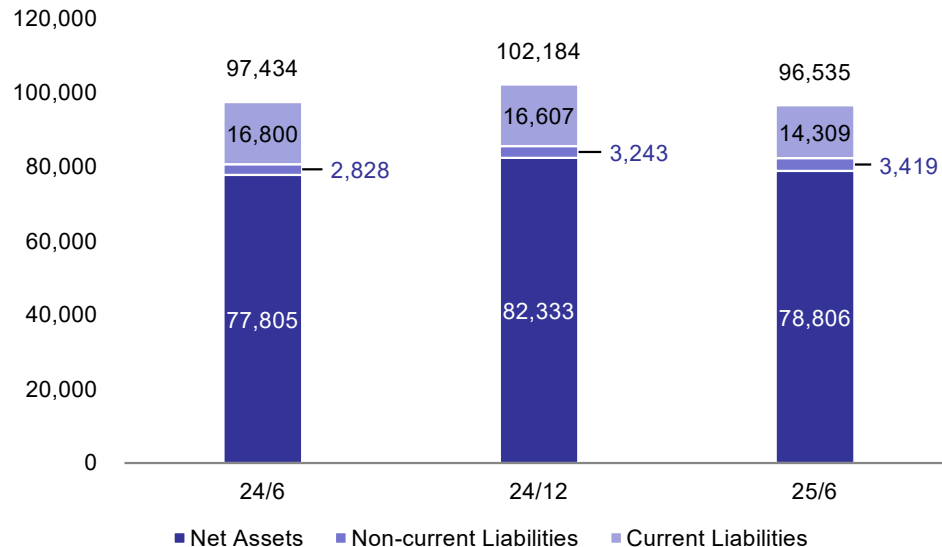
Assets

(Millions of JPY)

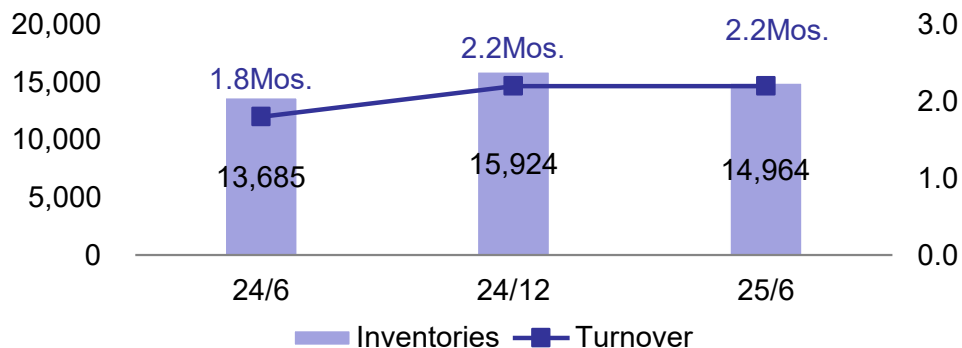


Liabilities · Net Assets

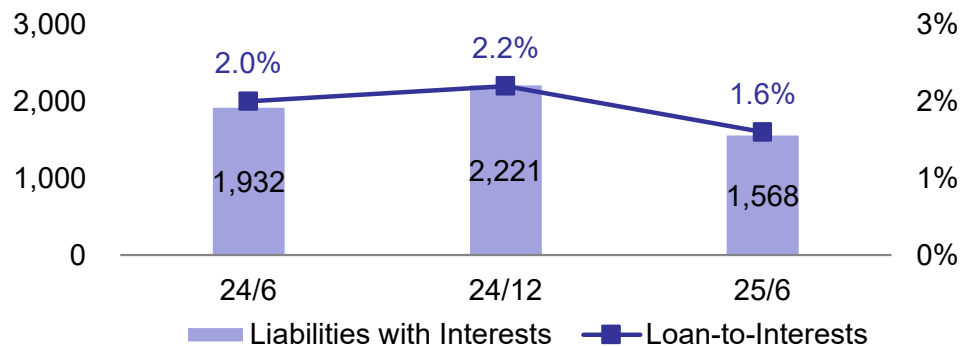
(Millions of JPY)



Inventories



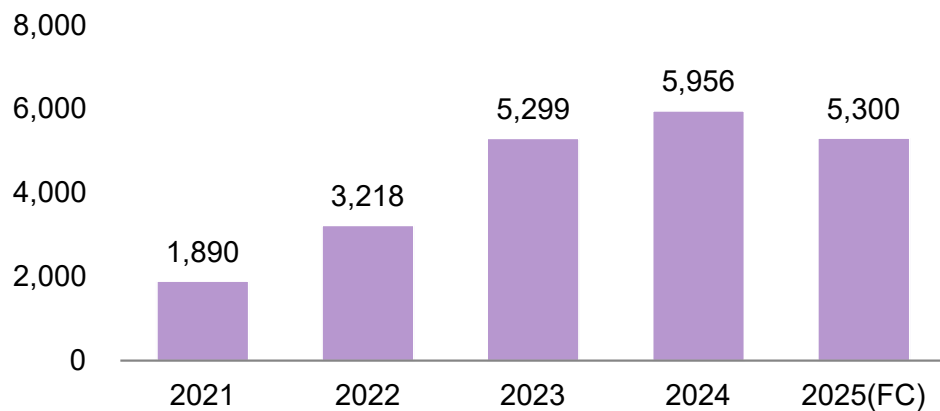
Liabilities with Interests



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

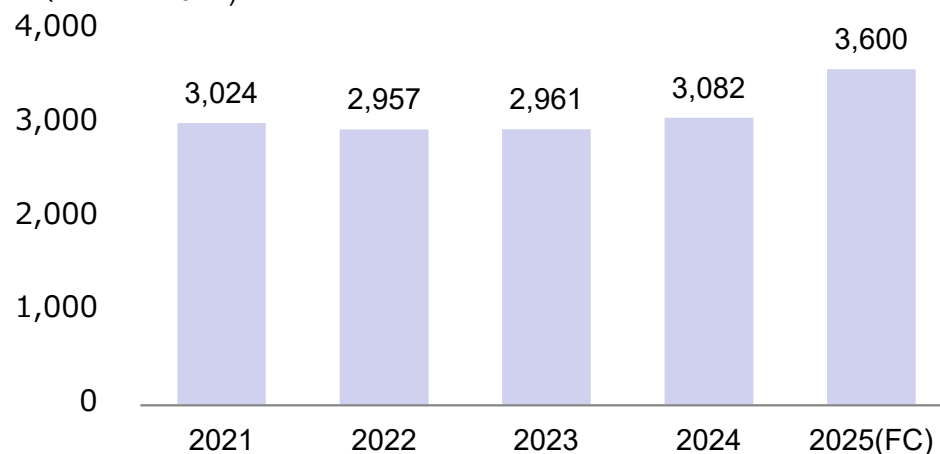
Capital Investment

(Millions of JPY)



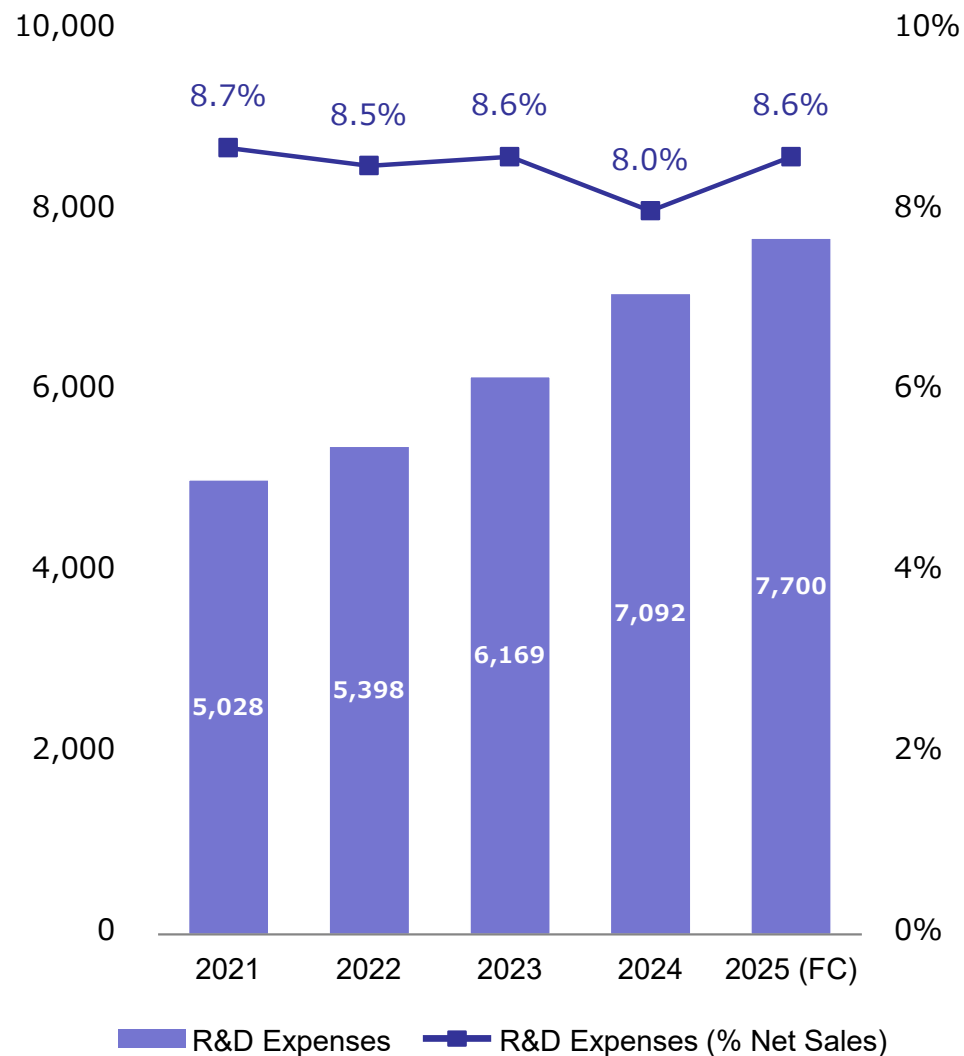
Depreciation

(Millions of JPY)



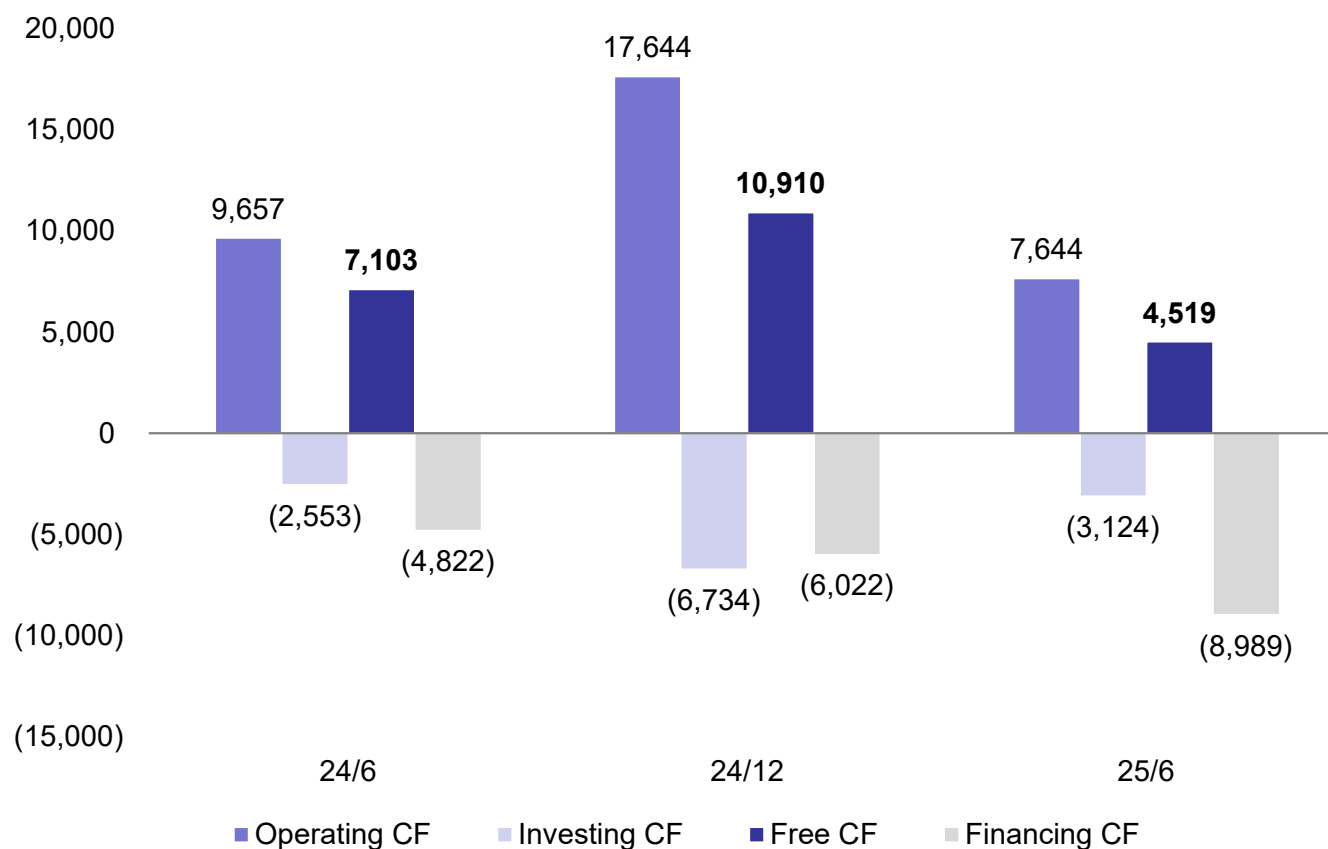
R&D Expenses

(Millions of JPY)



IV- 3 . Cash Flow

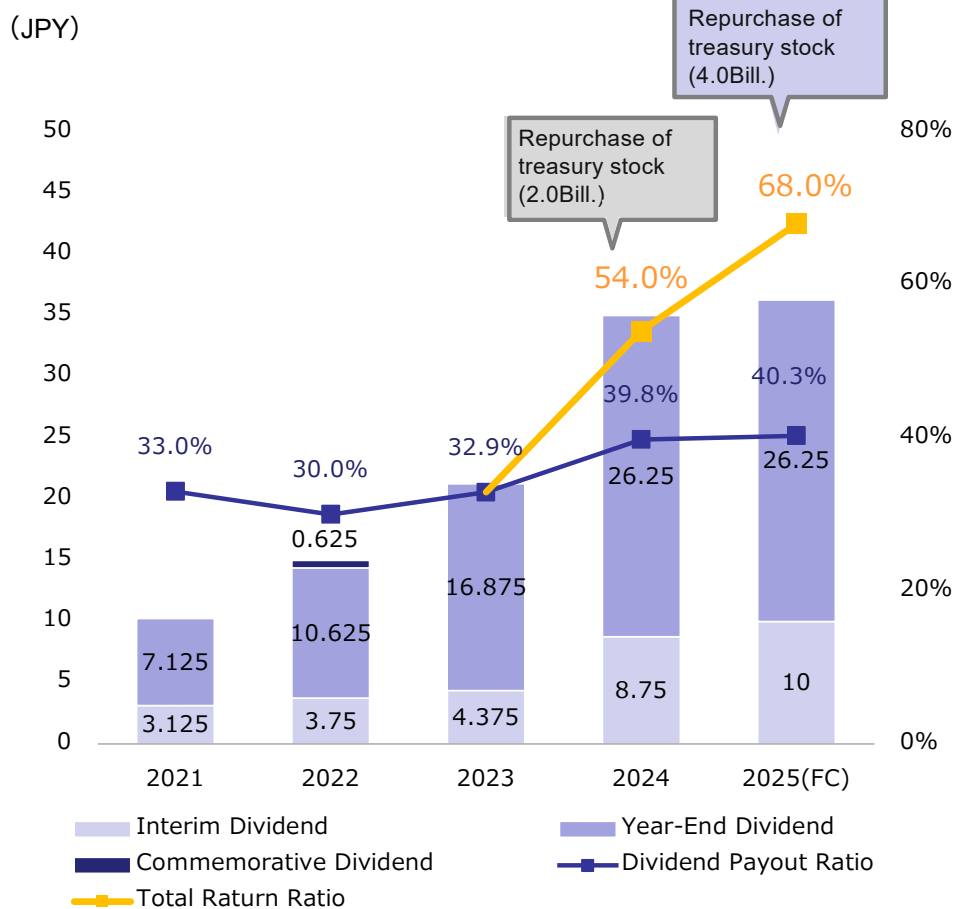
(Millions of JPY)



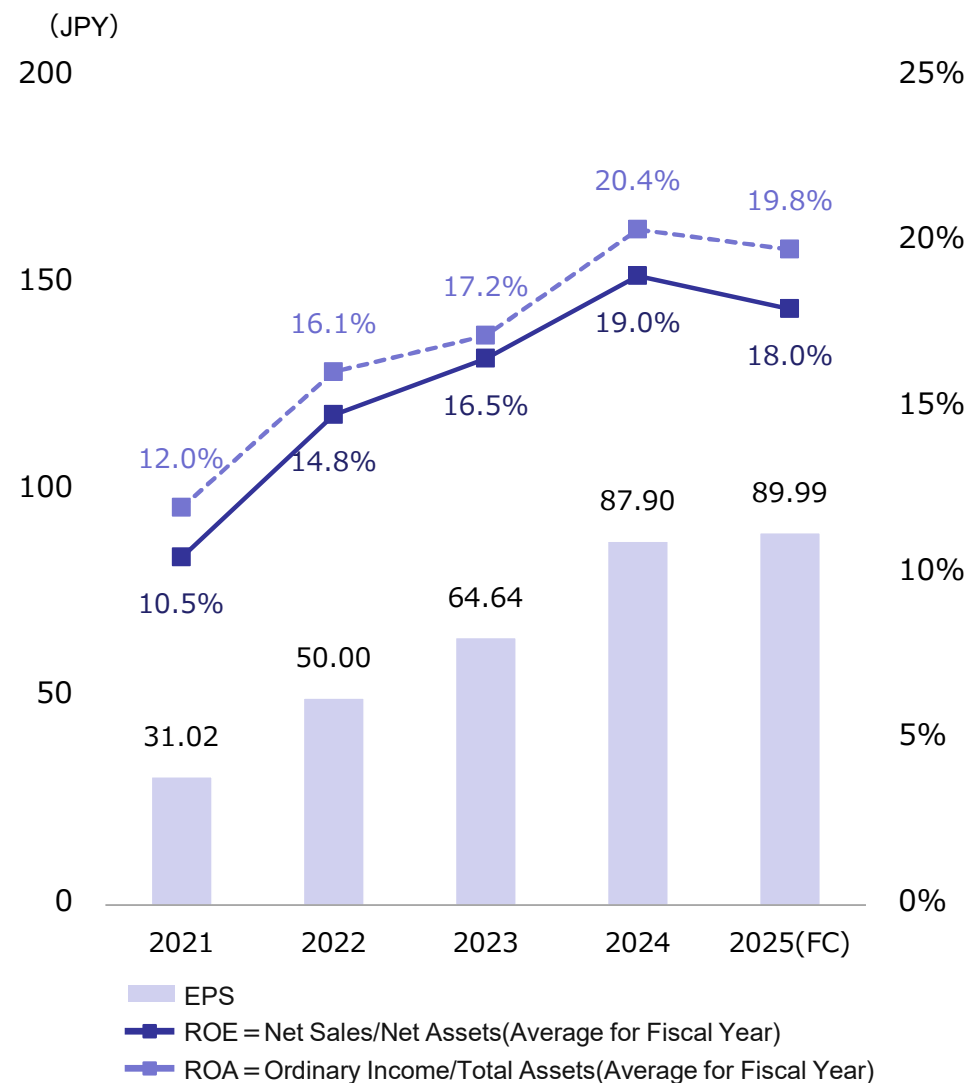
	24/6	24/12	25/6
Operating Activities CF	9,657	17,644	7,644
Investing Activities CF	(2,553)	(6,734)	(3,124)
Free CF	7,103	10,910	4,519
Financing Activities CF	(4,822)	(6,022)	(8,989)
Cash & Cash Equivalents at the End of Period	36,078	38,384	33,155

IV-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 ¥20**)
- ◆ Aim for a **total return ratio of approx. 60%**
Conduct flexible repurchase of treasury stock

(Note) The Company conducted a 4-for-1 stock split of shares of common stock, with an effective date of July 1, 2025.
Cash Dividend and EPS are amounts after the stock split.

IV- 5 . Impact of Foreign Exchange Rate Fluctuations

Foreign exchange impact on 1st half of FY25

	FY24 1H	FY25 1H	Impact (Millions of JPY)	
			Net Sales	Operating Income
USD/JPY	152.37	148.43	(360)	(130)
EUR/JPY	164.75	162.31	(50)	(40)
Others	-	-	(240)	(180)
Total	-	-	(650)	(350)

(Foreign exchange impact on previous year results)

Foreign exchange impact of ¥1 appreciation (For 2nd half of FY25)

	Exchange rate assumption for the remainder of FY25	Impact of ¥1 appreciation (Millions of JPY)	
		Net Sales	Operating Income
USD/JPY	145.00	(170)	(10)
EUR/JPY	168.00	(40)	(30)



Disclaimer

1. The purpose of this material is to provide information on the actual results for 1st Half FY2025 and future business strategies. It is not an offer or a solicitation of an offer to buy or sell securities.
2. The information provided in this material is based on the data that is obtainable at the time of publication and believed to be reasonable by the company.
3. Please note that the actual results may sometimes differ from the forecasts contained herein due to various factors.
4. The company is not liable in any ways for any damages or losses incurred in connection with the use of any information or data contained herein or provided verbally in the company's presentation.