Tamron Co., Ltd.
2nd Quarter FY2026 Financial Results Briefing

Friday, August 7, 2026, at 16:30-17:30

[Main Questions and Answers]

Q1. On July 30, you issued a press release about the proposal from Sony Corporation to make the Company a wholly-owned subsidiary of Sony Group Corporation. What is your current stance on the proposal, including your thoughts on synergies and the impact on the interchangeable lens business, and what is the outlook going forward?

A1**.** Since we must evaluate whether this proposal will contribute to enhancing our corporate value, we have been taking the time to carefully engage in discussions and review the necessary information since receiving the proposal. We kindly ask for your understanding that we must refrain from commenting further at this stage.

Q2. Under the next Medium-term Management Plan, you have set an operating income target of JPY 25 billion or more. Could you give specific figures for the Photographic Products, Surveillance & FA Lenses, and Mobility & Healthcare Products, Other segments?

A2. Going forward, we will begin building up specific figures by segment. Since our policy for the Surveillance & FA Lenses segment is to achieve an operating margin of 15% or more, the sales composition ratio of the Surveillance & FA Lenses segment is expected to increase.

Q3. Looking at your business strategy, both the net sales growth rate and operating margin are expected to rise in Surveillance & FA Lenses but fall in Automotive Lenses. How do the market environments and strategies for these two businesses differ? In the Automotive Lenses market, there is downward pressure on prices; however, growth in demand is expected and current demand also appears strong. How should we view this situation?

A3. In Automotive Lenses, cost reduction demands from customers continue, and price competition with Chinese competitors that have gained technical capabilities is intensifying. In light of these factors, even if current demand is solid, it will be difficult to maintain current operating margins, and we maintain a cautious outlook for both the net sales growth rate and operating margin.

On the other hand, in Surveillance & FA Lenses, our policy is to concentrate management resources on middle-to-high-end market segments to improve the profitability of the business as a whole. We possess advantages in quality, such as achieving high durability under various environments to meet customer needs.

With the spread of physical AI, we expect demand for high-quality lenses and optical technologies as the "eyes of AI" (image input) to grow dramatically in the future. In addition, we will seek to clearly differentiate ourselves from Chinese competitors by moving beyond the sale of standalone lenses to offer high value-added modularized products.

Q4. In the Photographic Products Business, performance in OEM products is recovering. I expect to see a significant turnaround coinciding with the transition to new models from the second quarter through the third quarter. Am I correct in understanding that this weak performance in OEM products is merely a temporary adjustment due to a model transition period and will recover steadily into the next fiscal year, driven by the changeover to new models? Or is there a structural weakness behind it?

A4. While OEM product volumes are heavily customer-dependent and difficult to control in some respects, in the short term, we believe a sufficient recovery is possible with the transition to new models.
As for our medium-to-long-term structural outlook, companies in a position similar to ours—that is, OEM contractors with strong technical capabilities—are limited, and we believe we hold a competitive advantage.
With camera manufacturers shifting resources to new business areas without expecting major growth in their photographic businesses, we expect the trend toward outsourcing lens manufacturing itself to strengthen further. Although we currently do business mainly with specific camera manufacturers, we view these structural changes in the industry as an opportunity to expand our business to more camera manufacturers going forward.

Q5. You mentioned that the performance of OEM products in the Photographic Products Business fell short of initial expectations. Does this reflect the sales situation of OEM customers, or does it reflect the end market as a whole? I would also like to hear your comments on the recovery prospects for the OEM business in the second half.

A5. The weak performance in the OEM business is mainly attributable to the overall market slowdown and continued weak sales of certain models we are contracted to manufacture. There are also other factors at play, including intensifying market share competition among camera manufacturers and Chinese lens manufacturers increasing their shares in the Chinese market.

Q6. Although you mentioned future potential for expansion in OEM products within the Photographic Products Business, my understanding is that current OEM performance is significantly impacting your overall business. Are you considering any initiatives to maintain more stable, ongoing transactions with customers as you expand the OEM business in the future?

A6. By winning contracts with new camera manufacturers, we intend to build a structure that allows us to offset a decline in order volume from a specific customer with orders from other customers. We believe it is necessary to diversify our customer portfolio in this manner.

Q7. My question concerns the timely disclosure regarding the acquisition by Sony Corporation. In your previous briefing, you outlined your long-term vision, and achieving your net sales target of JPY 100 billion appeared to be in sight. In my view, your strength lies in having developed unique products under your own TAMRON brand. Are you not concerned that if you opt to join the Sony Group, it might instead impair TAMRON's corporate value and future potential? What are your current thoughts and views as President?

A7. As explained at the beginning, we would like to refrain from further comments on this matter at present.

Q8. My question concerns your recent performance and the outlook for the second half. Net sales in the Photographic Products Business for the first half are on a recovery trend with OEM products returning, which is reassuring. Nonetheless, the segment's operating margin appears slightly lower year on year. On the other hand, your second-half forecast assumes that the operating margin will improve. Could you explain the factors behind the lower operating margin in the first half and your plan to restore profitability in the second half?

A8. For Own-Brand products, while new product launches were limited to two models in the first half, we plan to launch eight new models in the second half. We expect increased sales of new products to drive performance in the second half.

Regarding the slowdown in the Chinese market that has persisted since the end of last year, channel inventory adjustments for major models are currently underway, and we expect demand to return to normal levels by the end of September.
Accordingly, we forecast significant growth in sales volume globally in the second half compared with the first half.
Additionally, in the third quarter, we plan to recognize U.S. tariff refunds equivalent to approximately JPY 550 million, which will directly contribute to improving the operating margin in the second half.

Q9. Looking at the Securities Report, business with Sony Corporation appears to be conducted across all segments: Photographic Products, Surveillance & FA Lenses, and Mobility & Healthcare Products, Other. I am aware of transactions in Photographic Products, but what kind of transactions have been conducted in Surveillance & FA Lenses and Mobility & Healthcare Products, Other?

A9. In Surveillance & FA Lenses, we have a history of transactions in surveillance camera lenses, and currently, we are doing business in the camera module field. In Mobility & Healthcare Products, Other, we also have a certain level of transactions in the automotive field.

Q10. TAMRON has achieved business expansion as an independent third-party lens manufacturer. From this perspective, what are your thoughts on "what can be achieved precisely because you are an independent manufacturer" and "the value created by being independent" in the current camera industry?

A10. Regarding our position and strengths as an independent manufacturer, we are in a position to market lenses compatible with various camera manufacturers' mounts under our Own-Brand. In doing so, using one optical design as a base and sharing common components across multiple mounts helps reduce manufacturing costs and enables us to achieve high operating margins. Our expertise in standardizing designs and components has led to a dramatic improvement in development efficiency. While we previously launched around four new products per year, our current development structure allows us to launch 10 or more products per year with a similar workforce size. We consider these to be strengths unique to an independent manufacturer.

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