TOP MESSAGE

Connecting the power of optics with solutions to social challenges, and taking a fulfilling society into the future

President & CEO Shogo Sakuraba

FY2025 Summary
The “unseen assets” accumulated under challenging conditions

In 2025, the business environment faced strong headwinds with rising uncertainty about the future due to U.S. tariff policies and ongoing geopolitical risks. It was a year that tested our ability to respond to change. Looking at our consolidated financial results, we fell short of targets chiefly due to a significant drop in orders for OEM models in the Photographic Products business, in part due to a sluggish interchangeable lens market. As a result, we faced some challenging results, recording year-on-year declines in both net sales and operating profit. We take these results seriously, and have been accelerating reforms that will enable us to respond to changes in the external environment at an earlier stage.

In 2025, we also managed to accumulate “invisible assets” that do not appear among the figures needed on our path to becoming a 100-year company. One of them is a development mindset premised on co-creation. We have shifted our perspective from “what can our management resources achieve” to “in addition to our own management resources, what pieces do we need to supplement with outside resources to address social issues that need to be solved,” and instilled this thinking across the organization. Another asset is the development of DX infrastructure to identify and respond to environmental changes. In the U.S. market, where our core Photographic Products business has struggled over the past few years, we introduced data-driven digital marketing, which led to a recovery in sales.

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I firmly believe that we should “never cut investments in the future for the sake of short-term profits.” In 2025, we commenced operations at the new Vinh Phuc Factory in Vietnam, which had been under construction with an investment of approximately 4.0 billion yen, and set a record high for research and development expenses. These actions demonstrate our uncompromising commitment to strengthening the foundations of Tamron.

In parallel, we have also been accelerating co-creation with external parties to maximize our strengths. In 2025, we invested in the geospatial DX provider Mapry and the SBI Venture Fund, while in 2026, we also invested in Light Touch Technology, which has developed the world’s first blood glucose sensors that do not require blood sampling.

In a positive sense, these investments and collaborations with outside companies are also helping us move away from our conventional self-reliant thinking. We are starting to strike a balance between independence and co-creation by incorporating external insight while still leveraging our core strength in optical technologies.

Targeting the successful completion of our Medium-term Management Plan “Value Creation26 ver.2.0”

We are in the final year of our current Medium-term Management Plan. Over the past two years, we have steadily strengthened our management base while gradually building the framework of a business portfolio primed for future growth, such as by expanding combined net sales from the Surveillance & FA Lenses business and the Mobility & Healthcare Products, Others business to account for roughly 30% of total sales.

In the Photographic Products business, our core business, the development QCD (quality, cost, delivery and development lead times) we have been focusing on for many years has begun to bear fruit, and in 2026 we plan to release more than 10 new own-brand products. In addition, building upon progress made in the U.S. market, in 2026 we will work to restore sales and market share in Europe, aiming for increased net sales and double-digit profit growth.

In the Surveillance & FA Lenses business, we recorded net sales of 12.0 billion yen and an operating income margin above 10% in 2025, contributing to significant growth over the past two years. In 2026, we are working toward launching at least one new product in new fields where we have been sowing seeds to date.

In the Mobility & Healthcare Products, Others business, automotive lenses broke the 10-billion-yen mark in net sales for 2025, and in 2026 we will continue to focus on releases for sensing applications due to advances in ADAS (advanced driver assistance systems). Healthcare components have also achieved steady growth toward the 2030 net sales target of 3.0 billion yen. In 2026, we aim to make full-scale entry into the surgical microscope and life sciences fields, including a fluorescent filter for fluorescence-guided surgery (FGS) designed to visualize cancer cells.

The thinking behind our new Long-term Vision

In February 2026, we formulated and announced our new Long-term Vision for 2035: “Capture, Measure, Connect—Creating a Healthier Future for People and Nature.”

This vision serves as our “North Star,” indicating the direction we should pursue without wavering, even as the business environment changes. More than a mere slogan, it embodies our commitment to going beyond the boundaries of a dedicated lens manufacturer, transforming into a comprehensive optical and sensing solution company that solves social issues.

The word “connect” in particular means combining Tamron’s optical technologies for “capturing” and “measuring” with other advanced technologies, analysis technologies, and digital technologies, among others, in order to connect those efforts with solutions to social issues. For example, our collaboration with Mapry is an effort that connects with nature positivity initiatives such as nature restoration and biodiversity conservation through the measurement and analysis of forest and soil health conditions, while our investment in Light Touch Technology will connect with initiatives that contribute to people’s health through healthcare.

In addition, following the formulation of the new Long-term Vision, we have begun assessments aimed at updating our materiality (material issues) in order to position “the health of people and nature” as a new value proposition that underpins our management efforts.

Sources of Value Creation
Vision
Medium- to Long-term Strategy
Sustainability
Governance
Data

Executive leadership and human capital management

My biggest role is to connect this vision with the activities of each and every employee. Drawing on the power of the term "North Star," I will align all employees toward a shared goal, while also demonstrating leadership to realize employee well-being.

More specifically, through three actions we will build an organizational culture that enables employees to take on challenges without fear of failure. The first is dialogue aimed at directly connecting the new Long-term Vision with front-line work. For example, the 1-micron precision our lens design personnel are currently tackling will in the future be a light that safeguards the health of people around the world in the form of early cancer detection. By connecting these fleshed out stories with the new Long-term Vision, we will ensure that everyone's efforts are fully aligned with it.

The second is fostering a culture that makes challenges a source of employee well-being. True "employee well-being" is more than merely enhancing welfare benefits. Realizing how your own job benefits society and being able to challenge new things with a sense of excitement leads to fulfillment and a sense of achievement. Failure is an inevitable part of creating new businesses in particular, but we will emphasize a sense of speed based on the concept of "trying things first," and fully support those who take on challenges.

The third action involves personally positioning myself on the front lines of co-creation and demonstrating the joy of transformation. I will create an atmosphere that allows people to experience the sense of speed that comes with "trying things first" and enhance the level of employee engagement.

By iterating on a cycle in which employees take on challenges with vigor and make society better as a result, Tamron can achieve sustainable growth. This is my approach to human capital management. I have already been focused on creating an open workplace environment, such as encouraging employees to use "-san" when addressing one another. When I speak with our front-line engineers, I listen to them, not as a president, but as an engineer. When discussions turn to specialized, high-level technologies, I make a point of eliciting in-depth insight from our engineers, such as what excites them, what challenges they are dealing with, and what society they envision for the future with these technologies. If top management can understand the technologies being pursued by engineers in the field and believe in their potential, it can serve as strong motivation, laying the foundations for a mindset of taking on challenges without fear of failure. And by extension, I believe this enhances employee engagement.

The source of our competitive advantage: Resilience through optical technologies and an in-house integrated system

Tamron's competitive advantage lies in its technological capabilities, enabling it to strike a high-level balance of compact size, light weight, high precision, and high functionality, based on four key foundations: optical technology, mechanical technology, electronic technology, and production technology. We have expanded the applications of technologies cultivated with interchangeable lenses for cameras to develop new products, such as automotive lenses and endoscope lenses that need to be significantly smaller while maintaining performance. Our success in doing so serves as proof of those technological capabilities. At the R&D division I personally established, the seeds of the next generation are now beginning to emerge. A particularly encouraging area is in optical technologies that visualize things that are invisible to the naked eye, such as short-wave infrared (SWIR) lenses. As SWIR lenses are able to measure the moisture content or sugar concentration without destroying objects being inspected, I feel they have the potential to trigger revolutions in various industries, such as labor saving and advanced quality control in agricultural operations, as well as automation and manpower saving in shipping operations for food and other goods.

Another of our strengths is our in-house integrated system, enabling us to provide everything from product planning to development, design, procurement, production, sales, and after-sales services. This strength is the source of resilience that allows us to smoothly recover even when encountering difficulties and adversity. In 2025, amid rising geopolitical risks, when we encountered rare earth export regulations imposed by China and a procurement crisis affecting some key materials, we were able to swiftly respond by coordinating across the organization, leveraging this in-house integrated system. We successfully overcame challenges from the selection of substitute materials to the rebuilding of logistics in a short period of time. As a result, we avoided having to shut down production and secured profits. The team that demonstrated these autonomous crisis response capabilities was presented with the President's Award.

Environmental initiatives and the creation of social value

Regarding environmental initiatives, under Environmental Vision 2050, we set the target of achieving net-zero CO_2 emissions by the year 2050. CO_2 emissions in 2025 were reduced by approximately 22% compared with the 2015 base year, running above the target pace. This was achieved through measures such as switching our factories and head office to renewable energy and improving energy efficiency through the automation and streamlining of production processes, despite a significant increase in net sales over the same period. We also expanded waste reduction initiatives aimed at realizing a recycling-oriented society, including efforts to use recycled materials for plastics.

Action on social issues leads to risk reduction and the creation of business opportunities, while the growth of Tamron is directly linked to the sustainability of humanity and the global environment. To fulfill this vision of “Creating a Healthier Future for People and Nature,” we will work to develop technologies and products.

Pursuing sustainable improvements to corporate value

To improve corporate value, we pursue management that is conscious of the cost of capital and the stock price. My focus is on building efficient management once safety has been assured. Under our current Medium-term Management Plan, we have set the financial target of an ROE of 16% or higher, which would mean more than double the shareholders’ equity cost (approx. 7%) calculated when the plan was first formulated. ROE in 2025 was in the 14% range, and although this is just short of our target, we will continue to thoroughly pursue highly efficient management and target levels of 16% or higher.

We also recognize shareholder returns as an important management issue and will continue to issue stable dividends with the flexible repurchase of treasury stock. In 2025, we maintained our initial dividend forecast, which marked a slight increase from the previous year, while also repurchasing treasury stock at twice the scale of the previous year. As a result, the total return ratio exceeded 80%. We will continue to target a total return ratio of around 60% in line with Value Creation26 ver.2.0, making every effort to improve capital efficiency in the medium to long term without being influenced by temporary fluctuations in business performance.

Strengthening corporate governance is also essential for enhancing corporate value. Two years after transitioning to a company with an Audit & Supervisory Committee, the Board of Directors has qualitatively evolved from a forum for reporting on matters to a forum for discussing them. Insightful observations and constructive recommendations based on independent and objective viewpoints have been shared from outside directors, who make up a majority of board members, and this has vastly improved the quality and precision of decision-making on the executive side, including my own. From March 2026, we welcomed an individual with CFO experience at an operating company and another well-versed in the financial and capital markets as new board members, and will further deepen discussions at Board of Directors meetings under this new structure.

Message to stakeholders

Building upon the solid foundations of optics it has cultivated since its founding, Tamron is now spreading its wings anew through co-creation with external partners, and venturing into unknown territory. We are now in a period of profound transformation, in which we will make a positive shift away from self-reliant thinking, shift course toward open innovation and, under a new structure of strengthened financial management, grow into a company with net sales of 100 billion yen, and beyond that into a 100-year company.

I invite our stakeholders to look forward to this dynamic transformation, as Tamron evolves from a dedicated lens manufacturer into a “comprehensive optical and sensing solution provider” that truly realizes a “fulfilling society.”