

Vision23 Mid-Term Management Plan and Progress

Tamron's mission lies in contributing to the development of a fulfilling society in which all people experience emotion and reassurance through its corporate activities. As of 2021, we have launched the new mid-term management plan Vision23, and are aiming to achieve new leaps ahead based on building a sustainable business base.

Positioning of the New Mid-Term Management Plan

In Vision23, our mid-term management plan that was newly started in 2021, we have adopted the basic policies of executing investments and allocating resources to make dramatic progress from a long-term perspective, and will steadily develop the business foundations that will enable sustainable growth.

Working from this foundation, we will achieve high-quality, full-scale business growth and maximize corporate value in the next mid-term management plan, and will make a united effort as a Group to take the next step towards achieving our long-term vision.

Launch of Vision23 New Mid-Term Management Plan



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

	FY2020 results	2023 mid-term plan
Net sales	48.4 billion yen	61.0 billion yen
Operating income	3.6 billion yen	7.0 billion yen
Operating income margin	7.4%	11.5%
ROE	3.9%	More than 9%

* Exchange assumption USD=105 EURO=123

Vision23 Consolidated Results

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

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

In the second year, net sales targets will be achieved ahead of the Mid-term Management Plan.

- Double-digit growth in net sales will be achieved in growth and development areas (Surveillance & FA, Mobility & Healthcare)

First year progress

	FY2021 initial plan	FY2021 results
Net sales	54 billion yen	57.5 billion yen
Operating income	4.4 billion yen	7.4 billion yen
Operating income margin	8.1%	12.9%
ROE	6.3%	10.5%

* Exchange assumption USD=109.91 EURO=129.95

Second Year Plan

FY2022 Plan
61 billion yen
7.6 billion yen
12.5%
9.7%

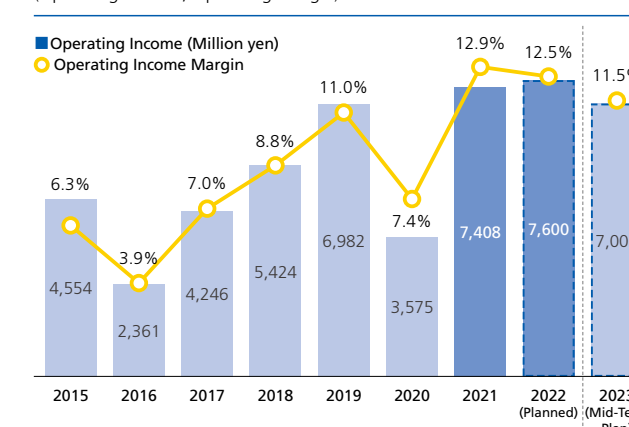
* From FY2022, the new accounting standards for revenue recognition will be applied. => Impact on net sales: approx. - 1 billion JPY 2022 plan figures are the initial plan announced in February 2022.

In 2021, we increased revenue in each segment and raised the gross margin to a record 40%, easily surpassing our initial forecasts for both net sales and profit. As a result, we achieved our profit target set in the mid-term management plan in the first year and managed to achieve a rapid V-shaped recovery to the highly profitable structure we maintained pre-pandemic.

Capitalizing on these results, in 2022 we will aim for greater heights, maintaining the highly profitable structure we achieved in 2021 while endeavoring to expand sales in areas of growth and development, which are Surveillance & FA Lenses, Mobility & Healthcare, and Others. We will also strive to achieve the target for net sales set in the mid-term management plan a year ahead of schedule.

Consolidated Results and Plans

(Operating Income, Operating Margin)



Vision23 Trends by Business

Expanding the scale of business in growth and development areas

- Compared with 2020 levels, net sales rose approx. 1.9 times in Surveillance & FA Lenses, and approx. 1.3 times in Mobility & Healthcare, Others
- combined, these segments accounted for around 40% of total sales

Maintaining and enhancing a highly profitable structure

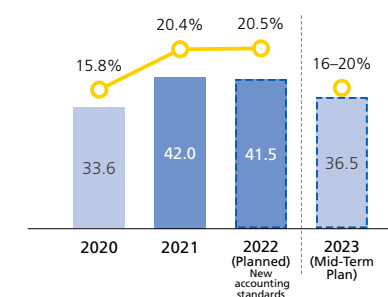
- A business portfolio with operating income on net sales exceeding 10% in all segments was built

Photographic Products

- Maintaining high profitability as a core business
- Doubling size of lineup by focusing on products for mirrorless cameras
- Swift response to new formats
- Increasing instore share with OEM products

	FY2020 results	2023 mid-term plan
Net sales	33.6 billion yen	36.5 billion yen
Operating income margin	15.8%	16-20%

■ Net sales (Billion yen) ● Operating income margin



In the first year of Vision23 we managed to hit our 2023 sales and profit margin targets. Our profit margin entered the 20% range, a new record.

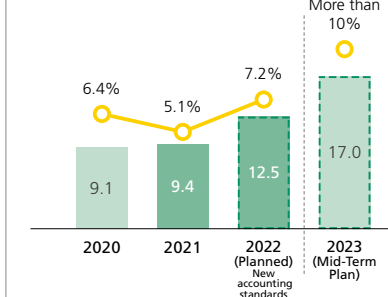
We will continue to maintain high profitability as our core business while striving to expand market share.

Surveillance & FA Lenses

- Growing sales and profits as a second key pillar
- Taking in the massive Chinese market and expanding business with new technologies including SWIR and camera module business
- Creating OEM products and expanding share in FA

	FY2020 results	2023 mid-term plan
Net sales	9.1 billion yen	17.0 billion yen
Operating income margin	6.4%	More than 10%

■ Net sales (Billion yen) ● Operating income margin



We managed to increase net sales for Surveillance & FA lenses but failed to reach the level initially forecast.

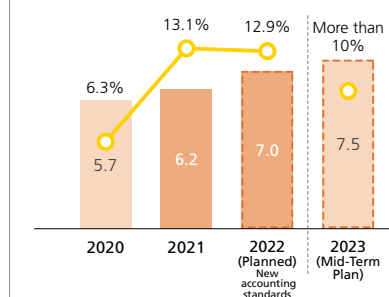
In 2022, we will aim for double-digit revenue growth, increasing the segment's contribution to net sales into the 20% range and accelerating the pace of business expansion on the way to achieving our 2023 goals.

Mobility & Health Care Products

- Launch as a next-generation key pillar
- Create new business domains
- Bolster automotive lenses (sensing) and develop customers
- Full-scale launch of health care business, expand into the health care domain

	FY2020 results	2023 mid-term plan
Net sales	5.7 billion yen	7.5 billion yen
Operating income margin	6.3%	More than 10%

■ Net sales (Billion yen) ● Operating income margin



In the first year, our profit margin entered the 13% range, our target for 2023. We have also achieved growth in net sales and profit in the automotive lenses business, and going forward we will drive growth in the healthcare business, focusing on expanding our business in the healthcare sector overall.