

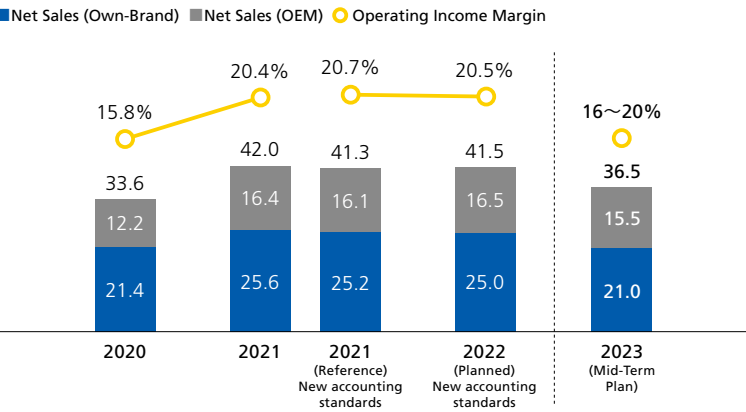
Strategies by Segment

Photographic Products

"Human Focus"
Tamron will remain user-centric and study people while designing and manufacturing lenses so that users around the world can fully continue to enjoy photography in their own way.

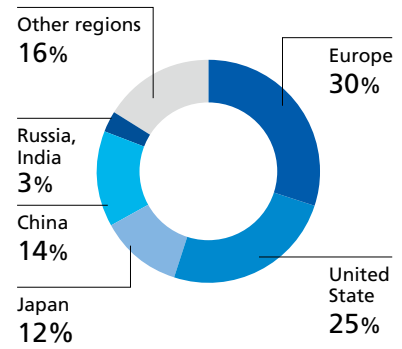
Summary of Business Results

State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



* New accounting standards are being applied from 2022. Note that for reference purposes, the 2021 results are displayed as if the new standards had been applied.

Sales Composition by Region (2021) (Own-Brand)



Vision23 Mid-Term Management Plan Progress and Future Policy

In 2021, the first year of the Vision23 Mid-Term Management Plan, we managed to reach our targets for the plan's final year of 2023, namely net sales of 36.5 billion yen and an operating margin between 16% and 20%. In terms of major initiatives in 2021, in an effort to support new formats we released the 18-300mm F/3.5-6.3 Di III-A VC VXD (Model B061) for X-mount in October 2021, expanding our lineup of lenses for mirrorless cameras while expanding the customer base.

In 2022, we expect net sales of both own-brand products and OEM products to be on par with 2021, and forecast a slight uptick from 2021 to 41.5 billion

yen (according to new accounting standards). The slight increase is forecast mainly due to the reactionary increase in 2021 coming off plummeting sales in 2020, the sharp rise in raw material prices, and the impact due to higher component and material costs attributing to ongoing component and material supply difficulties. We forecast that operating Income will stay at 2021 levels, and that we will continue to maintain a high operating margin in the 20% range.

We will aim to continually maintain high profitability in this field as a core business, and expand our market share.

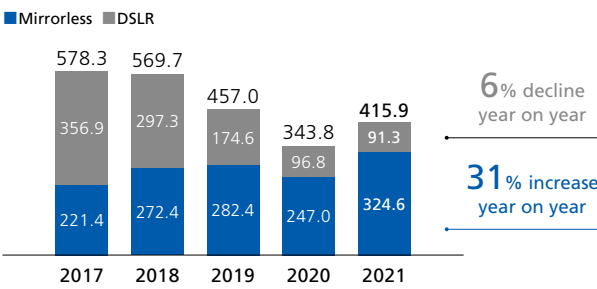
Segment Characteristics

Products Offered	Lenses for interchangeable lens cameras (DSLR and mirrorless cameras)
Production Methods	Own-Brand products / OEM products
Delivery Destinations	Electronics retail stores, online electronics retailers (Own-Brand products), major camera manufacturers (OEM products)
Users	Consumers

Market Situation

Interchangeable Lens Camera Market	21% increase year on year
Interchangeable Lens Market	35% increase year on year APS-C: 1% increase year on year Full Frame: 49% increase year on year
Compact Digital Cameras	4% decline year on year

Interchangeable Lens Camera Market Environment (Billion yen)



2021 Results and 2022 Strategies

2021 Results

Net sales increased by 25% year on year to 42 billion yen. In terms of own-brand products, we focused on launching new products for mirrorless cameras, which are driving market recovery, resulting in a considerable jump in net sales to the tune of 4.2 billion yen. Similarly sales of OEM products rose significantly by 4.2 billion yen due to a rebound from the decline in 2020 and higher orders for particular models.

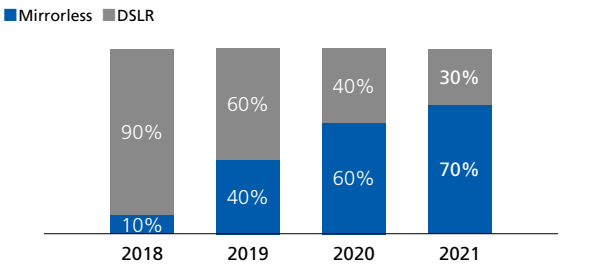
Operating Income was 8.6 billion yen, rising 60% compared with 2020 due to the significant growth in net sales and optimized business operating costs. Additionally, we achieved a high operating margin of 20%.

2022 Strategy

For own-Brand products, in 2022 we will continue to expand our lineup of interchangeable lenses for mirrorless cameras based on our policy of launching new products at a pace of around five models per year.

Due to the ongoing launch of new products to date, mirrorless camera sales as a percentage of total sales rose to around 70% in 2021, up from about 60% in 2020. In 2022, we will aim to raise this percentage to 80% and further expand our market share.

Percentage of Own-Branded Mirrorless Products



Value Creation Initiatives

Through the beauty inherent to photography, Tamron will provide people with value in the form of excitement, surprises and more. In 2021, we released the 35-150mm F/2-2.8 Di III VXD (Model A058). While fast aperture zooms generally come in two flavors with the 70mm focal length separating them, namely the 24-70mm range and 70-200mm range, this product covers the 35mm to 150mm range with 70mm in the center as a single lens. In addition, it boasts excellent rendering capabilities thanks to the bright F2 aperture at the wide end. By providing these kinds of products, Tamron helps promote understanding of a diverse range of cultures.



35-150mm F/2-2.8 Di III VXD (Model A058)

Related SDGs ▶

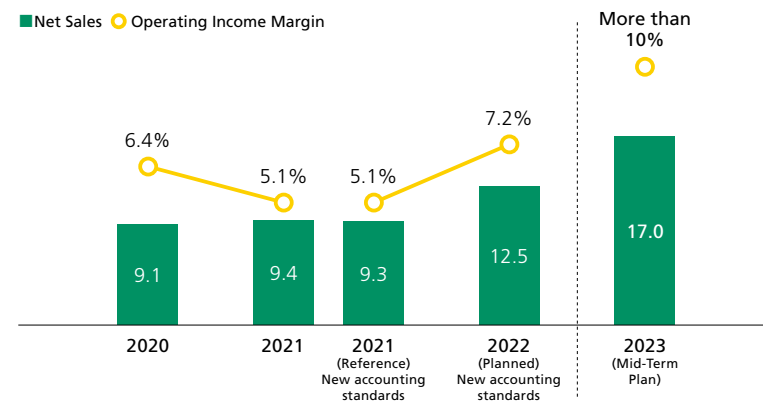


Surveillance & FA

In the field of surveillance, lenses have the power to be the eyes of society and keep people safe. Going forward, we will continue to contribute to a safe and secure society by developing and marketing products that cater to the needs of the global market.

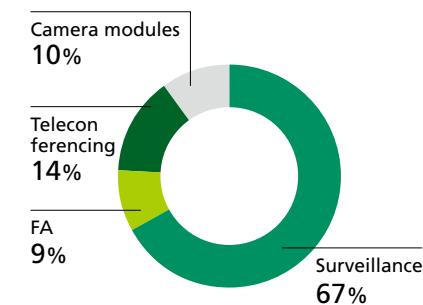
Summary of Business Results

State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



*1 New accounting standards are being applied from 2022. Note that for reference purposes, the 2021 results are displayed as if the new standards had been applied.
*2 Disclosure segments have been changed as of 2021 (only the Surveillance & FA Lenses segment has been made independent from the existing Commercial / Industrial-use Optics segment). The 2020 results are reclassified under the new disclosure segments.

Sales Composition by Application (2021) (Surveillance & FA)



Vision23 Mid-Term Management Plan Progress and Future Policy

In 2021, the first year of the Vision23 Mid-Term Management Plan, net sales increased for lenses for CCTV cameras, FA and machine vision lenses, but we failed to reach the figures initially forecast due to the effects of the market downturn caused by surging COVID-19 cases. Net sales also decreased for teleconferencing lenses, reflecting lower demand due to semiconductor shortages. As a result, we barely missed reaching the 10 billion yen market in net sales for the Surveillance & FA Lenses segment overall.

However, we did make progress in improving image resolution in the field of surveillance lenses. As a result, demand expanded for high-performance, high-quality products that represent Tamron's strength, including 4K-supported lenses. In the area of FA lenses,

we released six new models from the end of 2020 through 2021, expanding our lineup of offerings. We have also developed industrial lenses compatible with the short-wave infrared (SWIR) range that is expected to see future growth, and have made progress in gaining new customers for these products.

In 2022 we will maintain our development speed in each of these fields and forecast net sales of 12.5 billion yen (up 34% compared with 2021 based on the new accounting standards) and operating income of 900 million yen, an 89% increase. In addition, we will aim for sales from the Surveillance and FA Lenses segment to reach the 20% range as a percentage of total sales by 2023.

Segment Characteristics

Delivery Customers	<ul style="list-style-type: none"> Major camera manufacturers and machine tool procedures from around the world, including the United States, Europe, South Korea, Taiwan and China. * Tamron establishes deep ties with major manufacturers, ascertains demand and promotes joint ventures.
Our Strengths	<ul style="list-style-type: none"> Ability to develop and manufacture 4K-compatible high-resolution products (with sights also set on 8K in the future)
Related Social Issues	<ul style="list-style-type: none"> Creating environments that enable safer and more secure lifestyles, including monitoring for nursing and home care in addition to security Body temperature testing in buildings and public facilities to respond to COVID-19 and other pandemics

Market Situation

Trends	Lockdowns initiated in response to the spread of COVID-19 have been lifted, and market trends are heading toward a gradual recovery due to economic measures put in place by governments around the world.
Demand for the Surveillance Segment	Market growth continues

2021 Results and 2022 Strategies

2021 Results

Although there was an impact of reduced demand due to the COVID-19 pandemic and global semiconductor shortage, net sales rose 3% year on year to 9.4 billion yen. Lenses for CCTV cameras, FA and machine vision lenses in particular achieved an increase of 1 billion yen in net sales, reflecting increased uptake of new models by major customers. However, sales of teleconferencing lenses declined by 700 million yen, in part due to reduced production by customers in response to the semiconductor shortage. Meanwhile operating income declined 17% year on year to 500 million yen due to a focus on investment and product development in new fields in anticipation of future market growth.

2022 Strategy

Market expansion in the field of surveillance & FA lenses is expected to continue in the future. In response to this growth trend, Tamron will also focus on expanding sales of its existing products and developing new ones. In particular, in the surveillance lens segment we will focus on the development of lenses compatible with high-resolution cameras which are experiencing growth in demand year after year, while in the FA lens segment we will work to strengthen sales of the products introduced from 2020 through 2021. At the same time, we will strive to maintain and strengthen ties with key manufacturers in both segments.

Looking further ahead, we will develop products compliant with the National Defense Authorization Act (NDAA) and enter the market in order to bolster the camera module business.

Value Creation Initiatives

Related SDGs ▶



Tamron's products benefit society in a wide range of situations, including the development of industry and the development of safe and secure communities. For example, in the field of FA lenses, our products are used to identify tested substances, and in 2021 we expanded our lineup with the release of three new SWIR lens models which are expected to be utilized in industrial and medical applications. Additionally in the field of surveillance lenses, we have expanded our lineup of lenses that contribute to safety and security, and now cater to a wide range of customer requirements, from indoor and outdoor uses and lens spanning the middle range to high-end.



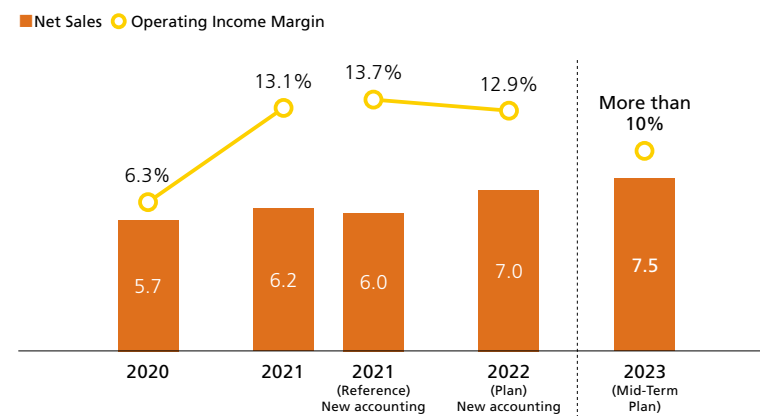
SWIR Lenses

Mobility & Healthcare Products, Others

Our products and technologies contribute to people's peace of mind, safety and health, as the eyes of vehicles in the automotive field where autonomous driving is advancing, and as the eyes of doctors in the medical field with the advance of less-invasive procedures.

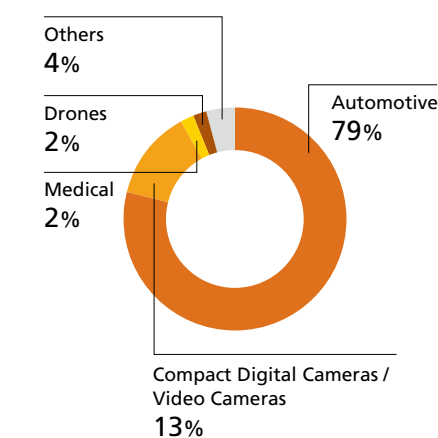
Summary of Business Results

State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



*1 New accounting standards are being applied from 2022. Note that for reference purposes, the 2021 results are displayed as if the new standards had been applied.
 *2 Displayed segments have been changed as of 2021 (the existing Optical Components Business and Commercial / Industrial-use Optics Business aside from the Surveillance & Lenses segment have been integrated). The 2020 results are reclassified under the new disclosure segments.

Breakdown of Net Sales by Category (2021)



Vision23 Mid-Term Management Plan Progress and Future Policy

In 2021, the first year of the Vision23 Mid-Term Management Plan, we managed to reach our target for 2023, the final year of the plan, recording an operating margin of greater than 10% two years ahead of schedule. Factors behind this achievement include aggressive sales activities for sensing-oriented automotive lenses that has been one of Tamron's focuses, and significant increases in connection with market growth. In addition, successful measures to improve profitability, such as curbing SG&A expenses and boosting productivity through higher production volume, have also been a factor behind significant profit growth. In addition, in the healthcare sector we have produced steady results, including strong growth

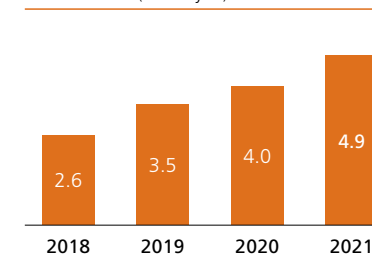
in orders for next-generation projects as a result of in-depth sales activities targeting existing partners.

In 2022, we expect to continue to see double-digit revenue increases for automotive lenses and increased sales for the healthcare sector. We forecast overall sales in Mobility & Healthcare and Others to rise by 1 billion yen compared with 2021 (based on the new accounting standards). In the healthcare sector in particular, we will further strengthen our ties with existing partners and focus on developing new partners and accelerating business expansion, in order to position the sector as one of the next-generation pillars in our mid-term management plan beginning 2024.

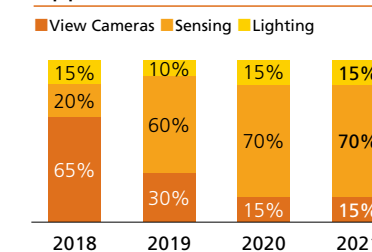
Automotive Lenses

Summary of Business Results

Net Sales (Billion yen)



Sales Composition by Application (Automotive Lenses)



Map of Autonomous Driving Levels

Autonomous Driving Level	Timing for Practical Application
Level 1 Driver assistance	Already implemented
Level 2 Partial automation	Already implemented
Level 3 Conditional automation	Already implemented
Level 4 High automation	2025–2030
Level 5 Full automation	Timing not set

Segment Characteristics

Product Features

- As our products related to people's safety, high levels of durability and quality are essential. Even after an order is received, we continue to work with customers and users through an iterative process of development and reliability testing over three or four years before moving on to mass production. As the product lifecycle is also very long, we can easily formulate long-term business plans.

Related Social Issues

- Environmental issues such as global warming and fuel depletion
- Rural depopulation and aging, securing means of transportation due to personnel shortages

Market Situation

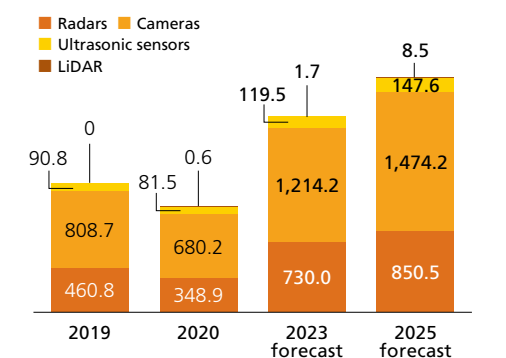
Trends

- Due to the demand for advanced driving control, the resolution and functionality of ADAS* sensors is improving, and the number of sensors being installed is on the rise.
- * ADAS is the acronym for Advanced Driver Assistance System. A system that provides advanced driving support including automated braking and sudden start prevention mechanisms.

Autonomous Driving-related Market

- Legislation is being developed in various countries ahead of the realization of fully autonomous driving
- Demand across a wide range of applications will increase for use in sensing

Size of the ADAS and Autonomous Driving Sensor Market (Billion yen)



Source: Forecast Size of the Global ADAS/Autonomous Driving Sensor Market
Yano Research Institute Ltd.

2021 Results and 2022 Strategies

2021 Results

Given a rising percentage of vehicles being fitted with ADAS, sales of automotive lenses for sensing have been strong, with net sales rising 20% year over year to reach 4.9 billion yen. This increase reflects the results of technological responses such as higher resolutions, and the strengthening of production systems achieving high-quality mass production. Operating income also far outpaced the previous year. In addition to significant revenue growth for automotive lenses, this was also the result of our efforts to curb SG&A expenses and boost productivity.

However, on the production side we were impacted by

global supply constraints on electronic components, which forced us to make intermittent adjustments to production.

2022 Strategy

We will continue to position automotive lenses for sensing as an area of focus, promote the development of technologies to provide high-quality products to users from a medium-to-long-term perspective, and work to accelerate collaboration with customers. We will also aim to develop new customers in Europe and the United States, where we maintain a large market share.

Strategies by Segment

Value Creation Initiatives

Related SDGs ▶



Through the provision of its products, Tamron helps people lead safe lives and contributes to technological innovation. For example, by providing automotive lenses for sensing, which cater to the advanced control requirements of ADAS, we help reduce traffic accidents. In addition, we have also achieved innovations in the materials used in these products. Conventionally, automotive lenses for sensing applications have used metal lens barrels, but with the use of high-level simulation technologies incorporated from the design stages, we have developed plastic lens barrels that offer high quality and high resolution in a more compact and inexpensive form.

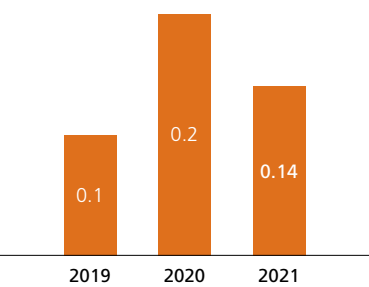


Automotive lenses

▶ Medical

Summary of Business Results

Net Sales (Billion yen)



Segment Characteristics

Market Characteristics	<ul style="list-style-type: none"> As our products are involved with people's lives, high quality and reliability are paramount Time to market is very long, when reliability assessments and other requirements following a development span lasting around three years However, as the product lifecycle is also very long, we can easily formulate long-term business plans
Related Social Issues	<ul style="list-style-type: none"> Financial pressure due to rising global health care costs In medical procedures such as diagnosis, examination and surgery, prices of medical equipment related to self-diagnosis and minimally invasive procedures* are skyrocketing <p>* Minimally invasive procedures are medical procedures that take a reduced (less invasive) toll on a patient's body.</p>

Market Situation

Trends	<ul style="list-style-type: none"> With the development of advanced healthcare technologies spanning various fields from low and non-invasive procedures to AI-based diagnosis, robotics, gene treatment, regenerative medicine and immunotherapy, we are at a turning point of potential innovations bringing improvements to patients' quality of life
Medical Device Market	<ul style="list-style-type: none"> Average annual growth rate of the medical device and healthcare market is 5.4% (forecast up to 2028)

2021 Results and 2022 Strategies

2021 Results

As a result of the ongoing effects of the COVID-19 pandemic and a slowdown in equipment investment by medical facilities, net sales fell 30% year over year to 140 million yen. However, we have received orders for a new project that will become a future growth engine focused on advanced medical care, and have pursued efforts aimed at future business expansion, such as beginning the development of ultra-small diameter lenses and thin film technologies.

2022 Strategy

We will pursue greater depth in the optical, spectroscopic and fluorescent technologies needed to create advanced medical technologies, thus creating economic and social value. Specifically, in addition to seeking expanded revenue through steady growth of our existing businesses, we will steadily win orders for other projects in anticipation of an expanded scale of business in the future. We will also seek to develop and strengthen ties with collaboration partners.

Value Creation Initiatives

Related SDGs ▶



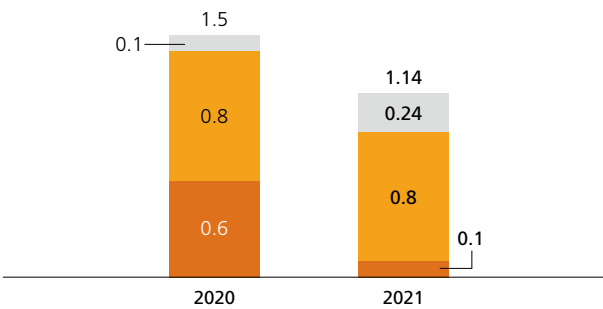
We will master technologies that visualize affected areas and cells that cannot be seen with the naked eye with greater clarity and depth, contributing to the development of advanced medical devices enabling the more accurate identification and diagnosis of affected areas through minimally invasive procedures. Going forward, we will continue to look at emerging needs ten and twenty years from now, continuing to explore technologies in greater depth to develop advanced medical technologies and help improve patient quality of life.

▶ Other Businesses

Summary of Business Results

Net Sales (Billion yen)

Drone Lenses Compact Digital Cameras / Video Cameras Others



* Displayed segments are changed at the beginning of 2021. The 2020 results are reclassified under the new disclosure segments.

2021 Results and 2022 Strategies

2021 Results

We maintained net sales on par with the previous year in the mature markets for compact digital camera lenses and camcorder lenses. Meanwhile revenue from drone lenses declined due to sluggish growth among existing products and a lack of progress in bringing new products to market.

2022 Strategy

We will continue to maintain net sales on par with 2020 levels for compact digital camera lenses and camcorder lenses. Additionally, there are a wide range of social issues in which industrial drone lenses have a potential role, and product needs are segmented accordingly. To cater to these precise needs, Tamron will aim to expand the business by utilizing technologies from other fields as well. We are also looking at developing growth areas beyond drone lenses, and will strive to expand the business together with automotive lenses and the health care field.