

**TAMRON**

# Focus on the Future

Tamron Co., Ltd. Integrated Report 2024

## Editorial Policy

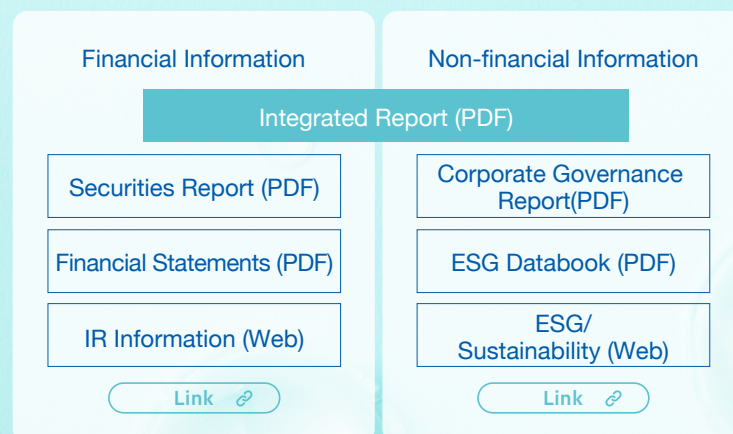
Tamron publishes an integrated report as an important tool for communicating with shareholders, investors and other stakeholders. The report contains information on management strategies, finances, human resources and the environment strategies as a way to share details of Tamron's sustainability and growth potential. In compiling this report, we have referenced the Guidance for Collaborative Value Creation from the Ministry of Economy, Trade and Industry, and the International Integrated Reporting Framework from the International Financial Reporting Standards (IFRS).

This report covers the period from January 1, 2023 to December 31, 2023 (including some information that falls outside the above period)

The report concerns the 10 companies of the Tamron Group (including Tamron Co., Ltd.)

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## Tamron's Information Framework



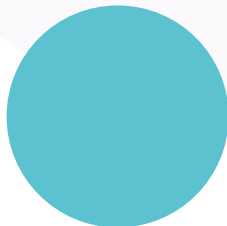
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# Focus on the Future

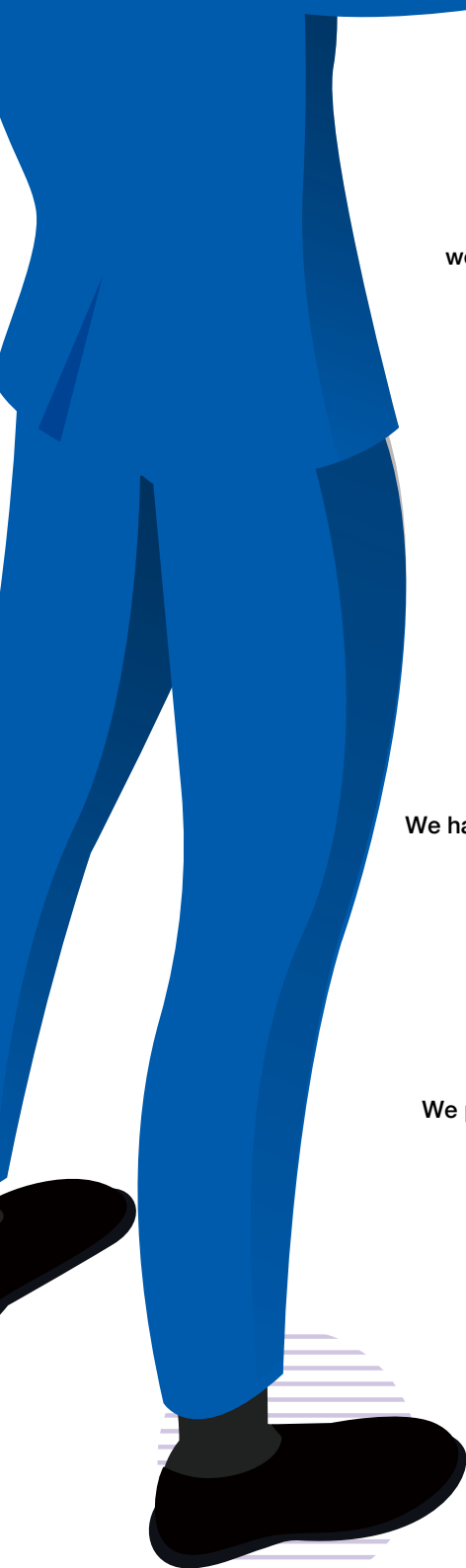


We aspire to create a society full of excitement  
where everyone can have peace of mind.  
We incorporate this into individual photographs and video frames.  
It is in your everyday lives which you live, smiling,  
with the people that are important to you.  
It is in the fulfilling lives you lead in good health.  
Tamron will help to create a sustainable future leveraging optical technologies.









Tamron was founded as a manufacturer of lenses for cameras and binoculars.

Capitalizing on the optical technologies we have developed,  
we expanded our business, focusing on interchangeable lenses for SLR cameras by offering our own brand of products  
and OEM products for other manufacturers.

Amid the popularization of videography, we developed lenses for video cameras.  
We extended the focal length ranges and reduced the size and weight of products.

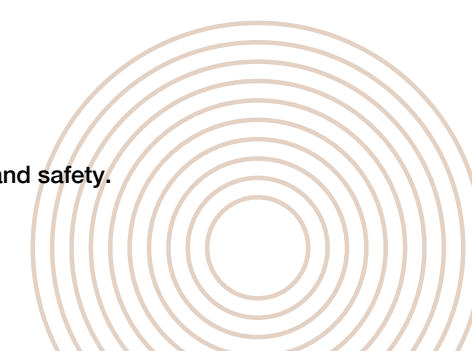
With our technological innovations for the creation of all-in-one zoom lenses,  
we established our position in the industry.  
We have successively developed unique imaging products for photography and videography.  
Today, we bring new products to market every year, mainly products for mirrorless cameras.

At the same time,  
we embarked on the development of network surveillance camera lenses amid the increasing interest in security.  
We have leveraged our optical technologies to support factory automation aimed at reducing the amount personnel necessary.

We have also developed high-performance automotive camera lenses  
with a view toward the ubiquitization of autonomous vehicles and supported the life science sector,  
an area where it is expected that needs will expand in the future,  
including supporting difficult surgeries,  
telemedicine and the observation of cancer cells that are invisible to the naked eye.  
We participate in many different demonstration experiments including an experiment demonstrating a LWIR camera module  
that captures not only images of the subject but also the subject's temperature.  
We are thus expanding our business domains.

Tamron's technologies are shifting from imaging to measuring.

We seek to establish a society where people can be excited and fulfilled and live in good health and safety.  
Tamron will continue to help resolve social problems using optical technologies.





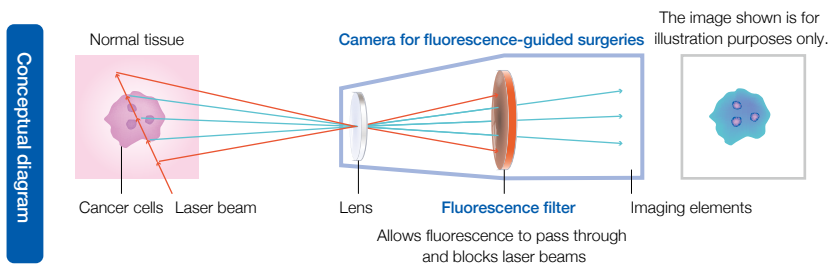
# Tamron's Measuring Technologies

New technologies in development or production

1

## Measuring cancer cells with fluorescence filters

We are developing and producing fluorescence filters which will play important roles in fluorescence-guided surgeries, in which hardly-identifiable cancer cells are clearly visualized to ensure high-precision surgical operations.

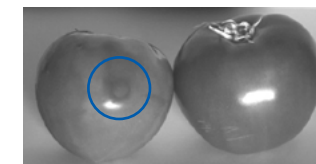


2

## Measuring moisture content using shortwave infrared (SWIR) lenses

SWIR lenses measure moisture content without destroying the objects being inspected. They help reduce labor and the burdens on workers.

A large amount of moisture oozes within bruised fruit. This makes it possible to exclude any fruit displayed in a dark color on the monitor screen. This opens the way for automation and the simplification of the shipping process.



Bruise locations



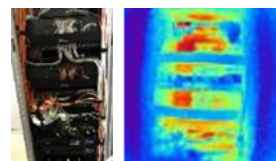
SWIR lenses

3

## Measuring heat using far infrared camera modules

Far infrared camera modules detect and visualize the far infrared radiation from objects and perform a temperature conversion process. This paves the way for monitoring data about the overheating of equipment and facilities.

At biomass power plants, they are used to monitor the temperature of biomass fuel storage warehouses which are likely to experience abnormal temperature increases, in addition to being used to monitor boilers, power generation turbines and other positions when biomass fuels are being injected into the systems. They operate every day to ensure the safety of power generation.



Left: Facility and equipment, Right: Thermal monitoring



Far Infrared camera modules

4

## Measuring distances using sensing camera lenses and LiDAR

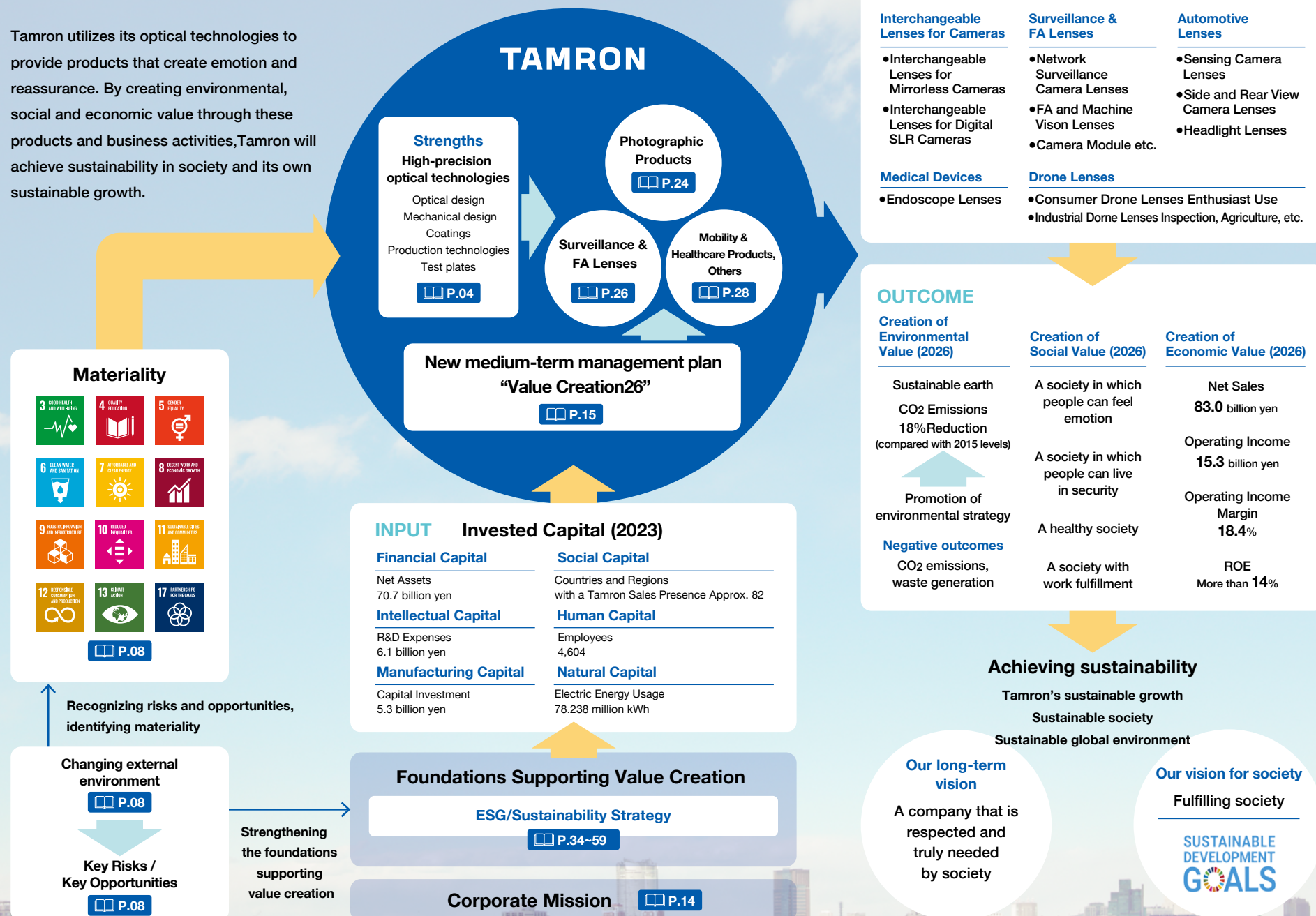
The safety of autonomous vehicles is supported by automotive sensing camera lenses. Vehicles, pedestrians, traffic signs and other objects in the digital image data captured by cameras are identified to properly control vehicles, and Light Detection and Ranging (LiDAR) light sensor technology is used to measure the distance to an object by capturing the scattering and reflection of laser light.



Automotive camera lenses

# The Value Creation Process

Tamron utilizes its optical technologies to provide products that create emotion and reassurance. By creating environmental, social and economic value through these products and business activities, Tamron will achieve sustainability in society and its own sustainable growth.





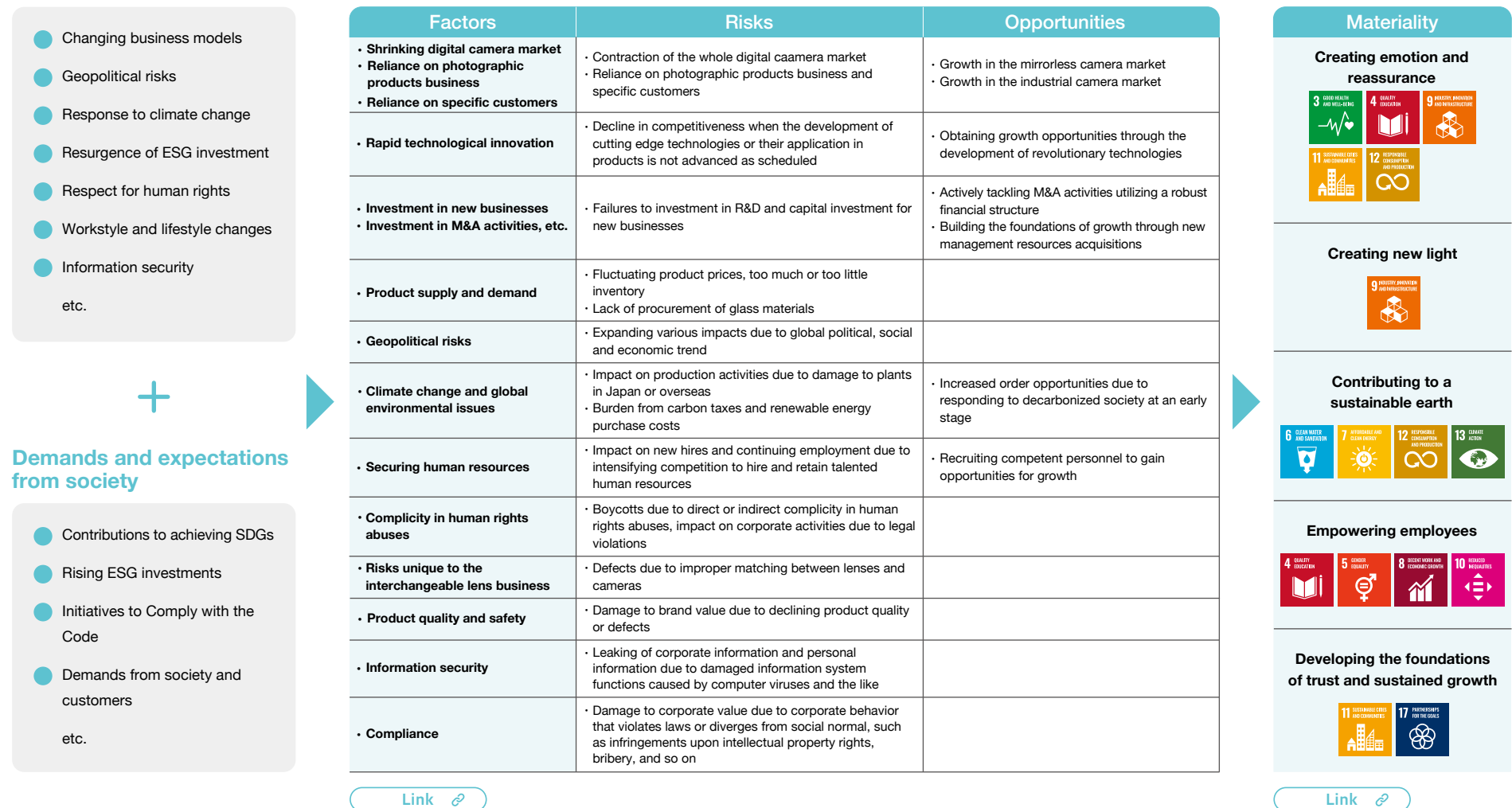
# Materiality

The Tamron Group studies medium- and long-term risks and opportunities arising from changes in the external environment and identifies material issues to be addressed for our continuous growth together with society.

They are reported to the Board of Directors after they are approved by the CSR Committee. In view of the changes in external conditions and other factors, we will continuously review them.

## The process for identifying materiality

External environment ..... Key risks and opportunities arising from changes in the external environment ..... Identifying materiality



| Special Feature |

# NEW TAMRON

**Building a truly fulfilling society  
through a new structure and new businesses**





## TOP MESSAGE

# Focusing on the future and endeavoring to realize the possibilities of optical technologies

### New President & CEO Shogo Sakuraba

I am Shogo Sakuraba. I recently became President & CEO. Since I joined Tamron in 1981, I have built my career in the field of optical and other technologies. At the beginning, I was assigned to the Lens Production Section of Hirosaki Plant and worked as an engineer working with lens polishers. Then I was transferred to the head office, where I was involved in the design and launch of lenses for video cameras. Later, I was involved in the development of production technologies and lens elements. In a management position, I established the optical technology sector, which is now at the heart of the company. A number of manufacturing technologies and innovations that I have achieved with colleagues are invaluable and indispensable assets to me.

Based on these achievements, I will lead the overall Tamron Group, which is engaged in the optical technologies business. To develop into a sustainable company in the future, we will strive to accomplish our new Value Creation<sup>26</sup> medium-term management plan and increase our corporate value with a view toward fulfilling our long-term vision of becoming a company that is respected and truly needed by society.





# Management strategy

## Vision23 achieved a revenue recovery while leaving some issues to be addressed in the new medium-term management plan

During the Vision23 medium-term management plan that commenced in 2021, we achieved the income target and a quick V-shaped recovery to the pre-COVID high profit structure in the first year. In the following year, we met the targets for net sales, operating income and ROE one year ahead of schedule. Operating income surpassed 10.0 billion yen for the first time, and we recorded a new record high for the first time in 15 years, significantly surpassing the previous record. In 2023, the final year of the plan, net sales were 20% higher than the target, operating income was double the target and ROE grew to more than 15%. This major progress under Vision23 was largely due to the improvement of revenue from existing businesses. Meanwhile, in terms of the improvement of growing areas and the creation of new businesses, targets remained to be achieved. In view of these results, our top priority is to commercialize the results of forward-looking R&D while maintaining a high profit structure in our existing businesses.

## Tamron will continue its efforts to create businesses to increase corporate value

Our operating environment remains very uncertain due to heightened geopolitical risks and fears of persistent inflation. In addition, to create and provide diverse value, it is important that we examine the future and respond quickly and flexibly to the increasingly diverse and complex

needs of society, industry and individuals. These needs include supply chain stability, digitalization and decarbonization.

To achieve this, our new Value Creation26 medium-term management plan (see page 15) lays out two basic policies. The first is to achieve the steady growth of existing businesses and accelerate the creation of new businesses. The other is to become a company whose employees have job satisfaction and whose corporate value is high. Based on the achievements and issues during Vision23, we will carry out our business strategy, financial strategy and ESG/sustainability strategy to establish a sustainable business foundation and to achieve a high-quality leap forward and maximize our corporate value.

Our business strategy is to optimize our business portfolio, develop new businesses and accelerate the creation of new businesses. Our financial strategy is to establish efficient and stable management and enhance our shareholder return policy. Our ESG/sustainability policy is to construct a corporate governance structure, enhance our management and human capital foundations and reduce our environmental impact to achieve carbon neutrality. We set a net sales target of 83.0 billion yen. It is our first net sales goal above 80.0 billion yen. The operating income target is 15.3 billion yen. We will seek to achieve the double-digit growth of both net sales and operating income from their levels in 2023. And we will invest for the future more proactively while maintaining high profitability with an EBITDA margin of 22% or more. Regarding shareholder return, we will approximately double the total return ratio to 60%. In so doing, we aim to achieve the growth of net sales and income while maintaining high profitability with an ROE of 14% or more and to create corporate value that surpasses our past financial value and business size.

Check the details of the businesses here.

Photographic Products ▶P.24

Surveillance & FA Lenses ▶P.26

Mobility & Healthcare Products, Others ▶P.28







Reconstructing our governance system to strengthen the supervisory functions of the Board of Directors

Since I became President & CEO in August 2023, we have worked to build a highly effective corporate governance system with a view toward increasing the fairness and transparency of management and the swiftness and efficiency of decision-making and the execution of business. In November 2023, we established a Governance Review Committee with the aim of strengthening the supervisory function of the Board of Directors and have been considering various measures to improve its corporate governance system.

As a result, we have determined that it is necessary to establish a governance system that enables us to take actions faster and more flexibly than ever before and further enhance the transparency of decision-making and the effectiveness of management supervision by the Board of Directors.

As a result, we transformed into a company with an Audit &


Supervisory Committee. We will shift authorities from the Board of Directors to the directors with the goal of accelerating decision-making and the execution of business. In addition, we will strengthen the supervisory functions of the Board of Directors by, for example, toughening the nomination procedures and improving the operations of the Nomination Committee and by introducing rules that oblige the committee to report its activities to the Board of Directors. And we will make the Audit & Supervisory Committee members, who audit the directors' performance of their duties, members of the Board of Directors to strengthen the board's supervisory functions and to continuously enhance corporate governance.

Shifting from imaging to measuring under a new management structure and working to build a fulfilling society in many different areas

We are not just aiming to implement sound corporate management. As stated in the Corporate Vision, we aspire to help establish a fulfilling

society through our business. In this respect, we understand that it is vital to accelerate new business creation. This an issue we will address during the new medium-term management plan. We believe that optical technologies have infinite potential and that they are so marvelous that they are able to deliver fulfillment in our lives as they continue to advance.

Since its founding in 1950, we have continually refined its optical technologies, as symbolized by its photographic lenses. The technologies we have cultivated through photographic lenses have allowed us to step into the security (urban surveillance, intelligent transport systems (ITS) and facial recognition), industrial, automotive and medical sectors. In the future, we will leverage the technologies we have developed to create new products and businesses that will help resolve social issues. Our long-term vision is to be a company that is respected and truly needed by society. We will shift our technology strategy from imaging to measuring and strive to build a fulfilling society in many different areas. We also all broaden the potential of optical technologies, address future social issues and deliver new value to the entire world.



### Profile

<b>Name</b>	Shogo Sakuraba	<b>Birthdate</b>	April 1, 1958	<b>Career Profile</b> <p>Shogo Sakuraba joins Tamron in 1981, when he is assigned to the Lens Production Section of the Hirosaki Plant (currently the Hirosaki Site of the Aomori Plant). In his first year of service, he is transferred to the optical design team at the head office. Later, he is a member of the production technology sector at the Hirosaki Plant, the head of the glass mold promotion office, and the head of the optical development sector, in addition to other positions, before being appointed to his current position.</p>
<b>Post</b>	President & CEO	<b>Graduate</b>	Faculty of Science and Technology, Hirosaki University	
<b>Hometown</b>	Aomori prefecture	<b>Motto</b>	Never give up	



## Human capital

### Advancing human capital management to evolve into a company whose employees have job satisfaction

Business entities conduct human capital management from a perspective under which personnel are vital to them. We will step up efforts to enable employees to achieve happiness and to evolve into a company whose employees have job satisfaction. Enabling employees to be happy is one of my policies and being a company whose employees have job satisfaction is one of the basic policies in Value Creation<sup>26</sup>. These efforts include increasing investment in human capital,



health management and the expansion of engagement activities.

When I was a manager of the optical development sector, employees quit the company one after another. I studied why they left the company. Their reasons for leaving the company suggested that it was important that employees feel motivated when they are displaying their creativity, that the employer properly evaluate them, that sound human relationships and communication be maintained and that their mental and physical health be secured. From then on, I have believed that we can prevent employees from leaving by respecting these points and I practice this. In the future, I am thinking of applying these principles not only for a part of the company but for all employees and thus advancing human capital management based on these actions.

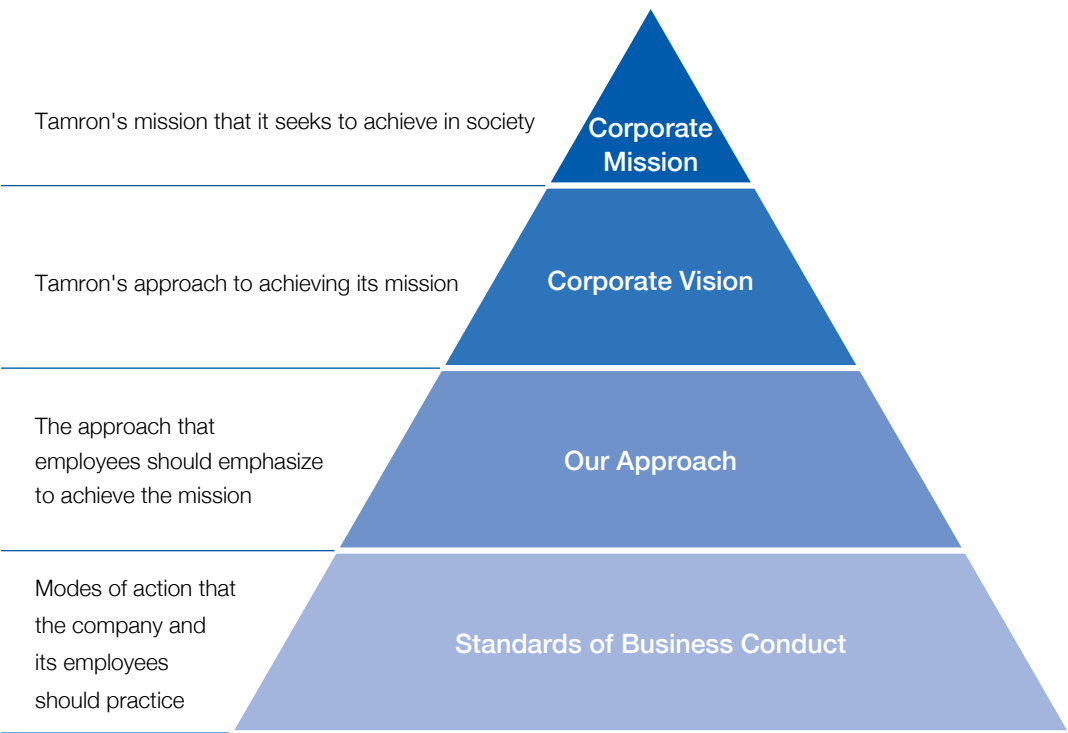
### Providing an environment where employees can display their creativity based on health management

Intermittent innovation that generates added value is significant for the medium- and long-term growth of corporate value. For this purpose, it is important to combine the capabilities of diverse personnel. In my opinion, comments and ideas from different perspectives produce synergy leading to innovation and the creation of new businesses. We are therefore creating a workplace environment that enables employees to display their own creativity. We need an

environment where they can freely express their views and ideas. Instead of rejecting these views and ideas, we should study them from various angles and incorporate them positively, and we should improve our own views and ideas. I believe that creativity can be easily leveraged in a workplace where the staff can experiment. Employees can feel motivated when their views and ideas are accepted in their workplaces and this enables them to demonstrate their creativity, creating a virtuous cycle. On the other hand, we must not pay attention to results alone. It is also important to evaluate the preparations and processes before new ideas are created. When the company conducts proper evaluations, employees can take joy in taking on challenges. This leads to innovation and the increased liveliness of the organization. I think that the very first thing to do to increase corporate value is to ensure that employees maintain sound human relationships and communication, stay mentally and physically healthy and be fulfilled in their work. The revitalization of the organization and employee motivation are impossible without health management. We will not only consider health as required by law but strive to more positively maintain and improve employee health.

When every employee is happy, they create high value-added technologies and products. We will pursue our mission of helping build a fulfilling society with these technologies and products as stated in our Corporate Philosophy.

# Corporate Philosophy



Long-Term Vision

Our vision

A company that is respected and truly needed by society.

Corporate Mission

Tamron creates emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society.

Corporate Vision

Carving out the future with light

We pursue optical technologies, aiming for a fulfilling society that offers joy, emotion and reassurance. We expand the possibilities of light by addressing many of society's issues for the future providing value around the world.

Our Approach

- Sincerity** We genuinely approach all situations fairly and equitably through careful examination of the actual location, subject and circumstances.
- Challenge** We are open-minded, unconstrained by conventional wisdom, and embrace infinite possibilities.
- Creativity** We create value, addressing many of society's issues through teamwork.

Brand slogan / Statement

Focus on the Future

Tamron is focused on the future.

We are committed as an optical specialist to create new value and direction in optics with our long-accumulated optical technologies and address many social issues in the future. Tamron delivers emotion and reassurance around the world toward a more fulfilling society.

We will never stop rising to new challenges.



# New Medium-term Management Plan

With the basic policies of achieving the steady growth of existing businesses and accelerating the creation of new businesses and becoming a company whose employees have job satisfaction and whose corporate value is high, we will move to a new stage of business based on the achievements and issues during the previous Vision23 medium-term management plan and achieve a high-quality leap forward and maximize our corporate value by taking on new challenges. During the new medium-term management plan, Value Creation26, we will accelerate our creation of businesses and the growth of these businesses which will support the future that is five to ten years away, aiming to be a company that is respected and truly needed by society.

## Basic policy

- Grow existing segments steadily and create new business
- Create a workplace with a fulfilling environment and high corporate value

- Portfolio optimization
- Development and growth of new business
- Establish a functional strategy
- Development of human resources and Activate the organization

- Improve profitability of core business
- Expand business in growing fields
- Improvement of corporate constitution

Medium-term plan  
2018-2020

Medium-term plan  
**Vision23**  
2021-2023

New  
medium-term plan  
**Value  
Creation26**  
2024-2026

Our vision

A company that is respected  
and  
truly needed by society.

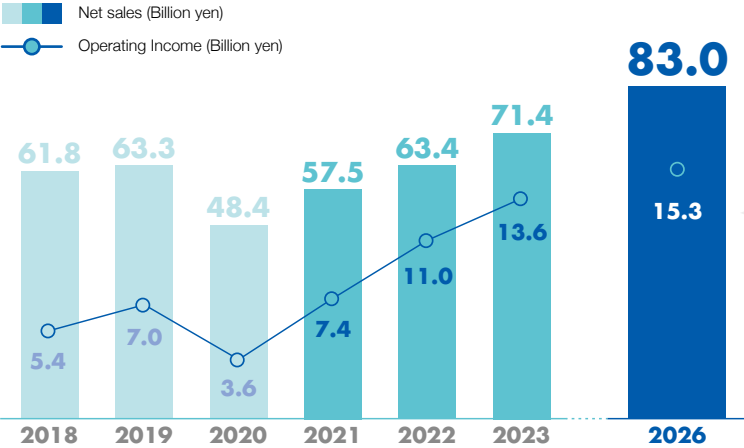
Under Vision23's achievements,  
we will overcome challenges,  
achieve high-quality leaps, and  
maximize corporate value through new endeavors.

# Outline of the “Value Creation26”

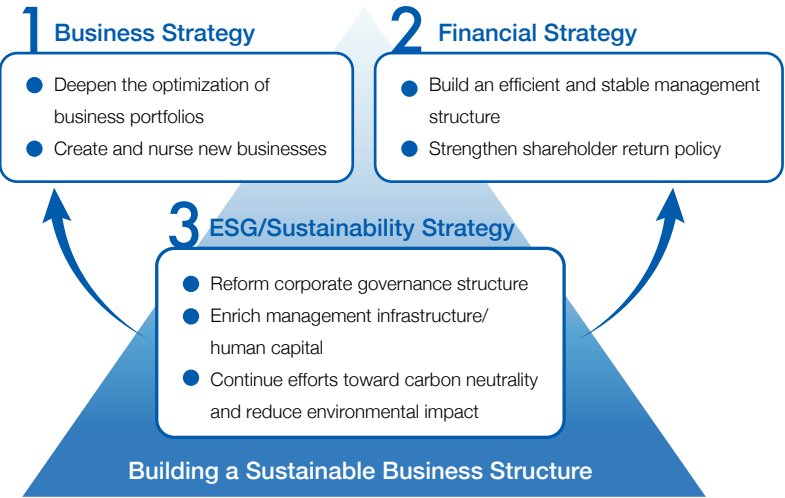
Consolidated management numerical targets include a net sales target of 83.0 billion yen, which is far higher than the record high net sales marked in 2014 and more than 10.0 billion yen higher than net sales in 2023. This is the first time our net sales goal has exceeded 80.0 billion yen.

The operating income target is set at 15.3 billion yen. We will seek to achieve the double-digit growth of both net sales and operating income from their levels in 2023. We will investments for the future more proactively while maintaining high profitability with an EBITDA margin of 22% or more. To enhance shareholder return, we will nearly double the total return ratio to 60%. While maintaining high profitability with an ROE of 14% or more, we will aim to increase net sales and income and create corporate value far beyond our financial value and the scale of our business.

## Review of the past and numerical targets



- Achieve growth in sales and profit while maintaining high profitability and efficiency. Targeting our first major milestone of 80.0 billion yen in sales and 15.0 billion yen in operating income.
- Create a corporate value that significantly exceeds current financial value and business scale.



	Actual 2023	Target 2026
Net Sales	71.4 billion yen	83.0 billion yen
Operating Income	13.6 billion yen	15.3 billion yen
Operating Income Margin	19.1%	18.4%

	2021-2023 Average	Target 2026
EBITDA(% Sales)	21% level	More than 22%
ROE	13% level	More than 14%
Shareholder Return Policy	Dividend payout ratio 30% level	Total payout ratio Approx. 60%

# 1 Business Strategy of the “Value Creation26”

## Business Strategy

**Ensure continuous growth by allocating appropriate resources to each business**

- Advance the structure of the Photographic Products Business as a cash cow
- Expand scale in both “Surveillance & FA Lenses” and “Mobility & Healthcare Products, Others” Business
  - ➔ Target to increase sales composition ratio of “Surveillance & FA Lenses” and “Mobility & Healthcare Products, Others” Business by more than 15% each. (more than 40% sales growth from 2023 each)
  - ➔ Adjust the sales composition ratio of the Photographic Products Business from 3/4 to 2/3.

## Functional Strategy

**Evolution of each function to support growth in existing business growth and new business creation**

### Production/Procurement

- Reinforce the global tri-pillar production system by starting the 2nd plant in Vietnam
- Increase the resilience of the supply chain, and enhance allocation flexibility
- Promote automation/labor saving/manpower reduction
- Re-emphasize independent profitability and establish competitive advantage

### Marketing/Sales

- Recover sales in US & European markets
- Incorporate domestic demand in the Chinese market
- Capture demand in emerging markets
- Enhance digital marketing
- Strengthen the ability to identify the needs on a global basis

### R&D/New Business Creation

- Advance fundamental optics and elemental technologies
- Improve productivity in product design and development
- Enhance the discovery of the seeds/connection of needs
- Reinforce the function for new business creation
- Accelerate open innovation design



1 Business Strategy of the “Value Creation26”

Photographic Products

Inspire and enrich people’s lives

P.24

The Photographic Products Business is a core business, and we will improve its highly profitable structure and maintain its stable revenue.

The net sales target for 2026 is 56.0 billion yen. This requires a two-digit increase of sales of our own brand of products from the level in 2023. In accordance with the functional strategy, we will improve productivity, strengthen our sales and marketing functions, and develop products with greater functionality and performance. We will thus aim to achieve operating income of 15.0 billion yen or more. Our strategy for achieving this is to accelerate the development of own-brand products from around 5 models per year currently to 6-7 models per year under the new medium-term management plan.

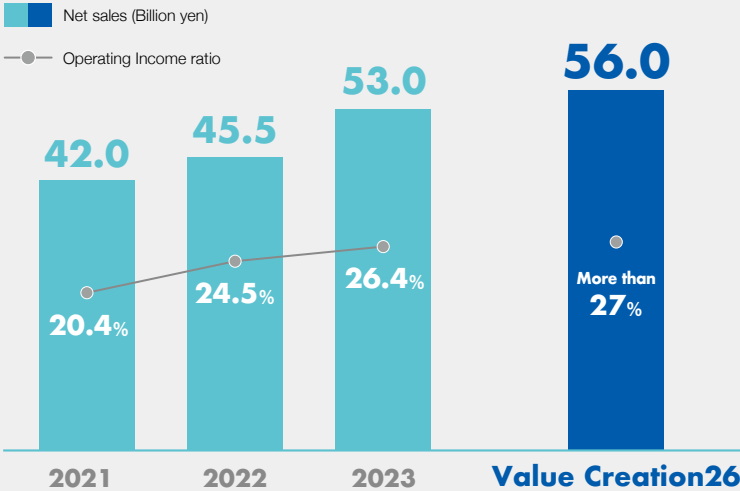
We will continue to work hard to make them compatible with new formats. With these strategies in mind, we will work to improve the market share that our own brand holds, to enable sales in the US and Europe to recover, to continue to expand in the Chinese and Asian markets and to explore developing regional markets, and we will seek to increase market share by revenue from the current 5% to 7-8%.

Regarding OEM products, we will continuously build closer partnerships with our OEM clients and continue to receive orders to ensure the stability of the business.

Improve the high-profit structure as core business

- ✓ Accelerate the development of own-brand product  
\*Current: 5 models per year ➡ New Medium-Term: 6-7 models per year
- ✓ Continuously adapts to new formats
- ✓ Expansion of existing mount options and new entries into the Canon RF mount
- ✓ Improving own-brand share
  - Recover sales in the US and Europe
  - Expand continuously in Chinese and Asian markets
  - Explore developing markets (Latin America, Middle East, Africa)\*Market Share by revenue: 5% ➡ New Medium-Term: 7-8%
- ✓ Strengthen the relationship with OEM business partners

Numerical targets



1 Business Strategy of the “Value Creation26”

Surveillance & FA Lenses

Create a secure and safe society

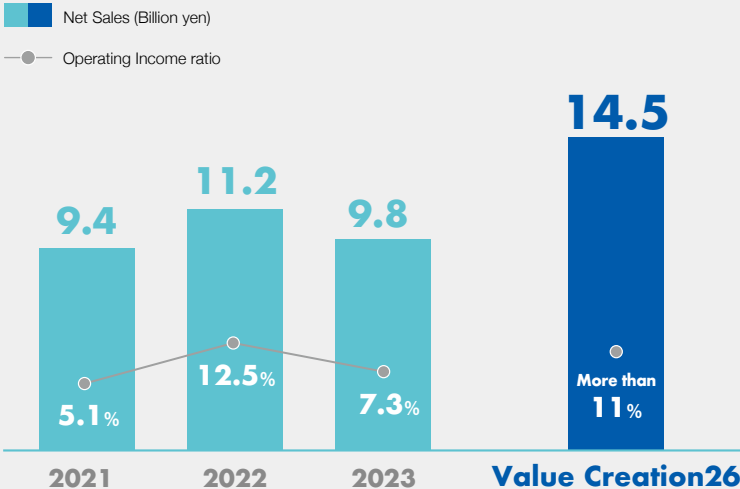
P.26

Meanwhile, we will turn the Surveillance & FA Lenses Business back into a growth business, aiming for an operating income margin of 10% or higher. The net sales target for 2026 is 14.5 billion yen, which is about 1.5 times the net sales in 2023, and the operating income target is 1.6 billion yen, which is more than double the figure in 2023. We will implement the strategies below to achieve these targets. In the surveillance business, we previously sought to expand sales of high value-added products based on our high-level technological strengths. In the future, we will shift to a two-front strategy, according to which we will expand the product portfolio to serve not only the high-end market but also the low-to-medium-end market. In the FA Lenses Business, we will widen the product lineup. In new areas, we will expand sales of SWIR lenses, zoom lenses and other products to cultivate customers. In terms of camera modules, we will develop 4K, high magnification and smaller-sized models to expand the array of products. In addition, we will focus on both OEM products and our own brand products to increase sales. In parallel with this, we will downsize our teleconferencing lens business which is struggling amid the decline in demand. We will identify the sectors that are growing and those that are contracting and review the business structure of the Surveillance & FA Lenses segment as a whole. In addition, we will accelerate the integrated product development, production and sales system matched to local needs at our plants in China. This will enable us to capture a larger share of the market in that country.

Re-transform into a growth business,  
targeting for more than 10% operating income on net sales

- ✓ Shift to dual strategy
  - Acquire more orders on volume zone products, in addition to high-value-added products
- ✓ Develop customers in the FA market and other new business fields
  - Expand FA lens’s lineup, increase sales of SWIR and FA zoom, etc.
- ✓ Expand the camera module’s lineup
  - Achieve 4K/high magnification/miniaturization
  - Expand sales in both OEM and own-brand
- ✓ Select and review the business structure
- ✓ Strengthen the development/production/sales structure in China

Numerical targets



1 Business Strategy of the “Value Creation26”

Mobility & Healthcare Products, Others

Healthy and secure lifestyle

P.28

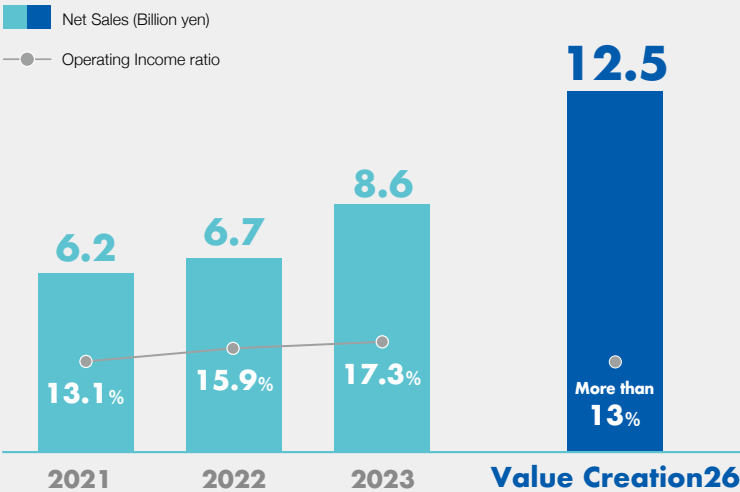
In the business of Mobility & Healthcare Products, Others, we will address the subject of healthy and secure lifestyles and seek to continue the growth of the automotive and medical businesses and accelerate the creation of new businesses. The net sales target for 2026 is 12.5 billion yen, which is around 1.4 times the level in 2023. We will accelerate upfront investment in the creation of new businesses, which we expect will be partly responsible for a decrease in the profit margin. Even so, we will keep it at or above 13% and maintain the increase of operating income. In the automotive business, we will concentrate on sensing applications amid the development of advanced driver assistance systems (ADAS). We will establish a structure that is prepared for cost competition and strive to receive orders for the next vehicle models to increase net sales to 10.0 billion yen. We will also establish technologies to enable high resolutions, high durability, high heat resistance and other features to bolster product reliability. We will change our activities for gaining orders by introducing an approach where we join customers during the planning stage.

In the medical business, we will aim to increase net sales to over 1.0 billion yen in 2026, which is 3.5 times the level in 2023. We are aiming to increase this to 3.0 billion yen in 2030. We will strive to continue to expand the existing hard endoscope business and step into the areas of surgical microscopes and life sciences in the medical sector. We will strongly push ahead with the growth of business towards 2030.

Further growth in automotive and medical business  
& accelerate creation of new business

- ✓ Focus on the sales of automotive lenses for sensing applications with the expansion of ADAS
- ✓ Establish a next-generation cost structure for cost competition
- ✓ Establish technologies for high pixels, durability, high heat resistance, and reliability assurance
- ✓ Reform order acquisition activities, and start early engagement from the upstream planning stage
  - Grow the automotive business to a 10-billion-yen sales scale
- ✓ Further step up the rigid endoscope business
- ✓ Full-scale entry into surgical microscopes and life sciences
  - Expand the medical business to 1-billion-yen sales scale (target 3-billion-yen sales scale in 2030)
- ✓ Planned to increase operating income whereas the operating income on net sales decreased due to advance investment to create new business

Numerical targets



## 2 Financial Strategy of the “Value Creation26”

 P.30

Under our financial strategy, we will build effective management while ensuring stability through an appropriate capital structure and enhanced shareholder return. In consideration of financial safety, we will effectively use funds in hand and reduce the shareholders' equity ratio gradually to achieve an ROE of around 14%, which is twice as high as the cost of capital. We will also review the capital structure. Specific measures for enhancing shareholder return include raising the dividend payout ratio target with a minimum annual dividend of 100 yen per share, the setting of a total return ratio target and the flexible repurchasing of treasury shares. During the new medium-term management plan, we will increase the amount that we will invest to double the level during the previous plan to more actively invest with the goal of achieving continuous growth. In view of the capital structure we are targeting, the cash and deposits target and other targets, we will increase our shareholder return from the current dividend payout ratio of approximately 30% to a total return ratio of 60%. Shareholder return will therefor rise at least 2.5 fold. We will reinforce both investments and return. For details, please see the pages focused on the financial strategy.

**Building effective management  
while ensuring stability**

### Appropriate Capital Structure

- Sustain an ROE of approx.14%
- 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

### Enhanced Shareholder Return

- Stable shareholder returns and flexible repurchase of treasury stock
- Aiming for total return ratio of 60%
  - Set a minimum annual dividend of 100 yen  
Target dividend payout ratio of approx. 40%
  - Aim for a total return ratio of approx. 60%  
Conduct flexible repurchase of treasury stock



### 3 ESG/Sustainability Strategy of the “Value Creation26”

 P.34

On the environment front, we need to evolve whilst at the same time promoting the realization of our Environmental Vision 2050 of a decarbonized society, resource recycling society and society in harmony with nature. We will work to steadily reduce our own Scope 1 and 2 CO<sub>2</sub> emissions and to expand the scope of our reductions to include Scope 3 emissions. We will transform our recycling of resources to enable a circular economy.

At a social level, we will promote human capital management from the viewpoint that a company is its people. We will promote diversity, equity and inclusion (DE&I), increase investment in human capital, manage health and expand engagement activities. We will step up activities to enable employee happiness, one of the policies pursued by the president & CEO, and to evolve into a company where job satisfaction is one of the basic policies, as it is in Value Creation26. We began implementing human rights due diligence in 2023. We will increase the effectiveness of our activities by conducting self-assessment questionnaires (SAQs) and other measures.

On the governance front, we will strengthen supervision and speed up decision-making, changing the very design of the organs of the company to improve the overall effectiveness of governance.

#### Environment

**Reduce environmental burden through carbon neutral, in-house products designing and services**

**Promote and drive the evolution of the Environmental Vision 2050**

- **Reduce greenhouse gas emission**
  - Scope1, 2- 18% reduction (vs Yr.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**

#### Social

**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**

#### Governance

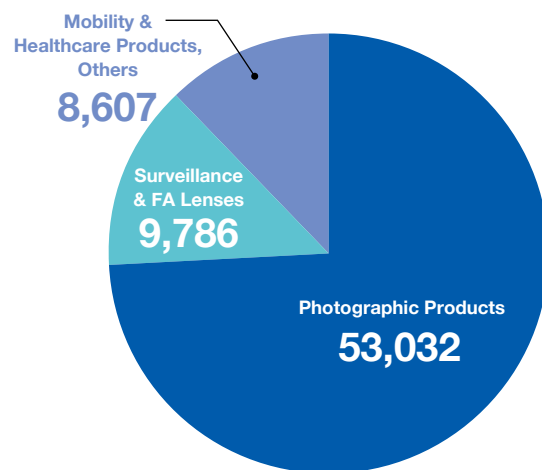
**Reform the Corporate Governance Structure**

**Strengthen supervision, speed up decision-making**

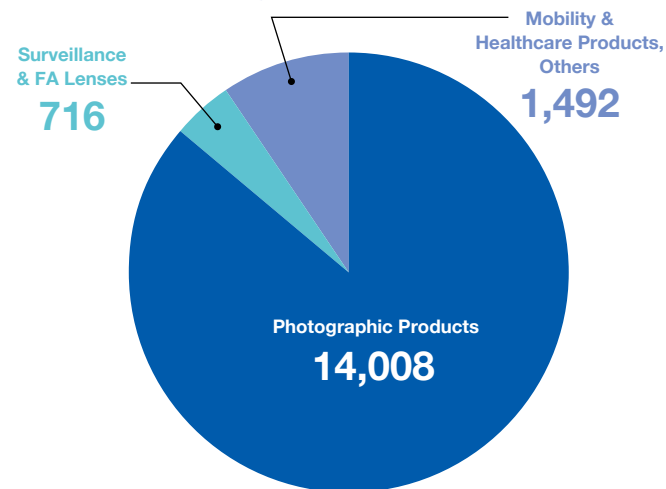
- **Transition to a Company with an Audit & Supervisory Committee**
  - Strengthen supervisory functions, expedite decision-making
- **Increase the ratio of outside directors**
  - Secure the ratio of outside directors to a majority
- **Refine the assessment of the effectiveness of the Board of Directors**
  - 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**

# BUSINESS STRATEGY

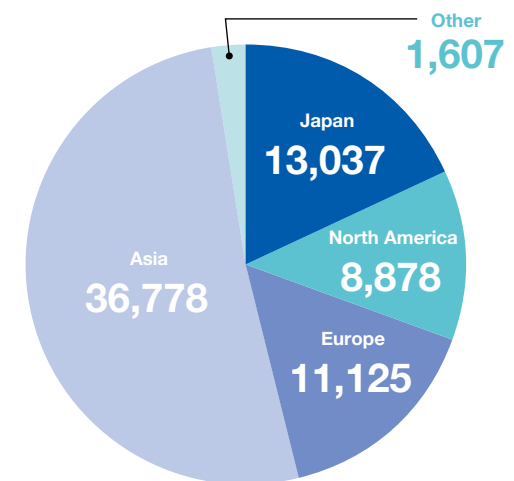
**Net Sales by Segment**  
(Million yen)



**Operating Income by Segment**  
(Million yen)

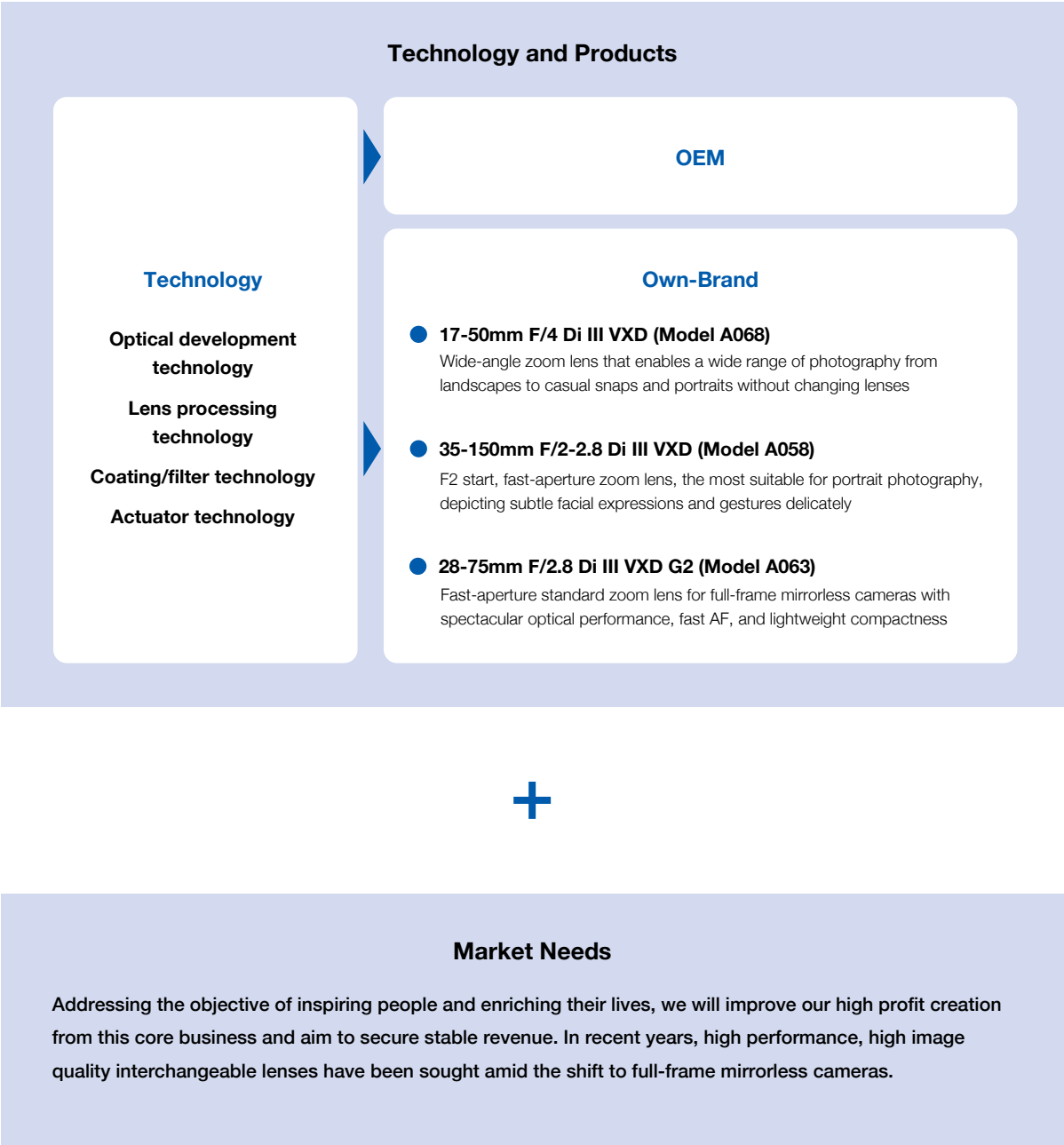


**Net Sales by Region**  
(Million yen)



# Photographic Products

Addressing the objective of inspiring and enriching people's lives, Tamron will continue to provide users with lenses with unique focal length ranges and other unprecedented products so that people around the world will enjoy photography through lenses. Capitalizing on the technologies and experience that we have long nurtured, we will continue to innovate technologically and offer revolutionary products that will surprise and excite customers.

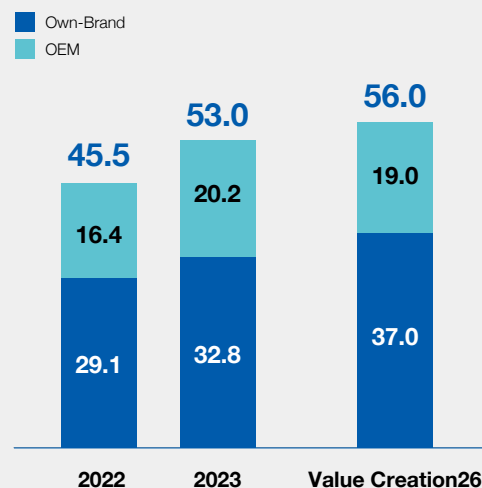


## Summary of Business Results

Net sales increased 16% year on year to around 7.5 billion yen. In the own-brand products category, we released new products for the Sony E Mount, the FUJIFILM X Mount and for the Nikon Z Mount to accelerate the expansion of our lineup of interchangeable lenses compatible with different mirrorless camera mounts. Looking at OEM products, net sales plunged dramatically in the first half due to a reactionary fall after shipments of interchangeable lenses had been larger than in usual years due to constraints on supply of bodies to camera manufacturers amid the semiconductor shortage. In the second half, net sales increased massively in line with strong market trends. On a full-year basis, a double-digit increase in net sales was achieved.

### Net Sales

(Billion yen)



## ▶ Initiatives for Next Field of Business

Today, more and more mirrorless camera users enjoy taking not only still photos but also video, and the market wants interchangeable lenses that are user-friendly for both photography and videography and that allow users to shoot at a high level. The unit prices of these lenses are increasing. We listen to many customers who tell us

their needs and incorporate our findings into our planning, development and manufacturing. We utilize the optical technologies that we have cultivated over more than 70 years and introduce new technologies to supply products that meet customers' needs.

## ▶ Results for Previous Fiscal Year and Future Strategies

In the Photographic Products Business, the net sales and operating income margin targets were achieved in the first year of the Vision23 medium-term management plan, two years ahead of schedule. In 2022, the second year of Vision23, new highs were recorded for net sales, operating income and operating income margin. In 2023, the final year of the plan, net sales and operating income both increased to 53.0 billion yen and 14.0 billion yen respectively. This was the second consecutive year a new record high operating income was recorded. There were also developments on the product launch front. Our lineup of own-brand lenses for mirrorless cameras went

from eight at the end of 2020 to 25 by the end of 2023, over 3x growth.

For 2024, the first year of Value Creation26, the net sales target is 54.5 billion yen and the operating income margin target is the range from 27% to 28%. For 2026, the final year of the plan, the net sales target is 56.0 billion yen (up 6% from the 2023 level) and the operating income margin target is 27% to 28%. We will aim to increase both sales and income each year. In addition, we are planning to release six or seven new appealing models of product under our own brand each year to expand our market share.

## ▶ New Technologies or Topics for the Current Fiscal Year

Following the shift from SLR cameras to mirrorless cameras, demand for cameras and lenses that have the ability to do both photographs and video is increasing. To enable customers to shoot comfortably in many different situations, we provide dedicated software to customize and update the firmware of our lenses

equipped with USB Type-C ports using a computer or smartphone.

We will continue our efforts to develop elemental technologies to fully support customers in many different shooting situations.

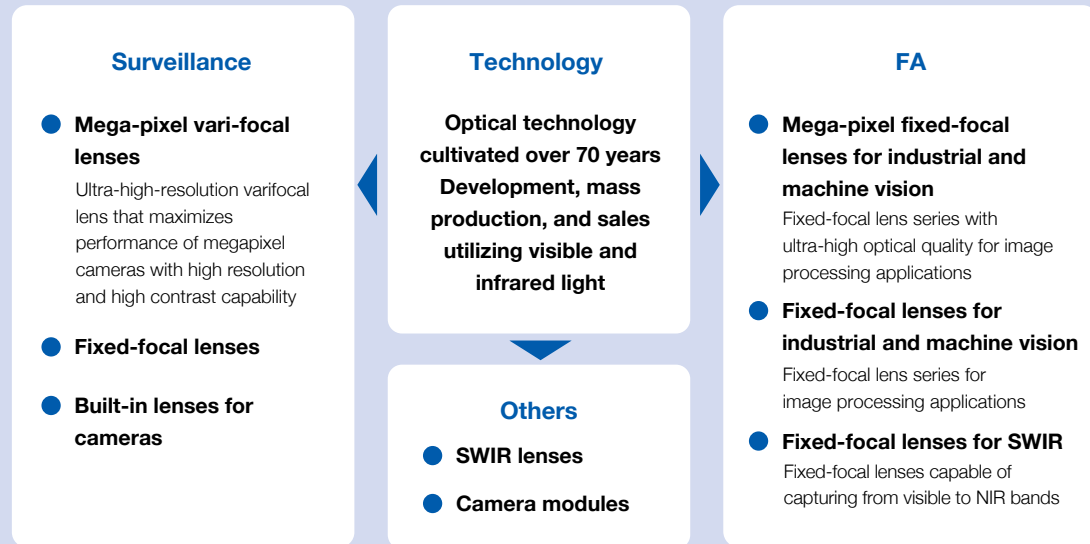


# Surveillance & FA Lenses

In the Surveillance & FA Lenses Business, we are working to create a safe and secure society. We develop and sell products based on global market needs, including surveillance camera lenses, serving as the eyes of society and helping ensure security, and factory automation and machine vision lenses used in production and equipment inspection. On the global scale, there is the issue of labor or workforce shortages. To help resolve this problem, we will strive to achieve the unmanned or reduced personnel inspection and surveillance of equipment and within power plants and other facilities.



## Technology and Products



## Market Needs

As demand for high-resolution cameras is growing in the field of surveillance, higher performance and quality lenses are required. We will develop lenses that meet these requirements. The use of our factory automation and machine vision lenses, SWIR lenses and far infrared camera modules will help ease culture management in smart agriculture, the streamlining of inspections that have depended on the five senses of skilled workers and thermal monitoring at biomass power plants. In view of the demand for labor reduction and unmanned or automated operations, we believe that our products will support the resolution of social problems.

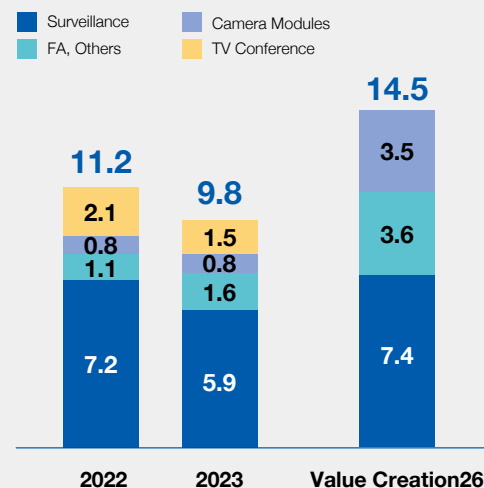


## Summary of Business Results

The recovery of the Chinese market after its withdrawal from the zero-COVID policy has been slow. This led to the stagnation of projects and development delays. After the easing of the semiconductor shortage, some took action to optimize their inventories and shipments dropped. Operating income fell sharply—around 50%. In addition to a decrease in gross profit following the shrinkage of net sales, weak sales led to delays in the recovery of development expenses and surges in development and prototyping expenses in anticipation of the future growth of sales.

### Net Sales

(Billion yen)



## ▶ Initiatives for Next Field of Business

A characteristic of our optical products is that they cover a light spectrum that includes infrared light in addition to visible light. The Surveillance & FA Lenses Business takes advantage of this to expand the scope of its business from imaging to measuring as stated in the technology strategy. For example, short-wave infrared (SWIR) radiation, a part of the infrared light spectrum, paves the way toward the identification and inspection of substances based on differences in their absorption and

reflection characteristics. Our SWIR lenses are capable of detecting the moisture content of objects and identifying foreign substances. This helps automate and simplify the shipping process in agriculture.

A feature of our far infrared camera modules is that they can measure heat using long-wave infrared (or far infrared) radiation. They help monitor the temperature of equipment in power plants and quickly identify dead chickens in poultry houses.

## ▶ Results for Previous Fiscal Year and Future Strategies

In the field of surveillance, lens performance is continuing to advance and lenses are able to provide increasingly high resolution images. Demand for high performance and high quality products is increasing. In view of this, we are working intensively to develop 4K and other high value-added products. In the field of FA lenses, Tamron revamped and expanded its lineup begun in 2023, and has managed to place a new focus on the development of OEM projects. Far infrared modules are expected to grow in the future. At the same time we were fully releasing models which had been completely developed by 2022 or earlier, we started developing new camera modules that we will release in and after 2024.

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 new products whose lineup refresh is now complete. At the same time, we will strive to maintain and strengthen ties with key manufacturers in both segments. In the camera module business, we will strengthen the rollout of development products that complete with the National Defense Authorization Act (NDAA) while continuing to work on the development of OEM models.

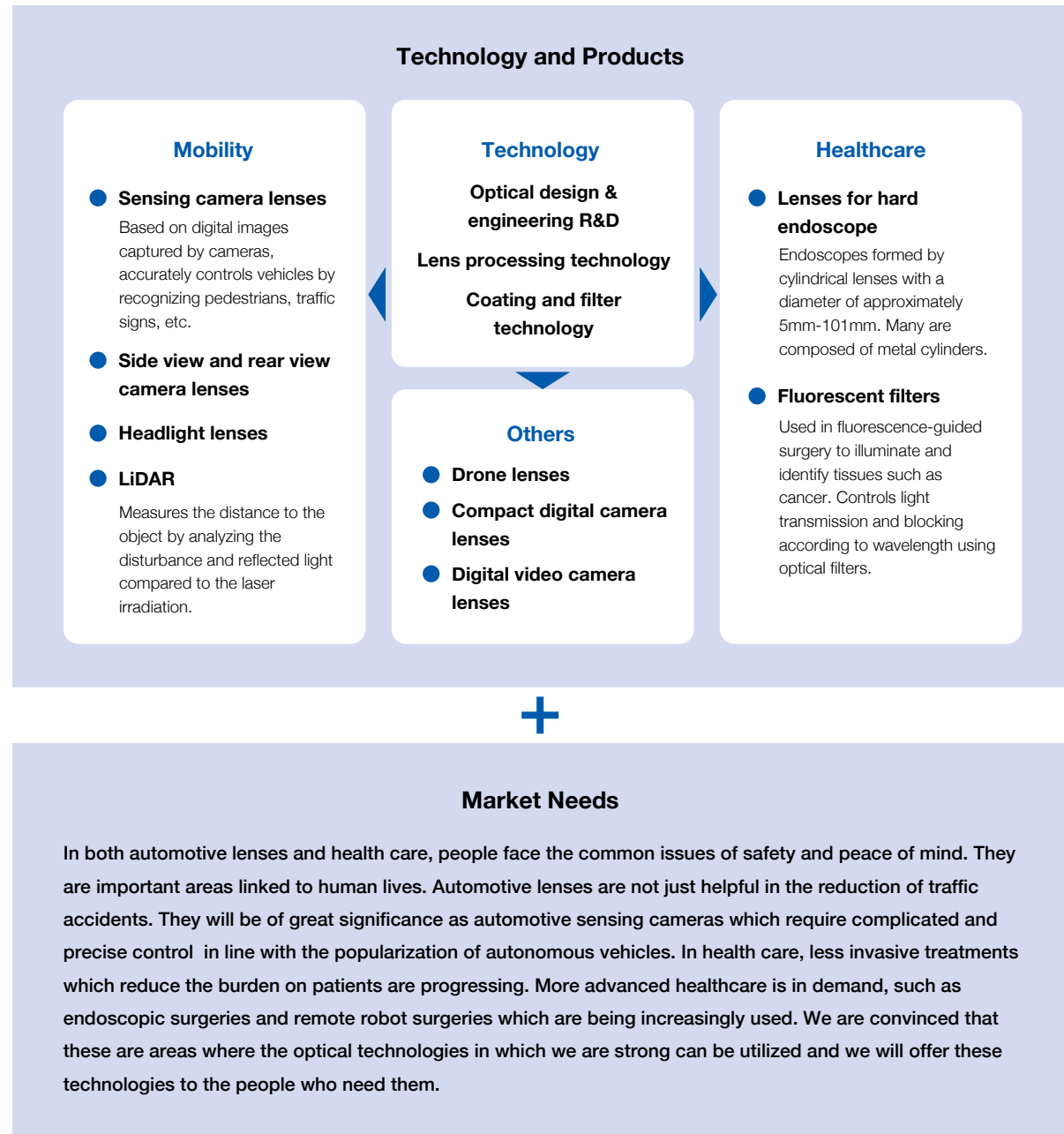
## ▶ New Technologies or Topics for the Current Fiscal Year

We will upgrade the temperature monitoring functions of small far-infrared camera modules. We will enhance the technologies for measuring temperature for applications such as the detection of abnormal temperatures in the combustion turbines of biomass power plants as well as

the management of switchboards, the control and management of production and hot melt inspections at production facilities. This will enable us to help resolve social problems.

## Mobility & Healthcare Products, Others

In the Mobility & Healthcare Products, Others Business, Tamron is committed to healthy and secure lifestyles. Our products and technologies support people's peace of mind, safety and health, as the eyes of vehicles in the automotive field where autonomous vehicles are advancing, and as the eyes of doctors in the medical field where progress is being achieved in less-invasive procedures.

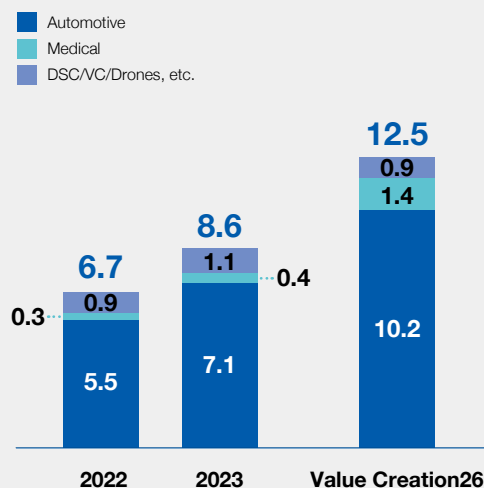


## Summary of Business Results

In the automotive business, the negative impact of inventory adjustments faded earlier than expected. Consequently, net sales grew significantly, around 30%. Net sales increased mainly due to applications backed by laws and regulations, such as legislation obligating the installation of equipment, and sensing applications where the scope of introduction expanded in line with the evolution of advanced driver assistance systems (ADAS). In the field of health care, which we have defined as a development area, net sales increased considerably, approximately 40%, following the enrichment of the product lineup.

### Net Sales

(Billion yen)



## ▶ Initiatives for Next Field of Business

In the automotive field, automotive sensing cameras must have high image quality, high durability and high heat resistance in the situation where Level 3 autonomous driving has been achieved and ADAS has advanced. A particular requirement for lenses for sensing cameras is that they must have excellent rendering performance. We must create high resolution lenses for recognizing distant objects, wide-angle lenses that capture a broad area, large

aperture lenses for identifying vehicles and pedestrians even at night and high contrast lenses for recognizing faint white lines. We will create these lenses using the optical technologies we have developed in various areas.

In the field of health care, we will expand the lineup of existing hard endoscopes and step up efforts to create businesses in the areas of surgical microscopes and life sciences.

## ▶ Results for Previous Fiscal Year and Future Strategies

The mainstay autonomous business achieved a double-digit increase in net sales for the third consecutive fiscal year. It maintained strong sales chiefly in sensing applications amid the buoyant demand following the rapid spread of advanced driver assistance systems (ADAS). The healthcare business also achieved steady growth due to full-scale business startup and enhancement of the product lineup.

On the other hand, we did make some progress on technology themes, but failed to establish any prospects of commercialization during the next medium-term

management plan. We see it as an issue that remains to be addressed. In the future, we will further expand the automotive business and the health care business and accelerate the creation of new businesses. Regarding numerical targets for 2026, we will aim to achieve net sales of 12.5 billion yen, which is around 1.4 times the level in 2023. While the operating income margin will fall, partly due to accelerated upfront investment for new business creation, it will still be above 13% and profit growth will still be achieved.

## ▶ New Technologies or Topics for the Current Fiscal Year

In the automotive field, we will work to develop elemental technologies based on our quality assurance and production systems for high-quality mass production to meet the demand for higher resolution and higher reliability products. In so doing, we will maintain the double-digit growth and receive more orders with a view toward increasing net sales to 8.0 billion yen.

In the health care field, a development area, we will use ultra-small diameter lenses, thin film technologies and other

technologies where we have strengths to expand sales of the Notch Filter, aiming to increase sales by around 80%. The Notch Filter is an optical filter that opens the way toward controlling light transmission on a wavelength-by-wavelength basis for less-invasive hard endoscopy and for identifying cancer tissue in fluorescence-guided surgeries with the goal of improving surgical precision.



# FINANCIAL STRATEGY

## Building efficient management on a stable basis by enhancing appropriate capital structure and shareholder return policies

### Appropriate Capital Structure

- ✓ **Sustain an ROE of approx. 14%**
- ✓ **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
- In addition to maintaining an amount equivalent to two months of sales turnover as ordinary working capital, as a manufacturer with operations around the globe we recognize the need for each of our subsidiaries to ensure liquidity in light of geopolitical risks and other factors. We therefore aim to maintain liquidity equivalent to an extra one month in sales turnover, totaling an amount equivalent to three months of sales turnover, to account for geopolitical risks and other unforeseen circumstances.
- The precision equipment industry is one that involves a high degree of uncertainty due to technological innovation and other factors, and financial soundness that takes a certain degree of risk into account is needed. As a rough indication of financial discipline, and from the perspective of maintaining financial soundness such that an A-rating can be obtained, an absolute amount of shareholders' equity is needed. We have therefore set a target capital-to-asset ratio of around 75%.

### Enhanced Shareholder Return

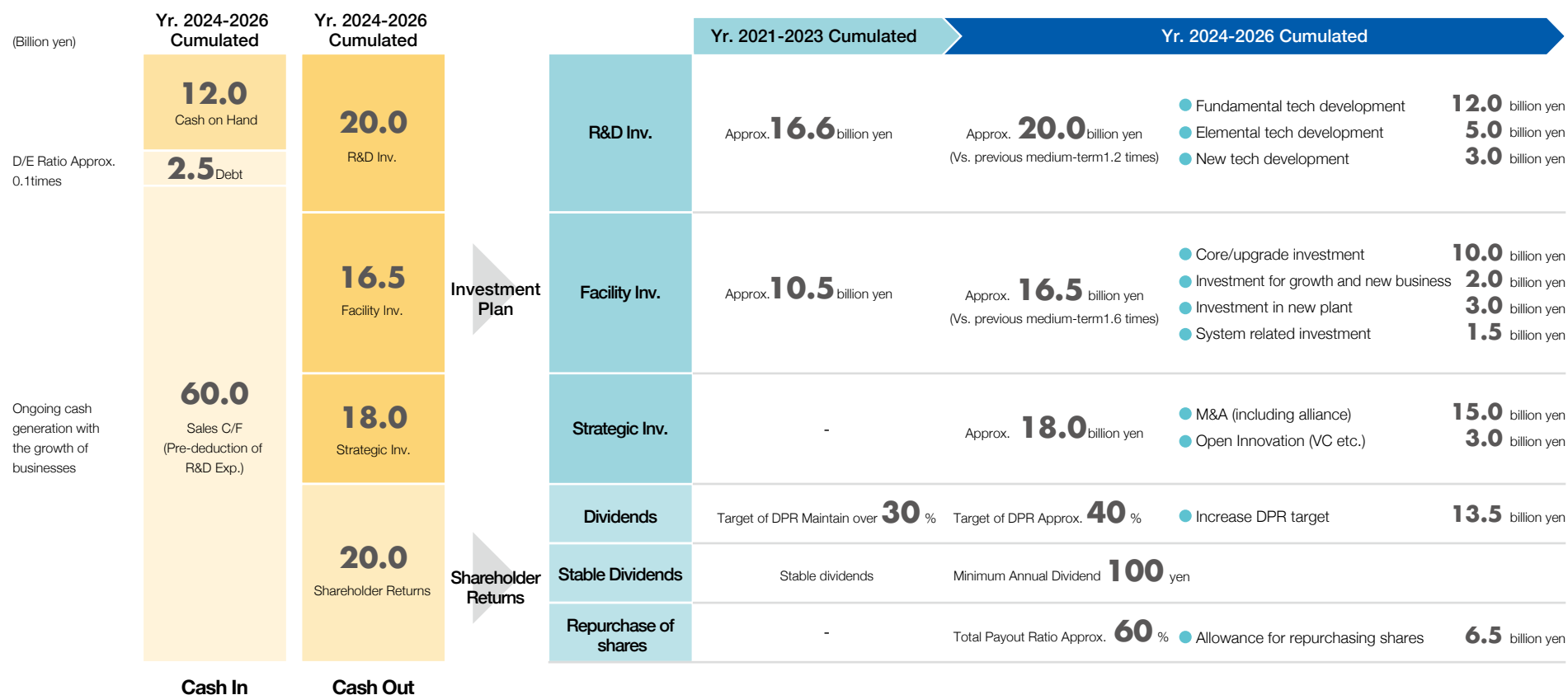
- ✓ **Stable shareholder returns & flexible repurchase of treasury stock**
- ✓ **Aiming for total return ratio of 60%**
  - Set a minimum annual dividend of 100 yen  
Target dividend payout ratio of approx. 40%
  - Aim for a total return ratio of approx. 60%  
Conduct flexible repurchase of treasury stock
- Raising the target dividend payout ratio to 40% after setting a minimum annual dividend of 100 yen.
- In the interest of delivering stable dividends, we have set a target dividend on equity (DOE) of at least 3% as a lower limit, and issue stable and continuous dividends within the scope of dividend levels that are feasible based on our financial standing.
- While also considering improved flexibility of capital policies as a perspective, in addition to the payout ratio, we have newly set a target total payout ratio of 60% in an effort to double shareholder returns.

# Cash Allocation

In addition to ongoing cash generation with the growth of businesses, we will also utilize cash on hand and debt to make appropriate cash allocations.

During the new medium-term management plan, we will increase the amount that we will invest to double the level during the previous plan to more actively invest with the goal of achieving continuous growth. In view of the capital structure we are aiming to establish, the current level of cash and deposits and other factors, we will increase our shareholder return from the current dividend payout ratio of approximately 30% to a total return ratio of 60%. Shareholder return will thus rise at least 2.5 fold. We will reinforce both investments and return. Specifically, over the period of the new medium-term management plan, we aim to make R&D investment of around 20.0 billion yen, which is about 1.2 times the level under the previous medium-term management plan, capital investment of approximately 16.5 billion yen, which is 1.6 times higher, and strategic investment for M&A, including alliances, and the acceleration of open innovation of about 18.0 billion yen.

To enhance shareholder return, we have earmarked 13.5 billion yen for dividends and 6.5 billion yen for the repurchase of treasury shares, so shareholder return will total 20.0 billion yen.



# Strategic Investment

Accelerate expansion of business domain by leveraging tech/early commercialization of the new business  
by “Technology Strategy” with an eye toward the 2030s and next 100 years



Our Technology Strategy: Shift from “Imaging” to “Measuring” in Each Industry

📖 P.04

Examples of technical themes

Development of optics for satellite implementation  
optics for free space optical

Development of optics for satellite implementation  
optical technology for star trackers

Optical technology for high-power laser

Hyper-wide-angle fundus camera allowing wide field  
fundus photography

Infrared camera technology with fresnel lens

# Management with a focus on capital costs and Stock prices

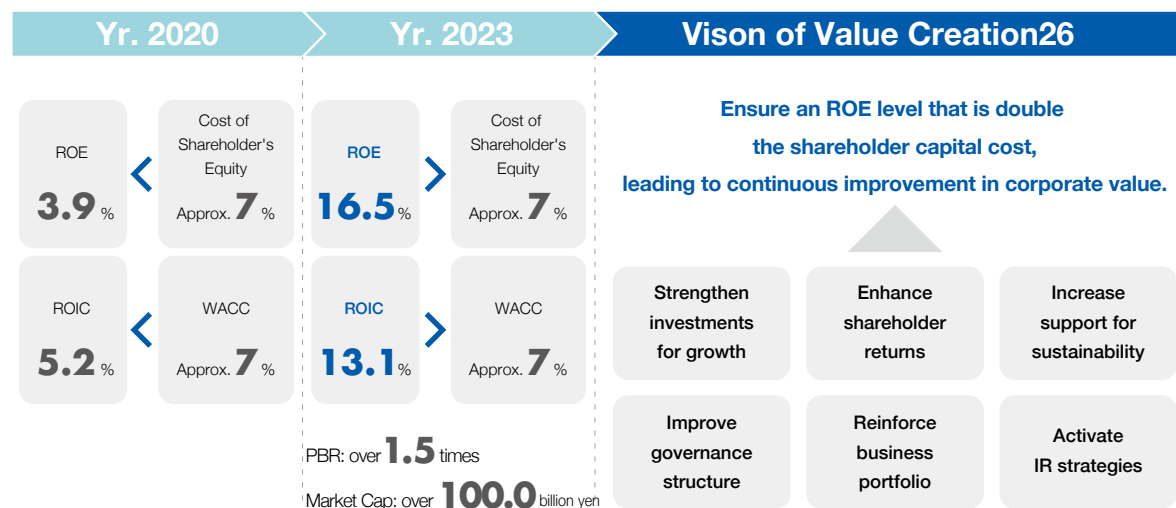
By promoting management with awareness of capital costs, aimed to improve and maximize corporate value with achieving ROE over 14%, which is double of the cost of shareholder's equity (approx.7%)

For a long time, we have been paying attention to the cost of capital in our management of the Company. We have worked to increase return on equity (ROE) and corporate value. In 2023, we achieved a return on invested capital (ROIC) and an ROE that far surpassed the cost of capital, and also a price book-value ratio (PBR) of 1.5 or higher and a market capitalization of 100.0 billion yen or more. This was a big leap forward.

We will further accelerate our strengthening of growth investments, shareholder return, actions for sustainability, the enhancement of our governance structure, our business portfolio and our investor relations measures with the goal of continuously increasing corporate value.

As a part of these actions, we repurchased treasury shares within a limit of 2.0 billion yen. The aim of this was to enhance shareholder returns, increase capital efficiency and implement flexible capital policies.

We also decided to implement a two-for-one share split to increase share liquidity and broaden our investor base by lowering the price of a unit of our stock.



## Repurchase of Shares of Common Stock

The purpose is to enhance shareholder returns, while improving capital efficiency and ensuring a flexible capital policy

Type of stock to be repurchased	Common Stock
Number of shares to be repurchased	Up to 400,000 shares (Equivalent to 1.89% of outstanding shares, excluding treasury stock)
Total repurchase amount	Up to 2.0 billion yen
Repurchase period	From February 9, 2024 to March 31, 2024
Method of repurchases	Market trading transactions on Tokyo Stock Exchange

\* Based on the above policy, up to March 2024 we repurchased treasury shares in the amount of 2.0 billion yen (310,600 shares). In May, 400,000 treasury shares, including all of the treasury shares repurchased through this round of acquisitions, were canceled.

## Stock Split

The purpose is to improve the liquidity of the Company's stock and expand the investor base by reducing the stock price per investment unit.

Stok Split Method	Each share of common stock owned by shareholders recorded in the closing register of shareholders on the record date of June 30, 2024 will be split into 2 share per share.	Schedule of the stock split	Record date	June 30, 2024
			Effective date	July 1, 2024



# ESG & SUSTAINABILITY STRATEGY

Based on its corporate mission of "creating emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society," Tamron aims to realize the sustainable society described in the SDGs together with all stakeholders. In 2023, we established the Risk Management Committee and the Information Management Committee to implement our ESG and sustainability strategies and reinforce our structure for addressing sustainability issues, which includes the previously established CSR Committee and Compliance Committee.

## Promotion function of ESG/Sustainability strategy

CSR Committee

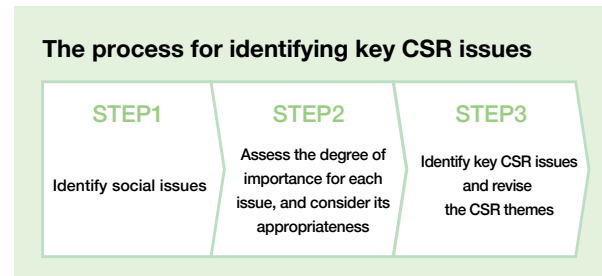
Risk Management  
Committee

Information Management  
Committee

Compliance Committee

# Process for Identifying Key CSR Issues

Based on its Corporate Mission, Tamron seeks to increase its corporate value and achieve the realization of a sustainable society. Currently, as indicated by phenomena such as global warming, sustainability crises are growing steadily and progressively more severe. As concerns about social issues—such as human rights and labor issues—become increasingly serious, there are growing expectations for companies to work to resolve social issues. Tamron has identified issues that must be solved to enable sustainable growth for the company and society as key CSR issues. The key CSR issues that we have identified are incorporated into our management strategy, and we set targets for these issues each year as we engage in our corporate activities.



Firstly, we identified social issues surrounding Tamron based on international guidelines. We then assessed the importance of those issues for various stakeholders, and the possibility and potential impact of any risks. After considering the validity of the results of our assessment, we identified key CSR issues and submitted them for final decision making by the CSR Committee.

As we began the new medium-term management plan, we re-identified our material issues and key CSR issues in consideration of the changing environment surrounding the Tamron Group. We will continuously improve our response to sustainability issues.

Materiality	CSR themes	Key CSR Issues
<b>Creating emotion and reassurance</b>	Quality and Product Safety	Enhancing product quality and safety management
	Promoting CSR procurement	Building a sustainable supply chain
<b>Creating new light</b>	Solving social issues through corporate activities (SDGs)	Contributing to social issues through business
<b>E</b> <b>Contributing to a sustainable earth</b>	Environment	Reducing CO <sub>2</sub> emissions
		Recycling resources and reducing waste
		Environmentally friendly design
		Reducing harmful chemical substances
		Water management
<b>S</b> <b>Promoting human capital management</b>	Human resources and rights	Human resource development
		Advance DE&I
		Respect for human rights
<b>G</b> <b>Developing the foundations of trust and sustained growth</b>	Social contributions	
	Occupational safety and health	Promoting health and productivity management
	Compliance	Full enforcement of compliance
	Risk (crisis management)	Strengthening business continuity management (BCM)
	Information management	Strengthening of information security
	Disclosure of information	
	Corporate governance	Improving the governance system

# Initiatives Aimed at Key CSR Issues

Key CSR Issues	HP	2023 Results
Contributing to social issues through business	<a href="#">Link</a>	<p>The Tamron human rights policy formulated</p> <p>Human rights due diligence conducted</p> <ul style="list-style-type: none"> <li>· Dialogue with stakeholders (labor union)</li> <li>· SAQ surveys of suppliers</li> <li>· Improvement activities for high risk suppliers</li> </ul>
Reducing CO <sub>2</sub> emissions	<a href="#">Link</a>	CO <sub>2</sub> emissions (Scope 1 and 2) approximately 12.0% compared with FY2015 levels (9% target)
Recycling resources and reducing waste		<p>(1) Industrial waste emissions: 6.7% year on year increase</p> <p>(2) Plastic recycling rate: China Factory: 3.8% (10.0 % target)</p>
Environmentally friendly design		Reduce bags used for user manuals: Reduction rate in new models 100%
Reducing harmful chemical substances		Leaks of harmful chemical substances from business locations: 0 incidents
Water management		<p>Water use</p> <p>Foshan Factory: 6.5% year on year decrease (Target:5.0% reduction in comparison with FY2022)</p> <p>Vietnam Factory:1.0% year on year increase (Target: 1.0% reduction in comparison with FY2022)</p>
Human resource development (improve productivity)	<a href="#">Link</a>	<p>(1) Overtime: 132,000 hours or less per year (Head Office) (Target:115,000 hours or less per year (Head Office))</p> <p>(2) Mental health check results: Remained flat year on year (Target : improve year on year)</p> <p>(3) Percentage of female managerial staff: 8.0% (10.0% target )</p> <p>(4) Percentage of employees with disabilities 2.07%(over 2.3% target)</p>
Providing comfortable workplace environments and promoting diversity		
Fostering the development of the next generation	<a href="#">Link</a>	<p>Social contribution activity costs: Equivalent to 0.4% of average consolidated operating income in the past three years</p> <p>Increase in the social contribution ratio aimed at fostering the development of the next generation: Down 2% from the 2022 level (the target had been to achieve a higher ratio than in 2022)</p>
Expanding the disclosure of non-financial information	<a href="#">Link</a>	<p>Enhancement of human resource-related disclosures</p> <ul style="list-style-type: none"> <li>· Main data organized based on 19 items on which disclosure is recommended under the Human Capital Visualization Guidelines</li> <li>· Basic policies, subjects, measures and reference indicators for human resource development which are the basis for human capital disclosures considered and determined</li> </ul>
Enhancing product quality and safety management	<a href="#">Link</a>	Improved design quality and lower defect costs: year on year improvement
Promoting CSR procurement	<a href="#">Link</a> <a href="#">Link</a>	<ul style="list-style-type: none"> <li>·SAQ survey for suppliers (April - September)</li> <li>·Conducted improvement activities for high-risk suppliers</li> </ul>
Preparing for major disasters	<a href="#">Link</a>	<p>Conducted disaster response headquarters simulations</p> <ul style="list-style-type: none"> <li>· An earthquake simulation drill with an earthquake simulation vehicle (at the head office in November), and a large-scale disaster drill (at the head office in December)</li> </ul>
Improving the governance system	<a href="#">Link</a>	<p>Plan to improve the Board of Directors determined and implemented</p> <ul style="list-style-type: none"> <li>· Response to and supervision of Human resources Strategy, the Group's risk management system and other matters enhanced</li> </ul>

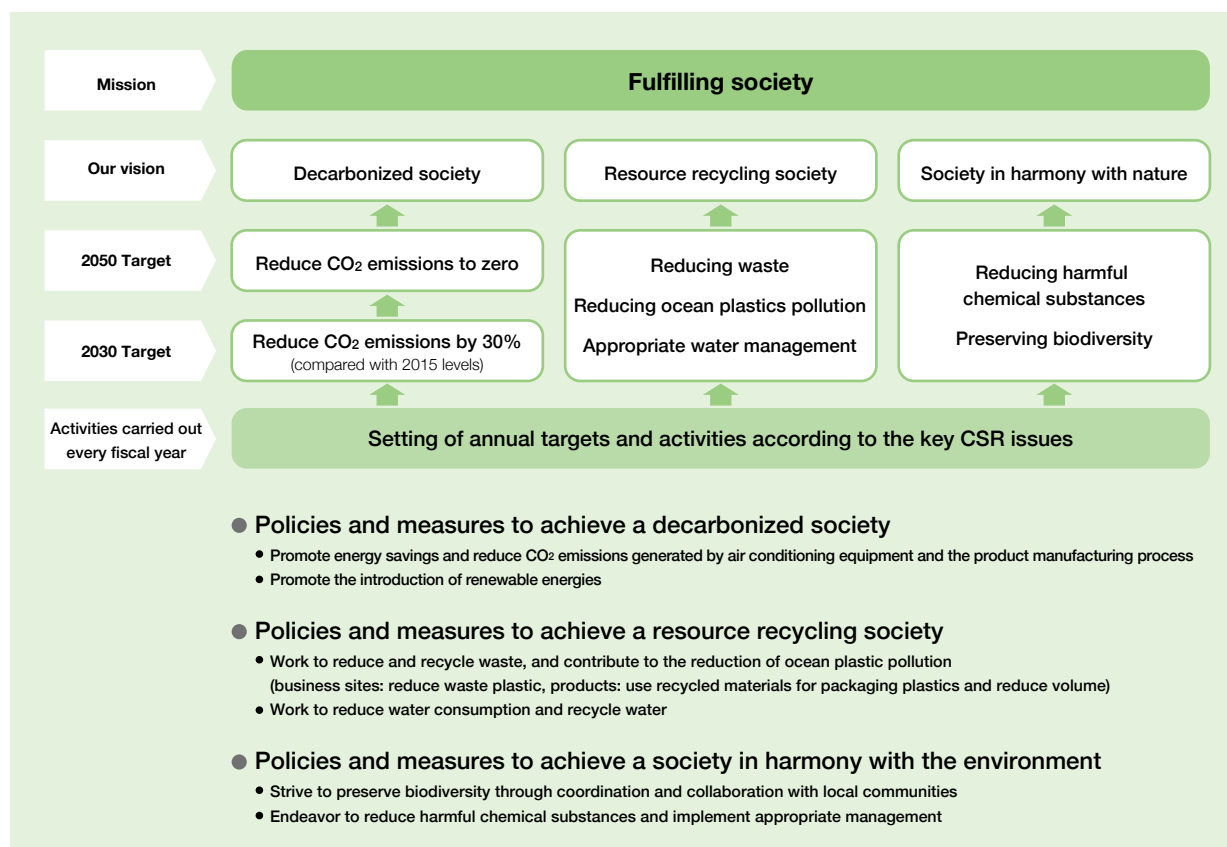
# ENVIRONMENT



## Environmental Vision 2050

We recognize that global environmental issues affect all of humanity. We will strive to reduce environmental impact, conserve the environment, and contribute to the development of a sustainable society that exists in harmony with the environment.

Tamron has formulated the Environmental Vision 2050 to help create a fulfilling society where all people can live lively and energetic lives, with consideration for recent trends in climate change caused by global warming. To build a fulfilling society, we will engage in activities to achieve three visions, a decarbonized society, a resource recycling society and a society that exists in harmony with nature.





# Information Disclosures Based on TCFD Requirements

## Governance

We recognize climate change as one of our key management issues. Tamron's policy on risk response including climate change, its targets and other important matters are discussed and determined by the CSR Committee, which is chaired by the president and whose members are all fulltime officers and divisional heads serving as CSR officers, including the vice-chairperson who serves as the Chief CSR Officer. Systems are in place to enable appropriate supervision by the Board of Directors, including the requirement that material matters be reported to the Board. The CSR Committee also checks the progress of targets laid out in Environmental Vision 2050.

## Strategy

We conducted an evaluation of risks and opportunities based on the 1.5°C scenario. We recognize the relevant risks and opportunities as shown in the table on the right. It will also be necessary to contribute to worldwide initiatives as part of the shift to decarbonized society to ensure the sustained corporate activities of Tamron. Tamron formulated Environmental Vision 2050 for this purpose. We will contribute to a sustainable earth by reducing CO<sub>2</sub> emissions to zero by 2050.

## Risk Management

Tamron views opportunities and risks associated with climate change as one of the important perspectives to be considered when formulating its business strategy. The CSR Committee chaired by the president revises the analysis and evaluation of opportunities and risks. In addition, Chief Risk Management Officer has been assigned under the president to oversee and direct the control of important risks and responses to serious global events.

## Indicators and Targets

We have set CO<sub>2</sub> emissions—which account for 98% of our greenhouse gas emissions—as one of our key climate change indicators, and manage targets related to CO<sub>2</sub> emissions. In Environmental Vision 2050, we aim to achieve zero CO<sub>2</sub> emissions in our business activities by 2050, and have also set the interim target of reducing CO<sub>2</sub> emissions by 30% compared with 2015 levels by 2030. We have also continued to calculate indirect emissions (Scope 3, hereafter). Category 1 (emissions produced from all products purchased or acquired) account for a large percentage of Scope 3 emissions, roughly 70% of the total. Going forward, we will consider reductions with a view to setting targets for Scope 3 emissions.

# Risks and opportunities based on the 1.5°C scenario

Assumptions for scenario analysis (as of 2030)

- 2030 emissions: approx. 49,904 t-CO<sub>2</sub> / year
- 2030 electricity rates: approx. 1,048 million yen / year
- 1.5°C scenario (NZE2050, World Energy Outlook 2021)

Category	Items	Business impacts	Materialization timing	Possibility	Extent of impact
Transition risks	Burden of carbon taxes Renewable energy	<p><b>Burden of carbon taxes and risk of increased costs due to renewable energy purchases</b></p> <p>→ When we estimate our CO<sub>2</sub> emissions, carbon tax burdens and renewable energy purchase amounts in 2030 based on the 1.5°C scenario (NZE2050, World Energy Outlook 2021), there are risks of the following costs increasing.</p> <ul style="list-style-type: none"> <li>• Higher operating costs due to an increased burden from carbon taxes 309 million yen / year (breakdown: Japan 81 million yen, China 215 million yen, Vietnam 12 million yen)</li> </ul> <p>Increased operating costs due to higher burden from renewable energy purchases needed to meet 30% reduction compared with 2015</p> <ul style="list-style-type: none"> <li>• 23 million yen / year (breakdown: Japan 17 million yen, China 1 million yen, Vietnam 3 million yen)</li> </ul>	Short term to long term	Large	Medium
	Reputation	<p><b>Damage to corporate value or risk of suspension of trade through inability to respond to the shift to a decarbonized society</b></p> <p>→ While the Tamron Group will adapt to a decarbonized society based on Environmental Vision 2050, if concerns emerge among stakeholders about our response, there is a risk of declining net sales due to damage to corporate value, the suspension of trade or other developments.</p>	Medium-to-long term	Small	Medium
Physical risks	Cessation of business activities due to natural disasters	<p><b>Risk of suspension of product supply as a result of factory shutdowns and disrupted supply chains due to natural disasters of increasing severity (flooding and localized torrential rain)</b></p> <p>→ As a result of assessing risks for our production sites (three sites in Japan and two overseas, in China and Vietnam respectively), we confirmed that changes to future operational risks due to flooding (overflowing rivers) are limited. We will deal with short-term climate change risks related to the supply chain with business continuity planning (BCP).</p>	Long term	Medium	Small
Opportunities	Expanded demand for infrastructure inspection lenses <sup>a</sup>	<p><b>Expanded sales of lenses used in inspections of infrastructure contributing to improved social resilience such as disaster prevention and mitigation</b></p> <p>→ We view this as a medium-to-long-term growth opportunity and aim to expand net sales through activities reflected in our management strategy.</p>	Medium-to-long term	Large	Large

# Reduction of CO2 emissions

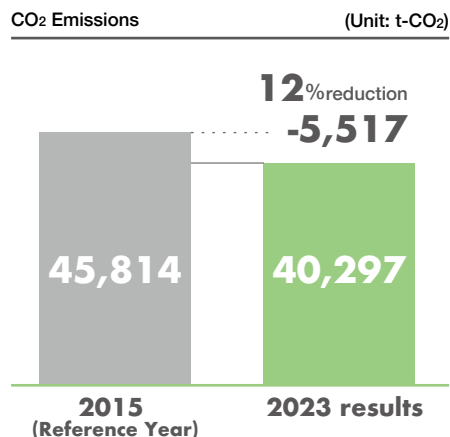
## CO2 Emissions Targets in Environmental Vision 2050

To realize the decarbonized society we aspire to create in Environmental Vision 2050, we have set the interim target of reducing CO2 emissions by 30% compared with 2015 levels by 2030, and have set the target of making 3% reductions each year since 2021.



## State of Achievement of Reducing CO2 Emissions in 2023

In 2023, Tamron set the target of reducing CO2 emissions by 9% compared with 2015 levels. In addition to the in-house consumption of renewable energy through solar power generation at the Foshan Plant in China and other sights, since 2022 non-fossil fuel certificates have been issued for roughly 30% of the electricity used at the head office, achieving net-zero CO2 emissions for the portion of electricity self-generated and covered by the certificates. Tamron Optical (Foshan) Co., Ltd. in China has also purchased I-REC applying to part of its electricity usage, achieving net-zero CO2 emissions for the portion covered by the purchases. In part due to those effects, overall we were able to achieve our targets with a reduction of 12.0%, exceeding the target reduction.



## Monitoring CO2 Emissions in the Supply Chain

In addition to direct emissions from the burning of fuels such as petroleum and coal (Scope 1) and indirect emissions associated with the use of electricity, etc. (Scope 2), we continue to calculate all over indirect emissions (Scope 3). Among Scope 3 emissions, the largest percentage were Category 1 (emissions from purchased goods and services).

\*Please check our website to learn more about our CO2 emissions including Scope 3 emissions.

[Link](#)

# Energy-Saving Initiatives

In 2017, Tamron Optical (Foshan) in China began installing solar power generation systems. At the end of 2020 additional generating systems were installed, and in 2023 CO<sub>2</sub> emissions were reduced by around 550t-CO<sub>2</sub>, which corresponds to roughly 2.2% of the emissions produced by the Foshan Plant. In addition, Tamron has subscribed to the Green Basic Plan\*<sup>1</sup> that involves the issuance of non-fossil fuel certificates covering roughly 30% of the electricity used at the head office. The Foshan Plant also purchased I-REC\*<sup>2</sup> certificates covering part of its electricity usage in 2023. Combined, approximately 4,330 t-CO<sub>2</sub> were reduced to effectively zero. Apart from this, we installed a new solar power generation system at Tamron Optical (Vietnam) at the end of 2023 which began to operate fully in 2024.

In 2024, we have set the target of reducing CO<sub>2</sub> emissions by at least 12% compared with 2015 levels, and will make every effort to achieve this target.

\*1 Green Basic Plan: A RE100-compatible effective renewable energy option that combines FIT non-fossil fuel certificates (with tracking) for the average electric power of all power sources provided by TEPCO Energy Partner, Inc. and non-FIT non-fossil fuel certifications (with information about power source attributes) specific to renewable energies.

\*2 I-REC: Renewable energy-based electricity certificates certified and issued according to the rulebooks and electronic tracking systems based on them provided by the Netherlands-based non-profit organization I-REC Standard.

## Examples of solar power generation systems



Solar power generation system (Foshan Plant, China)



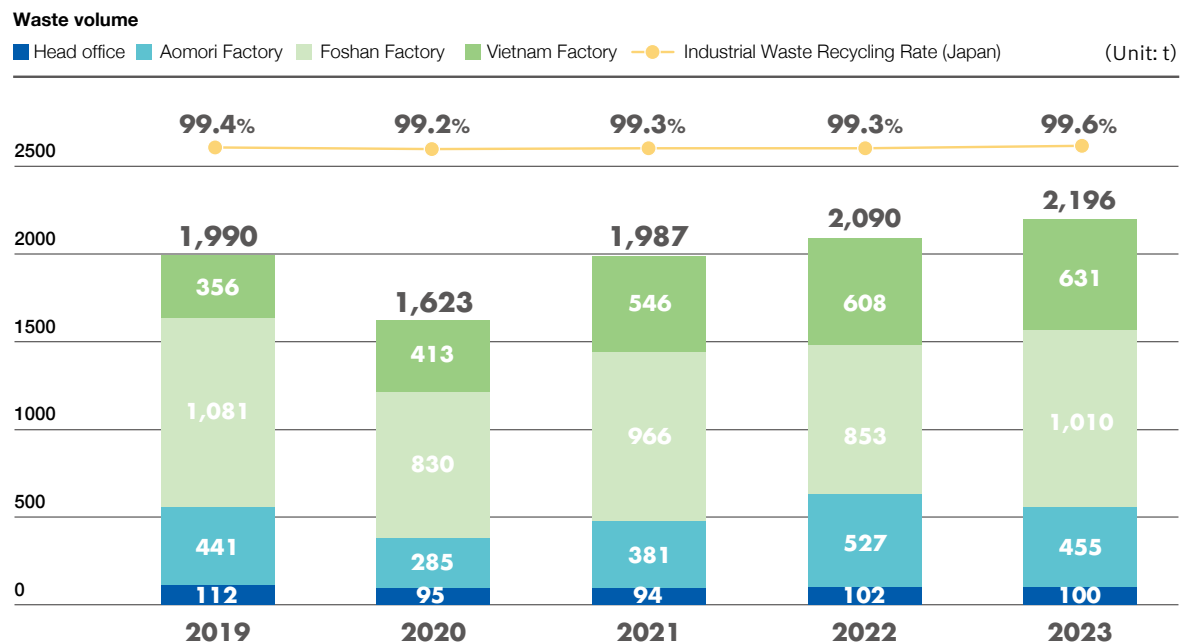
Solar power generation system  
(Vietnam Plant, Vietnam)



Solar power generation system  
(TAMRON Europe GmbH.)

## Waste Volume and Recycling Rate

Waste volume increased 5% year on year in 2023, and the industrial waste recycling rate in Japan was 99.6%. Waste volume decreased 12% in Japan and increased 12% at overseas plants. The increase in the waste volume outside Japan is due mainly to a surge in waste plastic from Tamron Optical (Foshan) in China resulting from increased production, an increase in waste solutions due to working night shifts to implement the coating process, and an increase in sludge due to increased production at Tamron Optical (Vietnam).



## CSR Activities Pursued in Partnership with the Supply Chain

In keeping with its corporate philosophy and the Standards of Business Conduct, Tamron works with its suppliers to comply with laws and regulations and aims to build partnerships to provide high-quality products and services based on fair and transparent transactions. With regard to quality and the environment, we confirm the details of initiatives through onsite and document-based audits based on our own standards. Since 2008, Tamron has engaged in CSR procurement. The Tamron Supplier Code of Conduct, which is compliant with the latest edition of the RBA Code of Conduct, has been distributed to all suppliers along with a request for compliance. In April 2023, we established the Tamron Human Rights Policy and conducted SAQ surveys that considered human rights and global environmental issues. Based on the results, we implemented educational and improvement activities for individuals identified as high-risk.





## Human Resources Strategy Basic Policy

The key to realize Tamron's vision and management strategies is the human resource strategy aligned with the management strategies. For this purpose, we will accelerate the priority on revitalizing individuals and organizations, developing systems and environments that enable individuals and organizations to maximize their potential.

To adapt to the changing business environments in line with the alternations in business structure and the progress of digitalization, we will upgrade the knowledge and skills of all employees, acquiring and strengthening key jobs and key skills in focused areas, and flexibly deploying personnel according to business environments. Tamron's human resource strategy consists of two elements: "revitalization of individuals and organizations" and "improvement of working environment." For each of the elements, we are steadily working to realize the strategy by incorporating the human resource strategy themes that we have positioned as important based on our management strategy, setting targets, planning, and implementing measures.

Realize management strategy (Realize Tamron's vision)

### Human Resources Strategy

#### Revitalization of individuals and organizations

Human resources acquisition

Human resources development

Human resources utilization

Evaluation /assessment

#### Improvement of working environment

DE&I promotion

Flexible workstyles

Health management

Engagement

Indicators	Targets	Results (2023)
Percentage of female managerial staff	2026: More than 12%	7.97%
Percentage of male employeeestaking childcare leave	2026: More than 80%	80.0%
Ratio of mid-career hires	2026: More than 60%	45.7%
Education and training expenses per employee	2026: More than 30 thousand yen	14 thousand yen
Percentage of employees receiving detailed examinations	2026: More than 90%	50.0%

# Human Resource Development Themes:

Human resources development

Human resources utilization

DE&I promotion

To establish a personnel portfolio linked to our management strategies and to flexibly respond to changes in business structure and various business conditions following the progress of digitalization, Tamron will carry out personnel development including re-skilling and the proper appointment of human resources.

We will step up our actions to identify the skills and specialties that we lack as an organization to fulfill our management and business strategies, to encourage employees to re-skill and learn and to incorporate knowledge and skills into the company and pass down new knowledge and skills through off-the-job training and other methods.

## • Human Resources Development

### Human Resources Development

Through a Mission Leadership System where clear missions are defined for each leader and the entire team works to achieve them, Tamron strives to facilitate the growth of leaders and their employees while strengthening overall organizational capabilities.

For managers and employees at similar career levels, we have also introduced the Post Qualification System which determines grades and compensation according to the level of responsibility and difficulty of all roles to be fulfilled as required by management, irrespective of seniority or ability. Employees who have developed a certain level of occupational skills are offered two career tracks under the Post Qualification System, the manager course or professional course. In this way, each employee can attain a working style that fits their aptitude and intentions.

### Tiered and Occupation-specific Employee Training

Tamron offers a range of employee training customized by tier and occupation. For new graduate hires, Tamron provides four-year training program starting from initial recruitment to improve basic job knowledge and formulate mid-term career plans. Mid-career employees are given practical training commensurate with their positions, including the training of junior employees. For managers, we provide training to enhance their organizational management capabilities, goal management training, harassment training and other training to raise awareness of their roles.

Technical employees are offered classroom instruction to acquire technical skills and also undergo practical training in related departments as a way of creating opportunities for them to learn how their activities are directly related to actual operations. We also offer a range of employee training programs such as voluntary online English conversation classes in an effort to develop the capabilities of our human resources.

## • Human Resources Utilization

To enhance corporate value in the medium and long term, it is important for a diverse range of individuals to demonstrate their full potential, innovate and create value. In addition to women, foreign nationals and others bearing diverse attributes, we also believe it is important to attract experienced talents on career paths in other industries and diversity in specialist fields in order to coalesce the diverse knowledge, experience and skills of all employees to enhance Tamron's competitiveness.

### Women's Empowerment

Women currently account for around 20% of Tamron employees, but in keeping with the guidelines for action declared in the Act on Advancement of Measures to Support Raising Next-Generation Children, we aim for at least 25% of new graduate hires to be female. We believe it is essential to empower female employees and raise the percentage of female managers in the face of a declining working population and industrial restructuring.

### Ensuring the Success of Mid-career Hires

In addition to graduate recruitment, Tamron has established an internal system to hire mid-career employees with a wide range of knowledge and experience and developed environments in which they can demonstrate their capabilities. Mid-career hires account for around half of all employees, and integrating them with new graduate hires helps to boost the corporate value of Tamron.

### Empowering Senior Employees

Starting 2021, Tamron established the Meister Program, a new positional system for employees who are reemployed after reaching the mandatory retirement age, giving senior employees further opportunities to flourish.

For employees who possess advanced expert insight, technical capabilities, know-how, exceptional knowledge and skills, we have established Senior Meister and Meister positions. By giving these employees responsibilities and appropriate compensation, we encourage them to pass on their knowledge to successors and motivate them to be even more active.

## • DE&I Promotion

To increase corporate value in the medium- or long term, it is vital that we continually innovate as this is a source of added value. We understand that a diverse workforce interacting with each other is significant factor in accomplishing this.

This means it is necessary to proactively ensure that our workforce is diverse in terms of knowledge, experience, gender, age and nationality. We are monitoring the staff composition (by gender, age group, nationality and career level at the time of recruitment) as an indicator of the results of efforts to hire and retain personnel.

# Human Resources Development Themes:

Flexible workstyles

Health management

Without the development of a workplace environment that enables it, including a system enabling the workforce to maintain their mental and physical health, it is not possible for a diverse workforce to display its potential or for the member of that workforce to stay in the company. Tamron supports flexible workstyles to ensure that employees are able to have a healthy work-life balance by providing childcare and caregiving leave, a flex-time system, teleworking and other programs.

## ● Promoting Flexible Workstyles

### Flextime Scheme, Telework/Working from Home

At Tamron's head office, the flextime program allows employees to flexibly set their working hours according to their preferred work and personal hours, on the condition that they work during the four core hours and work the prescribed number of working hours each month. We have introduced systems so that they pose advantages to both individuals and the company, such as allowing employees who were previously working under a shortened working hours scheme to raise children to switch to the flextime system, enabling them to work full-time. In addition, we introduced a one-month temporary teleworking program in September 2023. This allows employees to choose to telework temporarily for childcare reasons, such as the need to look after their children due to a temporary school closure or it being difficult to commute due to an injury.

### Initiatives to Reduce Overtime

Tamron strives to improve productivity and works to reduce overtime hours based on the basic policy of achieving year-on-year reductions. In the future, we will continue working to improve the work efficiency of each employee, and strive to reduce overtime hours through initiatives such as the visualization of work attendance data and the through management of targets.

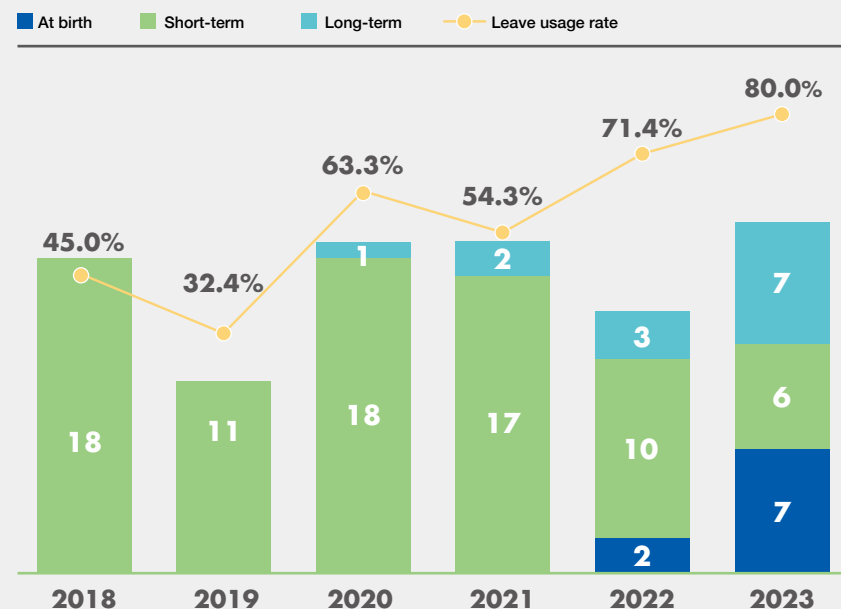
### Various Systems to Achieve Work-life Balance

- Childcare leave
- Shorter hours for childcare (for employees with children up until the end of April when their child graduates from elementary school at the longest)
- Caregiving leave
- Nursing care leave
- Paid leave in hourly increments
- Telework/working from home
- Flextime scheme (4 hours core time, calculated over a monthly period)

## Support for Achieving a Balance Between Work and Childcare

At Tamron's head office, we have the in-house Tamron Kids Daycare Center. As a small daycare center licensed by the Saitama City Government, it is open not only to employees but also to local residents. It not only enables women employees to return to work quickly but also enables male employees participate in childcare. One hundred percent of female Tamron employees in Japan who have had a child have made use of maternity leave before and after childbirth and the parental leave system, and subsequently returned to work. We have constructed an environment in which the spouse childbirth leave (special paid leave) and short-term childcare leave are accessible to male employees whose spouses have recently given birth to children by informing them and their superiors through the human resources section on a case-by-case basis. When the law was revised in 2022, we made it well-known across the company to ensure the strict implementation of notifications to individual employees reporting that they or their spouse have given birth to a child regarding childcare leave and other programs and checking their intent to take childcare leave to encourage them to take advantage of these programs. Since 2020, we have seen an increase in men taking long childcare leave for more than a month and taking childcare leave at birth (commonly known as Postpartum Maternity Leave for Fathers). Going forward, we will continue to support both male and female employees in finding a balance between work and childcare responsibilities.

Change in the number and rate of eligible male employees taking childcare leave



## • Health Management

Tamron believes that employees being able to work in good physical and mental health and with job satisfaction is one of the most important factors directly linked to improved corporate value. This is not limited to considerations for employee safety as required by law. Proactively working to maintain and advance employee health creates passion and vigor on the part of employees and leads to a more energetic organization.

We have continued to conduct annual mental checks, relay results including stress levels by age group and organizational level to department managers, and reflect those activities in improvements to the workplace environment. In consideration of privacy, we have also launched a program that allows employees to privately consult with a specialist organization without notifying the company.



# Human Rights Initiatives

## Formulation of a Human Rights Policy Statement

[Link](#)

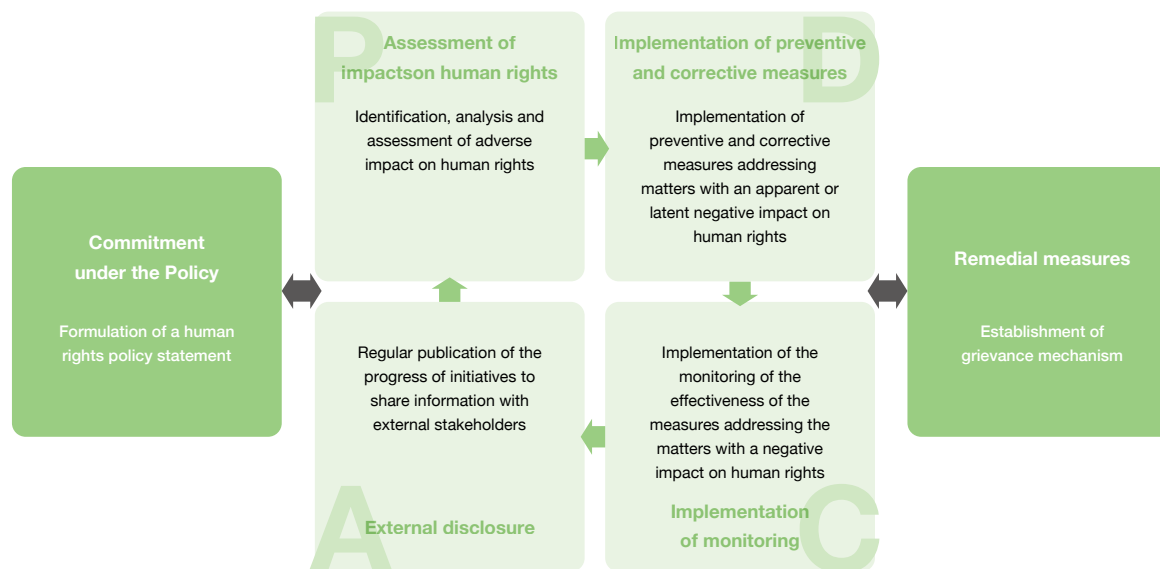
The Tamron's corporate mission reads: "Tamron creates emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society." Accordingly, Tamron has signed the United Nations Global Compact and supports the Ten Principles of the United Nations Global Compact as a company that operates globally. Based on its awareness of the importance of respecting human rights in supply chains, Tamron has defined the promotion of CSR procurement which includes respect for human rights as one of its key CSR issues and has since been implementing related initiatives. The UN Guiding Principles on Business and Human Rights (UNGPs) clarify corporations' responsibilities regarding respect for human rights. In recent years, corporate respect for human rights is becoming increasingly significant in their efforts to ensure business continuity as well.

In view of its conventional activities and the social environment, its Board of Directors established the Tamron Human Rights Policy at a board meeting in April 2023. Tamron will strive to ensure that this policy is observed in the business activities of the Group and encourage its suppliers and other business partners to carry out actions that respect human rights.

## Conduct Human Rights Due Diligence

In accordance with the Tamron Human Rights Policy, Tamron will implement human rights due diligence as a series of processes for identifying, preventing and correcting the negative impact of itself and its suppliers' on human rights in an effort to correct or prevent any negative impact on human rights.

Diagram of the Human Rights Due Diligence Process



## Main Initiatives for Human Rights Due Diligence

### Self-Assessment Questionnaires (SAQ) Provided to Suppliers

In 2023, we provided SAQs to our 186 primary suppliers. According to their responses regarding their awareness of laws and regulations about human rights and the formulation of human rights policies and the equivalent, we identified suppliers with high human rights risks. We provided education on laws and regulations regarding human rights to these suppliers and checked the effect of these education efforts to help them with improvement activities.

### Identification and Assessment of Human Rights Risks within the Group

We identify and assess human rights risks within the Group through the activities of the Risk Management Committee. In line with the results of the risk assessment, we develop and implement response measures and monitor risks.

### Internal Education and Training

We provide education and training to employees to ensure that every one of them is able to acquire accurate knowledge about respecting human rights and to prevent human rights risks.

In October 2023, we provided an e-learning program on business and human rights to employees in Japan. We formulated the Tamron Human Rights Policy in April 2023. We again publicized it within the company to call for the staff's understanding of the overall picture of human rights which businesses should respect as well as the impact of activities related to human rights on business activities.

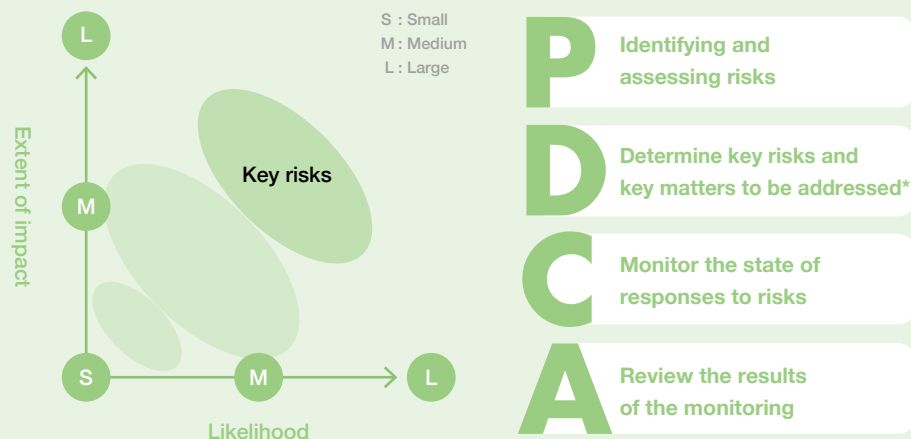
# Risk Management

The Group enacted Risk Management Regulations for the purpose of contributing to the stable corporate growth of the Tamron Group through risk management that implements measures for preventing or systematically mitigating risks over the short, medium, and long terms, and established a Risk Management Committee that makes decisions and deliberates on basic matters and policies regarding the promotion of risk management. We have established the Risk Management Review Committee as a body subordinate to the Risk Management Committee. Its roles are to identify risks within the Group and to study preventive or mitigation measures to address these risks that may have a major impact on the Group or cause it to incur significant damage. Through these activities, we understand the changes in the external environment and the status of response measures within the Group to review these measures and improve their effectiveness.

## Risk Management System



## Measures to Address Risks



In 2023, we identified 67 risks, including nine key risks. We determined four key matters to be addressed which are specified below. For each key matter, a leader was appointed to carry out response measures to address the risks in collaboration with related organizations. The Risk Management Committee reviews the state of the progress of these measures in the two meetings it holds each year so that measures are corrected and modified as needed.

### Key matters to be addressed

- Risks in China
- Response to human rights issues
- Replacement of core systems with DX-ready systems
- BCP enhancements

\*Key matters to be addressed... Matters that need to be addressed by the whole company (e.g. through cross-departmental actions and support for resources) in view of their increasing impact or likelihood, the progress of response actions and other factors

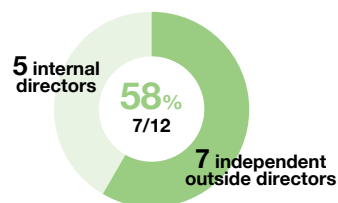
# GOVERNANCE



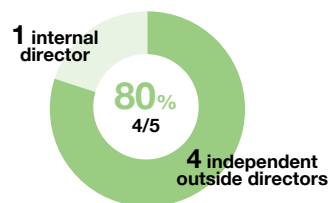
## Basic Policy about Corporate Governance

Based on its corporate mission to "create emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society," Tamron aims to build good relationships with all stakeholders to achieve sustainable growth and improve corporate value. In support of those goals, we have adopted the basic approach of ensuring fair and transparent management practices while developing a highly effective corporate governance system that seeks to improve the speed and efficiency of decision making and business execution.

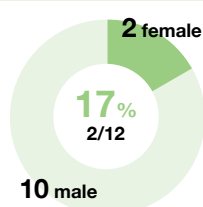
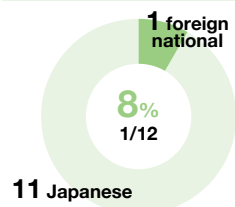
Component ratio of outside directors to directors



Component ratio of Nominating Committee and Compensation Committee



Director's diversity



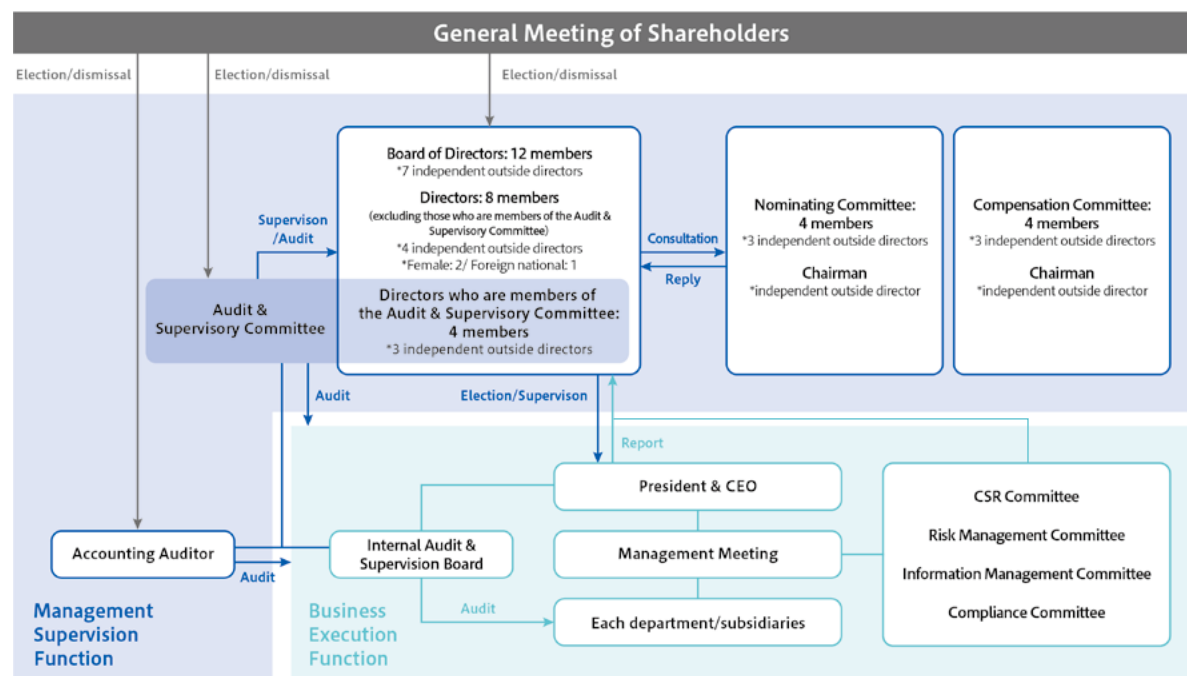
### System Overview

Tamron is a company with corporate auditors and includes a Board of Directors that functions as a body to make important decisions and supervise the execution of operations, as well as an Audit & Supervisory Committee as an auditing body that is independent of the Board of Directors. Tamron also appoints multiple independent outside directors possessing a wealth of knowledge, expertise and independence and has set up a Nominating Committee and Compensation Committee as advisory bodies to enhance supervisory functions. To the Board of Directors, Tamron appoints eight directors (four of whom are outside directors), including one foreign director and two female directors, as well as four Audit & Supervisory Committee Members (three of whom are outside Audit & Supervisory Committee Members).

### Transition to a Company with an Audit & Supervisory Committee

Tamron became a company with an Audit & Supervisory Committee on March 27, 2024. In November 2023, we established a Governance Review Committee to strengthen the supervisory functions of the Board of Directors. It studied the different steps for improving our corporate governance system and decided that it was necessary to build a governance structure that would open the way to quicker and more flexible actions to address significant management issues and that would enhance the transparency of the decision-making of the Board of Directors and the effectiveness of its supervision of management. The Company aims to speed up decision-making and business execution by delegating authority from the Board of Directors to directors. It also seeks to enhance corporate governance, strengthening the supervisory functions of the Board of Directors by making the Audit & Supervisory Committee members, who are responsible for auditing the execution of duties by directors, the members of the Board of Directors.

# Corporate Governance System



## ● Board of Directors

Meetings of the Board of Directors are held once a month, in principle, attended by all Directors and Audit & Supervisory Committee Members, for reviewing the execution of duties by the Directors and deciding on important issues as set forth in the basic policy of the company and the Companies Act.

## ● CSR Committee

With the aim of fulfilling Tamron's corporate social responsibility and contributing to the development of a sustainable society, the CSR Committee, whose members include full-time directors, full-time Audit & Supervisory Committee Members and executive officers, meets five times a year in principle. The committee makes decisions on and deliberates over basic matters, policies and important targets concerning CSR and promotion of the integrated management system, and also manages the progress of important targets.

## ● Audit & Supervisory Committee

Meeting once a month in principle, the Audit & Supervisory Committee audits the process of decision-making by the Board of Directors and the execution of duties by Directors, by attending the Board of Directors meetings and checking approval documents.

## ● Risk Management Committee

With the aim of designating risk management policies, systems and methods of operation, preventing or systematically mitigating risks in the short-, medium- and long-terms and implementing related measures, the Risk Management Committee, whose members include full-time directors, and executive officers, meets twice a year in principle. The committee makes decisions on and deliberates over basic matters and policies for the promotion of risk management.

## ● Nominating Committee and Compensation Committee

To enhance the independence and objectiveness of Board of Directors functions concerning the nomination, appointment and dismissal and compensation of directors, we have established a Nominating Committee and Compensation Committee, each of which are chaired by an outside director and whose membership comprises a majority of independent outside directors.

## ● Information Management Committee

With the aim of managing various information in the Tamron Group and supervising management matters, the Information Management Committee, whose members include the President & CEO, the director in charge of information management and executive officers, meets once a year in principle. The committee decides on, deliberates over, reports and supervises various measures aimed at strengthening management, including basic matters and policies for the promotion of information management.

## ● Management Meetings

Tamron has established management meetings attended by directors and full-time Audit & Supervisory Committee Members to discuss and consider issues related to management and the execution of duties, and to quickly respond to the changing management environment.

## ● Compliance Committee

With the aim of ensuring legal compliance in the execution of business and ensuring behavioral practices that are consistent with social ethics, the Compliance Committee, whose members include the President & CEO, director in charge of compliance and executive officers, meets once a year in principle. The committee deliberates over basic compliance promotion matters.



## Improvement of Governance

**We will carry out the overall improvement of our corporate governance system, including the transition to being a company with an Audit & Supervisory Committee, and rigidly implement recurrence prevention measures to regain the trust of stakeholders.**

As stated in the “Notice Concerning Formulation of Measures to Prevent Recurrence, Establishment of Governance Review Committee, Disciplinary Action against Parties Involved, and Policy for Pursuing Responsibility of Former Officers, etc.” dated November 21, 2023, we have formulated measures to prevent the recurrence of the inappropriate use of Company funds, etc., based on the recommendations of the Special Investigation Committee. The whole Company is now working together to prevent such recurrence, in an effort led primarily by the Governance Review Committee.

Going forward, the Company will continue to implement and monitor measures to prevent recurrence, engage in compliance-oriented management, and work to regain the trust of shareholders, business partners, and other related parties.

### Governance Review Committee

#### Purposes and Roles

- Improvement of the corporate governance system to strengthen the supervisory function of the Board of Directors
- Prepare an action plan for measures to prevent a recurrence based on the recommendations of the Special Investigation Committee
- Management of the overall progress of recurrence prevention measures based on the plan
- Improvement of rules and operations to prevent recurrence

#### Configuration

**Chairman** • President & CEO

**Members** • All of the Board of Directors

- Heads of divisions in charge of promoting measures to prevent recurrence (Administrative Management Unit, Corporate Strategy Unit, Internal Audit & Supervision Board, and Executive Assistant Section)

Recurrence preventive measures, etc.	Initiatives	Progress	Completion date
<b>Review of entertainment expenses for officers and employees, establishment of new rules for internal food and beverage expense spending, and thorough dissemination of these rules</b> <ul style="list-style-type: none"> <li>Establishment of maximum amounts for entertainment expenses for officers and employees</li> <li>Establishment of new rules for in-house food and beverage expenses and thorough dissemination of these rules within the company</li> </ul>	(i) Revision of job authority statements (establishment of maximum amounts for entertainment expenses) (ii) Clarification of prohibition of self-approval (iii) Establishment of expenditure, approval, and other operational rules for entertainment expenses (iv) Awareness raising within the company / departments, and regular education	(i) Completed (ii) Completed (iii) Completed	(i) February 2024 (ii) February 2024 (iii) February 2024 (iv) December 2024
<b>Strengthen checks and audits on officer-related expenses</b> <ul style="list-style-type: none"> <li>Establishment of a process flow for checking the processing of expense reimbursements within the executive office performed by the internal control department</li> <li>Granting Audit &amp; Supervisory Committee members certain authority to give instructions to and approve the actions of the Internal Audit &amp; Supervision Board and the right to comment on audit plans</li> </ul>	(i) Introduction of a checking workflow by the accounting department (pre-check at the time of Concur application) (ii) Granting Audit & Supervisory Committee members the authority to give instructions and approvals to the Internal Audit & Supervision Board (iii) Granting auditors the right to express their opinions on internal audit plans approved by the president. (iv) Revision of the internal audit policy (stipulating that in the event of a conflict between the president's instructions/approval and the Audit & Supervisory Committee Member's instructions/approval in the preparation and implementation of the internal audit plan, the Audit & Supervisory Committee member's instructions/approval will take precedence) (v) Increasing the frequency of internal audits of the Executive Assistant Section (from around once every three years to once a year) (vi) Reviewing audit items for internal audits of the Executive Assistant Section (including those related to executive office expenses)	(i) Completed (ii) Completed (iii) Completed (iv) Completed (vi) Completed	(i) December 2023 (ii) March 2024 (iii) March 2024 (iv) March 2024 (v) June 2024 (vi) June 2024
<b>Monitoring of officer-related expenses by the Board of Directors</b> <ul style="list-style-type: none"> <li>When presenting the draft budget for the next fiscal year to the Board of Directors, attach detailed departmental budgets to the Board of Directors' meeting materials.</li> <li>Distribution of the list of actual entertainment expenses incurred by the executive office at the Board of Directors' meeting</li> </ul>	(i) Attachment of a breakdown of departmental expenses (including executive office expenses) when presenting the draft budget for the next fiscal year to the Board of Directors (ii) Distribution and report of a list of actual entertainment expenses for the previous month incurred by the executive office at Board of Directors meetings	(i) Completed (ii) Completed	(i) December 2023 (ii) January 2024
<b>Further tightening and operational improvement of nomination procedures in the Nomination Committee</b> <ul style="list-style-type: none"> <li>Tightening the procedures implemented by the Nomination Committee for the nomination of executives in accordance with the governance guidelines</li> <li>Improvement of the Nomination Committee operation (provision of more materials, increased frequency of meetings, etc.)</li> </ul>	(i) Tightening of officer nomination procedures by the Nomination Committee (individually confirming and documenting the qualifications of officers as described in the Governance Guidelines) (ii) Improving the content of materials related to the consideration and nomination of executives supplied by the Nomination Committee to the Board of Directors (iii) Increasing the frequency (from once or twice a year to four times a year) and improving the quality of Nomination Committee meetings	(i) Completed (ii) Completed	(i) January 2024 (ii) February 2024 (iii) June 2024
<b>Raising awareness of all officers and employees, conducting training for officers by outside instructors, and enhancing training for all officers and employees, etc.</b> <ul style="list-style-type: none"> <li>Special training for officers with outside experts as lecturers</li> <li>Increasing training for all executives and employees involved in Compliance Committee operations and others and promote understanding of internal reporting systems</li> <li>Fostering an organizational climate that is less prone to fraud and misconduct by understanding and visualizing the organizational climate through surveys for all employees, etc.</li> <li>Conducting training and seminars for all employees led by Outside Directors</li> </ul>	(i) Special training for officers by corporate legal advisor (twice a year) (ii) Step-up training for all officers and employees by the Compliance Committee, etc. (twice a year) (iii) Promoting understanding of the whistleblower system through training for all employees, and encouraging use of the system by increasing awareness of the system (iv) Fostering a corporate climate that is less prone to fraud and misconduct by understanding and monitoring the current state of the corporate climate through engagement surveys of all employees (v) Conducting training and seminars for all employees led by Outside Directors (twice a year)	(i) Completed (iii) Completed	(i) March 2024 (ii) July 2024 (iii) February 2024 (iv) December 2024 (v) June 2024
<b>Overall improvement of the governance system</b>	(i) Transitioning to a company with an Audit & Supervisory Committee (ii) Decision to secure a majority of Outside Directors (iii) Reporting of committee activities to the Board of Directors (iv) Improving evaluations of the effectiveness of the Board of Directors (third-party involvement in evaluations of effectiveness)	(i) Completed (ii) Completed (iii) Completed	(i) December 2023 (ii) February 2024 (iii) February 2024 (iv) November 2024

# Composition of the Board of Directors and Their Skills Matrix

Name	Attribute	Attendance rate of the Board of Directors	Attendance rate of the Nomination Committee	Attendance rate of the Compensation Committee	Attendance rate of Audit & Supervisory Board	Business management	Global	Production, development	Sales, marketing	Finance, accounting	Legal
Shogo Sakuraba		18/19		2/2		●		●		●	●
Shenghai Zhang		19/19				●	●	●			
Makoto Otani		19/19				●		●	●		
Tomohide Okayasu		19/19				●	●	●	●		●
Yuichi Sato	Outside Independent	19/19	1/1	3/3				●			
Harumi Katagiri	Outside Independent	19/19	1/1	3/3						●	
Eriko Ishii	Outside Independent	19/19	1/1	3/3			●				●
Fumio Suzuki	Outside Independent	19/19				●	●				
Takahiro Yamaguchi	Full-time Audit & Supervisory Committee Member	15/15	1/1	2/2	10/10					●	
Takashi Hirayama	Outside Independent Full-time Audit & Supervisory Committee Member	19/19			15/15	●				●	
Masaya Nara	Outside Independent Full-time Audit & Supervisory Committee Member	19/19			15/15	●	●				●
Takashi Ueda	Outside Independent Full-time Audit & Supervisory Committee Member	15/15			10/10	●				●	

\*Attendance status is for the period ending December 2023 (number of attendance/number of meetings held)

# Major Initiatives to Enhance Corporate Governance and Progress on Improvements

To self-assess the overall effectiveness of the Board of Directors, each year Tamron makes revisions to pertinent questions based on external changes such as corporate governance revisions and Tamron's own governance measures, surveys all directors and Audit & Supervisory Committee Members by way of a questionnaire, and accepts individual opinions as needed. Based on the results of the assessment, the Board of Directors deliberates over analysis, assessment and improvement measures, makes revisions to matters including the composition, size, compensation system and operating methods of the Board.

## Major Initiatives to Enhance Corporate Governance and Progress on Improvements

Category	2016	2017	2018	2019	2020	2021	2022	2023	2024
Officer Composition and Compensation	<ul style="list-style-type: none"> <li>Established Nominating Committee and Compensation Committee</li> <li>Appointed a foreign national as a director</li> </ul>	<ul style="list-style-type: none"> <li>Considered the size and composition of the Board of Directors</li> <li>Established standards concerning the independence of outside officers</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of directors by three</li> <li>Appointed a female director</li> <li>Revised the compensation system and introduced a stock compensation scheme</li> </ul>	<ul style="list-style-type: none"> <li>Considered the size and composition of the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of directors by one</li> </ul>	<ul style="list-style-type: none"> <li>Increase of one outside director</li> <li>Changes to the structures of the Nomination Committee and Compensation Committee</li> </ul>	<ul style="list-style-type: none"> <li>Having independent outside directors account for at least a third of each committee</li> <li>Appointment of an individual with corporate management experience at another company as an outside director</li> <li>Review of director compensation indices</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of directors by three</li> </ul>	<ul style="list-style-type: none"> <li>Changes to the structures of the Nomination Committee and Compensation Committee</li> <li>Ensure a majority of directors are independent outside directors</li> <li>Revise the director compensation system</li> </ul>
Other	<ul style="list-style-type: none"> <li>Began effectiveness assessment by conducting a questionnaire among officers</li> </ul>	<ul style="list-style-type: none"> <li>Considered compliance with items of the Corporate Governance Code not yet in compliance</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of Board of Directors meetings</li> <li>Complied with all principles of the Corporate Governance Code</li> <li>Established Corporate Governance Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Increased opportunities for medium- to long term discussion</li> <li>Improved methods and timing for providing materials in advance</li> </ul>	<ul style="list-style-type: none"> <li>Revision to the Corporate Mission</li> <li>Formulation of a long-term vision</li> </ul>	<ul style="list-style-type: none"> <li>Consideration of response to the revised Corporate Governance Code</li> </ul>	<ul style="list-style-type: none"> <li>Shortening of Director terms of office to one year</li> <li>Disclosure of skills matrix</li> <li>Compliance with all principles of the revised Corporate Governance Code</li> <li>Revisions to the corporate governance guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Start new structure for sustainability related committees</li> <li>Improvements to the details of direct reports made to the Board of Directors by the Internal Audit Supervision Board</li> <li>Establishment of Governance Review Committee</li> </ul>	<ul style="list-style-type: none"> <li>Transition to a company with an Audit &amp; Supervisory Committee</li> <li>Strengthen the Board of Directors' supervision of the individual committees</li> <li>Improve the operations of the Nomination Committee</li> </ul>

## Compliance with the Corporate Governance Code

Through the continual improvements to our corporate governance system, we implemented all of the principles found in the Corporate Governance Code prescribed by the Tokyo Stock Exchange. We have also established Corporate Governance Guidelines that summarize our approach to corporate governance. The guidelines are available on the Tamron website.

[Link](#)

# Executive Compensation

Compensation for executive directors at Tamron comprises “basic compensation,” which is a form of fixed compensation, “short-term incentive compensation,” which is a kind of performance-linked monetary compensation based on factors such as business performance in a single fiscal year, and “medium-to-long-term incentive compensation,” as a kind of performance-linked stock-based compensation. Our basic policy for maintaining and increasing incentives is to keep an appropriate ratio of performance-based compensation and to use the medium- and long-term incentive compensation a performance and stock-based compensation, to clarify the link between business performance, stock prices, and director compensation and further heighten awareness of the importance of contributing to the improvement of business performance and the increase of corporate value over the medium and long term.

Tamron has a basic policy that is to pay only basic compensation to directors who are Audit & Supervisory Committee members and to outside directors in view of their duties.

## Compensation System

Types of Compensation		Percentage	Policy and Process for Determining the Method of Calculation
Fixed	Basic Compensation (Monetary compensation)	Approx. 60%	It is monthly fixed compensation determined within the compensation limit adopted at the General Meeting of Shareholders in consideration of the position and level of contribution of individual people and the level of compensation within the industry or at other companies of the same size.
	Short-term Incentive Compensation (Monetary compensation)	Approx. 20%	It is determined for each Director, within a maximum amount of compensation which includes basic compensation resolved at a General Meeting of Shareholders, taking into consideration factors such as consolidated business performance in a single fiscal year and a qualitative evaluation of individual performance, and it is paid in twelve equal installments.
Variable	Medium-to-long Term Incentive Compensation (Stock-based compensation)	Approx. 20%	It is performance-linked stock-based compensation. Within the compensation limited adopted at the General Meeting of Shareholders, Tamron contributes money to establish a trust that will acquire shares of Tamron stock. Tamron issues shares to directors through the trust in proportion to the points granted to them on the basis of their position, performance and other factors in compliance with the Share Issuance Regulations established by the Board of Directors. Directors receive the Company's shares at a certain time in each fiscal year during the trust period, with restrictions on transfer until they retire. In addition to consolidated business performance in a single fiscal year and a qualitative evaluation of individual performance, the level of achievement of the company's Medium Term Management Plan , including ROE, and TSR are also assessed.

## Assessment Indicators, etc.

Assessment Item	Assessment Indicator	Assessment Weighting			
		President	Directors assigned to business units	Other directors	
Company-wide performance	Consolidated net sales	20%	70%	10%	15%
	Consolidated operating income	50%		25%	30%
Performance of assigned business units	Assessment of business performance	—	35%	25%	70%
Individual assessment	Assessment of individual strategic goals	30%			

\* Assessment of business performance in a single fiscal year

Assessment Item	Assessment Indicator	Assessment Weighting
		All directors
Company wide performance	Consolidated net sales	20%
	Consolidated operating income	40%
Corporate Value	ROE	10%
	TSR	30%

\* Assessment of medium-term business performance



# Management Structure (As of April 1, 2024)

## Board of Directors



President & CEO

**Shogo Sakuraba**

Member of Nominating Committee and Compensation Committee  
Administrative Management Unit  
Compliance

Apr. 1981 Joined Tamron Co., Ltd.  
Jan. 2005 Executive Officer, General Manager, Optical Design & Engineering R&D Unit, Tamron Co., Ltd.  
Jan. 2008 Senior Executive Officer, General Manager, Optical Design & Engineering R&D Unit, Tamron Co., Ltd.  
Mar. 2014 Director, Tamron Co., Ltd.  
Mar. 2016 Corporate Vice President, Tamron Co., Ltd.  
Aug. 2023 President & CEO, Tamron Co., Ltd. (current post)



Director  
(Outside Director, Independent Officer)

**Yuichi Sato**

Chairperson of Nominating Committee and member of Compensation Committee

Apr. 1978 Joined Tokyo Shibaura Electric Co., Ltd. (now Toshiba Corporation)  
Jan. 1980 Assistant, School of Engineering, Tokyo Institute of Technology  
Apr. 1983 Assistant Professor, Faculty of Engineering, Saitama University  
Apr. 1994 Professor, Faculty of Engineering, Saitama University  
Apr. 2010 Dean, Faculty of Engineering, Saitama University  
Apr. 2013 Dean, Graduate School of Science and Engineering, Saitama University  
Apr. 2014 Executive Director, Vice President, Saitama University National University Corporation  
Mar. 2018 Outside Director, Tamron Co., Ltd. (current post)



Managing Director

**Shenghai Zhang**

Global Production (Aomori Factory, China Factory, Vietnam Factory)  
Mold & Tooling Technology Center  
Risk Management

Jan. 1997 Joined Tamron Co., Ltd.  
Apr. 2010 Executive Officer, Tamron Co., Ltd., Managing Director, TAMRON OPTICAL (FOSHAN) CO., LTD.  
Apr. 2014 Senior Executive Officer, Tamron Co., Ltd., Managing Director, TAMRON OPTICAL (FOSHAN) CO., LTD.  
Mar. 2016 Director, Tamron Co., Ltd.  
Mar. 2020 Managing Director, Tamron Co., Ltd. (current post)



Director  
(Outside Director, Independent Officer)

**Harumi Katagiri**

Member of Nominating Committee and chairperson of Compensation Committee

Certified public accountant (the Harumi Katagiri CPA Office),  
Supervisory officer at MORI TRUST Sogo Reit, Inc.  
Outside director at Japan Asia Investment Co., Ltd.

Nov. 1993 Joined Asahi & Co. (now KPMG AZSA LLC)  
Apr. 1998 Registered as a certified public accountant in Japan  
Mar. 2000 Joined Century Audit Corporation (now Ernst & Young ShinNihon LLC)  
Jul. 2009 Member of Ernst & Young Shin Nihon LLC  
Jul. 2017 Opened the Harumi Katagiri certified public accountants' office (current post)  
Mar. 2018 Outside Director, Tamron Co., Ltd. (current post)  
Jun. 2019 Supervisory Director, Mori Trust Sogo Reit, Inc. (current post)  
Jun. 2019 Audit and Supervisory Committee Member, Japan Asia Investment Company, Ltd. (current post)



Managing Director

**Makoto Otani**

OEM Component Business Unit  
Industrial Optics Business Unit  
Quality Control & Assurance Supervision Unit  
Optical Design & Engineering R&D Center  
R&D Technology Center  
Information management

Apr. 1984 Joined Tamron Co., Ltd.  
Apr. 2012 Executive Officer, General Manager, OEM Component Business Unit, Tamron Co., Ltd.  
Mar. 2015 Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.  
Apr. 2016 Senior Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.  
Mar. 2018 Director, Tamron Co., Ltd.  
Mar. 2023 Managing Director, Tamron Co., Ltd. (current post)



Director  
(Outside Director, Independent Officer)

**Eriko Ishii**

Member of Nominating Committee and member of Compensation Committee

Attorney (Partner of Shin Saiwai Law Office) Outside Director, Sophia Holdings Co., Ltd. Supervisory Director, Canadian Solar Infrastructure Fund, Inc. Outside Corporate Auditor, ALMAD, INC. Outside Director, Sun Asterisk Inc. Executive Director of Ichigo Hotel REIT Investment Corporation. Outside Auditor, erex Co., Ltd.

Oct. 2004 Registered as an attorney (current post)  
Oct. 2004 Joined Mori Hamada & Matsumoto LPC  
Feb. 2011 Registered as an attorney in the State of New York (current post)  
Jul. 2016 Partner, Shin Saiwai Law Office (current post)  
Dec. 2018 Outside Corporate Auditor of SmartDrive Inc. (current post)  
May 2019 Outside Corporate Auditor, Canadian Solar Infrastructure Fund, Inc. (current post)  
Jun. 2019 Outside Corporate Auditor of ALMAD, INC. (current post)  
Mar. 2021 Outside Director, Tamron Co., Ltd. (current post)  
Mar. 2021 Outside Director of Sun Asterisk Inc. (current post)  
Oct. 2022 Executive Director of Ichigo Hotel REIT Investment Corporation (current post)  
Jun. 2023 Outside Auditor, erex Co., Ltd. (current post)



Managing Director

**Tomohide Okayasu**

Imaging Products Business Unit  
Procurement Management Unit  
Corporate Strategy Unit  
CSR

Dec. 2000 Joined Tamron Co., Ltd.  
Apr. 2012 Executive Officer, General Manager, Product Development Management & Administration Unit, Tamron Co., Ltd.  
Jan. 2014 Executive Officer, General Manager, Imaging Products Business Unit, Tamron Co., Ltd.  
Apr. 2016 Senior Executive Officer, Tamron Co., Ltd.  
Apr. 2017 Senior Executive Officer, Tamron Co., Ltd.  
Vice Chairman, TAMRON USA, INC.  
Mar. 2018 Director, Tamron Co., Ltd.  
Mar. 2023 Managing Director, Tamron Co., Ltd. (current post)



Director  
(Outside Director, Independent Officer)

**Fumio Suzuki**

Member of Nominating Committee and member of Compensation Committee

Apr. 1973 Joined NIHON KOHDEN CORPORATION  
Apr. 1994 Director and President, Nihon Kohden America, Inc.  
Apr. 1998 General Manager of Corporate Planning Dept., NIHON KOHDEN CORPORATION  
Apr. 1999 General Manager of Human Resources Dept., NIHON KOHDEN CORPORATION  
Jun. 1999 Director, NIHON KOHDEN CORPORATION  
Jun. 2003 Managing Director, NIHON KOHDEN CORPORATION  
Jun. 2007 Corporate Director and Executive Operating Officer, NIHON KOHDEN CORPORATION  
Jun. 2008 Representative Director and President, NIHON KOHDEN CORPORATION  
Jun. 2015 Chairman and CEO, NIHON KOHDEN CORPORATION  
Mar. 2022 Outside Director, Tamron Co., Ltd. (current post)



**Director**  
Full-time Audit & Supervisory  
Committee Member  
**Takahiro Yamaguchi**

Mar. 1982 Joined Tamron Co., Ltd.  
Apr. 2015 General Manager, Internal Audit & Supervision Board, Tamron Co., Ltd.  
Mar. 2023 Audit & Supervisory Board Members, Tamron Co., Ltd.  
Mar. 2024 Director, Tamron Co., Ltd. (Full-time Audit & Supervisory Committee Member)(current post)



**Director**  
(Outside Director, Independent Officer)  
Full-time Audit & Supervisory  
Committee Member  
**Takashi Hirayama**

Apr. 1980 Joined the Saitama Bank, Ltd.  
(the present Saitama Resona Bank, Ltd.)  
Jun. 2005 Executive Officer, Saitama Resona Bank, Ltd.  
Jan. 2008 Managing Executive Officer in charge of finance and IPO preparation of AGS Corporation  
Jun. 2010 Corporate Auditor of AGS Business Computer Corporation  
May 2011 General Manager of Information Processing Division, Managing Executive Officer of AGS Corporation  
Oct. 2015 Managing Executive Officer in charge of operational audits of AGS Corporation  
Mar. 2019 Full-Time Audit & Supervisory Board Members of Tamron Co., Ltd.  
Mar. 2024 Director, Tamron Co., Ltd. (Full-time Audit & Supervisory Committee Member)(current post)



**Director**  
(Outside Director, Independent Officer)  
Audit & Supervisory  
Committee Member  
**Masaya Nara**

Attorney (Partner of Torikai Law Office)  
Outside Audit & Supervisory Board  
Members of RISO KAGAKU CORPORATION  
Outside Director of Kumagai Gumi Co., Ltd.

Sep. 1990 Joined Yasuda Trust & Banking Co., Ltd. (the present Mizuho Trust & Banking Co., Ltd.)  
Apr. 2009 Executive officer, General Manager of Investment Planning Division of Mizuho Trust & Banking Co., Ltd.  
Jun. 2011 Full-time Audit & Supervisory Board Members of Mizuho Trust & Banking Co., Ltd.  
Apr. 2014 Senior managing director of Mizuho Realty Co., Ltd.  
Jan. 2017 Registered as an attorney  
Mar. 2019 Independent Audit & Supervisory Board Members of Tamron Co., Ltd.  
Jan. 2020 Partner of Torikai Law Office (current post)  
Jun. 2021 Outside Audit & Supervisory Board Members of RISO KAGAKU CORPORATION (current post)  
Jun. 2022 Outside Director of Kumagai Gumi Co., Ltd. (current post)  
Mar. 2024 Outside Director, Tamron Co., Ltd. (Audit & Supervisory Committee Member)(current post)



**Director**  
(Outside Director, Independent Officer)  
Audit & Supervisory  
Committee Member  
**Takashi Ueda**

President & CEO of Management Support Consulting Ltd.

Apr. 1981 Joined the Saitama Bank, Ltd (the present Saitama Resona Bank, Ltd.)  
May 1997 General Manager of Isogo Branch of Asahi Bank, Ltd. (the present Resona Bank, Ltd. and Saitama Resona Bank, Ltd.)  
Jun. 2003 General Manager of Tokyo Sales Dept. 3 of Resona Bank, Ltd.  
Apr. 2008 General Manager of Saitama Sales Dept. of Saitama Resona Bank, Ltd.  
Jun. 2009 Executive Officer in charge of the Tokyo metropolitan area (Block) of Resona Bank, Ltd.  
Jun. 2011 Senior Managing Director of Resona Card Co., Ltd.  
Jun. 2017 Executive Officer In charge of Administration General Affairs & Human Resources Dept., Administrative Management Unit and Overseas Business Dept. of FUJISASH CO.,LTD.  
Apr. 2020 Executive Officer in charge of Group Internal Control and Audit Dept. of FUJISASH CO.,LTD.  
Jun. 2020 Director of FUJISASH CO.,LTD. (current post)  
May 2021 Executive Officer in charge of Group Internal Control and Business Administrations Dept., Business Management Unit of FUJISASH CO.,LTD.  
Jun. 2021 Managing Executive Officer In charge of Group Internal Control and Business Administrations Dept., Business Management Unit of FUJISASH CO.,LTD. (current post)  
Mar. 2023 Outside Audit & Supervisory Board Members, Tamron Co., Ltd.  
Jul. 2023 President & CEO of Management Support Consulting Ltd. (current post)  
Mar. 2024 Outside Director, Tamron Co., Ltd. (Audit & Supervisory Committee Member)(current post)

## Executive Officers

<b>Yoshinori Narita</b>	Senior Executive Officer	General Manager of Industrial Optics Business Unit
<b>Mikio Kimura</b>	Senior Executive Officer	General Manager of Aomori Factory
<b>Hideyuki Nonaka</b>	Executive Officer	General Manager of Corporate Strategy Unit
<b>Shigehisa Arima</b>	Executive Officer	General Manager of Quality Control & Assurance Supervision Unit
<b>Masakazu Kato</b>	Executive Officer	General Manager of Administrative Management Unit
<b>Minoru Ando</b>	Executive Officer	General Manager of Optical Design & Engineering R&D Center
<b>Nobuo Koganeya</b>	Executive Officer	General Manager of Imaging Products Business Unit
<b>Gregg Maniaci</b>	Executive Officer	General Manager for the Americas / President & CEO of TAMRON USA, INC.
<b>Michael Dickel</b>	Executive Officer	General Manager for Europe / President of TAMRON Europe GmbH.
<b>Jie Chen</b>	Executive Officer	Director & General Manager of TAMRON OPTICAL (SHANGHAI) CO., LTD.
<b>Kai Zhang</b>	Executive Officer	Managing Director of TAMRON OPTICAL (FOSHAN) CO., LTD.
<b>Michimasa Emori</b>	Executive Officer	General Manager of OEM Component Business Unit
<b>Takatoshi Ozeki</b>	Executive Officer	General Manager of Procurement Management Unit
<b>Akira Saita</b>	Executive Officer	General Manager of Mold & Tooling Technology Center
<b>Terufusa Kunisada</b>	Executive Officer	General Manager of R&D Technology Center

# Financial Highlights

Million yen

## Status of Profit and Loss

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	68,452	73,621	71,946	59,903	60,496	61,815	63,285	48,375	57,539	63,445	71,426
Gross profit	20,941	23,568	22,642	18,901	20,596	21,905	24,229	18,370	23,207	27,623	31,657
Operating income	5,233	6,076	4,554	2,361	4,246	5,424	6,982	3,575	7,408	11,038	13,607
EBITDA*	8,674	9,888	8,209	5,726	7,808	8,588	9,649	6,378	10,433	13,995	16,568
Ordinary income	5,196	6,200	5,140	2,855	4,100	5,877	7,403	3,750	7,531	11,496	13,972
Profit attributable to owners of parent	3,197	3,846	4,048	1,482	2,838	4,330	5,330	1,958	5,173	8,350	10,812

\*EBITDA=Operating income+Depreciation

## Financial Position

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net assets	47,087	51,995	49,001	47,321	49,940	50,852	54,539	45,777	52,536	60,574	70,732
Total assets	64,704	69,906	66,035	60,910	63,868	64,704	69,297	58,190	67,065	75,556	87,062
Cash and deposits	14,297	15,915	14,192	16,030	19,431	22,438	28,384	21,417	25,797	29,948	32,640
Inventories	11,055	10,536	12,875	10,100	10,473	10,811	9,388	8,604	11,233	12,998	14,640
Liabilities with interests	5,714	4,098	4,035	4,063	3,145	2,998	2,643	2,200	2,027	1,908	1,849

## Status of Cash Flow

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Cash-flows from operating activities	9,602	6,208	6,214	6,537	7,661	7,523	10,925	7,554	8,660	9,232	10,027
Cash-flows from investing activities	(6,041)	(2,351)	(2,552)	(2,540)	(2,174)	(2,202)	(2,863)	(12,334)	(3,780)	(3,865)	(5,145)
Free cash-flow	3,561	3,856	3,662	3,997	5,487	5,321	8,062	(4,780)	4,879	5,367	4,881
Cash-flows from financing activities	(1,324)	(3,009)	(5,219)	(1,524)	(2,351)	(1,861)	(1,923)	(2,112)	(1,250)	(2,044)	(2,778)

## Per-Share Information

Yen

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
EPS	116.48	140.14	153.98	57.19	109.51	167.80	207.13	88.83	248.14	400.03	517.12
BPS	1,715.37	1,894.14	1,890.45	1,825.62	1,926.65	1,976.05	2,119.33	2,195.71	2,519.93	2,899.24	3,381.57
Dividend	50	50	60	55	50	60	68	50	82	120	170
Dividend Payout Ratio	42.9%	35.7%	39.0%	96.2%	45.7%	35.8%	32.8%	56.3%	33.0%	30.0%	32.9%

## Major Indicators

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Gross profit on net sales	30.6%	32.0%	31.5%	31.6%	34.0%	35.4%	38.3%	38.0%	40.3%	43.5%	44.3%
Operating Income Margin	7.6%	8.3%	6.3%	3.9%	7.0%	8.8%	11.0%	7.4%	12.9%	17.4%	19.1%
EBITDA Margin	12.7%	13.4%	11.4%	9.6%	12.9%	13.9%	15.2%	13.2%	18.1%	22.1%	23.2%
Ordinary Income Margin	7.6%	8.4%	7.1%	4.8%	6.8%	9.5%	11.7%	7.8%	13.1%	18.1%	19.6%
ROE	7.3%	7.8%	8.0%	3.1%	5.8%	8.6%	10.1%	3.9%	10.5%	14.8%	16.5%
ROA	8.5%	9.2%	7.6%	4.5%	6.6%	9.1%	11.0%	5.9%	12.0%	16.1%	17.2%
ROIC	6.9%	7.6%	6.0%	3.2%	5.6%	7.1%	8.5%	5.2%	9.5%	12.4%	13.1%
Shareholders' equity ratio	72.8%	74.4%	74.2%	77.7%	78.2%	78.6%	78.7%	78.7%	78.3%	80.2%	81.2%
D/E Ratio (times)	0.12	0.08	0.08	0.09	0.06	0.06	0.05	0.05	0.04	0.03	0.03
Inventory turnover (months)	1.9	1.7	2.1	2.0	2.1	2.1	1.8	2.1	2.3	2.5	2.5
PER (times)	21.9	17.0	14.6	33.9	22.1	9.4	12.2	20.6	11.5	7.4	10.3
PBR (times)	1.5	1.3	1.2	1.1	1.3	0.8	1.2	0.8	1.1	1.0	1.6

## Capital Investment, Depreciation and R&D Expenses

Million yen

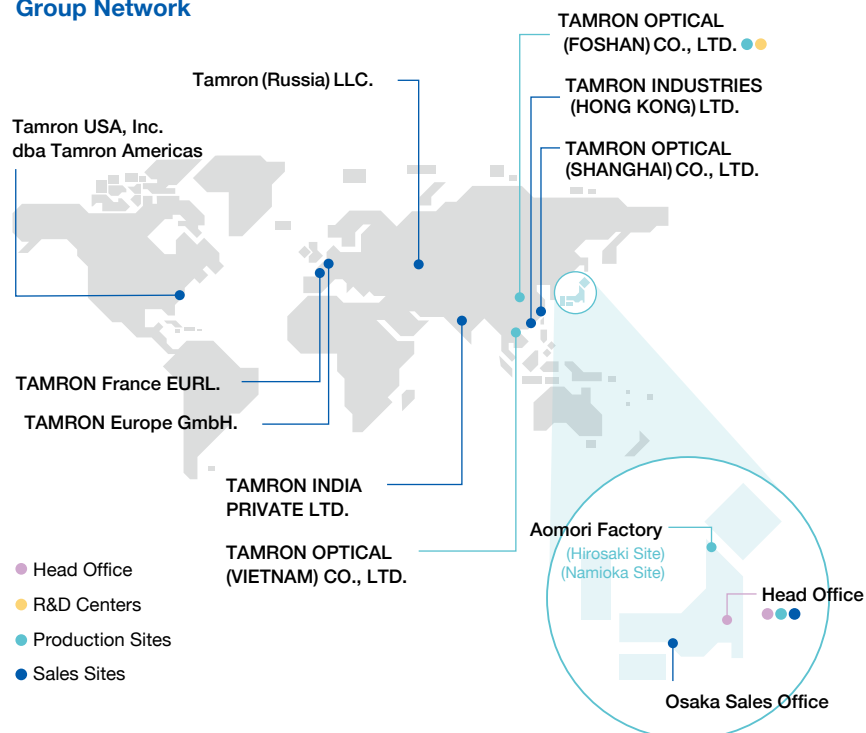
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Capital investment	6,130	2,429	2,478	2,484	2,425	2,047	3,171	2,734	1,890	3,218	5,299
Depreciation	3,440	3,812	3,654	3,365	3,562	3,164	2,666	2,803	3,024	2,957	2,961
R&D expenses	3,217	3,699	4,052	4,002	4,111	4,373	5,263	4,687	5,028	5,398	6,169
R&D expenses on net sales	4.7%	5.0%	5.6%	6.7%	6.8%	7.1%	8.3%	9.7%	8.7%	8.5%	8.6%

# Company Profile









## Tamron Co., Ltd.

Head office	1385 Hasunuma, Minuma-ku, Saitama-shi, Saitama 337-8556, JAPAN
Founded / Incorporated	Founded:November 1, 1950/ Incorporated:October 27, 1952
Capital	6,923 million yen
Employees	4,604 (consolidated), 947 (non-consolidated) Male/Female Ratio...Male Employees:47% Female Employees:53% Regional Composition...Asia:78%, Japan:19% Europe:2%, America:1%

## Group Network



## External Recognition

Mark	Name	Overview of Recognition
	<b>FTSE Russell</b> FTSE Blossom Japan Sector Relative Index	FTSE Blossom Japan Sector Relative Index reflects the performance of Japanese corporations that demonstrate strong Environmental, Social and Governance (ESG) practices relative to their sector. TAMRON is included as one of the companies making up the index.
	<b>SOMPO Asset Management</b> SOMPO Sustainability Index	The SOMPO Sustainability Index is a index consisting of about 300 stocks with excellent ESG.TAMRON has been selected for investment by the fund since 2012.
	<b>Morningstar</b> Morningstar Gender Diversity Indexes	The Morningstar Gender Diversity Indexes are designed to emphasize the stocks of companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. TAMRON is included as one of the companies making up the index.
	<b>S&amp;P Dow Jones Indices, Japan Exchange Group</b> S&P/JPX Carbon Efficient Index	An index that focuses on the state of environmental information disclosure and carbon efficiency levels to determine weightings among the companies that make up the index. TAMRON is included as one of the companies making up the index.
	<b>Ministry of Economy, Trade and Industry</b> 2024 Certified Health & Productivity Management Outstanding Organizations Recognition (Major Corporation Category)	The program aims to promote health and productivity management by selecting enterprises engaged in outstanding health and productivity management and introducing them to investors that emphasize improvements to corporate value from a longterm perspective. TAMRON has been certified as a Health & Productivity Management Outstanding Organization in the Major Corporation category since 2020.
	<b>Ministry of Health, Labour and Welfare</b> Kurumin Mark	The Kurumin Mark is a program under the Act on Advancement of Measures to Support Raising Next-Generation Children to certify childcare supporting companies that have passed a review that includes items on the development of an environment conducive to taking childcare leave and support for balancing work with childcare. TAMRON has been certified for the Kurumin Mark since 2015.
	<b>Saitama Prefecture</b> Sai-no-Kuni Plant	The scheme designates plants exhibiting exceptional technical and environmental achievements as partners in the development of a richer Saitama Prefecture. TAMRON has been designated since 2007.
	<b>Saitama City</b> Leading-edge Companies Certification	The scheme to certify companies developing research and development-oriented production exhibiting superior creativity and innovation in Saitama City. TAMRON has been certified since 2009.
	<b>Saitama Prefecture</b> Companies With Diverse Work Styles	A system in which Saitama Prefecture certifies companies that implement work style reforms and various work styles such as telework and short working hours to support work-life balance. We have been certified it since 2014 and have received the highest rank of "Platinum" certification.

# Shareholder information

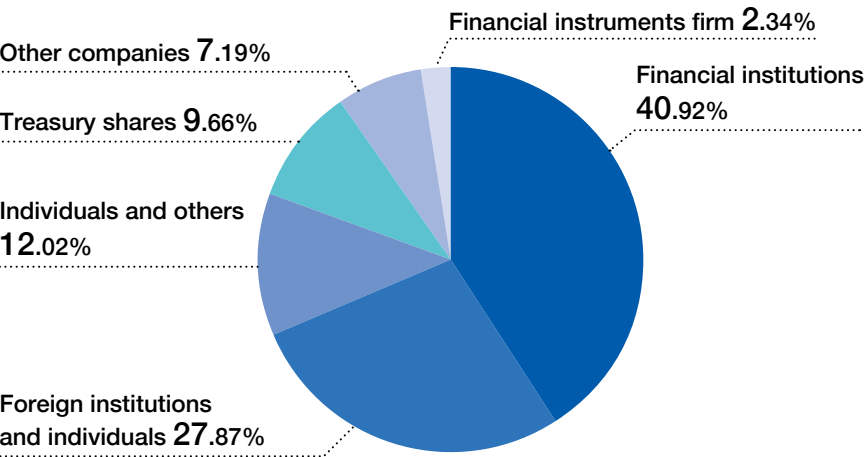
(As of December 31, 2023)

## Stock Overview

Number of shares issued	23,400,000*
Number of shares per unit	100
Number of shareholders	4,486 (Excluding shareholders less than one unit)
Stock Exchange	Prime Market, Tokyo Stock Exchange Securities Code: 7740
Balance Date	December 31
Manager of the Register of Shareholders	Sumitomo Mitsui Trust Bank, Ltd. 1-4-1, Marunouchi, Chiyoda-ku, Tokyo

\*As of May 29, 2024, as a result of consuming 400,000 shares, the total number of issued shares is 23,000,000 shares.

## Breakdown by type of shareholder



## Major shareholders

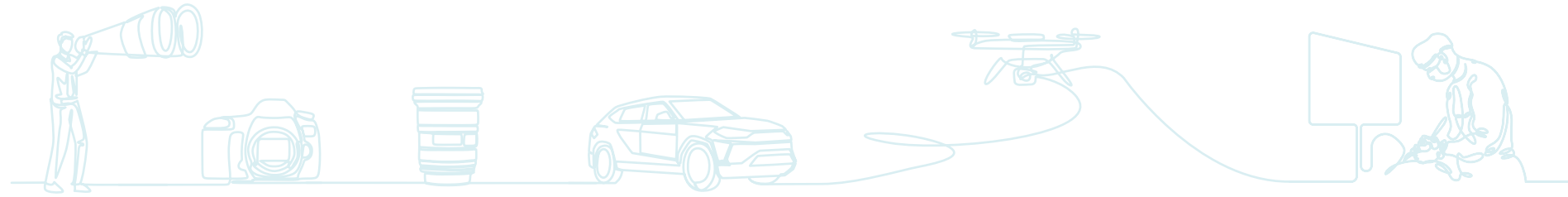
Name	Number of shares held (1,000 shares)	Ratio of shareholding (%)
Sony Group Corporation	3,129	14.80
Suntera (Cayman) Ltd. as trustee of ECM Master Fund	2,192	10.37
The Master Trust Bank of Japan, Ltd. (trust account)	1,945	9.20
Custody Bank of Japan, Ltd. (trust account)	1,684	7.96
Saitama Resona Bank Ltd.	1,002	4.74
Nippon Life Insurance Company	670	3.16
ARGO GRAPHICS Inc.	541	2.55
JPMorgan Securities Japan Co., Ltd.	370	1.75
NAGAWA CO., LTD.	356	1.68
Tamron Business Partner Stockholding Association	265	1.25

\* Shareholding ratio is calculated by deducting the number of treasury shares (2,258 thousand shares) from total shares issued.  
 \* The 3,129,000 shares held by Sony Group Corporation are trust assets that have been entrusted to Mizuho Trust & Banking Co., Ltd. Under the terms of the trust agreement, Sony Group Corporation retains the right to give directions concerning the exercising of voting rights and disposal of the shares.



# TAMRON HISTORY

TAMRON's history of growing with society and continuing to create emotion and reassurance



<p><b>1950</b></p> <p>Manufacture of cameras and binocular lenses is started</p>  	<p><b>1957</b></p> <p>The T mount interchangeable lens mount for SLR cameras is developed</p> <p><b>World-first</b></p>	<p><b>1966</b></p> <p>Production of master test plates, ultraprecision lenses and prisms is started</p> <p><b>1966</b></p> <p>The Tamron Adapt- A-Matic range of lenses is developed</p> <p><b>Master test plates</b></p> <p>Ultra-precision lenses that serve as the standard for all optical lenses. For more than half a century, skillful techniques have been handed down by successive craftspeople, making Tamron one of the few optical manufacturers able to craft master test plates even today.</p>	<p><b>1981</b></p> <p>6x zoom video camera lens is developed</p>   <p><b>Widespread adoption of video cameras begins</b></p> <p>VTR-equipped cameras and video camera lenses developed to coincide with the widespread uptake of compact video cameras enjoy brisk sales. These products accounted for 50% of sales at the time.</p>	<p><b>1986</b></p> <p>Varifocal lenses for CCTVs are developed</p> <p><b>Industry-first</b></p> 	<p><b>1992</b></p> <p>The AF28-200mm (71D) all-in-one zoom lens for SLR cameras is released</p>  <p><b>The beginning of all-in-one zoom lenses</b></p> <p>The original model for the all-in-one zoom lens was a rounded piece of graph paper the size of a cigarette packet (the world's smallest and lightest in the world at the time). Starting with this first product, Tamron has made successful advancements with greater focal distances, more compact and lighter designs and new mounting mechanisms, establishing Tamron's position as the go-to manufacturer of all-in-one zoom lenses.</p>	<p><b>2006</b></p> <p>Sale of lenses for mobile phones is started</p> <p><b>2008</b></p> <p>Sale of automotive lenses is started</p>	<p><b>2016</b></p> <p>Sale of compact camera modules is started</p> <p><b>2017</b></p> <p>Sale of drone lenses is started</p> <p><b>2018</b></p> <p>Sale of lenses for medical application is started</p>
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