



TAMRON

Focus on the Future

1st Quarter FY2025 Financial Results

May 1, 2026

Tamron Co., Ltd. (Code: 7740)

I . 1st Quarter FY2026 Financial Results

- 1. Summary**
- 2. Consolidated Results**
- 3. Factors Affecting Operating Income**
- 4. Segment Results**
 - ① Photographic Products**
 - ② Surveillance & FA Lenses**
 - ③ Mobility & Healthcare Products, Other**
- 5. Quarterly Segment Performance Trends**

II . FY2026 Forecast (Announced Feb. 6)

- 1. Consolidated Forecast**
- 2. Segment Forecast**
 - ① Photographic Products**
 - ② Surveillance & FA Lenses**
 - ③ Mobility & Healthcare Products, Other**

III . Medium-Term Management Plan (MTMP) “Value Creation 26 ver.2.0” Progress Update (Announced Feb. 6)

- 1. Consolidated Progress Update**
- 2. Segment Progress Update**
 - ① Photographic Products**
 - ② Surveillance & FA Lenses**
 - ③ Mobility & Healthcare Products, Other**

IV . Reference Data

- 1. Financial Position**
- 2. Cap Expenditures, Depreciation, and R&D Expenses**
- 3. Cash Flows**
- 4. Dividends and KPIs**
- 5. FX Impacts**



I . 1st Quarter FY2026 Financial Results

I - 1 . Summary

Environment

Economy

- ◆ Prolonged geopolitical risks and growing uncertainty surrounding U.S. trade policies, leading to a global economic slowdown
- ◆ Exchange Rate (YoY): JPY weakened vs. USD (+¥4) and EUR (+¥23)
- ◆ Material costs remain high amid persistent inflation, with a continuing upward trend in labor costs

Market Conditions

- ◆ Interchangeable-Lens Camera / Interchangeable Lens Markets: Maintained positive growth in both unit volume and value, supported by firm demand centered on mirrorless cameras.
- ◆ Surveillance & FA Markets: Surveillance sector remains solid, driven by demand for high-resolution products. FA sector demand has recovered following the completion of inventory adjustments.
- ◆ Automotive Camera Market: Continued growth driven by rising demand for advanced sensing, supported by the widespread adoption of ADAS.

Q1 Performance Highlights

- ◆ **Net Sales: -5% (YoY)** — Strong performance in other business segments helped mitigate the impact of the significant sales decline in Photographic OEM products.
 - Photographic Products
 - OEM products: ~40% sharp decline due to persistent weak sales of specific models since the previous fiscal year.
 - Own-Brand products: Maintained slight growth overall, despite mixed regional performance.
 - Surveillance & FA, Mobility & Healthcare, Other: Double-digit revenue growth driven by robust demand.
- ◆ **Operating Income: -19% (YoY)** — Profit decline minimized by suppressing SG&A expenses to the previous year's level, despite higher R&D investments and labor costs.
- ◆ **Progress vs. Plan: Both Net Sales and Operating Income are trending above plan.**

Topics

- ◆ **Jan.: Made a strategic investment in Light Touch Technology, Inc.**, a developer of the world's first non-invasive blood glucose sensor.
- ◆ **Feb.: Formulated a new long-term vision towards 2035**, declaring the evolution into a comprehensive optical & sensing solution company.
- ◆ **Feb.: Enhanced customer convenience with new software:** Launched the wireless accessory "TAMRON-LINK™" and added iOS support for "TAMRON Lens Utility™".
- ◆ **Mar.: Launched the large-aperture standard zoom lens "35-100mm F/2.8 VXD (Model A078)"** for Nikon Z and Sony E mounts.
- ◆ **Apr.: Achieved TIPA World Awards for the 13th consecutive year**, with two models (16-30mm F/2.8 VXD G2 and 35-100mm F/2.8 VXD) receiving the honor.

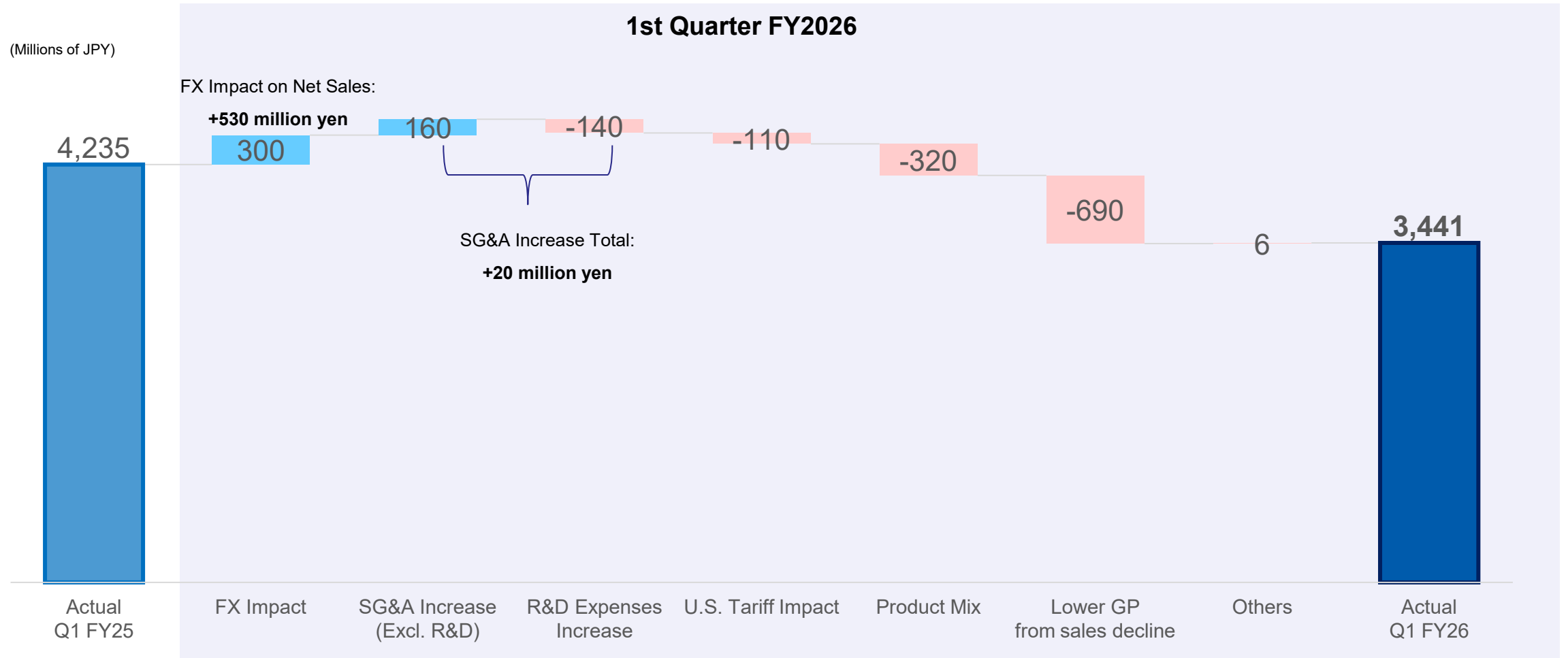
I - 2 . Consolidated Results

- ◆ Despite revenue growth in the Surveillance & FA business, Mobility & Healthcare, and Other business segments, consolidated revenue declined due to the continued sluggishness in orders for photo-related OEM products.
- ◆ Profitability was pressured by the impact of lower revenue, as well as rising costs for raw materials and utilities driven by inflation. Although we implemented rigorous cost-reduction measures, these were not enough to fully offset the increased costs, resulting in a decline in the gross profit margin.
- ◆ While we successfully contained SG&A expenses at the same level as the previous year despite increased R&D investment and rising personnel costs, operating profit decreased due to the impact of lower revenue.

(¥ million)	Q1 FY25 Actual	Q1 FY26 Actual	Change vs. FY25	
			Value	%
Net Sales	19,451	18,485	-965	-5.0%
Gross Profit	8,910	8,209	-700	-7.9%
Gross Margin	45.8%	44.4%	-1.4pts	-
SG&A Expenses	4,675	4,767	+92	+2.0%
Operating Income	4,235	3,441	-793	-18.7%
Operating Margin	21.8%	18.6%	-3.2pts	-
Ordinary Income	4,238	3,363	-874	-20.6%
Ord. Income Margin	21.8%	18.2%	-3.6pts	-
Net Income	2,841	2,712	-128	-4.5%
Net Inc. Margin	14.6%	14.7%	+0.1pts	-
USD/JPY	152.57	156.97	+4.40	-
EUR/JPY	160.61	183.71	+23.10	-

I - 3 . Factors Affecting Operating Income

- Operating Income decreased due to lower gross profit, primarily driven by sales decline and unfavorable product mix.
- SG&A expenses were strictly controlled at the previous year's level.



I - 4 . Segment Results ① Photographic Products



- ◆ **Own-Brand Products:** Maintained growth overall, notwithstanding regional differences.
 - **Europe:** Rebounded to positive growth, recovering from the sluggish trend since H2 of last year; achieved double-digit sales growth.
 - **Japan:** Sales growth outpaced the market.
 - **U.S.:** Maintained the growth trend established in Q2 2025; performance remained strong.
 - **China:** Significant decline due to excessive market inventory.
- ◆ **OEM:** Persistent sales weakness in certain models, continuing from H2 of the previous fiscal year, is dragging down overall segment performance.
- ◆ **Operating Income:** Squeezed by the significant impact of revenue decline. Further downward pressure from rising material/utility costs, as well as increased R&D and personnel expenses.

	Q1 FY25 Actual	Q1 FY26 Actual	Change vs. FY25	
			Value	%
(¥ million)				
Net Sales	13,569	11,305	-2,263	-16.7%
Operating Income	3,803	2,390	-1,413	-37.2%
Operating Margin	28.0%	21.1%	-6.9pts	-

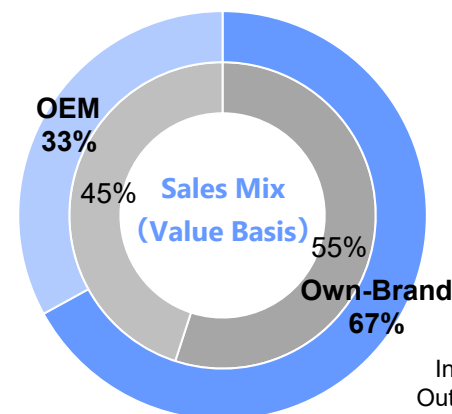
FX Impact

(vs. Prior-Year Rates) (¥ million)

Net Sales	+330
O.P.	+170

Sales Breakdown

Value		Q1 FY25 Actual	Q1 FY26 Actual	Change vs. FY25	
				Value	%
(¥ Billion)					
	Own-Brand	7.4	7.5	+0.1	+1.5%
	OEM	6.2	3.8	-2.4	-38.7%
(10K)					
	Own-Brand	10	10	-0	-3.7%
	OEM	18	12	-6	-35.5%



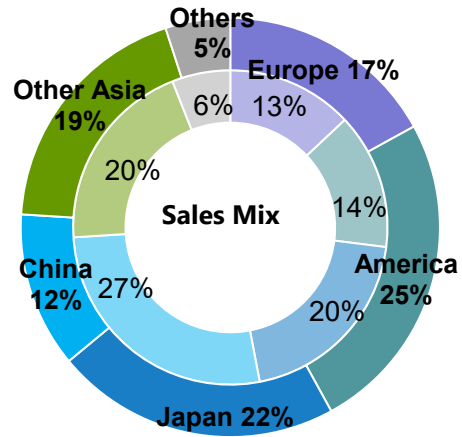
Q1 FY26 Market Environment (YoY)	Q1	
	Qty	Value
SLR cameras	-40%	-49%
Mirrorless cameras	+10%	+7%
ILC total	+3%	+3%
IL (lenses)	+3%	+2%

I - 4 . Segment Results ① Photographic Products



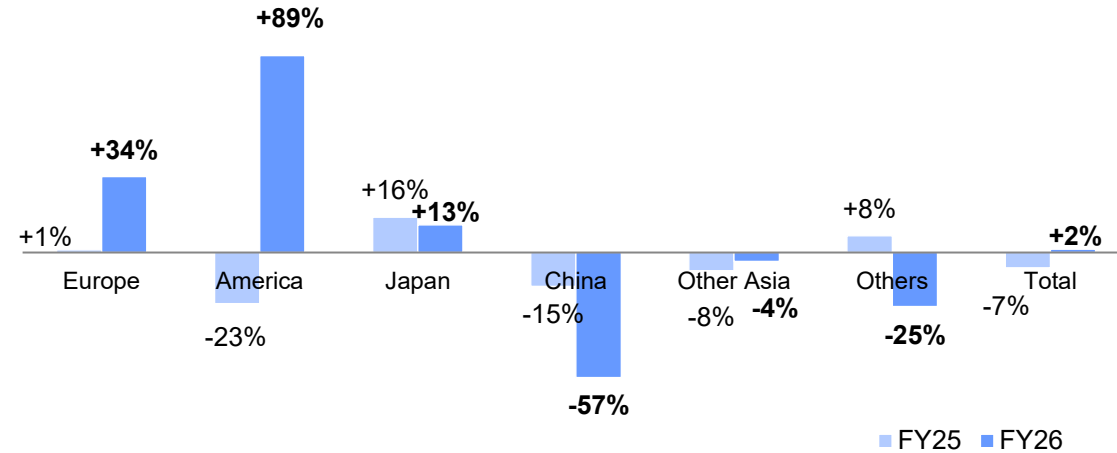
Q1 Own-Brand Sales by Region

Sales Mix (Value Basis)



Inside: FY25
Outside: FY26

Sales Growth Rate (YoY, Yen Basis)



Interchangeable Lens Market (Q1)

Market Share

(Value Basis)	FY25	FY26
Europe	20%	23%
America	28%	22%
Japan	10%	11%
China	20%	22%
Other Asia	16%	17%
Others	6%	5%
Total	100%	100%

Shipment Growth Rate

	FY25 (YoY)		FY26 (YoY)	
	Qty	Value	Qty	Value
Europe	+4%	+3%	+8%	+13%
America	+13%	+30%	-2%	-18%
Japan	-1%	+8%	+12%	+7%
China	+1%	-23%	-3%	+14%
Other Asia	-1%	+2%	+11%	+9%
Others	+29%	+28%	+1%	-9%
Total	+5%	+4%	+3%	+2%

I - 4 . Segment Results ② Surveillance & FA Lenses



- ◆ **Surveillance:** Achieved ~1.3x growth by capturing demand for high-resolution/high-definition products and diversified applications.
- ◆ **FA:** Demand recovered following the completion of customer inventory adjustments, resulting in double-digit revenue growth.
- ◆ **Video Conferencing:** Maintained revenue growth, supported by orders for existing models despite a sluggish market.
- ◆ **Camera Modules:** Performed strongly with increased orders driven by customer-requested performance improvements.
- ◆ **Operating Income:** Secured profit growth by offsetting lower gross margins (due to rising material costs) with double-digit growth across categories and disciplined SG&A control.

(¥ million)	Q1 FY25	Q1 FY26	Change vs. FY25	
	Actual	Actual	Value	%
Net Sales	2,878	3,602	+724	+25.2%
Operating Income	409	523	+113	+27.9%
Operating Margin	14.2%	14.5%	+0.3pts	—

FX Impact

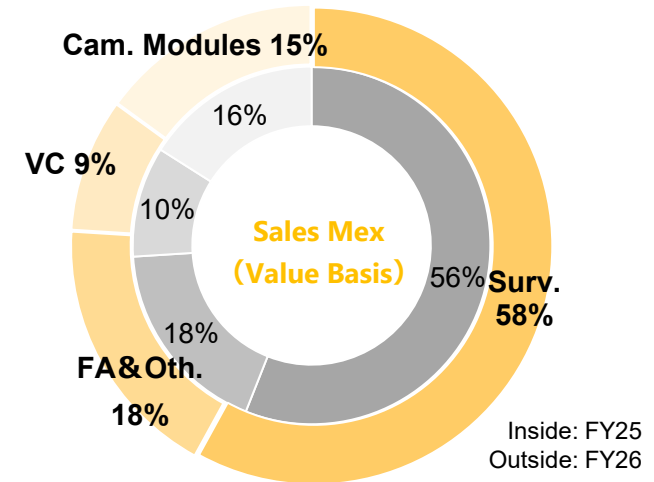
(vs. Prior-Year Rates) (¥ million)

Net Sales	+90
O.P.	+50

Sales Breakdown

		Q1 FY25	Q1 FY26	Change vs. FY25	
		Actual	Actual	Value	%
Value (¥ Billion)	Surv.	1.6	2.1	+0.5	+28.8%
	FA & Oth.	0.5	0.7	+0.2	+26.1%
	VC	0.3	0.3	+0.0	+15.5%
	Cam. Modules	0.5	0.5	+0.0	+17.1%
Units (10K)	Segment Total	28	39	+11	+38.3%

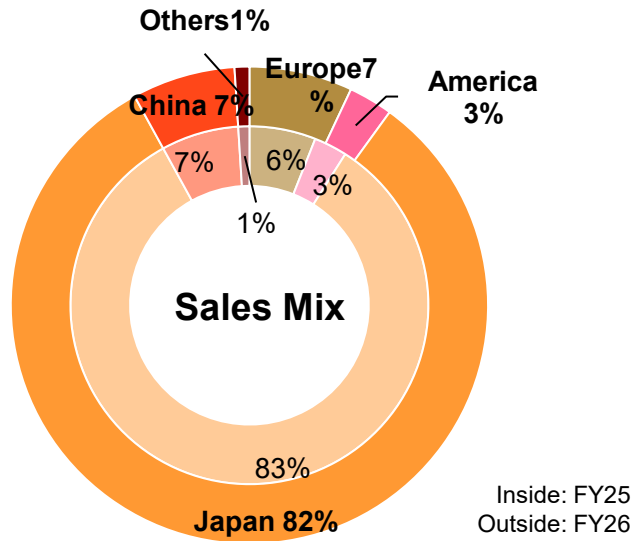
Note) VC: Video Conferencing



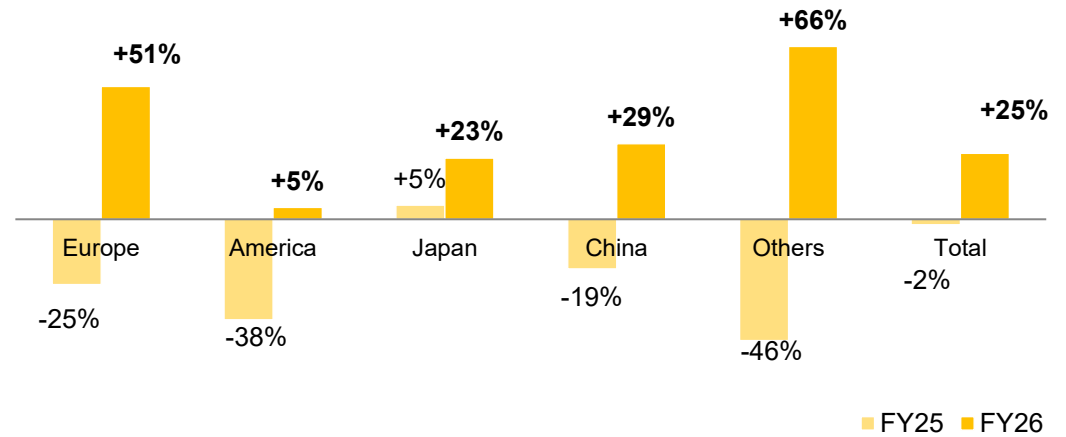
I - 4 . Segment Results ② Surveillance & FA Lenses



Q1 Sales Mix by Branch (Value Basis)



Q1 Sales Growth Rate By Branch (YoY, Yen Basis)



I - 4 . Segment Results ③ Mobility & Healthcare Products, Other

- ◆ **Automotive:** Continued growth trend driven by robust demand for advanced sensing, supported by the widespread adoption of ADAS.
- ◆ **Healthcare:** Revenue increased by approx. 1.6x, driven by the successful expansion of the product lineup supporting minimally invasive surgery.
- ◆ **Operating Income:** Achieved a ~1.2x increase in profit, fueled by higher gross margins from strong sales, ongoing cost reduction efforts, and disciplined SG&A management.

(¥ million)	Q1 FY25	Q1 FY26	Change vs. FY25	
	Actual	Actual	Value	%
Net Sales	3,003	3,577	+573	+19.1%
Operating Income	729	901	+172	+23.7%
Operating Margin	24.3%	25.2%	+0.9pts	-

Q1 FX Impact

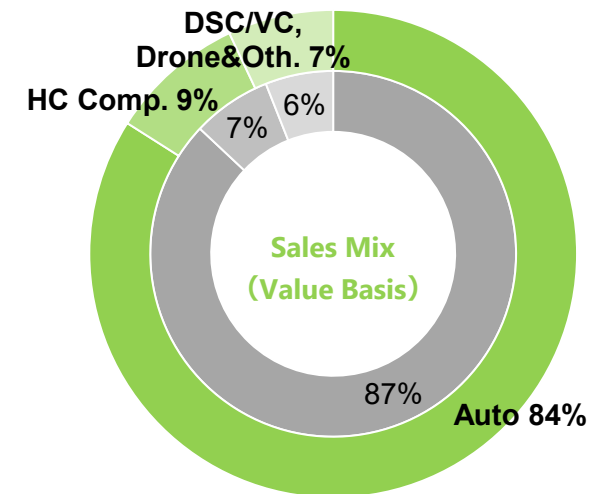
(vs. Prior-Year Rates) (¥ million)

Net Sales	+110
O.P.	+80

Sales Breakdown

Value		Q1 FY25	Q1 FY26	Change vs. FY25	
		Actual	Actual	Value	%
(¥ Billion)	Auto	2.6	3.0	+0.4	+15.4%
	HC Comp.	0.2	0.3	+0.1	+62.0%
	DSC/VC, Drone/Oth.	0.2	0.3	+0.1	+24.1%

Note) Auto: Automotive Lenses, HC Comp. : Healthcare Component

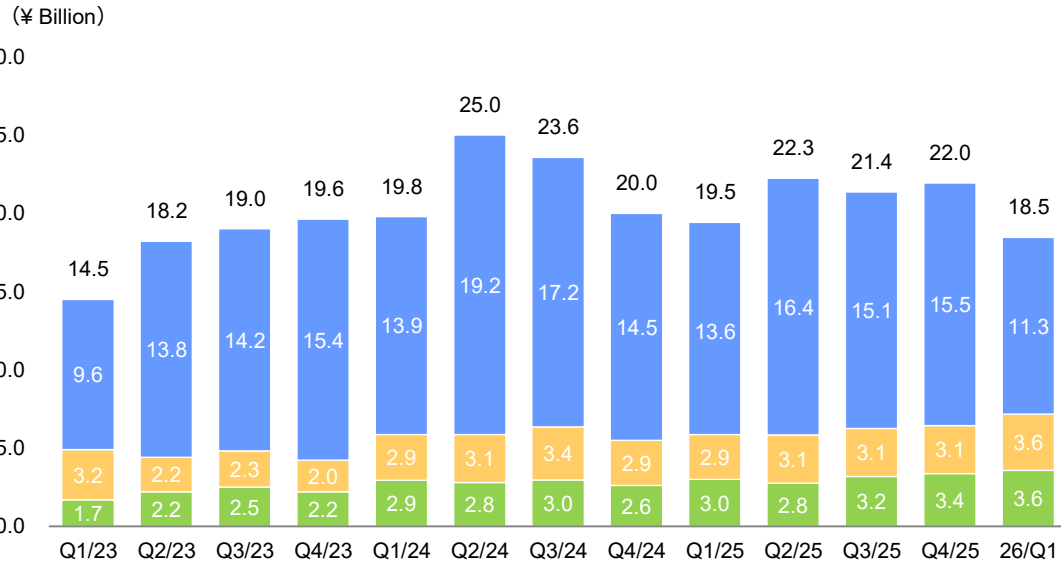


Inside: FY25
Outside: FY26

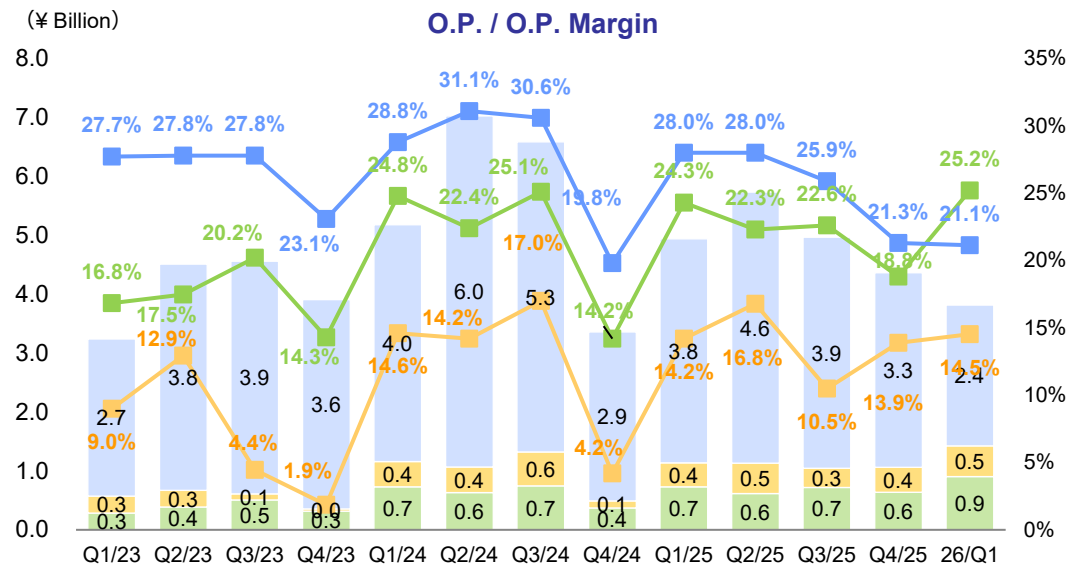
I -5. Quarterly Segment Performance Trends

(¥ million)		Q1 FY24	YoY (%)	Q2 FY24	YoY (%)	Q3 FY24	YoY (%)	Q4 FY24	YoY (%)	Q1 FY25	YoY (%)	Q2 FY25	YoY (%)	Q3 FY25	YoY (%)	Q4 FY25	YoY (%)	Q1 FY26	QoQ (%)	YoY (%)
Photographic Products	Net Sales	13,944	+45.0	19,152	+38.7	17,228	+21.3	14,510	-5.8	13,569	-2.7	16,413	-14.3	15,131	-12.2	15,529	+7.0	11,305	-27.2	-16.7
	Operating Income	4,019	+50.8	5,959	+55.2	5,263	+33.3	2,868	-19.3	3,803	-5.4	4,599	-22.8	3,925	-25.4	3,301	+15.1	2,390	-27.6	-37.2
Surveillance & FA Lenses	Net Sales	2,939	-8.6	3,072	+38.6	3,403	+47.2	2,899	+42.0	2,878	-2.1	3,098	+0.8	3,061	-10.0	3,053	+5.3	3,602	+18.0	+25.2
	Operating Income	428	+48.4	437	+52.6	578	+462.2	121	+222.6	409	-4.5	520	+18.9	321	-44.4	424	+248.4	523	+23.2	+27.9
Mobility & Healthcare Products, Others	Net Sales	2,935	+73.6	2,809	+27.5	2,970	+18.3	2,609	+18.5	3,003	+2.3	2,751	-2.0	3,195	+7.6	3,384	+29.7	3,577	+5.7	+19.1
	Operating Income	729	+156.3	630	+63.8	745	+46.8	371	+18.0	729	+0.0	613	-2.8	721	-3.2	636	+71.2	901	+41.8	+23.7
Consolidated Financial Results	Net Sales	19,819	+36.5	25,034	+37.3	23,602	+24.0	20,019	+1.9	19,451	-1.9	22,263	-11.1	21,389	-9.4	21,967	+9.7	18,485	-15.9	-5.0
	Operating Income	4,547	+72.9	6,292	+63.6	5,892	+59.1	2,469	-27.9	4,235	-6.9	4,967	-21.1	4,183	-29.0	3,251	+31.7	3,441	+5.8	-18.7

Net Sales



O.P. / O.P. Margin





II . FY2026 Forecast (Announced Feb. 6)

II - 1 . Consolidated Forecast

Environment

Economy

- ◆ While the economy is on a moderate recovery trend, uncertainty remains high due to prolonged geopolitical risks, concerns over a slowdown in the Chinese economy, and uncertainty surrounding U.S. trade and industrial policies.

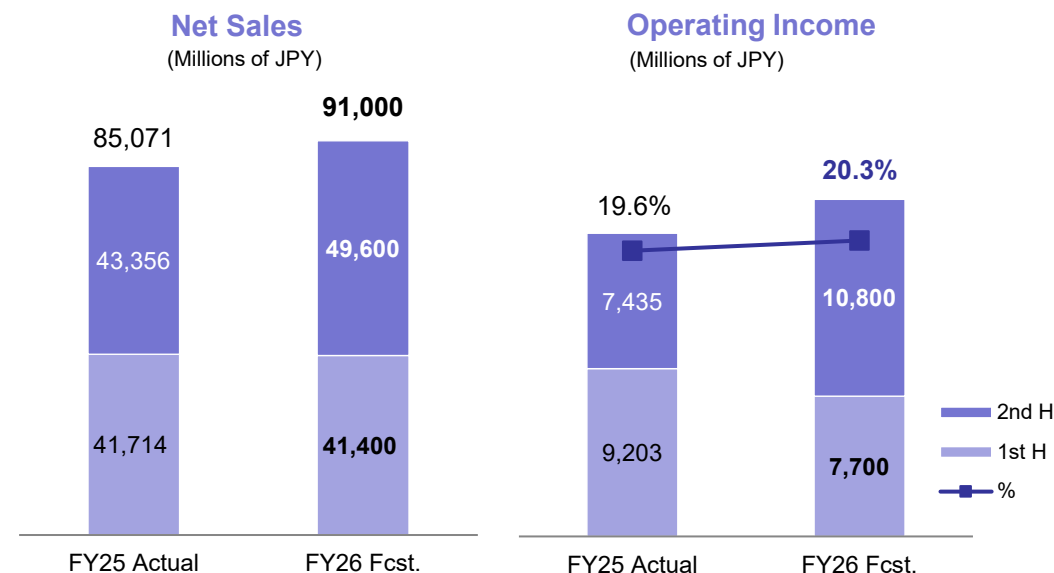
Market

- ◆ **Interchangeable-Lens Cameras & Lenses:** Unit volumes remained flat, while revenue increased supported by strong demand for high value-added products
- ◆ **Surveillance:** Market shifted to stable growth driven by solid security demand, including urban surveillance
- ◆ **Automotive:** Market continued to perform well, supported by growth in ADAS adoption

Company's Forecast

- ◆ **Assumptions:** Weaker yen compared with FY25. Despite cost increases from higher raw material prices and more proactive investments and R&D spending, the Group expects to absorb these impacts and **achieve revenue and profit growth**
- ◆ **Targets:** Aim to reach **over ¥90.0 billion in net sales for the first time**, achieve **double-digit operating profit growth**, and maintain an **operating margin of 20% or higher**

(¥ million)	H1 FY25 Actual	H1 FY26 Fcst.	Change vs. FY25		(¥ million)	FY25 Actual	FY26 Fcst.	Change vs. FY25	
			Value	%				Value	%
Net Sales	41,714	41,400	-314	-0.8%	Net Sales	85,071	91,000	+5,928	+7.0%
Operating Income	9,203	7,700	-1,503	-16.3%	Operating Income	16,638	18,500	+1,861	+11.2%
Operating Margin	22.1%	18.6%	-3.5pts	-	Operating Margin	19.6%	20.3%	+0.7pts	-
Ordinary Income	9,270	7,700	-1,570	-16.9%	Ordinary Income	16,699	18,500	+1,800	+10.8%
Ordinary Margin	22.2%	18.6%	-3.6pts	-	Ordinary Margin	19.6%	20.3%	+0.7pts	-
Net Income	6,881	5,700	-1,181	-17.2%	Net Income	11,761	13,690	+1,928	+16.4%
Net Margin	16.5%	13.8%	-2.7pts	-	Net Margin	13.8%	15.0%	+1.2pts	-
USD/JPY	148.43	148.00	-0.43	-	USD/JPY	149.63	148.00	-1.63	-
EUR/JPY	162.31	175.00	+12.69	-	EUR/JPY	169.24	175.00	+5.76	-



II -3. Segment Forecast ① Photographic Products

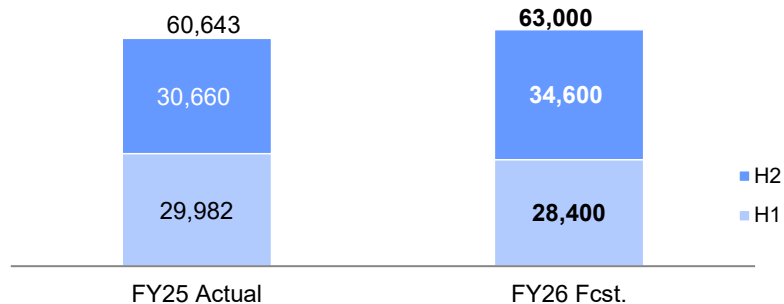
- ◆ Own-brand: Revenue expected to grow **above market growth**, driven by the **launch of 10 new models** and sales recovery in Europe and China
- ◆ OEM: Forecast reflects a required adjustment based on market conditions and recent order trends
- ◆ Operating Income: Despite higher SG&A expenses, including advertising, increased gross profit from higher sales and absorption through productivity improvements and cost reductions are expected to result in **double-digit operating profit growth**

(¥ million)	H1 FY25 Actual	H1 FY26 Fcst.	Change vs. FY25		(¥ million)	FY25 Actual	FY26 Fcst.	Change vs. FY25	
			Value	%				Value	%
Net Sales	29,982	28,400	-1,582	-5.3%	Net Sales	60,643	63,000	+2,356	+3.9%
Operating Income	8,403	7,300	-1,103	-13.1%	Operating Income	15,630	17,200	+1,569	+10.0%
Operating Margin	28.0%	25.7%	-2.3pts	-	Operating Margin	25.8%	27.3%	+1.5pts	-

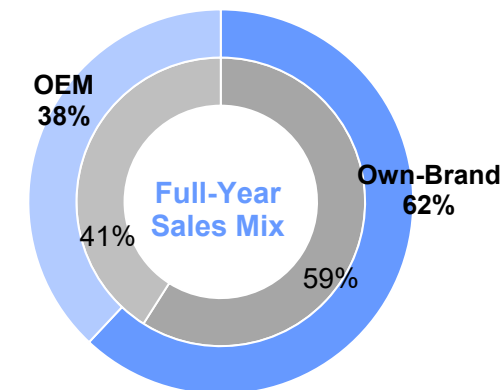
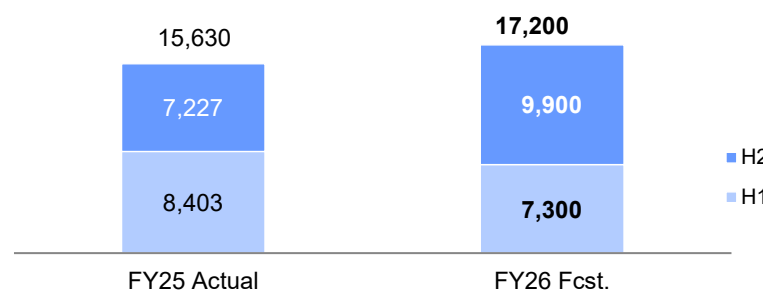
Sales Breakdown

		H1 FY25 Actual	H1 FY26 Fcst.	Change vs. FY25				FY25 Actual	FY26 Fcst.	Change vs. FY25	
				Value	%					Value	%
Value	Own-Brand	16.5	17.5	+1.0	+6.2%	Value	Own-Brand	35.9	39.0	+3.1	+8.5%
(¥ Billion)	OEM	13.5	10.9	-2.6	-19.3%	(¥ Billion)	OEM	24.7	24.0	-0.7	-2.9%
Units	Own-Brand	23	24	+1	+4.5%	Units	Own-Brand	49	52	+3	+5.1%
(10K)	OEM	42	32	-10	-24.5%	(10K)	OEM	77	72	-5	-6.2%

Net Sales (¥ million)



Operating Income (¥ million)



Inside: FY25
Outside: FY26

Products – Own-Brand New Models

Before FY23: Approx. 5 new models per year

⇒ Initial Medium-Term Management Plan: Target of 6-7 launches per year

⇒ FY24: 7 launches achieved; FY25: 6 launches achieved

⇒ New Medium-Term Management Plan: Targeting 10+ new model launches per year by FY26

	FY24: 7 models			FY25: 6 models			FY26: 10+ New Models		
SONY E-mount Total: 22 models	Jun.  50-300mm F/4.5-6.3 VC VXD (A069)	Aug.  28-300mm F/4-7.1 VC VXD (A074)	Oct.  90mm F/2.8 VXD (F072)	Jul.  16-30mm F/2.8 VXD G2 (A064)		Nov.  25-200mm F/2.8-5.6 VXD G2 (A075)	Mar.  35-100mm F/2.8 VXD (A078)		
FUJIFILM X-mount Total: 4 models									
NIKON Z-mount Total: 10 models	Apr.  28-75mm F/2.8 VXD G2 (A063)	Sep.  50-400mm F/4.5-6.3 VC VXD (A067)	Oct.  90mm F/2.8 VXD (F072)	Aug.  16-30mm F/2.8 VXD G2 (A064)	Aug.  18-300mm F/3.5-6.3 VC VXD (B061)	Oct.  70-180mm F/2.8 VXD G2 (A065)	Mar.  35-100mm F/2.8 VXD (A078)		
CANON RF-mount Total: 2 models			Dec.  11-20mm F/2.8 RXD (B060)		Sep.  18-300mm F/3.5-6.3 VC VXD (B061)				

II -3. Segment Forecast ③ Mobility & Healthcare Products, Other

- ◆ Automotive: Approx. **10% revenue growth**, supported by strong demand driven by ADAS expansion
- ◆ Healthcare components: Approx. **20% revenue growth**, driven by lineup expansion and continued steady high growth
- ◆ Operating Income: **Operating margin of 18% or higher maintained**, despite responding to customer cost-down requests, investment in the medical field, and strengthened development of core technologies for new business fields

¥ million	H1 FY25 Actual	H1 FY26 Fcst.	Change vs. FY25	
			Value	%
Net Sales	5,755	6,600	+844	+14.7%
Operating Income	1,342	1,200	-142	-10.6%
Operating Margin	23.3%	18.2%	-5.1pts	-

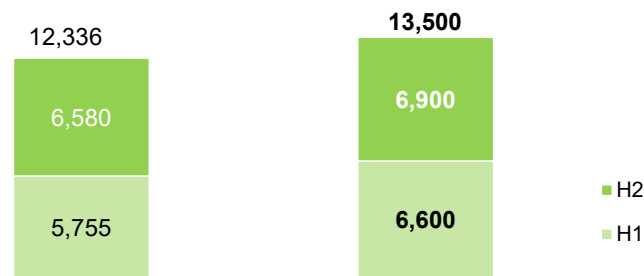
¥ million	FY25 Actual	FY26 Fcst.	Change vs. FY25	
			Value	%
Net Sales	12,336	13,500	+1,163	+9.4%
Operating Income	2,699	2,500	-199	-7.4%
Operating Margin	21.9%	18.5%	-3.4pts	-

Sales Breakdown

¥ billion	H1 FY25 Actual	H1 FY26 Fcst.	Change vs. FY25	
			Value	%
Auto	4.9	5.3	+0.4	+8.3%
HC Comp.	0.4	0.8	+0.4	+93.7%
DSC/VC, Drone/Oth.	0.5	0.5	+0.0	+12.1%

¥ billion	FY25 Actual	FY26 Fcst.	Change vs. FY25	
			Value	%
Auto	10.3	11.3	+1.0	+9.5%
HC Comp.	1.0	1.2	+0.2	+19.9%
DSC/VC, Drone/Oth.	1.0	1.0	-0.0	-1.4%

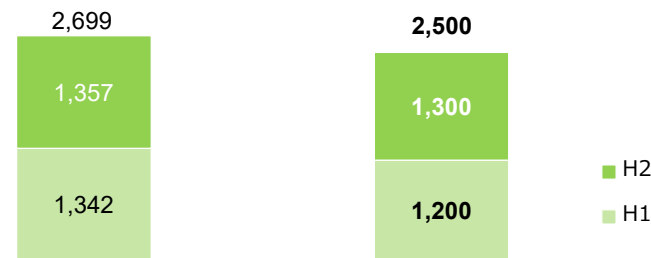
Net Sales (¥million)



FY25 Actual

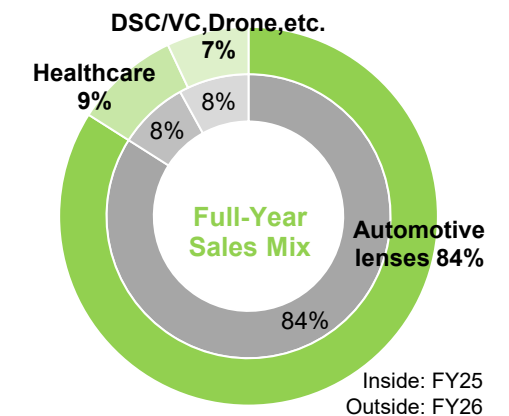
FY26 Fcst.


Operating Income (¥million)



FY25 Actual

FY26 Fcst.





**Ⅲ. Medium-Term Management Plan (MTMP)
“Value Creation 26 ver.2.0” Progress Update
(Announced Feb. 6)**

III - 1 . Consolidated Progress Update

Value Creation 26 ver. 2.0

- ◆ Following the achievement of all initial targets in the first year (FY24), the Company announced **ver. 2.0**, featuring a significant upward revision of targets
- ◆ **Ver. 2.0 represents a phase of growth and transformation** toward achieving **¥100.0 billion in net sales** and **¥20.0 billion or more in operating profit**

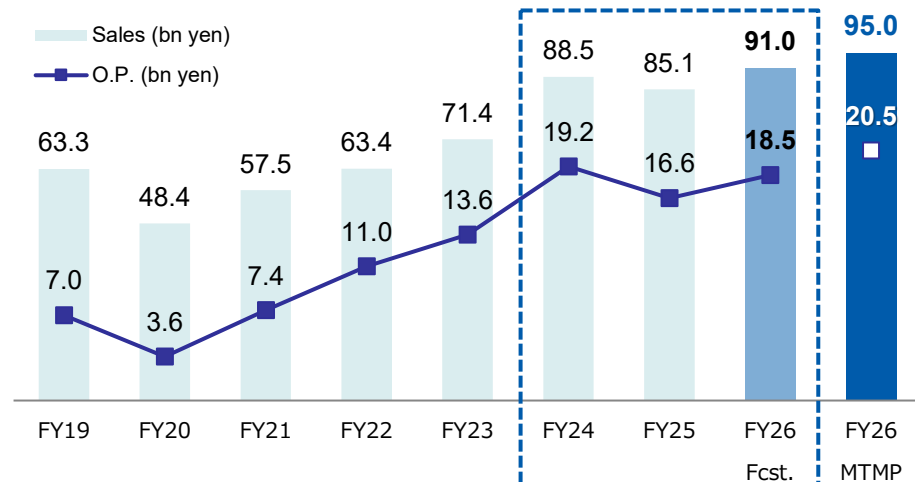
	FY23	MTMP FY26		
	Actual	Initially	ver2.0	vs FY23
Net Sales	¥71.4 bn	¥83.0 bn	¥95.0 bn	1.3x+
Operating Income	¥13.6 bn	¥15.3 bn	¥20.5 bn	1.5x+
Operating Margin	19.1%	18.4%	21.6%	20%range
USD/JPY	140.68	140.00	145.00	+4.32
EUR/JPY	152.17	152.00	155.00	+2.83

	FY21-23	MTMP FY26	
	Avg.	Initially	ver2.0
EBITDA Margin (%)	21%range	22%+	24%+
ROE	13%range	14%+	16%+
Shareholder Returns	Dividend Payout Ratio: 30% range	Total Payout Ratio approx. 60%	Total payout ratio approx. 60%

Progress

- ◆ **FY25:** OEM order declines and delayed recovery in Europe weighed on the photographic business
- ◆ **FY26: 10 new own-brand launches**, stable growth in **surveillance & automotive**, targeting **V-shaped recovery**

	FY24	FY25	FY26
	Actual	Actual	Fcst.
Net Sales	¥88.5 bn	¥85.1 bn	91.0 bn
Operating Income	¥19.2 bn	¥16.6 bn	18.5 bn
Operating Margin	21.7%	19.6%	20.3%
USD/JPY	151.69	149.63	148.00
EUR/JPY	164.09	169.24	175.00



III - 2 . Segment Progress Update

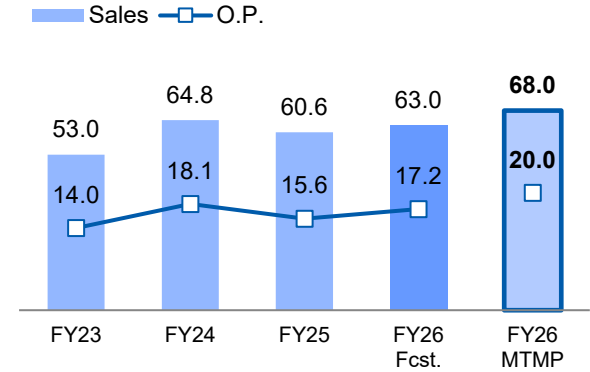
① Photographic Products

Value Creation 26 ver. 2.0

	FY23	MTMP FY26	
		Initially	ver.2.0
(¥ billion)	Actual		
Own-Brand	32.8	37.0	39.0
OEM	20.2	19.0	29.0
Net Sales	53.0	56.0	68.0
Operating Income	14.0	15.2	20.0
Operating Margin	26.4%	27%+	29%+

Progress

	FY24	FY25	FY26
			Fcst.
(¥ billion)	Actual	Actual	
Own-Brand	36.0	35.9	39.0
OEM	28.8	24.7	24.0
Net Sales	64.8	60.6	63.0
Operating Income	18.1	15.6	17.2
Operating Margin	27.9%	25.8%	27.3%



MTMP : Enhancing Profitability as a Core Business

- ◆ **Accelerating Own-Brand Product Launches**
 - **Before FY23:** Approx. 5 launches per year
 - **FY26 MTMP:** 6–7 launches per year
 - **New MTMP (ver. 2.0):** Increased to **10 launches per year**
- ◆ **Strengthening Own-Brand Market Share**
 - **Sales recovery** in the Americas and Europe
 - **Continued expansion** in China and Asia
 - **Expanding into Untapped Markets** (Latin America, Asia, Middle East, and Africa) , Targeting a 7–8% value share (up from ~5% before FY23)
- ◆ **Ongoing Support for New Formats**
 - Establishing a **Four-Mount Lineup**, Including Canon RF Mount
- ◆ **Strengthening Partnerships with OEM Customers**

FY24: **7** launches → FY25: **6** launches → FY26: **10+** launches

FY25 **Americas** → FY26 **Europe** (Recovery)

FY24: **Double-digit growth** → FY26: **Growth recovery**

FY26: **Own-brand on track to achieve sales targets**

FY24: **Our First Canon RF-mount product launch**

More development inquiries → **Next MTMP contribution**

III - 2 . Segment Progress Update

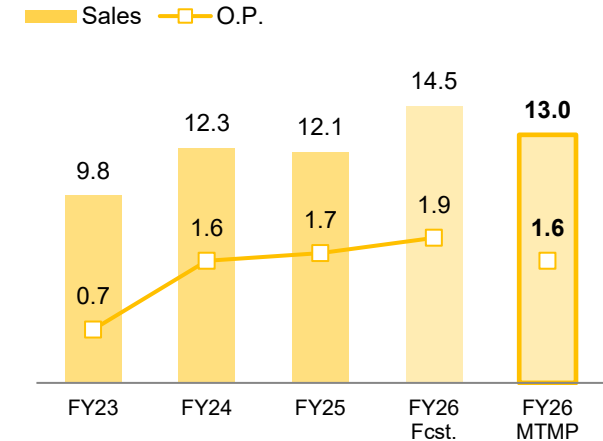
② Surveillance & FA Lenses

Value Creation 26 ver. 2.0

	FY23	MTMP FY26	
	Actual	Initially	ver2.0
(¥ billion)			
Surv.	5.9	7.4	7.0
FA & Oth.	1.6	3.6	2.8
Cam. Modules	0.8	3.5	3.2
VC	1.5	-	-
Net Sales	9.8	14.5	13.0
Operating Income	0.7	1.6	1.6
Operating Margin	7.3%	11%+	12%+

Progress

	FY24	FY25	FY26
	Actual	Actual	Fcst.
(¥ billion)			
Surv.	6.3	6.7	8.3
FA & Oth.	2.4	2.0	3.0
Cam. Modules	2.4	2.2	2.7
VC	1.2	1.2	0.5
Net Sales	12.3	12.1	14.5
Operating Income	1.6	1.7	1.9
Operating Margin	12.7%	13.9%	13.1%



MTMP : Transition to Growth Businesses, 10%+ Operating Margin

- ◆ **Surveillance Market: Shift to a two-pronged strategy**
 - High value-added products + stronger focus on the volume segment
- ◆ **FA and New Business Fields: Customer Base Expansion**
 - FA lineup expansion: OEM order growth; SWIR & FA zoom development
 - New MTMP (ver. 2.0): Entry into new business fields (Laser processing head market, Near-infrared (NIR) light source market, Multi-purpose camera market)
- ◆ **Camera Modules: Lineup Expansion**
 - 4K / high magnification / compact design
 - Expand sales through both OEM and own-brand products
 - New MTMP (ver. 2.0): Development of thermal zoom camera modules
 - Portfolio optimization and restructuring
- ◆ **Strengthening development, production, and sales capabilities in China**

FY24: Sales increased to **1.2× YoY**; operating margin **12%+ achieved**

FY25: Profit target achieved **one year ahead of plan**; operating margin improved to **~14%**

FY26: **Sales and profit targets to be achieved**

FY24–FY25: Strengthening product development in new business fields

Development of **SWIR** (short-wave infrared) and **NIR light sources** for applications in **agriculture and food**

Development of **laser processing heads** to control high-power laser output

⇒**FY26: Launch at least one new product** in new business fields

III - 2 . Segment Progress Update

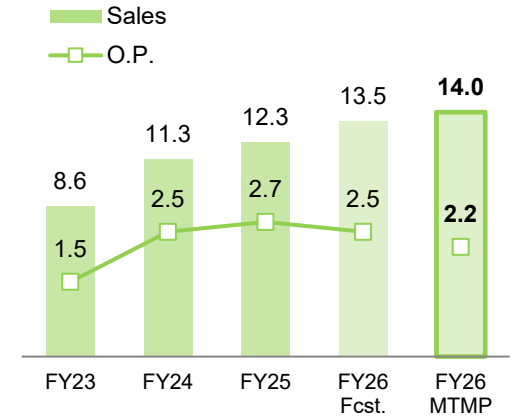
③ Mobility & Healthcare Products, Other

Value Creation 26 ver. 2.0

(¥ billion)	FY23	MTMP FY26	
	Actual	Initially	ver2.0
Auto	7.1	10.2	12.2
HC Comp.	0.4	1.4	1.1
DSC/VC, Drone/Oth.	1.1	0.9	0.7
Net Sales	8.6	12.5	14.0
Operating Income	1.5	1.7	2.2
Operating Margin	17.3%	13%+	15%+

Progress

(¥ billion)	FY24	FY25	FY26
	Actual	Actual	Fcst.
Auto	9.5	10.3	11.3
HC Comp.	0.67	1.0	1.2
DSC/VC, Drone/Oth.	1.1	1.0	1.0
Net Sales	11.3	12.3	13.5
Operating Income	2.5	2.7	2.5
Operating Margin	21.9%	21.9%	18.5%



MTMP: Accelerating Automotive & Healthcare Growth and New Business Creation

- ◆ **Focus on sensing applications** driven by ADAS advancement
- ◆ **Establish a next-generation cost structure** to enhance cost competitiveness
- ◆ **Build reliability technologies**, including high resolution, durability, and heat resistance
- ◆ **Transform order acquisition**, with earlier involvement from the planning and concept stage
 - New MTMP (ver. 2.0): Grow the automotive business to ¥12.0 billion
- ◆ Further step-up of the rigid endoscope business
- ◆ Full-scale entry into surgical microscopes and life science fields
 - Target: Grow the healthcare business to ¥1.0 billion (Aim for ¥3.0 billion by FY30)
- ◆ **Continued profit growth**, despite margin pressure from upfront investments for new business creation

FY24: Sales up **~1.3× YoY**; **20%+ profit margin**
 FY25: Sales up **~1.1× YoY**
 FY26: **Targeting a third consecutive year of revenue growth**

Automotive:
 FY25: Revenue exceeded **¥10.0 billion**
 Sensing-related revenue ratio: 85% in FY24 → **90% in FY25**

Healthcare Components:
 FY25: Revenue exceeded **¥1.0 billion**

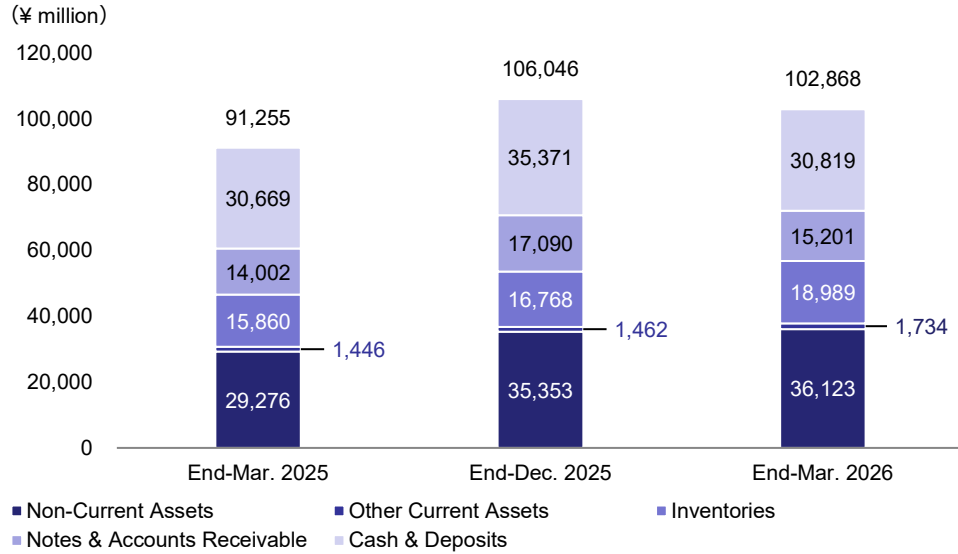
Developed a Fluorescent filter to visualize cancer cells

IV. Reference Data

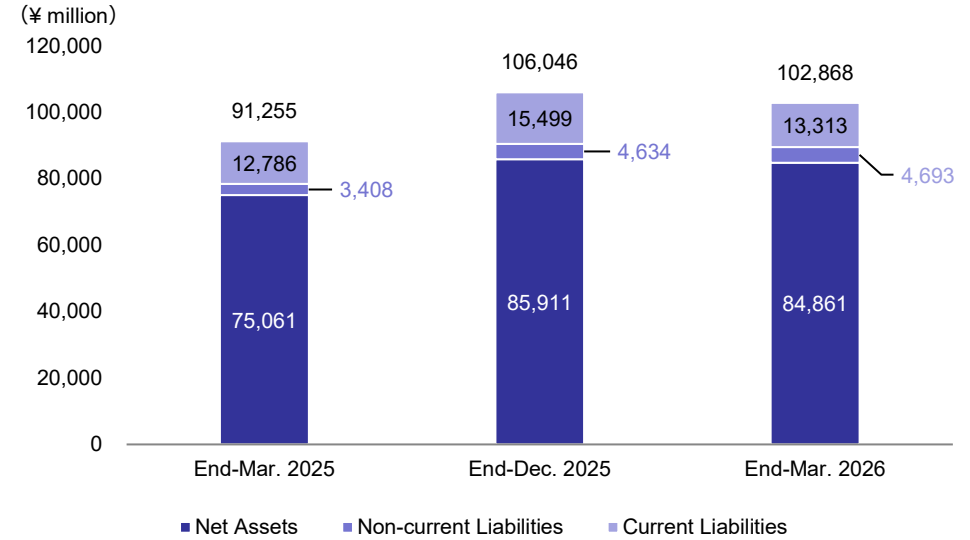


IV- 1 . Financial Position

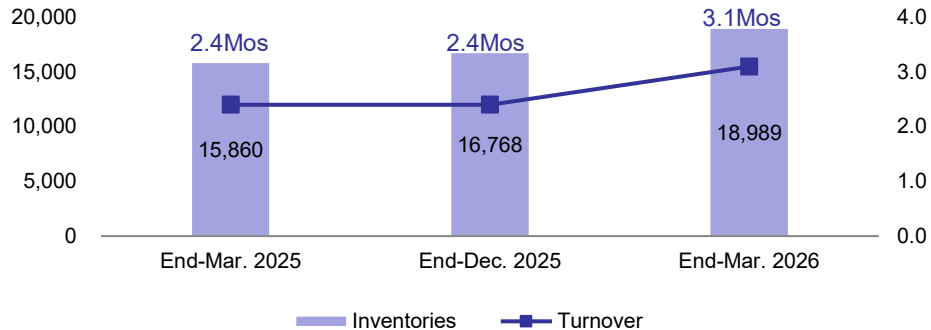
Assets



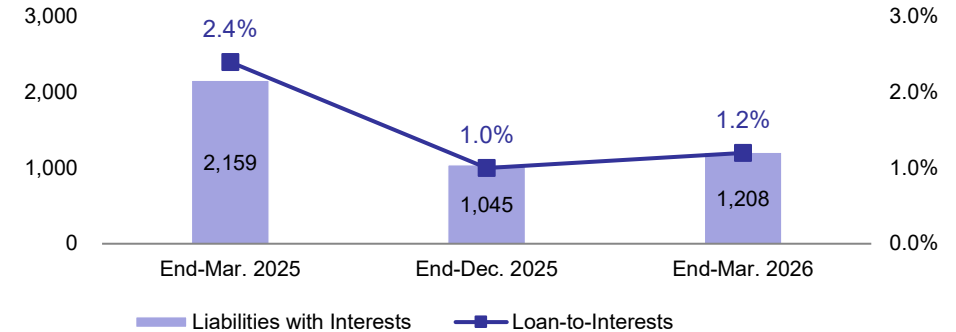
Liabilities / Net Assets



Inventories

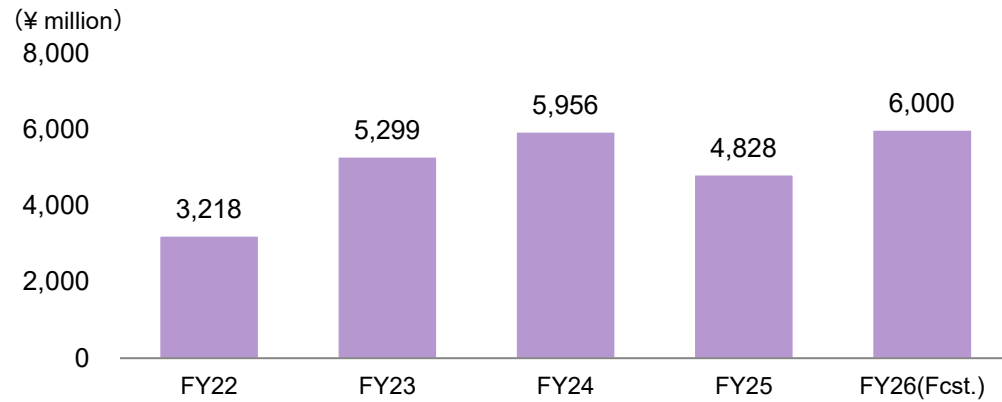


Liabilities with Interests

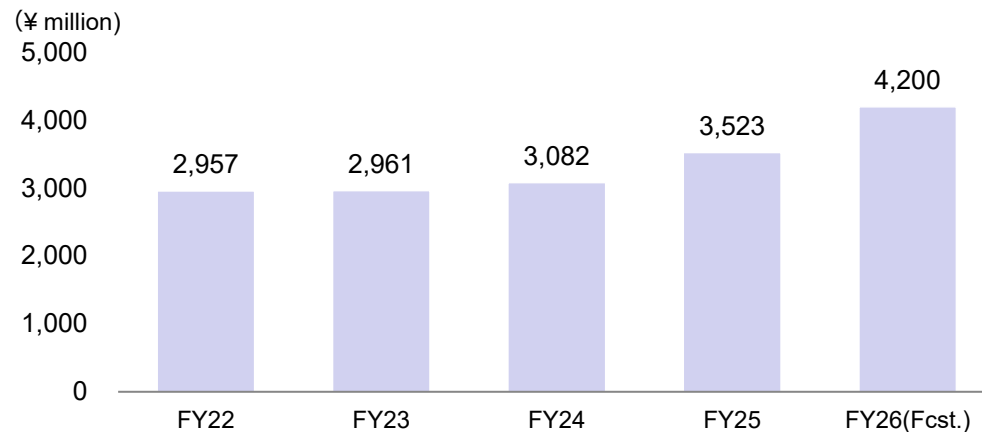


IV-2. Cap Expenditures, Depreciation, and R&D Expenses

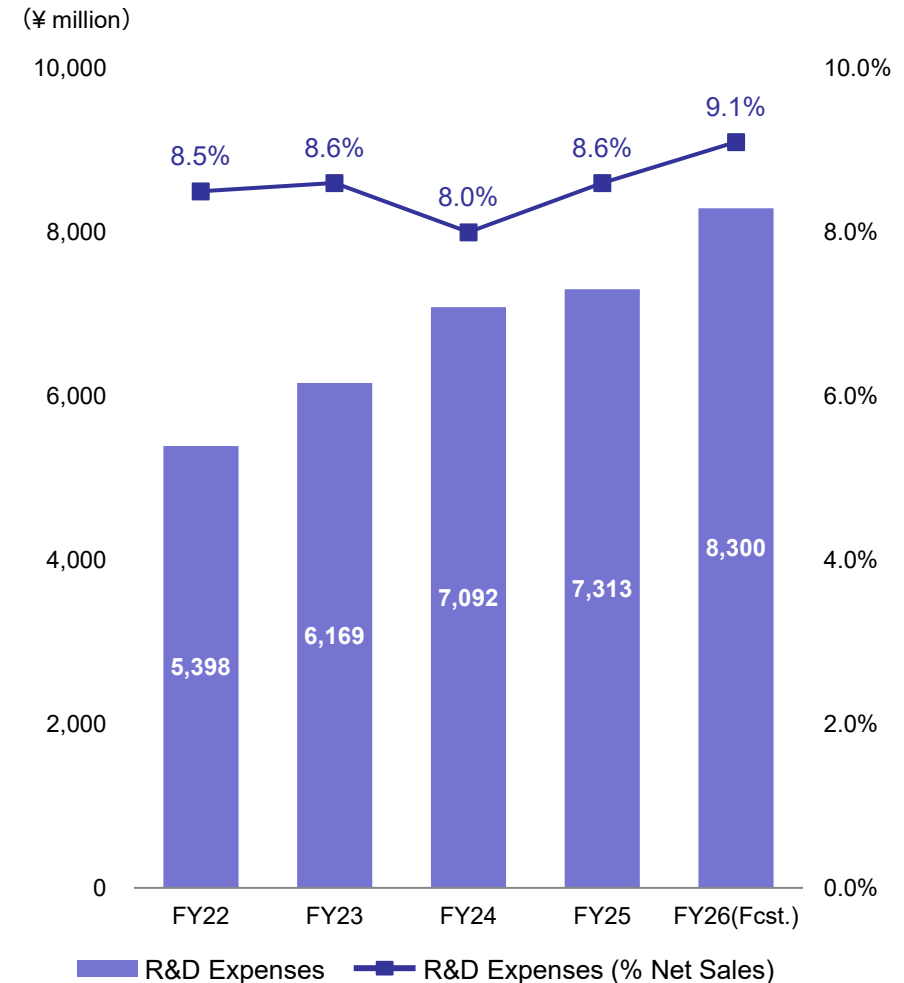
Capital Expenditures



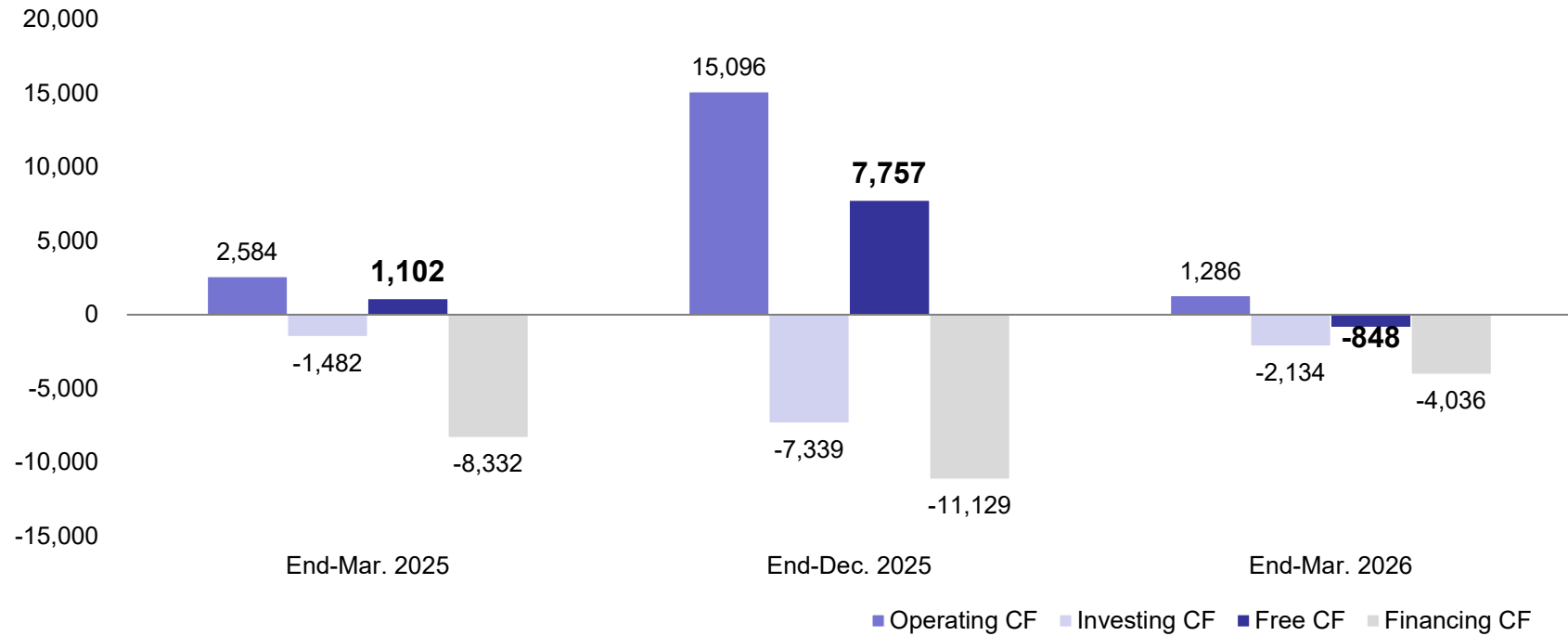
Depreciation



R&D Expenses



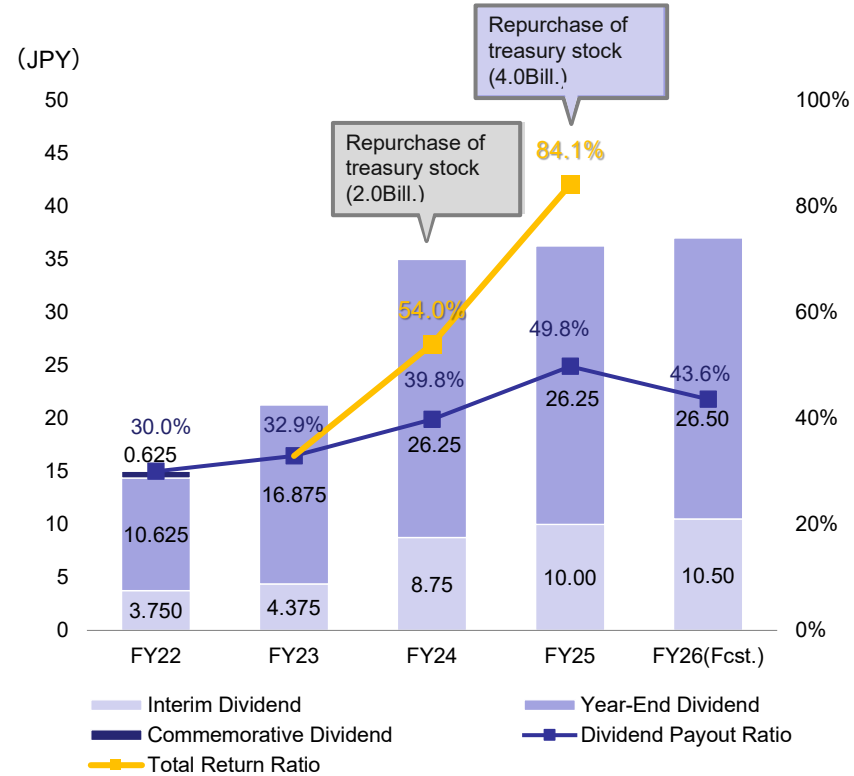
IV-3. Cash Flows



	End-Mar. 2025	End-Dec. 2025	End-Mar. 2026
Operating Activities CF	2,584	15,096	1,286
Investing Activities CF	-1,482	-7,339	-2,134
Free CF	1,102	7,757	-848
Financing Activities CF	-8,332	-11,129	-4,036
Cash & Cash Equivalents at the End of Period	30,669	35,371	30,819

IV-4. Dividends and Key Performance Indicators

Dividends



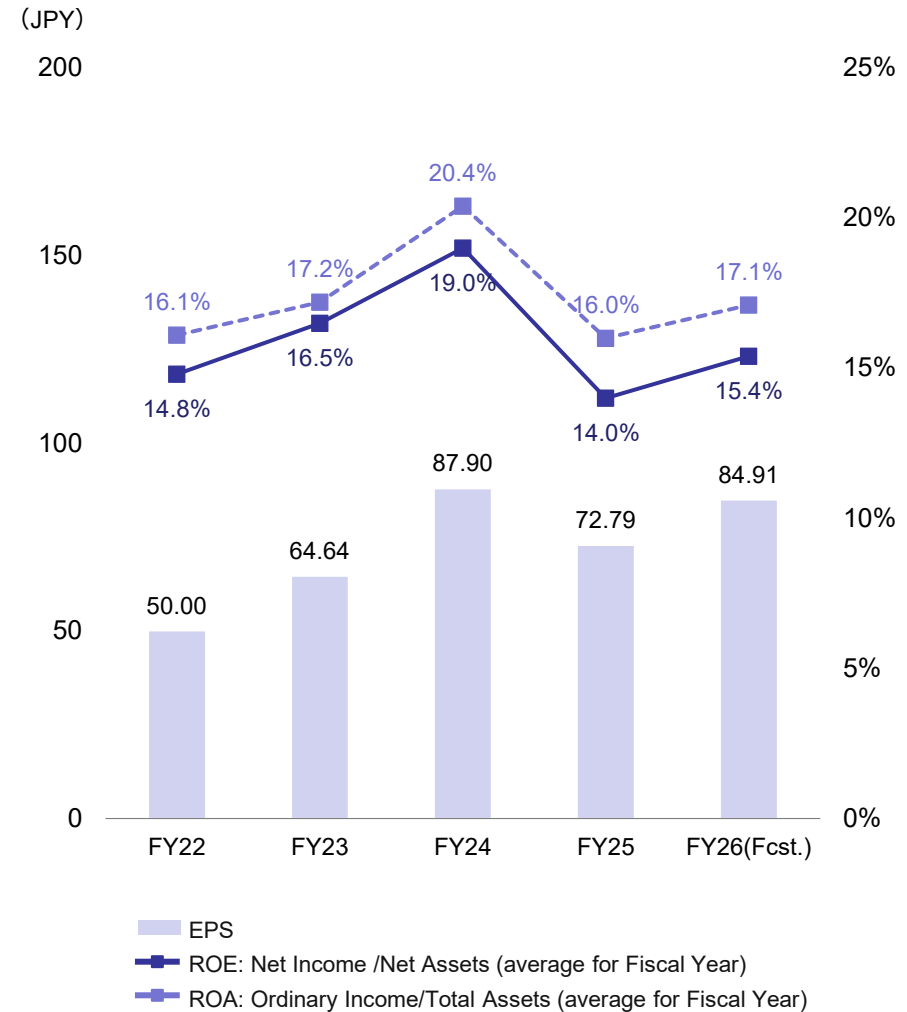
Shareholder Return Policy

- ◆ **Dividend payout ratio: approx. 40%**
(minimum annual dividend of ¥20 per share as a stable baseline)

- ◆ **Total return ratio: approx. 60%**, with flexible share repurchases

(Note) A 4-for-1 stock split of common shares was conducted, effective July 1, 2025.
 Dividends and EPS are presented on a post-split basis.

Key Performance Indicators



IV- 5 . FX Impacts

FX Impact in Q1 FY26

	1Q FY24	1Q FY25	Impact (¥ million)		
			Net Sales	Operating Income	
USD/JPY	152.57	156.97	+180	+50	
EUR/JPY	160.61	183.71	+240	+190	
Others	-	-	+110	+60	
Total	-	-	+530	+300	(FX Impact vs. Q1 FY25)

FX sensitivity in FY26

	FX Assumption 2026	Impact of ¥ 1 Appreciation (¥ million)	
		Net Sales	Operating Income
USD/JPY	148.00	-350	-30
EUR/JPY	175.00	-60	-50



Disclaimer

1. The purpose of this material is to provide information on the actual results for Q1 FY2025 and the company's future business strategies. It does not constitute, and should not be construed as, an offer or solicitation to buy or sell securities.
2. The information herein is based on data available at the time of publication and on assumptions deemed reasonable by the company. Actual results may differ from the forecasts contained in this material due to various factors.
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