

Notice Regarding Tamron's Response to and Impact of the COVID-19 Coronavirus

The Tamron Group respectfully offers its condolences for those who have lost their lives as a result of the COVID-19 Coronavirus, and wishes a speedy recovery to those suffering from the disease. The Group would also like to inform stakeholders of the state of its response to the spread of the coronavirus infection, and its impact on Group activities, as follows.

1. The Tamron Group's basic policy

The Tamron Group is taking measures to reduce the risk of infection, with a top priority on ensuring the health and safety of its customers, Group employees and their families. At the same time, the Group is endeavoring to continue its provision of products and services that cater to the needs of its customers and society.

2. State of production at Chinese plants

The Group has production plants in China, Japan and Vietnam, and had suspended operation of its plant in Foshan (Guangdong Province, China) up until February 9 in accordance with a notice issued by the Chinese government calling for self-imposed suspension of activities. Plant operations were gradually restarted as of February 10, and although initially there was a situation in which some employees were unable to attend work, employees are now attending work as scheduled, with no current impact on plant operations.

Plants in Japan and Vietnam are operating as usual.

3. State of supply of components

With regard to the procurement of components needed for production, the Group has sought to utilize existing inventory and coordinate closely with its suppliers. Although some component supplier companies in China have been operating at below-usual levels, they are now heading towards a recovery. As a result, at this present time, the Group is successfully managing to procure components without suffering a slowdown in the supply of components that would significantly hinder production activities, and does not expect to see any such hindrance in the foreseeable future.

4. State of development efforts

With regard to its products destined for use by surveillance camera manufacturers in China, since development projects on the camera manufacturer's side will be subject to delays, the development of some products on the Tamron side will also be delayed. However, at this present time, no delays are taking place with regard to the development of Tamron's own-brand interchangeable lenses—part of its core photography-related business operations—or its development of new products in other areas or regions.

5. State of sales

Sales in China account for around 10% of total sales of Tamron's own-brand interchangeable lenses, and in the areas of surveillance and factory automation (FA). Due to a slowdown in consumer spending and delays in shipping to camera manufactures in China, sales in China are performing more weakly than usual. However, sales in regions other than China are not seeing any major impact at this present time.

6. Response to Tamron Group employees

In addition to thorough efforts to raise awareness with regard to washing hands, gargling, wearing surgical masks and various other measures to prevent the spread of infection, as a general rule, Tamron has also banned both domestic and overseas business trips. The company is also encouraging employees to come to work at different times in order to lessen the risk of infection due to overcrowding on public transportation during commuting hours.

7. Impact on business results

With regard to the Group's forecast for the first half of the fiscal year, due to the circumstances mentioned above, net sales are expected to decrease as a result of the current decline in sales in China together with delays in the delivery of Tamron's products. Despite this, the impact in terms of income is expected to be minor, due to the fact that the Group is not suffering any major hindrance in terms of procurement or production at any of its production locations, including those in China, and is managing to suppress expenses.

With regard to forecasts for the fiscal year overall, the point in time at which the crisis will end is unclear. The situation remains unpredictable, and other factors may also have an impact. However, the Tamron Group will seek to ensure even stronger collaboration with its suppliers to enable it to catch up at as early a stage as possible after the crisis has been resolved to a certain extent, and to minimize any impact by suppressing expenses and taking other necessary action.

As stated above, at this present time, the Tamron Group is not facing any major problems due to its risk management and various other responses. However, current circumstances and forecasts with regard to the above are also changing on a day-to-day basis.

The Tamron Group will notify stakeholders again in the event of any new major impact expected; and will continue to pay close attention to global market trends, endeavor to gather information and take measures in coordination with partners in various areas, and work as a unified Group to minimize any impact.