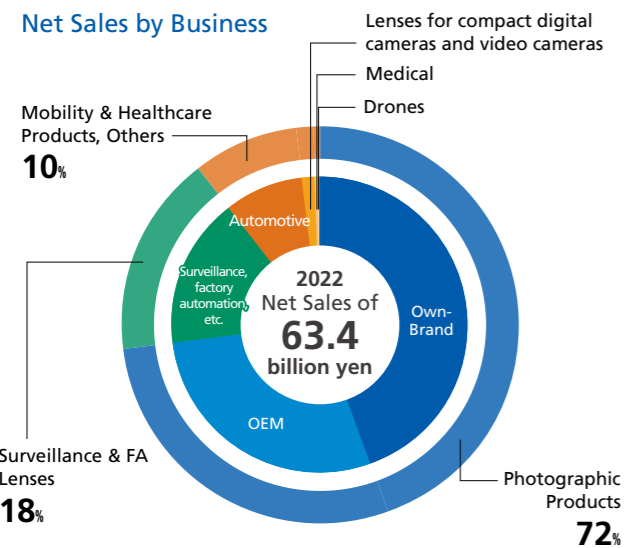


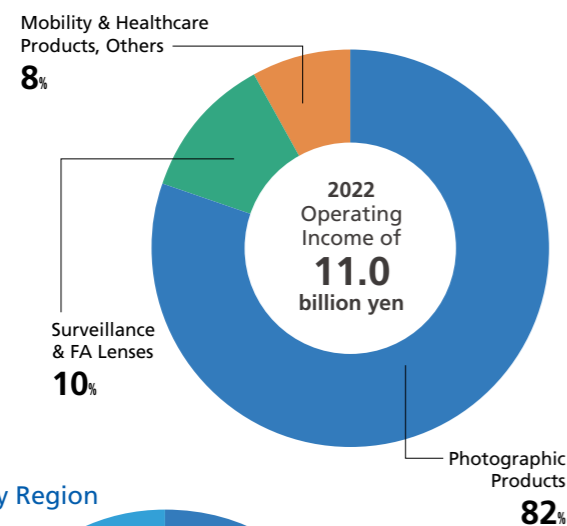
Business Development

Using the profits earned from the mature photographic products market and the stable growth market for surveillance and factory automation as capital, Tamron aims to allocate management resources to new and high-growth markets, namely automotive, for medical applications to scale up its business.

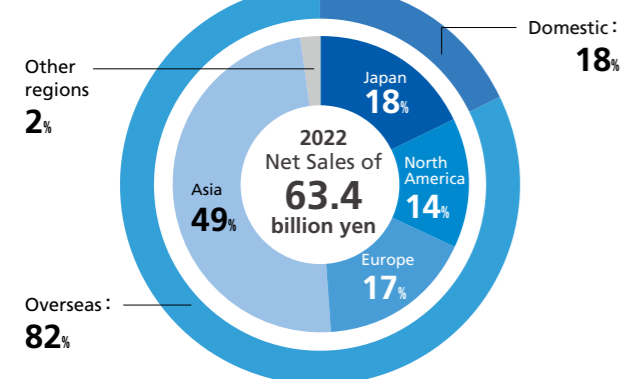
Composition of Net Sales and Operating Income



Operating Income by Business



Net Sales by Region



Business Portfolio

Mobility & Healthcare Products, Others

New Market
Medical
P37-38

Medical

Leveraging Tamron's strengths in very small diameter lenses and thin film technologies, we will contribute to progress in minimally-invasive medical procedures.



High-growth Market
Automotive
P36

Automotive

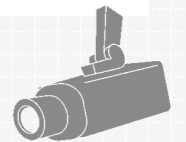
With advancements in autonomous driving, in addition to conventional applications in the visual spectrum, a growing proportion of automotive cameras are used for sensing, increasing the importance of high-performance lenses. Through our sophisticated precision optics technologies, we will contribute to the development of a safe and secure driving society.



Surveillance & FA Lenses

Surveillance, Factory Automation, etc.

Tamron continually develops surveillance camera lenses which cater to market needs. Together with machine vision camera lenses used in industrial applications, we are helping to develop a safe and secure society.



Stable Growth Market
Surveillance and FA-related Fields
P33-34

Market Growth Rate

Sales Volume

Photographic Products

Own-Brand / OEM

In addition to interchangeable lenses for DSLR cameras, in recent years Tamron has developed compact, lightweight lenses for mirrorless cameras as well. Our lenses, which feature excellent rendering performance combined with good operability in a lightweight, compact form, create moving experiences through video and contribute to the development of a fulfilling society.

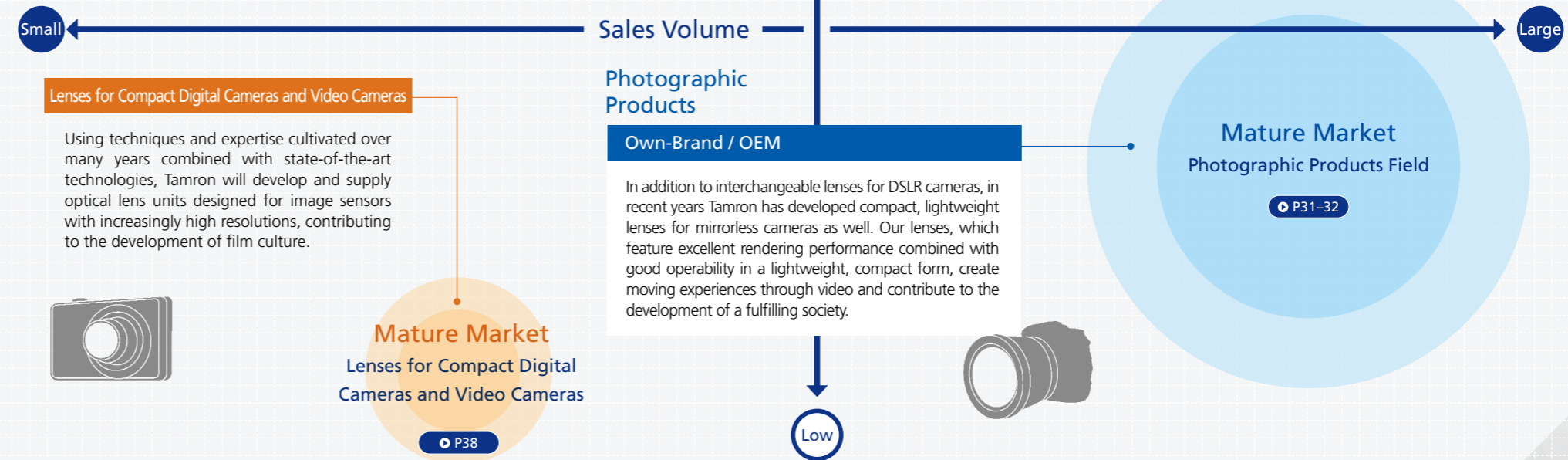


Lenses for Compact Digital Cameras and Video Cameras

Using techniques and expertise cultivated over many years combined with state-of-the-art technologies, Tamron will develop and supply optical lens units designed for image sensors with increasingly high resolutions, contributing to the development of film culture.



Mature Market
Lenses for Compact Digital Cameras and Video Cameras
P38



Risk Management and Management Strategy

Risk Management

The business environment surrounding Tamron is changing with each day. Tamron implements risk management and controls risks based on both aspects, namely the risks that need to be prepared for to ensure Tamron's sustained growth, as well as growth opportunities themselves. Risks and opportunities recognized as key management issues are implemented through the "Basic Policies and General Principles" of the mid-term

management policy and through the management plans of each division. Each division then builds a management system to perform administration of the policies. In terms of CSR, important issues are recognized as priority CSR issues. For these, we set management targets and monitor our progress on the issues periodically through quarterly CSR Committee meetings.

Key Risks and Opportunities

● Key Risks ● Key Opportunities

Risk Factors	Key Risks / Key Opportunities	Response Methods
<ul style="list-style-type: none"> Shrinking digital camera market Reliance on photographic products business Reliance on specific customers 	<ul style="list-style-type: none"> Contraction of the digital camera market Reliance on photographic products business and specific customers Growth in the mirrorless camera market Growth in the industrial camera market 	<ul style="list-style-type: none"> Sales strategy specializing in interchangeable lenses for mirrorless cameras Expanding sales in the growing market for industrial lenses Actively investing in new businesses such as lenses for medical application
<ul style="list-style-type: none"> Rapid technological innovation 	<ul style="list-style-type: none"> Decline in competitiveness when the development of cutting edge technologies or their application in products is not advanced as scheduled Obtaining growth opportunities through the development of revolutionary technologies 	<ul style="list-style-type: none"> Technology development and creation of new businesses based on medium- to long-term strategies Open innovation between industry, academia and government
<ul style="list-style-type: none"> Investment in new businesses Investment in M&A activities, etc. 	<ul style="list-style-type: none"> Failures to investment in R&D and capital investment for new businesses Actively tackling M&A activities utilizing a robust financial structure Building the foundations of growth through new management resources acquisition 	<ul style="list-style-type: none"> Strategies aimed at the full-scale commercialization of medical products Engaging in analysis and discussion in the Management Meeting and Board of Directors from a range of perspectives including market trends, strategies, acquisition prices and potential risks
<ul style="list-style-type: none"> Product supply and demand 	<ul style="list-style-type: none"> Fluctuating product prices, too much or too little inventory Lack of procurement of glass materials 	<ul style="list-style-type: none"> Properly responding to fluctuating demand in each region and controlling production Multiple purchases and understanding alternative supplier candidates
<ul style="list-style-type: none"> Geopolitical risks 	<ul style="list-style-type: none"> Expanding various impacts due to global political, social and economic trend 	<ul style="list-style-type: none"> Continually monitoring the global political, social and economic climate to analyze the impact in relation to corporate activities
<ul style="list-style-type: none"> Climate change and global environmental issues Please refer to pages 23–26 for details. 	<ul style="list-style-type: none"> Impact on production activities due to damage to plants in Japan or overseas Burden from carbon taxes and renewable energy purchase costs Increased order opportunities due to responding to decarbonized society at an early stage 	<ul style="list-style-type: none"> Implementation of strategies based on the Environment Vision 2050 (energy saving and introduction of renewable energy) Action and continual improvement based on business continuity planning (BCP) in Japan and overseas
<ul style="list-style-type: none"> Securing human resources 	<ul style="list-style-type: none"> Impact on new hires and continuing employment due to intensifying competition to hire and retain talented human resources Obtaining growth opportunities by hiring and retaining the employment of talented human resources 	<ul style="list-style-type: none"> Job-specific hiring, positional and grade systems, systems to solicit positional applications internally Creating a comfortable workplace environment by promoting a healthy work-life balance and diversity Promoting health and productivity management
<ul style="list-style-type: none"> COVID-19 pandemic 	<ul style="list-style-type: none"> Impact of stagnant economic activity on business performance Impact of decreasing demand on production activities Impact on health and safety of employees and stakeholders 	<ul style="list-style-type: none"> Building and operating a remote product development framework Development of work-at-home and telework environment
<ul style="list-style-type: none"> Complicity in human rights abuses 	<ul style="list-style-type: none"> Boycotts due to direct or indirect complicity in human rights abuses, impact on corporate activities due to legal violations 	<ul style="list-style-type: none"> Formulation of a human rights policy and implementation of human rights due diligence Request to supplier and confirmation through self-assessment questionnaires
<ul style="list-style-type: none"> Risks unique to the interchangeable lens business 	<ul style="list-style-type: none"> Defects due to improper matching between lenses and cameras 	<ul style="list-style-type: none"> Quality assurance inspections before product shipments Handling the overwriting of firmware after shipping
<ul style="list-style-type: none"> Product quality and safety 	<ul style="list-style-type: none"> Damage to brand value due to declining product quality or defects 	<ul style="list-style-type: none"> Building and improving quality assurance systems compliant Taking action and preventing release when quality defects occur
<ul style="list-style-type: none"> Information security 	<ul style="list-style-type: none"> Leaking of corporate information and personal information due to damaged information system functions caused by computer viruses and the like 	<ul style="list-style-type: none"> Developing information security systems Implementing management based on an information security policy
<ul style="list-style-type: none"> Compliance 	<ul style="list-style-type: none"> Damage to corporate value due to corporate behavior that violates laws or diverges from social normal, such as infringements upon intellectual property rights, bribery, and so on 	<ul style="list-style-type: none"> Building compliance management systems Disseminating and ensuring observance of the Compliance Code of Conduct

Check the section on "Business & Other risks" to learn more about priority risks and opportunities. https://www.tamron.com/global/ir/management/management_04.html

Materiality

Tamron regards materiality to achieve sustained growth together with society as an important matter in the formulation of business strategy and the decision-making process and has incorporated this into its mid-term management policy. Identified materiality comes under six categories: creating excitement

and peace of mind, creating new light, business structural reforms, contributing to a sustainable earth, empowering employees and developing the foundations of trust and sustained growth.

Key CSR Issues	Materiality	Mid-Term Management Policy
	Creating emotion and reassurance 	<ul style="list-style-type: none"> We will enhance our marketing, product planning and sales capabilities, provide products that respond to market trends and customer needs to excite customers, and work to expand our business through increased market share and other approaches with sales strategies adapted for each market.
	Creating new light 	<ul style="list-style-type: none"> Besides expanding existing businesses, we will step up the creation of new businesses through enhanced marketing focused on the "resolution of social issues" in line with the guiding principles of the SDGs, and collaborative creation, including through M&A. In addition to developing elemental technologies focused on our core competency in optical technologies, we will pursue R&D in new technological fields and focus on a horizontal specialization (including collaboration between industry, academia and government) such as collaborative creation.
<ul style="list-style-type: none"> Contributing to social issues through business 	Business structural reforms (improved productivity) 	<ul style="list-style-type: none"> We will accelerate the global expansion of our existing businesses, capture demand in the markets of developing countries with top priority placed on strengthening our position in Asian market, strive to boost profitability and bolster our operating foundations. To respond to severe changes to the external environment, we will reinforce our development structure in China, work to shorten lead times from development to mass production, and deliver products that meet customer needs in each market in a timely fashion. We will build a global structure of efficient production across three regions, and with the Fourth Industrial Revolution in mind, pursue further productivity improvements and cost reductions by way of automation, labor saving and personnel saving with the introduction of smart factories.
<ul style="list-style-type: none"> Reducing CO₂ emissions Recycling resources and reducing waste Environmentally friendly design Reducing harmful chemical substances Water management 	Contributing to a sustainable earth 	<ul style="list-style-type: none"> To contribute to the realization of a sustainable global environment, we will reduce greenhouse gas emissions as part of measures to combat climate change while also promoting the recycling of resources.
<ul style="list-style-type: none"> Human resource development Fostering the development of the next generation Developing comfortable workplace environments and promoting diversity 	Empowering employees 	<ul style="list-style-type: none"> We will promote improved work-life balance and diversity, foster the development of human resources, and develop workplace environments in which all employees can demonstrate their full potential.
<ul style="list-style-type: none"> Promoting CSR procurement 		
<ul style="list-style-type: none"> Enhancing product quality and safety management 	Developing the foundations of trust and sustained growth 	<ul style="list-style-type: none"> We will strengthen corporate governance to improve the effectiveness of strategies and tactics, and achieve sustained growth.
<ul style="list-style-type: none"> Improving the governance system Preparing for major disasters Enhancing internal reporting systems Expanding the disclosure of non-financial information 		

Vision23 Mid-Term Management Plan and Progress

In 2021 we launched the new Mid-Term Management Plan Vision23 with the aim of achieving new leaps ahead based on building a sustainable business base. We achieved the targets of the plan in the second year, one year ahead of schedule.

However, we will not be satisfied with achieving the plan, but will aspire to even greater heights going forward.

Positioning of the Mid-Term Management Plan Vision23

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

Working from this foundation, we will achieve high-quality, full-scale business growth and maximize corporate value in the next Mid-Term Management Plan, and have made a start in a united Group effort to take the next step towards achieving our long-term vision.



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

	FY2020 Results	2023 Mid-Term Plan
Net Sales	48.4 billion yen	61.0 billion yen
Operating Income	3.6 billion yen	7.0 billion yen
Operating Income Margin	7.4%	11.5%
ROE	3.9%	More than 9%

* Exchange assumption USD=105 EURO=123

Vision23 Consolidated Results

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

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

- In the second year, targets of the Mid-Term Management Plan were achieved in every aspect a year ahead of schedule.
- On the profit front, we have accumulated profit, outpacing the Mid-Term Management Plan by around 1.6 times.

- Stable growth and improved profitability of the mainstay Photographic Products segment
- Double-digit growth in net sales in growth and development areas (Surveillance and FA, Mobility & Healthcare)
- Also achieved profit growth in Surveillance & FA as a second key pillar

- Achieved record high operating income for the first time in 15 periods. Operating income topped the benchmark of 10 billion yen for the first time ever.

* Operating Income, ordinary income and profit all surpassed previous record highs by a healthy margin.

Final year

We will aim for three straight periods of growth in net sales and profit, far exceeding the targets set out in the Mid-Term Management Plan.

	FY2021 Results	FY2022 Initial Plan	FY2022 Results
Net Sales	57.5 billion yen	61.0 billion yen	63.4 billion yen
Operating Income	7.4 billion yen	7.6 billion yen	11.0 billion yen
Operating Income Margin	12.9%	12.5%	17.4%
ROE	10.5%	9.7%	14.8%

USD= 109.91 110 131.63
EURO= 129.95 128 138.19

	FY2023 Plan
Net Sales	70.0 billion yen
Operating Income	11.5 billion yen
Operating Income Margin	16.4%
ROE	13.2%

USD=130 EURO=138

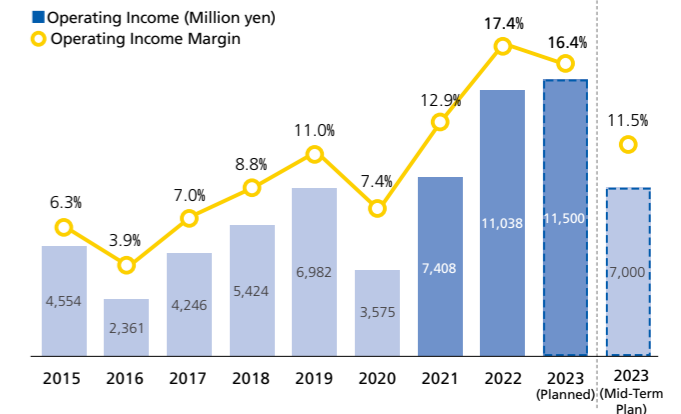
As a result, on the profit front we achieved the targets set out in our Mid-Term Management Plan in the first year, managing to achieve a v-shaped recovery to a pre-pandemic highly-profitable structure at an early stage.

Then in the second year, the targets of the Mid-Term Management Plan were achieved in every aspect a year ahead of schedule by expanding net sales in our mainstay business as well as in growth and development areas. In addition, we managed to achieve operating income surpassing the target in the Mid-Term Management Plan by around 1.6 times, with an operating income margin greater than 15%. As a result, we set new records for profit by a large margin.

In the final year of the plan, we will not rest on these accomplishments; we will aim to reach net sales in the 70 billion yen range for the first time since 2015, again far outpacing the targets set in the Mid-Term Management Plan. We will also aspire to greater heights, planning to generate operating income of 11.5 billion yen, an increase in all profit levels.

Consolidated Results and Plans

(Operating Income, Operating Margin)



New targets set in light of target achievement status up to 2022 and other factors

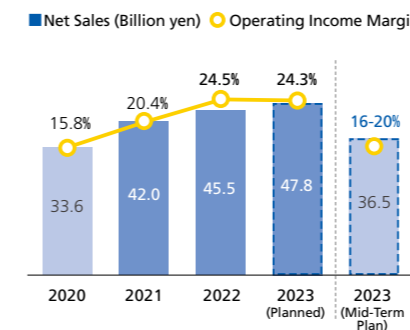
Vision23 Trends by Business

- Expand the size of business in Surveillance & FA, Mobility & Healthcare, and Other
 - Achieved net sales of 10 billion yen in Surveillance & FA, 5 billion yen in Automotive Lenses
- Build a business portfolio with a profit margin exceeding 10% in all segments
 - Achieved a profit margin exceeding 10% in all segments one year ahead of schedule

Photographic Products

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

	FY2020 Results	2023 Mid-Term Plan
Net Sales	33.6 billion yen	36.5 billion yen
Operating Income Margin	15.8%	16-20%



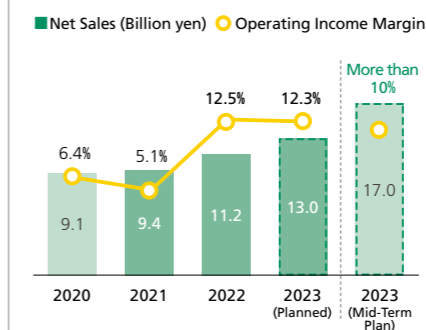
Achieved the net sales and profit margin targets by a wide margin

- Lineup of lenses for mirrorless cameras: 8 (end of 2020) ⇒ 21 (end of 2022)
- Newly introduced compatibility for two mounts

Surveillance & FA Lenses

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

	FY2020 Results	2023 Mid-Term Plan
Net Sales	9.1 billion yen	17.0 billion yen
Operating Income Margin	6.4%	More than 10%



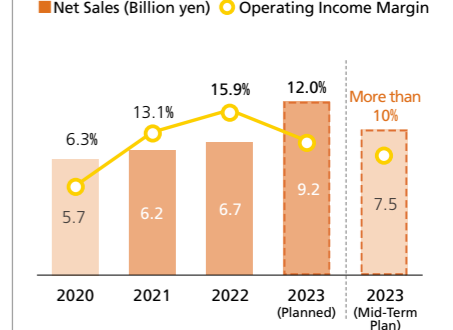
Broke 10 billion yen mark in net sales and achieved the target profit margin

- Double-digit net sales growth in the mainstay Surveillance & FA Lenses segment
- FA lens product lineup renewed, new business for OEM products acquired

Mobility & Healthcare Products, Others

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

	FY2020 Results	2023 Mid-Term Plan
Net Sales	5.7 billion yen	7.5 billion yen
Operating Income Margin	6.3%	More than 10%



Generated net sales as planned / achieved the target profit margin

- Double-digit net sales growth in the mainstay Automotive Lenses business for second straight period
- Created the next field of business in addition to health care