

CSR Implementation

Tamron will continue to contribute to the creation of a sustainable and fulfilling society, where people can feel emotion through the creation of products that solve social issues.

Approach to CSR

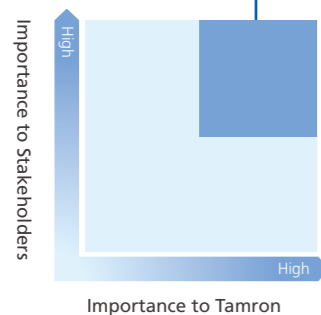
Based on its Corporate Mission, Tamron seeks to increase its corporate value and achieve the realization of a sustainable society. Currently, as indicated by phenomena such as global warming, sustainability crises are growing steadily and progressively more severe. As concerns about social issues—such 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.

Sustainability System

Tamron has a CSR Committee that makes decisions on important matters relating to CSR management and checks progress in relation to various targets. Members of senior management gather to hold discussions overseen by the chairperson, who is Tamron's president. Details of the state of progress with regard to targets are reported on a quarterly basis, and decisions are made with regard to important matters relating to CSR.

Process for Identifying Key CSR Issues

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.



Materiality	Key CSR Issues	Relevant Page in this Report	Website*1
Creating emotion and reassurance, creating new light	Contributing to social issues through business	P29-30	Technical Information*2
Contributing to a sustainable earth (E)	Reducing CO ₂ emissions	P24	Environment*3
	Recycling resources and reducing waste	P23, 49	
	Environmentally friendly design	P22	
	Reducing harmful chemical substances	P22-23	
	Water management	P22-23	
Employee empowerment (S)	Human resource development (improve productivity)	P27-28	Human Resources*3
	Providing comfortable workplace environments and promoting diversity	P27-28	
	Fostering the development of the next generation	P22	Social contributions*3
Developing the foundations of trust and sustained growth (G)	Expanding the disclosure of non-financial information	P49-50	External Recognition*3
	Enhancing product quality and safety management	P22	Quality and Product Safety*3
	Promoting CSR procurement	P22, 42	CSR Procurement*3 Human Rights*3
	Preparing for major disasters	P22	Risk (crisis management)*3
	Enhancing internal reporting systems	P22	Compliance*3
	Improving the governance system	P43-44	Corporate governance*3

*1 Links to detailed pages for each section are provided in the PDF version.

To those who are reading this report in print,

*2 Please check our website to learn more about our technical information : <https://www.tamron.com/global/technology/>

*3 Please check our website to learn more about our environment information to corporate governance : <https://www.tamron.com/global/sustainability/>

Initiative Aimed at Key CSR Issues (ESG)

Key CSR Issues	2022 Results	2023/Mid-Term-Goals	SDGs	
			Goal	Target
Contributing to social issues through business	Implementation of survey to gauge recognition and understanding of the Corporate Mission	Formulation of a human rights policy and building system of human rights due diligence	3 9 9	3.6 Halve the number of deaths from traffic accidents 9.4 Improve efficiency of resource utilization 9.5 Promote innovation
Reducing CO ₂ emissions	CO ₂ emissions (Scope 1 and 2) approximately 15.1% compared with FY2015 levels (6% target)	CO ₂ emissions (Scope 1 and 2) 2023: 9% or more reduction compared with FY2015 levels 2030: 30% reduction compared with FY2015 levels 2050: 100% reduction compared with FY2015 levels	7 13	7.3 Improve energy efficiency 13.2 Integrate climate change measures into strategies
Recycling resources and reducing waste	(1) Industrial waste emissions: 18.5% year on year increase (2) Plastic recycling rate: China Factory: 6.3% (10% target)	(1) Reducing industrial waste emissions: Reduction year on year (2) Plastic recycling rate: increase	12	12.2 Utilize resources efficiently 12.4 Minimize adverse effects on people's health and the environment 12.5 Reduce waste through recycling
Environmentally friendly design	Reduce bags used for user manuals: Reduction rate in new models 100%	Reduce bags used for user manuals	12	12.5 Reduce waste through recycling
Reducing harmful chemical substances	Leaks of harmful chemical substances from business locations: 0 incidents	Leaks of harmful chemical substances from business locations: 0 incidents		
Water management	Water use Foshan Factory: 8.1% year on year increase Vietnam Factory: 11.2% year on year increase	Water usage (groupwide): advance activities for reduction of water usage	6	6.3 Improve water quality 6.4 Improve efficiency of water utilization
Human resource development Providing comfortable workplace environments and promoting diversity	(1) Overtime: 24% reduction (Head office: 4% reduction Aomori: 59% reduction) (2) Mental health check results: improved year on year (3) Percentage of female managerial staff: 10.0% (3.0 points improvement compared with FY2021) (4) Percentage of employees with disabilities 2.09%	(1) Overtime: no more than 115 thousand hours / year (head office) (2) Mental health check results: improve year on year (3) Percentage of female managerial staff: increase year on year (4) Percentage of employees with disabilities 2.3%	5 8 10	5.5 Women's leadership 8.2 Economic productivity 8.5 Equal pay for equal work 10.2 Inclusion of all people
Fostering the development of the next generation	Social contribution activity costs: 0.6% of previous year's consolidated operating income contributed Revision to regulations concerning social contribution activities	Implementation of activities allocating roughly 1% of average consolidated operating income over the past three years Increase in social contribution ratio aimed at fostering the development of the next generation (compared with 2022 levels)	4	4.3 Access to technical and vocational education
Expanding the disclosure of non-financial information	Disclosure of information on the TCFD recommendations in the Integrated Report	Enhancement of human resource-related disclosures	17	17 Strengthen the means of implementation and revitalize the global partnership for sustainable development
Enhancing product quality and safety management	Improved design quality and lower defect costs: year on year improvement	Improved design quality and reduced defect costs	9 12	9.1 Affordable and equitable access to infrastructure 12.4 Minimize adverse effects on people's health and the environment
Promoting CSR procurement	Preparation of SAQ survey sheets with content taking into account environmental and human rights issues	Implemented self-assessment questionnaire (SAQ) details to reflect changes to external conditions related to the environment and human rights issues	12	12.4 Minimize adverse effects on people's health and the environment
Preparing for major disasters	Creation of an earthquake initial response manual Running of safety confirmation response drills	Conducted disaster response headquarters simulations	11	11.b Disaster risk management
Improving the governance system	Complied with all principles of the revised Corporate Governance Code	Improving the governance system		—

Environmental Strategy

We will pursue decarbonization-oriented management to realize Environment Vision 2050.

▼ Related SDGs



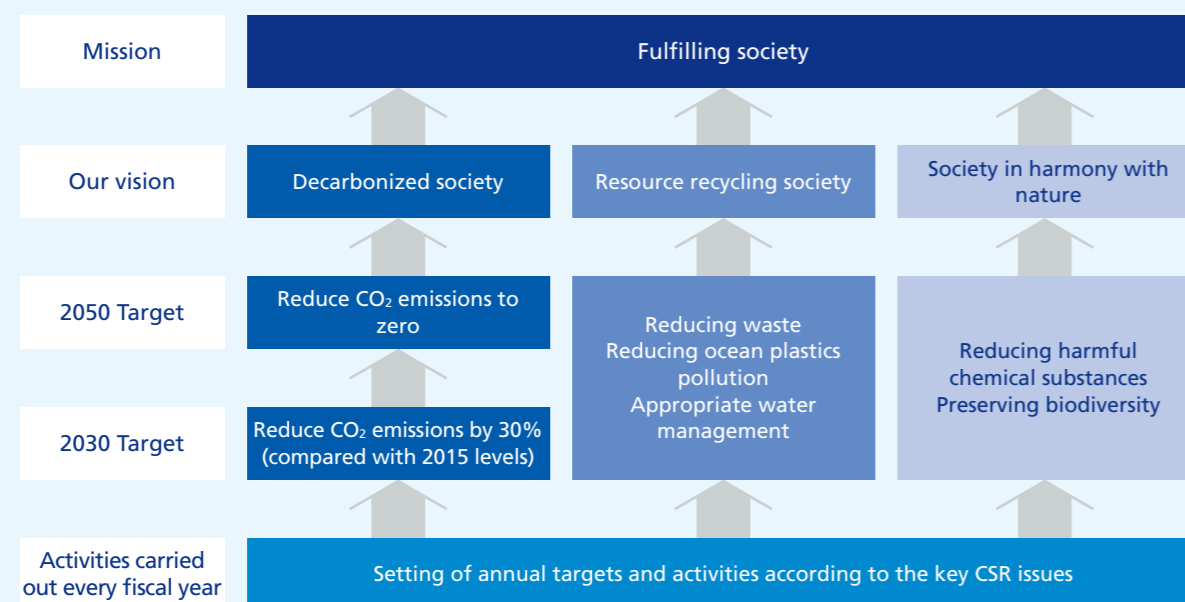
Environmental Vision 2050

Tamron has formulated the Environment 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.

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.

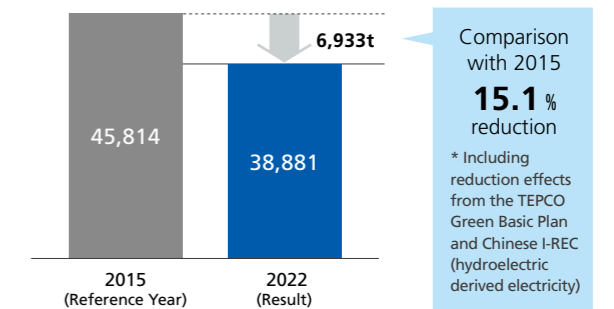


- **Policies and measures to achieve a decarbonized society**
 - Promote energy savings and reduce CO₂ emissions generated by air conditioning equipment and the product manufacturing process
 - Promote the introduction of renewable energies
- **Policies and measures to achieve a resource recycling society**
 - Work to reduce and recycle waste, and contribute to the reduction of ocean plastic pollution (business sites: reduce waste plastic, products: use recycled materials for packaging plastics and reduce volume)
 - Work to reduce water consumption and recycle water
- **Policies and measures to achieve a society in harmony with the environment**
 - Strive to preserve biodiversity through coordination and collaboration with local communities
 - Endeavor to reduce harmful chemical substances and implement appropriate management

State of Achievement of Reducing CO₂ Emissions in 2022

In 2022, Tamron set the target of reducing CO₂ emissions by 6% 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 May 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 15.1%, exceeding the target reduction.

CO₂ Emissions (Unit: t-CO₂)



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 2022 CO₂ emissions were reduced by around 580 tons, which corresponds to roughly 2.5% of the emissions produced by the Foshan Plant. In addition, since May 2022 Tamron has subscribed to the Green Basic Plan*1 that involves the issuance of non-fossil fuel

*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.

certificates covering roughly 30% of the electricity used at the head office. Tamron Optical (Foshan) Co., Ltd. also purchased I-REC*2 certificates covering part of its electricity usage in 2022. Combined, approximately 4,300 tons of CO₂ were reduced to effectively zero. In 2023, we have set the target of reducing CO₂ emissions by at least 9% compared with 2015 levels, and will make every effort to achieve this target.

*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.



Solar power generation system (improvement at Foshan plant, China)



Solar power generation system (improvement at Tamron Europe)

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. We also conduct SAQ surveys on the current state of CSR promotion as appropriate for suppliers in Japan and overseas. Going forward, we will continue to work with suppliers to consider measures to realize a decarbonized society.

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, in 2022 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. https://www.tamron.com/global/sustainability/environment/co2_reduction.html

Environmental Strategy

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 full-time 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 Environment Vision 2050 for this purpose. We will contribute to a sustainable earth by reducing CO₂ 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 CO₂ emissions—which account for 98% of our greenhouse gas emissions—as one of our key climate change indicators, and manage targets related to CO₂ emissions.

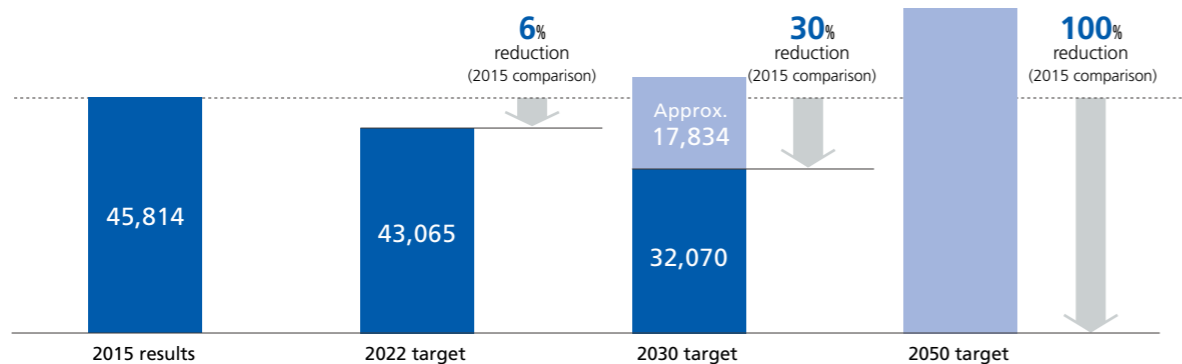
In Environmental Vision 2050, we aim to achieve zero CO₂ emissions in our business activities by 2050, and have also set the interim target of reducing CO₂ emissions by 30% compared with 2015 levels by 2030. We have also continued to calculate indirect emissions (Scope 3, hereafter). Category 1 (emissions 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.

Reduction of CO₂ emissions

To realize the decarbonized society we aspire to create in Environment 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.

Greenhouse Gas Emission Targets Based on Environment Vision 2050 (Unit: t-CO₂)



Risks and opportunities based on the 1.5°C scenario

Category	Items	Business impacts	Materialization timing	Possibility	Extent of impact
Transition risks	Burden of carbon taxes Renewable energy	<ul style="list-style-type: none"> Burden of carbon taxes and risk of increased costs due to renewable energy purchases When we estimate our CO₂ 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. <ul style="list-style-type: none"> 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) Increased operating costs due to higher burden from renewable energy purchases needed to meet 30% reduction compared with 2015 23 million yen / year (breakdown: Japan 17 million yen, China 1 million yen, Vietnam 3 million yen) 	Short term to long term	Large	Medium
	Reputation	<ul style="list-style-type: none"> Damage to corporate value or risk of suspension of trade through inability to respond to the shift to a decarbonized society While the Tamron Group will adapt to a decarbonized society based on Environment 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. 	Medium-to-Long term	Small	Medium
Physical risks	Cessation of business activities due to natural disasters	<ul style="list-style-type: none"> 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) 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). 	Long term	Medium	Small
Opportunities	Expanded demand for infrastructure inspection lenses	<ul style="list-style-type: none"> Expanded sales of lenses used in inspections of infrastructure contributing to improved social resilience such as disaster prevention and mitigation We view this as a medium-to-long-term growth opportunity and aim to expand net sales through activities reflected in our management strategy. 	Medium-to-Long term	Large	Large

* Assessment as of March 2022

Assumptions for scenario analysis (as of 2030)

- 2030 emissions: approx. 49,904 t-CO₂ / year
- 2030 electricity rates: approx. 1,048 million yen / year
- 1.5°C scenario (NZE2050, World Energy Outlook 2021)

Human Resource Development

By strengthening the potential of human resources and improving workplace environments, we will create a company that offers job satisfaction.

▼ Related SDGs



Basic Approach

The success of each and every employee is essential to the realization of a sustainable society and to Tamron's own sustainable growth. It is important to develop an environment in which each employee can fully demonstrate their potential, and fulfill their principal duties while being motivated and experiencing job satisfaction. At Tamron, we actively work to promote diversity, healthy work-life balances and health & productivity management. Additionally, we see human resources as valuable assets, provide opportunities for employees to develop and demonstrate their abilities with respect for diversity, and aim to be a company where employees can have a global perspective, value teamwork, demonstrate creativity and experience job satisfaction.

Strengthening the Potential of Human Resources

Human resource 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 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.

Diversity

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.

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.

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.

Related Targets and Results

2022 Targets	Results
10% year-on-year reduction in overtime companywide	24% reduction (Head office: 4% reduction Aomori: 59% reduction)
Reduction in employees with high stress levels	7.5% reduction
Year-on-year improvement (7%) to the percentage of managerial positions (section manager and higher) filled by women	10.0%
Achieve target employment rate of people with disabilities (2.3%)	2.09%

Work-Life Balance

Tamron doesn't just place an importance on work. We also think it is important for employees to enjoy enriched private lives including childcare, family care, hobbies and studies, and run a number of initiatives with this sentiment in mind.

- Childcare leave
- Shorter hours for childcare (for employees with children up until the end of April of Grade 4 of elementary school)
- 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)

Promoting flexible workstyles

Moreover, since April 2021, we have revised our flextime system, allowing employees to set daily working hours according to their preferred work and private hours, under the condition that they work 4 hours of core time and meet the number of prescribed working hours per month. This has enabled us to work more flexibly.

From October 2022, we expanded employee eligibility to cover all full-time employees including managers. We have made progress in changing 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.

As of December 2022, around 65% of head office employees take advantage of this system.

Support for achieving a balance between work and childcare

At the same location as our Head Office we have established the in-house Tamron Kids Day-Care Center (small-sized daycare center licensed by Saitama City). The Center is available to the local community as well as employees. In addition to support to help female employees return to work as soon as possible, we also help male employees take part in childcare.

Previously, the HR department had been informing individual employees and their supervisors about the ability for male employees whose spouses have given birth to take leave including spousal childbirth leave (special leave) as well as short-term childcare leave, but to coincide with registered legislation that took effect in 2022, we disseminated this information companywide. In addition, to all employees who have notified the Company of personal or spousal childbirth, we provide individual information about leave systems and confirm their intentions regarding childcare leave. Since 2020 the number of employees taking long-term leave in excess of one month has increased, and the number of male employees who have taken childcare leave at birth (commonly known as Postpartum Maternity Leave for Fathers), which was newly established in October 2022, is also on the rise. Going forward, we will continue to support both male and female employees in finding a balance between work and childcare responsibilities.

Initiatives to reduce overtime

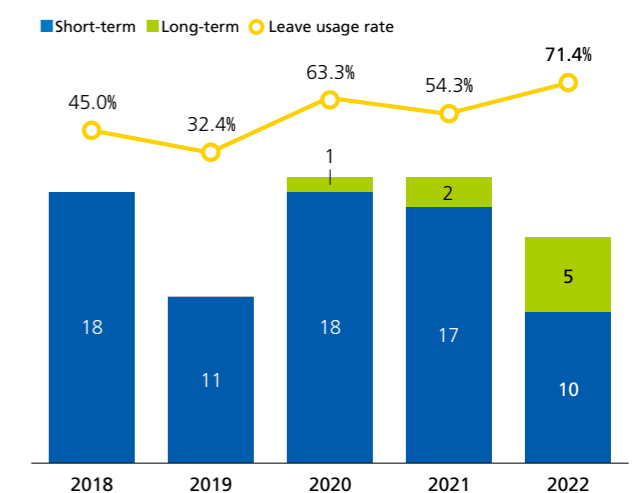
Tamron strives to improve productivity and works to reduce overtime hours based on the basic policy of achieving 10% year-on-year reductions. In 2022, overtime was significantly reduced at sites in Aomori Prefecture in particular, in part due to efforts to introduce smart factories. In the future, we will continue working to improve the work attendance literacy 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.

Health & Productivity Management

Tamron believes that employees being able to work in good physical and mental health and with job satisfaction is the single most important factor directly link 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 mental checks twice a year, relay results including stress levels by age ground and organizational level to departmental managers, and reflect those activities in improvements to the workplace environment. Going forward, we hope to implement detailed measures to advance the health of employees and further promote health and productivity management.

Change in the Number and Rate of Eligible Male Employees Taking Childcare Leave



Technology Strategy

Shift from “Imaging” to “Measuring”

Leveraging its cutting-edge optical technologies as its strength, Tamron has provided products that meet the needs of customers across a wide range of fields, including the industrial sector. Looking ahead, Tamron will further accelerate innovation that will lead to the development of new businesses, achieving a fulfilling society across a wide range of fields.

Shogo Sakuraba
Corporate Vice President



Expand the scope of business utilizing technological capabilities

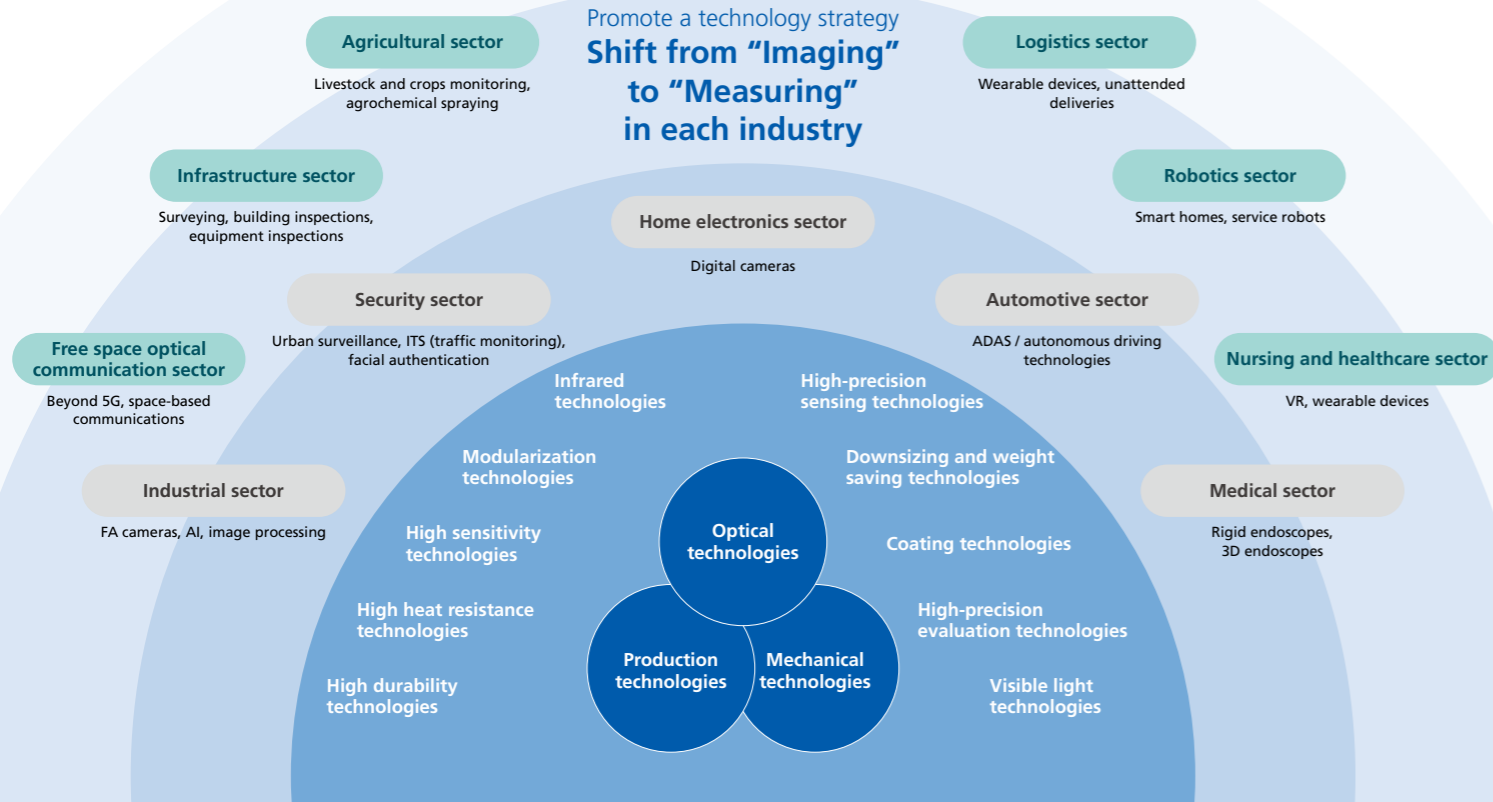
Achieve a fulfilling society across a wide range of fields

Promote a technology strategy
Shift from “Imaging” to “Measuring”
in each industry

Explanatory Notes

Sectors Tamron is considering entering in the future

Sectors in which Tamron is currently active



Shift from “Imaging” to “Measuring”

Since its founding in 1950, Tamron has continually refined its optical technologies, as symbolized by its photographic lenses. The optical technologies, outstanding mechanical technologies and production technologies that Tamron has cultivated throughout its history have been utilized in the products it has created over the years, from the Adapt-A-Matic and SP (Superior Performance) series, to the world’s smallest and lightest all-in-one zoom lens, large-aperture zoom lenses, ultra-telephoto zoom lenses, VC (Vibration Compensation) mechanism lenses, the Ultrasonic Silent Drive (USD) and the liner motor focus mechanism (VXD).

The technologies cultivated through the development of these photographic lenses have enabled Tamron’s entry into the areas of security (urban surveillance, ITS traffic monitoring, facial authentication), industry (FA), automotive (ADAS) and health care (endoscopes). The fields listed here correspond to the three segment classifications that describe Tamron’s business domains, namely the Photographic Products, Surveillance & FA Lenses, Mobility & Healthcare, and Others.

Social Issues Recognized by Tamron and Entry into New Fields



Additionally, going forward Tamron will leverage the optical technologies it has developed to date with the aim of creating new products and new businesses that will help solve social issues.

Of the 17 goals that make up the Sustainable Development Goals (SDGs), the goals Tamron recognizes as important social issues include Goal 3: Good Health and Well-Being, Goal 9: Industry, Innovation and Infrastructure, Goal 11: Sustainable Cities and Communities, Goal 13: Climate Action, and Goal 16: Peace, Justice and Strong Institutions.

To solve these social issues, Tamron will shift its policy, switching its technical strategy from the conventional “Imaging” to “Measuring.” Tamron is pursuing the development of products that fulfill various needs of society by performing analysis and image processing utilizing information that is invisible to the human eye, a key strength of optical technologies, and

leveraging the ability to acquire information through methods other than imaging.

Specifically, we are working to apply optical technologies to medicine and health care to address Goal 3, autonomous driving, next-generation communications and artificial satellites for Goal 9, infrastructure inspections for Goal 11, agricultural and environmental analysis (measurement) for Goal 13, and surveillance and AI for Goal 16.

While focusing on keywords aimed at achieving those goals such as optical devices, filters (spectroscopy) and illumination optics, we will reinvigorate co-creation with outside partners, including collaboration between industry, government and academia, combined with in-house co-creation, leading to the development of innovations.

Achieving a Fulfilling Society across a Wide Range of Fields

In recognition of its 70th anniversary in 2020, Tamron established a new corporate mission: Tamron creates emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society. Tamron has also formed a long-term vision to be a company that is respected and truly needed by society.

In each industry, we will shift our technical strategy from “taking images” to “measuring,” with the aim of achieving a fulfilling society across a wide range of fields. We will expand the possibilities of optical technologies by addressing many of society’s issues for the future, providing value around the world.

Strategies by Segment

Photographic Products

"Human Focus"

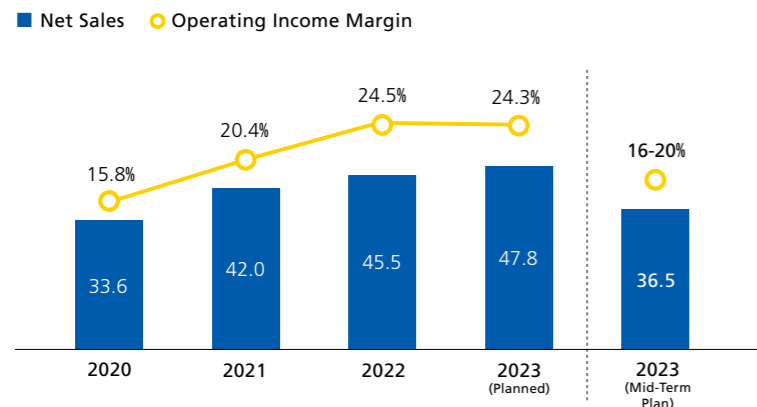
Tamron will remain user-centric and study people while designing and manufacturing lenses so that users around the world can fully continue to enjoy photography in their own way.

Related SDGs /

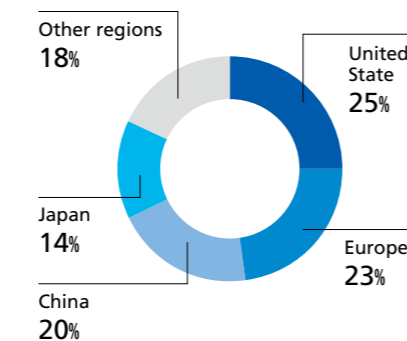


Summary of Business Results

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



Sales Composition by Region (2022) (Own-Brand)



Vision23 Mid-Term Management Plan Progress and Future Policy

In the Photographic Products Business, we achieved our targets for net sales and operating income margin two years ahead of schedule in 2021, the first year of our Vision23 Mid-Term Management Plan. Then in 2022, the second year of Vision23, we achieved increases in both net sales and operating income, which rose to 45.5 billion yen and 11.2 billion yen respectively, while the operating income margin hit a record-high 24.5%.

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 21 by the end of 2022, over 2.5x growth. We also added support for two lens mounts in an effort to attract a wide customer base.

In 2023, we will aim for increases in both sales and profit, with net sales of 47.8 billion yen (up 5% from 2022) and an operating income margin in the 24% range. The biggest factor underpinning our expectation of increased sales is market stabilization due to a diminished impact from the COVID-19 pandemic. We also plan to release around five new appealing models in our lineup of own-brand products. With these new products, we aim to further increase our market share, and boost sales of mirrorless camera products to around 85% of total sales.

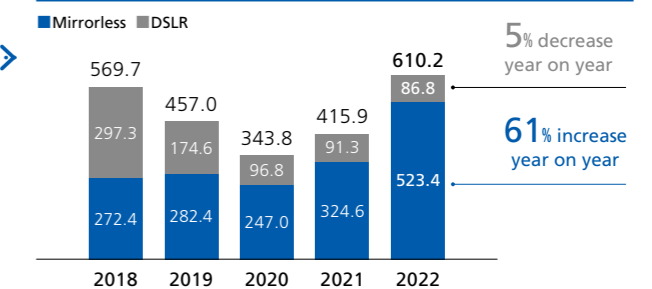
Segment Characteristics

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

Market Situation

Interchangeable Lens Camera Market	47% increase year on year
Interchangeable Lens Market	29% increase year on year APS-C: 14% increase year on year Full Frame: 33% increase year on year

Interchangeable Lens Camera Market Environment (Billion yen)



2022 Results and 2023 Strategies

2022 Results

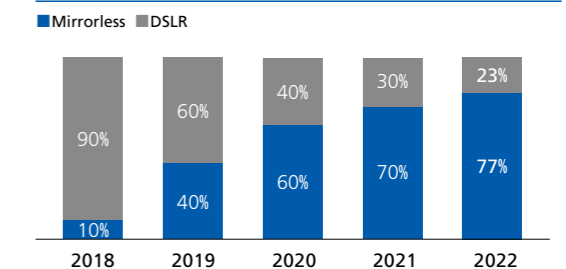
In terms of support for new lens mounts, Tamron released the 70-300mm F/4.5-6.3 Di III RXD (Model A047) for the Z-mount in September 2022, entering the market as the first third-party lens manufacturer in the world to come out with an AF lens for Z-mount. As for releases of lens for the X-mount, Tamron came out with the 17-70mm F/2.8 Di III-A VC RXD (Model

B070) in July 2022, and released the 150-500mm F/5-6.7 Di III VC VXD (Model A057) in October. Additionally for E-mount cameras, Tamron released the 20-40mm F/2.8 Di III VXD (Model A062), featuring a focus ring with an improved feel when adjusted, as part of efforts to flesh out its lineup of mirrorless camera lenses and expand the customer base.

2023 Strategies

We will continue our basic policy of launching around five appealing models in our lineup of own-brand products annually in an effort to expand our market share. As a result of these efforts, we expect our lineup of lenses for mirrorless cameras to increase to 26 by the end of 2023. Reflective of market demand, we will roll out these lenses for three camera mounts, E, X and Z.

Percentage of Own-Branded Mirrorless Products



Value Creation Initiatives

Tamron offers products that excite and surprise people. A typical example is the 50-400mm F/4.5-6.3 Di III VC VXD (Model A067) that was released in September 2022. By giving the product a 50 mm focal length at the wide end and adding half macro functionality, convenience has been vastly improved over previous models, and users can enjoy everything from table-top shots to ultra-telephoto photography with a single lens. By providing these kinds of products, Tamron will continue to help create new value.



50-400mm F/4.5-6.3 Di III VC VXD (Model A067)

Strategies by Segment

Surveillance & FA Lenses

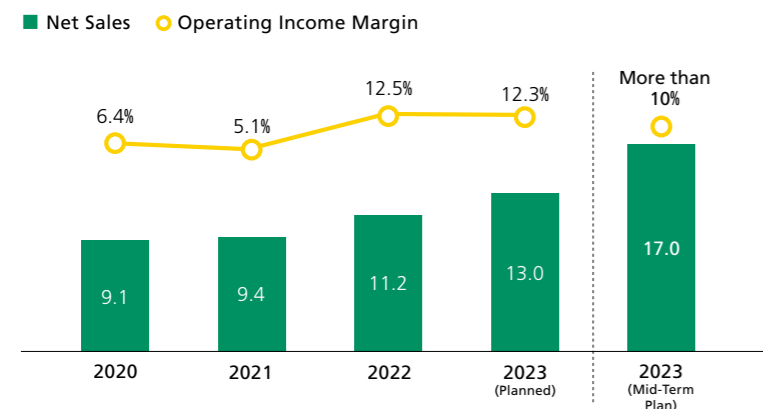
In the field of surveillance, lenses have the power to be the eyes of society and keep people safe. Going forward, we will continue to contribute to a safe and secure society by developing and marketing products that cater to the needs of the global market.

Related SDGs



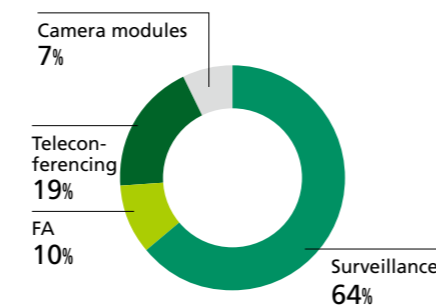
Summary of Business Results

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



* Disclosure segments have been changed as of 2021 (only the Surveillance & FA Lenses segment has been made independent from the existing Commercial / Industrial-use Optics segment). The 2020 results are reclassified under the new disclosure segments.

Sales Composition by Application (2022) (Surveillance & FA)



Vision23 Mid-Term Management Plan Progress and Future Policy

In 2022, the second year of the Vision23 Mid-Term Management Plan, we achieved a recovery from the market downturn caused by the spread of COVID-19 infections in 2021 and the worldwide semiconductor shortage, with increased sales of products for surveillance cameras, factory automation (FA) and machine vision lenses, and teleconferencing lenses. As a result, we were able to achieve net sales in the range of 10 billion yen for the Surveillance & FA lenses segment overall. On the profit front we were also successful, with profit increasing significantly due to various factors including a reduced burden from up-front development investment in the FA field, and the effects of the weakening yen. Moreover, operating income margin rose into the 10% range targeted in

Vision23, and we successfully expanded the size of the business together with profit growth.

In 2023, we will fulfill our goal of achieving higher net sales and profits in each field, including surveillance, FA and camera modules, aiming to achieve double-digit growth in net sales and profit, reaching a record-high net sales of 13.0 billion yen (up 16% year on year) in the segment overall, with operating income of 1.6 billion yen (up 14% compared with 2022). Market expansion in the field of surveillance & FA lenses is expected to continue in the future. In response to this growth trend, Tamron will also focus on expanding sales of its existing products and developing new products with high added value.

Segment Characteristics

Delivery Customers	• Major camera manufacturers and machine tool procedures from around the world, including the United States, Europe, South Korea, Taiwan and China.
Our Strengths	• Ability to develop and manufacture 4K-compatible high-resolution products (with sights also set on 8K in the future)
Related Social Issues	• Creating environments that enable safer and more secure lifestyles, including security and disaster prevention applications • Developing fully automated or labor-saving inspection and surveillance of power generation sites, equipment and facilities, such as biomass power plants

Market Situation

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

2022 Results and 2023 Strategies

2022 Results

In the fields of surveillance lenses, due to the expanding demand for higher image resolutions and high-performance, high-quality products, Tamron has focused on developing products with high added value, including support for 4K resolutions. Additionally, in the field of FA lenses, Tamron completed a revamp of its lineup begun in 2020, and has managed to place a new focus on the development of OEM

projects. We have also stepped up marketing of industrial lenses compatible with the short-wave infrared (SWIR) range, which is expected to see growth in the future. In the area of camera modules, at the same time we began full-scale sales of a module whose began full-scale sales of a module whose developed was completed by 2021, we began develop of a new camera module to be launched in 2023 or later.

2023 Strategies

In particular, in the surveillance lens segment we will focus on the development of lenses compatible with high-resolution cameras which are experiencing growth in demand year after year, while in the FA lens segment we will work to strengthen sales of 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.

Value Creation Initiatives

In the area of high-resolution FA and machine vision lenses, we contribute to improved productivity in the industrial field by providing vision functions to manufacturing machinery and manufacturing robots. Additionally, through temperature monitoring using far-infrared camera modules and SWIR-based substance identification, we offer safety and peace of mind in various scenarios, including health care and care of the elderly. Moreover, our lenses for surveillance cameras watch over cities and people's lives, helping to create sustainable cities and communities.



SWIR Lenses

Strategies by Segment

Mobility & Healthcare Products, Others

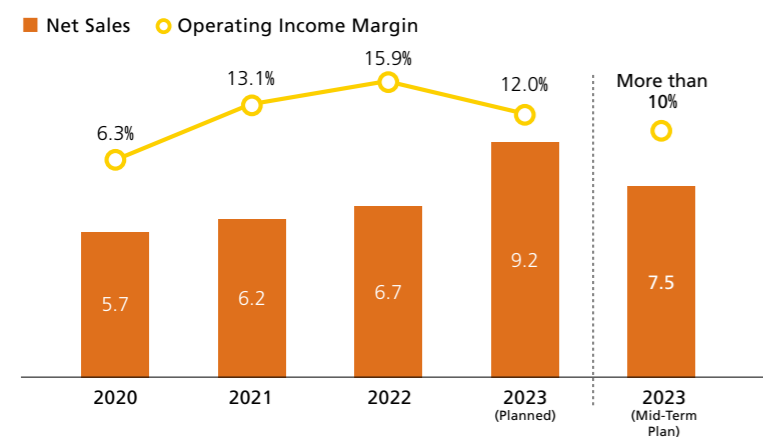
Our products and technologies contribute to people's peace of mind, safety and health, as the eyes of vehicles in the automotive field where autonomous driving is advancing, and as the eyes of doctors in the medical field with the advance of less-invasive procedures.

Related SDGs



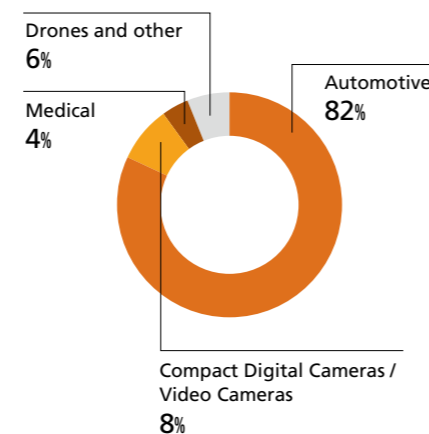
Summary of Business Results

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



* Displayed segments have been changed as of 2021 (the existing Optical Components Business and Commercial Industrial-use Optics Business aside from the Surveillance & FA Lenses segment have been integrated). The 2020 results are reclassified under the new disclosure segments.

Breakdown of Net Sales by Category (2022)



Vision23 Mid-Term Management Plan Progress and Future Policy

In 2022, the second year of the Vision23 Mid-Term Management Plan, we managed to reach our target ahead of schedule for the second straight year, recording an operating income margin of greater than 10%. A major factor behind this was growth in the mobility field. Despite a decline in production due to the COVID-19 pandemic and semiconductor shortages, increased profits from double-digit sales growth in the key market of lenses for automotive sensing, improved productivity due to higher production volume, control of SG&A expenses and other factors led to high-level growth. In the health care field, we began mass production of a suite of products whose development had been underway since the new business development stages, and achieved double the net sales of 2021.

We have also produced strong results by securing new orders for the next-generation of products.

In 2023, we expect this performance to continue, and project that net sales will rise over 40% compared with 2022 levels in both the mobility and health care sectors. In the segment overall, we will target a 2.5 billion yen increase in net sales over 2022, which would even be 1.7 billion yen higher than the target set out in Vision2023. Although we forecast that semiconductor shortages will continue to have an impact, the size of the business will continue to grow steadily as the third pillar of Tamron's operations. In 2023 Tamron will continue to develop technologies and cultivate new customers, achieving business expansion in the mid-to-long term from 2024 onward.

Automotive Lenses

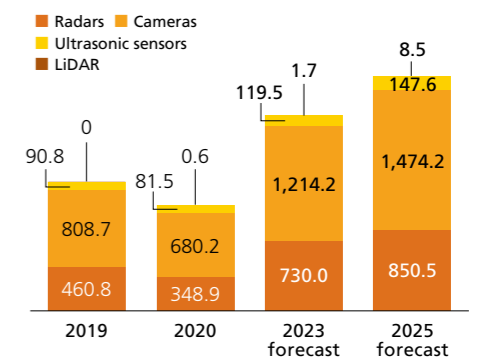
Segment Characteristics

Product Features	<ul style="list-style-type: none"> As our products related to people's safety, high levels of durability and quality are essential. Even after an order is received, we continue to work with customers and users through an iterative process of development and reliability testing over three or four years before moving on to mass production. As the product lifecycle is also very long, we can easily formulate long-term business plans.
Related Social Issues	<ul style="list-style-type: none"> Environmental issues such as global warming and fuel depletion Rural depopulation and aging, securing means of transportation due to personnel shortages

Market Situation

Trends	<ul style="list-style-type: none"> Due to the demand for advanced driving control, the resolution and functionality of ADAS* sensors is improving, and the number of sensors being installed is on the rise. * ADAS is the acronym for Advanced Driver Assistance System. A system that provides advanced driving support including automated braking and sudden start prevention mechanisms.
Autonomous Driving-related Market	<ul style="list-style-type: none"> Legislation is being developed in various countries ahead of the realization of fully autonomous driving Demand across a wide range of applications will increase for use in sensing

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



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

2022 Results and 2023 Strategies

2022 Results

Despite the impact of semiconductor shortages, demand for car models equipped with ADAS has risen. As a result of technological responses to accommodate higher resolutions and improvements to quality and production systems that enable high quality and mass production, we have enjoyed strong sales of automotive lenses for sensing, achieving

double-digit growth in net sales to 5.5 billion yen, successfully expanding the business to a size of over 5.0 billion yen.

Operating income also improved. As a result of higher net sales and suppression of SG&A expenses, an improved operating income margin was achieved.

2023 Strategies

We will focus on technological innovations aimed at achieving a safe and secure society, endeavoring to create an environment enabling the provision of high-quality products from a customer standpoint, informed by medium- to long-term perspectives.

Tamron will continue to regard automotive lenses for sensing as an area of focus, and aim to cultivate new customers in Europe and the United States, where it enjoys a large market share.

Value Creation Initiatives

The reduction of traffic accidents is an important challenge for society to provide safety and peace of mind in people's lives. Through products that utilize its strength in high-resolution sensing technologies, Tamron helps solve this social issue. By providing automotive lenses for sensing, which are needed for the advanced control that achieves ADAS, we will strive to develop industry and make further improvements to safety.



Automotive lenses

Medical

Segment Characteristics

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

Market Situation

Trends	<ul style="list-style-type: none"> With the development of advanced healthcare technologies spanning various fields from low and non-invasive procedures to AI-based diagnosis, robotics, gene treatment, regenerative medicine and immunotherapy, we are at a turning point of potential innovations bringing improvements to patients' quality of life
Related Social Issues	<ul style="list-style-type: none"> Average annual growth rate of the medical device and healthcare market is 4.5% (forecast up to 2030)

2022 Results and 2023 Strategies

▶ 2022 Results

The market showed signs of recovery from the effects of the COVID-19 pandemic. Considering this, and in anticipation of medium- to long-term growth, Tamron has implemented new products focused on advanced health care and created a

technology road map. Moreover, as a result of developing business with new customers and achieving a steady business expansion, net sales doubled compared with 2021 levels, amounting to 280 million yen.

▶ 2023 Strategies

We will continue to develop and propose products that leverage Tamron's strengths in spectroscopy and fluorescence, and strive to secure new products and strengthen ties with existing customers. As an optical integrator consistently

supporting the evolution of the medical field, Tamron will aim to create economic value and social value as it pursues new business development.

Value Creation Initiatives

Amid growing interest in people's healthy lifespans, Tamron is researching technologies to visualize tumors, nerves and cells that cannot be seen with the naked eye with greater clarity and depth, with the aim of developing advanced medical devices capable of accurately diagnosing and analyzing affected areas through minimally invasive procedures. Tamron will continue to work on innovations to optical technologies so that it can contribute to improved patient quality of life (QoL).

TOPICS

Initiatives Aimed at Creating the Next Field of Business

In the medical device market, there has been an uptick in research and development into quantitative assessment, such as tumor follow-ups, determination of tumor margins, and the assessment of tissue perfusion. To respond to these needs, Tamron will delve deeper

into existing visualization technologies to capture images with greater clarity and depth while also working to innovate technologies that will broaden the scope of visualization and accelerate the development of elemental technologies.

Other Businesses

2022 Results and 2023 Strategies

▶ 2022 Results

The market for compact digital camera lenses and video lenses continued to shrink, leading to a decline in sales.

Growth in drone lenses slowed, reflecting that growth of the consumer drone market has run its course. While the market

for industrial drones showed an expansionary trend, sales declined due to the elimination of existing products, along with their corresponding lenses, and lack of progress in bringing new models to market.

▶ 2023 Strategies

In compact digital camera lenses, no new models will be introduced, but in camcorder lenses, we plan to introduce products for professional/semi-professional video applications to the market and secure net sales that will be down slightly from 2022.

In the market for drone lenses, we aim to maintain and expand the scale of sales in industrial applications.

Financial Strategy

The Tamron Group will balance ensuring a robust financial structure with high capital efficiency, and follow a basic policy of strategically allocating management resources to improve corporate value through business strategy.

The Tamron Group pursues management that maintains an awareness of capital costs and places an emphasis on capital efficiency. In our mid-term management plan, we have set the goal of raising ROE to at least 9%, exceeding the cost of capital (approx. 7%), and have undertaken various initiatives with this in mind.

Strategically Allocating Management Resources by Balancing Robust Financial Structure with High Capital Efficiency

(1) Robust financial structure

We have implemented future-oriented R&D and capital investment for sustained growth while making preparations for flexible strategic investments (including M&A and alliances, etc.) and considering risk tolerance. Under these conditions, we aim to have at least two-thirds of our total assets comprised of owned capital and ensure sufficient liquidity on hand of two or three months. We have developed a financial structure that maintains financial health with a D/E ratio of 0.1x or less.

(2) Capital investment

We will actively pursue capital investment that contributes to improved corporate value. In addition to investment in new models and high-precision equipment, we are investing automation, streamlining, energy-saving production equipment, and other systems to boost productivity and improve business operations.

Over the three-year period from 2021 to 2023, we plan to make cumulative capital investments worth around 10 billion yen. This represents an increase of roughly two billion yen in cumulative investments over the preceding three-year period from 2018 to 2020 as we step up investments in anticipation of the medium and long term.

(3) R&D investment

As a global optical manufacturer, investment in R&D is essential to maintain and improve high-level technologies, as well as to contribute to social needs and produce innovation from a long-term perspective.

Over the three-year period from 2021 to 2023, we place to make R&D investments worth around 16 billion yen, representing an increase of about two billion yen over the previous three years from 2018 to 2020. On a fiscal year basis, up to 2015 these investments amounted to around 5% of net sales, but this has gradually been raised to around 8% of net sales.

(4) Shareholder return and capital policy

We will steadily link growth investment to profit growth, work to increase earnings per share (EPS) as the allocation of profits based on business performance, and position the continuation of stable shareholder return as our basic policy.

In addition, in light of developments such as market conditions, financial status and capital efficiency, we will also implement capital policy including the acquisition of treasury shares on a flexible basis.

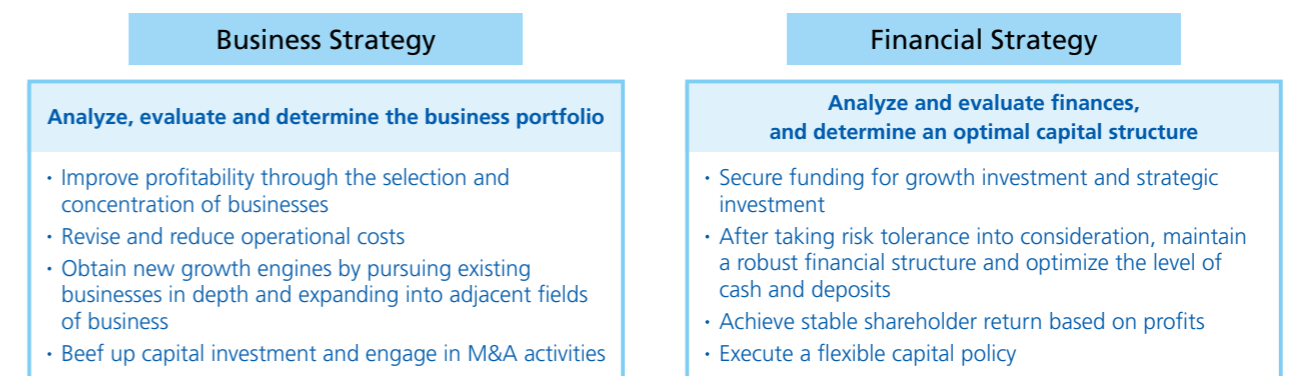
ROIC far exceeded WACC, and ROE improved



Initiatives to Raise ROE

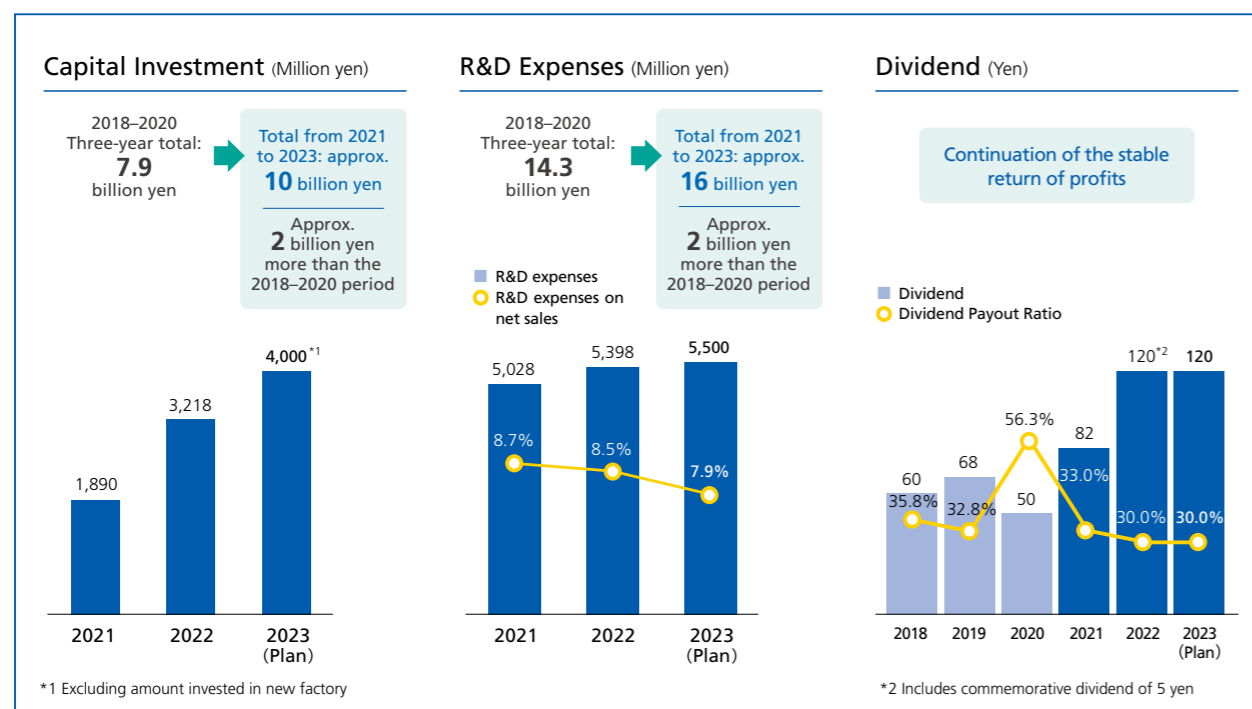
ROE (composition)	Profitability	Asset Efficiency	Financial Leverage
	$\frac{\text{Net Income}}{\text{Net Sales}}$	$\frac{\text{Net Sales}}{\text{Total Assets}}$	$\frac{\text{Total Assets}}{\text{Net Assets}}$
	Improved profitability	Improved asset efficiency	Enhancing shareholder return and executing capital policy
Main Initiatives	<ul style="list-style-type: none"> Reduced development and production costs Reduced operational costs 	<ul style="list-style-type: none"> Improved asset turnover ratio Improved ROA Improved ROIC 	<ul style="list-style-type: none"> Continuing to provide stable shareholder return based on profits Execution of flexible capital policy
Results (2020 ⇒ 2022)	<ul style="list-style-type: none"> Gross profit margin: 38.0% ⇒ 43.5% SG&A expense ratio: 30.6% ⇒ 26.1% Improved non-operating profit/loss, reduced effective rate of duty 	<ul style="list-style-type: none"> Asset turnover ratio: 0.8 times ⇒ 0.9 times ROA: 5.9% ⇒ 16.1% ROIC: 5.2% ⇒ 12.4% 	<ul style="list-style-type: none"> [2020] Acquisition of treasury shares (as a percentage of total shares outstanding: 18.87%, acquisition amount: 8.9 billion yen) [2021] Cancelled treasury shares (as a percentage of the total number of shares outstanding before the cancellation: 3.66%) [2022] Record annual dividend: 120 yen

Improving Corporate Value through Both Business Strategy and Financial Strategy



Improving Corporate Value

Strike a balance between growth potential and efficiency to achieve a corporate structure capable of sustained growth



Human Rights Initiatives

Tamron will endeavor to conduct its management and activities in consistent harmony with the international community in accordance with its human rights policy.

Related SDGs



Strategic Investment

In the Vision23 Mid-Term Management Plan, Tamron aims to strengthen its core technological capabilities and create new businesses, and plans an increase in R&D expenses by 2 billion yen compared with the 2018-2020 period of the previous Mid-Term Management Plan, amounting to 16 billion yen. We also plan 10 billion yen in capital investment, a 2 billion yen increase over this same period, and will pursue growth-oriented and strategic investments to ensure sustainable growth in the medium and long term.

As a part of this approach, Tamron has decided to construct a new factory in Vietnam. This capital investment is intended to lay the groundwork for mid- to long-term business expansion. At the same time, taking geopolitical risks and other factors into account, we will build a

component supply system across the entire supply chain, strengthen our ability to control costs, and further enhance our Groupwide production structure.

Tamron currently maintains a production system spanning three regions around the world, and with the improvements made in Vietnam, we will work to boost production capacity, optimize allocations and ensure greater flexibility.

Looking to the next Mid-Term Management Plan starting in 2024, toward 2030 beyond that, and to our vision of "becoming a company that is respected and truly needed by society," we will continue to execute strategic investments in an effort to achieve sustainable Groupwide growth.

Establishment of a new factory

Purpose of the construction

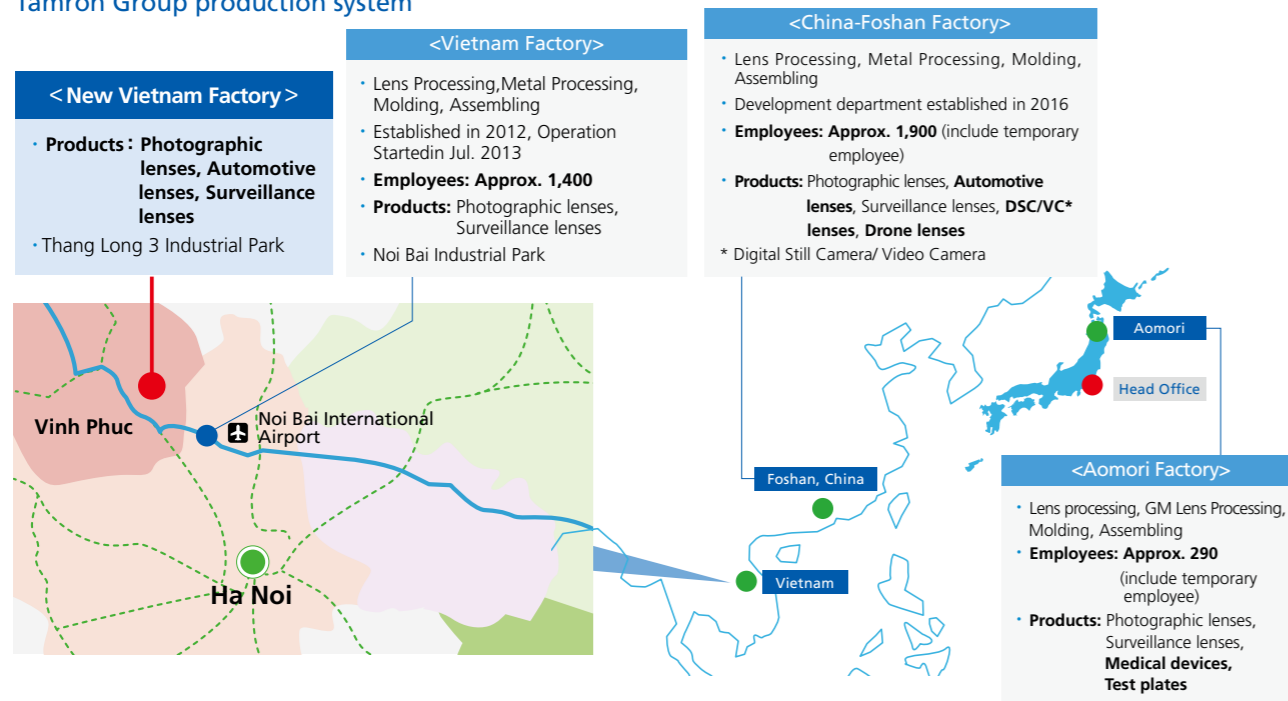
In anticipation of sustainable growth, further strengthen the production system of the entire Group

- ➔ Respond to medium-to long-term business expansion
- ➔ Enhance steady supply system including supply chains and competitiveness of cost

Overview of the new factory

Name	Tamron Vietnam Thang Long Factory (tentative name)
Investment	Approximately 4 billion yen
Schedule	Date of Construction Start: October 2023 (forecast) Start of Operation: January 2025 (forecast)
Land area	Approximately 25,000m ²

Tamron Group production system



Formulation of a Human Rights Policy Statement

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

(UNGP) 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.

Tamron Human Rights Policy (summary)

1. Scope of application
2. Commitment to respect of human rights
3. Human rights issues that Tamron regards as important
4. Governance to fulfill Tamron's responsibility to respect human rights
5. Human rights due diligence
6. Correction
7. Stakeholder engagement
8. Information disclosure
9. Raising awareness and education
10. Process for formulating and revising the Human Rights Policy

For the full text of the Tamron Human Rights Policy, visit the TAMRON's website. https://www.tamron.com/global/sustainability/social/human_rights.html

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

