

| Special Feature |

NEW TAMRON

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



TOP MESSAGE

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

New President & CEO Shogo Sakuraba

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

Based on these achievements, I will lead the overall Tamron Group, which is engaged in the optical technologies business. To develop into a sustainable company in the future, we will strive to accomplish our new Value Creation²⁶ medium-term management plan and increase our corporate value with a view toward fulfilling our long-term vision of becoming a company that is respected and truly needed by society.





Management strategy

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

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

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

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

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

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

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

Check the details of the businesses here.

- Photographic Products ▶ P.24
- Surveillance & FA Lenses ▶ P.26
- Mobility & Healthcare Products, Others ▶ P.28





Management structure

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

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

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

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


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

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

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

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

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



Profile

Name	Shogo Sakuraba	Birthdate	April 1, 1958
Post	President & CEO	Graduate	Faculty of Science and Technology, Hirosaki University
Hometown	Aomori prefecture	Motto	Never give up

Career Profile

Shogo Sakuraba joins Tamron in 1981, when he is assigned to the Lens Production Section of the Hirosaki Plant (currently the Hirosaki Site of the Aomori Plant). In his first year of service, he is transferred to the optical design team at the head office. Later, he is a member of the production technology sector at the Hirosaki Plant, the head of the glass mold promotion office, and the head of the optical development sector, in addition to other positions, before being appointed to his current position.



Human capital

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

Business entities conduct human capital management from a perspective under which personnel are vital to them. We will step up efforts to enable employees to achieve happiness and to evolve into a company whose employees have job satisfaction. Enabling employees to be happy is one of my policies and being a company whose employees have job satisfaction is one of the basic policies in Value Creation²⁶. These efforts include increasing investment in human capital,



health management and the expansion of engagement activities.

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

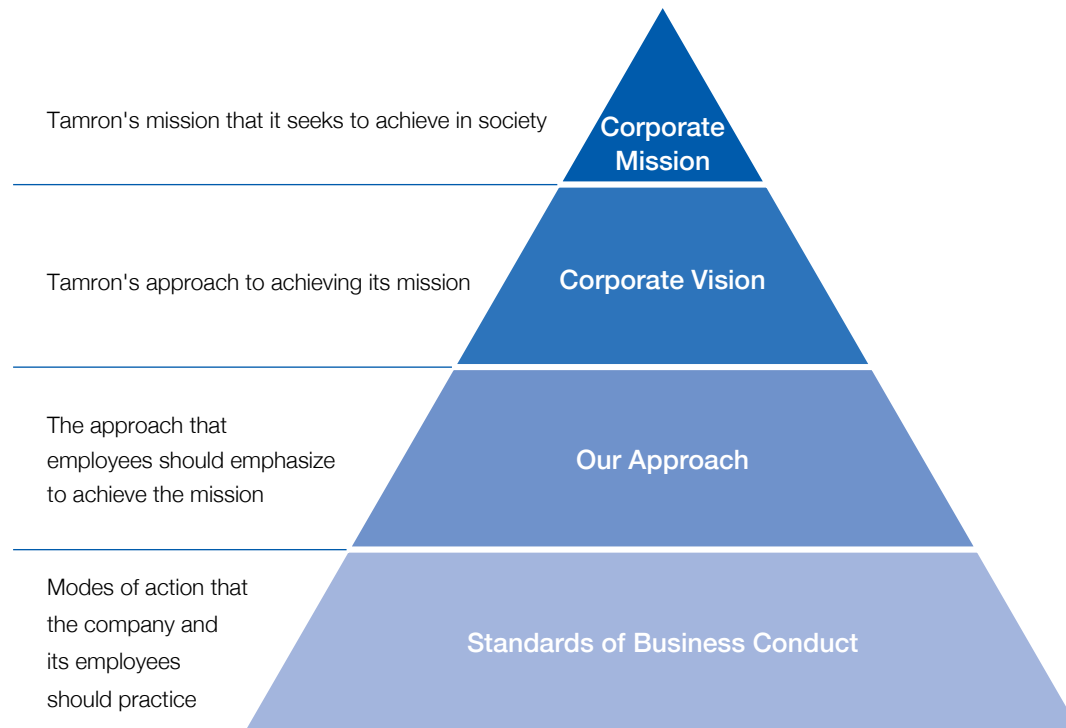
Providing an environment where employees can display their creativity based on health management

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

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

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

Corporate Philosophy



Long-Term Vision

Our vision

A company that is respected and truly needed by society.

Corporate Mission

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

Corporate Vision

Carving out the future with light

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

Our Approach

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

Brand slogan / Statement

Focus on the Future

Tamron is focused on the future.
 We are committed as an optical specialist to create new value and direction in optics with our long-accumulated optical technologies and address many social issues in the future. Tamron delivers emotion and reassurance around the world toward a more fulfilling society.
 We will never stop rising to new challenges.

New Medium-term Management Plan

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

Basic policy

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

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

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

Medium-term plan
2018-2020

Medium-term plan
Vision23
2021-2023

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

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

Our vision

A company that is respected
and
truly needed by society.

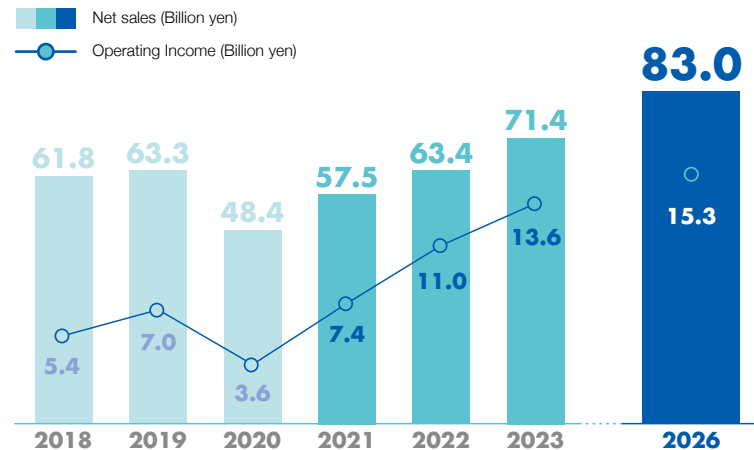
Outline of the “Value Creation26”

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

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



Review of the past and numerical targets



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

	Actual 2023	Target 2026
Net Sales	71.4 billion yen	83.0 billion yen
Operating Income	13.6 billion yen	15.3 billion yen
Operating Income Margin	19.1%	18.4%
	2021-2023 Average	Target 2026
EBITDA(% Sales)	21% level	More than 22%
ROE	13% level	More than 14%
Shareholder Return Policy	Dividend payout ratio 30% level	Total payout ratio Approx. 60%

1 Business Strategy of the “Value Creation26”

Business Strategy

Ensure continuous growth by allocating appropriate resources to each business

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



Functional Strategy

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

Production/Procurement

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

Marketing/Sales

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

R&D/New Business Creation

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

1 Business Strategy of the “Value Creation26”

Photographic Products

Inspire and enrich people’s lives

P.24

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

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

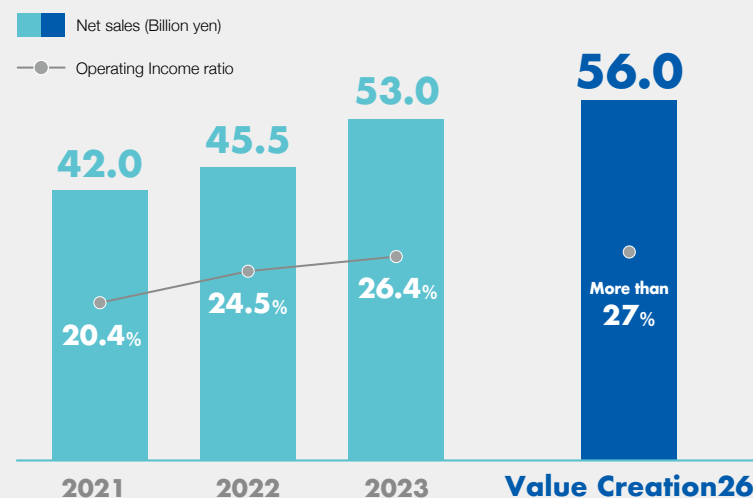
We will continue to work hard to make them compatible with new formats. With these strategies in mind, we will work to improve the market share that our own brand holds, to enable sales in the US and Europe to recover, to continue to expand in the Chinese and Asian markets and to explore developing regional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

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

Improve the high-profit structure as core business

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

Numerical targets



1 Business Strategy of the “Value Creation26”

Surveillance & FA Lenses

Create a secure and safe society

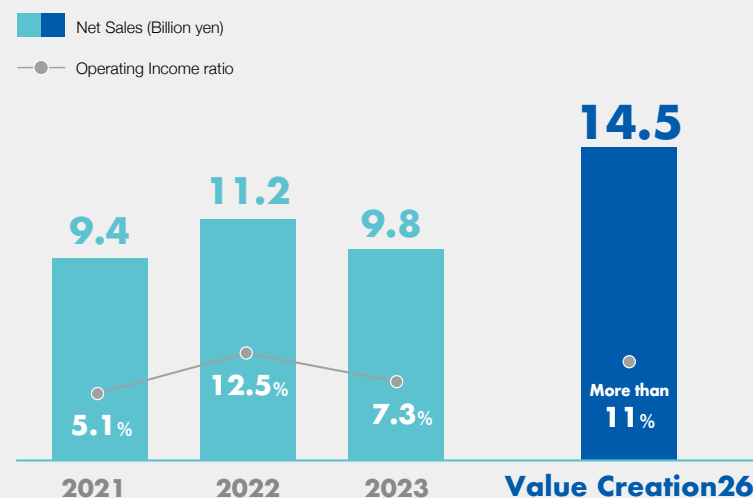
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Meanwhile, we will turn the Surveillance & FA Lenses Business back into a growth business, aiming for an operating income margin of 10% or higher. The net sales target for 2026 is 14.5 billion yen, which is about 1.5 times the net sales in 2023, and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

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

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

Numerical targets



1 Business Strategy of the “Value Creation26”

Mobility & Healthcare Products, Others

Healthy and secure lifestyle

P.28

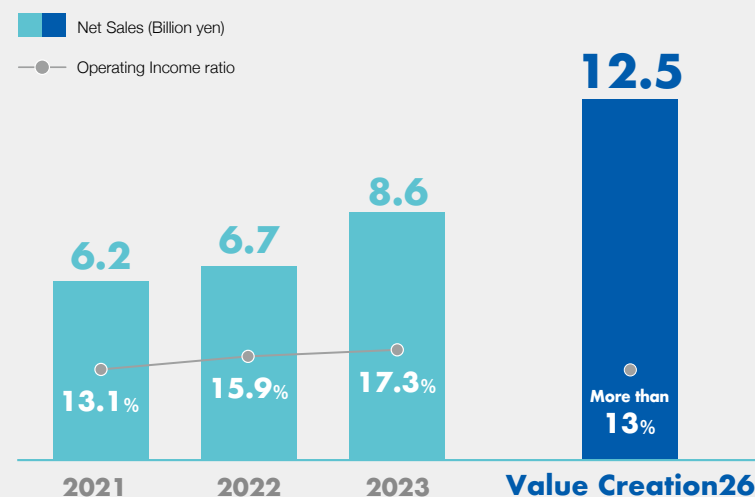
In the business of Mobility & Healthcare Products, Others, we will address the subject of healthy and secure lifestyles and seek to continue the growth of the automotive and medical businesses and accelerate the creation of new businesses. The net sales target for 2026 is 12.5 billion yen, which is around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

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

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

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

Numerical targets



2 Financial Strategy of the “Value Creation26”

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

**Building effective management
while ensuring stability**

Appropriate Capital Structure

- Sustain an ROE of approx.14%
- Secure capital at twice of the cost
 - Utilize available funds while ensuring financial safety, achieving efficient management
 - Gradually reduce the equity ratio to be around 75%
 - Aim for a liquidity reserve of approx. 3 month's worth of monthly turnover

Enhanced Shareholder Return

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

3 ESG/Sustainability Strategy of the “Value Creation26”

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On the environment front, we need to evolve whilst at the same time promoting the realization of our Environmental Vision 2050 of a decarbonized society, resource recycling society and society in harmony with nature. We will work to steadily reduce our own Scope 1 and 2 CO₂ emissions and to expand the scope of our reductions to include Scope 3 emissions. We will transform our recycling of resources to enable a circular economy.

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

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

Environment

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

Promote and drive the evolution of the Environmental Vision 2050

- **Reduce greenhouse gas emission**
 - Scope1, 2- 18% reduction (vs Yr.2015)
 - *in 2030: 30% reduction
 - *in 2050: Zero emission
 - Scope3- Set measurement method and reduction targets
- **Improve contribution to resource recycling society**
 - Evolve towards a circular economy
- **Encourage initiatives for a society in harmony with nature**
 - Strengthen conservation of biodiversity and sustainable utilization
- **Refine CDP evaluation**

Social

Promote human capital management, DE&I, and job satisfaction

Promote human capital management

- **Advance DE&I**
 - Female managerial ratio: over 12%
 - Career recruitment ratio: over 60%
 - Male parental leave adapt ratio: over 80%
 - Broaden human resources programs (recruitment, development, evaluation)
- **Enrich human capital investments**
 - Double education and training expenses
 - Refresh HR system and expand functions
 - Reinforce the education of engineers (Increase R&G expenses)
- **Refine human rights DD system**
 - Implement SAQ, refine risk analysis, and make improvement
- **Promote health management**
- **Expand engagement activities**

Governance

Reform the Corporate Governance Structure

Strengthen supervision, speed up decision-making

- **Transition to a Company with an Audit & Supervisory Committee**
 - Strengthen supervisory functions, expedite decision-making
- **Increase the ratio of outside directors**
 - Secure the ratio of outside directors to a majority
- **Refine the assessment of the effectiveness of the Board of Directors**
 - Implementation with third-party involved
 - Strengthen supervision for each committee
- **Improve Board Advisory Committee**
 - Enhance the transparency
- **Enhance executive functions**
 - Promote authority delegation
- **Expand the internal control system**
- **Foster a better company culture**