

Tamron Co., Ltd.
FY2021 Financial Results Briefing
On Wednesday, February 9, 2022 at 16:00-17:00

[Main Questions and Answers]

Q1. The rate of increase of net sales of own-brand products in 2021 seems to be lower than the growth rate of CIPA. Are you struggling?

A1. This reflects the fact that while the market declined significantly in 2020 due to the impact of COVID-19, own-brand products fared relatively well and did not decline to the same extent that the market did. The height of the hurdle to overcome to achieve year-on-year growth is different.

Compared to 2019, or before the COVID-19 pandemic, the market declined 7% while own-brand products fell 8%, being almost on par with the market.

Q2. How were sales of Surveillance & FA Lenses by region?

A2. Among overseas bases, sales were strong and increased approx. 15% in the United States, approx. 10% in Europe, and approx. 10% in China. However, sales decreased slightly in Japan, where the ratio of their sales is high, mainly reflecting the impact of decline in the demand for products for video conferencing.

If products for video conferencing are excluded, sales in Japan also grew positively, up approx. 15%.

Q3. How many units were sold in 2020 in each category?

A3. In Photographic Products Business, we sold 420,000 units of own-brand products and 820,000 units of OEM products.

In Surveillance & FA Lenses, we sold 1.41 million units.

In Mobility & Healthcare Products, Others, we sold 7.94 million automotive lenses, 110,000 DSC/VC products, and 30,000 drone lenses.

Q4. You expect to achieve the 2023 mid-term management plan in terms of both net sales and profits in 2022. Aren't there any changes to the 2023 mid-term management plan?

A4. Because the end of the COVID-19 pandemic is not yet in sight, the level of impact of component supply, high resource prices, high raw material prices, and other factors is not clear, and there are many uncertainties such as currency movements. Despite these circumstances, we have set achieving the 2023 mid-term management plan a year earlier as our 2022 forecast. In 2022, we will first work toward achieving it.

We would like to show you our direction toward 2023 when the direction of uncertain factors becomes clearer, progress in business performance, and other factors.

Q5. Isn't the rate of increase of net sales in Surveillance & FA Lenses in 2022 too high? Is the probability high?

A5. The forecast is in line with projects with camera manufacturers and others and the schedule of development of new models. Of course, it will fluctuate because not all orders are definite.

Q6. How many units do you forecast to sell in 2021 in each category?

A6. In Photographic Products, we expect to sell 390,000 units of own-brand products, and 950,000 units of OEM products.

In Surveillance & FA Lenses, we expect to sell 1.76 million units.

In Mobility & Healthcare Products, Others, we will sell 8.69 million automotive lenses and 70,000 units of DSC/VC products.

Q7. To what extent has the impact of the high raw material prices and parts shortage been factored into the 2022 forecast?

A7. I will refrain from giving a specific amount, but we expect an impact in the hundreds of millions of yen.

While glass materials, etc., the main components, have a great impact, prices of metallic materials, etc. are also rising as expected.

Q8. You forecast a decline in operating income on net sales in Mobility & Healthcare, Others in 2022. What are the factors behind this?

A8. In our areas of focus, including medical devices, we were unable to strengthen partnerships in sales, etc. due to the COVID-19 pandemic. An increase in expenses for such activities is factored in to the 2022 forecast. While we forecast an increase in operating income, we forecast a slight decline in the operating income on net sales partly because we will boost our activities of sowing seeds for the future.

<Note>

This material is provided as a reference material for the convenience of those who were unable to attend the financial results briefing. Please note that its content is not an exact copy of what was discussed in the event but that it is a summary made at our discretion.

This material includes forward-looking statements such as financial forecasts. Please note that forward-looking statements are based on information that was available at the time of making them and on certain assumptions that we deem reasonable and actual results may differ materially for various reasons.