

Tamron Co., Ltd.

2nd Quarter FY2021 Financial Results Briefing

On Friday, August 6, 2021 at 16:00-17:00

[Main Questions and Answers]

Q1. **Will you release the five lens models described in the briefing materials as your own-brand products in 2021?**

A1. We are also planning to release other lens models in addition to these five lens models although they are not included in the briefing materials.

Q2. **What are the ratio of mirrorless in your own-brand products?**

A2. The ratio of mirrorless in our own-brand products was approx. 65% in the first half. We expect that the ratio will increase to approx. 75% in the second half, and approx. 70% for the full year.

Q3. **What about the results and future outlook of the average unit price of your own-brand products? What are your thoughts on sustainability?**

A3. The average unit price has been rising more than assumed, and is expected to continue rising in the future.

Q4. **Do you think there is any possibility of a downturn in the interchangeable lenses market from the first half to the second half of the year?**

A4. We don't think it is likely that market conditions will deteriorate significantly, but we have recognized risks in the aspect of the procurement of electronic components.

Q5. **What are the factors for the downward revision of net sales and profits of Surveillance & FA Lenses.**

A5. Weak sales of products for video conferencing have continued. In addition, although net sales of products for the Chinese market are growing, it is expected that the release will be delayed because there were changes in the plan and delays in the development of certain lens models of a major camera manufacturer, as well as the impact of the supply of components.

Q6. **What growth rate of net sales do you expect for Surveillance & FA Lenses for China in 2021 and 2022 onward?**

A6. We expect the growth rate of net sales of these products for China to be around 20% in 2021, with a higher growth rate from 2022.

Q7. **Compared to the amount in excess of the forecast of net sales and profits in the first half, the raised amount for the full-year plan seems rather small. What factors made you revise the figures in the second half of the year substantially downward?**

A7. We made an upward revision for net sales. However, we revised profits downward because we expect that the gross margin will decline given the product mix and an increase in costs for advance arrangement of components and that expenses will increase due to a rise in personnel expenses, R&D expenses, usual operation costs, and advertisement & sales promotion expenses, as well as a rise in advanced R&D expenses and other costs for the medium- to long-term measures.

**Q8. The full-year capital investment for 2021 is stated as 2,600 million yen. In what fields will you make the capital investment? And how much did you spend in the first half?**

A8. We have made capital investment in molds, plant equipment, automation equipment, and newly developed production equipment. The amount of capital investment in the first half was about 800 million yen.

**Q9. You said you are investing for the future. What is the estimated impact on profits of these investments? Are they reported in the segment of Surveillance & FA Lenses?**

A9. We are considering upfront investments for the future rather than just for 2022. These are upfront investments for us to evolve in terms of technological strength as a lens manufacturer, which are not limited to the segment of Surveillance & FA Lenses but are implemented for all of our businesses. As it is not drastically increased from the conventional amount, there will be no major impact on profits.

<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.

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