

# Tamron Co., Ltd.

## FY2020 Financial Results Briefing

On Tuesday, February 9, 2021 at 16:00-17:00

### [Main Questions and Answers]

**Q1. How many units were sold in 2020 per category?**

**A1.** We sold 430,000 units of own-brand products, 610,000 units of OEM products, 110,000 units of DSC/VC products, 210,000 drones, 1.23 million surveillance/FA products, and 6.99 million automotive lenses.

**Q2. What are the effects of the voluntary retirement program you implemented in 2020 on your 2021 plan, in which segments and to what extent?**

**A2.** In monetary terms, our plan expects an effect of around 600 million yen. In Aomori, as we produce a lot of interchangeable lenses, a lot of the impact will be on Photographic Products.

**Q3. What is your outlook for the market?**

**A3.** We forecast that the interchangeable lenses market will bounce back from its slump in 2020 and turn into an increase in 2021, but our plans are based on the assumption that it will not increase as much as the CIPA forecast. We expect that the lenses for CCTV cameras market will resume its growth trend in 2021, increasing by about 20% on a volume basis as a bounce-back from 2020. We think the lenses for automotive applications market will increase by around 10% in a similar way.

**Q4. In the 2021 plan for Photographic Products why did you reduce operating income on net sales to 15.4%?**

**A4.** In 2021 we expect a significant increase in revenue from OEM products, and due to factors such as the product mix, we will plan for a lower operating income on net sales in the Photographic Products segment overall.

**Q5. Are all five of the new own-branded lenses to be released in 2021 for mirrorless cameras? Are there any of them not for the Sony mount?**

**A5.** In 2020, the release of one lens model slipped to 2021 due to COVID-19, but our policy is to release around five new lens models each year, and moving forward these will all be for mirrorless cameras. We are working hard on development regarding support for various mounts, but we cannot provide a detailed answer at this time.

**Q6. Is there some reason for the different growth rates for own-branded products and OEM products in the mid-term management plan?**

**A6.** Basically, we believe that the digital SLR camera market and interchangeable lens market will shrink in the medium term, and we assume that the market for our own-branded products will remain flat. For OEM products, we cannot provide a detailed answer as it relates to the business plans of our corporate customers, but our plans are formulated based on those business plans.

**Q7. One of the pillars of the mid-term management plan is sales growth for surveillance and FA lenses, but how will you deal with competing manufacturers and what are Tamron's strengths against the competition? In the past, this market has been recognized to have intensive price competition, but what about now?**

**A7.** Our strength of course lies in our technology. Things like our support for 4K in particular have received higher recognition compared to Chinese lens manufacturers. We have received more orders as a result, and we are increasingly able to handle things on the cost front. As with FA, there is an increasing need for extremely fine detection capabilities in surveillance lenses, and we have received recognition for the excellent performance of our lenses.

**Q8. What is the background behind the revisions you made to the Corporate Mission?**

**A8.** The Corporate Mission is something we have maintained since our founding. Since some points that are slightly out of touch with the times have emerged over the past seven decades, and since it is something to be shared among all employees as a statement of what the company will become in the future, we made revisions starting with the structure of the Corporate Mission. The previous Corporate Mission represented our founding spirit, and this revision produced a Corporate Mission geared toward future development with this sentiment as its base.

**Q9. There was a decrease in the year-end dividend. What is Tamron's approach to dividends?**

**A9.** In 2020, net income fell sharply by 63%, but we maintained a 50yen dividend we consider to be the minimum, and the payout ratio was 56.3%, exceeding our target payout ratio. We have also acquired treasury shares, resulting in a total return ratio of over 500%. In addition to a target payout ratio of around 35%, our dividend policy is to issue stable dividends. We consider around 50 yen to be the minimum line, and we plan to continue issuing certain dividend amounts yearly on a stable basis.

<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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