

Tamron Co., Ltd.

2nd Quarter FY2020 Financial Results Briefing

On Tuesday, August 4, 2020 at 17:00-18:00

[Main Questions and Answers]

Q1. Model A071, a new Tamron-branded product from the Photographic Products segment, has been receiving mostly positives reviews and features high magnification. Even with this product, will the segment experience a fall in sales in the second half of the fiscal year?

A1. Model A071 is an all-in-one zoom lens featuring the same focal length, 28 mm to 200 mm, as the model that we launched as the world's first high-magnification zoom lens that became a global hit. Model A071 has been popular since its release and there have been some back orders, which will be offset by the impact of the market condition that has yet to fully recover. While China has been gradually recovering, other markets such as the Americas and Europe have not recovered. In addition, sales of cameras must grow for the interchangeable lens to sell well. Our forecast takes these factors into account.

Q2. You stated that the sales of surveillance camera lenses/FA in the Commercial/Industrial-Use Optics segment provided to the Chinese market would grow in the second half of the fiscal year in the initial forecast. What is the current status?

A2. China has a large market for surveillance cameras and there are many Chinese manufacturers of surveillance cameras. There are a number of projects that use surveillance cameras in China and we participate in them to operate our business. Some cities in China were locked down due to the novel coronavirus (COVID-19), which caused interruptions and delays in development at surveillance camera manufacturers, and there are also the suspension of projects due to a lack of government assistance provided to the projects. Despite some delay, we expect that we will be able to increase sales.

Q3. What is your forecast for growth in sales of surveillance cameras/FA in the Chinese market?

A3. While sales in the first half of the fiscal year decreased approximately 40% year on year, we expect that sales in the second half will double year on year and the full-year sales will increase approximately 1.5 times year on year.

Q4. Although sales in the Commercial/Industrial-Use Optics segment are forecasted to increase in the second half, profit is forecasted to decrease. You noted that this was a result of factors such as price competition, advanced technology development and investment. Please provide more details.

A4. In the aspect of price competition, we are competing against Chinese manufacturers for products sold to Chinese camera manufacturers. In terms of advanced technology development, investment in the advanced technology development for camera modules is increasing.

Q5. You are maintaining the same amount of interim dividend despite difficulty in financial performance. What is your view on the year-end dividend?

A5. While we have not changed our policy of stable dividend payment and the payout ratio of approximately 35%, we have yet to determine the amount of the year-end

dividend, because the market outlook is extremely uncertain, as noted in the press release posted today.

Q6. How do you expect the digital camera market will be in the next year?

A6. Sales fell approximately 40% in the first half of the current fiscal year due to the extremely severe impact of COVID-19. Although this is somewhat wishful thinking, we expect that the impact of COVID-19 will gradually decrease in the second half. Next year, we expect that the degree of market shrinkage will decrease.

<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.