

Strategies by Segment

Photographic Products

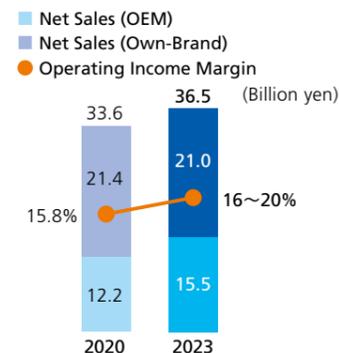


Human Focus. We will remain user-centric and study people while designing and manufacturing lenses so that users around the world can fully continue to enjoy photography in their own way.

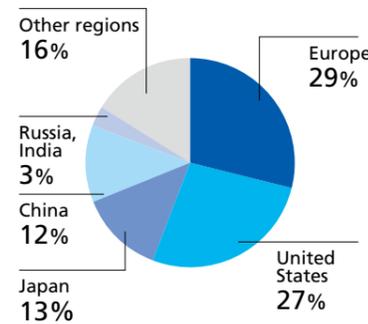
Summary of Business Results

Financial Targets for the New Vision23 Mid-Term Management Plan (2021-2023)

		FY2020 results	2023 mid-term plan
Net Sales	Own-Brand	21.4 billion yen	21.0 billion yen
	OEM	12.2 billion yen	15.5 billion yen
	Total	33.6 billion yen	36.5 billion yen
Operating Income Margin		15.8%	16~20%



Sales Composition by Region (2020) (Own-Brand)



Own-Brand Initiatives and Future Policy

In Photographic Products, we will seek to further advance the achievements of the previous mid-term management plan. Specifically, we will continue to focus on interchangeable lenses for mirrorless cameras, which are expected to display continued growth in the future, as we seek to increase our market share in both own-brand and OEM products, while at the same time maintaining a high-profit structure, with this segment as a key pillar of our revenue base.

In 2020, the final year of our previous mid-term management plan, we were forced to suffer a decline in both sales and profits as a result of the COVID-19 pandemic. At the same time, our operating income margin increased from 12.8% in 2017 to 18.7% in 2019 due to improved gross profit margins and cost control for our own-brand products.

In 2021, we plan to increase net sales by 10% year on year to 37.0 billion yen, as the result of a positive rebound after the major slump in the market seen in 2020. In 2023, the final year of our new Vision23 mid-term management plan (2021-2023), we aim to achieve net sales of 36.5 billion yen; an increase in comparison with 2020, although this still constitutes a decrease in comparison with 2019 levels, prior to the COVID-19 pandemic.

Although a continued decrease in sales of interchangeable lenses for SLR cameras is expected, we will seek to achieve an overall increase by compensating for the decrease with an increase in sales of interchangeable lenses for mirrorless cameras.



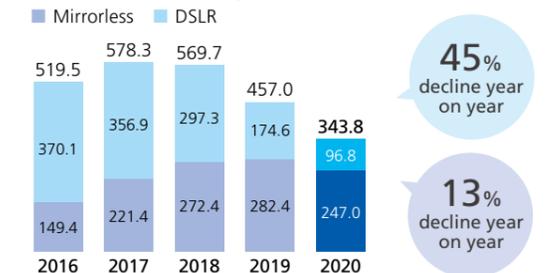
Products Offered	Lenses for interchangeable lens cameras (DSLR and mirrorless cameras)
Production Methods	Own-Brand products / OEM products
Delivery Destinations	Electronics retail stores, online electronics retailers (Own-Brand products), major camera manufacturers (OEM products)
Users	Consumers

2020 Overview

Market Situation

Interchangeable Lens Camera Market	25% decline year on year
Interchangeable Lens Market	31% decline year on year APS-C: 49% decline year on year Full Frame: 26% decline year on year
Compact Digital Cameras	41% decline year on year

Interchangeable Lens Camera Market Environment (billion yen)



2020 Results

Net sales decreased by 12.6 billion year on year to 33.6 billion yen as a result of the COVID-19 pandemic, which caused a decline in purchasing opportunities as a result of store closures around the world and restrictions on international travel and outdoor activity in general, as well as consumers exercising self-restraint with regard to travel and various events. While OEM products decreased by 34% in line with market decline, own-brand product sales were supported by the introduction of new products, which enabled us to limit the decrease in

sales to 23%, above the level of market decline.

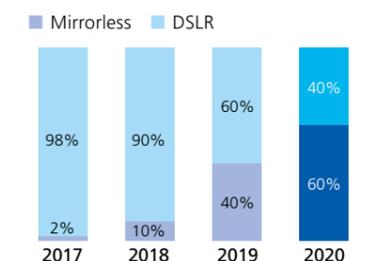
In China, where the recovery from COVID-19 was fast, net sales of own-brand products remained at the same level as the previous year in local currency terms. However, sales in the main markets of Japan and the United States fell by around 20%, and in Europe by around 25%. Operating income decreased by 39% due to a significant decrease in sales, although we were still able to secure a profit margin of around 15%.

Future Strategy

For own-brand products, we plan to continually release new products at the speed of around five models a year. In particular, in response to the recent expansion of the mirrorless market, all of the products we plan to release are for use with mirrorless cameras. In January 2021 we introduced the Model B070 standard zoom lens for APS-C, and in June 2021 we launched the Model A057 ultra-telephoto zoom lens onto the market. In late June we launched the Model B060, a wide-angle zoom lens for APS-C, following on from the Model B070. With these new products, we aim to further increase our market share, and raise the percentage of all net

sales accounted for by products for use with mirrorless cameras to approximately 80%.

Percentage of Own-Branded Mirrorless Products



Value Creation Initiatives

As the market progresses further towards mirrorless cameras, we have launched the 17-70mm F2.8 (Model B070) in response to customer requests to expand our lens lineup for compact APS-C cameras. In recent years, mirrorless cameras have been increasingly used for shooting video. In view of this, the lens is equipped with vibration compensation (VC) functionality that makes it suitable for video shooting, while at the same time maintaining a compact size and light weight, in spite of its F2.8 large-aperture design.



17-70mm F2.8 (Model B070)

Strategies by Segment

Surveillance & FA

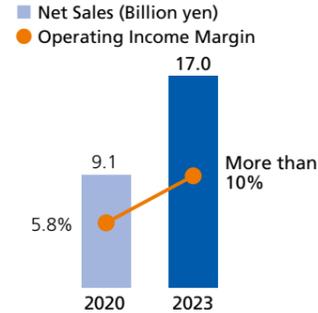


We will seek to develop new products that support people's safety and security, and expand our business scale and revenue base by conducting global sales activities that capture market needs.

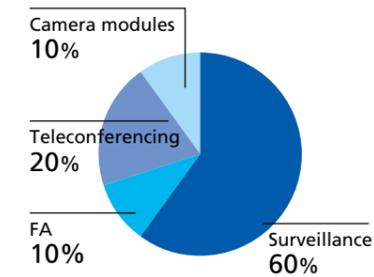
Summary of Business Results

Financial Targets for the New Vision23 Mid-Term Management Plan (2021-2023)

	FY2020 results	2023 mid-term plan
Net Sales	9.1 billion yen	17.0 billion yen
Operating Income Margin	5.8%	More than 10%



Sales Composition by Application (2020) (Surveillance & FA)



Disclosure segments have been changed as of 2021 (only the Surveillance & FA Lenses segment has been made independent from the existing Commercial / Industrial-use Optics segment).
* Results shown for FY2020 have been converted to reflect this change.

Initiatives and Future Policy in the Surveillance & FA Segment

In the Surveillance & FA segment, we will utilize our business base—which has grown steadily during the previous mid-term management plan—to accelerate the growth of sales and profits as a second key pillar after the Photographic Products segment. In the Surveillance field, we will take in the Chinese market, where immediate business conditions are favorable. In the FA field, which has ample room for growth, we will strengthen customer development and the development of new technologies including the short wavelength infrared (SWIR) range, and expand our business operations in the camera module business, which is a new business area for Tamron.

In 2020, the final year of the previous mid-term management plan, sales decreased by 14% year on year due to factors such as the COVID-19 pandemic, additional tariffs as a result of US-China trade frictions,

and the introduction of the National Defense Authorization Act. At the same time, net sales to the Chinese market increased by roughly 40% year on year in the second half of the year, and future growth is also expected.

With the market environment expected to recover to the previous trend of high growth in 2021, we aim to increase net sales by 26% year on year to 11.5 billion yen, and operating income by 70% year on year to 900 million yen. By 2023, the final year of the new Vision23 mid-term management plan (2021–2023), in view of future growth potential, we plan to increase net sales significantly to 17.0 billion yen, and achieve an operating income margin of at least 10%.

Segment Characteristics

- Delivery Customers**
 - Major camera manufacturers and machine tool procedures from around the world, including the United States, Europe, South Korea, Taiwan and China.
 - * Tamron establishes deep ties with major manufacturers, ascertains demand and promotes joint ventures.
- Our Strengths**
 - We possess the technologies to design and manufacture compact lenses with focal distances that offer high magnification
 - We have enhanced our lineup with units that incorporate accessories and modularization with cameras
- Related Social Issues**
 - Developing a safer and more secure society is a challenge common to various countries, and the surveillance market is expanding around the world.

2020 Overview

Market Situation

Trends	Growth has continued together with economic recovery, despite uncertainty over the future due to the effects of the COVID-19 pandemic and trade frictions between the United States and China.
Demand for the Surveillance Segment	Surveillance is regarded as an essential field in each country. Demand is recovering due to continued investment in infrastructure.

2020 Results

Due to the impact of the COVID-19 pandemic and US-China trade frictions, net sales decreased by over 1 billion yen year on year to 9.1 billion yen. For camera modules in particular, sales were greatly restricted because some components came from manufacturers on the US Entity List (a list of companies of concern in terms of national security and/or foreign policy issues). Moving forward, we will switch to unrestricted

components and seek to reintroduce them.

At the same time, the Chinese market recovered faster than other countries. Partly due to the introduction of lenses that support high image quality, there was a remarkable trend of recovery, with net sales increasing by 40% year on year in the second half of the year.

Future Strategy

In the surveillance field, we will focus on high-end products that achieve high image quality—including 4K, which is one of our strengths, to secure sales and improve profit margins. In the FA field, we will continue the full-scale introduction of new models, and expand our lineup in order to cater to user needs.

Additionally, while until now we have only offered products

that cover the visible light range, in the future we will expand our business by expanding the range of availability to include lenses and cameras that capture near and far-infrared light, which is invisible to the naked eye.

Value Creation Initiatives

In recent years, there is growing demand for appropriate temperature control solutions in various fields including industry, agriculture, livestock, disaster prevention, and healthcare. In response to these market needs, in August 2020, we launched a new far-infrared camera module. This product can sense temperature and translate it into video imaging without the need for a shutter, and has therefore contributed to people's safety and security, such as in monitoring for nursing and caregiving purposes and nighttime monitoring. In June 2021, we launched an industrial lens that enables wideband photography ranging from visible light to shortwave infrared (SWIR) wavelengths, in various industrial fields, in addition to food inspection and sorting.



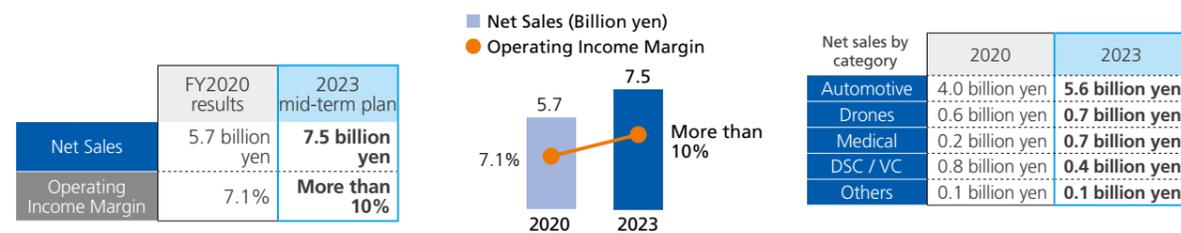
Long-Wave Infrared Camera Modules LW10F series

Strategies by Segment

Mobility & Healthcare Products, Others

We will expand our business operations in the automotive lenses, drone lenses and health care fields, which are all expected to display a high rate of growth, contribute to people's safety, security, and health, and aim for real growth in this segment as a key next-generation pillar of earnings.

Financial Targets for the New Vision23 Mid-Term Management Plan (2021-2023)



Disclosure segments have been changed as of 2021 (the existing Optical Components Business and Commercial / Industrial-use Optics Business aside from the Surveillance & FA Lenses segment have been integrated).
* Results shown for FY2020 have been converted to reflect this change.

Mobility & Healthcare Products, Others Initiatives and Future Policy

In Mobility & Healthcare Products and Others fields, we were able to significantly expand our business scale during the previous mid-term management plan, with net sales in the automotive lenses business growing from 2.6 billion yen in 2018 to 4.0 billion yen in 2020.

Under the new Vision23 mid-term management plan (2021-2023), we will continue to fully grow our existing automotive lenses, drone lenses and health care businesses into a key next-generation pillar of our operations. At the same time, we will expand and enter peripheral markets to these areas as well as new areas such as agriculture, biological observation, robots, and

space-related areas.

During the term of Vision23 is also the time to create new business domains. Although sales will not increase significantly, we aim to achieve net sales of 7.5 billion yen in 2023 (the final year of the plan), and will seek to contribute to sales in the automotive lenses and health care fields. We also aim to achieve an operating income margin of at least 10% by allocating resources from areas where the market is expected to shrink.

Initiatives and Future Policies for Each Segment

Automotive Lenses

Sales of lenses for sensing applications in 2020 remained strong, resulting in a double-digit increase in sales as in the previous fiscal year, contributing to a 1.5x increase in sales over the past three years. Under Vision23, too, we will continue to focus on sales of lenses for sensing applications, and seek to develop new customers.

Drones Lenses

In 2020 we saw a decline in sales as sales from orders

showed sluggish growth. Moving forward, we will seek to expand our business by strengthening our collaborative relationships with customers.

Lenses for Medical Applications

Mass production of optical devices—which began in 2019—is now fully on track, and in 2020 we achieved an increase in both sales and profits. Under Vision23 we will steadily grow our existing business operations while at the same time seeking to expand into the health care field.



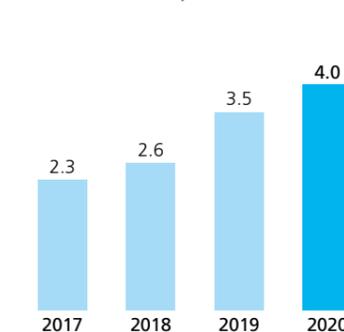
Automotive Lenses

Related SDGs

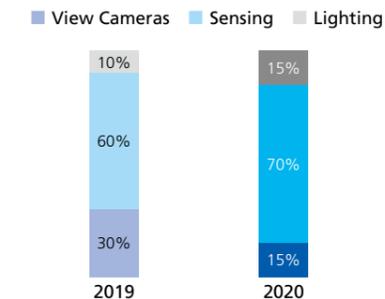


Summary of Business Results

Net Sales (Billion yen)



Sales Composition by Application (Automotive Lenses)



Map of Autonomous Driving Levels

Autonomous Driving Level	Timing for Practical Application
Level 1 Driver assistance	Already implemented
Level 2 Partial automation	Already implemented
Level 3 Conditional automation	Already implemented
Level 4 High automation	2025 - 2030
Level 5 Full automation	Timing not set



Segment Characteristics

Product Features

- As our products relate to people's safety, high levels of durability and heat resistance are required. Because of this, we work with customers for 3-4 years on development, and since sales are made over the long term, it is easier to forecast orders

Related Social Issues

- Traffic fatalities are increasing in emerging countries.
- The Japanese government is promoting the widespread adoption of autonomous driving technologies.

2020 Overview

Market Situation

Trends	In addition to support from legislation, such as requiring all cars to be fitted with cameras, we are in a period of transition to autonomous driving, and a high level of growth in the market is set to continue. *1: ADAS is the acronym for Advanced Driver Assistance System. It is a collective term for automotive systems that utilize vehicle-equipped radar, cameras and various sensors to provide support enabling safe vehicle operation.
Autonomous Driving-related Market	There are growing demands for products catering to sensing applications and LiDAR to achieve autonomous driving. *2: LiDAR is the acronym for Light Detection and Ranging. In recent years it has gained attention as a key item for achieving autonomous driving of automobiles, the development of which automotive manufacturers are actively pursuing.

Automotive lens unit market outlook



Source: 2021 Imaging & Sensing Market Survey, Fuji Chimera Research Institute

2020 Results

Although vehicle sales decreased due to the impact of the COVID-19 pandemic, in Japan, sales of automotive lenses for sensing applications remained strong due to an increase in the percentage of vehicles with ADAS systems installed. As a result, net sales increased by 15% year on year to 4.0 billion

yen. Operating income increased due to higher sales and higher productivity.

At the same time, overseas sales were affected by an overall decrease in sales opportunities, such as in the shelving or discontinuation of projects, as well as restrictions placed on visit-based sales activities.

Future Strategy

As the existing trend of growth is expected to continue in 2021, we plan to increase net sales by 6% year on year to 4.3 billion yen. Moving forward, we will continue to accelerate technological development and incorporation of customer

needs from a medium- to long-term perspective, with the aim of securing orders and developing new customers, in Europe and the United States, where the market share is particularly large.

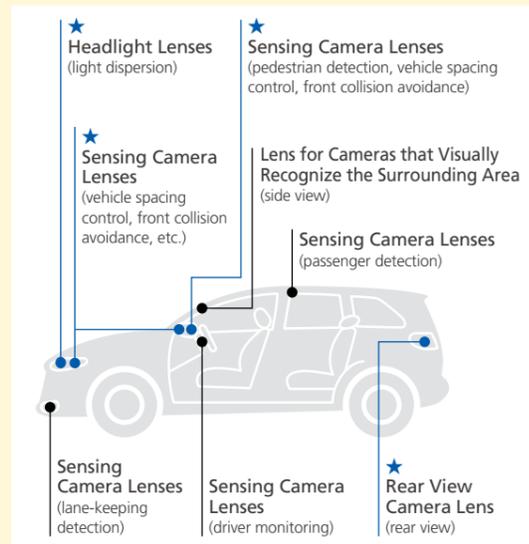
Strategies by Segment

Value Creation Initiatives

In anticipation of the coming autonomous driving-based society, Tamron is working on the development of a range of automotive lenses.

The lenses used in automotive cameras largely fall into two categories, those for visibility cameras such as rear view cameras, and those for sensing cameras applied to ADAS and autonomous driving to recognize lane markers, monitor the driver and perform other functions. Other automotive lenses include those used for headlights.

To date, Tamron has supplied lens for applications denoted by the ★ mark in the diagram on the right. Moving forward, we will also focus on developing automotive lenses for new applications towards the realization of an autonomous driving society in the future.



Drones Lenses

Related SDGs



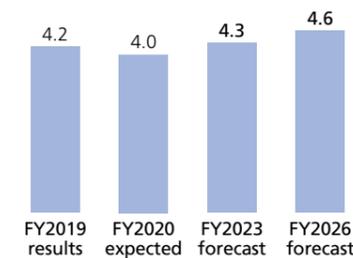
Product Application
Consumer Use (Filming, enthusiast use)
Industrial Use (Transportation, agriculture, surveying, inspection, etc.)

Segment Characteristics

Market Conguration
The market is an oligopoly made up of several major companies. Tamron supplies lenses directly to these major drone manufacturers.

Related Social Issues
• Ensuring distribution in lightly populated areas
• Improving productivity in livestock and agriculture, collecting various observational data for disaster prevention purposes

Drone market forecast (Million units) (Production volume)



Source: 2021 Imaging & Sensing Market Survey, Fuji Chimera Research Institute

2020 Overview

Market Situation

Consumer Use	Growth will be blunted due to turned growth cycle
Industrial Use	Expansionary trend

2020 Results

In 2020, net sales decreased by 45% year on year to 600 million yen due to the fact that there were no new mass-produced models and sales from orders for existing models were sluggish.

Future Strategy

While consumer market growth is slowing, the market for industrial applications is expected to continue to grow in the future. We will seek to expand the scale of our business by

leveraging our collaborative relationships with major drone manufacturers, technologies developed in the consumer drone market, and know-how and assets from other fields.

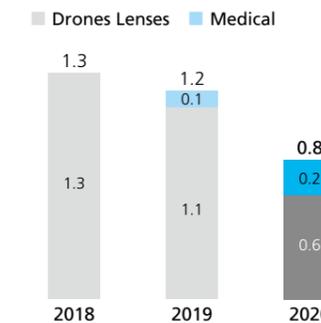
Lenses for Medical Applications

Related SDGs



Summary of Business Results

Net Sales (Billion yen)



Market Characteristic

- Manufacturers supplying components face relatively low barriers to entry
- Resilient to economic fluctuations

Related Social Issues

- Improved quality of medical care Medical devices related to minimally invasive procedures*, particularly in medical procedures such as diagnosis, examination and surgery, have started to be introduced.

* Minimally invasive procedures are medical procedures that take a reduced (less invasive) toll on a patient's body

2020 Overview

Market Situation

Trends	<ul style="list-style-type: none"> • Due to the advance of extreme population aging and the increase in middle income groups, the market is on track for long-term expansion. • As a result of global pandemics such as the COVID-19 pandemic, immediate inspection needs in clinical workplaces are increasing.
Medical Device Market	<ul style="list-style-type: none"> • The annual growth rate of the medical device market has hovered at around 6% (2015 to 2020)

2020 Results

Although our sales activities were restricted due to the impact of the COVID-19 pandemic, we worked to build strong co-creative relationships with customers using online approaches. In addition, sales of models for which we began mass production in 2019 grew to a full-scale level, resulting in net sales of 170 million yen, a year on year increase of 183%.

Future Strategy

We plan to grow the business to a scale of 700 million yen in net sales by 2023. In order to do so, we will work to strengthen investment and elemental technology development to secure new business opportunities while seeking to steadily grow our existing business. We will also aim to enter the diagnostics and

analysis field, with a core focus on the optical, spectroscopy and fluorescence observation technologies that we have cultivated so far.

Value Creation Initiatives

We develop a variety of products to meet high-quality health care solutions needs. In the field of optical technology, for example, we are engaged in technical development efforts to achieve higher resolution and miniaturization with minimal invasion. In the fields of spectroscopy and fluorescence observation technology, we are advancing technology developments to more clearly visualize diseased areas and cells that were not visible to the human eye. Through these innovations, we will create one-of-a-kind products and contribute to the development of advanced medical technologies and the improvement of patient Quality of Life (QoL).