

TAMRON

Focus on the Future

1st Quarter FY2024 Financial Results

April 26, 2024

Tamron Co., Ltd. (Code: 7740)



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I . 1st Quarter FY2024 Financial Results

I - 1 . 1st Quarter FY2024 Summary

Environment

Economy

- ◆ Moderate economic recovery despite some stagnation in overseas economies
- ◆ Uncertainty continues due to geopolitical risks such as the prolonged situation in Russia and the tense situation in the Middle East, as well as the sluggish real estate market in China.
- ◆ Significant depreciation of JPY (compared to the previous year, USD depreciated by ¥16 and EUR depreciated by ¥19)
- ◆ Higher material costs due to higher raw material costs and soaring energy prices

Market

- ◆ In the interchangeable lens camera market, although DSLR cameras were weak, mirrorless cameras performed well, resulting in an overall double-digit increase on a volume and value basis.
- ◆ Interchangeable lenses market showed double-digit growth on both volume and value basis, reflecting the strong performance of the camera market.
- ◆ In the surveillance sector, efforts to optimize inventory levels at camera manufacturers continued due to easing of semiconductor shortages.

Company's Results

- ◆ Net Sales increased significantly by **approximately 1.4 times** YoY: **Achieved Net Sales of more than 4th quarter, the sales season**

The overall Net Sales increase attribute to significant Net Sales increase in mainstay Photographic Products Segment and Mobility & Healthcare Products, Others Segment led by Automotive lens business, in addition to favorable impact of weaker yen.

- ◆ The increase in SG&A expenses due to the strengthening of advertising and sales promotions, the strengthening of R&D, and the rise in personnel expenses were absorbed by the increase in gross profit due to the increase in sales.

- ◆ Operating Income increased significantly by **approximately 1.7 times** YoY : **Significant record-high profits for the 1st quarter**

Topics

- ◆ From Feb. to Mar.: **Repurchase treasury shares of ¥2 billion** to enhance shareholder returns, improve capital efficiency, and implement flexible capital policies
- ◆ Apr. : **Announced development of our 1st Canon RF lens, which will be launched within 2024**

I - 2 . 1st Quarter FY2024 Financial Results

- ◆ Sales of mainstay Photographic Products Segment increased by approximately 1.5 times, and sales of Mobility & Healthcare Products, Others Segment led by Automotive Lenses, increased by approximately 1.7 times, driving overall Net Sales
- ◆ Maintain gross profit margin at the same level as the previous year due to curtailment of materials costs, cost reductions, etc.
- ◆ Gross profit increased due to a large increase in Net Sales, and SG&A expenses were kept to 10% of the increase, which was much lower than the rate of increase in Net Sales. **Operating Income on Net Sales improved by about 5pt, to 20% or more.**

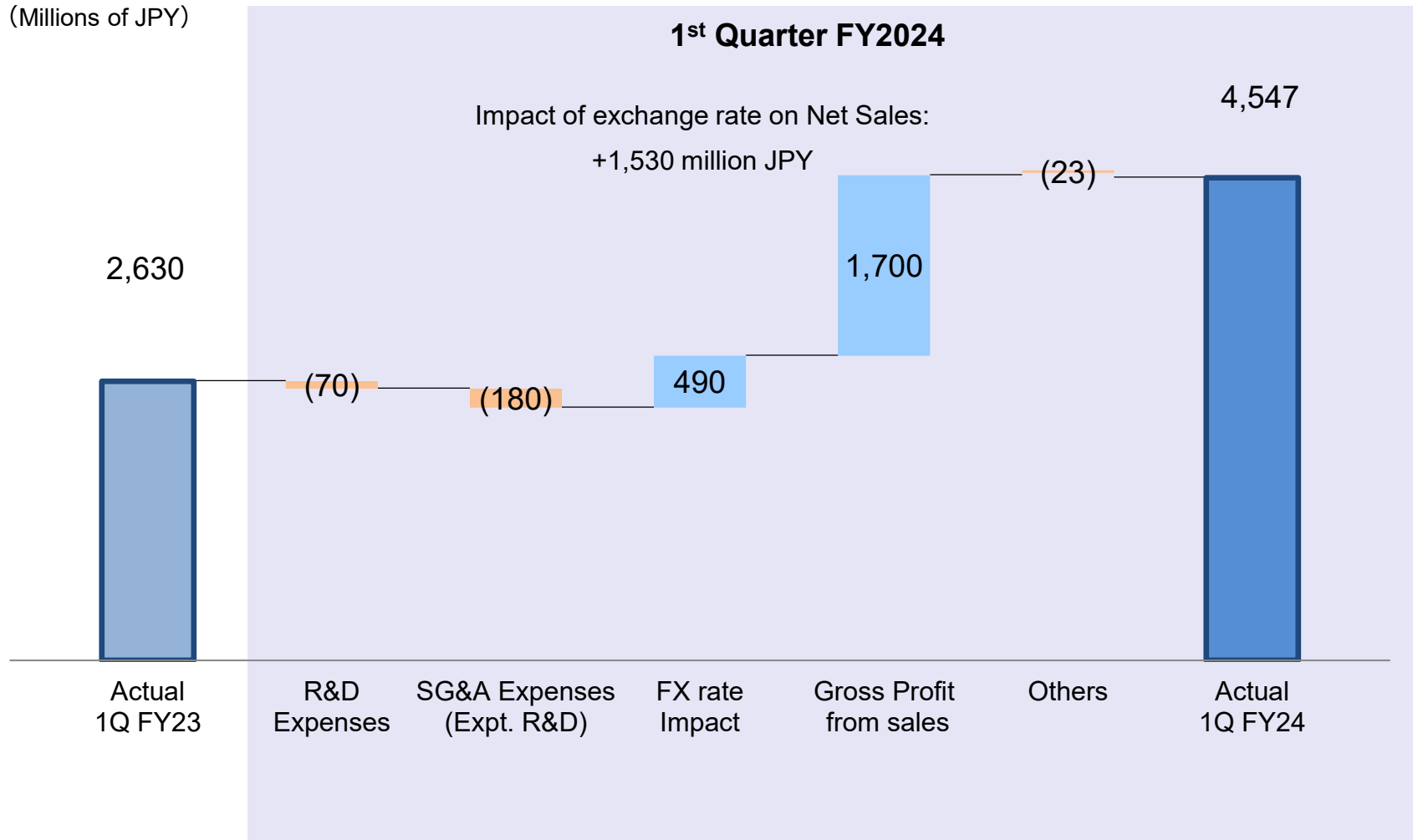
| (Millions of JPY) | 1Q FY23 | 1Q FY24 | VS. 1Q FY23 | |
|-------------------------|---------------|---------------|--------------|--------------|
| | | | Inc./Dec. | % |
| Net Sales | 14,521 | 19,819 | 5,297 | 36.5% |
| Gross Profit | 6,562 | 8,882 | 2,319 | 35.4% |
| (% Sales) | 45.2% | 44.8% | (0.4)% | - |
| Operating Income | 2,630 | 4,547 | 1,917 | 72.9% |
| (% Sales) | 18.1% | 22.9% | 4.8% | - |
| Ordinary Income | 2,589 | 4,598 | 2,008 | 77.6% |
| (% Sales) | 17.8% | 23.2% | 5.4% | - |
| Net Income | 2,347 | 3,344 | 996 | 42.5% |
| (% Sales) | 16.2% | 16.9% | 0.7% | - |
| USD/JPY | 132.44 | 148.63 | 16.19 | - |
| EUR/JPY | 142.23 | 161.38 | 19.15 | - |

I - 3 . Factors Affecting Operating Income Variability

Both of Net sales and Operating Income increased in double digit even without favorable foreign exchange effects

(Net Sales increased by approximately 1.4 times and Operating Income Increased by approximately 1.7 times YoY)

(Millions of JPY)



I - 4 . 1st Quarter FY2024 Results by Segment

① Photographic Products

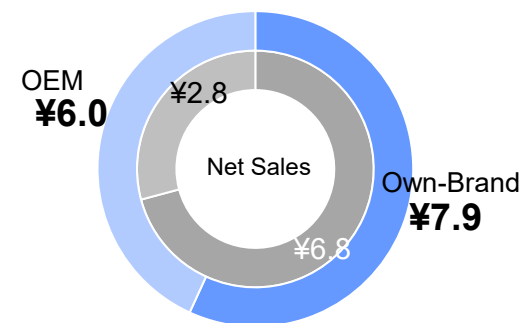
- ◆ Sales of Own-Brand products **increased by double digits, even excluding favorable foreign exchange effects**, due to the impact of the launch of a new models last year and continued strong performance in the domestic and Chinese markets.
- ◆ Sales of OEM products **more than doubled** due to strong performance from the second half of the previous fiscal year.
- ◆ **Operating Income increased significantly by approximately 1.5 times due to higher profit margin.**

| (Millions of JPY) | 1Q FY23 | 1Q FY24 | VS. 1Q FY23 | | VS. 1Q FY23 |
|-------------------------|--------------|---------------|--------------|--------------|-------------|
| | | | Inc./Dec. | % | FX Impact |
| Net Sales | 9,615 | 13,944 | 4,328 | 45.0% | 980 |
| Operating Income | 2,666 | 4,019 | 1,353 | 50.8% | 230 |
| (% Sales) | 27.7% | 28.8% | 1.1% | - | - |

Sales Breakdown

| (Billions of JPY) | 1Q FY23 | 1Q FY24 | VS. 1Q FY23 | |
|-------------------|------------|------------|-------------|---------------|
| | | | Inc./Dec. | % |
| Own-Brand | 6.8 | 7.9 | 1.1 | 16.6% |
| OEM | 2.8 | 6.0 | 3.2 | 114.6% |

| Market environment VS.2022 | quantify | money |
|------------------------------------|----------|-------|
| SLR cameras | (10)% | (4)% |
| Mirrorless cameras | 28% | 33% |
| Interchangeable lens cameras Total | 19% | 29% |
| Interchangeable lenses | 13% | 23% |



Inner circle: 1Q FY23
Outer circle: 1Q FY24

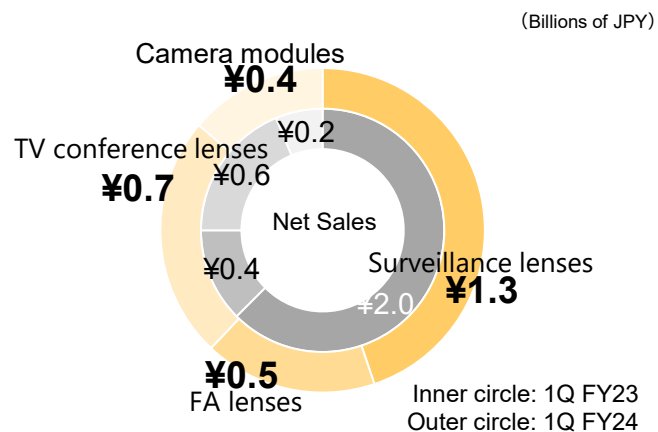
② Surveillance & FA Lenses

- ◆ Sales of Surveillance lenses decreased due to continued efforts to optimize inventory levels at camera manufacturers.
- ◆ Sales of FA lenses continually increased driven by the expansion of the lineup.
- ◆ Sales of Camera Module increased due to significant contribution of new models launched in last year, and sales of TV conference lenses increased with the elimination of inventory adjustments at customers.
- ◆ Despite lower sales, **Operating Income significantly increased by approximately 1.5 times** due to product mix improvement and cost control, etc.

| (Millions of JPY) | 1Q FY23 | 1Q FY24 | VS. 1Q FY23 | | VS. 1Q FY23 |
|-------------------------|--------------|--------------|--------------|---------------|-------------|
| | | | Inc./Dec. | % | FX Impact |
| Net Sales | 3,215 | 2,939 | (276) | (8.6)% | 300 |
| Operating Income | 288 | 428 | 139 | 48.4% | 170 |
| (% Sales) | 9.0% | 14.6% | 5.6% | - | - |

Sales Breakdown

| (Billions of JPY) | 1Q FY23 | 1Q FY24 | VS. 1Q FY23 | |
|-----------------------------|------------|------------|--------------|----------------|
| | | | Inc./Dec. | % |
| Surveillance lenses | 2.0 | 1.3 | (0.7) | (37.0)% |
| FA lenses, etc. | 0.4 | 0.5 | 0.1 | 20.6% |
| TV conference lenses | 0.6 | 0.7 | 0.1 | 36.8% |
| Camera Module | 0.2 | 0.4 | 0.2 | 79.1% |



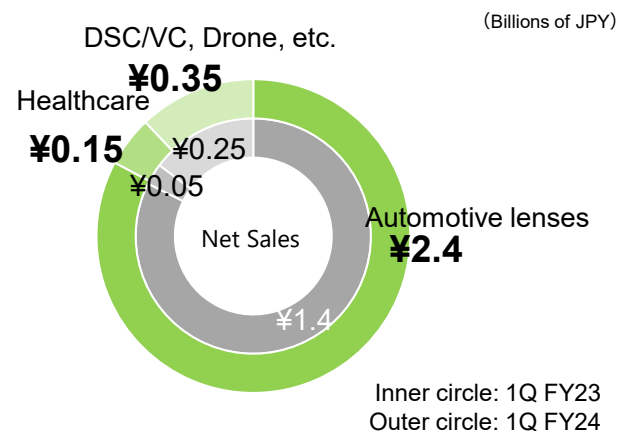
③ Mobility & Healthcare, Others

- ◆ Sales of Automotive lenses **increased significantly by more than 70%** due to strong demand mainly for sensing applications due to the popularization of Advanced Driving Assistant System (ADAS).
- ◆ Sales of Healthcare components in the cultivation field **increased by approximately 3 times** due to the increased lineup.
- ◆ While cultivating new fields, profit margins improved with the strong sales of mainstay automotive lenses, resulting in a **significant Operating Income increase of approximately 2.6 times**.

| (Millions of JPY) | 1Q FY23 | 1Q FY24 | VS. 1Q FY23 | | VS. 1Q FY23 FX Impact |
|-------------------------|--------------|--------------|--------------|---------------|--------------------------|
| | | | Inc./Dec. | % | |
| Net Sales | 1,690 | 2,935 | 1,245 | 73.6% | 250 |
| Operating Income | 284 | 729 | 444 | 156.3% | 90 |
| (% Sales) | 16.8% | 24.8% | 8.0% | - | - |

Sales Breakdown

| (Billions of JPY) | 1Q FY23 | 1Q FY24 | VS. 1Q FY23 | |
|------------------------------|-------------|-------------|-------------|---------------|
| | | | Inc./Dec. | % |
| Automotive lenses | 1.4 | 2.4 | 1.0 | 73.3% |
| Healthcare components | 0.05 | 0.15 | 0.1 | 217.8% |
| DSC/VC, Drone, etc. | 0.25 | 0.35 | 0.1 | 41.7% |

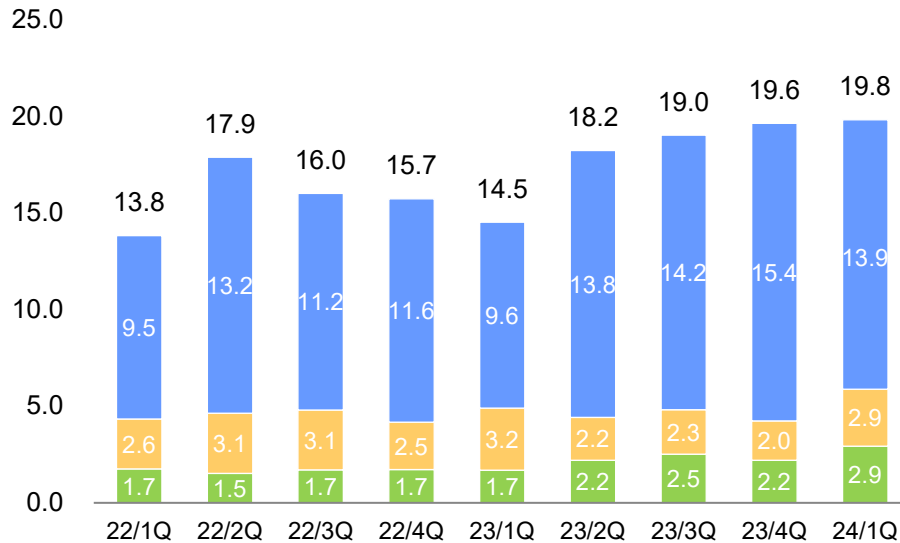


Summary of revenue and operating income by segment

| (Millions of JPY) | | 1Q FY23 | YoY (%) | 2Q FY23 | YoY (%) | 3Q FY23 | YoY (%) | 4Q FY23 | YoY (%) | 1Q FY24 | YoY (%) |
|--|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Photographic Products | Net Sales | 9,615 | 1.3 | 13,809 | 4.3 | 14,207 | 26.6 | 15,399 | 33.2 | 13,944 | 45.0 |
| | Operating Income | 2,666 | 20.0 | 3,839 | 8.3 | 3,948 | 30.0 | 3,553 | 51.0 | 4,019 | 50.8 |
| Surveillance & FA Lenses | Net Sales | 3,215 | 24.5 | 2,216 | (28.7) | 2,312 | (25.1) | 2,041 | (16.8) | 2,939 | (8.6) |
| | Operating Income | 288 | 37.8 | 286 | (39.4) | 102 | (78.8) | 37 | (83.6) | 428 | 48.4 |
| Mobility & Healthcare Products, Others | Net Sales | 1,690 | (3.1) | 2,203 | 44.8 | 2,510 | 47.0 | 2,202 | 28.5 | 2,935 | 73.6 |
| | Operating Income | 284 | 13.5 | 385 | 123.8 | 507 | 41.9 | 314 | 12.0 | 729 | 156.3 |
| Total | Net Sales | 14,521 | 5.1 | 18,230 | 2.0 | 19,031 | 18.8 | 19,642 | 24.9 | 19,819 | 36.5 |
| | Operating Income | 2,630 | 26.4 | 3,847 | 7.1 | 3,704 | 18.9 | 3,425 | 52.2 | 4,547 | 72.9 |

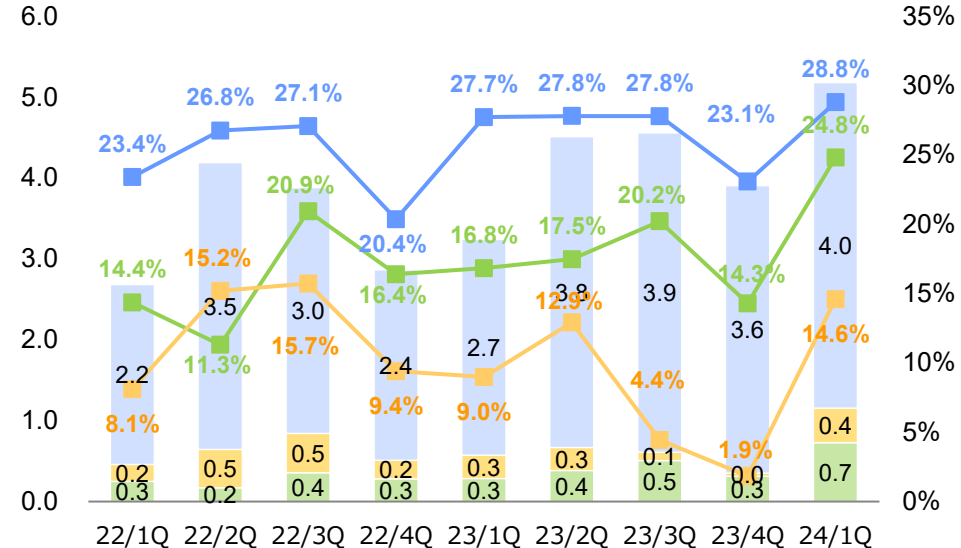
Net Sales

(Billions of JPY)



Operating Income/ Operating Income ratio

(Billions of JPY)





II. 1st Half Revised Financial Forecast & Full Year Financial Forecast FY2024

II - 1 . Financial Forecast FY2024 (1st Half & Full Year)

Both sales and profit have been revised upward by double digits in the first half due to strong sales, the positive impact of the weaker yen, and the first quarter results far exceeding plan.

⇒ Revenues up 5% and Operating Income down forecast to change to double-digit Net Sales and Operating Income growth forecast

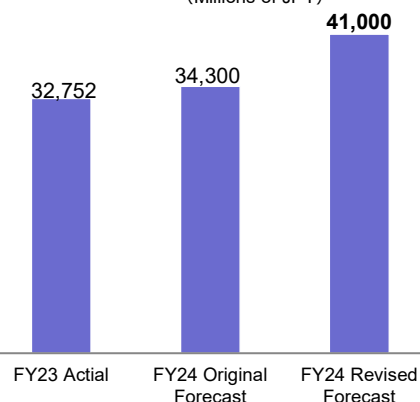
Although the full-year forecasts are unchanged due to uncertainties in future trend at this point, the forecast will be revised in light of the progress in 1st half results and trends in 2nd half.

| (millions of JPY) | Actual 1 st Half FY23 | Original Forecast 1 st Half FY24 | Revised Forecast 1 st Half FY24 | Vs. FY23 | | Vs. Original Forecast | |
|-----------------------------|-------------------------------------|---|--|--------------|--------------|--------------------------|--------------|
| | | | | Inc./Dec. | % | Inc./Dec. | % |
| Net Sales | 32,752 | 34,300 | 41,000 | 8,247 | 25.2% | 6,700 | 19.5% |
| Operating Income | 6,477 | 6,200 | 8,400 | 1,922 | 29.7% | 2,200 | 35.5% |
| (% Sales) | 19.8% | 18.1% | 20.5% | 0.7% | - | 2.4% | - |
| Ordinary Income | 6,891 | 6,200 | 8,400 | 1,508 | 21.9% | 2,200 | 35.5% |
| (% Sales) | 21.0% | 18.1% | 20.5% | (0.6)% | - | 2.4% | - |
| Net Income | 5,329 | 4,650 | 6,300 | 970 | 18.2% | 1,650 | 35.5% |
| (% Sales) | 16.3% | 13.6% | 15.4% | (0.9)% | - | 1.8% | - |
| USD/JPY | 135.01 | 140.00 | 144.32 | 9.31 | - | 4.32 | - |
| EUR/JPY | 145.99 | 152.00 | 156.69 | 10.70 | - | 4.69 | - |

| Actual Full-Year FY23 | Forecast Full-Year FY24 | Vs. FY23 | |
|-----------------------------|-------------------------------|--------------|---------------|
| | | Inc./Dec. | % |
| 71,426 | 75,500 | 4,073 | 5.7% |
| 13,607 | 14,300 | 692 | 5.1% |
| 19.1% | 18.9% | (0.2)% | - |
| 13,972 | 14,300 | 327 | 2.3% |
| 19.6% | 18.9% | (0.7)% | - |
| 10,812 | 10,730 | (82) | (0.8)% |
| 15.1% | 14.2% | (0.9)% | - |
| 140.68 | 140.00 | (0.68) | - |
| 152.17 | 152.00 | (0.17) | - |

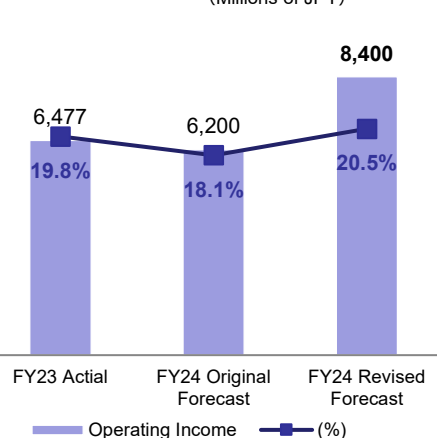
1st Half Net Sales

(Millions of JPY)



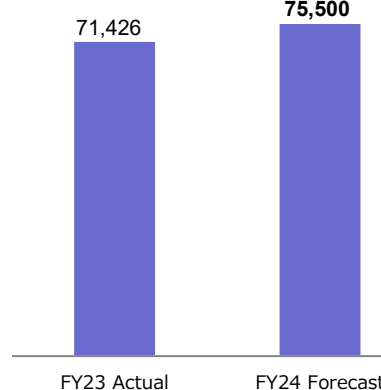
1st Half Operating Income

(Millions of JPY)



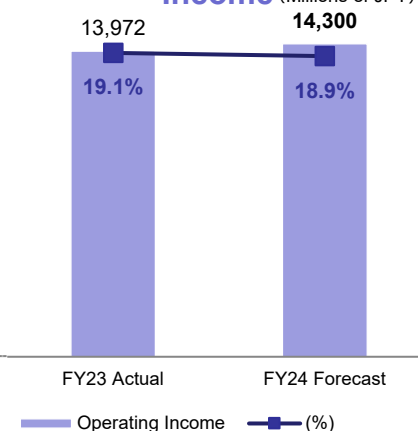
Full-Year Net Sales

(Millions of JPY)



Full-Year Operating Income

(Millions of JPY)



II - 2 . Financial Forecast FY2024 (1st Half & Full Year) by Segment

① Photographic Products

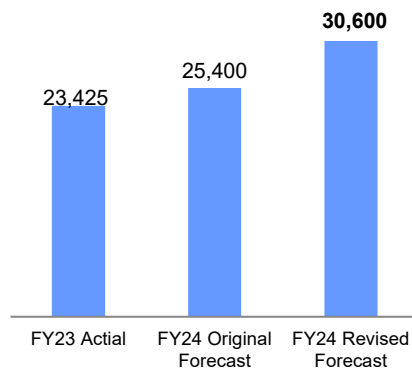
- ◆ Both in Own-Brand products and OEM products, **double-digit upward revision of Original Forecast to double-digit sales growth**
- ◆ Despite of increase in materials costs due to higher raw material costs, planned to achieve **double-digit Operating Income growth with high profitability**

| (Millions of JPY) | Actual 1 st Half FY23 | Original Forecast 1 st Half FY24 | Revised Forecast 1 st Half FY24 | Vs. FY23 | | Vs. Original Forecast | | Actual Full Year FY23 | Forecast Full Year FY24 | Vs. FY23 | |
|-------------------------|-------------------------------------|---|--|-----------|-------|-----------------------|-------|-----------------------------|-------------------------------|-----------|------|
| | | | | Inc./Dec. | % | Inc./Dec. | % | | | Inc./Dec. | % |
| Net Sales | 23,425 | 25,400 | 30,600 | 7,174 | 30.6% | 5,200 | 20.5% | 53,032 | 54,500 | 1,467 | 2.8% |
| Operating Income | 6,506 | 6,700 | 8,300 | 1,794 | 27.6% | 1,600 | 23.9% | 14,008 | 15,000 | 991 | 7.1% |
| (% Sales) | 27.8% | 26.4% | 27.1% | (0.7)% | - | 0.7% | - | 26.4% | 27.5% | 1.1% | - |

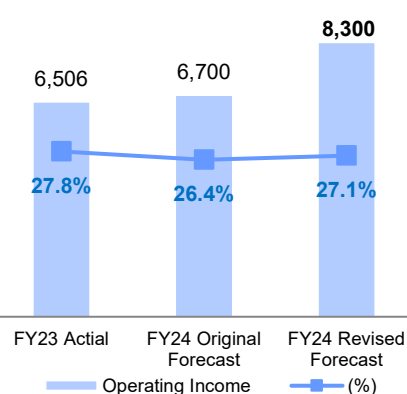
Sales Breakdown

| (Billions of JPY) | Actual 1 st Half FY23 | Original Forecast 1 st Half FY24 | Revised Forecast 1 st Half FY24 | Vs. FY23 | | Vs. Original Forecast | | Actual Full Year FY23 | Forecast Full Year FY24 | Vs. FY23 | |
|-------------------|-------------------------------------|---|--|-----------|-------|-----------------------|-------|-----------------------------|-------------------------------|-----------|--------|
| | | | | Inc./Dec. | % | Inc./Dec. | % | | | Inc./Dec. | % |
| Own-Brand | 15.7 | 15.6 | 17.5 | 1.8 | 11.4% | 1.9 | 12.2% | 32.8 | 35.2 | 2.4 | 7.4% |
| OEM | 7.7 | 9.8 | 13.1 | 5.4 | 69.7% | 3.3 | 33.7% | 20.2 | 19.3 | (1.0) | (4.8)% |

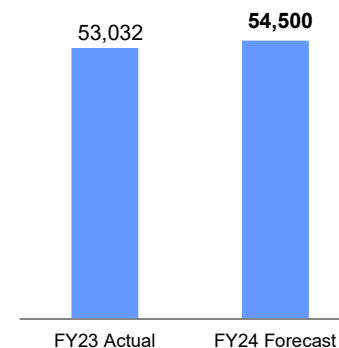
1st Half Net Sales



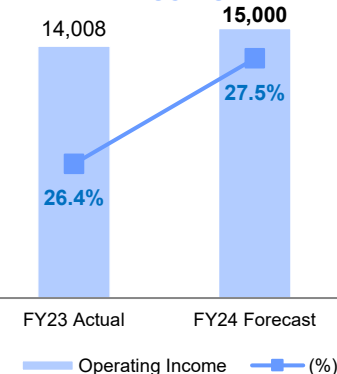
1st Half Operating Income



Full-Year Net Sales




















Full-Year Operating Income



Number of new models launched annually :

Before 2023: Approximately 5 new models ⇒ Original plan for 2024: 6 new models ⇒ **Revised plan for 2024: 7 new models**

Photographic Products-New Models

| | 2021 | | 2022 | | 2023 | |
|-----------------|--|---|---|--|--|---|
| Wide-angle Zoom | <p>June</p>  <p>11-20mm F/2.8 RXD (B060)</p> | | | | <p>May</p>  <p>11-20mm F/2.8 RXD (B060) The 4th model for FUJIFILM X-mount</p> | |
| Standard Zoom | <p>Jan.</p>  <p>17-70mm F/2.8 VC RXD (B070)</p> | <p>Oct.</p>  <p>28-75mm F/2.8 VXD G2 (A063)</p> | <p>Jul.</p>  <p>17-70mm F/2.8 VC RXD (B070) The 2nd model for FUJIFILM X-mount</p> | <p>Oct.</p>  <p>20-40mm F/2.8 VXD (A062)</p> | <p>Oct.</p>  <p>17-50mm F/4 VXD (A068) For Sony E-mount</p> | |
| Telephoto Zoom | <p>June</p>  <p>150-500mm F/5-6.7 VC VXD (A057)</p> | <p>Oct.</p>  <p>35-150mm F/2-2.8 VXD (A058)</p> | <p>Sep.</p>  <p>50-400mm F/4.5-6.3 VC VXD (A067)</p> | <p>Oct.</p>  <p>150-500mm F/5-6.7 VC VXD (A057) The 3rd model for FUJIFILM X-mount</p> | <p>Sep.</p>  <p>35-150mm F/2-2.8 VXD (A058) The 2nd model for Nikon Z-mount</p> | <p>Oct.</p>  <p>70-180mm F/2.8 VC VXD G2 (A065) For Sony E-mount</p>  <p>150-500mm F/5-6.7 VC VXD (A057) The 3rd model for Nikon Z-mount</p> |
| All-in-one Zoom | <p>Sep.</p>  <p>For Sony E-mount</p> <p>18-300mm F/3.5-6.3 VC VXD (B061) Developed our 1st model for Fujifilm X-mount and model for Sony E-mount at the same time.</p> | <p>Oct.</p>  <p>For FUJIFILM X-mount</p> | <p>Planned to launch 7 new models in 2024</p> <p>Apr.</p>  <p>28-75mm F/2.8 VXD G2 (Model A063) The 4th model for Nikon Z-mount</p> <p>To be Launch in 2024</p> <p>Our 1st model for CANNON RF-mount</p> <p>Small and lightweight, an ultra wide-angle zoom lens with a maximum aperture of F2.8 across its full range of focal lengths.</p> <p>11-20mm F/2.8 RXD G2 (Model B060)</p> | | | |

② Surveillance & FA Lenses

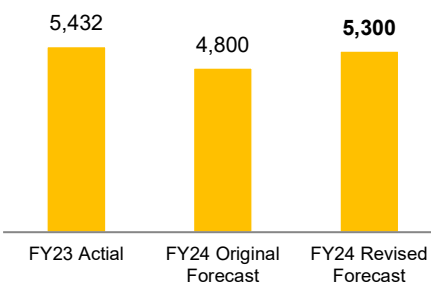
- ◆ Although inventory adjustments at customers are gradually being eliminated, sales of Surveillance lenses are expected to decrease due to the impact of prolonged inventory adjustments.
- ◆ Sales of FA lenses and camera modules are expected to exceed the Original Forecast due to an expanded lineup.
- ◆ Although the 1st half forecast has been revised upward, the impact of the sluggish surveillance lenses has been significant, and the forecast is still for lower sales and Operating Income YoY. Planned to recover in 2nd half.

| (Millions of JPY) | Actual 1 st Half FY23 | Original Forecast 1 st Half FY24 | Revised Forecast 1 st Half FY24 | Vs. FY23 | | Vs. Original Forecast | | Actual Full Year FY23 | Forecast Full Year FY24 | Vs. FY23 | |
|-----------------------------|-------------------------------------|---|--|-----------|---------|-----------------------|-------|-----------------------------|-------------------------------|-----------|-------|
| | | | | Inc./Dec. | % | Inc./Dec. | % | | | Inc./Dec. | % |
| Net Sales | 5,432 | 4,800 | 5,300 | (132) | (2.4)% | 500 | 10.4% | 9,786 | 11,600 | 1,813 | 18.5% |
| Operating Income | 575 | 300 | 500 | (75) | (13.1)% | 200 | 66.7% | 716 | 1,000 | 283 | 39.6% |
| (% Sales) | 10.6% | 6.3% | 9.4% | (1.2)% | - | 3.1% | - | 7.3% | 8.6% | 1.3% | - |

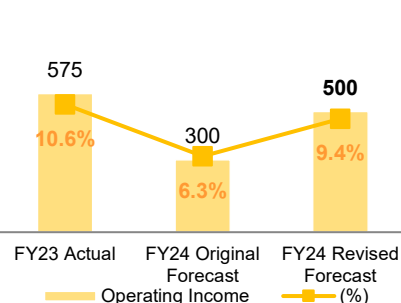
Sales Breakdown

| (Billions of JPY) | Actual 1 st Half FY23 | Original Forecast 1 st Half FY24 | Revised Forecast 1 st Half FY24 | Vs. FY23 | | Vs. Original Forecast | | Actual Full Year FY23 | Forecast Full Year FY24 | Vs. FY23 | |
|---------------------------------|-------------------------------------|---|--|-----------|---------|-----------------------|---------|-----------------------------|-------------------------------|-----------|---------|
| | | | | Inc./Dec. | % | Inc./Dec. | % | | | Inc./Dec. | % |
| Surveillance lenses | 3.4 | 2.9 | 2.6 | (0.8) | (23.6)% | (0.3) | (10.3)% | 5.9 | 6.2 | 0.3 | 4.8% |
| FA lenses, etc. | 0.8 | 1.0 | 1.1 | 0.3 | 35.7% | 0.1 | 10.0% | 1.6 | 2.6 | 1.0 | 66.8% |
| TV conference lenses | 0.7 | 0.3 | 0.8 | 0.1 | 5.5% | 0.5 | 116.7% | 1.5 | 0.6 | (0.9) | (60.3)% |
| Camera Module | 0.5 | 0.6 | 0.8 | 0.3 | 74.0% | 0.2 | 33.3% | 0.8 | 2.2 | 1.4 | 174.1% |

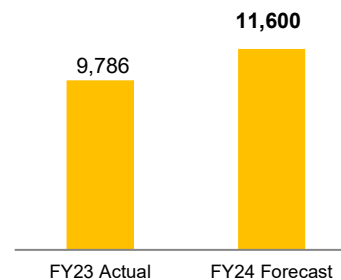
1st Half Net Sales



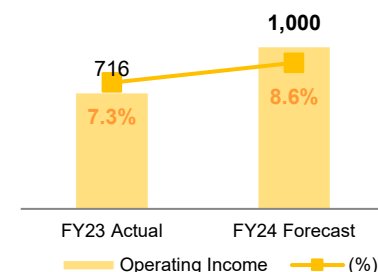
1st Half Operating Income



Full-Year Net Sales



Full-Year Operating Income



③ Mobility & Healthcare, Others

- ◆ Continued strong demand for Automotive lenses sales expected to **increase by more than 30%**
- ◆ Sales of Healthcare components are expected to **continue to increase by double digits** due to steady sales growth.
- ◆ Planning to maintain profitability at the same level as the previous year while fostering Health Care field and strengthening the development of elemental technologies in new fields.

| (Millions of JPY) | Actual 1st Half FY23 | Original Forecast 1st Half FY24 | Revised Forecast 1st Half FY24 | Vs. FY23 | | Vs. Original Forecast | |
|-----------------------------|-------------------------|---------------------------------------|--------------------------------------|--------------|--------------|-----------------------|---------------|
| | | | | Inc./Dec. | % | Inc./Dec. | % |
| Net Sales | 3,894 | 4,100 | 5,100 | 1,205 | 31.0% | 1,000 | 24.4% |
| Operating Income | 669 | 450 | 900 | 230 | 34.4% | 450 | 100.0% |
| (% Sales) | 17.2% | 11.0% | 17.6% | 0.4% | - | 6.6% | - |

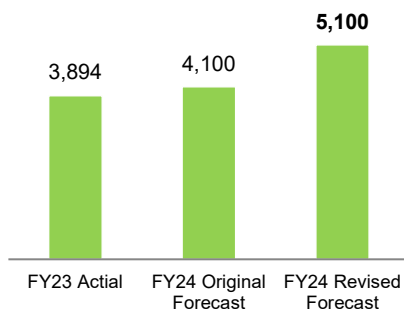
| Actual Full Year FY23 | Forecast Full Year FY24 | Vs. FY23 | |
|-----------------------------|-------------------------------|--------------|----------------|
| | | Inc./Dec. | % |
| 8,607 | 9,400 | 792 | 9.2% |
| 1,492 | 1,100 | (392) | (26.3)% |
| 17.3% | 11.7% | (5.6)% | - |

Sales Breakdown

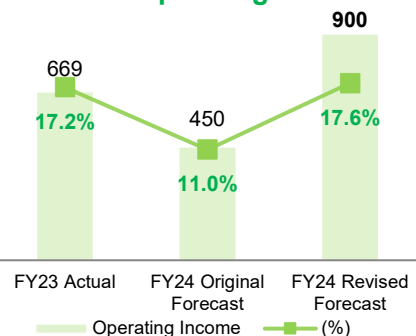
| (Billions of JPY) | Actual 1st Half FY23 | Original Forecast 1st Half FY24 | Revised Forecast 1st Half FY24 | Vs. FY23 | | Vs. Original Forecast | |
|----------------------------------|-------------------------|---------------------------------------|--------------------------------------|------------|--------------|-----------------------|---------------|
| | | | | Inc./Dec. | % | Inc./Dec. | % |
| Automotive lenses | 3.1 | 3.5 | 4.2 | 1.1 | 34.2% | 0.7 | 20.0% |
| Healthcare components | 0.26 | 0.3 | 0.3 | 0.0 | 15.0% | - | -% |
| DSC/VC, Drone, etc. | 0.5 | 0.3 | 0.6 | 0.1 | 18.9% | 0.3 | 100.0% |

| Actual Full Year FY23 | Forecast Full Year FY24 | Vs. FY23 | |
|-----------------------------|-------------------------------|--------------|----------------|
| | | Inc./Dec. | % |
| 7.1 | 8.0 | 0.9 | 11.9% |
| 0.4 | 0.7 | 0.3 | 80.3% |
| 1.1 | 0.7 | (0.4) | (34.6)% |

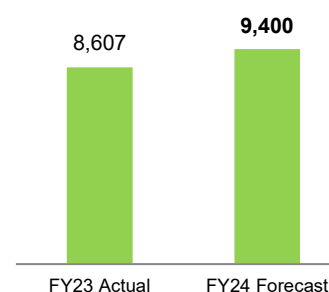
1st Half Net Sales



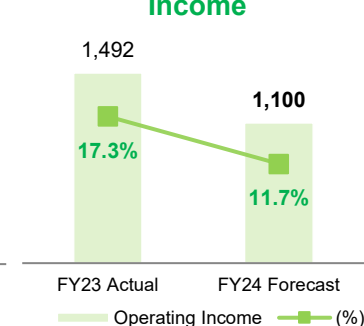
1st Half Operating Income



Full-Year Net Sales



Full-Year Operating Income



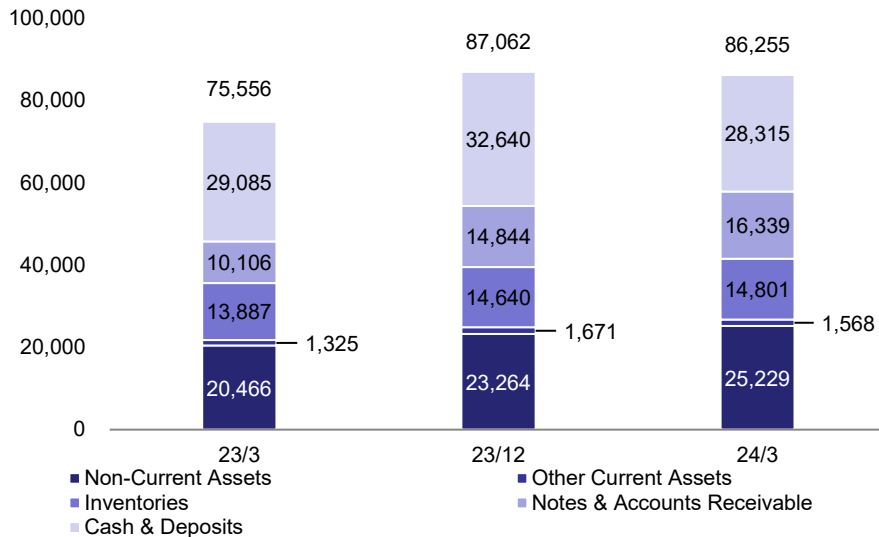
III. Reference Data



III - 1 . Financial Summary

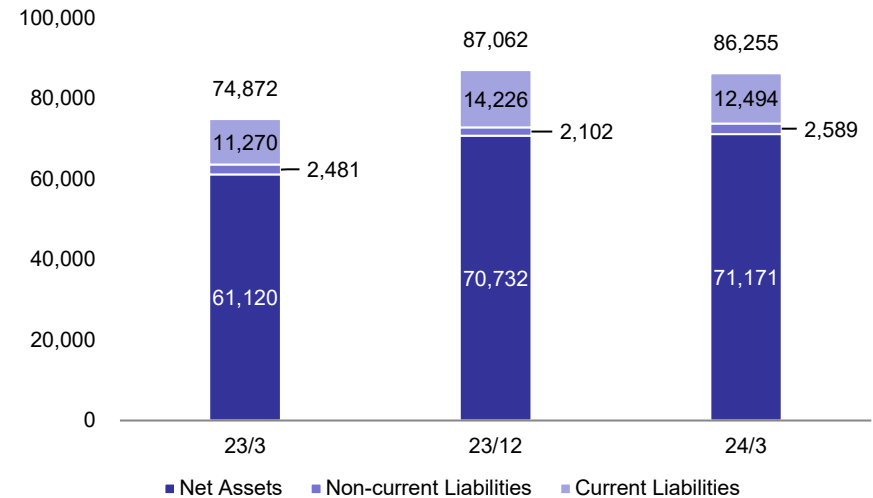
Assets

(Millions of JPY)

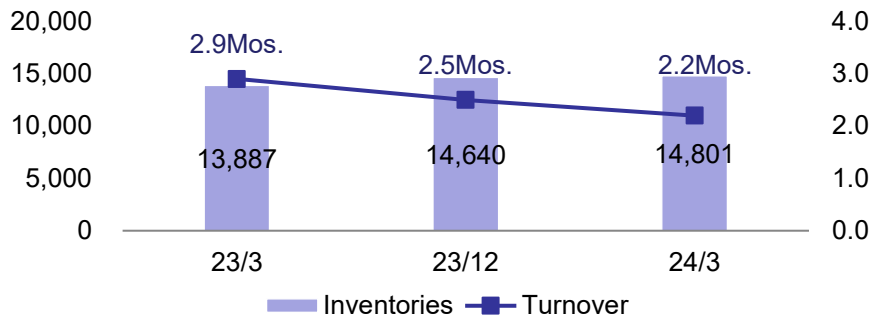


Liabilities · Net Assets

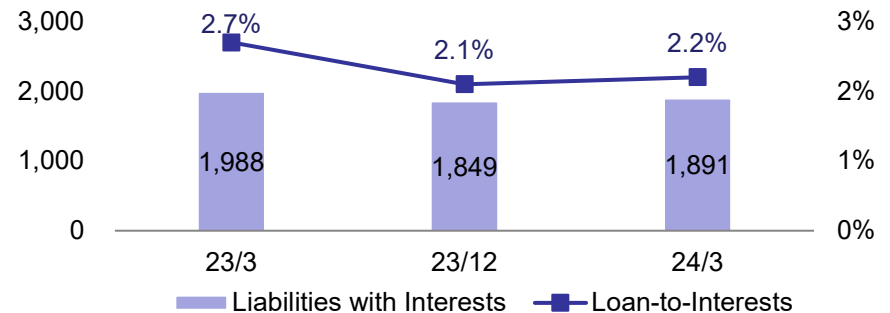
(Millions of JPY)



Inventories

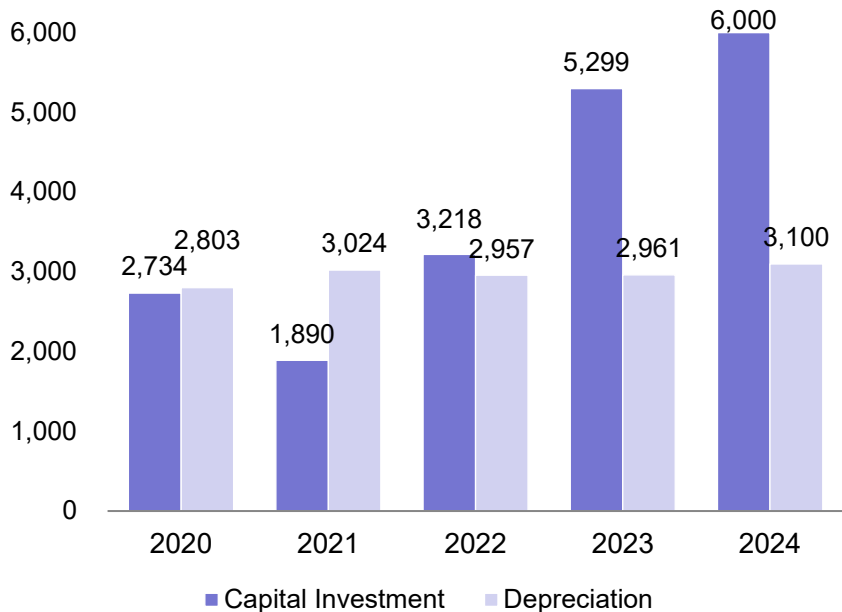
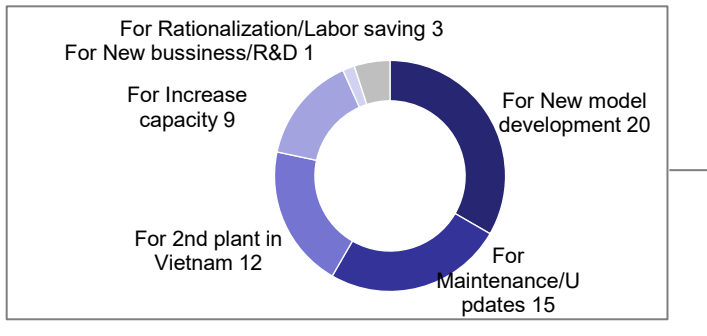


Liabilities with Interests



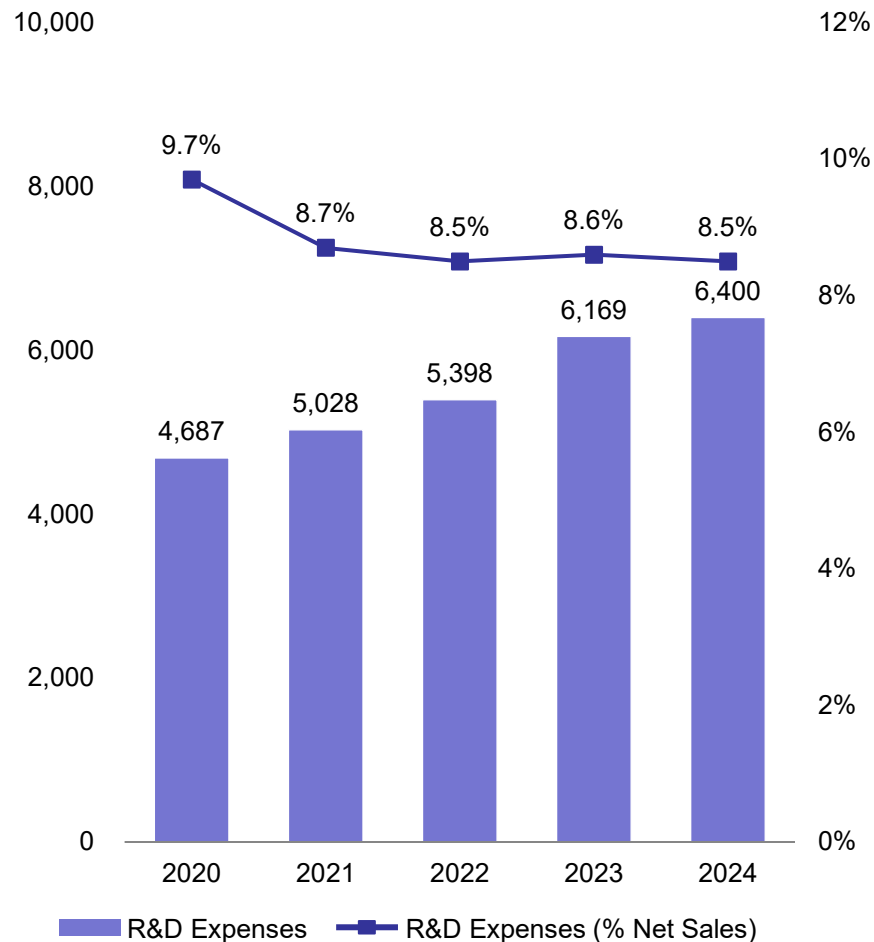
III - 2 . Capital Investment, Depreciation, and R&D Expenses

Capital Investment · Depreciation



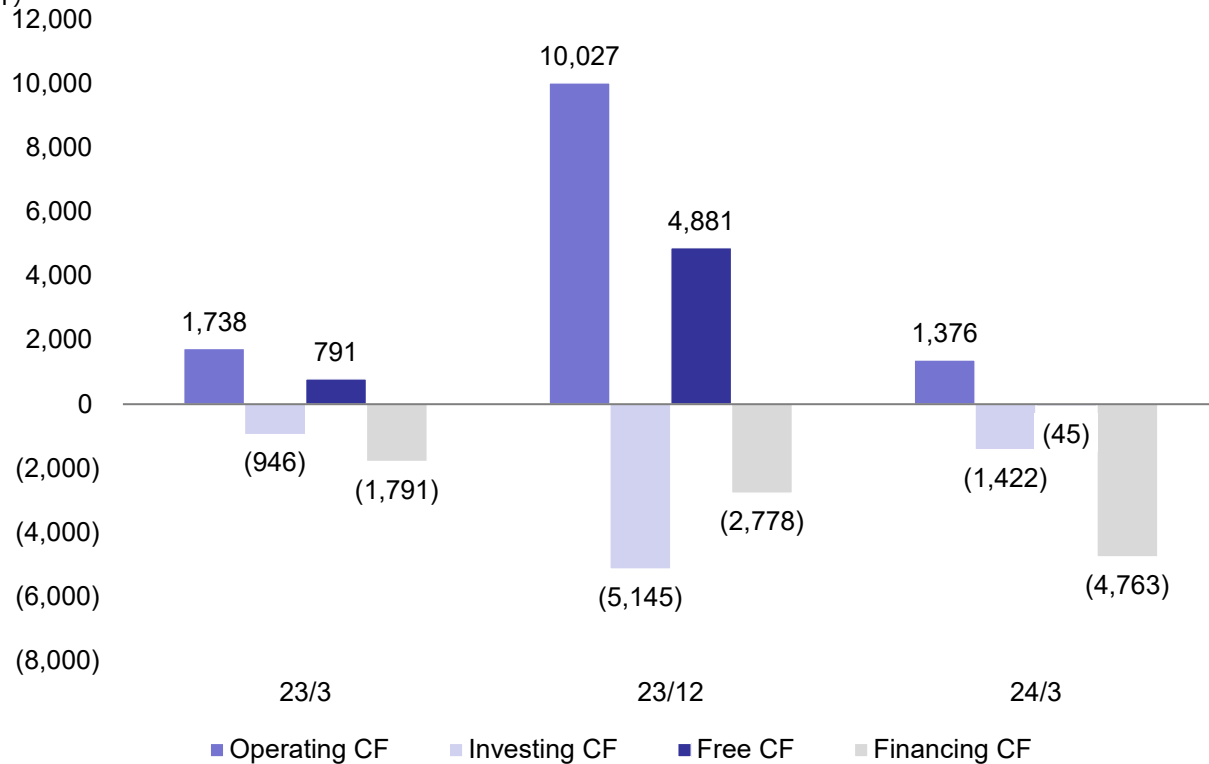
R&D Expenses

(Millions of JPY)



III - 3 . Cash Flow

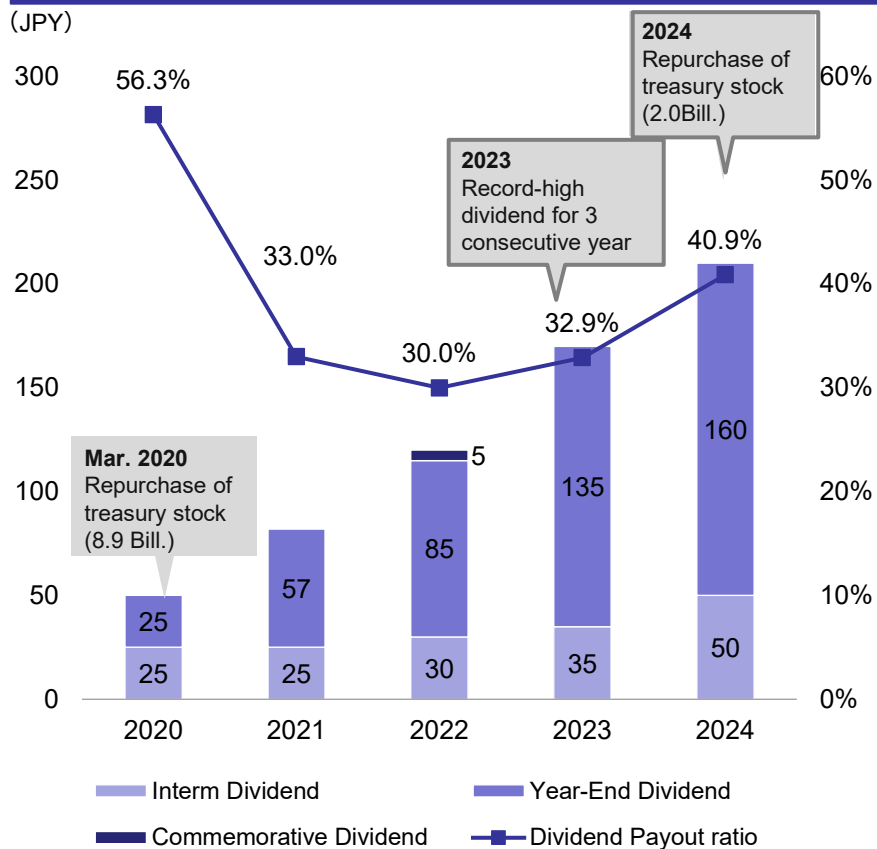
(Millions of JPY)



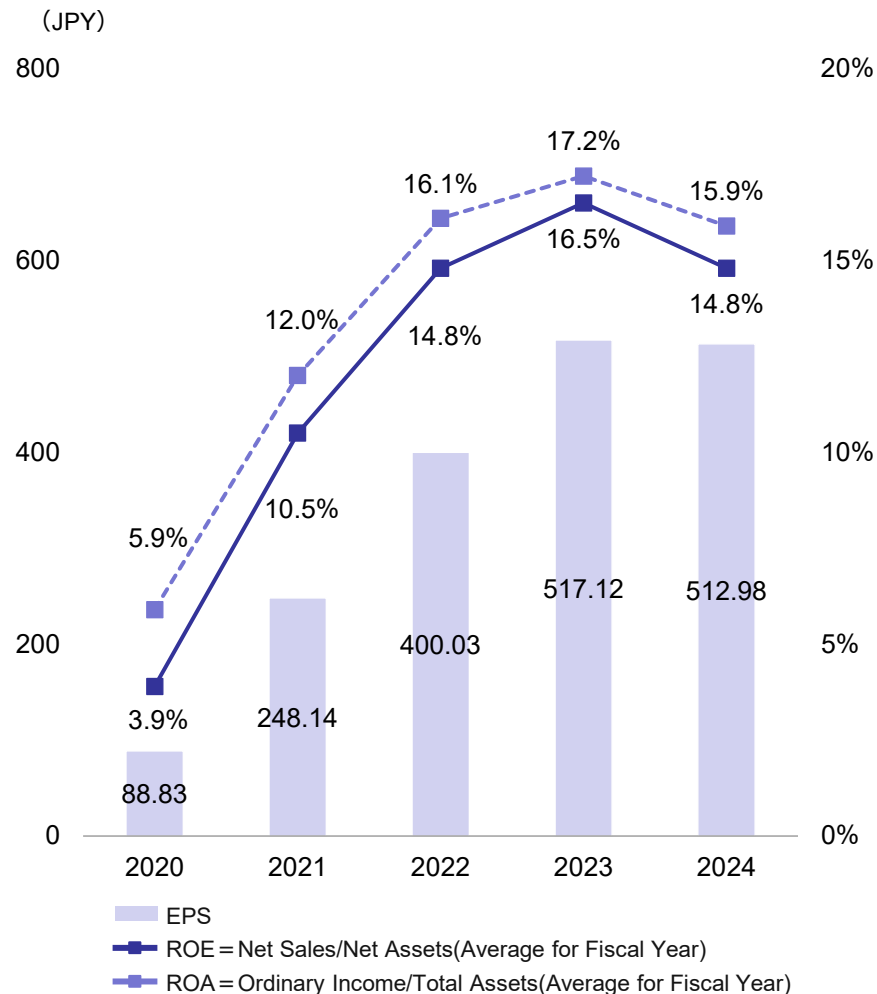
| | 23/3 | 23/12 | 24/3 |
|--|------------|--------------|-------------|
| Operating Activities CF | 1,738 | 10,027 | 1,376 |
| Investing Activities CF | (946) | (5,145) | (1,422) |
| Free CF | 791 | 4,881 | (45) |
| Financing Activities CF | (1,791) | (2,778) | (4,763) |
| Cash & Cash Equivalents at the End of Period | 29,085 | 32,640 | 28,315 |

III - 4 . Cash Dividends Outlook & Key Performance Indicators

Cash Dividends



Key Performance Indicators



Shareholder Return Strategy

- ◆ Target dividend payout ratio of **approx. 40%**
(Set a minimum **annual dividend of ¥100**)
- ◆ Aim for a **total return ratio of approx. 60%**
Conduct flexible repurchase of treasury stock

Ⅲ - 5 . Foreign exchange impact

Foreign exchange impact on 1Q FY24

| | 1Q FY23 | 1Q FY24 | Impact (Millions of JPY) | |
|---------|---------|---------|--------------------------|------------------|
| | | | Net Sales | Operating Income |
| USD/JPY | 132.44 | 148.63 | 1,110 | 170 |
| EUR/JPY | 142.23 | 161.38 | 160 | 120 |
| Others | - | - | 260 | 200 |
| Total | - | - | 1,530 | 490 |

(Foreign exchange impact on previous year results)

Foreign exchange impact of ¥1 appreciation (For full year)

| | Exchange rate assumption for the remainder of FY24 | Impact of ¥1 appreciation (Millions of JPY) | |
|---------|---|---|------------------|
| | | Net Sales | Operating Income |
| USD/JPY | 140.00 | (320) | (40) |
| EUR/JPY | 152.00 | (70) | (60) |



Disclaimer

1. The purpose of this material is to provide information on the actual results for 1Q FY2024 and future business strategies. It is not an offer or a solicitation of an offer to buy or sell securities.
2. The information provided in this material is based on the data that is obtainable at the time of publication and believed to be reasonable by the company.
3. Please note that the actual results may sometimes differ from the forecasts contained herein due to various factors.
4. The company is not liable in any ways for any damages or losses incurred in connection with the use of any information or data contained herein or provided verbally in the company's presentation.