

TAMRON



Integrated Report **2021**

for the Year Ended December 2020

Corporate Mission

Tamron creates emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society.

Corporate Vision

Carving out the future with light

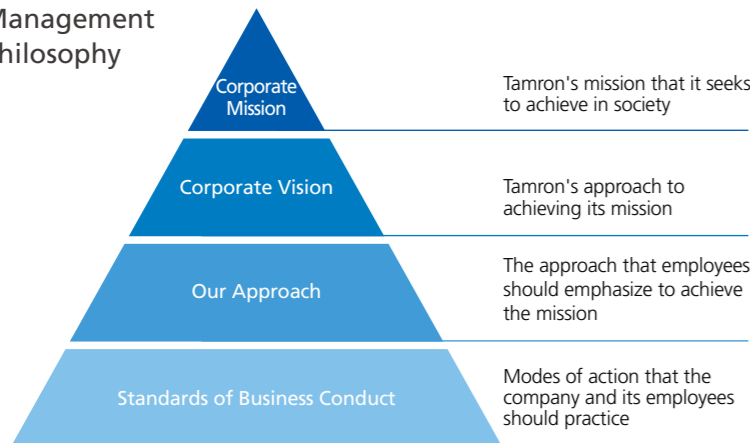
We pursue optical technologies, aiming for a fulfilling society that offers joy, emotion and reassurance.

We expand the possibilities of light by addressing many of society's issues for the future providing value around the world.

Our Approach

- Sincerity** We genuinely approach all situations fairly and equitably through careful examination of the actual location, subject and circumstances.
- Challenge** We are open-minded, unconstrained by conventional wisdom, and embrace infinite possibilities.
- Creativity** We create value, addressing many of society's issues through teamwork.

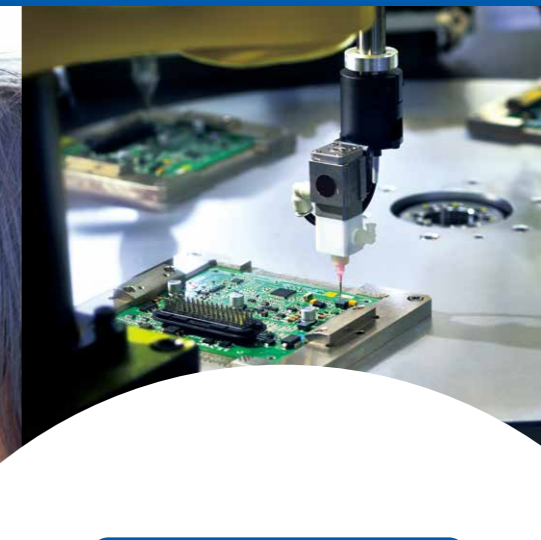
Management Philosophy



Long-Term Vision

Our vision
A company that is respected and needed by society

- Good Company
- Improving the Tamron brand
- A company with work fulfillment



Brand slogan / Statement

Focus on the Future

Tamron is focused on the future. We are committed as an optical specialist to create new value and direction in optics with our long-accumulated optical technologies and address many social issues in the future. Tamron delivers emotion and reassurance around the world toward a more fulfilling society. We will never stop rising to new challenges.



* The photo is for illustrative purposes only.

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Editorial Policy

Tamron publishes an integrated report as an important tool for communicating with shareholders, investors and other stakeholders. The report contains information on management strategies, finances, human resources and the environment strategies as a way to share details of Tamron's sustainability and growth potential. In compiling this report, we have referenced the Guidance for Collaborative Value Creation from the Ministry of Economy, Trade and Industry, and the International Integrated Reporting Framework from the International Integrated Reporting Council (IIRC). This report covers the period from January 1, 2020 to December 31, 2020 (including some information that falls outside the above period) The report concerns the 10 companies of the Tamron Group (including Tamron Co., Ltd.)

* Please refrain from reproducing the images or other information contained in this report without permission.

Tamron's Information Framework

Financial Information	Non-financial Information
Integrated Report (PDF)	
Securities Report (PDF)	Corporate Governance Report (PDF)
Financial Statements (PDF)	ESG Databook (PDF)
IR Information (Web)	CSR Information (Web)
Reference website: https://www.tamron.com/ir/	Reference website: https://www.tamron.com/csr/

Message from the President & CEO

Following the path of
light to the future of a
100-year company

President & CEO
Tamron Co., Ltd.

Shiro Ajisaka



To Our Valued Stakeholders Celebrating Our 70th Anniversary

In November 2020, Tamron observed the 70th anniversary of its founding. Since Tamron was founded in 1950, it has produced numerous revolutionary and highly unique products through a focus on optical technologies and a willingness to take on the challenge of technological innovation. Today, Tamron has grown into one of the world's few comprehensive optical manufacturers capable of deploying its end-to-end business structure from R&D to planning, design, manufacturing, sales and support on a global scale. I would like to express my heartfelt gratitude for all our stakeholders for their support in these endeavors.

The world is now in a period of great change. With intensive economic competition in each country and global environmental

issues on top of the global COVID-19 pandemic, our lives are undergoing significant changes due to the various issues that society faces. In order to respond flexibly to these environmental changes, we used our 70th anniversary as an opportunity to revisit Tamron's mission and the direction it should take going forward. While continuing to pass down the founding spirit at the root of Tamron, we have revised our Corporate Mission and Corporate Vision with the aim of striking a balance between solving social issues and corporate growth. In addition to formulating the structure of the Corporate Mission to reflect our stance on achieving these goals, we have also established a new brand slogan.

Tamron will deliver emotion and reassurance to the world through products that leverage a strength in optical technologies that trace back to its founding, and strive to achieve a fulfilling society.

Our Vision for the Tamron Group (Long-Term Vision)

In order to make dramatic progress over the next decade and towards becoming a hundred-year company, we have formulated the Tamron Group's long-term vision as a company respected and needed by society.

By solving social issues through our business activities, we will achieve the following three goals.

The first is to become a good company that focuses on profits. A company that expands without making a profit cannot survive. By generating profit instead of blindly pursuing expansion, we will reward our stakeholders and contribute to society.

The second goal is enhancing our brand power. We think that a brand represents trust. It is because there is trust in the Tamron brand that we receive orders from various customers in addition to selling our own products. That is why creating a large number of own-brand products, including new businesses, and raising their percentage will provide the strong foundation for Tamron to survive. Given this, our first target will be to raise the percentage of own-brand products from the current 40%+ to somewhere over 50%.

The third goal is becoming a fulfilling place to work. To achieve a fulfilling society, it will be essential for employees to be empowered more than ever before. To accomplish this, we will develop a workplace environment that balances job fulfillment and ease of work. We aim to become a company whose employees lead healthy and fulfilling lives and are able to maximize their performance.

Mid-Term Management Plan

Review of the Previous Mid-Term Management Plan (2018 to 2020)

In 2018 the Tamron Group started its mid-term management plan, whose last year was fiscal 2020, by declaring the goals of 72 billion yen in net sales, 6.6 billion yen in operating income and an ROE of at least 9%. As a result of achieving higher-than-expected profitability in our core businesses, we managed to reach our target for ROE and income a year ahead of schedule.

During 2020, the final fiscal year of the plan, we were forced to endure a decline in both net sales and income due to the COVID-19 pandemic, but by the second year we successfully pivoted to a profit focused structure and managed to maintain profit margins at a certain level, posting operating income on net sales of 7.4% even when net sales fell considerably to below the 50 billion yen mark.

Additionally, in light of various factors including uncertainty over when the COVID-19 pandemic will end, we have started to review and reinforce our strategies from a medium-to-long-

term perspective, including revising the structure of Group-wide businesses and functions. We have also taken decisive action to enhance the competitiveness of our businesses in the future, including optimizing the personnel structure at our domestic production sites.

Meanwhile, in terms of the business expansion over the duration of our previous mid-term management plan, although the automotive lenses business achieved 1.5 times growth in net sales over the past three years, in other areas we were unable to achieve sufficient results due to the COVID-19 pandemic and other factors, and issues will remain with respect to the creation of new businesses.

Key Points to the Launch of Our New Mid-Term Management Plan, Vision23

In light of the accomplishments and issues that emerged from the previous mid-term management plan, in Vision23, our new mid-term management plan whose final year will be fiscal 2023, we will adopt the basic policies of executing investments and resource allocations for dramatic progress from a long-term perspective, and steadily implementing the development of business foundations that will enable sustainable growth.

Under Vision23, we will execute business strategies for each business following a review of our business portfolio, raise the percentage that products other than those in the Photographic Products Business contribute to net sales from 30% to 40%, and aim to develop and optimize a business portfolio insuring at least 10% in operating income on net sales across all segments.

In our core Photographic Products Business, we will maintain the highly profitable structure that forms the revenue base of the Tamron Group while accelerating our focus on the robust mirrorless camera market and improving market share through a bolstered lineup.

We rank Surveillance & FA Lenses as our second core business. We will strengthen our efforts aimed at the Chinese market in the surveillance field, while making improvements in the FA field through new technologies and customer development. At the same time, we will step our progress toward a phase of achieving profit growth in addition to sales growth.

In terms of Mobility & Healthcare Products and Others, we will also implement full-scale launches to make the automotive lenses and health care fields pillars of the next generation, while expanding our presence or making forays into their related markets and new domains.

In concurrent efforts based on functions that support these business strategies, we will strengthen our competitiveness through organizational and operational reforms and the adoption of smart factories as part of production structural

Message from the President & CEO

reforms already underway, and also make even greater use of our global sales network. On the R&D front, we will not only elevate our in-house technologies but also promote collaboration with outside parties including alliances to facilitate the early commercialization of R&D results and contribute to business operations. We will also make the head office functions supporting overall corporate activities both sophisticated and flexible, and also build a sustainable business foundation by making various management enhancements such as new business development processes.

Through these actions in 2023 we aim to generate net sales of 61 billion yen, up around 25% from 2020 levels, and achieve operating income of 7 billion yen, surpassing the ten-year high set in 2019 and representing a V-shaped recovery to the high profitability from before COVID-19. In terms of capital efficiency, we will look to achieve an ROE of at least 9%, above capital costs.

We will achieve these goals and use them as the foundation for high-quality and full-scale business growth and maximization of corporate value in the future, with the Group making a united effort to achieve forward progress towards fulfilling our long-term vision.

Sustainability

Technological Capabilities to Create New Businesses with an Eye to Solving Social Issues

Tamron possesses outstanding technological capabilities honed over many years to produce high-quality lenses. From Opto-Science R&D and Optical Design & Engineering R&D to lens processing technologies, coating and filter technologies, actuator technologies, resin forming and molding technologies, by combining and utilizing these technical skills, we have continued to deliver valuable optical products to the market for many years.

Our Optical Design & Engineering R&D support a wide range of light applications from visible to far-infrared ray, and from consumer to industrial. We develop the core technologies for our lens products, including design, simulation, manufacturing and evaluation.

In the area of lens processing, we will further evolve our technologies to deal with various lens shapes, big and small, including processing methods such as polishing, grinding and pressing. We are also working on a regular basis to combine our expertise in lens processing techniques with optical development technology to produce the wide range of lenses that will be required in the future.

In terms of the coating and filter technologies that are essential for maximizing lens performance, we are able to give lenses a range of effects and functions by applying coatings to their surfaces based on specific aims.

Various motors are used in optical lens systems for zoom, focus, iris and vibration compensation. One of Tamron's strengths is the ability to develop actuators, control circuits and software entirely in-house to combine with optical systems.

In manufacturing, recently plastic lenses have been utilized for a wide range of applications to reduce product weight and to produce different shapes such as aspheric shapes with complex optical surfaces. Tamron produces plastic lenses that can endure harsh environments and maintains resin forming and molding technologies giving it the ability to deliver products with high added value.

We are also working on research and development to solve future social issues with optical technologies. Tamron will help solve social issues by not only advancing its own technologies but also by creating new technologies through wide-ranging collaboration and co-creation.

Environmental Action

As phenomena such as global warming have shown, the world faces a sustainability crisis, and concerns over various social issues such as human rights and labor problems are becoming increasingly serious. Tamron recognizes the need to deal with these social issues and has continued to support the 10 principles of the United Nations Global Compact. In recent years, companies have been increasingly called upon to contribute solutions to the social issues identified in the Sustainable Development Goals (SDGs). Tamron has identified the social issues it must help solve while pursuing sustainable growth as Key CSR Issues, and works to help achieve the SDGs by incorporating these issues into its management strategies.

Towards achieving one of these Key CSR Issues, Reducing CO₂ emissions, Tamron will contribute to the realization of a decarbonized society by achieving zero CO₂ emissions by the year 2050. While implementing energy-saving activities by introducing high-efficiency air conditioning equipment and making productivity improvements to regular operations, we will also adopt in-house power generation using renewable energies and purchase renewable energy credits. Through these efforts, we first aim to reduce CO₂ emissions by 30% by 2030. Additionally, on important issues related to the global environment including plastic waste, harmful chemical substances and water risks, we will work to reduce our impact in cooperation with stakeholders.



A Company that is a Fulfilling Place to Work

For Tamron to achieve sustainable growth going forward, improving the optical technological capabilities we have cultivated since our founding is only one part; we also need to build an organization in which each employee can be healthy, fulfilled and demonstrate their abilities to the fullest while becoming increasingly efficient in their duties. We also believe it is important to accept and utilize different ideas, perspectives and values irrespective of nationality, gender, age and other attributes. Regarding the composition of Tamron's Board of Directors, since March 2021 two of the three outside directors have been women. Tamron will continue to ensure diversity in its Board of Directors going forward, including one director who is a foreign national.

We are also focusing on cultivating the next generation of candidates for top management. In 2021 we started a mission leadership system where section managers are allowed to operate on their own as the smallest unit leaders and Team Tamron as a whole shares goals and works to achieve them. By giving each sectional and departmental leader their own departmental mission and giving them the task of contributing to the mission of head office above them, this system will help Tamron achieve its company-wide Vision23 plan. By channeling ingenuity to achieve their mission, each leader will undergo personal growth that we believe will reinforce Tamron's organizational strength.

Governance Initiatives

Tamron respects the purpose of the Corporate Governance Code and implements all principles that make up its current iteration by making ongoing improvements to its governance system through effectiveness evaluations and other efforts. To date, Tamron has established highly independent nomination and compensation committees, worked to ensure and enhance the independence and diversity in the composition of its Board of Directors, reduced the size of the board, reviewed the compensation system including the introduction of stock-based compensation, and made improvements to the frequency and operation of meetings as needed.

In light of future revisions to the Corporate Governance Code and other developments, we will actively work to establish a corporate governance system that is able to respond to internal and external environmental changes with flexibility and speed, and help achieve sustainable growth and medium-to-long-term improvements to corporate value.

In Closing

Looking at the current state of society, the COVID-19 pandemic and other factors continue to bring dramatic changes to external and internal environments. Even under this business environment, Tamron will continue to regard change as an opportunity and provide products that deliver excitement and peace of mind to industry, society and people's lives. Having reached our milestone 70th anniversary and as we pursue the fields of our existing businesses in greater depth and enter new business areas in recognition of the opportunities afforded by the SDGs, we will continue venturing forward over the next decade and on the way to becoming a 100-year company.

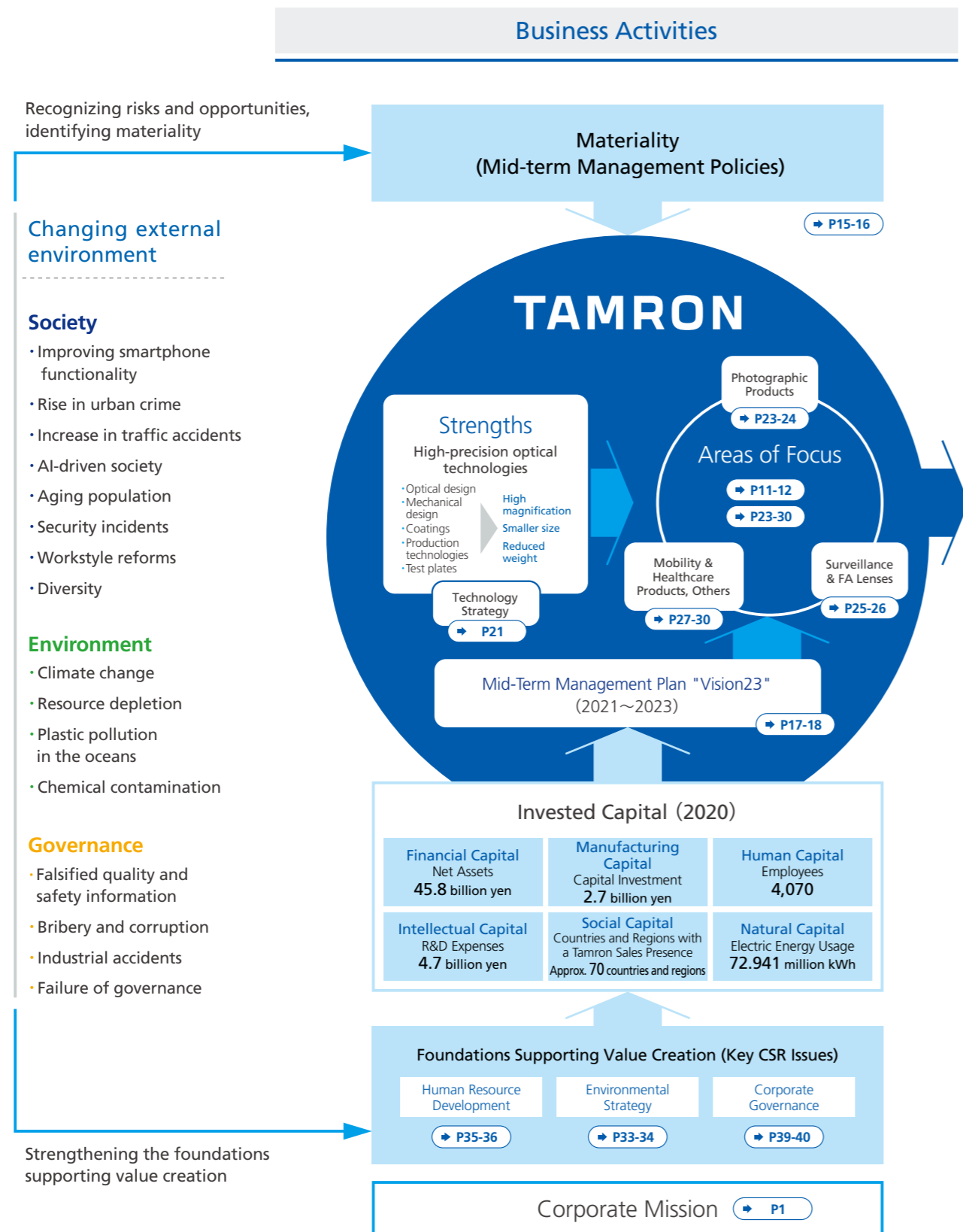
Under our new Corporate Mission, Tamron will continue to follow the path of light to create excitement and peace of mind, contributing to the realization of a fulfilling society.

Shiro Ajisaka

President & CEO
Tamron Co., Ltd.

The Value Creation Process

We regard various social issues as management opportunities, create economic and social value, and contribute to the realization of a sustainable society.



Our long-term vision

A company that is respected and needed by society

- Good Company
- Improving the Tamron brand
- A company with work fulfillment

Our vision for society

Fulfilling society

SUSTAINABLE DEVELOPMENT GOALS

Creation of Economic Value (2023)

Net Sales 61.0 billion yen	Operating Income 7.0 billion yen
Operating Income Margin 11.5%	ROE More than 9.0%

Creation of Social Value (2023)

A society in which people can feel **emotion**

A society in which people can live in **security**

A **healthy** society

A society with **work fulfillment**

Sustainable earth

CO₂ Emissions **11.7% Reduction** (compared with 2015 levels)

Tamron's Value Creation Story

Tamron's history of growing with society and

continuing to create emotion and reassurance

Company History | Becoming a global company providing products around

- 1950** Taisei Optical Equipment Manufacturing is founded
- 1952** Taisei Optical Equipment Manufacturing Inc. is established
- 1958** The Tamron brand is registered as a trademark
- 1969** The Hirosaki Factory is constructed
* Tamron now has three sites in Aomori (Hirosaki, Namioka and Owani)
- 1970** Company name is changed to Tamron Co., Ltd.
- 1979** Sales subsidiary is established in the United States
- 1982** Sales subsidiary is established in West Germany (at that time)



Members of the Urawa Plant at the time



Hirosaki Factory

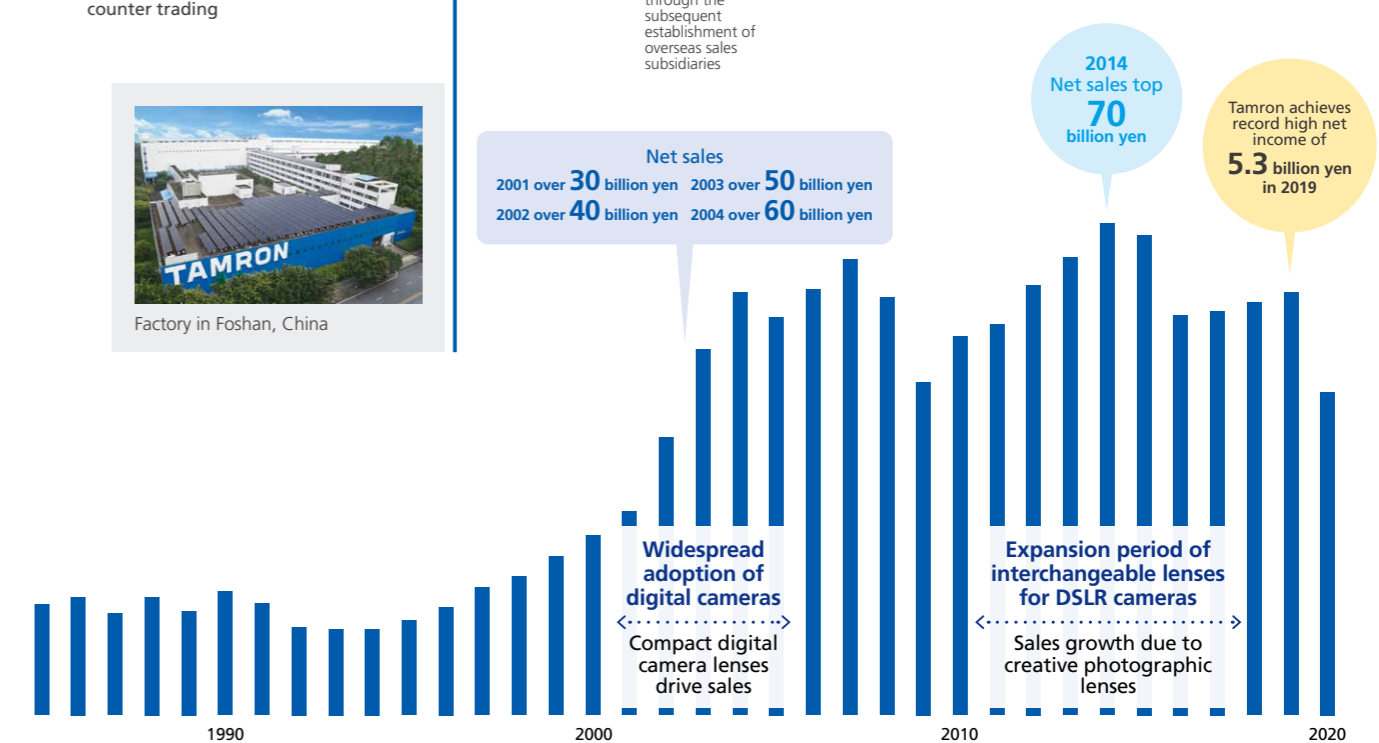


the world

- 1984** Registered with the Japan Securities Dealers Association for over-the-counter trading
- 1995** Bronica Co., Ltd. is acquired
- 1997** Production subsidiary in China is established
- 2005** Sales subsidiary in China is established
* Expanding to seven Group companies through the subsequent establishment of overseas sales subsidiaries
- 2006** Listed on the 1st section of the Tokyo Stock Exchange
- 2012** Production subsidiary in Vietnam is established
- 2017** Toumeigiken Co., Ltd. is acquired



Factory in Foshan, China



Product History | Developing a wide range of products through technologies

- 1950** Manufacture of cameras and binocular lenses is started
- 1957** The T mount interchangeable lens mount for SLR cameras is developed
* World-first
- 1966** Production of master test plates, ultra-precision lenses and prisms is started
- 1966** The Tamron Adapt-A-Matic range of lenses is developed
- 1981** 6x zoom video camera lens is developed



Master test plates

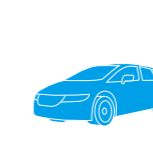
Ultra-precision lenses that serve as the standard for all optical lenses. For more than half a century, skillful techniques have been handed down by successive craftspeople, making Tamron one of the few optical manufacturers able to craft master test plates even today.

Widespread adoption of video cameras begins

VTR-equipped cameras and video camera lenses developed to coincide with the widespread uptake of compact video cameras enjoyed brisk sales. These products accounted for 50% of sales at the time.

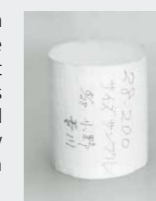
to develop high precision in lenses

- 1986** Varifocal lenses for CCTVs are developed.
* Industry-first
- 1992** The AF28-200mm (71D) all-in-one zoom lenses for SLR cameras is released*
- 2006** Sale of lenses for mobile phones is started
- 2008** Sale of automotive lenses is started
- 2016** Sale of compact camera modules is started
- 2017** Sale of drone lenses is started
- 2018** Sale of lenses for medical application is started



The beginning of all-in-one zoom lenses

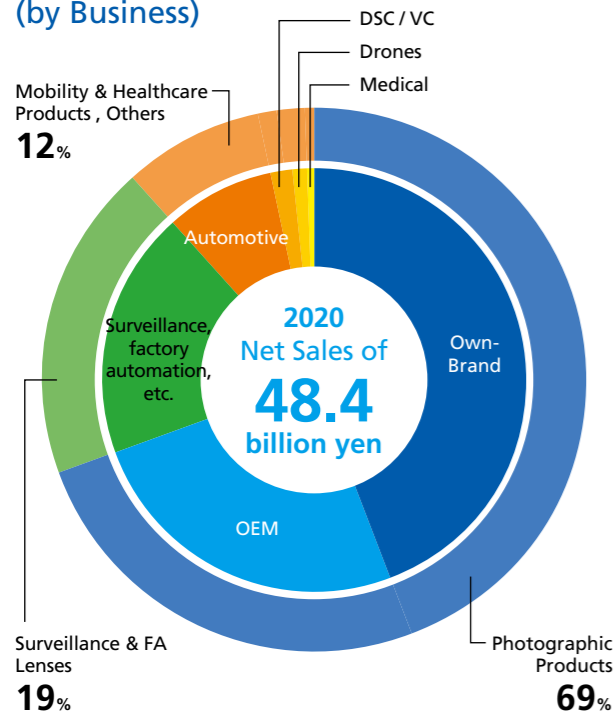
The original model for the all-in-one zoom lens was a rounded piece of graph paper the size of a cigarette packet (The world's smallest and lightest in the world at the time). Starting with this first product, Tamron has made successful advancements with greater focal distances, more compact and lighter designs and new mounting mechanisms, establishing Tamron's position as the go-to manufacturer of all-in-one zoom lenses.



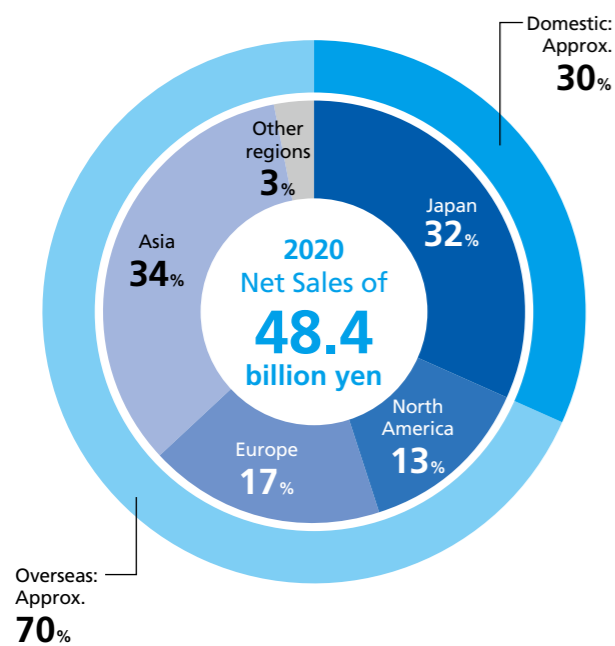
Business Development

Using the profits earned from the mature photographic products market and the stable growth market for surveillance and factory automation as capital, Tamron aims to allocate management resources to new and high-growth markets, namely automotive, drone lenses for medical applications to scale up its business.

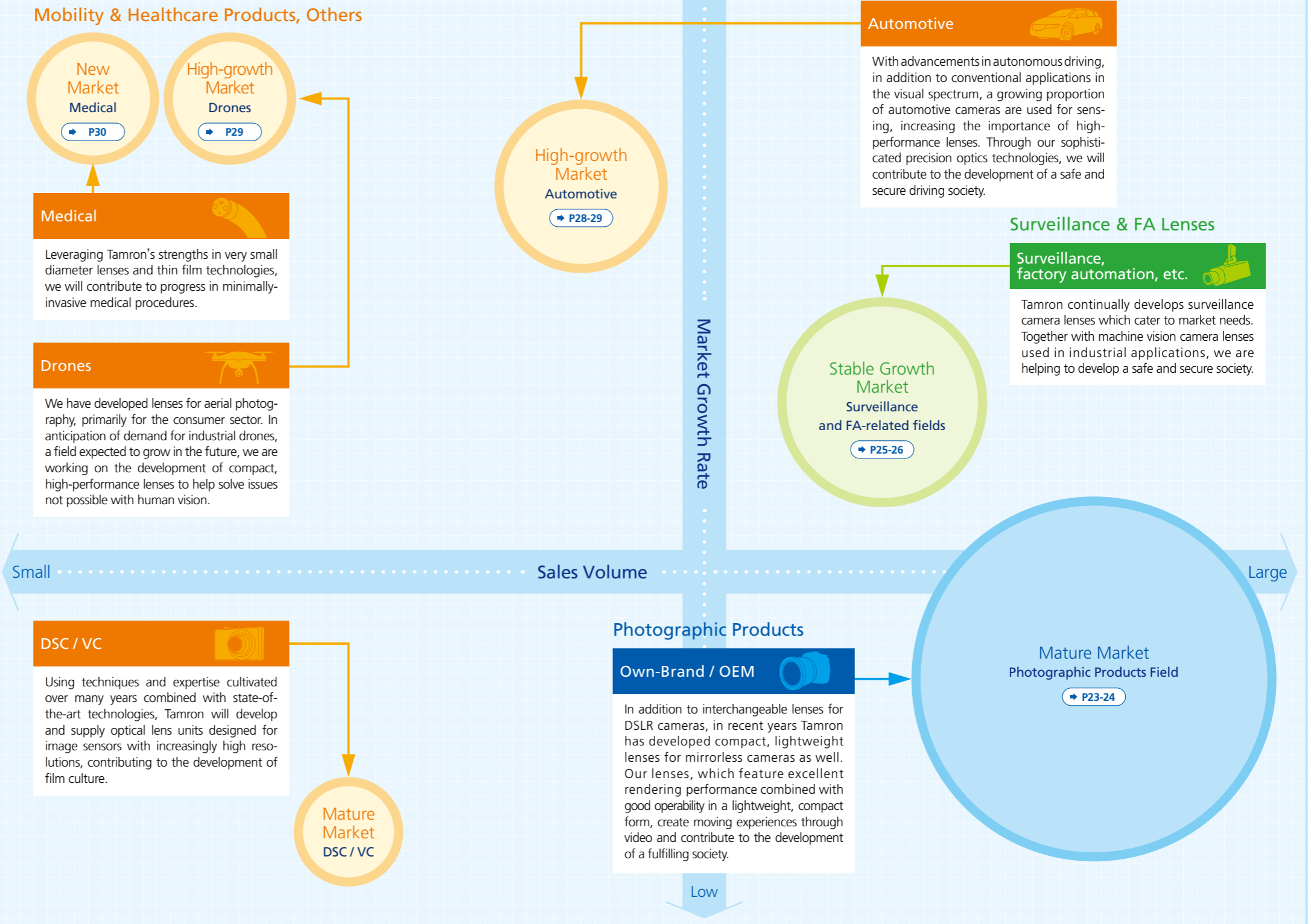
Composition of Sales (by Business)



Composition of Sales (by Region)



Business Portfolio



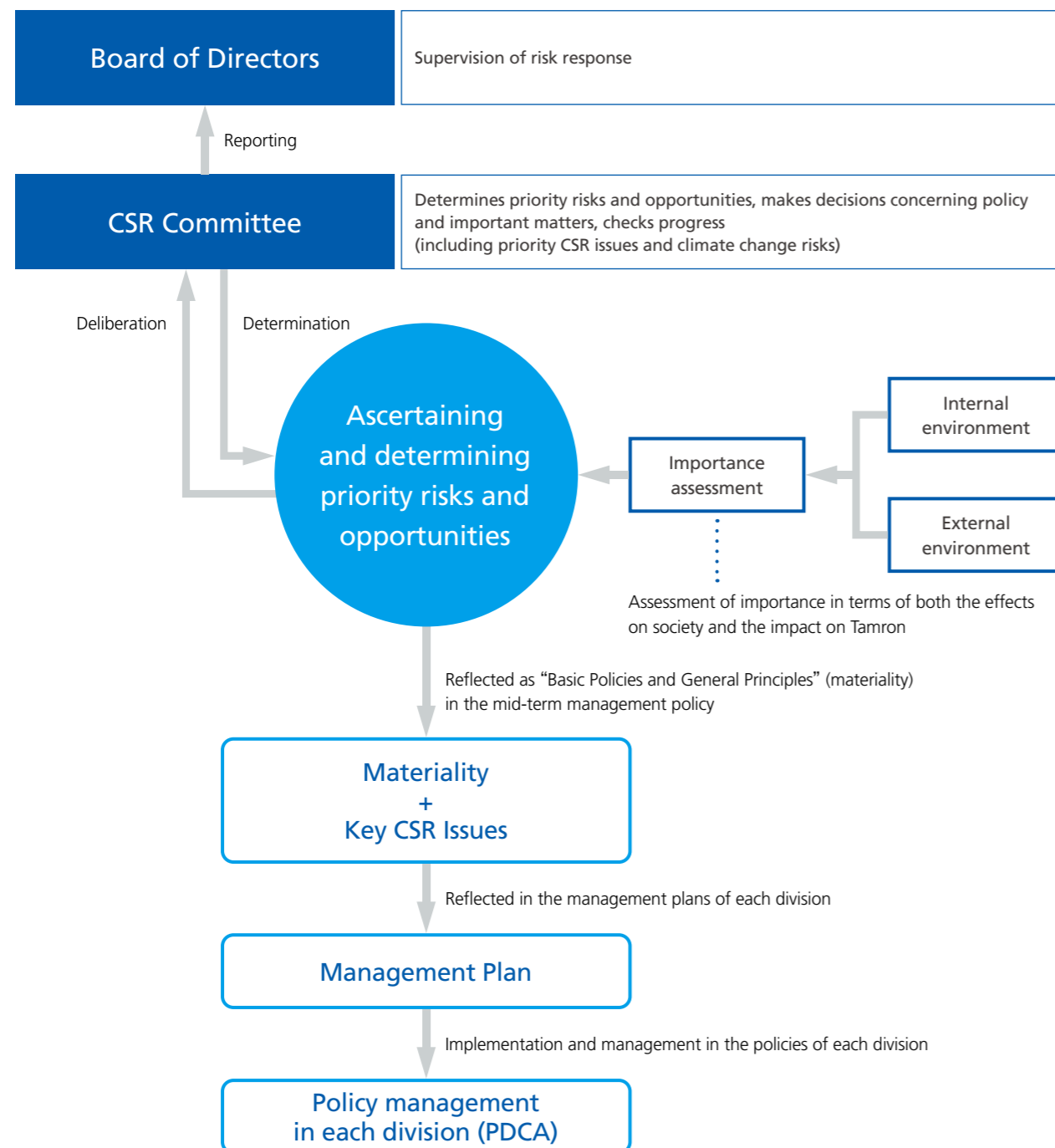
Risks and Opportunities

Risk Management System

The political and economic conditions surrounding Tamron, along with the broader business environment, are changing with each day. Tamron implements risk management and controls risks based on both aspects, namely the risks that need to be prepared for to ensure Tamron's sustained growth, as well as growth opportunities themselves.

We recognize a wide range of risks as key management issues. The CSR Committee, which is chaired by the president and comprises all officers and managers of division as members, deliberates and makes decisions about Tamron's basic policy on risk response and other important matters. The committee

also reports to the Board of Directors as appropriate. Risks and opportunities recognized as key management issues are implemented through the "Basic Policies and General Principles" of the mid-term management policy and through the management plans of each division. Each division then builds a management system to perform administration of the policies. In terms of CSR, important issues are recognized as priority CSR issues. For these, we set management targets and monitor our progress on the issues periodically through quarterly CSR Committee meetings.



Key Risks and Opportunities

Risk Factors	Key Risks / Key Opportunities	Response Methods
• COVID-19 pandemic	<ul style="list-style-type: none"> ● Impact of stagnant economic activity on business performance ● Impact of decreasing demand on production activities ● Impact on health and safety of employees and stakeholders 	<ul style="list-style-type: none"> • Building and operating a remote product development framework • Development of work-at-home and telework environments
<ul style="list-style-type: none"> • Shrinking digital camera market • Reliance on Photographic Products Business • Reliance on specific customers 	<ul style="list-style-type: none"> ● Expanding contraction of the digital camera market due to increasing functionality of smartphone cameras ● Reliance on Photographic Products Business ● Reliance on specific customers ● Growth in the mirrorless camera market ● Growth in the industrial camera market 	<ul style="list-style-type: none"> • Sales strategy specializing in interchangeable lenses for mirrorless cameras • Expanding sales in the growing market for industrial lenses • Actively investing in new businesses such as lense medical application
• Product supply and demand	<ul style="list-style-type: none"> ● Fluctuating product prices, too much or too little inventory ● Lack of procurement of glass materials 	<ul style="list-style-type: none"> • Properly responding to fluctuating demand in each region and controlling production • Multiple purchases and understanding alternative supplier candidates
• Climate change	<ul style="list-style-type: none"> ● Damage to corporate value through inability to respond to the shift to a decarbonized society ● Impact on production activities due to damage to plants in Japan or overseas ● Burden from carbon taxes and renewable energy purchase costs ● Increased order opportunities due to responding to decarbonized society at an early stage 	<ul style="list-style-type: none"> • Implementation of strategies based on the Environment Vision 2050 (energy saving and introduction of renewable energy) • Action and continual improvement based on business continuity planning (BCP) in Japan and overseas
• Risks unique to the interchangeable lens business	<ul style="list-style-type: none"> ● Defects due to improper matching between lenses and cameras 	<ul style="list-style-type: none"> • Quality assurance inspections before product shipments • Handling the overwriting of firmware after shipping
• Rapid technological innovation	<ul style="list-style-type: none"> ● Decline in competitiveness when the development of cutting edge technologies or their application in products is not advanced as scheduled ● Obtaining growth opportunities through the development of revolutionary technologies 	<ul style="list-style-type: none"> • Technology development and creation of new businesses based on medium- to long-term strategies • Open innovation between industry, academia and government
<ul style="list-style-type: none"> • Investment in new businesses • Investment in M&A activities, etc. 	<ul style="list-style-type: none"> ● Failures to investment in R&D and capital investment for new businesses ● Failures to establish business alliances or acquire companies to strengthen business ● Actively tackling M&A activities utilizing a robust financial structure ● Building the foundations of growth through new management resources acquisitions 	<ul style="list-style-type: none"> • Strategies aimed at the full-scale commercialization of medical products • Engaging in analysis and discussion in the Management Meeting and Board of Directors from a range of perspectives including market trends, strategy, acquisition prices and potential risks
• Product quality and safety	<ul style="list-style-type: none"> ● Damage to brand value due to declining product quality or defects 	<ul style="list-style-type: none"> • Building and improving quality assurance systems compliant with ISO9001, ISO13485 and IATF16949 • Taking action and preventing release when quality defects occur
• Securing human resources	<ul style="list-style-type: none"> ● Impact on new hires and continuing employment due to intensifying competition to hire and retain talented human resources ● Obtaining growth opportunities by hiring and retaining the employment of talented human resources that fit the mold of the ideal employees Tamron is looking for 	<ul style="list-style-type: none"> • Job-specific hiring, positional and grade systems, systems to solicit positional applications internally • Creating a comfortable workplace environment by promoting a healthy work-life balance and diversity • Promoting health and productivity management
• Information security	<ul style="list-style-type: none"> ● Leaking of corporate information and personal information due to damaged information system functions caused by computer viruses and the like 	<ul style="list-style-type: none"> • Developing information security systems • Implementing management based on an information security policy
• Geopolitical risks	<ul style="list-style-type: none"> ● Experiencing various impacts due to global political, social and economic trends 	<ul style="list-style-type: none"> • Continually monitoring the global political, social and economic climate to analyze the impact in relation to corporate activities
• Compliance	<ul style="list-style-type: none"> ● Damage to corporate value due to corporate behavior that violates laws or diverges from social normal, such as infringements upon intellectual property rights, bribery, and so on 	<ul style="list-style-type: none"> • Determination and promotion of policies by the Compliance Committee • Disseminating and ensuring observance of the Compliance Code of Conduct

* Check the section on "Business & Other risks to learn more about priority risks and opportunities. (URL : https://www.tamron.com/ir/management/management_04.html)

Materiality

Materiality (Basic Policies and General Principles of the Mid-Term Management Policy)

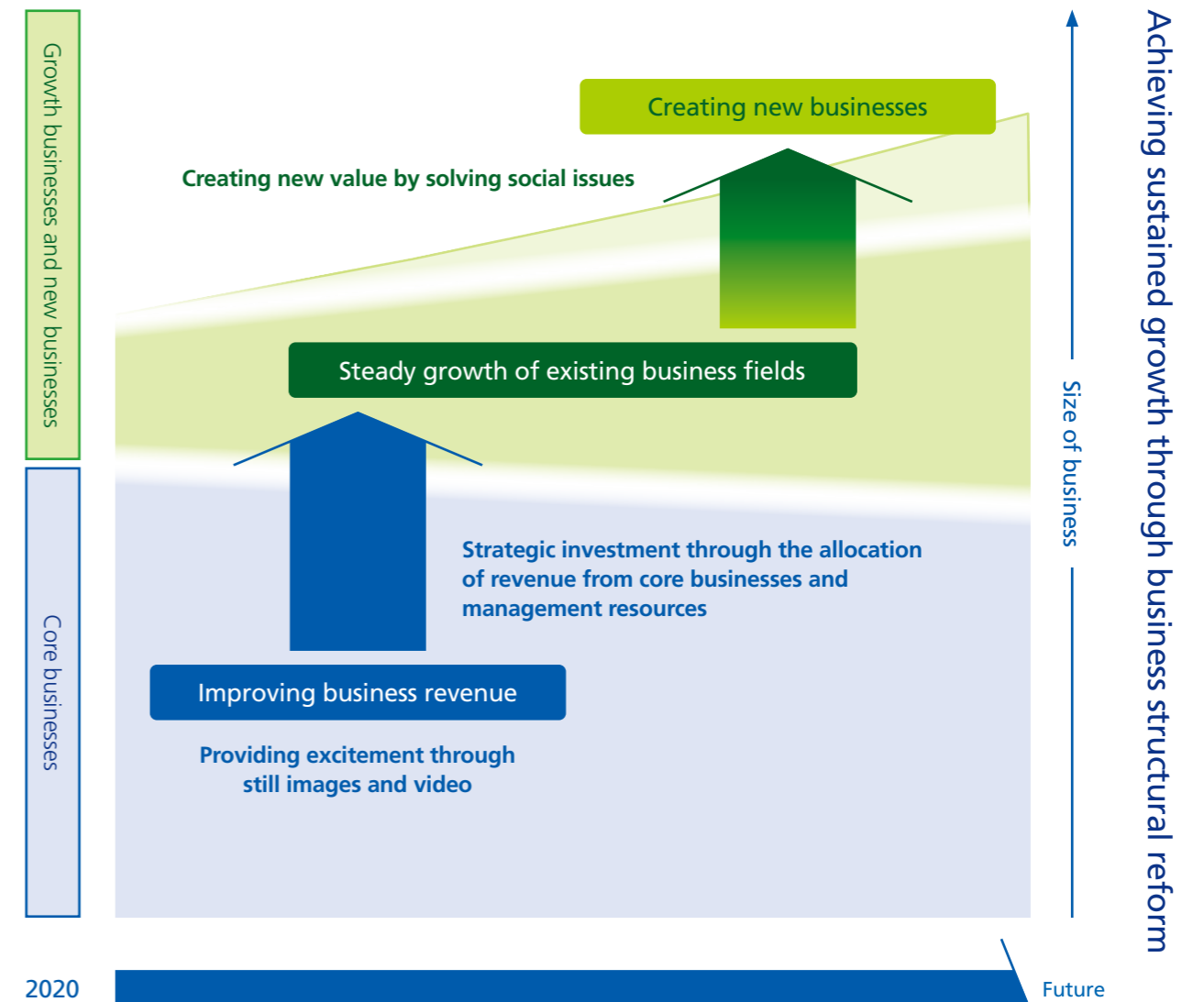
Tamron regards materiality to achieve sustained growth together with society as an important matter in the formulation of business strategy and the decision-making process, and has incorporated this into its mid-term management policy. When

addressing these material issues, there are “Key CSR Issues” representing individual issues related to the environment, society and governance in order to mitigate risks and take advantage of opportunities.

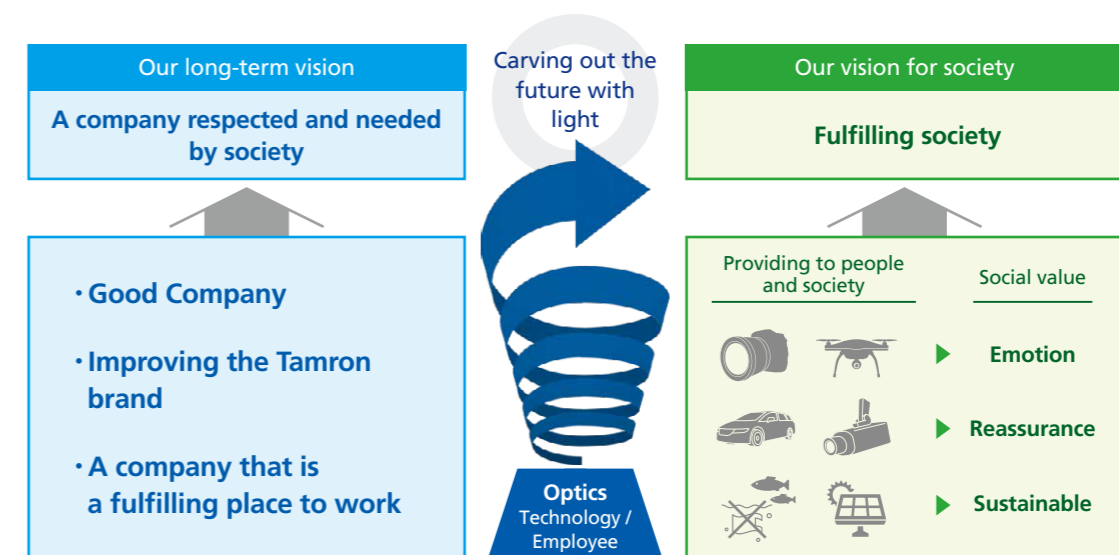
Materiality	Key CSR Issues	Mid-Term Management Policy (Basic Policies and General Principles)
1 Creating excitement and peace of mind 	<ul style="list-style-type: none"> Contributing to social issues through business 	<ul style="list-style-type: none"> We will enhance our marketing, product planning and sales capabilities, provide products that respond to market trends and customer needs to excite customers, and work to expand our business through increased market share and other approaches with sales strategies adapted for each market.
2 Creating new light 		<ul style="list-style-type: none"> We will accelerate the global expansion of our existing businesses, capture demand in the markets of developing countries with top priority placed on strengthening our position in Asian market, strive to boost profitability and bolster our operating foundations. To respond to severe changes to the external environment, we will reinforce our Chinese development structure, work to shorten lead times from development to mass production, and deliver new products that cater to customers in each market in a timely fashion. We will build a global structure of efficient production across three regions, and with the Fourth Industrial Revolution in mind, pursue further productivity improvements and cost reductions by way of automation, labor saving and personnel saving with the introduction of smart factories.
3 Business structural reforms (improved productivity) 	<ul style="list-style-type: none"> Reducing CO₂ emissions Recycling resources and reducing waste Environmentally friendly design Reducing harmful chemical substances Water management 	<ul style="list-style-type: none"> To contribute to the realization of a sustainable global environment, we will reduce greenhouse gas emissions as part of measures to combat climate change while also promoting the recycling of resources.
4 Contributing to a sustainable earth 		<ul style="list-style-type: none"> Human resource development Developing comfortable workplace environments and promoting diversity Fostering the development of the next generation
5 Empowering employees 	<ul style="list-style-type: none"> Expanding the disclosure of nonfinancial information Enhancing product quality and safety management Promoting CSR procurement Preparing for major disasters Enhancing internal reporting systems Improving the governance system 	<ul style="list-style-type: none"> We will strengthen corporate governance to improve the effectiveness of strategies and tactics, and achieve sustained growth.
6 Developing the foundations of trust and sustained growth 		<p>Environmental Strategy P33-34</p> <p>Human Resource Development P35-36</p> <p>Governance P39-40</p>



The Direction of Sustained Growth



Tamron's Vision for Sustainable Growth and Society



Please see our website for initiatives on key CSR issues. <https://www.tamron.com/csr/>

Mid-Term Management Plan (Review of the Previous Plan and Introduction of

New Mid-Term Management Plan)

Tamron's mission lies in contributing to the development of a fulfilling society in which all people experience emotion and reassurance through its corporate activities.

As of 2021, we have launched the new mid-term management plan Vision23, and are aiming to achieve new leaps ahead based on building a sustainable business base.

Review of the Previous Mid-Term Management Plan (2018 to 2020)

Main Achievements

- By achieving higher profitability of core businesses, mid-term targets for profit and ROE were reached a year earlier than expected
- Achieved a large increase in the number of new own-brand interchangeable lens products released- Achieved a large increase in the number of new own-brand interchangeable lens products released
- Achieved high growth in net sales of automotive lenses (1.5 times in three years)
- Launch of the module business and full-scale commercialization
- Entered the health care segment
- Optimized scale of Japanese production locations
- Revised personnel systems and raised awareness of productivity improvements
- Flattened and slimmed Tamron's organization structure
- Obtained outstanding health and productivity management company certification
- Formulated an environment vision

Main Issues

- Failed to achieve target for net sales
- Allocating management resources to high growth areas on a priority basis
- Developing new businesses
- Creating new business domains
- Greater shrinkage of digital camera market than anticipated
- Handling the mature B to C drone market

	FY2017 results	2020 mid-term plan	First year progress FY2018 results	Second year progress FY2019 results	Final year FY2020 results
Net sales	60.5 billion yen	72.0 billion yen	61.8 billion yen	63.3 billion yen	48.4 billion yen
Operating income	4.2 billion yen	6.6 billion yen	5.4 billion yen	7.0 billion yen	3.6 billion yen
Operating income margin	7.00%	9.20%	8.80%	11.00%	7.40%
ROE	5.80%	More than 9%	8.60%	10.10%	3.90%
	USD = 110 JPY EURO = 130 JPY		USD = 110.45 JPY EURO = 130.38 JPY	USD = 109.04 JPY EURO = 122.06 JPY	USD = 106.77 JPY EURO = 121.92 JPY

* Exchange assumption

Positioning of the New Mid-Term Management Plan

In light of the achievements and issues that emerged from the previous mid-term management plan, in Vision23, our new mid-term management plan, we will adopt the basic policies of executing investments and resource allocations for dramatic progress from a long-term perspective, and steadily

implementing the development of business foundations that will enable sustainable growth. Based on that foundation, we will work to maximize corporate value and achieve real high-quality business growth in the future.

Launch of Vision23 New Mid-Term Management Plan



Basic Strategies of Vision23 New Mid-term Management Plan

In order to execute appropriate investments and resource allocations from a long-term perspective, we will also be making some changes to our segments to optimize our business portfolio.

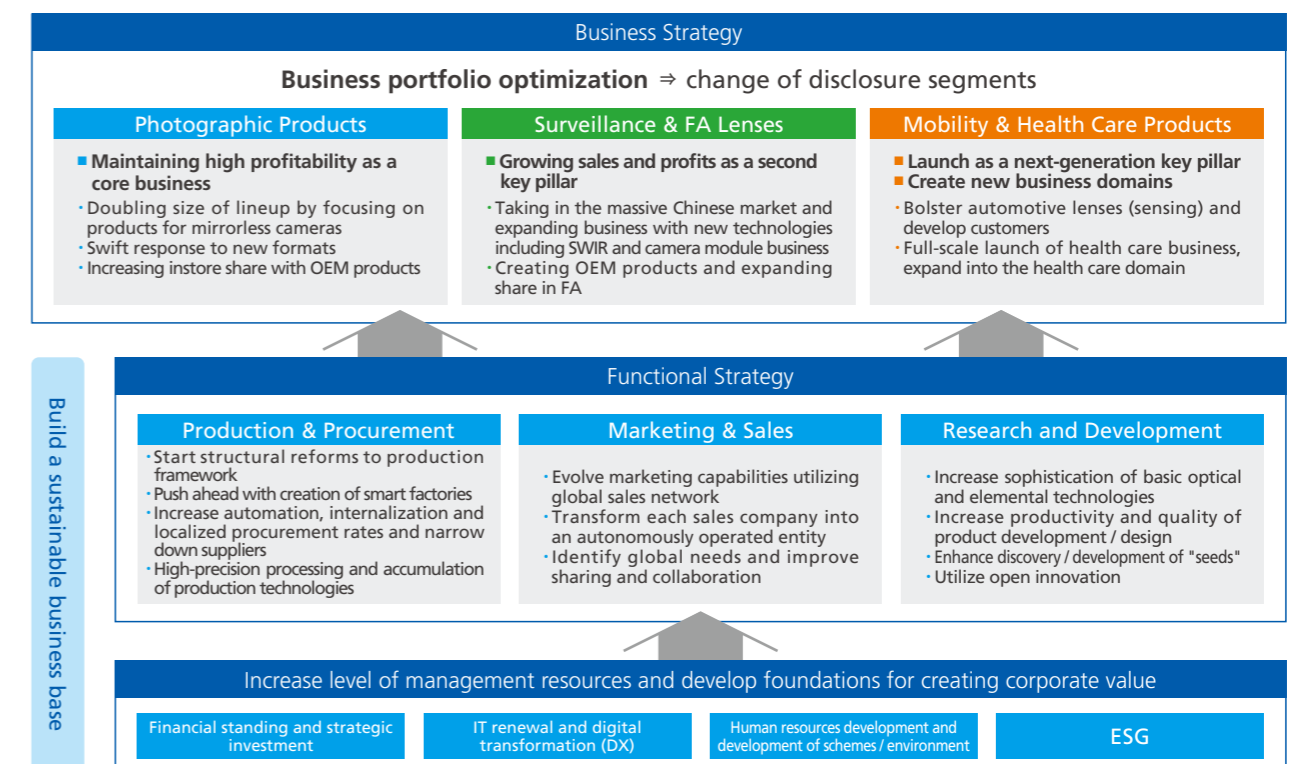
In our core business, the Photographic Products Business, we will maintain our high-profit structure as a key pillar of our revenue base, while focusing on products for mirrorless cameras to increase our market share for both our own-brand products and OEM products.

We have positioned Surveillance & FA Lenses as a second key pillar segment, and will step up to the phase of achieving profit growth. In order to do so, we will focus on the Chinese

market for surveillance products and seek to expand FA-related business with new technologies.

We will launch the Mobility & Health Care Products and Others business segment as a new next generation key segment incorporating the existing drone and automotive lenses segment and the health care segment, seeking to enter new areas in the health care domain.

In terms of capabilities, we will seek to increase the level of business management resources and strengthen various areas of management such as in new business development processes, in order to build a sustainable business base.



Financial Targets of Vision23 New Mid-Term Management Plan

Our consolidated targets are net sales of 61.0 billion yen (an increase of around 25% from 2020) and operating income of 7.0 billion yen, which will be the highest in the last ten years.

We aim to make a rapid recovery to a highly profitable structure. We also aim to achieve an ROE of more than 9%.

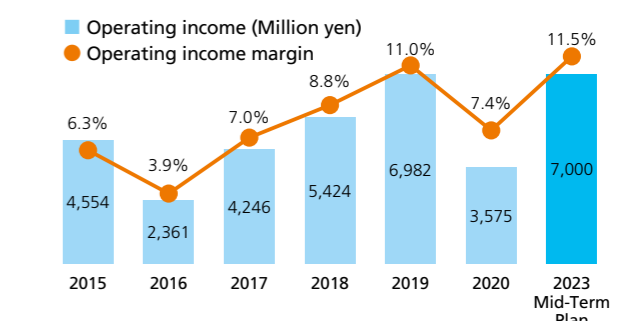
New Vision23 Mid-Term Management Plan (2021-2023)

<Consolidated>	FY2020 results	2023 mid-term plan
Net sales	48.4 billion yen	61.0 billion yen
Operating income	3.6 billion yen	7.0 billion yen
Operating income margin	7.4%	11.5%
ROE	3.9%	More than 9%

* Exchange assumption

USD = 105 JPY
EURO = 123 JPY

Rapid Recovery to Pre-COVID-19 High-Profit Levels



Financial Strategy

The Tamron Group will balance ensuring a robust financial structure with high capital efficiency, and follow a basic policy of strategically allocating management resources to improve corporate value through business strategy.

Strategically allocating management resources by balancing robust financial structure with high capital efficiency

(1) Robust financial structure

We have implemented future-oriented R&D and capital investment for sustained growth while making preparations for flexible strategic investments (including M&A and alliances, etc.) and considering risk tolerance. Under these conditions, we aim to have at least two-thirds of our total assets comprised of owned capital and ensure sufficient liquidity on hand of two or three months. We have developed a financial structure that maintains financial health with a D/E ratio of 0.1x or less.

(2) Capital investment

We will actively pursue capital investment that contributes to improved corporate value. In addition to investment in new models and high-precision equipment, we are investing automation, streamlining, energy-saving production equipment, and other systems to boost productivity and improve business operations.

Over the three-year period from 2021 to 2023, we plan to make cumulative capital investments worth around 10 billion yen. This represents an increase of roughly two billion yen in cumulative investments over the preceding three-year period from 2018 to 2020 as we step up investments in anticipation of the medium and long term.

(3) R&D investment

As a global optical manufacturer, investment in R&D is essential to maintain and improve high-level technologies, as well as to contribute to social needs and produce innovation from a long-term perspective.

Over the three-year period from 2021 to 2023, we place to make R&D investments worth around 15 billion yen, representing an increase of about one billion yen over the previous three years from 2018 to 2020. On a fiscal year basis, up to 2015 these investments amounted to around 5% of net sales, but this has gradually been raised to 8-10% of net sales.

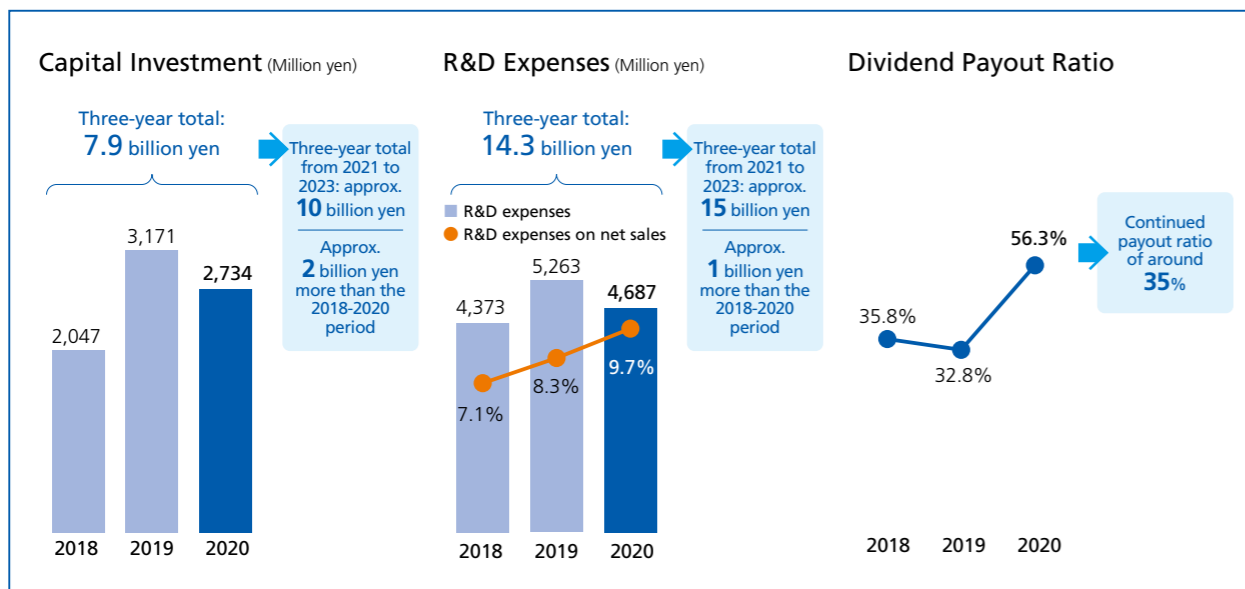
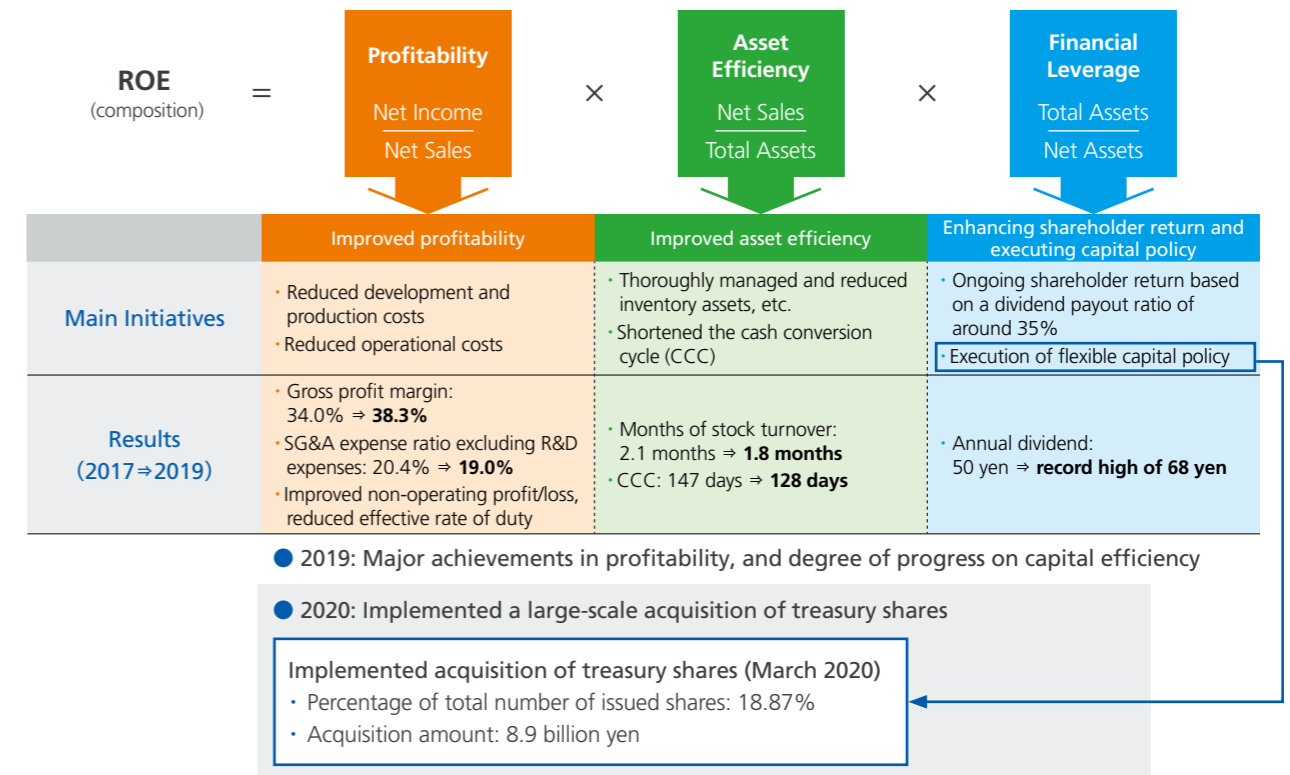
(4) Shareholder return and capital policy

We will steadily link growth investment to profit growth, work to increase earnings per share (EPS), target a dividend payout ratio of around 35% as the allocation of profits based on business performance, and position the continuation of stable shareholder return as our basic policy.

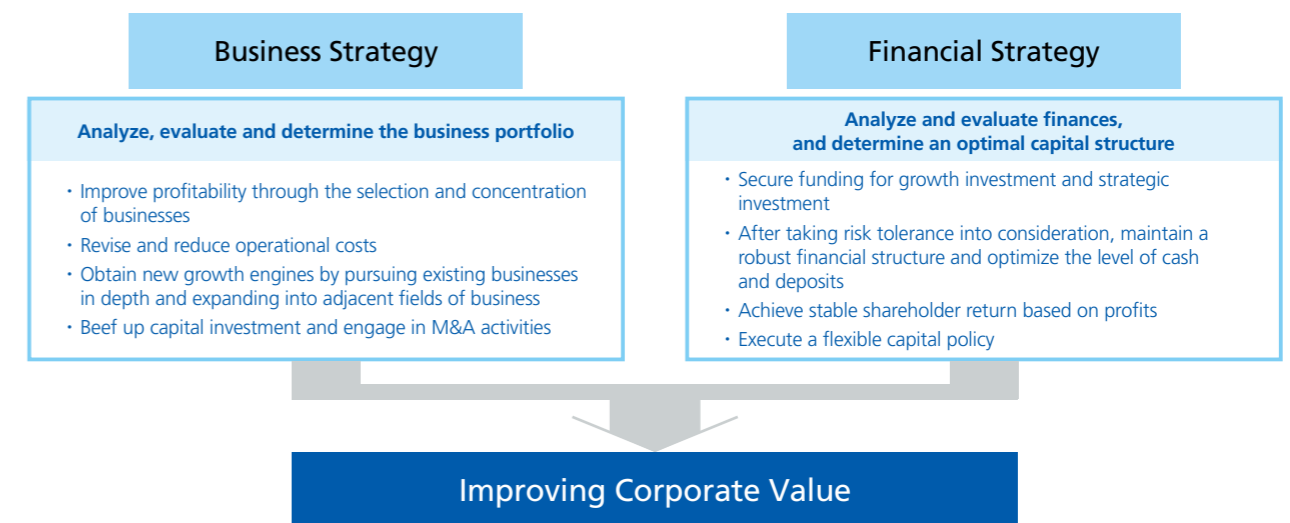
In addition, in light of developments such as market conditions, financial status and capital efficiency, we will also implement capital policy including the acquisition of treasury shares on a flexible basis.

The Tamron Group pursues management that maintains an awareness of capital costs and places an emphasis on capital efficiency. In our mid-term management plan, we have set the goal of raising ROE to at least 9%, exceeding the cost of capital (approx. 7%), and have undertaken various initiatives with this in mind.

Initiatives to Raise ROE



Improving Corporate Value through Both Business Strategy and Financial Strategy



Strike a balance between growth potential and efficiency to achieve a corporate structure capable of sustained growth

Tamron's Proprietary Cutting-Edge Technologies of Optics

Compact, lightweight, highly precise and highly functional. Expending great efforts to bring optical technological innovation, Tamron has released many valuable optical products over the years. Tamron will continue to focus on the future. We are committed as an optical specialist to create new value and direction in optics with our long accumulated optical technologies not just optical design but also mechanical designs as well as production technologies.



Opto-Science R&D Social problem-solving with optical technology

Solving current and future social issues with optical technology. Tamron set itself the goal to conduct research and development through wide-ranging collaborations in the medical, agriculture, mobility and security industries.



Lens Processing Technology Quality backed by experience and achievements.

Innovations in polishing, grinding, and pressing processes have enabled Tamron to offer highly precise lens processing technology allowing for new applications and complex shapes.



Optical Design & Engineering R&D Optical wavelength and limitless possibilities

Solving social issues by continuing to develop core technologies such as design, simulation, manufacturing, and evaluation of lens products. Researching optical development technologies for a wide range of light applications from visible to far infrared ray, from consumer to industrial use.



Actuator Technology Lens movement control

Actuator technology is responsible for fast and highly accurate lens movements such as zoom, focus, iris and VC (Vibration Compensation). Tamron independently develops its own optical design, control circuit and software to ensure the fastest and most accurate actuators possible.



Coating and Filter Technology Delivering maximum lens performance

Optical coating technology has been effectively designed in order to improve optical performance and lens function which delivers superior wavelength control, lower-reflection, and higher surface protection depending upon usage and light source.



Resin Forming/Molding Technology Create new usages with manufacturing technology

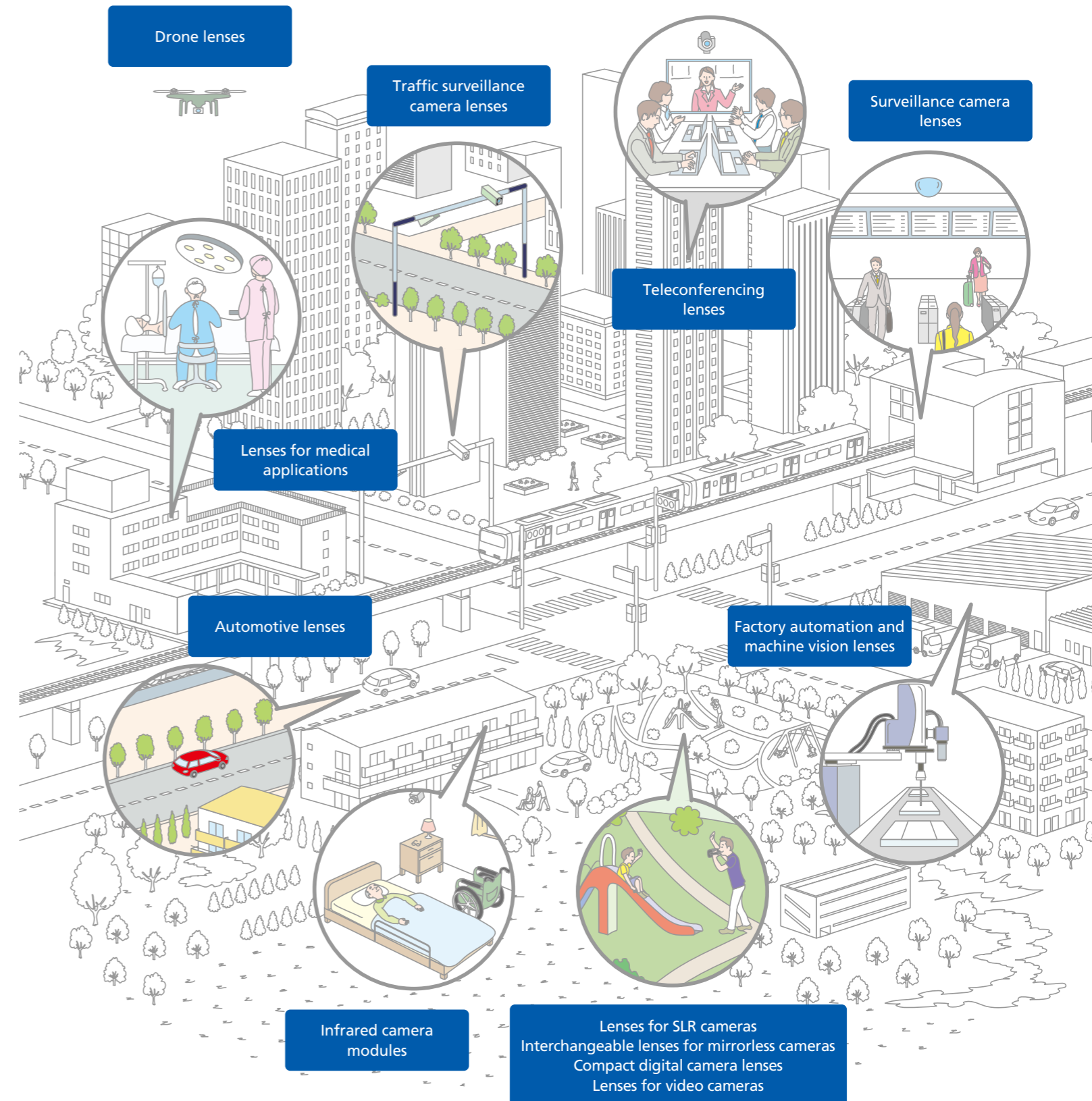
High-precision molding and forming technologies are able to produce value-added products unlike machining operation and glass materials. Resin molded parts are used for not only plastic lens but also for the housing. Resin forming/molding technology contributes to a new application and improvements for lens products.

Looking towards the future with advanced optical technologies

Please visit our website <https://www.tamron.com/technology/>

Tamron Products Creating Emotion and Reassurance

Tamron creates emotion and reassurance to the society by creating various optical products.



Strategies by Segment

Photographic Products

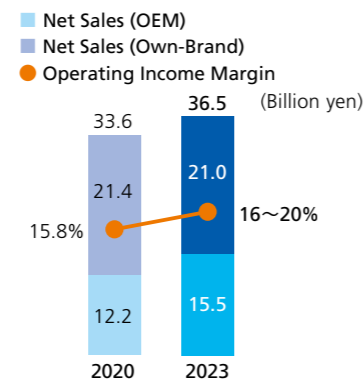


Human Focus. We will remain user-centric and study people while designing and manufacturing lenses so that users around the world can fully continue to enjoy photography in their own way.

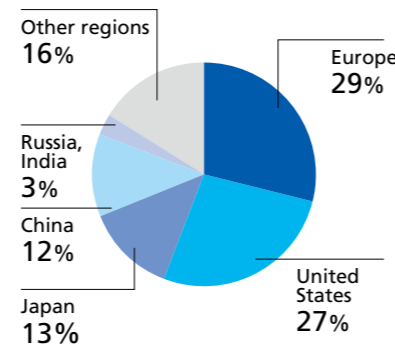
Summary of Business Results

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.



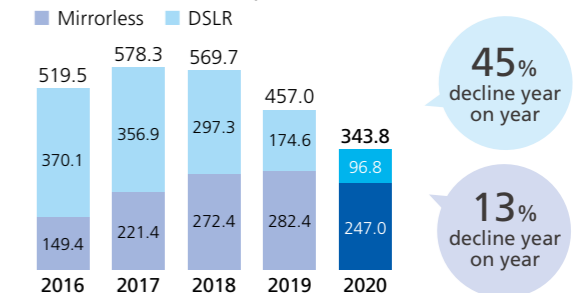
Products Offered	Lenses for interchangeable lens cameras (DSLR and mirrorless cameras)
Production Methods	Own-Brand products / OEM products
Delivery Destinations	Electronics retail stores, online electronics retailers (Own-Brand products), major camera manufacturers (OEM products)
Users	Consumers

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.

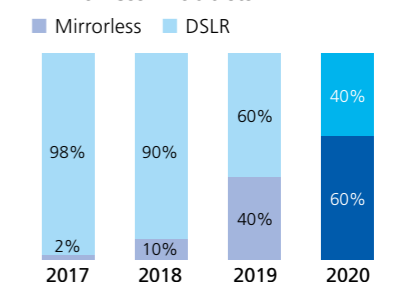
In China, where the recovery from COVID-19 was fast, net sales of own-brand products remained at the same level as the previous year in local currency terms. However, sales in the main markets of Japan and the United States fell by around 20%, and in Europe by around 25%. Operating income decreased by 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

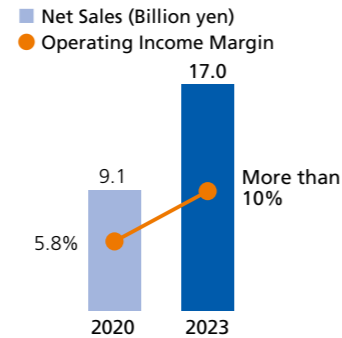


We will seek to develop new products that support people's safety and security, and expand our business scale and revenue base by conducting global sales activities that capture market needs.

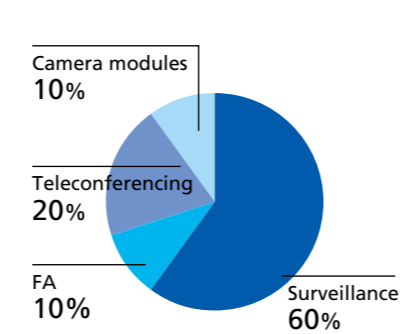
Summary of Business Results

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%.



- 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.



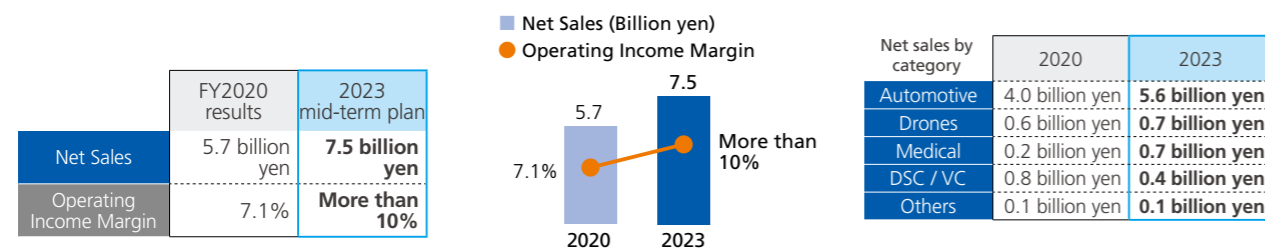
Long-Wave Infrared Camera Modules LW10F series

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.



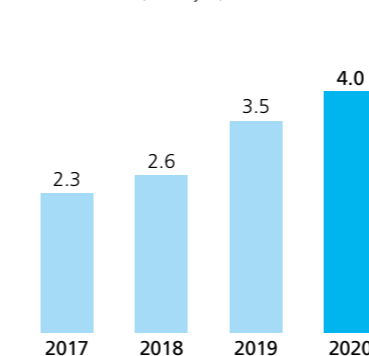
Automotive Lenses

Related SDGs

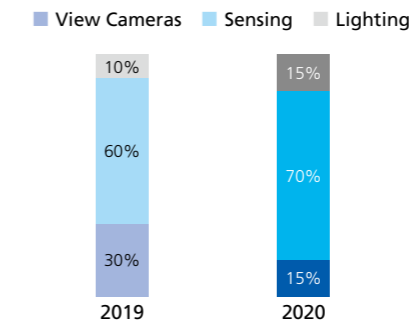


Summary of Business Results

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

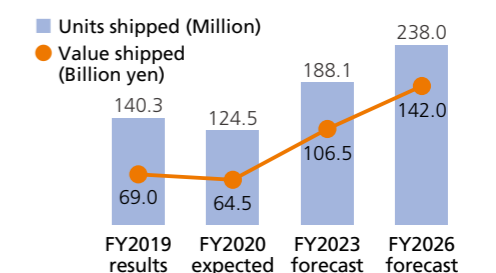
- Traffic fatalities are increasing in emerging countries.
- The Japanese government is promoting the widespread adoption of autonomous driving technologies.

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.

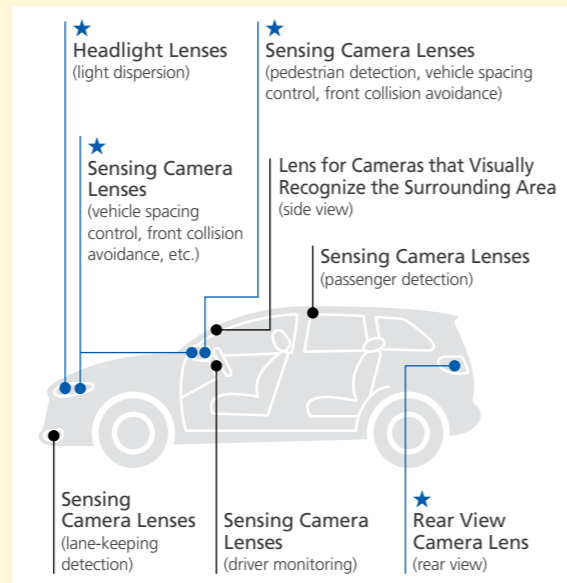
Strategies by Segment

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.

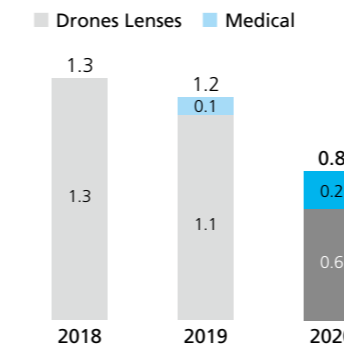


Lenses for Medical Applications



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

Drones Lenses

Related SDGs



Product Application

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

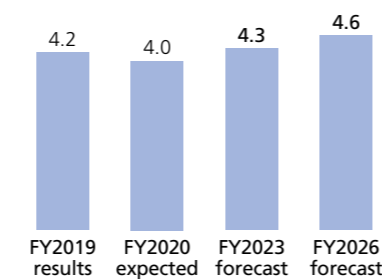
Market Conguration

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.

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).

Sustainability

Tamron will continue to contribute to the creation of a sustainable and fulfilling society, where people can feel excitement, through the creation of products that solve social issues.

Approach to Sustainability

Based on its Corporate Mission, Tamron aims to increase its corporate value and achieve the realization of a sustainable society. Currently, as indicated by phenomena such as global warming, sustainability crises are growing steadily and progressively more severe. As concerns about social issues—such as human rights and labor issues—become increasingly serious, there are growing expectations for companies to work to resolve social issues. Tamron has identified issues that must be solved to enable sustainable growth for the company and society as key CSR issues.

The key CSR issues that we have identified are incorporated

into our management strategy, and we set targets for these issues each year as we engage in our corporate activities.

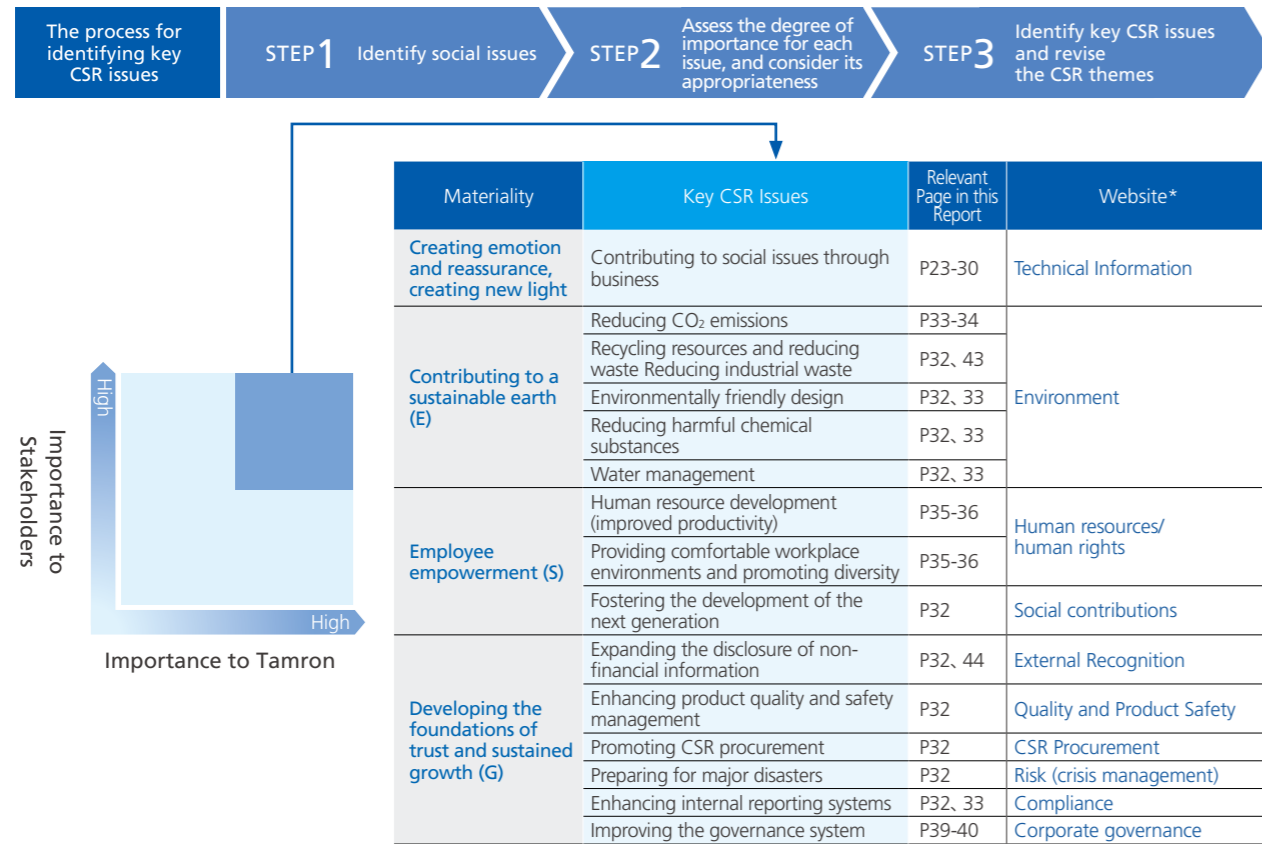
Sustainability System

Tamron has a CSR Committee that makes decisions on important matters relating to CSR management and checks progress in relation to various targets. Members of senior management gather to hold discussions overseen by the chairperson, who is Tamron's president. Details of the state of progress with regard to targets are reported on a quarterly basis, and decisions are made with regard to important matters relating to CSR.

Process for Identifying Key CSR Issues

Firstly, we identified social issues surrounding Tamron based on international guidelines. We then assessed the importance of those issues for various stakeholders, and the possibility

and potential impact of any risks. After considering the validity of the results of our assessment, we identified key CSR issues and submitted them for final decision making by the CSR Committee.



* Links to detailed pages for each section are provided in the PDF version.

Initiative Aimed at Key CSR Issues (ESG)

Key CSR Issues	2020 results	2021/mid-term goals	SDGs	
			Goal	Target
Contributing to social issues through business	Contributed to social issues through each business	Create further new businesses	3 9	3.6 Halve the number of deaths from traffic accidents 9.4 Improve efficiency of resource utilization 9.5 Promote innovation
Reducing CO ₂ emissions	Reducing CO ₂ emissions by approximately 11.7% compared with FY2015 levels	CO ₂ emissions 2021: 3% or more reduction compared with FY2015 levels 2030: 30% reduction compared with FY2015 levels 2050: 100% reduction compared with FY2015 levels	9 13	7.3 Improve energy efficiency 13.2 Integrate climate change measures into strategies
Recycling resources and reducing waste	(1) Reducing industrial waste emissions: 18% reduction year on year (2) Promoted plastic recycling	(1) Reducing industrial waste emissions: Reduction year on year (2) Plastic recycling rate: increase	12	12.2 Utilize resources efficiently 12.4 Minimize adverse effects on people's health and the environment 12.5 Reduce waste through recycling
Environmentally friendly design	Considered reducing plastics in product packaging	(1) Reduce bags used for user manuals (2) Standardize components and equipment	12	12.2 Utilize resources efficiently 12.4 Minimize adverse effects on people's health and the environment 12.5 Reduce waste through recycling
Reducing harmful chemical substances	Leaks of harmful chemical substances from business locations: 0 incidents	Leaks of harmful chemical substances from business locations: 0 incidents		
Water management	Water usage (Tamron Optical (Foshan), China): reduced by 25.6% in comparison with FY2019	Water usage (groupwide): advance activities for reduction of water usage	6	6.3 Improve water quality 6.4 Improve efficiency of water utilization
Human resource development Providing comfortable workplace environments and promoting diversity	(1) Overtime: reduced by 17% year on year (Head Office) Reduced by 61% year on year (Aomori) (2) Mental health check results: improved year on year (3) Percentage of female managerial staff: 11.39% (4) Percentage of employees with disabilities 2.24%	(1) Overtime: reduce by 10% year on year (Head Office) Reduce by 10% year on year (Aomori) (2) Mental health check results: improve year on year (3) Percentage of female managerial staff: 11% (4) Percentage of employees with disabilities 2.3% (5) Improve employee satisfaction	5 8 10	8.2 Economic productivity 5.5 Women's leadership 8.5 Equal pay for equal work 10.2 Inclusion of all people
Fostering the development of the next generation	Social contribution activity costs: 0.7% of previous year's consolidated operating income contributed	Social contribution activity costs: contribute 1% of previous year's consolidated operating income	4	4.3 Access to technical and vocational education
Expanding the disclosure of nonfinancial information	Expanded and enhanced integrated report, IR site and CSR site	Improve outside evaluations and energize communication	17	17. Strengthen the means of implementation and revitalize the global partnership for sustainable development
Enhancing product quality and safety management	Thoroughly applied responses to factors for poor quality across the board	Advance standardization for improving quality, etc.	9 12	9.1 Affordable and equitable access to infrastructure 12.4 Minimize adverse effects on people's health and the environment
Promoting CSR procurement	Conducted SAQ surveys at all suppliers	Add CSR assessment items to supplier management indicators	12	12.4 Minimize adverse effects on people's health and the environment
Preparing for major disasters	Reviewed disaster readiness provisions	Prevent or minimize disasters by performing simulations	11	11.b Disaster risk management
Information management	(1) Network infections: 0 (2) Personal information leaks: 0	(1) Network infections: 0 (2) Personal information leaks: 0	11	11.b Disaster risk management
Improving the governance system	(1) Revised Corporate Mission (2) Improved Board of Directors: implemented 10 items	(1) Instill and ingrain Corporate Mission (2) Improve Board of Directors: 5 strategies		—

Environmental Strategy

To build a fulfilling society, Tamron formulated Environmental Vision 2050, which outlines the long-term direction of Tamron's environmental initiatives.



Environmental Vision 2050

Tamron has formulated the Environment Vision 2050 to help create a fulfilling society where all people can live lively and

energetic lives, with consideration for recent trends in climate change caused by global warming.



Climate Change-Related Information Disclosure(TCFD) Governance

We recognize climate change as one of our key management issues. The CSR Committee, which is chaired by the president, deliberates and makes decisions about Tamron's basic policy on risk response and other important matters. Systems are in place to report important matters to the Board of Directors to enable suitable supervision. Information decided on by the CSR Committee is also reflected in management plans.

Risk Management

We analyze risks and opportunities affecting our sustainable growth in terms of management and financial impact to identify key risks and opportunities. Identified risks and opportunities are incorporated into our management plan, and translated into the activities of each division.

Indicators and Targets

➔ P13-14

We have set CO₂ emissions—which account for 98% of our greenhouse gas emissions—as one of our key climate change indicators, and aim to reduce CO₂ emissions to zero by 2050. In order to achieve this, we have set the goal of reducing emissions by 30% in comparison with 2015 levels by 2030, and we are setting targets every year as we work toward this goal. If efforts to reduce greenhouse gas emissions continue at the current level, emissions will be reduced by approximately 22,000 t-CO₂.

Strategic Scenario Analysis

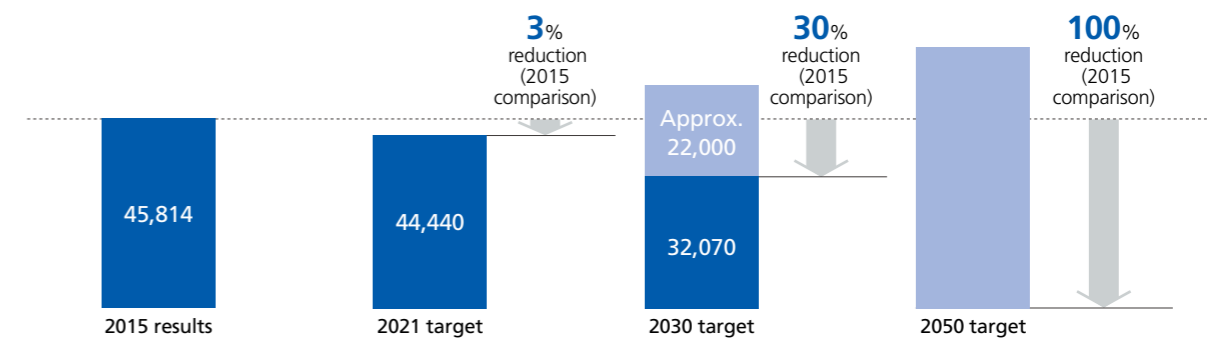
When climate change becomes apparent, social issues will develop, and as these progress to economic effects, business risks and opportunities will emerge. Tamron conducted a scenario analysis* and recognized the following risks and opportunities.

* IEA's Sustainable Development Scenario (2025)

Physical Risks	<ul style="list-style-type: none"> • Suspension of product supply as a result of factory shutdowns due to severe natural disasters (floods and intensive heavy rainfall) • Suspension of product supply due to supply chain disruption <p>Response</p> <ul style="list-style-type: none"> • Action through business continuity planning (BCP) in Japan and overseas
Transitional Risks	<ul style="list-style-type: none"> • Increase in business costs due to carbon taxes and emission trading, etc. <p>Response</p> <ul style="list-style-type: none"> • Advancing energy conservation (introduction of high-efficiency air conditioning equipment) • Promotion of renewable energy (expansion of solar power generation, purchase of renewable energy credits)
Opportunities	<ul style="list-style-type: none"> • Lenses used in inspections of infrastructure contribute to improving social resilience, such as disaster prevention and mitigation • Lenses for CCTV cameras that remotely manage natural disaster situations • Lenses for Teleconferencing systems that encourage telework, which does not rely on the movement of people, etc. <p>Response</p> <ul style="list-style-type: none"> • We view this as a medium- to long-term growth opportunity, and have reflected it in our management strategy

For details of disclosures based on TCFD, please see our website. <https://www.tamron.com/csr/environment/tcfd.html>

Greenhouse Gas Emission Targets Based on Environment Vision 2050 (Unit: t-CO₂)



Approach to Energy Saving and Renewable Energy

In performing corporate activities, even if it is possible to reduce existing power usage by saving energy, if facilities are increased by automation, etc., then power consumption will increase, and greenhouse gas emissions will also increase as a result. We will work to reduce CO₂ emissions through energy-saving activities such as improving productivity in our daily operations and introducing highly efficient air conditioning equipment. Additionally, in order to decarbonize our required energy, we are advancing the introduction of in-house renewable energy power generation and the purchase of renewable energy certificates.

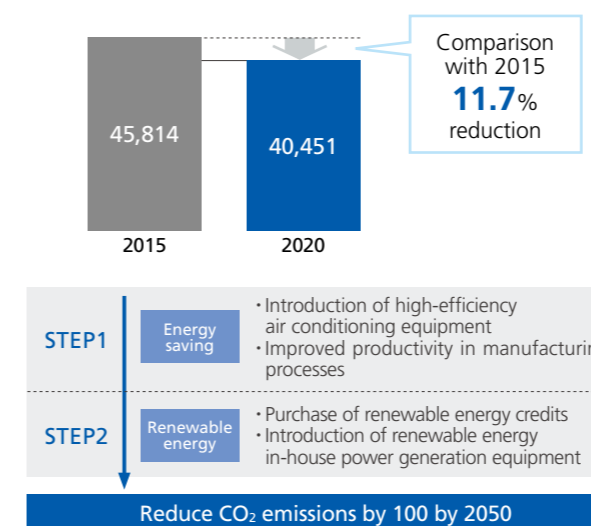
Energy-Saving Initiatives

In 2020, head office significantly reduced power consumption by replacing air conditioning heat source equipment. Although energy-saving heat pump chillers were already in use, we have now introduced new high-efficiency modules. Additionally, by tuning equipment according to load, we were able to achieve a more than 60% reduction in power consumption in comparison with previous levels. Annually, this will equate to a reduction of approximately 274t-CO₂, accounting for approximately 12% of head office CO₂ emissions. In 2021, we will begin replacing our office air conditioners to further reduce CO₂ emissions.

State of Achievement of Reducing CO₂ Emissions in 2020

In order to achieve the goals of our Environment Vision 2050, we set the target of reducing CO₂ emissions by 2% in comparison with 2015 levels in 2020. As a result, we achieved the target with a significantly greater reduction of 11.7%. While the reduction in power usage due to the shutdown of plants due to the impact of the COVID-19 pandemic was a major factor in achieving this, energy saving by replacing chillers at head office and renewable energy measures such as in-house solar power generation at Tamron Optical (Foshan) in China were also effective in reducing CO₂ emissions.

CO₂ Emissions (Unit: t-CO₂)



Solar power generation system (improvement at Foshan plant, China)

Human Resource Development

By strengthening the potential of human resources and improving the workplace environment, we are building an organization where all employees can play an active role.



Basic Approach

To realize our corporate philosophy, it is necessary to build an organization in which each employee can demonstrate their full potential while striving to boost productivity. To build an organization where employees can play an active role, Tamron is making efforts to improve the workplace environment, such as by promoting a sound work-life balance, diversity, and health and productivity management. Additionally, we will provide opportunities for employees to develop and demonstrate their abilities with respect for diversity, and aim to be a company where employees can have a global perspective, value teamwork, and demonstrate creativity.



Work-Life Balance and Diversity Related Targets and Results

2020 Targets	Results
Percentage of female managerial staff 11%	11.39%
Percentage of employees with disabilities 2.3%	2.24%
Reduction in employees with high stress levels	0.6% reduction
Overtime 10% year on year reduction	Head office: 17% Aomori: 61%

For indicators such as net sales per employee, please refer to page 43.

Strengthening the Potential of Human Resources Human Resources Development through the Post Qualification System

Tamron has introduced a Post Qualification System for employees in management roles.

The Post Qualification System determines grades and compensation based on positional classifications (positions) according to the level of responsibility and difficulty to be fulfilled as required by management, irrespective of seniority or ability.

We develop human resources through a process of encouraging employees to set goals for themselves that include challenges and creative ingenuity appropriate for their roles, forming agreements with their supervisors, and evaluating them at the end of the year. In this way, supervisors support the growth of their subordinates every day while maximizing their abilities.

Employees who have developed a certain level of occupational skills are offered two career tracks under the Post Qualification System, the “manager course” or “professional course.” In this way, each employee can attain a working style that fits their aptitude and intentions.



A training session for new employees

Employee Empowerment Improving Productivity

Tamron is aiming to improve the speed and quality of its operations based on a policy of working one hour less but achieving more than before. We consider this to be the key to making progress in the way human beings work.

In order to encourage creative ingenuity in our work, we operate schemes (such as the president's award and improvement proposal system) that commend employees for making good proposals.

In 2019 we introduced RPA*, which is helping to improve productivity by automating our routine operations.

*RPA: Robotic Process Automation

Fostering a Corporate Culture for Sustainably Increasing Corporate Value

So that we can grow sustainably as a company and contribute to a sustainable society with the aim of realizing our Corporate Mission, which was revised in November 2020, we believe that it is crucial for each and every employee of the Tamron Group, including its overseas subsidiaries, to understand and empathize with the Corporate Mission—that our business opportunities lie in solving social issues by creating emotion and reassurance—and link that understanding and empathy to their own actions.

An employee survey conducted in December 2020 found that

96% of employees empathized with our new Corporate Mission.

In November 2020, we called on all employees to suggest ideas for new products and new businesses, for the special President's Commendation project to commemorate the 70th anniversary of our founding, with the goal of discovering new businesses that are essential for the sustainable growth of our company. As a result we received more than 500 applications, and are now considering several good ideas for actualization into real business operations. Looking ahead, we will continue to consider initiatives making effective use of the diverse abilities of our employees.

Plans Aimed at Instilling Our Corporate Mission (continuing on from November 2020)

Phase	Recognition	Understanding	Empathy
Items implemented	<ul style="list-style-type: none"> Announced at foundation anniversary ceremony Introduced on website Notice boards 	<ul style="list-style-type: none"> Internal newsletters E-learning Lectures by senior management 	<ul style="list-style-type: none"> Distribution of "Vision Book" Empathy-level survey

→ Voluntary actions of individual employees

Creating an Easy-to-Work Workplace Environment Towards Achieving Diversity

To achieve future growth, Tamron needs a diverse range of human resources who can create new emotion and reassurance in society. For this reason, we are engaged in a range of initiatives to achieve a sound work-life balance so that employees can play as much of an active role as possible without making excessive efforts.

- Childcare leave
- Nursing care leave
- Shorter hours for childcare (for employees with children up until the end of April of Grade 4 of elementary school)
- Paid leave in hourly increments
- Telework / working from home
- Flextime scheme (4 hours core time, calculated over a monthly period)
- Caregiving leave

Promoting Flexible Workstyles

In 2020, we reviewed the way in which we work as we tackled the challenges of preventing infections in the face of the COVID-19 coronavirus pandemic. We commenced the flexible operation of a home-based telework scheme, introduced staggered working hours, utilized video conferencing systems and reviewed our operations in general, advancing the introduction of virtual and digitized technologies aimed at improving productivity. During the state of emergency declared by the Japanese government between April and May 2020, approximately 40–50% of our employees worked from home.

Moreover, since April 2021, we have improved upon our existing flextime system, allowing employees to set daily working hours according to their preferred work and private hours, under the condition that they work 4 hours of core time and meet the number of prescribed working hours per month. This has enabled us to work more flexibly.

Tamron Kids Day-Care Center has been established at the same location as our head office, and is available to the local community as well as employees. One hundred percent of female Tamron employees in Japan who have had a child have made use of maternity leave before and after childbirth and the parental leave system, and subsequently returned to work.



Health and Productivity Management

Tamron is working to create a workplace in which employees can work with good physical and mental health and job satisfaction.

As an initiative for improving mental and physical health, mental health checks are conducted twice a year for all employees (the response rate in August 2020 was 97%). Our health check results identify issues in terms of management, workplace unity and job satisfaction, and we brief the Management Meeting based on a report compiled each time, and endeavor to make improvements. In recognition of these efforts, Tamron was certified under the 2021 Certified Health & Productivity Management Organization (Major Corporation Category).



Management Structure (As of March 26, 2021)

Board of Directors

President & CEO
Shiro Ajisaka
Member of Nominating Committee and Member of Compensation Committee



April 1978 Joined Tamron Co., Ltd.
April 1990 President, TAMRON Europe GmbH.
January 2005 Executive Officer, General Manager, Overseas Sales & Marketing Unit, Tamron Co., Ltd.
January 2008 Senior Executive Officer, General Manager, Overseas Imaging Products Business Unit, Tamron Co., Ltd.
March 2010 Director, Tamron Co., Ltd.
March 2013 Managing Director, Tamron Co., Ltd.
March 2014 Senior Managing Director, Tamron Co., Ltd.
March 2015 Corporate Vice President, Tamron Co., Ltd.
March 2016 President & CEO, Tamron Co., Ltd. (current post)

Corporate Vice President
Shogo Sakuraba
Optical Design & Engineering R&D Unit, Integrated Core Technology R&D Unit and Opto-Science R&D Center



April 1981 Joined Tamron Co., Ltd.
January 2005 Executive Officer, General Manager, Optical Design & Engineering R & D Unit, Tamron Co., Ltd.
January 2008 Senior Executive Officer, General Manager, Optical Design & Engineering R & D Unit, Tamron Co., Ltd.
March 2014 Director, Tamron Co., Ltd.
March 2016 Corporate Vice President, Tamron Co., Ltd. (current post)

Corporate Vice President
Masayuki Abo
Production Management & Administration Unit, Core Technology & Engineering R&D Unit



March 1971 Joined Tamron Co., Ltd.
August 1999 Managing Director, TAMRON OPTICAL (FOSHAN) CO., LTD.
January 2005 Executive Officer, Assistant General Manager, Production Management & Administration Unit, Tamron Co., Ltd.
January 2007 Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.
January 2008 Senior Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.
January 2011 Senior Executive Officer, General Manager, Process Technology & Engineering Unit, Tamron Co., Ltd.
March 2014 Director, Tamron Co., Ltd.
March 2016 Senior Managing Director, Tamron Co., Ltd.
March 2018 Corporate Vice President, Tamron Co., Ltd. (current post)

Senior Managing Director
Koji Masunari
Industrial Optics Business Unit and Compliance



April 1978 Joined Tamron Co., Ltd.
April 2012 Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.
April 2014 Senior Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.
March 2015 Director, Tamron Co., Ltd.
March 2016 Managing Director, Tamron Co., Ltd.
March 2021 Senior Managing Director, Tamron Co., Ltd. (current post)

Senior Managing Director
Yasuki Kitazume
Administrative Management Unit, Internal Control and Risk Management



November 2003 Joined Tamron Co., Ltd.
January 2007 Executive Officer, General Manager, Accounting & Financial Management Unit, Tamron Co., Ltd.
April 2010 Senior Executive Officer, General Manager, Accounting & Financial Management Unit, Tamron Co., Ltd.
March 2016 Director, Tamron Co., Ltd.
March 2018 Managing Director, Tamron Co., Ltd.
March 2021 Senior Managing Director, Tamron Co., Ltd. (current post)

Managing Director
Hiroshi Otsuka
Corporate Business Planning & Administration Board, Legal & IP Management Board, CSR Implementation & Administration and Investors Relations



June 2006 Joined Tamron Co., Ltd.
April 2010 Executive Officer, General Manager, Technology Development Strategic Planning Board, General Manager, Legal & IP Management Board, Tamron Co., Ltd.
January 2015 Executive Officer, General Manager, Corporate Business Planning & Administration Board, Tamron Co., Ltd.
April 2015 Senior Executive Officer, General Manager, Corporate Business Planning & Administration Board, Tamron Co., Ltd.
March 2016 Director, Tamron Co., Ltd.
March 2020 Managing Director, Tamron Co., Ltd. (current post)

Managing Director
Shenghai Zhang
Mold & Tooling Technology Center and overseas manufacturing subsidiaries



January 1997 Joined Tamron Co., Ltd.
April 2010 Executive Officer, Tamron Co., Ltd., Managing Director, TAMRON OPTICAL (FOSHAN) CO., LTD.
April 2014 Senior Executive Officer, Tamron Co., Ltd., Managing Director, TAMRON OPTICAL (FOSHAN) CO., LTD.
March 2016 Director, Tamron Co., Ltd.
March 2020 Managing Director, Tamron Co., Ltd. (current post)

Director
Makoto Otani
OEM Component Business Unit and Quality Control & Assurance Supervision Unit



April 1984 Joined Tamron Co., Ltd.
April 2012 Executive Officer, General Manager, OEM Component Business Unit, Tamron Co., Ltd.
March 2015 Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.
April 2016 Senior Executive Officer, General Manager, Industrial Optics Business Unit, Tamron Co., Ltd.
March 2018 Director, Tamron Co., Ltd. (current post)

Director
Tomohide Okayasu
Imaging Products Business Unit and Product Development Management & Administration Unit



December 2000 Joined Tamron Co., Ltd.
April 2012 Executive Officer, General Manager, Product Development Management & Administration Unit, Tamron Co., Ltd.
January 2014 Executive Officer, General Manager, Imaging Products Business Unit, Tamron Co., Ltd.
April 2016 Senior Executive Officer, Tamron Co., Ltd.
April 2017 Senior Executive Officer, TAMRON USA, INC.
March 2018 Director, Tamron Co., Ltd. (current post)

Director (Outside Director, Independent Officer)
Yuichi Sato



Chairperson of Nominating Committee and member of Compensation Committee

April 1978 Joined Tokyo Shibaura Electric Co., Ltd. (now Toshiba Corporation)
January 1980 Assistant, School of Engineering, Tokyo Institute of Technology
April 1983 Assistant Professor, Faculty of Engineering, Saitama University
April 1994 Professor, Faculty of Engineering, Saitama University
April 2010 Dean, Faculty of Engineering, Saitama University
April 2013 Dean, Graduate School of Science and Engineering, Saitama University
April 2014 Executive Director, Vice President, Saitama University National University Corporation
March 2018 Outside Director, the Company (current post)

Director (Outside Director, Independent Officer)
Harumi Katagiri



Member of Nominating Committee and chairperson of Compensation Committee
Supervisory officer at MORI TRUST Sogo Reit, Inc.
Outside director at Japan Asia Investment Co., Ltd.

November 1993 Joined Asahi & Co. (now KPMG AZSA LLC)
April 1998 Registered as a certified public accountant in Japan
March 2000 Joined Century Audit Corporation (now Ernst & Young Shin Nihon LLC)
July 2009 Member of Ernst & Young Shin Nihon LLC
July 2017 Opened the Harumi Katagiri certified public accountants' office (current post)
March 2018 Outside Director, the Company (current post)
June 2019 Supervisory Director, Mori Trust Sogo Reit, Inc. (current post)
June 2019 Outside Director, Japan Asia Investment Company, Limited (current post)

Director (Outside, Independent Officer)
Eriko Ishii



Member of Nominating Committee and Member of Compensation Committee
Outside director of Sophia Holdings Co., Ltd., Supervisory Director of Canadian Solar Infrastructure Fund, Inc.

October 2004 Registered as an attorney (current post)
October 2004 Joined Mori Hamada & Matsumoto LPC
February 2011 Registered as an attorney in the State of New York
April 2016 Part-time lecturer of Keio University Law School (current post)
July 2016 Partner of Shin Saiwai Law Office (current post)
June 2018 Outside director of Sophia Holdings Co., Ltd. (current post)
May 2019 Supervisory Director of Canadian Solar Infrastructure Fund, Inc. (current post)
March 2021 Outside Director, the Company (current post)

Audit & Supervisory Board Members

Full-Time Corporate Auditor (Outside Corporate Auditor, Independent Officer)
Tsutomu Tezuka
Member of Nominating Committee and member of Compensation Committee



April 1981 Joined the Company
January 2008 General Manager of Internal Audit & Supervision Board of the Company
March 2014 General Manager of Human Resources & General Affairs Management Unit of the Company
April 2014 Executive Officer, General Manager of Human Resources & General Affairs Management Unit of the Company
January 2018 Executive Officer, General Manager of Legal & IP Management Board of the Company
January 2019 Executive Officer, Assistant to the President of the Company
March 2019 Corporate Auditor of the Company (current post)

Full-Time Corporate Auditor (Outside Corporate Auditor, Independent Officer)
Takashi Hirayama
Member of Nominating Committee and member of Compensation Committee



April 1980 Joined the Saitama Bank, Ltd. (the present Saitama Resona Bank, Ltd.)
June 2005 Executive Officer, Saitama Resona Bank, Ltd.
January 2008 Managing Executive Officer in charge of finance and IPO preparation of AGS Corporation
June 2010 Corporate Auditor of AGS Business Computer Corporation
May 2011 General Manager of Information Processing Division, Managing Executive Officer of AGS Corporation
October 2015 Managing Executive Officer in charge of operational audits of AGS Corporation
March 2019 Independent Corporate Auditor of the Company (current post)

Corporate Auditor (Outside Corporate Auditor)
Tadahiro Tone
Chairman of Saitama Kenmin Kyosai
Outside director of Great East Japan Earthquake Business Revitalization Support Organization



April 1969 Joined the Saitama Bank, Ltd. (the present Saitama Resona Bank, Ltd.)
August 2002 President of Saitama Resona Bank, Ltd.
October 2003 President, Representative Director of Saitama Resona Bank, Ltd.
June 2006 Chairman of Saitama Resona Bank, Ltd.
April 2010 Chancellor of Saitama Prefectural University
March 2011 Independent Corporate Auditor of the Company (current post)
October 2014 Chairman of Saitama Kenmin Kyosai (current post)
June 2015 Outside director of Great East Japan Earthquake Business Revitalization Support Organization (current post)

Corporate Auditor (Outside Corporate Auditor, Independent Officer)
Masaya Nara
Attorney (Partner of Torikai Law Office)



September 1990 Joined Yasuda Trust & Banking Co., Ltd. (the present Mizuho Trust & Banking Co., Ltd.)
April 2009 Executive officer, General Manager of Investment Planning Division of Mizuho Trust & Banking Co., Ltd.
June 2011 Full-time corporate auditor of Mizuho Trust & Banking Co., Ltd.
April 2014 Senior managing director of Mizuho Realty Co., Ltd.
January 2017 Registered as an attorney
March 2019 Independent Corporate Auditor of the Company (current post)
January 2020 Partner of Torikai Law Office (current post)

Activities of Outside Officer

Classification	Name	Activities in 2020 (Attendance Rate)
Director	Yuichi Sato	Attended all 19 meetings of the Board of Directors held during the fiscal year. He has made appropriate remarks based on his wealth of experience as a director and vice president of Saitama University.
Director	Harumi Katagiri	Attended all 19 meetings of the Board of Directors held during the fiscal year. She has made appropriate remarks based on her professional knowledge and experience as a certified public accountant.
Corporate Auditor	Takashi Hirayama	He attended all 19 Board of Directors meetings and all 15 Audit & Supervisory Board meetings held during the fiscal year. He has made appropriate remarks based on his wealth of business experience at financial institutions and the knowledge and experience of auditors and audit departments of other companies.
Corporate Auditor	Tadahiro Tone	He attended all 19 Board of Directors meetings and all 15 Audit & Supervisory Board meetings held during the fiscal year. He makes comments as appropriate based on his wealth of business experience at financial institutions and his knowledge and experience as a corporate manager.
Corporate Auditor	Masaya Nara	He attended all 19 Board of Directors meetings and all 15 Audit & Supervisory Board meetings held during the fiscal year. He has made appropriate remarks based on his professional knowledge and experience as a lawyer and his knowledge and experience as directors and corporate auditors of other companies.

* Outside Director Eriko Ishii was appointed in March 2021, and her activities are therefore not listed.

Corporate Governance

Basic Policy

Based on its new corporate mission to "create emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society," Tamron aims to build good relationships with all stakeholders to achieve sustainable growth and improve corporate value.

In support of those goals, we have adopted the basic approach of ensuring fair and transparent management practices while developing a highly effective corporate governance system that seeks to improve the speed and efficiency of decision making and business execution.

System Overview

Tamron is a company with corporate auditors and includes a Board of Directors that functions as a body to make important decisions and supervise the execution of operations, as well as an Audit & Supervisory Board as an auditing body that is independent of the Board of Directors. Tamron also appoints multiple independent outside directors possessing a wealth of knowledge, expertise and independence and has set up a Nominating Committee and Compensation Committee as advisory bodies to enhance supervisory functions.

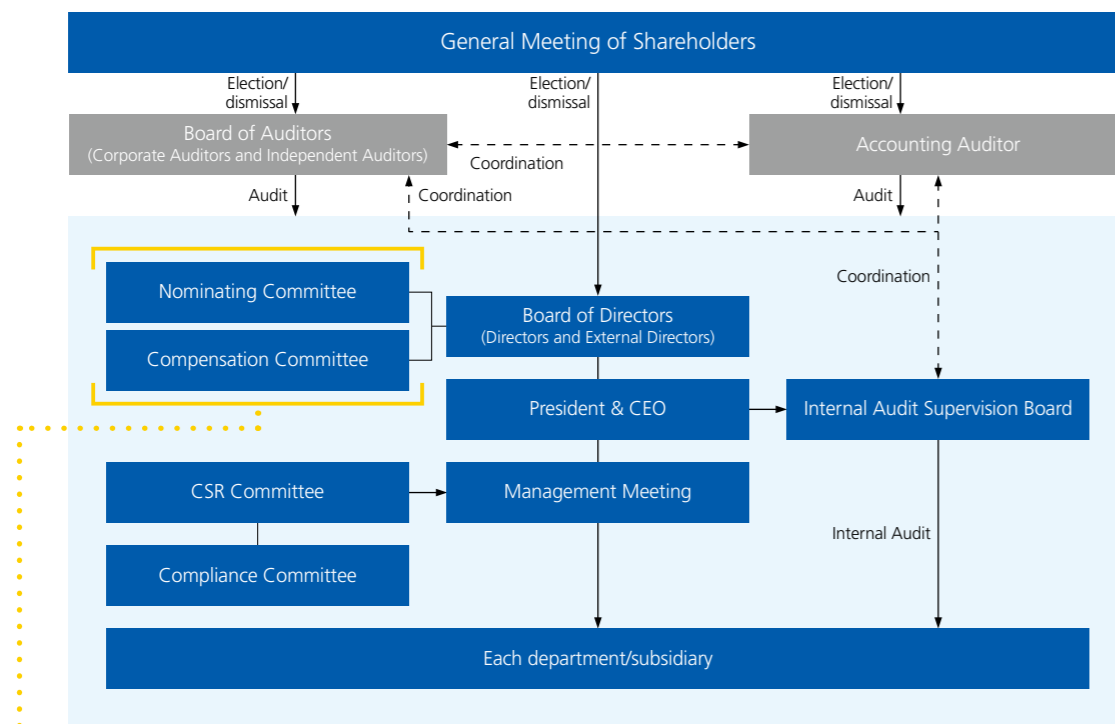
To the Board of Directors, Tamron appoints 12 directors (three of whom are outside directors), including one foreign director and two female directors, as well as 4 corporate auditors (three of whom are outside auditors).

Compliance with the Corporate Governance Code

Through the continual improvements to our corporate governance system, we implemented all of the principles found in the Corporate Governance Code prescribed by the Tokyo Stock Exchange. We have also established Corporate

Governance Guidelines that summarize our approach to corporate governance. The guidelines are available on the Tamron website.

Corporate Governance Structure



Board of Directors

Meetings of the Board of Directors are held once a month, in principle, attended by all Directors and Corporate Auditors, for reviewing the execution of duties by the Directors and deciding on important issues as set forth in the basic policy of the company and the Companies Act.

Audit & Supervisory Board

Meeting once a month in principle, the Audit & Supervisory Board audits the process of decision making by the Board of Directors and the execution of duties by Directors, by attending the Board of Directors meetings and checking approval documents.

Nominating Committee and Compensation Committee

To enhance the independence and objectiveness of Board of Directors functions concerning the nomination, appointment and dismissal of directors, we have established a Nominating Committee and Compensation Committee, each of which are chaired by an outside director and whose membership comprises a majority of outside officers (outside directors and corporate auditors).

Management Meetings

Tamron has established management meetings attended by directors and full-time corporate auditors to discuss and consider issues related to management and the execution of duties, and to quickly respond to the changing management environment.

Board of Directors Effectiveness Assessment

To self-assess the overall effectiveness of the Board of Directors, each year Tamron makes revisions to pertinent questions based on external changes such as corporate governance revisions and Tamron's own governance measures, surveys all directors and corporate auditors by way of a questionnaire, and accepts indi-

vidual opinions as needed.

Based on the results of the assessment, the Board of Directors deliberates over analysis, assessment and improvement measures, makes revisions to matters including the composition, size, compensation system and operating methods of the Board.

Major Initiatives to Enhance Corporate Governance and Progress on Improvements

Category	2016	2017	2018	2019	2020	2021
Officer Composition and Compensation	<ul style="list-style-type: none"> Established a Nominating Committee and Compensation Committee Appointed a foreign national as a director 	<ul style="list-style-type: none"> Considered the size and composition of the Board of Directors Established standards concerning the independence of outside officers 	<ul style="list-style-type: none"> Reduced the number of directors by three Appointed a female director Revised the compensation system and introduced a stock compensation scheme 	<ul style="list-style-type: none"> Considered the size and composition of the Board of Directors 	<ul style="list-style-type: none"> Reduced the number of directors by one 	<ul style="list-style-type: none"> Increase of one outside director
Other	<ul style="list-style-type: none"> Began effectiveness assessment by conducting a questionnaire among officers 	<ul style="list-style-type: none"> Considered compliance with items of the Corporate Governance Code not yet in compliance 	<ul style="list-style-type: none"> Reduced the number of Board of Directors meetings Complied with all principles of the Corporate Governance Code Established Corporate Governance Guidelines 	<ul style="list-style-type: none"> Increased opportunities for medium-to-long-term discussion Improved methods and timing for providing materials in advance 	<ul style="list-style-type: none"> Revision to the Corporate Mission Formulation of a long-term vision 	<ul style="list-style-type: none"> Reduction of cross-shareholdings

Officer Compensation

Compensation for company officers at Tamron comprises "basic compensation," which is a form of fixed compensation, "short-term incentive compensation," which is a kind of performance-linked monetary compensation based on factors such as business performance in a single fiscal year, and "medium-to-long-term incentive compensation," as a kind of performance-linked stock-based compensation. As well as linking a considerable percentage of compensation to company performance, the

performance-linked stock-based compensation aims to clarify the links between business performance, share prices and the compensation of directors, and raise the motivation of directors to contribute to medium-to-long-term improvement in business performance and corporate value. Compensation for external directors and corporate auditors consists only of the basic compensation.

Compensation System

Types of Compensation		Percentage	Policy and Process for Determining the Method of Calculation
Fixed	Basic Compensation (Monetary compensation)	Approx. 60%	In light of each person's position, level of contribution, levels in the industry or other companies of the same size and business performance, etc., compensation is determined by the Board of Directors following a review by the Compensation Committee chaired by an external director.
	Short-term Incentive Compensation (Monetary compensation)	Approx. 20%	
Variable	Medium-to-long Term Incentive Compensation (Stock-based compensation)	Approx. 20%	<ul style="list-style-type: none"> Points are granted based to each person's position, business performance, and so on, in accordance with the Share Issuance Regulations established by the Board of Directors. Stocks in Tamron are issued through a trust based on the number of points. The level of medium-term management plan achievement such as ROE is also assessed.

Assessment Indicators, etc.

Assessment Item	Assessment Indicator	Assessment Weighting			Assessment Item	Assessment Indicator	Assessment Weighting
		President	Directors assigned to business units	Other directors			
Company-wide performance	Consolidated net sales	20%	70%	15%	Company-wide performance	Consolidated net sales	20%
	Consolidated operating income	50%	25%	30%		Consolidated operating income	50%
Performance of assigned business units	Assessment of business performance	—	35%	25%		ROE	30%
Individual assessment	Assessment of individual strategic goals	30%					

* Assessment of business performance in a single fiscal year

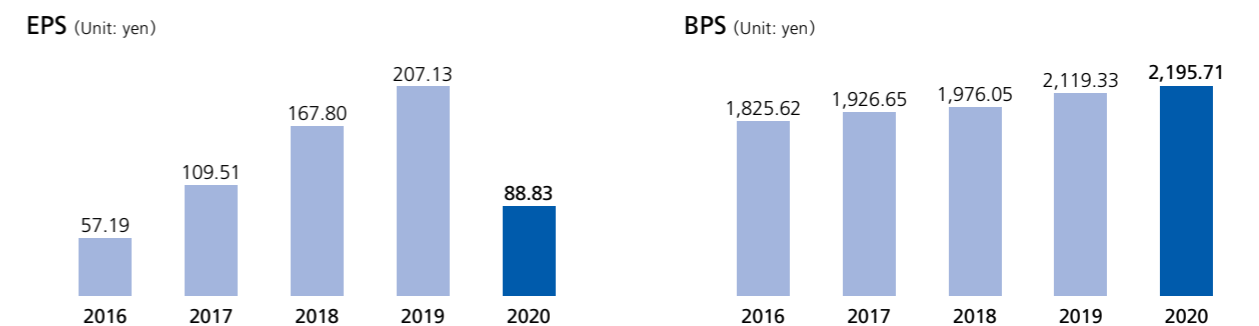
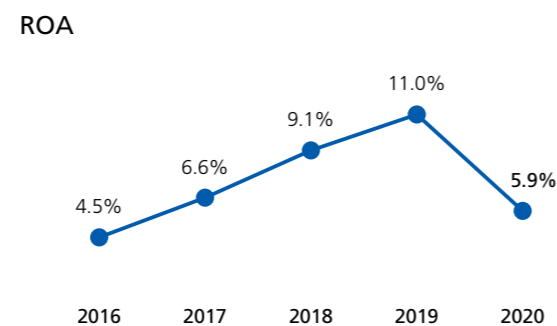
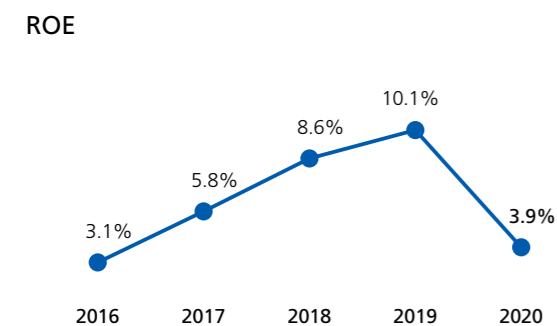
* Assessment of medium-term business performance

Financial and Non-Financial Highlights

Financial Highlights

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Million yen											
Status of Profit and Loss											
Net sales	56,650	58,507	64,353	68,452	73,621	71,946	59,903	60,496	61,815	63,285	48,375
Gross profit	18,958	19,625	20,545	20,941	23,568	22,642	18,901	20,596	21,905	24,229	18,370
Operating income	5,456	5,687	5,503	5,233	6,076	4,554	2,361	4,246	5,424	6,982	3,575
EBITDA	8,749	8,944	8,685	8,674	9,888	8,209	5,726	7,808	8,588	9,649	6,378
Ordinary income	5,476	5,702	5,377	5,196	6,200	5,140	2,855	4,100	5,877	7,403	3,750
Profit attributable to owners of parent	3,689	3,804	3,894	3,197	3,846	4,048	1,482	2,838	4,330	5,330	1,958
Financial Position											
Net assets	33,996	36,134	40,805	47,087	51,995	49,001	47,321	49,940	50,852	54,539	45,777
Total assets	50,120	51,898	58,058	64,704	69,906	66,035	60,910	63,868	64,704	69,297	58,190
Cash and deposits	10,996	12,773	10,822	14,297	15,915	14,192	16,030	19,431	22,438	28,384	21,417
Inventories	8,109	9,007	12,363	11,055	10,536	12,875	10,100	10,473	10,811	9,388	8,604
Liabilities with interests	6,528	6,330	5,475	5,714	4,098	4,035	4,063	3,145	2,998	2,643	2,200
Status of Cash Flow											
Cash flows from operating activities	3,562	8,030	3,736	9,602	6,208	6,214	6,537	7,661	7,523	10,925	7,554
Cash flows from investing activities	(3,008)	(4,679)	(3,824)	(6,041)	(2,351)	(2,552)	(2,540)	(2,174)	(2,202)	(2,863)	(12,334)
Free cash flow	553	3,351	(88)	3,561	3,856	3,662	3,997	5,487	5,321	8,062	(4,780)
Cash flows from financing activities	(890)	(1,486)	(2,363)	(1,324)	(3,009)	(5,219)	(1,524)	(2,351)	(1,861)	(1,923)	(2,112)
Per-Share Information (yen)											
EPS	134.40	138.61	141.86	116.48	140.14	153.98	57.19	109.51	167.80	207.13	88.83
BPS	1,238.45	1,316.33	1,486.52	1,715.37	1,894.14	1,890.45	1,825.62	1,926.65	1,976.05	2,119.33	2,195.71
Dividend	50	50	50	50	50	60	55	50	60	68	50
Dividend Payout Ratio	37.2%	36.1%	35.2%	42.9%	35.7%	39.0%	96.2%	45.7%	35.8%	32.8%	56.3%
Major Indicators											
Gross profit on net sales	33.5%	33.5%	31.9%	30.6%	32.0%	31.5%	31.6%	34.0%	35.4%	38.3%	38.0%
Operating Income Margin	9.6%	9.7%	8.6%	7.6%	8.3%	6.3%	3.9%	7.0%	8.8%	11.0%	7.4%
EBITDA Margin	15.4%	15.3%	13.5%	12.7%	13.4%	11.4%	9.6%	12.9%	13.9%	15.2%	13.2%
Ordinary Income Margin	9.7%	9.7%	8.4%	7.6%	8.4%	7.1%	4.8%	6.8%	9.5%	11.7%	7.8%
ROE	11.0%	10.9%	10.1%	7.3%	7.8%	8.0%	3.1%	5.8%	8.6%	10.1%	3.9%
ROA	11.2%	11.2%	9.8%	8.5%	9.2%	7.6%	4.5%	6.6%	9.1%	11.0%	5.9%
Shareholders' equity ratio	67.8%	69.6%	70.3%	72.8%	74.4%	74.2%	77.7%	78.2%	78.6%	78.7%	78.7%
D/E Ratio (times)	0.19	0.18	0.13	0.12	0.08	0.08	0.09	0.06	0.06	0.05	0.05
Inventory turnover (months)	1.7	1.8	2.3	1.9	1.7	2.1	2.0	2.1	2.1	1.8	2.1
PER (times)	12.6	13.4	17.2	21.9	17.0	14.6	33.9	22.1	9.4	12.2	20.6
PBR (times)	1.4	1.4	1.6	1.5	1.3	1.2	1.1	1.3	0.8	1.2	0.8
Capital Investment, Depreciation and R&D Expenses											
Capital investment	3,102	4,386	3,656	6,130	2,429	2,478	2,484	2,425	2,047	3,171	2,734
Depreciation	3,292	3,257	3,182	3,440	3,812	3,654	3,365	3,562	3,164	2,666	2,803
R&D expenses	3,292	3,304	3,492	3,217	3,699	4,052	4,002	4,111	4,373	5,263	4,687
R&D expenses on net sales	5.8%	5.6%	5.4%	4.7%	5.0%	5.6%	6.7%	6.8%	7.1%	8.3%	9.7%

* EBITDA = Operating income + Depreciation



Please see our website for consolidated financial result. https://www.tamron.com/ir/library/library_02.html

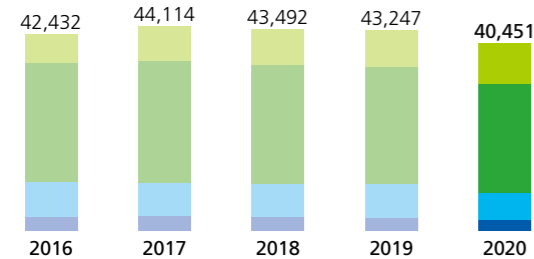
Financial and Non-Financial Highlights

Non-Financial Highlights

Tamron strives to be a company that limits its impact on the environment and is highly productive, where a diverse range of human resources can succeed.

CO₂ Emissions (t-CO₂)

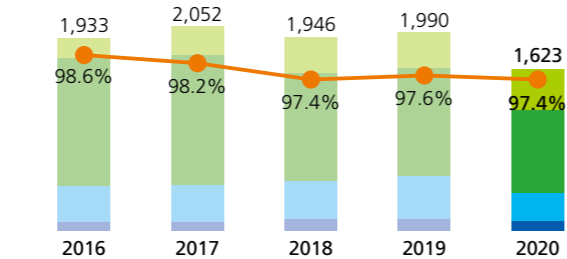
■ Head office ■ Aomori Factory
■ Foshan Factory ■ Vietnam Factory



CO₂ emissions fell 6.5% year on year, and 11.7% in comparison with 2015, the baseline year for Tamron's Environment Vision 2050. To achieve carbon neutrality, we are making thorough energy saving efforts and also pushing ahead with the introduction of renewable energy.

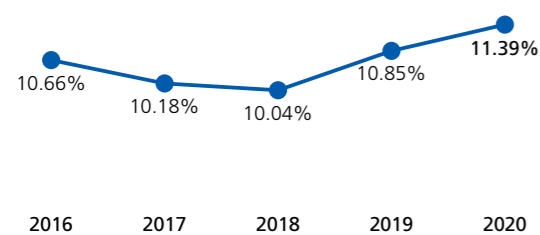
Waste Volume and Recycling Rate (t)

■ Head office ■ Aomori Factory ■ Foshan Factory
■ Vietnam Factory ● Industrial Waste Recycling Rate (Japan)



Total waste volume decreased by 18% year on year, and the industrial waste recycling rate in Japan was 97.4%. Waste plastics were reduced due to improvements in process methods, and 3Rs were promoted through measures including the reuse of recycled materials for components.

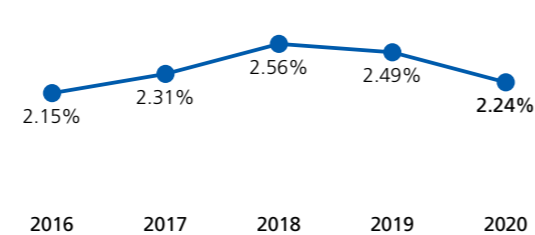
Percentage of Female Managerial Staff



The percentage of female managerial staff in 2020 was 11.39%. (The percentage among female employees in Japan is 20%.) We will continue to appropriately evaluate talented employees regardless of gender and appoint them as managerial staff accordingly.

* In Japan: section manager and higher

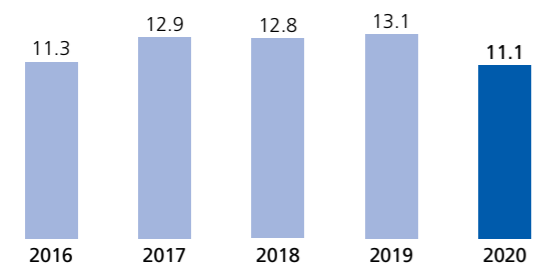
Employment Rate for Disabled Persons



In 2020, the rate was 2.24%. Tamron will continue to develop a comfortable working environment for a diverse range of people.

* Japan

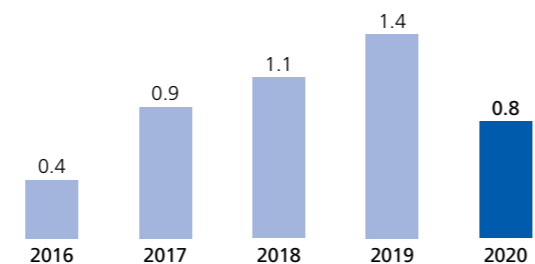
Net Sales per Employee (Million yen)



This figure fell by 15% year on year to 11.1 million yen. Net sales per employee decreased by 15% as sales decreased significantly by 24% year on year, due to the effects of the COVID-19 pandemic.

* Calculated based on the average number of employees at the end of the previous period and end of the period under review.

Operating Income per Employee (Million yen)











This figure fell by 45% year on year to 0.8 million yen. Despite a significant impact of the decrease in operating income, we maintained a certain level of profit margin due to the recent successful transformation to a more profit-oriented business structure.

* Calculated based on the average number of employees at the end of the previous period and end of the period under review.

Please see our website. <https://www.tamron.com/csr/>

External Recognition

Certification Marks	Name	Overview of Recognition
 Sompo Sustainability Index	SOMPO Asset Management SOMPO Sustainability Index	The SOMPO Sustainability Index is an index consisting of about 300 stocks with excellent ESG. Tamron has been selected for investment by the fund since 2012.
	S&P Dow Jones Indices, Japan Exchange Group S&P/JPX Carbon Efficient Index	An index that focuses on the state of environmental information disclosure and carbon efficiency levels to determine weightings among the companies that make up the index. Tamron is included as one of the companies making up the index.
	Ministry of Economy, Trade and Industry 2021 Certified Health & Productivity Management Outstanding Organizations Recognition (Major Corporation Category)	The program aims to promote health and productivity management by selecting enterprises engaged in outstanding health and productivity management and introducing them to investors that emphasize improvements to corporate value from a long-term perspective. Tamron was certified as a 2021 Health & Productivity Management Outstanding Organization in the Major Corporation category.
	Ministry of Health, Labour and Welfare Kurumin Mark	The Kurumin Mark is a program under the Act on Advancement of Measures to Support Raising Next-Generation Children to certify childcare supporting companies that have passed a review that includes items on the development of an environment conducive to taking childcare leave and support for balancing work with childcare. Tamron has been certified for the Kurumin Mark since 2015.
	Nihon Keizai Shimbun Nikkei Smart Work Management Survey: 3 Stars	The survey examines companies in four areas, namely "human resources," "innovation," "market development," as well as the "management fundamentals" required for the sustainable development of a company. Tamron received a 3-star rating in 2020.
	Nikkei Keizai Shimbun Nikkei SDGs Management Survey: 4 stars	The SDGs Management Survey assesses companies across four categories, namely SDGs strategy and economic value, social value, environmental value and governance, and examines how this translates into enhanced corporate value through contributions to problem solving and enhanced governance. Tamron received a 4-star rating in 2020.
—	Toyo Keizai TOYOKEIZAI CSR Ranking: AAA	The rating scheme evaluates companies on 16 major items across the four areas of human resource utilization, environment, corporate governance and social performance. In 2020 Tamron received a AAA ranking.
	Saitama Prefecture Sai-no-Kuni Plant	The scheme designates plants exhibiting exceptional technical and environmental achievements as partners in the development of a richer Saitama Prefecture. Tamron has been designated since 2007.
	Saitama City Leading-edge Companies Certification	The scheme to certify companies developing research and development-oriented production exhibiting superior creativity and innovation in Saitama City. Tamron has been certified since 2009.

Company Profile / Shareholder Information As of December 31, 2020

Head Office

Tamron Co., Ltd.

1385 Hasunuma, Minuma-ku, Saitama-shi, Saitama
337-8556, JAPAN

Founded / Incorporated

Founded: November 1, 1950

Incorporated: October 27, 1952

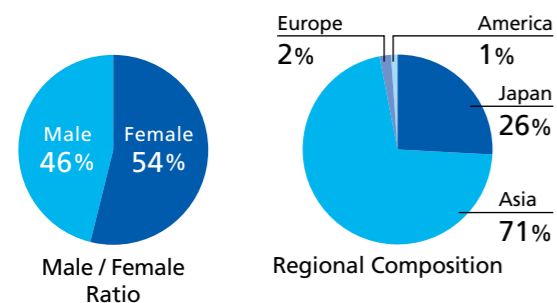
Capital

6,923 million yen

Employees

4,070 (consolidated), 1,052 (non-consolidated)

Breakdown of Employees (consolidated)



Stock Overview

Number of shares issued: 25,950,000 shares

Number of shares per unit: 100 shares

Number of shareholders: 4,821 shareholders

* Excluding shareholders less than one unit.

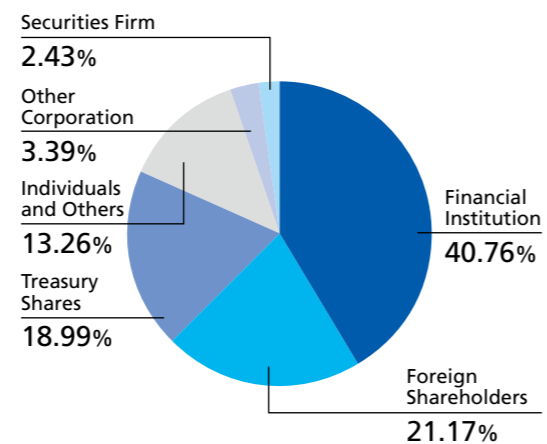
Stock Exchange

First section, Tokyo Stock Exchange
Securities Code: 7740

Balance Date

December 31

Distribution of Shares by Owner



Status of Major Shareholders

Shareholders	Number of shares held (Thousands of shares)	Percentage of shares held
Sony Corporation	3,129	14.88
The Master Trust Bank of Japan ,Ltd. (trust account)	1,806	8.59
Custody Bank of Japan, Ltd.	1,606	7.64
Saitama Resona Bank Limited	1,002	4.77
Nippon Life Insurance Company	580	2.75
JPMorgan Securities Japan Co., Ltd.	403	1.92
THE BANK OF NEW YORK MELLON 140044	373	1.77
Tamron Business Partner Stockholding Association	290	1.38
ARGO GRAPHICS Inc.	267	1.27
JPMBL RE UBS AG LONDON BRANCH COLL EQUITY	265	1.26

Shareholding ratio is calculated by deducting the number of treasury shares (4,927 thousand shares) from total shares issued.

* Sony Corporation changed its tradename to Sony Group Corporation as of April 1, 2021.

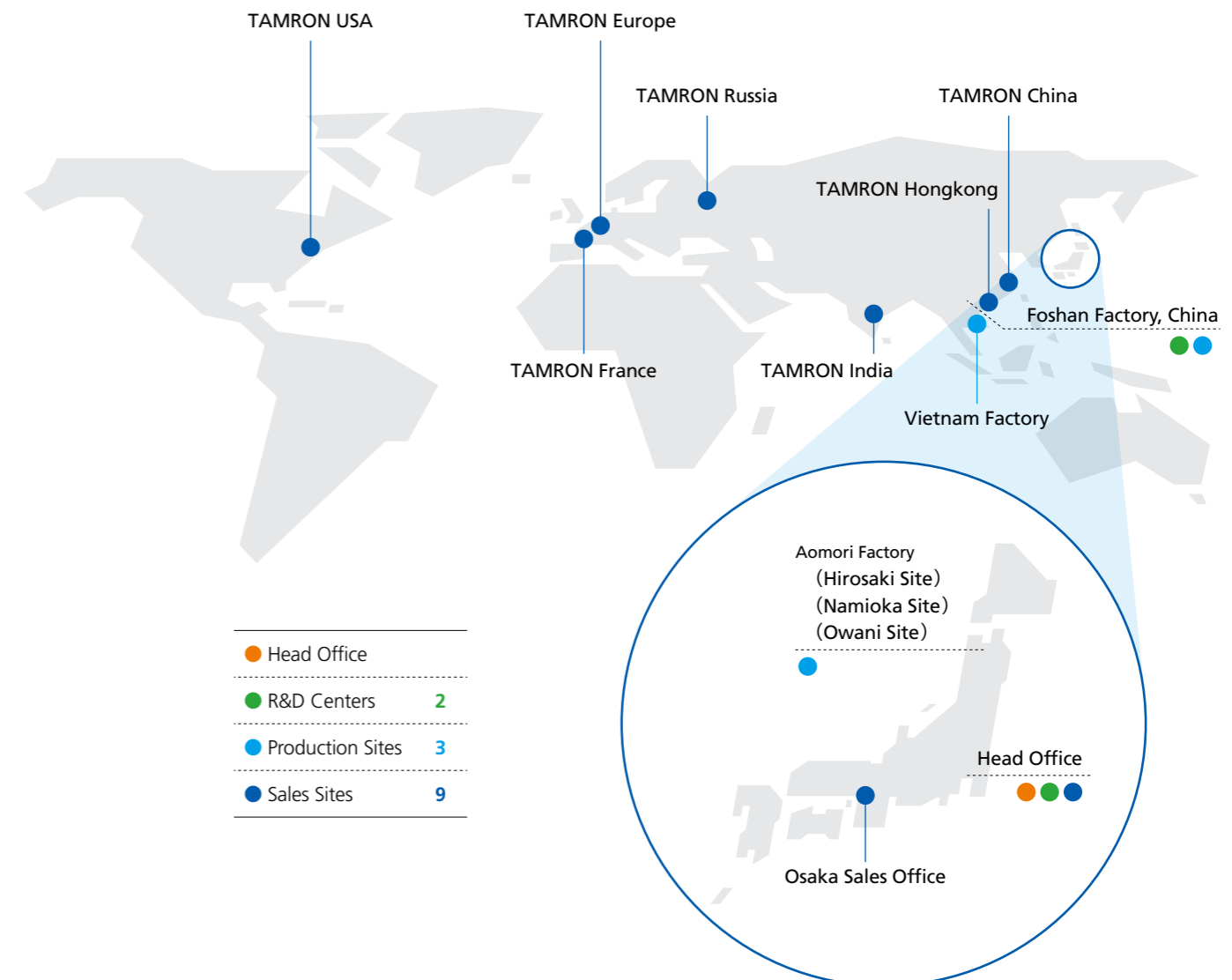
Manager of the Register of Shareholders

Sumitomo Mitsui Trust Bank, Limited

1-4-1, Marunouchi, Chiyoda-ku, Tokyo

Group Network

To ensure that it can respond flexibly to the needs of customers, Tamron has developed a global structure engaged in everything from R&D to planning, design, manufacturing, sales and customer support.



Main Functions and Characteristics

Head Office	<ul style="list-style-type: none"> Optical design, mechanical design, electronics and software design, etc. Mold manufacturing, plastic injection molding
R&D Centers	<ul style="list-style-type: none"> Research and development into the improvement of base technologies Research and development related to product development in new fields
Production Sites	<ul style="list-style-type: none"> Lens processing, plastic molding, metal processing, assembly, etc. Tamron's plants in Japan (Aomori Prefecture) function as mother plants providing manufacturing technologies to Tamron's large-scale production sites at the Foshan Factory in China and the Vietnam Factory. This production structure spread across three sites around the world allows Tamron to handle various manufacturing tasks from small lot production to mass production.
Sales Sites	<ul style="list-style-type: none"> In addition to seven overseas sales companies, Tamron has developed networks with sales centers and distributors in various regions. We also provide after-sales support through this network.

TAMRON

Tamron Co., Ltd.

Corporate Business Planning & Administration Board

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