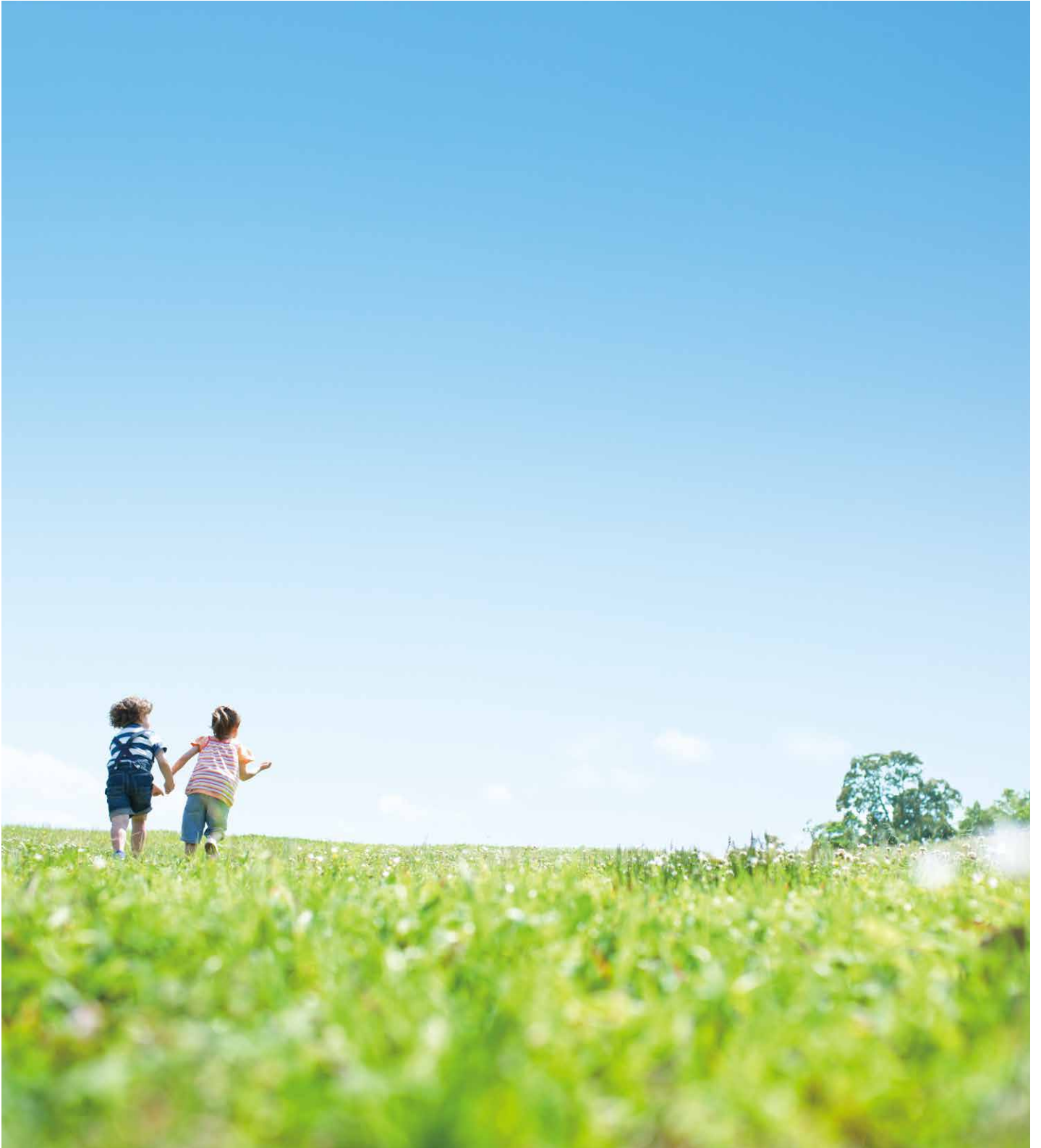


Tamron Co., Ltd.

# Integrated Report 2022

for the Year Ended December 2021





# Tamron's Efforts to Achieve Sustainability

Tamron's sustainability efforts is achieving a sustainable environment, society and management under its corporate mission to "create emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society." The feelings encapsulated in a single photo, the safety needed in a changing society. We carefully listen to the voices of our customers and society as we continually hone our optical technologies. Tamron's social mission is to bring emotion and reassurance to all stakeholders by expanding the possibilities of optics and offering products that can solve social issues.

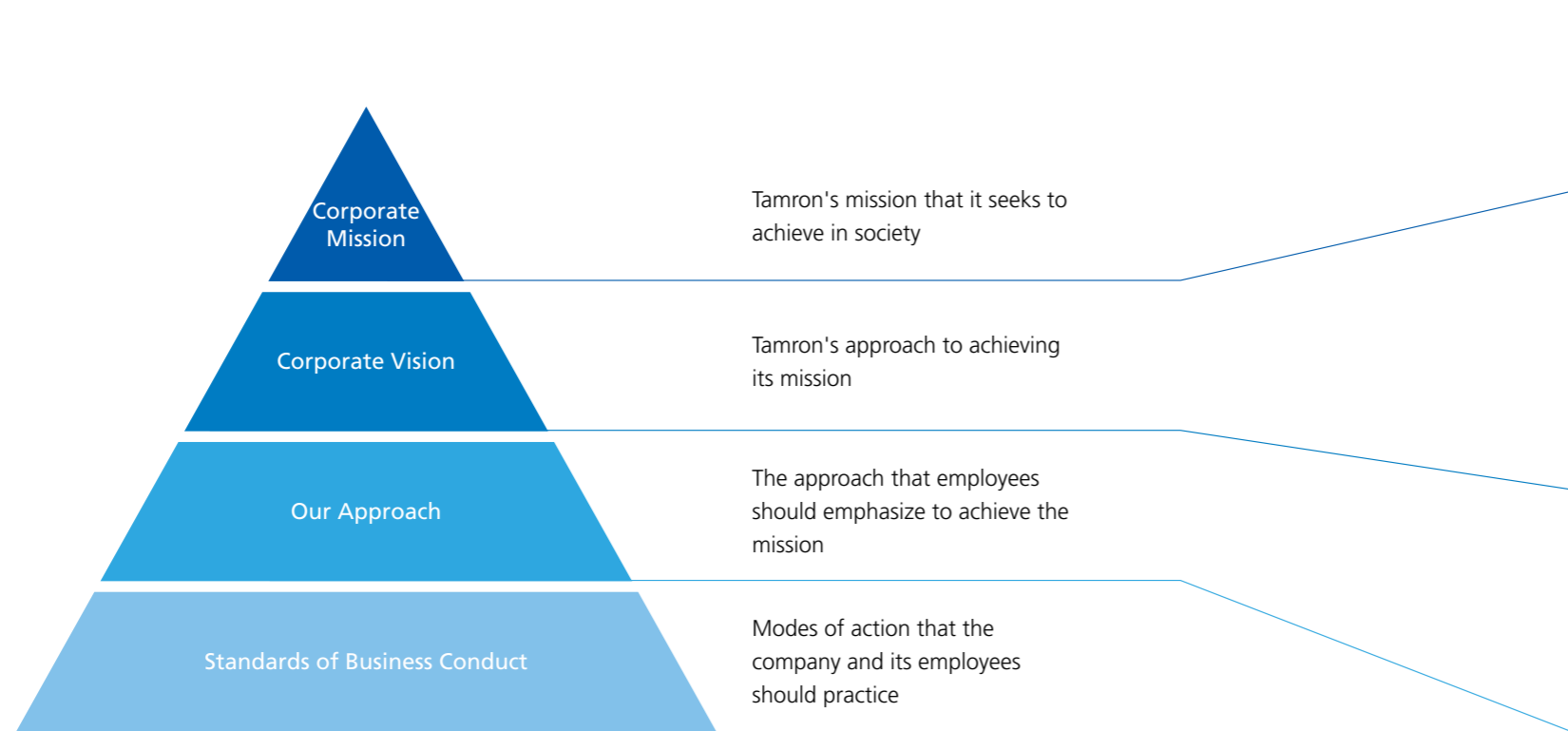
Focus on the Future. To anticipate the future and shape a sustainable global environment and society, Tamron will continue to pursue the possibilities that light holds.



## SUSTAINABLE DEVELOPMENT GOALS



## Management Philosophy



### 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.

### Long-Term Vision

Our vision

A company that is respected and truly 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.

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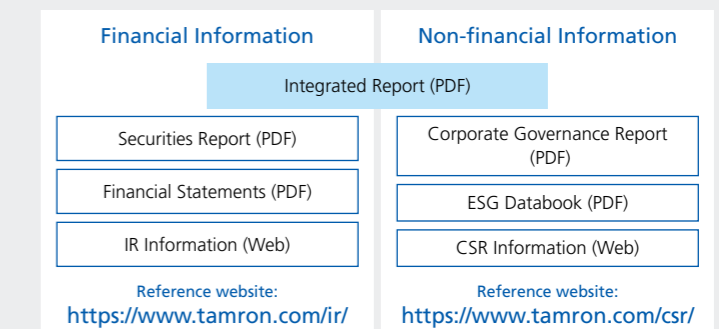
## Editorial Policy

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 Value Reporting Foundation (VRF).

This report covers the period from January 1, 2021 to December 31, 2021 (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



## Message from the President & CEO

### Shiro Ajisaka

President & CEO  
Tamron Co., Ltd.

Aiming to become a company that is respected and truly needed by society

## Tamron's Significance in Society

To balance its own sustainable growth with a sustainable society, Tamron pursues advanced optical technologies, combines innovation with technological prowess, and continues to develop and supply high quality products that are trusted by customers. Through those products we deliver emotion to people, and help shape a society in which people can live in contentment and peace of mind. Contributing to a fulfilling society that is both materially and emotionally enriched is Tamron's mission for society, and something Tamron sees as its reason for existing.

To fulfill this mission, Tamron must achieve sustainable growth and continue to survive in society.

How can we enrich people's hearts and minds through the

power of optics? Tamron has incorporated that longing into its Corporate Mission.

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

Under this Corporate Mission, we embrace the challenge of solving social issues through our business activities, aim to be a company that is respected and truly needed by society, and are committed to management that considers all stakeholders.

Tamron's sustainability efforts is to help solve social issues through fair and honest business activities. We recognize that the success of each and every employee is simply essential to

accomplishing this. To realize "a company with work fulfillment" as described in our long-term vision, we will develop a workplace environment that balances job satisfaction with ease of work. We believe that creating a workplace environment in which employees can fully harness their abilities will lead to a cycle of creating products that solve social issues.

However, Tamron's sustainable growth does not depend solely on our product development capabilities. Above all,

we recognize that this is only possible on a planet free from concerns about climate change and resource depletion. The earth is a place where all stakeholders live their lives, and while it is the stage on which corporate activities take place, it is also the supplier of the energy and resources that are essential to product manufacturing. Protecting the global environment is extremely important to the sustained growth of Tamron. Tamron promotes activities to reduce its environmental impact with the aim of realizing a sustainable global environment.

## Tamron's Management Strategy Towards Sustainable Growth

### Environment

Based on its corporate mission of "creating emotion and reassurance through its mastery of light, contributing to the realization of a fulfilling society," Tamron aims to realize the sustainable society described in the Sustainable Development Goals (SDGs) together with customers, suppliers, shareholders, local communities, employees and all other stakeholders. To help achieve these goals through our core business, we have continued to support the Ten Principles of the United Nations Global Compact. Tamron recognizes these principles as standards to be put into practice by global companies. Accordingly, we have reflected them in the Tamron Standards of Business Conduct and have thoroughly integrated elements into our in-house training, including at overseas sites. We have also identified issues that are of high importance to society and Tamron (Key CSR issues). We integrate these issues into our management strategies and work to solve them.

Particularly in terms of the environment, we recognize reducing CO<sub>2</sub> emissions as a key CSR issue in light of climate change trends due to global warming in recent years. To realize a fulfilling society in which all people can live lively and energetic lives, the shaping of decarbonized society is essential. As part of its action on this issue, Tamron has set the internal target of reducing CO<sub>2</sub> emissions from its corporate activities to zero by the year 2050. We have set the interim target of reducing CO<sub>2</sub> emissions by 30% compared with 2015 levels by the year 2030, and will make annual reductions in 3% increments from 2021. Additionally, while implementing energy-saving activities by introducing high-efficiency air conditioning equipment and making productivity improvements to regular operations, we also plan to increase the percentage of renewable energy we use.

In 2021, we achieved the target CO<sub>2</sub> emission reduction of 3% from 2015 levels, managing to lower CO<sub>2</sub> emissions by

5.6%. A major factor in the reduction was lower electricity use from energy-saving activities. In particular, there was a significant reduction effect at TAMRON OPTICAL (FOSHAN) CO., LTD. in China due to the replacement of air conditioning equipment across the board. In addition, from 2022 we plan to implement the purchase of renewable energy credits in a phased manner. To start with, at the head office and TAMRON OPTICAL (FOSHAN) CO., LTD. we have purchased renewable energy credits that correspond to around 10% of companywide CO<sub>2</sub> emissions.

Meanwhile, on important issues related to the global environment including the reduction of plastic waste and harmful chemical substances and the mitigation of water risks, we will work to reduce our impact in cooperation with stakeholders.

### Society

To achieve a sustainable society and the sustainable growth of Tamron, it will be necessary to create a company where each employee feels healthy and fulfilled in their job, enabling them to make maximum use of their capabilities. With this in mind, we also recognize developing comfortable workplace environments and promoting diversity, and human resource development as key CSR issues.

Tamron is also focusing on cultivating the next generation of senior management. Since 2021 we have been implementing a mission leadership system where section managers are allowed to operate on their own as the smallest unit leaders and the team as a whole shares goals and works to achieve them. By giving each leader the task of achieving their own mission and contributing to the mission of the department and division above them, this system will help Tamron achieve its company-wide medium-term management plan, Vision23.

## Message from the President & CEO

By channeling ingenuity to achieve their mission, each leader will undergo personal growth that we believe will reinforce Tamron's organizational strength. As another measure to enhance our human resource capabilities, we have introduced the Post Qualification System, which determines grades and compensation according to the level of responsibility and difficulty of all roles to be fulfilled as required by management, irrespective of seniority or ability.

As a company that operates globally including development, production and sales activities, Tamron is also aware of human rights issues as an important management challenge. Tamron cannot solve human rights issues alone; efforts that span the entire supply chain are needed. Tamron has declared its commitment to partnership building in order to promote the coexistence and co-prosperity of the entire supply chain and coordination with partners who seek to create new value, irrespective of the size of the company.

Going forward, we will work with partners to ascertain human rights risks and solve or improve the issues discovered as part of broader efforts to solve human rights issues.

### Governance

In light of dialogue with shareholders and investors, and the purpose of the Corporate Governance Code, Tamron has continued to make improvements to its governance system through effectiveness evaluations and other efforts. 2021 in particular saw developments such as the reclassification of markets on the Tokyo Stock Exchange and revisions to the Corporate Governance Code. Internally, Tamron appointed a

person with corporate management experience at another company as an outside director, bringing the percentage of independent outside directors up to at least one third of the total.

Currently, independent outside directors account for 36.4% of all directors, reflecting efforts to make structural improvements ensuring a diverse and effective Board of Directors. Additionally, in 2016 Tamron established the Nomination Committee and Compensation Committee as advisory bodies to the Board of Directors, each of which are chaired by an outside director. In 2021, the composition of these committees was changed to ensure a majority of their members are independent outside directors, further enhancing their transparency.

We have also better clarified the management responsibilities of directors and developed systems to further raise their awareness of improved corporate value, such as by shortening the term of office for directors to one year, and adding total shareholder return (TSR) as one of the metrics used to determine director compensation.

To coincide with these improvements, we also disclosed a skill matrix and improve sustainability-related disclosures, leading to Tamron's inclusion in the new Prime Market of the Tokyo Stock Exchange and the implementation of all principles of the revised Corporate Governance Code, including principles directed at companies listed on the Prime Market.

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.

double net sales compared with 2020 levels to 17 billion yen. At the same time, our plans include increased profits with an operating income margin of at least 10%, with the aim of growing the segment into a second pillar of our business. In 2021, we achieved an increase in net sales for Surveillance & FA Lenses but failed to reach the level initially forecast. In addition, in part due to lower sales from teleconferencing lenses, the rate of progress was also low. However, we are advancing the development of various elements and products without slowing down. In 2022, we will aim for a double-digit increase in net sales, increasing the Surveillance & FA Lenses segment's contribution to total net sales into the 20% range and accelerating the pace of business expansion on the way to achieving our 2023 goals.

In Mobility & Healthcare and Others, we will focus on the automotive and healthcare sectors and also allocate resources away from shrinking sectors with the aim of realizing an income margin of at least 10%. As of 2021, we have achieved our target operating income margin and also achieved growth in net sales and income in the automotive lenses business, marking steady progress overall. Going forward, we will drive growth in the healthcare business in particular, focusing on expanding our businesses in the healthcare sector overall.

Although we achieved a strong start in terms of overall business results, in order to achieve results that surpass our Vision23 targets in 2023, we will properly address the remaining issues and steadily implement measures from a medium and long-term perspective.



## “ Progress of the Medium-Term Management Plan ”

By 2023, the final year of our Vision23 Medium-Term Management Plan started in 2021, we aim to achieve 61 billion yen in net sales, an increase of roughly 25% from 2020 levels. We also plan to surpass the operating income achieved in 2019, the largest over the past decade, posting 7 billion yen as part of a V-shaped recovery returning Tamron to the highly profitable structure it maintained before the COVID-19 pandemic.

In 2021, we increased revenue in each segment and raised gross profit margin to a record 40%, easily surpassing our initial forecasts for both net sales and profit. As a result, on the profit front we achieve our medium term plan in the first year, managing to achieve a v-shaped recovery to a pre-pandemic highly-profitable structure at an early stage.

Capitalizing on these results, in 2022 we will aim for greater

heights, maintaining the highly profitable structure we achieved in 2021 while endeavoring to expand sales in the Surveillance & FA Lenses, an area of growth and development, as well as in Mobility & Healthcare and Others. Through these efforts, we will also aim to achieve the Vision23 plan for net sales a year ahead of schedule.

Looking at progress on a per-segment basis, in our mainstay Photographic Products Business we managed to achieve our 2023 targets for net sales and operating income margin in the first year of the plan. We also made investments in products for X-mount to enhance support for new formats. We will continue to maintain high profitability as our core business while striving to expand market share.

In Surveillance & FA Lenses, by 2023 we expect to nearly

## “ Towards Increasing Corporate Value in the Medium and Long Term ”

In addition to the prolonged effects of the COVID-19 pandemic, the global situation has become increasingly unstable, and we find ourselves in an era in which unpredictable events are occurring with greater frequency. Tamron will position itself to respond swiftly and appropriately to these kinds of changes.

In addition, while continuing to evolve flexibly, Tamron will continue to pursue its vision of contributing to the realization of a fulfilling society through optical products. As I mentioned at the beginning, Tamron's social mission is to bring emotion and reassurance to all stakeholders through the mastery of optical technologies and products that solve social issues. In fulfilling this mission, we will pursue the sustainability of society and our own sustainable growth.

Note that in preparing Integrated Report 2022, each division has enlisted company-wide support in the editing

process while referencing the International Integrated Reporting Framework of the Value Reporting Foundation (VRF) and the Guidance for Collaborative Value Creation advocated by the Ministry of Economy, Trade and Industry. I have verified the validity of this process and the information described herein.

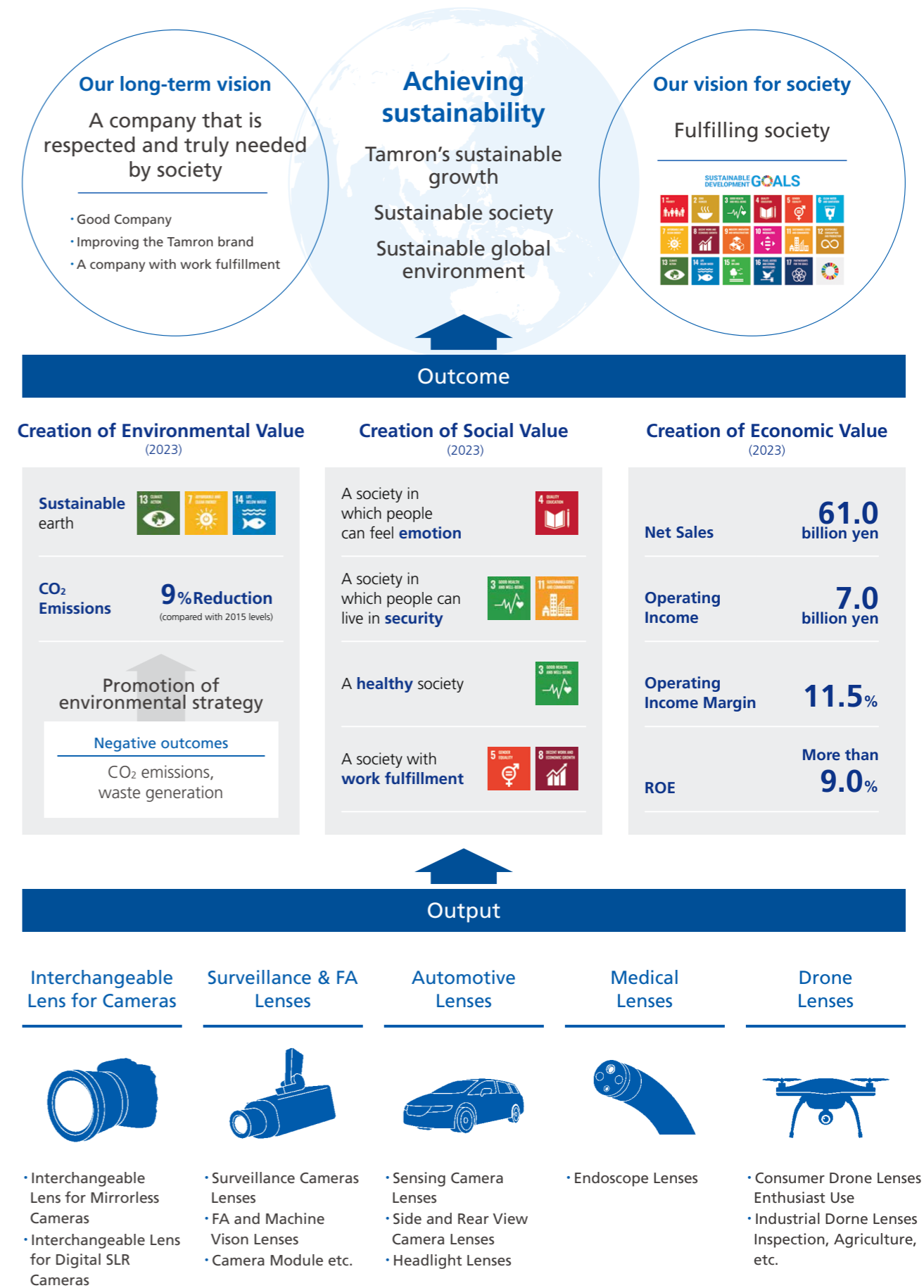
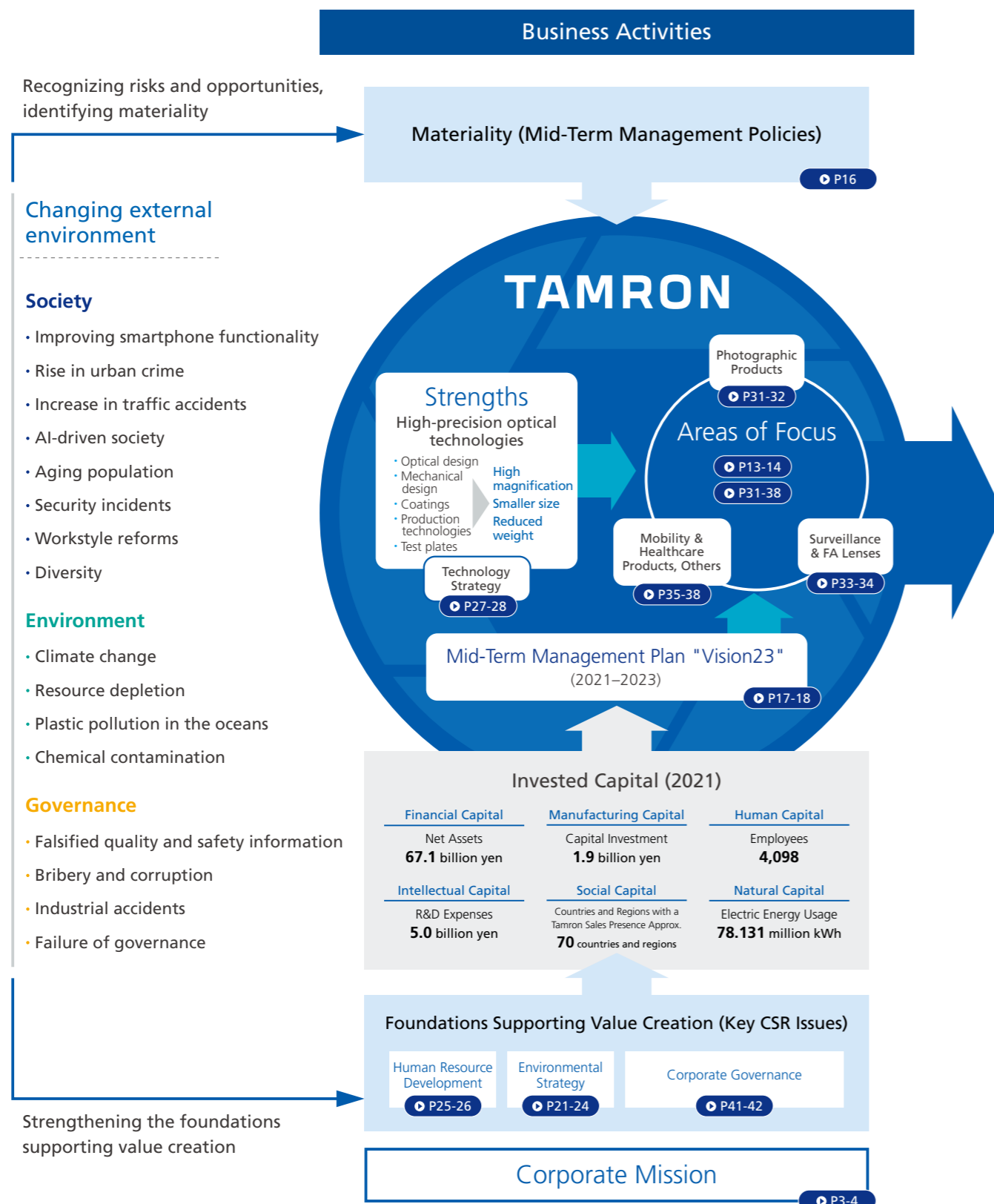
Going forward, we will continue to use the Integrated Report as a tool for dialogue, and make every effort to enhance our corporate value while considering the valuable feedback received from stakeholders.

**Shiro Ajisaka**

President & CEO  
Tamron Co., Ltd.

# The Value Creation Process

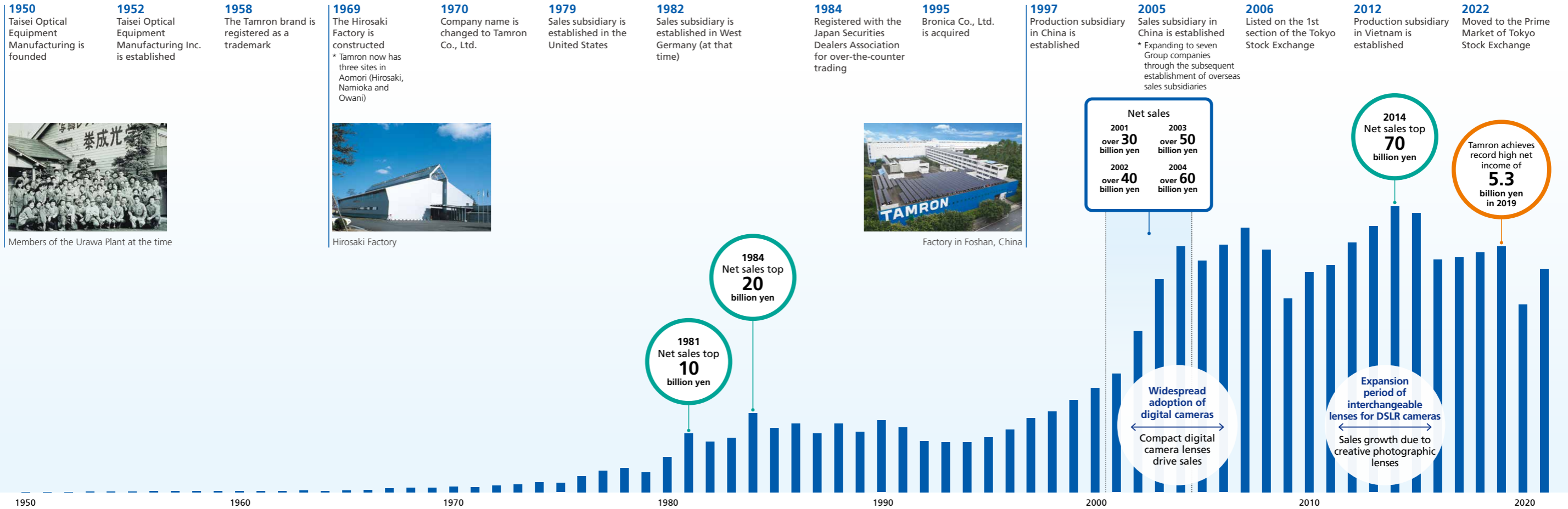
Tamron utilizes its optical technologies to provide products that create emotion and reassurance. By creating environmental, social and economic value through these products and business activities, Tamron will achieve sustainability in society and its own sustainable growth.



# 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 the world



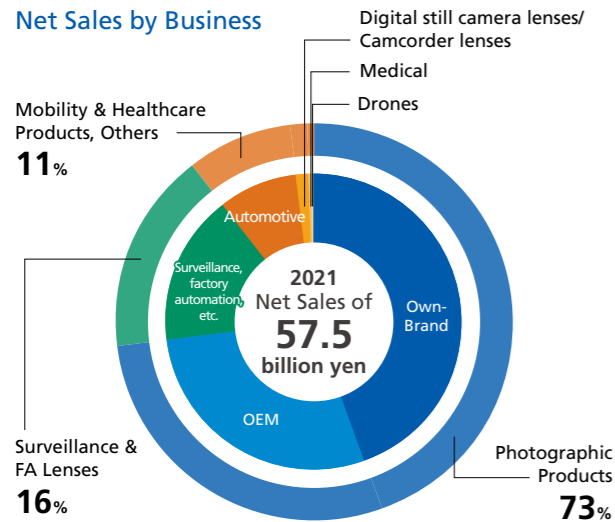
### Product History Developing a wide range of products through technologies to develop high precision in lenses



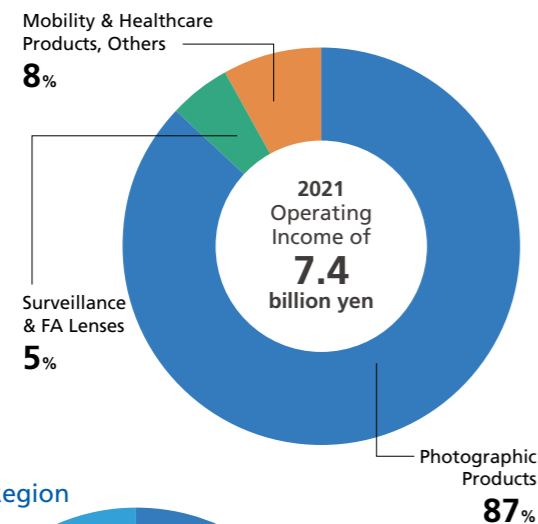
# Business Development

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, for medical applications to scale up its business.

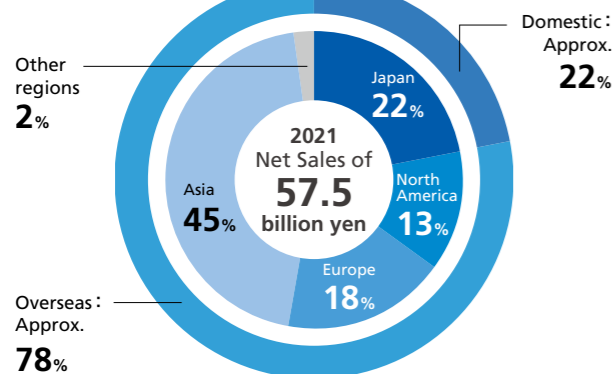
## Composition of Net Sales and Operating Income



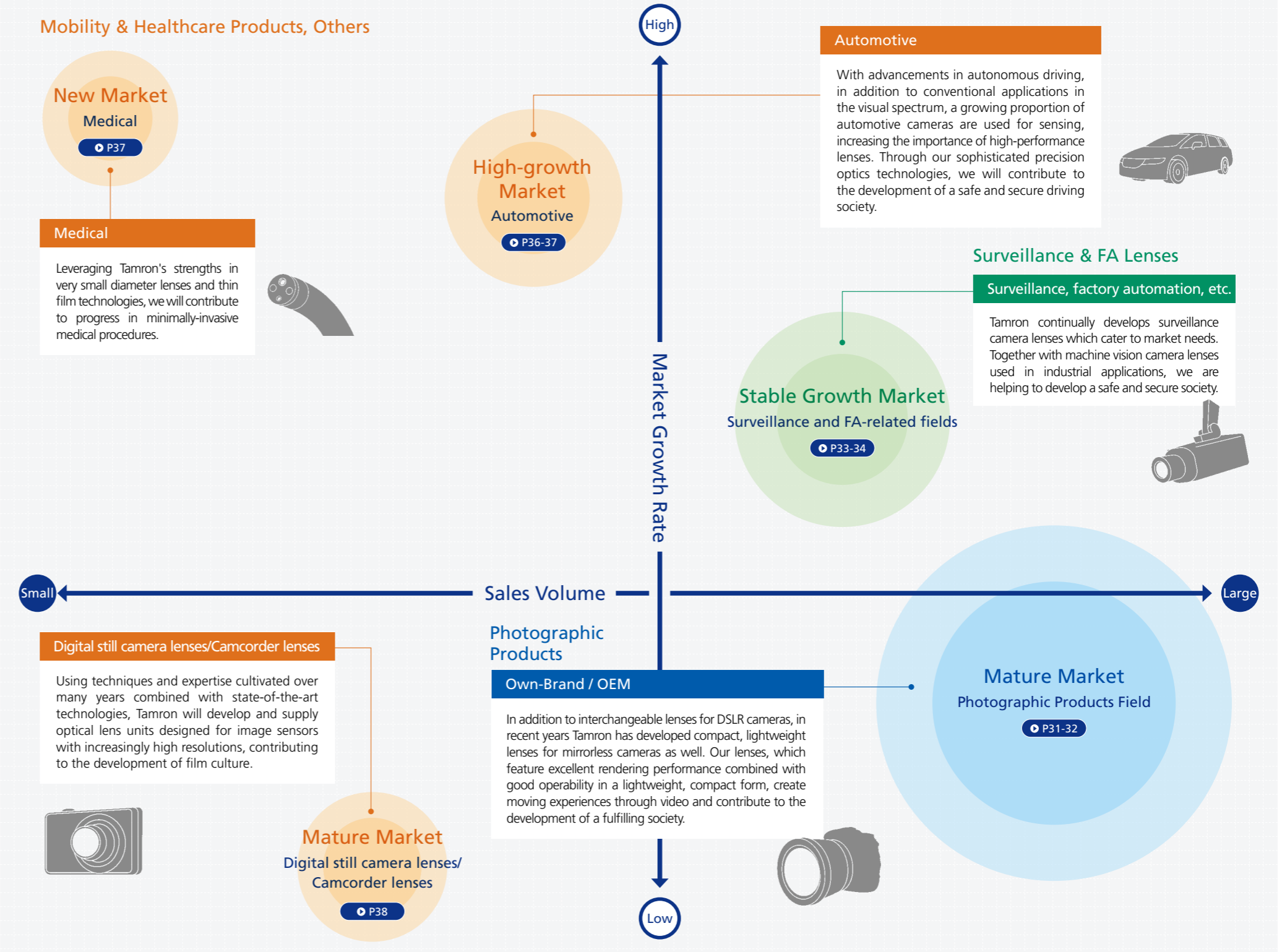
## Operating Income by Business



## Net Sales by Region



## Business Portfolio





# Risk Management and Management Strategy

## Risk Management

The business environment surrounding Tamron is 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. 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

● Key Risks ● Key Opportunities







Risk Factors	Key Risks / Key Opportunities	Response Methods
<ul style="list-style-type: none"> <li>Shrinking digital camera market</li> <li>Reliance on Photographic Products Business</li> <li>Reliance on specific customers</li> </ul>	<ul style="list-style-type: none"> <li>Contraction of the digital camera market</li> <li>Reliance on Photographic Products Business and specific customers</li> <li>Growth in the mirrorless camera market</li> <li>Growth in the industrial camera market</li> </ul>	<ul style="list-style-type: none"> <li>Sales strategy specializing in interchangeable lenses for mirrorless cameras</li> <li>Expanding sales in the growing market for industrial lenses</li> <li>Actively investing in new businesses such as lense medical application</li> </ul>
<ul style="list-style-type: none"> <li>Rapid technological innovation</li> </ul>	<ul style="list-style-type: none"> <li>Decline in competitiveness when the development of cutting edge technologies or their application in products is not advanced as scheduled</li> <li>Obtaining growth opportunities through the development of revolutionary technologies</li> </ul>	<ul style="list-style-type: none"> <li>Technology development and creation of new businesses based on medium- to long-term strategies</li> <li>Open innovation between industry, academia and government</li> </ul>
<ul style="list-style-type: none"> <li>Investment in new businesses</li> <li>Investment in M&amp;A activities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Failures to investment in R&amp;D and capital investment for new businesses</li> <li>Actively tackling M&amp;A activities utilizing a robust financial structure</li> <li>Building the foundations of growth through new management resources acquisition</li> </ul>	<ul style="list-style-type: none"> <li>Strategies aimed at the full-scale commercialization of medical products</li> <li>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</li> </ul>
<ul style="list-style-type: none"> <li>Product supply and demand</li> </ul>	<ul style="list-style-type: none"> <li>Fluctuating product prices, too much or too little inventory</li> <li>Lack of procurement of glass materials</li> </ul>	<ul style="list-style-type: none"> <li>Properly responding to fluctuating demand in each region and controlling production</li> <li>Multiple purchases and understanding alternative supplier candidates</li> </ul>
<ul style="list-style-type: none"> <li>Geopolitical risks</li> </ul>	<ul style="list-style-type: none"> <li>Expanding various impacts due to global political, social and economic trend</li> </ul>	<ul style="list-style-type: none"> <li>Continually monitoring the global political, social and economic climate to analyze the impact in relation to corporate activities</li> </ul>
<ul style="list-style-type: none"> <li>Climate change and global environmental issues</li> </ul> <p>Please refer to pages 21–24 for details.</p>	<ul style="list-style-type: none"> <li>Impact on production activities due to damage to plants in Japan or overseas</li> <li>Burden from carbon taxes and renewable energy purchase costs</li> <li>Increased order opportunities due to responding to decarbonized society at an early stage</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of strategies based on the Environment Vision 2050 (energy saving and introduction of renewable energy)</li> <li>Action and continual improvement based on business continuity planning (BCP) in Japan and overseas</li> </ul>
<ul style="list-style-type: none"> <li>Securing human resources</li> </ul>	<ul style="list-style-type: none"> <li>Impact on new hires and continuing employment due to intensifying competition to hire and retain talented human resources</li> <li>Obtaining growth opportunities by hiring and retaining the employment of talented human resources</li> </ul>	<ul style="list-style-type: none"> <li>Job-specific hiring, positional and grade systems, systems to solicit positional applications internally</li> <li>Creating a comfortable workplace environment by promoting a healthy work-life balance and diversity</li> <li>Promoting health and productivity management</li> </ul>
<ul style="list-style-type: none"> <li>COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Impact of stagnant economic activity on business performance</li> <li>Impact of decreasing demand on production activities</li> <li>Impact on health and safety of employees and stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Building and operating a remote product development framework</li> <li>Development of work-at-home and telework environment</li> </ul>
<ul style="list-style-type: none"> <li>Complicity in human rights abuses</li> </ul>	<ul style="list-style-type: none"> <li>Boycotts due to direct or indirect complicity in human rights abuses, impact on corporate activities due to legal violations</li> </ul>	<ul style="list-style-type: none"> <li>Consideration of human rights due diligence</li> <li>Request to supplier and confirmation through self-assessment questionnaires</li> </ul>
<ul style="list-style-type: none"> <li>Risks unique to the interchangeable lens business</li> </ul>	<ul style="list-style-type: none"> <li>Defects due to improper matching between lenses and cameras</li> </ul>	<ul style="list-style-type: none"> <li>Quality assurance inspections before product shipments</li> <li>Handling the overwriting of firmware after shipping</li> </ul>
<ul style="list-style-type: none"> <li>Product quality and safety</li> </ul>	<ul style="list-style-type: none"> <li>Damage to brand value due to declining product quality or defects</li> </ul>	<ul style="list-style-type: none"> <li>Building and improving quality assurance systems compliant</li> <li>Taking action and preventing release when quality defects occur</li> </ul>
<ul style="list-style-type: none"> <li>Information security</li> </ul>	<ul style="list-style-type: none"> <li>Leaking of corporate information and personal information due to damaged information system functions caused by computer viruses and the like</li> </ul>	<ul style="list-style-type: none"> <li>Developing information security systems</li> <li>Implementing management based on an information security policy</li> </ul>
<ul style="list-style-type: none"> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Building compliance management systems</li> <li>Disseminating and ensuring observance of the Compliance Code of Conduct</li> </ul>

Check the section on "Business & Other risks to learn more about priority risks and opportunities. [https://www.tamron.com/ir/management/management\\_04.html](https://www.tamron.com/ir/management/management_04.html)

## Materiality

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. Identified materiality comes under six categories: creating

excitement and peace of mind, creating new light, business structural reforms, contributing to a sustainable earth, empowering employees and developing the foundations of trust and sustained growth.

Key CSR Issues	Materiality	Mid-Term Management Policy
	Creating emotion and reassurance 	<ul style="list-style-type: none"> <li>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.</li> </ul>
	Creating new light 	<ul style="list-style-type: none"> <li>Besides expanding existing businesses, we will step up the creation of new businesses through enhanced marketing focused on the "resolution of social issues" in line with the guiding principles of the SDGs, and collaborative creation, including through M&amp;A.</li> <li>In addition to developing elemental technologies focused on our core competency in optical technologies, we will pursue R&amp;D in new technological fields and focus on a horizontal specialization (including collaboration between industry, academia and government) such as collaborative creation.</li> </ul>
<ul style="list-style-type: none"> <li>Contributing to social issues through business</li> </ul>	Business structural reforms (improved productivity) 	<ul style="list-style-type: none"> <li>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.</li> <li>To respond to severe changes to the external environment, we will reinforce our development structure in China, work to shorten lead times from development to mass production, and deliver products that meet customer needs in each market in a timely fashion.</li> <li>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.</li> </ul>
<ul style="list-style-type: none"> <li>Reducing CO<sub>2</sub> emissions</li> <li>Recycling resources and reducing waste</li> <li>Environmentally friendly design</li> <li>Reducing harmful chemical substances</li> <li>Water management</li> </ul>	Contributing to a sustainable earth 	<ul style="list-style-type: none"> <li>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.</li> </ul>
<ul style="list-style-type: none"> <li>Human resource development</li> <li>Fostering the development of the next generation</li> <li>Developing comfortable workplace environments and promoting diversity</li> </ul>	Empowering employees 	<ul style="list-style-type: none"> <li>We will promote improved work-life balance and diversity, foster the development of human resources, and develop workplace environments in which all employees can demonstrate their full potential.</li> </ul>
<ul style="list-style-type: none"> <li>Promoting CSR procurement</li> </ul>		
<ul style="list-style-type: none"> <li>Enhancing product quality and safety management</li> </ul>	Developing the foundations of trust and sustained growth 	<ul style="list-style-type: none"> <li>We will strengthen corporate governance to improve the effectiveness of strategies and tactics, and achieve sustained growth.</li> </ul>
<ul style="list-style-type: none"> <li>Improving the governance system</li> <li>Preparing for major disasters</li> <li>Enhancing internal reporting systems</li> <li>Expanding the disclosure of nonfinancial information</li> </ul>		

# Vision23 Mid-Term Management Plan and Progress

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.

## Positioning of the New Mid-Term Management Plan

In Vision23, our mid-term management plan that was newly started in 2021, we have adopted the basic policies of executing investments and allocating resources to make dramatic progress from a long-term perspective, and will steadily develop the business foundations that will enable sustainable growth.

Working from this foundation, we will achieve high-quality, full-scale business growth and maximize corporate value in the next mid-term management plan, and will make a united effort as a Group to take the next step towards achieving our long-term vision.

## Launch of Vision23 New Mid-Term Management Plan



In 2023, the final year of the Vision23 plan, we will aim for net sales of 61 billion yen, and increase of roughly 25% over 2020 levels despite being lower than 2019. We will also aim for operating income exceeding 2019, which was a ten-year high, posting 7 billion yen in an effort to achieve a V-shaped recovery to a highly profitable structure we maintained before the COVID-19 pandemic.

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

\* Exchange assumption USD=105 EURO=123

## Vision23 Consolidated Results

### Mid-term Management Plan in terms of profit were achieved in the first year.

- Achieved a quick V-shaped recovery to the pre-COVID high profit structure
- Achieved a record gross margin of 40%
- Achieved increased net sales across all segments

### In the second year, net sales targets will be achieved ahead of the Mid-term Management Plan.

- Double-digit growth in net sales will be achieved in growth and development areas (Surveillance & FA, Mobility & Healthcare)

### First year progress

	FY2021 initial plan	FY2021 results
Net sales	54 billion yen	<b>57.5 billion yen</b>
Operating income	4.4 billion yen	<b>7.4 billion yen</b>
Operating income margin	8.1%	<b>12.9%</b>
ROE	6.3%	<b>10.5%</b>

\* Exchange assumption USD=109.91 EURO=129.95

### Second Year Plan

	FY2022 Plan
Net sales	<b>61 billion yen</b>
Operating income	<b>7.6 billion yen</b>
Operating income margin	<b>12.5%</b>
ROE	<b>9.7%</b>

USD=110 EURO=128

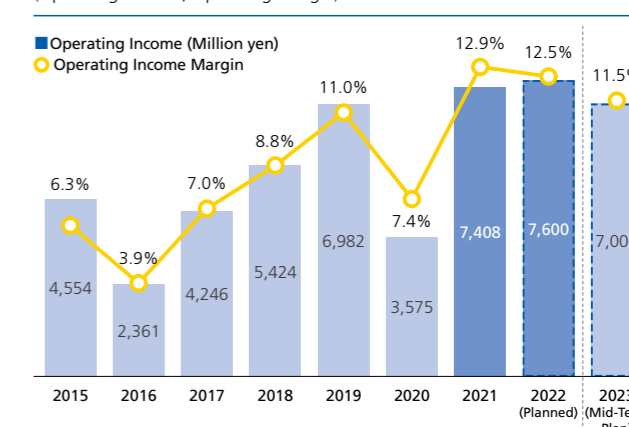
\* From FY2022, the new accounting standards for revenue recognition will be applied. ⇒ Impact on net sales: approx. - 1 billion JPY 2022 plan figures are the initial plan announced in February 2022.

In 2021, we increased revenue in each segment and raised the gross margin to a record 40%, easily surpassing our initial forecasts for both net sales and profit. As a result, we achieved our profit target set in the mid-term management plan in the first year and managed to achieve a rapid V-shaped recovery to the highly profitable structure we maintained pre-pandemic.

Capitalizing on these results, in 2022 we will aim for greater heights, maintaining the highly profitable structure we achieved in 2021 while endeavoring to expand sales in areas of growth and development, which are Surveillance & FA Lenses, Mobility & Healthcare, and Others. We will also strive to achieve the target for net sales set in the mid-term management plan a year ahead of schedule.

## Consolidated Results and Plans

(Operating Income, Operating Margin)



## Vision23 Trends by Business

### Expanding the scale of business in growth and development areas

- Compared with 2020 levels, net sales rose approx. 1.9 times in Surveillance & FA Lenses, and approx. 1.3 times in Mobility & Healthcare, Others
- combined, these segments accounted for around 40% of total sales

### Maintaining and enhancing a highly profitable structure

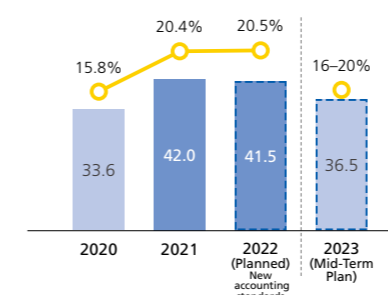
- A business portfolio with operating income on net sales exceeding 10% in all segments was built

### Photographic Products

- Maintaining high profitability as a core business
- Doubling size of lineup by focusing on products for mirrorless cameras
- Swift response to new formats
- Increasing instore share with OEM products

	FY2020 results	2023 mid-term plan
Net sales	33.6 billion yen	<b>36.5 billion yen</b>
Operating income margin	15.8%	<b>16-20%</b>

■ Net sales (Billion yen) ● Operating income margin



In the first year of Vision23 we managed to hit our 2023 sales and profit margin targets. Our profit margin entered the 20% range, a new record.

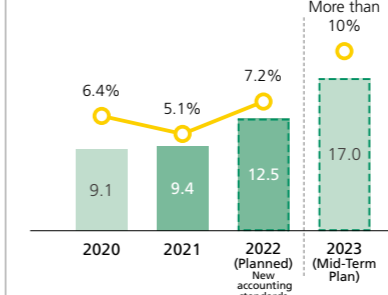
We will continue to maintain high profitability as our core business while striving to expand market share.

### Surveillance & FA Lenses

- Growing sales and profits as a second key pillar
- Taking in the massive Chinese market and expanding business with new technologies including SWIR and camera module business
- Creating OEM products and expanding share in FA

	FY2020 results	2023 mid-term plan
Net sales	9.1 billion yen	<b>17.0 billion yen</b>
Operating income margin	6.4%	<b>More than 10%</b>

■ Net sales (Billion yen) ● Operating income margin



We managed to increase net sales for Surveillance & FA lenses but failed to reach the level initially forecast.

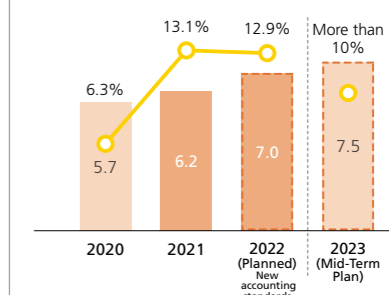
In 2022, we will aim for double-digit revenue growth, increasing the segment's contribution to net sales into the 20% range and accelerating the pace of business expansion on the way to achieving our 2023 goals.

### Mobility & Health Care Products

- Launch as a next-generation key pillar
- Create new business domains
- Bolster automotive lenses (sensing) and develop customers
- Full-scale launch of health care business, expand into the health care domain

	FY2020 results	2023 mid-term plan
Net sales	5.7 billion yen	<b>7.5 billion yen</b>
Operating income margin	6.3%	<b>More than 10%</b>

■ Net sales (Billion yen) ● Operating income margin



In the first year, our profit margin entered the 13% range, our target for 2023. We have also achieved growth in net sales and profit in the automotive lenses business, and going forward we will drive growth in the healthcare business, focusing on expanding our business in the healthcare sector overall.

# CSR Implementation

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

## Approach to CSR

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

## 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.

## 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.



Materiality	Key CSR Issues	Relevant Page in this Report	Website*
Creating emotion and reassurance, creating new light	Contributing to social issues through business	P31-38	Technical Information <sup>2</sup>
	Contributing to a sustainable earth (E)	Reducing CO <sub>2</sub> emissions P21-24 Recycling resources and reducing waste P20, 47 Environmentally friendly design P20, 21 Reducing harmful chemical substances P20, 21 Water management P20, 21	Environment <sup>3</sup>
Employee empowerment (S)	Human resource development (improve productivity)	P25-26	Human resources/human rights <sup>3</sup>
	Providing comfortable workplace environments and promoting diversity	P25-26	
Developing the foundations of trust and sustained growth (G)	Fostering the development of the next generation	P20	Social contributions <sup>3</sup>
	Expanding the disclosure of nonfinancial information	P20, 48	External Recognition <sup>3</sup>
	Enhancing product quality and safety management	P20	Quality and Product Safety <sup>3</sup>
	Promoting CSR procurement	P20, 22	CSR Procurement <sup>3</sup>
	Preparing for major disasters	P20	Risk (crisis management) <sup>3</sup>
	Enhancing internal reporting systems	P20	Compliance <sup>3</sup>
	Improving the governance system	P41-42	Corporate governance <sup>3</sup>

\*1 Links to detailed pages for each section are provided in the PDF version.  
**Everyone looking at the printed integrated report**  
 \*2 Please check our website to learn more about our technical information : <https://www.tamron.com/technology/>  
 \*3 Please check our website to learn more about our environment information to corporate governance : <https://www.tamron.com/csr/>

## Initiative Aimed at Key CSR Issues (ESG)

Key CSR Issues	2021 results	2022/mid-term goals	SDGs	
			Goal	Target
Contributing to social issues through business	Contributed to social issues through each business	Penetration of the idea of SDGs	 	3.6 Halve the number of deaths from traffic accidents 9.4 Improve efficiency of resource utilization 9.5 Promote innovation
Reducing CO <sub>2</sub> emissions	Reducing CO <sub>2</sub> emissions by approximately 5.6% compared with FY2015 levels	CO <sub>2</sub> emissions (Scope 1 and 2) 2022: 6% or more reduction compared with FY2015 levels 2030: 30% reduction compared with FY2015 levels 2050: 100% reduction compared with FY2015 levels	 	7.3 Improve energy efficiency 13.2 Integrate climate change measures into strategies
Recycling resources and reducing waste	(1) Industrial waste emissions: 22% year on year increase (2) Plastic recycling rate: increase China Factory: 10.6% (10% target) Vietnam Factory: 100%	(1) Reducing industrial waste emissions: Reduction year on year (2) Plastic recycling rate: increase		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	(1) Reduce bags used for user manuals (2) Standardize components and equipment	Reduce bags used for user manuals		
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 use Foshan Factory: 4.6% YoY reduction Vietnam Factory: 8.7% YoY reduction	Water usage (groupwide): advance activities for reduction of water usage		6.3 Improve water quality 6.4 Improve efficiency of water utilization
Human resource development Providing comfortable workplace environments and promoting diversity	(1) Overtime: increased by 10% year on year (Head Office) Increased by 276% year on year (Aomori) (2) Mental health check results: improved year on year (3) Percentage of female managerial staff: 9.39% (4) Percentage of employees with disabilities 2.23%	(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: improve year on year (4) Percentage of employees with disabilities 2.3% (5) Improve employee satisfaction	  	5.5 Women's leadership 8.2 Economic productivity 8.5 Equal pay for equal work 10.2 Inclusion of all people
Fostering the development of the next generation	Social contribution activity costs: 0.9% of previous year's consolidated operating income contributed	Social contribution activity costs: contribute 1% of previous year's consolidated operating income		4.3 Access to technical and vocational education
Expanding the disclosure of nonfinancial information	Corporate website access: 4% YoY increase	Enhanced information disclosures related to the TCFD recommendations		17 Strengthen the means of implementation and revitalize the global partnership for sustainable development
Enhancing product quality and safety management	Improved design quality and lower defect costs: YoY improvement	Improved design quality and reduced defect costs	 	9.1 Affordable and equitable access to infrastructure 12.4 Minimize adverse effects on people's health and the environment
Promoting CSR procurement	Add CSR assessment items to supplier management indicators	Revised self-assessment questionnaire (SAQ) details to reflect changes to external conditions related to the environment and human rights issues		12.4 Minimize adverse effects on people's health and the environment
Preparing for major disasters	Prevent or minimize disasters by performing simulations	Conducted disaster response headquarters simulations		11.b Disaster risk management
Improving the governance system	(1) Instill and ingrain Corporate Mission (2) Improve Board of Directors: 5 strategies	Complied with all principles of the revised Corporate Governance Code		—

# Environmental Strategy

We will pursue decarbonization-oriented management to realize Environment Vision 2050.

▼ Related SDGs



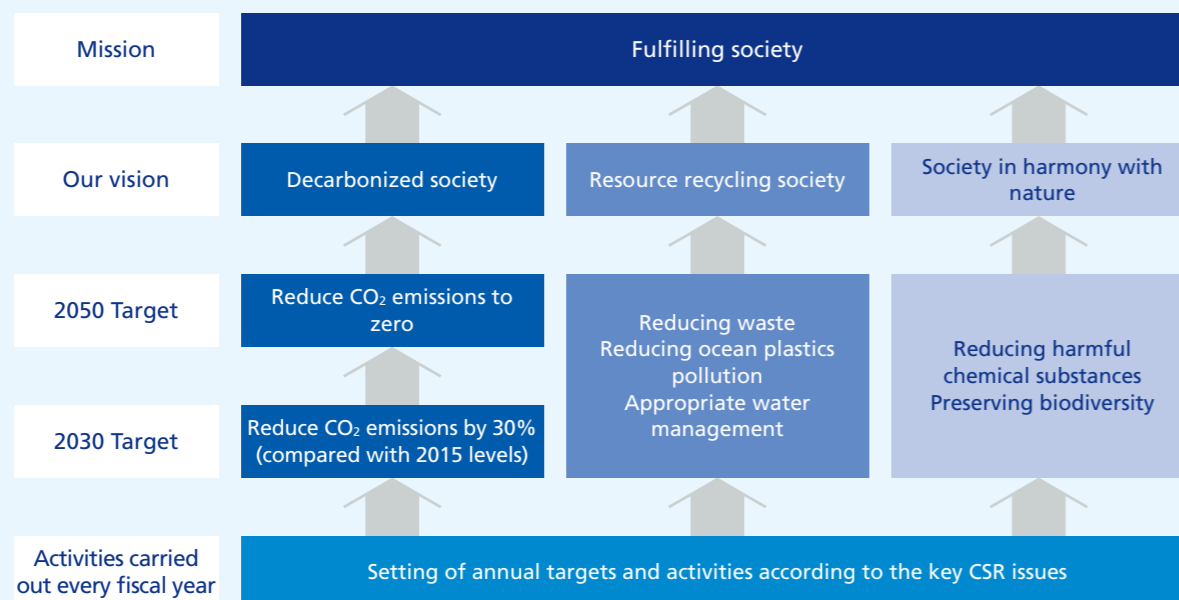
## Environmental Vision 2050

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.

To build a fulfilling society, we will engage in activities to achieve three visions, a decarbonized society, a resource recycling society and a society that exists in harmony with nature.

## Environmental Vision 2050

We recognize that global environmental issues affect all of humanity. We will strive to reduce environmental impact, conserve the environment, and contribute to the development of a sustainable society that exists in harmony with the environment.

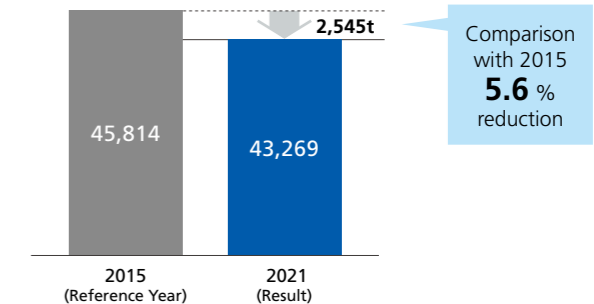


- **Policies and measures to achieve a decarbonized society**
  - Promote energy savings and reduce CO<sub>2</sub> emissions generated by air conditioning equipment and the product manufacturing process
  - Promote the introduction of renewable energies
- **Policies and measures to achieve a resource recycling society**
  - Work to reduce and recycle waste, and contribute to the reduction of ocean plastic pollution (business sites: reduce waste plastic, products: use recycled materials for packaging plastics and reduce volume)
  - Work to reduce water consumption and recycle water
- **Policies and measures to achieve a society in harmony with the environment**
  - Strive to preserve biodiversity through coordination and collaboration with local communities
  - Endeavor to reduce harmful chemical substances and implement appropriate management

## State of Achievement of Reducing CO<sub>2</sub> Emissions in 2021

In 2021, Tamron set the target of reducing CO<sub>2</sub> emissions by 3% compared with 2015 levels. Although emissions increased at TAMRON OPTICAL (VIETNAM) CO., LTD. because the rate of operation increased due to strong business, we managed to reduce emissions by 5.6% overall, beating our target, in part due to solar-based renewable energy that has been pursued for some time, in addition to updated air conditioning heat source equipment installed at head office in 2020, and the complete replacement of air conditioning at TAMRON OPTICAL (FOSHAN) CO., LTD. in 2021.

CO<sub>2</sub> Emissions (Unit: t-CO<sub>2</sub>)



## Energy-Saving Initiatives

In 2017, Tamron Optical (Foshan) in China began installing solar power generation systems. Initially, emissions were reduced by around 180 t-CO<sub>2</sub> per year, and as a result of the expansion of facilities, last year emissions were reduced by around 608 t-CO<sub>2</sub>, which translates to a little over 2%, at Tamron Optical (Foshan)

in China. In addition, starting this year the head office and Tamron Optical (Foshan) in China have purchased renewable energy credits for about 4,300 t-CO<sub>2</sub>, corresponding to around 10% of companywide CO<sub>2</sub> emissions. We will strive to reach our reduction target of 6% compared with 2015 levels in 2022.



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



Solar power generation system (improvement at Tamron Europe China)

## CSR Activities Pursued in Partnership with the Supply Chain

In keeping with its management philosophy and the Standards of Business Conduct, Tamron works with its suppliers to comply with laws and regulations and aims to build partnerships to provide high-quality products and services based on fair and transparent transactions. With regard to quality and the environment, we confirm the details of initiatives through on-site and document-based audits based on our own standards.

Since 2008, Tamron has engaged in CSR procurement. The

Tamron Supplier Code of Conduct, which is compliant with the latest edition of the RBA Code of Conduct, has been distributed to all suppliers along with a request for compliance. We also conduct SAQ surveys on the current state of CSR promotion as appropriate for suppliers in Japan and overseas. Going forward, we will continue to work with suppliers to consider measures to realize a decarbonized society.

## Monitoring CO<sub>2</sub> Emissions in the Supply Chain

In addition to calculating direct emissions (Scope 1) and indirect energy-derived emissions (Scope 2), we have also calculated Scope 3 indirect emissions. As a result, we confirmed that

among our Scope 3 emissions, a large percentage are Category 1 (emissions produced from the extraction of or production of goods and services purchased or acquired).

Please check our website to learn more about our CO<sub>2</sub> emissions including Scope 3 emissions. [https://www.tamron.com/csr/environment/co2\\_reduction.html](https://www.tamron.com/csr/environment/co2_reduction.html)

## Environmental Strategy

### Information Disclosures Based on TCFD Requirements

#### Governance

We recognize climate change as one of our key management issues. Tamron's policy on risk response including climate change and other important matters are discussed and determined by the CSR Committee, which is chaired by the president and whose members are all full-time officers and divisional heads. The committee reports material matters to the Board of Directors. Systems are in place to report important matters to the Board of Directors to enable suitable supervision. Progress towards the targets laid out in Environment Vision 2050 are also checked at quarterly CSR Committee meetings.

#### Strategy

We conducted an evaluation of risks and opportunities based on the 1.5°C scenario. We recognize the relevant risks and opportunities as shown in the table on the right. It will also be necessary to contribute to worldwide initiatives as part of the shift to decarbonized society to ensure the sustained corporate activities of Tamron. Tamron formulated Environment Vision 2050 for this purpose. We will contribute to a sustainable earth by reducing CO<sub>2</sub> emissions to zero by 2050.

#### Risk Management

Tamron views opportunities and risks associated with climate change as one of the important perspectives to be considered when formulating its business strategy. The CSR Committee chaired by the president revises the analysis and evaluation of opportunities and risks. In addition, a risk management officer has been assigned under the president to oversee and direct the control of important risks and responses to serious global events.

#### Indicators and Targets

We have set CO<sub>2</sub> emissions—which account for 98% of our greenhouse gas emissions—as one of our key climate change indicators, and manage targets related to CO<sub>2</sub> emissions.

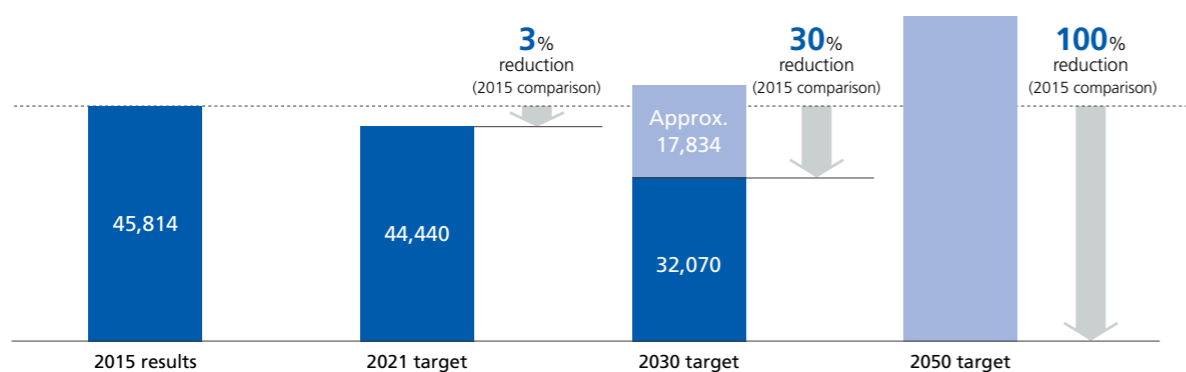
In Environmental Vision 2050, we aim to achieve zero CO<sub>2</sub> emissions in our business activities by 2050, and have also set the interim target of reducing CO<sub>2</sub> emissions by 30% compared with 2015 levels by 2030. We have also continued to calculate indirect emissions (Scope 3). Among Scope 3 emissions, since Category 1 emissions (emissions produced from all products purchased or acquired) account for a large percentage at approx. 69%, we will consider setting Category 1 reduction targets in the future.

### Reduction of CO<sub>2</sub> emissions

To realize the decarbonized society we aspire to create in Environment Vision 2050, we have set the interim target of reducing CO<sub>2</sub> emissions by 30% compared with 2015 levels

by 2030, and have set the target of making 3% reductions each year since 2021.

Greenhouse Gas Emission Targets Based on Environment Vision 2050 (Unit: t-CO<sub>2</sub>)



### Risks and opportunities based on the 1.5°C scenario

Category	Items	Business impacts	Materialization timing	Possibility	Extent of impact
Transition risks	Burden of carbon taxes Renewable energy	<ul style="list-style-type: none"> <li>Burden of carbon taxes and risk of increased costs due to renewable energy purchases</li> <li>When we estimate our CO<sub>2</sub> emissions, carbon tax burdens and renewable energy purchase amounts in 2030 based on the 1.5°C scenario (NZE2050, World Energy Outlook 2021), there are risks of the following costs increasing.                             <ul style="list-style-type: none"> <li>Higher operating costs due to an increased burden from carbon taxes 309 million yen / year (breakdown: Japan 81 million yen, China 215 million yen, Vietnam 12 million yen)</li> <li>Increased operating costs due to higher burden from renewable energy purchases needed to meet 30% reduction compared with 2015 23 million yen / year (breakdown: Japan 17 million yen, China 1 million yen, Vietnam 3 million yen)</li> </ul> </li> </ul>	Short term to long term	Large	Medium
	Reputation	<ul style="list-style-type: none"> <li>Damage to corporate value or risk of suspension of trade through inability to respond to the shift to a decarbonized society</li> <li>While the Tamron Group will adapt to a decarbonized society based on Environment Vision 2050, if concerns emerge among stakeholders about our response, there is a risk of declining net sales due to damage to corporate value, the suspension of trade or other developments.</li> </ul>	Medium-to-Long term	Small	Medium
Physical risks	Cessation of business activities due to natural disasters	<ul style="list-style-type: none"> <li>Risk of suspension of product supply as a result of factory shutdowns and disrupted supply chains due to natural disasters of increasing severity (flooding and localized torrential rain)</li> <li>As a result of assessing risks for our production sites (three sites in Japan and two overseas, in China and Vietnam respectively), we confirmed that changes to future operational risks due to flooding (overflowing rivers) are limited.</li> <li>We will deal with short-term climate change risks related to the supply chain with business continuity planning (BCP).</li> </ul>	Long term	Medium	Small
Opportunities	Expanded demand for infrastructure inspection lenses	<ul style="list-style-type: none"> <li>Expanded sales of lenses used in inspections of infrastructure contributing to improved social resilience such as disaster prevention and mitigation</li> <li>We view this as a medium-to-long-term growth opportunity and aim to expand net sales through activities reflected in our management strategy.</li> </ul>	Medium-to-Long term	Large	Large

\* Assessment as of March 2022

#### Assumptions for scenario analysis (as of 2030)

- 2030 emissions: approx. 49,904 t-CO<sub>2</sub> / year
- 2030 electricity rates: approx. 1.048 million yen / year
- 1.5°C scenario (NZE2050, World Energy Outlook 2021)

## Human Resource Development

By strengthening the potential of human resources and improving workplace environments, we will create a company that offers job satisfaction.

### Basic Approach

The success of each and every employee is essential to the realization of a sustainable society and to Tamron's own sustainable growth. It is important to develop an environment in which each employee can fully demonstrate their potential, and fulfill their principal duties while being motivated and experiencing job satisfaction. At Tamron, we actively work to promote diversity, healthy work-life balances and health & productivity management. Additionally, we see human resources as valuable assets, 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, demonstrate creativity and experience job satisfaction.

### Strengthening the Potential of Human Resources

#### Human resource development

Through a Mission Leadership System where clear missions are defined for each leader and the entire team works to achieve them, Tamron strives to facilitate the growth of leaders and their employees while strengthening overall organizational capabilities. For managers and employees at similar career levels, we have also introduced the Post Qualification System which determines grades and compensation according to the level of responsibility and difficulty of all roles to be fulfilled as required by management, irrespective of seniority or ability. 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.

#### Tiered and occupation-specific employee training

Tamron offers a range of employee training customized by tier and occupation. For new graduate hires, Tamron provides four-year training starting from initial recruitment to improve basic job knowledge and formulate medium-term career plans. Mid-career employees are given practical training commensurate with their positions, including the training of junior employees. For managers, we provide training to enhance their organizational management capabilities, goal management training, harassment training and other training to raise awareness of their roles.

Technical employees are offered classroom instruction to acquire technical skills and also undergo practical training in related departments as a way of creating opportunities for them to learn how their activities are directly related to actual operations. We also offer a range of employee training programs such as voluntary online English conversation classes in an effort to develop the capabilities of our human resources.

#### Related SDGs



### Diversity

To enhance corporate value in the medium and long term, it is important for a diverse range of individuals to demonstrate their full potential, innovate and create value. In addition to women, foreign nationals and others bearing diverse attributes, we also believe it is important to attract experienced talents on career paths in other industries and diversity in specialist fields in order to coalesce the diverse knowledge, experience and skills of all employees to enhance Tamron's competitiveness.

#### Women's empowerment

Women currently account for around 20% of Tamron employees, but in keeping with the guidelines for action declared in the Act on Advancement of Measures to Support Raising Next-Generation Children, we aim for at least 25% of new graduate hires to be female. We believe it is essential to empower female employees and raise the percentage of female managers in the face of a declining working population and industrial restructuring.

#### Empowering senior employees

Starting 2021, Tamron established the Meister Program, a new positional system for employees who are reemployed after reaching the mandatory retirement age, giving senior employees further opportunities to flourish.

For employees who possess advanced expert insight, technical capabilities, know-how, exceptional knowledge and skills, we have established Senior Meister and Meister positions. By giving these employees responsibilities and appropriate compensation, we encourage them to pass on their knowledge to successors and motivate them to be even more active.

#### Ensuring the success of mid-career hires

In addition to graduate recruitment, Tamron has established an internal system to hire mid-career employees with a wide range of knowledge and experience and developed environments in which they can demonstrate their capabilities. Mid-career hires account for around half of all employees, and integrating them with new graduate hires helps to boost the corporate value of Tamron.

### Related Targets and Results

2021 Targets	Results
Reduction in employees with high stress levels	<b>0.8% reduction</b>
Overtime 10% year on year reduction	<b>Head office: 10% increase Aomori: 276% increase</b>
Percentage of employees with disabilities 2.3%	<b>2.23%</b>
Increasing the ratio of female managerial staff (More than the section manager)	<b>6.99%</b>

### Work-Life Balance

Tamron doesn't just place an importance on work. We also think it is important for employees to enjoy enriched private lives including childcare, family care, hobbies and studies, and run a number of initiatives with this sentiment in mind.

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

### Promoting flexible workstyles

In 2021, we continued to promote flexible workstyles to prevent the spread of COVID-19. We recommend employees to take advantage of our work-from-home scheme to coincide with state of emergency declarations and other measures to stop the spread of infections implemented by the national and local governments, and have made progress with the introduction of staggered working hours, systems utilizing teleconferencing systems, and revised operations combined with digitized printed materials aimed at improving productivity.

Moreover, since April 2021, we have revised our 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.

As of December 2021, around 60% of head office employees take advantage of this system.

### Support for achieving a balance between work and childcare

At the same location as our Head Office we have established the in-house Tamron Kids Day-Care Center (small-sized day-care center licensed by Saitama City). The Center is available to the local community as well as employees. In addition to support to help female employees return to work as soon as possible, we also help male employees take part in childcare.

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. In addition, since 2020 the number of male employees taking long-term childcare leave of over one month has increased, as part of our efforts to promote a balance between work and childcare for male and female employees alike.

### Initiatives to reduce overtime

Tamron strives to improve productivity and works to reduce overtime hours based on the basic policy of achieving 10% year-on-year reductions. Compared with 2020, the first year of the COVID-19 pandemic when overtime hours were greatly reduced, overtime hours in 2021 showed an increasing trend due to work being performed under infection prevention measures, but going forward, we will continue to improve the

work attendance literacy of each employee, make attendance data visible, and thoroughly manage target values in an effort to reduce overtime hours.

### Health & Productivity Management

Tamron believes that employees being able to work in good physical and mental health and with job satisfaction is the single most important factor directly link to improved corporate value. This is not limited to considerations for employee safety as required by law. Proactively working to maintain and advance employee health creates passion and vigor on the part of employees and leads to a more energetic organization.

In 2021, Tamron conducted workplace COVID-19 vaccinations for employees and their families with the help of the Saitama Chamber of Commerce and Industry. In addition, regardless of whether employees underwent workplace vaccinations or not, we offered special paid leave to employees on the day of their vaccinations and the following day, in an effort to increase the vaccination rate among employees.

We have continued to conduct mental checks twice a year, relay results including stress levels by age ground and organizational level to departmental managers, and reflect those activities in improvements to the workplace environment.

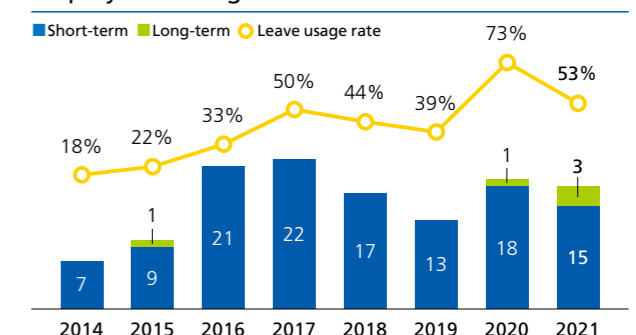
In addition, as a new endeavor for 2021, we conducted training for departmental managers regarding health-related issues unique to female employees in a way that would ensure these initiatives would be rolled out across departments. This training was conducted to promote understanding regarding women's health across the workplace and develop environments that are more conducive to female employees.

Going forward, we hope to implement detailed measures to advance the health of employees and further promote health and productivity management.

### Towards the Sustainable Enhancement of Corporate Value

The growth of human resources and human resource strategies are essential for Tamron to improve corporate value in a sustainable fashion. So that each employee can act on the mottos of sincerity challenge and creativity based on the idea that Tamron's business opportunities lie in solving social issues through the creation of emotion and reassurance, we will endeavor to develop environments, enhance education and boost engagement.

### Change in the Number and Rate of Eligible Male Employees Taking Childcare Leave



Expand the scope of business utilizing technological capabilities

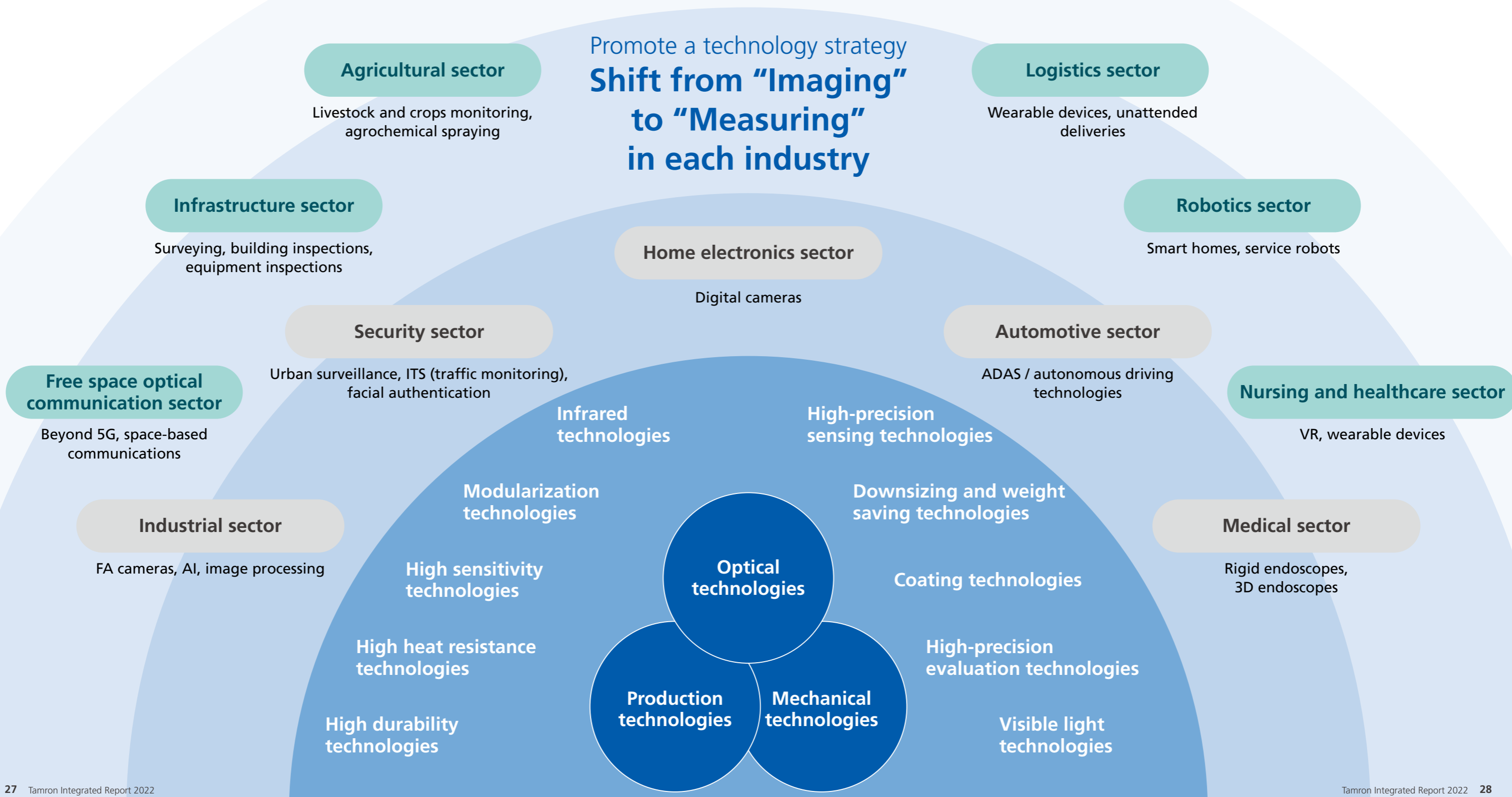
Explanatory Notes

Sectors Tamron is considering entering in the future

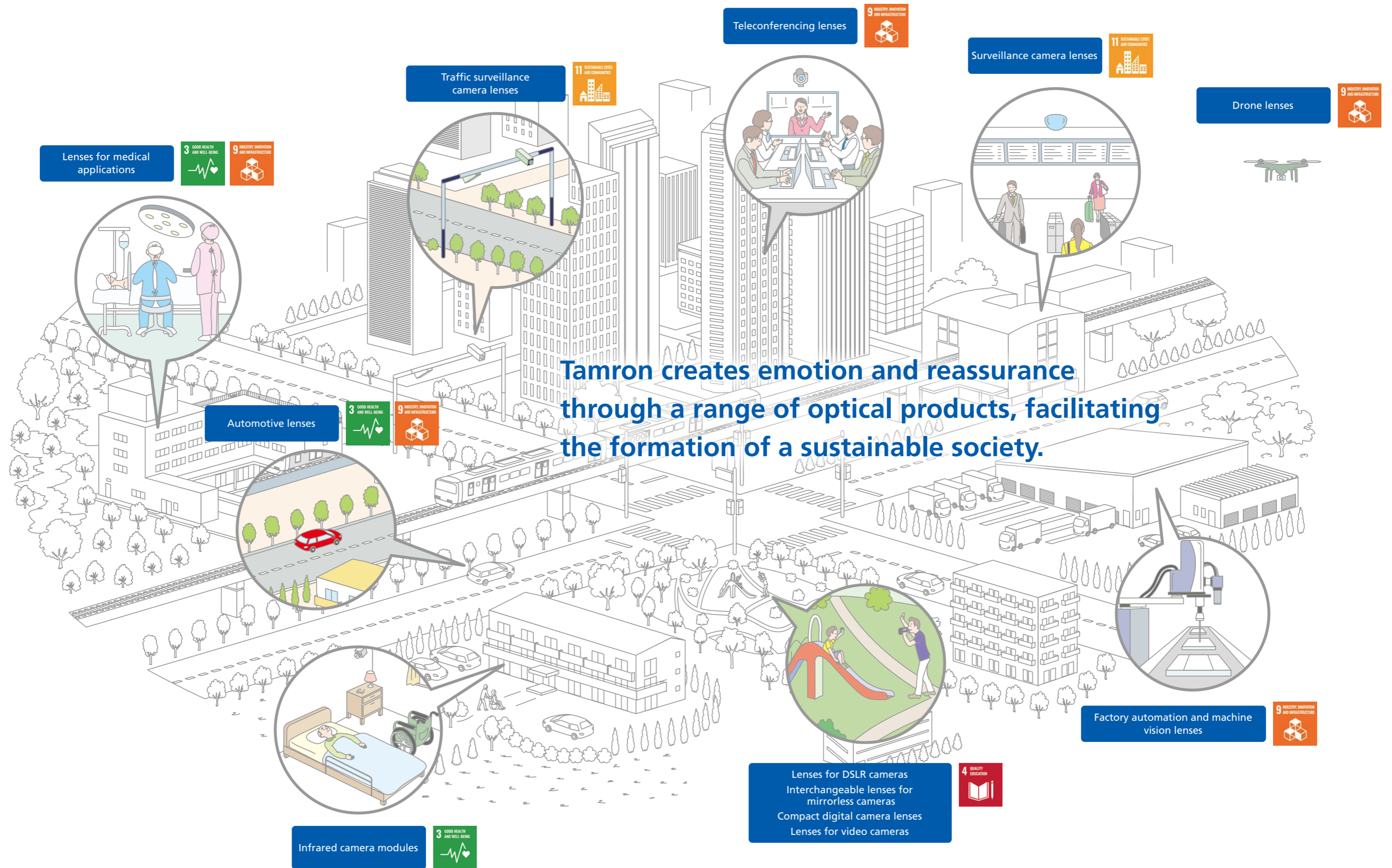
Sectors in which Tamron is currently active

## Achieve a fulfilling society across a wide range of fields

Promote a technology strategy  
**Shift from "Imaging" to "Measuring" in each industry**



# Tamron Products Promoting Sustainability (Sustainable Society)



**Tamron creates emotion and reassurance through a range of optical products, facilitating the formation of a sustainable society.**



Strategies by Segment

# Photographic Products

"Human Focus"

Tamron 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.

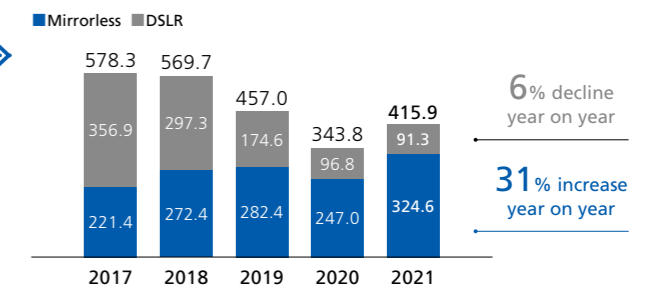
### Segment Characteristics

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

### Market Situation

Interchangeable Lens Camera Market	21% increase year on year
Interchangeable Lens Market	35% increase year on year APS-C: 1% increase year on year Full Frame: 49% increase year on year
Compact Digital Cameras	4% decline year on year

### Interchangeable Lens Camera Market Environment (Billion yen)



### 2021 Results and 2022 Strategies

#### 2021 Results

Net sales increased by 25% year on year to 42 billion yen. In terms of own-brand products, we focused on launching new products for mirrorless cameras, which are driving market recovery, resulting in a considerable jump in net sales to the tune of 4.2 billion yen. Similarly sales of OEM products rose significantly by 4.2 billion yen due to a rebound from the decline in 2020 and higher orders for particular models.

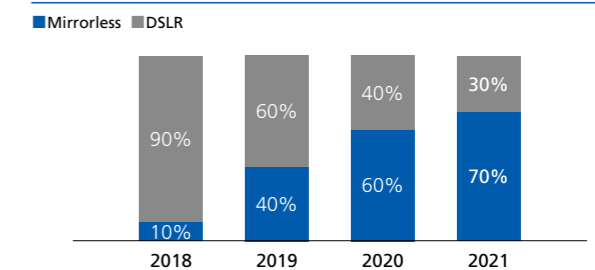
Operating Income was 8.6 billion yen, rising 60% compared with 2020 due to the significant growth in net sales and optimized business operating costs. Additionally, we achieved a high operating margin of 20%.

#### 2022 Strategy

For own-Brand products, in 2022 we will continue to expand our lineup of interchangeable lenses for mirrorless cameras based on our policy of launching new products at a pace of around five models per year.

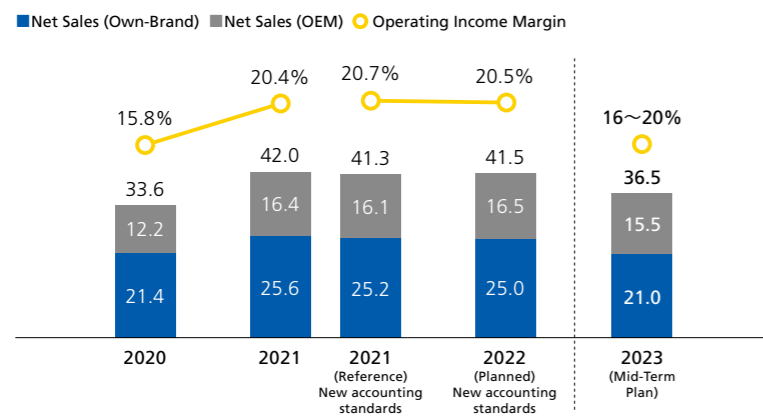
Due to the ongoing launch of new products to date, mirrorless camera sales as a percentage of total sales rose to around 70% in 2021, up from about 60% in 2020. In 2022, we will aim to raise this percentage to 80% and further expand our market share.

### Percentage of Own-Branded Mirrorless Products



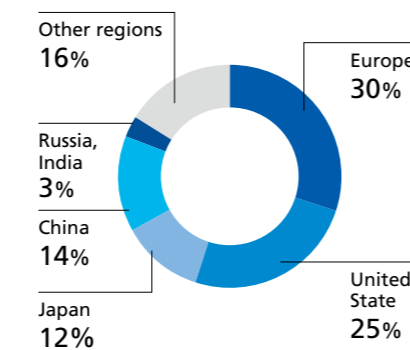
### Summary of Business Results

#### State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



\* New accounting standards are being applied from 2022. Note that for reference purposes, the 2021 results are displayed as if the new standards had been applied.

#### Sales Composition by Region (2021) (Own-Brand)



### Vision23 Mid-Term Management Plan Progress and Future Policy

In 2021, the first year of the Vision23 Mid-Term Management Plan, we managed to reach our targets for the plan's final year of 2023, namely net sales of 36.5 billion yen and an operating margin between 16% and 20%. In terms of major initiatives in 2021, in an effort to support new formats we released the 18-300mm F/3.5-6.3 Di III-A VC VXD (Model B061) for X-mount in October 2021, expanding our lineup of lenses for mirrorless cameras while expanding the customer base.

In 2022, we expect net sales of both own-brand products and OEM products to be on par with 2021, and forecast a slight uptick from 2021 to 41.5 billion

yen (according to new accounting standards). The slight increase is forecast mainly due to the reactionary increase in 2021 coming off plummeting sales in 2020, the sharp rise in raw material prices, and the impact due to higher component and material costs attributing to ongoing component and material supply difficulties. We forecast that operating Income will stay at 2021 levels, and that we will continue to maintain a high operating margin in the 20% range.

We will aim to continually maintain high profitability in this field as a core business, and expand our market share.

### Value Creation Initiatives

Through the beauty inherent to photography, Tamron will provide people with value in the form of excitement, surprises and more. In 2021, we released the 35-150mm F/2-2.8 Di III VXD (Model A058). While fast aperture zooms generally come in two flavors with the 70mm focal length separating them, namely the 24-70mm range and 70-200mm range, this product covers the 35mm to 150mm range with 70mm in the center as a single lens. In addition, it boasts excellent rendering capabilities thanks to the bright F2 aperture at the wide end. By providing these kinds of products, Tamron helps promote understanding of a diverse range of cultures.



35-150mm F/2-2.8 Di III VXD (Model A058)

Related SDGs ▶



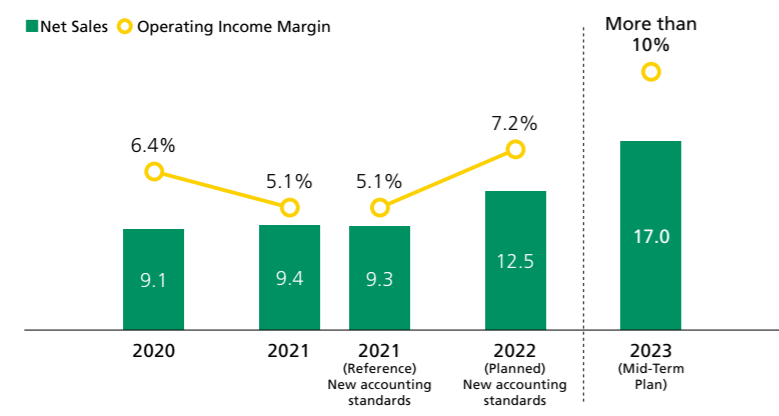
Strategies by Segment

# Surveillance & FA

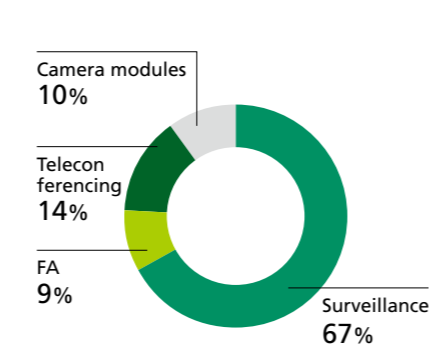
In the field of surveillance, lenses have the power to be the eyes of society and keep people safe. Going forward, we will continue to contribute to a safe and secure society by developing and marketing products that cater to the needs of the global market.

## Summary of Business Results

### State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



### Sales Composition by Application (2021) (Surveillance & FA)



\*1 New accounting standards are being applied from 2022. Note that for reference purposes, the 2021 results are displayed as if the new standards had been applied.  
 \*2 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). The 2020 results are reclassified under the new disclosure segments.

## Vision23 Mid-Term Management Plan Progress and Future Policy

In 2021, the first year of the Vision23 Mid-Term Management Plan, net sales increased for lenses for CCTV cameras, FA and machine vision lenses, but we failed to reach the figures initially forecast due to the effects of the market downturn caused by surging COVID-19 cases. Net sales also decreased for teleconferencing lenses, reflecting lower demand due to semiconductor shortages. As a result, we barely missed reaching the 10 billion yen market in net sales for the Surveillance & FA Lenses segment overall. However, we did make progress in improving image resolution in the field of surveillance lenses. As a result, demand expanded for high-performance, high-quality products that represent Tamron's strength, including 4K-supported lenses. In the area of FA lenses,

we released six new models from the end of 2020 through 2021, expanding our lineup of offerings. We have also developed industrial lenses compatible with the short-wave infrared (SWIR) range that is expected to see future growth, and have made progress in gaining new customers for these products. In 2022 we will maintain our development speed in each of these fields and forecast net sales of 12.5 billion yen (up 34% compared with 2021 based on the new accounting standards) and operating income of 900 million yen, an 89% increase. In addition, we will aim for sales from the Surveillance and FA Lenses segment to reach the 20% range as a percentage of total sales by 2023.

## Segment Characteristics

<b>Delivery Customers</b>	<ul style="list-style-type: none"> <li>Major camera manufacturers and machine tool procedures from around the world, including the United States, Europe, South Korea, Taiwan and China.</li> <li>* Tamron establishes deep ties with major manufacturers, ascertains demand and promotes joint ventures.</li> </ul>
<b>Our Strengths</b>	<ul style="list-style-type: none"> <li>Ability to develop and manufacture 4K-compatible high-resolution products (with sights also set on 8K in the future)</li> </ul>
<b>Related Social Issues</b>	<ul style="list-style-type: none"> <li>Creating environments that enable safer and more secure lifestyles, including monitoring for nursing and home care in addition to security</li> <li>Body temperature testing in buildings and public facilities to respond to COVID-19 and other pandemics</li> </ul>

## Market Situation

<b>Trends</b>	Lockdowns initiated in response to the spread of COVID-19 have been lifted, and market trends are heading toward a gradual recovery due to economic measures put in place by governments around the world.
<b>Demand for the Surveillance Segment</b>	Market growth continues

## 2021 Results and 2022 Strategies

### 2021 Results

Although there was an impact of reduced demand due to the COVID-19 pandemic and global semiconductor shortage, net sales rose 3% year on year to 9.4 billion yen. Lenses for CCTV cameras, FA and machine vision lenses in particular achieved an increase of 1 billion yen in net sales, reflecting increased uptake of new models by major customers. However, sales of teleconferencing lenses declined by 700 million yen, in part due to reduced production by customers in response to the semiconductor shortage. Meanwhile operating income declined 17% year on year to 500 million yen due to a focus on investment and product development in new fields in anticipation of future market growth.

### 2022 Strategy

Market expansion in the field of surveillance & FA lenses is expected to continue in the future. In response to this growth trend, Tamron will also focus on expanding sales of its existing products and developing new ones. In particular, in the surveillance lens segment we will focus on the development of lenses compatible with high-resolution cameras which are experiencing growth in demand year after year, while in the FA lens segment we will work to strengthen sales of the products introduced from 2020 through 2021. At the same time, we will strive to maintain and strengthen ties with key manufacturers in both segments. Looking further ahead, we will develop products compliant with the National Defense Authorization Act (NDAA) and enter the market in order to bolster the camera module business.

## Value Creation Initiatives

Tamron's products benefit society in a wide range of situations, including the development of industry and the development of safe and secure communities. For example, in the field of FA lenses, our products are used to identify tested substances, and in 2021 we expanded our lineup with the release of three new SWIR lens models which are expected to be utilized in industrial and medical applications. Additionally in the field of surveillance lenses, we have expanded our lineup of lenses that contribute to safety and security, and now cater to a wide range of customer requirements, from indoor and outdoor uses and lens spanning the middle range to high-end.



SWIR Lenses



Strategies by Segment

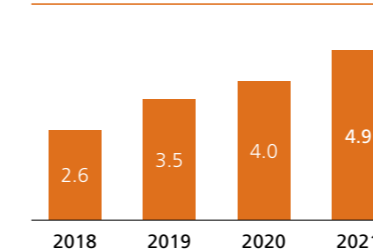
# Mobility & Healthcare Products, Others

Our products and technologies contribute to people's peace of mind, safety and health, as the eyes of vehicles in the automotive field where autonomous driving is advancing, and as the eyes of doctors in the medical field with the advance of less-invasive procedures.

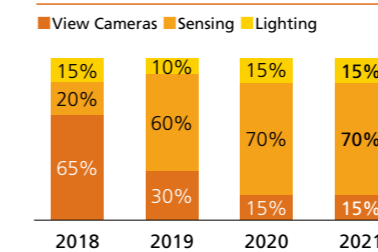
## Automotive Lenses

### Summary of Business Results

Net Sales (Billion yen)



Sales Composition by Application (Automotive Lenses)

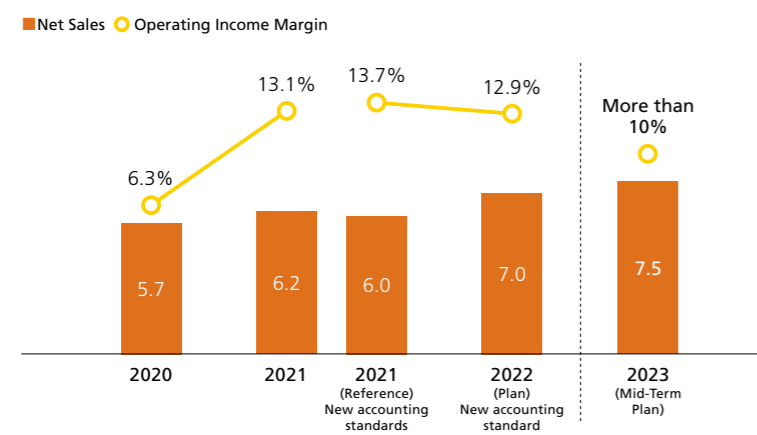


Map of Autonomous Driving Levels

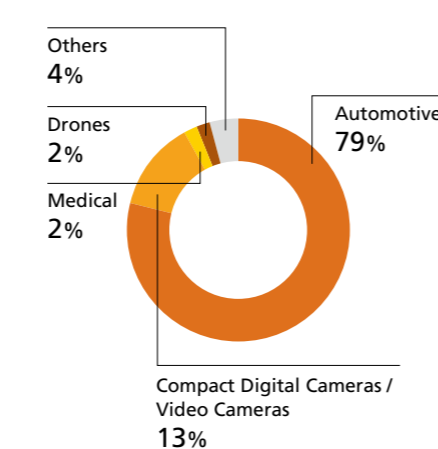
Autonomous Driving Level	Timing for Practical Application
Level 1 Driver assistance	Already implemented
Level 2 Partial automation	Already implemented
Level 3 Conditional automation	Already implemented
Level 4 High automation	2025–2030
Level 5 Full automation	Timing not set

### Summary of Business Results

State of Progress on the Vision23 Mid-Term Management Plan (2021–2023) (Billion yen)



Breakdown of Net Sales by Category (2021)



\*1 New accounting standards are being applied from 2022. Note that for reference purposes, the 2021 results are displayed as if the new standards had been applied.  
\*2 Displayed segments have been changed as of 2021 (the existing Optical Components Business and Commercial / Industrial-use Optics Business aside from the Surveillance & Lenses segment have been integrated). The 2020 results are reclassified under the new disclosure segments.

### Segment Characteristics

Product Features

- As our products related to people's safety, high levels of durability and quality are essential. Even after an order is received, we continue to work with customers and users through an iterative process of development and reliability testing over three or four years before moving on to mass production. As the product lifecycle is also very long, we can easily formulate long-term business plans.

Related Social Issues

- Environmental issues such as global warming and fuel depletion
- Rural depopulation and aging, securing means of transportation due to personnel shortages

### Market Situation

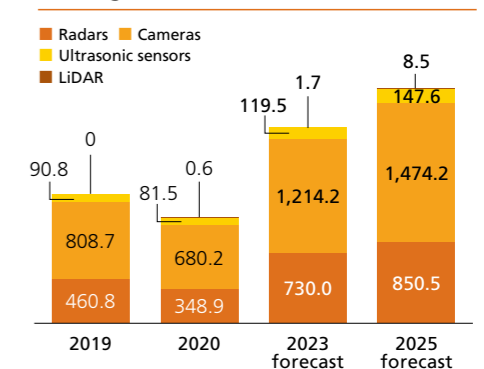
Trends

- Due to the demand for advanced driving control, the resolution and functionality of ADAS\* sensors is improving, and the number of sensors being installed is on the rise.  
\* ADAS is the acronym for Advanced Driver Assistance System. A system that provides advanced driving support including automated braking and sudden start prevention mechanisms.

Autonomous Driving-related Market

- Legislation is being developed in various countries ahead of the realization of fully autonomous driving
- Demand across a wide range of applications will increase for use in sensing

Size of the ADAS and Autonomous Driving Sensor Market (Billion yen)



Source: Forecast Size of the Global ADAS/Autonomous Driving Sensor Market  
Yano Research Institute Ltd.

### 2021 Results and 2022 Strategies

#### 2021 Results

Given a rising percentage of vehicles being fitted with ADAS, sales of automotive lenses for sensing have been strong, with net sales rising 20% year over year to reach 4.9 billion yen. This increase reflects the results of technological responses such as higher resolutions, and the strengthening of production systems achieving high-quality mass production. Operating income also far outpaced the previous year. In addition to significant revenue growth for automotive lenses, this was also the result of our efforts to curb SG&A expenses and boost productivity.

However, on the production side we were impacted by

global supply constraints on electronic components, which forced us to make intermittent adjustments to production.

#### 2022 Strategy

We will continue to position automotive lenses for sensing as an area of focus, promote the development of technologies to provide high-quality products to users from a medium-to-long-term perspective, and work to accelerate collaboration with customers. We will also aim to develop new customers in Europe and the United States, where we maintain a large market share.

### Vision23 Mid-Term Management Plan Progress and Future Policy

In 2021, the first year of the Vision23 Mid-Term Management Plan, we managed to reach our target for 2023, the final year of the plan, recording an operating margin of greater than 10% two years ahead of schedule. Factors behind this achievement include aggressive sales activities for sensing-oriented automotive lenses that has been one of Tamron's focuses, and significant increases in connection with market growth. In addition, successful measures to improve profitability, such as curbing SG&A expenses and boosting productivity through higher production volume, have also been a factor behind significant profit growth. In addition, in the healthcare sector we have produced steady results, including strong growth

in orders for next-generation projects as a result of in-depth sales activities targeting existing partners.

In 2022, we expect to continue to see double-digit revenue increases for automotive lenses and increased sales for the healthcare sector. We forecast overall sales in Mobility & Healthcare and Others to rise by 1 billion yen compared with 2021 (based on the new accounting standards). In the healthcare sector in particular, we will further strengthen our ties with existing partners and focus on developing new partners and accelerating business expansion, in order to position the sector as one of the next-generation pillars in our mid-term management plan beginning 2024.

Strategies by Segment

Value Creation Initiatives

Related SDGs ▶



Through the provision of its products, Tamron helps people lead safe lives and contributes to technological innovation. For example, by providing automotive lenses for sensing, which cater to the advanced control requirements of ADAS, we help reduce traffic accidents. In addition, we have also achieved innovations in the materials used in these products. Conventionally, automotive lenses for sensing applications have used metal lens barrels, but with the use of high-level simulation technologies incorporated from the design stages, we have developed plastic lens barrels that offer high quality and high resolution in a more compact and inexpensive form.



Automotive lenses

Value Creation Initiatives

Related SDGs ▶

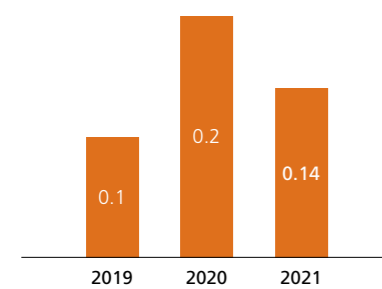


We will master technologies that visualize affected areas and cells that cannot be seen with the naked eye with greater clarity and depth, contributing to the development of advanced medical devices enabling the more accurate identification and diagnosis of affected areas through minimally invasive procedures. Going forward, we will continue to look at emerging needs ten and twenty years from now, continuing to explore technologies in greater depth to develop advanced medical technologies and help improve patient quality of life.

▶ Medical

Summary of Business Results

Net Sales (Billion yen)



Segment Characteristics

Market Characteristics	<ul style="list-style-type: none"> <li>As our products are involved with people's lives, high quality and reliability are paramount</li> <li>Time to market is very long, when reliability assessments and other requirements following a development span lasting around three years. However, as the product lifecycle is also very long, we can easily formulate long-term business plans</li> </ul>
Related Social Issues	<ul style="list-style-type: none"> <li>Financial pressure due to rising global health care costs</li> <li>In medical procedures such as diagnosis, examination and surgery, prices of medical equipment related to self-diagnosis and minimally invasive procedures* are skyrocketing</li> </ul> <p>* Minimally invasive procedures are medical procedures that take a reduced (less invasive) toll on a patient's body.</p>

Market Situation

Trends	<ul style="list-style-type: none"> <li>With the development of advanced healthcare technologies spanning various fields from low and non-invasive procedures to AI-based diagnosis, robotics, gene treatment, regenerative medicine and immunotherapy, we are at a turning point of potential innovations bringing improvements to patients' quality of life</li> </ul>
Medical Device Market	<ul style="list-style-type: none"> <li>Average annual growth rate of the medical device and healthcare market is 5.4% (forecast up to 2028)</li> </ul>

2021 Results and 2022 Strategies

2021 Results

As a result of the ongoing effects of the COVID-19 pandemic and a slowdown in equipment investment by medical facilities, net sales fell 30% year over year to 140 million yen. However, we have received orders for a new project that will become a future growth engine focused on advanced medical care, and have pursued efforts aimed at future business expansion, such as beginning the development of ultra-small diameter lenses and thin film technologies.

2022 Strategy

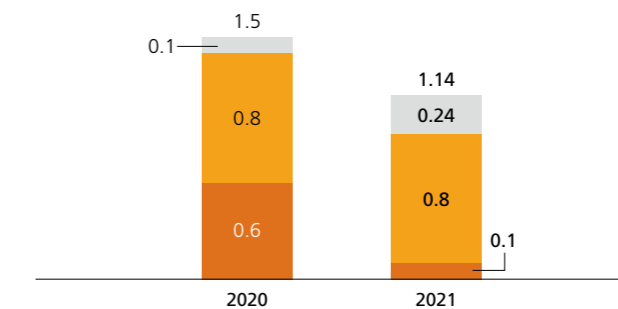
We will pursue greater depth in the optical, spectroscopic and fluorescent technologies needed to create advanced medical technologies, thus creating economic and social value. Specifically, in addition to seeking expanded revenue through steady growth of our existing businesses, we will steadily win orders for other projects in anticipation of an expanded scale of business in the future. We will also seek to develop and strengthen ties with collaboration partners.

▶ Other Businesses

Summary of Business Results

Net Sales (Billion yen)

■ Drone Lenses ■ Compact Digital Cameras / Video Cameras ■ Others



\* Displayed segments are changed at the beginning of 2021. The 2020 results are reclassified under the new disclosure segments.

2021 Results and 2022 Strategies

2021 Results

We maintained net sales on par with the previous year in the mature markets for compact digital camera lenses and camcorder lenses. Meanwhile revenue from drone lenses declined due to sluggish growth among existing products and a lack of progress in bringing new products to market.

2022 Strategy

We will continue to maintain net sales on par with 2020 levels for compact digital camera lenses and camcorder lenses. Additionally, there are a wide range of social issues in which industrial drone lenses have a potential role, and product needs are segmented accordingly. To cater to these precise needs, Tamron will aim to expand the business by utilizing technologies from other fields as well. We are also looking at developing growth areas beyond drone lenses, and will strive to expand the business together with automotive lenses and the health care field.

## 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 plan 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.

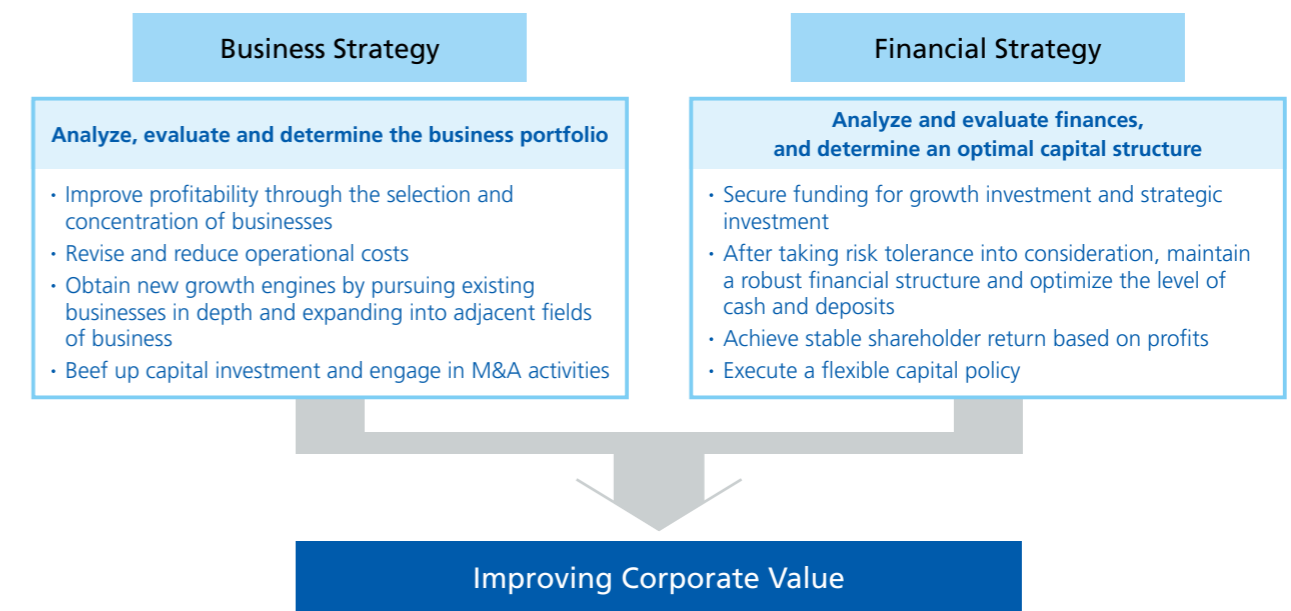
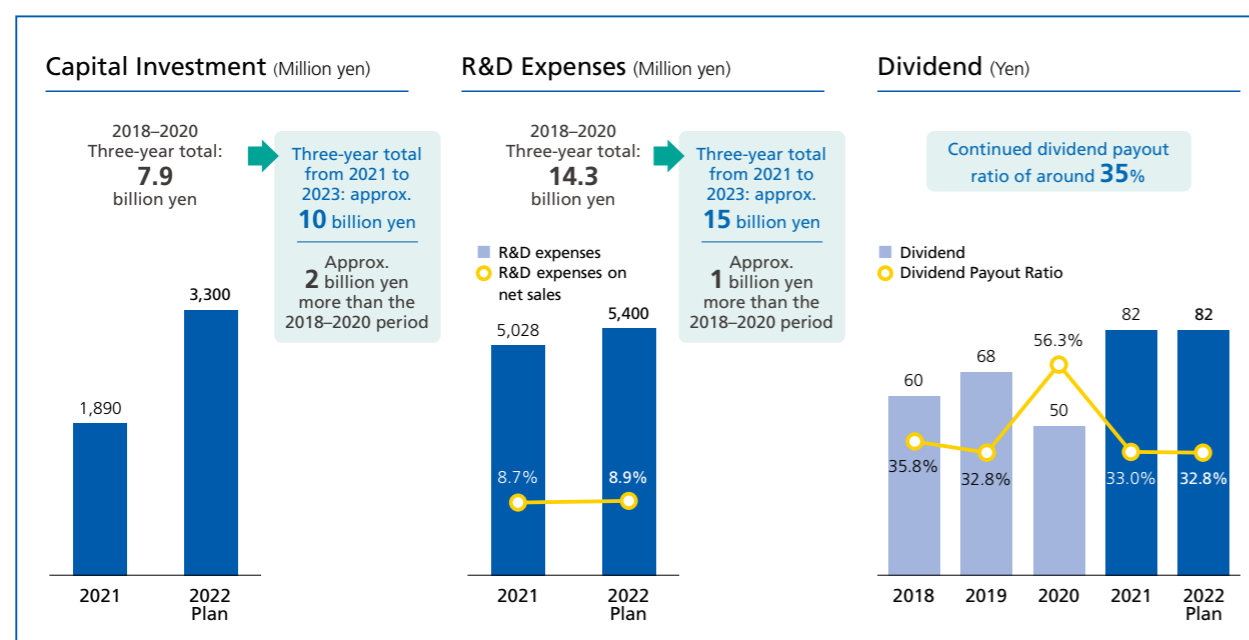
In addition, in light of developments such as market conditions, financial status and capital efficiency, we will also implement capital policy including the acquisition of treasury shares on a flexible basis.

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

	Profitability $\frac{\text{Net Income}}{\text{Net Sales}}$	Asset Efficiency $\frac{\text{Net Sales}}{\text{Total Assets}}$	Financial Leverage $\frac{\text{Total Assets}}{\text{Net Assets}}$
	Improved profitability	Improved asset efficiency	Enhancing shareholder return and executing capital policy
Main Initiatives	<ul style="list-style-type: none"> <li>Reduced development and production costs</li> <li>Reduced operational costs</li> </ul>	<ul style="list-style-type: none"> <li>Improved asset turnover ratio</li> <li>Improved ROA</li> <li>Shortened cash conversion cycle (CCC)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing shareholder return based on a dividend payout ratio of around 35%</li> <li>Execution of flexible capital policy</li> </ul>
Results (2020 ⇒ 2021)	<ul style="list-style-type: none"> <li>Gross profit margin: 38.0% ⇒ <b>40.3%</b></li> <li>SG&amp;A expense ratio: 30.6% ⇒ <b>27.5%</b></li> <li>Improved non-operating profit/loss, reduced effective rate of duty</li> </ul>	<ul style="list-style-type: none"> <li>Asset turnover ratio: 0.8 times ⇒ <b>0.9 times</b></li> <li>ROA: 5.9% ⇒ <b>12.0%</b></li> <li>CCC: 146 days ⇒ <b>145 days</b></li> </ul>	<p><b>[2020]</b></p> <ul style="list-style-type: none"> <li>Acquisition of treasury shares (as a percentage of total shares outstanding: 18.87%, acquisition amount: 8.9 billion yen)</li> </ul> <p><b>[2021]</b></p> <ul style="list-style-type: none"> <li>Cancelled treasury shares (as a percentage of the total number of shares outstanding before the cancellation: 3.66%)</li> <li>Record annual dividend: 82 yen</li> </ul>

### 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

# 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.

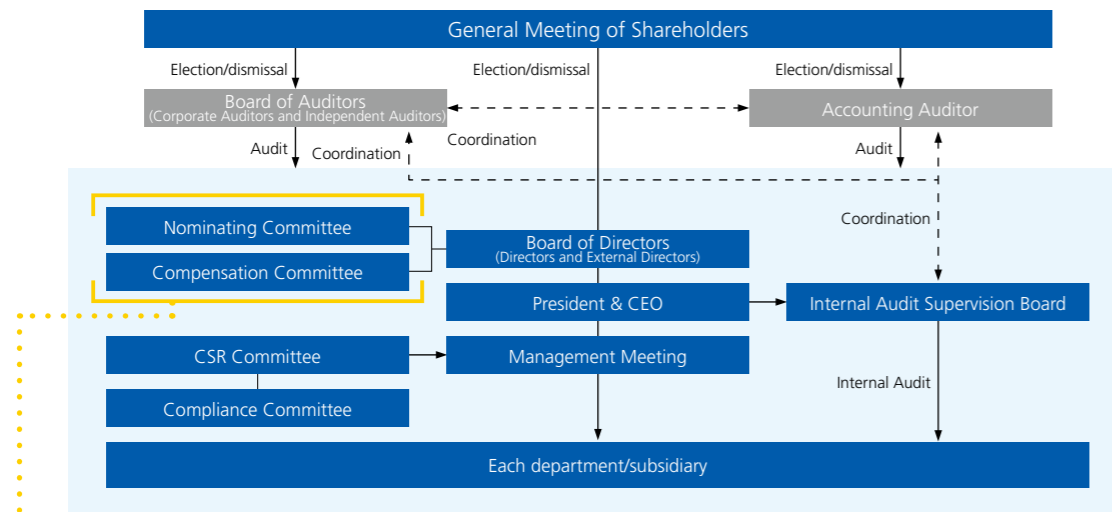
To the Board of Directors, Tamron appoints 11 directors (four of whom are outside directors), including one foreign director and two female directors, as well as 4 corporate auditors (three of whom are outside auditors).

## 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.

### Nominating Committee and Compensation Committee

To enhance the independence and objectiveness of Board of Directors functions concerning the nomination, appointment and dismissal and compensation 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 independent outside directors.

### CSR Committee and Compliance Committee

The CSR Committee, which comprises directors, full-time corporate auditors, executive officers and others, convenes quarterly, where it considers issues related to risk management and CSR and determines policies. Tamron has also worked to strengthen its compliance structure by establishing the Compliance Committee, which considers basic matters for the promotion of compliance.

### 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.

### 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.

## 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 individual 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	2022
Officer Composition and Compensation	<ul style="list-style-type: none"> <li>Established a Nominating Committee and Compensation Committee</li> <li>Appointed a foreign national as a director</li> </ul>	<ul style="list-style-type: none"> <li>Considered the size and composition of the Board of Directors</li> <li>Established standards concerning the independence of outside officers</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of directors by three</li> <li>Appointed a female director</li> <li>Revised the compensation system and introduced a stock compensation scheme</li> </ul>	<ul style="list-style-type: none"> <li>Considered the size and composition of the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of directors by one</li> </ul>	<ul style="list-style-type: none"> <li>Increase of one outside director</li> <li>Changes to the structures of the Nominating Committee and Compensation Committee</li> </ul>	<ul style="list-style-type: none"> <li>Having independent outside directors account for at least a third of each committee</li> <li>Appointment of an individual with corporate management experience at another company as an outside director</li> <li>Review of director compensation indices</li> </ul>
Other	<ul style="list-style-type: none"> <li>Began effectiveness assessment by conducting a questionnaire among officers</li> </ul>	<ul style="list-style-type: none"> <li>Considered compliance with items of the Corporate Governance Code not yet in compliance</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of Board of Directors meetings</li> <li>Complied with all principles of the Corporate Governance Code</li> <li>Established Corporate Governance Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Increased opportunities for medium-to-long-term discussion</li> <li>Improved methods and timing for providing materials in advance</li> </ul>	<ul style="list-style-type: none"> <li>Revision to the Corporate Mission</li> <li>Formulation of a long-term vision</li> </ul>	<ul style="list-style-type: none"> <li>Consideration of response to the revised Corporate Governance Code</li> </ul>	<ul style="list-style-type: none"> <li>Shortening of Director terms of office to one year</li> <li>Disclosure of skills matrix</li> <li>Compliance with all principles of the revised Corporate Governance Code</li> <li>Revisions to the corporate governance guidelines</li> </ul>

## 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"> <li>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.</li> <li>The level of medium-term management plan achievement such as ROE is also assessed.</li> </ul>

## Assessment Indicators, etc.

Assessment Item	Assessment Indicator	Assessment Weighting		
		President	Directors assigned to business units	Other directors
Company-wide performance	Consolidated net sales	20%	10%	15%
	Consolidated operating income	50%	25%	30%
Performance of assigned business units	Assessment of business performance	70%	35%	25%
Individual assessment	Assessment of individual strategic goals		30%	












\* Assessment of business performance in a single fiscal year

Assessment Item	Assessment Indicator	Assessment Weighting
Company-wide performance	Consolidated net sales	20%
	Consolidated operating income	40%
Corporate Value	ROE	10%
	TSR	30%

\* Assessment of medium-term business performance

## Management Structure (As of March 29, 2022)

### Board of Directors

<p>President &amp; CEO</p> <p><b>Shiro Ajisaka</b></p> <p>Member of Nominating Committee and Member of Compensation Committee</p> 	<p>Corporate Vice President</p> <p><b>Shogo Sakuraba</b></p> <p>Optical Design &amp; Engineering R&amp;D Center, R&amp;D Technology Center</p> 	<p>Senior Managing Director</p> <p><b>Koji Masunari</b></p> <p>Industrial Optics Business Unit and Compliance</p> 	<p>Managing Director</p> <p><b>Hiroshi Otsuka</b></p> <p>Corporate Strategy Unit Administrative Management Unit Internal Control CSR Implementation &amp; Administration Investors Relations</p> 	<p>Managing Director</p> <p><b>Shenghai Zhang</b></p> <p>Global Production (Aomori Factory, China Factory, Vietnam Factory) Mold &amp; Tooling Technology Center</p> 	<p>Director</p> <p><b>Makoto Otani</b></p> <p>OEM Component Business Unit Quality Control &amp; Assurance Supervision Unit Risk Management</p> 
<p>April 1978 Joined Tamron Co., Ltd. April 1990 President, TAMRON Europe GmbH. January 2005 Executive Officer, General Manager, Overseas Sales &amp; 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 &amp; CEO, Tamron Co., Ltd. (current post)</p>	<p>April 1981 Joined Tamron Co., Ltd. January 2005 Executive Officer, General Manager, Optical Design &amp; Engineering R &amp; D Unit, Tamron Co., Ltd. January 2008 Senior Executive Officer, General Manager, Optical Design &amp; Engineering R &amp; D Unit, Tamron Co., Ltd. March 2014 Director, Tamron Co., Ltd. March 2016 Corporate Vice President, Tamron Co., Ltd. (current post)</p>	<p>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 Corporate Director, Tamron Co., Ltd. March 2021 Senior Managing Director, Tamron Co., Ltd. (current post)</p>	<p>June 2006 Joined Tamron Co., Ltd. April 2010 Executive Officer, General Manager, Technology Development Strategic Planning Board, General Manager, Legal &amp; IP Management Board, Tamron Co., Ltd. January 2015 Executive Officer, General Manager, Corporate Business Planning &amp; Administration Board, Tamron Co., Ltd. April 2015 Senior Executive Officer, General Manager, Corporate Business Planning &amp; Administration Board, Tamron Co., Ltd. March 2016 Director, Tamron Co., Ltd. March 2020 Managing Director, Tamron Co., Ltd. (current post)</p>	<p>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)</p>	<p>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)</p>
<p>Director</p> <p><b>Tomohide Okayasu</b></p> <p>Imaging Products Business Unit Procurement Management Unit</p> 	<p>Director (Outside Director, Independent Officer)</p> <p><b>Yuichi Sato</b></p> <p>Chairperson of Nominating Committee and member of Compensation Committee</p> 	<p>Director (Outside Director, Independent Officer)</p> <p><b>Harumi Katagiri</b></p> <p>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.</p> 	<p>Director (Outside, Independent Officer)</p> <p><b>Eriko Ishii</b></p> <p>Member of Nominating Committee and member of Compensation Committee Attorney (Partner of Shin Saiwai Law Office) Part-time lecturer, Keio University Law School Outside Director, Sophia Holdings Co., Ltd. Supervisory Director, Canadian Solar Infrastructure Fund, Inc. Outside Corporate Auditor, ALMAD, INC. Outside Director, Sun Asterisk Inc.</p> 	<p>Director (Outside, Independent Officer)</p> <p><b>Fumio Suzuki</b></p> 	
<p>December 2000 Joined Tamron Co., Ltd. April 2012 Executive Officer, General Manager, Product Development Management &amp; 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 Co., Ltd. Vice Chairman, TAMRON USA, INC. March 2018 Director, Tamron Co., Ltd. (current post)</p>	<p>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)</p>	<p>November 1993 Joined Asahi &amp; Co. (now KPMG AZSA LLC) April 1998 Registered as a certified public accountant in Japan March 2000 Joined Century Audit Corporation (now Ernst &amp; Young ShinNihon LLC) July 2009 Member of Ernst &amp; 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)</p>	<p>October 2004 Registered as an attorney (current post) October 2004 Joined Mori Hamada &amp; Matsumoto LPC February 2011 Registered as an attorney in the State of New York (current post) 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) June 2019 Supervisory Director of ALMAD, INC. (current post) March 2021 Outside Director, the Company (current post) March 2021 Outside Director of Sun Asterisk Inc. (current post)</p>	<p>April 1973 Joined NIHON KOHDEN CORPORATION April 1994 Director and President, Nihon Kohden America, Inc. April 1998 General Manager of Corporate Planning Department, NIHON KOHDEN CORPORATION April 1999 General Manager of Human Resources Department, NIHON KOHDEN CORPORATION June 1999 Director, NIHON KOHDEN CORPORATION June 2003 Managing Director, NIHON KOHDEN CORPORATION June 2007 Corporate Director and Executive Operating Officer, NIHON KOHDEN CORPORATION June 2008 Representative Director and President, NIHON KOHDEN CORPORATION June 2015 Chairman and CEO, NIHON KOHDEN CORPORATION March 2022 Outside Director, the Company (current post)</p>	

### Audit & Supervisory Board Members

<p>Full-Time Corporate Auditor</p> <p><b>Tsutomu Tezuka</b></p> <p>Member of Nominating Committee and member of Compensation Committee</p> 	<p>Full-Time Corporate Auditor (Outside Corporate Auditor, Independent Officer)</p> <p><b>Takashi Hirayama</b></p> 	<p>Corporate Auditor (Outside Corporate Auditor)</p> <p><b>Tadahiro Tone</b></p> <p>Chairman of Saitama Kenmin Kyosai Outside director of Great East Japan Earthquake Business Revitalization Support Organization</p> 	<p>Corporate Auditor (Outside Corporate Auditor, Independent Officer)</p> <p><b>Masaya Nara</b></p> <p>Attorney (Partner of Torikai Law Office) Outside Corporate Auditor of RISO KAGAKU CORPORATION</p> 
<p>April 1981 Joined the Company January 2008 General Manager of Internal Audit &amp; Supervision Board of the Company March 2014 General Manager of Human Resources &amp; General Affairs Management Unit of the Company April 2014 Executive Officer, General Manager of Human Resources &amp; General Affairs Management Unit of the Company January 2018 Executive Officer, General Manager of Legal &amp; 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)</p>	<p>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 Corpora</p>	<p>April 1969 Joined the Saitama Bank, Ltd. (the present Saitama Resona Bank, Ltd.) August 2002 President of Saitama Resona Bank, Ltd. October 2003 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 Charman of Saitama Kenmin Kyosai (current post) June 2015 Outside director of Great East Japan Earthquake Business Revitalization Support Organization (current post)</p>	<p>September 1990 Joined Yasuda Trust &amp; Banking Co., Ltd. (the present Mizuho Trust &amp; Banking Co., Ltd.) April 2009 Executive officer, General Manager of Investment Planning Division of Mizuho Trust &amp; Banking Co., Ltd. June 2011 Full-time corporate auditor of Mizuho Trust &amp; 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) June 2021 Outside Corporate Auditor of RISO KAGAKU CORPORATION (current post)</p>

### Activities of Outside Officer

Classification	Name	Activities in 2021 (Attendance Rate)
Director	Yuichi Sato	Attended all 18 meetings of the Board of Directors held during the fiscal year. He has fulfilled his role properly, making appropriate remarks based on his wealth of experience as an executive director and vice president of Saitama University, especially in regard to research and development.
Director	Harumi Katagiri	Attended all 18 meetings of the Board of Directors held during the fiscal year. She has fulfilled her role properly, making appropriate remarks based on her professional knowledge and experience as a certified public accountant, especially in regard to finance and accounting.
Director	Eriko Ishii	She attended all 13 Board of Directors meetings held since taking office. She has fulfilled her role properly, making appropriate remarks based on her professional knowledge and experience as a lawyer and her knowledge and experience as a director and corporate auditor of other companies, especially in regard to corporate legal affairs in general and M&A.
Corporate Auditor	Takashi Hirayama	He attended all 18 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 18 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 18 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 Fumio Suzuki was appointed in March 2022, and her activities are therefore not listed.

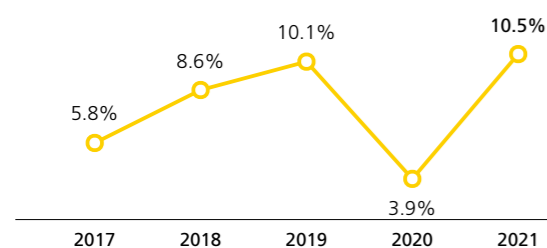
## Financial and Non-Financial Highlights

### Financial Highlights

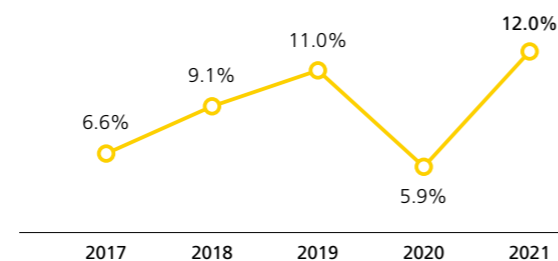
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Million yen											
<b>Status of Profit and Loss</b>											
Net sales	58,507	64,353	68,452	73,621	71,946	59,903	60,496	61,815	63,285	48,375	57,539
Gross profit	19,625	20,545	20,941	23,568	22,642	18,901	20,596	21,905	24,229	18,370	23,207
Operating income	5,687	5,503	5,233	6,076	4,554	2,361	4,246	5,424	6,982	3,575	7,408
EBITDA	8,944	8,685	8,674	9,888	8,209	5,726	7,808	8,588	9,649	6,378	10,433
Ordinary income	5,702	5,377	5,196	6,200	5,140	2,855	4,100	5,877	7,403	3,750	7,531
Profit attributable to owners of parent	3,804	3,894	3,197	3,846	4,048	1,482	2,838	4,330	5,330	1,958	5,173
<b>Financial Position</b>											
Net assets	36,134	40,805	47,087	51,995	49,001	47,321	49,940	50,852	54,539	45,777	52,536
Total assets	51,898	58,058	64,704	69,906	66,035	60,910	63,868	64,704	69,297	58,190	67,065
Cash and deposits	12,773	10,822	14,297	15,915	14,192	16,030	19,431	22,438	28,384	21,417	25,832
Inventories	9,007	12,363	11,055	10,536	12,875	10,100	10,473	10,811	9,388	8,604	11,233
Liabilities with interests	6,330	5,475	5,714	4,098	4,035	4,063	3,145	2,998	2,643	2,200	2,027
<b>Status of Cash Flow</b>											
Cash-flows from operating activities	8,030	3,736	9,602	6,208	6,214	6,537	7,661	7,523	10,925	7,554	8,660
Cash-flows from investing activities	(4,679)	(3,824)	(6,041)	(2,351)	(2,552)	(2,540)	(2,174)	(2,202)	(2,863)	(12,334)	(3,780)
Free cash-flow	3,351	(88)	3,561	3,856	3,662	3,997	5,487	5,321	8,062	(4,780)	4,879
Cash-flows from financing activities	(1,486)	(2,363)	(1,324)	(3,009)	(5,219)	(1,524)	(2,351)	(1,861)	(1,923)	(2,112)	(1,250)
<b>Per-Share Information</b>											
EPS	138.61 yen	141.86 yen	116.48 yen	140.14 yen	153.98 yen	57.19 yen	109.51 yen	167.80 yen	207.13 yen	88.83 yen	248.14 yen
BPS	1,316.33 yen	1,486.52 yen	1,715.37 yen	1,894.14 yen	1,890.45 yen	1,825.62 yen	1,926.65 yen	1,976.05 yen	2,119.33 yen	2,195.71 yen	2,519.93 yen
Dividend	50 yen	50 yen	50 yen	50 yen	60 yen	55 yen	50 yen	60 yen	68 yen	50 yen	82 yen
Dividend Payout Ratio	36.1%	35.2%	42.9%	35.7%	39.0%	96.2%	45.7%	35.8%	32.8%	56.3%	33.0%
<b>Major Indicators</b>											
Gross profit on net sales	33.5%	31.9%	30.6%	32.0%	31.5%	31.6%	34.0%	35.4%	38.3%	38.0%	40.3%
Operating Income Margin	9.7%	8.6%	7.6%	8.3%	6.3%	3.9%	7.0%	8.8%	11.0%	7.4%	12.9%
EBITDA Margin	15.3%	13.5%	12.7%	13.4%	11.4%	9.6%	12.9%	13.9%	15.2%	13.2%	18.1%
Ordinary Income Margin	9.7%	8.4%	7.6%	8.4%	7.1%	4.8%	6.8%	9.5%	11.7%	7.8%	13.1%
ROE	10.9%	10.1%	7.3%	7.8%	8.0%	3.1%	5.8%	8.6%	10.1%	3.9%	10.5%
ROA	11.2%	9.8%	8.5%	9.2%	7.6%	4.5%	6.6%	9.1%	11.0%	5.9%	12.0%
Shareholders' equity ratio	69.6%	70.3%	72.8%	74.4%	74.2%	77.7%	78.2%	78.6%	78.7%	78.7%	78.3%
D/E Ratio (times)	0.18	0.13	0.12	0.08	0.08	0.09	0.06	0.06	0.05	0.05	0.04
Inventory turnover (months)	1.8	2.3	1.9	1.7	2.1	2.0	2.1	2.1	1.8	2.1	5.8
PER (times)	13.4	17.2	21.9	17.0	14.6	33.9	22.1	9.4	12.2	20.6	11.5
PBR (times)	1.4	1.6	1.5	1.3	1.2	1.1	1.3	0.8	1.2	0.8	1.1
<b>Capital Investment, Depreciation and R&amp;D Expenses</b>											
Capital investment	4,386	3,656	6,130	2,429	2,478	2,484	2,425	2,047	3,171	2,734	1,890
Depreciation	3,257	3,182	3,440	3,812	3,654	3,365	3,562	3,164	2,666	2,803	3,024
R&D expenses	3,304	3,492	3,217	3,699	4,052	4,002	4,111	4,373	5,263	4,687	5,028
R&D expenses on net sales	5.6%	5.4%	4.7%	5.0%	5.6%	6.7%	6.8%	7.1%	8.3%	9.7%	8.7%

\* EBITDA = Operating income + Depreciation

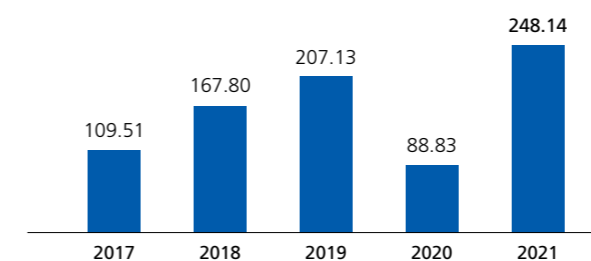
#### ROE



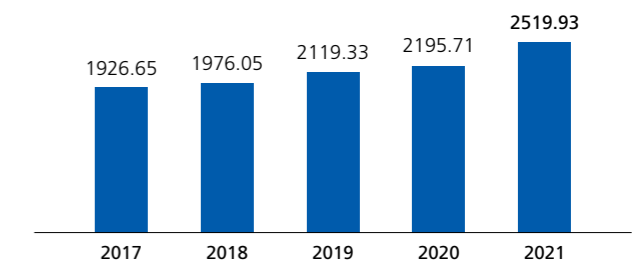
#### ROA



#### EPS (Unit: yen)



#### BPS (Unit: yen)



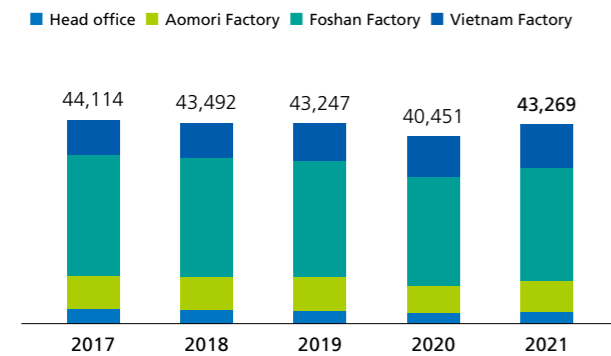
Please see our website for consolidated financial result. [https://www.tamron.com/ir/library/library\\_02.html](https://www.tamron.com/ir/library/library_02.html)



## Financial and Non-Financial Highlights

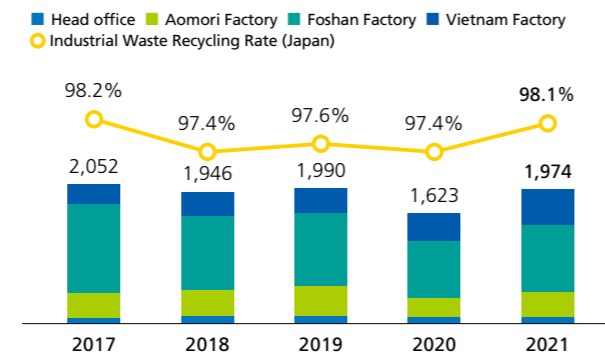
## Non-Financial Highlights

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.

CO<sub>2</sub> Emissions (t-CO<sub>2</sub>)

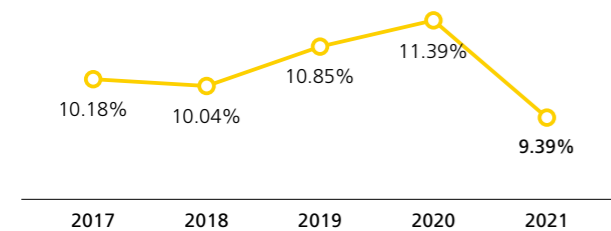
In 2021, there was a 7% increase compared with the previous year, which was significantly impacted by the COVID-19 pandemic. In terms of the achievement rate for Environment Vision 2050, a 5.6% decrease was achieved, greater than the targeted 3% decrease compared with 2015 levels. In 2022, we plan to increase the amount of renewable energies adopted.

## Waste Volume and Recycling Rate (t)



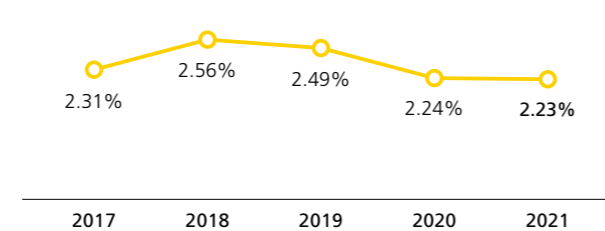
Waste volume increased 20% year on year in 2021, and the industrial waste recycling rate in Japan was 98.1%. Waste volume increased 25% in Japan and 19% at overseas plants. A major factor behind this was recovering production in 2021 compared with 2020, when many operational shutdowns and production decreases occurred due to the COVID-19 pandemic.

## Percentage of Female Managerial Staff



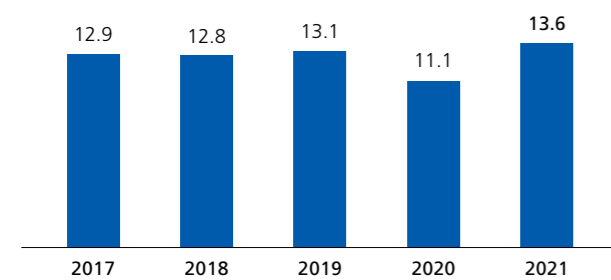
The percentage of female managerial staff in 2021 was 9.39%. (The percentage among female employees in Japan is 20%.) We will continue to appropriately evaluate talented employees regardless of gender and appoint them as managerial staff accordingly. \* In Japan: section manager and higher

## Employment Rate for Disabled Persons



In 2021, the rate was 2.23%. Tamron will continue to develop a comfortable working environment for a diverse range of people. \* Japan

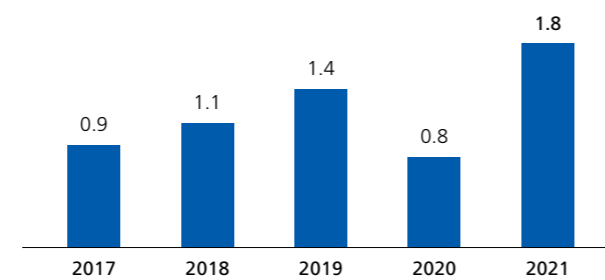
## Net Sales per Employee (Million yen)



Net sales per employee increased 23% year over year to 13.6 million yen. Net sales per employee surpassed the year-on-year revenue growth rate of 18.9%.

\* 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)



Operating income per employee rose 119% year over year to 1.8 million yen, exceeding the year-on-year operating income growth rate of 107.2%. This result reflects the recent 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
	FTSE Russell FTSE Blossom Japan Sector Relative Index	FTSE Blossom Japan Sector Relative Index reflects the performance of Japanese corporations that demonstrate strong Environmental, Social and Governance (ESG) practices relative to their sector. Tamron is included as one of the companies making up the index.
	SOMPO Asset Management SOMPO Sustainability Index	The SOMPO Sustainability Index is a 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.
	2022 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 2022 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 2022.
	Nikkei Keizai Shimbun Nikkei SDGs Management Survey: 3.5 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 3.5-star rating in 2021.
	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, 2021

### 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

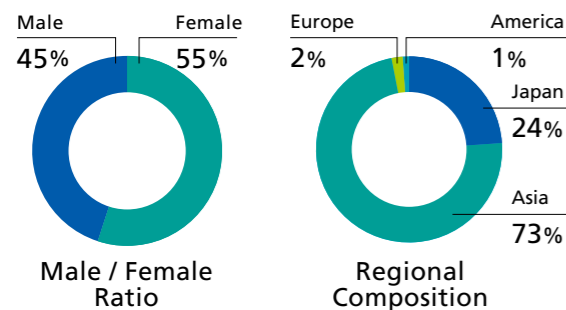
### Capital

6,923 million yen

### Employees

4,098 (consolidated), 966 (non-consolidated)

### Breakdown of Employees (consolidated)



### Stock Overview

**Number of shares issued:** 25,000,000 shares

**Number of shares per unit:** 100 shares

**Number of shareholders:** 3,690 shareholders

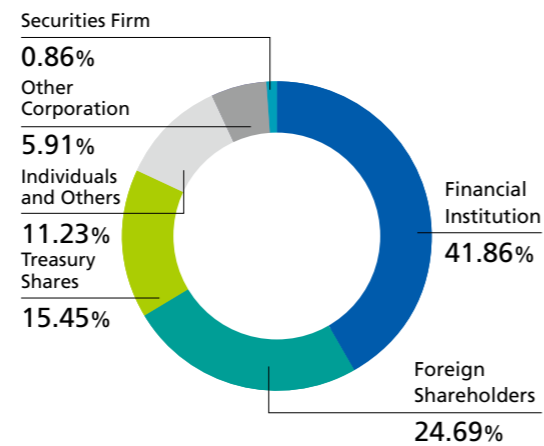
### Stock Exchange

Prime Market, 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	14.80
The Master Trust Bank of Japan ,Ltd. (trust account)	2,599	12.29
GOLDMAN SACHS INTERNATIONAL	1,998	9.45
Custody Bank of Japan, Ltd. (trust account)	1,415	6.69
Saitama Resona Bank Limited	1,002	4.74
Nippon Life Insurance Company	580	2.74
ARGO GRAPHICS Inc.	343	1.62
THE BANK OF NEW YORK MELLON 140044	318	1.50
NAGAWA CO., LTD.	294	1.39
Custody Bank of Japan, Ltd. (trust account 9)	271	1.28

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

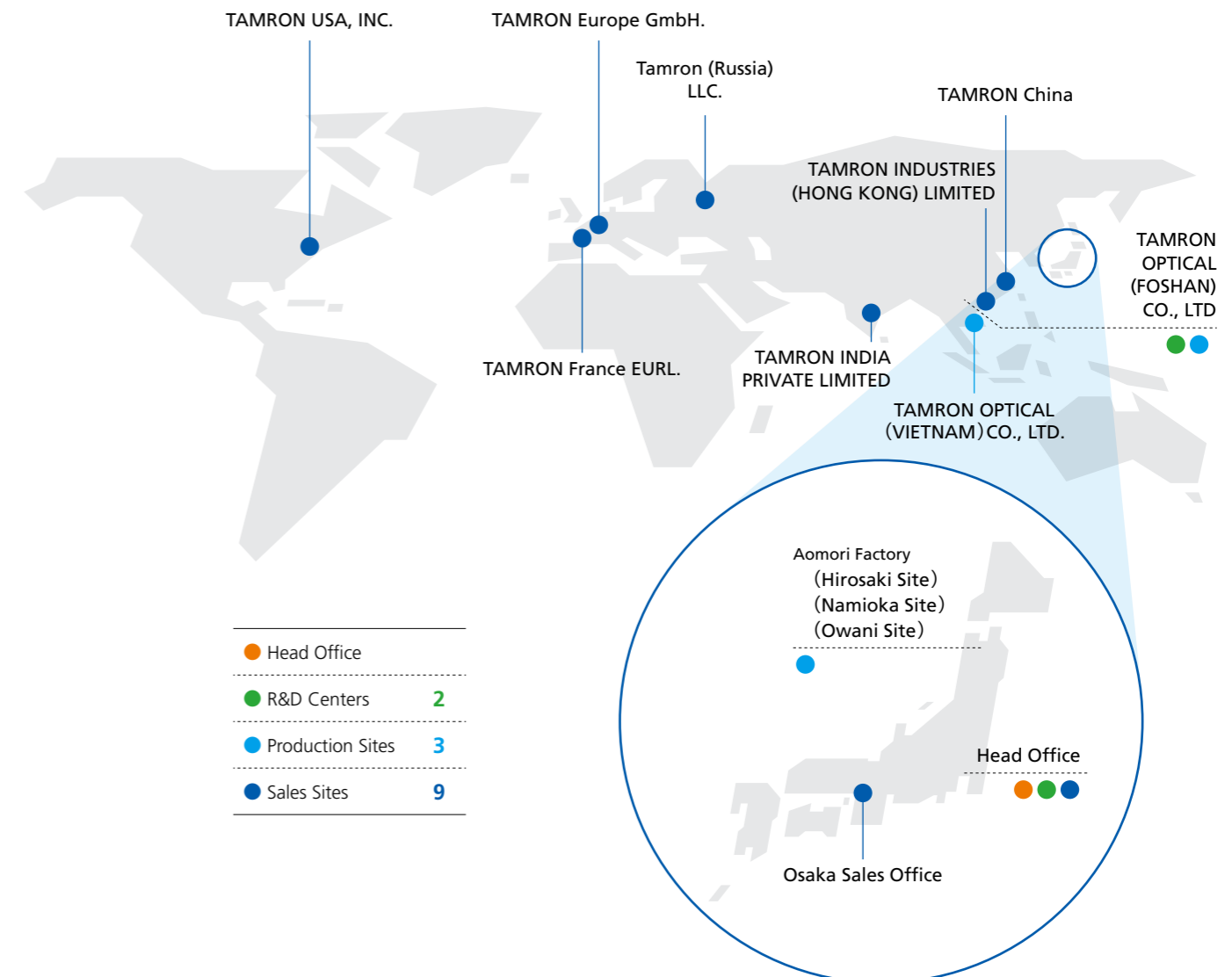
### Manager of the Register of Shareholders

#### 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

<b>Head Office</b>	<ul style="list-style-type: none"> <li>Optical design, mechanical design, electronics and software design, etc.</li> <li>Mold manufacturing, plastic injection molding</li> </ul>
<b>R&amp;D Centers</b>	<ul style="list-style-type: none"> <li>Research and development into the improvement of base technologies</li> <li>Research and development related to product development in new fields</li> </ul>
<b>Production Sites</b>	<ul style="list-style-type: none"> <li>Lens processing, plastic molding, metal processing, assembly, etc.</li> <li>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.</li> <li>This production structure spread across three sites around the world allows Tamron to handle various manufacturing tasks from small lot production to mass production.</li> </ul>
<b>Sales Sites</b>	<ul style="list-style-type: none"> <li>In addition to seven overseas sales companies, Tamron has developed networks with sales centers and distributors in various regions.</li> <li>We also provide after-sales support through this network.</li> </ul>

# TAMRON

Focus on the Future

**Tamron Co., Ltd.**  
Corporate Bussiness Unit

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