



Interim Financial Results FY2006

Results Briefing on August 10, 2006
Tamron Co., Ltd. (Code:7740)

Contents

I. Interim Financial Results Briefing / Forecast

1. Business Briefing

Results Briefing

2. Interim Financial Results FY 2006
3. Business Segment Interim Financial Results
4. Business Segment Interim Financial Results
5. Financial Summery
6. Cash Flow Statement
7. Liabilities with Interests / Inventories

Forecast

8. Forecast FY 2006
9. Forecast FY 2006
10. Forecast FY 2006 - Business Segment
11. Forecast FY 2006 - Business Segment
12. Capital Expenditure, Depreciation,
R&D Expenditure
13. Cash Dividends Per Share

II. Mid - Term Strategy

1. Corporate Tagline
2. Mid - Term Management Goals for FY 2008
3. Segment Mid-Term Strategy
4. Segment Mid-Term Strategy
5. Segment Mid-Term Strategy
6. Pressing Issues



I . Interim Financial Results Briefing / Forecast

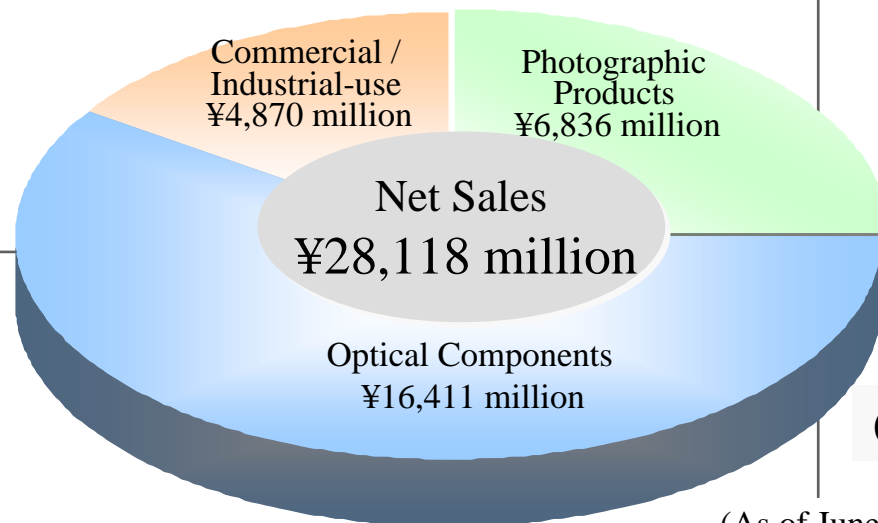
I - 1. Business Briefing

Company Profile

- ❖ Total Subsidiaries Overseas : 6
- ❖ Domestic Offices : 4 / Sales Offices : 7
- ❖ ISO 9001, ISO 14001 Certified
- ❖ Consolidated Net Sales : ¥28,118 million
(As of June, 06)
- ❖ Consolidated Number of Employees : 4,871
(As of June, 06)
- ❖ Total Assets : ¥45,107 million
(As of June, 06)

Business Segment

- ❖ Photographic Products
 - ❖ Interchangeable lenses for 35mm / Digital SLR camera
- ❖ Optical Components
 - ❖ Camcorder lenses
 - ❖ Digital still camera Lenses
 - ❖ Cellular phone camera lenses
- ❖ Commercial / Industrial-use Optics
 - ❖ CCTV camera lenses
 - ❖ Projector lenses
 - ❖ Injection molds, parts & components
 - ❖ Optical devices



(Business Segment Net Sales)

(As of June, 2006)

I - 2. Interim Financial Results FY 2006

(millions of yen)

	June 30, 2005 (a)	Forecast June 30, 2006 (b)	Actual June 30, 2006 (c)	Change (Interim 2005/ Interim 2006)		Change (Forecast June 30, 2006 / Actual June 30, 2006)	
				¥(c)-(a)	%(c)/(a)	¥(c)-(b)	%(c)/(b)
Net Sales	27,612	27,000	28,118	506	1.8%	1,118	4.1%
Ordinary Income	2,336	2,000	2,294	(42)	(1.8%)	294	14.7%
Ordinary Income Ratio	8.5%	7.4%	8.2%	-	(0.3%)	-	0.8%
Net Income	1,643	1,400	1,631	(12)	(0.7%)	231	16.5%
Net Income Per Share (Yen)	58.27	-	57.85	(0.42)	(0.7%)	-	-

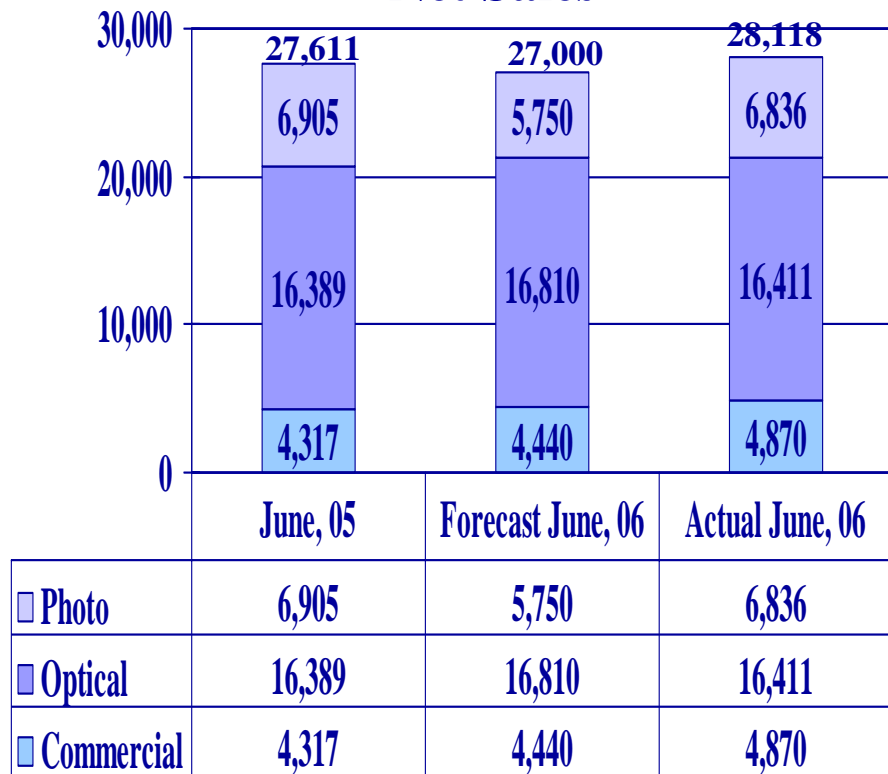
I - 3. Business Segment Interim Financial Results

(millions of yen)

		June 30, 2005 (a)	Forecast June 30, 2006 (b)	Actual June 30, 2006 (c)	Change (Interim 2006/ Interim2005)		Change (Actual June 30, 2006/ Forecast June 30, 2006)	
					¥(c)-(a)	%(c)/(a)	¥(c)-(b)	%(c)/(b)
Photographic Products	Net Sales	6,905	5,750	6,836	(69)	(1.0%)	1,086	18.9%
	Operating Income	828	500	885	56	6.8%	385	77.0%
Increased sales of interchangeable lenses for digital SLR and increased OEM sales								
Optical Components	Net Sales	16,389	16,810	16,411	22	0.1%	(399)	(2.4%)
	Operating Income	2,514	2,700	2,260	(254)	(10.1%)	(440)	(16.3%)
Declined unit price due to severe market competition								
Commercial / Industrial-use Optics	Net Sales	4,317	4,440	4,870	553	12.8%	430	9.7%
	Operating Income	100	50	238	138	137.7%	188	376.0%
Increased demand for security related products and improved profit margins for RPTV related products								

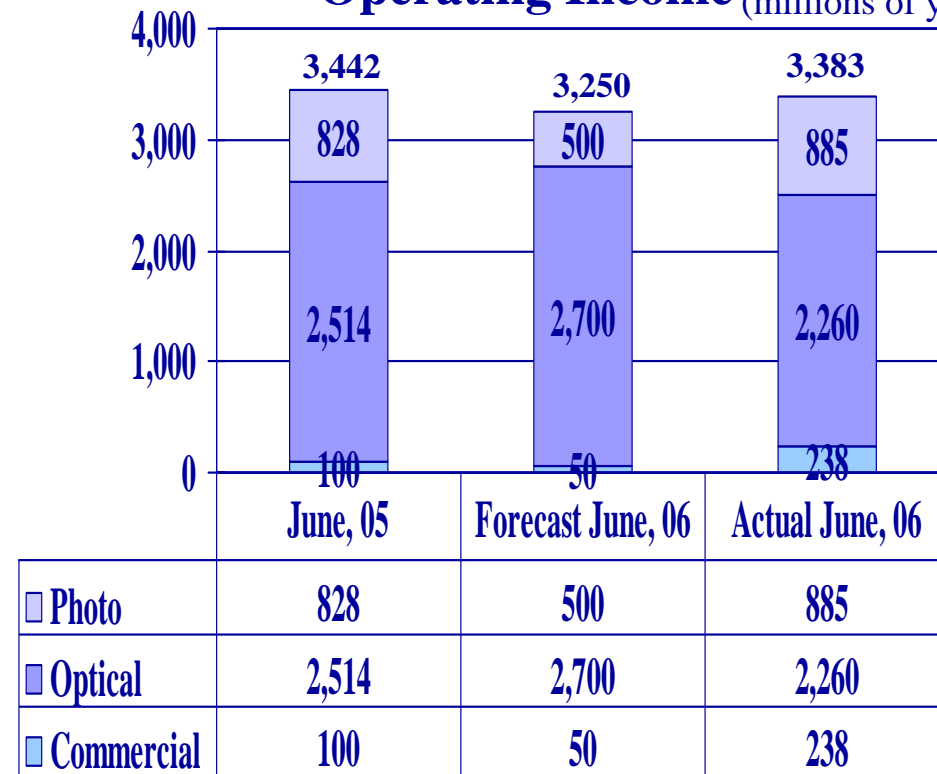
I - 4. Business Segment Interim Financial Results

Net Sales (millions of yen)



*(A) : Actual
*(F) : Forecast

Operating Income (millions of yen)



*(A) : Actual
*(F) : Forecast

I - 5. Financial Summary

(millions of yen)

	June 30, 2005	December 31, 2005 (a)	June 30, 2006 (b)	Change (December 31, 2005/ June 30, 2006) (b)-(a)	Main Factor for Change
Cash and Cash Equivalents	9,343	11,496	12,259	762	Decreased inventory and increased depreciation
Notes and Accounts Receivable, trade	9,209	7,360	8,472	1,112	Increased sales
Inventories	9,160	8,026	7,369	(657)	Inventory reduction
Other Current Assets	1,136	1,663	913	(749)	Decrease of accrued revenue
Fixed Assets	10,886	12,939	13,213	273	Increase of injection molds
Intangible Fixed Assets	1,033	1,514	1,845	331	Software investments
Investments and Other Assets	1,215	1,080	1,033	(47)	
Total Assets	41,985	44,081	45,107	1,025	
Current Liabilities	11,803	11,544	11,720	175	Increased unpaid expenses (unpaid bonus)
Total Long-Term Liabilities	3,776	4,195	4,135	(60)	Decreased long-term liabilities
Total Liabilities	15,580	15,740	15,856	115	
Total Shareholders' Equity	26,404	28,341	29,251	910	Retained earnings (interim net income)
Total Liabilities and Shareholders' Equity	41,985	44,081	45,107	1,025	

I - 6. Cash Flow Statement

(millions of yen)

	June 30, 2005	December 31, 2005	June 30, 2006	Remarks
Cash Flow from Operating Activities	1,375	6,707	3,225	Increased depreciation, decreased inventory
Cash Flow from Investing Activities	(2,357)	(5,120)	(1,952)	Lens processing equipment investment, IT investments
Free Cash Flow	(982)	1,586	1,272	
Cash Flow from Financing Activities	(923)	(1,500)	(487)	Cash dividends
Cash and Cash Equivalents at Year End	9,343	11,496	12,259	Increase of ¥726 million compared to June 30, 2005

I - 7. Liabilities with Interests / Inventories

(millions of yen)

Liability with Interest	June 30, 2005	December 31, 2005	June 30, 2006
Loans Payable	7,549	7,439	7,483
Loan-to-Asset	18.0%	16.9%	16.6%

(millions of yen)

Inventories	June 30, 2005	December 31, 2005	June 30, 2006
Inventories	9,160	8,026	7,369
Inventory Turnover	1.99 months	1.62 months	1.57 months

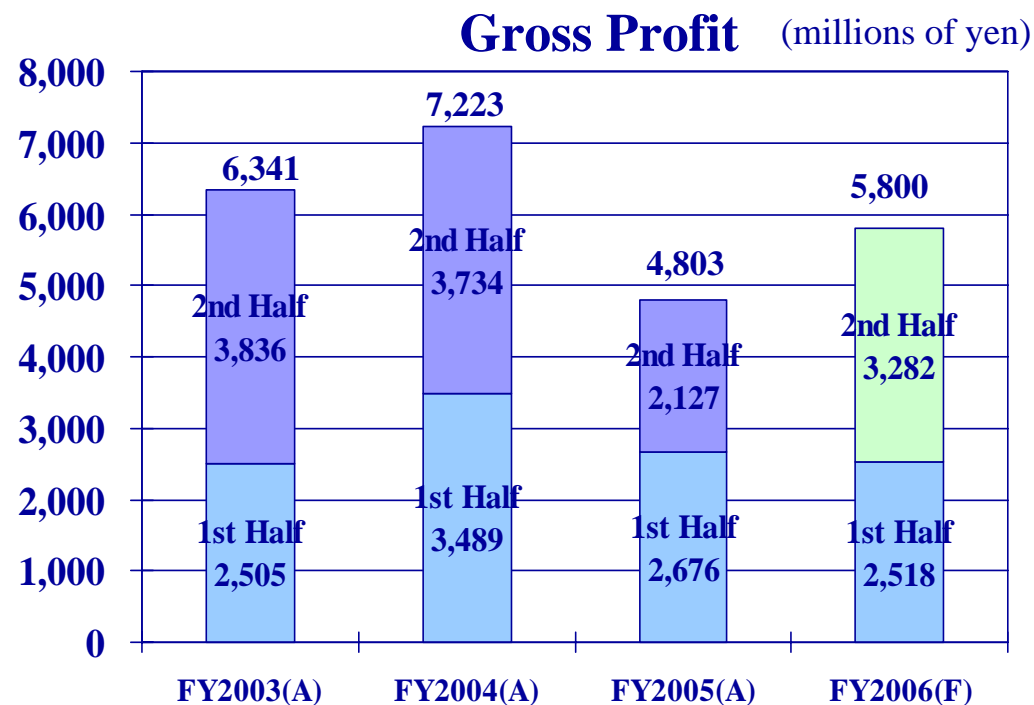
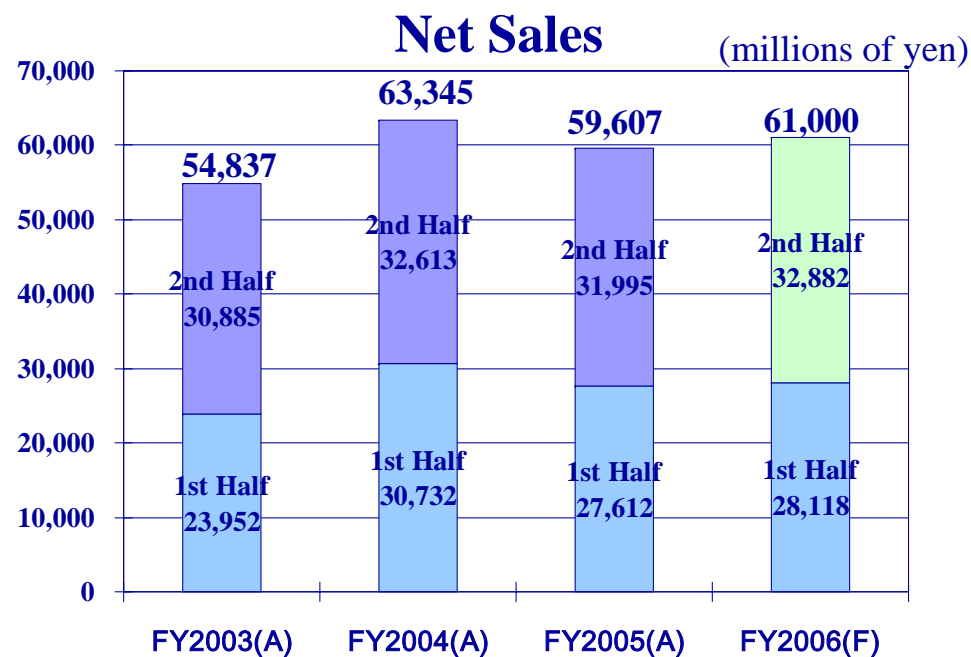
I - 8. Forecast FY 2006

(The following forecasts are based on the exchange rate of US\$1 = ¥114, EURO = ¥144)

(millions of yen)

	FY2005 (a)	June 30, 2006	Forecast June 30 ~ Dec. 31, 2006	Forecast FY 2006 (b)	Change (FY 2005/ FY2006)	
					¥(b)-(a)	%(b)/(a)
Net Sales	59,607	28,118	32,882	61,000	1,393	2.3%
Gross Profit	4,803	2,518	3,282	5,800	997	20.8%
Gross Profit Ratio	8.1%	9.0%	10.0%	9.5%	-	1.3%
Ordinary Income	4,225	2,294	2,706	5,000	775	18.3%
Net Income	3,343	1,631	1,869	3,500	157	4.7%

I - 9. Forecast FY 2006



1st Half	23,952	30,732	27,612	28,118(A)
2nd Half	30,885	32,613	31,995	32,882(F)
Fiscal Year	54,837	63,345	59,607	61,000(F)
Change (05/06)	31.9%	15.5%	(5.9%)	2.3%

1st Half	2,505	3,489	2,676	2,518(A)
2nd Half	3,836	3,734	2,127	3,282(F)
Fiscal Year	6,341	7,223	4,803	5,800(F)
Change (05/06)	72.0%	13.9%	(33.5%)	(20.8%)

*(A) : Actual
*(F) : Forecast

Interim FY2006

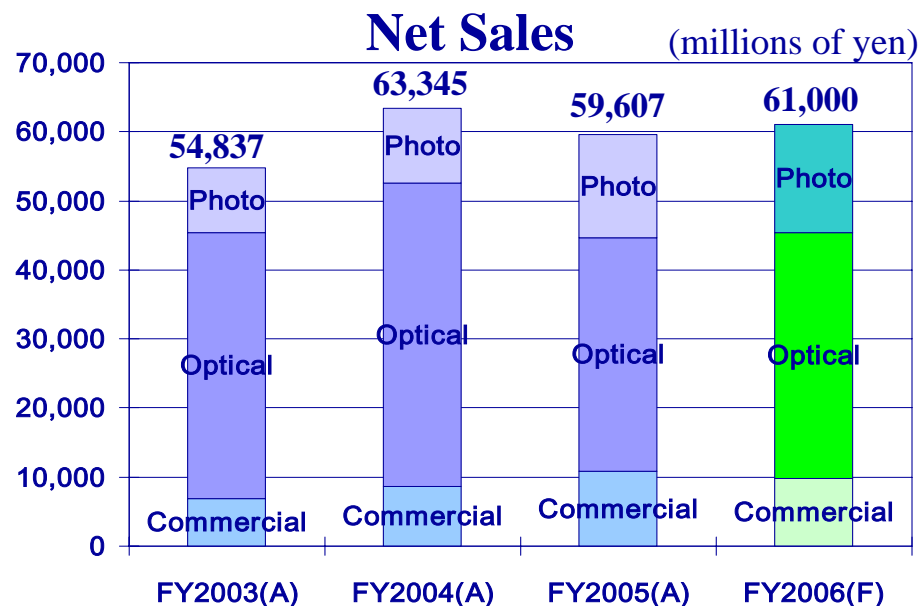
*(A) : Actual
*(F) : Forecast

I - 10. Forecast FY 2006 - Business Segment

(millions of yen)

		December 31, 2005 (a)	Original Forecast FY2006 (b)	NEW Forecast FY 2006 (c)	Change (2005/2006)		Change (Original Forecast/ New Forecast)	
					¥(c)-(a)	%(c)/(a)	¥(c)-(b)	%(c)/(b)
Photographic Products	Net Sales	14,912	13,520	15,600	688	4.6%	2,080	15.4%
	Operating Income	1,788	1,700	2,300	512	28.6%	600	35.3%
	Operating Income Ratio	12.0%	12.6%	14.7%	-	2.7%	-	2.1%
Introduction of new products and increased OEM sales								
Optical Components	Net Sales	33,800	36,790	35,600	1,800	5.3%	(1,190)	(3.2%)
	Operating Income	4,418	5,300	4,800	382	8.6%	(500)	(9.4%)
	Operating Income Ratio	13.1%	14.4%	13.5%	-	0.4%	-	(0.9%)
Due to severe market competition, fall of unit price is anticipated								
Commercial / Industrial-use Optics	Net Sales	10,894	10,689	9,800	(1,094)	(10.0%)	(889)	(8.3%)
	Operating Income	649	700	600	(49)	(7.6%)	(100)	(14.3%)
	Operating Income Ratio	6.0%	6.5%	6.1%	-	0.1%	-	(0.4%)
Security related business is a planned however, decrease in RPTV business								
Elimination and/or Corporate		(2,052)	(1,900)	(1,900)	(152)	(7.4%)	-	-
Total	Net Sales	59,607	61,000	61,000	1,393	2.3%	-	-
	Operating Income	4,803	5,800	5,800	997	20.8%	-	-

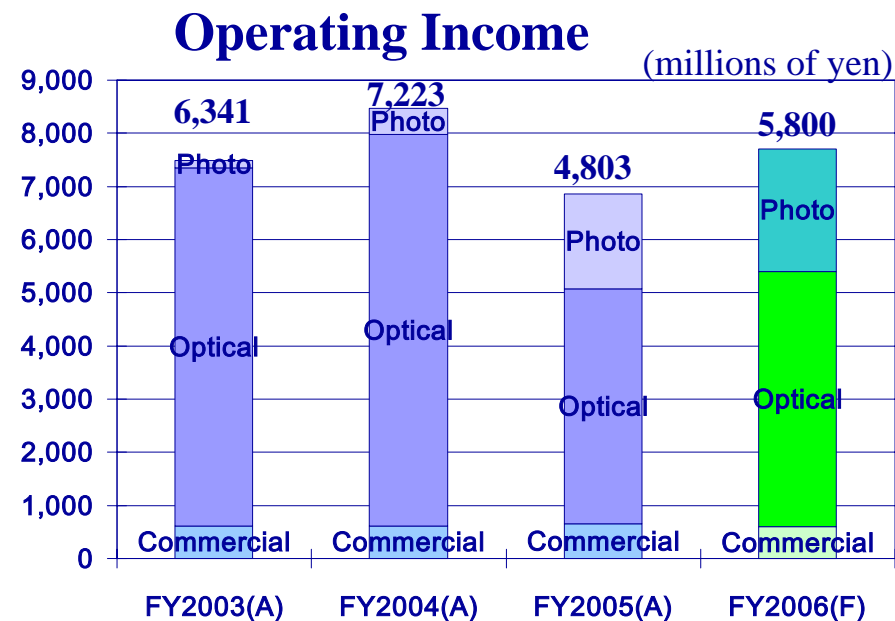
I - 11. Forecast FY 2006 - Business Segment



	FY2003(A)	FY2004(A)	FY2005(A)	FY2006(F)
Photo	9,468	10,765	14,912	15,600
Optical	38,519	43,980	33,800	35,600
Commercial	6,849	8,599	10,894	9,800
Total	54,837	63,345	59,607	61,000
Change (05/06)	31.2%	15.5%	(5.9%)	2.3%

*(A) : Actual

*(F) : Forecast



	FY2003(A)	FY2004(A)	FY2005(A)	FY2006(F)
Photo	137	492	1,788	2,300
Optical	6,741	7,363	4,418	4,800
Commercial	610	620	649	600
Elimination and/or corporate	(1,147)	(1,253)	(2,052)	(1,900)
Total	6,341	7,223	4,803	5,800
Change (05/06)	72.0%	13.9%	(33.5%)	20.8%

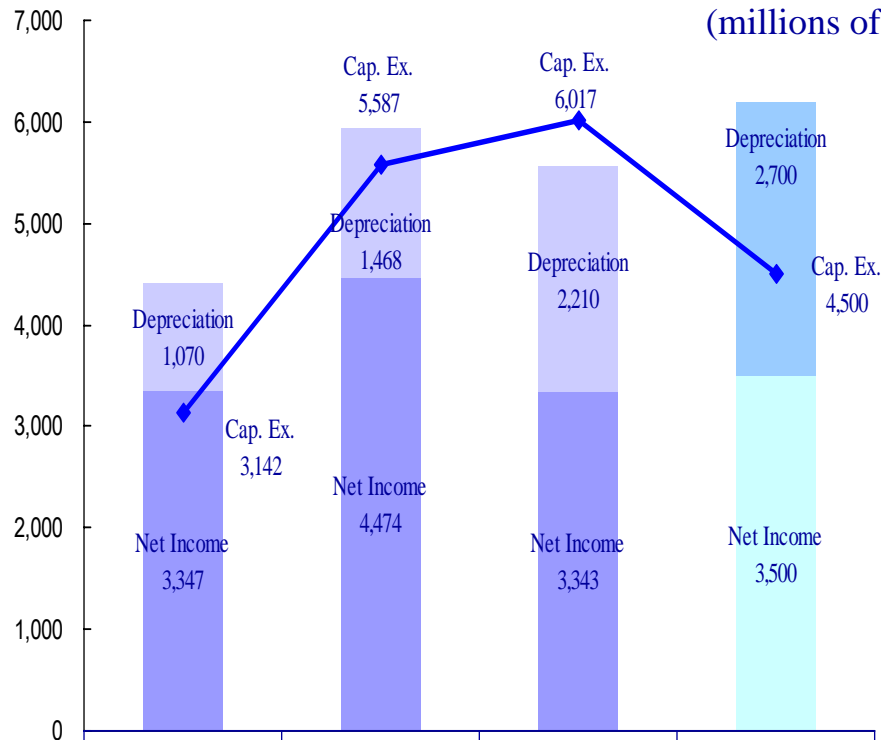
*(A) : Actual

*(F) : Forecast

I - 12. Capital Expenditure, Depreciation, R&D Expenditure

Capital Expenditure, Depreciation

(millions of yen)

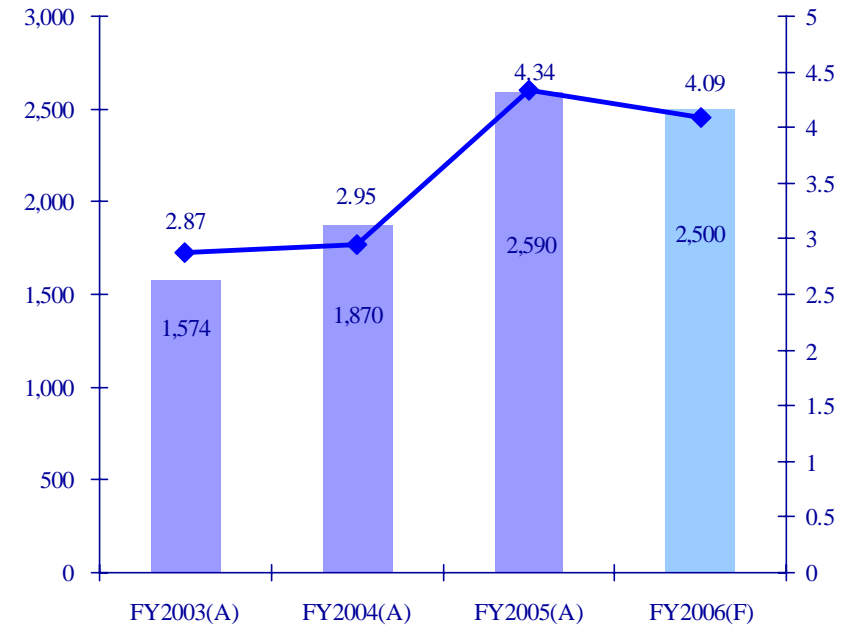


	FY2003(A)	FY2004(A)	FY2005(A)	FY2006(F)
Depreciation	1,070	1,468	2,210	2,700
Net Income	3,347	4,474	3,343	3,500
Cap. Ex.	3,142	5,587	6,017	4,500

- FY03 Lens processing equipment, CAD/CAM equipment
- FY04 Lens processing equipment, Injection mold processing equipment
- FY05 New injection mold plant, Management information system
- FY06 Lens processing equipment, Management information system, Injection molds

R&D Expenditure

(millions of yen)



Net Sales	54,837	63,345	59,607	61,000
R&D	1,574	1,870	2,590	2,500
Ratio	2.87%	2.95%	4.34%	4.09%

*(A) : Actual
*(F) : Forecast

I - 13. Cash Dividends Per Share

	FY 2003	FY 2004	FY 2005	Forecast FY 2006
Interim	-	15.00	*12.50	15.00
Year End	20.00	25.00	20.00	20.00
Total	20.00	40.00	32.50	35.00
Cash Dividend Payout Ratio (Consolidated)	7.8%	12.4%	27.7%	28.2%

*Accounting for the stock split in August 19, 2005



II. Mid - Term Strategy

II - 1. Corporate Tagline

New eyes for industry

II - 2. Mid - Term Management Goals for FY 2008

Net Sales : ¥70,000 Million

Operating Income : ¥7,000 Million
(10% or higher operating income margin)

Net Income : ¥6,100 Million

II - 3. Segment Mid-Term Strategy

Photographic Products

2008
Mid-Term
Target

Net Sales : ¥20,300 Million

- ❖ Actively invest in the fast growing digital SLR camera lens market
- ❖ Concentrate on strengthening OEM business



**SP AF17-50mm F/2.8
XR Di II LD
Aspherical [IF]**



**AF28-200mm F/3.8-5.6 XR
Di Aspherical [IF] Macro**



**AF55-200mm F/4-5.6
Di II LD Macro**



**AF70-300mm F/4-5.6
Di LD Macro 1:2**

II - 3. Segment Mid-Term Strategy

Optical Components

Net Sales : ¥40,000 Million

2008
Mid-Term
Target

- ❖ Secure sales volume and profit margin by increasing cost competitiveness in DSC and DVC market
- ❖ To introduce all glass lenses for cellular phone cameras aimed for high mega pixel application with zoom capabilities
- ❖ To maintain our status as an attractive supplier, we will continue to add value to our products through continuous technological innovation



II - 3. Segment Mid-Term Strategy

Commercial / Industrial-use Optics

Net Sales : ¥9,700 Million

2008
Mid-Term
Target

- ❖ Strengthen overseas sales of CCTV segment and increase sales and maximize profit
- ❖ Automotive / iris identification / robotic application are the fields we will expand market demand for “New eyes”
- ❖ To establish technological foundation and to restructure the projector optical sement into a profitable business



II - 4. Pressing Issues

1. Timely launch of attractive new products by all three business segments pursuant to our corporate tagline “New eyes for industry”
2. Restructuring of RPTV lens components business and expansion of cellular phone camera lens business
3. Research & development of core technologies surrounding optics and corporate-wide campaign drive of augmenting intellectual property strategy
4. Accelerating further cost reduction by improvement in overseas and domestic production and procurement systems
5. Reduction of lead time by virtue of innovation in injection mold process
6. Improvement in profit structure by solidifying group company management system and establishment of group social compliance framework
7. Establishment and operation of internal control system
8. Implementing global management information system for corporate-wide business process innovation and optimization of inventory management
9. Further improvement of cash flow management and consolidated balance sheet
10. Corporate-wide promotion of environmental preservation and protection effectively linked with quality management system inline with ISO activities

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