



Notification on special loss to be incurred associated with the withdrawal from Pension Fund

Following on the previous announcement, Tamron Co., Ltd. (Morio Ono, President & CEO), having participated in the pension plan managed by Social Welfare Pension Fund of Saitama Machine Industry, re-affirmed withdrawal from the organization as a resolution of the Board of Directors meeting of this date. Since an additional special loss is to be incurred as a result of the withdrawal during the current fiscal year, we wish to advise you of the following particulars:

1. Reasoning for the anticipated special loss

As previously notified with our preceding release on the same subject dated December 25, 2008, when Tamron decided to withdraw from Social Welfare Pension Fund of Saitama Machine Industry, provision for a special loss of Yen 1,149 million for the last fiscal year was accounted for, based on the prevailing extra contribution presented by the Fund. However, the said extra contribution at the time of withdrawal has been raised to a total sum of 2,280 million, reflecting the deteriorated position of the working fund management, coupled with a revision of the policy of the Fund which included a change in calculation formula concerning the extra contribution payment for withdrawal, and the timing of withdrawal has been postponed until the end of June, 2009.

In view of the drastic increase in the related expenditures, a comprehensive review of the status became imperative for the company. Having thoroughly weighed factors as described below, Tamron has re-affirmed its stance to withdraw from the Fund and to migrate to a defined pension plan of its own:

- (1) Social Welfare Pension Fund of Saitama Machine Industry being a multi-employer type fund, certain deficiencies are recognized concerning critical financial information disclosure required as a public company.
- (2) A conceivable risk to stay with a multi-employer type fund without undergoing return of substitutional part of Employee's Pension Fund is prominent and the situation could potentially get worsened beyond the control of Tamron. Such risk factor needs to be precluded.
- (3) Acceleration of maturity level (e.g. ratio of pension recipient as opposed to participants) is foreseeable and continued participation in such Fund could trigger a negative impact on the company's management. In addition, it is becoming more evident to ensure sustainability of a life-time pension plan by a multi-employer type fund would become increasingly hard.
- (4) In the past several years, fair amount of extraordinary contribution payment has been made to the Fund, and recurring payment of such shall not be justified when the future reward is taken into consideration. Imbalance between payment burden and reimbursement will only become greater.

(5) Continued participation in a multi-employer type fund, which yields relatively smaller return from the added portion of the Employee's Pension Fund will not bring benefit to employees. Consequently, a vast majority of employees has expressed interest in transferring the fund to a defined pension plan, while withdrawing from the Fund.

2. Impact on the financial position of the Company

The added extra contribution due in the amount of Yen 1,130 million associated with the withdrawal, newly defined by the policy change of the Fund, shall be classified as a special loss provision during Q.2 of the current fiscal year ending December, 2009.

An outlook of financial standing of the company for the current fiscal year is being under review, and shall be announced in due course.