

3rd Quarter FY2010 Consolidated Financial Results

(Amounts are rounded down to the nearest million yen)

1. Consolidated results for 3rd quarter FY2010 (January 1, 2010 through September 30, 2010)

(1) Consolidated financial results (% of change from previous 3rd Quarter)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2010	40,643	16.9	3,498	686.6	3,519	753.5	2,491	-
3Q FY2009	34,755	-	444	-	412	-	(237)	-

	Quarterly net income(loss) per share –Basic		Quarterly net income(loss) per share –Diluted	
	Yen		Yen	
3Q FY2010	90.77		-	
3Q FY2009	(8.67)		-	

(2) Consolidated financial position

	Total assets		Total net assets		Ratio of net assets		Net assets per share	
	Million yen		Million yen		%		Yen	
3Q FY2010	50,442		33,155		65.7		1,207.81	
FY2009	47,391		32,929		69.5		1,199.58	

2. Cash dividends

	Cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2009	-	15.00	-	25.00	40.00
FY2010	-	20.00	-		
FY2010 (forecast)			-	30.00	50.00

3. Forecast of consolidated results for FY2010 (January 1, 2010 through December 31, 2010)

(% of change from 1st Half FY2010)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2010	59,000	18.3	5,400	135.3	5,200	129.7	3,500	444.7	127.50

Consolidated financial statements

(1) Consolidated quarterly balance sheets

(Amount: thousands of yen)

	3rd Quarter FY2010 (As of September 30, 2010)	FY2009 (As of December 31, 2009)
Assets		
Current assets		
Cash and deposits	11,613,000	11,887,019
Notes and accounts receivable-trade	13,907,023	9,566,922
Finished goods	3,899,837	4,323,744
Work in process	3,034,855	1,248,922
Raw materials and supplies	908,103	1,479,295
Deferred tax assets	520,302	916,514
Other	849,915	1,165,739
Allowance for doubtful accounts	(54,327)	(57,496)
Total current assets	34,678,711	30,530,662
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,171,765	8,461,764
Accumulated depreciation	(4,502,518)	(4,399,799)
Buildings and structures, net	3,669,247	4,061,964
Machinery, equipment and vehicles	13,005,640	12,688,540
Accumulated depreciation	(7,617,245)	(7,363,708)
Machinery, equipment and vehicles, net	5,388,394	5,324,832
Tools, furniture and fixtures	13,149,333	12,451,142
Accumulated depreciation	(10,970,886)	(10,224,678)
Tools, furniture and fixtures, net	2,178,446	2,226,463
Other	1,009,289	1,059,376
Total property, plant and equipment	12,245,377	12,672,637
Intangible assets	819,231	1,156,808
Investments and other assets		
Investment securities	1,131,416	1,190,926
Deferred tax assets	646,705	701,044
Other	984,844	1,209,123
Allowance for doubtful accounts	(63,350)	(69,271)
Total investments and other assets	2,699,615	3,031,822
Total noncurrent assets	15,764,223	16,861,268
Total assets	50,442,934	47,391,931

(Amount: thousands of yen)

	3rd Quarter FY2010 (As of September 30, 2010)	FY2009 (As of December 31, 2009)
Liabilities		
Current liabilities		
Accounts payable-trade	5,096,943	3,736,609
Short-term loans payable	5,243,858	5,315,065
Income taxes payable	255,577	103,370
Provision for directors' bonuses	37,500	10,300
Other	3,480,361	2,738,806
Total current liabilities	14,114,240	11,904,151
Noncurrent liabilities		
Long-term loans payable	1,647,446	1,081,580
Provision for retirement benefits	1,251,435	1,203,497
Other	274,572	273,347
Total noncurrent liabilities	3,173,453	2,558,425
Total liabilities	17,287,693	14,462,576
Net assets		
Shareholders' equity		
Capital stock	6,923,075	6,923,075
Capital surplus	7,440,327	7,440,327
Retained earnings	22,591,044	21,334,711
Treasury stock	(1,521,461)	(1,521,304)
Total shareholders' equity	35,432,985	34,176,809
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	41,119	77,121
Foreign currency translation adjustment	(2,318,863)	(1,324,576)
Total valuation and translation adjustments	(2,277,744)	(1,247,455)
Total net assets	33,155,241	32,929,354
Total liabilities and net assets	50,442,934	47,391,931

(2) Consolidated quarterly statements of income

(Amount: thousands of yen)

	3rd Quarter FY2009 (January 1, 2009 through September 30, 2009)	3rd Quarter FY2010 (January 1, 2010 through September 30, 2010)
Net sales	34,755,026	40,643,032
Cost of sales	25,534,288	27,467,299
Gross profit	9,220,737	13,175,732
Selling, general and administrative expenses	8,775,917	9,676,869
Operating income	444,820	3,498,862
Non-operating income		
Interest income	21,282	15,840
Other	124,108	101,553
Total non-operating income	145,391	117,393
Non-operating expenses		
Interest expenses	96,882	76,858
Other	80,978	19,873
Total non-operating expenses	177,861	96,731
Ordinary income	412,350	3,519,525
Extraordinary income		
Reversal of allowance for doubtful accounts	6,678	890
Total extraordinary income	6,678	890
Extraordinary loss		
Loss on withdrawal from pension fund	1,130,776	-
Total extraordinary losses	1,130,776	-
Income (loss) before income taxes	(711,747)	3,520,415
Income taxes	(473,874)	1,028,796
Net income (loss)	(273,873)	2,491,619

(4) Consolidated quarterly statements of cash flows

(Amount: thousands of yen)

	3rd Quarter FY2009 (January 1, 2009 through September 30, 2009)	3rd Quarter FY2010 (January 1, 2010 through September 30, 2010)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	(711,747)	3,520,415
Depreciation and amortization	2,856,661	2,403,788
Increase (decrease) in allowance for doubtful accounts	44,185	12,832
Increase (decrease) in reserve for loss on withdrawal from pension fund	(1,149,664)	-
Increase (decrease) in provision for retirement benefits	51,758	48,745
Interest and dividends income	(35,045)	(30,045)
Interest expenses	96,882	76,858
Decrease (increase) in notes and accounts receivable-trade	1,224,973	(4,729,069)
Decrease (increase) in inventories	177,090	(1,277,461)
Increase (decrease) in notes and accounts payable-trade	504,143	1,718,971
Other, net	367,246	1,120,851
Subtotal	3,426,484	2,865,885
Interest and dividends income received	32,934	31,401
Interest expenses paid	(99,194)	(78,202)
Income taxes paid	(1,530,652)	(454,539)
Income taxes refund	-	506,565
Net cash provided by (used in) operating activities	1,829,572	2,871,110
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,299,429)	(2,059,616)
Purchase of intangible assets	(105,390)	(37,813)
Purchase of investment securities	(300,900)	(900)
Other, net	(2,712)	(10,309)
Net cash provided by (used in) investing activities	(1,708,432)	(2,108,639)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(476,234)	-
Proceeds from long-term loans payable	1,000,000	1,685,304
Repayment of long-term loans payable	(1,069,582)	(1,030,848)
Cash dividends paid	(1,100,813)	(1,222,884)
Other, net	(1,171)	(437)
Net cash provided by (used in) financing activities	(1,647,802)	(568,866)
Effect of exchange rate change on cash and cash equivalents	4,102	(467,623)
Net increase (decrease) in cash and cash equivalents	(1,522,559)	(274,019)
Cash and cash equivalents at beginning of period	10,752,065	11,887,019
Cash and cash equivalents at end of period	9,229,505	11,613,000

(Segment Information)

a. Business Segment Information

3rd Quarter FY2009 (January 1, 2009 through September 30, 2009)

(Amount: thousands of yen)

	Photographic Products	Optical Components	Commercial/Industrial use optics	Total	Eliminations and/or corporate	Consolidated
Net sales :						
(1) Sales to external customers	20,064,478	9,355,473	5,335,074	34,755,026	-	34,755,026
(2) Intersegment sales	-	-	-	-	-	-
Total	20,064,478	9,355,473	5,335,074	34,755,026	-	34,755,026
Operating income (loss)	1,726,479	(261,676)	391,625	1,856,428	(1,411,608)	444,820

3rd Quarter FY2010 (January 1, 2010 through September 30, 2010)

(Amount: thousands of yen)

	Photographic Products	Optical Components	Commercial/Industrial use optics	Total	Eliminations and/or corporate	Consolidated
Net sales :						
(1) Sales to external customers	24,111,950	10,239,126	6,291,955	40,643,032	-	40,643,032
(2) Intersegment sales	-	-	-	-	-	-
Total	24,111,950	10,239,126	6,291,955	40,643,032	-	40,643,032
Operating income	2,891,998	1,521,803	806,209	5,220,010	(1,721,148)	3,498,862

Note:

1. Business segmentation

Main products by business segment are as follows:

(1) Photo graphic products

Interchangeable lenses for SLR camera

(2) Optical components

Camcorder lenses, digital still camera lenses, cellular phone camera lenses

(3) Commercial/industrial-use optics

Lenses for CCTV cameras, automotive lenses, injection-molded parts & components, test plates, optical device units

b. Geographical Segment Information

3rd Quarter FY2009 (January 1, 2009 through September 30, 2009)

(Amount: thousands of yen)

	Japan	North America	Europe	Asia	Total	Eliminations and/or corporate	Consolidated
Net sales :							
(1) Sales to external customers	23,647,480	3,311,256	5,751,333	2,044,956	34,755,026	-	34,755,026
(2) Intersegment sales	7,422,394	2,871	-	15,918,796	23,344,061	(23,344,061)	-
Total	31,069,874	3,314,127	5,751,333	17,963,752	58,099,088	(23,344,061)	34,755,026
Operating income (loss)	(113,154)	109,263	483,085	1,213,197	1,692,392	(1,247,572)	444,820

3rd Quarter FY2010 (January 1, 2010 through September 30, 2010)

(Amount: thousands of yen)

	Japan	North America	Europe	Asia	Total	Eliminations and/or corporate	Consolidated
Net sales :							
(1) Sales to external customers	28,595,058	3,446,067	5,942,743	2,659,163	40,643,032	-	40,643,032
(2) Intersegment sales	7,926,085	563	-	20,518,583	28,445,233	(28,445,233)	-
Total	36,521,144	3,446,631	5,942,743	23,177,746	69,088,265	(28,445,233)	40,643,032
Operating income	2,832,089	196,723	249,968	2,016,879	5,295,660	(1,796,798)	3,498,862

Note:

1. Country and regional segments are classified on the basis of geographical proximity.
2. Principal markets in the above designated areas
 - (1) North America: U.S.A.
 - (2) Europe: Germany, France
 - (3) Asia: Hong Kong, China

c. Overseas Sales

3rd Quarter FY2009 (January 1, 2009 through September 30, 2009)

(Amount: thousands of yen)

	North America	Europe	Asia	Total
Overseas sales	4,051,149	6,145,949	13,267,211	23,464,310
Consolidated sales				34,755,026
Percentage of consolidated sales (%)	11.6	17.7	38.2	67.5

3rd Quarter FY2010 (January 1, 2010 through September 30, 2010)

(Amount: thousands of yen)

	North America	Europe	Asia	Total
Overseas sales	4,496,980	6,411,785	17,615,322	28,524,087
Consolidated sales				40,643,032
Percentage of consolidated sales (%)	11.1	15.8	43.3	70.2

Note:

1. Country and regional segments are classified on the basis of geographical proximity.
2. Principal markets in the above designated areas
 - (1) North America: U.S.A., Canada
 - (2) Europe: Germany, U.K., France, Northern Europe and other European countries
 - (3) Asia: Hong Kong, China and other Asian countries
3. Overseas sales represent those of Tamron Co., Ltd. and consolidated companies in countries and regions other than Japan.