

FY2010 Consolidated Financial Results

February 4, 2011

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for FY2010 (January 1, 2010 through December 31, 2010)

(1) Consolidated financial results % of change from previous year

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2010	56,650	13.5	5,456	137.8	5,476	141.9	3,689	474.2
FY2009	49,892	(20.2)	2,295	(63.0)	2,263	(61.3)	642	(78.8)

	Net income(loss) per share –Basic	Net income(loss) per share –Diluted	Ratio of net income to shareholders' equity	Ratio of income before taxes to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2010	134.40	-	11.0	11.2	9.6
FY2009	23.41	-	1.9	4.7	4.6

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets	Net assets per share
	Million yen	Million yen	%	Yen
FY2010	50,120	33,996	67.8	1,238.45
FY2009	47,391	32,929	69.5	1,199.58

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	%	Yen
FY2010	3,562	(3,008)	(890)	10,996
FY2009	3,727	(1,829)	(801)	11,887

2. Cash dividends

	Cash dividends per share					Total amount of cash dividends (annual)	Dividends payout ratio (consolidated)	Ratio of total amount of dividends to shareholders' equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY2009	-	15.00	-	25.00	40.00	1,098	170.9	3.3
FY2010	-	20.00	-	※ 30.00	50.00	1,372	37.2	4.1
FY2011 (forecast)	-	-	-	-	-		-	

※Including commemorative dividend of ¥5 for the company's 60th anniversary

Cash dividends forecast for FY2011 is undetermined

3. Forecast of consolidated results for FY2011 (January 1, 2011 through December 31, 2011)

(% of change from FY2010 or 1st Half or FY2010)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2011 1st Half	26,000	1.6	2,000	(14.6)	1,900	(19.2)	1,300	(19.3)	47.36
FY2011	61,000	7.7	5,600	2.6	5,500	0.4	3,800	3.0	138.43

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: thousands of yen)

	FY2009 (As of December 31, 2009)	FY2010 (As of December 31, 2010)
Assets		
Current assets		
Cash and deposits	11,887,019	10,996,219
Notes and accounts receivable-trade	9,566,922	14,588,865
Finished goods	4,323,744	4,816,673
Work in process	1,248,922	2,300,834
Raw materials and supplies	1,479,295	992,489
Deferred tax assets	916,514	166,144
Other	1,165,739	737,962
Allowance for doubtful accounts	(57,496)	(58,029)
Total current assets	30,530,662	34,541,160
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,461,764	8,162,252
Accumulated depreciation	(4,399,799)	(4,563,601)
Buildings and structures, net	4,061,964	3,598,651
Machinery, equipment and vehicles	12,688,540	12,861,896
Accumulated depreciation	(7,363,708)	(7,736,860)
Machinery, equipment and vehicles, net	5,324,832	5,125,036
Tools, furniture and fixtures	12,451,142	13,498,028
Accumulated depreciation	(10,224,678)	(11,287,999)
Tools, furniture and fixtures, net	2,226,463	2,210,029
Land	775,852	751,923
Other	283,524	524,530
Total property, plant and equipment	12,672,637	12,210,170
Intangible assets	1,156,808	737,207
Investments and other assets		
Investment securities	1,190,926	1,171,975
Deferred tax assets	701,044	576,091
Other	1,209,123	932,718
Allowance for doubtful accounts	(69,271)	(48,621)
Total investments and other assets	3,031,822	2,632,164
Total noncurrent assets	16,861,268	15,579,543
Total assets	47,391,931	50,120,703

(Amount: thousands of yen)

	FY2009 (As of December 31, 2009)	FY2010 (As of December 31, 2010)
Liabilities		
Current liabilities		
Accounts payable-trade	3,736,609	4,769,486
Short-term loans payable	5,315,065	5,086,222
Income taxes payable	103,370	323,293
Provision for directors' bonuses	10,300	143,500
Other	2,738,806	2,962,168
Total current liabilities	11,904,151	13,284,671
Noncurrent liabilities		
Long-term loans payable	1,081,580	1,442,346
Provision for retirement benefits	1,203,497	1,127,388
Other	273,347	269,826
Total noncurrent liabilities	2,558,425	2,839,561
Total liabilities	14,462,576	16,124,232
Net assets		
Shareholders' equity		
Capital stock	6,923,075	6,923,075
Capital surplus	7,440,327	7,440,327
Retained earnings	21,334,711	23,788,911
Treasury stock	(1,521,304)	(1,521,461)
Total shareholders' equity	34,176,809	36,630,852
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	77,121	65,066
Foreign currency translation adjustment	(1,324,576)	(2,699,448)
Total valuation and translation adjustments	(1,247,455)	(2,634,381)
Total net assets	32,929,354	33,996,470
Total liabilities and net assets	47,391,931	50,120,703

(2) Consolidated Statements of income

(Amount: thousands of yen)

	FY2009 (January 1, 2009 through December 31, 2009)	FY2010 (January 1, 2010 through December 31, 2010)
Net sales	49,892,645	56,650,832
Cost of sales	35,637,382	37,692,114
Gross profit	14,255,262	18,958,717
Selling, general and administrative expenses		
Advertising expenses	764,998	964,399
Promotion expenses	596,426	647,676
Provision of allowance for doubtful accounts	57,993	8,436
Salaries and bonuses	2,971,627	3,045,482
Provision for directors' bonuses	10,300	143,500
Retirement benefit expenses	106,485	96,450
Technical research expenses	2,713,834	3,209,985
Other	4,738,439	5,385,886
Total selling, general and administrative expenses	11,960,105	13,501,817
Operating income	2,295,157	5,456,899
Non-operating expenses		
Interest income	29,037	19,895
Other	153,006	155,105
Total non-operating income	182,043	175,000
Non-operating expenses		
Interest expenses	120,067	105,435
Loss on retirement of noncurrent assets	13,783	43,106
Product compensation expenses	35,534	-
Other	44,066	6,953
Total non-operating expenses	213,451	155,495
Ordinary income	2,263,749	5,476,405
Extraordinary income		
Reversal of allowance for doubtful accounts	1,800	16,331
Total extraordinary income	1,800	16,331
Loss on valuation of investment securities	22,223	-
Loss on withdrawal from pension fund	1,130,776	-
Total extraordinary losses	1,153,000	-
Income before income taxes and minority interests	1,112,549	5,492,737
Income taxes-current	674,150	971,802
Refund of income taxes	-	(38,424)
Income taxes-deferred	(204,145)	869,873
Total income taxes	470,004	1,803,251
Net income	642,545	3,689,485

(3) Consolidated statements of changes in net assets

(Amount: thousands of yen)

	FY2009 (January 1, 2009 through December 31, 2009)	FY2010 (January 1, 2010 through December 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,923,075	6,923,075
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	6,923,075	6,923,075
Capital surplus		
Balance at the end of previous period	7,440,327	7,440,327
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	7,440,327	7,440,327
Retained earnings		
Balance at the end of previous period	21,790,201	21,334,711
Changes of items during the period		
Dividends from surplus	(1,098,035)	(1,235,286)
Net income	642,545	3,689,485
Total changes of items during the period	(455,490)	2,454,199
Balance at the end of current period	21,334,711	23,788,911
Treasury stock		
Balance at the end of previous period	(1,521,227)	(1,521,304)
Changes of items during the period		
Purchase of treasury stock	(77)	(156)
Total changes of items during the period	(77)	(156)
Balance at the end of current period	(1,521,304)	(1,521,461)
Total shareholders' equity		
Balance at the end of previous period	34,632,377	34,176,809
Changes of items during the period		
Dividends from surplus	(1,098,035)	(1,235,286)
Net income	642,545	3,689,485
Purchase of treasury stock	(77)	(156)
Total changes of items during the period	(455,567)	2,454,042
Balance at the end of current period	34,176,809	36,630,852

(Amount: thousands of yen)

	FY2009 (January 1, 2009 through December 31, 2009)	FY2010 (January 1, 2010 through December 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(9,455)	77,121
Change of items during the period		
Net changes of items other than shareholders' equity	86,577	(12,054)
Total changes of items during the period	86,577	(12,054)
Balance at the end of current period	77,121	65,066
Foreign currency translation adjustment		
Balance at the end of previous period	(1,496,010)	(1,324,576)
Changes of items during the period		
Net changes of items other than shareholders' equity	171,433	(1,374,871)
Total changes of items during the period	171,433	(1,374,871)
Balance at the end of current period	(1,324,576)	(2,699,448)
Total valuation and translation adjustments		
Balance at the end of previous period	(1,505,465)	(1,247,455)
Changes of items during the period		
Net changes of items other than shareholders' equity	258,010	(1,386,926)
Total changes of items during the period	258,010	(1,386,926)
Balance at the end of current period	(1,247,455)	(2,634,381)
Total net assets		
Balance at the end of previous period	33,126,911	32,929,354
Changes of items during the period		
Dividends from surplus	(1,098,035)	(1,235,286)
Net income	642,545	3,689,485
Purchase of treasury stock	(77)	(156)
Net changes of items other than shareholders' equity	258,010	(1,386,926)
Total changes of items during the period	(197,556)	1,067,116
Balance at the end of current period	32,929,354	33,996,470

(4) Consolidated statements of cash flows

(Amount: thousands of yen)

	FY2009 (January 1, 2009 through December 31, 2009)	FY2010 (January 1, 2010 through December 31, 2010)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	1,112,549	5,492,737
Depreciation and amortization	3,963,323	3,292,711
Increase (decrease) in provision for directors' bonuses	(58,700)	133,200
Increase (decrease) in reserve for loss on withdrawal from pension fund	(1,149,664)	-
Increase (decrease) in provision for retirement benefits	68,805	(30,767)
Interest and dividends income	(45,978)	(37,455)
Interest expenses	120,067	105,435
Loss on retirement of property, plant and equipment	13,783	43,106
Loss (gain) on valuation of investment securities	22,223	-
Decrease (increase) in notes and accounts receivable-trade	(24,147)	(5,606,140)
Decrease (increase) in inventories	970,277	(1,682,498)
Increase (decrease) in notes and accounts payable-trade	7,388	1,465,196
Other, net	389,369	653,646
Subtotal	5,389,296	3,829,172
Interest and dividends income received	44,652	37,575
Interest expenses paid	(122,650)	(107,356)
Income taxes paid	(1,584,244)	(737,648)
Income taxes refund	-	540,533
Net cash provided by (used in) operating activities	3,727,055	3,562,275
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,715,380)	(2,899,102)
Purchase of intangible assets	(131,788)	(95,229)
Purchase of investment securities	(301,243)	(1,278)
Proceeds from sales of investment securities	300,000	9
Payments of loans receivable	(20,608)	(3,374)
Collection of loans receivable	23,509	7,798
Other, net	16,218	(17,738)
Net cash provided by (used in) investing activities	(1,829,293)	(3,008,914)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	630,101	-
Proceeds from long-term loans payable	1,000,000	1,659,192
Repayment of long-term loans payable	(1,330,327)	(1,314,434)
Purchase of treasury stock	(77)	(156)
Cash dividends paid	(1,100,266)	(1,234,760)
Other, net	(1,380)	(557)
Net cash provided by (used in) financing activities	(801,949)	(890,715)
Effect of exchange rate change on cash and cash equivalents	39,141	(553,444)
Net increase (decrease) in cash and cash equivalents	1,134,954	(890,799)
Cash and cash equivalents at beginning of period	10,752,065	11,887,019
Cash and cash equivalents at end of period	11,887,019	10,996,219

(Segment Information)

a. Business Segment Information

FY2009 (January 1, 2009 through December 31, 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	29,422,071	12,956,926	7,513,646	49,892,645	-	49,892,645
(2) Intersegment sales	-	-	-	-	-	-
Total	29,422,071	12,956,926	7,513,646	49,892,645	-	49,892,645
Operating expenses	25,993,369	12,919,885	6,787,306	45,700,560	1,896,926	47,597,487
Operating income	3,428,702	37,041	726,340	4,192,084	(1,896,926)	2,295,157
Assets	21,581,327	7,522,329	6,587,879	35,691,536	11,700,394	47,391,931
Depreciation	2,038,237	1,287,899	586,247	3,912,384	50,938	3,963,323
Capital expenditure	1,115,130	446,783	191,646	1,753,560	20,740	1,774,301

FY2010 (January 1, 2010 through December 31, 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	34,124,148	13,980,416	8,546,267	56,650,832	-	56,650,832
(2) Intersegment sales	-	-	-	-	-	-
Total	34,124,148	13,980,416	8,546,267	56,650,832	-	56,650,832
Operating expenses	29,714,393	11,382,483	7,680,282	48,777,159	2,416,772	51,193,932
Operating income	4,409,754	2,597,933	865,984	7,873,672	(2,416,772)	5,456,899
Assets	24,703,930	9,515,508	6,547,438	40,766,877	9,353,826	50,120,703
Depreciation	1,935,505	781,647	533,985	3,251,139	41,572	3,292,711
Capital expenditure	1,786,662	825,951	464,311	3,076,924	25,437	3,102,361

b. Geographical Segment Information

FY2009 (January 1, 2009 through December 31, 2009)

(Amount: thousands of yen)

	Japan	North America	Europe	Asia	Total	Eliminations and/or corporate	Consolidated
Net sales :							
(1) Sales to external customers	33,808,280	4,385,561	8,647,392	3,051,410	49,892,645	-	49,892,645
(2) Intersegment sales	11,561,606	3,210	713	22,545,423	34,110,953	(34,110,953)	-
Total	45,369,887	4,388,771	8,648,106	25,596,833	84,003,599	(34,110,953)	49,892,645
Operating expenses	43,893,504	4,213,704	7,916,626	23,833,464	79,857,298	(32,259,811)	47,597,487
Operating income	1,476,383	175,067	731,480	1,763,369	4,146,300	(1,851,142)	2,295,157
Assets	21,624,538	2,445,710	4,323,018	11,196,545	39,589,812	7,802,118	47,391,931

FY2010 (January 1, 2010 through December 31, 2010)

(Amount: thousands of yen)

	Japan	North America	Europe	Asia	Total	Eliminations and/or corporate	Consolidated
Net sales :							
(1) Sales to external customers	39,351,694	4,838,770	8,699,753	3,760,613	56,650,832	-	56,650,832
(2) Intersegment sales	11,736,052	553	-	29,553,338	41,289,943	(41,289,943)	-
Total	51,087,747	4,839,323	8,699,753	33,313,951	97,940,775	(41,289,943)	56,650,832
Operating expenses	46,636,007	4,579,976	8,308,892	30,340,487	89,865,363	(38,671,430)	51,193,932
Operating income	4,451,739	259,347	390,861	2,973,464	8,075,412	(2,618,512)	5,456,899
Assets	25,681,875	2,276,129	3,790,585	12,639,758	44,388,348	5,732,355	50,120,703

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

FY2009 (January 1, 2009 through December 31, 2009)

(Amount: thousands of yen)

	North America	Europe	Asia	Total
Overseas sales	5,508,091	9,189,973	19,278,497	33,976,561
Consolidated sales				49,892,645
Percentage of consolidated sales (%)	11.0	18.4	38.7	68.1

FY2010 (January 1, 2010 through December 31, 2010)

(Amount: thousands of yen)

	North America	Europe	Asia	Total
Overseas sales	6,113,960	9,355,239	24,271,124	39,740,324
Consolidated sales				56,650,832
Percentage of consolidated sales (%)	10.8	16.5	42.8	70.1

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.