



FY2010 Financial Results

February 8, 2011
Tamron Co., Ltd. (Code: 7740)

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I . FY2010 Financial Results

I -1. Business Briefing

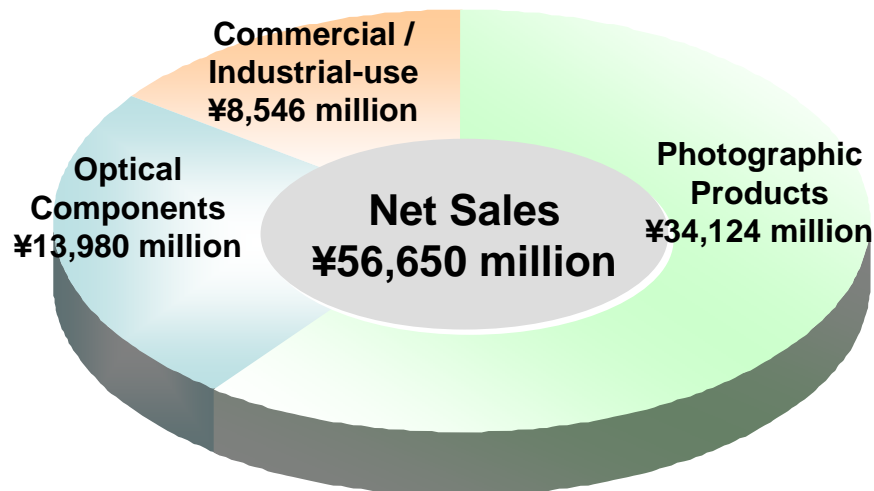


Company Profile

- ❖ Total Subsidiaries Overseas : 6
/ Liaison Offices : 2 (India, Russia)
- ❖ Domestic Offices : 4 / Sales Offices : 7
- ❖ ISO9001, ISO14001 Certified
ISO/TS16949 Certified
- ❖ Consolidated Net Sales : ¥56,650 million (FY2010)
- ❖ Consolidated Number of Employees : 7,198 (As of Dec 31, 2010)
- ❖ Consolidated Total Assets : ¥50,120 million (As of Dec 31, 2010)

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
Surveillance camera lenses
Automotive camera lenses
Injection molds, parts & components
Test Plates
Optical devices



Net Sales by Business Segment
(FY2010)

I -2. FY2010 Summary



Business Environments

- ❖ Economic recovery at a moderate rate.
- ❖ Steady growth in DSLR market segment.

FY2010 Results

- ❖ Operating income and net income more than doubled, and net current profit nearly quintupled.
- ❖ Both sales and profits increased across all business segments.
- ❖ Posted a record high sales in photographic products segment.

Topics

- ❖ Commemorated company's 60th anniversary on Nov 1, 2010
 - Anticipated an additional 5 Yen commemorative cash dividend celebrating the 60th anniversary, making the total year-end dividend to 30 Yen, and annual dividend to 50 Yen (an increase of 10 Yen from the previous year)
 - Two 60th anniversary models launched (70-300mmVC USD & 18-270mmVC PZD)
 - 70-300mm VC USD awarded by EISA. Tamron won 5 years in a row.

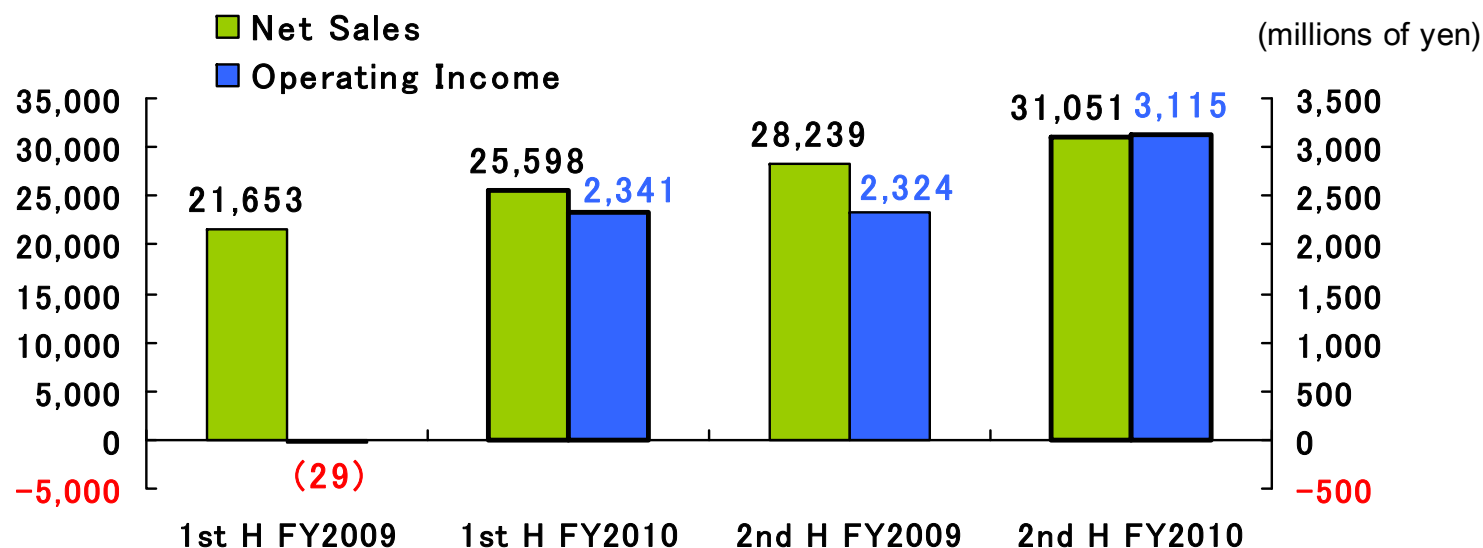


I -3. FY2010 Half-Year Financial Results



(millions of yen)

	1st H FY2009	1st H FY2010	Change	2nd H FY2009	2nd H FY2010	Change
Net Sales	21,653	25,598	+3,945	28,239	31,051	+2,812
Operating Income	(29)	2,341	+2,370	2,324	3,115	+791
Operating Income Ratio	(0.1)%	9.1%	+9.2%	8.2%	10.0%	+1.8%



I -4. FY2010 Financial Results



(millions of yen)

	Actual FY 2009 (a)	Previous Forecast FY 2010	Revised Forecast FY 2010 (b)	Actual FY 2010 (c)	Change		Change	
					(c)-(a)	%	(c)-(b)	%
Net Sales	49,892	53,000	59,000	56,650	6,758	113.5%	(2,349)	96.0%
Operating Income	2,295	4,600	5,400	5,456	3,161	237.8%	56	101.1%
Operating Income Ratio	4.6%	8.7%	9.2%	9.6%	5.0%	-	0.4%	-
Ordinary Income	2,263	4,300	5,200	5,476	3,212	241.9%	276	105.3%
Ordinary Income Ratio	4.5%	8.1%	8.8%	9.7%	5.1%	-	0.9%	-
Net income	642	2,600	3,500	3,689	3,046	574.2%	189	105.4%

I -5. FY2010 Results by Business Segment



		Actual FY2009 (a)	Forecast FY2010 (b)	Actual FY2010 (c)	Change		Change		Forex impact
					(c)-(a)	%	(c)-(b)	%	
Photographic Products	Net Sales	29,422	36,300	34,124	4,702	116.0%	(2,175)	94.0%	(2,100)
	Operating Income	3,428	4,900	4,409	981	128.6%	(490)	90.0%	(800)
	Operating Income Ratio	11.7%	13.5%	12.9%	1.2%	-	(0.6)%	-	-
	Sales and operating income increased in line with the strong DSLR market.								
Optical Components	Net Sales	12,956	14,500	13,980	1,023	107.9%	(519)	96.4%	(850)
	Operating Income	37	1,900	2,597	2,560	-	697	136.7%	(300)
	Operating Income Ratio	0.3%	13.1%	18.6%	18.3%	-	5.5%	-	-
	Sales increased due to the customer's DSC sales growth and profits boosted due to the R&D related sales and cost reduction.								
Commercial / Industrial-use Optics	Net Sales	7,513	8,200	8,546	1,032	113.7%	346	104.2%	(150)
	Operating Income	726	1,000	865	139	119.2%	(134)	86.6%	-
	Operating Income Ratio	9.7%	12.2%	10.1%	0.4%	-	(2.1)%	-	-
	Sales and operating profits grew due to the increase in sales of CCTV camera lenses in line with the recovery of equipment investment and favorable sales in China.								
Elimination and/or Corporate		(1,896)	(2,400)	(2,416)	(519)	-	(16)	-	-
Total	Net Sales	49,892	59,000	56,650	6,758	113.5%	(2,349)	96.0%	(3,100)
	Operating Income	2,295	5,400	5,456	3,161	237.8%	56	101.1%	(1,100)

I -6. FY2010 Quarterly Results by Business Segment



(millions of yen)

		1Q FY2010	2Q FY2010	3Q FY2010	4Q FY2010	Annual FY2010
Photographic Products	Net Sales	6,772	8,509	8,829	10,012	34,124
	Operating Income	537	1,387	966	1,517	4,409
	Operating Income Ratio	7.9%	16.3%	11.0%	15.2%	12.9%
Optical Components	Net Sales	2,547	3,976	3,715	3,741	13,980
	Operating Income	370	611	540	1,076	2,597
	Operating Income Ratio	14.5%	15.4%	14.5%	28.8%	18.6%
Commercial / Industrial-use Optics	Net Sales	1,847	1,944	2,499	2,254	8,546
	Operating Income	254	167	384	59	865
	Operating Income Ratio	13.7%	8.6%	15.4%	2.7%	10.1%
Eliminations and/or corporate		(456)	(530)	(734)	(687)	(2,416)
Consolidated	Net Sales	11,168	14,430	15,044	16,007	56,650
	Operating Income	705	1,636	1,156	1,965	5,456

I -7. Financial Summary



	FY2009 (a)	FY2010 (b)	Change (b)-(a)	Main Factor for Change
Cash and Cash Equivalents	11,887	10,996	(890)	
Notes and Accounts Receivable, trade	9,566	14,588	5,105	Mainly due to an increase in sales
Inventories	7,051	8,109	1,058	Work in process increased
Other Current Assets	2,024	846	(1,178)	Due to a decrease of deferred tax assets
Fixed Assets	16,861	15,579	(1,256)	Decreased due to annualized amortization and cut back of new investments during the preceding year
Total Assets	47,391	50,120	2,728	
Current Liabilities	11,904	13,284	1,380	Mainly due to an increase of AC payable
Total Long-Term Liabilities	2,558	2,839	281	Mainly due to an increase in long-term loans payable
Total Liabilities	14,462	16,124	1,661	
Total Shareholders' Equity	32,929	33,996	1,067	
Total Liabilities and Shareholders' Equity	47,391	50,120	2,728	
Equity Ratio	69.5%	67.8%	(1.7)%	

I -8. Capital Investment / Depreciation / Research & Development



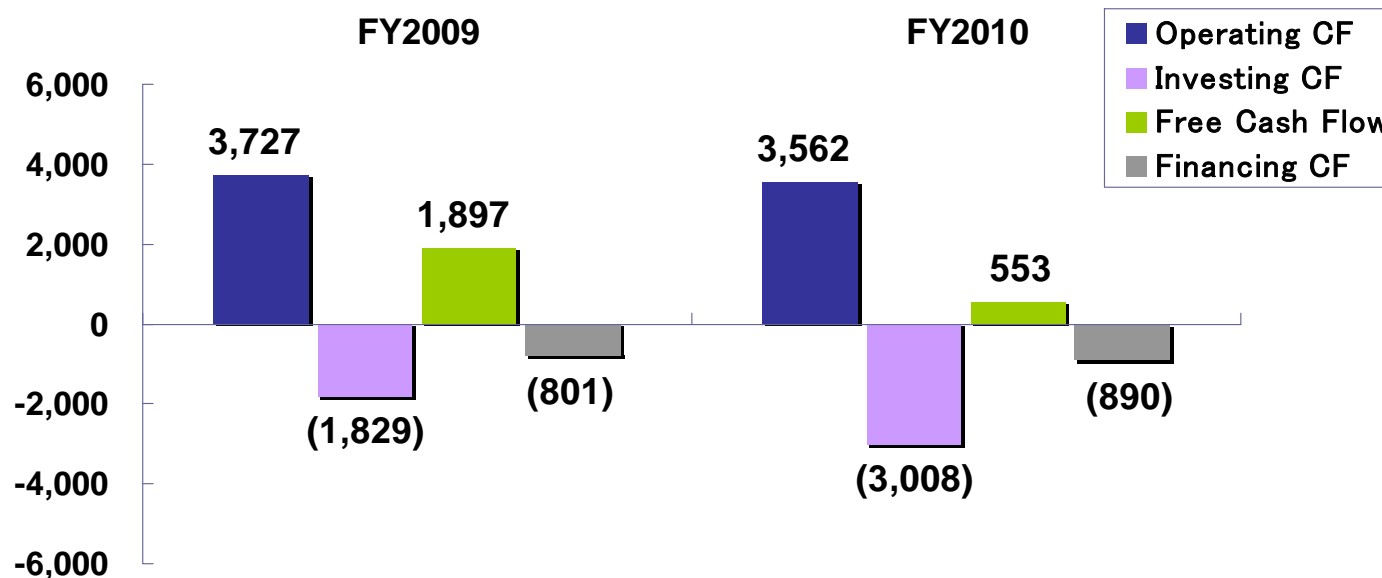
(millions of yen)

	FY2009	FY2010	Change	Main Factor for Change
Capital Investment	1,774	3,102	1,328	Raised in-house production ratio of factory in China
Depreciation	3,963	3,292	(670)	
Research & Development	2,753	3,292	539	Enhanced R&D capacity

I -9. Cash Flow Statement



(millions of yen)

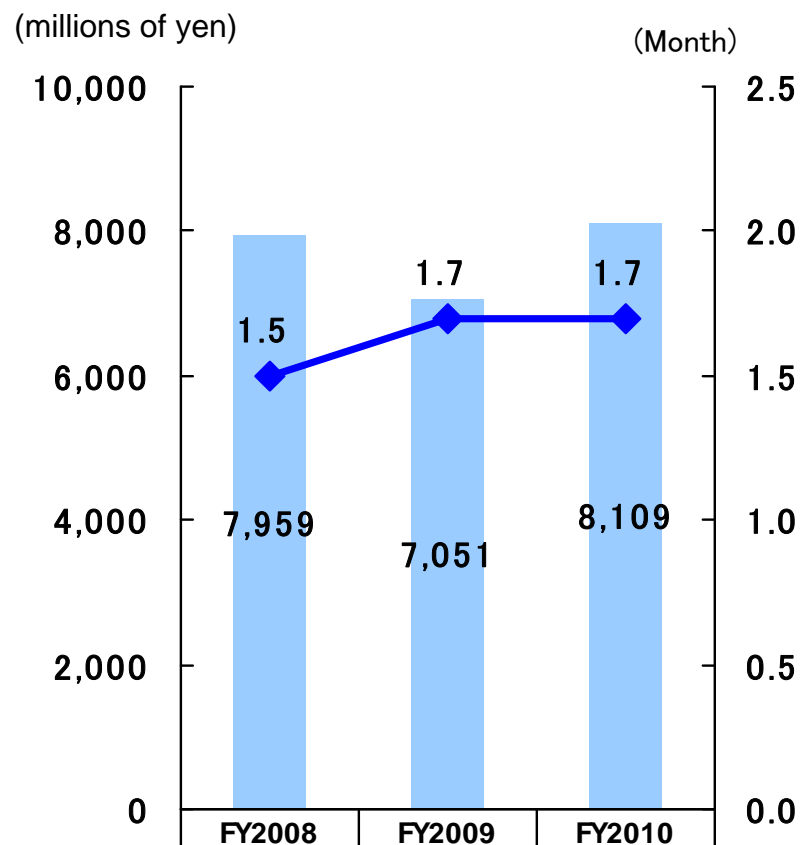


	FY2009	FY2010
Cash Flow from Operating Activities	3,727	3,562
Cash Flow from Investing Activities	(1,829)	(3,008)
Free Cash Flow	1,897	553
Cash Flow from Financing Activities	(801)	(890)
Cash and Cash Equivalents at Year End	11,887	10,996
Liquidity (Months)	2.86	2.33

I -10. Inventories / Liabilities with Interests



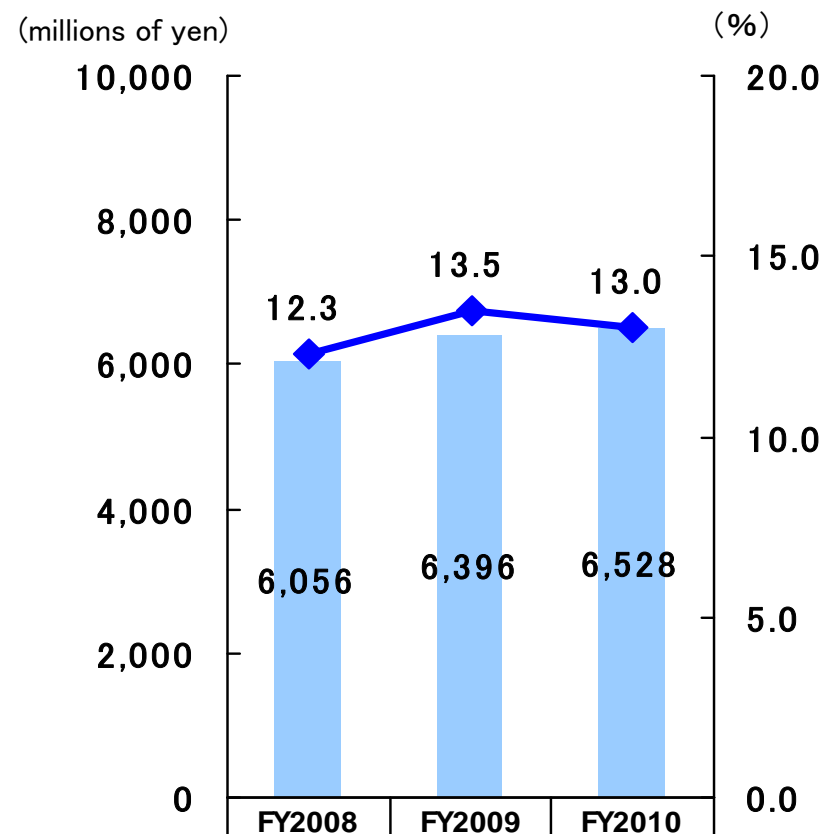
Inventories



Inventories	7,959	7,051	8,109
Inventory Turnover	1.5	1.7	1.7

* (A):Actual (F):Forecast

Liabilities with Interests



Liability with Interest	6,056	6,396	6,528
Loan-to-Asset	12.3	13.5	13.0

II . FY2011 Financial Forecast

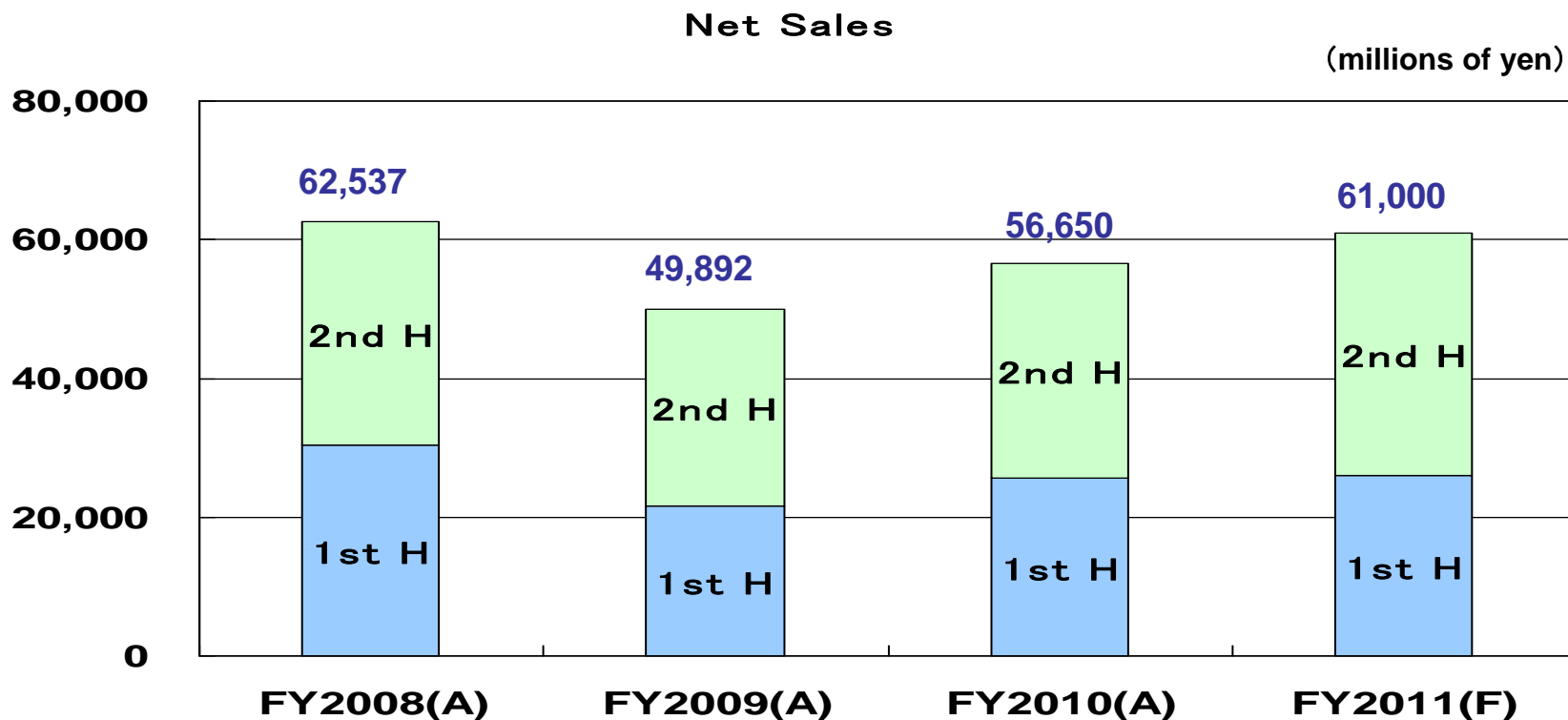
II -1. FY2011 Forecast



(millions of yen)

	Actual 1st H FY2010	Actual 2nd H FY2010	Actual FY2010 (a)	Forecast 1st H FY2011	Forecast 2nd H FY2011	Forecast FY2011 (b)	Change	
							(b)-(a)	(b)/(a)
Net Sales	25,598	31,051	56,650	26,000	35,000	61,000	4,349	107.7%
Operating Income	2,341	3,115	5,456	2,000	3,600	5,600	143	102.6%
Operating Income Ratio	9.1%	10.0%	9.6%	7.7%	10.3%	9.2%	(0.4)%	-
Ordinary Income	2,352	3,123	5,476	1,900	3,600	5,500	23	100.4%
Ordinary Income Ratio	9.2%	10.1%	9.7%	7.3%	10.3%	9.0%	(0.7)%	-
Net Income	1,610	2,078	3,689	1,300	2,500	3,800	110	103.0%
For ex (USD)	91.40	84.27	87.79	82.00	82.00	82.00	(5.79)	-
For ex (Euro)	121.30	111.47	116.30	110.00	110.00	110.00	(6.30)	-

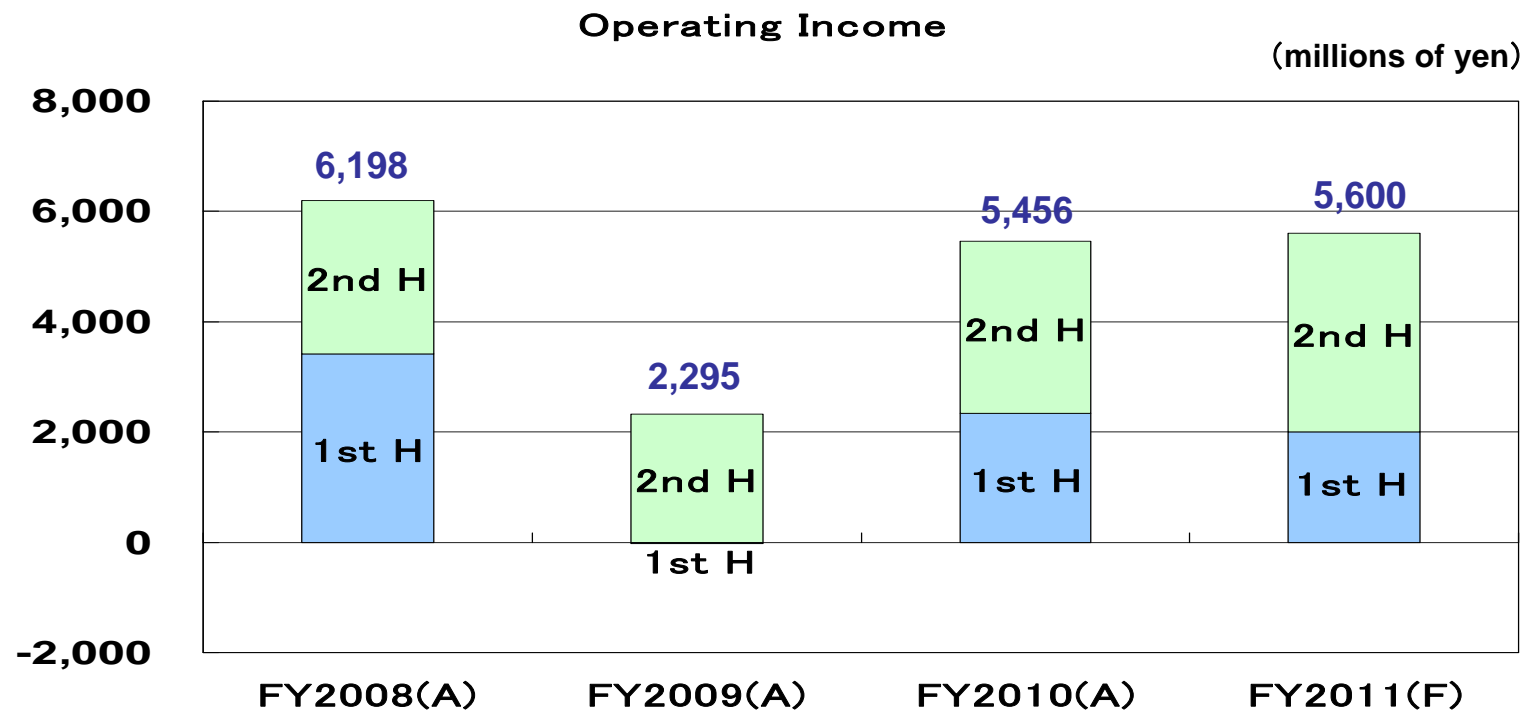
II -2. FY2011 Sales Forecast



	FY2008(A)	FY2009(A)	FY2010(A)	FY2011(F)
1st H	30,321	21,653	25,598	26,000
2nd H	32,216	28,239	31,051	35,000
Annual	62,537	49,892	56,650	61,000
YoY	91.7%	79.8%	113.5%	107.7%

* (A):Actual (F):Forecast

II -3. FY2011 Operating Income Forecast



	FY2008(A)	FY2009(A)	FY2010(A)	FY2011(F)
1st H	3,424	(29)	2,341	2,000
2nd H	2,773	2,324	3,115	3,600
Annual	6,198	2,295	5,456	5,600
YoY	70.5%	37.0%	237.8%	102.6%

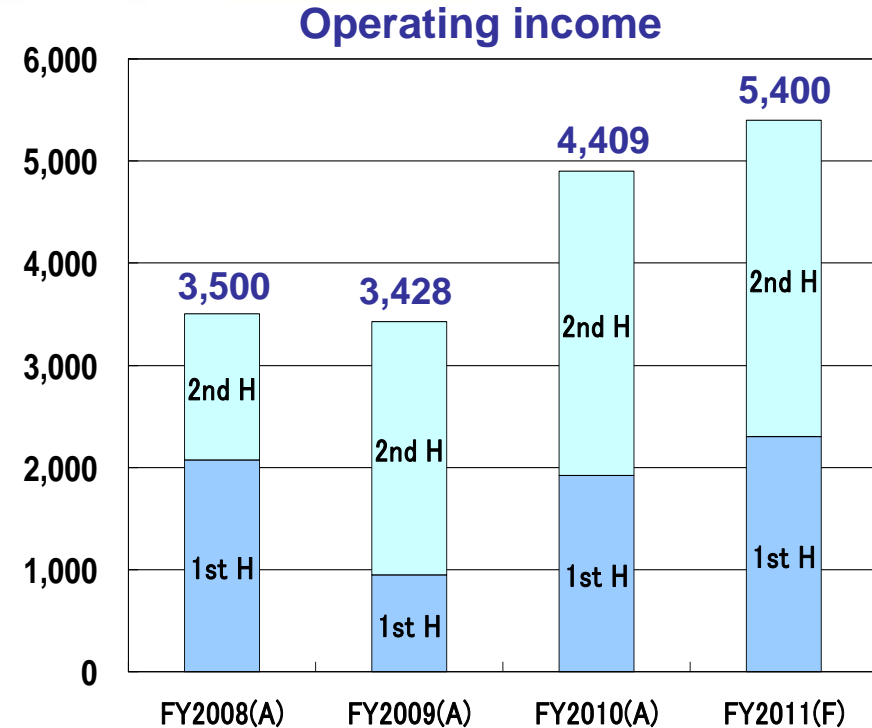
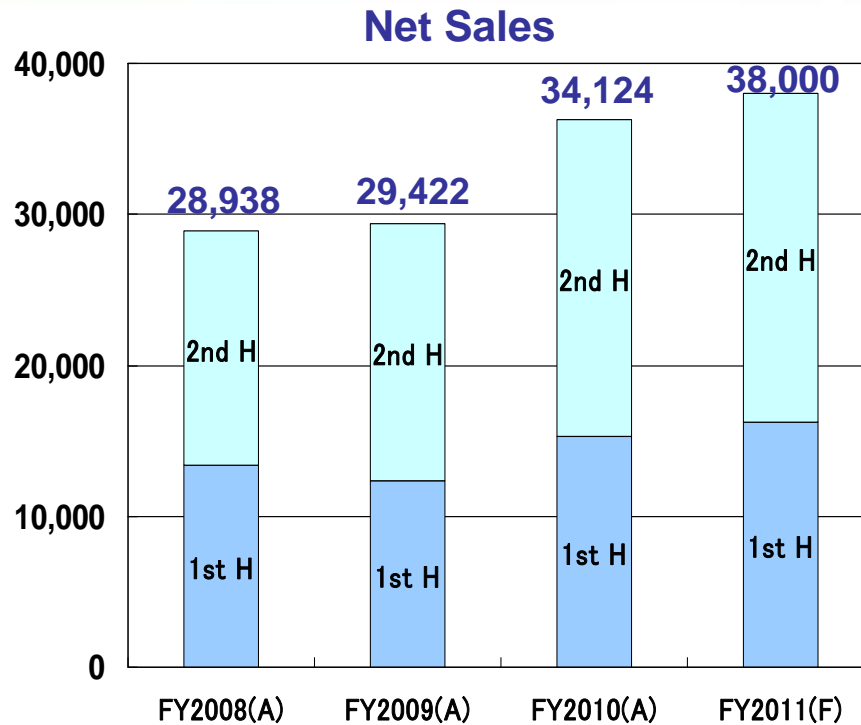
* (A):Actual (F):Forecast

II -4. FY2011 Forecast by Business Segment

1) Photographic Products



(millions of yen)



	FY2008(A)	FY2009(A)	FY2010(A)	FY2011(F)
1st H	13,365	12,380	15,282	16,200
2nd H	15,572	17,041	18,841	21,800
Annual	28,938	29,422	34,124	38,000
YoY	114.2%	101.7%	116.0%	111.4%

	FY2008(A)	FY2009(A)	FY2010(A)	FY2011(F)
1st H	2,074	950	1,925	2,300
2nd H	1,426	2,477	2,484	3,100
Annual	3,500	3,428	4,409	5,400
Ratio	12.1%	11.7%	12.9%	14.2%
YoY	70.2%	97.9%	128.6%	122.5%

* (A):Actual (F):Forecast

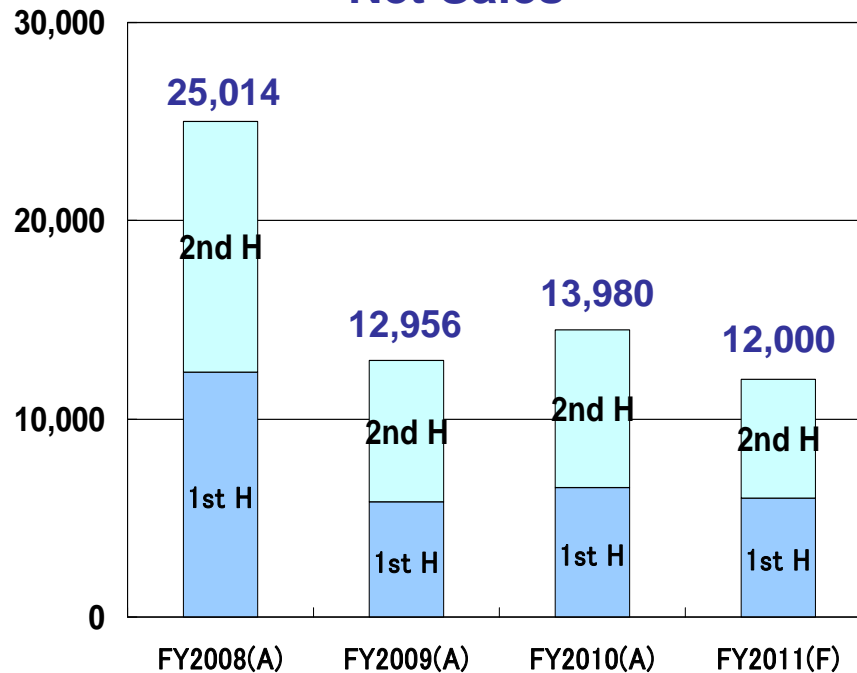
II -4. FY2011 Forecast by Business Segment

2) Optical Components



(millions of yen)

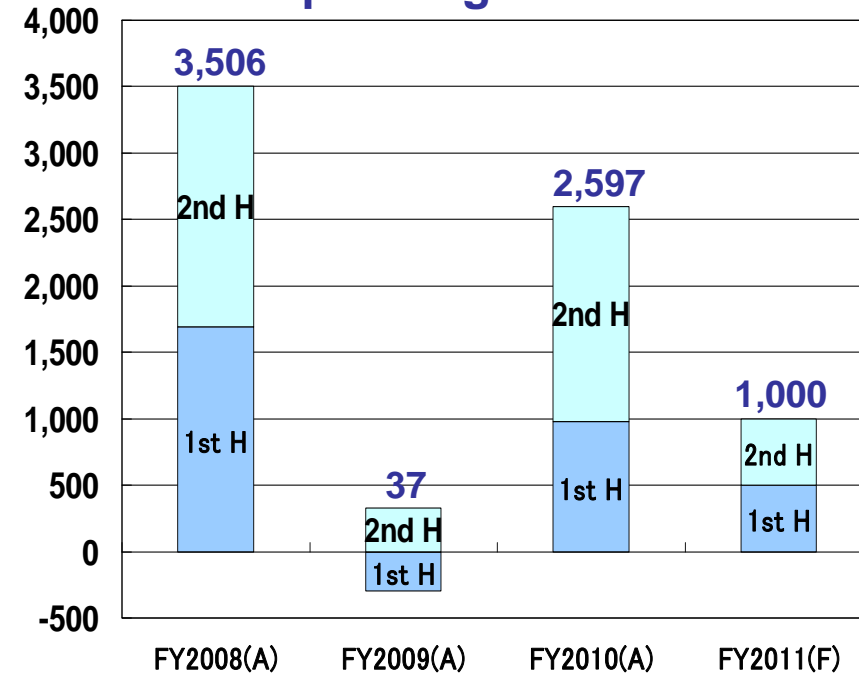
Net Sales



	FY2008(A)	FY2009(A)	FY2010(A)	FY2011(F)
1st H	12,382	5,793	6,523	6,000
2nd H	12,631	7,163	7,456	6,000
Annual	25,014	12,956	13,980	12,000
YoY	71.4%	51.8%	107.9%	85.8%

* (A):Actual (F):Forecast

Operating income



	FY2008(A)	FY2009(A)	FY2010(A)	FY2011(F)
1st H	1,692	(293)	981	500
2nd H	1,813	330	1,616	500
Annual	3,506	37	2,597	1,000
Ratio	14.0%	0.3%	18.6%	8.3%
YoY	71.7%	-	-	38.5%

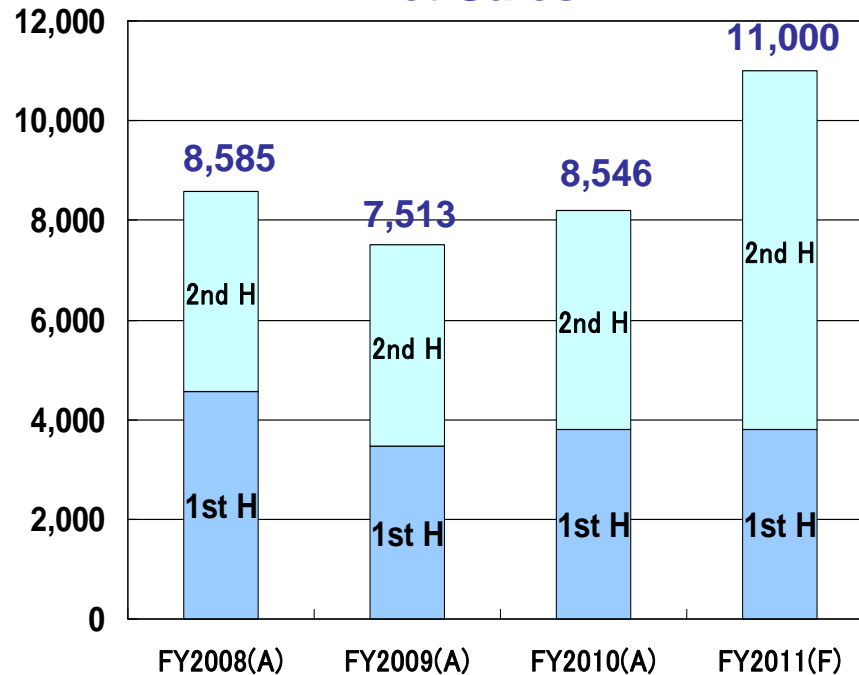
II -4. FY2011 Forecast by Business Segment

3) Commercial / Industrial-use Optics

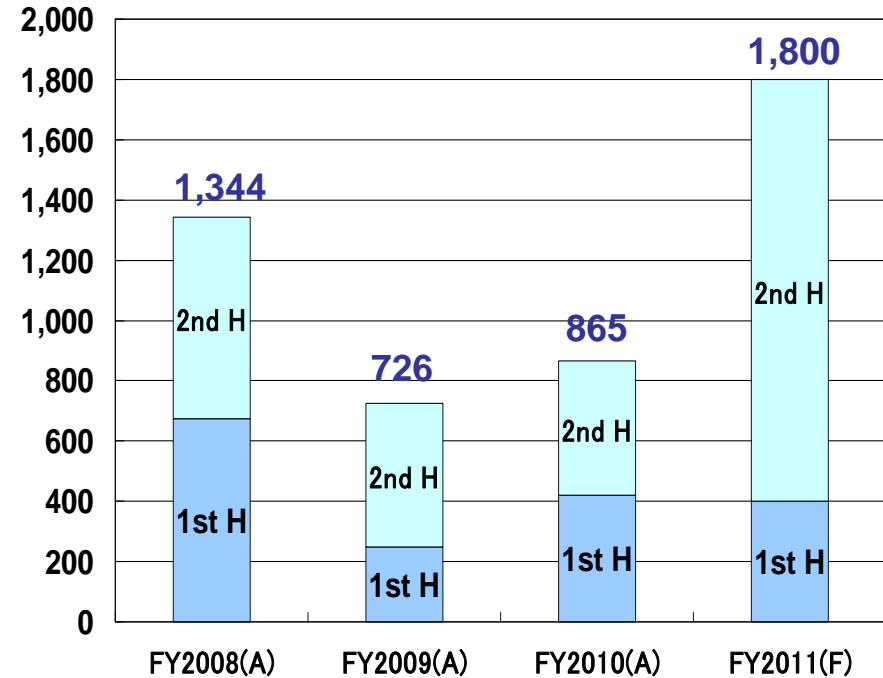


(millions of yen)

Net Sales



Operating income



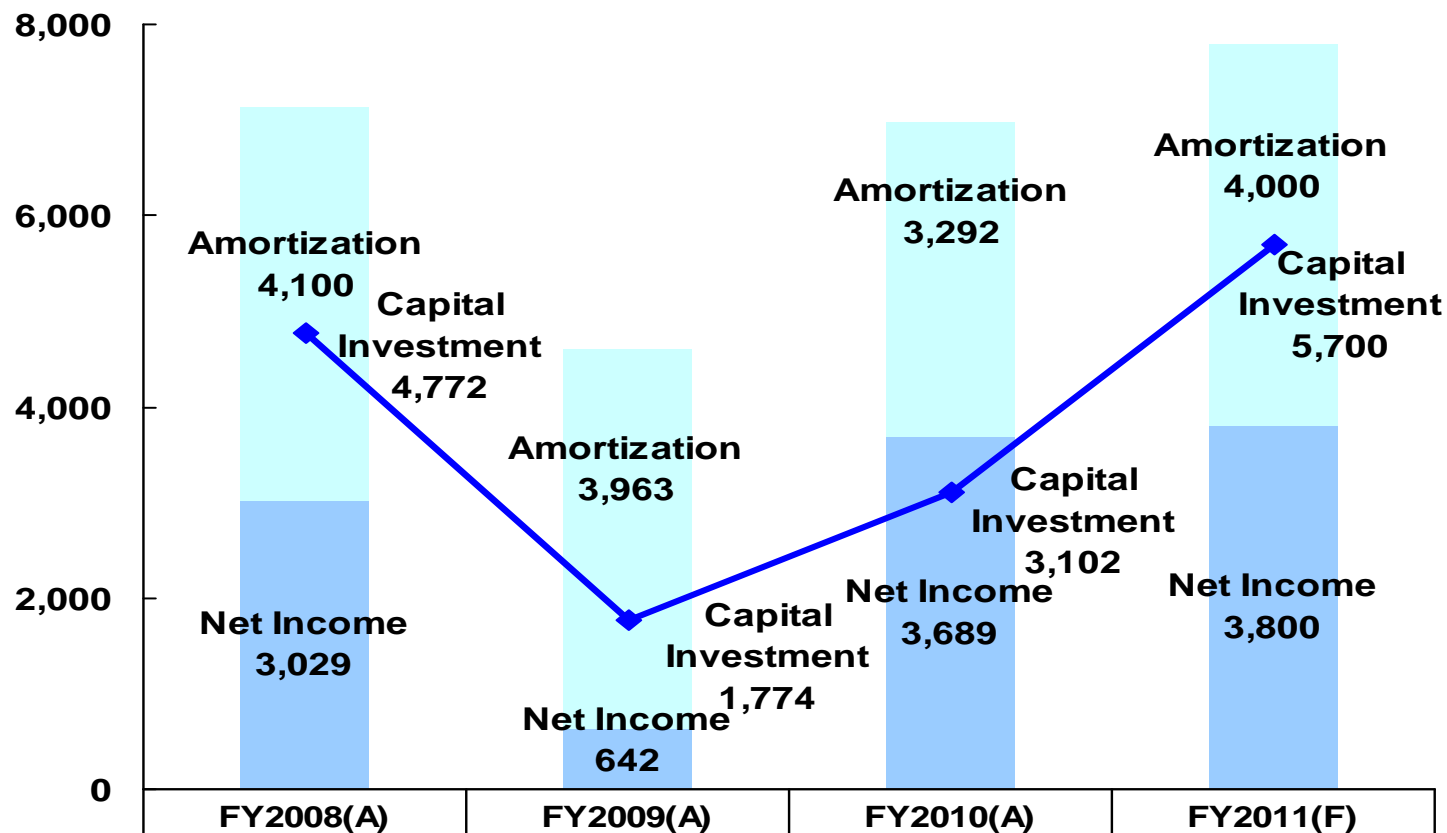
	FY2008(A)	FY2009(A)	FY2010(A)	FY2011(F)
1st H	4,573	3,479	3,792	3,800
2nd H	4,011	4,034	4,753	7,200
Annual	8,585	7,513	8,546	11,000
YoY	110.0%	87.5%	113.7%	128.7%

	FY2008(A)	FY2009(A)	FY2010(A)	FY2011(F)
1st H	674	249	421	400
2nd H	669	477	444	1,400
Annual	1,344	726	865	1,800
Ratio	15.7%	9.7%	10.1%	16.4%
YoY	178.7%	54.0%	119.2%	207.9%

* (A):Actual (F):Forecast

II -5. Capital Investment & Depreciation

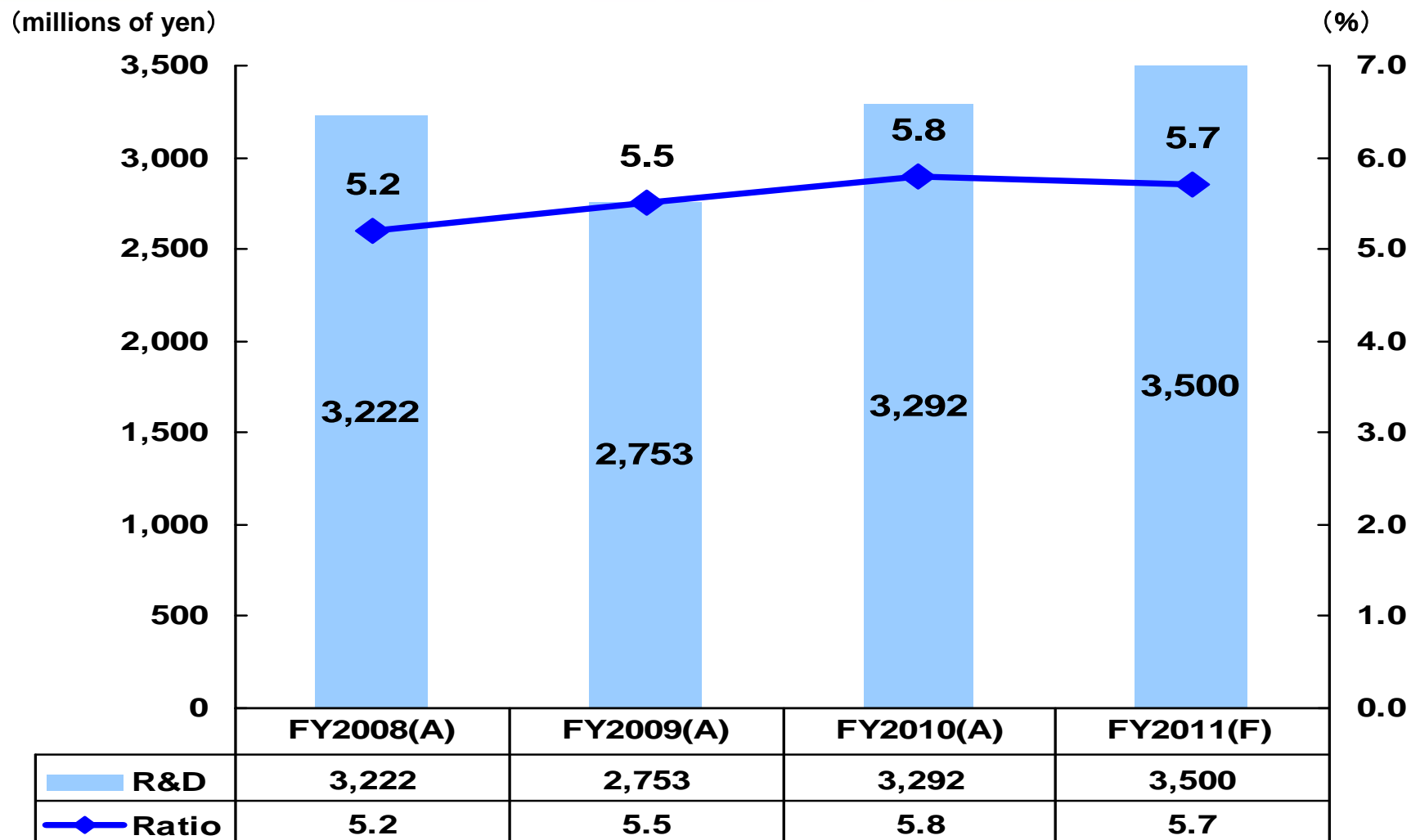
(millions of yen)



Amortization	4,100	3,963	3,292	4,000
Net Income	3,029	642	3,689	3,800
Capital Investment	4,772	1,774	3,102	5,700

* (A):Actual (F):Forecast

II -6. Research & Development



* R&D cost/Net sales ratio

* (A):Actual (F):Forecast

II -7. Outlook for Cash Dividends



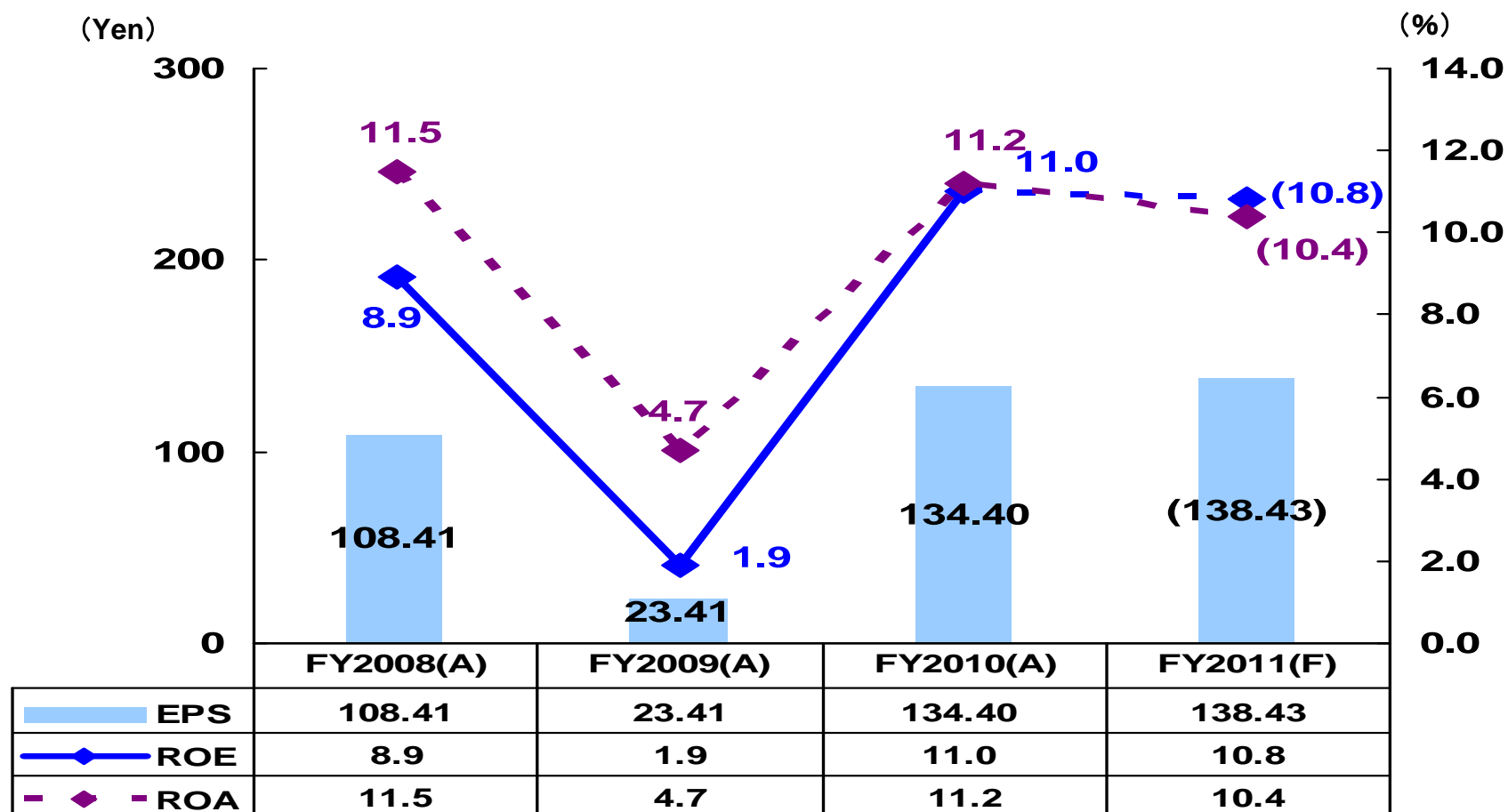
(yen)

	FY2007	FY2008	FY2009	FY2010	FY2011 (Forecast)
Interim	15.00	25.00	15.00	20.00	-
Year End	35.00	25.00	25.00	※ 30.00	-
Total	50.00	50.00	40.00	50.00	-
Dividend Payout Ratio	29.6%	46.1%	170.9%	37.2%	-

※Including ¥5 commemorative dividend

II -8. Referential Data

1) Key Performance Index



ROE=Net Income/Net assets (average for FY)

ROA=Ordinary Income/Total assets (average for FY)

* (A):Actual (F):Forecast

II -8. Referential Data



2) Impact of Currency Exchange Rate Fluctuations

Actual FY2010

	Exchange Rate		Effect	
	Actual FY2009	Actual FY2010	Net Sales	Operating Income
USD	93.65Yen	87.79Yen	(2,000) Million Yen	(200) Million Yen
Euro	130.38Yen	116.30Yen	(1,100) Million Yen	(900) Million Yen
Total	-	-	(3,100) Million Yen	(1,100) Million Yen

Forecast FY2011

	Exchange Rate	One yen change impact for FY2011	
	Assumption FY2011	Net Sales	Operating Income
USD	82.00Yen	(400)Million Yen	(30)Million Yen
Euro	110.00Yen	(90)Million Yen	(80) Million Yen

III. Mid-Term Strategy

New eyes for industry

Ⅲ-2. Mid-Term Management Goals for FY2013

Net Sales : ¥74.0 billion

Operating Income : ¥7.3 billion

(Operating Income ratio 9.9%)

III-3. Strategy Towards FY2013 by Segment



1) Photographic Products

Target: 44.0 billion Yen (59.5% of Total Net Sales)

**2013
Mid-Term
Target**

- ❖ Poised at launching interchangeable lenses of ultimate performance in a global scale as a specialized manufacturer of optics
 - Won EISA award 5 years in a row
- ❖ Expansion of sales in the emerging markets leveraging distribution network
 - Establishing new sales offices in China, 4 offices in 2010 and 3 more in 2011 at Xian, Shenyang, Wuhan
- ❖ Prepared to ensure compatibilities with new camera formats such as mirror-less system
- ❖ Refined management structure to better serve OEM clients (cost efficiency, responsiveness as well as quality)

**60th Anniversary Model
Telephoto Zoom Lens**



**SP70-300mm F/4-5.6 Di
VC USD (Model A005)**



**EISA 2010-2011
Award Winner**

**60th Anniversary Model
Ultra High Power Zoom Lens**



**AF18-270mm F/3.5-6.3
Di II VC PZD (Model B008)**



SIXTIETH ANNIVERSARY

III-3. Strategy Towards FY2013 by Segment



2) Optical Components

Target: 12.5 billion Yen (16.9% of Total Net Sales)

**2013
Mid-Term
Target**

- ❖ Solidified partnership with DSC/DVC clients
- ❖ Expansion of in-house production capacities at Tamron Foshan, China to enhance cost efficiency and quality control for higher accuracy
- ❖ Development of new market segments such as “Pocket Cam”
- ❖ Continued technological challenges to be recognized as a leading supplier to bring benefits to clients and to build value-added business models



Original zoom lens



Ultra compact 3X zoom for 8 MP+ sensors

III-3. Strategy Towards FY2013 by Segment



3) Commercial / Industrial-use Optics

Target: 17.5 billion Yen (23.6% of Total Net Sales)

**2013
Mid-Term
Target**

- ❖ Development of new business arena ⇒ ref. next slide for details
- ❖ Accelerated CCTV sales and marketing overseas, including emerging markets
- ❖ Expansion of product portfolio towards lenses for mega-pixel IP cameras and HD compatibles
- ❖ Introduction of lenses for TV conference systems and new industrial applications
- ❖ Development of stronger business foundation in automotive segment



"Flat-Field Mega Pixel Lens Series"



Indoor Mini-Dome Camera With Built-in High-Quality Vari-Focal Lens



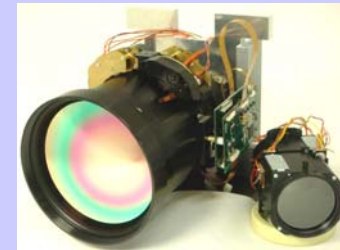
Automotive camera lenses

3)* New Business

2013
Mid-Term
Target

❖ Optics for Far-Infrared Imaging

- An alliance with NEC Avio Infrared Technologies Co., Ltd
- Initiation of sales of far-infrared cameras in addition to lenses
- Launch of innovative new products in parallel with building



❖ All-Around Image Capturing Camera

- A whole new imaging system is created aimed at tapping into new market segments, integrating advanced optics to provide >180° horizontal Field of View angle and image processing technologies.



180° horizontal FOV fish-eye lens integrated with image processing capabilities

❖ LED illumination optics

- Development of LED-based illumination optics which is expected to diversify into various applications

III-4. Issues on Mid-to Long-Term Management



- 1. Enhancing corporate governance based on CSR management system coupled with internal control and risk management.**
- 2. Pursuing improved quality assurance reliability and enhancing the quality of customer service aimed at delivering higher customer satisfaction.**
- 3. Driving sales of Tamron-branded interchangeable lenses while increasing the brand awareness around the globe.**
- 4. Achieving further reduction in cost by means of enhancing in-house production ratio of critical parts and components while deploying strategic logistics.**
- 5. Expansion in automotive business, far infrared rays optical business and new business.**
- 6. Enhancement in R & D activities in core technology development revolving around optics and taking proactive stance in IP strategy.**

Disclaimer



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2. This material and the information provided verbally in our presentation are based on the data that are obtainable at the time of the presentation in compliance with our management policies and certain premises that are deemed reasonable by us.
3. Please note that the actual results may sometimes differ from the forecasts contained herein due to various factors.
4. We are not liable in any way for any damages or losses incurred in connection with your use of any information or data contained herein or provided verbally in our presentation.