



Financial Results FY2008

Results Briefing on February 16, 2009
Tamron Co., Ltd. (Code:7740)

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I . Summary of Financial Results

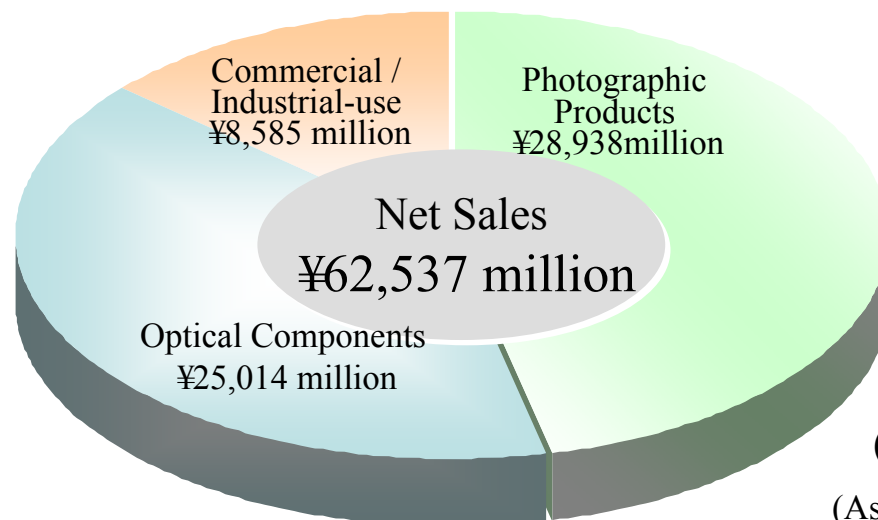
I - 1. Business Briefing

Company Profile

- ❖ Total Subsidiaries Overseas : 6
- ❖ Domestic Offices : 4 / Sales Offices : 7
- ❖ ISO 9001, ISO 14001 Certified
- ❖ Consolidated Net Sales : ¥62,537 million
(As of December 31, 2008)
- ❖ Consolidated Number of Employees : 5,571
(As of December 31, 2008)
- ❖ Consolidated Total Assets : ¥49,176 million
(As of December 31, 2008)

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
 - ❖ Automotive lenses
 - ❖ Injection molds, parts & components
 - ❖ Optical devices



(Business Segment Net Sales)

(As of December 31, 2008)

I - 2. Topics 2008



- ❖ World's first 15x all-in –one zoom lens with VC (Vibration Compensation) (Model B003) launched in September 2008.
- ❖ Photographic products segment recorded the largest proportion in total sales.
- ❖ Yearly sales and profit decreased due to the steep rise in yen value and an abrupt slowdown in world economy in the 4th quarter although the interim results were almost in line with the initial company plan.
- ❖ The yearly cash dividend will be 50 yen per share, same as last year, prioritizing consistent return to shareholders despite the decrease in sales and profit for the year.

I - 3. Financial Results FY 2008



(millions of yen)

	Actual Dec. 31, 2007 (a)	Forecast Dec. 31, 2008 (b)	Actual Dec. 31, 2008 (c)	Change (Actual Dec. 31, 2007/ Actual Dec. 31, 2008)		Change (Forecast Dec. 31, 2008/ Actual Dec. 31, 2008)	
				¥(c)-(a)	%	¥(c)-(b)	%
Net Sales	68,204	64,000	62,537	(5,666)	91.7%	(1,462)	97.7%
Operating Income	8,788	6,700	6,198	(2,590)	70.5%	(501)	92.5%
Operating Income Ratio	12.9%	10.5%	9.9%	(3.0%)	-	(0.6%)	-
Ordinary Income	7,712	6,200	5,842	(1,869)	75.8%	(357)	94.2%
Ordinary Income Ratio	11.3%	9.7%	9.3%	(2.0%)	-	(0.4%)	-
Net Income	4,772	4,000	3,029	(1,743)	63.5%	(970)	75.7%

I - 4. Business Segment Financial Results



		Actual Dec. 31, 2007 (a)	Forecast Dec. 31, 2008 (b)	Actual Dec. 31, 2008 (c)	Change (Actual Dec. 31, 2007/ Actual Dec. 31, 2008)		Change (Forecast Dec. 31, 2008/ Actual Dec. 31, 2008)	
					¥(c)-(a)	%	¥(c)-(b)	%
(millions of yen)								
Photographic Products	Net Sales	25,345	30,343	28,938	3,592	114.2%	(1,404)	95.4%
	Operating Income	4,988	3,919	3,500	(1,487)	70.2%	(418)	89.3%
	Operating Income Ratio	19.7%	12.9%	12.1%	(7.6%)	-	(0.8%)	-
Sales increased driven by the launch of new interchangeable lenses for digital SLR while profit decreased due to the sharp rise in yen value and an increase in Depreciation cost.								
Optical Components	Net Sales	35,056	25,277	25,014	(10,042)	71.4%	(262)	99.0%
	Operating Income	4,887	3,800	3,506	(1,380)	71.7%	(293)	92.3%
	Operating Income Ratio	13.9%	15.0%	14.0%	0.1%	-	(1.0%)	-
Sales decreased sharply affected by a weak market condition and the sharp rise in yen value. Cost cutting effects helped sustain OP margin level.								
Commercial / Industrial-use Optics	Net Sales	7,802	8,380	8,585	783	110.0%	205	102.5%
	Operating Income	752	1,215	1,344	591	178.7%	129	110.6%
	Operating Income Ratio	9.6%	14.5%	15.7%	6.1%	-	1.2%	-
Sales and profit increased reflecting the steady demands in the security and surveillance market.								
Elimination and/or Corporate		(1,839)	(2,234)	(2,153)	(314)	-	80	-
Total	Net Sales	68,204	64,000	62,537	(5,666)	91.7%	(1,462)	97.7%
	Operating Income	8,788	6,700	6,198	(2,590)	70.5%	(501)	92.5%

I - 5. Financial Summary



(millions of yen)

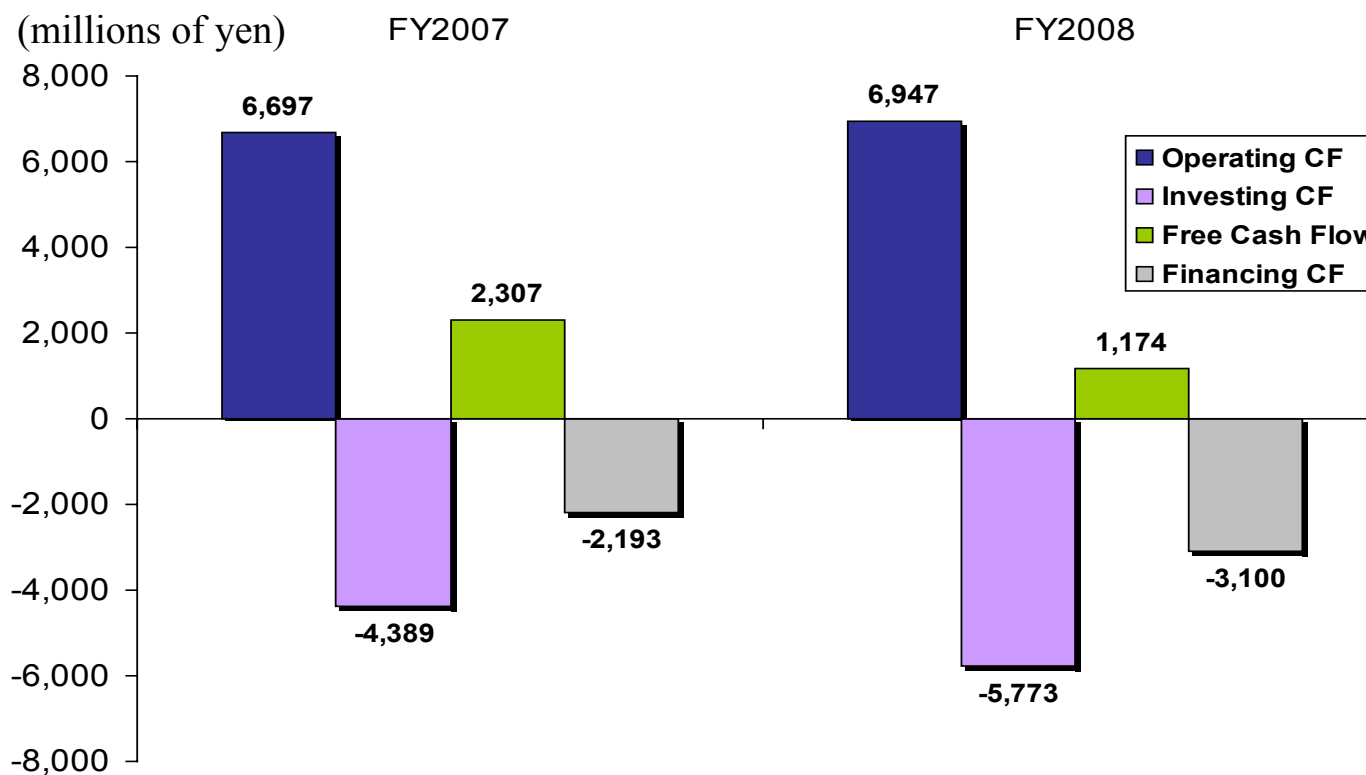
	December 31, 2007 (a)	December 31, 2008 (b)	Change (December 31, 2007/ December 31, 2008) (b)-(a)	Main Factor for Change
Cash and Cash Equivalents	13,520	10,752	(2,768)	Decreased mainly due to the purchase of treasury stock
Notes and Accounts Receivable, trade	11,353	9,499	(1,853)	Increased mainly due to a decrease in sales in the 4 th quarter.
Inventories	7,065	7,959	894	Increased in line with an increase in sales of interchangeable lenses
Other Current Assets	986	1,852	866	
Fixed Assets	19,226	19,112	(113)	
Total Assets	52,151	49,176	(2,974)	
Current Liabilities	14,058	13,369	(689)	Decreased due to a decrease in accounts payable
Total Long-Term Liabilities	2,831	2,680	(150)	Decreased due to the repayment of Long-term debt
Total Liabilities	16,889	16,049	(840)	
Total Shareholders' Equity	35,261	33,126	(2,134)	Decreased due to the purchase of treasury stock and foreign currency translation adjustment
Total Liabilities and Shareholders' Equity	52,151	49,176	(2,974)	

I - 6. Capital Expenditures, Depreciation, R&D



	FY 2007 (a)	FY 2008 (b)	Change (Actual FY2007/ Actual FY2008) (b)-(a)	Remarks
Capital Investment	4,338	4,772	433	Increased mainly due to acquisition of machining equipment to improve in-house production ratio in our factory in China
Depreciation	3,106	4,100	993	Increased due to higher number of injection moulds production to support new product development and impact by the accounting rule change in depreciation scheme
R & D Costs	3,052	3,222	169	

I - 7. Cash Flow Statement

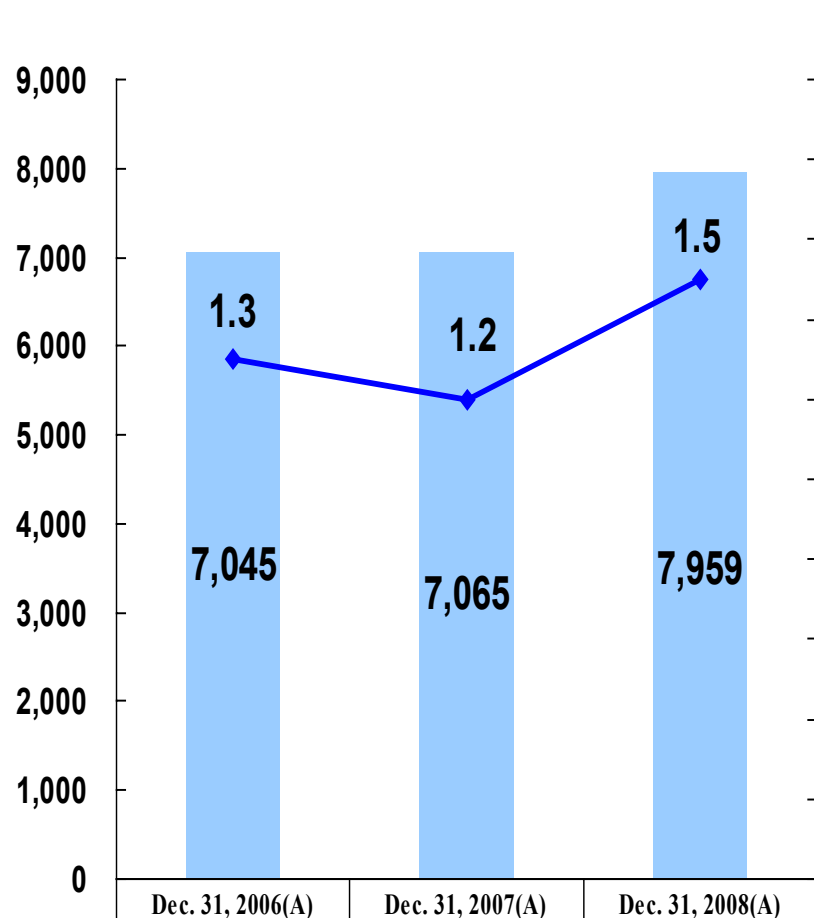


	FY2007	FY2008
Cash Flow from Operating Activities	6,697	6,947
Cash Flow from Investing Activities	(4,389)	(5,773)
Free Cash Flow	2,307	1,174
Cash Flow from Financing Activities	(2,193)	(3,100)
Cash and Cash Equivalents at Year End	13,520	10,752
Liquidity (Months)	2.38	2.06

I - 8. Inventories /Liabilities with Interests

Inventories

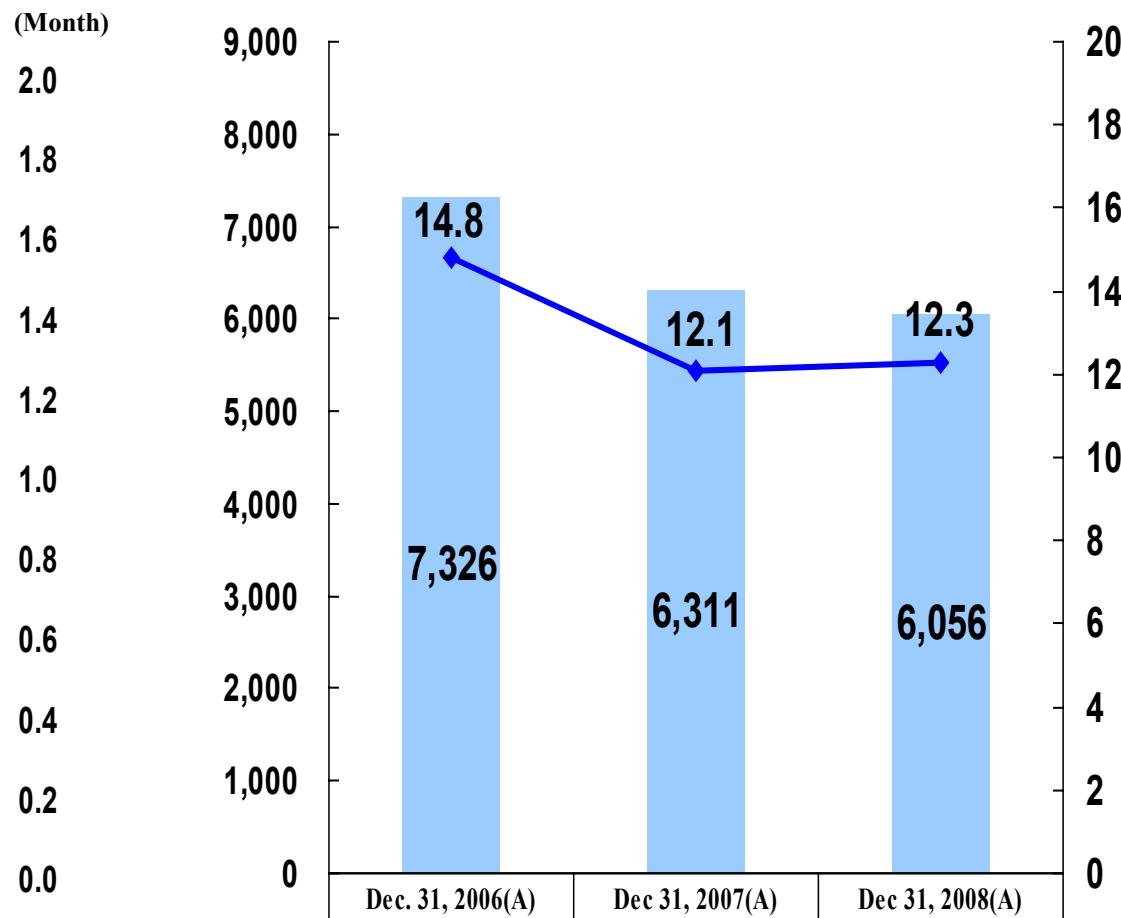
(millions of yen)



Inventories	7,045	7,065	7,959
Inventory Turnover	1.3	1.2	1.5

Liabilities with Interests

(millions of yen)



Liability with Interest	7,326	6,311	6,056
Loan-to-Asset	14.8	12.1	12.3

II . Forecast FY 2009

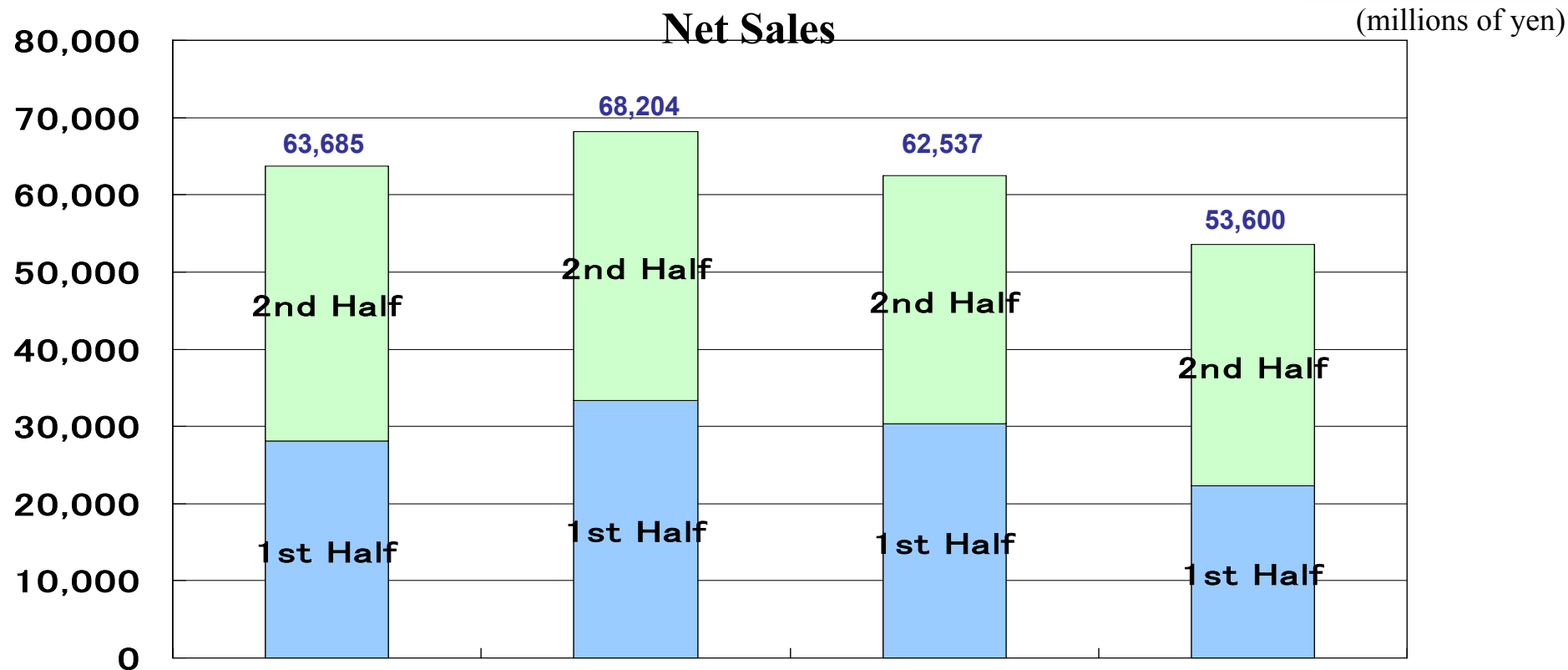
II - 1. Forecast FY 2009

(The following forecasts are based on the exchange rate of ¥90 = US\$1, ¥120= €1)

(millions of yen)

	Actual Jan. 1~ June 30, FY 2008	Actual July 1~ Dec. 31, FY 2008	Actual FY 2008 (a)	Forecast Jan. 1 ~ June 30, FY 2009	Forecast July 1 ~ Dec. 31, FY 2009	Forecast FY 2009 (b)	Change (Forecast FY 2009 / Actual FY 2008)	
							¥(b)-(a)	%(b)/(a)
Net Sales	30,321	32,216	62,537	22,300	31,300	53,600	(8,937)	85.7%
Operating Income	3,424	2,773	6,198	500	3,700	4,200	(1,998)	67.8%
Operating Income Ratio	11.3%	8.6%	9.9%	2.2%	11.8%	7.8%	(2.1%)	-
Ordinary Income	3,470	2,371	5,842	300	3,300	3,600	(2,242)	61.6%
Ordinary Income Ratio	11.4%	7.4%	9.3%	1.3%	10.5%	6.7%	(2.6%)	-
Net Income	2,280	748	3,029	50	2,450	2,500	(529)	82.5%

II - 2. Sales Forecast FY 2009

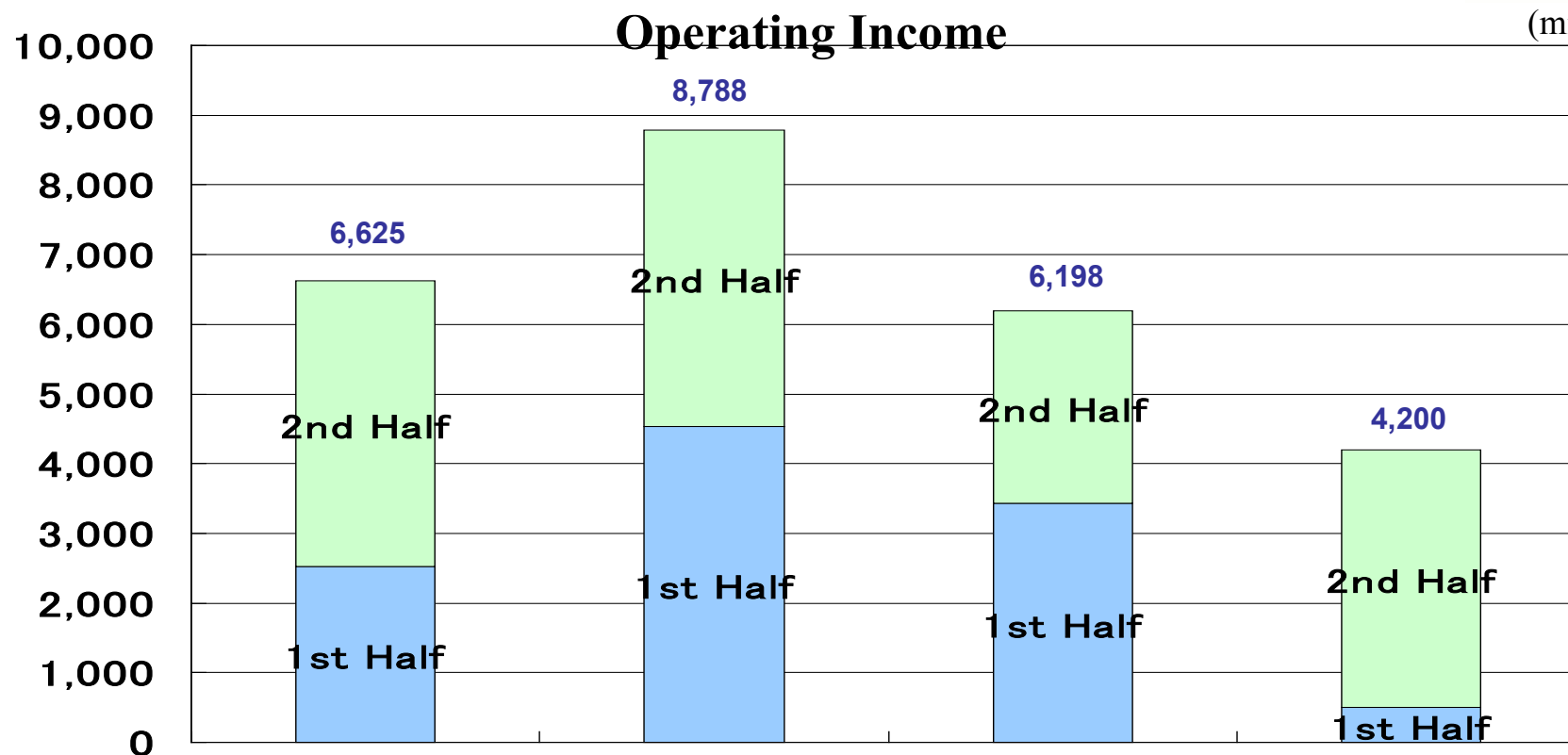


	FY2006(A)	FY2007(A)	FY2008(A)	FY2009(F)
1st Half	28,118	33,403	30,321	22,300
2nd Half	35,567	34,801	32,216	31,300
Fiscal Year	63,685	68,204	62,537	53,600
Change	106.8%	107.1%	91.7%	85.7%

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

II - 3. Operating Income Forecast FY 2009

(millions of yen)



	FY2006(A)	FY2007(A)	FY2008(A)	FY2009(F)
1st Half	2,518	4,529	3,424	500
2nd Half	4,107	4,259	2,773	3,700
Fiscal Year	6,625	8,788	6,198	4,200
Change	137.9%	132.7%	70.5%	67.8%

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

II - 4. Forecast FY 2009 - by Business Segment

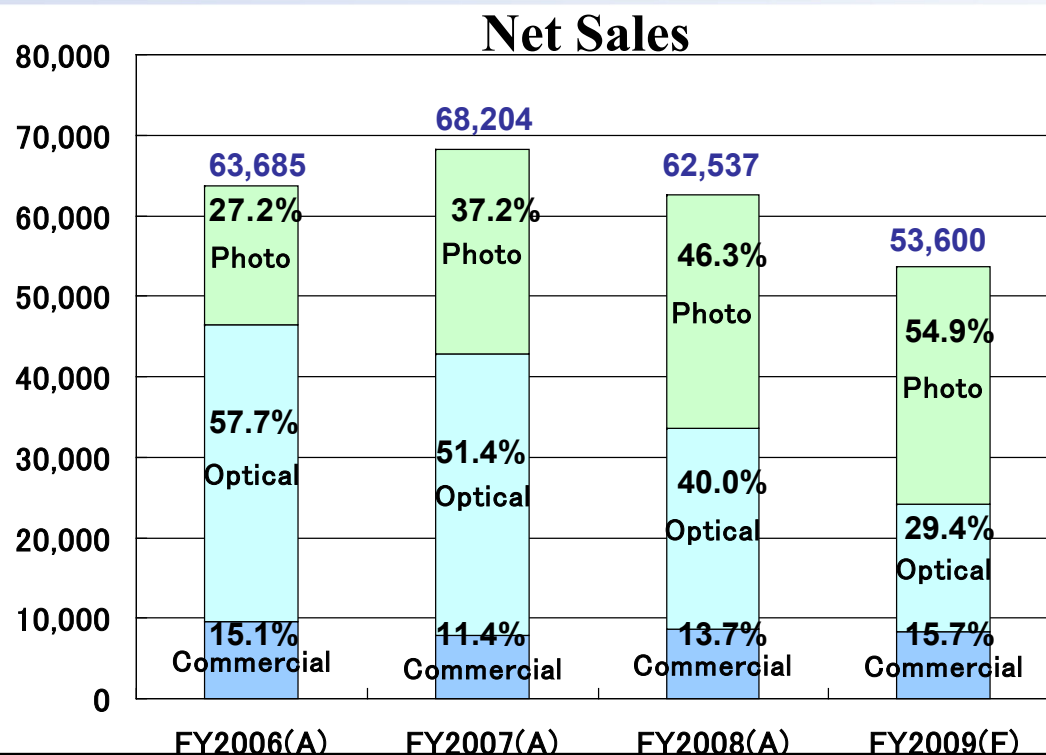


(millions of yen)

		Actual FY2008	Forecast FY 2009	Change (Forecast FY2009 / Actual FY2008)	Change (Forecast FY2009/ Actual FY2008)
Photographic Products	Net Sales	28,938	29,450	511	101.8%
	Operating Income	3,500	3,590	89	102.5%
	Operating Income Ratio	12.1%	12.2%	0.1%	-
Secure sales and profit by enhancing all-in-one zoom lens sales and launch of new products.					
Optical Components	Net Sales	25,014	15,764	(9,250)	63.0%
	Operating Income	3,506	2,060	(1,446)	58.7%
	Operating Income Ratio	14.0%	13.1%	(0.9%)	-
Secure profit through cost reduction efforts despite decrease in sales for mid to high-end product range.					
Commercial / Industrial-use Optics	Net Sales	8,585	8,386	(199)	97.7%
	Operating Income	1,344	1,130	(214)	84.1%
	Operating Income Ratio	15.7%	13.5%	(2.2%)	-
CCTVs expect sales increase attributable to continued higher demands in security and surveillance equipment market.					
Elimination and/or Corporate		(2,153)	(2,580)	(426)	-
Total	Net Sales	62,537	53,600	(8,937)	85.7%
	Operating Income	6,198	4,200	(1,998)	67.8%

II - 5. Sales Forecast FY 2009 - by Business Segment

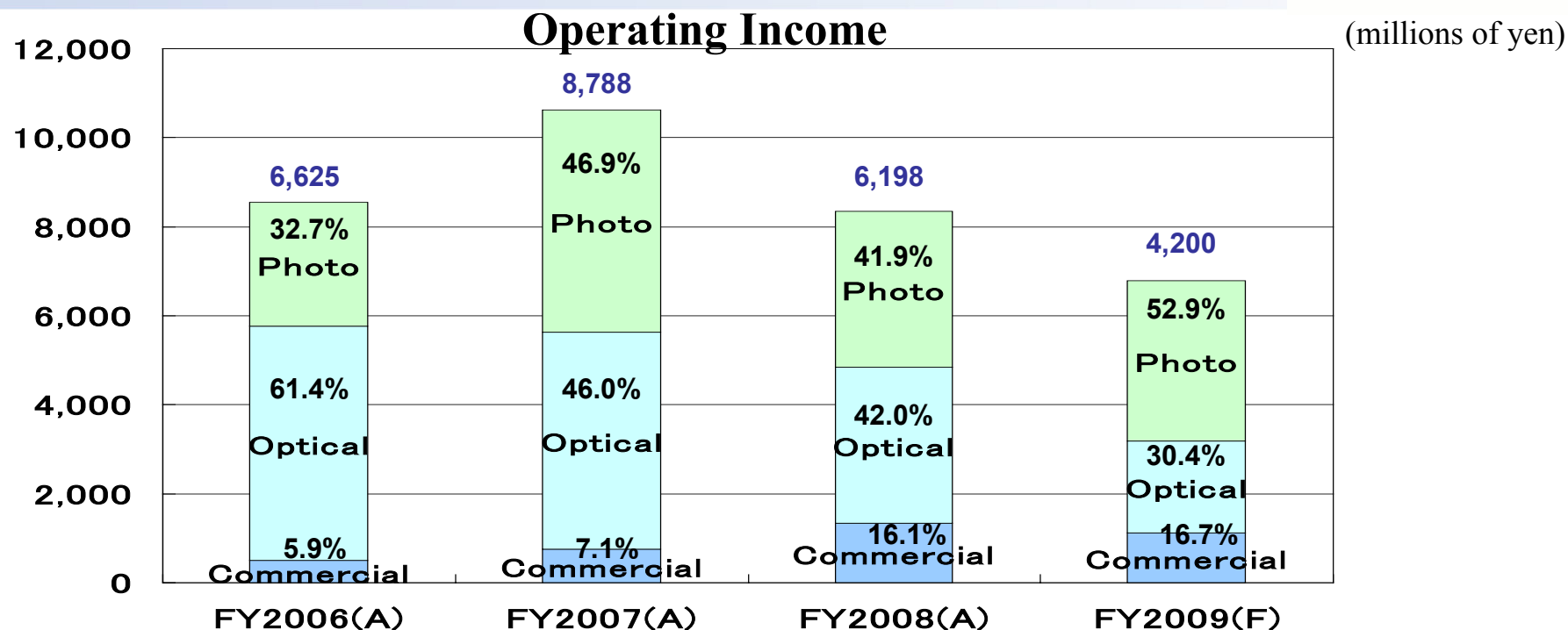
(millions of yen)



	FY2006(A)	FY2007(A)	FY2008(A)	FY2009(F)
Photographic Products	17,287	25,345	28,938	29,450
Optical Components	36,766	35,056	25,014	15,764
Commercial / Industrial-use Optics	9,631	7,802	8,585	8,386
Total	63,685	68,204	62,537	53,600
Change	106.8%	107.1%	91.7%	85.7%

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

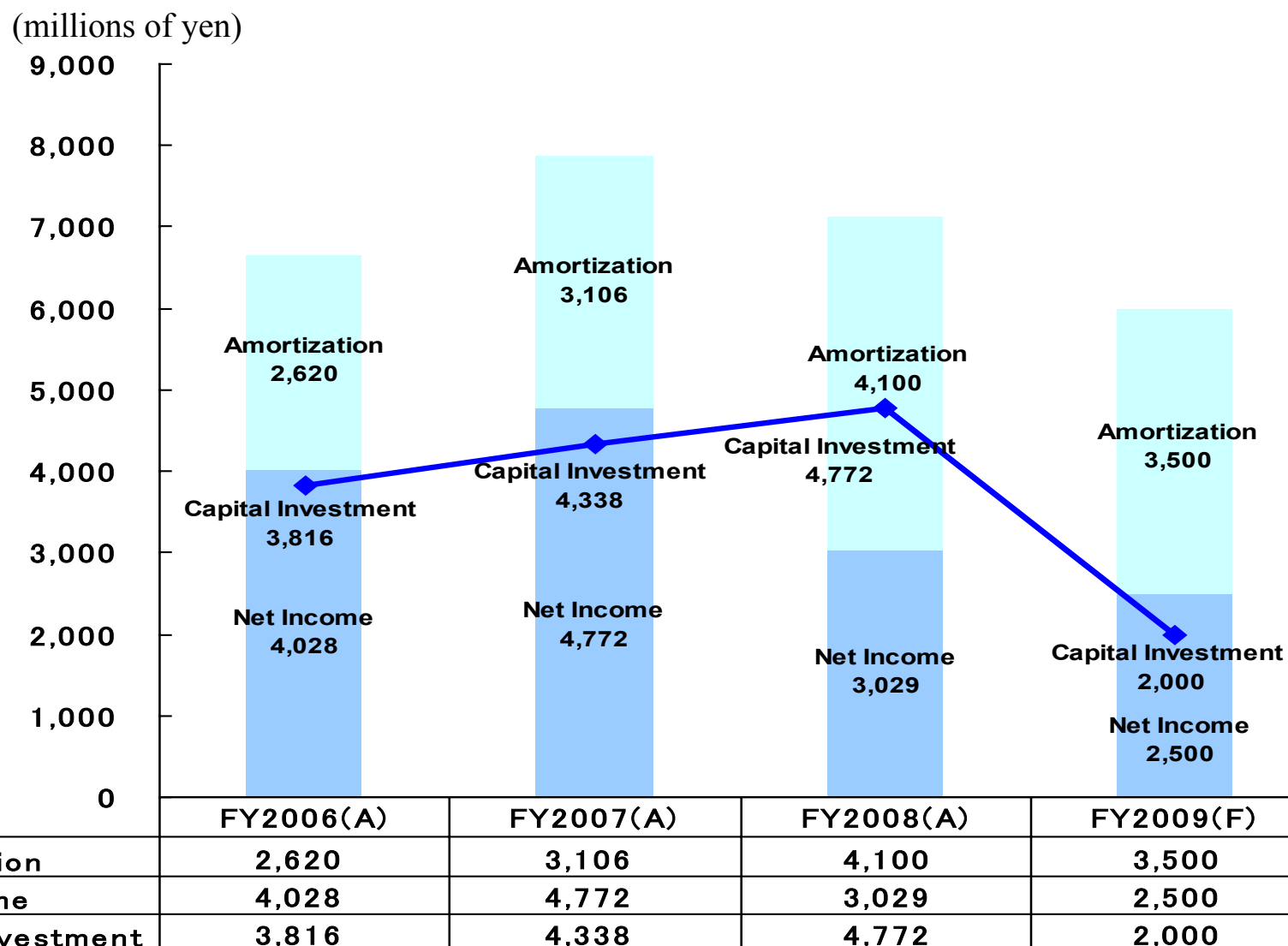
II - 6. Operating Income Forecast FY 2009 - by Business Segment



	FY2006(A)	FY2007(A)	FY2008(A)	FY2009(F)
Photographic Products	2,792	4,988	3,500	3,590
Optical Components	5,254	4,887	3,506	2,060
Commercial / Industrial-use Optics	505	752	1,344	1,130
Segment Total	8,553	10,638	8,351	6,780
Elimination and/or corporate	(1,927)	(1,839)	(2,153)	(2,580)
Total	6,625	8,788	6,198	4,200
Change	137.9%	132.7%	70.5%	67.8%

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

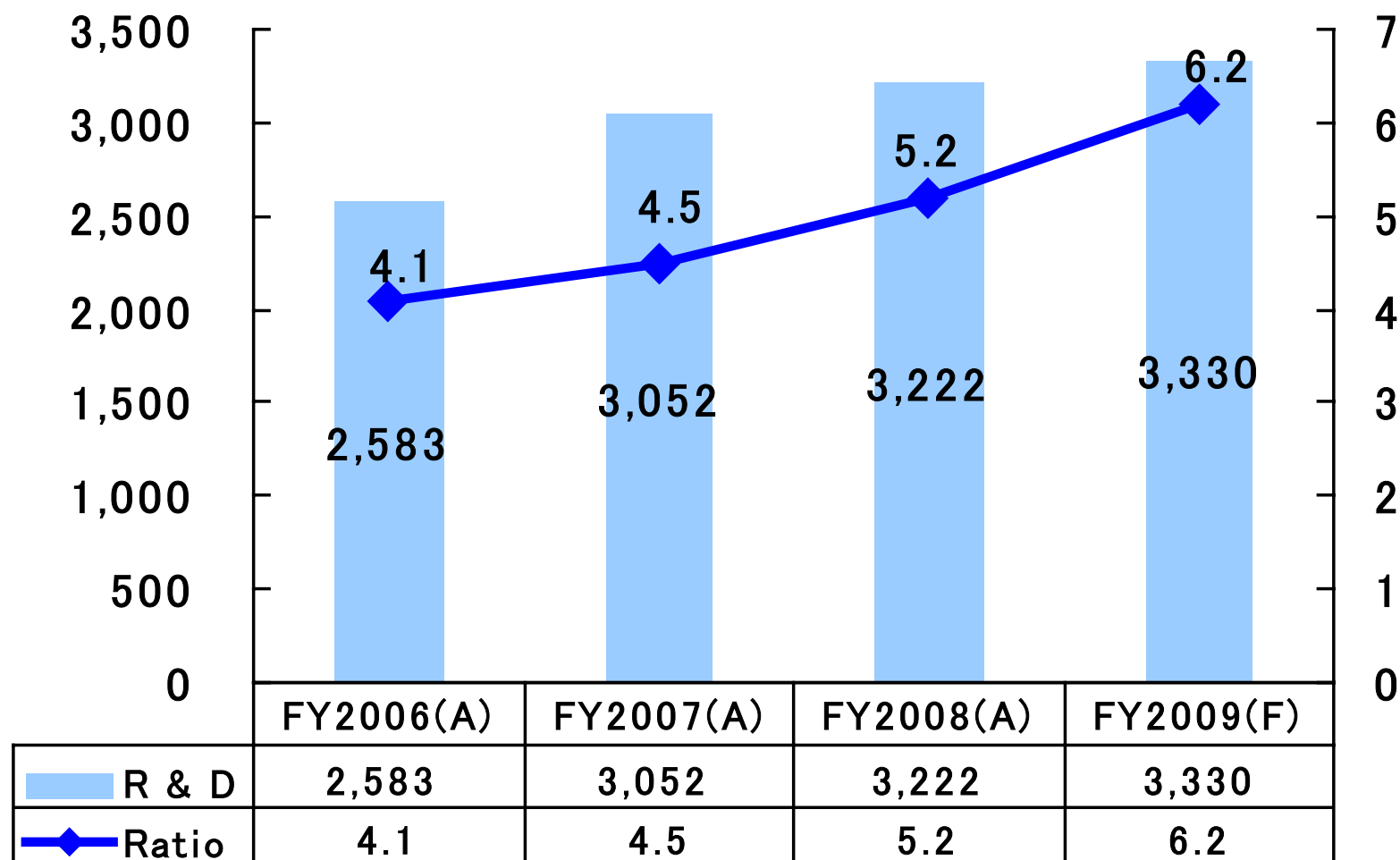
II -7. Capital Investment & Depreciation



II -8. Research & Development

(millions of yen)

(%)



*R&D cost / Net sales ratio

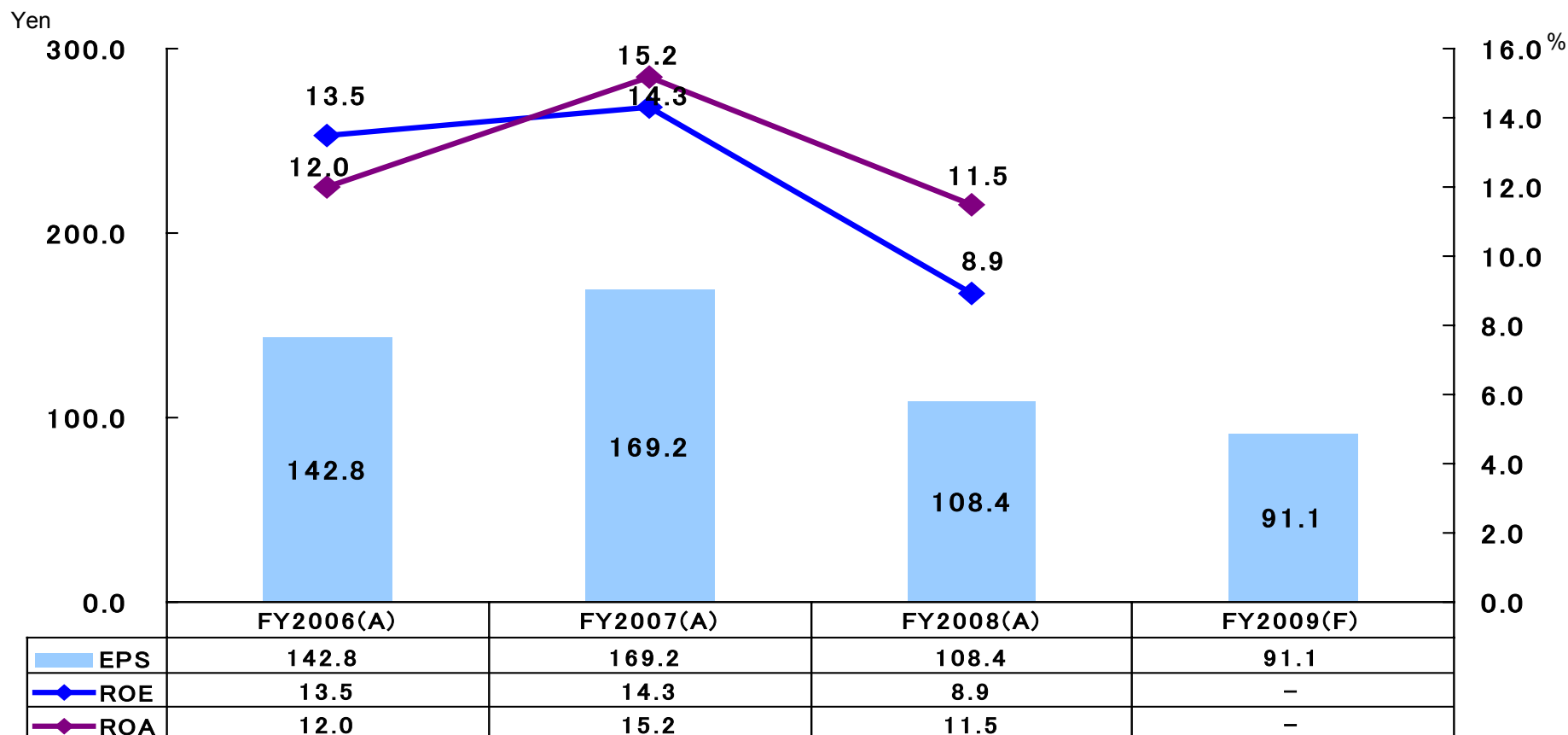
II -9 . Outlook for Cash Dividends

	Actual FY2006	Actual FY2007	Forecast FY2008
Interim	15.00	15.00	25.00
Year End	* 1) 25.00	35.00	25.00
Total	40.00	50.00	50.00
Dividend Payout Ratio	28.0%	29.6%	46.1%

* 1) Including ¥5 commemorative dividend

II -10 . Reference Data

1)Key Performance Indicators



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

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

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

II -10 . Reference Data



2) Impact by Exchange Rate Fluctuation

Actual Effect for FY 2008

	Exchange Rate		Impact	
	FY2008 Planned	FY2008 Actual	Sales	Operating Income
USD	105 Yen	103.50 Yen	-450 Million Yen	-45 Million Yen
Euro	155 Yen	152.70 Yen	-110 Million Yen	-90 Million Yen
Total	-	-	-560 Million Yen	-135 Million Yen

(comparison with the initial forecast)

Projection for FY 2009

	Exchange Rate	One yen change impact for FY	
	FY2009 Assumption	Sales	Operating Income
USD	90 Yen	250 Million Yen	20 Million Yen
Euro	120 Yen	60 Million Yen	50 Million Yen
Total	-	310 Million Yen	70 Million Yen

III . Mid - Term Business Strategy

III - 1. Corporate Tagline



New eyes for industry

III- 2. Mid - Term Management Goals for FY 2011

Net Sales:¥68 billion

Operating Income:¥6.3 billion

(9.3% operating income ratio)

III -3. Strategy Towards 2011 by Segment

1) Photographic Products

2011
Mid-Term
Target

Net Sales : ¥33,380 million (49.1% of Net Sales)

Motivated to win EISA award 4 years in a row

- ❖ Tamron, as a pioneer of All-In-One Zoom lenses, expanding poised at its portfolio by addition of fast aperture models coupled with proprietary VC technology.
- ❖ Establishing sales offices aimed at facilitating marketing activities in Indian and Russian territories.
- ❖ Optimization of business management structure for OEM clients (cost efficiency, responsiveness as well as quality)

Di Series



AF28-300mm F/3.5-6.3 XR Di VC
(Model A20)



SP AF70-200mm F/2.8 Di LD
(Model A001)

Di II Series



AF18-250mm F/3.5-6.3 Di II
(Model A18)



AF18-270mm F/3.5-6.3 Di II VC
(Model B003)

Awarded

“European Consumer Lens of the Year”2008-2009

Awarded

“European Consumer Lens of the Year”2007-2008

III -3. Strategy Towards 2011 by Segment

2) Optical Components

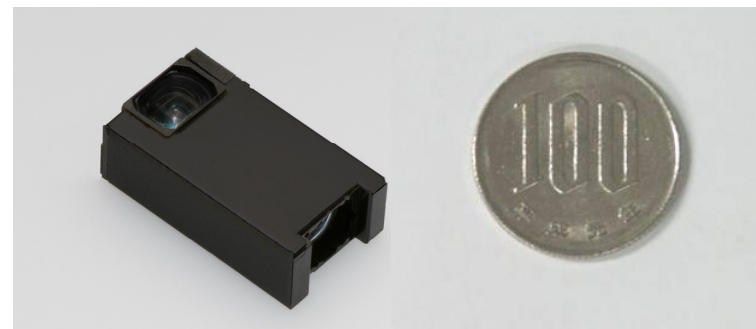
Net Sales: ¥ 24,490 million (36.0% of Net Sales)

2011
Mid-Term
Target

- ❖ Strengthening product lineup geared towards new DSC, DVC customers.
- ❖ Tapping into cell phone camera market with fixed focal lens models to support higher mega pixel imagers, and ultra compact 3X zoom for 8 MP.
- ❖ Implementation of continued technological innovation as a leading supplier in the industry to enhance company's overall competence and value added business model



Digital Still Camera Lens



Ultra compact 3X zoom for 8 MP

III -3. Strategy Towards 2011 by Segment

3) Commercial / Industrial-use Optics

Net Sales: ¥ 10,130 million (14.9% of Net Sales)

2011
Mid-Term
Target

- ❖ Expanding product lineup for CCTV camera lenses integrating VC technology
- ❖ Expanding product offerings both in lens and camera unit
- ❖ Focus on developing new business in the field of automotive applications
(acquisition of TS16949 certification)
- ❖ Development of new business based on Tamron's own proprietary technologies coupled with third-party alliances

**Tamron Announces the Development
of Revolutionary New Products**

Press release on Feb 27

Mega Pixel



1/3" format Mega-pixel Compatible
Vari-Focal Lens



Miniature-Dome Camera with 12X
High-Zoom Ratio Lens
(Model DCV12NR4)

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. Implementing management streamline with speedy response and actions with process innovation across the company.
3. Strengthening company-wide resource investment focused on boosting sales of Tamron-brand interchangeable lenses for DSLR.
4. Strengthening quality assurance system, further improving product quality and reliability.
5. Achieving further reduction in cost by means of enhancing in-house production ratio of critical parts and components while deploying strategic logistics.
6. Expansion in mobile phone camera lens, and automotive vision system segments, and development of new business potentials.
7. Enhancement in R & D activities in core technology development revolving around optics and taking proactive stance in IP strategy.

Disclaimer



1. The purpose of this material is to provide information on the “Interim Financial Results FY 2008” and future business strategies. It is not an offer or a solicitation of an offer to buy or sell securities.
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.
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