



2nd Quarter FY2010 Financial Results

August 9, 2010
Tamron Co., Ltd. (Code: 7740)

Contents



. 2nd Quarter FY2010 Financial Results

1. Business Briefing	P.4
2. 1st Half FY2010 Summary	P.5
3. FY2010 Quarterly Financial Results	P.6
4. 1st Half FY2010 Financial Results	P.7
5. FY2010 Quarterly Results by Segment	P.8
6. 1st Half FY2010 Results by Segment	P.9
7. Financial Summary	P.10
8. Cash Flow Statement	P.11
9. Inventories / Liabilities with Interests	P.12

. FY2010 Financial Forecast

1. FY2010 Revision Forecast	P.14
2. FY2010 Forecast	P.15
3. FY2010 Sales Forecast	P.16
4. FY2010 Operating Income Forecast	P.17
5. FY2010 Forecast by Segment	
1) Photographic Products	P.18
2) Optical Components	P.19
3) Commercial / Industrial-use Optics	P.20
6. Capital Investment & Depreciation	P.21
7. Research & Development	P.22

8. Outlook for Cash Dividends	P.23
9. Referential Data	
1) Key Performance Index	P.24
2) Impact of Currency Exchange Rate Fluctuations	P.25

. Mid-Term Strategy

1. Corporate Tagline	P.27
2. Mid-Term Management Goals for FY2012	P.27
3. Strategy Towards FY2012 by Segment	
1) Photographic Products	P.28
2) Optical Components	P.29
3) Commercial / Industrial-use Optics & New Business Development	P.30 P.31
4. Issues on Mid-to Long-Term Business Strategies	P.32

. 2nd Quarter FY2010 Financial Results

-1. Business Briefing

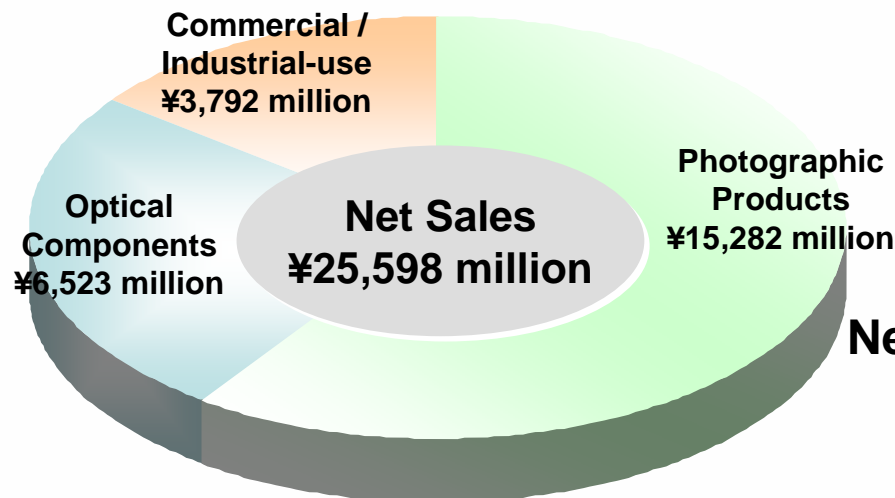


Company Profile

- ❖ Total Subsidiaries Overseas : 6
/ Liaison Offices : 2 (India, Russia)
- ❖ Domestic Offices : 4 / Sales Offices : 7
- ❖ ISO9001, ISO14001 Certified
ISO/TS16949 Certified
- ❖ Consolidated Net Sales : ¥25,598 million (1st Half FY2010)
- ❖ Consolidated Number of Employees : 5,899 (As of June 30, 2010)
- ❖ Consolidated Total Assets : ¥49,894 million (As of June 30, 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
(1st Half FY2010)

-2. 1st Half FY2010 Summary



Business Environments

- ❖ Slow but steady economic recovery
- ❖ Both DSLR and compact DSC experiencing steady growth in all major markets

1st Half FY2010 Results

- ❖ All three business segments posted increase both in sales and profits
Especially profitability improved resulting from continuous cost reduction efforts
- ❖ Photographic business posted record high sales for the 1st Half

Topics

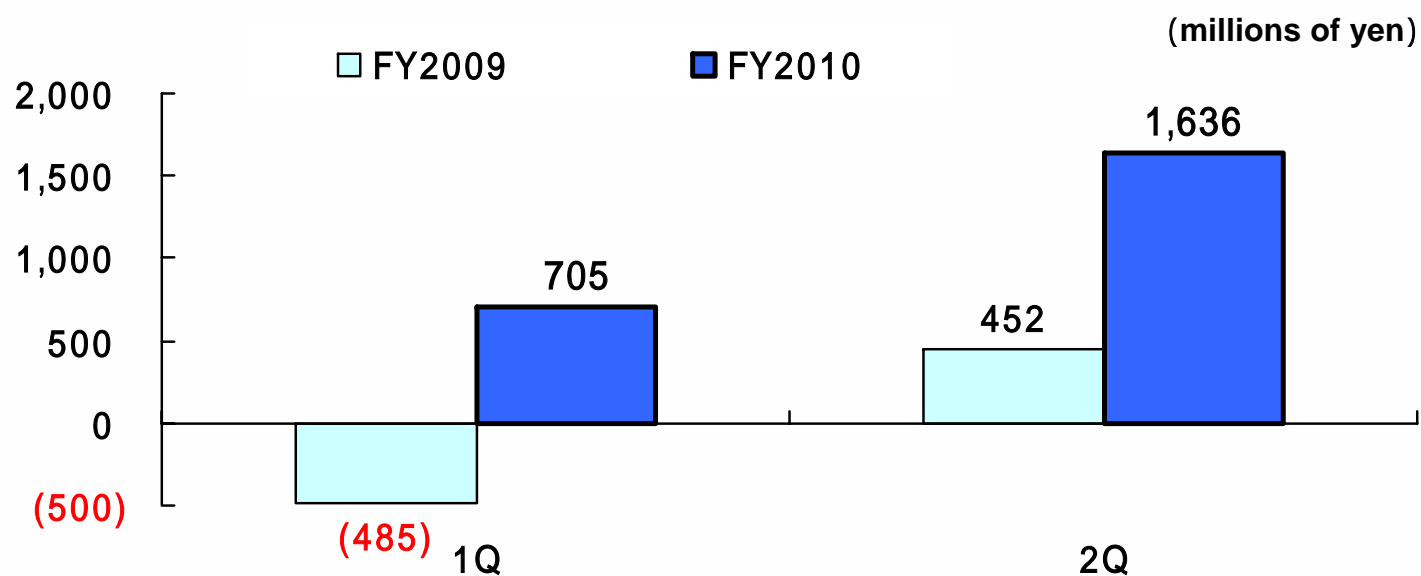
- ❖ Interim dividend per share increased to 20 yen by 5 yen (yoy)
- ❖ Launching soon a 60th anniversary model, a telephoto zoom of 70-300mm VC USD

-3. FY2010 Quarterly Financial Results



(millions of yen)

	1Q FY2009 (a)	1Q FY2010 (b)	Change (b)-(a)	2Q FY2009 (c)	2Q FY2010 (d)	Change (d)-(c)
Net Sales	9,252	11,168	1,915	12,400	14,430	2,029
Operating Income	(485)	705	1,190	452	1,636	1,183
Operating Income Ratio	(5.2%)	6.3%	11.5%	3.7%	11.3%	7.6%



-4. 1st Half FY2010 Financial Results



(millions of yen)

	Actual 1st H FY 2009 (a)	Forecast 1st H FY 2010 (b)	Actual 1st H FY 2010 (c)	Change		Change	
				(c)-(a)	%	(c)-(b)	%
Net Sales	21,653	23,900	25,598	3,945	118.2%	1,698	107.1%
Operating Income	(29)	1,300	2,341	2,370	-	1,041	180.1%
Operating Income Ratio	(0.1%)	5.4%	9.1%	9.2%	-	3.7%	-
Ordinary Income	(40)	1,200	2,352	2,393	-	1,152	196.1%
Ordinary Income Ratio	(0.2%)	5.0%	9.2%	9.4%	-	4.2%	-
Net income	(677)	800	1,610	2,287	-	810	201.3%

-5. FY2010 Quarterly Results by Business Segment



(millions of yen)

		Actual 1Q FY2010	Actual 2Q FY2010	Actual 1H FY2010
Photographic Products	Net Sales	6,772	8,509	15,282
	Operating Income	537	1,387	1,925
	Operating Income Ratio	7.9%	16.3%	12.6%
Optical Components	Net Sales	2,547	3,976	6,523
	Operating Income	370	611	981
	Operating Income Ratio	14.5%	15.4%	15.0%
Commercial / Industrial-use Optics	Net Sales	1,847	1,944	3,792
	Operating Income	254	167	421
	Operating Income Ratio	13.7%	8.6%	11.1%
Eliminations and/or corporate		(456)	(530)	(987)
Consolidated	Net Sales	11,168	14,430	25,598
	Operating Income	705	1,636	2,341

-6. 1st Half FY2010 Results by Business Segment



(millions of yen)

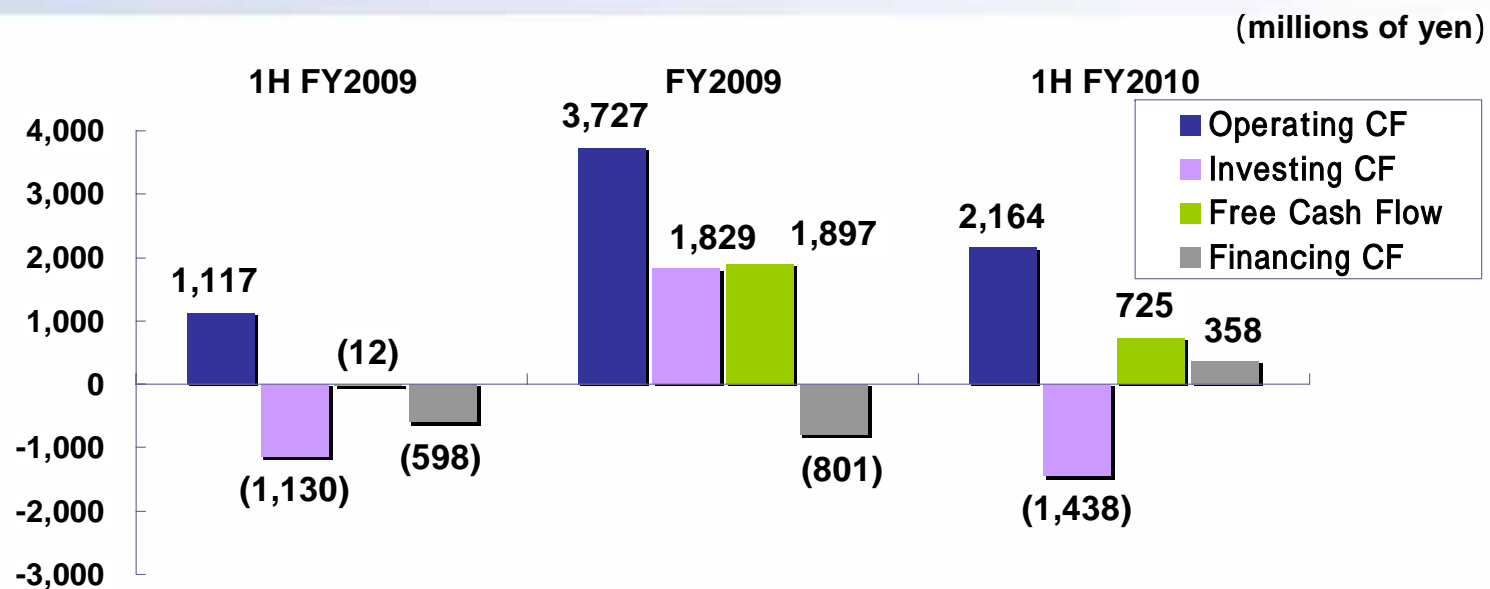
		Actual 1st H FY2009 (a)	Forecast 1st H FY2010 (b)	Actual 1st H FY2010 (c)	Change		Change		For ex impact
					(c)-(a)	%	(c)-(b)	%	
Photographic Products	Net Sales	12,380	15,300	15,282	2,902	123.4%	(17)	99.9%	(430)
	Operating Income	950	1,900	1,925	974	202.5%	25	101.3%	(140)
	Ratio	7.7%	12.4%	12.6%	4.9%	-	0.2%	-	-
Both own brand and OEM interchangeable lenses increased in sales and profits reflecting strong DSLR markets.									
Optical Components	Net Sales	5,793	5,200	6,523	730	112.6%	1,323	125.5%	(270)
	Operating Income	(293)	300	981	1,275	-	681	327.2%	(110)
	Ratio	(5.1%)	5.8%	15.0%	20.1%	-	9.2%	-	-
Sales increased due to DSC market recovery with profits upturned due to cost reduction and product mix improvements.									
Commercial / Industrial-use Optics	Net Sales	3,479	3,400	3,792	312	109.0%	392	111.5%	(30)
	Operating Income	249	200	421	172	169.4%	221	211.0%	10
	Ratio	7.2%	5.9%	11.1%	3.9%	-	5.2%	-	-
Sales and profits increased due to an increase in CCTV lens sales in line with a recovery in equipment investments.									
Elimination and/or Corporate		(935)	(1,100)	(987)	(51)	-	112	-	-
Total	Net Sales	21,653	23,900	25,598	3,945	118.2%	1,698	107.1%	(730)
	Operating Income	(29)	1,300	2,341	2,370	-	1,041	180.1%	(240)

-7. Financial Summary



	June 30, 2009 (a)	December 31, 2009 (b)	June 30, 2010 (c)	Change (c)-(b)	Main Factor for Change
Cash and Cash Equivalents	10,342	11,887	12,629	742	
Notes and Accounts Receivable, trade	7,500	9,566	12,379	2,812	Mainly due to an increase in sales
Inventories	7,681	7,051	7,144	92	
Other Current Assets	1,650	2,049	1,556	(492)	
Fixed Assets	19,281	16,836	16,184	(652)	Decreased due to annualized amortization and cut back of new investments during the preceding year
Total Assets	46,457	47,391	49,894	2,502	
Current Liabilities	11,058	11,904	13,449	1,545	Mainly due to an increase in accrued expenses
Total Long-Term Liabilities	2,987	2,558	3,440	881	Mainly due to an increase in long-term loans
Total Liabilities	14,046	14,462	16,889	2,427	
Total Shareholders' Equity	32,410	32,929	33,004	75	
Total Liabilities and Shareholders' Equity	46,457	47,391	49,894	2,502	
Equity Ratio	69.8%	69.5%	66.1%	(3.4%)	

-8. Cash Flow Statement

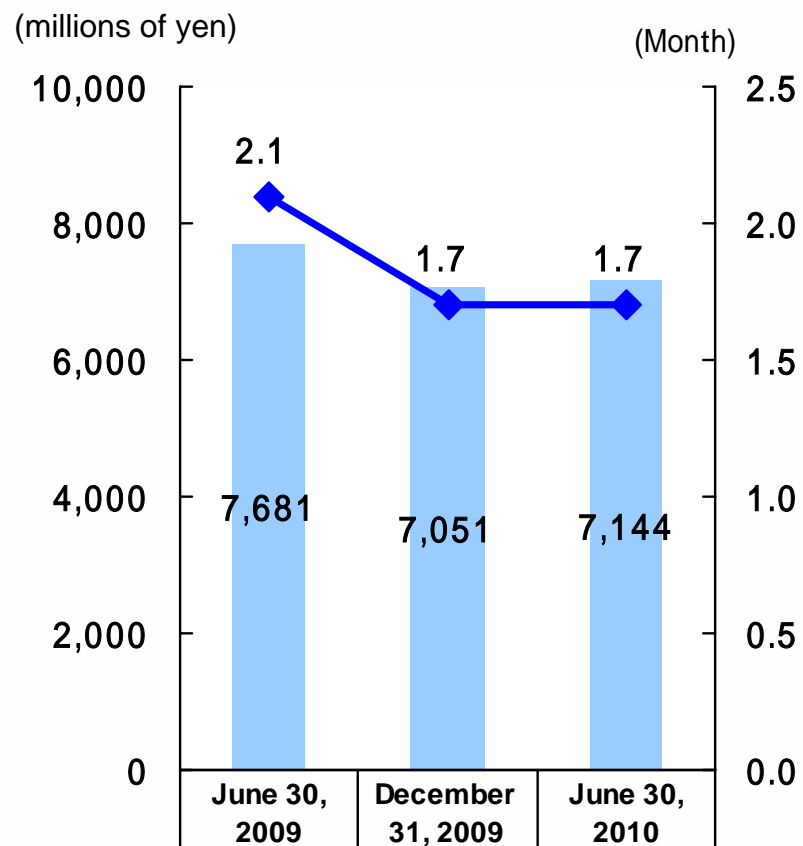


	1st H FY2009	FY2009	1st H FY2010
Cash Flow from Operating Activities	1,117	3,727	2,156
Cash Flow from Investing Activities	(1,130)	(1,829)	(1,438)
Free Cash Flow	(12)	1,897	717
Cash Flow from Financing Activities	(598)	(801)	365
Cash and Cash Equivalents at Year End	10,342	11,887	12,629
Liquidity (Months)	2.87	2.86	2.96

-9. Inventories / Liabilities with Interests



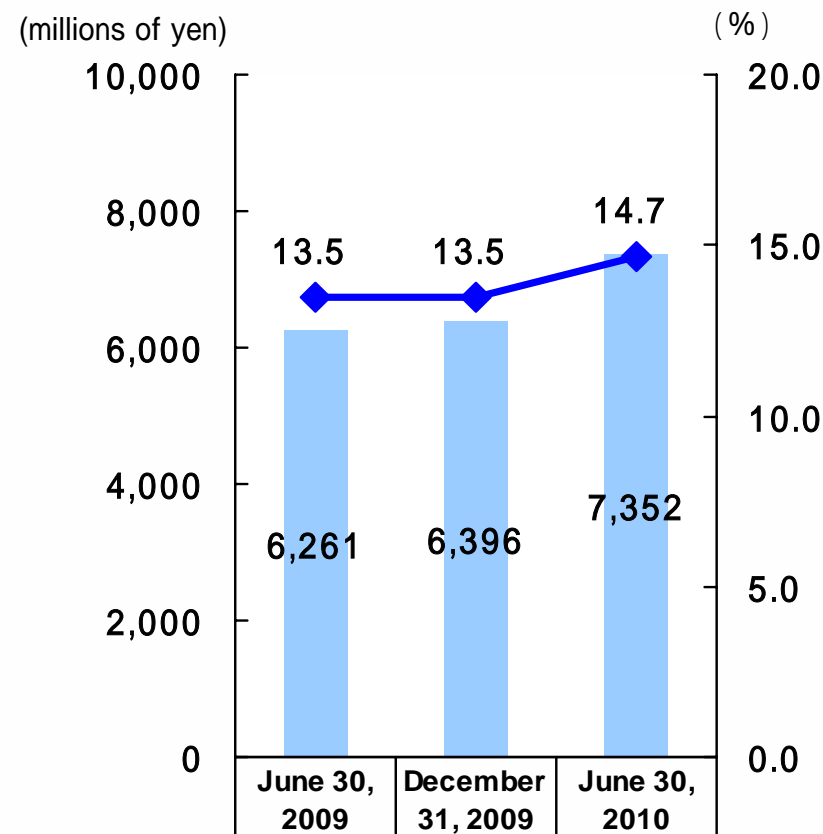
Inventories



Inventories	7,681	7,051	7,144
Inventory Turnover	2.1	1.7	1.7

* (A):Actual (F):Forecast

Liabilities with Interests



Liability with interest	6,261	6,396	7,352
Loan-to Asset	13.5	13.5	14.7

. FY2010 Financial Forecast

-1. FY2010 Revision Forecast



***The forecast revised on August 4, 2010**

(The following forecasts are based on the exchange rate of ¥90= US\$1, ¥110=€1)

(millions of yen)

	Previous Forecast (a)	Revised Forecast (b)	Change	
			(b)-(a)	(b)/(a)
Net Sales	53,000	59,000	6,000	111.3%
Operating Income	4,600	5,400	800	117.4%
Operating Income Ratio	8.7%	9.2%	0.5%	-
Ordinary Income	4,300	5,200	900	120.9%
Ordinary income Ratio	8.1%	8.8%	0.7%	-
Net Income	2,600	3,500	900	134.6%

-1. FY2010 Forecast



(millions of yen)

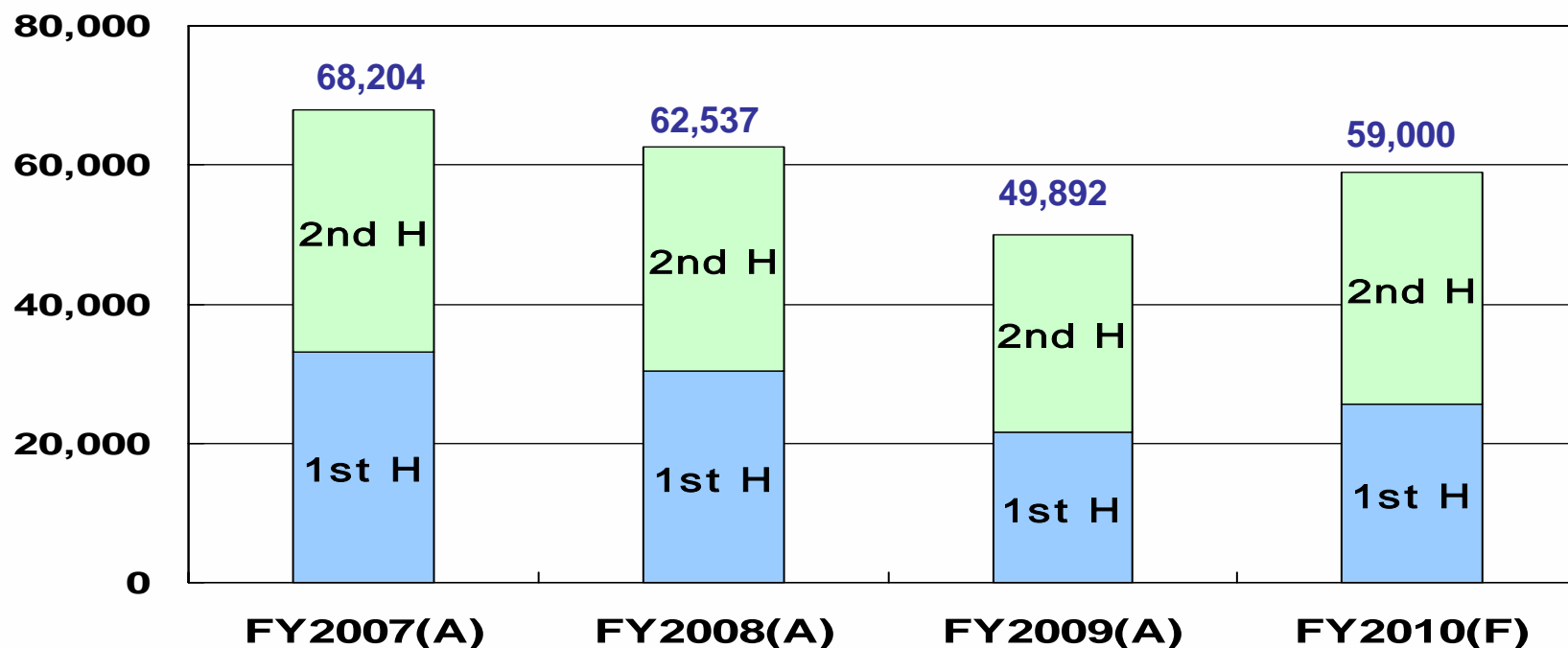
	Actual FY2009 (a)	Actual 1st H FY2010	Forecast 2nd H FY2010	Forecast FY2010 (b)	Change	
					(b)-(a)	(b)/(a)
Net Sales	49,892	25,598	33,401	59,000	9,107	118.3%
Operating Income	2,295	2,341	3,058	5,400	3,104	235.3%
Operating Income Ratio	4.6%	9.1%	9.2%	9.2%	4.6%	-
Ordinary Income	2,263	2,352	2,847	5,200	2,936	229.7%
Ordinary income Ratio	4.5%	9.2%	8.5%	8.8%	4.3%	-
Net Income	642	1,610	1,889	3,500	2,857	544.7%

-3. FY2010 Sales Forecast



Net Sales

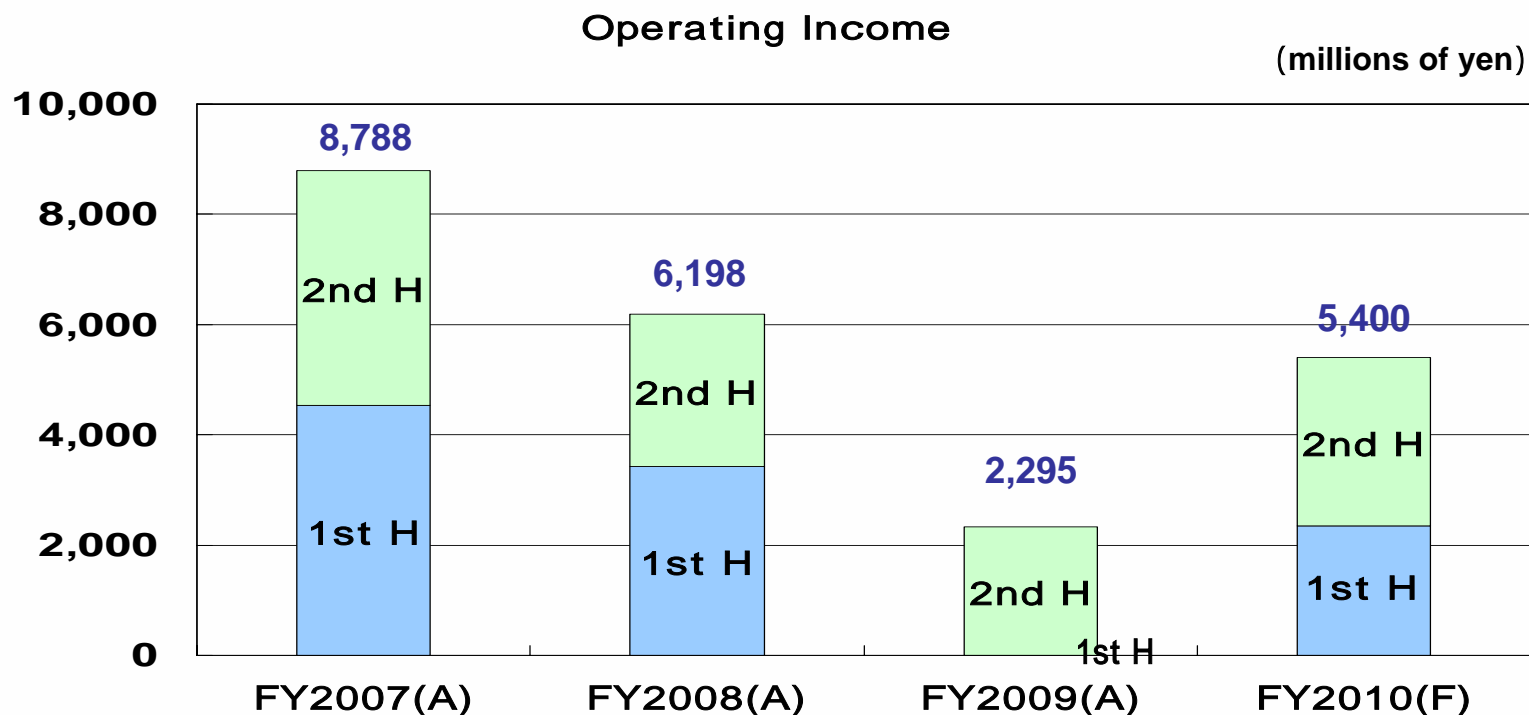
(millions of yen)



	FY2007(A)	FY2008(A)	FY2009(A)	FY2010(F)
1st H	33,403	30,321	21,653	25,598
2nd H	34,801	32,216	28,239	33,401
Annual	68,204	62,537	49,892	59,000
YoY	107.1%	91.7%	79.8%	118.3%

* (A):Actual (F):Forecast

-4. FY2010 Operating Income Forecast



	FY2007(A)	FY2008(A)	FY2009(A)	FY2010(F)
1st H	4,529	3,424	(29)	2,341
2nd H	4,259	2,773	2,324	3,058
Annual	8,788	6,198	2,295	5,400
YoY	132.7%	70.5%	37.0%	235.3%

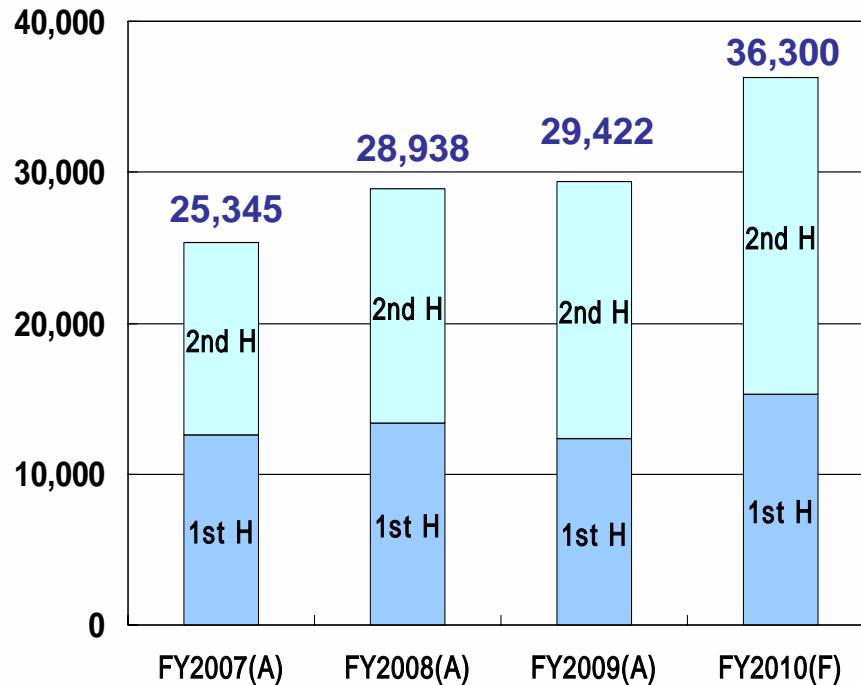
* (A):Actual (F):Forecast

- 5. FY2010 Forecast by Business Segment



1) Photographic Products

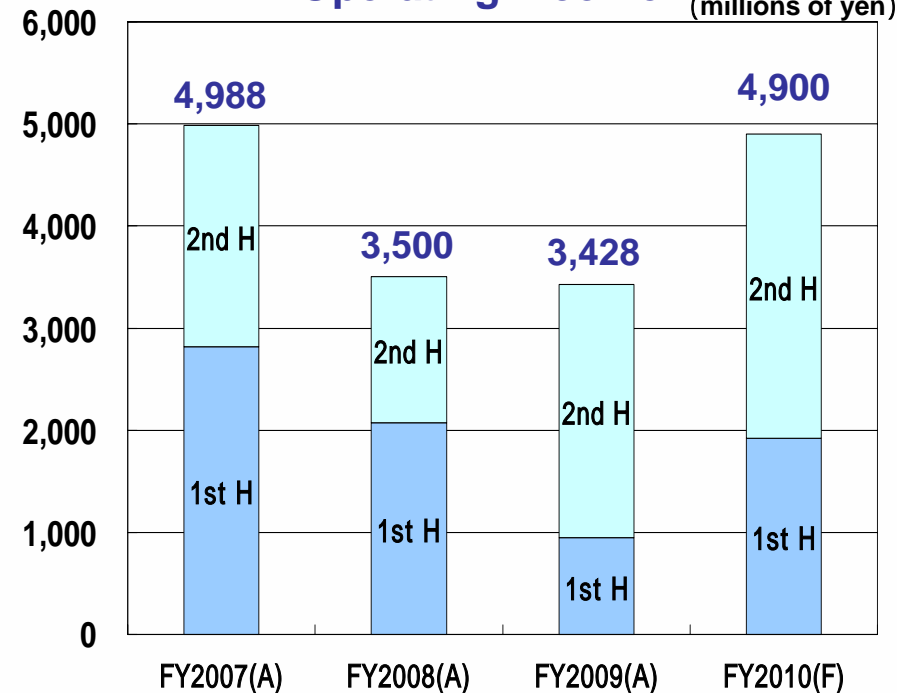
Net Sales



	FY2007(A)	FY2008(A)	FY2009(A)	FY2010(F)
1st H	12,599	13,365	12,380	15,282
2nd H	12,746	15,572	17,041	21,017
Annual	25,345	28,938	29,422	36,300
YoY	146.6%	114.2%	101.7%	123.4%

* (A):Actual (F):Forecast

Operating income (millions of yen)



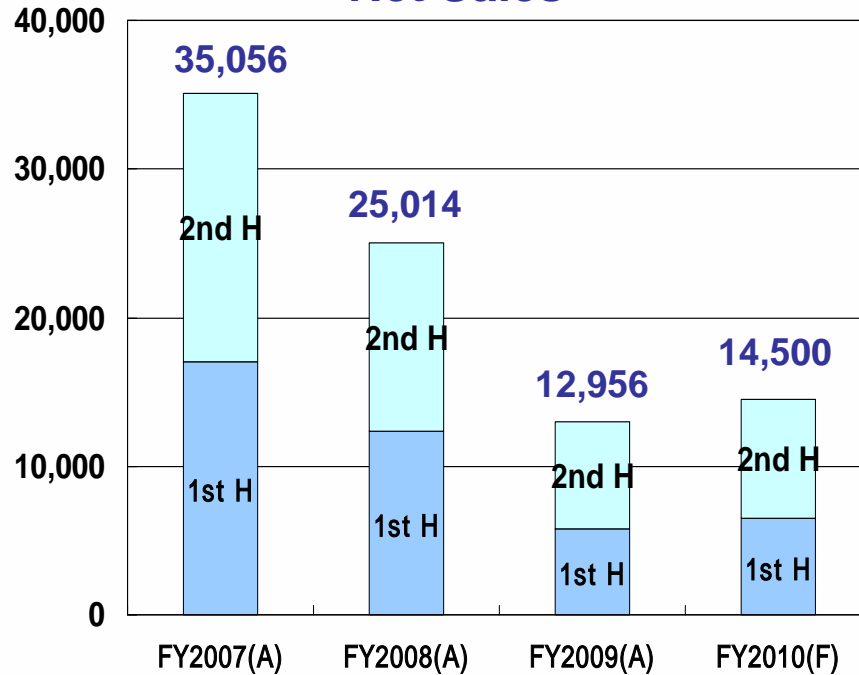
	FY2007(A)	FY2008(A)	FY2009(A)	FY2010(F)
1st H	2,822	2,074	950	1,925
2nd H	2,165	1,426	2,477	2,974
Annual	4,988	3,500	3,428	4,900
Ratio	19.7%	12.1%	11.7%	13.5%
YoY	178.6%	70.2%	97.9%	142.9%

-5. FY2010 Forecast by Business Segment

2) Optical Components



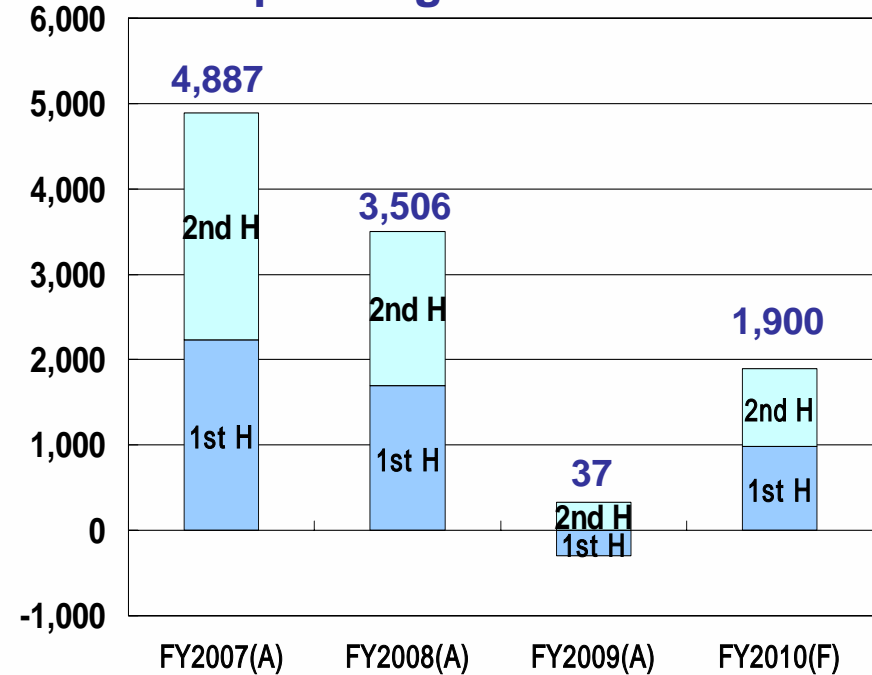
Net Sales



	FY2007(A)	FY2008(A)	FY2009(A)	FY2010(F)
1st H	17,033	12,382	5,793	6,523
2nd H	18,022	12,631	7,163	7,976
Annual	35,056	25,014	12,956	14,500
YoY	95.3%	71.4%	51.8%	111.9%

* (A):Actual (F):Forecast

Operating income (millions of yen)



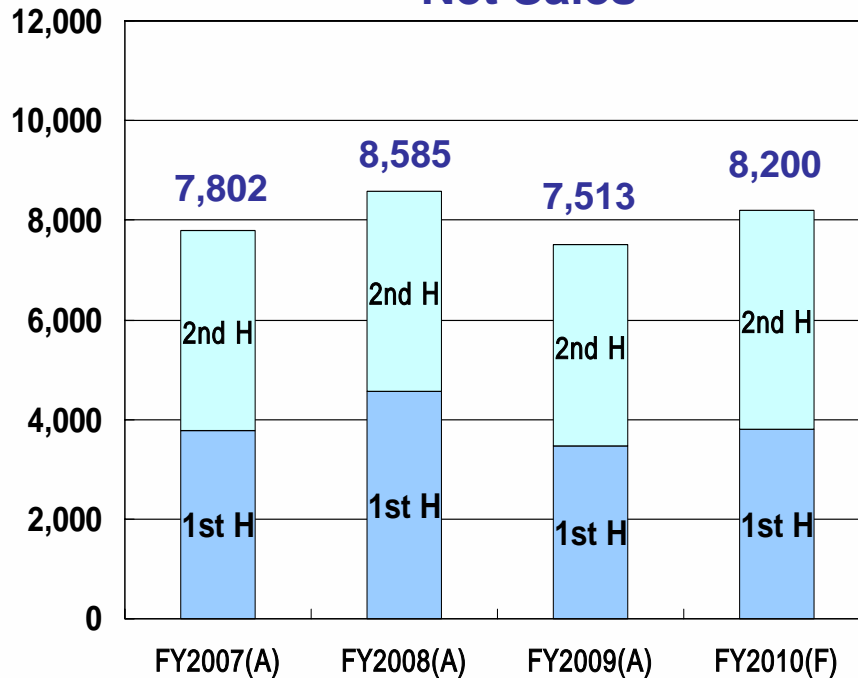
	FY2007(A)	FY2008(A)	FY2009(A)	FY2010(F)
1st H	2,236	1,692	(293)	981
2nd H	2,650	1,813	330	918
Annual	4,887	3,506	37	1,900
Ratio	13.9%	14.0%	0.3%	13.1%
YoY	93.0%	1.1%	-	

- 5. FY2010 Forecast by Business Segment

3) Commercial / Industrial-use Optics



Net Sales

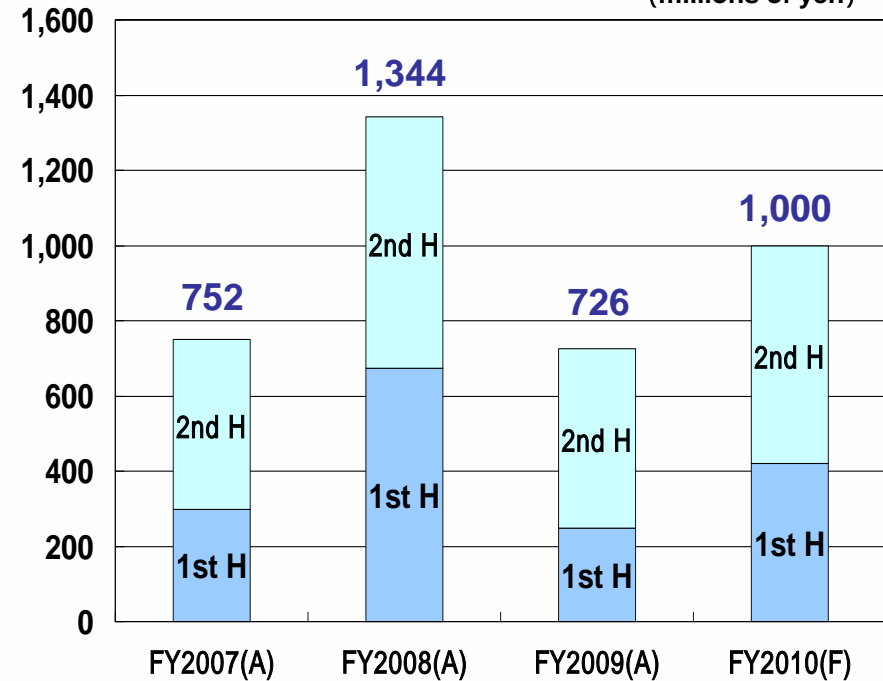


1st H	3,770	4,573	3,479	3,792
2nd H	4,032	4,011	4,034	4,407
Annual	7,802	8,585	7,513	8,200
YoY	81.0%	110.0%	87.5%	109.1%

* (A):Actual (F):Forecast

Operating income

(millions of yen)

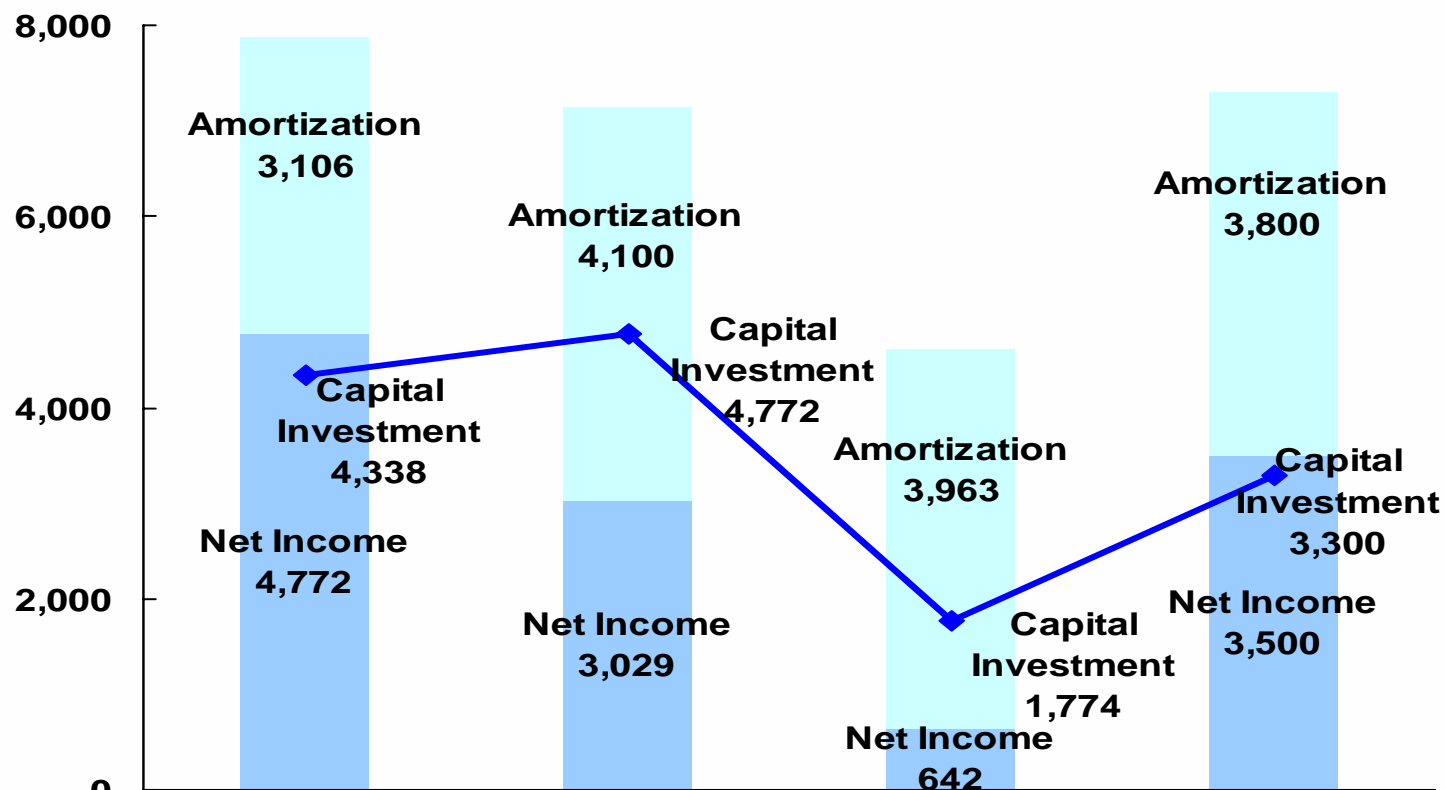


1st H	298	674	249	421
2nd H	453	669	477	578
Annual	752	1,344	726	1,000
Ratio	9.6%	15.7%	9.7%	12.2%
YoY	148.7%	178.7%	54.0%	137.7%

-6. Capital Investment & Depreciation



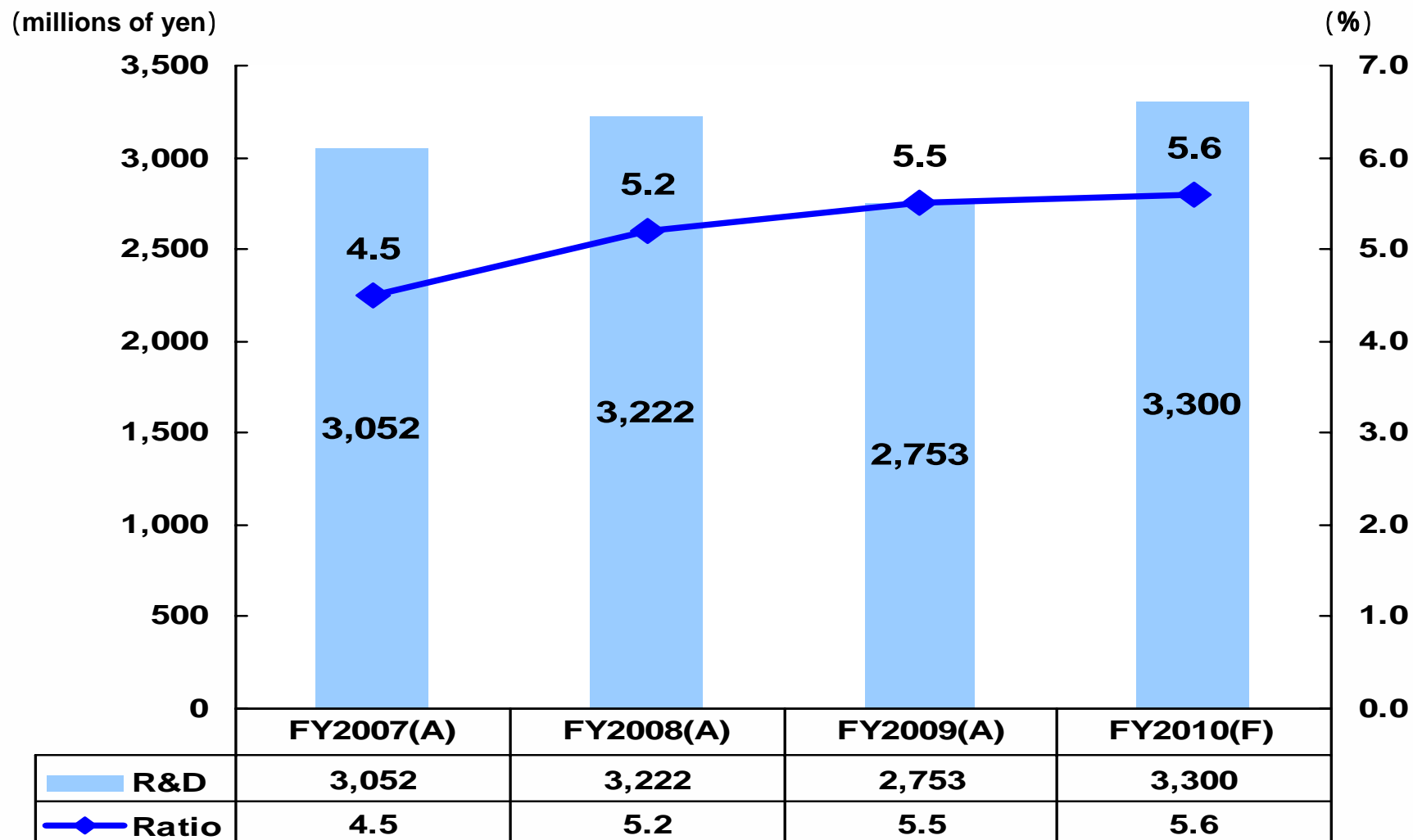
(millions of yen)



	FY2007(A)	FY2008(A)	FY2009(A)	FY2010(F)
Amortization	3,106	4,100	3,963	3,800
Net Income	4,772	3,029	642	3,500
Capital Investment	4,338	4,772	1,774	3,300

* (A):Actual (F):Forecast

-7. Research & Development



*R&D cost/Net sales ratio

* (A):Actual (F):Forecast

-8. Outlook for Cash Dividends



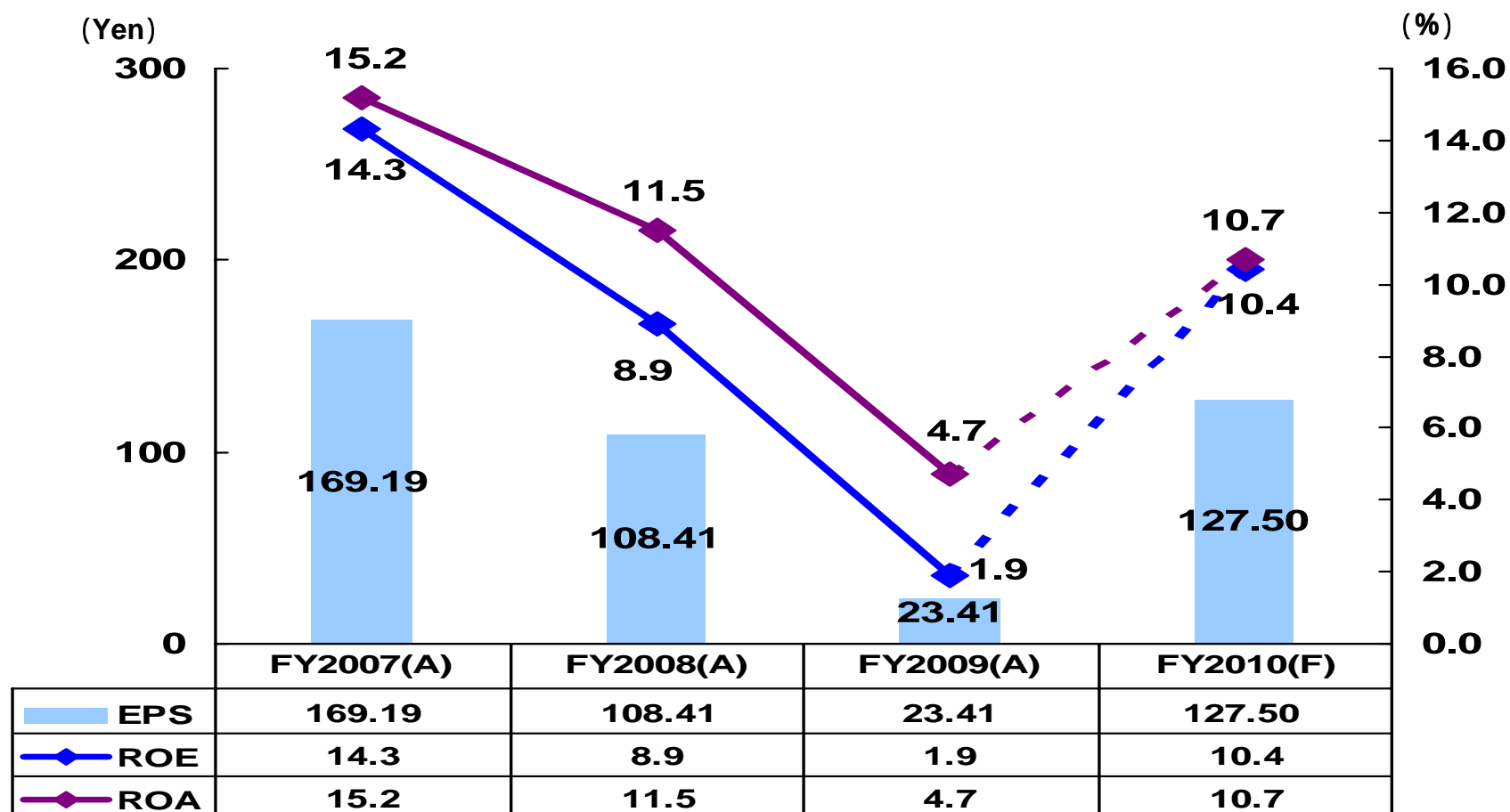
(yen)

	FY2006	FY2007	FY2008	FY2009	FY2010 (Forecast)
Interim	15.00	15.00	25.00	15.00	20.00
Year End	*)25.00	35.00	25.00	25.00	TBD
Total	40.00	50.00	50.00	40.00	TBD
Dividend Payout Ratio	28.0%	29.6%	46.1	170.9%	-

*) Including ¥5 commemorative dividend

-9. 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

-9. Referential Data

2) Impact of Currency Exchange Rate Fluctuations



Actual 1st Half FY2010

	Exchange Rate		Effect	
	Actual 1 st H FY2009	Actual 1 st H FY2010	Net Sales	Operating Income
USD	95.60Yen	91.36Yen	(520) Million Yen	(60) Million Yen
Euro	127.45Yen	121.25Yen	(210) Million Yen	(180) Million Yen
Total	-	-	(730) Million Yen	(240) Million Yen

Forecast 2nd Half FY2010

	Exchange Rate	One yen change impact for FY2010	
	Assumption FY2010	Net Sales	Operating Income
USD	90Yen	190Million Yen	10 Million Yen
Euro	110Yen	50Million Yen	40 Million Yen

. Mid-Term Strategy

- 1. Corporate Tagline



New eyes for industry

2. Mid-Term Management Goals for FY2012

Net Sales : ¥68.3 billion

Operating Income : ¥6.9 billion

(Operating Income ratio 10.1%)

- 3. Strategy Towards FY2012 by Segment



1) Photographic Products

Target: 40 billion Yen (58.6% of Total Net Sales)

**2012
Mid-Term
Target**

- ❖ Developing world-class performance models further enhancing reputations as the innovator of High Zoom Ratio Lenses
- ❖ Developing exciting new lenses featuring proprietary VC (Vibration Compensation) and actuator technologies (ultrasonic and piezo element)
 - 60th Anniversary Model A005 (aimed at winning EISA award five years in a row)
- ❖ Developing of emerging markets by newly established sales offices
 - India (Jul, 09) Russia (Nov, 09)
 - Expansion of branch offices in China: Guangzhou ('10), Xian, Shenyang, Wuhan ('11)
- ❖ Optimizing management structure to better serve OEM clients (cost efficiency, responsiveness as well as quality)

60th Anniversary Model
Telephoto Zoom Lens



SP 70-300mm F/4-5.6 Di
VC USD (Model A005)



Ultra High Power Zoom Lens



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

EISA 2009-2010 Award Winner



High-Speed Zoom Lens



SP AF17-50mm F/2.8
XR Di II VC (Model B005)



Macro Lens



SP AF60mm F/2
Di Macro 1:1
(Model G005)



- 3. Strategy Towards FY2012 by Segment



2) Optical Components

Target: 13.6 billion Yen (19.9% of Total Net Sales)

**2012
Mid-Term
Target**

- ❖ Further solidifying partnership with DSC/DVC clients
- ❖ Expanding ultra compact zoom lens offering to the “Pocket Cam” segment, making use of mobile phone optics technologies
- ❖ Expanding production capacities at Tamron Foshan, China to enhance cost efficiency and competence for higher accuracy requirements
- ❖ Promoting ultra compact zoom lens offering for mobile phone applications while innovating in-house engineering and production system of ultra high-precision plastic elements and VC (Vibration Control) technologies
- ❖ Imposing on technological challenges to be recognized as a leading supplier to bring benefits to clients and to build value-added business models



Fixed focal length lens for high mega pixel sensors



Ultra compact 3X zoom for 8 MP+ sensors

- 3. Strategy Towards FY2012 by Segment



3) Commercial / Industrial-use Optics

Target: 14.7 billion Yen (21.5% of Total Net Sales)

**2012
Mid-Term
Target**

- ❖ Developing new business arena ref. next slide for details
- ❖ Expanding product portfolio integrating the proprietary VC (Vibration Compensation) Technologies
- ❖ Enhancing CCTV lens line-up that demonstrates distinguished image quality of "Mega Pixel" grade from corner to corner
- ❖ Increasing module camera model offerings for CCTV in addition to lenses
- ❖ Leveraging sales and marketing overseas, including emerging markets
- ❖ Developing 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



Certified ISO/TS16949
For Automotive Quality
Management

New Business

**2012
Mid-Term
Target**

❖ Optics for Automotive Headlights

Headlight units with LED lamps is expected to grow exponentially in the coming years

Sales Target for 2012 : 0.3 billion Yen

❖ Optics for Far-Infrared Imaging

Based on an alliance with NEC Avio Infrared Technologies Co., Ltd., integration of optical technologies in visible-wavelength and far-infrared range is explored, being posed at developing innovative new products.

Sales Target for 2012 : 3billion Yen

❖ 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.

Sales Target for 2012 : 1 billion Yen



Released on 5/6/10

Two new zoom lenses with the Proprietary VC feature for Far-Infrared cameras



Released 5/6/10

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

- 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. Innovating product realization process to further improvement of 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 business, automotive business, far infrared rays optical business and new business.
7. 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.
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