



# Financial Results FY2004

**Results Briefing on February 10, 2005**

**Tamron Co., Ltd. (Code:7740)**

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## **. Financial Results FY2004 and Forecast FY2005**

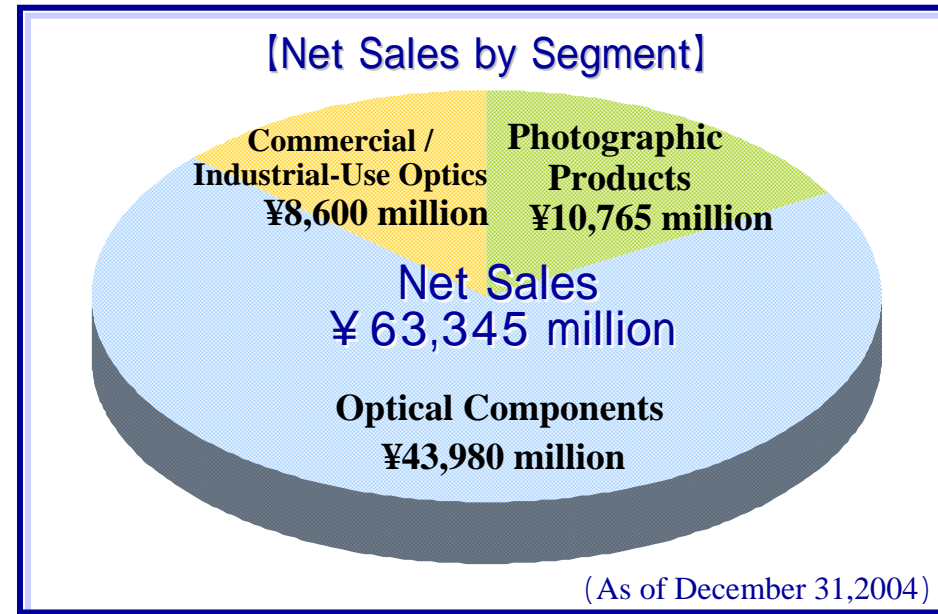
# - 1. Business Briefing

## [Company Profile]

- Subsidiaries Overseas : 5
- Domestic Branches 4/Domestic Sales Office 5
- ISO9001/ISO14001 certified
- Net Sales : ¥63,345 million
- Number of Employees (Consolidated): 3,232
- Total Assets : ¥40,857 million

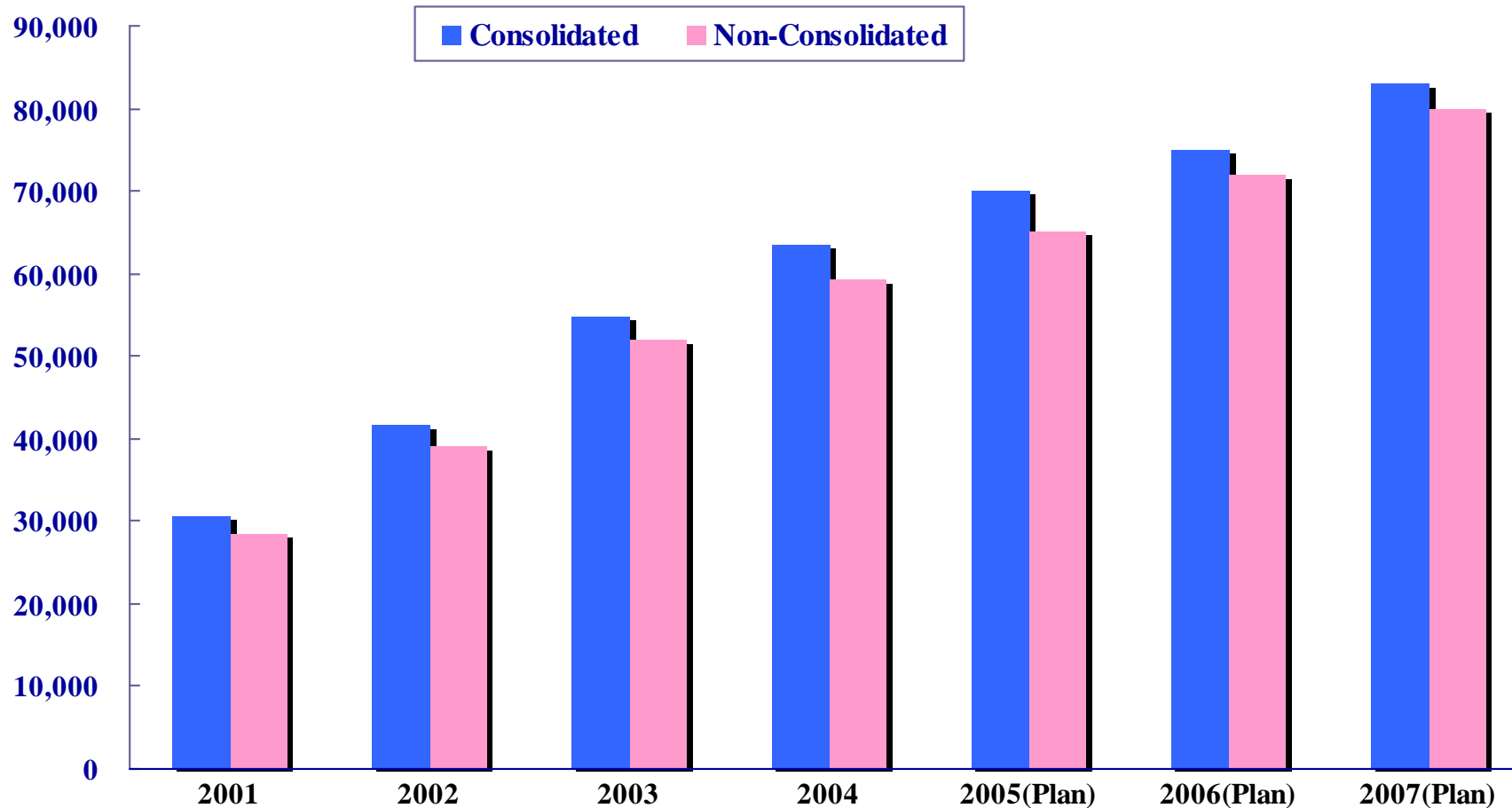
## [Products]

- Photographic Products
  - Interchangeable lenses for 35mm single lens reflex cameras
  - Medium-format cameras
- Optical Components
  - Video camera lenses/Digital still camera lenses
- Commercial / Industrial - Use Optics
  - CCTV camera lenses/Projection lens units/Precision injection mold
  - High-precision engineering plastic products/Test plates/
  - Optical device units



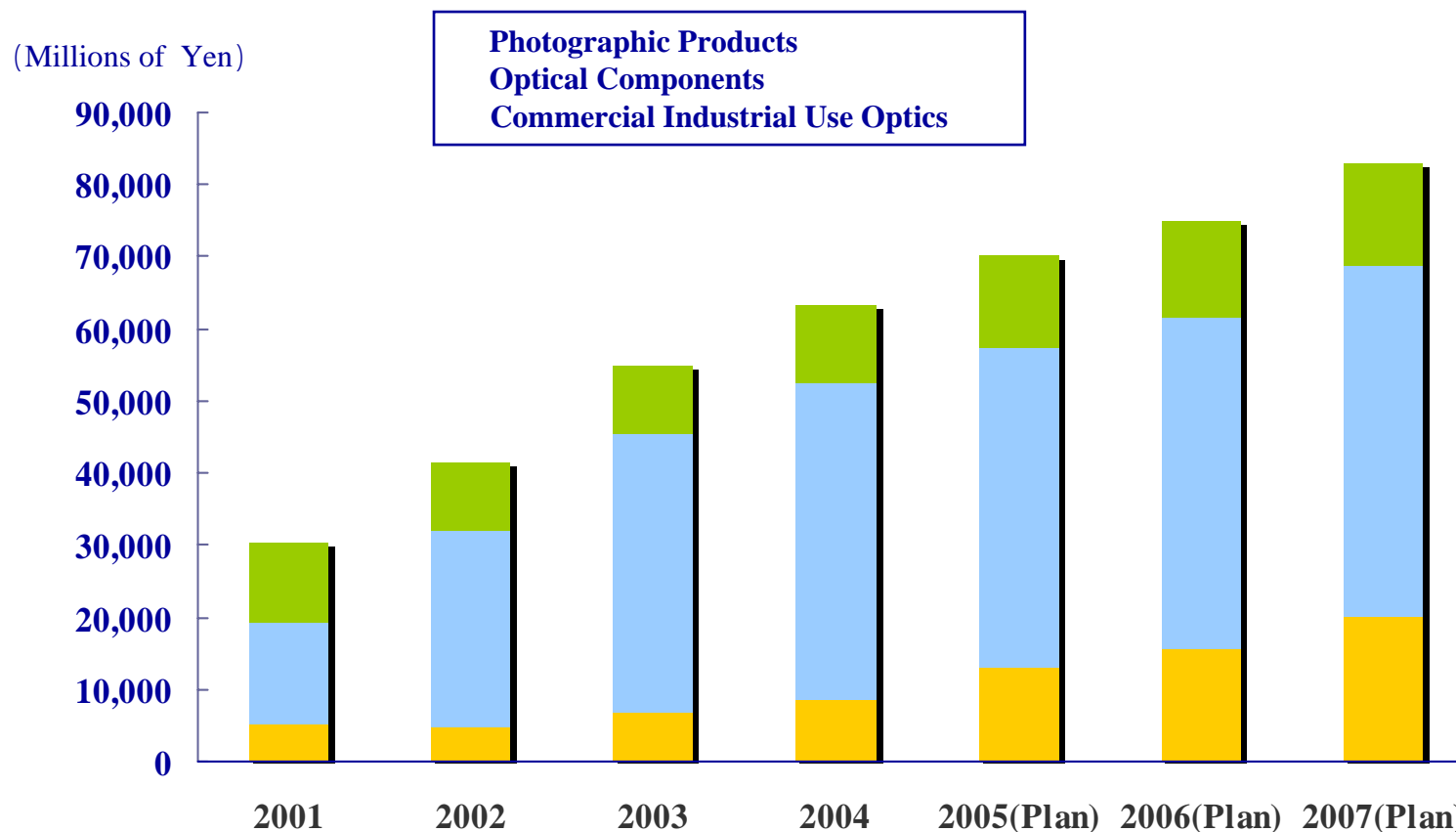
# -2. Net Sales

(Millions of Yen)



<b>Consolidated</b>	<b>30,472</b>	<b>41,580</b>	<b>54,837</b>	<b>63,345</b>	<b>70,000</b>	<b>75,000</b>	<b>83,000</b>
<b>Non-Consolidated</b>	<b>28,425</b>	<b>38,916</b>	<b>51,959</b>	<b>59,267</b>	<b>65,000</b>	<b>72,000</b>	<b>80,000</b>

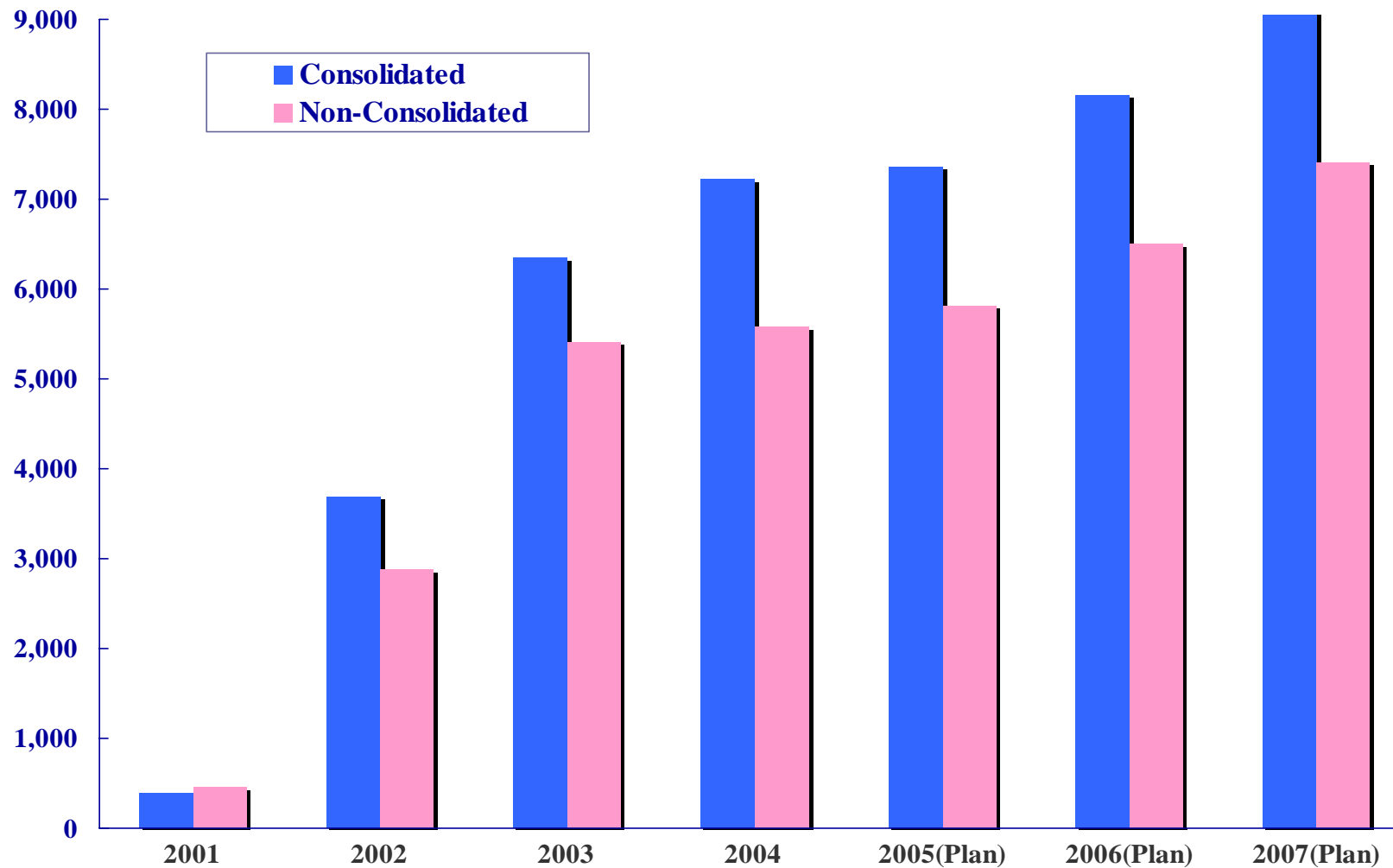
# -3. Net Sales by Segment



Photographic Products	11,121	9,489	9,468	10,765	12,514	13,400	14,200
Optical Components	14,251	27,205	38,520	43,980	44,484	46,100	48,700
Commercial/Industrial-Use Optics	5,100	4,886	6,849	8,600	13,002	15,500	20,100

# -4. Operating Income

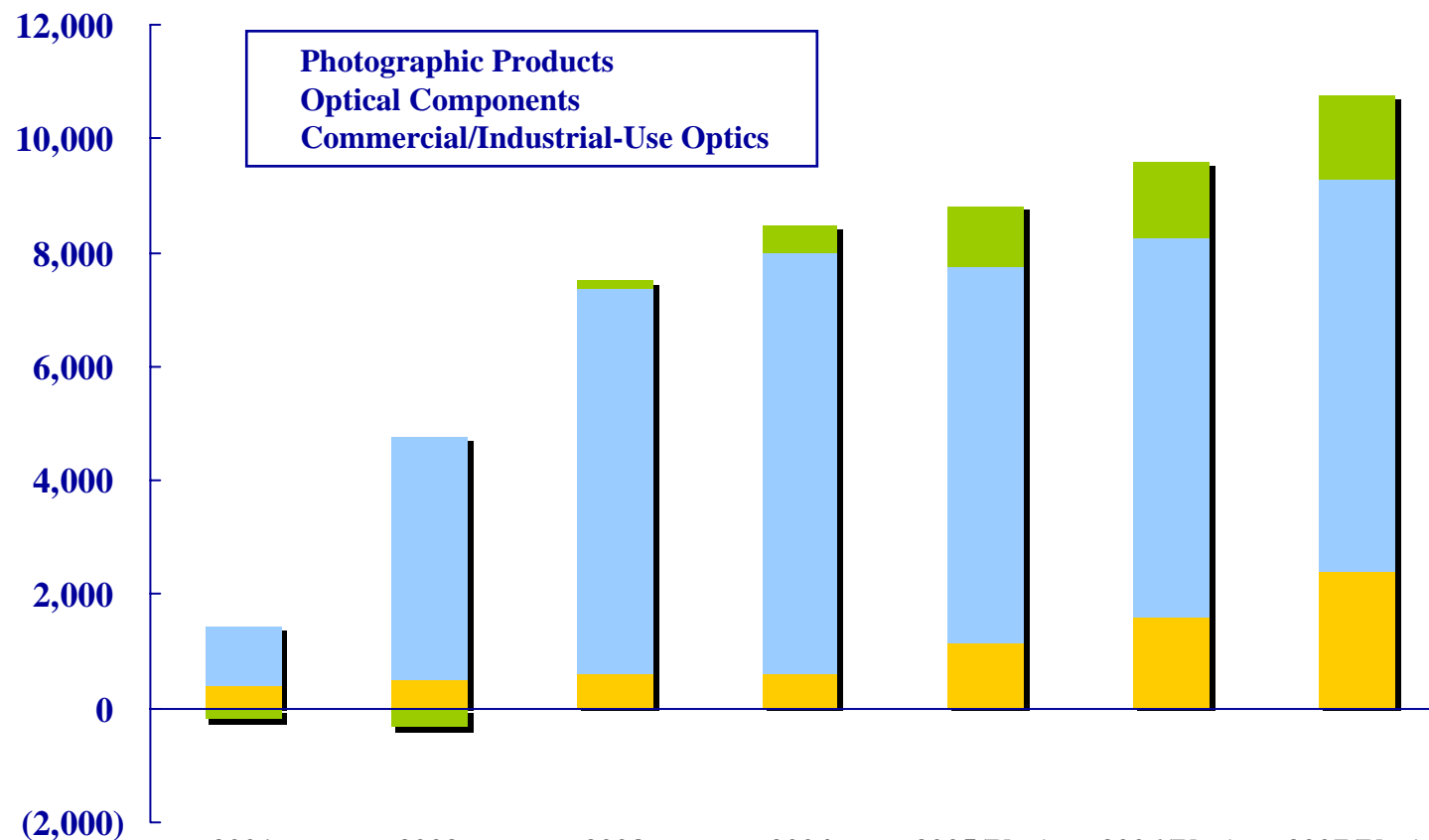
(Millions of Yen)



■ Consolidated	389	3,685	6,341	7,223	7,357	8,150	9,200
■ Non-Consolidated	457	2,871	5,404	5,582	5,806	6,500	7,400

# -5. Operating Income by Segment

(Millions of Yen)

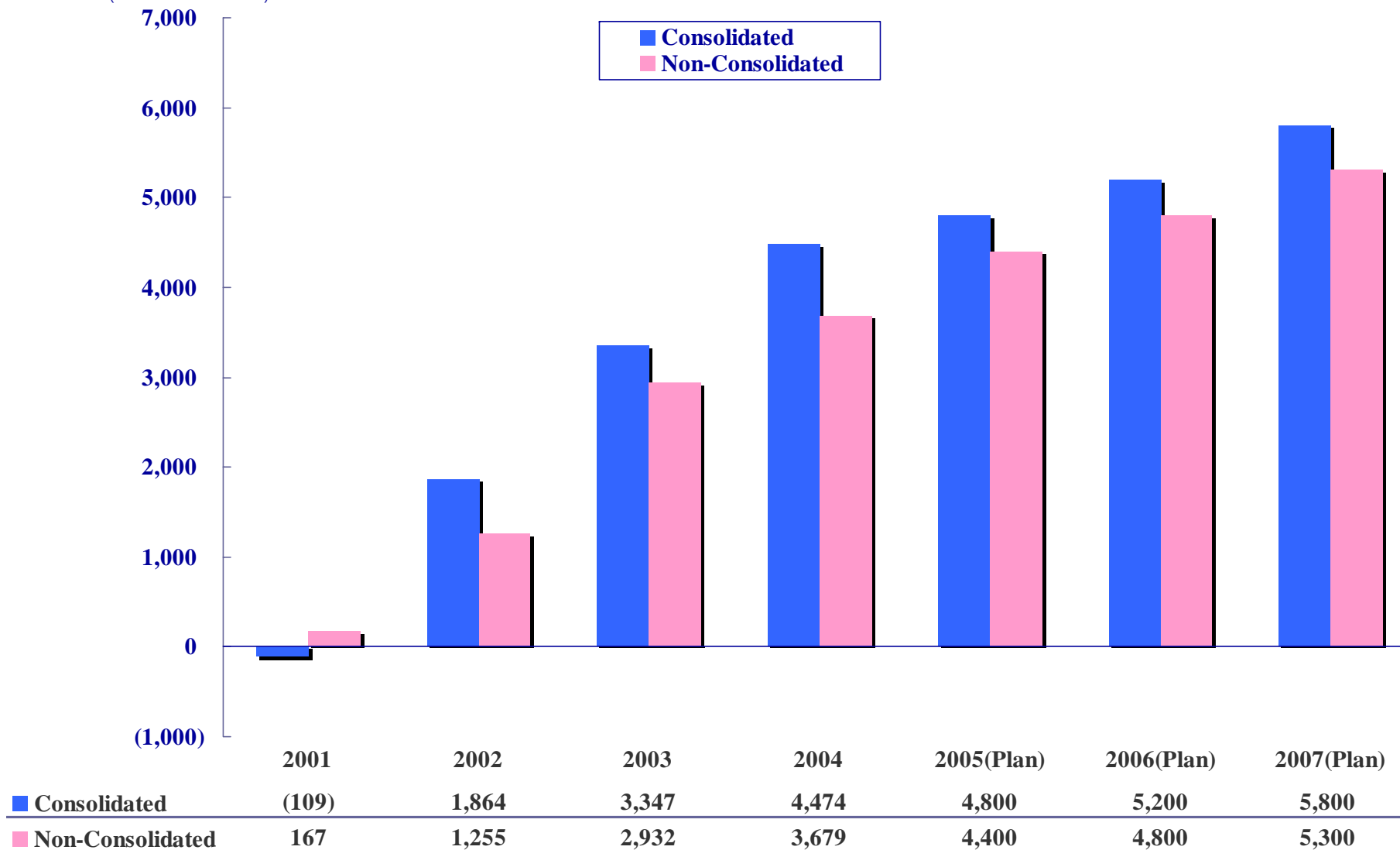


	2001	2002	2003	2004	2005(Plan)	2006(Plan)	2007(Plan)
■ Photographic Products	(196)	(306)	137	493	1,064	1,350	1,450
■ Optical Components	1,027	4,253	6,741	7,364	6,581	6,650	6,900
■ Commercial/Industrial-Use Optics	392	507	611	621	1,162	1,600	2,400



# - 6. Net Income

(Millions of Yen)

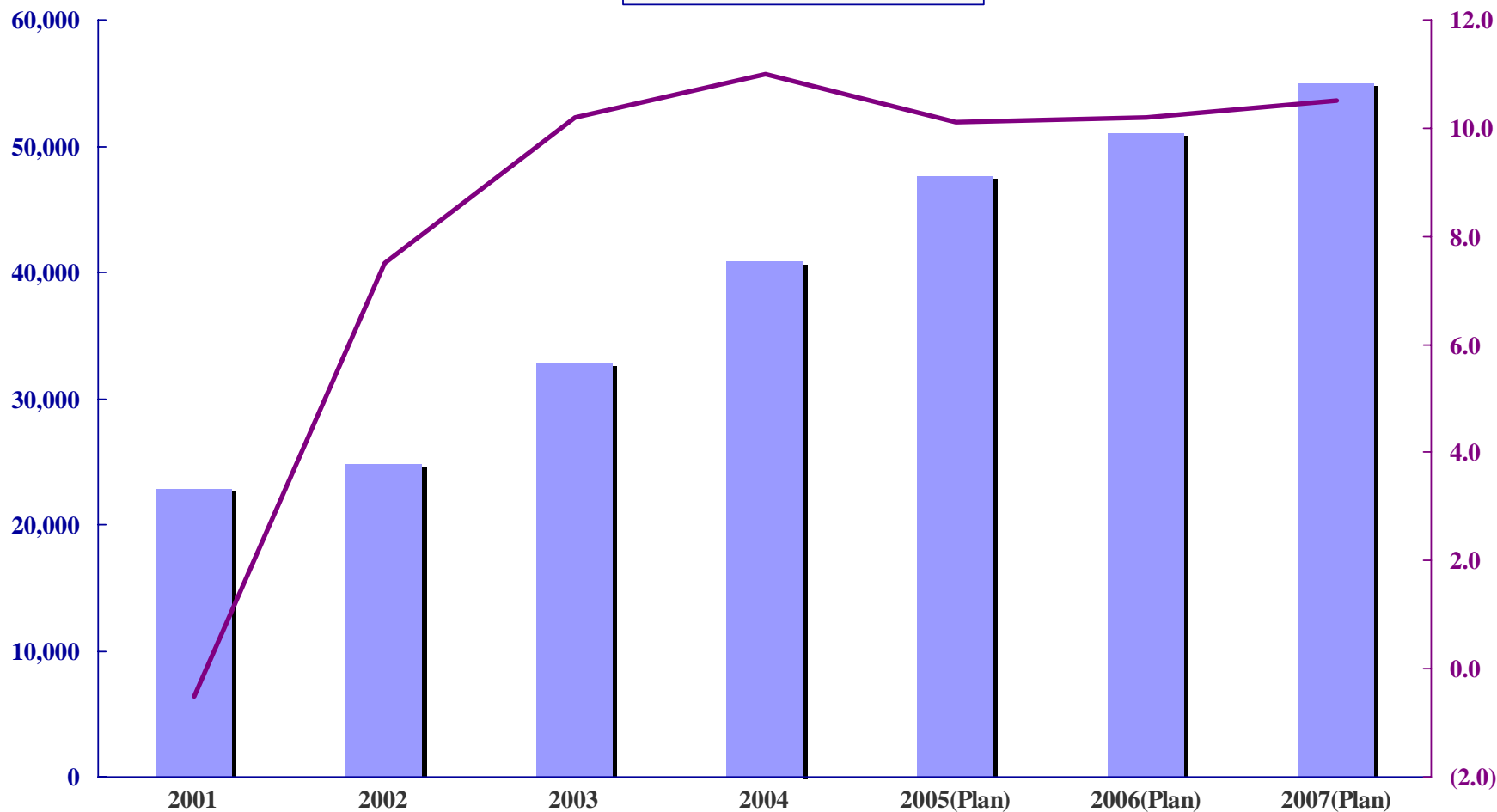


# -7. Total Assets and ROA

(Millions of Yen)

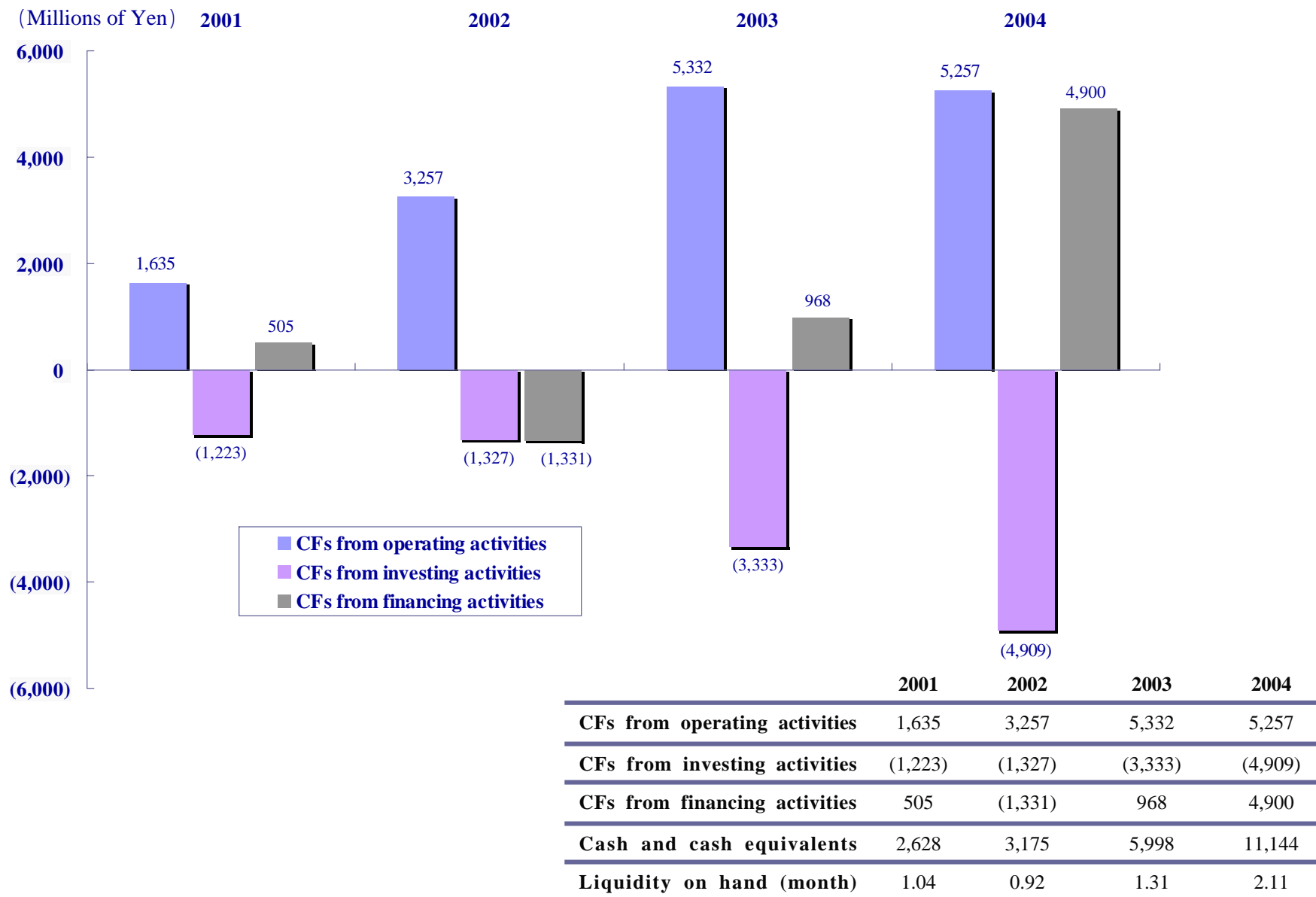
■ Total Assets — ROA

(%)

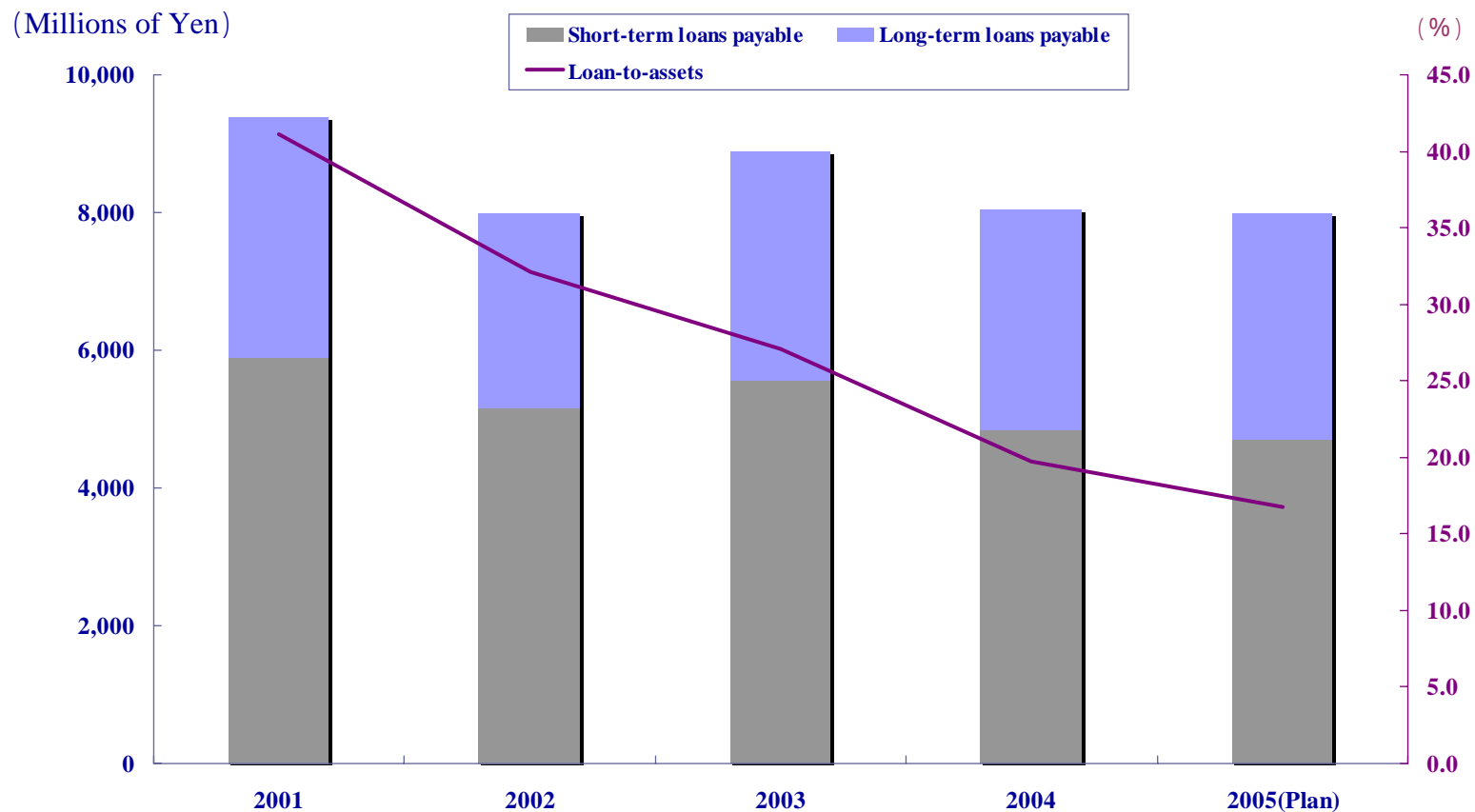


■ Total Assets	22,820	24,841	32,709	40,857	47,619	51,000	55,000
— ROA	(0.5)	7.5	10.2	11.0	10.1	10.2	10.5

# - 8. Cash Flows

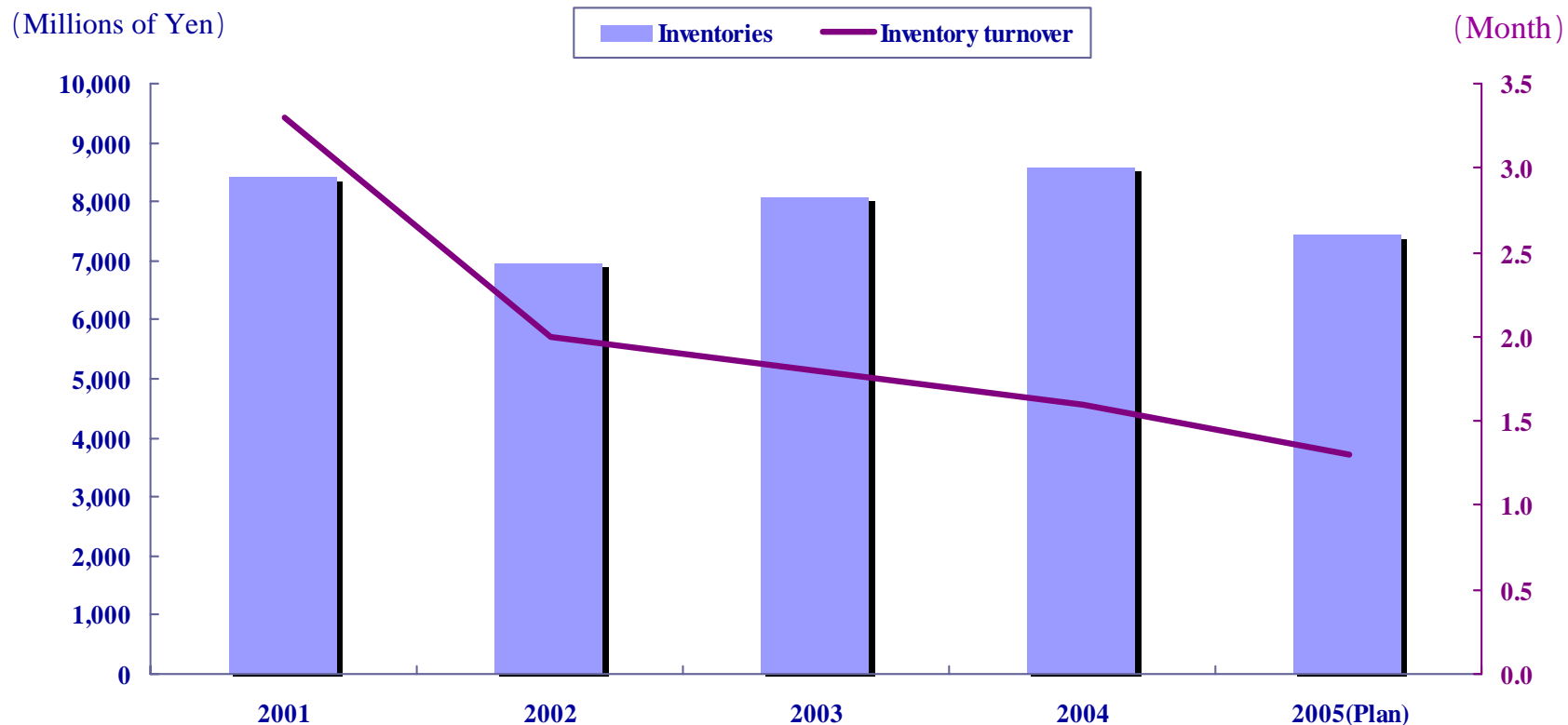


# -9. Liabilities with Interest



	2001	2002	2003	2004	2005(Plan)
<b>Short-term loans payable</b>	5,889	5,151	5,564	4,845	4,700
<b>Long-term loans payable</b>	3,482	2,824	3,313	3,184	3,290
<b>Total</b>	9,371	7,976	8,877	8,029	7,990
<b>Loan-to-assets</b>	41.1%	32.1%	27.1%	19.7%	16.8%

# -10. Inventories



[ Consolidated ]

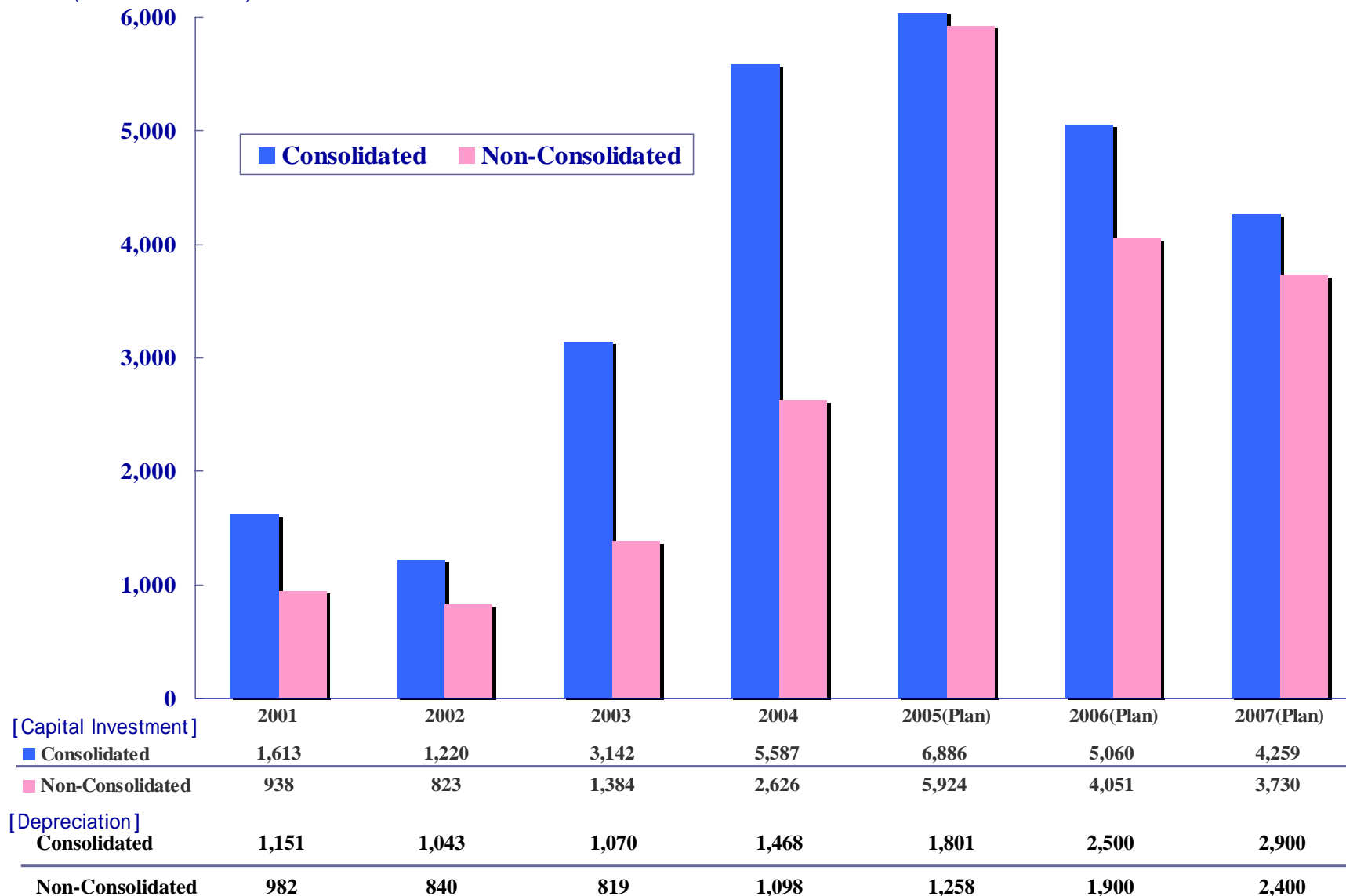
	2001	2002	2003	2004	2005 (Plan)
<b>Inventories</b>	8,423	6,969	8,087	8,593	7,426
<b>Turnover</b>	3.3	2.0	1.8	1.6	1.3

[ Non - Consolidated ]

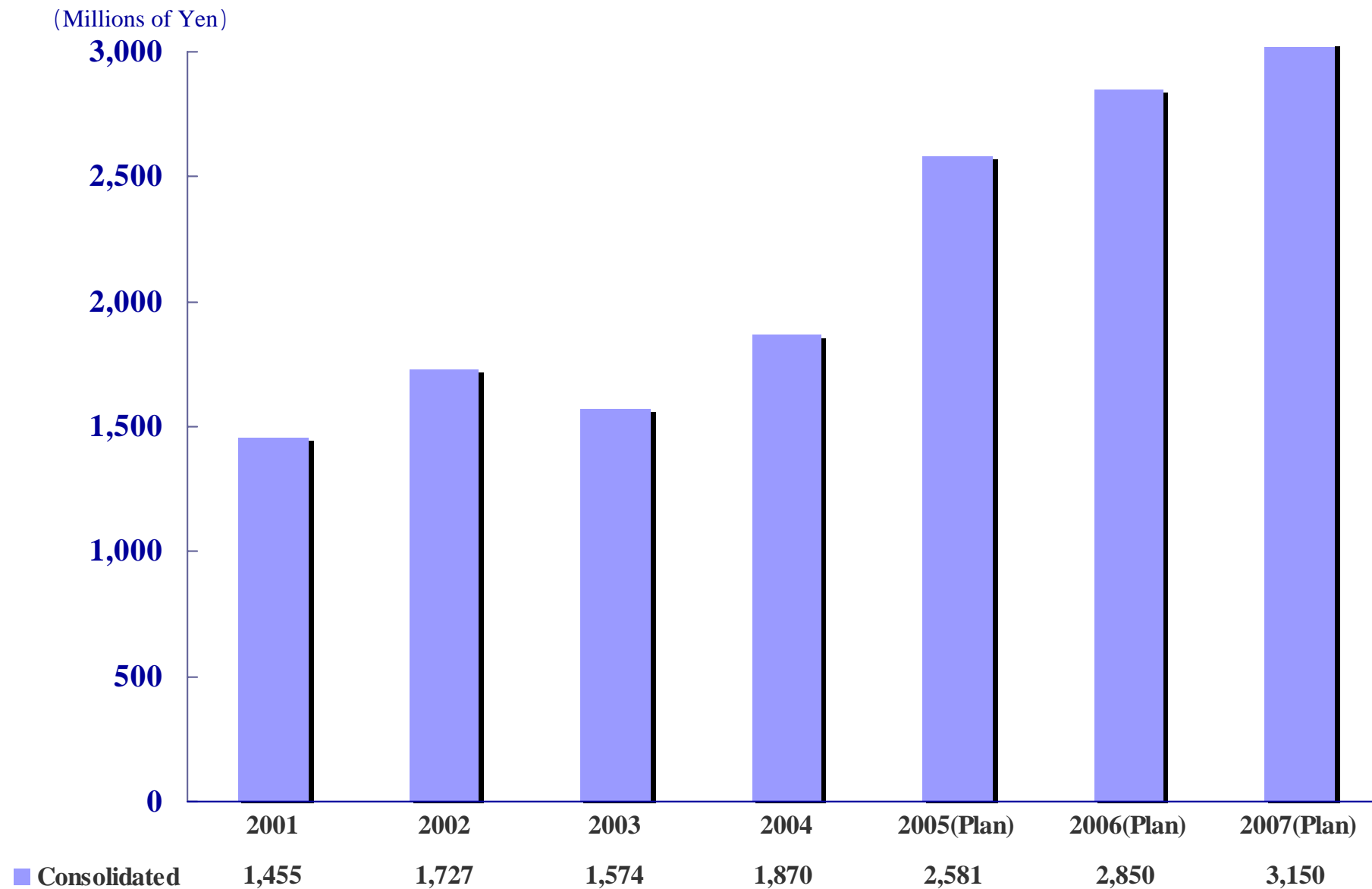
	2001	2002	2003	2004	2005(Plan)
<b>Inventories</b>	5,854	5,043	5,644	6,113	4,764
<b>Turnover</b>	2.5	1.6	1.3	1.2	0.9

# - 11. Capital Investment and Depreciation

(Millions of Yen)

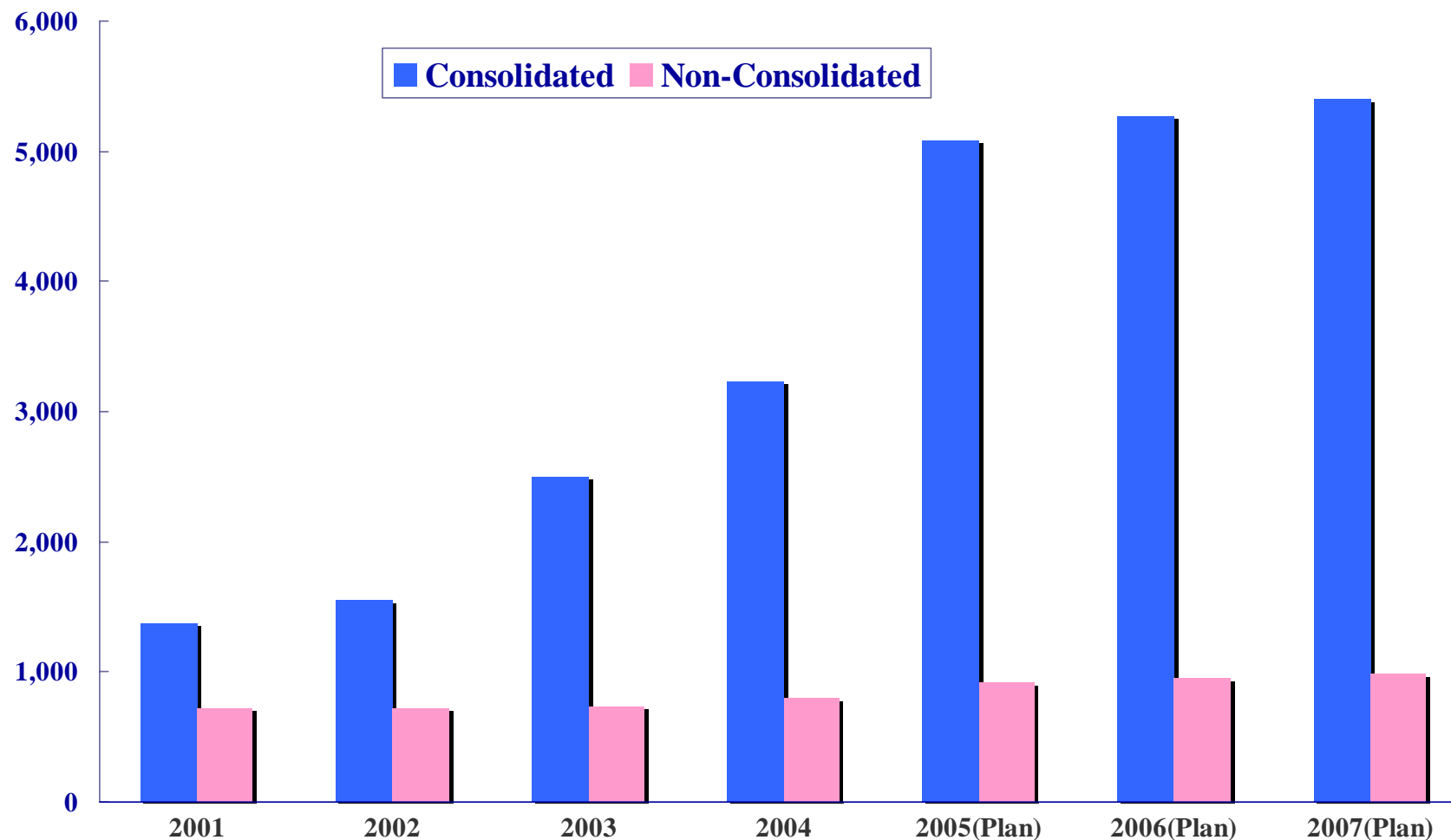


# - 12. R&D Expenditure



# - 13. Number of Employees

(Employees)



■ Consolidated	1,378	1,552	2,497	3,232	5,088	5,272	5,399
■ Non-Consolidated	724	715	734	791	916	952	982



## - 14. About Corporate Governance

### 1. Introduction of Executive Officer System (effective January 1, 2005)

**[Objective]** Strengthening corporate governance by separating Board of Directors with corporate decision making functions and Executive Officers with business executing functions (Board of Directors:7 Executive Officers:11)

### 2. Actions for Corporate Governance in FY2004

#### ■ For Better Disclosure and Accountability

Quarterly Disclosure/Environmental Report/Addition of IR web site in English/  
Setting-up an information desk for individual shareholders

#### ■ For Better Compliance

Implementation of “Personal Data Control Rules”, “Trade Secret Control Rules”,  
“Security Trade Control Rules” and corporate-wide education of compliance policy.

## -15. Result of Public Offering and Allotment of Funds

We have allotted the funds from the public offering last year as follows:

(Millions of Yen)

		Amount Projected	Fund Raised	Amount Paid	Balance
Injection-molding manufacturing equipment		1,890	/	858	/
Headquarters building extension for new injection-molding plant		1,000		13	
Lens and prism processing equipment	Domestic	750		450	
	Overseas	2,440		1,790	
Total		6,080		6,174	

Funds allotment progresses as planned.



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**. Mid-Term Strategy**



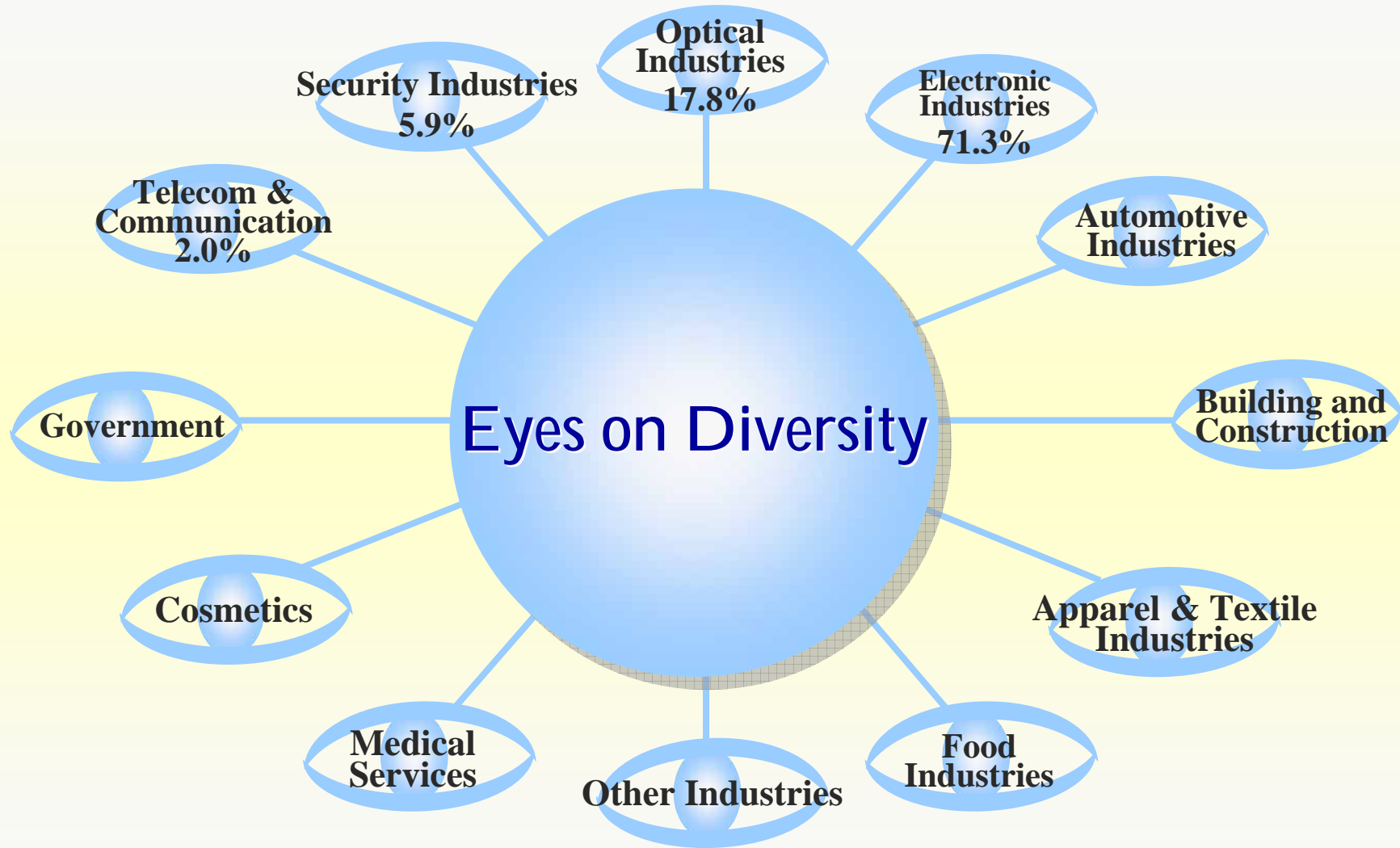
## - 1. Brand Message

**- Eyes on Diversity -  
Cutting Edge Optical Solutions for an Array of Imaging Devices**

## - 2 . Mid-Term Management Goals (2007)

- Net Sales : ¥83,000 million
- Operating Income : ¥9,200 million  
(10% operating income or more)
- Ordinary Profit : ¥8,700 million

# -3. Eyes on Diversity



# -4. Mid-Term Goals by Segment

## Photographic Products Division



- Positive investment in the rapidly expanding Digital SLR Market
- Strengthen organization of OEM business

### [New Products in 2005]



( Model  
A14 )

SP AF18-200mm F/3.5-6.3 XR  
Di II LD Aspherical [IF]  
MACRO



( Model  
A13 )

SP AF11-18mm F/4.5-5.6  
Di II LD Aspherical [IF]

## -4. Mid-Term Goals by Segment

### Optical Components Division

**2007  
Mid-Term Goals**

**Net Sales  
¥48,700 million**

**Operating Income  
¥6,900 million**

- Concentrate resources on the growing DSC/DVC market to maintain overwhelming superiority through development ability and production capability
- Implement technology revolution to enhance competitiveness as an attractive supplier and secure 20% market share
- Plan entry into market for mobile phones equipped with high resolution, zoom cameras



## -4. Mid-Term Goals by Segment

### Commercial Industrial-Use Optics Division

**2007  
Mid-Term Goals**

**Net Sales  
¥20,100 million**

**Operating Income  
¥2,400 million**

- Expand sales and profit from CCTV business by strengthening overseas production
- Increase orders for “Eyes” for various industries such as iris recognition/automotive application/robots and etc.
- Target to hold a top share in the expanding projector business by concentration of human resources and funds





## -5. Pressing Issues

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1. Timely launch of attractive new products by each of the four business units in line with the corporate tag line of “Tamron – cutting-edge optical solutions for an array of imaging devices”
2. Expansion of optical components business in projection device segment and getting a foothold in the cellular phone camera market
3. Development of core technologies revolving around optics and corporate-wide campaign drive of strategic philosophies surrounding IP (Intellectual Property)
4. Structural improvement in overseas production network associated with procurement system as well as those of domestic facilities to accelerate efficient cost reduction
5. Reduction in lead time of product development cycle by virtue of establishing a new mould processing plant and innovating production engineering technologies
6. Improvement in profit structure by solidifying group company management system and improvement in social compliance philosophy among them
7. Fundamental restructuring of operations by implementing global management information system aimed at achieving optimum inventory control
8. Further improvement in cash flow management and in consolidated balance sheet
9. Corporate-wide promotion of environmental preservation and protection effectively linked with quality management system based on ISO activities

## Disclaimer

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