

Financial Results FY2005

February 14, 2006

Tamron Co., Ltd. (CODE: 7740)

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I . Financial Results Briefing / Forecast



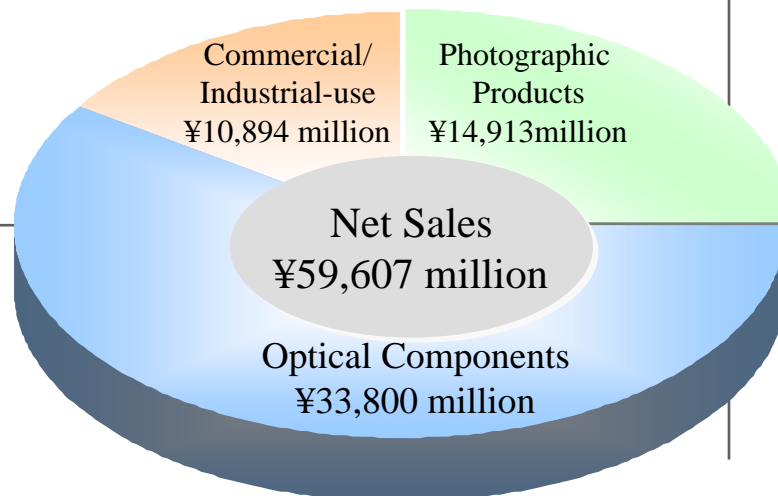
I - 1. Business Briefing

Company Profile

- ❖ Total subsidiaries overseas : 6
- ❖ Domestic offices : 4 / Sales Offices : 5
- ❖ ISO 9001 / ISO 14001 certified
- ❖ Consolidated Sales : ¥59,607 million
(As of December 31, 2005)
- ❖ Consolidated Numbers of Employees : 3,672
(As of December 31, 2005)
- ❖ Total Assets : ¥44,801 million
(As of December 31, 2005)

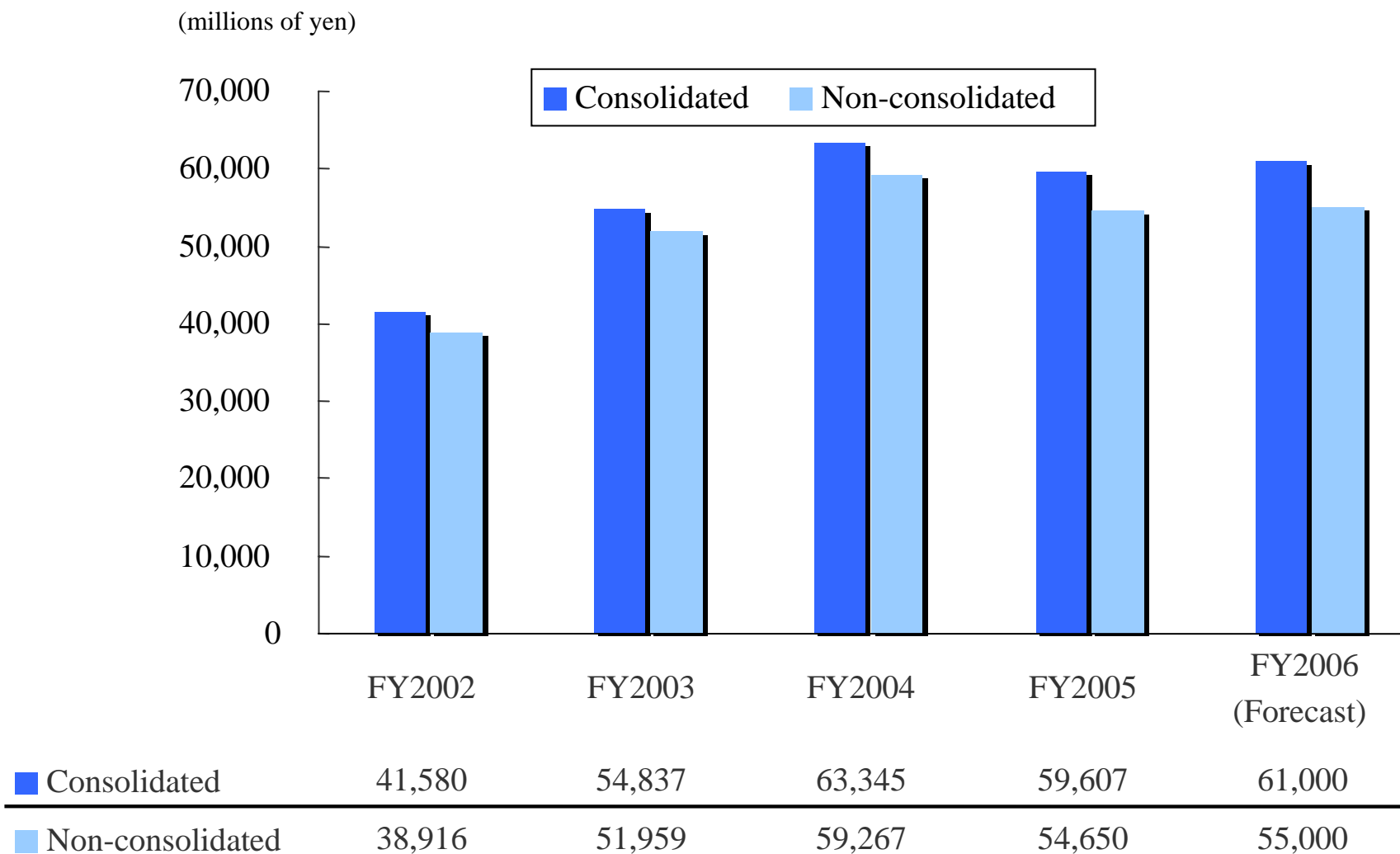
Business Segments

- ❖ Photographic Products
 - ❖ Interchangeable lenses for SLR cameras
 - ❖ Medium-format cameras and related accessories
(Discontinued sales as of October, 2005)
- ❖ Optical Components
 - ❖ Camcorder lenses
 - ❖ Digital still camera lenses
 - ❖ Cellular phone camera lenses
- ❖ Commercial / Industrial-use Optics
 - ❖ Lenses for CCTV cameras
 - ❖ Projection lenses
 - ❖ High-precision molds
 - ❖ Optical device units



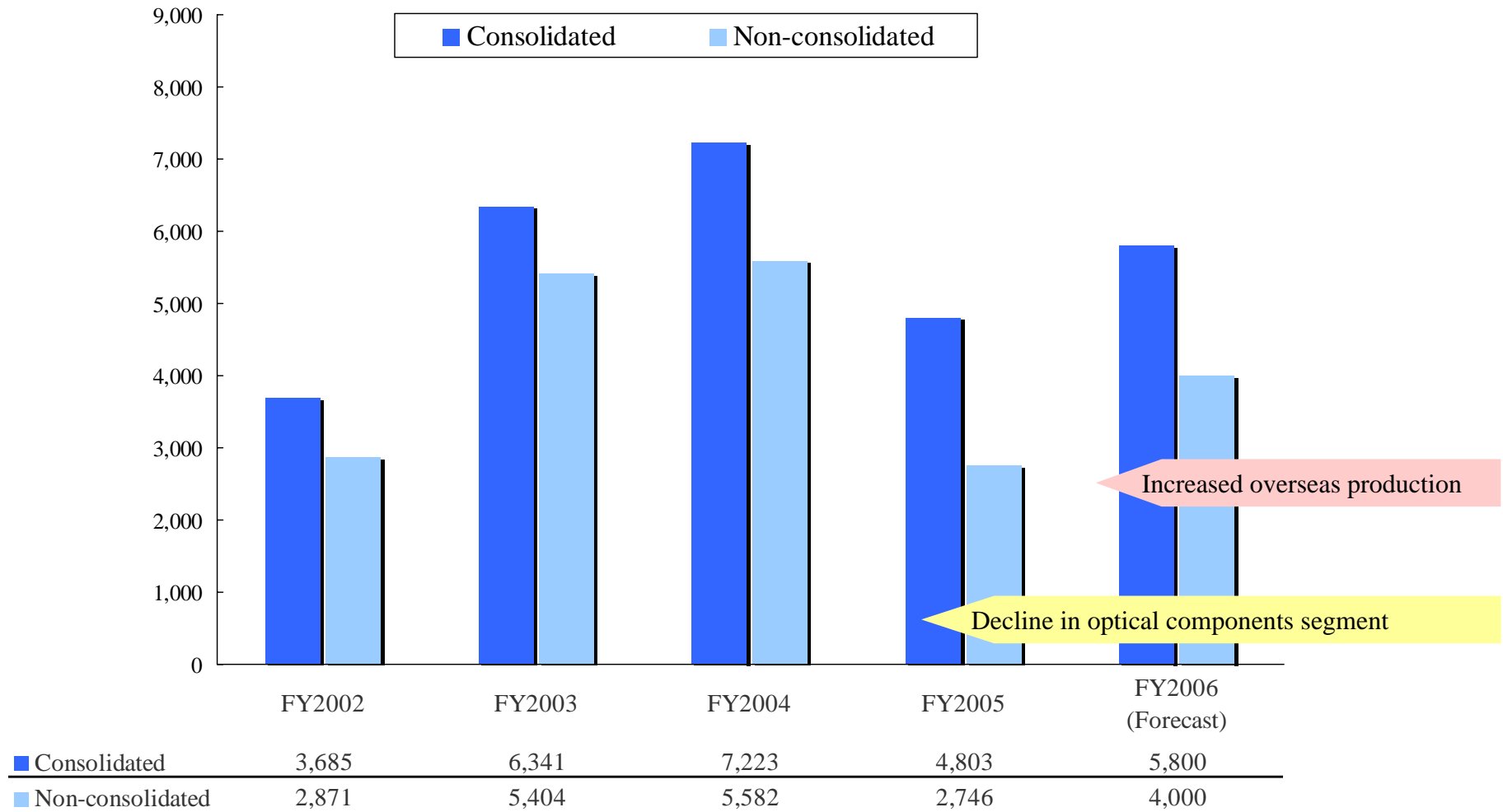
(Business Segment Net Sales)
(As of December 31, 2005)

I - 2. Net Sales

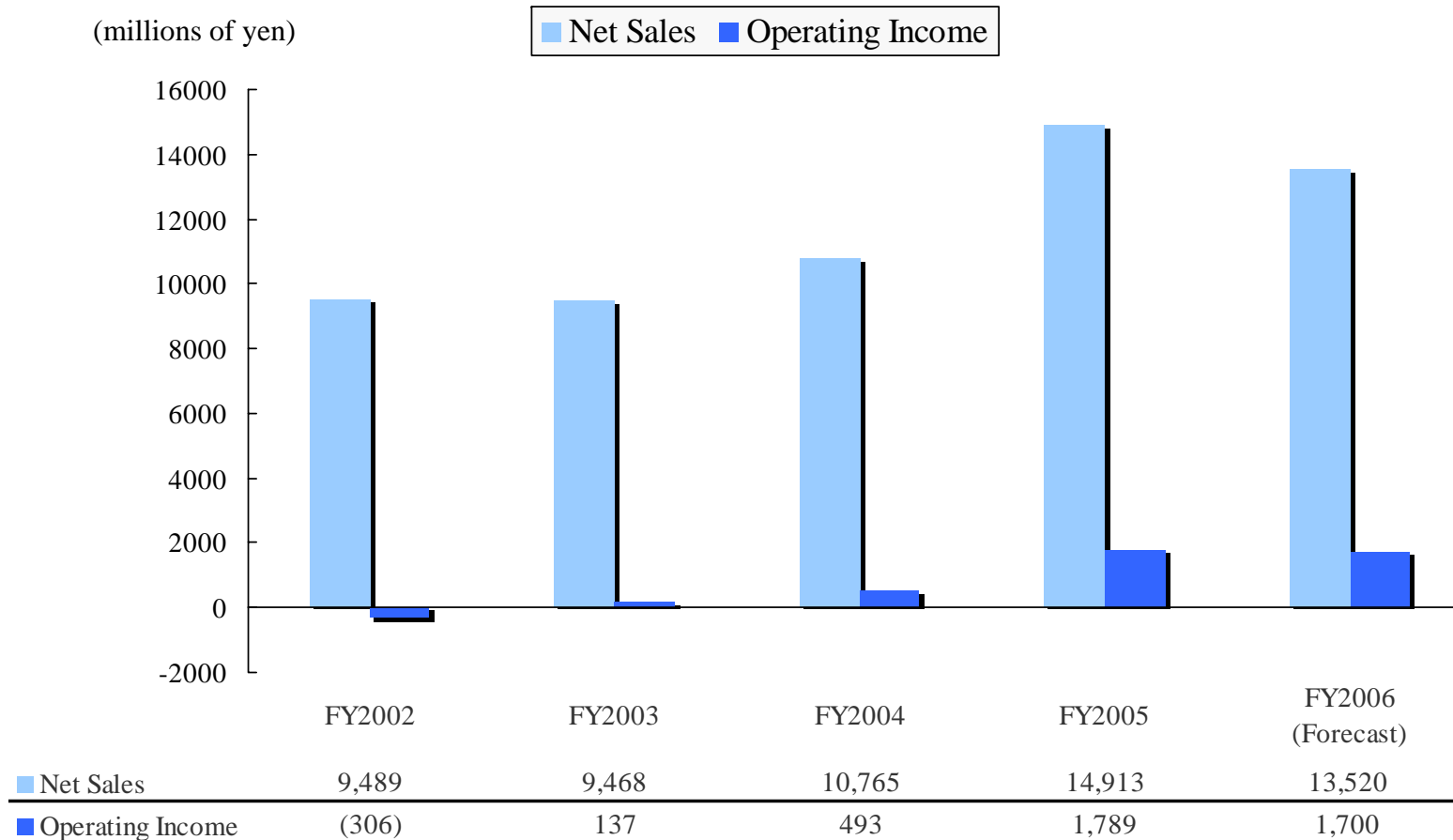


I - 3. Operating Income

(millions of yen)



I - 4. Business Segment (Photographic Products)



FY 2005

Net Sales : Increased sales of interchangeable lenses for digital SLR

Operating Income : Increase due to valued added products

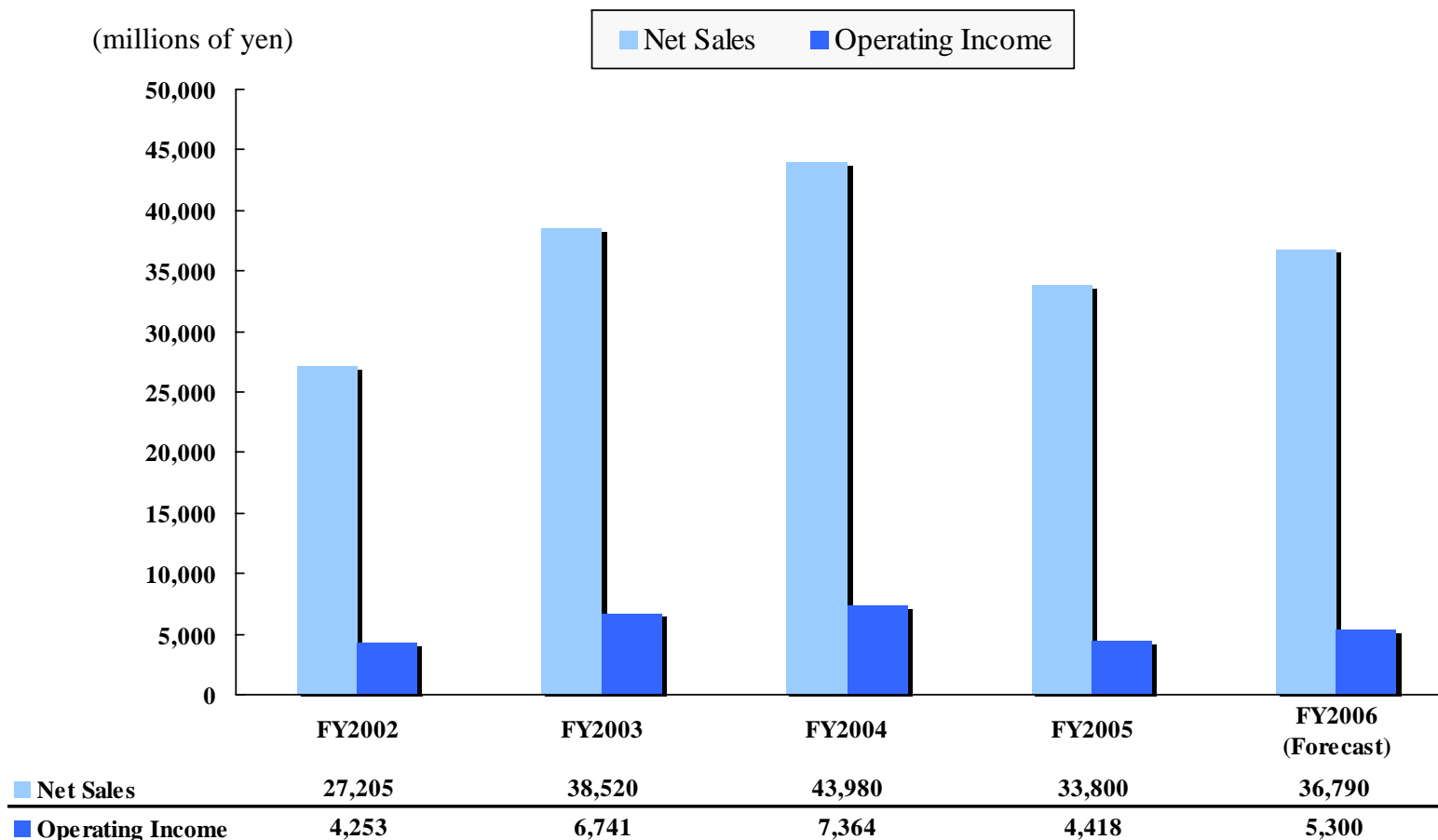
FY 2006

Net Sales : Increased Tamron brand. Decrease in OEM sales

Operating Income : Decrease due to decline in OEM sales

I - 4. Business Segment (Optical Components)

(millions of yen)



FY2005

FY2006

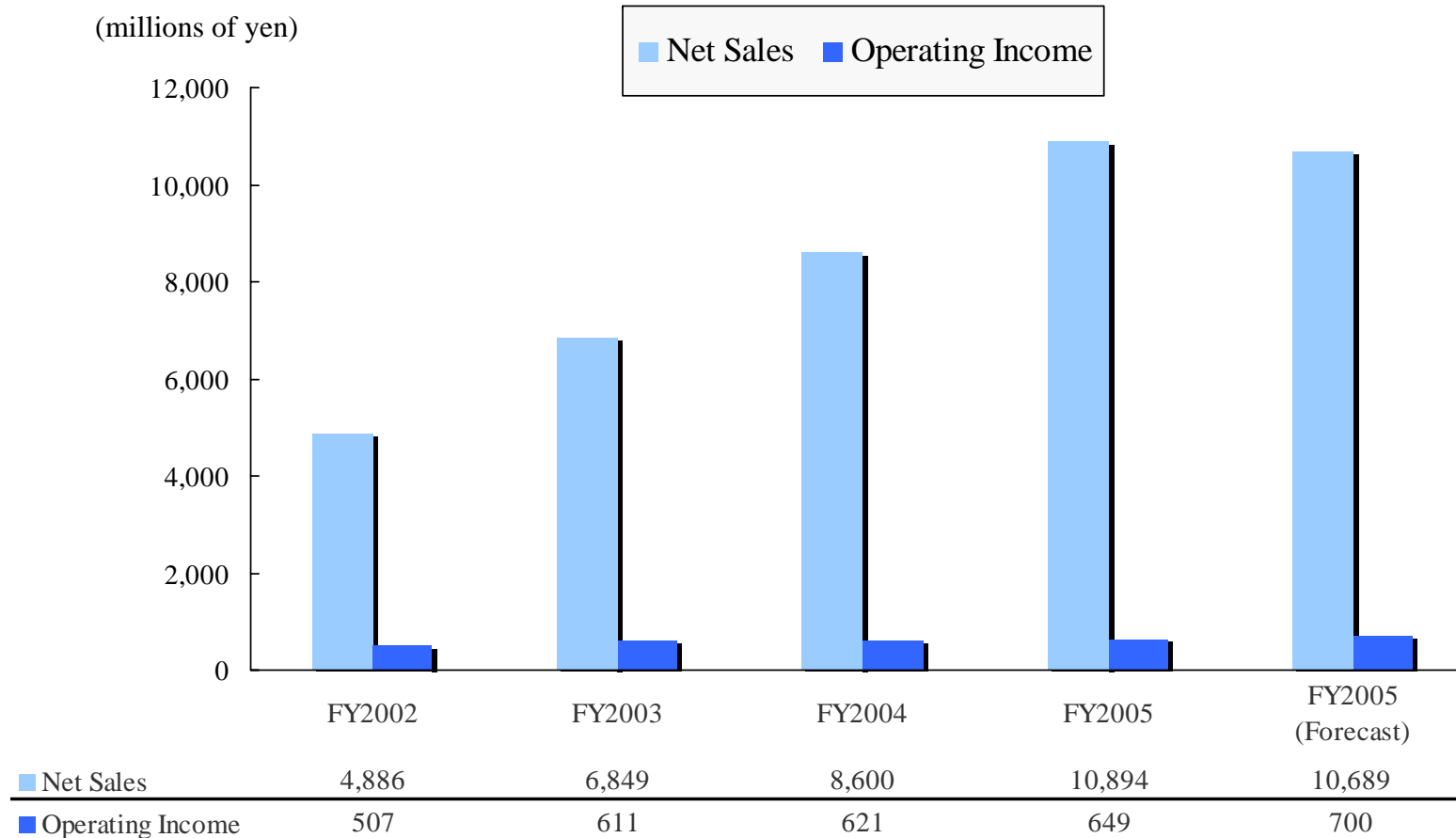
Net Sales : Decreased sales in DSC, entry in to the cellular phone lens market as of May

Net Sales : Increase in DSC

Operating Income : Decrease in DSC

Operating Income : Increased overseas production and procurement and decrease in costs

I - 4. Business Segment (Commercial / Industrial-use Optics)



FY2005

FY2006

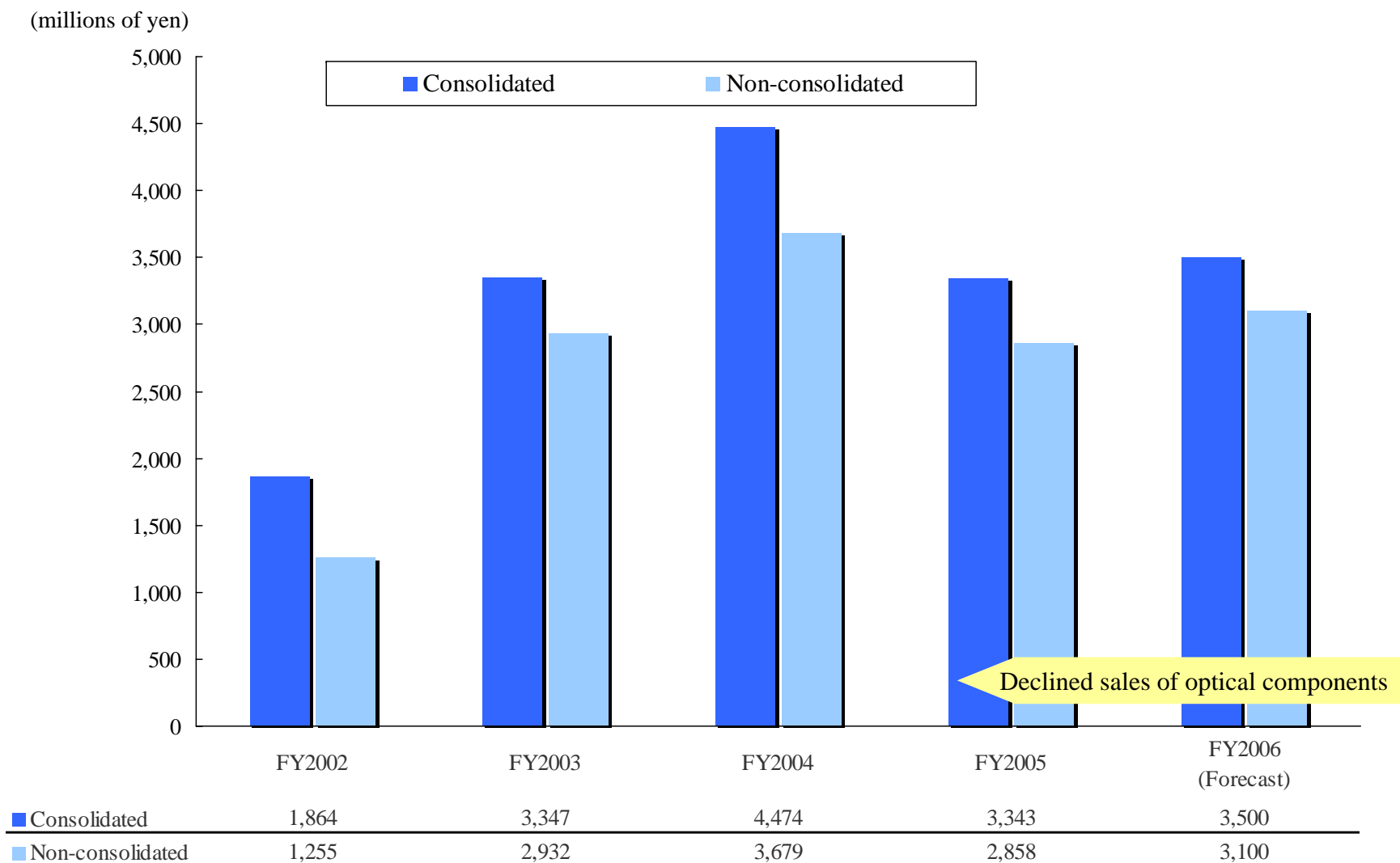
Net Sales : Increase in RPTV

Net Sales : Profit orientated strategy for projector lens business

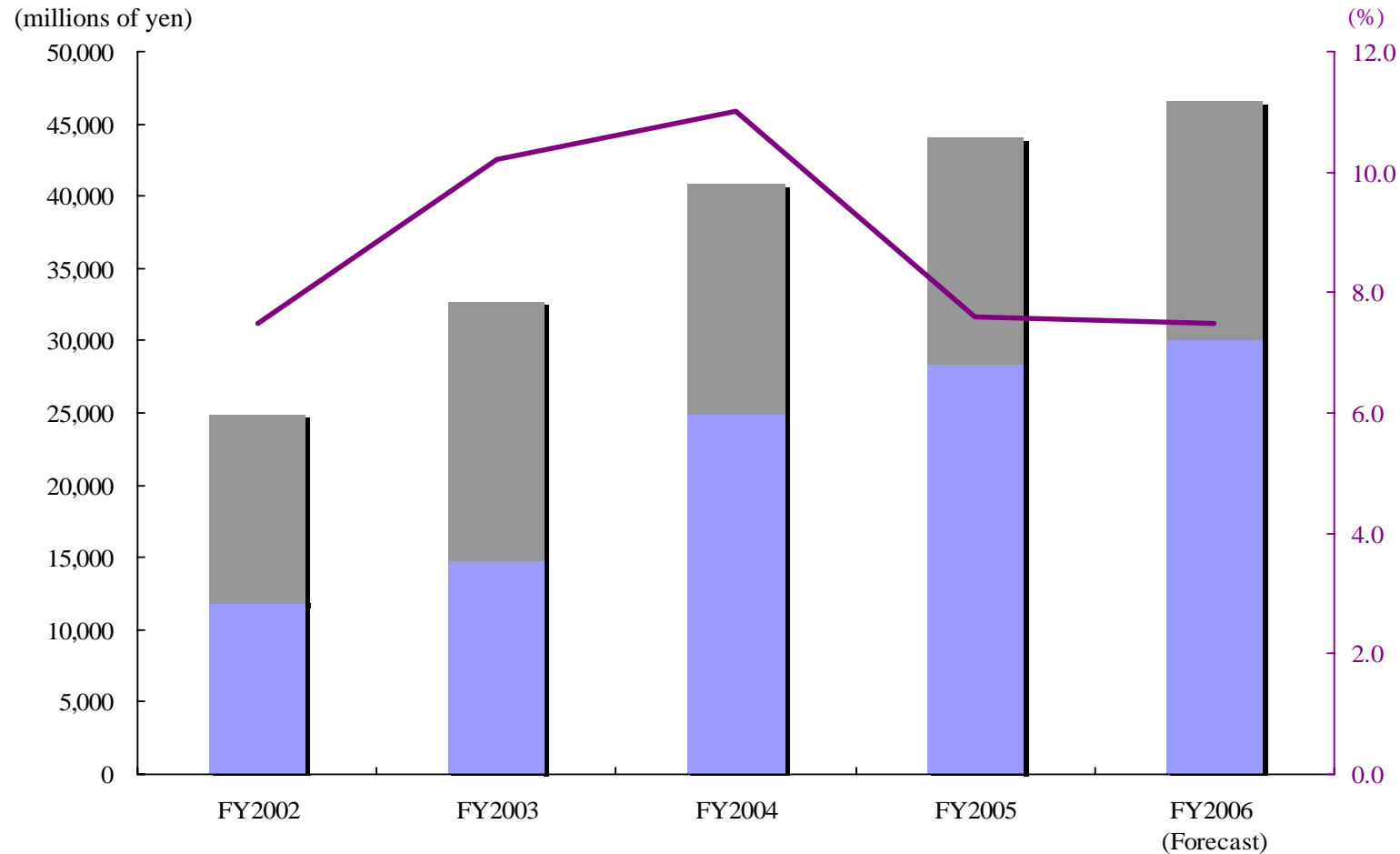
Operating Income : Increased R&D costs of RPTV

Operating Income : Cost reduction due to overseas production

I - 5. Net Income



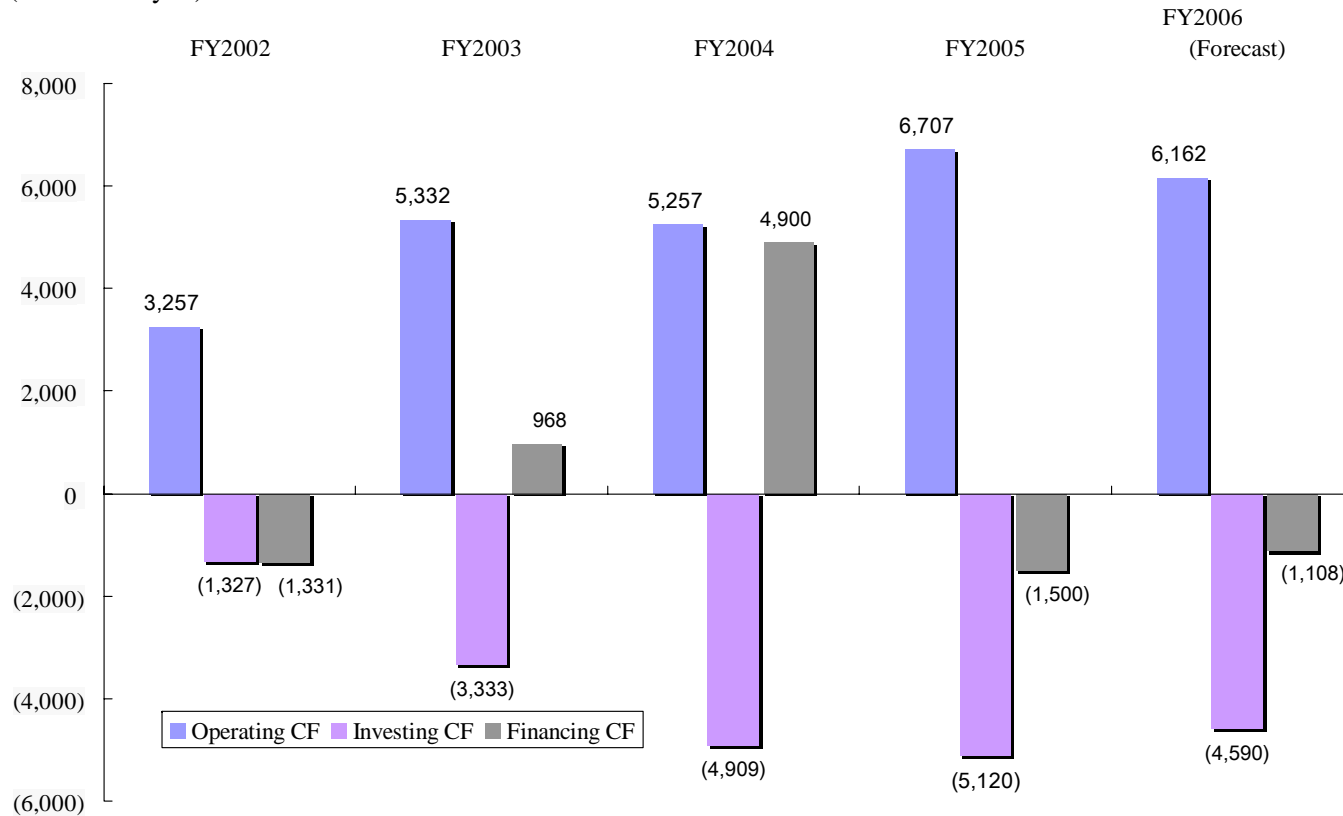
I - 6. Financial Condition



Total Assets	24,841	32,709	40,857	44,081	46,600
Total Shareholders Equity	11,791	14,809	24,891	28,341	30,000
ROA	7.5	10.2	11.0	7.6	7.5

I - 7. Cash Flows

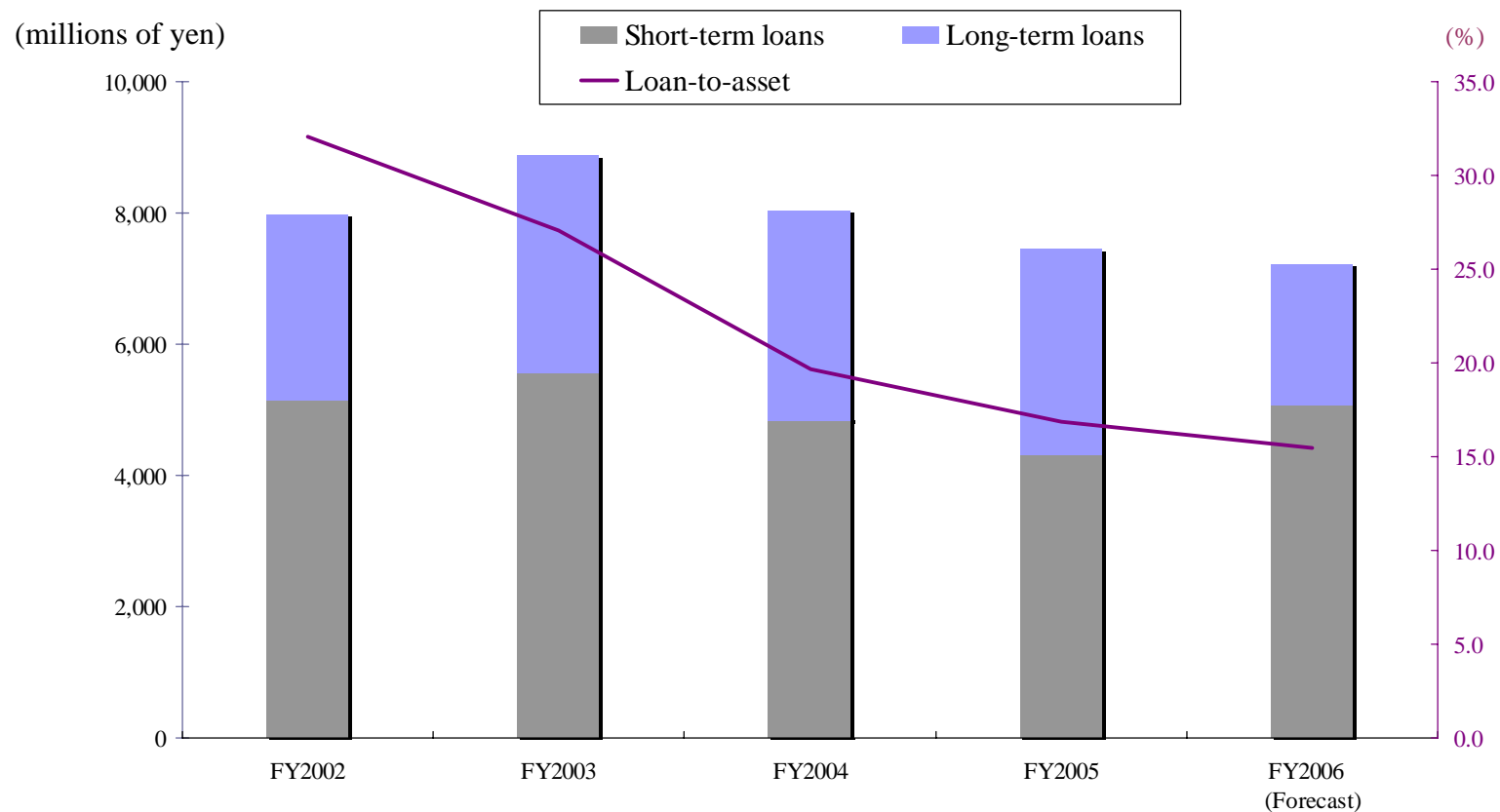
(millions of yen)



	FY2002	FY2003	FY2004	FY2005
Operating Cash Flow	3,257	5,332	5,257	6,707
Investing Cash Flow	(1,327)	(3,333)	(4,909)	(5,120)
Financing Cash Flow	(1,331)	968	4,900	(1,500)
Cash & cash equivalent at year end	3,175	5,998	11,144	11,496
Liquidity on hand (months)	0.92	1.31	2.11	2.31

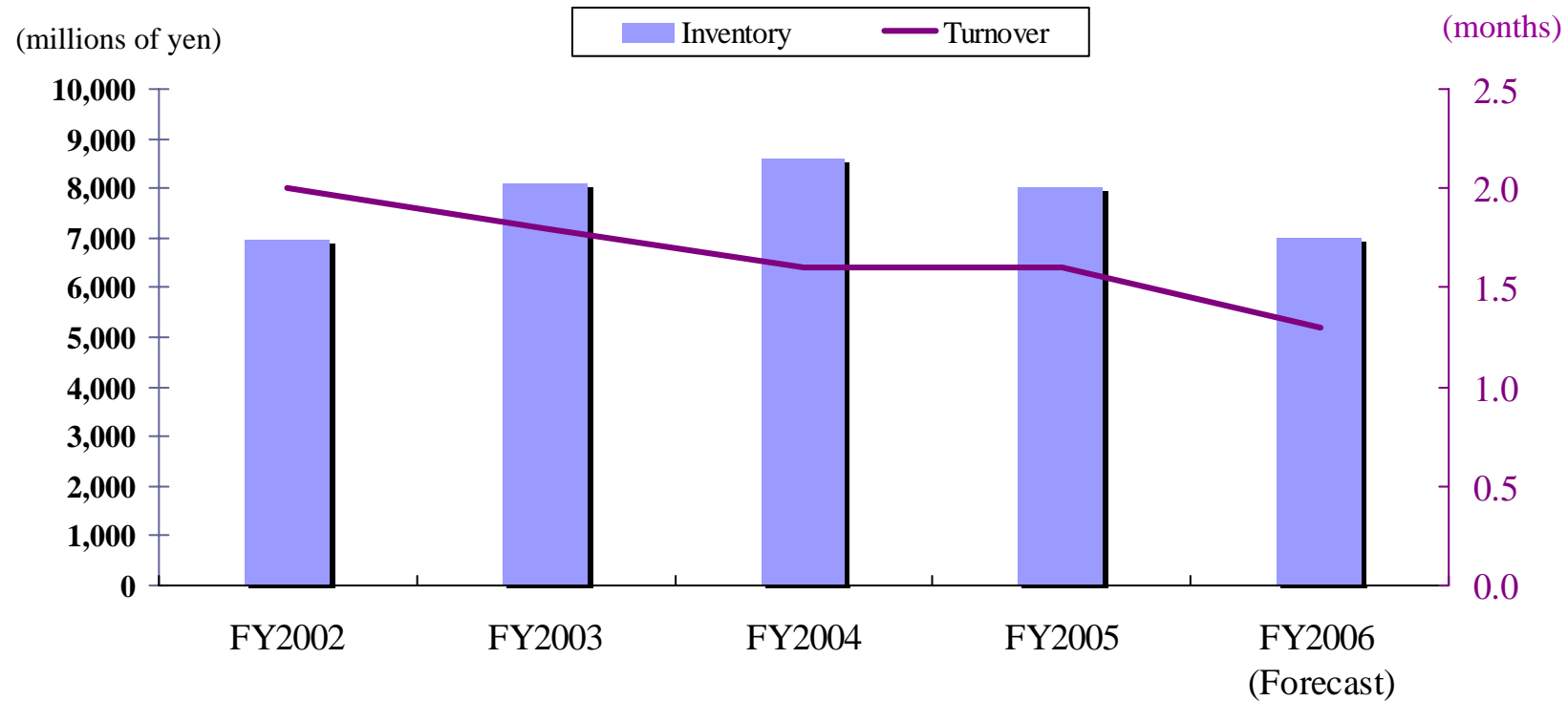
- Decrease in inventory & Income taxes paid
- Purchase of fixed assets
- Dividends paid & repayment of long-term loans

I - 8. Interest Bearing Debt



	FY 2002	FY2003	FY2004	FY2005	FY2006 (Forecast)
Short-term loans	5,151	5,564	4,845	4,308	5,069
Long-term loans	2,824	3,313	3,184	3,131	2,146
Total	7,976	8,877	8,029	7,439	7,215
Loan-to-asset (ratio)	32.1%	27.1%	19.7%	16.9%	15.5%

I - 9. Inventory



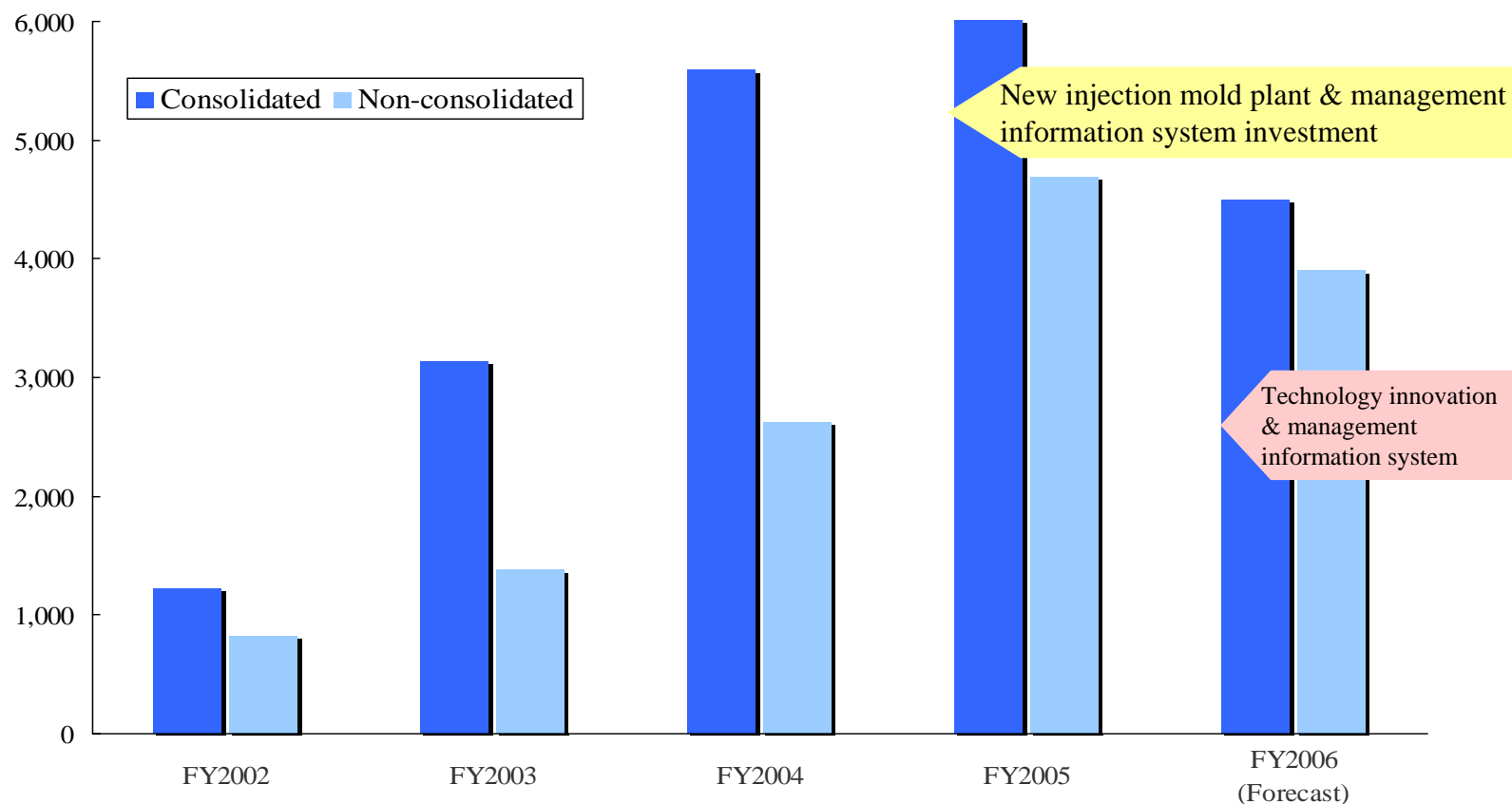
	FY2002	FY2003	FY2004	FY2005	FY2006 (Forecast)
Consolidated					
Inventory	6,969	8,087	8,593	8,026	7,000
Turnover	2.0	1.8	1.6	1.6	1.3

	FY2002	FY2003	FY2004	FY2005	FY2006 (Forecast)
Non-consolidated					
Inventory	5,043	5,644	6,113	4,835	4,100
Turnover	1.6	1.3	1.2	1.1	0.9

Reduce inventory level by implementation of SCM

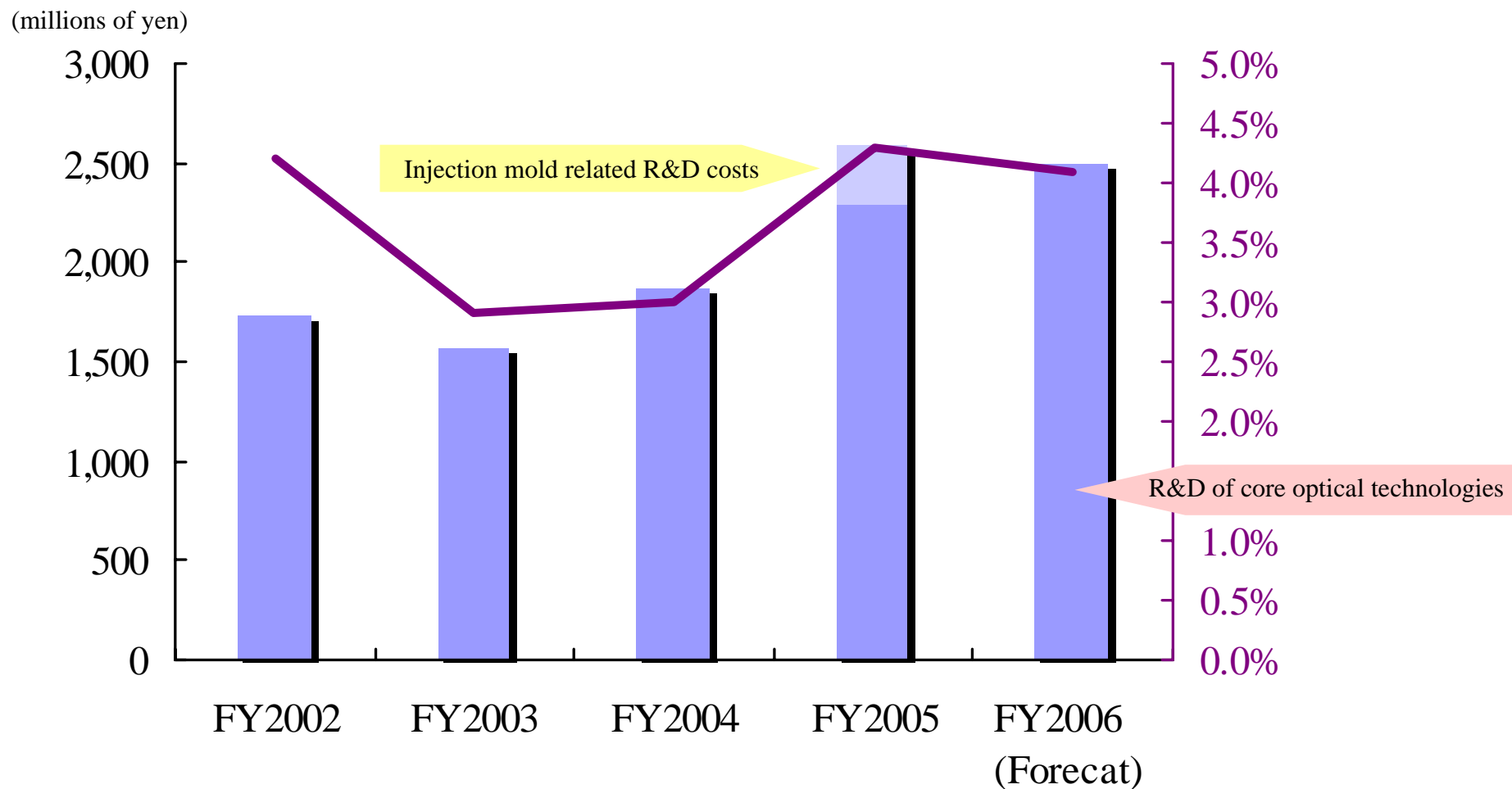
I - 10. Capital Expenditure & Depreciation Costs

(millions of Yen)



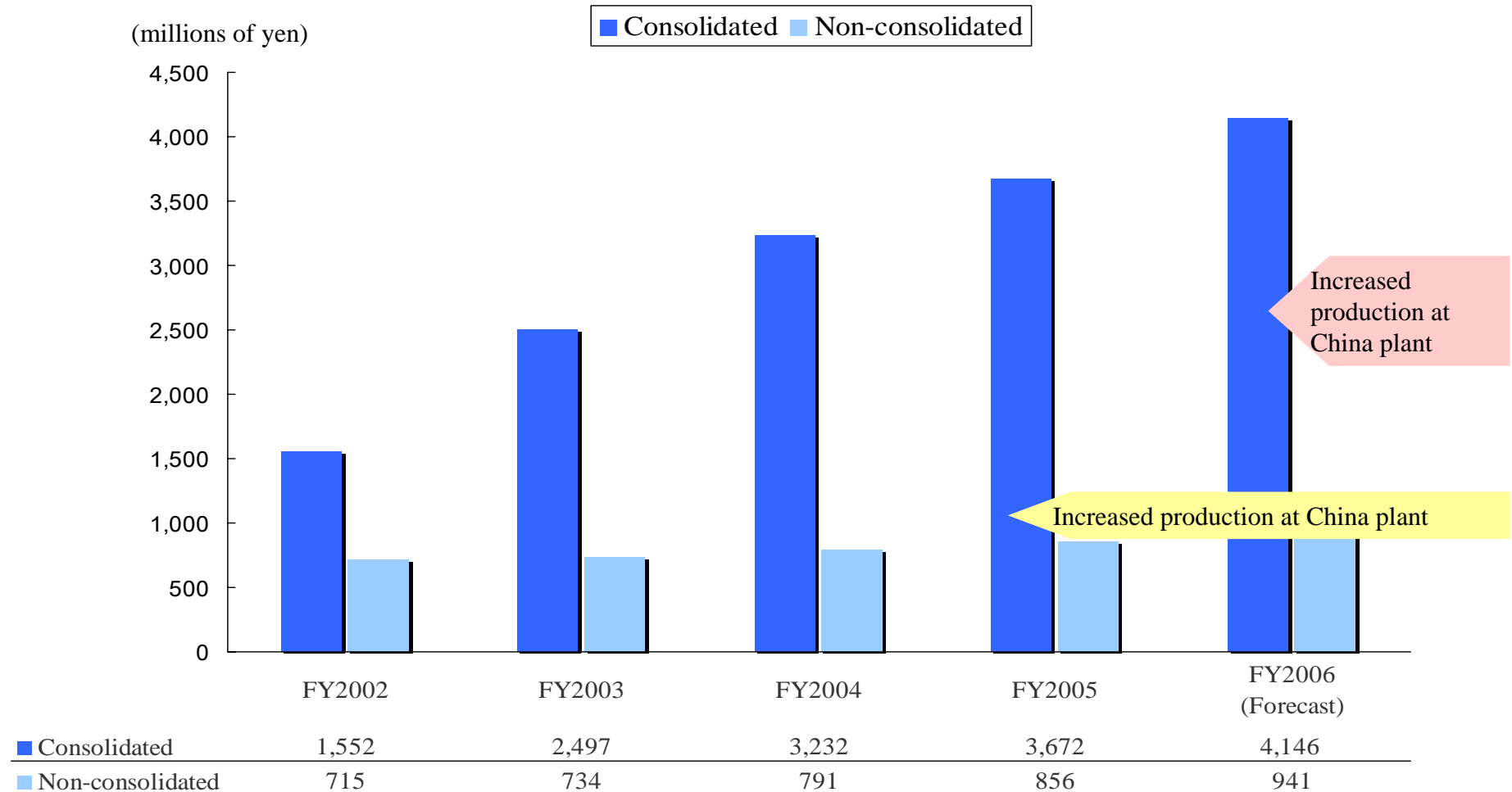
		FY2002	FY2003	FY2004	FY2005	FY2006 (Forecast)
Capital Expenditure	Consolidated	1,220	3,142	5,587	6,017	4,500
	Non-consolidated	823	1,384	2,626	4,693	3,900
Depreciation Costs	Consolidated	1,043	1,070	1,468	2,210	2,700
	Non-consolidated	840	819	1,098	1,664	2,100

I - 11. Research & Development Cost



Consolidated	1,727	1,574	1,870	2,590	2,500
R&D Ratio of Sales	4.2%	2.9%	3.0%	4.3%	4.1%

I - 12. Number of Employees



I -13. Outlook for Cash Dividends

Tamron aspires to maintain a stable profit distribution policy on a long-term basis, rationally reflecting the business performance with considerations given to profitability, management strategy, R&D costs for new business opportunities, and capital investments. As a specific target for our shareholders, we plan to maintain a dividend payout ratio of around 30% (consolidated) on a mid-term basis.

	FY2003	FY2004	FY2005	FY2006 (Forecast)	
Interim	-	15.00 yen	25.00 yen	15.00 yen	
Year End	20.00 yen	25.00 yen	20.00 yen	20.00 yen	
Total	20.00 yen	40.00 yen	45.00 yen	35.00 yen	
Dividend Payout Ratio	7.8%	12.4%	27.7%	28.2%	Consolidated
	8.9%	15.1%	32.4%	31.9%	Non-consolidated

I-14. Topics



Completion of the new injection molding plant (Omiya Headquarters)



Entry into the cellular phone camera lens market



A14 receives the honorable TIPA lens award



Establishment of TAMRON OPTICAL (SHANGHAI) CO., LTD.



II. Mid-Term Strategy

TAMRON
New eyes for industry

II - 1. Corporate Tag Line

New eyes for industry

II - 2. Mid-Term Management Goals for FY 2008

- Net Sales : ¥70,000 million
- Operating Income : ¥7,000 million
(10% or higher operating income ratio)
- Net Income : ¥6,100 million

II - 3. Mid-Term Strategy

Photographic Products	
2008 Mid-Term Target	Net Sales : ¥15,700 million
	<ul style="list-style-type: none"> ❖ Provide a comprehensive range of models for the fast growing digital SLR camera lens market ❖ Concentrate on strengthening OEM business



SP AF18-200mm F/3.5-6.3 XR
Di II LD Aspherical [IF]
MACRO
〔 Model
A14 〕



SP AF11-18mm F/4.5-5.6
Di II LD Aspherical [IF]
〔 Model
A13 〕

II - 3. Mid-Term Strategy

Optical Components

Net Sales : ¥42,690 million

2008
Mid-Term
Target

- ❖ Secure sales volume and profit margin by increasing cost competitiveness in DSC and DVC market
- ❖ To introduce all glass lenses for cellular phone cameras aimed for high mega pixel application with zoom capabilities
- ❖ To maintain our status as an attractive supplier, we will continue to add value to our products through continuous technological innovations



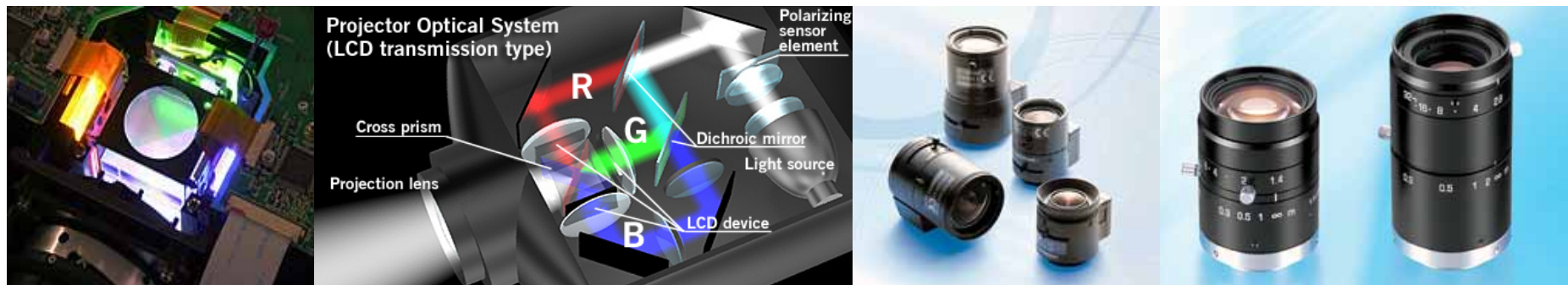
II - 3. Mid-Term Strategy

Commercial / Industrial – use Optics

Net Sales : ¥11,610 million

2008
Mid-Term
Target

- ❖ Strengthen overseas sales of CCTV segment and enhance sales and maximize profit
- ❖ Automotive / iris identification / robotic applications are the fields we will expand market demand for “New eyes”
- ❖ To establish technological foundation and to restructure the projector optical segment into a profitable business



II - 4. Pressing Issues for FY 2006

1. Timely launch of attractive new products by all three business segments pursuant to our corporate tagline “New eyes for industry”
2. Restructuring of RPTV lens components business and expansion of cellular phone camera lens business
3. Research & development of core technologies surrounding optics and corporate-wide campaign drive of augmenting intellectual property strategy
4. Accelerating further cost reduction by improvement in overseas and domestic production and procurement systems
5. Reduction of lead time by virtue of innovation in injection mold process
6. Improvement in profit structure by solidifying group company management system and establishment of group social compliance framework
7. Establishment and operation of internal control system
8. Implementing global management information system for corporate-wide business process innovation and optimization of inventory management
9. Further improvement of cash flow management and consolidated balance sheet
10. Corporate-wide promotion of environmental preservation and protection effectively linked with quality management system inline with ISO activities

Disclaimer

1. The purpose of this material is to provide information on the financial results of FY 2005 and future business strategies. It is not an offer or a solicitation of an offer to buy or sell securities.
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