



The 1st Quarter Financial Results
For the Three Months ended March 31, 2006
(Consolidated)

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The following excerpt from the “The 1st Quarter Financial Results for the Three Months ended March 31, 2006 (Consolidated)” is provided for reference only. The financial results are as of March 31, 2006. The report presented contains forward-looking statements that reflect the management’s current future outlook based on the currently available information. Thus, the forward-looking statements are subject to material difference due to various known and unknown factors.

Financial Summary (Consolidated)

For the 1st Quarter Ended (For the 3 Months ended on 3/31/2006 and 3/31/2005) (Millions of Yen)

	March 31 2006	Change	March 31 2005	Change	December 31 2005
Net Sales	14,309	20.3%	11,893	(6.1%)	59,607
Operating Income	1,177	30.3%	903	(25.7%)	4,803
Ordinary Income	1,121	31.0%	855	(27.5%)	4,225
Net Income	817	41.9%	575	(24.1%)	3,343
Total Assets	44,337		42,223		44,081
Total Shareholder's Equity	28,532		25,214		28,341

* Change represent the % change compared to the same quarter of the previous year

* The financial results of December 31, 2005 is provided for reference purpose only

Per Share Data

(Yen)

	March 31 2006	March 31 2005	December 31 2005
Net Income	28.98 yen	40.83 yen	117.48 yen
Shareholder's Equity	1,011.47 yen	1,787.63 yen	1,003.63 yen

*Two-for-one stock split was effected on August 19, 2005. Thus, net income per share is calculated with the assumption that the stock split was executed at the beginning of the fiscal year, excluding the per share data for the 1Q of 2005.

Cash Flows

(Millions of Yen)

	March 31 2006	March 31 2005	December 31 2005
Cash flow from operating activities	296	(142)	6,707
Cash flow from investing activities	(751)	(1,708)	(5,120)
Cash flow from financing activities	(428)	732	(1,500)
Cash and cash equivalents at the term end	10,613	10,076	11,496

Forecast for FY 2006 (Consolidated) (January 1, 2006 ~ December 31, 2006)

(Millions of Yen)

	Net Sales	Ordinary Income	Net Income
Interim 2006	27,000	2,000	1,400
Fiscal Year 2006	61,000	5,000	3,500

(Reference) Forecasted earnings per share (full year) : 124.07 Yen

Consolidated Balance Sheet (Summary)

(Thousands of Yen)

	March 31 2006	March 31 2005	December 31 2005
Asset			
Current Assets:			
Cash and cash equivalents	10,613,240	10,076,677	11,496,535
Notes and accounts receivable - trade	8,689,602	8,096,103	7,360,264
Inventories	7,733,796	9,591,514	8,026,847
Other current assets	1,530,037	1,351,534	1,663,049
Total Current Assets	28,566,676	29,115,830	28,546,696
Fixed Assets:			
Tangible assets	13,025,513	10,891,147	12,939,972
Intangible assets	1,707,708	1,020,823	1,514,396
Investment and other assets	1,037,492	1,195,719	1,080,492
Total Fixed Assets	15,770,714	13,107,690	15,534,861
Total Assets	44,337,390	42,223,520	44,081,557
Current Liabilities:			
Notes and accounts payable - trade	3,873,139	4,035,159	3,958,531
Short-term loans payable	4,938,047	6,011,409	4,308,409
Income taxes payable	360,860	183,227	214,337
Other current liabilities	3,026,020	2,678,239	3,063,095
Total Current Liabilities	12,198,067	12,908,036	11,544,373
Long-term Liabilities:			
Long-term loans payable	2,498,699	3,084,985	3,131,468
Other long-term liabilities	1,108,025	1,016,459	1,064,432
Total Long-term liabilities	3,606,725	4,101,445	4,195,901
Total Liabilities	15,804,793	17,009,482	15,740,274
Shareholders' Equity			
Common stock	6,923,075	6,923,075	6,923,075
Capital surplus	7,440,327	7,440,327	7,440,327
Retained earnings	14,020,946	11,382,192	13,797,491
Unrealized gain on other marketable securities	241,833	109,188	279,464
Foreign currency translation adjustments	(73,276)	(621,231)	(78,797)
Treasury stock, at cost	(20,309)	(19,513)	(20,278)
Total Shareholders' Equity	28,532,597	25,214,038	28,341,282
Total Liabilities and Shareholders' Equity	44,337,390	42,223,520	44,081,557

Consolidated Statements of Income (Summary)

(Thousands of Yen)

	March 31 2006	March 31 2005	December 31 2005
Net Sales	14,309,944	11,893,897	59,607,175
Cost of Sales	10,728,732	8,935,203	45,099,766
Gross Profit	3,581,211	2,958,694	14,507,408
Selling, general and administrative expenses	2,403,574	2,055,032	9,703,781
Operating Income	1,177,637	903,662	4,803,627
Non-operating Income:			
Interest and dividend income	3,249	1,365	14,485
Other	19,064	23,968	295,846
Total Non-operating Income	22,314	25,334	310,332
Non-operating Expenses:			
Interest expense	39,686	39,756	156,784
Other	38,608	33,329	731,758
Total Non-operating Expense	78,295	73,086	888,543
Ordinary Income	1,121,657	855,909	4,225,416
Extraordinary Profit	-	-	206,465
Income Before Income Tax	1,121,657	855,909	4,431,882
Income Taxes	304,221	279,978	1,088,036
Net Income	817,435	575,930	3,343,845

Consolidated Statements of Cash Flows (Summary)

(Thousands of Yen)

	March 31 2006	March 31 2005	December 31 2005
Cash Flows from Operating Activities:			
Income before income taxes	1,121,657	855,909	4,431,882
Depreciation and amortization	586,451	403,667	2,210,838
(Increase) decrease in trade receivables	(1,521,847)	(119,639)	698,022
(Increase) decrease in inventories	293,020	(925,580)	943,025
Increase (decrease) in trade payables	(81,509)	398,449	295,200
Other - net	115,670	167,730	161,323
Sub-Total	513,442	780,537	8,740,293
Interest and dividend received	3,249	1,365	37,420
Interest paid	(38,771)	(40,065)	(158,610)
Income taxes paid	(181,544)	(883,942)	(1,911,906)
Net cash flow from operating activities	296,376	(142,105)	6,707,197
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	(526,404)	(1,528,867)	(4,860,591)
Other - net	(224,799)	(179,479)	(259,916)
Net cash flow from investing activities	(751,203)	(1,708,346)	(5,120,508)
Cash Flows from Financing Activities			
Net increase (decrease) in short-term loans	521,923	1,152,304	(312,360)
Proceeds from long-term loans	-	350,000	1,550,000
Repayment of long-term loans	(526,031)	(481,852)	(2,036,465)
Dividends paid	(424,075)	(287,944)	(700,910)
Other - net	(30)	(480)	(1,246)
Net cash flow from financing activities	(428,214)	732,025	(1,500,983)
Effect of exchange rate changes on cash and cash equivalents	(252)	50,399	266,124
Net increase (decrease) in cash and cash equivalents	(883,294)	(1,068,027)	351,830
Cash and cash equivalents at the beginning of the year	11,496,535	11,144,704	11,144,704
Cash and cash equivalents at the term end	10,613,240	10,076,677	11,496,535

Business Segment Information

March 31, 2006

(Thousands of Yen)

	Photographic Products	Optical Components	Commercial / Industrial use Optics	Total	Eliminations and/or Corporate	Consolidated
Net Sales						
Outside customer	2,951,135	8,751,391	2,607,417	14,309,944	-	14,309,944
Intersegment sales or transfer	-	-	-	-	-	-
Total	2,951,135	8,751,391	2,607,417	14,309,944	-	14,309,944
Operating Expenses	2,615,554	7,630,184	2,444,173	12,689,912	442,394	13,132,306
Operating Income	335,581	1,121,206	163,243	1,620,031	(442,394)	1,177,637

March 31, 2005

(Thousands of Yen)

	Photographic Products	Optical Components	Commercial / Industrial use Optics	Total	Eliminations and/or Corporate	Consolidated
Net Sales						
Outside customer	2,470,927	7,422,825	2,000,144	11,893,897	-	11,893,897
Intersegment sales or transfer	-	-	-	-	-	-
Total	2,470,927	7,422,825	2,000,144	11,893,897	-	11,893,897
Operating Expenses	2,337,543	6,301,926	1,966,999	10,606,469	383,765	10,990,235
Operating Income	133,384	1,120,898	33,144	1,287,428	(383,765)	903,662

Business Segment Classification:

Business Segment	Main Business
Photographic Products	Interchangeable lenses for 35mm SLR and digital SLR cameras, related accessories
Optical Components	Camcorder lenses, digital still camera lenses, cellular phone camera lenses
Commercial / Industrial-use Optics	Lenses for CCTV cameras, projection lenses, test plates, high-precision molds, injection-molded parts & components, optical device units

Geographical Segment Information

March 31, 2006

(Thousands of Yen)

	Japan	North America	Europe	Asia	Total	Eliminations and/or Corporate	Consolidated
Net Sales							
Outside customer	11,980,721	1,101,101	645,742	582,378	14,309,944	-	14,309,944
Intersegment sales or transfer	1,387,981	-	-	5,251,404	6,639,386	(6,639,386)	-
Total	13,368,703	1,101,101	645,742	5,833,783	20,949,330	(6,639,386)	14,309,944
Operating Expenses	12,218,552	1,049,173	640,540	5,426,022	19,334,288	(6,201,982)	13,132,306
Operating Income	1,150,151	51,928	5,201	407,760	1,615,041	(437,403)	1,177,637

March 31, 2005

(Thousands of Yen)

	Japan	North America	Europe	Asia	Total	Eliminations and/or Corporate	Consolidated
Net Sales							
Outside customer	10,021,714	889,306	502,574	480,301	11,893,897	-	11,893,897
Intersegment sales or transfer	944,911	-	-	2,976,354	3,921,266	(3,921,266)	-
Total	10,966,626	889,306	502,574	3,456,656	15,815,164	(3,921,266)	11,893,897
Operating Expenses	9,940,930	864,670	500,882	3,263,465	14,569,948	(3,579,713)	10,990,235
Operating Income	1,025,696	24,636	1,692	193,191	1,245,215	(341,553)	903,662

<Principal markets in the above designated areas>

North America: U.S.A

Europe: Germany, France

Asia: Hong Kong, China

Country and regional segments are classified on the basis of geographic proximity

Overseas Sales

March 31, 2006

(Thousands of Yen)

	North America	Europe	Asia	Total
Overseas Sales	1,132,484	925,382	3,732,870	5,790,737
Consolidated Sales				14,309,944
Percentage of consolidated sales(%)	7.9%	6.5%	26.1%	40.5%

March 31, 2005

(Thousands of Yen)

	North America	Europe	Asia	Total
Overseas Sales	920,913	766,791	865,557	2,553,262
Consolidated Sales				11,893,897
Percentage of consolidated sales(%)	7.7%	6.4%	7.3%	21.5%

<Principal markets in the above designated areas>

North America: U.S.A, Canada

Europe: Germany, France, UK, and other Northern European countries

Asia: Hong Kong, China, and other Asian countries

Country and regional segments are classified on the basis of geographic proximity

Overseas sales represent those of Tamron Co., Ltd. and consolidated companies in countries and regions other than Japan.