TAMRON

New eyes for industry

Annual Report 2011

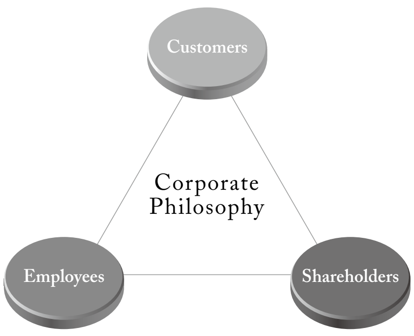
MISSION

We at Tamron are advancing into the 21st century with our corporate philosophy to guide our mission.

Corporate Philosophy

With its firm commitment to developing high-quality, innovative and technologically advanced products that satisfy customer needs, Tamron is securing a leading position in the worldwide optical industry.

Our primary objective is to sustain strong corporate growth based on a high level of customer satisfaction achieved by providing superior products at the right price, thus also contributing to the prosperity of our shareholders and employees.



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Note: In the 2011 annual report, amounts of less than the unit indicated, for example, one million yen or one thousand dollars, have been omitted.

It is my pleasure to present a report on our business and financial performance for the fiscal year ended December 31, 2011.

Reflecting the global economic conditions throughout the year 2011, a moderate yet steady increase in consumer spending supported by the recovery of employment position in the United States and the continued growth in China as well as emerging countries contributed to bringing the overall economic activities back on track. However, toward the latter half of the year, the sovereign debt crisis in Europe cast a cloud over the world economy, revealing its vulnerability and uncertainty across the board.

Japanese economy remained somewhat sluggish caused by an extensive disruption of productions resulting from the flood in Thailand, and to top it off the unprecedented appreciation of Japanese Yen presented quite a significant challenge to the entire economy that was on the way to a recovery resurrecting from the Great East Japan Earthquake.

As for the compact digital still camera market, to which Tamron and group companies are catering, losses were sustained both in terms of unit and value over the same period of last year. On the other hand, shipment of Digital SLR camera posted a double digit growth in volume year on year, which provided favorable market conditions for the interchangeable lenses. Despite the negative influences generated by the Great East Japan Earthquake and the flood in Thailand, sales in this segment posted a strong growth following on the trend from preceding years.

Under those circumstances, Tamron and its group companies posted year-on-year increases both in net sales and profit. In photographic product segment, overseas subsidiaries achieved a remarkable growth in profit overcoming the losses sustained by the hike of Japanese Yen against all major currencies. Annual revenue in sales increased by 3.3% over the same period of last fiscal term to ¥58,507 million, operating income increased by 4.2% to ¥5,687 million, ordinary income increased 4.1% to ¥5,702 million and net income increased 3.1% to ¥3,804 million respectively.

Year-end dividend was ¥30 per share. As a result, annual dividend per share amounted to ¥50 (interim dividend ¥20 included) and its payout ratio reached to 36.1%.

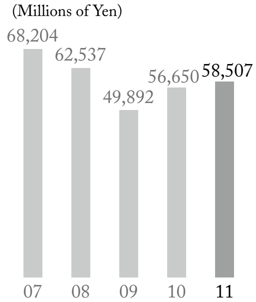
We would appreciate your continued support and patronage in the future.

President & CEO
Morio Ono

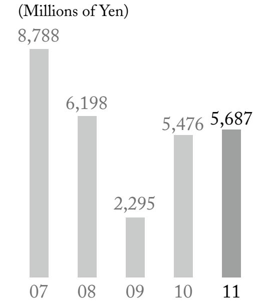
	Millions of Yen					Thousands of U.S. Dollars
Years ended December 31	**2011**	2010	2009	2008	2007	**2011**
For the Year:						
Net sales	**¥ 58,507**	¥ 56,650	¥ 49,892	¥ 62,537	¥ 68,204	**$733,179**
Operating income	**5,687**	5,476	2,295	6,198	8,788	**71,275**
Income before income taxes	**5,427**	5,492	1,112	4,337	7,642	**68,012**
Net income	**3,804**	3,689	642	3,029	4,772	**47,680**
At Year-End:						
Total assets	**¥ 51,898**	¥ 50,120	¥ 47,391	¥ 49,176	¥ 52,151	**$650,355**
Net assets	**36,134**	33,996	32,929	33,126	35,261	**452,810**
Number of employees	**6,005**	7,198	5,472	5,571	5,064	—
	Yen					U.S. Dollars
Per Share Data:						
Net income	**¥ 138.61**	¥ 134.40	¥ 23.41	¥ 108.41	¥ 169.19	**$ 1.73**
Shareholders' equity	**1,316.33**	1,238.45	1,199.58	1,206.77	1,250.02	**16.49**
Cash dividends	**50.00**	50.00	40.00	50.00	50.00	**0.62**

Note: U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥79.80=US$1.

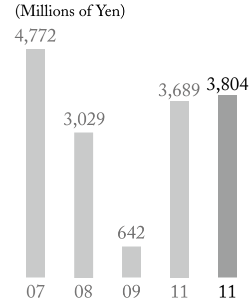
NET SALES
(Millions of Yen)



OPERATING INCOME
(Millions of Yen)



NET INCOME
(Millions of Yen)

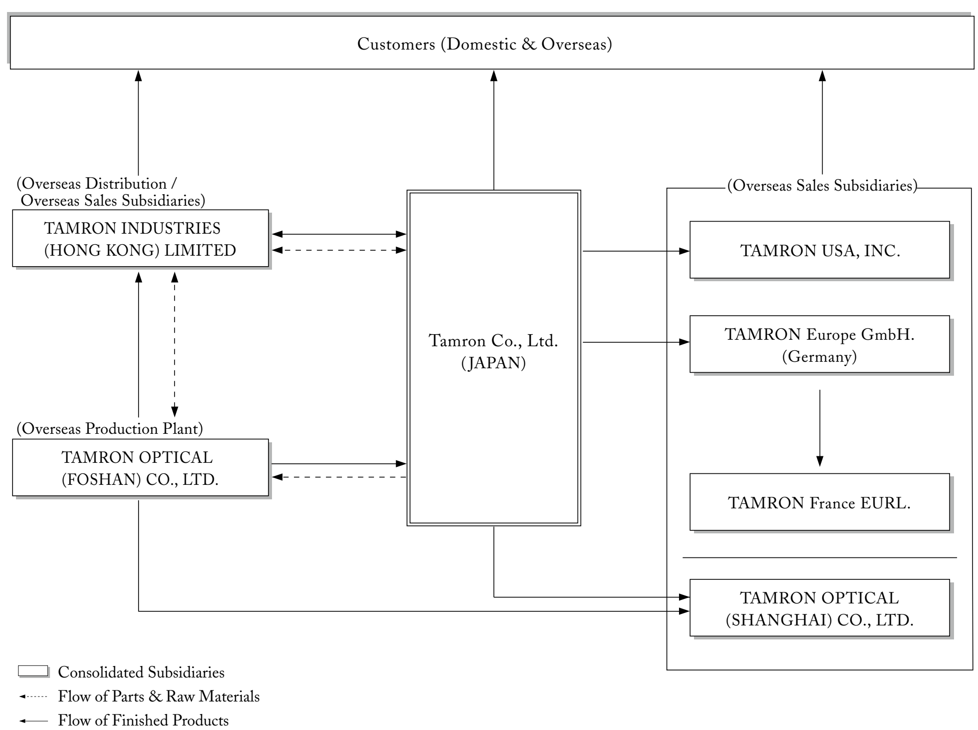


Tamron group comprise Tamron Co., Ltd. (Japan) and six other subsidiaries. Main business drivers are the following three segments, Photographic Products, Optical Components, and Commercial/Industrial-use Optics.

The details of the business segments are as follows.

Business Segment	Main Business	Related Business Groups
Photographic Products	Interchangeable lenses for SLR camera	Tamron Co., Ltd. TAMRON USA, INC. TAMRON Europe GmbH. TAMRON France EURL. TAMRON INDUSTRIES (HONG KONG) LIMITED TAMRON OPTICAL (FOSHAN) CO., LTD. TAMRON OPTICAL (SHANGHAI) CO., LTD.
Optical Components	Camcorder lenses Digital still camera lenses Cellular phone camera lenses Optical device units	Tamron Co., Ltd. TAMRON INDUSTRIES (HONG KONG) LIMITED TAMRON OPTICAL (FOSHAN) CO., LTD. TAMRON OPTICAL (SHANGHAI) CO., LTD.
Commercial/Industrial-use Optics	Lenses for CCTV cameras Automotive lenses	Tamron Co., Ltd. TAMRON USA, INC. TAMRON Europe GmbH. TAMRON INDUSTRIES (HONG KONG) LIMITED TAMRON OPTICAL (FOSHAN) CO., LTD. TAMRON OPTICAL (SHANGHAI) CO., LTD.

Overview of the relationships and the flow of products, and parts & raw materials are as illustrated below.



NUMBER OF EMPLOYEES

The total number of employees on consolidated basis at the term end decreased by 1,193 persons to 6,005 persons compared with the previous year. This decrease was attributed to the adjustment of production capacity of photographic lenses in our factory in China. The employees on non-consolidated basis increased 12 persons to 1,067 persons.

In this Annual Report, "Tamron," "the Company," "we," "us," "our" or "ours" mean Tamron Co., Ltd. and consolidated subsidiaries unless otherwise specified.

Operating Result

Term Overview

In fiscal year 2011, net sales increased 3.3% to ¥58,507 million, a year-on-year increase of ¥1,857 million despite the negative impacts of the strong yen and unprecedented flood in Thailand.

Gross profit increased 3.5% to ¥19,625 million, a year-on-year increase of ¥667 million.

Operating income increased 4.2% to ¥5,687 million, a year-on-year increase of ¥231 million. Increased year-on-year sales and profit are achieved.

Non-operating income decreased by ¥63 million to ¥238 million. Non-operating expenses increased by ¥69 million to ¥224 million.

Income before income tax decreased 1.2% to ¥5,427 million, a year-on-year decrease of ¥65 million mainly due to the ordinary income increased by ¥84 million and special loss increased by ¥374 million. As a result, net income increased 3.1% to ¥3,804 million, a year-on-year increase of ¥115 million.

Cash Flow

Cash and cash equivalents at the term end totaled ¥12,773 million, a year-on-year decrease of ¥1,776 million.

Net cash provided by operating activities totaled ¥8,031 million, a year-on-year increase of ¥4,469 million consisted of net income before income tax totaling ¥5,427 million, depreciation and amortization totaling ¥3,257 million, ¥1,025 million for inventories and ¥1,130 million for tax payment, etc.

Net cash used in investing activities totaled ¥4,679 million, a year-on-year increase ¥1,671 million, mainly due to the purchase of property, plant and equipment amounted to ¥4,130 million.

Net cash outflow from financing activities totaled ¥1,486 million, a year-on-year increase ¥596 million, consisted of proceeds from long-term loans payable totaling ¥1,570 million, repayment of long-term loans payable totaling ¥1,218 million and the disbursement of dividends of ¥1,375 million.

Long-Term Management Goals

1. Enhancing corporate governance based on CSR management system coupled with internal control and risk management.
2. Pursuing improved quality assurance reliability and enhancing the quality of customer service aimed at delivering higher customer satisfaction coupled with "Three-Day Turnaround" for repairs.
3. Aim to enhance brand recognition and sales expansion by establishing subsidiaries in growing markets, deploying strategic marketing.
4. Poised at materializing further cost reduction and to meet future demand increases by establishment of additional production facilities.
5. Promotion of new business development, pioneering more aspects of "New eyes for industry"
6. Enhancement in R&D activities in core technology development revolving around optics and taking proactive stance in IP strategy.

Business & Other Risks

Items listed in this annual report regarding business and financial conditions that may potentially impact investor decisions are including but not limited to the following risk factors. Forward-looking statements contained herein are based upon judgments made by the Company as of March 29, 2011.

1. Reliance on a Few Selected Customers

A high degree of Company's sales depends on a Sony group company approximately 27% (FY2011) of our net sales (consolidated). Consequently, in case of a change in the business strategies and directions by the client, it could impact the overall performance of the company.

2. Expanding Business Segments and Entering New Businesses

The Company plans to expand the scope of its business by automotive application and Far-IR cameras. Because of the anticipated growth of those business segments, several companies are expected to come into play, which will cause severe price competition as well as putting continuous pressure for technological innovation, coping with rapid changes in the customers' needs.

3. Procurement of Raw and Other Materials

While the Company has numerous sources from which to procure most of the necessary raw materials and parts it requires, in the case of glass materials, the Company relies on a limited number of suppliers. As a results, if for various reasons raw materials and other parts cannot be obtained according to plans regarding volume or price, the Company may have difficulty achieving its planned production volume. In such cases, the Company may not be able to fulfill delivery obligations to its customers, which in turn may affect results.

4. Defective Products

All of the Company's domestic and overseas development and production facilities have obtained ISO19001 certification for quality management system and ISO14001 certification for environmental management systems, indicating the Company's excellent framework regarding quality assurance. However, the Company cannot fully guarantee that no product may at some future point be subject to a recall or product liability case. In the event that the defective product is the object of a large-scale recall or product liability case, significant expenses could be incurred, or serious damage could be done to the Company's credibility. In such case, the Company results may be affected.

5. Risk Surrounding Overseas Subsidiaries

The Company owns sales outlets in the United Sates, Germany, France, and in Shanghai (China). A distribution and sales company in Hong Kong, and a production company in Foshan, China.

Following is a list of several inherent risks arising from the Company's activities in overseas markets. In cases where such events occur, the Company results may be affected thereby.

(1) Unexpected changes to laws and regulations
(2) Unexpected and unfavorable changes in political or economic conditions
(3) Unfavorable changes in tax policies or tax rates
(4) Terrorism, war, natural disaster, epidemics or other factors contributing to social upheaval

6. Concentration of Domestic Production Facilities in Aomori Prefecture

The Company's three production facilities in Japan are concentrated in the Tsugaru region of Aomori Prefecture. In the event of an earthquake or other natural disaster, the Company's production facilities could be damaged, and production operations may be severely impacted.

7. Intellectual Property

In order to avoid difficulties surrounding intellectual property, the Company conducts surveys and negotiations, and actively applies for intellectual property rights. At present, there are no instances in which the Company is thought to be in violation of another party's intellectual property rights. However, this does not indicate that the risk of being caught up in litigations at some future point is nonexistent. In the event of unfavorable litigation, fiscal results may be affected.

8. Environmental Regulations

The Company has implemented an environmental management system that conforms to ISO environmental standards, and is working actively to implement environmental reforms.

Regarding the ground contamination found during the voluntary investigation conducted December 2005 at the Company's head office, the Company completed the construction which it proposed to Saitama City in its "Plan to Halt the Spread of Groundwater Contamination."

The Company conducted survey at other domestic facilities such as Hirosaki plant, Namioka plant, and Owani plant has been confirmed that all domestic facility environment is accordance with environmental regulation levels. However, as environmental laws and regulations are revised, the Company may discover instances of violations under new regulations. In such cases, Company results may be affected by related clean-up costs.

9. Disposal of Inventories and Valuation Loss

The Company makes every effort to be thorough in quality control of products and parts, compliance with environmental standards, and inventory management. However, changes in environmental standards, market and technology trends, rapid transitions in product life cycles and other factors may lead to unavoidable variations in the valuation of products and partially finished goods. As a result, the Company may need to dispose of inventories, expense valuation losses to income, and adopt other measures. In such cases, the Company's results may be affected.

10. Impact of Currency Exchange Fluctuation

Transactions between the Company and its overseas subsidiaries and with certain domestic and overseas customers are conducted either in full or in part in foreign currencies. Fluctuations in currency exchange rates affect the competitiveness of the Company's products in foreign markets and the profitability of its exports. Accordingly, the Company's results may be affected.

11. Research and Development Costs

The Company is investing in new technology for further expansion of our business and we will continue to invest in R&D. However, some R&D projects may not progress as planned, or the Company's new technology may be eclipsed by some other technology introduced by our competitors in the market. In such cases, recovering the investment may pose a problem, consequently affecting the Company results.

Research and Development

During the term under review total R&D expenses amounted to ¥3,304 million, resulting mainly from development of new interchangeable lenses for digital SLR cameras and new lenses for digital still cameras, camcorders and surveillance camera lenses as well as development of lenses for automotive application and Far-IR camera for future business expansion.

As for Photographic Products business, we proceeded development of high speed standard zoom for 35mm full size sensor with image stabilizer as the world-first and ultrasonic motor which was 24-70mm F2.8 VC USD (Model A007). Also, Tamron achieved full-scale entry into mirror less market by light and compact high power zoom, 18-200mm VC (Model B011) for Sony "E mount." As a result, R&D expenses for Photographic Products business totaled ¥1,490 million.

R&D expenses for Optical Component business totaled ¥1,171 million, mainly used for the development of high power zoom lenses and vibration compensation functions with high megapixel imager.

In Commercial/industrial-use Optics business, we launched vari-focal IR lenses with high megapixel imager in all ranges of visible and near-infrared light regions and for all-in-one camera with digital zoom and focus. As the result, R&D expenses for Commercial/industrial-use Optics business totaled ¥642 million.

Capital Investment

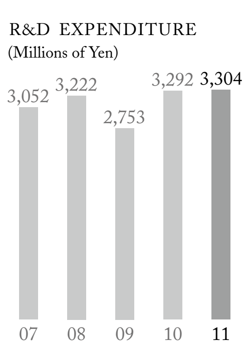
Consolidated capital investment amounted to ¥4,386 million mainly due to the acquisition of machining equipment to enhance in-house production of key parts and components in TAMRON OPTICAL (FOSHAN) CO., LTD in China as well as an increase in the production of injection molds to support new product development.

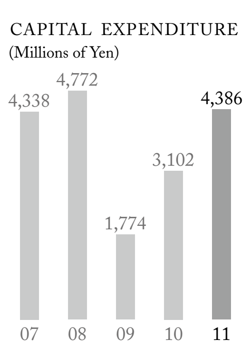
Capital investment for Photographic Products business totaled ¥2,772 million, reflecting major investment in injection molds for new interchangeable lenses for digital SLR cameras.

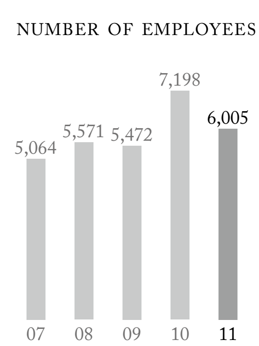
That for Optical Components business totaled ¥964 million, reflecting major investment in injection molds and production equipment for digital still camera lenses.

That for Commercial/Industrial-use Optics business totaled ¥581 million reflecting mainly investment in injection molds to support new product development for CCTV camera lenses in line with the expansion of security and surveillance market.

There is no sale or retirement of great importance in fiscal year 2011.

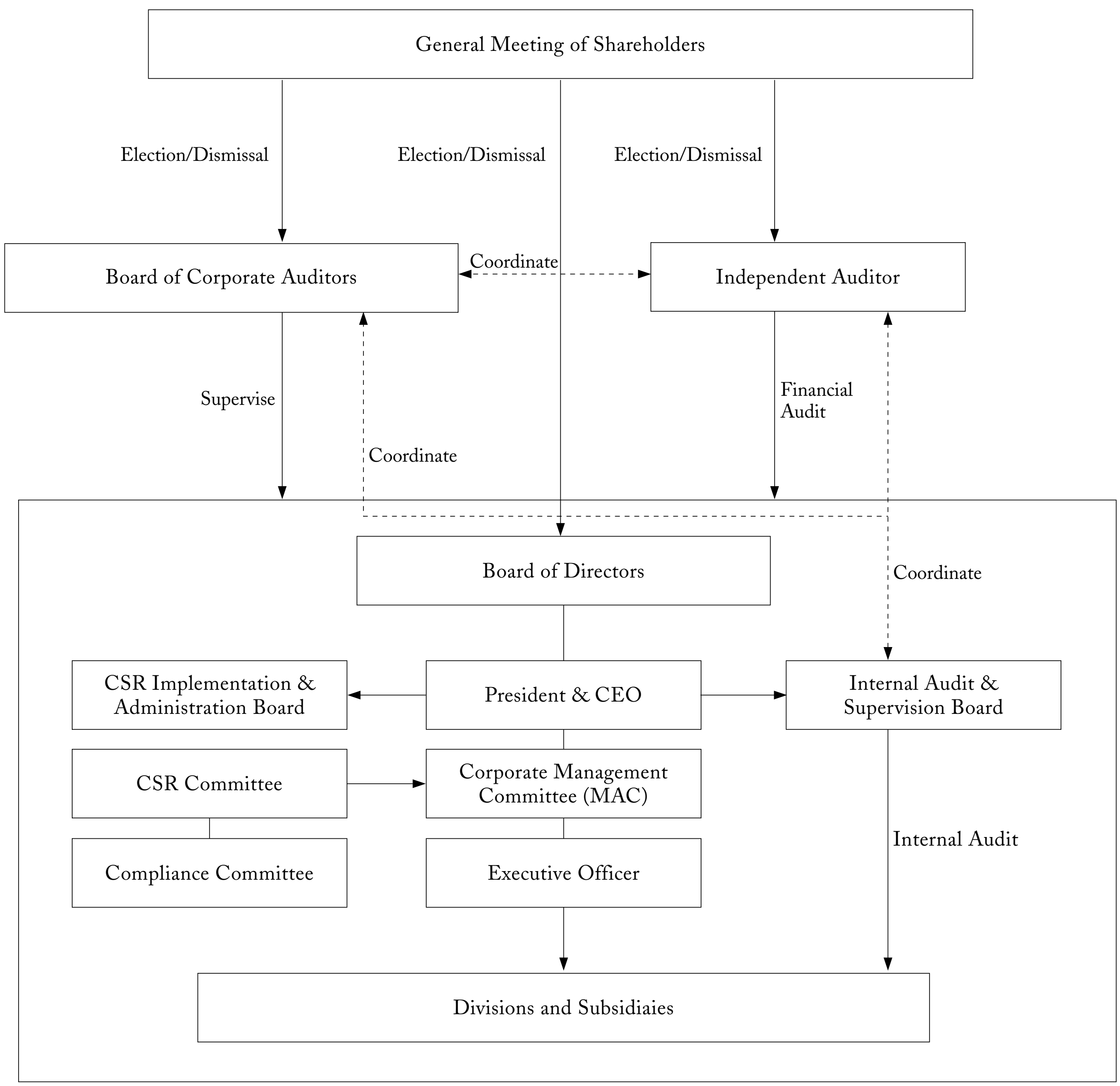






We at Tamron upholding our corporate brand message of "New Eyes for Industry" and pursuing our corporate philosophy, are committed to respecting the rights and equality of shareholders, and maintaining good relationship with all stakeholders through fair and transparent management.

Corporate governance structure is as illustrated below.



CONSOLIDATED STATEMENTS OF INCOME

Tamron Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars
Years ended December 31	2011	2010	2011
Net sales	¥58,507	¥56,650	$733,179
Cost of sales	38,882	37,692	487,248
Gross profit	19,625	18,958	245,930
Selling, general and administrative expenses:			
Advertising expenses	1,125	964	14,108
Promotion expenses	828	647	10,384
Provision of allowance for doubtful accounts	16	8	201
Salaries and bonuses	3,114	3,045	39,032
Provision for directors' bonuses	—	143	—
Retirement benefit expenses	125	96	1,572
Technical research expenses	3,241	3,209	40,615
Other	5,485	5,385	68,739
Total selling, general and administrative expenses	13,937	13,501	174,655
Operating income	5,687	5,456	71,275
Non-operating income:			
Interest income	22	19	283
Dividends income	29	17	367
Foreign exchange gains	83	25	1,051
Other	102	112	1,284
Total non-operating income	238	175	2,986
Non-operating expenses:			
Interest expenses	125	105	1,572
Loss on retirement of noncurrent assets	51	43	642
Other	47	6	591
Total non-operating expense	224	155	2,808
Ordinary income	5,702	5,476	71,453
Extraordinary income:			
Insurance income	79	—	993
Reversal of allowance for doubtful accounts	21	16	264
Total extraordinary income	100	16	1,257
Extraordinary loss:			
Loss on retirement of noncurrent assets	74	—	939
License fee for prior periods	300	—	3,759
Total extraordinary loss	374	—	4,698
Income before income taxes and minority interests	5,427	5,492	68,012
Income taxes–current	1,855	971	23,249
Refund of income taxes	(2)	(38)	(26)
Income taxes–deferred	(230)	869	(2,890)
Total income taxes	1,622	1,803	20,332
Income before minority interests	3,804	—	47,680
Net income	¥ 3,804	¥ 3,689	$47,680

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Tamron Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars
Years ended December 31	2011	2010	2011
Income before minority interests	¥3,804	—	$47,680
Other comprehensive income			
Net change in unrealized gain (loss) on investment securities	(90)	—	(1,136)
Foreign currency translation adjustments	(203)	—	(2,554)
Total other comprehensive income	(294)	—	(3,690)
Comprehensive income	3,510	—	43,989
Comprehensive income attributable to owners of the parent	3,510	—	43,989

The accompanying notes are an integral part of these statements.

Tamron Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars
As of December 31	**2011**	2010	**2011**
ASSETS			
Current assets:			
Cash and deposits	**¥12,773**	¥10,996	**$160,062**
Notes and accounts receivable–trade	**12,535**	14,588	**157,089**
Finished goods	**5,424**	4,816	**67,979**
Work in process	**2,628**	2,300	**32,941**
Raw materials and supplies	**953**	992	**11,952**
Deferred tax assets	**450**	166	**5,650**
Other	**600**	737	**7,522**
Allowance for doubtful accounts	**(35)**	(58)	**(443)**
Total current assets	**35,331**	34,541	**442,755**
Noncurrent assets:			
Property, plant and equipment			
Buildings and structures	**8,379**	8,162	**105,004**
Accumulated depreciation	**(4,849)**	(4,563)	**(60,774)**
Buildings and structures, net	**3,529**	3,598	**44,229**
Machinery, equipment and vehicles	**14,325**	12,861	**179,516**
Accumulated depreciation	**(8,608)**	(7,736)	**(107,877)**
Machinery, equipment and vehicles, net	**5,716**	5,125	**71,638**
Tools, furniture and fixtures	**14,822**	13,498	**185,748**
Accumulated depreciation	**(12,539)**	(11,287)	**(157,142)**
Tools, furniture and fixtures, net	**2,282**	2,210	**28,605**
Land	**987**	751	**12,371**
Other	**851**	524	**10,666**
Total property, plant and equipment	**13,367**	12,210	**167,512**
Intangible assets	**620**	737	**7,774**
Investments and other assets			
Investment securities	**1,320**	1,171	**16,546**
Deferred tax assets	**580**	576	**7,280**
Other	**729**	932	**9,136**
Allowance for doubtful accounts	**(51)**	(48)	**(649)**
Total investments and other assets	**2,578**	2,632	**32,313**
Total noncurrent assets	**16,566**	15,579	**207,599**
Total assets	**¥51,898**	¥50,120	**$650,355**

The accompanying notes are an integral part of these statements.

As of December 31	Millions of Yen 2011	Millions of Yen 2010	Thousands of U.S. Dollars 2011
LIABILITIES			
Current liabilities:			
Accounts payable–trade	**¥ 3,731**	¥ 4,769	**$ 46,757**
Short-term loans payable	**4,493**	5,086	**56,314**
Income taxes payable	**995**	323	**12,472**
Provision for directors' bonuses	**—**	143	**—**
Other	**3,316**	2,962	**41,557**
Total current liabilities	**12,536**	13,284	**157,102**
Noncurrent liabilities:			
Long-term loans payable	**1,836**	1,442	**23,017**
Provision for retirement benefits	**1,109**	1,127	**13,898**
Other	**281**	269	**3,525**
Total noncurrent liabilities	**3,227**	2,839	**40,441**
Total liabilities	**15,764**	16,124	**197,544**
NET ASSETS			
Shareholders' equity:			
Capital stock	**6,923**	6,923	**86,755**
Capital surplus	**7,432**	7,440	**93,136**
Retained earnings	**24,788**	23,788	**310,638**
Treasury stock	**(81)**	(1,521)	**(1,016)**
Total shareholders' equity	**39,063**	36,630	**489,513**
Accumulated other comprehensive income:			
Unrealized gain (loss) on investment securities	**(25)**	65	**(320)**
Foreign currency translation adjustments	**(2,903)**	(2,699)	**(36,381)**
Total accumulated other comprehensive income	**(2,928)**	(2,634)	**(36,702)**
Total net assets	**36,134**	33,996	**452,810**
Total liabilities and net assets	**¥51,898**	¥50,120	**$650,355**

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Tamron Co., Ltd. and Consolidated Subsidiaries

Year ended December 31	Millions of Yen Stockholders' equity Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance of December 31, 2010	¥6,923	¥7,440	¥23,788	¥(1,521)	¥36,630
Changes in term					
Dividends from surplus			(1,372)		(1,372)
Net income			3,804		3,804
Purchase of treasury stock					—
Disposal of treasury stock		(8)	(1,432)	1,440	—
Net change of items other than stockholders' equity					
Total change in the term	—	(8)	1,000	1,440	2,432
Balance of December 31, 2011	**¥6,923**	**¥7,432**	**¥24,788**	**¥ (81)**	**¥39,063**

Year ended December 31	Millions of Yen Changes in accumulated other comprehensive income Unrealized gain (loss) on investment securities	Foreign currency translation adjustments	Total accumulated other comprehensive income	Total net assets
Balance of December 31, 2010	¥ 65	¥(2,699)	¥(2,634)	¥33,996
Changes in term				
Dividends from surplus				(1,372)
Net income				3,804
Purchase of treasury stock				—
Net change of items other than stockholders' equity	(90)	(203)	(294)	(294)
Total change in the term	(90)	(203)	(294)	2,137
Balance of December 31, 2011	**¥(25)**	**¥(2,903)**	**¥(2,928)**	**¥36,134**

Year ended December 31	Thousands of U.S. Dollars Stockholders' equity Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance of December 31, 2010	$86,755	$93,237	$298,106	$(19,065)	$459,033
Changes in term					
Dividends from surplus			(17,199)		(17,199)
Net income			47,680		47,680
Purchase of treasury stock					—
Disposal of treasury stock		(100)	(17,948)	18,048	—
Net change of items other than stockholders' equity					
Total change in the term	—	(100)	12,532	18,048	30,480
Balance of December 31, 2011	**$86,755**	**$93,136**	**$310,638**	**$ (1,016)**	**$489,513**

Year ended December 31	Thousands of U.S. Dollars Changes in accumulated other comprehensive income Unrealized gain (loss) on investment securities	Foreign currency translation adjustments	Total accumulated other comprehensive income	Total net assets
Balance of December 31, 2010	$ 815	$(33,827)	$(33,012)	$426,020
Changes in term				
Dividends from surplus				(17,199)
Net income				47,680
Purchase of treasury stock				—
Net change of items other than stockholders' equity	(1,136)	(2,554)	(3,690)	(3,690)
Total change in the term	(1,136)	(2,554)	(3,690)	26,790
Balance of December 31, 2011	**$ (320)**	**$(36,381)**	**$(36,702)**	**$452,810**

The accompanying notes are an integral part of these statements.

Tamron Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars
Years ended December 31	**2011**	2010	**2011**
Cash flows from operating activities:			
Income before income taxes and minority interests	**¥ 5,427**	¥ 5,492	**$ 68,012**
Depreciation and amortization	**3,257**	3,292	**40,815**
Increase (decrease) in provision for directors' bonuses	**(143)**	133	**(1,798)**
Decrease in provision for retirement benefits	**(2)**	(30)	**(26)**
Interest and dividend income	**(51)**	(37)	**(650)**
Interest expense	**125**	105	**1,573**
Loss on retirement of property, plant and equipment	**126**	43	**1,582**
Decrease (increase) in notes and accounts receivable–trade	**1,858**	(5,606)	**23,291**
Increase in inventories	**(1,025)**	(1,682)	**(12,847)**
Increase (decrease) in notes and accounts payable–trade	**(934)**	1,465	**(11,715)**
Other–net	**595**	653	**7,466**
Sub total	**9,233**	3,829	**115,703**
Interest and dividend income received	**51**	37	**651**
Interest expenses paid	**(125)**	(107)	**(1,567)**
Income taxes paid	**(1,130)**	(737)	**(14,168)**
Income taxes refund	**2**	540	**26**
Net cash provided by operating activities	**8,031**	3,562	**100,645**
Cash flows from investing activities:			
Purchases of property, plant and equipment	**(4,130)**	(2,899)	**(51,766)**
Purchase of intangible assets	**(259)**	(95)	**(3,249)**
Purchase of investment securities	**(300)**	(1)	**(3,768)**
Proceeds from sales of investment securities	**0**	0	**1**
Payments of loans receivable	**(4)**	(3)	**(51)**
Collection of loans receivable	**5**	7	**70**
Other–net	**9**	(17)	**120**
Net cash used in investing activities	**(4,679)**	(3,008)	**(58,643)**
Cash flows from financing activities:			
Net decrease in short-term loans payable	**(462)**	—	**(5,793)**
Proceeds from long-term loans payable	**1,570**	1,659	**19,674**
Repayment of long-term loans payable	**(1,218)**	(1,314)	**(15,275)**
Purchase of treasury stock	**—**	(0)	**—**
Cash dividends paid	**(1,375)**	(1,234)	**(17,230)**
Other–net	**(0)**	(0)	**(7)**
Net cash used in financing activities	**(1,486)**	(890)	**(18,632)**
Effect of exchange rate changes on cash and cash equivalents	**(88)**	(553)	**(1,104)**
Net increase (decrease) in cash and cash equivalents	**1,776**	(890)	**22,265**
Cash and cash equivalents at beginning of year	**10,996**	11,887	**137,797**
Cash and cash equivalents at the end of year	**¥12,773**	¥10,996	**$160,062**

The accompanying notes are an integral part of these statements.

BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The financial statements of Tamron Co., Ltd. (the "Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law and Corporate Law and in conformity with accounting principles generally accepted in Japan. Therefore, application and disclosure requirements are different from International Financial Reporting Standards in certain respects.

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥79.80 = US$1 prevailing on December 31, 2011 has been used in translating the consolidated financial statements expressed in Japanese yen into U.S. dollars. Such translations should not be construed as representations that the Japanese yen amounts could be readily converted, realized or settled in U.S. dollars at this rate.

1. Scope of Consolidation

All subsidiaries are consolidated.
Number of consolidated subsidiaries: 6
TAMRON USA, Inc.
TAMRON Europe GmbH.
TAMRON France EURL.
TAMRON INDUSTRIES (HONG KONG) LIMITED
TAMRON OPTICAL (FOSHAN) CO., LTD.
TAMRON OPTICAL (SHANGHAI) CO., LTD.

2. Application of the Equity Method

The Company does not have any unconsolidated or affiliated companies, accordingly, the equity method is not applied.

3. Fiscal Term

The fiscal terms of each consolidated subsidiary are the same as the term of the Company.

4. Accounting Policies

(1) Methods for valuation of significant assets

a. Investments in securities

With market quotations: stated at fair market value. Unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of the net assets. Realized gains and losses on the sale of such securities are computed using the moving-average cost.
Without market quotations: stated at cost using the moving-average method.

b. Derivatives

Derivatives financial positions are stated at fair value.

c. Inventories

Inventories of the Company and its consolidated subsidiaries are valued at cost, as determined mainly by the monthly moving-average method, with balance sheet inventory amounts calculated using lowered book values, reflecting a potential decline in profitability.

(2) Depreciation of fixed assets

a. Tangible assets (excluding leased assets)

The Company: depreciation of depreciable assets other than buildings (excluding facilities attached) is principally computed using the declining-balance method, while the straight-line method is applied for buildings (excluding facilities attached) acquired on or after April 1, 1998.

The estimated useful lives are as follows:

Buildings and structures	10 to 40 years
Machinery and equipment	5 to 10 years

Consolidated subsidiaries: Computed by the straight-line method.

b. Intangible assets (excluding leased assets)

Depreciation of intangible assets is computed by the straight-line method. In-house use software is amortized over a five-year period based on the assumed useful life.

c. Leased assets

Depreciation is based on the straight-line method over the lease period and the residual value as zero. Regarding finance lease that do not transfer ownership, for which the starting date for the lease transaction is prior to March 31, 2008, lease payments are recognized as expenses.

(3) Reserves

a. Reserves for doubtful accounts

Reserves for doubtful accounts are generally provided based on actual collection losses incurred in the past. Additionally, for accounts receivable considered at risk (bankruptcy, companies under rehabilitation plan), an allowance is provided based on an estimation of the uncollectible amount, on a case-by-case basis.

b. Reserve for employees' retirement benefits

In order to provide for retirement benefits to be paid to employees, the amount considered to have accrued, as at the end of the term, is stated, based on the estimated amount of retirement benefit obligations and pension plan assets, as at the end of the term. The actuarial gains (losses) will be recognized in expenses (income), in equal amounts, over a five-year period, which is shorter than the average remaining service years of eligible employees, commencing with the next year of the accrual.

(4) Foreign currency translation of significant assets and liabilities

Foreign currency-denominated assets and liabilities held by the Company are translated into Japanese yen using exchange rates prevailing on the balance sheet date; and gains and losses on translation are charged to income. Relevant assets and liabilities held by subsidiaries are translated into Japanese yen using exchange rates prevailing on the balance sheet date; and revenues and expenses are translated using the average exchange rates during the term. Gains and losses on translation are charged to net assets under "Foreign currency translation adjustments."

(5) Hedging

a. Hedge accounting

Derivative financial instruments are stated at fair value and changes in the fair value are recognized as gains or losses, unless derivative financial instruments are used for hedging purposes. If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company defers recognition of gains or losses, resulting from changes in fair value of derivative financial instruments, until the related losses or gains on the hedged items are recognized.

b. Hedge instruments and assets and liabilities being hedged

Hedge instruments are foreign exchange forward contracts. Assets and liabilities being hedged are foreign currency receivables and payables.

c. Hedge transaction policies

The Company engages in derivative transactions with the aim of hedging risk on foreign exchange fluctuations in accordance with in-house regulations.

d. Assessment of effectiveness of hedging

The Company has realized a high correlation coefficient between market fluctuations and cash flows (assets and liabilities being hedged) and hedge instruments: it thereby highly evaluates the effectiveness of the derivatives transactions in question.

(6) Scope of cash and cash equivalents in the statement of cash flows

In preparing the consolidated statements of cash flows, cash on hand, available deposits and short-term highly liquid investments, with readily maturity not exceeding three months at the time of purchase, are considered to be cash and cash equivalents.

(7) Other significant accounting policies for preparing consolidated financial statements

Consumption tax:
Consumption tax is not included.

NEW ACCOUNTING STANDARDS

(ASSET RETIREMENT OBLIGATIONS)

Effective for fiscal year 2011, the Company adopted accounting standard No. 18, "Accounting for Consolidated Asset Retirement Obligations," and its Application Rule No. 21, both by ASBJ, March 31, 2008.

The adoption of this standard and application rule had no effect on the Company's consolidated financial statements for the year ended December 31, 2011, or for any prior period presented.

ADDITIONAL INFORMATION

(COMPREHENSIVE INCOME AND LOSS STATEMENT)

Effective for fiscal year 2011, the Company adopted accounting standard No. 25, "Disclosure About Comprehensive Income," by ASBJ, June 30, 2010.

The adoption of this standard had no effect on the Company's consolidated financial statements for the year ended December 31, 2011, or for any prior period presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(CONSOLIDATED BALANCE SHEETS)

1. Assets pledged as collateral as of December 31, 2011

(1) Property, plant and equipment

	Millions of Yen
Buildings and structures	¥ 657
Machinery, equipment and vehicles	796
Tools, furniture and fixtures	152
Land	96
Intangible assets	11
Total	¥1,714

(2) Other

	Millions of Yen
Buildings and structures	¥1,265
Land	96
Total	¥1,361

(3) Loans secured by the above assets

	Millions of Yen
Short-term loans payable	¥1,500
Long-term loans payable (including loans due within one year)	1,767
Total	¥3,267

2. Accounting for notes receivable–trade matured at end of fiscal year

The end of 2011 fiscal year coincided with a bank holiday, and the following notes that matured at the end of fiscal year were accounted for as if they were settled on their date of maturity.

Notes receivable–trade	¥0 million

(CONSOLIDATED STATEMENTS OF INCOME)

1. Research and development expenses included in selling, general and administrative expenses and manufacturing costs totaled ¥3,304 million.
2. The ending inventory balance represents after write-down of book value when their carrying amounts become unrecoverable. In fiscal year 2011, amount of reversal of 2010 year's reserve for inventory write down exceed the inventory losses originated for fiscal year 2011, the net amount of ¥80 million is included to cost of sales.

(CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME)

Comprehensive income for the year ended December 31, 2010

Comprehensive income attributable to shareholders of the parent	¥2,302 million
Total	¥2,302 million

Other Comprehensive loss for the year ended December 31, 2010

Valuation difference on available-for-sale securities	¥ 12 million
Foreign currency translation adjustments	¥1,374 million
Total	¥1,386 million

(CONSOLIDATED STATEMENTS OF CASH FLOWS)

Reconciliation between amounts shown in cash and cash equivalents at end of the year on the statements of cash flows, and in cash and cash equivalents on the consolidated balance sheets, as of December 31, 2011, is as follows:

Cash and cash equivalents on the statement of cash flows	¥12,773 million
Cash on hand and in banks at end of the year	¥12,773 million

(LEASES)
Finance lease that do not transfer ownership
1. Leased assets
   Mainly a lens production facility

2. Depreciation method for leased assets
   It is described in "Basis of Presenting Consolidated Financial Statements" (4. Accounting Policies, (2) Depreciation of fixed assets, c. Leased assets).

Regarding finance lease that do not transfer ownership, for which the starting date for the lease transaction is prior to March 31, 2008, lease payments are recognized as expenses. Details are as follows.

(1) Acquisition cost, accumulated depreciation and net book value of lease assets

	Millions of Yen		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥17	¥ 9	¥ 7
Tools, furniture and fixtures	22	19	2
Software	19	17	2
Total	¥59	¥47	¥12

(2) Obligation under finance leases

	Millions of Yen
Due within one year	¥ 6
Due after one year	7
Total	¥13

(3) Lease expenses, depreciation and interest expenses

	Millions of Yen
Lease expenses	¥29
Depreciation cost equivalent	26
Interest expenses equivalent	0

(4) Method of calculating depreciation
Depreciation expense on leased assets is calculated by using the straight-line method, over the lease period and has a residual value of zero.

(5) Method of calculating interest expense
The difference between total lease expense and acquisition cost of leased assets, is considered as the interest portion, and the allocation of this interest is calculated by the interest method.

(FINANCIAL INSTRUMENTS)
Year ended December 31, 2011

1. Overview of financial instruments

(1) Policy on the handling of financial instruments
In principle, the Company obtain funds from banks for the capital needed to execute operations. Any temporary surplus is invested in highly secured bank deposits. The Company adheres to a policy under which derivatives are used to avert the risks outlined below and not for speculative purposes.

(2) Financial instruments and inherent risks and its management
Notes and accounts receivable–trade are exposed to customers' credit risks. To reduce customers' credit risks, the Company has established credit policies under which monitoring of, due dates and remaining balance of note and account receivable–trade and of credit condition, by each customer.

Receivables denominated in foreign currencies, which arise in the process of business activities undertaken overseas, are exposed to market risks arising from fluctuations in foreign currency exchange rates. The Company manages these risks by entering into foreign currency exchange forward contracts.

Investments in securities consist mainly of the equity securities of corporations with which the Company has business relations, are exposed to the risk of fluctuations in market prices. The Company manages this risk by periodically examining market prices and the financial condition of the issuing entities.

Accounts payable–trade is all due within one year. Some are denominated in foreign currencies and are therefore exposed to risks arising from changes in foreign currency exchange rates. The Company manages these risks by entering into foreign exchange forward contracts.

The Company execute and manage derivative transactions which are foreign currency forward exchange contracts used to reduce risk exposure arising from which changes in exchange rates applied to foreign-currency-denominated receivables and payables. Accounting policies for hedges, specifically hedge accounting, hedge instruments and assets and liabilities being hedged, hedge transaction policies, assessment of effectiveness of hedging, are described in the section "4. Accounting Policies (5)Hedging."

In the execution and monitoring of derivative transactions, the Company is guided by internal rules. In derivative transactions, the Company only enter into transactions with financial institutions having high credit ratings, thereby significantly mitigating potential losses arising from credit risk.

Accounts payable–trade and loans payable are exposed to liquidity risks. The Company and each of its consolidated subsidiaries, prepares a cash flow plan and keeps its in financially sound conditions.

(3) Additional information for fair values of financial instruments
Fair values of financial instruments are based on fair markets value. If the fair markets value is not available, other rational valuation methods are used instead. These estimates include variable factors, and are subject to fluctuations due to changes in the underlying assumptions.

2. Fair Value of Financial Instruments

Fair value and variances with carrying amounts presented on the balance sheets as of December 31, 2011 are as follows. Fair values that are not readily available are not included in the following table. (Note 2)

	Millions of Yen		
	Carrying amounts	Fair value	Difference
(1) Cash and time deposits	¥12,773	¥12,773	¥—
(2) Notes and accounts receivable	12,535	12,535	—
(3) Investment securities:			
Other securities	1,319	1,319	—
Total assets	¥26,628	¥26,628	¥—
(1) Accounts payable	¥ 3,731	¥ 3,731	¥—
(2) Short-term loans payable	4,493	4,493	—
(3) Income taxes payable	995	995	—
(4) Long-term loans payable	1,836	1,836	0
Total liabilities	¥11,057	¥11,057	¥ 0
Derivative instruments	—	—	—

Notes: 1. Method for calculating the fair value of financial instruments, investments in securities and derivative transactions

Assets

(1) Cash and time deposits; (2) Notes and accounts receivable
The carrying amounts approximate fair value because of the short maturity of these instruments.
(3) Investments in securities
Market prices on stock exchanges are used to determine the fair value of these securities. Prices quoted by financial institutions are used to determine the fair value of bonds.

Liabilities

(1) Accounts payable; (2)Short-term loans payable; (3) Income taxes payable
The carrying amounts approximate fair value because of the short maturity of these instruments.
(4) Long-term loans payable
The fair value of long-term loans payable in estimated by discounting future cash flows using rates currently available for loans similar terms and remain maturities.

Derivative instruments
Please refer to (DERIVATIVE TRANSACTIONS) below

Note: 2. Unlisted stocks (carrying amount on the consolidated balance sheet: ¥0 million) are not included in investment securities, because its extremely difficult to estimates fair value, both, due to their markets prices are not available and to the difficulty in estimating future cash flows.

3. December 31, 2011 the following schedule shows the maturities of financial instruments (assets)

Millions of Yen

	Up to 1 year	More than 1 year and up to 5 years
Cash and deposits	¥12,773	¥ —
Notes and accounts receivable	12,535	—
Investment securities:		
Securities with maturity in other investment securities account	—	300
Total	¥25,308	¥300

(INVESTMENTS IN SECURITIES)

Millions of Yen

	Type of securities	As of December 31, 2010			**As of December 31, 2011**		
		Acquisition costs	Carrying amount	Difference	Carrying amount	Acquisition costs	Difference
Securities whose carrying amounts on consolidated balance sheets exceed their acquisition costs	(1) Stocks	¥ 633	¥ 452	¥180	**¥ 574**	**¥ 454**	**¥120**
	(2) Debt securities	—	—	—	—	—	—
	(3) Others	301	300	1	—	—	—
	Total	934	752	182	**574**	**454**	**120**
Securities whose carrying amounts on consolidated balance sheets does not exceed their acquisition costs	(1) Stocks	236	309	(72)	**444**	**608**	**(163)**
	(2) Debt securities	—	—	—	**299**	**300**	**(0)**
	(3) Others	—	—	—	—	—	—
	Total	236	309	(72)	**744**	**908**	**(163)**
Total		¥1,171	¥1,062	¥109	**¥1,319**	**¥1,362**	**¥ (42)**

Note: Unlisted stocks (book value on the consolidated balance sheet: ¥0 million are not included in investment securities under "Others" as their market prices are not available and it is extremely difficult to calculate the fair value to the difficulty in estimating future cash flows.

(DERIVATIVE TRANSACTIONS)

Derivative transactions to which the hedge accounting method is applied

Currency-related transactions

Year ended December 31, 2011

Millions of Yen

Hedge accounting method	Type of transactions	Primary hedged items	Contract amount, etc.	Portion with maturity over one year	Fair value
Designation method for forward foreign exchange contracts	Forward foreign exchange contracts				
	Sell	Accounts receivable			
	U.S. dollar		¥3,052	—	(Note)
	Euro		964	—	(Note)
	Hong Kong dollar		76	—	(Note)
	Pay	Accounts payable			
	U.S. dollar		—	—	(Note)

Note: For forward foreign exchange contracts, etc., subject to the designation method, because they are recognized together with accounts receivable and accounts payable, which are hedged items, their fair values are included in those of accounts receivable and accounts payable.

(RETIREMENT BENEFITS)

Year ended December 31, 2011

1. Retirement and pension plans

The Company had defined benefit plans that define benefit corporate pension plans and lump-sum retirement benefit plans. The Company also had adopted defined contribution pension plans as well as defined benefit pension plans.

Some overseas consolidated subsidiaries adopt defined contribution pension plans.

2. Retirement benefit obligation

	Millions of Yen
(1) Retirement benefit obligations	¥(2,319)
(2) Plan assets at fair value	945
(3) Unfunded retirement benefit obligations (1)+(2)	(1,374)
(4) Unrecognized actuarial loss	265
(5) Net balance sheet amount (3)+(4)	(1,109)
(6) Prepaid pension expense	—
(7) Accrued retirement benefits (5)-(6)	¥(1,109)

3. Retirement benefit expenses

	Millions of Yen
(1) Service expenses	¥156
(2) Interest expenses	43
(3) Expected return on plan assets	(15)
(4) Amortization of net actuarial difference	45
(5) Other	150
(6) Retirement benefit expenses (1) + (2) + (3) + (4) + (5)	¥381

Note: “(5) Other” in the above table represents contributions to the defined contribution retirement benefit plans.

4. Basis for calculation of retirement benefit obligation

(1) Periodic allocation method for projected benefits	Straight-line method
(2) Discount rate	2.0%
(3) Expected rate of return on plan assets	2.0%
(4) Amortization period for net actuarial difference	5 years

(ACCOUNTING FOR DEFERRED INCOME TAX)

Year ended December 31, 2011

1. Breakdown of the major components for deferred tax assets and liabilities

	Millions of Yen
Deferred Tax Assets	
Reserve for doubtful accounts	¥ 22
Unrealized intercompany profits	279
Reserve for employees' retirement benefits	421
Long-term accounts payable	86
Loss on devaluation of inventories	53
Loss on disposal of fixed assets	17
Depreciation and amortization	18
Lump-sum depreciable assets	31
Unrealized loss on investment securities	66
Other	149
Total of deferred tax assets	¥1,145

	Millions of Yen
Deferred Tax Liabilities	
Reserve for deduction entries	¥ (45)
Unrealized gain on investments in securities	(48)
Other	(19)
Total of deferred tax liabilities	(113)
Net deferred tax assets	¥1,031

2. Reconciliation of the statutory tax rate and the effective tax rate

Effective statutory tax rate	40.4%
(Adjustments)	
Entertainment expense and others that are not deductible permanently	0.6
Exclusion of loss related to a donation	0.1
Inhabitant tax on per capita basis	0.4
Provision for directors' bonuses	1.1
Effect of the adjustments reflecting changes in Japanese statutory income tax rates	1.3
Tax credits	(3.9)
Differences of tax rates for overseas consolidated subsidiaries	(10.9)
Dividend income and others that are not taxable permanently	(9.9)
Effect of dividend income eliminated for consolidation	10.3
Unrealized gain	(3.9)
Special tax rate on retained earnings of family corporation	1.0
International withholding income tax	2.6
Others	0.7
Actual tax rate	29.9%

Note: Adjustments regarding deferred tax assets and liabilities due to changes in Japanese statutory income taxes rates.

Due to new incomes tax law No. 114 and No. 117, which effective from April 1, 2012, Japanese income taxes rates are scheduled to change in fiscal 2012 and thereafter. At December 31, 2011, deferred tax assets and liabilities were revalued, using enacted tax rates in effect during the years in which the temporary differences are expected to reverse. The resulting adjustment (decrease of deferred tax assets-net) of ¥69 million was charged to income for the year ended December 31, 2011.

SEGMENT INFORMATION
(ADDITIONAL INFORMATION)

Effective for fiscal year 2011, the Company adopted accounting standard No. 17, "Disclosures about Segment of an Enterprise and Related Information," and its Application Rule No. 20, both by ASBJ, March 27, 2009 and March 21, 2008, respectively.

1. Outline of reporting segments

The Company's reporting segments are business units for which abstracted financial data is available and periodically reviewed by the Board of Directors to determine resource allocation and evaluate business performance. The Company has its business units identified by products. Each business unit plans its comprehensive domestic and overseas strategy for its products and operates its business activities.

Accordingly, Tamron has the following three reportable segments based on these business divisions that are categorized according to products: Photographic Products, Optical Components and Commercial/Industrial-use Optics. The "Photographic Products" manufactures and sells Interchangeable lenses for SLR camera. The "Optical Components" manufactures and sells Camcorder lenses, Digital still camera lenses, Cellular phone camera lenses and Optical device units. The "Commercial/Industrial-use Optics" manufactures and sells Lenses for CCTV cameras and Automotive lenses.

2. Calculating reporting segment sales, income, assets and other items

Accounting policies used to financial results of reporting segments are the same as those used in the preparation of the Company's consolidated financial statements. Reporting segment income corresponds to operating income. Intersegment sales are based on prevailing prices in the market for the content and/or services provided.

3. Information on sales, income, assets, liabilities and other items by reporting segment

Millions of Yen

	2010					
	Photographic products	Optical components	Commercial/ industrial-use optics	Total	Eliminations and/or corporate	Consolidated
Net sales:						
Sales to external customers	¥34,731	¥14,592	¥7,327	¥56,650	—	¥56,650
Intersegment sales	—	—	—	—	—	—
Total	34,731	14,592	7,327	56,650	—	56,650
Operating income	¥ 4,173	¥ 2,615	¥1,084	¥ 7,873	¥(2,416)	¥ 5,456
Assets	¥24,326	¥ 9,869	¥5,926	¥40,122	¥ 9,998	¥50,120
Depreciation expenses	1,946	780	524	3,251	41	3,292
Capital expenditures	1,813	845	417	3,076	25	3,102

Millions of Yen

	2011					
	Photographic products	Optical components	Commercial/ industrial-use optics	Total	Eliminations and/or corporate	Consolidated
Net sales:						
Sales to external customers	**¥39,703**	**¥10,596**	**¥8,207**	**¥58,507**	—	**¥58,507**
Intersegment sales	—	—	—	—	—	—
Total	**39,703**	**10,596**	**8,207**	**58,507**	—	**58,507**
Operating income	**¥ 5,907**	**¥ 691**	**¥1,404**	**¥ 8,003**	**¥(2,315)**	**¥ 5,687**
Assets	**¥25,291**	**¥ 8,639**	**¥5,661**	**¥39,592**	**¥12,305**	**¥51,898**
Depreciation expenses	**1,910**	**776**	**524**	**3,211**	**45**	**3,257**
Capital expenditures	**2,772**	**964**	**581**	**4,318**	**68**	**4,386**

Notes:

1. Adjustments are as follows.

(1) Adjustment of segment profit totaled ¥2,315 million is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.

(2) Total assets included in adjustment of segment assets mainly represent cash, long-term investments funds (investments in securities), and assets related to the administration department.

2. Segment profit is adjusted to operating profit of consolidated statements of income.

RELATED INFORMATION

Year ended December 31, 2011

1. Information by geographical area

(1) Sales

Millions of Yen

Japan	North America	Europe	Asia	Other	Total
¥15,139	¥5,632	¥10,459	¥26,612	¥664	¥58,507

Note: Sales are grouped by country or region, based on customer location.

(2) Property and equipment

Millions of Yen

Japan	North America	Europe	Asia	Total
¥6,489	¥212	¥246	¥6,418	¥13,367

2. Information by major customer

Millions of Yen

Name of company	Net sales	Relevant segments
Nikon Corporation	¥10,365	Photographic Products
Sony EMCS Corporation	7,988	Photographic Products Optical Components Commercial/Industrial-use Optics

NOTES TO RELATED PARTY TRANSACTIONS

Year ended December 31, 2011

1. Transactions between the Company and related parties.

Millions of Yen

Name of company	Paid in capital	Transaction	Amount per year	Year end balance
Sony EMCS Corporation	6,741 million JPY	Sale of DSC lenses	¥7,988	¥1,830
Sony Digital Products (Wuxi) Co., Ltd.	485,584 thousand RMB	Sale of DSC lenses	1,813	640
Shanghai Suoguang Electronics Co., Ltd.	118,696 thousand RMB	Sale of DSC lenses	901	150
Sony Technology (Thailand) Co., Ltd.	570,880 thousand THB	Sale of DSC lenses	4,574	328

Note: Sales prices are based on the arms' length transaction basis.

2. Transactions between the Company's consolidated subsidiaries and related parties.

Millions of Yen

Name of company	Paid in capital	Transaction	Amount per year	Year end balance
Shanghai Suoguang Visual Products Co., Ltd.	850,179 thousand RMB	Sale of CCTV camera lenses	¥84	—

Note: Sales prices are based on the arms' length transaction basis.

NOTES TO PER SHARE INFORMATION

Year ended December 31, 2011

Net assets per share	1,316.33 Yen
Net income per share	138.61 Yen

Information for diluted net income per share is omitted because potentially dilutive securities are not issued.

Note: The basis for calculating net income per share is as follows.

	2010	**2011**
Net income (Millions of Yen)	¥ 3,689	**¥ 3,804**
Amount not belong to ordinary shareholders (Millions of Yen)	—	—
Net income for ordinary shares (Millions of Yen)	3,689	**3,804**
Average number of shares outstanding during the term (Shares)	27,450,743	**27,450,743**

NOTES TO SUBSEQUENT EVENTS

Not applicable.

To the Board of Directors of
Tamron Co., Ltd.

We have audited the accompanying consolidated balance sheet of Tamron Co., Ltd. and its subsidiaries as of December 31, 2011, and the related consolidated statement of income and of comprehensive income, net assets, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tamron Co., Ltd. and its subsidiaries as of December 31, 2011, and the result of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in Japan.

The United States dollar amounts shown in the consolidated financial statements have been translated solely for convenience. We have reviewed this translation and, in our opinion, the consolidated financial statements expressed in Japanese Yen have been translated into United States dollars on the basis described in the preface at NOTE TO CONSOLIDATED FINANCIAL STATEMENTS.

Tokyo, Japan
March 23, 2012

Wako Audit Corporation

Wako Audit Corporation

COMPANY PROFILE

Overview (As of December 31, 2011)

Company Name:
Tamron Co., Ltd.

Established:
November 1, 1950

Incorporated:
October 27, 1952

Headquarters:
1385, Hasunuma, Minuma-ku, Saitama-shi, Saitama 337-8556 JAPAN

Capital:
¥6,923 million

Fiscal Year-End:
End of December

Employees:
6,005 (Consolidated) (As of December 31, 2011)

Management (As of March 29, 2012)

Board of Directors

President & CEO
Morio Ono

Corporate Vice President
Shoji Kono

Corporate Vice President
Hitoshi Ohta

Corporate Vice President
Yoshihiro Shirai

Senior Managing Director
Hisaaki Nagashima

Senior Managing Director
Takashi Kawai

Senior Managing Director
Hiroaki Arai

Managing Director
Koji Seki

Managing Director
Tadahiro Shimura

Director
Shiro Ajisaka

Director
Hideyo Ohse

Director
Kenichi Hamada

Corporate Auditors (Note)

Standing Corporate Auditor
Yukio Masuko

Standing Corporate Auditor
Shinichi Yasuda

Corporate Auditor
Tadahiro Tone

Corporate Auditor
Yasuhiko Nishimoto

Executive Officers

Senior Executive Officer
Takashi Ichikawa

Senior Executive Officer
Masayuki Abo

Senior Executive Officer
Shogo Sakuraba

Senior Executive Officer
Hiroshi Kawanabe

Senior Executive Officer
Yasuki Kitazume

Executive Officer
Kunio Wada

Executive Officer
Satoshi Hasegawa

Executive Officer
Mitsuharu Takeuchi

Executive Officer
Kaoru Nagano

Executive Officer
Michiko Chiyoda

Executive Officer
Masaki Kudo

Executive Officer
Tsugio Tsuchiya

Executive Officer
Hiroshi Otsuka

Executive Officer
Hans Peter Rosenthal

Executive Officer
Takashi Inoue

Executive Officer
Zhixing Ma

Executive Officer
Shenghai Zhang

Note: Mr. Masuko, Mr. Tone, and Mr. Nishimoto are external corporate auditors.

STOCK OVERVIEW

Corporate Stock Summary (As of December 31, 2011)

Number of shares issued:
27,500,000 shares

Number of shares per unit:
100 shares

Number of shareholders:
6,487 shareholders

Balance date:
December 31

Scheduled Annual Shareholders Meeting:
March

Eligibility date for year-end dividend payments:
December 31

Eligibility date for interim dividend payments:
June 30

Transfer Agent:
Sumitomo Mitsui Trust Bank, Limited

Note: "Number of shares issued" reflects the result of the treasury stock cancellation (735,000 shares) of November 11, 2011.

Principal Shareholders (As of December 31, 2011)

Shareholders	Number of Shares Held (Thousands of Shares)	Percentage of Shares Held
New Well Co., Ltd.	4,898	17.81
Sony Corporation	3,129	11.38
Japan Trustee Services Bank, Ltd. (trust account)	1,943	7.06
Kouyu Kosan Co., Ltd.	1,529	5.56
Saitama Resona Bank Limited.	1,122	4.08
Goldman Sachs and Company Regular Account	837	3.04
The Master Trust Bank of Japan, Ltd. (trust account)	827	3.00
Tamron Business Partner Stock Holding Plan	463	1.68
NIPPONKOA Insurance Company, Limited	411	1.49
Nippon Life Insurance Company	400	1.45

Note: The 3,129 thousand shares owned by Sony Corporation are fiduciary assets trusted to Mizuho Trust & Banking Co., Ltd. In regard to the execution of voting rights disposition of the shares, Sony Corporation reserves the right to instruct pursuant to the provisions of the trust contract between the two parties.

Tamron Co., Ltd. owns 784 thousand (2.77%) shares of treasury stock (excluded from the table above).

TAMRON

New eyes for industry

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ISO/TS16949 Certified

GROUP NETWORK

Production Facilities

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Owani Plant
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