

For Protecting Our Environment

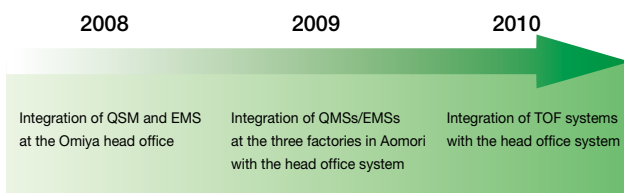
Recognizing the importance of our responsibility to protect the environment of the Earth, we are aiming at environmentally-friendly work in all our business operations.

Environment Management Structure

In 2007, Tamron completed all preparations for integrating our environment management and quality management systems, which we had defined as one of our environmental management objectives. The main objectives of the integration were simplifying our management systems, reducing total man-hours for maintenance and operation, and relating quality objectives with environmental objectives to concentrate limited management resources on work common to environment and quality, thus ensuring achievement of the objectives. We commenced operating the management system thus integrated from January 2008. As intended under the new management system, actions necessary for enhancing quality and environment protection, complying with new laws and regulations, as well as actions required by our customers, are reported to our CSR Committee. This reporting enables discussing the means for enhancing the degree of customer satisfaction while reducing the environmental load.

We also plan to integrate environmental management systems (EMSs) and quality management systems (QMSs) at the three factories in Aomori by 2009 and Tamron Optical (Foshan) by 2010, in order to enhance environment management operations of the entire group including China.

Timeline for System Integration



Education of Environmental Management

An e-learning course was provided to all people working at the Tamron head office including directors. We plan to provide a similar opportunity to all employees working at the three factories in Aomori within 2008. The course contents include global warming, ozone depletion, acid rain, forest diminishment, desertification and decay of diversity of organisms. The course is designed to teach participants the root causes for those problems, status quo and activities at home and abroad. In 2008, we plan to participate in the Team Minus 6% under the sponsorship of the Ministry for Environment (MfE) to connect the behavior of everyone working at Tamron with our environment protection work.



Environmental Accounting

The total investment for environmental activities in 2006 was ¥3.84 million, which rose to ¥51.45 million in 2007. Major investments included an electric power monitoring system for energy saving and converting incidental facilities at the Omiya head office to energy-saving facilities. The conversion investment included introducing a new independent air-conditioner system enabling air-conditioning for necessary work areas at necessary times, energy-saving fluorescent lamps and double insulating glass for windows. The total economic effects also rose from ¥0.59 million in 2006 to ¥4.41 million in 2007, which was mainly due to the decrease in electricity costs that was not posted in 2006.

The total environmental expenses decreased by ¥6.04 million compared to 2006. The main items related to the decrease were management costs and environment damage costs. The decrease of the management costs was due to reducing environmental management costs at the Hirosaki factory because of enhanced work efficiency, while the reduction of environment damage costs was due to removal of a gas venting apparatus for pumped water following the completion of countermeasures against contaminated soil at the Omiya head office.

We will continue to work on studies to establish guideposts for precisely determining the effects of investments, while promoting environmental conservation and economizing.

| Category | Environmental cost | | Environmental conservation effect | Economic effect | Main activities | Page | |
|--------------------------------------|-------------------------------------|----------|--|--|--|-------------------------------|------|
| | Invested | Expenses | | | | | |
| Cost with in business area | Pollution prevention cost | — | 4,822 | Prevention of Environmental accident | — | — | |
| | Earth environment conservation cost | 51,450 | 41,873 | Reduction of Electric use | 3,690 | P.11 P.17 | |
| | Resource cycling cost | — | 30,634 | Recycling ratio of general waste from business operations improved, recycling ratio of industrial waste improved | 721 | Waste reduction and recycling | P.18 |
| | Sub-total | 51,450 | 77,329 | | | | |
| Upstream and downstream costs | — | 29,140 | Environmental quality audit with business partners | — | Green procurement, package/container recycling | P.11 | |
| Management activity cost | — | 43,203 | Achieved environmental objectives/targets | — | Operation/maintenance of environmental management systems Budget for green zones Stakeholder dialog Education of environmental management | P.6 P.13 | |
| R&D cost | — | 130,384 | Performance of 13VG2812AS enhanced | — | Efforts to introduce environmentally-friendly designs | P.8 | |
| Social activity cost | — | 766 | Garbage reduction | — | Neighborhood cleaning | P.12 | |
| Cost to prevent environmental damage | — | 1,370 | Concentration of contaminant in ground water reduced to a level better than the environmental standard at places near PRBs | — | Soil contamination prevention (using air stripping facilities) | P.21 | |
| Total | 51,450 | 282,192 | | 4,411 | | | |

*Scope of environmental accounting
 Period: From January 1 through December 31, 2007
 Premises covered: Omiya head office (including Tokyo and Osaka sales offices), Hirosaki, Namioka and Owani factories
 *Labor costs are calculated based on an average wage.
 *The economic effect from the earth environment conservation cost is the amount of electricity reduced in 2007 compared with that of 2006. The economic effect from the resource recycling costs is the amount of profit from selling waste metal as valuable resources.
 *Depreciation allowance is not calculated as an expense.