



**Corporate Social Responsibility
Report**

2012

Message from the President



Morio Ono
President & CEO
Tamron Co.,Ltd

First of all, I wish to express our deep sympathy to those who suffered from the Great East Japan Earthquake and the tsunami and pray for the early recovery of the affected areas.

Putting Lessons Learned from Disasters to Good Use

Looking back on 2011, the year obliged us to muse on risks from natural disasters at home and abroad such as earthquakes and floods. Soon after the Great East Japan Earthquake, immediately after checking on the safety of our premises and employees, we decided to send commodities as well as relief and condolence money to people who suffered from the disaster. As a manufacturer of photographic lenses, we also continued to work on supporting people living in the afflicted areas. Our actions included cosponsoring photographic exhibitions held to convey the devastation of the afflicted areas and plight of people living there, and extending preferential repair services to our lens users. As part of our business continuity plan, we immediately launched a special project to ensure smooth materials procurement and logistics. We put the lessons we learned from the disaster in Japan to good use during the floods in Thailand. We will continue to reflect these lessons in our business in order to strengthen our crisis management system.

Recognizing Anew the Importance of Our Corporate Philosophy: “Contributing to Society by Creating New Eyes for Industry”

Throughout our company history, we have worked hard to develop and deliver quality optical products, guided by our corporate philosophy of “*Contributing to Society by Creating New Eyes for Industry*”. We continue to pursue high quality to meet our goal and provide products that satisfy our customers. The A005 tele-zoom lens¹ we launched in 2011, commanding our advanced technologies including our proprietary ultrasonic motor and special high quality optical glass materials, is one example of such eyes. Our new zoom lens won many awards. We must focus on environmental concerns while pursuing quality and performance. Our pursuit of environmentally friendly designs including the use of recycled materials, downsizing and weight saving enabled us to reduce the gross weight of products we sold in 2011 by 13%. We also know the importance of improving our after-sales service system in order to continue to present value for our customers. Providing robust products is the first and foremost condition but prompt repair services must be provided for when they are necessary. We currently complete repair services to our domestic customers for consumer products within seven days including delivery. We will work to provide the same after-services to customers abroad.

The number of people who participate in our annual photographic contest encourages us. The continuous growth of the population enjoying photography tells us that our efforts to contribute to photographic culture are helping. We will continue to work hard in order to be a reliable manufacturer of quality optical products that meet customer expectations.

Management Always Values Employees

At Tamron we contribute to society while responding to customer needs as we implement corporate management that always highly values our employees. In 2011, to save electricity after the March 11 disaster, we prohibited overtime work as a general rule. We are confident that changes in understanding a better work-life balance will become a driving force behind the Tamron of tomorrow.

Participation in the United Nations Global Compact²

In 2007, Tamron joined the Global Compact of the United Nations³. Since then, we have continued to support the ten principles of the Global Compact initiative that serves as the basic code of conduct for all global companies. Strengthening our consciousness of human rights is particularly important when we deploy our business operations around the globe. We have therefore included the ten principles in our Codes of Conduct and have been focusing on education in our organization following the ten principles.

In compiling this CSR Report, we focused on communicating with our stakeholders. We would greatly appreciate your comments and suggestions for how we can further improve our CSR management.

(1) Please refer to page 7 for additional product information.

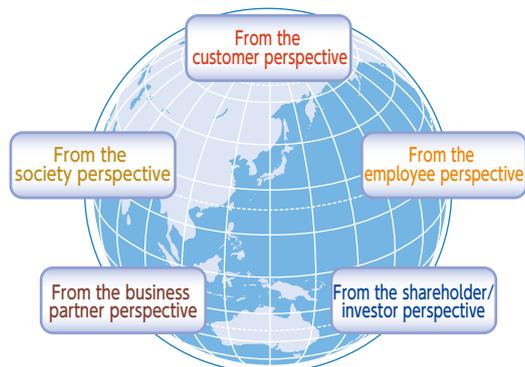
(2) Please refer to page 3 for additional information on the UN Global Compact.

Tamron's CSR Management

For Enhancing Corporate Value

Tamron's CSR management is conducted under our basic corporate philosophy of contributing to the economy, society and environment by supplying customers with quality products that serve as eyes for industry. Our basic corporate philosophy advocates performing all of our primary business operations based on The Action Declarations, defining the stance the company should take toward stakeholders divided into five categories, and The Action Codes, showing how all Tamron employees should act while dialoguing with our stakeholders.

(Perspectives from Stakeholders Divided into Five Categories)



All five perspectives interlink with our environment.

The Action Declarations of Tamron

● From the customer perspective

Recognizing that customer satisfaction is of the highest importance, we will contribute to society by supplying safe, high-quality original products and services.

● From the employee perspective

In order to become self-reliant, each employee at Tamron works with a spirit of challenging difficulties, maintains good communications with fellow workers for creating a lively work environment, and strives to yield the best possible results at all times while observing the laws and regulations. Each and every employee at Tamron respects human rights to support a good society as a good corporate citizen.

● From the shareholders/investor perspective

All of us working at Tamron strive to enhance Tamron's corporate value through faithful management, maintain good communications with our stakeholders, and work on enhancing stakeholder confidence to be a company worthy of stable investments.

● From the business partner perspective

All of us working at Tamron observe the laws and regulations, aiming to establish relationships that ensure receiving a supply of quality materials and services from our partners through transparent transactions, working to grow and contribute to society together with our partners.

● From the society perspective

Maintaining good communications with local communities, we will strive to contribute to their growth while upholding their tradition and culture as a good corporate citizen. We will observe the laws and regulations, aiming at earning confidence from society as a good corporate citizen. We will be up against all social anti-society forces and organizations that pose threats to the public order and safety of our civil society. We will work hard in NGO and NPO projects to establish a good society.

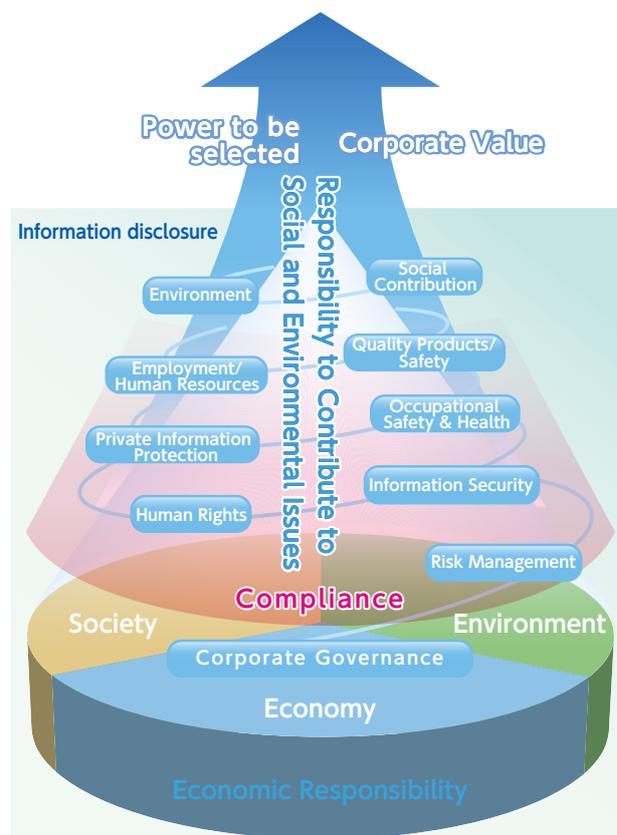
Twelve Themes for Enhancing CSR Management

We have established twelve themes for being a company acknowledged by stakeholders. Through addressing these themes, we are discharging compliance responsibility, economic responsibility, and responsibility to contribute to social issues. The themes of compliance, corporate governance and risk Management are essential for conducting sound business operations while discharging compliance and economic responsibility.

The remaining themes are occupational safety, employment and human resources, human rights, information security and private information protection. We will continue to address these themes to discharge our social responsibility while working on quality improvement, product quality and safety, resource-saving designs, environmental protection and more. We will continue to report on our activities for proper disclosure.

We will work to continue to be a company our customers select as a reliable supplier¹.

(1) This is one of our corporate themes.



Twelve Themes for Enhancing CSR Management

CSR Committee

Our CSR Committee meets monthly to closely watch the progress of activities for pursuing the twelve themes. The committee is an organization under the direct command of our president. Representatives from all divisions at the headoffice and factories at home and abroad meet monthly through videoconferencing.

Participation in the UN Global Compact

Tamron operates around the world, including a production base in China and subsidiary sales companies in Europe and America. Agreeing to the Global Compact (GC), the international initiative proposed by the United Nations to support the Ten Principles related to human rights, labor, environmental protection and preventing corruption, Tamron became a supporter of the initiative in August 2007. The Ten GC Principles became pillars for establishing our CSR promotion structure. We will continue to conduct our business following The Ten Principles, fulfilling our social responsibility.



WE SUPPORT

For further details on the initiative, please visit the United Nation website at

<http://www.unglobalcompact.org/>

● COP Report (Communication on Progress)

The following table describes our accomplishments and work at Tamron during 2011 in line with the Ten Principles.

	Principle	Tamron's Policies	Actions Taken, Accomplishments in 2011	Relevant page
Human Rights	① Business should support and espec tthe protection of internationally proclaimed human rights	We advocated support of basic human rights in our Action Declarations.	Established and adopted Human Rights Protection & Labor Standard Management Regulations at our domestic bases and Chinese factory.	P2
	② Business should ensure that they are not complicit in human rights abuses	We declared respect for human rights and abolishment of discrimination in our Compliance Regulations.		P11,12
Labour	③ Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	We declared respecting the right of our employees to organize (in our labor organization memorandum).	Periodically provided opportunities to discuss labor-management issues at times including joint management council meetings and annual plan rollout meetings.	P12
	④ Business should support the elimination of all forms of forced and compulsory labour	We stipulated the importance of complying with labor-related laws and regulations and maintaining a proper work environment for our employees (in our Compliance Regulations).	Provided our employees with opportunities to learn more about the 12 CSR Themes including human rights and labor issues.	P11~13, 15
	⑤ Business should support the effective abolition of child labour	We declared that we do not use child labor. (We do not employ any workers under age 15, which is stipulated in our employment rules.)		
	⑥ Business should support the elimination of discrimination in respect of employment and occupation	We declared our targets for employing physically challenged persons and our policy to increase the ratio of female managers in order to realize a diversified work place.	Achieved challenged person employment and female manager promotion rate targets. Ratio of taking newborn-baby care leave: 100%	P11,12
Environment	⑦ Business should support a preca utionary approach to environmental challenges	We declared our policy in our consolidated management policy to prevent environmental deterioration through work such as the following: (1)Reducing CO ₂ emissions. (2)Reducing industrial waste. (3)Finding alternative materials to harmful chemical substances. (4)Keeping biodiversity intact.	Incidences connected to environment contamination: Zero Incidences connected to leakage of harmful chemical substances: Zero	P14 ~ 18
	⑧ Business Should undertake initiatives to promote greater environmental responsibility	We declared our policy to clearly establish our environment objectives and targets for the following: (1)Reducing CO ₂ emissions (2)Reducing industrial waste emissions to ultimately achieve zero emissions (3)Promoting environmentally-friendly designs	Reduced CO ₂ emissions by 7%, compared to 2009 in sales units (emissions per net sales) Achieved targets, except for waste plastic reduction at headquarters	
	⑨ Business should encourage the development and diffusion of environmentally friendly technologies			
Anti-Corruption	⑩ Businesses should work against corruption in all its forms,including extortion and bribery	We declared our policy to regulate acts of endowment and political donations and terminate ties with anti-social forces in our Compliance Regulations and Action Declarations.	The Compliance Promotion Committee held workshops for employees to learn more about compliance.	P13

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Editorial Policy

1. This report is issued to inform our customers, employees, shareholders, investors, business partners, communities and other bodies (local communities, public bodies, NGOs and NPOs being our stakeholders) about Tamron's work and progress on environmental conservation and social responsibility.
2. This report covers the whole Tamron group including Tamron Co., Ltd and Tamron Optical (Foshan) Co., Ltd. and subsidiary sales companies overseas (except for some environmental data).
3. The guidelines referred to are the Environmental Report Guidelines (2007 Version), Greenhouse Effect Gas Assessment & Reporting Manual (Ver. 2.4 2009) *and Environmental Accounting Guidelines (2005), issued by the Ministry for the Environment.
*As for emission coefficients, Ver. 2.4 (2009) was applied.
4. The needs for disclosing information to stakeholders were determined in accordance with GRI Sustainability Report Guidelines and referring to ISO 26000: 2010 Guidelines on Corporate Social Responsibility.
5. We strive to disclose information from the perspective of stakeholders by referring to the warranty processes in AA1000 Warranty Standards.
6. About the front cover design We tried to express how our company works with lenses to contribute to the earth, the environment and harmony with people.

Company Outline

Trade Name: Tamron Co., Ltd.
 Head Office: 1385 Hasunuma, Minuma-ku,
 Saitama City, Saitama Prefecture, Japan
 Tel: +81-48-694-9111
 Founded: November 1, 1950
 Established: October 27, 1952
 Capital Amount: 6.923 billion yen
 Representative Director: Morio Ono

Employees Consolidated: 6,005
 (excluding 406 temporary employees)
 Total Sales Consolidated: 58,507 billion yen (2011)
 Stock Exchange: 1st Section, Tokyo Stock Exchange
 Domestic Factories: Hirosaki, Namioka, Owani
 Affiliated Companies: The United States, Germany,
 France, Hong Kong, China (Shanghai, Foshan)



Head Office (Saitama)

Summary of Business



《Net Sales》



《Numbers of Employees》



Learning Lessons from the Great East Japan Earthquake

We at Tamron wish to express our deep sympathy to those who suffered from the Great East Japan Earthquake and the tsunami and pray for the early recovery of the affected areas. Based on many lessons we learned from the disastrous experience, we are working hard to continue our business operations and discharge our social responsibility.

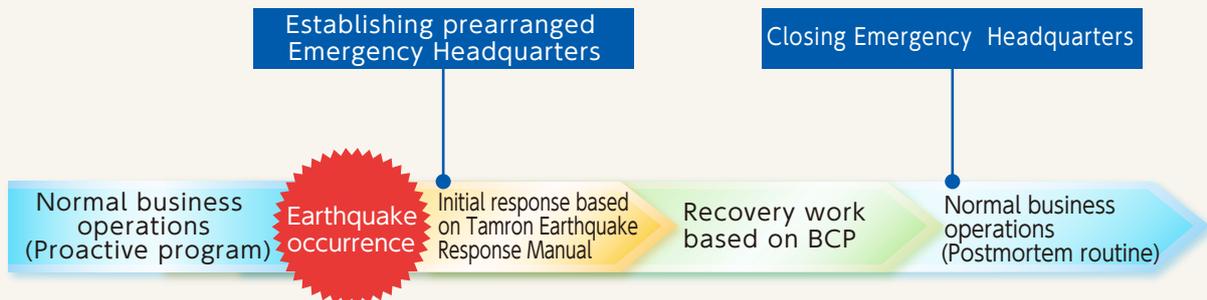
Actions Taken Immediately After the Disaster

Immediately after the earthquake and tsunami, we checked on the safety of our employees and security of our premises. We extended support to those facing difficulties in returning home while working on prevention of the second disaster. Since the physical damage at our head office and three factories in Aomori was comparatively small, limited time was required to restore our business operations. At our head office in Omiya, however, some employees found it difficult to return home while supplies stocked for people living in the neighboring areas of our company were insufficient. In preparation for planned blackouts, we immediately procured emergency generators to secure a power supply for our systems. To be prepared for the anticipated collapse of our supply chain, we immediately launched a cross-sectional project, working on securing a network for logistics including finding alternative procurement sources. As part of our efforts to reduce electrical power consumption, we shifted some holidays in May and June to August while basically prohibiting overtime work.

For Improving our Business Continuity Plan

Problems arose from the earthquake disaster. Our Business Continuity Plan (BCP) contained some ambiguous parts because the actions for some initial responses immediately after a major earthquake and actions thereafter for recovery and continuation of business operations were mixed. We reviewed our BCP, issuing the Earthquake Initial Response Manual to clarify actions to take immediately after a major earthquake, while also issuing a new BCP version to ensure smooth recovery work. In the new BCP that has been fundamentally reexamined, related divisions are narrowed down more than before, and action assignments and countermeasures are expressed more clearly to establish effective implementation plans for speedier recovery. We reviewed our emergency communication network as well as the emergency framework and the state of the emergency stockpile. We are working on familiarizing all employees about these changes, in order to strengthen our risk management system and be prepared for major disasters that may happen in the future.

《Workflow During a Major Earthquake》



Support Actions Extended to Affected Areas

We started to take support actions immediately after the earthquake. At first, we sent essential commodities of life to our OEM customers who have production bases in the Tohoku (East Japan) district. Then, our head office donated 20 million yen through the Japanese Red Cross Society, while our three factories in Aomori donated 5 million yen to the disaster-affected prefectures through Aomori Prefecture. We collected contributions from domestic employees as well as employees working at group companies abroad.

As a photographic lens maker, we co-sponsored a photographic exhibition UNICEF held at the United Nations' Visitor Center for reporting the devastation of the affected areas to people all over the world. Furthermore, to extend our support to the users of our products in the affected areas, we provided repair services at half the regular repair charges.

We will continue to work on helping the disaster-hit areas and people living there, making the most of the characteristics we have as a lens maker.



Poster for "Children and the 2011 Japan Earthquake and Tsunami - UNICEF at Work", a photographic exhibition held at the UN Visitor Center

Management System

We strive to enhance our product and service quality while reducing environmental loads through our consolidated management system. Also, we avoid various management risks based upon our risk management system.

Integrated Management System

In 2010, we obtained unified certification applicable to the Tamron Group including our overseas production base of Tamron Optical (Foshan), in addition to all our domestic sites: Head Office, Hirosaki Factory, Namioka Factory and Owani Factory. Our management system has completely integrated ISO 9001 (quality) and ISO 14001 (environment). We will continue to produce high quality products that are safe and satisfy our customers, while paying attention to the environment, under our integrated management system.

Integrated Management Policies

As a member of the optical industry of the world, we will continue to manufacture products meeting customer satisfaction and our goal of being Tamron Contributing to Society by Creating Eyes for Industry, while paying attention to environmental conservation.

1. We will supply our customers with high quality and reliable products by using our originality, ingenuity and technology, pursuing sustainable growth with profits arising out of delighting and satisfying our customers.
2. In running our business, we will comply with all related laws, standards and treaties at home and abroad, respecting the requests and demands postulated by our customers and the local community.
3. We will work on preventing environmental contamination through reducing CO₂, waste emissions and harmful chemicals while seeking alternatives and keeping biodiversity intact.
4. We will continue to work on improving the effectiveness of our integrated management system.
5. To achieve this management policy, we will specifically set up our objectives and targets, periodically evaluating our achievement level.
6. To enhance recognizing the importance of our integrated management, we will maintain good communications while providing sufficient education and training to all people working for Tamron.
7. We will closely cooperate with society in all countries and regions where we work and disclose information as necessary on our quality assurance and environment conservation.

December 7, 2009
Morio Ono, President & CEO

Triple Audit Systems for Surveillance and Finding Problems

We annually audit the implementation of the integrated management system at the Omiya Head Office and the three Aomori factories to check the effectiveness of the system and continually improve it, which are our internal quality and environment audits. From the auditing, internal auditors found some nonconformity cases and suggested improvements at the Omiya Head Office and three Aomori factories. In addition to the internal audit, the Omiya Head Office and three Aomori factories audit each other to check their systems and manufacturing processes. We periodically audit with contracted external audit organizations to maintain certifications while continually improving the integrated management system at Tamron. As a result of external audits implemented in 2011, the effectiveness of our policy management processes adopted at our domestic sites was assessed at level-4 on the whole on a scale of one to five, while the effectiveness of processes used at our production base in China was rated at level-4. Points at issue as results of the triple audit systems have been promptly improved, and we are working on further improvements by deploying activities horizontally among our group companies.

Risk Management

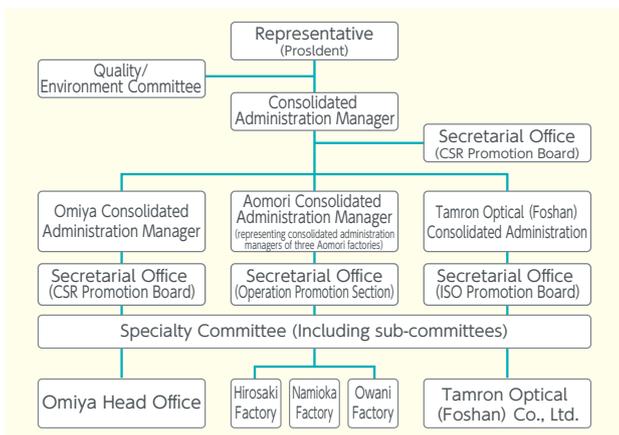
In January 2008, we assessed all risks in our business operations and established our risk management policies. Since then, we have been operating our risk management framework under the ten themes of compliance, corporate governance, information disclosure, labor safety and sanitation, employment, human resources, human rights, social contribution, information security, private information protection, environment and quality assurance.

Tamron's Risk Management Policy

At Tamron, recognizing all possible risks that may affect our business, we are committed to all possible damage prevention in order to minimize damage to the economy, our society and our environment. In emergencies, we work to minimize damage and promptly recover by acting responsibly, providing continuous services to our customers for continuing growth. We aim for safety and ease of mind for all stakeholders including our employees, shareholders, customers and business partners. We will continue to provide opportunities for learning about risk management to all employees so that they may work on risk management from a CSR perspective built on properly recognizing the importance of the policy and their missions.

September 30, 2009
Morio Ono, Representative Director & President (CEO)

《Consolidated Management》



※ Integrated internal auditors are working at our all sites, while integrated management promotion committee members are fulfilling their missions at all domestic sites.

For Responding to Acute Emergency

At our head office in Omiya, three factories in Aomori and TOF in China, evacuation and fire extinguishing drills are conducted every year with all employees participating as part of our risk management program. All employees and executives participate. We held a fire and evacuation drill in 2011 for all employees with the assistance of the fire department of Saitama City. Our employees learned about initial stage fire fighting and using fire extinguishers.

We also held an initial stage drill for earthquakes, using the government's preliminary earthquake flash announcement program.

Relationships with Customers

Tamron is committed to contributing to society by supplying customers with safe, unique and quality products and services, putting the highest priority on satisfying customers, dealers and OEM customers.

Major accomplishments in 2011

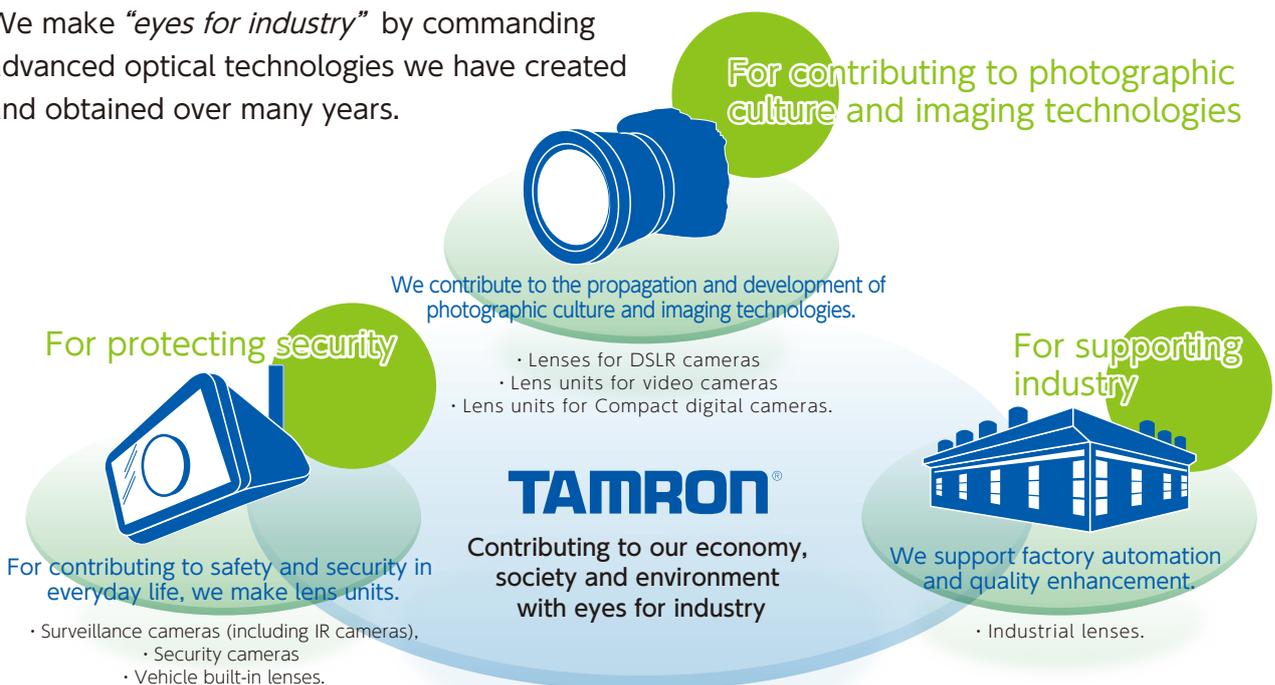
- We worked on improving product quality and performance.
- We worked on global deployment of our after-service systems.

Tasks for 2012

- Creating unique products customers appreciate
- Further improvement of our after-service systems

Tamron Products Familiar to Everybody

We make “eyes for industry” by commanding advanced optical technologies we have created and obtained over many years.



Tamron Products Highly Acclaimed by Experts

In developing interchangeable lenses for DSLR (Digital Single Reflex) cameras, we have been stressing high-power zoom lenses that enable photographers to respond to varied photographic opportunities, from wide-angle to telephoto, with just one lens. In developing the SP 70-300mm F/4.5-5.6 Di VC USD (Model A005) tele-zoom lens launched in 2011, we pursued the ultimate optical quality by employing high-class special optical glass materials. In designing the 18-270mm F/3.5-6.3 Di

II VC PZD (Model B008) high-power zoom lens, we worked on downsizing, successfully reducing its cubic measurement by 24% and weight by 20% by improving its VC (vibration compensation) mechanism. We also successfully reduced the AF driving noise while realizing smoother focusing by improving the AF drive motor. These two zoom lenses were highly acclaimed by experts as follows.

《Awards Granted》

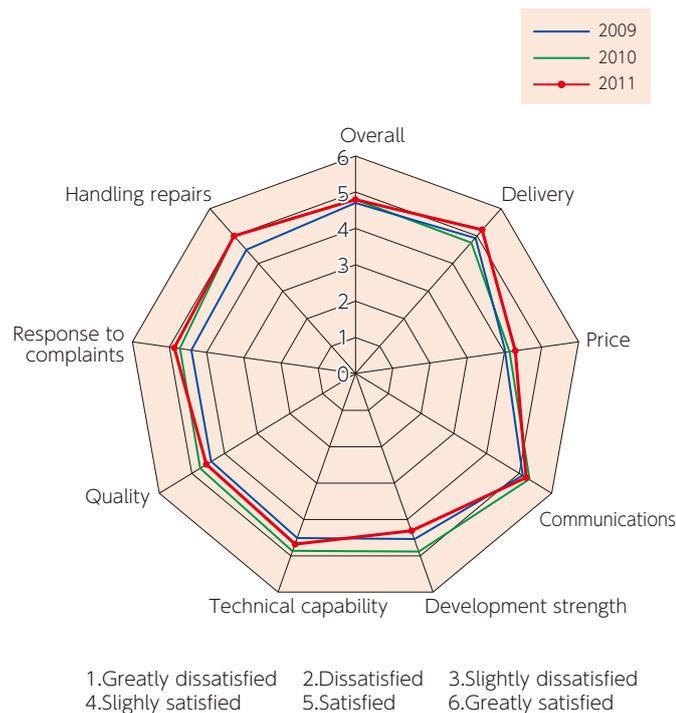
Model	Awards	Granted by
A005	EISA Award – European Zoom Lens of the Year 2010-2011	The European Imaging & Sound Association (Europe)
	TIPA Award 2011 Best Entry-Level Lens	Technical Image Press Association (Europe)
	26 th CAPA Lens Grand Prize	Gakken Publishing, CAPA (camera magazine), Japan
	Kakaku.com Product Award 2010, Silver Prize, Lens Sector	Kakaku.com, Inc. (Japan)
B008	EISA Award – European Zoom Lens of the Year 2011-2012	The European Imaging & Sound Association (Europe)
	Camera Grand Prix 2011 – Lens Grand Prize	Camera Journal Press Club (Japan)
	Digital Camera Grand Prix 2011 Summer, Gold Prize (Integrated Factors), Technical Award	Ongen Publishing Co., Ltd. (Japan)
	Kakaku.com Product Award 2011, Silver Prize, Lens Sector	Kakaku.com, Inc. (Japan)

Evaluation by Dealers and OEM Customer

We conduct a Customer Satisfaction Survey annually by asking our OEM customers and dealers handling products under our own brand for their assistance. In 2011, this survey showed that we improved our customer satisfaction concerning delivery capability by 0.2 points to 5.2 points and price by 0.2 points to 4.3 points. The improvement was primarily possible due to the combined efforts by all related divisions including marketing and sales. However, we lost 0.3 points to fall to 4.6 points for development capability and 0.2 points to fall to 4.6 points for quality. Some dealers wanted us to work on shortening development lead-time further while other customers commented that they could rely on us to provide quality products.

For items where our customer satisfaction ratings were below 4 points, we immediately took corrective actions. In 2012 and beyond, we will carefully review the feedback and suggestions from our customers to take proper measures for improvements.

《Results of Customer Satisfaction Survey》



	Overall	Delivery	Price	Communications	Development strength	Technical capability	Quality	Response to complaints	Handling repairs
2009	4.6	4.9	4.0	5.1	4.7	4.7	4.5	4.5	4.4
2010	4.8	4.8	4.1	5.3	4.9	4.9	4.8	4.8	5.0
2011	4.8	5.2	4.3	5.2	4.6	4.8	4.6	4.9	5.0

Continuing Improvement and Global Deployment of Efficient After-service through Effectively Using Customer Feedback

To reflect customer feedback and suggestions on product development and service improvement, we newly created our Customer Service Office in January 2011. The office works on obtaining customer feedback via telephone, mail and exhibitions. The office also plans to launch, in 2012, a new service that enables our users to obtain information on new products and events by registering products purchased with either the registration cards included or at our website.

Also, aiming at establishing a framework capable of completing repairs within three days on a global basis by 2012, we worked on globally completing all repairs within five days in 2011. We achieved the goal for 97.5% of our repairs, based on the number of repairs, by the numbers of technicians at our own repair shops at home and abroad, upgrading technician skills and establishing a new section for administering repair parts preparation.

In 2012, we will continue to work on improving our customer service systems, aiming at completing all repairs within three days on a global basis.

“Eternity at a Moment” – Photographic Exhibition as Tamron 60th Anniversary Project

We celebrated our 60th anniversary in November 2011. As an important event to celebrate the anniversary, we held “Eternity at a Moment”, a photographic exhibition introducing pictures 60 professional photographers took. To hold this exhibition, we asked 60 famous Japanese professional photographers to capture “Eternity at a Moment” with the 18-270mm F/3.5-6.3 Di II VC PZD (Model B008), our 60th anniversary model for DSLR cameras. Pictures taken were exhibited at 3331 Arts Chiyoda, a gallery in Chiyoda-ku, Tokyo, from October 5 through 11. About 6,000 people visited the exhibition, and we logged many accesses to our special page at our website from people in 135 countries and regions in the world.



Photo exhibition

Contribution to Enhancing Surveillance/ Security Camera Performance

In direct response to the growing demand for lenses capable of supporting surveillance and security cameras equipped with image sensors with pixel counts over one million¹ for higher definition, we developed the M13VG288IR, a vari-focal lens² that supports mega-pixel cameras and is capable of working in the near infrared region³. With conventional lenses, image quality inevitably deteriorates in the near infrared range compared to the visible light range⁴. The M13VG288IR maintains high optical performance from the visible light range to the near infrared range, even allowing surveillance at night without image quality deterioration. We will continue to work on developing newer and better next-generation lenses for security and surveillance, to contribute to the needs of society.



M13VG288IR

- (1) Camera equipped with an image sensor with pixel counts over one million (The standard pixel count is about 0.4 million)
- (2) Lens capable of changing focal lengths for different angles of view
- (3) Light invisible to human eyes. When a surveillance camera lens and a lens, both capable of handling light in the near infrared range, are combined, around the clock surveillance is possible without changing lenses.
- (4) Light visible to human eyes

Interacting with Businesses in Different Fields

As part of our programs to interact with businesses in different fields, our factory in Namioka welcomed seven inter-business engineer interns for four days in 2011. The interns were participating in the advanced course of the Medical System Development Meister School⁵ jointly organized by Aomori Prefecture and Hirosaki University. They worked on reducing scratches, dents and other damage on lens elements by grinding and polishing together with our engineers. Our engineers at the factory in Namioka found the program meaningful as some improvement suggestions were made on aspects they usually overlooked due to the different perspectives of engineers working in different fields.

- (5) The Medical System Development Meister School is operated mainly by Hirosaki Factory as a project financed by the Ministry of Education, Culture, Sports, Science and Technology. The project uses classroom lectures and fieldwork at businesses in Aomori to foster young engineers capable of planning and developing practical medical systems.



On-site seminar



A scene of an accomplishment announcement meeting

Quality Enhancement through MAP

Tamron works hard on enhancing product and service quality to provide greater customer satisfaction. Our goal is that each employee performs his/her own job, always thinking of his/her next process to unite the minds of employees⁶.

We have been promoting MAP as part of our quality enhancement program. MAP stands for maekohte, meaning pre-processes, atokohte, meaning post-processes and PDCA (Plan-Do-Check-Action). Each employee should always think of the next process when performing his/her job, for eventually enhancing the quality of all products and services. We promote MAP, working on current problems, by using seven tools essential for QC (characteristic diagrams, Pareto diagrams, check sheets, graphs, dispersion diagrams, histograms and control charts) in accordance with the QC scenario (deciding the theme – grasping the current status – cause analysis – establishing countermeasures – implementation – effect evaluation – standardization – wrapping up and defining future tasks).

In 2011, our factory in Namioka organized eight small QC circles (small groups of workers) for the above processes to deploy MAP activities and establish conditions for enhancing production efficiency and product quality and reducing scratches, dents, dusts and dirt on lens elements. In 2012 and beyond, we will continue to work on improving the quality of our products and services through MAP activities.



A scene of MAP work at Namioka Factory

- (6) "Uniting the minds of employees" is a phrase from the statement of our president in the beginning of 2011. Our president stressed the importance of uniting the minds of employees working at pre- and post-processes for improving the quality of our products and services.

Tamron's DfE (Designs for Environment)

To continue to develop products with designs friendly to the environment, Tamron enacted product assessment regulations based on the DfE philosophy several years ago. There are nine factors to consider in assessing designs; achievement objectives are established based on important factors among the nine factors. In 2011, we reduced the overall weight of all products developed by 13% and overall cubic capacity by 12%⁷. Products with designs acknowledged as DfE designs wear the Tamron Eco Label and are reported on our website.

- (7) Compared with conventional products and on a production basis in 2011

WEB <http://www.tamron.co.jp/envi/top/index.html>



Tamron Eco Label Design :

The label symbolizes an eye gently looking at our economy, society and environment. The eyebrow symbolizes a flowing stream of air and water, the pupil the green in the earth, and the tree in the pupil our work for the three R's of reduce, reuse and recycle.

Relationships with Business Partners

Tamron respects human rights, ensures compliance with laws and regulations, and establishes good relationships with business partners to grow and contribute to society together.

Major accomplishments in 2011

- Held seminars on CSR procurement and compliance with the REACH Initiative
- Provided opportunities to learn more about procurement and related laws

Tasks for 2012

- Investigation of means to ensure compliance with CSR procurement
- Expanding the scope of substances to be controlled to ensure compliance with the REACH Initiative

Business Partner Accreditation System

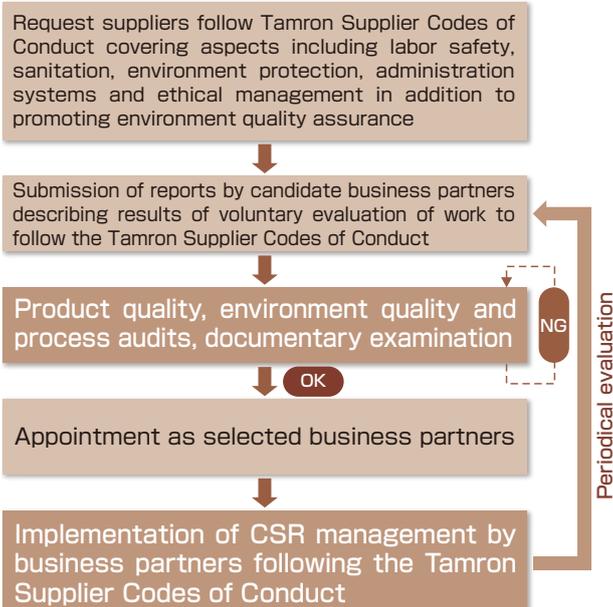
Since 2008, we have asked all suppliers and business partners to follow the Tamron Codes of Conduct that includes prohibiting child and forced labor and ensuring compliance with CSR procurement. In 2009 we also asked all suppliers to assess their adherence to the codes. In 2010 we introduced our work for ensuring labor safety, sanitation, human rights protection and information security to all our business partners.

For maintenance and protection of product and environment quality¹, we conducted a survey to check the work of our suppliers through on-site audits and document examination based on our assessment standards. We accredited suppliers based on the survey results, asking them to work on improving their systems to pursue product and environment quality.

In 2012 and beyond, we plan to check the work of our suppliers for social issues including human rights protection.

(1) "Maintenance and protection of environment quality" as used in this report mean regulating the use of harmful chemical substances in products our suppliers deliver to us to below the threshold level stated in our standards.

《Procedures to Select Suppliers》



Internal Education on CSR

While asking our suppliers to work on CSR, we held internal CSR seminars for all employees as well as workshops for our employees in charge of procurement operations to learn more about CSR. In 2010, we held seminars and workshops on fair transactions (the Subcontractor Protection Law), risk management and chemical substance management. And in 2011, we held seminars to learn about our CSR 12 Themes including human right protection, labor safety and sanitation.

For Maintaining Product & Environment Quality

We have been closely watching for harmful chemical substances to prevent using them in our products. We use a system to check substances regulated by the RoHS Initiative of the EU based on environment data obtained from our suppliers². In 2011, we continued to internally implement analytical work with advanced equipment including ICP-AES (Inductivity Coupled Plasma Atomic Emission Spectrometry) and GC-MS (Gas Chromatography Mass Spectrometry) to deliver safe products to our customers.

In addition, we asked all our suppliers to ensure compliance with our environment quality assurance system, and conducted document examinations and periodical on-site audits at domestic sites and overseas subsidiaries. We completed the audits and examinations as planned in 2011, recommended improvements as necessary and asked for adherence to our standards.

(2) Such data and documents as the certificate of non-use of harmful chemical substances, ICP analytical data and MSDS

Seminars to Learn More about CSR Procurement and the REACH Initiative

During the two-month period from December 2011 to January this year, we held seminars for all suppliers at home and abroad to learn more about CSR procurement and additional means to ensure compliance with the REACH Initiative. We examined problematic labor issues that arose globally in recent years in relation with CSR procurement, emphasizing the importance of paying attention to economic, social and environment issues throughout our supply chain.

Also, since 2008, our company has worked on establishing a system to comply with the EU REACH Initiative as part of our environment quality assurance program. To respond to customer requests for information disclosure based on the Initiative, we continued to collect data on chemical substances included in our products. Simultaneously, we asked all our suppliers to submit reports of chemical substances used in their products and materials they supply to us. At the seminars held in 2011, we re-explained the outlines of the REACH Initiative and introduced our revised format to state information on substances subject to the Initiative, asking our suppliers to give us accurate information.

We will continue to work together with our suppliers on CSR procurement and adhering to the REACH Initiative for assuring product and environment quality.



Seminar held at TOF, China

Relationships with Employees

Tamron fosters self-disciplined employees with the spirit of rising to the challenge of creating new ideas in a climate emphasizing ethics. Tamron strives to create a safe work environment that encourages work, based on fair evaluations, respect for human rights and mutual understanding.

Major accomplishments in 2011

- Continued to work on strengthening educational programs for engineers
- Continued efforts to create a comfortable work environment

Tasks for 2012

- Continuing efforts to create a healthy work environment, both mentally and physically
- Human resource development through seminars

For Strengthening Educational Programs for Young Engineers

To quickly respond to customers who always require increasing quality of products and services, we have implemented professional training courses for young engineers. In 2011, we continued to focus on them, providing opportunities for the engineers to enhance their engineering capabilities. We divided our seminars into three categories of in-house seminars, in-house on-site workshops and external seminars/workshops, preparing 17 different courses for young and middle-career engineers. Compared with seminars held in 2010, we increased the number of practical seminars answering immediate needs by four courses to a total of 17 courses.



Fundamental technology seminar

《Seminars & Workshops Held in 2011 for Engineers》

	Seminar Name	Target	Period	Content
1	Fundamental Technology Seminar	Engineers with work experience under 5 years	2 hours/6 times	Fundamental knowledge as Tamron engineers (optics, technology development, mechanical design, electronics, product disassembly, CAE, metal mold fabrication, quality administration and cost accounting)
	Metal Mold Fabrication Seminar	Engineers with work experience under 5 years	1 hour/4 times	Designing easier to fabricate metal molds
2	On-site Seminars at Related Workplaces	New graduates hired in 2011 for engineering fields	4 to 6 months	On-site seminars at related workplaces (production sites) expected to have close relationships in actual jobs
	Measuring Technology Seminar	Engineers with work experience under 5 years	2 weeks, in total	Fundamental knowledge on measurement methods, analysis and principles (using measuring tools)
3	Quality Engineering Seminar	Engineers	2 days	Knowledge on quality assurance methods such as FMEA and SQC
	Problem Solution Workshops	Engineers with work experience between 5 and 10 years	2 days	Basic knowledge of problem solution techniques and implementation

For Creating a Safe and Comfortable Work Environment

Tamron works hard to ensure safety and enhance the psychological and physical health of employees and create a comfortable work environment.

In 2011, recognizing the importance of administrating occupational safety, we enacted Labor Safety & Sanitation Regulations, organized the Tamron Labor Safety & Sanitation Committee and started patrolling employee work sites with administrators to help prevent labor accidents. As a result, we reduced the number of occupational accidents from five cases to three and the number of accidents when commuting increased from five to three. Since the numbers of minor traffic accidents during commuting by bicycle and minor external injuries at production points were large, we implemented route cause analysis on each case and called employee attention to prevent

similar cases. In addition, to be prepared for worse cases, we continued to hold seminars including emergency treatment seminars on cardiopulmonary resuscitation.

For mental health issues, we continued to hold seminars so that employees may learn more about mental health care. In 2011, a total of 109 employees participated in the seminars. They learned about the means for performing self-analysis and self-care measures. We will continue to support the mental health of our employees through consultation with contracted industrial physicians and interviews with staff of personnel departments so that our employees may prevent emotional disorders.

For Maintaining Life-Work Balance

Interest in good life-work balance has been growing internationally. In Japan, the problem of the declining birthrate and growing elderly population has been rapidly increasing. Firms must work hard to support employees who take maternity leave or live with elders to care for. Under this social situation, Tamron has been working on improving support for employees for good work-life balance.

Overtime-free Work Days

Up to 2010, we specified all Mondays and Wednesdays as overtime-free days, recommending all employees, except for those who must work overtime at jobs such as equipment maintenance, leave at closing time.

In 2011, as part of our scheme to support the energy saving campaign of the Japanese government after the disaster in March, we specified all weekdays as overtime-free days. To those who must inevitably work overtime, we permitted working in the early morning instead to avoid using electricity during peak hours. As a result of this approach, we considerably reduced gross overtime compared to 2010. Many employees say that they realized increased efficiency by starting work early in the morning. We plan to continue the current system for the time being.

Employee Interview



Mechanical Design Section
Design & Engineering Dept. #1
Imaging Products Business Unit
Atsushi Shimane

Previously, I customarily used a substantial part of my regular work hours for meetings with colleagues at other related divisions and responding to inquiries from other departments, engaging in my main job of designing at night during overtime work hours. After breaking myself of the habit, I realized that I could concentrate on my design work, feeling refreshed, by starting to work early in morning. Besides, commuting became much easier for me as I use trains before rush hour. I was also able to spend my time after getting home and before going to bed more freely. My operating effectiveness has been increased. The life style of starting to work early in the morning and leaving at closing time is better for me.

Relationships with Employees at Tamron Optical (Foshan)

Tamron Optical (Foshan) (TOF), our main production base in China, continued to work on creating a comfortable work environment.

Efforts to Develop Human Resources

TOF continued to hold seminars and workshops for upgrading employee skills, including business base training courses for newly hired employees and management training seminars. TOF particularly focused on management training. In 2011, management training seminars were held twelve times in total to train 219 employees.



Employees participated in management training seminar

For Creating Safe Work Environment

The number of industrial accidents at TOF in 2011 was three. In order to enhance safety awareness among our employees and remind them of our important administrative points for preventing accidents at work and ensuring safety and sanitation, we posted them in our Safe Work Environment Newspaper (issued 12 times so far). We also implemented safety patrols on regular basis.

For Creating A Safe Work Environment

TOF also worked hard on creating a safe work environment while letting its employees feel at home, under the slogan of *Employees First*. Feedback boxes are installed for obtaining employee feedback and improving communications between labor and management. Every month, the management reviews feedback and suggestions submitted by employees, posting replies on the company bulletin boards. Also, TOF holds a party every month to celebrate the birthdays of employees born in that month as part of its recreation program.

The management at TOF will continue to work hard on improving the work environment by assuring appropriate labor conditions for employees so that they may maintain good life-work balance.



TOF cycling club picnic

Relationships with Shareholders and Investors

We strive to enhance the corporate value of our company by pursuing faithful management and maintaining communications with our stakeholders including shareholders and investors.

Major accomplishments in 2011

- Held briefing sessions to inform shareholders and investors
- Worked on implanting thorough governance

Tasks for 2012

- Continued efforts for implanting thorough governance

Corporate Governance

1. Basic Policy

We at Tamron have constantly pursued fair and transparent management under our management philosophy since the foundation of the company and in line with our brand message, *Contributing to Society by Creating Eyes of Industry*, respecting the rights and equality of our shareholders and working hard on maintaining good relationships with all stakeholders.

2. Outlines of Structure for Ensuring Corporate Governance

Tamron is a company with a board of auditors. We have twelve directors and four auditors, including three external auditors.

(1) Board of Directors

Meetings of the board of directors are held twice a month in principle, attended by all directors and auditors, for reviewing the execution of duties by the directors and deciding on important issues as set forth in the basic policy of the company and related laws and regulations.

(2) Board of Auditors

The board of auditors audits the processes of decision making by the board of directors and the execution of duties of directors by attending the board of director meetings and checking the documents presenting their decisions. The board of auditors meets monthly in principle.

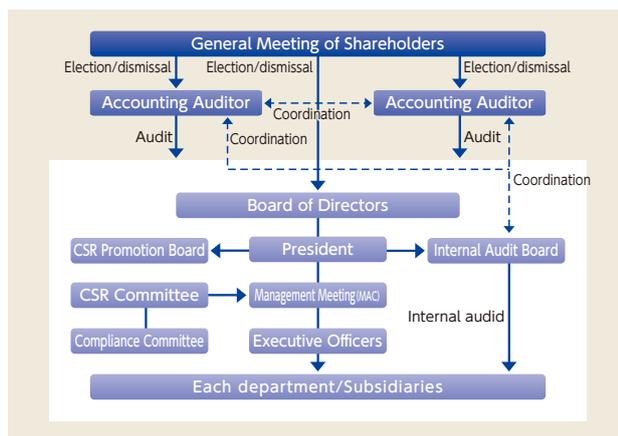
(3) Executive Officer System

Tamron introduced an executive officer system over ten years ago. Directors focus on management decisions, working with strategies on a mid- to long-term basis as well as ideas for evolving new business, while executive officers flexibly carry out daily business.

(4) Internal Control through Committee Meetings

We regularly hold monthly business discussion meetings (MAC meetings) attended by all directors, full-time corporate auditors and executive officers to discuss management issues and respond to the fast changing management environment.

3. Outlines of Structure for Corporate Governance



Communications with Shareholders and Investors

We continued to disclose information at appropriate times and in compliance with related laws and regulations, while paying due attention to fairness. We are working to ensure sound management and transparency, and to obtain understanding and credence of all stakeholders. As part of our IR2 work, we held explanatory meetings on our financial statements during 2010 at the end of the second quarter and the fiscal year for institutional investors and securities analysts, in addition to individual interviews with them from time to time.

We also simultaneously post our financial statements, press releases and other information on our website in Japanese and English whenever possible to keep our shareholders and investors informed. We are working hard to eliminate information disclosure imparity.

In addition to briefing sessions held regularly for domestic individual investors as before, Tamron participated in a conference held for international investors in 2011 for the first time. We will continue to work on maintaining good communications with our shareholders and investors at home and abroad through sufficient IR activities.



IR conference held overseas (Vice president Kono)

(1) IR stands for investor relations and means providing shareholders and investors with information such as financial standing that is necessary for investors to make investing decisions.

WEB IRサイト <http://www.tamron.co.jp/investors/top/index.html>

For Ensuring Compliance

At Tamron, a meeting of the Compliance Promotion Committee organized under our Compliance Committee is held monthly, attended by representatives from Tamron departments to promote compliance on a company-wide basis. In 2011, we also held workshops for learning more about our compliance action guidelines and related laws and regulations in performing our business operations, including the export control law. We will continue to work hard on promoting compliance as a group including subsidiaries overseas.

Relationships with the Environment

We pay attention to protecting the environment in deploying our business operations, working to be a company pursuing harmony with the environment.

Major accomplishments in 2011

- Implemented measures to reduce CO₂ emissions
- Monitored water consumption for finding measures to save water consumption further

Tasks for 2012

- Implementing CO₂ emissions reduction measures on a company-wide basis to achieve our group target including TOF in China

Environmental Loads

Products are designed, prototypes made and metal molds fabricated at the Omiya head office. In Japan, we also operate our Namioka Factory for manufacturing lens elements, Owani Factory for injection-molding plastic components and Hirosaki Factory for assembling final products. We also operate Tamron Optical (Foshan) in China as our manufacturing base abroad. The factory in China is an integrated factory performing all operations ranging from component production to assembly. We use electricity, heavy oil, kerosene and other energy sources for developing, designing and manufacturing, emitting CO₂. Our factories in Namioka and Foshan use much water for polishing

and cleaning lens elements, generating polluted sludge and waste liquid containing melt chemicals. Our factories in Owani and Foshan also generate plastic runner materials¹ while manufacturing plastic components used in peripheral lens parts, in addition to waste liquid.

We emit CO₂ as we mainly use trucks for transporting materials, parts and products between factories. In 2011, we reduced our energy consumption volume for gasoline and diesel oil used for transportation and our CO₂ emissions by 20%, by more efficiently using trucks compared to 2010.

(1)Materials left in portions equivalent to paths to route resin for making plastic components

INPUT

Energy		Water	
Electric power	63,008,000kWh	Clean water	724,000m ³
Crude oil	231kℓ	Sewage water	128,000m ³
Kerosene oil	15kℓ	Total	852,000m³
Diesel oil	53kℓ	Raw/auxiliary materials	
Gasoline	2kℓ	Metal (brass, aluminum)	
LPG	2000m ³	Glass	
Natural gas	108000m ³	Plastic	
Total	570,009,000GJ	Chemicals (drugs, solvents, cleaners)	
		Gas (nitrogen, oxygen, argon)	
		Electrical components	
		Cardboard	
Paper			
Copy paper	20t		

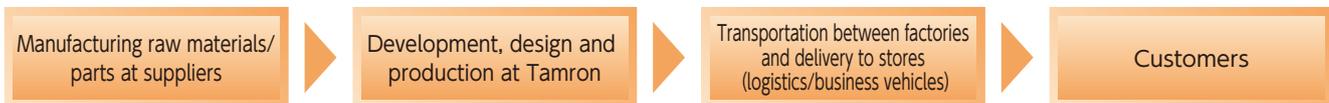
Transportation energy ²	
Diesel oil	276kℓ
Gasoline	64kℓ
Total	340kℓ

Scope of INPUT Items : Omiya head office (including Tokyo / Osaka sales offices), three factories in Aomori, Tamron Optical (Foshan), China (excluding Tamron Optical (Foshan) as for waste entrusted for intermediate treatment)

(2)The energy consumption data for transportation cover energy used by trucks for transporting parts and final products and commercial vehicles connecting five sales offices in Japan. The Tamron Optical (Foshan), China data covers company cars only.

Sites covered: 97%

(based on the total number of employees)



OUTPUT

CO ₂ Emissions		Recycled	
Electric power	32,344t-CO ₂	Paper	27t
Crude oil	627t-CO ₂	Cardboard	44t
Kerosene oil	37t-CO ₂	Metal	46t
Diesel oil	112t-CO ₂	Plastic	103t
Gasoline	4t-CO ₂	Grinding sludge	11t
LPG	14t-CO ₂	Waste fluid	146t
Natural gas	226t-CO ₂	Others	75t
Total	33,364t-CO₂	Total	452t
Waste entrusted for intermediate treatment		Products	
Industrial waste	374t	Total	2,734t
General waste	93t		
Total	467t		

CO ₂ Emissions during Transportation ²	
Diesel oil	724t-CO ₂
Gasoline	148t-CO ₂
Total	872t-CO₂

We report amount of waste which was entrusted for intermediate treatment in Tamron Optical (Foshan), China below for reference.

Tamron Optical (Foshan), China (estimated amount)	
Industrial waste	517t
General waste	745t
Total	1,262t

Reference Guideline : "Greenhouse Effect Gas Calculation/ Reporting Manual" (Ver. 2.4) issued by The Ministry for the Environment

Compliance

Tamron regularly checks compliance with laws and regulations related to quality assurance and environmental protection in order to ensure the compliance of the entire group. Major issues and compliance at Tamron are as shown in the table below. In Japan, we reported on the energy consumption and actions taken to reduce consumption as a specific business entity under the Revised Energy Saving Law. Also, we continued to inquire into chemical substances contained in parts and materials our suppliers deliver to us. We confirmed that the SVHC (substances of very high concern) content was below the standard threshold level requiring special reports.

《Compliance at Respective Sites》

○: Satisfactory △: Insufficient —: Not regulated (Not applicable)

	Head office	Aomori Factories	Foshan ³
Energy saving (revised law)	○	○	—
CO ₂ emissions reduction	○	○	—
Chemical substance management ¹	○	○	○
Air	○	○	○
Water quality	○ ²	○	○
Soil	○	○	○
Noise	○	○	○
Vibration	○	○	○
Odor	○	○	○
Occupational safety	○	○	○

- (1)Laws related to managing and investigating chemical substances apply to domestic sites; international directives including RoHS and REACH apply to the entire group.
 (2)Values exceeded standard values at some points of measurement, but our measures securely prevented contamination diffusion outside our facilities.
 (3)Compliance with related laws and regulations enforced in China as well as international regulations such as the RoHS and REACH initiatives

Environmental Accounting

The outlines of our environmental accounting were as follows

(unit : thousand yen)

Category	Environmental cost		Main work	Economic effect	Environmental conservation effect	Page
	invested	Expense				
Cost with in business area	Pollution prevention cost	900	7,543	—	Ensuring environmental Standards	P18
	Earth environment conservation cost	42,039	22,229	15,005	Preventing harmful chemical substances use in products Reducing energy consumption	P10 P17
	Resource cycling cost	0	16,838	223	Enhancing waste recycling ratio	P18
	Sub-total	42,939	46,610	15,228		
Upstream and downstream costs	0	2,548	Green procurement	—	Implementing audits at business partners'	P10
Management activity cost	0	38,371	Maintenance and operation of environmental management systems Environmental education	—	Achieving environmental objectives and targets	P16
R&D cost	0	146,097	Efforts for DfE	—	Enhancing product performance through DfE	P9
Social activity cost	0	555	Cleaning neighboring areas	—	Reducing disposed of garbage	—
Cost to prevent Environmental damage	0	0	—	—	Contamination accident free	P15
Total	42,939	234,181		15,228		

- * Scope of Environmental Accounting
 Period: From January 1 through December 31, 2011
 Premises covered: Omiya headquarters (including sales offices in Tokyo and Osaka) and three Aomori factories.
 * Labor costs are calculated based on the average wage.
 * The economic effect in comparison with Earth environment conservation costs is calculated by comparing power consumption figures in 2009 and 2010, while the economic effect in comparison with resource recycling costs is represented by a gain from metal waste sales.
 * Depreciation allowance is not calculated as an expense.

Education & Training

We periodically hold CSR seminars including a course on environmental management.

Environmental Management Education

In 2011, as part of our environmental management educational program, we held a seminar for our employees to learn more about biodiversity over the Internet. In total, about 1,000 employees from our domestic sites, TOF in China and overseas sales subsidiaries participated in the seminar. We also provided opportunities to learn more about waste sorting, energy saving and green procurement to the members of our integrated management promotion committee. The committee members undertake the role of conveying what they have learned to their colleagues in their work places and promoting energy saving including efficiently using air-conditioning.

Education on Environmental Management System

Our company deploys business operations based on our integrated management system that conforms to ISO 9001 and 14001. In 2011, we held seminars and workshops prepared for different areas such as sales/marketing, design, procurement and production so that employees may recognize ISO requirements imposed on them and followed the PDCA (Plan-Do-Check-Action) cycle for improvements. Employees engaging in procurement operations learned more about CSR procurement, thought about improvements necessary for upgrading their current practices, and exchanged opinions among participants.

Education on CSR

In addition to seminars on the Ten Principles of the UN Global Compact and the UN Millennium Development Goals, we worked on educating our employees on global issues by introducing, for example, the International Days specified by the UN on our company bulletin boards under the title of "What day is it today?"

To respond to social needs through our own business operations, we held seminars for learning about identifying stakeholders as well as recognizing stakeholder expectations and tasks imposed on us. Employees participating in the seminars discuss the means necessary to respond to the expectations of our stakeholders in small groups. We will continue to work on strengthening our CSR educational programs so that our employees may engage in their daily jobs while thinking about relationships with society.



CSR Seminar

Environmental Objectives and Targets Achieved

The 4th mid-range environmental management program continued in 2011. We worked hard on achieving our objectives and targets for the year.

Environmental Objectives & Targets Achieved in 2011

In 2011, we focused on reducing CO₂ emissions as the most important environmental objective of the Tamron group, managing reduction in terms of the basic sales unit. Our objective for 2011 was reducing CO₂ emissions by 10%. We achieved our CO₂ emissions target in terms of absolute volume, but our reduction stood at 7% due to our total sales being below our original target. The flooding in Thailand and appreciation of the yen reduced our sales.

The CO₂ emission reduction target for 2012, during our three-year mid-range plan, was 15%, but we have realigned the target to 5%. We prioritized thorough management of the total CO₂ emission volume while pursuing production efficiency enhancement, given the total in-house production volume of TOF in China is expected to increase. We will continue to work on enhancing our production efficiency while introducing additional

energy saving measures for our production facilities.

As for environmental loads other than CO₂ emissions, our work sites established their own reduction targets as their operations and products differ. Sites other than the head office in Omiya achieved their targets. The head office in Omiya failed to achieve its waste plastic reduction target.

For reducing industrial waste, our Waste Reduction Promotion Sub-committee established and managed our reduction target. Our Integrative Design/Manufacturing Engineering Promotion Sub-committee, a cross-section organization to vertically manage operations from design to manufacturing, established and managed our target for promoting DfE designs.

For organizational structure, please refer to page 6 (Consolidated Management System).

《CO₂ Reduction Targets Achieved and Three-year Plan》

	2010	2011	Target in 2012
Reduction target compared to 2009 (In terms of basic unit per net sales)	-5%	-10%	-5%
Actual	-6%	-7%	
Achievement	A	B	

《Environmental targets Achieved in 2011》

Targets	Targets in 2011		Results in 2011	Achievement
Reducing industrial waste	Head Office (3D Techno Center)	3% reduction of metal scrap and waste plastic compared to 2010 (waste at time of mold fabrication)	Metal scrap reduction rate : 22% Waste plastic growth rate : 7%	A B
	Hirosaki Factory	1% reduction from the emissions volume in 2010 (in absolute value)	Waste plastic reduction rate : 32%	A
	Namioka Factory		Reduction rate	A
	Owani Factory	Waste plastic reduction rate : 14%	A	
	TOF in China	2% reduction from the emissions volume in 2010 (per net sales unit)	Reduction rate	A
Zero industrial waste emissions ²	Head Office	Continuation of zero emissions	final disposition rate : 0%	A
	TOF in China	Continuation of zero emissions	final disposition : 0t	A
Promotion of DfE ³	All sites	• Sales of Tamron Eco-Label products • Promotion of DfE • No environmental contamination accidents	Pronouncement of Eco-label products: July 2011 Promotion of DfE designs: Reduced gross weight by 13% and gross cubic volume by 12% compared to 2011 (conventional products), on a total unit production basis	A
Preventing environmental contamination	Three Aomori factories	No environmental contamination accidents	Environmental contamination accidents: Zero	A

《Targets for 2012》

Targets	Targets in 2011	
Reducing industrial waste	Head Office (3D Techno Center)	3% reduction of metal scrap compared to 2010 3% reduction of waste plastic compared to 2011 (Waste at time of mold fabrication)
	TOF in China	2.5% reduction from the emissions volume in 2011 (per net sales unit)
Promotion of DfE	All sites	• Promotion of DfE • No environmental contamination accidents

Each site continued to work on zero emissions and preventing environment contamination.

(1)Basic unit per sales: $\frac{\text{Total CO}_2 \text{ emissions (t-CO}_2\text{)}}{\text{Consolidated sales (million yen)}}$

(2)Definition of zero emissions: The volume of waste eventually sent to simple reclamation disposition becomes 2% or less of the total volume of industrial waste (i.e., recycling ratio of 98% or more).

(3)Work to pursue light weight, compactness and the use of recycled materials in line with our product assessment regulations

(4)For further information on Tamron Eco-label Products, please visit

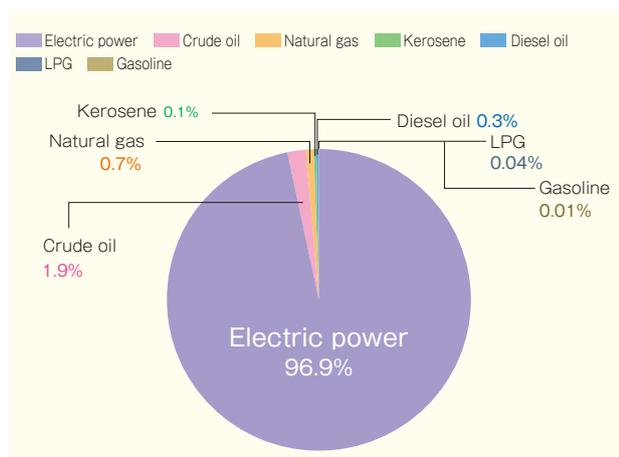
<http://www.tamron.co.jp/envi/top/index.html>

Reducing CO₂ Emissions and Energy Consumption

Tamron strives to reduce CO₂ emissions and water consumption at factories based on our integrated management.

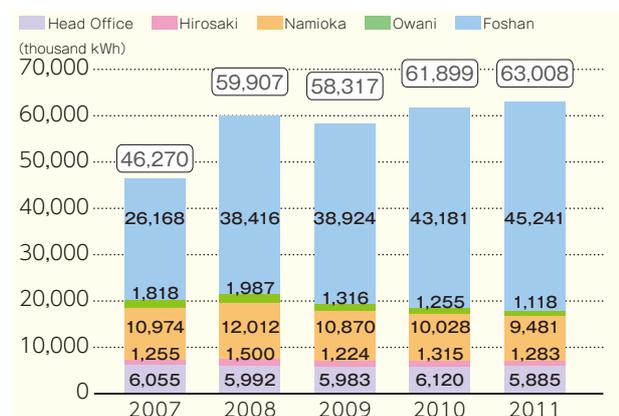
By-source CO₂ Emissions

Looking at sources of CO₂ emissions from the Omiya head office, three Aomori factories and Tamron Optical (Foshan) in China, electric power accounts for 97%, crude oil 2% and natural gas/kerosene/diesel oil/LPG/gasoline 1% altogether. Reducing power consumption is the key to reduce CO₂ emissions.



For Reducing Electric Power Consumption

The ratio of electric power consumption at our domestic sites and Tamron Optical (Foshan) (TOF) is about 3:7. Our total electric power consumption including TOF has been increasing during the past five years. Our total consumption in 2011 increased 2% compared to 2010. Consumption at our domestic sites declined as there was no new installation of big equipment. The slight decrease in domestic production and work to save energy contributed. Power consumption at TOF in China increased due mainly to the installation of a new metal processing line in 2010 and the increase of the total production volume by 24%. TOF plans to reduce power consumption further in 2012 through enhancing production efficiency while improving facilities.



Our Response to Government Request to Reduce Power Consumption

In summer 2011, the Japanese government requested all business entities and households to reduce electric power consumption by 15% during peak hours compared to 2010 to cope with the anticipated power shortage after the Great East Japan Earthquake. Our Omiya head office and Namioka Factory, receiving electric power supply from the Tokyo Electric Power Co. and Tohoku Electric Power Co., worked on reducing power consumption with the following measures:

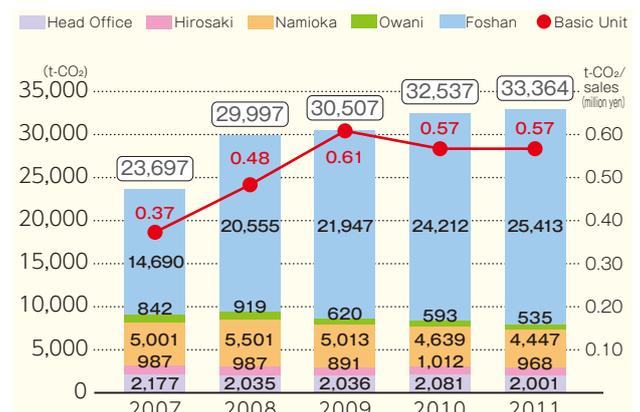
Measures to reduce energy

- Changes in labor scheduling (working on more Sundays in May and June and extending summer vacation in July August)
- Shifting to night work (process stages and operations consuming large amounts of power)
- Shifting to holidays (operations consuming large amounts of power) (Omiya head office)
- Overtime-free campaign
- Additional measures to reduce power consumption at manufacturing facilities (for example, by managing compressor operations and reducing standby power of processing machines)
- Thorough administration of air-conditioning (regulating preset temperatures to over 28 degrees C, allowing the use of air-conditioning at offices only within the time frame from 8 to 17 o' clock)
- Reducing lighting
- Unplugging computers and other devices when not in use

In addition, at our factory in Namioka, we operated private power generators during peak power consumption hours. We also tried to make our employees more conscious of saving power by updating them on our power consumption. These measures enabled us to reduce power consumption at the head office in Omiya in July-September 2011 by 14% and 10% at our factory in Namioka. Power consumption during peak hours in the same period declined 36% at the head office and 8% at the Namioka Factory, compared to the same period a year earlier. In 2012, we will continue to work on saving energy at all our sites.

CO₂ Emissions

Accompanying electric power consumption, CO₂ emissions from our three factories in Aomori and Tamron Optical (Foshan) have been increasing during the five past years. Our total CO₂ emissions in 2011 increased by 3% compared to 2011.

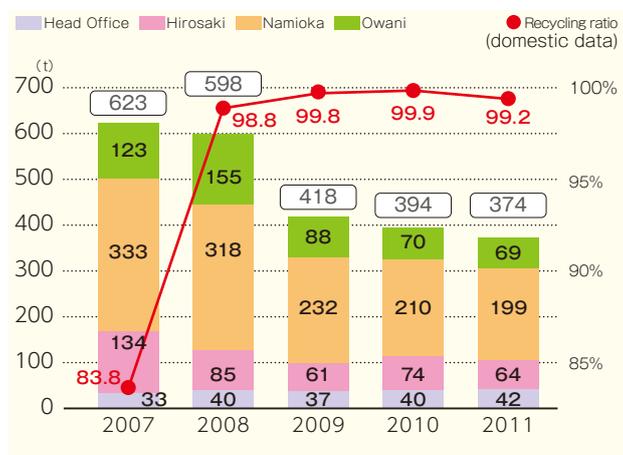


Reducing Waste and Water Consumption

We are working on reducing waste by enhancing production efficiency and improving business operations.

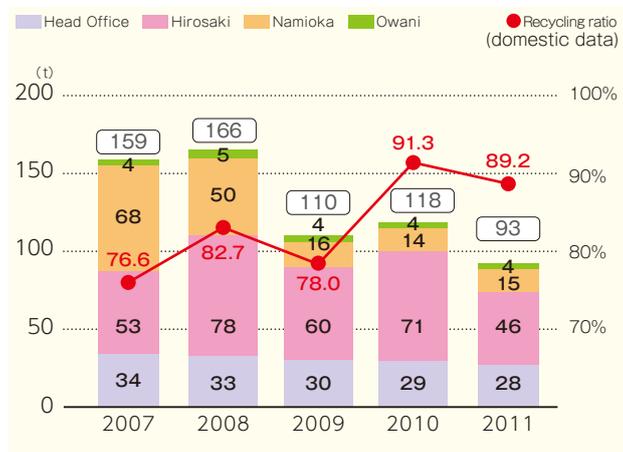
Work to Reduce Waste

The total volume of industrial waste from our domestic business operations has been declining over the past five years accompanying the decline of our domestic production volume. The total decreased by 5% in 2011 compared to 2010¹. Industrial waste from our factory in Hirosaki decreased by 14% in 2011 compared to 2010. The factory in Hirosaki recalls plastic packages used for delivering products from TOF in China to domestic OEM customers. In 2011, the total volume of recalled plastic packages decreased.



General Waste from Business Operations

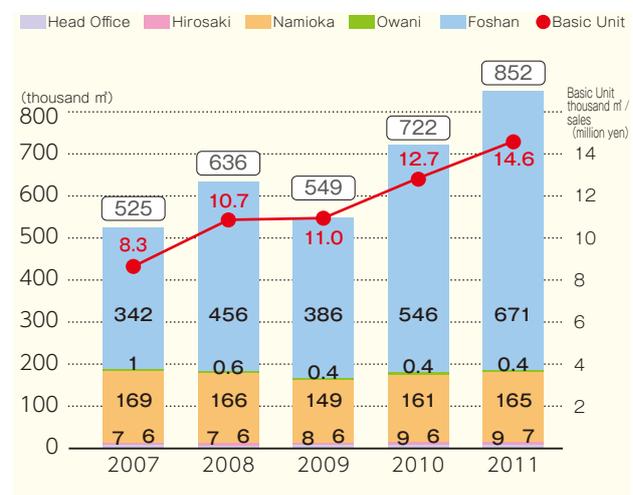
The total volume of general waste from our domestic business operations has been declining for the past five years. The 2011 decline was 21% of general waste in 2010¹. Looking at sites, waste from the Namioka factory slightly increased, but waste from other two domestic sites declined. Waste from the Hirosaki factory declined by 35%. The same as industrial waste, the volume of cardboard boxes used for transporting products has been declining.



(1) TOF in China has been measuring industrial waste since 2008, but we are focusing on data consistency because of the difficulties of obtaining data on some products. We therefore report the waste reduction from domestic production sites. The estimated volume of industrial waste from TOF in 2011 is reported on page 14.

Water Consumption

The total water consumption volume of our group has been rising, following the output growth. In the first half of 2011, we investigated the causes for the increases. As a result, defects in ductwork and pumping facilities were found at the head office in Omiya and the Namioka factory. The repair work was completed by June. However, the total volume of our water consumption increased by 18% in 2011. We will continue to manage water consumption at TOF in China where much water is consumed following the installation of additional lens processing facilities. We will also closely monitor water consumption at other sites monthly so we may promptly act when signs of increases are shown, while evaluating the effects of repair work in 2011.



Interview with Manager in Charge of Environment Management at TOF



Deputy Section Manager, General Affairs Dept.
Zhou Zhibin

At TOF, in line with our environmental objectives, we improved our infrastructure in 2011 to reduce our electric power consumption and increase our efficiency in using compressed air. At the same time, we launched an internal campaign for saving energy. Compared to 2010, our power consumption in terms of basic unit per net processing charge decreased by 15%. For waste, we established our Industrial Waste Sorting Standard and re-used cardboard boxes for packing parts. As a result, we reduced industrial waste by 3% compared to 2010 in terms of basic unit per net sales. In 2012, we will continue to work on reducing waste and saving energy.

Relationships with Society

To grow together with society and continue to be supported and patronized, Tamron also works to support social events and cultural activities so photography and imaging culture can develop and evolve.

Major accomplishments in 2011

- Continued photo contests and educational programs for elementary school children
- Provided financial support to local welfare event promoters

Tasks for 2012

- Continuing participation in local events for social contribution

For Growing Together with Local Communities

Class for Children

Tamron employees contribute to the local communities where our business sites are.

Since 2008, we have continued to have classes to arouse elementary school children's interest in science including classes for learning about global warming. In 2011, we held such classes once at an elementary school and in four community halls in Omiya. Children in double the number of our original plan applied for in both cases. In total, 141 children participated in our educational classes. Since 2008, 1,456 children have participated in our educational classes.

Our employees work out the educational programs and four to five employees serve as a lecture team. We always think the most about whether the children can enjoy and learn. Children found science interesting by observing how the nature of soap bubbles changes depending upon differences in chemical substances and making paper dragonflies. We are pleased to know from our questionnaires after classes that our classes were enjoyable. We will continue to contribute to our local communities by having similar classes for school children to learn more about science.

Interview with Elementary School Teacher



Kishimachi Elementary School,
Saitama City

Tetsushi Yamaguchi

Children love to blow soap bubbles. Children at our school were excited to learn how to make giant soap bubbles. The teacher from Tamron did a great job with the class. Our children certainly took interest in the class. Providing question and answer time for the children was also good to enable them to think independently. Preparing time for questions and answers would have made the class even better. One regular class in elementary school is 45 minutes. The Tamron class was interesting to me as a teacher as I found the idea useful to enrich our educational programs.

Social Contributions at Three Aomori Factories

Our factories in Aomori continued to clean neighboring areas regularly during the period from April through November when the ground is snow-free. The trash collected by the three Aomori factories weighed 78.2 kg. The campaign to collect pull-top caps that the three Aomori factories started in 2005 was also continued. In 2011, the three Aomori factories donated pull tops weighing 33 kg to the Social Welfare Council of Owani Town for supporting its welfare projects. Our Hirosaki Factory also continued to offer its compound as a practice field for local children's soccer teams to contribute to society.

Support to Cookie Bazaar

We donated to Cookie Bazaar 2011 held in November 2011 by Hands-On, an NPO, while inserting an ad in its flier for notifying many more people of the event. The event was held to promote the sale of cookies physically challenged persons make. We supported the event financially as encouraging the self-help of physically challenged persons is meaningful.

Car-free Day/Eco Life Day (Head Office)

In 2008, we introduced our own program to suggest our employees refrain from using their cars for commuting on the third Friday of every month as a car-free day and establishing specific week days in summer and winter as eco-life days¹. In 2011, as a result of the car-free day campaign, we reduced CO₂ equivalent to 11 tons² and CO₂ equivalent to 2 tons with the eco-life day campaign. The total number of people who participated in the eco-life day campaign in summer and winter of 2011 grew 48% to 1,951 including families of our employees.

(1)Eco-life day is a campaign held by Saitama Prefecture to suggest checking air-conditioning settings, switching off unnecessary lamps and reducing water consumption at offices and households.

(2)We obtained this figure by assuming that the average distance driven by our 168 employees commuting by car is 30 km round trip with an average fuel consumption of 12km per liter.

(3)The volume of reduction of CO₂ emissions on car-free and eco-life days (11 tons) is equal to the gross volume of CO₂ emitted from a typical household during a period of two years and three months.

Plastic Bottle Collection

We have continued to collect empty plastic bottles for donating the money received from selling them for procuring polio vaccine. The total volume of plastic bottles we donated since 2008 was equivalent to polio vaccinations for 431 children. We will continue to collect plastic bottles to protect children in developing countries from polio.

Contributing to Developing Photographic Culture

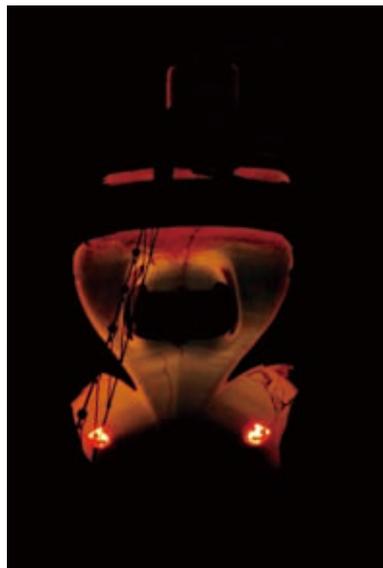
Tamron constantly works on contributing to developing photographic culture. We work in this direction by developing interchangeable lenses enabling photographers to capture precious moments and holding photographic exhibitions.

The 4th Railroad Scenery Photo Contest

We hosted the Railroad Scenery Photo Contest again in 2009 to contribute to revitalizing our local community and developing photographic culture as a company with our head office in Omiya, a city known as The Railroad Town. We held a photo exhibition and showed the award winning photos at Omiya Sogo Department Store, working together with Saitama City, the Chamber of Commerce and Industry of Saitama City and the Educational Commission of Saitama City to make the exhibition an event rooted in the local community.

The 4th Railroad Scenery Photo Contest we held in 2011 was open to all from photo enthusiasts to photographers in general. We received 5,708 works altogether, up 17 % from 2010, from photographers ranging from entry-level to advanced amateurs and railroad photo enthusiasts.

WEB <http://www.tamron.co.jp/special/train2011/result.html>



Grand Prize (For adults; Saitama City Mayor Prize)

"Glow of Sunset" by Minoru Iwamoto

"I tried to express the glow of sunset by capturing a bullet train clothed in the evening glow, in low-key, to control contrast between red and black".



Grand Prize (For students; Saitama City Education Board Superintendent Prize)

"J.U.M.P." by Tsubasa Karaki

"I captured this moment, imaging a scene jumping into the sunset". (At Shimonada Station, JR Yosan Line)



Humorous Photo Contest Award

"My father and younger sister" by Noa Kurihara

"My younger sister was sleeping on my father's shoulder. She was so cute, looking like a turtle". (On a river terrace along the railroad between Oyahama and Nagatoro, Chichibu Line)

8th Macro Lens Photo Contest

For popularizing macro lenses further, we made our 8th Macro Lens Photo Contest (2011) open to all photographers without restricting manufacturers, accepting pictures as long as they were macro pictures. The contest was open to enthusiasts of nature photography of insects and plants and to those who love photography in general. Also, we accepted entries via the Internet for the first time in 2011. A wide array of photographers entered the contest. We received 7,040 works, up 60 % from 4,408 in 2010, including macro shots finely capturing nature as well as warm pet shots and pictures of kids. We will hold photo contests in 2012 and beyond to continue to appeal to as many people as possible with the attraction of photography.



Grand Prize (Macro Lens Photo Contest)

"Winter nymph" by Nobuko Ikeda

WEB <http://www.tamron.co.jp/special/macrocon2011/result.html>

Activities at Subsidiary Companies Overseas

Tamron's subsidiaries abroad continued to work to strengthen their relationships with their communities in the year marking Tamron's 60th anniversary.

Tamron Europe GmbH (TEG)

Germany emphasizes the principles of environment protection. In 2002, Germany decided to prohibit building new atomic power stations and close existing ones step-by-step through legislative changes. A fixed system for purchasing generated electric power was introduced ahead of other European countries in order to encourage wide use of solar energy. TEG installed 344 solar panels on the roof of our building when expanding the building in February 2011 to reduce CO₂ emissions.

Though electricity generation per day on average over a year is 197 kWh, per-day average power generation in the six-month period from April through September reaches 265 kWh. Our power generation from February through December reached 61,400 kWh, which we sold to a power company. The power generated from our solar panels in 2011 was equal to reducing 35 tons of CO₂ when converted to CO₂ emissions¹.

We at TEG will continue to work on realizing a low-carbon and environmentally friendly society.

(1) We used the following calculation format: 61,400 kWh (gross volume of power) x 0.563 kg/kWh (emission coefficient) = 34,568 kg CO₂



Solar panels on the TEG roof

Tamron Optical (Shanghai)

We continued to support the National Modern Photography Contest that had been held first time in April 2010 and enjoyed popularity among photographers. During the period of five months from launching the project to the entry deadline, we received inquiries from a number of college and university students. The total number of works submitted from students of 557 colleges and universities in 180 towns and cities across China reached 19,306. An awards ceremony was held at Lu Hsun Art School, a distinguished art institute in Shanghai. In addition, to help students learn more about photography, we held photographic workshops on that opportunity.

We also exhibited award winning works at universities in Chungking and Zhengzhou. Students and teachers welcomed the events, which ran for one week at each school. The number of visitors to one of the events on the first day exceeded 150. We will continue to support stimulating interest in photography among young people and develop photographic culture in China.



A photographic seminar held in Shanghai

Tamron USA (TUS)

In 2011, Tamron USA started a new campaign for sorting trash. We installed recycle bins dedicated for PET bottles, aluminum cans and steel cans, besides the ordinary trash boxes in our lunchroom. The idea of sorting trash is not yet very popular in the United States. Accepting a proposal from two of our employees, Christine and Cathy, who called for action within our daily lives, we started the campaign. "We are glad to know that we can contribute to society even a little through this. We hope that interest in recycling increases further among our colleagues on an individual basis as well, learning a lesson from the campaign", say Christine and Cathy.



A photo exhibition

Independent Third-Party Opinion



Noriyasu Kunori,
Doctor of Engineering

[Current Position]

Professor, Faculty of Engineering, Toyama Prefectural University Senior Counselor, Policy Making, Toyama City

[Academic Background]

Graduated from the Department of Management, Faculty of Commerce, Chuo University in 1989, and visited 80 countries of the world as a journalist. Majored in and completed his master's in comprehensive policy at the Comprehensive Policy Study Course, Graduate School of Chuo University, and started to work as a bench scientist at the Political Measure & Culture Comprehensive Research Lab of Chuo University in 1999. Associate professor at the Research & Development Organization, Chuo University, in 2001. Professor in charge of a new course at the Graduate School, Faculty of Engineering, Chuo University in 2006. In current position since 2009. Also a professor at The Open University of Japan.

[Academic Societies]

Senior General Member of Sustainable Management Forum of Japan, an academic member of Japan Association for Human & Environmental Symbiosis, The Japanese Society of Environmental Education, Japan Institute of Tourism Research, The Japanese Society for Quality Control, Japan Society of Civil Engineering, The Institute of Life Cycle Assessment Japan, Japan Logistic Society, Public Policy Study Association Japan Japan Association for Communication, Information & Society, Corporate Environment CSR Association and Society of Environmental Science Japan

[Committees]

Exploratory committee on management and operation of national parks (Ministry for the Environment) in 2006, an explanatory committee on Japan-ASEAN environmental action plans in conjunction with public transportation (Land, Infrastructure and Transportation Ministry) in 2009, a verification committee for establishing objective systems for evaluating scenic spots working on reducing environmental loads (Land, Infrastructure and Transportation Ministry) in 2009.

[Areas of Specialization]

Environmental management, CSR, environmental policy, environmental education, sustainable tourism

[Scientific Papers]

Environment Management in Patagonia, Inc. of the United States, Research of Business Administration Prioritizing the Natural Environment & Human Life (Journal of the Academy of Environment Management), 2001

Environmental Education & Environmental Management - Study of Sequential Environmental Education from School to In-house Seminars at Businesses (Journal of the Academy of Environment Management), 2003 (Paper received Environmental Management Academy's Distinguished Research Work Award)

Education of Sustainable Business Management (Journal of the Academy of Environment Management), 2007

Development of Eco-tourism, Sustainable Sightseeing (Journal of Japan Tourism Research Association), 2009

Steady Business Administration and CSR Governance

In December 2007, Tamron asked me to serve as the facilitator of its 1st Stakeholder Dialogue, so this visit to Tamron was my second. We encountered major social changes like the Lehman Shock and the Great East Japan Earthquake, but Tamron continued to grow with its core business, the lens business including photographic interchangeable lenses, by steadily cultivating its core competency. New products Tamron developed have been favorably received in the global market. Tamron has also deployed positive marketing operations at home and abroad. Tamron has pursued innovation in customer services, working to create a global repair service system capable of completing all repairs within three days. In short, the company has been steadily moving forward as a global company.

While deploying positive marketing operations in those ways, Tamron is pursuing CSR governance and environmental quality preservation by holding up 12 modern CSR themes to enhance its corporate value, specifically identifying its stakeholders and announcing its action declarations. My understanding from those aspects was that its CSR management system is securely established. I therefore tried to ascertain if its action declarations were actually functioning as declared.

I have understood from my visit at this time and from this report that the company has been improving its divisions, factories and subsidiaries overseas by utilizing ISO 14001 concerning the environment. I was given an opportunity to observe actual worksites of metal mold fabrication. I was impressed by the paperless 3D digital designing system for DfE designs and semi-automated operations of the company. Generation of metal scraps is actually reduced by 22%.

Editors' Postscript

In compiling this report, we tried to report our accomplishments, focusing on communications with our stakeholders. While allocating a page for reporting our work after the Great East Japan Earthquake and adding illustrations and pictures, we limited the number of pages and tried to make this report easier to read by using universal fonts.

We will continue to work on social issues including CO₂ emissions on a global basis, listening to independent third parties. We would greatly appreciate your comments and suggestions for how we can further improve our CSR reports.

Establishing Global CSR and Supply Chain Management Is the Prime Task

Tamron must continue to work hard on many tasks, including environmental management. Tamron Optical (Foshan) Ltd has a key position as Tamron's biggest manufacturing base, but its water consumption and CO₂ emissions have been rising in proportion to its output growth. Countermeasures accompanying structural changes such as introducing a new environmental management system of material flow-cost accounting under ISO 1051 issued in 2011 will become necessary.

Concerning society, Tamron's positive support of the United Nation's Global Compact Program shows its serious desire to become a real global company. Also, the international community demands pursuing supply chain sustainability. Tamron has been pursuing CSR procurement, which I highly value. Tamron will need to continue to work hard on additional measures to consider the environmental and society through its supply chain for pursuing sustainability. Tamron will have to share information with its business partners and suppliers and work on creating a sustainable program and a shared platform throughout its supply chain. In working on this new challenge, Tamron will have to refer to the items stated in ISO 26000 issued in 2010.

Tamron is entering an era to establish and implement programs essential to be a global company, changing from the conventional stance of pursuing tasks within its own reach.



Editors at Head Office



Editors at Three Aomori factories



Editors at Tamron Optical (Foshan)



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