



TAMURA

Environmental
Report
2006



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Company Overview as of March 31, 2006

Company Name

TAMURA CORPORATION

President

Naoki Tamura

Head Office

1-19-43 Higashi-Oizumi, Nerima-ku, Tokyo, Japan

Business Description

Electronic components business segment,
Electrochemical materials &
soldering system business segment,
Information equipment business segment

Capital

11,829 million yen

Number of Employees

6,837 on a consolidated base

Japan(1,237) Asia excluding Japan(5,388)

Europe(169) America(43)

Tamura Corporation (666 on an unconsolidated base)

Sales(Japan)

78,804 million yen on a consolidated base

(59,077 million yen on an unconsolidated base)

Sales(Overseas)

43,876 million yen on a consolidated base

About This Report

Since FY2002, the Tamura Group has made an effort to disclose information on the environmental activities through our business by issuing an annual "Environmental Report". In the "Environmental Report 2006", we have developed our environmental reporting to cover fourteen companies including two domestic companies (ANZEN DENGU CO., LTD. and TAMURA DISTRIBUTION CENTER INC.) and three companies abroad (TAMURA ELECTRONICS (S.Z.) CO., LTD., TAMURA ELECTRONICS (HUI ZHOU) CO., LTD., and TAMURA ELECTRONICS (M) SDN. BHD.) in addition to the companies we have reported in 2005. We have also enhanced the description of social aspects in this year's report.

The report was prepared with reference to:

Ministry of Environment's "Environmental Reporting Guidelines (FY2003 ed.)", "Guideline of Environmental Performance Indicator for Businesses (FY2002 ed.)", and "Environmental Accounting Guidelines 2005".

Message from the President

The Tamura Group has continued our business activities based on compliance (observance of the law) and our mission, "to contribute to society by producing state-of-the-art technology and manufacturing exceptional products" since the foundation in 1924.

Today, having an innovative midterm plan named "Ambitious 11"; the Tamura Group has devoted every effort to reorganize our business under the slogan of "Selection and concentration", "Expansion of unique Only-One products" and "Response to globalization".

With advances in the globalization of the economy, our society is closely connected with the world which cannot disregard environmental problems in foreign countries. Recently, we were made to recognize anew the finiteness of the earth's resources because of the worldwide rise in crude oil and other raw materials. In this situation, we would encourage the development of environment-conscious technology and Only-One products as we have engaged so far to realize the effective and efficient use of resources. Moreover, we need to consider the finitude of disposal sites where such resources are finally placed. To cope with these situations, the Tamura Group has contributed to the global environment by offering the industry our Pb-free Reflow Soldering Equipment. At the same time, we are in the process of completely complying with the RoHS directive enforced in July, 2006.

To reinforce such activities for the reduction of negative environmental impacts, the Tamura Group aims to acquire ISO14001 certificate for all members firms within the group around the world by fiscal year 2008. By acquiring an integrated certification, the member firms shall reconfirm the target of environmental activities, and therefore steadily evolve to a further stage. The Tamura Group shall promote awareness-rising of all the employees and communications with stakeholders toward the start of full-scale CSR activities and social contributions of higher quality. As always, we appreciate your continuing support for our activities.

September, 2006



Naoki Tamura
President





Group Mission

Only one



Guidelines for the Group

- 1. We attach great importance to partnership.**
We strive to attain the goals of individuals, as well as the group, by conducting our business affairs in an exemplary manner. We also endeavor to monitor market needs in real time with the aim of improving our own skills while enhancing customers' expectations.
- 2. We attach great importance to nurturing a spirit of creativity.**
To prosper in the global electronics market, where technologies are developing at a phenomenal pace, we strive to be creative and proactive in our approach to developing new products and services.
- 3. We attach great importance to individuality.**
We promote the synergy of individual wisdom with group know-how to achieve new value and ever higher standards of excellence.
- 4. We attach great importance to social responsibility.**
We are a responsible corporate citizen and strive to be a transparent organization that is responsive to our shareholders, customers, affiliates, government organizations, and the communities in which we conduct business. We also actively participate in environmental conservation efforts and recognize this involvement as a prerequisite to maintaining sustainable growth.

Environmental Policy

Management Concept

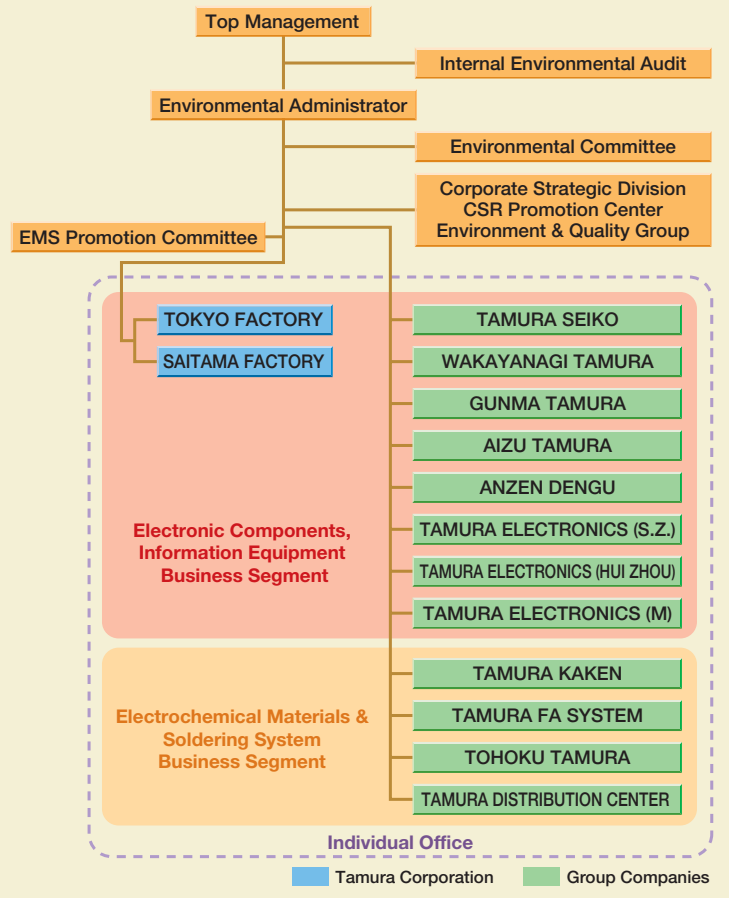
The Tamura Group contributes to the protection of a truly affluent global environment and conducts all of our business activities in harmony with the environment. The activities shall be based on the Group Mission Statement, "The Tamura Group supplies an original range of products and services, highly regarded in the global electronics market, to satisfy the evolving needs of customers, employees and shareholders supporting the Group's growth."

Code of Conduct

As the Tamura Group designs, develops and produces electronic components, electrochemical materials and soldering equipment and information equipment, based on the Management Concept that place first priority on environmental protection, we conduct environmental management system to ensure the efficient use of resources, pollution prevention and compliance with regulations. We are also committed to continuously improving the management system and focus on the following activities for environmental protection.

1. We supply eco-friendly products.
2. We control and reduce the environmental load.
3. We promote energy and resource savings.

Organization for Environmental Conservation





Energy & Natural Resource Conservation

Prevention of Global Warming

In FY2005, the Tamura Group had put together an organization to save energy by the thorough management of air-conditioning facilities and turning off excess lightings.

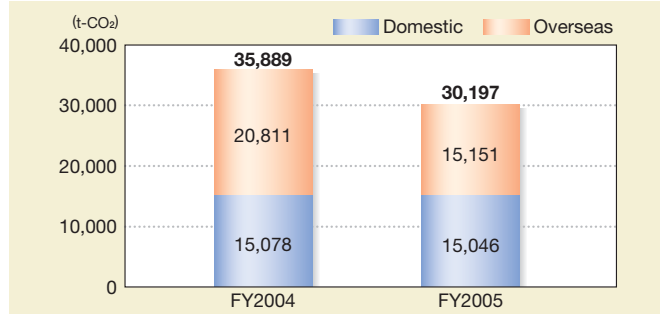
In domestic companies, CO₂ emission had barely decreased in spite of production increase. In overseas, installations of solar power generation equipment in two companies and the production decrease in some parts of the company contributed to the reduction of CO₂ by more than 5,000t. It amounted to a 20% reduction of CO₂ compared to FY2004.

*refer to the following sources about the coefficients applied in the report CO₂ emission coefficients of electricity: For domestic companies, "the Enforcement Ordinance of the Law on the Promotion of Measures to Cope with Global Warming (March 2006 amendments)". For international companies, International Energy Agency Data Service, 2005. "CO₂ Emissions from Fuel Combustion (2005 edition)" (coefficients for China and Malaysia). CO₂ emission coefficients of other energy sources: for domestic and international companies, "the Enforcement Ordinance of the Law on the Promotion of Measures to Cope with Global Warming (March 2006 amendments)".

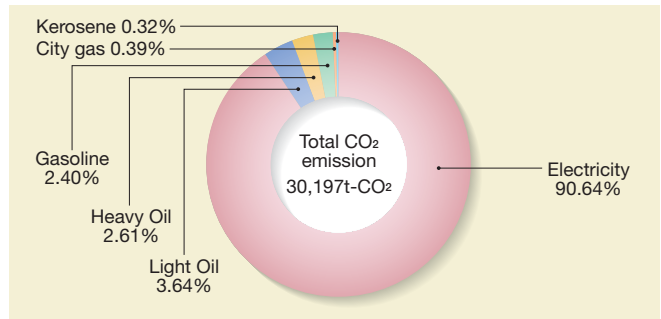
Waste Reduction

In FY2005, various measures were taken to suppress the waste generation itself, such as the introduction of plastic compressor, thorough separation of wastes by the revision of waste management protocol, use of returnable containers, recycle of wrapping materials, readjustment of lead wire and minimization of waste PC board. However, the total waste generation increases by about 500t in comparison with FY2004, because of the increase of production and international imports that resulted in the waste generation of wooden crates from the package of half-finished products. We are currently introducing on a trial basis a simple package and recyclable cardboard as alternatives of wooden crate package to reduce waste.

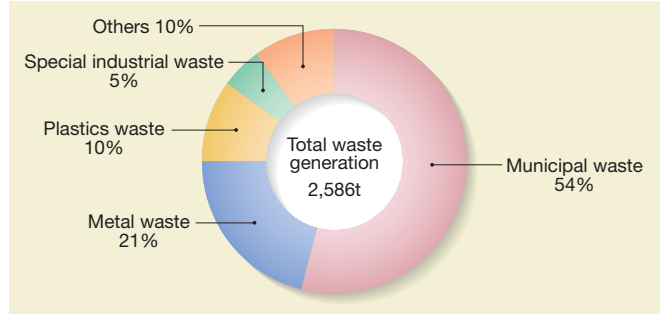
Trends in CO₂ Emissions



Breakdown of CO₂ Emission



Breakdown of Waste Generation



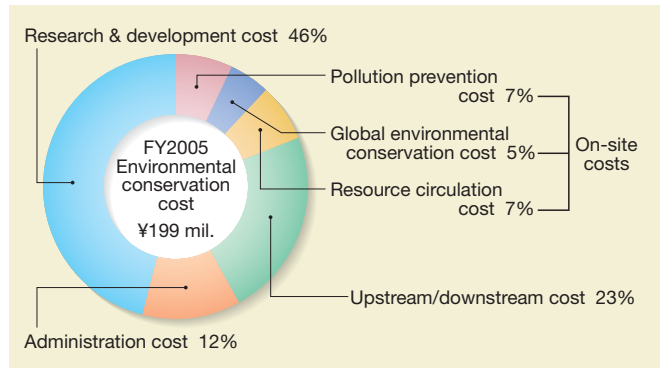
Environmental Accounting

Tamura Corporation has been introducing Environmental Accounting since FY2002 in order to grasp the cost-effectiveness of our environmental conservation performance quantitatively while utilizing it for efficient management of the environmental conservation activities.

The Result of the Total Environmental Accounting and Our Future Task

The total environmental conservation cost resulted in 199 million yen, 46% of which was used for research and development (R&D). R&D cost was devoted to the development of downsized, energy-saving, Pb-free products and their assessment. In addition, upstream/downstream cost accounted for 23%. This expenditure was used to analyze and confirm that even a minimum amount of prohibited/restricted chemicals should not be found in our products. We would construct a group-wide environmental accounting system through broadening the accounting boundary and improving its accuracy.

Breakdown of Environmental Conservation Cost





Eco-friendly Products

TAMURA new Pb-free reflow soldering machine with advanced temperature control unit helps CO₂ reduction

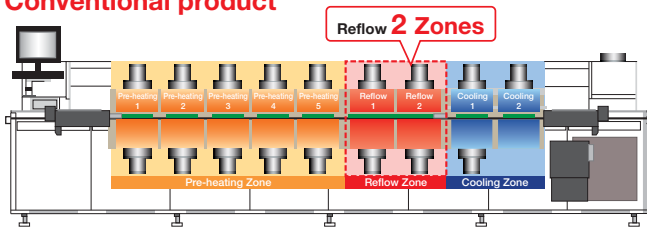
Pb-Free reflow machine with “multiple heating” application

Lead-free (hereinafter called Pb-free) soldering has a technical challenge to meet contradictory requirements of both the high temperature (220°C) for the melting point of Pb-free solder and low-heat resistance of electronic components. Also, electronic component makers demand soldering equipment suppliers a flexible heating control to meet the soldering requirements of highly variable products. Tamura’s new TNP25-538EM, the reflow soldering equipment for Pb-free solder, has shorter and narrower heating unit for the reflow zone as compared with those of the pre-heating zone. Adding one more unit to the reflow zone, it allows more detailed profile construction (reflow peak time adjustment) and therefore satisfies both low-heat resistance of electronic components and adequate heating time for a good solder joint. The new flux recycling system, which consists of two steps for recycling, has improved the recycling efficiency of the flux.

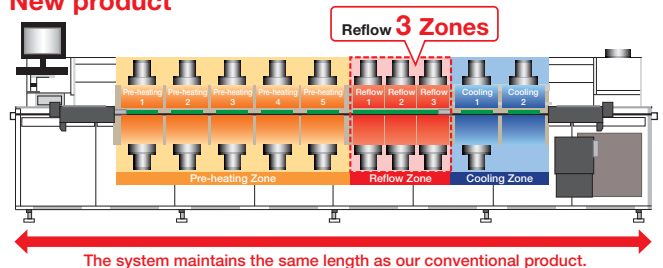
Additionally, the process controller of this product improves temperature control function, shortens start-up time, and enables the ideal control of heating block in each zone of the reflow oven. It realizes the energy efficiency by stabilizing the temperature under a continuous run.



Conventional product



New product



The rated electricity of conventional equipment TNR25-537PH (on start-up):

30.0 (kW)

The electricity consumption of conventional equipment TNR25-537PH (under steady operation):

11.4 (kW)



The rated electricity of new equipment TNP25-538EM (on start-up):

27.0 (kW) (10% reduction)

The electricity consumption of new equipment TNP25-538EM (under steady operation):

9.6 (kW) (15% reduction)

- The average reduction of electricity consumption by the introduction of an innovative device:

$$\{11.4 - 9.6 \text{ (kW)}\} \times \{\text{average operation hours } 18 \text{ (h)}\} \times \{\text{average operation days } 300 \text{ (d)}\} = \mathbf{9,720 \text{ (kWh)}}$$

- The average reduction of CO₂ emission by the introduction of an innovative device:

$$9,720 \text{ (kWh)} \times \{\text{CO}_2 \text{ emission coefficient } 0.555 \text{ (kg-CO}_2\text{/kWh)}\} = \mathbf{5,395 \text{ (kg-CO}_2\text{)}}$$

[Reference] Annual saving per innovative device under electricity rate of 20 (yen/kWh):

$$9,720 \text{ (kWh)} \times 20 \text{ (yen/kWh)} = \mathbf{194,400 \text{ (yen)}}$$

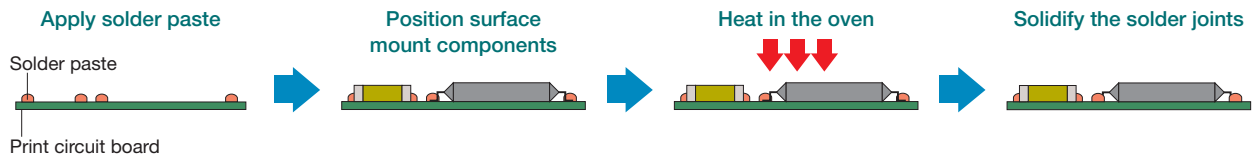


For details visit our website: http://www.tamura-ss.co.jp/en/electric_chemical/reflow/tnp25-538em.html

What is Reflow soldering?

Reflow soldering is a process to attach a surface mount component to a print circuit board. First, solder in paste form, which is also called "Cream solder", is applied to a pattern for which surface mount components need to make an electrical connection on a print circuit board. The surface mount components are then placed on the print circuit board. And the print circuit board is heated in an oven to melt the solder and cooled to solidify the solder joint.

■ Reflow soldering process



TAMURA high-efficiency adaptor helps CO₂ reduction

Adaptor with high-efficiency and low standby power requirement

Tamura's AC adaptor used for notebook PC has improved its efficiency by pseudo-resonance and reduced standby power requirements. Achieving the best in the business for low standby power, high efficiency, and high power density, it contributes to the reduction of environmental load. Also, our CXW series, the adaptor for personal digital assistance, has a CO₂ reduction effect as shown right when compared with conventional line products.



Model	CXW series
Usage	AC adaptor for personal digital assistance (PDA)
Features	① low standby power requirement 1.45W → 0.25W ② high-efficiency 76.8% → 85.0%

Reduction of CO₂ emission
3,725,940 (kg-CO₂)

* The above figure was estimated in comparison with our conventional line, under the assumption of 8 h/day operation, always-on, for hundred thousand products manufactured.



For details visit our website:
<http://www.tamura-ss.co.jp/en/electronics/power.html>

Comments from the Development Engineer

This is an AC/DC adaptor with 100-240V continuous input and 12W output. It complies with not only the Tamura's green procurement standard to meet California State's energy regulation to be effective in January 2007, but also the energy efficiency standard for external power devices. The energy efficiency standard requires 0.5W or lower standby power consumption, and the minimum efficiency to be defined by the output electricity. In the case of an adaptor, the energy

efficiency needs to be designed taking into account the loss through the output cord. To achieve higher efficiency, we designed this product with an innovated selection of components and circuit configuration.

Home and Infocom. Devices Business Unit,
Power Supply Technology Department
Yuichi Azuma





Social Aspects

CSR/Compliance

CSR activities

The Tamura Group is actively involved in CSR (Corporate Social Responsibility) activities with improvement in our corporate value through profit-oriented business operations.

Compliance Framework

To establish a compliance framework, we have launched a Compliance regulation based on our Code of Conduct "Mission statement, vision and guideline" (please refer to page 2). The framework has a new Compliance committee, with our president as the appointed chairperson, and a new "Chief Compliance Office" in order to maintain and ensure prompt response for securing business legality.

The Chief Compliance Office also has "In-house Report Unit" in order to set up an internal reporting system regarding contravention to the law and other non-compliance matters. Moreover, the Chief Compliance Office plans regulations and guidelines to relevant subsidiaries and units, and offers a training program to employees.

For Customers

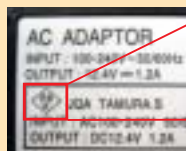
EU Directive/RoHS Directive

In Europe, new RoHS Directives, effective in July 2006, bans the production, sale, and import/export of electrical and electronic equipment that contain certain hazardous substances such as lead, mercury, chromium (VI) compound, cadmium, PBB (polybrominated biphenyls), and PBDE (polybrominated diphenyl ethers). The Tamura Group follows the Directive by changing materials and modifying the production process based on our customers' standard and schedule. As of April 2005, most Tamura products comply with the RoHS Directive requirements.

Product Quality and Safety Management

The Tamura products adopt the Electrical Appliances and Materials Safety Laws such as PSE (Product Safety Appliance and Materials)*, UL, and CSA standards; hence our products can safely be used in products such as digital cameras and mobile phones.

*PSE (Product Safety Appliance and Materials): Electrical Appliances and Materials Safety Laws prohibit the sales of any products with no PSE logo mark on. The logo shall be given to the products only if the adaptability certification is issued by registration/verification agencies.



PSE logo mark

For Employees

Occupational Safety and Health

The Tamura Group is engaged in safety and health of our employees. Based on an annual occupational safety and health management plan, we have clarified each responsibility and promoted voluntary safety and health management activities for a comfortable working environment.

Furthermore, our president conducts a workplace inspection once a year, and that inspection provides us a good opportunity for internal communication and for confirmation of a safe working condition of all employees.



Workplace inspection by top management

Prevention of Sexual harassment

In order to maintain a sexual harassment-free workplace, the Tamura Group has installed an "In-house reporting system" which prevents and responds to the occurrence.

In-house Consultation Hotline

We believe it is important to be aware of employees' physical and mental health; therefore, we have established an in-house consultation hotline to provide better working conditions. All our employees can receive professional mental health consultation and advice through this hotline.

For Society

Support Activities to the Sufferers of Natural Disasters

In FY 2005, we have donated to the sufferers of natural disasters such as Hurricane Katrina and Rita in the U.S.A. and the earthquake in the North Pakistan. The donation was made to UNICEF and other programs as well.

List of donations to the sufferers of Natural Disasters

Purpose	Amount
Hurricane Katrina in the U.S.A.	¥200,000
Earthquake in the North Pakistan	¥100,000
Hurricane Rita in the U.S.A.	¥575,000
UNICEF	¥50,000
Others	¥1,505,000
Total	¥2,430,000



TAMURA Group's Network

Japan

Covered by this report



1 TAMURA CORPORATION HEAD OFFICE / TOKYO FACTORY
ISO14001, ISO9001 Certified



4 TAMURA SEIKO CORPORATION
ISO14001, ISO9001 Certified



8 GUNMA TAMURA CORPORATION
ISO14001, ISO9001 Certified



11 TOHOKU TAMURA CORPORATION
ISO14001, ISO9001 Certified



2 TAMURA CORPORATION SAITAMA FACTORY
ISO14001, ISO9001 Certified



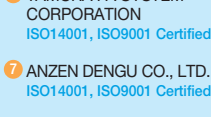
4 TAMURA DISTRIBUTION CENTER INC.
ISO14001 Certified



9 AIZU TAMURA CORPORATION
ISO14001, ISO9001 Certified



3 TAMURA KAKEN CORPORATION
ISO14001, ISO9001 Certified



5 TAMURA FA SYSTEM CORPORATION
ISO14001, ISO9001 Certified



10 WAKAYAMA TAMURA CORPORATION
ISO14001, ISO9001 Certified

7 ANZEN DENGU CO., LTD.
ISO14001, ISO9001 Certified

1 TAMURA NETWORK SERVICE CO., LTD.
ISO14001 Certified

6 TAMURA KAKEN CORPORATION Kodama Factory
ISO14001, ISO9001 Certified

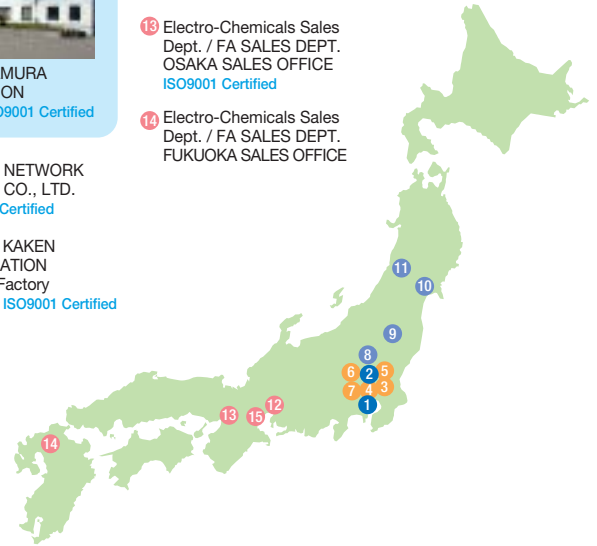
12 Electro-Chemicals Sales Dept. / FA SALES DEPT. NAGOYA SALES OFFICE
ISO9001 Certified

13 OSAKA SALES OFFICE

13 Electro-Chemicals Sales Dept. / FA SALES DEPT. OSAKA SALES OFFICE
ISO9001 Certified

14 Electro-Chemicals Sales Dept. / FA SALES DEPT. FUKUOKA SALES OFFICE

15 TAMURA KAKEN CORPORATION Suzuka Factory
ISO14001, ISO9001 Certified



Overseas

Covered by this report



4 TAMURA ELECTRONICS (S.Z.) CO., LTD.
ISO14001, ISO9001 Certified



4 TAMURA ELECTRONICS (HUI ZHOU) CO., LTD.
ISO14001, ISO9001 Certified



6 TAMURA ELECTRONICS (M) SDN. BHD.
ISO14001, ISO9001 Certified



1 DONG-HWA TAMURA KAKEN CO., LTD.
ISO14001, ISO9001 Certified

2 TAMURA ELECTRONICS (NANJING) CO., LTD.

2 HEFEI ECU-TAMURA ELECTRIC CO., LTD.
ISO9001 Certified

2 TAMURA KAKEN (DONGGUAN) LTD. (China)
ISO14001, ISO9001 Certified

3 TAMURA POWER TECHNOLOGY CO., LTD.



5 TAMURA ELECTRONICS (H.K.) CO., LTD.

6 TAMURA KAKEN (M) SDN. BHD.
ISO9001 Certified

7 TAMURA KAKEN SINGAPORE PTE., LTD.
ISO14001, ISO9001 Certified

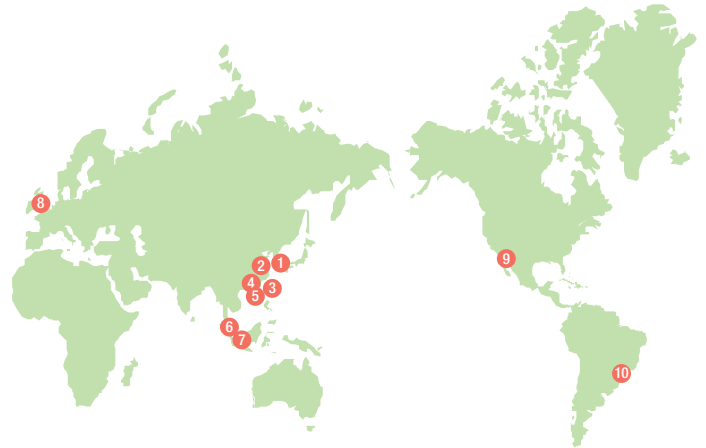
7 TAMURA MACHINERY SINGAPORE PTE., LTD.



2 SHANGHAI XIANGLE TAMURA ELECTRO CHEMICAL INDUSTRY CO., LTD.
ISO14001, ISO9001 Certified



3 TA FONG ELECTRO CHEMICAL INDUSTRY CO., LTD.
ISO14001, ISO9001 Certified



6 TAMURA KAKEN (U.K.) LTD.
ISO14001, ISO9001 Certified

8 TAMURA EUROPE LTD.
ISO14001, ISO9001 Certified



9 TAMURA CORPORATION OF AMERICA

9 TAMURA KAKEN CORP., U.S.A.
ISO9001 Certified

10 TELEPART-TAMURA INDUSTRIA E COMERCIO LTDA.

For inquiries about the report, contact:

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URL:<http://www.tamuragroup.com/>
e-mail:webinfo@tamura-ss.co.jp

About front cover:

The front cover portrays "Quenu", the TAMURA group mascot, and Karugamo (Spotbill duck) family which spends every summer at the pond in our head office.