



Nikon CSR Report 2006

Corporate Data

Corporate Name NIKON CORPORATION
Head Office Fuji Bldg., 2-3, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8331, Japan
 Tel: +81-3-3214-5311

Date of Establishment July 25, 1917
Capital 36,660 million Yen (as of March 31, 2006)
Net Sales Consolidated: 730,943 million Yen
 Non-consolidated: 521,140 million Yen (for the year ended March 31, 2006)

Number of Employees Consolidated: 18,725
 Non-consolidated: 4,352 (as of March 31, 2006)

*The number of non-consolidated employees does not include personnel dispatched to subsidiaries and associated companies.

Major Products of Nikon Group

Precision Equipment Business (Precision Equipment Company*)	<ul style="list-style-type: none"> •IC steppers and scanners •LCD steppers and scanners
Imaging Products Business (Imaging Company*)	<ul style="list-style-type: none"> •Digital cameras •Film cameras •Interchangeable lenses •Speedlights •Film scanners •Photographic accessories •Software
Instruments Business (Instruments Company*)	<ul style="list-style-type: none"> •Biological microscopes •Industrial microscopes •Stereoscopic microscopes •Measuring instruments •Inspection equipment
Customized Products Business (Customized Products Division*)	<ul style="list-style-type: none"> •Customized optical equipment •Space-related equipment •Astronomical-related equipment •Optical components
CMP Systems Business (CMP Division*)	<ul style="list-style-type: none"> •CMP systems
Glass Business (Glass Division*)	<ul style="list-style-type: none"> •Glass business founded on glass materials technologies
Sport Optics Business (Nikon Vision Co., Ltd.)	<ul style="list-style-type: none"> •Binoculars •Monoculars •Fieldsopes •Fieldmicroscopes •Loupes •Large objective diameter binoculars •Sightseeing binoculars •Laser rangefinders
Surveying Instruments Business (Nikon-Trimble Co., Ltd.)	<ul style="list-style-type: none"> •Total stations •Automatic levels •Laser facilities for construction •Theodolites •Surveying CAD systems •GPS systems
Eyewear Business (Nikon-Essilor Co., Ltd.) (Nikon Eyewear Co., Ltd.)	<ul style="list-style-type: none"> •Ophthalmic lenses •Sunglasses •Ophthalmic frames •Hearing aids •Loupes

*These companies/divisions are part of Nikon Corporation's internal structure.

Nikon Group Companies

European Group Companies

- Nikon Holdings Europe B.V. (Netherlands)
- Nikon Europe B.V. (Netherlands)
- Nikon Instruments Europe B.V. (Netherlands)
- Nikon Precision Europe GmbH (Germany)
- Nikon AG (Switzerland)
- Nikon GmbH (Germany)
- Nikon France S.A.S. (France)
- Nikon U.K. Ltd. (U.K.)
- Other

Japanese Group Companies

- Nikon Corporation
- Tochigi Nikon Corporation
- Sendai Nikon Corporation
- Nikon Photo Products Inc.
- Nikon Instech Co., Ltd.
- Nikon Tec Corporation
- Nikon Vision Co., Ltd.
- Nikon Eyewear Co., Ltd.
- Nikon-Essilor Co., Ltd.
- Nikon-Trimble Co., Ltd.
- Other

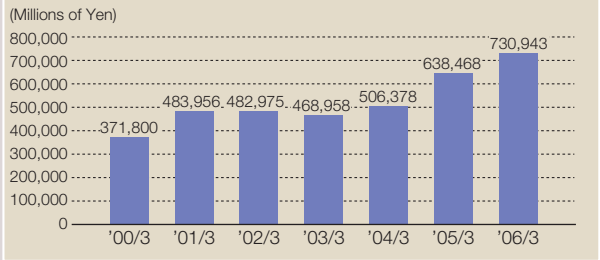
North American Group Companies

- Nikon Americas Inc. (U.S.A.)
- Nikon Inc. (U.S.A.)
- Nikon Canada Inc. (Canada)
- Nikon Instruments Inc. (U.S.A.)
- Nikon Precision Inc. (U.S.A.)
- Other

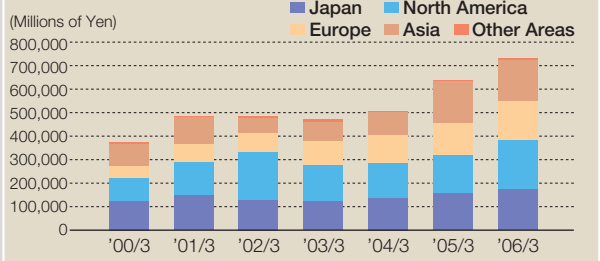
Asian Group Companies

- Nikon (Thailand) Co., Ltd. (Thailand)
- Nikon Imaging (China) Co., Ltd. (China)
- Nikon Hong Kong Ltd. (Hong Kong)
- Nikon Precision Korea Ltd. (Korea)
- Other

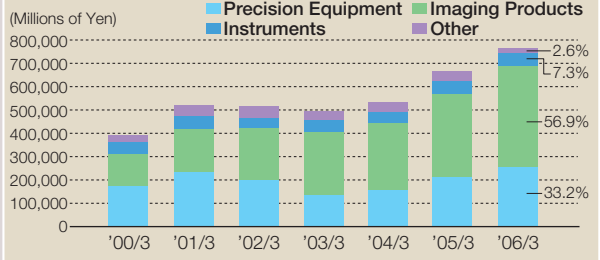
Net Sales (Consolidated)



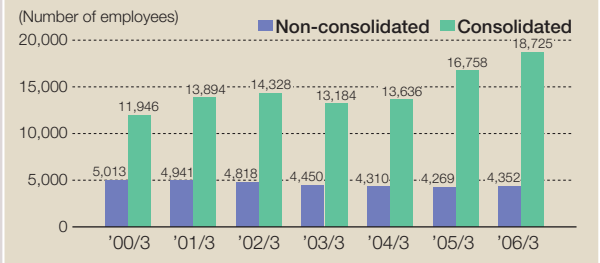
Net Sales in Japan and Export Sales by Region (Consolidated)



Net Sales by Industry Segment (Consolidated)



Number of Employees (Non-consolidated/Consolidated)



Editorial Policy

Nikon is fully aware that to gain the confidence of all its stakeholders, thorough, frank disclosure of corporate information is of vital consideration. With this in mind, in addition to the “Nikon Environmental Report” we have compiled up to now, from this year, we will also provide a CSR report containing information regarding the CSR activities of the Nikon Group. Items covered in this report were included from the viewpoint of providing information thought to be important for stakeholders as well as details Nikon wishes to disclose. It is hoped that this report serves as a valuable tool for communication between Nikon and all its stakeholders.

The environmental report included in this report is an abridged version of the “Nikon Environmental Report”.

Term and Scope of Report

The report focuses on fiscal year 2005 (April 1, 2005 to March 31, 2006), including information of activities conducted before and after this term. Some of the details provided apply to Nikon Corporation only while other information applies to the Nikon Group. Inserts indicate where a specific scope is defined.

Reference

This report has been drawn up with reference to “Sustainability Reporting Guidelines 2002” by the Global Reporting Initiative (GRI), and “Environmental Reporting Guidelines (2003)” by the Japanese Ministry of the Environment.

Web

The Nikon website provides details of this report together with a wide range of other information.

<http://www.nikon.co.jp/main/eng/index.htm>

Next Edition

June 2007

Report Production Department and Contact Information

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Contents

Group Profile 2
 Editorial Policy/Contents 3
 Message from Management 4
 Vision Nikon 21 5

Features

Medium Term Management Plan:
 Creating a “Strong Nikon” 6
 Nurturing Personnel and a Free and
 Open-Minded Corporate Climate 7

CSR Concept

Nikon Group CSR 8

CSR Management

Corporate Governance 10
 CSR Activities Promotion 12

Social Topics

Relationship with Stakeholders 14
 Relationship with Customers 15
 Improving Customer Satisfaction and
 Service Response 15
 Product and Service Quality Control 16
 Personal Information Protection 17
 Relationship with Shareholders and Investors 18
 Relationship with Employees 19
 Relationship with Business Partners 22
 Relationship with Local Communities 22

Environmental Topics

Nikon and the Environment 24
 Environmental Policy 25
 Primary Environmental Loading 25
 Environmental Action Plan 26

Creating a “Strong Nikon”

The unveiling of the leading concept of “Vision Nikon 21” in 2000 and the establishment of corporate objectives and business guidelines based on the corporate philosophy of “Trustworthiness and Creativity” clarified the stance and direction pursued by the Nikon Group. We realize that to implement this philosophy of “Trustworthiness and Creativity” and continue developing the Nikon Group, management must be genuinely transparent to gain the trust of all our stakeholders. To this aim, as a corporate citizen with social responsibilities to uphold, we are continuing to promote CSR activities.

In 2004, we established the “Nikon Charter of Corporate Behavior”, which outlines the Nikon Group’s approach to executing the corporate philosophy, corporate objectives and business guidelines set forth in the “Vision Nikon 21” corporate strategy. The “Nikon Charter of Corporate Behavior” also sets out the policy of the Nikon Group’s CSR promotion activities. We believe that having individual Nikon Group employees conduct daily business based on the “Nikon Charter of Corporate Behavior” is the key to achieving our CSR goals.

Composed of myself as Chairman and Standing Directors and the heads of CSR-related departments as members, the “CSR Committee” was established in January 2006 to consolidate and further promote our CSR activities. In addition to initiatives concerning environmental problems and social contribution for fiscal 2006, we are focusing on the major CSR themes of thorough compliance and risk management.

Michio Kariya

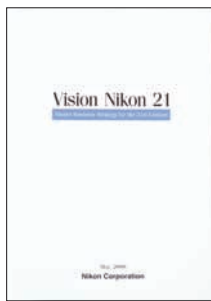
Michio Kariya
President, Member of the Board,
Chief Executive Officer and Chief Operating Officer
Nikon Corporation

In March 2006, the Nikon Group announced its Medium Term Management Plan. While benefiting from the Nikon Group’s outstanding technological capabilities and product concepts, we would like to strengthen our financial structure and continue to improve business productivity. By supporting “highly competitive products”, “solid financial structure” and the “strong will” of employees to reach our targets, we aim to create a “Strong Nikon” with a solid business structure that will enable stable, continued growth even in a business environment undergoing dramatic change. To accomplish this, a key measure is to maintain the highly transparent management that is an all important part of CSR.

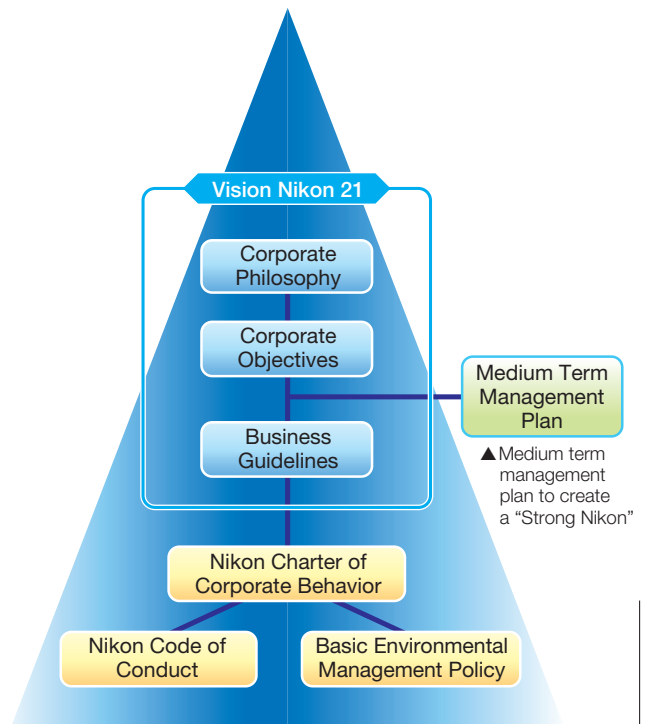
Actively engaging in communication with stakeholders and willing, honest disclosure of corporate information is the fundamental stance of the Nikon Group. It is hoped that this report will contribute to your understanding of the Nikon Group’s efforts towards sustainable development. We welcome and greatly appreciate any opinions you may have concerning our future activities.



With its sights on the first decade of the 21st century, in March 2000, Nikon established “Vision Nikon 21”, the leading concept behind its business activities, with an aim to clarifying the future stance and direction of the Nikon Group.



To further assure the realization of the aims of “Vision Nikon 21”, steps were taken such as the establishment of the “Nikon Charter of Corporate Behavior”



Corporate Philosophy

Trustworthiness and Creativity

Trustworthiness

Nikon: Is trusted and loved by people worldwide.
Exists and prospers in harmony on all levels throughout the world.

Creativity

Nikon: Creates new values by maintaining pride and faith in our business, and by encouraging an entrepreneurial spirit.
Appeals to people all over the world and satisfies them with efficient and useful products and services.

Corporate Objectives

To put into effect its corporate philosophy, the Nikon Group is making every effort to achieve the following objectives:

- Contribute to the promotion of the life and culture of people around the world by offering the best quality products and services with superb technology as our backbone.
- Accomplish a solid management structure wherein each company of the Nikon group strives to grow, evolve and flourish together.
- Bring further transparency to gain the trust of our customers, shareholders, employees, business partners, and society at large.

Business Guidelines

To realize the principles of our corporate philosophy, business guidelines have been established that each individual employee should put into practice.

In particular, specific business guidelines have been set down concerning the “environment”, “safety” and “business ethics” to assure that social norms take priority.

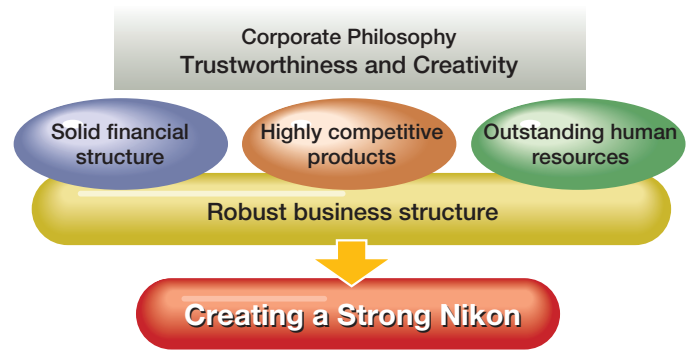
Nikon Charter of Corporate Behavior and Nikon Code of Conduct

To assure that individual Nikon Group directors and employees behave sensibly based on a high level of morality, in April 2004, the “Nikon Charter of Corporate Behavior” was established and the “Nikon Code of Conduct” was amended.

*For details, please refer to “CSR Activity Promotion” on pages 12 and 13.

Medium Term Management Plan (Fiscal 2006–2008): Creating a “Strong Nikon”

The Medium Term Management Plan clearly conveys to stakeholders the Nikon Group’s managerial intentions from a medium to long term viewpoint.



Management Policy

Create a “Strong Nikon” with a business structure that can generate sustainable growth in spite of changes in the business environment.

Key Objectives

Strengthening competitiveness of core businesses	Creating and fostering new businesses	Bolstering manufacturing competitiveness
Improving financial structure	Practicing transparent CSR-oriented management	Nurturing a free and open-minded corporate culture

Consolidated Targets for Fiscal 2008

Consolidated targets—operating income to net sales: 10%

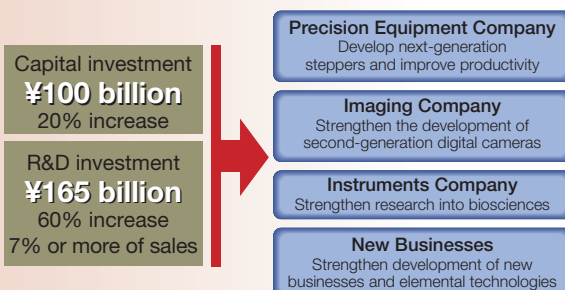
Net sales	¥900 billion
Operating income	¥90 billion
Ordinary income	¥80 billion
Debt-equity ratio	30% or lower

Fiscal 2006–2008 Investment

Funds will be channeled primarily into R&D investment and strategic investment to drive corporate growth, and into strengthening financial structure.

Capital Investment and R&D Investment Plan (three-year total)

Increased investment to drive future growth.



Business Plan

Precision Equipment Company

- IC stepper business
Aim to secure the top market share for ArF Immersion, including cutting-edge immersion lithography products.
- LCD exposure systems
Aim to further solidify Nikon’s top market share position for large LCD exposure systems.

Imaging Company

Aim to develop and propose new products, and secure a 40% or larger share of the digital SLR camera market. Create attractive products that will add value to compact digital cameras.

Instruments Company

Focus on the fields of live cell imaging and non-contact measurement.

New Businesses

Develop new businesses in areas such as glass materials, solid-state lasers, inspection/fabrication tools for 3D-IC and inspection tools and CMPs.

Nurturing Personnel and a Free and Open-Minded Corporate Climate

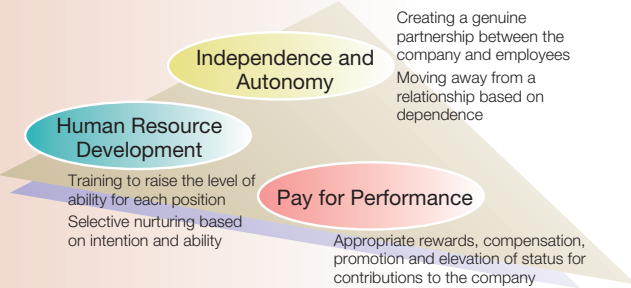
With the aim of creating a more attractive company, human resources are being developed to nurture the personnel on whom growth of the Nikon Group depends while measures are being taken to revitalize the corporate climate.

Personnel Vision

Working from the basic personnel philosophy of “Aspire towards improving your own value as an employee and be forward-looking to provide the company with strong support”, Nikon is moving ahead with a range of human resource measures.

Nikon is making every effort to train personnel based on the concept of individual independence and autonomy, rewarding any contributions from employees in various ways to boost motivation.

■ Personnel Philosophy and Policy



Key Objectives for Creating a Free and Open-Minded Corporate Climate

■ Strengthened Management

Management plays an extremely important role in creating an environment in which employees can work with a feeling of freshness and energy. Consequently, Nikon is moving ahead with a program to both strengthen and nurture management.

■ Supporting Independence and Autonomy

Naturally, before individuals can work with a sense of involvement, they must have an understanding of their own “aims, ability and expectations”. To further this understanding, it is essential to foster awareness of independence and autonomy. At Nikon, a wide range of training and educational programs are provided to support the development of this awareness among employees.

■ Creating a Structure that Respects Diversity

To enable individual employees to make the most of their abilities under different circumstances, conditions and environments, a number of systems and measures have been implemented related to child care, nursing care and other considerations.



Outstanding Personnel Nikon Is Looking For

“Individual employees working energetically with a sense of involvement”.

In concrete terms, the above concept means “employees who can firmly state their own opinions, debate authoritatively, and when a consensus has been reached, cooperate and act to achieve overall optimal results without adhering to their own ideas and views”. This describes the kind of model employee Nikon is looking for, in other words, employees who:

Work for the team, think on your own, and act.

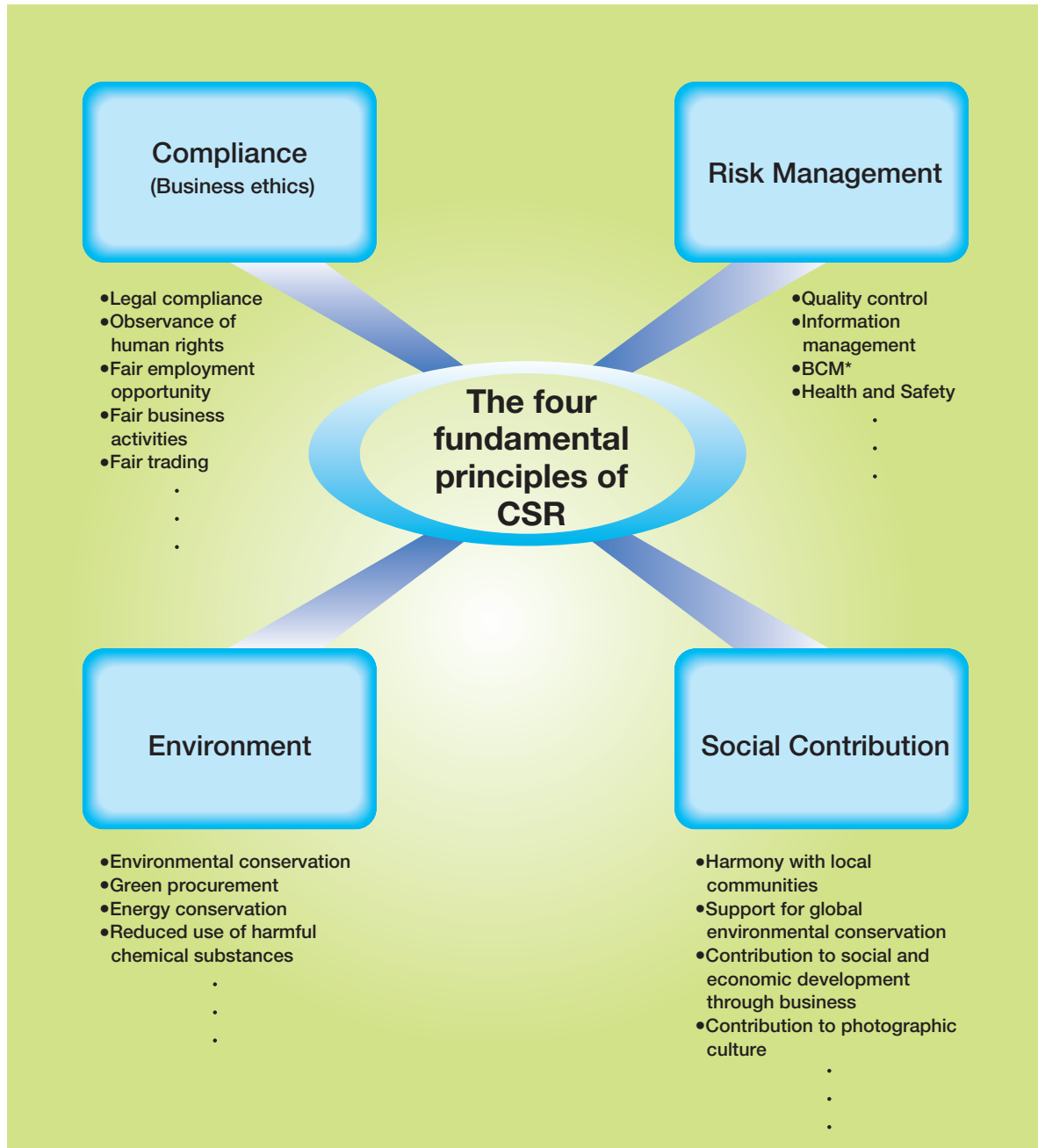
The aim is to achieve a feeling of solidarity and empathy from the standpoint of the company, workplace and individuals with employees who:

- Are not only wanted by the company but,
- Are worth nurturing at the workplace and,
- Are individuals with motivation

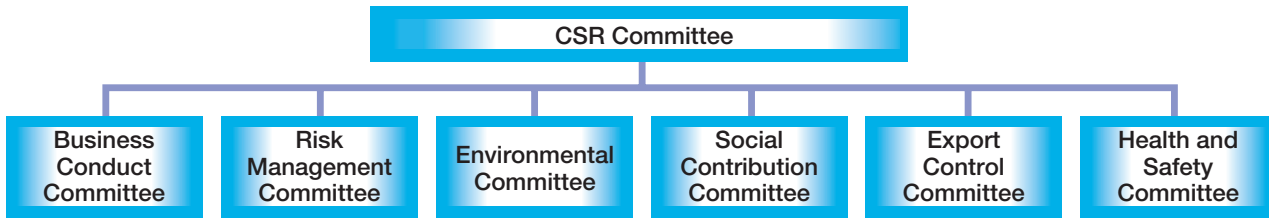
Nikon Group CSR

The four fundamental principles of CSR promotion

In line with the corporate objective of gaining the trust of all its stakeholders with genuinely transparent management, the Nikon Group is continuing with activities it must perform to take its responsibilities as a corporate citizen. Activities to fulfill our CSR obligations are broadly classified under the four themes indicated below.



*Business Continuity Management (BCM) is a form of business risk management designed to preserve corporate value by maintaining business continuity in the event of a disaster such as a large-scale earthquake through the rapid restoration of core businesses.



To fulfill and promote its CSR activities, Nikon has established separate subcommittees under the CSR Committee to focus on different themes.

In the past, CSR activities concerning environmental issues and social contribution were implemented by separate committees but a more integrated approach has been adopted with the establishment of the CSR Committee in January 2006. Under the CSR Committee, which is chaired by the President and composed of members who are Standing Directors and the heads of CSR-related departments, the Business Conduct Committee, Risk Management Committee, Environmental Committee, Social Contribution Committee, Export Control Committee and Health and Safety Committee are in charge of implementing CSR activities.

CSR Committee Secretariat duties are being performed by the CSR Section, Corporate Planning Department.

Compliance (Business Conduct)

The “Nikon Business Conduct Committee” was established in 1997 to perform appropriate education and nurturing of business ethics to assure fair and sound business conduct by Group companies based on a law-abiding spirit that respects international regulations. In 2001, the “Nikon Code of Conduct” was created followed by the establishment of the Compliance Section in the General Affairs Department for the full-time promotion of activities pertaining to business ethics. Later, in 2004, with a view on CSR, the “Nikon Charter of Corporate Behavior” was adopted and the “Nikon Code of Conduct” was amended with the aim of thoroughly establishing business ethics and CSR awareness in the Nikon Group through training and education. Code of Conduct Coordinator System was introduced in 2005 to further raise awareness of corporate ethics among all of our employees.

Risk Management

In the pursuit of sustained growth of the Nikon Group, the Risk Management Committee was established in April 2006 to comprehensively manage and precisely respond to risks encountered by the Group. The Committee ascertains and assesses risks within the Group and implements measures to counteract those that can influence operation. It also conducts education and training to minimize damage in the event of a risk arising. Furthermore, through regular risk monitoring, the Committee implements a risk management PDCA cycle in a system that can respond precisely even to newly occurring risks. Specific examples of the major activities of the Committee include the establishment of a BCM* system for possible disasters such as an earthquake, and Group-wide activities such as information leakage countermeasures.

Environment

Since it issued the “Nikon Basic Environmental Management Policy” in 1992, Nikon has continued with environmental preservation efforts based on the concepts of “recycling” and “coexistence”. The “Nikon Charter of Corporate Behavior” formulated in 2004 further declares the company’s commitment to conservation of the natural environment and the promotion of environment-friendly activities.

Based on this fundamental policy, numerous goals have been achieved through the vigorous promotion of the “Nikon Environmental Action Plan” for fiscal 2005 which defined the medium and long term environmental targets. With the establishment of the “Nikon Green Procurement Standards” in October 2005, we have also strengthened environment-friendly activities at the procurement stage for raw materials and other items through cooperation along the supply chain.

In 2006, the “Nikon Environmental Action Plan” was reviewed and expanded, with one amendment to strengthen efforts to prevent global warming, a serious global environmental problem. To expedite the “Nikon Environmental Action Plan” and more efficient business operations, progress is also being made in the Nikon Group-wide integration of ISO14001 certification.

Social Contribution

As a corporate citizen, Nikon bears responsibility for the future of the nation, local communities and the entire world. From a basic stance of contributing to the sound growth of society as a whole, it is vigorously developing business activities in consideration of respect for human rights, enhanced welfare services and the conservation of the environment and resources.

From the same basic stance, while contributing to society through measures implemented in business-related fields, Nikon is also active in non-corporate areas.

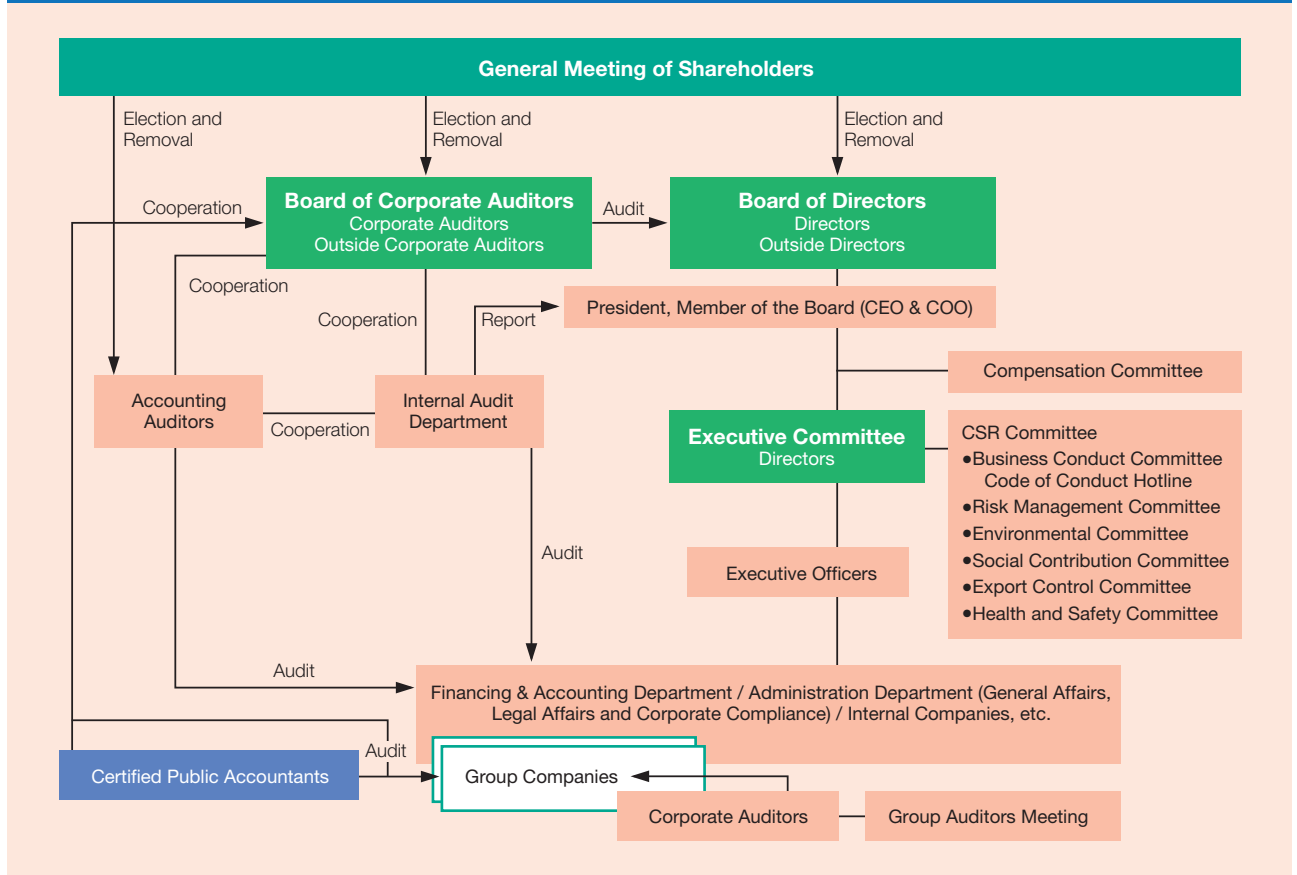
One example is the establishment of the “Social Contribution Committee”. This makes a contribution by supporting various global environment conservation activities and participating in local environment conservation activities, and by supporting activities in developing areas worldwide.

In the business-related field, as well as providing research aid to universities and government research institutions for the development of cutting-edge technologies, Nikon also runs the “Nikon Salon”, permanent photography exhibition spaces, to promote the development of photographic culture while supporting photograph exhibitions and other events.

Corporate Governance

To achieve stable corporate growth amid continued globalization of the business environment while enhancing the trusting relationship it has with its stakeholders, the Nikon Group aims to “increase management efficiency and transparency” by bolstering corporate governance and improving its internal control system.

Corporate Governance Organization Diagram



Committee Members (CSR-related) The Nikon Group has established various committees to deal with important cross-organizational issues. CSR-related committees have also been set up to implement relevant practical measures. One of them making positive steps forward is the CSR Committee, which is chaired by the President.

Committee name	Objectives	Secretariat	Meeting schedule
CSR Committee	<ul style="list-style-type: none"> Discussions, policy making Review of business activities Establishment of activity plans 	CSR Section, Corporate Planning Department	Twice a year at the end of each half term Extraordinary meetings when required
Business Conduct Committee	<ul style="list-style-type: none"> Discussions related to business conduct, drafting of regulations, etc. Review, execution directions for departments 	Compliance Section, General Affairs Department	Once a year (December) Extraordinary meetings when required
Risk Management Committee	<ul style="list-style-type: none"> Discussions and policy making related to risk management Review and results verification of business activities related to risk management Determination of activity plans for education and training related to risk management 	Corporate Planning Department General Affairs Department Personnel Management Department System Planning Department	Twice a year at the end of each half term Extraordinary meetings when required
Environmental Committee	<ul style="list-style-type: none"> Formulation of environmental management activity policies and standards for achievement Execution status examination 	Environmental & Technical Administration Department	Twice a year Extraordinary meetings when required
Social Contribution Committee	<ul style="list-style-type: none"> Drawing up of concrete plans and reports for and supervision of social contribution activities 	General Affairs Department	Once every quarter term Extraordinary meetings when required
Export Control Committee	<ul style="list-style-type: none"> Management and control to assure correct, smooth execution of export management operations 	Compliance Section, General Affairs Department	Once a year in March Extraordinary meetings when required
Health and Safety Committee	<ul style="list-style-type: none"> Examination and discussion of important issues related to company safety and health 	Personnel Management Department	Once a year in February Extraordinary meetings when required Monthly meetings of the Health and Safety Committees of each business site
Educational Committee	<ul style="list-style-type: none"> Discussions related to education and training 	Personnel Management Department	Three times a year Regular subcommittee and sectional activities

Corporate Governance Organization

■ Board of Directors

Fourteen members of the Board of Directors, including two from outside the company, make prompt decisions on matters of importance to the Group and monitor the exercise of duties by directors.

■ Executive Committee

The Executive Committee deliberates on and resolves major issues regarding internal control and guidelines about the general operation of company business, in accordance with the basic direction of management as determined by the Board of Directors. This body also receives reports from each department regarding critical matters.

■ Board of Corporate Auditors

Four corporate auditors, including two from outside the company, periodically attend such important meeting as the Board of Directors and Executive Committee in order to supervise the status of the directors' execution of operations, and perform monitoring and auditing of corporate management and directors.

Strengthening Corporate Governance

■ Management System

In October 1999, Nikon introduced an in-house company system featuring decentralized management, with an integrated system and responsibilities established for each product sector, including subsidiaries. A results-based evaluation system was also brought in so as to strengthen the relationship between performance and remuneration. In June 2001, we installed an executive officer system and reduced the number of directors, while shortening the term of directors from two years to one in 2003 in order to consolidate a management system that can respond swiftly to changes in the business environment.

■ Compensation Committee

The Compensation Committee was set up in July 2003 to raise the objectivity and transparency of matters related to directors' compensation. The obligations of this committee include examining and proposing appropriate compensation systems and other related systems.

■ Systematization of Responsibility and Authority

Nikon formulated the Rules of Organization and Authority to clearly define the scope of authority and responsibility for each post as well as each organization. Additionally, each group company exhaustively implements control and guidance based on the Authorization Standards for Subsidiaries. This ensures organized and efficient business execution across the board.

Latest Measures to Enhance the Internal Control System

■ Management Promotion Emphasizing CSR

The CSR Committee was established in 2006 to achieve highly transparent management emphasizing CSR. The committee formulates CSR-related activity plans, conducts education and nurturing to raise CSR awareness, and verifies and reviews the results.

■ Risk Management

The Risk Management Committee was created in April 2006 to formulate risk management policies that incorporate business continuity plans and internal controls in numerous fields, including corporate ethics, environmental management, quality control, export control and accident prevention. This body also conducts education and training on risk management and supervises associated activities.

■ Strengthened Deliberation, Resolution, Communication and Reporting System

Nikon further overhauled the structure of the Executive Committee engaged in the deliberation, resolution, communication and reporting of business matters and recreated rules related to the delegation of authority in divisions in order to further enhance the Group's controls.

■ Establishment of an Internal Audit Department

The Internal Audit Department was established in 2005 with the primary objectives of creating and monitoring the operation of Nikon Group internal controls, and making recommendations for improvement.

■ Information Resource Control

Guidelines on classifying confidential information were instituted in February 2006 to specify different types of restricted data. Nikon continues striving to increase the effectiveness of its information management.

■ Disclosure of Information

With the aim of increasing the transparency of operating information, Nikon aggressively promotes IR activities for investors and shareholders. Besides seeking to further improve the speed and accuracy of information disclosure, financial results meetings are held twice yearly and the website is constantly updated.

CSR Activities Promotion

Aiming for a fair and transparent management capable of enjoying stakeholders' confidence, the Nikon Group is promoting CSR activities from the standpoint of socially responsible management.

Nikon Charter of Corporate Behavior and Nikon Code of Conduct

The "Nikon Charter of Corporate Behavior" and "Nikon Code of Conduct" define the corporate philosophy, corporate objectives and business guidelines of the Nikon Group. Outlining the basic stance and general standards of behavior of the Nikon Group, they stress adherence to statutes in all business activities and proper conduct from an ethical standpoint as well as from the viewpoint of social responsibility.

Nikon has also prepared the "Nikon Rules of Action" guidelines on easily-carried printed cards to provide assistance in the event of a disaster when making judgments may be difficult.

The "Nikon Charter of Corporate Behavior", "Nikon Code of Conduct" and "Nikon Rules of Action" guidelines are distributed to all Nikon Group directors, employees, part time employees and temporary personnel.

At overseas subsidiaries, business is performed based on the Nikon Group "Nikon Code of Conduct" in line with local laws, customs and culture. In the United States and Europe, preparation of independent codes of conduct is currently in progress.

Nikon Code of Conduct

Chapter 1

Standards of Employee Behavior

1. Contribution to the environment and society
 - (1) Environmental protection and safety assurance
 - (2) Promotion of activities contributing to society
2. Well-rounded activities with regard to Company stakeholders
 - (1) Respecting the Anti-Monopoly Law and assurance of a level playing field
 - (2) Fair selection of suppliers
 - (3) Gifts and entertainment
 - (4) Dealing with government agencies and public officials
 - (5) Politics
3. Relationship with antisocial groups and individuals
4. Behavior and responsibility as an individual and a company member
 - (1) Avoidance of conflicts of interests
 - (2) Assuming a job in another organization
 - (3) Personal investment
 - (4) Workplace environment
 - (5) Political and religious activities
 - (6) Accurate reporting and recording
 - (7) Honest and reliable performance
5. Protection of company assets and business information
 - (1) Protection of tangible and intangible assets of the company
 - (2) Obligation to return company assets when leaving the company
 - (3) Confidentiality of information
 - (4) Protecting and respecting other companies' rights
 - (5) Government agencies
 - (6) Managing computer data
6. Compliance
 - (1) Compliance with relevant laws and regulations
 - (2) Insider information
 - (3) Compliance regarding international transaction
 - (4) Intellectual property

Chapter 2

Implementation System

1. Nikon Business Conduct Committee
2. Responsibilities of section leaders

Chapter 3

Inquiry Services and Contacts

Chapter 4

Misconduct and Legislative Action

1. Misconduct
2. Legislative action

Nikon Charter of Corporate Behavior

1. Healthy corporate activity

The Nikon Group endeavors to obey related laws, regulations and in-house rules, which are supported by the exercise of fair and ethical business practices and by the use of good judgment, in order to gain trust from customers, shareholders, employees, business partners and society.

2. Responsibility to society as a corporate citizen

As a corporate citizen that is responsible for the future of the region, the nation, and the world, the Nikon Group endeavors to promote business activities that take into account human rights protections, improved welfare and the protection of environmental and natural resources, among others, to contribute to the healthy development of society.

3. Protection of the natural environment

Environmental conservation is a growing concern worldwide, and individuals and corporations are directly responsible for conserving the environment. The Nikon Group also strives to protect the natural environment.

4. Provision of useful goods and services for society

An important reason for the Nikon Group's existence is to contribute to the development of society and the economy through our business activities, including the production of high quality products and the provision of excellent services.

5. Transparent operating activities

The Nikon Group constantly strives to ensure that our operating activities are fair and transparent, and in accordance with local social norms.

6. Protection of human rights

Many people with diverse backgrounds work within the Nikon Group. The Nikon Group pays careful attention to respecting individual human rights and to treating people with respect, so that each individual can concentrate on working and producing good results without fear of discrimination.

7. Provision of a healthy and safe workplace

Ensuring our employees' health and safety is a fundamental principle underlying proactive business development and the success of our employees in their individual lives. The Nikon Group endeavors to obey related laws, regulations, and in-house rules to ensure healthy and safe workplaces for all of our employees.

8. Development and utilization of human resources

The Nikon Group aims to be a self-sustained professional group where employees are able to develop new knowledge for their jobs as the workplace changes. To attain this aim, the Nikon Group provides sound and flexible workplaces in order to adapt as our business activities expand throughout the world.

9. Fair employment opportunity

The Nikon Group employs people with excellent skills and experience regardless of their nationality and gender, and their achievements are based on a merit policy.

10. Accurate public relations

The Nikon Group makes timely and accurate disclosure of corporate information for better communication with its stakeholders and society.

11. Responsibility of top management

Top management and employees in managerial positions within each of the Nikon Group's business divisions must understand that they play an essential role in realizing the spirit of the Charter of Corporate Behavior, and thus, in addition to leading by example, promise to develop the internal infrastructure to ensure that the Charter of Corporate Behavior is disseminated to everyone concerned.

When any incident occurs that may violate the Charter of Corporate Behavior, top management will take immediate corrective measures to find the cause and prevent its recurrence, and will deal severely with all people involved in the matter, including top management itself where appropriate.

Compliance Section and CSR Section Activities

The Compliance Section provides training and education to encourage compliance awareness among all Nikon Group employees. To deepen this awareness, it also uses the case method focusing on the environment, information security and other issues related to CSR.

Furthermore, through this report the CSR Section aims to foster communication with stakeholders by offering a comprehensive introduction to the Nikon Group's CSR efforts. It is hoped that stakeholders will provide their opinions and views so that they can be incorporated into future activities.

Compliance Training

A wide range of education and training programs have been introduced to promote understanding of the "Nikon Charter of Corporate Behavior" and "Nikon Code of Conduct" among all employees. Training for top management is provided by outside instructors, while training for management level employees in the Nikon Group is conducted by Compliance Section staff members. Original training programs developed by the Compliance Section offer an outline explanation of CSR and compliance and involve group discussions of case studies and other activities. For extra flexibility, e-learning is also employed to verify understanding of the "Nikon Code of Conduct" among both employees and directors.

Study Groups in which the Compliance Section Participates

Target	Training program	Time
Nikon managers	Group training + case method	3 hours
Promoted Nikon managers	Group training + case method	2 hours
Nikon recruits	Group training	1 hour
Nikon Group managers	Group training + case method	3 hours

Introduction of the "Code of Conduct Coordinator System"

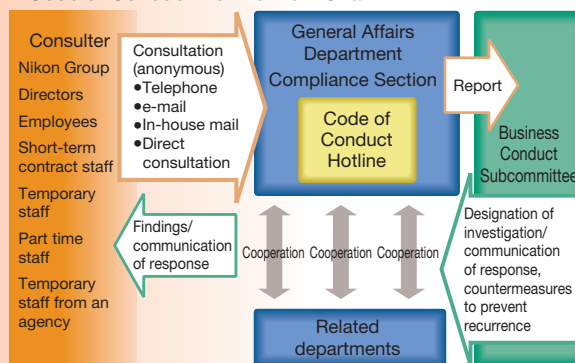
Due to the significant constraints of time and location that dictate when Nikon Group employees can receive training, in addition to implementation of training, the Compliance Section has introduced a "Code of Conduct Coordinator System" to enable independent training at separate departments. In this system, the head of a department or a nominated individual acts as a coordinator to vigorously promote compliance within that department. Coordinator orientation and training documents are provided by the Compliance Section.

Code of Conduct Hotline

Nikon established the "Code of Conduct Hotline" to provide consultation in the event of a situation arising that runs counter to the "Nikon Code of Conduct". Handled by the Compliance Section, the consultations are conducted without revealing names and personal information to strictly protect the privacy of the individual seeking consultation and avoid any adverse impact on human affairs or the way he or she is treated. When necessary, consultations are dealt with by the Business Conduct Subcommittee.

Reports concerning the Whistleblower Protection Act enforced in April 2006 are also handled by the "Code of Conduct Hotline".

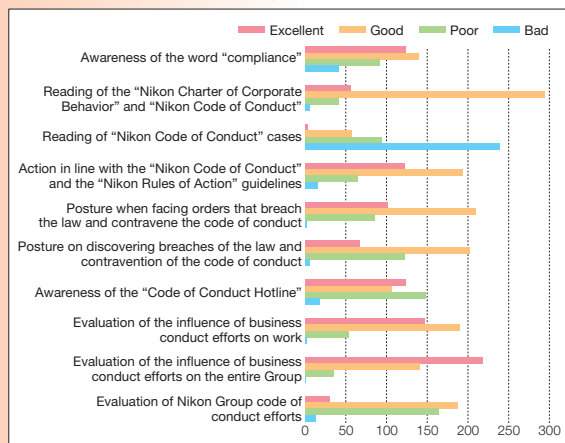
Code of Conduct Hotline Flow Chart



Compliance Perception Monitoring

During October, which was selected as Compliance Enhancement Month to coincide with the Business Ethics Month of the Japan Business Federation, awareness of business ethics is reviewed and employees are assessed to ascertain their degree of understanding of the "Nikon Code of Conduct". At the same time, awareness of the "Code of Conduct Hotline" is also enhanced. The results of these evaluations are made available on the Group intranet, and educational activities are implemented through compliance training and code of conduct coordinators to assure improvements where necessary at all times.

Nikon Code of Conduct Questionnaire Results

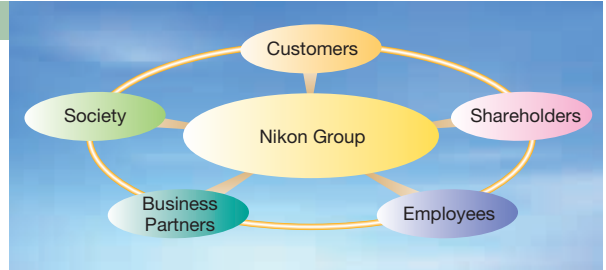


Relationship with Stakeholders

With the aim of gaining the confidence of stakeholders, the Nikon Group has implemented a wide range of measures to enhance communication with all of its stakeholders.

Nikon Group Stakeholders

The Nikon Group defines all of its “customers, shareholders, employees, business partners and society” as a whole as stakeholders, and makes every effort to meet all of their expectations.



Basic Stance Towards Stakeholders

As it develops business worldwide, the Nikon Group bears responsibility for a diverse range of stakeholders. To maintain a good relationship with these stakeholders and further strengthen that relationship, two-way communication is a vital consideration.

By communicating with as many stakeholders as possible Nikon acquires an understanding of their intentions and desires. It then applies this knowledge during policy planning and when making other decisions to work towards the resolution of problems if they arise. Through activities such as this, Nikon aims to gain the confidence and trust of its stakeholders as a company that continues to be highly appreciated.

Communication Results

To achieve meaningful communication with its stakeholders, Nikon applies different methods depending on the stakeholder to acquire a broader range of information, which in turn enables more effective utilization.

Stakeholder	Major means of communication	Information utilization results
Customers	Customer satisfaction surveys, questionnaires	Improved products, services, etc.
	Customer Support Centers to answer inquiries	As above
	Product pamphlets, detailed product manuals	Deeper understanding of products
Shareholders, investors	Explanation meetings	Reflects management objectives, etc.
	Plant tours	Deeper understanding of the company among participants
	Visits to corporate investors (Japan, overseas)	Reflects management objectives, etc.
	Interviews with corporate investors, analysts	As above
	Fact books, annual reports (printed material)	As above
	Investor information (website)	Deeper understanding of the company among users
	Business reports (printed material)	Deeper understanding of the company among readers
Employees	In-house publications	Improved in-house communication
	In-house information sharing systems	As above
Business partners	Procurement policy explanation meetings	Improved procurement methods, etc.
	Quality improvement meetings, opinion exchange meetings	Improved quality, etc.
Society	Sponsorships	Improved brand strategy, planning for new initiatives, etc.
	Social contribution activities	Improved social contribution activities, planning for new initiatives, etc.
All	Website	Reflects overall management, etc.
	Public relations magazines, corporate profile (printed material)	Deeper understanding of the company among readers

Relationship with Customers ■ Improving Customer Satisfaction and Service Response

A basic stance of the Nikon Group is to make social and economic contributions through activities that provide products and services useful for society. Every effort is being made at each Nikon company to create a business structure that best meets customer needs.

Imaging Company

In addition to providing outstanding image-related products, particularly digital cameras, the Imaging Company offers prompt customer support and extra convenience with service centers and call centers to handle inquiries and requests for repairs. Assistance is also provided by an extensive Frequently Asked Questions (FAQ) list and a streaming video “Look and Listen Manual” on the website.

Elsewhere, to quickly analyze and answer inquiries from around the world concerning requests for products and product quality, the company is implementing measures to establish an appropriate in-house structure and system that includes overseas Group companies.

As a result of such efforts, Nikon was highly rated by customers in the Nikkei Business magazine’s “2006 After Service Survey”, and for the second year running was voted the top company for after service satisfaction in the Digital Camera Section. This was the seventh time the Nikkei Business magazine had conducted the survey, and the fourth time Nikon had gained the number one position.

The company has also established a special department to gather and analyze customer opinions and demands and apply this valuable information to product improvement and the planning and development of new products. For example, a separately sold remote control was provided for the D70 digital single reflex camera, but since there were many requests from customers for a cable release, a jack enabling connection of a separately sold remote cord was added to the D70s successor model. In certain regions a service is also in place to add a remote cord connection jack to the D70.



Precision Equipment Company

Although the Precision Equipment Company manufactures steppers for IC and LCD display production, its relation with customers is more than simply supplying equipment. The company believes that to assure customer satisfaction it is vital to communicate with them and provide follow-up support while offering useful recommendations.

■ Communication and Support Services and Support System

Customer requests and opinions are gladly received by the Precision Equipment Company itself in Japan and by directly controlled affiliates and their branch offices overseas. This information is passed on to the Support Department where personnel work as a team to respond as quickly as possible.

To provide faster response in the field of IC steppers, a Global Engineering Support Department was established as the backbone of support activities.

■ Support Activities

As well as prompt repairs if equipment breaks down, the Precision Equipment Company aims to provide support through planning maintenance and customer assistance to sustain a high rate of operation and high productivity.

To achieve this, precise monitoring and analysis of equipment operating conditions are essential. Analysis based on over 20 years of stepper development, field service experience and on-going acquisition of new technologies will enable the company to offer proposals and recommendations and the eventual establishment of action plans.

■ Surveying and Improving Customer Satisfaction

To ascertain the effectiveness of support activities, regular customer satisfaction surveys are conducted in Japan.

Opinions that were frequently voiced in this year’s survey together with measures for improvement are shown below.

	Related to field technician skill	Related to support inquiries and communication with the support force
Opinion	<ul style="list-style-type: none"> • Skill varies widely among individuals • Skill varies widely depending on the equipment 	<ul style="list-style-type: none"> • Information sharing is insufficient • Escalation results in longer response time
Improvements	<ul style="list-style-type: none"> • Introduction of long-term manufacturing process training • Preparation of a work plan and action sheet that includes the supervisor 	<ul style="list-style-type: none"> • Newly Established Global Engineering Support Department

Instruments Company

■ Nikon Imaging Center

With the cooperation of prominent universities worldwide, Nikon has opened Nikon Imaging Centers for microscopes with the aim of contributing to the field of biotechnology. At present, centers have been established in Harvard University in the United States, Heidelberg University in Germany, Oxford University in the UK, and Hokkaido University in Japan. The centers are operated by full-time staff at each of the universities, and play an important role in education and research related to the application of imaging technologies in the biotechnology field by enabling researchers and students to use the latest microscopes and equipment.

The latest research information acquired from these imaging centers is reflected in the development of new products and technologies.

■ Repair Service System (in Japan)

At the heart of Nikon’s Customer Service Department there is a support system for repairs that are conducted through sales subsidiaries and distributors. With the consolidation of all domestic sales subsidiaries in April 2006, measures are now underway to provide repair support nationwide and services that better satisfy customer needs. The company also holds new product training sessions and repair technique training sessions for distributors as part of its on-going efforts to provide customers with higher quality services.

Relationship with Customers ■ Product and Service Quality Control

Emphasizing the concepts of “focusing on customers” and “top priority to quality”, the Nikon Group conducts daily production and related business activities applying the idea of product and service “quality” to safety, environmental conservation, functionality, performance and reliability with the aim of providing even higher quality products.

Policies and Systems for Quality Control

Based on its long-standing concept of “top priority to quality”, the Nikon Group’s corporate objective is “against a background of outstanding technological capability, to provide the world with superb quality through its products and the latest services, and by doing so contribute to the lives and cultures of people worldwide”. To achieve this objective, it established the “Quality Control Directive” (QCD) as the basic regulations for quality control, and is providing information Group-wide concerning basic policy and practical means of implementation. Each company has also set up a Quality Assurance Department, focusing on quality at the development and design stages and conducting reliability tests and inspections during the manufacturing process to verify product quality.

The “Quality Control Directive” was established to thoroughly strengthen the quality assurance system through a consolidated effort that includes subsidiaries and through compliance with the 2000 version of ISO9001. Measures are currently in progress to establish a quality assurance system for the entire Nikon Group.

ISO9001 Certification

All business departments and major subsidiaries have acquired ISO9001 certification and business is conducted in line with the ISO9001 QA Manual. Departments that have not acquired ISO9001 certification use the QCD as a procedure manual. Cooperating companies that also understand the Nikon Group idea of “top priority to quality” have entered into an agreement with the Nikon Group concerning quality assurance. When called for, certification is acquired with the cooperation of a qualified ISO9001 auditor.

Quality Control Committee Management

In line with “Nikon’s Philosophy” and “Corporate Objectives”, the Quality Control Committee holds meetings to deliberate and determine basic policies and basic issues related to quality control. The management policy for the Committee is to make revisions when appropriate to enhance the quality control system so that it operates in a timely, effective manner, and to inform related departments of any decisions made while promoting quality control activities.

Quality Control Auditing

Quality control auditing is conducted by the Chairman of the Quality Control Committee and involves inspection and verification of the status of quality control activities, reaching as far as Group companies. Information acquired is then assessed appropriately with the aim of improving both quality and efficiency.

In the event of something unacceptable being discovered at an audited department, ways to correct and improve the situation are pointed out, and if necessary the quality control policy is amended to boost quality and efficiency. If the matter is serious, it is reported to the Executive Committee and internal control procedures are implemented.

Product Safety Assurance

The “Business Guidelines” specify “Sufficient Assurance of Product Safety”, and to this aim products are planned and designed taking into consideration safety from the planning stage through to their entire life.

Design is conducted in line with the “Safety Design Principle” and other guidelines drawn up based on international standards, and safety is verified through measures such as design review, prototypes and inspection on the production line. When required, certification of safety is acquired from a third-party control body. As well as verification of prototype and product safety by the “Product Safety Testing Laboratory” established by the European certification body test laboratory TÜV SÜD (TÜV SÜD Product Service GmbH, Germany), the level of performance of examiners is strictly reviewed before certification to assure that only safe products reach customers.



ISO/IEC17025
(General requirements for the competence of testing and calibration laboratories)

Response to Quality Problems

The Nikon Group makes every effort to assure that customers feel secure when using its products. However, in the unlikely event of a problem arising, a system has always been in place to enable rapid response from the perspective of consumer safety.

In 2005, it was discovered that on rare occasions the EN-EL3 Li-ion rechargeable battery for digital single reflex cameras overheated, and it was judged that this could pose the risk of fire.

As soon as word arrived that four accidents had occurred worldwide due to the battery overheating, the Nikon Group voluntarily decided to recall the product, made announcements in newspapers and on its website, and proceeded with the recall. Fortunately the battery was not involved in any serious accidents but relevant departments conducted exhaustive quality control to prevent this kind of problem occurring in the future. Improvements are continually being made to assure that customers can use all Nikon Group products with confidence.

■ Personal Information Protection

The Nikon Group believes that dealing with personal information in a proper manner is an important social responsibility and strives to protect personal information.

Basic Policy

In compliance with the Personal Information Protection Law, fully enforced since April 1, 2005, the Nikon Group has implemented provisions responding to legal obligations. The entire Group has also implemented a range of countermeasures to maintain a constant control system.

Nikon Group Privacy Protection Policy

The “Nikon Group Privacy Protection Policy” concerning the appropriate protection of personal information was declared on the website by the President, Member of the Board, CEO and COO of Nikon Corporation, who is the director in charge of personal information in the Nikon Group. Details of how Group companies are dealing with personal information based on the above policy are available at their individual websites.

Education and Enlightenment

With the aim of enhancing control over personal information, a booklet entitled “A Guide to Personal Information Protection” has been distributed to all Nikon Group employees. Inquiries can also be made at the Information Management Executive Office.

Commitment to General Information Management

Fully aware of the importance of information management from the viewpoint of CSR, the Nikon Group is taking steps to achieve thorough information management in general as well as protecting personal information. To further optimize information management, amendments to Nikon’s basic rules of information management as specified in the “Information Management Rules” and in subregulations such as “Information Security Regulations” are phased in when deemed necessary.

Based on the abovementioned “Information Management Rules”, the rules for management methods in compliance with the fundamental idea of security control were recently clarified with the formulation of the “Guideline for Confidentiality Classification” which was disseminated throughout the Group.

Through such measures as auditing, Nikon aims to further enhance classification specifications and management set down in the “Guideline for Confidentiality Classification”. Information management education programs for all Nikon Group employees using e-learning and other methods have also been implemented to deepen awareness and understanding.



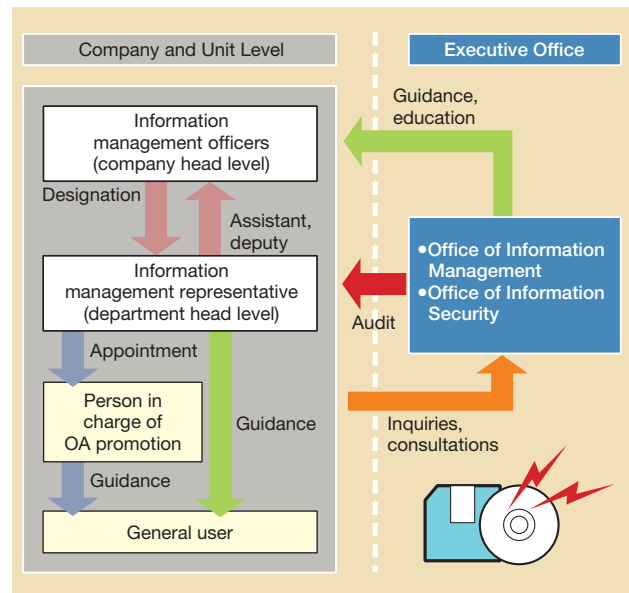
Nikon Group Privacy Protection Policy

Michio Kariya
President, Member of the Board,
Chief Executive Officer
& Chief Operating Officer
NIKON CORPORATION

The Nikon Group believes that dealing with personal information in a proper manner is an important social responsibility and declares that it will strive to protect personal information according to the privacy protection policy set out below:

- 1) **Compliance**
The Nikon Group will abide by all laws and regulations related to privacy protection, and will continue to develop and refine its internal management system based on this policy of improvement.
- 2) **Acquisition and use of Personal Information**
The Nikon Group will both acquire personal information in a fair and lawful manner, and where restriction on the use of such information is specified, the acquired personal information will not be used for any other purpose other than as specified.
- 3) **Provision of Personal Information to Third Parties**
The Nikon Group will not provide any personal information to any third party unless prior authorization is obtained or due legal or regulatory procedure followed.
- 4) **Proper Management of Personal Information**
The Nikon Group will implement the necessary and proper safety control measures based on this policy and the information management rules, as well as providing its directors, employees, and other related personnel with the necessary education and training to properly manage personal information.

■ Information Control System



*For details concerning personal information protection, please visit:
<http://www.nikon.co.jp/main/eng/privacy/index.htm>

Relationship with Shareholders and Investors

To acquire the understanding and trust of shareholders and investors, Nikon provides a wide range of timely information as part of its vigorous approach to communication. We also make every effort to enhance feedback to management.

Disclosure to Shareholders and Investors

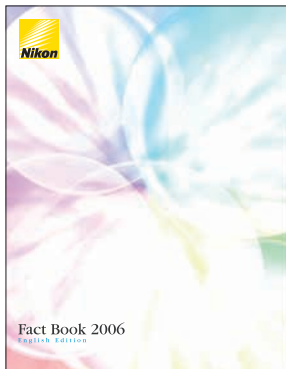
Basic Disclosure Policy

In line with its corporate philosophy of “trustworthiness and creativity” and corporate objective of “sincere, extremely transparent management to gain the confidence of customers, shareholders, employees, business partners and society”, Nikon’s basic stance is the thorough disclosure of corporate information. As well as observing the disclosure standards of the Tokyo Stock Exchange, we continue to foster a deeper understanding among shareholders and investors by providing a wide range of information covering everything from management stance, business activities and products to technology.

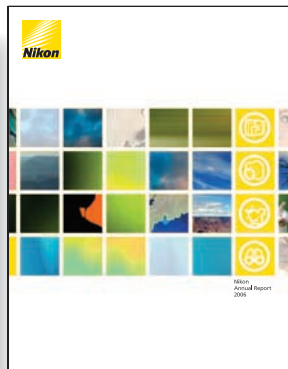
Disclosure Tools and Timely Disclosure

When disclosing information, Nikon applies methods that are appropriate for the details being disclosed. Information is provided through the mass media with news releases and official announcements, and through other means such as explanation meetings, fact books, annual reports, business reports and other printed material.

With the spread of the Internet in recent years and the increasing need to transmit information via a website, we established an “Investor Relations” section on our website to provide the latest news. Timely disclosure to investors is further assured by the use of the Tokyo Stock Exchange’s “Timely Disclosure System (TDnet)”.



Fact Book 2006

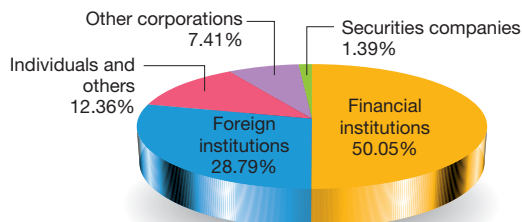


Annual Report 2006

Website “Investor Relations”

<http://www.nikon.co.jp/main/eng/portfolio/ir/index.htm>

Component Ratio of Major Shareholders



As of the end of March 2006

Communication with Shareholders and Investors

Communication Policy

Nikon employs a variety of means to enable interactive communication with its shareholders and investors as a way of promoting a deeper understanding of the company. At the same time, the active participation of top management assures that their opinions are more effectively applied to management.

IR Activities

For institutional investors and analysts, Nikon holds financial results conferences, medium term management plan conferences and other meetings in Japan. It also participates in conferences organized by securities companies and is striving to increase the number of opportunities it has for direct contact with investors. To augment communication with overseas investors, regular visits are paid to corporate investors in Europe, the United States and Asia.

Investor information for individual investors is primarily provided via the Nikon website. In April 2006, a plant tour was held on a trial basis for the nonprofit organization “Japan Individual Investor Association”. The feedback of information from these and other activities is applied to improve operations.

Major IR Activities in Fiscal 2005

IR activity details	Record
Medium term management plan conference	March
Financial results conferences	May, November
Technology presentation	December
Plant tours	About 10/year
Interviews with institutional investors/analysts	About 300/year
Visits to overseas institutional investors	Europe and the United States 2, Asia 1
Visits to domestic institutional investors	About 20/year
Participation in conference organized by securities companies	September
Participation in small meetings organized by securities companies	About 10/year

Relationship with Employees

Nikon employees come from a wide range of backgrounds. The company's basic stance is to respect individual diversity and human rights, to treat people fairly without prejudice, and to provide an environment in which dedicated work leading to good results is possible.

Fair Recruit Selection

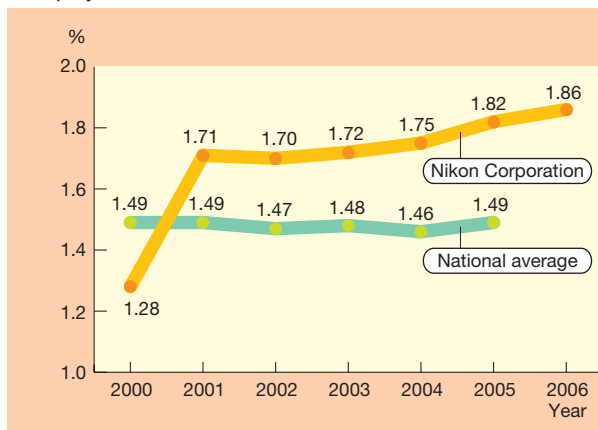
To bring in a broad range of competent people, Nikon regularly recruits new graduates as well as individuals with experience of working in a company. At the employment interviews for new graduates, we place particular emphasis on creating an atmosphere, even before the interview, that will draw out their intrinsic capabilities. For individuals with previous experience, we have established "job description-free hiring" recruitment terms to enable us to attract aspirants from a wide range of fields regardless of their previous line of work.

Employing the Disabled

By providing a comfortable workplace where people with a disability can make the most of their skills and aptitudes, Nikon aims to increase hiring of the disabled as part of its social responsibilities as a corporation. With this thought in mind, the exceptional subsidiary Nikon Tsubasa Inc. was established in 2001. Here, a team of highly experience staff and instructors offer meticulous support for life in a company to enable individuals to realize their full potential.

We have already reached the statutory employment ratio of people with disabilities of 1.8% (the employment rate in 2006 was 1.86%), and are currently making strenuous efforts to create new workplaces for the disabled.

■ Employment Quota Rate for the Disabled



Utilizing Foreigners

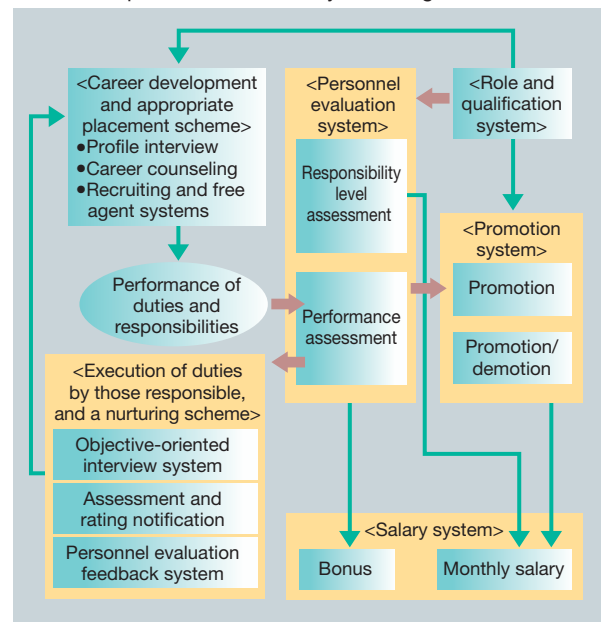
With the aim of developing as a global corporation, and also with an eye on the utilization of foreigners in overseas subsidiaries, Nikon is always looking for exceptional staff, regardless of their nationality. Employees from various countries working in a wide range of different specialist fields are making a huge contribution to our business results.

Personnel System and Wage System

When placing employees, Nikon takes into consideration individual ability and aptitude, and future career development. For example, at Nikon Corporation, two-way communication between superiors and subordinates is promoted through such measures as the objective-oriented interview system, and other systems shown below have been introduced to deepen understanding of assessment.

Profile interviews are also conducted every autumn between superiors and subordinates focusing on such issues as career development direction and requests and desires concerning the company.

■ Nikon Corporation Personnel System Diagram



Post-retirement Continued Employment System

Since amendment of the Golden Age Employment Stability Act in April 2006, corporations are now required to provide continued employment for people aged 60 or older. Aiming at being a company where senior citizens can continue working provided they have the incentive and ability, Nikon introduced its "Active Senior Employee System" in April 2006. With this system, employees reaching retirement age (60) are reemployed provided they satisfy certain conditions. Initially, the age limit for reemployment was 63 but this is being gradually extended, and from April 2009 it is scheduled to be set to 65 years of age. Ahead of this system, NIKON STAFF SERVICE CORPORATION was established in 2004 to support the utilization of senior citizens by finding reemployment for retirees at Nikon Corporation.

Through these and other measures, we aim to comprehensively promote the utilization of senior citizens.

Relationship with Employees

Developing Human Resources

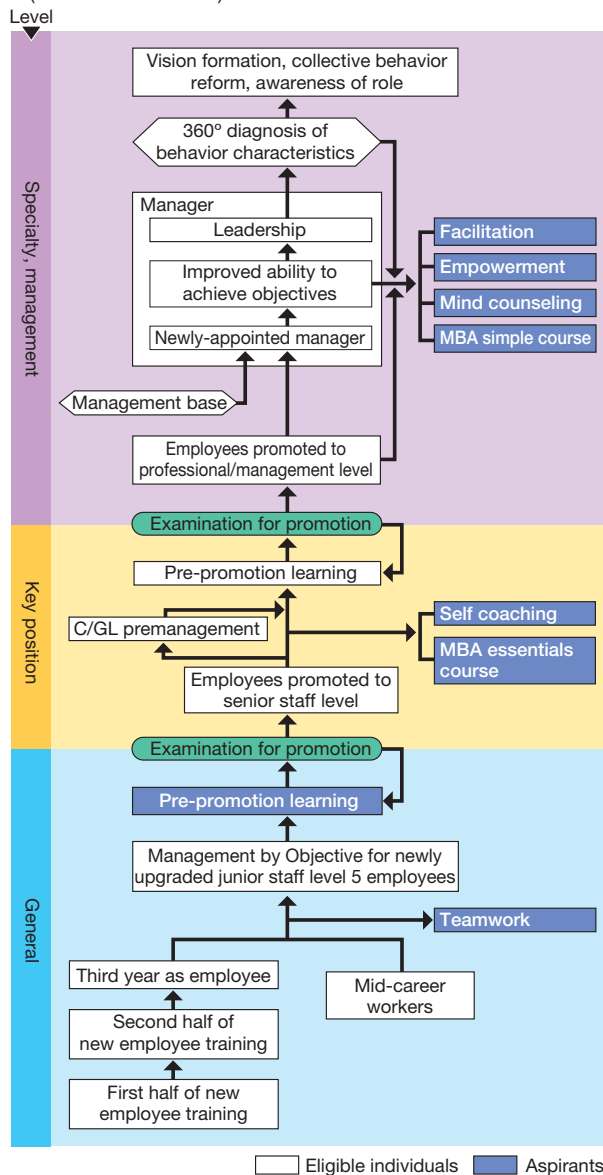
When developing human resources, to personify the corporate philosophy of "Trustworthiness and Creativity", the personnel required are defined as individuals who can:

Work for the team, think on your own, and act.

Employees must also clearly show the capabilities required for their post.

Nikon's approach to human resource development involves the provision of various training and self-development programs to enable employees to master and demonstrate these requirements. As well as verification of the adequacy and effect of each of the programs, annual plans are proposed and reinforced every year through review and revision.

Position and Training Flow of Nikon Corporation Employees (Fiscal 2006 version)



Health and Safety

The Nikon health and safety targets and policies were determined after deliberation by the "Health and Safety Committee", which is composed of members from both management and labor. After receiving operations site targets and policies, each work site establishes its own "Work Site Health and Safety Targets", and everyone participates in related activities.

Manufacturing is conducted based on health and safety management rules that clearly specify the responsibilities of each work site manager for production line health and safety. It goes without saying that related laws are also strictly observed to assure that work proceeds with due regard for safety. Recently, specific measures have been implemented with the focus on the prevention of health impairment due to overwork and mental health.

Fiscal 2006 Health and Safety Activity Objectives and Policies

Target: **A healthy, safe, vibrant corporation**

- Policy 1 **Safety considerations**
"From no accidents to no danger"
- Policy 2 **Promote health improvement support activities**
- Policy 3 **Create a comfortable workplace**

Routine Measures

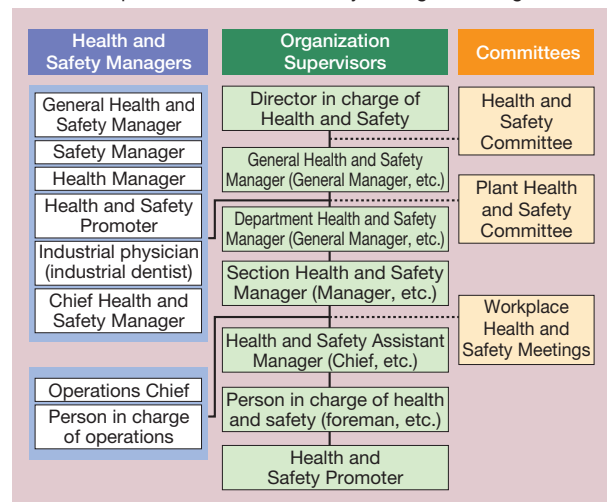
Work site patrols by Plant Health and Safety Committee members (once a month)

Work site self inspection by Plant Health and Safety Promotion Committee members (once a month)

Recent Measures

- **January 2006** Comprehensive checks of Nikon Group safety, accident and crime prevention measures (including domestic and overseas subsidiaries)
- **July 2006-** Introduction and implementation of a Rehabilitation Support System for employee on sick leave (fewer work days and shorter working hours)

Nikon Corporation Health and Safety Management Organization



Work-Life Balance System

Nikon decided on the months of April and May 2006 as the term for its "Working Hours Campaigns".

The goal of the campaigns was to provide an opportunity for individuals at each work site to re-examine the way they work and to reconsider the importance of work site management. Details of the various campaigns are shown below.

In 2006 the campaigns were run in April, May and October but from next year campaigns will be run during October every year.



Working Hours Campaign Poster
Winning entry

Way of Working Review Campaign	Campaign term
<p>■ Go Home Early Campaign (No Overtime Day) (Short Overtime Day) implemented</p> <ul style="list-style-type: none"> In principle, Short Overtime Day means overtime of no longer than 2 hours <p>■ Review of Meetings</p> <ul style="list-style-type: none"> Ten meeting rules displayed in meeting rooms, on bulletin boards, etc. 	<p>April 2006 Implementation continued after the completion of the campaign</p>
<p>■ Introduction to time management techniques</p> <ul style="list-style-type: none"> Time management world trends and examples of the approaches of other companies distributed to all employees via the Intranet <p>■ Poster Campaign</p> <ul style="list-style-type: none"> Collection of ideas for posters concerning review of how employees work, with display of the winning entries 	<p>April, May 2006</p>
<p>Cost Awareness Enhancement Campaign</p> <p>■ Display of cost per minute (meeting rooms, etc.)</p> <ul style="list-style-type: none"> Display of cost per minute of a meeting room, etc. (average cost per employee) 	
<p>Communication and Health Promotion Campaign</p> <p>■ Daily Management Scores</p> <ul style="list-style-type: none"> Checking of morning and lunchtime assembly enforcement, observation of the "5S" concept, meeting format, etc., by the section in charge of human resources 	<p>April 2006 (partly run from March)</p>
<p>■ Autonomous Improvement of the Workplace</p> <ul style="list-style-type: none"> Selection of a workplace problem by section managers, and preparation of plans for improvement 	<p>October 2006</p>
<p>■ Model Workplace Selection and Publicity</p> <ul style="list-style-type: none"> Selection of a workplace with advanced work and time management, and introduction through in-house newsletters 	<p>October 2006</p>
<p>■ Lectures by Corporate Lawyers</p> <ul style="list-style-type: none"> Related to Workers' Accident Compensation standards, responsibility for worker safety, employer's liability, etc. Lectures regarding daily management points of concern 	
<p>Pressure-Free Campaign</p> <p>■ Thorough implementation of "No Overtime Day" and "Short Overtime Day"</p> <ul style="list-style-type: none"> Implementation of patrols at offices <p>■ Thorough implementation of a Paid Leave Acquisition Plan</p> <ul style="list-style-type: none"> Determination in March of paid half-term leave of 2 days and 1 day on the personal anniversary, with thorough display at workplaces 	<p>April, May 2006</p>

Work and Family Support System

Nikon introduced a system that enables employees with childcare and nursing care responsibilities to work with peace of mind.

■ Nikon Corporation Childcare and Nursing Care System

Childcare related system	Steps to alleviate commuting stress during pregnancy (staggered hours/shortening of working hours by up to 2 hours)
	Time provided for hospital visits during pregnancy (1 hour-max. 1 day x number of hospital-visiting days)
	Childcare leave (as a general rule, until the child is 1 year old but can be extended to 1 year 6 months due to day nursery availability and other factors)
	Spouse maternity leave (2 days special leave)
	Choice of work hours (until the child is 1 year old: work time shortened by up to 4 hours per day/staggered hours)
	Shortened work hours (until the child completes year 3 of elementary school: up to 2 hours per day)
	Overtime limitation and exemption from late night work
Nursing care related system	Nursing care leave (up to 1 year)
	Shortened work hours (up to 4 hours per day for 1 year)
	Special accumulated leave for accident, illness or nursing care (accumulation of up to 40 days of paid leave that cannot be carried over possible)
	Nursing leave (up to 5 days per year for nursing pre-elementary school children)
	Overtime limitation and exemption from late night work

■ Record of Leave Before and After Childbirth/ Childcare Leave and Return to Work

Mostly everyone return to work after taking leave. Unit: people

Fiscal year	Maternity leave	After maternity leave		Childcare leave acquired		Left company during childcare leave	Returned after childcare leave
		Returned	Childcare leave	Male	Female		
2003	18	1	17	0	17	0	17
2004	10	0	10	1	10	1	10
2005	12	0	12	0	12	0	12

■ Record of Nursing Care Leave Acquisition and Return to Work

Unit: people

Fiscal year	Male	Female	Returned
2003	0	0	0
2004	2	0	2
2005	1	1	2

■ Record of Paid Leave Acquisition

Employees take an average of 60% of the 20 days of paid leave offered, which is a high rate. Unit: days

Fiscal year	Union members			Employees		
	Male	Female	Total	Male	Female	Total
2003	12.8	15.5	13.1	11.9	15.3	12.2
2004	13.3	16.0	13.6	12.4	15.7	12.6
2005	13.6	15.8	13.8	12.6	15.7	12.9

Relationship with Business Partners

From a long-term, international angle, Nikon is carrying out a wide range of procurement activities both in Japan and overseas.

Fair, Honest Procurement

Nikon performs its procurement activities in line with the four basic policies of:

1. Open-door procurement
2. Procurement based on fair competition
3. Procurement based on the concept of partnership
4. Green procurement

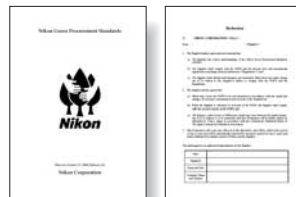
Based on the previous Quality Control Directive (QCD), Nikon conducts procurement honestly and fairly while rigorously promoting procurement activities with its business partners that pay the utmost attention to the global environment.

Communication with Business Partners

With preservation of the global environment in mind, Nikon places priority on procuring items that have been produced taking into consideration the influence they have on the environment from the time they are used until disposal. We also give priority to suppliers who take proactive steps at the manufacturing stage to conserve the environment.

Green Procurement Orientation for Suppliers

Following on from the establishment of the "Nikon Green Procurement Standards" in October 2005, we held six orientation sessions for vendors to deepen their understanding, which we are working towards consolidating with the "Nikon Green Procurement Standards Agreement". Supervised by the Nikon CSR Committee, the business partner orientation sessions outline the Nikon Green Procurement Standards and provide explanations of Nikon's Corporate Policy, the Nikon Basic Environmental Management Policy, the Nikon Basic Procurement Policy and the Nikon Basic Policy for Green Procurement.



Supplier Quality Improvement Activities

When a quality problem arises, with the cooperation of the Development and Design Division, the Procurement Department and Quality Assurance Department verify the situation with the vendor and implement quality control measures based on ISO9001.

Establishment of the Green Procurement Sub-Committee

This newly established committee, which is made up of department chiefs and Group company presidents, holds regular liaison meetings every quarter term to determine vital green procurement issues.

Environmental Management Status Survey

Since 1999, Nikon has conducted an "Environmental Conservation Survey" using questionnaires to ascertain how well business partners are addressing environmental management. Our aim is to cooperate with them to raise their assessment levels. So far about 500 companies have participated in the survey.

*For details concerning the Nikon Basic Policy for Green Procurement please visit:
<http://www.nikon.co.jp/main/eng/portfolio/procurement/green.htm>

Relationship with Local Communities

From its basic stance as a "corporate citizen contributing to society", the Nikon Group continues to expand its social contribution activities.

Activities in Diverse Fields

"Nikon Salon" Permanent Photo Galleries

With the aim of popularizing and advancing photographic culture, these spaces were opened in 1968 to exhibit outstanding photographic works by both amateurs and professionals in a wide range of fields. Various activities related to photography are conducted at the galleries in Ginza and Shinjuku in Tokyo, and in Osaka.



International Cooperation for Major Overseas Disasters

In response to the damage and suffering resulting from the tsunami caused by the Sumatra Earthquake in 2004, Nikon was quick to provide donations for relief operations by the Japan Red Cross Society. Elsewhere, in Thailand, another tsunami-damaged country, the overseas Group company Nikon (Thailand) Co., Ltd. gave contributions from employees and a donation from the company to the Thai Royal National Disaster Relief Fund. In recognition of the donation, His Majesty King Bhumibol Adulyadej presented the company with a shield of gratitude in November 2005.



Nikon also offered donations at the time of the earthquake in northern Pakistan in October 2005.

Support for Groups Related to the United Nations

Nikon provides assistance for groups supporting the activities of the United Nations.

- o Foundation: UNICEF Japan
- o Approved specified nonprofit organization: Japan Association for the United Nations World Food Program

Support for Medical Care and Welfare Groups

Nikon also advocates medical aid and support for the disabled.

- o Foundation: Japan Anti-Tuberculosis Association
- o Foundation: Children's Cancer Association of Japan
- o Foundation: Japan Sports Association for the Disabled (International Wheelchair Basketball Tournament)
- o Foundation: UNICEF Japan

Support and Cooperation for Various Groups

Support for the Digital Camera Volunteer Association

Established to enable anyone to enjoy photography and experience new forms of expression, the Digital Camera Volunteer Association is operated by former Nikon employees, citizens of Shinagawa Ward, Tokyo, and other committee members. Nikon sponsors the activities of the association and provides support through the loan of camera equipment.

The above association has also provided courses enabling middle aged people to experience digital cameras first-hand, and has begun offering similar courses for elementary school students. As a first step, courses covering topics such as the role of photography in society, digital camera operation and learning how to print photos were conducted for fifth year students at an elementary school in Shinagawa Ward, Tokyo.

Digital camera workshops are scheduled for 40 other schools in the same ward.



Interaction with Communities Around Production Sites

As a corporate citizen, Nikon promotes various regional activities to preserve the environment and improve safety.

■ Kumagaya Plant (Kumagaya, Saitama Prefecture) Cleanup Activities at the south exit of Kagohara Station on the JR (Japan Railways) Takasaki Line

In November 2005, cleanup work was conducted in the square by the south exit of Kagohara Station, the nearest station to the Kumagaya Plant. The area, where bus stops for the courtesy buses of nearby companies are located, is also used by Nikon.



■ Sagami-hara Plant (Sagami-hara, Kanagawa Prefecture) Participation in the Illegal Waste Elimination Campaign

In November of 2005, employees of the Sagami-hara Plant took part in the "Sagami-hara Illegal Waste Elimination Campaign" organized by the Sagami-hara City Beautification Movement Promotion Council. Various kinds of illegally dumped waste were removed from the city.



■ Mito Plant (Mito, Ibaraki Prefecture) Participation in the Environment Fair

The Mito Plant set up a display booth at the "2005 Environment Fair" held in November as part of the "I Love Ibaraki Prefecture Festival". The display featured an observation corner where visitors could use the "Nikon Fieldmicroscope" to examine the hatchlings of freshwater corbiculas found in the area of Hinuma near Mito city. Also included in the display was the 80iTP-DPH phase contrast dispersion microscope for measuring asbestos, providing visitors with a first-hand view of asbestos.



Supporting Global Environmental Conservation

As one response to global environmental problems, Nikon provides support for the Earthwatch Japan Institute, which dispatches volunteers to conduct global environmental research activities, as well as research institutes, foundations and other organizations. It also provides regional nature conservation groups and bird watching events with binoculars and other observation tools while supporting a wide range of other events to boost communication with nature lovers. Nikon firmly approves of the activities shown below.

Earthwatch Japan



Dispatching volunteers to participate in scientific field work and training, this is an international environmental NGO that conducts global environmental conservation.

The Nature Conservation Society of Japan



Through activities based on scientific research, together with regional NGOs and researchers, this nature conservation NGO strives to achieve a sustainable society in which people and nature can coexist in harmony.

Foundation for Global Peace and Environment



This foundation holds the annual worldwide International Children's Painting Competition on the Environment jointly organized by the United Nations Environment Programme (UNEP).

Social Service Leave

Since April 1994, Nikon has authorized leave for employees involved in volunteer work that makes a large social contribution.

■ Past Volunteer Activities

- Participation in the UNESCO World Terakoya Movement in India
- Participation in the Japan Mountain Accident Countermeasure Conference
- Participation in international goodwill conferences, etc.

Using Social Service Leave



Mitsutoshi Masuda

2nd Development Section,
1st Development Department
LCD Equipment Division—
Precision Equipment Company

Taking advantage of social service leave, I participated in the "UNESCO Funds-in-Trust for Youth Exchange Youth Study Tour to India" for two weeks from March 26 through April 8 in 2006 under the UNESCO-NGO Youth Exchange Programme of the Japanese Funds-in-Trust for the Promotion of International Cooperation and Mutual Understanding. I was able to observe the situation regarding literacy education (UNESCO World Terakoya Movement) in India, which is supported by UNESCO associations in Japan, and deepen exchange with the local people.

In the future, I would like to further international understanding and cooperation through UNESCO's volunteer activities.

*For details concerning the Nikon Group's responsibilities to society, please visit:
<http://www.nikon.co.jp/main/eng/portfolio/environment/contribution/index.htm>

Nikon and the Environment

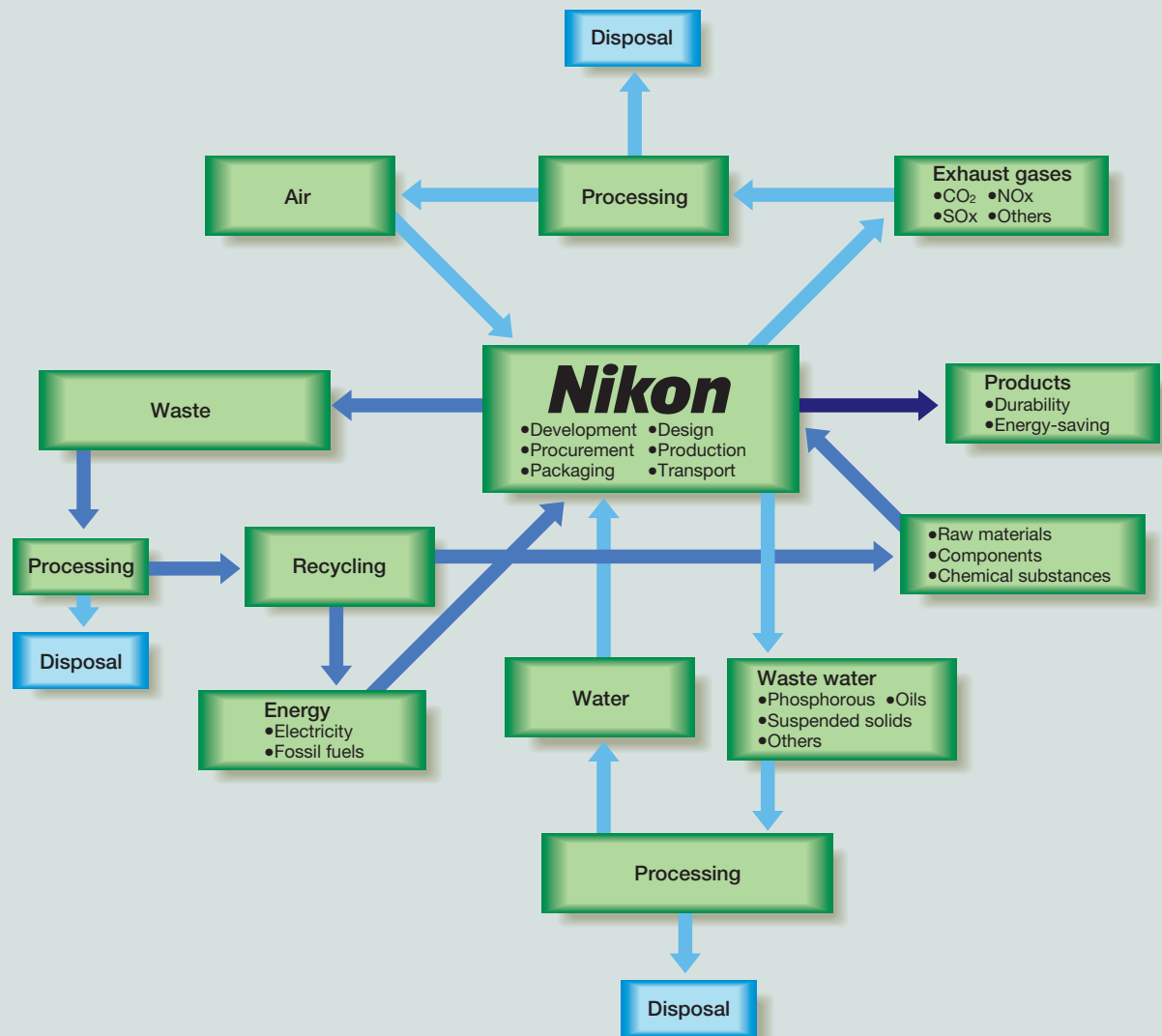
Nikon is aiming to achieve an environmentally harmonious organization throughout the entire Nikon Group.

Nikon and the Environment

A corporation is like a living organism, functioning within the global environment. As it grows, it provides products and services to society and continues to grow, and during this time it consumes various resources and energy, and generates numerous types of waste.

It is crucial that we recognize the importance of recycling and conservation—particularly reductions in the use of energy and resources. We must also continue working to reduce our waste output until it has virtually been eliminated. It is imperative that corporations be aware of the impact their operations may be having on the environment, and implement more sophisticated ecological management programs.

Nikon is continuing its efforts to reduce waste materials, and we are also actively pursuing unique activities such as the development of eco-glass, which will significantly reduce our environmental loading. Nikon operates based on its corporate philosophy, "Trustworthiness and Creativity", and today we are applying the experience and technology gained through decades of work in the field to form a new, environmentally harmonious corporation.



Environmental Policy

Aiming for a recycling society, Nikon is implementing its environmental policy across the Nikon Group.

The Nikon Basic Environmental Management Policy

Purpose of the Policy

Nikon enacted the "Nikon Basic Environmental Management Policy" in 1992 in order to express its commitment to improvements in its local environment as well as globally, and to act as the foundation for its environmental management activities. Nikon believes that pollution prevention measures and the efficient use of resources are vital steps that must be taken in order to be able to hand on to the next generation a healthy environment that is capable of supporting the continued development of society. Based on the "Vision Nikon 21" corporate strategy formulated in March 2000, in fiscal 2002, the Nikon policy underwent further major revision in response to the anticipated needs of the coming recycling society. An outline of the action guidelines is presented below.

Action Guidelines

- (1) We will make every effort to promote waste reduction, reuse and recycling, while encouraging energy and resource conservation, waste reduction and conscientious waste processing, with the goal of creating an environment-conscious recycling society.
- (2) We will perform environmental and safety reviews at every stage of planning, development and design, in order to provide products that fully comply with environmental protection aims.
- (3) At every stage of production, distribution, use and disposal, we will actively introduce materials and equipment that are effective in protecting the environment, strive to develop and improve technologies in this area, and work to minimize environmental burdens.
- (4) We will meet targets for reduction of environmental burdens and use of harmful substances, and continue to improve our environmental management system through environmental audits and other means.
- (5) We will develop and follow a rigorous code of standards, in addition to observing all environmental conservation treaties, national and regional laws and regulations.
- (6) We will conduct ongoing education programs to further employee knowledge of environmental issues and promote employee involvement in environmental activities.
- (7) We will provide suppliers with guidance and information to promote optimal environmental protection activities.
- (8) We will participate actively in the environmental protection programs of society at large, and implement information disclosure.

Primary Environmental Loading

Primary environmental loading data for the Nikon Group in fiscal 2005 is indicated in the table below.

▼ INPUT		Nikon	Subsidiaries	
Energy	Electricity	164,990	86,000	Mwh
	Gas	6,020	1,745	Thousand m ³
	Heavy oil	322	2,324	kl
	Water	1,283	611	Thousand m ³
Designated PRTR substances	1,1-dichloro-1-fluoroethane	0	2,110	t
	Dichloromethane/fluoropropane	0	4,340	t
	Xylene	0	1,655	t
	Hexavalent chrome	0	0,569	t
	Toluene	1,168	2,171	t
	Lead and lead compounds	3,401	0	t
	Nickel compounds	0,592	0	t
	Boron and boron compounds	6,041	0	t
▼ OUTPUT				
Energy	Electricity	62,522	32,508	t-CO ₂
	Gas	12,697	10,847	t-CO ₂
	Heavy oil	873	6,297	t-CO ₂
	1,1-dichloro-1-fluoroethane	0	1,806	t
Designated PRTR substance exhaust	Dichloropentafluoropropane	0	4,145	t
	Dichloromethane	0	0,671	t
	Hexavalent chrome	0	0	t
	Toluene	0,934	1,285	t
	Lead and lead compounds	0,002	0	t
	Nickel compounds	0	0	t
	Boron and boron compounds	0,004	0	t
Disposal	Amount of waste generated	2,909	1,757	t
	Amount recycled	2,777	1,643	t
	Amount of landfill	14	7	t

Target Plants

- Ohi Plant
- Yokohama Plant
- Sagami-hara Plant
- Kumagaya Plant
- Mito Plant

Target Manufacturing Subsidiaries

- Tochigi Nikon
- Mito Nikon
- Sendai Nikon
- Zao Nikon
- Kurobane Nikon

Environmental Action Plan

Nikon set down its medium term environmental targets in 2000. The “Environmental Targets for Fiscal 2005”, which are incorporated in the “Nikon Environmental Action Plan for Fiscal 2005”, are broadly divided into 13 categories representing product and workplace environments as indicated below. The columns on the right show the results for fiscal 2005 and Nikon’s evaluation.

■ The Nikon Environment Action Plan for Fiscal 2005

Product Environment

Theme	Fiscal 2005 environmental targets	Fiscal 2005 results	Evaluation
Energy conservation (prevention of global warming)	[Energy efficiency] • More than 30% improvement in overall energy efficiency of new products released, compared with figures of similar products already released	• 83% (83%) of the 23 applicable new products, achieved 30% or greater improvement in energy efficiency These products achieved simple average improvement of 57% (62%)	○
Reduction in use of hazardous chemical substances	[Eco-glass usage ratio] • Use of Eco-glass in 100% of new optical designs for consumer products, and at least 96% for industrial products	• Consumer products: 100% (100%) Industrial products: 96.5% (95.5%)	○
	[Lead-free solder] • Use of lead-free printed circuit boards for electronic components in more than 100% of consumer products and at least 50% of new industrial products by fiscal year end	• Consumer products: 100% (61%) Industrial products: 67% (20%)	○
	[Hexavalent chrome, lead, cadmium, mercury, PBB, PBDE, PVC] • Completion of preparation to clear RoHS Directive requirements	• Preparation to meet RoHS directive requirements completed (Major reduction)	○
	[Ozone layer-depleting substances] • Reduction of IC and LCD steppers using HCFC as a refrigerant to fewer than 15% of all products	• 15.9% (23%)	△
Green procurement	[Reduction in use of hazardous chemical substances] • Performance investigation and management implemented for all consumer products (including sales promotion and repair parts, etc.) and major components of selected industrial products	• Target achieved in both consumer and industrial fields	○
Packaging and distribution	[Greenhouse effect gas emissions] • Gauging CO ₂ emissions in distribution in Japan	• Determined fundamental assessment policy and implemented estimation	△

Workplace Environment

Theme	Fiscal 2005 environmental targets	Fiscal 2005 results	Evaluation
Energy conservation (prevention of global warming)	[Greenhouse effect gas emissions] • Reduction in annual emissions (converted to CO ₂) per net sales of at least 25%, compared to levels for fiscal 2002	• 29% reduction (25% reduction)	○
Waste reduction	[Zero emissions] • Continuance of zero-emission systems at all plants and major manufacturing subsidiaries in Japan, and their extensive application to other workplaces	• Target achieved	○
	[Waste generation] • Reduction in waste generation of at least 25%, compared to fiscal 2000	• 21% reduction (18% reduction)	△
Reduction in use of hazardous chemical substances	[Chlorinated organic solvents] • Elimination of use of chlorinated organic solvents in wash at workplaces, including major manufacturing subsidiaries in Japan, by fiscal year end	• Target achieved	○
Green procurement	[Eco-procurement products] • Conformity with guidelines for at least 80% of all products	• 89% (79%)	○
ISO14001	[Integration of certification] • Nikon certification acquired	• Target achieved	○

*In the section entitled “Fiscal 2005 results”, the data in parenthesis are results through fiscal 2004.
*Symbols: Circle indicates progress on schedule; triangle denotes insufficient effort.

With its sights on fiscal 2008, Nikon introduced a new three-year plan, the “Nikon Environmental Action Plan for Fiscal 2006”, which incorporates considerable revisions to the previous plan. Through integration of its Environmental Management System (EMS), Nikon aims to spread understanding of the management’s stance towards the environment throughout the entire Nikon Group, while developing EMS activities more effectively and more efficiently. At the same time, it will continue to expand the scope of the action plan to include group companies both in Japan and overseas.

■ The Nikon Environmental Action Plan for Fiscal 2006

Product Environment

Theme	Mid-term/long-term environmental targets	Targets for fiscal 2006
Energy conservation (prevention of global warming)	[Energy efficiency] <ul style="list-style-type: none"> • More than 30% improvement in overall energy efficiency of new products released between fiscal 2006 and fiscal 2008, compared to similar existing products 	<ul style="list-style-type: none"> • Improvement of 30% or greater
Reduction in use of hazardous chemical substances	[Eco-glass usage ratio] <ul style="list-style-type: none"> • Maintaining use of Eco-glass in new optical designs for 100% of consumer products and for at least 98% of industrial products by fiscal 2007 Targeting at least 97% shipment ratio in optical glass division by fiscal 2008 	<ul style="list-style-type: none"> • 100% of consumer products, at least 97% of industrial products and at least 95% in shipment ratio of optical glass
	[Lead-free solder] <ul style="list-style-type: none"> • 100% use of lead-free PC boards for new electronic components for consumer products by fiscal 2006, and thereafter, and at least 95% use for industrial products by fiscal 2008 	<ul style="list-style-type: none"> • Maintaining 100% use for consumer products, and at least 75% use for industrial products
	[Hexavalent chrome, lead, cadmium, mercury, PBB, PBDE, PVC] <ul style="list-style-type: none"> • Continued compliance with RoHS Directive and establish management system by fiscal 2006 • Drastic reduction in use of hexavalent chrome in surface processes 	<ul style="list-style-type: none"> • Continued compliance and establish of a management system • Reduction
	[Ozone layer-depleting substances] <ul style="list-style-type: none"> • Total elimination of HCFC as a refrigerant in IC and LCD steppers shipped in fiscal 2008 	<ul style="list-style-type: none"> • Reduction of products utilizing HCFC to 12% or fewer of total products shipped
Green procurement	[Reduction in use of hazardous chemical substances] <ul style="list-style-type: none"> • Implementation of green procurement activities for all products in consumer and industrial fields 	<ul style="list-style-type: none"> • Continuation of green procurement in consumer fields Implementation of green procurement for major products in industrial field
Packaging and distribution	[Greenhouse effect gas emissions] <ul style="list-style-type: none"> • Reduction in CO₂ emissions of 3% compared with fiscal 2006 for distribution in Japan, by fiscal 2008 	<ul style="list-style-type: none"> • Implementation of the process to gauge CO₂ emissions in distribution in Japan

Workplace Environment

Theme	Mid-term/long-term environmental targets	Targets for fiscal 2006
Energy conservation (prevention of global warming)	[Greenhouse effect gas emissions] <ul style="list-style-type: none"> • Reduction in annual emissions (converted CO₂) per net sales of 35% by fiscal 2010 and at least 30% by fiscal 2008, both compared to fiscal 2001, at all Nikon plants and major manufacturing subsidiaries in Japan 	<ul style="list-style-type: none"> • Reduction of at least 20%
Waste reduction	[Waste generation] <ul style="list-style-type: none"> • Reduction in amount of waste generated of at least 20%, compared to fiscal 2000, at all Nikon plants and major manufacturing subsidiaries in Japan 	<ul style="list-style-type: none"> • Reduction of at least 10%
Green procurement	[Eco-procurement products] <ul style="list-style-type: none"> • Compliance with guidelines for at least 90% of all products by fiscal 2006 and thereafter 	<ul style="list-style-type: none"> • Conformity with guidelines for at least 90% of all products
ISO14001	[Integration of Environmental Management Systems] <ul style="list-style-type: none"> • Complete system integration for major overseas manufacturing subsidiaries by fiscal 2007 Complete system integration for major Nikon Group places of business by fiscal 2008 	<ul style="list-style-type: none"> • Certification of Nikon Corporation and major manufacturing subsidiaries in Japan completed

*Mid-term/long-term environmental targets are for fiscal 2008 unless specified otherwise

* For details concerning Nikon Group environmental activities, please visit:
<http://www.nikon.co.jp/main/eng/portfolio/enviornment/index.htm>



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