

Nikon CSR REPORT **2010**

PDF version of Nikon CSR REPORT 2010 Revised Edition

Priority CSR Targets and the Basic Structure of Nikon CSR REPORT 2010

Content of the CSR Report Decided According to the Principle of Materiality in the GRI Guidelines

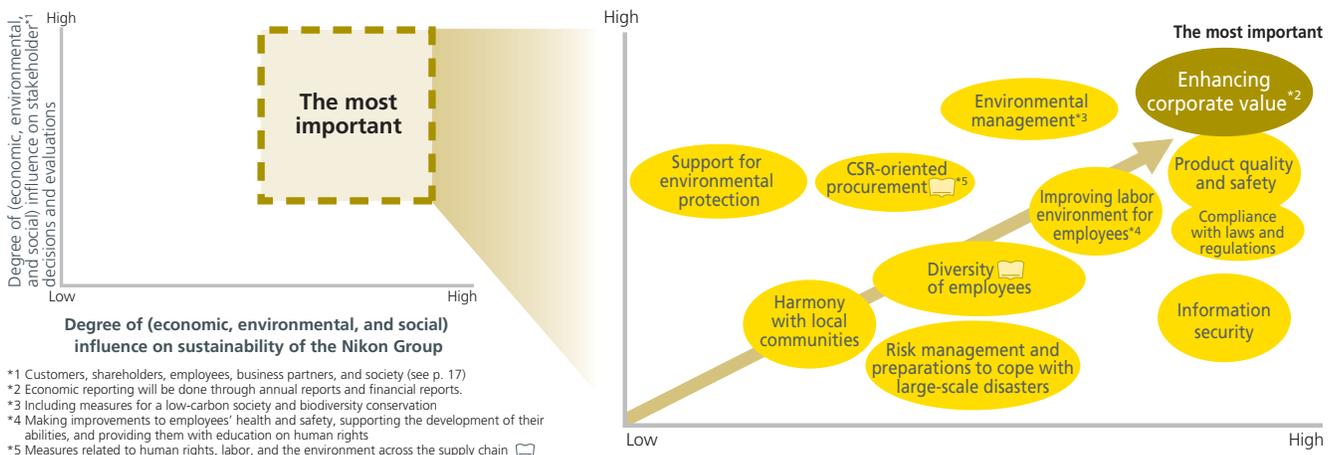
The Nikon Group upholds CSR-oriented management as one of its priority policies in its Medium Term Management Plan and has formulated a CSR Medium Term Plan. We are committed to implementing our corporate philosophy “Trustworthiness and Creativity” through our CSR activities which are based on these plans.

In past editions of our CSR Report, we reported on our activities for each category of our stakeholders , but for this report and subsequent editions, we have decided to report on our activities based on the priority targets set out in the CSR Medium Term Plan.

In selecting the priority targets from among a range of issues, we analyzed the degree of their economic, environmental, and social influence on our stakeholders in terms of sustainability  and the importance of the issues for the sustainability of the Nikon Group itself. Based on the results of this analysis made in reference to relevant international guidelines, the CSR Committee chose the priority targets, and we have been implementing measures to achieve those targets.

We will review the priority targets in response to changes in society and continue to manage our business with integrity and in a highly transparent manner.

Content of the CSR report decided according to the principle of materiality in the GRI Guidelines



Editorial policy

The Nikon Group is fully aware that in order to enhance the valued relationship of trust we have with all our stakeholders, it is of vital importance to proactively and frankly disclose corporate information. As such, this report, published annually, serves as an important tool for promoting communication between Nikon and its stakeholders.

Information disclosure media for CSR reporting

To report the Nikon Group's CSR activities in the fiscal year ended March 31, 2010, we have published a PDF version of Nikon CSR REPORT 2010 (this report) online and a printed digest of the report.

Moreover, we have created a separate collection of data in PDF format that details our environmental data and includes a glossary of terms. (Terms used in this report that are explained in the glossary are marked with the following symbol: )

Please also access our website, where we post a range of information in addition to the information provided in this report:

<http://www.nikon.com/>

Printed digest of Nikon CSR REPORT 2010

Full text as in PDF format (this report)

Collection of data in the PDF (environmental data and a glossary of terms)

Nikon Website

Priority targets set forth in the CSR Medium Term Plan
(three-year plan from April 2009 to March 2012)

Fulfill CSR through business by conducting corporate activities while being committed to conserving the global environment and ensuring compliance

Expanding and promoting environmental management

Promoting compliance activities globally

Implementing a risk management PDCA cycle

Promoting diversity activities

Expanding social contribution activities worldwide

Expanding CSR-oriented procurement

Promoting communication with stakeholders



Priority target to be added in the fiscal year ending March 31, 2011

Globally managing the issues related to human rights and the labor environment

In the three-year plan from April 2010 to March 2013, we have added this target to the existing seven priority targets and will implement measures to achieve the eight targets.

Term and Scope of Report

This report focuses on the period from April 1, 2009 to March 31, 2010 (the year ended March 31, 2010), and also includes matters regarding major developments up to June 30, 2010. In this report, we use "Nikon" to refer to the Nikon brand; "Nikon Corporation" to refer only to the parent company; "Group companies" to collectively refer to Nikon Corporation's 69 consolidated subsidiaries and two equity method affiliates; and "Nikon Group companies" to refer to Nikon Corporation and Group companies. Nikon Metrology NV (formerly Metris Companies Inc.), which was purchased and became a wholly owned subsidiary of Nikon Corporation in October 2009, is not subject to this report; however, it is included in the numerical data on financial status and in the number of the Group companies and employees. In cases where a specific scope is defined, the details regarding such are clearly specified in each respective section. Unless otherwise stated, the term "employees" includes Nikon Group corporate executives, permanent employees, non-regular staff, contract workers, dispatched workers, part-time employees, and temporary personnel.

References

This report has been drawn up with reference to the Sustainability Reporting Guidelines, 3rd Edition published by the GRI, and the Environmental Reporting Guidelines (2007) of the Japanese Ministry of the Environment. A GRI Guidelines comparison table can be found on the Nikon website.

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► Partially revised (on P28)

Some changes have been made with respect to the targets of the Nikon Environmental Action Plan 2010.

Next Edition (Plan)

September 2011 (previous edition appeared in September 2009)

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[Environmental matters]

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Sincerely Meeting the Needs of Society and Creating Value beyond Expectations

We started the previous fiscal year in a global economic recession, and in the face of the difficult business environment, the Nikon Group has been making a concerted effort to implement structural reforms and strengthen its business foundation. The economy seems to be generally recovering now in 2010, although there are differences in the recovery level between different industries and in different regions. Recent economic changes seem to have altered the values of individuals and society in a rapid manner. Reflecting these trends, the Nikon Group has resolved to devote itself to further improving the profitability of its core business. At the same time, we will provide people with new value in response to changes in society toward further the growth of the Group.

Although our business environment is changing rapidly, the Nikon Group will never change its CSR-oriented management policies. Because the situation is challenging, we are encouraging employees all the more to become more aware of the importance of CSR.

The Nikon Group is committed to fulfilling its CSR by sincerely meeting the trust and expectations of customers and society at large and by constantly meeting new challenges to create value beyond people's expectations, thereby contributing to the sustainable development of society. The Nikon Group is engaged in businesses that underpin the foundations of society and those that bring inspiration and excitement to people. In our CSR activities, we must give priority to constantly providing society with useful and excellent products and services that are high in quality and safety by making use of the technologies and know-how that we have long accumulated since our foundation. For the Nikon Group, CSR means implementing a process to achieve specific results in its quest for "Trustworthiness and Creativity," which are at the heart of its corporate philosophy. To this end, each and every employee must carefully listen to the voices of both customers and the general public to identify their needs, some of which customer themselves have yet to recognize, and to create new value that exceeds their expectations. This is precisely what we believe the Nikon Group should achieve in the future.

To meet these requirements, we are sharing our corporate philosophy "Trustworthiness and Creativity," our management vision "Meeting needs. Exceeding expectations.", the Nikon CSR Charter, and the Nikon Code of Conduct among all members of the Nikon Group, which will help individual employees fulfill corporate social responsibilities in their daily business operations.

In 2007, we participated in the United Nations Global Compact and expressed our support for its 10 principles regarding human rights, labor standards, the environment, and

anti-corruption. The Nikon Group is developing its business on a global scale, and we decided to join the UN Global Compact believing that participating in this initiative, which follows international CSR guidelines, would help the Group to demonstrate its focus on CSR more clearly to the public and to implement CSR measures across its bases throughout the world. Since last year, we have been making efforts to make all Nikon Group employees both within and outside Japan more aware of the 10 principles of the UN Global Compact in addition to the corporate philosophy and the Nikon CSR Charter.

The Nikon Group has been implementing a range of CSR-related measures, listing "CSR-oriented management" as one of its priorities in its Medium Term Management Plan, and also setting the themes to be prioritized in its CSR activities.

Building a low-carbon society is one of the top challenges to be met for the sustainable development of global society. At the Hokkaido Toyako Summit held in July 2008, the world leaders declared that they would reduce the world's greenhouse gas emissions by half of present levels by 2050, and to meet this goal, medium- to long-term measures are being studied also in Japan. Recently, there have also been increasing concerns about biodiversity conservation. In light of these trends in Japan and in the international community, the Nikon Group has revised the Nikon Basic Environmental Management Policy to more clearly state its basic commitment to the environment, including measures regarding climate change and biodiversity. In line with this revised policy and based on the idea of making the continuous development of our business compatible with the protection of the environment, we will implement measures to improve the energy efficiency of our products throughout their lifecycles. In addition to these measures, we will take a range of environmental measures to stop polluting the Earth as a fundamental requirement. As for reducing greenhouse gas emissions, we will set the reduction targets and make a concerted effort to achieve them. We will thus continue to make strenuous efforts to attain even higher goals for the environment.

Conducting its business activities in compliance with laws, regulations, and other rules is one of the most important issues for the Nikon Group. We can build a relationship of trust with society by complying with society's rules and acting in a sincere and honest manner. To ensure compliance, our Group companies both within and outside Japan are now making efforts to make their employees more aware of the Nikon CSR Charter, the Nikon Code of Conduct, the UN Global Compact, and other rules in a manner that is appropriate for each region.

In the activities to promote the diversity of employees, we have been implementing measures mainly to encourage female employees to display more of their abilities and to employ more people with disabilities. In 2009, we selected some Group companies in which to implement special measures that give more opportunities to female employees. We will continue to seriously implement similar measures based on the idea that diversity will provide the driving force for our corporate activities.

We have included issues related to human rights and the labor environment that are now attracting much attention internationally as a priority theme to be tackled in our CSR activities this year onwards. Accordingly, we will make employees of the Nikon Group more aware of the issues, identify related problems and implement countermeasures at an early stage by regularly checking the situation at Nikon Group companies. We will also implement necessary measures across our supply chain based in cooperation with our procurement partners.

The Nikon Group is engaged in a range of social contribution activities taking root in the local communities in each of the regions where it operates. Specifically, we are engaged in support for educational activities such as the Nikon Scholarship Program for young people in Thailand; environmental activities including cosponsoring the UN International Children's Painting Competition on the Environment; and in activities that contribute to the world of photography.

The Nikon Group's CSR activities have begun to be recognized externally too, but we are still not satisfied with them. We will make further contributions to the sustainable development of society by conducting CSR-oriented business activities based on our corporate philosophy "Trustworthiness and Creativity" and our corporate vision "Meeting needs. Exceeding expectations."

July 2010



Michio Kariya
Representative Director,
Chairman of the Board
Nikon Corporation

Michio Kariya



Makoto Kimura
Representative Director,
President,
Member of the Board
Nikon Corporation

Makoto Kimura

Nikon Group Profile

Corporate Data

Company Name NIKON CORPORATION
Head Office Shin-Yurakucho Bldg., 12-1, Yurakucho
 1-chome, Chiyoda-ku, Tokyo 100-8331, Japan
 Tel: +81-3-3214-5311
* Moved the head office to present address in May 2010, in order to strengthen the links between the head office functions and the business functions and to increase the efficiency of business operations

Date of Establishment July 25, 1917
Capital ¥65,475 million (as of March 31, 2010)
Net Sales Consolidated: ¥785,498 million
 Non-Consolidated: ¥572,972 million
 (for the year ended March 31, 2010)

No. of Employees Consolidated: 26,125
 Non-Consolidated: 5,315 (as of March 31, 2010)
* Employee figures do not include part-time employees, temporary personnel or dispatched workers.
 The consolidated figure does not include the employees of the two equity method affiliates or the directors of Nikon Corporation, although it includes the directors of Group companies.
 The non-consolidated figure does not include the directors of Nikon Corporation or the employees of Nikon Corporation who are temporarily dispatched to Group companies.

Group Companies (Consolidated)

Region	No. of companies
Japanese Nikon Group companies (including Nikon Corporation)	16
European Group companies (12 countries)	29
Asian/Oceanian Group companies (8 countries)	16
North American Group companies (2 countries)	9

* Details of Group companies:
<http://www.nikon.com/about/info/group/index.htm>

Major Businesses of the Nikon Group

Precision Equipment Business (Precision Equipment Company)

- IC steppers and scanners ● LCD steppers and scanners

Imaging Products Business (Imaging Company)

- Digital cameras ● Film cameras ● Interchangeable lenses ● Speedlights
- Film scanners ● Photographic accessories ● Software

Instruments Business (Instruments Company)

- Biological microscopes ● Industrial microscopes
- Stereoscopic microscopes ● Measuring instruments
- Semiconductor inspection equipment

Customized Products Business (Customized Products Division)

- Customized optical equipment ● Space-related equipment
- Astronomy-related equipment ● Optical components

Glass Business (Glass Division)

- Synthetic silica glass ● Calcium fluoride ● Photomask substrates for LCD

Encoder Business (Encoder Business Promotion Division)

- Absolute encoders ● Digimicro digital micrometer system
- Rotary encoders

Sport Optics Business (Nikon Vision Co., Ltd.)

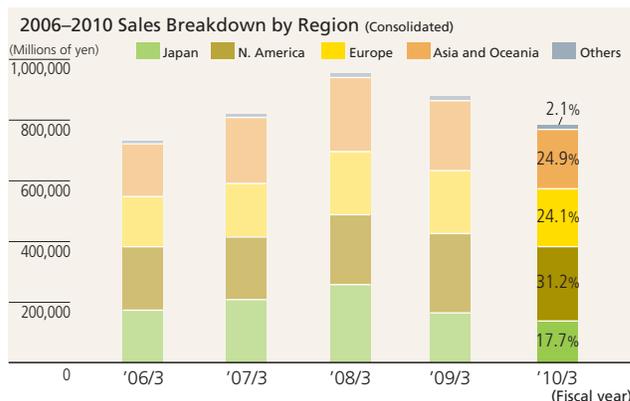
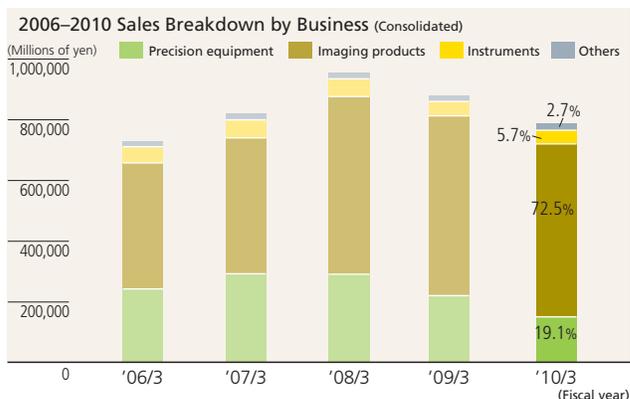
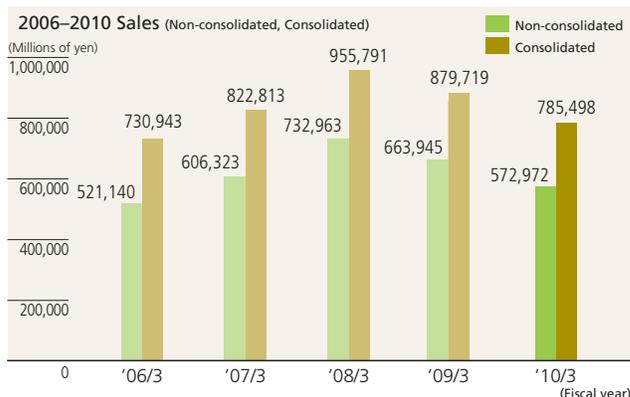
- Binoculars ● Monoculars ● Fieldsopes ● Digiscoping system
- Fieldmicroscopes ● Laser rangefinders ● Loupes

Ophthalmic Business (Nikon-Essilor Co., Ltd.)

- Ophthalmic lenses ● Hearing aids

Surveying Instruments Business (Nikon-Trimble Co., Ltd.)

- Total stations ● GPS systems ● Construction lasers ● Theodolites
- Levels ● Surveying CAD systems



Corporate Governance

To enhance the relationship of trust it enjoys with its stakeholders  amid continued globalization of the business environment, the Nikon Group aims to increase management efficiency and transparency by bolstering corporate governance.

Corporate Governance Organization

Management System

Since the introduction of an in-house company system, we have been fostering decentralized management, with an integrated system and responsibilities established for each product sector, including Group companies. A results-based evaluation system was also brought in to strengthen the relationship between performance and remuneration. We also installed an operating officer system to reduce the number of directors while consolidating a management system that can respond swiftly to changes in the business environment. In the fiscal year ended March 31, 2010, we revised the rules on final decision making. We will continuously implement measures to establish an even sounder management system, including reviewing and revising the regulations pertaining to the operating officer system, to further enhance internal controls .

Board of Directors and Executive Committee

The Board of Directors makes prompt decisions on matters of importance to the Nikon Group and monitors the exercise of duties by directors.

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

critical matters. To separate the managerial supervisory function from the business execution function, it was decided that the Board of Directors would be chaired by the Chairman of the Board and the Executive Committee would be chaired by the President following the reelection of directors at the end of June 2010.

Compensation Committee

The Compensation Committee, which includes prominent figures from outside the Nikon Group, was set up to raise the objectivity and transparency of matters related to directors' compensation and to ensure that decisions on remuneration are linked to the corporate financial results. The obligations of this committee include examining and proposing guidelines for directors' compensation and other related systems.

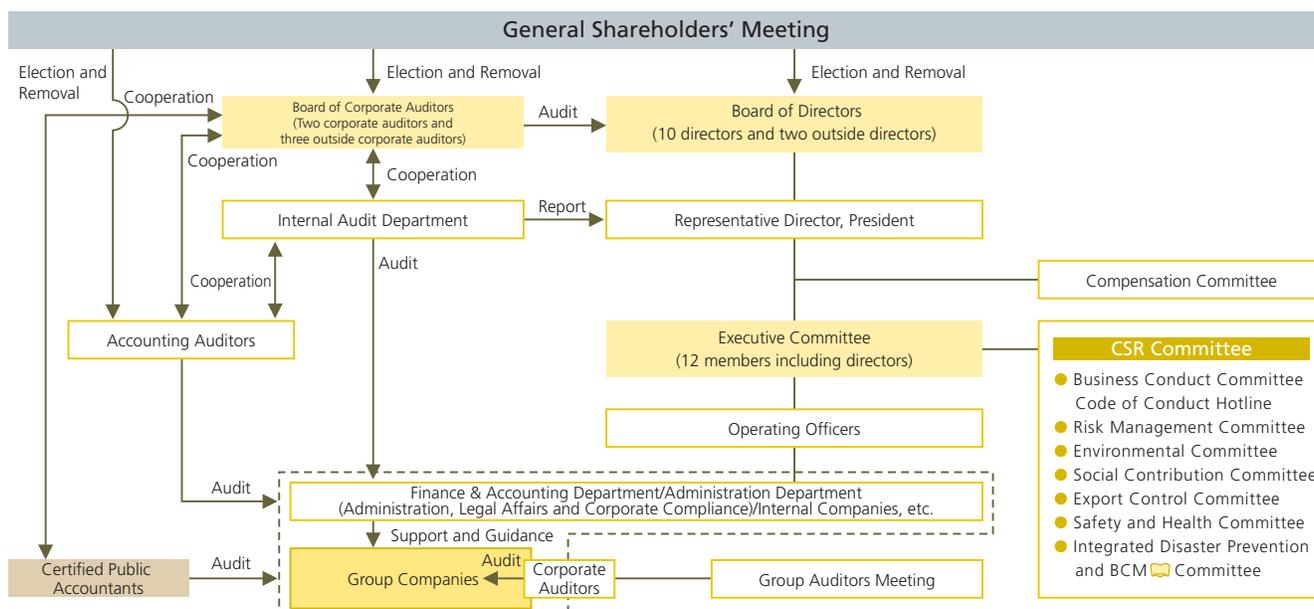
Board of Corporate Auditors

The members of the Board of Corporate Auditors periodically attend important meetings such as those of the Board of Directors and Executive Committee in order to supervise the execution of duties by the directors, and to perform monitoring and auditing of corporate management and directors.

▶ Corporate governance:

<http://www.nikon.com/about/csr/governance/>

Nikon's Corporate Governance Organization (as of June 30, 2010)



CSR Activities at Manufacturing Bases Outside Japan

Imaging Company

The Nikon Group has multiple manufacturing and service bases around the world, where quality is strictly controlled and employees are conducting a range of CSR activities taking root in local communities. In the following, we will introduce the CSR activities conducted at two of the Imaging Company's major manufacturing bases outside Japan, namely one in Thailand and the other in China.

Manufacturing Base in Thailand: NTC

Nikon (Thailand) Co., Ltd. (NTC) manufactures Nikon imaging products as represented by digital SLR cameras. NTC is continuously engaged in quality management and also in CSR activities in local communities.

Promoting CSR activities based on the Nikon Code of Conduct

In order to foster an understanding and awareness of CSR among employees, NTC has created a handbook on the Nikon CSR Charter, the Nikon Code of Conduct, and the 10 principles of the UN Global Compact and also edited the content to include it in the basic reference material for its in-house CSR training courses, and distributed copies to employees.

NTC conducts its CSR activities based on the Nikon Code of Conduct and provides employees with internal CSR training courses to help them become more familiar with the rules.

Fulfilling its responsibilities as a major manufacturing base

NTC manufactures Nikon digital SLR cameras and lenses and ships them to all over the world. The company is required to continue its business even in the event of a disaster, in order to meet the expectations of users and fulfill its responsibility for the entire Nikon Group, including sales companies. When pandemic influenza (H1N1) spread across the world in 2009, NTC immediately established a branch to deal with any pandemic influenza within the company and started implementing countermeasures against the flu, including urging all employees to wear a mask, wash their hands frequently, and check their temperature, and asking visitors to the company to take their temperature as well. As a result, the total number of employees infected with the flu was just two up to the end of 2009, and among those living with NTC employees there were only eight people reported to be infected with the disease.



Asking visitors to check their temperature

Aiming to become a company that can develop with local communities

NTC also values CSR activities taking root in local communities. One example of such activities is Bhuddadham Nam Suk, which is conducted as part of NTC's social contribution activities. Specifically, both the company and employees offer polished rice and nonperishable foodstuffs to neighboring Buddhist monks. In Thailand, monks daily ask for food with a bowl in their hands and you can see them doing this on the street early in the morning. Employees feel that participating in the activity helps cultivate virtue.



Employees offering food to monks as a corporate activity

Voice

Helping Employees Participate in CSR Activities

At our company, supervisors, managers, and leaders have already attended in-house CSR-related training courses, and we have been planning to hold courses for general workers too.

In 2009, however, the demand for digital cameras rapidly expanded due to recovery from the economic crisis and it was difficult to persuade workers to participate in the courses as they are directly engaged in manufacturing, and production results depend directly on their working hours.

Instead of holding the courses, we therefore established a CSR promotion week, during which we posted CSR posters on the in-house bulletin boards so that employees could individually learn about and understand CSR. In addition, we encouraged employees to participate in the competition for CSR-related workplace bulletin boards and helped them deepen their understanding of the CSR Charter and the Code of Conduct through quizzes on CSR.

Benjaporn Rattanasopon

In charge of CSR
Nikon (Thailand) Co., Ltd.



Manufacturing Base in China: NIC

At Nikon Imaging (China) Co., Ltd. (NIC), which provides a manufacturing base for Nikon imaging products that is as important as NTC, CSR activities are being conducted across a wider range than before. The year 2009 marked the start of full CSR activities at the company, with the appointment of a person exclusively in charge of CSR.

Making more employees aware of the CSR Charter and the Code of Conduct

The Nikon CSR Charter and the Code of Conduct provide guidelines for CSR activities. NIC created a booklet on the Nikon CSR Charter and the NIC Code of Conduct, both in Chinese and Japanese. It distributed copies to about 550 staff at the company and also provided them with the necessary training course. Employees were taught about the history of CSR, the CSR Charter, the Code of Conduct, and the UN Global Compact. At the end of the course, they sat an examination and all passed it. Employees who took the course evaluated it highly, saying that the course helped them deepen their understanding of CSR. There were also a number of requests to provide more CSR courses.

Promoting CSR in local communities through cleanup activities

NIC and its employees have been also engaged in CSR activities taking root in local communities. In 2009, they were engaged in an environmental volunteer activity jointly with neighboring Japanese-based companies: every day after work for the three months from April to June 2009, 25 to 30 NIC employees took a chartered bus to local cleanup activity sites. Because Chinese people do not have the custom of local cleanups (collecting trash), it was sometimes difficult for the company to continue with the activity, but as time passed, the local area became cleaner and local inhabitants began to obey the rules regarding trash. The activity thus also helped localities raise their environmental awareness.

A total of 1,300 employees participated in this activity. NIC is determined to continue providing reliable products to society while also making contributions to local communities.



Kicking off the environmental volunteer activity



Employees participating in the cleanup activity dressing in matching jackets

Proactively continuing activities as an "Excellent Company for CSR in WND"

In June 2009 NIC was selected by the New District Administrative Committee of Wuxi Municipal People's Government as a 2008 Excellent Company for CSR in WND (Wuxi New District). To choose the Excellent Companies, the related administrative departments jointly examine the candidates' CSR measures including those for the environment and the employee's labor environment in a comprehensive manner. This year, only 30 companies out of over 7,000 companies in the New District were recognized as Excellent Companies. Encouraged by this recognition, NIC will continue to conduct company-wide CSR activities in an even more proactive manner.



Excellent Company for CSR Certificate

Voice

Deepening Employee's Understanding of CSR and Making Contributions to Society Other Than Through Products

I was put in charge of CSR one year ago. I began my job by translating the Nikon CSR Charter and the Code of Conduct into Chinese. Then I visited Japan to receive CSR training and deepen my understanding of the Nikon Group's CSR. I was able to learn also about the activities of local CSR-advanced companies by participating in the local Chinese tour held by the Japan Business Federation. When I began training employees in CSR, they could not readily understand the significance, but now we are recognized as an Excellent Company for CSR in WND and the concept of CSR has been gradually spreading among employees.

I would like to foster CSR activities through the manufacturing of high-quality digital cameras and also make social contributions in other ways than through our products, including through legal compliance and cleanup activities conducted with the participation of all employees.

Wu Zhouping

In charge of CSR
Nikon Imaging (China) Co., Ltd.

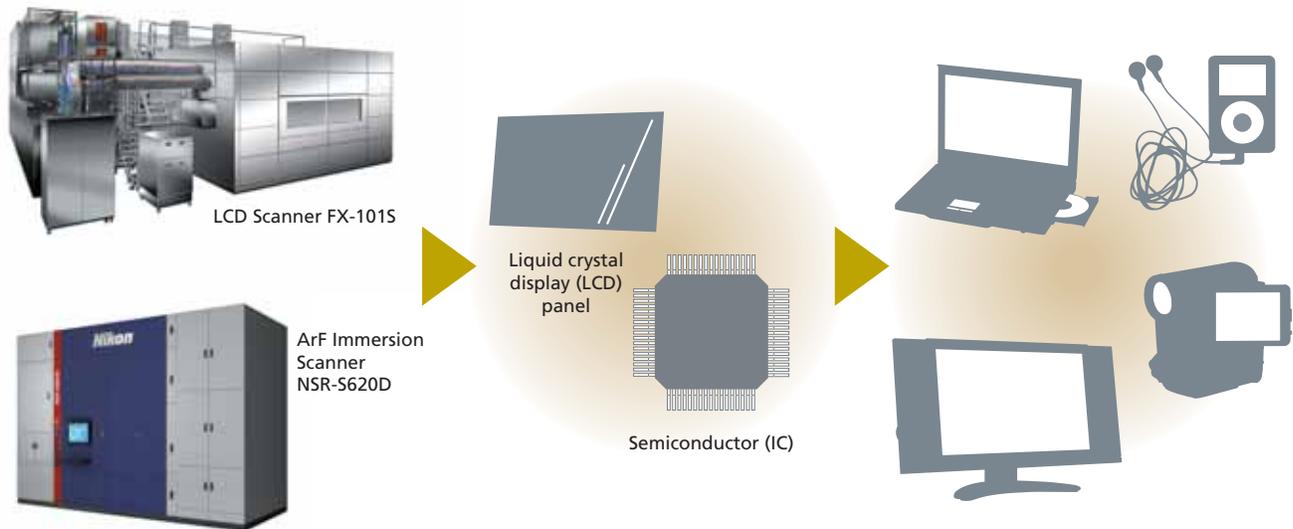


Business Activities and CSR

One of the basic commitments of the Nikon Group is its determination to contribute to the substantial development of society through its business activities. Based on this idea, each in-house company is taking a variety of initiatives to meet customers' expectations.

Precision Equipment Company

The Nikon Precision Equipment Company contributes to the progress of the information society through IC/LCD steppers and scanners.



Information society and exposure systems

Electronic devices have made great progress in the short term. Together with communication technologies, these devices have made our society more information-oriented and enabled us to lead more convenient and comfortable lives, store information more speedily and accurately, and send clearer and more beautiful images. In recent years the energy efficiency of electronic devices has been substantially improved, making it possible to read newspapers and books electronically without wasting important resources.

Semiconductors (ICs) and LCD panels are indispensable components for electronic devices. The Precision Equipment Company develops and manufactures the equipment essential for the manufacture of ICs and LCD panels, thereby contributing greatly to the development of the information society.

Roles of IC/LCD steppers and scanners

IC/LCD steppers and scanners are used to print semiconductor (IC) circuits and LCD panel circuits precisely onto silicon wafers and glass plates using projection exposure technology. The Precision Equipment Company develops and manufactures state-of-the-art equipment in response to the miniaturization of ICs and also to the upsizing of LCD panels and the miniaturization of the circuits for these panels. The miniaturization of ICs helps raise energy efficiency, downsize products, and reduces the use of resources. Leading-edge Nikon IC steppers and scanners enable the formation of a circuit in units of nanometers (1/1,000,000,000 meter). LCD panels are much more energy-efficient than cathode-ray tube displays, and they can be made even more energy-saving with the formation of smaller circuits. Nikon LCD steppers and scanners are also used to manufacture organic ELs and other displays that are basically more energy-efficient than LCD panels.

Product-related activities (for CS and the environment)

Development of an Ultra-Large Exposure System That Meets Both Customers' Expectations and Environmental Requirements



LCD Scanner FX-101S

Environmentally friendly features

Energy efficiency 

Larger in size but parallel in energy efficiency with the FX-85S for the eighth-generation plates (Calculated based on Nikon Corporation's own criteria for the area that can be exposed per unit of power)

Lead-free solder

Used on 100% of new circuit boards

Ozone layer protection

Use of new HFC refrigerant with zero ozone depletion potential (ODP) for temperature control and air conditioning chillers

Reduction in the use of polyvinyl chloride (PVC)

Reduced use of PVC cables

The FX-101S is a super-large exposure system for tenth-generation glass plates which are a large three meters per side.

Past exposure systems were upsized to match the upsizing of the glass plates. Nonetheless, in developing a system for the tenth-generation glass plates, we thought that if we continued upsizing the equipment as in the past, the size would be over 1.6 times as large as the product for the eighth-generation glass plates and accordingly the weight would also increase. We therefore started developing a product that was as compact and light as possible.

As a result, we were able to develop the FX-101S, which needs an installation area that is almost the same size as for the machine for the eighth-generation glass plates (FX-85S), and because we made it as compact as possible, we were also able to reduce the use of materials substantially.

The FX-101S has a productivity that is at least 50% higher than for the previous model. In addition to its high performance achieved through Nikon optical technologies, it displays the world's highest productivity in the mass production of 32 to 70-inch LCD panels. It can also be used efficiently for the mass production of LCD panels larger than 100 inches.

We will continue to develop products that meet both customers' needs and environmental requirements capitalizing on our long accumulated technologies.

Tomoyuki Watanabe
 Second Development Section
 Second Development Department
 LCD Equipment Division
 Precision Equipment Company
 Nikon Corporation



Eco-Friendly
Product

ArF Immersion Scanner NSR-S620D



Environmentally friendly features

Energy efficiency

Reduced consumption of electricity (energy) per wafer

Lead-free solder

Drastic use of lead-free solder on new circuit boards

Elimination of hexavalent chromium

Discontinuance of the use of hexavalent chromium in the surface treatment process

Use of Eco-glass 

Drastic use of Eco-glass for optical systems

Ozone layer protection

Use of new HFC refrigerant with zero ozone depletion potential (ODP) for temperature control and air conditioning chillers

<Product feature>

ArF immersion scanner equipped with a platform that provides both high precision and high throughput, which achieves double patterning by forming fine circuits through double exposure

Imaging Company

The Nikon Imaging Company is engaged in multiple activities related to images, in addition to providing cameras and lenses to the market, thereby creating new value for customers and contributing to the development of the world of photography.

Images capture, communicate, and store in people’s mind the “moments” of individual memories and of worldwide news reported throughout the globe. Nikon imaging products, which are made using long-accumulated Nikon technologies, meet a range of needs for customers all over the world and provide them with new value. We are also widely engaged in activities

that contribute to the development of photography, including the organization of photo competitions and photo classes. We also manage a photo storage and sharing website as a platform on the Internet.

Nikon Photo Contest International 2008–2009



Nikon Photo Contest International, which was launched in 1969, is designed to provide an arena for interchange among photography enthusiasts from all over the world (professional and amateur alike) and to contribute to the culture of photography. In recent years the contest has been held biennially and the latest one is the thirty-second. Works were collected on the theme “At the heart of the image,” which is the Imaging Company’s own brand statement.

Cooperation with NPOs



An NPO named the All Japan Welfare Photo Association organizes a photo competition as part of its activities to provide people with disabilities and the elderly with more opportunities to go out and participate in society and maintain their health. The Japan Culture Association also organizes a national photo exhibition for the blind, at which the Association displays photographs taken by people with visual impairment in a special manner: the photos are copied on panels in a way that gives them three dimensions so that visitors to the exhibition can touch and feel them.

Nikon Imaging Japan (NIJ) supports the activities of these NPOs and presented a Nikon COOLPIX S230 as a prize at the fourth photo competition named “Yume” and the 25th national photo exhibition for the blind held by the NPOs.

Nikon College



Nikon Imaging Japan Inc. (NIJ) has been holding a photo class named “Nikon College” since April 2009, under the slogan “Let’s enjoy photography!” The class is held about 500 times annually with the participation of about 10,000 people in total in Tokyo (Tamachi and Shinjuku) and Osaka. In 2010, NIJ began holding the class also in Yokohama. It also organizes a photography tour about 30 times a year.

my Pictown



The Nikon my Pictown photo storage and sharing website was launched in 2007 as an Internet platform to add new value to the imaging business in this age of digital and network innovation.

The website helps users to take photos with a digital camera, store the photos comfortably, process them easily, and immediately send them to family and friends living far apart, thereby connecting photos/images with people and people with people and contributing to the development of photography in a ways that brings more smiles to people’s faces.

Product-related activities (for CS and the environment)

“Meeting needs. Exceeding expectations.” through a Digital SLR Camera with Super-High Light Sensitivity**D3S digital SLR camera
(released in November 2009)****Environmentally friendly features****Lead-free solder**

Used on 100% of circuit boards for electronic parts

Use of Eco-glass 

100% use of Eco-glass

Measures for hazardous substancesAll the parts are compliant with the regulatory standards enforced in each country and region, including the RoHS Directive  and the EuP Directive in Europe, the China RoHS, and the regulations on batteries enforced in South Korea.

As for its ISO performance, the D3 reached the unprecedented level of ISO  6400 as standard. We began developing the D3S as the next-generation camera following the D3 immediately after the product was released on the market. As the first step in its development, we collected opinions from customers. In the target specifications compiled from customers' requests, we found that they wanted us to further improve the already high light sensitivity. It was a very severe request because we had made so much effort to reach ISO 6400. However, we were also assured that there was a clear need for higher light sensitivity and that we were doing the right thing by drastically pursuing high light sensitivity in developing the D3. The key to further improving the light sensitivity was development of a completely new image sensor. First, we examined which part of the camera needed to be modified to improve the image quality, and actually made

improvements based on the results.

We first improved the micro lens and the pixel part, thereby making it possible for the camera to accept and store more light with a higher S/N ratio and wider dynamic range. At the same time, we reduced noise levels. We made special efforts to reduce noise in the dark part, and we did it effectively by reviewing the circuit part. We analyzed the noise characteristics of the built-in amplifier and optimized the characteristics to minimize the influence of noise on the image.

We pursued higher image quality at ISO 12800 as standard and were able to improve the quality to such a high level that it seemed practically possible to make the ISO performance expandable to the ISO equivalent of 102400 (Hi 3), although we had initially planned to make it expandable to Hi 2 as in the case of the D3. In the latter half of the development period, we therefore decided to take on the challenge of improving the light sensitivity to a level one digit higher than Hi 2.

As a result of these efforts, we were finally able to develop the D3S with a light sensitivity level higher than expected for customers who want to “take photos without a speedlight even in the dark, when the subject is not clearly visible to the naked eye, because it is important to record them as they are as images.” We achieved a higher light sensitivity with higher auto white balance and auto-focus precision and better operability not only for still images, but also for moving ones. We have thus developed a totally new digital SLR camera with super-high light sensitivity. For its environmental performance, we have achieved a high standard in line with the Nikon Green Procurement  Standards and with the environmental standards imposed by each country in the world.

We will continue to provide unprecedented imaging methods by continuously taking challenges in the Nikon way: “meeting needs and exceeding expectations.”

Tetsuya Yamamoto

General Manager
First Development Department
Development Headquarters
Imaging Company
Nikon Corporation

**Nobuaki Sasagaki**

General Manager
First Marketing Department
Marketing Headquarters
Imaging Company
Nikon Corporation

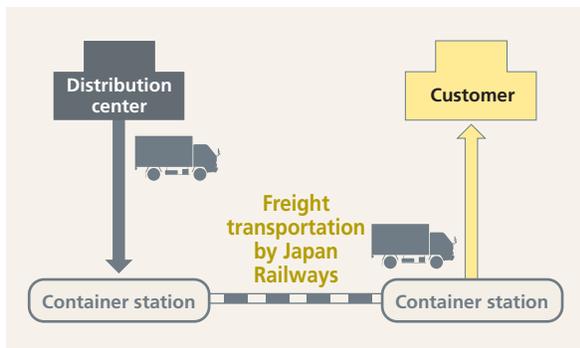


Instruments Company

The Nikon Instruments Company develops microscopes, measuring instruments, and semiconductor inspection equipment that meet the most advanced needs of our customers, thereby contributing to the development of bioscience and industrial fields.

Improving physical distribution (for the environment)

Reducing the Environmental Impact of Transportation through Modal Shift



One of the priority activities conducted by the Instruments Company to reduce its environmental impact is environmentally friendly transportation. To this end, we have been actively implementing measures that include simplifying packaging and reusing packaging materials, while fostering modal shift.

Modal shift means a shift to a transportation method that is more environmentally friendly. Railway transportation is said to have the lowest environmental

impact, because per-unit CO₂ emissions from railway transportation is only about one-seventh of those from transportation by truck. We are therefore encouraging modal shift from transportation by truck to the railways, targeting transportation from the container stations nearest to our distribution centers to the container stations nearest to each of our customers, thereby reducing emissions of CO₂, which is said to be a contributor to global warming. In addition, modal shift is expected to help reduce energy consumption, mitigate traffic congestion, and bring various other benefits.

We can transport our products by railway only when we meet certain conditions for the delivery areas, delivery dates, and the transportation volume, and we mainly utilize this method of transportation for the bulk shipment of microscopes. We currently transport our products by railroad once or twice on average per month, and would like to increase this.

Noriaki Nakamoto

Manager
Distribution Promotion Section
Business Management Department
Instruments Company
Nikon Corporation



Eco-Friendly Product

High-definition cooled color camera head DS-Fi1c (released in April 2009)

High-speed live display color camera head DS-Vi1 (released in March 2010)



Environmentally friendly features

- Energy efficiency
Energy consumption reduced by 7.5% for the DS-Fi1c and by 15% for the DS-Vi1 compared with the previous models
- Lead-free solder
100% use of lead-free solder on circuit boards for electric parts
- Measures for hazardous substances
All parts compliant with the RoHS Directive 

<Product feature>

New camera heads for the DS series digital microscope cameras. The DS-Fi1c is equipped with a 5-megapixel color CCD, into which a Peltier cooling mechanism is incorporated to cool the CCD down to at 20°C below the ambient temperature. The DS-Fi1c is suitable for fluorescent imaging that needs long-term exposure and is therefore used for biological research and clinical examinations. The DS-Vi1 is equipped with a 2.0-megapixel color CCD and can display SXGA high-precision images at 15 fps. It is used mainly for quality assurance testing and monitoring in industrial fields.

Group Company (Hikari Glass Co., Ltd.)

Hikari Glass is a unique Nikon Group company: it is the only company in the Group that is engaged in manufacturing general optical glass.

Plant-related activities (for the environment)

Improving the Recycling Rate to Achieve Zero Emissions

Optical glass materials are generally processed at high temperatures exceeding 1,000°C. The process generates a lot of waste that is sent to landfill, including heat-resistant substances that were melted at high temperatures, optical glass to be disposed of because of quality problems, and sludge from the glass grinding process. In order to solve this difficulty with waste, Hikari Glass began a zero emissions activity in 2005, when the company released about 640 tons of waste per year, of which only about 80 tons were recycled. The recycling rate at that time was about 12%, with the remaining 88% of the waste sent to landfill.

I have been in charge of waste treatment since 2008 or three years from the start of the zero emissions activity. The recycling rate had not been raised much by that time and I had many things that I could not understand, including how to encourage recycling, but I managed to formulate recycling policies step by step thanks to the cooperation of my predecessor and from the Environmental & Technical Administration Department of Nikon Corporation. In the

process, I had a meeting with a new waste glass recycling company established near our company and as a result of repeated analysis and experiment jointly with this recycling company, we found that some of our waste glass could be recycled. After careful investigation, we commissioned the recycling to the company and subsequently the recycling rate gradually improved. At present we commission the company to recycle waste brick and diatomite in addition to waste glass.

It is almost two years since I was put in charge of the treatment of waste, and I believe there is still room to improve our recycling rate. I would like to tackle a range of problems in cooperation with other employees working at the manufacturing plant and to meet the challenge of zero emissions.



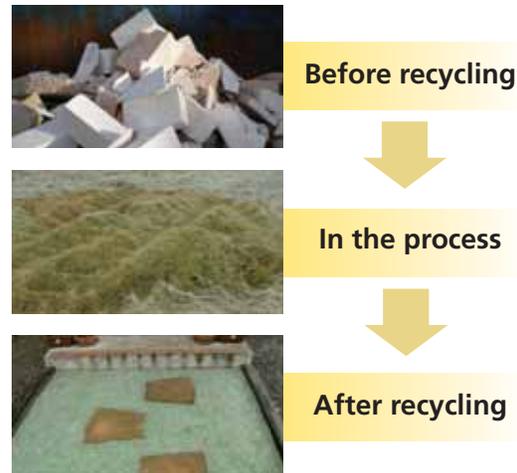
Hiroki Ishibashi
Environmental Facilities
Administration Section
General Affairs Department
Hikari Glass Co., Ltd.

Industrial waste recycling rates



In the zero emissions activity, it is important to form a partnership with a company that recycles the targeted waste. For example, in 2008, the Akita Plant formed a partnership with a recycling company for waste glass and brick, which started treatment of that waste. As a result, the plant succeeded in almost doubling its industrial waste recycling rate.

Recycling of waste glass and brick



Quality Control

Quality Control for Nikon Products

The 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 in-house company to create a business structure that best meets customer needs.

Quality Control for Products & Services

The Nikon Group supplies products and services with an emphasis on its customers, giving priority to Nikon quality, which includes safety, environmental protection, functionality, performance, and reliability. This inclusive concept pervades daily production activities and related business operations and is key to Nikon's efforts to make products of ever better quality.

Policies and systems for quality control

The Nikon CSR Charter declares that the Group will supply products and services that excel in quality and safety and are useful to society. To achieve this, the "Quality Control Directive" (QCD) has been established as a set of basic regulations for quality control, and information on basic policies and practical operations is conveyed throughout the entire Group.

Quality Control Committee

In line with the corporate philosophy and the Nikon CSR Charter, the Quality Control Committee deliberates and makes decisions on fundamental policies and basic issues related to quality control. Also, the committee strives to improve the quality control systems and conducts prompt reviews of the systems to ensure that they are working effectively.

ISO 9001 certification

The Nikon Group is conducting business operations in line with its ISO 9001 Quality Manual created based on the QCD, and all the business segments of Nikon Corporation and major Group companies have acquired ISO 9001 certification.

We also conclude quality assurance agreements with our business partners based on their understanding of the Nikon Group's "quality first" policy.

Moreover, every November, which is designated as "Quality Month" in Japan, we hold



Lecture on quality attended by staff from partner companies as well as Nikon Group employees

lectures inviting external experts so that employees of both Nikon Group companies and their partner companies can improve their quality-related skills.

Quality control audits

In the Nikon Group, quality control audits are conducted by a top executive based on the QCD. Specifically, the executive inspects, checks, and evaluates the quality control activities conducted at Nikon Group companies to help them improve the quality of both their products/services and business operations.

The audited companies are required to make corrections and improvements to any shortcomings found in the audits, which help them conduct quality control activities in a more consistent manner. Important findings are reported to the Executive Committee and are also used to improve internal controls.

Product safety assurance

The Nikon Group gives due consideration to the safety of its products throughout their lifecycle, from the initial planning stage. Specifically, we design our products in line with the "Safety Design Principle" that we have formulated based on relevant international standards, and then confirm their safety through measures such as design reviews and inspections carried out on the production line. We also obtain safety certification from third-party certification bodies as necessary. Furthermore, our Product Safety Test Room ensures that only safe products reach our customers. This testing group has passed the stringent certification criteria of TÜV SÜD Product Service GmbH, Germany, a certification body for testing laboratories in Europe.

Activities Conducted Based on the CSR Medium Term Plan in the Year Ended March 31, 2010

Basic Approach to CSR Activities

Nikon CSR	P17
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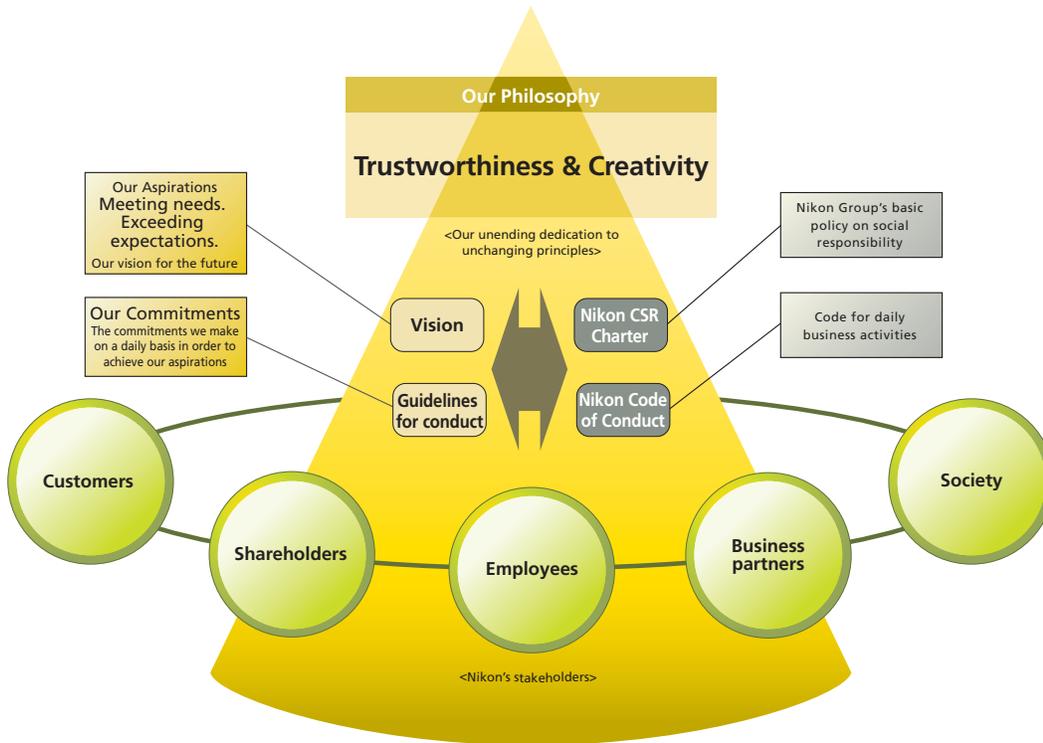
CSR Activities based on the CSR Medium Term Plan

Expanding and promoting environmental management	P23
Promoting compliance  activities globally	P38
Implementing a risk management PDCA cycle	P39
Promoting diversity  activities Globally managing the issues related to human rights and the labor environment	P41
Expanding social contribution activities worldwide	P45
Expanding CSR-oriented procurement 	P47
Promoting communication with stakeholders 	P48

Nikon's CSR Policy

For the Nikon Group, fulfilling CSR means implementing its corporate philosophy: "Trustworthiness and Creativity." In 2007, we formulated our management vision and the Nikon CSR Charter, and structured the Nikon High-Level Policy to be shared across the Group, which comprises the corporate philosophy, the Code of Conduct, the Vision, and the Charter. Also in 2007, we participated in the UN Global Compact .

Nikon High-Level Policy and Stakeholders



► For investor relations information, please access the following website:

<http://www.nikon.com/about/ir/>

The Nikon Group's Approach to CSR

For the Nikon Group, fulfilling CSR means implementing its corporate philosophy: "Trustworthiness and Creativity." In 2007, celebrating the 90th anniversary of our foundation, we formulated our management vision: "Meeting needs. Exceeding expectations." and made "Our Commitments" to achieve our vision. The management vision was formulated through a project in which both management and employees participated to show the aspirations of the Nikon Group moving toward the 100th anniversary of its foundation. Also in 2007, we set the Nikon CSR Charter, structured the Nikon High-Level Policy, and participated in the UN Global Compact and expressed our support for its 10 principles regarding human rights, labor standards, the environment, and anti-corruption. All members of

the Group share these principles and are striving to implement them to ensure that the Group will continue to be supported and trusted by society.

Relationships with Stakeholders

The Nikon Group is engaged in global business activities based on relationships with our various stakeholders. To foster bidirectional communication with our stakeholders, we are collecting information widely and making improvements by methods that suit the individual stakeholder categories. These activities are helping us to build stronger relationships of trust with our stakeholders and to continue to be a company that is "Meeting needs. Exceeding expectations."

Our Aspirations

Meeting needs. Exceeding expectations.

Providing customers with new value that exceeds their expectations
Sustaining growth through a break with the past and a passionate commitment by one and all
Maximizing our understanding of light to lead the way towards transformation and a new future
Maintaining integrity in order to contribute to social prosperity

Our Commitments

Be proactive: Alertness, Decisiveness, Strategic planning, Initiative

Be broad-minded and well-informed in order to act quickly and resolutely

Communicate well: Dialog, Understanding, Team solidarity, Sensitivity

Harmonize diverse skills by thinking out of the box and communicating effectively with others

Seek new knowledge: Research, Leadership, Innovation, Creativity

Pioneer new potential through self-study and insatiable curiosity

Display integrity: Self-discipline, Fairness, Honesty, Respect

Work with diligence and sincerity as a responsible individual

Ten Principles of the UN Global Compact

[Human Rights]

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

[Labor Standards]

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

[The Environment]

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

[Anti-Corruption]

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



Nikon Corporate Social Responsibility (CSR) Charter Established April 27, 2007 Revised December 1, 2009

1. Sound corporate activities

The Nikon Group endeavors to comply with international regulations, related laws, and internal rules, exercise sound and fair corporate practices, earn the trust of stakeholders  such as customers, shareholders, employees, business partners, and society. The Group will maintain constructive relationships with administrative bodies, remaining politically neutral and complying with laws, and will not engage in relationships with individuals or groups that threaten social order or safety.

2. Provision of valuable goods and services for society

The Nikon Group will provide valuable products and services to society, endeavoring to increase the satisfaction and trust of our customers and contributing to the healthy development of society.

3. Respect for human beings

The Nikon Group will respect diversity and individual human rights and provide a healthy and safe labor environment in which all persons receive fair treatment without discrimination. It will also oppose enforced labor and child labor and respect fundamental human rights as well as workers' rights.

4. Protection of the natural environment

The Nikon Group will proactively engage in environmental efforts and work to protect the natural environment, as these are common issues for all of humankind.

5. Responsibility to society as a corporate citizen

The Nikon Group will carry out corporate activities that take into account the cultures and practices of each country and region and proactively engage in activities that contribute to society as a good corporate citizen.

6. Transparent operating activities

The Nikon Group will communicate extensively with customers, shareholders, employees, business partners, and society and disclose business information in a timely and fair manner. It will also conduct reliable financial reporting through accurate accounting processes.

7. Responsibility of top management

Top management and employees in managerial positions within each department must understand that they play an essential role in fulfilling the spirit of this Charter and thus, in addition to leading by example, they must ensure that this information is disseminated to everyone in the Group and all related parties. Management must always strive to understand the opinions of those both inside and outside of Nikon to develop a sound internal framework that ensures that the spirit of this Charter is upheld. If any incident occurs that violates this Charter, top management will demonstrate, internally and externally, their determination to solve the problem and strive to identify the cause and prevent its recurrence. Furthermore, they will uphold information disclosure and accountability obligations. They will clarify the authority and responsibility of each manager and employee and deal rigorously and objectively with all people involved in the matter, including top management.

► Summary of the Nikon Code of Conduct (formulated on May 1, 2001 and revised on April 1, 2008)

<http://www.nikon.com/about/csr/compliance/code-and-rules/summary/>

Nikon's CSR Activities

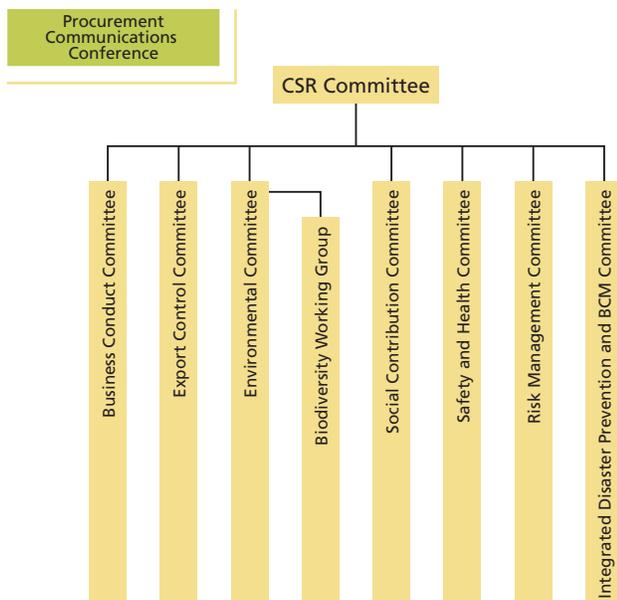
In addition to setting up a CSR Committee and expert subcommittees that represent a cross-section of the organization, the Nikon Group has developed a Medium Term Plan and is working to ensure more practical and effective CSR activities.

CSR Promotion Organization

In order to achieve our corporate goal of sincere and highly transparent management, we have established our CSR Committee, which supervises the activities of the following seven subordinate committees: the Business Conduct Committee; Export Control Committee; Environmental Committee; Social Contribution Committee; Safety and Health Committee; Risk Management Committee; and Integrated Disaster Prevention and BCM  Committee. Through these committees, we are further raising employees' awareness of CSR and encouraging them to conduct CSR activities in a steady manner.

The CSR Committee is chaired by the Chairman of Nikon Corporation and composed of the members of the Executive Committee (▶p.6) and the heads of the CSR-related departments. In the year ended March 2010, the new Biodiversity  Working Group was established by the secretariats of the related committees in order to implement specific measures for biodiversity in a proactive manner.

CSR Promotion Organization



Secretariats and Chairpersons of CSR-related Committees

Committee	Chairperson	Secretariat
CSR Committee	Chairman	CSR Section, Corporate Planning Department
Business Conduct Committee	Executive Vice President	Compliance  Section, Administration Department
Export Control Committee	President of Business Administration Center	Compliance Section, Administration Department
Environmental Committee		Environmental Administration Section, Environmental & Technical Administration Department
Social Contribution Committee		Social Contribution Section, Administration Department
Safety and Health Committee		Safety and Health Welfare Section, Human Resources Department
Risk Management Committee	Executive Vice President	Corporate Planning Department, Information System Planning Department, Administration Department, and Human Resources Department
Integrated Disaster Prevention and BCM Committee		BCM Section, Corporate Planning Department
Procurement Communications Conference	General Manager of the Procurement & Facilities Management Department	Procurement Planning Section, Procurement & Facilities Management Department

Voice

Familiarizing Employees More with CSR

CSR tends to be regarded as a responsibility that is fulfilled by the department in charge, but in fact a company cannot meet its CSR targets unless all its employees are committed to them in their daily business operations. It is easy to say, but difficult to make each employee understand the meaning of CSR and to take action. CSR is a relatively new concept and is often regarded as something special. I will continue to familiarize employees more with the concept and encourage them to implement it in their daily operations.



Kaori Suzuki
 Assistant Manager
 CSR Section
 Corporate Planning Department
 Nikon Corporation

Promoting CSR in Japan

Implementing a practical CSR education program for employees in Japan

In Japan, the Nikon Group held a comprehensive and practical CSR education program from April to October 2009, with a view to providing employees with an opportunity to share the results of the in-house awareness survey on CSR and global warming held in August 2008 and to further raise their CSR awareness. According to the results of the survey, individual employees had yet to take specific anti-global warming measures and their workplace communication needed to be improved. In response, in the second step of the education program, we set the following two themes to be discussed in our workplaces: CO₂ emission reduction activities that could be started immediately and case studies on poor workplace communication.

About 4,800 employees also answered the questionnaire survey on the CSR Report for 2009 and expressed a range of opinions, which was referred to when publishing this report. The in-house blog is allowing employees of the Nikon Group to share their workplace opinions and learn more about CSR, including the meanings of CSR-related terms, increasing their CSR awareness.

Practical CSR Education Program

	Description	Trainee	Attendance rate
Step 1: Collective seminar	Attending the feedback seminar	Departmental and sectional managers of Nikon Group companies in Japan	86%
Step 2: Workplace activities	(1) Sharing the knowledge learned at the feedback seminar (thorough lectures by workplace managers)	All employees of Nikon Group companies in Japan	-
	(2) Discussing the predefined themes in each workplace		
	(3) Checking CSR-related documents		
Step 3: e-Learning	Mandatory: Test on the understanding of in-house CSR-related documents		90%
	Optional: Questionnaire on the CSR Report for 2009		(38%)

Opinions of participants in the workplace discussion

We rarely have a meeting where all members of the workplace participate and exchange opinions, and so the discussion provided us with a good opportunity to listen to each other's opinions.

It was helpful for all members to discuss the same theme.

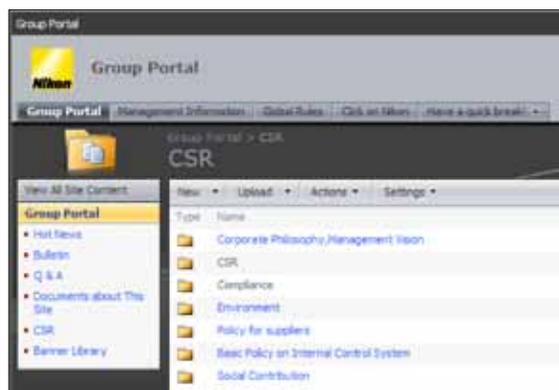
For CSR and anti-global warming measures, I have found it critical for individuals to become more aware of the issues.

Promoting CSR outside Japan

The Nikon Group's business operations extend all over the world and it conducts a range of grassroots activities that can be taken over by local communities. In line with its group-wide policies, Group companies outside Japan have been establishing a compliance  system as the basis for CSR since 2007. Specifically, each of the companies appointed dedicated CSR managers, localized the Nikon Code of Conduct to meet the local laws and social norms, made employees aware of the provisions and the Nikon CSR Charter, and established a contact person who employees could ask for advice and to whom they could report cases of noncompliance with their code of conduct. In the year ended March 31, 2010, we further increased the number of Group companies in which compliance measures were further promoted, and it was confirmed that 39 overseas Group companies had established their own code of conduct and a contact person for noncompliance cases. At present Nikon Group companies have their own versions of the Code of Conduct in a total of 12 different languages.

In the year ended March 31, 2010, we included an activity designed to disseminate the UN Global Compact  to employees in group-wide activity targets, and started it first in Group companies outside Japan. To support each of the companies in their related education and awareness-raising activities, we have established a new CSR-related English-language website within the in-house portal site and created educational and awareness-raising tools for the entire Group.

Since 2007, we have been conducting an annual questionnaire survey to check how CSR is promoted in each Group company. In the year ended March 31, 2010, we reviewed the survey items on human rights and labor and checked the companies' year-end situations on human rights, labor, the environment, social contribution, and compliance. We will continue to conduct this annual survey to check how CSR measures are promoted and to discover if there are related problems across the board.



CSR English-language website within the internal portal site

CSR Achievements for the Year Ended March 31, 2010, and Future Targets

The Nikon Group evaluates the results of its CSR activities every fiscal year, in order to ensure efficiency and effectiveness, and sets targets for the next year that reflect both the achievements made and problems identified with existing activities. We conduct these activities in communication with our stakeholders .

Priority Issues and Targets and Results for the Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

 : Achieved
 : Measures started but not yet achieved
 : Not started

Priority issue	Target	Achievement	Self-evaluation
Fulfilling CSR by conducting business while protecting the global environment and ensuring compliance  See pp. 19-20	Improve CSR promotion activities at overseas Group companies Hold CSR seminars and provide teaching materials at the portal site for overseas Group companies, and continue to hold CSR seminars for the companies, in particular for those in Asia Feed back the results of the awareness survey and hold seminars in Japan	Conducted activities to disseminate the UN Global Compact  among employees of overseas Group companies Opened a portal site to educate employees of overseas Group companies Held a feedback seminar for managers (attendance rate: 86%) and gave all employees education through e-learning	
Expanding and promoting environmental management (See pp. 27-28)	Reduce CO ₂ emissions	Achieved the target in Japan but not yet overseas because of launch of new building operation and market impact	
	Comply with environmental laws and regulations and implement environmental protection measures	Checked the situation through internal audits	
Promoting compliance activities globally (See pp. 38-39)	Further increase compliance awareness across the Nikon Group Conduct an awareness survey and promote PDCA incorporating the results of the awareness survey Increase employee awareness of the Code of Conduct Hotline	Established a promotion system for overseas Group companies and introduced an in-house consulting system Fed back the results of the employee awareness survey conducted in Japan and made individual improvements Enhanced the Code of Conduct Hotline confidentiality rules and increased employee awareness of the Hotline	
Implementing a risk management PDCA cycle (See pp. 39-40)	Review the rules of overseas Group companies Continue to conduct information management audits at Nikon Group companies Expand the targets of information security training to include employees of overseas Group companies Enhance measures to prevent information leaks at Nikon Group companies	The rules of overseas Group companies were not reviewed. Conducted information management audits in Sept. and reported the results in Feb. Distributed the handbooks to overseas Group companies and educated managers in China Implemented web security, PC encryption, and other measures	
	Enhance risk management at overseas Group companies Establish an emergency contact system Revise the management system for overseas business travel Improve risk management education	Expanded the emergency support targets to include employees of overseas Group companies Launched a system to manage the contact information of employees dispatched overseas Improved the business traveler search function by revising the management system Expanded prior training for employees to be dispatched overseas and conducted emergency drills for them	
	Additional targets were set in the middle of the term.	Established an emergency headquarters and put measures in place to prevent the spread of the flu Reviewed the action plan and increased the reserve of disinfectant products Held briefings for employees in Japan and published related articles in the in-house magazine	—
	Maintain and update the BCM  system through PDCA, in preparation for a major earthquake Implement preventive measures and formulate a BCP  against pandemic influenza (H1N1)	Educated new BCM staff, concluded SLAs with freight carriers, and put in place anti-seismic reinforcement Implemented measures to prevent the spread of pandemic influenza (H1N1) and formulated a BCP	
	Strengthen export controls at overseas Group companies	Supported overseas Group companies in formulating compliance programs Formulated guidelines on the provision and management of technical information	
	Implement measures to establish a sustainable internal control  structure	Reviewed internal controls based on the recommendations made by the auditing company in the previous year and on environmental changes Reviewed and reduced the internal control targets Reduced the use of external resources for evaluating progress	
	Further enhance internal auditing outside Japan	Conducted internal audits at European Group companies	
Promoting diversity  See pp. 41-44	Build a training system linked with the personnel system (Make the educational themes more consistent with ability indicators) Continue to operate and improve the OJT support system for new employees Feed back the results of the 360-degree diagnostics to managers and encourage them to improve their behavior Steadily implement the dual-track personnel system	Reorganized and implemented the training system based on the ability indicators linked with the personnel system Gave training and follow-up advice to managers, instructors, and newcomers based on the system Fed back the results of the 360-degree diagnostics and referred to the results in planning future training Promoted some employees and changed track of some others based on the dual-track personnel system	
	Monitor and control working hours Raise employees' awareness of their work-life balance	Further regulated overtime work by such measures as setting a "no overtime day" Implemented a pilot project on working at home (for five months) Started a counseling service for better work-life balance	
	Start expanding the relevant systems to Group companies in Japan Further raise awareness among managers	Established a liaison meeting for diversity at five Group companies in Japan Provided managers with training by adding "help female employees display more of their abilities" as a training theme Launched a "reentry (comeback)" system	
	Expand the business scope of the Tsubasa workshop in Sagami-hara	Placed more orders to the Tsubasa workshop Promoted paperless business operations (use of electronic data)	
	Steadily implement the reemployment system for retirees	Achieved 69% in the reemployment rate of retirees Conducted a life plan seminar eight times, participated in by a total of 54 couples	
	Further improve safety (and eliminate risk factors) through risk assessment Raise the safety and health management levels of Group companies within Japan	Provided 88 field risk managers with risk assessment training Gave education to 17 employees in charge of safety and health at Group companies in Japan	
	Promote mental healthcare measures Check employees for mental health issues at their regular health examinations and implement follow-up measures Improve measures to prevent damage to health caused by overwork Strengthen the health management system (including measures against infectious diseases) for employees assigned overseas	Provided training for managers and opportunities for new employees to try the counseling service Checked for mental stress in the regular health examinations and implemented follow-up measures Examined the health of overworked employees Strengthened the system to check whether employees assigned overseas have undergone regular health examinations and implemented follow-up measures	
Globally managing the issues related to human rights and the labor environment (See p. 41)	New priority theme set for the year ending March 31, 2011	Developed a survey form on human rights and the labor environment based on the GRI  indicators and distributed copies both inside and outside Japan Developed teaching materials for the UN Global Compact and started promoting the Compact at overseas Group companies	—
Expanding social contribution activities worldwide (See pp. 45-46)	Manage the Thai scholarship program	Granted scholarships to 75 junior high school students, 75 senior high school students, 23 university students, and three students studying abroad Supported the AKAYA project (for biodiversity conservation)	
	Examine and implement a new project to conserve biodiversity 	Cancelled tree planting activities due to outbreak of pandemic influenza (H1N1). Grass cutting was conducted as a substitute activity.	
	Participate in the Mt. Fuji Reforestation Project	Established a system to collect relevant information from Group companies and carried out a questionnaire survey	
Expanding CSR-oriented procurement  See p. 47	Conduct seminars at overseas Group companies (mainly in Asia) where no briefings have been held Plan briefings (on compliance with local laws and regulations) for procurement partners of overseas Group companies Hold e-learning sessions for the procurement staff of Group companies	Held a briefing for Group companies in Thailand Sent guidelines to overseas procurement partners prior to briefings Held e-learning sessions for the procurement staff of Group companies in Japan (attendance rate: 91%) Conducted a questionnaire survey of 30 overseas procurement partners and fed back the results	
	Examine whether to conduct a survey of overseas procurement partners		
Communication with stakeholders (See p. 48)	Expand and improve the quality of the website content	Opened a special webpage on the environment on the CSR website Updated the CSR website	

Priority Issues and Targets for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

Priority issue	Target for the year ending March 31, 2011
Fulfilling CSR by conducting business while protecting the global environment and ensuring compliance  See pp. 19-20	Promote cooperation with those involved in CSR at the in-house companies Give support to European Group companies in CSR activities and to Chinese Group companies in building a necessary system Feed back the results of e-learning sessions conducted at Group companies in Japan in the fiscal year ended March 2010
Expanding and promoting environmental management (See pp. 27-28)	Reduce CO ₂ emissions Strengthen measures for hazardous chemical substances (to comply with the REACH regulation  , the revised RoHS Directive  , and others) Formulate policies on biodiversity  , make impact assessments, and educate employees on these items
Promoting compliance activities globally See pp. 38-39	Implement drastic measures to promote global compliance activities Conduct an awareness survey on Group companies in Japan and execute a PDCA cycle based on the results Provide education on important themes
Implementing a risk management PDCA cycle See pp. 39-40	Make Chinese and Asian Group companies aware of the information management rules Continue conducting information management audits at Nikon Group companies (in April and Sept.) Support Group companies both in Japan and overseas in establishing an information management system Solve problems related to the Nikon ID access authorization foundation Expand the overseas emergency contact system to include employees of overseas Group companies in the target Expand the overseas business travel management system to Group companies in Japan Enhance risk management education and continue providing relevant training Review the action plan based on experience of pandemic influenza (H1N1) 2009 Establish an information collection system and start to use it Conduct desktop training for highly pathogenic strains of influenza Maintain and update the BCM  system for large earthquakes by executing a PDCA cycle Maintain and update the BCM system for pandemic influenza by executing a PDCA cycle Hold e-learning sessions on labor management for all employees Make regular audits on export control at Group companies in Japan too Continue measures to establish a sustainable internal control  system Further enhance internal audits outside Japan (Establish the necessary system for Asian Group companies)
Promoting diversity  activities See pp. 41-44	Develop a global human resources development system for emerging economies and start to use it Build a training system to support employees' career development and start implementing it on a trial basis Make employees in Japan aware of the Japan's revised Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Childcare and Family Care Leave and examine flexible working styles Examine the results of the pilot project on working at home and determine policies for the project Conduct diversity training for managers on a trial basis Improve the percentage of women employed through regular recruitment to at least 20% and the percentage of women employed as engineers to at least 10% Foster the "reentry (comeback)" system Maintain the employment rate of people with disabilities stipulated by law (1.8%) Place more orders with Nikon Tsubasa Inc. Consolidate reemployment patterns Review when to determine reemployment Enhance education and expand support for employees in charge of safety and health at Group companies in Japan Proactively foster mental healthcare Strengthen the system to check whether employees assigned overseas have undergone regular health examinations
Globally managing the issues related to human rights and the labor environment See p. 41	Analyze the results of monitoring on human rights both in Japan and overseas, identify problems, and look at countermeasures Give e-learning sessions on the 10 Principles of the UN Global Compact  to employees in Japan and promote the Compact among employees outside Japan Implement ISO 26000 
Expanding social contribution activities worldwide See pp. 45-46	Manage the Thai scholarship program Plan and carry out educational activities for biodiversity Implement TABLE FOR TWO in areas other than Ohi
Expanding CSR-oriented procurement  See p. 47	Interview procurement partners in Japan and examine and implement necessary measures Hold a briefing for Group manufacturing companies in Asia Hold a briefing for procurement partners of overseas Group companies Expand the target of EMS audits to include overseas Group companies and improve the proficiency of auditors
Promoting communication with stakeholders  See p. 48	Continue updating the CSR website Improve the CSR Report and publish a digest of the report Foster communication with external stakeholders

Environmental Management

In committing the entire group to the Nikon Basic Environmental Management Policy and engaging in effective environmental preservation through its environmental management system (EMS), the Nikon Group aims to become an environmentally harmonious enterprise that contributes to the development of a recycling-oriented society in all its business activities.

The Nikon Basic Environmental Management Policy

Nikon created the Nikon Basic Environmental Management Policy, which aims to prevent environmental pollution by using resources efficiently and helping to preserve the global

environment so that it would be able to pass on a sustainable and healthy environment to further generations.

The Nikon Basic Environmental Management Policy

Revised in April 2010

1. Basic Philosophy

One of the priorities of Nikon (Nikon Corporation and the Nikon Group) is to foster coexistence and co-prosperity in all regions where its business operates across the world, everywhere on Earth, and even in space. This policy is based on the corporate philosophy of Nikon, "Trustworthiness and Creativity." In all our business activities we are committed to combating environmental pollution, making effective use of resources, and contributing to building a recycling-based society, thereby protecting and improving the global environment and passing it on to future generations for the sustainable development of society.

2. Basic Approach

As a responsible company, Nikon is committed to protecting the global environment and to monitoring its impact on the natural environment, including issues related to climate change and biodiversity . Our commitment is based on the recognition that if companies are to continue to develop, it is essential to solve environmental problems, because in the end this will contribute to the survival of humankind.

We will win the trust and support of society by providing high-quality products that are both people- and earth-friendly, and we will introduce activities across Nikon and at our business partners to achieve this.

3. Action Guidelines

- (1) We will make every effort to promote reductions of CO₂ and waste emissions, 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, including those to conserve biodiversity, 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, including conservation of biodiversity, strive to develop and improve technologies in this area, and work to minimize environmental burdens.
- (4) We will meet targets for reduction of our 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 business partners with guidance and information to promote optimal environmental protection activities.
- (8) In cooperation with our stakeholders , we will participate actively in the environmental protection programs of society at large, and actively disclose information.

Nikon Environment Symbol

For its environmental protection and improvement activities, the Nikon Group created the Nikon Environment Symbol in 1998.



Nikon Environmental Symbol

Nikon's approach to biodiversity

Corporate activities are closely related to biodiversity.

While we conduct our corporate activities using nature's blessings, including materials, water, and energy, we impact nature both directly and indirectly by generating waste, emitting CO₂, and releasing chemical substances and wastewater.

Nikon Corporation has become a promotion partner in the Declaration of Biodiversity by Nippon Keidanren and revised the Nikon Basic Environmental Management Policy to clearly show its basic approach to biodiversity. We are also engaged in a range of environmental conservation activities to reduce CO₂ emissions, curtail the use of hazardous chemical substances to comply with the RoHS Directive  and others, and minimize the generation of waste to achieve zero emissions , including joining and giving support to the AKAYA Project (▶p.45) and the Mt. Fuji Reforestation Project.

We continue to identify what impact our business activities have on biodiversity and enhance our resource recycling-oriented management, cooperate with stakeholders , disseminate the relevant information, and educate employees to protect the natural environment.

Medium- to long-term vision to reduce CO₂ emissions

Among the range of environmental problems, there are increasing concerns about the impact of global warming, and at the Hokkaido Toyako Summit held in July 2008, world leaders declared that they would cut the world's greenhouse gas (GHG)  emissions to half the current levels by 2050. In Japan, based on the 15th Conference of the Parties to the UN Framework Convention on Climate Change held in December 2009, the cabinet endorsed an anti-global warming bill in March 2010. In the bill, Japan's medium- to long-term target for CO₂ emissions reduction was clearly stated: to reduce the country's GHG emissions by 25% of the 1990 level* by 2020 and by 80% by 2050, based on establishing a fair framework for CO₂ emissions reductions by the major countries.

We have been implementing measures to reduce CO₂ emissions based on continuously growing our business while protecting the environment. Specifically, we launched a team for the Global Warming Prevention Project in 2007, and now as its successor, the CO₂ Emissions Reduction Subcommittee has been implementing these measures. We will continue to include CO₂ emissions reductions as one of our management priorities and to make better use of natural energy together with the higher energy efficiency of our products throughout their lifecycles as well as in all our business activities. We will do this in line with international consensus and Japan's medium- to long-term targets, thereby contributing to creating a low-carbon society.

We will decide the specific reduction targets to be achieved within and outside Japan in implementing our Environmental Action Plan 2010 (▶p.28 and p.34).

* To be reduced by 30% of the 2005 level

Business Activities and the Environment

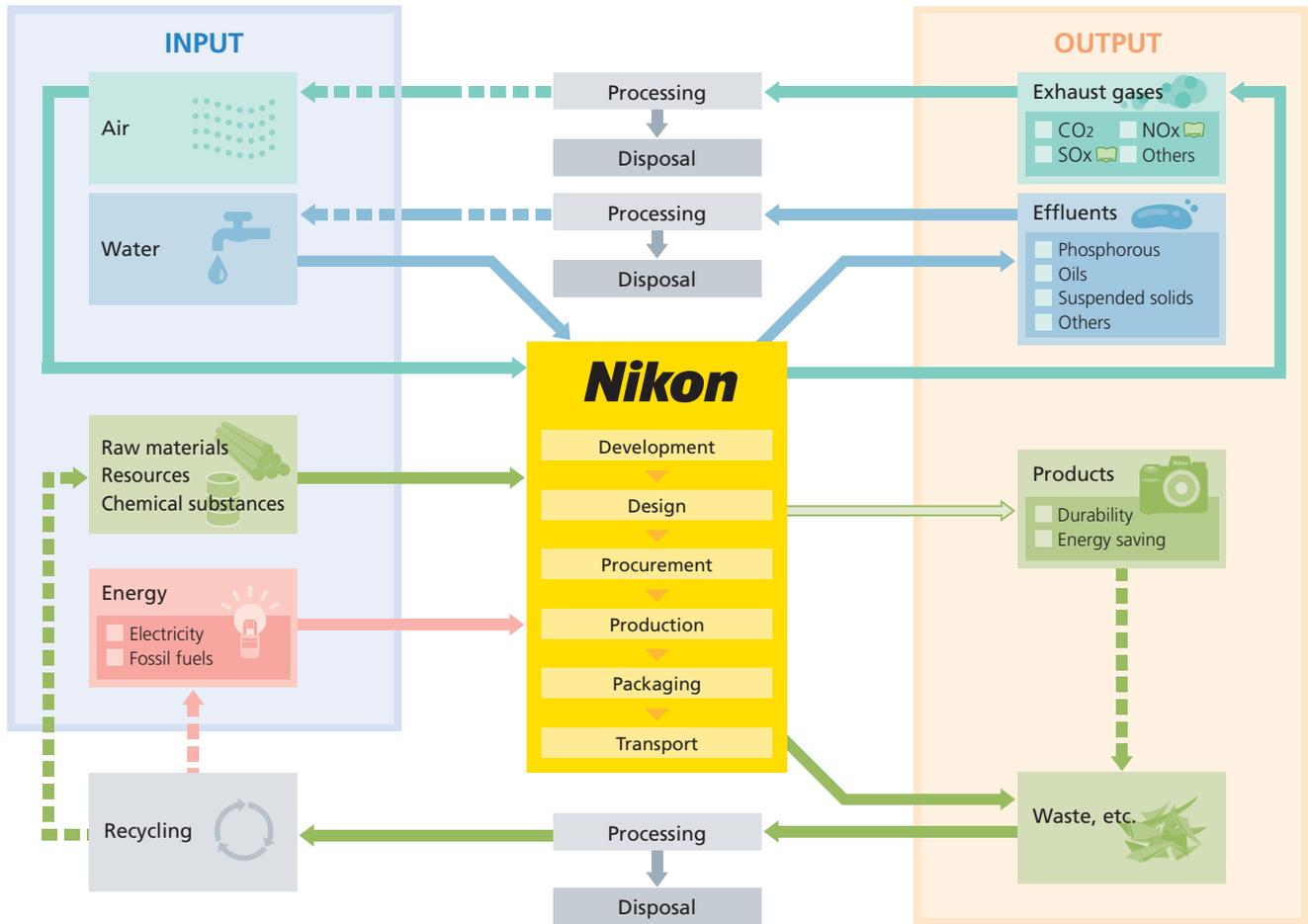
Companies can be compared to a living organism in the natural environment: they provide society with products and services and continue to grow while consuming a range of resources and energy and generating a variety of waste.

It is necessary to conserve energy and resources if we want to create a resource recycling-oriented society with nearly zero waste, and to meet this need, companies must urgently identify their own environmental impact and move their environmental management to an even higher level.

The Nikon Group has been making steady efforts to reduce its generation of all kinds of waste and is actively conducting its

own unique activities, represented by the development of Eco-glass  that has an extremely low environmental impact. We are now focusing our efforts on reducing CO₂ emissions, reducing and managing the use of hazardous chemical substances, and tackling soil contamination. In the future, we will also enhance our biodiversity conservation measures, and we will use the experience and technologies that we have accumulated in our ongoing quest for "Trustworthiness and Creativity" to make the Nikon Group even more environmentally compatible.

Relationship with the Environment in the Nikon Group's Business Operations



Nikon Group's Principal Environmental Loading (for year ended March 31, 2010)

INPUT		Plants	Group manufacturing companies	Units
Energy	Electricity	161,244	99,769	MWh
	Gas	6,294	2,283	(thousand) m ³
	Heavy oil	0	933	kℓ
	Kerosene	0	55	kℓ
	Water	1,264	807	(thousand) m ³
PRTR substances	Hexavalent-chromium	0	2.659	t
	Dichloropentafluoropropane	0	1.233	t
	Toluene	0	2.573	t
	Barium and its water-soluble compounds	0	3.942	t
	Boron and its compounds	0	30.968	t

OUTPUT		Plants	Group manufacturing companies	Units
CO ₂ emissions	Electricity	67,400	43,836	t-CO ₂
	Gas	13,860	9,261	t-CO ₂
	Heavy oil	0	2,529	t-CO ₂
	Kerosene	0	137	t-CO ₂
PRTR substances emissions	Hexavalent-chromium	0	0	t
	Dichloropentafluoropropane	0	0.826	t
	Toluene	0	2	t
	Barium and its water-soluble compounds	0	0.003	t
	Boron and its compounds	0	0.043	t
Disposal	Amount of waste generated	3,251	2,512	t
	Amount recycled	3,224	1,732	t
	Amount of landfill	8	684	t

Scope of Data

Plants: Nikon Corporation's Ohi, Yokohama, Sagami-hara, Kumagaya, and Mito Plants

Group manufacturing companies: Tochigi Nikon, Tochigi Nikon Precision, former Mito Nikon Precision, Sendai Nikon, former Sendai Nikon Precision, Miyagi Nikon Precision, Kurobane Nikon, Hikari Glass (In this report, "major Group manufacturing companies in Japan" refers to these eight group companies.)

Note: For electricity, the "Plants" include Nikon Corporation's head office and for PRTR substances and disposal, the "Group manufacturing companies" include TNI Industry Nagai Factory.

Environmental Management System

Environmental management organization

The Nikon Group established an environmental management organization based on the Nikon Basic Environmental Management Policy, and is implementing group-wide environmental management measures under the leadership of the Environmental & Technical Administration Department. Through this organization, we constantly monitor the enactment and enforcement of the relevant regulations, treaties and standards both within and outside Japan, identify social needs, and respond as the situation requires.

Environmental Management Organization (as of June 30, 2010)



Utilization of ISO 14001 certification

Main achievements for the year ended March 31, 2010

Expanded the number of sites covered by integrated the ISO 14001 certification at Nikon TEC
Introduced the Nikon Environmental Management Simplified System to Nikon Systems

Major Targets for the year ending March 31, 2011

Acquisition of ISO 14001 integrated certification by Nanjing Nikon
Further introduction of the Nikon Environmental Management Simplified System

The Nikon Group is conducting environmental management activities based on ISO 14001. Currently, we are obtaining integrated certification with the goal of boosting the efficiency of our business operation and spreading our environmental action plan through the entire Group, which is our medium-term goal for environmental activities (see p.1 of the data collection). Moreover, we are promoting the introduction of the Nikon Environmental Management Simplified System consisting of important elements from ISO 14001 to Group companies with low environmental impact.

Through these activities, we are operating the environmental management system group-wide, and have introduced environmental preservation activities such as reducing GHG emissions through reduced energy consumption, effectively using resources (promotion of the 3Rs), and reducing the use of hazardous chemical substances.

Performing internal audits

We regularly conduct internal audits on the Environmental Committee, its subcommittees, and the relevant departments at least once a year to check whether they are complying with ISO 14001 and environmental manuals and how they have set and implemented their environmental targets. Internal auditors are designated from among the registered employees who are approved to have met the necessary conditions for a (chief) auditor by the heads of the Local Environmental Subcommittees.

If an area needing improvement is detected during an internal audit, the audited organization will put corrective measures in place, report the results to the chief auditor, who will then check the implementation.

Environmental Action Plan

The Nikon Group evaluates its efforts against its annual Environmental Targets. Issues are then detected, and revisions are made to overcome those issues. In addition, every year the Environmental Committee devises a new three-year plan called the Nikon Environmental Action Plan (consisting of environmental goals) and Environmental Targets, which are both implemented group-wide.

The table below details the Nikon Environmental Action Plan 2009 (three-year plan), listing the Environmental Targets for the year ended March 31, 2010 (first year of the plan). To the right of each target can be found the achievements for the year and Nikon's self-evaluation.

Year ended March 31, 2010 (results)

In the year ended March 31, 2010, we founded the CO₂ Emissions Reduction Subcommittee as a successor to the team for the Global Warming Prevention Project, thereby establishing a group-wide GHG  emission reduction system.

For products, we further implemented measures for energy conservation, including improving their energy efficiency . In addition, we enhanced our chemical substance management system to ensure compliance with the chemical regulations implemented across the globe.

Nikon Environmental Action Plan 2009

○ : Achieved
 ◐ : Measures started but not yet achieved
 × : Not started

	Theme	Environmental targets for the year ended March 31, 2010	Results for the year ended March 31, 2010	Evaluation	See page
Product environment	Energy conservation (prevention of global warming)	(Energy efficiency) 30% or more improvement in overall energy efficiency of new products during use, compared with existing products	Improved by 39% (simple average of all the newly released models)		p.30
	Reduction in the use of hazardous chemical substances	(Eco-glass  usage) Increase Eco-glass usage in new optical design to maintain: 100% for consumer products; 98% or more for industrial products; and 98% or more of materials shipped by optical glass division	Consumer products: 100% Industrial products: 98.2% Materials shipped: 99.6%		p.10 p.12 p.30
		(Hexavalent chromium, lead, cadmium, mercury, PBB, PBDE, PVC) Continue compliance with RoHS Directive  Maintain and improve the management system	Improved the management system by revising the management rules		pp.12-13 p.30
		(Hexavalent chromium for surface treatment) Consumer products: Ensure the appropriate management of the process Industrial products: Discontinue use in new product designs	Consumer products: Ensured the appropriate management of the process Industrial products: Discontinued use		p.31
	Control of chemical substances	(Control of chemical substances in products) Enhance the management system	Built a control system and conducted more surveys on chemical substances		p.32
	Green procurement 	(Reduction in the use of hazardous chemical substances) Consumer products: Maintain and update the system Industrial products: Expand green procurement (Application of the Nikon Green Procurement Standards) Continue to implement and update the Nikon Green Procurement Standards Continue to examine and audit the environmental conservation systems	Consumer products: continued to manage and update the system Industrial products: Expanded green procurement Continued to implement and update the Nikon Green Procurement Standards Continued to examine and audit the environmental conservation systems		p.47
Distribution	(Reduction in CO ₂ emissions from physical distribution in Japan) Reduce CO ₂ emissions per net sales by 15% or more compared with the year ended March 31, 2007	Decreased emissions per net sales by 9.2% (compared with the year ended March 31, 2007)		p.33	
Workplace environment	Energy conservation (prevention of global warming)	(Reduction in GHG emissions [CO ₂ emissions from energy use]) Reduce total CO ₂ emissions from Nikon Corporation and major Group manufacturing companies in Japan to 123,000 tons or less Reduce CO ₂ emissions per net sales by two Group manufacturing companies in Asia by 10% (compared with the year ended March 31, 2006) (Total CO ₂ emissions: 66,000 tons)	Decreased total CO ₂ emissions to 119,000 tons CO ₂ emissions per net sales increased by 7.7% compared with the year ended March 31, 2006 (Total CO ₂ emissions: 75,000 tons)		p.34
	Waste reduction	(Zero emissions  system) Prepare to establish a system at two Group manufacturing companies in Asia (Waste reduction) Reduce waste by 20% (compared with the year ended March 31, 2006) at Nikon Corporation and Group manufacturing companies in Japan	NTC: Now building the system; NIC: Completed building the system 21.4% reduction		p.36
Others	Environmental Management System (EMS)	(ISO 14001  integrated certification) Encourage the acquisition of integrated certification	The number of sites that acquired integrated certification increased at Nikon TEC Nanjing Nikon started building an EMS		p.26
	Life Cycle Assessment (LCA )	(Gauge environmental impact using LCA) Collect data about site activities on a trial basis	Collecting some of the data and examined the problems		p.30

■ Year ending March 31, 2011 (targets)

In this fiscal year, we will implement group-wide measures to further reduce emissions of GHG under the leadership of the CO₂ Emissions Reduction Subcommittee.

As part of the measures, we have already revised the Nikon Basic Environmental Management Policy to clearly show our approach to biodiversity and also included biodiversity in the themes for the Environmental Action Plan to foster biodiversity conservation.

We have removed "Eco-glass usage," which was included under the theme "Reduction in the use of hazardous chemical substances," from the Environmental Action Plan 2010 because we have already achieved high Eco-glass usage rates both in our consumer and industrial products. We will continue to maintain the high rates.

Voice

Fulfilling Our CSR by Achieving the Environmental Action Plan

In the past, our main corporate responsibility was limited to implementing anti-pollution measures only in the areas where we operated, but now we are required by society to implement measures under the Nikon brand beyond national boundaries, including measures to establish a low-carbon society and manage the hazardous chemical substances used in our products. The Environmental Action Plan shows the specific measures we take to meet the requirements, and I believe we can fulfill our CSR by attaining the targets set in the Plan.



Hironori Nakano
 Manager
 Environmental Administration Section
 Environmental & Technical
 Administration Department
 Business Administration Center
 Nikon Corporation

Nikon Environmental Action Plan 2010

	Theme	Medium-term environmental targets	Targets for the year ending March 31, 2011
Product environment	Energy conservation (prevention of global warming)	(Energy efficiency) ● Improve the energy efficiency of newly released products during use by 15% or more compared with existing products	Improve energy efficiency by 25% or more as a simple average of all new models released
	Reduction in the use of hazardous chemical substances	(Hexavalent chromium, lead, cadmium, mercury, PBB, PBDE, PVC) ● Continue compliance with the RoHS Directive and maintain and improve the management system	Continue compliance with the RoHS Directive and maintain and improve the management system
		(Hexavalent chromium for surface treatment) ● Consumer products: Ensure appropriate management of the process ● Industrial products: Discontinue use in new product designs	Consumer products: Ensure appropriate management of the process Industrial products: Discontinue use in new product designs
	Control of chemical substances	(Control of chemical substances in products) ● Maintain and improve the management system	Strengthen the management system
	Green procurement	(Reduction in the use of hazardous chemical substances) ● Maintain and update the system for consumer products and expand green procurement for industrial products (Application of the Nikon Green Procurement Standards) ● Maintain and update the standards ● Continue to examine and audit the environmental conservation systems	Consumer products: Maintain and update the system Industrial products: Expand green procurement Maintain and update the Nikon Green Procurement Standards Continue to examine and audit the environmental conservation systems
	Distribution	(Reduction in CO ₂ emissions from physical distribution in Japan) ● Reduce CO ₂ emissions per net sales by 22% or more compared with the year ended March 31, 2007	Reduce CO ₂ emissions by 14% or more compared with the year ended March 31, 2007
(Collection of data on CO ₂ emissions from international distribution) ● Expand the collection targets (Asia, Europe, and the United States)		Conduct surveys on the current situation in Asia	
Workplace environment	Energy conservation (prevention of global warming)	(Reduction in GHG emissions [CO ₂ emissions from energy use]) ● Total CO ₂ emissions from Nikon Corporation and Group manufacturing companies in Japan: Reduce to 126,000 tons or less ● CO ₂ emissions per unit of real output from two Group manufacturing companies in Asia*: Reduce by 12% (compared with the year ended March 31, 2006) (Total CO ₂ emissions: 110,000 tons)	Reduce total CO ₂ emissions to 128,000 tons or less Reduce emissions per unit of real output by 5%* (compared with the year ended March 31, 2006) (Total CO ₂ emissions: 93,000 tons)
	Waste reduction	(Zero emissions system) ● Nikon Corporation, Group manufacturing companies in Japan, and two Group manufacturing companies in Asia: Maintain the system (Waste reduction) ● Waste from Nikon Corporation and Group manufacturing companies in Japan: Reduce by 25% (compared with the year ended March 31, 2006)	Establish the system at Hikari Glass and a Group manufacturing company in Asia (NTC) Reduce waste by 23% compared with the year ended March 31, 2006
Others	Environmental Management System (EMS)	(ISO 14001 integrated certification) ● Expand the number of sites acquiring certification	Expand the number of sites acquiring integrated certification
	Biodiversity conservation	● Plan and implement specific measures and themes	Clarify the policy and establish a promotion system
	Life Cycle Assessment (LCA)	● Promote LCA (by raising awareness and education) ● Collect data	Collect data

Note: Medium-term environmental targets are for the year ending March 31, 2013.

*In February 2011, the CO₂ emissions targets for the two Group manufacturing companies in Asia were changed from those based on net sales to those based on real output (in-house criteria) in order to reflect the productivity of the manufacturing facilities and eliminate the influence of exchange rate fluctuations. The necessary calculations were made using the exchange rate for the baseline year (the year ended March 31, 2006).

Environmental Education, Awareness Raising, and Internal Communication

Main achievements for the year ended March 31, 2010

A total of 220 employees completed the internal auditor training course and 24 completed the skill-up training course. The intranet "Ecology Net" started operation. The Nikon Environmental Commendation Program was introduced.

The Nikon Group has been conducting a range of environmental education and awareness-raising activities for all its employees and for some of its business partners in order to raise the standards of the Group's environmental conservation activities.

Training of internal auditors

To maintain and improve the environmental management system in use, it is critical to maintain and improve the quality of internal audits. The Nikon Group therefore provides employees with an internal auditor training course twice a year (to be increased to four times a year in the next year) and an internal auditor skill-up training course four times a year. We also conduct a training session to ensure compliance with the relevant laws and regulations at least twice a year. At these training seminars, employees who are externally qualified auditors give lectures. The lecturers support the establishment of environmental management systems (EMSs) and give lectures both inside and outside the Nikon Group, which in turn helps them improve their own skills.

General education

In Japan the Nikon Group provides employees with education matched to their positions, groups, workplaces, and departments based on its educational training plan for the environmental management system. In the training held for new employees in the year ended March 31, 2010, employees were educated about environmental commitment in business activities and the Nikon Group's products under the theme "corporate activities and the environment."

We also give seminars and lectures to general employees in June, which is designated as "Environment Month," and at other opportunities, providing them with the necessary information and making them more aware of and more interested in our environmental measures. In Environment Month in 2009, we invited a lecturer from IBM Japan, who introduced the environmental measures of the company. We also held lectures in which our internal lecturers explained the life cycle assessment (LCA ) of products. In December, which was designated as the "Month for the Prevention of Global Warming," we invited a lecturer from Tokyo Gas who spoke about "eco-cooking."



Seminar on relevant laws and regulations



Training seminar for new employees

Providing employees with environmental information

The Nikon Group began operating its intranet "Ecology Net" in the year ended March 31, 2010. We dispatch environmental information to employees from time to time through this comprehensive environmental website for the Nikon Group, which is intended to promote environmental activities and information sharing across the Group: this includes information on the environmental management system, hazardous chemical substances, the visualization of power consumption, anti-global warming measures that can be taken on a daily basis, and various other kinds of information related to our environmental activities.

Environmental Commendation Program

To encourage employees to take more measures to protect the environment, the Nikon Group introduced the Nikon Environmental Commendation Program in the year ended March 31, 2010. Under the program, workplaces, groups, and individuals who have achieved outstanding results in their daily environmental activities are commended once a year and given prizes in recognition of their environmental contributions. The commendation ceremony is held in Environment Month (June).

Encouraging employees to commute by bicycle (Nikon U.K. Ltd.)

When a company wants to introduce more environmental measures, it is important to raise the environmental awareness of individual employees. Nikon U.K. Ltd. encourages employees to commute by bicycle, a form of transportation that does not generate CO₂, is not noisy, and is relatively unaffected by traffic jams. The office has a shower room, and the company plans to expand the space for parking bicycles.



Employee commuting by bicycle (Nikon U.K. Ltd.)

Product-related Activities

To promote environmental friendliness and legal compliance through a product's lifecycle, we have introduced Nikon Product Assessment for the development and design of all products, and are making efforts to recycle waste products and packaging materials and reduce our environmental impact during physical distribution.

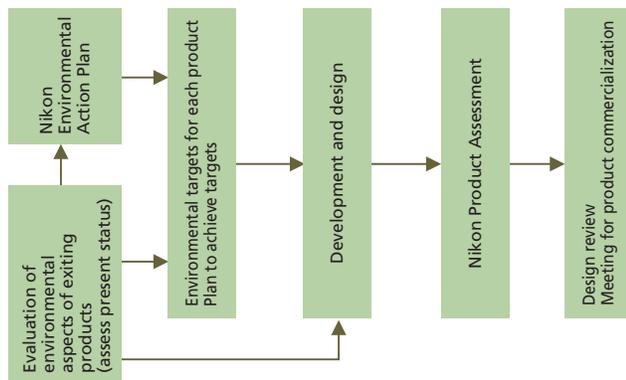
Eco-friendly Product Development

Environmentally friendly product development system

The Nikon Group developed an original system for managing environmentally friendly product designs. In operating this system, the Group has continuously strengthened the contents of the Nikon Environmental Action Plan and Nikon Products Assessment (detailed below).

Under this system, we are improving the energy efficiency of our products, saving resources, making maximum use of Eco-glass, lead-free solder and hexavalent chromium-free plating, and substantially reducing the use of other hazardous chemical substances to produce a greater number of even more eco-friendly products.

Management system flow for eco-friendly product design



Nikon Product Assessment

The Nikon Group established the Nikon Product Assessment system in 1995 with a view to minimizing the environmental impacts of its products throughout their lifecycles. Since then we have been assessing all the products being developed for further improvement.

We have been revising and enhancing the assessment items and criteria, and are now using version 8 of the system.

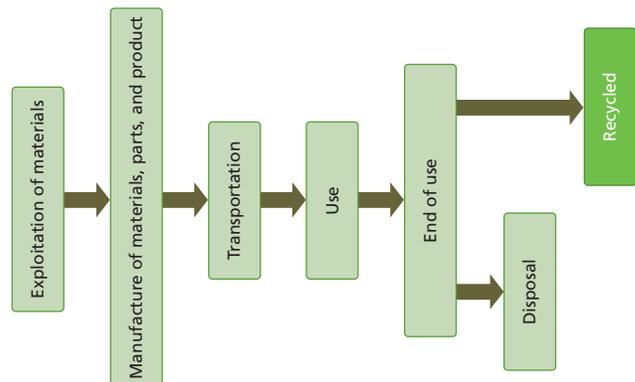
We have already assessed 991 products and units on a -100 to +100 scale by checking the degree of improvements made to them. The average score over the past 15 years was +32.2 points. While we are continuing to make the criteria much stricter; the average score for the recent seven years is +52.0 points, higher than before, which demonstrates that remarkable environmental improvements have been made to our products.

Features of the Nikon Product Assessment System

In a bid to stay ahead of environmental regulations and deteriorating global environmental problems, we set our own standards with our products' properties in mind. We determine the details through full-scale discussions between product developers, material engineers, and other experts.

- Mandates product assessment in the development stage
- Requires continuous improvement in assessment scores from one model to the next
- Supports designers by offering relevant documentation and references
- Continues to reduce product mass and volume and the number of parts used in a product
- Improves energy efficiency based on the Nikon energy efficiency formula
- Pursues longer product life and simpler repair procedures
- Raises consumer awareness (for the reduction and appropriate management of waste consumables)
- Simplifies recycling procedures
- Discontinues or reduces the use of hazardous substances
- Uses Eco-glass in the optical system (▶p.10, 12, 27, and 28)
- Uses lead-free solder on electronic circuit boards (▶p.31)
- Adopts hexavalent chromium-free surface treatment technologies (▶p.27, 28, and 31)
- Ensures compliance with environmental regulations
- Makes overall assessments

Ordinary lifecycle of a Nikon product



Reducing Hazardous Substances in Products

Main achievements for the year ended March 31, 2010

Consumer products: Maintained 100% use of lead-free electronic circuit boards in all newly released products
Industrial products: lead-free solder used for 95% of new electronic circuit boards
Ensured appropriate management of the surface treatment process

As part of efforts to reduce the use of hazardous substances in Nikon products, we make use of lead-free soldering technologies and surface treatment technologies that do not use heavy metals, such as hexavalent chromium-free plating. In addition, we are introducing chemical analysis techniques to our quality assurance departments.

Full-scale adoption of lead-free solder

The Nikon Group has established a lead-free soldering system with the leadership of the electric technology departments of the Yokohama Plant and Sendai Nikon and with cooperation from their product development and manufacturing departments, other Group companies, and our business partners.

We also have a course on lead-free soldering as part of our in-house training and technical certification system, in which employees acquire manual soldering skills. As of March 31, 2010, we have used this course to train over 1,140 instructors and certified workers, including at manufacturing bases outside Japan.

Moreover, we increased the use of lead-free tin-silver-copper solders, which represent a standard solder type used in the industry.

We have strived to increase the use of lead-free solders through these measures. In the year ended March 31, 2010, we maintained 100% use of lead-free electronic circuit boards in all our new consumer products, including the digital SLR D5000. Also in industrial products (steppers and scanners, microscopes, surveying instruments, and others), we increased the rate of lead-free circuit boards in new ones to 95%.



Image processing board for a confocal microscope



Motor control board for an immersion scanner

Use of hexavalent chromium-free technology in surface treatment

The surface treatment department of the Yokohama Plant reviewed its technologies and processes for chromate treatment and chrome plating, and discontinued the use of highly hazardous hexavalent chromium at the end of 2004.

Using the progressive results and experiences gained through such activities, we are actively employing hexavalent chromium-free technology in the surface treatment of all Nikon products.

Surface treatment poses a range of difficult issues because a variety of treatments, including coating, plating, and chemical conversion, are done on multiple components under different work conditions. In light of this fact, we established strict technological standards for the use of lead, cadmium, and mercury. We are working to totally discontinue the use of heavy metals and ensure appropriate management of the process.

Chemical analysis techniques used by the quality assurance departments

The Nikon Group plans to discontinue the use of hexavalent chromium, lead, cadmium, mercury, PBB, PBDE, PVC, and other hazardous chemical substances in its products as far as technically possible. Nikon products consist of materials and components procured from manufacturers and trading companies located worldwide which are then processed and assembled by a number of manufacturers through a complex supply chain . To completely discontinue the use of hazardous substances throughout this production process, in addition to establishing a green procurement  system (▶p.47), it is essential to check the use of these substances also in the procured materials through chemical analysis. We have therefore introduced chemical analysis techniques to our quality assurance departments, which make the necessary checks on each product at major stages in the production process. We also educate a large number of engineers on analysis technologies and related know-how to prevent hazardous chemical substances from leaking into Nikon products.

Recycling of Used Products

Battery recycling

In Japan, Nikon Corporation has been cooperating with JBRC  and a number of other companies to collect end-of-life secondary batteries, including those used for Nikon digital cameras, from users for recycling.

Recycling of used Nikon products

Under the WEEE Directive , European countries have been enacting their own laws and establishing systems for the collection and recycling of used electronic products. Following this trend, since 2005 the Nikon Group, led by a subsidiary in the Netherlands, has been preparing nation-specific measures to meet its collection and recycling obligations for digital cameras and other Nikon products. We have established a collection and recycling system in more than 25 countries, registering with local collection organizations. The Nikon Group is keenly aware of the importance of collecting and recycling used products and plans to continue taking appropriate measures in the future.



EU recycling mark

Response to New Regulations on Hazardous Chemical Substances

Main achievements for the year ended March 31, 2010

- Established a management system for hazardous chemical substances
- Started a survey on substances of very high concern (SVHCs)

Major targets for the year ending March 31, 2011

- Strengthen the management system for hazardous chemical substances and start to build the necessary infrastructure
- Continue a survey on SVHCs including newly added ones

The Nikon Group has been working to comply with the REACH regulation  enforced in Europe in June 2007.

REACH is the regulation on registration, evaluation, authorization, and restriction of chemicals and will possibly have a great impact on the chemical substance notification systems that is being implemented in the world. This regulation was enforced against the backdrop of the progress made to international frameworks for the appropriate management of chemical substances, including the adoption of the Johannesburg Plan of Implementation and the SAICM . Following this international trend, the Nikon Group is committed to complying with the REACH regulation for the maintenance of human health and environmental protection.

The REACH regulation applies not only to substances themselves, but also to the products in which they are used. For example, if a product contains an SVHC exceeding a certain level, the manufacturer of the product must provide information about the substance to downstream users and consumers. To meet this requirement without fail, the Nikon Group conducts a survey on the use of SVHCs in its products throughout its supply chain . We are also limiting their use in our products and increasing the use of parts that do not contain SVHCs.

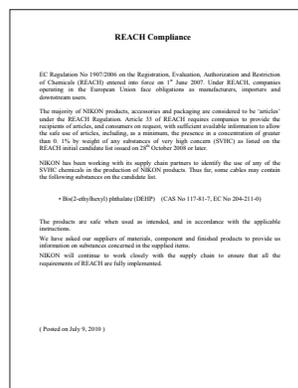
The Nikon Group will continue to conduct surveys on the use of SVHCs in its products throughout the supply chain, while establishing the necessary infrastructures for more efficient management of chemical substances, including an IT management system.

The Nikon Group's basic approach to the REACH regulation is summarized in its declaration on compliance with the REACH regulation, which is posted on its website.

We will continue to take the necessary measures to comply with the new laws and regulations on hazardous chemical substances to be enforced in the world.

▶ Nikon's declaration on compliance with the REACH regulation

http://www.nikon.com/about/csr/environment/products/products_04/



Nikon's declaration on compliance with the REACH regulation

Improving Physical Distribution in Japan

Main achievements for the year ended March 31, 2010

Reduced the Nikon Group's CO₂ emissions from physical distribution in Japan to 2,016 tons and reduced emissions per net sales by 9.2% against the target of a reduction of 15% or more compared with the year ended March 31, 2007
Enabled the use of external power sources for all the vehicles possessed by Nikon Business Service
Conducted in-house training on eco-friendly driving

Major target for the year ending March 31, 2011

Reduce CO₂ emissions per net sales by 14% or more compared with the year ended March 31, 2007

The Nikon Group is striving to identify its distribution routes including those of major Group manufacturing companies and obtain numerical data on the volume of transportation and CO₂ emissions. In the year ended March 31, 2010, CO₂ emissions per net sales worsened due to global economic recession, and the targets were not achieved.

Modal shift in multimodal transportation

Sendai Nikon was delivering the unit parts of digital cameras to NIC, its manufacturing base in China, by transporting them from Miyagi Prefecture to Narita by truck and then from Narita to Shanghai by air.

To reduce both the cost and environmental impact of this delivery, the company has changed the domestic transportation route to the Miyagi-to-Fukuoka route and also changed the transportation from truck to rail. Moreover, the parts are now transported from Fukuoka to Shanghai by a small ship with low environmental impact. Thus fostering a modal shift in multimodal transportation, the company has achieved both its reduction targets.

Voice

Saving costs and increasing safety by reducing CO₂ emissions

Drivers initially resisted the introduction of digital tachometers, but now they think the device is useful because it gives an audio alert when the driver exceeds the speed limit, which leads to higher fuel economy and safer driving. All our drivers now attend a regular seminar for eco-driving, and if they drive using the acquired skills, annual fuel costs can be reduced by several hundred thousand yen. Now I would like to introduce low-emission eco-cars and make other improvements to our equipment.



Yukio Ushijima

Group Leader, Transport Group
Logistics Service Division
Nikon Business Service Co., Ltd.

Promoting idling stop

When transporting IC steppers and scanners and other devices by vehicle, it is necessary to strictly control the cargo room temperature by the use of in-vehicle heating, ventilating, and air-conditioning (HVAC) equipment, for which the engine needed to be kept running even while the vehicle was stopped. Now, however, there is no need for idling within the premises of our factories, where it has been made possible to power the equipment by the use of external sources. In the year ended March 31, 2010, all the vehicles possessed by Nikon Business Service were equipped for the use of external power sources.



Externally powered vehicle

Implementing modal shift

The Instruments Company is shifting from truck deliveries to railway transport, which causes lower environmental impact. The company is now gradually increasing the use of railways and will further increase the rate for products that meet the conditions for this mode of transport.

Low-pollution vehicles

The Kumagaya Plant is using three natural gas-fueled buses as commuter buses with the aim of reducing CO₂ emissions.

Nikon Business Service is also gradually replacing its transportation trucks with fuel efficient vehicles and will promote their replacement with natural gas-powered ones.

Packaging Measures

Nikon Corporation formulated its Environmental Policy Regarding Packaging Materials in May 1998 and (revised it in June 2000) to reduce the use of packaging materials for its products.

Based on this policy, we have been engaging in various efforts to boost the loading efficiency of physical distribution. Packaging can be further downsized by reviewing the size of product boxes so that they can be efficiently loaded onto trucks, making user manuals less bulky, and switching from conventional containers to pallets to eliminate the need for outer packaging.

In addition, we are making efficient use of recycled resources. For example, we employ a type of insertion packaging that enables the cushioning material and cardboard box to be easily separated, and use molded pulp as cushioning materials for some products.

Workplace-related Activities

To prevent global warming and move toward a resource-recycling society, the Nikon Group is striving to ensure that all of its sites save energy, recycle waste, and protect the local environment.

Energy Saving

Main achievements for the year ended March 31, 2010

Reduced total CO₂ emissions to 119,000 tons against the target of 123,000 tons or less (Nikon Corporation and Group manufacturing companies in Japan)
 CO₂ emissions per net sales increased by 7.7% against the target of a 10% reduction from the year ended March 31, 2006
 Total CO₂ emissions came to 75,000 tons against the target of 66,000 tons (two Group manufacturing companies in Asia)

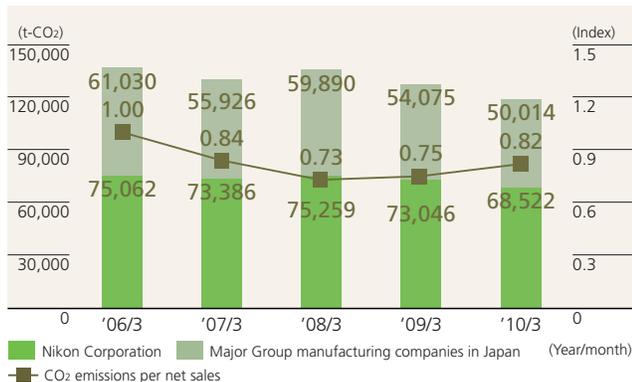
Major targets for the year ending March 31, 2011

Reduce total CO₂ emissions to 128,000 tons or less (Nikon Corporation and Group manufacturing companies in Japan)
 Attain the target of reducing total CO₂ emissions to 93,000 tons (two Group manufacturing companies in Asia)

The Nikon Group is working continuously to reduce its CO₂ emissions by measures that include increasing the efficiency of HVAC and lighting equipment, improving production activities, managing the use of lighting and OA devices, and making more use of natural energy.

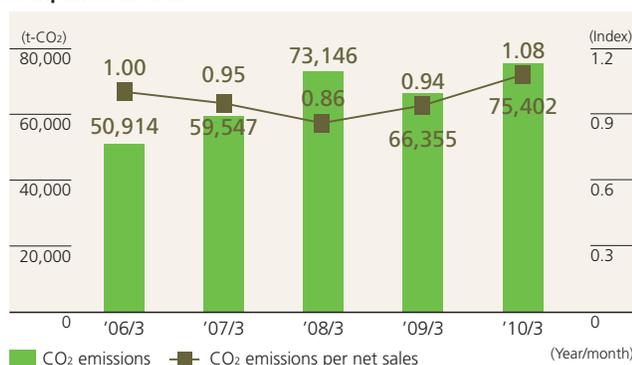
In the year ended March 2010, we were able to achieve our total CO₂ emissions reduction targets in Japan, but the Group manufacturing companies in Asia were unable to achieve their targets for CO₂ emissions per net sales due to a market downturn, stronger yen, and the launch of new building operation.

2006–2010 CO₂ Emissions from Nikon Group Companies in Japan



* CO₂ emissions in the year ended March 31, 2006 ('06/3) were calculated using the emission factor for the fiscal year, and those in other fiscal years were calculated using the factor for the year ended March 31, 2007 ('07/3).
 * The baseline year for the index of emissions per net sales is set at '06/3.

2006–2010 CO₂ Emissions from Group Manufacturing Companies in Asia



* Scope of data: NIC and NTC
 * CO₂ emissions were calculated using the local emission factor for the year ended March 31, 2004 ('04/3).
 * The baseline year for the index of emissions per net sales is set at '06/3.

Installing highly-efficient devices

Tochigi Nikon Precision introduced a seamless HVAC system in its clean room and started full-scale operation in May 2009. While steam generated by burning LPG and heavy oil was used for HVAC equipment in the past, the new system uses a heat pump, which generates heat efficiently, and evaporation-type humidifier. As a result of installing this system, the company reduced its CO₂ emissions by about 2,265 tons on an annual basis. Outside Japan, Nikon GmbH has been introducing cogeneration systems for cooling and heating its offices since 2009, reducing its power consumption by about 30%.



Heat pump chiller equipment of the seamless HVAC system (Tochigi Nikon Precision)

Using natural energy

The Kumagaya Plant started full-scale operation of a solar power generation system in January 2010. Under this research project jointly conducted with New Energy and Industrial Technology Development Organization (NEDO), the plant plans to generate at least 100,000 kWh of power per year, which will result in reducing CO₂ emissions by about 50 tons. Outside Japan, Nikon Europe B.V. concluded an agreement to use green electricity in January 2010. Based on this agreement, all the electricity used by the company (about 700,000 kWh per year) will be obtained from green energy sources. Nikon AG introduced a heat pump system using geothermal heat for heating and cooling its office when it moved the office in 2003.



Certificate for green electricity (Nikon Europe B.V.)



Solar power generation panel (Kumagaya Plant)



Heat pump system using geothermal heat (Nikon AG)

Participation in the Climate Savers Computing Initiative

Nikon Corporation has been participating in the Climate Savers Computing Initiative (CSCI) as an affiliate member since October 2008. According to the criteria set by the CSCI, which is dedicated to reducing CO₂ emissions by increasing the energy efficiency of PCs and servers, we are actively introducing more energy-efficient PCs and encouraging the use of power management settings. We completed the installation of power management settings on all our computers that would allow it by June 2009. We also install power management settings on all newly purchased PCs before distributing them to employees.

Participating in WWF Earth Hour 2010

The Nikon Group participated in Earth Hour 2010 on March 27, 2010. This worldwide event was organized by WWF to show participants' commitment to preventing global warming by turning off their lights at the same time across the globe. The Nikon Group turned off their neon and outdoor sign lights as well as office lights for one hour from 8:30 p.m. at as many of its sites as possible. Employees also voluntarily turned off their lights at home.

Preventing Air/Water Pollution and Protecting Water Resources

Preventing pollution of the air and water

To help preserve air and water quality, the Nikon Group not only abides by applicable laws and regulations, but also established its own voluntary standards for controlling pollutants. Specifically, we regularly measure pollutants released into the air and water and inspect equipment such as boilers and wastewater processing systems periodically to ensure safety at each of our sites (▶ p.3-8 of the data collection).

The Mito Plant switched the fuel used in its three existing boilers from heavy oil to liquefied petroleum gas (LPG) in order to reduce CO₂ emissions, and this has resulted in eliminating the release of SO_x and reducing emissions of dust and NO_x.

Protecting water resources

The Nikon Group's manufacturing sites are expanding their businesses and transforming their business structures. Since the year ended March 31, 1999, when environmental management systems were introduced, the sites have been promoting the reuse of wastewater from production processes and curbing their water consumption through activities that are participated in by all employees (▶ p.8 of the data collection).

For example the Ohi Plant is saving water by using stored rainwater for flushing toilets at the West Building, replacing water-cooled HVAC devices with air-cooled ones and also dishwashers used in the canteen kitchen with smaller ones, improving the wastewater treatment facilities, and installing water-saving tap plugs.

2006–2010 Water Usage



* The totals are not always identical to the sum of the constituents because of rounding.

Toward Zero Emissions

Main achievements for the year ended March 31, 2010

Maintained a level 1 zero emissions system (Nikon's plants and major Group manufacturing companies in Japan excluding Hikari Glass)
 Made preparations for establishing a zero emissions system (Hikari Glass, NTC) and completed establishment (TNI Industry Nagai Factory, NIC)
 Reduced waste by 21.4% exceeding the target of 20% below the year ended March 31, 2006 (Nikon's plants and major Group manufacturing companies in Japan)

Major targets for the year ending March 31, 2011

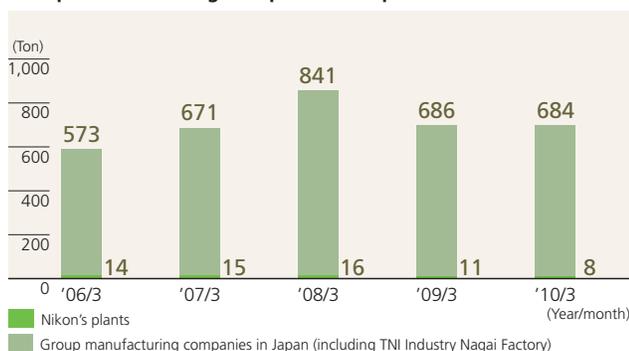
Maintain a level 1 zero emissions system (Nikon's plants and Group manufacturing companies in Japan)
 Establish a zero emissions system (Hikari Glass, NTC)
 Reduce waste by 23% compared with the year ended March 31, 2006 (Nikon's plants and Group manufacturing companies in Japan, excluding Hikari Glass)

In the year ended March 31, 2009, the Nikon Group introduced level-specific indicators to the definition of zero emissions. (Before their introduction, "zero emissions" was simply defined as "final landfill disposal amounting to less than 1% of total waste volume.")

- Level 1: Final landfill disposal rate: less than 1%
- Level 2: Final landfill disposal rate: less than 5%
- Level 3: Final landfill disposal rate: less than 10%
- Level 4: Final landfill disposal rate: less than 20%

So far, a total of 13 sites belonging to Nikon Corporation and Group manufacturing companies in Japan (excluding Hikari Glass) have achieved zero emissions level 1 (▶ p.2 of the data collection).

2006–2010 Final Landfill Disposal Volumes at Nikon's Plants and Group Manufacturing Companies in Japan



Progress at Nikon Corporation

The total amount of waste generated by Nikon Corporation decreased by 12.5% year-on-year in the year ended March 31, 2010, helped by a decrease in the production amount. The resource recycling rate was 99.2% and the final landfill disposal rate improved to 0.25%, enabling the company to maintain its level 1 zero emissions system (▶ p.2 of the data collection).

As an example of onsite improvements, the Sagami-hara Plant decided to return the deposition materials used in the

vapor deposition processing of lenses to the manufacturers of the materials for reuse, instead of just discarding them. Moreover the plant began selling waste semiconductor parts to recycling companies, thereby promoting both the recycling of resources and cost savings.

Progress made at Group manufacturing companies in Japan

The manufacturing companies reduced their total amount of waste by 2.3% year-on-year in the year ended March 31, 2010, helped by a decrease in their production amount. Their recycling rate was 68.9% and final landfill disposal rate was 27.2%, but six sites of Group manufacturing companies in Japan, excluding Hikari Glass, were able to maintain/establish their level 1 zero emissions systems (▶ p.2 of the data collection). In addition, the Akita Plant of Hikari Glass succeeded in recycling waste Eco-glass  while minimizing any increase in related costs. Specifically, the plant has separated Eco-glass from waste glass to be sent to landfill and commissioned its treatment to a waste recycling company that is processing waste glass into granules (for use as roadbed materials, etc.).



Before processing: Eco-glass (Hikari Glass Akita Plant)



After processing: Granules made from recycled glass (Commissioned to a waste recycling company)

Voice

Reducing the annual generation of sludge by 200 tons to zero

The Ohi Plant annually released 200 tons of sludge from its facilities to treat wastewater from the canteen. In October 2009, however, the plant began using bacteria (called Kataoka-kin in Japanese) for the treatment process to reduce the inflow load of wastewater through digestion by the bacteria. This has led to the reduction of sludge discarded as industrial waste to zero. This in turn reduced the annual sludge treatment costs by 620,000 yen and also cut CO₂ emissions from the treatment of wastewater and the treatment and transportation of waste. We will devise further measures to reduce the generation of waste.

Hidetaka Takayama

Ohi Branch Leader, Environmental Administration Section
 Environmental & Technical Administration Department
 Business Administration Center
 Nikon Corporation



Control and Reduction of Chemical Substances in Manufacturing

Main achievement for the year ended March 31, 2010

Discontinued the use of hazardous chemical substances (in chlorinated organic solvents used for cleaning) at a Group manufacturing company in Asia (NIC).

The Nikon Group manages chemical substances from their purchase and use through to disposal to prevent chemical pollution of the environment and promote safety. For example, Nikon Corporation obtains a material safety data sheet (MSDS) for any new chemical substance being purchased, and urges the workplace where the substance will be used to make a prior assessment of the risks associated with its use. The company then checks the measures taken based on the assessment results and gets its experts to recheck the measures from a professional viewpoint. For the registration, updating, and storing of the MSDS data, the data center within the Ohi Plant manages the

operation centrally, with the data made available to employees through the intranet. The Nikon Group strictly controls the use of chemical substances, in particular those of high concern, so as to minimize their use. We are conducting further research into alternative substances and continuing our efforts to reduce the risk of chemical contamination to as close to zero as possible.

The Nikon Group's PRTR

The Nikon Group created the Nikon PRTR Guide in March 2000. All of its sites have been using this guide to manage the chemical substances used at their sites, including quantity management from purchase and use through to disposal, and MSDS-based management of safety in handling and disposal. Subsequently, in March 2002 we established a system to make notifications, which had become mandatory by law, by updating the Guide to include a new section (▶ p.2 of the data collection).

Progress report on soil contamination remediation at the Ohi Plant of Nikon Corporation

The Ohi Plant completed remediation work for the soil contamination detected in 2007 at the former No. 2 building site at the end of the year, and at the former No. 1 building site in June 2010. The plant is now purifying the underground water by pumping it, and regularly monitors its quality, which it will continue to do in compliance with related laws to ensure that there will be no adverse effects on surrounding areas.

(Background)

In 2007, when some old factory buildings were demolished at the plant to construct new ones, the plant conducted a soil contamination survey in accordance with the Tokyo Metropolitan Ordinance on Environmental

Preservation. As a result, some specified hazardous chemical substances were detected at levels beyond the regulatory standards. For example hexavalent chromium was present at up to 3,600 times the standard value, although the affected area was limited and within a building. Trichloroethylene was also detected at a level 1.8 times the standard value around a groundwater inspection hole that had been bored near the perimeter of the plant.

Shortly after this discovery, Nikon Corporation notified the Environment Bureau of the Tokyo Metropolitan Government and also Shinagawa City and held briefings for local residents. The company has since been implementing remedial measures.

Underground water inspection at the Mito Plant of Tochigi Nikon Precision

The Mito Plant (former Mito Nikon Precision) began purifying the contaminated underground water detected in 2008 by pumping it in February 2009, and has been regularly monitoring the underground water quality. The plant will continue to do this in compliance with related laws to ensure that there will be no adverse effects on surrounding areas.

(Backgrounds)

Former Mito Nikon Precision inspected the quality of the underground water within its premises to check the environmental impact of volatile organic compounds used there in the past. As a result, at several inspection spots, trichloroethylene and hexavalent chromium were detected at levels beyond

the regulatory standards (1.8 and 4.8 times the standards, respectively). (These substances were released during the cleaning of machined parts and surface treatment processes.)

Former Mito Nikon Precision promptly reported its findings to Ibaraki Prefecture and Naka City, submitted a remedial plan that complied with the Soil Contamination Countermeasures Act to local governments, and held a briefing for local residents.

Former Mito Nikon Precision merged with Tochigi Nikon Precision on October 1, 2009 and the latter has been continuously working to purify the underground water.

Promoting Compliance Activities Globally

The Nikon Group is committed to making all its employees aware of the importance of compliance to ensure that each individual employee is able to take appropriate action.

Main achievements for the year ended March 31, 2010

Established compliance promotion systems at overseas Group companies and introduced an internal consulting service
 Conducted an awareness survey at Group companies in Japan and fed back the results to make individual improvements
 Enhanced the confidentiality rules of the Code of Conduct Hotline and further increased awareness of this hotline among employees

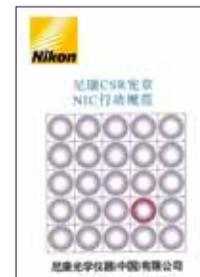
Major targets for the year ending March 31, 2011

Continue to promote global compliance activities
 Conduct an awareness survey at Group companies in Japan and execute a PDCA cycle based on the results
 Provide education on important themes

environments. While Nikon Group companies within Japan all apply the same Nikon Code of Conduct, overseas Group companies have their own codes of conduct in place, which have been formulated based on the Nikon Code of Conduct.



Nikon Code of Conduct (uniformly applied in Japan)



Nikon Code of Conduct (localized version for Nikon Imaging China Co., Ltd.)

Compliance Promotion

In the Nikon Group, the Compliance Section of Nikon Corporation's Administration Department fosters compliance activities in cooperation with the persons in charge of promoting CSR and compliance stationed in the departments of the company and in Group companies in Japan based on the group-wide policies set by the Nikon Business Conduct Committee.

Compliance Promotion



Nikon Code of Conduct

The Nikon Code of Conduct lays out the basic policies and gives guidance on matters closely related to daily business operations, including human rights, information management, entertainment and gifts, accounting practices, and workplace

Compliance Promotion Activities

Compliance education and awareness

The Nikon Group conducts compliance promotion activities through compliance facilitators stationed in the departments of Nikon Corporation and in Group companies. In the year ended March 31, 2010, in response to the results of the 2008 compliance awareness survey conducted on Nikon Group companies in Japan, we conducted e-learning sessions on power harassment. A total of 11,781 employees (88% of the targeted employees of Nikon Group companies in Japan) attended the sessions.

Moreover, the Compliance Section of Nikon Corporation provides compliance education as part of the initial training for regular employees and mid-career workers and as part of the training for employees being promoted to managers. The Compliance Section also provides education and training for Nikon Group companies on request.

Compliance awareness survey (monitoring)

Every year in October, we conduct a compliance awareness survey targeting employees of Nikon Group companies in Japan, with a view to increasing their compliance awareness. The response rate for the 2009 survey was 72% (9,501 employees). Awareness of the Code of Conduct Hotline, one of the questionnaire items, was 90%, up from 74% in the previous year's survey. We will continue to increase the employees' awareness of compliance and feed back the individual results to relevant departments to help them identify problems and make improvements.

Voice

Making each employee more aware of compliance

Compliance issues span a wide area, and it is essential for each employee to be aware of the importance of compliance to prevent problems. I am in charge of creating and dispatching the in-house compliance newsletter, in which I introduce incidents that could take place in any of our workplaces so that readers will think about compliance as something that affects them directly. I would like to continue with effective activities in cooperation with workplace compliance facilitators.



Ayumi Hamada

Compliance Section
Administration Department
Business Administration Center
Nikon Corporation

Preventing violations

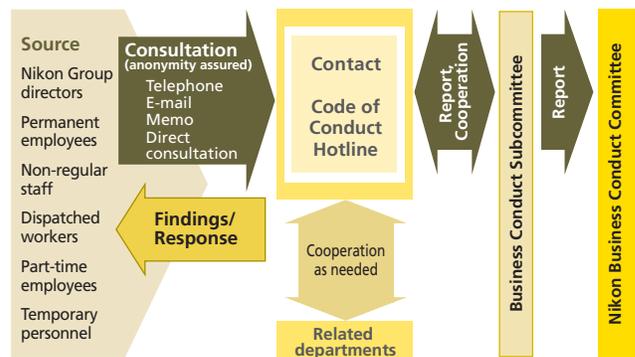
The Nikon Group takes disciplinary action against all violations of the working regulations of each Nikon Group company and the Nikon Code of Conduct based on its in-house disciplinary rules after investigating and confirming the facts. In the year ended March 31, 2010, disciplinary action was taken against three cases of violation at Nikon Corporation and three at Group companies in Japan. In order to prevent the recurrence of similar problems, the circumstances and basic details of the disciplinary action are disclosed internally.

Consulting/Reporting system

The Nikon Group established the Code of Conduct Hotline as a central point of contact for employees of domestic Group companies wanting to discuss a situation that might run counter to Nikon Code of Conduct. In the year ended March 31, 2010, the hotline was used 25 times, and these matters are now being dealt with in cooperation with the relevant departments.

The Code of Conduct Hotline protects the privacy of its users and ensures that they do not experience any prejudicial treatment. In June 2009, we revised some of the operating rules to improve confidentiality and once again promoted awareness of the hotline among employees. Outside Japan, almost all Group companies have similar hotlines in place.

Code of Conduct Hotline Flow Diagram (Japan)



Risk management activities

Implementing a Risk Management PDCA Cycle

We are managing risk comprehensively and implementing measures for the continuous advancement of the Nikon Group.

Main achievements for the year ended March 31, 2010

- Conducted information management audits in September and reported the results in February
- Began operating a system to manage information on contacting employees assigned overseas
- Reviewed the action plan and increased the reserve of goods used to prevent pandemic influenza
- Formulated operational guidelines to manage the provision of technical information

Major targets for the year ending March 31, 2011

- Support the establishment of information management systems by Group companies within and outside Japan
- Expanded the overseas business travel management system to Group companies in Japan
- Maintain and update the BCM system for large earthquakes and pandemic influenza through a PDCA cycle

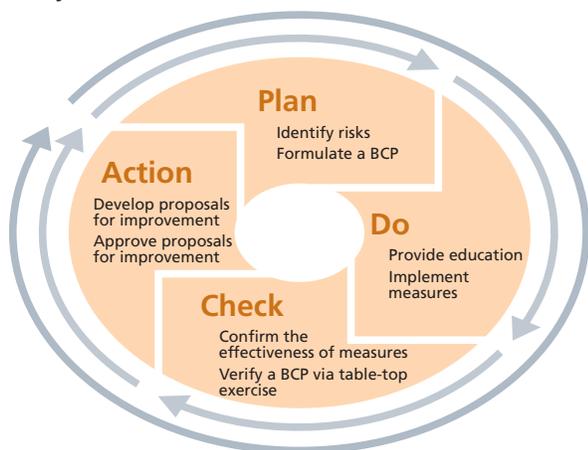
Risk Management System

The Nikon Group has its own Risk Management Committee. This committee identifies risks that could impact the Group's management, formulates countermeasures against those risks, implements a range of measures to minimize the damage that could be caused if a risk materializes, performs constant monitoring, and manages the risks by executing a PDCA cycle. At present, the committee is also working to improve information security, management of risks for employees assigned overseas, and pandemic influenza.

The Nikon Group regards it as part of its social responsibility to ensure business continuity and has established an Integrated

Disaster Prevention and BCM  Committee to deal with risks associated with large earthquakes and fires. We have also built a BCM system targeting not only our bases in Japan but also manufacturing bases in Thailand and China, while formulating BCPs  for our core businesses. In the year ended March 31, 2010, we formulated a BCP for pandemic influenza, while ensuring appropriate export control through the Export Control Committee.

PDCA Cycle for BCM



Major Risk Management Activities

Information resources risk management

Based on the Nikon Group Information Management Rules, we are taking measures globally to prevent information leakage. In particular we strictly control access to personal information. Nikon Imaging Japan Inc. has obtained approval to use the PrivacyMark from Japan Information Processing Development Corporation.

We have distributed the Nikon Group Information Security Handbook to employees to ensure that each of them complies with the rules based on a full understanding of the importance of information management. In addition, we hold information management audits twice a year in Japan to constantly increase employees' awareness of the rules.

In the year ended March 31, 2010, we built a system to mitigate and prevent information leakage, inspected information management at Group companies outside Japan, and provided employees of Group companies in Japan with e-learning sessions.

For the revision of information management rules of Group companies outside Japan, after having interviewed each company, it was decided that the rules would not be revised but the schedules for implementing important items of information management would be established; however, we were unable to complete this task in the year ended March 31, 2010.

To prevent insider trading, we began full-scale

implementation of the Nikon Group Insider Trading Rules, which we established in March 2009. By managing information and ensuring compliance  in this way, we are working to further enhance our system to comply with laws and maintain society's trust in the Group.

Overseas risk management

As the Nikon Group expands its business on a global scale, the number of employees who are assigned to various regions of the world or make overseas business trips has been increasing year by year. We have expanded the emergency support system we established to help these employees deal with region-specific risks (illness, disasters, accidents, and crime) to include employees locally employed by Group companies.

We are enhancing our information system to communicate smoothly with employees assigned overseas in case of emergency, and hold emergency drills to reduce the risks they may face.

Enhancing export controls

Following the revision of the Foreign Exchange and Foreign Trade Act of Japan in November 2009, Nikon Corporation formulated a new set of operational guidelines to manage the provision of technical information. Based on the guidelines, we are enhancing our export controls, including controls over sending out e-mails. We are now striving to have all employees of the company become aware of and comply with the guidelines, and we will apply the guidelines to Group companies in Japan in the future.

Measures against pandemic influenza

With the global outbreak of pandemic influenza (H1N1) in 2009, we established an emergency preparedness headquarters headed up by the president of Nikon Corporation to prevent the infection and the spread among employees of the Nikon Group.

Based on this experience, we will continue to prepare and implement measures against pandemics, including the second wave of the H1N1 virus and the spread of highly pathogenic influenza.

Promoting Diversity Activities

As a basic principle, we respect the diversity and human rights of employees with different backgrounds and treat them fairly, so that each of them can apply themselves to their work, display their abilities, and produce results as a team. In the year ended March 31, 2010, we began building a global management system for issues related to human rights and the labor environment, which are attracting attention in society.

The Ideal Employee, the Ideal Company

Nikon Corporation will develop human resources who can lead an organization, train subordinates, and contribute to the company with knowledge, technology, and skills, under the slogan "Work for the team, think on your own, and act."

Globally Managing the Issues Related to Human Rights and the Labor Environment

About 60% of Nikon Group employees are working outside Japan. In order to strengthen the global management of issues related to human rights and labor, we began conducting surveys based on the GRI Guidelines  on how these issues are managed at Nikon Group companies. We will continue to conduct these surveys once a year, indentifying problems and building the necessary systems.

Major survey items (for 46 consolidated subsidiaries and 13 affiliates of Nikon Corporation)

Employment, labor-management relations, occupational safety and health, training and education, diversity and equal opportunities, and human rights

Personnel System

Nikon Corporation classifies employees into three levels (Junior Staff, Senior Staff, and Professional/Management) according to their abilities, and clearly states their respective responsibilities. The company tests employees who have fulfilled requirements to decide whether to promote them to a higher level. Also under a dual-track system, employees can choose whether to work as a specialist and make use of their knowledge and skills, or as a manager who serves as an organizational leader. Under this system, employees who are soon to make a choice between the two are provided support in the form of career planning sessions. Performance-linked grades are also set for each of these levels. In addition, the company has a system under which subordinates meet with their managers to decide on the targets they will pursue. This system helps employees understand the results of their performance evaluation and develop and grow their individual abilities.

Human Resource Development & In-house Training

Main achievements for the year ended March 31, 2010

Held 140 stratified training and business skill training courses
Reorganized and implemented a training system based on the ability indicators linked with the personnel system
Trained managers, instructors, and new employees based on the system and followed them up
Gave feedback on the results of the 360-degree diagnostics and incorporated them into future training plans
Promoted employees and allowed some to change track under the dual track system
Educated a total of 291 new and mid-career employees on human rights

Major targets for the year ending March 31, 2011

Develop and start implementing a system to develop global human resources for emerging economies
Build a training system to help employees develop their careers, and implement it on a trial basis

Nikon Corporation has built its training system based on the following three ability indicators linked with its personnel system: target setting and achievement ability; communication ability; and educational ability, and offers a range of educational courses and systems for employees to receive skill-up training according to their level and job details. Employees of Group companies in Japan also participate in the training provided by Nikon Corporation, and Group companies both within and outside Japan also provide their own education and training programs. In the year ended March 31, 2010, Nikon Corporation completed a review of its training system and held a total of 140 stratified training and business skills training courses, which were attended by a total of 3,362 employees. In addition, 138 engineer training courses were held for a total of 4,882 employees.

Evaluating the effects of engineer training

Nikon Corporation evaluates the effects of its engineer training with a questionnaire survey. In the survey conducted in the year ended March 31, 2010, a high 93% of respondents answered "The course was useful for my work," and "I can apply what I have learned explicitly in my work." We will use the survey results as indicators to continue to provide training that is highly useful in real work situations.

Education on human rights

To provide employees with workplaces where they can fully display their abilities, we are providing them with education on human rights. Nikon Corporation educates new employees on

basic human rights as part of the training they receive immediately after entering the company, and in the year ended March 31, 2010, 291 employees took part.

We will increase employees' awareness on human rights by ensuring that all employees know the 10 principles of the UN Global Compact . Group companies outside Japan already began relevant activities in the year ended March 31, 2010. Nikon Group companies in Japan will also hold e-learning sessions for all employees in the year ending March 31, 2011.

Labor-Management Relations

Nikon Corporation has two labor unions, whose members are its regular employees: one belongs to the Japanese Association of Metal, Machinery, and Manufacturing Workers (JAM) and the other is organized as a branch of the All-Japan Metal and Information Machinery Workers Union (JMIU). The company and the unions discuss various issues related to the labor environment, hold joint study meetings, and exchange opinions as necessary. Labor-management relations are stable and problem free.

As of March 31, 2010, the labor union has 5,169 members and the JMIU branch eight, which totals 5,177. When a substantial change is made to an employee's job, Nikon Corporation discusses the matter with his/her union, obtains its prior approval, and then takes time to communicate it to the employee. In the year ended March 31, 2010, there were joint ventures with affiliates, layoffs, and the reorganization and consolidation of Nikon Group companies related to the Precision Equipment Company.

Diversity

The Nikon Group respects the diversity of employees, including gender, age, nationality, personality, culture, and values. The management attaches great importance to creating a corporate culture in which every employee can develop to their full potential. To this end, we are building the necessary systems and conducting awareness-raising activities to spread and firmly establish diversity awareness throughout the organization.

Employees of Nikon Group Companies (as of March 31 of each year)

Units: people

Region	2009	2010
Japan	9,439	9,480
Asia and Oceania	12,096	14,102
Europe	973	1,207
North America	1,251	1,336
Total	23,759	26,125

Notes: Regular employees of the 70 consolidated subsidiaries of Nikon Corporation, excluding those dispatched to non-consolidated affiliates. Employees dispatched to the 70 consolidated subsidiaries are counted as regular employees of the subsidiaries.

Employees of Nikon Group Companies within Japan (as of March 31, 2010)

Units: people

		Total number	Sectional or higher-level managers	Number of leavers	
				Retirees	Others
Men	Nikon Corporation	5,975	1,182	133	59
	Group companies within Japan*	2,835	226	19	62
Women	Nikon Corporation	579	22	4	7
	Group companies within Japan*	579	4	2	29

* Total numbers of the consolidated subsidiaries of Nikon Corporation in Japan (excluding Nikon Corporation itself)

Notes: The numbers of leavers are for the period from April 1, 2009 to March 31, 2010.

Employees dispatched to affiliates are included in the number of employees of the company from which they are dispatched.

Support for work-life balance

Main achievements for the year ended March 31, 2010

- Regulated overtime work more strictly by measures such as setting a "no overtime" day
- Implemented a trial for working at home (for five months)
- Began providing a counseling service for better work-life balance

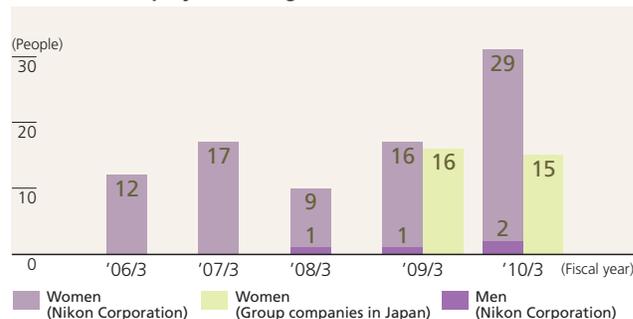
Major targets for the year ending March 31, 2011

- Make employees more aware of the revised law on the care of children and other family members and examine flexible working styles
- Verify the results of the trial for working at home and determine relevant policies

Nikon Corporation has adopted systems and measures that enable employees to work with ease of mind. As a result, employees can now take childcare leave for up to two years and work both flextime and for shorter hours to take care of their children and other family members. The company thus provides employees with support that exceeds the standards required by law, and is approved to use the Next-Generation Childcare Support Certification Mark (informally named Kurumin ) by the government. Group companies in Japan are also working to establish similar support systems.

In the year ended March 31, 2010, Nikon Corporation performed the second trial for working at home and will decide its policy on the matter based on the results of the two trials. In addition, the company began offering a counseling service for better work-life balance and appointed as counselors some female employees who are making their work and private life compatible. This counseling system helps employees improve their career while maintaining a good work-life balance, which will in turn help the company raise its employee retention rate.

Number of Employees Taking Childcare Leave



Support for women in the workplace

Main achievements for the year ended March 31, 2010

- Established a diversity liaison meeting at five Group companies in Japan
- Added "support for women in the workplace" to the themes for the training for managers and held the training
- Began operating a reentry (comeback) system

Major targets for the year ending March 31, 2011

- Hold diversity training for managers on a trial basis
- Improve the percentage of women in regular employment to at least 20% and the percentage of women employed as engineers to at least 10%
- Foster the reentry (comeback) system

Nikon Corporation has been employing and treating employees without gender discrimination. In reality, however, there are differences between the numbers of male and female employees and managers. We regard this as a challenge to be tackled and have been proactively implementing measures to create a corporate culture where female employees can develop and display more of their abilities. In the year ended March 31, 2010, we set the following numerical targets:

Percentage of women in regular employment: at least 10% of employed engineers

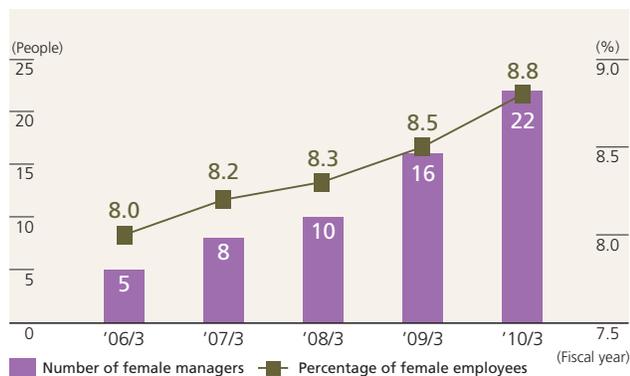
Percentage of women in new graduates employed through regular employment: at least 20%

Percentage of women in the total number of employees: 8.8% as of March 31, 2010 and increase this to at least 10% by the end of March, 2013

Number of female sectional and higher-level managers: 22 as of March 31, 2010, and double this by the end of March 2015

In the future, we will extend more support to female employees also at Group companies in Japan, for which we have selected five Group companies as model companies and are implementing measures in cooperation with them. We now require Nikon Group female employees in Japan to attend "self-realization training" to further develop their abilities and build a network. In the year ended March 31, 2010, 109 female employees participated in the training from Nikon Group companies in Japan and a total of 285 have already attended it, while 57% of Nikon Corporation's female employees have already attended it.

Percentage of Female Employees and Number of Female Managers



By the end of March 2013, all female employees of the company will participate in the training.

In addition, we will begin providing diversity training for managers in the year ending March 31, 2011, and have started to operate a reentry (comeback) system for employees who left the company for marriage, family care, job transfer of spouse, and for other reasons.

Average Years of Services and Ages of Male and Female Employees of Nikon Corporation (as of March 31, 2010)

	Average years of service	Average age
Men	19.5 years	43.5 years old
Women	14.4 years	38.0 years old

Employment of the disabled

Main achievements for the year ended March 31, 2010

- Placed more orders to the Tsubasa workshop established in Sagami-hara
- Expanded "paperless" (data digitization) work

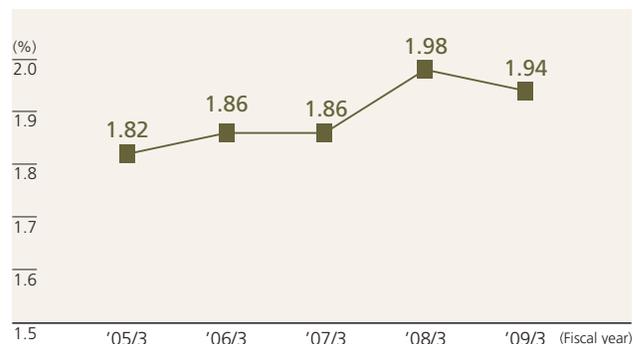
Main targets for the year ending March 31, 2011

- Maintain the statutory employment rate for the disabled (1.8%)
- Place more orders with Nikon Tsubasa Inc.

Based on the Act on Employment Promotion etc. of Persons with Disabilities, Nikon Corporation established Nikon Tsubasa Inc. as an exceptional subsidiary in 2000. The number of employees of the subsidiary, which started with 10 mentally disabled employees, increased to 29 as of March 31, 2010 and it now accepts some orders also from outside the Nikon Group. Supported by experienced staff and instructors, employees are engaged in parts processing, packaging, assembly, and "paperless" (data digitization) work. In August 2008, Nikon Tsubasa Inc. opened a workshop within the Sagami-hara Plant of Nikon Corporation where its employees inspect finished glass products.

Nikon Corporation, Nikon Tsubasa Inc., and Group companies in Japan have obtained government approval to calculate the statutory employment rate for the disabled as a group, and have already achieved the statutory figure.

Employment Rates of People with Disabilities



* The employment rates are based on the annual report on the employment of people with disabilities, which is published on June 1 every year.

Reemployment system for retirees

Main achievements for the year ended March 31, 2010

Reemployment rate for retirees reached 69%
Held the Life Plan Seminar eight times, participated in by 54 couples

Major targets for the year ending March 31, 2011

Consolidate reemployment patterns
Review when to decide on reemployment

Nikon Corporation introduced the Active Senior Employee System, under which employees who meet certain conditions are provided with an opportunity to continue to work for the company even after they reach the retirement age of 60. In the year ended March 31, 2010, about 70% of retirees were reemployed and are actively working for the Nikon Group. All employees who will retire from the company in a particular year are also provided with opportunities to attend a Life Plan Seminar, which helps them prepare for retirement. In the year ended March 31, 2010, we held this seminar eight times, participated in by 54 couples, including employees and their spouses.

Safety and Health of Employees

Main achievements for the year ended March 31, 2010

Provided risk assessment training (to 88 employees) as part of training for frontline managers
Provided education for the health and safety staff of Group companies in Japan (17 employees)
Held training for managers and gave new employees an opportunity to experience counseling
Checked for mental stress in regular health checkups and gave follow-up
Performed physical checkups for overworked employees
Enhanced the check system to ensure that employees assigned overseas had regular health checkups, and took follow-up measures

Major targets for the year ending March 31, 2011

Educate the health and safety staff of Group companies in Japan and give them more support
Proactively promote mental healthcare
Enhance the check system to ensure that employees assigned overseas have regular health checkups

Health & safety

In addition to having a statutory safety and health committee, Nikon Corporation has its special Safety and Health Committee, which investigates and deliberates on matters related to the company's safety and health policies and on the basic measures taken to maintain and promote employees' health. This committee is composed of representatives of both labor and management to ensure that the opinions of employees are actively incorporated into the measures implemented by the company. At all its workplaces, a set of health and safety targets have been formulated based on the workplace goals and policies, and relevant activities are conducted with the

participation of all members. Moreover, all workplaces are reducing their risk factors through risk assessments. Nikon Corporation makes every effort to fulfill its safety obligation as a business entity based on its Safety and Health Management Rules specifying the responsibilities of local managers. Also, in order to improve health and safety management levels across the entire Nikon Group, employees in charge of health and safety at Group companies are provided with practical training, and a network of these employees has been established.

With regard to labor accidents, the Nikon Group had four lost time accidents (lost work days: 54) and zero cases of death in the year ended March 31, 2010.

It merits noting that in October 2009, Keiichi Maeda, an employee of Nikon Corporation, was granted the Green Cross award by the Japan Industrial Safety & Health Association in recognition of his lasting contribution to promoting health and safety.

Policies on Safety and Health for the Year Ended March 31, 2010

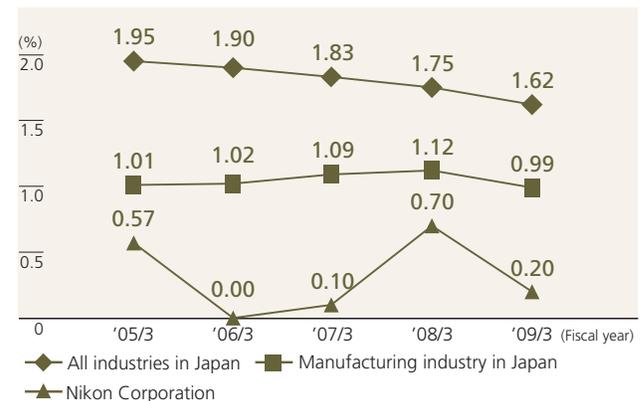
Goal : A safe, healthy, vibrant corporation through deeper communication

Policy 1: Giving consideration to safety—Do not tolerate unsafe behavior.

Policy 2: Conducting more activities to promote health

Policy 3: Promoting comfortable workplaces

Nikon Corporation's Frequency Rates of Lost Time Accidents



Preventing damage to health from overwork and promoting mental health

Nikon Corporation is implementing intensive measures to prevent employees from suffering damage to their health or having mental problems due to overwork. Specifically, we have gone beyond what is legally required by establishing physical checkups for overworked employees, educating new managers and mid-level employees on mental health, and introducing a rehabilitation support system for employees on sick leave.

Expanding Social Contribution Activities Worldwide

The Nikon Group conducts its business in a range of countries and regions in the world, where we are contributing to society through our social contribution activities and promoting communication with local communities.

Conserving the Global Environment

Cosponsoring the International Children's Painting Competition on the Environment

Nikon Corporation cosponsors the International Children's Painting Competition on the Environment jointly with the UN Environment Programme (UNEP), the Foundation for Global Peace and Environment, and Bayer AG to increase the environmental awareness of children across the world.

There were about 2.4 million entries for the competition held on the theme "Climate Change: Our Challenge" in the year ended March 31, 2010, and the award ceremony was conducted at the International Children and Youth Conference held in Daejeon, South Korea in August 2009. The prize winners' works were also displayed at the venue of the UN Climate Change Conference 2009 (COP 15) held in Copenhagen in December as messages from our children. The next theme for the competition is "Biodiversity  — connecting with nature."



Children at the award ceremony holding T-shirts on which their paintings were printed

Supporting the AKAYA Project

Nikon Corporation has been supporting the AKAYA Project since 2005 by providing survey and recording equipment and materials to the Nature Conservation Society of Japan (NACS-J). This project is the first biodiversity conservation project to be implemented through cooperation between the government, local residents, and a nature conservation organization in Japan. In the year ended March 31, 2010, we planned and created an environmental booklet named "AKAYA Note," which details the biodiversity of the AKAYA Forest, and distributed copies for use in the classrooms of local elementary schools and private schools in the Kanto region. Through this project, we will continue to communicate the importance of biodiversity conservation to as many children as possible in 2010.



Local elementary school pupils on a hike in the AKAYA Forest (in Minakami Town, Gunma Prefecture) to learn about the environment using AKAYA Note

Education

Nikon scholarship programs in Thailand

Nikon Corporation has the following two scholarship programs in Thailand: the Nikon Shanti Scholarship, which is designed to support students attending junior and senior high school and university, and the Nikon Chualongkorn Scholarship to help Thai students study at graduate school in Japan. In the year ended March 31, 2010, 150 junior and senior high school students, 23 university students, and three studying in Japan, who were all receiving support under the scholarship programs, were invited to Nikon (Thailand) Co., Ltd., a manufacturing base of Nikon Corporation in Ayutthaya, Thailand, to have corporate experience.



Scholarship award ceremony held in Bangkok (© Masao Seto)

Welfare

Starting a social contribution program in the cafeteria

We began participating in the TABLE FOR TWO initiative, a voluntary social contribution activity conducted by employees at the Ohi Plant of Nikon Corporation in February 2010. TABLE FOR TWO is an organization that aims to address hunger in developing countries and unhealthy dietary habits in developed countries, thereby mitigating the food gap between countries and helping people lead healthier lives. Specifically, when an employee buys a healthy meal containing balanced nutrients in the cafeteria, 20 yen from the price will be donated to the organization and used to cover the cost of one school meal for a child in Africa.

We will expand this activity to the entire Nikon Group in 2010, providing employees with a good opportunity to reflect on their own health and the world's starving.



Photo provided by TABLE FOR TWO

Art and Culture

Nikon Salon photo galleries

Nikon Corporation opened a photo gallery named “Nikon Salon” in Ginza in 1968 to display outstanding photographic works by both amateurs and professionals, regardless of the camera used, in a wide range of fields. Since then, we have long contributed to the popularization and advancement of photographic culture through the Nikon Salon. At present, we have Nikon Salon galleries in Ginza, Shinjuku, and Osaka. In the year ended March 31, 2010, we held a total of 181 photo exhibitions (125 by individuals and 56 by groups). From among all the works exhibited in the galleries during each year, we select artists with excellent work for the Ina Nobuo Award, the Miki Jun Award, and the Miki Jun Inspiration Awards, thereby supporting the development of photography.



Nikon Salon gallery in Ginza

Contribution to Local Communities

Nikon Field Photographer Program

The Nikon Group implemented the Nikon Field Photographer Program again in 2009. Through this program, we provide families with a chance to enjoy sports through photography. During the year, we ran this program at a total of 29 games held by the Asian Football Confederation (AFC) in Asian countries, including 2010 FIFA World Cup Asian qualifiers. We decided to run it also at events other than football games sponsored by us and actually ran it at the SAMURAI JAPAN U-26 vs. All Japan University Team baseball game held in commemoration of the 60th anniversary of the Central and Pacific Leagues. We will continue to run this program, which gives participants the opportunity to photograph players close-up with digital SLR cameras before the games, in 2010 too.



Program running at the AFC Champions League 2009 (Nagoya Grampus vs. Al Ittihad of Saudi Arabia)

Activities of Nikon Group companies in Japan

Nikon Group companies in Japan are fostering communication with local residents by participating in local events and similar activities.

Kurobane Nikon in Tochigi Prefecture sponsors a photo competition held during the Kurobane hydrangea festival and presents Nikon products to the prize winners of the competition. Employees make donations to the victims of large disasters, and donations were made to the Japan Committee for UNICEF for the victims of the large earthquake in Haiti and others.

Sendai Nikon accepts visits by local junior high schools to provide them with opportunities to learn through actual work experience. The company is also engaged in a range of local contribution activities. For example, many employees participate in local cleanup activities, not only around the premises, but also alongside the route from the nearest station to the company.

Employees of TNI Industry Nagai Factory clean up the sidewalks around the factory for the local cherry blossom festival. The factory also lets local people use its parking space free of charge on holidays. The Tadami Factory of the company supports a photo competition held during the local snow festival every winter, and also conducts cleanup activities, not only around the premises, but also along local rivers.

In this way, the Nikon Group conducts localized activities across the country.

Activities of Group companies outside Japan

Nikon Precision Inc. and Nikon Research Corporation of America, both located in the United States, are supporting volunteer activities conducted by employees, including a “food drive,” in which employees bring surplus food from their home to the company and donate it, and a “toy drive” conducted to provide deprived children with toys. Employees also donated to the American Heart Association and participated in Heart Walk, a charity walk held by the association. The companies also supported employees in collecting money to donate to the victims of the typhoon in the Philippines in 2009 and of the earthquake that struck Haiti in 2010.



Heart Walk—a charity walk

Expanding CSR-oriented Procurement

The Nikon Group is committed to conducting sound business activities in cooperation with its business partners, and promoting CSR-oriented procurement and green procurement with its procurement partners.

Main achievements for the year ended March 31, 2010

Held e-learning sessions for the procurement staff of Group companies in Japan (attendance rate: 91%)
 Held a briefing for Group companies in Thailand
 Sent guidelines to overseas procurement partners prior to briefings
 Conducted a questionnaire survey of 30 overseas procurement partners and fed back the results

Major targets for the year ending March 31, 2011

Interview procurement partners in Japan and examine and implement necessary measures
 Hold a briefing for Group manufacturing companies in Asia
 Hold a briefing for procurement partners of overseas Group companies
 Expand the target of EMS audits to include overseas Group companies and improve the proficiency of auditors

Basic Policies on Procurement

The Nikon Group procures materials from suppliers in a sincere and fair manner based on the Nikon Basic Procurement Policy. We have also formulated the Nikon Procurement Partners' CSR Guidelines to foster CSR-oriented procurement across the entire supply chain .

We are promoting green procurement to purchase environmentally friendly parts and materials based on both the Nikon Basic Procurement Policy and the Nikon Basic Green Procurement Policy.

► Nikon Basic Procurement Policy:

<http://www.nikon.com/about/info/procurement/policy.htm>

► Nikon Procurement Partners' CSR Guidelines:

<http://www.nikon.com/about/info/procurement/csr.htm>

► Nikon Basic Green Procurement Policy:

http://www.nikon.com/about/info/procurement/pdf/g-procurement_e.pdf

Promoting CSR-oriented Procurement

Expanding CSR-oriented procurement in Japan

By September 2009, the in-house CSR Procurement Conference held a total of five educational seminars for members of the conference representing the procurement departments of Nikon Group companies in Japan. In October 2009, members of the conference began educating their procurement staff, and measures to be taken were determined based on the analysis results of the questionnaire surveys targeting procurement partners in Japan up to the end of March 2009. In the year ending March 31, 2011, we will take more specific measures to expand CSR-oriented procurement.

Expanding CSR-oriented procurement outside Japan

In the year ended March 31, 2010, we intended to hold briefings for procurement partners of Group companies outside Japan; however, we prioritized the identification of the status of overseas procurement partners of Group companies in Japan. We showed our procurement policies to 30 overseas procurement partners of Group companies in Japan and sent questionnaires to these companies (response rate: 90%). The survey revealed no particular problems, but we will study the specific responses of each company.

In the year ending March 31, 2011, we will build a foundation for our CSR-oriented procurement activities outside Japan by providing education for Group companies outside Japan. We will also hold briefings and conduct surveys targeting procurement partners of the Group companies.

Fostering Green Procurement

In the year ended March 31, 2009, the Nikon Group reviewed the details of surveys and audits to be performed on the establishment and operation of its procurement partners' environmental management systems (including both systems to manage environmental protection systems and those to manage the use of chemical substances in products). Following the review, in the year ended March 31, 2010, we conducted a survey of our procurement partners in Japan (response rate: 73%) and among them audited 17 companies based on the survey results and trading records. Based on the survey and audit results, we then support those procurement partners whom we think need to make improvements.

We also carried out similar audits and educational seminars targeting Nikon Group companies in order to improve our internal management system.

In the year ending March 31, 2011, we will strengthen our system to manage the use of chemical substances in products across the supply chain. We will also expand the target of our surveys and audits on environmental management systems to include our procurement partners both in and outside Japan. We also plan to improve the proficiency of our internal auditors.

External and Internal Evaluation

Awards Won in the Year Ended March 31, 2010

- September 2009 : Nikon CSR  REPORT 2008 recognized as Notable COP by the UN Global Compact  Office
- October 2009 : Ranked in the fifth place in the Nippon Foundation's selection of 100 admirable CSR-oriented Japanese companies
- February 2010 : Received the highest evaluation in a CSR survey on digital cameras conducted by consumer organizations in Europe
* The survey was conducted with the participation of 10 organizations from 10 countries belonging to the International Consumer Research & Testing Ltd.
- February 2010 : The institutional investors who were signatories to the UN Principles for Responsible Investment (PRI)  praised Nikon Corporation as one of the leaders that are producing high-quality sustainability reports deemed useful for investors.

SRI Listings (as of March 31, 2010)

Nikon is included in the FTSE4Good  Japan Index in recognition of its commitment to CSR.



Communication through the CSR Report

We received comments on our previous CSR report from a total of 4,772 employees of Nikon Group companies in Japan (including directors and dispatched workers). Opinions were shared among the departments and referred to in creating this

report. In the future, we need to ask a wider range of stakeholders other than employees to give us their opinions on our CSR report. We will continue with effective CSR activities and create CSR reports that have high transparency.

Opinions from employees

About the format

The main font size used was too small to read comfortably. The report had too many pages.

About the content

The environmental performance data tables were difficult to understand. Some explanation might be useful. Some unfamiliar abbreviations and foreign words made the report difficult to read, which could be improved by giving some explanation of them.

How about giving a bit more detail on the businesses of the Nikon Group?

I would like to see more specific examples of initiatives in the report.

It was helpful to be made aware of the Nikon Group's activities across a wide range of fields.

As an employee of Nikon Corporation, I feel that it is important for me to foster these activities.

I can understand the views of employees whose comments appeared in the Voice column.

Improvements made to the 2010 report

About the format

The font size was increased and the number of pages was reduced. We also published a digest version.

About the content

We created a glossary for the report and added a section on our business activities and CSR as the second feature article.

Previous report sections in which readers were particularly interested (top three)

- Feature Article—Becoming a Truly Outstanding Company through a Global Warming Prevention Project
- Product-related Activities
- Nikon's CSR Activities

Sections which readers felt difficult to read (top three)

- Developments & Advancements in Nikon's CSR Activities
- Relationship with Customers
- 2008 Highlights

Third-party Comments

I was pleased to see that this report is an honest statement of the situation, just like the previous ones. Nikon Corporation is making steady progress by designing and implementing a detailed dialogue while sharing its understanding with and increasing the involvement of its stakeholders. The company identifies what needs to be improved by conducting an awareness survey of its employees. It encourages them to discuss the problems the survey identifies in their workplaces and monitors how their opinions and actions have changed in the next survey. This successful process could be adopted by other companies.

After reading this report, I can see that Nikon Corporation is holding dialogues with other companies in the Nikon Group and its overseas bases to make progress. It is four years since I first gave an opinion on the Nikon CSR report, and my trust in the company has been increasing because it responded appropriately to my input. For example, the company implemented specific measures on biodiversity in response to the comment I made on its last CSR report, and I can see that the company is using CSR as a means to communicate with society by seeking more opinions on the important issues, while reporting on current internal discussions, to give society more confidence.

I am especially pleased to see that the company has set numerical targets for their schemes to support female employees and have formulated specific measures to that end. I expect the company to make good use of the diversity in its range of employees because it respects that diversity.

In the following, I will list four improvements that could be made to the report. First, the report needs to clearly show specific results as well as future measures and actions on issues such as modal shift and CSR-oriented procurement, in addition to introducing the overall systems and plans to deal with those issues.

Second, priority issues for the world and society must be

addressed in the report in an easy-to-understand but stimulating manner. With regard to global warming, one of the most important themes in our age, the report introduces some of the measures taken by Nikon Corporation, but it also needs to show a company-wide recognition of the present situation, analyze the factors that are causing it, and clearly state how the company intends to deal with it.

Third, I want the next report to show the general direction in which the company is moving. It seems that the company has achieved a reduction in its environmental impact within Japan, greatly helped by a decrease in the production volume, but what will happen when the economy recovers? What policies will the company follow in continuing to expand its business overseas? I would like to know what forward-looking measures Nikon Corporation has for the future.

With regard to the medium- to long-term targets for preventing global warming, it is too risky for the company to wait for the Japanese government to announce national targets before it fixes its own targets. Regardless of the government's decision, global warming definitely needs solving and I hope that the company will set its own targets without being influenced by political trends.

Fourth and last, some improvement could be made to the company's relationships with its stakeholders. I want the company to use the experience it has gained in building good relations with its own employees to form better relations with its suppliers, local residents, NGOs, and other stakeholders.

I believe that Nikon Corporation will make further progress as it deepens and expands its dialogue with its stakeholders.



Junko Edahiro

Founder and President, e's Inc.
Co-Founder and Co-Chief Executive,
Japan for Sustainability (JFS)

Nikon Corporation's response to comments made by Ms. Edahiro in its last CSR report

	Comment made by Ms. Edahiro	Nikon Corporation's response
Support for female employees	"I hope that the company will press forward with these measures, formulating their future vision and setting a numerical target, if possible."	We set the following numerical targets: <ul style="list-style-type: none"> Percentage of female employees: Increase it to 10% of the total by the end of March 2013 (8.8% as of March 31, 2010). Percentage of female managers: Double it by the end of March 2015 (22 as of March 31, 2010). At Nikon Corporation, the aspirations for female employees were articulated through a project conducted by employees in the year ended March 31, 2008, and those aspirations were communicated to management, but no numerical targets were set. We will share those aspirations within the company and move ahead with achieving numerical targets as suggested above.
Global warming	"I very much hope that the company will set targets and visions for preventing global warming on a long-term basis."	We have had repeated discussions on long-term numerical targets but have not yet made a decision because there are still many points to be clarified in meeting such targets in a responsible manner. However, we have confirmed through these discussions that the Nikon Group will proceed with environmental management on a medium- to long-term basis in line with international trends and Japan's medium- to long-term targets, and have reconfirmed the importance of implementing anti-global warming measures for our products throughout their lifecycles. We will continue examining our long-term numerical targets as we implement these measures.
	"It is also necessary for the company to take on the challenge of building a system to encourage employees to actually take action in preventing global warming."	In the year ended March 31, 2010, we established a program to commend employees who made contributions to preserving the environment. Also, in our activities to promote awareness of CSR targeting employees of all Group companies in Japan, we have made it obligatory that they should discuss in the workplace the kinds of activities to reduce CO ₂ emissions that they can start immediately.

This report successfully communicates the Nikon Group's priority issues in a comprehensive manner and clearly describes its achievements in terms of environmental protection, legal compliance and social contribution. It is highly commendable that the report makes clear the Nikon Group's consistent commitment to CSR in spite of the rapidly changing business environment. The Nikon Group also enjoys a high external reputation, as demonstrated by the fact that Nikon was ranked top in a CSR survey of digital camera manufacturers conducted by a consumer organization in Europe. The current situation provides the Group with a good opportunity to further strengthen its CSR endeavors. In the following, I would like to point out some issues that the Group needs to tackle to make further progress with CSR that I have identified by reading through this report.

First, the Group needs to further advance its socially responsible human resource-related policy. The targets set for many of its diversity, human rights and labor environment issues are generally vague and thus are difficult to evaluate. In addition, the fact that disclosed information is confined to that of regular employees shows there is room for improvement. The Group should make public information relating to non-regular employees such as dispatched workers, who are important stakeholders supporting the company. In terms of the global aspect of human resource issues, the importance of which is expected to increase, the scope of the Group's activity should be widened and transparency should be enhanced. For example, diversity enhancement activity basically encompasses only regular employees in Japan. The reported ratio of female managers also relates to the Group's Japan operation only. As regards socially responsible procurement, while the environmental aspects are well taken into account, progress on the social front seems rather slow. For example, whereas the number of companies audited for green procurement is clearly stated and specific details are provided, no compatible data is provided about social issues. Regarding specific activity, the awareness raising effort among suppliers undertaken by the Group, is certainly an important step forward, but it is also crucial to know the current situations of suppliers and urge them to make improvements where necessary. The core of CSR for a company is to

ensure that all its employees across the world and the people working in its supply chain are treated fairly and can work with hope. To this end, the Nikon Group needs to establish common personnel policies across the globe and actually implement them.

Regarding environmental measures, a future task for the Nikon Group is to clearly separate its efforts to ensure legal compliance from its voluntary environmental measures in the CSR report. Some of the lead-free measures introduced in the report seem to have been taken to comply with the law, which requires all companies to take similar measures. In that regard, the report must provide more accurate information. The problem of the information disclosure scope being limited to Japan, which was observed in the social issues section, is also seen in the environment part although to a lesser degree. Some data concerns only operations in Japan, this should be improved.

In terms of overall direction of the report, I would like to make two points. One is that although the feature articles on "the Group's business activities and CSR" are truly interesting, if business frontline efforts on specific CSR issues such as the labor environment had been introduced as well, readers of the report would be able to get a clearer picture of the Nikon Group's CSR activity. I also hope that the next report will include descriptions of issues on which the Group's efforts were not necessarily sufficient in addition to listing the achievements of the Group. It is impossible for any company to fulfill its CSR responsibilities completely. Society's expectations continue to rise and companies are trying to meet the expectations by trial and error. Sharing its problems with stakeholders would enable the Nikon Group to discover new solutions and increase the credibility of the report. In addition to the points I have raised above, it is important for any company to understand the current values of the society in which it functions and incorporate them into the global management of its business. I expect that meeting its CSR targets will essentially help the Nikon Group achieve further growth on a global scale.

Toshihiko Fujii

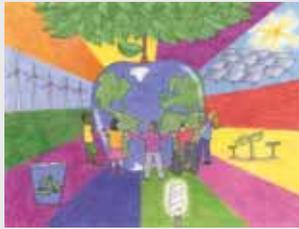
Consulting Fellow
Research Institute of Economy, Trade & Industry, IAA



	Comment made by Ms. Edahiro	Nikon Corporation's response
Biodiversity	"I hope that the company will introduce more specific ideas about biodiversity in its future CSR reports, including a report on how it is dealing with biodiversity in its business operations."	We revised the Nikon Basic Environmental Management Policy to clarify our ideas about biodiversity. In addition, we added an action plan on biodiversity to our three-year environmental action plan that starts in 2010. We will implement measures for biodiversity based on that action plan.
Economic aspect	"As for external relations, I want the company to seek more interactive communication with local communities in addition to fostering its philanthropic and volunteer activities."	In order to implement more measures to fulfill CSR through business, we appointed staff in charge of CSR in our in-house companies too. As last year, we focused on China and provided the CSR staff of our Group companies in that country with the necessary training to help them with their CSR activities. We are implementing localized CSR activities across the world, but we need to make communication more interactive in the future.
Communication	"The company needs to communicate in which direction it is moving, instead of using rhetorical expressions that sound like advertising slogans, and I hope that the company will resolutely implement the PDCA cycle for environmental management using the CSR report as a communication medium."	In the year ended March 31, 2010, we distributed a questionnaire on the opinions of employees of Group companies in Japan on the Nikon CSR REPORT 2009, and received responses from about 4,800 employees. We used the comments made by Ms. Edahiro and the respondents as a basis for improving the CSR report and the related website. As a result, our report was very well evaluated by external organizations such as the UN Global Compact Office. We have been and will continue to use the CSR report as one of the tools in our PDCA cycle.



■ Pictures on the front cover
Painted by Nastya Babenko
(11 years old, Ukraine)



Painted by Renzo Marsino
(13 years old, the Republic of Chile)



Painted by: Yeo Yeo Chiew
(Eight years old, Brunei Darussalam)

These are pictures that won prizes at the International Children's Painting Competition on the Environment.
For details, please visit the following website:

<http://www.nikon.com/about/csr/society/earth/icpc/>



NIKON CORPORATION

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www.nikon.com/

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**Nikon Corporation
participates in the
Challenge 25 Campaign**

Nikon Corporation
participates in the Challenge
25 Campaign which is a
national campaign to
prevent global warming.



Kurumin:
We have obtained the Next-Generation
Certification Mark (informally called
"Kurumin"), which is given to companies
that introduce measures based on the Act
on Advancement of Measures to Support
Raising Next-Generation Children.



Nikon CSR REPORT **2010**

Data Collection

- Environmental Data P1
- Glossary of Terms P9



Acquisition of ISO 14001 certification [Nikon Corporation]

	Company-wide certification	Independent certification	Location
Company-wide certification	Oct. 2004	—	Tokyo
Ohi Plant	(Oct. 2004)	Jul. 1998	Tokyo
Yokohama Plant	(Oct. 2004)	Oct. 1998	Kanagawa
Mito Plant	(Jun. 2005)	Apr. 1999	Ibaraki
Head Office	(Sept. 2005)	—	Tokyo
Sagamihara Plant	(Sept. 2005)	Aug. 1998	Kanagawa
Kumagaya Plant	(Sept. 2005)	Aug. 1998	Saitama

Acquisition of ISO 14001 certification [Group companies]

	Company-wide certification	Independent certification	Location
Sendai Nikon*1	(Apr. 2006)	Mar. 1997	Miyagi
Miyagi Nikon Precision (former Zao Nikon)	(Apr. 2006)	Mar. 1999	Miyagi
Tochigi Nikon*2	(Sept. 2006)	Sept. 1999	Tochigi
Kurobane Nikon	(Sept. 2006)	Dec. 1999	Tochigi
Nasu Nikon	—	Dec. 1999	Tochigi
Aichi Nikon	—	Dec. 1999	Aichi
Hikari Glass	(Nov. 2007)	Mar. 2004 (Akita Plant)	Chiba
Nikon Instech	(Nov. 2007)	Mar. 2004	Tokyo
Nikon TEC	(Feb. 2009)	—	Tokyo
TNI Industry Nagai Factory (former Setagaya Industry)	(Nov. 2007)	Nov. 2004	Yamagata
Nikon Vision	(Nov. 2007)	—	Tokyo
Nikon Imaging (China) Co., Ltd.	(Nov. 2007)	Jun. 2005	China
Nikon (Thailand) Co., Ltd.	(Nov. 2007)	Nov. 2006	Thailand
Hikari Glass (Changzhou) Optics Co., Ltd.	(Feb. 2009)	—	China

*1 Including former Sendai Nikon Precision

*2 Including Tochigi Nikon Precision

Environmental Accounting

Cost of environmental protection

Unit: millions of yen

	Category	Main activities	Investment	Expenses	Total
Product environment	Product development, energy efficiency, and reduction in use of hazardous chemical substances	Energy-saving design, compliance with REACH regulations, etc.	—	147	147
	Green procurement	Nikon Green Procurement Standards, etc.	—	11	11
	Packaging & distribution	Eco-friendly driving lessons, use of digital tachometer, etc.	—	1	1
	Product environment subtotal		—	159	159
Workplace environment	Energy saving	Upgrading air-conditioning systems, installation of inverter-equipped systems, etc.	694	409	1,102
	Waste reduction	Maintaining zero emissions systems, waste reduction, etc.	—	59	59
	Reduction in use of hazardous chemical substances	Disposal and management of unnecessary chemical substances, etc.	—	4	4
	Green purchasing	Promoting purchase of eco-friendly materials, etc.	—	0	0
	Improvements to workplace	Improvement in workplace environmental performance, etc.	—	32	32
	Workplace environment subtotal		694	504	1,198
Legal compliance	Management of equipment for processing gaseous emissions and effluents, maintenance of noise/vibration-emitting facilities, waste management, recycling fee management, control of dangerous substances, etc.		290	865	1,154
Administration	ISO 14001 (administering Environmental Management System (EMS), workplace education), social contribution activities, planting trees, etc.		—	681	681
Grand total			983	2,209	3,193

Cost of environmental protection classified according to guidelines of the Japanese Ministry of the Environment

Unit: millions of yen

	Category	Main activities	Investment	Expenses	Total	Economic effect
Costs within business establishment area			983	1,337	2,320	153
	Pollution prevention costs	Management of equipment for processing gaseous emissions and effluents, maintenance of noise/vibration-emitting facilities, etc.	283	425	708	—
	Global environment protection costs	Energy conservation, reduction in use of hazardous chemical substances, control of dangerous substances, etc.	700	487	1,187	91
	Resource recycling costs	Waste reduction, waste management, recycling fee management, maintenance of zero emissions systems, etc.	—	425	425	62
Upstream/downstream costs			—	12	12	—
Administration costs			—	470	470	—
R&D costs			—	147	147	—
Social activity costs			—	37	37	—
Environmental damage costs			—	206	206	—
Grand total			983	2,209	3,193	153

Scope of Data: Nikon Corporation, Tochigi Nikon, Tochigi Nikon Precision, Sendai Nikon, former Sendai Nikon Precision, Miyagi Nikon Precision, Kurobane Nikon, Hikari Glass, TNI Industry Nagai Factory, etc.

Applicable Period: April 1, 2009 to March 31, 2010

* Costs which could not be clarified are in principle not included in these accounts.

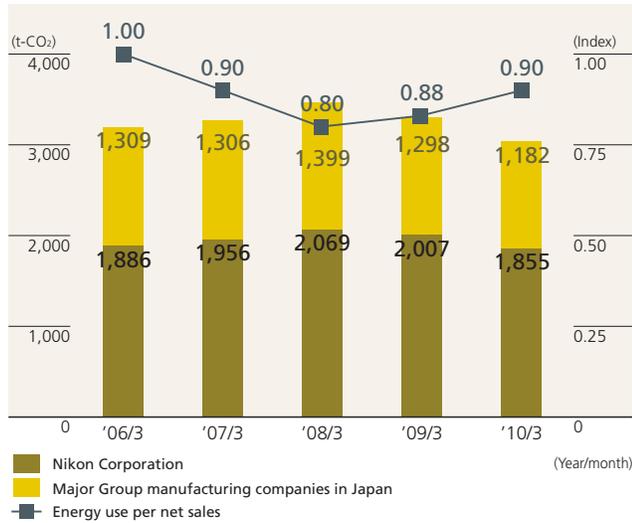
* Depreciation and amortization have not been factored into these accounts.

* Where a facility has been utilized for several purposes and breakdown is considered complex, the entire cost has been included in the investment cost.

* All costs have been rounded up or down to the nearest whole number, so it is possible that totals are not identical to the sum of the constituents as listed.

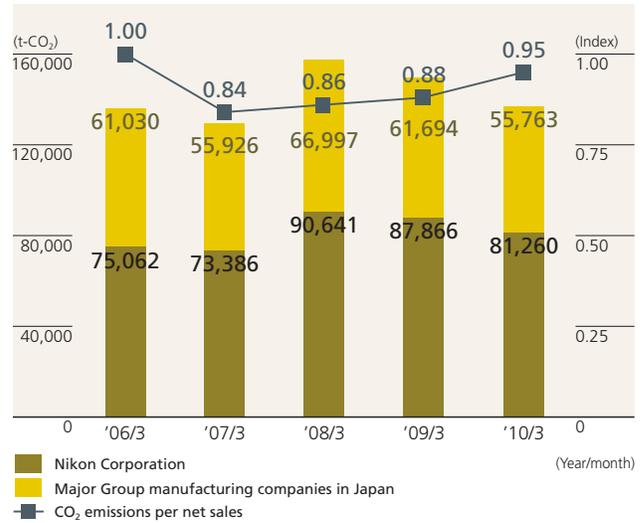
* Only substantial effects deductible based on sound reasons are included as economic effects of environmental conservation measures.

2006–2010 Energy use [Nikon Group Companies in Japan]



* The baseline year for calculating the energy use index per net sales is set as the year ended March 2006. (Year ended March 31, 2006 = 1)

2006–2010 CO₂ emissions [Nikon Group Companies in Japan]



* CO₂ emissions indexes for the years ended March 2009 and March 2010 were calculated using the emission factor for the year ended March 2009.
 * The baseline year for calculating the CO₂ emissions index per net sales is set as the year ended March 2006. (Year ended March 31, 2006 = 1)

PRTR survey results (year ended March 31, 2010)

Unit: kg

Facility	Substance no.	Substance name	Volume handled	Amount released			Amount transferred		Amount in on-site landfill	Amount removed for processing	Amount shipped in product	
				Air	Public water	Soil	Sewage	Waste				
Major Group manufacturing companies in Japan	Sendai Nikon*1	69	Hexavalent-chromium compounds	2,659	0	0	0	0	143	0	0	2,516
		227	Toluene	2,573	2,000	0	0	0	574	0	0	0
	Hikari Glass Akita Plant	243	Barium and its water-soluble compounds	3,942	3	0	0	0	1,545	0	0	2,394
		304	Boron and its compounds	30,968	43	2	0	0	12,160	0	0	18,763
TNI Industry Ohtawara Factory	144	Dichloropentafluoropropane	1,233	826	0	0	0	0	0	0	407	
Total			41,375	2,872	2	0	0	14,422	0	0	24,080	

*1 Including former Sendai Nikon Precision

* Nikon Corporation: No PRTR substances at Ohi, Yokohama, Sagami, Kumagaya and Mito Plants.

* Major Group manufacturing companies in Japan: No PRTR substances at Tochigi Nikon, Tochigi Nikon Precision, former Mito Nikon Precision, Miyagi Nikon Precision, and Kurobane Nikon.

* The above table includes data only for hazardous chemical substances of which one ton or more (0.5 tons or more for Class 1 designated chemical substances) is handled at the facility in a given year.

* The volumes handled are not always identical to the sum of the constituents because of rounding.

Achievement of Zero Emissions Level 1 of Nikon Group

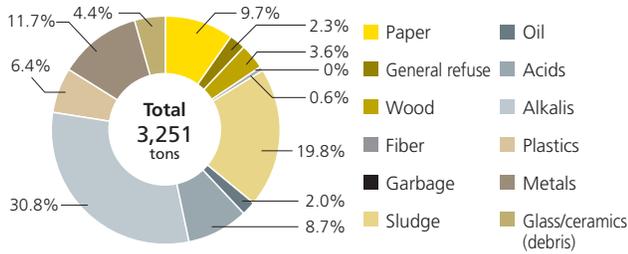
Company	System complete (year-end)
Nikon Corporation	All plants March 31, 2003 (completed)
Group manufacturing companies in Japan	Sendai Nikon*1 March 31, 2002 (completed)
	Tochigi Nikon*2 March 31, 2004 (completed)
	Kurobane Nikon March 31, 2004 (completed)
	Former Mito Nikon Precision March 31, 2005 (completed)
	Miyagi Nikon Precision (former Zao Nikon) March 31, 2005 (completed)
	TNI Industry Nagai Factory March 31, 2010 (completed)
Group manufacturing companies in Japan	Nasu Nikon March 31, 2006 (completed)
	Aichi Nikon March 31, 2007 (completed)

*1 Including former Sendai Nikon Precision

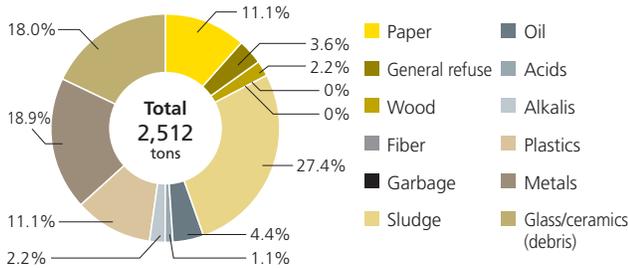
*2 Including Tochigi Nikon Precision

Environmental Data

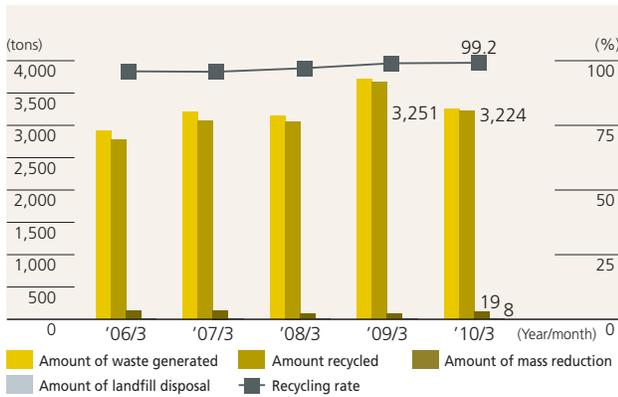
Waste by category (in the year ended March 31, 2010) [Nikon's Plants]



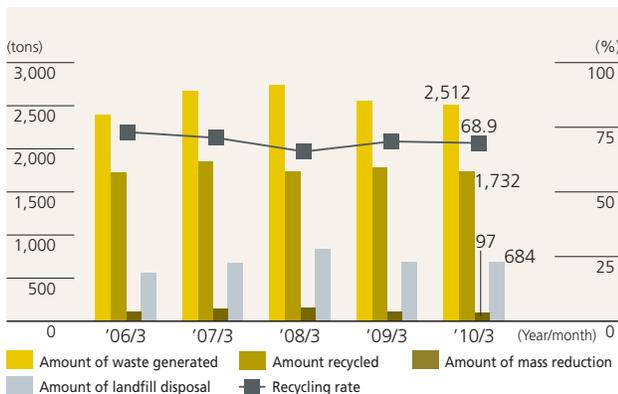
Waste by category (in the year ended March 31, 2010) [Group manufacturing companies in Japan]



Discharge, disposal, and recycling of waste [Nikon's Plants]



Discharge, disposal, and recycling of waste [Group manufacturing companies in Japan]



Air & Water Quality Environmental Data for Each Plant (Year ended March 31, 2010)

* Where there is more than one figure indicated per item in the tables below, the plant has more than one facility.

Nikon Corporation Ohi Plant

Address: 6-3, Nishi-Ohi 1-chome,
Shinagawa-ku, Tokyo
140-8601, Japan
Phone: +81-3-3773-1307



Air (Air Pollution Control Law, Metropolitan regulations)

Units: Dust: g/Nm³; NOx: ppm

Item	Regulatory standard	Plant standard	Actual (max.)	
Cooling & heating equipment	Dust	0.05	0.05	<0.001
		0.05	0.05	<0.001
		0.05	0.05	<0.001
Cooling & heating equipment	NOx	45	45	27
		45	45	28
		45	45	25

Water quality (Sewerage Law, Metropolitan regulations)

Unit: mg/liter, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)	
Living environment	pH	5.8-8.6	5.9-8.5	6.5-7.3
	BOD	300	240	66.1
	SS	300	240	76
	n-Hexane (animal & vegetable)	30	24	10
	Iodine consumption	220	176	1
	Copper	3	2.4	<0.01
	Zinc	2	1.6	0.08
	Soluble iron	10	8	0.17
	Total chromium	2	1.6	0.03
	Fluorine	15	12	1.66
	Boron	230	184	0.1
	Nitrogen	120	96	14
	Phosphorus	16	12.8	3.2
Health	Lead	0.1	0.08	0.01
	Trichloroethylene*	0.3	0.24	<0.001
	Tetrachloroethylene*	0.1	0.08	<0.002
	1,1-Dichloroethylene*	0.2	0.16	<0.002
	cis-1,2-Dichloroethylene*	0.4	0.32	<0.004

* From October 7, 2009, some wastewater monitoring items relating to the water quality of effluent were added to ensure ground water is of sufficient quality after the treatment of contaminated soil.

Yokohama Plant

Address: 471 Nagaodai-cho,
Sakae-ku, Yokohama,
Kanagawa 244-8533,
Japan
Phone: +81-45-852-2111



Sagamihara Plant

Address: 10-1, Asamizodai
1-chome, Minami-ku,
Sagamihara, Kanagawa
252-0328, Japan
Phone: +81-42-740-6300



Air (Air Pollution Control Law, Prefectural regulations)

Unit: NOx: ppm

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler	NOx	65	60	21
		65	60	23
		65	60	48
		46	42	30
		46	42	32
		46	42	29
		46	42	37
		46	42	22
		46	42	29

Air (Air Pollution Control Law, Prefectural regulations)

Units: Dust: g/Nm³; NOx: ppm; fluorine and lead: mg/Nm³; hydrogen chloride: ppm

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler	Dust	0.1	0.05	0.0037
		0.1	0.05	0.0039
		0.1	0.05	0.0044
		0.1	0.05	0.0042
		0.1	0.05	0.0039
		0.1	0.05	0.0060
	NOx	60	57	53
		60	57	56
		60	57	54
		105	100	11
		105	100	7
		60	57	29
Absorption chiller	Dust	0.1	0.05	<0.001
		0.1	0.05	<0.001
	NOx	60	57	32
60		57	32	
Fusion furnace*1	Dust	0.15	0.1	*2
	NOx	800	20	
	Boron	2.5	2	
	Lead	10	5	
Scrubber	Hydrogen chloride	5	4	1.8
		5	4	1.4

Water quality (Sewerage Law, City regulations)

Unit: mg/liter, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)	
Living environment	pH	5.0-9.0	5.5-8.5	6.0-7.6
	BOD	600	540	3.6
	SS	600	540	24
	n-Hexane (mineral)	5	4.5	3
	Iodine consumption	220	200	0
	Total chromium	2	1	0.2
	Copper	1	0.9	0.2
	Zinc	1	0.9	0.2
	Soluble iron	3	2.7	0.2
	Soluble manganese	1	0.9	0.2
	Fluorine	8	7	3
	Boron	10	8	3
	Nitrogen	240	135	25.6
	Phosphorus	32	18	0.1
	Nickel	1	0.9	0.2
	Health	Lead	0.1	0.1
Hexavalent-chromium		0.5	0.4	0.05
Arsenic		0.1	0.1	0
Trichloroethylene		0.3	0.2	0
Tetrachloroethylene		0.1	0.1	0
Dichloromethane		0.2	0.1	0

*1 Optical glass smelting furnace (classified as a fusion furnace under the Air Pollution Control Law)

*2 No actual data for the year ended March 2010 was collected because the fusion furnace had not been in operation.

Water quality (Sewerage Law, City regulations)

Unit: mg/liter, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)	
Living environment	pH	5.8-8.6	6.0-8.4	6.4-7.8
	BOD	300	60	28
	SS	300	90	86
	Zinc	2	0.5	0.07
	Fluorine	15	7.5	1.5
	Boron	230	3	0.68
	Ammonia and nitrate nitrogen	125	50	9.9
Health	Lead	0.1	0.08	<0.02
	Arsenic	0.1	0.05	<0.01

*Actual data for pH, BOD, SS, and fluorine for the year ended March 2010 include those of Shonan branch.

Environmental Data

Kumagaya Plant

Address: 201-9 Miizugahara,
Kumagaya, Saitama
360-8559, Japan
Phone: +81-48-533-2111



Air (Air Pollution Control Law, Prefectural regulations)

Units: Dust: g/Nm³; NOx: ppm

Item	Regulatory standard	Plant standard	Actual (max.)	Item	Regulatory standard	Plant standard	Actual (max.)
Boiler	Dust	0.05	*	NOx	150	120	25
					150	120	27
					150	120	28
					150	120	72
					150	120	31
					150	120	28
					150	120	31
					150	120	66
					150	120	73
					150	120	70
					150	120	26
					150	120	29
					150	120	75
					150	120	76
					150	120	57
					150	120	30
					150	120	29
					150	120	29
					150	120	75
					150	120	71
150	120	30					
150	120	24					
150	120	24					

* In accordance with the Air Pollution Control Law, which stipulates that dust emitted from gas-fired boilers be measured once or more every five years, dust emissions were not measured in the year ended March 31, 2010. (The last measurement was made in the year ended March 31, 2008.)

Water quality (Sewerage Law, City regulations)

Unit: mg/liter, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)
Living environment	pH	5.1-8.9	5.8-8.2
	BOD	600	480
	SS	600	480
	n-Hexane (mineral)	5	4
	n-Hexane (animal & vegetable)	30	24
	Iodine consumption	220	198
	Copper	3	2.4
	Zinc	2	1.6
	Soluble iron	10	8
	Nitrogen	240	192
	Phosphorus	32	26
Ammonia and nitrate nitrogen	380	304	
Health	Lead	0.1	0.08

Mito Plant

Address: 276-6 Motoishikawa-cho, Mito, Ibaraki
310-0843, Japan
Phone: +81-29-240-1112



Air (Air Pollution Control Law)

Units: Dust: g/Nm³; NOx: ppm

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler*	Dust	0.1	0.05	<0.005
		0.1	0.05	<0.005
		0.1	0.05	<0.005
		0.1	0.05	<0.005
	NOx	150	120	87
		150	120	89
		150	120	85
		150	120	100

* The fuel for the three existing boilers was switched from heavy oil to liquefied petroleum gas (LPG) on October 20, 2008. The newly installed boiler started operation on February 1, 2009, fueled by LPG.

Water quality (Water Pollution Control Law, City regulations)

Unit: mg/liter, except for pH and E. coli (colonies/ml)

Item	Regulatory standard	Plant standard	Actual (max.)
Living environment	pH	5.8-8.6	6.0-8.2
	BOD	20	20
	SS	30	30
	n-Hexane (animal & vegetable)	10	10
	Nitrogen	60	60
	Phosphorous	8	8
	E. coli (daily average)	3,000	2,700
	3		

Tochigi Nikon Corporation

Address: 770 Midori, Otawara,
Tochigi 324-8625, Japan
Phone: +81-287-28-1111



Tochigi Nikon Precision Co., Ltd.

Address: 760 Midori, Otawara,
Tochigi 324-8520, Japan
Phone: +81-287-28-1177

Air (Air Pollution Control Law)

Units: Dust: g/Nm³; NOx: ppm; SOx: Nm³/h

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler	Dust	0.3	0.2	<0.005
		0.3	0.2	<0.005
		0.3	0.2	<0.006
		0.3	0.2	<0.006
		0.3	0.2	<0.005
	NOx	180	120	99
		180	120	93

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler	NOx	180	120	84
		180	120	87
		180	120	83
	SOx	14.5	0.5	0.3
		14.5	0.5	0.3
		14.5	0.5	<0.1
	14.5	0.5	<0.1	
	14.5	0.5	<0.1	

Water quality (Water Pollution Control Law, Prefectural regulations, etc.)

Unit: mg/liter, except for pH and E. coli (colonies/ml)

Item	Regulatory standard	Plant standard	Actual (max.)	
Living environment	pH	5.8-8.6	6.0-8.4	6.5-7.7
	BOD	20	6.3	3.6
	SS	40	5.5	3.2
	n-Hexane (mineral)	5	0.9	0.8
	Total chromium	2	0.2	<0.1
	Fluorine	0.8	0.7	0.4
	E. coli (daily average)	3,000	240	26
Health	Cadmium	0.1	0.01	<0.01
	Cyanogen	1	0.1	<0.1
	Lead	0.1	0.06	<0.01
	Hexavalent-chromium	0.5	0.05	<0.05
	Arsenic	0.1	0.05	<0.01
	Trichloroethylene	0.3	0.03	<0.001
	Tetrachloroethylene	0.1	0.01	<0.0005
	Dichloromethane	0.2	0.02	<0.02
1,1,1-Trichloroethane	3	0.3	<0.001	

Sendai Nikon Corporation

Address: 277, Aza-hara, Tako, Natori, Miyagi 981-1221, Japan
Phone: +81-22-384-0011

Former Sendai Nikon Precision Co., Ltd.

Address: 289, Aza-hara, Tako, Natori, Miyagi 981-1221, Japan
Phone: +81-22-384-0018



Air (Air Pollution Control Law)

Units: Dust: g/Nm³; NOx: ppm

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler	Dust	0.05	0.035	0.004
		0.05	0.035	0.008
		0.05	0.035	0.007
	NOx	600	100	43
		600	100	45
		600	100	42

Water quality (Sewerage Law, City regulations)

Unit: mg/liter, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)	
Living environment	pH	5.8-8.6	6.0-7.8	7.1
	BOD	300	30	3.4
	SS	300	30	4.0
	n-Hexane (mineral)	5	3	1.0
	n-Hexane (animal & vegetable)	30		
	Iodine consumption	220	20	10.0
	Total chromium	2	1	0.5
	Copper	3	1	0.1
	Zinc	2	1	0.1
	Phenols	5	1	0.5
	Soluble iron	10	1	0.1
	Manganese	10	1	0.1
	Fluorine	15	1	0.5
	Boron	230	1	0.1
	Nitrogen	125	10	1.3
	Phosphorus	20	10	3.2
	Ammonium and nitrate nitrogen	380	10	1.0
Health	Cadmium	0.1	0.05	0.01
	Cyanogen	1	0.5	0.1
	Organophosphate	1	0.5	0.1
	Lead	0.1	0.05	0.01
	Hexavalent-chromium	0.5	0.1	0.05
	Arsenic	0.1	0.1	0.01
	Total mercury	0.005	0.002	0.0005
	Alkyl mercury	Not detectable	Not detectable	<0.0005
	PCB	0.003	0.001	0.0005
	Trichloroethylene	0.3	0.2	0.03
	Tetrachloroethylene	0.1	0.1	0.01
	Dichloromethane	0.2	0.1	0.02
	Carbon tetrachloride	0.02	0.01	0.002
	1,2-Dichloroethane	0.04	0.02	0.004
	1,1-Dichloroethylene	0.2	0.1	0.02
	cis-1,2-Dichloroethylene	0.4	0.2	0.04
	1,1,1-Trichloroethane	3	1	0.3
	1,1,2-Trichloroethane	0.06	0.02	0.006
	1,3-Dichloropropene	0.02	0.01	0.002
	Thiuram	0.06	0.02	0.006
Simazine	0.03	0.02	0.003	
Benthocarb	0.2	0.1	0.02	
Benzene	0.1	0.1	0.01	
Selenium	0.1	0.1	0.01	

Environmental Data

Miyagi Nikon Precision Co., Ltd. (Former Zao Nikon Co., Ltd.)

Address: 20, Aza-shin-oyoke,
Miya, Zao-machi,
Katta-gun, Miyagi
989-0701, Japan
Phone: +81-224-32-2336



Air (Air Pollution Control Law)

Units: Dust: g/Nm³; NOx: ppm

Item		Regulatory standard	Plant standard	Actual (max.)
No applicable facilities	Dust			
	NOx			

Water quality (Water Pollution Control Law, Prefectural regulations, etc.)

Unit: mg/liter, except for pH and E. coli (colonies/ml)

Item		Regulatory standard	Plant standard	Actual (max.)
Living environment	pH	5.8-8.6	5.8-8.6	6.8-7.7
	BOD	30	30	13
	SS	200	35	3.5
	n-Hexane (mineral)	5	2.5	0.7
	Copper	3	0.1	0.05
E. coli (daily average)		3,000	1,000	290
Health	Cadmium	0.1	0.01	<0.002
	Cyanogen	1	0.2	<0.1
	Organophosphate	1	0.2	<0.1
	Lead	0.1	0.02	<0.01
	PCB	0.003	0.001	<0.0005
	Trichloroethylene	0.3	0.01	<0.001
	Dichloromethane	0.2	0.08	<0.001
Benzene	0.1	0.01	<0.001	

Kurobane Nikon Co., Ltd.

Address: 1434, Kurobanemuko-
machi, Otawara,
Tochigi 324-0241, Japan
Phone: +81-287-53-1111



Air (Air Pollution Control Law)

Units: Dust: g/Nm³; NOx: ppm

Item		Regulatory standard	Plant standard	Actual (max.)
No applicable facilities	Dust			
	NOx			

Water quality (Water Pollution Control Law, Prefectural regulations)

Unit: mg/liter, except for pH

Item		Regulatory standard	Plant standard	Actual (max.)
Living environment	pH	5.0-9.0	6.5-8.0	6.7-7.8

Item		Regulatory standard	Plant standard	Actual (max.)
Living environment	BOD	600	5	8.6*
	SS	600	10	6.0
	n-Hexane (mineral)	5	1	<1.0
	Zinc	1	1	<0.1
	Fluorine	0.8	0.8	0.4
Boron		1	1	0.14
Health	Lead	0.1	0.05	<0.01
	Arsenic	0.5	0.5	<0.01
	Trichloroethylene	0.3	0.3	<0.003
	Tetrachloroethylene	0.1	0.1	<0.010
	Dichloromethane	0.2	0.03	<0.02

* Occurred in January 2010 (The value exceeded the regulatory and plant standards.)

Cause: Due to renewal of an aeration tank for biological treatment, microbial density took time to recover to the sufficient value.

Measures: Microbial stimulants were introduced into the process, resulting in biological treatment being performed sufficiently.

Hikari Glass Co., Ltd. Akita Plant

Address: 155, Aza-Mitsumata
Shirahata, Komagata-
cho, Yuzawa, Akita
012-0104, Japan
Phone: +81-183-42-2197



Air (Air Pollution Control Law)

Units: Dust: g/Nm³; NOx: ppm; fluorine, lead and hydrogen chloride: mg/Nm³

Item		Regulatory standard	Plant standard	Actual (max.)
Fusion furnace*	Dust	0.15	0.01	<0.01
	NOx	800	80	9
	Fluorine	10	10	0.65
	Lead	20	2	<0.56
	Hydrogen chloride	80	20	<5.9

* Optical glass smelting furnace (classified as a fusion furnace under the Air Pollution Control Law)

Water quality (Water Pollution Control Law, Prefectural regulations, etc.)

Unit: mg/liter, except for pH

Item		Regulatory standard	Plant standard	Actual (max.)
Living environment	pH	5.8-8.6	5.8-8.6	6.4-7.9
	BOD	30	30	26.4
	SS	70	56	11
	n-Hexane (mineral)	5	4	4
	Copper	3	3	0.01
	Zinc	2	1.6	0.11
	Soluble iron	5	4	0.43
	Manganese	10	10	0.01
	Fluorine	8	8	3.5
	Boron	10	8	2.6
Health	Lead	0.08	0.08	<0.01
	Hexavalent-chromium	0.5	0.5	<0.05
	Arsenic	0.08	0.08	<0.01

TNI Industry Nagai Factory

Address: 3011 Isazawa, Nagai,
Yamagata 993-0021,
Japan
Phone: +81-238-84-1042



Air (Air Pollution Control Law)

Units: Dust: g/Nm³; NOx: ppm

Item		Regulatory standard	Plant standard	Actual (max.)
No applicable facilities	Dust			
	NOx			

Water quality (Water Pollution Control Law, Prefectural regulations)

Unit: mg/liter, except for pH

Item		Regulatory standard	Plant standard	Actual (max.)
Living environment	pH	5.8–8.6	6.0–8.4	3.9–7.5 ^{*1}
	BOD	25	22.5	52.0 ^{*2}
	SS	60	54	230.0 ^{*3}
	n-Hexane (animal & vegetable)	30	27	7
	Nitrogen	120	108	110.0 ^{*4}
	Phosphorus	16	14.4	8.8

- *1 Occurred in November 2009 (The value exceeded the regulatory and plant standards.)
Cause: Due to acidic-detergent inflow to a private sewerage system, pH became acidic.
Measures: In order to avoid such inflow into a private sewerage system, a notice instructing workers not to use large amounts of acidic detergent was posted at general-use sinks.
- *2 Occurred in January 2010 (The value exceeded the regulatory and plant standards.)
Cause: Due to a large volume of wastewater inflow to a private sewerage system, wastewater treatment was not sufficiently performed, resulting in poor water quality.
Measures: A notice instructing workers not to discharge a large volume of wastewater into a private sewerage system at one time was posted at general-use sinks.
- *3 Occurred in November 2009 (The value exceeded the regulatory and plant standards.)
Cause: Because the wastewater sample for analysis was collected from a measuring point with a low level of water, the sample was contaminated with tank sediments.
Measures: All the workers involved in performing analyses were instructed to collect wastewater samples only when the water level is appropriate.
- *4 Occurred in March 2010 (The value exceeded the regulatory and plant standards.)
Cause: Due to a long interval between sludge removal operations, the quality of water in a private sewerage system became poor.
Measures: The interval was shortened to maintain appropriate water quality.

Water usage by plant (in the year ended March 31, 2010)

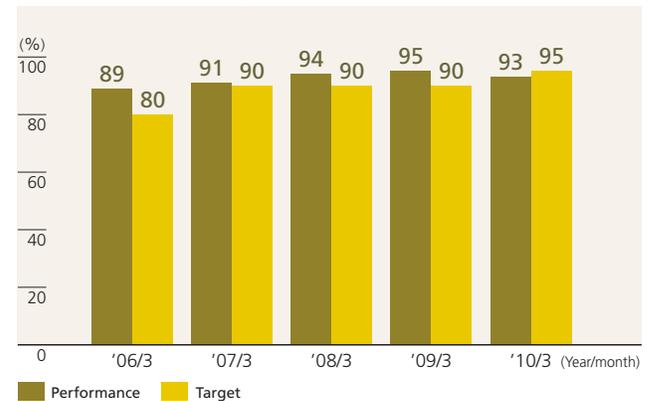
Unit: m³

Plant		Annual water usage
Nikon Corporation	Ohi Plant	46,122
	Yokohama Plant	66,387
	Sagamihara Plant	784,385
	Kumagaya Plant	349,288
	Mito Plant	18,222
Group manufacturing companies in Japan	Tochigi Nikon ^{*1}	492,732
	Former Mito Nikon Precision	2,555
	Sendai Nikon ^{*2}	115,880
	Miyagi Nikon Precision (former Zao Nikon)	25,567
	Kurobane Nikon	1,661
	Hikari Glass, Akita Plant	168,845
TNI Industry Nagai Factory		17,847
Total		2,089,491

*1 Including Tochigi Nikon Precision

*2 Including former Sendai Nikon Precision

2006–2010 Rate of green purchasing (purchases of specified goods as %) [Nikon Corporation]



■ B

Biodiversity

A state achieved through the link between all individual living creatures on this Earth

The Convention on Biological Diversity defines biological diversity as follows: "Biological diversity" means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems, and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

BCM

Business continuity management, a strategic management method for companies to respond promptly to a range of risks that might materialize with the occurrence of unexpected emergencies such as natural disasters or acts of terrorism. It is designed to help them continue their business even in the event of a major emergency.

BCP

Business continuity plan, a plan formulated by a company to show its policies and measures in the event of an emergency such as a natural disaster or accident, designed to ensure continuity of business and to allow ordinary business activities to be resumed with the limited managerial resources available in such an emergency

BOD

Biochemical oxygen demand, the amount of oxygen required for microorganisms to break down organic pollutants contained in water. Used as a pollutant indicator for rivers

■ C

Corporate governance

A system that allows companies to supervise and check the management of their business appropriately

Compliance (with laws and regulations)

Compliance provides the basis for CSR fulfillment. Companies are required to comply with laws, regulations, and rules and also to respond sincerely to requests from the society in which they operate.

CSR

Corporate social responsibility. Companies are expected to fulfill their corporate social responsibilities from environmental, economic, and social aspects on a voluntary basis to build trust with the society in which they operate. In the ISO 26000 draft international standard on social responsibility created by the International Organization for Standardization (ISO), CSR is defined as follows:

Responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that

- contributes to sustainable development, including health and the welfare of society;
- takes into account the expectations of stakeholders;
- is in compliance with applicable law and consistent with international norms of behavior; and
- is integrated throughout the organization and practised in its relationships

Source: ISO/DIS 26000 Guidance on Social Responsibility, ISO

CSR-oriented procurement

In CSR-oriented procurement, companies expand their CSR activities to suppliers and check that in addition to quality, pricing, and deadlines, they are conducting corporate activities in consideration of the environment, human rights, and other issues. Companies show their procurement and purchasing criteria to their suppliers and ask them to comply with the criteria on a continual basis.

■ D

Diversity

Refers to companies having a diversity of employees and accepting that diversity. The Japan Business Federation's study group on diversity defines the term as follows:

Strategy to respond promptly and flexibly to changes in the business environment for the growth of the company and the happiness of individual employees by accepting a range of attributes (regarding gender, age, nationality, disabilities, etc.) as well as various values and ideas without bias from conventional corporate and social standards.

■ E

Eco-glass

The Nikon Group developed lead- and arsenic-free optical glass for use in the lenses and prisms of optical devices, and calls this type of glass "Eco-glass." The use rate of Eco-glass in optical systems has reached 100% in most Nikon products.

Environmental accounting

An accounting method used to clarify the costs spent in improving environmental performance

Environmental Reporting Guidelines (2007)

Published by the Japanese Ministry of the Environment to provide organizations creating and publishing environmental reports with practical guidance. The guidelines list the requisite reporting items and their details based on the latest domestic and international trends in environmental reporting.

Energy efficiency

The Nikon Group defines energy efficiency as the degree of functionality of each product per unit of power consumption.

Energy efficiency of a product = Degree of functionality/Unit of power consumption

Functionality is defined separately for each product type. The Nikon Group is always committed to releasing new products with higher energy efficiency.

■ F

FTSE4Good

An SRI index created and launched in 2001 by the FTSE Group, which creates and manages equity and bond indices based in London. Stocks to be included in the index are selected from the following three viewpoints: environmental and social aspects and human rights.

■ G

GRI

Global Reporting Initiative, an international organization established in 1997 with the aim of creating and spreading the use of international guidelines on sustainability reporting. Companies and NPOs from countries all over the world participate in this organization based in the Netherlands, which is also designated as a collaborating centre of the UN Environment Programme (UNEP).

GRI Guidelines

International guidelines on sustainability reporting by organizations. The guidelines, which encourage companies to report their corporate activities from the three aspects of economy, environment, and society, are referred to by a large number of organizations in creating CSR reports.

GHG (Greenhouse gas)

Atmospheric gases, such as carbon dioxide and methane, trap heat from the Sun in the Earth's atmosphere. Called greenhouse gases, they cause the Earth's surface heat up. Under the Kyoto Protocol, carbon dioxide, methane, nitrous oxide, HFCs, PFCs, and SF6 are defined as greenhouse gases, emissions of which should be reduced to prevent global warming.

Green procurement/green purchasing

Refers to the procurement of more environmentally friendly materials, parts, and products and gives preference to highly environmentally conscious suppliers. Purchasing of environmentally friendly office supplies is referred to as green purchasing.

I

Internal control

A mechanism to prevent illegal and unfair acts to ensure efficient and sound business management based on in-house control rules and systems

Iodine consumption

Amount of iodine used in the oxidization of reducing agents (sulfides, etc.) by iodine in wastewater. It is an indicator for the amount of reducing substance in wastewater.

IPCC

The Intergovernmental Panel on Climate Change was established jointly by the UN Environment Programme (UNEP) and the World Meteorological Organization (WMO) in November 1988 to provide a public forum for discussion of the global warming problem. The IPCC examines issues related to climate change including global warming based on existing research results and from a range of aspects, including scientific findings, effects, countermeasures, and an assessments of the socioeconomic impact of the issue. The panel collects and publicly discloses technological findings and information to provide the driving force for progress in international action.

ISO

The International Organization for Standardization, a non-governmental organization that formulates international standards based in Geneva, Switzerland

ISO 9001

An international standard for quality management systems set by the ISO. Systems that meet ISO 9001 are certified by qualified certification bodies. The ISO 9000 series targets systems established by organizations for quality maintenance and management.

ISO 14001

An international standard for environmental management systems set by the ISO. Systems that meet ISO 14001 are certified by qualified certification bodies. The ISO 14000 series is designed to help organizations manage their environmental impact.

ISO 26000

A draft international standard on corporate social responsibility formulated by the ISO. The standard provides guidance on the social responsibility criteria that can be applied to any organization, but is not designed for certification by third parties.

J

JBRC

The Japan Portable Rechargeable Battery Recycling Center, an incorporated association that promotes the recycling of small rechargeable batteries based on the Act on the Promotion of Effective Utilization of Resources.

K

Kurumin

The name of the Next-Generation Childcare Support Certification Mark. The Japanese Ministry of Health, Labour and Welfare approves the use of this mark by companies and corporations that meet the predefined criteria for proactively engaging in childcare support.

L

LCA

Life cycle assessment, an objective method to quantitatively evaluate the environmental impact of products and services throughout their lifecycles, including the exploitation of resources and the manufacture, use, disposal, and transportation of the products

N

n-Hexane (minerals or plants and animals)

Normal hexane extracts, which do not vaporize at temperatures around 100°C, provide an indicator of the content of oil, hydrocarbon, and other substances in wastewater. Specifically, these extracts include animal/vegetable fats and oils, fatty acids, petroleum-based hydrocarbons, wax, and grease.

NOx

Nitrogen oxide, one of the substances that cause air pollution and acid rain

O

Ozone-depleting substances

Substances that cause depletion of the ozone layer, and especially those regulated under the Montreal Protocol, are often referred to as ozone-depleting substances. In Japan, substances regulated under the Act on the Protection of the Ozone Layer are deemed to be ozone-depleting substances. These substances include organochlorine compounds such as specified CFCs (11, 12, 113, 114, and 115), other CFCs (such as CFC 13), trichloroethane, and carbon tetrachloride, and organobromine compounds such as specified halons (1211, 1301, and 2402).

P

pH

Hydrogen ion concentration index, shows whether a water sample is acidic, neutral or alkaline (pH=7: neutral, pH<7: acidic, and pH>7: alkaline). If the pH value differs by 1, the hydrogen ion concentration will differ by 10 times.

ppm

Part(s) per million, a unit of concentration

PRTR

The "Pollutant Release and Transfer Register" system is a system used by governments to collect, tabulate, and disclose data on chemical substances that might have harmful effects on human health and ecosystems. They are identified and reported to governments once per year by companies.

Principles for Responsible Investment

This initiative for socially responsible investment was proposed to investor groups by former UN Secretary-General Kofi Annan. It comprises six principles that are intended to promote the incorporation of environmental, social, and corporate governance (ESG) issues in the decision-making process for investment. This initiative is fostered through the UN Environment Programme (UNEP) and the UN Global Compact.

R

REACH regulation

A regulation on chemical substances issued by the European Union (EU) in 2007. "REACH" stands for the "Registration, Evaluation, Authorization, and restriction of CHemicals," and manufacturers and importers of chemical substances are mandated to register information on the safety and use of these substances under the regulation.

Risk management

Provides a method to minimize the impact and damage that might be caused by various risks by reducing or preventing the materialization of these risks

RoHS Directive

"RoHS" stands for "Restriction of Hazardous Substances." This directive was adopted by the EU in 2003. It restricts the use of certain hazardous chemical substances in electrical and electronic equipment with a view to minimizing the risks that these substances pose to the environment and human health.

S

SAICM

The Strategic Approach to International Chemicals Management, an international agreement on the management of chemical substances made to achieve the target of the Johannesburg Plan of Implementation, which aims to achieve the following: that by 2020 chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment.

Stakeholders

For a company, the term stakeholder refers to all the people and organizations with whom it has a relationship. Specifically, stakeholders include customers, shareholders, investors, employees, business partners, and local communities.

Supply chain

The flow of products and services to consumers, including the procurement of materials and the manufacture, sale, and transportation of products.

Sustainability

For an organization, sustainability refers to the ability to develop itself over generations in a sustainable manner from environmental, social, and economic aspects. The goal of “sustainable development” is to “meet the needs of the present without compromising the ability of future generations to meet their own needs.”

Source: World Commission on Environment and Development, Our Common Future, Oxford University Press

SO_x

Sulfur oxide, one of the air pollutants that cause photochemical smog and acid rain.

SRI

Socially responsible investment, investing in companies that have been evaluated not only on their business performance, profitability, growth potential, and other financial data, but also on CSR-related aspects such as their social, ethical, and environmental commitments.

SS

Suspended solids, matter suspended in water, such as small particular matter, zooplankton, phytoplankton, whole or parts of carcasses, organic matter such as excrement, inorganic components of sand and mud, and various artificial pollutants.

U

UN Global Compact

Proposed by then UN Secretary-General Kofi Annan at the World Economic Forum held in Davos in 1999 and officially launched at UN Headquarters in New York in 2000. The Global Compact comprises 10 principles on human rights, labor standards, the environment, and anti-corruption. Companies joining this initiative are required to comply with and implement the 10 principles.

W

WEEE Directive

This directive, which mandates manufacturers to recover and recycle “Waste Electrical and Electronic Equipment” in and after August 2005, was enacted by the EU.

WWF

The World Wide Fund for Nature, an international nature conservation NPO established in Switzerland in 1961. This fund is implementing a range of nature conservation projects and anti-global warming measures across the globe.

Z

Zero emissions

A concept proposed by the United Nations University in 1994 with a view to reducing waste from the whole of society to zero by recycling waste from one industry for use as resources for other industries.



1. Tell us what you thought about the overall content of the report.

- Was the report easy to understand? Yes Average No
 Was the report easy to read? Yes Average No
 What about the amount of information available?
 Ample Average Insufficient
 Are Nikon CSR activities acceptable/agreeable to you?
 Yes Average No

2. Tell us the content of the report that best apply to the following questions by inserting the item(s) listed at right (multiple answers allowed):

- a. Interesting article(s):
- b. Articles that you thought were necessary for a CSR report:
- c. Articles that you thought required more information:
- d. Articles that you thought were difficult to read or understand:

3. Tell us of your job title, position, occupation, etc.:

- | | | |
|--|--|--|
| <input type="checkbox"/> Customer | <input type="checkbox"/> Government-related | <input type="checkbox"/> CSR rating agency like SRI |
| <input type="checkbox"/> Shareholder/Investor | <input type="checkbox"/> Press relations | <input type="checkbox"/> Employee of Nikon Group or his/her family |
| <input type="checkbox"/> Business Partners | <input type="checkbox"/> Student | <input type="checkbox"/> Resident in vicinity of Nikon Plant |
| <input type="checkbox"/> Person in charge of CSR and the environment for the company | <input type="checkbox"/> Research/Academic-related | <input type="checkbox"/> Others |
| | <input type="checkbox"/> NGO/NPO | |

4. Tell us your comments and/or questions about the report, if any:

.....

.....

.....

If you wish to receive a reply to your comments/questions, please provide us with your contact information:

Name:	Address:
Phone:	Email address:

Your contact information will not be used for any purpose other than as a means to reply to comments and/or questions provided to us for the aforementioned item number 4. For details on Nikon privacy act, please refer to: <http://www.nikon.com/privacy/>

Thank you very much for your cooperation.

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1	About Nikon CSR REPORT 2010
2	Message from the Chairman and the President
3	Nikon Group Profile
4	Corporate Governance
5	Feature Article 1: CSR Activities at Manufacturing Bases Outside Japan
6	Feature Article 2: Business Activities and CSR
7	Quality Control
	[Activities Conducted Based on the CSR Medium Term Plan in the Year Ended March 31, 2010]
	Nikon CSR
8	(Nikon's CSR Policy)
9	(Nikon's CSR Activities)
10	(CSR Achievements for the Year Ended March 31, 2010, and Future Targets)
	Expanding and Promoting Environmental Management
11	(Environmental Management)
12	(Product-related Activities)
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14	Promoting Compliance Activities Globally
15	Implementing a Risk Management PDCA Cycle
16	Promoting Diversity Activities Globally Managing the Issues Related to Human Rights and the Labor Environment
17	Expanding Social Contribution Activities Worldwide
18	Expanding CSR-oriented Procurement Promoting Communication with Stakeholders
19	(External and Internal Evaluation)
20	(Third-party Comments)
21	(Nikon Corporation's Response to Third-party Comments)

	Data Collection
22	(Environmental Data)
23	(Glossary of Terms)