

- Increase suppliers' average environmental conservation evaluation by 20 points by the end of fiscal 2003, compared with fiscal 2000.
- Increase the number of new or replacement ecological office supplies by at least 300 over fiscal 2001 level, by the end of fiscal 2003.



Nikon has begun a programme of green procurement, which features a host of activities geared toward reducing the environmental impact of our products.

The Green Procurement Sub-Committee was established within the Environmental Committee in May 1998, and in August of the same year, issued the "Nikon Basic Policy for Green Procurement".

- To give priority to the purchase of items that have been produced by taking environmental issues into consideration.
- To give priority to suppliers who are proactive in conserving the environment.

Product Environment

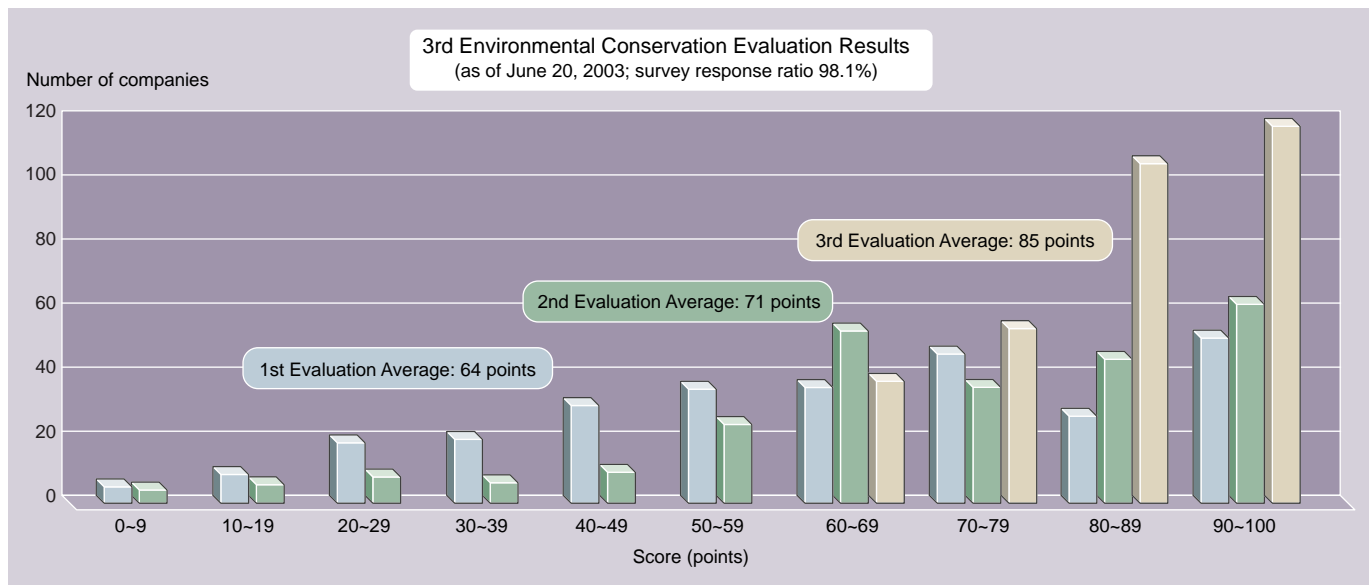
(1) Stricter Standards for Green Procurement, Based on Results of Supplier Survey

The first survey, taken in fiscal 1999 to evaluate environmental efforts by companies involved in the manufacture of Nikon products, showed an average score of 64 points. Three seminars on improving environmental protection performance were conducted for suppliers with low scores, and as a result the average score rose seven points in fiscal 2001 to 71. Fiscal 2003 was established as the

In July 1999, the Nikon Green Procurement Guide was issued and distributed to about 500 major Japanese suppliers. After seeking and receiving their agreement to participate in a survey, we collected their ideas and approaches to environmental preservation.

Our procurement department supports suppliers in their attempts to raise their assessment levels — particularly suppliers that are making an exceptionally diligent effort.

deadline for our original target of a 20-point increase over the fiscal 1999 score. As of June 20, 2003 (survey response ratio 98.1%), all related firms have met Nikon standards, thanks to in-house efforts and support by the Nikon Procurement Department. The average score climbed to 85 points, representing a 21-point increase over fiscal 1999 and the attainment of our objective.



2) Reduction of Hazardous Substances, Creation of Hazardous Substance Survey

In addition to ongoing efforts to reduce or eliminate the use of hazardous substances in accordance with the RoHS directive (Restriction of Hazardous Substances) and EU regulations, such as switching to lead-free solder and further increasing the usage of

eco-glass in lenses, we are working to eliminate a wide range of hazardous substances. The first step is the generation of a thorough survey to query our suppliers on their use of hazardous substances and see clearly where they stand.

Workplace Environment

Major firms handling procured items that are not supplied to our customers as products or services were also covered in the Environmental Conservation Evaluation survey. Of these companies, all met the minimum criteria, and the average score was 87 points.

The shift to the use of ecological office supplies (writing instruments, binders, etc.) by Nikon has progressed rapidly. With 99 new items in fiscal 2001, 160 in fiscal 2002 and 93 in fiscal 2003, there were 352 new ecological office supply items introduced over a three-year period, taking the total to 519 items.