Message from Management

"Recycling"... "coexistence"... these are key concepts that have served as guidelines for the broad range of activities we have undertaken in the name of environmental preservation since 1992, when we issued the "Nikon Basic Environmental Management Policy."

We are now shifting to a recycling society as a result of growing environmental concerns, including global warming and the exhaustion of energy and other resources. Moreover, the growing pervasiveness and accumulation of environmental pollutants such as CO₂, chlorofluorocarbon and dioxin, appears to be threatening the survival of many species, including our own. As a result, we must consider our corporate activities in a more serious light and take a more proactive stance for environmental preservation. At the same time, the company's performance with regard to Corporate Social Responsibility (CSR), exceeding the boundaries of environmental protection to the achievement of sustainability, has also become a key indicator of corporate value. In recognition of the importance of this developing business environment, we formulated the "Nikon Charter of Corporate Behaviour" in April of 2004. It sets forth basic action guidelines for the entire Nikon Group, including not only compliance with laws and regulations, but also defining appropriate behaviour from an ethical standpoint as a good corporate citizen.

We are proud to declare that we have attained numerous goals established in the "Nikon Environmental Action Plan" for fiscal 2005, which defined Group-wide midterm environmental targets. We achieved zero emissions for all Nikon plants, as well as for five major Nikon Group manufacturing subsidiaries. CO₂ emissions, recognised as a major cause of global warming, have been successfully reduced to our environmental targets for fiscal 2005. Our efforts to minimise the environmental impact of our products continue unabated. This includes IC steppers, LCD steppers, cameras, microscopes, measuring instruments, surveying instruments, binoculars and customised equipment. One of our primary objectives has been to increase the usage of Eco-glass, and today its use in consumer products has climbed to 100%. In accordance with the increasingly stringent chemical regulations in Europe and elsewhere, we have adopted lead-free soldering technology, developed technology for environment-friendly surface treatment, and continue to strengthen our green procurement policy while investigating the potential of a host of exciting new materials.

Amid these developments, we have reviewed the Nikon Environmental Action Plan and expanded it for fiscal 2006. The most noteworthy amendment is the reduction of greenhouse gas emissions for fiscal 2011 from entry into force of the Kyoto Protocol. We have also made progress in Nikon Group-wide integration of ISO 14001 certification, which we are using to expedite the "Nikon Environmental Action Plan" and more efficient overall operations. Through these and other efforts, we pledge to do everything within our power to support and advance the prosperity and fulfilment of humankind.

We hope that this report provides a clear picture of our corporate activities for the achievement of sustainability. We welcome and greatly appreciate your input.



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

Michio Kariya