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. Corporate Social Responsibility (CSR), a key indicator to gauge corporate value, is becoming more important than ever before. 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. In January 2006, we made the Environmental Committee as a sub-committee of the newly inaugurated CSR Committee to enhance execution and management of environmental activities in accordance with our CSR philosophy.

We are proud to declare that we have attained numerous goals established in the "Nikon Environmental Action Plan" for fiscal 2006, which defined Group-wide mid-term environmental targets.

We are completely prepared to cope with the European Union's RoHS Directive limiting use of such hazardous substances as mercury, lead, cadmium, hexavalent chrome in electrical and electronic equipment for cameras, binoculars and other consumer products. We are also moving to reduce the environmental impact of such substances in IC and LCD steppers, measuring and surveying instruments, and other industrial products by taking each product's characteristics into account. We are adopting lead-free soldering technology, developing environment-friendly surface treatments and researching more eco-friendly materials. In October 2005, we established "Nikon Green Procurement Standards" according to our environmental policy in component and material procurement, in cooperation with our supply chain. Nikon plants achieved their fiscal 2006 environmental targets to reduce greenhouse effect gas emissions.

We are reviewing and expanding the "Nikon Environmental Action Plan" for fiscal 2007 to address the major issue of global warming. We will continue to make digital cameras, steppers and other products, as well as large-scale manufacturing operations in Japan and elsewhere, more energy efficient. To execute the "Nikon Environmental Action Plan" and make operations more efficient overall, we will promote acquisition of Nikon Group-wide integrated certification in fiscal 2007.

By the end of fiscal 2006, Nikon head office and all Nikon plants had acquired ISO 14001 integrated certification. We aim for the entire Nikon Group, including five major

manufacturing subsidiaries in Japan, to attain this certification in fiscal 2007. Ultimately, all Nikon manufacturing sites worldwide will acquire this certification.

Through these environmental activities, we are putting more people on the path to prosperity. We hope that this report provides a clear picture of our corporate activities for achieving environmental conservation and sustainability. We welcome and greatly appreciate your input.



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& Senior Executive Officer
(Chairman of Environmental Committee)

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