

Activities Encompassing the Product and Workplace Environments

Green Procurement

Targets

[Reduction in use of hazardous chemical substances]

- Performance investigation and management implemented for all consumer products (including sales promotional materials, repair parts, etc.) and major components of selected industrial products.

[Eco-procurement products]

- Conformity with guidelines for at least 80% of all products.



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

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.

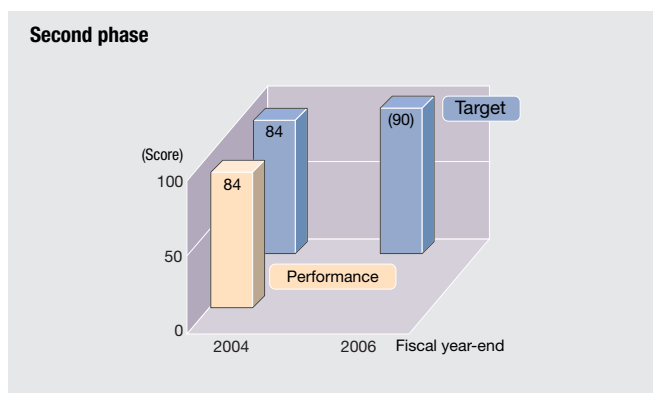
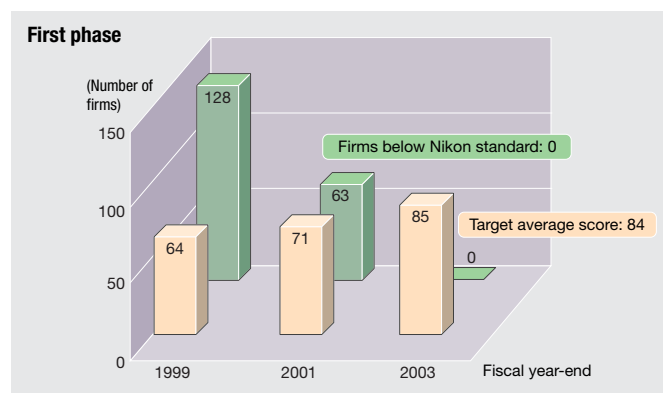
1. Survey of Environmental Management System

In July 1998, the Nikon Green Procurement Guide was issued. In July of the following year, we made a questionnaire survey for about 500 major Japanese suppliers using an “Environmental Management System Evaluation” sheet to monitor their environmental management activities and cooperate with those suppliers to improve their evaluations in this regard. For the first phase (from 1999 to 2003), the survey subjects averaged a score of 85, clearing the target minimum of at least 84 points. All suppliers

cleared the Nikon standard score of 80. For the second phase, the fourth “Environmental Management System Evaluation” survey in March 2005 of 430 newly selected suppliers including 128 new firms, the average score was 84, with 18 companies unable to clear the Nikon standard score of 80.

This survey was also conducted at Nikon’s major manufacturing subsidiaries in Japan.

Improvement in the Environmental Management System of suppliers based on “Environmental Management System Evaluation” survey



2. Establishment of “Nikon Green Procurement Standards”

Nikon promotes green procurement by placing priority on suppliers’ environmental management system.

Today, management and elimination of hazardous chemical substances contained in products, according to the RoHS Directive, are major objectives of green procurement. To integrate implementation of relevant measures, Nikon’s internal organisation in October 2005 enacted “Nikon Green Procurement Standards” which currently apply to and are promoted throughout the entire Nikon Group.

“Nikon Green Procurement Standards” (summary)

1. Purpose

Stating clearly green procurement standards for global environmental conservation and requesting that suppliers observe them.

2. Applicable range

Components and materials for Nikon products procured by Nikon Group and its suppliers

3. Requirements

Establishment of environmental management system: for conserving resources and managing substances that impact the environment.

Eliminating use of environment-influencing substances: by sorting substances into “inhibited”, “restricted” and “controlled” categories, as well as “product” and “process” categories.

Requests, cooperation, etc.: agree to observe “Nikon Green

Procurement Standards,” cooperate in surveying and auditing environmental conservation system, document prohibition against hazardous substances, survey substances that impact the environment, provide for substitutes, etc.

4. Countermeasures for requested items

Environmental management system: cease purchasing if supplier’s responses are inadequate.

Environment-impacting substances, requests, cooperation, etc.: possibly cease purchasing if supplier’s response is inadequate.

5. Authorisation as environmental partner

Suppliers highly evaluated according to the survey and audits of environmental conservation systems are authorised and granted priority.

6. Implementation The Procurement and Engineering Departments mainly promote items concerning environmental conservation systems. Startup timing and methods to implement items concerning products and materials procured are decided upon and implemented by respective company internal organisations.



Nikon Green Procurement Standards

3. Reduction of Environment-impacting Substances Contained in Products/Materials Procured

In fiscal 2004, Nikon started surveying portions and contents of chemical substances in procured items primarily for Nikon consumer products. The survey format touched on 29 chemical substances covered by the Japan Green Procurement Survey Standardization Initiative (JGPSSI).

After this survey, the internal organisations of Nikon companies, with products containing substances defined by the RoHS Directive, mainly promoted such measures as screening of products/materials procured using fluorescent X-ray analysis, alternative technologies and switching to substitute products and materials. Data from a comprehensive survey of metal materials,

paints and bonding agents commonly used by these companies is accessible via intranet within the Nikon Group. Even companies having products that do not contain substances defined by the RoHS Directive have targets based on the “Nikon Environmental Action Plan” and promote environmental activities accordingly.

Measures to reduce use of environment-impacting substances are also promoted by the “Electrical Parts Lead-free Meeting,” “Surface Treatment Environmental Promotion Meeting,” “Packaging and Distribution Sub-committee” and other events and groups organised by and including these companies.

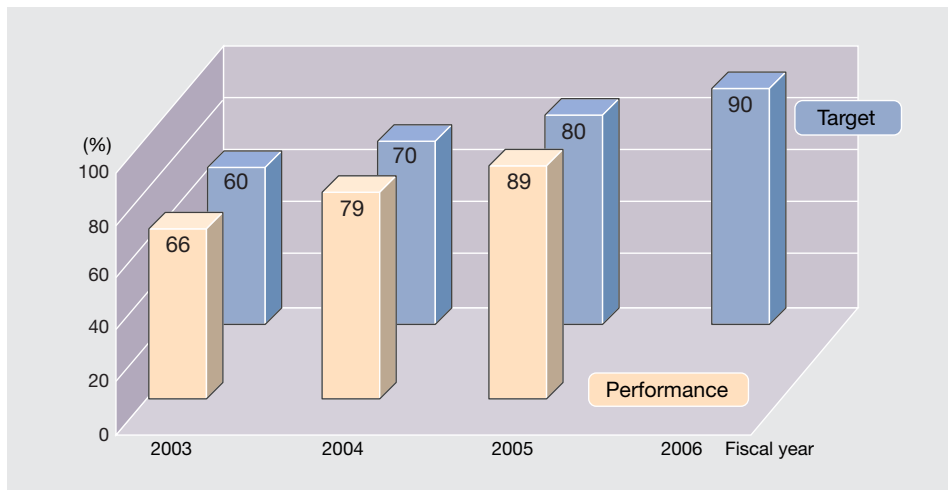
4. Promotion of Green Purchasing

In fiscal 2004, Nikon established the “Nikon Group Green Purchasing Implementation Guidelines,” and designated two databases for green purchases of certain office supplies, equipment and machinery — one for items bearing any of six related marks (including the Eco-mark), and GPN database; and the other for special procurement items under the Green Purchasing Law (see below). In fiscal 2004, our rate of green purchases was 66% (exceeding the targeted 60%) of all relevant purchases. We continued our commitment in fiscal 2005, looked into why some

departments had relatively low ratios of green purchasing, and encouraged them to come closer to satisfying Nikon objectives. As a result, for fiscal 2005 we achieved a 79% ratio (exceeding the target of at least 70%) and for fiscal 2006, that ratio rose to 89% (exceeding the target of at least 80%). The targeted ratio for fiscal 2007 is at least 90%.

The same kinds of activities are also promoted throughout all Nikon Group companies.

Green purchasing: Ratio of approved products to total purchases



Green Purchasing Registration Mark and Database