

# Environmental Education/Awareness Activities

We believe it is vital that all employees improve their knowledge of environmental matters, and to this end, related manuals, regulations and procedures must be put in place, and we must attain the necessary specialised knowledge and techniques, in order that environmental conservation activities can be rolled out effectively.

Nikon is developing the following environmental education and

awareness activities, which are to be provided to all employees. We introduce "Eco-action 21" and "Eco-stage" simple environmental management systems to suppliers, suppliers' subsidiaries and suppliers' suppliers in our supply chain who have not acquired ISO 14001 certification. We are also active in various events that serve to strengthen our bonds with local communities.

## Environmental Management and Promotion of Measures

We are working on improving the overall level of our employees' awareness, with appropriate educational systems implemented at every level, throughout each plant and workplace within the company.

- Executive management education (general environmental management, ISO 14001, management responsibilities, etc.)
- Education of new employees (general environmental awareness, Nikon's environmental activities)
- Environmental seminars for Nikon Group companies (general environmental management, ISO 14001, green procurement, etc.)
- Education of EMS representatives (environmental policy, environmental objectives, environmental manuals/regulations/procedures, evaluation procedure for environmental aspects) and others
- Everyday on-the-job education (general environmental management, environmental manuals/regulations/procedures, environmental targets, separation of waste and recycling, energy saving, paper and resources saving, etc.)
- Presentations on "Nikon Environmental Action Plan"
- Green procurement education

## Awareness Activities

Nikon implements a full programme of awareness activities, with the aim of supplying information, informing employees of new policies and increasing awareness in environmental matters, as well as applying standards for decision-making.

- Publication and website posting of "Environmental Report"
- Publication and distribution of "Environment/Product Safety Information" for Nikon Group companies
- Publication of environmental awareness journals "Report from the Environmental Administration Section" via the company intranet and display of "Environmental Panels" at all plants
- Publication and distribution of "ISO 14001 Update" (Ohi Plant), "EMS News" (Yokohama and Sagami-hara Plants) and "ISO 14001 News" (Mito Plant)
- Sharing of ideas for improvement – mottos, posters and the like promoting environmental conservation
- Organising environment month (broadcasts by the Environmental Committee Chairman, environmental month seminars, environmental photo contest, etc.)
- Implementation of an energy-saving patrol
- Clear posting and notification of all waste-separation categories and provision of waste-disposal areas that encourage recycling
- Notice boards within the workplace, displaying such information as environmental objectives, targets, and management programmes
- Publication of site report
- Participation in various environmental events



Internal environmental auditor development course

## Specialist Environmental Education

Nikon employees are encouraged to undertake specialist education both within and outside the company, in order to gain the necessary knowledge, skills and technical abilities to carry out their individual responsibilities with consideration for the environment. We are working to develop specialists and increase specialist knowledge within the company.

- Internal environmental auditor development course
- Step-up seminar for internal environmental auditors
- Control of chemical substances (handling procedures, PRTR, etc.)
- Environmental facilities operation management
- Specialised industrial waste management qualification course
- Energy management course
- Pollution control management course
- Course for persons in charge of handling dangerous substances
- Emergency countermeasures (simulation of accidental leak)



Emergency countermeasures (simulation of accidental leak)



Step-up seminar for internal environmental auditors

## ISO 14001 Certification Acquisition Support and Related Activities

Our Environmental & Technical Administration department is providing education and support for organisations within Nikon — and outside as well — that wish to acquire ISO 14001 and ISO 9001 certification.

# Topics

## Integration of Environmental Management System

Each Nikon plant independently acquired ISO 14001 certification, the international Environmental Management System (EMS) standard, since 1998, thereby promoting environmental conservation. Nikon's top management decided to integrate EMS company-wide and on a non-consolidated basis at headquarters and five plants by the end of fiscal 2006 on schedule in order to centralise execution of the "Nikon Basic Environmental Management Policy". EMS will be strengthened further throughout the Nikon Group as five major manufacturing subsidiaries become integrated into the system within fiscal 2007, with the entire Nikon

Group worldwide, including major manufacturing sites, becoming integrated afterwards.

The CSR (Corporate Social Responsibility) framework systematically focuses on the environment, labour safety, hygiene, quality, corporate ethics, social contribution and other themes. Moreover, the CSR Committee (of which the president is chairman) inaugurated in January 2006 strengthens our corporate governance, and includes the previously established Environmental Committee as its sub-committee. Accordingly, Nikon aims to build up a more integral, effective EMS.



Workplace auditing



Section and department auditing



Integrated EMS manual

## Measures for Hazardous Chemical Substances

The Directive on Waste Electric and Electronic Equipment (WEEE) and the Directive on Restriction on the use of certain Hazardous Substances in electrical and electronic equipment (RoHS) started to be enforced in August 2005 and July 2006, respectively, in the European Union region. Nikon has implemented lead-free soldering and other measures to cope with these regulations. The Camera Grand Prix Award-winning Nikon digital SLR camera D200 and other products are in compliance with the RoHS Directive.

Manufacturing processes inhibit use of hexavalent chrome in products, in principle, and also keep employees safer. Organic

chlorine-based solvents that had been used in large quantities in washing processes were completely barred from use within the entire Nikon Corporation and major manufacturing subsidiaries in Japan.

Regarding waste, the company-wide zero-emission system is maintained, while major manufacturing subsidiaries in Japan achieved zero emission. Furthermore, we continue to apply this target to other workplaces. As Sendai Nikon's recycling ratio improves, its earnings from selling recycled materials surpassed waste disposal costs.

### Camera Grand Prix 2006 Award to D200



The Nikon digital SLR camera, which meets RoHS Directive regulations, received the Camera Grand Prix 2006 Award.



The all-water washing system at Yokohama Plant.

**Saving energy to prevent global warming**

The Kyoto Protocol took effect in February 2005, and interest is high in full-scale prevention of global warming. Nikon is developing more energy-efficient digital cameras, steppers and other products, and making equipment and facilities much more energy-efficient as well. Our manufacturing subsidiaries in Thailand and China are not subject to the Kyoto Protocol, but Nikon plans to promote energy-saving measures at these facilities nonetheless.

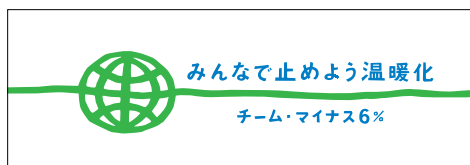
In Japan, Nikon is a registered participant in the “Team Minus

6%” movement that promoted “Cool Biz” activities, monitors and controls room temperatures according to EMS, implements “Black Illumination” (nationwide “Lights Down” and CO<sub>2</sub> reduction campaign) activities, helping to prevent global warming throughout the process.

At all Nikon workplaces, employees wear business casual clothing throughout the year in order to reduce the load on air-conditioning systems.



Pump inverter equipment introduced at the Mito Plant



Team Minus 6%” CO<sub>2</sub> reduction campaign mark.

**“Environmental Month” Events**

June 1-30, 2005 was the period of our company-wide “5th Environmental Month” campaign. Beginning with a message from the chairman of the Environmental Committee about how Nikon Group could earn “trust” for the Nikon brand from stakeholders around the world, the campaign communicated safe use of Nikon products, the Environmental Action Plan based on Nikon Environmental Management Policy, and how Nikon Group proudly creates new values at all times.

During the campaign, seminars were conducted concerning Nikon Group-wide ISO 14001 certification and Kyoto Protocol compliance (to prevent global warming). Also, photo contests with environmental themes were held companywide. Individual plants also held events including environmental facility tours, environmental awareness panels and cleaning sessions inside and outside of facilities to raise employee awareness.

**Photos winning “Environmental photo contest” award**



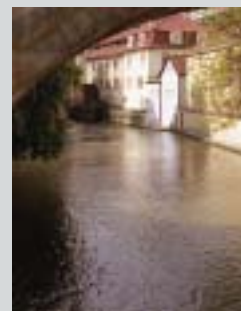
Grand Prix award “Shocking look”



Excellence award “A mandarin duck in the pond”



Excellence award “Draining port”



Superior award “Living together”

# Contributing to Society

## Regional Activities – all plants

Every year, Nikon members clean up around production sites by picking up litter on roads and among greenery on commuter routes to the plants. We will continue these activities in order to remain in good standing with our local communities.



Cleaning around the station near Kumagaya Plant.



Cleaning around Ishikawa River near Mito Plant.

## Local Cleanup Activities – in cooperation with regional associations

In December 2005, Kumagaya Plant conducted a zero-waste campaign in cooperation with the Kumagaya Industrial Zone Association. Sixty-nine members from Nikon participated, and collected and sorted about one ton of waste into flammables, cans, bottles and big waste categories.

In July 2005, Mito Plant carried out the Hinuma Lakeshore

Cleanup Campaign in cooperation with the Clean Up Hinuma Network, “We Love Ibaraki” Prefectural Committee and local governments involved with Hinuma Lake and related rivers, throughout an area about 5km around Lakeshore Natural Park. Nikon members collected waste and cans in the area together with 200 other participants.



## Campaigning to prevent illegal waste disposal

In November 2005, the Sagamihara City Beautification Movement Promotion Council organised the Sagamihara City Illegal Waste Elimination Campaign, which was held mainly at a Sagamihara City elementary school. This campaign’s purpose is to have citizens, companies and administrations cooperate in preventing and eliminating illegal waste disposal. This was the 14th edition of the

programme, and employees of Sagamihara Plant participated as members of the Sagamihara Waste Disposal Measures Association. More than 450 people removed illegally dumped waste, in support of the appeal “Don’t throw away illegal waste! Don’t let others get away with it! Don’t permit illegal waste disposal!”



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## Regional Environmental Activities

### • Disclosure of Sludge Disposal Facility in Sagamihara Plant

In October 2005, a Waste-related Facility Study Tour was held at the Sagamihara Plant by the Kanagawa Environmental Conservation Association, for the purposes of preventing pollution at plants and other facilities, learning about proper waste disposal

and preventing pollution. 25 members visited the plant and learned about waste management at the Recycling Station, integrated waste disposal facility and other sites.



### • “Watching Hinuma Lake and related rivers” — Mito Plant

In November 2005, a nature observation event was held in appreciation of the Lakeshore Natural Park area of Ibaraki Town. About 50 people enjoyed aquatic life observation, birdwatching and more.



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## Environmental Exhibition Events

### • Environmental Fair Exhibition — Mito Plant

The “Environmental Fair 2005” site of the “We Love Ibaraki” Prefectural People’s Festival was held for two days in November 2005 in open space near the Tsukuba Express Railway station. Visitors at the “Nikon Nature Observation Corner” of our booth observed shellfish hatchlings and other nature using a handmade magnifier, as well as asbestos (to study its dangers) using a microscope.



### • Environmental Fair Contribution — Sagamihara Plant

In April 2005, at Sagamihara City’s Citizen Festival, the “Better Environment in Sagamihara Association” provided “Environmental Fair” exhibits and experience corner to communicate the importance of environmental conservation to citizens. Sagamihara Plant staff helped build the exhibition site and receive visitors.

### • Environmental Classroom Participation — Mito Plant

In February 2006, the Environmental Dept. of Mito City, Ibaraki Living Nature Association and “We Love Sakagawa River” Association jointly presented the “Environmental Classroom” for which participants gathered plants, spring water and microbes around Sakuragawa River, made observations and conducted experiments on them in the observation corner.



# Charter of Corporate Behaviour

Nikon's "Charter of Corporate Behaviour", based on company principles and ethical practices stated in "Vision Nikon 21", details

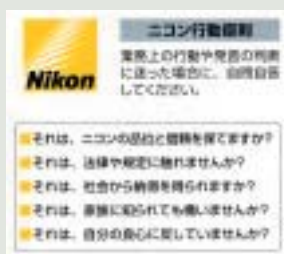
the Nikon Group's basic attitude to uphold appropriate legal behaviour as corporate citizens.

## Promotion of corporate ethics

The purpose of Nikon's Charter of Corporate Behaviour is to ensure that the directors, officers and employees of Nikon Group Companies exercise sound and ethical business practices and good business judgment, so that Nikon can continue to gain the trust of Nikon Group customers, shareholders, employees, business partners, and society, and thereby enhance Nikon's brand value.



Nikon Charter of Corporate Behaviour/Code of Conduct



Nikon Behaviour Principles

## Charter of Corporate Behaviour for Nikon Group Companies

### 1. Healthy corporate activity

The Nikon Group endeavours to obey related laws, regulations and in-house rules, which are supported by the exercise of fair and ethical business practices and by the use of good judgment, in order to gain trust from customers, shareholders, employees, business partners and society.

### 2. Responsibility to society as a corporate citizen

As a corporate citizen that is responsible for the future of the region, the nation, and the world, the Nikon Group endeavours to promote business activities that take into account human rights protections, improved welfare and the protection of environmental and natural resources, among others, to contribute to the healthy development of society.

### 3. Protection of the natural environment

Environmental conservation is a growing concern worldwide, and individuals and corporations are directly responsible for conserving the environment. The Nikon Group also strives to protect the natural environment.

### 4. Provision of useful goods and services for society

An important reason for the Nikon Group's existence is to contribute to the development of society and the economy through our business activities, including the production of high-quality products and the provision of excellent services.

### 5. Transparent operating activities

The Nikon Group constantly strives to ensure that our operating activities are fair and transparent, and in accordance with local social norms.

### 6. Protection of human rights

Many people with diverse backgrounds work within the Nikon Group. The Nikon Group pays careful attention to respecting individual human rights and to treating people with respect, so that each individual can concentrate on working and producing good results without fear of discrimination.

### 7. Provision of a healthy and safe workplace

Ensuring our employees' health and safety is a fundamental principle underlying proactive business development and the success of our employees in their individual lives. The Nikon Group endeavours to obey related laws, regulations, and in-house rules to ensure healthy and safe workplaces for all of our employees.

### 8. Development and utilisation of human resources

The Nikon Group aims to be a self-sustained professional group where employees are able to develop new knowledge for their jobs as the workplace evolves. To attain this, the Nikon Group provides sound and flexible workplaces in order to adapt as our business activities expand throughout the world.

### 9. Fair employment opportunity

The Nikon Group employs people with excellent skills and experience regardless of their nationality and gender, and their achievements are judged by their merits.

### 10. Accurate public relations

The Nikon Group makes timely and accurate disclosures of corporate information for better communication with its stakeholders and society.

### 11. Responsibility of top management

Top management and employees in managerial positions within each of the Nikon Group's business divisions must understand that they play an essential role in realising the spirit of the Charter of Corporate Behaviour, and thus, in addition to leading by example, promise to develop the internal infrastructure to ensure that the Charter of Corporate Behaviour is disseminated to everyone concerned.

When any incident occurs that may violate the Charter of Corporate Behaviour, top management will take immediate corrective measures to find the cause and prevent its recurrence, and will deal severely with all people involved in the matter, including top management itself where appropriate.

# Ex-company Communications

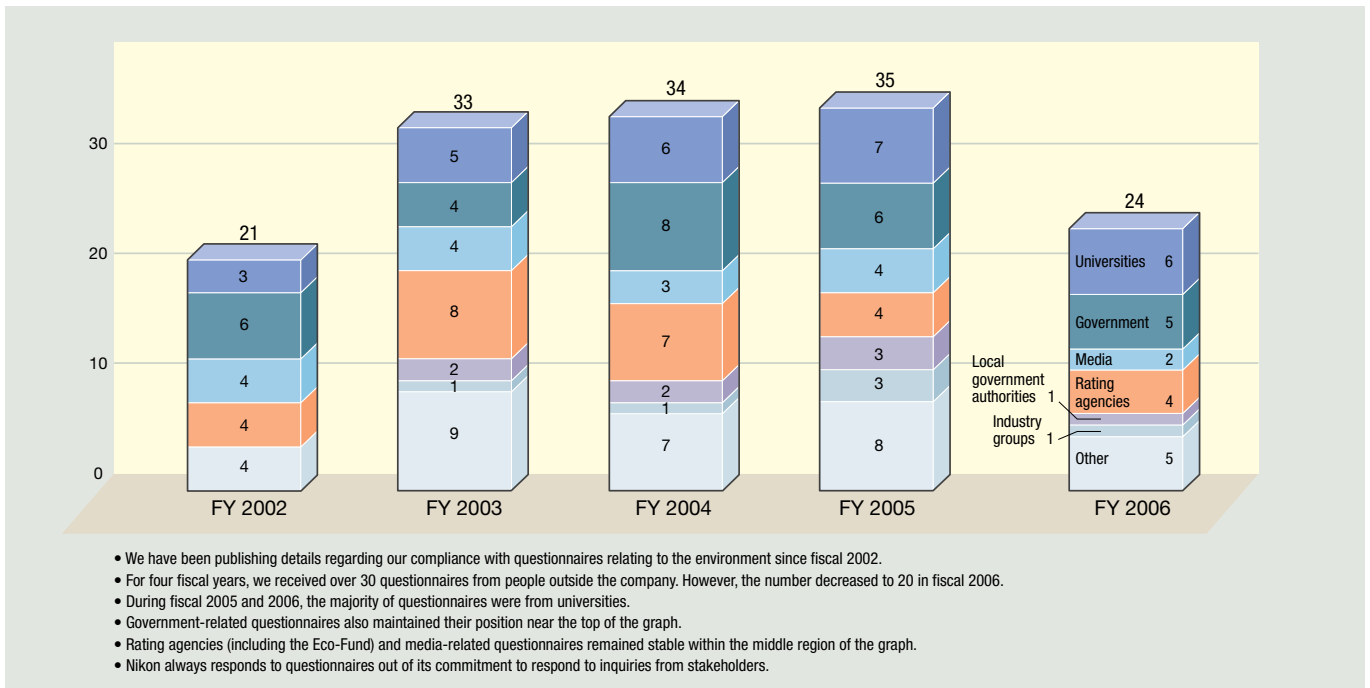
The “Nikon Environmental Report” is available on Nikon’s website in Japanese and English versions that attract about 20,000 and 10,000 “hits”, respectively, per month. These numbers are increasing, reflecting rising interest in our environmental role.

Our Mito Plant and Tochigi Nikon are also creating their own sites highlighting affairs of regional relevance, and we will encourage our other operations to follow suit. Our Ohi Plant submitted its plan to cope with Global Warming Prevention to Tokyo Prefectural Government, while our Kumagaya Plant presents

Saitama Prefectural Government’s “Eco-up Declaration (Environmental Impact Reduction Project)” on Nikon’s website.

As environmental issues attract growing interest worldwide, it is essential that we share approaches to problems and cooperate in order to make our environmental conservation activities more effective and efficient. Looking toward the future, Nikon considers it important to make communications with stakeholders more interactive.

## Environmental Questionnaire (from those outside Nikon)



## Requests Received for Nikon Environmental Report 2005

Since Nikon Environmental Report 2005 was uploaded to our website in September 2005, we have received about 450 requests for a printed version (as of the end of July 2006). Although Nikon Environmental Report is available only on that website in principle, we send the booklet to anyone requesting it. The chart on the right indicates the approximate portion of copies requested, by sector. “Business” accounted for the greatest share of copies requested, followed by “Auditing companies, education and research institutions”. If students, educators, auditing companies, education and research institutions are included within the “research and education” sector, that sector accounts for a larger portion of reports than the “Business” sector does. Requests from investors are increasing from the previous year, indicating that the environmental report may increasingly be a factor in investment decisions.

This data will be used in the composition and production of future reports.

