

# Prevention of Global Warming

Carbon dioxide (CO<sub>2</sub>), which is released into the atmosphere when fossil fuels are burned, is the main cause of global warming. Nikon Group has intensely wrestled with this issue, giving high priority to it.

## Energy Savings

Kyoto Protocol was enforced in February 2005, whose deadline of objective achievement is close at hand. Nikon strives to control CO<sub>2</sub> emission mainly through rigorous promotion of energy savings to prevent global warming.

Specifically, Nikon has established the target for reduction in energy consumption including electricity, a major source of CO<sub>2</sub> emission. In the year ended March 2007, we intended to reduce the average annual emission of green house gas per net sales by 20% or more, compared to that in the year ended March 2002.

We are pursuing various energy-saving activities such as increase of efficiency of air conditioning systems, switch to lighting systems using energy more efficiently, improvement of production processes and conscientious use of lighting and OA equipment. Consequently, Nikon Group, including all plants and major manufacturing subsidiaries in Japan, was able to achieve a 35% reduction in energy use, far above the target. Among them, the total reduction of all Nikon Plants was 37% while that of major manufacturing subsidiaries in Japan was 22%, respectively.

Furthermore, Yokohama Plant purchased Green Electricity through co-sponsoring for wind power generation project by Yokohama City (▶ see Page 31); Sendai Nikon has introduced cogeneration equipment and started its running since April 2007.

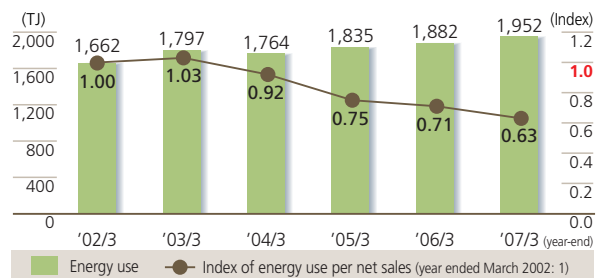
### Future Energy-saving Strategies

We intend to implement the following measures as we head into the year ending March 2008.

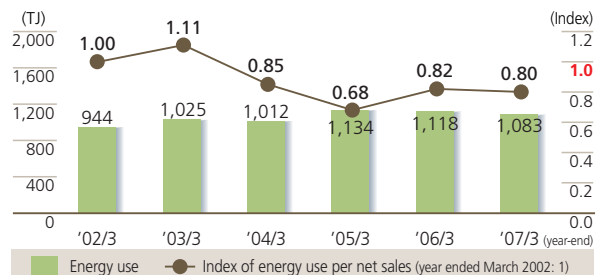
#### Energy-Saving Strategies in the Year ending March 2008

- Renewal of aging facilities/equipment such as refrigerator/ freezer
- Introduction of high-efficiency facilities/equipment such as air conditioning systems and power systems
- Highly efficient operation of utilities and manufacturing facilities
- Standardization of electrical load
- Integration of electrical facilities
- Improvements in quality control efficiency
- Introduction of cogeneration systems
- Application of natural energy sources

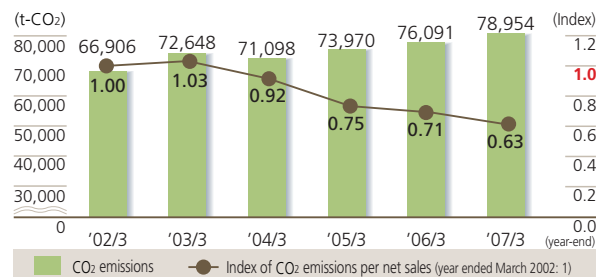
Energy Use (Nikon)



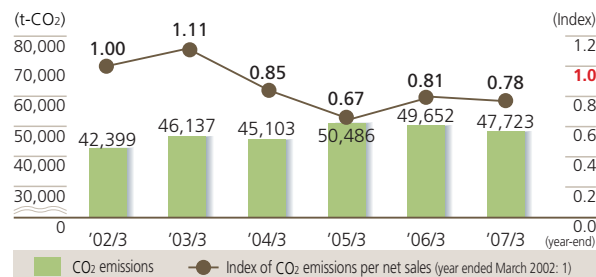
Energy Use (Major Manufacturing Subsidiaries in Japan)



CO<sub>2</sub> Emission (Nikon)



CO<sub>2</sub> Emission (Major Manufacturing Subsidiaries in Japan)



## Environmental Topics—Activities in the Workplace

# Promotion of Reduction and Recycling of Waste

Economic expansion has brought with it yearly increase of amount and diversity of waste produced. Our society is currently at a crossroad from mass-production/mass-consumption prevailed to recycling-oriented. Nikon Group is committed to the concept of a "Resource Recycling Society," in which the world's valuable and limited natural resources are used as effectively as possible.

### Towards Zero-emission

Nikon has defined zero-emission as "final (landfill) disposal amounting to less than 1% of the total amount of waste generated" and strengthened its measures to promote reduction and recycling of waste, having "achievement of zero-emission system at all plants by the end of the year ended March 2005" as the most important goal in the Nikon Environmental Action Plan. As a result, 12 business units including domestic manufacturing subsidiaries in Nikon Group have achieved zero-emission so far.

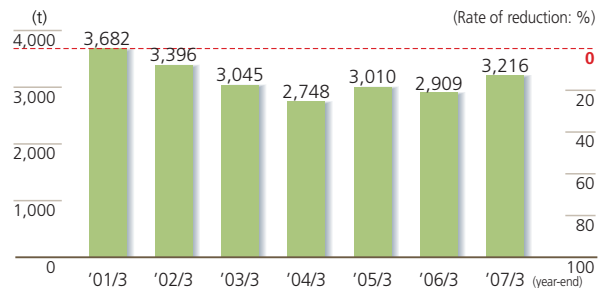
#### Achievement of Zero-emission in Nikon Group

Plants, subsidiaries, company		Target to develop zero-emission system (year-end)
Nikon	Ohi Plant	2003 (completed)
	Yokohama Plant	2003 (completed)
	Sagamihara Plant	2003 (completed)
	Kumagaya Plant	2003 (completed)
	Mito Plant	2003 (completed)
Major manufacturing subsidiaries	Sendai Nikon	2002 (completed)
	Tochigi Nikon	2004 (completed)
	Kurobane Nikon	2004 (completed)
	Mito Nikon	2005 (completed)
	Zao Nikon	2005 (completed)
Group manufacturing company	Nasu Nikon	2006 (completed)
	Aichi Nikon	2007 (completed)

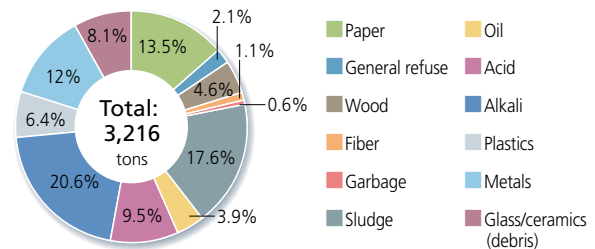
March 2001. Though untiring 3R efforts, we finally could not achieve the goal; the total waste reduction rate was 6.1% at all plants and major manufacturing subsidiaries in Japan in Nikon Group. The recycling rate was 94.2% and the final (landfill) disposal rate was 0.52%, resulting in establishment of zero-emission framework.

Also Nikon, regardless of production growth, achieved all three goals and succeeded in zero-emission establishment: the waste reduction rate, recycling rate and final (landfill) disposal rate were 12.7%, 95.6% and 0.47%, respectively.

Amount of Waste Generated (Nikon)



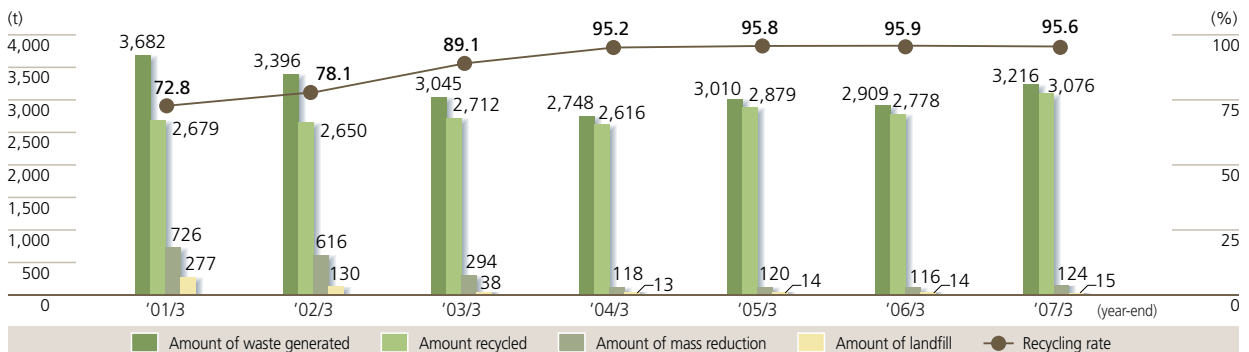
Amount of Waste Generated, by Category (the Year ended March 2007) (Nikon)



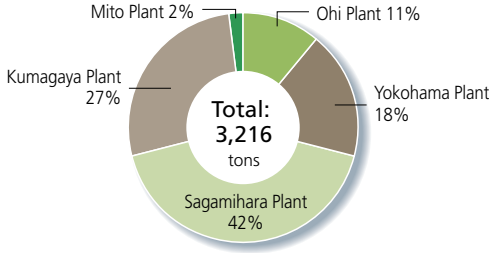
### Generation, Disposal and Recycling of Waste

We have implemented the programs to reduce both general and plastic waste and strictly enforced refuse separation guidelines, enabling us to control our total waste output including that to be recycled. In the year ended March 2007, we set our sight on 10% or more reduction in total waste output compared to the base year, the year ended

#### Generation, Disposal and Recycling of Waste (Nikon)



**Amount of Waste Generated, by Plant (the Year ended March 2007) (Nikon)**



Our major manufacturing subsidiaries in Japan have also pursued waste reduction through various measures in the wake of Nikon Corporation. As a result, the recycling rate and final (landfill) disposal rate attained 91.7% and 0.61% respectively, resulting in uphold of zero-emission structure although the total amount of waste emission increased 7.8% compared with the base year due to production growth in the year ended March 2007.

**Efforts at Each Plant and Major Manufacturing Subsidiary in Japan**

**Waste Sorting and Reduction**

With heavy consumption of natural resources and difficulty in securement of sufficient landfill sites, it is more important than ever for us to make the wisest possible use of our valuable resources and reduce waste generation as much as possible.

Nikon is making serious and continuing efforts to preserve our environment for our descendants through a range of activities including effective sorting and reduction of waste generated.

**Promotion of Recycling**

At Sagamiara Plant, the 5<sup>th</sup>, 15<sup>th</sup> and 25<sup>th</sup> of each month have designated as "Recycling Day" to promote recycling unneeded resources such as paper and plastic. After 14 years of continued efforts, the Recycling Day is recognized as a tradition by all of the employees.

At Mito Plant, on the other hand, wood fragments from trimming hedges, etc. are pulverized and spread over the grounds to help control weed growth.



Recycling of wood fragment from trimming hedge (Mito Plant)

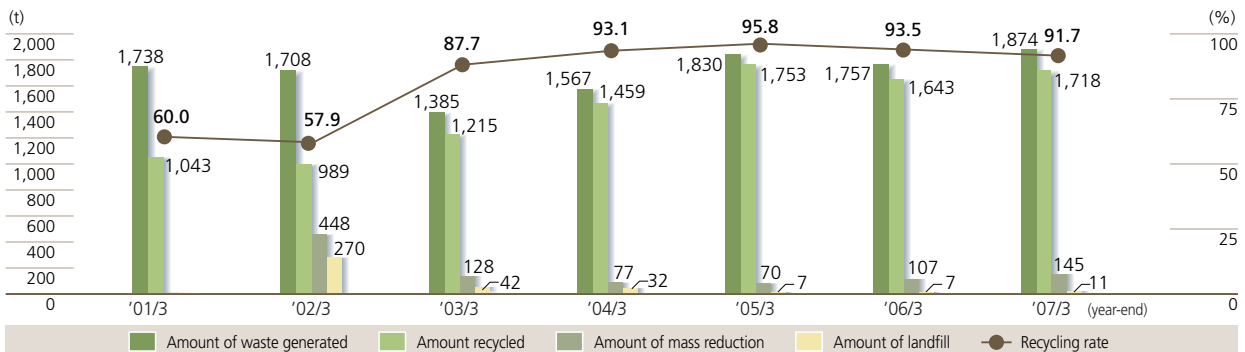
**Measures for Waste Reduction and Recycling Taken by Major Manufacturing Subsidiaries in Japan**

Sendai Nikon and Tochigi Nikon, already completed zero-emission systems, are making storage and transport more efficient by reducing waste volume. Also Mito Nikon and Zao Nikon, completed zero-emission structure in the year ended March 2005, are promoting the enforcement of waste sorting as well as crushing and composting of wooden pallets.



Chips made from wooden pallets (Zao Nikon)

**Discharge, Disposal, Recycling of Waste (Major Manufacturing Subsidiaries in Japan)**



## Environmental Topics—Activities in the Workplace

# Control of Chemical Substances

Chemical substances have the potential to improve our lives in many ways, but at the same time can cause many serious problems such as ozone layer depletion and dioxin poisoning—the spread of harmful elements throughout nature. In order to forestall this sort of damage, it is vital that the use of chemical substances be carefully controlled, that the amount of chemicals used is reduced, and that safer substances are substituted wherever possible. Nikon is currently devising a management system that will enable us to effectively take all of these actions.

### Control and Elimination of Chemical Substances

Nikon performs chemical substance control at every phase of the product life cycle, from purchase through use and disposal, in order to stop pollution caused by these substances. When first purchasing a new chemical substance, we obtain a Material Safety Data Sheet (MSDS) for the item, and carry out an assessment of the potential dangers of its use in the workplace. Based on the results of this assessment, our Environment, Safety and Health Section performs a review and confirmation of actions taken from technical viewpoint.

In addition to these measures, our Data Centre, located at the Ohi Plant, carries out intensive management of registration, updates and storage of MSDS. We have also started disclosure via the intranet. Nikon places strict control especially on the chemical substances with higher environmental loading to reduce consumption of them, and strives to make pollution by chemical substances cut to zero as far as possible through research activities on alternative materials.

### Nikon Group's Pollutant Release and Transfer Register (PRTR\*)

Each Nikon plant manages its chemical substances - from purchased inventories, to safe control, handling, use and disposal according to MSDS. The "Nikon PRTR Guide" was released in March 2000, and the range of chemical substances under management was extended. In March 2002, Nikon established a company system for legal notification, adding to and revising existing procedures for filling out such notifications.

In accordance with the statute, here are the reports for each of our plants.

\*PRTR: Pollutant Release and Transfer Register, the system requiring organizations to figure out the amount of emission into environment regarding the chemical substances possibly harmful to human health and ecological system and to annually report them to the government, who compiles the data reported and makes them available to the public.

### Soil Contamination at Ohi Plant

On the occasion of demolition of life-expired factory buildings and erection of new ones, the soil contamination survey was conducted from January 10 to April 13, 2007, according to the Tokyo Metropolitan Ordinance on Environmental Preservation. As a result, specific hazardous substances over their own standard values were detected at a part of the site: e.g. hexavalent chrome was detected at 3,600 times as much as the standard, although the relevant area was quite small within the buildings. Also trichloroethylene was detected at 1.8 times as much as the standard around the inspection/monitoring hole of groundwater newly installed on the borderline of lot.

Therefore, the Company reported them to the Environment Bureau of the Tokyo Metropolitan Government and Shinagawa Ward Office on April 18 and held a briefing to local residents on April 25. In accordance with the relevant laws and regulations, we are immediately taking action to minimize the impact on the environment.

PRTR Survey Results (the Year ended March 2007)

Unit: kg

	Facility	Substance No.	Substance name	Volume handled	Amount released			Amount transferred		Amount in on-site landfill	Amount removed for processing	Amount shipped in product
					Air	Public water	Soil	Sewage	Waste			
Nikon	Sagamihara Plant	230	Lead and lead compounds	6,648	5	0	0	0	2,720	0	0	3,923
		304	Boron and boron compounds	4,948	7	0	0	0	2,021	0	0	2,920
	Kumagaya Plant	232	Nickel compound	682	0	0	0	0	120	0	0	562
Major manufacturing subsidiaries	Tochigi Nikon	144	Dichloropentafluoropropane	4,714	4,499	0	0	0	0	0	0	215
	Mito Nikon	144	Dichloropentafluoropropane	1,150	1,150	0	0	0	0	0	0	0
	Sendai Nikon	63	Xylene	1,377	558	0	0	0	819	0	0	0
		227	Toluene	2,298	1,360	0	0	0	938	0	0	0
	Zao Nikon	132	1,1-dichloro-1-fluoroethane	1,455	1,210	0	0	0	0	0	0	245

\*Nikon: No substances reported at Ohi plant, Yokohama plant and Mito plant.

\*Major manufacturing subsidiaries in Japan: No substances reported at Kurobane Nikon.

\*The above table includes data only for hazardous chemical substances of which one ton or more (0.5 tons or more for certain chemical substances) is handled at the facility in a given year.

# Prevention of Atmospheric Pollution and Conservation of Water Resource

In order to prevent air and soil pollution and to conserve their qualities, Nikon Group has thoroughly conducted various management measures based on its own voluntary plant standards, which are stricter than the laws and regulations.

## Air and Water Resources

To help preserve air and water quality, Nikon not only observes applicable laws and regulations, but has also established its own independent plant standards for management.

Each plant regularly measures pollutants released into the air and water, and inspects equipment such as boilers and waste water processing systems periodically to ensure safety.

Air and Water Quality Environmental Data (the Year ended March 2007)

### Ohi Plant

Address: 471 1-6-3, Nishi-Ohi, Shinagawa-ku, Tokyo 140-8601  
Phone: +81-3-3773-1307

### Yokohama Plant

Address: 471 Nagaodai-cho, Sakae-ku, Yokohama, Kanagawa 244-8533  
Phone: +81-45-852-2111

### Air (Air Pollution Control Law, Metropolitan Regulations)

Unit: Dust: g/Nm<sup>3</sup>, NOx (nitrous oxides): ppm

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler	Dust	0.15	0.12	0.003
	NOx	45	45	41
Cooling and heating equipment/appliance	Dust	0.15	0.12	0.001
		0.15	0.12	0.001
	NOx	0.15	0.12	0.001
		45	45	26
		45	45	24
	45	45	23	

### Air (Air Pollution Control Law, Prefectural Regulations)

Unit: NOx (nitrous oxides): ppm

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler	NOx	65	60	17
		65	60	40
		65	60	30
		46	42	25
		46	42	39
		46	42	19

### Water Quality (Sewerage Law, Metropolitan Regulations)

Unit: mg/l, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)	
Living environment	pH	5.8–8.6	5.9–8.5	6.6–8.0
	BOD	300	240	34.2
	SS	300	240	47.5
	n-hexane (mineral)	5	—	52.3*
	n-hexane (animal/vegetable)	30	24	5.0
	Iodine demand	220	176	2.05
	Copper	3	2.4	0.02
	Zinc	5	4	3.11
	Soluble iron	10	8	1.36
	Total chrome	2	1.6	0
	Fluorine	15	12	0.4
	Nitrogen	120	96	15
	Phosphorous	16	12.8	1.62
	Health	Lead	0.1	0.08
Dichloromethane		0.2	0.16	0.01

### Water Quality (Sewerage Law, City Regulations)

Unit: mg/l, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)		
Living environment	pH	5.0–9.0	5.5–8.5	6.2–7.1	
	BOD	600	540	2.3	
	SS	600	540	36.9	
	n-hexane (mineral)	5	4.5	3.5	
	Iodine demand	220	200	1	
	Copper	1	0.9	0.2	
	Zinc	1	0.9	0.01	
	Soluble iron	3	2.7	0.05	
	Soluble manganese	1	0.9	0.05	
	Total chrome	2	1	0	
	Nickel	1	0.9	0.02	
	Fluorine	8	7	1	
	Boron	10	8	0.12	
	Nitrogen	240	135	32.6	
	Phosphorous	32	18	0	
	Health	Lead	0.1	0.1	0
		Arsenic	0.1	0.1	0
Hexavalent chrome		0.5	0.4	0	
Trichloroethylene		0.3	0.2	0.001	
Tetrachloroethylene		0.1	0.1	0	
Dichloromethane	0.2	0.1	0		

\* Occurred July 2006 (exceeded regulatory at extra inspection)

Cause: rainwater came in an old empty underground fuel oil tank, which was installed and used before the war, and then oil residual flew out.

Countermeasure:

[Initial action] the accident was notified to the Sewerage Bureau of the Tokyo Metropolitan Government, and spillage prevention measures and those results were officially reported in the accident report form and the accident recurrence prevention measure and plan notification form.

[Secondary action] the fuel tank will be dismantled by November 2008, and the notification of accident recurrence prevention measure completion will be submitted to the Sewerage Bureau of the Tokyo Metropolitan Government

## Environmental Topics—Activities in the Workplace

# Prevention of Atmospheric Pollution and Conservation of Water Resource

### Sagamihara Plant

Address: 1-10-1 Asamizodai, Sagamihara, Kanagawa 228-0828  
Phone: +81-42-740-6300

### Kumagaya Plant

Address: 201-9 Miizugahara, Kumagaya, Saitama 360-8559  
Phone: +81-48-533-2111

#### Air (Air Pollution Control Law, Prefectural Regulations)

Unit: Dust: g/Nm<sup>3</sup>, NOx (nitrous oxides): ppm, Fluorine, lead in fusion furnace: mg/Nm<sup>3</sup>

Item	Regulatory standard	Plant standard	Actual (max.)		
Boiler	Dust	0.1	0.05	0.0055	
		0.1	0.05	0.0053	
		0.1	0.05	0.0061	
		0.1	0.05	0.0033	
		0.1	0.05	0.0018	
		0.1	0.05	0.0038	
	NOx	60	57	56	
		60	57	52	
		60	57	53	
		105	100	9	
		105	100	5	
		60	57	23	
	Absorption chiller	Dust	0.1	0.05	<0.001
			0.1	0.05	<0.001
NOx		60	57	32	
		60	57	30	
Fusion furnace	Dust	0.15	0.1	0.042	
	NOx	800	20	<5	
	Fluorine	2.5	2	<0.25	
	Lead	10	5	<0.03	

#### Air (Air Pollution Control Law, Prefectural Regulations)

Unit: NOx (nitrous oxides): ppm

Item	Regulatory standard	Plant standard	Actual (max.)	
Boiler	NOx	150	100	22
		150	100	24
		150	100	27
		150	100	59
		150	100	29
		150	100	27
		150	100	30
		150	100	65
		150	100	59
		150	100	67
		150	100	25
		150	100	51
		150	100	59
		150	100	71
		150	100	26
		150	100	26
		150	100	25
		150	100	57
		150	100	32
		150	100	27
150	100	33		

#### Water Quality (Sewerage Law, City Regulations)

Unit: mg/l, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)		
Living environment	pH	5.8–8.6	6.0–8.0	6.4–7.6	
	BOD	300	60	13	
	SS	300	90	27	
	Zinc	5	0.5	0.11	
	Fluorine	8	7.5	3.1	
	Boron	10	5	0.96	
	Ammoniac nitrogen	125	100	27.8	
	Health	Lead	0.1	0.08	0.03
		Arsenic	0.1	0.05	<0.001

#### Water Quality (Sewerage Law, City Regulations)

Unit: mg/l, except for pH

Item	Regulatory standard	Plant standard	Actual (max.)	
Living environment	pH	5.1–8.9	5.9–8.2	6.7–7.9
	BOD	600	150	35.4
	SS	600	50	11.0
	n-hexane (mineral)	5	4	<1.0
	n-hexane (animal/vegetable)	30	20	<1.0
	Iodine demand	220	170	254*
	Copper	3	1	<0.2
	Zinc	5	1	<0.05
	Soluble iron	10	3	<0.3
	Total chrome	2	1	<0.2
	Boron	10	4	<0.5
	Nitrogen	240	70	38.0
	Ammoniac nitrogen	380	60	22.0
Health	Phosphorous	32	20	17.0
	Lead	0.1	0.05	<0.01
Hexavalent chrome	0.5	0.1	<0.05	

\*Occurred in October 2006. (exceeded regulatory).

Cause: excessive infusion of bisulfate of soda (SBS) during the waste water treatment process  
Countermeasure: the chemical's excessive infusion recurrence prevention measure and monitoring system were improved and strengthened.

### Mito Plant

Address: 276-6 Motoishikawa-cho, Mito, Ibaraki 310-0843  
Phone: +81-29-240-1112

### Air (Air Pollution Control Law, Prefectural Regulations)

Unit: Dust: g/Nm<sup>3</sup>, NOx (nitrous oxides): ppm, SOx (sulfurous oxides): Nm<sup>3</sup>/h

Item		Regulatory standard	Plant standard	Actual (max.)
Boiler	Dust	0.3	0.27	0.011
		0.3	0.27	0.011
		0.3	0.27	0.011
	NOx	180	162	69
		180	162	86
		180	162	67
	SOx	3.25	0.67	0.047
		3.25	0.67	0.043
		3.25	0.67	0.069

### Water Quality (Water Pollution Control Law, Prefectural Regulations)

Unit: mg/l, except for pH and E. coli (colonies/ml)

Item		Regulatory standard	Plant standard	Actual (max.)
Living environment	pH	5.8–8.6	6.0–8.2	6.8–7.9
	BOD	20	20	16
	SS	30	30	24
	n-hexane (animal/vegetable)	10	10	3
	E. coli (daily average)	3,000	2,700	64
	Nitrogen	60	60	45.5
	Phosphorous	8	8	6.34

### Water Usage

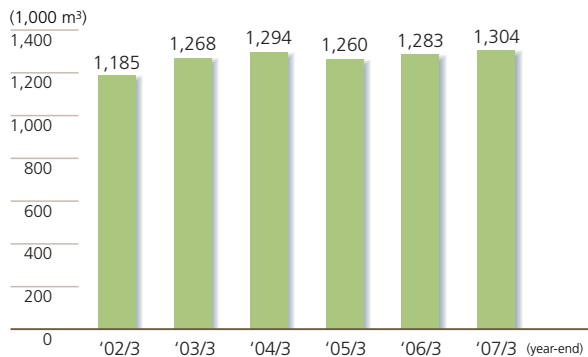
Plants engaged in manufacturing continuously expand and evolve structurally, but since the introduction of the “Environmental Management System” in the year ended March 1999, efforts have been made to promote reuse of process waste water, and reduce water usage by involving all employees in water-saving activities.

### Water Usage for the Year ended March 2007

Unit: m<sup>3</sup>

Nikons Plants	Water Usage
Ohi Plant	62,067
Yokohama Plant	67,419
Sagamihara Plant	875,521
Kumagaya Plant	284,268
Mito Plant	14,545
Total	1,303,820

### Water Usage



### Glossary

- SOx: sulfur oxides
- NOx: nitrogen oxides
- ppm: Parts per million
- pH: Hydrogen ion concentration. Indicates the acidity or alkalinity of a substance, where a solution of pH 0 to 7 is acid, pH of 7 is neutral, and a pH over 7 is alkaline. A change of one pH number indicates a 10-fold change in the concentration of hydrogen ions.
- BOD: Biochemical oxygen demand. The amount of oxygen required for microorganisms to oxidise and consume organic pollutants in water. Used to gauge the degree of pollution of rivers.
- SS: Suspended solids. Also referred to as substances that cause water clouding, they include small particles, plankton, organism carcasses and detritus, excretions and other organic materials, as well as sand, mud and inorganics and a range of manmade pollutants.
- n-hexane (mineral or animal/vegetable): Normal hexane mass. Used to measure the total content of oils and hydrocarbons in waste water, it indicates the amount of materials extracted to normal hexane and which do not volatilise at about 100°C. Covers animal and vegetable oils, fatty acids, petroleum-based hydrocarbons, wax and grease.
- Iodine demand: The amount of iodine used by the reducing substances (sulphide, etc.) in waste water during iodine oxidation. It is an index of the presence of the reducing substances in waste water.

## Environmental Topics—Activities in the Workplace

# Green Procurement

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

### Establishment of “Nikon Green Procurement Standards”

In response to the international laws/regulations and requirements recently introduced, Nikon Group has established the “Nikon Green Procurement Standards” since October 2005 to remove the environment-influencing substances from our products.

#### “Nikon Green Procurement Standards” (summary)

- 1) Objective  
To provide the basic standards of green procurement for global environmental protection and to expect suppliers to comply with them.
- 2) Applicable scope  
All parts and materials procured by the Nikon Group and included in the Nikon Products, and those suppliers.
- 3) Requirements  
Establishment of the environmental management system:  
Establishment of the environment protection structure and the management structure of substances with environmental impact.  
Elimination of substances with environmental impact:  
Classification of hazardous chemicals into Prohibited Substances, Use-restricted Substances and Controlled Substances; Compliance with the standards for Substances Used in Products and Substances Used in Production Processes.  
Request for cooperation:  
Conclusion of Nikon Green Procurement Standards Agreement; cooperation for investigation and audit of environmental protection system; submission of Nonuse Guarantee; cooperation for investigation of substances with environmental impact; provision of alternatives, etc..
- 4) Measures in response to requirements
  - We will cease dealing with the suppliers whose responses to establishment/maintenance/improvement of environmental management system are not efficient.
  - We may cease dealing with the suppliers whose responses to environmental impact substances and our cooperation requests are not efficient.
- 5) Environmental partner evaluation  
We will grant the certification to the suppliers who obtain high evaluation in investigation and audit of environmental protection system, giving them priority in our business dealings.
- 6) Operation  
The Procurement & Facilities Management Department mainly promotes 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 organizations.

### Promotion of Agreement

Green procurement activities can not be achieved without cooperation by business partners. Nikon Group held briefing sessions for its business partners to deepen their understandings about our Green Procurement Standards, and requires them to enter into “Nikon Green Procurement Declaration.” In the year ended March 2007, we held briefing sessions for the business partners of Nikon Corporation and Nikon Group Companies in Japan and abroad, accelerating to enter into the Agreement with them one by one.

### Survey and Checkup of Environmental Conservation Structure

Based on the “Nikon Green Procurement Standards,” Nikon has annually conducted the “Environmental Conservation Survey” for its business partners four times since 1999. In 2006, the questionnaires of the Survey were revised not focusing on maintenance of pollution prevention system but on establishment/improvement of hazardous chemical substances management system during procurement. Using these renewed questionnaires, the 5<sup>th</sup> Environmental Conservation Survey was conducted and around 320 business partners participated in it in the year ended March 2007.

In order to ascertain the environmental conservation structures of our business partners more precisely, the Environmental Conservation Checkup has also started to conduct for them. Based on the both evaluation results of the Survey and the Checkup, Nikon Group has certified the business partners which are particularly excellent in the viewpoint of environmental conservation as “Nikon Environmental Partners” since the year ended March 2007.

#### Score of the Environmental Conservation Survey

The Year ended March	Survey Targets (Number of companies)	Respondents (Number of companies)	Average (Score)
2004	202	184	84.3
2005	285	277	77.5
2007	558	316	80.3

#### Comment:

- The reason why the average score in the year ended March 2005 decreased from the previous year was addition of new survey target companies due to expansion of its scope although the number of business partners with extremely low scores decreased.
- In accordance with stricter environmental regulation by EU, the survey target scope was expanded further and the questionnaires were widely revised (focusing not on pollution prevention but on management of hazardous chemical substances) in the year ended March 2007. Some of our business partners have not dealt with chemical substance issues yet although others have started to establish such systems.
- We are helping the material suppliers with low scores to establish their own chemical substance management systems one by one.

### Establishment of Green Procurement Analysis & Promotion Conference

Nikon Group has established the “Green Procurement Analysis & Promotion Conference” and launched monthly activities for enlightenment on analysis techniques and knowledge to employees in charge. Its vigorous activities using the evaluation results of Nikon products as learning tools enable the persons responsible for the green procurement analysis of each department to deepen their understanding about analysis equipment and methods.



## Reduction of Environment-Influencing Substance in Products/Materials Procured

Focusing on the Nikon Companies manufacturing the products containing the substances defined by the RoHS Directive established by EU in July 2006, hazardous chemical substance inspection of products/materials procured, screening of them using fluorescent X-ray analysis, alternative technologies and switching to substitute products and materials were completed so far. The comprehensive survey of metal materials, paints and bonding agents commonly used by these companies was also carried out. The data from these surveys/inspections are accessible via intranet within the Nikon Group. According to the Nikon Environmental Action Plan, we have set out the targets even for the products that do not contain the substances defined by the RoHS Directive, and actively promoted environmental activities.

Moreover, all manufacturing departments of Nikon Group have completed the responses to "Administrative Measure on the Control of Pollution Caused by Electronic Information Product (Chinese RoHS)" enforced in China in March 2007.

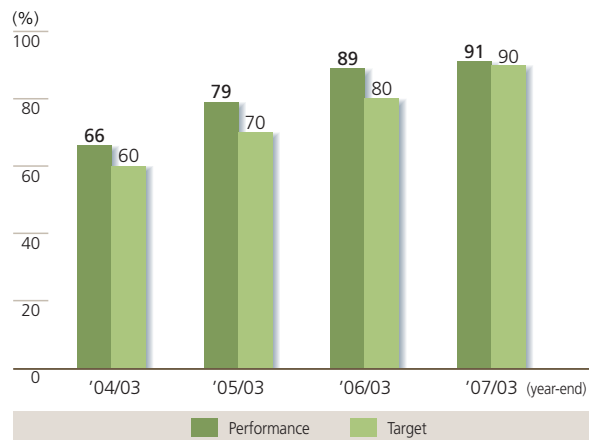
## Promotion of Green Purchasing

In June 2006, we revised the "Nikon Group Green Purchasing Implementation Guidelines" for certain sorts of office supplies and equipment/machinery to strengthen our green purchasing activities.

Our rate of green purchasing was 91% in the year ended March 2007: 91%, 92%, 90% and 91% of the rate were achieved in the first, second, third and fourth quarters, respectively.

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

Rate of Green Purchasing



## Environmental Inspection of Overseas Manufacturing Sites

Recently the number of manufacturing sites of Nikon Group has increased especially in China and Thailand. Meanwhile, it has become more important than ever to establish the stricter management system to observe such acts as EU RoHS Directive (regulations on hazardous substances) at each plant. Therefore, we have carried out the environmental inspections for our overseas manufacturing sites by the persons responsible for environmental management. They visited major business sites such as Nikon (Thailand) Co., Ltd. and Nikon Imaging (China) Co., Ltd. for inspection.

Based on these direct inspections, we are requiring the sites with insufficient management to improve their systems, and supporting them to enhance their environmental management.

Hikari Glass (Changzhou) Optics Co., Ltd. in China was awarded as "the Companies Contributing to Labor and Social Security in Changzhou City" by Changzhou City Office through its model activities not only for company growth but also for improvement of employees' working environment in accordance with the Chinese Acts on labor management and security.



Production Lines