

# Nikon's CSR Policy

In order to be an enterprise trusted by all, the Nikon Group has formulated "Our Aspirations" and "Our Commitments" to articulate the corporate philosophy, and also the Nikon Corporate Social Responsibility (CSR) Charter and Nikon Code of Conduct. We are thus striving to put CSR into practice.

## Nikon High-Level Policy



## Nikon Corporate Social Responsibility (CSR) Charter Established April 27, 2007

### 1. Sound corporate activities

The Nikon Group endeavors to comply with international regulations, related laws, and internal rules, exercise sound and fair corporate practices, earn the trust of stakeholders such as customers, shareholders, employees, business partners, and society. The Group will maintain constructive relationships with administrative bodies, remaining politically neutral and complying with laws, and will not engage in relationships with individuals or groups that threaten social order or safety.

### 2. Provision of valuable goods and services for society

The Nikon Group will provide valuable products and services to society, endeavoring to increase the satisfaction and trust of our customers and contributing to the healthy development of society.

### 3. Respect for human beings

The Nikon Group will respect diversity and individual human rights and provide a healthy and safe working environment in which all persons receive fair treatment without discrimination. It will also oppose enforced labor and child labor and respect fundamental human rights as well as workers' rights.

### 4. Protection of the natural environment

The Nikon Group will proactively engage in environmental efforts and work to protect the natural environment, as these are common issues for all of mankind.

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

The Nikon Group will carry out corporate activities that take into account the cultures and practices of each country and region and proactively engage in activities that contribute to society as a good corporate citizen.

### 6. Transparent operating activities

The Nikon Group will communicate extensively with customers, shareholders, employees, business partners, and society and disclose business information in a timely and fair manner. It will also conduct reliable financial reporting through accurate accounting processes.

### 7. Responsibility of top management

Top management and employees in managerial positions within each department must understand that they play an essential role in fulfilling the spirit of this Charter and thus, in addition to leading by example, they must ensure that this information is disseminated to everyone in the Group and all related parties. Management must always strive to understand the opinions of those both inside and outside of Nikon to develop a sound internal framework that ensures that the spirit of this Charter is upheld. If any incident occurs that violates this Charter, top management will demonstrate, internally and externally, their determination to solve the problem and strive to identify the cause and prevent its recurrence. Furthermore, they will uphold information disclosure and accountability obligations. They will clarify the authority and responsibility of each manager and employee and deal rigorously and objectively with all people involved in the matter, including top management.

# Nikon's CSR Activities

In addition to setting up a CSR Committee and expert subcommittees that represent a cross-section of the organization, the Nikon Group has developed a Medium Term Plan and is working to ensure more practical and effective CSR activities.

## CSR Medium Term Plan

### Basic Approach to the CSR Medium Term Plan

In the Medium Term Management Plan announced in 2006, the Nikon Group set forth "CSR-oriented management" as one of its priority policies, and it has been implementing this. CSR is key to realizing the corporate philosophy of "Trustworthiness & Creativity" and the management vision of "Meeting needs. Exceeding expectations." The Group is thus committed to business activities that prioritize CSR in the years ahead.

The Group has announced a policy — starting in the year ending March 31, 2009 — of concentrating on the environment and diversity, two issues that are attracting particular public interest. With the entire Group engaged in highly transparent and sincere management that contributes to environmental protection and emphasizes CSR, we are aiming to be a truly outstanding company, well-respected by our stakeholders.

### Priority Policies of the CSR Medium Term Plan (3-year plan, from April 2008 to March 2011)

- Global promotion of CSR activities
- Combating global warming
- Expanding social contribution activities worldwide
- Implementing risk management PDCA cycle
- Conducting diversity activities
- Disseminating CSR guidelines to procurement partners
- Promoting communication with stakeholders

## CSR Promotion Organization

To implement and promote CSR activities, based on the corporate goal of management that is both sincere and highly transparent, expert subcommittees have been set up under the CSR Committee to tackle issues of particular importance.

Previously separate committees were individually responsible for handling particular issues, but in order to ensure more efficient and effective CSR, these activities have been integrated under the CSR Committee that was established in January 2006.

The CSR Committee (Secretariat: CSR Section, Corporate Planning Department) is chaired by the President; its members are standing directors and heads of CSR-related departments. In May 2007, an Integrated Disaster Prevention and BCM Committee was newly created under the CSR Committee, which at present directs the activities of 7 subcommittees, including the Business Conduct Committee, Export Control Committee, Environmental Committee, Social Contribution Committee, Safety and Health Committee, and Risk Management Committee. Also, there is close contact with the Quality Control Principle and the Procurement Communications Conference, though these are independent of the CSR Committee.

### CSR Promotion Organization



\* See page 13 for further information.

# Nikon's CSR Activities

## CSR Promotion Activities in the Year Ended March 31, 2008

■ **CSR seminars for Nikon Group companies in Japan**  
 As one aspect of Nikon's CSR promotion activities, Nikon Group CSR seminars have been held since August 2007. These have been attended by a total of 790 employees with group leader or higher status, most of whom have come from eleven Group companies in Japan. At these seminars, participants are given talks on how the entire Group is tackling CSR — specifically, the topics are (1) CSR outline and Nikon's CSR; (2) combating global warming; and (3) compliance. Aiming to realize the corporate philosophy of "Trustworthiness and Creativity," the seminars encourage a shared understanding of the CSR ethos, so that each and every employee will implement CSR that is seamlessly integrated with the execution of their primary duties. Also, a CSR seminar is a compulsory part of the training given to new Nikon employees, whether or not it is their first experience of employment. To date, this seminar has been held 7 times and attended by a total of about 230 trainees. On completion of the course, they fill in a questionnaire that provides useful feedback for Nikon's CSR promotion activities.



CSR seminar

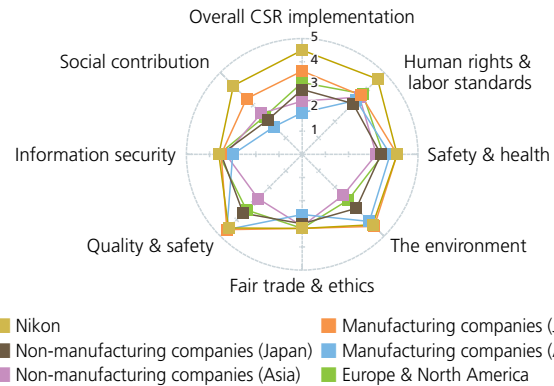
■ **Junko Edahiro lectures on CSR**  
 In October 2007, Junko Edahiro — an environmental journalist who provided the third-party comments published in the 2007 edition of the Nikon CSR Report — was invited by Nikon to give a talk on the current situation of global warming, on what companies should be doing in future, and specifically on the issues facing Nikon which she had pointed out in her published comments. Her audience included President Michio Kariya and approximately 150 executives from Nikon Group companies in Japan. The occasion provided an excellent opportunity to raise awareness regarding protection of the global environment.



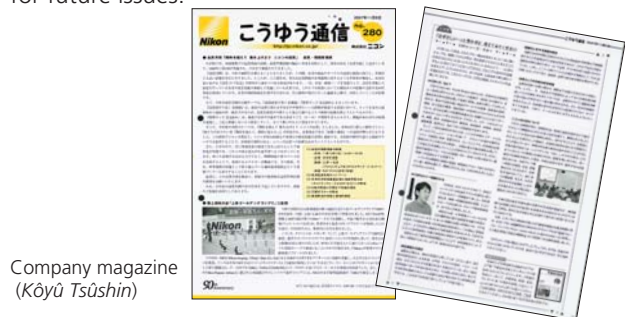
Nikon managers listen intently to Ms. Edahiro's talk

■ **Nikon Group CSR questionnaire conducted**  
 In July 2007, a questionnaire was conducted with the cooperation of all the Nikon departments, 17 Group companies in Japan, and 18 Group companies abroad. This questionnaire was divided into 8 sections: overall CSR implementation, human rights & labor standards, safety & health, the environment, fair trade & ethics, quality & safety, information security, and social contribution. From the responses, it was clear that awareness of CSR and social contribution is low among staff in Group companies in Asia and Japan. This has led to a recognition of the importance of disseminating the Nikon Corporate Social Responsibility (CSR) Charter and Nikon Code of Conduct throughout Group companies, in Japan and overseas. Steps are being taken to correct the situation.

### Results of the 2007 Nikon Group CSR questionnaire (synopsis)



■ **CSR articles debut in company magazine**  
 So that employees will gain greater familiarity with CSR, from November 2007 CSR articles have been appearing in *Kōyū Tsūshin*, the company magazine. Each issue tackles different topics, such as diversity or global warming, providing basic knowledge of the issues and explaining how Nikon is tackling them in an easy-to-understand format. So far 8 of these articles have appeared, with more scheduled for future issues.



Company magazine (*Kōyū Tsūshin*)

# CSR Achievements for the Year Ended March 31, 2008, and Future Targets

In order to ensure that Nikon's CSR activities are more efficient and effective, they are evaluated each year. Also, these results and the issues raised are employed in setting the following year's targets.

## CSR Achievements for the Year Ended March 31, 2008, and Future Targets

Priority issues	Goals for the year ended March 31, 2008	Main activities & achievements for the year ended March 31, 2008	Main targets for the year ending March 31, 2009	More info.	
Nikon Group's CSR	Disseminating CSR and enhancing CSR promotion organization	<ul style="list-style-type: none"> <li>CSR Charter announced (April)</li> <li>New management vision announced (April)</li> <li>CSR promotion organization set up for overseas Group companies</li> <li>CSR seminars for 11 domestic Group companies</li> <li>Questionnaire conducted re. current status of Nikon Group's CSR (July)</li> </ul>	<ul style="list-style-type: none"> <li>Implement PDCA cycle for CSR</li> <li>Enhance CSR promotion organization for overseas Group companies</li> <li>Consider CSR seminars for overseas Group companies</li> <li>Continue CSR seminars for domestic Group companies</li> </ul>	P9	
Corporate governance	J-SOX compliance	<ul style="list-style-type: none"> <li>Implemented documentation practices throughout consolidated Group companies for improving internal control system</li> <li>Implemented documentation practices for major Group companies in Japan &amp; abroad for improving business processing control</li> </ul>	<ul style="list-style-type: none"> <li>Early completion of enhancement activities; embed changes within management processes</li> <li>Improve internal control structure, taking the long-term view</li> </ul>	P20	
	Improving internal audit system	<ul style="list-style-type: none"> <li>Proposals made for auditing &amp; improving business operations in each department within Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Enhance internal auditing overseas</li> </ul>		
Compliance	Disseminating & ensuring thorough compliance practices	<ul style="list-style-type: none"> <li>Nikon Code of Conduct revised &amp; disseminated throughout domestic companies</li> <li>Domestic intranet site established for centralizing relevant information</li> <li>Compliance awareness survey (with feedback) of all employees of domestic Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Ensure thorough dissemination of Nikon Code of Conduct in Japan &amp; abroad</li> <li>Implement improvements based on awareness survey results (PDCA cycle)</li> <li>Enhance Code of Conduct Hotline to allow external input</li> </ul>	P21	
Risk management	Establishing BCM & integrated disaster prevention	<ul style="list-style-type: none"> <li>BCM system established for precision equipment &amp; imaging businesses, and also for Head Office functions</li> <li>Education &amp; table-top training implemented for BCP staff in each dept.</li> </ul>	<ul style="list-style-type: none"> <li>Establish permanent PDCA cycle</li> <li>Implement e-learning, applied table-top training</li> </ul>		
	Promoting information security	<ul style="list-style-type: none"> <li>Nikon company regulations adopted as Group regulations (data protection, etc.)</li> <li>Data protection audits conducted on domestic Group companies</li> <li>Information security training provided for all employees in Japan</li> <li>Feasibility study for measures to prevent malicious information leaks</li> </ul>	<ul style="list-style-type: none"> <li>Review regulations for Group companies</li> <li>Implement continuous data protection audits at Group companies</li> <li>Expand Information security training program to include employees of overseas affiliates</li> </ul>	P23	
	Risk management for staff assigned overseas	<ul style="list-style-type: none"> <li>Internal system and information tools established</li> </ul>	<ul style="list-style-type: none"> <li>Introduce such measures at Nikon, at Group companies in Japan, and at overseas affiliates in Asia</li> <li>Compile manual on how to set up such an internal system</li> </ul>		
	Ensuring thorough export controls	<ul style="list-style-type: none"> <li>Export control workshops held</li> <li>EAR (US Export Administration Regulations) workshops held</li> </ul>	<ul style="list-style-type: none"> <li>Enhance export control system for each internal company</li> <li>Ensure thorough compliance with EAR (US Export Administration Regulations)</li> </ul>	P24	
Main stakeholders	Customers	Strengthening quality control system	<ul style="list-style-type: none"> <li>Quality safety enhanced (quality-control audits conducted three times a year)</li> <li>Committee established for setting and promoting quality targets for the entire Group</li> <li>Committee established for integration of quality, environment, and labor safety and health manuals</li> </ul>	<ul style="list-style-type: none"> <li>Conduct quality-control audience six times a year</li> <li>Compile &amp; publish quality action plan</li> <li>Compile &amp; publish integrated manual</li> </ul>	P25
		Strengthening manufacturing	<ul style="list-style-type: none"> <li>Activities to shorten development times, reduce costs, and improve productivity</li> </ul>	<ul style="list-style-type: none"> <li>Implement measures to reform all aspects of manufacturing so as to establish a Strong Nikon</li> </ul>	P26
	Shareholders & investors	CSR promotion	<ul style="list-style-type: none"> <li>CSR activities actively published on website</li> <li>Business information disclosed in a timely and fair manner on website</li> </ul>	<ul style="list-style-type: none"> <li>Enhance quantity and quality of website contents</li> <li>Conduct IR activities suited to investor characteristics</li> </ul>	P28
		Fostering of human resources, employee education	<ul style="list-style-type: none"> <li>Conducted basic education for management, human rights education</li> <li>Revised OJT support for new employees</li> </ul>	<ul style="list-style-type: none"> <li>Implement basic training for running an organization (linked to the operation of an MBO system)</li> <li>Start running new system for OJT support for new employees (enhance quality of instruction)</li> </ul>	P29
	Employees	Fostering climate conducive to "Meeting needs. Exceeding expectations."	<ul style="list-style-type: none"> <li>Introduced dual-track personnel system, training program for career planning</li> <li>Conducted awareness survey of employees at domestic Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Implement 360° diagnostics for managers</li> <li>Operate dual-track personnel system (promotions, transfers)</li> </ul>	
		Support for women in the workplace	<ul style="list-style-type: none"> <li>Numerous proposals made by project team</li> <li>Talks by external lecturers arranged; off-site meetings conducted</li> </ul>	<ul style="list-style-type: none"> <li>Review multiple systems, revise current systems, establish new systems</li> <li>Start training program for women designed to foster leadership</li> </ul>	P31
		Employment of the disabled	<ul style="list-style-type: none"> <li>Conducted feasibility study for increasing ratio of disabled employees</li> </ul>	<ul style="list-style-type: none"> <li>Establish and run second Tsubasa factory</li> </ul>	P32
		Fostering of human resources, employee education	<ul style="list-style-type: none"> <li>Offered life-plan seminars to employees nearing retirement</li> </ul>	<ul style="list-style-type: none"> <li>Expand re-employment of retirees</li> </ul>	
		Safety control	<ul style="list-style-type: none"> <li>Enhanced safety through risk assessment methods; extended record for zero days lost due to accidents</li> </ul>	<ul style="list-style-type: none"> <li>Enhance safety through risk assessment methods (eliminate risk factors)</li> </ul>	
		Group safety control	<ul style="list-style-type: none"> <li>Conducted training to enhance practices of those in charge of safety and health at Group companies, establishing network to link them</li> </ul>	<ul style="list-style-type: none"> <li>Improve the level of safety and health control in the Nikon Group</li> </ul>	P33
		Prevention of overwork	<ul style="list-style-type: none"> <li>Implemented overtime limits including "No-overtime day" and "Cooling system"</li> </ul>	<ul style="list-style-type: none"> <li>Enhance measures for preventing health impairment through overwork</li> </ul>	
		Tackling mental health issues	<ul style="list-style-type: none"> <li>Implemented training for managers &amp; supervisors, and trial counseling for new employees</li> </ul>	<ul style="list-style-type: none"> <li>Actively promote mental healthcare</li> </ul>	
	Health management	<ul style="list-style-type: none"> <li>Implemented working hours campaign</li> </ul>	<ul style="list-style-type: none"> <li>Establish dynamic work style</li> </ul>		
	Safety & health overseas	—	<ul style="list-style-type: none"> <li>Establish measures for dealing with health risks (infectious diseases, etc.) faced by staff posted overseas</li> </ul>	P34	
	Support for the work-life balance	<ul style="list-style-type: none"> <li>Review of flexible working conditions, including encouragement for employees to take childcare leave</li> </ul>	<ul style="list-style-type: none"> <li>Review in conjunction with working hours</li> </ul>		
Business partners	Promotion of CSR procurement	<ul style="list-style-type: none"> <li>Nikon Group Procurement Communications Conference set up (Nov.)</li> <li>Procurement Partner CSR Guidelines drawn up (Dec.)</li> <li>Seminars for staff in charge of procurement at domestic Group companies (Feb., Mar.)</li> <li>3<sup>rd</sup> revision of Nikon Green Procurement Standards (Mar.)</li> </ul>	<ul style="list-style-type: none"> <li>Conduct CSR procurement seminars for domestic &amp; overseas Group companies</li> <li>Conduct seminars for procurement partners in Japan and overseas</li> <li>Conduct training for staff in charge of procurement at domestic &amp; overseas Group companies</li> <li>Conduct questionnaire for procurement partners in Japan and overseas</li> </ul>	P35	
Local communities	Social contribution with distinctively Nikon approach	<ul style="list-style-type: none"> <li>Nikon Scholarship Program established in Thailand</li> <li>Ran contest to select pictures for UN children &amp; environment poster</li> </ul>	<ul style="list-style-type: none"> <li>Create system for managing program for university students &amp; students studying abroad</li> <li>Make improvements to website (open to the public)</li> </ul>	P37	
	Participative social contribution Harmonious coexistence with local communities	—	<ul style="list-style-type: none"> <li>Implement afforestation project in Mt. Fuji woodlands</li> <li>Start awareness program for domestic Group companies</li> </ul>		
Environment	Prevention of global warming	<ul style="list-style-type: none"> <li>Global Warming Prevention Project Team formed</li> <li>Employee awareness raised through Environment Month events</li> <li>Scope of integration of environmental management systems expanded</li> <li>Preparations made for creating control system for REACH Regulation compliance</li> <li>Participation in Eco Products trade fair (Dec.)</li> </ul>	<ul style="list-style-type: none"> <li>Follow through with commitments under Kyoto Protocol (All domestic places of business and all production-related companies in Asia will strive to achieve greenhouse gas emission reduction targets in line with the Kyoto Protocol. Overseas sales companies and other places of business will strive to achieve their own voluntary targets for energy saving, etc. Environmental awareness to be encouraged among Nikon Group employees and their families to contribute to preventing global warming.)</li> </ul>	P41	
	Environmental protection	<ul style="list-style-type: none"> <li>Underground water survey implemented at each factory</li> <li>Measures taken to counter soil pollution at Ohi Plant; public briefing held</li> </ul>	<ul style="list-style-type: none"> <li>Comply with relevant laws and adopt environmental protection measures</li> </ul>		