



This year's report also has a friendly tone and is easy to understand. Although Nikon's products are advanced and technical, it is easy to see the company's great efforts to explain what environmental responses it is undertaking in ways that can be understood by the general public as well, for example through "Eco-Friendly Products."

As I have been viewing these kinds of reports for many years, I understand that Nikon is a sincere company that always carries out various measures in a trustworthy and earnest manner regarding all sorts of problems by first determining policies, then creating systems and carrying out concrete actions. The PDCA cycle for environmental management is carried out reliably with input from this report, employee surveys, and other sources.

Regarding the recent earthquake, this report clearly states Nikon's prompt responses regarding the affected areas, as well as its commitment to continually providing assistance with a long-term outlook. This results in increased trust.

The earthquake impacted Japan in a variety of ways, and I think that one effect was making many people keenly feel the importance of a long-term chronology. Up until now Nikon has contributed to local communities in Thailand through scholarship programs, and has collaborated on research and education at its Imaging Center. Such long-term initiatives are not merely one-way contributions to society, but show that a large, virtuous cycle is taking form that also has positive effects on Nikon's business.

Biodiversity is becoming a significant future issue for corporations, and Nikon is facing this issue head on. Nikon has also indicated its awareness of the issue of active roles played by women as a company. It presents the current situation and its efforts using numerical values and concrete examples in order to accurately show progress and the company's recognition of this issue. Nikon also precisely states its future initiatives, the company's understanding of the progress it has made, and the initiatives it will take in the future, which results in clear PDCA reports and creates a favorable impression.

I commend Nikon overall for its precise systems, solid initiatives, and system of easy-to-understand reports. I also hope for further progress regarding the following four matters.

The first issue is the handling of data (although this is being accomplished in a partial fashion). Placing graphs side by side does create an objective report, but it does not convey the intentions of the company. I suggest adding simple comments to each graph such as the company's understanding of the current situation and trends, the reasons for and background behind whether the situation is positive or not, and the sorts of countermeasures and future initiatives that are being considered. In this way, mere graphs would become a lively "window" into the thoughts and future directions of the company.

Secondly, energy problems are a major issue for Japanese corporations, particularly when considering sustainability. Beyond being connected to global warming, energy itself is a significant challenge for the future sustainability of corporations, Japan, and the entire world. What is Nikon's recognition of worldwide energy trends and its current energy-related situation? In the future, how will it estimate these things and how will it change its way of doing things from the viewpoint of energy? I believe that initiatives from such points of view will comprise a large part of future corporate social responsibility.

Thirdly, it is clear that Nikon is undertaking a range of measures in a reliable way including global warming-related activities. However, I would like Nikon to state its major vision for where it is headed as a result of accumulating these experiences. Although its medium- to long-term vision regarding global warming is not yet ready to be announced outside the company, I hope that Nikon is considering these matters. Besides what is specified by the government, in such a situation Nikon must understand global trends and state in its own words what its position and future mode of existence will be.

Finally, I would like Nikon to take on the further challenge of creating a "CSR Report by a globalized company." What does CSR mean to a corporation with a Japanese employee ratio of 30%, and a Japanese sales ratio of 14%? Rather than just how many local nationals are part of the management team of overseas corporations, an important index in the future will surely be the proportion of foreign nationals in management positions at the Japanese Head Office as well. For a truly global corporation, it is doubtful that everything will be led by the Japanese people in the Japanese Head Office. I am looking forward to Nikon's global CSR initiatives as a global corporation in a global era.

Only a company such as Nikon could accomplish CSR activities and reports that have firm foundations and yet remain one step ahead of other companies. I have great expectations for them in the future.



As demonstrated by a number of prizes awarded, such as being recognized as a Notable COP² by the UN Global Compact for two consecutive years, Nikon's CSR, carried out under the corporate philosophy of "Trustworthiness and Creativity," has been highly evaluated both inside and outside Japan. This report, providing a systematic overview of its initiatives ranging from the identification of priority issues to future challenges, is also very reader friendly. As my third party comments, I would like to first touch upon 1) recognized improvements for this year, and then move on to my expectations regarding Nikon Groups' future initiatives mainly from two angles: 2) Global management, especially globally coherent and integrated initiatives taken by the Group as a whole, and 3) Forward-lookingness and proactiveness to understand emerging social issues, and to integrate their solutions into management.

1) Noteworthy improvements for this year

Those points I find commendable include: Nikon clearly states their failure to achieve their target for female employment. The percentage of female sectional and higher-level managers in overseas Group companies is disclosed, The Pan-Asia CSR coordination functions is being put in place. CSR-oriented procurement is expanded to a part of the overseas Group companies. These endeavors, which are in line with third-party comments in last year's report, are important steps toward global CSR initiatives with a clear direction of tackling social problems. Furthermore, from the perspective of ensuring transparency, the continuation of yearly updates on the measures to solve soil contamination is also a positive element of this year's report.

2) Future challenges from the viewpoint of global management

CSR in its essence is the social visions held by the organization and its people. Nikon's philosophy regarding the Japanese society is embodied by what it has done for CSR in Japan, but I also expect Nikon—which has public ideals that are open to the whole world—to carry out global CSR toward realizing that philosophy. In that respect, although all of the information regarding CSR initiatives taken by overseas Group companies is very impressive, and steady progress is being made such as undertaking the global Group wide education on human rights, further efforts to advance Group wide initiative on a global scale would be advisable. Setting concrete objectives and disclosing information about present conditions would be beneficial to this end. Regarding setting of specific targets, although there are some issues, such as the ratio of female sectional and higher-level managers, the targets of which have been already numericalized, Nikon should further explore specifying measures regarding other issues as well. For example, in terms of those issues for which targets cannot be set numerically, numerical gauging of the situations could be still possible. There is

also room for greater efforts to be made in the realm of information disclosure. For example, introducing the details from the results of the Group-wide survey on human rights could create a knowledge base for future action. The presentation of a global personnel policy vision, which I referred to as a necessary step to be taken in my third party opinion for the last year's report, also continues to be a relevant issue for future efforts.

3) Issues from the viewpoint of forward-lookingness and proactiveness

One of the difficulties of CSR lies in the fact that new issues continue to appear one after another. For this reason, companies need to have foresight regarding what will happen in society. In this regard, my expectation for Nikon, in terms of the environment, is to consider how it should reform its way of doing business in order to maintain biodiversity in the future. When new issues come up, especially those that do not necessarily seem to have a clear and direct relationship with the company's business, many companies tend to address these issues simply in the form of social contributions. However, over time, those new issues need to be integrated into business operations. As specified in the Nikon Basic Environmental Management Policy, I would like recommend Nikon consider biodiversity at all stages including production, distribution, usage, and disposal, as well as carrying out evaluations in consideration of biodiversity in the stages of planning, development, and design.

In terms of social issues, strong focus is being placed on the issue of equality regarding regular and irregular employment all over the world. The GRI Guidelines,² for example, contains the following performance indicator: "Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations." Most Japanese corporations, however, do not disclose such information. In the "Appreciating Diverse Work Styles" part of this year's report, the reference to the direct hiring and training of dispatched workers is a small but positive step. I believe Nikon's proactiveness would bring further progress in this regard.

I have expressed expectations regarding Nikon's CSR activities, and would like to conclude my opinion by mentioning two cross-sectional points. The first is the further promotion of dialogues with stakeholders. I mentioned that companies must have foresight regarding new issues, and the key to cultivating sensitivity in relation to new social and environmental issues, as well as understanding their relationships with business, is continuing to hold dialogues with a wide range of stakeholders. This year's report clearly shows the state of progress of dialogues with stakeholders, but I also hope that Nikon further promotes dialogues with social stakeholders including NGOs and NPOs. Another point is further involvement of people in everyday business operations. Information provided by this report on CSR initiatives on each business front effectively communicates that earnest CSR efforts being made by the organization as a whole. One of Nikon's great CSR-related strengths, as well as one of its assets, is organization-wide, cross-sectional participation of its people in CSR activities. I would like finally to reiterate my hope that Nikon continues to heighten its credibility through dialogues with a broad range of stakeholders while creating new CSR with the efforts and participation of all its employees.