

## Reaffirming Our Purpose and Responsibilities, and Creating New Value for Society.

We would like to express our deepest sympathy and condolences to the victims of the Great East Japan Earthquake, and pray for a swift recovery for the devastated communities.

As the disaster unfolded, we received countless messages of encouragement and support from our stakeholders around the world, for which we are deeply grateful. The earthquake and tsunami had a huge impact on Sendai Nikon and other Nikon Group companies in the Tohoku and Kanto regions of Japan, but thanks to everyone's support and the steadfast efforts of all employees, all sites were able to quickly resume operations.

In terms of the nuclear crisis, this unprecedented disaster is still continuing and only time will tell what its effects will be. While it is true that we must continue to address material supply issues in our supply chain and the power supply problem, we have taken this opportunity to reaffirm our number one priority: providing a secure supply of quality, safe, and appealing products and services—no matter what the circumstances. We will continue our efforts to achieve this as one Group. We will also review our response to the disaster, and through revision of our BCP and other measures, we will enhance our risk management capabilities to deal with possible future crises.

At the Nikon Group we think of CSR as the very process of achieving our corporate philosophy: "Trustworthiness and Creativity." CSR-oriented management is one of the core policies of our corporate management. In 2007 we expressed support for the United Nations Global Compact and its ten principles on human rights, labor standards, the environment, and anti-corruption. These ten principles are practiced in the Nikon Group as an integral part of priority issues in our CSR activities, and in the

fiscal year ended March 31, 2011, we have reinforced the penetration of these principles into the employees, by means of e-learning or other tools.

On the business side, while the previous fiscal year was marked by sudden currency movements, sales grew, and as a result of our strengthening business functions and implementing process reforms within the Group, we were able to bounce back from the global economic downturn.

We have reorganized and combined certain priority issues in CSR for the year ending March 31, 2012. These issues are: development and implementation of a CSR infrastructure, expansion and promotion of environmental management, implementation of compliance activities, compliance with human rights and labor practices/enhancement of workforce diversity, co-existence with society and the natural environment, and promotion of CSR activities in the supply chain. For environmental management, we have been active in trying to conserve energy and resources since even before the recent disaster, but with Japan now facing a shortfall in power, we will amplify our efforts.

We have already begun sending aid and assistance to the disaster region and people affected by the disaster, and hereafter we will continue to make any and all contributions that we can with a view toward medium- to long-term restoration. We will also pursue on a global scale social contribution activities that make the most of the Nikon Group's unique strengths.

In the future, we will continue to deliver new value based on our corporate philosophy of "Trustworthiness and Creativity," and contribute to the sustainable growth of society.

June 2011

*Michio Kariya*

**Michio Kariya**  
Representative Director,  
Chairman of the Board  
Nikon Corporation



*Makoto Kimura*

**Makoto Kimura**  
Representative Director,  
President,  
Member of the Board  
Nikon Corporation



### Impact of the Great East Japan Earthquake and Nikon's Response

The following section is a review of events in the Nikon Group (as of May 10, 2011) that occurred in the wake of the Great East Japan Earthquake and ensuing tsunami and aftershocks that struck northeast Japan on March 11, 2011.

#### Impact of the Disaster on the Nikon Group

While one plant and seven manufacturing companies located in Miyagi, Tochigi, and Ibaraki prefectures (see table below) sustained partial damage to their equipment and buildings, all sites resumed operations by mid-March. To our deepest regret, the deaths of four employees were confirmed.

#### Plants and Group Companies that Sustained Damage

Plant/Company	Location
Mito Plant, Nikon Corporation	Mito, Ibaraki Pref.
Sendai Nikon Corporation	Natori, Miyagi Pref.
Miyagi Nikon Precision Co., Ltd.	Zao-machi, Katta-gun, Miyagi Pref.
Zao Plant, Nikon-Trimble Co., Ltd. <sup>1</sup>	Zao-machi, Katta-gun, Miyagi Pref.
Tochigi Nikon Corporation	Otawara, Tochigi Pref.
Tochigi Nikon Precision Co., Ltd.	Otawara, Tochigi Pref.
Kurobane Nikon Co., Ltd.	Otawara, Tochigi Pref.
Nasu Nikon Co., Ltd. <sup>2</sup>	Nasukarasuyama, Tochigi Pref.

1. Nikon-Trimble Co., Ltd. is an equity method affiliate.

2. Nasu Nikon Co., Ltd. is a subsidiary of Nikon-Essilor Co., Ltd., which is an equity method affiliate.

#### Post-Earthquake Response

Immediately after the earthquake, Nikon Corporation set up an Emergency Headquarters for Disaster Control headed by the President, and quickly set about confirming the safety of Nikon Group employees and their families and assessing the damage to buildings and equipment. Group companies in the greater Tokyo area shipped emergency stockpiles along with relief supplies donated by business partners to the disaster region, where they were distributed to Group companies and nearby residents affected by the disaster. A total of 50 tons of supplies including drinking water, food, and daily living necessities were sent to the region. Meanwhile, Nikon Corporation set up a Business Continuity Headquarters in each of its business divisions to focus on helping our customers rebuild and restoring company supply chains. In order to save electricity, we have adopted some irregular measures about our working style, such as working-at-home, rescheduling of Golden Week holidays (in May) for late summer which is the peak season of electricity consumption, etc.

#### Relief and Reconstruction Efforts for the Disaster Region

Nikon Corporation donated 100 million yen to the Japanese Red Cross Society, while overseas Group companies and employees made their own donations to local Red Cross chapters and other aid groups to support post-disaster relief and reconstruction. To assist in keeping records of the damages and the reconstruction process, the Nikon Group donated 1,000 compact digital cameras and 200 pairs of binoculars to local governments and other institutions. It also donated hearing aid batteries and approximately 12,000 eyeglass lenses to eyewear retailers helping disaster victims.

#### In the Future

Hereafter the Nikon Group will achieve a quick business recovery by pursuing Group targets with restoration as the highest priority. With regard to material supply issues in our supply chain, we will review and redevelop our procurement systems and bolster all the systems to maintain product and service supplies. Another serious challenge is power. We will do everything within our ability to address this issue, such as implementing intensive measures to save energy and revising work calendars and working hours. Learning from our experience of this disaster, we will also review our business continuity plan, conduct more thorough training, and enhance our risk management capabilities to prepare ourselves for disasters that exceed normal expectations.

Efforts by the Nikon Group to support the disaster victims will continue. The Group is already making contributions through partnerships with the Japan Society for Social Service in its photo restoration project, "Project to Restore Your Memories," and with the Visual Media Producers Association and its "Recovery Assistance Media Team," and we will maintain our efforts to help the disaster region and disaster victims in ways that take advantage of the unique strengths of the Nikon Group.