Highlights

Efforts in Biodiversity Conservation

Our corporate activities are closely linked to biodiversity. For many years the Nikon Group has engaged in environmental conservation related to its business and also worked to provide nature education programs for children based on the understanding that all its business activities both receive benefits from and have an impact on the natural environment.

Promotion Through the Biodiversity Working Group

In January 2010, the Nikon Group formed a Biodiversity Working Group consisting of members of the CSR section, Social Contribution section, Environmental section, and Procurement section. The Working Group has been exploring interdepartmental initiatives aimed at assessing the Group's relationship to biodiversity and its operational impacts, and at preserving biodiversity. In April 2010, the Nikon Group revised the Nikon Basic Environmental Management Policy to clarify the company's basic position on biodiversity.

Nikon Corporation participates in biodiversity sectional meetings of the UN Global Compact Japan Network (the Japan network for the UN Global Compact), and takes part in information exchange and case studies with other members.

The Nikon Group also strives to educate its employees and their families: in October 2010, we produced a "Biodiversity Pamphlet" and "An Introduction to Biodiversity" booklet and posted them on the Group intranet. These resources explain in an easy-to-understand way the meaning of biodiversity and in what ways it is relevant to humans.

Participation in the Mt. Fuji Reforestation Project

The Nikon Group is participating in a collaborative project to restore forest biodiversity on the northern foothills of Mt. Fuji as a member of the Mt. Fuji Reforestation Promotion Meeting (hosted by OISCA International). The Nikon Group provides support for managing and maintaining the forest and also encourages its employees and their families to volunteer in these activities: a total of 330 people representing the Nikon Group have visited Mt. Fuji thus far. On May 22, 2010, the International Day for Biodiversity, 130 people participated in tree-planting activities, planting a total of 1,300 saplings sprouted from seeds native to Mt. Fuji over 1.3 hectares. Volunteers also cleared undergrowth during the summer.

Ecology Lecture Raises Employee Awareness

In February 2011, we hosted a lecture on the environment attended by approximately 150 Nikon Group employees. Guest lecturer Manabu Miyazaki, a wildlife photojournalist, spoke on the current conditions facing wild animals and forests, the ecology of organisms that live in cities, and the connections between humans and other organisms in a speech entitled "Environmental Problems from the Eyes of Animals." The lecture was a great opportunity to contemplate the importance of understanding the real natural world, not only from the standpoint of humans but also from the perspective of animals.

Manabu Miyazaki speaking before Nikon Group employees

Voice

Acting as another inhabitant of planet Earth: The Mt. Fuji Reforestation Project

Before I joined Nikon, I conducted research using microscopes. Observing organisms so closely made me realize just how complex and how sensitive to their surroundings —and how urgent it is to protect them. In my opinion as an employee of Nikon, a multinational corporation, I thought I should be active in protecting organisms on a global scale, and as the first step I participated in tree-planting activities. Learning about the current problems at Mt. Fuji reaffirmed my belief that we need to be more active toward protecting living things on a global level. I have begun my efforts by first taking care of nature close around me.

Chisako Iwamoto Systems Development Section, Bio Science Development Department, Development Division, Instruments Company, Nikon Corporation

Planting saplings with Executive Vice President Terato (event date: May 22, 2010)

Nikon Sponsors the International Children's Conference on the Environment

Nikon Corporation sponsored the International Children's Conference on the Environment (hosted by the United Nations Environment Programme (UNEP) and the Aichi Nagoya Kodomo COP10 Executive Committee) held in Nagoya City from October 21 to 25, 2010. UNEP's International Children's Conference on the Environment brings together children aged 10 to 14 for the primary purpose of raising the next generation of global leaders by providing environmental education and a venue for sharing experiences. Some 200 children —approximately 80 from 35 foreign countries and 120 from Japan attended the conference held in 2010, the International Year of Biodiversity, where they deepened their understanding of biodiversity and each other through various discussions and programs under the convention theme of biodiversity conservation.

As its own contribution, Nikon Corporation provided an outdoor activity program at Mt. Fuji and an educational program using "AKAYA Note," and also hosted the awards ceremony for the 19th International Children's Painting Competition on the Environment (see p. 57), yearly event Nikon Corporation co-hosts with three other organizations including UNEP.

Plenary session of the 2010 International Children's Conference on the Environment

Children talking at a discussion meeting

Nikon's Mt. Fuji outdoor activity program

Educational program using "AKAYA Note"

Environmental awareness tools for biodiversity

As a social contribution activity, the Nikon Group also promotes environmental education using various tools to raise awareness.

The Nikon Group develops and produces various educational tools used at elementary, junior high, and senior high schools around Japan, including AKAYA Note, an environmental booklet about the Akaya forest (located in Gunma Prefecture), site of the AKAYA Project to restore biodiversity, and IKIMONO KARUTA, a fun way to teach children about biodiversity.

Environmental Management

In committing the entire group to the Nikon Basic Environmental Management Policy and engaging in effective environmental preservation through its Environmental Management System (EMS), the Nikon Group aims to become an environmentally harmonious enterprise that contributes to the development of a recycling-oriented society in all its business activities.

The Nikon Basic Environmental Management Policy

The Nikon Group created the Nikon Basic Environmental Management Policy, which aims to prevent environmental pollution by using resources efficiently and helping to preserve the global environment so that it would be able to pass on a sustainable and healthy environment to further generations.

The Nikon Basic Environmental Management Policy Revised in April 2010

1. Basic Philosophy

One of the priorities of Nikon (Nikon Corporation and the Nikon Group) is to foster coexistence and co-prosperity in all regions where its business operates across the world, everywhere on Earth, and even in space. This policy is based on the corporate philosophy of Nikon, "Trustworthiness and Creativity." In all our business activities we are committed to combating environmental pollution, making effective use of resources, and contributing to building a recycling-based society, thereby protecting and improving the global environment and passing it on to future generations for the sustainable development of society.

2. Basic Approach

As a responsible company, Nikon is committed to protecting the global environment and to monitoring its impact on the natural environment, including issues related to climate change and biodiversity.📖 Our commitment is based on the recognition that if companies are to continue to develop, it is essential to solve environmental problems, because in the end this will contribute to the survival of humankind.

We will win the trust and support of society by providing high-quality products that are both people- and earthfriendly, and we will introduce activities across Nikon and at our business partners to achieve this.

3. Action Guidelines

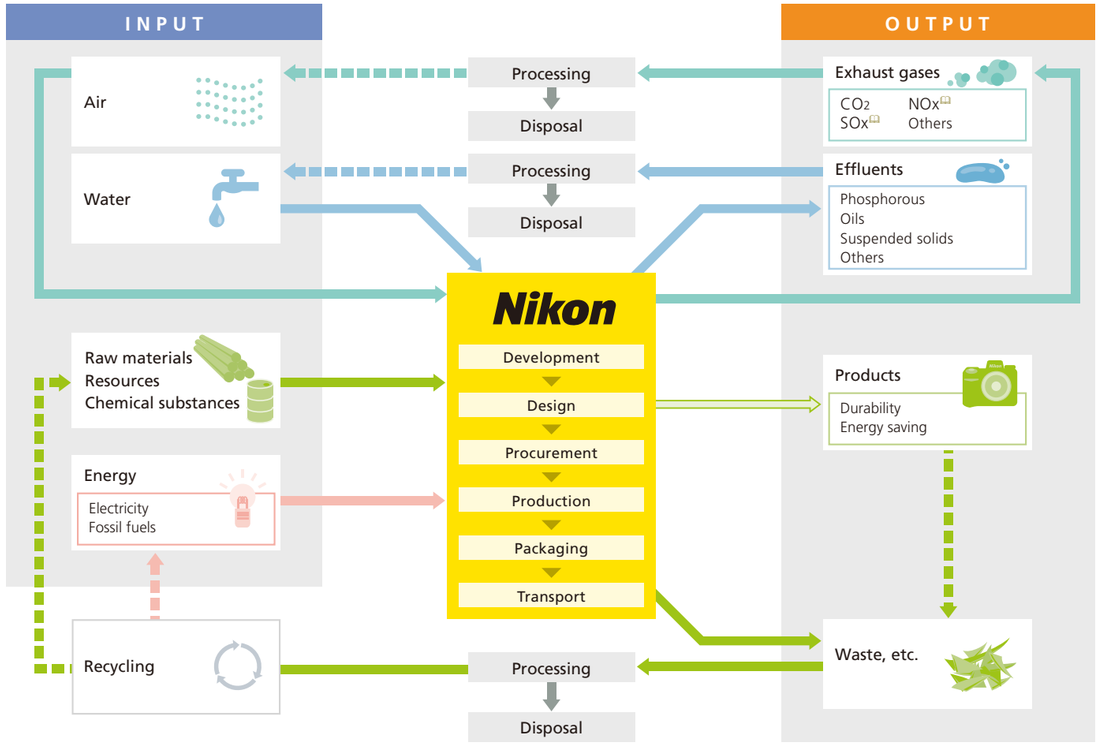
(1) We will make every effort to promote reductions of CO_2 and waste emissions, reuse and recycling, while encouraging energy and resource conservation, waste reduction and conscientious waste processing with the goal of creating an environment-conscious recycling society.
(2) We will perform environmental and safety reviews, including those to conserve biodiversity, at every stage of planning, development and design, in order to provide products that fully comply with environmental protection aims.
(3) At every stage of production, distribution, use and disposal, we will actively introduce materials and equipment that are effective in protecting the environment, including conservation of biodiversity, strive to develop and improve technologies in this area, and work to minimize environmental burdens.
(4) We will meet targets for reduction of our environmental burdens and use of harmful substances, and continue to improve our environmental management system through environmental audits and other means.
(5) We will develop and follow a rigorous code of standards, in addition to observing all environmental conservation treaties, national and regional laws and regulations.
(6) We will conduct ongoing education programs to further employee knowledge of environmental issues and promote employee involvement in environmental activities.
(7) We will provide business partners with guidance and information to promote optimal environmental protection activities.
(8) In cooperation with our stakeholders,📖 we will participate actively in the environmental protection programs of society at large, and actively disclose information.

Business Activities and the Environment

Companies can be compared to a living organism in the natural environment: they provide society with products and services and continue to grow while consuming a range of resources and energy and generating a variety of waste. As the need to build a recycling-based society grows, companies must also gain a clear understanding of their own environmental impacts and execute more advanced ecological management.

The Nikon Group has made steady efforts to reduce waste and make various other improvements, as well as being engaged in its own unique activities, a notable example of which is development of Eco-glass,📖 which has an amazingly small environmental footprint. Our efforts are currently focused on CO_2 emissions reduction, reduction and management of hazardous chemical substances, activities to conserve biodiversity, and remediation of contaminated soil.

Relationship with the Environment in the Nikon Group's Business Operations



Nikon Group's Principal Environmental Loading (for year ended March 31, 2011)

INPUT		Plants	Group manufac-turing companies in Japan	Units
Energy	Electricity	171,158	99,514	MWh
	Gas	6,542	2,247	thousand m^3
	Heavy oil	0	971	kl
	Kerosene	0	100	kl
	Water	1,578	833	thousand m^3
PRTR📖 substances	2-aminoethanol	1.019	0	t
	Ferric chloride	0	4.815	t
	Hexavalent chromium compounds	0	2.658	t
	Chromium and trivalent chromium compounds	0	2.468	t
	Dichloropentafluoropropane	0	1.325	t
	Toluene	0	4.211	t
	1-bromopropane	22.763	47.857	t
	Boron compounds	3.636	91.374	t

OUTPUT		Plants	Group manufac-turing companies in Japan	Units
CO_2 emissions	Electricity	65,725	41,769	t-CO_2
	Gas	14,368	8,807	t-CO_2
	Heavy oil	0	2,631	t-CO_2
	Kerosene	0	250	t-CO_2
PRTR substances emissions	2-aminoethanol	0	0	t
	Ferric chloride	0	0	t
	Hexavalent chromium compounds	0	0	t
	Chromium and trivalent chromium compounds	0	0	t
	Dichloropentafluoropropane	0	1.152	t
	Toluene	0	3.433	t
	1-bromopropane	22.522	34.554	t
	Boron compounds	0.005	0.128	t
Disposal	Amount of waste generated	3,490	2,752	t
	Amount recycled	3,470	2,117	t
	Amount of landfill	8	610	t

Scope of Data
Plants: Nikon Corporation's Ohi, Yokohama, Sagamihara, Kumagaya, and Mito Plants
Group manufacturing companies in Japan:
Tochigi Nikon Corporation, Tochigi Nikon Precision Co., Ltd., Sendai Nikon Corporation, Miyagi Nikon Precision Co., Ltd., Kurobane Nikon Co., Ltd., Hikari Glass Co., Ltd., TNI Industry Co., Ltd.
*For energy, "Plants" include Nikon Corporation's head office.

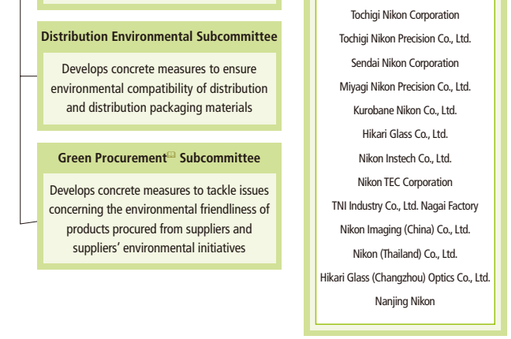
Expansion and Promotion of Environmental Management

Environmental Management System (EMS)

Environmental management organization

The Nikon Group established an environmental management organization based on the Nikon Basic Environmental Management Policy, and is implementing a group-wide environmental management system under the leadership of the Environmental & Technical Administration Department. Through this organization, we constantly monitor the enactment and enforcement of the relevant regulations, treaties, and standards both within and outside Japan, identify social needs, and respond as the situation requires.

Environmental Management Organization (as of April 1, 2011)



Utilization of ISO 14001 certification

The Nikon Group conducts environmental management activities based on ISO 14001. We are currently obtaining integrated certification in and outside Japan with the goal of boosting the efficiency of our business operations and spreading our environmental action plan through the entire Group, which is our medium-term goal for environmental activities. In the fiscal year ended March 31, 2011, Nanjing Nikon obtained certification (see p. 44).

Moreover, we are promoting the introduction of the Nikon Environmental Management Simplified System (simplified EMS) consisting of important elements from ISO 14001 to Nikon Group sites with low environmental impact. In the fiscal year ended March 31, 2011, Nikon Imaging Japan introduced this system, and in the same fiscal year we established EMS Development Basic Policy for all Group companies, including those overseas. Based on this basic policy, we will expand the scope of our environmental management system and in the year ending March 31, 2012, we will make preparations to obtain ISO 14001 certification or introduce the simplified EMS into overseas non-manufacturing sites.

Through these activities, we are operating the environmental management system group-wide, and have introduced environmental-preservation activities such as reducing GHG emissions through reduced energy consumption, effectively using resources (promotion of the 3Rs), green procurement, and reducing the use of hazardous chemical substances.

Performing internal audits

We regularly conduct internal audits to check whether auditees are complying with ISO 14001 and environmental manuals, as well as to see how they have set and implemented their environmental targets. Internal audits are performed at least once a year on the Environment Committee, its subcomittees, and respective departments. The chief auditor and auditors are designated from among the registered employees who have approval for meeting the necessary conditions for an internal auditor by the heads of the Local Environmental Subcommittees.

If an area needing improvement is detected during an internal audit, the audited organization will put corrective measures in place and report the results to the chief auditor, who will then check the implementation.

Nikon Environment Symbol

For its environmental protection and improvement activities, the Nikon Group created the Nikon Environment Symbol in 1998.

Environmental Education, Awareness Raising, and Internal Communication

The Nikon Group has been conducting a range of environmental education and awareness-raising activities for all its employees and for some of its business partners in order to raise the standards of the Group's environmental conservation activities.

Training of internal auditors

In order to maintain and improve the environmental management system in use, it is critical to maintain and improve the quality of internal audits. The Nikon Group therefore provides employees with an internal auditor training course four times a year and an internal auditor skill-up training course four times a year. We also conduct a training session to ensure compliance with the relevant environmental-related laws and regulations at least twice a year. At these training seminars employees who are externally qualified auditors give lectures. These lecturers support the establishment of environmental management systems and give lectures both inside and outside the Nikon Group.

Seminar on relevant laws and regulations

General education

In Japan the Nikon Group provides employees with education matched to their positions, groups, workplaces, and departments based on its educational training plan for the environmental management system.

For example, in each region for new employees we provide education on environmental targets for plants, rules for sorting waste, ISO 14001, and environmental laws and regulations. We also provide introductory training for all new employees and a basic workshop program for newly hired engineers. These training sessions cover the latest information on the regulation of hazardous chemical substances, global warming, biodiversity, and other environmental issues considered to be important in recent years. We also teach new employees about the activities being undertaken at the Nikon Group to reduce the use of hazardous substances in our products and reduce CO_2 emissions at plants.

Meanwhile, in order to provide employees with essential information and increase their awareness of and interest in our environmental measures, we also hold seminars and lectures for all employees in June, which is designated as "Environment Month," and at other opportunities. For Environment Month in 2010, we hosted a lecture on material flow cost accounting (MFCA), and in February 2011, we invited Manabu Miyazaki, a wildlife photojournalist, to talk about the current state of the natural environment and connections between humans and nature (see p. 27).

Training seminar for new employees

Environmental Commendation Program

In order to encourage employees to expand measures to protect the environment, the Nikon Group introduced the Nikon Environmental Commendation Program. This program commends and awards, groups, and individuals who have achieved outstanding results in their daily environmental activities. In the fiscal year ended March 31, 2011, five Outstanding Environmental Contribution Awards and six Environmental Contribution Awards were given.

Example of a recipient of the Outstanding Environmental Contribution Award

Project: Reducing waste-processing costs by promoting conversion of waste to valuables
Recipient: Environmental Administration Team, Environmental Administration Section, Administration Department, Sendai Nikon
Project details:
- Determined ways to derive value from waste by separating it more thoroughly
- Compressed and reduced the volume of waste and promoted the internalization of contracted waste-processing operations
- Reduced waste-processing costs, reduced CO_2 emissions during transportation, and processed confidential documents properly

Environmental Commendation ceremony

Expansion and Promotion of Environmental Management

Environmental Action Plan

The Nikon Group evaluates its results against its annual Environmental Targets. Issues are then detected, and revisions are made to overcome those issues. In addition, every year the Environmental Committee devises a new three-year plan called the Nikon Environmental Action Plan and Environmental Targets, which are both implemented group-wide.

The table below details the Nikon Environmental Action Plan 2010 (three-year plan), listing the Environmental Targets for the year ended March 31, 2011 (first year of the plan). To the right of each target can be found the results for the year and Nikon's self-evaluation.

Year ended March 31, 2011 (results)

In the year ended March 31, 2011, we implemented group-wide measures to further reduce emissions of GHG under the leadership of the CO_2 Emissions Reduction Subcommittee.

The Nikon Group revised the Nikon Basic Environmental Management Policy to clearly define its approach to biodiversity, added new themes to the Environmental Action Plan, and promoted the system for biodiversity conservation.

Nikon Environmental Action Plan 2010

○: Achieved △: Measures started but not yet achieved ×: Not started

	Theme	Environmental targets for the year ended March 31, 2011	Results for the year ended March 31, 2011	Self evaluation	See page
Product environment	Energy conservation (prevention of global warming)	(Energy efficiency) ◦25% or more improvement in overall energy efficiency of new products during use compared with existing products	Improved by 40% (simple average of all newly released models)	○	p. 8, p. 10, p. 35, p. 39
	Reduction in the use of hazardous chemical substances	(Hexavalent chromium, lead, cadmium, mercury, PBB, PBDE, PVC) ◦Continue compliance with RoHS Directive and maintain and improve the management system	Continually complied with RoHS Directive and maintained and improved the management system	○	p. 36
		(Hexavalent chromium for surface treatment) ◦Consumer products: Ensure the appropriate management of the process ◦Industrial products: Discontinue use in new product designs	Consumer products: Continued to ensure appropriate management of the process Industrial products: Continued to discontinue all use in new component designs	○	p. 36
	Control of chemical substances	(Control of chemical substances in products) ◦Enhance the management system	Enhanced the management system	○	p. 37
	Green procurement	(Reduction in the use of hazardous chemical substances) ◦Consumer products: Maintain and update the system ◦Industrial products: Expand green procurement (Application of the Nikon Green Procurement Standards) ◦Continue to maintain and update the Nikon Green Procurement Standards ◦Continue to examine and audit the environmental conservation systems	Consumer products: Maintained and updated the system Industrial products: Expanded green procurement Maintained and updated the standards Continued to examine and audit environmental conservation systems	○	pp. 59 - 60
	Distribution	(Reduction in CO_2 emissions from physical distribution in Japan) ◦Reduce CO_2 emissions per net sales by 14% or more compared with the year ended March 31, 2007	14.7% reduction	○	p. 38
		(Collection of data on CO_2 emissions from international distribution) ◦Conduct surveys on the current situation in Asia	Completed the surveys	○	p. 38
Workplace environment	Energy conservation (prevention of global warming)	(Reduction in GHG emissions [CO_2 emissions from energy use]) ◦Total CO_2 emissions from Nikon Corporation and Group manufacturing companies in Japan: Reduce to 128,000 tons or less ◦CO_2 emissions per unit of real output from two Group manufacturing companies in Asia: Reduce by 5% (compared with the year ended March 31, 2006; total CO_2 emissions: 93,000 tons)	Decreased total CO_2 emissions to 122,000 tons Reduced CO_2 emissions per unit of real output by 14% (total CO_2 emissions: 87,000 tons)	○	pp. 39 - 40
	Waste reduction	(Zero emissions system) ◦Establish the system at Hikari Glass Co., Ltd. and a Group manufacturing company in Asia (NTC*) (Waste reduction) ◦Reduce waste by 23% (compared with the year ended March 31, 2006)at Nikon Corporation and Group manufacturing companies in Japan	Completed establishment of the system 8.7% reduction	○ △	p. 42
Others	Environmental Management System (EMS)	(ISO 14001 integrated certification) ◦Expand the numbers of sites acquiring integrated certification	Acquired integrated certification at Nanjing Nikon	○	p. 31
	Biodiversity conservation	◦Clarify the policy and establish the promotion system	Revised the Nikon Basic Environmental Management Policy, enhanced the working group system	○	pp. 27 - 28
	Life Cycle Assessment (LCA)	◦Promote LCA (by enhancing awareness and education) ◦Collect data	Provided education Continued to collect data	○	p. 35

*NTC: Nikon (Thailand) CO., Ltd.

Year ending March 31, 2012 (targets)

For the fiscal year ending March 31, 2012, we will enhance systems in all departments to manage chemical substances contained in products as well as also encouraging collaboration with our procurement partners.

For our modal shift initiative, we will promote the increasing use of environmentally friendly transportation for both domestic and international distribution, starting with the most feasible transport routes.

For workplace environments, we will provide education on waste and build operable systems to implement a full-scale zero emissions activity at overseas manufacturing sites.

We have removed "Hexavalent chromium for surface treatment," which was included under the heading "Reduction in the use of hazardous chemical substances," from the Environmental Action Plan 2011 because we achieved discontinuation of its use in new products, including industrial products. We will continue to maintain this standard.

Nikon Environmental Action Plan 2011

	Theme	Medium-term environmental targets (environmental targets for the year ending March 31, 2014)	Targets for the year ending March 31, 2012	See page
Product environment	Energy conservation (prevention of global warming)	(Energy efficiency) ◦Improve the energy efficiency of newly released products during use by 15% or more compared with existing products	Improve energy efficiency by 20% or more as a simple average of all new models released	p. 35, p. 39
	Reduction in the use of hazardous chemical substances	(Hexavalent chromium, lead, cadmium, mercury, PBB, PBDE, PVC) ◦Continue compliance with RoHS Directive and maintain and improve the management system	Continue compliance with RoHS Directive and maintain and improve the management system	p. 36
	Control of chemical substances	(Control of chemical substances in products) ◦Enhance operation of the management system	Determine a management system policy	p. 37
	Green procurement	(Reduction in the use of hazardous chemical substances) ◦Maintain and update the system for consumer products ◦Expand green procurement for industrial products (Application of the Nikon Green Procurement Standards) ◦Maintain and update the standards ◦Continue to examine and audit the environmental conservation systems	Consumer products: Maintain and update the system Industrial products: Expand green procurement Maintain and update the Nikon Green Procurement Standards Continue to examine and audit the environmental conservation systems	pp. 59-60
	Distribution	(Reduction in CO_2 emissions from physical distribution) ◦Cut 1,200 tons of CO_2 by implementing measures	Cut 850 tons of CO_2 (including transportation between China and Japan)	p. 38
Workplace environment	Energy conservation (prevention of global warming)	(Reduction in GHG emissions [CO_2 emissions from energy use]) ◦Total CO_2 emissions from Nikon Corporation and Group manufacturing companies in Japan: Reduce to 125,000 tons or less ◦CO_2 emissions per unit of real output from two Group manufacturing companies in Asia: Reduce by 25% (compared with the year ended March 31, 2006; total CO_2 emissions: 93,000 tons)	Total CO_2 emissions: Reduce to 126,000 tons* or less CO_2 emissions per unit of real output: Reduce by 20% (compared with the year ended March 31, 2006; total CO_2 emissions: 88,000 tons)	pp. 39-40
	Waste reduction	(Zero emissions system) ◦Achieve Level 4 or higher at Group manufacturing companies in Asia (Waste reduction) ◦Waste from Nikon Corporation and Group manufacturing companies in Japan: Maintain levels from the year ended March 31, 2011	Achieve zero emissions level 4 at Hikari Glass Co., Ltd. and NTC Start building a system at Nanjing Nikon and other Group companies Maintain emission levels from the year ended March 31, 2011	p. 42
Others	Environmental Management System (EMS)	(ISO 14001 integrated certification) ◦Expand the number of sites acquiring certification	Prepare for introduction at overseas non-manufacturing sites	p. 31
	Biodiversity conservation	◦Consider introduction of LIME (Life-cycle Impact assessment Method based on Endpoint modeling)	Evaluate the level of environmental impact of business activities, enhance current actions, and begin new initiatives	pp. 27-28
	Life Cycle Assessment (LCA)	◦Consider introduction of LCA (CFP)	Perform LCA estimates	p. 35

*The CO_2 emissions target for Nikon Corporation and Group manufacturing companies in Japan does not include measures to address the power supply problem.

Product-related Activities

In order to promote environmental friendliness throughout a product's life cycle and legal compliance, we introduced Nikon Product Assessment to the development and design stages of all products, and are making efforts to recycle waste products and packaging materials and reduce our environmental impact during physical distribution.

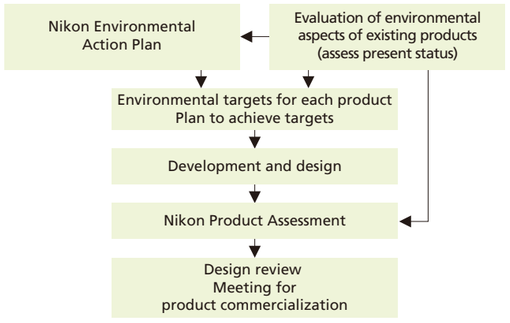
Eco-friendly Product Development

Environmentally friendly product development system

The Nikon Group developed an original system for managing environmentally friendly product designs. In operating this system, the Group has continuously strengthened the contents of the Nikon Environmental Action Plan and Nikon Product Assessment (detailed below).

Under this system, we are improving the energy efficiency of our products, saving resources, making use of Eco-glass, lead-free solder, and hexavalent chromium-free plating, and substantially reducing the use of other hazardous chemical substances to produce a greater number of even more eco-friendly products.

Management System Flow for Eco-friendly Product Design



Nikon Product Assessment

Nikon Corporation established the Nikon Product Assessment system in 1995 with a view to minimizing the environmental impact of its products throughout their lifecycles. Since then we have been implementing this system at the development and design stages to assess and improve products in all product categories of the Nikon Group.

Under the assessment point system, each product is awarded a plus/minus score for each assessment item depending on its merits/demerits. The total scale ranges from -100 to +100 depending on the level of improvement, with 0 points designated to existing models. We also are continuously revising and tightening assessment items and standards.

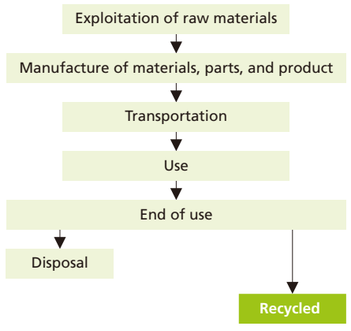
We have already assessed over 1,000 products and units, the average score of which over the past 16 years was +34.0 points. While we are continuing to make the criteria much stricter, the average score over the past eight years has been +52.1 points, which is higher than before, and demonstrates that remarkable environmental improvements have been made to our products.

Features of the Nikon Product Assessment System

In a bid to stay ahead of environmental regulations and deteriorating global environmental problems, we set our own standards with our products' properties in mind. We determine the details through full-scale discussions between product developers, material engineers, and other experts.

- Mandates product assessment in the development stage
- Requires continuous improvement in assessment scores from one model to the next
- Supports designers by offering relevant documentation and references
- Continues to reduce product mass and volume and the number of parts used in a product
- Improves energy efficiency based on the Nikon energy efficiency formula
- Pursues longer product life and simpler repair procedures
- Raises consumer awareness (for the reduction and appropriate management of waste consumables)
- Simplifies recycling procedures
- Discontinues or reduces the use of hazardous substances
- Uses Eco-glass in the optical systems (see p. 36)
- Uses lead-free solder on electronic circuit boards (see p. 36)
- Adopts hexavalent chromium-free surface treatment technologies (see p. 36)
- Ensures compliance with environmental regulations
- Makes overall assessments

Ordinary lifecycle of a Nikon product



Life Cycle Assessment of Products

Nikon Corporation has introduced LCA (life cycle assessment) methods to assess the environmental impact of Nikon products across their entire life cycles, and is performing this assessment for representative products. We will continue to strive to reduce our environmental impact by expanding the list of target products.

Reducing Hazardous Substances in Products

As a technological initiative to reduce the use of hazardous substances in Nikon products, the Nikon Group developed lead- and arsenic-free Eco-glass and is promoting the use of lead-free soldering technologies and hexavalent chromium-free technologies in surface treatment, as well as eliminating heavy metals from its products. We also employ chemical analysis techniques in our quality assurance departments to prevent the contamination of heavy metals and other hazardous substances.

In the year ended March 31, 2011, we set out to continue compliance with RoHS Directive and to maintain and improve the management system, and we achieved this target.

We will continue our efforts to discontinue the use of hazardous substances in not only products subject to applicable laws and regulations, but also in product categories that lie outside of these requirements.

Development of lead- and arsenic-free Eco-glass

In the 1990s, in reaction to the lead and arsenic used in most optical glass at the time being detrimental to the environmental performance of its products, the Nikon Group developed Eco-glass, a type of optical glass that contains no hazardous substances whatsoever. Since then, we have endeavored to use only Eco-glass in optical products. Barring certain products with unique specifications, we have achieved nearly 100% usage of Eco-glass. In the year ended March 31, 2011, Eco-glass usage rates in new designs were 100% for consumer products and 99.6% for industrial products.

Full-scale adoption of lead-free solder

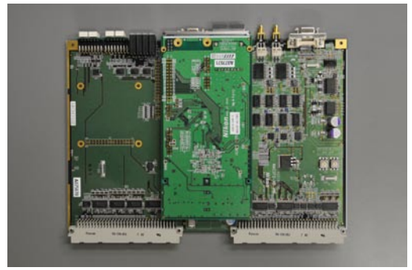
The Nikon Group has established a lead-free soldering system under the leadership of the electric technology departments of the Yokohama Plant and Sendai Nikon Corporation, as well as through collaboration with their product development and manufacturing departments, other Group companies, and our business partners. We use lead-free tin-silver-copper solders, which represent the standard solder type used in the industry.

We have also added a course on lead-free soldering, in which employees acquire manual soldering skills, to our in-house training and technical certification system. We have already trained numerous instructors and certified technicians through this course.

By implementing measures such as these, we have striven to increase the use of lead-free solder. In the year ended March 31, 2011, we maintained 100% use of lead-free circuit boards in all our new consumer products, including the digital SLR D7000, and eliminated lead from all new circuit boards used in industrial products (such as steppers and scanners, microscopes, and surveying instruments).

Use of hexavalent chromium-free technology in surface treatment

The surface treatment department of the Yokohama Plant reviewed its technologies and processes for chromate treatment and chrome plating, and discontinued the use of highly hazardous hexavalent chromium at the end of 2004. By applying these innovative results and accumulated expertise rigorously to all Nikon product categories, we have established hexavalent chromium-free technologies in surface treatment.



Motor control board for IC steppers and scanners

Printed circuit board for land surveying equipment

The Nikon Group has created and is practicing a strict technical standard to discontinue use of heavy metals (hexavalent chromium, lead, cadmium, and mercury) in all surface treatment processes including coating, plating, and chemical conversion. In the year ended March 31, 2011, we again achieved our target for discontinuing use of heavy metals in surface treatment (consumer products: ensure the appropriate management of the process, industrial products: discontinue use in new design products).

Chemical analysis techniques used by the quality assurance departments

The Nikon Group is in the process of discontinuing the use of hexavalent chromium, lead, cadmium, mercury, PBB, PBDE, PVC, and other hazardous chemical substances in all of its products. Nikon products are made from an astonishingly large number of materials and components and pass through the hands of numerous business partners before reaching completion. To completely eliminate the use of hazardous chemical substances in Nikon products, in addition to establishing a green procurement system (see pp. 59 - 60), it is essential that we inspect various materials using chemical analysis. We have therefore introduced chemical analysis technologies to our quality assurance departments and other departments involved in the process of producing Nikon products. We also educate many of our engineers on analysis technologies and the related know-how to prevent hazardous chemical substances from making their way into Nikon products.

Expansion and Promotion of Environmental Management

Recycling of Used Products

Battery recycling

In Japan, Nikon Corporation has been cooperating with JBRC and a number of other companies to collect end-of-life secondary batteries, including those used for Nikon digital cameras, from users for recycling.

Recycling of used Nikon products

Under WEEE Directive, European countries have been developing national laws in relation to the collection and recycling of used electronic products. In response to these laws, we have been working to fulfill our responsibility for the collection and recycling of Nikon digital cameras and other products. Since 2005, the Nikon Group, led by a subsidiary in the Netherlands, has been preparing nation-specific measures to meet its collection and recycling obligations for digital cameras and other Nikon products. We have established a collection and recycling system in more than 25 countries, registering with local collection organizations. The Nikon Group is keenly aware of the importance of collecting and recycling used products and plans to continue taking appropriate measures in the future.

EU recycling mark

Recycling of packaging materials

The Nikon Group promotes the recycling of packaging materials for Nikon products in Japan by outsourcing the task to the Japan Containers and Packaging Recycling Association.

In Europe, under EU Directive on packaging and packaging waste, each country has developed packaging waste collection and recycling system in accordance with its national law. Many of those systems adopt the Green Dot system. The Nikon Group cooperates in the collection and recycling of packaging materials in those countries that are members of this program by paying a collection and recycling fee to recycling organization in each country and by displaying the Green Dot mark on its product packaging.

The Green Dot mark

Response to New Regulations on Hazardous Chemical Substances

Around the world today, many new laws and regulations on the use of chemical substances are being created. These laws and regulations are the result of progress made in the creation of international frameworks for the appropriate management of chemical substances, examples of which include the adoption of the Johannesburg Plan of Implementation and SAICM. Following this international trend, the Nikon Group is committed to complying with these laws and regulations for the maintenance of human health and environmental protection.

Of these regulations, REACH Regulation —a system for the registration, evaluation, authorization, and restriction of chemical substances that came into effect in Europe in June 2007— is having a major impact on laws and regulations for chemical substances worldwide. Under REACH Regulation, if a product contains a substance of very high concern (SVHC) that exceeds a certain level, the manufacturer of the product must provide information about the substance to downstream users and consumers. As the list of regulated SVHCs grows longer every year, the Nikon Group meets this requirement by conducting a survey on the use of SVHCs in its products through its supply chain every time new substances are added. We are also limiting the use of SVHCs in our products and increasing the use of parts that do not contain SVHCs as necessary.

In order to achieve compliance with such rules and regulations efficiently, we also need to effectively use IT technologies in our substance management systems. We are developing this IT infrastructure alongside our SVHC surveys.

The Nikon Group's basic approach to REACH Regulation and to laws and regulations for chemical substances in general is summarized in its declaration on compliance with REACH Regulation, which is posted on our website.

Web Nikon's declaration on compliance with REACH Regulation

http://www.nikon.com/about/csr/pdf/Nikon_REACH.pdf

Packaging Measures

Nikon Corporation formulated its Environmental Policy Regarding Packaging Materials in May 1998 and (revised it in June 2000) to reduce the use of packaging materials for its products.

Based on this policy, we have been engaging in various efforts to boost the loading efficiency of physical distribution. Packaging can be continuously improved by reviewing the size of product boxes so that they can be efficiently loaded onto trucks, making user manuals less bulky, and switching from conventional containers to pallets to eliminate the need for outer packaging.

In addition, we are making efficient use of recycled resources. For example, we employ a type of insertion packaging that enables the cushioning material and cardboard box to be easily separated, and use molded pulp as cushioning materials for some products.

Transportation-related Activities

The Nikon Group is engaged in a number of initiatives to reduce CO_2 emissions in transportation based on the understanding that such efforts are urgently needed to mitigate global warming.

Reducing Carbon Emissions in Distribution

Nikon Corporation is striving to reduce CO_2 emissions in transportation by identifying its distribution routes including those of Group manufacturing companies in Japan, and obtaining numerical data on transportation volumes and CO_2 emissions. In Japan, 2,240 tons of CO_2 were emitted through distribution in the year ended March 31, 2011. This translates to a 14.7% reduction from the year ended March 31, 2007, and thus achieves our target of 14% or more (per net sales). We also conducted surveys on the current situation in Asia to obtain data on CO_2 emissions between Japan and the rest of Asia.

Promoting Modal Shifts

Modal shift in multimodal transportation

Sendai Nikon Corporation was delivering the unit parts of digital cameras to Nikon Imaging (China) Co., Ltd., its manufacturing base in China, by transporting them from Miyagi Prefecture to Narita by truck and then from Narita to Shanghai by air.

To reduce both the cost and environmental impact of this delivery, the company has changed the domestic transportation route to the Miyagi-to-Fukuoka route and also changed the transportation from truck to rail. Moreover, the unit parts are now transported from Fukuoka to Shanghai by ship with low environmental impact. Thus fostering a modal shift in multimodal transportation, the company has achieved both its reduction targets.

Expanding our modal shift initiative

The Instruments Company is shifting from truck deliveries to railway transport, which causes lower environmental impact. The company is now gradually increasing the use of railways and will further increase the rate for products that meet the conditions for this mode of transport (see p. 12).

Promoting Eco-driving

Nikon Business Service Co., Ltd., which oversees transportation of goods for the Nikon Group, has installed digital tachographs on all of its tractor-trailers. These devices record varied information such as driving routes, departure and arrival times, maximum speeds on local roads and expressways, number of sudden starts, sudden accelerations and brakings, and rest times. By managing and evaluating this recorded information, we aim to further improve fuel efficiency and raise awareness of safety among our drivers. In addition, all of our drivers periodically attend eco-driving workshops. In October 2010, two of our drivers competed in the professional drivers' category of the Tokyo Eco Driving Contest hosted by the Tokyo Metropolitan Government.

While neither won an award, participating in the contest, which comprehensively evaluates drivers on their eco-driving performance, allowed them to reaffirm their understanding of day-to-day driving methods.

Nikon Instech Co., Ltd. is promoting safe and eco-friendly driving by using telematics to manage operation of its company vehicles, a move that is also helping its drivers to become more aware of the environment.

Tokyo Eco Driving Contest 2010

"Stop Idling" Promotion

When transporting IC steppers and scanners and other devices by vehicle, it is necessary to strictly control the cargo room temperature by the use of in-vehicle heating, ventilating, and air-conditioning (HVAC) equipment, for which engines used to be kept running even while the vehicle was parked. Now, however, there is no need for idling within the premises of our factories, where it has been made possible to power the equipment by the use of external sources. Nikon Business Service has equipped all of its vehicles for use with external power sources.

Low-pollution Vehicles

The Kumagaya Plant employs three natural gas-fueled buses as commuter buses with the aim of reducing CO_2 emissions.

Nikon Business Service is also gradually replacing its transportation trucks with fuel-efficient vehicles and plans to expand its fleet of vehicles powered by natural gas.

Workplace-related Activities

To prevent global warming and move toward a resource-recycling society, the Nikon Group is striving to ensure that all of its sites save energy, recycle waste, and protect the local environment.

Reducing CO_2 emissions

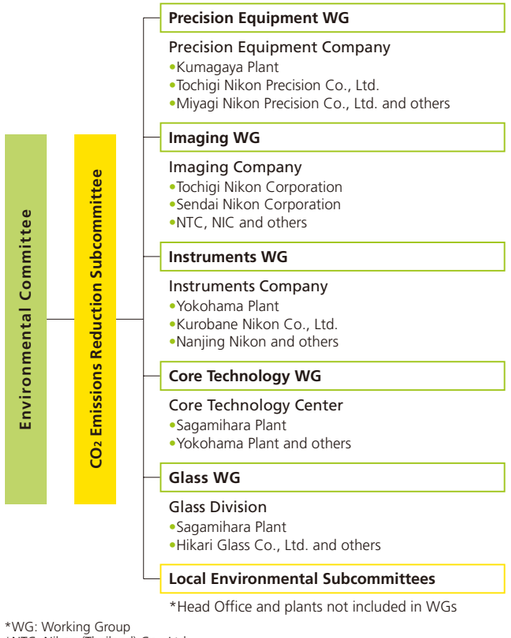
The entire Nikon Group implements various measures to reduce CO_2 emissions based on the mindset of continuously growing our business while protecting the environment. We will continue to include CO_2 emissions reduction as one of our management priorities as we work to create a low-carbon society through measures including thorough energy conservation, making use of natural energy, and offering products with high energy efficiency throughout their lifecycles.

Promoting the reduction of CO_2 emissions

The Nikon Group is making efforts to reduce CO_2 emissions, centered on the CO_2 Emissions Reduction Subcommittee comprised of working groups from in-house companies and business segments that emit large amounts of CO_2.

In addition to activities carried out independently by workplaces, the Nikon Group has created systems for independent activities on the part of its in-house companies and business segments. These systems involve considering, drafting, and implementing effective measures to reduce CO_2 emissions that are in line with each business form.

The CO_2 Emissions Reduction Subcommittee



*Head Office and plants not included in WGs

*WG: Working Group
*NTC: Nikon (Thailand) Co., Ltd.
*NIC: Nikon Imaging (China) Co., Ltd.

Medium- to long-term vision to reduce CO_2 emissions

The Nikon Group is working to reduce CO_2 emissions in accordance with international consensus to cut the world's greenhouse gases (GHG) emissions to half current levels by 2050, as well as Japan's medium- to long-term target to reduce the country's GHG emissions by 25% of the 1990 level by 2020, and by 80% by 2050.

Under the management of the CO_2 Emissions Reduction Subcommittee each unit and sites establish their own reduction targets and implement various measures to reduce CO_2 emissions. To this end we are enacting initiatives through the entire product life cycle —such as promoting activities in which departments demonstrate their independence— via the visualization of power consumption, target management, and awareness-raising activities for employees.

Considering the current tight power supply situation, the Nikon Group is inspecting its ordinary energy usage once again and working toward even more thorough power conservation, including the saving electricity. The Nikon Group is also constantly carrying out other measures, including the revision of its mid- to long-term CO_2 emissions targets.

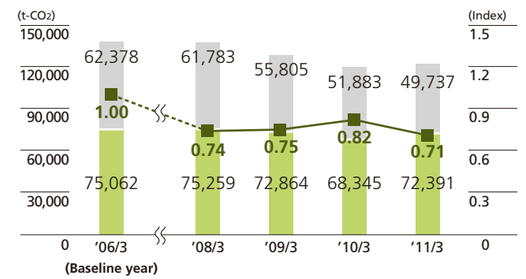
Global Environmental Conservation in the Nikon Group

CO_2 emissions from Nikon Group companies in Japan

The Nikon Group is working continuously to reduce its CO_2 emissions by implementing measures that include increasing the efficiency of HVAC and lighting equipment, improving production activities, managing the use of lighting and OA devices, and making more use of natural energy.

In the year ended March 31, 2011, the total CO_2 emissions reduction of Nikon Group companies in Japan was 122,000 tons, resulting in achievement of the target, which was set to 128,000 tons.

CO_2 Emissions from Nikon Group Companies in Japan



*CO_2 emissions for the year ended March 31, 2006 were calculated using the emissions factor for the fiscal year, while those in other fiscal years were calculated using the factor for the year ended March 31, 2007.
*The baseline year for calculating the CO_2 emissions index per net sales is set as the year ended March 2006 (year ended March 31, 2006 = 1).

Examples of CO_2 emissions-reduction measures by Nikon Group companies in Japan

■ Introduction of a steamless HVAC system

Tochigi Nikon Precision Co., Ltd. introduced a steamless HVAC system in its clean room to efficiently generate heat. As a result of installing this system, the company has reduced its CO_2 emissions by 2,265 tons on an annual basis.

Heat pump chiller equipment of the steamless HVAC system

■ Full-scale operation of a solar power generation system

The Kumagaya Plant began full-scale operation of a solar power generation system in January 2010. Under this research project jointly conducted with the New Energy and Industrial Technology Development Organization (NEDO), the plant generates at least 100,000 kWh of power per year, which results in a reduction of CO_2 emissions by about 50 tons.

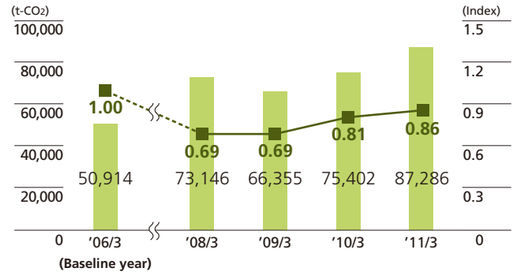
(Left) Monitor showing the amount of power generated in real time
(Right) Solar power generation panel

CO_2 emissions from Group manufacturing companies in Asia

In the year ended March 31, 2011, the CO_2 emissions per unit of real output* from Group manufacturing companies in Asia was reduced by 14% to 87,000 tons of CO_2 emitted. In this way they fully cleared their target of reducing emissions by 5% to 93,000 tons of CO_2 emitted.

*In February 2011, the CO_2 emissions targets were changed from those based on emissions per net sales to those based on real output (in-house criteria) in order to reflect the productivity of the manufacturing facilities and eliminate the influence of exchange rate fluctuations.

CO_2 Emissions from Group Manufacturing Companies in Asia



*Scope of data: NIC and NTC
*CO_2 emissions were calculated using the local emission factor for the year ended March 31, 2004.
*The baseline year for the index of emissions per unit of real output is set at the year ended March 31, 2006 (year ended March 31, 2006 = 1).

Examples of CO_2 emissions-reduction measures by Group manufacturing companies in Asia

■ Introduction of solar powered LED lighting

Nikon (Thailand) Co., Ltd. has installed LED outdoor lights that utilize solar power generation at 42 locations around its plant grounds. In this way they have reduced their annual CO_2 emissions by around 27 tons.

Solar powered LED outdoor lights

Expansion and Promotion of Environmental Management

Voluntary Efforts by Overseas Non-manufacturing Sites

Conserving energy at offices

When Nikon GmbH (Germany) remodeled its office building in 2009, it changed the material of its walls to a substance that blocks out external noise and sunlight. In this way they accomplished a 30% reduction in noise, thermal insulating properties were improved, and it became possible to conserve energy by approximately 23% in winter and 5% in summer. Nikon GmbH has also been introducing cogeneration systems for cooling and heating its offices, reducing its power consumption by around 30%.

Office building after remodeling (Nikon GmbH)

Using natural energy

Starting in January 2010, all energy used by Nikon Europe B.V. (the Netherlands), a total of approximately 700,000 kWh per year, has been obtained from green energy sources. Furthermore, Nikon AG (Switzerland) introduced a heat pump system using geothermal heat for heating and cooling its office when it moved locations in 2003.

(Right) Heat pump system (Nikon AG)
(Left) Certificate for green electricity
(Nikon Europe B.V.)

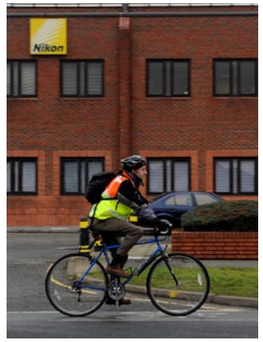
In-house campaigns

Since March 2011, Nikon Imaging Korea Co., Ltd. (Korea) has been holding a campaign to reduce the amount of paper cups it uses. Under the slogan of "Reducing the usage of just one cup per day can change NIKC (Nikon Imaging Korea Co., Ltd.)," the entire company is taking part in this activity, which is also connected to cutting costs as well as saving resources and minimizing waste generation.

Promoting "eco-commuting"

Nikon U.K. Ltd. (the United Kingdom) is encouraging employees to commute to work by bicycle, a mode of transport that is little influenced by traffic jams and does not produce noise or CO_2 emissions. A shower room has been installed in the office, and the company is also expanding its bicycle parking area.

Nikon GmbH is also promoting methods of commuting with little environmental impact, such as car pooling and the proactive use of public transportation.



Employee commuting by bicycle
(Nikon U.K. Ltd.)

Preventing Air/Water Pollution and Protecting Water Resources

Preventing pollution of the air and water

In order to help preserve air and water quality, the Nikon Group not only abides by applicable laws and regulations, but also established its own voluntary standards for controlling pollutants.

Specifically, we regularly measure pollutants released into the air and water and inspect equipment such as boilers and wastewater processing systems periodically to ensure safety at each of our sites.

The Mito Plant and others switched the fuel used in its existing boilers from heavy oil to liquefied petroleum gas (LPG) in order to reduce CO_2 emissions, resulting in elimination of the release of SOx as well as reduced emissions of dust and NOx.

Protecting water resources

The Nikon Group's manufacturing sites are promoting the reuse of wastewater from production processes and curbing their water consumption through activities in which all employees participate (see p. 46).

For example the Ohi Plant is currently replacing water-cooled HVAC devices with air-cooled models and the dishwashers used in the canteen kitchen with smaller machines, improving their wastewater treatment facilities, and installing water-saving tap plugs. Water is also saved by using stored rainwater for the flushing of toilets in the West Building.

Toward Zero Emissions

In the year ended March 31, 2009, the Nikon Group introduced level-specific indicators to the definition of zero emissions.

So far, a total of 12 sites belonging to Nikon Corporation and Group manufacturing companies in Japan (excluding Hikari Glass Co., Ltd.) have achieved level 1 zero emissions (see p. 45).

Zero emissions level-specific indicators

Level 1: Final landfill disposal rate: less than 1%
Level 2: Final landfill disposal rate: less than 5%
Level 3: Final landfill disposal rate: less than 10%
Level 4: Final landfill disposal rate: less than 20%

Progress made at Nikon Corporation

Due to an increase in the production amount, the total amount of waste generated by Nikon Corporation increased by 7.4% year-on-year in the year ended March 31, 2011. However, the resource recycling rate was 99.4% and the final landfill disposal rate improved to 0.23%, enabling the company to maintain its level 1 zero emissions system (see pp. 45 - 46).

As an example of onsite improvements, the Sagamihara Plant returns the deposition materials used in the vapor deposition processing of lenses to the manufacturers of the materials for reuse, instead of just discarding them. Moreover the plant began selling waste semiconductor parts to recycling companies, thereby promoting both the recycling of resources and cost savings.

Progress made at Group manufacturing companies in Japan

Due to an increase in their production amount, Group manufacturing companies in Japan (excluding Hikari Glass) increased their total amount of waste by 4.4% year-on-year in the year ended March 31, 2011. However, their recycling rate was 98.4% and their final landfill disposal rate improved to 0.2%, maintaining their level 1 zero emissions systems (see pp. 45 - 46).

In addition, the Akita Plant of Hikari Glass recycles a portion of Eco-glass from waste glass that is to be disposed of in landfills and brick, commissioning its treatment to a waste recycling company that recycles and sells it as roadbed and other materials. In this way the plant successfully undertakes recycling and has minimized any increase in related costs to create a level 4 zero emissions system.

Recycling of waste glass and brick (Akita Plant of Hikari Glass Co., Ltd.)

Before recycling

During the recycling process

After recycling

Progress made at Group manufacturing companies in Asia

Nikon Imaging (China) Co., Ltd. began activities towards zero emissions during the year ended March 31, 2009. In the first year, the company worked to gain an understanding of the current situation and considered disposal methods other than sending waste to landfills according to waste type. It also gradually switched waste treatment companies from those that were unable to offer recycling and other such services. As a result, their landfill disposal rate was 0.67% in the year ended March 31, 2011—a significant decrease from the rate of 18.2% from before beginning these activities—accomplishing a less than 1% rate for two successive years. Nikon Imaging (China) will confirm the treatment processes of its waste treatment companies and aim to declare its intention to reach level 1 zero emissions. At present, it is also continually carrying out education to raise awareness regarding the separation of garbage. In the future, Nikon Imaging (China) will work to recycle waste produced through the cleaning process.

Nikon (Thailand) Co., Ltd. created a zero emissions team and commenced activities in April 2010. These include separating milk cartons from other garbage, as well as incinerating sludge produced by wastewater treatment of surface and lens process in a cement kiln for recycling as a material used in industrial cement. As a result of these efforts, the company's landfill disposal rate was 25% in the year ended March 31, 2011, and it achieved its voluntary target of constructing a system with a rate of 25% or less.

Waste Reduction

Excluding valuable resources, the amount of waste produced during the year ended March 31, 2011 by Nikon Corporation was 3,081 tons, while that by Group manufacturing companies in Japan was 863 tons. The combined target for both Nikon Corporation and Group manufacturing companies in Japan was a 23% reduction compared to the year ended March 31, 2006, however, due to factors such as an increased amount of sludge, the amount of waste was only reduced by 8.7% and the target was not reached; the amount increased by 7.1% for Nikon Corporation and decreased by 40% for Group manufacturing companies in Japan.

Expansion and Promotion of Environmental Management

Control and Reduction of Chemical Substances in Manufacturing

The Nikon Group manages chemical substances from their purchase and use through to disposal to prevent chemical pollution of the environment and promote safety.

As an example, Nikon Corporation obtains a material safety data sheet (MSDS) for any new chemical substance being purchased, and urges the workplace where the substance will be used to make a prior assessment of the risks associated with such use. The company then checks the measures taken based on the assessment results and has its experts recheck the measures from a professional viewpoint. The Nikon Group strictly controls the use of chemical substances, in particular those of high concern, so as to minimize their use. We will continue conducting research into alternative substances and maintain our efforts to reduce the risk of chemical contamination to as close to zero as possible.

The Nikon Group's PRTR

The Nikon Group created the Nikon PRTR Guide in March 2000. All of its sites have been using this guide to manage the chemical substances used at their sites, including quantity management from purchase and use through to disposal, and MSDS-based management of safety in handling and disposal. Subsequently, in March 2002 we established a system to make notifications, which had become mandatory by law, by updating the Guide to include a new section (see p. 45).

Progress report on soil contamination remediation at the Ohi Plant of Nikon Corporation

The Ohi Plant completed remediation work for the soil contamination detected in 2007 at the former No. 2 building site at the end of the year, and at the former No. 1 building site in June 2010. The plant is now purifying the underground water by pumping it, and regularly monitors its quality, which will continue to do in compliance with related laws to ensure that there will be no adverse effects on surrounding areas.

Underground water inspection at the Mito Plant of Tochigi Nikon Precision Co., Ltd.

The Mito Plant of Tochigi Nikon Precision (formerly Mito Nikon Precision Corporation) began the purification of contaminated underground water confirmed in 2008 by pumping it in February 2009. The Mito Plant site, as well as its ancillary buildings and facilities, was sold on January 27, 2011, and the buyer of the plant has continued carrying out these measures to purify the underground water.

Soil survey results and a part of alienation at the Yokohama Plant of Nikon Corporation

Together with a part of alienation at the Yokohama Plant, a soil survey was performed based on Yokohama City Ordinance on Conservation, etc. of the Living Environment (Living Environment Conservation Ordinance) from June to November 2010. The results of this survey indicated the presence of fluorine in excess of the standard in a section of the plant's grounds. The degree of contamination was insignificant, with no impact on the surrounding environment. A detailed survey will be carried out up until the time the land is turned over, and measures will be taken to replace the soil as necessary.

Environmental Data

Acquisition of ISO 14001 Certification (Nikon Corporation)

	Integrated certification	Independent certification	Location
Company-wide certification	Oct. 2004	—	Tokyo
Ohi Plant	(Oct. 2004)	Jul. 1998	Tokyo
Yokohama Plant	(Oct. 2004)	Oct. 1998	Kanagawa
Mito Plant	(Jun. 2005)	Apr. 1999	Ibaraki
Head Office	(Sept. 2005)	—	Tokyo
Sagamihara Plant	(Sept. 2005)	Aug. 1998	Kanagawa
Kumagaya Plant	(Sept. 2005)	Aug. 1998	Saitama

Acquisition of ISO 14001 Certification (Group companies)

	Integrated certification	Independent certification	Location
Sendai Nikon Corporation	(Apr. 2006)	Mar. 1997	Miyagi
Miyagi Nikon Precision Co., Ltd.	(Apr. 2006)	Mar. 1999	Miyagi
Tochigi Nikon Corporation / Tochigi Nikon Precision Co., Ltd.	(Sept. 2006)	Sept. 1999	Tochigi
Kurobane Nikon Co., Ltd.	(Sept. 2006)	Dec. 1999	Tochigi
Nasu Nikon Co., Ltd.	—	Dec. 1999	Tochigi
Aichi Nikon Co., Ltd.	—	Dec. 1999	Aichi
Hikari Glass Co., Ltd.	(Nov. 2007)	Mar. 2004 (Akita Plant)	Akita
Nikon Instech Co., Ltd.	(Nov. 2007)	Mar. 2004	Tokyo
Nikon TEC Corporation	(Feb. 2009)	—	Tokyo
TNI Industry Co., Ltd. Nagai Factory	(Nov. 2007)	Nov. 2004	Yamagata
Nikon Vision Co., Ltd.	(Nov. 2007)	—	Tokyo
Nikon Imaging (China) Co., Ltd.	(Nov. 2007)	Jun. 2005	China
Nikon (Thailand) Co., Ltd.	(Nov. 2007)	Nov. 2006	Thailand
Hikari Glass (Changzhou) Optics Co., Ltd.	(Feb. 2009)	—	China
Nanjing Nikon	(Oct. 2010)	—	China

*"Location" refers to the location of the major plants of Group companies that have acquired this certification.

Environmental Accounting

Scope of Data: Nikon Corporation, Tochigi Nikon Corporation, Tochigi Nikon Precision Co., Ltd., Sendai Nikon Corporation, Miyagi Nikon Precision Co., Ltd., Kurobane Nikon Co., Ltd., Hikari Glass Co., Ltd., TNI Industry Co., Ltd. Nagai Factory, and others.

Applicable Period: April 1, 2010 to March 31, 2011

*Costs which could not be clarified are in principle not included in these accounts.
*Depreciation and amortization have not been factored into these accounts.
*Where a facility has been utilized for several purposes and breakdown is considered complex, the entire cost has been included in the investment cost.
*All costs have been rounded up or down to the nearest whole number, so it is possible that totals are not identical to the sum of the constituents as listed.
*Only substantial effects deducible based on sound reasons are included as economic effects of environmental conservation measures.

Cost of Environmental Protection

Unit: millions of yen

Category		Main activities	Investment	Expenses	Total
Product environment	Product development, energy efficiency, and reduction in use of hazardous chemical substances	Energy-saving design, compliance with REACH Regulations, etc.	1	188	189
	Green procurement	Nikon Green Procurement Standards, etc.	—	14	14
	Packaging & distribution	Eco-driving workshops, use of digital tachographs, etc.	—	2	2
	Product environment subtotal		1	204	205
Workplace environment	Energy saving	Upgrading air-conditioning systems, installation of inverter-equipped systems, etc.	477	18	495
	Waste reduction	Maintaining zero emissions systems, waste reduction, etc.	6	31	37
	Reduction in use of hazardous chemical substances	Disposal and management of unnecessary chemical substances, etc.	—	—	—
	Green purchasing	Promoting purchase of eco-friendly materials, etc.	—	1	1
	Improvements to workplace	Improvement in workplace environmental performance, etc.	—	2	2
	Workplace environment subtotal		483	52	535
Legal compliance / operation and maintenance		Management of equipment for processing gaseous emissions and effluents, maintenance of noise / vibration emitting facilities, waste management, recycling, control of dangerous substances, etc.	279	1,014	1,293
Administration		ISO 14001 (administering Environmental Management System (EMS), workplace education), social contribution activities, planting trees, etc.	2	525	527
Grand total			765	1,795	2,560

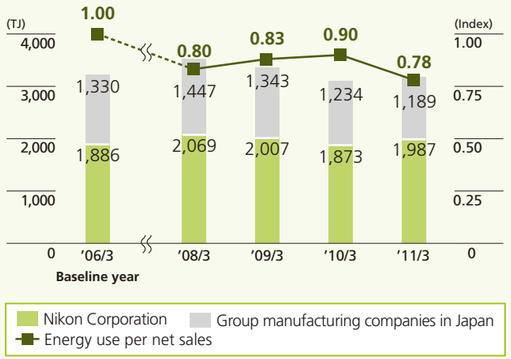
Cost of Environmental Protection Classified According to Guidelines of the Japanese Ministry of the Environment

Unit: millions of yen

Category		Main activities	Investment	Expenses	Total	Economic effect
Costs within business establishment area			758	924	1,682	170
	Pollution prevention costs	Management of equipment for processing gaseous emissions and effluents, maintenance of noise/vibration-emitting facilities, etc.	178	410	588	—
	Global environment protection costs	Energy conservation, reduction in use of hazardous chemical substances, control of dangerous substances, etc.	573	216	789	91
	Resource recycling costs	Waste reduction, waste management, recycling, maintenance of zero emissions systems, etc.	7	298	305	79
Upstream/downstream costs		Application of Nikon Green Procurement Standards, hazardous chemical substance surveys, use of digital tachographs, etc.	—	16	16	—
Administration costs		ISO 14001 (administering Environmental Management System (EMS), workplace education), etc.	6	603	609	—
R&D costs		Creating energy-efficient designs, REACH Regulation compliance, etc.	1	189	190	—
Social activity costs		Social contribution activities, sponsorship activities, public relations, etc.	—	57	57	—
Environmental damage costs		Soil treatment costs, pollution load levy, etc.	—	6	6	—
Grand total			765	1,795	2,560	170

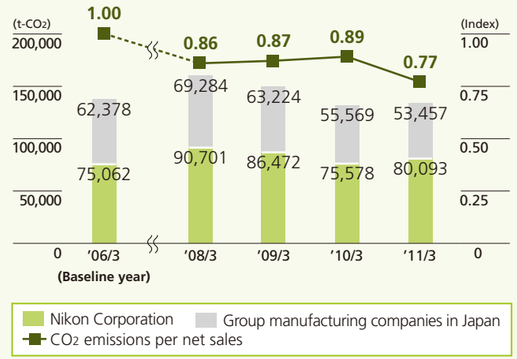
Expansion and Promotion of Environmental Management

Energy Use (Nikon Group companies in Japan)



*The baseline year for calculating the energy use index per net sales is set as the year ended March 2006. (Year ended March 31, 2006 = 1)

CO_2 Emissions (Nikon Group companies in Japan)



*CO_2 emissions for the year ended March 31, 2010 and the year ended March 31, 2011 were calculated using the emission factor for the year ended March 31, 2010.
*The baseline year for calculating the CO_2 emissions index per net sales is set as the year ended March 2006. (Year ended March 31, 2006 = 1)

PRTR Survey Results (year ended March 31, 2011)

Unit: kg

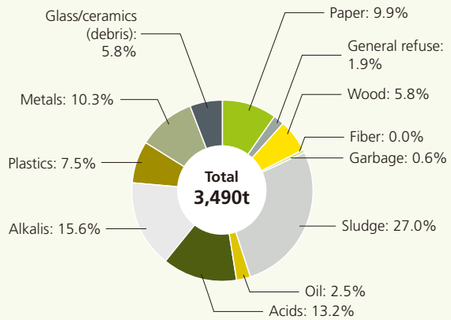
Facility		Substance no.	Substance name	Volume handled	Amount released			Amount transferred		Amount in on-site landfill	Amount removed for processing	Amount shipped in product
					Air	Public water	Soil	Sewage	Waste			
Nikon Corporation	Yokohama Plant	20	2-aminoethanol	1,019	0	0	0	0	847	0	172	0
	Sagamihara Plant	384	1-bromopropane	22,763	22,522	0	0	227	13	0	0	0
		405	Boron compounds	3,636	5	0	0	0	1,485	0	0	2,146
Group manufacturing companies in Japan	Tochigi Nikon Precision Co., Ltd.	384	1-bromopropane	10,159	8,296	0	0	0	0	0	0	1,863
	Sendai Nikon Corporation	88	Hexavalent chromium compounds	2,658	0	0	0	0	190	0	2,468	0
		87	Chromium and trivalent chromium compounds	2,468	0	0	0	0	0	0	0	2,468
		300	Toluene	2,587	1,960	0	0	0	627	0	0	0
		384	1-bromopropane	28,733	21,872	0	0	0	6,861	0	0	0
	Kurobane Nikon Co., Ltd.	71	Ferric chloride	4,815	0	0	0	0	4,815	0	0	0
		384	1-bromopropane	7,950	3,625	0	0	0	4,325	0	0	0
	Hikari Glass Co., Ltd. Akita Plant	405	Boron compounds	91,374	128	7	0	0	11,833	0	0	79,406
		384	1-bromopropane	1,015	761	0	0	0	254	0	0	0
	TNI Industry Co., Ltd. Nagai Factory	300	Toluene	1,624	1,473	0	0	0	151	0	0	0
	TNI Industry Co., Ltd. Otawara Factory	185	Dichloropenta-fluoropropane	1,325	1,152	0	0	0	0	0	0	173
Total				182,125	61,794	7	0	227	31,401	0	2,640	86,056

*The Ohi Plant, Kumagaya Plant, and Mito Plant of Nikon Corporation do not handle substances that are subject to reporting.
*Tochigi Nikon Corporation and Miyagi Nikon Precision Co., Ltd. (Group manufacturing companies in Japan) do not handle substances that are subject to reporting.
*The above table includes data only for hazardous chemical substances of which one ton or more (0.5 tons or more for Class 1 designated chemical substances) is handled at the facility in a given year.
*The volumes handled are not always identical to the sum of the constituents because of rounding.

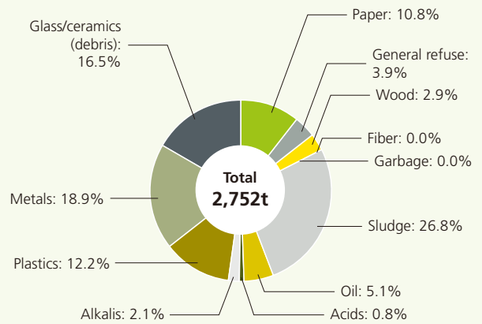
Achievement of Zero Emissions Level 1 of the Nikon Group

Company		System complete (year-end)
Nikon Corporation	All plants	March 31, 2003
Group manufacturing companies in Japan	Sendai Nikon Corporation	March 31, 2002
	Tochigi Nikon Corporation / Tochigi Nikon Precision Co., Ltd.	March 31, 2004
	Kurobane Nikon Co., Ltd.	March 31, 2004
	Miyagi Nikon Precision Co., Ltd.	March 31, 2005
	TNI Industry Co., Ltd. Nagai Factory	March 31, 2010
Affiliated manufacturing companies in Japan	Nasu Nikon Co., Ltd.	March 31, 2006
	Aichi Nikon Co., Ltd.	March 31, 2007
Group manufacturing companies in Asia	Nikon Imaging (China) Co., Ltd.	March 31, 2010

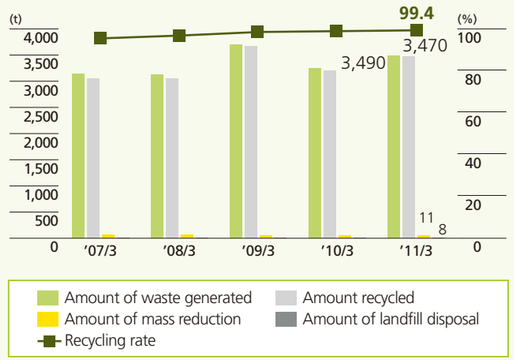
Waste by Category (in the year ended March 31, 2011) (Nikon's plants)



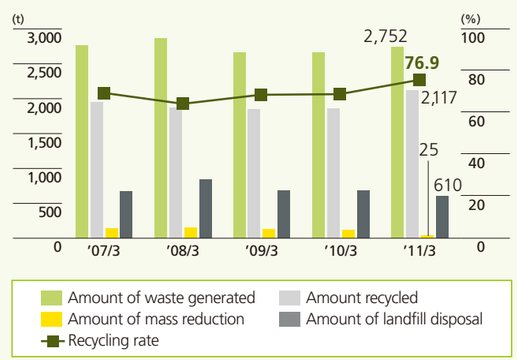
Waste by Category (in the year ended March 31, 2011) (Group Manufacturing Companies in Japan)



Discharge, Disposal, and Recycling of Waste (Nikon's plants)

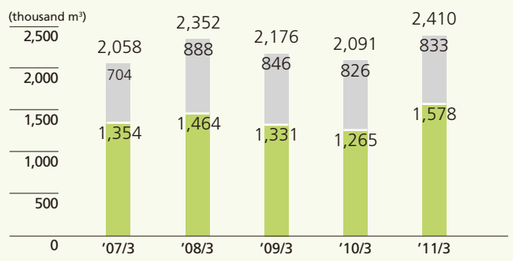


Discharge, Disposal, and Recycling of Waste (Group manufacturing companies in Japan)



*The data for the year ended March 31, 2007 and the year ended March 31, 2008 do not include the TNI Industry Co., Ltd. Aizu Factory.

Water Use (Nikon Group companies in Japan)



*Total water usage is not always identical to the sum of the constituents because of rounding.

Rate of Green Purchasing (purchases of specified goods as %) (Nikon Corporation)