

Message from the President

Strengthening the confidence of stakeholders by conducting CSR-oriented business activities and contributing to society



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The Nikon Group sustained considerable damage from the Great East Japan Earthquake in March 2011 and the massive floods in Thailand in October, but by rallying together, we were able to achieve a rapid recovery. I would like to reiterate my heartfelt thanks for the great deal of encouragement and support we received from all our stakeholders from around the world.

In light of the Great East Japan Earthquake and the Thai floods, we are committed to further strengthening our production systems, by reviewing our risk management and BCM systems. We have also reaffirmed that our number one priority is to punctually provide “quality, safety and attractive products and services.”

We recognize that the very process of achieving our corporate philosophy of “Trustworthiness and Creativity” has an element of corporate social responsibility (CSR), and we regard CSR-oriented management as one of our core corporate management policies. In April 2012, with an aim of further promoting CSR-oriented management, we restructured our internal committees, and we made improvements to our CSR-related systems to enable us to promote CSR with a greater focus on more important issues. Our priority issues in CSR remain unchanged for the year ending March 31, 2013, namely: expansion and promotion of environmental management, implementation of compliance activities, respect for human rights and work environments, and promoting diversity in the workforce, co-existence with society and the natural environment, and promotion of CSR activities in the supply chain. Back in 2007, Nikon expressed support for the United Nations Global Compact and its ten principles on Human

Rights, Labour, Environment, and Anti-Corruption. We have since incorporated these ten principles into the priority issues in our CSR activities, and we practice them in good faith. Based on each issue, we have established specific activity targets, and we are globally expanding business activities that are always conscious of CSR. The results of these activities are reported to the CSR Committee, and are monitored to ensure activities are carried out steadily.

In terms of our support for recovery from the Great East Japan Earthquake, in February 2012, we established Nikon Plaza Sendai as an operations base in Sendai City for the promotion of long-term support activities. It has been used as a venue for photo exhibitions and as a place for NPOs and volunteer organizations to communicate information and interact with residents. We also revised our personnel system, such as to assist employees in their positive volunteer activities, and we have sponsored reforestation and various other activities. Furthermore, based on the belief that photos have the power to give people encouragement, under the slogan “Assisting Reconstruction through Photography,” we have produced photo books that are made with pictures taken by junior high school students in affected areas and which are presented to them, and we have also helped organize photography classes.

Based on a corporate philosophy of “Trustworthiness and Creativity,” Nikon will strengthen the confidence of all stakeholders, by carrying out CSR-oriented business activities and contributing to society.

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Impact of the Thai Floods and Nikon's Response

Following is a report on damage sustained by the Nikon Group from the floods which swept Thailand in October 2011, and the subsequent recovery.

Impact of the Disaster

Nikon (Thailand) Co., Ltd. (NTC) is located in the Rojana Industrial Park in Ayutthaya Province, Central Thailand. The flooding submerged the first-floor levels of all buildings and operations were stopped. The floods peaked at a depth of about 2 meters, causing damage, not only to the buildings, but also to manufacturing equipment and inventory. Fortunately, there were no human casualties.

- * NTC is a manufacturing base for digital SLR cameras, interchangeable lenses, etc.
- * There was no property damage or human casualties at Nikon Sales (Thailand) Co., Ltd., which is located in Bangkok.

Establishment of Emergency Headquarters and Subsequent Recovery

Nikon Corporation set up an Emergency Headquarters for Disaster Control headed by the President, and organized a system for providing support to NTC. Immediately following the disaster, in a Group-wide effort to restore operations, we began producing manufacturing equipment and components at manufacturing bases in Japan. From the end of November 2011, we commenced substitute production at subcontract factories in Thailand. From December, we also utilized a special measure implemented by the Japanese government to allow workers employed by flood-hit Japanese companies to work in Japan. Applying this special treatment about 300 NTC employees came to Japan on short-term working visas to assist in manufacturing operations at bases in Japan.

Meanwhile, immediately following the disaster, NTC set up a temporary office in Bangkok and endeavored to gather information. It also obtained permission to enter NTC premises, and worked to salvage and remove submerged equipment. At the end of November 2011, the industrial park completed work to pump out water from around NTC, allowing operations to recommence from the beginning of January 2012, starting with the production of certain models.

As a result of these measures, as of March 31, 2012, Group-wide production volumes of digital SLR cameras and interchangeable lenses had recovered to normal levels

as original recovery plan. Going forward, we will proceed with preparations for full-scale operation at NTC, and in light of the floods this time, we will consider our disaster mitigation measures and work to further strengthen our production systems.



Ms. Yingluck Shinawatra, Prime Minister of Thailand, offering words of encouragement to NTC employees (Sendai Nikon Corporation, March 2012)

Assistance for Communities

Nikon Corporation donated 12 million bahts (about 30 million yen) to the Royal Thai Government to support affected areas and victims of the floods.