



CSR

Promoting Management with an Emphasis on Corporate Social Responsibility (CSR)

At Nikon, fulfilling our corporate social responsibilities is one of our greatest priorities and we work on various aspects of this group-wide.

Strengthening Corporate Governance

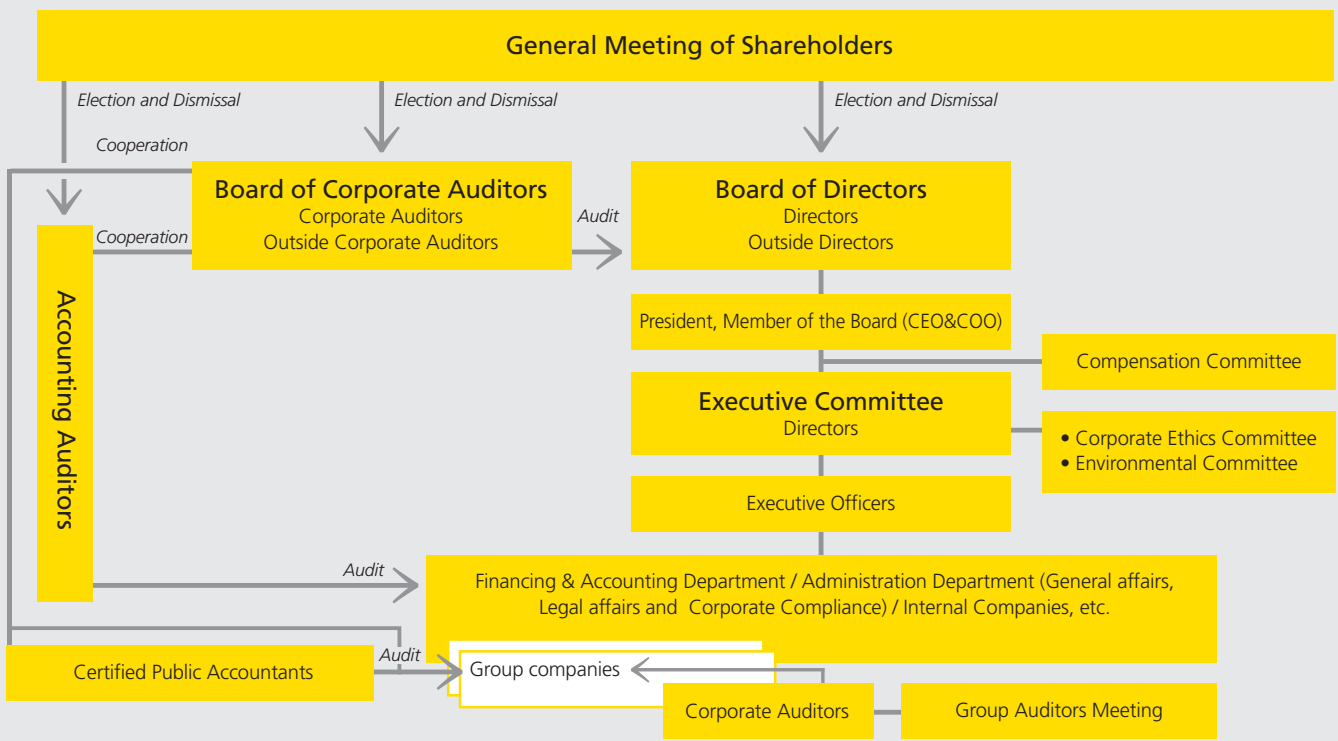
We have been working to improve the effectiveness of corporate governance and compliance for some time. Along with introducing an in-house company system, we have established an Executive Officer System, a Compensation Committee, stock options and a compliance section.

When we established the Nikon Charter of Corporate Behavior in April 2004, we also revised the existing Nikon Code of Conduct. In addition to this, we have worked hard to ensure compliance with related laws and internal regulations by holding corporate ethics training sessions for employees and senior management. By setting forth the Nikon Group Privacy Protection Policy in advance of the full-scale introduction of the information management rules, and revising and distributing our Information Management

Regulations to group employees, we are working to ensure the protection and management of the wealth of personal information Nikon possesses.

In order to improve the transparency of management, we are boosting efforts to ensure prompt and accurate disclosure of information. To this end, we are actively pursuing investor relations activities for investors and shareholders such as holding biannual financial results presentations and improving our web site.

Corporate Governance Organizational Diagram



Contributing to Environmental Conservation

In 1992, Nikon launched environmental conservation efforts with the enactment of *Nikon's Basic Environmental Policy*. This fiscal year was no exception and we sponsored many different activities.

Company-wide Integrated Certification in ISO14001

Nikon has been promoting environmental conservation efforts since 1998 by acquiring separate ISO14001 certification for each office. We are currently planning to establish a coordinated Environmental Management System (EMS) for the entire company and obtain integrated ISO14001 certification for the corporate headquarters and all domestic manufacturing plants by October 2005.

Recently, the RoHS Directive (Restriction of Hazardous Substances) of the European Union has mandated stricter environmental measures

for products and greater awareness of the environment in management is being demanded. This is directly reflected in the aims of senior management. By establishing measures in line with environmental policies, we are unifying our systems and moving toward integrated ISO certification to increase the effectiveness of our efforts in environmental conservation.

We have completed the first stage of integration by designing a comprehensive EMS infrastructure encompassing our Ohi Plant (Shinagawa-ku, Tokyo) and our Yokohama Plant (Yokohama City, Kanagawa Prefecture); we received integrated certification on October 27, 2004, after submitting to an audit by BVQI Japan, an independent certification service. We plan to consolidate our headquarters and three remaining manufacturing plants (The Sagamihara Plant, the Kumagaya Plant and the Mito Plant) as required and are targeting complete integration of

the Nikon parent company by October 2005.

We plan to expand the scope of integration to all of our primary domestic manufacturing facilities as well as overseas sites. In the future, we plan to integrate the entire Nikon group by establishing a common environmental management system worldwide.

Setting Forth Nikon's Environmental Action Plan for FY2005

In *Vision Nikon 21*, the corporate policy statement for group activities set forth in March 2000, we specified medium-term environmental goals (from fiscal 2001 to fiscal 2003) under our *Nikon Environmental Action Plan for Fiscal 2001*. We have created the *Nikon Environmental Action Plan for Fiscal 2006*, a new three-year plan (part of which pertains to long-term plans), to succeed our previous plan.

Product Environment

Theme	Mid to Long-Term Environmental Targets
1. Energy Conservation <i>Prevention of Global Warming</i>	Energy Efficiency Improvement of 30% or more in overall energy efficiency of new products released during the fiscal 2006-fiscal 2008 period, compared to existing products.
2. Reduced Use of <i>Harmful Chemical Substances</i>	Use of Eco-glass Use of Eco-glass in 100% of new optical designs for consumer products from fiscal 2006, and at least 98% for industrial products by fiscal 2008. Lead-free Solder Use of lead-free printed circuit boards for electronic components in 100% of consumer products (products mandated by the RoHS directive) by the second half of fiscal 2006, and in 100% of industrial products shipped by fiscal 2008. Hexavalent Chromium, Lead, Cadmium, Mercury, PBB, PBDE & PVC Complete elimination of these substances in consumer products shipped by the second half of fiscal 2006, excluding non-alternative materials. Substances Harmful to the Ozone Layer Complete elimination of HCFC as a refrigerant in IC and LCD steppers shipped by fiscal 2008.
3. Green Procurement	Reduced Use of Harmful Chemical Substances Complete investigation of designated hazardous substances in all consumer products (including sales promotion and RP items) by fiscal 2007, and in all industrial products by fiscal 2008.
4. Packaging & Distribution	Greenhouse Gas Emissions 5% reduction in CO ₂ emissions (per t*km) by fiscal 2008, compared with levels for fiscal 2006

Workplace Environment

Theme	Mid to Long-Term Environmental Targets
1. Energy Conservation <i>Prevention of Global Warming</i>	Greenhouse Gas Emissions 35% reduction in average annual emissions normalized against cost of sales by fiscal 2010, and at least 29% by fiscal 2008, both compared to levels for fiscal 2002
2. Waste Reduction	Zero Emissions Introduce zero-emission systems at all plants and major domestic manufacturing subsidiaries, with plans to expand to other facilities from fiscal 2006. Reduction in Waste Produced Achieve a 35% reduction by fiscal 2008, compared with fiscal 2001.
3. Reduced Use of Harmful Chemical Substances	Chlorinated Organic Solvents Complete elimination of chlorinated organic solvents in wash used at all workplaces, including major domestic manufacturing subsidiaries, by the end of fiscal 2006.
4. Green Procurement	Eco-friendly Product Procurement Meet green procurement guidelines for at least 90% of all products by fiscal 2008.
5. ISO 14001	Integration of Certification Obtain integrated ISO 14001 certification for Nikon Corporation by the end of fiscal 2006. Obtain integrated ISO 14001 certification for Nikon Corporation and major domestic manufacturing subsidiaries by the end of fiscal 2007.