

IN LINE WITH THE CORPORATE OBJECTIVE OF GAINING THE TRUST OF ALL ITS STAKEHOLDERS WITH GENUINELY TRANSPARENT MANAGEMENT, THE NIKON GROUP IS CONTINUING WITH ACTIVITIES IT MUST PERFORM TO FULFILL ITS RESPONSIBILITIES AS A CORPORATE CITIZEN.

CSR PROMOTION SYSTEM

To fulfill and promote its CSR activities, the Nikon Group has established separate subcommittees under the CSR Committee to focus on different themes of importance.

In the past, CSR activities concerning environmental issues and social contribution were implemented by separate committees but a more integrated approach has been adopted with the establishment of the CSR Committee in January 2006. Under the CSR Committee, which is chaired by the President and composed of members who are Standing Directors and the heads of CSR-related departments, the Business Conduct Committee, Risk Management Committee, Environmental Committee, Social Contribution Committee, Export Control Committee and Health and Safety Committee are in charge of implementing CSR activities.

In consideration of current social conditions, in April 2007 the preexisting Nikon Charter of Corporate Behavior was amended and the Nikon Corporate Social Responsibility (CSR) Charter was newly established. This was done in order to have the basic policy stance regarding the social responsibility of the Nikon Group be more readily understood and permeated among all Group employees. Each and every one of our employees will abide by the "Nikon Corporate Social Responsibility (CSR) Charter" during their every day business activities.

**CSR COMMITTEE
(SECRETARIAT: CSR SECTION)**

BUSINESS CONDUCT COMMITTEE

RISK MANAGEMENT COMMITTEE

ENVIRONMENTAL COMMITTEE

SOCIAL CONTRIBUTION SECTION

EXPORT CONTROL COMMITTEE

HEALTH AND SAFETY COMMITTEE



**THE FIVE FUNDAMENTAL PRINCIPLES
Business Conduct (Compliance)**

The “Nikon Business Conduct Committee” was established to perform appropriate education and nurturing of business ethics to assure fair and sound business conduct by Group companies based on a law-abiding spirit that respects international regulations, and is actively engaged in such initiatives.

Examples include the creation of the “Nikon Code of Conduct” which serves as general standards of behavior for Group employees, the establishment of the “Compliance Section” for the full-time promotion of activities pertaining to business ethics, and the introduction of the “Code of Conduct Coordinator System” to promote corporate ethics at all Group companies.

In 2007 the Nikon Code of Conduct was amended in response to changing times, with the aim of further permeating awareness of corporate ethics among all of our employees as well as thorough enforcement of ethics.

Risk Management

In the pursuit of sustained growth of the Nikon Group, the Risk Management Committee was established to comprehensively manage and precisely respond to risks encountered by the Group.

The Committee ascertains and assesses risks within the Group and implements measures to counteract those that can influence operation. It also conducts education and training to minimize damage in the event of a risk arising.

Furthermore, through regular risk monitoring, the Committee implements a risk management PDCA cycle in a system that can respond precisely even to newly occurring risks.

Specific examples of the major activities of the Committee include the establishment of a BCM system for possible disasters such as earthquakes, and initiatives regarding information security countermeasures, among others.

Environment

Since it issued the “Nikon Basic Environmental Management Policy” in 1992, Nikon Group has continued with environmental preservation efforts based on the concepts of “recycling” and “coexistence.” The “Nikon Corporate Social Responsibility (CSR) Charter” formulated in 2007 further declares the Group’s commitment to conservation of the natural environment and the promotion of environment-friendly activities.

Numerous goals have been achieved through the vigorous promotion of the “Nikon Environmental Action Plan” for fiscal 2006 which defined the medium and long term environmental targets. With the establishment of the “Nikon Green Procurement Standards” in October 2005, we have also strengthened environment-friendly activities at the procurement stage for raw materials and other items through cooperation with business partners.

In fiscal 2007, the “Nikon Environmental Action Plan” for fiscal 2006 was reviewed and expanded, with one amendment to strengthen efforts to prevent global

warming, a serious global environmental problem. To expedite the “Nikon Environmental Action Plan” and more efficient business operations, progress is also being made in the Nikon Group-wide integration of ISO14001 certification.

Social Contribution

As a corporate citizen, the Nikon Group is taking responsibility for the future of its home nation, local area communities and the global society at large. From a basic stance of contributing to the sound growth of society as a whole, we are conducting wide-ranging social contribution activities not only directly through our business endeavors but also through other external, non-corporate efforts.

One example is the establishment of the Nikon “Social Contribution Committee.” Contribution is made by supporting various global environment conservation activities and participating in local environment conservation activities, and by supporting activities in developing areas worldwide. Meanwhile, in order to more proactively promote social action programs both domestically and overseas we created the Social Contribution Section in April 2007.

In the business-related field, in addition to providing research aid to universities and government research institutions for the development of cutting-edge technologies, Nikon also runs the “Nikon Salon,” which provides permanent photography exhibition spaces to promote the development of photographic culture, and also supports other various photograph exhibitions and events.

Respect for Human Beings

In international society efforts and endeavors directly pertaining to human individuals, such as the respect for human rights, are of vital importance. Accordingly, a special working group has been organized in the Secretariat for the six subcommittees under the CSR Committee, and is promoting inter-organizational initiatives in this area.

ENHANCING CORPORATE GOVERNANCE

To enhance the relationship of trust it enjoys with its stakeholders amid continued globalization of the business environment, the Nikon Group aims to “increase management efficiency and transparency” by bolstering corporate governance and improving its internal control system. The following summarizes activities undertaken during the period to strengthen the internal control system.

Strengthened Deliberation, Resolution, Communication and Reporting System

In 2005, Nikon further overhauled the structure of the Executive Committee engaged in the deliberation, resolution, communication and reporting of business matters and recreated rules related to the delegation of authority in divisions in order to further enhance the Group's internal controls.

Conducting Internal Auditing

The Internal Audit Department, which operates independent of other sections,

was established in October 2005 with the primary objectives of monitoring the Nikon Group internal controls in line with established regulations and guidelines, and making recommendations for improvement. Furthermore, to enhance the Nikon internal control system, the scope of auditing will be expanded in the future to cover other firms and subsidiaries within the Group.

Information Resource Control

Guidelines on classifying confidential information were instituted in 2006 to thoroughly specify and clarify different types of restricted data. Nikon continues striving to increase the effectiveness of its information management.

Moreover, access control and security pertaining to the Group's internal network has been further solidified as of April 2007 to fully prevent data from being compromised, tampered with or destroyed.

Nikon's Committees (pertaining to CSR activities)

The Nikon Group has established various committees and subcommittees throughout the corporation to address issues and themes of organization-wide importance.

Please refer to the “Nikon CSR Report” for further details on our CSR activities (<http://www.nikon.co.jp/main/eng/portfolio/csr/index.htm>).