

CSR-ORIENTED MANAGEMENT

NIKON'S CSR INITIATIVES

The Nikon Group seeks to contribute to the conservation of the global environment and the sustainable development of society. We practice earnest and transparent CSR-oriented management that strengthens our relationship of trust with all stakeholders.

THE CSR MEDIUM TERM PLAN

The Nikon Group believes CSR to be the elimination of waste and maximizing of efficiency; the continuation of business in an earnest and sound manner; the realization of value that exceeds expectations to contribute to the sustainable development of society; and being worthy of the trust placed in us by customers and society.

Since 2006, Nikon has held “CSR-oriented management” as one of the priority measures in its Medium Term Management Plan. We have implemented a range of measures in accordance with this goal, and in 2007 formulated the Nikon Corporate Social Responsibility (CSR) Charter to instill Nikon’s basic stance toward CSR in all employees throughout the corporate group. For the current fiscal year (ending March 2010) we formulated a medium-term plan for CSR, incorporating such priority measures as the development and furthering of environmental management, and global promotion of compliance structures. Through these measures, we endeavor to be a truly outstanding company.

MANAGEMENT

The Nikon Group, with a strong sense of awareness as a corporate citizen, conducts highly transparent management compliant with laws and regulations, and furthers a range of management initiatives to earn the trust of society as a whole.

CORPORATE GOVERNANCE

With the business environment increasingly global in scope, the Nikon Group is strengthening its corporate governance and expanding its internal control systems to enhance the management efficiency and transparency that strengthen the bonds of trust with stakeholders.

CSR STRUCTURE

The Nikon Group’s CSR program had previously consisted of individual committees to address specific issues such as business conduct, the environment, or social contribution. In January 2006, we established the CSR Committee, chaired by the president, to further ensure honesty and transparency in CSR management. The CSR Committee meets twice annually, and oversees seven subcommittees that address specific CSR issues: the Business Conduct Committee, Export Control Committee, Environmental Committee, Social Contribution Committee, Safety and Health Committee, Risk Management Committee, and Integrated Disaster Prevention and BCM (Business Continuity Management) Committee. The CSR Committee efficiently coordinates the overall CSR program, and furthers CSR activities.



The corporate governance structure consists of the Board of Directors, the Executive Committee, and the Board of Corporate Auditors. Nikon Corporation also adopted the in-house company system in October 1999 to integrate the structures for each business and provide for more decentralized management. We have established regulations

stipulating the rights and responsibilities of each organization and management positions, and for Group companies provide guidance and administration according to the prescribed standards for both domestic and overseas subsidiaries. These regulations and systems help ensure more structured and efficient conduct of business operations.

INTERNAL CONTROL SYSTEM

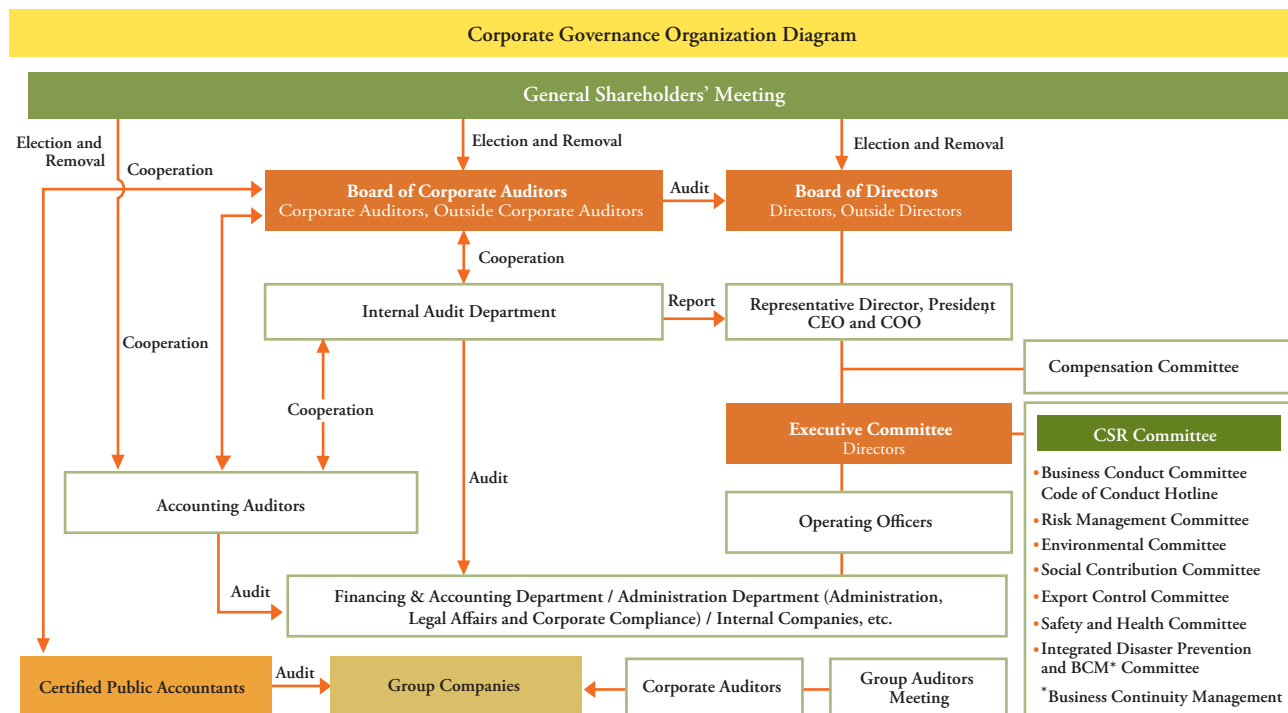
In 2005, to further enhance the internal controls for the corporate group, Nikon Corporation overhauled the structure of its Executive Committee with regard to the deliberation, resolution, communication and reporting of business matters, and amended the rules for the delegation of authority in divisions. We also established an Internal Audit Department, under the direct control of the president and independent of other operations departments, to conduct internal audits. During the fiscal year ended March 2009, in addition to the schedule in the audit plan, we conducted a company-wide assessment of all internal controls and internal control structures for operational processes through Nikon Corporation and the Nikon Group, acting as an independent evaluation division under Japan's Financial Instruments and Exchange (J-SOX) Act. We also conducted a thorough review of network access rights for all group networks as part of the management of information assets from April 2007.

BUSINESS CONDUCT (COMPLIANCE)

The Nikon Group undertakes various measures to allow all employees to act properly with full awareness of compliance in the course of their daily business activities. The Nikon Business Conduct Committee formulates Nikon Group policy on compliance. In accordance with the policies thus formulated, the Compliance Section of Nikon Corporation fosters compliance-related activities in cooperation with the Code of Conduct Coordinators stationed in the departments of the Company and in the Nikon Group companies within Japan. During the fiscal year ended March 2009, we conducted education and awareness training sessions to familiarize employees with the Nikon Code of Conduct, compliance awareness surveys targeting Nikon Group employees within Japan and fed back the result to the relevant departments/companies and held seminars for managers aimed at preventing power harassment.

RISK MANAGEMENT

The Risk Management Committee was established in April 2006 to provide for comprehensive management of the major risks in corporate management, and help ensure the sustainable development of the Nikon Group. Specifically, the committee examines and evaluates the risks within the Group, and formulates strategies to counter those risks that could have an impact on business



performance. It also conducts training to minimize the damage from risks, monitors risks on a regular basis, and establishes the plan-do-check-act (PDCA) protocols. Currently, the committee focuses on such areas as information security, risk management for employees dispatched overseas, and measures to counter the new type of influenza.

The Integrated Disaster Prevention and BCM (Business Continuity Management) Committee (see page 22) was established in July 2007 to address the risk of a serious impact on the Nikon Group resulting from a major earthquake, fire, or other disaster. Nikon considers business continuity to be an aspect of its social responsibility, and conducts research and training to strengthen its business continuity structure.

ENVIRONMENTAL CONSERVATION

Nikon formulated the Nikon Basic Environmental Management Policy in 1992 as its fundamental policy on environmental management, and made substantial revisions in the fiscal year ended March 2002 from the standpoint of creating a recycling-based society. In line with this policy, each year Nikon assesses its progress in relation to the environmental targets set for each fiscal year, identifies the issues raised, and makes revisions as necessary. The Environmental Committee overseen by the CSR Committee (see page 22) formulates the goals and targets for the new three-year Nikon Environmental Action Plan, along with the annual environmental targets, and implements these throughout the corporate group.

The Nikon Group has also formulated the Nikon Product Assessment protocol, which is applied to all products during the development and design stage to minimize the environmental load across the lifecycle of a product. Nikon also takes steps to encourage the reuse and recycling of used products, and lessen the environmental burden from packaging and in distribution.

In October 2007, the Nikon Group established the Global Warming Prevention Project, a group-wide measure to counter the serious issue of global warming. This project prioritizes the efficient use of energy and reductions in energy consumption as a means of cutting emissions of global greenhouse gases throughout the Group, and sets targets for greenhouse gas reductions in the fiscal year ending March 2011. Each business division forms a working group to study and propose effective measures in

accordance with its various conditions, which are implemented in stages.

SOCIAL CONTRIBUTIONS

The Nikon Group operates in many countries and regions around the world, and strives to maintain communication with those countries and regions, as well as the people who live there, while pursuing its social action program. In Japan, group companies offer factory tours and hands-on classes for elementary and junior high school students, while production centers participate in local government-sponsored events.

Nikon U.K. Ltd. implemented a two-year program from the fiscal year ended March 2009 in which many employees provide support to The Princess Alice Hospice. Through this program, employees assist specialists in the hospice supplying palliative care for terminally ill patients suffering from cancer or other ailments.

RESPECT FOR HUMAN RIGHTS

The Nikon Group includes employees from a wide range of backgrounds, differing in such aspects as gender, age, nationality and culture. The Group strives to provide an environment that respects the individuality, values, and other aspects of diversity among each of its employees, and allows them to realize their full potential.

Since 2007, Nikon Corporation has made a particular effort to foster a corporate culture that actively develops the talents of women, and in which they can succeed. Self-realization training for women was launched in that year, with a schedule for all female employees throughout the domestic corporate group to receive training by the fiscal year ending March 2013. In 2008, Nikon Corporation established the Work and Family Support subcommittee, composed of female employees raising children while working, that studies ways to improve Nikon's child-rearing support system.

In 2000, Nikon Corporation established the special subsidiary Nikon Tsubasa Inc. as part of its efforts to support employment of the handicapped. This subsidiary is one of the very few factories in Japan where the mentally disabled are involved in the assembly of precision instruments, and has earned a good reputation for the work provided, receiving orders from companies outside the Nikon Group.