

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 has actively promoted the concept of corporate social responsibility (CSR) since 2006, when "CSR-oriented management" was adopted as a goal of its Medium Term Management Plan. Since then, Nikon has implemented a number of measures to achieve this goal, including establishment of a CSR Committee, formulation of the Nikon CSR Charter, development of a medium-term plan for CSR, and participation in the United Nations Global Compact initiative.

Until now, the Group's medium-term plan for CSR has focused on seven high-priority issues, including expanding and promoting environmental management, globally promoting compliance activities, and expanding social contribution activities worldwide. In the three-year plan that began in the fiscal year ending March 2011, we added one new goal, "Globally managing the issues related to human rights and the labor environment." Going forward, the Nikon Group will strive to become a truly outstanding company by maintaining a balance between business, preservation of the global environment, and compliance with legal and social standards.

CSR Structure

Nikon's corporate goal calls for implementing a business management system that is characterized by integrity and a high level of transparency. To that end, we have established a CSR Committee, which is headed by

the Chairman of the Board. This committee determines and promotes CSR policies, and monitors CSR activities. The CSR Committee oversees seven specific subcommittees, including the Business Conduct, Environmental, and Social Contribution committees, which are responsible for facilitating the spread and establishment of CSR measures throughout the Nikon Group. In the fiscal year ended March 2010, a new Biodiversity Working Group was set up to help Nikon develop concrete measures to promote biodiversity.



Management

The Nikon Group is keenly aware of its responsibilities as a corporate citizen, and aims to earn the trust of society as a whole by maintaining highly transparent management practices in full compliance with all relevant laws and regulations. We are promoting a range of management initiatives to achieve this end.

Corporate Governance

In today's increasingly global business environment, the Nikon Group is taking steps to improve its corporate governance to increase the trust of its stakeholders and achieve its goal of "enhancing management efficiency and transparency."

Nikon Corporation has adopted an in-house company system to provide a consistent framework for management decentralization, and has strengthened the linkage between compensation and performance through the introduction of a performance evaluation system. Moreover, we have maintained the management structures and adopted an executive officer system to enable management to respond more quickly to changes in our business environment. In addition, at the election of officers that took place at the end of June 2010, oversight and operational functions were separated, with the Board of Directors headed by the Chairman of the Board, and the President heading the Executive Committee.

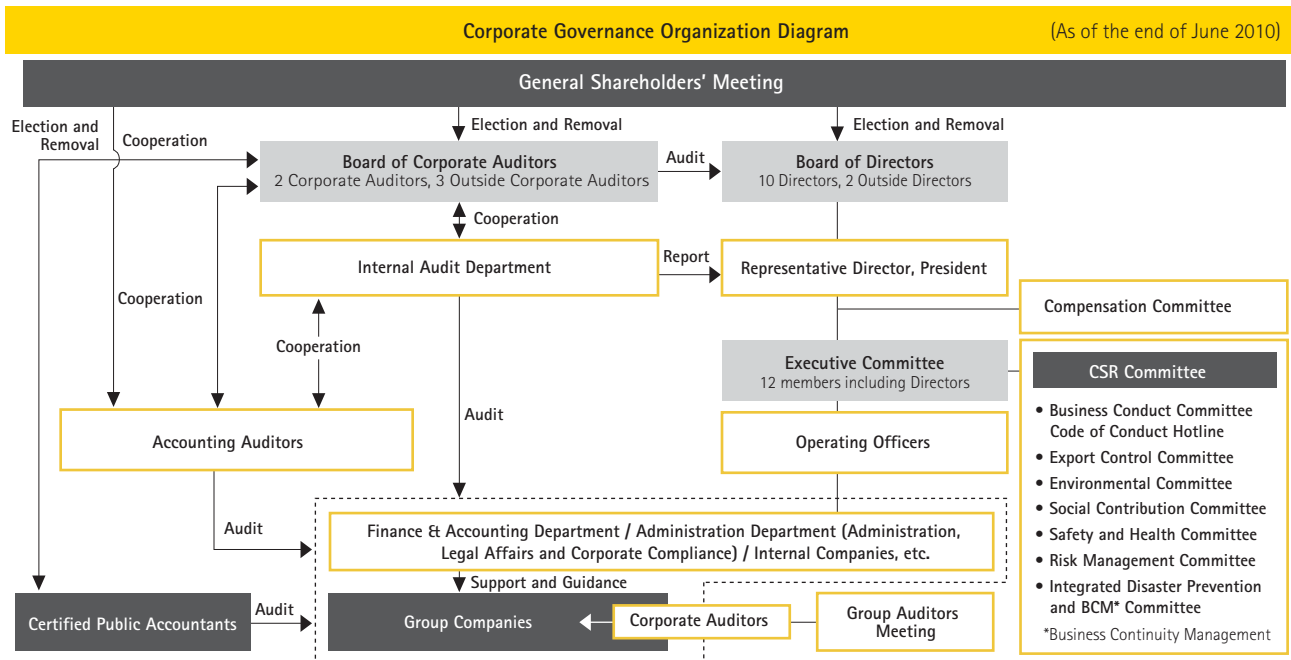
Internal Control System

Nikon recognizes that promotion of effective and efficient business operations (management), ensuring the reliability of financial reporting

(reports), compliance with relevant laws and regulations, and safeguarding (protection) of company assets are important management responsibilities, and we are continually working to develop the organizational structures and systems necessary to achieve these objectives (ends). Steps taken to date to enable us to maintain and reinforce a sustainable internal control system include revision of rules for the delegation of authority, establishment of an independent Internal Audit Department separate from the other operations departments, strengthening the management of information assets throughout the Nikon Group, and establishment of an Internal Control Section (a special committee) to ensure compliance with Japan's Financial Instruments and Exchange (J-SOX) Act. During the fiscal year ended March 2010, we revised the Company's rules pertaining to organization (approval procedures), reinforced our decision-making processes, and updated our rules related to the reporting of material (important) matters.

Business Conduct (Compliance)

Maintaining strict compliance with legal regulations while carrying out business activities is a matter of fundamental importance to the Nikon Group. As a global company, we are expected to achieve a particularly



high level of awareness of compliance issues, not only in Japan but also in other countries where cultural differences must be taken into account. To ensure that each of our employees can carry out his or her daily activities in accordance with the policies established by the Nikon Business Conduct Committee, the Compliance Section of Nikon Corporation, in cooperation with the persons in charge of promoting CSR and Compliance within the Company and at Nikon Group companies, carries out a variety of educational and awareness training activities.

Risk Management

To ensure the continued development of the Nikon Group, we have established a Risk Management Committee to carry out comprehensive risk management, and to counter important risks that could have a major impact on business performance. The committee identifies risks and countermeasures, formulates strategies designed to minimize potential risk-related losses, monitors risks on a regular basis, and establishes

plan-do-check-act (PDCA) protocols. Currently the committee focuses on such areas as information security, risk management for employees assigned overseas, and measures to counter pandemic influenza. During the fiscal year ended March 2010, we established mechanisms to deter and prevent leaks of information, implemented e-learning courses, and made inspection visits to Group companies overseas to monitor the status of their information management systems.

Nikon considers the maintenance of business continuity, even in the event of a natural disaster or other contingency, to be an aspect of its social responsibility. For that reason, the Company has established an Integrated Disaster Prevention and BCM (Business Continuity Management) Committee to address the risk of a serious impact on the Nikon Group resulting from a major earthquake, fire or other natural disaster. We are also taking steps to construct BCM systems at our overseas manufacturing centers, and are developing Business Continuity Plans (BCPs) to cover all of our major business operations.

Environmental Conservation

The Nikon Group formulated its Nikon Basic Environmental Management Policy in 1992, and enacted a major revision in 2002. This policy is designed to help the Group achieve its goal of becoming an environmentally friendly company able to achieve business growth while preserving the environment. A further revision was implemented in April 2010 to clarify Nikon's basic stance on environmental issues such as climate change and preservation of biodiversity. Based on these policies, the Environmental Committee, which is overseen by the CSR Committee, has developed a three-year Nikon Environmental Action Plan, and has established environmental targets that are being implemented throughout the Group. In the fiscal year ended March

2010, a CO₂ emissions reduction subcommittee was established to carry forward the work of the Global Warming Prevention Project, which was started in 2007, and to promote systematically the reduction in greenhouse gas emissions throughout the Group as a whole. Going forward, Nikon will work to reduce energy consumption on a product life cycle basis, and will increase its use of natural energy. In line with our fundamental policy of preventing pollution, we will continue our low-key efforts to reduce all forms of waste, and also promote other unique environmental activities, such as efforts to develop new types of eco-glass with a reduced environmental load.

For more information on the Nikon Group's environmental activities, please visit www.nikon.com/about/csr/.

For Nikon's most recent CSR report, please go to www.nikon.com/about/csr/report/.