

Environmental Education/Awareness Activities

We believe it is vital that all employees improve their knowledge of environmental matters, and to this end, related manuals, regulations and procedure must be put in place, and we must attain the necessary specialised knowledge and techniques, in order that environmental conservation activities can be rolled out effectively.

Environmental Management and Promotion of Measures

We are working on improving the overall level of our employees' awareness, with appropriate educational systems implemented at every level, throughout each plant and workplace within the company.

- Executive management education (general environmental management, ISO 14001, management responsibilities, etc.)
- Education of new employees (general environmental awareness, Nikon's environmental activities)
- Environmental seminars for Nikon Group companies (general environmental management, ISO 14001, product assessment, etc.)
- Education of EMS representatives (environmental policy, environmental objectives, environmental manuals/regulations/procedures, evaluation procedure for environmental aspects)
- Everyday on-the-job education (general environmental management, environmental manuals/regulations/procedures, environmental targets, separation of waste and recycling, energy saving, paper and resources saving, etc.)
- Link between midterm plan and target management, and conducting of seminars
- Presentations on "Nikon Environmental Action Plan"
- Green procurement education

Awareness Activities

Nikon implements a full programme of awareness activities, with the aim of supplying information, informing employees of new policies and increasing awareness in environmental matters, as well as applying standards for decision-making.

- Publication and website posting of "Environmental Report"
- Publication and distribution of "Environment/Product Safety Information", for Nikon Group companies
- Publication of environmental awareness journals "Report from the Environmental Administration Section" via the company intranet and display of "Environmental Panels" at all plants
- Publication and distribution of "ISO Update" (Ohi Plant), "EMS News" (Yokohama and Sagami-hara Plants) and "ISO 14001 News" (Mito Plant)
- Sharing of ideas for improvement – mottos, posters and the like promoting environmental conservation, with recognition and prizes for the best ideas
- Organising environment month (broadcasts by the Environmental Committee Chairman, environmental month seminars, environmental photo contest, etc.)
- Implementation of an energy-saving patrol
- Distribution of an environmental strategy card showing the environmental policy and objectives to all employees
- Clear posting and notification of all waste-separation categories and provision of waste-disposal areas that encourage recycling
- Notice boards within the workplace, displaying such information as environmental objectives, targets, and management programmes
- Publication of site report
- Participation in various environmental events

Nikon is developing the following environmental education and awareness activities, which are to be provided to all employees. Some Group companies and suppliers are also required to participate in the education process. We are also active in various events that serve to strengthen our bonds with local communities.

Specialist Environmental Education

Nikon employees are encouraged to undertake specialist education both within and outside the company, in order to gain the necessary knowledge, skills and technical abilities to carry out their individual responsibilities with consideration for the environment. We are working to develop specialists and increase specialist knowledge within the company.

- Internal environmental auditor development course
- Step-up seminar for internal environmental auditors
- Control of chemical substances (handling procedures, PRTR, etc.)
- Environmental facilities operation management
- Specialised industrial waste management qualification course
- Energy management course
- Pollution control management course
- Course for persons in charge of handling dangerous substances
- Emergency countermeasures (simulation of accidental leak)



Emergency countermeasures (simulation of accidental leak)



Step-up seminar for internal environmental auditors

ISO 14001 Certification Acquisition Support and Related Activities

Our Environmental & Technical Administration department is providing education and support for organisations within Nikon — and outside as well — that wish to acquire ISO 14001 and ISO 9001 certification.



Internal environmental auditor development course

Topics

Company-Wide Environment Month Activities

At the start of June 2004, the Environmental Committee Chairman broadcasted a message throughout our company premises commencing the fourth annual Environment Month and its various companywide activities. As he mentioned, “Companies throughout the world share a concern for sustainable development. The Nikon Group, including each of us, is strongly aware of its corporate social responsibilities. In order for the Nikon Group to sustain its development, we need to implement economic, environmental and social improvements responsibly.”

Environment Month featured seminars on subjects such as ISO 14001 and “green” purchasing, as well as a photo contest on the theme of the environment. We allowed visits to waste processing facilities at all of our manufacturing plants, and created environmental panel displays. Employees took part in clean-up campaigns outside our manufacturing plants, raising environmental awareness among themselves and neighbouring communities.



Visit to a plant's waste processing facilities (Yokohama Plant)

Environmental Photo Contest winning entries



First prize: Butterfly among high buildings



Second prize: Fusion



Commendation: Clear water

Company-wide Integration of Environmental Management Systems begins

Since 1998, Nikon has been helping to ensure that each of its plants gains ISO 14001 accreditation, the international standard for environmental management systems (EMS). Extending a longstanding dedication to conservation, our company recently decided at the highest management levels to make a top priority of Nikon EMS integration, in line with Nikon Basic Environmental

Management Policy. In fiscal 2006, we plan to integrate Nikon's headquarters and five plants. For fiscal 2007, we shall finish integrating our five main manufacturing subsidiaries. We hope to eventually integrate EMS throughout the entire Nikon Group, including major overseas manufacturing bases.

*By June 2005, the Ohi Plant, Yokohama Plant and Mito Plant were integrated.



Interview with top management



Environmental audit



Divisional audit

Ohi Plant accredited by Shinagawa as an Eco-Clean Project

Shinagawa Ward aims to live by its motto, “Living in Harmony with the Environment: Shinagawa”, by introducing ISO standards and promoting energy/resource conservation, local environmental education, research and development into eco-friendly technology and products, and other activities.

The Ohi Plant earned Shinagawa Ward's Eco-Clean Project accreditation on October 6th 2005, after acknowledging the company's many environmentally friendly activities. For further details, please visit Shinagawa Ward website; <http://www2.city.shinagawa.tokyo.jp/jigy04/index.html>



Introduction of all-water washing machinery to the surface treatment line at Yokohama Plant

Nikon set a target of eliminating the use of organic chlorine-based solvents in its washing processes, and has been working on the development of alternative technologies (see page 23). Conventional methods have generally switched over to bromine solvents and hydrocarbon solvents, as well as alcohols, all of which are highly volatile and cannot be called ideal environmental solutions.

At our Yokohama Plant, the surface treatment processing division has worked hard to develop a washing technology that reduces the environmental burden to a minimum, through eliminating the use of organic solvents and surfactants, and has succeeded in putting into operation an all-water washing system, which was introduced into the mass-production process in fiscal 2005.



The all-water washing system at Yokohama Plant

Overseas environmental study visit by top management

In October 2004 and February 2005, the chairman of the Environmental Committee examined Nikon Group production bases in Thailand and China to study environmental issues related to CSR (corporate social responsibility). During the visits, the observed facilities, including Nikon (Thailand) Co., Ltd., Nanjing Nikon Jiangnan Optical Instrument Co., Ltd., Hikari Glass Co., Ltd. (Changzhou), Nikon Imaging (China) Co., Ltd., Dong Guan Nikon Surveying Instruments Co., Ltd., and Guangdong Nikon Camera

Co., Ltd. also underwent environmental training and were checked for compliance with EU RoHS Law (restricting hazardous substances).

These visits resulted in recommendations for further instruction and support at each plant. Promotion of environmental protection, based on recycling and co-existence with nature, continues to spotlight environmental management at our overseas plants.



Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.



Hikari Glass Co., Ltd (Changzhou)



Nikon Imaging (China) Co., Ltd.

Awards and recognition

•Sagamihara Plant receives awards for Excellence in Hazardous Substance Handling and Excellence in Pressurised Gas Handling

In June 2004, the Sagamihara Plant was awarded for Excellence in Hazardous Substance Handling from the Kanagawa Dangerous Substance Safety Association, and for Excellence in Pressurised Gas Handling from the Kanagawa Prefectural Central Administrative Centre, acknowledging Nikon’s exemplary standards in handling dangerous substances and pressurised gas.



Excellence in Hazardous Substance Handling award
Excellence in Pressurised Gas Handling award

•Mito Plant awarded for Excellence in Electrical Power Rationalisation

In February 2005, the Mito Plant received an excellent review for its efforts related to energy saving, and was awarded an “Excellence Award” by the Kanto Regional Electric Power Rationalisation Committee.



Excellence Award for Electrical Rationalisation

•Sagamihara Plant receives Excellence Award for electrical safety activities

In March 2005, the Sagamihara Plant received an excellent review for its activities dealing with electricity and the safety of its electrical equipment. The Plant received an Excellence Award from the Electrical Safety Kanto Committee for organisations working on in-company electrical consumption facilities.



Excellence Award for In-Company Electrical Facilities

Examples of energy-saving activities

Prevention of global warming demands energy savings in air conditioning, which consumes the most electricity among production process. Nikon advances energy conservation in air-conditioning facilities, which are major sources of heat. Toward this

end, the Kumagaya Plant switched over to Energy Service Company (ESCO) pump inverters and the Mito Plant introduced pump inverters in fiscal 2005.



Pump inverter equipment introduced at the Kumagaya Plant



Pump inverter equipment introduced at the Mito Plant



Contributing to Society

Regional Cleanup Activities – all plants

Every year, Nikon members clean up around production sites by picking up litter on roads and among greenery on commuter routes to the plants.

During fiscal 2005, the Yokohama Plant staff took part in the Zero Trash Day in Yokohama City (30th May), inspiring those at

other plants in Ohi, Sagamihara and Mito to begin their own cleanup activities. Kumagaya Plant representatives cleaned up JR Kagohara Station in January to conclude the financial year. We will continue to schedule regional activities in order to ensure that we remain citizens in good standing with our local communities.



Cleaning up around Ohi Plant



Cleaning up around Sagamihara Plant



Cleaning up JR Kagohara Station plaza

Campaigning to prevent illegal waste disposal – Sagamihara Plant

In November of fiscal 2005, the Sagamihara City Beautification Movement Promotion Council organised the Sagamihara City Illegal Waste Elimination Campaign, which was held mainly at Sagamihara City's Kuzawa Elementary School. This was the 13th edition of the programme, and employees of Sagamihara Plant and other organisations of the Sagamihara Waste Disposal Measures

Association took part.

Sagamihara City commemorated the 50th anniversary of its founding this year. After a speech by Mayor Ogawa, more than 400 people in two teams removed illegally dumped waste from the city, in support of the appeal "Don't throw away waste illegally! Don't encourage anyone else to do it! Don't let others get away with it!"



Regional activities – Mito Plant

The Hinuma area southeast of Mito City in Ibaraki Prefecture is an estuarial fishing ground of fresh and salt water. People from Ibaraki and elsewhere come to enjoy camping, fishing, windsurfing and other activities in this home to precious organisms such as the Hinuma dragonfly. The "Clean Up Hinuma Network" is a joint

initiative involving residents, businesses, organisations and governments (national and local) involved with Hinuma and related rivers, and aims to improve water quality. It was established in March 2001 by the Mito Plant and other founding members.



July: Hinuma Clean Challenge



November: Walk Rally



December: Cleaning of Ishikawa river (release of fingerlings)

•Cooperation with Children's Nature Detectives Group

In August 2004, the Ibaraki Prefectural Mito Lifelong Learning Centre organised a "Children's Nature Detectives Group", a group of elementary and junior high school students who study nature in

various places in Ibaraki Prefecture. Mito Plant lent observation equipment such as telescopes and binoculars, and also dispatched staff to assist and take part in two area study groups.



Cooperation with Experience Workshop “Tokyo Class of the Future” – Ohi Plant and Sagamihara Plant

The Tokyo Class of the Future was established to help develop future Japanese leaders. The Tokyo Metropolitan Board of Education set up the organisation in April 2004. The 50 students are drawn from metropolitan high schools, and meet to study on weekday afternoons and Saturdays. The Ohi Plant and Sagamihara Plants participated in “Learning about Work” with seven high school students for four days at the end of August.

The students were divided into two groups, and each spent two

days experiencing work at Nikon. On the first day, they took part in discussions at the Ohi Plant Administrative and Environmental Management Divisions, and on the second day they experienced glass manufacturing and lens polishing at the Sagamihara Plant. The plants received letters of thanks and appreciation, with such comments as “it was an extremely valuable experience that I will be able to use as a future leader”.



Exhibiting and environment-related events

•Participation in Shinagawa Eco-Festival 2004 – Ohi Plant

In June, the Ohi Plant took part in the Shinagawa Eco-Festival 2004 organised by Shinagawa Ward. The Festival invited people to

experience the immediacy of nature and the environment. Nikon exhibited a “Nature-Watching Corner” with fieldscopes and telescopes in its booth, to the delight of many participants.



•Participation in Ibaraki Prefectural Environment Fair -- Mito Plant

In October, the Mito Plant took part in the fourth Ibaraki Prefectural Environment Fair organised by Ibaraki Prefecture. The plant displayed panels explaining their environmental activities and

organised an observation corner where visitors could examine shellfish hatchlings, as well as a space where old lenses were turned into magnifying glasses. Many people, including families, visited the booth.



•Participation in Bird Festivals

Nikon Vision Co., Ltd. and Nikon Photo Products Inc. took part in May’s inaugural Tokyo Bird Festival 2004, organised by the Tokyo Metropolitan government. A display of Nikon digital cameras, binoculars, fieldscopes and the integrated “extra-long distance photography system” made a great impression on visitors. In

November, Nikon Vision Co., Ltd. also took part in the Japan Bird Festival 2004, held outdoors where viewing conditions were favourable enough for almost every visitor to pick up a pair of Nikon binoculars to view faraway scenery and marvel at the clarity of the images.



Corporate Behaviour

Nikon's "Charter of Corporate Behaviour", based on company principles and ethical practices stated in "Vision Nikon 21", details

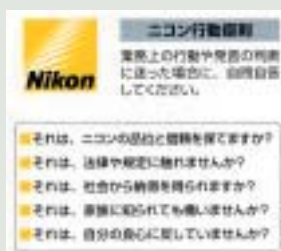
the Nikon Group's basic attitude to uphold appropriate legal behaviour as corporate citizens.

Promotion of corporate ethics

The purpose of Nikon's Charter of Corporate Behaviour is to ensure that the directors, officers and employees of Nikon Group Companies exercise sound and ethical business practices and good business judgment, so that Nikon can continue to gain the trust of Nikon Group customers, shareholders, employees, business partners, and society, and thereby enhance Nikon's brand value.



Nikon Charter of Corporate Behaviour/Code of Conduct



Nikon Behaviour Principles

Charter of Corporate Behaviour for Nikon Group Companies

1. Healthy corporate activity

The Nikon Group endeavours to obey related laws, regulations and in-house rules, which are supported by the exercise of fair and ethical business practices and by the use of good judgment, in order to gain trust from customers, shareholders, employees, business partners and society.

2. Responsibility to society as a corporate citizen

As a corporate citizen that is responsible for the future of the region, the nation, and the world, the Nikon Group endeavours to promote business activities that take into account human rights protections, improved welfare and the protection of environmental and natural resources, among others, to contribute to the healthy development of society.

3. Protection of the natural environment

Environmental conservation is a growing concern worldwide, and individuals and corporations are directly responsible for conserving the environment. The Nikon Group also strives to protect the natural environment.

4. Provision of useful goods and services for society

An important reason for the Nikon Group's existence is to contribute to the development of society and the economy through our business activities, including the production of high-quality products and the provision of excellent services.

5. Transparent operating activities

The Nikon Group constantly strives to ensure that our operating activities are fair and transparent, and in accordance with local social norms.

6. Protection of human rights

Many people with diverse backgrounds work within the Nikon Group. The Nikon Group pays careful attention to respecting individual human rights and to treating people with respect, so that each individual can concentrate on working and producing good results without fear of discrimination.

7. Provision of a healthy and safe workplace

Ensuring our employees' health and safety is a fundamental principle underlying proactive business development and the success of our employees in their individual lives. The Nikon Group endeavours to obey related laws, regulations, and in-house rules to ensure healthy and safe workplaces for all of our employees.

8. Development and utilisation of human resources

The Nikon Group aims to be a self-sustained professional group where employees are able to develop new knowledge for their jobs as the workplace evolves. To attain this, the Nikon Group provides sound and flexible workplaces in order to adapt as our business activities expand throughout the world.

9. Fair employment opportunity

The Nikon Group employs people with excellent skills and experience regardless of their nationality and gender, and their achievements are judged by their merits.

10. Accurate public relations

The Nikon Group makes timely and accurate disclosures of corporate information for better communication with its stakeholders and society.

11. Responsibility of top management

Top management and employees in managerial positions within each of the Nikon Group's business divisions must understand that they play an essential role in realising the spirit of the Charter of Corporate Behaviour, and thus, in addition to leading by example, promise to develop the internal infrastructure to ensure that the Charter of Corporate Behaviour is disseminated to everyone concerned.

When any incident occurs that may violate the Charter of Corporate Behaviour, top management will take immediate corrective measures to find the cause and prevent its recurrence, and will deal severely with all people involved in the matter, including top management itself where appropriate.

Activities for Safety, Better Health

The “Nikon Charter of Corporate Behaviour” calls for the provision of a “healthy, safe workplace environment,” stating that “the assurance of health and safety for employees is the basis of active business expansion and richer individual lives. At the Nikon Group,

we strive to abide strictly by all applicable laws and internal regulations in order to provide a safe, healthy working environment.”

Ensuring Safety at Work

Nikon constantly promotes accident prevention at all its plants, with the aim of eliminating accidents in the workplace. The General Manager of each plant acts as the Chair of a Workplace Health and Safety Committee, which includes representatives from the workforce, and meets monthly, promoting improvements in corporate health and safety management as well as employee health maintenance. The Health and Safety Committees are also responsible for addressing concerns and rolling out examples of good practices in each plant.

As a result, the Sagami-hara Plant was awarded for Excellence in Hazardous Substance Handling from the Kanagawa Dangerous Substance Safety Association and for Excellence in Pressurized Gas Handling, from Kanagawa Prefectural Central Administrative Centre.



Attitude for safety at work

Ensuring Safety on the Road

Our plant employees often commute by car, so our plants hold safe driving workshops for their benefit in cooperation with local police stations and traffic safety associations. Workshop lectures raise awareness and safe driving skills to such a degree that the Sagami-hara Plant was awarded for contributing to road safety through long-term safe driving management by the chief of the Kanagawa Police Station and a chairperson of the Kanagawa Safe Driving Management Association.



Attitude for road safety

Helping Prevent “Lifestyle Diseases”

Diseases such as high blood pressure, high cholesterol levels, diabetes and heart disease are caused or exacerbated by people’s lifestyles, and can place heavy burdens on both patients and their families. In an effort to help resolve this social problem, Nikon is working to cure and prevent such ailments, providing regular check-ups and guidance for employees diagnosed as suffering from these diseases.

All employees are given regular medical check-ups twice a year, forming the basis for health promotion programmes, and a special check-up programme exists for employees aged 35 and over. Our employees’ families are also eligible for check-ups.

The Yokohama Plant has begun a unique “Health Walk”, along with a programme of lectures and study meetings designed to prevent lifestyle-related illness. Our headquarters also conducts a series of similar lectures and meetings.

Mental Health Care Activities

Nikon places equal importance on physical and mental wellbeing. We hold lectures on mental health care and related issues.



Smoking in the Workplace

Based on the Health Promotion Law and the Workplace Smoking Guidelines issued by the Ministry of Health, Labour and Welfare, company facilities have essentially become no-smoking zones to prevent non-smokers from exposure to second-hand smoke. Smoking is only permitted in special smoking areas equipped with air cleaners, or in outdoor smoking areas. We will continue our efforts to provide our employees with healthy, comfortable workplaces.



Other Activities

Throughout the year we hold a variety of physical activities to promote good health at plant units, such as bowling and baseball competitions.



Activities for Product Safety

Nikon places a high priority on customer safety and is committed to building safety into every aspect of Nikon products, all the way

Defining Safe Design Standards

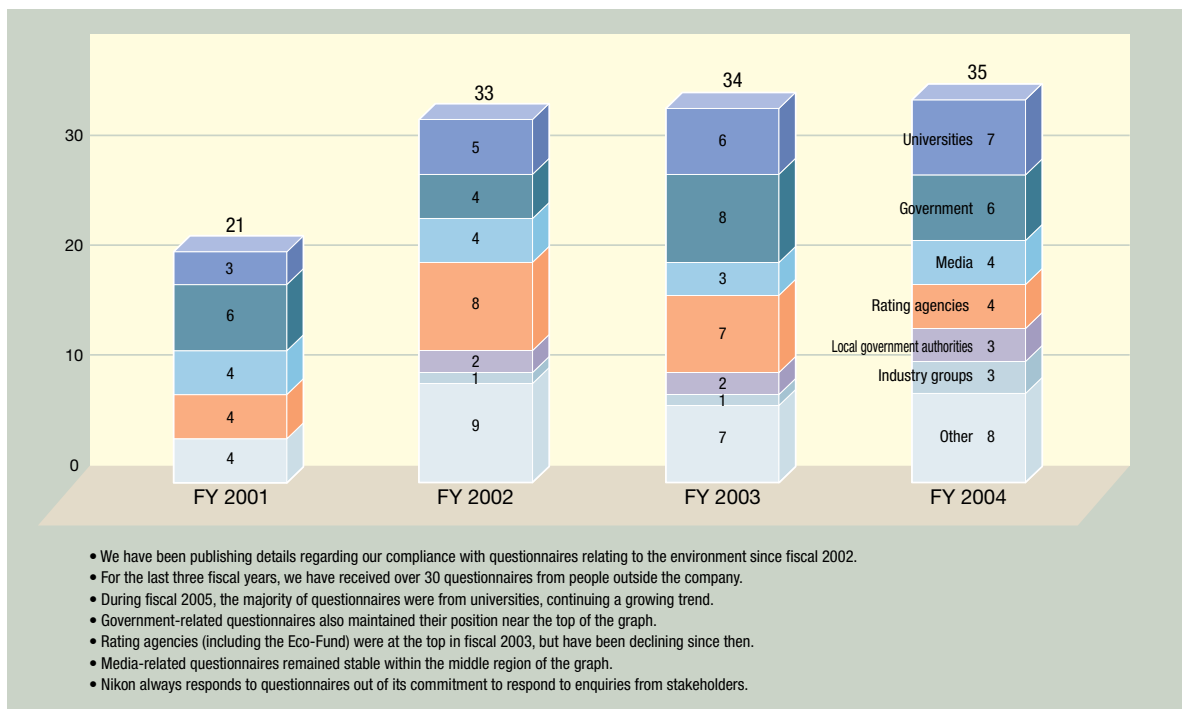
Nikon complies with all international regulations as well as the standards of each country in which it operates, as a matter of course. In addition to this, we have defined the “Nikon Safe Design Standards” to ensure that no customer is ever endangered or suffers injury or damage as a result of our products. And based on this, we have established the “Nikon Safe Design Regulations”. All our development and design activities are based on these safe design standards.

from development and design to after-sales service.

Opening of Product Safety Testing Centre and EMC Testing Laboratory

Nikon’s in-house Testing Centre verifies that Nikon products comply with international regulations and laws. Prototype testing and subsequent results are instrumental in determining product compliance. The Testing Centre is accredited by a European accreditation agency, so products that make the grade here are guaranteed to comply with standards at least as high as those that the agency applies in its own tests.

Environmental Questionnaires (from those outside Nikon)



Requests Received for Nikon Environmental Report 2004

In addition to posting this Environmental Report on our website, we also make it available in booklet form to anyone who requests it. Since Nikon Environmental Report 2004 was uploaded to our website in September 2004, we have received about 400 requests (as of the end of July 2005). This chart indicates the approximate number of copies requested by each of a number of sectors. Businesses accounted for the most copies requested, with the breakdown by type showing advertising/printing companies to be most interested, followed by the service industry and manufacturing. The second-largest sector was students, with three times as many requests for use in research than for job-hunting students. There were relatively few requests received from administrative organs and homemakers, so these numbers are represented in the “Other” portion. This data will be used in the composition and production of future reports.

