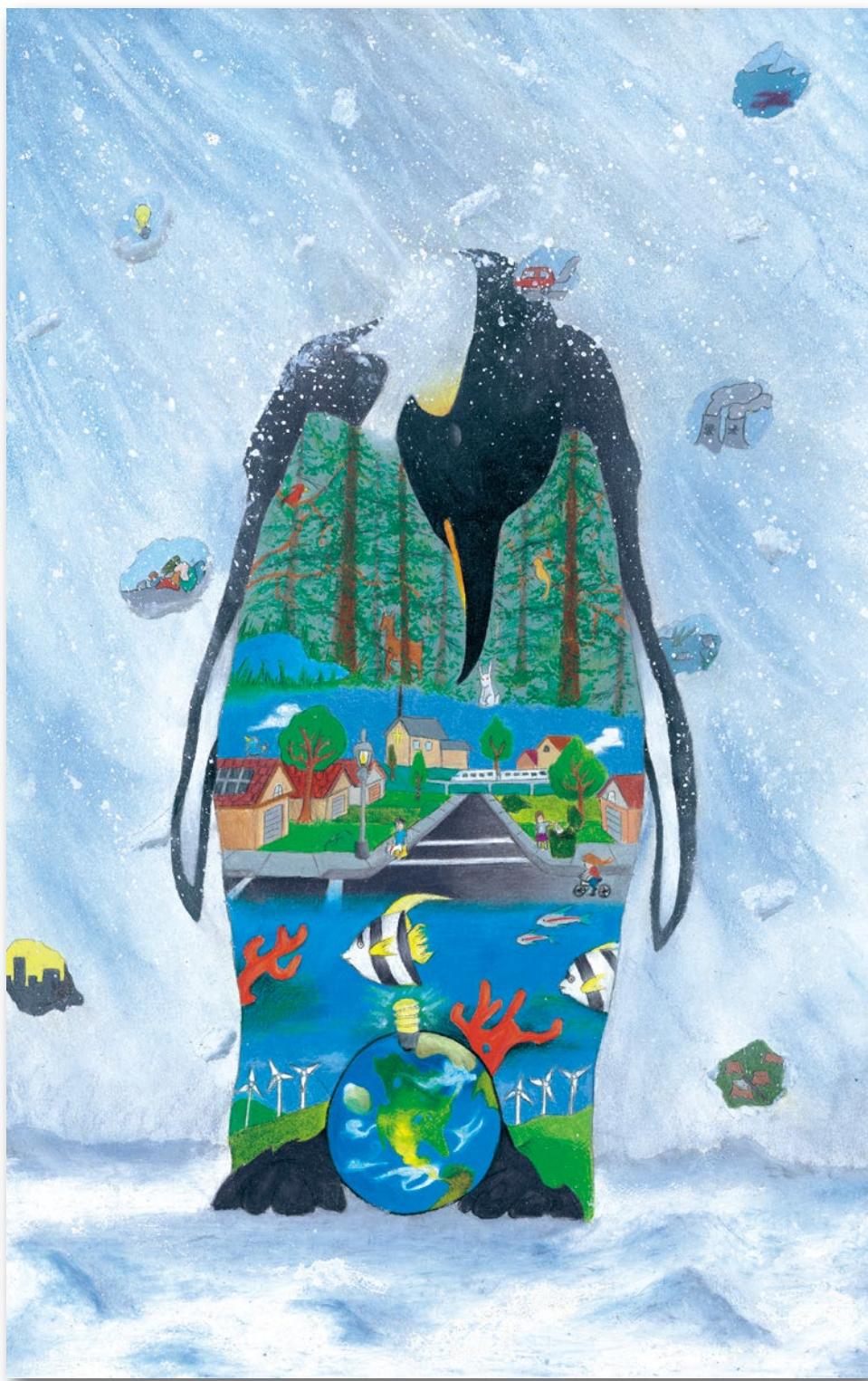




Nikon CSR REPORT 2013

Digest Version



Message from the President

To Be a Corporate Group That Consistently Offers New Value and Aims for Sustainable Growth



Makoto Kimura

Representative Director,
President, Member of the Board
Nikon Corporation

What is your opinion looking back on the business environment in the year ended March 31, 2013, and how has the Nikon Group been conducting its CSR activities under such circumstances?

Although emerging economies have the potential to achieve further growth, the world economy is still stagnant and we have been facing ongoing challenges. The Nikon Group, however, is committed to achieving sustainable growth and to this end is analyzing the present situation and identifying problems with a view to enhancing its business structure. Companies are also members of society, and those that act only in accordance with their own priorities will not be able to achieve sustainable growth. Companies are required to pursue their business in line with certain socially beneficial criteria and should perform CSR as an integral part of their corporate activities. Based on this recognition, in its Medium Term Management Plan the Nikon Group positions the commitment to "Conduct CSR-oriented global business activities" as one of its key measures and regards the following as priority CSR issues: "Expansion and promotion of environmental management," "Implementation of compliance activities," "Respect for human rights and work environments, and promoting diversity in the workforce," "Promotion of social contribution activities," and "Promotion of CSR activities in the supply chain." We have set specific targets for each issue and are carrying out activities designed to meet them.

How is the Nikon Group contributing to solving social problems through its products and services?

It is very important that, ultimately, companies contribute to the public good through their corporate activities. For its part,

the Nikon Group manufactures products that improve people's quality of life. The semiconductor and LCD exposure systems that we deal with in our precision equipment business are essential for the development of visual and information devices. In the imaging business, meanwhile, we help people to record their lives and express themselves, which is a basic human desire, through photography. In the instruments business, we provide products that support medical research and development. Moreover, in 2012 we announced that we would also enter the health and medical field and have already been conducting activities in these domains. These days, everything is changing so rapidly, including our values and lifestyles. In response to this, companies need to change, too. The Nikon Group has been taking on the challenge of transforming itself for each of the 96 years since its foundation. We will continue to take on new challenges and provide new value by responding promptly to social change.

In what other ways can companies contribute to society in addition to making contributions through their products and services?

One example would be in relation to the issue of conflict minerals, where there is a global trend among companies to prevent the infringement of human rights in Africa by fostering the fulfillment of CSR policies across their supply chains. Nikon did this by establishing a dedicated project team to develop meaningful responses to the issue and began implementing cross-organizational measures through the team. In parallel with this, we revised the Nikon CSR Charter in February 2013 to clarify the social responsibilities that Nikon will strive to fulfill across the supply chain. There are now increasing requirements on companies around the world to ensure that not only their final products but

also the products' component parts comply with CSR criteria. To meet this requirement, companies will improve their business processes, making them thereby more able to contribute to the solution of social problems.

It is also important for us to conduct activities by making use of Nikon's unique expertise. For example, to support the recovery of areas afflicted by the Great East Japan Earthquake, we have been implementing activities focusing on photography under the slogan, "Assisting Reconstruction through Photography," including the Photo Book Project for Junior High School Students. We will continue these activities in order to help share people's experiences of the massive disaster and not to let the memories fade away.

What do you think about environmental issues?

I think there are major social expectations upon us to achieve results in the environmental arena, particularly with respect to cutting greenhouse gas emissions. This ties in with resource use, which we must do efficiently since resources are not unlimited. In order to reduce the Nikon Group's total greenhouse gas emissions, I think it is necessary for us to review the emission criteria and launch new initiatives.

Also, as a company, Nikon needs to constantly consider how to help the world reduce its total emissions. For example, if the density of ICs is increased through the technological innovation of semiconductor manufacturing equipment, the products containing such ICs will use less electricity. It is important for the Nikon Group to continue taking on the challenge of proposing more solutions by making use of its technologies and know-how.

How should the Nikon Group share its CSR values across the Group as its activities become more globalized?

Within the Nikon Group, overseas sales account for 86% or more of total sales and this figure has been increasing every year. Furthermore, at least 60% of the Group's employees are working outside Japan, with those working in the Asia and Oceania regions accounting for 40% or more of the total. We are conducting businesses in three different business environments, specifically, in developed countries, emerging economies and in Japan, and Japanese values are not necessarily shared by people in other parts of the world. It is necessary for the Nikon Group to share its basic values across the Group, but in pursuing business in various countries and regions, we must learn to apply the values in a flexible manner in consideration of differences of culture, custom, history and values among the different countries and regions.

At the same time, we need to share the fundamentals of CSR as a universal value. In the event that issues relating to human rights, environmental destruction or corruption crop up in any of the regions in which we do business, we will be able to avoid the risks of legal and regulatory noncompliance and loss of brand value and maintain the trust of our stakeholders by adhering to these fundamentals.

What measures is the Nikon Group implementing to foster the fulfillment of CSR on a global scale?

The Nikon Group has been advocating the United Nations Global Compact since 2007 and expressing its support of the 10 principles on human rights, labor, environment and anti-

corruption. Also, in order to enhance the fulfillment of CSR outside Japan, we have been establishing regional systems for the comprehensive promotion of CSR activities. Furthermore, in the fiscal year ended March 31, 2013, we set the "Nikon Group HR Vision." I believe Nikon should provide all employees across the world with an environment in which they can work with high motivation as a precondition for the company to achieve sustainable growth. In order to foster globalization and diversity in a true sense, we will further accelerate the implementation of current measures, recognizing the important role to be played by the head office.

What do CSR activities mean for the Nikon Group?

In carrying out our business activities, we need to also fulfill the social roles we play with respect to our stakeholders. I got a strong sense of this when I visited a Nikon Group manufacturer in Thailand before I was formally inaugurated as president of Nikon. Visiting the factory, which employs more than 10,000 people, brought home to me my responsibilities as head of the company on which their livelihoods depend. Since then, in managing the company, I am constantly thinking about how to help improve people's quality of life in addition to focusing on the company's business performance.

The Nikon Group upholds a "spirit of innovation" and "fun" as the key to enhancing its brand. Even if it seems difficult for us to achieve a certain innovative plan, we will take on the challenge of implementing that plan with a spirit of innovation and without letting ourselves being trapped by conventional ideas. As well as letting us have fun, this process renders us able to provide customers and society at large with new value, including delivering the same "spirit of innovation" and "fun" to them. Likewise, fulfilling our CSR should be something we enjoy and have fun with, rather than something we perform as an obligation.

Let me just end by saying that we will keep working to enhance our relationship of trust with our stakeholders and continue taking on the challenge of creating new value, thereby achieving sustainable growth as a company while also helping society achieve sustainable growth.

The Five Basic Policies of the Medium Term Management Plan

Expanding the Nikon brand

We will combine the elements of "spirit of innovation" and "fun" to further expand the Nikon brand.

Realizing robust corporate characteristics

We will realize robust corporate characteristics able to respond to changes in the business climate in a flexible and timely manner.

Reinforcing a leading position

We will acquire decisive leading positions in our existing businesses.

Establishing new businesses

We will expand into new business fields to establish new core businesses within the plan year.

Corporate social responsibility (CSR)

We recognize the importance of CSR and will contribute to the sustainable development of society.



Business Activities and CSR[□] in the Nikon Group Precision Equipment Company

Supporting the Progress of the Semiconductor Industry with Immersion Technology

Developing exposure systems for high-performance semiconductors focusing on miniaturization technology

Embedded in a range of products such as home electric appliances and automobiles, semiconductors are core components that serve a control function like that of a brain. To improve the performance and functionality of such products, therefore, it is necessary to improve the performance of semiconductors. For this, miniaturization technology that can make the conduction lines that serve as the electronic circuits ever thinner is crucial. For example, if the line width is halved, the number of circuits that can be formed on the same chip increases fourfold, making it possible to manufacture semiconductors with higher performance. Electronic circuits are formed on semiconductors by demagnifying the pattern formed on the master plate, called a "reticle," through a projection lens and exposing it on a silicon wafer by using semiconductor exposure equipment. This is the most important process in semiconductor manufacturing. To support this process, the Precision Equipment Company has been developing and manufacturing semiconductor exposure systems that contribute to the further miniaturization of electronic circuits. We are supplying these products to semiconductor manufacturers around the world.

Exceeding the limits of conventional miniaturization by using water-based immersion technology

For further miniaturization, it is critical to improve the resolution of semiconductor exposure equipment, which means shortening the wavelength of the light source or increasing the numerical aperture (NA) of the projection lens. In principle, however, it is difficult to further increase the NA with the exposure light passing through air. To solve this problem, we adopted immersion technology. Specifically, we changed the medium, through which the exposure light passes from air to purified water, which has a higher refractive index. The water fills a gap of several millimeters extending between the projection lens and the wafer and so serves as an additional lens. Using this technology, we were able to improve our exposure equipment for the etching of fine lines on chips without altering the basic structure of the system.

Focus Contributing to the wider use of LCD panels through LCD exposure equipment developed using the proprietary technologies

The Precision Equipment Company also develops and manufactures LCD exposure equipment used in the production of LCD panels. We have a range of proprietary technologies in this field also, including the "multi-lens array method," which is an exposure technology that allows the user to array multiple projection lenses with high accuracy and smoothly stitches the patterns exposed by each of the lenses. This technology was commended by

World's first semiconductor exposure system based on immersion technology

In applying the immersion technology, however, we had to solve the following problems: how to maintain the water filling the gap between the projection lens and the wafer in a stable state, despite the high-speed movement of the wafer stage, and how to repeat wafer exchange without interrupting the supply of purified water. To meet these challenges, we developed the Local Fill Nozzle and Tandem Stage technologies, which have made it possible to ensure high productivity and precision without disrupting the flow of purified water. Using these core technologies, through a process of trial of error we overcome various other difficulties for the successful application of the immersion technology.

In 2006, as a result of adopting the immersion technology, the Precision Equipment Company released the world's first semiconductor exposure system equipped with a projection lens with an NA of 1.07, which is higher than the maximum NA possible when air is used as the medium (NA 1.0). Since then, we have been developing and releasing a succession of systems that perform even better. High-performance semiconductors made using the immersion technology are already embedded in a range of products that contribute to convenience and quality of life.



The ArF Immersion Scanner NSR-S621D a semiconductor exposure system released February 2012, was also developed using immersion technology.



Hiroto Horikawa
First Development Section, Next-Generation Product Development Department, Development Headquarters, Semiconductor Equipment Division, Precision Equipment Company, Nikon Corporation

Since Horikawa began participating in the development of semiconductor exposure equipment he has designed stages and bodies of semiconductor exposure equipment. He is now in charge of designing the concepts for next-generation models.

the Prime Minister of Japan in the product and technological development division at the Fourth Monozukuri Nippon Grand Award in recognition of its contribution to the manufacture of larger LCD panels—something that was difficult with conventional equipment—and to the efficient production of large, high-quality LCD panels, which thereby fostered the rapid spread of large TVs and LCD monitors.



Business Activities and CSR in the Nikon Group Imaging Company

Family Cameras that Even Children Can Use Bring Families Closer Together

"Family cameras" turn children into keen photographers

In most families, the children are usually the ones in front of the camera. But if they can also take pictures of their parents, even more memorable family moments can be captured forever. For me, the term "family camera" means a camera that parents can let their children use without having to worry about anything going wrong.

I was engaged in the development of the compact COOLPIX S30 ("S30") camera, which is the first Nikon family camera. It's so easy to operate that even elementary school-aged children can enjoy taking photos with their parents. Both waterproof and shockproof, the camera is reasonably priced and, even though it's designed mainly for children, is equipped with all the basic functions. This makes it a unique item.

Today, people use both their cell phones and smartphones as cameras, which makes cameras a familiar item even to small children. We developed the family camera based on an aspiration to provide children with a real camera that they could have fun with. I have a child myself, so I was also thinking about my own family.



Children have no trouble using the COOLPIX S30, Nikon's first family camera

Seeking to create a camera that anyone can use based on findings from a children's photography class

Although we had begun to develop a camera that was easy for children to use, during the initial stage we had no specific ideas about its shape or price. To determine these kinds of details, the development team including myself observed a photography class for elementary school children put on by a leading newspaper with support from Nikon's Social Contribution Section. In the class, the participants used single-lens reflex cameras but we decided to develop a compact camera that would be accessible to more children.

We developed the S30 by engaging in detailed research. As a result, we came up with a shape that would be easy for a child to get a firm grip on while pressing the shutter. The lens,

meanwhile, is centered inside the body to eliminate the risk of fingers getting into the picture. Moreover, we used simple expressions for the menu screen, like "Fisheye" instead of "Add a fisheye effect."

The camera also features a message exchange function. This means that you can record two voice messages for each image. I contributed to the development of this function based on my own experiences of using a diary to exchange messages with my parents when I was a child. Using the family camera, I now enjoy exchanging voice messages with my child along the lines of "I took a photo of a flower" and "Wow! It's really big." As a member of the development team, I was pleased to hear one of my child's friends asking Santa Claus for an S30 after seeing my child use one.

Easy-to-use cameras encourage budding photographers

Wanting to get family cameras into the hands of more people, we released the COOLPIX S31 in February 2013 as the successor to the S30. We have equipped the S31 with improved waterproof and shockproof protection and have also reviewed the menu for simple operation.

In the past, cameras were developed mostly for adult users. By adding family cameras to our product lineup, we have actually provided families with a new communication tool. Designed mainly for use by children, these family cameras are also good for adults who are not particularly adept at using digital devices, like some elderly people, for example. In the future, I hope to develop more cameras that will help bring families closer together.

Yukako Yamada
Junior Executive Staff,
Marketing, Consumer Products
Marketing Department,
Marketing Headquarters,
Imaging Company, Nikon Corporation
Yamada joined the company in 1996 and was assigned to the marketing section of the camera division. She was then transferred to the newly created Marketing Headquarters and has since been engaged in product planning for the COOLPIX.





Business Activities and CSR¹ in the Nikon Group Instruments Company

Contributing to the Generation of Revolutionary iPS Cells with the Integrated Cell Culture Observation System

iPS cell recording by the BioStation CT eliminates need for visual monitoring

Induced pluripotent stem (iPS) cells are cells that can be differentiated into any kind of human cell, including skin and organ cells. The term "iPS" is well known in the public domain, thanks to the work of Professor Shinya Yamanaka, a leading researcher who won the 2012 Nobel Prize in Physiology or Medicine in 2012. Because they can be applied to the development of new pharmaceuticals and regenerative medicine, iPS cells are attracting considerable attention. The culture of the sensitive cells needs to be monitored and recorded, for which the BioStation CT cell culture observation system made by the Instruments Company is quite useful. The system is equipped with an incubator, which provides a suitable environment for the cell culture (37 degrees Celsius, humidity exceeding 90%, and a fixed concentration of CO₂), and has a built-in high-precision microscope that enables the automatic monitoring and filming of the live cells. Research into iPS cells is conducted through the following three processes: (1) reprogramming to make iPS cells by implanting specific genes into cells derived from the skin and others; (2) multiplication to increase the number of iPS cells; and (3) induction of the differentiation of iPS cells into various kinds of cells. There is a range of problems to be solved in each of the three processes. In the reprogramming process, for example, the possibility of successful iPS cell generation is as low as about one in 10,000. Moreover, in the past, researchers had to monitor cell changes with their own eyes using a microscope.

The team at the Kyoto University research center headed by Professor Yamanaka was among those who checked the generation of iPS cells themselves until they installed a BioStation CT in 2008, one year after the product's release.

Identifying iPS cells through phase-difference observation based on the difference in light refraction between cells

We subsequently received a request from Professor Yamanaka's team to add a function to automatically identify whether or not the iPS cells have been generated. In response, we developed an algorithm for image analysis and measurement software. Specifically, we adopted the phase-difference observation technology to identify iPS cells based on the difference in the refraction of light between cells, which is caused by differences in the cell thickness, as well as on pattern recognition technology developed for our semiconductor testing equipment. Compared with the conventional method in which fluorescent substances are used to color cells to identify the targeted cells, the phase-difference technology is technically more difficult. However, we made efforts to develop the technology to create a system that can

ensure the safety of iPS cells, which will be utilized for medical treatment.

As our first full-scale cell culture and observation apparatus, the development of the BioStation CT posed a variety of new challenges. Researchers who used the prototype gave it a high rating, saying, "We can see cells very clearly using this system." These comments were very encouraging in our efforts to overcome a range of difficulties in the development stage.

For the practical application of iPS cells, it is necessary to continue further research, for which the BioStation CT will be of great help. At present, iPS cells are being generated around the world using a range of methods, but the quality of the generated cells is not always assured. In light of this fact, since 2012, we have been developing a technology to automatically identify high-quality iPS cells supported by the New Energy and Industrial Technology Development Organization (NEDO).

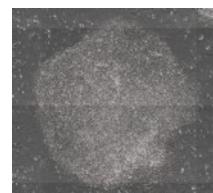


Image of an iPS cell captured by the BioStation CT's built-in high-precision microscope

BioStation CT cell culture observation system

BioStation CT technology soon to be utilized for the development of new drugs

I think iPS cells will be used for the creation of new drugs before they are applied in the field of regenerative medicine. Specifically, iPS cells might be used to discover the etiology of diseases and evaluate the efficacy of pharmaceuticals, for which the BioStation CT technology will also be useful. Some investigators have written papers on research they've conducted on iPS cells using the BioStation CT system, which indicates the real contribution made to the field of medicine by the Instruments Company through its products. In February 2012, we launched the New Business Development Section within the in-house company.

Through this section we will continue to manufacture products that are even more useful to society, capitalizing on the BioStation CT technology.



Yasujiro Kiyota
Manager, New Business Development Section,
Business Planning Department, Instruments
Company, Nikon Corporation
Kiyota has been engaged in the development of
the BioStation CT since 2004. In 2012, he was
transferred to the Business Planning Department
and has since been implementing business
expansion initiatives for the BioStation CT.

[Nikon-Essilor Co., Ltd.]

Opening up the Visible World with High Quality Lenses

Developing progressive lenses to suit contemporary lifestyles

Most manufacturers of corrective lenses make it their mission to help people achieve clear vision, as does Nikon-Essilor. Engaged in the development, manufacture and sale of corrective lenses and related items, it is committed to delivering products that provide people with clear vision in a comfortable manner. Nikon-Essilor was founded in 2000 as a joint venture between Nikon Corporation and leading French lens manufacturer Essilor International S.A. Since its foundation, the joint venture has been expanding by combining the design and manufacturing technologies and distribution networks of the two companies.

The core product offered by Nikon-Essilor is the progressive lens. A progressive lens is a lens with a changing gradient of optical power that provides the wearer with clear vision for both near and far distances. Digilife is a type of progressive lens that responds to contemporary needs by offering wearers even clearer, more comfortable vision when using computers and cell phones.

The optical power of Digilife changes more smoothly than conventional lenses for a better transition from far to near correction. This makes it easier for wearers to focus on computer and cell phone screens by reducing blurriness and distortion. Moreover, the lens offers a field of view that is about twice the width of a conventional progressive lens for distances of 60 to 80 centimeters in front of the wearer—about the distance most people sit from a computer monitor, which enables the wearer to see the entire screen in comfort.



* Image

Winning two prizes at the Good Design Award for products developed using Nikon's optical technologies

We developed Digilife by listening to feedback from optometry store staff who wanted to offer their customers more user-friendly progressive lenses. Understanding the importance of developing products that keep up with changing needs, we always endeavor to use Nikon's optical design technologies to best advantage.

Digilife, which is marketed as Nikon Presio Life in Japan, is a good example adapting Nikon's technological strengths to suit contemporary lifestyles. It was awarded a prize at the Japan Institute of Design Promotion's Good Design Award 2011 (also known as G-Mark Award) for its contributions to encouraging the wider use of progressive lenses. The lens coating SeeCoat Blue (marketed as Nikon See Clear Blue in Japan), which is designed to block part of the blue light emitted by LEDs used in computer screens and lighting equipment, also won a prize at the same award. This led to huge interest in the concept of blocking blue light and an explosion in the number of blue light-blocking products.

Supporting the Special Olympics with a view to providing more people with high-quality corrective lenses

We are committed to providing high-quality corrective lenses to people who need them. To fulfill this commitment, since 2004, we have been offering corrective lenses to participants in the Special Olympics, a sports event for people with mental developmental disabilities. As a manufacturer of corrective lenses, our aim is to help these athletes enjoy a better quality of life and participate fully in society by providing them with corrective lenses and sharing with them the importance and joy of clear vision.

There's no doubt that it's difficult for people to choose the most optimal corrective lenses for themselves. We therefore make every effort to offer comprehensive responses to all consumer inquiries in an effort to mitigate any concerns to the extent possible. We regard this as one of our most important tasks and it is one for which we often receive thank-you letters from users.

Kotaro Kato
General Manager, Marketing Department,
Nikon-Essilor Co., Ltd.
Kato was transferred to Nikon-Essilor in 2000, when Nikon shifted its ophthalmic business to the joint venture, and is currently in charge of marketing for corrective lenses.



Highlights of CSR Activities

April 2012—March 2013

Throughout the year Social Contribution

Continuing activities under the slogan, "Assisting Reconstruction through Photography"

It is more than two years since the Great East Japan Earthquake. To support recovery efforts, the Nikon Group has been conducting a range of activities under the slogan, "Assisting Reconstruction through Photography." Conducted under the belief that it is important that they be continued on a long-term basis, these activities include the Photo Book Project for Junior High School Students, in which we donated compact digital cameras and held photography classes. In this project, each school compiles its own unique photo book as the students take and select their photos, and later add lines to convey their feelings. In addition, the Nikon Group has been operating the Nikon Plaza Sendai, our base for supporting recovery efforts, and giving special support to the Smile Tohoku Project, organized largely by newspaper publishers located in Tohoku region. Moreover, the Group supports employees who choose to take part in volunteer activities.

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Each of the junior high school students participating in the Photo Book Project received their photo books during the third term.

July 2012/Nov. 2012 Development of a CSR infrastructure

The Imaging Company's customer satisfaction measures win high external evaluation

The Nikon Group is committed to increasing customer satisfaction by improving its repair and other service systems, in addition to manufacturing high-quality products.

In Japan, the Imaging Company held first place for the third year running in the digital camera division in 2012 in terms of customer satisfaction with after-sale service in a survey published by weekly publication *Nikkei Business* in July 2012. Overseas, Nikon Imaging Korea Co., Ltd. became the first camera sales company to win Chairman of Korea Fair Trade Commission Award from the South Korean government in November 2012, in recognition of its efforts to improve customer service by establishing a customer response system while fostering communication with customers through Facebook.

● PDF Version: p. 25



The chairman of Korea Fair Trade Commission Award commemorative pennant and certificate of merit

Oct. 2012 Development of a CSR infrastructure

Establishing the Information Security Headquarters to enhance the entire Group's information management system

Nikon established the Information Security Headquarters, which reports directly to the president, in October 2012. Through this new system, we are ensuring a high level of information security in line with local conditions in each country and region where we operate.

Moreover, we have distributed the Nikon Group Information Security Handbook to employees to ensure that each of them comply with the information security rules based on a full understanding of the importance of information management. In the year ended March 2013, we revised the handbook by adding items on smart phones and social media to it.

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Nikon Group Information Security Handbook

Nov. 2012/Mar. 2013 Human Rights, Labor and Diversity

Global Human Resources Management Meeting held to formulate the "Nikon Group HR Vision"

The Nikon Group has been developing global personnel measures. As part of this effort, the Group held its first Global Human Resources Management Meeting in November 2012, inviting employees responsible for human resources from major countries. At this meeting, participants shared the Group's policies on overseas personnel networking and global HR development to be implemented in each country. Subsequently, in March 2013 we formulated the "Nikon Group HR Vision" by incorporating the results of the meeting. We will ensure that all domestic and overseas employees will be aware of the vision, will implement personnel measures to develop human resources in line with the vision, pursue the development of abilities, and conduct personnel policies that respect diversity.

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Employees in charge of human resources participated in the meeting from across the world

Based on its CSR[■] Medium Term Plan, the Nikon Group is conducting a range of CSR activities across the entire Group. In the following, we introduce the major CSR activities of the fiscal year.

Dec. 2012 Development of a CSR infrastructure

Establishing a CSR promotion system in Europe, following its establishment in China

The Nikon Group has been enhancing its CSR promotion systems not only in Japan but also abroad by establishing regional CSR committees to strengthen its regional CSR supervision functions. Following the launch of the Chinese CSR Committee in 2011, the Group held the first meeting of the European CSR Committee in December 2012, after establishing the CSR supervision and promotion functions within Nikon Holdings Europe B.V. in the Netherlands and appointing CSR coordinators at about 30 Group sites in Europe. Moreover, the Group conducted a CSR awareness survey targeting about 1,500 employees of Nikon Group companies in Europe. In the future, we will also establish comprehensive CSR promotion systems in the Americas.

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Feedback on the quiz-format awareness survey for European employees introduced at the meeting of the European CSR Committee

Jan. 2013 Supply Chain

Starting a project to address the issue of conflict minerals

In the Democratic Republic of the Congo and neighboring countries, the illegal mining of tantalum, tin, tungsten and gold is being used by armed insurgents as a source of funding, and has led to serious problems concerning human rights abuses and the destruction of the environment at these sites. International initiatives have been implemented to solve the problems related to these four "conflict minerals" and, in January 2013, the Nikon Group also launched a cross-organizational project on this issue. Subsequently, in February, the Group set the policy of not using conflict minerals mined or intermediated by armed groups. Since then, the Group has been implementing measures to ensure adherence to this principle, including checking the origins of the four minerals procured by the Group, for which we have received cooperation from our procurement partners.

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Kick-off meeting held for the project on the issue of conflict minerals

Feb. 2013 Development of a CSR infrastructure

Revising the Nikon CSR Charter to enhance supply chain-related measures[□]

In February 2013, the Nikon Group revised the Nikon CSR Charter by adding "Socially responsible behavior within supply chain" as a new item. Based on this revised charter, we will further advance our measures for green and CSR-oriented procurement[□] and accelerate the measures aimed at solving a range of supply-chain-related problems including human rights violations and the destruction of the environment.

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Mar. 2013 Development of a CSR infrastructure | Supply Chain

Holding a stakeholder dialogue meeting[□] to increase the effectiveness of CSR activities

Convinced of the importance of engaging in dialogue with stakeholders[□], the Nikon Group has been conducting CSR activities and holding stakeholder dialogue meetings with experts in various fields since the year ended March 31, 2011. In March 2013, we held a stakeholder dialogue meeting on "CSR throughout our supply chain," inviting experts in human rights, the environment and CSR-oriented management. We will incorporate the opinions and feedback offered by these experts into our future CSR activities.

● PDF Version: pp. 12-14

Web

<http://www.nikon.com/about/csr/feature/dialogue/>



Stakeholder dialogue

Apr. 2013 Environmental Management | Supply Chain

Conduct impact assessments to determine paper procurement policies aimed at preserving biodiversity[□]

Using the Corporate Ecosystem Services Review (ESR)[□], we assessed the dependence and impact of our business activities on biodiversity. The findings revealed that we depend on ecosystems for the supply of wooden materials, wood fibers and fresh water and impact ecosystems through the use of chemical substances and emissions of CO₂. Each of our departments that are found to be dependent on or affect the ecosystem has already begun implementing biodiversity conservation measures based on the assessment results, including establishing policies for the sustainable[□] procurement of paper materials.

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Targets and Results for the Priority Issues

Priority Issues, Targets and Results for the Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

○: Achieved △: Measures started but not yet achieved

Priority issues	Targets	Results	Self evaluation
Development of a CSR [□] infrastructure	Decide on the Guidelines on Social Contribution Activities for Group Companies in the China-Hong Kong Region (including disaster relief donations) at the Chinese CSR Committee, and commence application of them	Decided on the guidelines at the Chinese CSR Committee meeting held in April 2012 and began implementing them with Nikon Holdings Hong Kong Limited serving as the secretariat	○
	Launch a coordinated system for the promotion of CSR in Europe	Conducted an employee awareness survey through the regional holding company and held a meeting of the European CSR Committee in December to enhance the CSR promotion system. Also, made preparations for the launch of compliance education in the year ending March 2014	○
Expansion and promotion of environmental management	For environment-related targets and results, please refer to the Nikon Environmental Action Plan Results for year ended March 2013 introduced on p. 30 of the PDF version		
Implementation of compliance [□] activities	Steadily conduct promotion activities within the Group to raise awareness for the Nikon Code of Conduct	Provided compliance education at 42 Group companies Conducted awareness surveys in Japan, the China-Hong Kong region and Europe	○
	Confirm the usage of all reporting/consulting systems set up within the Group, identify any problem areas, and propose remedial measures	Confirmed the usage of all reporting/consulting systems. Interviewed Group companies in China and planned the measures to foster their use in the country	○
Respect for human rights and work environments, and promoting diversity in workforce	Implement proactive employment activities (raise the number of female employees as a percentage of all employees* ¹ to at least 10% by March 2013)	The percentage of females entering the company has risen, but since the number of males employees has also grown due to the encouragement of re-recruiting retirees, the female workforce was no more than 9.7% as of the end of March 2013	△
	Implement a pilot mentor system to support the advancement of women in the workplace, and identify any issues	Completed the pilot mentor system, in which four mentor/mentee pairs participated in interviews for 6 months	○
	Commence training on corporate culture aimed at fostering motivation and a sense of unity throughout the entire Nikon Group	Provided the training 16 times, in which a total of 481 employees participated. Held the Global Human Resources Management Meeting, inviting employees responsible for human resources from overseas Group companies, where corporate culture training was also provided	○
	Conduct a Nikon Group monitoring survey on 62 Group companies* ² ; identify any issues relating to human rights and labor practices	Collected replies to the survey from the 62 companies* ² and confirmed that they had no problems regarding human rights and labor practices. Gave feedback to the companies	○
	Re-establish measures to promote diversity [□] in the Nikon Group, and publicize them within the Group	In examining the measures to be reported to the CSR Committee for implementation, conducted a questionnaire survey aimed at the Group in Japan and gave feedback to respondents	○
Co-existence with society and the natural environment	Positively promote activities supporting recovery from the Great East Japan Earthquake in a way that employees can participate	A total of 186 employees participated in the volunteer activities held 13 times in total to support recovery from the disaster. In the Photo Book Project for Junior High School Students, a total of 3,200 people from 46 schools and one education board participated, and the completed photo books were given to each of the schools.	○
	Establish common themes for the Nikon Group focused on co-existence with society and the natural environment, and promote social contribution activities	Supported and participated in the disaster recovery activities and the children's forest project in Thailand to foster co-existence with society and the natural environment, but did not establish common themes for the Nikon Group	△
	Enhance the communication of information on social contribution activities	Revised the Japanese and English website as appropriate and had the activities reported on TV and in newspapers. Also dispatched relevant information once a month through the intranet and in-house newsletters	○
	Establish guidelines for responding in the event of a disaster, and enable each Group company to provide rapid support	Formulated and began to use the disaster response guidelines in the China-Hong Kong region, but did not formulate the guidelines for areas other than the region and Japan	△
Promotion of CSR activities in the supply chain [□]	To promote CSR-oriented procurement [□] activities in supply chains, select procurement partners and conduct on-site inspections	Conducted on-site inspections on 43 procurement partners in Japan to check their CSR measures and encourage them to foster CSR activities	○
	Verify the results of the conflict minerals survey with individual procurement partners and promote awareness; also conduct ongoing surveys	Revised the relevant policies and published the revised CSR guidelines. Launched a project on the issue of conflict minerals in January 2013 to accelerate the related measures	○
	Conduct environmental management system audits on 150 procurement partners in Japan and overseas	Conducted environmental management system audits on 155 procurement partners (105 in Japan, 39 outside Japan and 11 in-house departments)	○

*1 Permanent and non-regular employees

*2 Including some non-consolidated Group companies

For each of the priority issues, we evaluate our activities and then set new targets based on the evaluation results and in consideration of new challenges.

Priority Issues and Targets for the Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

Priority issues	Targets
Development of a CSR [□] infrastructure	Provide employee education in a localized manner through regional holding companies overseas
	Formulate and implement the action plans on CSR promotion systems in the Americas through regional holding companies
Expansion and promotion of environmental management	For environment-related targets, please refer to the Nikon Environmental Action Plan for year ending March 2014 introduced on p. 30 of the PDF version
Implementation of compliance [□] activities	Conduct a survey in the Nikon Group and set the Group policies to prevent the offering of bribes to public officials
	In overseas group companies, conduct compliance awareness surveys, and provide feedback about the results to all surveyed companies through regional holding companies
Respect for human rights and work environments, and promoting diversity in workforce	Raise the number of female employees* ¹ as a percentage of all employees to at least 10% (as of March 31, 2014)
	Start the full-scale operation of the mentor system
	Make all employees, both those within and outside Japan, aware of the "Nikon Group HR Vision"
	Continue conducting the Nikon Group monitoring survey to identify any issues relating to human rights and labor practices
Promotion of social contribution activities	Encourage employees to conduct volunteer activities in the disaster-affected areas and make related presentations every month in order to ensure the disaster is not forgotten
	Increase the number of participants in the Photo Book Project for Junior High School Students in Fukushima Prefecture and ensure the completion of the books at all the schools
	Collect information about the social contribution activities conducted by Group companies across the world and raise the awareness of our employees by disclosing this information to stakeholders [□]
Promotion of CSR activities in the supply chain [□]	Continue the on-site inspections (possibly at 40 companies), discuss with overseas Group companies CSR-oriented procurement [□] from their procurement partners, and formulate and implement the necessary measures
	Explain the policies on the issue of conflict minerals to procurement partners, and survey the situation concerning the use of these minerals and disclose the obtained information within 2014
	Conduct environmental management system audits on procurement partners and chemicals management system audits within the Group, targeting a total of 150 sites

*1 Permanent and non-regular employees

Corporate Data

Company Name: NIKON CORPORATION

Head Office: Shin-Yurakucho Bldg., 12-1, Yurakucho
1-chome, Chiyoda-ku, Tokyo 100-8331, Japan
Tel: +81-3-3214-5311

Representative: Makoto Kimura, Representative Director,
President, Member of the Board

Date of Establishment: July 25, 1917

Capital: ¥65,475 million (as of March 31, 2013)

Net Sales: Consolidated; ¥1,010,493 million

Non-Consolidated; ¥749,198 million (for the year ended March 31, 2013)

Number of Employees: Consolidated; 24,047 (as of March 31, 2013)

* Permanent, Non-Regular, and Group Company Employees
Non-Consolidated; 5,583 (as of March 31, 2013)

* Employee figures include only permanent and non-regular
staff, and do not include employees of Nikon Corporation who
are temporarily dispatched to Group companies.

Major Businesses of the Nikon Group

Precision Equipment Business/Imaging Products Business/
Instruments Business/Customized Products Business/
Glass Business/Encoders Business/Ophthalmic Lenses Business

■ Number of Group Companies by Region (Consolidated)

(as of March 31, 2013)

Region	No. of companies
Japanese Nikon Group companies (excluding Nikon Corporation)	15
European Group companies (12 countries)	28
Asian/Oceanian Group companies (9 countries)	17
Americas Group companies (4 countries)	11

Web **Group companies:**

<http://www.nikon.com/about/info/group/>

■ Information disclosure media for CSR[□] reporting

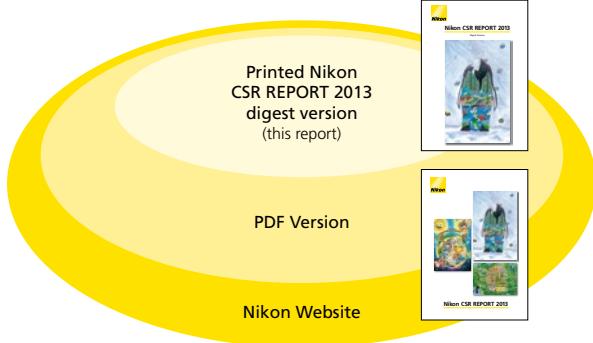
In order to report on the Nikon Group's CSR activities in the fiscal year ended March 31, 2013, we have published a PDF version of Nikon CSR REPORT 2013 online and a printed digest of the report (this report).

Please also access our website, where we post a range of information in addition to the PDF version of the Nikon CSR REPORT 2013.

<http://www.nikon.com/>

—A glossary of terms used in the PDF version is included in the appendix.

—Related information is available on the Nikon website.



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Nikon Corporation is recognized by SRI[□] rating agencies, and is included in the FTSE4Good[□] Index Series, the Morningstar Socially Responsible Investment Index (MS-SRI)[□] and the ECPI Ethical Index Global[□].



NIKON CORPORATION

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