



Nikon CSR REPORT 2014

Digest Version



Next 100 Transform to Grow

Three years ahead of Nikon's 100th anniversary, we have unveiled Next 100 - Transform to Grow, the new Medium-Term Management Plan to propel us forward into the next 100 years. We need to reinvigorate the company so that we can continue to grow for another 100 years, in the face of rapid social change and constantly changing markets in the modern world. We therefore intend to share our vision and priorities for Nikon across the entire group, so that we can join forces to take on that challenge. We will continue to reinforce core operations in the imaging products and precision equipment businesses, which have now reached maturity. At the same time, we will be implementing specific growth strategies in the medical and instruments businesses, which we have earmarked as growth sectors. As part of this process, in June 2014 we abolished our in-house company system after a period of around 15 years and established a more agile organizational framework to effectively restructure our portfolio. We are also reforming personnel programs to support our employees, which we regard as our most important resource. Our aim is to create a robust corporate structure by training employees and raising their awareness, and promoting optimum resource allocation by rotating personnel effectively.

CSR-oriented management

Even in the midst of such major changes, we continue to place top priority on CSR-oriented management here at Nikon.

As well as outlining our underlying commitment to fulfilling our social responsibilities in the Nikon CSR Charter, we have signed up to and continued to uphold the ten principles set out in the UN Global Compact since 2007, in the fields of human rights, labor, the environment and anti-corruption. We formulated the Nikon Anti-Bribery Policy in April 2014, to explicitly spell out our commitment to fighting corruption at Nikon and to strengthen initiatives accordingly.

We intend to promote and roll out activities based on specific targets for each of the group-wide major challenges set out in our Medium-Term Management Plan, namely "expansion and promotion of environmental management," "implementation of compliance activities," "respect for human rights and labor practices, and promotion of diversity in the workforce," "promotion of social contribution activities," and "promotion of CSR activities in the supply chain."

Stakeholders' expectations and Nikon's role

The role that society expects companies to play continues to expand

in scope with every passing year. In addition to existing requirements in areas such as performance, quality, costs and delivery, customers and other stakeholders are increasingly keen to know if products have been manufactured and procured in a socially and environmentally responsible manner. They want to know that products were not made under poor working conditions, for instance, and that they will not harm the environment. CSR has become an essential part of all business activities.

The issue of conflict minerals is a prime example. The international community is committed to creating mechanisms to ensure that the procurement of raw materials and components does not violate human rights or damage the environment. We investigate the source of minerals contained in our products throughout the supply chain, so that we can play our part here at Nikon too. Such investigations may not be easy, given the breadth, depth and complexity of Nikon's supply chain, but we are working with our procurement partners and industry organizations to do everything we can.

In May 2014, we announced the establishment of a Nikon scholarship program in Laos, where we commenced operations at a plant manufacturing parts for digital cameras in October 2013. The scholarship program in Laos is just one example of our wide-ranging initiatives. We engage in communication with local communities at all of our facilities, and strive to do our bit for local development as a member of society. We believe that social development is crucial to our sustainable growth as a company.

Establishing promotion systems the world over

Nikon is a global company with operations all over the world. Although we maintain the same group-wide philosophy when it comes to promoting CSR, we assign different priorities and determine effective methods based on factors in each country, including their culture, customs and legal systems. To enable us to share broad policies throughout the group, whilst adapting operations at the local level, we have divided our operations into six regions around the world, and established a regional management and promotion framework revolving around holding companies in each region. We will have a global CSR promotion system in place by the end of fiscal 2014, making it easy for us to share information with all facilities, including those in Japan, and roll out training and other such activities.

To understand the expectations of our stakeholders and the public, pinpoint what we need to do as a company, and reflect that in our group-wide activities, we need each and every one of our employees

to appreciate the importance of that process. Having established CSR promotion systems in each region of the world, those systems will play an important role in raising awareness amongst employees throughout the Nikon Group.

Creating new value through our business

We want Nikon to be a company that continually provides new value through unique technologies, ideas and solutions, in order to make the world a better place and improve people's lives. In fact, we decided to enter the medical business because we firmly believe that Nikon technologies can cater to as-yet untapped needs in the medical sector. Another example is climate change. As well as working on energy-saving products in order to reduce environmental impact, we want to come up with new concepts and make the most of Nikon technologies, so that we can do our bit to reduce greenhouse gas emissions throughout society.

It is easier to "create" when you combine various different strengths. Nikon is committed to providing support to enable women to play a greater role in the workplace, which is something of an issue in Japan, and to developing global human resources too. I firmly believe that, if we can harness the potential of each and every one of our employees

and combine their wide-ranging strengths, we will be able to create something new and lead Nikon towards sustainable growth in the future.

Approaching our 100th anniversary

Companies exist within society. Ultimately, companies' activities have to make people happy. Companies can only survive if they have earned the public's trust. If they can't create new value, they will struggle to keep on growing. When we decided to enter the medical business, we had our philosophy "Trustworthiness and Creativity" clearly in mind. Here at Nikon, we regard CSR activities as the process of embodying that philosophy of "Trustworthiness and Creativity." As we take our next step towards becoming a company that will still be here in 100 years' time, we remain fully committed to genuinely living up to society's expectations.

August 2014



Makoto Kimura

Makoto Kimura
Chairman of the Board
Representative Director



Kazuo Ushida

Kazuo Ushida
President
Representative Director

Reinforcing CSR at Group Companies Outside Japan, Revolving Around Regional Holding Companies

Establishing regional CSR promotion systems

Given the heavy weighting of overseas operations in the Nikon Group, in terms of both net sales and employee numbers, it has been increasingly important to develop CSR activities at Group companies outside Japan. Working with different social factors such as cultures, languages, historical backgrounds, and legal systems however, there are limits to how far we can promote CSR in the same way across all countries. In an effort to advance initiatives in a consistent manner that also takes into account regional characteristics, we have put in place systems to enable three holding companies in Asia-Oceania, Europe and the Americas, namely Nikon Holdings Hong Kong Limited (NHH) in Hong Kong, Nikon Holdings Europe B.V. (NHE) in the Netherlands, and Nikon Americas Inc. (NAI) in the US, to supervise and promote CSR in each region.

Rolling out an integrated regional CSR system globally

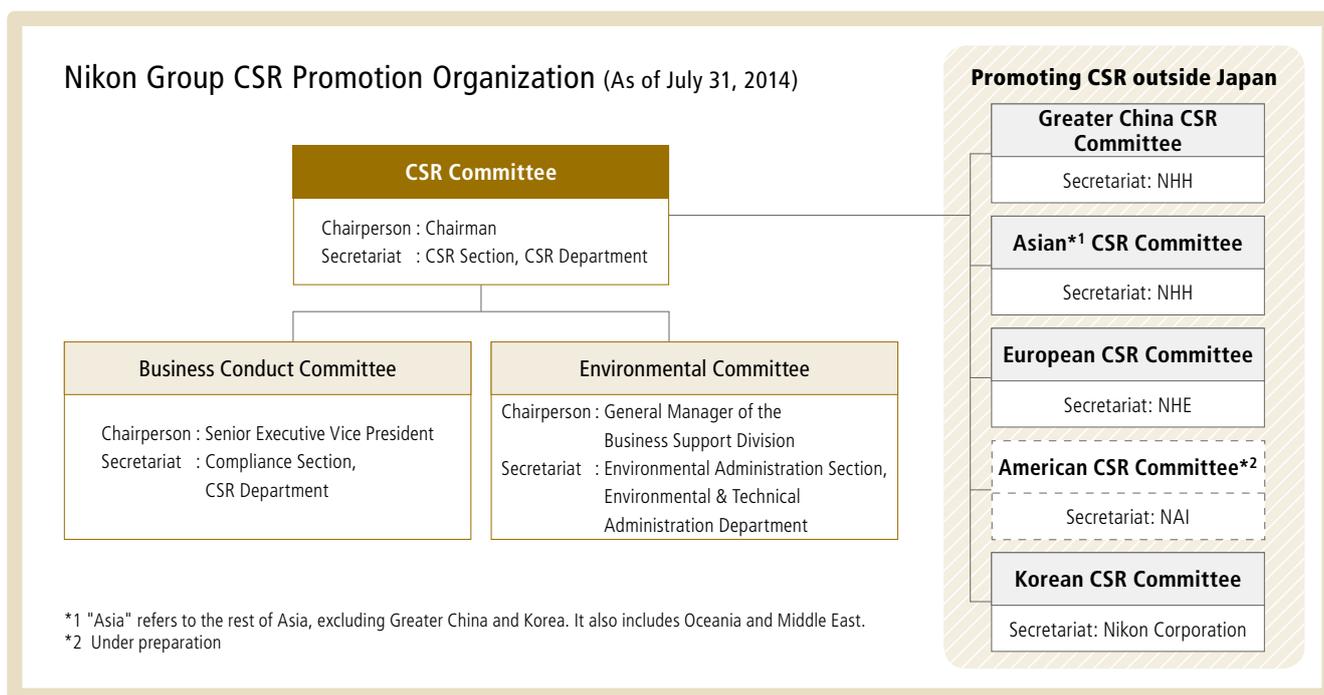
The first region to introduce the system was China and Hong Kong. When we established NHH in August 2010, we added CSR promotion as one of its business contents and it began supervising and promoting CSR activities at nine Group companies in the region. We established a Chinese CSR Committee consisting of Group company presidents, with the aim of discussing and making decisions regarding CSR-related matters in the China and Hong Kong region. We also appointed CSR coordinators at each company and began organizing liaison meetings at least once a year. As well as strengthening coordination between NHH

and Group companies, these initiatives have provided opportunities to share information among Group companies and improve CSR activities on an integrated regional basis. In the year ended March 31, 2014, our Group company in Taiwan joined as a member and all companies in the region started CSR activities with the name of "Greater China." NHH also started to supervise and promote activities in other parts of Asia (excluding Korea), separately from China, Hong Kong and Taiwan. We also established new CSR sections at our existing holding companies NHE and NAI, and set about rolling out similar systems to Europe, the Americas and Korea in phases. We are planning to establish comprehensive infrastructure for the promotion of CSR in worldwide basis within year 2014.

CSR activities with an emphasis on regional features

What we started as CSR activities in each region is "implementation of compliance activities," that is one of the five priority issues earmarked by Nikon. We conducted employee surveys to gauge the levels of compliance awareness, and also to check the level of CSR awareness and activities in general and employees' sense of belonging. We will also start examining the necessity of regionally standardized code of conduct, as well as education based on the Nikon CSR Charter, the ten principles of the UN Global Compact, and the results of our own employee awareness surveys.

Whereas activities such as these are common across all regions, there are significant differences between regions in practical terms, such as



approach, speed and point of argument. In Europe, we have formulated a standardized regional code of conduct that includes interpretations specific to conditions within the region.

We have also been expanding the contents of activities in line with progress in each region. Having initiated supervision and promotion first in Greater China, this region has now started "promotion of social contribution activities" too. It is sharing information on activities at individual Group companies throughout the region and has started publishing local CSR reports for Greater China every year. Making the most of its expertise from Greater China, NHH has also set out a framework for systematically implementing and reporting social contribution activities in Asia.

The driving force behind change across the Nikon Group

In the process of promoting CSR activities in each region, there are a number of points that need to be taken into consideration, including differences in languages and legal systems, geographical distances, and varying levels of CSR awareness at individual Group companies. One of the advantages of supervising activities regionally however is that we can handle issues flexibly as they arise and enhance our ability to promote CSR initiatives.

Using these three companies - NHH, NHE and NAI - as a focal point, we are currently stepping up a range of initiatives. In the year ended March 31, 2014, we conducted a Survey on Environmental Activities (see p9 for details) to obtain insights into environmental impact and progress

with environmental activities at non-manufacturing facilities. In the year ending March 31, 2015 meanwhile, we are also planning to focus on education on the newly formulated Nikon Bribery Prevention Policy (see p10 for details).

We will continue to coordinate our Group companies in each region, as we keep promoting CSR activities throughout the Nikon Group.



European CSR Committee meeting in May 2013

Employee Awareness Surveys

We conduct employee awareness surveys to check levels of awareness amongst employees, to ascertain how well established activities are, and to enable more effective education. Examining results annually also enables us to remind employees of activities and identify issues. As well as conducting our first surveys in Asia, the Americas and Korea, in the

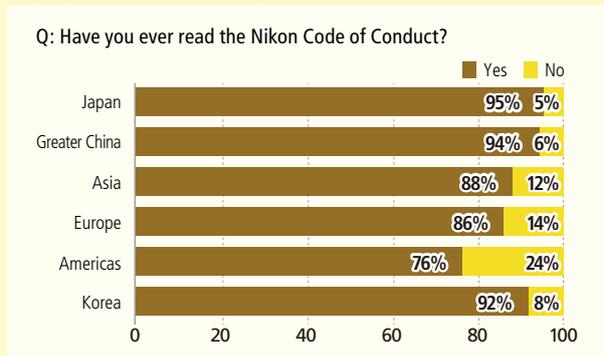
fiscal year ended March 31, 2014 we also reviewed questions for each region and compared the survey results among different regions. We will continue to analyze our findings in the future, including regional comparisons and changes over time, which will be reflected in our promotion activities.

Survey overview

Country/region	Surveys to date	Implementation period in year ended March 31, 2014	Respondents
Japan	7th round	December 2013	12,813
Greater China	3rd round	May-June 2013	1,481*
Asia	1st round	May-July 2013	563*
Europe	2nd round	February 2014	1,322
Americas	1st round	December 2013 - March 2014	912
Korea	1st round	January 2014	256

* Surveys at manufacturing companies limited to employees with computer access

Employee awareness survey results



Comments from CSR Officers in Each Region

Region: Greater China

Gladys Lee

CSR Manager, CSR Section,
Nikon Holdings Hong Kong Limited



Greater China was the first region in the Nikon Group to set up a CSR supervision and promotion system and launch activities outside Japan. In the year ended March 31, 2014, we worked on improving the reporting and consultation system, ahead of other regions. As there are no precedents for any of these activities, it has been a major challenge for NHH. After extensive discussions regarding the direction and contents of our activities however, ideas have gradually taken shape. The results of our third employee awareness survey, in 2013, indicate that levels of CSR and compliance awareness amongst employees are higher than ever before. We are encouraged to know that our understanding of Nikon's CSR activities has been raised amongst Group company employees.

Region: Europe

Ena Okada

CSR Manager, CSR Section,
Nikon Holdings Europe B.V.



If we were to describe Europe in one word, it would be the word "diversity." We have created the Nikon European Code of Conduct and rolled out the training, but it has taken considerable time as we have worked with 35 Group companies in 22 countries in 13 languages, with different cultures, customs and regulations. We often face a situation where what works in one country does not work at all in another country. In addition, it is a characteristic of Europe that the general public as well as employees have a rather high level of CSR awareness and they are active in voicing their opinions. It is challenging and yet rewarding to lead CSR projects in Europe.

Region: Asia

Fanny Cheung

CSR Planning Manager,
CSR Section,
Nikon Holdings Hong Kong Limited



The Asia-Pacific is a richly varied and dynamic region. The direction of CSR activities is shaped by the needs and expectations of stakeholders across the region, something that poses a great challenge for NHH. In the year ended March 31, 2014, we focused on laying the foundations to promote compliance and supervise CSR activities, making the most of the experience and practical knowledge we have gained from promoting CSR in Greater China at NHH. The first meeting of the Asian CSR Committee is scheduled to take place during the year ending March 31, 2015. We will continue to further our activities, as we endeavor to establish trusting relationships with stakeholders throughout the region.

Region: Americas

Niro Kaihara

General Manager, CSR Section,
Nikon Americas Inc.



Although we only started CSR promotion activities throughout the Americas in the year ended March 31, 2014, the Group companies have already been working to lay the foundations, by reinforcing compliance and communicating with local communities. The results of an awareness survey however indicated that employees were largely unaware that such activities are meant to embody our philosophy of "Trustworthiness and Creativity." The survey also indicated that our employees are very proud of the Nikon brand. We intend to strengthen this pride by promoting CSR activities that are rooted in our corporate philosophy.

Targets and Results for the Priority Issues

Results for the Year Ended March 31, 2014

Self evaluation ○ : Achieved △ : Measures started but not yet achieved

Priority issues	Targets	Results	Self evaluation
Development of a CSR infrastructure	Provide employee education in a localized manner through regional holding companies outside Japan	<ul style="list-style-type: none"> Implemented region-wide e-learning through regional holding companies in Greater China, Asia, and Europe Also published CSR newsletters on the Intranet in Europe 	○
	Formulate and implement the action plans on CSR promotion systems in the Americas through regional holding companies	Developed a CSR promotion plan for the Americas and gave individual briefings to Group companies in the region. Held the first Americas CSR coordinator meeting in January	○
Expansion and promotion of environmental management	For environment-related results (for year ended March 2014), please see p.8.		
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	Expanded the scope of "bribery" from "bribe offering" to "bribe offering and taking" after conducting risk surveys, and formulated the draft Group policy aimed at prevention	○
	In Group companies outside Japan, conduct compliance awareness surveys, and provide feedback about the results to all surveyed companies through regional holding companies	Conducted surveys of all targeted Group companies outside Japan and provided feedback after aggregate analysis of the responses through the regional holding companies	○
Respect for human rights and labor practices, and promotion of diversity in workforce	Raise the number of female employees (permanent and non-regular employees) as a percentage of all employees to at least 10% (as of March 31, 2014)	The number of male employees increased due to the policy of promoting re-hiring after retirement, but the ratio of female employees joining the company is growing with the ratio rising to 10.01% (as of March 31, 2014)	○
	Start the full-scale operation of the mentor system	Started the full-scale operation of the mentor system, ten groups of twenty mentors/mentees conducted interviews. Held a joint briefing session at the end	○
	Make all employees, both those within and outside Japan, aware of the "Nikon Group HR Vision"	Used the Intranet and internal newsletters etc. to familiarize Nikon Group employees with the HR vision. Used as training materials at the Nikon Group next-generation leader training program	○
	Continue conducting the Nikon Group monitoring survey to identify any issues relating to human rights and labor practices	Collected and analyzed responses from 65 companies in the Nikon Group, including non-consolidated companies, and reported to the CSR Committee. Gave feedback to all Group companies.	○
Promotion of social contribution activities	Encourage employees to conduct volunteer activities in the disaster-affected areas of the Great East Japan Earthquake and make related presentations every month in order to ensure the disaster is not forgotten	Organized 17 rounds of employee volunteer activities. Communicated the situation in the disaster-stricken areas to approx. 22,000 persons at monthly exhibitions at Nikon Plaza Sendai and other venues, including exhibitions of photos for the Photo Book Project for Junior High School Students etc.	○
	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	In the year ended March 31, 2014, the number of participating schools in Fukushima Prefecture increased by three schools. A total of 42 schools and one organization completed photo books in Iwate, Miyagi and Fukushima Prefectures	○
	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	Conducted the first detailed survey of all Group companies. Reported periodically on the activities on the Nikon website or internal newsletter. Also reported locally on the Thai scholarship program on Group company website.	○
Promotion of CSR activities in the supply chain	Continue the on-site inspections (possibly at 40 companies), discuss with outside Japan Group companies CSR-oriented procurement from their procurement partners, and formulate and implement the necessary measures	Conducted on-site inspections at 36 procurement partners in Japan. Outside Japan, we completed the coordination of monitoring with Nikon Holdings Hong Kong Limited and Group companies with a view to standardizing the CSR guidelines	△
	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	Conducted policy briefings for all procurement partners. At the same time, conducted a survey of targeted products and compiled the results for disclosure (retrieval rate 90.5%)	○
	Conduct environmental management system audits on procurement partners and chemicals management system audits within the Group, targeting a total of 150 sites	Audited environmental management systems at 150 businesses	○

Targets for the Year Ending March 31, 2015

Priority issues	Targets
Development of a CSR infrastructure	Hold the first CSR Committee meeting in Asia, Americas and Korea, complete infrastructure development for CSR promotion in all regions (Americas, Europe, Asia and Oceania, Japan)
Expansion and promotion of environmental management	For environment-related targets (for year ended March 2015), please see p.8.
Implementation of compliance activities	<p>Thoroughly familiarize the entire Group with the Nikon Anti-Bribery Policy through the CSR departments at the regional holding companies, and the compliance facilitators, by using e-learning etc.</p> <p>Reflect the results of global awareness surveys in the promotional activities at all departments and companies and establish annual PDCA cycles</p>
Respect for human rights and labor practices, and promotion of diversity in workforce	<p>To achieve a 5% ratio for women in management positions at Nikon Corporation (as of March 31, 2017)</p> <ul style="list-style-type: none"> • Reinforce measures to support employees after they return to work and during maternity leave/childcare leave • Examine and implement leadership training • Continue the mentoring system <p>Continue to conduct monitoring surveys at the Nikon Group</p> <ul style="list-style-type: none"> • To understand the present situation for human rights and labor practices issues • To make improvements when problems are discovered • To raise awareness of human rights and labor practices that comply with international standards in the whole Group
Promotion of social contribution activities	<ul style="list-style-type: none"> • Start up scholarship programs Laos • Continue support of junior high school students, employee volunteers, and activities at Nikon Plaza Sendai as part of the Great East Japan Earthquake reconstruction efforts • Conduct and analyze a survey of social contribution expenditure of the Group companies
Promotion of CSR activities in the supply chain	<ul style="list-style-type: none"> • Conduct a survey by narrowing down targets for a place-of-origin survey for conflict minerals • Implement in-house training with the aim of establishing voluntary survey methods and systems in the Year Ending March 31, 2016 <p>Standardize CSR guidelines and conduct monitoring to verify the standards (several companies including outside Japan)</p> <p>Audit environmental management systems at 80 sites (Target: 60 companies in Japan/ 20 companies outside Japan), and train audit leaders</p>

Environmental Action Plan

Results for the Year Ended March 31, 2014 [Summary]

Self evaluation ○ : Achieved △ : Measures started but not yet achieved

	Theme	Targets	Results	Self evaluation
Product-related activities	Energy conservation (prevention of global warming)	<ul style="list-style-type: none"> Improve overall energy efficiency Improve overall energy efficiency of new representative products released during the year ending March 31, 2014 	<ul style="list-style-type: none"> Improved average power consumption efficiency for all models of newly released products As an example, improved power consumption efficiency for the D3300 Nikon DX format digital SLR camera (launched in Feb. 2014) by 25% (compared to D3200) 	○
	Reduction in the use of hazardous chemical substances	<ul style="list-style-type: none"> Maintain 100% compliance for products subject to the RoHS Directive 	<ul style="list-style-type: none"> Continued to maintain 100% compliance for products subject to the RoHS Directive 	○
	Distribution	<ul style="list-style-type: none"> Reduction in environmental impact of physical distribution Foster the visualization of CO₂ emissions from international distribution 	<ul style="list-style-type: none"> Understand CO₂ emissions due to distribution between Nikon and outside Japan Calculated CO₂ emissions from distribution in Europe 	○
Activities at facilities	Reduction in GHG emissions (CO₂ emissions from energy use)	<ul style="list-style-type: none"> Total CO₂ emissions from Nikon Corporation and Group manufacturing companies in Japan: 135 thousand tons or less CO₂ emissions per unit of real output from Group manufacturing companies outside Japan: Achieve a 7% reduction from the baseline emissions (= average for the period from the year ended March 31, 2006 to the year ended March 31, 2008) 	<ul style="list-style-type: none"> Total CO₂ emissions from Nikon Corporation and Group manufacturing companies in Japan: 124 thousand tons Group manufacturing companies outside Japan: Reduced by 7.5% from the average for the period from the year ended March 31, 2006 to the year ended March 31, 2008 (improvement per unit of output) 	○
	Waste reduction	<ul style="list-style-type: none"> Waste from Nikon Corporation and Group manufacturing companies in Japan: Maintain at levels of the year ended March 31, 2011 (4,867 tons or less)* <p>[Zero emissions]</p> <ul style="list-style-type: none"> Facilities that have achieved level 1: Build a level S system Hikari Glass (Changzhou) Optics Co., Ltd. and Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.: Build a level 3 system 	<ul style="list-style-type: none"> Waste from Nikon Corporation and Group manufacturing companies in Japan: Maintained levels of the year ended March 31, 2011 (3,796 tons)* For facilities that have achieved level 1: Achieved level S Hikari Glass (Changzhou) Optics Co., Ltd. and Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.: Achieved level 3 	○
	Conserve forest resources	<ul style="list-style-type: none"> Collect and analyze data on reducing use of photocopy paper 	<ul style="list-style-type: none"> Nikon Corporation: Understood quantities of paper purchased for photocopying and other printouts Link to reduction during or after the year ending March 31, 2015 	○
Others	Environmental management system (EMS)	[Integrated ISO 14001 certification]		○
		<ul style="list-style-type: none"> Nikon Metrology UK Ltd. complete certification 	<ul style="list-style-type: none"> Nikon Metrology UK Ltd. obtained certification 	○

* Except valuable resources

Targets for the Year Ending March 31, 2015 [Summary]

	Theme	Targets
Product-related activities	Energy conservation (prevention of global warming)	<ul style="list-style-type: none"> Improve energy efficiency Improve energy efficiency of new products released during the year ending March 31, 2015
	Reduction in the use of hazardous chemical substances	<ul style="list-style-type: none"> Maintain 100% compliance for products subject to the RoHS Directive
	Distribution	<ul style="list-style-type: none"> Reduction in environmental impact of physical distribution Expand the scope of visualization of CO₂ emissions (distribution within Europe)
Activities at facilities	Reduction in GHG emissions (CO₂ emissions from energy use)	<ul style="list-style-type: none"> Nikon Corporation and Group manufacturing companies in Japan: 134 thousand tons or less Group manufacturing companies outside Japan: Reduce by 8% from the average for the period from the year ended March 31, 2006 to the year ended March 31, 2008 (Improvement per unit of output)
	Waste reduction	<ul style="list-style-type: none"> Waste from Nikon Corporation and Group manufacturing companies in Japan: Reduce by 1% from the moving average for the 3-year period <p>[Zero emissions]</p> <ul style="list-style-type: none"> Facilities that have achieved level S: Maintain level S Hikari Glass Co., Ltd.: Build a level 1 system Nikon Imaging (China) Co., Ltd.: Maintain level 1 Hikari Glass (Changzhou) Optics Co., Ltd. and Nanjing Nikon Jiangnan Optical Instrument Co., Ltd.: Build level 2 system
	Conserve forest resources	<ul style="list-style-type: none"> Nikon Corporation: Reduce amount of copy and printout paper purchased by 3% from the amount in the year ended March 31, 2014
Others	Environmental management system (EMS)	[Integrated ISO 14001 certification]
		<ul style="list-style-type: none"> Obtain certification for X-Tek Systems Ltd.

Highlights of CSR Activities from April 2013 to March 2014

Human Rights, Labor and Diversity

Producing globally capable leaders through Next Generation Leader Training

Having set out our Nikon Group HR Vision, we are focusing a great deal of effort on producing human resources that are capable of performing on the global stage. We organized Next Generation Leader Training courses in October 2013 and February 2014, with the aim of training and monitoring employees in leadership roles, and building a network between members of staff. We brought over members of staff from group companies outside Japan, as well as Nikon employees, and provided a four-day course of training. Participants learnt about the history of Nikon, discussed issues affecting the future development of the Nikon Group, and studied essential perspectives and insights into management. A total of 36 employees from ten countries took part in training.



Participants in an earnest discussion

Environmental Management

Supply Chain

Preserving biodiversity through the appropriate procurement of paper from forest resources

Amidst numerous reports regarding the depletion of the earth's natural forests and problems procuring raw materials for paper, in April 2013 we formulated the Nikon Group Paper Procurement Policy. We are working to publicize the policy to ensure that we procure paper in an appropriate manner. As well as conducting a monitoring survey in September 2013, to confirm details of paper procurement throughout the Group, we have set ourselves medium-term targets based on the results, to be achieved by the year ending March 2017.

In June 2014, we also participated in the Consortium for Sustainable Paper Use (CSPU), established by Japanese companies, the international environmental NGO World Wide Fund for Nature (WWF) Japan and Response Ability, Inc. with the aim of promoting environmental and social awareness in relation to paper use throughout society. As such, we are now working with other companies to improve how paper is used.



CSPU's logo

Social Contribution

Continuing to support recovery efforts for the third year Photo Book Project for Junior High School Students

The Nikon Group has continued to support recovery efforts following the Great East Japan Earthquake, based on the slogan "Assisting Reconstruction through Photography". Now in its third year, a total of 2,850 students from 42 schools and one organization took part in the Photo Book Project for Junior High School Students during the year ending March 2014. Students took photos, selected their favorites, and contributed them to a photo book along with captions expressing their feelings. Nikon meanwhile donated compact digital cameras and provided support through activities such as organizing photography classes at schools. We have also continued to run Nikon Plaza Sendai, our base of activities in support of recovery efforts, and to provide support for employees taking part in volunteer activities (159 employees have taken part in 17 rounds of volunteer activities to date).

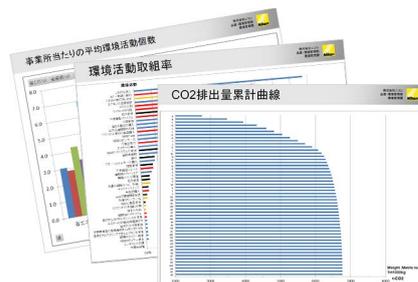


Photo book made by junior high school students in Iwate, Miyagi and Fukushima prefectures

Environmental Management

Survey of non-manufacturing facilities with Questionnaire on Environmental Activities

In September 2013, we sent a questionnaire to 80 facilities asking them about their environmental activities. The survey was aimed at checking the environmental impact and environmental activities at non-manufacturing facilities, such as offices, warehouses, and showrooms outside Japan. We are planning to introduce simplified environmental management systems based on the results of this questionnaire.



Analysis results of 80 facilities

Supply Chain

Conducting conflict mineral surveys in cooperation with procurement partners

We promote CSR also in respect of throughout the supply chain, in an effort to strike a balance between improving social and environmental conditions, and achieving sustainable growth as a company. Within current social issues in the world, one of the most serious one is that of conflict minerals originated from the Democratic Republic of Congo and its neighboring countries. The Nikon Group has adopted a basic policy of not using conflict minerals mined or intermediated by armed forces violating human rights in the area. In order to cut off funding to such groups, we have been conducting surveys in our supply chain since 2011 to determine policy compliance. In 2013, we formed a cross-departmental project team in the company and surveyed our main products. We achieved a response rate of 90.5% in our 2013 survey, and continue to strive to achieve "conflict-free" Nikon products in cooperation with our procurement partners in 2014 and beyond.

Web Dealing with the Issue of Conflict Minerals
<http://www.nikon.com/about/csr/conflict-minerals/>



Presentation for our procurement partners at Oi Plant

Compliance

Nikon Anti-Bribery Policy

In April 2014, to enhance our anti-bribery commitment and reiterate the Nikon zero-tolerance approach toward bribery, we established the Nikon Anti-Bribery Policy after evaluating the bribery risks and surveying opportunities to interact with public officials in the course of work by interviewing employees who had returned from postings outside Japan. Going forward, we will conduct a thorough campaign to inform the whole Group of this policy to ensure that it will be known to all employees. We will also develop guidelines suited to the realities on the ground in each region.

Web Nikon Anti-Bribery Policy [Full text]
<http://www.nikon.com/about/csr/compliance/code-and-rules/policy/>

Social Contribution

Launching two new scholarship programs in Laos to help develop human resources for the future

To coincide with the start of operations at Nikon Lao Co., Ltd. in Laos in 2013, the Nikon Group established two scholarship programs in May 2014 to help develop human resources that will play a supporting role in the country's future and strengthen friendly relations with Japan. The "Nikon-EDFJapan Scholarship for Laos" program will provide support for 100 junior high school students every year, while the "Nikon-JICA Scholarship for Laos" program will provide annual support for 40 students at Savannakhet University.

SRI index portfolio

Socially responsible investment (SRI) is a method of investment that takes into account the extent to which companies fulfil their social responsibilities, rather than focusing solely on factors such as their financial standing and growth potential. As of March 31, 2014, Nikon is included in the SRI indices listed on the right.

Date	SRI index
Since 2004	FTSE4 Good Index Series *1
Since 2010	Morningstar Socially Responsible Investment Index (MS-SRI) *2
Since 2011	ECPI Ethical Index Global *3
Since 2013	Nadeshiko Brand *4
Since 2013	Ethibel EXCELLENCE (Ethibel Investment Register) *5

- *1 Socially responsible investment index featuring the leading companies from around the world, compiled by FTSE, a subsidiary of the London Stock Exchange
- *2 Share price-linked socially responsible investment index, the first of its kind in Japan, featuring the top 150 domestic listed companies based on their social performance, evaluated and selected by Morningstar Japan K.K.
- *3 Index based on research and ratings conducted by ECPI based on companies' ESG (environmental, social and governance) performance
- *4 Awarded to businesses committed to promoting the role of women, selected and announced by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.
- *5 Investment universe consisting of companies that maintain a high level of performance from the standpoint of corporate social responsibility, selected by Forum Ethibel



Corporate Data

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: Kazuo Ushida, President and Representative Director

Established: July 25, 1917

Capital: ¥65,475 million (as of March 31, 2014)

Net Sales: Consolidated: ¥980,556 million (year ended March 2014)
Non-consolidated: ¥716,863 million (year ended March 2014)

Employees: Consolidated: 23,859 (as of March 31, 2014)
*Permanent and non-regular employees of the Nikon Group,
director of Group companies
Non-consolidated: 5,684 (as of March 31, 2014)
*Permanent and non-regular employees, not including Nikon
Corporation's employees temporarily assigned to other companies

Nikon Group's Main Businesses

Precision Equipment Business, Imaging Products Business, Instruments Business, Medical Business, Customized Products Business, Glass Business, Encoders Business, Ophthalmic Lenses Business

Number of Group Companies by Region (Consolidated) (as of March 31, 2014)

Region	No. of companies
Japan (excluding Nikon Corporation)	15
Europe	26
Asia/Oceania	18
Americas	11

Web Nikon Group Companies
<http://www.nikon.com/about/info/group/>

■ CSR report disclosure channels

We have published reports on the Nikon Group's CSR activities for the fiscal year ended March 31, 2014 on the Nikon website and in the digest version of the Nikon CSR Report 2014 (this report).

A report on our activities in Greater China is available in the local version of our CSR report for the Greater China region (simplified and traditional Chinese).

Nikon Website URL

<http://www.nikon.com/about/csr/index.htm>

Web — Related information is available on the Nikon website.

CONTENTS

Message from the Top Management	P1
Special Feature	P3
Targets and Results	P6
CSR Highlights	P9

■ Picture on the front cover

Winning entry from the International Children's Painting Competition on the Environment

Artist: Chiratchaya Kaeokamkong (12 years old, Thailand)

The picture is the first prize global winner of the 22nd International Children's Painting Competition on the Environment, jointly organized by the United Nations Environment Program (UNEP) and the Foundation for Global Peace and Environment (FGPE).

Theme: "Water – Where does it come from?"



Web The International Children's Painting Competition
<http://www.nikon.com/about/csr/society/earth/icpc/>

■ Editing department and contact details for questions or inquiries

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